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PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, July 23, 1974*

The House met at 12 o'clock noon.

Rev. Mr. W. DeWitt Dickey, Potomac United Methodist Church, Potomac, Md., offered the following prayer:

O God, our Father, call us from personal concerns to the larger concerns of Thy people. We know that Thy thoughts and Thy words are not always our thoughts and our words. We pray that our thoughts and our words may mingle with Thine and become the strength of our Nation. We believe this will help create a future that is strong and noble because we build upon the firmest of foundations. We would not turn our backs upon the great challenges of the day, but face them firmly and resolutely. Deliver us from all vindictiveness, prejudice, and cause us to extend our reach until we grasp, with clarity, all truth and righteousness in Thy holy name.

Grant unto the men and women of this great body that they will be open channels for the outpouring of love, honesty, and strength in righteousness for all the Nation.

This we ask in the name of the Father. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 15472. An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14920) entitled "An act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. BIBLE, Mr. CHURCH, Mr. METCALF, Mr. HASKELL, Mr. FANNIN, Mr. HATFIELD, and Mr. MCCLURE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15472) entitled "An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCGEE, Mr. MCCLELLAN, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. TALMADGE, Mr. HRUSKA, Mr. YOUNG, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2510) entitled "An act to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHILES, Mr. NUNN, Mr. HUDDLESTON, Mr. ROTH, and Mr. BROCK to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3190. An act to authorize appropriations for fiscal year 1975 for carrying out the Board for International Broadcasting Act of 1973; and

S. 3700. An act to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes.

TRIBUTE TO REV. MR. W. DEWITT DICKEY

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, I am delighted we have with us as guest chaplain, the Reverend Mr. W. DeWitt Dickey, pastor of the Potomac United Methodist Church. Mr. Dickey has been pastor of this fine church in Potomac, Md., for 10 years, during which, in 1969, the church dedicated a new building.

A native of Woodbine, Md., Mr. Dickey has been in the ministry for 37 years in the Baltimore Conference of the Methodist Church, a conference covering the Baltimore area and western Maryland. He is a graduate of Western Maryland College at Westminster and the Asbury Ministerial Training School of Ursinus College at Collegeville, Pa.

Mr. Dickey's father, the late Reverend Mr. T. M. Dickey, was also a much-loved minister of the Baltimore conference.

CONFERENCE REPORT ON H.R. 69, ELEMENTARY AND SECONDARY EDUCATION ACT AMENDMENTS

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93-1211)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Education Amendments of 1974".

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GENERAL PROVISIONS

SEC. 2. (a) As used in this Act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(2) the term "Assistant Secretary" means the Assistant Secretary of Health, Education, and Welfare for Education; and

(3) the term "Commissioner" means the Commissioner of Education;

unless the context of such use requires another meaning.

(b) Unless otherwise specified, the redesignation of a title, part, section, subsection, or other designation by an amendment in this Act shall include the redesignation of all references to such title, part, section, subsection, or other designation in any Act or regulation, however styled.

(c) (1) Unless otherwise specified, each provision of this Act and each amendment made by this Act shall be effective on and after the sixtieth day after the enactment of this Act.

(2) In any case where the effective date for an amendment made by this Act is expressly stated to be effective after June 30, 1973, or on July 1, 1973, such amendment shall be deemed to have been enacted on June 30, 1973.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

AMENDMENTS TO TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—SPECIAL EDUCATIONAL PROGRAMS AND PROJECTS FOR EDUCATIONALLY DEPRIVED CHILDREN

SEC. 101. (a) (1) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"DURATION OF ASSISTANCE

"SEC. 102. During the period beginning July 1, 1973, and ending June 30, 1978, the Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title.".

(2) (A) (i) (I) Such title I is amended by inserting immediately after the heading of part A the following new heading:

"Subpart 1—Grants to Local Educational Agencies".

(II) Section 103(a) of such title I is amended to read as follows:

"SEC. 103. (a) (1) There is authorized for each fiscal year for the purpose of this paragraph 1 per centum of the amount appropriated for such year for payments to States under section 143(a) (other than payments under such section to jurisdictions excluded from the term 'State' by this subsection, and payments pursuant to section 124), and there shall be authorized to be appropriated such additional sums as will assure at least the same level of funding under this title as in fiscal year 1973 for Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and to the Secretary of the Interior for payments pursuant to paragraphs (1) and (2) of subsection (d). The amount appropriated pursuant to this paragraph shall be allotted by the Commissioner (A) among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"(2) In any case in which the Commissioner determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State shall be eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3)) be determined by multiplying the number of children counted under subsection (c) by 40 per centum of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (A) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, such amount shall be 80 per centum of the average per pupil expenditure in the United States, or (B) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, such amount shall be 120 per centum of the average per pupil expenditure in the United States. In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under the two preceding sentences for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with basic criteria prescribed by the Commissioner.

"(3) (A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (C) of paragraph (1) of subsection (c), who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Commissioner, which does assume such responsibility shall be eligible to receive such portion of the allocation.

"(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this title.

"(C) The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) per centum of (i) the average per pupil expenditure in Puerto Rico or (ii) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"(4) For purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands."

(ii) Section 103(b) of such title I is amended by striking out "aged five to seventeen, inclusive, described in clauses (A), (B), and (C) of the first sentence of paragraph (2) of subsection (a)" and inserting in lieu thereof "counted under subsection (c)".

(B) Section 103(c) of such title I is amended to read as follows:

"(c) (1) The number of children to be counted for purposes of this section is the aggregate of (A) the number of children aged five to seventeen, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2) (A), (B) two-thirds of the number of children aged five to seventeen, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2) (B), and (C) the number of children aged five to seventeen, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to section 123 for the purposes of a grant to a State agency, or being supported in foster homes with public funds.".

(C) (i) Subsection (d) of section 103 is redesignated as paragraph (2) of subsection (c).

(ii) The first sentence of such paragraph (2), as redesignated by this section, is amended to read as follows:

"(A) For the purposes of this section, the Commissioner shall determine the number of children aged five to seventeen, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Commissioner shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census.".

(iii) The second sentence of paragraph (2) of such subsection (c) (as redesignated by this section) is repealed.

(iv) The third sentence of such paragraph (2) is amended to read as follows:

"(B) For purposes of this section, the Secretary of Health, Education, and Welfare shall determine the number of children aged five to seventeen, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the

Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of January of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the second calendar year preceding such month of January) or, to the extent that such data are not available to him before April 1 of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination.".

(v) The fourth sentence of such paragraph (2) (as redesignated by this section) is amended by striking out the word "When" and inserting in lieu thereof the following:

"(C) When";

and by striking out "having an annual income less than the low-income factor (established pursuant to subsection (c))" and inserting in lieu thereof "below the poverty level (as determined under paragraph (A) of this subsection)".

(vi) Section 103(e) of such title I is repealed.

(D) Section 103 of such title I is amended by adding at the end thereof the following:

"(d) (1) From the amount allotted for payments to the Secretary of the Interior under clause (B) (i) in the second sentence of subsection (a) (1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Commissioner determines will best carry out the purposes of this title, with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 per centum of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 per centum of such expenditure in the United States, whichever is the greater.

"(2) The amount allotted for payments to the Secretary of the Interior under clause (B) (ii) in the second sentence of subsection (a) (1) for any fiscal year shall be, as determined pursuant to criteria established by the Commissioner, the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. Such payments shall be made pursuant to an agreement between the Commissioner and the Secretary containing such assurances and terms as the Commissioner determines will best achieve the purposes of this title. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of section 141(a) and that the Department of the Interior will comply in all other respects with the requirements of this title, and (B) provision for carrying out the applicable provisions of sections 141(a) and 142(a) (3).".

(E) Such title I is amended by inserting at the end of part A the following:

"Subpart 2—State Operated Programs

"PROGRAMS FOR HANDICAPPED CHILDREN

"SEC. 121. (a) A State agency which is directly responsible for providing free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), shall be eligible to receive a grant under this section for any fiscal year.

"(b) Except as provided in sections 124 and 125, the grant which an agency (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the States is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), mutiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this section shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"PROGRAMS FOR MIGRATORY CHILDREN

"SEC. 122. (a) (1) A State educational agency or a combination of such agencies, upon application, shall be entitled to receive a grant for any fiscal year under this section to establish or improve, either directly or through local educational agencies, programs of education for migratory children of migratory agricultural workers or of migratory fishermen. The Commissioner may approve such an application only upon his determination—

"(A) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate these programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

"(B) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under part B of title III of the Economic Opportunity Act of 1964;

"(C) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of clauses (1) (B) and (3) through (12) of section 141 (a); and

"(D) that, in planning and carrying out programs and projects, there has been adequate assurance that provisions will be made for the preschool educational needs of migratory children of migratory agricultural workers or of migratory fishermen, whenever such agency determines that compliance with this clause will not detract from the operation of programs and projects described in clause (A) of this paragraph after considering the funds available for this purpose.

The Commissioner shall not finally disapprove an application of a State educational agency under this paragraph except after reasonable notice and opportunity for a hearing to the State educational agency.

"(2) If the Commissioner determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, or that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, he may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose he may use all or part of the total of grants available for any such State under this section.

"(3) For purposes of this section, with the concurrence of his parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be deemed to continue to be such a child for a period, not in excess of five years, during which he resides in the area served by the agency carrying on a program or project under this subsection. Such children who are presently migrant, as determined pursuant to regulations of the Commissioner, shall be given priority in this consideration of programs and activities contained in applications submitted under this section.

"(b) Except as provided in sections 124 and 125, the total grants which shall be made available for use in any State (other than Puerto Rico) for this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by (1) the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State full time, and (2) the full-time equivalent of the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State part time, as determined by the Commissioner in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under subsection (a), the Commissioner shall allocate such excess, to the extent necessary, to other States whose total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. The total grant which shall be made available for use in Puerto Rico shall be arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States. In determining the number of migrant children for the purposes of this section the Commissioner shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students.

"PROGRAMS FOR NEGLECTED OR DELINQUENT CHILDREN

"SEC. 123. (a) A State agency which is directly responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this section for any fiscal year (but only if grants received under this section are used only for children in such institutions).

"(b) Except as provided in sections 124 and 125, the grant which such an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for such children operated or supported by that agency, including schools providing education for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this section shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"(c) A State agency shall use payments under this section only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of such children.

"RESERVATION OF FUNDS FOR TERRITORIES

"SEC. 124. There is authorized to be appropriated for each fiscal year for purposes of each of sections 121, 122, and 123, an amount equal to not more than 1 per centum of the amount appropriated for such year for such sections for payments to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands under each such section. The amounts appropriated for each such section shall be allotted among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Commissioner determines will best carry out the purposes of this title.

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS

"SEC. 125. Except as provided in section 843 of the Education Amendments of 1974, no State agency shall receive in any fiscal year prior to July 1, 1978, pursuant to sections 121, 122, or 123 an amount which is less than 100 per centum of the amount which that State agency received in the prior fiscal year pursuant to such sections 121, 122, or 123, respectively.

(3) Section 121 of such title I and all references thereto are redesignated as section 126.

(4) (A) Part C of such title I is amended to read as follows:

"Part C—Special Grants

"ELIGIBILITY AND MAXIMUM AMOUNT OF SPECIAL GRANTS

"SEC. 131. (a) Each local educational agency in a State which is eligible for a grant under this title for any fiscal year shall be entitled to an additional grant for that fiscal year if it meets the requirements of subsection (b). The amount of such grant shall be determined in accordance with subsection (c).

"(b) (1) A local educational agency shall be entitled to a grant under this part for any fiscal year if the school district of such agency is located in a county in which—

"(A) the number of children described in paragraph (2) for such year amounts to at least 200 per centum of the average number of such children in all counties in the State in which such agency is located for that fiscal year; or

"(B) the number of children so described in such county for such year is 10,000 and amounts to 5 per centum of the total number of children in such county.

"(2) For the purposes of paragraph (1), the children counted with respect to a local educational agency shall be those children in the such county who are—

"(A) in families having an annual income of $3,000 or less; or

"(B) in families receiving an annual income in excess of $3,000 from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; or

"(C) living in institutions for neglected or delinquent children or being supported in foster homes with public funds.

"(3) (A) Determinations with respect to numbers of children in any county under paragraph (2) shall be made by the Commissioner on the basis of the most recent satisfactory data available to him.

"(B) (i) The number of children determined with respect to one or more counties shall be allocated by the Commissioner, for the purposes of paragraph (2), among the local educational agencies with school districts located in such county or counties.

"(ii) In any case where—

"(I) two or more local educational agencies serve, in whole or in part, the same geographical area; or

"(II) a local educational agency provides free public education for a substantial number of children who reside in the school district of another local educational agency,

the Commissioner may allocate the number of children determined under this subsection among such agencies in such a manner as will best achieve the purposes of this section.

"(C) (i) For the purposes of paragraph (2), the Commissioner shall determine the number of children from families having an annual income of $3,000 or less on the basis of the most recent satisfactory data available from the Department of Commerce. At any time such data for a county are available in the Department of Commerce, such data shall be used in making calculations under this subsection.

"(ii) For the purposes of this subsection, the Secretary of Health, Education, and Welfare shall determine the number of children from families receiving an annual income in excess of $3,000 from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act and the number of children living in institutions for neglected or delinquent children or being supported in foster homes with public funds, on the basis of caseload data for the month of January of the preceding fiscal year, or to the extent that such data are not available to him before April 1 of the calendar year in which the determination is made, then on the basis of the most recent data available to him at the time of such determination. For the purposes of this subsection, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(c) The amount of the grant to which a local educational agency shall be entitled for any fiscal year shall be—

"(A) the number of children determined with respect to such agency under section (b);

multiplied by—

"(B) 50 per centum of the average per pupil expenditure of all the local educational agencies in the State in which such agency is located.

"(d) Notwithstanding any other provision of this section, no payments for any fiscal year under this part to the local educational agencies in a single State shall exceed 12 per centum of the aggregate payments to all local educational agencies in that year under this part.

"(e) (1) The aggregate of the amount for which all local educational agencies are eligible under this part shall not exceed $75,000,000 for any fiscal year. If, for any fiscal year, such aggregate, as computed without regard to the preceding sentence, exceeds $75,000,000, the amount for which each local educational agency is eligible shall be reduced ratably until such aggregate does not exceed such limitation.

"(2) For the purpose of making payments under this part there are authorized to be appropriated not in excess of $75,000,000 for the fiscal year ending June 30, 1975.

"(f) For the purposes of this section, the term—

"(1) 'State' means the fifty States and the District of Columbia; and

"(2) 'children' includes all children aged five through seventeen, inclusive.".

(B) Effective July 1, 1975, part C of such title I is repealed.

(5) (A) Section 141(a) (1) of such title I is amended by striking out so much thereof as precedes clause (B) and inserting in lieu thereof the following:

"(1) that payments under this title will be used for the excess costs of programs and projects (including the acquisition of equipment, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools eligible for assistance under this title, the training of teachers, and, where necessary, the construction of school facilities and plans made or to be made for such programs, projects, and facilities) (A) which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families and".

(B) Section 141(a) (1) (A) of such title I is amended by adding before the "and" at the end thereof the following: "(and at the discretion of the local educational agency, in any school of such agency not located in such a school attendance area, at which the proportion of children in actual average daily attendance from low-income families is substantially the same as the proportion of such children in such an area of that agency)".

(C) Section 141(a) (2) of such title I is amended to read as follows:

"(2) that the local educational agency has provided satisfactory assurance that section 141A will be complied with;".

(D) Section 141(a) of such title I is amended by striking out "and" after paragraph (12), and by striking out paragraph (13), and inserting in lieu thereof the following:

"(13) that, where a school attendance area does not meet the requirement of paragraph (1) (A) of this subsection for a fiscal year, or in the case of a local educational agency electing to allocate funds under section 140, where such an area does not meet the requirement of that section, but did meet the appropriate requirement in either of the two preceding fiscal years, that school attendance area shall be considered to meet the applicable criterion for that fiscal year; and

"(14) that the local educational agency shall establish an advisory council for the entire school district and shall establish an advisory council for each school of such agency served by a program or project assisted under section 143(a) (2), each of which advisory councils—

"(A) has as a majority of its members parents of the children to be served, "(B) is composed of members selected by the parents in each school attendance area,

"(C) has been given responsibility by such agency for advising it in the planning for, and the implementation and evaluation of, such programs and projects, and

"(D) is provided by such agency, in accordance with regulations of the Commissioner, with access to appropriate information concerning such programs and projects."

(E) Section 141 of such title I is amended by striking out subsection (c), by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) It is the intent of the Congress to encourage, where feasible, the development for each educationally deprived child participating in a program under this title of an individualized written educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, a parent or guardian of the child, and when appropriate, the child".

(6) Such title I is amended by inserting immediately after section 141 the following new section:

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 141A. (a) To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and meeting the requirements of clauses (A) and (B) of paragraph (1) of subsection (a) of section 141, paragraph (2) of subsection (a) of such section, and clauses (A) and (B) of paragraph (3) of subsection (a) of such section 141.

"(b)(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Commissioner shall waive such requirement and the provisions of section 141(a)(2), and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

"(2) If the Commissioner determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of paragraph (a) and section 141(a)(2) shall be waived.

"(3) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allocation or allocations under this title.

"(4)(A) The Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

"(B) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.".

(7) Section 144 of such title I is amended by striking out the first sentence and inserting in lieu thereof the following: "If the sums appropriated for any fiscal year for making the payments provided in this title are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under this title for such year, the amount available for each grant to a State agency eligible for a grant under section 121, 122, or 123 shall be equal to the total amount of the grant as computed under each such section. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under part A of this title for such year, the allocations to such agencies and allocations under part B shall, subject to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated, except that entitlements under such part B shall be taken into consideration only to the extent that appropriations of such title I (excluding part C thereof) exceed $1,396,975,000 for any fiscal year and such entitlements shall not exceed $50,000,000 in any fiscal year. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 per centum of its allocation under part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 per centum of its allocation for such year. If the aggregate of the amounts to which all States are entitled under such part B exceeds $50,000,000 the entitlement of each State shall be reduced ratably until such aggregate does not exceed $50,000,000 in such fiscal year.".

(8) Section 150 of such title I is redesignated as section 152, and such title I is further amended by adding immediately after section 149 the following new sections:

"ALLOCATION OF FUNDS WITHIN THE SCHOOL DISTRICT OF A LOCAL EDUCATIONAL AGENCY

"SEC. 150. (a) For any fiscal year not more than 20 local educational agencies selected for the purpose of section 821(a)(5) of the Education Amendments of 1974 may elect, with the approval of the districtwide parent advisory council which is required to be established under section 141(a)(14) of this title, to allocate funds received from payments under this title on the basis of a method or combination of methods other than the method provided under section 141(a)(1)(A). Any method selected pursuant to this section shall be so designed and administered as to be free from racial or cultural discrimination.

"(b) Any local educational agency to which this section applies shall submit such reports to the Director of the National Institute of Education at such time and in such manner as the Director may reasonably require to carry out his responsibilities under section 821(a)(5) of the Education Amendments of 1974."

"PROGRAM EVALUATION

"SEC. 151. (a) The Commissioner shall provide for independent evaluations which describe and measure the impact of programs and projects assisted under this title. Such evaluations may be provided by contract or other arrangements, and all such evaluations shall be made by competent and independent persons, and shall include, whenever possible, opinions obtained from program or project participants about the strengths and weaknesses of such programs or projects.

"(b) The Commissioner shall develop and publish standards for evaluation of program or project effectiveness in achieving the objectives of this title.

"(c) The Commissioner shall, where appropriate, consult with State agencies in order to provide for jointly sponsored objective evaluation studies of programs and projects assisted under this title within a State.

"(d) The Commissioner shall provide to State educational agencies, models for evaluations of all programs conducted under this title, for their use in carrying out their functions under section 143(a), which shall include uniform procedures and criteria to be utilized by local educational agencies, as well as by the State agency in the evaluation of such programs.

"(e) The Commissioner shall provide such technical and other assistance as may be necessary to State educational agencies to enable them to assist local educational agencies in the development and application of a systematic evaluation of programs in accordance with the models developed by the Commissioner.

"(f) The models developed by the Commissioner shall specify objective criteria which shall be utilized in the evaluation of all programs and shall outline techniques (such as longitudinal studies of children involved in such programs) and methodology (such as the use of tests which yield comparable results) for producing data which are comparable on a statewide and nationwide basis.

"(g) The Commissioner shall make a report to the respective committees of the Congress having legislative jurisdiction over programs authorized by this title and the respective Committees on Appropriations concerning his progress in carrying out this section not later than January 31, 1975, and thereafter he shall report to such committees no later than January 31 of each calendar year the results of the evaluations of programs and projects required under this section, which shall be comprehensive and detailed, as up-to-date as possible, and based to the maximum extent possible on objective measurements, together with any other related findings and evaluations, and his recommendations with respect to legislation.

"(h) The Commissioner shall also develop a system for the gathering and dissemination of results of evaluations and for the identification of exemplary programs and projects, or of particularly effective elements of programs and projects, and for the dissemination of information concerning such programs and projects or such elements thereof to State and local educational agencies responsible for the design and conduct of programs and projects under this title, and to the education profession and the general public.

"(i) The Commissioner is authorized, out of funds appropriated to carry out this title in any fiscal year, to expend such sums as may be necessary to carry out the provisions of this section, but not to exceed one-half of 1 per centum of the amount appropriated for such program, of which $5,000,000 for each fiscal year ending prior to July 1, 1977, shall be available only for the surveys and studies authorized by section 821 of the Education Amendments of 1974.".

(9)(A) Section 141(a)(4) of such title is amended by striking out "section 145" and inserting in lieu thereof "section 433 of the General Education Provisions Act".

(B) Section 141(a)(1)(B) of such title is amended by striking out "maximum":

(C) Section 143(a)(2) of such title is amended by striking out "maximum".

(D) Section 142 of such title is amended by striking out "described in section 141(c)" and inserting in lieu thereof "provided for in section 122".

(E) Section 142(a)(1) of such title is amended by striking out "section 103(a)(5)" and inserting in lieu thereof "section 121".

(F) Section 143(a)(2) of such title is amended by striking out "or section 131".

(G) Section 143(b)(1) of such title is amended to read as follows:

"(1) 1 per centum of the amount allocated to the State and its local educational agencies as determined for the year under this title; or".

(H) The third and fourth sentences of section 144 of such title are each amended by striking out "section 103(a)(6)" and inserting in lieu thereof "section 122".

(I) Section 146 of such title is amended by striking out "section 141 (c)" and inserting in lieu thereof "section 122".

(J) Section 147 of such title is amended by striking out "section 141 (c)" and inserting in lieu thereof "section 122".

(K) Section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof the following new paragraphs:

"(16) For purposes of title II, the 'average per pupil expenditure' in a State, or in the United States, shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies as defined in section 403(6)(B) in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(17) For the purposes of title II, 'excess costs' means those costs directly attributable to programs and projects which exceed the average per pupil expenditure of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects (but not including expenditures for any comparable State or local special programs for educationally deprived children or expenditures for bilingual programs or special education for handicapped children or children with specific learning disabilities, if such expenditures for bilingual education and special education are used to provide, to children of limited English-speaking ability and handicapped children, and children with specific learning disabilities who reside in title I project areas, services which are comparable to those provided to similarly disadvantaged children residing in nonproject areas).".

(10) There is authorized to be appropriated for each fiscal year a sum not to exceed $15,700,000 to be allocated at the discretion of the Commissioner to assist those local education agencies whose total allocation under part A of title I of the Elementary and Secondary Education Act of 1965 is 90 per centum or less than such allocation under such part A during the preceding fiscal year.

(b) Except as otherwise specifically provided, the amendments made by subsection (a) and the provisions of paragraph (10) of such subsection shall be effective on and after July 1, 1974.

SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

SEC. 102. (a) Section 201(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out part B of title IV".

(b) The third sentence of section 202(a)(1) of the Act is amended by striking out "for the fiscal year ending June 30, 1968, and each of the succeeding fiscal years ending prior to July 1, 1973,".

(c) The amendments made by this section shall be effective on and after July 1, 1973.

SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES; GUIDANCE, COUNSELING, AND TESTING

SEC. 103. (a)(1) The first sentence of section 301(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out part C of title IV."

(2) The second sentence of such Act is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out part C of title IV."

(b) The third sentence of section 302(a)(1) of such Act is amended by striking out "for each fiscal year ending prior to July 1, 1973,".

(c) The first sentence of section 305(c) of the Act is amended by striking out "1973" and inserting in lieu thereof "1978".

(d) Section 307 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Commissioner shall not take any final action under subsection (f) until he has afforded the State educational agency and the local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

"(2) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under paragraph (1) of this paragraph, it may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(3) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code."

(e) The amendments made by subsections (a), (b), and (c) of this section shall be effective on and after July 1, 1973, and the amendment made by subsection (d) shall be effective on the date of enactment of this Act.

STRENGTHENING STATE AND LOCAL EDUCATIONAL AGENCIES

SEC. 104. (a) Section 501(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: "and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out part C of title IV".

(b) Section 521(b) of such Act is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation by the Commissioner during any year for which funds are available for obligation by the Commissioner for carrying out part C of title IV".

(c) Section 531(b) of such Act is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part C of title IV".

(d) The amendments made by this section shall be effective on and after July 1, 1973.

BILINGUAL EDUCATION PROGRAMS

SEC. 105. (a)(1) Title VII of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE VII—BILINGUAL EDUCATION

"SHORT TITLE

"SEC. 701. This title may be cited as the 'Bilingual Education Act'.

"POLICY; APPROPRIATIONS

"SEC. 702. (a) Recognizing—

"(1) that there are large numbers of children of limited English-speaking ability;

"(2) that many of such children have a cultural heritage which differs from that of English-speaking persons;

"(3) that a primary means by which a child learns is through the use of such child's language and cultural heritage;

"(4) that, therefore, large numbers of children of limited English-speaking ability have educational needs which can be met by the use of bilingual educational methods and techniques; and

"(5) that, in addition, children of limited English-speaking ability benefit through the fullest utilization of multiple language and cultural resources,

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all children (A) to encourage the establishment and operation, where appropriate, of educational programs using bilingual educational practices, techniques, and methods, and (B) for that purpose, to provide financial assistance to local educational agencies, and to State educational agencies for certain purposes, in order to enable such local educational agencies to develop and carry out such programs in elementary and secondary schools, including activities at the preschool level, which are designed to meet the educational needs of such children; and to demonstrate effective ways of providing, for children of limited English-speaking ability, instruction designed to enable them, while using their native language, to achieve competence in the English language.

"(b)(1) Except as is otherwise provided in this title, for the purpose of carrying out the provisions of this title, there are authorized to be appropriated $135,000,000 for the fiscal year ending June 30, 1974; $135,000,000 for the fiscal year ending June 30, 1975; $140,000,000 for the fiscal year ending June 30, 1976; $150,000,000 for the fiscal year ending June 30, 1977; and $160,000,000 for the fiscal year ending June 30, 1978.

"(2) There are further authorized to be appropriated to carry out the provisions of section 721(b)(3) $6,750,000 for the fiscal year ending June 30, 1974, $7,250,000 for the fiscal year ending June 30, 1975, $7,750,000 for the fiscal year ending June 30, 1976, $8,750,000 for the fiscal year ending June 30, 1977; and $9,750,000 for the fiscal year ending June 30, 1978.

"(3) From the sums appropriated under paragraph (1) for any fiscal year—

"(A) the Commissioner shall reserve $16,000,000 of that part thereof which does not exceed $70,000,000 for training activities carried out under clause (3) of subsection (a) of section 721, and shall reserve for such activities 33⅓ per centum of that part thereof which is in excess of $70,000,000; and

"(B) the Commissioner shall reserve from the amount not reserved pursuant to clause (A) of this paragraph such amounts as may be necessary, but not in excess of 1 per centum thereof, for the purposes of section 732.

"DEFINITIONS; REGULATIONS

"SEC. 703. (a) The following definitions shall apply to the terms used in this title:

"(1) The term 'limited English-speaking ability', when used with reference to an individual, means—

"(A) individuals who were not born in the United States or whose native language is a language other than English, and

"(B) individuals who come from environments where a language other than English is dominant, as further defined by the Commissioner by regulation;

and, by reason thereof, having difficulty speaking and understanding instruction in the English language.

"(2) The term 'native language', when used with reference to an individual of limited English-speaking ability, means the language normally used by such individuals, or in the case of a child, the language normally used by the parents of the child.

"(3) The term 'low-income' when used with respect to a family means an annual income for such a family which does not exceed the low annual income determined pursuant to section 103 of title I of the Elementary and Secondary Education Act of 1965.

"(4)(A) The term 'program of bilingual education' means a program of instruction, designed for children of limited English-speaking ability in elementary or secondary schools, in which, with respect to the years of study to which such program is applicable—

"(i) there is instruction given in, and study of, English and, to the extent necessary to allow a child to progress effectively through the educational system, the native language of the children of limited English-speaking ability, and such instruction is given with appreciation for the cultural heritage of such children, and, with respect to elementary school instruction, such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to progress effectively through the educational system; and

"(ii) the requirements in subparagraphs (B) through (E) of this paragraph and established pursuant to subsection (b) of this section are met.

"(B) A program of bilingual education may make provision for the voluntary enrollment to a limited degree therein, on a regular basis, of children whose language is English, in order that they may acquire an understanding of the cultural heritage of the children of limited English-speaking ability for whom the particular program of bilingual education is designed. In determining eligibility to participate in such programs, priority shall be given to the children whose language is other than English. In no event shall the program be designed for the purpose of teaching a foreign language to English-speaking children.

"(C) In such courses or subjects of study as art, music, and physical education, a program of bilingual education shall make provision for the participation of children of limited English-speaking ability in regular classes.

"(D) Children enrolled in a program of bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with children of approximately the same age and level of educational attainment. If children of significantly varying ages or levels of educational attainment are placed in the same class, the program of bilingual education shall seek to insure that each child is provided with instruction which is appropriate for his or her level of educational attainment.

"(E) An application for a program of bilingual education shall be developed in consultation with parents of children of limited English-speaking ability, teachers, and, where applicable, secondary school students, in the areas to be served, and assurances shall be given in the application that, after the application has been approved under this title, the applicant will provide for participation by a committee composed of, and selected by, such parents, and, in the case of secondary schools, representatives of secondary school students to be served.

"(5) The term 'Office' means the Office of Bilingual Education.

"(6) The term 'Director' means the Director of the Office of Bilingual Education.

"(7) The term 'Council' means the National Advisory Council on Bilingual Education.

"(b) The Commissioner, after receiving recommendations from State and local educational agencies and groups and organizations involved in bilingual education, shall establish, publish, and distribute, with respect to programs of bilingual education, suggested models with respect to pupil-teacher ratios, teacher qualifications, and other factors affecting the quality of instruction offered in such programs.

"(c) In prescribing regulations under this section, the Commissioner shall consult with State and local educational agencies, appropriate organizations representing parents and children of limited English-speaking ability, and appropriate groups and organizations representing teachers and educators involved in bilingual education.

"PART A—FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

"BILINGUAL EDUCATION PROGRAMS

"SEC. 721. (a) Funds available for grants under this part shall be used for—

"(1) the establishment, operation, and improvement of programs of bilingual education;

"(2) auxiliary and supplementary community and educational activities designed to facilitate and expand the implementation of programs described in clause (1), including such activities as (A) adult education programs related to the purposes of this title, particularly for parents of children participating in programs of bilingual education, and carried out, where appropriate, in coordination with programs assisted under the Adult Education Act, and (B) preschool programs preparatory and supplementary to bilingual education programs;

"(3)(A) the establishment, operation, and improvement of training programs for personnel preparing to participate in, or personnel participating in, the conduct of programs of bilingual education and (B) auxiliary and supplementary training programs, which shall be included in each program of bilingual education, for personnel preparing to participate in, or personnel participating in, the conduct of such programs; and

"(4) planning, and providing technical assistance for, and taking other steps leading to the development of, such programs.

"(b)(1) A grant may be made under this section only upon application therefor by one or more local educational agencies or by an institution of higher education, including a junior or community college, applying jointly with one or more local educational agencies (or, in the case of a training activity described in clause (3)(A) of subsection (a) of this section, by eligible applicants as defined in section 723). Each such application shall be made to the Commissioner at such time, in such manner, and containing such information as the Commissioner deems necessary, and

"(A) include a description of the activities set forth in one or more of the clauses of subsection (a) which the applicant desires to carry out; and

"(B) provide evidence that the activities so described will make substantial progress toward making programs of bilingual education available to the children having need thereof in the area served by the applicant.

"(2) An application for a grant under this part may be approved only if—

"(A) the provision of assistance proposed in the application is consistent with criteria established by the Commissioner, after consultation with the State educational agency, for the purpose of achieving an equitable distribution of assistance under this part within the State in which the applicant is located, which criteria shall be developed by his taking into consideration (i) the geographic distribution of children of limited English-speaking ability, (ii) the relative need of persons in different geographic areas within the State for the kinds of services and activities described in subsection (a), (iii) with respect to grants to carry out programs described in clauses (1) and (2) of subsection (a) of section 721, the relative ability of particular local educational agencies within the State to provide such services and activities, and (iv) with respect to such grants, the relative numbers of persons from low-income families sought to be benefited by such programs;

"(B) in the case of applications from local educational agencies to carry out programs of bilingual education under clause (1) of subsection (a) of section 721, the Commissioner determines that not less than 15 per centum of the amounts paid to the applicant for the purposes of such programs shall be expended for auxiliary and supplementary training programs in accordance with the provisions of clause (3)(B) of such subsection and section 723;

"(C) the Commissioner determines (i) that the program will use the most qualified available personnel and the best resources and will substantially increase the educational opportunities for children of limited English-speaking ability in the area to be served by the applicant, and (ii) that, to the extent consistent with the number of children enrolled in nonprofit, nonpublic schools in the area to be served whose educational needs are of the type which the program is intended to meet, provision has been made for participation of such children; and

"(D) the State educational agency has been notified of the application and has been given the opportunity to offer recommendations thereon to the applicant and to the Commissioner.

"(3) (A) Upon an application from a State educational agency, the Commissioner shall make provision for the submission and approval of a State program for the coordination by such State agency of technical assistance to programs of bilingual education in such State assisted under this title. Such State program shall contain such provisions, agreements, and assurances as the Commissioner shall, by regulation, determine necessary and proper to achieve the purposes of this title, including assurances that funds made available under this section for any fiscal year will be so used as to supplement, and to the extent practical, increase the level of funds that would, in the absence of such funds be made available by the State for the purposes described in this section, and in no case to supplant such funds.

"(B) Except as is provided in the second sentence of this subparagraph, the Commissioner shall pay from the amounts authorized for these purposes pursuant to section 702 for each fiscal year to each State educational agency which has a State program submitted and approved under subparagraph (A) such sums as may be necessary for the proper and efficient conduct of such State program. The amount paid by the Commissioner to any State educational agency under the preceding sentence for any fiscal year shall not exceed 5 per centum of the aggregate of the amounts paid under this part to local educational agencies in the State of such State educational agency in the fiscal year preceding the fiscal year in which this limitation applies.

"(c) In determining the distribution of funds under this title, the Commissioner shall give priority to areas having the greatest need for programs assisted under this title.

"INDIAN CHILDREN IN SCHOOLS

"SEC. 722. (a) For the purpose of carrying out programs under this part for individuals served by elementary and secondary schools operated predominantly for Indian children, a nonprofit institution or organization of the Indian tribe concerned which operates any such school and which is approved by the Commissioner for the purposes of this section may be considered to be a local educational agency as such term is used in this title.

"(b) From the sums appropriated pursuant to section 702(b), the Commissioner is authorized to make payments to the Secretary of the Interior to carry out programs of bilingual education for children on reservations served by elementary and secondary schools for Indian children operated or funded by the Department of the Interior. The terms upon which payments for such purpose may be made to the Secretary of the Interior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702(a).

"(c) The Secretary of the Interior shall prepare and, not later than November 1 of each year, shall submit to the Congress and the President an annual report detailing a review and evaluation of the use, during the preceding fiscal year of all funds paid to him by the Commissioner under subsection (b) of this section, including complete fiscal reports, a description of the personnel and information paid for in whole or in part with such funds, the allocation of such funds, and the status of all programs funded from such payments. Nothing in this subsection shall be construed to relieve the Director of any authority or obligation under this part.

"(d) The Secretary of the Interior shall, together with the information required in the preceding subsection, submit to the Congress and the President, an assessment of the needs of Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including those State educational agencies and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq.) and an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

"TRAINING

"SEC. 723. (a) (1) In carrying out the provisions of clauses (1) and (3) of subsection (a) of section 721, with respect to training, the Commissioner shall, through grants to, and contracts with, eligible applicants, as defined in subsection (b), provide for—

"(A) (i) training, carried out in coordination with any other programs training auxiliary educational personnel, designed (I) to prepare personnel to participate in, or for personnel participating in, the conduct of programs of bilingual education, including programs emphasizing opportunities for career development, advancement, and lateral mobility, (II) to train teachers, administrators, paraprofessionals, teacher aides, and parents, and (III) to train persons to teach and counsel such persons, and (ii) special training programs designed (I) to meet individual needs, and (II) to encourage reform, innovation, and improvement in applicable education curricula in graduate education, in the structure of the academic profession, and in recruitment and retention of higher education and graduate school faculties, as related to bilingual education; and

"(B) the operation of short-term training institutes designed to improve the skills of participants in programs of bilingual education in order to facilitate their effectiveness in carrying out responsibilities in connection with such programs.

"(2) In addition the Commissioner is authorized to award fellowships for study in the field of training teachers for bilingual education. For the fiscal year ending June 30, 1975, not less than 100 fellowships leading to a graduate degree shall be awarded under the preceding sentence for preparing individuals to train teachers for programs of bilingual education. Such fellowships shall be awarded in proportion to the need for teachers of various groups of individuals with limited English speaking ability. For each fiscal year after June 30, 1975, and prior to July 1, 1978, the Commissioner shall report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate on the number of fellowships in the field of training teachers for bilingual education which he recommends will be necessary for that fiscal year.

"(3) The Commissioner shall include in the terms of any arrangement described in paragraphs (1) and (2) of subsection (a) of this section provisions for the payment, to persons participating in training programs so described, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(4) In making grants or contracts under this section, the Commissioner shall give priority to eligible applicants with demonstrated competence and experience in the field of bilingual education. Funds provided under grants or contracts for training activities described in this section to or with a State educational agency, separately or jointly, shall in no event exceed in the aggregate in any fiscal year 15 per centum of the total amount of funds obligated for training activities pursuant to clauses (1) and (3) of subsection (a) of section 721 in such year.

"(5) An application for a grant or contract for preservice or inservice training activities described in clause (A) (i) (I) and clause (A) (ii) (I) and in subsection (a) (1) (B) of this section shall be considered an application for a program of bilingual education for the purposes of subsection (a) (4) (E) of section 703.

"(b) For the purposes of this section, the term 'eligible applicants' means—

"(1) institutions of higher education (including junior colleges and community colleges) which apply, after consultation with, or jointly with, one or more local educational agencies;

"(2) local educational agencies; and

"(3) State educational agencies.

"PART B—ADMINISTRATION

"OFFICE OF BILINGUAL EDUCATION

"SEC. 731. (a) There shall be, in the Office of Education, an Office of Bilingual Education (hereafter in this section referred to as the 'Office') through which the Commissioner shall carry out his functions relating to bilingual education.

"(b) (1) The Office shall be headed by a Director of Bilingual Education, appointed by the Commissioner, to whom the Commissioner shall delegate all of his delegable functions relating to bilingual education.

"(2) The Office shall be organized as the Director determines to be appropriate in order to enable him to carry out his functions and responsibilities effectively.

"(c) The Commissioner, in consultation with the Council, shall prepare and, not later than November 1 of 1975, and of 1977, shall submit to the Congress and the President a report on the condition of bilingual education in the Nation and the administration and operation of the title and of other programs for persons of limited English-speaking ability. Such report shall include—

"(1) a national assessment of the educational needs of children and other persons with limited English-speaking ability and of the extent to which such needs are being met from Federal, State, and local efforts, including (A) not later than July 1, 1977, the results of a survey of the number of such children and persons in the States, and (B) a plan, including cost estimates, to be carried out during the five-year period beginning on such date, for extending programs of bilingual education and bilingual vocational and adult education programs to all such preschool and elementary school children and other persons of limited English-speaking ability, including a phased plan for the training of the necessary teachers and other educational personnel necessary for such purpose, and

"(2) a report on and an evaluation of the activities carried out under this title during the preceding fiscal year and the extent to which each of such activities achieves the policy set forth in section 702(a);

"(3) a statement of the activities intended to be carried out during the succeeding period, including an estimate of the cost of such activities;

"(4) an assessment of the number of teachers and other educational personnel needed to carry out programs of bilingual education under this title and those carried out under other programs for persons of limited English-speaking ability and a statement describing the activities carried out thereunder designed to prepare teachers and other educational personnel for such programs, and the number of other educational personnel needed to carry out programs of bilingual education in the States and a statement describing the activities carried out under this title designed to prepare teachers and other educational personnel for such programs; and

"(5) a description of the personnel, the functions of such personnel, and information available at the regional offices of the Department of Health, Education, and Welfare dealling with bilingual programs within that region.

"NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

"SEC. 732. (a) Subject to part D of the General Education Provisions Act, there shall be a National Advisory Council on Bilingual Education composed of fifteen members appointed by the Secretary, one of whom he shall designate as Chairman. At least eight of the members of the Council shall be persons experienced in dealing with the educational problems of children and other persons who are of limited English-speaking ability, at least one of whom shall be representative of persons serving on boards of education operating programs of bilingual education. At least three members shall be experienced in the training of teachers in programs of bilingual education. At least two members shall be persons with general experience in the field of elementary and secondary education. At least two members shall be classroom teachers of demonstrated teaching abilities using bilingual methods and techniques. The members of the Council shall be appointed in such a way as to be generally representative of the significant segments of the population of persons of limited English-speaking ability and the geographic areas in which they reside.

"(b) The Council shall meet at the call of the Chairman, but, notwithstanding the provisions of section 446(a) of the General Education Provisions Act, not less often than four times in each year.

"(c) The Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration and operation of this title, including the development of criteria for approval of applications, and plans under this title, and the administration and operation of other programs for persons of limited English-speaking ability. The Council shall prepare and, not later than November 1 of each year, submit a report to the Congress and the President on the condition of bilingual education in the Nation and on the administration and operation of this title, including those items specified in section 731 (c), and the administration and operation of other programs for persons of limited English-speaking ability.

"(d) The Commissioner shall procure temporary and intermittent services of such personnel as are necessary for the conduct of the functions of the Council, in accordance with section 445 of the General Education Provisions Act, and shall make available to the Council such staff, information, and other assistance as it may require to carry out its activities effectively.

"PART C—SUPPORTIVE SERVICES AND ACTIVITIES

"ADMINISTRATION

"SEC. 741. (a) The provisions of this part shall be administered by the Assistant Secretary, in consultation with—

"(1) the Commissioner, through the Office of Bilingual Education; and

"(2) the Director of the National Institute of Education, notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act;

in accordance with regulations.

"(b) The Assistant Secretary shall, in accordance with clauses (1) and (2) of subsection (a), develop and promulgate regulations for this part and then delegate his functions under this part, as may be appropriate under the terms of section 742.

"RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 742. (a) The National Institute of Education shall, in accordance with the provisions of section 405 of the General Education Provisions Act, carry out a program of research in the field of bilingual education in order to enhance the effectiveness of bilingual education programs carried out under this title and other programs for persons of limited English-speaking ability.

"(b) In order to test the effectiveness of research findings by the National Institute of Education and to demonstrate new or innovative practices, techniques, and methods for use in such bilingual education programs, the Director and the Commissioner are authorized to make competitive contracts with public and private educational agencies, institutions, and organizations for such purpose.

"(c) In carrying out their responsibilities under this section, the Commissioner and the Director shall, through competitive contracts with appropriate public and private agencies, institutions, and organizations—

"(1) undertake studies to determine the basic educational needs and language acquisition characteristics of, and the most effective conditions for, educating children of limited English-speaking ability;

"(2) develop and disseminate instructional materials and equipment suitable for use in bilingual education programs; and

"(3) establish and operate a national clearinghouse of information for bilingual education, which shall collect, analyze, and disseminate information about bilingual education and such bilingual education and related programs.

"(d) In carryng out their responsibilities under this section, the Commissioner and the Director shall provide for periodic consultation with representatives of State and local educational agencies and appropriate groups and organizations involved in bilingual education.

"(e) There is authorized to be appropriated for each fiscal year prior to July 1, 1978, $5,000,000 to carry out the provisions of this section".

(2)(A) The amendment made by this subsection shall be effective upon the date of enactment of this Act, except that the provisions of part A of title VII of the Elementary and Secondary Education Act of 1965 (as amended by subsection (a) of this section) shall become effective on July 1, 1975, and the provisions of title VII of the Elementary and Secondary Education Act of 1965 in effect immediately prior to the date of enactment of this Act shall remain in effect through June 30, 1975, to the extent not inconsistent with the amendment made by this section.

(B) The National Advisory Council on Bilingual Education, for which provision is made in section 732 of such Act, shall be appointed within ninety days after the enactment of this Act.

(b) Section 703(a) of title VII of such Act is amended by adding at the end thereof the following:

"(8) The term 'other programs for persons of limited English-speaking ability' when used in sections 731 and 732 means the program authorized by section 708(c) of the Emergency School Aid Act and the programs carried out in coordination with the provisions of this title pursuant to section 122(a)(4)(C) and part J of the Vocational Education Act of 1963, and section 306(a)(11) of the Adult Education Act, and programs and projects serving areas with high concentrations of persons of limited English-speaking ability pursuant to section 6(b)(4) of the Library Services and Construction Act."

STATUTE OF LIMITATIONS

SEC. 106. Title VIII of the Elementary and Secondary Education Act of 1965 is amended by inserting after section 803 the following new section:

"STATUTE OF LIMITATIONS ON REFUND OF PAYMENTS

"SEC. 804. No State or local educational agency shall be liable to refund any payment made to such agency under this Act (including title I of this Act) which was subsequently determined to be unauthorized by law, if such payment was made more than five years before such agency received final written notice that such payment was unauthorized.".

DROPOUT PREVENTION PROJECTS

SEC. 107. (a) Section 807(c) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part C of title IV".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

SCHOOL NUTRITION AND HEALTH SERVICES

SEC. 108. (a) Section 808(d) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ", and each of the five succeeding fiscal years, except that no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part C of title IV".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

CORRECTION EDUCATION SERVICES

SEC. 109. (a) Section 809 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of carrying out this section, there is authorized to be appropriated $500,000 for the fiscal year ending June 30, 1974, and for the succeeding fiscal year."

(b) The amendments made by this section shall be effective on and after July 1, 1974.

OPEN MEETINGS OF EDUCATIONAL AGENCIES

SEC. 110. Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"OPEN MEETINGS OF EDUCATIONAL AGENCIES

"SEC. 812. No application for assistance under this Act may be considered unless the local educational agency making such application certifies to the Commissioner that members of the public have been afforded the opportunity upon reasonable notice to testify or otherwise comment regarding the subject matter of the application. The Commissioner is authorized and directed to establish such regulations as necessary to implement this section."

ETHNIC HERITAGE STUDIES CENTERS

SEC. 111. (a)(1) Section 907 of the Elementary and Secondary Education Act of 1965 is amended by striking out "the fiscal year ending June 30, 1973" and inserting in lieu thereof "each of the fiscal years ending prior to July 1, 1978".

(2) The amendments made by this subsection shall be effective on and after July 1, 1973.

(b) Section 903 of such Act is amended by—

(1) striking out "elementary and secondary schools and institutions of higher education" in clause (1) of such section, and in lieu thereof "elementary or secondary schools or institutions of higher education";

(2) striking out "elementary and secondary schools and institutions of higher education" in clause (2) of such section and inserting in lieu thereof "elementary or secondary schools or institutions of higher education";

(3) inserting the word "or" after clause (1) of such section; and

(4) inserting the word "or" at the end of clause (2) of such section.

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS

SHORT TITLE

SEC. 201. This title may be cited as the "Equal Educational Opportunities Act of 1974".

PART A—EQUAL EDUCATIONAL OPPORTUNITIES

Subpart 1—Policy and Purpose

DECLARATION OF POLICY

SEC. 202. (a) The Congress declares it to be the policy of the United States that—

(1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and

(2) the neighborhood is the appropriate basis for determining public school assignments.

(b) In order to carry out this policy, it is the purpose of this part to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.

FINDINGS

SEC. 203. (a) The Congress finds that—

(1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment;

(2) for the purpose of abolishing dual school systems and eliminating the vestiges thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students;

(3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amount of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;

(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect," and have not established, a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems, except that the provisions of this title are not intended to modify or diminish the authority of the court of the United States to enforce fully the fifth and fourteenth amendments to the Constitution of the United States.

Subpart 2—Unlawful Practices

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY PROHIBITED

SEC. 204. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with subpart 4 of this title, to remove the vestiges of a dual school system;

(e) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below;

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instructional programs.

BALANCE NOT REQUIRED

SEC. 205. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT ON NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 206. Subject to the other provisions of this part, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its site for the purpose of segregating students on such basis.

Subpart 3—Enforcement

CIVIL ACTIONS

SEC. 207. An individual denied an equal educational opportunity, as defined by this part may institute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this title referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

EFFECT OF CERTAIN POPULATION CHANGES ON CERTAIN ACTIONS

SEC. 208. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION OF DISTRICT COURTS

SEC. 209. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 207.

INTERVENTION BY ATTORNEY GENERAL

SEC. 210. Whenever a civil action is instituted under section 207 by an individual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 211. The Attorney General shall not institute a civil action under section 207 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of subpart 2 of this part; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate remedial action.

Subpart 4—Remedies

FORMULATING REMEDIES; APPLICABILITY

SEC. 213. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

PRIORITY OF REMEDIES

SEC. 214. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 215;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 215 and 216 of this part.

TRANSPORTATION OF STUDENTS

SEC. 215. (a) No court, department, or agency of the United States shall, pursuant to section 214, order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such desegregated school system, no educational agency because of such shifts shall be required by any court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 216. In the formulation of remedies under section 213 or 214 of this part the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 217. Nothing in this part prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this part nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this part, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEDINGS

SEC. 218. A parent or guardian of a child, or parents or guardians of children similarly situated, transported to a public school in accordance with a court order, or an educational agency subject to a court order or a desegregation plan under title VI of the Civil Rights Act of 1964 in effect on the date of the enactment of this part and intended to end segregation of students on the basis of race, color, or national origin, may seek to reopen or intervene in the further implementation of such court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on his or her educational process.

LIMITATION ON ORDERS

SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws may to the extent of such transportation, be terminated if the court finds the defendant educational agency has satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable, and will continue to be in compliance with the requirements thereof. The court of initial jurisdiction shall state in its order the basis for any decision to terminate an order pursuant to this section, and the termination of any order pursuant to this section shall be stayed pending a final appeal or, in the event no appeal is taken, until the time for any such appeal has expired.

No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found not to have satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable.

Subpart 5—Definitions

SEC. 221. For the purposes of this part—

(a) The term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801 (k) of the Elementary and Secondary Education Act of 1965.

(b) The term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

(c) The term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin.

(d) The term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Acts of 1964.

(e) An educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

Subpart 6—Miscellaneous Provisions

REPEALER

SEC. 222. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 223. If any provision of this part or of any amendment made by this part, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this part and of the amendments made by this part and the application of such provision to other persons or circumstances shall not be affected thereby.

PART B—OTHER PROVISIONS RELATING TO THE ASSIGNMENT AND TRANSPORTATION OF STUDENTS

PROHIBITION AGAINST ASSIGNMENT OR TRANSPORTATION OF STUDENTS TO OVERCOME RACIAL IMBALANCE

SEC. 251. No provision of this Act shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

SEC. 252. Part B of the General Education Provisions Act, as amended by title IV of this Act, is amended by adding at the end thereof the following new section:

"PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

"SEC. 420. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system, except for funds appropriated pursuant to title I of the Act of September 30, 1950 (P.L. 874, 81st Congress), but not including any portion of such funds as are attributable to children counted under subparagraph (C) of section 3(d)(2) or section 403(1)(C) of that Act."

PROVISION RELATING TO COURT APPEALS

SEC. 253. Notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. This section shall expire at midnight on June 30, 1978.

PROVISION REQUIRING THAT RULES OF EVIDENCE BE UNIFORM

SEC. 254. The rules of evidence required to prove that State or local authorities are practicing racial discrimination in assigning students to public schools shall be uniform throughout the United States.

APPLICATION OF PROVISO OF SECTION 407(a) OF THE CIVIL RIGHTS ACT OF 1964 TO THE ENTIRE UNITED STATES

SEC. 255. The proviso of section 407(a) of the Civil Rights Act of 1964 providing in substance that no court or official of the United States shall be empowered to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards shall apply to all public school pupils and to every public school system, public school and public school board, as defined by title IV, under all circumstances and conditions and at all times in every State, district, territory, Commonwealth, or possession of the United States, regardless of whether the residence of such public school pupils or the principal offices of such public school system, public school or public school board is situated in the northern, eastern, western, or southern part of the United States.

ADDITIONAL PRIORITY OF REMEDIES

SEC. 256. Notwithstanding any other provision of law, after June 30, 1974 no court of the United States shall order the implementation of any plan to remedy a finding of de jure segregation which involves the transportation of students, unless the court first finds that all alternative remedies are inadequate.

REMEDIES WITH RESPECT TO SCHOOL DISTRICT LINES

SEC. 257. In the formulation of remedies under this title the lines drawn by a State subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn, or maintained or crossed for the purpose, and had the effect of segregating children among public schools on the basis of race, color, sex, or national origin, or where it is established that, as a result of discriminatory actions within the school districts, the lines have had the effect of segregating children among public schools on the basis of race, color, sex, or national origin.

PROHIBITION OF FORCED BUSING DURING SCHOOL YEAR

SEC. 258. (a) The Congress finds that—

(1) the forced transportation of elementary and secondary school students in implementation of the constitutional requirement for the desegregation of such schools is controversial and difficult under the best planning and administration; and

(2) the forced transportation of elementary and secondary school students after the commencement of an academic school year is educationally unsound and administratively inefficient.

(b) Notwithstanding any other provisions of law, no order of a court, department, or agency of the United States, requiring the transportation of any student incident to the transfer of that student from one elementary or secondary school to another such school in a local educational agency pursuant to a plan requiring such transportation for the racial desegregation of any school in that agency, shall be effective until the beginning of an academic school year.

(c) For the purpose of this section, the term "academic school year" means, pursuant to regulations promulgated by the Commissioner, the customary beginning of classes for the school year at an elementary or secondary school of a local educational agency for a school year that occurs not more often than once in any twelve-month period.

(d) The provisions of this section apply to any order which was not implemented at the beginning of the 1974–1975 academic year.

REASONABLE TIME FOR DEVELOPING VOLUNTARY PLAN FOR DESEGREGATING SCHOOLS

Sec. 259. Notwithstanding any other law or provision of law, no court or officer of the United States shall enter, as a remedy for a denial of equal educational opportunity or a denial of equal protection of the laws, any order for enforcement of a plan of desegregation or modification of a court-approved plan, until such time as the local educational agency to be affected by such order has been provided notice of the details of the violation and given a reasonable opportunity to develop a voluntary remedial plan. Such time shall permit the local educational agency sufficient opportunity for community participation in the development of a remedial plan.

TITLE III—FEDERAL IMPACT AID PROGRAMS

DURATION OF PAYMENTS UNDER PUBLIC LAW 815, EIGHTY-FIRST CONGRESS

Sec. 301. (a)(1) The first sentence of section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1978".

(2) Section 15(15) of such Act is amended by striking out "1968–1969" and inserting in lieu thereof "1973–1974".

(b) Section 16(a) of such Act is amended in clause (1)(A) thereof, by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(c) The amendments made by this section shall be effective on and after July 1, 1973.

AMENDMENTS TO PUBLIC LAW 815, EIGHTY-FIRST CONGRESS

Sec. 302. (a)(1) Section 5(a)(1) of such Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out "(A) who so resided with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), or (B) who had a parent who was on active duty in the uniformed services (as defined in section 102 of the Career Compensation Act of 1949),".

(2) Section 5(a)(2) of such Act is amended by striking out "residing on Federal property, or (B)" and by redesignating clause (C) as clause (B).

(b) Section 16(a) of such Act is amended by inserting before the last sentence thereof the following new sentence: "For the purpose of the preceding sentence, the phrase 'cost of construction incident to the restoration or replacement of the school facilities' includes such additional amounts as the Commissioner may approve in order to assure that the facilities, as restored or replaced, will afford appropriate protection against personal injuries resulting from a disaster."

DURATION OF PAYMENTS UNDER TITLE I OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS EXCEPT SECTION 3 THEREOF

Sec. 303. (a)(1) Section 2(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(2) Section 4(a) of such Act is amended, in that part thereof which precedes clause (1), by striking out "July 1, 1973" and inserting in lieu thereof "July 1, 1978".

(3) Section 7(a) of such Act is amended—

(A) in clause (1)(A), by striking out "July 1, 1973," and inserting in lieu thereof "July 1, 1978,"; and

(B) in clause (1)(B), by inserting after "seriously damaged" the following: "prior to July 1, 1978".

(b) The amendments made by this section shall be effective on and after July 1, 1973.

AMENDMENTS TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS FOR FISCAL YEAR 1975

Sec. 304. (a)(1) Section 3(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "July 1, 1973" (2) The amendment made by this subsection shall be effective on and after July 1, 1973, and inserting in lieu thereof "July 1, 1973".

(b)(1) Section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of title I of this Act (including the provisions of section 5(c)), a local educational agency with respect to which the number of children determined for any fiscal year under subsection (a) amounts to at least 25 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, shall receive an amount equal to 100 per centum of the amounts to which such agency would be otherwise entitled under subsection (a) of this section.".

(2) The amendment made by this subsection shall be effective on and after July 1, 1974.

(c)(1) Section 5(d)(2) of such Act is amended by striking out "No" and inserting in lieu thereof "Except as provided in paragraph (3), no".

(2) Section 5(d) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3)(A) Notwithstanding paragraph (2) of this subsection, if a State has in effect a program of State aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative—

"(i) financial resources available to local educational agencies in that State; and

"(ii) financial need of such agencies for the provision of free public education for children served by such agency, provided that a State may consider as local resources funds received under this title only in proportion to the share that local revenues covered under a State equalization program are of total local revenues.

Whenever a State educational agency or local educational agency will be adversely affected by any decision of the Commissioner pursuant to this subsection, such agency shall be afforded notice and an opportunity for a hearing prior to the implementation of such decision.

"(B) The terms 'State aid' and 'equalize expenditures' as used in this subsection shall be defined by the Commissioner by regulation after consultation with State and local educational agencies affected provided that, the term 'equalize expenditures' shall not be construed in any manner adverse to a program of State aid for free public education which provides for taking into consideration the additional cost of providing free public education for particular groups or categories of pupils in meeting the special educational needs of such children as handicapped children, economically disadvantaged, those who need bilingual education, and gifted and talented children."

(3) The amendments made by this subsection shall be effective for fiscal year 1975 only.

(d)(1) Section 403(1) of such Act is amended by adding at the end thereof the following: "Real property which qualifies as Federal property under clause (A) of this paragraph shall not lose such qualification because it is used for a low-rent housing project.".

(2) Clause (A) of section 5(c)(1) of such Act is amended by inserting after "Economic Opportunity Act of 1964" the following: "(other than any such property which is Federal property described in section 403(1)(A))".

AMENDMENTS TO SECTIONS 3, 5, AND 7 OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

Sec. 305. (a)(1) Section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended to read as follows:

"CHILDREN RESIDING ON, OR WHOSE PARENTS ARE EMPLOYED ON, FEDERAL PROPERTY

"Children of persons who reside and work on Federal property

"Sec. 3. (a) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year, the Commissioner shall determine the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools, resided on Federal property and—

"(1) did so with a parent employed on Federal property situated (A) in whole or in part in the county in which the school district of such agency is located, or (B) if not in such county, in whole or in part in the same State as the school district of such agency; or

"(2) had a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code).

In making a determination under clause (2) of the preceding sentence with respect to a local educational agency for any fiscal year, the Commissioner shall include the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such year, and who, while in attendance at such schools, resided on Indian lands, as described in clause (A) of section 403(1).

"Children of persons who reside or work on Federal property

"(b) For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to July 1, 1978, the Commissioner shall, in addition to any determination made with respect to such agency under subsection (a), determine the number of children (other than children with respect to whom a determination is made for such fiscal year under subsection (a)) who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year and who, while in attendance at such schools, either—

"(1) resided on Federal property, or

"(2) resided with a parent employed on Federal property situated (A) in whole or in part in the county in which the school district of such agency is located, or (B) if not in such county, in whole or in part in the same State as the school district of such agency, or

"(3) had a parent who was on active duty in the uniformed services (as defined in section 101 of title 37, United States Code).

For such purpose, with respect to a local educational agency, in the case of any fiscal year ending prior to July 1, 1978, the Commissioner shall also determine the number of children (other than children to whom subsection (a) or the preceding sentence applies) who were in average daily attendance at the schools of such agency and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools resided with a parent who was, at any time during the three-year period immediately preceding the beginning of the fiscal year for which the determination is made, a refugee who meets the requirements of clauses (A) and (B) of section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, except that the Commissioner shall not include in his determination under this sentence for any fiscal year any child with respect to whose education a payment was made under section 2(b)(4) of such Act.

"Eligibility for payments

"(c)(1) Except as is provided in paragraph (2), no local educational agency shall be entitled to receive a payment for any fiscal year with respect to a number of children determined under subsection (a) and subsection (b), unless the number of children so determined with respect to such agency amounts to—

"(A) at least four hundred such children; or

"(B) a number of such children which equals at least 3 per centum of the total number of children who were in average daily attendance, during such year, at the schools of such agency and for whom such agency provided free public education;

whichever is the lesser.

"(2)(A)(i) Clause (B) of paragraph (1) shall not operate to make any local educational agency eligible for a payment under this section for any fiscal year unless the number of children with respect to whom determination was made under subsections (a) and (b) respecting such agency for that fiscal year is at least ten.

"(ii) If a local educational agency is eligible for a payment for any fiscal year by the operation of clause (B) of paragraph (1), it shall continue to be so eligible for the two succeeding fiscal years even if such agency fails to meet the requirement of such clause (B) during such succeeding fiscal years, except that the number of children determined for the second such succeeding fiscal year with respect to such agency for the purpose of any clause in paragraph (1) of subsection (d) shall not exceed 50 per centum of the number of children determined with respect to such agency for the purpose of that clause for the last fiscal year during which such agency was so eligible.

"(iii) If the Commissioner determines with respect to any local educational agency for any fiscal year that—

"(I) such agency does not meet the requirement of clause (B) of paragraph (1); and

"(II) the application of such requirement, because of exceptional circumstances, would defeat the purposes of this title;

the Commissioner is authorized to waive such requirement with respect to such agency.

"(B) No local educational agency shall be entitled to receive a payment for any fiscal year with respect to a number of children determined under the second sentence of subsection (b) unless the number of children so determined constitutes at least 20 per centum of the total number of children who were in average daily attendance at the schools of such agency and for whom such agency, during such fiscal year, provided free public education.

"Amount of payment

"(d)(1) Except as is provided in paragraph (2), the amount to which a local educational agency shall be entitled under this section for any fiscal year shall be—

"(A) in the case of any local educational agency with respect to which the number of children determined for such fiscal year under subsection (a) amounts to at least 25 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, an amount equal to 100 per centum of the local contribution rate multiplied by the number of children determined under such subsection plus the sum of the products obtained with respect to such agency under clauses (B)(iii), (B)(iv), and (B)(v); and

"(B) in any other case, an amount equal to the sum of—

"(i) the product obtained by multiplying 100 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (2) of subsection (a),

"(ii) the product obtained by multiplying 90 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (1) of subsection (a),

"(iii) the product obtained by multiplying 50 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (3) of subsection (b),

"(iv) the product obtained by multiplying 45 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clauses (1) and (2)(A) of subsection (b), and

"(v) the product obtained by multiplying 40 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under clause (2)(B) of subsection (b).

"(2)(A) Not later than December 1 during each fiscal year beginning after June 30, 1977, the Commissioner shall, except as is provided in clause (iii) in the third sentence of this subparagraph, determine the total number of children with respect to whom determinations are made under subsection (b) for all local educational agencies making application for payments under this section which meet the eligibility requirements set forth in subsection (c). The Commissioner shall determine the percentage which such number constitutes of the total number of children who were in average daily attendance at the schools of such agencies during such fiscal year and for whom such agencies provided free public education. In calculating the products under clauses (B)(iii), (B)(iv), and (B)(v) of paragraph (1), with respect to any local educational agency for any fiscal year, the Commissioner shall reduce the number of children with respect to whom a determination is made under subsection (b) by a number equal to one-half of the number which the percentage determined under the preceding sentence constitutes of the total number of children with respect to whom such a determination is made and who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, except that—

"(i) such percentage shall not exceed 4 per centum;

"(ii) the number reduced shall not exceed three hundred; and

"(iii) this subparagraph shall not apply to any local educational agency (I) with respect to which the number of children determined under subsection (b) for any fiscal year amounts to at least 10 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education, or (II) during any fiscal year in which such agency receives more than 25 per centum of the funds for its current expenditures from payments under this section.

In determining the total number of children who were in average daily attendance at the schools of an agency during any fiscal year under clause (iii)(I) in the preceding sentence, the number of children in such schools with respect to whom a determination is made under subsection (a) for such year shall not be considered.

"(B) If the Commissioner determines that—

"(i) the amount computed under paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available to such agency from State and local sources and from other sections of this title, is less than the amount necessary to enable such agency to provide a level of education equivalent to that maintained in the school districts of the State which are generally comparable to the school district of such agency;

"(ii) such agency is making a reasonable tax effort and exercising due diligence in availing itself of State and other financial assistance;

"(iii) not less than 50 per centum of the total number of children who were in average daily attendance at the schools of such agency during such fiscal year and for whom such agency provided free public education were, during such fiscal year, determined under either subsection (a) or clause (1) of subsection (b), or both; and

"(iv) the eligibility of such agency under State law for State aid with respect to free public education of children residing on Federal property, and the amount of such aid, are determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount thereof, with respect to the free public education of other children in the State;

the Commissioner is authorized, to increase the amount computed under paragraph (1) with respect to such agency for such fiscal year to the extent necessary to enable such agency to provide a level of education equivalent to that maintained in such comparable school districts. The Commissioner shall not, under the preceding sentence, increase the amount computed under paragraph (1) with respect to any local educational agency for any fiscal year to an amount which exceeds the product of—

"(I) the amount the Commissioner determines to be the cost per pupil of providing a level of education maintained in such comparable school districts during such fiscal year,

multiplied by—

"(II) the number of children determined with respect to such agency for such year under either subsection (a) or clause (1) of subsection (b), or both,

minus the amount of State aid which the Commissioner determines to be available with respect to such children for the fiscal year for which the computation is being made.

"(C)(i) The amount of the entitlement of any local educational agency under this section for any fiscal year with respect to handicapped children and children with specific learning disabilities for whom a determination is made under subsection (a)(2) or (b)(3) and for whom such local educational agency is provided a program designed to meet the special educational and related needs of such children shall be the amount determined under paragraph (1) with respect to such children for such fiscal year multiplied by 150 per centum.

"(ii) For the purposes of division (i), programs designed to meet the special educational and related needs of such children shall be consistent with criteria established under division (iii).

"(iii) The Commissioner shall by regulation establish criteria for assuring that programs (including preschool programs) provided by local educational agencies for children with respect to whom this subparagraph applies are of sufficient size, scope, and quality (taking into consideration the special educational needs of such children) as to give reasonable promise of substantial progress toward meeting those needs, and in the implementation of such regulations the Commissioner shall consult with persons in charge of special education programs for handicapped children in the educational agency of the State in which such local educational agency is located.

"(iv) For the purpose of this subparagraph the term 'handicapped children' has the same meaning as specified in section 602 (1) of the Education of the Handicapped Act and the term 'children with specific learning disabilities' has the same meaning as specified in section 602(15) of such Act.

"(3) (A) Except as is provided in subparagraph (B), in order to compute the local contribution rate for a local educational agency for any fiscal year, the Commissioner, after consulting with the State educational agency of the State in which the local educational agency is located and with the local educational agency, shall determine which school districts within such State are generally comparable to the school district of the local educational agency for which the computation is being made. The local contribution rate for such agency shall be the quotient of—

"(i) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, which the local educational agencies of such comparable school districts derived from local sources,

divided by—

"(ii) the aggregate number of children in average daily attendance for whom such agency provided free public education during such second preceding fiscal year.

"(B) (i) The local contribution rate for a local educational agency in any State shall not be less than—

"(I) 50 per centum of the average per pupil expenditure in such State, or

"(II) 50 per centum of such expenditures in all the States,

whichever is greater, except that clause (II) shall not operate in such a manner as to make the local contribution rate for any local educational agency in any State exceed an amount equal to the average per pupil expenditure in such State.

"(ii) If the current expenditures in those school districts which the Commissioner has determined to be generally comparable to the school district of the local educational agency for which a computation is made under subparagraph (A) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of such agency, a level of education equivalent to that maintained in such other school districts, the Commissioner is authorized to increase the local contribution rate for such agency by such an amount which he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors.

"(iii) The local contribution rate for any local educational agency in—

"(I) Puerto Rico, Wake Island, Guam, American Samoa, or the Virgin Islands, or

"(II) any State in which a substantial proportion of the land is in unorganized territory, or

"(III) any State in which there is only one local education agency.

shall be determined for any fiscal year by the Commissioner in accordance with policies and principles which will best achieve the purposes of this section and which are consistent with the policies and principles provided in this paragraph for determining local contribution rates in States where it is possible to determine generally comparable school districts.

"(C) For the purposes of this paragraph—

"(i) the term 'State' does not include Puerto Rico, Wake Island, Guam, American Samoa, or the Virgin Islands; and

"(ii) the 'average per pupil expenditure' in a State shall be (I) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made of all local educational agencies in the State, divided by (II) the aggregate number of children in average daily attendance for whom such agencies provide free public education during such second preceding fiscal year.

"Adjustments for decreases in Federal activities

"(e) Whenever the Commissioner determines that—

"(1) for any fiscal year, the number of children determined with respect to any local educational agency under subsections (a) and (b) is less than 90 per centum of the number so determined with respect to such agency during the preceding fiscal year;

"(2) there has been a decrease or cessation of Federal activities within the State in which such agency is located; and

"(3) such decrease or cessation has resulted in a substantial decrease in the number of children determined under subsections (a) and (b) with respect to such agency for such fiscal year;

the amount to which such agency is entitled for such fiscal year and for any of the three succeeding fiscal years shall not be less than 90 per centum of the amount to which such agency was so entitled for the preceding fiscal year. That part of any entitlement of any local educational agency which is in excess of the amount which such entitlement would be without the operation of the preceding sentence shall be deemed to be attributable to determinations of children with respect to such agency under subsection (b) (2) (A).

"Determinations on the basis of estimates

"(f) Determinations with respect to a number of children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any local educational agency of its entitlement to any payment (or the amount thereof) under this section to which such agency would be entitled had such determination been made on the basis of accurate data.".

(2) Section 5 of such Act is amended to read as follows:

"PAYMENTS

"Applications

"SEC. 5. (a) (1) Any local educational agency desiring to receive the payments to which it is entitled for any fiscal year under sections 2, 3, or 4 shall submit an application therefor through the State educational agency of the State in which such agency is located to the Commissioner. Such applications shall be submitted at such time, in such form, and containing such information as the Commissioner may reasonably require to enable him to carry out his functions under this title and shall give adequate assurance that the applicant will submit such reports as the Commissioner may reasonably require to determine whether such agency is entitled to a payment under any of such sections and the amount of such payment.

"(2) (A) Applications submitted under paragraph (1) for payments on the basis of children determined under section 3(a) or 3(b) who reside, or reside with a parent employed, on Indian lands shall set forth adequate assurance that Indian children will participate on an equitable basis in the school program of the local educational agency.

"(B) For the purposes of this paragraph, the term 'Indian lands' means that property included within the definition of Federal property under clause (A) of section 403(1).

"Payments by the Commissioner

"(b) The Commissioner shall pay to each local educational agency, making application pursuant to subsection (a), the amount to which it is entitled under sections 2, 3, or 4. Sums appropriated, for any fiscal year, to enable the Commissioner to make payments pursuant to this title shall, notwithstanding any other provision of law unless enacted in express limitation of this subsection, remain available for obligation and payments with respect to amounts due local educational agencies under this title for such fiscal year, until the end of the fiscal year succeeding the fiscal year for which such sums are appropriated.

"Adjustments where necessitated by appropriations

"(c) If the sums appropriated for any fiscal year for making payments on the basis of entitlements established under sections 2, 3, and 4 for that year are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies are entitled to receive under such sections for such year, the Commissioner shall allocate such sums among local educational agencies and make payments to such agencies as follows:

"(1) He shall first allocate to each local educational agency which is entitled to a payment under section 2 and section 3 an amount equal to 25 per centum of the amount to which it is entitled as computed under section 2 or section 3(d), as the case may be, for such fiscal year.

"(2) From that part of such sums which remains after the allocation required by paragraph (1) for any fiscal year, he shall allocate an additional amount—

"(A) to each local educational agency described in clause (A) of section 3(d) (1) which equals 75 per centum of the amount to which such agency is entitled, as computed under section 3(d) with respect to a determination of a number of children under section 3(a), for such fiscal year;

"(B) to each local educational agency with respect to which a number of children is determined under clause (2) of section 3(a) which equals 65 per centum of the amount to which such agency is entitled on the basis of determining such children as computed under section 3(d), for such fiscal year;

"(C) to each local educational agency with respect to which a number of children is determined under clause (1) of section 3(a) which equals 63 per centum of the amounts to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year;

"(D) to each local educational agency with respect to which a number of children is determined under clause (3) of section 3(b) which equals 35 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year;

"(E) to each local educatioanl agency with respect to which a number of children determined under clause (1) and clause (2)(A) of section 3(b) which equals 32 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d) for such fiscal year;

"(F) to each local educational agency with respect to which a number of children is determined under clause (2)(B) of section 3(b) which equals 28 per centum of the amount to which such agency is entitled on the basis of determining such children, as computed under section 3(d), for such fiscal year; and

"(G) to each local educational agency with respect to the amount to which such agency is entitled under section 2 which equals 35 per centum of the amount to which such agency is entitled on the basis of computations made under section 2 for such fiscal year.

"(3) Any sums remaining after allocations are made pursuant to paragraph (2) for any fiscal year shall be allocated by the Commissioner among local educational agencies which have unsatisfied entitlements established under sections 2, 3, and 4 in proportion to the degree to which such entitlements are unsatisfied for that fiscal year, after allocations are made pursuant to paragraphs (1) and (2).

No allocation may be made pursuant to paragraph (2) or (3) and no payment may be paid on the basis of any such allocation unless allocations are made pursuant to paragraph (1) and payments are made on the basis of such allocations. No allocation may be made pursuant to any clause of paragraph (2) and no payment may be made on the basis of any such allocation unless allocations are made pursuant to all of the clauses of such paragraph and payments are made on the basis of such allocations.

"Treatment of payments by the States in determining eligibility for, and the amount of, State aid

"(d)(1) Except as provided in paragraph (2), no payments may be made under this title for any fiscal year to any local educational agency in any State (A) if that State has taken into consideration payments under this title in determining—

"(i) the eligibility of any local educational agency in that State for State aid for free public education of children; or

"(ii) the amount of such aid with respect to any such agency; during that fiscal year or the preceding fiscal year, or (B) if such State makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this title than such agency would receive if such agency were not so eligible.

"(2)(A) Notwithstanding paragraph (1) of this subsection, if a State has in effect a program of State aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative—

"(i) financial resources available to local educational agencies in that State; and

"(ii) financial need of such agencies for the provision of free public education for children served by such agency, provided that a State may consider as local resources funds received under this title only in proportion to the share that local revenues covered under a State equalization program are of total local revenues.

Whenever a State educational agency or local educational agency will be adversely affected by the operation of this subsection, such agency shall be afforded notice and an opportunity for a hearing prior to the reduction or termination of payments pursuant to this subsection.

"(B) The terms 'State aid' and 'equalize expenditures' as used in this subsection shall be defined by the Commissioner by regulation, after consultation with State and local educational agencies affected by this subsection, provided that the term 'equalize expenditures' shall not be construed in any manner adverse to a program of State aid for free public education which provides for taking into consideration the additional cost of providing free public education for particular groups or categories of pupils in meeting the special educational needs of such children as handicapped children, economically disadvantaged, those who need bilingual education, and gifted and talented children.

"Limitations on payments with respect to children on, or residing with a parent employed on, Federal property described in section 403(1)(C)

"(e)(1) The Commissioner shall determine that part of the entitlement of each local educational agency, for each fiscal year ending prior to July 1, 1978, which is attributable to determinations under subsections (a) and (b) of section 3 of the number of children who resided on, or resided with a parent employed on, property which is described in section 403(1)(C).

"(2) No allocation or payment shall be made under paragraph (2) of subsection (c) with respect to that part of any entitlement of any local educational agency which is determined with respect to such agency for such year under paragraph (1). The limitation in this paragraph shall not operate under the last two sentences of subsection (c) to prevent allocations and payments under such paragraph (2).

"(3) The amount of the payment to any local educational agency which is determined with respect to such agency under paragraph (1) shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low income families.

"Use of funds paid with respect to entitlements increased under section 3(d)(2)(C)

"(f) The amount of the payment to any local educational agency for any fiscal year which is attributable to a determination of children for increased payments under subparagraph (C) of section 3(d)(2) shall be used by such agency for special educational programs designed to meet the special educational needs of children with respect to whom such determination is made.".

(3) Section 7(c) of such Act is amended by striking out the second sentence thereof and inserting in lieu thereof the following: "Pending such appropriation, the Commissioner is authorized to expend (without regard for subsections (a) and (e) of section 3679 of the Revised Statutes (31 U.S.C. 665)) from any funds appropriated to the Office of Education and at that time available to the Commissioner, such sums as may be necessary for providing immediate assistance under this section. Expenditures pursuant to the preceding sentence shall—

"(1) be reported by the Commissioner to the Committees on Appropriations and Education and Labor of the House of Representatives and the Committees on Appropriations and Labor and Public Welfare of the Senate within thirty days of the expenditure;

"(2) be reimbursed from the appropriations authorized by the first sentence of this subsection.

The report required to the Committees on Appropriations by clause (1) in the preceding sentence shall constitute a budget estimate within the meaning of section 201(a)(5) of the Act of June 10, 1921 (31 U.S.C. 11(a)(5)).".

The amendments made by paragraphs (1) and (2) of subsection (a) shall be effective on and with respect to appropriations for fiscal years beginning on and after July 1, 1975, and the amendments made by paragraph (3) of subsection (a) shall be effective upon enactment of this Act.

(2)(A)(i) Notwithstanding any other provision of law unless enacted in express limitation of this subparagraph—

(I) in the case of any local educational agency which is entitled to a payment under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) for the fiscal year ending June 30, 1973, which constituted an amount equal to not less than 10 per centum of the current expenditures of such agency for such fiscal year, the amount paid to such agency pursuant to such Act of September 30, 1950, for any fiscal year beginning after June 30, 1974, and ending prior to July 1, 1978, on the basis of the entitlement of that agency under such section 3, shall not be less than 90 per centum of the amount paid to such agency on the basis of such entitlement for the preceding fiscal year; and

(II) in the case of any other local educational agency, the amount so paid during any fiscal year beginning after June 30, 1974, and ending prior to July 1, 1978, shall not be less than 80 per centum of the amount so paid for the preceding fiscal year.

In the case of any local educational agency which is eligible prior to July 1, 1975, for a payment under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) by reason of the 3 per centum requirement in clause (B) of section 3(c)(2) of such Act, as in effect prior to the effective date of the amendment made by paragraph (1) of subsection (a), but which fails to meet such requirement in any fiscal year ending prior to July 1, 1977, such agency shall continue to be eligible for a payment under such section 3 as then in effect for the two succeeding fiscal years, but the payment under such section during the second of such succeeding fiscal years shall not exceed 50 per centum of the amount of the payment such agency was entitled to receive during the most recent fiscal year in which it was so eligible by reason of such clause (B).

(ii) Funds appropriated for any fiscal year for making payments to local educational agencies pursuant to the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), which are increased by reason of the provisions of division (i) shall, to the extent of any such increase, be separate from funds appropriated for such fiscal year for payments pursuant to title I of such Act which are not so increased. If, for any fiscal year, a law making appropriations for payments pursuant to such title I is enacted and such law makes no express provision for payments increased by division (i)—

(I) all funds so appropriated shall be allocated and paid in accordance with section 5 of such Act of September 30, 1950, and without regard for the provisions of division (i); and

(II) not later than fifteen days after the enactment of such law, the Commissioner shall submit a report to the Committees on Appropriations and on Education and Labor of the House of Representatives and the committees on Appropriations and Labor and Public Welfare the dollar amounts necessary to satisfy the requirements of division (i) and constitute a budget estimate within the meaning of section 201(a)(5) of the Act of June 10, 1921 (31 U.S.C. 11(a)(5)).

(B) In the case of any local educational agency which experiences a decrease in the number of children determined by the Commissioner of Education under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) of 10 per centum or more of such number—

(i) during the fiscal year ending June 30, 1974, or the fiscal year ending June 30, 1975; or

(ii) during the period beginning July 1, 1973, and ending June 30, 1975;

as the result of a decrease in, or cessation of, Federal activities affecting military installations in the United States announced after April 16, 1973, the amount of the payment to which such agency shall be entitled under title I of such Act, as computed under section 3 of such Act, for any fiscal year ending prior to July 1, 1978, shall not be less than 90 per centum of the amount to which the agency was so entitled during the preceding fiscal year. The provisions of this subparagraph shall be effective on and after July 1, 1974, and with respect to appropriations for the fiscal year ending June 30, 1975, and succeeding fiscal years, and such provisions shall be deemed to have been enacted before the beginning of the fiscal year ending June 30, 1975. Nothing in this subparagraph shall be construed to decrease the amount of the payment to which any local educational agency is entitled for any fiscal year on the basis of entitlements created under section 3 of such Act of September 30, 1950.

(C) During the first fiscal year in which the amendments made by subsection (a) are effective and each of the succeeding fiscal years ending prior to July 1, 1978, the Commissioner shall determine with respect to each local educational agency in any State the number of children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year, and who, while in attendance at such schools resided with a parent employed on Federal property in a State or in a county other than the State or county, as the case may be, in which the school district of such agency is located but which is situated within a reasonable commuting distance from the school district of such agency. If the number of children determined under the preceding sentence is equal to at least 10 per centum of the total number of children determined with respect to such agency for such fiscal year under section 3(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the amount to which such agency shall be entitled with respect to a number of children determined under such section 3(b) for such fiscal year, shall not be less than 90 per centum of the amount which such agency received with respect to the number of children so determined during the preceding fiscal year, as computed under section 3 of such Act.

(D) (i) The Commissioner shall determine for each fiscal year beginning after June 30, 1975, and ending prior to July 1, 1978, the amount which each local educational agency would be paid for that fiscal year under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) if the amount appropriated had been allocated as provided in section 5(c) of such Act without regard for entitlements (or portions thereof) which are attributable to determinations under subsections (a) and (b) of such section of the number of children who resided on, or resided with a parent employed on, property which is part of a low-rent housing project described in section 403(1) (C). The Commissioner shall then determine the amount which each local educational agency is to be paid for that fiscal year under such section 3 and allocated in accordance with such section 5(c). If the amount determined with respect to any local educational agency under the first sentence of this division is greater than the amount determined with respect to the second sentence of this division, the Commissioner shall pay to that agency an amount equal to the difference between the amounts so determined.

(ii) Funds appropriated for any fiscal year for making payments pursuant to the third sentence of division (i) shall be separate from funds appropriated for such fiscal year for making payments pursuant to section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress). If, for any fiscal year, a law making appropriations for payments pursuant to such section 5 is enacted, and such law makes no express provision for payments pursuant to such third sentence—

(I) all funds so appropriated shall be allocated and paid in accordance with such section 5, without regard for such third sentence; and

(II) not later than fifteen days after the enactment of such law, the Commissioner shall submit a report to the Committee on Appropriations and on Education and Labor of the House of Representatives and the Committees on Appropriations and Labor and Public Welfare of the Senate, which report shall contain a statement detailing the dollar amounts necessary to make the payments required under such third sentence and shall, with respect to such dollar amounts, constitute a budget estimate within the meaning of section 201(a) (5) of the Act of June 10, 1921 (31 U.S.C. 11(a) (5)).

TITLE IV—CONSOLIDATION OF CERTAIN EDUCATION PROGRAMS

Consolidation of library and learning resources, educational innovation, and support programs

SEC. 401. Title IV of the Elementary and Secondary Education Act of 1965, is amended to read as follows:

"TITLE IV—LIBRARIES, LEARNING RESOURCES, EDUCATIONAL INNOVATION, AND SUPPORT

"PART A—GENERAL PROVISIONS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 401. (a) (1) Subject to the provisions of paragraph (2), there is authorized to be appropriated the sum of $395,000,000 for obligation by the Commissioner during the fiscal year ending June 30, 1976, and such sums as may be necessary for obligation by the Commissioner during each of the two succeeding fiscal years, for the purpose of making grants under part B (Libraries and Learning Resources) of this title.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A) (i) aggregate amount which would be appropriated under this subsection is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part B was in effect, or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which part B is effective, such amount is at least equal to the aggregate amount appropriated for obligation by the Commissioner for the fiscal year ending June 30, 1974, or for the preceding fiscal year, whichever is higher, under title II and so much of title III as relates to testing, guidance, and counseling of this Act, and under title III (except for section 305) of the National Defense Education Act of 1958, and

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

"(b) (1) Subject to the provisions of paragraph (2), there is authorized to be appropriated the sum of $350,000,000 for obligation by the Commissioner during the fiscal year ending June 30, 1976, and such sums as may be necessary for obligation by the Commissioner during each of the two succeeding fiscal years, for the purpose of making grants under part C (Educational Innovation and Support) of this title.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A) (i) the aggregate amount which would be appropriated under this subsection is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part C was in effect, or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which part C is effective, such amount is at least equal to the aggregate amount appropriated for obligation by the Commissioner for fiscal year ending June 30, 1974, or for the preceding fiscal year, whichever is higher, under title III (except for programs of testing, guidance, and counseling), title V, and sections 807 and 808 of this Act, and

"(B) the sums appropriated pursuant to this subsection are included in an Act making appropriations for the fiscal year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

(c) (1) In the first fiscal year in which appropriations are made pursuant to part B, 50 per centum of the funds so appropriated shall be available to the States to carry out part B of this title. The remainder of such funds shall be available to the States and shall be allotted to the States, or to the Commissioner, as the case may be, in such year, pursuant to title II and so much of title III as relates to testing, guidance, and counseling under this Act, and under title III (except for section 305) of the National Defense Education Act of 1958, for each such program in an amount which bears the same ratio to such remainder as the amount appropriated for each such program for the fiscal year ending June 30, 1974, or for the fiscal year preceding the fiscal year for which the determination is made, whichever is higher, bears to the aggregate of such appropriated amounts. The amounts made available under the second sentence of this paragraph shall be subject to the provisions of law governing each such program.

"(2) In the first fiscal year in which appropriations are made pursuant to part C, 50 per centum of the funds so appropriated shall be available to carry out part C of this title. The remainder of such funds shall be available to the States and shall be allotted to the States, or to the Commissioner, as the case may be, in such year, pursuant to title III (except for programs of testing, guidance, and counseling), title V, and sections 807 and 808 of this Act, for each such program in an amount which bears the same ratio to such remainder as the amount appropriated for each such program for the fiscal year ending June 30, 1974, or for the fiscal year preceding the fiscal year for which the determination is made, whichever is higher, bears to the aggregate of such appropriated amounts. The amount made available under the second sentence of this paragraph shall be subject to the provisions of law governing each such program.

"ALLOTMENT TO THE STATES

"SEC. 402. (a) (1) There is hereby authorized to be appropriated for each fiscal year for the purposes of this paragraph amounts equal to not more than 1 per centum of each of the amounts appropriated for such year under subsections (a) or (b), or both, of section 401. The Commissioner shall allot each of the amounts appropriated pursuant to this paragraph among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under part B or part C, or both, of this title. In addition, for each fiscal year he shall allot from each of such amounts to (A) the Secretary of the Interior the amounts necessary for the programs authorized by each such part for children and teachers in elementary and secondary schools operated for Indian children by the Department of the Interior, and (B) the Secretary of Defense the amounts necessary for the programs authorized by each such part for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payment for such purposes shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"(2) From the amounts appropriated to carry out part B or part C, or both, of this title for any fiscal year pursuant to subsections (a) and (b) of section 401, the Commissioner shall allot to each State from each such amount an amount which bears the same ratio to such amount as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States. For the purposes of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out part B or C which the Commissioner determines will not be required for such fiscal year to carry out such part shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to section 401 shall be deemed a part of its allotment under subsection (a) for such year.

"STATE PLANS

"SEC. 403. (a) Any State which desires to receive grants under this title shall establish an advisory council as provided by subsection (b) and shall submit to the Commissioner a State plan, in such detail as the Commissioner deems necessary, which—

"(1) designates the State educational agency as the State agency which shall, either directly or through arrangements with other State or local public agencies, act as the sole agency for the administration of the State plan;

"(2) sets forth a program under which funds paid to the State from its allotments under section 402 will be expended solely for the programs and purposes authorized by parts B and C of this title, and for administration of the State plan;

"(3) provides assurances that the requirements of section 406 (relating to the participation of pupils and teachers in nonpublic elementary and secondary schools) will be met, or certifies that such requirements cannot legally be met in such State;

"(4) provides assurances that (A) funds such agency receives from appropriations made under section 401(a) will be distributed among local educational agencies according to the enrollments in public and nonpublic schools within the school districts of such agencies, except that substantial funds will be provided to (i) local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payment made under title I of this Act) is no greater than the average per pupil expenditure in the State, and (ii) local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language; and (B) funds such agency receives from appropriations made under section 401(b) will be distributed among local educational agencies on an equitable basis recognizing the competitive nature of the grantmaking except that the State educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources; and the State plan shall set forth the specific criteria the State educational agency has developed and will apply to meet the requirements of this paragraph;

"(5) provides that each local educational agency will be given complete discretion (subject to the provisions of section 406) in determining how the funds it receives from appropriations made under section 401 (a) will be divided among the various programs described in section 421, except that, in the first year in which appropriations are made pursuant to part B, each local educational agency will be given complete discretion with respect to 50 per centum of the funds appropriated for that part attributable to that local educational agency;

"(6) provides for the adoption of effective procedures (A) for an evaluation by the State advisory council, at least annually, of the effectiveness of the programs and projects assisted under the State plan, (B) for the appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects, and (C) for the adoption, where appropriate, of promising educational practices developed through innovative programs supported under part C;

"(7) provides that local educational agencies applying for funds under any program under this title shall be required to submit only one application for such funds for any one fiscal year;

"(8) provides—

"(A) that, of the funds the State receives under section 401 for the first fiscal year for which such funds are available, such agency will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3), or (ii) the amount it received for the fiscal year ending June 30, 1973, for administration of the programs referred to in sections 421(b) and 431(b), and that the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B and C, respectively; and that, of the funds the State receives under section 401 for fiscal years thereafter, it will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received ($50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3), or (ii) $225,000, and that the remainder of such funds shall be made available to local educational agencies to be used for purposes of parts B and C, respectively,

"(B) that not less than 15 per centum of the amount received pursuant to section 401 (b) in any fiscal year (not including any amount used for purposes of section 431(a) (3)) shall be used for special programs or projects for the education of children with specific learning disabilities and handicapped children, and

"(C) that not more than the greater of (i) 15 per centum of the amount which such State receives pursuant to section 401(b) in any fiscal year, or (ii) the amount available by appropriation to such State in the fiscal year ending June 30, 1973, for purposes covered by section 431(a)(3), shall be used for purposes of section 431(a)(3) (relating to strengthening State and local educational agencies);

"(9) provides assurances that in the case of any project for the repair, remodeling, or construction of facilities, that the facilities shall be accessible to and usable by handicapped persons;

"(10) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year will not be commingled with State funds; and

"(11) gives satisfactory assurance that the aggregate amount to be expended by the State and its local educational agencies from funds derived from non-Federal sources for programs described in section 421(a) for a fiscal year will not be less than the amounts so expended for the preceding fiscal year.

"(b)(1) The State advisory council, established pursuant to subsection (a), shall—

"(A) be appointed by the State educational agency or as otherwise provided by State law and be broadly representative of the cultural and educational resources of the State (as defined in section 432) and of the public, including persons representative of—

"(i) public and private elementary and secondary schools,

"(ii) institutions of higher education, and

"(iii) fields of professional competence in dealing with children needing special education because of physical or mental handicaps, specific learning disabilities, severe educational disadvantage, and limited English-speaking ability or because they are gifted or talented, and of professional competence in guidance and counseling;

"(B) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under this title;

"(C) evaluate all programs and projects assisted under this title; and

"(D) prepare at least annually and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner.

"(2) Not less than ninety days prior to the beginning of any fiscal year for which funds will be available for carrying out this title, each State shall certify the establishment of, and membership of (including the name of the person designated as Chairman), its State advisory council to the Commissioner.

"(3) Each State advisory council shall meet within thirty days after certification has been accepted by the Commissioner and establish the time, place, and manner of its future meetings, except that such council shall have not less than one public meeting each year at which the public is given an opportunity to express views concerning the administration and operation of this title.

"(4) Each State advisory council shall be authorized to obtain the services of such professional, technical, and clerical personnel, and to contract for such other services as may be necessary to enable them to carry out their functions under this title, and the Commissioner shall assure that funds sufficient for these purposes are made available to each council from funds available for administration of the State plan.

"(c) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsections (a) and (b) of this section.

"ADMINISTRATION OF STATE PLANS

"SEC. 404. The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

"PAYMENTS TO STATES

"SEC. 405. From the amounts allotted to each State under section 402 for carrying out the programs authorized by parts B and C, respectively, the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 406 (f)).

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 406. (a) To the extent consistent with the number of children in the school district of a local educational agency (which is a recipient of funds under this title or which serves the area in which a program or project assisted under this title is located) who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment, including the repair, minor remodeling, or construction of public school facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this title.

"(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors (pursuant to criteria supplied by the Commissioner) which relate to such expenditures, and when funds available to a local educational agency under this title are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance areas, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

"(c)(1) The control of funds provided under this title and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

"(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this title shall not be commingled with State or local funds.

"(d) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(e) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

"(f) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services from the appropriate allotment of the State under this title.

"(g)(1) The Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

"(2) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(3) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.".

"PART B—LIBRARIES AND LEARNING RESOURCES

"PROGRAMS AUTHORIZED

"SEC. 421. (a) The Commissioner shall carry out a program for making grants to the States (pursuant to State plans approved under section 403)—

"(1) for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools;

"(2) for the acquisition of instructional equipment (including laboratory and other special equipment, including audio-visual materials and equipment suitable for use in providing education in academic subjects) for use by children and teachers in elementary and secondary schools, and for minor remodeling of laboratory or other space used by such schools for such equipment; and

"(3) for (A) a program of testing students in the elementary and secondary schools, (B) programs of counseling and guidance services for students at the appropriate levels in elementary and secondary schools designed (i) to advise students of course of study suited to their ability, aptitude, and skills, (ii) to advise students with respect to their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (iii) to encourage students to complete their secondary school education, take the necessary courses for admission to postsecondary institutions suitable for their occupational or academic needs, and enter such institutions, and such programs may include short-term sessions for persons engaged in guidance and counseling in elementary and secondary schools, and (C) programs, projects, and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

"(b) It is the purpose of this part to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs authorized by title II and so much of title III as relates to testing, counseling, and guidance, of this Act, and title III (except for section 305 thereof) of the National Defense Education Act of 1958, and funds appropriated to carry out this part must be used only for the same purposes and for the funding of the same types of programs authorized under these provisions.

"PART C—EDUCATIONAL INNOVATION AND SUPPORT

"PROGRAMS AUTHORIZED

"SEC. 431. (a) The Commissioner shall carry out a program for making grants to the States (pursuant to State plans approved under section 403)—

"(1) for supplementary educational centers and services to stimulate and assist in the provision of vitally needed educational services (including preschool education, special education, compensatory education, vocational education, education of gifted and talented children, and dual enrollment programs) not available in sufficient quantity or quality, and to stimulate and assist in the development and establishment of exemplary elementary and secondary school programs (including the remodeling, lease, or construction of necessary facilities) to serve as models for regular school programs;

"(2) for the support of demonstration projects by local educational agencies or private educational organizations designed to improve nutrition and health services in public and private elementary and secondary schools serving areas with high concentrations of children from low-income families and such projects may include payment of the cost of (A) coordinating nutrition and health service resources in the areas to be served by a project, (B) providing supplemental health, mental health, nutritional, and food services to children from low-income families when the resources for such services available to the applicant from other sources are inadequate to meet the needs of such children, (C) nutrition and health programs designed to train professional and other school personnel to provide nutrition and health services in a manner which meets the needs of children from low-income families for such services, and (D) the evaluation of projects assisted with respect to their effectiveness in improving school nutrition and health services for such children;

"(3) for strengthening the leadership resources of State and local educational agencies, and for assisting those agencies in the establishment and improvement of programs to identify and meet educational needs of States and of local school districts; and

"(4) for making arrangements with local educational agencies for the carrying out by such agencies in schools which (A) are located in urban or rural areas, (B) have a high percentage of children from low-income families, and (C) have a high percentage of such children who do not complete their secondary school education, of demonstration projects involving the use of innovative methods, systems, materials, or programs which show promise of reducing the number of such children who do not complete their secondary school education.

"(b) It is the purpose of this part to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs authorized by title III (except for programs of testing, counseling, and guidance) and title V, and sections 807 and 808 of this Act, and funds appropriated to carry out this part must be used only for the same purposes and for the funding of the same types of programs authorized under those provisions.

"USE OF CULTURAL AND EDUCATIONAL RESOURCES

"SEC. 432. Programs or projects supported pursuant to this part (other than those described in section 431(a)(3)) shall involve in the planning and carrying out thereof the participation of persons broadly representative of the cultural and educational resources of the area to be served. The term 'cultural and educational resources' includes State educational agencies, local educational agencies, private nonprofit elementary and secondary schools, institutions of higher education, public and nonprofit private agencies such as libraries, museums, musical and artistic organizations, educational radio and television, and other cultural and educational resources."

CONSOLIDATION OF CERTAIN FEDERALLY OPERATED EDUCATION PROGRAMS

SEC. 402. (a)(1) The Act of July 26, 1954 (Public Law 531, Eighty-third Congress) is amended by striking out all after the enacting clause and inserting in lieu thereof the following: "That this Act may be cited as the 'Special Projects Act'.

"PURPOSE

"SEC. 2. It is the purpose of this Act to authorize the Commissioner of Education (hereinafter referred to as the 'Commissioner') to carry out special projects—

"(1) to experiment with new educational and administrative methods, techniques, and practices;

"(2) to meet special or unique education needs or problems; and

"(3) to place special emphasis on national education priorities.

"CONTRACTING AUTHORITY

"SEC. 3. (a) The Commissioner is authorized, during the period beginning July 1, 1975, and ending June 30, 1978, to make contracts with public and private agencies, organizations, associations, institutions, and with individuals in order to carry out the purposes of this Act as set forth in section 2.

"(b) In exercising his authority under this section, the Commissioner shall comply with such priorities and preferences as may be expressly provided by law, with respect to this section.

"APPROPRIATIONS

"SEC. 4. (a)(1) In order to enable the Commissioner to make contracts under section 3, there is authorized, subject to subsection, (b) to be appropriated to the Office of Education $200,000,000 for the fiscal year ending June 30, 1976, and each of the two succeeding fiscal years.

"(2) Sums appropriated pursuant to paragraph (1) shall, notwithstanding any other provisions of law, unless enacted in express limitation of this paragraph, remain available until expended.

"(b)(1) Not later than February 1 of each year, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a plan in accordance with which the Commissioner has determined to expend funds to be appropriated for the succeeding fiscal year. Such plan shall be accompanied by a report describing each contract made during the calendar year preceding that fiscal year under the authority of this Act involving an expenditure in excess of $100,000.

"(2)(A) The funds appropriated pursuant to subsection (a) for any fiscal year shall be expended in accordance with the plan submitted for that year pursuant to paragraph (1), unless prior to sixty days after the submission of such plan, either the Committee on Education and Labor of the House of Representatives or the Committee on Labor and Public Welfare of the Senate adopts a resolution disapproving such plan.

"(B) If either or both such committees adopts a resolution of disapproval as provided in subparagraph (A), the Commissioner shall, not later than fifteen days after the adoption of any such resolution, submit a new plan in accordance with paragraph (1) and subparagraph (A).".

(2) The title of such Act of July 24, 1954, is amended to read as follows: "An Act to authorize special projects, surveys, and studies by the Office of Education.".

(b)(1) In carrying out his functions under section 3 of the Special Projects Act, the Commissioner shall reserve not less than 50 per centum of the sums appropriated pursuant to section 4 of such Act for the purposes given preference under paragraph (3) of this subsection and apportioned in accordance with paragraph (2) of this subsection. With respect to the funds to which this paragraph applies, the Commissioner's authority under such section 3 shall include authority to make grants as well as contracts.

(2) Except as is otherwise provided with respect to section 409, the Commissioner shall apportion an amount for each of the purposes set forth in paragraph (3) which bears the same ratio to the sums reserved pursuant to paragraph (1) as the amount permitted to be expended for each such purpose bears to the aggregate of the amounts permitted to be expended for all such purposes.

(3) The sums reserved pursuant to paragraph (1) shall be expended for programs otherwise authorized by an applicable statute and described in the following subparagraphs:

Education for the Use of the Metric System of Measurement

(A) A program to encourage educational agencies and institutions to prepare students to use the metric system of measurement, as provided in section 403.

Gifted and Talented Children

(B) A program for the education of gifted and talented children through grants to the States for such purpose, as provided in section 404 (except subsection (f) thereof).

Community Schools

(C) A program of grants to local educational agencies to assist them in planning, establishing, expanding, and operating community education programs, as provided in section 405.

Career Education

(D) A program to assess, and to encourage establishment and operation of, career education programs, as provided in section 406.

Consumers' Education

(E) A program of grants and contracts designed to provide consumer education to the public, as provided in section 811 of the Elementary and Secondary Education Act of 1965.

Women's Equity in Education

(F) A program of grants and contracts designed to provide educational equity for women in the United States, as provided in section 408.

Arts in Education Programs

(G) A program of grants and contracts designed to assist and encourage the use of the arts in elementary and secondary school programs as provided in section 409.

(4) No appropriation may be made for any fiscal year for the purposes of section 811 of the Elementary and Secondary Education Act of 1965 or sections 403, 404, 405, 406, 408, and 409 of this Act during which funds are available for the purposes of such sections under the provisions of this subsection.

(c)(1) The amendments made by subsection (a) and the provisions of subsection (b) shall be effective on and after July 1, 1975.

(2) Effective July 1, 1975, title III of the Elementary and Secondary Education Act of 1965 is amended—

(i) by striking out section 305(d);

(ii) by striking out section 306; and

(iii) by striking out section 307(c).

(3) Effective July 1, 1975, section 809 of the Elementary and Secondary Education Act of 1965, is repealed.

EDUCATION FOR THE USE OF THE METRIC SYSTEM OF MEASUREMENT

SEC. 403. (a)(1) The Congress finds that—

(A) the metric system of measurement is in general use in industrially developed nations and its use is increasing;

(B) increased use of such metric system in the United States is inevitable, and such a metric system will become the dominant system of weights and measurements in the United States; and

(C) there is no existing Federal program designed to teach children to use such metric system and such a program is necessary if the American people are to adapt to the use of the metric system of weights and measures.

(2) It is the policy of the United States to encourage educational agencies and institutions to prepare students to use the metric system of measurement with ease and facility as a part of the regular education program.

(3) For the purpose of this section, the term "metric system of measurement" means the International System of Units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

(b)(1) The Commissioner shall carry out a program of grants and contracts in order to encourage educational agencies and institutions to prepare students to use the metric system of measurement.

(2) The Commissioner is authorized to make grants to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private nonprofit agencies, organizations, and institutions to develop and carry out the policy set forth in subsection (a).

(c)(1) Financial assistance under this section may be made available only upon application to the Commissioner. Any such application shall be submitted at such time, in such form, and containing such information as the Commissioner shall prescribe by regulation and shall be approved only if it—

(A) provides that the activities and services for which assistance is sought will be administered by, or under the supervision of, the applicant;

(B) describes a program which holds promise of making a substantial contribution toward attaining the purposes of this section;

(C) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application; and

(D) contains such other provisions as the Commissioner determines necessary in order to accomplish the purposes of this title.

(2) An application from a local educational agency under this section may be approved only if the State educational agency of the State in which such local agency is located has been notified of the application and has been given a reasonable opportunity to offer recommendations with respect to the approval thereof.

(d) For the purpose of carrying out this section, the Commissioner is authorized to expend $10,000,000 for each of the fiscal years ending prior to July 1, 1978.

GIFTED AND TALENTED CHILDREN

SEC. 404. (a) The Commissioner shall designate an administrative unit within the Office of Education to administer the programs and projects authorized by this section and to coordinate all programs for gifted and talented children and youth administered by the Office.

(b) The Commissioner shall establish or designate a clearinghouse to obtain and disseminate to the public information pertaining to the education of gifted and talented children and youth. The Commissioner is authorized to contract with public or private agencies or organizations to establish and operate the clearinghouse.

(c)(1) The Commissioner shall make grants to State educational agencies and local educational agencies, in accordance with the provisions of this subsection, in order to assist them in the planning, development, operation, and improvement of programs and projects designed to meet the special educational needs of gifted and talented children at the preschool and elementary and secondary school levels.

(2)(A) Any State educational agency or local educational agency desiring to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner determines to be necessary to carry out his functions under this section. Such application shall—

(i) provide satisfactory assurance that funds paid to the applicant will be expended solely to plan, establish, and operate programs and projects which—

(I) are designed to identify and to meet the special educational and related needs of gifted and talented children, and

(II) are of sufficient size, scope, and quality as to hold reasonable promise of making substantial progress toward meeting those needs;

(ii) set forth such policies and procedures as are necessary for acquiring and disseminating information derived from educational research, demonstration and pilot projects, new educational practices and techniques, and the evaluation of the effectiveness of the program or project in achieving its purpose; and

(iii) provide satisfactory assurance that, to the extent consistent with the number of gifted and talented children in the area to be served by the applicant who are enrolled in nonpublic elementary and secondary schools, provision will be made for the participation of such children.

(B) The Commissioner shall not approve an application under this subsection from a local educational agency unless such application has been submitted to the State educational agency of the State in which the applicant is located and such State agency has had an opportunity to make recommendations with respect to approval thereof.

(3) Funds available under an application under this subsection may be used for the acquisition of instructional equipment to the extent such equipment is necessary to enhance the quality or the effectiveness of the program or project for which application is made.

(4) A State educational agency receiving assistance may carry out its functions under an approved application under this subsection directly or through local educational agencies.

(d) The Commissioner is authorized to make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to institutions of higher education, a program for training personnel engaged or preparing to engage in educating gifted and talented children or as supervisors of such personnel.

(e) The Commissioner is authorized to make grants to institutions of higher education and other appropriate nonprofit institutions or agencies to provide training to leadership personnel for the education of gifted and talented children and youth. Such leadership personnel may include, but are not limited to, teacher trainers, school administrators, supervisors, researchers, and State consultants. Grants under this subsection may be used for internships, with local, State, or Federal agencies or other public or private agencies or institutions.

(f) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall, in accordance with the terms and conditions of section 405 of such Act, carry out a program of research and related activities relating to the education of gifted and talented children. The Commissioner is authorized to transfer to the National Institute of Education such sums as may be necessary for the program required by this subsection. As used in the preceding sentence the term "research and related activities" means research, research training, surveys, or demonstrations in the field of education of gifted and talented children and youth, or the dissemination of information derived therefrom, or all of such activities, including (but without limitation) experimental and model schools.

(g) In addition to the other authority of the Commissioner under this section, the Commissioner is authorized to make contracts with public and private agencies and organizations for the establishment and operation of model projects for the identification and education of gifted and talented children, including such activities as career education, bilingual education, and programs of education for handicapped children and for educationally disadvantaged children. The total of the amounts expended for projects authorized under this subsection shall not exceed 15 per centum of the total of the amounts expended under this section for any fiscal year.

(h) For the purpose of carrying out the provisions of this section the Commissioner is authorized to expend not to exceed $12,250,000 for each fiscal year ending prior to July 1, 1978.

COMMUNITY SCHOOLS

SEC. 405. (a) This section may be cited as the "Community Schools Act".

(b) In recognition of the fact that the school, as the prime educational institution of the community, is most effective when the school involves the people of that community in a program designed to fulfill their education needs, and that community education promotes a more efficient use of public education facilities through an extension of school buildings and equipment, it is the purpose of this section to provide educational, recreational, cultural, and other related community services, in accordance with the needs, interests, and concerns of the community, through the establishment of the community education program as a center for such activities in cooperation with other community groups.

(c) For purposes of this section and subparagraph (C) of section 402(b)(3), a "community education program" is a program in which a public building, including but not limited to a public elementary or secondary school or a community or junior college, is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other related community services for the community that center serves in accordance with the needs, interests, and concerns of that community. Nothing in this section shall be construed to prohibit any applicant under this section from carrying out any activity with funds derived from other sources.

(d)(1) In order to carry out the purposes and provisions of this section, the Commissioner is authorized to make grants to State educational agencies and to local educational agencies to pay the Federal share of the cost of planning, establishing, expanding, and operating community education programs.

(2) Fifty percent of the funds made available pursuant to clause (1) of subsection (i) shall be available for grants to State educational agencies. The remainder of such funds shall be available for grants to local educational agencies.

(3) For the purpose of paragraph (1) of this subsection, the Federal share shall be—

(A) 80 per centum of a program to establish a new community education program,

(B) 65 per centum of a program to expand or improve a community education program for the first year in which such program is assisted under this section, and 55 per centum in any fiscal year thereafter, and

(C) 40 per centum of a program to maintain or carry out a community education program.

(4) Any State or local educational agency desiring to receive a grant under this section for any fiscal year shall submit an application to the Commissioner at such time, in such manner, and in such form as the Commissioner shall prescribe by regulation. Each such application shall contain provisions—

(A) assuring that local community colleges, social, recreational, and health groups will be consulted with respect to programs to be offered and facilities to be used for the purpose of this section;

(B) assuring that the applicant will pay from non-Federal sources the remaining costs of carrying out the application; and

(C) containing a description of each community education program for which assistance is sought in sufficient detail to apply the appropriate Federal share specified in clause (3) of this subsection.

The Commissioner shall not approve an application submitted by a local educational agency unless the State educational agency of the State in which that local educational agency is located has been given an opportunity to review, and make comment on, such application.

(e) The Commissioner is authorized to make grants to institutions of higher education to develop and establish, or to expand, programs which will train persons to plan and operate community education programs.

(f)(1) The Commissioner shall establish or designate a clearinghouse to gather and disseminate information received from community education programs, including but not limited to information regarding new programs, methods to encourage community participation, and ways of coordinating community education programs with other community services. The Commissioner is authorized to contract with public or private agencies or organizations to establish and operate the clearinghouse.

(2) The Commissioner shall make available to each community education program such technical assistance and information as the program may require, and such technical assistance shall be coordinated with the national clearinghouse.

(g) (1) There is established, subject to part D of the General Education Provisions Act, in the Office of the Commissioner, a Community Education Advisory Council (referred to in this section as the "Advisory Council") to be composed of eleven members. The members of the Advisory Council shall be appointed by the Secretary.

(2) A substantial number of the members of the Advisory Council shall be persons experienced in the operation of community education programs and the training of such persons. The Council shall include representatives from various disciplines involved in providing services in community school programs.

(3) Appointments to the Advisory Council shall be completed within three months after enactment of this section.

(4) The Commissioner shall make available to the Advisory Council such staff, information, and other assistance as it may require to carry out its activities.

(5) The Advisory Council shall advise the Commissioner on policy matters relating to the interests of community schools.

(6) In the fiscal year ending June 30, 1975, the Advisory Council shall be responsible for advising the Commissioner regarding the establishment of policy guidelines and regulations for the operation and administration of this section. In addition, the Council shall create a system for evaluation of the programs. The Council shall present to Congress a complete and thorough evaluation of the programs and operation of this section for each fiscal year ending after June 30, 1975.

(h) In approving applications under this section the Commissioner shall insure that there is an equitable geographical distribution of community education programs throughout the United States in both urban and rural areas.

(i) The Commissioner is authorized to expend (1) for the purpose of subsection (d), $15,000,000 for each fiscal year ending prior to July 1, 1978; and (2) for the purposes of subsection (1), $2,000,000 for each fiscal year ending prior to July 1, 1978.

CAREER EDUCATION

SEC. 406. (a) It is the sense of Congress that—

(1) every child should, by the time he has completed secondary school, be prepared for gainful or maximum employment and for full participation in our society according to his or her ability;

(2) it is the obligation of each local educational agency to provide that preparation for all children (including handicapped children and all other children who are educationally disadvantaged) within the school district of such agency; and

(3) each State and local educational agency should carry out a program of career education which provides every child the widest variety of career education options which are designed to prepare each child for maximum employment and participation in our society according to his or her ability.

(b) It is the purpose of this section to assist in achieving the policies set forth in subsection (a) by—

(1) developing information on the needs for career education for all children;

(2) promoting a national dialogue on career education designed to encourage each State and local educational agency to determine and adopt the approach to career education best suited to the needs of the children served by them;

(3) assessing the status of career education programs and practices, including a reassessment of the stereotyping of career opportunities by race or by sex;

(4) providing for the demonstration of the best of the current career education programs and practices by the development and testing of exemplary programs and practices using various theories, concepts, and approaches with respect to career education;

(5) providing for the training and retraining of persons for conducting career education programs; and

(6) developing State and local plans for implementing career education programs designed to insure that every child has the opportunity to gain the knowledge and skills necessary for gainful or maximum employment and for full participation in our society according to his or her ability.

(c) (1) In order to carry out the policies, purposes, and provisions of this section, there is established in the Office of Education an Office of Career Education (hereafter in this section referred to as the "Office"). The Office shall be headed by a Director.

(2) The Director of the Office shall report directly to the Commissioner.

(d) For the purposes of this section, the term "career education" means an education process designed—

(1) to increase the relationship between schools and society as a whole;

(2) to provide opportunities for counseling, guidance and career development for all children;

(3) to relate the subject matter of the curricula of schools to the needs of persons to function in society;

(4) to extend the concept of the education process beyond the school into the area of employment and the community;

(5) to foster flexibility in attitudes, skills, and knowledge in order to enable persons to cope with accelerating change and obsolescence;

(6) to make education more relevant to employment and functioning in society; and

(7) to eliminate any distinction between education for vocational purposes and general or academic education.

(e) The Commissioner shall conduct a survey and assessment of the current status of career education programs, projects, curriculums, and materials in the United States and submit to the Congress, not later than November 1, 1975, a report on such survey and assessment. Such report shall include recommendations of the Advisory Council created under subsection (g) for new legislation designed to accomplish the policies and purposes set forth in subsections (a) and (b). In exercising his authority under clauses (ii) (III) and (ii) (V) of section 434 (b) (1) (A) of the General Education Provisions Act, for any fiscal year, the Commissioner shall require State educational agencies and local educational agencies to report on their efforts to prepare students for gainful or maximum employment.

(f) (1) During the period beginning with the enactment of this section and ending June 30, 1978, the Commissioner is authorized to make grants to State and local educational agencies, institutions of higher education, and other nonprofit agencies and organizations to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models (including models in which handicapped children receive appropriate career education either by participation in regular or modified programs with nonhandicapped children or where necessary in specially designed programs for handicapped children whose handicaps are of such severity that they cannot benefit from regular or modified programs). Grants made under this subsection shall be consistent with the policies set forth in subsection (a) of this subsection.

(2) During the period beginning one year after the enactment of this section and ending June 30, 1977, the Commissioner is authorized to make grants to State educational agencies to enable them to develop State plans for the development and implementation of career education programs in the local educational agencies of the States. Such plans shall be designed to carry out the policies and purposes set forth in subsections (a) and (b).

(g) (1) Subject to part D of the General Education Provisions Act and within ninety days after the enactment of this section, there is established a National Advisory Council for Career Education which shall be composed of—

(A) the Assistant Secretary of Health, Education, and Welfare for Education, the Commissioner of Education, the Director of the Office of Career Education, the Director of the National Institute of Education, the Administrator of the National Center for Education Statistics, the Director of the National Science Foundation, the Chairman of the National Foundation for the Arts, the Chairman of the National Foundation for the Humanities, the Chairman of the National Advisory Council for Vocational Education, all of whom shall serve in a nonvoting ex officio capacity; and

(B) not less than twelve public members broadly representative of the fields of education, the arts, the humanities, the sciences, community services, business and industry, and the general public, a majority of whom shall be engaged in education or education-related professions.

(2) The public members shall be appointed by the Secretary. The Secretary shall select the Chairman from among the public members. The members shall serve for terms of three years with not more than four seats rotating in any one year. The Commissioner shall provide such staff and funds for the Council as deemed necessary and such staff and funds shall be in addition to those provided elsewhere in this title.

(3) The duties of the Council shall be to advise the Commissioner on the implementation of this section and carry out such advisory functions as it deems appropriate, including reviewing the operation of this section and all other programs of the Division of Education pertaining to the development and implementation of career education, evaluating their effectiveness in meeting the needs of career education throughout the United States, and in determining the need for further legislative remedy in order that all citizens may benefit from the purposes of career education as prescribed in this section.

(4) The Council with the assistance of the Commissioner shall conduct a survey and assessment of the current status of career education programs, projects, curricula, and materials in the United States and submit to Congress, not later than November 1, 1975, a report on such survey and assessment. Such report shall include recommendations of the Council for new legislation designed to accomplish the policies and purposes set forth in subsections (a) and (b).

(h) For the purpose of carrying out the provisions of this section, the Commissioner is authorized to expend not to exceed $15,000,000 for each fiscal year ending prior to July 1, 1978.

CONSUMERS' EDUCATION

SEC. 407. (a) (1) Section 811 (a) of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"SEC. 811. (a) (1) There shall be within the Office of Education an Office of Consumers' Education (hereafter in this section referred to as the 'Office') which shall be headed by a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject to the management of the Commissioner, shall have responsibility for carrying out the provisions of this section.

"(2) The Director shall be appointed by the Commissioner in accordance with the provisions of title 5 of the United States Code relating to appointments to the competitive service.".

(2) Such section 811(b) of such Act is amended, in clause (ii) in the second sentence of paragraph (1)(C), by striking out "paragraph (2)" and inserting in lieu thereof "subparagraph (B)".

(3) Section 811(d) of such Act is amended to read as follows:

"(d) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $15,000,000 for each fiscal year ending prior to July 1, 1978.".

(b) The amendments made by paragraph (3) of subsection (a) shall be effective on and after July 1, 1973.

WOMEN'S EDUCATIONAL EQUITY

SEC. 408. (a) This section may be cited as the "Women's Educational Equity Act of 1974."

(b)(1) The Congress hereby finds and declares that educational programs in the United States (including its possessions), as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society.

(2) It is the purpose of this section to provide educational equity for women in the United States.

(c) As used in this section, the term "Council" means the Advisory Council on Women's Educational Programs.

(d)(1) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies and private nonprofit organizations and with individuals for activities designed to carry out the purposes of this section at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. These activities shall include—

(A) the development, evaluation, and dissemination by the applicant of curricula, textbooks, and other educational materials related to educational equity;

(B) preservice and inservice training for educational personnel including guidance and counseling with special emphasis on programs and activities designed to provide educational equity;

(C) research, development, and educational activities designed to advance educational equity;

(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to assure educational equity;

(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women;

(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education and educational administration.

(2) A grant may be made and a contract may be entered into under this section only upon application to the Commissioner, at such time, in such form, and containing or accompanied by such information as the Commissioner may prescribe. Each such application shall—

(A) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(B) describe a program for carrying out one of the purposes set forth in subsection (a) which holds promise of making a substantial contribution toward attaining such purposes; and

(C) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application.

(3) The Commissioner shall approve applicants and amendments thereto which meet the requirements of paragraph (2).

(4) Nothing in this section shall be construed as prohibiting men from participating in any programs or activities assisted under this section.

(e) In addition to the authority of the Commissioner under subsection (d), the Commissioner shall carry out a program of small grants, not to exceed $15,000, each, in order to support innovative approaches to achieving the purpose of this section; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals.

(f)(1) There is established in the Office of Education an Advisory Council on Women's Educational Programs. The Council shall be composed of—

(A) seventeen individuals, some of whom shall be students, who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

(B) the Chairman of the Civil Rights Commission;

(C) the Director of the Women's Bureau of the Department of Labor; and

(D) the Director of the Women's Action Program of the Department of Health, Education, and Welfare.

The Council shall elect its own Chairman.

(2) The term of office of each member of the Council appointed under clause (A) of paragraph (1) shall be three years, except that—

(A) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(3) The Council shall—

(A) advise the Commissioner with respect to general policy matters relating to the administration of this section;

(B) advise and make recommendations to the Assistant Secretary concerning the improvement of educational equity for women;

(C) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this section, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation; and

(D) develop criteria for the establishment of program priorities.

(4) From the sums available for the purposes of this section, the Commissioner is authorized and directed to conduct a national, comprehensive review of sex discrimination in education, to be submitted to the Council not later than a year after the date of enactment of this section. The Council shall review the report of the Commissioner and shall make such recommendations, including recommendations for additional legislation, as it deems advisable.

(5) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

(f) The Commissioner is directed, at the end of each fiscal year, to submit to the President and the Congress and to the Council a report setting forth the programs and activities assisted under this section, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this section. After receiving the report from the Commissioner, the Council shall evaluate the programs and projects assisted under this section and include such evaluation in its annual report.

(h) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $30,000,000 for each fiscal year prior to July 1, 1978.

ELEMENTARY AND SECONDARY SCHOOL EDUCATION IN THE ARTS

SEC. 409. The Commissioner shall, during the period beginning after June 30, 1974 and ending on June 30, 1978, through arrangements made with the John F. Kennedy Center for the Performing Arts, carry out a program of grants and contracts to encourage and assist State and local educational agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary school programs. Not less than $750,000 shall be available for the purposes of this section during any fiscal year during the period for which provision is made in the preceding sentence.

EFFECTIVE DATE

SEC. 410. Except where otherwise specified in this title, the amendments made by, and the provisions of, this title shall be effective on and after the date of enactment of this Act.

TITLE V—EDUCATION ADMINISTRATION

NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 501. (a) Part A of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"NATIONAL CENTER FOR EDUCATION STATISTICS

"SEC. 406. (a) There is established, within the Office of the Assistant Secretary, a National Center for Education Statistics (hereafter in this section referred to as the 'Center'). The Center shall be headed by an Administrator who shall be appointed by the Assistant Secretary in accordance with the provisions of title 5, United States Code, relating to appointments in the competitive service.

"(b) The purpose of the Center shall be to collect and disseminate statistics and other data related to education in the United States and in other nations. The Center shall—

"(1) collect, collate, and, from time to time, report full and complete statistics on the conditions of education in the United States;

"(2) conduct and publish reports on specialized analyses of the meaning and significance of such statistics;

"(3) assist State and local educational agencies in improving and automating their statistical and data collection activities; and

"(4) review and report on educational activities in foreign countries.

"(c)(1) There shall be an Advisory Council on Education Statistics which shall be composed of 7 members appointed by the Secretary and such ex officio members as are listed in subparagraph (2). Not more than 4 of the appointed members of the Council may be members of the same political party.

"(2) The ex officio members of the Council shall be—

"(A) the Commissioner of Education,

"(B) the Director of the National Institute of Education,

"(C) the Director of the Census, and

"(D) the Commissioner of Labor Statistics.

"(3) Appointed members of the Council shall serve for terms of 3 years, as determined by the Secretary, except that in the case of initially appointed members of the Council, they shall serve for shorter terms to the extent necessary that the terms of office of not more than 3 members expire in the same calendar year.

"(4) The Assistant Secretary shall serve as the non-voting presiding officer of the Council.

"(5) (A) The Council shall meet at the call of the presiding officer, except that it shall meet—

"(i) at least four times during each calender year; and

"(ii) in addition, whenever three voting members request in writing that the presiding officer call a meeting.

"(B) Six members of the Council shall constitute a quorum of the Council.

"(6) The provisions of section 448(b) of part D of this title shall not apply to the Council established under this subsection.

"(7) The Council shall review general policies for the operation of the Center and shall be responsible for establishing standards to insure that statistics and analyses disseminated by the Center are of high quality and are not subject to political influence.

"(d) (1) The Assistant Secretary shall, not later than March 1 of each year, submit to the Congress an annual report which—

"(A) contains a description of the activities of the Center during the then current fiscal year and a projection of its activities during the succeeding fiscal year;

"(B) sets forth estimates of the cost of the projected activities for such succeeding fiscal year; and

"(C) includes a statistical report on the condition of education in the United States during the two preceding fiscal years and a projection, for the three succeeding fiscal years, of estimated statistics related to education in the United States.

"(2) The Center shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section. This subparagraph shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies receiving grants from or having contracts with the Federal Government.

"(e) In order to carry out the objectives of the Center, the Assistant Secretary is authorized, either directly or by grant or contract, to carry out the purposes set forth in subsection (b), and for that purpose the Assistant Secretary is authorized to make grants to, and contracts with public and private institutions, agencies, organizations and individuals.

"(f) (1) (A) The Center is authorized to furnish transcripts or copies of tables and other statistical records of the Office of Education, the Assistant Secretary, and the National Institute of Education to, and to make special statistical compilations and surveys for, State or local officials, public and private organizations, or individuals. The Center shall furnish such special statistical compilations and surveys as the Committees on Labor and Public Welfare and on Appropriations of the Senate and the Committees on Education and Labor and on Appropriations of the House of Representatives may request. Such statistical compilations and surveys, other than those carried out pursuant to the preceding sentence, shall be made subject to the payment of the actual or estimated cost of such work. In the case of nonprofit organizations or agencies, the Assistant Secretary may engage in joint statistical projects, the cost of which shall be shared equitably as determined by the Assistant Secretary: *Provided*, That the purposes of such projects are otherwise authorized by law.

"(B) All funds received in payment for work or services enumerated under subparagraph (A) shall be deposited in a separate account which may be used to pay directly the costs of such work or services, to repay appropriations which initially bore all or part of such costs, or to refund excess sums when necessary.

"(2) (A) The Center shall participate with other Federal agencies having a need for educational data in forming a consortium for the purpose of providing direct joint access with such agencies to all educational data received by the Center through automated data processing. The Library of Congress, General Accounting Office, and the Committees on Labor and Public Welfare and Appropriations of the Senate and the Committees on Education and Labor and Appropriations of the House of Representatives shall, for the purposes of this subparagraph, be considered Federal agencies.

"(B) The Center shall, in accordance with regulations published for the purpose of this paragraph, provide all interested parties, including public and private agencies and individuals, direct access to data collected by the Center for purposes of research and acquiring statistical information.

"(3) The Commissioner and the National Institute of Education are directed to cooperate with the Center and make such records and data available to the Center as may be necessary to enable the Center to carry out its functions under this subsection.

"(g) (1) The amount available for salaries and expenses of the Center shall not exceed $5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $14,000,000 for the fiscal year ending June 30, 1977.

"(2) The amount available for grants and contracts by the Assistant Secretary under subsection (e) shall not exceed $20,000,000 for the fiscal year ending June 30, 1975, $25,000,000 for the fiscal year endng June 30, 1976, and $30,000,000 for the fiscal year ending June 30, 1977.

"(3) Sums appropriated for activities and expenses of the Center which are not limited by paragraph (2) of this subsection shall be appropriated apart from appropriations which are so limited, as separate line items.".

(b) (1) The amendments made by subsection (a) shall be effective on the tenth day after the date of enactment of this Act.

(2) Section 427 of such Act is amended to read as follows:

"AUTHORIZATION TO FURNISH INFORMATION

"SEC. 427. The Commissioner is authorized to transfer transcripts or copies of other records of the Office of Education to State and local officials, public and private organizations, and individuals.".

(3) (A) All functions and authority vested in the Commissioner of Education which, immediately prior to the date upon which the amendments made by subsection (a) become effective, are related to the collection, analysis, and dissemination of statistics about, and reports on the condition of, education in the Nation as determined by the Assistant Secretary are transferred, on such date to the National Center for Education Statistics established under section 406 of the General Education Provisions Act.

(B) The functions and authority of the Commissioner of Education under section 427 relating to statistics prior to the date upon which the amendments made by subsection (a) become effective, together with all funds deposited in any account under such section, are transferred, on such date to the National Center for Education Statistics.

(4) The National Center for Education Statistics shall conduct the survey required by section 731(c) (1) (A) of title VII of the Elementary and Secondary Education Act of 1965.

GENERAL PROVISIONS RELATING TO OFFICERS IN THE EDUCATION DIVISION

SEC. 502. (a) (1) The General Education Provisions Act is amended by adding after section 406 of the following new sections:

"RULES FOR EDUCATION OFFICERS OF THE UNITED STATES

"SEC. 407. (a) For the purpose of this section, the term 'education officer of the United States' means any person appointed by the President pursuant to this part, except members of commissions, councils, and boards.

"(b) Each education officer of the United States shall serve at the pleasure of the President.

"(c) No education officer of the United States shall engage in any other business, vocation, or employment while serving in the position to which he is appointed; nor may he, except with the express approval of the President in writing, hold any office in, or act in any capacity for, or have any financial interest in, any organization, agency, or institution to which an agency in the Education Division makes a grant or which any such agency makes a contract or any other financial arrangement.

"(d) No person shall hold, or act for, more than one position as an education officer of the United States for more than a 30-day period.

"GENERAL AUTHORITY OF ADMINISTRATIVE HEADS OF EDUCATION AGENCIES

"SEC. 408. (a) Each administrative head of an education agency, in order to carry out functions otherwise vested in him by law, is, subject to limitations as may be otherwise imposed by law, authorized—

"(1) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of the agency of which he is head;

"(2) in accordance with those provisions of title 5, United States Code, relating to the appointment and compensation of personnel and subject to such limitations as are imposed in this part, to appoint and compensate such personnel as may be necessary to enable such agency to carry out its functions;

"(3) to accept unconditional gifts or donations of services, money, or property (real, personal, or mixed; tangible or intangible);

"(4) without regard for section 3648 of the Revised Statutes of the United States (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary for the conduct of such agency;

"(5) with funds expressly appropriated for such purpose, to construct such facilities as may be necessary to carry out functions vested in him or in the agency of which he is head, and to acquire and dispose of property; and

"(6) to use the services of other Federal agencies and reimburse such agencies for such services.

"(b) Any administrative head of an education agency is, subject to any other limitations on delegations of authority provided by law, authorized to delegate any of his functions under this section to an officer or employee of that agency.

"(c) For the purposes of this section, the term 'administrative head' of an education agency' means the Commissioner and the Director of the National Institute of Education. To the extent that the Assistant Secretary is directly responsible for the administration of a program and to the extent that the Assistant Secretary is responsible for the supervision of the National Center for Education Statistics, the Assistant Secretary shall, for such purposes, be considered within the meaning of such term.".

(2) The General Education Provisions Act is amended—

(A) in section 402(b), by striking out the second sentence thereof;

(B) in section 405—

(I) by striking out that part of the first sentence of subsection (d) (1) which follows "Senate" and inserting in lieu thereof a period, and

(II) by striking out subsection (f).

(b) The amendments made by this section shall be effective on the tenth day after the date of enactment of this Act.

AMENDMENT WITH RESPECT TO THE OFFICE OF EDUCATION; REGIONAL OFFICES

SEC. 503. (a) Section 403 of such Act is amended to read as follows:

"THE OFFICE OF EDUCATION

"SEC. 403. (a) There shall be an Office of Education (hereinafter in this section referred to as the 'Office') which shall be the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations. The Office shall have such responsibilities and authorities as may be vested in the Commissioner by law or delegated to the Commissioner in accordance with law.

"(b) The Office shall be headed by the Commissioner of Education who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be subject to the direction and supervision of the Secretary.

"(c)(1) The Office shall, consistent with such organization thereof which is provided by law, be divided into bureaus, and such bureaus shall be be divided into divisions as the Commissioner determines appropriate.

"(2)(A) There shall be regional offices of the Office established in such places as the Commissioner, after consultation with the Assistant Secretary, shall determine. Such regional offices shall carry out such functions as are specified in subparagraph (B).

"(B) The regional offices shall serve as centers for the dissemination of information about the activities of the agencies in the Education Division and provide technical assistance to State and local educational agencies, institutions of higher education and other educational agencies, institutions, and organizations and to individuals and other groups having an interest in Federal education activities.

"(C) The Commissioner shall not delegate to any employee in any regional office any function which was not carried out, in accordance with regulations effective prior to June 1, 1973, by employees in such offices unless the delegation of such function to employees in regional offices is expressly authorized by law enacted after the enactment of the Education Amendments of 1974.

"(3) The Commissioner shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than November 1 of each year a report on the personnel needs and assignments of the Office. Such report shall include a description (A) of the manner in which the Office is organized and the personnel of the Office are assigned to the various functions of that agency and (B) of personnel needs of that agency in order to enable it to carry out its functions, as authorized by law.".

(b) The provisions of the amendments made by subsection (a) shall be effective on the tenth day after the date of enactment of this Act, except that the provisions of limitation set forth in section 403(c)(2)(C) of the General Education Provisions Act shall have effect on the date of such enactment, and shall be retroactive to June 1, 1973.

AMENDMENTS WITH RESPECT TO THE EDUCATION DIVISION

SEC. 504. (a) Section 401 of the General Education Provisions Act is amended to read as follows:

"THE EDUCATION DIVISION

"SEC. 401. (a) There shall be, within the Department of Health, Education, and Welfare, an Education Division, composed of the agencies listed in subsection (b), which shall be headed by the Assistant Secretary.

"(b)(1) The Education Division shall be composed of the following agencies:

"(A) The Office of Education; and

"(B) The National Institute of Education.

"(2) In the Office of the Assistant Secretary there shall be a National Center for Education Statistics.".

(b) The amendment made by subsection (a) shall be effective on the tenth day after the date of enactment of this Act.

AMENDMENTS WITH RESPECT TO APPLICABILITY, AUTHORIZATION OF APPROPRIATIONS, AND OTHER GENERAL MATTERS

SEC. 505. (a)(1) Section 400 of the General Education Provisions Act is amended to read as follows:

"SHORT TITLE; APPLICABILITY; DEFINITIONS; APPROPRIATIONS

"SEC. 400. (a) This title may be cited as the 'General Education Provisions Act'.

"(b) Except where otherwise specified, the provisions of this title shall apply to any program for which an administrative head of an education agency has administrative responsibility as provided by law or by delegation of authority pursuant to law.

"(c)(1) for the purposes of this title, the term—

"(A) 'applicable program' means any program to which this title is, under the terms of subsection (b), applicable;

"(B) 'applicable statute' means—

"(i) the Act or the title, part or section of an Act, as the case may be, which authorizes the appropriation for an applicable program;

"(ii) this title; and

"(iii) any other statute which under its terms expressly controls the administration of an applicable program;

"(C) 'Assistant Secretary' means the Assistant Secretary of Health, Education, and Welfare for Education;

"(D) 'Commissioner' means the Commissioner of Education;

"(E) 'Director' means the Director of the National Institute of Education; and,

"(F) 'Secretary' means the Secretary of Health, Education, and Welfare.

"(2) Nothing in this title shall be construed to affect the applicability of the Civil Rights Act of 1964 to any program subject to the provisions of this title.

"(3) No Act making appropriations to carry out an applicable program shall be considered an applicable statute.

"(d) Except as otherwise limited in this title, there are authorized to be appropriated for any fiscal year such sums as may be necessary to carry out the provisions of this title.

"(e)(1) The aggregate of the appropriations to the agencies in the Education Division and to the Office of the Assistant Secretary for any fiscal year shall not exceed the limitations set forth for that fiscal year in subparagraph (2).

"(2)(A) Except as is provided in subparagraph (B), the appropriations to which paragraph (1) applies—

"(i) shall not exceed $7,500,000,000 for the fiscal year ending June 30, 1975, $8,000,000,000 for the fiscal year ending June 30, 1976, and $9,000,000,000 for the fiscal year ending June 30, 1977; and

"(ii) shall not exceed such amounts as may be authorized by the law and limited by this subparagraph.

"(B) The limitations set forth in subparagraph (A) shall not apply—

"(i) to uncontrollable expenditures under obligations created under part B of title IV of the Higher Education Act of 1965, parts C and D of title VII of such Act, and the Emergency Insured Student Loan Act of 1969; and

"(ii) to any other expenditure under an obligation determined by the Commissioner pursuant to, or in accordance with, law to be an uncontrollable expenditure of the Office of Education."

(2) Section 442(d) of the Education Amendments of 1972 is amended by striking out "400(c)" and inserting in lieu thereof "400(d)".

(b) The amendments made by subsection (a) shall be effective on the tenth day after the date of enactment of this Act.

REVISION OF APPROPRIATIONS AND EVALUATIONS PROVISIONS

SEC. 506. (a)(1) Part B of the General Education Provisions Act is amended—

(A) by inserting immediately after the heading thereof the following:

"SUBPART I—APPROPRIATIONS"

(B) by striking out section 411 and section 413;

(C) by redesignating section 412 as 411;

(D) by redesignating section 414 as section 412; and

(E) by striking out subsection (b) of such section 412, as redesignated by this paragraph, and adding in lieu thereof the following new subsections:

"(b) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds from appropriations to carry out any programs to which this title is applicable during any fiscal year, ending prior to July 1, 1978, which are not obligated and expended by educational agencies or institutions prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure by such agencies and institutions during such succeeding fiscal year.

"(c) If any funds appropriated to carry out any applicable program are not obligated pursuant to a spending plan submitted in accordance with section 3679(d)(2) of the Revised Statutes and become available for obligation after the institution of a judicial proceeding seeking the release of such funds, then such funds shall be available for obligation and expenditure until the end of the fiscal year which begins after the termination of such judicial proceeding.".

(2) Part B of such Act is further amended—

(A) by redesignating section 415 as 413; and

(B) by adding immediately after section 413, as redesignated by this paragraph, the following new section:

"CONTINGENT EXTENSION OF PROGRAMS

"SEC. 414. (a) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year—

"(1) of the authorization of appropriations for an applicable program; or

"(2) of the duration of an applicable program;

either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization or duration (as the case may be) of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this section shall no longer apply to such program;

such authorization or duration is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(b)(1) For the purposes of clause (A) of subsection (a), the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

"(2) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of an applicable program, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of subsection (a) which follows clause (B) thereof is in operation.".

(3) Part B of such Act is further amended—

(A) by redesignating section 417 as section 419,

(B) by striking out "section 400(c)" in such section 419, as redesignated by this paragraph, and inserting in lieu thereof "section 400(d)", and

(C) by adding immediately after section 414, as added by paragraph (2) of this subsection, the following:

"SUBPART 2—PLANNING AND EVALUATION OF FEDERAL EDUCATION ACTIVITIES

"PROGRAM PLANNING AND EVALUATION

"Sec. 416. Sums appropriated pursuant to section 400(d) may include for any fiscal year for which appropriations are otherwise authorized under any applicable program not to exceed $25,000,000 which shall be available to the Secretary, in accordance with regulations prescribed by him, for expenses, including grants, contracts, or other payments, for (1) planning for the succeeding year for any such program, and (2) evaluation of such programs.

"ANNUAL EVALUATION REPORTS

"Sec. 417. (a) (1) Not later than November 1 of each year, the Secretary shall transmit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate an annual evaluation report which evaluates the effectiveness of applicable programs in achieving their legislated purposes together with recommendations relating to such programs for the improvement of such programs which will result in greater effectiveness in achieving such purposes. In the case of any evaluation report evaluating specific programs and projects, such report shall—

"(A) set forth goals and specific objectives in qualitative and quantitative terms for all programs and projects assisted under the applicable program concerned and relate those goals and objectives to the purposes of such program;

"(B) contain information on the progress being made during the previous fiscal year toward the achievement of such goals and objectives;

"(C) describe the cost and benefits of the applicable program being evaluated during the previous fiscal year and identify which sectors of the public receive the benefits of such program and bear the costs of such program;

"(D) contain plans for implementing corrective action and recommendations for new or amended legislation where warranted;

"(E) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations in the report; and

"(F) be prepared in concise summary form with necessary detailed data and appendices.

"(2) In the case of programs and projects assisted under title I of the Elementary and Secondary Education Act of 1965, the report under this subsection shall include a survey of how many of the children counted under section 103(c) of such Act participate in such programs and projects, and how many of such children do not, and a survey of how many educationally disadvantaged children participate in such programs and projects, and how many educationally disadvantaged children do not. For purposes of the preceding sentence, the term 'educationally disadvantaged children' refers to children who are achieving one or more years behind the achievement expected at the appropriate grade level for such children.

"(b) Each evaluation report submitted pursuant to subsection (a) shall contain: (1) a brief description of each contract or grant for evaluation of any program (whether or not such contract or grant was made under section 416) any part of the performance of which occurred during the preceding year, (2) the name of the firm or individual who is to carry out the evaluation, and (3) the amount to be paid under the contract or grant.

"RENEWAL EVALUATION REPORTS

"Sec. 418. (a) In the case of any applicable program for which—

"(1) the authorization of appropriations expires; or

"(2) the time during which payments or grants are to be made expires;

not later than one year to the date of such expiration, the Assistant Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a comprehensive evaluation report on such program.

"(b) Any comprehensive evaluation report submitted pursuant to subsection (a) shall contain—

"(1) a history of the program concerned, including—

"(A) a history of authorizations of appropriations, budget requests, appropriations, and expenditures for such programs;

"(B) a history of legislative recommendations with respect to such program made by the President and the disposition of such recommendations, and

"(C) a history of legislative changes made in applicable statutes with respect to such program;

"(2) assuming a continuation of such program, recommendations for improvements (including legislative changes and funding levels) in such program with a view toward achieving the legislative purposes of such program;

"(3) a compilation and summary of all evaluations of such program; and

"(4) a recommendataion with respect to whether such program should be continued, and the date of its expiration, and the reasons for such recommendation.".

(b) The amendments made by subsection (a) of this section shall become effective on the date of enactment of this Act.

APPLICABILITY OF PART C

Sec. 507. (a) Section 421 of the General Education Provisions Act, and all references thereto, is redesignated as section 421A; and such Act is amended by inserting after the heading of part C of such Act the following new section:

"APPLICABILITY

"Sec. 421. The provisions of this part shall apply to any program for which the Commissioner has administrative responsibility, as specified by law or by delegation of authority pursuant to law.".

(b) The amendment made by subsection (a) shall be effective on and after July 1, 1974.

PUBLICATION OF INDEXED COMPILATION OF INNOVATIVE PROJECTS; REVIEW OF APPLICATIONS

Sec 508. (a) Part C of the General Education Provisions Act is amended by redesignating sections 424 through 427 as sections 426 through 429, respectively, and by inserting after section 423 the following new sections:

"COMPILATION OF ASSISTED INNOVATIVE PROJECTS

"Sec. 424. The Assistant Secretary shall publish annually a compilation of all innovative projects assisted under programs administered in the Education Division, including title III and part C of title IV of the Elementary and Secondary Education Act of 1965, in any year funds are used to carry out such programs. Such compilation shall be indexed according to subject, descriptive terms, and locations.

"REVIEW OF APPLICATIONS

"Sec. 425. (a) In the case of any applicable program under which financial assistance is provided to (or through) a State educational agency to be expended in accordance with a State plan approved by the Commissioner, and in the case of the program provided for in title I of the Elementary and Secondary Education Act of 1965, any applicant or recipient aggrieved by the final action of the State educational agency, and alleging a violation of State or Federal law, rules, regulations, or guidelines governing the applicable program, in (1) disapproving or failing to approve its application or program in whole or part, (2) failing to provide funds in amounts in accord with the requirements of laws and regulations, or (3) terminating further assistance for an approved program, may within thirty days request a hearing. Within thirty days after it receives such a request, the State educational agency shall hold a hearing on the record and shall review such final action. No later than ten days after the hearing the State educational agency shall issue its written ruling, including reasons therefor. If it determines such final action was contrary to Federal or State law, or the rules, regulations, and guidelines, governing such applicable program it shall rescind such final action.

"(b) Any applicant or recipient aggrieved by the failure of a State educational agency to rescind its final action after a review under such subsection (a) may appeal such action to the Commissioner. An appeal under this subsection may be taken only if notice of such appeal is filed with the Commissioner within twenty days after the applicant or recipient has been notified by the State educational agency of the results of its review under subsection (a). If, on such appeal, the Commissioner determines the final action of the State educational agency was contrary to Federal law, or the rules, regulations, and guidelines governing the applicable program, he shall issue an order to the State educational agency prescribing appropriate action to be taken by such agency. On such appeal, findings of fact of the State educational agency, if supported by substantial evidence, shall be final. The Commissioner may also issue such interim orders to State educational agencies as he may deem necessary and appropriate pending appeal or review.

"(c) Each State educational agency shall make available at reasonable times and places to each applicant or recipient under a program to which this section applies all records of such agency pertaining to any review or appeal such applicant or recipient is conducting under this section, including records of other applicants.

"(d) If any State educational agency fails or refuses to comply with any provision of this section, or with any order of the Commissioner under subsection (b), the Commissioner shall forthwith terminate all assistance to the State educational agency under the applicable program affected.".

(b) The amendments made by subsection (a) shall be effective on the date of enactment of this Act.

AMENDMENTS TO SECTION 431 OF THE GENERAL EDUCATION PROVISIONS ACT RELATING TO RULES, REGULATIONS, AND OTHER REQUIREMENTS OF GENERAL APPLICABILITY

Sec. 509. (a)(1). Section 431(b) of the General Education Provisions Act is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following:

"(2) (A) During the thirty-day period prior to the date upon which such standard, rule, regulation, or general requirement is to be effective, the Commissioner shall, in accordance with the provisions of section 553 of title 5, United States Code, offer any interested party an opportunity to make comment upon, and take exception to, such standard, rule, regulation, or general requirement and shall reconsider any such standard, rule, regulation, or general requirement upon which comment is made or to which exception is taken.

"(B) If the Commissioner determines that the thirty-day requirement in paragraph (1) will cause undue delay in the implementation of a regulation, thereby causing extreme hardship for the intended beneficiaries of an applicable program, he shall notify the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate. If neither committee disagrees with the determination of the Commissioner within 10 days after such notice, the Commissioner may waive such requirement with respect to such regulation.".

(2) Section 431 of such Act is amended by adding at the end thereof the following new subsections:

"(d) (1) Concurrently with the publication in the Federal Register of any standard, rule, regulation, or requirement of general applicability as required in subsection (b) of this section, such standard, rule, regulation, or requirement shall be transmitted to the Speaker of the House of Representatives and the President of the Senate. Such standard, rule, regulation, or requirement shall become effective not less than forty-five days after such transmission unless the Congress shall, by concurrent resolution, find that the standard, rule, regulation, or requirement is inconsistent with the Act from which it derives its authority, and disapproves such standard, rule, regulation, or requirement.

"(2) The forty-five-day period specified in paragraph (1) shall be deemed to run without interruption except during periods when either House is in adjournment sine die, in adjournment subject to the call of the Chair, or in adjournment to a day certain for a period of more than four consecutive days. In any such period of adjournment, the forty-five days shall continue to run, but if such period of adjournment is thirty calendar days, or less, the forty-five-day period shall not be deemed to have elapsed earlier than ten days after the end of such adjournment. In any period of adjournment which lasts more than thirty days, the forty-five-day period shall be deemed to have elapsed after thirty calendar days has elapsed, unless, during those thirty calendar days, either the Committee on Education and Labor of the House of Representatives, or the Committee on Labor and Public Welfare of the Senate, or both, shall have directed its chairman, in accordance with said committee's rules, and the rules of the House, to transmit to the appropriate department or agency head a formal statement of objection to the proposed standard, rule, regulation, or requirement. Such letter shall suspend the effective date of the standard, rule, regulation, or requirement until not less than twenty days after the end of such adjournment, during which the Congress may enact the concurrent resolution provided for in this subsection. In no event shall the standard, rule, regulation, or requirement go into effect until the forty-five-day period shall have elapsed, as provided for in this subsection, for both Houses of the Congress.

"(e) Whenever a concurrent resolution of disapproval is enacted by the Congress under the provisions of this section, the agency which issued such standard, rule, regulation, or requirement may thereafter issue a modified standard, rule, regulation, or requirement to govern the same or substantially identical circumstances, but shall, in publishing such modification in the Federal Register and submitting it to the Speaker of the House of Representatives and the President of the Senate, indicate how the modification differs from the proposed standard, rule, regulation, or requirement of general applicability earlier disapproved, and how the agency believes the modification disposes of the findings by the Congress in the concurrent resolution of disapproval.

"(f) For the purposes of subsections (d) and (e) of this section, activities under sections 404, 405, and 406 of this title, and under title IX of the Education Amendments of 1972 shall be deemed to be applicable programs.

"(g) Not later than sixty days after the enactment of any part of any Act affecting the administration of any applicable program, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a schedule in accordance with which the Commissioner has planned to promulgate rules, regulations, and guidelines implementing such Act or part of such Act. Such schedule shall provide that all such rules, regulations, and guidelines shall be promulgated within one hundred and eighty days after the submission of such schedule. Except as is provided in the following sentence, all such rules, regulations, and guidelines shall be promulgated in accordance with such schedule. If the Commissioner finds that, due to circumstances unforeseen at the time of the submission of any such schedule, he cannot comply with a schedule submitted pursuant to this subsection, he shall notify such committees of such finding and submit a new schedule. If both such committees notify the Commissioner of their approval of such new schedule, such rules, regulations, and guidelines shall be promulgated in accordance with such new schedules.".

(b) The amendment made by paragraph (2) of subsection (a) shall be effective on the date of enactment of this Act and shall be effective with respect to the provisions of this Act.

AUDITS AND RECORDKEEPING

SEC. 510. Section 434(a) of the General Education Provisions Act is amended to read as follows:

"SEC. 434. (a) (1) Each recipient of Federal funds under any applicable program through any grant, subgrant, contract, subcontract, loan, or other arrangement entered into (other than by formal advertising) shall keep such records as the Assistant Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of five years after the completion of the project or undertaking to which reference is made in paragraph (1), have access, for the purpose of audit and examination, to any books, documents, papers, and records of such recipients which, in the opinion of the Comptroller General, after consultation with the Assistant Secretary, may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements to which reference is made in paragraph (1).".

SIMPLIFIED STATE APPLICATION

SEC. 511. (a) Section 434 of the General Education Provisions Act is amended by striking out subsection (b) thereof and inserting in lieu thereof the following:

"(b) (1) (A) In the case of any State which applies, contracts, or submits a plan, for participation in any applicable program in which Federal funds are made available for assistance to local educational agencies through, or under the supervision of the State educational agency of that State, such State shall submit to, and maintain on file with, the Commissioner a general application meeting the requirements of this subsection. Such general application shall (i) provide for the submission by the State and approval by the Commissioner of an annual program plan with respect to the particular programs in which the State desires to participate and (ii) provide assurances—

"(I) that the State will, through its State educational agency, provide for such methods of administration as are necessary for the proper and efficient administration of the programs to which the general application applies;

"(II) that the State will make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the States under any applicable program;

"(III) that the State will make provision for making such reports as the Commissioner may require to carry out his functions;

"(IV) that the State will follow such policies and use such methods and practices of administration as will insure that non-Federal funds will not be supplanted by Federal funds; and

"(V) that the State will submit to, and have approved by, the Commissioner an annual program plan in accordance with subparagraph (B).

"(B) The annual program plan submitted by any State for any fiscal year with respect to any program to which this paragraph applies shall—

"(i) be prepared and administered in a manner consistent with specific State plan requirements of the appropriate applicable statutes affecting the program for which the annual program plan is applicable;

"(ii) set forth a statement describing the purposes for which Federal funds will be expended during the fiscal year for which the annual program plan is submitted; and

"(iii) comply in all other respects with the specific requirements of the appropriate applicable statutes.

"(2) In accordance with determinations and regulations of the Commissioner, the requirements of paragraph (1) shall be in lieu of comparable requirements for State plans in applicable statutes authorizing appropriations for programs to which paragraph (1) applies.

"(3) In the case of any application for assistance under any applicable program to which paragraph (1) does not apply and with respect to which the Commissioner determines that this section would simplify the administration of an applicable program, each such application shall be submitted to the Commissioner at such time, in such manner, and containing such information as the Commissioner shall prescribe by regulation and, as a precondition for approval, shall—

"(A) provide for such methods of administration as are necessary for the proper and efficient administration of the program or project for which application is made;

"(B) make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of. and accounting for, Federal funds paid to the applicant under the application; and

"(C) provide for making such reports as the Commissioner may require to carry out his functions.

"(c) Whenever the Commissioner, after

reasonable notice and an opportunity for hearing, finds that there has been a failure, by any recipient of funds under any applicable program, to comply substantially with the terms to which such recipient has agreed in order to receive such funds, the Commissioner shall notify such recipient that further payments will not be made to such recipient under that program until he is satisfied that such recipient no longer fails to comply with such terms. Until the Commissioner is so satisfied, no further payments shall be made to such recipient. Pending the outcome of any termination proceeding initiated under this paragraph, the Commissioner may suspend payments to such recipient, after such recipient has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(d)(1) If any State has submitted an application for funds under any applicable program under which appropriations for such program are, by the applicable statute, allotted or apportioned among the States or under which the State (or local educational agencies in that State) is entitled to a portion of an appropriation therefor and the Commissioner disapproves such application, or if the Commissioner withholds payments to a State under paragraph (1) of subsection (c), that State shall be entitled to judicial review of the actions of the Commissioner in accordance with the provisions of this paragraph.

"(2)(A) If any State, under circumstances qualifying for judicial review under this paragraph, desires judicial review of the Commission's action, such State may, within sixty days of such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based the action brought under this division, as provided in section 2112 of title 28, United States Code.

"(B) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(C) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(e) For the purposes of this section, the term 'application' includes—

"(1) an application for a grant;

"(2) an offer to make a contract;

"(3) a State plan for the administration of an applicable program;

"(4) State assurances with respect to the administration of such a program; and

"(5) any other methods for seeking Federal funds from the Commissioner of Education;

under which an agency, institution, organization, or other organized entity may become the recipient of Federal funds.".

(b)(1) The amendments made by subsection (a) shall be effective on and after July 1, 1974.

(2) Nothing in the amendment made by subsection (a) shall be construed to affect the applicability of chapter 5 of title 5, United States Code, to the Office of Education or actions by the Commissioner.

FURNISHING INFORMATION

SEC. 512. (a) Part C of the General Education Provisions Act is further amended by adding at the end thereof the following new section:

"RESPONSIBILITY OF STATES TO FURNISH INFORMATION

"SEC. 437. (a) The Commissioner shall require that each State submit to him, within sixty days after the end of any fiscal year, a report on the uses of Federal funds in that State under any applicable program for which the State is responsible for administration. Such report shall—

"(1) list all grants and contracts made under such program to the local educational agencies and other public and private agencies and institutions within such State during such year;

"(2) include the total amount of funds available to the State under each such program for such fiscal year and specify from which appropriation Act or Acts these funds were available;

"(3) with respect to the second preceding fiscal year, include a compilation of reports from local educational agencies and other public and private agencies and institutions within such State which sets forth the amount of such Federal funds received by each such agency and the purposes for which such funds were expended;

"(4) with respect to such second preceding fiscal year, include a statistical report on the individuals served or affected by programs, projects, or activities assisted with such Federal funds; and

"(5) be made readily available by the State to local educational agencies and other public and private agencies and institutions within the State and to the public.

"(b) On or before October 15 of each year, the Commissioner shall submit to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives an analysis of these reports and a compilation of statistical data derived therefrom.".

(b) The amendment made by subsection (a) shall be effective upon enactment of this Act.

PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

SEC. 513. (a) Part C of the General Education Provisions Act is further amended by adding at the end thereof the following new section:

"PROTECTION OF THE RIGHTS AND PRIVACY OF PARENTS AND STUDENTS

"SEC. 438. (a)(1) No funds shall be made available under any applicable program to any State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution which has a policy of denying, or which effectively prevents, the parents of students attending any school of such agency, or attending such institution of higher education, community college, school, preschool, or other educational institution, the right to inspect and review any and all official records, files, and data directly related to their children, including all material that is incorporated into each student's cumulative record folder, and intended for school use or to be available to parties outside the school or school system, and specifically including, but not necessarily limited to, identifying data, academic work completed, level of achievement (grades, standardized achievement test scores), attendance data, scores on standardized intelligence, aptitude, and psychological tests, interest inventory results, health data, family background information, teacher or counselor ratings and observations, and verified reports of serious or recurrent behavior patterns. Where such records or data include information on more than one student, the parents of any student shall be entitled to receive, or be informed of, that part of such record or data as pertains to their child. Each recipient shall establish appropriate procedures for the granting of a request by parents for access to their child's school records within a reasonable period of time, but in no case more than forty-five days after the request has been made.

"(2) Parents shall have an opportunity for a hearing to challenge the content of their child's school records, to insure that the records are not inaccurate, misleading, or otherwise in violation of the privacy or other rights of students, and to provide an opportunity for the correction or deletion of any such inaccurate, misleading, or otherwise inappropriate data contained therein.

"(b)(1) No funds shall be made available under any applicable program to any State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution which has a policy of permitting the release of personally identifiable records or files (or personal information contained therein) of students without the written consent of their parents to any individual, agency, or organization, other than to the following—

"(A) other school officials, including teachers within the educational institution or local educational agency who have legitimate educational interests;

"(B) officials of other schools or school systems in which the student intends to enroll, upon condition that the student's parents be notified of the transfer, receive a copy of the record if desired, and have an opportunity for a hearing to challenge the content of the record;

"(C) authorized representatives of (i) the Comptroller General of the United States, (ii) the Secretary, (iii) an administrative head of an education agency (as defined in section 409 of this Act), or (iv) State educational authorities, under the conditions set forth in paragraph (3) of this subsection; and

"(D) in connection with a student's application for, or receipt of, financial aid.

"(2) No funds shall be made available under any applicable program to any State or local educational agency, any institution of higher education, any community college, any school, agency offering a preschool program, or any other educational institution which has a policy or practice of furnishing, in any form, any personally identifiable information contained in personal school records, to any persons other than those listed in subsection (b)(1) unless—

"(A) there is written consent from the student's parents specifying records to be released, the reasons for such release, and to whom, and with a copy of the records to be released to the student's parents and the student if desired by the parents, or

"(B) such information is furnished in compliance with judicial order, or pursuant to any lawfully issued subpoena, upon condition that parents and the students are notified of all such orders or subpoenas in advance of the compliance therewith by the educational institution or agency.

"(3) Nothing contained in this section shall preclude authorized representatives of (A) the Comptroller General of the United States, (B) the Secretary, (C) an administrative head of an education agency or (D) State educational authorities from having access to student or other records which may be necessary in connection with the audit and evaluation of Federally-supported education program, or in connection with the enforcement of the Federal legal requirements which relate to such programs: *Provided*, That, except when collection of personally identifiable data is specifically authorized by Federal law, any data collected by such officials with respect to individual students shall not include information (including social security numbers) which would permit the personal identification of such students or their parents after the data so obtained has been collected.

"(4) (A) With respect to subsections (c) (1) and (c) (2) and (c) (3), all persons, agencies, or organizations desiring access to the records of a student shall be required to sign a written form which shall be kept permanently with the file of the student, but only for inspection by the parents or student, indicating specifically the legitimate educational or other interest that each person, agency, or organization has in seeking this information. Such form shall be available to parents and to the school official responsible for record maintenance as a means of auditing the operation of the system.

"(B) With respect to this subsection, personal information shall only be transferred to a third party on the condition that such party will not permit any other party to have access to such information without the written consent of the parents of the student.

"(c) The Secretary shall adopt appropriate regulations to protect the rights of privacy of students and their families in connection with any surveys or data-gathering activities conducted, assisted, or authorized by the Secretary or an administrative head of an education agency. Regulations established under this subsection shall include provisions controlling the use, dissemination, and protection of such data. No survey or data-gathering activities shall be conducted by the Secretary, or an administrative head of an education agency under an applicable program, unless such activities are authorized by law.

"(d) For the purposes of this section, whenever a student has attained eighteen years of age, or is attending an institution of postsecondary education the permission or consent required of and the rights accorded to the parents of the student shall thereafter only be required of and accorded to the student.

"(e) No funds shall be made available under any applicable program unless the recipient of such funds informs the parents of students, or the students, if they are eighteen years of age or older, or are attending an institution of postsecondary education, of the rights accorded them by this section.

"(f) The Secretary, or an administrative head of an education agency, shall take appropriate actions to enforce provisions of this section and to deal with violations of this section, according to the provisions of this Act, except that action to terminate assistance may be taken only if the Secretary finds there has been a failure to comply with the provisions of this section, and he has determined that compliance cannot be secured by voluntary means.

"(g) The Secretary shall establish or designate an office and review board within the Department of Health, Education, and Welfare for the purpose of investigating, processing, reviewing, and adjudicating violations of the provisions of this section and complaints which may be filed concerning alleged violations of this section, according to the procedures contained in section 434 and 437 of this Act.".

(b) (1) (i) The provisions of this section shall become effective ninety days after the date of enactment of section 438 of the General Education Provisions Act.

(2) (i) This section may be cited as the "Family Educational Rights and Privacy Act of 1974".

PROTECTION OF PUPIL RIGHTS

Sec. 514. (a) Part C of the General Education Provisions Act is further amended by adding after section 438 the following new section:

"PROTECTION OF PUPIL RIGHTS

"Sec. 439. All instructional material, including teacher's manuals, films, tapes, or other supplementary instructional material which will be used in connection with any research or experimentation program or project shall be available for inspection by the parents or guardians of the children engaged in such program or project. For the purpose of this section 'research or experimentation program or project' means any program or project in any applicable program designed to explore or develop new or unproven teaching methods or techniques.".

(b) The amendment made by subsection (a) shall be effective upon enactment of this Act.

LIMITATION ON WITHHOLDING OF FEDERAL FUNDS

Sec. 515. (a) Part C of the General Education Provisions Act is further amended by adding after section 439 the following new section:

"LIMITATION ON WITHHOLDING OF FEDERAL FUNDS

"Sec. 440. Except as provided in section 438(b) (1) (D) of this Act, the refusal of a State or local educational agency or institution of higher education, community college, school, agency offering a pre-school program, or other educational institution to provide personally identifiable data on students or their families, as a part of any applicable program, to any Federal office, agency, department, or other third party, on the grounds that it constitutes a violation of the right to privacy and confidentiality of students or their parents, shall not constitute sufficient grounds for the suspension or termination of Federal assistance. Such a refusal shall also not constitute sufficient grounds for a denial of, a refusal to consider, or a delay in the consideration of, funding for such a recipient in succeeding fiscal years. In the case of any dispute arising under this section, reasonable notice and opportunity for a hearing shall be afforded the applicant.".

(b) The amendment made by subsection (a) shall be effective upon enactment of this Act.

APPOINTMENT OF MEMBERS OF AND FUNCTIONING OF ADVISORY COUNCILS

Sec. 516. (a) Section 443 of the General Education Provisions Act is amended by inserting "(a)" after "Sec. 433." and by adding at the end thereof the following:

"(b) Where the President fails to appoint a member to fill a vacancy in the membership of a Presidential advisory council within sixty days after it occurs (or after the effective date of the statute creating such council), then the Secretary shall immediately appoint a member to fill such vacancy.".

(b) The amendment made by subsection (a) shall be effective upon enactment of this Act.

OTHER AMENDMENTS RELATING TO ADVISORY COUNCILS

Sec. 517. (a) (1) Section 445 of the General Education Provisions Act is amended by adding at the end thereof the following new subsection:

"(d) No employee of an advisory council, appointed and compensated pursuant to this section, shall be compensated at a rate in excess of that which such employee would receive if such employee were appointed subject to the appropriate provisions of title 5, United States Code, regarding appointments to, and compensation with respect to, the competitive service, except that—

"(1) executive directors of Presidential advisory councils shall be compensated at the rate specified for employees placed in grade 18 of the General Schedule set forth in section 5332 of such title 5;

"(2) executive directors of all other statutory advisory councils shall be compensated at the rate provided for employees in grade 15 of such General Schedule; and

"(3) in accordance with regulations promulgated by the Assistant Secretary, other employees of advisory councils shall be compensated at such rates as may be necessary to enable such advisory councils to accomplish their purposes.".

(2) Such section 445 is amended by striking out "Commissioner" where it appears and inserting in lieu thereof "Assistant Secretary."

(b) Section 447(b) of the General Education Provisions Act is amended by striking out "each statutory advisory council" and inserting in lieu thereof "each advisory council which is subject to the operation of this part".

RELATION TO OTHER LAWS

Sec. 518. (a) Part D of the General Education Provisions Act is amended by adding at the end thereof the following new section:

"RELATION TO OTHER LAWS

"Sec. 449. (a) No provision of any law establishing, authorizing the establishment of, or controlling the operation of, an advisory council which is not consistent with the provisions of this part shall apply to any advisory council to which this part applies.

"(b) The provisions of subsections (e) and (f) of section 10 of the Federal Advisory Committee Act shall not apply to Presidential advisory councils (as defined in section 441)."

(b) The amendment made by subsection (a) shall be effective upon enactment of this Act.

OFFICE OF LIBRARIES AND LEARNING RESOURCES

Sec. 519. (a) There is established, in the Office of Education, an Office of Libraries and Learning Resources (hereafter in this section referred to as the "Office"), through which the Commissioner shall administer all programs in the Office of Education related to assistance for, and encouragement of, libraries and information centers and education technology.

(b) The Office shall be headed by a Director, to whom the Commissioner shall delegate his delegable functions with respect to the programs administered through the Office.

TITLE VI—EXTENSION AND REVISION OF RELATED ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

Part A—Adult Education

DEFINITION OF "COMMUNITY SCHOOL PROGRAM"

Sec. 601. Section 303 of the Adult Education Act is amended by (1) redesignating subsections (e), (f), (g), (h), and (i), and all references thereto, as subsections (f), (g), (h), (i), and (j), respectively, and (2) inserting after subsection (d) the following new subsection:

"(e) The term 'community school program' is a program in which a public building, including but not limited to a public elementary or secondary school or a community or junior college, is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other related community services for the community that center serves in accordance with the needs, interests, and concerns of that community.".

SPECIAL PROJECTS RESERVATION ELIMINATED

Sec. 602. Section 304 of the Adult Education Act is amended (1) by striking out subsection (a) and (2) by striking out in subsection (b) the following: "(b) From the remainder of such sums, the" and inserting in lieu thereof "The".

NEW STATE PLAN REQUIREMENTS

Sec. 603. (a) Section 306 of the Adult Education Act is amended by redesignating clauses (6), (7), (8), and (9), and all references thereto, as clauses (8), (9), (10), and (11), respectively, and by inserting after clause (5) of such section the following new clauses:

"(6) provide for cooperation with manpower development and training programs and occupational education programs, and for coordination of programs carried on under this title with other programs, including reading improvement programs, designed to provide reading instruction for adults carried on by State and local agencies;

"(7) provide that such agency will make available not to exceed 20 per centum of the State's allotment for programs of equivalency for a certificate of graduation from a secondary school;".

(b) Section 306(a)(1) of such Act is amended by inserting after "adult population" the following: ", including institutionalized persons," and by inserting before the semicolon at the end thereof a comma and the following: "That not to exceed 20 per centum of the funds used to carry out this Act for any fiscal year may be used for the education of institutionalized persons".

USE OF FUNDS FOR SPECIAL PROJECTS

Sec. 604. Section 309 of the Adult Education Act is amended to read as follows:

"USE OF FUNDS FOR SPECIAL EXPERIMENTAL DEMONSTRATION PROJECTS AND TEACHER TRAINING

"Sec. 309. Of the funds allotted to a State under section 305 for a fiscal year, not less than 15 per centum shall be used for—

"(1) special projects which will be carried out in furtherance of the purposes of this title, and which—

"(A) involve the use of innovative methods, systems, materials, or programs which may have national significance or be of special value in promoting effective programs under this title, or

"(B) involve programs of adult education which are part of community school programs, carried out in cooperation with other Federal, federally assisted, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies; and

"(2) training persons engaged, or preparing to engage, as personnel in programs designed to carry out the purposes of this title.".

CLEARINGHOUSE ON ADULT EDUCATION

Sec. 605. The Adult Education Act is amended by inserting immediately after section 309 thereof the following new section:

"CLEARINGHOUSE ON ADULT EDUCATION

"Sec. 309A. The Commissioner shall establish and operate a clearing-house on adult education, which shall collect and disseminate to the public information pertaining to the education of adults and adult education programs, together with ways of coordinating adult education programs with manpower and other education programs. The Commissioner is authorized to enter into contracts with public agencies or private organizations to operate the clearinghouse established or designated under this section.".

STATE ADVISORY COUNCILS

Sec. 606. The Adult Education Act is amended by inserting immediately after section 310 thereof the following new section:

"STATE ADVISORY COUNCILS

"Sec. 310A. (a) Any State which receives assistance under this title may establish and maintain a State advisory council, or may designate and maintain an existing State advisory council, which shall be, or has been, appointed by the Governor or, in the case of a State in which members of the State board which governs the State education agency are elected (including election by the State legislature), by such board.

"(b)(1) Such a State advisory council shall include as members persons who, by reason of experience or training, are knowledgeable in the field of adult education or who are officials of the State educational agency or of local educational agencies of that State, persons who are or have received adult educational services, and persons who are representative of the general public.

"(2) Such a State advisory council, in accordance with regulations prescribed by the Commissioner, shall—

"(A) advise the State educational agency on the development of, and policy matters arising in, the administration of the State plan approval pursuant to section 306;

"(B) advise with respect to long-range planning and studies to evaluate adult education programs, services, and activities assisted under this Act; and

"(C) prepare and submit to the State educational agency, and to the National Advisory Council for Adult Education established pursuant to section 310, an annual report of its recommendations, accompanied by such additional comments of the State educational agency as that agency deems appropriate.

"(c) Upon the appointment of any such advisory council, the appointing authority under subsection (a) of this section shall inform the Commissioner of the establishment of, and membership of, its State advisory council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b)(1) of this section.

"(d) Each such State advisory council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (c) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State advisory council, except that such rules shall provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning adult education.

"(e) Each such State advisory council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.".

AMENDMENTS RELATING TO BILINGUAL EDUCATION

Sec. 607. (a) Section 306(a) of the Adult Education Act is amended by striking out "and" at the end of clause (10) of such section, by redesignating clause (11), and all references thereto, as clause (12), and by adding after clause (10) the following new clause:

"(11) provide that special assistance be given to the needs of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965), by providing bilingual adult education programs in which instruction is given in English and, to the extent necessary to allow such persons to progress effectively through the adult education program, in the native language of such persons, carried out in coordination with programs of bilingual education assisted under such title VII and bilingual vocational education programs under the Vocational Education Act of 1963; and"

(b)(1) Section 309(b)(1) of such Act is amended by inserting a comma and "including methods for educating persons of limited English-speaking ability" immediately after "methods".

(2) Section 309(b)(2) of such Act is amended by inserting a comma and "including education for persons of limited English-speaking ability" immediately after "education".

(3) Section 311(b) of such Act is amended by inserting a comma and "including education for persons of limited English-speaking ability in which instruction is given in English and, to the extent necessary to allow such persons to progress effectively through the adult education program, in the native language of such persons" immediately after "adult education".

EXTENSION OF AUTHORIZATIONS OF APPROPRIATIONS; TECHNICAL AMENDMENTS

Sec. 608. (a) Section 313(a) of the Adult Education Act is amended—

(1) by striking out "section 310" and inserting in lieu thereof "sections 310 and 314";

(2) by striking out the word "and" after "June 30, 1971,"; and

(3) by inserting after "June 30, 1973," the following: "$150,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975, $175,000,000 for the fiscal year ending June 30, 1976, and $200,000,000 for each of the fiscal years ending June 30, 1977, and June 30, 1978: *Provided*, That, effective with respect to fiscal years after June 30, 1974, grants to each State under section 305 shall not be less than 90 per centum of the grants made to such State agencies in fiscal year 1973."

(b) Section 314(d) of such Act, is amended by striking out "two" and inserting after "years" the following: "ending prior to July 1, 1978".

EFFECTIVE DATES

Sec. 609. (a) The amendments made by this part shall be effective on the date of enactment of this Act, except that—

(1) the amendments made by section 608 shall be effective on and after July 1, 1973; and

(2) the amendments made by section 603 and 607 shall be effective on, and with respect to appropriations for fiscal years beginning after June 30, 1973.

(b) The amendments made by sections 603 and 604 shall not take effect with respect to any multi-year program or project approved prior to the date of enactment of this Act.

Part B—Education of the Handicapped

SHORT TITLE

Sec. 611. This title may be cited as the "Education of the Handicapped Amendments of 1974".

OFFICE FOR THE EDUCATION AND TRAINING OF THE HANDICAPPED

Sec. 612. (a) Section 603 of the Education of the Handicapped Act is amended by inserting "(a)" after "Sec. 603." and by adding at the end thereof the following new subsection:

"(b)(1) The Bureau established under subsection (a) shall be headed by a Deputy Commissioner of Education who shall be appointed by the Commissioner, who shall report directly to the Commissioner, be compensated at the rate specified for, and placed in, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code.

"(2) In addition to such Deputy Commissioner, there shall be placed in such Bureau five positions for persons to assist the Deputy Commissioner in carrying out his duties, including the position of Associate Deputy Commissioner, and such positions shall be placed in grade 16 of the General Schedule set forth in section 5332 of title 5, United States Code.".

(b) (1) The positions created by subsection (b) of section 603 of the Education of the Handicapped Act shall be in addition to the number of positions placed in the appropriate grades under section 5108 of title 5, United States Code, and such positions shall be in addition to, and without prejudice against, the number of positions otherwise placed in the Office of Education under such section 5108 or under other law. Nothing in this section shall be deemed as limiting the Commissioner from assigning additional General Schedule positions in grades 16, 17, and 18 to the Office should he determine such additions to be necessary to operate programs for educating handicapped children authorized by this Act.

(2) The amendments made by subsection (a) shall become effective upon the enactment of this Act.

ADVISORY COMMITTEE

SEC. 613. (a) Section 604(b) of the Education of the Handicapped Act is amended by adding at the end thereof the following new sentence: "The Advisory Committee shall continue to exist until July 1, 1977.".

(b) Section 604 of such Act is amended by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated for the purposes of this section $100,000 for the fiscal year ending June 30, 1974, and for each of the three succeeding fiscal years.".

STATE ENTITLEMENTS

SEC. 614. (a) Effective for fiscal year 1975 only, section 611 of the Education of the Handicapped Act is amended to read as follows:

"GRANTS TO STATES FOR EDUCATION OF HANDICAPPED CHILDREN

"SEC. 611. (a) The Commissioner shall, in accordance with the provisions of this part, make payments to States for the purpose of assisting the States in the initiation, expansion, and improvement of programs and projects for the education of handicapped children at the preschool, elementary school, and secondary school levels in order to provide full educational opportunities to all handicapped children. Such payments may be used for the early identification and assessment of handicapping conditions in children under three years of age.

"(b) (1) Subject to the provisions of section 612, the maximum amount of the grant to which a State shall be entitled under this part shall be equal to—

"(A) the number of children aged three to twenty-one, inclusive, in that State in the most recent fiscal year for which satisfactory data are available;

multiplied by—

"(B) $8.75.

"(2) For the purpose of this subsection, the term 'State' does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(c) (1) The jurisdictions to which this subsection applies are the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(2) Each jurisdiction to which this subsection applies shall, for the fiscal year ending June 30, 1975, be entitled to a grant in an amount equal to an amount determined by the Commissioner, in accordance with criteria established by regulations, needed to initiate, expand, or improve programs and projects for the education of handicapped children at the preschool, elementary school, and secondary school levels, in that jurisdiction, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 2 per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 2 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 2 per centum limitation.

"(d) The Commissioner is authorized for the fiscal year ending June 30, 1975, to make payments to the Secretary of the Interior according to the need for such assistance for the education of handicapped children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior, and the terms upon which payments for such purposes shall be made to the Secretary of the Interior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this part. The amount of such payment for any fiscal year shall not exceed 1 per centum of the aggregate amounts to which States are entitled under subsection (b) of this section for that fiscal year.".

(b) Effective for fiscal year 1975 only, section 612 of such Act is amended to read as follows:

"ALLOCATIONS OF APPROPRIATIONS

"SEC. 612. (a) Sums appropriated for the fiscal year ending June 30, 1975, shall be made available to States and allocated to each State, on the basis of unsatisfied entitlements under section 611, in an amount equal to the amount it received from the appropriation for this part for the fiscal year 1974.

"(b) Any sums appropriated to carry out this part for any fiscal year which remain after allocations under subsection (a) of this section shall be made to States in accordance with entitlements created under section 611 (to the extent that such entitlements are unsatisfied) ratably reduced.

"(c) In the event that funds become available for making payments under this part for any fiscal year after allocations have been made under subsections (a) and (b) for that year, the amounts reduced under subsection (b) shall be increased on the same basis as they were reduced.".

(c) Effective for fiscal year 1975 only, section 613(a) of such Act is amended by striking out "desires to receive grants" in the first sentence of such subsection and inserting in lieu thereof "is entitled to receive payments".

(d) Section 613(a) of such Act is further amended by (1) striking out the word "and" at the end of paragraph (10), (2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon, and (3) by adding at the end thereof the following two paragraphs:

"(12) (A) establish a goal of providing full educational opportunities to all handicapped children, and (B) provide for a procedure to assure that funds expended under this part are used to accomplish the goal set forth in (A) of this paragraph and priority in the utilization of funds under this part will be given to handicapped children who are not receiving an education; and

"(13) provide procedures for insuring that handicapped children and their parents or guardians are guaranteed procedural safeguards in decisions regarding identification, evaluation and educational placement of handicapped children including, but not limited to (A) (i) prior notice to parents of guardians of the child when the local or State educational agency proposes to change the educational placement of the child, (ii) an opportunity for the parents or guardians to obtain an impartial due process hearing, examine all relevant records with respect to the classification or educational placement of the child, and obtain an independent educational evaluation of the child, (iii) procedures to protect the rights of the child when the parents or guardians are not known, unavailable, or the child is a ward of the State including the assignment of an individual (not to be an employee of the State or local educational agency involved in the education or care of children) to act as a surrogate for the parents or guardians and (iv) provision to insure that the decisions rendered in the impartial due process hearing required by this paragraph shall be binding on all parties subject only to appropriate administrative or judicial appeal; and (B) procedures to insure that, to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular education environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily; and (C) procedures to insure that testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children will be selected and administered so as not to be racially or culturally discriminatory.".

(e) (1) Section 611(a) of the Education of the Handicapped Act is amended by inserting before the period the following: "in order to provide full educational opportunity to all handicapped children".

(2) Subsection (b) of section 611 of the Education of the Handicapped Act is amended to read as follows:

"(b) For the purpose of making grants under this part, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1976, and $110,000,000 for the fiscal year ending June 3, 1977.".

(3) The amendment made by subsection (e) shall become effective and shall be deemed to have been enacted on July 1, 1975.

(f) (1) Section 612(a) (1) (B) of such Act is amended by striking out "1973" and inserting in lieu thereof "1977."

(2) The amendment made by this subsection shall be effective on and after July 1, 1973.

ADDITIONAL STATE PLAN REQUIREMENT

SEC. 615. (a) (1) Effective on and after July 1, 1975, section 612(a) (2) of the Education of the Handicapped Act is amended by striking our "$200,000" and inserting in lieu thereof "$300,000".

(2) Effective on and after July 1, 1975, section 612(a) of such Act is amended by inserting at the end thereof the following new paragraph:

"(3) No State shall, in any fiscal year, be required to expend amounts allotted pursuant to this section to carry out the provisions of paragraph (1) of section 613(b) unless that State receives an amount greater than the amount allotted to that State for the fiscal year ending June 30, 1973.".

(b) Section 613(a) (1) of such Act is amended by striking out "$100,000" and inserting in lieu thereof "$200,000".

(c) (1) Section 613 of such Act is amended by redesignating subsections (b), (c), and (d) of such section, and all references thereto, as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following:

"(b) (1) Any State which desires to receive a grant under this part for any fiscal year beginning after June 30, 1975, shall submit to the Commissioner for approval not later than one year after the enactment of the Education of the Handicapped Americans of 1974, through its State educational agency an amendment to the State plan required under subsection (a), setting forth in detail the policies and procedures which the State will undertake in order to assure that—

"(A) all children residing in the State who are handicapped regardless of the severity of their handicap and who are in need of special education and related services are identified, located, and evaluated, including a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving needed special education and related services;

"(B) policies and procedures will be established in accordance with detailed criteria prescribed by the Commissioner to protect the confidentiality of such data and information by the State;

"(C) there is established (i) a goal of providing full educational opportunities to all handicapped children, (ii) a detailed timetable for accomplishing such a goal, and (iii) a description of the kind and number of facilities, personnel, and services necessary throughout the State to meet such a goal; and

"(D) the amendment submitted by the State pursuant to this subsection shall be available to parents and other members of the general public at least thirty days prior to the date of submission of the amendment to the Commissioner.

For the purpose of this part, any amendment to the State plan required by this subsection and approved by the Commissioner shall be considered, after June 30, 1975, as a required portion of the State plan.

"(2) The requirement of paragraph (1) of this subsection shall not be effective with respect to any fiscal year in which the aggregate of the amounts allotted to the States for this part for that fiscal year is less than $45,000,000.".

(2) Section 613(e)(1) of such Act (as redesignated by this section) is amended by striking out "subsection (c)" and inserting in lieu thereof "subsection (d)".

(d) The amendment made by subsections (a)(1) and (b) of this section shall be effective in any fiscal year for which the aggregate of the amounts allotted to the States for that fiscal year for carrying out part B of the Education of the Handicapped Act is $45,000,000 or more.

REGIONAL EDUCATION PROGRAMS FOR DEAF AND OTHER HANDICAPPED PERSONS

SEC. 616. Part C of the Education of the Handicapped Act is amended by redesignating sections 625 and 626 thereof as sections 626 and 627, respectively, and by inserting a new section as follows:

"REGIONAL EDUCATION PROGRAMS

"SEC. 625. (a) The Commissioner is authorized to make grants to or contracts with institutions of higher education, including junior and community colleges, vocational and technical institutions, and other appropriate nonprofit educational agencies for the development and operation of specially designed or modified programs of vocational, technical, postsecondary, or adult education for deaf or other handicapped persons.

"(b) In making grants or contracts authorized by this section the Commissioner shall give priority consideration to—

"(1) programs serving multistate regions or large population centers;

"(2) programs adapting existing programs of vocational, technical, postsecondary, or adult education to the special needs of handicapped persons; and

"(3) programs designed to serve areas where a need for such services is clearly demonstrated.

"(c) For purposes of this section, the term 'handicapped persons' means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, emotionally disturbed, crippled, or in other ways health impaired by reason thereof require education programming and related services.".

CENTERS AND SERVICES

SEC. 617. Section 627 of the Education of the Handicapped Act (as redesignated by section 616) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 627. There are authorized to be appropriated to carry out the provisions of section 621, $12,500,000 for the fiscal year ending June 30, 1975, $18,000,000 for the fiscal year ending June 30, 1976, and $19,000,000 for the fiscal year ending June 30, 1977. There are authorized to be appropriated to carry out the provisions of section 622, $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and for the succeeding fiscal year. There are authorized to be appropriated to carry out the provisions of section 623, $25,500,000 for the fiscal year ending June 30, 1975, $36,000,000 for the fiscal year ending June 30, 1976, and $38,000,000 for the fiscal year ending June 30, 1977. There are authorized to be appropriated to carry out the provisions of section 625, $1,000,000 for the fiscal year ending June 30, 1975, and such sums as may be necessary for each of the two succeeding fiscal years.".

PERSONNEL TRAINING

SEC. 618. Section 636 of the Education of the Handicapped Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 636. There are authorized to be appropriated for carrying out the provisions of this part (other than section 633) $45,000,000 for the fiscal year ending June 30, 1975, $52,000,000 for the fiscal year ending June 30, 1976, and $54,000,000 for the fiscal year ending June 30, 1977. There are authorized to be appropriated to carry out the provisions of section 633, $500,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976, and $1,000,000 for the fiscal year ending June 30, 1977.".

RESEARCH

SEC. 619. Section 644 of the Education of the Handicapped Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 644. For the purpose of carrying out this part, there are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for each of the fiscal years ending June 30, 1976, and June 30, 1977."

INSTRUCTIONAL MEDIA

SEC. 620. (1) Sections 652(b)(3), 652(b)(4), and 652(b)(5) of the Education of the Handicapped Act are each amended by inserting ", by grant and contract," after "provide".

(2) Section 654 of such Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 654. For the purposes of carrying out this part there are hereby authorized to be appropriated not to exceed $18,000,000 for the fiscal year ending June 30, 1975, and $22,000,000 for the fiscal year ending June 30, 1976, and for each succeeding fiscal year thereafter."

SPECIFIC LEARNING DISABILITIES

SEC. 621. Section 661(c) of the Education of the Handicapped Act is amended to read as follows:

"(c) For the purpose of making grants and contracts under this section there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for each of the fiscal years ending June 30, 1976, and June 30, 1977."

PART C—INDIAN EDUCATION

EXTENSION OF PROGRAMS FOR THE EDUCATION OF INDIAN CHILDREN

SEC. 631. (a) Section 810(g) of the Elementary and Secondary Education Act of 1965 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal years ending prior to July 1, 1978".

(b) Section 303(a)(1) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as added by the Indian Education Act, is amended by striking out "July 1, 1975" and inserting in lieu thereof "July 1, 1978,".

(c) The amendments made by this section shall be effective on and after July 1, 1973.

REVISION OF PROGRAMS RELATING TO INDIAN EDUCATION

SEC. 632. (a) Section 810(f) of the Elementary and Secondary Education Act of 1965 is amended by inserting after the third sentence the following new sentence: "The Commissioner shall not approve an application for a grant under subsection (b), (c), or (d) unless he is satisfied that such an application, to the extent consistent with the number of eligible children in the area to be served who are enrolled in private nonprofit elementary and secondary schools whose needs are of the type which the program is intended to meet, makes provision for the participation of such children on an equitable basis.".

(b) Section 303(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(c) Part B of the Indian Education Act is amended by adding at the end thereof the following new sections:

"SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR TEACHERS OF INDIAN CHILDREN

"SEC. 422. (a) The Commissioner is authorized to make grants to and enter into contracts with institutions of higher education, Indian organizations, and Indian tribes for the purpose of preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian children and to provide in-service training for persons teaching in such programs. Priority shall be given to Indian institutions and organizations. In carrying out his responsibilities under this section, the Commissioner is authorized to award fellowships and traineeships to individuals and to make grants to and to enter into contracts with institutions of higher education, Indian organizations, and Indian tribes for cost of education allowances. In awarding fellowships and traineeships under this section, the Commissioner shall give preference to Indians.

"(b) In the case of traineeships and fellowships, the Commissioner is authorized to grant stipends to, and allowances for dependents of, persons receiving traineeships and fellowships.

"(c) There is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, and for each of the three succeeding fiscal years to carry out the provisions of this section.

"FELLOWSHIPS FOR INDIAN STUDENTS

"SEC. 423. (a) During the fiscal year ending June 30, 1975, and each of the three succeeding fiscal years, the Commissioner is authorized to award not to exceed two hundred fellowships to be used for study in graduate and professional programs at institutions of higher education. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not less than three, nor more than four, academic years leading toward a professional or graduate degree in engineering, medicine, law, business, forestry and related fields. In addition to the fellowships authorized to be awarded in the first sentence of this subsection, the Commissioner is authorized to award a number of fellowships equal to the number previously awarded during any fiscal year under this subsection but vacated prior to to the end of the period during which they were awarded, except that each fellowship so awarded shall be only for a period of study not in excess of the remainder of the period of time for which the fellowship it replaces was awarded, as the Commissioner may determine.

"(b) The Commissioner shall pay to persons awarded fellowships under this subsection such stipends (including such allowances for subsistence of such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(c) The Commissioner shall pay to the institution of higher education at which the holder of a fellowship under this subsection is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Commissioner may determine to cover the cost of education for the holder of such a fellowship.".

(d) The amendments made by this section shall be effective on and after July 1, 1974.

PART D—EMERGENCY SCHOOL AID

EXTENSION OF THE EMERGENCY SCHOOL AID ACT

SEC. 641. (a) Section 704(a) of the Emergency School Aid Act (title VII of Public Law 92–318) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "for the period ending June 30, 1976".

(b) With respect to the fiscal year ending June 30, 1976, the authorization level for the Emergency School Aid Act shall, for the purposes of section 414 of the General Education Provisions Act, be equal to the amount appropriated for the purposes of the Emergency School Aid Act for the fiscal year ending June 30, 1976.

REPEAL OF RESERVATION FOR CERTAIN METROPOLITAN PROJECTS

SEC. 642. (a) Section 704(b) of the Emergency School Aid Act is amended by striking out paragraph (1) and by striking out "(2)" of such section.

(b) The matter preceding paragraph 1 of section 709(a) of such Act is amended to read as follows: "Sums available to the Secretary under section 708 for metropolitan area projects shall be available for the following purposes:".

AMENDMENT WITH RESPECT TO ELIGIBILITY

SEC. 643. (a) Section 706(a) of the Emergency School Aid Act is amended (1) by striking out paragraph (3), (2) by striking out the period at the end of paragraph (1) (D) and inserting, "; or" and (3) by adding at the end of such paragraph (1) the following:

"(E) which will establish or maintain one or more integrated schools as defined in section 720(7) and which—

"(i) has a sufficient number of minority group children to comprise more than 50 per centum of the number of children in attendance at the schools of such agency, and

"(ii) has agreed to apply for an equal amount of assistance under subsection (b)."

(b) Section 706(b) of such Act is amended by inserting "(1)" after "subsection (a)".

(c) Section 710(c) of such Act is amended by inserting in paragraph (2) after "(iii)" the following: "or under section 706(a)(1)(E)". In the same paragraph insert "or activity" after "plan" the second time it appears.

(d) Section 720(7) of such Act is amended by striking "section 706(a)(3)" and by inserting "section 706(a)(1)(E)".

SPECIAL PROJECTS FOR THE TEACHING OF MATHEMATICS

SEC. 644. Section 708(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Assistant Secretary is authorized to make grants to, and contracts with, one or more private, nonprofit agencies, institutions, or organizations, for the conduct, in cooperation with one or more local educational agencies, of special programs for the teaching of standard mathematics to children eligible for services under this Act through instruction in advanced mathematics by qualified instructors with bachelor degrees in mathematics, or the mathematical sciences from colleges or other institutions of higher education, or equivalent experience."

AMENDMENT RELATING TO NONPROFIT GROUPS

SEC. 645. Section 708(b) of the Elementary School Aid Act is amended by striking out "706(a)" both times it appears in such section and inserting in lieu thereof "706" in each instance.

EFFECTIVE DATE

SEC. 646. The amendments made by and the provisions of this part shall be effective on and after July 1, 1974, and with respect to appropriations for fiscal years beginning on and after such date except that the provisions of section 641(b) shall be effective only with respect to fiscal year 1977.

PART E—NATIONAL DEFENSE EDUCATION ACT

EXTENSION OF TITLE III

SEC. 651. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "1975" both times it appears and inserting "1977" in lieu thereof, by striking out "for the fiscal year ending" after "$130,500,000" in the first sentence, and by inserting in lieu thereof "for each of the fiscal years ending prior to", and by adding at the end thereof the following new sentence: "Notwithstanding the preceding two sentences, no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part B of title IV of the Elementary and Secondary Education Act of 1965."

(b) The amendment made by this section shall be effective on and after July 1, 1974.

TITLE VII—NATIONAL READING IMPROVEMENT PROGRAM

STATEMENT OF PURPOSE

SEC. 701. It is the purpose of this title—

(1) to provide financial assistance to encourage State and local educational agencies to undertake projects to strengthen reading instruction programs in elementary grades;

(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading programs;

(3) to develop a means by which measurable objectives for reading programs can be established and progress toward such objectives assessed;

(4) to develop the capacity of preelementary school children for reading, and to establish and improve preelementary school programs in language arts and reading; and

(5) to provide financial assistance to promote literacy among youth and adults.

PART A—READING IMPROVEMENT PROJECTS

PROJECTS AUTHORIZED

SEC. 705. (a)(1) The Commissioner is authorized to enter into agreements with either State educational agencies or local educational agencies, or both, for the carrying out by such agencies, in schools having large numbers or a high percentage of children with reading deficiencies, of projects involving the use of innovative methods, systems, materials, or programs which show promise of overcoming such reading deficiencies.

(2) The Commissioner is further authorized to enter into agreements with State educational agencies, local educational agencies, or with nonprofit educational or child care institutions for the carrying out by such agencies and institutions, in areas where such schools are located, of such projects for preelementary school children. Such projects are to be instituted in kindergartens, nursery schools, or other preschool institutions.

(b) No agreement may be entered into under this part, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall set forth a reading program which provides for—

(1) diagnostic testing designed to identify preelementary and elementary school children with reading deficiencies, including the identification of conditions which, without appropriate other treatment, can be expected to impede or prevent children from learning to read;

(2) planning for and establishing comprehensive reading programs;

(3) reading instruction for elementary school pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and in-service training and development programs, where feasible, designed to enable such personnel to improve their ability to teach students to read;

(5) participation of the school faculty, school board members, administration, parents, and students in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

(6) parent participation in development and implementation of the program for which assistance is sought;

(7) local educational agency school board participation in the development of programs;

(8) periodic testing in programs for elementary school children on a sufficiently frequent basis to measure accurately reading achievement, and for programs for preelementary school children a test of reading proficiency at the conclusion, minimally, of the first-grade program into which the nursery and kindergarten programs are integrated;

(9) publication of test results on reading achievement by grade level, and where appropriate, by school, without identification of achievement of individual children;

(10) availability of test results on reading achievement on an individual basis to parents or guardians of any child being so tested;

(11) participation on an equitable basis by children enrolled in nonprofit private elementary schools in the area to be served after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

(12) the use of bilingual education methods and techniques to the extent consistent with the number of elementary school-age children in the area served by a reading program who are of limited English-speaking ability;

(13) appropriate involvement of leaders of the cultural and educational resources of the area to be served, including institutions

of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community; and

(14) assessment, evaluation, and collection of information on individual children by teachers during each year of the preelementary program, to be made available for teachers in the subsequent year, in order that continuity for the individual child not be lost.

(c) Each such applicant, in addition to meeting the requirements of subsection (b), shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level;

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three; and

(3) whenever appropriate, sufficient measures will be taken to coordinate each preelementary reading program with the reading program of the educational agencies or institutions which such preelementary school children will be next in attendance.

(d) No grant may be made under this part unless the application for such grant provides assurances that the provisions of this subsection are met. Each State educational agency shall—

(1) establish an advisory council on reading appointed by such agency which shall be broadly representative of the education resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary and secondary schools,

(B) institutions of higher education,

(C) parents of elementary and secondary school children, and

(D) areas of professional competence relating to instruction in reading, and

(2) authorize the advisory council established under clause (1) to receive and designate priorities among applications for grants under this section in that State,

if—

(i) that State educational agency desires to receive a grant under this part, or

(ii) any local educational agency of that State desires to receive a grant under this part, and notifies the State educational agency concerned, or

(iii) in the case of a preelementary school program any nonprofit educational agency or child care institution in that State desires to receive a grant under this part, and notifies the State educational agency concerned.

(e) No agreement may be entered into under this part unless the application submitted to the Commissioner—

(1) has first been approved by the State educational agency, and

(2) is accompanied by assurances that such agency will supervise compliance by the local educational agency in that State with the requirements set forth in subsection (b) of this section.

(f) The Commissioner may approve any application submitted under this part which meets the requirements of subsections (b), (c), (d), and (e). In approving such applications, the Commissioner may not use any panel (other than employees of the Office of Education) for the purpose of such approval.

(g) In approving applications under this part the Commissioner shall, to the maximum extent feasible, assure an equitable distribution of funds throughout the United States and among urban and rural areas. Not more than 12½ percent of the funds expended under this part in any fiscal year may be expended in any State in that year.

PART B—STATE READING IMPROVEMENT PROGRAMS STATEMENT OF PURPOSE

SEC. 711. It is the purpose of this part to provide financial assistance to the States to enable them—

(1) to provide financial assistance for projects designed to facilitate reaching the objectives of this title;

(2) to develop comprehensive programs to improve reading proficiency and instruction in reading in the elementary schools of the State;

(3) to provide State leadership in the planning, improving, execution, and evaluation of reading programs in elementary schools; and

(4) to arrange for and assist in the training of special reading personnel and specialists needed in programs assisted under this title.

APPLICABILITY AND EFFECTIVE DATE

SEC. 712. (a) The provisions of this part shall become effective only in any fiscal year in which appropriations made pursuant to section 732(a) exceed $30,000,000 and then only with respect to the amount of such excess.

(b) The provisions of this part shall be effective on and after the beginning of fiscal year 1976.

ALLOTMENTS TO STATES

SEC. 713. (a)(1) From the sums appropriated pursuant to section 732(a) for each fiscal year which are available for carrying out this part, the Commissioner shall reserve such amount, but not in excess of 1 per centum of such sums, as he may determine, and shall apportion such amount to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title. Of the remainder of such sums, he shall allot an amount to each State which bears the same ratio to the amount available for allotment as the number of school age children (aged 5 to 12, inclusive) in each such State bears to the total number of such children in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him. The allotment of a State which would be less than $50,000 under the preceding sentence shall be increased to $50,000, and the total of the increases thereby required shall be derived by proportionately reducing the allotments to the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotments to any such remaining States from being reduced to less than $50,000.

(2) For the purpose of this section the term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(b) The amount allotted to any State under subsection (a) for any fiscal year which the Commissioner determines will not be required for that year shall be available for reallotment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the amounts originally allotted among those States under subsection (a) for that year, but with the proportionate amount for any of the other States being reduced to the extent it exceeds the sum the Commissioner estimates the local educational agencies of such State need and will be able to use for that year; and the total of these reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection from funds appropriated pursuant to section 732 for any fiscal year shall be deemed part of the amount alloted to it under subsection (a) for that year.

AGREEMENTS WITH STATE EDUCATIONAL AGENCIES

SEC. 714. (a) Any State which desires to receive grants under this part shall, through its State educational agency, enter into an agreement with the Commissioner, in such detail as the Commissioner deems necessary, which—

(1) designates the State educational agency as the sole agency for administration of the agreement;

(2) provides for the establishment of a State advisory council on reading, appointed by the State educational agency, which shall be broadly representative of the educational resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary school children, and

(B) institutions of higher education,

(C) parents of elementary school children, and

(D) areas of professional competence relating to instruction in reading,

to advise the State educational agency on the formulation of a standard of excellence for reading programs in the elementary schools and on the preparation of, and policy matters arising in the administraton of, the agreement (including the criteria for approval of applications for assistance under such agreement) and in the evaluation of results of the program carried out pursuant to the agreement;

(3) describes the reading programs in elementary schools for which assistance is sought under this part and procedures for giving priority to reading programs which are already receiving Federal financial assistance and show reasonable promise of achieving success;

(4) sets forth procedures for the submission of applications by local educational agencies within that State, including procedures for an adequate description of the reading programs for which assistance is sought under this part;

(5) sets forth criteria for achieving an equitable distribution of that part of the assistance under this part which is made available to local educational agencies pursuant to the second sentence of subsection (b) of this section, which criteria shall—

(A) take into account the size of the population to be served, beginning with preschool, the relative needs of pupils in different population groups within the State for the program authorized by this title, and the financial ability of the local educational agency serving such pupils,

(B) assure that such distribution shall include grants to local educational agencies having high concentrations of children with low reading proficiency, and

(C) assure an equitable distribution of funds among urban and rural areas;

(6) sets forth criteria for the selection or designation and training of personnel (such as reading specialists and administrators of reading programs) engaged in programs assisted under this part, including training for private elementary school personnel, which shall include qualifications acceptable for such personnel;

(7) provides for the coordination and evaluation of programs assisted under this part;

(8) provides for technical assistance and support services for local educational agencies participating in the program;

(9) makes provision for the dissemination to the educational community and the general public of information about the objectives of the program and results achieved in the course of its implementation;

(10) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to evaluate the effectiveness of the program and to carry out his other functions under this title;

(11) provides that not more than 5 per centum of the amount allotted to the State under section 713 for any fiscal year may be retained by the State educational agency for purposes of administering the agreement; and

(12) provides that programs assisted under this part shall be of sufficient size, scope, and quality so as to give reasonable promise of substantial progress toward achieving the purposes of this title.

(b) Grants for projects to carry out the purposes of this part may be made to local educational agencies (subject to the provision of subsection (e) relating to the participation of private elementary and secondary school pupils), institutions of higher education, and other public and nonprofit private agencies and institutions. Not less than 60 per centum of the amount allotted to a State under section 713 for any fiscal year shall be made available by the State for grants to local educational agencies within that State.

(c) The Commissioner shall enter into an agreement which complies with the provisions of subsection (a) with any State which desires to enter into such an agreement.

(d) The Commissioner's final action with respect to entering into an agreement under subsection (a) shall be subject to the provisions of section 207 of the Elementary and Secondary Education Act of 1965, relating to judicial review.

(e) The provisions of section 141A of the Elementary and Secondary Education Act of 1965 relating to the participation of children enrolled in private elementary and secondary schools shall apply to programs assisted under this part.

PART C—OTHER READING IMPROVEMENT PROGRAMS

SPECIAL EMPHASIS PROJECTS

SEC. 721. (a) The Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Each such project should provide for—

(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school and the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems; and

(2) an intensive vacation reading program for elementary school children who are found to be reading below the appropriate grade level or who are experiencing problems in learning to read.

(b) No contract may be entered into under this section unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

(1) the provisions of section 705(b) are met; and

(2) the State educational agency has certified that individuals employed as reading specialists and reading teachers meet the requirements of subsections (e) and (f).

(c) No contract may be entered into under this section unless the project has been approved by the State educational agency.

(d) The Commissioner is authorized to enter into at least one arrangement with a local educational agency for a districtwide project conducted in all schools of such agencies. In selecting the districtwide project, the Commissioner shall give priority to an application from a local educational agency if the Commissioner finds that—

(1) the local educational agency will give credit for any course to be developed for reading teachers or reading specialists under section 722 and will encourage participation by the teachers of such agency in the training;

(2) the local public educational television station will present or distribute, in the event supplementary noncommercial telecommunication is utilized, any course to be developed under section 722 at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

(3) the local educational agency will make arrangements with the appropriate officials of institutions of higher education to obtain academic credit for the completion of such a course.

(e) In any project assisted under this section a reading teacher may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of a reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading specialist. A regular elementary teacher may be used in lieu of a reading teacher if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of the reading teacher, and if such regular elementary teacher is enrolled or will enroll in a program to become a reading teacher.

(f) For the purpose of this section and section 722 the term—

(1) "reading specialist" means an individual who has a master's degree, with a major or specialty in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction, and

(2) "reading teacher" means an individual, with a bachelor's degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has successfully completed two years of teaching experience, which includes reading instruction.

READING TRAINING ON PUBLIC TELEVISION

SEC. 722. (a) The Commissioner is authorized, through grants or contracts, to enter into contractual arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

(1) the preparation, production, evaluation, and distribution for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

(2) the preparation and distribution of informational and study course material to be used in conjunction with any such course.

(b) In carrying out the provisions of this section the Commissioner shall consult with recognized authorities in the field of reading, specialists in the use of the communications media for educational purposes, and with the State and local educational agencies participating in projects under this title.

READING ACADEMIES

SEC. 723. (a) The Commissioner is authorized to make grants to and to enter into contracts with State and local educational agencies, institutions of higher education, community organizations and other nonprofit organizations, having the capacity to furnish reading assistance and instruction to youths and adults who do not otherwise receive such assistance and instruction.

(b) Grants made and contracts entered into under this section shall contain provisions to assure that such reading assistance and instruction will be provided in appropriate facilities to be known as "reading academies".

PART D—GENERAL PROVISIONS

EVALUATION

SEC. 731. (a) The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than March 31, in each fiscal year ending prior to fiscal year 1979. Each such report shall—

(1) contain a statement of specific and detailed objectives for the program assisted under the provisions of this title;

(2) include a statement of the effectiveness of the program in meeting the stated objectives, measured through the end of the preceding fiscal year;

(3) make recommendations with respect to any changes or additional legislation deemed necessary or desirable in carrying out the program;

(4) contain a list identifying the principal analyses and studies supporting the major conclusions and recommendations contained in the report; and

(5) contain an annual evaluation plan for the program through the ensuing fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921.

(b) From the sums appropriated pursuant to section 732 for any fiscal year, the Commissioner may reserve such amount, not in excess of 1 per centum of such sums, as he deems necessary for evaluation, by the Commissioner or by public or private nonprofit agencies, of programs assisted under this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 732. (a) There are authorized to be appropriated to carry out the provisions of parts A and B of this title $30,000,000 for the fiscal year ending June 30, 1975, $82,000,000 for the fiscal year ending June 30, 1976, $88,000,000 for the fiscal year ending June 30, 1977, and $93,000,000 for the fiscal year ending June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 721, relating to special emphasis projects, $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 722, relating to reading training on public television, $3,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 723, relating to reading academies, $5,000,000 for the fiscal year ending June 30, 1975, $7,500,000 for the fiscal year ending June 30, 1976, and $10,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

TITLE VIII—MISCELLANEOUS PROVISIONS

PART A—POLICY STATEMENTS AND WHITE HOUSE CONFERENCE ON EDUCATION

NATIONAL POLICY WITH RESPECT TO EQUAL EDUCATIONAL OPPORTUNITY

SEC. 801. Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of equal educational opportunity, and (2) declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers.

POLICY WITH RESPECT TO ADVANCE FUNDING OF EDUCATION PROGRAMS

SEC. 802. The Congress declares it to be the policy of the United States to implement immediately and continually section 411 of the General Education Provisions Act, relating to advance funding for education programs, so as to afford responsible State, local, and Federal officers adequate notice of available Federal financial assistance for education authorized under this and other Acts of Congress.

POLICY OF THE UNITED STATES WITH RESPECT TO MUSEUMS AS EDUCATIONAL INSTITUTIONS

SEC. 803. The Congress, recognizing—

(1) that museums serve as sources for schools in providing education for children,

(2) that museums provide educational services of various kinds for educational agencies and institutions and institutions of higher education, and

(3) that the expense of the educational services provided by museums is seldom borne by the educational agencies and institutions taking advantage of the museums' resources,

declares that it is the sense of the Congress that museums be considered educational institutions and that the cost of their educational services be more frequently bórne by educational agencies and institutions benefiting from those services.

WHITE HOUSE CONFERENCE ON EDUCATION

SEC. 804. (a) The President is authorized to call and conduct a White House Conference on Education in 1977 (hereafter in this section referred to as the "Conference") in order to stimulate a national assessment of the condition, needs, and goals of education and to obtain from a group of citizens broadly representative of all aspects of education, both public and nonpublic, a report of findings and recommendations with respect to such assessment.

(b)(1) In carrying out the provisions of this section, participants in conferences and other activities at local, State, and Federal levels are authorized to consider all matters relevant to the purposes of the Conference set forth in subsection (a), but shall give special consideration to the following:

(A) The implementation of the policy set forth in section 801.

(B) The means by which educational systems are financed.

(C) Preschool education (including child care and nutrition programs), with special attention to the needs of disadvantaged children.

(D) The adequacy of primary education in providing all children with the fundamental skills of communication (reading, writing, spelling, and other elements of effective oral and written expression) and mathematics.

(E) The effectiveness of secondary education in preparing students for careers, as well as for postsecondary education.

(F) The place of occupational education (including education in proprietary schools) in the educational structure and the role of vocational and technical education in assuring that the Nation's requirements for skilled manpower are met.

(G) The structure and needs of postsecondary education, including methods of providing adequate levels of student assistance and institutional support.

(H) The adequacy of education at all levels in meeting the special educational needs of such individuals as handicapped persons, economically disadvantaged, racially or culturally isolated children, those who need bilingual instruction, and gifted and talented children.

(I) Ways of developing and implementing expanded educational opportunities for adults at the basic and secondary education equivalency levels.

(J) The contribution of nonpublic primary and secondary education in providing alternate educational experiences for pupils and a variety of options for parents in guiding their children's development.

(2) Participants in conference activities at the State and local levels are authorized to narrow the scope of their deliberations to the educational problems which they consider to be most critical in their respective areas, but shall be encouraged by the National Conference Committee (established pursuant to subsection (c)) to consider such problems in the context of the total educational structure.

(c)(1) There is established a National Conference Committee (hereafter in this section referred to as the "Committee"), composed of not more than thirty-five members, fifteen of whom shall be appointed by the President, ten of whom shall be appointed by the President pro tempore of the Senate, and ten of whom shall be appointed by the Speaker of the House of Representatives. The Committee shall at its first meeting select a Chairman and a Vice Chairman.

(2)(A) The Committee shall provide guidance and planning for the Conference and shall make a final report (and such interim reports as may be desirable) of the results, findings, and recommendations of the Conference to the President and to the Congress not later than December 1, 1977.

(B) The Committee is authorized to provide such assistance as may be necessary for State and local conference activities in preparation for the National Conference.

(3) The Commissioner shall support the activities of the Committee by providing technical assistance, advice, and consultation.

(4) Members of the Committee shall serve without compensation, but may receive travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently, while employed in the business of the Committee away from their homes or regular places of business.

(5) The Committee is authorized to appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Conference Director and such professional, technical, and clerical personnel as may be necessary to assist in carrying out its functions under this section.

(d)(1) From the sums appropriated pursuant to subsection (e) the Commissioner is authorized to make a grant to each State, upon application of the Governor thereof, in order to assist in meeting the costs of that State's participation in the Conference program (including the conduct of conferences at the State and local levels).

(2) Grants made pursuant to paragraph (1) shall be made only with the approval of the Chairman of the Committee.

(3) Funds appropriated for the purposes of this subsection shall be apportioned among the States by the Commissioner in accordance with their respective needs for assistance under this subsection, except that no State shall be apportioned more than $75,000 nor less than $25,000.

(e) There are authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out the purposes of this section; and sums so appropriated shall remain available for expenditure until June 30, 1978.

(f) For the purposes of this section, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

PART B—EDUCATIONAL STUDIES AND SURVEYS

STUDY OF PURPOSES AND EFFECTIVENESS OF COMPENSATORY EDUCATION PROGRAMS

SEC. 821. (a) In addition to the other authorities, responsibilities and duties conferred upon the National Institute of Education (hereinafter referred to as the "Institute") by section 405 of the General Education Provisions Act and notwithstanding the second sentence of subsection (b)(1) of such section 405, the Institute shall undertake a thorough evaluation and study of compensatory education programs, including such programs conducted by States and such programs conducted under title I of the Elementary and Secondary Education Act of 1965. Such study shall include—

(1) an examination of the fundamental purposes of such programs, and the effectiveness of such programs in attaining such purposes;

(2) an analysis of means to identify accurately the children who have the greatest need for such programs, in keeping with the fundamental purposes thereof;

(3) an analysis of the effectiveness of methods and procedures for meeting the educational needs of children, including the use of individualized written educational plans for children, and programs for training the teachers of children;

(4) an exploration of alternative methods, including the use of procedures to assess educational disadvantage, for distributing funds under such programs to States, to State educational agencies, and to local educational agencies in an equitable and efficient manner, which will accurately reflect current conditions and insure that such funds reach the areas of greatest current need and are effectively used for such areas;

(5) not more than 20 experimental programs, which shall be reasonably geographically representative, to be administered by the Institute, in cases where the Institute determines that such experimental programs are necessary to carry out the purposes of clauses (1) through (4), and the Commissioner of Education is authorized, notwithstanding any provision of title I of the Elementary and Secondary Education Act of 1965, at the request of the Institute, to approve the use of grants which local educational agencies are eligible to receive under such title I (in cases where the agency eligible for such grant agrees to such use) in order to carry out such experimental programs; and

(6) findings and recommendations, including recommendations for changes in such title I or for new legislation, with respect to the matters studied under clauses (1) through (5).

(b) The National Advisory Council on the Education of Disadvantaged Children shall advise the Institute with respect to the design and execution of such study. The Commissioner of Education shall obtain and transmit to the Institute such information as it shall request with respect to programs carried on under title I of the Act.

(c) The Institute shall make an interim report to the President and to the Congress not later than December 31, 1976, and shall make a final report thereto no later than nine months after the date of submission of such interim report, on the result of its study conducted under this section. Any other provision of law, rule, or regulation to the contrary notwithstanding, such reports shall not be submitted to any review outside of the Institute before their transmittal to the Congress, but the President and the Commissioner of Education may make to the Congress such recommendations with respect to the contents of the reports as each may deem appropriate.

(d) Sums made available pursuant to section 151(1) of the Elementary and Secondary Education Act of 1965 shall be available to carry out the provisions of this section.

(e)(1) The Institute shall submit to the Congress, within one hundred and twenty days after the date of the enactment of this Act, a plan for its study to be conducted under this section. The Institute shall have such plan delivered to both Houses on the same day and to each House while it is in session. The Institute shall not commence such study until the first day after the close of the first period of thirty calendar days of continuous session of Congress after the date of the delivery of such plan to the Congress.

(2) For purposes of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

SURVEY AND STUDY FOR UPDATING NUMBER OF CHILDREN COUNTED

SEC. 822. (a) The Secretary of Commerce shall, in consultation with the Secretary of Health, Education, and Welfare, expand the current population survey (or make such other survey) in order to furnish current data for each State with respect to the total number of school-age children in each State to be counted for purposes of section 103(c)(1)(A) of title I of the Elementary and Secondary Act of 1965. Such survey shall be made, and a report of the results of such survey shall be made jointly by the Secretary of Commerce and the Secretary of Health, Education, and Welfare to the Congress, not later than one year after the date of the enactment of this Act.

(b) The Secretary of Health, Education, and Welfare and the Secretary of Commerce shall study the feasibility of updating the number of children counted for purposes of section 103(c) of title I of the Act in school districts of local educational agencies in order to make adjustments in the amounts of the grants for which local educational agencies within a State are eligible under section 103(a)(2) of the Act, and shall report to the Congress, no later than one year after the date of enactment of this Act, the results of such study, which shall include an analysis of alternative methods for making such adjustments, together with the recommendations of the Secretary of Health, Education, and Welfare and the Secretary of Commerce with respect to which such method or methods are most promising for such purpose, together with a study of the results of the expanded population survey, authorized in subsection (a) (including analysis of its accuracy and the potential utility of data derived therefrom) for making adjustments in the amounts paid to each State under section 144(a)(1) of title I of such Act.

(c) No method for making adjustments directed to be considered pursuant to subsection (a) or subsection (b) shall be implemented unless such method shall first be enacted by the Congress.

STUDY OF THE MEASURE OF POVERTY USED UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 823. The Assistant Secretary shall supervise, with the full participation of the National Institute of Education and the National Center for Education Statistics, a thorough study of the manner in which the relative measure of poverty for use in the financial assistance program authorized by title I of the Elementary and Secondary Education Act of 1965 may be more accurately and currently developed. The study of the relative measure of poverty required by this subsection shall be adjusted for regional, climatic, metropolitan, urban, suburban, and rural differences and for family size and head of household differences. The study required by this section shall consider—

(A) the availability of data more current than the decennial census including data collected by any agency of the Federal Government which are relevant except that data so collected shall not disclose the name of any individual or any other information customarily held confidential by that agency, but shall include aggregate information to the extent possible;

(B) the availability and usefulness of cost of living data;

(C) the availability and usefulness of cost of housing data;

(D) the availability and usefulness of labor market and job availability data;

(E) the availability and usefulness of data with respect to prevailing wage rates, unemployment rates, and income distribution; and

(F) the availability of data with respect to eligibility criteria for aid to families with dependent children under a State plan approved under title IV of the Social Security Act.

(2) The Assistant Secretary is authorized and directed to prepare and submit to the Congress not later than one year after the effective date of this Act a report of the study conducted under this subsection including recommendations with respect to the availability of data designed to improve the relative measure of poverty for the program of financial assistance authorized by title I of the Elementary and Secondary Education Act of 1965. Whenever the Assistant Secretary determines that data specified in paragraph (1) of this subsection are not available or that it is impractical to obtain data for each relevant area or category, the report shall contain an explanation of the reasons therefor.

STUDY OF LATE FUNDING OF ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

SEC. 824. (a) The Commissioner shall make a full and complete investigation and study to determine—

(1) the extent to which late funding of Federal programs to assist elementary and secondary education handicaps local educational agencies in the effective planning of their education programs, and the extent to which program quality and achievement of program objectives is adversely affected by such late funding, and

(2) means by which, through legislative or administrative action, the problem can be overcome.

(b) Not later than one year after the date of enactment of this Act, the Commissioner shall make a report to the Congress on the study required by subsection (a), together with such recommendations as he may deem appropriate.

SAFE SCHOOL STUDY

SEC. 825. (a) The Secretary shall make a full and complete investigation and study, including necessary research activities, during the period beginning upon the date of enactment of this Act and ending June 30, 1976, to determine—

(1) the frequency, seriousness, and incidence of crime in elementary and secondary schools in the States;

(2) the number and location of schools affected by crime;

(3) the per-pupil average incidence of crimes in elementary and secondary schools in urban, suburban, and rural schools located in all regions of the United States;

(4) the cost of replacement and repair of facilities, books, supplies, equipment, and other tangible objects seriously damaged or destroyed as the result of crime in such schools; and

(5) the means by which crimes are attempted to be prevented in such schools and the means by which crimes may more effectively be prevented in such schools.

(b) Within thirty days after the date of the enactment of this Act, the Secretary shall request each State educational agency to take the steps necessary to establish and maintain appropriate records to facilitate the compilation of information under clauses (2) and (3) of subsection (a) and to submit such information to him no later than seven months after the date of enactment of this Act. In conducting this study, the Secretary shall utilize data and other information available as a result of any other studies which are relevant to the objectives of this section.

(c) Not later than December 1, 1976, the Secretary shall prepare and submit to the Congress a report on the study required by this section, together with such recommendations as he may deem appropriate. In such report, all information required under each paragraph of subsection (a) of this section shall be stated separately and be appropriately labeled, and shall be separately stated for elementary and secondary schools, as defined in sections 801 (c) and (d) of the Elementary and Secondary Education Act of 1965.

(d) The Secretary may reimburse each State educational agency for the amount of expenses incurred by it in meeting the requests of the Secretary under this section.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

STUDY OF ATHLETIC INJURIES

SEC. 826. (a) The Secretary shall make a full and complete investigation and study to determine—

(1) the number of athletic injuries to, and deaths of, male and female students occurring in athletic competition between schools, in any practice session for such competition, and in any other school-related athletic activities for the twelve-month period beginning sixty days after the date of enactment of this Act;

(2) the number of athletic injuries and deaths occurring (for the twelve-month period under clause (1)) at each school with an athletic trainer or other medical or health professional personnel trained to prevent or treat such injuries and at each school without such personnel.

(b) Within fifty days after the date of enactment of this Act, the Secretary shall request each school to maintain appropriate records to enable it to compile information under subsection (a) and shall request such school to submit such information to the Secretary immediately after the twelve-month period beginning sixty days after the date of enactment of this Act. Not later than eighteen months after the date of enactment of this Act, the Secretary shall make a report to the Congress on the study required by subsection (a), together with such recommendations as he may deem appropriate. In such report, all information required under each paragraph of subsection (a) shall be stated separately for the two groups of schools under clauses (1) and (2) of subsection (c), except that the information shall also be stated separately (and shall be excluded from the group under clause (2)) for institutions of higher education which provide either of the two-year programs described in section 801(E)(3) of the Elementary and Secondary Education Act of 1965.

(c) For the purposes of this section, the term "school" means (1) any secondary school or (2) any institution of higher education, as defined in section 801 of the Elementary and Secondary Education Act of 1965.

(d) There is authorized to be appropriated the sum of $75,000 to carry out the provisions of this section.

PART C—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

COMMUNITY SERVICE AND CONTINUING EDUCATION AMENDMENTS

SEC. 831. Section 111 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist through June 30, 1975.".

DEVELOPING INSTITUTIONAL AMENDMENTS

Sec. 832. Section 302(a)(2) of the Higher Eduction Act of 1965 is amended by adding at the end thereof the following new sentence: "The Commissioner is authorized to waive three years of the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions if the Commissioner determines such action will substantially increase higher education for Spanish-speaking people.".

BILINGUAL EDUCATION AMENDMENTS

Sec. 833. (a)(1) Clause (B) of section 417(B)(3) of the Higher Education Act of 1965 is amended by inserting "(i)" after the word "who" and by inserting before the semicolon at the end thereof a comma and the following: "or (ii) by reason of limited English-speaking ability, are in need of bilingual educational teaching, guidance, and counseling in order to enable them to pursue a post-secondary education".

(2) Section 417B of such Act is amended by adding at the end thereof the following new subsection:

"(d) Recipients of grants or contracts for the purposes of clause (3)(ii) of subsection (b) shall include in their curriculum a program of English language instruction for students of limited English-speaking ability.".

(5) The amendments made by this section shall be effective upon the enactment of this Act.

VETERANS COST OF INSTRUCTION PAYMENTS AMENDMENTS

Sec. 834. (a)(1) Paragraph (1) of section 420(a) of the Higher Education Act of 1965 is amended to read as follows:

"(1) During the period beginning July 1, 1972, and ending June 30, 1975, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

"(A) the number of persons who are veterans receiving vocational rehabiliation under chapter 31 of title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

"(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

"(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year and if such number does not constitute a per centum of such undergraduate students which is less than such per centum for the preceding academic year; and

"(B) the number of such persons is at least 25.".

(2) The first sentence of paragraph (2) of section 420(a) of such Act is amended by inserting before the period a comma and the following: "or equals at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year, whichever is less".

(3) Section 420(d) of such Act is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraph:

"(2) The maximum amount of payments to any institution of higher education, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year, shall be $135,000. In making payments under this section for any fiscal year, the Commissioner shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payments set forth in the preceding sentence, in such a manner as will result in the receipt by each institution which is eligible for a payment under this section of first $9,000 (or the amount of its entitlement for that fiscal year, whichever is less) and then additional amounts up to the limitation set forth in the preceding sentence.".

(4) Section 420(e) of such Act is amended by striking out the matter preceding the word "except" and inserting in lieu thereof the following: "Not less than 75 per centum of the amounts paid to any institution under subsection (d) in any fiscal year shall be used to implement the requirement of clause (B)(i) of paragraph (1) of subsection (c), and, to the extent that such funds remain after implementing such requirement, funds limited by such 75 per centum requirement shall be used for implementing the requirements of clauses (B) (ii), (iii), and (iv) of such paragraph (1),".

(b) The amendments made by this section shall take effect on the date of the enactment of this Act.

TEACHER CORPS AMENDMENTS

Sec. 835. (a)(1) Section 511 of the Higher Education Act of 1965 is amended—

(A) by inserting after "teacher preparation" in the matter preceding paragraph (1) the following: "and to encourage institutions of higher education and local educational agencies to improve programs of training and retraining for teachers and teacher aides";

(B) by striking out "and" at the end of paragraph (3);

(C) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and "and";

(D) by inserting after paragraph (4) the following new paragraph:

"(5) supporting demonstration projects for retraining experienced teachers and teacher aides serving in local educational agencies.".

(2) Section 513(a) of such Act is amended by inserting in paragraph (1) after "experienced teachers" a comma and the following: "teacher aides".

(3) Section 513(c) of such Act is amended—

(A) by striking out "3 per centum" in paragraph (2) and inserting in lieu thereof "5 per centum";

(B) by striking out in paragraph (2) "and the Virgin Islands" and inserting in lieu thereof "the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands"; and

(C) by striking out in paragraph (2) "or the Virgin Islands" and inserting in lieu thereof "the Virgin Islands, Guam, American Samoa, or the Trust Territory of the Pacific Islands".

(4) Section 514(a)(2) of such Act is amended to read as follows:

"(2) a teacher intern shall be compensated at such rates as the Commissioner may determine to be consistent with the nature of the program and with prevailing practices under comparable federally supported programs or local projects, not to exceed $150 per week plus $15 per week for each dependent; and"

(b) The amendments made by subsection (a) shall be effective on and after July 1, 1974.

AMENDMENT TO TITLE IX RESPECTING TRAINING IN THE LEGAL PROFESSION

Sec. 836. (a) Part D of title IX of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"ASSISTANCE FOR TRAINING IN THE LEGAL PROFESSION

Sec. 966. (a) The Commissioner is authorized prior to July 1, 1978, to make grants to, or enter into contracts with, public and private agencies and organizations other than institutions of higher education for the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Commissioner, to undertake training for the legal profession.

"(b) Grants made, and contracts entered into under, subsection (a) may cover, in accordance with regulations of the Commissioner, all or part of the cost of—

"(1) selecting individuals from disadvantaged backgrounds for training for the legal profession,

"(2) facilitating the entry of such individuals into institutions of higher education for the purpose of pursuing such training,

"(3) providing counseling or other services designed to assist such individuals to complete successfully such training,

"(4) providing, for not more than three months prior to the entry of such individuals upon their courses of training for the legal profession, preliminary training for such individuals designed to assist them to complete successfully such training for the legal profession,

"(5) paying such stipends (including allowances for travel and for dependents) as the Commissioner may determine for such individuals for any such period of preliminary training or for any period of training for the legal profession during which such individuals maintain satisfactory academic proficiency, as determined by the Commissioner, and

"(6) paying for administrative activities of the agencies and organizations which receive such grants, or with which such contracts are entered into, to the extent such activities are for the purpose of furthering activities described in clauses (1) through (5).

"(c) The activities authorized under this section may be carried out without regard to the requirements and limitations set forth in sections 962 and 963 of this part.".

(b) The amendment made by subsection (a) shall become effective on September 1, 1974.

COMMUNITY COLLEGE AND OCCUPATIONAL EDUCATION AMENDMENT

Sec. 837. Section 1001(b)(1) is amended by striking out "1974" and inserting in lieu thereof "1975".

Part D—Other Miscellaneous Provisions

AMENDMENTS TO THE LIBRARY SERVICES AND CONSTRUCTION ACT AND THE VOCATIONAL EDUCATION ACT OF 1963 RELATING TO BILINGUAL EDUCATION AND VOCATIONAL TRAINING

Sec. 841. (a)(1) Section 102 of the Vocational Education Act of 1963 is amended by redesignating subsection (c), and all references thereto, as subsection (d), and by adding after subsection (b) thereof the following new subsection:

"(c) There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1975, for the purpose of carrying out section 122(a)(4)(C). Nothing in this subsection shall be construed to affect the availability for such purpose of appropriations made pursuant to subsection (a).".

(2) Clause (D) of section 104(a)(1) of such Act is amended by inserting before the comma at the end thereof the following: "and of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965)".

(3) Clause (A)(vii) of section 104(b)(1) of such Act is amended by inserting before the comma at the end thereof the following: "(and may include, where appropriate, stu-

dents who are persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965))".

(4) Section 108 of such Act is amended by adding at the end thereof the following new paragraphs:

"(14) The term 'vocational training' means training or retraining which is conducted as part of a program designed to prepare individuals for gainful employment as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional which requires a baccalaureate or higher degree; such term includes guidance and counseling (either individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices; instruction related to the occupation or occupations to which the students are in training or instruction necessary for students to benefit from such training; the training of persons engaged as, or preparing to become, instructors in a vocational training program; travel of students and vocational training personnel while engaged in a training program; and the acquisition, maintenance, and repair of instructional supplies, aids, and equipment, but such term does not include the construction, acquisition, or initial equipment of buildings or the acquisition or rental of land.

"(15) The term 'postsecondary educational institution' means a nonprofit institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.".

(5)(A) Clause (4) of section 122(a) of such Act is amended by adding at the end thereof the following:

"(C) vocational education for students of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965) carried out in coordination with bilingual education programs under such title VII and bilingual adult education programs under section 306(a)(11) of the Adult Education Act;".

(6) Section 191 of such Act, and all references thereto, is redesignated as section 189.

(7) Title I of such Act is amended by adding at the end thereof the following new part:

"PART J—BILINGUAL VOCATIONAL TRAINING

"STATEMENT OF FINDINGS

"SEC. 191. The Congress hereby finds that one of the most acute problems in the United States is that which involves millions of citizens, both children and adults, whose efforts to profit from vocational training is severely restricted by their limited English-speaking ability because they come from environments where the dominant language is other than English; that such persons are therefore unable to help to fill the critical need for more and better trained personnel in vital occupational categories; and that such persons are unable to make their maximum contribution to the Nation's economy and must, in fact, suffer the hardships of unemployment or underemployment. The Congress further finds that there is a critical shortage of instructors possessing both the job knowledge and skills and the dual language capabilities required for adequate vocational instruction of such language-handicapped persons, and a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

"GENERAL RESPONSIBILITIES OF THE COMMISSIONER

"SEC. 192. (a) The Commissioner and the Secretary of Labor together shall—

"(1) develop and disseminate accurate information on the status of bilingual vocational training in all parts of the United States;

"(2) evaluate the impact of such bilingual vocational training on the shortages of well-trained personnel, the unemployment or underemployment of persons with limited English-speaking ability, and the ability of such persons to contribute fully to the economy of the United States; and

"(3) report their findings annually to the President and the Congress.

"(b) The Commissioner shall consult with the Secretary of Labor with respect to the administration of this part. Regulations and guidelines promulgated by the Commissioner to carry out this part shall be consistent with those promulgated by the Secretary of Labor pursuant to section 301(b) of the Comprehensive Employment and Training Act of 1973 and shall be approved by the Secretary of Labor before issuance.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 193. There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1975, to carry out the provisions of this part.

"AUTHORIZATION OF GRANTS

"SEC. 194. (a) From the sums made available for grants under this part pursuant to section 193, the Commissioner is authorized to make grants to and enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and to other nonprofit organizations especially created to serve a group whose language as normally used is other than English in supplying training in recognized occupations and new and emerging occupations, and to enter into contracts with private for-profit agencies and organizations, to assist them in conducting bilingual vocational training programs for persons of all ages in all communities of the United States which are designed to insure that vocational training programs are available to all individuals who desire and need such bilingual vocational training.

"(b) The Secretary shall pay to each applicant which has an application approved under this part an amount equal to the total sums expended by the applicant for the purposes set forth in that application.

"USE OF FEDERAL FUNDS

"SEC. 195. Grants and contracts under this part may be used, in accordance with applications approved under section 197, for—

"(1) bilingual vocational training programs for persons who have completed or left elementary or secondary school and who are available for training by a postsecondary educational institution;

"(2) bilingual vocational training programs for persons who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and

"(3) training allowances for participants in bilingual vocational training programs subject to the same conditions and limitations as are set forth in section 111 of the Comprehensive Employment and Training Act of 1973.

"APPLICATIONS

"SEC. 196. (a) a grant or contract for assistance under this part may be made only upon application to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Each such application shall—

"(1) provide that the activities and services for which assistance under this part is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out the purposes described in section 195; and

"(3) set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this part.

"(b) No grant or contract may be made under this part directly to a local educational agency or a postsecondary educational institution or a private vocational training institution or any other eligible agency or organization unless that agency, institution, or organization has submitted the application to the State board established under part B of this title, or in the case of a State that does not have such a board, the similar State agency, for comment and includes the comment of that board or agency with the application.

"APPLICATION APPROVAL BY THE COMMISSIONER

"SEC. 197. (a) The Commissioner may approve an application for assistance under this part only if—

"(1) the application meets the requirements set forth in subsection (a) of the previous section;

"(2) in the case of an application submitted for assistance under this part to an agency, institution, or organization other than the State board established under part B of this title, the requirement of subsection (b) of the previous section is met; and

"(3) in the case of an application submitted for assistance under this part, the Commissioner determines that the program is consistent with criteria established by him, where feasible, after consultation with the State board established under part B of this title, for achieving equitable distribution of assistance under this part within that State.

"(b) An amendment to an application shall, except as the Secretary may otherwise provide, be subject to approval in the same manner as the original application.".

(b) Clause (4) of section 6(b) of the Library Services and Construction Act is amended by inserting before the period at the end thereof a comma and the following: "and to programs and projects which serve areas with high concentrations of persons of limited English-speaking ability (as defined in section 703(a) of title VII of the Elementary and Secondary Education Act of 1965, as amended)".

(c) The amendments made by this section shall be effective on and after July 1, 1974.

ASSISTANCE TO STATE EQUALIZATION PLANS

SEC. 842. (a)(1) Any State desiring to develop a plan for a program of financial assistance to local educational agencies in that State to assist such agencies in the provision of free public education may, upon application therefor, be reimbursed for the development or administration of such a plan in accordance with the provisions of this section. Each plan developed pursuant to, or which meets the requirements of, this section shall be submitted to the Commissioner not later than July 1, 1977, and shall, subject to the provisions of this section, be consistent with the guidelines developed pursuant to paragraph (3). Such plan shall be designed to implement a program of State aid for free public education—

(A) which is consistent with such standards as may be required by the fourteenth article of amendment to the Constitution; and

(B) the primary purpose of which is to achieve equality of educational opportunity for all children in attendance at the schools of the local educational agencies of the State.

(2) The Commissioner shall develop guidelines defining the principles set forth in clauses (A) and (B) of paragraph (1). Not later than April 1, 1975, the Commissioner shall publish such guidelines in the Federal Register and submit such guidelines to the President of the Senate and the Speaker of the House of Representatives.

(3) During the sixty-day period following such publication, the Commissioner shall provide interested parties with an opportunity to present views and make recommendations with respect to such guidelines. Not later than July 1, 1975, the Commissioner shall (A) republish such guidelines in the Federal Register, together with any amendments thereto as may be merited and (B) publish in the Federal Register a summary of the views and recommendations presented by interested parties under the preceding sentence, together with the comments of the Commissioner respecting such views and recommendations.

(4)(A) The guidelines published in accordance with paragraph (3), together with any amendments, shall, not later than July 1, 1975, be submitted to the President of the Senate and the Speaker of the House of Representatives. If either the Senate or the House of Representatives adopts, prior to December 1, 1975, a resolution of disapproval of such guidelines, the Commissioner shall, prior to December 15, 1975, publish new guidelines. Such new guidelines shall take into consideration such views and policies as may be made in connection with such resolution and shall become effective thirty days after such publication.

(B) A resolution of disapproval under this paragraph may be in the form of a resolution of either the Senate or the House of Representatives or such resolution may be in the form of a concurrent resolution of both Houses. If such a resolution of disapproval is in the form of a concurrent resolution, the new guidelines published in accordance with the second sentence of subparagraph (A) of this paragraph shall be consistent with such policies as may be established by such concurrent resolution.

(C) If each of the Houses adopts a separate resolution with respect to guidelines submitted in accordance with this paragraph for any year and in connection therewith makes policy statements which differ substantially, then such differences may be resolved by the adoption of a concurrent resolution by both Houses. Any such concurrent resolution shall be deemed to be adopted in accordance with subparagraph (B).

(b) Any State developing a plan pursuant to this section may reject any guidelines developed and published under subsection (a) of this section if such State, as a provision of its plan, states the reasons for each such rejection.

(c)(1) Each State that develops a plan under this section shall be reimbursed for the reasonable amounts expended by the State in the development or administration of such a plan based upon the ratio of the population of that State to the population of all States except that no State shall receive less than $100,000 and no State shall receive more than $1,000,000.

(2) For the purposes of this section the term "State" means the fifty States.

TREATMENT OF PUERTO RICO AS A STATE

SEC. 843. (a)(1) Section 143(b) of the Elementary and Secondary Education Act of 1965, 202(a)(1), and 302(a)(1) of such Act are each amended by striking out "Puerto Rico,".

(2) Section 202(a)(2), 302(a)(2), 307(b), 502(a)(1), 522(a), 531(c)(1)(A), and 531(c)(1)(B) of such Act are each amended by striking out "the Commonwealth of Puerto Rico," each time it appears.

(3) Sections 202(a)(1) and 302(a)(1) of such Act are each amended by striking out "3 per centum" and inserting in lieu thereof "1 per centum". Sections 502(a)(1), 522(a), and 531(c)(1)(A) of such Act are each amended by striking out "2 per centum" and inserting in lieu thereof "1 per centum".

(b)(1) Effective after June 30, 1975, section 612(a)(1) of the Education of the Handicapped Act is amended by striking out "Puerto Rico,".

(2) Effective after June 30, 1975, sections 612(a)(2) and 613(a)(1) of the Education of the Handicapped Act are each amended by striking out "the Commonwealth of Puerto Rico,".

(3) Effective after June 30, 1975, section 612(a)(1) of the Education of the Handicapped Act is amended by striking out "3 per centum" and inserting in lieu thereof "1 per centum".

(c)(1) Section 303(f) of the Adult Education Act is amended by striking out "the Commonwealth of Puerto Rico," where it occurs, and by inserting "the Commonwealth of Puerto Rico," after "the District of Columbia,".

(2) Section 305(a) of such Act is amended by striking out "Puerto Rico,".

(3) Section 305(a) of the Adult Education Act is amended by striking out "2 per centum" and inserting in lieu thereof "1 per centum".

(d) Notwithstanding any provision of part A of title I of the Elementary and Secondary Education Act of 1965, the amount which the Commonwealth of Puerto Rico is eligible to receive under subpart 1 of such part A or under sections 121, 122, or 123 for the fiscal year ending June 30, 1975, shall not exceed 50 per centum of the full amount the Commonwealth of Puerto Rico would receive (after required ratable reductions) under such subpart or section but for this subsection, and for the fiscal years ending June 30, 1976, June 30, 1977, and June 30, 1978, such amounts shall not exceed 75 per centum of the full amount the Commonwealth of Puerto Rico would receive (after required ratable reductions) under such subpart or section but for this subsection.

(e) Unless otherwise specifically provided, the amendments made by this section shall be effective on and after July 1, 1974.

PROVISION RELATING TO SEX DISCRIMINATION

SEC. 844. The Secretary shall prepare and publish, not later than 30 days after the date of enactment of this Act, proposed regulations implementing the provisions of title IX of the Education Amendments of 1972 relating to the prohibition of sex discrimination in federally assisted education programs which shall include with respect to intercollegiate athletic activities reasonable provisions considering the nature of particular sports.

EXTENSION OF ADVISORY COUNCILS

SEC. 845. (a) Section 148(c) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1978."

(b) Section 309(c) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Council shall continue to exist until July 1, 1978, except that the Council shall not exist during any year for which funds are avilable for obligation by the Commissioner for carrying out title IV.".

(c) Section 708(a) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Advisory Committee shall continue to exist until July 1, 1978.".

(d) Section 442(a) of the Education Amendments of 1972 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1978.".

(e) Section 716(b) of the Emergency School Aid Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, such Council shall continue to exist until July 1, 1975.".

(f) Section 310(b) of the Adult Education Act is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the Council shall continue to exist until July 1, 1978.".

(g) Section 104(a) of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new sentence: "Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until July 1, 1976.".

SEPARABILITY

SEC. 846. If any provision of, or any amendment made by, titles I and IV of this Act is held invalid by reason of being inconsistent with the Constitution, all provisions of this Act and amendments made by this Act which are separable from such invalid provision or amendment shall remain in effect. If any such provision or amendment is held invalid in one or more applications of such provision or amendment, such provision or amendment shall remain in effect in all valid applications which are separable from any such application.

And the Senate agree to the same.

Carl D. Perkins,
Lloyd Meeds,
Augustus F. Hawkins,
Patsy T. Mink,
Shirley Chisholm,
William Lehman,
John Brademas,
Albert H. Quie,
Alphonzo Bell,
Edwin B. Forsythe,
William A. Steiger,
Managers on the Part of the House.

Claiborne Pell,
Harrison A. Williams,
Jennings Randolph,
Edward M. Kennedy,
Walter E. Mondale,
Alan Cranston,
Thomas F. Eagleton,
William D. Hathaway,
Peter H. Dominick,
Jacob K. Javits,
Richard S. Schweiker,
J. Glenn Beall,
Robert Stafford,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes, submit the following joint statement to the House and the Senate in explanation to the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

EXTENSION AND REVISION OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Extension of program.—The House bill extends title I of the Elementary and Secondary Education Act through fiscal year 1977. The Senate amendment extends title I through fiscal year 1978. The Senate amendment, but not the House bill, clarifies that the payments under title I are made on the basis of entitlements. The House recedes.

Allocation of basic grants.—The House bill authorizes an additional 1 percent of the funds for the outlying areas and the Bureau of Indian Affairs and holds all these jurisdictions harmless to the level of their allocations in fiscal year 1973. The House bill treats Puerto Rico as a State but limits its payment rate to 40 percent of the Commonwealth's per pupil expenditure and limits Puerto Rico's allocation in fiscal year 1975 to one-half of the amount which it would otherwise be eligible to receive. The Senate amendment continues the exclusion of Puerto Rico from the definition of "State". The Senate amendment continues the existing 3 percent additional authorization for the outlying areas, the Bureau of Indian Affairs, and Puerto Rico, and holds all these jurisdictions harmless to the level of their allocations in fiscal year 1973.

Under the conference substitute, the provisions of the House bill with respect to the 1 percent authorization for the outlying areas and Bureau of Indian Affairs are retained, because Puerto Rico is to be treated as a State under title I, although (under a provision included in title VIII of the Amendments) Puerto Rico will receive 50 percent of its title I allotment in fiscal year 1975, and 75 percent of such allotment for each fiscal year thereafter.

Under the conference substitute, payments are made to the Secretary of the Interior for out-of-State Indian children in schools of local educational agencies which may not exceed 40 percent of the average per pupil expenditure in the State in which the agency is located or 120 percent of such expenditure in the United States, whichever is greater. The conferees intend that these percentages set the outer limits of such payments, and that they shall not be considered minimum payments.

The House bill makes the payment rates for the State agency programs for the handicapped, migratory children and neglected and delinquent children the same as the rate for local educational agencies: 40 percent of the State average per-pupil expenditure with a minimum of 80 percent of the national average per-pupil expenditure and a maximum of 120 percent of the national average per pupil expenditure. The Senate amendment continues the payment rate under existing law for all these programs: 50 percent of the State or national average expenditure, whichever is higher.

The Senate recedes with an amendment maintaining payments for State educational agency programs for handicapped, migratory, and neglected and delinquent children at 100 percent of the fiscal year 1974 allocation for each State. The conferees recognize that worthwhile programs are currently being conducted under title I by State agencies for the handicapped and for the neglected and delinquent and by State programs for the education of migratory children. For this reason, the conference committee decided to hold these programs harmless to the amounts that each State received for each such program in the most recent fiscal year, fiscal year 1974. In this way, valuable ongoing programs will not have to be curtailed. However, since the payment rate for the basic title I formula was amended to provide assistance at the level of 40 percent of the State average per pupil expenditure (with a floor of 80 percent of the national average and a ceiling of 120 percent), the conferees did not believe that a different rate of payment for State agency programs was justified, especially since such programs are fully funded before any payments are made to local educational agencies. Under the conference agreement, payment rates are uniform for all title I children.

The House bill makes Puerto Rico eligible for State agency grants as a State and authorizes an additional one percent for State agency programs for the outlying areas. The Senate amendment includes Puerto Rico in the additional authorization of 3 percent for the outlying territories.

The Senate recedes, with an amendment providing that Puerto Rico shall receive 50 percent of the amount it is eligible to receive for State agency grants in fiscal year 1975 and 75 percent of such amount for each fiscal year thereafter, at the new payment rate of 40 percent of the Commonwealth per pupil expenditure.

The conference substitute authorizes the Commissioner, in determining States' entitlements on behalf of migratory children, to utilize the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students. The conferees expect the Commissioner to give all possible sources of data careful study, to assure the most equitable inclusion of migrant children with minimal disruption of existing programs.

During the past year it was learned that a technical deficiency in the title I migrant legislation prevented migratory children of migratory fishermen from being included in the program. The legislation as originally drafted included only migratory children of migratory agricultural workers, and that term has been interpreted to exclude migratory fishermen. The conference agreement includes an amendment allowing the participation of children who actually migrate with their families in the fishing industry. The amendment is designed only to correct that technical deficiency and is not intended to create a large, new category of children to be included in the program unless those children actually migrate from school district to school district in the same manner as the children of migratory agricultural workers.

Special incentive grants.—The House bill repeals part B, Special Incentive Grants. The Senate amendment retains part B, but amends it from existing law in the following instances:

(1) The Senate amendment raises from $1.00 to $1.50 the multiplier used to calculate each State's effort index as compared to the national effort index.

(2) The Senate amendment limits the States' entitlements under part B to $75 million and provides for a ratable reduction to that figure.

The Senate amendment provides that the first $50 million of appropriations for part B grants shall be set aside from the regular title I appropriations and that the $25 million increase represented by the raise in the multiplier from $1.00 to $1.50 be a separate authorization of appropriations.

The House recedes with an amendment retaining $1.00 as the multiplier used to calculate each State's effort index, limiting States' entitlements to $50 million, to be funded from regular title I appropriations, and retaining the requirement of existing law that funds be used for programs of compensatory education for children from low-income families.

Special grants.—The House bill repeals part C, Special Grants to Urban and Rural Schools Serving Areas with the Highest Concentrations of Children from Low-Income Families. The Senate amendment retains part C, but amends it from existing law in the following instances:

(1) The Senate amendment changes the eligibility requirements from existing law to make eligible local educational agencies in counties in which there are twice the State's average number of children from families with incomes under $3,000 a year and from families with incomes over $3,000 a year from AFDC payments, and those local educational agencies in counties with 10,000 such children equaling at least 5 percent of the total number of children in such counties. Existing law makes those local educational agencies eligible for part C grants which have as 20 percent of their enrollment poor children counted under title I or 5,000 such children equaling at least 5 percent of their enrollment. Existing law also permits eligibility for local educational agencies which are close to meeting these requirements.

(2) The Senate amendment removes the limitation from existing law that a part C grant cannot exceed 40 percent of the local school district's basic title I grant.

(3) The Senate amendment provides for a payment rate of 50 percent of the State average expenditure for part C grants. The payment rate under existing practice is set at 50 percent of the State or national average expenditure, whichever is higher.

(4) The Senate amendment limits the total amount of part C grants within any State to 12 percent of the national appropriation. Existing law contains no such provision.

(5) The Senate amendment authorizes $75 million a year for part C grants. Existing law limits part C grants to 15 percent of the appropriations for title I in excess of $1,396 billion.

(6) The Senate amendment removes the requirements from present law for separate part C applications, separate reporting, and targeting on pre-school and elementary school programs.

The conference substitute retains these provisions of the Senate amendment for the current year (FY 1975) only; and effective July 1, 1975, part C is repealed. Although requirements for separate part C applications, reporting, and targeting are removed, local educational agencies receiving such funds must continue to fulfill the other appropriate requirements of title I.

Teacher training.—The House bill, but not the Senate amendment, clarifies that preservice and inservice teacher training is a fundable activity under title I. The Senate recedes.

Designation of title I schools.—The Senate amendment allows local educational agencies to designate as target schools those which would otherwise qualify as target schools, except for the fact that they are not located in an attendance area with large numbers of poor children. The House bill contains no such provision. The House recedes.

The House bill, but not the Senate amendment, provides that an attendance area which does not meet applicable criteria for participation in title I programs for any fiscal year, but did meet such criteria in either of the two preceding fiscal years, must be deemed to continue to meet such criteria for that fiscal year. The Senate recedes.

The conferees intend, by this amendment, to bring stability to local title I programs by preventing funds from shifting away from a designated target school before a three-year period has elapsed.

Parental advisory councils.—The House bill makes the appointment of a district-wide parental advisory council discretionary with the local educational agency and requires that there must be parental advisory councils for each title I school within the school district. The Senate amendment contains no provision regarding school-level advisory councils, but it does require a district-level advisory council. The Senate recedes, with an amendment making the district-wide parental advisory council, as well as the school-level advisory councils, mandatory and applying the requirements of the House bill to both types of councils.

Individualized plan.—The House bill states that it is the purpose of the Congress, where feasible, to encourage the development for each educationally deprived title I child an individualized, written education plan agreed upon jointly by the local educational agency, a parent of the child and, when appropriate, the child. The Senate amendment contains no such provision.

The Senate recedes with amendments which provide that it is the sense of the Congress to encourage such plans, and dropping the specific requirements for what such plan shall contain.

Participation of children enrolled in private schools.—Both the House bill and the Senate amendment contain by-pass provisions concerning the participation of private schoolchildren in title I programs. These provisions, however, differ in the following respects:

(1) The House bill retains the existing language concerning the participation of private school children, but adds provisions that the projects involving such children must meet the requirements concerning the designation of eligible attendance areas, the size and scope of projects, public title and control of funds, and Federal funds supplementing and not supplanting State and local money. The Senate amendment retains the provisions of existing law and does not add any additional requirements. The Senate recedes.

(2) The House bill requires the Commissioner to invoke the by-pass when a local educational agency is prohibited by law from providing for the participation of private school children in special programs. Under the House bill, when this by-pass is invoked, the requirements concerning the designation of eligible areas, the size and scope of projects, public control of funds and title to property, and Federal funds supplementing and not supplanting State and local funds, must apply to the programs arranged by the Commissioner for such children. The Senate amendment states that the Commissioner, in such a situation, may waive the requirement that the local educational agency must involve such children and he shall arrange for the provision of services to such children. The Senate recedes.

(3) The House bill provides that, in a situation in which a local educational agency has substantially failed to involve private school children in its title I programs, the Commissioner must invoke the by-pass provision and the requirements concerning the designation of eligible areas, size and scope of the projects, and so forth must apply to these programs. The Senate amendment in such a situation requires that the Commissioner invoke the by-pass, but does not specify that these other requirements must apply to these programs. The Senate recedes.

(4) The House bill provides that before invoking the by-pass provision under title I or under the new consolidation title, the Commissioner must provide the State or local educational agency 60 days notice of his proposed action and an opportunity for a hearing. The Senate amendment, in addition to giving the State or local educational agency the 60 days notice and an opportunity for a hearing, also includes other interested parties. The Senate recedes. (Provisions concerning judicial review of the Commissioner's actions under the consolidation title are included in the conference substitute in title IV of the Amendments.)

(5) The Senate amendment, but not the House bill, provides that in making his determination concerning the lack of participation of private school children, the Commissioner must determine that a substantial number of private school children have been denied participation in such programs. The Senate recedes.

(6) Although both the House bill and the Senate amendment contain provisions for the appeal of the Commissioner's determination to a Federal court of appeals, the House bill, but not the Senate amendment, provides that the Commissioner's findings of fact, if supported by substantial evidence, shall be conclusive. The Senate recedes.

Adjustments were necessitated by appropriations.—The provisions on adjustments where necessitated by appropriations contained in the House bill reflect the proposed repeal of parts B and C of title I; those of the Senate amendment include retention of Part B with a limitation of $50 million. The conference substitute reflects the conference agreement with respect to part B. In the event of insufficient appropriations, State agency grants are paid first. Then, part A and part B allocations are ratably reduced to the extent necessary, except that part B entitlements shall be considered only to the extent that appropriations exceed $1,396,795,000 and such part B entitlements shall not exceed $50,000,000 for a fiscal year. No allocation to a total educational agency under part A shall be reduced to less than 85 percent of the amount such agency received for the preceding fiscal year.

"Target schools".—The House bill authorizes local educational agencies, with the permission of district-wide parental advisory councils, to designate target schools on a basis other than their relative number of children from low-income families, provided that the method used is designed to meet the special educational needs of educationally disadvantaged children in school attendance areas having concentrations of such children. The Senate amendment has no such provision.

The conference substitute modifies this provision to allow a local educational agency to elect that its title I funds be used for purposes set forth in section 821(a)(5) of the bill, which deals with experimental and voluntary projects as part of a study by the National Institute of Education on compensatory education. Not more than 20 local educational agencies are to participate voluntarily in this study, and they shall be reasonably geographically representative. It is the intent of the conferees that materials and procedures used in such voluntary projects, including tests, must be designed and administrated so as to be free from racial and cultural bias. Under the conference substitute, such method or methods of allocation will be subject to evaluation and study by the National Institute of Education in connection with its study under section 821 of the bill.

Program evaluation.—The House bill, but not the Senate amendment authorizes the Commissioner to reserve title I program funds for the purpose of evaluation.

The Senate recedes, with an amendment under which there is authorized to be expended a half of one percent of the title I appropriation for evaluation, of which $5,000,000 for each fiscal year ending prior to July 1, 1977, shall be available only to the National Institute of Education for its surveys and studies under section 821 of the bill.

Authorization for certain local educational agencies.—The Senate amendment, but not the House bill, authorizes the appropriation of $35 million, to be allocated at the discretion of the Commissioner to assist those local educational agencies whose title I allocation under part A would otherwise be less than 90 percent of the amount they received in the preceding fiscal year. In making such allocations, the Commissioner would be required to take into account the fiscal ability of the local educational agency to compensate from local revenue for the loss of such title I money. The House recedes with an amendment to change such authorization to $15,700,000, the maximum amount estimated to be necessary for fiscal year 1975 to raise the allocation of each local educational agency from the 85 percent hold-harmless level to the 90 percent level, without the Commissioner's exercise of discretion.

The conferees are concerned that the Department of Health, Education, and Welfare, since the enactment of title I, has administered the program in such a manner that funds are allocated to counties, rather than to local educational agencies, the units entitled to receive funds under the title. The use of this administrative device could mean that school districts with increasing numbers of title I eligible children in counties with static or declining numbers of such children may be denied rightful increases in title I allocations.

The conferees intend the Commissioner to use any funds appropriated under this authorization for two purposes: to bring school districts below 90 percent of their previous year's allocation at least up to that amount and to make payments to school districts unjustly denied funds because of the present administrative practice of allocating funds.

The conference committee does not wish these statements to be construed as condoning the present HEW practice of using county-level data as a substitute for local educational agency-level data in calculating hold-harmless levels. Rather, the conferees intend that this amendment, as well as the 85 percent hold-harmless provision, serve as an incentive to the Office of Education to collect appropriate local educational agency-level data necessary to implement the Amendments.

Excess costs.—The House bill, but not the Senate amendment, defines the term "excess costs" to mean those costs directly attributable to title I projects which exceed the average per pupil expenditure of the local educational agency. However, the House bill excludes from that definition expenditures under that title for any comparable State or local special programs for educationally deprived children or expenditures for bilingual programs or special education for handicapped children. The House bill clarifies that title I funds are to be used only for the excess cost of programs under title I. The Senate amendment contains no such provisions.

The Senate recedes, with an amendment which provides that such exclusion for expenditures for special programs for educationally deprived children or for bilingual programs or special education for handicapped children shall take place if such expenditures are used to provide to children of limited English-speaking ability, handicapped children, and children with specific learning disabilities who reside in title I project areas, services which are comparable to those provided to children residing in non-title I areas.

The conferees intend that the requirement with respect to excess costs is meant to reemphasize that title I funds are to be used to supplement and not to supplant State and local funds. The amendment does not require that State or local funds be used to match Federal funds in implementing title I programs.

BILINGUAL EDUCATION ACT

Policy.—The Senate amendment, in amending the Bilingual Education Act, substitutes a new text for the existing text of such Act. The statement of policy of the Senate amendment recognizes the importance of bilingual educational methods and techniques, and declares the policy of the United States to be, in order to establish equal educational opportunity for all children, to encourage and assist such methods and techniques, from preschool through secondary school level.

The House bill contains no comparable provision. The House recedes, with an amendment clarifying that it is children of limited English-speaking ability who benefit through the fullest utilization of multiple language and cultural resources.

Extension of the Act; reservation of funds.—The House bill authorizes appropriations for the Bilingual Education Act of $135,000,000 for each of the fiscal years 1974 through 1977. The Senate amendment authorizes $135,000,000 for fiscal year 1974, $145,000,000 for fiscal year 1975, $155,000,000 for fiscal year 1976, and $175,000,000 for each of fiscal years 1977 and 1978. For all such years, the Senate amendment authorizes such additional sums as Congress may determine.

The conference substitute authorizes $135,000,000 for each of fiscal years 1974 and 1975, $140,000,000 for fiscal year 1976, $150,000,000 for fiscal year 1977, and $160,000,000 for fiscal year 1978, with no additional amounts authorized for such years.

The Senate amendment also provides for the reservation of specific amounts of appropriated funds for training activities: 50% of the appropriation which is in excess of $35 million but not in excess of $60 million and 33⅓% of the appropriation which is in excess of $60 million. Ten percent of the funds are also reserved for the National Advisory Council on Bilingual Education and the development of leadership capabilities in State educational institutions. The House recedes, with an amendment which sets aside for training purposes $16,000,000 from the first $70,000,000 appropriated and 33⅓% of amounts appropriated in excess of that figure. One percent of the appropriation is reserved for the Advisory Council. For State coordination of technical assistance, $6.75 million is authorized for fiscal year 1974, $7.25 million for fiscal year 1975, $7.75 million for fiscal year 1976, $8.75 million for fiscal year 1977, and $9.75 million for fiscal year 1978.

DEFINITIONS.—The Senate amendment, but not the House bill or existing law, defines the terms "limited English-speaking ability", "native language", "low-income", "Bureau", "Director", and "Council" for purposes of the Bilingual Education Act. The House recedes, with an amendment which defines the term "native language" of an individual of limited English-speaking ability to mean the language normally used by such individuals or, in the case of a child, by the parents of the child. In adopting this definition, the conferees intend that normal usage of a language in a child's environment may also determine that child's native language.

The Senate amendment requires that a bilingual education program be a full-time program of instruction, designed for children of limited English-speaking ability in elementary and secondary school, in which there is instruction in both the native language of such children and in English, given with appreciation of the cultural heritage of such children, and in which, with respect to elementary schools, such instruction is to the maximum extent feasible to be in all courses which are required of the child pursuant to State law.

The House recedes to the Senate on the definition of a "bilingual education program" with an amendment to emphasize the conferees' concern that the new definition not be misinterpreted to indicate that an ultimate goal of the program is the establishment of a "bilingual society." However, the conferees agreed that the bilingual education program must include use of the native language of the child of limited English-speaking ability in the acquisition of skills and knowledge as well as—either through the development of literacy in, or the transfer of literacy from, his native language to literacy in English—in the acquisition of English language competence. The conferees acted to insure that the limited English-speaking child would progress effectively through the educational system. Thus, a limited English-speaking child should receive his instruction in whichever language is necessary to insure that he has the same opportunity to learn and develop his skills as a non-limited English-speaking child during the time that he is building his English competence to a level equivalent with his non-limited English-speaking peers. The conferees also agreed in the amendment to maintain the requirement that all instruction be given with appreciation of the culture of the limited English-speaking student. This also was designed to encourage the appropriate study of the history and culture of the nation, territory, or geographical area with which the native language of the child of limited English-speaking ability is associated, and of the history and culture of the United States.

The Senate amendment also provides that a bilingual education program shall provide for the voluntary enrollment to a limited degree of children whose language is English, but priority must be given in participation to children whose language is other than English.

The conference substitute changes this provision from a requirement to a permitted activity of such a program, provides that the enrollment of English-speaking students need not be on a full-time basis, and provides that in no event shall such a program be designed for the purpose of teaching the foreign language to such students.

The Senate amendment also requires that a bilingual education program require that in courses of art, music and physical education, the program shall provide for the participation of children of limited English-speaking ability in regular classes; and provides that children enrolled in such a program be placed in classes with children of approximately the same age and level of educational attainment.

The House recedes.

The Senate amendment further requires that an application for a bilingual education program be developed in open consultation with parents of children of limited English-speaking ability, teachers and students, including public hearings and full participation of a committee composed of, and selected by, such parents, teachers and, in the case of secondary schools, students.

The conference substitute provides that an application shall be developed in consultation with parents of such children, teachers, and students in the areas to be served, and that the application shall give assurances that after the application has been approved, a committee will be established composed of and selected by parents, and secondary school students, where appropriate.

Regulations.—The Senate amendment provides that the Commissioner, after receiving recommendations from State and local educational agencies and groups involved in bilingual education, shall establish and publish suggested model guidelines containing recommendations for State and local educational agencies with respect to factors affecting the quality of instruction offered in bilingual education programs, such as student-teacher ratios and teacher qualifications. Neither the House bill nor existing law contains a comparable provision.

The conference substitute requires the Commissioner to distribute suggested models, with respect to such factors, but does not require State and local educational agencies to consult with the Commissioner about such models to achieve maximum voluntary conformity.

Financial assistance for bilingual education programs.—The Senate amendment but not the House bill expands the description in existing law of the uses to which funds available for grants under the Bilingual Education Act may be put in assisting bilingual education programs and adds new requirements for applications for such funds by local educational agencies.

The House bill contains no comparable provisions. The House recedes with an amendment combining all training program references in the language of the Senate amendment.

It is the intent of this legislation that the eligible children enrolled in non-public schools share equitably in the benefits of this program. This can be accomplished not only by sharing in teacher training programs and by utilizing special materials and equipment but through the provision of specially trained public school personnel who would be necessary for the implementation of a quality bilingual education program.

State program of coordination of bilingual education programs.—The Senate amendment provides that if in any fiscal year the Commissioner determines for any State that (1) the State educational agency has developed high quality leadership capabilities for coordination of programs of bilingual education; (2) there is in effect for such State a statute under the State constitution or a decision of the highest court of the State or of the United States requiring equal educational opportunity for children of limited English-speaking ability of such State; (3) local educational agencies in such State operate bilingual education programs serving a substantial number of children of limited English-speaking ability; (4) the expenditures for such fiscal year from State revenues for bilingual education programs constitute not less than 15% in the first year for which a State receives payments for State coordination activities, 20% in the second year, and 25% in each succeeding year, of the entitled expenditures for bilingual education programs in the State; and (5) local educational agencies in the State will be paid under the Bilingual Education Act amounts at least equal to the amounts received in fiscal 1973, the Commissioner shall upon application from the State educational agency provide for the submission and approval of a program for the coordination by such State educational agency of, and the provision by such State agency of technical assistance to, bilingual education programs assisted under this Act. The Commissioner shall pay to each State educational agency, for each program approved, such sums which may be necessary for the proper and efficient conduct of the State program. The amount paid shall not exceed an amount which, when added to the amount which the State receives for development of its leadership capabilities, equals 5% of the amounts paid to local educational agencies within the State of bilingual education. Such sums as may be necessary are authorized to be appropriated for State coordination and technical assistance activities.

There is no comparable provision in the House bill or existing law.

The conference agreement provides that, upon application from a State educational agency, the Commissioner shall provide for the submission and approval of a State program for the coordination by such agency of technical assistance to programs of bilingual education in the State. The State program shall contain assurances that Federal funds will supplement and not supplant State funds for bilingual education, including technical assistance from the State. The amount paid to a State agency shall not exceed 5 percent of the aggregate of payments to local educational agencies in the State in the preceding fiscal year.

The Senate amendment contains a new limitation on the amount of funds which can be used in schools with ungraded classes and in secondary schools.

The House bill contains no comparable provision. The Senate recedes.

The Senate amendment provides that the funds must be distributed equitably in all areas of the United States while giving priority to States within such areas having the greatest need for programs.

The House bill contains no comparable provision. The conference substitute adopts the provision of the Senate amendment with an amendment that the Commissioner is directed to give priority to areas having the greatest need for programs assisted under the Act.

The Senate amendment contains a new authorization for the Commissioner to approve applications from the Commonwealth of Puerto Rico for children who live in Puerto Rico, but are of limited Spanish-speaking ability.

The Senate recedes. In deleting this item, the conferees wish to emphasize that this is done without prejudice and with the knowledge that under the Bilingual Education Act programs are presently being conducted in Puerto Rico for children of limited Spanish-speaking ability. The conferees do not believe that this authority needs to be expressly stipulated in legislation.

Indian children in schools.—The Senate amendment changes the provisions of the Bilingual Education Act with respect to Indian children, so that certain reports on assistance to such children under such Act and on the needs of such children with respect to the purposes of such Act will be made to Congress and the President by the Secretary of the Interior.

The House bill contains no comparable provision. The House recedes.

Training.—The Senate amendment, but not the House bill or existing law, provides that the Commissioner shall, in carrying out his duties under the program of assistance for bilingual education programs, provide for policies and programs related to training of personnel in connection with such programs, including provision for 200–500 fellowships for study leading to an advanced degree for persons planning to pursue a career in bilingual education. The Commissioner may not award less than 200 such fellowships unless he certifies in the Federal Register and to the authorizing committees that applications from 200 qualified applicants were not submitted.

The conference substitute adopts this provision, with amendments so as to provide in fiscal year 1975 for not less than 100 fellowships in the field of training teachers in bilingual education. It is the conferees' expectation that recipients of such fellowships will remain in the field of training such vitally needed personnel. The Commissioner is directed, in awarding these fellowships among eligible applicants, to award them in proportion to the needs of the various groups of limited English-speaking ability in the country.

Bureau of Bilingual Education.—The Senate amendment establishes in the Office of Education a Bureau of Bilingual Education headed by a GS–18 Director to whom the Commissioner must delegate all of his delegable functions relating to bilingual education.

Neither the House bill nor existing law contain a comparable provision.

The conference substitute establishes an Office of Bilingual Education in the Office of Education, without the creation of supergrade positions.

Annual report on the condition of bilingual education.—The Senate amendment provides for an annual report on the condition of bilingual education submitted by the Director through the Commissioner and the operation of the Bilingual Education Act, including an assessment of needs, a survey of the number of persons of limited English-speaking ability, and a plan for extension of programs of bilingual education and bilingual vocational and adult education programs, a detailed estimate of necessary expenditures by Federal, State, local, and private sources, an assessment of the educational personnel necessary, and a description of personnel in regional offices dealing with bilingual education. If reports are delayed beyond their due date by the Office of Management and Budget, the Director shall immediately submit them to Congress in the form they were submitted to the Office of Management and Budget. The Senate bill also provides for a survey, to be completed by July 1, 1976, of all children and persons of limited English-speaking ability in the United States. The study shall be conducted by the National Center for Education Statistics.

The House bill contains no comparable provision.

The conference substitute provides that this report will be made by the Commissioner, and that it will include cost estimates. The conference substitute requires that such report is due twice: November 1, 1975, and November 1, 1977. The provision relating to delays in submission of the reports is omitted from the conference substitute, but the conferees expect that such reports will be submitted when statutorily required.

National Advisory Council on Bilingual Education.—The Senate amendment revises existing law to specify the membership of the National Advisory Council on Bilingual Education.

The House bill continues the provisions of existing law. The House recedes.

Grants for bilingual education.—The House bill adds to section 704 of the Bilingual Education Act a provision whereby if a local educational agency determines, in accordance with criteria provided by the Commissioner of Education, that the needs of schools having high concentrations of students of limited English-speaking ability from families with incomes below $3,000 per year have been adequately met, it may carry out programs under that title in other schools where, in accordance with criteria of the Commissioner, there is a major need for bilingual education programs.

The Senate amendment contains no comparable provision. The House recedes.

The House bill also amends section 705(a) of such Act to provide that grants may be made to an institution of higher education, including a junior or community college, applying jointly with one or more local educational agencies.

The Senate amendment provides in its new section 723 that training grants may be made to such institutions which apply after consultation with, or jointly with, local educational agencies.

The Senate recedes, with an amendment which provides that training grants may be made to such institutions without joint application with local educational agencies.

Supportive services and activities for bilingual education.—The Senate amendment provides that certain supportive services and activities in connection with bilingual education shall be administered by the Assistant Secretary, in consultation with the Commissioner (through the Bureau of Bilingual Education) and with the Director of the National Institute of Education. Such services and activities include a program of research in the field of bilingual education, operation of a national clearinghouse of information, and a program for the development in State education agencies of leadership capabilities in such field; $5 million is authorized to be appropriated to the National Institute of Education for bilingual research and demonstration projects. If such appropriations do not reach $5 million, 5 percent of the National Institute of Education's appropriation, but no less than $3 million, is earmarked.

The House bill contains no comparable provisions, except that the House bill does provide the Commissioner with authority under the Bilingual Education Act to make grants for research or demonstration projects in the field of bilingual education, for projects designed to disseminate instructional materials for use in bilingual education programs, and for projects designed to provide preservice or inservice training for bilingual education personnel.

The conference substitute adopts the provisions of the Senate amendment, but requires that contracts thereunder be competitive, and deletes those provisions of the Senate amendment requiring models of bilingual education programs and model State statutes. Such requirements are considered to be unnecessary in view of section 703(b) of the Bilingual Education Act, as contained in the conference substitute, which requires the Commissioner to establish, publish, and disseminate models with respect to bilingual education programs. The conferees intend that such section 703(b) includes development of models (including model bilingual and bicultural curricula) for bilingual education programs and for other activities for which funds may be used under subsection (a) of section 721 of the Bilingual Education Act, and model State statute or statutes designed to promote equal educational opportunity for children of limited English-speaking ability through bilingual education practices, techniques, and methods.

The conference substitute retains the clearinghouse function but drops the language of the Senate amendment which designated the clearinghouse as a "Center for Bilingual Education," eliminates the program for the development of leadership capabilities in State educational agencies, and eliminates the earmarking of the National Institute of Education funds for these supportive services and activities. In deleting the earmarking for NIE, the conferees wish to indicate that their opposition is to the precedent that such earmarking would establish for NIE, rather than opposition to the expenditure of funds for bilingual education research by the Institute.

GENERAL PROVISIONS RELATING TO THE ASSIGNMENT OR TRANSPORTATION OF STUDENTS AND EQUAL EDUCATIONAL OPPORTUNITIES

Purpose of the Equal Educational Opportunities Act of 1974

Both the House bill and the Senate amendment specify that the purpose of the Equal Educational Opportunities Act of 1974, which is contained in title II of the House bill and in title IX of the Senate amendment, is to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.

The Senate amendment, but not the House bill, states that the provisions of such Act and of title VIII (general provisions relating to the assignment or transportation of students) are not intended to modify or diminish the authority of the courts of the United States to enforce fully the Fifth and Fourteenth Amendments to the United States Constitution.

The Senate recedes, since the language added by the Senate amendment is duplicative of that contained in section 203. In dropping the language, the Senate conferees do not intend to effect a substantive change.

Findings

(a) The House bill finds that school districts have been required to reorganize for the purpose of abolishing dual school systems and eliminating the vestiges thereof, while the Senate amendment makes such findings relating to the purpose of abolishing dual schools solely on the basis of race, color, and sex.

The Senate recedes.

(b) Both the House bill and the Senate amendment, after making similar findings, declare it to be necessary and proper that the Congress under its powers under the Constitution specify appropriate remedies for the elimination of the vestiges of dual school systems.

The Senate amendment, but not the House bill, excepts from such necessity and propriety any specification of remedies which is inconsistent with the requirements of the Fifth and Fourteenth Amendments to the United States Constitution regarding the elimination of the vestiges of dual school systems.

The Senate recedes with an amendment substituting the language of the section of the Senate amendment concerning declaration of policy for the language of the Senate amendment.

Suits by the Attorney General

The House bill forbids the Attorney General from instituting a civil suit before he has certified to the appropriate District Court of the United States that he is satisfied that such educational agency has not, within a reasonable time after notice, undertaken appropriate remedial action. The Senate amendment contains the same prohibition, but states that the certification must be that such educational agency has not undertaken appropriate action.

The Senate recedes.

Limitation of attorney's fees

The House bill authorizes award of attorney's fees to prevailing parties. The Senate amendment in title X provides that, notwithstanding any other provision of the Act, the prevailing party in any civil action brought under the Act may not be allowed attorney's fees as part of the costs of any such action.

Both sides recede. It is the intention of the conferees that existing law governing attorney's fees remain unaffected.

Reopening proceedings; intervention in court cases authorized

The House bill provides that, on application of an educational agency, court orders or desegregation plans intended to end segregation shall be reopened and modified to comply with the provisions of the Equal Educational Opportunities Act. The Attorney General shall assist such educational agency in reopening proceedings and modifications.

The Senate amendment provides that a parent or guardian of a child transported in accordance with a court order may seek to reopen or intervene in the further implementation of the court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on the educational process.

The House recedes with an amendment also permitting educational agencies to reopen or intervene.

Limitation on court orders

(a) The House bill, but not the Senate amendment, requires the termination of any court order requiring the transportation of students for the purpose of remedying a denial of equal protection, if the court finds the defendant educational agency is not effectively excluding any person from school because of race, color, or national origin. The House bill further provides that no additional order requiring transportation shall be entered unless the educational agency is found to be effectively excluding any person from any school on such bases.

The Senate recedes with an amendment striking "shall" and inserting "may" and also striking "not effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto" both times it appears and inserting instead the first time: "has satisfied the requirements of the Fifth or Fourteenth Amendments to the Constitution, whichever is applicable, and will continue to be in compliance with the requirements thereof. The court of initial jurisdiction shall state in its order the basis for any decision to terminate an order pursuant to this section and the termination of any order pursuant to this section shall be stayed pending final appeal, or in the event no appeal is taken, until the time for any such appeal has expired." The second time that phrase appears insert instead: "not to have satisfied the requirements of the Fifth or Fourteenth Amendments to the Constitution."

(b) The House bill, but not the Senate amendment, requires the termination of any court order requiring the desegregation of a school system, if the court finds the schools of the defendant educational agency are a unitary school system (defined as one within which no person is to be effectively excluded from any school because of race, color, or national origin). No additional order shall be entered against such agency for desegregation purposes unless the schools of such agency are no longer a unitary school system.

The House recedes.

Assignment or transportation of students or teachers not required

The Senate amendment, but not the House bill, repeats existing law in stating that nothing in the Senate amendment shall be construed to require assignment or transportation of students or teachers to overcome racial imbalance.

The House recedes.

Prohibition against use of appropriated funds

Both the House bill and the Senate amendment provide that funds for carrying out applicable education programs under the General Education Provisions Act may not be used for the transportation of students or teachers in order to overcome racial imbalance or to carry out a plan of racial desegregation.

The Senate amendment, which repeats existing law, exempts from this prohibition cases involving the express written voluntary request of local school officials, but further prohibits such funds from being so used under circumstances creating risk to health or significant impingement upon the educational process, or inferior educational opportunities. The Senate amendment also prohibits Federal agencies from urging, persuading, inducing, or requiring local educational agencies or other agencies, institutions, or organizations to use public funds for the purposes which are prohibited under this provision for Federal funds, unless such purposes are constitutionally required, and prohibits conditioning receipt of Federal funds upon actions by public officers which are prohibited by this provision to Federal officers. Federal agencies are also prohibited from urging, persuading, inducing, or requiring transportation of students, under circumstances creating health risk, significant impingement on the educational process, or substantially inferior educational opportunities. The House bill contains no comparable provisions.

The Senate recedes with an amendment exempting impact aid except for the assistance provided the handicapped and educationally disadvantaged, from this prohibition.

Postponing effectiveness of court orders

The Senate amendment, but not the House bill, restates existing law and makes effective, through fiscal year 1978, a provision that court orders requiring transportation of students to achieve balance with respect to race, sex, religion, or socioeconomic status shall not take effect until all appeals have been exhausted or the time for appeals has expired.

The House recedes.

Rules of evidence required to be uniform

The Senate amendment, but not the House bill, restates existing law that the rules of evidence to prove the practice of racial discrimination in the assignment of students to be uniform throughout the United States.

The House recedes.

Application of section 407(a) of the Civil Rights Act of 1964

The Senate amendment, but not the House bill, restates existing law that the proviso of section 407(a) of the Civil Rights Act of 1964 (prohibiting courts or officials of the United States from enlarging the existing power of the court to insure compliance with constitutional standards by requiring transportation of students) shall apply regardless of whether the pupils, school system, school, or school board involved are located in the Northern, Eastern, Western, or Southern part of the United States.

The House recedes.

Priority of remedies

(a) The Senate amendment states that after June 30, 1974, no court shall order implementation of a plan to remedy de jure segregation involving transportation of students without a prior finding that all alternative remedies are inadequate.

The House recedes.

(b) The Senate amendment also requires that a court shall determine that any plan to remedy de jure segregation proposed by a local school district minimizes transportation of students before such court implements such plan.

The House bill contains no comparable provisions.

The Senate recedes.

Remedies with respect to school districts

The Senate amendment provides that school district boundaries shall not be ignored or altered in formulating remedies under this title unless such boundaries had the purpose and effect of segregating children on the basis of race, color, sex, or national origin or, as the result of discriminatory actions within such school districts, had such effect.

The House recedes.

Busing during school year

The Senate amendment prohibits orders requiring the transportation of students for racial desegregation except at the beginning of an academic school year beginning with the 1974–1975 academic year.

The House bill contains no comparable provision.

The House recedes.

Time for development of voluntary plan

The Senate amendment prohibits courts or officers of the United States from ordering plans or remedies for denials of equal educational opportunity until the local educational agencies affected have had notice and a reasonable time to develop voluntary remedial plans including sufficient opportunity for community participation.

The House bill contains no comparable provision.

The House recedes with an amendment deleting the authority of the Secretary of HEW to define "reasonable time," and changing the provision so that it requires a reasonable opportunity to develop such plans.

FEDERAL IMPACT AID PROGRAMS

Extension of Public Law 815, 81st Congress.—The House bill extends Public Law

815, 81st Congress, through fiscal year 1977, while the Senate Amendment extends Public Law 815 through fiscal year 1978. The House recedes.

Children residing on Federal property.—The House bill but not the Senate amendment amends Public Law 815, 81st Congress, to provide that all children residing on Federal property are treated as category "A" children, while all other children residing with a parent employed on Federal property are treated as category "B" children. The Senate recedes.

Program duration.—The House bill updates the base year for determining increases in numbers of "B" children and children connected with increases in activities of the United States (carried on directly or through a contractor) to the regular school year 1969–1970.

The Senate amendment updates this base year to 1973–1974. The House recedes.

Assistance in cases of certain disasters.—Existing law contains no termination date on the so-called "pin point" disaster provisions. The House bill makes no change in existing law. The Senate Amendment inserts a termination date, July 1, 1978, which is coterminous with the other provisions of the Act. The Senate recedes.

The Senate Amendment, but not the House bill, amends the disaster provisions of Public Law 815 to authorize as a part of the cost of construction "such additional amounts as the Commissioner may approve in order to assure that the facilities, as restored or replaced, will afford maximum protection against personal injuries. . . ." The House recedes with an amendment to provide that restored or replaced facilities will afford appropriate protection instead of maximum protection.

Extension of Public Law 874, 81st Congress.—The House bill extends section 2 (Federal acquisition of real property) of Public Law 874, 81st Congress, through fiscal year 1977, while the Senate Amendment extends such section through fiscal year 1978. The House recedes.

The House bill extends the duration of section 3 through fiscal year 1977. The Senate Amendment extends the duration of section 3 through fiscal year 1975 and then revises section 3 with respect to the succeeding three fiscal years. The House recedes.

Percentage of "A" category children.—The Senate Amendment, but not the House bill, provides that beginning in fiscal year 1975 a school district with an average daily attendance of at least 25% "A" category children shall receive 100% of its "A" category impact aid entitlement, without regard for the level of appropriations of the program. The conference substitute contains this provision of the Senate amendment.

Distinctions within "A" and "B" category children.—The Senate Amendment, by specifying and designating distinctions within both "A" and "B" categories, creates (effective fiscal year 1976) subcategories which are used in computing the various amounts to which local educational agencies are entitled.

The House bill creates no such subcategories except that it, in effect, creates (effective fiscal year 1975) a new subcategory of impact students composed of handicapped children who are both

(1) counted otherwise as either "A" children or "B" children; and

(2) included in a program provided by the local educational agency which is designed to meet the special educational needs (and related needs) of such children.

The House bill provides that the Commissioner shall, by regulation, establish criteria for assuring that programs (including preschool programs) provided by local educational agencies for these children are of sufficient size, scope, and quality (taking into consideration the special educational needs of such children) as to give reasonable promise of substantial progress toward meeting those needs. In implementing such regulations the Commissioner shall consult with persons in charge of special education programs for handicapped children in the educational agency of the State in which the local educational agency is located.

In computing the amount of the entitlements of any local educational agency under section 3 of Public Law 874, payments with respect to the handicapped subcategory are based on counting handicapped children as one and one-half children.

The conference substitute adopts the provisions of the Senate amendment and the provision of the House bill with respect to handicapped children and children with specific learning disabilities with amendments to the House provision requiring that such handicapped children and children with learning disabilities must, in order to be so counted, be children of military personnel and funds paid with respect to such children must be used for their special education.

The Senate Amendment treats all children living on Indian lands as being in the same subcategory as "A" children whose parents are in the uniformed services.

The House bill amends existing law in this respect by—

(1) treating all children who reside on Federal property (other than public housing) as "A" category children; and

(2) separating public housing on Indian lands from other public housing, thereby permitting payments with respect to Indian children in public housing to be made without regard for whether payments are made with respect to other children in public housing.

The conference substitute adopts the House amendment for fiscal 1975 and, thereafter, the provision of the Senate bill.

The Senate Amendment excludes from consideration children of civilians employed on property in a State other than the State in which the local educational agency is located. This provision is subject to a savings (hold-harmless) clause. The House recedes.

Program duration.—The present law which is unamended by the House bill does not contain a termination date for "A" children. The Senate amendment includes a termination date of fiscal 1978 for those children. The Senate recedes.

Computations.—Existing laws provide for two different methods of computing the amounts to be paid to local educational agencies. Authorizing legislation provides that local educational agencies are entitled to a payment of 100 percent of the local contribution rate for each "A" category child and 50 percent of the local contribution rate for each "B" category child. Legislation in recent appropriations acts provides that local educational agencies in which the "A" category children constitute more than 25 percent of their total number of children receive payment for such "A" children equal to 100 percent of the local contribution rate, while payments with respect to other "A" category children equal 90 percent of the local contribution rate, and those with respect to "B" children, in fiscal year 1974, equal 31.5 percent of the local contribution rate.

The House bill leaves these procedures in the existing laws unchanged.

The Senate Amendment would alter (effective fiscal year 1976) the method by which entitlements are calculated in the manner illustrated in the following table:

Category of federally connected child	Percentage of local contribution rate to be paid under— Existing authorizing law (de jure)	Existing appropriation law (de facto in fiscal 1974)	Senate amendment
A + school district (more than 25 percent "A" children)	100	100.0	[1]100
"A" category children (military and Indian children)	100	90.0	100
"A" category children (civilian)	100	90.0	90
"B" category (military)	50	31.5	50
"B" category (civilian, in county)	50	31.5	45
"B" category (civilian, out of county)	50	31.5	40

[1] Heavily impacted receives 100 percent for both "A" military and "A" civilian.

The conference substitute adopts these provisions of the Senate amendment.

Absorption of a percentage of "B" category children.—The Senate Amendment provides, beginning in fiscal year 1978, for an annual survey of the number of "B" category children in local educational agencies eligible for Public Law 874 payments. The Senate Amendment further provides that beginning in the same fiscal year the number of "B" category children included for computing the payments for any local educational agency shall be reduced by one-half of the national average percentage of "B" children. The amount of the reduction may not exceed 300, and the percentage by which "B" children are reduced may not exceed four percent of the average daily attendance. The absorption factor does not apply to any local educational agency in which the number of "B" children exceeds 10 percent of the average daily attendance of the local educational agency (excluding any "A" children) or any local educational agency which derives more than 25 percent of its current expenditures from section 3 of Public Law 874.

The House bill contains no comparable provision.

The conference substitute contains this provision of the Senate Amendment.

Determinations on the basis of estimates.—Existing law permits the Commissioner, on the basis of estimates, to make determinations with respect to percentages of Federally connected children affecting eligibility of school districts. The Senate Amendment authorizes the Commissioner to make all determinations with respect to numbers of eligible children under section 3 of Public Law 874 on the basis of estimates whenever actual satisfactory data are not available. The Senate Amendment also provides that no determination on the basis of estimates shall operate because of an underestimate to deprive any local educational agency of any funds to which it is otherwise entitled.

The House bill has no comparable provisions. The House recedes.

Sudden and substantial increases in attendance.—The House bill extends section 4 (sudden and substantial increases in attendance) of Public Law 874, 81st Congress, through fiscal year 1977, while the Senate Amendment extends such section through fiscal year 1978.

The House recedes.

Payments.—Existing law provides that if appropriations for payments for Public Law 874 are insufficient to satisfy fully the amounts to which all local educational agencies are entitled thereunder, payments with respect to children residing in public housing are provided for by separate funding, and all other entitlements are ratably reduced.

The Senate Amendment deletes the provision for separate funding of payments with respect to children living in public housing and treats them as regular "A" and "B" category children depending upon their status.

The Senate Amendment proposes a schedule of payments which controls the distribution of funds when appropriations are insufficient to satisfy all entitlements. The proposed schedule is set out in three paragraphs which have priority as they are numbered.

Paragraph (1) provides that all school districts shall be paid 25 percent of their entitlements.

Paragraph (2) contains a graduated scale for additional payments controlling remaining funds. The graduated scale provides that additional funds shall be paid as follows:

Category of children	Percentage of entitlement paid under paragraph (1)	Percentage of entitlement paid under paragraph (2)	Combined percentage of entitlements paid under paragraphs (1) and (2)
A+ districts (districts with more than 25 percent "A" children)	25	75	100
"A" category military and Indian children	25	65	90
"A" category civilian	25	63	88
"B" category military	25	35	60
"B" category civilian (in county)	25	32	57
"B" category civilian (out of county)	25	28	53

Paragraph (3) provides that all funds remaining after paragraph (2) allocations have been made shall be paid in proportion to the percentage of the unsatisfied entitlements after payments under paragraphs (1) and (2).

Entitlements under section 2 (Federal acquisition of property within a school district) would be funded as military "B" children under section 3.

Entitlements under section 4 (sudden and substantial increases in attendance) would be funded with paragraph (3) above.

Funds for section 6 (Federally-operated schools) would be appropriated separately from the regular Public Law 874 appropriations.

The conference substitute adopts these provisions of the Senate amendment, except that payments for children public housing are excluded from funding under such paragraph (2), and except that funds attributable to such children shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low income families. It is the intent of the conferees that under the latter provision, funds attributable to such children shall be used to continue and augment programs assisted under title I of the Elementary and Secondary Education Act of 1965 which would otherwise be eliminated or diminished due to the adoption of the new formula for distribution of assistance under such title adopted by this bill, and to provide title I type programs in areas which are eligible for title I assistance but which have not received such assistance, or, if such programs are fully provided in both such cases, for programs in other areas of school districts for such children. The State educational agency should monitor the expenditure of these funds for public housing children since that agency has responsibility for monitoring the expenditure of Title I, ESEA, funds. The conference report also contains a hold-harmless provision which protects school districts from losses which result from payments for children in public housing.

Treatment of payments by States.—Existing law prohibits the States from taking Public Law 874 payments into consideration in determining eligibility for, or the amount of, State aid to local educational agencies for free public education.

The House bill creates an exception to that prohibition which is effective in fiscal year 1975. The House bill provides that Public Law 874 payments to local educational agencies may be considered as local resources of such local agencies in computations under a State equalization formula if such formula provides appropriate recognition of relative tax resources per child to be educated which are available to the local educational agencies. The determination of appropriateness of recognition of the relative tax resources is to be made by the Secretary of the Department of Health, Education, and Welfare.

The Senate Amendment also creates an exception to the prohibition in existing law which is effective in fiscal year 1976. Under the Senate Amendment a State may, if it has in effect a program of State aid for free public education which was adopted after June 30, 1972, and which is designed to equalize expenditures for free public education to local educational agencies, take payments under Public Law 874 into consideration in determining—

(a) the relative financial resources available to local educational agencies in that State; and

(b) the relative financial need of such agency for the provision of free public education for children served by such agency.

The term "equalize expenditures" is not to be construed in the Senate amendment in any manner adverse to a program of State aid for free public education which provides for taking into consideration the additional cost of providing free public education for particular groups or categories of pupils in meeting the special educational needs of such children as handicapped children, economically disadvantaged, those who need bilingual education, and gifted and talented children.

The terms "State aid" and "equalize expenditures" are to be defined by the Commissioner by regulation.

The conference report adopts a substitute for both provisions which generally follows the Senate amendment, and also provides that whenever a State or local educational agency will be adversely affected by the operation of this provision of existing law, such agency shall be afforded notice and an opportunity for a hearing prior to the reduction or termination of payments. Such substitute also provides that a State may consider as local resources funds received under the impact aid program only in proportion to the share that local revenues covered under a State equalization program are of total local revenues. It is the intention of the conferees that this provision concerning the proportion of local funds equalized must be implemented on a case-by-case, school district by school district, basis, and not on the basis of a general rule to be applied throughout a State.

Savings (hold-harmless) provisions.—The Senate Amendment contains four provisions designed to reduce the impact of changes in entitlements for local educational agencies. Of the savings clauses, two deal with reductions in or cessations of Federal activities: one is general in permanent law; and the other deals with specific base closings announced after April 16, 1973. The other two savings clauses deal with reductions in entitlements resulting from changes made by amendments to the Act in the Senate Amendment. The conference agreement contains all these hold-harmless provisions.

(1) Savings Clauses Related to Reductions In or Cessations of Federal Activities.

The Senate Amendment contains a provision proposed to be a revision of section 3(e) of Public Law 874 which modifies existing law as it relates to the cessations of or reductions in Federal activities through the closing of military installations. Under existing law the Commissioner may, in his discretion, continue Public Law 874 payments to local educational agencies for one additional year after there has been a substantial reduction in the number of Federally-connected children in attendance at the schools as the result of a reduction in or cessation of Federal activities.

The Senate Amendment alters section 3(e) by providing a four-year phase-out or reduction of impact aid payments when Federal activities are reduced or terminated. Under the Senate Amendment, if there is a reduction of at least 10 percent in the number of Federally-connected children for any fiscal year which resulted from a reduction in or a cessation of Federal activity during that fiscal year, then the payments made to that agency under section 3 of Public Law 874 may not be less than 90 percent of the payments under such section for the preceding year. In the succeeding three fiscal years, Public Law 874 payments may not be less than 90 percent of the preceding year.

The Senate Amendment contains a specific provision relating to reductions in and cessations of Federal activities relating to the closing of military installations in the United States announced after April 16, 1973. This provision is retroactive to July 1, 1973 and it has a termination date of July 1, 1978.

(2) Savings Clauses Related to Reductions in Entitlements Caused by Changes in Law.

The Senate Amendment contains two provisions designed to lessen the impact of the amendments which revise Public Law 874. The first is general, while the second relates to specific changes in formula.

The Senate Amendment provides that, if payments under section 3 of Public Law 874 constitute not less than 10 percent of the current expenditures of a local educational agency for the fiscal year ending prior to June 30, 1973, the amount of the payment to such agency on the basis of its section 3 entitlement shall not be less than 90 percent of its previous year's payment for each such year. If the Public Law 874 payments do not constitute at least 10 percent of the current expenditures of the agency, the agency is guaranteed 80 percent of its previous year's payment.

The Senate Amendment provides that, if the number of children who reside with parents employed on Federal property in a State or in a county other than the county in which the school district of the agency is located constitute more than 10 percent of the total number of category "B" children in such agency, then the entitlement which that agency has for category "B" children shall not be less than 90 percent of the payment it received for those children during the preceding year.

The conference report also contains a "hold-harmless" provision respecting payments for children in low-rent public housing. The Commissioner must determine (1) the amount a school district would receive for each fiscal year on the basis of the amount appropriated if no payments were made with respect to children in low-rent public housing; and (2) the amount that school district receives with such payments included. If (1) is greater than (2), the school district is paid the difference.

The Senate Amendment requires that funds for savings clause payments be appropriated apart from appropriations to make regular payments, and provides that such appropriations are mandatory.

The conference substitute adopts this provision of the Senate amendment.

Assistance for current school expenditures in cases of certain disasters.—The House bill extends section 7 (assistance for current expenditures in cases of certain disasters) through fiscal year 1977, while the Senate Amendment extends such section through 1978. The House recedes.

Under existing laws the Commissioner is authorized to expend Public Law 874 funds as disaster relief payments under section 7 of Public Law 874, and such funds used to make disaster relief payments are to be reimbursed from appropriations for that purpose. This provision has been implemented by the Commissioner by reserving from Public Law 874 appropriations an estimated amount of funds necessary to pay for disasters which may or may not occur in the future. There has not been a procedure for reimbursing school districts for funds lost by those reservations.

The Senate Amendment amends the disaster relief sections by providing that disaster relief payments are to be made from any funds appropriated to the Office of Education which are available to the Commissioner at the time of the disaster. Expenditures made for disaster relief payments must be reported by the Commissioner to the Committees on Appropriations and Education and Labor of the House of Representatives and the Committees on Appropriations and Labor and Public Welfare of the Senate within 30 days of their expenditure, and such expenditures must be reimbursed from appropriations for the disaster relief section. The report required to be submitted by the Commissioner to the Committee on Appropriations is to constitute a budget estimate within the meaning of the Budget and Accounting Act. The House recedes.

CONSOLIDATION OF EDUCATION PROGRAMS

Simplified State application.—The Senate amendment contains an administrative consolidation—a simplified single State application for Federal funds (under programs administered by the Commissioner of Education) which are to be administered through the State educational agency. This consolidation, with certain amendments, is adopted by the conference substitute and is discussed in the portion of this statement which deals with education administration.

Consolidation of certain educational assistance programs.—The Senate amendment contains a new title VI of ESEA, with a statement of purpose which states that the administration of titles II (library books), III (innovation, except section 306 thereof, Commissioner's discretionary funds), and V (State departments of education) of the Elementary and Secondary Education Act of 1965, titles III (equipment) and V (guidance and counseling) of the National Defense Education Act of 1958, and subpart 2 of part B of the Education Professions Development Act (attracting teachers) is to be consolidated and simplified. The programs consolidated in the House bill are the programs authorized under titles II, III, V, and sections 807 (drop-out prevention) and 808 (health and nutrition) of the Elementary and Secondary Education Act of 1965, and title III (other than section 305, loans to private schools) of the National Defense Education Act. The Senate recedes.

The House bill provides two separate authorizations: $395 million for fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years for making grants for library and learning resources; and $350 million for fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years for making grants for educational innovation and support services.

The Senate amendment authorizes for each fiscal year ending prior to July 1, 1978, the amounts necessary to fulfill the hold-harmless levels established by the consolidation amendment, and also authorizes an additional $600 million for entitlements under the consolidation title. The Senate recedes, with an amendment providing that there will be no consolidation of programs in fiscal year 1975, that 50% of the sums appropriated for the first fiscal year that this title is in effect shall be used for the purposes of consolidation, and 100% of the sums appropriated for this title for each subsequent fiscal year shall be available for purposes of this consolidation.

The House bill provides that, except in the case of the first appropriation made under the title, no funds may be appropriated under either of the authorizations for a fiscal year unless the aggregate amount of such appropriations is at least equal to that of the preceding fiscal year, and that no funds may be appropriated for the first appropriation under either authorization unless the aggregate amount of such appropriations is at least equal to the total appropriations for the previous fiscal year under all the programs to be consolidated.

The Senate amendment provides that appropriations under its new title must effect a forward funding of the consolidated programs and exceed the total of certain scheduled amounts, or appropriations under any authority for such programs and must be allotted among the States in accordance with such scheduled amounts. If the appropriations for programs under consolidation for a fiscal year do meet such requirements, however, no funds may be appropriated for that year pursuant to the separate authorizations for the programs proposed to be consolidated. The conference substitute provides that no funds may be appropriated for part B (libraries and learning resources) unless the aggregate appropriation for part B is at least equal to the aggregate appropriation during the preceding year in which such part was in effect and that, similarly, the appropriation for part C (innovation) must be at least equal to the aggregate appropriation during the preceding year in which such part was in effect.

In addition, the conference agreement provides that, for the consolidation provisions to be effective, the appropriation under the consolidation title must be forward funded.

The House bill creates a separate authorization of not more than one percent of the total appropriation under the title or the territories (but not for Puerto Rico), for schools on Indian reservations operated by the Department of the Interior and for overseas dependents' schools operated by the Department of Defense, to be distributed among them according to respective need.

The Senate amendment provides that the outlying territories (and Puerto Rico) shall be entitled for any fiscal year to a grant under the consolidation provisions in amounts which the Commissioner determines to be needed, but in amounts which shall not exceed in the aggregate three percent of the total State entitlements. Ninety percent of the amount granted to each such jurisdiction shall be available for local educational agencies and 10% shall be available for State departments of education. The Senate recedes.

The House bill provides that funds appropriated for the States under the consolidation shall be allotted among the States and Puerto Rico according to their relative number of children aged 5–17.

The Senate amendment entitles each State for any fiscal year ending prior to July 1, 1978, to the sum of (1) the amount it expended for fiscal year 1972 for Title II (library book) programs; (2) the amount it expended in fiscal year 1969 for Title III (innovation) programs; (3) the amount it expended for fiscal year 1969 for Title V NDEA (guidance and counseling) programs; and (4) the amount it expended for fiscal year 1972 for Title III NDEA (equipment) programs.

In addition to this entitlement, a State shall be entitled to new money on the basis of the following new formula: (1) the product of $20 multiplied by the number of children in attendance in elementary and secondary schools in the State; (2) the product of 10% of the State average per-pupil expenditure multiplied by the number of children aged 5–17 in families having an annual income of less than $3,000; and (3) the amount based on the number of children in the State multiplied by the State's allotment ratio, which is based on average per capita income per child. Each of the three elements of the formula authorizes entitlements of $200 million.

In addition, the Senate amendment entitles each State to a grant equal to 10% of the amount which such State is entitled to receive for program purposes under the above provisions or $1,000,000, whichever is greater, for the purpose of grants to State educational agencies for strengthening such agencies and for State administration. The Senate recedes.

The Senate amendment does not include Puerto Rico in the definition of "State" for purposes of these entitlements. The Senate recedes.

The Senate amendment provides that any State which desires to receive a grant under the consolidated program shall enter into an agreement with the Commissioner that the State will insure that all children in elementary and secondary schools in the State will receive, to the extent of their need, instructional materials and equipment, exemplary programs, testing, guidance, and counseling, and inservice teacher training. The Commissioner will receive and review an annual program plan developed by the State which will carry out this agreement, and acceptance by the Commissioner of the agreement shall constitute a contract between the Commissioner and the State. The Senate recedes.

The House bill provides that if any State desires to receive consolidated grants it must submit a State plan. Such plan shall contain the following assurances:

(1) the State educational agency will be designated as the sole agency for administration;

(2) funds will only be used for the consolidated programs and for State administration;

(3) private school children will participate;

(4) funds will be distributed to school districts (a) in the library and learning resources program, according to enrollments in public and private schools with the two conditions that substantial funds will be provided to school districts whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure is no greater than the average per pupil expenditure in the State, and to school districts which have the greatest numbers or percentages of children whose education impose a higher than average cost per child, and (b) in the innovative program, will be distributed on a project grant basis equitably among school districts provided that the State educational agency assists small school districts and those which lack financial resources;

(5) local educational agencies must be given complete discretion in deciding how they are going to spend their library and learning resources grants;

(6) the State advisory council will evaluate all programs assisted under this title;

(7) school districts will only submit one application for funds under both consolidations;

(8) for the first fiscal year not to exceed 5% of the funds received by the State or the amount received in fiscal 1973 for the administration of all programs proposed to be consolidated, whichever amount is greater, may

be used for State administration, and that for each of the succeeding fiscal years, such amount shall not exceed 5% or $225,000, whichever is greater.

(9) not less than 15% of the State grant for innovation will be used for programs for the handicapped;

(10) not more than the greater of 15% of the State's grant for innovation or the amount received by the State in fiscal 1973 shall be used for strengthening State departments of education;

(11) facilities will be accessible to the handicapped and Davis-Bacon requirements will be met;

(12) reasonable notice and an opportunity for a hearing will be given to school districts before State agencies take final action with respect to their applications;

(13) there will be no commingling with State funds, funds will be used to supplement but not supplant State funds, and fiscal control procedures will be adopted;

(14) the amount expended by the State and local school districts from non-Federal sources for part B (Libraries and Learning Resources) will not be less than the amount spent in the preceding fiscal year; and

(15) the State will submit an annual report and such other information as the Commissioner may require. The Senate recedes.

The House bill requires each State to have an advisory council in order to receive grants under the consolidation program. These advisory councils are similar to, but have a broader membership and purpose than, the present Title III ESEA State advisory council. The Senate recedes.

The House bill provides that the Commissioner will pay (in advance or by reimbursement) the State the full amount expended by the State in carrying out its State plan.

The Senate amendment provides payments to States for amounts expended in carrying out the contractual agreement to provide materials and services, except that the amount of payment is not to exceed the amount of the State's entitlement for program funds of the new title. In no event shall the amount be less than the minimum amounts for which provision is made in the General Education Provisions Act.

The Senate amendment also provides that the Secretary pay each State the amount to which it is entitled for State administration and strengthening State educational agencies. The Senate recedes.

The House bill provides that, to the extent consistent with their number in the school district, children enrolled in private nonprofit schools must participate and receive secular, neutral, and nonideological services, materials, and equipment. The House bill requires that expenditures for programs for these children must be equal to expenditures for programs of children in public schools, taking into account the needs of the individual children and such other factors as determined pursuant to criteria of the Commissioner. The Senate amendment provides for the participation of children enrolled in private non-profit schools which are free from discrimination on the basis of race, color or national origin, to the extent of their needs for such materials or services.

Both the House bill and the Senate amendment require public control, supervision, and title, in the programs involving private school children; but the House bill also specifies that a public agency must administer the program and that any services provided must be provided by public employees or through contract by a public agency with a person, association, or corporation independent of private schools and religious organizations.

Both the House bill and the Senate amendment provide for a by-pass when a State or local educational agency is forbidden by State law or substantially fails to provide for the participation of private school children. The Senate amendment provides that the Commissioner shall not take action with respect to a by-pass without affording a State educational agency and other interested parties notice and an opportunity for a hearing at least 60 days prior to his final action. If he determines that the failure of a State to involve non-public school children applies to a substantial number of children, he shall proceed with the by-pass. The State educational agency has a right to judicial review within 60 days and the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part.

The House bill does not contain a separate section for the hearing and judicial review in the consolidation title, but it does contain in the by-pass provision in Title I of the Elementary and Secondary Education Act, requirements concerning hearings and judicial review which are made applicable to both the consolidation amendment and Title I. The major differences between those provisions and the Senate provisions are that the Senate amendment, but not the House bill, requires that there must be a failure to involve a substantial number of children and allows interested parties, as well as the State educational agency, an opportunity for a hearing, and that the House bill, but not the Senate amendment, provides that the Commissioner's findings of fact are to be conclusive if such findings are based upon substantial evidence. The Senate recedes with an amendment including the hearings requirements and judicial review provisions from the House bill on title I in the consolidated title.

Both the House bill and the Senate amendment provide that grants may be used for acquiring laboratory and other special equipment. The House bill limits the subjects for which such equipment is acquired to certain specified subjects, specifies that equipment may include printed and published materials, and provides that grants may be used to acquire test grading equipment for use in any subject matter, and to do minor remodeling in connection with such materials and equipment. The House recedes.

The Senate amendment provides for grants for inservice training of teachers. There is no comparable House provision. The Senate recedes.

Both the House bill and the Senate amendment provide for grants for programs of testing, guidance, and counseling. The House bill additionally provides a list of the aims of such guidance and counseling, and provides for grants for strengthening and expanding counseling and guidance services. The Senate recedes.

The House bill, but not the Senate amendment, provides that, subject to the modifications contained in the consolidation title, funds appropriated for the consolidation must be used only for the same purposes and for funding of the same types of programs which were previously authorized by these titles. The Senate recedes.

The Senate amendment, but not the House bill, provides that funds available to a State under the consolidated title must be expended by that State in such a manner that the State makes available for the purchase of library books and textbooks at least the amount expended by that State for Title II ESEA (library books) in fiscal 1972; that the State makes available for innovative programs at least the amount it spent for Title III ESEA (innovation) in fiscal 1969, of which amount no less than 15% shall be spent for special programs for handicapped children; that the State spends for guidance and counseling at least the amount it spent in fiscal 1969 for Title V NDEA (guidance and counseling); and that the State spends not more than 50% of the costs of equipment programs, an amount which at least equals the amount spent in the State in fiscal 1972 for Title III of the NDEA (equipment). In addition, the Senate amendment provides that funds in excess of these amounts are to be expended by the State for the purposes of the consolidation in such amounts, determined by the State educational agency, as will best meet the needs of the children of the State. The Senate recedes.

The Senate amendment includes in the uses to which consolidated funds for State educational agency programs may be put, supervisory and related services in academic subjects. This purpose is also found in section 303(a) (5) of the National Defense Education Act of 1958. The House bill contains no comparable provision. The Senate recedes.

The House bill, but not the Senate amendment, provides that, subject to the modifications contained in the consolidation title, funds appropriated for the second consolidation (innovation) must be used for the same purposes and for funding the same types of programs authorized under the consolidated programs. The Senate recedes.

The Senate amendment provides that funds may be used by the State for such purposes and in such amounts as the State education agency determines will best achieve the purposes of the consolidation provision, except that no State shall spend more than 5% of the amount available to it for the consolidated program for the purpose of administration. The Senate recedes.

The House bill provides that programs or projects supported under the second consolidation (Educational Innovation and Support) (other than the leadership resources program) of its new title provide for participation of persons representative of the cultural and educational resource of the area to be served. The Senate recedes.

The Senate amendment, but not the House bill, provides that unless the sums appropriated for the consolidated program are advance funded and exceed the amounts provided for in charts contained in the bill, the amounts appropriated for the consolidation for any such fiscal year shall be allotted among the States as provided in the charts and used by them for those specific purposes. In addition to the amount listed in each of the charts (which reflect what States were eligible to receive under fiscal year 1972 appropriations based on the 1970 Census), the Commissioner shall allot an amount equal to 3% of the total among the outlying areas, including Puerto Rico. The House recedes on the forward funding requirement; the Senate recedes on the remainder of its provision.

Extension of existing law affected by consolidation.—The House bill extends the individual programs consolidated through fiscal year 1977 and makes the authorization of appropriations under each such title contingent upon the lack of appropriations under the new consolidated program. The Senate amendment extends each such title through fiscal year 1978 and provides in a separate provision that no funds are authorized to be appropriated pursuant to such separate programs in any fiscal year in which funds are appropriated for the consolidated program. In addition, the Senate amendment adds language to Title III, ESEA (innovation) identical to that contained in by-pass provisions in Title I, ESEA, and the consolidated title concerning the Commissioner's action in invoking a by-pass for nonpublic school children under Title III and procedures for judicial review of such action.

The House bill extends through fiscal 1977 the drop-out prevention program and the nutrition and health program of title VIII, ESEA, subject to the condition that they cannot be funded in any year in which funds are appropriated for the consolidation. The House bill does not extend the correction education and consumers' education programs. Effective July 1, 1975, the Senate repeals the drop-out prevention, health and nutrition, and correction education program, and includes their purposes in its proposed third consolidation, the Special Projects Act. Consumers' education is extended as part of that new Act.

The conference substitute extends the provisions of existing law through 1978, except for those of NDEA III, which are extended through 1977 as in the House bill. No funds may be appropriated for any fiscal year for any programs pursuant to such separate authority if the purposes of such program have been funded under a part of the consolidation for that year.

Consolidation of certain federally operated education programs.—The Senate amendment, but not the House bill, authorizes a third consolidation of a number of education programs administered by the Commissioner under certain discretionary authorities. The Cooperative Research Act is rewritten and retitled "The Special Projects Act." The purpose of the Act is to authorize the Commissioner to carry out special projects to experiment with new educational and administrative methods, techniques and practices; to meet special or unique education needs or problems; and to place special emphasis on national education priorities. The Commissioner is authorized to enter into contracts under this Act during the period fiscal year 1976 through 1978, and $200 million is authorized to be appropriated for each such year. Not later than February 1 of each year the Commissioner shall submit to the authorizing Committees of the Congress a plan showing how he intends to expend these discretionary funds during the coming fiscal year, and a report describing each contract made or to be made under the authority of the Act involving expenditure of more than $100,000. Funds appropriated pursuant to the new consolidation shall be spent in accordance with this plan unless, within sixty days after its submission, either Committee disapproves the plan.

The House recedes, with an amendment changing the coverage of such report on contracts in excess of $100,000 to the preceding calendar year.

In carrying out his functions under the new discretionary consolidation the Commissioner shall give priority to applications proposing projects which meet the requirements of the discretionary categorical programs repealed by the new consolidation. In addition the Commissioner shall reserve not less than 50% of the appropriation for new programs in education for the use of the metric system of measurement, gifted and talented children, community schools, career education, consumers' education, women's equity in education, and arts and education programs. From the 50% of the sums reserved, the Commissioner shall reserve $750,000 for the Arts in Education program and shall apportion an amount for each of the new purposes in the same ratio as their respective authorizations.

AUTHORIZATION OF FUNDS

[Dollar amounts in millions]

Section and subject	Fiscal year 1974 amount	Fiscal years through 1978	
		Amount	Percent
404—Metric education		$10.00	5
405—Gifted and talented		12.25	5.125
406—Community schools (LEA)		15.00	7.5
Higher education		2.00	1
407—Career education		15.00	7.5
408—Consumers' education	$15	15.00	7.5
409—Women's educational equity		30.00	15
410—Arts education		.75	.375
Total	15	100.00	50
Total authorization for Special Projects Act for each fiscal year		200.00	50

In any year in which funds are available under the new discretionary consolidation, no appropriation may be made for the consumers' education program now contained in the Elementary and Secondary Education Act or for the new separate authorizations of discretionary programs whose purposes are funded under the reserved 50%. In addition, effective July 1, 1975, Title III, ESEA (innovation), is amended by striking out the Commissioner's discretionary authority. The Education Professions Development Act is repealed, except for the Teacher Corps, and the sections of Title VIII of the Elementary and Secondary Education Act dealing with dropout prevention, health and nutrition and corrections education are repealed.

If the Special Projects Act is not funded, each of the new programs within the Act may be funded separately.

The House recedes to these provisions, except that such title III, ESEA, is not in effect in any year in which the educational assistance program consolidation is in effect, and the Education Professions Development Act is not repealed. In addition, the dropout prevention and health and nutrition programs under title VIII of ESEA are included in part C of the program consolidation contained in the new title IV of that Act.

Under the Senate amendment, if the Commissioner determines that a priority need not be given to programs under a repealed authority, he shall so certify to the authorizing Committees of the Congress. If, within 90 days after such certification either Committee adopts a resolution of disapproval, priority for such activity shall no longer be required. The Senate recedes.

The conferees intend that successful ongoing projects conducted under authorities which are repealed by the Special Projects Act be continued by the Commissioner under his discretionary share of the appropriations. The conferees expect that the Special Projects Act will be used to provide adequate financial support for the educational television series, Sesame Street and the Electric Company. These programs are among the most creative innovations of Federal support for education, and their continued production and development should be an on-going priority of the Commissioner.

Education for the metric system of measurement.—The Senate amendment, but not the House bill, states the policy of the United States to encourage educational agencies and institutions to prepare students to use the metric system of measurement as part of the regular education program and authorizes the Commissioner to carry out a program of grants and contracts to fulfill this policy. The Commissioner is authorized to make grants and contracts with institutions of higher education, State and local educational agencies, and other public and private non-profit agencies. An application for a local educational agency may be approved only if the State educational agency has been notified of the application and has been given a reasonable opportunity to offer recommendations. Ten million dollars is authorized for each fiscal year through 1978.

The House recedes, with an amendment finding that there is no existing Federal program to teach use of the metric system.

Gifted and talented.—Under the Senate amendment, the Commissioner shall designate an administrative unit within the Office of Education to administer the new program for gifted and talented children and to coordinate all programs for such children and youth administered by the Office. In addition, he shall establish or designate a National Clearing House on Gifted and Talented Children and Youth to obtain and disseminate information on education of the gifted and talented. The Commissioner shall make grants to State and local educational agencies to assist them in the planning, development, operation, and improvement of programs for gifted and talented children and shall not approve an application from a local educational agency unless it has been submitted to the State educational agency and such agency has had an opportunity to make recommendations. The Commissioner is also authorized to make grants to State educational agencies to assist them in establishing and maintaining a program for training personnel for educating gifted and talented children or as supervisory personnel and is authorized to make grants to institutions of higher education and other appropriate institutions to provide training to leadership personnel. The Commissioner is also authorized to make grants and contracts to public and private agencies for the establishment and operation of model projects for the identification and education of gifted and talented children, including such activities as career education, bilingual education, and programs for the handicapped and educationally disadvantaged children. These projects shall not exceed 15% of the amounts expended under this new authority. The authorization for this program is $12.25 million for each fiscal year through fiscal year 1978.

The conference substitute adopts these provisions, but provides for a "Clearinghouse for Gifted and Talented Children", and that, for the research and related activities by the National Institute of Education, the Commissioner may agree to transfer such sums as may be required for these activities.

Community schools.—The House bill adds a new Title IX to ESEA on Community Education Development. The Senate amendment includes community schools among the new programs under the Special Projects Act. The House bill authorizes $12.5 million for fiscal year 1976 and $15 million for fiscal year 1977 with a reservation of up to 1% for the outlying areas. Sums shall be allotted among the States under the House bill by first allotting each State $20,000 and then allotting the remainder according to relative population. The Senate amendment creates a discretionary grant program with an authorization of $15 million for each fiscal year prior to 1978, and both bills contain an additional authorization of $2 million per year for higher education training programs. In approving applications under the Senate amendment, the Commissioner shall insure that there is equitable geographic distribution of community education programs throughout the United States in both urban and rural areas.

The House bill limits community education programs to the provision of educational, recreational, and cultural community services, while the Senate amendment also authorizes other community services.

The House bill provides for a State plan to be submitted by any State wishing to participate and limits community education projects to school districts receiving funds under Title I, ESEA, while the Senate amendment authorizes the Commissioner to make direct grants to any local educational agency, after the State educational agency has been given an opportunity to review and comment.

The Senate amendment, but not the House bill, requires each application to contain provisions assuring consultation with local community colleges, social, recreational, and health groups.

The House bill provides that the Federal share of cost is 80% for a new community education program, 65% for expanding or improving programs in the first year, 55% in the second year, and 40% for subsequent years. The Commissioner is authorized to pay all costs of any project located in an economically depressed area, as determined by the Secretary of Commerce and the Director of the Office of Economic Opportunity. The Senate amendment contains no matching requirements.

The House recedes with an amendment that 50 percent of funds will be distributed among States and 50 percent among local educational agencies, at the discretion of the Commissioner; and the Senate recedes on the matching requirements. Other related community services may be included in community schools funded under this program. The conferees emphasize that a broad range of services are covered by such language.

Career education.—The Senate amendment, but not the House bill, states the sense of the Congress that every child should, by the time he has completed secondary school, be prepared for gainful or maximum employment and for full participation in our society according to his or her ability. There is established in the Office of Education an Office of Career Education headed by a Director who shall be a GS 17. The Commissioner shall delegate his functions under the new program to the Director of the Office. In addition, the Commissioner shall conduct a survey and assessment of the current status of career education programs and submit to the Congress, not later than November 1, 1975, a report on such survey. The Senate amendment defines the term "career education" and authorizes the Commissioner to make grants to State and local educational agencies, institutions of higher education, and other nonprofit agencies to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models, including models in which handicapped children participate. In addition, during the period beginning one year after enactment of this provision and ending June 30, 1977, the Commissioner is authorized to make grants to State educational agencies to enable them to develop State plans for the development and implementation of career education programs in the school districts of the States. There is established a National Advisory Council for Career Education to advise the Commissioner on the implementation of this program and to review the operation of this program and all other programs in the education division pertaining to career education. It shall assist the Commissioner in the survey on the current status of career education programs. There is authorized $15 million for each fiscal year for this program.

The conference substitute modifies these provisions of the Senate amendment, but by dropping the requirement that the Director be a GS 17. Although the Commissioner is not required to delegate his functions to the Director, the conference agreement provides that the Director of the Office of Career Education shall report directly to the Commissioner. In addition, the conference substitute requires that, in assessing career education programs, projects, curriculums, and materials, the Commissioner shall avoid stereotypes with respect to careers, particularly stereotypes related to sex and race.

Consumers' education.—The Senate amendment adds to the consumers' education section of the Elementary and Secondary Education Act of 1965 a provision establishing an Office of Consumers' Education, headed by a Director who shall be a GS 17 in the competitive service. Fifteen million dollars is authorized for each fiscal year through 1978. The House bill permits authority for the program to expire. The House recedes with an amendment eliminating the requirement that the Director be a GS 17.

Women's educational equity.—The Senate amendment, but not the House bill, authorizes the "Women's Educational Equity Act of 1973" with the Congressional finding that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women, thereby limiting the full participation of all individuals in American society. The Commissioner is authorized to make grants and contracts with public agencies, private, nonprofit organizations, and individuals for activities designed to provide educational equity for women in all levels of education. Nothing in this section shall be construed as prohibiting men from participating in any activities assisted under this new program. In addition to his basic grant and contract authority, the Commissioner shall carry out a program of small grants, not to exceed $15,000 each, to support innovative approaches to achieving educational equity for women.

The House recedes.

Under the Senate amendment, the Commissioner is authorized to make grants and contracts with public and private nonprofit agencies and individuals to carry out activities including development, evaluations, and dissemination of curricula and textbooks; preservice and inservice training for educational personnel; research, development, and educational activities designed to advance educational equity; guidance and counseling activities, including development of nondiscriminatory tests; educational activities to increase opportunities for adult women, including continuing education for underemployed and unemployed women; and the expansion and improvement of education programs for women in vocational education, career education, physical education, and educational administration.

The House recedes, with an amendment to insure that the development of curricula and textbooks under grants awarded by the Commissioner is to be done by the applicant for such grant.

Under the Senate amendment, there is established in the Office of Education an Advisory Council on Women's Educational Programs to advise the Commissioner with respect to general policy matters; to make recommendations to the Assistant Secretary concerning the improvement of educational equity for women; make recommendations to the Commissioner with respect to the allocation of funds pursuant to this program, including criteria to insure an appropriate geographic distribution; and develop criteria for the establishment of program priorities. From the sums available for the purposes of this program, the Commissioner is directed to conduct a national, comprehensive review of sex discrimination in education, to be submitted to the Council not later than a year after the date of enactment.

The House recedes, with an amendment which deletes the requirement that the Chairman of the National Citizens Advisory Council on the Status of Women shall be a member of the Advisory Council on Women's Educational Programs. In deleting this provision, the conferees intend merely to avoid giving statutory status to the National Citizens Advisory Council on the Status of Women. The conferees intend that representatives from such citizens advisory council should be included on the Advisory Council on Women's Educational Programs created under the conference substitute.

Under the Senate amendment, the Commissioner is directed, at the end of each fiscal year, to submit to the President, the Congress, and the Council, a report setting forth the programs and activities under this program. After receiving the Commissioner's report, the Council shall evaluate the programs assisted and include such evaluation in its annual report. Thirty million dollars is authorized for programs of women's educational equity for each fiscal year through 1978.

The House recedes.

Elementary and secondary school education in the arts.—Under the Senate amendment, the Commissioner shall in fiscal years 1975–1978, through arrangements made with the John F. Kennedy Center for the Performing Arts, carry out a program of grants and contracts to encourage and assist State and local educational agencies to establish and conduct programs in which the arts are an integral part of elementary and secondary school programs. Not less than $750,000 shall be available for each fiscal year. The House recedes.

EDUCATION ADMINISTRATION

Definitions of general applicability.—The Senate amendment, but not the House bill, rewrites the definitions section of the General Education Provisions Act to create a number of definitions standard to all programs in the Education Division. These definitions would be of general applicability to all education programs except to the extent that they conflict with more specific program definitions contained in individual statutes, which specific definitions are not repealed by this section. The Senate recedes.

Applicability of the Act.—The Senate amendment broadens the scope of coverage of the General Education Provisions Act to all education agencies in the Education Division except where otherwise specified. The House bill continues to apply the Act's provisions only to the Office of Education. The House recedes.

Applicability of other statutes.—The Senate amendment, but not the House bill, clarifies that for the purposes of the General Education Provisions Act, the Civil Rights Act shall not be considered an applicable statute, but shall continue to have full force and effect over education programs. The Senate amendment also clarifies that no appropriations act shall be considered an applicable statute and that nothing in the General Education Provisions Act shall be construed to affect the applicability of the apportionment statute or the Budget and Accounting Act unless a provision of either of those Acts is inconsistent with the General Education Provisions Act.

The conference substitute contains these provisions of the Senate amendment, except that the provision relating to the Civil Rights Act of 1964 states that nothing in the General Education Provisions Act shall be construed to affect the applicability of such Act to any program subject to the provisions of the General Education Provisions Act. The conference substitute also omits reference to the apportionment statute or the Budget and Accounting Act.

Method for enacting a limitation on the Act.—The Senate amendment, but not the House bill, outlines a method of enacting a specific limitation on the General Education Provisions Act. The Senate recedes.

Transfers of authority.—The Senate amendment, but not the House bill, forbids the transfer of any authority of the Assistant Secretary or of any agency or officer of the Education Division to any other agency except through statute. The Senate recedes.

Appropriations for the Act.—The Senate amendment, but not the House bill, authorizes appropriations to carry out the provisions of the General Education Provisions Act for fiscal years through 1977, including expenditure ceilings for salaries and expenses for the operation of the Office of the Assistant Secretary, for the administration of the Office of Education, for the National Institute of Education, and for the National Center for Education Statistics. The House bill continues existing law, which authorizes to be appropriated for any fiscal year such sums as may be necessary to carry out the provisions of the Act. The Senate recedes.

Limitations on appropriations to Education Division.—The Senate amendment, but not the House bill, sets limitations on appropriations to the agencies in the Education Division and to the Office of the Assistant Secretary. The limitations are as follows:

Education Division

Fiscal year:	*Billions*
1975	$7.5
1976	8.0
1977	9.0

Such limitations do not apply to uncontrollable expenditures under the Guaranteed

Student Loan Program, the Higher Education Facilities Program, and the Emergency Insured Student Loan Act, and to any other expenditures determined by the Commissioner to be an uncontrollable expenditure of the Office of Education.

The House recedes.

Limitations on appropriations.—The Senate amendment, but not the House bill, sets limitations on appropriations for each fiscal year through 1978 for Title I ESEA, for the Senate's proposed State formula grant program consolidation, and for Public Law 874 (impact aid).

The Senate recedes.

Prohibition against education officers serving in other capacities.—The Senate amendment, but not the House bill, deletes from the description of the Assistant Secretary a prohibition against his serving as Commissioner of Education or as Director of the National Institute of Education since, later in the Act, the Senate substitutes a general prohibition against any education officer who is appointed by the President from acting in another capacity. The House recedes, with an amendment prohibiting such acting status for more than 30 days.

Office of Education.—The Senate amendment, but not the House bill, specifically vests responsibility for the Office of Education in the Commissioner. It also creates an Executive Deputy Commissioner of Education who shall be appointed by the President and who shall be compensated at the level of GS 18. The Senate recedes.

Organization of the Office of Education.—The Senate amendment, but not the House bill, provides that the Office of Education shall, consistent with other statutory provisions concerning its organization, be divided into such bureaus (to be headed by Deputy Commissioners at the level of GS 18) and the bureaus be divided into such divisions (to be headed by Directors at the level of GS 17) as the Commissioner deems appropriate. The House recedes with an amendment striking the provisions for Deputy Commissioners and Division Directors and their specified grade levels.

Regional offices.—The House bill forbids the delegation of the functions of the Commissioner to any other officer not located in the Office of Education in Washington unless such delegation is expressly authorized by law and enacted subsequent to July 1, 1973, or unless the Secretary first transmits to the Congress a plan for such delegation which shall be effective at the end of 60 calendar days during a session of Congress unless either the House or the Senate passes a resolution disapproving such a plan. The Senate amendment establishes regional offices of the Office of Education and provides that they shall disseminate information about the activities of agencies in the Education Division and provide technical assistance to agencies, organizations, and individuals having an interest in Federal education activities. The Senate amendment further provides that the Commissioner shall not delegate to any employee in any regional office any function which was not carried out in accordance with regulations effective on June 1, 1973, by regional office employees unless the delegation of such functions is expressly authorized by law and enacted after the enactment of these amendments. The provisions prohibiting regionalization in the Senate amendment are effective immediately and retroactive to June 1, 1973. The House recedes.

Report on personnel needs.—The Senate amendment, but not the House bill, provides that the Commissioner shall submit to the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor not later than November 1 of each year a report on the personnel needs and assignments of the Office. Such report shall include a description of the Office's organization and of personnel needs of the agency. The House recedes.

Delegation of functions.—The Senate amendment, but not the House bill, requires the Secretary to delegate his functions respecting the administration of Office of Education programs to the Assistant Secretary for Education. The Senate recedes.

National Center for Education Statistics.—The Senate amendment, but not the House bill, includes within the Education Division a proposed new agency, the National Center for Education Statistics, composed of a National Board of Education Statistics and a Director.

The conference substitute includes the Center in the Office of the Assistant Secretary, but does not elevate it to the status of a separate agency. The Center shall be headed by an Administrator.

Under the Senate amendment, the National Board for Education Statistics is made up of six members appointed by the President with the advice and consent of the Senate and 11 ex-officio members who are Federal officials involved in education and statistics. Presidential appointees shall serve for terms of three years as determined by the President.

Under the conference substitute, an Advisory Council is established, to be composed of 7 members, appointed by the Secretary with the Assistant Secretary as the non-voting presiding officer. The four ex-officio members of the Council will include the Director of the Census, the Director of the National Institute of Education, the Director of the Bureau of Labor Statistics, and the Commissioner of Education.

Under the Senate amendment, the Board will meet at least four times a year and whenever three voting members request a meeting in writing. Nine voting members shall constitute a quorum.

Under the conference substitute, these provisions are retained and are applicable to the Advisory Council, of which six members constitute a quorum.

Under the Senate amendment, the Board shall establish general policies for the Center's operation and establish standards to insure that statistics and analyses disseminated by the Center are of high quality and are not subject to political influence.

Under the conference substitute, the Advisory Council is to review such policies and establish such standards.

Under the Senate amendment, not later than November 1 of each year the Board shall submit an annual report to the Congress which describes the activities of the Center during the current fiscal year and projects its activities during the succeeding year, estimates the cost of the projected activities, and includes a statistical report on education in the United States.

Under the conference substitute, the Assistant Secretary is to submit such annual report, not later than March 1 of each year.

Under the Senate amendment, the Board shall develop and enforce standards to protect the confidentiality of personal data. This provision is retained in the conference substitute as the function of such Center. Under the Senate amendment, subject to the policies established by the Board, the Director is authorized to make grants and contracts with public and private, non-profit institutions, and individuals. The conference substitute retains this provision as a function of the Assistant Secretary.

Under the Senate amendment the Center is authorized to furnish tables and other records of the Office of Education, the Center, and the National Institute of Education and make special statistical compilations and surveys for State or local officials, public and private organizations and individuals. In addition, the Center shall furnish such special statistical compilations and surveys as the authorization and appropriation committees shall request. All such compilations and surveys, other than those carried out for the Congress, shall be made subject to payment of the cost of the work. In case of non-profit organizations, the Director may engage in joint statistical projects and share the costs equitably. Money received in payment for services shall be deposited in a separate account.

The conference substitute clarifies that the records to be furnished are to be statistical records, and vests authority in the Assistant Secretary. The Office of Education is authorized to continue to furnish records other than statistical data.

Under the Senate amendment, the Center shall conduct at least once every three years a survey of school age children in the United States designed to determine the number of children and status of their education, to determine their general characteristics which affect their general achievements and needs, and to provide information to the Congress on the financial needs of elementary and secondary school systems. It shall publish at least annually a report on this survey to be submitted to the Congress not later than July 1 of each year, which report shall contain those statistics necessary to determine the impact and effectiveness of Federal education programs. The Senate recedes.

Under the Senate amendment, the Center shall participate with other Federal agencies to form a consortium for the purpose of providing direct joint access to educational data received by the Center through automated data processing. It shall provide interested parties direct access to the data for purposes of research and requiring statistical information. The Commissioner and the National Institute of Education are directed to cooperate with the Center. The conference substitute contains these provisions of the Senate amendment.

The Senate amendment sets limits on the amount available for grants and contracts by the Director of the Center and provides that sums appropriated for activities and expenses of the Center, other than for grants and contracts, shall be appropriated as separate line items. The amounts authorized by the Senate amendment to be available to the Director for grants and contracts were $20 million for fiscal year 1974, $31.6 million for 1975, $44.6 million for 1976, and $71.8 million for 1977.

In the conference substitute, appropriations of $20 million for 1975, $25 million for 1976, and $30 million for 1977 are authorized, and are available to the Assistant Secretary for grants and contracts. Amounts available for salaries and expenses of the Center are not to exceed $5 million for 1975, $10 million for 1976, and $14 million for 1977.

Under the Senate amendment, all functions and authority of the Commissioner related to collection and analysis and dissemination of statistics about education in the nation are transferred to the National Center for Education Statistics. The House recedes with an amendment transferring such functions and authority to the Center.

Bilingual education survey.—The Senate amendment, but not the House bill, requires the National Center for Educational Statistics to conduct the bilingual education survey required under its proposed revision of the Bilingual Education Act. The House recedes.

Federal Interagency Committee on Education.—The Senate amendment, but not the House bill, establishes within the Education Division a Federal Interagency Committee on Education composed of representatives of a number of Federal agencies. The committee shall advise heads of Departments on functions that affect or relate to education and encourage the coordination of such functions. In addition, the committee shall collect education-related data from agencies of the Federal Government and make such information available to the National Center for Education Statistics. The Senate recedes.

Positions of Education Officers.—The Senate amendment, but not the House bill, establishes general rules for the conduct of education officers of the United States. It prohibits any individual from acting in more than one position as an education officer at any one time.

The conference substitute adopts this provision, but modifies the language to prohibit any officer from holding more than one position for more than 30 days.

General authority for administrative heads of education agencies.—The Senate amendment, but not the House bill, makes uniform the authority of the administrative heads of education agencies to perform such activities as promulgating regulations, hiring personnel, and entering into contracts. The House recedes, with an amendment stating that, to the extent that the Assistant Secretary is directly responsible for the administration of a program and to the extent that the Assistant Secretary is responsible for the supervision of the National Center for Education Statistics he shall, for such purposes, be considered an administrative head of an education agency.

Program planning and evaluation.—The Senate amendment authorizes the Assistant Secretary to carry out planning and evaluation of applicable programs and, with funds appropriated expressly for such purpose, to conduct analyses of related educational issues with an authorization of $25 million. The House bill continues the existing authority in the Secretary to plan and evaluate applicable programs, with an authorization of $25 million. The Senate recedes.

The House bill continues the requirement that the Secretary report to the Congress on contracts and grants regarding evaluation. The Senate amendment includes such a report in its requirements for the Secretary's annual evaluation report. The House recedes.

Evaluation reports.—The Senate amendment rewrites existing law on annual evaluation reports to provide that, not later than November 1 of each year, the Secretary shall transmit to the authorizing committees an evaluation report evaluating the effectiveness of applicable programs, the contents of which the Senate amendment sets out. Such report shall also describe each contract or grant for evaluation made in the preceding year. The House bill continues existing law requiring a report no later than January 31 annually.

The House bill, but not the Senate amendment, requires that, in the case of the evaluation report on Title I, the Secretary's report shall include a survey of how many children counted for Title I purposes participate in Title I projects and how many do not, and a survey of how many educationally disadvantaged children participate in Title I and how many do not. "Educationally disadvantaged" is defined as a child's achieving one or more years behind the child's expected grade level.

The conference substitute combines both the provisions of the House bill and of the Senate amendment. The report is to be submitted by November 1 of each year. In carrying out the survey required by the provision of the House bill for the evaluation report on Title I, every effort should be made to follow the principle which has been inherent in the Elementary and Secondary Education Act since its enactment in 1965 that individual children should not be identified as educationally disadvantaged. Moreover, children enumerated in such survey should not be identified by name.

Renewal evaluation reports.—The Senate amendment, but not the House bill, rewrites the requirements for evaluation reports in a program's penultimate year to require the Assistant Secretary to submit to the authorizing committees a comprehensive evaluation report on the expiring program, including a history of the program, recommendations for improvements, a compilation and summary of all evaluations on the program, and a recommendation concerning the program's extension. The House bill continues existing law requiring such a report but not specifying its details. The House recedes.

Extension of "Tydings Amendment".—The House bill extends the "Tydings Amendment", which authorizes the carry-over of funds into the fiscal year succeeding that for which they were appropriated, through fiscal year 1977. The Senate amendment extends the "Tydings Amendment" through fiscal year 1978. The House recedes.

The House bill, but not the Senate amendment, revises the "Tydings Amendment" to specify that those funds which can be carried over are those which are obligated by the Commissioner during the year in which they are appropriated, and to clarify that educational agencies and institutions can expend these funds in the succeeding fiscal year. The Senate recedes with an amendment which specifies that those funds which can be carried over are those which are not obligated and expended by educational agencies or institutions.

Apportionment of appropriations.—The Senate amendment, but not the House bill, requires the Commissioner to submit a spending plan, pursuant to the appropriate apportionment legislation, within 15 days after the enactment of an appropriations act. If the Director of the Office of Management and Budget has not acted within 30 days of the appropriation act's enactment to apportion the funds, as required by law, the Commissioner shall consider the appropriation apportioned and proceed to obligate it. Not later than 30 days after the enactment of an appropriations act, the Commissioner shall submit to the authorizing and appropriations committees copies of the spending plan. The Senate amendment further provides that if funds are not so obligated pursuant to the spending plan, and become available for obligation after the institution of a judicial proceeding, such funds will be available until the end of the fiscal year which begins after the termination of the proceeding.

The House recedes, with an amendment eliminating the submission of the spending plan. That provision is no longer necessary, since title X of the Congressional Budget and Impoundment Control Act of 1974, which precludes impoundment, is now effective.

Contingent extension of programs.—The House bill amends and extends existing law concerning the contingent extension of expiring legislation. The Senate amendment rewrites the provision in the same manner but also clarifies that Congress shall not have been deemed to have passed a law (thereby preventing the contingent extension's operation) unless the legislation actually becomes law. The House recedes.

Compilation of assisted innovative projects.—The House bill, but not the Senate amendment, requires the Assistant Secretary to compile and publish annually a compilation of all innovative projects funded in the Education Division. The Senate recedes.

Consolidation of applications.—The Senate amendment, but not the House bill, provides for an administrative consolidation of paperwork required to be submitted by State educational agencies for all programs in which funds are made available through, or under the supervision of, such agencies. Each State desiring to participate in such programs would maintain on file with the Commissioner a single general application containing assurances of proper and efficient administration, fiscal control and accounting, reporting, administrative practices designed to prevent supplanting of non-Federal funds, and submission of annual program plans for individual programs.

The conference substitute contains this consolidation of applications, but removes the requirement that the application be in the form of a contractual agreement.

The conferees wish to make it clear that the consolidated application applies only to Federal programs operated through, or under the supervision of, the State educational agency. If a State board for vocational education is separate from the State educational agency, its application for funds would not be covered by the consolidated application provisions. However, in a State with a separate vocational board, if funds are transferred to the State educational agency for operation or supervision of a program, such funds would have to be included in the consolidated application of the State educational agency.

The Senate amendment provides that the annual program plan shall be consistent with the specific requirements of the authorizing legislation, and shall set forth both a long-range plan for use of Federal funds and a description of the purposes for which funds will be spent in the year for which the program plan is submitted.

The conference substitute adopts this provision, but without the long-range program plan requirement.

The Senate amendment provides that, included in the annual program plan, States shall furnish information concerning the manner in which Federal funds were expending during the two preceding fiscal years, the policies of the State in making funds available to local educational agencies, a statistical report on the children served, and a compilation of reports from local educational agencies concerning funds received. The House bill provides that the State agency responsible for the administration of any program shall submit to the Commissioner, within 60 days of the end of the fiscal year, a report listing all grants and contracts made and the total amount of funds available to it under each program. After submission of the report, the agency shall make it readily available to local educational agencies and other agencies within the State. The Commissioner must submit to the authorizing committees an analysis of the reports and a compilation of statistical data by October 15 of each year.

The conference substitute includes provisions of both the Senate amendment and the House bill in a separate section delineating the responsibility of States to furnish such information.

In the case of any application for assistance not covered by the uniform application provisions, the Senate amendment authorizes the Commissioner to simplify the application procedure by regulation.

The conference substitute contains this provision.

The Senate amendment provides that the Commissioner, after reasonable notice and opportunity for a hearing, upon a finding that a recipient of funds has substantially failed to comply with its agreement, shall suspend payment until he is satisfied of compliance. The terms of an application for funds shall constitute a contractual agreement specifically enforceable by the Commissioner in any U.S. court. If the Commissioner finds that suspension of payments to an applicant would defeat the purposes of the program involved and that enforcement of the terms of the application would more nearly accomplish the program's purposes, he shall seek specific enforcement.

The conferees delete the provisions of the Senate amendment providing for a contractual agreement and specific enforcement.

The conference substitute adopts the provision concerning termination of funds, adding that, pending the outcome of any termination proceeding initiated under this provision, the Commissioner may suspend payments to such recipient after giving the recipient reasonable notice and opportunity to show cause why such action should not be taken. The conferees, in adopting this provision, do not intend that this provision should be misused, so as to effect a harassment of a school district or other recipient of funds.

Under the Senate amendment, if a State has applied for funds for a program under which appropriations are allotted among States by statutory formula and the Commissioner disapproves the application or withholds payments for substantial failure to comply with program requirements, the State is entitled to judicial review. The House recedes.

The House bill provides that any applicant or recipient aggrieved by the final action of the State educational agency and alleging a violation of State or Federal law, rules, regulations, or guidelines may within 30 days seek a hearing with the State agency. No later than 10 days after the hearing, the State agency shall issue its written ruling, and, if it finds a violation, shall rescind its action. Any applicant or recipient aggrieved by the State agency's action may appeal to the Commissioner within 20 days after notification of the State agency's ruling. If the Commissioner finds a violation of Federal law, or the rules, regulations, and guidelines governing the program, he shall issue an order to the State agency prescribing appropriate action. The House bill further provides that State agencies shall make available to each applicant or recipient its records pertaining to the review or appeal. If the State educational agency fails to comply with these provisions, the Commissioner shall terminate all assistance to the State educational agency under the applicable program.

The Senate amendment provides that the Commissioner shall, by regulation, establish procedures for administrative review of State agency actions, and that any local educational agency dissatisfied with such review shall be entitled to judicial review as if it were a State. In addition, the Senate amendment provides for administrative review for any person or agency aggrieved by any action or failure of action by the Commissioner. The Senate recedes.

The Senate amendment, for the purposes of its consolidated application, defines the term "application." The House bill has no comparable provision. The House recedes.

Regulations: requirements and enforcement.—The House bill, but not the Senate amendment, adds a provision that standards, rules, regulations, and requirements of general applicability do not become effective until a copy has been mailed to each agency and organization currently a recipient under the program. The House recedes.

The Senate amendment, but not the House bill, adds a provision for public comment on proposed regulations for a 30-day period prior to their effectiveness, and authorizes the Commissioner to waive that delay, upon notice to, and approval of, the authorizing committees, in cases of extreme hardship. The House recedes with an amendment which states that such waiver shall be effective if neither committee objects within 10 days of its notification.

The House bill, but not the Senate amendment, provides that, concurrently with publication in the Federal Register, regulations shall be transmitted to the Speaker of the House and President of the Senate, and shall become effective 45 days after transmission unless the Congress, by concurrent resolution, shall disapprove such regulation as inconsistent with the Act. The House bill specifies procedures for disapproval during periods of adjournment, and includes the Fund for Postsecondary Education, the National Institute of Education, and the prohibition of discrimination on the basis of sex provisions (title IX of P.L. 92–318) in these requirements. The Senate recedes.

The Senate amendment, but not the House bill, requires the Commissioner to submit to the authorizing committees a schedule for the promulgation of regulations within 30 days of the passage of legislation. Such schedule shall provide that all regulations shall be promulgated within 180 days of submission of the schedule. In cases of unforeseen delay the Commissioner shall submit a new schedule, with the approval of the committees.

The conference substitute contains these provisions of the Senate amendment, but extends the time for submission of the schedule to 60 days.

Administration of education programs and projects.—The House bill extends existing provisions concerning record keeping by grantees and contractors. The Senate amendment extends the requirements to subcontractors and borrowers and vests authority in the Assistant Secretary. In addition, the Senate amendment limits to three years the period after completion of a project during which records must be kept for audit purposes.

The conference agreement adopts the provisions of the Senate amendment modifying the audit access period to conform it to the statute of limitations adopted by the conference substitute.

Prohibition against discrimination against the handicapped.—The House bill, but not the Senate amendment, prohibits discrimination on the basis of physical handicap in employment as a teacher in Federal programs.

The House recedes, because section 504 of the Vocational Rehabilitation Act of 1973, which is now in effect, prohibits such discrimination.

Protection of the rights and privacy of parents and pupils.—The House bill provides that the moral or legal rights of parents shall not be usurped. In addition, the House bill provides that no child shall participate in a research or experimentation program if his parent objects. The Senate amendment denies funds to institutions which deny parents the right to inspect their children's files and gives parents the right to a hearing to contest their child's school records. The Senate amendment also denies funds to institutions with policies of releasing records, without parental consent, to other than educational officials. Release of records is allowed only upon written parental consent. The Secretary is directed to adopt regulations to protect students' rights of privacy and shall enforce them through an office and review board in the Department of Health, Education, and Welfare to investigate and adjudicate violations.

The conference substitute adopts the provisions of the Senate amendment, including in the list of persons who should have the right to inspect student records those students who attend postsecondary institutions.

An exception under the conference substitute occurs in connection with a student's application for, or receipt of, financial aid. The conferees intend that this exception should allow the use of social security numbers in connection with a student's application for, or receipt of, financial aid.

The conference substitute adds that nothing in these provisions of the Senate amendment shall preclude official audits of federally supported education programs, but that data so collected shall not be personally identifiable. The conference substitute also provides that the consent and rights of the parents of a student transfer to the student at age 18 or whenever he is attending a postsecondary education institution. No action to terminate assistance for violation of these provisions of the Senate amendment shall be taken unless the Secretary finds failure to comply, and that compliance cannot be secured by voluntary means.

The conference substitute also adopts the provisions of the House bill relating to protection of parental and pupil rights, with amendments. The conference substitute provides that all instructional material which will be used in connection with any research or experimentation program or project shall be available for inspection by parents or guardians.

In approving this provision concerning the privacy of information about students, the conferees are very concerned to assure that requests for information associated with evaluations of Federal education programs do not invade the privacy of students or pose any threat of psychological damage to them. At the same time, the amendment is not meant to deny the Federal government the information it needs to carry out the evaluations, as is clear from the sections of the amendment which give the Comptroller General and the Secretary of HEW access to otherwise private information about students. The need to protect students' rights must be balanced against legitimate Federal needs for information.

Under the amendment, an educational agency would have to administer a Federal test or project unless the anticipated invasion of privacy or potential harm was determined to be real and significant, as corroborated by a generally accepted body of opinion within the psychological and mental health professions. In short, the amendment is intended to protect the legitimate rights of students to be free from unwarranted intrusions; it is not intended to provide a blanket and automatic justification for a school system's refusal to administer achievement tests and related instruments necessary to the evaluation of an applicable program.

Limitation on withholding of Federal funds.—The Senate amendment, but not the House bill, prohibits the withholding of Federal assistance for a recipient's refusal to administer a test or provide personally identifiable data on the grounds of violation of rights of privacy and confidentiality, the unacceptability of the research project, or because the purpose is to alter personal behavior or values.

The conference substitute provides that a State or local educational agency or other educational institution may refuse to provide personally identifiable data on students or their families as a part of any applicable program on the grounds that it constitutes a violation of the right to privacy and confidentiality.

The conference substitute modifies this provision so that, in the case of any dispute arising under this section, reasonable notice and opportunity for a hearing shall be afforded the applicant.

In adopting the conference substitute with respect to this provision, the conferees note that personally identifiable data does include any such data which can easily be traced to students, such as social security numbers. In deleting the reference to administration of tests or projects, the Conferees have concluded that to make such a specific reference would be unnecessary, in view of the broad scope of the language pertaining to refusal to provide personally identifiable data on students or their families as part of an applicable program.

Membership of statutory advisory councils.—The House bill, but not the Senate amendment, provides that if the President fails to appoint a member of a Presidential education advisory council within sixty days after a vacancy occurs, the Secretary of HEW shall immediately appoint the member. The Senate recedes.

Assistance to advisory councils.—The Senate amendment, but not the House bill, vests authority for assistance to and regulations for Secretarial and Commissioner's advisory councils in the Assistant Secretary. Existing law vests such authority in the Commissioner. In addition, the Senate amendment limits compensation of employees of advisory councils to GS-18 for the executive director of a Presidential council and GS-15 for executive directors of other statutory councils. The House recedes.

This amendment should not be construed to give the Department of Health, Education, and Welfare or the Office of Education authority to classify in the civil service the staff positions on national advisory councils whose members are appointed by the President. If those positions must be classified, they should be classified by the executive directors of those councils, whose decision should be subject to review by the Civil Service Commission.

More broadly, as regards Presidential advisory councils, it is the intention of the conferees that these advisory councils be independent of the Office of Education and the Department of Health, Education, and Welfare. This independence is essential if these councils are to fulfill their function of conducting independent evaluations of the administration of education programs within their purview. The staffs of these councils should not be employees of the Office or of the Department. Such status would seriously jeopardize the independence of these advisory councils.

Presidential advisory councils.—The House bill, but not the Senate amendment, provides that the provisions of the Federal Advisory Committee Act relating to the setting of meeting times and adjournment of meetings shall not apply to Presidential advisory councils. The Senate recedes.

Auditing and review of advisory council activities.—The Senate amendment, but not the House bill, applies the audit and review provisions to all advisory councils covered by part D. Existing law limits coverage to statutory advisory councils. The House recedes.

Applicability of other law to advisory councils.—The Senate amendment, but not the House bill, provides that the provisions of part D supersede any other provisions of law inconsistent with part D. The House recedes.

Bureau of Libraries and Learning Resources.—The Senate amendment establishes within the Office of Education a Bureau of Libraries and Learning Resources through which the Commissioner shall administer all programs relating to assistance for, and encouragement of, libraries and information centers and education technology.

The House bill contains no comparable provision. The House recedes with an amendment creating an Office of Libraries and Learning Resources and eliminating the supergrade positions.

Rights of parents and pupils—open meetings.—The House bill provides that meetings of local educational agencies at which any research or experimentation project assisted under the Act is considered shall be open to the public and shall provide a reasonable opportunity for interested members of the public to testify. The Senate amendment provides that no application for assistance under ESEA may be considered unless the local educational agency certifies that members of the public have been afforded the opportunity, upon reasonable notice, to testify or comment. The House recedes.

ADULT EDUCATION ACT

Special experimental demonstration projects and teacher training.—The House bill eliminates the reservation, from funds appropriated for the Adult Education Act, of amounts for special project and teacher training grants made directly by the Commissioner. The Senate amendment reduces from 20 percent to 15 percent the maximum amount which the Commissioner may reserve for such purposes, effective for fiscal years 1975 and thereafter. Since the House bill repeals the authority for the Commissioner to make direct grants for innovative programs and for teacher training, it requires the States to use 15% of their funds for such purposes. However, no programs approved prior to the effective date of these amounts shall be terminated due to this amendment.

The Senate amendment, while retaining the Commissioner's authority to make direct grants, requires him to establish procedures under which State educational agencies will have the opportunity to offer recommendations to the grant recipient and to submit comments to the Commissioner. The Senate recedes on all of these provisions including the provision that multi-year programs approved by the Commissioner from the funds available to him under Section 309 must continue to be funded after the termination of the Commissioner's discretionary authority under that section until the expiration of the term of the grant or contract.

The Senate amendment, but not the House bill, broadens the list of eligible recipients for the Commissioner's discretionary funds to include agencies conducting community school programs, and adds a definition of a "community school program" to the definitions contained in section 303 of the Adult Education Act. The House bill contains no comparable provision.

The House recedes, with an amendment providing that the "other community services" provided under such programs must be related to educational, recreational, and cultural services.

New State plan requirements.—Both the House bill and the Senate amendment add a requirement to the State plan provision of the Adult Education Act, requiring that such plan provide for coordination with manpower development and training programs and occupational education programs. In addition, the House bill, but not the Senate amendment, requires that such plan provide for coordination with other programs (including right to read programs) designed to provide reading instruction for adults which are carried on by State and local educational agencies.

The Senate recedes. In adopting language requiring coordination of adult education programs with manpower programs and reading improvement programs, it is the intention of the conferees that such coordination be reciprocal.

Both the House bill and the Senate amendment require that such State plan provide that the State educational agency will make available for programs of equivalency for a certificate of graduation from a secondary school no more than a certain portion of the State's allotment. In the House bill, such portion is 25 percent of the excess of the State's allotment over its allotment for fiscal year 1973. In the Senate amendment, such portion is 25 percent of the State's allotment.

The Senate recedes, with an amendment providing that the portion set aside for such purposes shall be no more than 20 percent of the State's allotment.

Institutionalized adults.—Both the House bill and the Senate amendment amend the requirement of the Adult Education Act that a State plan set forth a program assuring progress with respect to all segments of the adult population, by making it clear that such population includes the institutionalized. In addition, the House bill, but not the Senate amendment, limits the amount which may be used for the education of such institutionalized persons to 5 percent of funds to carry out such Act for a fiscal year.

The Senate recedes, with an amendment changing the limitation on the amount of funds which may be so used to 20% of funds used to carry out such Act for a fiscal year.

National clearinghouse for adult education.—The Senate amendment amends the Adult Education Act to provide for the establishment of a national clearinghouse for adult education. There is no comparable provision in the House bill.

The conference substitute places the clearinghouse within the Office of Education instead of as a separate agency.

State Advisory Councils.—Both the House bill and Senate amendment provide that any State receiving assistance under the Adult Education Act may establish a State advisory council. The House bill specifies, but the Senate amendment does not, that the State may designate an existing State advisory council. The Senate recedes.

Extension of authorizations and technical amendments.—The House bill extends the authorizations for the Adult Education Act by authorizing appropriations of $225,000,000 for fiscal year 1974, and for each of the three succeeding fiscal years. The Senate amendment authorizes appropriations for such Act of $150,000,000, for each of fiscal years 1974 and 1975, $175,000,000 for fiscal year 1976, and $200,000,000 for each of fiscal years 1977 and 1978. The Senate amendment also contains a provision maintaining grants to each State at the amount actually made in grants to such State in the fiscal year 1973. The House recedes, with an amendment maintaining grants to each State at 90 percent of the fiscal year 1973 level for fiscal year 1975 and subsequent fiscal years. The conferees wish to emphasize strongly that in revising the authorization figures to a lower level than current authorizations, they are doing so in light of what has been the history of appropriations and do not in any way imply that actual appropriations for adult education should be diminished—just the opposite. The conferees stress that they believe funding for adult education continues to be insufficient and should be increased.

The House bill extends the Indian program under the Adult Education Act through fiscal 1977. The Senate amendment extends this program through fiscal 1978. The House recedes.

Amendments relating to bilingual education.—The Senate amendment, but not the House bill, amends the Adult Education Act to require that special emphasis be given to the needs of persons of limited English-speaking ability.

The conference substitute adopts this provision of the Senate amendment, but provides that special assistance shall be given to the needs of such individuals in bilingual adult education programs in which instruction is given in English and, to the extent necessary to allow such persons to progress effectively through the adult education program, in the native language of such persons.

Effective dates.—The Senate amendment, but not the House bill, makes provision for controlling the effective dates of certain of its amendments to the Adult Education Act. The provisions of the House bill are effective on enactment. The House recedes.

EDUCATION OF THE HANDICAPPED ACT

Short title.—The Senate amendment, but not the House bill, provides that its title amending the Education of the Handicapped Act may be cited as the "Education of the Handicapped Amendments of 1973". The conference substitute adopts the Senate provision, changing "1973" to "1974".

Advisory committee.—The House bill provides that, subject to the Commissioner's authority to combine or abolish advisory committees, the National Advisory Committee on Handicapped Children, established under section 604 of the Education of the Handicapped Act, shall continue to exist until July 1, 1976.

The Senate amendment continues such advisory committee until July 1, 1978, and authorizes $100,000 for fiscal year 1974 and each of the four succeeding fiscal years to carry out its responsibilities. The House recedes with an amendment extending the committee through fiscal year 1977.

Officers of Bureau for the Education and Training of the Handicapped.—The House bill provides that the Bureau for the Education and Training of the Handicapped established under section 603 of the Education of the Handicapped Act shall be headed by a Deputy Commissioner of Education, to be appointed by the Commissioner, who shall report directly to the Commissioner. Five positions, including that of Associate Deputy Commissioner, to assist the Deputy Commissioner are also established by this section; and the Commissioner is given explicit authority to assign additional super-grades to the Bureau.

The Senate amendment contains a provision which is the same as that in the House bill, except that the Senate amendment states that the Deputy Commissioner of Education shall be appointed in the competitive service and be placed in grade 18 of the General Schedule and does not specifically create the position of Associate Deputy Commissioner.

The conferees accepted the basic House provisions, but also agreed to the GS 18 rating for the Deputy Commissioner, because other Deputy Commissioners in the Office of Education are appointed on a noncompetitive basis at that specified rating. The conferees further accepted the five GS 16 positions and included a specification that one be for an Associate Deputy Commissioner.

Both the House bill and the Senate amendment emphasized the need for strong professional leadership in education of the handicapped and made clear Congress intent that the position of Deputy Commissioner be a professional position and that the leadership of the Bureau be continuous. Through these provisions, the conferees intend to assure that the Deputy Commissioner for education of the handicapped will report directly to the Commissioner of Education and will have the major role in the development of policy and planning procedures for educational programing for handicapped children and in the development of the budget.

Program of assistance to States.—The House bill authorizes appropriations for the purpose of assistance to States under part B of the Education of the Handicapped Act of $50,000,000 for the fiscal year 1974, $65,000,000 for the fiscal year 1975, and $80,000,000 for the fiscal year 1976.

The Senate amendment amends sections 611 and 612 of such Act so as to change the system of assistance under part B, for fiscal year 1975 only, from a system of State allotments to a system of entitlements based on $15 per student in average daily attendance. The Senate amendment provides that such assistance to States for initiating, expanding, and improving programs and projects for the education of handicapped children at preschool, elementary, and secondary school levels is for the purpose of providing full educational opportunities to all handicapped children. The Senate amendment also amends section 611(a) of such Act to provide for the goal of full educational opportunity to all handicapped children, and authorizes appropriations for part B grants of $100,000,000 for fiscal year 1976, $110,000,000 for fiscal year 1977, and $120,000,000 for fiscal year 1978.

The conference substitute adopts the provision of the Senate amendment for asssistance, for fiscal year 1975 only, under part B on the basis of entitlements, changing the distribution of such entitlements to $8.75 per child aged 3 through 21, and adding a provision that payments under part B for such years may be used for early identification and treatment of handicapped children under 3 years of age. It is the hope of the conferees that this provision of the conference substitute will enable States which are required under any provision of State law or State constitution to provide full educational opportunities to all handicapped children to make progress in complying with such requirement. Although the conferees did not attempt to change the term "handicapped children" in law, the conferees wish to make clear their intent that the clarification of such term under existing law which refers to "other health impaired children" should include, but not be limited to, children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia.

The conference substitute extends part B authorizations through fiscal year 1977, authorizing appropriations of $100,000,000 and $110,000,000 for 1976 and 1977, respectively.

For all fiscal years, the Senate amendment, but not the House bill, amends section 613 (a) of such Act to require States to establish a goal of providing an opportunity for free appropriate public education to all handicapped children and a procedure to assure that funds expended are used to accomplish that goal. In addition, the Senate amendment requires States to provide procedures for insuring that handicapped children and their parents are guaranteed procedural safeguards in decisions regarding identification, evaluation, and educational placement of handicapped children; procedures to insure that, to the maximum extent appropriate, handicapped children are educated with children who are not handicapped; and procedures to insure that testing and evaluation materials and procedures are selected and administered so as not to be racially and culturally discriminatory.

The conference substitute adopts this provision of the Senate amendment, changing the goal from providing an opportunity for free appropriate public education to all handicapped children to providing full educational opportunities to all handicapped children.

Additional State plan requirements.—The House bill requires that a State receiving assistance under part B of the Education of the Handicapped Act submit to the Commissioner (within one year of enactment of the House bill) through its State educational agency an amendment to its State plan which will set forth policies and procedures to insure the education of all handicapped children, and to insure that all handicapped children in the State in need of special education are identified and evaluated, that a detailed timetable for providing full educational opportunity for all handicapped children is established, and that such amendment to the State plan will be available to parents and members of the general public. The House bill also directs the Commissioner to prescribe criteria to protect the confidentiality of information collected by the State in so amending its State plan.

The Senate amendment contains similar provisions, which apply with respect to fiscal year 1976 and fiscal years thereafter, and which require the amendment to the State plan to be submitted to the Commissioner by December 31, 1974. However, no State has to spend funds allotted to carry out the provisions of that plan unless it receives an allotment greater than its 1973 allotment. The Senate amendment contains additional amendments to the Education of the Handicapped Act in order to assist in carrying out the additional State plan requirement. Section 612(a)(2) of such Act is amended by raising the minimum each State may receive from part B funds from $200,000 to $300,000, section 613(a)(1) of such Act is amended to increase the maximum allowable funds for administration and planning from $100,000 to $200,000, and there is a provision that such increases and the new requirements shall not be effective with respect to any fiscal year unless the aggregate of the amounts allotted to the States for that fiscal year is $45,000,000 or more.

The conference substitute adopts the provisions of the Senate amendment.

It is the intent of this legislation, that handicapped children attending both public and private institutions be taken into consideration in any amendment to the State plan which is made in compliance with this new provision.

Regional education programs for deaf and other handicapped persons.—The House bill adds a new section to the Education of the Handicapped Act which authorizes the Commissioner of Education to make grants to or contracts with institutions of higher education (including junior and community colleges and vocational and technical institutions) and other appropriate nonprofit educational agencies for vocational, technical, postsecondary, or adult education programs for deaf and other handicapped persons. Priority is to be given under this section to programs serving multi-state regions or large population centers, programs adapting existing programs to the special needs of the handicapped, and programs designed to serve areas of clearly demonstrated need for such services.

There is no comparable provision in the Senate amendment.

The Senate recedes.

Centers and services to meet special needs of the handicapped.—The House bill extends the authorization for appropriations for centers and services to meet the special needs of the handicapped for the fiscal years 1974, 1975, and 1976. Appropriations for such years of $7,250,000, $12,000,000 and $18,000,000, respectively, are authorized for purposes of assisting regional resource centers for handicapped children. Appropriations for such years of $10,000,000, $15,000,000 and $20,000000, respectively, are authorized for purposes of providing for centers and services for deaf-blind children. Appropriations for such years of $12,000,000, $24,000,000, and $36,000,000, respectively, are authorized for purposes of assisting experimental preschool and early education programs for handicapped children. Appropriations of $1,000,000 for each of such years are authorized for purposes of evaluating the effectiveness of the above programs.

The Senate amendment extends the authorization for appropriations for such centers and services for the fiscal years 1974, 1975, 1976, 1977, and 1978. Appropriations for each of such years are authorized at levels of $37,000,000, $53,000,000, $70,000,000, $77,000,000, and $85,000,000, respectively, and are not designated to any particular program.

The conference substitute authorizes appropriations for assisting regional resource centers of $12,500,000 for fiscal year 1975, $18,000,000 for fiscal year 1976 and $19,000,000 for fiscal year 1977. The conference substitute authorizes appropriations for centers and services for deaf-blind children of $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976, and $20,000,000 for fiscal year 1977. The substitute also authorizes appropriations for experimental preschool and early education programs of $25,500,000 for fiscal year 1975, $36,000,000 for fiscal year 1976, and $38,000,000 for fiscal year 1977.

Training personnel for the education of the handicapped.—The House bill extends the authorization for programs of training personnel for the education of handicapped children, except for programs for training physical educators and recreation personnel for handicapped children. Appropriations of $37,700,000 for fiscal year 1974, $45,000,000 for fiscal year 1975, and $52,000,000 for fiscal year 1976 are authorized. There is a separate authorization for programs for training physical educators and recreation personnel for handicapped children for appropriations of $500,000 for each of fiscal years 1974, 1975, and 1976.

The Senate amendment extends such authorization for fiscal years 1974 through 1978, without a separate authorization for training physical educators and recreation personnel. Amounts authorized for each such fiscal year are $40,500,000, $45,500,000, $50,500,000, $55,000,000, and $60,000,000, respectively.

The conference substitute authorizes appropriations for such programs (except for programs for training physical educators and recreation personnel) of $45,000,000 for fiscal year 1975, $52,000,000 for fiscal year 1976, and $54,000,000 for fiscal year 1977, and authorizes appropriations for programs for training physical educators and recreation personnel of $500,000 for each of fiscal years 1975 and 1976, and $1,000,000 for fiscal year 1977.

Research in the education of the handicapped.—The House bill provides authorization for appropriations for programs of research and demonstration projects in the education of the handicapped children of $9,916,000 for fiscal year 1974, $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976.

The Senate amendment provides authorization for such appropriations of $10,000,000 for fiscal year 1974, $14,000,000 for fiscal year 1975, $18,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

The conference substitute authorizes appropriations for such programs of $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976, and $20,000,000 for fiscal year 1977.

Instructional media for the handicapped.—The House bill extends the authorization for programs relating to educational media for handicapped persons for appropriations for fiscal years 1974, 1975, and 1976, in the amounts of $13,000,000, $18,000,000, and $22,000,000, respectively.

The Senate amendment authorizes appropriations for such programs of $15,000,000 for fiscal year 1974, $18,000,000 for fiscal year 1975, and $22,000,000 for fiscal year 1976 and for each fiscal year thereafter.

The conference substitute authorizes appropriations for such programs of $18,000,000 for fiscal year 1975, $22,000,000 for fiscal year 1976, and $22,000,000 for fiscal year 1977.

Special programs for children with specific learning disabilities.—The House bill authorizes appropriations for research, training, and model centers to meet the educational needs of children with specific learning disabilities, of $3,250,000 for fiscal year 1974, $10,000,000 for fiscal year 1975, and $20,000,000 for fiscal year 1976.

The Senate amendment authorizes appropriations for such purposes of $5,000,000 for fiscal year 1974, $7,500,000 for fiscal year 1975, $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

The conference substitute authorizes appropriations for such purposes of $10,000,000 for fiscal year 1975, and $20,000,000 for each of fiscal years 1976 and 1977.

INDIAN EDUCATION

Extension and revision of programs for the education of Indian children.—The House bill extends through fiscal year 1977 section 810 (grants for the improvement of educational opportunities for Indian children) of the Elementary and Secondary Education Act of 1965, and the Indian Elementary and Secondary School Assistance Act.

The Senate amendment extends such section 810 through fiscal year 1978, and amends such section to provide for participation on an equitable basis of eligible children in private schools. The Senate amendment, but not the House bill, also increases the authorization for appropriations available for Indian controlled schools under the Indian Elementary and Secondary Education Act from 5% to 10%, authorizes programs for preparing individuals for teaching or administering special programs for Indian children and in-service training for persons teaching in such programs with an authorization of $2 million for fiscal years 1975 through 1978, and authorizes the Commissioner to award up to 200 fellowships to Indian students for studying graduate and professional programs at institutions of higher education in fiscal years 1975 through 1979. The Commissioner shall pay to fellowship recipients stipends and subsistence allowances and shall pay to the institute of higher education the amount he determines to cover the cost of education for the fellowship holder. The House recedes with an amendment authorizing fellowships through fiscal year 1978.

EMERGENCY SCHOOL AID

Eligibility of local educational agencies.—The House bill amends the Emergency School Aid Act by providing that local educational agencies, a majority of whose students are members of a minority group are eligible for assistance under such Act without being required to submit districtwide integration plans.

The Senate amendment contains no such provision. The Senate recedes.

Extension of Emergency School Aid Act.—The Senate amendment, but not the House bill, amends such Act so as to extend the authorization of appropriations for the fiscal year ending June 30, 1974, through fiscal year 1976 with no new obligational authority. The House recedes.

Reservation for metropolitan area projects.—The Senate amendment, but not the House bill, reduces from 5 percent to 4 percent the amount reserved for metropolitan area projects from the sums appropriated for such Act for a fiscal year. The conference substitute eliminates such reservation of funds, thus increasing the amount of funds discretionary with the Assistant Secretary for funding activities otherwise authorized by the Act.

Other reservations.—The Senate amendment increases the reservation from appropriations for such Act for special programs and educational television from 13 percent to 15 percent, increases such reservation for nonprofit groups from 8 percent to 10 percent, and increases such reservations for evaluation from 1 percent to 2 percent. The House bill contains no comparable provisions. The Senate recedes.

Special projects for teaching mathematics; education parks.—The Senate amendment, but not the House bill, authorizes grants for the conduct of special programs for the teaching of mathematics to children eligible under such Act, and repeals the provision in section 709 of such Act relating to educational parks. The House recedes, with an amendment, since section 709 is repealed by title II of these amendments.

NATIONAL READING IMPROVEMENT PROGRAM

Purpose of the program.—The Senate amendment, but not the House bill, establishes a new program to:

(1) provide financial assistance to encourage State and local educational agencies to undertake demonstration projects to strengthen reading instruction programs in the elementary grades;

(2) provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading demonstration programs; and

(3) develop a means by which measurable objectives for reading demonstration programs can be established and progress toward such objectives assessed.

The conference substitute adopts these purposes but the projects and programs are not referred to as demonstration projects and programs.

Reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with State and local educational agencies for demonstration projects in schools having large numbers or high percentages of children with reading deficiencies, and with such agencies and other nonprofit institutions for demonstration projects for preschool children. Each such contract must fulfill specific requirements, covering testing, types of programs, availability of test results, parental involvement, and coordination between preschool and elementary school programs. Applications may be approved only if the State educational agency has been notified and given an opportunity to comment.

The conference substitute adopts these provisions of the Senate amendment, except that such projects are not referred to as demonstration projects. The conferees intend that the requirement with respect to contracts with nonprofit institutions is a limitation on the Commissioner, and does not apply to State or local educational agencies. The conference substitute also omits language from the Senate amendment which requires that each contract demonstrate an integral relationship between preelementary programs and subsequent programs, and that preelementary programs will be carried out as part of a general learning environment. The conference substitute removes the requirement of prior notification of the State educational agencies before approval of an application of a local educational agency and adopts a substitute instead of a provision wherein an advisory council is appointed by a State educational agency in order to receive and designate priorities among applications for grants in that State, and wherein the local educational agency shall notify the State educational agency of its desire to receive a grant. It is the intent of this legislation that both public and nonpublic schools be adequately represented on the State Advisory Councils. No such contract may be entered into without approval of the project by the State educational agency. The conference substitute also provides that not more than 12½ percent of funds expended under this program in any fiscal year may be expended in any one State in that year.

Purchase of books for reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner shall reserve up to 3 percent of the demonstration program funds for grants to State and local educational agencies to pay the Federal share (50%-90%) of the cost of program for the purchase of inexpensive books for distribution to elementary students. This provision is omitted from the conference substitute, but it is the intent of the conferees that grant recipients may use such funds to buy such books.

Special emphasis projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers (whose qualifications are set out in the law). State educational agencies must approve the projects. A districtwide project is authorized and priority in awarding districtwide project is given to districts making maximum utilization of television programs for teachers of reading. The conference substitute contains this provision.

Reading training on public television.—Under the Senate amendment, the Commissioner is authorized to enter into grants or contracts for preparation, production, evaluation, and distribution for use on public educational television courses for elementary teachers who wish to become reading teachers or specialists. The conference substitute contains this provision.

Grants for institutions of higher education.—Under the Senate amendment, the Commissioner is authorized to make grants to institutions of higher education to assist them in strengthening graduate and undergraduate programs in the teaching of reading, and in planning and implementing cooperative programs with State and local educational agencies. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Office for the Improvement of Reading Programs.—Under the Senate amendment, there is established an Office for the Improvement of Reading Programs, to supersede the existing Right to Read Office, headed by a Director at the GS–17 level, responsible for administration of this Act and for coordination of the furnishing of services under a number of OE, NIE, and HEW reading-related programs. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Reading Improvement Laboratory.—Under the Senate amendment, the Director of the National Institute of Education is directed to designate an existing facility or to establish a new facility to be known as the Reading Improvement Laboratory. Through the Institute and the Laboratory, he shall conduct research, demonstrations, and pilot projects in reading. The conference substitute does not contain this provision of the Senate amendment. Although the conference committee dropped this provision, the conferees strongly believe that additional research in reading is needed. This purpose can be accomplished, however, through the regular appropriations for NIE. Also, the conferees urge NIE to explore designating an existing laboratory for reading.

State Certification Agencies.—Under the Senate amendment, the Commissioner is authorized to make grants to State educational agencies to enable them to institute or upgrade reading certification requirements. The conference substitute does not contain this provision of the Senate amendment.

Evaluation.—Under the Senate amendment, the Commissioner must submit an evaluation report to the authorizing Committees of the Congress not later than March 31 annually. The conference substitute contains this provision of the Senate amendment, except that the Commissioner may reserve 1 percent of sums appropriated for the reading program for any fiscal year for evaluation of programs assisted thereunder.

Establishment of the Presidential Award for Reading Achievement.—Under the Senate amendment, to motivate children to read, there is established a Presidential Reading Achievement Award, including an emblem to be presented to elementary school children for reading achievement, and a flag or other appropriate recognition for elementary schools achieving excellence. The conference substitute does not contain this provision of the Senate amendment.

Reading Academies.—Under the Senate amendment, the Commissioner is authorized to enter into contracts and grants with nonprofit groups for reading academy programs for youths and adults who do not otherwise receive such assistance. This provision is contained in the conference substitute.

Authorizations.—Under the Senate amendment, authorizations for the reading improvement projects are $82,000,000 for fiscal year 1975, $88,000,000 for fiscal year 1976, and $93,000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $30,000,000 for fiscal year 1975, $82,000,000 for fiscal year 1976, $88,000,000 for fiscal year 1977, and $93,000,000 for fiscal year 1978. Under the conference substitute, if appropriations for such reading improvement projects exceed $30,000,000, such excess shall be distributed to the States according to their relative school-age population, except that no State is to receive less than $50,000. Such excess funds must be administered through State educational agencies exclusively and those agencies must give priority in funding to already federally-funded reading programs.

Under the conference substitute, the State educational agency has responsibility for oversight administration of local programs assisted with such excess funds, in order to assure compliance with the requirements of the conference substitute which relate to the use of such excess funds, but actual program administration is the responsibility of the grant recipient.

Under the Senate amendment, appropriations for special emphasis projects are authorized as follows: $25,000,000 for fiscal year 1975, $30,000,000 for fiscal year 1976, and $40,000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976, and $25,000,000 for each of fiscal years 1977 and 1978.

Under the Senate amendment, $3,000,000 is authorized to be appropriated for reading training on public television for fiscal year 1975, to remain available for obligation and expenditure through the succeeding fiscal year. The conference substitute contains this provision.

The Senate amendment authorizes appropriations for reading academies of $10,000,000 for fiscal year 1975, $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978. The conference substitute authorizes for such academies $5,000,000 for fiscal year 1975, $7,500,000 for fiscal year 1976, and $10,000,000 for each of fiscal years 1977 and 1978.

POLICY STATEMENTS AND WHITE HOUSE CONFERENCE ON EDUCATION

National policy with respect to equal educational opportunity.—The House bill and the Senate amendment both contain statements of national policy reaffirming the priority of the national goal of equal educational opportunity. The House bill, but not the Senate amendment modifies this goal by limiting it to the individual's desire to learn and ability to absorb education. The House bill states that the goal of equal educational opportunity is a matter of highest priority while the Senate amendment states that it is a matter of high priority. The House recedes.

Policy with respect to advance funding of education programs.—The Senate amendment, but not the House bill, declares it to be the policy of the United States to immediately and continuously implement the advance funding section of the General Education Provisions Act. The House recedes.

Policy with respect to museums as educational institutions.—The Senate amendment, but not the House bill, sets as a national policy that the cost of educational services in museums be more frequently borne by educational agencies benefiting from those services.

The conference substitute includes this provision of the Senate amendment, but states that it is the sense of the Congress that such policy be observed.

Policy with respect to career education programs for disadvantaged children.—The Senate amendment, but not the House bill, states the intent of Congress to encourage the use of Title I ESEA funds for career education programs. The Senate recedes.

White House Conference on Education.—The House bill authorizes the President to call a White House Conference on Education in 1975. The purpose of the Conference is to stimulate a national assessment of the condition, needs, and goals of education and to obtain from participating citizens a report of the findings and recommendations resulting from such assessment.

The House bill directs all participants in activities carried on under the provisions of the House bill relating to the White House Conference to consider all matters which they believe relevant to the broad purpose of the program. It directs that special consideration be given to specified aspects of preschool education, primary education, occupational education, higher education, and the adequacy of education at all levels in meeting special needs of individuals. Participants may narrow the scope of their deliberations to educational problems which are most critical in their areas but they must be encouraged to view such problems in the context of the total educational structure.

The House bill establishes a National Conference Committee to consist of 35 members, 15 appointed by the President, 10 by the President pro tempore of the Senate, and 10 by the Speaker of the House. The function of the Committee will be to provide overall guidance and planning for the Conference. It may provide assistance in the organization of local and State Conference activities preceding the White House Conference, and shall be responsible for the final report of the Conference. This report must be made to the President and to the Congress not later than December 1, 1975. Provision is made for per diem compensation of members of the Committee and for staffing of the Committee.

The House bill also authorizes the Commissioner of Education to make grants to States which apply therefor to assist in meeting the costs of State participation in the Conference program (including the conduct of conferences at the State and local levels). These grants will be made with the approval of the Chairman of the Committee and will be apportioned equitably among the States, but each State will receive at least $25,000 and not more than $75,000.

The House bill authorizes the appropriation of such sums as may be necessary, to remain available until June 30, 1976. The provisions are to apply in the territories and possessions as well as in the fifty States.

The Senate amendment contains similar provisions, specifically mentioning nonpublic schools and adult education in the list of matters to be considered by the Conference. The Conference Committee members are all appointed by the President. The Conference under the Senate amendment is to take place in 1977, and $10 million is authorized to be appropriated without fiscal year limitation.

The Conference substitute combines the provisions of the House bill with respect to the composition of the National Conference Committee with the remaining provisions of the Senate amendment, except that, under the Conference substitute, there are authorized to be appropriated such sums as may be necessary, as in the House bill, to remain available until June 30, 1978.

EDUCATIONAL STUDIES AND SURVEYS

Study of purposes and effectiveness of compensatory education programs.—The House bill, but not the Senate amendment, contains a provision which directs the National Institute of Education to conduct an evaluative study of compensatory education programs, including title I of the Elementary and Secondary Education Act of 1965. The study is to include an analysis of methods of meeting the educational needs of children, and of alternative methods for distributing funds under such programs, and may include experimental programs. An interim report is to be made to the President and to Congress no later than December 31, 1976, and a final report is to be made not more than nine months later. This section also makes provision for submission to Congress of a plan for its study prior to commencing such study.

The conference substitute adopts this provision of the House bill, but limits the number of experimental programs to 20, which shall be reasonably geographically representative, and provides that, instead of a separate authorization of appropriations for such study, funds available under Section 151(i) of the Elementary and Secondary Education Act of 1965 shall be available to carry out such study.

Survey and study for updating number of children counted; study of the measure of poverty used under title I of the Elementary and Secondary Education Act of 1965.—The House bill requires the Secretary of Commerce to expand the current population survey in order to update Title I poverty data among the States. It also requires the Secretary of HEW and the Secretary of Commerce to study the feasibility of various means of updating Title I poverty data within the States. The results of the updating of the current population survey and the results of the study of updating within States must be transmitted to the Congress. The Senate amendment directs the National Center for Education Statistics to conduct a study of the manner in which the relative measure of Title I poverty may be more accurately and currently developed. The Center is directed to submit to the Congress a report on the study, including recommendations for means of improving poverty definitions, not later than one year from the effective date of the Act.

The conference substitute adopts both provisions, modifying the study contained in the Senate amendment so that it shall be supervised by the Assistant Secretary, with the full participation of the National Institute of Education and the National Center for Education Statistics.

Study of late funding of elementary and secondary education programs.—The House bill directs the Commissioner of Education to make a full and complete investigation and study to determine the extent to which late funding of Federal programs handicaps local educational agencies in the effective planning of their programs, and to determine the extent to which program quality and achievement of objectives is adversely affected by such late funding. Such study is also directed to determine means by which, through legislative or administrative action, such problem may be overcome. The Commissioner of Education is to report to Congress on the results of such study, together with his recommendations, not later than one year after enactment of the bill. The Senate recedes.

Study relating to athletic injury.—The House bill directs the Secretary of Health, Education, and Welfare to make a full and complete investigation and study to determine the number of injuries occurring in connection with athletic competition in secondary schools and in institutions of higher education for the year following enactment of this Act, and the relationship of such casualties to the presence or absence of athletic trainers, both certified and noncertified. The study is also to include determinations of the amount of time needed for all schools with only noncertified athletic trainers to have a certified athletic trainer available, and of the estimated cost to such schools of having such a certified athletic trainer for all such schools for the three-year period beginning after such amount of time has elapsed after the enactment of this Act. The study will also cover the formulation of appropriate certification procedures for athletic trainers for such schools. Under the House bill, the Secretary shall request each school to maintain appropriate records and submit appropriate information to him. The Secretary shall report to Congress on the study within eighteen months after the date of enactment of the House bill. The House bill authorizes appropriations for the study of $75,000.

The Senate amendment contains similar provisions, except that the study is not directed to cover the issue of certification of athletic trainers, and the study is to cover other school-related athlete injuries besides those related to interschool competition. The House recedes.

Safe schools.—The House bill directs the Secretary of Health, Education, and Welfare to make a study to determine the incidence of crime and violence in elementary and secondary schools over the five-year period ending June 30, 1974, the number and location of schools affected thereby, and the rate of such offenses per student, the costs associated therewith, and the effectiveness of school security programs to prevent such crime and violence, as well as the effects of such security programs on learning and the school-community relationship. The study shall also cover the effect of educational programs on the prevention of such crimes and violence, and the relation of school crime and violence in large urban areas with various causal factors. The House bill directs the Secretary to request each State education department's cooperation in maintaining records for the study and in submitting information to him. The Secretary is further directed by this title to report on the study to Congress within thirteen months after enactment of the bill. No specific authorization is stipulated.

The Senate amendment contains similar provisions, except that the study is to cover the period from date of enactment of the Senate amendment through fiscal year 1976, and the Commissioner is authorized to make grants to, and contracts with institutions, agencies, and organizations in order to conduct surveys, research, and pilot projects connected with such study. The Senate amendment authorizes appropriations of $375,000 for such study, and provides that funds available to the Commissioner under section 400 of the General Education Provisions Act shall be available for such study.

The conference report adopts the provisions of the House bill, except that the date for submission of the report is that contained in the Senate amendment, and the language describing the scope of the study is that contained in the Senate amendment. The conference substitute provides that the study shall include necessary research.

Study relating to impact aid.—The Senate amendment, but not the House bill, directs that not later than one year after the date of enactment of this Act, the National Center for Education Statistics is directed to furnish to the authorizing committees data concerning the nature and location of impact aid children, an estimate of the economic impact of the presence of Federal property on local educational agencies, and estimates of the per-capita income of local educational agencies receiving impact aid. The data required for this study shall be prepared for each school district which received impact aid payments for fiscal 1973.

The Senate recedes. The conferees, in omitting the requirement for such study from the conference substitute, do not mean that these data are not recognized by the Congress to be important and vitally needed and therefore it is expected that they will be compiled.

HIGHER EDUCATION ACT OF 1965

Community service and continuing education.—The Senate amendment, but not the House bill, amends title I (community services and continuing education) of the Higher Education Act of 1965 by including among the fundable activities studies of labor management relations and by continuing the Advisory Council on Community Service and Continuing Education through June 30, 1975. The House recedes on the provision extending the Advisory Council through fiscal year 1975. The conference substitute does not include labor management relations in the list of fundable activities since the conferees believe that such activities are already eligible for support under title I of the Higher Education Act. The Commissioner is directed to reexamine the regulations for that program, and the projects supported under it, to assure that labor management relations receive appropriate recognition as a supportable activity.

Developing institutions.—The Senate amendment, but not the House bill, amends title III of such Act (Developing Institutions) by authorizing the Commissioner to waive three years of the requirement that institutions be in existence for five years prior to their eligibility for assistance under title III if the particular institution is located in or near communities with large numbers of Spanish-speaking people and if the Commissioner determines that such waiver will increase higher education opportunities for Spanish-speaking people.

The conference substitute adopts this provision of the Senate amendment, omitting the necessity for the particular institution to be located in or near communities with large numbers of Spanish-speaking people, and requiring that the Commissioner determine that waiver will substantially increase such opportunities. The conference agreement is not meant to exclude for consideration of a waiver those institutions already serving large numbers of Spanish-speaking people.

Bilingual education.—The Senate amendment, but not the House bill, amends subpart 4 (special services for disadvantaged students) of part A of title IV of such Act—

(a) to authorize support for remedial and other special services for students with academic potential who by reason of limited English-speaking ability are in need of bilingual educational teaching, guidance and counseling in order to enable them to pursue postsecondary education; and

(b) to authorize the use of funds appropriated for the Special Services Program for the training of persons to provide bilingual educational teaching, guidance and counseling needed in order to enable limited English-speaking ability students to pursue a post-secondary education.

The House recedes as to the first such amendment. The conference substitute provides that recipients of grants for such special services shall include in their curriculum a program of English language instruction for students of limited English-speaking ability. Programs to train persons to provide bilingual instruction and counseling can be supported under the Education Professions Development Act.

Veterans cost of instruction payments.—The Senate amendment, but not the House bill, amends section 420 (relating to veterans' cost of instruction payments) by—

(*a*) making schools eligible for a first-year payment if 10 percent of its undergraduate students are veterans (present law requires a 10 percent increase in veterans);

(*b*) requiring as a precondition for eligibility that the number of veterans be at least 25;

(*c*) setting $135,000 as a maximum payment and seeking to provide $9,000 as a minimum payment under the program;

(*d*) requiring that 75 percent of the funds received by a school under such section be used for special programs for veterans; and

(*e*) permitting second-year eligibility to be met by a school which maintains the minimum number of students required for first-year funding (10% increase, or, under (*a*) above, 10% of student body).

The House recedes, with amendments providing that the 10 percent of undergraduate attendance requirement applies if the percentage of veterans in attendance is at least equal to such percentage in the preceding academic year, and removing the retroactive effective date of this provision.

Teacher Corps.—The Senate amendment, but not the House bill, amends the Teacher Corps provisions of the Education Professions Development Act in order (a) to permit the Teacher Corps to support demonstration projects for retraining experienced education personnel serving in local educational agencies and to include other supportive and auxiliary personnel among persons eligible for training, and (b) to provide for technical assistance and dissemination of information with respect to the Teacher Corps and provides a more flexible compensation schedule for Teacher Corps participants.

The House recedes with an amendment accepting only that portion of the Senate amendments which provided for participation by experienced teachers and teacher aides, the inclusion of which includes Guam, American Samoa, and the Trust Territory of the Pacific Islands in the allocation of members of the Teacher Corps for Puerto Rico and the Virgin Islands, and a provision for some flexibility in the compensation schedule.

Assistance for training in the legal profession.—The Senate amendment, but not the House bill, adds at the end of part D of Title IX of the Higher Education Act of 1965 a new section of assistance for training in the legal profession through which the Commissioner is authorized to make grants or contracts with public and private agencies and organizations other than institutions of higher education to assist individuals from disadvantaged backgrounds to undertake training for the legal profession.

The conference substitute includes this provision of the Senate amendment, except for a provision relating to appropriations for fiscal year 1974, and except that the effective date of the new section is changed from prior to July 1, 1974, to September 1, 1974.

Community college and occupational education.—The Senate amendment, but not the House bill, amends part A of Title X of such Act to extend for one year the period during which appropriations may be made for planning for community college programs. The House recedes.

Political leadership intern program.—The Senate amendment, but not the House bill, creates a new political leadership intern program in which the Commissioner will make grants to institutions of higher education for political interns who will work in the offices of local and State officials. Grants under this program must be distributed among the States in the same ratio to the extent practicable as the number of Members of Congress of the State bears to the total number of Members of Congress in all States. The Federal share of planning, developing and administering the program is 100 percent, and the Federal share of operating the program is 50 percent. $5 million is authorized for fiscal 1975 and each of the two succeeding fiscal years. The Senate recedes.

MISCELLANEOUS PROVISIONS

Amendments to the Library Services and Construction Act and the Vocational Education Act of 1963 relating to bilingual education and vocational training.—The Senate amendment, but not the House bill, revises the Vocational Education Act of 1963 in the following manner:

The Senate amendment authorizes $40 million each for fiscal years 1975 and 1976 for the purpose of funding a new bilingual vocational education program. The conference substitute authorizes $17,500,000 for fiscal year 1975 only.

The Senate amendment includes persons of limited English-speaking ability on the national and State vocational education advisory councils.

The conference substitute includes this provision, but the State advisory council may include such students where appropriate.

The Senate amendment includes a new definition of "vocational training" and a new definition of "postsecondary educational institution".

The conference substitute adopts this provision, but requires that a postsecondary educational institution must be nonprofit.

The Senate amendment requires that 5 percent of the appropriations for basic State grants under the Act be distributed by the Commissioner to States which he finds have areas of high concentrations of persons of limited English-speaking ability.

The conference substitute does not retain this provision of the Senate amendment.

The Senate amendment requires that the new $40 million authorization be distributed within States among school districts serving areas with concentrations of children with limited English-speaking ability. The Senate recedes.

The Senate amendment creates a new program for bilingual vocational training administered by the Commissioner, in consultation with the Secretary of Labor, with authorizations of $40 million for fiscal year 1975, $60 million for fiscal year 1976, and $80 million for fiscal year 1977. Sixty-five percent of funding is allotted for grants and contracts to State and local educational agencies, postsecondary and private vocational training institutions, and other nonprofit agencies to provide bilingual vocational training. One quarter of the funds are reserved for the training of teachers and ancillary personnel, such as counselors, and 10 percent will be devoted to the development of instructional materials and methods.

The conference substitute authorizes $17,500,000 for fiscal year 1975 only, for bilingual vocational training programs. The provisions of the Senate amendment relating to instructor training programs and development of instructional materials, methods, and techniques are not included in the conference substitute.

The Senate amendment, but not the House bill, inserts in the Library Services and Construction Act a new requirement that priority in funding under that Act must be given to areas with high concentrations of persons with limited English-speaking ability. The House recedes.

Assistance for State equalization plans.—The Senate amendment, but not the House bill, authorizes funds to assist States in planning for equalization in their programs of State aid for public education. Each plan must be submitted to the Commissioner not later than July 1, 1977, and must conform to guidelines developed by the Commissioner after opportunity for public comment. These guidelines can be disapproved by either House of Congress, and a State can refuse to follow any final guidelines in developing its equalization plan if it states the reasons for such refusal. States may receive from $100,000 to $1 million to assist them in their planning, depending upon their relative population.

The conference substitute includes this provision of the Senate amendment, but does not specifically require that a State equalization plan take into consideration the extent to which local educational agencies serve areas of high concentrations of low-income children and heavily urbanized areas. The conferees deleted this specific provision because they believe that the two general requirements remaining incorporated it. In addition, the conference substitute provides reimbursement for amounts expended for administration, as well as development, of such a plan.

Equalization incentive grants to States.—The Senate amendment, but not the House bill, finds a Federal responsibility to assist States in equalizing educational opportunity so that a child may be able to obtain an appropriate education regardless of his place of residence within the State. It authorizes the Commissioner to make grants to improve the quality of elementary and secondary education within any State which provides assurances that, in conformity with regulations of the Commissioner, (a) the quality of education is not the result of the wealth of the school district, (b) greater amounts are spent on children with greater educational needs, and (c) amounts commensurate with educational costs are expended in school districts with greater costs. There are authorized $50 million for fiscal 1976, $75 million for fiscal 1977, and $100 million for fiscal 1978. No State may receive more than 10 percent of the funds for any fiscal year, funds must be equitably geographically distributed.

The Senate recedes.

Sex discrimination in federally assisted education programs.—The Senate amendment, but not the House bill, amends title IX (prohibition of sex discrimination) of the Education Amendments of 1972 by stating that the prohibition against sex discrimination contained therein shall not apply to intercollegiate athletic activity to the extent that such activity does or may produce revenue or donations to the institution necessary to support such activity. The Senate amendment also directs the Commissioner to publish within 30 days after enactment of the Senate amendment regulations implementing the provisions of such title.

The conference substitute adopts only that portion of the Senate provision directing the Commissioner to prepare and publish regulations, but includes a provision stating that such regulations shall include with respect to intercollegiate athletic activities reasonable provisions concerning the nature of particular sports.

Treatment of Puerto Rico as a State.—The House bill amends the various Acts extended by the House bill to provide that, in each case, Puerto Rico shall be treated as a State, Puerto Rico is to receive only one-half of its allotment under title I of the Elementary and Secondary Education Act of 1965 for the first year after enactment of this Act, in order to allow a two-year phase-in of the treatment of Puerto Rico as a State under title I.

As a conforming amendment, the House bill also reduces to 1 percent the amount of funds reserved for the other territories, and, in some cases, for the Indian schools and Department of Defense overseas schools.

There is no comparable provision in the Senate amendment.

The conference substitute adopts the provisions of the House bill with respect to treatment of Puerto Rico as a State in title I with amendments which are described elsewhere in this statement. The Senate recedes with respect to treatment of Puerto Rico as a State in the other Acts extended by the House bill.

Extension of advisory councils.—The House bill extends advisory councils on titles I (disadvantaged), III (innovation), VII (bilingual education) of ESEA, title IV of the Education Amendments of 1972 (Indian education), Emergency School Aid, Adult Education, and Vocational Education, subject to the Commissioner's authority to abolish or consolidate such councils.

The Senate recedes.

Statute of limitations.—The House bill adds to the Elementary and Secondary Education Act of 1965 a section providing that no State or local educational agency shall be liable to refund any payment made to it under such Act which was subsequently determined to be not authorized by law, if such payment was made more than five years before the agency is given final written notice that such payment has been determined to be unauthorized. The Senate recedes.

Ethnic Heritage Studies Centers.—The Senate amendment amends title IX of the Elementary and Secondary Education Act of 1965 to extend the program of support for ethnic heritage studies centers through fiscal year 1978, and clarifies the recipients and types of activity to be funded.

The House bill does not extend this program. The House recedes.

Carl D. Perkins,
Lloyd Meeds,
Augustus F. Hawkins,
Patsy T. Mink,
Shirley Chisholm,
William Lehman,
John Brademas,
Albert H. Quie,
Alphonso Bell,
Edwin B. Forsythe,
William A. Steiger,
Managers on the Part of the House.

Claiborne Pell,
Harrison A. Williams,
Jennings Randolph,
Edward M. Kennedy,
Walter F. Mondale,
Alan Cranston,
Thomas F. Eagleton,
William D. Hathaway,
Peter H. Dominick,
Jacob K. Javits,
Richard S. Schweiker,
J. Glenn Beall, Jr.,
Robert T. Stafford,
Managers on the Part of the Senate.

CONGRESSMAN DULSKI ANNOUNCES HE WILL NOT RUN FOR REELECTION

(Mr. DULSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DULSKI. Mr. Speaker, I have announced to the people of the 37th District of New York that I will not be a candidate this fall for reelection to the congressional seat I have had the privilege and honor to hold for eight terms.

One-third of my lifetime has been spent in elective office as a legislator—the past 16 years in the greatest legislative body in the world.

As a first-generation Pole, I am proud of my heritage and I cherish the opportunity the people of my district have given me in electing me as their Congressman.

I have derived great satisfaction in serving and representing my constituents. To them I give my heartfelt thanks for their support and efforts in my behalf.

I want to express my deepest appreciation to my family, which has had to make many adjustments in our homelife over the years because of my public commitments, and to my loyal and dedicated staff.

I will miss these Halls and I will miss my colleagues. It has been a rich and invigorating experience to have participated in the many pieces of landmark legislation we passed during the past 16 years, and I leave with firm confidence in the stability and vitality of our constitutional processes.

It has been a full, rewarding, and satisfying career, and I am humbly grateful to all who have given me encouragement and help along the way.

Although I am leaving Congress, I will not be retiring completely from the political arena. I love people, I enjoy work, and I welcome challenge. I plan to continue an active and fulfilling life with my family and friends in Buffalo.

BISHOP LEROY H. CANNADY

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, on Monday, July 15, 1974, a series of emergencies in my city of Baltimore caused me to arrive in Washington after the House of Representatives had completed the morning prayer. I regretted being held up because I had invited Bishop Leroy H. Cannady of Baltimore to offer the morning prayer to the House.

Bishop Leroy H. Cannady, pastor and founder of the Refuge Way of the Cross Church of Christ, Inc., East 43d Street and Old York Road, Baltimore, Md., was born in Franklinton, N.C., on May 27, 1922. He was reared and educated in said city. His present church membership has extended to approximately 450. Among many of his accomplishments are: Organization of a day care center whose enrollment has increased to 60 and he has lectured at Morgan State College on the subject of religion. He is now in the process of writing an autobiography. He is a man dedicated to helping not only his parishioners, but anyone he finds in need.

I am certain that this legislative body benefited from the morning prayer offered by this distinguished clergyman.

QUESTIONS ON ECONOMY WILL BE APPRECIATED

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, on Monday, July 29, the President's top economic adviser, Kenneth Rush, will testify before the House-Senate Joint Economic Committee on the Nation's economic problems.

As a member of the committee who originally urged that Mr. Rush be invited to testify before the JEC, I intend to probe deeply into this area of grave public concern.

Nevertheless, I know that there are many questions that other Members of the House would have for Mr. Rush. For those Members of the House, I would be happy to raise any questions which you would supply to me prior to Monday, July 29. Any questions I am unable to put directly to Mr. Rush I will submit for the record in writing with a request that written answers be provided.

Mr. Speaker, I want to commend Mr. Rush for agreeing to appear in open session before the committee after earlier declining to do so.

That refusal by Mr. Rush caused the committee's vice chairman, Senator William Proxmire, to cancel all hearings then scheduled with administration witnesses. Since Mr. Rush agreed last week to testify on July 29, Senator Proxmire has again scheduled hearings, and hopefully, Congress and the administration can begin to discuss in a mature manner the Nation's economic problems and engage in a cooperative search for solutions.

At this point I would draw attention to the Extensions of Remarks, where I have submitted copies of letters of June 18 to the President and Senator Proxmire expressing my dismay with the events surrounding the earlier Rush invitation. At that time, I asked that the greatest possible effort be given to find common ground for the discussion to proceed.

I am pleased that that common ground has been found.

HOUSE BUSING AMENDMENTS SIDETRACKED

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, on the busing issue, yesterday was a good day for the Senate but a very poor day for the House of Representatives. All of our instructions notwithstanding, on all four basic differences with the Senate, the House position lost out.

First, the language of the Scott-Mansfield amendment was held intact, the compromise being that it was included only once, rather than the original two times, in the language adopted.

Second, on the basic issue of reopening litigated cases, the entire thrust of the House amendment was defeated by the simple device of changing the word "shall" to "may." Courts already "may" reopen so the adopted language amounts to nothing whatsoever.

Third, on the matter of the payment of attorneys' fees to the prevailing party, other than the Government, the Senate position against payment of attorneys' fees triumphed.

Fourth, on the Ashbrook amendment which prohibited the use of Federal funds for busing, the Senate did retreat from its position of total opposition but it was necessary to soften this amendment by exempting Federal impact aid funds.

On the whole, as the Members can see, the House position was about a 10-percent victor, while the Senate ended up getting 90 percent of its wishes vindicated. Our conferees held out for more than a dozen sessions against this compromise, but in the final analysis, yielded to the more adamant position of the Senate conferees.

Only yesterday by a vote of 261 to 122, the House reaffirmed the strong position it had taken regarding this national disgrace, mandatory busing of schoolchildren to achieve the hazy goals of school integration. We should reject this conference report on H.R. 69 by a margin equally overwhelming so the Senate will get the message. After all, the Senate position was not so strong, the House amendment having lost in that body by only one vote.

TELEVISING JUDICIARY COMMITTEE PROCEEDINGS

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, yesterday I voted for House Resolution 1197. Faced with the awesome responsibility presented by a proceeding to remove the President of the United States from office, we may tend to forget that we are only acting as representatives of the people. Televising these Judiciary Committee proceedings offers a chance for the people to closely scrutinize what we, their representatives, will do.

I agree with some of my colleagues that such television coverage offers the threat of some disruption, but I believe that any such disruption can be controlled and will not make judicious deliberation impossible. We simply cannot exclude close public scrutiny from such an important issue. I want the people of the 15th District to hear what I hear and see what I see. It is in our interest and in the interest of the American people to allow television, radio, and photographic coverage of all proceedings relating to the possible impeachment of the President.

CONGRESSMAN FISH MISQUOTED ON COLSON TESTIMONY

(Mr. FISH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, on July 15, when the Judiciary Committee heard testimony from former White House aide Charles Colson, the wire services carried a story attributed to me that Mr. Colson implicated President Nixon in ordering the break-in at the office of Dr. Ellsberg's psychiatrist.

Subsequent testimony by Mr. Colson the following morning disclosed that Mr. Colson's reference to having learned that the President approved the "Ellsberg Operation" did not refer to the break-in of Dr. Fielding's office.

On that date, July 16, I issued a release for the wire services that had carried the story the day before, stating it was inaccurate to infer from Mr. Colson's testimony that he had reference to the break-in of Dr. Fielding's office, and that it was clear that he had not implicated the President in the break-in.

Unfortunately, my release of July 16 did not receive the coverage of the prior day's story. I take this time, Mr. Speaker, in the interest of fairness to the President and to my colleagues who might have been affected by the original story.

The text of my press release of July 16 follows:

> There was some confusion in that part of Mr. Colson's testimony yesterday that concerned Presidential approval of the "Ellsberg Operation". It was inaccurate to infer, however, from his testimony that Mr. Colson had reference to the break-in of Dr. Fielding's office.
>
> On the basis of Mr. Colson's testimony today, it is clear he has not implicated the President in the break-in.
>
> Today, Mr. Colson testified that he had no knowledge that the President approved the break-in of Dr. Fielding's office.
>
> He was asked specifically whether he ever learned of Presidential approval for the break-in from the President or from Mr. Ehrlichman and answered in the negative.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 399]

Andrews, N.C.
Archer
Baker
Brasco
Burke, Calif.
Carey, N.Y.
Cederberg
Chappell
Chisholm
Clark
Clay
Conyers
Corman
Coughlin
Davis, Ga.
Dennis
Diggs
Dingell
Dorn
Esch
Gaydos
Gray
Gubser
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hébert
Hogan
Holifield
Johnson, Calif.
Jones, Tenn.
Litton
Mathis, Ga.
Melcher
Mills
Nichols
O'Hara
Powell, Ohio
Rees
Reid
Rodino
Rooney, N.Y.
Rosenthal
Rostenkowski
Shuster
Symington
Teague
Thompson, N.J.
Wiggins
Wyatt

The SPEAKER. On this rollcall 382 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11500, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, title II of the committee amendment in the nature of a substitute was subject to amendment at any point.

AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mrs. MINK. Mr. Chairman, I offer an amendment as a substitute for section 211 of the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: on page 184, line 10, strike entire section 211 and insert the following new section 211:

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 211. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operator as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) assure that any temporary environmental damage will be contained in the permit area;

(4) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of reclamation with the process of mining to keep reclamation operations current, and to complete such reclamation in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) stabilize and protect all surface areas including spoil piles affected by the mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) insure that all debris, acid, or highly mineralized toxic materials, or material constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist re-vegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit; and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available

from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining other than as described in the first proviso to this paragraph (8), and other than operations covered by subsection (c) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and grade in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b) (13) of this section;

(9) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational or domestic uses;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(11) restore the topsoil or the best available subsoil which has been segregated and preserved;

(12) establish on the regraded areas, and all other lands affected, a diverse vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post mining land use plan;

(13) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided,* That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period for responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further,* That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exceptions to the provisions in this subsection (b) which require a diverse self-regenerative, or permanent vegetative cover;

(14) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated off-site areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing bore holes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface mining operations so as to prevent additional contributions of suspended solids to stream flow or run-off outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the minesites to approximate premining conditions;

(E) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semi-arid areas of the country; and

(F) such other actions as the regulatory authority may prescribe;

(15) prevent any offsite damages that may result from such mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes, or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice of the planned blasting schedule to local governments and advance notice to residents who might be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site one week in advance of the planned blasting and post such schedules at the entrances to the permit area and maintain for a period of at least three years a log of the magnitudes and times of blasts:"

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet of active or abandoned underground mine workings in order to prevent breakthroughs: *Provided,* That the regulatory authority may permit an operator to mine near, through, or partially through an abandoned underground mine working where such mining will achieve improved resource recovery, water pollution abatement or elimination of public hazards, and is consistent with the provisions of this Act;

(20) fill all auger holes to a depth of a minimum of three times the diameter with an impervious and noncombustible material; and

(21) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands.

(c) The following performance standards shall be applicable to steep-slope surface coal mining and to mining operations which create a plateau with no highwall remaining in such a manner as to otherwise meet the standards of this subsection and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (c) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that where necessary spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited specified area of the downslope: *Provided,* That the spoil is shaped and graded in such a way to prevent slides, erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) Complete backfilling with spoil material shall be required to contour necessary to cover completely the highwall and return

the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) No permit for a mining operation shall be issued for a period of time in excess of two years.

(5) For the purpose of this subsection, the term "steep-slope" is any slope above 20 degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(6) With regard to postmining uses of land to which the performance standards of this subsection apply, any industrial, commercial, residential, or public facility development proposed for the affected land shall be shown by proper documentation to be:

(A) compatible with adjacent land uses;

(B) obtainable according to data regarding expected need and market;

(C) assured of investment in necessary public facilities;

(D) supported by commitments from public agencies where appropriate;

(E) practicable with respect to private financial capability for completion of the proposed development;

(F) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(G) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage and configuration necessary for the intended use of the site;

(d)(1) In cases where an industrial, commercial, residential, or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling and spoil placement as set forth in subsection 211(b)(8) and in subsections 211(c) (1) and (2) of this Act, if the regulatory authority issues a written finding following public notice and public hearing pursuant to the provisions of section 214 that—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute a higher or better economic or public use of the affected land, as compared with the premining use;

(B) the higher or better economic or public use can be obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and subsections 211(c) (1) and (2) of this Act are granted.

(2) With respect to subsection 211(b)(12) and subsection 21(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception allowing maintenance of the vegetative cover to be terminated in advance of the expiration of the five-year or ten-year periods of responsibility for establishment of a permanent vegetative cover at particular locations and times as specified in the approved schedule and reclamation plan.

(3) All exceptions granted under the provisions of this subsection may be effective for a period of not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that a substantial portion of the proposed development is in process of completion under terms of the approved schedule and reclamation plan.

(e) The regulatory authority may impose such additional requirements as he determines to be necessary.

POINT OF ORDER

Mr. HOSMER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HOSMER. Mr. Chairman, I make a point of order against the substitute offered by the gentlewoman from Hawaii (Mrs. Mink) on the ground that it is a subterfuge, a distortion of the rules, that is being attempted here.

There are 16 pages of this document, which, but for a few changes, are identical to the language that is already in the bill. That, combined with the fact that these 16 complicated pages that have taken at least 20 minutes to read, were only given to our side of the aisle here at the moment the reading was started, those 2 factors, in combination with the known fact that I have posted many amendments to this particular section 211 of the bill, simply means that by the subterfuge of offering this substitute, it makes it difficult, if not impossible, for me to key my amendments to the new substitute in time to get them offered before the time has expired.

That is why I had to object to the waiver of the reading of the amendment, just to get some time.

If all these confluences had not come together, if we just had an amendment before us that had been properly and courteously offered to our side of the aisle, that would be one thing. However, under this combination of circumstances, this is in effect an attempt to cut off the Members' rights to offer amendments by making the parliamentary situation confused and ambiguous.

Therefore, Mr. Chairman, the point of order should be sustained.

The CHAIRMAN (Mr. Smith of Iowa). The Chair is ready to rule.

The Chair states that a similar question was before the Committee yesterday, as put forth by the gentleman from California. The amendment does make changes in this particular section of the committee amendment in the nature of a substitute. The fact that the section is 16 pages instead of 1 paragraph long is really of no moment. If the gentlewoman from Hawaii wishes to offer an amendment in this form and there is no question of germaneness, then it is in order. Accordingly, the Chair overrules the point of order.

Mr. STEIGER of Arizona. Mr. Chairman, could I be heard on the point of order?

The CHAIRMAN. The Chair has already ruled but the gentleman may make a further point of order.

Mr. STEIGER of Arizona. Mr. Chairman, perhaps it has escaped the notice of the Chair, and it would be very natural that it had, because as the gentleman from California pointed out, none of us had an opportunity to read this material.

Yesterday there was some confusion over an amendment that was offered by the gentleman from Wyoming on behalf of the gentleman from West Virginia (Mr. Slack) as to the nature of the language on line 9 or line 12 of section 211.

In the 16 pages offered by the gentlewoman from Hawaii there is a return to line 9 of the language offered by the gentleman from Wyoming (Mr. Roncalio) on behalf of the gentleman from West Virginia (Mr. Slack).

I would submit to the Chair that this point of order is even stronger than the one yesterday in that we are amending to the third degree, which is in violation of the House rule.

I would also point out to the Chair that, in effect, what the gentlewoman from Hawaii is doing is not only obfuscating the problem, but making a rather devious attempt to resubmit what we had already determined yesterday by a vote of record of this House to be the will of the House, which is now attempted to be circumvented.

I do not know how many other instances there are of this situation. I would submit this, Mr. Chairman: I have no illusions of persuading the Chair, but I think the record ought to reflect that this is a most inopportune method of legislating.

The CHAIRMAN (Mr. Smith of Iowa). The Chair will state that an amendment striking an entire section and inserting new language can replace a perfecting amendment which has been adopted to that section by the Committee, and if it is a more comprehensive amendment, that would not preclude the amendment from being offered.

Mr. STEIGER of Arizona. Mr. Chairman, if I might be heard further, I will ask this. Perhaps this would be good for establishing precedent in future situations such as this:

At what point are we unable to further perfect an already perfected amendment when it occupies over one-half of the new material or less than one-half or perhaps two-thirds of the new material?

Perhaps this would help in considering future attempts at obfuscation by the gentlewoman and her friend.

The CHAIRMAN (Mr. Smith of Iowa). The Chair will state that it would depend upon the scope of the adopted amendments at the time the amendment is offered.

Mr. STEIGER of Arizona. I congratulate the Chair.

Mrs. MINK. Mr. Chairman, the suggestion that in offering this substitute I wished to foreclose the offering of amendments to this section is an outrage. In yesterday's deliberations on section 201, all Members had an opportunity to offer their amendments.

Through my submission of an amendment to an entire section, what we are doing is merely considering this bill on a section-by-section basis. This became necessary because of the rule which allows amendments at any point for an entire title. In order to consolidate considerations of section 211 at one point in the record and so we may all have a full and thorough understanding as to what is being suggested and how it would affect the entire proposal, my amendment would permit this kind of orderly presentation. This is all I have endeavored to do.

The gentleman from California knows full well that he has offered this House several dozens of amendments just to this one section. I believe my latest count is 28 amendments to this section.

Mr. Chairman, what we have done on this side is to make a careful analysis of the 28 amendments which the gentleman has posted in the RECORD. I do not know how many others he intends to offer which are not listed in the RECORD. We have reviewed those he did print in the RECORD very carefully, and where they have been duplicated by other amendments accepted yesterday in section 201, I have incorporated them in section 211. Section 201 was the provision which established interim standards for a 3-year period before a State program becomes fully effective. Section 211, which we are now considering, provides the permanent standards which the States must incorporate in their State plan in order to have the right to administer the program. So in a sense sections 201 and 211 are parallel provisions.

Therefore, Mr. Chairman, it seems to me we should consider section 211 immediately following section 201 and not skip all over the entire title which would be possible under the rule.

This is an extremely complicated bill. What I was hoping this amendment would do is to give the House an opportunity to consider these amendments in some sort of an intelligent manner.

The first change that I have made to H.R. 11500 in section 211 is to paragraph (5), by adopting the Hosmer amendment No. 26, as we did in section 201, and this is to provide for replacing or segregating the topsoil.

In the same section, I have also accepted the Hosmer amendment No. 27 as it was listed in the CONGRESSIONAL RECORD, which we accepted in section 201 yesterday. That would be the Hosmer amendment No. 81 in this current package.

We have also accepted the gentleman's language with regard to insufficient quantity or full quality of the topsoil and have inserted his suggested amendment No. 82, which was similar to his amendment No. 28, in section 201.

We have also rephrased the question with regard to transecting a coal deposit. That appears in paragraph (8). We are accepting the Hosmer suggestions which he posted as amendments Nos. 22, 83, and 84.

We have also accepted his language in his posted amendment No. 85, which was similar to amendment No. 24, with regard to adequate drainage at the time of filling and compacting a certain area.

The new amendments that have been inserted in my substitute were suggested to me by the Pennsylvania delegation, and they go to the matter of providing written notice in advance, before blasting occurs. Our bill requires that they post in the newspapers in four consecutive weeks a notice that they are going to blast in a certain area, and to send a written notice to every single resident in the area. We agreed, after prolonged discussions, that this was too much of a burden on the small operators in these areas, to give such notice a full month in advance. So we wrote an amendment that the notice should go to the local government and the residents in the immediate area who might be affected and the posting in the newspaper should be only 1 week in advance. That took care of that objection.

The other objection came also from the Pennsylvania delegation with regard to their anthracite coal mining, most of which affects abandoned mining sites. In paragraph 19 we had a prohibition from mining 500 feet near an abandoned or active underground mine.

The Pennsylvania Members very pointedly reminded us that this would practically foreclose anthracite mining in their State. So we wrote a proviso which gives the Pennsylvania government, the regulatory authority, the discretion to permit operators to mine near an abandoned mine, while meeting the other requirements of this amendment.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. KETCHUM. Mr. Chairman, I ask unanimous consent that the gentlewoman from Hawaii be permitted to proceed for an additional 11 minutes, so that the gentlewoman will have a minute a page for her amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mrs. MINK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. HOSMER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment as a substitute for the amendment to the committee amendment in the nature of a substitute, and I would state that this is my amendment No. 77.

The Clerk read as follows:

Amendment offered by Mr. HOSMER as a substitute for the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 184, line 8, strike out lines 8 and 9, and all of "SEC. 211.", and insert in lieu thereof the following:

SURFACE COAL MINING AND RECLAMATION PERFORMANCE STANDARDS

SEC. 211. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable surface coal mining and reclamation performance standards of this Act.

(b) The following general surface coal mining and reclamation performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the permittee to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the coal being mined so that reaffecting the land in the future through surface coal mining operations can be minimized;

(2) restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or an equal or better economic or public use suitable to the locality;

(3) minimize to the extent practicable, any temporary environmental damage so that it will affect only the permit area;

(4) limit the excavation area from which coal has been removed at any one time during mining by combining the process of reclamation with the process of mining to keep reclamation operations current, and completing such reclamation in any separate distinguishable portion of the mined area as soon as feasible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it simultaneously on a backfill area or segregate it, and if the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is protected from wind and water erosion, and contamination from any acid or toxic material, and is in a usable condition for sustaining vegetation, except if the topsoil is not capable of sustaining vegetation or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the permittee shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates in the reclamation plan that another method of soil conservation would be at least equally effective for revegetation purposes;

(6) stabilize and protect all surface areas affected by the surface coal mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) provide that all debris, acid, highly mineralized toxic materials, or materials containing a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) backfill, compact (where advisable to provide stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however,* That in surface coal mining operations where the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient to restore the approximate original contour, the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics of the area of land to be affected and to facilitate a land use consistent with that approved for the post mining land use of the mine site;

(9) construct, if authorized in the approved surface coal mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that degradation of water quality in the receiving stream as a result of discharges from the impoundment will be minimized;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses will be minimized;

(10) refrain from the construction of roads

or other access ways up a stream bed or drainage channel or in such proximity to such bed or channel so as to result in serious adverse effects on the normal flow of water;

(11) replace the topsoil or the other more suitable material from the mining cycle which has been segregated and protected;

(12) establish on the regraded areas and all other lands affected a stable and self-regenerating vegetative cover (including agricultural crops if approved by the regulatory authority), where cover existed prior to mining, which, where advisable, shall be comprised of native vegetation;

(13) assume the responsibility for successful revegetation for a period of five full years after the completion of reclamation (as determined by the regulatory authority) in order to provide a stable and self-regenerating vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the permittee's assumption of responsibility and liability will extend for a period of ten full years after the completion of reclamation: *Provided,* That unless prior thereto, the operator can demonstrate to the satisfaction of the regulatory authority that such a vegetative cover has been established for at least three full growing seasons;

(14) minimize the disturbances to the hydrologic balance at the mine site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining and reclamation operations by—

(A) avoiding acid or other toxic mine drainage to the extent practicable by preventing, retaining, or treating drainage to reduce mineral content which adversely affects downstream water uses when it is released to water courses;

(B) casing, sealing, or otherwise managing boreholes, shafts, and wells in a manner designed to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface coal mining operations so as to minimize to the extent practicable the adverse effects of water runoff from the permit area;

(D) if required, removing and disposing of siltation structures and retained silt from drainways in an environmentally safe manner;

(E) restoring to the maximum extent practicable recharge capacity of the aquifer at the minesite to premining conditions; and

(F) relocating surface and ground water in a manner consistent with the permittee's approved surface coal mining and reclamation plan.

(15) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for disposal of mine wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health and safety of the public in the event of failure, construct such facilities to achieve necessary stability with an adequate margin of safety to protect against failure, prevent leachate from polluting surface or ground water and prohibit fines, slimes, and other unsuitable coal processing wastes from being used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction in compacted layers with incombustible and impervious materials, and provide that the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice to local governments and advance notice to residents who would be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks of the planned blasting schedules and the posting of such schedules at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, and (iii) adverse impacts on any underground mine, and

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet of active underground mine workings in order to prevent breakthroughs;

(20) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside the permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or provide for their maintenance so as to control erosion and siltation of streams and adjacent lands; and

(21) fill auger holes to a depth of not less than three times the diameter with an impervious and noncombustible material.

(c) The following mining and reclamation performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (c) shall not apply to mining operations which create a plateau with no highwalls remaining in such a manner as to otherwise meet the standards of this section or those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep-slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that, where necessary, spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope, provided that the spoil is shaped and graded in such a way so as to prevent slides and minimize erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) For the purposes of this subsection, the term "steepslope" is any slope above twenty degrees or such other slope as the regulatory authority may determine to be necessary based upon soil, climate, and other characteristics of a region or State.

(d)(1) In cases where an industrial, commercial, agricultural, residential, recreational or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and in subsection 211(c)(1) of this Act, if the regulatory authority determines:

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be most effectively obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and subsection 211(c)(1) of this Act are granted;

(2) With respect to subsection 211(b)(12) and subsection 211(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception.

(3) All exceptions granted under the provisions of this subsection will be reviewed periodically by the regulatory authority to assure compliance with the terms of the approved schedule and reclamation plan.

(e) The Secretary may develop, promulgate, and revise, as may be appropriate, improved surface coal mining and reclamation performance standards for the protection of the environment and public health and safety. Such development and revision of improved surface coal mining and reclamation performance standards shall be based upon the latest available scientific data, the technical feasibility of the standards, and experience gained under this and other environmental protection statutes. The performance standards of subsections (b) and (c) of this section shall be applicable until superseded in whole or in part by improved surface coal mining and reclamation performance standards promulgated by the Secretary. No improved surface coal mining and reclamation performance standards promulgated under this subsection shall reduce the protection afforded the environment and the health and safety of the public below that provided by the performance standards contained in subsections (b) and (c) of this section. Improved surface coal mining and reclamation performance standards shall not be promulgated by the Secretary until he has followed the procedures specified in subsections (a), (b), and (c) of section 202 of this Act.

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of my substitute amendment be dispensed with, and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, since the gentlewoman from Hawaii has so kindly offered to improve her original language by the adoption of a number of my proposed amendments, or intended amendments, I think we should carry the process on to its logical conclusion, which is simply to take my language in toto.

I offer this amendment, which is a complete rewrite of section 211, which relates to the reclamation performance standards. It is among the most important sections of this entire bill.

Mr. Chairman, the principal differences between my amendment and section 211 as it now appears in the bill is with respect to the removal of words which may best be characterized as "absolutes." Section 211 of the bill currently is replete with such words as "prevent," "preserve," "insure," and "restore," which, in the context used imposes an impossible task upon the mine operators. My amendment would eliminate such "absolutes," but at the same time would require bona fide and maximum efforts practicable to achieve the environmental and reclamation performances standards.

My concern about the use of such "absolutes" is heightened by recent court decisions, specifically Sierra Club against Ruckelshaus, whereby the courts are tending to interpret such "absolutes" untempered, and thereby in the context of an "absolute." If such words are interpreted as recent court decisions indicate that they would be, H.R. 11500 would indeed become a prohibitory bill. I feel that the signals are clear that this would be the case and that the Nation cannot afford such a prohibition.

In addition, my amendment brings realism into the procedure in obtaining a variance from the backfilling and revegetation requirements in order to allow a different, but equal or better postmining use of the land. Under my amendment such proposed postmining use or development must first be approved by the regulatory authority and it must be deemed to constitute an equal or better economic or public use of the affected land as compared to the premining use. See specifically subsection (d) (1) (A).

The committee bill fails to provide for an agricultural postmining use or a recreational postmining use with respect to granting of a variance from the backfilling or revegetation requirements. My amendment would authorize such postmining use provided they were approved by the regulatory authority. Furthermore, the committee bill grants a variance for only three years from the date of the issuance of the permit unless the applicant has affirmatively demonstrated that a substantial portion of the proposed development is in the process of completion. As Mr. Jones of Oklahoma correctly pointed out in his supplemental views on pages 195 and 196 of the committee report:

> This makes the intended exception an illusion in most cases since the mining operation itself will usually not be completed in three years from date of the permit issuance.

Let me reiterate, my amendment will provide essentially the same environmental protection as the current language in section 211, that is, assuming the current language of section 211 is intended to permit surface mining of coal to continue under strict environmental regulations. Its primary purpose is to remove "absolutes" which can be construed in such a way as to prohibit coal surface mining. If, on the other hand, it is intended that the existing language of section 211 is to be construed as a "prohibition" of the surface mining of coal, which I believe it will be, then, of course, the two are not comparable. But, I do not believe that the Congress has made such a decision nor would it knowingly make a decision so as to prohibit further surface mining and thereby forego one-half or more of the Nation's coal production—particularly at this time of the energy shortage.

Mr. Chairman, I urge the adoption of my amendment.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am compelled to rise on this amendment offered by the gentlewoman from Hawaii because I think it points up 100 percent precisely and exactly what we said at the outset when we began discussion of this bill some 4 days ago, if the Members' memories are accustomed to going back that far. It seems as though we have been on it for 2 years.

Mr. Hosmer, the gentleman from California, has had a number of comments made about his "dilatory and delaying tactics." If this is not a dilatory and delaying tactic, I do not know what it is.

At the outset of the debate on this bill this House was informed by the cosponsors of the legislation that we had spent almost a year and a half in perfecting this bill and that only a few minor amendments would be necessary to bring it into line to make it "the perfect bill." Mr. Hosmer has stood on this floor for almost 4 days trying to point out to the Members the deficiencies and the imperfections of this bill, and why it ought to go back to committee because it really is not ready for floor action or we would not have been debating it for 4 days.

The way we are going along on this bill, I rather suspect that by next Monday or Tuesday we might be able to take a final vote on the bill. However, I really have no way of knowing.

The gentlewoman from Hawaii offers this tiny, little amendment to this bill, 16 pages of amendment, that not one of us has had an opportunity to read, other than perhaps Mr. Hosmer, if he can study fast. None of us sitting on the committee have had an opportunity to read this amendment in its detail, so it is obvious that most of us could not attempt to determine what we do not agree with because we have not seen it.

I offered—and in no way a frivolous manner—a unanimous-consent request to give the gentlewoman from Hawaii an additional 11 minutes so she would have at least a minute per page to explain her amendment. She objected. Why did she object? Did she object because she could not explain the amendment or did she object because she did not want us to know what is in it?

I submit if Members are at all interested that this is the crux of the whole debate on this bill. The bill is incredibly bad. It is poorly written and it is in no way, shape, or form ready for deliberation on this floor, and I guarantee those individuals who are not on this floor and many of us who are do not know what we will be voting for when we vote for the Mink amendment, and we really do not know what we will be voting for when we vote on this terrible bill.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have two fairly significant amendments which I plan to offer to section 211, one which has to do with toxic materials and one which has to do with coal waste dams such as the dam that burst at Buffalo Creek on February 26, 1972, which resulted in 125 people being killed or missing.

I heard the gentlewoman from Hawaii indicate she had accepted some seven of the Hosmer amendments. I would like to direct a question to both the gentlewoman from Hawaii and to the gentleman from California. I will start with the gentleman from California.

Will the gentleman from California indicate to me how many of the amendments which I have proposed and have inserted in the Record he has included in his substitute?

Mr. HOSMER. Mr. Chairman, if the gentleman will yield, I have no idea how many of his amendments may be in my substitute, but I would estimate it would be practically none.

Mr. HECHLER of West Virginia. Mr. Chairman, I appreciate the analysis and assessment which was very carefully made by the gentleman from California.

I would like now to direct a question to the gentlewoman from Hawaii. In view of the fact that both in the subcommittee and in the full committee on markup, as has been brought out on the floor, a large number of compromises were made, all of which involved compromises weakening the original language of the bill, and in view of the fact now seven of the Hosmer-sponsored amendments have been incorporated into the Mink amendment, I wonder if the gentlewoman from Hawaii has considered the possibility of including any strengthening amendments whatsoever in her amendment?

Mrs. MINK. Mr. Chairman, if the gentleman will yield for a response, the substitute which I offered to section 211 contained an incorporation of the Hosmer amendments which were agreed to in section 201 in yesterday's deliberations. We have not taken any additional Hosmer amendments. If I might review them again, they were Nos. 26, 27, 28, 22, and 24. In addition, in several of the instances they were repeated in the Congressional Record and can also be cited as amendments Nos. 80, 81, 82, 83, 84, and 85.

The only other amendments which were considered had to do with the anthracite mining problems, which related to the blasting provision and the 500 feet restriction against mining near an abandoned mine. The one additional one which was also agreed to occurred in the debate yesterday on section 201, and is referred to as the Slack amendment dealing with the mountaintop mining.

I did not include any other amendments. The acceptance of the amendments yesterday in section 201 by and large were not in my view weakening amendments, so I do not see the gentleman's argument that because we took the Hosmer amendments they must be weakening the bill and because we did that we should counterbalance them with strengthening amendments. My view of the amendments agreed to yesterday were that they merely clarified what we believe to be already the language and intent of the bill in each instance. For example, with regard to segregation of the topsoil, it was not our intention to require segregation of the topsoil if the operator could move it immediately and handle it properly in one step. Certainly it was not my intention to weaken the bill one iota in any regard.

Mr. HECHLER of West Virginia. I thank the gentlewoman from Hawaii for her explanation. Of course, the point still remains that this bill is the result of many compromises in the subcommittee and the committee, all of which seem to lean in the direction of the coal industry, and none seem to lean in the direction of protecting the land and the people.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. Yes, gladly.

Mr. HOSMER. I think the gentleman has erroneously stated the word compromise. They were not compromises in the true sense of the term. They were compromises between the extremists and the environmentalists themselves. They were not compromises between the environmentalists and the rest of the people, so that we could continue to surface mine coal in this country. If we had engaged in the true art of compromise, we could have got this legislation enacted in the House in a reasonable time.

Mr. HECHLER of West Virginia. I would like to ask a question of the gentleman from Arizona. I would like to offer as a noncommittee member two amendments to section 211 dealing with coal waste dams and prevention of water pollution without going through the subterfuge as we did yesterday of getting a committee member to offer amendments and then yielding to the other member really sponsoring the amendments. I hope that if and when a time limit is imposed, I will have the chance to offer my amendments.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Hechler of West Virginia was allowed to proceed for an additional 15 seconds.)

Mr. HECHLER of West Virginia. Mr. Chairman, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, let me say to the gentleman, I had hoped when he got up, I had wanted the Chair to recognize him to offer his amendment. It is not our purpose to head off anyone, committee or noncommittee member, from offering amendments to section 211.

Mr. HECHLER of West Virginia. Well, I wanted to offer them to the Hosmer substitute and, as I understand, they might go down with the Hosmer substitute.

Mr. UDALL. I would hope the gentleman would seek recognition of his own.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HECHLER of West Virginia. If I were to offer an amendment to the Hosmer substitute it would then go down if the Hosmer substitute were defeated? As I understand the parliamentary situation, it would not be in order for me to offer amendments at this point to the Mink amendment.

The CHAIRMAN. Amendments to both the Mink amendment and to the Hosmer substitute are in order.

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the Mink amendment.

PARLIAMENTARY INQUIRY

Mr. HOSMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOSMER. Did the Chairman say that amendments to either the pending substitute or the original Mink amendment are in order at this time?

The CHAIRMAN. That is correct.

Mr. HOSMER. On both, not simultaneously?

The CHAIRMAN. One at a time.

Mr. HOSMER. But could the same amendment be offered to the Hosmer substitute, as well as the Mink substitute?

The CHAIRMAN. One could be offered and then the other.

Mr. HOSMER. They could be offered simultaneously at the same time?

The CHAIRMAN. They could be pending simultaneously.

Mr. HECHLER of West Virginia. A further parliamentary inquiry, Mr. Chairman. Just to make sure my rights are protected, if I should offer this amendment at the present time to the Mink amendment, it would then be voted on after the Hosmer substitute is disposed of; is that correct?

The CHAIRMAN. The amendment to the Mink amendment would be voted on first.

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the Mink amendment.

POINT OF ORDER

Mr. HOSMER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HOSMER. Mr. Chairman, I make a point of order that there are no amendments in order at this moment, except to the substitute that I have offered. The amendments to the Mink amendment are not in order at this moment until the Hosmer amendment is disposed of.

The CHAIRMAN. The Chair overrules that point of order. Amendments are in order one at a time to the Mink amendment.

Mr. HOSMER. I have a substitute for the Mink amendment pending, Mr. Chairman.

The CHAIRMAN. Under the rule XIX, perfecting amendments to the Mink amendment are still in order.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Hechler of West Virginia to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: Page 3, line 16, strike all through line 20 inclusive and insert therein the following:
>
> "(7) segregate materials constituting a fire hazard, toxic materials and those acidic, alkaline, and saline materials which are toxic when uncovered during excavation or created in connection with the mining operation and promptly bury, cover, compact and isolate such materials during the mining and reclamation process to prevent contact with ground water systems and to prevent leaching and pollution of surface and subsurface waters;"

Mr. HECHLER of West Virginia. Mr. Chairman, this amendment would restore the very excellent language which was stricken from the bill in full committee. I would point out to my Pennsylvania friends that this requirement is at present a requirement that is part of the Pennsylvania strip mining law, after which much of this bill is modeled.

The language would require that operators must bury, compact, and isolate toxic materials to prevent water pollution and acid drainage. The present language in the Mink amendment, in section 211, merely requires that operators treat or dispose of toxic materials.

Numerous research studies, and particularly a recent study by Mathematica, Inc. for the Appalachian Regional Commission, which covered eastern Kentucky strip mining techniques, include suggestions for means to reduce water pollution caused by strip mining. The study entitled "Design of Surface Mining Systems in Eastern Kentucky" includes this comment:

> Further reductions in chemical pollution are possible by means of . . . more rapid burial of acid overburden materials, . . . deeper burial of acid materials . . . and compacting of backfilled and graded spoil.

The problem of acid drainage and leaching of toxic materials continues to be a major problem of reclamation in the Midwest and throughout Appalachia. This standard also will help reduce the chemical pollution in these areas.

In the West, in the Great Plains area, we have a much different problem than acid pollution, of course, but the problem is sodic or saline drainage rather than acid drainage in Western States. However, it is an equally serious, if not more serious, problem as pointed out in a very exhaustive study by the National Academy of Sciences on the problems of reclamation in the Western States.

This standard of burial, compact, and isolation of toxic materials will greatly reduce water pollution problems of western reclamation. I would hope that the Committee, since it has seen fit to accept a number of suggestions from the other side, might very seriously consider the possibility of accepting this amendment.

Mr. UDALL. Mr. Chairman, on this side we are prepared to accept the amendment of the gentleman from West Virginia. It illustrates the problems the committee had throughout the course of this very complicated bill. Personally, I can live with either the present committee provision, subsection 7, page 3, of the Mink amendment, or the Hechler of West Virginia amendment, which relates to the same subject.

The importance of the Hechler of West Virginia amendment is that it requires segregation of the materials—segregate out the acid subsoil from topsoil, et cetera. It is handled in such a way that it provides that there is no damage to the ground water or surface water, and this is important.

I think the same result, essentially, is achieved by the present amendment in the bill where we simply require that all debris, acid or highly mineralized toxic materials or materials, and so forth, are treated or disposed of. "Segregation" is a little tighter provision, but, as the gentleman from West Virginia points out, this identical kind of provision is in the law now in Pennsylvania, West Virginia, and Kentucky.

I see no harm in strengthening it. I think perhaps we will preserve a little better balance of section 211 if we have this provision here. It was in the original committee bill, but, when we reached it in full committee, there was extended debate and it was lost on a close vote. I think the result is basically the same. The Hechler of West Virginia amendment is a little tighter, and I would prefer it.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the Hechler of West Virginia amendment.

Mr. Chairman, we have, roughly, three ways before us of handling this particular problem as outlined by the subsection in the Mink substitute. It is provided that "Insure that all debris, acid and high mineral toxics, and so forth, are treated or disposed of in a manner designed to prevent contamination to ground surface water."

Instead of the word "insure" in my substitute, the language is, "Provided that all debris," and so forth—a little less absolute.

In the Hechler substitute we are going all the way over to the extreme here and making it a violation of a permit which will lose a man his permit automatically if he does not segregate materials constituting inflammable, toxic materials, and those acidic, alkaline, and saline materials which are toxic when uncovered during excavation.

No one is going to know, for the most part, whether they are toxic when uncovered, whether they are acidic, or whether they are alkaline or whether they are neutral. The gentleman ought to put "neutral" in there, too.

This provision is a real trap. A man will invest or could invest millions of dollars in a mine, and yet because of some unforeseen event such as some kind of material being uncovered during excavation which is toxic or flammable and of the acidic or of the alkaline category, he totally loses his investment.

With that kind of language in this bill, we can be certain that nobody is going to get the money to build a mine, in the first place, because no one can find a banker in this country who is idiotic enough to give a man a cent of money when absolute requirements like this, which will put a man in bankruptcy overnight, are continued and put in a bill.

That is one of the reasons I spent all this time up here, Mr. Chairman, offering amendments and fighting this bill.

Everybody knows, and it is undisputed, that H.R. 11500, in whatever form it is, except the form that I had tried to offer the other day, will cause the loss of production of coal in this Nation. The amount of loss is the only thing that is in doubt, but believe me, it is a loss. This bill will be equivalent to the energy loss that was caused by the Arab embargo last year.

This year, in the first quarter of 1974 and the second quarter of 1974, the economy of this Nation is in serious condition because of that energy loss. The Speaker of the House was on the floor just the other day making an impassioned speech about the condition of the economy.

Let me tell the Members, if they pass this H.R. 11500, they probably will not even be able to get to the floor in 1975 after it takes effect and cuts off energy, to make a speech about anything because the fabric of this Nation will be collapsing; and because some people, some environmental zealots, want to write a bill that is so tough that it will cut off the opportunity to get at the resources this counry needs to sustain itself as a viable technological power-dependent society.

I may gain the anger of a lot of the Members by my persisting in discussing this situation; but believe me, I think it is time that somebody stayed on the floor and discussed it to insure that the Members understand what they are facing and that something is done to protect this country from an economic recession and disaster.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

I would like to ask the gentleman who offered the amendment, my distinguished colleague from West Virginia, whether it is possible to carry out the intent of his amendment and actually segregate materials so as to prevent any contact with groundwater systems.

In the bill that we have before us, we talk about the placement of debris, acid, and highly mineralized toxic material so as to prevent contamination of ground or surface water.

I personally understand the need to prevent any of these materials contaminating ground water systems. I question whether we can get to such an absolute point that we can assure these materials have no contact, much less a contaminating influence, whatsoever with any ground water systems. Is that not an absolutist type of approach which is nigh onto impossible to achieve in practice?

Mr. HECHLER of West Virginia. No. Mr. Chairman, if the gentleman will yield, I would say that this is not an absolutist approach. I advise the gentleman from Michigan that the very clear language of this amendment refers to ground water "systems" rather than ground water.

I call the attention of the gentleman from Michigan to the fact that the word, "system," involves the entire drainage area. This does not do what the gentleman from Michigan is afraid of, because it merely prevents the leaching and the pollution of surface and subsurface water by contact with the general system, which is a broad word.

Mr. RUPPE. Mr. Chairman, would the gentleman say the general system covers all ground water area in that region, and, if it is, then under the direction of the bill, they are required to segregate materials to be removed entirely from the area and away from not only any water system, but any drainage system or any aquifer in that area?

Mr. HECHLER of West Virginia. Mr. Chairman, may I advise the gentleman that it is only the capability of the aquifer to conduct water throughout this area which constitutes part of the ground water system, and as such the interpretation of the word, "system," is a very broad interpretation.

It is not the ground water itself; it is the means of transmission of this ground water through the aquifer and through the system. Therefore, I do not think it would provide the kind of prohibitive contact which the gentleman from Michigan is afraid of.

Mr. RUPPE. Mr. Chairman, I thank the gentleman.

Mr. RONCALIO of Wyoming. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, regardless of whether the amendment is adopted or the substitute is adopted, I think some material should be put in the record of these debates in order to make legislative history on the bill we are writing.

The question can be asked: To what extent would the provisions of this matter now before us require restoration of the recharge capacity of the minesite and, preserving the hydrologic integrity of the alluvial valley floors during mining and reclamation, prevent or prohibit mining in most of the Western States?

I think the answer is that these provisions are not intended to prohibit mining where the general hydrologic balance of the area will not be permanently disturbed. As stated in the committee report, "The total prevention of adverse hydrologic effects from mining is impossible and thus the bill sets attainable standards to protect the hydrologic balance of impacted areas within the limits of feasibility."

Mr. Chairman, that is found on page 95.

In addition, it is recognized that the actual operating area of the mine is necessarily dewatered. The operator must take such measures as are necessary to minimize, not prevent, the disturbance to the hydrologic balance in surrounding areas.

In Wyoming, near Gillette, we have a mine called the Bell Ayr Mine. It is an operating surface coal mine which is partially located in an alluvial valley floor.

I believe no language contained in these amendments should be interpreted to prohibit the continued operation of that mine or any other mines similarly situated. Each permit application should be evaluated on an individual basis, and if it is determined by the regulatory authority that the mining operation will not adversely and permanently affect the quantity and quality of ground and surface waters in that area, mining should be allowed to proceed.

Mr. Chairman, it is not realistic to require what is physically impossible. In most cases it will not be possible to literally restore the recharge capacity of the minesite.

We went through these matters in committee in great detail.

The coal seam acts as the primary aquifer and the recharge capability may be different after it is mined. Indeed, the committee report recognizes that: "It is anticipated that in those mining operations which singularly or in combination would mine or seriously affect large aquifers, mining should be predicated on the ability of the operator to replace, to the extent possible, the ground water storage and recharge capability of the site by selective spoil material segregation and handling."

That is found on page 100 of the committee report.

However, the hydrologic balance of the surrounding area should be maintained.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

Mr. HOSMER. Mr. Chairman, on that I ask for a division, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-nine Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 15, noes 35.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. KAZEN TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KAZEN. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. KAZEN to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: Amend the Mink amendment on page 13 by striking out subsection (c) (4) of section 211 on lines 15 and 16 and renumber the following subsections accordingly.

Mr. KAZEN. Mr. Chairman, this is a very simple amendment. The section that I seek to strike says that no permit for a mining operation shall be issued for a period of time in excess of 2 years. Elsewhere in the general provisions of the bill and in the Senate version there is a permit time allowed of not to exceed 5 years. It is, in my opinion, pretty hard for a mining operation to be going full blast and then in a period not exceeding 2 years to have to come in and ask for another permit. This is going to disrupt a great many mining operations in this country.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Mr. Chairman, I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I thank the gentleman from Texas for yielding.

Mr. Chairman, this amendment, just as the gentleman from Texas has pointed out, strikes out the lines in this bill which are actually located on page 196 of the bill and also described as being on page 13 of the Mink amendment, so this is an amendment to the Mink substitute.

The purpose of this amendment is to make this permit uniform throughout the act. I understand there are several on the committee who felt that this 2-year permit was sufficient for the Appalachian area and for the rest of the country 5 years would be sufficient. I feel we should adopt the 5-year permit simply by striking the special 2-year provision out which applies to Appalachia only.

I might say that is in the law and it should stay in the law and it will not change any environmental requirements whatsoever or change any requirement. They have to meet the requirements of the law. They have to stay within the law. It is not going to lessen or weaken any requirements, but it will simply mean the little man will not have to be coming in every 2 years to get a permit and will not have to hire a lawyer every 2 years and go through all the procedure of getting a new permit.

I see no reason for us to try to outdo the Senate. As the gentleman pointed out, the Senate bill has passed, and I understand it is a very strong environmental bill and it provides for 5 years. So let us make this bill authorize permits for 5 years. It will save argument in the conference committee. It will be fair to Appalachia because we are not reducing any requirements. They will have to meet the requirements whether the period is 2 years or 5 years. It simply means they do not have to come in and go through all the expense and difficulty if we require it every 2 years as provided in the Mink substitute as well as the committee bill.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to commend the gentleman for offering this amendment. It is a good amendment. It will certainly help this bad bill. I commend the gentleman for offering it.

Mr. KAZEN. I thank the gentleman.

In closing let me reiterate what the gentleman from Alabama said. I am not touching the performance standards in any way. They will still have to comply with every single requirement in this bill. The only thing this amendment affects is the requirement for the two-year permit. This would strike the 2-year requirement and put it under the general requirements of the bill, where a permit can be obtained for not to exceed 5 years.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, I thank the gentleman for yielding and I compliment my colleague from Texas for offering this amendment.

Also I would point out that the 2-year provision would cause difficulty in financing for some of the operators. It would be very difficult for the operator to get financing when he can be assured of only 2 years.

I thank the gentleman for offering this amendment.

Mr. KAZEN. I thank the gentleman from Texas for his contribution.

There are many other reasons why the term of permit provision should be equal for all under the law.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

There is no magic in the number of years a permit will run. The committee debated this at some length. Some wanted longer permits of 8 or 10 years. Some wanted annual permits.

We made a compromise. The compromise was that in the rolling surfaces, the flat surfaces of the West and Midwest, we would have 5-year permits; but in those areas where there are steep slopes, such as in parts of Appalachia, that is where most of the hazards and abuses are, we wanted to keep a little tighter control. Therefore, in areas with 20-degree slopes and above, the permits would be renewed every two years.

Let me say that in Appalachia and in each of the Appalachian States there is a 1-year permit right now, so we are, in effect, doubling the permissible permits in those areas. I realize there is some difficulty in renewing applications every 2 years, as against 5. As an Arizona practicing lawyer, I had to renew my license every year; broadcasters every 3 years and so on.

I think the committee compromised this and the committee position is fair.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Michigan.

Mr. RUPPE. I would like to point out that every 2 years it is not necessary to have to make out a new permit for mining permits. The initial permit carries a renewal with it subject to renewal regulations; but not all the paperwork has to be done every 2 years.

The gentleman is quite correct that in the Appalachian areas there are 1-year permits; so the idea of having a 2-year permit for a steep slope is not such an onerous provision.

I would like to point out as far as financing is concerned, we passed an amendment the other day, generally at the behest of the gas industry, that would provide for automatic renewals and make it easier to get those permit renewals or extensions. They were very satisfied with that particular amendment that the committee accepted so that they would not have difficulty getting the long-term financing necessary for shale and the other materials in the West.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment.

I know this House bled the other day for the gasoline people who were operating under 5-year permits. These poor people who operate under 2-year permits will be forced into bankruptcy by this 2-year provision. It only applies to the miners up on the steep slopes, the miners that the gentleman from Arizona and the gentlewoman from Hawaii are going to make mine by a new method. Those miners will have to use the block cut and buy a lot of new equipment in order to mine by the prescribed technique. If they cannot get their permits for 2 years, they cannot get new equipment, and the mines will be shut down.

What I have been trying to convey to the membership is that that is exactly what this legislation is trying to do. In this bill are provisions so onerous that permits will not be granted or applicants for permits will not even make an attempt to apply since they will not be able to borrow in order to pay for the requisite new equipment. That is the sad thing about this deceptive piece of legislation before us. It comes in under the guise of an attempt to regulate surface mining. What it actually turns out to be is a vehicle not to regulate, but to abolish surface mining, particularly in the steep slope area, and to deprive this country of the product of those mines. Although it is possible to surface mine and still reclaim the land, these green bigot brigade people simply will not live and let live. They have got to have everything their way, even if the rest of the country must freeze in the dark. I guarantee that is what will happen. We simply cannot cut off the supply of energy of a Nation that is built upon the use of energy and return the same kind of national society.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I cannot understand the gentleman's argument if he has risen to oppose the amendment.

Mr. HOSMER. Mr. Chairman, I am opposing the amendment because unless we go to the five-year permit and get rid of this 2-year permit Mickey Mouse environmentalist stuff, we are not going to be able to dig on steep slopes because no one is going to be able to get the equipment financed to do it.

Although I am in support of the gentleman's amendment, in strong support of the gentleman's amendment, I would say that if the gentleman's amendment does not carry, it will just be another reason on top of all those that are already present to have this bill vetoed when it goes downtown. And believe me, it will be.

Mr. KAZEN. In other words, the gentleman is in favor of my amendment.

Mr. HOSMER. I am strongly in favor of it.

Mr. KAZEN. The gentleman said at the beginning that he rose in opposition to my amendment.

Mr. HOSMER. Mr. Chairman, I apologize and wish to revise my words to indicate that I am in strong support of the gentleman's amendment. It was a misstatement.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, our distinguished colleague from Minnesota mentioned that it is more or less a formality of renewing this permit, but he did, of course, point out that a hearing is required. This means that the little operator has to come in and have a hearing every 2 years to get his permit renewed; is that correct?

Mr. HOSMER. That is right. It is about the same kind of formality as sticking your head in a guillotine.

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think there is some question as to what the administration position might be on this particular legislation, or on the amendment. Let me say that I have no recollection—and I offered some 35 amendments on behalf of the administration, 34 of which were accepted by the committee—that the administration ever asked or pressured me or anyone else on the committee in opposition to a 2-year permit and for a 5-year permit, nor do I ever recall the administration or the Interior Department suggesting any veto or any vehement opposition to the bill if the 2-year permit provision in the bill was not deleted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The question was taken.

RECORDED VOTE

Mr. BEVILL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

RECORDED VOTE

The vote was taken by electronic device, and there were—ayes 213, noes 193, not voting 28, as follows:

[Roll No. 400]

AYES—213

Abdnor
Alexander
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bauman
Beard
Bell
Bevill
Biaggi
Blackburn
Blatnik
Boggs
Bowen
Bray
Breaux
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Froehlich
Fuqua
Gettys
Gilman
Ginn
Goldwater
Gonzalez
Gray
Green, Oreg.
Gross
Gubser
Guyer
Hammerschmidt
Hanrahan
Hastings
Hébert
Henderson
Hillis
Hinshaw
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kazen
Kemp
Ketchum
King
Kuykendall
Landgrebe
Landrum
Latta
Litton
Long, La.
Lott
Lujan
Luken
McClory
McCollister
McCormack
McEwen
McKay
McSpadden
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Michel
Milford
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Myers
Natcher
Nelsen
O'Brien
Parris
Passman
Patten
Perkins
Pettis
Pickle
Poage
Powell, Ohio
Price, Tex.
Quie
Quillen
Railsback
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Roncalio, Wyo.
Rousselot
Runnels
Ruth
Sandman
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Ullman
Veysey
Waggonner
Wampler
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wyman
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—193

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Ashley
Aspin
Badillo
Bafalis
Barrett
Bennett
Bergland
Biester
Bingham
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Clark
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Dellenback
Dellums
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Fish
Flood
Ford
Fraser
Frey
Gaydos
Giaimo
Gibbons
Goodling
Grasso
Green, Pa.
Griffiths
Grover
Gude
Haley
Hamilton
Hanley
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Horton
Howard
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Lagomarsino
Leggett
Lehman
Lent
Long, Md.
McCloskey
McDade
McFall
McKinney
Macdonald
Madden
Madigan
Maraziti
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Obey
O'Hara
Owens
Patman
Pepper
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush

Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shuster
Sisk
Smith, Iowa
Stanton,
James V.
Stark
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Thompson, N.J.
Tiernan
Traxler
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Ware
Whalen
Wilson,
Charles H.,
Calif.
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki

NOT VOTING—28

Baker
Brasco
Carey, N.Y.
Chisholm
Clay
Davis, Ga.
Dennis
Dorn
Fisher
Frelinghuysen
Fulton
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hogan
Holifield
Jones, Tenn.
Mills
Nichols
O'Neill
Reid
Rooney, N.Y.
Rostenkowski
Symington
Treen
Wilson, Bob

So the amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STEIGER OF ARIZONA TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. STEIGER of Arizona. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Arizona to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 8, line 7 of the Mink amendment strike out subclauses (A) through (F) and insert in lieu thereof the following:

(A) avoiding acid or other toxic mine drainage to the extent practicable by preventing, retaining, or treating drainage to reduce mineral content which adversely affects downstream water uses when it is released to water courses;

(B) casing, sealing, or otherwise managing boreholes, shafts, and wells in a manner designed to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface mining operations so as to minimize to the extent practicable the adverse effects of water runoff from the permit area;

(D) if required, removing and disposing of siltation structures and retained silt from drainways in an evironmentally safe manner;

(E) restoring to the maximum extent practicable recharge capacity of the aquifer at the minesite premining conditions; and

(F) relocating surface and ground water in a manner consistent with the permittee's approved mining and reclamation plan.

Mr. STEIGER of Arizona. Mr. Chairman, for those Members who are not familiar with this legislation, this amendment basically removes some of the absolutes in the language in the legislation, absolutes such as words like "prevent," "restore," et cetera, that are felt by many to be not confusing but the basis for litigation that could actually prevent mining, particularly in the West, since we are dealing with the return of hydrological values following the mining activity. All we are doing in this amendment is to qualify the verbiage so that "absolute" reads "to the maximum extent possible"; "prevention" reads under this language again "to the maximum extent practicable." In effect we are not trying to avoid the restoration; what we are trying to do is avoid unnecessary litigation.

I will at least state for the record that this bill offers on virtually every page a golden opportunity for the capricious to stop mining, surface mining, by means of litigation. It would seem to me that in equity if what we are trying to do in this section is to make possible the restoration of the hydrologic balance as close to the original condition as possible, then we will have no problem with this particular language.

I would ask that my good friend, the gentleman from Arizona (Mr. UDALL), engage me in colloquy for the purpose of establishing for the record legislative intent with a rather narrow base, if the gentleman would respond.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman, and ask him a question.

To what extent will the provision in paragraph 211(b)(14) requiring restoration of the recharge capacity of the minesite and preserving the hydrologic integrity of alluvial valley floors during mining and reclamation prevent or prohibit mining in the West?

Mr. UDALL. It is difficult to make such an assessment at this time. There are some areas and situations where mining substantially disrupts hydrology of the area affected. Examples of such disruption are included in the Committee Report, pages 95–102. The hydrologic protection provisions of the bill are also explained in the report. These provisions are not intended to prohibit mining where the hydrologic balance of the area will not be substantially disturbed. The basic standard in the bill is to "minimize the disturbance to the prevailing hydrologic balance at the mine site and in associated off-site areas." As stated in the committee report:

> The total prevention of adverse hydrologic effects from mining is impossible and thus the bill sets attainable standards to protect the hydrologic balance of impacted areas within the limits of feasibility. For most critical areas, uncertain fragile hydrologic settings, the bill specifies standards which are imperative to begin to assure that adverse impacts to the hydrologic balance are not irreparable. It is not intended by such minimum standards that these measures will be considered wholly sufficient to meet the objectives of "minimizing the disturbance to the prevailing hydrologic balance". It is anticipated that the State regulatory authorities will strengthen such provisions and require whatever additional measures are necessary to meet local conditions.

In addition, the report goes on to recognize the actual operating area of the mine is necessarily dewatered. The operator must take such measures as are necessary to minimize the disturbance to the hydrologic balance in surrounding areas.

The Bell Ayr Mine just south of Gillette, Wyo., is an operating surface coal mine which may be located in what some consider an alluvial valley floor. It is not intended that the provisions of this bill be interpreted to prohibit the continued operation of the Bell Ayr Mine.

Each permit application must be evaluated on an individual basis and if the application demonstrates and the regulatory authority finds the mining operation will not adversely affect or permanently affect the quantity and quality of ground and surface waters in the area and the overall hydrologic balance is maintained, mining should proceed providing that other provisions of the act and approved State program are met.

With respect to the provision pertaining to recharge capacity, it is recognized that in most cases, it will not be possible to literally "restore" the recharge capacity of the minesite to the pre-mining condition. The coal seam acts as the primary aquifer and the recharge capability may be different after it is mined. Indeed, the committee report recognizes that "it is anticipated that in those mining operations which singularly or in combination would mine or seriously affect large aquifers, mining should be predicated on the ability of the operator to replace to the extent possible the ground water storage and recharge capability of the site by selective spoil material segregation and handling."—page 100. However, the hydrologic balance of the minesite and surrounding area should be maintained.

Similarly, it would be impossible to "preserve" the hydrologic integrity of the mine pit and immediate areas of operation during mining and reclamation—see, page 95 of the report for a discussion on this point. The operator should restore the hydrologic balance after mining as part of reclamation of the minesite as the site of mining activities moves through the long-term mine area.

Mr. STEIGER of Arizona. I will tell my good friend, the gentleman from Arizona, that in light of his request it is my understanding that the provisions of both the bill as it is now written and the intention of my amendment—but particularly the bill as it is now written—are not to preclude mining in the West where the hydrology is going to be disturbed. Is that a fair summation?

Mr. UDALL. If the gentleman will yield on that point, Mr. Chairman, I want to make it clear that I oppose the gentleman's amendment.

Mr. STEIGER of Arizona. I understand that.

Mr. UDALL. I will have something further to say about it, but I will respond to your question.

I think some in industry have taken the view, and I think it is an unduly alarmed view of this thing, that in existing mines, such as the gentleman from Wyoming (Mr. RONCALIO) spoke about on the floor earlier this afternoon, the hydrology provision in the Mink amendment would close down such an ongoing mine. That is not the case. Her amendment talks in terms of minimizing the hydrologic disturbance and similar standards.

In our colloquy I have discussed in rather precise detail the impact in the bill of her amendment and it is clear that it is not her view of my intention that the language of the bill or her amendment result in closing down ongoing operations of that sort.

Mr. STEIGER of Arizona. I thank the gentleman from Arizona.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, would the gentleman tell me how many times the phrases "to the extent practicable" or "to the maximum extent possible" appear in his amendment?

Mr. STEIGER of Arizona. I am happy to tell the gentleman that this may be the only quantitative specific that will come out of this entire debate. It is in one, two, three—and there is another comparable phrase, "in a manner consistent with" which I suspect the gentleman would like to include in whatever vicious attack he is going to make on this very logical amendment. I would say a total of four qualifications.

Mr. HECHLER of West Virginia. If the gentleman will yield further, I appreciate his including that third category, because these are all gaping loopholes, I am sure the gentleman realizes, which he is driving into this legislation.

Mr. STEIGER of Arizona. I would tell the gentleman—and I know he and I have very real differences on this—that I do not view that in that way, and I know the people who are in this vicious and vile industry today we are so fond of condemning do not view it in that way, and I know the gentleman feels and honestly believes they are attempting to evade their responsibilities, but I will tell the gentleman I think what they are trying to avoid is undue litigation.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

(By unanimous consent, Mr. STEIGER of Arizona was allowed to proceed for 2 additional minutes.)

Mr. STEIGER of Arizona. Mr. Chairman, I think this is important, and I would like to tell the gentleman it is my view that this particular amendment at any rate is not designed to provide some loophole for industry to escape but rather it is based on the experience of industry in the recent past and their desire to avoid litigation where it is impossible to comply with a requirement if the language is interpreted to its complete definition. "Prevent" means just that, "prevent." Clearly what we mean as legislators is prevent within the state of the art, but "prevent" to the aggressive litigant means an absolute, and that is the only qualification as far as we are concerned.

I would also say I do not share the concern that industry is somehow going to destroy the intent of this bill. If we ignore industry on this matter I think we are being as blind as if we let the green bigot brigade write this bill and then we would have no coal, and I do not think that is the intention of this bill.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I would like to ask a question with respect to States such as mine and with respect to water rights and the adjudication of water rights. I am constrained to oppose the gentleman's amendment because among other things in his subsection (F) he provides "relocating surface and ground water in a manner consistent with the permittee's approved mining and reclamation plan," but in a State such as mine, if the permittee did submit a plan which did affect adjudicated water rights in the State, it is likely the gentleman's amendment would cause problems of the most serious proportion.

Mr. STEIGER of Arizona. Mr. Chairman, in my judgment this would not supersede any State water rights. I realize the gentleman's concern. I recognize that and it is my conviction this would have to conform to any State water right law.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Arizona would completely nullify the protections which we sought to incorprate in our bill, particularly for the mining operations that very soon will encompass vast acreages in the West. We recognize that it is not possible in every instance to prevent disturbances to the hydrology of an area if mining is to be undertaken; so we very carefully used the world "minimize" the disturbances. In order to achieve such minimization of disturbances, we outlined rather specific language of practices that should be avoided in mining practices. I think that the list we provided in our bill under subsection (a) are very crucial to the effective reclamation activities in the West and to the safeguarding of land in this area so it can be productive for agricultural uses in the future.

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I endorse the remarks of the gentlewoman from Hawaii and add two things. One, in the West, water is crucial. The National Academy of Sciences did a very important study out there and warned of the severe consequences that can follow from large surface mining operations in the West unless we are extremely careful.

Second, the provision offered by the gentleman from Arizona (Mr. STEIGER) was debated in the committee. It was included in the substitute of the gentleman from California (Mr. HOSMER) that the House defeated the other day.

I think we have a strong and balanced provision in the committee bill and in the amendment of the gentlewoman from Hawaii (Mrs. MINK) that ought to be retained.

Mrs. MINK. Mr. Chairman, I urge we vote down the amendment of the gentleman from Arizona.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to congratulate the gentleman from Arizona (Mr. STEIGER) who offered this amendment, because it is an amendment that makes sense when there is such a dearth of sense in the entire bill that is before us. I want to state categorically it will not, as claimed by the gentlewoman from Hawaii, nullify the protections of the environment that are provided for in this act. That is a lot of poppycock. The protections to the environment in this act are overprotections that make it impossible to obtain the energy that we need to run the country.

Now, Mr. Chairman, the amendment offered by the gentleman from Arizona (Mr. STEIGER) substitutes new language requiring the operator to rehabilitate the recharge capacity of the mine site to the maximum extent practicable to premining conditions. The second part of my amendment substitutes new language requiring the operator to "protect" throughout the mining and reclamation process the hydrologic balance of alluvial valley floors off the minesite in arid and semiarid areas. Both of these amendments are designed to avoid the use of "absolutes." The concern here is that absolutes are unattainable, in fact, and if requirements in the legislative language of the bill provide for absolutes, recent court decisions make it clear that the courts will indeed interpret them in their strict meaning. I am confident that the effect will not be different from what is anticipated in the language of the report, but since the report language cannot alter the clear meaning of statutory language the courts are likely to construe such language strictly. This could cause an enforcement beyond what was intended by the committee.

Rehabilitating the recharge capacity of an aquifer to the maximum extent practicable to premining conditions is all that can be sensibly required of an operator. This is not to say that a "lick and a promise" would be contemplated or authorized by such language, it would require a maximum practical effort. Equally, substitution of the word "protecting" as it relates to alluvial valley floors, is a sensible and reasonable substitution for the current requirement of the bill, which requires the "preservation" of the hydrologic integrity of the alluvial valley floors throughout the mining and reclamation process.

My substitute will afford adequate environmental protection to the recharge capacity and to alluvial valley floors in the West. By avoiding the use of "absolutes," the amendment avoids imposing impossible tasks. If the bill requires impossible tasks of the surface miner, the regulatory authority is left little latitude and with the citizen suit enforcement mechanism would have no alternative but to deny a permit. This would be unrealistic in light of the fact that other provisions of the bill and current provisions of State water law will, indeed, require the operator to protect the water interests of his neighbors both upstream and downstream. The operator can rehabilitate the hydrologic integrity of the minesite during reclamation, but it seems plain that a mine pit is a disruptive element in the normal flow of surface and ground water. This interruption can be minimized in both extent and time, and the land and the hydrologic balance can be rehabilitated, but there is no use pretending there is some magic which allows land to be mined without disturbing it. Such a requirement is simply a backhanded way of prohibiting mining.

My amendment offers sensible protection for the environment and for the neighboring water users and water rights owners. It should be adopted in order to avoid a prohibition on mining in areas where rehabilitation can and will be done. Furthermore, such a prohibition would eliminate from production, especially in the short term, large quantities of low-sulfur coal which will be urgently needed over the next decade.

Mr. Chairman, I urge the adoption of my amendment.

Mr. **RUPPE**. Mr. Chairman, I move to strike the last word.

Mr. Chairman, members of the committee, there is a reference on page 192 to preserving the hydrological integrity of the alluvial valley floors. I think the word "preserving" is an absolute and should be changed. If the amendment before the committee fails, I will offer an amendment to suggest the wording "protecting" rather than "preserving."

The problem with the amendment offered by the gentleman from Arizona is that it strikes all reference whatsoever to alluvial valley floors. For the benefit of the members of the committee on the floor at the moment, I would like to refer them to the National Academy of Sciences report, "Rehabilitation Potential of Western Coal Lands." In it, on page 68, reference is made as follows:

"In the planning of any proposed mining and rehabilitation it is essential to stipulate that alluvial valley floors and stream channels be preserved. The unconsolidated alluvial deposits are highly susceptible to erosion as evidenced by the erosional history of many western valleys which record several periods," and so forth.

It goes on to state: "Rehabilitation of trenched valley floors would be a long and expensive process . . ."

Mr. Chairman, I think we have to remove, or should remove, the absolute word "preserving" from the bill before us at the moment, but I do believe that the amendment we will be voting on shortly deletes all reference whatsoever to alluvial valley floors, which would be a mistake and would fly in the face of the findings of the study conducted by the National Academy of Sciences.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Arizona (Mr. STEIGER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. STEIGER of Arizona) there were—ayes 19; noes 40.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. RUPPE TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **RUPPE**. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RUPPE to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 9, line 5, strike out clause (D) and insert in lieu thereof the following:

"(D) rehabilitating to the maximum extent practicable recharge capacity of the aquifer at the mine site to pre-mining conditions;".

On page 9, lines 5 through 8, strike out clause (E) and insert in lieu thereof the following:

"(E) protecting through the mining and reclamation process the hydrologic balance of the alluvial valley floor off the mine site in arid and semi-arid areas; "and".

CIVILIAN GOVERNMENT IN GREECE

(By unanimous consent, Mr. HAYS was allowed to speak out of order.)

Mr. **HAYS**. Mr. Chairman, will the gentleman yield?

Mr. **RUPPE**. I yield to the gentleman from Ohio.

Mr. **HAYS**. Mr. Chairman, I would just like to announce to the House, and I think it should be good news to everybody that the military dictatorship in Athens has resigned and has turned the country over to civilian government. They have asked the former Prime Minister, Constantine Karamanlis, who was the last conservative Prime Minister of Greece, to return from exile and form a new government.

Mr. **RUPPE**. Mr. Chairman, I thank the gentleman.

In line with his remarks, I will point out that as far as this amendment is concerned, what we really want to do is get away from absolutes, from dictatorial statements. Where it says, "restoring recharge capacity," I think we should use the words "rehabilitating to the maximum extent practicable" and second, we talk about "preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors." I think again we should use the word "protecting."

I grant that those words are less than airtight. They are not absolute, but again, in the language I have offered, we talk about a reference to the alluvial valley floors and call for the protection of same to the greatest extent possible.

This is somewhat in conformity with the language beginning at item 14, in which we do refer to minimizing the disturbance of the prevailing hydrological balance.

In view of the fact that in the beginning we referred to the word "minimize," it seems to me that later on we would be well advised to get away from the absolutes, and again, instead of using the absolutes, "restoring recharge capacity," I think we ought to use now the words "rehabilitating to the maximum extent practicable."

Again, rather than using the words "preserving," I think we should use the word "protecting."

These words flow to the very beginning of that item 14 when it starts by using the word "minimize."

Mr. **STEIGER** of Arizona. Mr. Chairman, will the gentleman yield?

Mr. **RUPPE**. I yield to the gentleman from Arizona.

Mr. **STEIGER** of Arizona. Mr. Chairman, I thank the gentleman for yielding.

I am pleased with the gentleman's amendment. I hope that the gentleman has the support of other more moderate Members like myself, and that Members will not be scared off by the fact that the gentleman is so firm normally in his other convictions.

Mr. Chairman, I thank the gentleman.

Mr. **EVANS** of Colorado. Mr. Chairman, will the gentleman yield?

Mr. **RUPPE**. I yield to the gentleman from Colorado.

Mr. **EVANS** of Colorado. Mr. Chairman, will the gentleman tell me whether or not he has changed any language in section (E) of the bill or any of the language in the Mink amendment as to section (E) other than the word, "preserving"?

Mr. Chairman, will the gentleman read the full clause (E) as contained in his amendment?

Mr. **RUPPE**. Mr. Chairman, I ask unanimous consent that clause (E) of my amendment be reread by the Clerk.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The **CHAIRMAN**. The Clerk will reread clause (E) of the amendment.

The Clerk read clause (E) as follows:

"(E) protecting throughout the mining and reclamation process the hydrologic balance of the alluvial valley floor of the mine site in arid and semi-arid areas; and"

Mr. **EVANS** of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. **RUPPE**. I yield to the gentleman from Colorado.

Mr. **EVANS** of Colorado. Mr. Chairman, I am constrained to oppose the gentleman's amendment. While it does not say positively that one can mine the floor of an alluvial valley, but by implication it does say one can mine on the floor as long as he protects the adjacent areas.

Therefore, I am constrained to oppose the gentleman's amendment.

Mr. **HOSMER**. Mr. Chairman, will the gentleman yield?

Mr. **RUPPE**. I yield to the gentleman from California.

Mr. **HOSMER**. I wish to again say that the gentleman is being more than conservative in offering this amendment.

I would like to add that if this committee had done its job before it brought this monstrosity of a bill to the House, we would not have this problem. When we move to strike the enacting clause, perhaps that will solve it.

Mr. **RUPPE**. Mr. Chairman, I do not yield further to the gentleman.

Mr. **HECHLER** of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. **RUPPE**. I yield to the gentleman from West Virginia.

Mr. **HECHLER** of West Virginia. Mr. Chairman, I notice that the gentleman in his amendment has introduced a new loophole phrase, "to the maximum extent practicable." That is an additional loophole in the bill; is that not correct?

Mr. **RUPPE**. Perhaps the gentleman is correct. I tried to get away from the other absolutes because, again, on the preceding page we did refer initially to minimizing "the disturbances to the prevailing hydrologic balance," and in conformity with that, and following the same language, I did feel that we ought to change the word, "restoring" to "rehabilitating to the maximum extent practicable."

Again, I recognize the need for maintaining the recharge capacity. I am not sure at all times we can absolutely restore it. For that reason, I did feel there should be some balance in the language.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

In listening to the discussion on the previous amendment offered by the gentleman from Michigan, I had assumed all he was going to change was the word, "preserving," to "protecting," and in that context I would have agreed that perhaps we were being a bit rigid when we used the word, "preserving," when "protecting" has perhaps a much more moderate connotation.

However, in offering this amendment, the gentleman not only offered that change but also rewrote paragraph (E) on the basis that he felt we were dealing with absolutes in paragraph (E).

Quite the contrary, I think the language in the pending amendment which I offered is quite moderate. It uses the words, "approximate premining conditions." It says, "restoring recharge capacity of the site to approximate premining conditions."

Mr. Chairman, it is not possible to duplicate the recharge capacity with complete accuracy. However, if anything is important with regard to the Western lands it is the necessity to preserve their water supply and their water resources. The mining operations must not in any way defer or denigrate or discard the capability of the area to absorb water needed to replenish vegetation in the future. This is why the concept of restoring recharge is an essential element in the hydrologic provision.

Simply to use the word, "rehabilitating," infers we are permitting its destruction, and now we must rehabilitate. This is not adequate for the Western region. We have to protect against destruction.

Also, in the last proviso of section (E) the gentleman limited the concept of protecting the hydrologic balance over the alluvial valley floor to the immediate mine site.

This was not the intention of the committee. The committee wanted to broaden the requirements so that the entire water reserves of the western arid areas were protected, having due consideration for the very difficult problem of reclamation and revegetation in arid areas which must ensue after the mining process has terminated.

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this is a matter that is extremely crucial in the Western part of our country. Those of us from areas such as Montana, Arizona, and California fought this battle up and down in numerous sessions. The provision now in the committee bill was a compromise. We watered it down considerably, if I can make a bad pun, to meet the industry objections, and to meet the objections of the administration.

The amendment that I thought the gentleman from Michigan was going to offer to simply change the one word was certainly agreeable to me. There is no magic in the word "protect," or the word "preserve." But, Mr. Chairman, I view this as a loophole to ignore the crucial integrity of the valley floors in the west, and the study of the Academy of Science saying that it is vital that we protect them.

I think it would be a very bad mistake to adopt this amendment.

Mrs. MINK. Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan, Mr. RUPPE, to the amendment offered by the gentlewoman from Hawaii, Mrs. MINK, to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 11, noes 34.

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. HECHLER of West Virginia to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: on page 9, line 14, strike all through page 10, line 4 inclusive and insert therein the following:
>
> "(16) refrain from the use of impoundments for the disposal of coal wastes, coal processing wastes or other liquid or solid wastes, and drain all existing waste impoundments insuring that pollution on surface or ground water systems is prevented during the draining process and insuring that the site can and will be stabilized and revegetated according to the provisions of this Act;"

Mr. HECHLER of West Virginia. Mr. Chairman, coal waste gob piles are the curse of the coalfields. On the 26th day of February 1972, at 8 o'clock in the morning, millions of gallons of water poured down in a 30-foot wall of water down the Buffalo Creek Valley, sweeping in its wake homes, churches, railroad cars and everything in the valley. Over 4,000 people were left homeless by the disaster. Like a giant greasy fist, the sludge, mud and water smashed into my people and killed 125 West Virginians.

Mr. Chairman, since this disaster very few steps have been taken to try to correct this situation, or to drain the existing structures.

As a matter of fact, Mr. Chairman, on the 4th of July, when I went up to the site of the Buffalo Creek disaster, on top of that coal wastepile was a sign that simply said "No dumping." Gob piles burn, emitting acrid smoke while local residents are fined for burning trash in their backyards.

Throughout West Virginia and throughout Appalachia, many, many coal waste dams hang like Swords of Damocles over the people of the area beneath them.

The coal slag piles are created by the coal companies as a quick, cheap means of disposing of the impurities and byproducts removed from the coal in the cleaning process. For every ton of coal mined, one ton of gob or waste is left behind. These gob piles frequently block the headwaters of creeks, thus creating impoundments which serve as handy dumping grounds for slurry and sludge. The West Virginia Department of Natural Resources has identified 667 mine refuse banks in West Virginia alone, many of which constitute severe hazards to the communities located below.

In January 1974, the West Virginia Department of Natural Resources issued a report revealing that 6 of the 16 waste impoundments designated as severe hazards by the Interagency Board of Review of the U.S. Army Corps of Engineers are still receiving daily slurry pumping in direct violation of the recommendations made by the Board for each of these dams. This is truly appalling—29 months after the Buffalo Creek disaster, dams known to be severely hazardous and capable of causing similar catastrophes are still being used to impound waste and receive new slurry.

At Pageton in McDowell County, at Wharton in Boone County, at Lilyhaven and Lilydale in Wyoming County, and at several hundred other locations throughout West Virginia coal wastes slag piles tower above the valleys and the water and the coal slurry is still being pumped in behind these dams, posing a threat to the people all over the area. It is bad enough to have the threat of having a water supply destroyed, of having boulders crash through one's home, of having strip mining cause landslides, floods, and strew debris around one's area. But it is even worse to live in an area when it rains hard, and you realize there is a coal waste impoundment threatening you. People can't sleep at night when it rains, because they know their lives are in danger. One of the five West Virginians living below a slag dam, C. W. Daniels said:

> I can't rest at night when there's a heavy rain. I can't rest. And it's terrible to think about what happened at Buffalo Creek and we're in approximately the same situation. And, yes, I'm scared.

I would also suggest, Mr. Chairman, that we can help solve some of our energy problems by utilizing some of these coal wastes. We need to do the necessary research to develop coal wastes into energy forms of a lower Btu content than the richer coal itself, for example by making briquettes out of these coal wastes that now impound the water and endanger the people.

I would suggest also, Mr. Chairman, that the investigation of the Buffalo Creek disaster indicated conclusively that these coal waste impoundments continue to be a very serious threat to the people. U.S. Army Corps of Engineers Specialist Garth Fuquay indicated:

> I believe that West Virginia was quite fortunate last year when Hurricane Agnes missed it. Otherwise it would have been a total catastrophe in a real extent . . . the dams in the area in my opinion, are simply not built to take care of such a deluge.

Mr. Chairman, this amendment is to Section 211 which, of course, applies to strip mining, and at a later point I intend to offer a conforming amendment to section 212 which will cover the coal wastes impoundments created by underground mining. I recognize as a strong advocate of underground mining that there are environmental damages from underground mining which this bill should take care of in an even-handed way.

Mr. Chairman, my amendment is consistent with current European coal disposal policies. In Europe, dams are not utilized, but instead coal wastes are backstored into the mine void or disposed of on the surface under rigid reclamation and grading standards.

I urge the adoption of this amendment to protect the lives and homes of the people in the mountains threatened by another Buffalo Creek disaster.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, Buffalo Creek was a disaster; it fas an outrage; it was wrong; and it is unlikely to happen again if we pass this bill with the very strong provisions we have governing the design and construction of adequate impoundment structures.

I point out two provisions in the bill.

In the first place, within 120 days after passage under the committee bill, active impoundments, those now being used by companies will be covered by the engineering standards and steps will have to be taken to bring them into compliance with the law.

Secondly, under the abandoned mine fund, that we have in title IV of the bill, moneys will be available to use to drain and make safe abandoned mine impoundments.

The voice of this amendment and the reason it is extreme and ought to be defeated is that it proceeds from a presumption. The presumption is that we cannot build a safe mine impoundment. Obviously, we can have one 300 feet thick made of concrete that is going to survive any hurricane that anyone can imagine. The amendment says that we cannot have any kind of a mine impoundment. In the committee bill we say we can have mine impoundments, but they must meet at least the proven standards of the small watershed project Public Law 566, so that within 120 days any new and presently used structure will have to come under this provision, and old structures will be eligible for assistance also.

United States Steel Co., which is often cited by the gentleman from West Virginia as a sound company that uses safe procedures, is building mine impoundments, waste impoundments that will meet all standards of our bill and will do the job. So, rather than abolish mine impoundments, our bill makes them safe, and that is the correct approach.

It would be very unwise to adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. WAMPLER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. WAMPLER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Wampler to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute:

On page 14, line 23, section 211(c)(6)—after the word "any" add the words "agriculture or silviculture, or";

On page 15, line 21, section 211(d)(1)—after the world "where" add the words "agriculture or silviculture, or";

Mr. WAMPLER. Mr. Chairman, my amendment would add agriculture and silviculture to the list of approved post-mining uses of mined land which would justify a departure from appropriate original contour on steep slopes.

Mr. Chairman, if given the opportunity I intend to offer a subsequent amendment which would amend the Mink substitute on page 16, lines 4 and 6 and 7, to section 211(d)(3) which would fully implement the exceptions for agriculture and silviculture.

My amendments also would delete the requirement that any proposed post-mining development under these exceptions be substantially completed within 3 years after the permit is granted. This is an impossible requirement, since mining operations at one site can take as long as 30 years. The amendments would substitute a review procedure to insure that development is on schedule.

The very first section of this bill contains as its second finding a statement that mining operations diminish the availability of land for agriculture and forestry, among other purposes. Mr. Chairman, if the supporters of H.R. 11500 believe that statement, I fail to see how they could refuse to allow mined land on steep slopes to be shaped to forms and contours more conductive to agriculture. However, they did in fact refuse this use of the land, limiting these exceptions to industrial, commercial, residential, or public facility development.

In fact, the committee report says that agriculture can be conducted on the original contour without reshaping the land. Mr. Chairman, the author of that statement surely never rode farm machinery across the face of a 30-degree slope, with the equipment threatening to overturn or slide downhill.

The fact is that if this bill would permit it, the mining and reclamation process could be a means of adding to our total acreage of tillable or grazing land and increasing our food and fiber production. By insisting on a return to original contour instead of allowing more useful land forms, the bill is not only canceling this potential benefit, but it is probably also making the mining of coal impossible on these steep slopes where original contour makes it impossible to protect the land against erosion, siltation, slides, and water pollution.

My amendment offers better protection of the environment and makes more land available for agriculture and forestry. Mr. Chairman, I urge its adoption.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, when we discussed the variance procedures in the full committee, my recollection is that agriculture was not listed as one of the variances inasmuch as almost anyone who asked for a variance would likely say, "Well, we will put it to grass, we will put it to pasture," and he could get a variance under the agriculture itemization the gentleman would include here.

We thought frankly that the use of the word "commercial" would provide for all the agricultural uses here that were sufficiently intensive to provide for a crop that could be sold, used in the cattle business, or could be grown for an economical purpose.

The difficulty—and I know it is a hard one to deal with—is that using the word "agriculture" as an open variance could mean that an individual could simply throw the land into any type of pasture and regardless of whether that pasture was going to be commercially useful or viable, could then get a variance.

We felt it was something of a loophole in the legislation that would be covered by the word commercial, since that word commercial would cover any agricultural section that was of an intensive use or use in conjunction with cattle raising and so forth. It actually provides for a businesslike purpose.

Mr. WAMPLER. I appreciate the gentleman's contribution; but it would seem to me the problem he is pointing out is more in the nature of the administration of a law where a permit is issued and part of that permit describes what the postmining use of that land would be.

My point is that I think the committee bill itself is too restrictive, that agriculture does vary from section to section of our Nation. In the district that I am privileged to represent on many of the reclaimed surface mined lands there are now stands of timber and grazing land.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

The amendment which I have offered to section 211, subparagraph (c), dealing with steep slopes provides that the standards which are enacted under subsection (c) and in the subsequent subsection (d) relate to steep slopes, but shall be in addition to all the other standards which are required in section 211; so that subparagraphs (c) and (d) must be read in the context of the entire section 211.

I would like to point out that in section 211 we very definitely said that agriculture is one of the prime goals of proper reclamation. In fact, we placed that concept at such a high premium we even provided that the 10-year revegetation period which we required for every other kind of reclamation could be waived where the authority finds that an intensive agricultural postmining use is intended; so that I believe section 211 does give due regard to the concept of agriculture as being one of the prime reasons we want good reclamation.

In subparagraph (d) where we are delineating the postmining uses and listing industrial, commercial, residential, or public facility development, we certainly intend under the concept of the word "commercial" that if the activity is a commercial agricultural enterprise it would be covered and the standards which we have enumerated with regard to this postmining land use would then have to be provided for.

The same is true in the subsequent paragraph where we again use the word "commercial"; it is fully intended, so far as I know in the debate in committee, that if the agricultural endeavor was for the purpose of an ongoing profitmaking enterprise, it would fall within that definition.

We did not accept the word "agriculture" in committee when this amendment was offered, because this word "agriculture" has such a broad meaning. Someone could simply plant oats or something without any intention of engaging in the business of farming and without the intention of putting the land to a higher and better use and then say that they met the requirements of subsection (c). It is not the intent of section 211 to permit this kind of loophole to the designation of industrial, commercial, residential or public facility development. Our bill already guarantees that in an area which has been completely leveled out, if the operator can restore it to a condition which sustains an economic or commercial agricultural activity, this is a permitted postmining use under our language, to allow at the discretion of the regulatory authority for an exception to the original contour requirement.

I would hope the gentleman's amendment would be defeated as an unnecessary, unneeded, loophole in our bill which would permit severe abuses to the very strict standards we have written in section 211.

Mr. WAMPLER. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, did I understand the gentlewoman from Hawaii to mean that in areas where contour mining occurs on slope degrees greater than 20, then if it can be shown that the commercial use would be of an agricultural nature, a bona fide, legitimate agricultural use, that the land could so be reclaimed and not have to be restored to its orginial contour?

Mrs. MINK. That is correct; where there is a genuine agricultural intended postmining use. It is my understanding of this provision, that this would be permitted. We simply do not want to use the broad word "agriculture" because it could allow the planting of anything in the area, and this might be considered agriculture. This would be a terrible loophole. It is certainly my hope that the whole purpose of our bill was to stimulate afteruses of areas which were mined. The highest and best use concept is to put the land back so that it can later sustain intensive agriculture to meet the food requirements of this country as well as of the world.

I come from an agricultural community and I value the soil and the land. There would be nothing I would accept in this legislation which would in any way deprive the gentleman's constituents from utilizing his countryside for a genuine commercial enterprise after conclusion of the mining operation. This is certainly the intent of section 201. However, we cannot let a few cows grazing on a grassed-in area qualify for an exception and thereby gut the bill.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment.

Trying to look under the bed for the boogey man carrying a sack of oat seed is rather ridiculous in my mind. Anyone who is supervising one of these reclamation programs and could not prevent a permittee from carrying out those kinds of shenanigans ought to have his head examined.

To come on this floor and tell me that when we put the word "commercial" in a bill that it means "agriculture" is, in my mind, a gross contradiction of fact.

Under Ruckelshaus versus Sierra Club, the Court must read our words as to what is actually said, not to what the gentlewoman from Hawaii says they mean, or thinks they mean, or hopes they mean, or wishes they had meant.

We are trying to write a bill which will benefit the Nation. What is wrong with growing agricultural crops in reclaimed areas? There is nothing wrong with it. The difficulty is that the gentlewoman from Hawaii believes that somebody is going to sneak in and plant a one-time crop and not return in the following seasons to continue farming. I believe the regulators are capable of preventing such a violation. I hope the gentleman's amendment will be supported.

If there had been any compromise between the environmentalists, who wrote this bill, and the rest of us in the Nation, we would not be here trying to write legislation on the floor today. When the environmentalists say they compromised, all they did was compromise among themselves.

I think this bill ought to be sent back; and if cooperation and compromise prevail, a bill could be written in a couple of weeks and, subsequently, passed upon by the Congress in an hour instead of wasting time on this floor. That is exactly what ought to be done. The avenue to do it at this point is to make a motion to rise and strike the enacting clause. Then, a new bill could be brought out of the committee which is a proper bill, a bill that will do service to this country; will do service to the environmental ethic; will do service to the energy ethic; and will accomplish the purposes of this Congress at one and the same time.

Mr. Chairman, I would remind the gentleman of what was said yesterday; that this Congress is not loved by anybody; that this Congress is not regarded as doing its job. Bringing in bills like this gives Congress the reputation it has, wherein 25 percent or less of the general public think this Congress is doing a good job. And why doesn't Congress do a good job? One of the reasons is evident. Look around, you can see the empty chairs and know why Congress is not meeting its obligations. The only people on the floor are the people who have the votes to keep this monstrosity of a legislation in its ugly condition.

Those are the people who have the votes to defeat amendments like that of the gentleman from Virginia, who is trying to make this a decent, reasonable, balanced piece of legislative effort. As a consequence, we are going to come out, if we persist, with a bad bill; go to conference with a worse bill; and emerge from conference with the very worst features of both bills.

I ask that the amendment of the gentleman from Virginia be agreed to; I ask that this environmental bigotry be terminated; I ask that those amendments which make this a balanced bill be supported.

I know I am not going to achieve what I ask, but I am going to emphasize, somewhere along the line, that we cannot legislate the equivalent of another Arab oil embargo in this country in the form of a domestic coal embargo and leave this Nation unscathed. The danger exists—not by the action of some overseas force over which we have no control—but by the actions of this very Congress itself, that we will contribute to the economic distress which the Speaker decried only a few days ago. It is a terrible situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. WAMPLER) there were ayes 20, noes 23.

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-eight Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. MOLLOHAN TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. MOLLOHAN. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MOLLOHAN to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 11 of the Mink amendment, strike lines 14 through 23 and insert in lieu thereof the following new subparagraph:

(19) Refrain from surface coal mining within five hundred feet from underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided* That the regulatory authority shall permit an operator to mine closer to such a mine provided it does not create hazards to the health and safety of miners or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of this Act.

Mr. MOLLOHAN. Mr. Chairman, this amendment is aimed at correcting an unjustifiably rigid constraint in the bill, the prohibition against surface coal mining within 500 feet of active or abandoned mine workings in order to prevent breakthroughs.

The bill itself is obviously intended to prevent breakthroughs in the same coal seam, which means generally on a horizontal plane. It could also be interpreted to prohibit surface mining in wide areas over deep mines, although this could be done safely with much less than 500 feet of cover.

Surface mining can, in many cases, be conducted without fear of mishap at distances less than 500 feet, especially where inactive mines are concerned.

My amendment would let the general prohibition stand, but it would allow mining to take place at lesser distances with regulatory authority approval.

I believe that this amendment is worthy of support by the Members, both on the grounds of practical economics and improved resource recovery.

Mr. Chairman, I have discussed this with the author of the amendment which this amendment seeks to amend, and it is my understanding that the gentlewoman from Hawaii will accept the amendment.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. MOLLOHAN. Certainly, I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, my understanding of the amendment offered by the gentleman from West Virginia (Mr. MOLLOHAN) is that it will retain the first portion of that paragraph 19, which says:

> Refrain from mining within 500 feet in order to prevent breakthroughs.

And that the gentleman's amendment goes after the proviso. Is that correct?

Mr. MOLLOHAN. That is correct.

Mrs. MINK. And that in the proviso the gentleman is giving the State regulatory authority discretion to permit closer operations, surface operations, to active mines where the health and safety of the miners who are mining in underground mines is not going to be placed in hazard in any way. Is that correct?

Mr. MOLLOHAN. The gentlewoman is correct.

Mrs. MINK. Mr. Chairman, I would ask the gentleman further, Is it also my understanding that this will not in any way change the amendment which I had carefully drafted to accommodate the concern of the Pennsylvania delegation with regard to anthracite, which is a provision there allowing mining near an abandoned mine, which is the anthracite problem, if this is consistent with the other provisions of this act?

Mr. MOLLOHAN. That is true, with the exception as was discussed with the gentlewoman from Hawaii, the substitution of the words "shall permit" instead of "may permit."

Mrs. MINK. Yes, in the case of the anthracite situation, that this kind of mining would be automatically allowed if these provisions as enumerated were satisfied.

If that is the amendment offered by the gentleman from West Virginia (Mr. MOLLOHAN) then I have no objection to it, and I would be willing to accept it.

Mr. MOLLOHAN. The gentlewoman is correct, and I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. MOLLOHAN) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. WAMPLER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. WAMPLER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On line 4, page 16, section 211(d)(3)—delete the words "may be effective for a period of" and add the words "shall be reviewed";

On line 6, page 16, section 211(d)(3)—delete the words "a substantial portion of"; and

On line 7, page 16, section 211(d)(3)—delete the words "in process of completion under" and add the words "proceeding in accordance with".

Mr. WAMPLER. Mr. Chairman, this is the amendment that I referred to in my earlier remarks in debate on the first amendment. What it would do is delete the requirement that any proposed post-mining development must be substantially completed within 3 years after the permit, which is impossible in most cases because mining operations can take up to 15 or perhaps 30 years or more. This amendment substitutes a review procedure to insure that the development is proceeding according to the approved schedule.

Mr. Chairman, it seems to me that the substitute offered by the gentlewoman from Hawaii is too rigid. It is not practicable, and, therefore, this amendment would make it possible for those operators, particularly in the steep slope areas of our country, to carry out an intelligent post-mining development of the land and give them more time in which to bring about a proper ecological reclamation of these projects.

Mr. Chairman, I wonder if I might have the attention of the gentlewoman from Hawaii to continue the vein of the colloquy on the first amendment and pose this query. Is it the understanding or the intent of the gentlewoman from Hawaii in her substitute to permit commercial forestry on reclaimed lands in the steep slope areas, particularly in the Appalachian areas?

Mrs. MINK. If the gentleman will yield, yes. If it is a bona fide commercial enterprise and meets the requirements as specified on pages 14 and 15 of the bill, it would certainly be covered.

Mr. WAMPLER. If I understand correctly, this would meet the commercial exception that is in her amendment?

Mrs. MINK. That is correct.

Mr. WAMPLER. Would the gentlewoman make any distinction between species of trees grown, whether they are hardwood or softwood? Would that make any difference as long as it were a commercial bona fide forestry operation?

Mrs. MINK. They would have to be able to supply the data required on page 14, and comply with the requirements set forth in the act. They would have to show that there was a need for the commodity, a ready market, adequate private capital which has been set aside for this activity, and show that the intended use can be achieved within a reasonable period of time. All of the assurances which are delineated on 14 and 15 have to be presented to the regulatory body. All that is provided here is to give the regulatory authority in subparagraph (d) discretion to grant an exception to the provisions affecting that kind of reclamation activity on the part of the coal company.

I think it would depend largely upon the kind of activity. If the regulatory party is satisfied that this criteria has been met; that it is a true commercial activity; that there is a bona fide market for the activity—not a subterfuge to evade the provisions of this act—I see no reason that because it is a "tree" agriculture that it would be any different than wheat or corn or some other commercial commodity.

Mr. WAMPLER. I appreciate the gentlewoman's patience. I wonder if she would answer one additional query?

Mrs. MINK. Yes.

Mr. WAMPLER. Would the growing of Christmas trees as a commercial venture meet the criteria?

Mrs. MINK. I do not know. It depends, I suppose, on the method, whether one is going to permit clearcutting and jeopardize the requirements of the bill. I could not give a definite answer.

Mr. WAMPLER. But the growing of Christmas trees per se would not be prohibited?

Mrs. MINK. Not as far as I am concerned if I were the Administrator.

Mr. WAMPLER. I thank the gentlewoman.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, first of all, I think the gentleman has offered a very fine and constructive amendment. I think we would have to agree with what the gentleman has said, that not all mining operations can be completed within several years nor can the projects covered under the granting of an exemption under this bill be completed within that length of time in all cases. For that reason I think the regulating authority should not set a 3-year deadline but should review this periodically, which seems to me to be the more logical and easier way to handle the problem.

Likewise I do not think it has to be demonstrated that a proposed development is in process of completion, but if the proposed development has been approved by the mining authority it seems to me as long as it is proceeding along in accordance with the approved plans, and that could be one that is a variance that is moving along in accordance with the approved plan, it seems to me that is the direction we should take, and that is the direction of the amendment, and I certainly support it.

Mr. WAMPLER. That is what the gentleman from Virginia intends to do with this amendment. I think 3 years is too strict and it ought to be extended and yet with the oversight function there will be the opportunity to be sure the operator is in full compliance with the post-mining use or the reclamation plan.

Mr. RUPPE. The gentleman is absolutely right and there is no question the regulating authority will be looking over the operator's shoulder to be sure it is going along with the plan and on schedule with the authority initially granted and with the variance. It is very possible otherwise the individual could not do the planning much less get the financing necessary to do the work or to complete the project.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman.

I urge a vote for my amendment.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Carrying on the colloquy I just had with the gentleman from Virginia, one of the requirements for effective compliance with these provisions is to give the regulatory authority the power and jurisdiction to examine the nature of the postmining use to make sure all the representations which have been made to the regulatory authority prior to the seeking of the exemption have actually been fulfilled, and the only way to make sure that this kind of control is maintained by the State regulatory authority and force them to look at the situation is to cut off the effective date of the exemption. Merely to say that the regulating authority should review the situation from time to time does not protect the particular situation that we are discussing.

Therefore, Mr. Chairman, I feel the most important language we have in section 3 of this paragraph is that the exemptions which are provided may be effective for not more than 3 years. The gentleman from Virginia seeks to amend that by striking out that whole provision and merely providing that a review situation would ensue.

It seems to me if the people are coming forward with a legitimate postmining use that seeks industrial, commercial, residential, or public facility development, that the guarantees they provide the regulatory authority that this can be reasonably achieved in a short period of time should not be simply loose talk. It has got to be provided in writing the plan has to be set in motion, and the exemption should terminate in a reasonable length of time. It seems to me 3 years is ample time for the company involved to demonstrate to the regulatory authority the ways it has actually implemented the plans they have presented which formed the basis of the exemption.

So I would hope that this amendment is defeated. I think this will completely gut the provisions we have in section 211. I urge the Committee to vote down the amendment.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as was developed in the colloquy between my associate and I, I think we should realize that a variance granted for 3 years would be a very difficult thing for many individuals to take advantage of in a constructive fashion. Many industrial, commercial, and residential housing developments cannot be developed in 3 years time. If a variance is given for one of these projects, the main thing we should look at is to keep these commercial, housing, and industrial projects moving along according to the plan that was initially given to the regulatory authority. If it is, fine; if it is not, then the individual should be stopped from what he is doing; but 3 years is far too short a time to undertake the planning, the investment, the construction, and the necessary borrowings for a project that is not necessarily sure of fruition or completion. If after 3 years a project has to be halted, a variance applied for and approved all over again, there is no certainty that it would be granted. Therefore, I question whether an individual would take the time and provide the investment necessary for the project, nor would any bank or finance company want to undertake the financing of a project that would have to undergo not only scrutiny, but a review of the permit prior to the time of completion.

For this reason I think the amendment is very sound.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER) to the amendment offered by the gentlewomen from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. UDALL. Mr. Chairman, I demand a division.

Mr. HOSMER. Mr. Chairman, pending the division, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Prior to the quorum call, the gentleman from Arizona (Mr. UDALL) had demanded a division vote upon the amendment offered by the gentleman from Virginia (Mr. WAMPLER) to the amendment to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 29, noes 20.

So the amendment to the amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer two amendments to the amendment to the committee amendment in the nature of a substitute, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. HOSMER to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 1, line 14, of the Mink amendment, strike out lines 14 and 15 and insert "standards of this Act".

On page 9, line 9, of the Mink amendment, strike out lines 9 and 10.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, I wish to advise the Members of the House that I have, since offering my substitute, refrained from offering amendments so that the other members of the committee and Members of the House might have an opportunity to offer their amendments.

I have about a dozen amendments now to offer in seriatim, and I will proceed as fast as possible.

Mr. Chairman, if the Members will refer to page 184 of the text, section 211, they will find it starts out as follows:

> Any permit issued * * * shall require that such surface coal mining operations will meet all applicable performance standards of this Act—

And then it says:

> and such other requirements as the regulatory authority shall promulgate.

I am asking to strike that language, because that gives the regulatory authority carte blanche to put anything it wants to in as a requirement, completely and beyond whatever Congress has specified to be reasonable in here. It is a delegation of authority that is totally and completely astounding; and to my mind, it is probably unconstitutional; at least, it is dreadfully objectionable.

It seems foolish to include this language, as perpetrated or again attempted to be perpetrated over on page 192, where again the regulatory authority is given the authority to prescribe its own limitations.

A total carte blanch is provided to the regulatory authority without any guidelines, without any regulations, with nothing but its own caprice to guide it.

In both cases, these delegations of authority are, as I have said, objectionable, and unconscionable; they are an abdication by this Congress of its proper authority. They are in every way that kind of objectionable madhouse legislation that somebody would put in a bill if he did not know what he was writing, or was writing with the idea that some environmental nut would be in charge of the regulatory group.

Mr. Chairman, I urge the adoption of these two amendments.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, it has been very difficult to please the gentleman from California (Mr. Hosmer). If we accept amendments then the bill is not ready, and it is not properly prepared. If we do not accept them, then it is gag rule, and we are not being flexible. The bill is too long, or the bill is too short.

What we have tried to do was write some general policy standards to be enforced by the States. The gentleman from California now tells us the States should not have any authority to make regulations that every single one of the regulations should be in the bill itself.

This is a State lead bill. The contemplation is that the States will administer only the broad Federal standards as a minimum and if the State wants to go further it will do so to protect its lands and waters.

So the State regulatory authority may enforce these provisions of the Federal act, but, in addition to that, may make regulations to carry out its own policies if they are more strict than the act. So this would be an unprecedented general regulatory bill without some authority for the State authorities to issue regulations to carry out the provisions of the bill.

I think the amendment is extremely mischievous, and I cannot imagine the gentleman from California is serious in offering it.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I cannot imagine that the gentleman from Arizona is serious in objecting to it.

Mr. UDALL. Mr. Chairman, I thank the gentleman from California for his confidence.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendments to the amendment to the committee amendment in the nature of a substitute were rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: On page 2, line 14, of the Mink amendment, strike out lines 14 through 22 and insert in lieu thereof the following:

"(4) incorporate the objectives of the reclamation plan into the mining process to enable reclamation operations to be current and to complete such reclamation as soon as practicable following completion of mining as set forth in the approved reclamation plan;"

Mr. HOSMER. Mr. Chairman, the language which I have asked to be stricken is the kind of language which attempts to combine simultaneously the reclamation and the mining process, a procedure which should not be undertaken in many cases since it would reduce unduly the amount of surface which could be excavated at any one time.

This is the kind of situation that the gentlewoman from Hawaii (Mrs. Mink) is indeed familiar with. She complimented the operation of the Mears Mining Co. up in Pennsylvania, only later to hear the anguish of Mr. Mears, who was screaming that it was this language in the bill that would put him out of business. To explain, Mr. Mears operates in three general locations, rotating his operations from one to the other. He does not close one area before opening another but staggers his operations. In that manner, his business, as well as his reclamation, is accomplished in the quickest, the easiest, and the most economical way.

This language that I have offered states that the law must be obeyed, and that the regulations otherwise in this bill must be carried out. I think that is enough.

Mr. Chairman, I ask for the adoption of my amendment and yield back the balance of my time.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment. The Mink provision is the committee provision. The gentleman from California offers this provision, which is the same provision of his overall substitute which was defeated many days ago. There are two different ways to get at this. We think our provision is a little better, a little tighter, and I should think that the Committee would want to accept the work of its Committee on Interior and Insular Affairs on a matter of this kind rather than trying to rewrite every section just to please the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Symms) there were—ayes 8, noes 17.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENTS OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer several amendments to the amendment offered by the gentlewoman from Hawaii, Mrs. Mink, to the committee amendment in the nature of a substitute, and I ask unanimous consent they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Hosmer to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: Page 11, line 6, After the word "area" insert "and". Page 11, line 7. Strike out "(iv)" and insert "any". Page 11, line 9. Strike out "area;" and insert "shall be subject to the provisions of subsection 709(d);".

Mr. HOSMER. Mr. Chairman, this is an amendment to the subsection having to do with explosives. Explosives are required in almost all mining operations in order to prepare the overburden for removal and will usually cause some minor or temporary change in the course, channel, or availability of ground or surface water. Section 709(d) provides protection to adjacent landowners for any such adverse effect to offsite ground water, and this amendment conforms with the treatment set out in section 709(d).

By changing a couple of conjunctive words and striking the prohibition regarding course changes and inserting language which says the explosives "shall be subject to the provisions of subsection 709(d)," it eliminates a conflict from the bill and an ambiguity from the bill and carries out the purposes of the bill. I certainly do not see how anybody could object to it. Therefore, I ask that the amendment be agreed to, and I yield back the remainder of my time.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment. We think this weakens this section of the bill unnecessarily and should be defeated.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to point out to the few Members of the body who are here—we just got through having a quorum call; it is obvious that there is no quorum here now; we just had a vote by division of 8 to 17—this is a very important bill and the reason I do take this time is because I am concerned for the 10-toed babies that are coming on in this country and not quite as concerned for the 3-toed salamanders that the authors of this bill seem to have more concern for than they do the future of the babies of this country.

By figures put out by the Chase Manhattan Bank, if the level of energy production in this country stays where it is, by the year 1980 we will have a 25-percent unemployment rate just due to energy shortages, if our energy production remains level.

Mr. Chairman, I think this is a very important piece of legislation. It is obvious that it is not ready for the floor. We have got amendment after amendment that should be brought in here to correct this legislation. We do not have the membership on the floor. The Members of the House have no idea what is in this bill. It is over 200 pages of technical mining regulations about mining of coal. Very few people understand what we are getting into.

This legislation, although most of the Members of this body do not realize it, provides that every citizen has a right to sue in court if a citizen or a group of citizens considers a mining venture to endanger the environment.

Also, the committee bill provides that the surface must be returned to its approximate original contour. This language is vague and we will have lawsuit after lawsuit and we will stop the mining of coal literally; we will stop strip mining of coal by passing this legislation.

I think this legislation is far too important to be considered under these conditions. I think the gentleman from California (Mr. HOSMER) is doing a real service to the people of this country who are concerned about employment and economics and the good standard of living most of us think we would like to have in this country and that has made this country so great. The gentleman should be commended. His action is not dilatory and it is not slowing down the process, but it should be pointed out that this is a poorly written bill which should be sent back to the committee right now so we can bring out and pass a reasonable bill. The Hosmer bill was reasonable and I was prepared to vote for it in final passage but not this can of worms.

Mr. HOSMER. Mr. Chairman, if the gentleman will yield, I agree with most of what the gentleman from Idaho has said. If we had more people on the floor, I believe the majority would concur. This bill ought to be rewritten. It was not written. It was thrown together and pasted together and Xeroxed together and dropped onto the floor without adequate action by the Committee on Interior and Insular Affairs; now, we have to deal with it, sort it out, and make sense of it on the floor. This is an imposition upon the Members.

There is no reason why we should not send the bill back where it came from so it can be handled in the proper manner.

Mr. SYMMS. I thank the gentleman for his comments.

I might say to the gentleman from California that he mentioned earlier in the colloquy today that there was a poll recently which shows the esteem in which the Congress of the United States is held by the American people to be at about 21 percent. If the American people could see this legislative display the rate would probably be a minus 21 percent.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say to the gentleman from Idaho, if I may have his attention for a moment, who was concerned about the 10-toed babies in the coming generations, that I have lived through strip mining for a great number of years without any regulation, and I would say if this bill is killed by the tactics of the gentleman from California and as assisted by the gentleman from Idaho, that when strip mining comes to the gentleman's State and word gets around that he allowed this to happen without regulation, those 10-toed babies for years to come will consider his name to be a dirty word.

The American people have had about enough of the rape of this land, of this country. This bill is not an unreasonable bill. This bill is not as strong as the Ohio law and operators in Ohio are stripping coal like it is going out of style.

Mr. SYMMS. Mr. Chaiman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, the people of Idaho are very capable of taking care of their own strip mining regulation.

Mr. HAYS. I have heard that story, too.

Mr. Chairman, I do not yield further. We can both talk at once but they cannot hear you if we both talk at once, so we might as well not do it.

Mr. Chairman, the point I am going to make is that some States do not have any regulation at all, so whether the gentleman likes it or whether the gentleman does not, there are 50 States in this Union and it is a country, and when some States have regulation and some do not, the fact that the operators are not going to ruin the gentleman's State if that State has a law—and I do not know if it does or not—does not detract from the fact that they are going to ruin some States where the legislature is in the possession and control—and I used the word advisedly—of the coal operators lobby.

We had that situation for years in Ohio. I was a member of the State Senate. I introduced the first strip mining bill in Ohio and it was defeated and they told me they would defeat me and they did for reelection. You know, the thing went on and on and we had no legislation and finally—finally—we got a prosecutor who had guts enough to indict the chief lobbyist of the coal operators for bribing 12 State senators.

You know what happened? They took him in front of a reliable Republican judge and they fined him $1,000. You know, that was pretty cheap. It was not even $100 a senator.

You talk about a legislative body being held in low repute. You keep on letting people who are becoming instant millionaires in this business without regulation and there is a lot more than a handful of them, if you allow this to continue we really will be held in low esteem.

I think if the majority of the House were here and heard this debate, and I agree there is only a handful, they would become tired of the dilatory tactics on the other side.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. HOSMER. I resent the gentleman's remarks about being dilatory.

Mr. HAYS. I am sure the gentleman does.

Mr. HOSMER. Is the gentleman going to yield or keep making a speech?

Mr. HAYS. I will yield.

Mr. HOSMER. I resent the characterization of my remarks as dilatory. I am as desirous as anyone to get a good strip mining bill and in these efforts I have spent thousands of hours literally of my time to get a bill which would require surface mining operators to put the land back in as good or better environmental condition as when they started.

Mr. HAYS. I do not yield any further.

Every amendment I have heard the gentleman from California offer is to weaken the intent of the bill to get good reclamation.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a good time to state a couple more points on the consideration of the strip mine bill. This is the fourth day and we are far from even half way. Despite the charges made by my good friend and colleague from California, CRAIG HOSMER, consideration of all facets of this bill in committee was neither hurried nor harried nor was full debate held back on the many issues involved.

My friend lamented at the outset of the debate of the bill on the House floor that the committee had not allowed adequate time for consideration of amendments. In my opinion and in the opinion of most of the committee members all amendments were given adequate time even though many amendments were repetitious of the same issues which had been settled by vote in previous actions of the committee.

The subcommittee held public hearings commencing April 9, 1973, and extending to May 20, 1973, involving 12 days. The subcommittee markup sessions covered 19 meetings. The full committee markup sessions covered 18 meetings. It is obvious that a full set of hearings, full consideration in subcommittee and full consideration in full committee was given before the committee voted out H.R. 11500.

This bill is extremely important to my State of Montana which has 107.7 billion tons of the Nation's 434 billion tons of coal reserves. We are the leading State in total quantities of underground coal. Montana is also the leading State in surface coal with 43 billion tons, most of which lies in my part of the State.

The very future of Montana rides on this bill. Delay of its passage hurts my State. I urge the House in its wisdom to quickly resolve the major amendments and avoid time-consuming delay that would jeopardize the passage of this bill in the Congress. To my colleagues I encourage prudence and consideration in the offering of amendments that have little significance or have no chance of acceptance by the House.

Because of the time consumed in the Committee on Interior and Insular Affairs other important legislation has been held in abeyance. I, for one, would have been able to move more rapidly on the Bureau of Land Management Organic Act, which will carry a title dealing with the California desert which is of great significance to many of the Members on both sides of the aisle from California. I very much want to pass this bill to accomplish that goal. I have had to devote my time and energies to working on this bill when I would have liked to have moved our Subcommittee on Public Lands to act not only on the BLM Organic Act but to also be able to schedule consideration of numerous wilderness proposals both in the East and in the West.

Again, I urge my colleagues to persistently attempt to complete action on the strip mining bill yet today and permit our energies to be directed toward other needed legislation that awaits our consideration.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I think this discussion is useful. There has been a theme during the last 3 days by my friend from California and by the gentleman from Idaho, who just spoke, that this bill is not ready.

Apparently, a bill is only ready when every page and every line is exactly suitable to the gentleman from California. He wrote this bill; the committee rejected it by 60 percent to 40 percent. He then brought it to the House floor with one of the most sustained "Dear Colleague" lobbying campaigns I have seen in my years in this body, and he was beaten by 100 votes. We are now having this bill for the fifth or sixth time. I have been through it completely in the subcommittee, in the full committee, up the hill, down the hill. Now the gentleman has given us his substitute on the installment plan.

He first offers a section of the bill. When that is defeated, he offers each of the subsections and picks up some key words. Of course, he has the right to do this, but I am going to turn in my reformer's card if I can find John Gardner or Wayne Hays around, because the gentleman from California is using this rule which I helped design to give a minimum of 5 minutes when debate is shut off. That procedure is based on a spirit of cooperation and fair play and was to be used for someone to get some time to discuss his amendment; not, as the gentleman from Montana has said, to hash over every single amendment which could be presented.

The tradition has been that a committee does the detail work; we have that system, for punctuation, spellings, minor matters to be disposed of. When we get to the floor, we take only major policy questions. We have a number of them waiting for action on the floor here. I hope we will get to them in time.

I appeal to everyone to cooperate so that we can finish this bill tonight and make a decision. I get the impression sometimes that my friends on the other side do not believe in majority rule. If the majority wants this bill the way the committee worked it out, they ought to have a chance to pass this bill.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, is it not a fact that the gentleman in the well was the author of an amendment which cut off debate in the full committee, and thereafter the committee had to handle it for 3 or 4 days, the amendments pending?

Mr. MELCHER. No, that is not a fact at all. In fact, it was very clearly discussed by the gentleman from North Carolina (Mr. Taylor) who was the acting chairman of the full committee at that time. He explained to the House that every member on the committee who had an amendment that was offered was given 5 minutes if he so chose to explain his amendment. This came at the end—mind you—of approximately 14 days of meetings on this bill in full committee.

Mr. HOSMER. It was only given to the members who offered the amendment, 5 minutes. Debate was cut off and there was no complete and thorough discussion of the amendments during the consideration by the committee. That is why it is a mess here on the floor.

Mr. MELCHER. I say to my friend from California that the amendments which are being offered have been debated three times, in the subcommittee, in the full committee and now in the Committee of the Whole on the floor of the House. I think we have looked at them enough. I urge the members on the committee to get on promptly with the business of passing this bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendments to the amendment to the amendment in the nature of a substitute were rejected.

AMENDMENTS OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer two amendments to the amendment to the committee amendment in the nature of a substitute.

Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mrs. Hosmer to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: Page 12, line 9 of the Mink amendment, after the word "steep-slope" insert "(which for the purposes of this Act, a steep-slope, is defined as a slope in excess of the angle of repose)"; and page 12, line 14 of the Mink amendment, after the word "slope" insert "(which for the purposes of this Act, a steep-slope, is defined as a slope in excess of the angle of repose)".

Mr. HOSMER. Mr. Chairman, these proferred amendments have to do with the definition of "steep slope," and they define it, for the purposes of these particular subsections, as meaning the angle of repose, which is the angle at which the material will remain stable.

"Steep slope" is mentioned throughout the bill in various contexts, and for the purposes of this section "steep slope" is to be defined as that angle of repose.

Mr. Chairman, I ask for the adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendments to the amendment to the committee amendment in the nature of a substitute were rejected.

AMENDMENT OFFERED BY MR. KETCHUM TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KETCHUM. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Ketchum to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: Page 12, line 9 of March substitute, strike out "and to mining operations which creates a plateau with no high walls remaining in such a manner as to otherwise meet the standards of this subsection"; and

On page 12, line 12 after the words "apply to" insert the following: " Mining operations which create a plateau with no highwalls remaining in such a manner as to otherwise meet the standards of this subsection or"

Mr. KETCHUM. Mr. Chairman, I certainly shall not dwell upon this amendment.

We have heard great things from the other side of the aisle, from the authors of this bill, on majority rules. The majority does rule around here, and they ruled on this amendment yesterday by a recorded vote.

I will not take any time to explain the amendment, and I yield back the balance of my time.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is the amendment which was offered yesterday by the gentleman from West Virginia (Mr. Slack). In the colloquy in the well among the gentleman who had offered the amendment, the gentleman from Ohio (Mr. Hays), and myself, we all agreed what we were trying to do was to say that mountain-top removal mining is acceptable under this bill if it meets the performance standard for steep slopes.

I then asked them to put the language where the author of the amendment agreed it ought to go and where I agreed it ought to go. An objection was heard.

We did not want to take the time of the committee to pursue it further and, therefore, the gentlewoman from Hawaii (Mrs. Mink), in drafting her substitute, put it in exactly the way the author and I agreed it ought to go in, in that colloquy yesterday.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Ketchum) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Ketchum) there were ayes 14, nays 22.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: On page 14, line 17 of the Mink amendment strike out "registered" and insert "professional".

Mr. HOSMER. Mr. Chairman, if there is a copy of the bill around for the Members to look at, they will find that this amendment actually occurs at page 197, line 17, where the language reveals that certain documentation shall be provided which is "designed by a registered engineer in conformance with professional standards * * *."

Now, this mining goes on in 26 or 28 States, roughly by the same group of people, and these registered engineers are people who are registered in a particular State. If we have to go around and register these people in every State where mining is carried on, that offers no greater assurance that this job will be done in a professional fashion than it would by simply substituting for "registered engineer" the language, "professional engineer," and that will allow us to get along about our business in a sensible way.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I would like to ask the gentleman this question:

Could it be your amendment is designed to qualify a professional engineer employed by a coal company?

Mr. HOSMER. Mr. Chairman, he could be employed by anybody. However, for the purposes of this act, I presume that he would be employed by the coal company, because the coal company would be putting together the plans to be followed; and in that event, the regulator would have to look at the plans.

Even if he were a registered engineer, he would still probably be employed by the coal company. That does not make him a devil. The coal company is employing him for his professional knowledge.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, would it be likely that by using the word, "professional," there would be a greater variety or availability of engineers available to do the job, either as outside consultants or as company employees, than would be the case if we stuck with the word, "registered"?

Mr. HOSMER. Well, I suppose that might be true, but it does not say what kind of a registered engineer he should be in this language. He might be a registered electrical engineer or a registered structural engineer, or possibly some other kind of engineer, one who is not even qualified in this area.

I think if we say, "professional," we are probably likely to get one who is proficient in relation to the job that has to be done and not some other job. Probably it would permit greater availability.

Mr. RUPPE. Mr. Chairman, in any event, if the gentleman will yield further, the work, whether it is done by a registered engineer, a professional engineer, or some other engineer, certainly would be reviewed by the regulatory authority before a permit was issued by that authority?

Mr. HOSMER. That is correct.

Mr. Chairman, the whole import of this matter is to make it possible to get these things up for review by the authority, by someone who can do it in a professional manner.

Mr. Chairman, I urge the adoption of my amendment.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

This is an historic moment. We have now reached Hosmer amendment No. 100. We are now about halfway home.

Mr. Chairman, this illustrates the point I made just a moment ago. We are taking the time of the Committee of the Whole to debate the question of whether we should say, "professional engineer" or "registered engineer." The committee debated this matter twice. The feeling was that the local people ought to know that this is a registered engineer. There is always a great fear that unqualified personnel might be responsible for designing engineering standards. Also the conditions vary in different parts of the country and difficult professional skills are necessary.

This simply says that we are going to have these structures and these developments designed by those who are registered engineers. The committee debated this matter twice, and it was resolved by a substantial vote. The Members of the House now get to decide it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the amendment offered by Mrs. Mink to the committee amendment in the nature of a substitute: On page 15, line 22, of the Mink amendment, strike out "or public facility" and insert "agricultural, recreational, or public facility".

Mr. HOSMER. Mr. Chairman, earlier in the day, an amendment was offered allowing agriculture to be one of the legitimate uses for which a variance might be granted from some of the constraints of this act. We were told by the gentlewoman from Hawaii (Mrs. Mink) that agriculture was covered under the term "commercial" in her interpretation.

I explained at that time that the interpretation of the gentlewoman from Hawaii on this bill and in this Record would mean little when it was brought to court and interpreted under the Ruckelshaus versus the Sierra Club decision. At present, variance in the constraints of this bill is limited, under the Mink amendment, to industrial, commercial or residential use. Under my amendment it would be expanded to industrial, commercial, residential, agricultural, recreational, or public facility development.

I think the amendment is quite clear. It is a commonsense amendment. I ask for its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. HOSMER. Mr. Chairman, I demand a division and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair will announce that this will be a regular quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 401]

Addabbo
Baker
Boland
Brasco
Carey, N.Y.
Chisholm
Clark
Clay
Conyers
Davis, Ga.
Dellums
Dennis
Derwinski
Dickinson
Diggs
Dorn
Drinan
Esch
Evins, Tenn.
Frelinghuysen
Giaimo
Goldwater
Gray
Gubser
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hébert
Hillis
Holifield
Jarman
Jones, Ala.
Jones, Tenn.
Landrum
Leggett
McSpadden
Maraziti
Martin, Nebr.
Mathis, Ga.
Mills
Moorhead, Calif.
Mosher
Murphy, N.Y.
Nichols
Passman
Pike
Podell
Rees
Rodino
Rooney, N.Y.
Scherle
Shuster
Sikes
Slack
Steed
Symington
Teague
Thone
Vander Jagt
Waggonner
Waldie
Wiggins
Wilson, Charles H., Calif.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11500, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 368 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time the quorum was called the pending business was the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute, and a division had been demanded.

The question was taken; and on a division (demanded by Mr. Hosmer) there were—ayes 42, noes 38.

RECORDED VOTE

Mr. HECHLER of West Virginia. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 193, not voting 28, as follows:

[Roll No. 402]

AYES—213

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bauman
Beard
Bell
Bevill
Biaggi
Blackburn
Bowen
Bray
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Evins, Tenn.
Findley
Fisher
Flowers
Flynt
Forsythe
Fountain
Frelinghuysen
Frey
Froehlich
Fuqua
Gettys
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Gross
Grover
Gubser
Guyer
Hammerschmidt
Hanrahan
Harsha
Hastings
Henderson
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kazen
Ketchum
King
Landgrebe
Landrum
Latta
Leggett
Lent
Litton
Lott
Lujan
McClory
McCollister
McCormack
McEwen
McKay
McSpadden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Michel
Milford
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Murtha
Myers
Nelsen
O'Brien
Parris
Pickle
Poage
Powell, Ohio
Price, Tex.
Quie
Quillen
Railsback
Randall
Rarick
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Roncallo, N.Y.
Roush
Rousselot
Roy
Runnels
Ruth
Sandman
Sarasin
Satterfield
Schneebeli
Sebelius
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Ullman
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Young, Alaska
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—193

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Barrett
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brooks
Brotzman
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Dellums
Diggs
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Fish
Flood
Foley
Ford
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Grasso
Green, Pa.
Griffiths
Gude
Haley
Hamilton
Hanley
Harrington
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holtzman
Howard
Johnson, Calif.
Jones, N.C.
Jordan
Karth
Kastenmeier
Kemp
Kluczynski
Koch
Kyros
Lagomarsino
Lehman
Long, La.
Long, Md.
Luken
McCloskey
McDade
McFall
McKinney
Macdonald
Madden
Maraziti
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roybal
Ruppe
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Shuster
Sisk
Smith, Iowa
Staggers
Stanton, James V.
Stark
Steed
Steele
Steelman
Stokes
Stratton
Stuckey
Studds
Sullivan
Thompson, N.J.
Traxler
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Ware
Whalen
Williams
Wilson, Charles, Tex.
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Zablocki

NOT VOTING—28

Baker
Brasco
Carey, N.Y.
Chisholm
Clay
Davis, Ga.
Dorn
Eshleman
Fulton
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Hébert
Hillis
Holifield
Jones, Tenn.
Kuykendall
Mills
Nichols
Passman
Rooney, N.Y.
Scherle
Symington
Teague
Tiernan
Wilson, Charles H., Calif.

So the amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER Mr Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: On page 15, line 10, of the Mink amendment, strike out the word "higher" and insert the word "equal".

Mr. HOSMER. Mr. Chairman, I wish to thank the committee for their acceptance of the previous amendment. This amendment that I have just offered bears a direct relationship to the previous one.

In the previous case the amendment now reads:

In cases where an industrial, commercial, agricultural, residential, recreational or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, back filling, and spoil placement. . . .

and so forth.

But there is a subprovision now that you can do that only if the use to which the land is to be put is for a higher or a better economic use or public use, rather than an equal or better economic use.

The amendment I have offered would require that in order for these exceptions to be granted, the land would have to be put back to an equal or better use—that is the way the language now is—it would have to be put back to a higher or better use.

There is no reason to put that penalty in when all you want to do is to get the land back as good as it was before. You do not have to get it back better than it was before in order to have these exceptions agreed to. That is the rule of reason. This is a sensible approach.

I urge that the amendment be adopted.

Mr. UDALL. Mr. Chairman, the concept the gentleman from California expresses is one that is acceptable on this side. Equal or higher, it is *pretty much* the same thing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: on page 16, line 10 of the Mink amendment, strike out lines 10 and 11.

Mr. HOSMER. Mr. Chairman, this would cut the following language from the Mink amendment, to wit:

The regulatory authority may impose such additional requirements as he determines to be necessary.

This is placing in the hands of the regulatory authority an absolutely uncontrolled discretion to impose such additional requirements as he alone determines necessary.

Such delegation is tantamount to Congress abandoning its responsibility and turning total power over to some completely unknown regulators be they either State or Federal. The Government should see to it that this kind of regulation is held within the bounds of the expressed intent of the act. The proposition is so clear, Mr. Chairman, that I ask that the amendment be adopted, and I yield back the balance of my time.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, an almost identical

amendment was voted down just a few minutes ago in relationship to an earlier subsection. This is a State lead bill. This says the Federal Government lays out general, broad policy guidelines. The States have the option—and most of them will take that option—to enforce their own laws to carry out those guidelines. The bill says that the States may go further. If they want to protect the land, the water, and the streams in different ways or in ways that are more strict, they may do so. This says that the State regulatory authorities may make regulations to carry out the purposes of the act.

We cannot put every single regulation in a bill. They are complaining that the bill is too long now. I do not know of any Federal regulatory procedure or act where the regulatory authority has not had the power and the opportunity to promulgate regulations to carry it out. This gives the regulator no additional authority; it simply says he can promulgate regulations to carry out the policies contained in this act.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I agree with my colleague, the gentleman from Arizona (Mr. Udall) that the thrust of this legislation is, first of all, to encourage State lead, but, more importantly, the direction of the bill is really the establishment of minimum Federal standards and minimum Federal criteria. But it seems to me that mining varies from one part of the country to the other, from Appalachia to the Western States, and I believe we should give the States in the various parts of the country all of the latitude and all of the authority they need to impose or develop higher environmental standards if they so choose.

This Federal legislation should be considered really as a base, with the States able to undertake any additional regulations they would choose to undertake.

To pass the amendment, we would certainly undercut States' rights and prohibit the States from actually passing higher standards in terms of mining regulations, if indeed they were desirous of passing such type of regulation. This certainly cripples the States.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Indiana.

Mr. MYERS. I thank the gentleman for yielding.

It seems to me that this is an amendment to make an effort to prevent another objection where the administrators would go far beyond the intent of this Congress in setting up standards and setting up regulations that the intent of the Congress was never directed toward. Would that be the gentleman's judgment of the author's efforts?

Mr. RUPPE. The direction of this bill was really to develop, first of all, a State lead. We hope that the States would take control of this bill and run the various mining programs in each of the States that have mining. We also feel that the standards in this bill should be minimum Federal standards, but we feel that if Indiana or Michigan, or perhaps more importantly West Virginia or Utah, wished to develop some standards of their own beyond where we have developed in this legislation, they ought to have the right to do so.

Mr. RUPPE. The State of Montana is concerned about its particular problems and the State of West Virginia is concerned about mountain erosion and it seems to me they ought to be able to pass State legislation to take care of those special situations beyond what we have developed nationally in this bill.

Mr. MYERS. If I may say so, the gentleman mentioned the State of Indiana. The Department of Natural Resources of the State of Indiana has advised the Indiana delegation that this particular bill would not allow Indiana to do what they are doing today and that is to use the land to better advantage, and I am not sure the language of the amendment adopted would allow Indiana to act or whether it would have to be changed. If a particular area which has been reclaimed had never been farmed before but could be put into row crops, Indiana allows it to happen. The interpretation of the Department of Natural Resources of the State of Indiana is that this bill as originally offered in the House would not allow that to happen.

Mr. RUPPE. My understanding is that the bill with the original language provided that if the land was put to better or higher economic or commercial type use, that variances would be granted. It seems to me that would be most advantageous to the State if it wished to encourage the best use of the land.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. SYMMS TO THE AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SYMMS. Mr. Chairman, I offer an amendment to the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SYMMS. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. The amendment which the gentleman offers is an amendment to section 202 and is not in order at this time. There is pending at the present time an amendment offered by the gentlewoman from Hawaii to section 211.

If there are no further amendments at this time to the Hosmer substitute or to the amendment offered by the gentlewoman from Hawaii, the question is on the amendment offered by the gentleman from California (Mr. Hosmer) as a substitute for the amendment offered by the gentlewoman from Hawaii (Mrs. Mink) to the committee amendment in the nature of a substitute.

The substitute amendment for the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. Mink), as amended, to the committee amendment in the nature of a substitute.

The amendment, as amended, to the committee amendment in the nature of a substitute was agreed to.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not know whether it would be possible to obtain some agreement here tonight. We are now on title II of a bill which has eight titles. We have been on the first two titles now for what is now the fourth day.

I would hope that we could finish title II sometime in the near future this evening. We have 10 or 15 amendments on this side, many of which could be handled rather quickly. I know there are some amendments on the other side. I would think within an hour or an hour and a half we could dispose of title II and take care of all those that have pending amendments.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr HOSMER I would not expect that we would want to foreclose any Member who had any other amendment to title II. Now, title II is a large share of the bill, consisting of practically 75 percent of the bill and 75 percent of the amendments which might be offered to it; so to cut off now on title II for an hour or so and then to go over to tomorrow or to some other time for 3 or 4 hours certainly would be an illogical division of time.

If the gentleman has some idea in mind about limiting the total time over a period of some reasonable amount, I think that it ought to be done by opening up all of the titles, rather than going through one at a time. That kind of approach would allow those that have the most serious amendments to select those within the time.

I would say in that connection I am somewhat advantaged because even if we close in say 3 or 4 hours, if we went over to tomorrow, I could still call up such amendments as I have posted that I believe to be key amendments. I suppose those others who have posted amendments would be entitled to the same thing and by that means we would all have a chance at least to skim off the top of the issues that we deem most important in this bill.

Mr. UDALL. In the light of the gentleman's suggestion, I will not make a unanimous-consent request at this time and proceed a little bit on title II and see what progress we can make and then consult with the gentlewoman from Hawaii (Mrs. Mink) and the gentleman from California (Mr. Hosmer).

AMENDMENT OFFERED BY MR. SYMMS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SYMMS. Mr Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Symms to the committee amendment in the nature of a substitute: Page 157, line 4. Strike out "Sec. 202." and insert a "Sec. 202." to read as follows:

Sec. 202. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting permanent surface coal mining and reclamation performance standards based on the provisions of sections 211 and 212, and establishing procedures and requirements for preparation, submission and approval of State programs, and the development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(a) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(b) consulted with and considered the recommendations of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857); and

(c) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

Mr. SYMMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Chairman, this amendment amends section 202 of the committee bill. The committee bill gives the Administrator of the Environmental Protection Agency veto power over those permanent rules and standards promulgated by the Secretary of the Interior—if I could have the attention of the Members—veto power by the Environmental Protection Agency over the rules and regulations promulgated by the Agency. These are the same people who gave us the Clean Air Act, the National Environmental Policy Act, the Coal Mining Health and Safety Act, the Occupational Health and Safety Act, the Federal Water Pollution Control Act, and the rigid Federal standards for land use policy and the controls that have gone with them.

My amendment does not say that the Environmental Protection Agency has nothing to do with it. They will be consulted, but they will not have veto power. By giving the Environmental Protection Agency veto power over the rules and regulations promulgated by the agency, we have an open-door policy to a built-in conflict that could delay the promulgation of any regulations for years and years to come.

Just as a house divided against itself cannot stand, a governmental program with a built-in booby trap cannot do the job it is designed to do. Either we delegate this program authority to a single competent Federal official or we do not.

My amendment would require that the Secretary consult with the EPA Administrator and give consideration to his views, but it does not give him veto power.

I am sure it will come as a surprise to many Members of the House to find out that we are getting ready to pass legislation that gives veto power over the rules and regulations to the EPA. I think this is a very crucial amendment and I hope it will gain favorable support by the House.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. Mr. Chairman, I am glad to yield to my friend from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, as I understand from the acts which the gentleman cited, he specified the Federal Coal Mine Health and Safety Act of 1969. Is the gentleman indicating that he feels that this was an unfortunate act, particularly since the gentleman had a great disaster in the silver mine in his State covered by another mining act also? I just wondered whether the implication was that this was a wrong move on the part of Congress to try to protect miners.

Mr. SYMMS. Mr. Chairman, the gentleman is not making that implication at all. What I am trying to point out is that we all, as Members of this body, have worked with these agencies; we know their attitude toward environmental issues; we know their attitude toward the protection of 3-toed salamanders as opposed to the protection of 10-toed babies.

I think we must recognize that this legislation is going to stop or restrict severely coal mining in this country. We have legislation now before the Committee on Interior and Insular Affairs to lock up production of waterpower. It is the EPA's attitude that they do not want to build powerplants, dams, nuclear power, nor do they want to mine coal, but we do have a growing population and the need for energy, which I pointed out earlier, will, if the level of energy production stays as it is today, we will have 25 percent unemployment just because of energy shortages.

My amendment will make this bill much more workable and give the agency the opportunity to make the decisions that are necessary, and to make firm decisions without getting another agency involved to veto this or not to veto it. Let us have one agency that we can place the responsibility on and not have bureaucratic buck passing between agencies in handling this important matter.

Mr. HECHLER of West Virginia. Mr. Chairman, I just want to assure the gentleman from Idaho that I am interested in people, which is the reason for my position on this, rather than 3-toed salamanders. I think the gentleman is dragging a 3-toed salamander herring across the trail.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, the Coal Mine Health and Safety Act is simply to the effect that when Congress wrote that act, it wrote such a hard-nosed piece of legislation that it closed mines irrespective of whether the mines themselves were unsafe; but closed them simply because all of the academic things that were put in the act, without reference to what the topography or local ground of the mine was, were such that it forced these mines to shut down even though they were operated safely.

That is the fundamental complaint about this bill, and it certainly is the fundamental complaint when the EPA, the Environmental Protection Agency, starts to be given veto over what goes on rather than an opportunity for an input to be considered just like any other Government agency.

So far as I am concerned, to take one agency of the Government and give it veto power over all the rest of the agencies of Government is the worst kind of law.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a very mischievous amendment. The bill the committee brought in was a balanced, compromise bill. This upsets one of the key compromises.

The environmentalists, who were worried about the Interior Department, wanted the enforcement to be in the hands of EPA. EPA is not very popular these days, and a lot of objections were raised by many people on our committee, so we said that the enforcement will be in the Interior Department.

We did give EPA a role. We gave EPA a role at the request of the administration. The administration is very strongly against this amendment—and I am not one of their spokesmen ordinarily—but what the bill now says is that with regard to air and water quality standards in the State plan, when the State moves in and says they will regulate under Federal guidelines in air and water quality standards in that State plan, it must be run by EPA for its approval.

He will now strike this out so that EPA, charged with air and water quality enforcement in the country, would have no role in this at all. So, the basic enforcement stays in the Interior Department, but this amendment strikes any concurrence by EPA on air and water quality standards. This is a very bad amendment, and ought to be defeated.

Mr. HOSMER. Mr. Chairman, I rise in very strong support of the amendment.

I am going to ask for a rollcall vote on this amendment because it is a key to the fundamentals of whether or not we are going to have legislation with which we can live.

This legislation, as written, requires no less than the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations relative to air or water quality standards and so forth. Accordingly, to obtain written concurrence, one cannot promulgate regulations without going on his knees to EPA. The Secretary of the Interior must beg this agency on his knees for its approval.

The Members know what EPA is like. I have seen what has happened with respect to clean-air standards, and I have seen what has happened in relation to some of those other hardnosed laws we passed, specifically when there was discretion on the part of EPA to relax an order. What did EPA do? "Nyet," is what was said. "No, you cannot have it. You will do as we tell you."

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I appreciate the gentleman's support on this amendment. I think it is a good amendment to this legislation. For example, in another field, on another subject, and to demonstrate the objections of the gentleman from California toward EPA, there was a problem in the national forests, located in the States of Washington, Oregon, and Idaho. When these forests were under the control of the Forest Service, regulations were in effect directing the use of insecticides such as DDT. EPA, however, would not recognize the urgency of this conservation program, and now we are faced with 800,000 acres of dead timber in these States, representing more environmental damage than could have been done in years and years and years. And it is that kind of thinking which permeates EPA.

Mr. HOSMER. The gentleman is entirely right. We are giving EPA the key to the whole enforcement, operation and reasonable conduct of this bill.

There is one point about which I want to make certain. The gentleman from Arizona said this provision was a key compromise to the bill. This was not any kind of a key compromise. If it was a compromise involving anyone, it was a compromise between the extreme environmentalists and the extreme-extreme environmentalists. It was not a compromise with me or anybody else whose perspective is broad enough to include all national interests rather than limited solely to environmental considerations.

In respect to the statement of the gentleman from Arizona that the administration agrees with his particular language in this bill and is opposed to this amendment, that is also not true. The EPA, of course, supports it, but there are a lot of other people in the Federal Government who do not favor this proposal.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the administration did issue a statement and made a reference in relation to the responsibilities of EPA under this legislation as to whether they should be used for consultative purposes or whether EPA should actually pass on those air and water quality standards outlined in the legislation.

In their reference as to whether EPA should be used for consultative purposes only, the wording is:

> This is clearly inadequate. EPA administers major programs that require the promulgation of guidelines and the imposition of standards and permanent requirements upon the coal mining industry. It is necessary for EPA to have authority to insure complete compatibility between programs under the bill and under EPA authority.

Mr. Chairman, for that reason, I have to reluctantly oppose the amendment offered by the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I would just appreciate the opportunity to say that the buck keeps getting passed from one agency back to the other agency, and all face problems as to where the buck gets passed.

If the EPA has a veto power and something goes wrong later with some problem in the future, then the Department of the Interior will be able to pass the buck and say, "Well, the EPA caused this."

But if we put it on one agency, we can pin the responsibility on them so we in the Congress will have an opportunity to change this and say, "You are the ones we chose. We gave you the authority." So let us give the guy the backing so he can at least run the reclamation program the way it is supposed to be run.

Mr. Chairman, I thank the gentleman.

Mr. RUPPE. Mr. Chairman, we are talking about the preparation and development of standards. In the opinion of the administration, the EPA should have direct authority to pass on these standards when they relate to air and water quality.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, does that include the statement that this will include these new, additional standards; is that right?

Mr. RUPPE. Well, I do not want to get into that, but I will say to the gentleman——

Mr. RONCALIO of Wyoming. I assume the gentleman is telling the truth.

Mr. RUPPE. I am quoting from a memorandum which was put out by the Interior Department.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. Symms) to the committee amendment in the nature of a substitute.

Mr. HOSMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

The question was taken; and on a division (demanded by Mr. Hosmer) there were—ayes 22, noes 51.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Roncalio of Wyoming to the committee amendment in the nature of a substitute: Section 212, page 199, line 16 after "regulations" insert "directed toward the surface affected by such underground coal mining operations,".
>
> Strike out line 22 to 23 and "mine support" in line 24 insert in lieu thereof "(1) Adopt measures consistent with known technology".
>
> On page 201 in line 20 strike out "may prohibit" and insert in lieu thereof "shall suspend". In line 23 after "streams" insert "if he finds imminent danger to the inhabitants of the urbanized areas, cities, towns, and communities".

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I thank the gentleman for yielding.

I will say that I had hoped to offer this amendment in my own name, but I was unable to get time. I thank the gentleman from Wyoming for offering it.

What this amendment does, in my judgment, is clarify the language in section 212 so that we will make sure by inserting these words that these regulations are "directed toward the surface affected by such underground coal mining operations" and not toward the underground coal mining itself. And in lines 22 and 23 we put in the words: "Adopt measures consistent with known technology," so that they cannot force the underground operator to do something that some theorist said would protect the surface, something that may or may not.

There are known technologies for subsidence, and we use them.

Then on page 201, in line 20: instead of prohibiting totally this underground coal mining in some areas, it may be in order for them to suspend until they find out if it is going to damage it.

Mr. Chairman, in the State of Ohio, for many, many years we have had a technology of deep-mining coal in urbanized areas.

There is known technology in certain strata of rocks that they know when they do certain things that it is not going to collapse. We have not had a coal mine subsidence of any major proportions that I can remember in Ohio. We do have an occasional subsidence where a street or something goes down, but I do not know of any except where you get a pothole or something caused by water movement. But on all of this the Administrator under my amendment would have the power to hold that until he made a determination as to whether that particular technology would work or whether it would not work, and therefore would not prohibit it.

I believe that I discussed this with some of the people on the committee, and I believe the amendment is acceptable.

Mrs. MINK. Mr. Chairman, if the gentleman will yield, I have had a chance to examine all three of the amendments, and I find it is in keeping with the basic intent of the legislation, and would agree to accept it.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I would

like to have the gentleman from Ohio, if he would not mind, read his amendment as it would be, as it would appear if adopted.

Mr. HAYS. On page 199, in line 16, it would put in, after the word "regulations," the following language, so that it would read:

> In order to regulate underground coal mining operations, the Secretary shall promulgate rules and regulations directed toward the surface affected by such underground coal mining operations.

As I said, this is to make sure that we know what we are talking about.

Then it would strike out lines 22 and 23, and "mine support" in line 24, and it would insert in lieu thereof:

> (1) Adopt measures consistent with known technology in order to prevent subsidence. . . .

Does that clarify it for the gentleman?

Mr. HOSMER. I thank the gentleman from Ohio very much. I think that his amendment adds strength to the bill.

Mr. HAYS. I thank the gentleman.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I also would like to support the gentleman's amendment, and to point out that it is in a clear desire to explain the underground mining problems. I think the suggestion posed is meritorious, and in the main the committee has observed it, but this certainly clarifies it.

Mr. HAYS. Mr. Chairman, I thank the gentleman, and I might say to the gentleman that there are some problems that underground mines have that affect the surface, and we have tried to have language directly bearing on that so that it does affect the surface.

Again I thank the gentleman from Wyoming for yielding me this time.

Mr. RONCALIO of Wyoming. Mr. Chairman, I congratulate the gentleman from Ohio on offering the amendment that he has. I am glad that the gentleman says that Ohio has had no serious subsidence problems. I wish we could say the same thing in other States.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word, and I do so for the purpose of asking the gentleman from Ohio whether the gentleman would consider that back stowing a mine site in order to prevent subsidence is something consistent with present technology?

Mr. HAYS. If the gentleman will yield, of course that is a known technology, and in some cases it is used, and in some cases I would say that probably the Administrator might want to require that. I do not know for sure, but it is a known technology.

One of the technologies that we have never tried, and that I would not want to see them have to do, is to fill up the whole coal mine with cement, for example, because that would probably put a deep coal mine out of business.

These are the things we are trying to avoid.

Mr. HECHLER of West Virginia. Mr. Chairman, may I ask the gentleman from Ohio a further question?

The General Accounting Office did a study entitled "Federal and State Efforts To Control Water Pollution Caused By Acid Drainage From Mines," dated August 14, 1973. There are a number of research, development, and demonstration projects now underway by EPA, the Departments of Agriculture and the Interior, the Corps of Engineers, and the Appalachian Regional Commission, as well as in the State of Pennsylvania with EPA assistance.

Much of the technology is in the process of being developed, and the main concept for prevention attempts to eliminate either oxygen or water or both so that sulfur-bearing minerals cannot mix to form acid. A number of experiments have been made such as the use of styrofoam in underground mines for the purpose of sealing, bulkhead sealing, using lime or limestone and using other forms of chemicals to mix with the acid to create a sludge which will seal the points where the acid drains from the mine. I just want to be sure that the gentleman's amendment would not limit possible future application of these approaches now in the testing stage.

Mr. HAYS. I will say to the gentleman that this amendment would prevent the administrator from ordering them if they had not been tested and found to work. Once they have been tested and it has been shown that they work, then they become a known technology. This is certainly not my intent to prevent any advancement in technology; it is just to prevent the administrator from ordering an operator willy-nilly to use something that nobody uses, whether it works or not.

I will tell the gentleman about acid-mine drainage in his State and mine. The best technology I know of is to go into the coal seam from above the seam instead of below. Then when the mine is abandoned, the gentleman knows the water has got to stay in there. There is no place else for it to go. In the old days in eastern Ohio it went in the closest slit, and if that were on the level below the seam, it was cheaper to go in there. That is the way they went in. Then when they abandoned the mine, it has been found to come out in some cases for 35 years, and there is no way to seal the mine.

Mr. HECHLER of West Virginia. For the purpose of establishing legislative history, what does the gentleman view as "imminent danger" to the inhabitants of urbanized areas, cities, towns, and communities? I am just interested in how the legislative history of that phrase "imminent danger" would apply, so far as subsidence is concerned.

Mr. HAYS. I would say if somebody came in to the Administrator and said, "They are mining under my own village, and I am afraid they are going to cause me a problem and cause the whole town problems," then I think the Administrator would have to make a finding, and if he thought the strata and procedures they were using were such that it was causing a danger, he would tell them to suspend.

Mr. HECHLER of West Virginia. It seems to me that the phrase "imminent danger" is awfully restrictive. It might develop that the danger is developing. Does not the phrase present a narrow restriction?

Mr. HAYS. I do not think so. I do not think one can find that there is danger 50 years down the road. I think "danger" is a reasonable term. We all know what it means. It means danger in the near future.

Mr. HECHLER of West Virginia. There is danger, however, which could occur over a long period of time. That was the only point I wanted to make.

Mr. HAYS. Then I think the Administrator, if he makes that determination, should order him not to mine in that area or to use certain techniques in filling, or whatever.

Mr. HECHLER of West Virginia. I thank the gentleman from Ohio.

Mr. Chairman, I merely should like to observe, as a strong supporter of deep mining, and a strong critic of strip mining, I want it clearly understood that we must take action to prevent damages from underground as well as strip mining. What we are trying to do essentially in this bill is to make the deep mining industry both safe and profitable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have been discussing with the gentleman from California (Mr. HOSMER) and the leadership the situation in which we find ourselves with this complicated bill after 4 days of debate, and I want to propose a solution that might get us out of here a little bit early tonight and lead us to an orderly conclusion on this legislation tomorrow. I want to state the proposal carefully so that the Members will understand it. Some of it will take unanimous consent and some of it will simply take an understanding between some of the Members on the floor here.

The proposal would be that we would rise tonight very shortly. Within the next few minutes the Committee would rise. Before we do that, by unanimous consent the entire bill would be considered as read and printed in the RECORD. Title II is now open. There are five remaining titles that would be considered as read, printed in the RECORD, and open for amendment at any point. The further unanimous-consent request I would make at that point would be that there would be 3 hours of debate for all of the remainder of the bill, not to include time out for quorum calls and rollcalls, but actual debate time; that we would divide that time among the titles in a reasonable way on the schedule as follows: Sixty minutes to complete title II—that is the biggest and most important title; 20 minutes for title III; 50 minutes for title IV, the abandoned mine fund title; 10 minutes on title V; 5 minutes on title VI which is very short, the non-coal-mine designation; 30 minutes on title VII; and 10 minutes on title VIII, which is not a controversial title.

It would be further a part of the arrangement that a number of Members have published in the Record amendments that they propose to offer, and under clause 6, rule XXIII, those Members are entitled to 5 minutes discussion on each of those amendments. The suggestion is that Mr. Hosmer would pick the 10 most important of his amendments that he has published. He has published a very large number. He would agree as a gentleman and as a Member of the House to claim that 5 minutes only with regard to the 10 amendments that he would select. I have spoken to Mr. Hechler who has the second largest number of amendments, and he would be willing to limit himself to the 5 amendments he has published. Other Members who have published amendments in much smaller numbers, only 2 or 3, of course we would not ask to join in this arrangement.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, the discussion of the 10 amendments would of course be in addition to the 3 hours of discussion or debate?

Mr. UDALL. I had thought that was included.

Mr. HOSMER. I say that because it could be that those amendments might not be reached at the time of the expiration of time. I will try myself to get them included within that time but if I cannot of course I still must reserve the right to offer the amendments. I will do the best I can, I will say to the gentleman. If the time expired and there were three of my amendments left to be offered, still unoffered, I would want to offer them.

Mr. UDALL. I understand. The only reason I hesitate is that part of the reason we contemplated this arrangement is that we will have tomorrow the Department of the Interior Appropriation bill and we would hope that we would finish tomorrow night. The Department of the Interior bill would be before us tomorrow and we would figure that we would have the final vote on it by 6 o'clock, and the gentleman's remarks might push us back to 7 o'clock, but I think that is still a fair arrangement.

Mr. HOSMER. I have no desire to stay until the wee small hours tomorrow night.

Mr. UDALL. I think we can beat the 3-hour schedule and get out at a reasonable hour tomorrow and therefore I would be constrained to accept the arrangement.

Mr. HOSMER. One more thing. As I understand it now, if I should not be able to get my 10 amendments in or if the gentleman from West Virginia (Mr. Hechler) should not be able to get in 1 or 2 of his 5, that we will be able to take them up.

Mr. UDALL. I will so state it, if we do agree on this here, that we will make such an arrangement.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I had three amendments I had hoped to offer to this bill, and through the kindness of the gentleman from Wyoming (Mr. Roncalio) I have had two of them offered in his name. I have one amendment which in substance would guarantee that if any company were put out of business by this law or adversely affected or if any miner lost his job—and it is in two sections—they would have the first chance at the reclamation of the workable lands, the company adversely affected and the miners who lost their jobs would have first chance to get the jobs if they are adversely affected. I think that those make good sense.

How would I be affected by this arrangement? Would I get to offer this amendment which is to title 7?

Mr. UDALL. I think I can assure the gentleman his rights would be protected. What I would contemplate is when we get to this title VII, if that is where the amendment is, the chairman would ask for all those who desire to be heard, and then the hour would be divided among those Members without regard to whether they are members of the committee or not.

Mr. HAYS. I would not need much more time than I have already used because the amendments are almost self-explanatory.

Mr. UDALL. We are prepared to accept the amendments of the gentleman, as we did the first two.

Mr. KETCHUM. Mr. Chairman, if the gentleman will yield, does the gentleman forget this amendment was offered in committee and was almost unanimously rejected?

Mr. UDALL. I did not recall that. We try to be flexible on this side. We are flexible in a rigid sort of way.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to my friend, the gentleman from Colorado.

Mr. EVANS of Colorado. Under such an arrangement most of the amendments that have been pending and published in the Record would be limited to say 10 amendments on one and 5 on another to those who have amendments that have been printed in the Record?

Mr. UDALL. The gentleman has two, as I recall.

Mr. EVANS of Colorado. Yes, that is correct.

Mr. UDALL. The gentleman would be protected under the rule. We would hope to work him in so that his time came in under the title; but in the event there was a slip-up, the gentleman could claim the time.

Mr. Chairman, I ask unanimous consent that the entire bill be considered as read, printed in the Record and open to amendment at any point.

Mr. HOSMER. Mr. Chairman, reserving the right to object, I wish the gentleman would make the unanimous-consent request in one package for all the things we have discussed.

Mr. UDALL. I think that is preferable. I make the following unanimous-consent request——

The CHAIRMAN. We have not disposed of the first one. The request was——

Mr. HOSMER. Mr. Chairman, I objected to the first one.

Mr. UDALL. Mr. Chairman, the gentleman suggested that I put my entire request in one package, so that we do not get one part mixed up with another part.

The CHAIRMAN. The Chair is advised that the request should be to titles II through VIII.

Mr. UDALL. Mr. Chairman, I ask unanimous consent as the first that the remainder of the bill, titles II through VIII in their entirety be considered as read, printed in the Record, and open for amendment at any point.

Second, I ask unanimous consent that all debate on all the bill, including all titles and all amendments, close after 3 hours of debate tomorrow, that time not to include time out for rollcalls or quorum calls.

Mr. HOSMER. Mr. Chairman, reserving the right to object, would the gentleman also include in that request, excluding time for offering and debate of any posted amendments which have not been offered?

Under those circumstances, I would not offer more than my 10 and I think Mr. Hechler would have to make the same gentleman's agreement for his.

Mr. UDALL. We will accept the word of the gentleman from California that he will abide by that.

I will ask the gentleman from West Virginia (Mr. Hechler) if he will also abide by that gentleman's agreement?

Mr. HECHLER of West Virginia. Yes, I certainly will.

Mr. HOSMER. Will the gentleman's request for unanimous consent be agreed to on printing under clause 6, rule XXIII?

Mr. UDALL. The Parliamentarian tells me we do not need that as part of the unanimous consent request

Mr. HOSMER. Mr. Chairman, further reserving the right to object, now that we have had our gentleman's agreement, nevertheless when the expiration of the 3 hours have occurred and there are one or more amendments of myself or the gentleman from West Virginia (Mr. Hechler) still pending, I would like to ask that notwithstanding, they would be in order.

Mr. UDALL. I think that is clear under the rules; but in order to make it perfectly clear, I add to the request that at the conclusion of 3 hours of debate it shall be in order under clause 6 of rule XXIII for any Members having posted amendments to call up their amendments claimed under the 5-minute rule.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Ohio.

Mr. HAYS. The amendments I have referred to are not published in the Record. Would they be included?

Mr. UDALL. No; but as I said earlier, we will protect the gentleman on that.

The final part of my request is that the 3-hour time referred to be divided as follows:

Title II not to exceed 60 minutes.
Title III not to exceed 20 minutes.
Title IV not to exceed 50 minutes.
Title V not to exceed 5 minutes.
Title VI not to exceed 5 minutes.
Title VII not to exceed 30 minutes.
Title VIII not to exceed 10 minutes.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Arizona?

Mr. **RONCALIO** of Wyoming. Mr. Chairman, reserving the right to object, I make the point that the effect of this legislation will have upon tens of thousands of surface owners on their land in the now vast coal deposits under their land, this is far too important to me and to the gentleman from Montana to find we are now allocated 15 minutes of time on the so-called Melcher amendment against the amendment of the gentleman from Colorado (Mr. EVANS).

I feel that we are getting squeezed out after putting in 3 days for the third time around by the tactics we have been subjected to here today. Can there be something done about title VII for more time?

Mr. **UDALL**. Mr. Chairman, let me say that I agree with the gentleman. I only have two responses, and the alternatives are not very good. One is to go on tonight. I rather suspect by the mood of the House that limitations of time imposed would be even more stringent than what we have here.

The second is, I think the major issues such as surface owner consent, have been debated and "Dear Colleague" letters have been written. I do not think we are going to change very many votes even if we tripled the time.

Mr. **RONCALIO** of Wyoming. Could we have 40 minutes instead of 30 minutes on title VII?

Mr. **UDALL**. Yes.

Mr. **RONCALIO** of Wyoming. I thank the gentleman.

Mr. **UDALL**. Mr. Chairman, I would amend my request by taking 10 minutes off title II and adding 10 minutes to title VII.

Mr. **RONCALIO** of Wyoming. Mr. Chairman, I am deeply grateful to the gentleman from Arizona, and I withdraw my reservation of objection.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Titles III through VIII of H.R. 11500 read as follows:

TITLE III—INDIAN LANDS PROGRAM

GRANTS TO TRIBES

SEC. 301. (a) The Secretary is authorized to make annual grants directly to any Indian tribe in developing and administering an Indian lands program for the purpose of enabling the tribe to realize benefits from the development of its coal resources while at the same time protecting the cultural values of the tribe and the physical environment of the reservation, including land, timber, surface and ground waters, and air, by the establishment of exploration, mine operating, and reclamation regulations.

(b) The distribution of funds under this Act shall achieve the purposes of the Act, recognize special jurisdictional status of Indian lands and allotted lands of such tribes and preserve the power of Indian tribes to approve or disapprove surface mining and reclamation operations.

(c) Indian lands programs developed by any Indian tribe shall meet all provisions of this Act and where any provision of any tribal code, ordinance, or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides for environmental controls and regulations of surface mining and reclamation operations which are more stringent than the provisions of this Act or any regulation issued pursuant hereto, such tribal code, ordinance, or regulation shall not be construed to be inconsistent with this Act.

COAL LEASING

SEC. 302. The Secretary is directed to obtain written prior approval of the tribe before leasing coal under the ownership of the tribe.

APPROVAL OF PROGRAM

SEC. 303. (a) The Secretary is directed to promulgate and publish in the Federal Register regulations for Indian lands programs pursuant to this title which adequately protect Indian lands. Such regulations shall be promulgated and published under the guidelines of section 202 of this Act.

(b) If within twenty-four months after the receipt of funding under section 301(a) a tribe shall have submitted a tribal program, the Secretary shall approve the program within sixty days of its submission if said program is consistent with standards set out in this Act. In the event that the Secretary finds that the program is inconsistent with the standards of this Act, the tribe will be allowed ninety days after written notification of the Secretary's rejection of the tribe's program to resubmit an acceptable program. In the event that a tribe's resubmitted program is rejected by the Secretary as inconsistent with standards of this Act, the Secretary shall establish a Federal program for the tribe's reservation in accordance with section 306. Upon request by a tribe, the Secretary may grant an extension of six months to the tribe for submission of an Indian lands program.

(c) Any tribe submitting an Indian lands program under the provisions of this Act shall be required (i) to hold a public hearing for the enrolled members of the tribe on its reservation before submission of the program, and (ii) to waive or cause the waiver of the defense of sovereign immunity for such tribe in connection with any suit, claim or legal proceeding brought pursuant to or arising out of this Act.

ADMINISTRATION BY THE SECRETARY

SEC. 304. (a) At any time, a tribe may select to have its program administered by the Secretary. Upon such a request by a tribe, the Secretary shall assume the responsibility of administering the tribe's program for that reservation.

(b) Permits issued pursuant to an approved Indian lands program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

EXISTING OPERATION

SEC. 305. Any coal surface mining operation on Indian lands existing on the date of enactment or which shall commence before the approval of an Indian lands program under this Act shall be subject to the provisions of section 201(g) and section 225 of this Act until such time as there is an approved Indian lands program or Federal program for such Indian lands.

FEDERAL PROGRAM

SEC. 306. (a) In the event that a tribe shall decline to submit to the Secretary a proposal for funding as authorized by section 301(a) to develop a program within six months after the enactment of this Act, the Secretary shall, if it be necessary to protect the rights and interests of a tribe, develop and implement a Federal program which will insure the protection of the tribal culture and the physical environment of the reservation.

(b) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing for the enrolled members of the tribe in a location convenient to the tribe.

(c) In no event shall the Secretary approve a permit under a Federal program without the written prior approval of the Indian tribe having jurisdiction over the lands in question.

(d) If an Indian tribe submits a proposed Indian lands program to the Secretary after a Federal program has been promulgated and implemented pursuant to this section, and upon approval by the Secretary of the Indian lands program, the Federal program shall cease to be effective within thirty days after such approval. Immediately following promulgation of an Indian lands program, the tribe shall undertake to review all permits to determine that the requirements of the Indian lands program approved under this Act are not violated. If the tribe determines that any permit is not in conformity with the requirements of its program, it shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Indian lands program.

PERSONNEL

SEC. 307. (a) Indian tribes are authorized to use the funds authorized pursuant to section 301(a) of this title for the training personnel and, where appropriate, to allocate funds to legitimately recognized organizations of the tribe that are pursuing the objectives of this title, as well as hire special consultants, groups, or firms from the public and private sector, for the purpose of developing, establishing, or implementing an Indian lands program.

(b) Any Federal agency is authorized to assist any Indian tribe upon request from such tribe by providing the services of technical and professional staff on a reimbursable or nonreimbursable basis to assist in the development or management of an Indian lands program.

AUTHORIZATION PRIORITY

SEC. 308. Of the funds made available under section 701(a) of this Act, first priority on $2,000,000 for each of the fiscal years shall be for the purposes of this title.

REPORTS TO THE SECRETARY

SEC. 309. Any Indian tribe which is receiving or has received a grant pursuant to this title shall report at the end of each fiscal year to the Secretary, in a manner prescribed by him, on activities undertaken by the tribe pursuant to or under this title.

REPORTS TO CONGRESS

SEC. 310. The Secretary shall report annually to the President and the Congress on all actions taken in furtherance of this title and on the impacts of all other programs or services to or on behalf of Indians on the ability of Indian tribes to fulfill the requirements of this title.

ENFORCEMENT

SEC. 311. For the purpose of administering an Indian lands program under this Act, a tribe shall have jurisdictional authority including the ability to require compliance with said regulations over all persons whether Indian or non-Indian engaged in surface coal mining operations and that all disputes will be adjudicated in the appropriate tribal court forum until that remedy is exhausted and then the aggrieved party has the right to a trial de novo in Federal dictrict court in the appropriate district.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED COAL MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 406, administration of the fund and enforcement and collection of the fee as specified in subsection (d), acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 407, and for use under section 405, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Department of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d) All operators of surface and underground coal mining operations subject to the provision of this Act and all importers of coal mined outside the United States shall pay to the Secretary of the Treasury, for each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment, a reclamation fee calculated on the basis of total BTUs contained in the coal produced or imported during the preceding quarter (or part thereof) at a rate of 1.23 cents per million BTUs. Forty per centum of the revenues derived from coal mined in each county, school district, or on lands within the reservation of any Indian tribe shall be returned to that county, school district or school district impacted by coal mining or Indian tribe for use in meeting obligations with respect to schools, roads, and health care. Such funds shall be returned to the appropriate county, school district, or Indian tribe on a quarterly basis.

(e) All operators of surface and underground coal mining operations may deduct from any fee to be paid pursuant to subsection (d) above the amount, not to exceed one-half of any reclamation fee, license fee, severance tax, or other similar charge paid by the operator to any State with respect to coal mining operations in such State, in the proportion that the proceeds of such fee, tax, or charge are used by the State to support reclamation or conservation activities comparable to those provided for by this title.

(f) Any person who willfully fails to pay the total amount of the reclamation fee for which he is liable, for any quarter (as specified in subsection (d)), shall be fined not more than $10,000. In addition there shall be added to the amount of the fee payable by such person 5 per centum of the amount of such fee if the failure is for not more than one month, with an additional 5 per centum for each additional month or fraction thereof during which failure continues not exceeding 25 per centum in the aggregate.

OBJECTIVES OF FUND

SEC. 402. Objectives for the obligation of funds for the reclamation of previously mined areas shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and waters to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only land eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION RESPONSIBILITY

SEC. 404. (a) Mining operators shall eliminate continuing polluting discharges, mine or refuse bank fires, and conditions that present an imminent hazard to the environment or to the health or safety of the public, on mined lands where the mining operator has in the past conducted mining operations on or beneath the surface of the land, did not adequately reclaim such land and, on or after the effective date of this Act, held the mineral or other rights to such land.

(b) After July 1, 1977, mining operators not in compliance with this section shall be subject to the procedures and penalties provided in title II of this Act.

RECLAMATION OF RURAL LANDS

SEC. 405. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights) residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land uses and conservation treatment set forth in the agreement. Grants made under this section shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than thirty acres of land occupied by such owner including water rights owners, resident, or tenant, or on not more than thirty acres of land which has been purchased jointly by such land owners including water rights owners, residents, or tenant under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act, and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 406. (a)(1) The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(c) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the reclamation program required under this title and following the standards for reclamation set forth in this Act. The Secretary may, with the approval of the Administrator of the department or agency involved, call to his assistance temporarily any engineer or other personnel of any Federal department or agency. The engineers and employees shall not receive any additional compensation other than that which they receive from the department or agency by which they are employed, but they shall be reimbursed for their actual and necessary expenses incurred while working under the direction of the Secretary. The Secretary shall follow the consultation and notification procedures specified in section 214(a) of this Act prior to the final approval of a reclamation plan.

(7) Any proposed reclamation contract shall be approved by the Secretary. Except as otherwise required by paragraph (8), the Secretary shall award each contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Secretary and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before the opening of the bids, in a newspaper of general circulation in each county in which the area of land to be reclaimed under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Secretary may advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Secretary may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

(8) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in this unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the fund.

(9) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(10) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(b) (1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons, dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purposes of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have adequate housing facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 407. (a) The Congress declares that voids and open and abandoned tunnels, shafts, and entryways resulting from mining constitute a hazard to the public health or safety. The Secretary, at the request of the Governor of any State, is authorized to fill such voids and seal such abandoned tunnels, shafts, and entryways which the Secretary determines could endanger life and property or constitute a hazard to the public health or safety.

(b) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(c) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 408. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TITLE V—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 501. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under this Act and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer objectively the provisions of this Act. No legal authority, program or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources, shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) administer all responsibilities in Federal land use planning programs and associated functions which are now or hereafter assigned to the Secretary;

(3) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(4) provide assistance to States for the development and implementation of State programs for assuring the control of surface coal mining operations and meeting the other requirements of this Act;

(5) develop and maintain an Information and Data Center on Surface Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(6) assist the State in developing objective scientific standards and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of mining and for development of the State land use planning process pursuant to that process;

(7) monitor Federal and State research programs concerning mining and reclamation; maintain a continuing study of land use and environmental impacts of surface mining and surface effects of underground mining; and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating environmental and social impacts; and

(8) perform such other duties as may be provided by law and relate to the purposes of this Act.

TITLE VI—A PROGRAM FOR NON-COAL-MINE ENVIRONMENTAL IMPACT CONTROL

DESIGNATION OF LANDS UNSUITABLE FOR MINING OF MINERALS OTHER THAN COAL

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if such area consists of:

(i) land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain; or

(ii) lands where such mining operations could result in irreversible damage to important historic, cultural, scientific, or aesthetic values of natural systems, of more than local significance, or could unreasonably endanger human life and property.

(c) Any person shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. The petitioner shall be granted a hearing within a reasonable time and a finding with reasons therefor upon the matter of their petition. In any instance where a governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) No area shall be designated unsuitable for mining operations under this section on which mining operations are being conducted on the date of enactment of this Act, or as to which firms plans for and substantial legal or financial commitments in such operations are in existence prior to January 1, 1974. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that (i) with respect to lands designated under subsection 601(b)(i), such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary, and (ii) the Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary determines that an area on Federal lands is unsuitable for all or certain types of mining operations for minerals and materials other than coal, by reason of the criteria referred to in subsection 601(b), he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting for such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States District Court for the district in which the pertinent area is located.

(h) The Secretary is authorized to make annual grants to any State which has or shall develop a program for designating lands as unsuitable for mining for minerals and materials other than coal, provided that such program provides for proper consideration of regional and national requirements for mineral development corresponding to the considerations set forth in this section 601. Such grants shall not exceed 80 per centum of the total costs incurred during the first year; 70 per centum of the total costs incurred during the second and third years; and 60 per centum each year thereafter.

TITLE VII—APPROPRIATION AUTHORIZATION; DEFINITIONS; AND GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums, and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 201 and 206 and title III contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this section, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sum of $20,000,000, and $30,000,000 for each fiscal year thereafter.

(c) For research and demonstration projects authorized under section 707, including the study directed under section 704, there is authorized to be appropriated to the Secretary $5,000,000 for the fiscal year ending June 30, 1975, and $5,000,000 for each fiscal year thereafter.

RELATION TO OTHER LAWS

SEC. 702. Nothing in this Act or in any State regulations approved pursuant to it shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742)

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall fire, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subparagraph shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of applicant, a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees), to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

STUDY OF SUBSIDENCE AND UNDERGROUND WASTE DISPOSAL IN COAL MINES

SEC. 704. The Secretary shall conduct, for the purpose of developing mining and reclamation performance standards a full and complete study and investigation of the practices of backfilling all coal mine wastes and coal processing plant wastes in mine voids or other equally effective methods and the control of subsidence to maximize the stability, value, and use of lands overlying underground coal mines. The Secretary shall report to the Congress the results of such study and investigation no later than the end of the two-year period beginning on the date of enactment of this Act.

DEFINITIONS

SEC. 705. For the purpose of this Act—

(1) The term "Secretary" means the Secretary of the Interior, except where otherwise described.

(2) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(3) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(4) The term "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by such ancillary mining operations which disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

(5) The term "surface mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations.

(6) The term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands.

(7) The term "Federal lands" means any land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands.

(8) The term "Indian lands" means all lands within the exterior boundaries of any Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands held in trust for or supervised by any Indian tribe.

(9) The term "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary.

(10) The term "Indian lands program" means a program established by an Indian tribe pursuant to title III to regulate surface mining and reclamation operations for coal, whichever is relevant, on Indian lands under its jurisdiction in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act.

(11) The term "State program" means a program established by a State pursuant to title II to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act and regulations issued by the Secretary pursuant to this Act.

(12) The term "Federal program" means a program established by the Secretary to regulate surface coal mining and reclamation operations on all lands in accordance with the requirements of this Act.

(13) The term "Federal lands program" means a program established by the Secretary pursuant to title II to regulate surface coal mining and reclamation operations on Federal lands and Indian lands.

(14) The term "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface mining operations pursuant to section 210.

(15) The term "State regulatory authority" means the department or agency in each State which has primary responsibility in that State for administering the State program pursuant to this Act.

(16) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering any or all provisions of this Act.

(17) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(18) The term "permit" means a permit to conduct surface mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program.

(19) The term "permit applicant" or "applicant" means a person applying for a permit.

(20) The term "permittee" means a person holding a permit.

(21) The term "fund" means the Abandoned Mine Reclamation Fund established pursuant to title IV.

(22) The term "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and is in accordance with the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with the requirements of this Act.

(23) The term "written consent" means such written consent as is executed by the owner of the surface estate after the date of enactment of this Act, upon a form approved by the Secretary, and shall demonstrate that such owner consents to entry of an operator for the purpose of conducting surface coal mining operations and that such consent is given only to such surface coal

mining and reclamation operations which fully comply with the terms and requirements of this Act.

(24) The term "waiver" means any document which demonstrates the clear intention to convey rights in the mineral estate for the purpose of extracting such minerals by current surface mining methods.

(25) The term "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location.

(26) The term "reclamation" or "reclaim" means the combined process of land treatment that minimizes water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, other harmful effects or after-effects from surface mining operations, or surface effects from underground mines, so that affected lands are restored to a stable condition and create no danger to public safety barriers to access or reduce the value of surrounding lands. The process may extend to affected lands surrounding the lands on which the original mining occurred and may require backfilling to approximate original contouring, grading, resoiling, revegetation, soil compaction, and stabilization, in order to minimize water or soil pollution, erosion, flooding resulting from surface mining, water degradation or pollution from unfilled cracks and fissures or any other activity to accomplish reclamation of land to a stable condition at least fully capable of supporting the use or higher or better uses which they were capable of supporting prior to any mining.

(27) The term "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 214(a) of this Act and shall be readily identifiable by appropriate markers on the site.

(28) The term "silt" means soil, soil or rock particles, wood, debris, or other materials that are transported by suspension or floating in streams flowing from or through mining areas.

(29) The term "aquifer" means a zone, stratum, or group of strata, that can store and transmit water in sufficiently recoverable quantities to be of economic or ecologic value as a source of water.

(30) The term "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

(31) The term "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care.

GRANTS TO THE STATES

Sec. 706. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

RESEARCH AND DEMONSTRATION PROJECTS

Sec. 707. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research studies, surveys, experiments, and training in carrying out the provisions of this Act. In conducting the activities authorized by this section, the Secretary may enter into contracts with, and make grants to qualified institutions, agencies, organizations, and persons.

(b) The Secretary is authorized to enter into contracts with, and make grants to, the States and their political subdivisions, and other public institutions, agencies, organizations, and persons to carry out demonstration projects involving the reclamation of lands which have been disturbed by surface mining operations.

ANNUAL REPORT

Sec. 708. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

PROTECTION OF THE SURFACE OWNER

Sec. 709. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the written consent, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface mining operations on such land.

(b) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government, and the surface rights are held pursuant to patent, the application for a permit shall include the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods.

(c) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government and the interest in the surface is in the nature of a lease or a permit, the application for a permit shall include either—

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operation on such land; or

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved, the secure payment of any damages to the surface estate, to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the patent involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under section 216.

(d) In those instances in which it is determined that a proposed coal surface mining operation is likely to affect the hydrologic balance of water on or off site, the application for a permit shall include either—

(1) the written consent of all owners of water rights reasonably anticipated to be affected; or

(2) evidence of the capability to provide substitute water supply, at least equal in quality and quantity to such owners of water rights; or

(3) the execution of a bond for the use and benefit of such water rights owners, in order to compensate for the reduction in water quantity or quality, resulting from or caused by such mining and to secure payment for any damages to the surface estate or long-term productivity of the lands affected resulting from such loss of water quantity or quality.

(e) For the purposes of this section, the term "surface coal mining operation" does not include underground mining for coal.

SEVERABILITY

Sec. 710. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

PROTECTION OF GOVERNMENT EMPLOYEES

Sec. 711. Section 114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

EXPERIMENTAL PRACTICES

Sec. 712. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 211 and 212 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental prcatices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

TITLE VIII—STATE MINING AND MINERAL RESOURCES RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

Sec. 801. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, center, or equivalent agency (hereinafter referred to as "institute") at one public college or university at the State, which has in existence at the time of enactment of this title a school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering or which establishes such a school, division, or department subsequent to the enactment of this title and which school, division, or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school, division, or department conducting a program of substantial instruction and research in mining or mineral extraction or beneficiation engineering wherein education and research in the minerals engineering fields are being carried out and wherein at least five full-time permanent faculty members are employed: Provided, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering, said advisory committee may allocate the States' allotment to one private college or university which it determines to have an eligible school, division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to exploration; extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other, and to avoid any undue displacement of mineral engineers and scientists elsewhere engaged in mining and mineral resources research.

RESEARCH FUNDS TO INSTITUTES

Sec. 802. (a) There is further authorized to be appropriated to the Secretary of the Interior for fiscal year 1975, and six succeeding fiscal years thereafter the sum of $5,000,000 annually, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses of specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes. No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project. No grant shall be made under said subsection (a) except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

FUNDING CRITERIA

Sec. 803. (a) Sums available to institutes under the terms of sections 801 and 802 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title, in addition to being available for expenses for research, investigations, experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof and for administrative planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and of money appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating and conducting such cooperative research.

DUTIES OF THE SECRETARY

Sec. 804. The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 803(a) have been met as to each State.

The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

Sec. 805. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

AUTHORIZATION FOR OTHER RESEARCH PROGRAMS

Sec. 806. There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $10,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, from which the Secretary shall make grants, contracts, matching, or other arrangements with education institutions, private foundations, or other institutions; with private firms and individuals; and with local, State, and Federal Government agencies, to undertake research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied. The Secretary shall insofar as it is practicable, utilize the facilities of institutes designated in section 801 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, the nature of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

MISCELLANEOUS PROVISIONS

Sec. 807. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive, nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority or surveillance over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) Not part of any appropriated funds may be expended pursuant to authorization given by this title for any scientific or technological research or development activity unless such expenditure is conditioned upon provisions determined by the Secretary of the Interior, with the approval of the Attorney General, to be effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exception and limitation as the Secretary may determine, after consultation with the Secretary of Defense, to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent.

CENTER FOR CATALOGING

Sec. 808. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

Sec. 809. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research,

(b) identification and elimination of duplication and overlap between two or more agency programs,

(c) identification of technical needs in various mining and mineral resources research categories,

(d) recommendations with respect to allocation of technical effort among the Federal agencies,

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort, and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

Sec. 810. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel, subsistence, and related expenses.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Rousselot to the committee amendment in the nature of a substitute: On page 210, line 6, strike lines 6, 7, 8, 9, 10, 11, and 12, and insert "may be deposited. Such securities shall be security for".

Mr. ROUSSELOT. Mr. Chairman, on July 11, 1974, I testified before the Rules Committee during its hearings on the rule permitting consideration of this legislation. At that time I presented to Chairman Madden a letter from six members of the Banking and Currency Committee calling the attention of the Rules Committee to the fact that section 216(b) contains language which infringes upon the jurisdiction of the Banking Committee. In response to this letter, the prime sponsor of H.R. 11500, Mr. Udall, agreed to drop the offending provision. The purpose of this amendment is to implement that agreement.

Section 216(b) would then read as follows:

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, when we were before the Committee on Rules on this bill, the gentleman from California, on behalf of the Committee on Banking and Currency, complained that this provision of the bill invaded the jurisdiction of that committee.

I promised the Committee on Rules that I would accept this amendment. Therefore, I ask its adoption.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, the same situation prevails on this side, and I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. RUPPE. Mr. Chairman, pursuant to the rule, I insert the following amendment to H.R. 11500 which I intend to offer:

Page 249, line 8, strike all through page 251, line 14 inclusive and insert therein:

(b) There is authorized to be appropriated to the fund initially the sum of $125,000,000 and such sums as the Congress may thereafter authorize to be appropriated.

(c) The following other moneys shall be deposited in the fund;

(1) moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title;

(2) moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted.

(d) Amounts deposited in the fund shall be available for the acquisition and reclamation of land under section 406, administration of the fund, acquisition and filling of voids and sealing tunnels, shafts, and entryways under section 407 and, for use by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Department of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

Mr. DRINAN. Mr. Chairman, after many months of intensive study, the Committee on Interior and Insular Affairs has brought the issue of strip mining before the House of Representatives. Our consideration of this matter during the next few days presents an opportunity to help preserve the quality of our environment for many years to come.

The strip mining issue is an exceedingly complex one. Several significant points, however, emerge from the conflicting claims of industry spokesmen, environmentalists, and other concerned parties.

First, strippable coal constitutes only 3 percent of the Nation's total coal reserves. Deep-minable coal is eight times as plentiful as strippable coal.

Second, strip mining causes serious and often irreversible damage to our land.

Third, the expansion of strip mining into the Western States will threaten the limited water resources essential to the economic survival of that region.

Fourth, previous efforts at the Federal and State levels to regulate strip mining have failed to stem the widespread environmental devastation it has wrought.

Fifth, the increasing reliance of the coal industry on strip mining and the demand for increased coal production as a result of the energy crisis make it imperative that Congress act swiftly to meet this problem.

After carefully evaluating the alternative approaches to halting the wholesale destruction of America's most precious natural resource, I decided to cosponsor legislation introduced by the distinguished gentleman from West Virginia (Mr. Hechler) which would phase out all strip mining of coal over a 54-month period. No one denies that the United States will eventually have no choice but to utilize its reserves of deep-minable coal. The only question is one of timing. I would rather stop strip mining now, and save millions of acres from potential devastation. I voted in favor of the so-called Hechler substitute, H.R. 15000, when the House considered the bill on July 18.

Now that H.R. 15000 has been rejected by the House, I advocate the adoption of the committee bill with strengthening amendments. H.R. 11500 goes far toward meaningful regulation of strip mining, but, in its present form, it does not go far enough. Numerous amendments are being proposed on the floor to shore up the weaknesses of this legislation. Among the most important strengthening amendments are the following:

First. An amendment to transfer administration of the act from the Department of the Interior, which has displayed laxness in enforcing environmental regulations, to the Environmental Protection Agency, which has stood up consistently for the protection of the American people and their environment.

Second. An amendment to prohibit all strip mining on steep slopes, where total reclamation is impossible and the danger of a tragic accident involving mining waste is most acute.

Third. An amendment to establish a reclamation fund out of a $2.50-a-ton tax on all mined coal. The fund would be large enough to insure adequate reclamation of all stripped land. Reimbursements would be structured to equalize costs between mining methods and encourage an increased reliance upon deep mining.

Fourth. A series of amendments to protect precious water resources against diminution and contamination caused by strip mining.

With the inclusion of these and other strengthening amendments, H.R. 11500 will become an effective vehicle of strip mining regulation. Without such amendments, however, the committee bill contains sufficient loopholes to enable the coal industry to continue gouging coal from the ground without regard to preserving the beauty and productivity of our land.

Coal is our most abundant energy resource. It is a source of energy which the United States must rely upon increasingly as we strive to develop solar, geothermal, and other alternative energy sources during the next few decades. Yet there is no need to devastate our land in order to obtain this important mineral resource. Billions of tons of coal lie far underground, accessible through modern deep mining methods. We need not choose in this instance between energy and the environment. By drawing more heavily upon our plentiful deep coal reserves, we can increase domestic coal output without scarring the land.

The House has the opportunity now to act responsibly and salvage our environment from the ravages of strip mining. Let us make the most of that opportunity before it is too late.

Mr. ABDNOR. Mr. Chairman, although H.R. 11500, the Surface Mining Control and Reclamation Act, is primarily directed toward the protection of our environment from the abuses which have accompanied surface mining over the years, no less important is the protection of the rights of the individual surface landowners who have been likewise abused. It is with the same deference to the rights of individuals which the majority of the Members of this body, including myself, voted to defer consideration of the Land Use Planning Act that we must consider the measure before us at this time.

My good friend and colleague, the gentleman from California (Mr. Johnson) has indicated his intentions on page 23393 of the July 16, 1974, Congressional Record to offer an amendment which would strike subsections a and b of section 709 as currently written. In doing so, my colleague maintains that the surface owner's rights and interest in his land can be adequately protected through a bonding procedure. He maintains further that it is unfair to the American public to grant control of a natural resource which belongs to them to an individual landowner, who realizes full well that such rights did not accompany his surface estate. This latter argument is undeniable if the Members are to avoid dispensing the public's mineral wealth with the same callous disregard we dispense their tax dollars.

On the other hand, the supporters of the surface owner protection provisions, section 709, of H.R. 11500 as currently written maintain that the complete disruption of the surface estate which may occur in surface mining was not contemplated when the mineral rights were reserved. This argument also is undeniable.

Considering these conflicting points of view as to private versus public rights, in instances where the surface estate is privately held and the mineral estate held by the Federal Government, it is obvious that the private interests will be poorly served if, as the supporters of the current language maintain, private coal companies are given the right of eminent domain and the public interest will be poorly served if, as the supporters of the Johnson amendment maintain, individual surface owners are given veto power over the use of a national resource. I would hope, therefore, that my colleagues will support the following amendment which I intend to offer to the Johnson amendment:

Amendment to Johnson Amendment to Section 709

In line 12 of subsection [a(2)] of Johnson amendment as it appears on page H6590 of of the July 16, 1974, Congressional Record, following the word "subsection" insert the following:

"shall be set and its payment schedule determined by the regulatory authority after full consultation with the owner or owners of the surface estate and"

Insert new subsection "(3)" as follows:

Pursuant to subsection [a(2)] of this section the surface owner or owners may certify to the Governor of the state in which the surface estate in question lies, that damages to such estate and interest therein are not being adequately considered or compensated for in a timely manner. Upon receipt of such certification, the Governor shall cause to be convened a 3-member board to resolve the issues raised by the surface owner or owners. The board shall consist of 1 member named by the surface owner or owners, 1 member named by the regulatory authority, and 1 member, who shall serve as chairman, named by the Governor of the state in which the surface estate in question lies.

My amendment to the Johnson amendment would simply require that the owner or owners of the surface estate would be fully consulted in the determination of the size of the bond and schedule of payment necessary to equitably compensate him for damages incurred because of surface mining. My amendment would further provide that in case of a dispute between the surface owner and the regulatory authority as to the amount or time of payment, the Governor of the State in which the surface estate in question lies would name a neutral arbiter to assist them in resolving their differences.

I believe my colleagues will agree that these amendments to the Johnson amendment are essential if we are to avoid doing a great disservice to either the public need for energy or the rights of individual landowners. I would urge my colleagues to support this amendment to Mr. Johnson's amendment to section 709 of H.R. 11500 as currently written.

Mr. HAYS. Mr. Chairman, I am inserting at this point in the Record the text of an amendment I intend to offer to the committee's amendment to the bill H.R. 11500.

The amendment follows:

Amendment Offered by Mr. Hays to H.R. 11500

Page 290, after line 17, insert the following two new sections:

PREFERENCE FOR PERSONS ADVERSELY AFFECTED BY THE ACT

Sec. 713. (a) In the award of contracts for the reclamation of abandoned and unreclaimed mined areas pursuant to title IV and for research and demonstration projects pursuant to section 707 of this Act the Secretary shall develop regulations which will accord a preference to surface mining operators who can demonstrate that their surface mining operations, despite good-faith efforts to comply with the requirements of this Act, have been adversely affected by the regulation of surface mining and reclamation operations pursuant to this Act.

(b) Contracts awarded pursuant to this section shall require the contractor to afford an employment preference to individuals whose employment has been adversely affected by this Act.

ASSISTANCE TO PERSONS UNEMPLOYED AS A RESULT OF THIS ACT

Sec. 714. (a) The President is authorized and directed to make grants to States to provide to any individual unemployed, if such unemployment resulted from the administration and enforcement of this Act and was in no way due to the fault of such individual, such assistance as the President deems appropriate while such individual is unemployed. Such assistance as a State shall provide under such a grant shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment in the area caused by such administration and enforcement continues (but not less than six months) or until the individual is reemployed in a suitable position, but not longer than two years after the individual becomes eligible for such assistance. Such assistance shall not exceed the maximum weekly amount under the unemployment compensation program of the State in which the employment loss occurred and shall be reduced by an amount of private income protection insurance compensation available to such individual for such period of unemployment.

(b) The President is authorized and directed to make grants to States to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by any such unemployment, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the employment loss. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) (1) Whenever the President determines that, as a result of any such employment loss, low-income households are unable to purchase adequate amounts of nutritious food the President is authorized, under such terms and conditions as it may prescribe, to distribute through the Secretary of Agriculture coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964, as amended, and to make surplus commodities available.

(2) The President, through the Secretary of Agriculture, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the employment loss on the earning power of the households to which assistance is made available under this section.

(3) Nothing in this subsection shall be constructed as amending or otherwise changing the provisions of the Food Stamp Act of 1964, as amended, except as they relate to the availability of food stamps in such an employment loss.

(d) The Secretary of Labor is authorized and directed to provide reemployment assistance services under other laws of the United States to any such individual so unemployed. As one element of such reemployment assistance services, such Secretary shall provide to any such unemployed individual who is unable to find reemployment in a suitable position within a reasonable distance from home, assistance to relocate in another area where such employment is available. Such assistance may include reasonable costs of seeking such employment and the cost of moving his family and household to the location of his new employment.

(e) (1) The President, acting through the Small Business Administration, is authorized and directed to make loans (which for purposes of this subsection shall include participations in loans) to aid in financing any project in the United States for the conduct of activities or the acquisition, construction, or alteration of facilities (including machinery and equipment) required by the administration or enforcement of this Act, for applicants both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision in which the project to be financed is located, and which agency or instrumentality (including units of general purpose local government) is directly concerned with problems of economic development in such State or subdivision, and which have been certified by such agency or instrumentality as requiring the loan successfully to remain in operation or at previous levels of employment.

(2) Financial assistance under this section shall be on such terms and conditions as the President determines, except that—

(A) no loan shall be made unless it is determined that there is reasonable assurance of repayment;

(B) no loan, including renewals or extension thereof, may be made hereunder for a period exceeding thirty years;

(C) loans made shall bear interest at a rate determined by the Secretary of the Treasury but not more than 3 per centum per annum;

(D) loans shall not exceed the aggregate cost to the applicant of acquiring, constructing, or altering the facility or project;

(E) the total of all loans to any single applicant shall not exceed $1,000,000; and

(F) the facility or project has been certified by the regulatory authority as necessary to comply with the requirements of this Act.

(f) Where the loss, curtailment, removal, or closing of any industrial or commercial facility resulting from the administration and enforcement of this Act causes an unusual and abrupt rise in unemployment in any area, community, or neighborhood, the Small Business Administration in the case of a nonagricultural enterprise and the Farmers Home Administration in the case of an agricultural enterprise, are authorized to provide any industrial, commercial, agricultural, or other enterprise, which has the potential to be a major source of employment for a substantial period of time in such area, a loan in such amount as may be necessary to enable such enterprise to assist in restoring the economic viability of such area, community, or neighborhood. Loans authorized by this section shall be made without regard to limitations on the size of loans which may otherwise be imposed by any other provision of law or regulation promulgated pursuant thereto.

(g) The Preisdent is authorized to make grants to any local government which, as a result of the administration and enforcement of this Act, has suffered a substantial loss of total revenue (including both real and personal property tax revenue). Grants made under this section may be made for the tax year in which the loss occurred and for each of the following two tax years. The grant for any tax year shall not exceed the difference between the annual average of all revenues received by the local government during the three-tax-year period immediately preceding the tax year in which such loss occurred and the actual revenue received by the local government for the tax year in which the loss occurred and for each of the two tax years following such loss but only if there has been no reduction in the tax rates and the tax assessment valuation factors of the local government. If there has been a reduction in the tax rates or the tax assessment valuation factors then, for the purpose of determining the amount of a grant under this section for the year or years when such reduction is in effect, the President shall use the tax rates and tax assessment valuation factors of the local government in effect at the time of such loss without reduction, in order to determine the revenues which would have been received by the local government but for such reduction.

(h) Any owner or operator of a surface coal mine, or employee (or former employee) of a surface coal mine, who would otherwise be eligible for assistance under this section, in lieu of such assistance may utilize the preference accorded in section 713 of this Act in receiving contracts or employment in the conduct of reclamation activities authorized by section 406 of this Act.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(j) The Secretary shall report to the Congress on the implementation of this section not later than thirty months after the enactment of this Act, and annually thereafter. The report required by this subsection shall include an estimate of the funds which would be necessary to implement this section in each of the succeeding three years.

(k) The Secretary shall report to the Congress not later than July 1, 1976, on the impact of the administration and enforcement of this Act on employees and owners or operators of firms with gross capital values of less than $500,000, together with a recommendation on a program granting relief to such employees and owners or operators for losses in capital value sustained as a consequence of the administration and enforcement of this Act.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, one of the most important aspects of the strip mine legislation being considered today is the regulations in section 201 and 211 of H.R. 11500 and in sections 201 and 202 of title II of H.R. 12898. These sections pertain to minimizing the disturbances to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations.

It has been aptly detailed in the map I have in my hand sent to me from the Appalachia Watershed Corporation of New Bethlehem, Pa., that underground water pollution is inevitable unless there are precautions and regulations decided upon today to protect water from toxic mine drainage. In the strip mining process there are layers of solid hard rock between coal seams which may contain various formations of clays, shale, slate, sands, gravel, and other materials. These formations contain polluting minerals which when shattered and mixed form a conglomerate mass through which rain water is free to percolate from the top to the bottom, thus dissolving the polluting elements and becoming polluted water.

Further, in realizing that underground water is the sole source of supply for the water wells of millions of people across the Nation and the source of supply for springs and artesian wells which feed into runs, creeks, and eventually rivers and lakes, all of us will agree that it is important for the Federal Government to establish minimum environmental standards of water quality at the time of the stripping process. It is important also that these environmental standards must be further clarified to make sure that they neither prevent strip mining nor threaten the successful reclamation of mined areas.

When you consider that in most of Appalachia, of which Clarion County is a part, the average annual precipitation is 42 inches and that a layer of water 1 inch deep over 1 square mile of land area amounts to more than 17,000,000 gallons of water, it is estimated that about 714,000,000 gallons of precipitation per mile per year falls and is drained into the Earth. This amount could become polluted underground water in those stripped mine areas, underground water which eventually becomes our surface runs, creeks, rivers, and lakes.

I recommend that those of my colleagues wishing to review the information I have on this subject to please contact me here on the House floor. Clarion County could well serve as an example of other areas in the Nation.

It is not inconceivable that we can develop methods to remove and make use of the minerals contained in the materials upset by the strip mining operation—minerals which are presently causing water pollution at the mining sites.

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes, had come to no resolution thereon.

CONGRESS MUST ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, I have been as hard pressed as any other House Member to answer the hundreds of inquiries I receive each week demanding to know what Congress has done—or is going to do—to combat inflation and reverse the serious decline in our economic growth. I answer as best I can, explaining that I have sponsored this or that bill, but no committee action has been scheduled, or hearings have been held but somehow the measure has never gotten out of committee. I also answer that I am pushing for congressional reform in hopes that streamlining the committee system will help break the logjam that seems to keep meaningful legislation in this area from reaching the floor. I am sure many of my colleagues share my frustration. Many pieces of legislation have been drafted and introduced which would go a long way towards bringing some measure of relief to those hardest hit by inflation—the aged, low and moderate income families, and small businesses.

Mr. Speaker, your special order of last Thursday dealing with the state of the economy was received with words of praise and thanks from leaders on both sides of the aisle. The distinguished minority leader announced at that time that he too would request a special order to "debate a subject which is certainly timely and certainly of vital concern to all our people." But the time for more debate and discussion is long past. The American people know and have lived with the problem for months. They have been besieged with rhetoric and blame calling, and have seen various and conflicting proposals about what should be done. What they have not seen is action. There has been no coherent leadership from the administration or the Congress.

The Democratic Steering and Policy Committee last week released a series of proposals for action drafted with the assistance of a panel of leading economists. The committee will be meeting sometime this week to consider and hopefully give final approval to the recommendations, which include a balanced tax reform, control of Government expenditures, a more selective and equitable credit and interest rate policy, better planning to assure adequate supplies of basic commodities, price stabilization, stronger antitrust policies, and relief from unemployment.

I strongly support the steering and policy committee's efforts, and think we should establish a definite timetable for moving their proposals through the relevant committees and onto the House floor.

In the meantime, I do not feel I can continue with the charade of merely cosponsoring more legislation. I have stepped back and reviewed legislation I have already sponsored in this area, and find that many are the same as the proposals recommended by the policy committee. But these bills have been bogged down in committee, and I fear that the policy committee's recommendations will meet a similar fate.

I call upon my colleagues to reassess our usual method of doing business and find some way of dealing with the procedural roadblocks that keep us from acting on the economic crisis.

"OH WHERE, OH WHERE HAS MY LITTLE DOG GONE?"

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, when I consider the present plight of the Bolling committee reform resolution, I am reminded of the children's song which goes:

> Oh where, oh where has my little dog gone,
> Oh where, oh where can he be?
> With his ears cut short, and his tail cut long,
> Oh where, oh where can he be?"

Today was the day the Rules Committee was to have met to consider House Resolution 988, the Bolling select committee's "Committee Reform Amendments of 1974." And yet, for some reason, the meeting was canceled and the resolution pulled. "Oh where, oh where can it be?"

My best information has it that the resolution is still stuffed in the back pocket of the seat of power on the throne of King Caucus, where it has been for the last 4 months. And whether King Caucus is cutting the resolution's ears short and tail long, or vice versa, is anybody's guess. But one thing is certain: when the resolution finally emerges from the Democratic Caucus, it will look nothing like the little dog that went in. More likely, it will prove to be the mouse that snored.

Mr. Speaker, while it is easy to throw jabs and jibes at this strange spectacle we are witnessing—or more accurately, which we cannot witness because it is all being done behind the closed doors of the Democratic Caucus—we are nevertheless discussing a very serious and important matter which is only further contributing to the public erosion of confidence in Congress: the powers that be in the House are unwilling to make the changes which should be if we are to bring this body into the last quarter of the 20th century and address ourselves to the problems confronting this Nation in a manner and within an institutional structure more suited to the times.

There is no reason or excuse whatsoever why the Rules Committee should not have met today to consider this important reform resolution. The fact is, by not holding a meeting today, the Rules Committee is in direct violation of the rules of the House and its own rules. House rule XI, clause 26(a) states, and I quote:

> Each standing committee of the House shall fix, by written rule adopted by the committee, regular meeting days of the committee, ... (and) shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted.

Rule 1(a) of the Rules Committee rules reads:

> The Committee on Rules shall meet at 10:30 on Tuesday of each week when the House is in session.

Rule 1(h) states that:

> A Tuesday meeting of the Committee may be dispensed with where, in the judgment of the Chairman, there is no need therefor. . . .

While this latter rule could be used by the chairman to dispense with a Tuesday meeting, I do not think it justified in this instance in which there is clearly a need for a meeting on the Bolling committee reform resolution, and furthermore, the chairman had earlier indicated that the matter would be scheduled for today.

My staff was informed by counsel that the reason for the cancellation was this morning's meeting of the Democratic Caucus. Once again this constitutes an interference with the integrity of the proceedings of the House and its committees by the Democratic Caucus, a matter which I raised as a question of privilege of the House back on June 27 of this year. How much longer will this travesty of the legislative process be allowed to continue? Where has our little dog gone, and when or will it ever come home?

WHY I WILL VOTE FOR IMPEACHMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 30 minutes.

Mr. HOGAN. Mr. Speaker, as my colleagues know, the House Committee on the Judiciary, on which I serve, has now entered the final phase of its deliberations with respect to the possible impeachment of President Nixon.

This impeachment inquiry, involving the testimony of dozens of witnesses and the inspection of several volumes of evidentiary material, has consumed much of my time and energy and attention in the course of the last several weeks.

A careful study of the evidence presented before the committee has led me to certain conclusions which I want to share with my colleagues tonight.

After having read and reread, sifted and tested the mass of information which came before us, I have come to the conclusion that Richard M. Nixon has, beyond a reasonable doubt, committed impeachable offenses which, in my judgment, are of sufficient magnitude that he should be removed from office.

I am inserting in the Record at this point the text of a statement on this subject, which I delivered earlier today before a national news conference and in a separate report to the people of Maryland.

I trust my colleagues will find this statement informative and instructive:

Why I Will Vote for Impeachment

(By Congressman Lawrence J. Hogan, July 23, 1974)

As a member of the House Judiciary Committee, I am very much aware that the vote on impeachment that I will be called upon to cast in the next few days will be one of the most important votes ever cast by a Member of Congress. Awareness of our Constitutional responsibilities has been weighing on us for the past several months, as we face the awesome duty of assessing the evidence against the President of the United States to determine whether or not he should be impeached.

I feel I owe it to the people of Maryland, and the country, to discharge this responsibility with the utmost care, in as fair and unbiased a manner as is possible.

The Constitution gives the House of Representatives the sole power of impeachment for "treason, bribery or other high crimes and misdemeanors." We know what treason and bribery are, but "high crimes and misdemeanors" are undefined, indefinite and vague.

Historical debates show that the impeachment provision was written into the Constitution because the founding fathers wanted some means to remove presidents, vice presidents and all civil officers who abused their power, and whose continuation in office would not be in the best interests of the country.

If a majority of the members of the House of Representatives agree that the President should be impeached, the matter will go to the Senate where a trial will be held. If two-thirds of the members of the Senate vote to convict the President, then and only then will he be removed from office.

My prime responsibility, as a member of the House Judiciary Committee, is first to determine what constitutes an impeachable offense. The language of the Constitution is very vague and the precedents are sparse, contradictory and not at all helpful in defining what an impeachable offense is. So, in the final analysis I must decide for myself what I think an impeachable offense is.

Some say that an impeachable offense is anything that Congress wants it to be. I don't agree with that. Others say that impeachment can lie only for an indictable offense. I don't agree with that position either, but someplace in between is the standard against which the President's conduct should be measured.

To my mind, it must have at least some aspects of criminality and it must be so grievous that it makes the President unsuitable for continuing in office.

Some argue that we are not required to pass judgment on the guilt or innocence of the President, that this is the function of the trial of the impeachment in the Senate. I disagree. This matter is so important and the consequences so far-reaching that I feel we must decide in our own minds whether or not the President is guilty of committing offenses so grave that he should be removed from office.

Some argue that, even if the case against him is proved, President Nixon has done nothing any worse than previous presidents have done and it is unfair to judge him by a standard higher than that to which other Presidents adhered.

But, I reject that argument because I, Larry Hogan, was not in a position where I personally had to indicate my approval or disapproval of wrongdoing on the part of a previous President.

After deciding what constitutes an impeachable, offense, the next responsibility facing me as a member of the Judiciary Committee is to decide what standard of proof I will use in weighing the evidence to determine whether or not the President has committeed an impeachable offense.

Impeachment has been compared to the grand jury process and grand jurors need find only "probable cause" that the defendant has committed a criminal offense to bring him to trial. In impeachment, I think we need a higher standard of proof than that.

Others say that we should employ the traditional standards of proof for civil liability, that is "preponderance of the evidence" or "clear and convincing" proof.

But to my mind, because impeachment is a quasi-criminal procedure and because of the enormous ramifications on our system of government as well as on the rights of the President himself, we should employ the highest standard of proof. When we are considering the awesome question of impeaching the President of the United States can we use a standard any less than that employed in a criminal trial where the guilt of the defendant must be proved "beyond a reasonable doubt?" I think not.

President Nixon was elected by an overwhelming margin by the American people to serve as their President. We must be very cautious in overturning that mandate. We must also be aware that one of the great strengths of our system of government is that our chief executive is insulated from shifting public opinion by being elected for a four-year term, giving our government stability which other parliamentary democracies don't have.

To sum up, because impeachment is so enormously serious, we must insist that the impeachable offense is a most grievous offense, and that the standard of proof is proof "beyond a reasonable doubt."

For several months now, we have read and heard millions of words from transcripts, reports, documents and testimony concerning allegations against President Nixon.

The evidence relating to most of these allegations, such as the bombing of Cambodia, the dairy contributions, the ITT matter, improvements to Mr. Nixon's residences, impoundment of funds and various other matters fails, in my opinion, to prove any impeachable offenses related to those charges. There is also no evidence to show that President Nixon had any prior knowledge of the Watergate break-in.

It has been argued that the President should be impeached because he was responsible for the wrongdoing of his staff. I don't agree with this view. We cannot impeach the President of the United States for anyone else's wrongdoing. In my view, there must be personal wrongdoing on his part.

Many people have asked me, "Has the impeachment inquiry been fair and nonpartisan?" There are many things I could point to indicating that it has not been fair, that the Committee's staff has shown bias against the President, and there has also been partisanship from the very beginning of the inquiry.

Some Democrats have been partisan; and some Republicans have been partisan. Most Democrats started out with a bias *against* the President, but most Republicans started out with a bias in favor of the President.

When I thought that the staff was being unfair to the President, I was openly critical of them. When they left out information indicating his innocence, I insisted that this information be made part of the record. I fought very hard to insure that every element of fairness be accorded to the President . . . that our ranking minority member would share in the subpoena power, that the President's lawyer would be able to sit in on our hearings, question witnesses, offer arguments, present evidence of his own, and have the right to call his own witnesses.

I frequently deplored the leaks whereby information damaging to the President was fed to the news media, many times giving a distorted view of what the whole evidence showed.

But, those who staunchly supported the President also leaked information which they thought was favorable to him.

I, and every other member of the Judiciary Committee, has been subjected to intense pressure from those who favor the President and from those who oppose the President. I tried to insulate myself from that because public opinion should not be a determinative factor in a matter this grave.

I told myself and the people of Maryland that my judgment in this matter would be based exclusively on the evidence, but I began the inquiry giving President Nixon the same presumption of innocence to which all citizens are entitled.

I voted for Richard Nixon and worked for him in all three of his presidential campaigns. He's the leader of my party. Even though I consider myself a loyal Republican, I resolved that I would assess the evidence fairly and objectively without any partisan consideration. I think I have done so.

I attended all sessions, heard all witnesses, and read all the evidence. In addition, I don't mind admitting that I also prayed for the wisdom to make a just and fair decision.

But now, all of that is behind us, and each of us has to make up his or her own mind whether or not to vote to impeach the President of the United States.

I want with all my heart to be able to say to you now that the President of the United States is innocent of wrongdoing, that he has not committed an impeachable offense . . . but I cannot say that.

After having read and reread, sifted and tested the mass of information which came before us, I have come to the conclusion that Richard M. Nixon has, beyond a reasonable doubt, committed impeachable offenses which, in my judgment, are of sufficient magnitude that he should be removed from office.

The evidence convinces me that my President has lied repeatedly, deceiving public officials and the American people. He has withheld information necessary for our system of justice to work. Instead of cooperating with prosecutors and investigators, as he said publicly, he concealed and covered up evidence, and coached witnesses so that their testimony would show things that really were not true. He tried to use the CIA to impede and thwart the investigation of Watergate by the FBI. He approved the payment of what he knew to be blackmail to buy the silence of an important Watergate witness. He praised and rewarded those whom he knew had committed perjury. He personally helped to orchestrate a scenario of events, facts and testimony to cover-up wrongdoing in the Watergate scandal and to throw investigators and prosecutors off the track. He actively participated in an extended and extensive conspiracy to obstruct justice. To my mind, he is guilty beyond a reasonable doubt of having committed these impeachable offenses.

I know that many Americans will disagree with my decision. I know that many of my friends, in and out of Congress, will be very displeased with me. I know that some of my financial contributors (who have staunchly supported Richard Nixon and me) will no longer support me. I know that some of my longtime campaign workers will no longer campaign for me. But to those who were my campaign workers back in my first campaign, I want to remind you of something. Remember, I was running for Congress as a Republican in an area that was registered 3-to-1 Democratic, and in an effort to convince Democrats that they should vote for me, a Republican, I quoted John F. Kennedy who said, "Sometimes party loyalty demands too much." Remember that?

Well, those words have been coming back to haunt me in recent weeks.

Clearly, this is an occasion when "party loyalty demands too much."

To base this decision on politics would not only violate my own conscience, but would also be a breach of my own oath of office to uphold the Constitution of the United States.

This vote may result, not only in defeat in my campaign for Governor of Maryland, but may end any future political career. But that pales into insignificance when weighed against my historic duty to vote as my conscience dictates.

Those who oppose impeachment say it would weaken the Presidency. In my view, if we do not impeach the President after all that he has done, we would be weakening the Presidency even more.

Unless Richard Nixon is removed from office and this disease of Watergate which has sapped the vitality of our government is purged from the body politic, government and politics will continue to be clouded by mistrust and suspicion.

So when you look at my vote in its historic perspective, it really is not important what happens to my own political career or that of anyone else in the Congress who must vote on this most controversial of all issues.

But in defense of my judgment, I do not ask that the people of Maryland who disagree with my decision will do me the justice of reading and studying the evidence which compelled my decision. If you do, I am confident you will concur in my judgment.

Thank you for listening.

HOUSE REPUBLICAN TASK FORCE STATEMENT ON ELECTION REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 20 minutes.

Mr. FRENZEL. Mr. Speaker, the House Republican Task Force on Election Reform strongly supports the recommendations of the Select Committee on Presidential Campaign Activities—Senate Watergate Committee. The Ervin Committee's proposals on campaign finance reform are substantially the same as those made by the task force in July of 1973.

The Ervin Committee states that the establishment of an independent Federal Elections Commission is the most important change needed in existing election laws. The task force unanimously came to this same conclusion over a year ago. The task force urges the House of Representatives to accept the establishment of an independent commission to supervise Federal elections rather than the inadequate, Congress-dominated House Administration Committee's proposed administrative mechanism. The task force believes that the assignment of top priority to an independent commission by the Senate committee most familiar with Watergate abuses will have an effect on the House's consideration of election supervision.

The Senate Select Committee's second principal recommendation was to prohibit cash contributions in excess of $100. The task force adopted this provision also in its 1973 report. Both groups also determined that taxpayers' funds should not be used to finance elections.

Other select committee proposals which are similar to those made by the task force are:

First. Candidates must designate a single campaign committee through which all election expenditures must be made.

Second. Prohibits all election contributions by foreign nationals;

Third. Spending limitations; and

Fourth. Contribution limitations.

The task force made the following additional recommendations which were not included in the Ervin report:

First. Prohibition on checks drawn on foreign banks;

Second. No primary elections prior to August 1;

Third. Repeal of equal time provision;

Fourth. Election day a national holiday; and

Fifth. Simultaneous poll closings throughout the country in presidential elections.

The task force notes that the major inadequacy of the Ervin committee's report was its failure to regulate special interest money strongly enough. The task force's proposal that all contributions made by special interest committees be identified as to the original donor and as to the designated recipient should have been adopted by the Ervin committee. This proposal will help to curb the influence that special and vested interests gain through contributions.

The task force, since it was more concerned with campaign finance reform, did not consider the dirty tricks and tax credit proposals listed in the Ervin committee's report. The task force endorses those proposals and is especially strongly in favor of the recommendation to amend the Hatch Act to include all Justice Department employees.

Key proposals made by the Ervin committee to outlaw dirty tricks include:

First. A prohibition on obtaining employment in a campaign by false pretenses or fraudulent means for the purpose of interfering with or spying on campaign activities;

Second. Making it unlawful to disburse campaign funds to promote or finance violations of the law;

Third. Prohibit theft, unauthorized copying or taking by false pretenses of campaign material not available for public dissemination; and

Fourth. Making it unlawful to fraudulently misrepresent by phone or in person that an individual is representing a particular candidate.

The task force is pleased to endorse the Ervin committee report to Members of the House of Representatives. It also restates its own recommendations of last July and notes that its recommendations were published 1 year earlier and $2 million cheaper than those of the Ervin committee.

Members of the task force intend to offer amendments to the House Administration Committee's bill to carry out the effect of the Ervin committee's recommendations.

AMENDMENTS TO INTERGOVERNMENTAL PERSONNEL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 10 minutes.

Mr. QUIE. Mr. Speaker, I am pleased to introduce today H.R. 16075, a bill proposed by the administration to amend the Intergovernmental Personnel Act of 1970. Mr. DELLENBACK, the able ranking member of the Special Subcommittee on Education, which is the subcommittee responsible for this act, is joining me as a cosponsor.

This act, known as IPA, has supported many valuable projects since its inception in early 1971. The IPA is administered by the Civil Service Commission and allows much flexibility in finding better ways to stimulate sound personnel management systems and training programs in State and local government. With only modest appropriations during its first 3 years, IPA has accomplished the following:

Personnel management technical assistance: Over 7,000 contacts have been made with State and local jurisdictions by Commission staff, who recommended an estimated 15,000 improvements in personnel administration. Over half of the improvements support equal employment opportunity.

Intergovernmental mobility: 1,382 persons in the Federal, State, local, and university work force accepted temporary assignments under this program as of April 30, 1974. Nearly 40 percent were State and local government and university staff on assignment to the Federal agencies. These assignments represent a salary investment of over $19 million, 70 percent of it paid by the Federal Government.

Intergovernmental training: Over 35,000 State and local government employees attended USCSC-sponsored training programs in the past 3 years.

Cooperative recruiting and examining: 18 intergovernmental job information centers now operate throughout the country offering single-source information for State, county, municipal, and Federal jobs. In addition, 12 intergovernmental examining arrangements are in operation.

IPA grants: Over $36 million has been awarded in about 650 grants to State and local chief executives to strengthen personnel management or to train and develop employees. Including matching contributions, this amounts to an overall improvement effort of about $50 million. Local units of government have received 62 percent of the benefits of these programs, with about 60 percent going for personnel management improvement projects and the remaining 40 percent for training.

Mr. Speaker, the IPA is permanent legislation which means that the Education and Labor Committee is not forced by a termination date to take a careful look at the act every few years. This bill could be used as an appropriate vehicle to hold hearings on the IPA so we can better evaluate the effectiveness of the IPA's many programs.

Although I do not know when Mr. O'HARA, the distinguished chairman of the Special Subcommittee on Education, will be able to schedule hearings, I would hope this bill will prompt interested parties at the local, State, and Federal levels to communicate their views about the IPA to our committee. Frankly, we have not heard enough about the problems and successes of the several programs under the IPA.

Mr. Speaker, I would like to insert at this point the letter from Mr. Robert E. Hampton, Chairman of the Civil Service Commission, explaining the need for this legislation:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 26, 1974.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The Commission is submitting for the consideration of the Congress proposed legislation "To amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to Indian tribes and the Trust Territory of the Pacific Islands." There are enclosed: (1) a draft bill; (2) a section analysis of the proposed bill; and (3) a statement of purpose and justification.

The proposed bill would continue for three more years, to July 1, 1978, the Commission's authority to make grants for up to 75 percent of the costs of programs and projects to improve personnel administration in State and local governments. Under the current law, the Federal share will be reduced to 50 percent on July 1, 1975.

Also, this bill would authorize reimbursements to State and local governments and Indian tribes for up to 75 percent of the salary of a recipient of a Government Service Fellowship. Currently, such reimbursements may not exceed 25 percent of the recipient's salary. This feature of the IPA has been used very little, primarily because it is a financial burden which State and local governments are reluctant to absorb. Increasing the Federal share to 75 percent was recommended by the Advisory Council on Intergovernmental Personnel Policy in its January 1973 report to the President and the Congress.

The legislative proposal also includes several amendments to the IPA mobility provisions. These amendments, for the purpose of providing greater flexibility and assuring fairness and equality, are discussed in the four paragraphs which follow.

The IPA does not exempt Federal employees from Federal conflict of interest statutes while they are on mobility assignments. This has become a real problem in some cases. At issue is the possible conflict of interest in cases where the Federal employee would act on behalf of a State or local government in representations before a Federal agency. To prohibit such assignments would be an unfortunate and unnecessary limitation on the intergovernmental mobility program. It is in such positions that a Federal employee can probably make the greatest contribution to improved public services and better intergovernmental relations. Therefore, the IPA should be amended to permit a Federal mobility assignee to act on behalf of the organization to which assigned on matters pending before a Federal agency, other than his employing agency.

State employees in Cooperative Extension work and employees of the District of Columbia are entitled to Federal employee benefits (e.g., retirement, health insurance, etc.) even though they are not Federal employees. However, if they are temporarily appointed to Federal service on mobility assignments, they forfeit those benefits while so serving. The legislative proposal prevents forfeiture in such cases.

Another proposed amendment to the mobility provisions would permit agencies to supplement the pay of some State and local government employees assigned to Federal positions, to bring this pay in line with Federal compensation for work of equal responsibility. State and local employees may be assigned to Federal agencies on a leave without pay basis (LWOP) or on detail from their jurisdiction. In some jurisdictions, LWOP jeopardizes tenure and other employee rights, and only the detail process is feasible. Detailed employees continue to receive their salaries, however, directly from their jurisdiction. These salaries are usually different from the salaries received by assignees on LWOP, who receive Federal appointments and are paid according to Federal pay schedules. This proposed change would permit State and local employees doing work of equal responsibility on mobility assignments to be paid the same, irrespective of employment practices in their jurisdictions.

Another problem is that Executive agencies may not make reimbursements to State and local governments covering the various fringe benefits (e.g., retirement and life and health insurance benefits) for State and local employees detailed to Federal agencies. This limitation reduces the attractiveness of a mobility assignment. It can be the deciding factor in whether or not a State or local government or university will permit an employee to accept a mobility assignment. We are proposing that Federal agencies be given the flexibility to reimburse State and local governments for these costs. Under the current law, Federal agencies can make such reimbursements for State and local employees who accept temporary appointments to a Federal position, but not for employees who are on detail.

The legislative proposal would exempt from the formula grant appropriation, funds specifically appropriated for Government Service Fellowships. It would also establish an obligated service requirement for Government Service Fellowship recipients. It would also include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80 percent of appropriated grant funds). The current law defines "States" for the purpose of allocating formula grant funds as "the several States of the United States and the District of Columbia." As a result, awards to Puerto Rico, Guam, and American Samoa and the Virgin Islands have come from the 20 percent (discretionary) allocation of grant funds. The net effect has been to limit the opportunity to fund additional worthy State and local government projects that may have had a substantial impact on improved personnel administration. In addition, we will need to provide for grants to Indian tribes and the Trust Territory of the Pacific Islands from the 20 percent allocation of discretionary grant funds should they become eligible recipients under the IPA as we have proposed.

Finally, the proposed bill would provide, for the first time, full coverage under the Intergovernmental Personnel Act to Indian tribes and the Trust Territory of the Pacific Islands. These governmental entities would have the opportunity to obtain benefits which are now only available to State and local governments and the territories and possessions of the United States. These benefits include: grants-in-aid to strengthen personnel management systems and to train employees; direct participation in Federal training programs; comprehensive technical assistance to strengthen personnel systems; and participation in intergovernmental mobility assignments.

IPA assistance could be used by Indian tribes and the Trust Territory to improve their ability to plan and manage programs for economic, educational and social development.

The Office of Management and Budget advises that there would be no objection from the standpoint of the Administration's program to the submission of this proposal.

A similar letter is being sent to the President of the Senate.

By Direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

Next I would like to insert a more detailed justification of the proposed legislation prepared by the Civil Service Commission:

STATEMENT OF PURPOSE AND JUSTIFICATION OF H.R. 16075

PURPOSE

To provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands, Indian Tribes, and Alaskan native villages.

JUSTIFICATION

Section 202(a), 203(a), 303(a) and 304(a) of the Intergovernmental Personnel Act of 1970 provide that grants may be made for up to 75 percent of the costs of programs and projects for strengthening personnel administration in State and local governments and for training State and local government employees. Under the current Law, the Federal share will be reduced to 50 percent on July 1, 1975. We recommend the continuation for three more years, to July 1, 1978, of the present authority to fund up to 75 percent of the costs of grant-aided programs and projects. This will provide further demonstration of the value of these programs to State and local governments.

The proposed amendments would authorize grants to State and local governments for up to 75 percent of the salary of recipients of Government Service Fellowships for State and local personnel. Currently, these grants may cover reimbursement to State and local governments not to exceed one-fourth (25 percent) of the salary of each fellow during the period of the fellowship. We recommend raising this level to 75 percent. As further incentive to intergovernmental education and to provide maximum administrative flexibility for such programs, the amendments would exempt funds specifically appropriated for Government Service Fellowship grants from allocation requirements and would create a separate authorization for such funds. In addition, the amendment would establish an obligated service requirement for recipients of Government Service Fellowship grants. This provision would assure State and local governments of a return on investment in these grants through benefiting from the service of grant recipients.

The Government Service Fellowship feature of the IPA have been used very little by State and local governments, primarily because it is a financial burden which State and local governments are unable or unwilling to absorb. The Advisory Council on Intergovernmental Personnel Policy, in its January 1973 report to the President and the Congress, recommended that the Federal portion of the funding for salary costs of Government Service Fellowships be increased to 75 percent. The Advisory Council also noted that "at no time, however, should the Federal Government assume the full cost of the program."

Next, the proposed amendments provide for several technical changes in the intergovernmental mobility provisions of the IPA. These amendments will provide greater flexibility to Federal, State and local agencies and help to assure fairness and equity for mobility assignees.

The Intergovernmental Personnel Act (5 U.S.C. 3371–3376) does not exempt Federal employees from Federal conflict of interest statutes (18 U.S.C. 203 and 205) while they are on mobility assignments. This has been a problem in some cases. At issue is the possible conflict of interest in cases where the Federal employee would act on behalf of a State or local government in representations before a Federal agency. Currently, conflict of interest statutes prohibit an employee from acting as an agent or attorney or in a representational capacity on behalf of a State or local government or an institution of higher education before any Federal agency.

We believe a conflict of interest does exist if the Federal assignee represents a State or local government in matters pending before his employing agency. However, we believe a conflict of interest does not exist if the Federal assignee represents the State or local government in matters pending before an agency *other than his employing agency*. We have proposed an amendment to the IPA which would allow a Federal mobility assignee to act on behalf of the organization to which assigned on matters pending before any Federal agency, other than his own agency or an agency in which he was employed during the preceding year.

To prohibit the temporary assignment of a Federal employee to a position involving representational duties would be an unfortunate and unnecessary limitation on the intergovernmental mobility program. It is in such a position that the Federal employee can probably make the greatest contributions in terms of improved public services and better intergovernmental cooperation. In addition, a mobility assignment to such a position would be an invaluable experience to the Federal employee, his employing agency, and the State or local jurisdiction. It would provide knowledge and insights into the complexities of intergovernmental relations which cannot be duplicated in any other setting.

We have also recommended amendment of 5 U.S.C. 3374(b) to prevent the potential loss of Federal employee benefits (e.g., retirement, health insurance, etc.) in the rare case where such benefits apply to non-Federal employment, by certain employees (Cooperative Extension Service employees in the States and employees of the District of Columbia) while they are on mobility assignments to Federal positions. Under current law these benefits would be lost, since Federal benefits do not apply to employees on mobility assignment, under temporary appointment to Federal agencies.

We have proposed a change in 5 U.S.C. 3374(C)(1) to permit agencies to supplement the pay of some State and local government employees assigned to Federal positions, to bring this pay in line with Federal compensation for work of equal responsibility. State and local employees may be assigned to Federal agencies on a leave without pay basis (LWOP) or on detail from their jurisdiction. In some jurisdictions, LWOP jeopardizes tenure and other employee rights, and only the detail process is feasible. Detailed employees continue to receive their salaries, however, directly from their jurisdiction. These salaries are usually different from the salaries received by assignees on LWOP, who receive Federal appointments and are paid according to Federal pay schedules. This proposed change would permit State and local employees doing work of equal responsibility on mobility assignments to be paid the same, irrespective of employment practices in their jurisdiction.

We are also proposing an amendment to permit Federal agencies to reimburse State and local governments for costs of fringe benefits (e.g., health and life insurance, retirement, etc.) of employees on temporary details to Federal agencies. Executive agencies are authorized ot pay such costs for State and local employees receiving temporary appointments to Federal positions, but not for State and local employees on detail. This restriction has reduced a mobility assignment's attractiveness to a State or local government or institution of higher education. It has been the deciding factor in whether or not a State or local government or university will permit an employee to accept a mobility assignment.

An additional amendment would permit the payment of miscellaneous expenses related to a geographic move for the purpose of a mobility assignment. These payments would be in line with expenses now paid by the Federal government in connection with permanent changes in duty stations. It would not extend reimbursement for real estate fees. The incidental expenses, now provided in regulations on permanent changes of station, cover such costs as automobile registrations, drivers' licenses, and similar miscellaneous expenses. An empoyee who accepts an extended temporary assignment which involves obtaining a place of residence incurs these expenses. In fairness, he or she should be able to claim them.

The Intergovernmental Personnel Act does not provide for participation in any way by Indian tribes and the Trust Territory of the Pacific Islands. Full coverage under the IPA is recommended to provide comparable benefits that are now available only to State and local governments, and territories and possessions of the United States. By comparable benefits, we mean the opportunity for these governments to fully participate in IPA grants, technical assistance, training and intergovernmental mobility. Such participation would enable these jurisdictions to improve their personnel resources and strengthen their systems of personnel administration.

IPA grants could be used by Indian tribes and the Trust Territory of the Pacific Islands to establish or improve personnel management systems, and to train and develop employees to better plan and manage their own programs. As increasing amounts of Federal "no-strings" resources are provided to Indian tribes, effective and modern management by Indian tribes becomes even more important. Because of their special needs, Indian tribes would be excepted from the population requirements for IPA grants, and from State review of grant applications.

Through use of the intergovernmental mobility provisions of the IPA, Indian tribes and the Trust Territory would be able to capitalize on the talents of experienced Federal employees through temporary assignments of personnel between Federal agencies and such jurisdictions. The expertise of Federal employees could be applied directly to a wide variety of problem areas (e.g., health, welfare, housing, law enforcement, economic development, etc.). Similarly, Federal agencies which serve these entities would be able to obtain the temporary services of Indian tribe and Trust Territory employees to improve the delivery and effectiveness of Federal assistance.

Finally, we propose amendment of the IPA to include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80 percent of grant appropriations). Section 506(b)(5) of the IPA defines "State" for the purpose of allocating formula grant funds as "the several States of the United States and the District of Columbia." As a result, awards to the territories and possessions of the United States in FY 1972 (about $300,000) and FY 1973 (about $330,000) came from the allocation of discretionary grant funds (20 percent of the grants appropriations). The net effect has been to limit the opportunity to fund additional worthy State and local government projects. In addition, if grants are to be made to the Trust Territory of the Pacific Islands and Indian tribes as we have proposed, we will need to provide some funds for these governments from the allocation of discretionary grant funds.

Finally, Mr. Speaker, I insert a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS OF H.R. 16075

Paragraph 1 of section 1 continues for three more years, to July 1, 1978, the Commission's authority to make grants to State and local governments and other organizations for up to 75 percent of the costs of programs and projects to strengthen personnel administration in State and local governments and to train and develop State and local government employees. Under the current law, the Federal share of such costs will be reduced to 50 percent by July 1, 1975.

Paragraph 2 of section 1 raises the limit on reimbursements to State and local governments for Government Service Fellowships from one-fourth (25%) to 75 percent of the salary of a recipient of a Government Service Fellowship, and establishes an obligated service requirement for recipients.

Paragraph 3 of section 1 defines the Trust Territory of the Pacific Islands and the governing bodies of Indian tribes which perform substantial governmental functions as jurisdictions which are eligible to participate in all of the IPA programs, and exempts Indian tribes from population and other requirements imposed on local governments.

Paragraph 4 of section 1 includes the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80% of appropriated grant funds), and excludes a specific appropriation for Government Service Fellowships from the allocation requests of section 506.

Paragraph 1 of section 2 defines the Trust Territory of the Pacific Islands, and the governing bodies of Indian tribes, as eligible jurisdictions for the purpose of participating in intergovernmental mobility assignments.

Paragraph 2 of section 2 permits a Federal employee on a mobility assignment to act as the attorney or agent for a State or local government or institution of higher education in representations before another Federal agency, except his employing agency or an agency with which he was employed during the year prior to his assignment. Currently, conflict of interest statutes prohibit this.

Paragraph 3 of section 2 provides technical amendments to assure fairness and equity for persons participating in mobility assignments. If enacted, Federal retirement and other benefits, in the rare case where such programs apply to certain State and D.C. Government employees, would not be lost by such employees while they are on mobility assignments. Federal agencies would also be permitted to supplement the pay of State or local employees on detail to Federal agencies to assure comparability of pay with other State or local employees doing work of equal responsibility. Federal agencies would be authorized to reimburse State and local governments and institutions of higher education for various fringe benefit costs (e.g., health and life insurance, retirement, etc.) of employees on detail from such organizations.

Paragraph 4 of section 2 authorizes an executive agency to reimburse mobility assignees for certain miscellaneous travel expenses (e.g., automobile registrations, drivers' licenses, etc.).

Section 3 provides an effective date for these amendments of not later than 90 days after enactment or an earlier date after enactment if the Commission so decides.

STEELMAN AMENDMENT ON FULL FINANCIAL DISCLOSURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I plan to seek a rule which would allow me to offer a floor amendment to the Federal Election Campaign Act Amendments of 1974, which will soon be reported by the House Administration Committee. My amendment which is similar to title IV of S. 3044, the election campaign bill passed by the Senate, would require the full disclosure of personal finances.

Mr. Speaker, to require the disclosure of campaign contributions without requiring personal financial disclosure is giving to a concerned public, at a time in history when a severe crisis exists in their confidence with public officials, only half the story when the whole truth is needed.

My amendment would apply equally to all elected Federal officials, to candidates for nomination for or election to Federal office, to everyone in the legislative or judicial branches who is compensated by the U.S. Government at an annual rate of $32,000 or above, to those persons who perform duties of a kind generally assigned to an individual holding grade GS–16 or higher in the general schedule, and to all generals and admirals in the military. As Senator HOWARD CANNON, the author of the Senate amendment, has said:

> If the principle of disclosure is to be honored it should be observed by all officers and employees in policymaking positions in every branch, department or agency of the Government.

Mr. Speaker, this amendment would require that each individual disclose the source of each item of income or reimbursement; and of any gift received by him, by him and his spouse jointly, by his spouse or by his dependents from outside the immediate family having a value in excess of $100; together with fees and honorariums for speeches, articles or attendance at conventions or other assemblies. In addition, the individual would be required to disclose the value of assets and liabilities held either in his own name, or by him and his spouse jointly, by his spouse or by his dependents.

All dealings in securities, commodities or real property whether made by the individual or by the individual and his spouse jointly or by any person acting on his behalf would also have to be reported.

All reports would be filed with the Comptroller General of the United States and would be public documents. The first report required would be due 30 days after the enactment of the bill.

The GAO has estimated the costs of this type of operation to be $2.75 per person required to file. Since approximately 15,000 individuals would be required to submit reports, the total cost of my amendment would be only about $41,250.

Mr. Speaker, the public disclosure of income from sources other than one's Government salary or of transactions in stocks, bonds, or other securities is almost non-existent. The executive branch has a Presidential executive order which is more of an administrative directive than a disclosure measure. No laws now require the President and Vice President to disclose their finances. The Federal courts subscribe to canons of ethics but do not require any reporting of financial or business activities. In the Congress, each body has a code of ethics but these codes call for public reporting only with respect to contributions, gifts, or honorariums. Reports of outside income, activities, and holdings are filed on a confidential basis and are not open to the public.

Voluntarily I have made it a practice to fully disclose my own finances and income tax return. At least 104 of my colleagues now in the House and 37 Senators have at some point in the last 10 years made some kind of public statement about their personal finances. Voluntary disclosure, however, is not a satisfactory resolution of the problem since each statement can be made as the individual chooses and no standards apply.

Moreover, Mr. Speaker, in this "post-Watergate" era complete and public disclosure by all officials in policymaking positions in all branches is needed to help dispel the prevalent suspicion and cynicism of the workings of the Government. Senator JOHN TOWER has even gone beyond my proposal and has said:

> In this day of distrust for public office holders, I think it is imperative that Members of Congress—as well as the President—open their tax returns for public inspection.

Many Members of Congress—men of unquestionable integrity—hold strong opinions against making public their personal financial affairs. They argue that full public disclosure would amount to a deprivation of the privacy that ordinary citizens enjoy with respect to their holdings. In fact, it is for this reason that I have not included a copy of an individual's income tax return in my amendment; although I personally feel that public officials should also be required to disclose their income tax returns.

But Mr. Speaker, public officials have chosen to take on public duties and responsibilities which transcend their private interests and which must necessarily place them under public scrutiny. Representatives, Senators, Judges, high-level Federal officials, or employees make or administer laws that affect business; they write or administer the taxes that corporations as well as individuals must pay. Since they must regularly deal with questions that affect every segment of the economy in varying ways, as Senator CHURCH has said:

> There is every legitimate reason for making their private holdings a matter of public record.

Mr. Speaker, financial disclosure is needed not so much because of the wrongdoing it may expose or prevent, but because of the doubts it will lay to rest. The vast majority of public officials abide by the laws they make and administer. One of the primary purposes of financial disclosure is to convince the public that it can trust its elected representatives. As Senator ADLAI STEVENSON III has pointed out:

> Trust must be earned with facts; it cannot be elicited with empty words.

Disclosure is also the best means of policing avoidable conflicts of interest because it allows constituents to make an informed judgment about a public official's performance of his public duties in the face of a possible conflict. In addition, full public disclosure will encourage public officials to judge their own conduct with greater care. It will also provide the overwhelming majority of Government officials the strong ground of truth to stand on against unfair charges and innuendo.

Mr. Speaker, the current clamor for full financial disclosure was only intensified by Watergate. In fact, the movement for personal disclosure has been gaining momentum since the late 1940's. Former Senator WAYNE MORSE introduced a bill on the subject in 1946. In 1952 former Senator Paul Douglas wrote in his book, "Ethics in Government":

> The good name of the vast majority of public servants has been besmirched by the misbehavior of a relatively small minority. . . . the public has come to believe that the revealed sins of the few are the predominate practices of the many. In the long run perhaps this is the worst consequence of the evil acts which have come to light. The men who have committed unethical acts have not only disgraced themselves; they have disgraced the federal service and they have seriously weakened the faith which people have in their government. When faith is thus weakened, the power of our democracy to survive . . . is also dangerously impaired.
>
> Public knowledge of incomes of public officials should have a reassuring effect. In the white light of the facts, false suspicions and mistrust will diminish.

On March 14, 1964, a Gallup Poll published in the Washington Post asked if the American people would approve requiring Congressmen to make public disclosure of their financial holdings and income every year. The results were: 65 percent in favor; 23 percent opposed; 12 percent no opinion.

Mr. Speaker, many State legislatures have already adopted full financial disclosure laws similar to my amendment and these laws have been upheld by the courts. In the case of *Stein* v. *Howlett*, 289 N.E. 2d 409; cert. denied 412 U.S. 925 (1973), the Supreme Court of Illinois upheld that State's financial disclosure law, requiring the detailed disclosure of all income, assets, and investments over designated amounts, against the constitutional challenge of overbreadth and unwarranted State intrusion upon the right of privacy. This case was cited with approval by the Supreme Court of Washington in the case of *Fritz* v. *Gordon*, 517 P. 2d 911 (1974), which upheld the financial disclosure law of the State of Washington against similar constitutional challenges.

Mr. Speaker, I am aware that other, separate, bills are pending on this subject—and, as I have pointed out, bills have been pending on this subject since 1946. That is just the point, there is little likelihood of action on these other bills—as the past has proven. Therefore, I am offering my amendment to the House Administration Committee's election campaign bill as an opportunity to finally allow the House to vote yea or nay on personal financial disclosure.

Moreover, as Senator TOWER has said, legislation dealing with personal financial disclosure "is an important and essential part of any campaign reform. It, in my opinion, would do much to improve the attitude of the American people toward their elected representatives."

In Senator STEVENSON's words:

> The legacy of Watergate can be either lingering public cynicism and governmental drift, or more open and effective self-government. I believe we have the will and the vision to make the right choice, and that the enactment of financial disclosure legislation is an important part of that choice.

The text of my amendment follows:

Page 40, immediately after line 20, insert the following new title:

TITLE III—DISCLOSURE OF FINANCIAL INTERESTS BY CERTAIN FEDERAL OFFICERS AND EMPLOYEES

FEDERAL EMPLOYEE FINANCIAL DISCLOSURE REQUIREMENTS

SEC. 301. (a) Any candidate for nomination for or election to Federal office who, at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and each Member of Congress, each officer or employee of the judicial branch or legislative branch of the Federal Government who is compensated at a rate in excess of $32,000 per annum, any individual occupying the position of an officer or employee of the United States who performs duties of the type generally performed by an individual occupying grade GS-16 of the General Schedule or any higher grade or position (as determined by the Board of Supervisory Officers regardless of the rate of compensation of such individual), any member of a uniformed service who is compensated in an amount equal to or in excess of the amount of pay for pay grade 0-7 or any higher grade of pay established under chapter 3 of title 37, United States Code, the President, and the Vice President shall file annually, with the Board, a report containing a full and complete statement of—

(1) the amount of each tax paid by the individual, by the individual and the individual's spouse filing jointly, or by the individual's spouse filing separately for the preceding calendar year;

(2) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from his spouse or any member of his immediate family) received by him, by him and his spouse jointly, by his spouse, or by his dependents, during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(3) the identity of each asset held by him, by him and his spouse jointly, by his spouse, or by his dependents, which has a value in excess of $1,000, and the amount of each liability owed by him or by him and his spouse jointly, together with the amount of each liability which is owed with respect to any financial interest which is under his constructive control, which is in excess of $1,000 as of the close of the preceding calendar year;

(4) any transactions in securities of any business entity by him or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $1,000 during such year;

(5) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $1,000; and

(6) any purchase or sale of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000.

(b) Reports required by this section (other than reports so required by candidates for nomination for or election to Federal office) shall be filed not later than May 15 of each year. A person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(c) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

(d) Any person who willfully fails to file a report required by this section or who knowingly and willfully files a false report under this section, shall be fined not more than $2,000, or imprisoned for not more than five years, or both.

(e) All reports filed under this section shall be maintained by the Board as public records, which, under such reasonable rules as it shall prescribe, shall be available for inspection by members of the public.

(f) For the purposes of any report required by this section, an individual is considered to be President, Vice President, a Member of Congress, an officer or employee of the United States, or a member of a uniformed service, during any calendar year if he serves in any such position for more than six months during such calendar year.

(g) The first report required under this section shall be due thirty days after the date of the enactment of this section and shall be filed with the Comptroller General of the United States, who shall, for purposes of this subsection, have the powers and duties conferred upon the Board by this section.

(h) For purposes of this section—

(1) the term "income" means gross income as defined by section 61 of the Internal Revenue Code of 1954;

(2) the term "tax" means any Federal, State, or local income tax and any Federal, State, or local property tax;

(3) the term "security" means security as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b);

(4) the term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act (7 U.S.C. 2);

(5) the term "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;

(6) the term "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate;

(7) the term "officer" has the same meaning as in section 2104 of title 5, United States Code;

(8) the term "employee" has the same meaning as in section 2105 of such title;

(9) the term "uniformed service" means any of the Armed Forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration;

(10) the term "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouses of such persons;

(11) the term "candidate" has the meaning given it by section 301(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(b));

(12) the term "Federal office" has the meaning given it by section 301(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(c)); and

(13) the term "Board" means the Board of Supervisory Officers established by section 308(a)(1) of the Federal Election Campaign Act of 1971.

And redesignate the following title and sections accordingly.

Page 55, line 16, insert "(1)" immediately after "(b)".

Page 55, immediately after line 18, add the following new paragraph:

(2) The provisions of title III of this Act shall become effective on the date of the enactment of this Act.

NOVEMBER 11 IS VETERANS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, Today I am introducing legislation to return the annual observance of Veteran's Day to November 11. Each year this Nation pauses to pay tribute to those who have laid down their civilian pursuits and taken up arms in defense of the United States,

Each generation has been tested in the crucible of combat. Each has had to pay a terrible price in blood and anguish to preserve the blessings of freedom we all enjoy. Each is due the undying gratitude of every American.

Following the Great War of our fathers, Armistice Day was established on November 11 to commemorate the date on which the war to end all wars was concluded. Millions fell in that conflict, and millions more returned home bearing the scars of war. It was altogether fitting and appropriate that their sacrifices should be remembered by their fellow citizens each year. Armistice Day was a day of reflection, a day for those who survived to honor those who did not.

Our generation learned that our fathers had not been successful in the effort to end all wars. In fact, we learned that the seeds of World War II were sown in the peace of the first war.

We too laid down our civilian lives and went to farflung battlefields to defend democracy. The cemeteries of Europe and the islands of the Pacific were destined to be the final resting places for our generation's citizen soldiers.

When we returned from distant theaters of war we joined ranks with our fathers on November 11 each year to honor those whose sacrifices had kept this Nation free.

Since then, we have been joined by veterans tempered in the frozen mountains of Korea and the steaming jungles of Vietnam. Each generation has joined in a single purpose. We honor those who served, we honor those who died, we honor those who have learned that freedom is never free.

Now, however, Veterans Day is just another 3-day holiday. America no longer pauses on the anniversary of the armistice to reflect and honor her veterans.

One hundred and eleven years ago at the dedication of the military cemetery at Gettysburg, President Lincoln spoke of the debt that we owe to those who have served. His thoughts are worth remembering today:

> But in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it far above our poor power to add or detract. The world will little note, nor long remember, what we say here, but it can never forget what they did here. It is for us, the living, rather, to be dedicated to the great task remaining before us. That from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the Earth.

I urge the House to reinstate November 11 of each year as Memorial Day, to remember and honor our veterans of all wars.

DEMOCRACY IN THE CRADLE OF DEMOCRACY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. **FINDLEY**. Mr. Speaker, the resignation today of the dictator of Greece in order to permit transfer of government to civilian control restores democracy to the cradle of democracy for the first time in 7 years.

As one who has long lamented the absence of individual liberty in the land of Socrates and the reluctance of the administration to bring pressure upon Athens for a restoration of constitutional government, I find this development an occasion for great joy.

While the transition will not be without problems, I have never doubted the capacity of the Greek people to find and maintain that delicate balance between liberty and license without which democracy cannot survive.

Today's events vindicate the steadfast devotion—and suffering—of thousands of Greek patriots who never bowed to the dictator's threats and kept alive the spirit of democracy even when martial law ruled every street corner of Athens and the jails teemed with political prisoners.

The transition in Athens is cause for thanksgiving and rejoicing wherever liberty flourishes, and especially in the Atlantic community. It removes a cancer dangerous to the entire NATO community. For the first time since the Atlantic Treaty was signed the people rule in each of the 15 nations of NATO. May it always be thus.

CONGRESSMAN FRANK ANNUNZIO ANNOUNCES RESULTS OF 1974 LEGISLATIVE QUESTIONNAIRE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. **ANNUNZIO**. Mr. Speaker, I submit by unanimous consent as official business the results of a poll which I conducted recently to obtain the opinions of citizens residing in the 11th Congressional District of Illinois, which I am privileged to represent, on issues of national significance under consideration by the Congress of the United States.

More than 21,000 questionnaires were completed and returned, and I would like to express my sincere appreciation to all those who responded. I am pleased by the size of the response, which has increased each year, and particularly by the extensive comments added by so many of my constituents.

Although polls provide helpful indications of citizen concerns, no public official can be guided by the results of polls alone. An elected official's highest obligation is to his oath of office and to the constitutional order, and sometimes therefore, he must vote his own conscience despite an aroused public feeling or a sudden turn in public attitude.

Many of my constituents emphasized this obligation by telling me in their comments that they were glad to express their opinions but at the same time wanted me to make the final judgment on what was best for our Nation and its people.

This questionnaire, therefore, has provided the means for an exchange of views—between citizen and legislator—which is so valuable to me and is so vital to the fabric of our democracy. Fifteen broad questions were asked relating to both domestic and foreign policy issues, and the responses on the questionnaires were tabulated entirely by computer. Before listing a numerical summary of the tabulation, I want to point out some significant reactions to several important issues.

On four major issues, 11th District residents were almost evenly divided—impeachment, campaign financing, inflation, and NATO troop strength. On these questions, no clear consensus of opinion emerged.

On the impeachment issue, 45 percent wanted to remove the President from office either through resignation or impeachment, and 45 percent wanted him to remain in office, with 10 percent undecided.

On the campaign financing issue, 44 percent wanted Presidential campaigns financed with tax revenues, while 44 percent did not, and 12 percent were undecided. On congressional campaigns, 41 percent favored financing with tax revenues, while 45 percent did not, and 14 percent were undecided.

On the inflation issue, 38 percent favored wage, price, and profit controls, while 37 percent favored the law of supply and demand, and 25 percent were either undecided or wanted gradual decontrol.

On NATO troop strength in Europe, 40 percent wanted to maintain our present troop strength, 43 percent wanted to reduce it, while 17 percent were undecided.

The House Judiciary Committee in the next few weeks is expected to make a recommendation to the House of Representatives on the issue of impeachment. In the meantime, the House Administration Committee, on which I serve, has completed work on a campaign reform measure which I supported and which provides for public financing of Presidential elections and Presidential primaries through the tax checkoff voluntary method. This new measure is designed to strengthen the Federal Campaign Reform Act of 1971, which I also supported and which requires that campaign contributions be reported and made public. However, the 1974 bill is far superior to the 1971 law because it not only provides for full disclosure but places limitations on contributions.

Over and over again, in comments on the questionnaires, citizens expressed their grave concern, which I share, over runaway inflation that is lowering the living standard of all Americans. One major reason for our current unstable economic condition is the increase in our money supply caused by the Federal Reserve Board, an independent agency run without Congressional oversight. The Banking and Currency Committee, on which I serve, recently moved to serve notice by having passed in the House a bill providing an audit of the Federal Reserve Board by the General Accounting Office. It is our hope that this will be a warning to the Federal Reserve Board that Congress is closely monitoring interest rates, for there is no other single item more responsible for higher prices than today's escalating prime interest rate.

Additionally, the Congressional Budget and Impoundment Control Act, which I strongly supported, is a major step forward in the fight against inflation. This law establishes a new budget system under which Congress is responsible for setting the budget and for allocating funds, in order that we may meet our obligations with no deficit spending. In the event we collect more money that we spend, this money will be used to pay off our national debt. For America to survive, it is absolutely necessary for the Congress to restore fiscal and monetary sanity to our Federal budget policy.

The response to the NATO troop strength question was of special interest because of the great change in sentiment since my survey a year ago when I asked the same question. In 1973, 20 percent wanted to keep NATO troop strength as it was, while 70 percent wanted to reduce it, and 10 percent were undecided. This year, 40 percent want to maintain NATO troop strength as it is, while 43 percent want to reduce it, and 17 percent are undecided. Thus, there definitely is growing support for maintaining a strong defense in Europe, and I shall certainly keep this in mind when I attend future meetings of the North Atlantic Treaty Organization where I have served as a U.S. delegate on the Economic Committee for several years.

The strongest response to the 15 questions was on mandatory life sentences for drug pushers, with 89 percent favoring life sentences for drug pushers convicted a second time, and only 6 percent opposed. In a related question, 85 percent favored the death penalty for severe crimes, with only 10 percent opposed. I supported the mandatory death penalty in the Anti-Hijacking Act which passed the House recently, and shall vote for pending legislation to provide mandatory life sentences for drug pushers when this bill reaches the House floor for action. I feel strongly that every means at our disposal must be used to bring down the high crime rate and make our city streets safe once again for our citizens, and certainly, tougher penalties can serve as a forceful deterrent to serious crimes.

Under the heading of tax reform, I asked a series of eight questions regarding changes in tax laws, and 11th District residents overwhelmingly indicated their desire to see inequities eliminated and the tax burden more fairly distributed among all our citizens. The Ways and Means Committee, which drafts tax legislation, is completing action on a tax reform bill after months of intensive deliberations. Already included in this tax bill is a tax deduction for retirees based on my "$5,000 tax exemption on pension income" proposal. The committee also has under consideration my proposal to eliminate the inequity that has long existed as far as our single taxpayers are concerned, and is working on cutting out special interest tax breaks which permit high-income individuals and large companies to escape their fair share of taxation, as well as changing the dollar amount of deductions, the value of which has diminished through the eroding influence of inflation.

The energy crisis was another area of grave concern for 11th District residents. By large margins, they indicated they wanted an excess profits tax on windfall profits, audit of oil company records, mass transit operating subsidies, and an all-out Federal effort to insure U.S. self-sufficiency in the future.

I am pleased to report that the Congress has been making steady progress toward achieving these goals. Legislation which I have sponsored or supported to empower the Federal Energy Administration to collect information and data on energy supplies and reserves, to phase out the oil depletion allowance, to insure that at least 20 percent of imported oil be carried on U.S. flagships, to provide mass transit operating subsidies, to harness solar energy for heating and cooling homes, to develop geothermal energy resources, and to encourage research in fossil, nuclear, and advanced energy systems has already passed the Congress or is well along in the legislative process.

Eighty-three percent of those who responded were opposed to forced busing of schoolchildren out of their neighborhoods as a means of achieving racial balance. My own position during past Congresses has been against forced busing. During the present 93d Congress which began in January 1973, nine votes have been taken thus far in the House of Representatives on this issue, and again, in each instance I voted against forced busing. If this issue should come to the House floor in the future, I shall continue to sustain my position and oppose forced busing of schoolchildren to achieve racial balance.

Finally, Mr. Speaker, 84 percent of the citizens who responded felt that we should raise the present $2,400 annual earnings limitation for social security recipients, and I fully agree. Galloping inflation has hurt all of us, but it has hurt most of all our senior citizens who are living on fixed incomes. Lifting the income limitation will give them some measure of relief, and I shall vote to lift this limit when legislation reaches the House floor for action.

It is also of interest to note that of those who returned the questionnaire, the largest number—44 percent—were in the 45-64 age category, while the smallest number—13 percent—were in the 15-29 age category.

Mr. Speaker, the following is the completed questionnaire tabulation according to percentages:

1974 LEGISLATIVE QUESTIONNAIRE

[In percent]

	Yes	No	Undecided
1. Metric system: Should we change our units of weights and measurement to the internationally-used metric system (kilograms and kilometers as opposed to pounds and miles)?	37	52	11
2. Death penalty: Do you favor its restoration as punishment for the most severe crimes, such as willful taking of another's life, kidnapping, treason, or skyjacking?	85	10	5
3. Amnesty: Do you favor some form of amnesty if the evidence in individual cases warrants it?	49	40	11
4. Abortion: Do you favor amending the Constitution to overturn the Supreme Court decision which liberalizes abortion regulations?	36	53	11
5. Neighborhood schools: Should we prohibit forced busing of schoolchildren out of their neighborhoods to achieve racial balance?	83	13	4
6. Post card voter registration: Do you feel that a system of post card voter registration would be preferable to the present personal appearance method?	25	63	12
7. Health insurance: Establish a national health insurance program that would provide coverage for all health care?	63	25	12
8. NATO: Do you feel we should maintain our present NATO troop strength in Europe?	40	43	17
9. Drugs: Should pushers of hard drugs who are convicted a 2d time receive mandatory life sentences?	89	6	5
10. Social security: Should we raise the present $2,400 annual earnings limitation for social security recipients?	84	9	7
11. Tax reform:			
(a) Allow tax deductions for higher education tuition expenses?	67	24	9
(b) Allow tax deductions for nonpublic elementary and secondary education expenses?	56	35	9
(c) Increase personal income tax exemptions?	80	11	9
(d) Reduce social security taxes, making up the difference from general revenues?	53	31	16
(e) Terminate oil depletion allowance (deduction for exploration by oil companies)?	59	23	18
(f) Equalize income tax rate for single and married persons?	68	22	10
(g) Allow $5,000 tax exemption to retired persons receiving pension income?	86	6	8
(h) Impose excess profits tax on energy suppliers to prevent windfall profits?	82	8	10
12. Energy crisis:			
(a) Require by law complete audit of oil company profit, supply and resource data?	86	7	7
(b) Postpone implementation of auto emission standards?	50	36	14
(c) Provide operating subsidies for mass transit systems?	70	18	12
(d) Provide for all-out Federal effort to develop alternative sources of energy in order to insure U.S. energy self-sufficiency in the future?	87	5	8
(e) Enforce antitrust action against the oil industry?	77	7	15
13. Campaign financing:			
(a) Should Presidential campaigns be financed with public tax revenues rather than private contributions?	44	44	12
(b) Should congressional campaigns be financed with public tax revenues rather than private contributions?	41	45	14

14. Impeachment: Based on the information you presently have, the President should:	
Be impeached	25
Resign	20
Remain in office	45
Undecided	10
15. Inflation: To control the economy, are you in favor of:	
Wage, price, and profit controls	38
Law of supply and demand	37
Gradual decontrol	11
Undecided	14
16. Optional—Age:	
(1) 15 to 29	13
(2) 30 to 44	22
(3) 45 to 64	44
(4) 65 and up	21

RHODESIAN CHROME: MISLEADING OPPOSITION TO S. 1868

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, on July 9, S. 1868, a bill to amend the United Nations Participation Act to halt the importation of Rhodesian chrome and ferrochrome was reported out of the House Foreign Affairs Committee. The passage of this bill is crucial to the United States from both a legal and economic standpoint. Legally, this bill would restore the United States to its position as a law-abiding member of the international community by insuring U.S. compliance with the U.N. economic sanctions against the illegal government of Rhodesia, sanctions which were requested by Great Britain in 1966. With the passage of the Byrd amendment in 1971, the United States became the only country to officially violate those sanctions. Economically, the importation of ferrochrome from Rhodesia has had a serious negative effect on our domestic chrome industry. For example, according to the United Steelworkers of America—

> Seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina and Alabama now have a work force almost 30 percent smaller—*directly attributable to ferrochrome imports of which Rhodesia is the largest source* (original emphasis).

Thus we see a pattern apparent in other U.S. industries, that is, U.S. companies callously taking advantage of the cheap labor available in the minority-ruled, apartheid Government of Rhodesia at the expense of workers in this country. The passage of S. 1868 would be one step which would protect domestic jobs and workers and thereby help to strengthen our lagging economy.

The U.S. companies which are involved in the chrome trade with Rhodesia raise the specious argument of national security needs in order to justify their actions. This argument has been refuted by Deputy Secretary of Defense William P. Clements, Jr. in a letter to Congressmen FRASER and DIGGS dated July 20, 1973. In that letter, Mr. Clements concluded that—

> According to an estimate prepared in 1973 by OEP (Office of Emergency Preparedness), the metallurgical grade chromite needed by industry to support the Defense Department's steel requirement during the first year of a war amounts to . . . 2.3% of the quantity held in the inventory as of 31 December 1972. Thus, it can be seen that the Defense requirement for metallurgical grade chromite is relatively small, and that the bulk of the stockpile inventory would be used by the non-defense industry in the event of an emergency.

It is apparent that these companies are using the national security argument as a smokescreen in their quest for profits.

For the benefit of my colleagues who may have missed this material, I am inserting into the RECORD three items: An editorial from Steel Labor, the Voice of the United Steelworkers of America, entitled "Job Loss Scare in Chrome"; the aforementioned letter from Deputy Secretary of Defense William P. Clements, Jr.; and a letter from Secretary of State Henry A. Kissinger, dated October 3, 1973, to Congressmen FRASER and DIGGS in which he supports the passage of S. 1868 (H.R. 8005). I am sure that my colleagues will find these materials enlightening. I strongly urge my colleagues to support this legislation when it comes to the House floor. The material follows:

[From Steel Labor, April 1974]

JOB LOSS SCARE IN CHROME

Perhaps one of the cruelest forms of intimidation toward working people is the ever-present threat of job loss, activated by large corporate interests who seek to improve their profit-making capacity by utilizing the spectre of plant shut-downs. Unfortunately, a situation exists today in the United States where the worst of these scare tactics have been employed against members of the United Steelworkers and their families.

Some companies have made misleading statements that Steelworker jobs are endangered by the United Nations embargo on Rhodesian chrome. They have sought to use some members of our union in their efforts to have the U.S. ignore the sanctions imposed by the community of nations against Rhodesia, where slave labor conditions have understandably made this source of cheap labor and ore attractive to multinational investments.

Not only have these companies distorted the true facts surrounding the Rhodesian chrome situation, but they have ignored the existence of ample supplies from other countries and the government stockpile of chrome ore which would equal current imports from Rhodesia for 18 years.

The facts are that specialty steel jobs will not be lost but rather USWA ferrochrome jobs have been further jeopardized because of the new pressures from Rhodesian ferrochrome smelting sources. Last year the Ferroalloys Association declared that unless "aid is forthcoming soon it will only be a matter of time until almost all domestic production of ferrochrome and chromium metal will cease and the bulk of our country's requirements will be supplied from and dependent on foreign production."

The pressure of low-cost imports of ferrochrome from Rhodesia began to be felt only months after passage of the Byrd Amendment, which "sanctioned" the U.S. to violate our international obligations and deal with the rump government created by Rhodesian racists. Today seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina and Alabama now have a work force almost 30 per cent smaller—directly attributed to ferrochrome imports of which Rhodesia is the largest source.

Steelworkers who have been asked by company publications and mailings to support their lobbying efforts to continue this source of cheap ferrochrome may correctly ask if the motivation behind this concern is not American jobs, but rather multinational profits? Union Carbide and Foote Mineral are not coincidentally the most prominent lobbyists for Rhodesia—for they have multimillion dollar investments in that country and seek to protect their holdings.

When dealing with members of Congress, company spokesmen have never documented possible job loss due to any adherence to the Rhodesian boycott. The job loss scare is directed to the employes, as part of their game plan to use workers as pawns to influence Congressmen. They have not and cannot substantiate their attacks on USWA Congressional testimony that American steelworkers are not threatened by an embargo of imports from Rhodesia. Present and projected steel markets are strong and alternate sources of chrome exist.

Certain companies, whose history with their own employes do not substantiate an overconcern for people before profits, have attempted to confuse some USWA members for their purposes. The job loss tactic, applied in the past to union organization, pollution control, occupational health and safety and other challenges to corporate profits, will not hold up under careful scrutiny and honest investigation. Facts—and not job loss scares—will place the issue into true perspective.

LETTER TO CONGRESSMEN FRASER AND DIGGS FROM ACTING SECRETARY OF DEFENSE WILLIAM P. CLEMENTS, JR., REGARDING CHROME FROM RHODESIA AND ITS RELATION TO OUR NATIONAL SECURITY REQUIREMENTS FOR METALLURGICAL GRADE CHROMITE

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., July 20, 1973.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of June 8, 1973, regarding chrome ore imports from Southern Rhodesia and its relation to our natural security requirements for metallurgical grade chromite.

While the Department of Defense is one of the beneficiaries of the stockpile of strategic materials, we do not control stockpile. The stockpile is operated by the General Services Administration (GSA) (this function was formerly under the Office of Emergency Preparedness but was recently transferred to GSA) and is designed to protect not only the industrial needs of the Department of Defense during an emergency, but those of the nation, as well.

Metallurgical grade chromite consumed by industry in the production alloy and stainless steels after it is first refined into alloying additives, such as high carbon ferrochromium. The quantities of these additives consumed are controlled by specifications for the steel mill products. The DoD does not directly consume chrome ore or the alloying materials. Instead, we look to the steel-making industry to obtain the raw materials needed to produce our steel requirements.

When requested, in connection with stockpiling activities, we provide information regarding our estimated emergency requirements for materials. Because it is so difficult to determine the ferroalloy content of such a broad variety of steel mill products, we provide our estimate of the alloy and stainless steel tonnages which we expect to use during an emergency. GSA obtains the total national ferroalloy usage from industry and through a factoring process arrives at the approximate military demand.

There are some uses of chromium metals, however, that we are able to estimate, for example, special heat resistant components of aircraft engines. These comparatively small direct DoD requirements are reported and are included in the total requirement calculation for stockpile planning purposes. The following direct DoD requirement for chromium based on an assumed three year war were reported during the periods shown:

1963: 1,535 short tons.
1968: 1,350 short tons.
1973: 1,696 short tons.

According to an estimate prepared in 1973 by OEP, the metallurgical grade chromite needed by industry to support the Defense Department's steel requirement during the first year of a war amounts to 128,300 short tons, or 2.3% of the quantity held in the inventory as of 31 December 1972. Thus, it can be seen that the Defense requirement for metallurgical grade chromite is relatively small, and that the bulk of the stockpile inventory would be used by the nondefense industry in the event of an emergency.

I hope the above will assist you in your review of the chrome ore import situation.

Sincerely,

W. P. Clements, Jr.

Letter to Congressmen Diggs and Fraser From Secretary of State Kissinger Concerning House Resolution 8005 Relating to Rhodesian Chrome

The Secretary of State,
Washington, October 3, 1973.

Hon. Charles C. Diggs, Jr.,
Chairman, Subcommittee on Africa, Committee on Foreign affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of October 1, also signed by Congressman Fraser, concerning H.R. 8005, a bill to restore the United States to full adherence to the United Nation's Rhodesian sanctions program.

I am pleased with this occasion to reiterate the assurance I gave in my confirmation hearings before the Senate Foreign Relations Committee September 7, that the Administration supports efforts in Congress to repeal that portion of the Military Procurement Act of 1971 commonly known as the Byrd Provision. Moreover, in a letter of August 2 to Chairman Morgan, Assistant Secretary of State for Congressional Relations Marshall Wright expressed the Administration's strong backing for the enactment of S. 1868/H.R. 8005. You may be interested to know that various agencies within the government were given the opportunity to review that letter prior to its dispatch, and that I had personally approved it as Assistant to the President for National Security Affairs. I am convinced now, as I was then, that the Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations.

You are, of course, familiar with the evidence that imports of Rhodesian chrome and nickel are no longer necessary for strategic reasons and that a request is currently before the Congress to eliminate our stockpile of nickel and to reduce greatly our stockpile of metallurgical grade chromite. It is also pertinent to note that contrary to the intention of the Byrd Provision, the percentage of imports of chrome from the USSR actually increased during the last two years.

On the other hand, the Byrd Provision has impaired our ability to obtain the understanding and support of many countries including such important African nations as Nigeria, a significant source of petroleum and a country where we have investments of nearly $1 billion.

Thus, I believe the enactment of H.R. 8005 is in the interest of the nation, and accordingly I support your efforts to secure its passage. Thank you for this opportunity to restate my views. I am also sending a reply to Congressman Fraser.

Sincerely,

Henry A. Kissinger.

PANAMA CANAL: LEADING U.S. STRATEGISTS OPPOSE SURRENDER OF U.S. SOVEREIGNTY OVER CANAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, on February 7, 1974, in Panama City, Republic of Panama, U.S. Secretary of State, Henry A. Kissinger, and Panamanian Foreign Minister, Juan A. Tack, signed an eight-point agreement to govern the negotiation of a new Panama Canal Treaty. This agreement, made without the authorization of the Congress, has sinister implications for both interoceanic commerce and hemispheric security.

Stripped of its ambiguities, contradictions and sophistries, this eight-point agreement constitutes a blueprint for an abject surrender of U.S. sovereign rights, power and authority over the U.S.-owned Canal Zone and Panama Canal. Extensively reported in the mass news media of the United States as a great diplomatic victory, the program for giving away the Canal Zone has aroused concerned citizens all over the Nation and abroad, which shows a growing public understanding of the questions involved. As stated in an address by me to the House of Representatives on July 15, my correspondence in the form of letters and petitions between February 7 and July 4, 1974, totals 4,604 citizens from 48 States who strongly oppose the projected giveaway and 9 who accept it. These facts stress that the people of our country are far ahead of their government in grasping the significance of the loss of sovereign control over the Canal Zone.

This interest, however, is not limited to the laity but includes some of the Nation's leading strategists, among them the leaders of the U.S. Strategic Institute. Its quarterly magazine, Strategic Review, is a high quality publication, dedicated to the advancement and understanding of the principles and practices, military and political, that serve the vital interests and security of the United States. Its editor in chief is Maj. Gen. Thomas A. Lane, a distinguished strategist and engineer whose active career included service with the U.S. Army in the Canal Zone and duty on the staff of General MacArthur in the Pacific during World War II.

Because of so much misinformation as regards the status of the Canal Zone and what the canal means to Panama has been published in the mass news media, I shall state a few basic facts. The Canal Zone is U.S. territory acquired in perpetuity for the perpetual operation of the canal. The direct benefits to the Republic of Panama from the Canal Zone during the calendar year 1973 were $187,490,000. This figure includes the treaty based annuity of $2,328,200, which is not a rental but the augmented annuity of the Panama Railroad, an obligation assumed by the United States in the 1903 treaty. This significant information is seldom mentioned in current publicity concerning the canal subject.

In two editorials, the Strategic Review condemns what is now being attempted at Panama as an "act of Great Power irresponsibility" and exposes some of the fallacies in the assumption of Ambassador Ellsworth Bunker, who is conducting the negotiations. In this general connection, attention is invited to a most perceptive article on "Panama Canal: Focus of Power Politics" by Dr. James P. Lucier in the Strategic Review, spring 1974, which was quoted in an Extension of Remarks by my distinguished colleague from Ohio (Mr. Ashbrook) in the Congressional Record of May 14, 1974, page 14676.

The two indicated editorials follow as parts of my remarks and are commended for careful reading:

[From Strategic Review, winter 1974]

The Problem in Panama

Ellsworth Bunker, so-recently our esteemed Ambassador to the Republic of Vietnam, and presently in charge of negotiating an adjustment of treaty arrangements with the Republic of Panama, has announced the conclusion of a broad negotiating agreement committing the United States to surrender its sovereign rights in the Canal Zone. The change would be made through the negotiation of new treaties for operation and defense of the Canal.

The announcement was accompanied by sympathetic propaganda in the press, affecting to reassure our people that Canal Zone sovereignty is a relic of the colonial era which affronts our neighbor, Panama, and must be relinquished to restore good relations. We think such treatment is a serious disservice to an important question of policy.

When the United States became interested in building a canal at Panama, the isthmus was a disease-ridden jungle area in which a French company, in twenty years of effort and at a cost of 20,000 lives, had failed utterly to overcome the problems of sanitation and engineering. In a decade of great investment of money, energy and both medical and engineering skills, the United States transformed the country of Panama, as well as the Zone, and in 1914 opened the waterway.

To protect this investment, which was to be for the ages, the United States, under the terms of the Hay-Bunau-Varilla Treaty of 1903 with Panama, had taken full rights of sovereignty in perpetuity to a zone ten miles wide embracing the Canal route. It had also undertaken, in the Hay-Pauncefote Treaty of 1901 with Great Britain, to operate the Canal for world commerce with no special privileges for U.S. shippers.

It is estimated that the net cost of the Canal to the United States to date, including defense and not including interest on investment, has been about $6 billion.

Until the riots in Panama in January, 1964, the United States had made concessions to Panama on various aspects of the 1903 Treaty but had firmly resisted claims for relinquishment of sovereignty. It is this apparent change of position on the perpetuity of U.S. sovereignty which raises important new questions of policy.

Under the 1903 Treaty, the authority and jurisdiction of the United States in the Canal Zone are legally unchallengeable. The Canal, the U.S. investment in it, and the interests of world commerce are secure.

Under the proposed retrocession of sovereign powers to Panama, that Republic would acquire sovereign rights and authority over the operation and defense of the Canal; and the United States would then hold any such rights only by virtue of its treaty with Panama. Against eviction by a hostile government in Panama, the United States would have no more legal standing than Britain had against Egypt in its base at Suez in 1951.

The population of Panama is about the same as that of Detroit, about 1.5 million. The proposition before us is that Panama holds some inherent right of sovereignty which entitles it to take over this high American investment and operate it for its own benefit. It is perfectly clear that Panama has no such right today, and that it will not have such authority over this critical waterway unless the United States now cedes this authority to Panama.

We suggest that to enter such negotiations today is a serious abandonment of U.S. authority and responsibility. To confide this crucial waterway to the nominal control of a small country which is ill-qualified to administer or defend it is an act of Great Power irresponsibility. If Great Britain had, in 1951, asserted the world interest in Suez and committed military forces to defend that interest, the Canal would not have been closed but would today be a lively artery of commerce bringing great tributary benefit to the people of Egypt.

The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of under sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such a retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another lessee. That is a prospect which no President should impose on his successors.

If U.S. sovereignty is to be surrendered in two decades or five decades, that decision should be made by Americans who will be in charge of national policy at that time. The only proper consideration for our leaders today is whether the United States should surrender sovereignty here and now. If they will not act affirmatively now, they should not projudice the right of another generation to act in its time.

[From Strategic Review, Summer 1974]

THE WRONG ROAD

In a notable address before the Center for Inter-American Relations at New York on March 19, 1974, Ambassador-at-Large Ellsworth Bunker, Chief Negotiator for the Panama Canal Treaty, explained the rationale of administration policy in the canal negotiations. His statement of concern was consonant with the Joint Statement of Principles initialed by Secretary of State Kissinger at Panama on February 7, 1974.

Ambassador Bunker asserted that the consent of the Panamanian people to the U.S. presence in the Canal Zone had been reduced to unacceptable levels. He believes that successful operation of the Canal by the United States requires a higher level of acceptance by Panama, and that this acceptance can be negotiated. He thinks it necessary to that end to revise the objectionable provisions of the 1903 treaty which conveyed the Canal Zone to the United States.

Ambassador Bunker accepts at face value the allegations of the Torrijos Government of Panama that the Canal Zone constitutes an intolerable division of Panama by a foreign sovereignty exercising full powers in the Zone, that the condition was imposed seventy years ago but is now archaic, that the United States can operate and defend the Canal while the Canal Zone territory is returned to the full jurisdiction of Panama, and that a treaty to accomplish the change will restore cooperation between the United States and the Republic of Panama.

The Bunker analysis did not note the quality of the Government of Panama, representing the usurpation of power by the Commander of the National Guard and displacement of the elected President of the Republic. It did not note that the regime is closely aligned with the Castro government in Cuba and with other left-wing forces in Latin America hostile to the United States. It did not explain that the decline of acceptance of the U.S. presence by Panama is the product of mob manipulation by forces determined to compel U.S. withdrawal from the Canal Zone.

In sum, the Bunker thesis treats the inspired attacks of Marxist-Leninist radicals as the voice of the people. It assumes that these attacks on the U.S. Canal Zone can be moderated with benefit to Canal operations by giving the Zone territory back to Panama. But these premises lack credibility. The apparent aim of the Government of Panama is not to improve relations with the United States but to take the Canal. While we agree that cordial relations with Panama are desirable, we do not believe the State Department prescription represents a prudent approach to that relationship.

CONSERVATION AND MANAGEMENT OF FISHERIES ON THE HIGH SEAS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Missouri (Mrs. SULLIVAN) is recognized for 10 minutes.

Mrs. SULLIVAN. Mr. Speaker, on June 25, 1974, I introduced, together with Mr. DINGELL and Mr. BIAGGI, H.R. 15619, a bill to provide for the conservation and management of fisheries on the high seas, and for other purposes.

I introduced this bill—along with my colleagues—because I strongly feel that something needs to be done in the near future to protect and conserve our coastal and offshore fisheries resources. At the present time, there are three jurisdictional zones which exist along our shoreline. They are as follows: The territorial sea—0 to 3 miles off our shores—within which fishing is managed by the States; the contiguous fisheries zone—3 to 12 miles—established unilaterally in 1966, in which no fishing is permitted by foreign vessels; and the high seas, the area seaward of the territorial sea—from 3 miles out. Fishing by U.S. vessels within the contiguous zone and on the high seas is only partially regulated at this time, either by the States, in which case only the particular State's citizens are affected, or by international treaty in those few instances where treaties exist. Therefore, in general there is no regulation of the fisheries beyond 12 miles from our shores for either United States or foreign vessels, and what regulations there are within the contiguous fisheries zone are insufficient and quite often conflicting.

I do not believe that any knowledgeable person in this field will dispute the fact that such a lack of effective regulation leads, almost without exception, to the eventual decline of the fishery resource involved and economic hardship for those dependent upon it for their livelihood. We need look no further than the steady decrease of many of our most valuable fishery resources and the cries of anguish from both the fishermen who are earning less and the consumers who are paying more, for validation of this theory.

H.R. 4760—PREDECESSOR LEGISLATION

The members of my committee have long sought a workable solution to this problem. H.R. 4760, the predecessor legislation to H.R. 15619, was introduced on February 27, 1973, by Mr. DINGELL and a number of our colleagues, as a result of an executive communication from the Department of Commerce. This bill would enable the Federal Government to remedy the problem of split jurisdiction by allowing Federal regulation of U.S. vessels in all waters beyond the territorial sea for fisheries conservation and management purposes. States would be encouraged to participate in developing such regulations.

In addition, H.R. 4760 would implement for the first time the 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas which came into effect for the United States in 1966. The Convention has been ratified by 33 countries. It imposes on all contracting governments the duty to adopt, or to cooperate with other contracting governments in adopting, such measures for their respective nations as may be necessary to conserve high seas fisheries resources. The Convention also allows a coastal nation to assert a special interest in the productivity of those living resources which may be found on the high seas adjacent to its territorial sea, and requires other contracting governments to recognize this special interest. In addition, article 7 of the Convention allows a coastal nation to unilaterally adopt conservation measures on stocks of fish in any area adjacent to its territorial sea, provided negotiations to secure an agreement with other nations to abide by such measures have not led to an agreement within 6 months, and provided further, that there is a need for urgent application of conservation measures based on scientific findings, and that the regulatory measures are not discriminatory.

Hearings were held on H.R. 4760 and an identical bill, on May 17 and July 30, 1973. At these hearings a number of witnesses objected to this bill because they felt it did not resolve the main problem—overfishing by foreign fishermen of the fisheries resources off our coastal shores—and the bill would, for the first time, allow U.S. fishermen to be penalized for violating Federal fisheries regulations on the high seas, while no penalty could be imposed against foreign fishermen fishing the same stocks of fish beyond the contiguous fisheries zone.

Because Chairman DINGELL and I believe that these and similar concerns expressed by other interested parties were meritorious, we asked the committee staff to work with all concerned to expand H.R. 4760 and to create workable legislaion which would preserve our fisheries resources through a regulatory system applicable to foreign fishermen as well as United States fishermen. I introduced H.R. 15619 because I believe it meets this criteria.

Unfortunately, complicated solutions are often necessary to solve complicated problems. H.R. 15619 is an extremely complex piece of legislation; consequently, some misunderstandings have arisen as to what this bill actually does. I believe this to be an important piece of legislation offering a new and effective approach to conservation of our coastal and anadromous fisheries; therefore, I would like to briefly set forth the highlights of H.R. 15619, followed by an explanation of those sections which deal with the regulation of foreign fishermen—and are the source of the misunderstanding.

HIGHLIGHTS OF H.R. 15619

First. The Secretary of Commerce would be required—not authorized—to promulgate regulations governing fishing in the fisheries zone and on the high seas for the purpose of obtaining the optimum overall biological, economic and social benefits;

Second. Regulations promulgated which apply in the areas beyond the fisheries zone would be deemed unilateral measures of conservation of the United States within the meaning of article 7 of the Convention, thereby making foreign vessels subject to the same regulations as U.S. vessels;

Third. After 6 months from date regulations are promulgated, vessels of any foreign country which has failed to adopt and fully comply with those regulations would be subject to a penalty of $100,000, and those vessels and their catch would be subject to seizure and forfeiture. U.S. vessels, and those of foreign countries adopting and complying with the regulations, would be subject to a $25,000 fine, seizure and forfeiture if found in violation;

Fourth. Before promulgating regulations, the Secretary of Commerce would be required to: consider existing population levels of the fish involved and existing management programs relating to such fish; consult with the Coast Guard and the Secretary of State if such regulations will apply to foreign vessels; and consult with and solicit views from the commercial and sport fishing industries, other Federal agencies, interested State agencies, and the appropriate Advisory Council. It is expected that he would carry out these requirements simultaneously and in a timely fashion;

Fifth. The Secretary would be allowed to adopt regulations proposed by any interested party, including but not limited to fishermen, States, marine fisheries commissions, and the Advisory Councils;

FISHERIES ADVISORY COUNCILS

Sixth. There would be established three Fisheries Advisory Councils, one each for the Atlantic, gulf, and Pacific coasts. Each of the Councils would be composed of nine members including the Director of the National Marine Fisheries Service, the Director of the U.S. Fish and Wildlife Service, and the Executive Director of the Marine Fisheries Commission of the geographical area concerned. The other six members would be appointed by the Secretary from among the following interests: coastal fishing, distant water fishing, sport fishing, fish processing, fisheries conservation, and the States concerned;

Seventh. The Advisory Councils would be authorized to employ appropriate staff and would be required to meet at least once each quarter;

Eighth. The duties of the Councils would be to: solicit, by means of public hearings, to the extent practicable, and evaluate on a continuing basis, comments and recommendations from all interested parties with respect to the implementation of this act; submit for adoption by the Secretary appropriate regulations; submit to the Secretary within 30 days of each quarter a report setting forth its activities; and submit to the Secretary and the Secretary of State both majority and minority views, if any, on any actions taken by the Council;

Ninth. The Secretary of State would be required—not authorized—to engage in negotiations to implement the Convention on Fishing and Conservation of the Living Resources of the High Seas and, in particular, article 7 of the Convention. When unilateral action is taken pursuant to article 7, such promulgated regulations would be applicable not only to the contracting governments to such Convention, but also to all other governments as well.

REGULATION OF FOREIGN FISHERMEN

It appears to me that the misunderstanding regarding the effectiveness of the provisions of this act which apply to regulation of foreign fishermen arises from the fact that the act serves more than one function in this respect. First, H.R. 15619, like its predecessor H.R. 4760, serves as implementing legislation for the 1958 Convention on Fishing and Convention of the Living Resources of the High Seas and for other international fishery agreements to which the United States is signatory. As such, and in this context only, it is subject to the limitations on regulation of foreign fishing contained in the Convention and other international fishery agreements.

However, what its critics appear to have overlooked is that H.R. 15619, as opposed to H.R. 4760, also provides for the application of regulations to the vessels of all foreign nations whether or not they are signatory to such Convention or agreement. While the bill uses the mechanism of section 7 of the Convention to reach foreign fishermen, it does so merely as a vehicle to accomplish its purpose and is not in this respect subject to the limitations of section 7 or other international agreements—see section 3(c)(1).

Section 3(a) of H.R. 15619 would require the Secretary of Commerce to promulgate regulations governing fishing in the fisheries zone and on the high seas by vessels of nations which are party to any international fishery agreement with the United States, pursuant to, and for the purposes of, such agreement.

FISHERY LIMITATIONS

Section 3(b)(1) is a key provision. It would require the Secretary of Commerce to promulgate regulations governing fishing in the fisheries zone and on the high seas by vessels of the United States for the purposes of limiting fishing effort by vessels pursuant to our obligations under any international fishery agreement, and conserving and managing the fish in the fisheries zone and on the high seas in a manner which the Secretary determines will result in the optimum overall biological, economic, and social benefits.

It should be noted that regulations promulgated under section 3(b)(1)(B) could designate zones where, and establish periods when, no fishing could be permitted; establish size and catch limits for any species of fish; prohibit the use of certain types of fishing gear and prescribe other measures deemed appropriate. These additional measures could include a limitation on the number of vessels allowed entry in a particular fishery, but such limited entry could not be implemented until 3 years after the date of enactment of the legislation.

MOST IMPORTANT PROVISION

Section 3(c)(1) of H.R. 15619 is undoubtedly the most important provision of the bill and appears to have been overlooked by those who say the bill fails to deal effectively with foreign fishing. This section provides that, notwithstanding any other law—including any treaty to which the United States is signatory—and notwithstanding any other provision of this act—including sections 7, 9, 10 and 11 which have been incorrectly cited by some as overriding this section—any regulation promulgated by the Secretary under section 3(b)(1)(B), relating to U.S. vessels, which applies in any area of the high seas adjacent to the 9-mile contiguous fisheries zone, shall be deemed to be a unilateral measure of conservation of the United States within the meaning of article 7 of the Convention on Fishing and Conservation of the Living Resources of the High Seas. Any such regulation would not enter into force and effect for a period of 6 months, during which time the Secretary of State would be required to try to obtain agreements from other countries signatory to the Convention to prohibit vessels documented under their laws from engaging in acts prohibited by such regulations. Also, during this period the Secretary of State would be required to try to obtain agreements with all other nonsignatory countries to prohibit vessels documented under their laws from engaging in any acts which violate such regulations.

ALL FOREIGN NATIONS AFFECTED

After the close of the 6-month period—notwithstanding any other Federal law, treaty, or any other provision of this act—any regulations promulgated by the Secretary of Commerce pursuant to section 3(b)(1)(B), which relates to United States vessels, would have effect on the high seas to which it applies and the Secretary of State would be required to notify all foreign nations that such regulations will have full force and effect and will be enforced against all foreign nations whose vessels fish in those waters, whether or not the nation involved is signatory to the Convention.

Article 7 of the Convention requires 6 months notification before unilateral measures of conservation appropriate to any stocks of fish can go into effect against nations signatory to the Convention and such conservation measures are proposed on the basis that there is a need for urgent application backed up by scientific findings and measures that are not discriminatory against foreign fishermen. However, article 7 procedure and application do not apply under section 3(c)(1) since this section supersedes any other provision of law—including international agreements—and any other provision of H.R. 15619. Section 3(c)(1) sets forth its own procedure to be followed irrespective of the other provisions of this act.

CONDITIONS FOR SELF-POLICING

Consequently, regulations promulgated under section 3(b)(1)(B) relating to U.S. vessels, which can include conservation measures to build a stock of fish back up to a level of maximum sustainable yield, become regulations applicable to all foreign vessels under section 3(c) (2) after the 6-month waiting period, unless a foreign country has obtained by agreement an exception under the May 20, 1964 Act—for example, agreements allowing Russia and Poland to fish within 6 miles of our shores at certain times of the year and for certain types of fish—or unless a foreign country, party to any international fishery agreement to which the United States is signatory, adopts essentially the same regulations and applies them to vessels documented under its laws.

Two important conditions must be met before such country can police its own vessels: The Secretary must find that the penalties imposed by that country against its vessels are equivalent to those imposed by the United States against U.S. vessels and that such penalties are stringently assessed against violators. This self-policing provision is applicable only so long as these conditions are met. Since the United States would be unilaterally issuing regulations governing its fisheries on the high seas wherever such fish go, I think it is only fair to give foreign countries, willing to adopt essentially similar regulations and assess them stringently, the opportunity to police their own vessels. However, once the Secretary of State finds that such country no longer meets these conditions, then such authority lapses and the vessels of such nation would become subject to the stiffer penalties provided under the act of May 20, 1964. The act of May 20, 1964, commonly known as the Bartlett Act, provides penalties of up to $100,000, or 1 year imprisonment, or both, and seizure and forfeiture of the vessel, including its gear and catch, whereas section 10 of H.R. 15619 provides for penalties of up to $25,000 and seizure and forfeiture.

SUBCOMMITTEE HEARINGS

Other views and questions which may arise concerning this legislation, or any portion of it, are expected to be considered when Chairman DINGELL's subcommittee holds hearings on it, probably within the next month or so. I would like at this time to urge all interested parties, and particularly representatives of all segments of our U.S. fishing industry, to come forward at these hearings and make their views known. Only in this manner can such complex legislation, involving unilateral measures inconsistent with international law and principles, ever become a reality.

DR. PAUL E. WILSON—AN OUTSTANDING MAN IN THE MEDICAL PROFESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. CHAPPELL) is recognized for 5 minutes.

Mr. CHAPPELL. Mr. Speaker, today in Los Angeles, Calif., an outstanding American, Dr. Paul E. Wilson, Sr., is assuming leadership of the American Osteopathic Association. As the new president, he will be directing the activities of 10,741 members of this powerful organization.

Paul Wilson comes well qualified for his new position. He has been active in the organization since 1940. Following his graduation from Kirksville College of Osteopathy and Surgery in Missouri, in 1935, he moved to Bartow for 7 years, then to Ocala. He served as president of the Florida Osteopathic Medical Association, receiving their Distinguished Service Award in 1965.

He served as second and third vice president of the American Osteopathic Association and has been a member of their board of trustees since 1968. He has given much time to his alma mater, serving its board of trustees since 1964.

Active in local civic and social affairs, Paul is a past president and charter member of the Silver Springs Lions Club; medical officer for the Civil Air Patrol; member of the Masonic Lodge, Elks Lodge, and Silver Springs Shores Golf and Country Club. He is married to the former Elta Frances Metcalfe of Bartow. They have one son, Paul, Jr., and three grandsons.

Mr. Speaker, Paul Wilson has contributed greatly to his fellow man in Florida, and I hope all my fellow Congressmen join me in wishing him well as he serves all the country in his new capacity as president of the American Osteopathic Association.

THE DANGER OF VIOLATING OUR TREATY COMMITMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, 7½ years ago the Security Council of the United Nations took an historic step, and for the first time in the history of that organization imposed mandatory economic sanctions in an attempt at peacefully resolving a threat to world peace and security. The occasion was the adoption of Security Council Resolution 232, which imposed economic sanctions on the illegal regime of Ian Smith in the British colony of Southern Rhodesia. The United States was one of the most vocal supporters of that resolution. U.S. Ambassador to the U.N. Arthur Goldberg told the world body:

> Some will nevertheless ask why it is proper, for example, to impose mandatory sanctions in this case and not in others. The answer to this, in our judgment, lies in the fact that there are a number of unique elements in the Southern Rhodesian situation. Here we have witnessed an illegal seizure of power by a minority bent on perpetuating the political subjugation of the vast majority. That act itself is bound to create a dangerous and inflammatory situation. Moreover, Southern Rhodesia, as I have said, is a territory whose population is subject to protection under chapter XI of the Charter, which, among other things, calls for the development of self-government to take account of the political aspiration of the peoples. What we have seen in Rhodesia under the Smith regime has been precisely the contrary.
>
> It is sometimes said that moral considerations are irrelevant in the practical affairs of nations. But my government takes the contrary view, and so does the United Nations Charter. The law of the Charter is based on many moral considerations. The day that law is held to be irrelevant, or to be available to some members and not to others, will be a tragic day for the world peace.

Two years later, Mr. Speaker, on May 29, 1968, the Security Council unanimously passed Resolution 253, which made the already existing sanctions comprehensive. This was again done with the vigorous support of the U.S. Government. Again, Ambassador Goldberg voiced the position of the United States:

> The policy of my government remains to seek a peaceful solution of the Rhodesian problem that will insure political justice and equal opportunity for all Rhodesians.

Some people, Mr. Speaker, have tried to raise questions about the legality or bindingness of these resolutions on our Government. None of these legal objections are valid, as was concluded by a special study undertaken recently by the United Nations Association of the U.S.A. That study said in part:

> Mandatory economic sanctions against Southern Rhodesia were first ordered by the Security Council in resolution 232 of December 16, 1966. The list of items forbidden to be imported by that resolution includes chrome. Resolution 253 of May 29, 1968 broadened the sanctions to include virtually all trade and other economic relations with the Smith regime. The United States, which could have vetoed either or both of these resolutions, voted in favor of both. Never on any other occasion has the Security Council invoked its power to "decide," in a manner binding on all UN members, that sanctions shall be applied against an offending power.
>
> The Security Council based its decisions on a formal determination, embodied in resolution 232, "that the present situation in Southern Rhodesia constitutes a threat to international peace and security." The "situation" referred to was the act of the Smith regime in denouncing its subjection to British sovereignty and claiming independence as a white minority state. That situation continues to this day.
>
> The UN Charter, in Article 39, confers on the Security Council the power among other things, to "determine the existence of any threat to the peace" and to "decide what measures shall be taken in accordance with Articles 41 and 42." Article 41 enumerates enforcement measures, short of armed force, that may be taken in such a case, including "complete or partial interruption of economic relations." It is the determination under Article 39 that brings the enforcement weapons of Article 41 into play.
>
> To make unmistakable the binding character of these decisions, both resolutions called upon all UN members to carry out the decisions in them "in accordance with Article 25 of the United Nations Charter," which reads:
>
> "The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter."
>
> Proponents of the Byrd Amendment have challenged the legality of this U.S. commitment on three principal grounds. The first is that the decision was taken without the specific consent of Congress. But no such consent was necessary, since Congress long ago, in 1945, gave the Executive a specific grant of power to act in such cases. This was done first when the Senate ratified the UN Charter by a vote of 89 to 2; and second, when Congress passed, and President Truman signed, the United Nations Participation Act of 1945. Section 5(a) of that act empowers the President, "whenever the United States is called upon by the Security Council to apply meas-

ures . . . pursuant to Article 41," to "investigate, regulate or prohibit . . . economic relations or . . . means of communication," Executive orders to apply the Rhodesian sanctions issued by President Johnson in 1967 and 1968 remained in effect until invalidated by the Byrd Amendment.

The second challenge asserts that, despite the Security Council determination, no "threat to the peace" exists in the Southern Rhodesia situation. There may be room for argument as to the *extent* of such a threat, although it would be hard to maintain that the escalation of violence in and around Southern Rhodesia, arising from Black opposition to white minority rule, contains no threat whatever to peace in that part of the world. The essential legal point, however, is that the UN Charter, a treaty to which the United States is a party and of which it was a principal architect, confers on the Security Council *alone* the power to make this finding.

The third challenge asserts that the sanctions are an unlawful intervention in the internal affairs of Southern Rhodesia, and hence a violation of Article 2, paragraph 7 of the Charter, which forbids such interventions in the internal affairs of any state. But that paragraph ends with these words: "but this principle shall not prejudice the application of enforcement measures under Chapter VII" (which contains Articles 39–42, mentioned above). Moreover, whether Southern Rhodesia is legally a "state" is doubtful, since no state has recognized it as such. In fact, it was the lawful sovereign, the United Kingdom, that requested UN sanctions.

The American Bar Association has also studied the legal degree to which the U.S. Government is bound to adhere to the U.N. sanctions against Southern Rhodesia, and in 1972 the ABA House of Delegates passed a resolution calling on the U.S. Government to live up to its international treaty obligations by repealing the Byrd amendment. That resolution reads as follows:

AMERICAN BAR ASSOCIATION POLICIES ESTABLISHED BY THE HOUSE OF DELEGATES, AUGUST 1972

SANCTIONS AGAINST RHODESIA

Whereas, The United States of America considers the rule of law to be the only alternative to the rule of force;

Whereas, The United States believes the good faith fulfillment of treaty obligations is central to the rule of law;

Whereas, All members of the United Nations have a solemn treaty commitment as parties to the Charter of the United Nations;

Whereas, Article 25 of the Charter of the United Nations provides that "The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter";

Whereas, The Security Council of the United Nations has decided in accordance with the Charter to impose economic sanctions against Rhodesia prohibiting the import or export of goods from or to Rhodesia;

Whereas, The Administration of President Nixon has strongly and unequivocally expressed its view that (a) the United States is legally obligated under the Charter to comply with said decision of the Security Council and (b) neither economic nor national security considerations are sufficiently compelling to compensate for the adverse foreign policy consequences of a failure to so comply; and

Whereas, The Congress of the United States over the objections of the Administration has approved legislation which has become law and requires the United States to permit the importation of chrome and various materials from Rhodesia,

Therefore be it resolved, That the American Bar Association urges the Congress of the United States to repeal such legislation and thus permit the Administration to take all necessary steps to prohibit the importation of material from Rhodesia into the United States in conformity with its international obligations under the Charter of the United Nations.

Further resolved, That the President or his designee be authorized to appear before the appropriate committees of the Congress in support of such action.

UNITED NATIONS

Resolved, That the House of Delegates of the American Bar Association reaffirms its strong support for the United Nations as a uniquely important and indispensible institution in man's quest for world peace, and urges that the United States make every reasonable effort to strengthen the United Nations in ways that will make it a more effective instrument for world peace.

The facts, Mr. Speaker, are clear. They have been recognized by nearly every major legal authority in this country, and they all point to the conclusion that as long as the Byrd amendment stands, the United States is breaking international law and violating its solemn treaty obligations.

I, therefore, urge my colleagues to support S. 1868, which will be coming up for a vote in the next few weeks, a bill to repeal the Byrd amendment and restore the United States to the position of a law-abiding member of the international community.

COAL NEEDS VERSUS UTILITY COMPANY EXPENDITURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, the anguished cries of the coal mining industry and its representatives have been heard for some time now—all lamenting the terrible fate that American energy consumers face if the industry bill or their amendments are not accepted by the Congress. We have seen expensive advertising in newspapers and magazines, fancy, glossy, color brochures, and special computer letters to each Member.

Mr. Speaker, many of these things, along with a multitude of other examples of energy industry advertising, were printed at the very real and unreasonable expense of American energy consumers. Every penny spent on energy industry advertising and "public relations" must come from the ultimate consumer—the American public—whether it is in the form of rate hikes foisted on innocent consumers by monopoly utilities, or tax breaks and back door subsidies given utilities that consumers must make up with their own taxes.

The coal industry has berated attempts at responsible mining and reclamation laws as unreasonable in a time of energy shortages and rising prices. But what, for instance, has the private electric utility industry, so closely related to the national coal industry, done to really ease those high rates that the coal people predict? What have they done in the way of research and development? How much have they spent on advertising versus research and development?

Mr. Speaker, I have put together a list of privately owned electric utility companies and their expenditures for, first, research and development; second, advertising; and third, "demonstration and selling"—defined by the Federal Power Commission as "labor and material used and expenses incurred in promotional, demonstrating, and selling activities." All these figures were compiled from "Statistics of Privately Owned Electric Utilities in the United States," prepared by the Federal Power Commission for 1972. It is the latest available comprehensive collection of these figures.

Mr. Speaker, the story these figures tell is truly miserable—while electric utilities spent about $175 million on research and development in 1972, they spent over $222 million on demonstration and selling, and advertising activities obviously meant to accomplish the same thing: increase the demand for electricity. While a very few State utility commissions have required that advertising costs must be taken from shareholder profits, the overwhelming majority of utilities still simply jack up the prices consumers must pay for the monopoly product.

Mr. Speaker, this means that the utility companies, whose ads banner their dedication to the public's interest, are spending more than $1 on advertising and public relations gimmickery for every dollar they spend on research and development. This is remarkable in an era when we are being urged to conserve gasoline, lower our thermostats, and recycle usable materials. In a period when major cities are facing summer blackouts and brownouts, because of electricity shortages, it makes absolutely no sense whatever to spend huge amounts of money to promote additional use of electrical energy.

And Mr. Speaker, the Federal Power Commission tells my office that the figures from their report are probably on the conservative side—that utility expenditures for advertising—and demonstration and selling—tend to be understated, while research and development expenses are overstated. If this is the case, the disparity between the two categories of spending is even greater than appears on the face.

I am not at all convinced, Mr. Speaker, that any monopoly, let alone energy utilities, needs to advertise their sole-source products. In a country whose dependence on energy has grown to be as inflated as ours, there is no reason that electric utilities must try to persuade consumers to use more electricity.

If the coal and electrical industries are truly interested in lower rates for American energy consumers, why do not they discontinue irresponsible advertising expenditures? Needless advertising, which most of this appears to be, is a gross abuse of the consumer's dollar.

Mr. Speaker, I would like to insert in the RECORD my compilation of electric utility expenditures for the benefit of my colleagues. I am sure they will all be as shocked and upset as I am. The statistics follow:

COMPARISON OF ADVERTISING AND R. & D. SPENDING BY PRIVATELY OWNED ELECTRIC UTILITIES

Utilities	R. & D.	Advertising	Demonstration and selling
Alabama Power Co	$2, 344, 527	$957, 407	$5, 145, 138
Alaska Electric Light & Power Co		0	0
Alcoa Generating Corp		0	2
Alpena Power Co		4, 040	200, 974
Appalachian Power Co	893, 382	99, 921	2, 479, 402
Arizona Public Service Co	1, 848, 367	481, 377	1, 008, 758
Arkansas-Missouri Power Co	23, 875	69, 825	70, 770
Arkansas Power & Light Co	301, 090	566, 158	1, 787, 083
Arklahoma Corp., The		0	0
Atlantic City Electric Co	189, 128	209, 574	643, 919
Baltimore Gas & Electric Co	1, 820, 744	222, 543	1, 976, 509
Bangor Hydro-Electric Co		28, 405	10, 556
Black Hills Power & Light Co	16, 716	76, 358	121, 247
Blackstone Valley Electric Co	9, 574	92, 241	315, 363
Boston Edison Co	2, 155, 956	295, 623	1, 161, 165
Boston Gas Co		0	1, 270
Brockton Edison Co	10, 540	47, 634	305, 307
California-Pacific Utilities Co		20, 285	63, 487
Cambridge Electric Light Co	73, 584	12, 335	185, 522
Canal Electric Co	1, 363, 533	0	0
Cape & Vineyard Electric Co	(1)	0	0
Carolina Power & Light Co	668, 549	216, 318	1, 477, 814
Central Hudson Gas & Electric Corp	733, 848	0	119, 738
Central Illinois Light Co	115, 668	65, 104	244, 523
Central Illinois Public Service Co	248, 324	380, 208	1, 643, 848
Central Kansas Power Co., the		20, 880	2, 902
Central Louisiana Electric Co., Inc	102, 367	198, 756	293, 070
Central Maine Power Co	142, 635	80, 800	1, 556, 276
Central Power & Light Co	377, 040	341, 292	2, 375, 432
Central Telephone & Utilities Corp		116, 304	160, 290
Central Vermont Public Service Corp	11, 418	1, 863	237, 310
Cheyenne Light, Fuel & Power Co	2, 182	11, 572	55, 514
Cincinnati Gas & Electric Co., the	366, 043	183, 794	1, 061, 489
Citizens' Electric Co		7, 304	6, 277
Citizens' Utilities Co		37, 438	33, 400
Cleveland Electric Illuminating Co., the	732, 048	953, 393	2, 169, 776
Columbus & Southern Ohio Electric Co	391, 979	176, 547	1, 331, 636
Commonwealth Edison Co	18, 321, 497	1, 286, 889	6, 257, 518
Commonwealth Edison Co. of Indiana, Inc	3, 416, 084	0	0
Community Public Service Co	32, 035	284, 332	147, 380
Concord Electric Co		11, 504	9, 968
Connecticut Light & Power Co., the	1, 735, 394	81, 706	2, 335, 675
Connecticut Valley Electric Co., Inc		188	22, 604
Connecticut Yankee Atomic Power Co	238, 385	0	0
Conowingo Power Co		13, 332	77, 115
Consolidated Edison Co. of New York, Inc	6, 442, 545	0	948, 289
Consolidated Water Power Co		0	0
Consumers Power Co	1, 386, 197	431, 224	3, 199, 105
Dallas Power & Light Co	365, 495	959, 670	2, 275, 824
Dayton Power & Light Co., the	353, 097	246, 822	1, 297, 435
Delmarva Power & Light Co	161, 920	23, 721	437, 060
Delmarva Power & Light Co. of Maryland	7, 629	26, 303	158, 764
Delmarva Power & Light Co. of Virginia	1, 245	3, 645	38, 745
Detroit Edison Co., the	6, 343, 991	148, 487	1, 649, 384
Duke Power Co	1, 774, 024	274, 522	2, 262, 234
Duquesne Light Co	23, 121, 247	649, 802	2, 063, 718
Edison Sault Electric Co	1, 000	7, 868	60, 561
El Paso Electric Co	31, 935	128, 415	228, 689
Electric Energy, Inc		0	0
Empire District Electric Co., the	1, 543	56, 026	286, 749
Exeter & Hampton Electric Co		11, 499	64, 463
Fall River Electric Light Co	4, 918	32, 341	87, 084
Fitchburg Gas & Electric Light Co	9, 877	13, 521	49, 728
Florida Power Corp	846, 644	0	1, 649, 577
Florida Power & Light Co	2, 569, 234	1, 284, 955	5, 346, 156
Florida Public Utilities Co		6, 350	72, 532
Georgia Power Co	596, 674	531, 063	5, 550, 214
Granite State Electric Co		1, 014	50, 688
Green Mountain Power Corp	7, 252	24, 578	48, 578
Gulf Power Co	459, 477	155, 481	701, 126
Gulf State Utilities Co	545, 955	557, 090	2, 026, 031
Hartford Electric Light Co., the	1, 509, 241	52, 668	885, 542
Hawaiian Electric Co., Inc	916, 685	90, 857	1, 077, 545
Hershey Electric Co	5, 000	6, 673	0
Hilo Electric Light Co., Ltd		16, 978	143, 990
Holyoke Power & Electric Co		0	432
Holyoke Water Power Co	73, 748	0	6, 792
Home Light & Power Co		18, 081	2, 658
Houston Lighting & Power Co	2, 846, 147	1, 955, 539	2, 123, 886
Idaho Power Co	460. 490	140, 375	964, 202
Illinois Power Co	2, 714, 123	185, 780	764, 475
Indiana-Kentucky Electric Corp		0	0
Indiana & Michigan Electric Co	786, 398	83, 736	2, 057, 719
Indianapolis Power & Light Co	87, 787	840, 803	1, 414, 657
Interstate Power Co	34, 488	109, 601	477, 394
Iowa Electric Light & Power Co	8, 443	168, 640	655, 759
Iowa-Illinois Gas & Electric Co	387, 769	3, 471	154, 295
Iowa Power & Light Co	116, 115	238, 520	295, 469
Iowa Public Service Co	80, 682	165, 247	213, 321
Iowa Southern Utilities Co	90, 999	34, 651	285, 190
Jersey Central Power & Light Co	1, 285, 742	64, 946	1, 083, 870
Kansas City Power & Light Co	98, 770	458, 318	918, 356
Kansas Gas & Electric Co	3, 838	281, 212	1, 095, 579
Kansas Power & Light Co	103, 689	81, 279	222, 918
Kentucky Power Co	59, 962	18, 807	357, 536
Kentucky Utilities Co	63, 761	254, 219	859, 090
Kingsport Power Co	13, 731	4, 273	102, 640
Lake Superior District Power Co	25, 724	16, 275	44, 631
Lockhart Power Co		1, 994	0
Long Island Lighting Co	2, 082, 598	512, 570	1, 063, 894
Long Sault, Inc		0	0
Louisiana Power & Light Co	397, 979	1, 493, 029	1, 743, 442
Louisville Gas & Electric Co	2, 706, 134	72, 939	144, 684
Madison Gas & Electric Co	86, 114	13, 612	48, 080
Maine Electric Power Co., Inc		0	0
Maine Public Service Co	3, 185	31, 807	114, 037
Massachusetts Electric Co		230, 179	1, 413, 035
Maui Electric Co., Ltd		13, 066	86, 668
Metropolitan Edison Co	344, 072	91, 915	719, 507
Michigan Power Co	$8, 860	$15, 852	$92, 806
Millstone Point Co., the	359, 227	0	0
Minnesota Power & Light Co	107, 690	124, 857	401, 373
Mississippi Power Co	527, 822	196, 346	765, 321
Mississippi Power & Light Co	143, 653	345, 276	1, 420, 778
Missouri Edison Co		27, 387	73, 573
Missouri Power & Light Co	9, 377	71, 115	106, 615
Missouri Public Service Co	20, 000	83, 279	16, 990
Missouri Utilities Co	419	20, 315	3, 936
Monongahela Power Co	140, 723	55, 306	1, 138, 557
Montana-Dakota Utilities Co	9, 519	70, 955	108, 658
Montana Power Co., the	120, 663	181, 970	267, 037
Montaup Electric Co		0	0
Mount Carmel Public Utility Co		11, 943	0
Nantahala Power & Light Co		0	1, 158
Nantucket Gas & Electric Co		0	0
Narragansett Electric Co., the	209, 461	35, 074	397, 154
Nevada Power Co	132, 229	16, 852	120, 290
New Bedford Gas & Edison Light Co	47, 587	33, 001	895, 237
New England Power Co	2, 534, 692	209	39, 732
New Jersey Power & Light Co	(3)	0	0
New Mexico Electric Service Co	3, 271	11, 865	72, 431
New Orleans Public Service Inc	178, 404	336, 814	840, 724
New York State Electric & Gas Corp	1, 490, 028	103, 205	1, 201, 806
Newport Electric Corp	12, 445	18, 235	35, 104
Niagara Mohawk Power Corp	2, 967, 600	61, 620	2, 605, 515
Northern Indiana Public Service Co	399, 478	31, 945	178, 076
Northern States Power Co. (Minnesota)	1, 883, 564	15, 460	1, 160, 517
Northern States Power Co. (Wisconsin)	97, 586	2, 800	230, 048
Northwestern Public Service Co	1, 514	51, 747	116, 315
Northwestern Wisconsin Electric Co		7, 093	4
Ohio Edison Co	390, 254	1, 286, 869	3, 142, 393
Ohio Power Co	955, 991	184, 712	2, 600, 041
Ohio Valley Electric Corp		0	0
Oklahoma Gas & Electric Co	241, 280	1, 821, 594	3, 521, 382
Old Dominion Power Co	2, 291	13, 131	50, 444
Orange & Rockland Utilities, Inc	363, 428	25, 819	168, 866
Ottar Tail Power Co	50, 001	380, 743	248, 109
Pacific Gas & Electric Co	17, 690, 515	860, 120	3, 812, 566
Pacific Power & Light Co	874, 262	1, 011, 972	1, 881, 573
Pennsylvania Electric Co	558, 666	59, 664	979, 845
Pennsylvania Power Co	112, 258	202, 820	491, 576
Pennsylvania Power & Light Co	903, 039	394, 993	690, 638
Philadelphia Electric Co	6, 670, 706	574, 129	4, 703, 235
Philadelphia Electric Power Co		0	0
Portland General Electric Co	323, 488	298, 008	1, 635, 069
Potomac Edison Co., the	74, 752	46, 238	447, 769
Potomac Edison Co. of Pennsylvania, the		8, 548	112, 368
Potomac Edison Co. of Virginia, tha	3, 160	11, 417	155, 879
Potomac Edison Co. of West Virginia, the		12, 920	169, 289
Potomac Electric Power Co	4, 393, 978	412, 215	1, 388, 388
Public Service Co. of Colorado	157, 143	99, 540	979, 608
Public Service Co. of Indiana, Inc	445, 721	754, 322	932, 395
Public Service Co. of New Hampshire	564, 918	51, 249	276, 208
Public Service Co. of New Mexico	344, 546	181, 218	388, 396
Public Service Co. of Oklahoma	376, 751	875, 607	1, 431, 625
Public Service Electric & Gas Co	3, 792, 389	451, 087	2, 406, 534
Puget Sound Power & Light Co	288, 366	196, 515	719, 770
Rochester Gas & Electric Corp	793, 745	120, 280	720, 554
Rockland Electric Co	1, 122	6, 478	57, 552
Rumford Falls Power Co		0	0
Safe Harbor Water Power Corp		0	0
St. Joseph Light & Power Co	25, 795	86, 209	205, 641
San Diego Gas & Electric Co	2, 321, 027	254, 635	461, 681
Savannah Electric & Power Co	14, 117	107, 711	249, 223
Sherrard Power System		2, 412	0
Sierra Pacific Power Co	67, 443	128, 440	172, 574
South Beloit Water, Gas & Electric Co		0	25, 984
South Carolina Electric & Gas Co	258, 455	195, 487	661, 176
Southern California Edison Co	11, 107, 357	2, 810, 581	2, 864, 318
Southern Electric Generating Co		0	0
Southern Indiana Gas & Electric Co	33, 894	101, 470	89, 849
Southwestern Electric Power Co	204, 015	412, 880	2, 208, 705
Southwestern Electric Service Co		47, 455	33, 540
Southwestern Public Service Co	55, 713	556, 209	1, 047, 816
Superior Water, Light & Power Co	6, 120	20, 790	69, 063
Susquehanna, Electric Co., the		0	0
Susquehanna Power Co., the	701, 047	0	0
Tampa Electric Co	261, 608	211, 804	965, 974
Tapoco, Inc		0	0
Texas Electric Service Co	620, 394	1, 075, 730	4, 487, 934
Texas Power & Light Co	444, 766	863, 558	4, 054, 179
Toledo Edison Co., the	45, 075	311, 437	1, 154, 606
Tucson Gas & Electric Co	430, 564	74, 854	20, 782
UGI Corp	5, 093	45, 998	68, 541
Union Electric Co	975, 351	716, 869	2, 635, 868
Union Light, Heat & Power Co., the	58, 154	37, 717	192, 125
United Illuminating Co., the	763, 588	101, 826	1, 089, 481
Upper Peninsula Generating Co		0	0
Upper Peninsula Power Co	1, 600	87, 714	79, 505
Utah Power & Light Co	468, 721	312, 850	1, 195, 357
Vermont Electric Power Co., Inc		0	0
Vermont Yankee Nuclear Power Corp	112, 066	0	0
Virginia Electric & Power Co	1, 163, 671	677, 168	2, 951, 154
Washington Water Power Co., the	136, 982	171, 898	587, 959
West Penn Power Co	353, 491	151, 273	1, 634, 163
West Texas Utilities Co	104, 672	207, 350	648, 004
Western Colorado Power Co., the	6, 280	17, 832	67, 746
Western Massachusetts Electric Co	646, 507	119, 346	693, 351
Wheeling Electric Co	22, 145	5, 154	132, 020
Wisconsin Electric Power Co	973, 918	266, 451	1, 037, 603
Wisconsin Michigan Power Co	149, 678	43, 565	128, 687
Wisconsin Power & Light Co	315, 230	33, 918	838, 736
Wisconsin Public Service Corp	597, 557	235, 662	576, 806
Wisconsin River Power Co		0	0
Yackin, Inc		0	0
Yankee Atomic Electric Co		0	0
Total	175, 342, 514	43, 746, 749	178, 762, 031

Note: Total advertising budget (including "demonstration and selling"), $222,508,780; total research and development budget, $175,342,514.

AMENDMENT TO NUCLEAR EXPORT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, at the appropriate time I will offer an amendment to H.R. 15582, the Joint Atomic Energy Committee's bill on international nuclear agreements.

H.R. 15582 amends the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to peaceful nuclear technology. Essentially this bill provides for a congressional veto of any proposed agreement. However, if Congress does not act within 60 days because of a filibuster or some other tactics, a proposed agreement will take effect. In such a case Congress would be denied its right to exercise its veto power.

The purpose of my amendment is to avoid this possibility by forcing a vote on any proposed agreement. Under my amendment Congress cannot be kept from clearly expressing its views by a filibuster or other delay. There must be a vote.

The language of my amendment is taken mainly from the District of Columbia home rule bill. Basically, after 30 days the Joint Committee is required to submit a report to the Congress on its views and recommendations respecting the proposed agreements of cooperation. If the Joint Committee on Atomic Energy has not reported a resolution within 30 days of the time one is submitted to the committee, a discharge motion can be made. Debate on this motion would be limited to 1 hour. Following that, a nondebatable motion to consider the resolution is in order, followed by a time-controlled 10-hour period of debate on the resolution itself.

This procedure will insure that any resolution on an agreement for cooperation will be debated in both Houses and that both Houses will have the opportunity to express their opinions by voting on a resolution. Under my amendment, a resolution cannot be killed by a filibuster in the Senate, nor can a House Member or a House committee pigeonhole it or kill it.

The amendment follows:

AMENDMENTS TO H.R. 15582, AS REPORTED—OFFERED BY MR. FRASER

Page 2, immediately after line 19 insert the following new section:

SEC. 2. Chapter 11 of the Atomic Energy Act of 1954, as amended, is amended by inserting after section 123 a new section as follows:

"SEC. 123A. Congressional Action on Proposed Cooperative Agreements.—

"a. This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such these provisions are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rule (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"b. For the purpose of this section, 'resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress approves/disapproves of the proposed agreement for cooperation described as follows: ... the blank space therein being appropriately filled and either approval or disapproval being appropriately indicated; but does not include a resolution which specifies more than one action.

"c. A resolution with respect to a proposed agreement referred to in section 123d, shall be referred to the Joint Committee, by the President of the Senate or the Speaker of the House of Representatives, as appropriate.

"d. If the Joint Committee has not reported a resolution which has been referred to it at the end of 30 calendar days after its introduction, it is in order to move to discharge the committee from further consideration of such resolution.

"e. A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same action), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"f. If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same action.

"g. When the committee has reported, or has been discharged from further consideration of a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"h. A resolution with respect to a proposed agreement referred to in section 123d agreed to by one House of the Congress shall be placed on the calendar of the other House and shall become the pending business of such other House immediately upon agreeing to a motion, made by any Member of such other House, to proceed to the consideration of such resolution. Such a motion shall be in order at any time after the elapse of three calendar days following the day on which such resolution is received by such other House. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to reconsider the veto by which the motion is agreed to or disagreed to.

"i. Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"j. Motions to postpone made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

"k. Appeals from the decisions of the Chair relating to the application of the rules of the Senate, or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate."

On page 2, line 20, strike out "Sec. 2" and insert in lieu thereof "Sec. 3".

DANGEROUS NARCOTICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, as chairman of the Foreign Affairs Special Subcommittee on International Narcotics Control, I have been alerted to the fact that there is a new and dangerous narcotic being smuggled into the United States. Liquid hashish or hashish oil, which can be inhaled or eaten, can cause serious medical complications to the user and even death. It is important that we take all possible steps to prevent this substance from entering the United States. Furthermore, we must immediately launch an extensive educational campaign to alert the youth of this country to the serious dangers of this drug.

Liquid hashish is a concentrate of the active ingredient in marihuana—tetrahydrocannabinol (THC). While most ground marihuana now used in the United States contains from about 0.5 percent to 2 percent THC and hashish contains about 10 percent THC, the liquid hashish so far discovered has varied between 20 and 65 percent THC content. There is no reason the liquid hashish could not be refined to 95–100 percent purity at which point it would appear as a clear liquid.

The high content of THC in hashish oil presents serious problems to all concerned—the scientist, the law enforcement officer, and the user. For the law enforcement officer, the shipment of hashish oil complicates further an already complex problem. Instead of searching for fairly large, bulky packages of hashish or marihuana, the officer must search for smaller, more easily hidden liquid containers.

The liquid hashish can be dissolved in liquor, aftershave lotion, perfume, or commercial solvents. It may be packaged in heat sealed plastic bags or specially constructed compartments and placed on the bottoms of pickle barrels, of full tanks of planes, boats, or cars. Small vials of the oil can be concealed in fountain pens or jewelry. On one case in Australia, small quantities were found in the form of gelatine capsules.

In Kabul a current method of smuggling hashish oil reportedly consists of impregnating two pieces of fabric which are placed back to back, giving the appearance of a single piece of cloth, and then heavily embroidered—which serves to conceal any staining caused by the oil. By far the most widely used means of transporting liquid hashish is the rubber male contraceptive sheath, which can be concealed in a variety of ways.

However, of much greater concern to me is the danger the high and unpredictable THC content of hashish oil poses to the user. The effects of this concentrated hallucinogenic are unknown at the present time. We do know that individuals have had violent reactions to small quantities of the drug. Just to give you an idea of the potency of this new substance, one seizure of 777 grams of liquid hashish at Highgate Springs, Vt., which had a THC content of 22 percent had the equivalent potency of 5,500 kilograms of marihuana. This is a potency conversion factor of more than 7,000 to 1 in dry weight.

Hashish oil can be produced through a simple procedure which resembles percolating coffee. Only simple laboratory equipment is necessary. Clearly, traffickers have realized that the smaller bulk and higher potency diminishes the risks involved in transportation and increases the financial return. Since February 1973, the number of seizures of hashish oil destined for the United States has greatly increased. Hashish oil laboratories have been discovered in the United States and around the world but a majority of the hashish oil seems to originate in or near India and is then either smuggled directly to the United States or is brought in through Mexico or Canada.

Hashish oil is a very dangerous substance. It is imperative that we take all possible actions to prevent its introduction into the illicit drug market in the United States. We must also begin a broad educational campaign aimed at alerting all potential users to the dangers of this narcotic.

CAPTIVE NATIONS WEEK, 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, Captive Nations Week, 1974, seems an appropriate time to pause and reconsider some of the trends in international relations during the last couple of years. The overwhelming development, of course, is détente. I am afraid that because of détente, some might view Captive Nations Week as an idea whose time has passed—a relic from the past. I hope we can avoid this trap. We must not let our desire to talk to our enemies obscure our fundamental differences. Enthusiasm over negotiations must not stampede us into compromising our self-interest or our ideals. There are still millions of people without civil rights, and large areas of the world which resist the long-term trend toward freedom.

Clearly no purpose is served by avoiding all contact with the Communists on the grounds of moral superiority. To oppose the opening up of relations between the United States and the Soviet Union is to doubt the intelligence of the negotiators, scientists, businessmen, and others involved in the postdétente contracts. Nevertheless, there is an obvious danger that in the improved climate of international relations we may come to view political repression in the Communist world as a dead issue. The people, however, are very much alive and the struggle continues. Contact must not be mistaken for agreement, and recognition of present reality is a far different thing from support of the status quo. The situation in Eastern and central Europe continues to be dynamic, and despite our own problems, America continues to be the moral leader of the free world. I hope that we will not abuse this position by putting our stamp of approval on the oppression of millions.

PLIGHT OF LIVESTOCK RAISING INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIPLEY) is recognized for 10 minutes.

Mr. SHIPLEY. Mr. Speaker, the following resolution explains the plight of the livestock raising industry. This resolution was adopted by the Illinois General Assembly on July 1, 1974.

I am personally bringing this to the attention of Russell Train and others. This is a situation where EPA regulations, on top of the already depressed market, are literally killing the livestock producers.

The resolution follows:

HOUSE RESOLUTION

Whereas, A series of adverse economic conditions have seriously impaired the price structure of the Illinois livestock raising industry, have imperiled personal financial investments and placed the entire industry under a stress not seen since the 1930's; and

Whereas, Reasonable estimates reveal that cattle producers are losing $100 per head on cattle sold today and swine producers are losing $10–20 per head on swine sold today; and

Whereas, Further threatening the critical profit margin of livestock producers and constituting an impending expenditure to many producers of substantial sums are federal regulations promulgated by the United States Environmental Protection Agency; and

Whereas, The regulations promulgating the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C.A. 1251 et seq) require owners or operators of slaughter or feeder cattle with 1,000 head or more and swine producers with 2,500 or more swine of 55 pounds or over to apply for and obtain an NPDES (National Pollutant Discharge Elimination System) permit by December 31, 1974; and

Whereas, The effect of such regulations is to require the installation of livestock effluent runoff control systems, the costs of such control systems to be borne by hard-pressed livestock producers; and

Whereas, The commendable objectives of such regulations and the current time table under which they are being implemented are in serious imbalance to the disproportionate undue financial hardships which will result to livestock producers in Illinois; therefore be it

Resolved, By the House of Representatives of the Seventy-Eighth General Assembly of the State of Illinois, That we urge the United States Environmental Protection Agency to extend the time table under which the NPDES permit program is being implemented by one year in order to provide a measure of financial relief to Illinois livestock producers affected by such regulations whose businesses and livelihoods have been placed in jeopardy by adverse economic conditions; and be it further

Resolved, That suitable copies of this preamble and resolution be forwarded by the office of the Secretary of State to the Honorable Adlai E. Stevenson and the Honorable Charles H. Percy, United States Senators from Illinois, to Mr. Russell E. Train, Administrator of the United States Environmental Protection Agency, to Mr. John Nye, Chief of the Agricultural Permit Team, Permit Branch, Enforcement Division of the Illinois District, United States Environmental Protection Agency, and to Dr. Richard Briceland, Director of the Illinois Environmental Protection Agency.

PERSONAL EXPLANATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, yesterday morning, I was committed to address the New York State Land Title Association on the occasion of its 53d annual convention. Unfortunately, due to airline connections I did not arrive on the floor of the House early enough to make two votes.

Had I been present, I would have strongly supported the opening of House committee meetings to the electronic media.

Also, I would have supported the motion to instruct the conferees to H.R. 69 to stay with the House language on busing.

EFFECT OF RAMPANT INFLATION ON AMERICAN DAIRY INDUSTRY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, perhaps you will recall a recent floor speech of mine concerning the effect Government ineptitude combined with rampant inflation is having upon the American dairy industry. In that speech I observed that on June 14, the Secretary of Agriculture denied a request from all of the Nation's dairy cooperatives for a hearing to consider flooring class I milk prices. In denying this request the Secretary stated that this unprecedented drop in milk prices would be temporary because "crop conditions continue favorable and dairy farmers can reasonably expect better milk-feed ratios than have existed since 1972." At that time I observed that it was extremely hard to believe that the USDA could predict the cost of feed this fall when its most important barometer, the USDA's own crop production report, was not due until July 10.

Well, the July crop report has been released and the news bodes ill for the Nation's dairymen. Estimates on the wheat harvest were revised downward by 150 million bushels, soybean acreage was lowered by 2.5 million acres, and several weeks ago USDA corn crop estimates dropped by 300 million bushels. In addition, a Washington Post article on July 12 contained assertions by corn farmer spokesmen that at best the final corn crop would be at least 200 million bushels below the USDA's new estimates.

Once again the American dairy farmer is treated to the mirthless joke of seeing the Department of Agriculture being contradicted by its own statistics. With such constantly recurring examples as the one cited above we must either conclude that the Department of Agriculture is incapable of managing its own legal mandate, or else it is embarked on the deliberate destruction of the American dairy industry.

We shall soon have an opportunity to see if these conclusions are as valid as they seem, for the Nation's dairy cooperatives have again repeated their request for an emergency hearing to lay their case before the USDA. It is apparent that the USDA's own statistics reflect the serious situation facing our dairy farmers and, therefore, I strongly urge my colleagues to join me in bringing about a full-scale public examination of this issue of dairy price adjustments. I feel that the USDA initial refusal to grant a hearing graphically demonstrates the need for widespread congressional support in this area, and I am sure that this support will be forthcoming.

REPRESENTATIVE HOSMER ON NUCLEAR SAFETY

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, the following article by CRAIG HOSMER, my long-time colleague on the Joint Committee on Atomic Energy, appeared in the July issue of Trial magazine.

The article is particularly valuable because of the author's fine credentials. He has drawn upon his considerable expertise in the area of nuclear safety and presents a reasoned analysis of the issues involved there. I strongly commend this article to the attention of all Members:

NUCLEAR SAFETY REBUTTAL

(By Representative CRAIG HOSMER, Democrat of California)

Fair public debate over nuclear risks and benefits should be encouraged between critics and supporters.

It forwards public understanding of the complex, technical issues over which there is legitimate division of opinion.

It contributes to an appreciation of the significant social, economic, and environmental tradeoffs a society must make to achieve its energy policy.

It garners broad public support for that policy and the numerous legislative, executive and judicial decisions out of which it is woven.

Fitting the use of nuclear fission into the energy mix upon which a nation decides to rely is not a simple matter of opting between salvation and damnation. In the real world absolutes are seldom relevant. Few things are without some benefit and practically nothing is without risk.

RISKS AGAINST BENEFITS

For the most part, individuals are free to decide on the kinds and degrees of risk they will accept in exchange for satisfaction of their needs and pleasures. There are people who choose to ski and those who find it too risky. Some skiers do not race automobiles because of the risk. But sometimes acceptance of risk is a function of society rather than of the individual.

Automobiles and airplanes may hurt people other than those who choose to ride them. Still they are tolerated. The same is true for many other activities, including the generation of electricity by either conventional or nuclear means. In these cases, governmental structures which society maintains for such purposes have determined that benefits outweigh risks and have therefore licensed the activities to be carried on under appropriate regulations.

ALTERNATIVES

In these risk-benefits analyses, the suitability of alternatives to any proposed activity must also be contemplated. The case of nuclear energy is no exception. Nuclear critics have pointed simplistically to our abundant coal supplies, to solar, geothermal, and wind power, and to oil shale as ways of supplementing the expected growth of nuclear power.

Certainly these alternatives have a role to play in the nation's energy mix.

We must recognize and acknowledge the essential need for electric power as we evaluate the potential benefits and risks from the use of each alternative. However, today few alternatives offer the advantages or have the capability of nuclear power to help meet our energy needs.

For instance, consider the environmental impact of an enlarged commitment to coal, or the national security and economic consequences of vastly increased dependence on foreign oil to make up for domestic energy deficits. Or, examine the land use requirements of large central station generation of solar power using known or anticipated technology and similar drawbacks of other nuclear power alternatives.

At the same time we cannot ignore the potential risk from radiation emissions from nuclear power plants in terms of either normal operations or accidents. We must take into account the environmental effects resulting from condenser cooling water discharges as well as from the mining and processing of nuclear fuel, and the transportation, reprocessing, storage and disposal of nuclear material.

DISCLOSURE AND DISTORTION

Essential to honest debate is full disclosure of pertinent information. The Atomic Energy Commission is criticized, on the one hand, by the nuclear industry for too much disclosure and, on the other, by nuclear critics for suppressing information. Yet, nuclear critics, with complete information in hand, too frequently draw attention to specific elements which, out of context, are inconsistent with facts—just as they did in the January/February issue of TRIAL.

A recent example is Ralph Nader's use on January 28, 1974, before the Joint Committee on Atomic Energy, of an AEC report on licensing procedures. Nader took a draft of the report, accused the AEC of suppressing it, and then proceeded to use the report to "show" that the AEC Regulatory Staff does not believe nuclear power plants can be operated safely.

Had he discussed the report fairly and accurately, he would have noted the task force declaration that ". . . regulatory practices are adequate to provide reasonable assurance as to the safety of present-day nuclear reactors. . . ." What he cited as staff criticism of current programs was in fact a finding that the expected growth of the nuclear industry requires additional steps to "provide reasonable assurances that the probability of such an accident will be one in a million or less per reactor year."

This conclusion is indicative of the AEC Regulatory Staff's continuing concern for safety. Strict regulatory practices over still-evolving nuclear technology have contributed significantly to a perfect record of public safety.

Also, the mere fact that this critical self-examination of the licensing process was undertaken at all should be a source of confidence in the sincerity and ability of our regulatory personnel to assure the American public about the use of this safe, environmentally acceptable energy source.

That Nader chooses to disagree is his privilege. But that he chooses to support his position by obfuscation and misrepresentation should be a concern to all.

EMERGENCY CORE COOLING

Another example of the AEC's attention to near-term and long-term safety is the public hearing on the emergency core cooling system (ECCS), one of many safety systems in a nuclear power plant. Unfortunately, this hearing and the debate over the effectiveness of ECCS have been misused as anti-nuclear ammunition.

Nuclear power plants are designed, built, operated, maintained, and regulated on the basis of a defense-in-depth concept providing three mutually reinforcing levels of safety.

The first level involves a plant's design, providing assurance that it meets high quality standards and can be maintained throughout its life essentially free from serious accidents.

A second level makes the conservative assumption that human errors and equipment malfunctions and failures will occur. This echelon includes a myriad of redundant protection systems designed to accommodate errors and failures while either maintaining the integrity of the operation or, if necessary, safely shutting the plant down.

The ECCS is part of the third level of this elaborate, sophisticated multiple defense. The probability of one of these systems ever being needed is extremely low.

The various components of these ECCS systems are tested for reliability before nuclear plants go into operation and routinely during the operating lifetime of each plant. AEC scientists involved in developing the latest ECCS acceptance criteria have expressed openly and candidly, their confidence that these systems are reliable, and if called upon, effective.

Listening to the Fords, Kendalls, Naders, and other self-proclaimed experts on ECCS, it is difficult to believe we are talking about the same subject.

In their TRIAL article, Daniel Ford and Dr. Henry Kendall of the Union of Concerned Scientists took selected data from the hearings, twisted it, and then proceeded to use it to promote a cause. Statements applicable to the past were transformed into today's "facts of life."

Take their statement that "the most senior and experienced AEC safety research scientists expressed their disavowal of present AEC safety policy."

Not so! Twelve of the 15 AEC experts who participated in the development of the 1971 ECCS interim acceptance criteria had no reservations at all about the results of their efforts. Only three had reservations of varying degree.

But this is history. Last December new acceptance criteria for ECCS were announced after extensive rulemaking hearings lasting more than two years and involving 125 sessions in which over 22,000 pages of testimony and many thousands of pages of exhibits were entered.

Scientists, earlier concerned about the interim criteria, endorse the latest criteria as adequate to assure the systems performance in the remote event it is ever called on—a point never noted by the critics. Is it possible that the emergency core cooling system the latter refer to is not the same system for which the AEC has just announced acceptance criteria?

Not likely! What is likely, however, is that to further a cause, any information, valid or not, will be used or misused to make a point.

AEC PROMOTIONAL ACTIVITY

Some charge the AEC with promoting nuclear energy at the sacrifice of public safety. Now, that is absurd.

The Atomic Energy Act does charge the AEC with both the responsibility to regulate nuclear power to assure that public health and safety is protected and to promote the peaceful uses of nuclear energy. But these objectives have not been mutually exclusive. Considering the alternatives, it is impossible to imagine how one of these could have been carried forward except in tandem with the other.

The AEC is in the middle—where it belongs—criticized by antinuclear forces for its alleged lack of concern for public safety; criticized by the nuclear industry as too conservative, too demanding, too slow, and too concerned with the "incredible" accident of reality.

Nevertheless, Attorney Anthony Roisman, in his article, regurgitates these threadbare conflict of interest allegations, garnishing them with an attack on the Joint Committee on Atomic Energy, charging that the committee "will not allow a full exploration of the issues."

Now that is just plain ridiculous. The opportunity to be heard has been provided *ad nauseum*. It will continue to be provided, even to those critics who knowingly present false, misleading information. Many things may be said of JCAE, but never that it has forestalled a full exploration of issues.

The JCAE's role as the Congressional watch-dog of Atomic Energy Commission activities has never known any bounds, as hundreds of its battle-scarred witnesses will testify. Annually, through the budget process, JCAE has put the Commission's programs under a microscope, searching out the public interest in such critical areas as national defense and security, health and safety, and environmental protection.

Of equal importance are other oversight hearings which the JCAE has conducted for over a quarter-of-a-century.

For example, in January and September 1973, and again this past January, questions of reactor safety were thoroughly investigated. Critics, proponents, and regulators were all questioned sharply. ECCS was the specific subject of one session in January, as the Joint Committee evaluated the acceptance criteria announced in December by the Commission.

It was during these hearings that Ralph Nader and the Union of Concerned Scientists made their spurious charge that 12 nuclear plants are considered by AEC staffers to be dangerously close to urban centers.

Incidently, when asked before the Joint Committee if it was true that the Union of Concerned Scientists consists of a group of between 12 and 20 people, Dr. Kendall replied, "Yes, it does." Yet, the irresponsible charge that 12 nuclear power plants are not safety sited attracted nationwide publicity, and no doubt unnecessarily aroused the fears of many of our citizens.

No basis exists for this unfounded charge. All approved nuclear power plant sites have been found acceptable on all safety considerations including population density.

This year the JCAE is also holding hearings on the Price-Anderson Act, which provides a system of government indemnity and private insurance for the nuclear industry. Similar hearings were held in the mid-1950's and again in 1965. In the upcoming hearings full consideration will be given to the probabilities of risk in the operation of nuclear units. Critics of the indemnification program, the AEC, the Joint Committee, and nuclear energy in general will again have the opportunity to be heard fully on safety issues.

PUBLIC SAFETY

Today, Nader, Roisman, Ford, Kendall, Tamplin, and other critics demand to know how safe are nuclear reactors. Yet, long years before their strident voices were ever heard, America's nuclear scientists and engineers and statesmen had already dedicated themselves to the task of making public health and safety an integral part of the new technology.

They sensibly recognized that only by this means could the enormous promise of this vast new source of energy be realized for the benefit of all mankind. An entire new regulatory process was developed around which nuclear facilities were and are designed, built, operated and maintained to insure this result.

And what is the result? What are the facts on nuclear safety? Here are a few:

Over 40 commercial nuclear power plants have accumulated about 200 reactor-years of operation while maintaining a perfect record of public health and safety.

The public today gets only .003 millirem a year of extra radiation from nuclear power plants. That is less than 1/10,000th of the natural background radiation into which we are born and with which we live all our lives. Even in the year 2000, when nuclear power is supplying 60% of the nation's electrical needs, the average exposure to the public in the United States will be .425 millirem a year, still less than 1/1000th of natural background radiation.

The effects of this minute additional radiation have been calculated by Dr. Ralph Lapp, a thoroughly knowledgeable scientist. Health statistics on cancer incidence indicate that in the United States, over the next 30 years, we can expect 20 million cancer deaths to occur. Using the National Academy of Sciences' report on its two-year study of radiation effects, Dr. Lapp estimated that of those 20 million cancer deaths, about 200,000 *might* be attributable to natural background radiation, another 100,000 to medical and dental X-rays, and 90 to radiation from nuclear power. I stress the word *might*, because no one yet has shown that these tiny amounts of radiation will actually cause any cancers.

Studies of occupational safety experience at central station power plants show conclusively that the accident severity rate for coal plants is 25 times higher than for nuclear plants.

The probability of a nuclear accident affecting public health and safety is calculated to be one in a million per reactor per year.

PUBLIC RISK

No member of the public has ever been killed or injured by a commercial nuclear power reactor. In contrast, 3,000 people die choking on food each year in the United States. Aspirin compounds are blamed for another 200 deaths, and 1,000 deaths are attributed to electrical shock.

And, of course, the automobile each year takes about 54,000 lives and injures nearly 2.5 million people.

Comparing the average annual risk of nuclear power plants with air travel, we find nuclear power plants posing 10,000 times less risk.

There are some 600 dams in the U.S., with the chance of failure of one of these dams about one in ten, making the level of risk 1,000 times higher than that of a nuclear power plant failure.

Do the benefits outweigh the risks in automobile transportation, in air travel, in building dams, in providing aspirin tablets?

Do the benefits outweigh the risks in building and operating nuclear power stations?

The answers to these questions are not absolutes. The answers to all depend upon the relative importance one assigns to quite a large number of conflicting values.

Because benefits are seldom gained without cost, it is traditional for society to accept reasonable risks of losing some things it values so that others may flourish.

In the case of nuclear power there is no guarantee of absolute safety. This issue, too, must be discussed in terms of the risks and benefits to society expected from using it. Debate should be open and fair, with all sides provided an opportunity for input.

Out of the mass of material—some scientific, some emotional, some factual, some distorted—the public must decide if the risk is warranted when compared to potential benefits.

As one member of the public who has been through this grinder in an intense way for a rather long time, my vote is for nuclear.

NATIONAL PRESS CLUB HONORS THE HONORABLE SIMCHA DINITZ, AMBASSADOR OF ISRAEL

(Mr. ROONEY of New York asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROONEY of New York. Mr. Speaker, quite recently His Excellency Simcha Dinitz, Israel's Ambassador to the United States, delivered a most statesmanslike address at a luncheon meeting at the National Press Club here in Washington. I regret exceedingly that illness prevented my acceptance of an invitation to be present at this luncheon and hear Ambassador Dinitz acquit himself so successfully.

I regret also that I missed the opportunity to meet the distinguished honor group, the colleagues, and friends of Ambassador Dinitz. Included in this group were American-born Mrs. Dinitz; Mr. Mordechai Shalev, Minister of Israel; Mrs. Moshe Arad, Minister-Counselor; Mr. Uri Aharon Bar-Ner, First Secretary; and several Israeli counselors. Also present were our warm friends Ambassador and Mrs. Ken Keating.

Mr. Speaker, I think that Members of Congress will find the Israeli Ambassador's remarks both stimulating and rewarding. I am sure that his remarks and the forthright answers he gave to very searching questions should be given wide dissemination. To do so would help to overcome the unfortunate effect of the superficial and inaccurate reporting which characterizes so much of the current accounting of the Middle East conflicts. I consider it of utmost importance to see that everything possible is done to assure that the American public gets a true and unbiased picture of the situation in which Israel and her neighbors find themselves today.

My concern derives from the fact that many years ago we participated in efforts to create the State of Israel and give world Jewry a homeland. Since then I have had a deep personal interest in the future of Israel and the prosperity and security of her people.

As I close my long service in this body, I take a great deal of pleasure in recalling the past I have been permitted to play in the creation and subsequent maturing of this fledgling nation. I look back with keen enjoyment as I recall the close associations I have had with the now famous leaders both here and in Israel. This leadership which forms much of the backbone of the Government of Israel today, epitomizes the finest in statesmanship and dedication.

Mr. Speaker, it is with these factors in mind and because of the respect which I have for Ambassador Dinitz that I ask unanimous consent that the proceedings of this important occasion be inserted in the Record with the hope that readers throughout America will benefit from the Ambassador's words in the same way as I have:

Guests of Honor

The Ambassador of Israel and Mrs. Dinitz.
Mr. Mordechai Shalev, Minister of Israel.
Mr. Moshe Arad, Minister-Counselor.
Mr. Isaiah Kennen.
Mr. Uri Aharon Bar-Ner, First Secretary.
Mr. Zvi Rafiah, Counselor.
Mr. Ephraim Halevy, Counselor.
Mr. Moshe Raviv, Counselor.
Mr. David Tourgeman, Counselor.
Ambassador and Mrs. Kenneth Keating.
Mr. Kenneth Scheibel, Vice President, National Press Club.
Mr. Lucian C. Warren, Speakers Committee and Past President, National Press Club.
Mr. David Garrison Berger, Vice Chairman of Speakers Committee, National Press Club.
Mrs. Elizabeth Heller, Speakers Committee, National Press Club.
Mr. Claude Mahoney, Speakers Committee, National Press Club.

Proceedings

Mr. Scheibel. Good afternoon ladies and gentlemen. Welcome to another speaker's luncheon here at the National Press Club in Washington.

You are indeed welcome. We are happy to have you here. Into this great hall come the best people on earth. You. And the press and its friends from around the world.

And a warm welcome to our radio audience all over America. I understand that more than 160 stations are carrying this program on national public radio.

I want to say to our radio audience that we are conscious of you, that we appreciate your interest. And we sincerely hope that when these microphones are opened up again you will be with us on another day.

I'm Kenneth Scheibel, Vice President of the National Press Club, substituting for our President, Clyde La Motte, who is on a trip to the Middle East visiting the dignitaries of every one of the Middle East countries.

To introduce our distinguished speaker today we have chosen a long time member of the National Press Club. He has seen 33 National Press Club presidents, come and go.

David Garrison Berger is vice chairman of the speakers committee. He is a lawyer by profession. He is a public relations counsel. And in the 1920's and 30's in New York City he was a reporter on the New York Daily News, the World and the Journal-American. He covered one thousand opening nights on Broadway and he saved the program from each one. He is Chairman of the National Press Club archives committee. And his own personal files on notables all over the world would put the FBI to shame.

Dave knows just about everything about a lot of members of this club—unfortunately. In his National Press Club career he has served on half a dozen major committees. He has undertaken many special assignments. Every presiding officer at a National Press Club luncheon can always count on Dave to shoot in questions for the speaker as the speech unfolds.

Dave is a man with a smile on his face, always. He is never too busy to do a favor for someone in need. He has been a credit to this club and to the speakers program, to which he has contributed to much. He is a card carrying Zionist and we are delighted to welcome him to this podium to present the speaker.

Mr. David Garrison Berger.

Mr. David Garrison Berger. On September 5, 1950 a new Israeli Ambassador replacing Eliahv Elath assigned to London—presented his credentials to President Truman.

Prime Minister David Ben Gurion wanted the new Ambassador to make his maiden speech at The National Press Club. Our Board of Governors were reluctant to invite the new Ambassador as it meant five Arab nations would demand equal time.

A compromise was reached. The new Israeli Ambassador would address the Club on November 21, 1950, and the Secretary General of the League of Arab States, Azzam Pascha, would speak on December 12, 1950.

Our then Club President Radford Mobley asked if the new Israeli Ambassador would talk in Hebrew, Yiddish or English.

I told him "I did not know. That over the years the Club had many speakers talk in their native language, and I had always understood the translator."

The new Ambasador in 1950 was Abba Eban. He spoke in English. No translation needed.

This November 21, 1950 appearance started a series of top Israel officials invited to speak at The National Press Club continuing through today with Ambassador Dinitz.

They included Prime Minister David Ben Gurion, 1951; Foreign Minister Moshe Sharrett, twice 1953 and 1955; Madam Golda Meir, three times, 1956 as Foreign Minister, 1969 and 1973 as Prime Minister; Ambassador Avram Harman, 1967; Ambassador Yitzhak Rabin, 1968; Deputy Prime Minister Yigal Allon, 1969; Foreign Minister Abba Eban, 1967, 1969, 1970 and 1972; Ambassador Simcha Dinitz, 1974. What an Honor Roll!

Ambassador Dinitz was born in Tel Aviv, June 23, 1929. For a Sabra—his career is an American success story—a Jewish Horatio Alger.

At the age of 21—following service in The Haganah and the 1945 War of Independence, Simcha came to the United States and was enrolled by an uncle, Joseph Gutteman of Cincinnati, Ohio, as a student at The University of Cincinnati, supporting himself by teaching Hebrew after school in a local synagogue.

On his first day on campus, Simcha met Vivian Kinsburg, a sophomore majoring in European History. A romance blossomed under the watchful eye of Vivian's father. The father went along on their first date.

Simcha spoke a classical English. He had translated "Macbeth" into Hebrew. But he did not know how to order ice cream.

After one year Simcha transferred to the Georgetown School of Foreign Service supporting himself with a job at The Israel Embassy with the title of "Night Watchman" paying $175.00 per month plus free rent for his "Downstairs" basement room.

In 1954 on graduation from Georgetown Cum Laude with a B.S. Degree, Simcha and Vivian were married in Cincinnati by Rabbi Elieger Silver. It was an Orthodox ceremony. Their three children are Doreet and Tamar born in the United States and one son, Michael, born in Jerusalem. Doreet is in the Army. Tamar goes into the Army next week, and Michael will be in summer school in Israel.

Simcha started up the political ladder as Assistant to the Director of Information at The Embassy.

Continuing his education at Georgetown, he received his Master of Science (M.S.) Degree in International Law. His thesis: "The Legal Aspects of the Egyptian Blockade of Suez Canal". It was published in the June 1956 Georgetown Law Journal.

Five months later, Egypt nationalized the Suez Canal. Simcha's paper was studied at the United Nations.

The name of Simcha Dinitz became a household name in international law.

In 1958 Simcha was assigned to Jerusalem where he held many jobs including Political Secretary to Foreign Minister Golda Meir from 1963 to 1966 when he was appointed Minister to the Embassy at Rome.

In 1968 Simcha was assigned to Washington as Minister of Information traveling across the United States plain—talking to editors, journalists, universities, churches and forums. No credability gap as Simcha was the only one of the five Ambassadors to the United States that was educated in the United States.

In 1969 when Golda Meir became Prime Minister, Golda conscripted Simcha to return to Jerusalem to become her political adviser and later Director General of the Prime Minister's office—the post he held until he was named Ambassador to the United States in April 1973.

If Alistair Cook should do "The Life Story of Simcha Dinitz," the title could well be the reverse of his English TV classic: "Downstairs Upstairs."

The National Press Club welcomes in his first appearance today "A Man of the Future": Ambassador Simcha Dinitz.

Ambassador Dinitz. In my short remarks before I subject myself to your interrogation, I would like to address myself to two or three questions. I think the first question we must ask ourselves is why a political movement, why the process of negotiation is possible now and was not possible for so many years in the dispute in the Middle East, particularly during the period between the Six-day War and the Yom Kippur War.

Some answers were given by the American press, the world press and some politicians. But I do not believe that the answers covered the real foundation for the change. Very often we hear that Israel was not forthcoming enough, was not flexible enough in the period preceding the war. This really ignores some of the more promising developments that we tried to initiate in the period prior to the war—developments that, unfortunately, did not materialize, although not for Israel's lack of trying.

I refer in particular to two experiments: One, in 1971, when we were prepared, in fact anxious, to arrive at an interim agreement with Egypt for the opening of the Suez Canal—an agreement not very different from the one we finally reached. Even though we succeeded in soliciting the diplomatic support of the U.S., and the U.S. agreed to use its good offices in bringing the parties to such negotiations, nothing materialized.

A year later, in 1972, again following consultations with our two governments, we arrived at the formula of proximity talks to substitute for our earlier demand for direct negotiations—again with the view of trying to tackle the issue partially. That, too, was frustrated because of Arab objections.

The reason nothing developed was not because of lack of diplomatic attempts by Israel or, for that matter, by your own government, but rather because the Arab governments insisted on tying any progress toward a partial agreement to an overall commitment for total Israeli withdrawal from all the territories. Obviously, the demand in advance of negotiations on a partial agreement, for a commitment on a total solution, with total evacuation, total withdrawal, frustrated all these attempts.

YOM KIPPUR WAR LED ARABS TO NEGOTIATE

Then came the war—cruel, unexpected, and brutal. And again, political commentators reiterated that negotiations had not been possible earlier because the Arabs first had to regain their pride and prestige.

This could not possibly be the only or even the main reason for the negotiations. It is true that in the early stages of the war the Arabs scored significant victories. It is true that they succeeded in inflicting heavy and sorrowful casualties. But had this been the only result of the war, if the only fruit of the war were a new sense of pride and prestige bestowed on the Arab leaders for their war of aggression, then surely they would not have converted it into an era of negotiations. Rather, they would have been encouraged to follow this war with another war and another war until they succeeded in implementing their then-declared aim of the destruction of Israel.

Something else happened. What happened

was that, in spite of the concerted attack by Syria and Egypt on Israel at a time when Israel did not expect it, at a time when the international community was largely mobilized in the defense of the Arab cause, when the oil crisis was at its height, when the Soviet Union's supply of weapons was at its zenith, when the Arabs were able to get maximum Soviet backing, together with the backing of countries who were craving for oil—despite this rare combination of factors working on behalf of the Arabs, when the war ended we were 25 miles from Damascus and only about 30 miles from Cairo, the Egyptian Third Army was encircled, and we were standing on the west bank of the Canal.

It is this situation that forced the decision on the Arab leaders. The question for them was, are we going to try for a total solution achieved by force, a solution that under the best circumstances can render us no more than 1% of our demand? Or are we going to try a solution through negotiations, where we have a chance to implement a much greater percentage of our demands? I believe that it is then that the decision for negotiation was taken, and only because the war ended the way it did could it possibly have happened.

ARAB SHIFT TOWARD UNITED STATES

With these came another important change in the scenery of the Middle East—a shift of interest on the part of the Arab countries towards the U.S.

This, too, can be explained only in the terms of developments subsequent to the war. As long as Arab attempts and policy and commitment was one of totality, either total war or imposition of peace totally according to their demands, their natural partner was the Soviet Union. The Soviet Union could supply them without limitation the armaments, the equipment, the technical assistance, the experts and even the personnel for war. But the Soviet Union, with all its military assistance aiming toward a total solution by war, could not advance their demands diplomatically.

The moment the decision was made to move into the diplomatic arena, the beneficial and important partner became the U.S. Government. While the U.S. cannot give the Arabs the same total commitment militarily or politically that the Russians can, it can promise less but deliver what it promises. So in the era of negotiation, the normal partner is the U.S.

MAINTAINING MOMENTUM OF NEGOTIATIONS

It is important for us to maintain this momentum in negotiations, to make sure that we do not let this embryonic attempt die before it comes into being.

I think that in this respect we must remember the following elements:

First, the momentum must be maintained by dealing with the problems in stages and with each country independently. Any attempt to revert again to an overall, total solution will by necessity not only force a deadlock, but also lead the Arabs to reconsider other possibilities. So it is important to proceed, but to proceed in stages.

Secondly, it is important to maintain the disengagement agreements with both Egypt and Syria. These agreements are important not only to stop the futile and pointless fighting and killing; they are also important because they lay the foundation for a new relationship. Once we concluded the agreement with Syria, it allowed Egypt to continue to pursue a policy of internal economic development as well as to maintain the diplomatic momentum.

Thirdly, it is important that in the course of this period the element of time should be carefully weighed. After all, we are dealing with nations and societies possessing old rivalries. A single movement from war to total peace can be read about in books, but seldom, if ever, can this be translated into reality. We and our neighbors need time to see that those agreements that have already been reached translate themselves in concrete terms into military arrangements, into a build-up of trust and confidence, into the restoration of the cities along the Canal and the opening of the Canal to free navigation, into the return of the civilians to those cities and villages along the Syrian frontier. Then we will see those agreements, those provisions to which we have put our signatures, assume a new meaning and a new foundation for further advance. Israel is anxious to advance further to peace, but this element of time is needed if what we are going to build will be permanent and not artificial.

The last frontier needed to keep up the momentum is the strengthening of Israel. This is not only to ensure that Israel will be strong enough so that war will not be a normal solution, so that some leaders will not be tempted to revert to the killing; it is also an imperative element in facilitating the continuation of negotiations. No Arab country, no matter how moderate or how radical, will negotiate with an Israel that it can destroy by force. Thus the strength of Israel, especially as it expresses itself in the bilateral relations between our two countries, must be maintained if only for the sake of continuing the diplomatic momentum so ably guided by the Secretary of State of the U.S.

It is in this context that I view the visit of the President of the U.S. to our region. I was privileged to be in the White House this morning to escort him, and I know that his visit will do much to strengthen the foundations of those gains that have already been achieved. What has been achieved is still fragile. It needs cementing, and I think the visit could and will do just that. It will lay the foundation for further peace negotiations. And it will accomplish what I believe is so important—the strengthening, revitalization and institutionalization of the relations that exist between Israel and the U.S. This element of maintaining the strength of Israel will continue to guide us in the months and years to come, when we hope, at last, to arrive at a true and lasting peace.

QUESTIONS AND ANSWERS

Q. Could Israel consent to the establishment of a Palestinian State on the West Bank of Jordan?

A. We believe that the only way in which the question of the Palestinians can be handled is in the framework of our negotiations with Jordan. With your permission, I want to take a minute to explain why.

Historically—and people seem to forget this—the whole area between the Mediterranean and the Iraqi border was Palestine. All of it was Palestine until 1922, when Churchill, then Minister of Colonies, decided "one day", as he put it, "to create Trans-Jordan in order to pay for the war efforts of King Abdullah." So historically and geographically Amman is just as much a part of Palestine as Lod and Ramle and Jaffa. Politically, we believe that the aspirations of the Palestinians can be accommodated within the framework of peace with Jordan. If, as the question suggests, we establish a third state between the Mediterranean and the Jordanian border out of the fragments of the West Bank, then we will have a state which historically has no basis, politically will be frustrated, economically not viable, and militarily will have only one objective—the destruction of Israel.

In this respect, I would like to refer to the resolution that was adopted yesterday in Cairo. Your papers called it moderate; well it is all relative. This resolution says that they are now consenting to establish a regime and as a fighting force, to take over every fragment of the territory "which will be liberated." Why "as a fighting force" if they are going to establish a regime in the areas which are going to be liberated? In order, the resolution explains, to finally arrive at the liberation of all of Palestine. So the difference between those called moderate and those called radicals is the timing rather than the intentions. Some of them are ready to accept only part of the "liberated territory" and to prepare themselves for the final blow when the time will come. Others want to do it all right from the beginning. This is why we will not, under any circumstances, negotiate with the terrorist organizations—those who have the fine records of throwing children out of windows.

The question of Palestine, I am sure, will find its solution within the framework of our negotiations with Jordan, where, in that area east of Israel, an Arab state will be established. Whatever the regime will be, whether it will be a federation or a unitary regime, whether it will be under King Hussein or another regime, is something for the Arabs to decide, not for us.

Q. How long do you expect the Rabin government will last with a one-vote majority?

A. This is a question of prophecy, and, although we all come from the Holy Land, we are very careful when indulging in prophecy. But I have seen governments, not only in Israel, last for a long time on a narrow majority, and I have seen governments with a large majority which do not last. So I would not be quick to dismiss the longevity of the new government. I think the new government receives a lot of credit from the people. It is a young government, with many aspirations to fulfill. It will have to live up to the credit given to it, and in the long run, I think that this will be how the people of Israel will judge this government, and not by another parliamentary vote.

Q. Please comment on the current style of describing terrorist groups as "moderate." Is this myth or fact?

A. I would like to share with you part of the record of those "moderates" who are now meeting in Cairo.

One of these is Mr. Arafat of Al-Fatah. Al-Fatah's record includes, among other things, the murder of 11 Israeli athletes in Munich, the murder of the U.S. Ambassador and Charge d'affaires in Khartoum. In case you think that since 1972 Arafat has reverted to moderate action, a terrorist captured only two weeks ago in Israel said that, before going on his mission to blow up a theater in Israel, he was briefed personally by Arafat on how to do it.

Then we have the Popular Front for the Liberation of Palestine with Dr. Habash. They are responsible, among other things, for the mass murder at Lod airport in May 1972.

We have the Popular Front of Jabril, which blew up a Swiss airplane in 1970 and killed 27 passengers and attacked a school bus at Avivim; the massacre of Kiryat Shmone in April 1974 is also to their credit.

We also have the Popular Democratic Front of Hawatmeh. He is responsible, among other things, for the latest incident in Maalot, where children were shot and burned.

How anyone can describe these leaders as moderate is beyond my grasp.

Q. With the new diplomatic climate in the Middle East, is there any prospect for resumption of relations between Israel and the Soviet Union?

A. There has been a lot of talk about it, but no actual approach or negotiations. I do not believe that the Soviet Union is gaining from the fact that it isolated itself from one of the parties in the Middle East, but then I am not responsible for Soviet policies. As far as we are concerned, we were not the ones to sever diplomatic relations with the Soviet Union, and it is not up to us to renew them. Once the Soviets decide, they know our address, and naturally we will be willing to discuss it.

Q. In view of the friendly relations formed between the U.S. and the Arab countries, will you expect the U.S. to continue to furnish needed weapons to assist Israel to remain strong? And another question, why is it in the interest of the U.S. to support Israel?

A. I think these questions are related. We have never demanded exclusivity of friendship in our relationship with the U.S. Whether we liked it or not, we could not have demanded this, but in any event it was never our policy. We did not say that the U.S., as a friend of Israel, must exclude itself from friendship with any other country in the region. We have never objected to this, and even now, as America fortifies its position in the Middle East, we look upon it with favor rather than with criticism, for we believe that of the major powers in the world, it is the U.S. who really wants peace in the Middle East, security for the people in the Middle East, and security for Israel. Therefore, not only am I not concerned about the fact that America has strengthened its position in the Middle East, but I think that, in the long run, it is a contribution to peace.

That is of course under the assumption, which I have no reason to doubt, that these new friendships will not be at the expense of the old and traditional friendship between the U.S. and Israel.

I see no signs of any weakening in these U.S.-Israel ties; in fact, I have every reason to believe that as a result of recent developments a strengthening of these ties is emerging in the economic, security, and political fields. We look with confidence to the future, because the relations between our two countries are growing stronger and not weaker.

Why is it in the interest of the U.S. to support a strong Israel? I think I already referred to that in the substance of my remarks. I think that in addition to this, there is a great tradition of democracy which goes beyond any written commitment, goes into the core of the history, sociology, psychology, and beliefs in this country, which dictate that the democratic fashion in the Middle East should not be left unprotected, unaided, or friendless.

We have never asked for any U.S. troops to defend us. We have always known, and unfortunately, we have proved many times, that we can and must defend our freedom with our own men; we will continue to do so if events necessitate it. What we ask from the U.S. is to provide us the tools, the means, so we can defend ourselves by ourselves. I think on the basis of this relationship, and our common aspiration that the negotiations for peace continue, is important—not only for Israel but also for the U.S.—that a strong Israel remain in the Middle East, living in security and within secure borders.

Q. The French newspapers say that Kissinger has "bought" a truce with promises to the Arab rulers of funds and military supplies and training, and after this temporary truce, Israel's security will be in greater danger than ever. Is this an oversimplification?

A. It is touching to see the French papers concerned about Israel's security. No, I do not believe that the truce or the disengagement was bought. I think it was capably achieved by the efforts of the Secretary of State and the cooperation of the parties. And with all due regard and respect for the efforts of the U.S. Secretary of State, had the parties themselves not realized that it serves their own purpose to reach this agreement, no amount of diplomatic skill would have helped. Anyone who tries to ascribe means and even intentions other than the national interests of the countries concerned and the ability of the Secretary of State of the U.S. is not doing justice to the great gain and success we have seen recently in the Middle East.

Q. Does the Israeli Government, after the Kissinger rounds, still consider the present status of Jerusalem and the Golan Heights non-negotiable at Geneva?

A. We have never considered any question non-negotiable. We were ready and prepared to negotiate every question. It is a misinterpretation of our opposition to pick on certain items as non-negotiable. By this I do not mean that on every issue we are without opinions or positions. We have a policy that Jerusalem should forever remain united and the capital of Israel, and we can justify and argue this policy. When the time comes, we are quite willing to explain it to our neighbors. We will negotiate with them on every single issue.

Q. Relative to "dual nationality", do you consider all Jews over the world as citizens of Israel?

A. I definitely do not consider them citizens of Israel. You can imagine what a crowded national election we would have. I consider American Jews to be very close friends of Israel, who have, together with many Americans of non-Jewish faith, great interest and concern in the prosperity, development and peace of Israel.

Q. Will Israel's strategy in the bargaining on the legitimate rights of Palestinians take into account the legitimate rights of Jews, displaced from Arab lands. The fact is that there is almost an exchange of population involved.

A. This is a correct historical fact. The number of Palestinians who left Israel at the time of the establishment of Israel was about 600,000 to 650,000; about an equal, perhaps even a larger number of Jews came to Israel from the Arab countries of North Africa and the Middle East. Whenever we will discuss, as we are prepared to, the question of compensation for Arab property left in Israel—which we are prepared to do—we will bring up the question of the property of the Jews who lived in the Arab world, property that was confiscated by the Arab governments.

Q. Taxes in Israel are oppressively high. How can the Israelis maintain a decent living standard?

A. This is a question to which I reply not as an author, but a victim. I think that for some years to come we will have to pay, with emphasis on three major items: defense, immigration, and education. One without the other doesn't make sense. There is no sense in protecting a country unless it is a haven for all those who come there; it is no sense making a country a haven if it is not protected; and it makes no sense to maintain a society with wide gaps in population. These three elements encompass almost all our budget, and, unfortunately, in the near future, I see no major change in this list of priorities or in the amount of resources we will have, even with the aid of Israel's friends from abroad. So for a long time to come we will have to make sacrifices, and we will have to take a beating in our standard of living.

Q. The Suez Canal is now being cleared. Will Israel have access for her ships?

A. According to the understanding we have reached with Egypt, under the auspices of the U.S., when we signed the disengagement agreement, we have received clear assurances of the fact that the principle of free navigation will be adopted by Egypt from the day the Canal is opened, that Israeli goods will be able to go through the Canal from the day the Canal is opened, and that Israeli flagships will be going through the Canal when there is a more permanent arrangement worked out between our two countries.

Q. In the last 48 hours, King Hussein stated he favors an Arab state for the West Bank. How do you account for this change?

A. His Prime Minister said last Monday, I believe, that the Jordan government will never entertain a separate state in the West Bank, so I do not know whether the statement ascribed to King Hussein came after the statement of his Prime Minister or before. But to the best of my knowledge, the policy of the Jordanian government is not to have a separate state, but rather a federation of both the East Bank and the West Bank after there is an agreement between us and Jordan.

Q. What efforts is Israel making to promote relations and better understanding between the people of Israel and the people of the U.S., and what will these efforts be, assuming peace prevails?

A. We are, of course, trying to do our best, with considerably more meager resources than our neighbors possess, to get our message across the U.S., both through the media, through speaking to people, through answering questions, through visiting universities, etc. I must say that, contrary to some of my friends' beliefs, statistics show that we are not doing too badly. In fact, if anyone is dissatisfied with Israel's information services, all he has to do is read some Arab publications and they will tell you how fantastic we are. I do not believe we are fantastic. I believe we are making this very difficult effort and there is more to do.

I hope that we will be in the position described by the questioner of having to explain relations of peace. This is much easier to explain than relations of war, strife and dispute. But as long as, unfortunately, we must explain this, we will, as well as our hopes and expectations for a better future.

Q. India "bombed" the world with her first atomic blast. What is Israel doing in her nuclear plant at the moment?

A. Israel publicly has said on a number of occasions that it will not be the first country to introduce nuclear weapons to the Middle East. This position of Israel stands today.

Q. How does Israel view the large sums of money appropriated by Congress as grants of aid to Arab countries in light of the predominance of loans as financial aid to Israel?

A. First of all, I think I should correct the questioner in that, to the best of my knowledge, Congress has not appropriated, just discussed it. But, as I said earlier, we have a no-stand against America strengthening its relations with the Arab countries or helping them economically.

What we do have are some very penetrating questions: To what extent is this aid going to be used for their war machines, which have still not stopped mobilizing against us? To what extent are we going to see a real change in the Arab approach? Even with all the welcome signs to which I referred earlier, we still hear declarations from Cairo that their missiles are directed at the cities of Israel. So naturally, when we deal with a country that still holds this policy and pursues this philosophy, we are apprehensive about strengthening the potential of this country, lest it be turned once again against us. I must say that the aid we have received from the U.S. (which was until the war in terms of loans, rather than grants, which we repaid very meticulously), was never used to launch an aggressive war against anyone, but rather was utilized to help build our economy and potential, and to help us protect ourselves against aggression.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows:)

To Mr. Symington (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Roncallo of New York) to revise and extend their remarks and include extraneous material:)

Mr. Hogan, for 30 minutes, today.

Mr. Frenzel, for 20 minutes, today.

Mr. QUIE, for 10 minutes, today.

Mr. STEELMAN, for 5 minutes, today.

Mr. TALCOTT, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

(The following Members (at the request of Mr. JOHN L. BURTON) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. METCALFE, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mrs. SULLIVAN, for 10 minutes, today.

Mr. CHAPPELL, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. SHIPLEY, for 10 minutes, today.

Mr. LEGGETT, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROONEY of New York, (at the request of Mr. JOHN L. BURTON), and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $834.

(The following Members (at the request of Mr. RONCALLO of New York) and to include extraneous matter:)

Mr. FRENZEL in three instances.

Mr. BROWN of Ohio in three instances.

Mr. HOSMER in two instances.

Mr. BIESTER.

Mr. HANRAHAN.

Mr. BROYHILL of Virginia.

Mr. ANDERSON of Illinois in two instances.

Mr. MCKINNEY.

Mr. WYMAN in two instances.

Mr. ARCHER.

Mr. THOMSON of Wisconsin.

Mr. YOUNG of Illinois in two instances.

Mr. ROBISON of New York.

Mr. BELL.

Mr. WYDLER.

Mr. HUBER in two instances.

Mr. MCCLORY.

Mr. CARTER in four instances.

Mr. LUJAN.

Mrs. HOLT.

Mr. HUDNUT.

Mr. CONTE.

Mr. MIZELL in five instances.

Mr. TAYLOR of Missouri.

Mr. RUPPE.

Mr. STEIGER of Wisconsin in two instances.

Mr. ASHBROOK. in four instances.

Mr. DELLENBACK.

Mr. SYMMS.

(The following Members (at the request of Mr. JOHN BURTON) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDERSON of California in three instances.

Mr. MCFALL in two instances.

Mr. DOMINICK V. DANIELS.

Mr. ANDREWS of North Carolina.

Mr. ROONEY of Pennsylvania.

Mr. GAYDOS in 10 instances.

Mr. EVINS of Tennessee.

Mr. HÉBERT.

Mr. CORMAN.

Mr. TIERNAN in 10 instances.

Mr. LEGGETT.

Mr. GINN.

Mr. HAYS in two instances.

Mr. STUBBLEFIELD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3700. An act to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes; to the committee on Interior and Insular Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on July 22, 1974 present to the President, for his approval, bills of the House of the following titles:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida;

H.R. 3544. An act for the relief of Robert J. Beas;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun; and

H.R. 7824. An act to amend the Economic Opportunity Act of 1964 to provide for the transfer of the legal services program from the Office of Economic Opportunity to a Legal Services Corporation, and for other purposes.

ADJOURNMENT

Mr. JOHN BURTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; acordingly (at 6 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 24, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2579. A letter from the Secretary of Defense, transmitting the 1973 annual report of the Defense Civil Preparedness Agency covering civil defense functions assigned to the Secretary of Defense by Executive Order 10952 of July 20, 1961, pursuant to section 406 of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

2580. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period July 15–October 15, 1974, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2581. A letter from the Deputy Assistant Secretary of the Interior and the Assistant Secretary of Agriculture, transmitting a report on the activities of the 1973 Youth Conservation Corps program, pursuant to section 5 of Public Law 92–597; to the Committee on Education and Labor.

2582. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1972"; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

2583. A letter from the Comptroller General of the United States, transmitting volume I of a report on Federal productivity, dealing with trends between fiscal year 1967 and 1973; to the Committee on Government Operations.

2584. A letter from the Comptroller General of the United States, transmitting a report on the problem of controlling salmonella in raw meat and poultry products; to the Committee on Government Operations.

2585. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in examining and selecting applicants for Federal employment; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee of conference. Conference report on H.R. 69 (Rept. No. 93–1211). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 16061. A bill to permit honorably discharged veterans of the Armed Forces of the United States to render the military salute when the flag is hoisted, lowered, or is passing in a parade or review; when the National Anthem is played; and when the pledge of allegiance to the flag is given; and to clarify the rules governing patriotic conduct at such times; to the Committee on the Judiciary.

By Mr. CONTE (for himself, Mr. YATES, Mr. RODINO, Mr. NIX, Mr. HECHLER of West Virginia, Mr. MCKINNEY, Mr. GOODLING, Mr. J. WILLIAM STANTON, Mr. BROWN of California, Mr. ROSENTHAL, Mr. EILBERG, Mr. FASCELL, Mr. FRENZEL, Mr. SYMINGTON, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. DULSKI, Mrs. HECKLER of Massachusetts, Mr. THOMSON of Wisconsin, Mr. BELL, Mr. ESCH, Mr. SHRIVER, Mr. YOUNG of Georgia, and Mr. STEELMAN):

H.R. 16062. A bill to obtain adequate information essential to the decisions of the Congress; to the Joint Committee on Atomic Energy.

By Mr. EILBERG:

H.R. 16063. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. GOLDWATER (for himself, Mr. KOCH, Mr. BEARD, Mr. BRAY, Mr. BURGENER, Mr. COHEN, Mr. DUNCAN, Mr. GAYDOS, Mr. GUYER, Mrs. HECKLER of Massachusetts, Mr. HEINZ, Mr. HELSTOSKI, Mr. HICKS, Mr. MCCORMACK, Mr. MCKINNEY, Mr. MITCHELL of New York, Mr. MOSHER, Mr. MURTHA, Mr. MURPHY of New York, Mr. NIX, Mr. PREYER, Mr. ROBINSON of Virginia, Mr. ROSE, Mr. RUNNELS, and Mr. SHOUP):

H.R. 16064. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. GUDE:

H.R. 16065. A bill to authorize the voluntary withholding of Maryland, Virginia, and District of Columbia income taxes, pursuant to agreements subject to review by the Committee on House Administration of the House of Representatives, in the case of certain legislative officers and employees; to the Committee on House Administration.

By Mr. HELSTOSKI:

H.R. 16066. A bill to amend the Federal Reserve Act to permit the Federal Reserve Board to allocate credit to national priority needs; to the Committee on Banking and Currency.

H.R. 16067. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. LANDGREBE (for himself, Mr. Addabbo, Mr. Abdnor, Mr. Andrews of North Dakota, Mr. Bevill, Mr. Buchanan, Mr. Broyhill of Virginia, Mr. Camp, Mr. Collier, Mr. Collins of Texas, Mr. Conlan, Mr. Denholm, Mr. Duncan, Mr. Esch, Mr. Fisher, Mr. Froehlich, Mr. Gaydos, Mr. Gunter, Mr. Huber, Mr. Hunt, and Mr. Ichord):

H.R. 16068. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. LANDGREBE (for himself, Mr. Ketchum, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Lott, Mr. Madden, Mr. Montgomery, Mr. Nichols, Mr. Nix, Mr. Railsback, Mr. Rarick, Mr. Shoup, Mr. Shuster, Mr. Steiger of Arizona, Mr. Tiernan, Mr. Treen, Mr. Waggonner, Mr. Winn, and Mr. Young of Florida):

H.R. 16069. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. McEWEN:

H.R. 16070. A bill to authorize the Secretary of Agriculture to regulate the transportation of horses in commerce, and for other purposes; to the Committee on Agriculture.

By Mr. MILLER:

H.R. 16071. A bill to amend the National Flood Insurance Act of 1968 to continue the present federally subsidized flood insurance program in any locality where construction of an adequate flood protection system has begun, and to eliminate the compulsory features added to such program by the Flood Disaster Protection Act of 1973; to the Committee on Banking and Currency.

By Mr. MILLER (for himself, Mr. Hammerschmidt, Mr. Fisher, Mr. Litton, Mr. Hosmer, Mr. White, Mr. Collier, Mr. Milford, Mr. Fountain, and Mr. Shoup):

H.R. 16072. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. MILLER:

H.R. 16073. A bill to amend section 20 of the Federal Property and Administrative Services Act of 1948 by repealing the authority of the Administrator of General Services and of certain executive agencies to charge an occupant of a Federal building for the use of such building; to the Committee on Government Operations.

By Mr. PRICE of Illinois:

H.R. 16074. A bill to provide available nuclear information to committees and Members of Congress; to the Joint Committee on Atomic Energy.

By Mr. QUIE:

H.R. 16075. A bill to amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to Indian tribes and the Trust Territory of the Pacific Islands; to the Committee on Education and Labor.

By Mr. REGULA (for himself, Mr. Buchanan, Mr. Brinkley, Mr. Pettis, Mr. Goldwater, Mr. Mann, Mr. Kemp, Mr. Moakley, Mr. Young of Georgia, and Mrs. Burke of California):

H.R. 16076. A bill to provide for the more equitable administration of revenues derived from certain Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS (for himself, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut):

H.R. 16077. A bill to amend the Public Health Service Act to extend through fiscal year 1975 the scholarship program for the National Health Service Corps and the loan program for health professions students; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 16078. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period a tax credit equal to one-half of the increase in residential electricity expenses occurring after January 1, 1973; to the Committee on Ways and Means.

By Mr. STUDDS:

H.R. 16079. A bill to amend the Endangered Species Act of 1973 to make it more consistent with the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. TALCOTT:

H.R. 16080. A bill to amend the Internal Revenue Code of 1954 to provide equitable tax relief to America's small businesses; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 16081. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits may be paid thereunder to any individual who is outside the United States for the sole purpose of obtaining medical or remedial treatment; to the Committee on Ways and Means.

By Mr. DELLENBACK:

H.R. 16082. A bill to amend the Land and Water Conservation Fund Act of 1965 to increase the authorization of appropriation for the Land and Water Conservation Fund; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY:

H.R. 16083. A bill to provide a penalty for the robbery or theft of any narcotic drug or controlled substance from any pharmacy or other licensed repository; to the Committee on the Judiciary.

By Mr. RANDALL:

H.R. 16084. A bill to extend the Emergency Petroleum Allocation Act of 1973 until June 30, 1976, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself, Mrs. Chisholm, Mr. Gude, and Mr. Rodino):

H.R. 16085. A bill to amend the Internal Revenue Code of 1954 to terminate special tax treatment for domestic international sales corporations; to the Committee on Ways and Means.

By Mr. WON PAT (for himself, Mr. de Lugo, Mr. Johnson of California, Mr. Ketchum, Mr. Martin of North Carolina, Mr. Roncalio of Wyoming, Mr. Sebelius, Mr. Seiberling, Mr. Steelman, and Mr. White):

H.R. 16086. A bill to provide for the establishment of a national historic park on the island of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA:

H.J. Res. 1096. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.J. Res. 1097. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day; to the Committee on the Judiciary.

By Mrs. HANSEN of Washington (for herself, Mr. Hays, Mr. Landrum, Mr. Thompson of New Jersey, Mr. O'Hara, Mr. Smith of Iowa, Mr. Waggonner, Mr. Phillip Burton, Mr. Annunzio, Mr. Jones of Tennessee, and Miss Jordan):

H. Res. 1248. Resolution to reform the structure, jurisdiction, and procedures of the committees of the House of Representatives; to the Committee on Rules.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 1249. Resolution expressing the sense of Congress regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII,

515. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, relative to Professional Standards Review Organizations; to the Committee on Ways and Means.

SENATE—*Tuesday, July 23, 1974*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, from whom we come and to whom we go at last, in this quiet moment we remember with thanksgiving Thy servant Wayne Morse. We thank Thee for the magnitude of his service to the Nation and especially his labors in this body.

We thank Thee for the integrity of his manhood, the uniqueness of his witness, and the power of his speech. We remember with gratitude his virile intellect, his moral earnestness, his tenacious convictions, his forensic skills, his fidelity to high ideals, his loyalties transcending faction and party, and his faithfulness as a servant of the common good. May his unique mantle be worn worthily in all generations.

Teach us once more that underneath life and death are the everlasting arms of the Eternal Shepherd who with goodness and mercy will follow us all the days of this life until we dwell in the house of the Lord forever.

Through Him who is the Resurrection and the Life. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 22, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SPEEDY TRIAL ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 980.

The PRESIDENT pro tempore. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 754) to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments:

On page 2, in line 5, after the number " "3165." strike out "District plans." and insert in lieu thereof "Planning process."

On page 2, in line 5, after the number " "3166." strike out "Definitions." and insert in lieu thereof "District plans—generally."

On page 2, in line 5, after the number " "3167." strike out "Sixth amendment rights." and insert in lieu thereof "District plans—contents."

On page 2, at the end of line 5, insert the following four new lines:

"3168. Speedy trial reports.
"3169. Pilot districts.
"3170. Definitions.
"3171. Sixth amendment rights.

On page 2, beginning at line 12, strike out the following language:

"(b) The trial of a defendant charged with an offense shall be commenced as follows:

"(1)(A) Within sixty days from the date the defendant is arrested or served with a summons, except that if the prosecution is initiated by filing an information or indictment prior to arrest or summons (and made public) then within sixty days from the date of such filing;

"(B) Notwithstanding the provisions of subclause (A) of this clause, for the first twelve-calendar-month period following the effective date of this chapter as set forth in section 3163 of this chapter, the time limits imposed by such subclause (A) shall be one hundred and eighty days, and for the second such twelve-month period, such time limits shall be one hundred and twenty days.

"(2) If the indictment or information is dismissed upon motion of the defendant for reasons other than those provided in section 3162(a) and thereafter the defendant is charged with the same offense or an offense based on the same conduct or arising from the same criminal episode, within sixty days from the date the defendant is arrested or served with a summons with respect to such charge, except that if the prosecution is initiated by filing an information or indictment prior to arrest or summons (and made public), then within sixty days from the date of such filing; or

and insert in lieu thereof the following language:

"(b) Any information or indictment charging an individual with the commission of an offense shall be filed within thirty days from the date on which such individual was arrested or served with a summons in connection with such charges.

"(c) The trial of a defendant charged in an information or indictment with the commission of an offense shall be commenced within sixty days from the date on which the information or indictment containing such charge is filed (and made public).

"(d) If any indictment or information is dismissed upon motion of the defendant, or any charge contained in a complaint filed against an individual is dismissed or otherwise dropped, for reasons other than those provided in section 3162(a) and thereafter a complaint is filed against such defendant or individual charging him with the same offense or an offense based on the same conduct or arising from the same criminal episode, or an information or indictment is filed charging such defendant with the same offense or an offense based on the same conduct or arising from the same criminal episode, the provisions of subsections (b) and (c) of this section shall be applicable with respect to such subsequent complaint, indictment, or information, as the case may be.

On page 4, in line 19, strike out "(3)" and insert in lieu thereof "(e)".

On page 5, beginning at line 5, insert the following new language:

"(f) Notwithstanding the provisions of subsection (b) of this section, for the first twelve-calendar-month period following the effective date of this section as set forth in section 3163(b) of this chapter the time limit imposed by subsection (b) of this section shall be sixty days, and for the second and third such twelve-month periods such time limit shall be forty-five days.

"(g) Notwithstanding the provisions of subsection (c) of this section, for the first twelve-calendar-month period following the effective date of this section as set forth in section 3163(c) of this chapter, the time limit imposed by subsection (c) of this section shall be one hundred and eighty days, and for the second and third such twelve-month periods such time limit shall be one hundred and twenty days.

On page 5, in line 19, strike out "(e)" and insert in lieu thereof "(h)".

On page 5, in line 20, after the word "excluded" insert the words "in computing the time within which an information or an indictment must be filed, or".

On page 5, in line 23, strike out "(A)".

On page 6, in line 9, strike out the word "and".

On page 6, beginning at line 12, insert the following new language:

"(vi) delay resulting from proceedings under Rule 20 of the Federal Rules of Criminal Procedure; and

"(vii) delay reasonably attributable to any period during which any proceeding concerning the defendant is actually under advisement.

On page 6, beginning at line 17, strike out the following language:

"(B) With respect to any delay referred to in clause (1)(A) of this subsection, only such court days as are actually consumed in connection with any pretrial motion or other hearing, examination, presentation of an interlocutory appeal, or a trial with respect to another charge shall be excluded, and in no event shall any period of delay which occurs while any of the aforementioned matters under clause (1)(A) are under advisement or are awaiting decision be so excluded.

On page 7, in line 7, after the word "defendant" insert "or an essential witness".

On page 7, in line 10, after the word "defendant" insert "or an essential witness".

On page 7, in line 14, after the word "defendant" insert "or an essential witness".

On page 8, in line 15, strike out the word "and" and insert in lieu thereof "served by taking such action outweigh".

On page 8, in line 16, strike out "as well as" and insert in lieu thereof "and".

On page 8, in line 16, strike out "would be served thereby" and insert in lieu thereof "in a speedy trial".

On page 8, in line 22, strike out the word "and" and insert in lieu thereof "served by the granting of such continuance outweigh".

On page 8, in line 23, after the word "defendant" strike out "were served by" and insert in lieu thereof "in a speedy trial."

On page 8, in line 24, strike out "the granting of such continuance."

On page 8, beginning at line 25, insert the following new language:

"(B) The factors, among others, which a judge shall consider in determining whether to grant a continuance under subparagraph (A) of this paragraph in any case are as follows:

"(i) whether the failure to grant such a continuance in the proceeding would be likely to make a continuation of such proceeding impossible, or result in a miscarriage of justice;

"(ii) whether the case taken as a whole is so unusual and so complex, due to the number of defendants or the nature of the prosecution or otherwise, that it is unreasonable to expect adequate preparation within the periods of time established by this section; or

"(iii) whether delay after the grand-jury proceedings have commenced, in a case where arrrest precedes indictment, is caused by the unusual complexity of the factual determination to be made by the grand jury or by events beyond the control of the court or the Government.

On page 9, in line 19, strike out "(d)" and insert in lieu thereof "(i)".

On page 9, beginning in line 23, strike out "arraigned on the information or indictment" and insert in lieu thereof "indicted".

On page 10, beginning at line 4, strike out the following:

"(a) If a defendant is not brought to trial as required by section 3161, the information or indictment shall be

and insert in lieu thereof the following:

"(a)(1) If, in the case of any individual against whom a complaint is filed charging such individual with an offense, no indictment or information is filed as required by section 3161(b) of this chapter, such charge against that individual contained in such complaint shall be dismissed or otherwise dropped. The dismissing or dropping of such charge shall not bar a subsequent prosecution.

"(2) If a defendant is not brought to trial as required by section 3161(c), the information or indictment shall be

On page 10, beginning at the end of line 16, strike out "except that the Government shall have the burden of proof of establishing" and insert in lieu thereof "but the Government shall have the burden of going forward with the evidence in connection with".

On page 10, in line 20, strike out "(e)(3)" and insert in lieu thereof "(h)(3)".

On page 10, in line 21, strike out "forever" and insert in lieu thereof "not".

On page 10, in line 21, after the word "bar" insert "a subsequent".

On page 10, beginning at line 22, strike out "for the offense charged, any offense based on the same conduct or arising from the same criminal episode, and any other offense required to be joined with the offense."

On page 11, beginning at line 3, insert the following new language:

"(b) After a dismissal pursuant to subsection (a)(1) or (a)(2) a prosecution can be reinstituted for the offense charged, any offense based on the same conduct or arising from the same criminal episode, and any other offense required to be joined with the offense. Such prosecution can only be reinstituted if the court in which the original action was pending finds that the attorney for the government has presented compelling evidence that the delay was caused by exceptional circumstances which the government and the court could not have foreseen or avoided. Exceptional circumstances shall not mean general congestion of the court's docket, lack of diligent preparation or failure to obtain available witnesses.

"(c) Notwithstanding the provisions of subsection (b) of this section, for the first and second twelve-calendar-month periods following the effective date of this section as set forth in section 3163(c) of this chapter, a prosecution can be reinstituted subsequent to dismissal made pursuant to section 3163(a) without the requirement of a finding of exceptional circumstances.

On page 11, in line 23, strike out "(b)" and insert in lieu thereof "(d)".

On page 13, in line 6, strike out ""(C)" and insert in lieu thereof "(e)".

On page 13, beginning at line 10, strike the following language:

"The time limitation in section 3161—

"(1) shall apply to all offenses charged in informations or indictments filed on or after the date of expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1973; and

"(2) shall commence to run on such date of expiration as to all offenses charged in informations or indictments filed prior to that date.

and insert in lieu thereof the following language:

"(a) The time limitation in section 3161(b) of this chapter—

"(1) shall apply to all individuals who are arrested or served with a summons on or after the date of expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974; and

"(2) shall commence to run on such date of expiration to all individuals who are arrested or served with a summons prior to the date of expiration of such twelve-calendar-month period, in connection with the commission of an offense, and with respect to which offense no information or indictment has been filed prior to such date of expiration.

"(b) The time limitation in section 3161(c) of this chapter—

"(1) shall apply to all offenses charged in informations or indictments filed on or after the date of expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974; and

"(2) shall commence to run on such date of expiration as to all offenses charged in informations or indictments filed prior to that date.

"(c) Section 3162 of this chapter shall become effective after the date of expiration of the third twelve-calendar-month period following the enactment of the Speedy Trial Act of 1974.

On page 15, in line 2, strike out "(1)(A)" and insert in lieu thereof "and section 3161(c)".

On page 16, beginning at line 10, insert the following new language:

"§ 3165. Planning process

"(a) Within sixty days of enactment of this Act, each United States district court and the Superior Court for the District of Columbia shall convene a planning group consisting at minimum of the Chief Judge, the United States Attorney, the Federal Public Defender, if any, a private attorney experienced in the defense of criminal cases in the district, the Chief United States Probation Officer for the district, and a person skilled in criminal justice research and planning to act as reporter for the group. The group shall be responsible for the initial formulation of all district plans and of the reports required by the Act.

"(b) The planning and implementation process shall seek to accelerate the disposition of criminal cases in the district consistent with the time standards of the Act and the objectives of effective law enforcement, fairness to accused persons, efficient judicial administration, and increased knowledge concerning the proper functioning of the criminal law. The process shall seek to avoid underenforcement, overenforcement and discriminatry enforcement of the law, prejudice to the prompt disposition of civil litigation, and undue pressure as well as undue delay in the trial of criminal cases.

"(c) The planning group shall address itself to the need for reforms in the criminal justice system, including but not limited to changes in the grand jury system, the finality of criminal judgments, habeas corpus and collateral attacks, pretrial diversion, pretrial detention, excessive reach of federal criminal law, simplification and improvement of pretrial and sentencing procedures, and appellate delay.

"(d) The planning group shall submit recommendations to the District Court for each of the District plans it must adopt pursuant to section 3166.

On page 17, at line 17, strike out "§ 3165. District plans" and insert in lieu thereof "§ 3166. District plans—generally".

On page 18, beginning in line 2, strike out "the period that the one hundred and twenty day trial limitation required by section 3161(b)(1)(B) 3161(f) of this chapter is in effect." and insert in lieu thereof "the second and third twelve-calendar-month periods following the section 3161(c)."

On page 18, in line 7, strike out "twenty-four" and insert in lieu thereof "thirty-six".

On page 18, beginning in line 12, strike out "on and after the expiration of the thirty-six calendar month period following the date of the enactment of the Speedy Trial Act of 1973." and insert in lieu thereof the following language:

during the fourth and fifth twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the sixty-calendar-month period following such date of enactment, each such court, with the approval of such council, shall prepare and submit to the Administrative Office of the United States Court a plan for the trial or other disposition of offenses under this chapter (within the jurisdiction of such court) during the sixth twelve-calendar-month period following the effective date of section 3161(b) and section 3161(c).

On page 19, beginning in line 2, strike out the following language:

the United States attorney, and attorneys experienced in the defense of criminal cases in the district, including the Federal Public Defender, if any. Such plan shall include all such recommendations and shall further include a description of the procedural techniques, innovations, systems, and other methods by which the district court has expedited or intends to expedite the trial or other disposition of criminal cases. The plan shall make special provision for the speedy trial of cases at places of holding court where there is no judge continuously resident

and insert in lieu thereof "and the criminal justice planning group established for that district pursuant to section 3165."

On page 20, beginning in line 2, strike out "the period that the one hundred and twenty day trial limitation required by section 3161(b(1)(B) of this chapter is in effect." and insert in lieu thereof "the second and third twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c)."

On page 20, in line 7, strike out "twenty-four" and insert in lieu thereof "thirty-six".

On page 20, beginning in line 13, strike out "on and after the expiration of the thirty-six-calendar-month period following the date of the enactment of the Speedy Trial Act of 1973." and insert in lieu thereof the following language:

during the fourth and fifth twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the sixty-calendar-month period following such date of enactment, the chief judge of such court, with the approval of such Joint Committee, shall prepare and submit to the Administrative Office of the United States Court a plan for the trial or other disposition of offenses under this chapter, within the jurisdiction of such court, during the sixth twelve-calendar-month period following the effective date of section 3161(b) and section 3161(c).

On page 21, beginning in line 3, strike out the following language:

the Corporation Counsel, United States attorney, the Public Defender Service and attorneys experienced in the defense of criminal cases in the District of Columbia. Such plan shall include all such recommendations and shall further include a description of the procedural techniques, innovations, systems, and other methods by which the district court has expedited or intends to expedite the trial or other disposition of criminal cases.

and insert in lieu thereof "and the criminal justice planning group established pursuant to section 3165."

On page 21, in line 22, strike out "3165 (a) (1) and insert in lieu thereof "3166 (a) (1)".

On page 21, in line 23, strike out "3165 (b) (1)" and insert in lieu thereof "the first sentence of section 3166(b) (1)".

On page 22, in line 2, strike out "twenty-seven" and insert in lieu thereof "thirty-nine".

On page 22, in line 7, strike out "3165 (a) (1)" and insert in lieu thereof "3166 (a) (1)".

On page 22, in line 7, strike out "3165 (b) (1)" and insert in lieu thereof "the first sentence of section 3166(b) (1)".

On page 22, beginning at the end of line 8, insert the following new language:

Within sixty-three calendar months following such date of enactment, the Administrative Office of the United States Courts, with such approval, shall submit such a report to the Congress covering plans submitted to such Office pursuant to the third sentence of section 3166(a) (1) and the third sentence of section 3166(b) (1) of this chapter.

"(d) District plans adopted pursuant to this section shall, upon adoption, and recommendations of the District planning group shall, upon completion, become public documents. They shall be available (1) to the bar and the press in each district, (2) to the Department of Justice, (3) to the General Accounting Office, (4) to the Judiciary Committees and Appropriations Committees of the Senate and House of Representatives, and (5) at reasonable cost, to others who request them.

On page 22, in line 23, strike out "(d)" and insert in lieu thereof "(e)".

On page 22, in line 24, after the word "section," insert the words "and section 3165".

On page 23, beginning at line 1, insert the following new language:

"§ 3167. District plans—contents

"(a) Each District plan required by section 3166 shall include a description of the norms prevailing at the time of its submission as to characteristics of criminal justice administration in the district, including but not limited to: the time span between arrest and indictment, and indictment and trial; the numbers of matters presented to the United States Attorney for prosecution; acceptance and rejection rates of prosecutions, and transfers to other districts and to state prosecution; the comparative number of cases disposed of by trial and by plea; the rates of conviction, dismissal, acquittal, nolle prosequi, diversion and other types of disposition; and the extent of preadjudication detention and release, by numbers of defendants and days in custody or at liberty prior to disposition.

"(b) Each plan shall include a description of the time limits, procedural techniques, innovations, systems and other methods, including the development of reliable methods for gathering and monitoring information and statistics, by which the district court, the United States Attorney, the Federal Public Defender, if any, and private attorneys experienced in the defense of criminal cases, have expedited or intend to expedite the trial or other disposition of criminal cases, consistent with the time limits and other objectives set forth in section 3165(b) and section 3165(c).

"(c) Each plan shall prescribe reporting forms, procedures and time requirements, consistent with section 3168, for assembling information concerning (1) the incidence of and reasons for extensions of time beyond the statutory or district standards, (2) the invocation of sanctions for noncompliance with time standards, and (3) the incidence and length of, reasons for, and remedies for, detention prior to trial. These forms shall include the pretrial custody information required by Rule 46(g) of the Federal Rules of Criminal Procedure.

"(d) Each plan shall further specify the rule changes, statutory amendments and appropriations needed to effectuate further improvements in the administration of justice in the district which cannot be accomplished without such amendments or funds.

"§ 3168. Speedy trial reports

"(a) Reports shall be filed for purposes defined in this section by—

"(1) each prosecutor and defense attorney who needs in an individual case an extension of time, or to avoid a sanction for noncompliance, in respect to a time limit prescribed in the Act or in a district plan,

"(2) each judge who grants or denies such a request in a case,

"(3) each planning group, district court, United States Attorney, and Federal Public Defender in a district, on an annual basis at the end of each twelve-calendar-month period beginning two years after the date of enactment, and

"(4) the Administrative Office of the United States Courts, the United States Department of Justice, and the General Accounting Office, on an annual basis beginning six months after the first reporting date referred to in subsection (a) (3) of this section. The reports referred to under (1) and (2) may consist of the memoranda and briefs of parties, and the written or transcribed opinions of judges, and shall be available to each organization designated in subsection (a) (3). A planning group or district court report referred to under subsection (a) (3) may be satisfied by a recommendation submitted for the same year under section 3165 or a plan submitted for the same year under section 3166 and shall be transmitted to the judicial council of the circuit and each organization designated in subsection (a) (4) of this section.

"(b) The contents of a report shall, to the extent applicable to a person or agency designated in subsection (a) (1), (2), and (3) of this section, include in individual cases or in cumulative profiles:

"(1) reasons for requesting or granting an extension of statutory limits, or for invoking or failing to invoke an applicable sanction,

"(2) the new timetable set, or requested to be set, for an extension, and the nature of the sanction, if any, invoked for noncompliance,

"(3) the effect on criminal justice administration of the prevailing time limits and sanctions, including effects on prosecution, defense, the judicial function, corrections, costs, transfers, appeals,

"(4) the identity of cases which, because of their special characteristics, deserve separate or different time limits as a matter of statutory classification, and

"(5) other information pertinent to the operation and implications of the district's plan.

"(c) District reports filed under subsection (a) (3) of this section shall be received, compiled and analyzed by the national agencies designated in subsection (a) (4) of this section for the purpose of distilling national summaries, and recommendations as to changes in rules, statutes, institutions, appropriations, reporting procedures, or other ingredients of the criminal process. All such reports shall be filed with the Judiciary and Appropriations Committees of the Senate and the House.

"§ 3169. Pilot districts

"(a) There are hereby authorized to be appropriated $5,000,000 to carry out the initial phases of planning and implementation of speedy trial plans under this Act in five pilot Federal judicial districts. The funds shall remain available until expended, and requests to renew the appropriation shall receive priority if endorsed by the planning groups in each of such districts, and their parent agencies.

"(b) The pilot districts shall be designated jointly by the Chief Justice and the Attorney General on the basis of applications received by them from planning groups established under section 3165. Each such application shall describe in detail the process by which the district proposes to carry out the provisions of this Act. To be eligible, applications shall be submitted on or before one hundred and eighty days from the date of enactment, and the designation of pilot districts, and the amount of funds awarded, shall be made public no later than two hundred and seventy days after enactment. All applications shall be public documents.

"(c) No funds appropriated under this section may be expended in any pilot district except by two-thirds vote of the planning group. Funds may be expended for personnel, facilities, and any other purpose permitted by law. Where an expenditure requires further action by Congress, as in the creation of an additional judgeship, such recommendation shall receive priority if endorsed by the national agencies designated in section 3166(d).

On page 28, in line 1, strike out "3166." and insert in lieu thereof "3170."

On page 28, in line 13, strike out "3167." and insert in lieu thereof "3171."

On page 31, in line 13, after "(1)" insert "(A)".

On page 31, beginning at line 18, insert the following new language:

"(B) such information as may be contained in the agency's files or presented in its report or which shall be divulged during the course of any hearing shall be used only for the purpose of a bail determination and shall otherwise be confidential. The Board of Trustees shall issue regulations establishing policy on the release of agency files. Such regulations shall create an exception to the confidentiality requirement so that such information shall be available to members of the agency's staff and to qualified persons for purposes of research related to the administration of criminal justice. Such regulations may create an exception to the confidentiality requirement so that access to agency files will be permitted by agencies under contract pursuant to subsection (4) of this section; to probation officers for the purpose of compiling a presentence report and in certain limited cases to law enforcement agencies for law enforcement purposes. In no case shall such information be admissible on the issue of guilt in any judicial proceeding: *Provided, however,* That the Board of Trustees may permit such information to be used on the issue of guilt for a crime committed in the course of obtaining pretrial release.

Mr. ERVIN. Mr. President, this is a bill on which I have worked for many years, with the help of the Subcommittee on Constitutional Rights of the Committee on the Judiciary. It is a very important bill; and in order that there might be a full explanation of it, I ask unanimous consent to have printed in the RECORD an excerpt from the report, commencing with "Purpose" on page 1 to the section-by-section summary on page 25.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. PURPOSE

The purpose of the bill is to make effective the sixth amendment right to a speedy trial in Federal criminal cases by requiring that each Federal district court, in cooperation with the United States Attorney and attorneys active in the defense of criminal cases in that district, establish a plan for trying criminal cases within 90 days of arrest or receipt of summons. The bill takes effect over a seven year period so that the goals of a 30-day limit on the period between arrest and indictment and a 60-day limit on the period between indictment and commencement of trial will not be in force until the seventh year after enactment.

For a period beginning 90 days after enactment until the end of the fifth year after enactment interim time limits will be in effect and detained defendants must be tried within 90 days or released. The phase-in of the general time limits provided by the bill begin in the second year. During that year, a 60-day arrest to indictment time limit and a 180-day indictment to trial time will be in effect and failure to comply with the time limits will be reported to the Administrative Office of the United States Courts. During the third and fourth year, the arrest to indictment time limit will be 45 days, the indictment to trial time limit will be 120 days, and failure to comply with the time limits also be reported to the Administrative Office. During the fifth and sixth year, the arrest to indictment time limit will be 30 days, the indictment to trial time limit will be 60 days, and failure to comply with the time limits will result in dismissal of the case. Starting in the seventh year after enactment the 30-day arrest to indictment and the 60-day indictment to trial time limits will be enforced by a dismissal without prejudice but with a burden on the Government to demonstrate "exceptional circumstances" prior to reprosecution. A planning process for the district courts will be established to enable the districts to determine what additional resources, personnel and facilities will be required to comply with the progressive time limitations. District plans which will detail these needs will be required at specified times during the seven year phasing in of time limits. (See Calendar of Implementation, Chart 1, p. 55.) This, in turn, will enable Congress to consider the needs of each individual district, and of the whole Federal criminal justice system.

Along with its provision for speedy trials, S. 754 also authorizes the creation of demonstration "Pretrial Services Agencies" in 10 Federal districts, excluding the District of Columbia which is already served by the District of Columbia Bail Agency, performing many of the same functions. These agencies will make bail recommendations, supervise persons on bail and assist them with employment, medical, and other services designed to reduce crime on bail. This provision will greatly enhance the operations of the Bail Reform Act of 1966.

II. COMMITTEE AMENDMENTS

Several amendments to S. 754 have been incorporated into the bill as reported by the Committee. These amendments reflect the careful consideration of several different viewpoints concerning the best solution to the speedy trial problem. Among those who have had the greatest impact on these most recent amendments were the representatives of the Justice Department, Senators McClellan and Hruska, the various witnesses who appeared at hearings conducted by the Subcommittee on Constitutional Rights, and Professor Dan Freed of Yale Law School who during the past three years has provided invaluable advice to the Subcommittee on this legislation. The Subcommittee reported S. 754 with amendments in March of 1974. The major changes incorporated by these amendments are as follows:

1. SEGMENTED TIME LIMITS.—As introduced, S. 754 provided a single 60-day time limit between arrest or return of indictment and commencement of trial. The committee has amended Section 3161 to establish two separate sets of time limits, one between arrest and indictment and one between indictment and commencement of trial. The arrest-to-indictment time limit would eventually be 30 days and the indictment-to-trial time limit would eventually be 60 days.

2. DISMISSAL WITH PREJUDICE.—The bill as introduced contained a provision requiring dismissal with prejudice if a case extended beyond the time limits. At the suggestion of Senators Hruska and McClellan this provision has been replaced with a dismissal without prejudice sanction. However, beginning the 7th year after enactment a prosecution can only be recommenced following a dismissal without prejudice if the Government can show "exceptional circumstances." (See sec. 3162(b) and pp. 42–44)

3. ELONGATED PHASE-IN OF TIME LIMITS AND SANCTIONS.—The original bill provided that the time limits be phased-in over a three year period. The Committee has amended the bill to allow the time limits and the sanctions for non-compliance with the time limits to be phased-in over a seven year period. (See Calendar of Implementation, Chart 1, p. 55.)

4. EXPANDED PLANNING PROCESS.—The Committee has amended the old Section 3165 of the bill which deals with the planning process for implementing speedy trial in the district courts, and has renumbered it as a new section 3166. In addition, new Sections 3166, 3167, 3168, and 3169 have been created. The effect of these new sections is to further define what is expected from the district courts, the United States Attorneys and defense counsel in terms of planning for the implementation of speedy trials and to provide reporting requirements so that the progress of implementation and its resource needs can be easily monitored. (For further explanation see pp. 45–49.)

5. BALANCING TEST FOR DETERMINATION OF ALLOWABLE EXCLUSIONS FROM THE SPEEDY TRIAL TIME LIMITS.—At the suggestion of Senators McClellan and Hruska section 3161(h)(8) has been amended in order to specify the factors which a judge should consider when determining whether to grant an exclusion from the speedy trial time limits. This section now specifies that a judge should use a balancing test in order to make this determination. The judge must find that the "ends of justice" outweigh the interest of the defendant and society in a speedy trial.

6. TECHNICAL AMENDMENTS.—The Committee made several technical amendments to the bill to remedy problems of practical application which were brought out in testimony at the hearings.

III. LEGISLATIVE HISTORY

Speedy trial legislation has been introduced in almost every session since the 88th Congress. One of the first such pieces of legislation was introduced by former Senator Morse and cosponsored by Senator Fong, a member of the Subcommittee on Constitutional Rights.

S. 754 is based upon a similar bill, S. 3936, introduced by Senators Ervin, Hart, Bayh, Hughes, and former Senator Young in the 91st Congress and upon S. 895, introduced on February 22, 1971. S. 895 differed from S. 3936 in that the former did not provide for specific additional penalties for crimes committeed while a defendant was released awaiting trial. That provision, title II of S. 3936, was dropped in light of considerable unfavorable comment by Members of the Senate and from experts whose opinions were obtained during hearings held before the Subcommittee on Constitutional Rights in the fall of 1971. S. 895 and S. 3936 were designed to be vehicles for hearings and legislative study of the problem of speedy trial, a foundation upon which effective speedy trial legislation could be based. Senator Ervin introduced S. 754 along with 46 cosponsors on February 5, 1973. S. 754, as now amended represents the culmination of over three years of work by the Subcommittee on S. 3936 and S. 895 and contains many of the suggestions made by experts during the course of comment and criticism on the two earlier bills.

On July 8, 1970, the Constitutional Rights Subcommittee transmitted a copy of S. 3936 to over 300 prominent members of the bench and bar around the country. The subcommittee received responses from 225 of these experts. Their views, as well as those of the 20 witnesses who appeared before the Constitutional Rights Subcommittee in hearings held in July and September of 1971, are reflected in S. 754. Testimony was received from several of the bill's cosponsors and a number of others submitted statements for the record. In addition, the subcommittee heard from a Federal and a State judge, both from busy districts, who told the subcommittee how they achieved the goal of speedy trial in their own jurisdictions. Also testifying were interested and knowledgeable witnesses with etxensive experience in prosecution, defense, and pretrial rehabilitation services.

On September 14, 1971, then Assistant Attorney General William H. Rehnquist, accompanied by Donald E. Santarelli, then Associate Deputy Attorney General for Criminal Justice, presented the Justice Department's position. The Justice Department while supporting the bill, proposed some changes in the language of S. 895. The subcommittee did, in the course of its deliberations on S. 895 and S. 754, adopt a majority of the 29 specific language changes proposed by the Department.

Also testifying on September 14 were former Congressman Abner J. Mikva, author of H.R. 7107, speedy trial legislation similar to S. 895; and Professor Daniel Freed, former Director of the Justice Department's Office of Criminal Justice. Commenting on the hearings Senator Ervin said:

"I was most encouraged to find two common threads extending throughout the testimony and statements presented to the subcommittee at that time. First, there was general agreement that speedy trial is not an unattainable goal—that it is a realistic objective within our grasp. Second, I found that a sincere desire to find a practical means to reach that goal speedily pervaded the entire record—everyone has offered constructive comment aimed at realizing our goal just as soon as practically possible."

On October 12, 1972, the Subcommittee on Constitutional Rights adopted an amendment in the nature of a substitute for S. 895 and reported the bill as amended out of the Subcommittee to the full Committee for consideration. In the October 1972 redraft the Subcommittee made six important changes in S. 895 as introduced most of which have been retained in S. 754 as adopted by the full committee:

First, although the basic provision requiring that defendants be tried within 60 days or have their charges dismissed was retained by the Subcommittee in its first redraft of speedy trial legislation, the 60-day requirement would not have become operative until 3 years after enactment. In the meantime, beginning one year after enactment, trials would have had to be held within 180 days and, beginning 2 years after enactment, trials would have had to be held within 120 days. There was considerable sentiment among witnesses at the Subcommittee's 1971 hearings that it was unrealistic to expect Federal courts to be able to conduct 60-day trials within 3 months of enactment as provided in S. 895 as introduced. The amendment adopted by the Subcommittee in October 1972 was based upon a suggestion by Senator Percy and others that the time limits be phased-in over a number of years. The Committee's recent amendment to S. 754 lengthens that phase-in from three years to six years.

Second, the Subcommittee in its October 1972 revision of S. 895 added a new section 3164 which would provide that beginning three months after enactment and continuing until the 60-day provision would have been effective 3 years after enactment, detained defendants be tried within 90 days or be released from pretrial detention until trial. There was consensus among the witnesses that although immediate implementation of 60-day trials was impractical, it was important and would be feasible to provide speedy trials for detained defendants. This change is based in part upon a similar provision adopted by the United States Court of Appeals for the Second Circuit. The Committee has retained this provision of S. 754.

Third, the Justice Department suggested that section 3162 of S. 895 be amended to authorize sanctions against defense counsel responsible for unwarranted delay. The Department argued that section 3162 sanctioned government delay by providing for mandatory dismissal if trials were not commenced within the prescribed time limits and that to create a balanced bill, defense attorneys who cause unnecessary delay should be subject to some type of penalty. The provision is based upon language proposed by Senator Thurmond and in many respects is simply a codification of existing law. The Committee has also retained this provision in S. 754.

Fourth, many witnesses contended that the categorization of crimes and effective dates contained in section 3163 of S. 895 which had been derived from an Administration preventive detention bill was artificial and should be eliminated. The bill, as amended by the Subcommittee in October 1972, applied to all offenses except petty offenses. Of course, this section which has been retained in S. 754 is also subject to the phase-in of the time limits contained in section 3161.

Fifth, S. 895 would have allowed the districts considerably more time to prepare their speedy trial plans. While S. 895 as introduced allowed only 3 months to prepare for speedy trials for certain classes of crimes, S. 895 as amended by Subcommittee in October 1972, would have provided at least one year to prepare for 180-day trials and three years to prepare for 60-day trials. The Committee's most recent amendments further lengthen the planning process, in recognition of the need for new resources and the time needed to speed up the entire system without prejudicing important prosecution and defense interests.

Sixth, Section 3163 of S. 895 as introduced had provided a blanket exemption from the time limits for certain complex cases such as antitrust cases and organized crime conspiracy cases. The Subcommittee dropped that provision as a result of criticism by several witnesses who suggested that the provision would remove the impetus to speed up those cases at all. However, complicated cases would still be subject to much more lenient time limits because unusual complexity would be the grounds for a continuance under subsection 3161(h)(8). Therefore, under the new provision adopted in October 1972 and retained in S. 754 complicated cases would be exempted from the standard time limits and given special individualized limits in lieu thereof by court order on a case-by-case basis.

S. 754 as introduced on February 5, 1973, is identical to S. 895 as it was amended by the Subcommittee on October 12, 1972. For a more detailed discussion of the six major changes and the numerous technical changes in S. 895 made by the Subcommittee see Section VI of this report where S. 754 is compared to S. 895 as introduced.

On April 17, 1973, the Subcommittee conducted one day of hearings so that the Department of Justice might have an opportunity to clarify its position on S. 754. Speaking for the Department, Joseph Sneed, then Deputy Attorney General, set out three major areas of concern. First, the Department would have preferred that the Congress defer to the Supreme Court on the whole matter and await the impact on court delay of its recently promulgated Rule 50(b) which requires district courts to adopt speedy trial plans. Second, the Department was concerned about the flexibility of the time limits and the sanction of dismissal for failure to comply with the time limits, and third, the speed with which S. 754 would implement these time limits. These and other issues are discussed in Sections IV and VI of this report.

In response to the Department's concerns the Subcommittee adopted a number of amendments to S. 754 and reported the measure to the full Committee in April of 1974. On July 10th, the full committee reported the measure to the floor with several additional amendments, including a replacement of the dismissal with prejudice with dismissal without prejudice. (See p. 2 *supra* for a summary of the most recent amendments to S. 754.)

IV. DISCUSSION

TITLE I—SPEEDY TRIAL

President Nixon summarized the debilitating effect of court delay upon our criminal justice system in a speech to the National Conference on the Judiciary in Williamsburg in March of 1971:

"In case after case, the appeal process is misused—to obstruct rather than to advance the cause of justice. Throughout the State systems, the average time it takes to process an appeal is estimated to be as long as a year and a half. The greater the delay in commencing a trial, or retrial resulting from an appeal, the greater the likelihood that witnesses will be unavailable and other evidence difficult to preserve and present. This means the failure of the process of justice.

"The law's delay creates bail problems, as well as overcrowded jails; it forces judges to accept pleas of guilty to lesser offenses just to process the caseload—in other words, as some have said, to 'give away the courthouse for the sake of the calendar.' Without proper safeguards, this can turn a court of justice into a mill of injustice.

"In his perceptive message on 'The State of the Federal Judiciary,' Chief Justice Burger makes the point that speedier trials would be a deterrent to crime. I am certain that this hold true in the courts of all jurisdictions, not just the Federal courts.

"Justice delayed is not only justice denied, it is justice circumvented, justice mocked, and the ssytem of justice undermined."

The committee shares the President's view of the crisis in the criminal justice system. Congress must recognize that delay in the Federal criminal justice system occurs at two levels, between arrest and trial and also post trial in the appellate process. However, the Committee has concluded that from the point of view of crime control and the constitutional rights of defendants, the most serious aspect of delay in the Federal criminal justice system has to do with the period between arrest and the Commencement of trial or retrial resulting from appeal. Therefore, S. 754 is addressed to the problem of delay in commencing trial rather than delay related to the trial itself, sentencing or even the appellate process. A study by the Federal Judicial Center on delay in Federal criminal cases found that 84 percent of the delay between indictment and sentencing in the criminal cases it studied occurred between indictment and the commencement of trial. Appellate delay is a serious problem but the number of retrials resulting from successful appeals is not large because the rate of success on criminal appeals is still relatively small. Furthermore Congress has already addressed the question of delay in the Federal appellate process with the creation in 1972 of the Commission on Revision of the Federal court appellate system. Therefore, it is trial delay, not appellate delay, which has most seriously undermined the deterrent value of the criminal process, created the crisis in pretrial crime, and which must command the primary attention of Congress at this time.

In a speech in April 1973 former Attorney General Richard Kleindienst summarized very forcefully the discouraging situation on State and Federal criminal courts:

"We in the Federal system believe we are in the forefront of improvement, yet the Administrative Office for U.S. Courts shows in its latest report that the median time for disposition of a criminal case in a jury trial is 6.3 months. In some districts it runs up to 12 and 15 months. My information is that the situation is at least as bad in many state courts. In one Eastern metropolis the average time from arrest to disposition of a felony case is 6½ months, while many cases run much longer. Other studies show an average lapse of more than eight months in two different populous counties in the Midwest. I understand that in many state courts a disposition time of two years or more is not uncommon."

The Federal Judicial Center study mentioned earlier confirms the Attorney General's conclusion that there is a speedy trial crisis in the Federal courts. It found that the average delay between arrest and indictment in the busier Federal courts was over 100 days and between indictment and trial over 250 days. This suggests that delay between arrest and trial may be as long as 350 days. Another study by the Center involving many of these same Federal courts suggests that the situation has not improved over the past two years. While during fiscal year 1970, fifty-seven percent of all cases were over 3 months old at disposition, in fiscal year 1972 fifty-nine percent of all cases were over 3 months old at disposition. Unfortunately, the study only measured the time between indictment and disposition and did not include the time between arrest and disposition. If those figures were included, the situation would look much worse.

Judged by any standard the approximate one-year delay in commencing trial in Federal criminal cases reflected in the Center's statistics is a disturbing revelation. Judged by its impact upon the deterrent value of the criminal justice system, a hiatus of 10 to 12 months between arrest and trial is unacceptable. Although it is difficult to measure the deterrent effect of the criminal justice system, one important indicator is the relationship between delay in commencing trial and the likelihood that a defendant released prior to trial as required by the Constitution will commit a subsequent crime during that period because he feels that he will never be held accountable for his first crime. The only study on this subject was conducted by the National Bureau of Standards in 1970 and indicates that if a defendant is released pretrial the likelihood he will commit a subsequent crime increases significantly if he is not brought to trial within 60 days of arrest. This suggests that if the criminal justice system is to have deterrent effect it should try defendants within two or three months, not one year, after arrest.

A second standard by which to judge these figures is the length of time within which experts feel it is feasible to commence trial in the typical Federal criminal case. Federal prosecutors, former Federal prosecutors, defense attorneys, the American Civil Liberties Union, District of Columbia judges and United States district court judges have testified before the subcommittee that in the typical Federal criminal prosecution trial can—and should—occur within approximately 2 months of arrest. As Judge George L. Hart, Jr. of the United States District Court for the District of Columbia told the Constitutional Rights Subcommittee in 1970:

"Every criminal trial except for extraordinary circumstances, should be tried within 6 weeks to 2 months, and if this were done, I would seriously doubt that you would need to amend the Bail Reform Act to provide for preventive detention.

"While it would be true that some crime would no doubt be committed in this 6-week to 2-month period, I think in most cases it would be at an absolute minimum."

According to Whitney North Seymour, Jr., former United States Attorney for the Southern District of New York, perhaps the busiest United States district in the country, prosecutors in his office are ready for trial within 60 days of arrest in all "short trial" cases. These cases comprising "the overwhelming bulk of cases" in his district, are defined as cases which can be tried within 3 court days. Because of this and other evidence, the committee has reached the conclusion that the goal of speedy trial should be to reduce the period between arrest and the commencement of trial to 90 days in the typical Federal criminal prosecution. The purpose of S. 754 is to achieve that goal within 7 years of enactment.

A. Causes of delay

While there seems to be considerable consensus that the goal of achieving trials within 90 days in the typical criminal prosecution is desirable and necessary in a well-working criminal justice system, there is great controversy over how this goal should be achieved. At the heart of this controversy is a fundamental disagreement over the causes for delay.

Every expert on criminal justice delay has his own explanation. Frequently each theory reflects experience associated with a particular perspective of the observer. Defense counsel often blame delay on the prosecutors—prosecution may blame the courts and defense counsel—and the judges often blame both sides. This was reflected in hearings held before the Subcommittee on April 17, 1973 when the Justice Department representatives blamed unnecessary defense motions as a primary cause of delay, while Gilbert Rosenthal, past President of the National Association of Criminal Defense Lawyers, rejected that argument and accused the United States Attorney's Office in the Southern District of New York of judge-shopping.

The Subcommittee on Constitutional Rights in its three years of study of delay in the Federal criminal justice system has concluded that the causes of delay are as complex as the system itself. It recognized that the litany of blame described above will never result in a comprehensive explanation of the causes of delay because discussions among prosecutors, defense counsel and judges which accomplish no more than pointing out the failures of the others are fruitless. The major reason for this non-dialogue is that delay has become an integral part of criminal justice administration. Judges, prosecutors, and defense counsel in many jurisdictions have come to depend upon delay to cope with their workloads. As is discussed in greater detail in subsection B below, no effective statutory or constitutional incentive currently requires judges, defense attorneys and prosecutors to come to grips with their own inefficiency. Until speedy trial is statutorily mandated upon the system from the outside, along with resources where necessary to make it possible, many participants in the criminal justice process will not—and probably cannot—discipline themselves to discover the real causes for delay and to take effective steps to end delay.

Without a mandate requiring speedy trial the Subcommittee discovered that comprehensive analysis and action toward speedy trial was impossible among components of the criminal justice system. Therefore, the Subcommittee concluded that Congress could not at the present time resolve the delay problem by adopting specific criminal procedure reform proposals, an alternative discussed in greater detail in Subsection B below.[1]

A more immediately fruitful avenue of reducing delay is to eliminate the wasteful loss of time involved in moving from one stage or procedure of the pretrial process to the next. For example, in most Federal prosecutions almost half of the delay between arrest and trial is consumed awaiting indictment. This is not because the grand jury hearing itself takes weeks or months—in most cases presentation of evidence and deliberation combined is a matter of hours. However, weeks and months of delay are consumed simply waiting for a grand jury to hear the case. Similarly great and unnecessary delays are involved once the grand jury votes a bill until the papers are completed and the formal indictment is issued.

Another example of lengthy delay between proceedings was reflected in the Federal Judicial Center's speedy trial study which measured the delay between pretrial and the commencement of trial. Pretrial was defined as the point after the last substantive motion in a criminal case had been decided. Therefore, the period between that point and the commencement of trial represents delay simply awaiting a judge to hear the case or prosecutor or defense counsel prepared to begin trial. By definition neither the judge, prosecutor nor defense counsel could point to a pending pretrial proceeding as the cause of delay between pretrial and commencement of trial. The Federal Judicial Center found that on the average that period was 75 days. Furthermore, the Federal Judicial Center found that it took on the average 387 days simply to dismiss a case. On the whole these extraordinary delays can be blamed on two basic causes: (1) inefficient use of existing resources and (2) inadequacy of resources for courts, prosecutors and public defenders.

However, as the President said in his Williamsburg address, more prosecutors, judges, clerks, United States Marshals is not the total answer. That would simply mean more of the same. Rather, modern management techniques must be utilized by courts, prosecutors and defense counsel to control more efficiently the flow of cases from one pretrial stage to the next.

It is common knowledge that the technology for more efficient management of caseload not only exists but is presently being utilized in the Federal system. In his annual report on the state of the Federal judiciary on August 14, 1972, the Chief Justice summarized many of the important developments in this area in the past few years. First, the Institute of Court Management has been established at the University of Denver Law School. The Institute has been providing two vital services: research into court management problems and training of court personnel in the use of modern management techniques. Second, the Federal Judicial Center has been serving much the same purpose with a special emphasis on the problems faced by the Federal judiciary. A third development was the creation by Congress of the position of court executive for each of the 11 circuits to bring, in the Chief Justice's words, "modern concepts of private business and public administration into the Federal courts."

Two major contributions by the Federal Judicial Center to the cause of speedy trial in the Federal courts include the speedy trial studies and statistics mentioned earlier in this report and the development of a management information system for use in the Federal courts called COURTRAN. This system which has been placed in operation in the District Court for the District of Columbia and in the Northern District of Illinois monitors the flow of cases through the court, pointing out problem cases and helping judges and court personnel analyze and remedy causes of delay. The system was specifically designed to help courts comply with statutory time limits provisions such as those contained in S. 754.

This new research and training has already resulted in the development and application of important, new procedural techniques in the Federal judiciary. In his speech the Chief Justice mentions two innovations. The individual calendar has been adopted in a number of districts. Under this calendaring system, cases are assigned to a particular judge who is responsible for every phase of the case through post-trial motions. Therefore, responsibility for pretrial delay is clearly associated with that judge. And secondly, the omnibus hearing procedure deals with the problem of successive pretrial motions being filed on a "one-at-a-time basis" thereby delaying the commencement of trial. Under the omnibus proceeding all pretrial motions must be consolidated, filed by a certain date and heard together.

Prosecutors have also begun to use sophisticated management techniques to deal more efficiently and intelligently with their staggering caseload. A leader in this respect is the United States Attorney's Office in the District of Columbia. That office, with only about 100 assistant United States Attorneys, handles between 30,000 and 40,000 criminal cases a year. With the help of a grant from the Law Enforcement Assistance Administration that office established an automated information system called PROMIS (Prosecutor's Management Information System).

In a recent article describing PROMIS in the *American Criminal Law Quarterly* the two assistant United States attorneys who developed the system, Fred Watts and Charles Work, listed four basic pieces of information that the system is able to supply the prosecutor:

(1) Reports and statistical information on cases processed, method of disposition and attorney performance;

(2) A method of tracking defendants through the criminal justice system in order to minimize delays, crime on bail, and miscarriages of justice;

(3) A daily list of cases which would rank cases in order of urgency for conviction and identify potential problem areas, and

(4) Automated notification of witnesses concerning court appearance dates, change of trial dates, and cancellation of trials.

The Justice Department credits this new

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[1] Without a comprehensive understanding of the "underlying causes of delay" the Subcommittee concluded that it would be irresponsible to recommend habeas corpus reform, modification of the exclusionary rule, abolition of the grand jury, enactment of an omnibus hearing procedure or more liberal pretrial discovery as a panacea for delay in criminal justice administration.

management system with being one of the major reasons for reducing the delay between indictment and disposition in the District of Columbia from 9.5 months in 1968 to 2 months in 1972.

Such management technology would be of immense value to United States Attorneys' offices elsewhere in the Federal system. There are only about 1,250 staff attorneys working in United States Attorneys' offices around the country, yet over 185,000 matters were brought to their attention by the Federal Bureau of Investigation and other Federal investigative agencies in fiscal year 1972. Of these 185,000 matters the United States Attorneys declined to prosecute in almost 120,000 or well over 60 percent of the cases. Obviously enormous amounts of time and energy are spent on that screening process, not to mention the management nightmare of bringing the remaining 60 thousand cases to disposition. A management information system like PROMIS would be invaluable to United States Attorneys' offices in making these critical decisions and managing this staggering caseload.

The Justice Department is now encouraging United States Attorneys' offices to adopt management information systems like PROMIS. But even if that technology is made available, the United States Attorneys must have the incentive to use it, just as the courts must have the incentive to use the new technology being made available to them. Furthermore, assuming that the technology were made available and Congress created the incentive to use it, the resources expended on prosecution of Federal criminal cases would still probably be inadequate.

Although the Federal government spends approximately $85 million on the United States Attorneys' program, that amount is disproportionately small when compared to the amount it spends investigating cases. For example, the total budget of the Federal Bureau of Investigation is almost three times that amount. There are over 7800 FBI agents but only 1200 United States Attorneys to process the cases investigated by the Bureau. It is no small wonder that the United States Attorneys' offices around the country are swamped with work and must turn down over 60 percent of the cases brought to them by the Bureau.

Of course, the same case can be made for the inadequacy of resources for courts and defense services. Even with the implementation of every conceivable innovation, most Federal courts would possibly not be able to try criminal cases within 90 days of arrest unless there is a considerable increase in available resources. Even a three- or fourfold increase in the appropriation for the Federal judiciary would seem a small price to pay for speedy trial and an efficient criminal justice system. The whole Federal judiciary costs the taxpayer approximately $200 million annually, which is less than the total estimated cost of one nuclear-powered guided missile frigate. In view of the pressing need to improve justice and increase "law and order," quite clearly some of the resources even now allocated to improving the criminal justice system should be and can be directed toward achieving the goal of 90-day speedy trial.

In summary, the Committee has found no comprehensive analysis of the causes of delay in processing criminal cases in the Federal system. This is in part because all of those involved in the administration of criminal justice, judges, prosecutors, and defense counsel alike have come to depend on delay. Therefore, no incentive exists to find the causes of delay because there is no institutional requirement for speedy trial which applies equally to judges, prosecutors, and defense counsel. The Committee has also found that the technology has been developed for moving cases more rapidly from one pretrial procedure to the other, but without the institutional incentive for speedy trial this technology is only being used erratically and not system-wide. Finally, even if the incentive existed to find the underlying causes of delay and to utilize new technology and procedures to attack these underlying causes, additional resources would still be required for courts, prosecutors and defense services.

B. Alternative approaches

The committee has examined four different approaches under active consideration or presently being used on both the State and Federal level to achieve speedy trial. The committee judged each alternative by one general standard—whether it could serve as a vehicle in the Federal system for the achievement of trials within 90 days of arrest for the typical criminal prosecution. More specifically the committee was searching for a scheme which would eliminate court and calendar congestion prior to trial, (1) by encouraging the Federal criminal justice system, courts, prosecutors and defense attorneys alike to search for the specific causes of delay in their own jurisdictions, (2) by encouraging those same people and agencies to agree upon a strategy for alleviating the delay problem, including the application of new management technology and other innovative procedures and (3) by providing sufficient resources to the system.

1. Simplifying pretrial procedures

The first suggested alternative for dealing with pretrial calendar congestion and delay is the proposal that certain pretrial proceedings be revised, simplified, or eliminated. For example, as early as 1931 a national crime commission suggested that the grand jury itself is an unnecessary appendage and should be abolished. Of course, at least in the Federal system, a formal abolition of the grand jury would probably require a constitutional amendment and such a proposal provokes considerable controversy.

It has also been suggested that a large amount of the pretrial delay occurring in Federal criminal cases results from pretrial motions based upon recent Supreme Court rulings. The *Miranda* opinion, the various search and seizure cases, the *Wade-Stoval* line of cases on identification, and other rulings during the past decade have no doubt made the prosecution of Federal cases more complex. Therefore, some reformers advocate Federal legislation which would restrict or modify these requirements as a means of reducing pretrial delay.

Despite years of controversy, however, the actual impact of these Supreme Court decisions upon pretrial delay in Federal cases is unclear. For example, there are no statistics indicating how frequently motions based upon these cases are actually filed in Federal criminal cases. A forthcoming study by the Federal Judicial Center on this subject should shed some light upon whether defense attorneys are actually filing more pretrial motions as a result of these court decisions or whether defense attorneys rarely have grounds for such motions. It stands to reason that the latter might be the case because of the professionalism of the Federal Bureau of Investigation which only very infrequently subjects a defendant to a search, identification, or confession in violation of the Supreme Court's rulings.

Until these questions are resolved, it would be unwise to consider legislation which would modify or restrict these procedures. Furthermore less controversial alternatives exist. As in the case with grand jury delay, hearings on these matters are usually rather summary. Delay caused by the motions result from the time waiting for a judge to hear the motion and is not usually caused by the hearing itself. At this time the more fruitful course is to encourage the courts and United States Attorneys to adopt innovations such as the omnibus hearing and modern management techniques which are designed to reduce delay in procuring a hearing rather than attempt to eliminate the hearing altogether.

The Justice Department has made a proposal along the same lines in regard to habeas corpus petitions. In testimony on S. 895 before the Subcommittee on Constitutional Rights in September 1971, the Department pointed to the alarming increase in the number of petitions filed by State and Federal prisoners for collateral relief in the Federal courts. The Department proposed legislation restricting the jurisdiction of the Federal courts to entertain the petitions. In 1950 there were 672 such petitions filed in the Federal courts, while in 1971 the number had grown to over 9,000. While the alarming increase in prisoner petitions has had an important impact upon the workload of the Federal courts, its impact on delay in commencing criminal trial may not be as significant as one might suspect. This is because a habeas petition only contributes to the speedy trial problem if it actually results in a hearing or is successful. However, the number of hearings resulting from habeas petitions is not significant and according to the Administrative Office of the United States Courts, the success rate on petitions is less than 5 percent.

Furthermore the amount of time actually spent by judges on these petitions is minimal. A time study conducted by the Federal Judicial Center indicates that the average district judge actually spends less than 5 percent of his time on prisoner petitions. Furthermore, reform of the Federal habeas corpus statute probably should be considered in the context of the friction it causes between State and Federal courts, and the necessity for improving post-conviction review procedures, rather than in the context of reducing court burdens.

Elimination of certain pretrial procedures no doubt will reduce some of the time it takes to bring a case to trial. But all such proposals including these of the Justice Department to reform habeas corpus procedures and to alter the exclusionary rule, produce great debate and controversy. In terms of reducing delay, the time it would take to effectuate such changes through Congress may be far greater than the savings in time eventually achieved. And most important for our purposes here, none of these proposals touch upon the most immediate and least justified cause of delay—inefficient management of resources. No matter how many pretrial procedures are challenged, certainly a minimal number are constitutionally required and would have to be retained. As long as there are such procedures, there will be congested calendars associated with the procedures and therefore substantial pretrial delay. The committee sees greater immediate gain by applying good management techniques to the congested calendars associated with the pretrial procedures first, and leaving the question of which procedures should be eliminated until later.

2. Judicial interpretation of constitutional speedy trial provisions

Although few jurisdictions have relied upon the first alternative—eliminating certain pretrial procedures—the second approach has been tried in most States. This traditional approach to the speedy trial problem involves interpretation of a State constitutional provision requiring speedy trial usually based upon language similar to that contained in the sixth amendment to the United States Constitution. The evidence of the failure of this approach is overwhelming, especially on the Federal level where in over two-thirds of the criminal cases there is a more than 90 day lag between indictment and disposition.

The reason for the failure of the courts to achieve speedy trial through case-by-case interpretation of constitutional speedy trial provisions is quite simple. Both State and Federal judges who interpret these provisions usually do not act unless called upon by the defendant. Only very rarely is it in the defendant's interest to seek speedy trial, for in most cases it is the last thing he wants. Most defendants realize that delay inures to their benefit while speedy trial may mean speedy incarceration of the guilty.

Furthermore, State and Federal courts interpreting constitutional speedy trial provisions have placed so many burdens upon the rare defendant who seeks a speedy trial that such motions rarely succeed. In a recent case, a North Carolina court summarized very succinctly the prevailing rules applied to the constitutional concept of speedy trial as viewed by the courts:

"[U]ndue delay cannot be defined in terms of days, months, or even years. The length of the delay, the cause of the delay, prejudice to the defendant and waiver by the defendant are interrelated factors to be considered in determining whether a trial has been unduly delayed. The burden is on the accused who asserts the denial of his right to a speedy trial to show that the delay was due to the neglect or willfulness of the prosecution." [*State* v. *Ball* 277 N.C. 714, 717, 178 S.E. 2d 377, 380 (1971)]

A speedy trial motion usually succeeds only after all of the following requirements are met: First, the defendant cannot simply rely upon a showing of lengthy delay. The courts have held that the sixth amendment right is relative and that no precise time limit is constitutionally required. Therefore lengthy delay between indictment and trial by itself is not determinative. Second, the defendant must not be the cause of delay. Even if the prosecution is the cause, the defendant must prove that delay was "purposeful or oppressive." Third, in most cases, a defendant must also prove that he was prejudiced by delay. To show prejudice, a defendant must demonstrate that his ability to prepare his defense has been undermined in particular, and not merely in general terms. Fourth, under traditional constitutional doctrine, an accused impliedly waives his right to a speedy trial if he does not assert it during the period of delay.

In addition to these factors which have prevented an effective court-developed rule for insuring speedy trials, there are other more general reasons why case-by-case adjudication is not satisfactory. First, the sixth amendment is a right of the community as well as of any particular defendant. There are reasons for enforcing speedy trial which go far beyond the particular interest of any one individual. The administration of justice is the most sacred function of government, and the failures of our criminal justice system which are reflected in intolerable criminal justice delay are a responsibility of Congress, not of individual litigants.

Second, the factors which cause delay are endemic to the criminal justice system, and are not susceptible to remedy by decisions in individual cases. While the sixth amendment remains to protect against isolated abuses, general legislation such as S. 754 is required to attack the problem in its entirety.

Third, trial delay as already suggested, is not simply a matter of "purposeful" delay by the prosecution or defense counsel. Rather it is a product of the joint failure of court administration, judges, the prosecution, the defendant, defense attorneys, and Congress as well, and remedies must be designed with this in mind.

Quite clearly, the case-by-case approach cannot, and should not be expected to solve the problem of court delays.

3. Statutory time limits plus dismissal sanction

In the face of the failure of the case-by-case approach, some States have recognized that the criminal justice system itself has an affirmative duty to the defendant and to society in general to assure speedy trial in criminal cases. Instead of predicating speedy trial upon the rare defendant who seeks it by motion, these States have established strict time limits within which criminal trials must commence.

In these States, a statute sets a maximum number of days within which certain events in the criminal process must take place. For example, in California, trial must occur within 60 days of filing of information; in Illinois, within 120 days of arrest; in Iowa, within 60 days of indictment. The statutes also exclude certain periods of time from the time limits—for example, time consumed by certain pretrial proceedings and most of the statutes allow exclusions for "good cause".

Many of the statutory schemes require that the criminal charge against the defendant be dismissed if trial does not commence within the time limits. Indeed the English Habeas Corpus Act of 1679 required that trials be commenced within a time certain on the pain of dismissal, although the dismissal was not with prejudice. Most of the older speedy trial statutes modeled after the Habeas Corpus Act also provide for dismissal, but without prejudice.

The American Bar Association Minimum Standards on Speedy Trial recommend that if a defendant has not been brought to trial within the time limits, the charges be dismissed with prejudice. Many of the more recent State speedy trial statutes take the same position (e.g. Florida, New Mexico, Illinois, and New York). The necessity of a mandatory dismissal with prejudice provision was stated quite succinctly in the commentary to section 4.1 of the American Bar Association's Speedy Trial Standards:

"The position taken here is that the only effective remedy for denial of speedy trial is absolute and complete discharge. If, following undue delay in going to trial, the prosecution is free to commence prosecution again for the same offense, subject only to the running of the statute of limitations, the right to speedy trial is largely meaningless. Prosecutors who are free to commence another prosecution later have not been deterred from undue delay."

The committee agrees in principle with the ABA's conclusion. Although, a mandatory dismissal with prejudice sanction is not included in S. 754 the bill provides for dismissal with a subsequent prosecution only in the most "exceptional circumstances" (see section 3162).

Of course, the dismissal sanction is not only a deterrent for unwarranted prosecutorial delay. It also works as a powerful sanction against inefficient use of judicial resources. Professor Lewis Katz of Case Western Reserve Law School in his book *Justice Is the Crime—Pretrial Delay in Felony Cases* describes the effect that the dismissal sanction will have upon prosecutors and judges:

"Dismissals for failure to comply with the statute will require explanations to the public from judges and prosecutors; if a significant number of dismissals occur, demands for explanation will not be long coming."

Furthermore, the dismissal sanction also creates an incentive in the defendant and his counsel to seek speedy trial. The prosecutor and judge know that they must move cases within the time limits or face the consequence of dismissal.

However, if the judge and prosecutor have agreed upon effective speedy trial procedures and are adequately funded, then few defendants will succeed on their dismissal motions. In California, which has had a statute providing speedy trial time limits plus dismissal sanction for over 100 years, there are very few dismissals.[2] For example, in San Diego there are only about three or four speedy trial dismissals out of approximately 17,000 criminal filings in one year. The time limits plus dismissal sanction provision has been very effective in encouraging judges, defense attorneys and prosecutors to work together in good faith to achieve speedy trial. Most importantly, it has encouraged the state legislature to make sufficient resources available to the California criminal justice system to avoid the embarrassment of mass dismissals under the speedy trial statute.

4. Judicially imposed time limits plus dismissal sanction

In recent years a number of State court systems and the Federal court system itself have promulgated their own set of speedy trial rules including time limits and, in several cases, the sanction of dismissal with prejudice for failure to meet the limits. In some cases, like Florida, the State legislature specifically delegated to the State court system the authority to promulgate such rules. In other States, like New York, the court acted on their own, adopting tough rules which forced the State legislature either to appropriate enough money for the criminal justice system so that it might comply with the rules, repeal the rules, or replace them with a more moderate alternative.

On Januay 5, 1971, the Judicial Council for the United States Court of Appeals for the Second Circuit announced its intention to place into operation six months hence a set of rules requiring the prompt disposition of criminal cases. In essence, the rules require the Government to be ready for trial within six months of arrest if the defendant is not detained, and within 90 days if he is detained. The rules also allow a number of the traditional exclusions (i.e. for certain pretrial proceedings), suggested by the American Bar Association Standards, and contained in many of the modern speedy trial statutes. The rules also contain a mandatory dismissal sanction if the United States Attorney is not ready for trial within the prescribed time limits.

Although the Federal Rules of Criminal Procedure at that time contained general speedy trial admonitions in Rule 48, the Second Circuit rules represent the first effort to apply time defined limits plus a mandatory dismissal sanction in Federal criminal cases. Within a few months of the promulgation of the Second Circuit rules, the Chief Justice announced his intention to propose an addition to the Federal Rules which would encourage district courts to promulgate similar rules. On April 25, 1972, the Supreme Court sent to Congress its proposed amendments to the rules which contained a new rule, Rule 50 (b), which reads as follows:

"Rule 50. Calendars; plan for prompt disposition"

* * * * *

"(b) Plan for achieving prompt disposition of criminal cases.—To minimize undue delay and to further prompt disposition of criminal cases, each dstrict court shall conduct a continuing study of the administration of criminal justice in the district court and before United States magistrates of the district and shall prepare a plan for the prompt disposition of criminal cases which shall include rules relating to time limits within which procedures prior to trial, the trial itself, and sentencing must take place, means of reporting the status of cases, and such other matters as are necessary or proper to minimize delay and facilitate the prompt disposition of such cases. The district plan shall include special provision for the prompt disposition of any case in which it appears to the court that there is reason to believe that the pretrial liberty of a particular defendant who is in custody or released pursuant to Rule 46, poses a danger to himself, to any other person, or to the community. The district plan shall be submitted for approval to a reviewing panel consisting of the members of the judicial council of the circuit and either the chief judge of the district court whose plan is being reviewed or such other active judge of that court as the chief judge of the district court may designate. If approved the plan shall be forwarded to the Administrative Office of the United States Courts, which office shall report annually on the operation of such plans to the Judicial Conference of the United States. The district court may modify the plan at any time with the approval of the reviewing panel. It shall modify the plan when directed to do so by the reviewing panel or the Judicial Conference of the United States. Each district court shall submit its plan to the reviewing panel not later than 90 days from the effective date of this rule."

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[2] According to a memorandum submitted to the Subcommittee by Judge Winslow Christian, then Director of the National Center for State Courts.

Before adopting Rule 50(b) the Judicial Conference considered a more substantive alternative. In March 1971 the Conference circulated a draft amendment to Rule 45 which would have set specific time limits for various stages in the criminal process—for example, a 90-day limit between arraignment and trial for detained defendants and 180 days for released defendants. Failure to meet these time limits would not however, have required dismissal with prejudice. Evidently, the Judicial Conference chose the district plans approach embodied in Rule 50(b) because it provided greater freedom of choice for the individual district courts and because of a proper reluctance to adopt a substantive speedy trial rule through amendment of the Criminal Rules of Procedure. Understandably, the Judicial Conference left the consideration of such changes to the Congress where it properly belongs.

The new rule was inspired by the Second Circuit's action and is based, in part, on a provision of S. 754, which requires district courts to develop their own speedy trial plans. The Federal Judicial Center, the research arm of the Federal courts, has developed a model plan and a number of district courts have submitted plans which are even stricter than the model plan. For example, while neither Rule 50(b) nor the model plan require or even suggest, a mandatory dismissal sanction as is contained in the Second Circuit rule, the Northern District of Illinois has submitted a plan pursuant to Rule 50(b) which is very similar to the Second Circuit rules and which also contains a mandatory dismissal provision.

Rule 50(b), the Second Circuit rules, and the various responses to both in the district courts and courts of appeal elsewhere in the Federal system are significant contributions to the cause of speedy trial. However, at the same time, their effect upon the separation of powers between coordinate branches of government should not be a subject of rejoicing by Members of Congress. For, in effect, the Supreme Court and the Second Circuit are doing what, under the Constitution, the Congress should be doing—legislating a solution to the problem of court delay. As Justice Douglas said in his dissent to the promulgation of Rule 50(b):

"There may be several better ways of achieving the desired result (speedy trial). This Court is not able to make discerning judgments between various policy choices where the relative advantage of the several alternatives depends on extensive fact-finding. That is a "legislative" determination. Under our constitutional system that function is left to the Congress with approval or veto by the President. (406 U.S. 981)"

In the past Justice Black refused to concur in the promulgation of Federal Rules of Prodecure which went beyond what he termed "housekeeping details." In 1962 he dissented from the promulgation of procedural rules because they, "determine matters so substantially affecting the rights of litigants in lawsuits that in practical effect they are the equivalent of new legislation which, in our judgment, the Constitution requires to be initiated in and enacted by the Congress and approved by the President."

In the past few months Congress has become increasingly wary about the Supreme Court's promulgation of rules which go beyond "housekeeping details." For example, in the first few months of the first session, Congress enacted legislation which required affirmative Congressional ratification of the Rules of Evidence promulgated by the Supreme Court under the Rules Enabling Act, on November 20, 1972. By overwhelming votes both the Senate and the House warned the Supreme Court to exercise greater care in promulgating rules of procedure.

The Court, in adopting Rule 50(b), has not imposed tough constraints upon the district courts, prosecutors or defense attorneys. The model rules prepared by the Judicial Conference and adopted by most district courts in response to Rule 50(b) recognize that the courts have limited power under the Rules Enabling Act. They also confirm the fact that judges will not force themselves and cannot force their overworked colleagues in the United States Attorneys Office or the Public Defenders Office to move cases more rapidly without an explicit mandate from Congress. The model rules promulgated under Rule 50(b) generally give to the prosecutor considerable discretion to set his own time limits for preparation of the government's case.

Furthermore, the courts have not imposed strict time limits upon themselves in Rule 50(b). The model rules would require trial within approximately six months for released defendants. That is hardly "speedy trial" in the Committee's view. What is more, that 180 day period is measured from indictment and not from arrest. The Federal Judicial Center statistics mentioned earlier show that there may be months additional delay between arrest and indictment in a majority of Federal criminal cases. Thus the 50(b) model plan promises little improvement in overall delay. The model plan does provide for much shorter time limits for defendants in custody. But in the Federal system, most defendants are required to be released prior to trial pursuant to the Bail Reform Act in any case.

A report prepared for the Administrative Office of the United States Courts in a Criminal Justice System Workshop paper at Yale Law School by Mr. Andrew H. Cohn and made available to the Subcommittee on Constitutional Rights has analyzed the initial Rule 50(b) plans submitted by 92 district courts (see p. 220 of the subcommittee's 1973 hearings). This study shows that while the average time limits adopted by the district courts are somewhat shorter, most of the districts adopted the time limits proposed in the Model Plan. Most of the districts surveyed included provisions granting broad discretion with regard to granting extensions of the time limits. The report's comparison of the submitted plans for 20 districts and the current actual court-processing time in those districts shows that district plan arraignment time limits are strongly correlated with the time currently used for this process. In addition, the comparison shows that the district time limits for the period between arraignment and trial for defendants not in custody corresponded to the delay presently experienced in these districts. The arraignment to the trial time limits for defendants in custody were found to vary proportionately with the case load of the particular court. Thus, the effect of the plans submitted under Rule 50(b) has not been to substantially decrease the delays currently experienced in the district courts but to tend to preserve the status quo.

The explanation for the failure of the rule-making approach to achieve speed in trials is obvious. The courts do not have the authority to impose speedy trial upon the other components of the criminal justice system and cannot provide additional resources to understaffed courts, prosecutors and public defender agencies by adopting rules.

C. Approach adopted by the committee in S. 754

Of the four alternatives, the Committee has decided that a statutory approach has the most promise of affecting a significant improvement in speedy trial. Trial delays provide the impetus for those who urge simplification of procedural rules, but it is not persuasive to argue that such rule changes will by themselves eliminate delay. The failure of a "common-law" approach should be obvious since case-by-case adjudication cannot affect major institutional reform even if the courts were willing to impose the requirements on themselves. Judicial caution, plus the unsuitability of the rule-making process for deciding substantive policy issues, makes reliance on the Rules Enabling Act not only inappropriate but inadequate. Quite clearly there is no reason for Congress to avoid exercising what is unquestionably a legislative function and duty to secure the Sixth Amendment right.

Congress has the power under the "Necessary and Proper" Clause of Article I, Section 8, as well as Article III of the Constitution to enact legislation which implements the speedy trial requirement contained in the Sixth Amendment. Congress has on many occasions enacted legislation which implemented other constitutional provisions, for example, the Criminal Justice Act (right to counsel) and the Bail Reform Act (right to reasonable bail). The fact that the Supreme Court in a number of recent cases has not been willing to go quite as far as S. 754 in interpreting the speedy trial provision should not deter Congress from legislating in the area. Indeed, the Court should exercise considerable restraint in interpreting the Sixth Amendment as long as it has little guidance from Congress. None of the Supreme Court's rulings in the speedy trial area go to the question of Congress' power to enact S. 754. They only address the question of a defendant's constitutional right to speedy trial in the absence of legislation such as S. 754.

Many of the substantive features included in the court rule schemes, the Second Circuit rules, Rule 50(b), the New York and Florida State court rules, have been incorporated in S. 754. The most attractive feature in these schemes is that they place upon the criminal justice system an affirmative duty to provide speedy trial for the benefit of society and the defendant. The first step in encouraging the criminal justice system to learn to use existing resources more efficiently and to commit more resources to the system is to enunciate that affirmative duty by statute. Enactment of S. 754 would represent Congress' judgment that the Sixth Amendment requirement of speedy trial is to be defined as trial within 90 days of arrest for the average non-complex criminal case.

S. 754 provides that in the seventh year after enactment of the bill all Federal criminal trials will be subject to a 30-day time limit between arrest and indictment and a 60-day time limit between indictment and commencement of trial. Failure to meet these time restrictions would result in the dismissal of the case. It is important to note that the dismissal sanction and the 90-day combined time limit will not be effective until the seventh year after enactment of the bill. The impact of mandatory time limits and sanctions for noncompliance is cushioned by allowing a six year phasing-in period during which less stringent sanctions and time limits will apply.

The bill does more, of course, than merely impose prosecution limits on the Federal criminal trial. It has carefully constructed exclusions and exceptions which permit normal pre-trial preparation in the ordinary noncomplex cases which represent the bulk of business in the Federal courts. The bill also accommodates complex cases which require long periods of preparation by prosecutors and defense counsel. While the bill does not automatically exclude certain criminal trials by type, it does set forth a method by which the complex case can be identified.

The bill also provides for unusual circumstances which may demand exceptions to the normal time limits. In order to avoid the pitfalls of unnecessary rigidity on the one hand, and a loop-hole which would nullify the intent of the legislation on the other, a balancing test is established in order to enable the judge to determine when the "ends of justice" require an extraordinary suspension of the time limits.

A key aspect of the legislation is the imposition of sanctions, primarily that of dismissal, for failure to meet the limits specified. The mere existence of the technology necessary to unclog the court calendars and even the existence of court personnel trained in that technology will not by themselves result in speedy trial. Only when the system is committed to the goal of speedy trial will these techniques and personnel be put to work. That will not happen unless judges, prosecutors and defense counsel are held accountable for the failure to achieve speedy trial. The most effective means is through the use of sanctions. The dismissal sanction has the effect of compelling judges and prosecutors to choose between speedy trial or no prosecution whatsoever. The sanctions in S. 754 for defense counsel are designed to remind them that there is no "constitutional right" to delay trials for the purpose of frustrating justice.

Sanctions alone are not necessarily sufficient. There will not be dramatic movement toward speedy trial unless both the courts and the prosecutor's office are covered by the time limits. This is not the case in most of the schemes which the Committee has examined. Cases in point are the Second Circuit rule and the statute recently adopted in New York. In both, time limits plus a dismissal sanction have been adopted, but the sanction applies only where the prosecutor is not ready for trial within the time limits. The "ready rule" means that even if the prosecution is prepared to go to trial the sanction cannot be applied if the court is so congested that it cannot provide a judge to hear the pretrial motions or conduct the trial. The effect of this provision is to allow court congestion to nullify the speedy trial rules. Other speedy trial plans allow for suspension of the time limits and exclusions for "good cause" which has been interpreted to include court congestion. S. 754 is drafted in such a way as to avoid these pitfalls. Under the bill the dismissal sanction applies even if there is court congestion, for that is the very problem the bill is designed to address.

Of course, it would be grossly unjust to legislate a scheme of time limits without exceptions for congestion, if there were no method for providing resources for the courts to deal with their overloaded dockets. Where there is no link between a speedy trial requirement and the appropriation process, the courts and the prosecutors are faced with the option of fierce public reaction resulting from wholesale dismissals for failure to meet the time limits or simply ignoring the rule.

S. 754 provides the vital link with the appropriations process through an elaborate planning and reporting process by the district courts. Each district court devises a speedy trial plan. The plans required by the bill would also summarize any additional resources necessary in the court, the United States Attorney's Office, and the Public Defender Office. These reports are summarized and approved by the Judicial Conference which submits a nation-wide master plan to the Congress.

This is the mechanism which will enable the Federal criminal justice system to prepare for the achievement of 90-day trials and for Congress to provide the necessary resources for additional judges, prosecutors, public defenders and management technology. Furthermore, S. 754 does not impose the time limits immediately upon the Federal system but delays their effective date until seven years after enactment. The bill requires the Chief Judge in each District to sit down with the United States Attorney, the Public Defender, or attorneys active in the defense in criminal cases if there is no Public Defender, and agree upon a seven-year strategy to comply with the 90-day trial requirement. Faced with the inevitability of Congress' mandate, the parties will have to work in good faith to formulate a plan—agreeing upon what innovative procedural rules and new management systems to adopt and itemizing the essential new resources necessary to meet the Congress' mandate. The plan would require a careful study of the causes of delay in that court, the adoption of those innovations which will meet the peculiar needs of the court, and a budget requesting the necessary additional resources. These plans will help the system to allocate existing resources more efficiently and to present Congress with a precise statement of what more is needed and how it will be used.

At that point the courts, the prosecutors and the public defenders will have done all in their power to achieve speedy trial. They will have agreed to a 7-year plan during which 90-day trials in the average simple Federal prosecution would be phased-in. Then the reponsibility will be on Congress, where it ultimately must reside.

The Congress will have two alternatives. It can appropriate to the criminal justice system those additional resources which are proved to be necessary to achieve the goal set by law in this bill. If the criminal justice system has fulfilled its responsibilities to the statute, to the Sixth Amendment, and to justice, any failure of Congress to do its part will be evident. Congress would then have to bear the burden of imposing obligations on others, while failing to meet its own.

The advantage of this approach is evident. In the past, each of the parties—the courts, the prosecution, the defense, and the Congress—have been able to avoid the problem of court delay by pointing out the failures, real or imagined, of the others. Judges have not improved procedures in the courts. Rather, they have repeatedly asked for more judicial appointments as the easy solution. Congress, reluctantly, has granted some of these requests always seeking vainly some solution other than the unending request for more judges. Courts, failing to get all they wish from Congress, point to this as a reason for trial delay. This litany of blame is duplicated in disputes between prosecutors and defense counsel. The simple answer is that trial delay is not to be laid at one door, but at all. S. 754, by imposing responsibilities on all parties, and sanctions on them as well, seeks to break through this fruitless circle of fingerpointing and waste of resources.

The approach adopted in S. 754 has been carefully tailored to remedy the failures of past efforts. The time limits provisions plus the phase-in and planning process will encourage courts, prosecutors and defense attorneys to search for specific causes of delay in their own jurisdictions and to agree upon a strategy for alleviating the delay problem. Hopefully it will result in the application of new management technology and other innovative procedures. Finally, and perhaps most importantly, this planning process should provide Congress with a mechanism for adopting an intelligent and economical budget and strategy for speedy trial—providing courts, prosecutors and defense services with the additional resources necessary to make the strategy work.

D. Conclusion

The approach adopted by the Committee in Title I of S. 754 has been carefully tailored to meet the criteria is set out for analysis of speedy trial schemes at the beginning of Subsection B above. The time limits provisions plus the phase-in and planning process will encourage courts, prosecutors, and defense attorneys to search for specific causes of delay in their own jurisdictions and to agree upon a strategy for alleviating the delay problem and hopefully will result in the application of new management technology and other innovative procedures. Finally, and perhaps most importantly, this planning process should provide Congress with a mechanism for adopting an intelligent and economical budget and strategy for speedy trial—providing courts, prosecutors and defense services with the additional resources necessary to make the strategy work.

If title I of S. 754 is enacted, it will represent a commitment on the part of the Government to the proposition that the efficient administration of criminal justice is worth any reasonable cost. As has already been suggested, the committee would not find even a three- or four-fold increase in the expenditures on the Federal judiciary extravagant on condition that the resources are efficiently used. However, speedy trial is not likely to be that expensive. The subcommittee heard testimony that in the busy Central District of California the average criminal case is disposed of within 60 days of indictment without the expenditure of any additional resources. In the Southern District of New York, also one of the six or seven busiest Federal districts, the United States prosecutor is ready for trial within 60 days of arrest in the typical criminal case—the type intended to be covered by S. 754.

The "resource" which appears to be lacking until now, and which has been supplied in these court systems, is simply that of will. When there is a desire to achieve speedy trial, the necessary ingredients are apparently easy to find. Absent a genuine desire for speedy trial, there are no incentives on any of the participants to improve the situation. Speedy trial is not self-enforcing. S. 754 will provide the incentive by announcing a clear and definite national policy that trials are to be commenced within 90 days of arrest or receipt of summons. With that national policy announced, as only congressionally enacted law can declare it, the committee is confident that relatively little in additional funds will prove necessary.

TITLE II—PRETRIAL SERVICES AGENCIES

The second title of S. 754 like the first, is designed to improve the efficiency and deterrent of the criminal justice system. More specifically it is designed to reduce the likelihood that defendants released pretrial will commit a subsequent crime before trial commences. While trials within 90 days would be the surest means of reducing pretrial crime, the committee is of the view that more careful selection of pretrial release options for defendants and closer supervision of released defendans would also reduce pretrial crime.

Defendants in the Federal system are released prior to trial pursuant to the Bail Reform Act of 1966. Although there are no statistics on the operation of the Bail Reform Act outside the District of Columbia, it is common knowledge that many Federal judges are reluctant to release defendants pursuant to the act and all too often when they do, defendants either commit subsequent crimes or become fugitives. This situation exists because district courts do not have personnel to conduct interviews of arrested defendants. so that judges can make informed decisions as to whether to release defendants. Furthermore, outside the District of Columbia, there is no agency charged with supervising bail conditions for defendants released prior to trial. Therefore, even if a defandant is released on his own recognizance prior to trial on a condition set by the judge, for example that the defandant refrain from associating with certain persons or that he not use narcotic drugs, there is no agency charged with assuring compliance with the judge's order.

Judges without sufficient information on a defendant's eligibility for pretrial release either detain the defendant until trial or guess at the defendant's likelihood to remain in the jurisdiction. When the court takes the former course, it, in effect, ignores both Federal law and constitutional requirements that a defendant be released prior to trial. Furthermore, pretrial detention is an enormous fiscal burden upon the judicial system. It costs approximately $7 to $10 a day for the Government to detain a defendant. If a defendant is detained for 6 months prior to trial, which is not unusual in the Federal system, the total cost to the Government is between $1,250 and $1,800 for just one defendant.

If the court takes the latter course, and guesses at the defendant's likelihood of flight, it risks releasing a defendant who will flee the jurisdiction. Indeed, recent statistics compiled by the Administrative Office of the United States Courts suggests that the number of fugitives has increased dramatically in recent years and that fugitive defendants may be one of the most significant causes of delay in the Federal courts. According to the report, "Nationally, 57 percent of the criminal cases pending one year or more involved a fugitive defendant." The trend in the number of fugitives in the Federal courts is reflected in the report's finding that in 1968 there were only 1,495 cases pending for more than a year involving a fugitive defendant while in 1971 there were 4,124 such cases.

Title II of S. 754 would attempt to alleviate the fugitive problem by providing 10 Federal districts on a demonstration basis with sufficient resources to both conduct bail interviews and supervise conditions of release. A pretrial services agency, similar to the District of Columbia Bail Agency, would be established in each of these districts. This approach, which has been applauded by almost everyone testifying or commenting on S. 754, is based upon the experience of the Bail Agency in enhancing the operation of the Bail Reform Act in the District of Columbia.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Speedy Trial Act of 1974".

TITLE I—SPEEDY TRIAL

SEC. 101. Title 18, United States Code, is amended by adding immediately after chapter 207 a new chapter 208, as follows:

"Chapter 208.—SPEEDY TRIAL

"Sec.
"3161. Time limits and exclusions.
"3162. Sanctions.
"3163. Effective dates.
"3164. Interim limits.
"3165. Planning process.
"3166. District plans—generally.
"3167. District plans—contents.
"3168. Speedy trial reports.
"3169. Pilot districts.
"3170. Definitions.
"3171. Sixth amendment rights.

"§ 3161. Time limits and exclusions.

"(a) In any case involving a defendant charged with an offense, the appropriate judicial officer, at the earliest practicable time, shall, after consultation with the counsel for the defendant and the attorney for the Government, set a day certain for trial.

"(b) Any information or indictment charging an individual with the commission of an offense shall be filed within thirty days from the date on which such individual was arrested or served with a summons in connection with such charges.

"(c) The trial of a defendant charged in an information or indictment with the commission of an offense shall be commenced within sixty days from the date on which the information or indictment containing such charge is filed (and made public).

"(d) If any indictment or information is dismissed upon motion of the defendant, or any charge contained in a complaint filed against an individual is dismissed or otherwise dropped, for reasons other than those provided in section 3162(a) and thereafter a complaint is filed against such defendant or individual charging him with the same offense or an offense based on the same conduct or arising from the same criminal episode, or an information or indictment is filed charging such defendant with the same offense or an offense based on the same conduct or arising from the same criminal episode, the provisions of subsections (b) and (c) of this section shall be applicable with respect to such subsequent complaint, indictment, or information, as the case may be.

"(e) If the defendant is to be tried again following a declaration by the trial judge of a mistrial or following an order of such judge for a new trial, within sixty days from the date the action occasioning the retrial becomes final. If the defendant is to be tried again following an appeal or a collateral attack, within sixty days from the date the action occasioning the retrial becomes final, except that the court retrying the case may extend the period for retrial not to exceed one hundred and eighty days from the date the action occasioning the retrial becomes final if unavailability of witnesses or other factors resulting from passage of time shall make trial within sixty days impractical.

"(f) Notwithstanding the provisions of subsection (b) of this section, for the first twelve-calendar-month period following the effective date of this section as set forth in section 3163(b) of this chapter the time limit imposed by subsection (b) of this section shall be sixty days, and for the second and third such twelve-month periods such time limit shall be forty-five days.

"(g) Notwithstanding the provisions of subsection (c) of this section, for the first twelve-calendar-month period following the effective date of this section as set forth in section 3163(c) of this chapter, the time limit imposed by subsection (c) of this section shall be one hundred and eighty days, and for the second and third such twelve-month periods such time limit shall be one hundred and twenty days.

"(h) The following periods of delay shall be excluded in computing the time within which an information or an indictment must be filed, or in computing the time within which the trial of any such offense must commence:

"(1) Any period of delay resulting from other proceedings concerning the defendant, including but not limited to—

"(i) delay resulting from any examination and hearing on competency;

"(ii) delay resulting from an examination of the defendant pursuant to section 2902 of title 28, United States Code;

"(iii) delay resulting from trials with respect to other charges against the defendant;

"(iv) delay resulting from interlocutory appeals;

"(v) delay resulting from hearings on pretrial motions;

"(iv) delay resulting from proceedings under Rule 20 of the Federal Rules of Criminal Procedure; and

"(vii) delay reasonably attributable to any period during which any proceeding concerning the defendant is actually under advisement.

"(2) Any period of delay during which prosecution is deferred by the attorney for the Government pursuant to written agreement with the defendant, with the approval of the court, for the purpose of allowing the defendant to demonstrate his good conduct.

"(3)(A) Any period of delay resulting from the absence or unavailability of the defendant or an essential witness.

"(B) For purposes of subclause (A) of this clause, a defendant or an essential witness shall be considered absent when his whereabouts are unknown and, in addition, he is attempting to avoid apprehension or prosecution or his whereabouts cannot be determined by due diligence. For purposes of such subclause, a defendant or an essential witness shall be considered unavailable whenever his whereabouts are known but his presence for trial cannot be obtained by due diligence or he resists being returned for trial.

"(4) Any period of delay resulting from the fact that the defendant is incompetent to stand trial.

"(5) Any period of delay resulting from the treatment of the defendant pursuant to section 2902 of title 28, United States Code.

"(6) If the information or indictment is dismissed upon motion of the attorney for the Government and thereafter a charge is filed against the defendant for the same offense, or any offense required to be joined with that offense, any period of delay from the date the charge was dismissed to the date the time limitation would commence to run as to the subsequent charge had there been no previous charge.

"(7) A reasonable period of delay when the defendant is joined for trial with a codefendant as to whom the time for trial has not run and no motion for severance has been granted.

"(8)(A) Any period of delay resulting from a continuance granted by any judge on his own motion or at the request of the defendant or his counsel or at the request of the attorney for the Government, if the judge granted such continuance on the basis of his findings that the ends of justice served by taking such action outweigh the best interest of the public and the defendant in a speedy trial. No such period of delay resulting from a continuance granted by the court in accordance with this paragraph shall be excludable under this subsection unless the court sets forth, in the record of the case, either orally or in writing, its reasons for finding that the ends of justice served by the granting of such continuance outweigh the best interest of the public and the defendant in a speedy trial.

"(B) The factors, among others, which a judge shall consider in determining whether to grant a continuance under subparagraph (A) of this paragraph in any case are as follows:

"(i) whether the failure to grant such a continuance in the proceeding would be likely to make a continuation of such proceeding impossible, or result in a miscarriage of justice;

"(ii) whether the case taken as a whole is so unusual and so complex, due to the number of defendants or the nature of the prosecution or otherwise, that it is unreasonable to expect adequate preparation within the periods of time established by this section; or

"(iii) whether delay after the grand-jury proceedings have commenced, in a case where arrest precedes indictment, is caused by the unusual complexity of the factual determination to be made by the grand jury or by events beyond the control of the court or the Government.

"(i) If trial did not commence within the time limitation specified in section 3161 because the defendant had entered a plea of guilty or nolo contendere subsequently withdrawn to any or all charges in an indictment or information, the defendant shall be deemed *indicted* with respect to all charges therein contained within the meaning of section 3161, on the day the order permitting withdrawal of the plea of guilty becomes final.

"§ 3162. Sanctions

"(a)(1) If, in the case of any individual against whom a complaint is filed charging such individual with an offense, no indictment or information is filed as required by section 3161(b) of this chapter, such charge against that individual contained in such complaint shall be dismissed or otherwise dropped. The dismissing or dropping of such charge shall not bar a subsequent prosecution.

"(2) If a defendant is not brought to trial as required by section 3161(c), the information or indictment shall be dismissed on motion of the defendant. The defendant shall have the burden of proof of supporting such motion but the government shall have the burden of going forward with the evidence in connection with any exclusion of time under subparagraph 3161(h)(3). Such dismissal shall not bar a subsequent prosection. Failure of the defendant to move for dismissal prior to trial or entry of a plea of guilty or nolo contendere shall constitute a waiver of the right to dismissal under this section.

"(b) After a dismissal pursuant to subsection (a)(1) or (a)(2) a prosecution can be reinstituted for the offense charged, any offense based on the same conduct or arising from the same criminal episode, and any other offense required to be joined with the offense. Such prosecution can only be reinstituted if the court in which the original action was pending finds that the attorney for the government has presented compelling evidence that the delay was caused by exceptional circumstances which the government and the court could not have foreseen or avoided. Exceptional circumstances shall not mean general congestion of the court's docket, lack of diligent preparation or failure to obtain available witnesses.

"(c) Notwithstanding the provisions of subsection (b) of this section, for the first and second twelve-calendar month periods following the effective date of this section as set forth in section 3163(c) of this chapter, a prosecution can be reinstituted subsequent to dismissal made pursuant to section 3163(a) without the requirement of a finding of exceptional circumstances.

"(d) In any case in which counsel for the defendant or the attorney for the government (1) knowingly allows a date certain for trial to be set without disclosing the fact that a necessary witness would be unavailable for trial on such date; (2) files a motion solely for the purpose of delay which he knows is totally frivolous and without merit; (3) makes a statement for the purpose of obtaining a continuance which he knows to be false and which is material to the granting of a continuance; or (4) otherwise willfully fails to proceed to trial on the date set for trial without justification consistent with section 3161 of this chapter, the court may punish any counsel or attorney, as the case may be, as follows:

"(A) in the case of an appointed defense counsel, by reducing the amount of compensation that otherwise would have been paid to such counsel pursuant to section 3006A of this title in an amount not to exceed 25 per centum thereof;

"(B) in the case of a counsel retained in connection with the defense of a defandant, by imposing on such counsel a fine not to exceed 25 per centum of the compensation to which he is entitled in connection with his defense of such defendant;

"(C) by imposing on any attorney for the Government a fine of not to exceed $250;

"(D) by denying any such counsel or attorney for the Government the right to practice before the court considering such case for a period of not to exceed ninety days; or

"(E) by filing a report with an appropriate disciplinary committee.

The authority to punish provided for by this subsection shall be in addition to any other authority or power available to such court.

"(e) The court shall follow Rule 42 of the Federal Rules of Criminal Procedure in punishing any counsel or attorney for the Government pursuant to this section.

"§ 3163. Effective dates

"(a) The time limitation in section 3161 (b) of this chapter—

"(1) shall apply to all individuals who are arrested or served with a summons on or after the date of expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974; and

"(2) shall commence to run on such date of expiration to all individuals who are arrested or served with a summons prior to the date of expiration of such twelve-calendar-month period, in connection with the commission of an offense, and with respect to which offense no information or indictment has been filed prior to such date of expiration.

"(b) The time limitation in section 3161 (c) of this chapter—

"(1) shall apply to all offenses charged in information or indictments filed on or after the date of expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974; and

"(2) shall commence to run on such date of expiration as to all offenses charged in informations or indictments filed prior to that date.

"(c) Section 3162 of this chapter shall become effective after the date of expiration of the third twelve-calendar-month period following the enactment of the Speedy Trial Act of 1974.

"§ 3164. Interim limits

"(a) During an interim period commencing ninety days following the date of the enactment of the Speedy Trial Act of 1974 and ending on the date immediately preceding the date on which the time limits provided for under section 3161(b) and section 3161(c) of this chapter become effective, each district (and the Superior Court for the District of Columbia) shall place into operation an interim plan to assure priority in the trial or other disposition of cases involving—

"(1) detained persons who are being held in detention solely because they are awaiting trial, and

"(2) released persons who are awaiting trial and have been designated by the attorney for the Government as being of high risk.

"(b) During the period such plan is in effect, the trial of any person who falls within subparagraph (a)(1) or (a)(2) of this section shall commence no later than ninety days following the beginning of such continuous detention or designation of high risk by the attorney for the Government. The trial of any person so detained or designated as being of high risk on or before the first day of the interim period shall commence no later than ninety days following the first day of the interim period.

"(c) Failure to commence trial of a detainee as specified in subsection (b), through no fault of the accused or his counsel, or failure to commence trial of a designated releasee as specified in subsection (b), through no fault of the attorney for the Government, shall result in the automatic review by the court of the conditions of release. No detainee, as defined in subsection (a), shall be held in custody pending trial after the expiration of such ninety-day period required for the commencement of his trial. A designated releasee, as defined in subsection (a), who is found by the court to have intentionally delayed the trial of his case shall be subject to an order of the court modifying his nonfinancial conditions of release under this title to insure that he shall appear at trial as required.

"§ 3165. Planning process

"(a) Within sixty days of enactment of this Act, each United States district court and the Superior Court for the District of Columbia shall convene a planning group consisting at minimum of the Chief Judge, the United States Attorney, the Federal Public Defender, if any, a private attorney experienced in the defense of criminal cases in the district, the Chief United States Probation Officer for the district, and a person skilled in criminal justice research and planning to act as reporter for the group. The group shall be responsible for the initial formulation of all district plans and of the reports required by the Act.

"(b) The planning and implementation process shall seek to accelerate the disposition of criminal cases in the district consistent with the time standards of the Act and the objectives of effective law enforcement, fairness to accused persons, efficient judicial administration, and increased knowledge concerning the proper functioning of the criminal law. The process shall seek to avoid underenforcement, overenforcement and discriminatory enforcement of the law, prejudice to the prompt disposition of civil litigation, and undue pressure as well as undue delay in the trial of criminal cases.

"(c) The planning group shall address itself to the need for reforms in the criminal justice system, including but not limited to changes in the grand jury system, the finality of criminal judgments, habeas corpus and collateral attacks, pretrial diversion, pretrial detention, excessive reach of federal criminal law, simplification and improvement of pretrial and sentencing procedures, and appellate delay.

"(d) The planning group shall submit recommendations to the District Court for each of the District plans it must adopt pursuant to section 3166.

"§ 3166. District plans—generally

"(a)(1) Prior to the expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974, each United States district court, with the approval of the judicial council of the circuit, shall prepare and submit to the Administrative Office of the United States Courts a plan for the trial or other disposition of offenses under this chapter (within the jurisdiction of such court) during the second and third twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the thirty-six calendar month period following such date of enactment, each such court, with the approval of such council, shall prepare and submit to the Administrative Office of the United States Courts a plan for the trial or other disposition of offenses under this chapter (within the jurisdiction of such court) during the fourth and fifth twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the sixty-calendar-month period following such date of enactment, each such court, with the approval of such council, shall prepare and submit to the Administrative Office of the United States Court a plan for the trial or other disposition of offenses under this chapter (within the jurisdiction of such court) during the sixth twelve-calendar-month period following the effective date of section 3161(b) and section 3161(c).

"(2) Each such plan shall be formulated after consultation with, and after considering the recommendations of, the Federal Judicial Center, and the criminal justice planning group established for that district pursuant to section 3165. The district court may modify such plan at any time with the approval of the judicial council of the circuit and shall modify the plan when directed by such council. The district court shall notify the Administrative Office of the United States Court of any modification of such plan.

"(b) (1) Prior to the expiration of the twelve-calendar-month period following the date of the enactment of the Speedy Trial Act of 1974, the chief judge for the Superior Court of the District of Columbia, with the approval of the Joint Committee on Judicial Administration in the District of Columbia, shall prepare and submit to the Administrative Office of the United States Courts a plan for the trial or other disposition of offenses under this chapter within the jurisdiction of the Superior Court during the second and third twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the thirty-six-calendar-month period following such date of enactment, the chief judge of such court, with the approval of such Joint Committee, shall prepare and submit to the Administrative Office of the United States Courts a plan for the trial or other disposition of offenses under this chapter, within the jurisdiction of such court. during the fourth and fifth twelve-calendar-month periods following the effective date of section 3161(b) and section 3161(c). Prior to the expiration of the sixty-calendar-month period following such date of enactment, the chief judge of such court, with the approval of such Joint Committee, shall prepare and submit to the Administrative Office of the United States Court a plan for the trial or other disposition of offenses under this chapter, within the jurisdiction of such court, during the sixth twelve-calendar-month period following the effective date of section 3161(b) and section 3161(c).

"(2) Such plan shall be formulated after consultation with, and after considering the recommendations of, the Joint Committee and the criminal justice planning group established pursuant to section 3165. The chief judge may modify such plan at any time with the approval of the Joint Committee and shall modify the plan when directed by such Committee. The chief judge shall notify the Administrative Office of the United States Courts of any modification of such plan.

"(c) Within fifteen calendar months after the date of the enactment of the Speedy Trial Act of 1974, the Administrative Office of the United States Courts, with the approval of the Judicial Conference, shall submit a report to the Congress detailing the plans submitted to it pursuant to the first sentence of section 3166(a) (1) and the first sentence of section 3166(b) (1) of this chapter, including any legislative proposals and appropriations necessary to achieve compliance with the time limitations provided in section 3161. Within thirty-nine calendar months following such date of enactment, the Administrative Office of the United States Courts, with such approval, shall submit such a report to the Congress covering plans submitted to such Office pursuant to the second sentence of section 3166(a) (1) and the first sentence of section 3166(b) (1) of this chapter. Within sixty-three calendar months following such date of enactment, the Administrative Office of the United States Courts, with such approval, shall submit such a report to the Congress covering plans submitted to such Office pursuant to the third sentence of section 3166(a) (1) and the third sentence of section 3166(b) (1) of this chapter.

"(d) District plans adopted pursuant to this section shall, upon adoption, and recommendations of the District planning group shall, upon completion, become public documents. They shall be available (1) to the bar and the press in each district, (2) to the Department of Justice, (3) to the General Accounting Office, (4) to the Judiciary Committees and Appropriations Committees of the Senate and House of Representatives, and (5) at reasonable cost, to others who request them.

"(e) For the purpose of carrying out the provisions of this section, and section 3165 there is hereby authorized to be appropriated such sums as Congress may find necessary.

"§ 3167. District plans—contents

"(a) Each District plan required by section 3166 shall include a description of the norms prevailing at the time of its submission as to characteristics of criminal justice administration in the district, including but not limited to: the time span between arrest and indictment, and indictment and trial; the number of matters presented to the United States Attorney for prosecution; acceptance and rejection rates of prosecutions, and transfers to other districts and to state prosecution; the comparative number of cases disposed of by trial and by plea; the rates of conviction, dismissal, acquittal, nolle prosequi, diversion and other types of disposition; and the extent of preadjudication detention and release, by numbers of defendants and days in custody or at liberty prior to disposition.

"(b) Each plan shall include a description of the time limits, procedure techniques, innovations, systems and other methods, including the development of reliable methods for gathering and monitoring information and statistics, by which the district court, the United States Attorney, the Federal Public Defender, if any, and private attorneys experienced in the defense of criminal cases, have expedited or intend to expedite the trial or other disposition of criminal cases, consistent with the time limits and other objectives set forth in section 3165(b) and section 3165(c).

"(c) Each plan shall prescribe reporting forms, procedures and time requirements, consistent with section 3168, for assembling information concerning (1) the incidence of and reasons for extensions of time beyond the statutory or district standards, (2) the invocation of sanctions for noncompliance with time standards, and (3) the incidence and length of, reasons for, and remedies for, detention prior to trial. These forms shall include the pretrial custody information required by Rule 46(g) of the Federal Rules of Criminal Procedure.

"(d) Each plan shall further specify the rule changes, statutory amendments and appropriations needed to effectuate further improvements in the administration of justice in the district which cannot be accomplished without such amendments or funds.

"§ 3168. Speedy trial reports

"(a) Reports shall be filed for purposes defined in this section by—

"(1) each prosecutor and defense attorney who seeks in an individual case an extension of time, or to avoid a sanction for noncompliance, in respect to a time limit prescribed in the Act or in a district plan,

"(2) each judge who grants or denies such a request in a case,

"(3) each planning group, district court, United States Attorney, and Federal Public Defender in a district, on an annual basis at the end of each twelve-calendar-month period beginning two years after the date of enactment, and

"(4) the Administrative Office of the United States Courts, the United States Department of Justice, and the General Accounting Office, on an annual basis beginning six months after the first reporting date referred to in subsection (a) (3) of this section. The reports referred to under (1) and (2) may consist of the memoranda and briefs of parties, and the written or transcribed opinions of judges, and shall be available to each organization designated in subsection (a) (3). A planning group or district court report referred to under subsection (a) (3) may be satisfied by a recommendation submitted for the same year under section 3165 or a plan submitted for the same year under section 3166 and shall be transmitted to the judicial council of the circuit and each organization designated in subsection (a) (4) of this section.

"(b) The contents of a report shall, to the extent applicable to a person or agency designated in subsection (a) (1), (2), and (3) of this section, include in individual cases or in cumulative profiles:

"(1) reasons for requesting or granting an extension of statutory limits, or for invoking or failing to invoke an applicable sanction,

"(2) the new timetable set, or requested to be set, for an extension, and the nature of the sanction, if any, invoked for noncompliance,

"(3) the effect on criminal justice administration of the prevailing time limits and sanctions, including effects on prosecution, defense, the judicial function, corrections, costs, transfers, appeals,

"(4) the identity of cases which, because of their special characteristics, deserve separate or different time limits as a matter of statutory classification, and

"(5) other information pertinent to the operation and implications of the district's plan.

"(c) District reports filed under subsection (a) (3) of this section shall be received, compiled and analyzed by the national agencies designated in subsection (a) (4) of this section for the purpose of distilling national summaries, and recommendations as to changes in rules, statutes, institutions, appropriations, reporting procedures, or other ingredients of the criminal process. All such reports shall be filed with the Judiciary and Appropriations Committees of the Senate and the House.

"§ 3169. Pilot districts

"(a) There are hereby authorized to be appropriated $5,000,000 to carry out the initial phases of planning and implementation of speedy trial plans under this Act in five pilot Federal judicial districts. The funds shall remain available until expended, and requests to renew the appropriation shall receive priority if endorsed by the planning groups in each of such districts, and their parent agencies.

"(b) The pilot districts shall be designated jointly by the Chief Justice and the Attorney General on the basis of applications received by them from planning groups established under section 3165. Each such application shall describe in detail the process by which the district proposes to carry out the provisions of this Act. To be eligible, applications shall be submitted on or before one hundred and eighty days from the date of enactment, and the designation of pilot districts, and the amount of funds awarded, shall be made public no later than two hundred and seventy days after enactment. All applications shall be public documents.

"(c) No funds appropriated under this section may be expended in any pilot district except by two-thirds vote of the planning group. Funds may be expended for personnel, facilities, and any other purpose permitted by law. Where an expenditure requires further action by Congress, as in the creation of an additional judgeship, such recommendation shall receive priority if endorsed by the national agencies designated in section 3166(d).

"§ 3170. Definitions

"As used in this chapter—

"(1) the terms 'judge' or 'judicial officer' mean, unless otherwise indicated, any United States magistrate, Federal district judge, or judge of the Superior Court for the District of Columbia, and

"(2) the term 'offense' means any criminal offense, other than a petty offense (as defined in section 1(3) of this title) or an offense triable by courtmartial, military commission, provost court, or other military tribunal, which is in violation of any Act of Congress and is triable by any court established by Act of Congress.

"§ 3171. Sixth amendment rights

"No provision of this title shall be interpreted as a bar to any claim of denial of speedy trial as required by amendment VI of the Constitution".

TITLE II—PRETRIAL SERVICE AGENCIES

Sec. 201. Chapter 207 of title 18, United States Code, is amended by striking section 3152 and adding the following new sections:

"§ 3152. Establishment of pretrial services agencies

"The Director of the Administrative Office of the United States Courts shall establish, on a demonstration basis, in each of ten judicial districts (other than the District of Columbia) a pretrial services agency authorized to maintain effective supervision and control over, and to provide supportive services to, defendants released under this chapter. The districts in which such agencies are to be established shall be designated by the Chief Justice of the United States after consultation with the Attorney General, on the basis of such considerations as the number of criminal cases prosecuted annually in the district, the percentage of defendants in the district presently detained prior to trial, the incidence of crime charged against persons released pending trial under this chapter, and the availability of community resources to implement the conditions of release which may be imposed under this chapter.

"§ 3153. Organization of pretrial services agencies

"(a) The powers of each pretrial services agency shall be vested in a Board of Trustees which shall consist of seven members. The Board of Trustees shall establish general policy for the agency.

"(b) Members of the Board of Trustees shall be appointed by the chief judge of the United States district court for the district in which such agency is established as follows:

"(1) one member, who shall be a United States district court judge;

"(2) one member, who shall be the United States attorney;

"(3) two members, who shall be members of the local bar active in the defense of criminal cases, and one of whom shall be a Federal public defender, if any;

"(4) one member, who shall be the chief probation officer; and

"(5) two members, who shall be representatives of community organizations.

"(c) The term of office of a member of the Board of Trustees appointed pursuant to clauses (3) (other than a public defender) and (5) of subsection (b) shall be three years. A vacancy in the Board shall be filled in the same manner as the original appointment. Any member appointed pursuant to clause (3) (other than a public defender) or (5) of subsection (b) to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

"(d) After reviewing the recommendations of the judges of the district court to be served by the agency, the Board of Trustees shall appoint a chief pretrial service officer who shall be a member of the bar of that court. Such officer shall receive compensation at a rate to be established by the chief judge of the court, but not in excess of the rate prescribed for GS-16 by section 5332 of title 5, United States Code. The chief pretrial service officer, subject to the general policy established by the Board of Trustees shall be responsible for the direction and supervision of the agency and may appoint and fix the compensation of such other personnel as may be necessary to staff such agency, and may appoint such experts and consultants as may be necessary, pursuant to section 3109 of title 5, United States Code. The compensation of such personnel so appointed shall be comparable to levels of compensation established in chapter 53 of title 5, United States Code.

"§ 3154. Functions and powers of pretrial services agencies

"Each pretrial services agency shall perform such of the following functions as the district court to be served may specify:

"(1) (A) collect, verify, and report promptly to the judicial officer information pertaining to the pretrial release of each person charged with an offense, and recommend appropriate release conditions for each such person;

(B) such information as may be contained in the agency's files or presented in its report or which shall be divulged during the course of any hearing shall be used only for the purpose of a bail determination and shall otherwise be confidential. The Board of Trustees shall issue regulations establishing policy on the release of agency files. Such regulations shall create an exception to the confidentiality requirement so that such information shall be available to members of the agency's staff and to qualified persons for purposes of research related to the administration of criminal justice. Such regulations may create an exception to the confidentiality requirement so that access to agency files will be permitted by agencies under contract pursuant to subsection (4) of this section; to probation officers for the purpose of compiling a presentence report and in certain limited cases to law enforcement agencies for law enforcement purposes. In no case shall such information be admissible on the issue of guilt in any judicial proceeding: Provided, however, That the Board of Trustees may permit such information to be used on the issue of guilt for a crime committed in the course of obtaining pretrial release.

"(2) review and modify the reports and recommendations specified in paragraph (1) for persons seeking release pursuant to section 3146(e) or section 3147;

"(3) supervise persons released into its custody under this chapter;

"(4) with the approval of the Administrative Office of the United States Courts, operate or contract for the operation of appropriate facilities for the custody or care of persons released under this chapter including, but not limited to, residential halfway houses, addict and alcoholic treatment centers, and counseling services;

"(5) inform the court of all apparent violations of pretrial release conditions or arrests of persons released to its custody or under its supervision and recommend appropriate modifications of release conditions;

"(6) serve as coordinator for other local agencies which serve or are eligible to serve as custodians under this chapter and advise the court as to the eligibility, availability, and of such agencies;

"(7) assist persons released under this chapter in securing any necessary employment, medical, legal, or social services;

"(8) prepare, in cooperation with the United States marshal and the United States attorney such pretrial detention reports as are required by rule 46(g) of the Federal Rules of Criminal Procedure; and

"(9) perform such other functions as the court may, from time to time, assign.

"§ 3155. Report to Congress

"(a) The Director of the Administrative Office of the United States Courts shall annually report to Congress on the accomplishments of the pretrial services agencies, with particular attention to (1) their effectiveness in reducing crime committed by persons released under this chapter; (2) their effectiveness in reducing the volume and cost of unnecessary pretrial detention; and (3) their effectiveness in improving the operation of this chapter. The Director shall include in his fourth annual report recommendations for any necessary modification of this chapter or expansion to other districts. Such report shall also compare the accomplishments of the pretrial services agencies with monetary bail or any other program generally used in State and Federal courts to guarantee presence at trial.

"(b) On or before the expiration of the seventy-two-month period following the date of the enactment of this Act, the Director of the Administrative Office of the United States Courts shall file a comprehensive report with the Congress concerning the administration and operation of the Speedy Trial Act of 1974, including his views and recommendations with respect thereto.

"§ 3156. Definitions

"As used in sections 3146 through 3155 of this chapter—

"(1) the term 'judicial officer' means, unless otherwise indicated, any person or court authorized pursuant to section 3041 of this title, or the Federal Rules of Criminal Procedure, to bail or otherwise release a person before trial or sentencing or pending appeal in a court of the United States, and any judge of the Superior Court for the District of Columbia, and

"(2) the term 'offense' means any criminal offense, other than an offense triable by court-martial, military commission, provost court, or other military tribunal, which is in violation of an Act of Congress and is triable by any court established by Act of Congress,"

Sec. 302. The analysis of chapter 207 of title 18, United States Code, is amended by striking out the last item and inserting in lieu thereof the following:

"3512. Establishment of Pretrial Services Agencies.
"3153. Organization of Pretrial Services Agencies.
"3154. Functions and Powers of Pretrial Services Agencies.
"3155. Report to Congress.
"3156. Definitions."

Sec. 303. For the purpose of carrying out the provisions of this title, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1974, the sum of $10,000,000, and for each fiscal year thereafter, such sum as Congress may appropriate.

Sec. 304. Section 604 of title 28, United States Code, is amended by striking paragraphs (9) through (12) of subsection (a) and substituting in lieu thereof:

"(9) Establish pretrial services agencies pursuant to section 3152 of title 18, United States Code;

"(10) Purchase, exchange, transfer, distribute, and assign the custody of lawbooks, equipment, and supplies needed for the maintenance and operation of the courts, the Federal Judicial Center, the offices of the United States magistrates and commissioners, and the offices of pretrial services agencies;

"(11) Audit vouchers and accounts of the courts, the Federal Judicial Center, the pretrial service agencies, and their clerical and administrative personnel;

"(12) Provide accommodations for the courts, the Federal Judicial Center, the pretrial services agencies, and their clerical and administrative personnel;

"(13) Perform such other duties as may be assigned to him by the Supreme Court or the Judicial Conference of the United States."

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ERVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD subsequently said: Mr. President, S. 754 was passed earlier today, and there are some technical and clerical errors in the bill as it passed.

I ask unanimous consent that the Secretary of the Senate be authorized to correct technical and clerical errors in the engrossment of the bill, and I point to one error specifically. The word "third" on line 19 of page 14 should be deleted, and in lieu thereof, the word "fourth" should be substituted.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 982.

The PRESIDENT pro tempore. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3782) to amend the Public Health Service Act to extend for 1 year the authorization of appropriations for Federal Capital contributions into the student loan funds of health professions education schools.

Mr. JAVITS. Mr. President, I urge the passage of S. 3782, the Emergency Health Professions Educational Assistance Act. This bill cosponsored by 14 members of the committee on Labor and Public Welfare will help avert a financial crisis among entering freshmen in nursing and health professions schools. Without this legislation there will be no loans to new health students and as my colleague, Senator Taft, pointed out on introduction of the bill last week, other financial assistance programs will be unavailable to these students.

This bill would make no substantive changes in the law. It would simply extend the previous authorization for health professions and nursing loan programs for 1 year.

Senator Taft and I detailed the impact of this legislation on students at various institutions when the bill was introduced and I have since received other letters and telegrams which I ask unanimous consent to enter in the Record at this time.

Mr. President, with the passage of this legislation, the Senate has today helped to avert serious hardships for many deserving students. I look forward to passage of similar legislation in the other body to resolve this crisis.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

State University
of New York,
Washington, D.C., July 22, 1974.

Senator Jacob K. Javits,
Old Senate Office Bldg.,
Washington, D.C.

Dear Senator Javits: On behalf of the 72 institutions of the State University of New York, we applaud your introduction of legislation to extend the nursing and health professions loan programs. Without this legislation many deserving students would be denied financial aid this fall. In the State University alone Martin Lefkovitz, Student Financial Aid Director, estimates that over 1800 students will be affected in some manner.

Your prompt action on this measure has helped to avert a financial crisis for these students and we greatly appreciate your continuing efforts in behalf of higher education in New York.

Sincerely,

William F. Claire,
Director, Washington Office.

Buffalo, N.Y.,
July 19, 1974.

Senator Jacob Javits,
Washington, D.C.:

Your support for S 3782 Emergency House Professions Assistance Act is urgently solicited. This legislation will have a direct influence on the 2,594 students enrolled Suny Health Sciences Center at Buffalo.

F. C. Pannill,
Vice President, Health Sciences.

Morrisville, N.Y.
July 19, 1974.

Senator Jacob Javits,
Capitol One, D.C.:

Urgently request your support of Senate bill 3782 Emergency Health Professions Educational Assistance Act. This past year 25 nursing students $15,870 in loans 9 received $4,160 in scholarships at this college. Most of our nursing students come from poor, rural, medically underserved central New York State, and returned to their communities to work. Without Federal aid many now in the program would be unable to continue their study, and future enrollement of needy students will fall short. Further, this college plans an innovative career ladder program in Oswego, beginning summer 1975 to turn licensed practical nurses into registered nurses. Oswego County is critically short of registered nurses. Without Federal loans and scholarships, this programs future will be in doubt.

John W. Stewart,
Vice President, Suny Agricultural and Technical College at Morrisville, Morrisville, N.Y.

Ithaca, N.Y.,
July 19, 1974.

Senator Jacob K. Javits,
U.S. Senate Bldg.,
Washington, D.C.:

Urge you to push for passage of S 3782 bill to extend authorization of the Emergency Health Professions Educational Assistance Act. Our students will be in jeopardy if this is not done.

George C. Poppensiek,
Dean, New York State Veterinary College, Cornell University, Ithaca, N.Y.

Buffalo, N.Y.,
July 23, 1974.

Hon. Jacob Javits,
Capitol One, D.C.:

Strongly support your bill S3782 to extend for one year authorization for health profession and nursing student loan program. More than 178 students enrolled in program here. Passage of your bill urgent for at least one-fifth of entering students. Further information available from Washington office State University of New York.

James E. Shenton,
President.
Genevieve McQuillin.

Johnstown, N.Y.,
July 23, 1974.

Hon. Jacob Javits,
Old Senate Office Bldg.,
Washington, D.C.:

Strongly support bill S3782 to extend for one year authorization for health professions and nursing student loan program. More than fifteen students enrolled in such program here. Urge passage of the bill for at least one-fifth of entering students. Further information available from Washington office SUNY.

Hadley S. Depuy,
President, Fulton Montgomery Community College.

Poughkeepsie, N.Y.,
July 23, 1974.

Hon. Jacob Javits,
Capitol One, D.C.:

Strongly support your bill S3782 to students for one year authorization for health provisions and nursing student loan program. More than 150 students enrolled in such a program here. Passage of your bill urgent for at least one-fifth of interning students.

John Demenkoff,
Dept. Head, Dept. of Health Technologies, Dutchess Community College, Poughkeepsie, N.Y.

Suffern, N.Y.,
July 23, 1974.

Sen. Jacob Javits,
Senate Office Bldg.,
Washington, D.C.:

Strongly favor your S-3782 health professions etc. authorization. Expect 500 students or more here this fall.

John Caffrey,
Executive Vice President, Rockland Community College, Suffern, N.Y.

Alfred, N.Y.,
July 22, 1974.

Senator Jacob Javits,
Capitol One, D.C.:

Request support of S-3782, essential to students this college.

David Huntington,
President, Alfred State College, Alfred, N.Y.

Selden, N.Y.,
July 23, 1974.

Hon. Jacob Javits,
Old Senate Office Bldg.,
Washington, D.C.:

Strongly support your bill S3782 to extend for one year authorization for health profession and nursing student loan programs. Passage of your bill urgent for at least one-fifth of entering students. Further information available from Washington Office State University of New York.

Albert M. Ammerman,
President, Suffolk Community College.

Canton, N.Y.,
July 23, 1974.

Hon. Jacob K. Javits,
Capitol One, D.C.:

I urge you to support the continuation of S-3782 which will continue the Emergency Health Professional Educational Assistance Act. Defeat of this bill will affect 33 nursing students who anticipate financial aid support which will total $33,000.00.

Dr. Earl McArthur,
President, Canton Agricultural and Technical College State, University of New York, Canton, N.Y.

JOHNSTOWN, N.Y.,

Hon. JACOB JAVITS,
Old Senate Office Bldg.,
Washington, D.C.:

Strongly support your bill S 3782 to extend for one year authorization for health professions and nursing student loan program. More than fifteen students enrolled in such program here. Urge passage of your bill for at least ⅕ of entering students. Further information available from Washington office SUNY.

HADLEY S. DEPUY,
President Fulton Montgomery Community College.

COLUMBUS, OHIO,
July 22, 1974.

Senator JACOB K. JAVITS,
Capitol Two, D.C.:

Thanks and congratulations for your support of nursing through S. 3782. Your leadership is appreciated.

ROBERT E. DOHERTY,
Ohio Nurses Assoc.

FARMINGDALE, N.Y.,
July 22, 1974.

Senator JACOB JAVITS,
Capitol One, D.C.:

Regarding the Senate bill #3782 "Emergency Health Professional Assistance Act." We at Farmingdale College urge that this bill be passed because of the value it will be to our students at this college. 217 students in nursing and dental hygiene along with others will not receive financial aid if this bill is not passed. The entire college community urge support of this bill and are depending upon your backing.

CHARLES W. LAFFIN, Jr.,
President, State University Agricultural and Technical College, Farmingdale, N.Y.

BROOKLYN, N.Y.,
July 22, 1974.

Senator JACOB JAVITS,
Capitol One, D.C.:

Strongly urge you vote favorably for S–3782, failure of passage would deprive a significant number (860 medical students, 176 nursing students, 230 allied health professional students) of students at Downstate Medical Center, State University of New York, Brooklyn, of vitally needed financial aid and could impair their careers in health services.

CALVIN H. PLIMPTON M.D.,
President.

BROCKPORT, N.Y.,
July 22, 1974.

Senator JACOB K. JAVITS,
U.S. Senate Chambers,
Washington, D.C.

DEAR SENATOR JAVITS: This communication is to urge your support for the passage of bill 3782, Emergency Health Profession Educational Assistance Act.

210 students would be affected by this bill at the State University College at Brockport.

The college community at Brockport strongly supports the passage of the bill. Your consideration is greatly appreciated.

Cordially,

ALBERT W. BROWN,
President.

SYRACUSE, N.Y.,
July 22, 1974.

Hon. JACOB JAVITS,
Capitol 1, D.C.:

Strongly support your bill S3782 to extend for one year authorization for health professions and nursing student loan program. More than 287 students enrolled in such programs here. Passage of your bill urgent for at least 1/5 of entering students. Further information available from Washington office SUNY.

DR. ROY A. PRICE,
Interim President, Onondaga Community College, Syracuse, N.Y.

TROY, N.Y.,
July 22, 1974.

Senator JACOB JAVITS,
Capitol 1, D.C.:

Strongly support bill S3782 to extend for 1 year authorization for the health professions and nursing student loan program. More than 1,000 students enrolled in these programs at this college. Passage of bill urgent for further information contact SUNY, Washington Office, 1730 Rhode Island Avenue Northwest, Washington.

JAMES J. FITZGIBBONS,
Hudson Valley Community College.

ALBANY, N.Y.,
July 22, 1974.

Hon. JACOB JAVITS,
Capitol One, D.C.:

Strongly support your bill S3782 to extend for one year authorization for health professions and nursing student loan programs. More than 10,000 students are engaged in nursing programs alone in New York's community colleges. Passage of Bill urgent for at least 1,000 first year students, further information available from Washington Office, State University of New York.

HENRICK N. DULLEA,
Assistant Deputy to the Chancellor for Community Colleges.

AUBURN, N.Y.,
July 22, 1974.

Hon. JACOB JAVITS,
Capitol One, D.C.:

Strongly support your bill S3782 to extend for one year authorization of health program and nursing student loan program. More than 180 students enrolled in such programs here. Passage of your bill urged for at least 1/5 of entering students. Further information available State University of New York, Washington, D.C.

SHIRLEY H. VARGASON,
Chairman, Dept. Health Careers Technologies.

PLATTSBURG, N.Y.,
July 22, 1974.

Senator JACOB JAVITS,
Old Senate Office Building,
Capitol One, D.C.:

Strongly support your bill to extend for 1 year authorization for health professions and student loan programs. Over 65 nursing students are enrolled here each year. Passage of your bill is urgent.

JAMES FLETCHER,
Dean, Clinton Community College.

AUBURN, N.Y.,
July 22, 1974.

Hon. JACOB JAVITS,
Capitol One, D.C.:

Strongly support your bill S. 3782 to extend for 1 year authorization of health program and nursing student loan program. More than 180 students enrolled in such programs here. Passage of your bill urged for at least one-fifth of entering students. Further information available, State University of New York, Washington, D.C.

ALBERT T. SKINNER,
President, Auburn Community College.

ALBUQUERQUE, N. MEX.,
July 23, 1974.

Senator JACOB JAVITS,
Capitol Two, D.C.:

The following message has today been sent to New Mexico Congressmen: It is imperative for both State and national health needs that emergency authorization bills S. 3782 and H.R. 15995 be passed and that the respective Appropriation Committees of Congress provide funding for the program immediately.

CHESTER C. TRAVELSTEAD,
Vice President for Academic Affairs, University of New Mexico.

HARRISBURG, PA.,
July 22, 1974.

Senator JACOB JAVITS,
Capitol Hill, D.C.:

Appreciate your support of S. 3782. Loan provisions for first-year nursing students are important.

KATHRYN GROVE,
Executive Director, Pennsylvania Nursing Association.

Mr. KENNEDY. Mr. President, I am pleased to support the emergency legislation to extend the present health professions and nursing loan programs for 1 year. Last week I joined my friend and colleague from New York, Senator JAVITS, in introducing this legislation. I want him to know how much I value his leadership, dedication, and cooperation on vital health legislation. His sustained effort of excellence in this area is magnificent. Without such legislation thousands of new health professions students just beginning their education will be denied the opportunity to receive financial assistance and many may be compelled to drop out. While the committees in both bodies are currently working on new health manpower legislation revising the expired loan programs, it is now apparent that action cannot be completed in time to provide support to this year's entering students. Over one-half of the entering classes in medical school, a total of 14,500 students, will require loans and over one-half of the loans to be made would have come from the health professions loan program. Of the total 96,000 nursing students entering school this year, from 15 to 20 percent were expected to receive the special nursing student loans in addition to the other grants and loans for which they, as undergraduate students, qualify.

The current situation in which HEW would provide the loan funds only to students who had received loans in the past is creating chaos and will cause great hardship to students just entering very demanding courses of study. Further, this action comes so late that other financial aid funds are already allocated on the expectation that health loan funds would have been available. This is truly a national problem affecting students in institutions throughout the country.

Mr. President, I submit that this is an emergency situation. There are no satisfactory alternatives. While new legislation will soon be passed, it cannot aid this class of nursing and health professional students, and I urge speedy approval of the legislation.

Finally, I want to point out that the Senate is about to take in adopting this legislation is similar to action the Congress took in June of 1971 when it was also necessary to enact emergency legislation to reauthorize the student assistance programs of titles VII and VIII of the Public Health Service Act.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Health Professions Educational Assistance Act".

AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

SEC. 2. (a) Section 742(a)(3) of the Public Health Service Act is amended by deleting the period after "1974" the first time it appears and inserting in lieu thereof a comma and "and a like amount for the fiscal year ending June 30, 1975.".

(b) Section 824 of the Public Health Service Act is amended by inserting after "June 30, 1974," the following: "and a like amount for the fiscal year ending June 30, 1975,".

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INFLATION

Mr. MANSFIELD. Mr. President, a very worthwhile series of editorials and articles on inflation, the No. 1 question confronting the Nation today, appeared in the Boston Globe, beginning on Thursday morning, July 18, and ending on Monday morning, July 22.

Because of the significance of this issue to the people of this Nation at this time, I ask unanimous consent that this series of articles on inflation be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

INFLATION: A NEW PLAGUE ON US ALL—I

Every consumer knows that inflation means higher prices for nearly every product and service gotten through the marketplace. For the past two years it has been a cruel disease, doubly frightening because it is widespread, afflicting every industrial nation around the world, and because it has resisted strong medicine as well as weak.

Our own inflation has been extremely conspicuous because two major consumer categories—food and fuel—have seemed to soar out of sight. Food prices have increased about 20 percent on average in the past year. But this leap has had unequal impact on our population. Poorer persons have to devote a third or more of their income to food alone and surveys of their buying habits show they have no luxuries in their menus to eliminate for the sake of economizing. And no one need be reminded of the spectacular rise in petroleum prices triggered by the Arab oil embargo last winter.

Food prices are a chilling case study of the complexity of the inflation problem. Public policy could, given the legislative will, at least soften the blow to the poorest members of our society. This is being done to some extent through the food stamp program which allows low-income families to purchase groceries at discount prices. But the discounts have failed to keep up with the rise in prices and only a third of those eligible have made use of the program.

Even if all those who are poor did take advantage of the opportunity, there would still be an implicitly lower standard of living for the remainder of the population, forced to pay higher prices for food presumably at the expense of other portions of the family budget, or to curtail some aspect of their food budget. While one might contend that a large segment of our population eats too much, no one can advocate inflation as the means for solving that problem.

Meanwhile, the food price problem does not exist in a vacuum. Perhaps too much attention has been focused on commodities like wheat and soybeans and meat. Each of these is important in its own right but other sectors are now also on the run. Truck crops, fresh fruit and canned goods are the latest candidates for the spotlight, driven up partly by short supply that is the result of increased demand for housing. If this sounds strange, it is not. Thousands of acres of truck farms and orchards in California, New Jersey, Long Island, Florida and even New England have been sold off to real estate developers, cutting into agricultural productive capacity. The developers were able to bid successfully for the land because the price of residential real estate has risen virtually everywhere to levels that make it uneconomic to farm surburban land. Thus, urban sprawl has not only desecrated the rural landscape, it has contributed to higher food prices as well.

If household demands for food and housing have contributed to the inflationary spiral in an unintentional way, corporate decisions have been consciously undertaken. Rising labor costs have encouraged increased automation, a process that sometimes means lower product costs for consumers. But sometimes in the helter-skelter rush to complete capital projects, corporations bid vigorously against each other for manpower and materials to get the job done. General Motors' plant in Lordstown, Ohio, has won fame for the automation battles with its work force. Less well known outside the construction industry are the complaints from contractors who lost manpower to hurry-at-all-costs demands to finish other plants. GM may well have acted rationally in speeding a plant to build small cars but its decisions did nothing to ease the heavy, inflationary pressure under which construction has been functioning for years.

At the same time, corporations have been borrowing heavily to finance expansion. In the process they have contributed, along with other borrowers, of course, to escalating interest rates. This escalation in the price of borrowing has pulled funds out of the traditional source of money for financing housing, and starts have fallen to an annual rate of about 1.4 million from last year's 2.4 million. That may reduce urban sprawl but it cannot really be seen as an improvement in the general quality of life.

A third major contributor to inflation has been government. There is no easy, comprehensive explanation for the inflation we are now enduring but the fact is that it started in about 1965 after five years of nearly stable prices. And it coincided almost exactly with the escalation of hostilities in Vietnam—hostilities that were a heavy drain on the Federal budget at a time when there was considerable reluctance to increase taxes. President Johnson refused to ask Congress for an increase and the Treasury experienced a combined deficit of almost $34 billion in fiscal years 1967 and 1968.

Congress finally enacted a surtax in 1968 and the deficits temporarily vanished for two years. But in 1970, with the country headed for a recession, the surtax was repealed while the war boiled on. In the following three years a total deficit of more than $60 billion pumped printing press money into the economy—and the inflation, which had held in the neighborhood of 5 percent a year, began its steepest rise.

At the same time other Federal policies, often with sound elements from other points of view, tended to exacerbate the problem, culminating in the encouragement of extensive wheat purchases by the Soviet Union in 1972—purchases in which the U.S. Government made no attempt to stand between buyers and sellers. While that story has never been told in full, there is some reason to believe that the Administration totally underestimated the effect the purchases would have in the wheat market. At the time of the initial negotiations wheat was selling for about $1.30 a bushel. An increase to about $1.75 would have made American farmers, headed for the polls that November quite happy and would not have had much impact on consumer prices. Instead, wheat soared to $6 and took virtually all foods with it.

The explanations for inflation may be difficult to find in satisfactory form. But even a cursory look at the past shows clearly that three major sectors—the consumer himself, business, including farm business, and government—have made visible contributions to the process. Unwinding inflation is not going to be the job of any single group—or even any single nation. Developing policies to achieve an end to inflation will be no easier than defining its causes.

INFLATION: EVERYONE IS A LOSER—2

In our cowboys-and-Indians, cops-and-robbers society there are only good guys and bad guys, winners and losers. Or so it seems most of the time.

That tendency to categorize emerges vividly as we grope for explanations of and solutions for the inflation that has us so firmly in its grip. Each of us has his own set of villains for our inflation—the Arab oil countries and the multinational companies that operate there. The farmers who grow our food. President Nixon once singled out the "middle men." Apartment owners. The banks for pushing up interest rates. The managers of supermarkets who change prices of goods while they are on the shelves, just pasting new price labels over the old ones.

Some accusations are more esoteric. A group of economists, headed by Milton Friedman of the University of Chicago, contends that international inflation is solely the result of excessive creation of money by central banks—that if only they would restrict it to a steady rate of growth of about 6 percent a year there would be no inflation.

And it is "standard" wisdom that government deficits are to blame for inflation.

The villain theory is easy to subscribe to in an assortment of ways. It conforms, first of all, to our commonly held winners-and-losers picture of society.

In the second place, each inflationary event taken separately does have a mini-villain, at the least. A corporation protects its interests by passing along its own higher costs for labor, credit and materials in the form of higher prices. In the short run, American corporations have done reasonably well. Oil corporations, the most notorious group for the past years, had much higher profits in 1973 than in 1972—sometimes as much as double. But they counter-complain that their rate of return on capital, even after the one-year leap, still runs behind the rest of industry and that the 1973 increase looks large only because it comes after depressed earnings in 1972.

Corporations as a group have done well. Last year corporate profits after taxes rose to $70 billion from $55 billion in 1972—a rise of 27 percent. But even with that whopping increase in one year, corporate profits were only 51 percent above the $46.5 billion netted in 1965—the year from which most persons date the beginning of the current inflation. During the same interval gross national product rose 88 percent to $1289.1 billion in 1973 from $668.9 billion in 1965.

Individuals don't have to be told they have not done well in the current inflation but a few statistics will show them just how costly it has been. Measured in "constant" dollars—adjusted to take into account loss in value through increased prices—average weekly earnings for all manufacturing stood at $113.79 in 1965. They reached a peak at $124.97 last September and then tumbled to a low of $115.42 in April—less than $2 a week higher in real terms than they had been nine years ago. Even the rebound to $119.57 since April represents a trivial gain for such a long period when there is an uneasy presumption of improving general affluence.

Investors have had little reason to rejoice, taken as a group. Common stocks have been touted for years as a "hedge against inflation" on the theory that as the prices of goods and services rose, stock prices would rise with them. During the years since 1965 stocks have had their ups and downs but the Standard & Poor's index of 500 stocks, a widely followed indicator, is just about where it started.

And interest rates have risen to record levels. A top-rated Bell System subsidiary offered $175 million bonds at 9.65 percent—and found investors slow to buy. The investors are no doubt asking themselves if that is enough at a time when consumer prices are rising at 10 percent a year.

Worse, those high interest rates for many corporate offerings mean the managements of the borrowing companies have to charge consumers prices that will pay for their cost of money for the lift of the issue. At 10 percent interest—a common rate, give or take a quarter of a percent or so—a 20-year bond issue for $100 million will wind up costing consumers $300 million in cash outlay for whatever physical property the loan financed. That, friends, is inflation.

Some people and some sectors of the economy are less ravaged than others by the effects of rising prices. The stronger corporations have passed along their higher costs and the stronger labor unions have had cost-of-living clauses written into their wage contracts. But the political process keeps pressure on them, too. The oil industry is facing probable repeal of the depletion allowance, the process being accelerated by widespread frustration and anger over prices in general and oil prices in particular. And Congress, though stalled right now in a broad reexamination of all tax loopholes, can be counted on to take a much closer look once the Watergate case has worked its way through to a conclusion.

The message from the nominal winners is clear: in inflation, there is no safe place to hide, no perfect hedge. Gold, too, has failed. While it soared to $177 an ounce last winter, it has now fallen to $130. That's a steeper decline than the stock market. Inflation makes sure that there are plenty of losers.

Inflation: It Won't End Soon

The worst part about the inflation with which we are now living is that it will not vanish overnight. Nor will it disappear, however that may ultimately be accomplished, without discomfort.

A look at the past may not prove too much about our current experience since this inflation is more severe, more pervasive and more deeply embedded than any other to grip this country. But several key points do emerge.

In the past 20 years there have been three previous bursts of inflation—the first two of which seem like child's play in comparison with the present problem. The first accompanied the Korean war when the Consumer Price Index rose at an annual rate of more than 2 percent in 1951–52. That rate of increase dropped away in the following two years and in 1954–55 the CPI actually fell slightly—the only time in the past two decades it registered a decline. But in the process of that decline, the country went through the recession of 1953–54 when unemployment rose to 6 percent.

The second spurt followed quickly. By 1957 prices were rising at more than 3 percent when the Eisenhower Administration and the Federal Reserve moved quickly to regain control through tight fiscal and monetary policies. They also put the country back into recession, and unemployment reached its highest level at any time since the Depression—more than 7 percent.

A milder repeat was staged in 1960 after price increases had rebounded to about 1½ percent and tight financial policies led to the recession that many felt played a role in the narrow defeat of Richard Nixon by John F. Kennedy in that year's presidential election.

Because those inflationary surges were so much slighter than our present hemorrhage, there is no reason to think a cure can be effected rapidly. Even the most optimistic forecasters speak in terms of prices rising at a rate of 6 or 7 percent by the end of this year.

The past suggests that recessions are associated with declines in the rate of price increases. We are so close to it, and the sequel came so quickly, that we tend to forget that increases peaked briefly in 1969–70 at 6 percent, were followed by a "mini-recession," and dropped back to little more than 3 percent before taking off again.

Once again we are in a mini-recession, at least in the narrow definition of the term. The second consecutive quarter of decline in gross national product (GNP) has just been reported by the Commerce Department, which satisfies the technical requirement for identifying a recession. This slackening of demand and of production ought, if the past is a guide, to lead to lower prices.

But the Administration is in a dilemma, brought about partly by Mr. Nixon's obvious need to adopt popular programs in the light of his Watergate problems. He doesn't really need a recession right now. That perhaps explains why Commerce Secretary Frederick Dent declines to describe this as a genuine recession, preferring to emphasize the connection of this slump with the energy shortages of last winter that led to a sharp drop in auto sales and production. He asserts that basic demand is really strong—that we have simply been through an "energy crisis spasm."

Mr. Dent's analysis, however, seems to ignore the other leg on the recession beast—the slump in the housing industry brought about by high interest rates and by the Federal Reserve's tight money policy. This problem, like the inflation underlying it, will not change as suddenly as the fuel supply crisis did. And housing starts produce a whole range of economic activity associated with the equipping and furnishing of homes—activity that will inevitably stay slow as long as that part of the construction business is depressed.

There is a liberal school of thought that sees a thread of inflationary hope in the Dent assertion that the economy is basically strong. Leon Keyserling, an economic architect from the Truman Administration who has been closely associated with the concept of public policy that guarantees full employment, reminded a recent Washington conference on inflation that the way to reduce unit costs of goods is to increase their production—that autos cost more now at least partly because they are being produced less efficiently.

And Charles Schultze, director of the Bureau of the Budget under President Johnson, agreed by indirection with the Dent position that the recent slump has been the result of isolated causes, especially food and fuel, that are not likely to repeat their horrendous recent performance.

A resurgent economy will be welcomed by all who are concerned about the danger of sustained 5 percent unemployment. But a strong economy also carries with it the danger of a continued price-wage spiral as strong corporations and strong unions cooperate with each other in the struggle to protect themselves against the effects of past price increases.

It has been suggested that tax reform—reform that would ease some of the load from those at the low end of the income spectrum—would take pressure off the labor contract negotiation process. The difficulty with this view—as perhaps with the call for higher taxes by men like Harvard economist John Kenneth Galbraith—is that there is no sign Congress is willing or able to move at all on any tax matter.

And the Administration has absolutely repudiated any intention to recommend a tax increase as an inflation control measure. Herbert Stein, about to retire as chairman of the President's Council of Economic Advisers, defended this posture on the laconic grounds of "general agreement (among) politicians that a serious proposal by the Administration for a tax increase would certainly result in a tax reduction." So much for the power to lead.

Inflation: What To Do—4

Inflation is penalizing this country and the rest of the industrial world severely. It is doing so in the immediate sense by cutting into the standard of living of millions of persons whose incomes cannot keep pace with rises in consumer prices.

More dangerously, in the long run, it is interfering with public policies that have been designed to improve conditions for persons caught in the lower end of our income scale. And it is reducing the availability of housing by disturbing the financial system through sharply higher interest rates.

Policy makers in the US and other countries have long thought that prices could be driven down by increasing unemployment. As the number of persons out of work rose, their buying power would decline and goods, services and property would tend to decline in price because there would be less money competing to buy them.

The public is clearly disturbed enough about inflation to deserve to know just what would be involved in a tradeoff between more unemployment and less inflation. Otto Eckstein, Harvard economist and president of Data Resources, Inc., a private forecasting organization has put the dilemma in precise and politically realistic terms:

"If unemployment were quickly raised to 8 percent and kept at that level for two years, the rate of inflation would . . . be brought down to 4 percent. But this would be a recession worse than the 1958 experience, and would require a willingness on the part of the country to suffer a near depression, which seems quite implausible."

While it seems utterly improbable that we could agree to a fight against inflation on such a basis, it is important to keep in mind the mechanism for bringing about unemployment at a level like 8 percent. It could be achieved by drying up funds in the banking system through tight money policies of the Federal Reserve system.

The Federal Reserve is in a position to set its policies without formally consulting other branches of government. In practice, of course, it does consult and the current chairman of the Federal Reserve, Arthur Burns, is a man in constant contact with the Administration and Congress.

But the fact remains that Burns is more worried about inflation than any other single problem faced today. He is in no sense oblivious to his power and he has no desire to create a major recession. Just last Monday he appeared before the House Ways and Means Committe to urge a $10 billion cut in Federal spending as a device for reducing the nation's rate of growth. Even then, he told the committee, he could not promise the Federal Reserve would ease up on its tight money, high interest rate policies.

The difficulty is that we have very little in the way of suitable machinery, once we decide to restrain growth, for choosing which things we will encourage and which we will hold back. Tight money and high interest rates, as we have pointed out, have worked to crimp housing severely, cutting the rate of new starts to about 60 percent of their level a year ago. But even so, our credit system does little to differentiate between family housing and recreational housing. And our tax system does even less, offering each of them an identical indirect subsidy through tax deductions for mortgage interest payments and real estate taxes.

Similarly, we do not make much distinction between luxury goods and the necessities of life except at the state level. We have largely abandoned the excise taxes on items like jewelry, furs, automobiles, that were used during World War II to restrain demand and to raise money for the Treasury. Such taxes are cumbersome, they produce some injustices to persons who earn their living in those industries and they were rationalized on the grounds of the emergency nature of the situation. But it is the last point in particular—the emergency felt by the public over inflation—that requires examination of unused means for soaking up dollars that are bidding against each other for goods and services.

At the same time, national policy on inflation must take into account some form of relief for those on whom the burden has been heaviest—mostly lower income persons. Some assistance has already been provided in the form of expanded food stamp programs and increased Social Security benefits. But an increase in the personal exemption to, say, $823 from the current $750 would be a useful supplement.

At the corporate level, there is general agreement that investment in new productive facilities will help hold down future prices. Some help apparently has begun to appear in the form of lower prices for at least some industrial commodities in world markets—copper, tin, rubber, grains. While energy has not fallen back, the price of petroleum at least appears to have stabilized. The steel industry, led by US Steel, may hold the line for the rest of the year.

But rising profits have imposed an obligation on the business community for sensible investment to reduce the danger of future shortages of materials and productive capacity. While it is too early to assess the Interstate Commerce Commission requirement that railroads step up investment in rolling stock as a condition of their recent rate increase, we think this unusual step should be watched closely for its possible utility in other basic industries.

One of the most notable features of the current inflation has been the widespread confession of ignorance from economists, government leaders, businessmen, labor leaders and the general public that it has been a major perplexity. No one, with the possible exception of one group of monetarist economists who want the Federal Reserve to increase the supply of money at a steady rate, has a single, simple answer.

We think consumers should resist higher prices whenever they are in a position to do so—which is not always the case. Perhaps most important, we urge persons who are better off to resist the impulse to pay higher prices just because paying them represents no hardship.

Corporate executives have a special obligation to think about the hazards higher prices impose to the structure of the system in which they have done so well. While "corporate responsibility" is a ringing phrase these years, we think profit maximization has remained the governing standard for too many decision makers. Single-minded pursuit of that goal looks terribly short-sighted in 1974.

Given the need for comprehensive effort by the whole spectrum of society to deal with prices, we find it astonishing that Congress and the Administration have walked away from any form of unified approach to the job. The Cost of Living Council, allowed to die just last month, may have had its flaws but it at least offered a structure for keeping some degree of control on inflation. It should be revived as soon as possible and staffed with officials who know how to make themselves heard.

Ending inflation won't be easy. But living with it will be worse.

INFLATION REMEDY: "TRADITIONAL MEDICARE"

$4,400 DOESN'T GO VERY FAR FOR FOUR

(By Ellen Goodman)

Pauline Keating doesn't think of herself as poor.

"No, no, I'm not poor," she says, taken back by the question. 'There are people a lot poorer than I am. They are the poor."

Like nearly all Americans this 32-year-old mother of three from Lynn considers herself middle class. In fact, she studiously separates herself from the poor, defining them as somehow the quitters, the bad element, the others.

"I've seen the mothers at the Aid office and I've seen them with a bottle they might be drinking from right there. And some of their children will be filthy, absolutely filthy, no socks, no shoes, you know, not taken care of at all."

Nevertheless, the slim, auburn-haired woman lives on $4400 a year. She is one of the more than 70,000 divorced, separated or deserted mothers who live in the most expensive area of the country at or below the national poverty level of $4550 for a non-farm family of four. Pauline Keating is part of the statistic which shows that the largest category of the poor are female-headed households.

These families are among the hardest hit by inflation as they try to raise young children on the fixed income of a court decree or public welfare.

For the last five and a half years, since she and her husband separated, Mrs. Keating and her children, Mark, 12, Sharon, 9, and Edward, 7, have been living on Aid for Dependent Children (AFDC). Her ex-husband, now remarried and living with his second wife and a new baby in their own home in Saugus, pays $120 a month to the Department of Welfare. AFDC then adds $252 and sends her a total of $372. Every three months she receives a clothing allowance of $107.

Over the last three years, while the rate of inflation increased more than 19 percent, the welfare increases were 3.2 percent. And last year, while the Greater Boston cost of living rose 9.6 percent, Mrs. Keating's check increased by $2.50 a month, or roughly 62 cents a week.

"Now I don't mean to sound nasty, but what on earth do they think 62 cents is going to get us."

Certainly not the rent. The five-room apartment in a three-decker house near the Lynn General Electric plant rents for $160 a month. Until last year that figure included heat. But after the oil price jump last year, the landlord told her that she'll have to pay her own heat bills. Now the oil company is budgeting her at $25 in 12 monthly payments.

Beyond heat and rent are the other utilities. The Keating electric bill runs between $16 and $18 and the gas bill has risen to $12 a month. The phone costs $10 a month. The only other monthly payment is $10 on a charge account at a local store.

"I have nothing else on credit. Now, that would be silly wouldn't it. I mean I could make the first payment but what then? If the television goes, that's it.

The basic monthly bills add up to $213 a figure that leaves her with $159.

"The rest goes to food. I guess we spend about $40 a week for food."

"Oh yes, well, it's very tight. There's no question about that, now is there," says Mrs. Keating with the traces of Ipswich, England, in her voice.

"But I don't like to complain . . . The others go downtown and swear and cry that they need this or that. Me, I'm grateful for what they give me. We can live with it."

She "lives with it" in an apartment that is immaculate from the ancient linoleum in the kitchen to the living room that is largely filled with her own bed. Her three blonde-haired children come in from playing neater than most children come in from playing. She is trim in dungarees and a print shirt.

But it is hardly the kind of living she knew as a child. Like many other women in her situation, Mrs. Keating's values, prejudices and history are "middle class."

Mrs. Keating grew up in an English working family that she says, "spoiled me rotten." Both of her parents worked and they could afford not only "wall-to-wall carpeting and chandeliers" but new clothes.

"My mother really helped my father. Because she worked, we had things."

She describes her parents as completely different people, who stayed together "for the sake of the children."

"That was the idea then. They thought they had to stay together until we were married. Then they got divorced and they're both happily married now, but what a waste of it."

Pauline worked from the time she was 15½ as a telex or switchboard operator and weekends in a bakery. She met her husband while he was stationed in England in the Air Force.

While they were married, her husband was a postal worker and a man who handled all the money matters. She never knew what he was earning. But she does remember the luxury of having new white shoes and a bag every summer.

"Now, of course, I don't. My winter shoes will have to last a third year and the only summer ones I've bought are those sandals.

After Pauline and her husband separated, she learned that she qualified for AFDC. In the winter she can work part-time as a supermarket cashier while the children are in school. There she earns an extra $22 a week. She keeps two-thirds of that and the other third goes to AFDC.

"In the winter we've had enough; it was a bit easier."

She says she would rather work fulltime, but that's not possible right now.

For one thing, if she kept the minimum-wage job she has now, she would actually be working for less. But the biggest expense would be medical bills, paid now by Medicaid.

Her daughter, Sharon, has diabetes which has to be kept under control with twice-daily shots of insulin and monthly checkups. She also has to be cared for with a watchful eye and six daily snacks. Something as minor as a cut on the foot can hospitalize her.

"I can't just have anyone take care of Sharon. Some of them wouldn't and some I just wouldn't trust.

"But when Sharon can take care of herself, like maybe when she's 11 and can give herself her own shots and take care, maybe then I could go back to work."

For the next two years at least, Mrs. Keating knows she will be on AFDC. And that's not an easy way to be middleclass.

Despite the fact that as of July she now can buy $72 worth of food stamps for $44 the supermarket budget is very tight. The average cost of food has risen 20 percent in the last year alone.

"Whatever we gained there with the food stamps just went to the oil bill anyway, minus a bit. I can only go shopping twice a month when the checks come in and then I go with my list. I don't just go flitting about the market, buying. I only buy what's on my list.

"The kids drink only a half a gallon of milk a day, no more. For the rest it's Za-Rex or juices. The milk is just too high.

"But I'll tell you. I'm old-fashioned, I suppose, but by my idea the children have to have a good hot supper every night. Meat and potatoes. That's how I was brought up and it's important. But we have to go past the expensive meat. We eat a lot of hamburger, meatloaf or meatballs."

Still it's the price of the least expensive meats that have risen the most, and potatoes are among the staples that have greatly increased.

The welfare check can buy nothing but essentials and it's these essentials—rent, fuel, utilities and cheap food—that have been hit hardest by price increases.

"It's harder and harder to pay bills. I worry from month to month if I'll have enough money and sometimes I rob Peter to pay Paul," she said.

"But so far I've made it. We're not poor because we don't owe."

One of the reasons that she doesn't "owe" is that like others in the poor middle class, she has roots and family above the poverty level who cushion her against the bottom. For her, they are the buffer between desperate poverty and genteel poverty.

She is proud that her children look good, but her clothing allotment of $107 every quarter can't be stretched very far. It's her former in-laws who buy presents of clothing for the children, and her own parents who buy her winter coats and occasional birthday outfits.

"If I didn't have my mother-in-law for birthday and Christmas presents, the children wouldn't have much, I know that. She buys them their Easter outfits so when they go to church they look so nice."

Occasionally friends give her material to make her daughter's clothing, and another girlfriend invited them away to New Hampshire for a week.

But the buffer line is a thin one, easily crossed by inflation.

The only place Mrs. Keating could conceivably cut down is rent.

"My biggest worry is rent. I almost got stuck on it once, but I went to the bingo and won. That was a lucky one."

The only apartment she could find that would cost less would be in a project and, to Mrs. Keating, that is "poor."

"I'm not going to go into a project. I'd sit on the doorstep of the welfare first.

"I've seen the women there with the little kids, and they're drinking and screaming about. Now I know I'm on mother's aid and that I need it. But living like that would make me feel lower than what I am. That I couldn't do.

"I'm going to keep my children from that no matter what."

The question is how long "no matter what" will last. Prices are rising, and Mrs. Keating's income is not. Still she has an investment in not being one of the complainers.

"I'm not squawking. I guess I'm one of the nutty ones. Nearly all of them are yelling and complaining."

But, on the other hand, Mrs. Keating doesn't like to think about the future.

"I try not to worry about next year and the year after. I can't do anything about it so I don't want to worry. Would you believe that?"

"TRADITIONAL MEDICINE" TO BE USED ON INFLATION

(By Martin F. Nolan)

SAN CLEMENTE, Calif.—President Nixon's speech on economics this week is really going to be just another "Sunday sermon," according to one of his top economic advisers.

Mr. Nixon will address a meeting sponsored by the California Chamber of Commerce at 7 p.m. EDT Thursday in the Century Plaza Hotel in Los Angeles.

Herbert J. Stein, outgoing chairman of the President's Council of Economic Advisers said the President's talk will be part of "that same old-time religion." Stein, a leading apostle of that doctrine—reducing government spending and raising interest rates to fight inflation—is pleased with President Nixon's approach.

"This is the traditional medicine and the only medicine that has ever succeeded over any long period in holding down inflation," Stein said.

Stein predicts that inflation, which ran as high as 12 percent earlier this year, will be down to 7 percent by the end of the year through the application of the principles he advocates.

"I think the thing about which there can be no doubt is that there is a major inflation problem before us, that we are left with only the fundamental measures to deal with this and that we are the proponents and champions and executors of the fundamental policies for dealing with it."

"Fundamentalism" is apparently to be the theme of Mr. Nixon's speech and any other suggestion for fighting inflation will probably be extremely unwelcome.

Stein has announced his resignation and the White House released an exchange of letters between him and Mr. Nixon that flattered each other in unusually florid prose.

The President told Stein that he had "for nearly three years guided the council with great distinction as its chairman. It has been a period of exceptional challenge but also unusual opportunity for economic policy.

"Pat joins me in extending to Mildred and you our heartfelt good wishes for every success and happiness in the years ahead," the President said.

Stein, who will teach economics at the University of Virginia in September, wrote: "No CEA chairman could want a more supportive and understanding President than you have been. You have been responsible for conducting US economic policy during its turbulent period, when the whole world was swept by storms of inflation. Your policy has been firm and decisive."

Stein predicted in his letter to the President that: "You will be recognized as the world's leader in the fight against the economic disease of democracy—inflation—just as you are world leader in the fight against the political disease of nations—wars."

In reviewing the economic policy of the President over the past five years, Stein admitted one mistake—the 90-day freeze imposed by Mr. Nixon on wages and prices in August 1971. "I think it was a mistake to have gone into price and wage controls. I think we would have less inflation now if we had not done that."

Stein was asked whether the President would have anything new to say in this week's address or whether it would be more exhortations for governmental belt-tightening and for tighter interest rates set by the Federal Reserve Board. Stein said: "No, but people have been giving sermons every Sunday for 1974 years and people still come out and listen to that same old-time religion.

"People have decided that it is worth listening to because there is always a danger of backsliding in those six intervening days.

"You are generalizing unduly when you say if he repeats the old-time religion he'll be saying the same thing, because the old-time religion is just a general concept which, as I said, needs to be implemented in specific ways and, moreover, it still needs to be brought home to everybody," Stein said.

Stein was asked about an assertion made before a congressional committee by budget director Roy Ash that a $5 billion cut in government spending would only reduce inflation by one-tenth of 1 percent.

Stein wrinkled his nose and said: "What Mr. Ash said is just some of that economics," meaning that an economic model is limited in its ability to predict the future.

"But beyond that I think you have to say that the thing that the model cannot put in, which I think is of terribly great importance at this time, is the psychology and expectations of the people. What we have going on in the world and what is obviously present here is great skepticism about whether the government really means business about the inflation, whether they will ever do any hard thing in order to stop inflation, and end that skepticism or to weaken it would make a great contribution, a contribution which the econometric models don't take account of. And I think that is what I have to do."

Stein said that presidential vetoes of congressional spending bills would not injure working people as much as the spending policies themselves.

Mr. Nixon is considering vetoes of bills for housing and mass transit aid if either bill considered by Congress exceeds a budgetary ceiling set by the White House.

Stein said that such vetoes are necessary because "I think what we have learned is that beyond some limit the government does not help the people of the country by spending more for programs which bear the name 'friend of the people'; that those programs when carried on in too large volume are injurious to the people in the form of inflation."

Stein is to be succeeded as chairman of the Council of Economic Advisers by New York economist Alan Greenspan, who is flying out here this week to confer with Mr. Nixon before the President gives his economic speech.

Greenspan, a private economic consultant, shares the conservative views of Stein and President Nixon in dealing with inflation.

Stein's forecast for the economy was that "We are looking ahead for a moderate rise in the economy and a slowdown in the rate of inflation, but with inflation being a serious and dominant problem which will require the maintenance of a policy of restraint for the remainder of this year and beyond that."

Stein denied that there was any possibility of a recession based on the economic statistics released for the first half of the year.

"I think probably the most reasonable and defensible thing to say is that the decline of the real side of the economy came to an end sometime in the first half of the year."

The decline in the Gross National Product—the aggregate of all goods and services in the economy—came about because the Arab oil embargo had drained some $20 to $30 billion of "earnings from US assets owned abroad," Stein said.

President Nixon's "Sunday sermon," therefore, will be more of the same, Stein said. "Our general philosophy, strategy about what to do about the economy, I think is known," he said. "I think we have described it repeatedly.

"What needs to be done about the economy is to maintain the restraint on the expansion of demands, to hold down the rate of growth of spending, to hold down the rate of expansion of money. This is the traditional medicine . . ."

ORDER OF BUSINESS

The PRESIDENT pro tempore. The acting minority leader is recognized.

Mr. STAFFORD. Mr. President, the acting minority leader does not desire recognition.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, on my time.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 5 minutes.

SENATE RESOLUTION 363—A RESOLUTION CALLING FOR A DOMESTIC SUMMIT TO DEVELOP A UNIFIED PLAN OF ACTION TO RESTORE STABILITY AND PROSPERITY TO THE AMERICAN ECONOMY

Mr. BARTLETT. Mr. President, I am very pleased and honored to associate myself with the Senator from Florida (Mr. CHILES), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Georgia (Mr. NUNN) in sponsoring a Senate resolution which is at the desk and which will be called up later.

It is a resolution that has been sponsored by approximately 60 Senators. I ask unanimous consent that the names of the following Senators be added as cosponsors:

Mr. MANSFIELD, Mr. ERVIN, Mr. PROXMIRE, Mr. CLARK, Mr. PACKWOOD, Mr. ROTH, Mr. MCGOVERN, Mr. EAGLETON, Mr. MCCLURE, Mr. BAKER, Mr. TALMADGE, and Mr. CANNON.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, this important resolution expresses the sense of the Senate in calling for a domestic summit meeting to develop a unified plan of action to restore stability and prosperity to the American economy.

I think this problem that we face today can be described as bigger than any one of us. It is a problem requiring a unified effort on the part of both parties, the cooperation on the part of the executive and legislative branches of Government, along with leadership from labor and business, as well as the consultation from the Federal Reserve and its Chairman.

Then the resolution asks that these people meet until they find a solution and call upon others to meet with them, so that it will be an all-out effort to find solutions to the difficult problems that we are facing today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BARTLETT. I will yield.

Mr. MANSFIELD. Mr. President, I am about to propound a unanimous-consent request. I ask that it not interrupt the colloquy now underway.

I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the resolution, the Senate resolution, which will be presented shortly.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote occur at the hour of 12:30.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the inflation that this Nation has been experiencing has been called double digit. It certainly is the kind of inflation that we cannot live with and have confidence in the economic future.

Also, we have and are experiencing recession. So we are on the horns of a dilemma. We have an economy now that is not a savings economy, but which is based on debt and based on borrowing—privately, publicly, and in every way.

The old aphorism, a penny saved is a penny earned, is not heard today, and really is not in keeping with the approach that we have been following. But, nonetheless, I think that it is very consistent with the approach that this Nation has taken to its economic challenges in the past, and a penny saved is a penny earned is the kind of philosophy that helped create the wonderful country that we enjoy.

Mr. President, this group of five with which I am associated is a bipartisan group, an ad hoc group, concerned about the economy. I think it is important that it is bipartisan and reflects different philosophies because it shows a mutual concern about our economy, a great interest that we all pull together, and that we have cooperation with the executive branch as well as labor and management.

I think it is also significant that two members of this group, Mr. NUNN and Mr. DOMENICI, circulated a position paper early in the time of my being in the Congress, and also shortly after he was sworn in, in which freshmen Members supported a budget control bill. Such a law is now reality. Additionally, Senator PROXMIRE's amendment to limit Federal spending to a balanced budget has passed the Senate. In the last month 53 Senators cosponsored a letter I circulated calling on the President to submit a balanced budget.

It appears a trend is developing in the Congress. If we are going to be successful in our efforts, all segments of the economy must be willing to sacrifice. For instance, yesterday the Senate voted on the agriculture appropriations bill which is particularly important to my State.

Although I support many of the programs included in the bill, I voted "no" because there is no way to justify this additional expense at this time.

The overall budget submitted to the Congress by the President is $11 billion over a balanced budget, and the agriculture appropriations bill was $120 million more than the amount recommended by the President—9 percent and $3 billion more than last year's budget. Most of the increases were not in pure agriculture but in consumer matters and primarily in increased funding for food stamps, including food stamps for strikers. Certainly the bill will add to our inflationary spiral.

As with the agriculture bill, I intend to vote against future appropriation bills which are inflationary and will tend to add to the burden of the Federal debt.

If we are going to be serious about bringing Federal spending under control we must start now and we will all have to sacrifice. We are far past the stage of paying nominal homage to spending restraints by asking someone else to tighten their belt. We must all contribute to the effort to bring Government under control.

The PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Under the previous order, the Senator from Florida, (Mr. CHILES) is recognized for not to exceed 5 minutes.

Mr. CHILES. Mr. President, I join with my colleagues in submitting this resolution. In it we are calling for a domestic summit conference on the economy in trying to deal with inflation. We use the term "summit conference" a number of times, generally having to deal with our foreign affairs and our international problems. But certainly it is not reserved for that. If it is important enough to think that we need a summit conference to deal with international affairs, certainly the present crisis that we are facing now in regard to our economy justifies our having a domestic summit conference.

When I go home, while inflation has been on people's minds for the last 2 years or so, suddenly I find a situation in which not just the retired people, not just people on fixed incomes, who felt the squeeze very early, are talking about inflation in the economy. Right now you find, completely across the sector, anywhere you go, that the first thing that anybody mentions, whether they are a person working with his hands or whether they are a banker, whatever they are, is that they are concerned about the economy. What they are seeing is our economy going down the drain. They have this tremendously frustrated feeling that no one is doing anything about it; that there is no kind of team effort from their leadership in Washington to do something about it.

What we are seeking in this resolution is to get the sense of the Congress, and the sense of this Senate, that we are ready and willing to participate on the team. We think for there to be a team effort you have to have the congressional leadership from both sides of the aisle; you have to have the leadership of the Federal Reserve System; you have to have the help of the President; you have to bring in labor and you have to bring in management. Everybody has to quit talking about what his plan is and we have to get these heads together and have them sit down and start working together in trying to get a direction we can take.

Mr. President, we are convinced that from the time it was announced that such a meeting was going to be held, the economy would turn around. The people would take heart, because they would realize for the first time since this crisis began developing that we are not going off in splintered directions; that someone is not trying to make partisan political hay, or someone else is not seeking some advantage or to adopt his pet theories, but we are trying to do something for the country to try to get it back on the track.

Look at what is happening. Every day when I pick up the paper I read that one economist says you have to cut spending at home on some of the domestic programs, and until you do that you are not going to be able to do anything abut inflation.

I find another economist who says you have to cut the military budget, and until you make a drastic cut there, nothing will be done.

Many of us feel that we will have to cut a number of these programs. But you cannot just pick one out and sacrifice it. You cannot expect people in one State or one sector of the economy to bear the burden.

The feeling of this resolution is if we come up with a game plan which has the support of these different groups—of labor and management, the bipartisan support of the Congress and support of the executive—that the American people are perfectly willing to make those sacrifices that they know need to be made and will have to be made in order to do something about our economy. But they want to feel like it is a united effort. Also, Mr. President, so much of this is a psychological thing. Right now we are in the psychology of despair. The despair is because no one is doing anything at this time about the economy.

Mr. President, I ask unanimous consent to add the following names: Mr. Bellmon, Mr. Hatfield, Mr. Hollings, Mr. Metzenbaum, Mr. Abourezk, Mr. Biden, Mr. Johnston, Mr. Bentsen, Mr. Church, Mr. Stevenson, Mr. Humphrey, and Mr. Ribicoff.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from New Mexico, (Mr. Domenici) is recognized for not to exceed 5 minutes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors: Mr. Pearson, Mr. Buckley, Mr. Randolph, Mr. Cook, Mr. Hansen, Mr. Fannin, Mr. Goldwater, Mr. Montoya, Mr. Muskie, Mr. Hart, and Mr. Hathaway.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, today I join with five other first-term U.S. Senators in proposing to the U.S. Senate, and, thus, to the President, Arthur Burns, and the American people, that the leaders of this country join themselves together in what we have chosen to call an economic summit conference.

Mr. President, it is obvious to me that there is no one single way to solve the inflation and the instability which is rampant in the American economy today. Since there is no single way, the American people have no direction from anyone as to what we are going to do. As a matter of fact, we are now only at the point of telling the American people that there are many approaches to inflation, that there are many approaches to solving the instability in the American economy.

Mr. President, one need but read the views of economists, tax experts, fiscal experts, banking experts, and leaders in Congress to find that the answers proposed run from A to Z.

Mr. President, when you have that kind of situation, the American people—the young, the old, the productive, the businessman, the housewife, everyone—concludes no one is doing anything.

Mr. President, I submit that most American people today are in the state of fear, apprehension, anger, shock, because no single leadership forum is telling the American people there is, indeed, a solution, even if it be only that we put some dampers on inflation.

No one is suggesting to the American people the extent of sacrifice, the extent of change, the extent that they individually and they who represent Americans in Congress must change their ways in a unified approach to put the American economy back into a state of stability.

Mr. President, there is no one in the United States that if told the facts and told by the leadership in this country there is an approach, I believe no one from the highest businessman, to the highest business leader, to the average American housewife, to the average American retired person, would not say, "I will give a little, I will sacrifice, I will do what is asked of me."

I honestly believe that the Senators and the Members of the House are willing under a unified approach to say, "I am not suggesting that this approach is right, I had another, but if it is what America needs to convince its people that there is some leadership in effect in the marketplace, then I believe we are all willing to give."

For those who ask how will a conference of this type work when there are diverse views among those who meet, I ask the question, if they do not meet, how will their diverse views solve anything, for their diverse views are not even around the table to see if there is some room for the President to compromise with the congressional leaders, or they with the President, or Arthur Burns with some of them or, indeed, the leaders of labor and management.

If we do not bring them together and insist that they talk, insist that they effect some compromise, even if they leave some loose ends, without some compromise on tax, on the budget, on the restraint that we are going to ask the American people in the area of consumer purchasing, where will that approach come from?

Mr. President, within the last few days——

The PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. DOMENICI. I thank the Chair and would conclude by saying that I am pleased to be part of this and hope that all the Senators will support it and that they will give support to the President of the United States.

The PRESIDENT pro tempore. Under the previous order, the Senator from Kentucky (Mr. Huddleston) is recognized for not to exceel 5 minutes.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the names of Mr. Helms, Mr. Haskell, Mr. Metcalf, Mr. Hughes, Mr. Pastore, Mr. Bayh, Mr. Tunney, Mr. Stennis, Mr. Scott of Pennsylvania, Mr. Magnuson, Mr. Symington, Mr. Percy, and Mr. Fulbright be added as cosponsors to the pending resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Did the Senator include my name?

Mr. HUDDLESTON. If I did not, the Senator will be included before this colloquy is concluded.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. HUDDLESTON. Mr. President, I am very pleased to join with my colleagues in proposing this Senate resolution which calls for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy.

It is certainly no secret that our Nation faces grave economic difficulties. In fact, a recent Harris poll found that 82 percent of our people believe the U.S. economy is in trouble. And, according to this survey, confidence in the Federal Government to come up with economic policies that work has now hit rock bottom.

We have the worst inflation rate since World War II. The interest rate is the highest in the history of this country. There are shortages of various industrial materials which underlie our Nation's construction and manufacturing enterprises. Rising prices, combined with a loss of real income and a loss of purchasing power, have saturated the economy. At the same time, we have indications of a downturn in the economy and questions about employment. There is a pervasive disillusionment and apprehension among our people.

We are caught in an economic quagmire, and extricating ourselves from that quagmire is the foremost problem in our Nation. It is a problem which demands resolution, and demands resolution now—or we will all pay the consequences and pay dearly.

Irresolution and inconsequential action will not suffice. We must have a wide-ranging, well-conceived, and well-executed plan of action or we risk contributing to our own disaster.

This resolution, the outgrowth of study and discussion among Senators Bartlett, Chiles, Domenici, Nunn, and myself, is, therefore, being offered as a means of setting a framework for action—action which must come if we are to regain a measure of economic stability and vitality in our Nation. It is based on a few simple concepts—concepts which we nevertheless believe can help us develop a "game plan" which might save us from economic chaos.

First, it is based on the idea that exceptional circumstances demand exceptional responses. There is no question that the current U.S. economic picture is exceptional. The idea of a domestic summit—at the highest levels of Government—and involving all sectors of the economy would we believe focus the necessary attention and activity on the issue.

Second, it is based on the idea that unity is required. Our economic problems are not simply eastern problems or western problems or Democratic problems or Republican problems or business problems or labor problems or consumer problems. They are American problems, and they require that we put aside partisan politics for the common good.

Third, it is based on the idea that a highly visible group must provide leadership in developing a plan of action for the Nation as a whole.

Fourth, it is based on the idea that a set of recommendations is needed. No one policy, no one program, no single advice is likely to remedy our various economic ills. Instead, we require a number of proposals—to deal with unemployment; with interest rates; with Federal spending; with real income and purchasing power; with savings, investment, and productivity; with shortages of various industrial materials.

Finally, it is based on the realization that no plan of action will be easy. Our problems are serious. They affect all segments of our economy. They affect all our people. They affect very directly the standard of living we enjoy today and that which we hope to have tomorrow.

We have been a fortunate nation, with an abundance of materials and an economy which has provided a good life for millions of Americans for the past 30 years. In order to restore the erosion which has occurred and to insure a good life in the future, we must employ policies which require discipline, compromise, and perhaps sacrifice in the months or even years ahead. Furthermore, we must employ fair policies, which will equitably share the burdens which might be imposed.

Self-interest must now be placed aside in order that we all benefit in the future.

I hope and I believe that our proposal will be given serious and expeditious consideration and that it will set the stage for meeting what I believe to be the most threatening domestic problem of recent time.

The fact that this legislation drew the support of 66 Members of the Senate even before it was introduced is a message to the President that the Congress wants to work with him—and all other parties—in solving our current economic problems. These 66 cosponsors represent both political parties and all philosophical and ideological points of view. This is a nonpartisan approach which in effect says we are all willing to work together, compromise mutually, and put together a plan of action that the country as a whole can support.

If President Nixon would embrace the concept in his nationwide address Thursday night I feel confident that all other sectors of the economy and the public at large would join together in seeking a unified economic policy.

The PRESIDENT pro tempore. Under the previous order, the Senator from Georgia (Mr. NUNN) is to be recognized for a period not to exceed 5 minutes.

Mr. NUNN. Mr. President, I ask unanimous consent that the names of Mr. BEALL, Mr. ROBERT C. BYRD, Mr. NELSON, Mr. CRANSTON, Mr. DOLE, Mr. THURMOND, Mr. STEVENSON, Mr. SPARKMAN, Mr. COTTON, Mr. TAFT, Mr. SCHWEIKER, Mr. COOK, and Mr. STAFFORD be added as cosponsors of this resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NUNN. Today, I have introduced, with four of my colleagues, a resolution calling for a domestic summit to try to get some unity of purpose and action in restoring stability and prosperity to the American economy.

The present threat to America from the serious economic deterioration we are witnessing is far greater than any external threat we face at the moment. It is time to bring the era of negotiation and the spirit of détente home. It is time for us to confront the problems of our failing economy with the same bipartisan dedication to the safety and well-being of the Nation which we have regularly shown in facing foreign dangers but too rarely rise to in meeting domestic difficulties.

It is time for the President, the leadership of Congress, leaders of labor and business and other elements of American society to put aside their domestic and political differences and to work together for the common good. In my view, the overall economic situation is so serious that all sectors of the economy can expect to suffer unless each of us is able to look beyond narrow self-interest and, in a spirit of discipline and compromise, to seek more general and enduring remedies. I believe that if we do not start pulling together now, we are very apt to fall apart.

The resolution my colleagues and I are sponsoring calls for the President, the top leaders of both parties in both Houses of Congress, and the Chairman of the Federal Reserve Board to meet together urgently in a domestic summit with appropriate leaders of business and labor and anyone else they think should participate. It calls on them to keep meeting until some program of action can be agreed to which will show the American people that we have stopped pulling and shoving in different directions and are prepared to move together to end our economic drift.

I do not believe in economic miracles. I do not expect the top public and private leadership to sit right down and come up with a common cure for all that ails us. The problems are too complex, the philosophies are too divergent, the priorities are too varied for us to expect a total unity package to emerge from the summit meeting. But it is not too much to expect specific actions to be agreed to, specific compromises to be reached and specific mechanisms for consultation, coordination, and implementation to be established which can start us back on the road to full economic recovery.

Our resolution does not suggest specific recovery measures to be adopted. Personally, I have strong views about the critical need to balance the Federal budget in order to reduce its inflationary impact and to end the money market demands of deficit financing which have pushed up interest rates. There are other measures I would recommend as well.

But at this point, what we need and what we are calling for is not a specific program or singular approach, for these would only invite controversy and lead to disagreement. What America needs now, first and foremost, and what our resolution seeks by asking for the widest and strongest possible call from Congress, is for the top leadership of the Nation to get together, to work together and to stay together until they can agree on some action plan which will restore economic stability and public confidence.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CHILES). Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is to be recognized for a period not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the time of the Senator from West Virginia.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I wish to congratulate those Senators who have spoken on the floor today concerning the subject of a summit to deal with the economy.

The United States is in an economic mess. Business people are upset and uncertain; prices and interest rates are astronomical; the financial markets are demoralized; and, although labor unions have shown remarkable restraint, strikes and labor strife are now sweeping the country. The average American citizen is more concerned today than he has been in years about his ability—or his lack of ability—to make ends meet. The price of every necessity of life has gone up and up, and the American standard of living has gone down and down.

No one escapes the cruel squeeze of inflation. Young people establishing households are locked out of the kind of housing they would like to acquire by the sky-high price of real estate and mortgage money. Families with children of college age find that they cannot afford the cost of higher education. The elderly see the value of their life savings slip away, while the purchasing power of fixed incomes diminishes month by month.

It is shocking and outrageous that in this hitherto affluent and prosperous land, old people, thousands of them, are reduced to eating dog food because of the steady escalation in the price of food for human consumption. It is scandalous that the prudent and thrifty now can find no way to protect the savings they have laid aside for their declining years from the steady and ruinous erosion of out-of-control inflation.

And what is the administration doing about it? It is typically resorting to its old and discredited habit of launching a public relations campaign instead of attempting substantial action. High-level meetings are held by the executive branch; statements are issued, and pious talk is heard about the "old-time religion" in economics. The American people, meantime, are getting an old-fashioned runaround.

The voices coming from the oval office, Key Biscayne, San Clemente, and elsewhere are not even singing the same tune. The Secretary of the Treasury says billions should be cut out of the Federal budget to curb inflation, while the Director of OMB says, "No, it cannot be done." The Chairman of the Council of Economic Advisers takes the position of blaming the American people for inflation and is quoted as saying, "I hope we won't do something just to be seen doing something," while the President himself, I am afraid, is doing just precisely that. The action is all window dressing and charades.

It is time for this administration, the paralysis of Watergate notwithstanding, to level with the American people. If inflation is worldwide, and is a part of the problem—and it is—then the administration ought to undertake serious and meaningful international efforts to deal with the situation. If excessive Government spending is a part of the problem—and it is—then both the administration and Congress ought to make an honest and effective effort to reduce spending and to reduce the budget. If tax law changes are needed to encourage business and help the small taxpayer—and they are—then the administration and Congress should vigorously press for such changes.

The Senate has already acted in one area to stimulate production and thereby reduce prices by passage of its bill to create a National Commission on Supplies and Shortages, which is aimed at improving the situation with respect to strategic materials. Much more action is need to restore the public's confidence in the ability of Government to act. But leadership—sound and effective leadership—on the part of the administration is the first essential.

Despite all the efforts of the administration to discredit Congress, the fact is that Congress, in the first 5 years of the present administration, reduced the administration's appropriations budget by $23.5 billion. And despite all of the rhetoric from the other end of Pennsylvania Avenue, the administration's fiscal and monetary policies have had the net effect of producing, at one and the same time, roaring inflation and economic slowdown. The double digit inflation and the double talk have gone hand in hand.

As for fiscal policy, the Nixon administration's spending has topped all previous records, giving the Nation both its first $200 billion budget and its first $300 billion budget. As for monetary policy—which now has given U.S. business its first 12-percent prime rate ever—that policy has been free and easy for much longer than it has been tight.

I do not believe we are likely to see much improvement in our economic troubles until confidence in Government is restored and until such time as business people and citizens in general can look to the future with some degree of certainty as to what Government leaders will be taken by the President in the cies will be.

Confidence is an intangible, but it is a very real ingredient without which a democratic free enterprise system cannot function as it should. It was confidence that was lacking in the Hoover years of the great depression. The people did not believe then that prosperity lay around the corner, and they do not believe it now.

U.S. economic health and stability have become a casualty of Watergate—and there is little point in trying to ameliorate or camouflage that fact. The sooner that situation can be resolved—and the sooner the administration in power can, and will, bring its full weight to bear in a unified way upon the problems of the domestic economy—the better for all Americans it will be.

I believe, Mr. President, that the resolution that the five distinguished Senators have introduced is a right step in the right direction at the right time, and I am privileged to join with my distinguished majority leader and almost 70 other Senators in cosponsoring this resolution. I congratulate the Senators on their vision and on the kind of leadership that they have shown, and I hope that the Senate will not only overwhelmingly but unanimously vote for the resolution at 12:30 p.m. today.

Mr. MANSFIELD. Mr. President, will the Senator yield to me before the presentation of the resolution?

Mr. ROBERT C. BYRD. Yes, I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I want to join in commending the distinguished Senators—the Senator from Florida (Mr. Chiles), the Senator from Oklahoma (Mr. Bartlett), the Senator from New Mexico (Mr. Domenici), the Senator from Kentucky (Mr. Huddleston) and the Senator from Georgia (Mr. Nunn)—for the initiative which they have shown, as the distinguished assistant majority leader (Mr. Robert C. Byrd) has said, in presenting a resolution facing up, or attempting to face up, to the No. 1 problem facing the Nation today. That is, the problem of inflation.

It is one about which consideration is long overdue. I hope that the White House will understand that this resolution is offered in the spirit of cooperation; that what the Senate wants to do, and what the Congress wants to do, is to work in partnership with the President to find ways and means to face up to the inflationary situation which at the present time amounts to somewhere between 11 and 12 percent.

We want to face up to a situation which sees a decline in the stock market but an upswing in unemployment from 5.1 to 5.2 percent; which sees a loss in production of 6 percent under last year; which sees wages lagging behind prices; and that creates a situation which, if not attended to and allowed to progress through the rest of this decade and into the first part of the next, the first year or two in the next decade, will take twice as much money then to buy what we are capable of buying at the present time.

The situation is indeed critical. I hope that the presentation of this resolution will be up to and what Government poli- spirit in which it has been offered, and hopefully the proposal of the five Senators who are responsible for it will be taken into account when the President makes his address to the Nation tomorrow night on the economy; and that hopefully out of this will come a spirit of cooperation and partnership between the two branches of Government in facing up to this problem which is so acute.

Mr. NUNN. Will the Senator yield briefly?

Mr. STAFFORD. Mr. President, will the Senator yield very briefly?

Mr. ROBERT C. BYRD. I had promised the distinguished Senator from Georgia I would yield next to him; then I shall yield to the Senator from Connecticut.

Mr. NUNN. Mr. President, I wish to thank the majority whip and the majority leader for the kind words they have stated.

I appreciate this, and I know my colleagues, who have worked on this resolution, appreciate the kind words and support of the leaders on both sides of the aisle in seeing that this matter is expedited.

Mr. President, I call up the resolution which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated for the information of the Senate.

The second assistant legislative clerk read the resolution as follows:

S. Res. 363

Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy

Resolved, Whereas the American economy has in recent months reached an alarming state of instability and uncertainty combining reduced economic growth, corrosive inflation, high unemployment, unprecedented high rates of interest, the decline of available loan and venture capital, serious changes in energy supply and pricing, unanticipated and destabilizing commodity shortages, and growing international economic and financial uncertainties; and

Whereas the complexity, magnitude and persistence of these difficulties has occasioned substantial disagreement as to their causes and remedies; and

Whereas no agreed program for effective action has been developed; the Congress, the Administration, and the Federal Reserve Board, acting independently, have not yet been able to overcome these problems; and specific government programs, levels of federal spending and activities in all economic sectors continue to contribute to these difficulties; and

Whereas the American people in the face of this persistent economic deterioration are growing more dismayed and uncertain as evidenced by the widespread labor unrest and the declining financial markets of recent weeks; and

Whereas this deepening lack of confidence could magnify an already serious economic situation into a national crisis should these difficulties continue unabated; Now therefore be it

Resolved, That it is the sense of the Senate that the leadership of the Nation responsible for our economic well being meet together immediately in a spirit of unity to design a set of policy actions to achieve the common goal of restoring stability and growth to the American economy and confidence and prosperity to the American people.

It is imperative as in previous moments of great national need, that the two political parties, the Congress and the President, labor and management, put aside their domestic and political differences and work together in a spirit of discipline, compromise, and sacrifices for the common good.

SEC. 2. It is further the sense of the Senate that this domestic summit be convened forthwith comprised of the President, the majority and minority leadership of both Houses of the Congress, the Chairmen and ranking minority members of the Appropriations Committee of both House, the Chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee, and the Chairman of the Federal Reserve Board, together with leaders of labor and business, and such other participants as they may agree upon. They shall meet and devote such time as necessary until a plan of action is decided upon which, by its demonstration of renewed unity, direction, and purpose will gain the public support and confidence necessary to be effective in overcoming these difficulties.

SEC. 3. It is further resolved by the Senate that it stands ready to cooperate fully in the spirit of commitment and unity which the solution of this truly national problem will require of all elements of American society.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Under the previous unanimous-consent order the vote will occur on the resolution at 12:30 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution remain in a laid-aside status until the hour of 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I am glad to yield to the Senator from Vermont.

Mr. STAFFORD. Mr. President, I appreciate the assistant majority leader yielding. As the acting minority leader I wish to add our commendation on this side of the aisle to the commendations of the majority leader in connection with the submission by the five Senators of the resolution pending, which will be voted on at 12:30 p.m. today. We, too, hope that the vote will be unanimous. We believe inflation is certainly one of the greatest problems which this Nation faces, and the greatest domestic problem at the present time.

The great danger of inflation is that if it gets totally out of hand it can destroy this country and our ability to meet and face the problems which we have, not only domestically but also around the world.

Speaking for the minority leadership, we join the majority in commending Senators who sponsored the resolution.

I thank the distinguished assistant majority leader for yielding.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, if I have any time remaining, I yield it back.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. NUNN). Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today that it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators are consummated on tomorrow there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate resume consideration of S. 3146, the real estate settlement services bill; and that at some point during the afternoon, at the discretion of the distinguished majority leader or his designees, the Senate resume its consideration of the unfinished business, S. 707.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting a secret document entitled "Should the United States Continue To Finance Military Assistance to Taiwan?" (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF RECEIPTS AND DISBURSEMENTS TO APPROPRIATIONS FROM DISPOSAL OF MILITARY SUPPLIES, EQUIPMENT, AND MATERIAL AND LUMBER OR TIMBER PRODUCTS

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, on the receipts and disbursements to appropriations from disposal of military supplies, equipment, and material and lumber or timber products, Department of Defense, as of March 31, 1974 (with accompanying papers). Referred to the Committee on Appropriations.

APPROVAL OF REA-INSURED LOAN TO COLORADO-UTE ELECTRIC ASSOCIATION, INC., MONTROSE, COLO.

A letter from the Administrator, Rural Electrification Administration, U.S. Department of Agriculture, reporting, pursuant to law, the approval of an REA-insured loan in the amount of $11,567,000 to Colorado-Ute Electric Association, Inc., of Montrose, Colo. Referred to the Committee on Appropriations.

APPROVAL OF REA INSURED LOAN TO TRI-STATE GENERATION & TRANSMISSION ASSOCIATION, INC., DENVER, COLO.

A letter from the Administrator, Rural Electrification Administration, U.S. Department of Agriculture, reporting, pursuant to law, the approval of an REA insured loan in the amount of $10,326,000 to Tri-State Generation & Transmission Association, Inc., of Denver, Colo. Referred to the Committee on Appropriations.

REVISED CONGRESSIONAL REPORT ON NAVAL AIR ENGINEERING CENTER, PHILADELPHIA, PA.

A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting, pursuant to law, a revised congressional report on the facts concerning a Department of the Navy action pertaining to the Naval Air Engineering Center, Philadelphia, Pa. (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION FOR STRIKING OF MEDALS IN COMMEMORATION OF THE BICENTENNIAL OF THE U.S. ARMY, THE U.S. NAVY, AND THE U.S. MARINE CORPS

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to provide for the striking of medals in commemoration of the bicentennial of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

PUBLICATION ENTITLED "NATURAL GAS ACT, MARCH 1, 1974"

A letter from the Chairman, Federal Power Commission, submitting, for the information of the Senate, a publication entitled "Natural Gas Act, March 1, 1974" (with an accompanying publication). Referred to the Committee on Commerce.

ANNUAL REPORT OF THE FEDERAL POWER COMMISSION, 1973

A letter from the Chairman, Federal Power Commission, transmitting, pursuant to law, its annual report for the fiscal year July 1, 1972, to June 30, 1973 (with an accompanying report). Referred to the Committee on Commerce.

Proposed Public Broadcasting Financing Act of 1974

A letter from the Executive Office of the President, Office of Telecommunications Policy, transmitting a draft of proposed legislation to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

Report on Amtrak

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the Department's views and recommendations concerning Amtrak in the areas of policy and legislation, financial plans and rail operations (with an accompanying report). Referred to the Committee on Commerce.

Report of International Agreements, Other Than Treaties, Entered Into by the United States

A letter from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States (with accompanying papers). Referred to the Committee on Foreign Relations.

Report on Budgetary Reserves, June 30, 1974

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on budgetary reserves as of June 30, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Report on Arrangements for Scientific Research, Department of the Interior

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on grants made during calendar year 1973 to nonprofit institutions and organizations for support of scientific research programs (with accompanying papers). Referred to the Committee on Government Operations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office of the previous month (with accompanying papers). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Federal productivity, volume I, "Productivity Trends, fiscal years 1967–73" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on "Audit of Financial Statements of St. Lawrence Seaway Development Corporation, Calendar Year 1973, Department of Transportation" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on "Home Health Care Benefits Under Medicare and Medicaid, Department of Health, Education, and Welfare" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on "The Need To Consolidate Responsibility for Automatic Digital Network (Autodin) Terminals, Department of Defense" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Numerous Improvements Still Needed in Managing U.S. Participation in International Organizations, Department of State and other agencies (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Military Retention Incentives: Effectiveness and Administration, Department of Defense (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report re Proper Use of the Economic Order Quantity Principle Can Lead to More Savings, Department of Defense, Department of Transportation, General Services Administration, and Veterans' Administration (with an accompanying report). Referred to the Committee on Government Operations.

Proposed Plan for Use and Distribution of Judgment Funds Awarded to the Northern Paiute Before the Indian Claims Commission

A letter from the Acting Secretary of the Interior, submitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded in docket 87 to Northern Paiute before the Indian Claims Commission (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Plan for Use and Distribution of Judgment Funds Awarded to the Nez Perce Tribe of Idaho Before the Indian Claims Commission

A letter from the Acting Secretary of the Interior, submitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded in docket 175 to the Nez Perce Tribe of Idaho before the Indian Claims Commission (with the accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Plan for Use and Distribution of Judgment Funds Awarded to the Eastern Band of Cherokee Indians Before the Indian Claims Commission

A letter from the Acting Secretary of the Interior, submitting, pursuant to law, a proposed plan for the use and distribution of judgment funds in accordance with the Indian Judgment Funds Use or Distribution Act of 1973 (87 Stat. 466) (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Third Preference and Sixth Preference Classifications for Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classification for certain aliens (with accompany papers). Referred to the Committee on the Judiciary.

Annual Report of the Interim Compliance Panel

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, the annual report of the Interim Compliance Panel for calendar year 1973 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Second Special Report On Alcohol and Health

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Second Special Report on Alcohol and Health (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Report of the Equal Employment Opportunity Coordinating Council

A letter from the Office of the Deputy Attorney General, transmitting, pursuant to law, a report of the Equal Employment Opportunity Coordinating Council (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Proposed Executive Personnel System Act

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend title 5, United States Code, to establish and govern the Executive Personnel System and for other purposes (with accompanying papers). Referred to the Committee on Post Office and Civil Service.

Report on Reduction in Water Consumption and Flow of Sewage

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report on the preliminary results of studies and investigations by the Environmental Protection Agency on reducing water consumpton and the total flow of sewage (with an accompanying report). Referred to the Committee on Public Works.

Prospectus Proposing Renewal of Leasehold Interest at 30 West Broadway, New York, N.Y.

A letter from the Acting Administrator, General Services Administration, submitting, pursuant to law, a prospectus which proposes renewal of the leasehold interest at 30 West Broadway, New York, N.Y. (with accompanying paper). Referred to the Committee on Public Works.

Report on Use of Mass Media for Highway Safety

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the use of mass media for highway safety (with an accompanying report). Referred to the Committee on Public Works.

Report to Congress on 1974 Highway Litter Study

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the 1974 Highway Litter Study (with an accompanying report). Referred to the Committee on Public Works.

Proposed Amendment of Section 322, Title 23, United States Code

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 322 of title 23, United States Code (with accompanying papers). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore (Mr. Metcalf):

A concurrent resolution from the Legislature of the State of Louisiana. Referred to the Committee on Finance:

"House Concurrent Resolution No. 111

"A concurrent resolution urging Congress to repeal the Professional Standard Review Organization Law; and for other purposes

"Whereas, Section 249–F of Public Law 92–603, Professional Standard Review Organization (PSRO), was enacted by the Congress of the United States in 1972 without due consideration and careful deliberation by both its bodies; and

"Whereas, operation of Professional Standard Review Organization will cause great harm and financial hardship to the elderly and poor people of our country because of its unrealistic requirements on physicians to practice their profession based on standards and norms approved by the Department of Health, Education, and Welfare; and

"Whereas, these segments of our population will suffer greatly if denied medical care and hospitalization deemed necessary by their physician but not in conformance with HEW standards based on averages and medians rather than human needs; and

"Whereas, this law may well inhibit the great advancement seen in American medicine during this century of progress in conquering many of man's dread diseases.

"Now, therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring herein, that this body notify the Congress of the United States that the Professional Standard Review Organization Law is ill-conceived legislation, harmful to the public and pernicious in its effect on the practice of medicine.

"Be it further resolved that the Congress be urged to repeal the Professional Standard Review Organization Law as quickly as possible to prevent the damage it will cause to the public and the American health care system.

"Be it further resolved, that this Legislature encourage Louisiana physicians to continue the ethical practice of their profession, to maintain the privacy and confidentiality of their patient's records, to retain their right to make medical decisions based on their own professional judgment, and to support the existing system of peer and utilization review available in hospitals and nursing homes, medical societies and associations.

"Be it further resolved that the Secretary of State is hereby authorized and directed to transmit an appropriate copy of this Resolution to the Secretary of the Senate of the United States, to the Clerk of the House of Representatives of the United States, and to each member of the Louisiana Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with amendments:

H.R. 15323. An Act to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes (Rept. No. 93–1027).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. TALMADGE, from the Committee on Finance:

Charles A. Cooper, of Florida, to be an Assistant Secretary of the Treasury;

Stephen S. Gardner, of Pennsylvania, to be Deputy Secretary of the Treasury; and

Richard R. Albrecht, of Washington, to be General Counsel for the Department of the Treasury.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Commerce:

Francis H. McAdams, of the District of Columbia, to be a member of the National Transportation Safety Board; and

Louis M. Thayer, of Florida, to be a member of the National Transportation Safety Board.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STEVENSON:

S. 3794. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 in order to provide that daylight saving time pursuant to such act shall terminate on the last Sunday of October 1974 and that in the calendar year 1975 daylight saving time shall begin on the last Sunday of February. Referred to the Committee on Commerce.

By Mr. SPARKMAN (for himself and Mr. Allen):

S. 3795. A bill to amend the Clean Air Act to assure consideration of the total environmental, social, and economic impact while improving the quality of the Nation's air. Referred to the Committee on Public Works.

By Mr. WILLIAMS:

S. 3796. A bill to amend the Rail Passenger Service Act of 1970 in order to require that before the National Railroad Passenger Corporation changes any schedule of, or increases any rate, fare, or charge for, rail passenger service, the Corporation shall hold a public hearing and make a finding that such change or increase is reasonable and in the public interest. Referred to the Committee on Commerce.

By Mr. BENTSEN:

S. 3797. A bill to provide education equalization incentive grants to the States. Referred to the Committee on Labor and Public Welfare.

By Mr. JAVITS (for himself, Mr. Kennedy, Mr. Dole, Mr. Johnston, Mr. Abourezk, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Cranston, Mr. Gravel, Mr. Hart, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Hollings, Mr. Humphrey, Mr. Long, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Metzenbaum, Mr. Mondale, Mr. Moss, Mr. Muskie, Mr. Pastore, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Hugh Scott, Mr. Tunney, and Mr. Williams):

S. 3798. A bill to extend the Economic Opportunity Act of 1964, further Head Start, community action, community economic development, and other antipoverty efforts, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. FONG:

S. 3799. A bill for the relief of Mrs. Agnes J. Wong and Dr. Samuel J. Wong, Jr. Referred to the Committee on the Judiciary.

By Mr. FONG (for himself, Mr. Metcalf, Mr. Bennett, Mr. Brooke, Mr. Dole, Mr. Domenici, Mr. Fannin, Mr. Gurney, Mr. Javits, and Mr. Williams):

S. 3800. A bill to provide for the appointment of legal assistants in the courts of appeals of the United States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENSON:

S. 3794. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 in order to provide that daylight saving time pursuant to such act shall terminate on the last Sunday of October 1974 and that in the calendar year 1975 daylight saving time shall begin on the last Sunday of February. Referred to the Committee on Commerce.

Mr. STEVENSON. Mr. President, last December 15 the Congress approved year-round daylight saving time on a 2-year experimental basis to save energy during a serious energy shortage. I had earlier proposed legislation limiting the experimental period to 1 year. But because the Department of Transportation and the Office of Energy Conservation said it would take 2 years to assemble the necessary data to analyze the effects of year-round daylight saving time, the Congress provided for a 2-year experimental period.

As part of the experiment, the Department of Transportation was required to provide the Congress with an interim report on the effects of year-round daylight saving time by June 30, 1974. That report has now been made available, and it supports all the claims which were made for temporary year-round daylight saving time when the Congress approved it.

The report notes:

> The analysis indicates that yrdst probably reduces electricity demand during the winter months, with the savings amounting to approximately one percent.

The report also concludes that—

> No significant effects on traffic safety can be attributed to Yrdst . . . fatalities involving school-age children over the entire day in both January and February, 1974, are reduced from the previous year.

Despite the positive results of this experiment with year-round daylight saving time, the Department of Transportation study found that a majority of the American people would prefer daylight saving time from March through October—an 8-month period.

The study also concludes that more data concerning energy savings and traffic effects are needed and urges that the daylight saving time experiment be continued on a modified basis.

I believe these conclusions make good sense. And so I am introducing legislation to repeal year-round daylight saving time and provide instead for 8 months—March to October—of daylight saving time. The Arab oil embargo has been lifted, and the immediate energy emergency has eased. But with 8-month daylight saving time we can continue to achieve energy savings and at the same time respond to the public preference for standard time from November through February. To avoid the public inconvenience associated with dark mornings, I believe it makes sense to return to standard time during November, December, January and February.

The bill I am introducing would provide for a return to standard time beginning on the last Sunday in October and ending on the last Sunday in February.

September and October are months during which we have observed daylight saving time since enactment of the Uniform Time Act in 1966. Significantly, the length of the days and the time of sunrise in March and April are approximately the same as in September and October. According to the Department of Transportation report, a majority of the public approved daylight saving time during the months of March and April, as well as the months of September and October. This bill would extend daylight saving time to 8 months by making it effective in March and April.

Mr. President, I hope the Senate Commerce Committee will schedule hearings in the near future to consider this matter in time to initiate appropriate changes before the end of October.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3794

A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 in order to provide that daylight saving time pursuant to such Act shall terminate on the last Sunday of October 1974 and that in the calendar year 1975 daylight saving time shall begin on the last Sunday of February

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 7 of the Emergency Daylight Saving Time Energy Conservation Act of 1973 is amended to read as follows:

"SEC. 7. (a) This Act shall take effect at 2 o'clock antemeridian on the fourth Sunday which occurs after the date of enactment of this Act, and except as provided in subsection (b) shall terminate at 2 o'clock antemeridian on the last Sunday of October 1974.

"(b) For the purposes of section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a (a)) the period for the advancement by one hour of the standard time of each zone shall in the calendar year 1975 begin at 2 o'clock antemeridian on the last Sunday of February."

SEC. 2. Notwithstanding the first section of this Act the Secretary of Transportation shall make the final report pursuant to section 4(a) of the Emergency Daylight Saving Time Energy Conservation Act of 1973, except that such report may be made not later than August 31, 1975.

By Mr. WILLIAMS:

S. 3796. A bill to amend the Rail Passenger Service Act of 1970 in order to require that before the National Railroad Passenger Corporation changes any schedule of, or increases any rate, fare, or charge for, rail passenger service, the Corporation shall hold a public hearing and make a finding that such change or increase is reasonable and in the public interest. Referred to the Committee on Commerce.

NATIONAL RAILROAD PASSENGER CORPORATION AMENDMENTS OF 1974

Mr. WILLIAMS. Mr. President, the public need for modern rail passenger service is greater than ever, yet the service provided by Amtrak has severe shortcomings. Trains are on unreasonably slow schedules, equipment failures are routine occurrences, information and reservation service is very poor, financial losses are unreasonably high when compared with public benefits, and great gaps remain in the structure of Amtrak routes.

Recently, the Senate gave perfunctory approval to Mr. Roger Lewis' reappointment as a member of the Board of Amtrak. I have reservations about that action, and I wish to emphasize that I do not consider this confirmation to be an endorsement of Amtrak's past management performance. In fact, the poor performance of Amtrak is making it increasingly likely that Congress will be forced to remove some of the discretionary authority which was given to Amtrak management.

Today I am introducing a bill to require that, before the National Railroad Passenger Corporation changes schedules or increases rates for rail passenger service, it must hold a public hearing and make a finding that the change or increase is reasonable and in the public interest. I believe this is a minimal requirement which Amtrak could have instituted, but has not.

When Congress approved the Rail Passenger Service Act less than 4 years ago, which created Amtrak, Congress clearly emphasized that it is the public convenience and necessity which require the continuation and improvement of intercity rail passenger service. In order to promote maximum flexibility and to respond to marketing changes as rapidly as possible, Amtrak was exempted from certain provisions of the Interstate Commerce Act pertaining to regulation of rates, fares, and charges. In addition, Amtrak is not subject to any State or other law relating to routes, rates, and service for rail transportation.

Since July 1, 1973, Amtrak has had the authority to determine that certain trains are not required by public convenience or necessity and will impair the ability of the Corporation to provide adequately for other services. The Corporation may then discontinue this service. Although Amtrak must post notification of changes in service at least 30 days prior to any change, there is no channel for public input other than through personal correspondence from affected individuals to the Corporation. And, although Amtrak does post notification of changes in rates, fares, and charges; again, there is absolutely no provision for public input other than correspondence.

It seems clear to me that at the very least we must provide for some public input by requiring a public hearing before Amtrak decides to increase its rates or change its schedule. The public should at least be assured that the changes are reasonable and in its best interest. It also seems to me that this was the intention of Congress when it passed the act 4 years ago.

The Senate Commerce Committee was explicit when it approved guidelines for notifying all localities, organizations and persons whose interests would be affected by discontinuance of service, so they would be afforded adequate notice. The committee believed that this provision was most essential in protecting the public interest. If, within the 30-day notification period, State, regional, or local agencies request continuation of the service and then agree, within 90 days, to reimburse Amtrak for losses accrued by the service, it would be continued.

Certainly Congress recognized that the public, whose support of Amtrak is vital to the Corporation's very existence, must have time to prepare and present its entire case on any occasion when scheduled service is proposed to be discontinued. The same reasoning should hold for proposed schedule changes and increases in rates, fares, and charges.

In view of the great resources available to the railroads for attorneys, experts, the purchasing of transcripts, and the printing of briefs, the provisions in the act regarding public notification are a minimal burden on the Corporation. They are reasonable and clearly consistent with protecting the best interests of the public.

Therefore, I am introducing this bill, which would require that such a public hearing be held and that the Corporation make a finding that such a change or increase is both reasonable and in the public interest. The public should be heard before this determination. Since Amtrak can raise its rates at its own discretion, the public should be given a chance to understand why such an increase was necessary and in its best interest. These hearings would be held in the areas where such service is affected and at least 30 days after notice of any change is posted in each station, depot, or other facility served.

I am hopeful that the management and performance of Amtrak will improve dramatically. If the flexibility provided in the legislation creating Amtrak is not used effectively, Congress can and will revise it.

Mr. President, I ask unanimous consent that this legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3796

A bill to amend the Rail Passenger Service Act of 1970 in order to require that before the National Railroad Passenger Corporation changes any schedule of, or increases any rate, fare, or charge for, rail passenger service, the Corporation shall hold a public hearing and make a finding that such change or increase is reasonable and in the public interest

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Rail Passenger Service Act of 1970 is amended by inserting at the end thereof the following:

"SEC. 406. PUBLIC HEARING PRIOR TO SCHEDULE CHANGE OR FARE INCREASE.

"The Corporation shall not change any schedule of, or increase any rate, fare, or charge for, rail passenger service until after at least one public hearing with respect to such increase, and finding that such change or increase is reasonable and in the public interest. Any such hearing shall be held (1) in the area where such service is provided, and (2) at least thirty days after notice thereof is posted in each station, depot, or other facility served."

By Mr. BENTSEN:

S. 3797. A bill to provide education equalization incentive grants to the States. Referred to the Committee on Labor and Public Welfare.

THE EDUCATION EQUALIZATION ACT OF 1974

Mr. BENTSEN. Mr. President, I am today introducing the Education Equalization Opportunities Act of 1974. This legislation is virtually identical to an amendment I submitted to the Elementary and Secondary Education Act earlier this year, which was passed by the Senate less than 2 months ago, then dropped in a House-Senate conference.

Mr. President, there is no more fundamental question in education today than the right of a child to have an equal chance for a quality education, wherever he may happen to live.

As long as our school systems depend primarily on the local property tax for their support, there will be more money to educate children in wealthy school districts and less money to educate children in poor districts, where the need is far greater.

The Supreme Court handed down a landmark ruling on school finance last year, in the Rodriguez case, which affected my own State of Texas. And while I agree with that part of the Court's decision declaring that education is primarily a State function, I must also agree with Justice Potter Stewart, that "the method of financing public schools in Texas, as in almost every other State, has resulted in a system of public education that can best be described as chaotic and unjust."

There are those who say the Rodriguez decision only guarantees that the system will continue to be "chaotic and unjust," and that a child's education will be determined by how many wealthy taxpayers there are in his school district.

But it is my belief that the Rodriguez decision is not a cause for despair. It is an incentive to seek justice and equality through new avenues—to wage the battle with creative legislation.

As a result of the wide publicity given to the Rodriguez case in Texas, the Serrano case in California, and cases in New Jersey and other States, public consciousness has been awakened to the issue of equality in the financing of public education.

Several States are now wrestling with the problem, which has been aggravated by increasing school costs in a period of unparalleled inflation, decreasing revenues for education, and the fluctuations and delays in Federal support.

The purpose of this legislation is to provide incentives and rewards for those States which either proceed with equalization plans or maintain the plans they presently have.

I do not believe that movements to equilization can be provided by Federal subsidy alone. I do not believe that it is the proper course for the Federal Government to mandate equalization; that, in fact, would run counter to the decision in the Rodriguez case.

But I do believe that it is a Federal responsibility to assist the States who make the effort to adopt workable plans to improve educational opportunities for children in poorer school districts, through a more equitable method of school finance.

It is quite simply unfair to the children in poorer school districts, which cannot match their wealthy sister districts in teachers salaries, quality of material, and the freedom which adequate funds can provide to experiment in education. The problem is a severe one; in my own State of Texas the variations in taxing ability between the richest and the poorest district ranges as high as 84 to 1; in Louisiana, 52 to 1; in Michigan 30 to 1. The problem is not limited to one section of the country or to the heavily urbanized or rural States; it is a national problem.

Essentially, this legislation would provide reward incentives to States which move to adopt statewide plans for public school financing. To qualify, a State would have to demonstrate to the Commissioner of Education that it has a strategy to insure that State wealth, not local school district wealth, will determine educational quality; that children with greater educational needs, such as the handicapped, receive funds commensurate with their needs; that it will take into account the higher costs of educating children in areas with higher living costs and other factors contributing to increased educational expenditures.

The bill purposefully does not mandate a single method of achieving equalization. That would be counterproductive, since several of the States are now moving in different ways to achieve the same result. Moreover, the Serrano decision in California specifically indicates that there may be several means to achieve the same end. The important factor will be whether there is a statewide strategy and whether that strategy makes a serious effort to upgrade support for the poorer school districts and takes into account the specific criteria listed in the bill.

For too long, we have penalized the child who happens to have been born in a poor school district by giving him an unequal chance for a quality education. The buildings he studies in may be dilapidated and run down; the teaching he receives, despite exceptions, tends to be of lower quality than that in wealthier school districts; the textbooks and supplemental materials he uses may be meager and outdated. All of these inequities must be corrected.

It is a job to which all levels of government—State, Federal, and local—must direct their best efforts.

At this point, I ask unanimous consent to have printed in the RECORD the text of the Education Equalization Opportunities Act of 1974.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Congress finds that the Federal Government has an obligation to provide incentives for each State to assist them in equalizing the resources available within that State so that an opportunity to obtain an education appropriate to individual need will be available to all children regardless of their place of residence within the State. It is, therefore, the purpose of this Act to provide financial assistance in the form of incentives to the States to encourage them to equalize educational opportunity.

SEC. 2. (a) The Commissioner is authorized to make grants to States in accordance with the provisions of this Act. Incentive grants received under this Act may be used to improve the quality of elementary and secondary education among the local educational agencies within each State, in such areas as the State deems vital.

(b) A State is eligible to receive a grant under this Act only if the State educational agency provides assurance that—

(1) the quality of education provided to a child within that State is not the result of the wealth of the school district of the local educational agency in which the child attends school, but reflects the wealth of the State as a whole;

(2) amounts commensurate with their needs are expended on children with greater educational needs, including, but not limited to, educationally disadvantaged, gifted, talented, handicapped, and vocational education students; and

(3) amounts commensurate with the education costs are expended in local educational agencies within the State with greater costs, including cost attributable to sparsity of population, high density of population, and high living costs.

(c) The Commissioner is authorized to establish general guidelines for defining the principles set forth in subsection (b) of this section. No guidelines established under this subsection shall be based upon a formula requiring a mathematical equality of educational expenditures among school districts.

SEC. 3. (a) Any State desiring to receive a grant under this Act shall submit an application to the Commissioner at such time, in such manner, and accompanied by such information as the Commissioner may reasonably require. Each such application shall—

(1) (A) describe the State equalization program that meets the requirements of section 2;

(B) describe, in the case of a State equalization program already in effect, a description of that program which meets the requirements of section 2;

(2) provide assurances that the State will make substantial progress to carry out the State equalization program or will maintain its present equalization program;

(3) provide for making periodic reports to the Commissioner evaluating the effectiveness of the State equalization program assisted under this Act and such other reports as the Commissioner may reasonably require to perform his functions under this Act.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State except after reasonable notice and opportunity for a hearing to a State.

(c) Whenever the Commission, after reasonable notice and opportunity for a hearing to any State, finds that there is a failure to meet the requirements of this Act, the Commissioner shall notify the State that further payments will not be made to the State until he is satisfied that the requirements have been met.

SEC. 4. Unless inconsistent with the purposes of this Act, the General Education Provisions Act shall apply to the equalization incentive grant program authorized by this Act.

SEC. 5. (a) There are authorized to be appropriated to carry out the provisions of this Act $50,000,000 for the fiscal year ending June 30, 1976, $75,000,000 for the fiscal year ending June 30, 1977, and $100,000,000 for the fiscal year ending June 30, 1978.

(b) (1) No State may receive more than 10 per centum of the funds available for making grants under this Act for any fiscal year. In making distributions under this Act the Commissioner shall consider an equitable geographical distribution.

(2) Funds appropriated to carry out the provisions of this Act shall remain available for the succeeding fiscal year after the year in which they were appropriated.

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. DOLE, Mr. JOHNSTON, Mr. ABOUREZK, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HART, Mr. HASKELL, Mr. HATFIELD, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUMPHREY, Mr. LONG, Mr. MATHIAS, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METZENBAUM, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. PASTORE, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. HUGH SCOTT, Mr. TUNNEY, and Mr. WILLIAMS):

S. 3798. A bill to extend the Economic Opportunity Act of 1964, further Head Start, Community Action, community economic development, and other antipoverty efforts, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes. Referred to the Committee on Labor and Public Welfare.

THE ECONOMIC OPPORTUNITY AND COMMUNITY PARTNERSHIP ACT OF 1974

Mr. JAVITS. Mr. President, I introduce for myself and Senators KENNEDY, DOLE, and JOHNSTON, and 30 additional Senators, the Economic Opportunity and Community Partnership Act of 1974. Joining with us are the following: Senators ABOUREZK, BROOKE, CASE, CLARK, CRANSTON, GRAVEL, HART, HASKELL, HATFIELD, HATHAWAY, HOLLINGS, HUMPHREY, LONG, MATHIAS, MCGEE, MCGOVERN, MCINTYRE, METZENBAUM, MONDALE, MOSS, MUSKIE, PASTORE, PEARSON, PELL, PERCY, RANDOLPH, RIBICOFF, HUGH SCOTT, TUNNEY, and WILLIAMS.

This measure would:

First, extend the basic authorizations of appropriations for programs under the Economic Opportunity Act of 1964, including community action, community economic development, Headstart and similar programs for a period of 3 years, through fiscal year 1977, with an aggregate authorization of $5.1 billion over the 3-year period as follows: $1.5 billion for fiscal year 1975, $1.7 billion for fiscal year 1976, and $1.9 billion for fiscal year 1977; this compares with the current estimated level of $1.0 billion for the year just ended, fiscal year 1974. The authorizations for these programs expired this past June 30, but funding for the programs, as well as for the Office of Economic Opportunity itself, is provided through Spetember 30 under House Joint Resolution 1062, the continuing resolution, signed into law by the President on June 30.

Second, establish, as a separate and independent agency of the Federal Government, a new "Community Services and Community Economic Development Administration," to replace the Office of Economic Opportunity.

The new agency to be established within 6 months of enactment, would be authorized to maintain direct funding for community action local-initiative programs at the current level; it would also provide increased funding for the community economic development programs, and maintain certain other activities, including evaluation, research, and demonstration, now—and in the interim—conducted by the Office of Economic Opportunity.

However, the character of the new agency would differ from the current Office of Economic Opportunity by virtue of two new mechanisms to provide for the increased involvement of State and local government in antipoverty efforts, as generally urged by the administration:

Under a new authority, funds would be provided on an increasing basis over the 3-year period for community partnership agreements. Under that authority, a State or local government could receive additional assistance if it entered into an agreement with the community action agency in its particular area for planning, development, and administration of programs to strengthen the capability of public and private community institutions to undertake antipovery efforts.

Moreover, to serve as a catalyst and review agent in the formulation of such agreements, as well as to review the possible sources of funding for antipoverty efforts generally, there would be established in the new Administration, a National Intergovernmental Review Board on the Financing of Community Services. The Board, appointed by the President, and subject to Senate confirmation, would consist of nine members, including three representatives of State and local government, three of community action and similar agencies, and the remainder from the private sector.

Third, transfer the Headstart and Follow Through programs, and certain other activities, from OEO to the Department of Health, Education, and Welfare, as requested by the Administration.

Mr. President, this bipartisan proposal is offered as an alternative to the Administration's plans under which the Economic Opportunity Act would be repealed and no authority would be provided for continuation of either the Office of Economic Opportunity or direct Federal funding for the Nation's 1,000 community action and similar agencies; but community action agencies and their programs would be continued only if State and local government chose to do so from their own "general revenue sharing" and other funds. Under the administration's plans, the Headstart and Follow Through programs would be continued in the Department of Health, Education, and Welfare, and other programs would be administered by other existing agencies, for example, the community economic development program by the Department of Commerce.

It is an alternative also to H.R. 14449, the Community Services Act, passed by the House of Representatives on May 29, 1974, which would repeal the Economic Opportunity Act and eliminate the Office of Economic Opportunity, but continue direct funding for community action agencies under a new Community Action Administration to be established within the Department of Health, Education, and Welfare; under the House bill, other elements would be spunoff to other existing departments, for example, community economic development to the Department of Commerce. The House bill authorizes an aggregate of $3.75 billion for antipoverty efforts over a 3-year period.

Mr. President, we consider the administration's proposal to be a liquidation of the core of the antipoverty program as we now know it; it constitutes a dismantlement of OEO at the Federal level and of the community action agencies at the local level, without presenting any coherent blueprint for effective replacements for these vital community agencies.

Similarly, the House bill, while it would maintain community action agencies at the local level, would merely transpose much of the Office of Economic Opportunity into the Department of Health, Education, and Welfare. Without criticizing that fine agency, I would like to say I am concerned that community action—the key element of the antipoverty program—would get lost in this huge deck during the shuffle.

Neither plan, in our opinion, offers a positive updated blueprint for implementation of the Nation's commitment to eliminate poverty over the next decade.

We propose, through the measure we introduce today to reaffirm the Nation's legislative commitment to eliminate poverty as we approach the bicentennial year in a manner which will maintain past efforts in transition toward greater involvement of State and local governments in antipoverty efforts, which the administration itself has generally urged.

With that general background, I shall now comment upon the basis for each of these elements in more detail.

EXTENSION OF THE ECONOMIC OPPORTUNITY ACT OF 1964

The Economic Opportunity Act of 1964 states, in its purpose clause, that:

> It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity to live in decency and dignity.

Under the act millions of persons have moved themselves out of poverty and into the economic mainstream of the Nation, through substantial efforts in manpower training, legal services, child care, and other programs conducted under the act.

However, 24 million persons are still in poverty, other millions of "near poor" are on the edge of poverty, and 11 million persons are stuck in the crunch of the outdated welfare system without the benefit of the long sought welfare reform.

We should approach our bicentennial year with the national policy embodied in the Economic Opportunity Act, still on the books and do nothing in the meantime to abrogate it—as continued recognition by the Congress and the executive that the job is not yet accomplished.

To put teeth into that extension, increased funding must be provided to provide the resources to do the job.

At the present time, the OEO programs are reaching 15 million persons annually—a little more than half of the Nation's 24 million poor and then with rather inadequate resources in respect to overall needs in terms of the multitude of services that are needed; in fact, applying the $1.0 billion in funds available for antipoverty activities in fiscal year 1974 to the 24 million poor persons, it comes to $41.65 per person in poverty—hardly a commitment at all.

The bill provides for increases in the amounts for programs toward meeting greater needs within the bounds of "fiscal responsibility."

I ask unanimous consent that a chart showing these levels in respect to each of the major programs compared with the current level and the House bill be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

JAVITS-KENNEDY ECONOMIC OPPORTUNITY AND COMMUNITY PARTNERSHIP ACT OF 1974—COST ESTIMATES [1]

Program	Fiscal year 1974 estimated level	Fiscal year 1975		Fiscal year 1976		Fiscal year 1977	
		Proposed	House bill	Proposed	House bill	Proposed	House bill
Local initiative	$328.9	$330.0	$330.0	$330.0	$330.0	$330.0	$330.0
Community partnership (incentives)		70.0	50.0	140.0	50.0	210.0	50.0
Community economic development	39.3	84.0	40.0	120.0	40.0	156.0	40.0
Legal services [2]	71.5	90.0		100.0		110.0	
Emergency food and medical services	25.0	30.0	25.0	35.0	30.0	35.0	30.0
Senior opportunities and services	10.0	15.0	10.5	20.0	10.5	25.0	10.5
Consumer action and cooperative services	(3)	10.0		15.0		20.0	
Design and planning assistance programs	(3)	10.0		15.0		20.0	
Native Americans program	32.0	33.5	32.0	37.0	37.0	43.0	43.0
Emergency energy conservation services	(3)	100.0		100.0		100.0	
Youth sports program	3.0	3.0	3.0	3.0	5.0	3.0	5.0
Summer youth recreation program	15.0	26.0		30.0		35.0	
Training and technical assistance	4.0	5.0		6.0		7.0	
State economic opportunity offices	12.0	12.0		12.0		12.0	
National intergovernmental review board		1.5		1.5		1.5	
Migrant program	54.0	56.0	56.0	60.0	60.0	60.0	60.0
Headstart	408.0	500.0	500.0	550.0	525.0	600.0	550.0
Follow through	41.0	60.0	60.0	65.0	60.0	70.0	60.0
Human services policy research	23.7	22.0	22.0	22.0	22.0	22.0	22.0
Evaluation, coordination, research, demonstration	4.4	60.0		70.0		80.0	
Other programs and administration	25.0	30.0		30.0		30.0	
Total	1,096.8	1,548.0	1,200.0	1,761.5	1,259.5	1,903.0	1,300.5

[1] House estimates based on House Committee Report (93–1043) which specified certain levels; in cases where the House Committee did not specify funds, general funds may still be made available for those purposes. In that connection, note that the overall House authorization totals exceed the aggregate of the specific amounts. However, the Javits-Kennedy bill totals do equal the aggregate of the specific items.

[2] Standby authority in the event that H.R. 7824, Legal Services Corporation Act, is not enacted.

[3] Nominal funding under local initiative and demonstration authorities.

ESTABLISHMENT OF A NEW SEPARATE AGENCY FOR THE POOR

Mr. JAVITS. Mr. President, as I indicated, the bill would establish within 6 months of enactment a new "Community Services and Community Economic Development Administration" as a separate and independent agency of the Federal Government to replace the current Office of Economic Opportunity as the principal spokesman and innovator for the poor.

In a message to the Congress in 1969, President Nixon stated that:

> From the experience of the OEO, we have learned the value of having in the Federal government an agency whose special concern is the poor.

Its value as an innovator has arisen, in my opinion, from two basic sources. First, its ability to fund and recognize the creative solutions to poverty which have their "feet in the soil," as efforts developed by community action agencies and community economic development programs at the local level. Second, its ability to evaluate the actions of existing Federal departments in terms of their impact upon the poor, with an objective eye.

It is questionable whether the innovative cycle can be continued—without loss or impairment if community action is placed, as proposed in the House bill, in the Department of Health, Education, and Welfare, which already, in fiscal year 1974, was responsible for administering $32.7 billion in programs, exclusive even of social security programs.

We believe that there continues to be a need for a separate agency for the poor and that if it is the consensus that the OEO itself should not be continued—as appears to be the case at least with the House of Representatives and the administration—then an agency of a new character should take its place.

This new agency would be chartered both to continue those existing functions which still require the care of an agency whose special concern is the poor, and to step out in the direction of greater involvement of State and local government which the administration has previously urged, but for which it provides no constructive policy.

FURTHERING OF EXISTING PROGRAMS AND ACTIVITIES

Community action agencies: Under our proposal, the new agency would have authority to continue to fund the 1,000 community action and similar agencies and their own local-initiative programs; for this purpose, the current level of $330 million would be reserved for each of the first 2 fiscal years from funds available under the act. For fiscal year 1977, "such sums" would be provided. The Federal matching share for these purposes would be as it is now, that is 80 percent.

The administration urges that all Federal funding for community action agencies cease and that State and local governments continue them from their own general revenue sharing and other existing funds. But to date, less than 3 percent of the $14.27 billion in general revenue sharing funds, have gone to programs for the poor.

This is clear evidence that the administration's proposed policy with respect to community action agencies is ill-founded, or at best, premature.

If implemented, it would clearly result in a substantial portion of the 180,000 community action agency employees being out on the street—thus only further aggravating the situation, interruption of services to the poor, and loss of expertise that community action personnel have developed.

Community economic development: Importantly, the new agency, as suggested by its title, would be charged further with expanding the "community economic development" effort, building with increased resources upon the experience under title VII of the Economic Opportunity Act—which I coauthored with Senator KENNEDY and the previous efforts under the "Special Impact" title I-D of the act in such areas as Bedford-Stuyvesant in New York.

There are currently 35 federally funded community development corporations—split almost evenly between urban and rural areas—a number of rural cooperatives, and 75 like privately funded corporations and similar entities across the Nation which have sprung up to harness the energies of their communities.

But due to lack of direct Federal funding, inadequacy of support from other Federal agencies, and the lack of long-term credit, the potential of even the present community economic development programs has not been fully tested, as a precursor to a more expanded system of community development corporations across the Nation. Existing CDC's have been impeded by the lack of resources and other areas have been denied even start-up funds; in fact, beyond that, "Action for Community Economic Development," a group representing the CDC's, documents that over $60 million is required for a "growth" budget for current corporations in the current year, compared with $39.3 million made available in fiscal year 1974, and requested for fiscal year 1975. According to the Office of Economic Opportunity new applications have numbered 75–100 in recent years.

The measure we introduce today provides for a step-up in funding—from $84 million in fiscal year 1975 to $156 million in fiscal year 1977, directs greater support from other Federal agencies, and provides for long-term credit.

To look to the future, it directs also a 1-year joint congressional study on its future administration, as well as its potential generally which would include, of course, the possibility of transfer to the Department of Commerce at some future date.

We believe such a transfer or "spin-off" premature, until the program is further defined and expanded and we believe that the independent agency which we propose can best serve as the agent for development, maintaining the basic character of the program as we now know it.

Related programs: The agency would also be responsible for continuing direct funding for related programs, such as emergency food and medical services, senior opportunities services, migrant programs, and a new program of emergency energy conservation services as well as evaluation, demonstration and other efforts.

I ask unanimous consent that there be included at this point in the RECORD a chart showing administering agencies under the current law, the House bill and our proposal.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

ADMINISTERING AGENCY

Program	Current	Proposed	House bill
Local initiative	OEO	New agency	HEW/CAA.[1]
Community partnership (incentives)	Not available	do	HEW/CAA.
Community economic development	OEO	do	Department of Commerce.
Legal services	OEO	do	No provision.
Emergency food and medical services	OEO	do	HEW/CAA.
Senior opportunities and services	OEO	do	HEW/CAA.
Consumer action and cooperative services	OEO	do	HEW/CAA.
Design and planning assistance programs	OEO	do	HEW/CAA.
Native Americans programs	HEW	do	HEW.
Emergency energy conservation services	OEO demonstration.	do	No provision.
Youth sports program	OEO	do	HEW/CAA.
Summer yourh recreation program	Labor	do	No provision.
Training and technical assistance	OEO	do	HEW/CAA.
State economic opportunity offices	OEO	do	HEW/CAA.
National intergovernmental review board	Not available	do	No provision.
Migrant program	Labor	do	Labor.
Headstart	HEW (by delegation).	HEW	HEW.
Follow Through	do	HEW	HEW.
Human services policy research	HEW	HEW	HEW.
Evaluation, coordination, research, demonstration.	OEO	New agency	HEW.
Other programs and administration	OEO	do	HEW/CAA.

[1] Community Action Administration in HEW.

NEW DIRECTIONS

Mr. JAVITS. Mr. President, as I suggested, in the field of antipoverty, the administration espouses the concept of "New Federalism"—State and local governmental involvement, but offers neither adequate resources or mechanisms to make that a realistic alternative to the present situation.

Bloc grant or special revenue sharing approaches have now been adopted by the Congress in the field of manpower training, as embodied in the Comprehensive Employment and Training Act of 1973, and are under consideration in other areas.

It is premature, at best, to apply completely such an approach in the case of antipoverty programs generally—that is to give funds to State and local governments alone to use at their discretion—given the opposition of some local governments toward the community action agencies, and the lack of experience in those fields.

But it is not too early to provide the resources and mechanism to get State and local government into the picture and to provide incentives to forge creative partnerships between those governments and the community action agencies which have for almost a decade been viewed by the poor as "their agencies" while generally distrustful of the so-called establishment in the form of the State house or city hall.

To do so, we have included in the bill a new concept of a "community partnership agreement" under which a State and local government on the one hand, and a community action agency on the other, if they agree on the terms, can conduct programs jointly.

If they cannot agree, then the area may lose the funds allocated to it—of course, maintaining present local initiative funding which goes directly to the community action agencies—and the lost funds will go to another area.

What they are able to agree upon—in terms of administration, programs to be conducted, sharing of responsibility—will be basically up to the agreeing parties, compatible with the concept of the "New Federalism" that those on the local level should decide on the priorities.

What we are proposing is similar to special revenue sharing with the element that the community action agency and the State and local government share equally in the overall decisionmaking process.

For "community partnership agreements," the bill authorizes to be reserved $70 million for fiscal year 1975 and $140 million for fiscal year 1976; for fiscal year 1977, such sums as authorized.

The National Intergovernmental Review Board, to be established under our bill, would act as a high-level catalyst to encourage the formulation of such agreements, as well as evaluate their implementation.

It is hoped that this will bring new resources to fight poverty, act as a catalyst, and give the Congress a real test of the extent to which State and local government will enlist in these efforts.

TRANSFER OF HEADSTART AND FOLLOW THROUGH PROGRAMS

The Head Start and Follow Through programs were delegated to the Department of Health, Education, and Welfare from the Office of Economic Opportunity in 1969 and 1967 respectively, and the Congress has generally approved of their delegation.

Under the administration of the Department of Health, Education, and Welfare, funds for each of these programs have generally increased since that delegation and I believe as a general matter, the programs have been carried out with maintenance of the character of the programs as they were first developed in the Office of Economic Opportunity.

It is now appropriate, as the administration itself has urged, that they be established legislatively completely within the Department of Health, Education, and Welfare.

Our measure would do so basically following the administration's own request, but with slight variations in the allocation formula, the ability to establish fee schedules, and the set asides for handicapped children—all of which are particularly important in the States, including New York.

Mr. President, we hope for early hearings on our measure in the Subcommittee on Employment, Poverty, and Migratory Labor, which is chaired by Senator GAYLORD NELSON of Wisconsin, that legislation for the future of this antipoverty program can be soon resolved in the Senate and with the House, and the resulting measure can be signed by the President at the earliest opportunity—well before the expiration of funding for the program under the continuing resolution.

I ask unanimous consent that there be printed in the RECORD at this time a description of the major provisions of the Economic Opportunity and Community Partnership Act of 1974.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF MAJOR PROVISIONS OF THE ECONOMIC OPPORTUNITY AND COMMUNITY PARTNERSHIP ACT OF 1974

1. *Extension of Authorization of Appropriations of Act.*—Extends the authorization for appropriations of the Economic Opportunity Act of 1964, which expired this past June 30, for an additional three year period through fiscal year 1977; extends the Act itself which expires June 30, 1975 for an additional three year period, through fiscal year 1978.

Authorizes an aggregate of $1,548.0 million for fiscal year 1975, $1,761.5 million for fiscal year 1976, and $1,983.0 million for fiscal year 1977, as indicated on the attached Appendix A.

The Act further provides, as in basic education legislation, for automatic extension of the authorizations beyond fiscal year 1977, unless the Congress passes or formally rejects extension of authorizations, or by concurrent resolution, provides that the automatic extension shall no longer apply.

2. *New Independent Agency.*—Establishes a new separate independent "Community Services and Community Economic Development Administration", headed by an Administrator appointed by the President, subject to the advice and consent of the Senate; the Agency would be established within six months of the enactment of the legislation.

Under the Administrator, there would be a "Deputy Administrator for Community Services" and a "Deputy Administrator for Community Economic Development".

"Community Services" would include continued direct funding for community action "local initiative" programs, "Community Partnership Agreements", and certain national emphasis anti-poverty activities such as Emergency Food and Medical Services, Senior Opportunities and Services, and other efforts such as evaluation, demonstration and other general activities; provision is made for continuation of the current legal services program, pending final affirmative action on H.R. 7824, the "Legal Services Corporation Act".

"Local-initiative" programs would be continued under the current authority with a reservation for that purpose of $330.0 million in fiscal year 1975 and for the succeeding fiscal year; thereafter, "such sums" would be authorized. The Federal share for such activities would be 80 percent (as it is currently).

Demonstration "Community Partnership Agreements" would be funded by the Agency upon approval of an agreement entered into by a community action agency or similar public or private non-profit agency, and the public agency of a State or political subdivision of a State, or any combination, for local initiative type programs. An agreement must meet very limited requirements concerning the use of funds; in no event could funds be used in substitution of "local-initiative" or other antipoverty programs.

A "National Intergovernmental Review Board on the Financing of Community Services" would be established in the new Administration to review community partnership agreements, as well as sources for funding of anti-poverty efforts generally. The Board, appointed by the President, and subject to Senate confirmation, would consist of nine members, including three representatives of State and local government, three of community action and similar agencies, and the remainder from the private sector.

"Community Economic Development" programs would include "special impact" programs through community development corporation in rural and urban areas; special rural programs, including funding of rural cooperatives; developmental loans for community economic development programs, including establishment of a model domestic development enterprise corporation; training and technical assistance.

Under the Act, an interagency "Community Economic Development Resource Committee" would be established to insure the maximum application of resources of other agencies, such as the SBA, the Department of Housing and Urban Development, and the Department of Commerce Economic Development Administration.

The Act would provide also for a Joint Congressional study during the fiscal year ending June 30, 1975, in respect to an appropriate administering agency for the conduct of the community economic development program in the future, including consideration of an independent community economic development agency.

3. *Transfer of Program to HEW.*—Transfers the Headstart and Follow Through Programs (now conducted by the Department of Health, Education and Welfare under a delegation agreements from the Office of Economic Opportunity) to the Department; certain other programs and activities would also be transferred to existing agencies.

Attached Appendix B indicates in respect to each effort now conducted under the Economic Opportunity Act, the proposed administering agency, compared with the House bill.

4. *Other Changes in the Law.*—The Act would amend the Comprehensive Employment and Training Act of 1973 and the Older Americans Act of 1965 to insure that public service funds may be made available to hire personnel who are to be assigned to community action or other agencies in providing community services.

Mr. KENNEDY. Mr. President, I am pleased to join Senator JAVITS as a chief sponsor of the Economic Opportunity and Community Partnership Act of 1974 with Senator JOHNSTON, Senator DOLE, and some 30 other cosponsors.

The bill will extend the Economic Opportunity Act for an additional 3 years, through fiscal year 1977. It will provide another 3 years of life for the programs authorized by that act within a new independent agency, a successor to OEO, to be called the Community Services and Community Economic Development Administration.

This legislation represents an effort to restate the congressional intention to see that an independent agency remains as an advocate of the poor within the Federal bureaucracy. Although we have established a new agency with several new elements, its legislative mandate remains the same. It will be the Federal antipoverty agency.

This measure is essential now to permit the continuation of programs which have been providing vital services to the poor. Although we were pleased to see the strong House action in support of the continuation of those services, we believe an independent agency is not only the best structure to see that they operate effectively but it is the best vehicle to assure an agency free to innovate and develop new efforts to deal with the problems of rural and urban poverty. I am joining in the introduction of this bill because I disagree with the administration's decision to dismantle OEO and believe that the consequences of that disappearances will prolong the existence of poverty in this country.

Since 1973, when the White House attempted to administratively destroy OEO to the present date, the clear opposition of the administration to an independent poverty program has been evident. The courts first rejected the effort to abolish OEO by administrative fiat and the Congress rejected the second attempt by approving appropriations for the agency despite the administration's zero budget request.

This year, the fiscal year 1975 Presidential budget again requests no new appropriations for OEO. Some existing programs including Community Action, were to die and others were to be shuttled off to existing departments, rarely with their identity protected.

Mr. President, when a recent census report shows 24 million Americans still living in poverty, I believe the administration policy to do away with a Federal antipoverty agency represents the abandonment of the Federal Government's responsibility to pursue social and economic justice for all citizens.

This bill, while it extends and increases funding for Headstart and the Follow Through, maintains those programs within HEW. All other programs, including local initiative, community economic development, legal services, emergency food and medical services, senior opportunities and services, consumer action and cooperative services, design and planning assistance program, youth sports program, the summer youth recreation program, and the migrant program would be operated by the new agency.

Also the new agency would operate a major new local antipoverty program, the community partnership program, which would provide incentives to a State or local governmental agency which entered into agreements with a community action agency to undertake joint antipoverty project. Some $70 million would be available the first year for these projects, $140 million the following year and $210 million the following year.

Operating in tandem with the traditional community action program, this new effort will substantially increase the level of resources for meeting the challenge of alleviating the impact of poverty in communities throughout the Nation.

The local initiative or community action programs have been the heart of OEO since its inception.

In 1967, eight "national emphasis programs" were authorized to be operated by community action agencies. Directed by elected representatives of the poor, these CAA's soon became the core of local antipoverty efforts.

Across the country today, more than

185,000 people are employed by programs conducted by these agencies. The programs they conduct include a broad range of services—from preschool Headstart programs to senior service program for the elderly.

An estimated 50 million persons are affected by these programs according to a sample survey conducted by the National CAA Executive Directors Association. I ask unanimous consent that the preliminary findings of the survey be printed at the conclusion of my remarks.

In addition, of the 185,000 persons employed by CAA's some 51 percent were previously unemployed or receiving public assistance. These men and women are now working and providing vital services to their cities and communities.

In my own State, some 24 community action agencies are now operating and they provide a vital and unique service to the State's low-income citizens.

Not only do they provide a wide range of social services, but they also serve as the advocate of the poverty community, awakening traditional agencies to their responsibilities to those at the bottom rung of the economic ladder.

ABCD in Boston is one example of a program that has earned the respect not only of the poverty community it serves, but of the larger urban community as well. One of the most tragic examples of the shortsightedness of the administration is its decision to deny any funding to the CAA's and instead to abandon them entirely. The impact can be seen by examining what would occur in a single rural Massachusetts area. I ask unanimous consent that a summary of the impact on the southern Berkshire community action program be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY

Southern Berkshire Community Action, Great Barrington, Massachusetts (A breakdown of the prospects for one rural CAA.)

SBCA serves 14 towns with a total population of 26,027 including 1,371 families with incomes of less that $6000. It functions in an area where no other agency is equipped to operate a range of human services, to act as South County liaison with Manpower, etc., and to provide a vehicle through which new services can be initiated.

Transportation Program.—a weekly trip to Pittsfield for doctor's appointments, etc. Since inception in November, 1973, 26 elderly and low-income persons have made the trip one or more times. Potential is greater.

Probable impact of termination of SBCA: Transportation service would end.

Food Stamp Program.—serves 84 households in Great Barrington, 34 households in Lee.

Probable impact of termination of SBCA: Food Stamp Program would proceed, but with inadequate facilities and manpower to accomplish the certification of applicants.

Tutorial Program.—22 low-income elementary school children are tutored on a one-to-one basis by students from Berkshire School and Simon's Rock Early College.

Probable impact of termination of SBCA: End of program, no agency to serve as bridge between the private school communities and low-income families.

Employment—interview an average of 22 a week, guiding them to available jobs in the private sector.

Probable impact of termination of SBCA: End of service except for youth. No other agency in the area to provide supervision for the programs or to act as liaison between regional Manpower Board, DES, and the Southern Berkshire Community.

Consumer Affairs—"Saver Trips", Newsletter, Consumer Directory (distributed to 2500 people.

Probable impact of termination of ABCS: End of service.

Programs jointly sponsored by SBCA and related organizations:

Housing—Approximately 50 families have been successfully located in rental housing. 25 homes winterized, etc. If SBCA is terminated, Tenant's Association could continue home heating loans out of a member's home, resulting in less families being served. Construct could continue for six months. The multipurpose center would be lost. Rental assistance program could continue only as long as Construct program.

Child Care.—more than 30 children. *Headstart*—15 children. Programs could continue but would be without SBCA provision of space and transportation.

The Family Planning Center would be forced to relocate. *Legal Services* would be forced to terminate.

Mr. KENNEDY. Mr. President, perhaps the single most pervasive effect of OEO across the years has been the impact of community action agencies on the structure of public programs. The concept of public participation and the right of the poor to be heard and to be respected by Government agencies at all levels to the large extent derives from OEO efforts. We have not yet fully succeeded but the difference between 1964 and 1974 in terms of Government acceptance of the right and recognition of the value of public participation is substantial.

Under this bill, the new Administration would have a Deputy Administrator for Community Services responsible for community action as well as the community partnership programs and other national emphasis antipoverty activities.

Community Action would continue in the next 2 fiscal years at a level of $330 million per year with an open-ended authorization in the succeeding fiscal year. A separate study will be conducted by a National Intergovernmental Review Board on the Financing of Community Services with its recommendations available prior to the establishment of appropriations levels for the final year. It is my expectation that the board will ultimately find additional sums beyond the $330 million to be necessary.

The new agency will have a second Deputy Administrator for Community Economic Development.

The community economic development program will have independent statutory protection and will provide a focus for what I believe is the best long-range answer to turning the tide of poverty in inner city and depressed rural areas.

These "special impact" programs originated in legislation introduced by Senator Robert Kennedy and Senator Javits in 1967, and were expanded by the measure I introduced with Senator Javits which was enacted in the 1972 Amendments to the Economic Opportunity Act.

By treating the poverty areas as an underdeveloped area and combining economic and social development, this program has produced significant benefits. Ultimately, the Community Economic Development Corporations—CDC's—now operating across the country in 36 areas should be matched by hundreds of counterparts operating in every major urban and rural poverty area.

The current programs have created more than 12,500 jobs and these jobs are now filled by wage-earning and tax-paying individuals, 40 percent of whom were unemployed prior to the CDC activity.

Annual wages from those operations now exceeds $8.5 million and some 250 businesses have been created.

In addition to the income-earning enterprises fostered by CDC's, a vast array of services to poverty area residents also are offered. Those services include housing, health clinics, manpower training, and social services.

By establishing the community economic development program as an independent division within the new agency, we will be giving it the recognition I believe it deserves.

This action is the reverse of the attitude taken by the administration. Although the administration recognized its value to the extent that it requested continued funding for fiscal year 1975, it proposed to bury the CDC program at the lowest level of the Commerce Department, making it a junior partner of the Office of Minority Business Opportunity.

I believe that our action is the best mechanism to protect and encourage the expansion of community economic development corporations and to diminish the gap between rich and poor in America.

In Roxbury, in East Boston, in Hough, in Rochester, in Salt Lake City, in southeastern Kentucky and in Harlem and Bedford-Stuyvesant, CDC's have given the poverty community new hope. We cannot afford as a nation to turn our backs on that effort.

Instead of the $39.3 million proposed by the administration, which is some $25 million below the estimate of what the CDC's need to even remain at a standstill level, we are proposing $84 million for fiscal year 1975, $120 million in fiscal year 1976, and $156 million in fiscal year 1977.

Also included in the community econominc development division will be a community economic development resource committee representing other Federal agencies and designed to insure the maximum use of resources from other Federal agencies for CDC's. This concept is similar to the provisions now in the law with the exception that a specific committee would be charged with the responsibility.

Also, the act provides for a joint congressional study, to be conducted by a blue-ribon task force of urban economists, representatives of CDC's, rural development experts and business and labor members which will explore the feasibility of establishing an independent office of community development similar to the independent legal services corporation, as one element in a view of the long-term Federal role in community economic development.

The overall authorization in the bill we are introducing is not substantially more than the level of authorization approved by the House of Representatives already. The overall authorizations approved by the House were $1.2 billion in fiscal year 1975, $1.25 billion in fiscal year 1976, and $1.3 billion in fiscal year 1977. This bill, with the additional programs and including standby legal service authorizations includes $1.5 billion in fiscal year 1975, $1.7 billion in fiscal year 1976, and $1.9 billion in fiscal year 1977.

In order to place those figures in some perspective, it should be recognized that that total 3 year authorization for Federal antipoverty efforts represents less than the amount of increase proposed for this fiscal year for the Department of Defense by this administration.

Mr. President, across this country, millions of Americans share the fate of the poor around the world. They do not have enough food to eat. They do not have decent homes to shelter their families. They do not have adequate clothes to dress their children. And they do not have health care services to protect themselves from disease.

That poverty is perhaps more of a condemnation of this society than it is of any other because we are a Nation that has accumulated more material wealth and demonstrated greater economic success than any other nation. The gap between rich and poor in America must be narrowed and the poor must be given the opportunity to find a life of dignity.

This bill establishing an independent antipoverty agency as a successor to OEO is not the whole answer; but it is an essential part of the answer.

Mr. President, in addition to the key programs I have mentioned already, I would like to describe in some detail other antipoverty programs which are being extended in the bill proposed here today.

HEAD START

Project Head Start was initiated in 1965; since 1969 it has been operated by the Office of Child Development in HEW by delegation from the Director of OEO. It provides a multitude of services to disadvantaged preschool children; among these, it is the Nation's largest preschool health care program.

The fiscal year 1974 budget for Head Start was $392 million, $357.7 million of which is allocated directly to the centers. The remaining $34 million is spent on experimental, developmental, and evaluation programs. The program in fiscal year 1974 served more than 379,000 children through more than 10,000 centers thoughout the United States, Puerto Rico, and the Virgin Islands. Massachusetts was served by 160 Head Start Centers in fiscal year 1974, with a funding level of approximately $7.1 million.

A fiscal year 1975 budget of $430 million was proposed in the budget. This bill authorizes $500 million in fiscal year 1975.

FOLLOW THROUGH

Follow Through is a research and development program for disadvantaged children which is particularly designed to sustain and expand the gains made by children in Head Start or similar preschool programs. It is now in its seventh year.

In fiscal year 1974, Follow Through funded enrollment for over 81,000 children in 617 schools throughout the country and Puerto Rico with a total Federal obligation of $53 million. In Massachusetts, Follow Through served 1,234 children in five community schools on a total budget of $851,738.

A November 1973 evaluation of the program by an independent firm found that:

(1) Although the Follow-Through children generally start out lower than their local comparison groups on a standard test of achievement, they finished the kindergarten year slightly ahead of the comparison groups.

(2) Follow-Through had a significant positive effect on attendance figures for enrolled children, which represents a significant impact on the total average daily attendance in the participating school districts, which in turn can have significant effects on funding for those school districts.

Under the administration's plan, Follow Through is scheduled to be phased out at the rate of one grade level per year beginning with fiscal year 1975, and its projected fiscal year 1975 budget is only $35 million. Our bill extends the program and increases its authorization to $60 million.

EMERGENCY ENERGY CONSERVATION SERVICES

The Emergency Energy Conservation Services office has existed at a nominal budget level as an OEO demonstration program. Its primary accomplishment has been Project FUEL, an energy conservation demonstration project which involved winterizing the homes of some of Maine's poorest families in response to last winter's energy crisis.

Project FUEL was announced by OEO on December 6, 1973, and was underway less than three weeks later. Although $276,000 went to purchase winterizing materials for 3,000 Maine homes, it is estimated that the winterizing process will save that much in one year alone. "The great bulk of the labor was donated by homeowners, friends, neighbors and by ongoing manpower training programs," according to the final Project FUEL report, issued June 1974.

The people served by Project FUEL met OEO poverty guidelines; in fact, 83.4% of those served had incomes below $5,000 and another 11.7% had incomes under $7,000. Nearly 60% participated in the Food Stamp or donated commodities program, and 62.5% were unemployed. Moreover, 53.2% of the houses benefited were valued at less than $5,000, and another 26.8% at $5,000–$10,000.

Project FUEL has been termed a "dramatic success" in the final project report issued by the Maine Division of Economic Opportunity.

This bill will authorize $300 million for Emergency Energy Conservation Services over the next three years.

MIGRANT PROGRAM (LABOR)

The Migrant Program was designed to provide manpower and support services for individuals who suffer chronic seasonal unemployment and underemployment in the agriculture industry. The program is intended to be flexible in design and to achieve two major objectives; to provide alternatives to seasonal agricultural work with the goal of integrating the migrant and his family into the full-year job market, and to improve the living conditions of migrants who wish to continue as agricultural workers. Programs provide placement services for employment, interim housing, emergency food and medical services, transportation from migrant camps to employment areas, and obtain job training slots for migrants at skills centers.

The New England Farmworkers' Council, which serves Massachusetts migrant laborers, also provides driver education to improve migrant mobility and publishes a newspaper to create a sense and awareness of a migrant community. Other typical migrant program services are classes in English as a second language and the subsidy of the G.E.D., a high school equivalency examination which the states administer for a fee.

In FY 1974 the Migrant Program obligated a total of $40 million to 66 grantees representing approximately 330 programs which served a migrant population of 16,355. In Massachusetts, the New England Farmworkers' Council received a total of $250,000 to administer programs serving 300 migrants.

The migrant program in Massachusetts is considered by the Department of Labor to be "one of our most effective and sound programs."

Although the Migrant Program was transferred to the Department of Labor last year, the complaints from local programs and the lack of attention to the program require that it be operated by the new agency.

This bill will authorize $176 million for the Migrant Program over a three-year period.

OFFICE OF NATIVE AMERICAN PROGRAMS

The Office of Native American Programs began as the OEO Indian Division in 1969. It was transferred to HEW in August 1973, where it was re-established as the Office of Native American Programs in the Office of Human Development.

ONAP obligated $30.9 million in FY 1974, serving 450,000 Native Americans on 154 reservations and 49 urban centers in 36 states. This bill will authorize $113.5 million in funds for ONAP over the next three years.

CONSUMER ACTION AND COOPERATIVE SERVICES

The potential for consumer education and for cooperative programs has yet to be adequately tapped. Since 1971, programs have been operated as integral parts of community action programs. Despite its success, last year the Administration dropped its support of the General-Consumer Protection Division of the Massachusetts Department of Attorney which is estimated to have served 250,000 people annually. That program, the National Consumer Information Center here in the District of Columbia, and the National Consumer Law Center in Boston have established valuable precedents for protecting the poor from unscrupulous businessmen.

This bill will authorize $45 million for Consumer Action and Cooperative Services programs over a three-year period.

EMERGENCY FOOD AND MEDICAL SERVICES

Emergency Food and Medical Services has operated since 1968 as a part of OEO. EFMS programs are intended to supplement and assist the other food assistance programs, and to provide needed medical services for health problems associated with malnutrition. It operates both through regional CAA programs and headquarters-granted research and demonstration programs. The Administration has sought to phase out EFMS since 1971 despite consistent evidence of its effectiveness.

In FY 1974, EFMS obligated a total of $21.9 million to programs in the U.S. as a whole. In Massachusetts, a total of $413,000 was obligated to three projects, two in Framingham and one in Boston.

This bill will authorize $100 million for Emergency Food and Medical Services in a three-year period.

NATIONAL SUMMER YOUTH SPORTS (HEW)

The National Summer Youth Sports Program is administered through the President's Council on Physical Fitness and Sports in HEW, and has been funded since its inception in 1969 at a $3 million level.

In FY 1974, there were 105 National Summer Youth Sports Program projects at colleges, universities, and junior colleges in 75 cities, with a national enrollment of some 42,000 disadvantaged youths.

In Massachusetts, there were three NSYSP projects which enrolled 1,100 disadvantaged youths.

This bill will authorize $9 million for National Summer Youth Sports programs over a three-year period.

HUMAN SERVICES POLICY RESEARCH

In FY 1974, a major segment of the research and development activities of the Office of Economic Opportunity was transferred to the Office of the Secretary of Health, Education and Welfare. These activities deal with the nature and causes of poverty, the development of better means to enable the poor to become self-sufficient, improving the systems by which state and local governments provide social, health, and educational services to the poor, and measuring the social and economic effects of proposed alternative systems of providing financial assistance to low-income persons. The major segment of this program's expenditures is devoted to income maintenance and employment systems aimed at developing new knowledge about the effects of alternative approaches to income supplementation, particularly work incentive effects, to aid in decisions on reform of the nation's welfare system.

In FY 1974 a total of $21,810,000 in federal money was obligated to 56 projects throughout the United States. In Massachusetts, $540,000 was obligated to five programs. This bill will authorize $66 million for human services policy research over the next three years.

SENIOR OPPORTUNITIES AND SERVICES

The Senior Opportunities and Services Program was established in 1967 after the early experience with OEO demonstrated conclusively the need for specific federal concern for the problems of the elderly. Its overall mandate was to insure that all other OEO programs "serve, employ, and involve" the aged poor.

As chairman of the Senate Special Committee on Aging's Subcommittee on Federal, State, and Community Services, I have sought to encourage OEO in expanding SOS activities. In Fiscal Year 1973, approximately one million elderly poor received services from local SOS programs.

As a result of its proven ability to stimulate other sources of funds in addition to its own, SOS has enabled large numbers of elderly poor to obtain services they otherwise would be denied.

Our bill will retain SOS in the new agency and will increase its funding to $15 million in FY 1975, $20 million for FY 1976, and $25 million for FY 1977.

SUMMER YOUTH RECREATION PROGRAM (LABOR)

The Summer Youth Recreation program is designed to work closely with other Department of Labor programs, as well as with state and local community agencies, to provide supervised recreational activities to disadvantaged youths. The program places a great emphasis on employing disadvantaged young people, who are often neighborhood Youth Corps enrollees, as recreational supervisors.

Currently, the Program has obligated a total of $17 million to some 500 summer youth program sponsors who provide recreational activities to approximately two million disadvantaged youths throughout the country. In Massachusetts, the Program has obligated a total of $425,761 to seven grantees for Summer Youth Recreation programs.

This bill will authorize $91 million for the summer Youth Recreation Program over the next three years.

EXHIBIT NO. 1

[From Library of Congress Congressional Research Service, April 12, 1974]

THE DISMANTLING OF OEO—JANUARY 1973 TO PRESENT

PRESIDENT NIXON PROPOSES OEO DISMANTLING

Although the Office of Economic Opportunity is authorized under the Economic Opportunity Act through June 30, 1975, and its authorization for appropriations extends through June 30, 1974, President Nixon requested no Federal funding for OEO in his FY 1974 budget. He proposed that the agency be "dismantled" by transferring certain programs to other Federal agencies and by terminating Federal support of others, including the Community Action Program (CAP), Senior Opportunities and Services (SOS), the National Summer Youth Sports Program, Emergency Food and Medical Services (EFMS), State Economic Opportunity Offices (SEOOs), and training and technical assistance to communities developing OEO programs. In the FY 1974 budget message, the President observed that State and local governments could choose to fund these programs through general and special revenue sharing or from other available funds. Because OEO's authorization for appropriations extends until FY 1975, Congress voted to fund the agency through June 1974. In his budget request for FY 1975, President Nixon again requested zero funding for OEO.

Under the Economic Opportunity Act of 1964, the President is authorized to transfer most OEO programs to other Federal agencies without Congressional approval of the action. Using this authority, the President announced in the FY 1974 budget message his intention to transfer Special Indian Programs to the Department of Health, Education, and Welfare (HEW) and the Migrant and Seasonal Farmworker Program to the Department of Labor. Research and demonstration activities would be transferred to agencies receiving existing OEO programs, including the National Institute of Education (HEW), the Office of Child Development (HEW), the Department of Labor and the Department of Housing and Urban Development (HUD). These three programs were transferred to their receiving agencies in August of 1973. (Various OEO programs, including Alcoholic Counseling, Comprehensive Health Services, and Family Planning, were in the process of being transferred to HEW before the dismantling proposal was announced.)

Two programs within OEO, legal services and Community Economic Development (CED), could not be transferred without Congressional authorization. The President announced his intention to introduce legislation to transfer the Community Economic Development program to the Office of Minority Business Enterprise in the Department of Commerce and to replace the OEO legal services program with an independent corporation. An Administration-sponsored bill to transfer the Community Economic Development program to the Department of Commerce is pending in committee in both the House and Senate. H.R. 7824, a bill to establish a national legal services corporation, passed the House on June 21, 1973, and the Senate on January 31, 1974. A conference committee began consideration of the two versions of the bill on April 2, 1974. (See Appendix A for a summary of the proposed transfers.)

OEO SUPPORTERS OPPOSE DISMANTLING

Supporters of OEO sought to prevent dismantling of the program through action in Congress and the courts. Supporters of the agency also demonstrated in Washington against the proposed dismantling on February 20, 1973. Between 20,000 and 45,000 people attended a rally in front of the Capitol. Several bills were introduced in Congress to extend the agency's authorization for one or more years, and funds were eventually appropriated for FY 1974. Transfer of OEO programs to other agencies was not prevented, however.

Hearings were held in the House and Senate on legislation to extend the Economic Opportunity Act. The Equal Opportunity Subcommittee of the House Education and Labor Committee held hearings on February 7, 8, 27, and 28, and again on March 19, 20, 23, 24, 26, 27, 29 and 30, 1973 on H.R. 3641, to extend the authorization of appropriations for the Economic Opportunity Act of 1964 for two additional years, and H.R. 3175 and H.R. 3147, bills to establish a national legal services corporation. (See Appendix B for major bills pertaining to OEO introduced in the 93rd Congress.) Mayors, CAA administrators, and two members of Congress testified before the subcommittee. Howard Phillips, acting director of OEO, testified on February 27, and sought to explain his plan for transferring certain programs then in OEO and terminating support for others. Phillips argued that he was authorized to terminate funding for programs authorized by Congress (including CAA's, EFMS, SOS and the National Summer Youth Sports Program) because the President's budget for FY 1974 requested no funds for these programs. Subcommittee members challenged Phillips' authority to take actions on the budget request, which had not yet been considered by Congress. The following exchange between Representative Mink and Mr. Phillips illustrates a point of disagreement that arose repeatedly between subcommittee members and OEO's acting director:

"Mrs. MINK. Under what presumption are you operating, that the budget recommendation of the administration is going to be the action of the Congress?

"Mr. PHILLIPS. I have to assume that the President's budget will be adopted.

"Mrs. MINK. What authority in the law gives you this right to issue instructions making such assumption, when the Congress has not yet acted on the appropriation measure and has in fact, authorized the program to continue in existence, which you readily admit, until July 1, 1974?

"Mr. TRACHTENBERG [OEO's deputy general counsel]. The position of the Office of Economic Opportunity, on your question, Mrs. Mink, is that in carrying out the budgetary . . . considerations reflected in what has been submitted to the Congress now, certain actions have to be taken in anticipation of a favorable response by the Congress."

On May 3 and 4, the Subcommittee on Employment, Poverty and Migratory Labor of the Senate Labor and Public Welfare Committee held hearings on S. 1560, the Emergency Employment Act Amendments of 1973, and S. 1559, the Job Training and Community Services bill. S. 1559 contained provisions to make revenue sharing funds available to CAA's at the discretion of State and local governments. The provision providing funds for CAA's after a State and local government "pass through" was deleted in conference, however.

COURT CHALLENGES TO OEO DISMANTLING

Several groups filed lawsuits to prevent the dismantling of OEO. On February 26, 1973, three suits were filed in District Court in Washington. The class action suits were brought on behalf of all OEO employees, all CAA's receiving funds from OEO, all CAA employees and all beneficiaries of CAA programs. The combined suits contended that Howard Phillips was acting illegally as acting director of OEO, arguing that:

1. The Economic Opportunity Amendments of 1972 forbid Phillips from terminating OEO funding of CAA's.

2. The termination of CAA functions constitutes an illegal reorganization because the terms of the Executive Reorganization Act of 1949 were not complied with.

3. The acting director's directives concerning the termination of CAA funding are illegal because Mr. Phillips failed to publish them in the *Federal Register*, as required in the 1972 Economic Opportunity amendments.

On April 11, U.S. District Court Judge William Jones ruled that the dismantling of OEO and the termination of Federal funding of CAA's was illegal. The judge ruled that:

(1) the Administration could not unilaterally terminate OEO programs that had been authorized by Congress to extend through FY 1975,

(2) Acting Director Phillips' actions to abolish OEO by terminating certain programs and transferring others was illegal under the Reorganization Act, which requires the President to submit to Congress a reorganization plan before the abolition of an Executive agency can take place, and

(3) all actions already taken to dismantle OEO were "null and void" because they had not been published in the *Federal Register*, as required by the Economic Opportunity Amendments of 1972.

Judge Jones observed in his opinion that because the authorization of the Economic Opportunity Act, as amended, extends through FY 1975, it was clearly the intent of Congress that the Community Action Program continue until the authorization expires. The judge ruled that OEO's programs must be continued until such time as Congress may decide to terminate them and that funds appropriated for the continuation of OEO programs cannot be used to end them. Judge Jones ordered Acting Director Phillips to cease the phaseout of CAA operations, saying these actions were "unauthorized by law, illegal and in excess of statutory authority."

A contradictory opinion was handed down on the same day in a U.S. District Court in Illinois. Judge James Parsons ruled that nothing in the Economic Opportunity Act of 1964, its amendments, or the FY 1973 appropriations bill precluded the Acting Director of OEO from choosing to use FY 1973 funds for phaseout activities. The judge reached this conclusion after receiving an affidavit and testimony from an OEO official assuring him that CAA funding would not be discontinued prior to the end of FY 1973. The judge observed that until Congress appropriated funds for OEO for FY 1974, OEO was under no obligation to carry out its programs. The judge also ruled that the Acting Director was authorized to carry out the proposed transfer of OEO programs to other agencies, and, because these transfers were authorized in the Economic Opportunity Act of 1964, as amended, the President was not required under the Reorganization Act to submit his plan to transfer certain programs and terminate the agency to Congress. Because the Administration decided not to appeal Judge Jones' decision, despite a favorable ruling by Judge Parsons, Jones' order to halt the dismantling of OEO was binding on the agency.

A fifth suit, brought by Senators Harrison Williams, Clairborne Pell, Walter Mondale, and William Hathaway, sought removal of Howard Phillips as acting director of OEO. The suit contended that Phillips was serving illegally because he had not been confirmed by the Senate within 30 days after his appointment.

On June 11, Judge Jones ruled that Howard Phillips was holding office illegally because his name had not been submitted to the Senate for confirmation, as required by law. Judge Jones enjoined Phillips from taking any further actions as head of OEO. The ruling delayed implementation of the transfer of certain OEO programs to other agencies that had been signed by the President on June 7. The decision also left the agency without a director to make policy decisions or approve grant applications. On June 27, Judge Jones addressed this problem by ruling that a "state of emergency" existed within OEO. He ordered Alvin Arnett, who had been appointed "director designate" by President Nixon the day before, to process over 600 grant applications before June 30, the end of the fiscal year, in order to prevent the remaining unobligated funds from reverting to the Treasury. At Senate Appropriations hearings on July 19, Arnett reported that he had approved 668 grants totalling $142 million. Approximately $7 million remained unobligated and reverted to the Treasury.

After Howard Phillips' tenure as acting director was declared illegal, President Nixon submitted Alvin Arnett's name to the Senate for approval. The Senate Labor and Public Welfare Committee held confirmation hearings on July 20.

Arnett stated at the hearings that he personally favored the $333.8 million appropriation approved by the House Appropriations Committee for the agency during FY 1974, but that he had been required to advocate the Administration's request for zero funding before the Senate Labor-HEW Appropriations Subcommittee the day before.

According to Arnett's testimony:

"I asked [the Administration] for the opportunity to defend the $333 million that the House appropriated. That request was denied. I came forward to carry the burden of the Administration's request for zero [funding] for community action."

Arnett stated that he saw his role to be primarily one of acting as a liaison between OEO and those agencies receiving OEO programs. Arnett, formerly Executive Director of the Appalachian Regional Commission, was confirmed by the Senate on September 12 by a vote of 88 to 3.

Judge Jones' first decision, in effect, kept OEO alive until June 30, 1973. The decision did not touch on the legality of transferring OEO programs other than CAA's, legal services and Community Economic Development to other Federal agencies. This issue was resolved on August 3, when U.S. District Court Judge Thomas Flannery ruled that the delegation of OEO programs was not "integral to the abolition of OEO or its programs." He observed that the delegations "were consistent with the past actions of delegating OEO programs to other Executive agencies either at the point that they have matured into operational programs or when the OEO programs can enhance the activities and functions of such agencies." The judge ruled that the planned transfers could go forward immediately.

As a result of the Flannery decision, several OEO programs were transferred to other Federal agencies in August. Special Indian Programs moved to HEW, the Migrant and Seasonal Farmworkers Program was transferred to the Department of Labor, and research and demonstration functions were transferred to the National Institute of Education and the Office of Child Development (HEW), the Department of Labor and HUD. Programs remaining in OEO included CAA's, legal services, Community Economic Development, Senior Opportunities and Services, State Economic Opportunity Offices, and the National Summer Youth Sports Program.

OEO RECEIVES FISCAL YEAR 1974 FUNDS

Hearings on the dismantling of OEO were also held before the House and Senate Appropriations Committees. Acting Director Howard Phillips testified before the House Labor-HEW Appropriations Subcommittee on May 8, 1973, and Director-Designate Alvin Arnett appeared before the Labor-HEW Appropriations Subcommittee in the Senate on July 19. Both requested zero funding for OEO for FY 1974. Director-Designate Arnett stated at the hearings that he viewed OEO's role as that of an advocate for the poor within the Federal bureaucracy, whose primary role should be to prod other agencies on behalf of poor people.

Both appropriations committees included funds for OEO in the FY 1974 Labor-HEW appropriations bill (H.R. 8877). The House Appropriations Committee appropriated $333.8 million for OEO, including $218 million for Community Action operations, $71.5 million for legal services, $39.3 million for Community Economic Development and $5 million for general support. The committee report chose to continue funding for the Community Action Program for one additional year due to its belief that "a majority of these agencies are performing important functions, and that in many cases there would be no other local agency capable of assuming those functions if the Community Action Agencies are terminated."

The Committee noted that most authorizations for appropriations under the Economic Opportunity Act expire on June 30, 1974, and stated that "the Committee assumes there will be a review of the role of the Office of Economic Opportunity and the Community Action Agencies as a result of the expiration of these authorities, and hopes that a solution can be reached which is acceptable to both the President and the Congress. The Committee believes the Office of Economic Opportunity must be continued in existence until such a solution is reached."

The House approved H.R. 8877 on June 26, 1973.

The Senate Appropriations Committee approved the same amount of funding for OEO, but added an additional $25 million for the Emergency Food and Medical Services (EFMS) program. The Senate committee concurred with the House committee's statement that funds should be provided for OEO through the end of FY 1974, when its authorizing legislation expired. The Senate committee advocated a more limited role for OEO "as an experimental and demonstration agency for developing innovative approaches to solving the problems of poverty."

The Senate passed H.R. 8877 on October 4, 1973.

The House approved the conference report on December 5 and the Senate on December 6. The conference report appropriated $346,300,000 for OEO, including $12.5 million for EFMS, or half the amount appropriated in the Senate version of the bill. The conference-reported bill also contained a provision that would permit the President to impound up to 5% of the appropriations for any program whose appropriation exceeded his budget request. This provision would permit the President to withhold up to $17 million of the OEO appropriation, leaving the agency with $329 million.

H.R. 8877 was signed into law on December 18, 1973 (P.L. 93–192). (During the first half of FY 1974, OEO had been funded through a continuing resolution.)

FISCAL YEAR 1975 BUDGET AGAIN REQUESTS ZERO FUNDS FOR OEO

President Nixon's FY 1975 budget request again proposed zero funding for CAA's and the elimination of OEO. The budget stated that "with the phaseout of direct Federal funding for Community Action, the continued existence of OEO as an operating agency is no longer necessary." The budget request included $33 million in the HEW budget for the phaseout of present OEO activities.

At a hearing before the House Equal Opportunity Subcommittee on February 5, 1974, Alvin Arnett declared that the proposed end of OEO "is not an end to the war on poverty," adding that "neither an extension of the Economic Opportunity Act nor the enactment of H.R. 10865* is necessary for us to meet our obligation to our disadvantaged Americans." As an alternative to OEO, Arnett proposed a renewed attempt to reform the welfare system.

Arnett argued that OEO programs continue to prosper when transferred to other agencies, pointing out that funding for the transferred programs increased by $27 million in FY 1974 and an additional $17 million in FY 1975. (See Appendix C.) In addition, the FY 1975 budget requests $71.5 million in the HEW budget, to be transferred to the legal services corporation if it is established, and $39.3 million in the Department of Commerce budget, to go to the CED program if it is transferred to the Office of Minority Business Enterprise.

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*A bill to provide revenue sharing funds for CAA's. (See description below.)

Arnett pointed out that, although CAA's, SEOO's, and SOS are budgeted for zero funding in the Administration's FY 1975 budget request, the programs could be funded by state and local governments beyond June 30, 1974. (The budget request also allocates zero funding for the Emergency Food and Medical Program.) Arnett announced that the National Summer Youth Sports Program would be delegated to HEW and receive funds from OEO for operations during the summer of 1974.

An analysis of the FY 1975 budget, prepared by the National League of Cities and the U.S. Conference of Mayors, disagreed with Arnett's assessment of the Community Action Program. Calling the loss of Community Action operations funding "the most significant loss for cities" in the OEO budget, the analysis observed that "the termination of Community Action Agencies can cause the closing or disruption of numerous services which the low-income areas of cities desperately need. This, in turn, will place considerable pressure on cities to provide funding for these services thus increasing the burden on the steadily diminishing financial resources of cities." The analysis continued, "Community Action Agencies have gained considerable experience during the past years in operating service programs, in conducting planning, and in dealing with the general problems of poverty at the local level." The analysis added that in many communities, CAA's employed a significant number of poor people, who may return to poverty when the program ends.

LEGISLATION TO CONTINUE OEO

Three bills to continue OEO programs have been introduced during the second session of the 93rd Congress. The Subcommittee on Equal Opportunity of the House Education and Labor Committee held hearings on H.R. 10865 starting October 15, 1973. The bill, introduced by Mr. Hawkins, would establish a Human Resources Service in the Executive branch to provide financial assistance to enable state and local governments to assume responsibility for community services. The bill would provide a mechanism and funding to continue programs and services now operated by CAA's. H.R. 10865 would authorize $329 million to states and localities through a revenue sharing framework. Except for the revenue sharing structure, the bill is similar to the Economic Opportunity Act of 1964.

H.R. 12464, introduced by Messrs. Hawkins, Perkins, and Pell, provides for a simple extension of OEO with an authorization of $1,440,000,000 for each year through FY 1977. Hearings on the bill were held February 5, 19, and 21, 1974. A third bill, H.R. 14094, was introduced on April 9, 1974, by Augustus Hawkins, chairman of the Subcommittee on Equal Opportunity. The bill would combine existing OEO programs and ACTION, forming a new independent agency called Agency for Development, Volunteer and Other Community Assistance Programs (ADVOCAP). The subcommittee marked up the bill and reported it to the full committee on the same day, it was introduced. The full Education and Labor Committee was scheduled to consider the bill on April 10, but the meeting was postponed until after the Easter recess.

Because OEO's authorization for appropriations expires at the end of FY 1974, the future of the agency is now dependent on Congressional action.

APPENDIX A—CURRENT STATUS OF OEO PROGRAMS

(as of April 12, 1974)

Program, President's fiscal year 1974 proposal, and current status

Community Action Program: No Federal funding in FY 1974 budget—funding by local option; funding through FY 1974 (P.L. 93–192).

Senior Opportunities and Services: No Federal funding in FY 1974 budget—funding by local option and under Older Americans Act; funded through FY 1974 (P.L. 93–192).

State Economic Opportunity Offices: No Federal funding in FY 1974 budget—funded by local option; funding through FY 1974 (P.L. 93–192).

Legal Services: To be discontinued on June 30, 1973. Proposes creation of a national legal services corporation, effective July 1, 1973; H.R. 7824, creating a legal services corporation, submitted on May 11, 1973. Passed, as amended, by House on June 21, 1973. Senate passed H.R. 7824, after substituting language of S. 2686, on January 31, 1974. A conference date has not been set for consideration of the bills.

Training and Technical Assistance: To be discontinued—June 30, 1973; discontinued.

National Summer Youth Sports Program: To be discontinued—June 30, 1973; FY 1973 funds used for 1973 summer program—delegated to HEW. Will receive funds from OEO for FY 1974 summer program.

Special Indian Programs: To be transferred to HEW; transferred to HEW, August 1973.

Migrant and Seasonal Farmworkers Program: To be transferred to Department of Labor; transferred to DOL, August 1973.

Community Economic Development: To be transferred to Office of Minority Business Enterprise in Department of Commerce; legislation pending in House (H.R. 8556) and Senate to transfer to DOC.

Alcoholic Counseling: No proposal; transferred to National Institute of Mental Health, July 1, 1973. Transfer planned before OEO dismantling announced.

Comprehensive Health Services: No proposal; transferred to HEW, June 30, 1973. (Health manpower activities to National Institute of Health). Transfer planned before OEO dismantling announced.

Family Planning: No proposal; transferred to HEW in previous years.

Research and Demonstration: To be transferred to National Institute of Education, Office of Child Development, HEW, DOL, Department of Housing and Urban Development; transferred, August 1973.

APPENDIX B—MAJOR BILLS PERTAINING TO OEO INTRODUCED DURING THE 93D CONGRESS

H.R. 3641 (Introduced by Mr. Hawkins, Feb. 5, 1973)—To extend the authorization of appropriations for the Economic Opportunity Act of 1964 for two additional years. Referred to the Education and Labor Committee. Hearings held by Equal Opportunity Subcommittee, Feb. 7, 8, 27, March 19, 20, 1973.

H.R. 4343 (Introduced by Mr. Badillo, Feb. 20, 1973)—To establish OEO as an independent agency. Referred to the Education and Labor Committee. Pending in committee.

S. 706 (Introduced by Mr. Mondale, Mr. Cranston, Mr. Kennedy, Mr. Williams, Mr. Jackson, Feb. 1, 1973)—To provide for one additional year of authorization for programs under the Economic Opportunity Act of 1964. Referred to the Committee on Labor and Public Welfare. Pending in committee.

H.R. 10865 (Introduced by Mr. Hawkins, Oct. 11, 1973)—To establish a successor agency to OEO, known as the Human Resources Service, in the Executive branch. The service would provide financial assistance to enable state and local governments to assume responsibility for Community Action Agencies through a revenue sharing framework. Referred to the Education and Labor Committee. Hearings held by Equal Opportunity Subcommittee, Oct. 15, 1973.

H.R. 12462 (Introduced by Mr. Hawkins, Jan. 31, 1974)—To extend certain programs under the Economic Opportunity Act for two additional years. Referred to the Education and Labor Committee. Hearings held by Equal Opportunity Subcommittee, Feb. 5, 19, 21, 1974.

H.R. 14094 (Introduced by Mr. Hawkins, April 9, 1974)—To provide for the mobilization of community development assistance and volunteer services and to create an agency to administer such programs. Referred to the Education and Labor Committee. Reported by Equal Opportunity Subcommittee, April 9, 1974.

NOTE: Legislation has been introduced to transfer the Community Economic Development program from OEO to the Office of Minority Business Enterprise in the Department of Commerce (H.R. 8556). The bill is pending in the Education and Labor Committee. Legislation has been passed by both houses of Congress to establish a legal services corporation to replace the OEO legal services program (H.R. 7824).

APPENDIX C

OEO FUNDING, 1973–75

[In millions of dollars]

	Obligations		Budget authority (1975 proposed budget, other agencies)
	1973, OEO	1974 estimated, other agencies	
Various agencies (research and development)	33.0	31.3	57.1
HEW (health services)	122.1	140.9	130.8
Native American programs	23.1	32.1	33.2
DOL (migrants and seasonal farmworkers)	38.7	40.0	40.0
Total	216.9	244.3	266.1

The FY 1975 budget request also contained funds for legal services and Community Economic Development, in the event that legislation is passed to transfer these programs to a legal services corporation and the Department of Commerce.

[In millions of dollars]

	Obligations		Budget authority—1975 proposed budget, other agencies
	1973 OEO	1974 estimated OEO	
Community economic development	36.6	38.1	39.3
Legal services	77.2	71.5	71.5
Total	113.8	109.6	110.8

Source: OEO budget statement, Alvin Arnett, Feb. 4, 1974.

TERMINATED PROGRAMS

[In millions of dollars]

	Obligations		Budget authority—1975 proposed budget
	1973 OEO	1974 estimated OEO	
Community action operations	406.8	208.1	
General support	18.1	4.8	
Total	424.9	212.9	

Source: Fiscal year 1974 budget request.

Mr. JOHNSTON. Mr. President, poverty in the midst of plenty still abounds in this country. And, the problem of poverty is mounting. Not only have the overall numbers of poor people increased, but the relative position of the millions of impoverished Americans is worsening. Among other factors, spiraling inflation, and the rising costs of essential goods and services, such as food, shelter, and heat, are aggravating the problem of being poor.

In short, Mr. President, this is not the time for the Federal Government to withdraw from its commitment to battle poverty. The past year and a half has seen the slow whittling away of the Office of Economic Opportunity, the agency charged since 1964 with advocating the needs of the poor and with administering programs designed to attack poverty. The Office of Economic Opportunity has been beset with program and personnel transfers, with program eliminations, and with the threat of general discontinuation. Local community action agencies, which have been the principal cogs of OEO's operation—by helping the disadvantaged to understand and use opportunities available to them in their own communities—are earmarked for extinction. These pullbacks are exactly the reverse of what the disadvantaged and what our Nation need at this time. The impoverished and the Nation cannot stand to have these programs dispersed, debilitated, and the antipoverty focus lost.

Mr. President, what is needed is an ongoing national concern about the plight of the poor. What is needed is a concerted attack on poverty, spearheaded by the Federal Government, backed by a strong Federal commitment in terms of dollars, programs, and longevity.

This is the approach that the bill that we are introducing today takes. It creates a separate independent agency to administer antipoverty efforts. This agency would emphasize the feeling of Congress that the problems of poverty are too important to be dismissed or submerged into another giant bureaucratic agency. This agency would also be capable of effecting a coordinated, concerted Federal antipoverty effort.

In addition, the bill would insure the continuation of valuable community action and economic development programs, along with research and demonstration programs and interim legal services authority.

As important as any substantive feature of this bill, however, is the continuation of a Federal agency to advocate both nationally and locally, the interests of the poor.

Mr. President, I have personally witnessed the valuable work that the antipoverty programs, and particularly community action programs, have done in Louisiana and throughout the South. I want to see these efforts continued and strengthened. Therefore, I am pleased to introduce this bill along with my distinguished colleagues.

By Mr. FONG (for himself, Mr. Metcalf, Mr. Bennett, Mr. Brooke, Mr. Dole, Mr. Domenici, Mr. Fannin, Mr. Gurney, Mr. Javits, and Mr. Williams):

S. 3800. A bill to provide for the appointment of legal assistants in the courts of appeals of the United States. Referred to the Committee on the Judiciary.

Mr. FONG. Mr. President, I am introducing today a bill to provide for the appointment of legal assistants in the courts of appeals of the United States so as to assist the judges of these courts to perform their duties in a more effective and efficient manner and to help expedite the disposition of the ever-mounting number of appeals to the courts.

The number of appeals filed in the 10 circuits and the District of Columbia circuit has increased from a total of 4,204 in 1961 to a total of 15,629 in 1973—almost a fourfold increase in volume of appeals filed. In the short period from 1969 to 1973, the volume of the proceedings handled by the courts of appeals has risen from 10,248 appeals in 1969 to 15,629 in 1973, or a more than 50-percent increase in volume.

Mr. President, to show the increase in the number of appeals commenced, terminated, and pending in each of the U.S. courts of appeals for the fiscal years 1961 and 1969 through 1973, I ask unanimous consent that a table marked table 1, an excerpt from the 1973 annual report of the Director, administrative office of the U.S. courts, be printed in the Record at this point in my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 1.—APPEALS COMMENCED, TERMINATED, AND PENDING IN THE U.S. COURTS OF APPEALS, FISCAL YEARS 1961 AND 1969 THROUGH 1973 BY CIRCUIT

Circuit	Fiscal year 1961	1969	1970	1971	1972	1973	Percentage change 1973 over 1961	1973 over 1972
All circuits	4,204	10,248	11,662	12,788	14,535	15,629	271.8	7.5
District of Columbia	527	1,094	1,127	1,055	1,168	1,360	158.1	16.4
1st	146	221	277	383	421	401	174.7	−4.8
2d	674	1,263	1,343	1,423	1,317	1,709	153.6	29.8
3d	334	671	1,053	1,100	1,179	1,197	258.4	1.5
4th	250	1,098	1,166	1,211	1,399	1,573	529.2	12.4
5th	630	1,763	2,014	2,316	2,864	2,964	370.5	3.5
6th	340	868	911	1,015	1,248	1,261	270.9	1.0
7th	328	712	854	902	999	1,117	240.5	11.8
8th	246	440	589	713	798	821	233.7	2.9
9th	443	1,494	1,585	1,936	2,258	2,316	422.8	2.6
10th	286	624	743	734	884	910	218.2	2.9
Terminated: All circuits	4,049	9,014	10,699	12,368	13,828	15,112	273.2	9.3
District of Columbia	518	896	1,025	1,013	1,001	1,288	148.6	28.7
1st	172	207	277	350	385	370	115.1	−3.9
2d	663	932	1,177	1,571	1,593	1,462	120.5	−8.2
3d	309	596	702	1,105	1,201	1,281	314.6	6.7
4th	242	1,092	1,127	1,050	1,391	1,676	592.6	20.5
5th	509	1,606	1,891	2,289	2,662	2,871	464.0	7.9
6th	324	947	1,004	1,001	1,098	1,239	282.4	12.8
7th	320	591	806	792	882	1,088	240.0	23.4
8th	243	406	554	703	797	821	237.9	3.0
9th	470	1,110	1,524	1,725	1,968	2,140	355.0	8.7
10th	279	631	612	769	850	876	214.0	3.1
Pending end of fiscal year: All circuits	2,375	7,849	8,812	9,232	9,939	10,456	340.3	5.2
District of Columbia	262	909	1,011	1,053	1,220	1,292	393.1	5.9
1st	51	97	97	130	166	197	286.3	18.7
2d	386	939	1,105	957	681	928	140.4	36.3
3d	169	515	866	861	839	755	346.7	−10.0
4th	100	617	656	817	825	722	622.0	−12.5
5th	400	1,284	1,407	1,434	1,636	1,729	332.3	5.7
6th	215	582	489	503	653	675	214.0	3.4
7th	148	617	665	775	892	921	522.3	3.3
8th	130	369	404	414	415	415	219.2	--------
9th	372	1,471	1,532	1,743	2,033	2,209	493.8	8.7
10th	142	449	580	545	579	613	331.7	5.9

Mr. FONG. Further, Mr. President, it must be pointed out that the number of cases pending at the end of the fiscal year rose from 2,357 in 1961 to an unprecedented high of 10,456 cases pending at the end of fiscal year 1973. For specifics as to each circuit, see table 1, supra.

The Commission on Revision of the Federal Court Appellate System in its report of recommendations under section 6, paragraph (1), Public Law 489, 92d Congress, submitted by its chairman, Senator Roman L. Hruska on December 18, 1973, entitled "The Geographical Boundaries of the Several Judicial Circuits: Recommendations for Change," recognizes and I quote from the very first sentence on page 1, paragraph 1 of that report:

> For more than a decade the United States Courts of Appeals—courts of last resort for all but a handful of federal cases—have been a source of continuing concern. During this period they have experienced an increase in caseloads unprecedented in magnitude.

This increase in volume is not confined to appeals in any one circuit or from any one of the agencies or even to appeals from the district courts in any one State. While the situation is more desperate in some circuits, such as the second, fifth, and ninth circuits, it is rapidly deteriorating in the other circuits, and particularly in the sixth circuit.

Mr. President, to show the source of the rapidly escalating volume of appeals in each circuit and the number of appeals from the district courts in the various States and from the other sources for the years 1969 to 1973, I ask unanimous consent that a table marked table 2, entitled "Source of Appeals and Original Proceedings Commenced During Each of the Fiscal Years 1969, 1970, 1971, 1972, and 1973 by Circuit," as it appears in the 1973 annual report of the Director, Administrative Office of the U.S. Courts, be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 2.—U.S. COURTS OF APPEALS—SOURCE OF APPEALS AND ORIGINAL PROCEEDINGS COMMENCED DURING EACH OF THE FISCAL YEARS 1969, 1970, 1971, 1972, AND 1973, BY CIRCUIT

Source	Fiscal years— 1969	1970	1971	1972	1973
Total appeals	10,248	11,662	12,788	14,535	15,629
U.S. district courts	8,728	9,866	11,057	12,678	13,667
Other courts	22	33	18		
Boards and commissions, total	1,345	1,522	1,383	1,509	1,616
Tax Court of the United States	215	237	296	202	241
Civil Aeronautics Board	11	23	7	24	58
Federal Communications Commission	52	74	83	70	75
Federal Power Commission	139	23	52	143	128
Federal Trade Commission	17	10	11	11	23
National Labor Relations Board	629	649	619	740	612
Secretary of Agriculture	6	3	10	7	5
Securities and Exchange Commission	16	16	22	18	20
Board of Tax Appeals (District of Columbia)		4			
Immigration and Naturalization Service	215	413	201	175	228
All other boards and commissions	45	70	82	119	226
Original proceedings	153	241	330	348	346
District of Columbia Circuit	1,094	1,127	1,055	1,168	1,360
U.S. District Court	891	892	829	907	979
District of Columbia Court of Appeals	22	33	18		
Board of Tax Appeals (District of Columbia)		4			
Tax Court of the United States	5		5	4	4
National Labor Relations Board	60	42	37	46	48
All other boards and commissions	101	134	140	179	300
Original proceedings	15	22	26	32	29
1st circuit	221	277	383	421	401
Maine	11	13	15	19	19
Massachusetts	125	141	207	229	223
New Hampshire	14	16	30	37	39
Rhode Island	20	25	18	36	34
Puerto Rico	25	38	58	48	43
Tax Court of the United States	3	7	10	6	8
National Labor Relations Board	19	24	12	20	19
All other boards and commissions	2	9	29	20	8
Original proceedings	2	4	4	6	8
2d circuit	1,263	1,343	1,423	1,317	1,709
Connecticut	82	70	97	96	151
New York:					
Northern	54	74	35	32	60
Eastern	189	227	248	275	298
Southern	624	645	722	645	815
Western	51	55	67	53	84
Vermont	20	15	22	13	30
Tax Court of the United States	44	48	29	23	69
National Labor Relations Board	106	82	64	98	82
All other boards and commissions	70	97	89	48	70
Original proceedings	23	30	50	34	50
3d circuit	671	1,053	1,100	1,179	1,197
Delaware	17	34	34	53	43
New Jersey	160	321	249	268	245
Pennsylvania:					
Eastern	209	236	337	372	408
Middle	27	40	74	85	85
Western	103	148	253	199	222
Virgin Islands	45	38	30	51	70
Tax Court of the United States	15	24	17	31	16
National Labor Relations Board	38	16	37	43	42
All other boards and commissions	40	155	36	39	24
Original proceedings	17	41	33	38	42
4th circuit	1,098	1,166	1,211	1,399	1,573
Maryland	220	178	210	199	243
North Carolina:					
Eastern	79	89	63	107	145
Middle	54	66	66	102	112
Western	105	78	61	87	107
South Carolina	87	88	99	132	146
Virginia:					
Eastern	336	370	403	495	531
Western	80	90	95	85	98
West Virginia:					
Northern	46	66	66	65	54
Southern	43	90	60	57	80
Tax Court of the United States	10	8	26	10	7
National Labor Relations Board	34	33	35	38	24
All other boards and commissions	3	3	8	13	11
Original proceedings	1	7	19	9	15
5th circuit	1,763	2,014	2,316	2,864	2,964
Alabama:					
Northern	64	83	92	107	90
Middle	27	42	31	49	74
Southern	42	50	74	84	67
Florida:					
Northern	51	37	64	66	85
Middle	161	185	175	198	203
Southern	199	254	309	478	453
Georgia:					
Northern	98	174	216	236	305
Middle	64	65	75	76	74
Southern	29	27	26	47	39
Louisiana:[1]					
Eastern	173	219	241	276	256
Middle				11	64
Western	66	67	86	100	121
Mississippi:					
Northern	43	60	55	64	58
Southern	98	69	85	72	75
Texas:					
Northern	113	145	222	256	261
Eastern	42	52	48	91	69
Southern	113	136	152	193	261
Western	119	155	157	157	185
Canal Zone	2	6	8	15	6
Tax Court of the United States	20	29	32	51	22
National Labor Relations Board	133	113	106	108	86
All other boards and commissions	97	30	30	76	77
Original proceedings	9	16	32	53	33
6th circuit	868	911	1,015	1,248	1,261
Kentucky:					
Eastern	44	58	79	78	80
Western	92	76	83	106	96
Michigan:					
Eastern	119	125	156	186	259
Western:	41	17	24	30	32
Ohio:					
Northern	130	115	119	154	203
Southern	64	79	96	187	143
Tennessee:					
Eastern	83	126	155	157	105
Middle	70	65	67	95	80
Western	55	74	91	85	98
Tax Court of the United States	44	27	22	12	17
National Labor Relations Board	87	118	105	127	107
All other boards and commissions	26	12	12	16	25
Original proceedings	13	19	6	15	16
7th circuit	712	854	902	999	1,117
Illinois:					
Northern	339	398	431	500	547
Eastern	26	32	45	63	60
Southern	29	32	43	58	51
Indiana:					
Northern	57	53	61	50	83
Southern	53	50	92	83	112
Wisconsin:					
Eastern	47	52	87	78	79
Western	18	23	20	26	41
Tax Court of the United States	17	24	27	16	18
National Labor Relations Board	38	55	43	62	61
All other boards and commissions	73	110	29	30	23
Original proceedings	15	25	24	33	42
8th circuit	440	589	713	798	821
Arkansas:					
Eastern	40	45	53	51	55
Western	46	40	45	38	27
Iowa:					
Northern	15	10	19	31	20
Southern	22	38	43	33	40
Minnesota	47	62	102	130	137
Missouri:					
Eastern	101	98	141	174	159
Western	63	130	110	101	136
Nebraska	27	56	53	97	66
North Dakota	17	24	23	17	34
South Dakota	15	16	47	33	50
Tax Court of the United States	8	2	16	11	17
National Labor Relations Board	30	44	35	56	40
All other boards and commissions	4	5	13	14	14
Original proceedings	5	19	13	12	26
9th circuit	1,494	1,585	1,936	2,258	2,316
Alaska	21	22	24	27	22
Arizona	117	152	172	172	196
California:					
Northern	251	271	343	449	383
Eastern	71	43	74	89	72
Central	386	397	473	523	583
Southern	103	116	150	277	252
Hawaii	11	20	15	32	32
Idaho	25	10	11	20	25
Montana	23	25	28	21	30
Nevada	51	67	45	56	59
Oregon	85	96	85	103	101
Washington:					
Eastern	37	22	13	26	23
Western	77	68	107	115	130
Guam	13	11	14	28	29
Tax Court of the United States	44	59	105	26	52
National Labor Relations Board	68	92	126	112	79
All other boards and commissions	69	73	76	111	185
Original proceedings	42	41	75	71	63
10th circuit	624	743	734	884	910
Colorado	79	134	105	136	167
Kansas	161	218	205	196	216
New Mexico	108	78	94	108	98
Oklahoma:					
Northern	34	30	52	64	51
Eastern	36	29	31	53	29
Western	97	106	92	135	169
Utah	49	75	58	63	70
Wyoming	12	13	17	21	25
Tax Court of the United States	5	9	7	12	11
National Labor Relations Board	16	30	19	29	23
All other boards and commissions	16	4	6	22	29
Original proceedings	11	17	48	45	22

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[1] 1 additional district was added in the State of Louisiana, effective Apr. 1, 1972, Public Law 92-208.

Mr. FONG. Mr. President, in the years 1962 to 1973, the number of judgeships on the courts of appeals has risen from 78 to 97, an increase of 24.4 percent, but the number of cases filed in that time period increased from 4,823 to 15,629 or, as pointed out by the Division of Information Systems of the Administrative Office of the U.S. Courts, the increase in the percentage of cases filed was 224.1 percent—tenfold the increase in the percentage of increase in judgeships.

The increase in the number of cases terminated in the period from 1962 to 1973 admirably reflects the diligence of the judges of the courts of appeals. In 1962, 78 judges terminated 4,167 cases or 53.4 cases per judge. In 1973, the 97 judges managed to terminate 15,112 cases, or an average of almost 155.8 cases per judge.

Yet, despite this prodigious effort on the part of the judges, the number of appeals pending increased from 3,031 cases in 1962 to 10,456 cases pending at the end of 1973.

Mr. President, I ask unanimous consent to have a table marked table 3, entitled "Appeals Filed, Terminated, and Pending in the U.S. Courts of Appeals," fiscal years 1962 through 1973 annual report of the Director, Administrative Office of the U.S. Courts, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPEALS FILED, TERMINATED, AND PENDING IN THE U.S. COURTS OF APPEALS, FISCAL YEARS 1962–73

Fiscal year	Number of judgeships as of June 30	Appeals		
		Filed	Terminated	Pending
1962	78	4, 823	4, 167	3, 031
1963	78	5, 437	5, 011	3, 457
1964	78	6, 023	5, 700	3, 780
1965	78	6, 766	5, 771	4, 775
1966	88	7, 183	6, 571	5, 387
1967	88	7, 903	7, 527	5, 763
1968	97	9, 116	8, 264	6, 615
1969	97	10, 248	9, 014	7, 849
1970	97	11, 662	10, 699	8, 812
1971	97	12, 788	12, 368	9, 232
1972	97	14, 535	13, 828	9, 939
1973	97	15, 629	15, 112	10, 456
Percent change:				
1973 over 1962	24. 4	224. 1	262. 7	245. 0
1973 over 1972		7. 5	9. 3	5. 2

Mr. FONG. Mr. President, something must be done to help the courts alleviate this huge backlog. There has been discussion over a long period of time of splitting the circuits and of appointing more judges. The Commission on Revision of the Federal Court Appellate System has been working on this problem; bills are pending in committee, but immediate action is required.

At the present time, the only legal personnel available to assist judges of the courts of appeals in the discharge of their duties are the law clerks.

28 U.S.C. 712 reads:

> 712. Law clerks and secretaries. Circuit judges may appoint necessary law clerks and secretaries.

The salaries of the law clerks are fixed by the Director of the Administrative Office of the U.S. Courts under the supervision and direction of the Judicial Conference of the United States.

The pertinent part of the applicable law (28 U.S.C. 604(a)(5)) reads:

> 604. Duties of Director generally.
>
> (a) The Director shall be the administrative officer of the courts, and under the supervision and direction of the Judicial Conference of the United States, shall:
>
> * * * * *
>
> (5) Fix the compensation of clerks of court, deputies, librarians, criers, messengers, *law clerks*, secretaries, stenographers, clerical assistants, and other employees of the courts whose compensation is not otherwise fixed by law; (Emphasis supplied.)

However, Congress has seen fit to put limitations on the compensation of the law clerks and on the aggregate salaries paid to law clerks and secretaries appointed by each circuit court judge.

Public Law 93–162, approved November 27, 1973, making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, under title IV—the judiciary, in pertinent part, provides:

> Court of Appeals, District Courts, and Judicial Services.
>
> * * * * *
>
> Salaries of Supporting Personnel
>
> For salaries for all officials and employees of the Federal Judiciary, not otherwise specifically provided for, $83,450,000: *Provided*, That
>
> * * * * *
>
> the salaries of law clerks to circuit and district judges shall not exceed the compensation established in chapter 51 of title 5, United States Code, for General Schedule grade (GS) 7, 8, 9, 10, 11, or 12: *Provided further*, That (exclusive of step increases corresponding with those provided for by chapter 53 of title 5 of the United States Code, and of compensation paid for temporary assistance needed because of an emergency) the aggregate salaries paid to secretaries and law clerks appointed by each of the circuit and district judges shall not exceed $43,453 and $33,377 per annum, respectively, except in the case of the chief judge of each circuit and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed $56,228 and $42,897 per annum respectively.

With a limitation of $43,453 per circuit court judge—except for the chief judge in each circuit who is entitled to pay salaries of not to exceed $56,228—and a limitation of a maximum salary of $22,744 payable for the equivalent of a GS–12 grade, the maximum amount a law clerk may be paid, there is obviously a severe limitation put upon the number and especially, the caliber of the type of legal assistance available to circuit court judges to clear up the backlog, I heretofore showed, exists throughout the circuits.

The Commission on Revision of the Federal Court Appellate System, in the fall of 1973, held hearings to obtain the recommendation of the judges of the District of Columbia, the fifth and ninth circuits.

Chief Judge John R. Brown, Judge Robert A. Ainsworth, Judge John Minor Wisdom, and Judge Griffin B. Bell of the Court of Appeals for the Fifth Circuit, testified as to their need for a central legal staff to screen cases and prepare preliminary memorandums for use by the bench on cases sent to the oral argument calendar.

Chief Judge Richard H. Chambers, Judge Charles E. Merrill, Judge James R. Browning, and Judge Herbert Y. C. Choy, of the Court of Appeals for the Ninth Circuit have spoken eloquently of their need for such staff legal assistants as well as of personal law clerks and of the need for supervision of those staff legal assistants by an attorney of outstanding ability and experience.

This plea of the judges has not fallen on deaf ears.

Mr. Rowland F. Kirks, Director of the Administrative Office of the U.S. Courts, under date of May 11, 1973, wrote to the Honorable Spiro T. Agnew, President, U.S. Senate, indicating that the Judicial Conference of the United States, by resolution adopted April 1973, approved a proposal for legal assistants in the Courts of Appeals of the United States as theretofore approved at its October 1971 meeting, and approved the sending along of a draft of a proposed bill providing for such legal assistants.

In this letter, Mr. Kirks stated:

> The purpose of the draft bill is to enable the Judicial Conference to authorize Courts of Appeals to appoint legal assistants to the court who would have sufficient professional experience and legal background to qualify such attorneys to perform the function of making the preliminary examination of all matters filed with the court; identify the issues raised; distinguish these substantial issues requiring more extended review by the court from insubstantial cases requiring less deliberation; settling preliminary procedural matters incident to appeals which now divert the time of judges away from their substantive tasks; and otherwise performing screening procedures necessary to expedite the task of the judges in reaching the substance of the matters presented to the court.
>
> It is anticipated that such legal assistants would receive salaries commensurate with the high demands of their legal duties and with the experience and scholastic qualifications which would be imposed. Such officers would perform these screening services for the entire court and are to be distinguished from law clerks who are on the personal staff of individual judges. . . .

Mr. President, I ask unanimous consent that the full text of the letter, dated May 11, 1973, from the Director of the Administrative Office and the draft bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FONG. Mr. President, the bill, which it is my privilege to sponsor and which is cosponsored by Senators METCALF, BENNETT, BROOKE, DOLE, DOMENICI, FANNIN, GURNEY, JAVITS, and WILLIAMS, is an answer to some of the much needed assistance to the judges of the courts of appeals to enable them to continue to efficiently and effectively dispose of their ever-increasing caseload.

Every effort must be made to see that appellate review is timely, thorough, and available, lest justice be denied.

Accordingly I ask my colleagues'

cosponsorship of this bill, I ask that the Committee on the Judiciary expedite the reporting of this bill so that the Senate may work its will on this much needed legislation.

Mr. President, I ask unanimous consent that the full text of my bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3800

A bill to provide for the appointment of legal assistants in the courts of appeals of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 47 of title 28, United States code, is amended by adding at the end thereof the following new section:

§ 714. Legal assistants

"A court of appeals may appoint necessary legal assistants to positions authorized by the Judicial Conference of the United States who shall be subject to removal by the court. Such legal assistants shall perform such duties as the court shall determine involving the preliminary processing of matters filed in such court. The approval of the Judicial Conference of the United States shall be required prior to the establishment of each such position."

(b) The analysis of such chapter 47 is amended by adding at the end thereof the following new item:

"714. Legal assistants.".

SEC. 2. Section 604(a) (5) of title 28, United States Code, is amended by inserting "legal assistants," immediately after "law clerks,":.

EXHIBIT 1

MAY 11, 1973.

Hon. SPIRO T. AGNEW,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the resolution of the Judicial Conference of the U.S. adopted at its meeting in April of 1973, reapproving the proposal, there is transmitted herewith a draft bill providing for legal assistants in the Courts of Appeals of the United States, for appropriate referral and consideration by the Congress. The proposal was previously approved by the Judicial Conference at its October 1971 meeting.

The purpose of the draft bill is to enable the Judicial Conference to authorize Courts of Appeals to appoint legal assistants to the court who would have sufficient professional experience and legal background to qualify such attorneys to perform the function of making the preliminary examination of all matters filed with the court; identify the issues raised; distinguish these substantial issues requiring more extended review by the court from insubstantial cases requiring less deliberation; settling preliminary procedural matters incident to appeals which now divert the time of judges away from their substantive tasks; and otherwise performing screening procedures necessary to expedite the task of the judges in reaching the substance of the matters presented to the court.

It is anticipated that such legal assistants would receive salaries commensurate with the high demands of their legal duties and with the experience and scholastic qualifications which would be imposed. Such officers would perform these screening services for the entire court and are to be distinguished from law clerks who are on the personal staff of individual judges. The latter are usually newly graduated law students without prior experience in law practice who spend a brief tenure, usually a year, with the individual judge to perform research. Legal assistants, on the other hand, would be permanent staff attorneys to the entire court with higher qualification standards necessary to the duties which they would perform.

The necessity of appointing staff attorneys as legal assistants to the court is evidenced in large measure by the magnitude of judicial business faced by the courts of appeals, especially those with the highest volume of filings. Overall since 1961, the appeal filings in the eleven judicial circuits have increased by 246%. The volume since 1968 alone has increased 59%. Though the dispositional rate of the courts has been constant, the overall increase in the pending caseload is 319% greater than fiscal year 1961.

The request for the assistance of staff attorneys to perform the function of preliminary processing of matters filed with the court originated with the Chief Judge of the Court of Appeals for the Fifth Circuit. That court has ranked first in filings among the eleven judicial circuits and covers a vast geographical territory from Texas to Florida. The Fifth Circuit first demonstrated to the Conference an urgent need for legal assistants to this court who could handle the preliminary processing of matters submitted to the court and reduce the valuable time of its 15 active and 4 senior judges which can be more wisely deployed in deciding the merits of the litigation before them.

It might be noted that under the provisions of this draft bill, prior approval of the Judicial Conference is required before any such position of judicial assistant is established. (We would anticipate their limited use at this time only in courts of appeals having the greatest case volume.) The legal assistants will be appointed by and be removable by the court itself. Under the provisions of Section 604(a) (5), the Director of the Administrative Office would set the salaries and qualifications of these employees with the approval of the Judicial Conference. The exact range of salaries would presumably be a subject of a reference in the Judicial Appropriation Act.

It seems clear without express mention that these new officers would be subject to the usual benefits of federal employment such as retirement, health and life insurance benefits, and the like as well as specific provisions dealing with salaries administratively fixed (see 5 U.S.C. 5307).

Representatives of this office will be pleased to provide additional information that is necessary.

Sincerely,

ROWLAND F. KIRKS,
Director.

A bill to provide for the appointment of legal assistants in the Courts of Appeals of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 47 of title 28, United States Code, is amended by adding the following new section:

"§ 714. Legal assistants.

(a) A court of appeals may appoint necessary legal assistants to positions authorized by the Judicial Conference of the United States who shall be subject to removal by the court. Such legal assistants shall perform such duties as the court shall determine involving the preliminary processing of matters filed in such court.

(b) The compensation of legal assistants shall be fixed pursuant to section 604(a) (5) of this title, and the approval of the Judicial Conference of the United States shall be required prior to the establishment of each such position."

SEC. 2. The analysis of chapter 47 is amended by adding immediately following, "713. Criers, bailiffs and messengers." the following new material:

"714. Legal assistants."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 949

At the request of Mr. MONDALE, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 949, the "Youth Programs Act."

S. 2022

At the request of Mr. TUNNEY, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 2022, the Flexible Hours Employment Act.

S. 3648

At the request of Mr. TUNNEY, the Senator from Iowa (Mr. HUGHES) was added as a cosponsor of S. 3648, a bill to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly.

S. 3649

At the request of Mr. PELL, the Senator from Maryland (Mr. BEALL), the Senator from Nevada (Mr. BIBLE), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 3649, the Social Security Recipients Fairness Act.

SENATE RESOLUTION 364—SUBMISSION OF A RESOLUTION TO REFER S. 3799 TO THE CHIEF COMMISSIONER OF THE U.S. COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. FONG submitted a resolution (S. Res. 364) to refer the bill (S. 3799) entitled "A bill for the relief of Mrs. Agnes J. Wong and Dr. Samuel J. Wong, Jr." to the Chief Commissioner of the U.S. Court of Claims for a report thereon:

S. RES. 364

Resolved, That bill (S. 3799) entitled "A bill for the relief of Mrs. Agnes J. Wong and Dr. Samuel J. Wong, Jr.", now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with such bill in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practical date, giving such findings of fact and conclusions thereon as will be sufficient to inform the Congress of the nature and character of the demands as a claim, legal or equitable, against the United States, or as a gratuity, and the amount, if any, legally or equitably due from the United States to the claimants.

SENATE RESOLUTION 365—SUBMISSION OF A RESOLUTION RELATING TO THE PRINTING OF LEGISLATIVE PROCEEDINGS WITH RESPECT TO THE DEATH OF FORMER SENATOR WAYNE L. MORSE

(Referred to the Committee on Rules and Administration.)

Mr. HATFIELD submitted a resolution (S. Res. 365) relating to the printing of legislative proceedings with respect to the death of former Senator Wayne L. Morse:

S. Res. 365

Resolved, That the legislative proceedings in the United States Congress relating to the death of the former Senator from Oregon, Mr. Morse, be printed as a Senate document.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974—AMENDMENTS

AMENDMENT NOS. 1601, 1602, 1603, 1604

(Ordered to be printed and to lie on the table.)

Mr. **HATHAWAY** submitted four amendments, intended to be proposed by him, to the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

AMENDMENT NO. 1605

(Ordered to be printed and to lie on the table.)

Mr. **STEVENSON** submitted an amendment, intended to be proposed by him, to the bill (S. 3164) supra.

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1606

(Ordered to be printed and to lie on the table.)

Mr. **STEVENSON** submitted an amendment, intended to be proposed by him, to the bill (S. 707) to establish a Council on Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENT NO. 1607

(Ordered to be printed and to lie on the table.)

Mr. **WEICKER** submitted an amendment, intended to be proposed by him, to the bill (S. 707) supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1375

At the request of Mr. Hathaway, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of amendment No. 1375, intended to be proposed to S. 2351 to prohibit sex discrimination by education institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine.

AMENDMENT NO. 1449

At the request of Mr. Tunney, the Senator from Iowa (Mr. Hughes) was added as a cosponsor of amendment No. 1449, intended to be proposed by him to S. 3035 to amend title 23, United States Code, the Federal Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes.

AMENDMENT NO. 1562

At the request of Mr. Metcalf, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of Amendment No. 1562 to S. 707, the Consumer Protection Agency Act.

ORDER FOR PRINTING A SENATE DOCUMENT 93-81—ANNUAL REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION

Mr. TALMADGE. Mr. President, I ask unanimous consent that Senate Document 93-81 be reprinted. This is the annual report of the National Forest Reservation Commission for the year ended June 30, 1973.

The Commission's secretary informs me that the original printing is "barely legible," improperly set up, and that "page numbers have been omitted."

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF HEARINGS ON SHORTAGES AND ALLOCATION OF OIL COUNTRY TUBULAR GOODS

Mr. **JACKSON**. Mr. President, on Thursday, July 25, the Committee on Interior and Insular Affairs will continue its hearings on shortages of oil country tubular goods, and on the possible need for allocating such materials. The following representatives of the administration will appear as witnesses:

The Honorable William J. Casey, President and Chairman, Export-Import Bank of the United States;

The Honorable John C. Sawhill, Administrator, Federal Energy Administration; and

The Honorable Tilton N. Dobbin, Assistant Secretary of Commerce for Domestic and International Business.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON FEA NOMINATIONS

Mr. JACKSON. Mr. President, on Friday, July 26, 1974, the Committee on Interior and Insular Affairs will hold hearings on two nominations for officials of the Federal Energy Administration. The nominees are Robert E. Montgomery, to be General Counsel, and Roger W. Sant, to be Assistant Administrator for Conservation and Environment. For the benefit of my colleagues, I ask unanimous consent that the biographic summaries of the two candidates be printed at this point in the Record.

There being no objection, the summaries were ordered to be printed in the Record, as follows:

BIOGRAPHY OF ROGER W. SANT

ASSISTANT ADMINISTRATOR, CONSERVATION AND ENVIRONMENT, FEDERAL ENERGY ADMINISTRATION

Roger W. Sant, 43, of Menlo Park, California, has been nominated by the President for the position of Assistant Administrator for Conservation and Environment of the Federal Energy Administration. His duties will include directing the energy conservation and environmental programs of the agency.

Mr. Sant is currently Vice President for Planning and Development of Saga Corporation, a nationwide food service management and restaurant concern. He joined Saga in 1971 and has been responsible for strategic and market planning and for mergers and acquisitions. From 1968 to 1971, he was a full-time lecturer at the Stanford University Graduate School of Business and since 1971 has been a part-time lecturer there. He also co-founded two companies in that period—Finnigan Corporation, a scientific instrument company and Bandak Corporation, a manufacturing jeweler. From 1965 to 1968, Mr. Sant was a Vice President at Syntex Laboratories, a worldwide pharmaceutical concern, where he had primary responsibility for financial operations, planning, and strategy. Before that, he was Treasurer and Chief Financial Officer for Wilkens Instrument and Research, Incorporated.

He was born in Los Angeles, California, and received a B.S. degree in Management from Brigham Young University in Utah and a M.B.A. degree with distinction from Harvard University. From 1955 to 1958, he was an officer in the Navy and was honorably discharged as a lieutenant. Mr. Sant has also served in executive posts for various charitable and community activities.

He is married to the former Victoria Post, also of California. The couple have two children, Alison and Alexis, age 4. Mr. Sant has two children from a prior marriage, Shari, 16, and Michael, 15, who live in Los Angeles.

BIOGRAPHY OF ROBERT E. MONTGOMERY, JR.

Robert E. Montgomery, Jr., 35, joined the Federal Energy Office as its Deputy General Counsel February 1, 1974. During the previous year, Mr. Montgomery was Assistant General Counsel for Legislation and Congressional Affairs at the Federal Trade Commission.

Prior to joining the FTC, Mr. Montgomery served as Acting Deputy Director and General Counsel of the White House Office of Consumer Affairs. Previously, he had served as an assistant to the U.S. Army's General Counsel.

Mr. Montgomery received a bachelor of science degree in engineering from the U.S. Military Academy in 1960, graduating second in his class. A Rhodes Scholar, he earned his M.A. degree at Oxford University in politics, philosophy and economics. In 1969, Mr. Montgomery received his J.D. from the University of California at Berkeley, where he was editor-in-chief of the California Law Review.

A native of Whittier, California, he served as an infantry captain in Vietnam from June, 1965, to June, 1966.

Mr. Montgomery is married to the former Sandra Lee Jennings, and they live with their three children in Alexandria, Virginia.

ADDITIONAL STATEMENTS

FORMER SENATOR WAYNE MORSE

Mr. McGEE. Mr. President, yesterday, during the debate on the Agriculture Appropriations bill, we learned of the death of one of the most esteemed former colleagues, Wayne Morse of Oregon.

I had the distinct pleasure of serving in this body with Senator Morse for several years, and although we disagreed on some matters of foreign policy, neither he nor I ever lost our warm affection, respect and regard for each other.

Wayne Morse was truly one of a kind, a man whose life was devoted to the public good and who expressed his views on that public trust forcefully, intelligently and with great honor. He served a distingiushed 24 years in the Senate, and was characteristically, with vigor and undimmed effort trying for yet another term at the age of 73 when his final illness struck him. And, as reported after his death, his courage showed again when he refused to be kept alive by a machine. Instead, he and his courageous wife chose to fight his final battle with only his own strong mind and heart.

Mr. President, David S. Broder of the Washington Post wrote a fine tribute to Wayne Morse in this morning's edition, and I ask unanimous consent that the obituary of this distingiushed and honorable American be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 23, 1974]

FORMER SENATOR WAYNE MORSE DIES IN PORTLAND HOSPITAL AT 73

(By David S. Broder)

Former Sen. Wayne L. Morse of Oregon, a maverick who switched parties twice and fought with five Presidents, died yesterday in a Portland hospital at the age of 73.

Morse, whose characteristic independence of judgment made him one of only two senators to oppose the 1964 Gulf of Tonkin resolution that launched America into the Vietnam war, succumbed to kidney and heart failure following a urinary tract infection that hospitalized him last Wednesday.

Until then, he had been campaigning for another term in the Senate against Sen. Bob Packwood (R-Ore.), who defeated Morse in 1968 after a 24-year tenure as a Republican, Independent and Democratic Senator.

A new senatorial candidate is to be chosen by the Democratic state central committee.

Morse is survived by his widow, Mildred, three daughters—Nancy Campbell, Judith Mary Eaton and Amy Ann Bilich—six grandchildren, two brothers and a sister. Funeral arrangements are pending.

In his 30 years in public life, Morse, whose intellectual brilliance was acknowledged by even his most bitter critics, at various times served, supported and scorned every President of both parties from Franklin D. Roosevelt through Lyndon B. Johnson.

His feuds were proverbial, and over the years came to include almost every colleague in the Oregon congressional delegation and many of the newsmen who covered him.

Yet among those same legislators and journalists, he was respected as a gifted lawmaker, with a genuine mastery of the fields of foreign policy, education and labor legislation he made his own.

At the same time that President Johnson was in almost daily verbal combat with Morse over the Vietnam war, he chose the Oregonian to floor-manage his landmark aid-to-education bill, and when it was passed, Johnson said, "No one else could have done it."

Long before it became fashionable for other politicians, Morse espoused the view that he would not bend his personal philosophy to the needs of party regularity. He bolted the Republican party in 1952 in disgust with the Eisenhower-Nixon campaign, served for two years as an independent, then joined the Democrats, only to fight John F. Kennedy for the nomination of his new party, and to take the early lead against the Vietnam policies of President Johnson.

Describing his own philosophy as one of "constitutional liberalism," Morse said in a 1953 article that he believed his course of personal independence was "the best way I can challenge the political expediency of both parties."

It was his fiercely cultivated and bristling independence—as well as his prescience on Vietnam—that senators noted in their eulogies yesterday.

Sen. Mark O. Hatfield (R-Ore.), a man Morse jumped party lines to endorse in 1966 and against whom he ran in 1972, called Morse "a politician from a unique mold and an enigma to many people. When convinced of a position on an issue, he was not swayed. . . ."

Sen. Packwood said, "Wayne Morse was a man of integrity and courage. He was never afraid to fight for his convictions." Senate Majority Leader Mike Mansfield (D-Mont.) called him "a man of fierce independence."

Wayne Lyman Morse was born on a farm outside Madison, Wis., on Oct. 20, 1900, and as a boy came under the spell of the great Wisconsin independents, the LaFollettes. He attended the University of Wisconsin, studied law at the University of Minnesota and Columbia University, and moved west in 1929 to join the University of Oregon law school faculty. Less than two years later, at 30, he became the youngest law school dean in the nation.

His debut in national life came in 1941, when Roosevelt chose Morse, already a skilled labor arbitrator, as chairman of an emergency board created to head off a nationwide railroad strike.

A marathon 38-hour final bargaining session after six weeks of hearings produced a compromise settlement on Dec. 6, 1941—the eve of Pearl Harbor.

Roosevelt then named him a public member of the War Labor Board, where he served for two years until he resigned with a characteristically sharp attack on Roosevelt and Secretary of Interior Harold L. Ickes over the settlement of a coal dispute. A letter to Ickes, complaining about him and Under Secretary Abe Fortas, showed even then Morse's mastery of the acerbic style for which he became famous:

"Dear Mr. Secretary. Thank you very much for your letter of June 11, 1943. It is in keeping with and supports my low esteem of you. The attempt of you and Mr. Fortas to try to convict me, without justification, of deceiving the President in order to divert attention from your gross mishandling of the coal case should be beneath you as a Cabinet officer . . . I deeply resented the 'off-the-record' statements which you made at your press conference at the time you announced your scuttling truce with [John L.] Lewis. . . ."

"I am perfectly aware of the fact that for one in my subordinate position to express his complete lack of respect for and confidence in men in such high positions as you and Mr. Fortas is not in accordance with government protocol, but I could not have done less and kept faith with my self-respect," Morse concluded.

In 1944, he was back in Oregon to win his first term in the Senate, as a Republican. He came back to Washington from the campaign by car, towing his two champion saddle horses, the forerunners of a string of horses and cattle he kept at his farms in Maryland and Oregon.

In his first six months in the Senate, he made more speeches than all the other freshmen combined. The Senate reporters nicknamed him "the Five O'Clock Shadow," in grudging tribute to his habit of taking the Senate floor each day when all other business was finished to deliver himself of some views.

In his first term, he conducted a 10-hour filibuster on behalf of President Truman's veto of the Taft-Hartley labor act—a record he more than doubled in another speech in 1953 lasting 22 hours and 26 minutes.

But despite his support of the Democratic President on that highly partisan issue, Morse was no ally of Truman's. He accused Truman of "showboating" on another labor issue and denounced him from the platform in 1946 as the "head of one of the most corrupt political machines in this country."

But after his re-election in 1950, Morse joined seven other Senate Republicans in decrying Sen. Joseph R. McCarthy's tactics in investigating alleged Communists in the Truman administration, and became a major Republican advocate of Truman's civil rights program.

In 1951 Morse suffered a broken jaw when kicked by a horse he was showing at a Virginia fair. Years later, the incident was revived in the course of a memorable fight he had with Clare Booth Luce.

Morse led a Senate battle against her confirmation as ambassador to Brazil in 1959, and when she prevailed, by a lopsided 79-to-11 margin, the playwright could not refrain from saying that her difficulties all occurred because "some years back . . . Wayne Morse was kicked in the head by a horse."

Morse indignantly returned to the Senate floor to denounce "this slanderer," and three days later Mrs. Luce withdrew from the post.

Morse's transformation from maverick Republican to maverick Democrat began in 1951, when he announced early for Dwight D. Eisenhower, but warned that "if my political party offers me a President and a platform in 1952 of only isolationist candidates, I will take a long walk . . . I have no intention of placing party above country."

Eisenhower was, of course, nominated, but on Oct. 18, 1952, Morse announced he would vote for Adlai Stevenson, because "never have I been so completely disillusioned about any man as I am about Eisenhower."

A week later, he resigned from the Republican Party, and when he returned to the Senate in January, 1953, he brought along a folding chair, saying, "Since I haven't been given any seat in the new Senate, I decided to bring my own."

The Republicans quickly stripped Morse of his seniority on the Armed Services and Labor committees and he was made a junior member of Public Works and the District of Columbia committees.

His independence, vigor and combativeness quickly made Morse a leading figure in District affairs, and he emerged as one of the strongest congressional advocates of home rule for the nation's capital.

He applied his strong concern for civil rights and civil liberties to Washington's problems, vowing to do his utmost to eliminate racial segregation and deliver self-government to the people of the city.

Only days after his reelection in 1956, Sen. Morse—by then one of the hardest-working of Washington's "city councilmen" in the Senate—announced that he wanted to stay on the District Committee because it provided him a special opportunity for public service.

Even in his later years in the Senate, when he became absorbed in the Vietnam war opposition, he continued to devote long hours to hearings and speeches on District legislation.

As chairman of the Senate District subcommittee on health, education and welfare matters, the senator constantly—and often bluntly—reminded colleagues on both sides of the Capitol of his firm belief that the bulk of Washington's problems were traceable to the absence of self-government.

But Morse's battle on behalf of home rule for Washington did not keep him from criticizing the leadership at the District Building when he felt improvements could be effected there.

In the field of education he pressed for many improvements in the public school system and was the Senate sponsor of legislation establishing Federal City College and the Washington Technical Institute.

In 1954, Morse campaigned hard for the election of Richard L. Neuberger (another man with whom he was later to carry on a personal fued) as Oregon's first Democratic senator of modern times.

He joined the Democratic Party himself in

1955 and for the next decade was the center of a series of battles over environmental, natural resources, education and labor issues, including the tideland oil fight, the Hells Canyon Dam case, the Landrum-Griffin labor reform bill and a series of struggles over federal aid to education.

In 1956, he won what was perhaps his sweetest personal victory when he ran for re-election as a Democrat and trounced Eisenhower's Secretary of Interior, Douglas McKay, who had returned to Oregon in an effort to purge the renegade Morse.

But four years later, in 1960, Oregon Democrats rejected Morse in favor of John F. Kennedy in their presidential primary.

In 1964, Morse cast the vote of which he said he was most proud when he joined the late Ernest Gruening of Alaska as the only opponents of the Gulf of Tonkin resolution, the measure that President Johnson took as congressional sanction for American intervention in Vietnam.

For the next eight years, in office and out, Morse traveled the country, tirelessly arguing against the war.

In his 1962 biography of Morse, called "The Tiger in the Senate," Portland Oregonian correspondent A. Robert Smith (who himself was periodically barred by an irate Morse from entering the senator's office) recalled that Morse had once told a Detroit reporter, "I sometimes wonder if I'm going at this a little too hard."

"But then," the senator continued, "I think of all the men and women who wish there were just one politician in Washington who would speak his mind and cast his vote honestly and freely with only his conscience to guide him."

"Maybe it's a bit brash to assume that I'm that man," Morse said, "but believe me, I'm trying to be."

(NOTE.—*This obituary was prepared with the research assistance of Elisabeth Donovan and Robert L. Asher.*)

PROGRESS REPORTED FOR WHALE CONSERVATION MEASURES

Mr. FONG. Mr. President, the International Whaling Commission—IWC—met in London last month for its 26th session on conservation measures for world whale stocks.

The United States again pushed for a moratorium of 10 years duration on the further harvesting of whales to permit gathering of better data on whale species populations and to more accurately determine if whaling could be permitted without endangering species survival.

An amendment to the U.S. proposal was adopted over the opposition of Japan and the Soviet Union which resulted in an IWC resolution imposing selected moratoria on certain species of whale. The moratoria would not take effect until after next year's annual meeting of the commission as the commission's scientific advisory committee will meet in December to reach its best scientific judgment on which species in which areas of global waters should be placed under a harvesting moratorium. The commission will then act next year on its committee's recommendations.

Although the United States was unable to obtain commission agreement to a global moratorium on all commercial taking of whales, this Nation's efforts to protect whales have resulted in improving IWC's conservation program. Although some progress has been made, this is not enough. The United States should continue to make every effort to achieve the moratorium we seek.

I wish to call attention to a progress report made by Dr. Robert M. White, the U.S. Commissioner, upon his return from the latest commission session. For the benefit of all concerned with the preservation of the world's whales, I ask unanimous consent to have printed in the RECORD the official press release on Dr. White's report.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

PROGRESS REPORTED FOR WHALE CONSERVATION MEASURES

Although the United States did not achieve its goal of a 10-year moratorium on all commercial whaling, "significant progress" has been made in many aspects of international whale conservation, according to Dr. Robert M. White, U.S. Commissioner of the International Whaling Commission. Dr. White has just returned from the 26th Session of the Commission, held in London, England.

Progress has been made in four areas, Dr. White noted. They are

—A selective moratorium will apply to any stock of whales that falls below optimum population levels;

—World-wide quotas for whale species of most concern have been greatly reduced;

—Whale stocks will be managed by ocean areas rather than oceans as a whole;

—In establishing optimum stock levels, factors other than simple number of whales will be considered—factors that encompass the health of the total marine ecosystem, and that will lead to establishment of more conservative quota levels.

"Adoption of the principle of a selective moratorium represents a major change in the outlook for the preservation of the world's whales," said Dr. White, who is Administrator of the National Oceanic and Atmospheric Administration.

"Imposition of such a moratorium—suggested by the Australians as an amendment to the U.S. proposal for a 10-year moratorium on all whaling—will ensure the most rapid possible restoration of depleted whale stocks." The Commerce Department official noted that the action makes possible a moratorium for certain species, such as the fin whale, for longer than 10 years.

The world-wide quotas established by the Commission provide significant reductions in the allowed catch of several species. In the case of the fin whale, last year's quota has been reduced by 35 percent, from 2,000 to 1,300, with an anticipated reduction to zero for the 1975–76 whaling season. The quota for the sei whale has been reduced 20 percent from 7,500 to 6,000. The sperm whale quota was maintained at last year's level of 23,000.

Only in the case of minke whales has the quota increased, from 5,000 to 7,000, on the assurance of scientists that this level will not seriously affect stocks of this small whale, which has only recently begun to be harvested.

The total number of whales that will be allowed by the quotas approved by the IWC for the next year total 37,300.

The agreement that all whale stocks will be managed by ocean areas, rather than for the oceans as a whole, will make possible much improved conservation and management by individual whale stocks. Quotas are established for each ocean area, rather than for the oceans as a whole. This means, for example, that if a whaling vessel catches its quota for an area, it may not catch additional whales in that area but must move to another. This provision eliminates the danger of seriously depleting individual stocks within an era, as has happened in the past.

The fourth area of major progress involves new methods for determining optimum population levels, and provides that factors such as the weight of the animals, the interaction among various species of whales and between whales and other living things, be considered.

"The progress achieved at this Commission meeting, while falling short of the U.S. objectives, is gratifying and is due to the recognition by member countries of the increasing need for improved conservation measures," Dr. White said. "A critical element in the changing attitude of the International Whaling Commission has been the advocacy of strong whale conservation measures by nongovernment environmental organizations both in the U.S. and in other countries.

"The United States remains concerned about many features of international whale management and conservation. Catch Per Unit of Effort of critical species of whales continues to fall. This is a warning signal that whaling stocks may be in less healthy shape than some data portray."

He also stated that in the U.S. view quotas are still being set too high, particularly in view of the uncertainties in the base data and the risk of long-term or irreversible loses of the resource and the possibility that local stocks may be overfished.

"Finally," he noted, "the question of the humaneness of whale killing methods requires further examination.'

In other actions at the meeting, the Commission decided to strengthen the Secretariat and its research activities. To that end it voted a budget increase from $16,800 to $86,400. There was agreement by all member countries for the first time to consider changes in the International Convention for the Regulation of Whaling and a working party was established to undertake a thorough consideration of possible changes.

TIME IS RUNNING OUT

Mr. HOLLINGS. Mr. President, citizens all across this land of ours are upset. They are upset at double-digit inflation which at one fell swoop erodes their purchasing power, jeopardizes their savings, and condemns those on fixed incomes to an ever-decreasing standard of living. They are worried, too, about an energy shortage which has not really gone away. They want Government to come to grips with these issues, and they are fed up with Government's inability to act.

Government is the servant of the people, and when Government reflects and acts upon the concerns of the people, it is truly representative. But when the concerns of the people are given short shrift, and when Government becomes preoccupied with its own rivalries and bickering, then government of the people has been subordinated to government of the government, by the government, and for the government. I am afraid this is our situation today, and for this sad state of affairs no one or two people are exclusively to blame. It took more than just a few to get us into as much trouble as we presently have.

If Government seems unable to act, the people are not. And if Government does not know what needs to be done, the people do. First of all, the people expect Government to practice the same self-discipline which the family practices. They know that Government cannot go on living beyond its means. They know that there is such a thing as priorities, and that we cannot have our cake and eat it, too. So the first place to act is to bring spiraling Federal Government spending under control. We must balance our budget. We must pass legislation such as I have introduced to require the President to submit, and the Congress to enact, a balanced budget each year. If we could get this Federal red ink under control, we would be a long way down the road to curbing inflation and restoring the value of the American dollar.

On the energy front, the time is also here to act. We must get the facts—the accurate facts—not the twisted statistics presented by Big Oil and the special interests. We must have a coherent policy for energy self-sufficiency in order to end this ridiculous dependence upon unpredictable oil sheiks thousands of miles from our shores. And we must make crystal clear for everyone to see that the energy policies of the U.S. Government are directed toward the well-being of all its citizens, not toward the get-rich-quick profits of the barons and moguls of Big Oil.

Mr. President, these are not easy things to accomplish—but certainly they can be done. And they must be done. For that is why we are sent here—to cope with these serious problems which our citizens encounter each and every day. Everywhere I look, I see these concerns. They are reflected in every home and town I visit. They are heard in every question I am asked, and in every suggestion I listen to. And they are in the hundreds of letters which come to my office every day.

Recently the city council of Sumter, S.C., went on record in order to encourage action on these issues. The council passed a resolution which states, concisely and to-the-point, what the concerns are. And it makes all of us in public life aware that the people are fed up with rhetoric and promises. They want results.

Mr. President, I ask unanimous consent that the text of the May 28, 1974 Resolution of the city council of Sumter, S.C., be printed in its entirety in the Record. I hope it will be widely read. And I hope we will have the good sense to act on it. For, in truth, time is running out.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution

A Resolution Relating to the State of the Economy and the Energy Shortage

Be it resolved by the mayor and councilmen of the city of Sumter, in meeting regularly assembled, as follows:

(1) That grave concern is felt over continued inflation and continued skyrocketing of costs.

(2) That it appears imperative that steps be taken to halt inflation and roll back prices.

(3) That the energy shortage, particularly in reference to supplies of gasoline, is becoming increasingly acute and creating numerous, varied, and substantial problems.

(4) That it appears necessary and desirable that further positive steps be taken in an effort to relieve the problems being caused by existing shortage of gasoline.

(5) That the mayor of the city of Sumter is authorized and directed to transmit this resolution and to convey its content to any and all persons in interest at any and all government levels in any situation in which it is felt that such action might prove helpful.

Done and ratified in meeting assembled on this the 28th day of May 1974.

THE TAXPAYER AND INFLATION

Mr. CHURCH. Mr. President, the state of the economy remains the overriding concern of a great many Idahoans. Inflation is raging at an annual rate of above 10 percent. This is worrisome news to housewives, small businessmen, and farmers who have been plagued by rising costs. The administration's consolation that the "worst is behind us," words which the public has heard before, has met with skepticism among American consumers. And who can blame the wage earner who has watched hard-earned dollars buy less and less each year, while this administration fiddles with "game plans" that never work.

Clayton Fritchey's recent article in the Washington Post has put the matter of the administration's mismanagement of the economy right on the line. I ask unanimous consent that his article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 17, 1974]

Inflation: Blaming the Taxpayer

(By Clayton Fritchey)

Not since Voltaire created Dr. Pangloss ("everything is for the best in this best of all possible worlds") has there been anyone quite like Mr. Nixon's official optimist, Dr. Herbert Stein, who, as chairman of the Council of Economic Advisers, has proved time and again that even the President's most disastrous domestic policies are really blessings in disguise.

Now, on the eve of his departure from the government to resume teaching (heaven help the students), Prof. Stein has surpassed himself in demonstrating once more that Mr. Nixon's economic policies are just what the doctor ordered or, if they aren't, somebody else is to blame.

For some years, Dr. Stein has specialized in explaining away the inflation that has plagued the Nixon administration. First, it was nothing to worry about. Then the story was that Americans are really "better off." Finally, it was that the administration had it under control and it would soon subside. Just be patient. Today inflation is raging at a rate of almost 12 per cent. Not even Dr. Stein can pooh-pooh it any longer. So in his latest pronouncement, he reluctantly admits it is bad but blames the public for causing it.

The public, it appears, should be impeached for obstructing the President in the performance of his duty. The logic is that inflation couldn't be stopped without raising taxes, but Mr. Nixon's hands were tied because the people "were so reluctant to have a tax increase."

It is a libel on the American people, who have consistently accepted sacrifice when necessary in the national interest. They have often borne heavier taxes, wage ceilings and rationing with good grace. No President has ever made essential, patriotic demands on the people and been rejected.

Much of the present inflation can be traced to the Vietnamese war, which caused large budget deficits year after year. Mr. Nixon's response was to cut taxes rather than raise them. He presumably was taking no chances on reelection.

Former President Harry Truman did just the opposite when inflation was triggered by the Korean war in 1950. He quickly called for a tax boost, and Congress passed an increase shortly after the war started. Two more tax bills were passed before the year was out. How did the public react? The late Sen. Robert A. Taft, who strongly supported the tax legislation, was easily re-elected in the fall of 1950.

The upshot of Mr. Truman's early and decisive action was that Korea became virtually a pay-as-you-fight war. The deficit averaged only about $2 billion annually for the peak years of 1950–52, and the rate of inflation in the same period was held to 4.5 per cent, dropping to less than 1 per cent for 1952–55.

Dr. Stein says he is against any tax cut for Americans at the present time because "we should not be putting $5 billion or $10 billion in their hands which they'd only go out and spend." But the whole point of a tax reduction would be to stimulate employment and production through more purchasing power. Hoarding would simply defeat that objective.

The way to salvation, Dr. Stein admonishes, us, is through "old-time religion" economic policy, as allegedly practiced by the administration. It is described as strict governmental spending limits, tight monetary policy, a balanced budget and no tax reduction. Dr. Stein must be joking.

Mr. Nixon has been in office well over five years, and this is how his practice compares with Dr. Stein's preaching: Administration spending has broken all previous records, producing both the first $200 billion budget and the first $300 billiion one. The monetary policy, rather than being "tight," has until recently been notoriously free and easy. The budget has been unbalanced by more than $100 billion. And there have been several tax reductions.

With that performance, inflation was inevitable. Would Dr. Stein still like to insist that the public is the guilty party? He should heed Dr. Karl Brunner of the University of Rochester, who says, "An irrelevant or poorly conceived explanation of inflation cannot yield useful suggestions for an effective and successful anti-inflationary package."

Not long ago, Dr. Arthur Burns, chairman of the Federal Reserve Board, broke ranks to warn that "the gravity of our currrent inflationary problem can hardly be overestimated." Mr. Nixon was not impressed. His crystal ball saw "encouraging signs that the worst is behind us."

Nobody really knows Richard Nixon. Even Gen. Eisenhower misjudged him. Back in 1968, the former President is quoted as having privately said, "I think Dick's going to be elected President, but I think he is going to be a one-term President. I think he's really going to fight inflation and that will kill him politically." Well, Mr. Nixon is certainly in trouble politically, but not because he killed inflation which, alas, is alive and well and living it up all over the land.

CAPTIVE NATIONS WEEK

Mr. SCHWEIKER. Mr. President, the week of July 14–20 marked the 15th anniversary of Captive Nations Week, which was provided for in 1959 by joint congressional resolution and Presidential proclamation.

It is a time when we reaffirm our commitment to the struggle of the captive nations of the world for political, religious and cultural freedom and our strong opposition to any form of repression behind the Iron Curtain.

As the sponsor of the Ethnic Heritage Studies Act, and as one who has spoken out repeatedly on behalf of the struggle of captive nations for self determination, I am honored to join in the commemoration of Captive Nations Week 1974.

LET'S PHASE-IN THE COMPETITIVE VIABILITY OF INDEPENDENT OIL DEALERS

Mr. HUMPHREY. Mr. President, the Federal Energy Office is pushing forward with its intensive plans to decontrol the allocation of petroleum products in the United States without clearly addressing the problem of the fast-shrinking markets of the independent oil refiners and marketers. Yesterday, the FEA held public hearings on their proposal to exempt fuel oil from the mandatory petroleum allocation program. It is my firm belief that we must continue the allocation program until the problem of maintaining the competitive viability of the independents is solved. As I have said many times before, the only true competitive force we have had in the petroleum field comes from the independents, and that force has been of direct benefit to the consumer.

A letter I received from an independent oil dealer in Minnesota discusses the problems facing nearly every small oil marketer in America, if the FEA continues its plans to decontrol oil products. This letter points out the dire need to extend the Emergency Petroleum Allocation Act. I would like to remind my colleagues that I have introduced a bill, S. 3717, with 23 cosponsors, which would extend the allocation program from February 28, 1975, to June 30, 1976.

Mr. President, I ask unanimous consent that the text of a letter from Mr. James W. Emison of the Oskey Gasoline Oil Co., of Minneapolis, Minn., be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OSKEY GASOLINE & OIL COMPANY, INC.,
Minneapolis, Minn., July 17, 1974.
Hon. HUBERT H. HUMPHREY,
U.S. Senator, U.S. Senate Building, Washington, D.C.

DEAR SENATOR HUMPHREY: As you no doubt are aware, the FEA has proposed to exempt fuel oil from the Mandatory Petroleum Allocation Regulation for a period of three months commencing August 1, 1974. Public hearings on the proposal will be held by the FEA in Washington on July 22, 1974. The FEA has stated informally that it expects to hold similar hearings on the subjects of aviation fuels and propane and that the gasoline and heating fuels will be considered in September as a subject for a deregulation hearing.

In my view, the FEA has no real feel for the damage already done to the independent segment of the pertoleum marketing industry whether that market be gasoline, propane or residual fuel oil. As a result I believe the FEA is moving too quickly to a position that in effect deregulates the major companies before the FEA determines if the independents are presently in a secure or at least somewhat secure position.

I can speak for nearly every independent in the country and simply say that they are all scared to death of not only their present position, but what the future holds. Therefore, I urge you to publicly oppose a commencement of deregulation process until:

1. Under Section 4(g)2 of the Emergency Petroleum Allocation Act of 1973 ". . . there is no domestic shortage of the particular oil or product".

2. That the FEA be required to give (1) above the practical interpretation that a shortage can be presumed in the marketplace for independent buyers until such time as the industry has proved on a "track record basis" or by *direct polling of affected independents* that such a shortage does not exist and is unlikely to recur again in the reasonable foreseeable future.

While I hold the general view that there are a good many capable people in the FEA and they have generally acted in good faith, the FEA must develop some fool-proof ways such are suggested in (2) above to prevent the majors from completing their takeover of the independents' marketplace by steamrolling through the deregulation of refined products.

With all of the uncertainties connected with the Middle East, international and domestic markets and the present inability or unwillingness of the Canadian government to establish a firm continental energy policy, it seems rank foolishness to commence dismantling a program that as yet is not even fully in place and during which the independents share of the U.S. domestic gasoline market alone has fallen from about 28% to 18% (a similar or like reduction in the independents' market share have occurred with respect to other products as well).

I urge you to strongly support the position I have outlined. May I hear from you.

With warmest regards, I am,

Sincerely,

JAMES W. EMISON.

THE HUMAN IMPACT OF OUR RECESSION-INFLATION ECONOMY

Mr. BAYH. Mr. President, the state of the American economy is no laughing matter.

Inflation is running rampant at an annual rate of 13 percent. That is no joke for the average American worker whose take-home pay—despite limited pay increases—buys 4.5 percent less today than it did a year ago.

Unemployment is 5.2 percent, and has been 5 percent or higher every month this year. That is not likely to bring any laughter from the more than 4.5 million American workers who cannot find jobs.

Recession is a reality, the gross national product continues to slide backward at an annual rate of 4 percent, when our economy requires real growth of 4 percent annually to stay even. That is not likely to bring forth a smile from businessmen, who are beset by rising costs on one hand, and by reduced demand, on the other hand.

Interest rates are higher than they have been in more than a century, with a 12-percent prime rate, but who borrows at prime today? That is not the least bit funny to the family that cannot get a mortgage to buy a new home, or to the construction worker who is feeling the effect of the 30-percent drop in new housing starts.

No, Mr. President, the state of the economy is no laughing matter. It is a serious and grave situation, reflecting the total inability of the present administration to come to grips with the problem which is foremost in the minds of the American people.

Yet in the past 48 hours we have seen two examples of how frivolously and callously the Chairman of the President's Council of Economic Advisers approaches the human impact of our recession-inflation economy.

Chairman Herbert Stein has taken to writing guest columns, first in Sunday's Washington Post and then in the July 29 issue of Newsweek, which I guess are supposed to be funny. They are not.

Instead of taking the opportunity provided by the editors of these respected publications to address himself to the very real fears of the American people regarding the state of the economy, Mr. Stein tried his hand at comedy writing. As in economic policy, he has failed once again.

Not only were his columns not funny, the very fact that he sought to deal with our economic woes in his facetious fashion shows how little Mr. Stein has learned during the many months that the Nixon administration has so mismanaged the economy that we are left with the worst of both worlds—recession and runaway inflation.

There should be little wonder, Mr. President, that only 14 percent of the American people polled in a recent Harris survey gave the Nixon administration good marks on its economic performance. With the economy in rough waters, and little indication that there is anyone in the administration who can chart a better course, the American people are rightfully distressed about this state of affairs. What they need is confidence that someone is taking charge of the situation, seeking solutions rather than accepting the status quo. What they do not need are feeble attempts at humor from the Chairman of the Council of Economic Advisers.

But perhaps we should not expect any more from the same man who has tried to blame the American people for inflation, because they objected to higher taxes.

I must confess, Mr. President, Mr. Stein's posture poses something of a dilemma. On one hand, I am inclined to say to him, "Get about the business of curing our ailing economy; stop writing columns and start dispensing economic advice." But on the other hand, given Mr. Stein's undistinguished track record, it just may be that we are better off if he writes articles rather than ruin the economy.

Mr. President, at the heart of Mr. Stein's misjudgment in these two columns is not simply the fact that they ignore the seriousness of our economic problems. More fundamental, and what I find all too typical of this administration, Mr. Steins' columns are totally insensitive to the human consequences of the economic bungling of this administration.

There are terrible human costs in inflation. I have visited supermarkets in Indiana and seen the heartbreak in the eyes of young parents who cannot afford to give their children a decent diet. I have spoken with senior citizens who long ago gave up the hope of eating properly, and now merely try to survive from week to week.

There are terrible human costs in unemployment. I have seen the despair on the face of working people who ache to find a decent job, and to support their families, but who are the innocent victims of a policy which is designed to accept unemployment to fight inflation and which results in both inflation and unemployment. The agony of a husband and father who has to face his wife and children and tell them he has been laid off through no fault of his own is what unemployment is all about—not some impersonal numbers from the Bureau of Labor Statistics.

It is the total lack of any comprehension of these human elements in his statistics and economic models that makes Mr. Stein's attempts at humor so unfortunate.

Mr. President, Herbert Stein has tendered his resignation. Let us call upon his successor, and all the economic bigwigs in this administration, to recognize that the numbers they juggle in any discussion of the economy translate into people; people who are at wit's end over inflation and in despair over unemployment. When officialdom forgets about those people it forgets what government is all about.

SENATOR PERCY REVIEWS SAVINGS REALIZED BY REDUCING PCS ROTATIONS

Mr. PERCY. Mr. President, I have always felt that we in the Senate sometimes tend to forget to look back at past action and evaluate its success or failure. Certainly we can all benefit by reviewing the effects of our votes, and I have made it a practice in the past to review one initiative with which I was particularly involved and report to the Senate on what has happened in the intervening years.

Mr. President, on August 21, 1971, while the Senate was considering the military procurement bill, I offered an amendment designed to reduce the costs of permanent change of station—PCS—rotations by 25 percent. Very simply, PCS moves are those encountered by members of the military and their families as they are transferred from assignment to assignment. This reduction was supported by the Fitzhugh report and was supported in principle by former Deputy Secretary of Defense David Packard. The Fitzhugh report summed up the problem when it said:

> Officers and enlisted men are rotated among assignments at much too frequent intervals. It is clear from the evidence that the rotation practices which have been followed result in (a) excessive and wasteful cost, (b) inefficiencies in management, and (c) difficulty in fixing responsibility.

My amendment was proposed to save approximately $140 million of the total $1.3 billion which was earmarked in fiscal 1972 for PCS moves. It was also designed to force the military to adopt more cost-effective practices. But perhaps most importantly it was designed to increase the morale of the members of the Armed Forces and their dependents who had to face the constant trauma of uprooting their families and their lives, on the average of every 14 months, by moving to a new assignment. I had received many, many letters from servicemen and their families complaining about the constant and unnecessary disruptions in their lives as they were forced to pack up their belongings and their families and move to new areas. This was, and still is, a major concern of many career servicemen. Air Force magazine, in its February 1974 issue, had an article on PCS entitled "Life in the Air Force—A Moving Experience." In that article, the author, Ed Gates, cataloged the annoying features of PCS moves, as well as the costs of such moves. I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the reports were ordered to be printed in the Record, as follows:

[From the Air Force magazine, February 1974]

LIFE IN THE AIR FORCE—A MOVING EXPERIENCE

(By Ed Gates)

PCS—Permanent Change of Station. For some in the military, it heralds a welcome change of scene. Others shrug it off as just another part of military life. But for still others, it means uprooting house and home one more time and—too often—separating families. The energy crisis and congressional pressure notwithstanding, it is virtually impossible for the military to cut the huge sums spent annually on PCSs. Military personnel seem destined to continue moving around at about the pace they have in recent years, making. . . .

The subject under discussion before a manpower symposium at the 1967 Air Force Association Annual National Convention was excessive permanent change of station (PCS) moves and the problems they create.

Escalating troop commitments to Southeast Asia at that time had increased the number of transfers and the accompanying turmoil. Some quarters were suggesting that later, surely when the Vietnam War wound down, moves would drop off. Things would get back to "normal." Military people would stay in place longer.

It took symposium participant Gen. Gabriel Disosway, then head of Tactical Air Command, to puncture this bubble.

"All talk about things settling down on the move front," the outspoken General Disosway told the symposium throng, "is a myth. There will always be frequent moves in the military, and people should understand this when they enter service. . . ."

That message is equally valid today.

While a large segment of the service population shrugs off frequent transfers as routine—indeed, numerous careerists welcome the changing scene—the move problem tops the list of negative factors associated with military life. A recent Air Force survey confirms this, showing moves that separate families as the leading unfavorable aspect of a career in uniform.

Yet, try as they may, military authorities have been unable to reduce personnel moves significantly. The matter has been studied and restudied and agonized over, year after year. But annually, PCS moves continue to exceed the size of the force.

If PCS transfers were dispensed equally, every member would transfer at least once a year, a few twice. Air Force in FY '73, for instance, transferred about 775,000 persons, although its on-board personnel strength averaged only 708,000 throughout the period.

The total cost piled up for those moves—they included family moves, dislocation allowances, household goods shipments, furniture storage, etc.—came to an estimated $475 million. That was $27 million more than was spent during the previous year.

And the outlays are increasing. This fiscal year, although troop strength and the number of programmed moves are dropping, USAF's PCS travel bill should top the half-billion-dollar mark. Specifically, for FY '74, Air Force anticipates 738,000 PCS moves for an average-year population of only 682,000 members. Cost: an estimated $503.2 million.

It's the same story among the other services. The Navy's PCS budget has increased nearly $100 million in each of the past two years, despite a slight reduction in personnel. The Marine Corps's PCS budget has remained constant, though that branch has reduced troop strength slightly.

The Army is the lone service invoking really heavy cuts in the number of transfers, though this is hardly surprising. Army is down to almost half its peak-Vietnam strength, reached in 1968. Even so, Army's estimated FY '74 PCS outlay of $356 million, combines with the planned expenditures of the other services to create a PCS price tag Defensewide of $1.26 billion.

Transportation costs associated with operations and maintenance, including funds for temporary-duty travel, add another $170 million each year to the Air Force move budget, and almost half a billion dollars more in all the services.

The energy crisis, of course, will affect the military travel picture. Some TDY figures * * * moves may be more difficult to secure. Slower highway speed limits may require more Stateside PCS en route time, which would increase expenditures.

And while the nation's fuel shortage could lead to some PCS cuts, most indicators point to permanent transfers occurring in about the same order of magnitude as originally planned, Air Force authorities said late last year.

CONGRESSIONAL CONCERN

The rather astonishing number of moves—and their cost—that the services make year after year frustrate congressmen and Pentagon officials. The lawmakers, particularly those on the Defense Appropriations subcommittees, periodically rake over the services for their alleged failure to reduce moves.

Service witnesses are accused of many evils, from wasting funds on commercial storage of members' household goods, to deliberately failing to initiate policies that would curb PCS movements.

A recent meeting of service leaders with the House Defense Appropriations subcommittee, in which FY '74 personnel spending projects were examined in depth, proved no exception. USAF's Director of Personnel Programs Maj. Gen. Oliver W. Lewis and then-Director of the Budget Maj. Gen. Joseph R. De Luca were on the witness stand when Rep. John J. Flynt, Jr. (D-Ga.), declared:

"You gentlemen are well aware . . . that this committee has been concerned about the increasing cost for travel performed in conjunction with changes in assignments. . . . Despite repeated assurances from numerous witnesses before this subcommittee over the years [that reductions would be made], the cost for PCS travel has continued to climb at rates either in total or on an average cost per move basis which far exceed the rates of inflation for the economy in general."

A bit later, when advised that $353 million of Air Force's FY '74 PCS budget is earmarked for rotational travel to and from overseas, Flynt said, "This indicates that you [the Air Force] are rotating people overseas too fast. . . . We frequently receive letters from people who say that they want to stay overseas and that the service . . . will not permit them to do so. . . ."

General Lewis countered that "we . . . approved some 13,000 extensions [abroad] last year, so we do honor the man who is there [overseas] and likes it."

Still, horror stories of members suffering incredible numbers of transfers, of persons uprooted prematurely for no apparent reason, not infrequently are hurled at service witnesses, much to their embarrassment.

A report issued by the subcommittee's investigative staff, meanwhile, charged that the services have "failed to demonstrate any policy changes that resulted in a decrease in the number of gross PCS moves."

Air Force responded that "it continues . . . to strictly limit the number of PCS moves to those essential to meet valid military requirements." During FY '74, General Lewis said, "we will continue to pursue our efforts to encourage voluntary overseas tour extensions whenever service considerations permit."

This is typical of the inconclusiveness that normally results when legislators and military officials jawbone over the transfer issue: the former press their demands for fewer moves and reduced outlays; the latter promise to do their best. Which is about all they can do.

UNACCEPTABLE ALTERNATIVES

Reducing the size of household goods shipments Uncle Sam pays for at transfer time, especially for higher-ranking families or couples with no children—wouldn't that be a good way to pare travel-associated costs, critics at the recent session asked.

No, Air Force responded, noting that by the time people make higher rank they normally have accumulated larger families and more possessions. They should not be penalized, nor should other families just because they have no offspring.

Another question frequently put to the services concerns the movement of family members when the serviceman elects—or is given—a short, unaccompanied tour. Defense policy provides that, in such instances, wives and children will be moved, at government expense, to a Stateside site of their choosing. When the member's tour ends, Uncle Sam pays for uniting them at the new permanent-duty base.

This policy, the committee suggested, offsets most of the savings the services generated from their short- and hardship-tour programs. Should not the Pentagon limit the rights of servicemen to move their families and belongings prior to going on such tours, the lawmakers asked.

Definitely not, Air Force replied. "We wouldn't consider it," said General Lewis, adding that when families are split, "we have an obligation to permit the member to relocate his dependents, at government expense . . ." to a place of their choice.

But the committee was not about to backtrack on the issue. Late last year, it told all the services they "should inform personnel selecting unaccompanied tours where his next duty assignment will be, and then encourage but not force him to move his family to that station immediately, rather than to select an interim location."

The critics' concern over the costs that go into the transfer budget is understandatable. Each military member's car when shipped abroad costs the government about $300. Household goods shipments price out at about $1,000–$1,400 for each enlisted family, around $1,600–$1,700 per officer family.

Trailer allowances at PCS time average about $750 each. Dislocation allowances average around $150. Travel mileage costs average from $200-plus to well over $300 per move. So when these and still other move-associated costs are multiplied by well over 700,000 transfers annually (in USAF alone), it becomes an expenditure area of concern.

The services, it should be made clear, are as anxious as the critics to reduce PCS moves. A substantial reduction of moves would draw cheers from various elements of the military establishment. Periodic uprooting of families, pulling the kids from one school after another, taking a licking on rents and deposits, and all the rest—these can get awfully tiresome.

And some persons otherwise favorably inclined toward military life won't put up with it. Or their wives won't. Extended TDY travel that operational crews frequently take on adds to the problem in some commands.

WHY SO MANY PCS MOVES?

Despite the pressures on the services to cut people moves, and the services' desire to comply, significant reductions are not in the offing. Not as long as the US maintains its vast installation network in this country and abroad; all must be manned with the proper skills and periodic replacements provided.

Enlistment expirations, retirements, transfers to career schools, compassionate moves, hardship tours, involuntary elimination of substandard performers—these are just some of the necessary actions that create thousands of PCS moves every year.

Even in the traditionally popular overseas areas, attempts to keep personnel in place longer have sputtered. In 1972, for example, USAF extended normal "accompanied" tours abroad from thirty-six to forty-eight months. It was a bold attempt to hold thousands of families on station an extra year and realize travel money savings.

It was also a response to congressional arm-twisting.

The plan didn't work, however. It brought angry cries from many people involved; their plans to return home had been torpedoed. Raging inflation in Germany and other countries where USAF people serve also soured many of them on the idea of staying an extra year. It didn't save much, either.

So Air Force last year responded with plans to phase back to the previous thirty-six-month tour abroad. Officials in the Hq. USAF office of the DCS/Personnel said at press time that they expected to get early funding approval to implement in the phase-back.

Still, what's wrong with an average of one PCS every three years? Wouldn't that arrangement, for all service members, be fair and equitable and save Uncle Sam considerable money to boot?

Indeed so. But an average of one transfer per person every three years—it would cut total Air Force PCS moves to around 240,000 this year—is a pipe dream. Nothing close to it will ever occur, because of the vast number of "unavoidable" moves that critics fail to consider or refuse to acknowledge.

First of the "unavoidables" is the "accession" move—it brings a person from civilian to military life, usually to basic training. Then there is the move from basic to technical training school, followed by one from tech school to a duty station.

This fiscal year alone, according to Hq. USAF, these three categories will account for over 300,000 Air Force PCS moves (*see chart*).

Add rotations to and from bases in the States and abroad. Add separation travel—there will be more than 118,000 such USAF moves this year. Finally, add some 200,000 associated dependent family moves, and you've got an annual half-a-billion-dollar program.

LIVING STANDARDS AND LARGE LOADS

It is much the same story in the other military services. And all are experiencing an associated impact brought on by changing life-styles. Years ago, the typical service member was single, poor, and not burdened with personal possessions. He probably didn't own a car. Most of his gear fitted into a barracks bag. It cost the government very little to move him around.

No more. Now he has money to spend, to accumulate a civilian wardrobe, records, stereo equipment, maybe a recreational vehicle. There's much more to ship at transfer time, to say nothing of the inflated prices civilian movers charge to move it.

Storage costs of members' household goods is another item that has skyrocketed in recent years.

In short, nearly every ingredient that goes into determining overall people-move costs continues to escalate; the services are almost helpless to stop it. The principal exception is the recent cuts in troop strength, but these may have about run their course.

The government, meanwhile, hopefully will not invoke nasty little restrictions as it has done sometimes in the past. An example: In late 1972, Congress, with almost no advance notice, ordered a halt in government payments for shipment of service members' cars from abroad, if the vehicles were foreign-made. The Defense Department quietly bowed to the congressional dictate.

AIR FORCE PCS MOVES, EXPENDITURES, FISCAL YEAR 1972 AND FISCAL YEAR 1974 COMPARED

[Dollar amounts in thousands]

	Fiscal year 1972		Fiscal year 1974	
	Number of moves	Amount	Number of moves	Amount
Accession travel	109,319	$17,801	95,630	$15,854
Training travel	169,996	22,512	142,788	20,711
Operational duty stations	61,923	55,333	72,868	69,226
Rotational, to and from overseas	252,342	269,205	295,556	353,110
Separation travel	135,271	51,307	118,562	43,967
Organized unit travel	3,961	2,482	12,465	8,089
Total member moves	732,812	418,640	737,869	510,957
Reenlistment travel payments		5,094		4,963
Total	732,812	423,734	737,869	[1] 515,920

[1] Reduced to $503,200,000 per Pentagon's decision to delay granting full travel benefits to E-4's with 2 years' service, from July 1973 to January 1974.

Note: Average USAF military personnel strength in fiscal year 1972 was 750,000, compared to an estimated average of 682,000 for the current fiscal year. Yet, fiscal year 1974 PCS outlays are slated to top those of 2 years earlier by at least $80,000,000, although the actual number of moves is almost the same. In fiscal year 1973, Air Force PCSed about 775,000 persons, which, with about 177,000 associated dependent moves, cost $475,000,000.

The FY '74 military appropriations bill, as it was nearing final approval recently, fortunately contained no new PCS-related curbs.

Even as the services reexamine their transfer programs, searching for economies, a new factor that can only drive costs up attains prominence: extending full travel entitlements to lower-ranking enlisted personnel.

E-4s with less than four years of service, and below, normally have not received dependent travel, government-paid transportation of household goods, dislocation or trailer allowances, overseas station allowances, and movement of private cars.

Yet matrimony continues. Without these benefits, this low-salaried group suffers immensely. The resulting problems burden units, commands, and military missions, particularly overseas where young wives suddenly appear without funds.

Some quarters insist that continued withholding of these benefits from low-ranking members constitutes gross discrimination. And the pressures, from within and without military officialdom, to provide these benefits to all members is intensifying. But it's going to be very costly.

Already, extension of these benefits to E-4s with as few as two years of service has been authorized. Funds to carry out this program, beginning January 1, 1974, are contained in the appropriations bill cited above. Earlier plans to launch the program in July 1973 were scrapped, resulting in a $12.5 million "saving" to the Air Force.

When and if the government extends full travel entitlements to E-1s through E-3s, more—not less—money must be appropriated.

Air Force authorities, meanwhile, point out that a way does indeed exist whereby PCS moves can be reduced and enormous "savings" achieved. But they are not about to endorse it.

This "plan" recognizes that normally for every service member separated or retired, a replacement is required. Each recruit, of course, triggers three rapid-fire moves (accession, tech training, and duty station). Accordingly, by retaining rather than involuntarily separating misfits and second-raters, by barring retirements until twenty-five or thirty years of service, and by taking related steps to curb attrition, each military service could sharply curtail its input of new members. PCS moves would plunge.

And, just as certainly, the services would become saddled with disciplinary problems, curtailed promotions, and accompanying woes. Chaos would lurk just around the corner.

Military personnel and their families, it seems clear, will continue to move around at a fairly rapid clip. Those who are adaptable and adventuresome, who welcome a changing scene, thrive on new challenges, and disdain the same old routine, should find the prospects stimulating.

And those who cannot accept frequent movement as a condition of their role in the vital business of national security? As General Disosway indicated, they're in the wrong business.

Mr. PERCY. Mr. President, since my amendment, with the support of Senators Stennis and Goldwater, passed the Senate by a vote of 69 to 0, and a modified version was adopted in the House-Senate conference which did not set a target percentage reduction, I have each year asked the Department of Defense for a report on the progress that has been made in implementing the thrust of my amendment. And each year I have reported its response to the Senate. By and large, I believe that the Armed Forces have made a bona fide effort to reduce PSC moves. Of course, there are limitations on how far this can go, and each service has encountered different problems. In addition, the picture has been clouded by an overall reduction in force in the Armed Forces, along with the end of our military involvement in Vietnam. Nonetheless, I believe that these efforts have, indeed, helped to accomplish all three of my goals. The only tangible result, of course, is in dollars and cents, and here the results are interesting. These dollar savings are cited in the reports which I will have printed in the Record.

Mr. President, I will attempt to summarize these annual reports. Let me first say, though, that it is somewhat difficult attempting to assign specific cost savings. The various services use different criteria, and each year there can be a difference in the figures sighted for any one year. However, the following figures appear to be fair inferences from the material supplied.

The Army has registered a savings of $79.9 million for fiscal year 1972, and 1973. This represents a savings in PCS operation and travel costs for fiscal year 1972 of $28.5 million. For fiscal year 1973, the total number of PCS moves was reduced by 35 percent, while the Army strength dropped by 12 percent, and the savings for that year totaled $51.4 million. This indicates that despite the reduction in the number of men and women in the Army during that time period, there was a reduction in PCS costs over and above that which would normally have been expected.

The Navy's figures are more difficult to compute, since in each of the three reports, the Navy seems to be using a different base cost. However, based on the information supplied in its more recent report, the Navy reports a savings of $28.6 million. This is broken down as follows: The PCS costs for fiscal year 1971 were $161 million; for fiscal year 1972, $145.2 million; for fiscal year 1973, $133 million. Thus there appears to have been a $16.4 million savings in fiscal year 1972 and a $12.2 million savings in fiscal year 1973.

The Air Force has had a difficult time in achieving reductions in the amount of money spent on PCS rotations. In its report, it cited the reason for this as inflation, and the increased costs of transportation. Nonetheless, in its 1972 report, the Air Force estimated an $850,000 savings by extending CONUS assignments by 12 months and $40 million in fiscal year 1972 by extending all 36-month overseas tours to 48 months. The estimated saving which resulted was $40 million. However, the Air Force reports that the result of this policy was unsatisfactory because of morale problems. In the 1974 report, the Air Force estimated a $15 million savings as a result of requiring major commands to restrict the number of PCS moves under their jurisdictions. However, even with these reductions, the PCS costs have risen, though much less than would have been the case without the reductions.

Thus the overall savings incurred through the Air Force appear to be approximately $55 million.

In the Marine Corps, from the end of fiscal year 1970 to the end of fiscal year 1972, the corps was reduced in total strength by 23.7 percent. The total cost for PCS was reduced 32.8 percent. The total operations moves in CONUS and rotation moves from overseas were reduced by 58.5 percent. In 1973 there was a 50-percent reduction in PCS moves. The Marine Corps concludes that if the number of moves in fiscal year 1974 was the same as the number for fiscal year 1971, the PCS budget would be $60 million more than the $80 million budget which has been approved.

Therefore, the savings are:

	Million
Army	$79.9
Navy	28.8
Air Force	55
Marine Corps	60
Total	223.7

These savings would never have been possible just as the result of my amendment. The full cooperation of the Defense Department in connection with the action taken by Congress which prompted the military to make the effort to reduce the cost of PCS moves was essential.

I am satisfied that the Armed Forces have accepted the spirit of the Congress as expressed in my amendment. However, I want to urge them to continue their efforts. As the article printed above indicates, there is still much concern over PCS moves, and there is still room for improvement. I hope that the military will keep searching for ways like this to save money. Though neither glamorous nor particularly newsworthy, they mean a great deal to the men and women and their families who serve this Nation in our Armed Forces.

Mr. President, I ask unanimous consent that the three status reports I have received, dated October 18, 1972, September 28, 1973, and May 17, 1974, from the Department of Defense over the past 3 years be printed at this point in the Record.

There being no objection, the reports were ordered to be printed in the Record, as follows:

Assistant Secretary of Defense,
Washington, D.C., October 18, 1972.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: This is in response to your recent telephonic request to furnish an update of the progress that the Department of Defense has made toward decreasing the number of PCS moves since your amendment in connection with the FY 71 Authorization Bill. Each of the Military Services has furnished information as follows:

ARMY

1. Effective 12 July 1971, Army recruiters were stabilized for 36 months.

2. Effective 1 August 1971:

a. Individuals volunteering for overseas service were required to have sufficient remaining service to complete the full overseas tour. Prior to this restriction, volunteers needed only six months if going to Vietnam, sufficient service to complete other short tours, and 18 months if going to long tour areas.

b. Personnel who were assigned to Pershing missile units in Europe after 1 January 1971 were restricted from reassignment until completion of the normal tour in Europe.

c. Officers and warrant officers were required to have at least 12 months when assigned to a short tour area, Enlisted personnel in grades E-7 through E-9 were also required to have minimum of 12 months service remaining to be assigned overseas. Previously, they could be assigned overseas with as little as six months.

3. Effective 27 September 1971 and 20 March 1972, respectively, Seregants Major and 1st Sergeants were stabilized for 18 months minimum.

4. Effective in October 1971, involuntary inter-theater transfers were discontinued.

5. Effective 15 February 1972:

a. Individuals serving in Korea who volunteered for Vietnam were required to have approval of the Commanding General, Eighth U.S. Army. Previously, applications were submitted directly to Headquarters, Department of the Army.

b. WAC's serving overseas were required to have received credit for a completed tour before being reassigned to Vietnam.

c. Inter-theater transfer requests required approval of Headquarters, Department of the Army in all cases.

d. Restrictions were placed on the reassignment of personnel to a short tour unaccompanied area for a minimum period of 12 months if they had completed 12 cumulative months of TDY during a preceding 24-month period.

6. Effective 1 April 1972:

a. Officers serving in stabilized positions were restricted from volunteering for overseas service (except for Vietnam) until completion of their stabilized tour.

b. Personnel volunteering for Vietnam were required to submit their applications through channels so the major command could indicate the need for retention of the individual in his present assignment.

c. Provisions permitting volunteers for Vietnam to volunteer and be trained in an MOS not presently held were rescinded.

d. Volunteers for Vietnam serving in other overseas commands were restricted from reassignment to Vietnam until they had completed 16 months or 12 months after arrival of dependents in the overseas command, whichever was longer.

e. Individuals were permitted to voluntarily extend their overseas tours with Headquarters, Department of the Army approval, up to a maximum of five years in-country.

7. Announced 2 February 1972 and effective for personnel departing CONUS on or after 1 July 1972:

Enlisted personnel with less than six years service for pay purposes were ineligible for overseas service or for reassignment between overseas commands unless they had 12 or more months service remaining as of port call or availability date.

8. Announced 4 February 1972 and effective for personnel departing CONUS on or after 1 July 1972:

Provisions permitting personnel who had previously completed an unaccompanied tour to take their dependents overseas providing they had a minimum of 18 months service remaining were rescinded.

Monetary savings as a result of stabilization have been realized in the rotational and operational PCS travel categories.

An increase in overseas average tour lengths in long tour areas between FY 71 and FY 72 resulted in the following estimated cost savings in PCS rotational travel for FY 72:

Reduction in moves

Officer	1,956
Enlisted	27,370
Total	29,326

Cost savings

[In millions]

Officer	$4,583
Enlisted	14,861
Total	19,444

Between FY 71 and FY 72, the percentage of operational moves per Army manyear declined from 11.4% to 9.4%. Operational travel is that travel performed between CONUS duty stations or within/between overseas commands. This reduction resulted in the following estimated cost savings in this PCS travel category:

Reduction in moves

Officer	2,005
Enlisted	16,910
Total	18,915

Cost savings (In millions)

Officer	$3,770
Enlisted	5,263
Total	9,033

The total monetary savings attributable to stabilization policies for these travel categories for FY 72 is $28.5 million.

NAVY

Throughout FY 71 and FY 72, Navy continued to experience turbulence as a result of further drawdowns in Southeast Asia, reductions in strength, force levels and the supporting structure. An early release program for enlisted personnel was in effect on a generally continuous basis throughout FY 71 and FY 72. Over 2400 officers were early released in FY 71 and over 3400 in FY 72. The early releases were required to remain within budgetary and strength constraints and generated unplanned moves required to fill essential billets vacated by personnel released early. Additionally, as the move toward an all volunteer force continues, necessary people-oriented programs, such as drug/alcohol rehabilitation, have been implemented with resulting unplanned moves.

Information presented below reflects the decrease in Navy PCS moves in categories other than those which are mandatory in nature, e.g., training, accession and separation. Included are moves associated with combat assignment. Available data does not provide detail on the number of moves directly associated with these assignments. Navy sea/shore requirements and policy tend to obscure the relationship between combat related assignment and other type moves in data as now recorded.

The numbers below reflect moves reported except in mandatory moves, categories as defined above. FY 70 is provided for comparison:

Number of moves

Fiscal year 1970	176,600
Fiscal year 1971	146,600
Fiscal year 1972	125,900

The actions indicated below were for the most part initiated in FY 71 and are still in effect. They have become more stringent in their applications each year as the effort to reduce PGS moves continues, Actions taken:

1. Reassignment of personnel within the same geographical area has been maximized and the number of cross-country moves drastically reduced.

2. All USNR Officers serving three-year obligations and not career motivated, toured until active duty release date unless tour lengths otherwise directed by departmental or DoD directives.

3. Rotational policy for medical officers serving two-year obligations modified to increase stability within community.

4. Initial tour for surface warfare junior officers extended for 18 months to 24 months, and to 36 months in FY 73.

5. Officers tours are no longer shortened solely because of promotion or non-selection for promotion.

6. Command tour lengths have been extended.

7. Temporary duty and briefings enroute between duty stations reduced to absolute minimum.

8. Newly appointed warrant officers not ordered from present command unless no valid billet vacancy exists for an officer of his grade and designator at his present activity.

9. Exceptions to prescribed tour lengths are rigidly screened and have been substantially reduced.

10. Voluntary tour extensions are actively solicited.

11. Minimum sea tour for all enlisted ratings established at 36 months.

12. 36 month overseas accompanied tours have been increased to 42–48 months.

13. Selected enlisted shore tour lengths are being increased as sea/shore billet ratio is improved.

14. Selected first term enlistees assigned to sea or shore duty for entire enlistment.

15. Selectively deferred transfer of school eligible personnel (reenlistment incentives) to project rotation date only.

16. Eliminated split tour reassignments for enlisted personnel with long sea tours.

17. Implemented management systems to control and monitor PCS move programs and resulting PCS funds expenditures at the desk assignment level. Placement/detailing personnel are closely monitored and must identify reasons for individual reassignment.

18. A PCS Model has been designed and validated. It is used to initially determine PCS move requirements/cost and then to monitor actual program accomplishment at all assignment levels. Gross monetary savings commensurate with more reductions have not been realized for two reasons:

a. Higher cost of moves due to such factors as increased travel tariffs, MAC passenger and cargo rates, per diem rates, cost of moving household effects, higher BOQ/BEQ occupancy standards, etc.

b. General increase in entitlements and number of personnel entitled. For example:

(1) An E-4 with two years service and four additional years obligated if now eligible for all moving allowances.

(2) Single personnel now receive dislocation allowance if not assigned to government quarters.

(3) Now official Table of Distances increased travel mileage entitlement by about 3%.

(4) Increased per diem allowance.

The costs below reflect moves reported except in the mandatory categories previously stated. FY 70 is provided for comparison:

(In millions)

Fiscal year 1970	$145.0
Fiscal year 1971	133.4
Fiscal year 1972	128.5

AIR FORCE

Since the enactment of the amendment to the FY 1971 Authorization Bill seeking reduction in the number of military PCS moves, Air Force has made several significant advances, resulting in cost reductions as well as assignment and personnel stabilization.

Specifically, the following policy changes are cited:

1. During the past fiscal year, members overseas were permitted to request voluntary extensions of tours to a total of five years. While not specifically identified what portion of the general reduction of rotational moves is attributable to this change, it is estimated that this resulted in reduced costs of between $4 and $5 million last fiscal year.

2. Also last fiscal year, members in the CONUS on stabilized tours were permitted to request up to 12-month extensions in tours. Again, specific cost savings were not captured for this policy change but estimates are slightly over $850,000.

3. Most significant, however, was the Air Force decision to extend all 36-month overseas tours to 48 months with the exception of a few locations. This extensive policy change resulted in a marked stabilization of overseas tours and an estimated avoidance of over $40 million in FY 72 (the return and replacement of these involuntarily extended personnel were considered as additive costs in FY 73 estimates). In spite of the significance of this savings, it has become apparent that the results of this policy change have not been satisfactory. Overseas commanders have noted a marked adverse impact on morale, a fact borne out by feedback from the personnel themselves. For the future, it is expected to request a reversion to former policy, which will obtain equity of tour lengths with the other services.

4. Some additional items which represent progress toward general stabilization include the restriction of the PCS movement of personnel approaching separation, the lengthening of initial tours for officers and airmen, and the use of graduates of training programs as instructors at the same schools. Unfortunately, it is difficult to attach cost savings figures to these sorts of policy changes since the portion of overall improvement that is attributable to each is not identifiable.

MARINE CORPS

Marine Corps personnel management has continually stressed the stabilization of personnel and the reduction of PCS moves to the lowest possible level. In recent years, almost all PCS moves have been directly related to Marine forces deployed in the Western Pacific. These moves were either to or from WestPac or were necessitated by vacancies created by other PCS moves to WestPac.

The Marine Corps policy on a normal tour of duty in any one organization within CONUS is three years. Lengthening CONUS tours has the effect of reducing the rotation base to sustain deployed forces. An increase in the CONUS tour length without an increase in the unaccompanied overseas tour would require a change in operational commitments. On the other hand, an increase in the overseas unaccompanied tour would impact adversely upon morale and retention of the career force.

During the period from end FY 70 to end FY 72 the Marine Corps reduced its total strength from 259,737 to 198,238, a 23.7% decrease. The total cost for PCS moves during FY 70 of $106,955,000 was reduced to $71,847,000 during FY 72, a 32.8% decrease. This reduction in cost was due to the:

(1) Decrease in strength of West Pac forces from 58,000 at end of FY 70 to 24,000 at end of FY 72, and

(2) Positive management actions to insure that all PCS moves were a result of a valid military requireemnt consistent with individual skill and career development needs.

The following information is provided relative to numbers of PCS moves, addressing only operational moves between assignments with CONUS and rotation to and from overseas:

	Fiscal year		
	1970	1971	1972
Total operational moves, Conus	23,072	32,223	22,421
Total rotation to and from overseas	221,637	144,637	79,124
Total	244,709	176,860	101,545

It should be noted that during the period when the total Marine Corps strength was reduced by 23.7% the total operational moves within CONUS and rotation moves to and from overseas were redued by 58.5%.

Each of the Military Services is in full accord with the intent of Congress to encourage maximum stabilization in the stationing of military personnel. Policies are under constant review to identify better avenues for meeting mission requirements with a minimum of turbulence.

The opportunity is appreciated to report to you on the progress in decreasing PCS moves and expenditures and to assure you that efforts will continue.

Sincerely,

LEO E. BENADE,
Lieutenant General, USA,
Deputy Assistant Secretary of Defense.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., September 28, 1973.
Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: As you have requested, each of the Military Services has furnished information to update the progress report made to you on October 18, 1972, which outlines the actions taken to decrease the number of PCS moves within the Department of Defense.

ARMY

1. Personnel stability and the means of attaining it were primary considerations in taking personnel actions and in making personnel policy decisions in FY 73. Progress has been made in this area. From FY 72 to FY 73, the total number of PCS moves were reduced by 35% while the Army strength dropped by 12%. Specific actions taken to increase stability were:

a. Providing for voluntary extension of overseas tours in long tour areas up to a maximum of 72 months.

b. Permitting voluntary extension of tour in long tour overseas areas for any amount of time less than six months on a one-time basis.

c. Requiring members of units deploying overseas to have a minimum of 12 months service remaining in lieu of the 90 days previously required.

d. Requiring members of units moving in CONUS to have a minimum of 12 months service remaining to serve at the new station; also, requiring members to have completed a minimum of one year at the old station since returning from overseas.

e. Guaranteeing non-prior service combat arms enlistees a minimum of 16 months in unit of choice, CONUS or overseas long tour area. Wherever possible, personnel on their initial period of enlistment serve the remainder of their tour at one location in CONUS or overseas following completion of advanced individual training. (Personnel sent to a short tour location complete only the established overseas tour.)

f. Not reassigning non-CONUS residents returned to area of residence for a minimum of three years.

2. Monetary savings resulting from reduced PCS moves in FY 73 are as follows:

a. Monetary savings as a result of stabilization have been realized in the rotational and operational PCS travel category.

b. An increase in overseas average tour lengths in long tour areas between FY 72 and FY 73 resulted in the following estimated cost savings in PCS rotational travel for FY 73:

	Reduction in moves	*Cost savings (thousands)*
Officer	4,424	$10,767
Enlisted	56,386	32,647
Total	60,810	43,414

c. Between FY 72 and FY 73, the percentage of operational moves per Army Manyear, declined from 9.4% to 7.3%. This reduction resulted in the following estimated cost savings in FY 73:

	Reduction in moves	*Cost savings (thousands)*
Officer	1,210	$2,558
Enlisted	16,014	5,509
Total	17,224	8,067

d. Total PCS cost savings in FY 73 are $51.4 million.

NAVY

1. As the result of force drawdowns, the Navy has experienced numerous realignment and force adjustment problems. Despite these demands, the Navy has been able to reduce the number of moves in the other than mandatory move category.

	Moves (thousands)	*Costs (millions)*
Fiscal year 1970	176.6	163.6
Fiscal year 1971	146.6	163.0
Fiscal year 1972	126.9	139.2
Fiscal year 1973	88.5	136.8

2. While the numbers of moves are decreasing, the cost per move reflect the rising economic factors involved.

3. The following is an updated list of policies and actions to constrain the number of moves to the minimum that will allow the Navy to maintain its forces in readiness:

a. Extending overseas assignments to the maximum tour length allowed.

b. Limiting the numbers of dependents for enlisted personnel when considering eligibility for overseas duty.

c. No longer shortening officer tours solely because of promotion or non-selection for promotion.

d. Making concerted efforts to reassign personnel within the same geographic area.

e. Extending tour lengths for commanding officers.

f. Assigning first term enlisted personnel a tour length that corresopnds to the length of their enlistment, but not to exceed four years.

g. Establishing a minimum of 24 months for enlisted personnel.

h. Permitting the early release of selected personnel who are near the expiration of their enlistment if a member of an activity being deactivated or moved.

i. Increasing all tours after an initial tour for unrestricted line officers in CONUS Sea or Shore Tours an average of six months.

j. Extending all USNR officers serving three-year obligations and not career-motivated until the active duty release date unless the tour length is otherwise directed by departmental or Department of Defense Directives.

k. Defining CONUS Short Tours as five years in the same geographic area for officers in the grades of lieutenant commander/commander, who have failed of selection for promotion.

l. Modifying rotational policies for medical officers serving two-year obligations.

m. Extending the initial tour for surface warfare junior officers to 36 months in FY 73.

n. Reassigning newly appointed warrant officers only where no valid billet vacancy exists at the present duty station.

o. Deferring transfer on a selective basis of school-eligible personnel to a projected rotation date.

4. The management system to monitor and control the PCS Program continues to promote efforts to reduce costs of each move. In spite of those efforts, inflationary factors have reduced the number of moves available for a given dollar. Some dollar saving actions have had a deleterious effect on Navy retention and in the long run, policy must be tempered by that factor.

5. During FY 73, the following short-term cost avoidance actions were employed to live within the underfunded PCS Budget:

a. Extending Accompanied Overseas Shore Tours to six months beyond DoD maximum for officers for FY 73, but not to exceed 48 months (Proviso of DoD waiver-authority to impose extensions expired 30 June 1973.)

b. Delaying the filling of selected overseas billets.

c. Extending projected rotation dates of most enlisted personnel for six months.

d. Eliminating all except no-cost split sea tours for certain enlisted ratings. (Split sea tours for FY 74 will be limited for retention reasons.)

6. The Navy believes it has reached the point that more stringent policy/actions to reduce PCS moves and further limit sea/shore rotation would be detrimental to morale, well being of personnel and fleet readiness.

AIR FORCE

1. Total operational and rotational moves were reduced by 116,868 moves from FY 71 to FY 73. This is a direct result of increased average time on station in the CONUS and the marked reduction in the number of rotational moves in relation to the number of Air Force personnel stationed overseas. These reductions have done much to stabilize the lives of personnel.

2. Unfortunately, specific cost savings cannot be isolated for some actions. However, the following are actions which have resulted in reducing PCS moves:

a. Extending the average time on station for airmen being reassigned within CONUS from 19 months in FY 71 to 22 months in FY 73.

b. Extending the average time on station for officers being reassigned within CONUS from 30.5 months in FY 71 to 33 months in FY 73.

3. The number of operational moves has been reduced from 76,189 in FY 71 to 52,730 in FY 73; however, even with the reduction of 23,459 in this two-year period, the total cost of operational moves has increased, as a direct result of rising transportation costs.

4. Rotational moves to and from overseas decreased from 320,158 in FY 71 to 226,749 in FY 73. The reduction of 93,409 moves was achieved while overseas strengths dropped less than 35,000. Again, the total cost of rota-

tional moves did not show a similar decline due to increased rates and inflationary impacts on cost factors.

5. Commanders are being reminded annually that it is Air Force policy to solicit and encourage extension of CONUS stabilized tours and overseas tours. The commanders are advised that if the individual's duty performance and conduct was up to Air Force standards, approval of extensions should be the rule, and disapproval the exception. This policy has resulted in over 13,000 extensions from FY 73 into later years. This action alone has produced a significant portion of the decline in PCS moves and will result in long-term savings.

MARINE CORPS

1. The major thrust of the Marine Corps' efforts to effect further PCS cost reductions was taken in conjunction with planned operational moves (CONUS to CONUS). These were reduced by about 50% during FY 73. Of the 23,306 moves which were originally projected, only 13,276 were actually executed.

This action resulted in:

a. Avoiding PCS costs of approximately $7.0 million.

b. Decreasing the turbulence caused by PCS moves for 12,030 Marines by extending their time on station.

You may rest assured that each of the Military Services will continue with positive to maximize the stabilization of military personnel without impairing mission requirements.

Your interest in matters pertaining to military personnel is appreciated.

Sincerely,

LEO E. BENADE,
Lieutenant General, U.S.A., Deputy Assistant Secretary of Defense.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., May 17, 1974.
Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Each of the Military Services has furnished information to update the progress report made to you on September 28, 1973, outlining the efforts made to reduce the number and costs of Permanent Change of Station (PCS) moves within the Department of Defense.

ARMY

1. The following constitutes those actions and policy changes instituted by the Army to reduce costs and decrease personnel turbulence:

a. In November 1973, the tour of duty on the Army Staff was extended from three to four years.

b. On January 31, 1974, restrictions on the maximum period an individual may extend overseas were eliminated.

c. Reduction in moves and costs is limited to PCS rotational travel to and from long tour areas and to operational moves.

2. An increase in overseas average tour lengths in long tour areas between FY 71 and FY 72 resulted in the following estimated cost savings in PCS rotational travel for FY 72:

	Reduction in moves	*Cost in savings thousands*
Officer	1,956	$4,583
Enlisted	27,370	14,861
Total	29,326	19,444

3. Between FY 71 and FY 72, the percentage of operational moves per Army manyear declined from 11.4% to 9.4%. Operational travel is that travel performed between Continental United States (CONUS) duty stations or within/between overseas commands. This reduction resulted in the following estimated cost savings in this PCS travel category:

	Reduction in moves	*Cost in savings thousands*
Officer	2,005	$3,770
Enlisted	16,910	5,263
Total	18,915	9,033

4. The total monetary savings attributable to stabilization policies for these travel categories for FY 72 is $28.5 million.

5. An increase in overseas average tour lengths in long tour areas between FY 72 and FY 73, resulted in the following estimated cost savings in PCS rotational travel for FY 73:

	Reduction in moves	*Cost in savings thousands*
Officer	4,424	$10,767
Enlisted	56,386	32,647
Total	60,810	43,414

6. Between FY 72 and FY 73, the percentage of operation moves per Army manyear declined from 9.4% to 7.3%. This reduction resulted in the following estimated cost savings in FY 73:

	Reduction in moves	*Cost in savings thousands*
Officer	1,210	$2,558
Enlisted	16,014	5,509
Total	17,224	8,067

7. Total PCS cost savings in FY 73 are $51.4 million.

8. Total PCS cost savings for FY 72 and FY 73 are $79.9 million.

NAVY

1. The following is an updated list of continuing policies and actions designed for cost reduction and to constrain the number of moves to the minimum that will allow the Navy to maintain its forces in readiness.

a. Detailers include estimated move cost in the decision process for each individual assignment.

b. Officers in the grades lieutenant commander/commander failed of selection for promotion have CONUS Shore Tours defined as five years in same geographic areas.

c. Unrestricted line officers CONUS Sea/Shore—increased all tours subsequent to initial tour an average of six months (initiated in FY 73).

d. Washington Tour defined as minimum of three years (include National War College and Industrial College of the Armed Forces students).

e. Non-Command Screen and Post Command Screen Tours, if CONUS shore, set at four-year minimum.

f. All USNR Officers serving three-year obligations and not career motivated, toured until active duty release date unless tour lengths otherwise directed by departmental or Department of Defense (DoD) Directives.

g. Rotational policy for medical officers serving two-year obligations modified to increase stability within community.

h. Initial tour for surface warfare junior officers extended from 18 months to 24 months, and to 36 months in FY 73.

i. Officer tours are no longer shortened solely because of promotion or non-selection for promotion.

j. Command tour lengths have been extended.

k. Temporary duty and briefings enroute between duty stations reduced to absolute minimum.

l. Newly appointed warrant officers not ordered from present command unless no valid billet vacancy exists for an officer of his grade and designator at his present activity.

m. Exceptions to prescribed tour lengths are rigidly screened to minimize broken projected rotation dates.

n. Voluntary tour extensions are actively solicited.

o. Concerted efforts to reassign personnel with the same geographic area and to reduce cross country moves.

p. Assign first term enlisted personnel a tour length that corresponds to the length of their enlistment not to exceed four years.

q. Set a minimum activity tour of 24 months for enlisted personnel.

r. Selectively deferred transfer of school eligible personnel to projected rotation date.

s. Permit early release of selected personnel who are near expiration of enlistment when their unit/activity changes location or is deactivated.

t. Limitation on numbers of dependents for enlisted personnel to be eligible for overseas duty.

2. Force drawdowns have created numerous realignment and force adjustment problems. Even with these demands, the Navy has reduced numbers of moves in other than mandatory move categories.

3. The figures listed below provide the latest information available:

	*Moves (Thousands)**	*Cost (Millions)*
Fiscal year 1971	146.0	161.6
Fiscal year 1972	125.9	145.2
Fiscal year 1973	87.9	133.0

*Operational, Rotational and Organized Unit Moves.

4. Although numbers of moves decreased by 40%, rising economic factors prevented a proportional decrease in cost.

5. During FY 73, the following short-term cost avoidance actions were employed to live within the underfunded PCS budget.

a. Accompanied Overseas Shore Tours extended to six months beyond DoD maximum for officers for FY 73—not to exceed 48 months (Proviso of DoD waiver—authority to impose extensions expired 30 June 1973).

b. Delayed filling selected oversea billets.

c. Projected rotation dates extended six months for most enlisted personnel.

d. Eliminated all except no-cost split sea tours for enlisted deprived ratings. In view of retention efforts, the Navy has "backed off" to a position of limiting split sea tours for FY 74.

6. Severe cost avoidance actions taken to remain within budgetary constraints during FY 73 depressed moves to level which is lower than Navy can expect to sustain.

7. The management system to monitor and control the PCS Program continues to promote efforts to reduce numbers of moves and the cost per move. In spite of these efforts, inflationary factors continue to reduce the numbers of moves available for a given control dollar. Navy has reached a point that more stringent policy/actions to reduce PCS moves and further limit sea/shore rotation would be detrimental to morale, well being of personnel and fleet readiness.

AIR FORCE

1. The Air Force has initiated a series of actions designed to accomplish increased stability for members and their dependents. These include:

a. Voluntary tour extensions in CONUS and overseas are encouraged annually. (There were approximately 13,000 extensions in FY 73 and FY 74.)

b. Major commands are required to restrict the number of PCS moves under their jurisdiction. (During FY 73, the number was decreased by 13,154 for an estimated savings of $15.0 million.)

2. Air Force PCS Programs for the Fiscal Years indicated are as follows:

	Moves		Cost (thousands)	
	Number	Change	Amount	Change
Fiscal year—				
1971	807, 083		$432, 916	
1972	732, 812	—74, 271	423, 734	—$9, 182
1973	712, 131	—20, 681	476, 379	+52, 645
1974	672, 245	—39, 886	519, 738	+43, 359

3. Between FY 71 and FY 74, PCS moves decreased by 134,838. Part of this decrease is attributable to overall strength reduction.

4. The average time on station in CONUS at the time of a PCS between CONUS locations has increased from 30.5 months in FY 71 to 33 months to FY 74 for officers, and from 19 to 25 months for enlisted personnel during the same time period.

MARINE CORPS

1. During the past four years, the Marine Corps has decreased the number of PCS moves by 144,051, in an effort to reduce the PCS move expenditures. Due to the increasing rates associated with transportation, packing and handling of household goods, a reduction in expenditures has not been realized. To illustrate the severity of the increases, the rate increases experienced since 1 January 1974, are depicted in the attached enclosures.

2. If the number of moves in FY 74 were the same as FY 71, the PCS budget would be $140 million. This is $60 million above the $80 million approved for the FY 74 budget. Increased management control of moves has helped reduced PCS moves to a minimum, consistent with the Marine Corps' operational commitment.

In summary, while the Services will, of course, continue their efforts to stabilize personnel assignments wherever practicable, in order to maintain viable, ready forces, there is no alternative to keeping the right people in the right jobs in operational units. Although the number of PSC moves have been significantly reduced, complying with Congressional intent to increase the locational stability of military members and their families, the costs associated with PCS programs continue to rise. These increases are directly related to inflation, the increases in Civil Aeronautics Board tariff rates, the higher cost of shipping and storing of household goods and the long overdue increases in entitlements for lower grade enlisted personnel.

The actions which have been initiated by the Services are rapidly reaching the point where more stringent policy changes and actions to reduce PCS moves might prove detrimental to the moral and well being of personnel and their dependents, with an adverse effect on combat readiness.

I trust this information will be of assistance to you. Thank you for your interest.

Sincerely,

LEO E. BENADE,
Lieutenant General, U.S. Army, Deputy Assistant Secretary of Defense.

Move type	Fiscal year—							
	1971		1972		1973		Estimated 1974	
	Number of moves	Average miles per move	Number of moves	Average miles per moves	Number of moves	Average miles per moves	Number of moves	Average miles per move
I. Accession:								
Officer	2, 485	2, 320	2, 332	2, 439	2, 531	2, 533	2, 451	2, 520
Enlisted	48, 600	3, 282	44, 641	3, 138	57, 805	2, 423	58, 251	2, 650
II. Training:								
Officer	981	1, 148	953	1, 156	1, 298	1, 006	1, 400	1, 237
Enlisted	1, 526	1, 271	2, 978	1, 332	3, 148	1, 388	[1] 3, 284	1, 275
III. Operation								
Officer	2, 149	1, 082	2, 059	1, 203	1, 145	1, 140	900	850
Enlisted	30, 074	982	20, 362	1, 102	12, 131	956	10, 000	1, 009
IV. Rotation:								
Officer	13, 087	1, 871	7, 560	2, 575	5, 697	1, 554	[2] 4, 450	1, 968
Enlisted	131, 553	1, 551	71, 564	1, 644	50, 121	1, 810	[2] 53, 345	1, 635
V. Separation:								
Officer	3, 697	1, 443	3, 823	1, 212	2, 892	1, 256	2, 187	(3)
Enlisted	105, 405	1, 918	70, 136	1, 326	62, 106	1, 108	59, 232	(3)
Total moves	339, 557	(1, 650)	226, 417	(1, 813)	198, 874	(1, 695)	195, 506	(1, 689)
Total costs	$94, 258, 000		$78, 112, 000		$75, 890, 000		[4] $81, 970, 000	
Average cost per move	$277. 59		$346. 52		$381. 60		$429. 07	
Percent increase in average cost per move			$24. 83		$10. 12		$12. 43	
Percent increase in average cost per move relative to fiscal year 1971			$24. 83		$37. 46		$54. 46	

[1] 2d half of fiscal year 1974 reflects new definitions of training travel.

[2] Reflects move economies dictated by rapid cost escalation and a liberalized overseas extension policy.

[3] Data is too incomplete to be able to estimate a mileage figure.

[4] Includes reimbursables.

INEQUITABLE TREATMENT OF U.S. CARRIERS AT FOREIGN AIRPORTS

Mr. CANNON. Mr. President, the export trade of the United States is of critical importance to this country's economy. Our ability to sell American products and services overseas is important if we are to offset the effects of the high level of imports received by this country each year. American technology has enabled us to produce goods and services widely in demand around the world and we must market them to the maximum.

The airlines of the United States are a major contributor to the export program of this country. In 1973, U.S. airlines sold approximately $1 billion worth of air transport services to the citizens of foreign countries. This contribution to our export trade is essential and its expansion should be encouraged wherever possible. It is unfortunate that this contribution is more than offset by the $1.7 billion worth of air transport services that Americans purchased from foreign airlines last year. Foreign carriers have been able to tap the American market to a far greater extent than the American airlines have been able to accomplish overseas.

I do not believe that this adverse balance is caused by a shortcoming in the U.S. carriers. They are highly competitive and market their services to the maximum extent possible.

I believe there are other reasons which prevent our airlines from competing on an equal basis with foreign carriers. Your Aviation Subcommittee has been holding hearings in which a whole range of unfair competitive practices used by foreign governments and foreign carriers have been revealed. Unlike the situation in the United States where foreign airlines have free and open access to the lucrative American international transportation market, all too frequently our airlines face artificial restraints which inhibit them from competing.

I believe the Members of this body should be aware of the difficulties facing U.S. airline companies in their effort to market their services abroad. One such problem revealed by the hearings is the wide-spread preference given to the foreign government-owned and controlled monopoly airlines at airports in their own country. These advantages range from reductions in rentals, free advertising, preferential gate space, nearly total control over terminal space and rentals, air traffic control preferences, and monopolies for the handling of ground services. At some airports such as Madrid and Rome, U.S. airlines are at the complete mercy of the national carrier as far as space in the airport terminal is concerned. In Madrid expansion of Iberia is carried out at the cost of space for U.S. carriers which are moved even further into the corner than they have been before. A similar situation exists in Rome. In Belgium, in Greece, in Japan, and many other countries the foreign national flag carrier is given total preference. This is quite contrary to the situation foreign airlines find when they come to the United States where all carriers are treated equally at airports and no preferences given.

One particularly sore point revealed by a recent Civil Aeronautics study is the existence of a monopoly in the foreign national carrier to do all of ground handling for foreign airlines operating to that country. In countries such as Argentina, Switzerland, Sweden, and Mexico, U.S. airlines must use the services of the monopoly if they do not handle themselves. The same is true in Belgium, Brazil, China, Costa Rica, Greece, Iran, Ireland, Israel, Italy, Japan—the list goes on and on.

It is not difficult to imagine the kind

of service that is given to a U.S. airline by the foreign carrier if its own flights are being serviced at the same time. Our airlines are subjected to inferior service, substantial delays, and must pay exorbitant fees for the privilege of receiving this kind of service. In some countries, if a U.S. airline desires to provide its own services, a royalty fee is exacted from them for the privilege of doing so. This fee is then turned over to the national carrier to compensate for their inability to obtain the contractual services with the U.S. airline.

Foreign governments and foreign airlines work hand in hand to exact as much as possible from the U.S. carriers operating to their countries. The U.S. Government has not, for the most part, taken adequate initiatives to insure equal treatment for our own airlines.

Is it any wonder that we have an adverse balance in our effort to sell our airline services overseas? Is it any wonder that our carriers find it a constant up-hill battle to hold their own when they are competing not only with well-equipped and well-financed foreign airlines but also their owners, the foreign national governments?

If our carriers are forced to provide inferior service at airports because of lack of space, high fees and preferential treatment given to the foreign national carrier, how can they be expected to attract passengers?

This is a clear example of the unfair atmosphere in which our airlines find themselves and they have had precious little help from U.S. Government agencies and departments who have a responsibility to insure equal treatment for our airlines. Your Aviation Subcommittee is determined that it will do everything in its power to have these departments and agencies wake up and begin to assert themselves on behalf of the U.S. industry. I believe it is only fair that our airlines be given an equal opportunity to compete. I believe that any foreign government that denies our carriers such equal opportunity should do so with the knowledge that its airline's operations to the United States will be placed in jeopardy.

The Aviation Subcommittee is now considering legislation in which the Congress will give clear policy direction to have these problems dealt with, promptly and firmly. I am hopeful of bringing this legislation before the Senate in the very near future.

TRIBUTE TO JEROME "DIZZY" DEAN

Mr. GOLDWATER. Mr. President, just last week one of the great heroes of American athletics passed away. That was Dizzy Dean. We who have lived through his era and who marveled at his proficiency and those of us who knew him personally in the years following felt a very keen, personal loss. I read many of the columns on him that appeared in the Eastern press, all of them accurate, all of them good, but I think that the best story of all about Dizzy appeared in the Los Angeles Times on July 19 under the byline of Jim Murray who I consider to be one of the Nation's outstanding sports writers.

To those of you, my colleagues and other readers who had the privilege of living through this great period of American sports, I urge that you read this touching and accurate article. Therefore, I ask unanimous consent that it be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HE NEVER GREW UP

(By Jim Murray)

Well, we're all 10 years older today. Dizzy Dean is dead. And 1934 is gone forever. Another part of our youth fled. You look in the mirror and the small boy no longer smiles back at you. Just that sad old man. The Gashouse Gang is now a duet.

Dizzy died the other day at the age of 11 or 12. The little boy in all of us died with him.

Dizzy was not your manufactured American eccentric. He was the real article. He came out of a time and a place, the Grapes-of-Wrath America, that today's two-cars-in-the-garage, television-aerial America cannot even conceive.

The part of the country that spawned Dizzy Dean also gave delivery to Bonnie and Clyde, Baby Face Nelson, the Joads, Jukes, Huey Longs, the share-cropping 20s, Dust Bowl 30s, Brother can you spare a dime, Eddie Cantor on Sunday night, Father Coughlin, NRA, breadline America.

I once had an editor who insisted Dizzy Dean was the invention of a St. Louis newspaperman named J. Roy Stockton, but not even Ring Lardner could dream up a Dizzy Dean. He had a third-grade education, in his own language, and, fortunately for all of us, he never grew up. I don't think anyone ever saw him scowl. I'm positive he died laughing. Or eating.

He got in the Hall of Fame because he was Dizzy Dean. He only won 150 games. But he won them in a little over five years. The only right-handed pitcher I have ever seen who was any better was Satchel Paige. It tells you a lot about Dizzy when you know he was one of the few, if not only, white pitchers who cheerfully went on barnstorming tours with Satch.

Dizzy never knew for sure what his right name was or where or when he was born. He chopped cotton, ate sowbelly and went barefoot till he was old enough to join the Army. Someone gave him a baseball and it was like giving Caesar a sword or Napoleon a cannon.

He was as vain as a movie star, as amiable as a dolphin. He pitched for $3,000 a year in that Depression time and won 20 games. He used to laugh at the hitters. "Son," he once asked a hitter he'd struck out all day, "what kind of a pitch would you like to miss?"

In the World Series of 1934, when Hank Greenberg, one of the feared sluggers of the American League, came to bat, 0 for 4 against Dizzy in the final game, Dizzy went to the manager, Frankie Frisch. "What kind of a pitch did you say he like to hit?" "High, inside fastball. Don't throw him none," said Frisch.

Dizzy threw him a high, inside fastball. Greenberg singled to center. Frisch screamed, "What'd you do that for?" "I was beginning to think he couldn't hit nothin'," said Dizzy serenely.

The late Detroit columnist, Doc Green, tells of the time Dizzy reported that the people who scouted him thought he was left-handed. "That was because they seen me killing squirrels with stones th'owing left-handed. If I'd of th'owed right-handed I would have squashed them."

Dizzy let death dig in on him, something no other batter could do. His life, like his career, was too short. He was still a 60-year-old barefoot boy when he died.

But, for one brief shining afternoon in 1934, he brought a joy to that dreary time when most we needed it.

Dizzy Dean. It's impossible to say without a smile. But, then, who wants to try? If I know Diz, he'll be calling God "prodner" someplace today. I hope there's golf courses or a card game or a slugger who's a sucker for a low outside fastball for old Diz. He might have been what baseball's all about.

PROTECTION OF WETLANDS

Mr. HOLLINGS. Mr. President, recently the Attorney General of the United States, the Honorable William B. Saxbe, delivered a memorable and hard-hitting speech on the importance of protecting our national wetlands. Our good friend and former colleague spoke before the Conference on the Protection of the Gulf Coast Wetlands in Tarpon Springs, Fla., on July 18. I am happy to report that Bill Saxbe has lost none of his straightforward, tell-it-like-it-is approach toward the issues of our time.

The Attorney General told the Conference:

> If we fail to save the wetlands, we will be losing more than an economic and aesthetic asset that can never be re-created. The loss may also signal an impending and crushing defeat in the larger effort to maintain an environment that civilized man can inhabit.

Mr. President, this warning is right on target. The wetlands are vital to our future. Some 75 percent of our Nation's commercial fish and shellfish are dependent upon the preservation of the wetlands for their survival. And these wetland areas are absolutely essential to the purity of our ground water and subsurface water supplies. If they disappear, the whole delicate balance of the environment would be upset. The potential of the coastal and ocean areas would be unalterably destroyed. We destroy the wetlands at our peril. Yet destroy them we do.

The Department of Justice, under the Attorney General's vigorous leadership, is fighting to preserve the wetlands, and Federal prosecutors have been told to stop the despoiling of these lands. Whereas 2 years ago there were less than two dozen wetlands cases in the Justice Department, we already have 151 this year.

Mr. President, I ask unanimous consent that the Attorney General's address to the Conference on the Protection of the Gulf Coast Wetlands be printed in its entirety in the RECORD, along with a July 19 article from the Los Angeles Times detailing the efforts of the Justice Department in this area. And I recommend the Attorney General's address to my colleagues as an excellent analysis of the problem and as testimony to the admirable efforts of the Justice Department in one of the truly important matters affecting the well-being of each and every American.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. WILLIAM B. SAXBE

I am very pleased to be here today as you begin the work of this important conference. The development of more effective ways to preserve the vital wetlands of the Gulf Coast states will be a significant contribution to the well being of the entire Nation.

All of you have a keen interest in conservation but your work in the coming months will transcend the states you represent. In very tangible ways, the successes or failures of the efforts in the Gulf states will help to set the pattern for other regions in the country.

One reason I have looked forward to attending this meeting is that I have a great interest in conservation. Long before it became fashionable, people in rural areas knew the real benefits of conservation—particularly soil conservation. Since I come from a rural area, the value of conservation and environmental protection have been readily apparent to me all of my life.

But in addition, I now have the special opportunity as the Attorney General to join you in helping to enforce laws designed to protect important but fragile links in the ecology.

From my perspective, preservation of the wetlands will not be an easy task. Serious inroads already have been made. And if present trends continue, the wetlands will have been gravely diminished a decade from now. If we do nothing, we face the very real prospect that at some point, they may practically vanish except for modest park areas.

Whether they are saved to become a perpetual resource depends in large measure on us and our counterparts throughout the nation. A great deal also hinges on how effectively we inform all segments of the public and business community about the nature of the present crisis while enlisting their responsible support.

No single segment of society will be able to preserve the wetlands by itself, no more than a lone segment can solve other environmental perils.

The issues are of such magnitude that they require a joint effort—by government at all levels, by industry and landowners, and by the general public.

What is in jeopardy is not merely the scenic view of ocean frontage or lakeshore—as important as they are.

The wetlands represent far more. They are an irreplaceable resource. And in turn, they are part of a threatened environment in which some detect dangers not only to our way of life but to the very existence of life.

In his book, *The Closing Circle*, Barry Commoner discussed some of the perils facing the nation with which we are all so familiar. They include: rivers and lakes being polluted; the air poisoned; forests being stripped; farmland dangerously misused and eroded; wildlife being destroyed.

He summed it up in these somber words: "The environmental crisis is a signal of approaching catastrophe."

The struggle to preserve the environment does not depend only on saving the wetlands. Prompt and meaningful solutions must be found for a host of problems: The pernicious effects of pesticides and chemicals, automobile and industrial pollution; sewage; and even some fertilizers.

However, if we fail to save the wetlands, we will be losing more than an economic and aesthetic asset that can never be re-created. The loss may also signal an impending and crushing defeat in the larger effort to maintain an environment that civilized man can inhabit.

Though the Department of Justice is not involved in environmental research, part of our law enforcement responsibility does relate to our natural resources. Science has long warned us about the growing threat to the environment—including the wetlands.

As you know, wetlands is a broad term. It really means any area that is covered by water at least part of the time. And it includes areas along our coastlines, bays, estuaries, rivers, creeks, lakes, marshes, and swamps.

Each category is threatened to some extent. But it is the areas that are on or near the oceans that I wish to discuss with you now.

Biologists are among the most practical men of science. They tell us that the coastal wetlands and estuaries are essential for the survival of perhaps three-fourths of our commercial fish and shellfish. The bulk of coastal game fish also are dependent on the wetlands, which serve as both spawning and feeding grounds. If the wetlands vanish, so do those fish.

Biologists contend it is not necessary to destroy all of the wetlands before the cycle of life for fish is destroyed. It is enough to merely reduce the wetlands to a certain point—and then the fish are gone. No one knows exactly what that breaking point is or when we may reach it.

But it is something that we better not gamble on—not if we care anything for our future.

One survey showed that seven percent of the nation's estuary marshlands were lost from 1947 to 1967 to industrial, commercial, and residential development. Another study published in 1969 said that New York State had lost 28 percent of its coastal wetlands in a 15-year period. In that same time, Connecticut's wetlands shrank by 21 percent.

A more recent survey, published last year, said that California had lost 67 percent of its marshland to commercial and industrial use. It added that Louisiana was losing more than 16 square miles of marshland a year.

Some might ask: Who needs fish? Well, we do. It's a vital source of protein in a world where the food supply shrinks each year.

This point was perhaps made most harshly last year in the size of the anchovy catch from the sea off Peru. The fish meal made from anchovies is one of the world's leading sources of protein and has been a major supplier of poultry and livestock feed.

But in 1973 the anchovy catch was only two million tons—a staggering drop from catches of up to 12 million tons in previous years.

As this protein vanished, shortages were triggered in turn in soybeans and other feed grains which are used as substitutes in the United States and other nations. Feed grain prices rose dramatically, as did poultry and other livestock prices.

Some scientists maintain that subtle changes in ocean currents may have been partially responsible for the decline of the anchovies. But there also is speculation that it may have been a simpler cause—overfishing that destroyed brood stock.

In the United States, commercial catches of some fish also have declined sharply.

California fishermen once caught up to 1.5 billion pounds of Pacific sardines a year—but today there are virtually none. And the nation's salmon catch is one-third of what it was 30 years ago.

In some cases, over-fishing has been the key factor in the declines. In other instances, however, pollution and dams have been major causes.

Given enough excesses—the destruction of fish, the ruination of cropland—we could at some point begin to face food shortages on a scale that has caused widespread death and suffering in other nations.

We need the wetlands for other reasons as well.

In the face of diminishing wildlife resources, we must become more aware that the wetlands also nurture and support a variety of birds and animals.

To cite only one example, every duck hunter faces the prospect of ducks and geese disappearing if the wetlands are destroyed. Every sport fisherman must realize there may come a day when his rod will be futile if the twin threats of wetlands destruction and water pollution work their ultimate evils.

Those who have no concern for commercial fish supplies or for wildlife preservation might look at wetlands destruction in another way.

As more and more shoreline is developed, the pollution from homes and factories tends to increase—particularly from sewage and industrial wastes.

If anyone doubts the impact of pollution, they should look this summer at the beaches on oceans, lakes, or rivers which are closed to swimming.

And why are they unsafe? Because pollution breeds disease—disease that can attack anyone. You don't even have to go into the water to become a potential victim.

Many dangers spring from a variety of pollution.

Only last week, the Public Health Service warned American travelers to avoid swimming in water contaminated with human sewage off beaches in Portugal because of an outbreak of cholera.

Mercury poisoning has struck in several parts of the world in recent years. One outbreak killed 46 persons in Japan after they had eaten contaminated fish, and others suffered permanent brain damage. There has been a growing body of evidence that a variety of pollution reaching the sea can have an adverse impact on both aquatic and human life.

Some scientists feel that even the oceans may not be the self-sustaining resource that most once considered them to be. It is possible that they also may be damaged beyond recall.

By building wall-to-wall housing developments and industrial installations along the coastlines, we run the risk of dumping such unprecedented amounts of effluents into the seas that the offshore waters could become basins of sludge. They would be devoid of aquatic life but rich cesspools for the growth of disease.

There already are signs of substantial damage to the sea in some areas. Several reports during the past few years indicate that a large section of the Atlantic Ocean off New York is badly polluted from the wholesale dumping of all kinds of waste.

In terms of the environment, oceans might be viewed as merely large lakes. And we all know what has happened to our own Great Lakes. Not many years ago, most people maintained that they were too large to be spoiled. Now we read periodically that they are dying or declining.

As I tick off these problems, you may be struck by the same thought that has occurred to me, nature is no longer being destroyed by inches, but by square miles.

Aside from marine life, coastal wetlands benefit the nation in other ways. Studies have shown that in some areas they help to replenish supplies of ground water. Interior Department reports say they also provide a natural barrier to diminish the effects of storms and often prevent ocean water from contaminating supplies of sub-surface drinking water.

At some point, what happens to the environment begins to affect every person in this country—whether they realize it or not. Destruction of the wetlands does more than destroy these marvels of nature. Another domino in the ecology topples, leading in turn to other disasters.

After all the arguments on the basis of health and food and economy have been summoned on the side of wetlands preservation, one final point remains to be made.

It was perhaps stated best by Aldo Leopold, a forester and naturalist, in a book called *A Sand County Almanac*.

Leopold said, in these words: ". . . the opportunity to see geese is more important than television, and the chance to find a pasque-flower is a right as inalienable as free speech. . . ."

Leopold was not a man hidden away in an ivory tower. He spent much of his life in wilderness areas, and was an ardent hunter and fisherman. He recognized, more clearly than most, that resources have to be nurtured carefully. And he knew that the wise preservation of wildlife and the areas that give them life can mean their existence in perpetuity. But he also was deeply aware that once diminished, a cycle leading to the extinction of a species may begin to develop. And too often that is an irrevocable turn of events.

There are many instances where this has already happened. While they are unpleasant, they should be a constant spur to us so that tragedies of greater magnitude can be prevented.

Many of us read newspaper stories last month that the stuffed remains of Martha, the last Passenger Pigeon, were being shipped by the Smithsonian Institution to an exhibit in Cincinnati.

These birds once existed—and not that long ago—by the untold millions until they were slaughtered and their feeding grounds destroyed. As bad as that was, it was an ominous sign of worse things to come.

The list of endangered species of wildlife—both birds and animals—is growing. Fish resources have declined in alarming ways—ranging from the runs of salmon on the West Coast to a variety of once-abundant species in the Great Lakes.

Again I come back to the wetlands and to something Leopold said: "One of the fastest shrinking categories of wilderness is coastlines . . . No single kind of wilderness is more intimately interwoven with history, and none nearer the point of complete disappearance."

As we go about our work here, we should consider not only the content but the irony of those words. For Leopold said them in a book published nearly 30 years ago. The danger signals have been hoisted for a very long time, but too few have paid attention.

I know we all agree that needless damage to wildlife areas has been extensive. But I am equally certain we share a conviction that total disaster can and must be averted. That is why we are all here. But time is growing short.

I am happy to say that there are a number of promising signs that we may be able to preserve much of the wildlife resources and the areas which sustain them.

For one thing, the public today is much more aware than it was five or ten years ago of the need for conservation and protection of the environment.

The Federal government in the last few years has begun moving in unprecedented ways to combat a wide range of problems.

Congress has created a substantial amount of important legislation in the environmental area. One of the bills it enacted into law not long ago, the Coastal Zone Management Act, has particular relevance to the wetlands.

State and local governments have also become more deeply involved in preservation efforts. And we see a growing awareness on the part of many businesses and industries that they have major responsibilities in the environmental area. Private organizations have enlarged not only the scope of their preservation programs but their intensity as well.

You probably read recently that the 25 members of the Santee Club of South Carolina had donated a 25,000-acre tract of land fronting on the ocean to a group called the Nature Conservancy. This area, to be maintained as a wildlife refuge, is a home for the Southern Bald Eagle and the American Alligator—both endangered species.

Some business firms also have made notable donations of wildlife areas. And many more are spending large amounts of money to minimize the environmental effects of their operations.

Acts of these kinds are of immense value to the entire nation, and I hope they can be part of a new emerging pattern.

For it is up to every segment of our society to contribute to the preservation of our resources. To be successful, environmental protection has to be a joint effort. And a cooperative spirit must permeate all of the law enforcement efforts carried out by local, state, and Federal governments if we are to preserve the wetlands.

I believe it is fair to say that these efforts thus far have been too limited in scope and lacking in proper coordination. As a result, vast areas of this irreplaceable resource have been destroyed.

My purpose in making these remarks is not to find fault. There is enough of that to go around and last all of us a long time. My point is that we simply have to do a better job—and I stress that I am most particularly talking about the Department of Justice doing a better job.

As you know, the law requires that the Army Corps of Engineers must approve any project to alter wetlands, to dredge or fill them, or to build anything on them. It falls to the Department of Justice to represent the Government in the event a court suit stems from the Corps' refusal to grant a permit for wetlands work. We also have the responsibility to bring criminal or civil actions when such work is done without a permit—and this sort of twentieth century buccaneering is much too prevalent.

Two years ago, the Department was processing only 21 cases relating to the wetlands. By June of 1973, the total had grown to 96 cases. And by last month, there were 151 such cases in progress—50 criminal and 101 civil actions.

The growing number of cases represents in part the tougher standards being applied by the Corps of Engineers. In part, it reflects the work of the Environmental Protection Agency—which takes part in each hearing for a wetlands application. The Department of Interior is now directly involved in investigating cases and in providing expert biologists as witnesses.

As the case statistics show, the Department of Justice has also become much more aware of its responsibilities.

Our Land and Natural Resources Division early this year decided to make wetlands and related cases a top priority. I fully support that decision.

Among other things, the Land Division is holding a series of conferences with State and local officials as well as with other Federal agencies on wetlands preservation.

The meeting we are attending today is the most ambitious thus far of a conference schedule that already has included in-depth discussions along the Pacific Coast and in Georgia and South Carolina. It is likely that another meeting will be held later this year on preservation of the valuable wetlands in Chesapeake Bay.

The point of these conferences and the new task force approach is to build a framework that will make all of us more alert to ill-conceived or illegal wetlands projects and to move more promptly in court.

The wetlands of the Gulf states are a particularly important part of the coastal areas we seek to protect. Studies by the Department of Interior show that major—and often adverse—inroads already have occurred in Florida, Alabama, Mississippi, Louisiana, and Texas.

Our over-all job is to protect the wetlands from illegal activities and to help shape policies which will enable both preservation and development to proceed together.

I believe it is possible to have intelligent development while at the same time protecting the bulk of the wetlands. One does not have to cancel out the other. But it is also a fact that there are substantial conflicts today between conservationists and the business community.

Beyond enforcing the laws, we have a deep obligation to enlist the voluntary support of those who want to turn wetlands into housing developments, industrial parks, sites for nuclear power plants, and even grazing grounds for cattle.

I am determined that all of the needed resources will be available for the Department of Justice to move swiftly and resolutely in the courts in wetlands cases. Since the bulk of this litigation falls upon the United States Attorneys, I am requesting that they give a major priority to litigation involving the wetlands—in every part of the country.

If we look at the recent past, it is easy to see some of the reasons for the mutual suspicion between conservationists and land developers.

Developers often feel that any effort to preserve the wetlands means, in effect, a ban on all new projects.

Conservationists frequently believe that all developers feel that ownership gives them a blank check for any actions—no matter how harmful to the environment.

Let me reiterate that I believe it is possible to have careful planning in land use so that we can achieve both measured growth and conservation. But it will take every ounce of energy that the state, local, and Federal governments can muster. The job will not be done this year or next. In a sense, it will require hard work on the part of all for decades. But we can and must start now to do a better job.

The problems exist virtually everywhere.

In San Francisco Bay, for example, filling for everything from housing tracts to garbage dumps has gone on for years.

On the Oregon Coast, the Department won a court fight against a developer who had failed to get permission to alter the course of a river.

Recently, the Department won a wetlands suit against a developer in Georgia. The court required that the salt marsh area which had been filled to be completely restored.

Not long ago, the Department brought suit against a developer in Maryland who was filling in tidelands without a permit for a housing development.

Not long ago there were press reports that foreign investors have purchased large tracts of North Carolina wetlands and plan extensive development.

We know that additional pressures for development will continue. This is particularly true as the Nation seeks new sites for power plants, for resorts, and for farming and livestock operations.

Nuclear power plants are an important factor in the Nation's future growth. But they should be located carefully to avoid damage to wetlands and marine resources.

Whatever the particular problems may be, the clock is tolling. There is no time for recriminations. There is only time to try to work together to develop sensible programs that rest on twin foundations of sensible, planned growth and real conservation.

Aldo Leopold said that: "We abuse land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect."

And Joseph Wood Krutch, the noted nature writer, maintained in an essay on the meaning of conservation that the stakes are very high. He put it this way:

"The generation now living may very well be that which will make the irrevocable decision whether or not America will continue to be for centuries to come the one great nation which had the foresight to preserve an important part of its heritage. If we do not preserve it, then we shall have diminished by just that much the unique privilege of being an American."

His comment has a particular importance today as the Nation prepares to celebrate the 200th anniversary of its founding. The Bicentennial Year will provide an opportunity to take stock of a great many valuable things we as a people have struggled to both create and preserve over the course of two centuries.

The Nation's natural beauty and wildlife resources are certainly among them. And I can think of no better challenge as we set about the work of the coming months and years.

Thank you.

[From the Los Angeles Times, July 19, 1974]

Saxbe Enters Battle To Save U.S. Wetlands

(By Ronald J. Ostrow)

Washington.—"Like a spendthrift who comes into an immense fortune and squanders it recklessly, so the American people are squandering their heritage."

That quotation, memorized by Atty. Gen. William B. Saxbe from a high school oration he delivered 40 years ago, is becoming the keynote of a stepped-up Department of Justice drive to protect America's wetlands—breeding grounds for much of the nation's wildlife.

Government attorneys are using a 75-year-old federal law enacted to keep rivers and harbors navigable as a major weapon in their fight to preserve the wetlands—the estimated 74 million acres of soil periodically covered by water both brackish and fresh.

Department of Interior biologists estimate that up to three-fourths of the nation's commercial fish and shellfish depend on coastal wetlands and estuaries for survival. Most sport fish use the wetlands for spawning and feeding. The areas also abound with waterfowl.

Wetlands aid in replenishing ground water supplies, help diminish the impact of storms and can prevent the oceans from contaminating sub-surface water supplies.

Under attack primarily from residential and industrial developers and dumpers, the wetlands are fast disappearing.

Surveys cited by Department of Justice officials estimate that California has lost 67% of its marshland to commercial and industrial use, that Louisiana is losing more than 16 square miles of marshland a year and that New York state lost 28 of its wetlands in just 15 years.

Saxbe, beginning with a speech Thursday in Tarpon Springs, Fla., at a Department of Justice-sponsored conference on protecting Gulf Coast wetlands, is attempting to focus national attention on the problem.

In a recent interview, he said there had been a great deal of governmental effort to rescue the wetlands, but that it had never been properly coordinated.

"We are the agency that can best pull this together," he said, noting that agencies with a stake in the outcome include the Environmental Protection Agency, the Army Corps of Engineers, and the Department of the Interior's Fish and Wildlife Service as well as state and local entities.

(Saxbe's credentials in the environment field—aside from his schoolboy oration at Mechanicsburg (Ohio) High School—were established early.

(His first full-time job was with the Ohio Division of Conservation, where he gave a preview of the outspoken nature that has become his trademark. Lecturing on fish and game around the state, he accused a sugar company of polluting the Sandusky River and spending more money on defending its processes in court than it would cost to clean up the waterway.

(The company, he said, ought to be closed. "I got hell—up and down," Saxbe recalls.)

Others involved in the government's wetlands campaign, while expressing admiration for the Department of Justice's accelerated legal efforts, see its primary role as more delicate than that of co-ordinator.

As one official put it, "Justice occupies a middle ground between the Corps of Engineers and the Department of Interior. The Corps of Engineers want to build—not protect. The Fish and Wildlife people are fin and feather zealots. They don't take into account the legitimate needs for developing the coastline.

While Saxbe's involvement in the wetlands effort, which came at the urging of Asst. Atty. Gen. Wallace H. Johnson Jr., is recent, the Department of Justice's role dates back more than four years.

A key 1970 ruling by the U.S. 5th Circuit Court of Appeals in New Orleans and a crackdown on wetland violators by the U.S. attorney in North Carolina combined to shape the department's effort, according to Martin Green, chief of the pollution control section in the Department of Justice's land and natural resources division.

The appellate court ruled that, under the 1899 Rivers and Harbors act, the Corps of Engineers could refuse for ecological reasons to grant a permit to a developer to dredge and fill, even though the project would not interfere with navigation, which had been the law's chief concern.

The ruling reversed a lower court's decision that ordered the issuance of a permit to fill in 11 acres of tidelands in Florida's Boca Ciega bay for use as a mobile trailer park. The lower court had ruled that the Corps of Engineers had no power to consider anything except interference with navigation.

Citing "civilization's potential destruction from breathing its own polluted air and drinking its own infected water," the appellate court held that authorities were "entitled, if not required, to consider ecological factors."

Around the same time, Green said, the then-U.S. attorney in North Carolina, Warren Harding Coolidge, became concerned about protecting his state's wetlands, hired an expert to check the coastline and filed civil suits against developers who had failed to secure Corps of Engineers' permits.

The totals of such cases pending in court tell the rest of the tale: at the end of June, Green said there were 151 "Section 10" cases—named for the section of the 1899 law that authorizes them—in the courts, compared with 96 a year earlier and only 21 at the end of June, 1972.

The figures are likely to increase further because Saxbe is asking U.S. attorneys throughout the nation to give major priority to wetlands litigation.

Two-thirds of the current cases are civil actions. Tom Lee, an attorney in the pollution control section, explained that in the typical criminal case, the violator is fined, with the maximum penalty under the law being $2,500.

Civil suits, on the other hand, are more likely to produce a court order for the errant developer to restore the wetlands he has damaged—a principle the government attorneys are eager to establish.

Johnson, the head of the department's land and natural resources division, sees the wetlands campaign as welcome, positive relief in the midst of Watergate.

"It employs the Department of Justice to pull together the federal constabulary and involves U.S. attorneys in broad policy-making, which we're trying to do," Johnson said. "And we're able to do it without taking a philosophical position for or against development."

ENDING EMERGENCY GOVERNMENT

Mr. MOSS. Mr. President, my good friend and neighbor from Idaho, Senator Frank Church, recently addressed the 68th annual convention of the National Association of Attorneys General on the subject of ending emergency government which the United States has had since March 1933, and providing legislative order to the whole emergency process.

I know that bipartisan legislation along these lines is being prepared for introduction soon; I understand that this effort is based less on disapproval of what has taken place over the last 41 years than on what could take place.

Senator Church states to the Attorneys General—

> The emergency powers are like a loaded gun lying around the house . . . Frail men continue to succumb to the temptations of great power. These are times when we can ill afford to let that power go unchecked.

I ask unanimous consent that Senator Church's perceptive speech on "Ending Emergency Government" be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Ending Emergency Government

(Address by Hon. Frank Church)

I want to express, first of all, to the Attorneys General representing each state of the Union a warm welcome to Idaho. I think you will find the natural and intellectual environment of Coeur d'Alene clean-aired and clear-headed, a fitting surrounding to conduct your 68th annual convention. I also want to express my deep-felt gratitude to you for inviting me to participate with such a distinguished group of public servants concerned with strengthening the rule of law.

Today I want to speak on an issue of importance to our common future and the future well-being of our Constitutional system of government. My concern has to do with ending emergency government which the United States has practiced since March 9, 1933, and establishing an orderly procedure for handling inevitable emergency situations.

There are now in effect four presidentially proclaimed states of national emergency: The national emergency declared by President Roosevelt in 1933, to deal with the Great Depression; the national emergency proclaimed by President Truman in December 1950, during the Korean conflict, and the two states of national emergency declared by President Nixon in March 1970 and on August 15, 1971. None of them has ever been terminated.

This means that a majority of the American people have lived all their lives under emergency rule. For 41 years, protections and procedures guaranteed by the Constitution have, in varying degrees, been abridged by executive directives that derive from presidentially proclaimed states of national emergency.

As a philosophical issue, how a constitutional democracy should deal with great crises reaches back to the Greek city-states and the Roman Republic. In the United States, actions taken by the Executive in times of crises have—from, at least, the Civil War—in important ways shaped the present phenomenon of a permanent emergency.

In fact, at the end of the 19th century, several major mining strikes took place right in this Coeur d'Alene area which led to the intervention of the federal government. President Harrison dispatched federal troops here in 1892; President Cleveland did it in 1894; President McKinley in 1899. During this latter incident, the military commander, with presidential sanction, declared martial law in Coeur d'Alene. As one historian has put it, "Here was a limited form of martial law being established by the United States although it was preceded by no announcement either from the President or from the commanding officer." A few days later, however, the Governor of Idaho declared martial law, placing the general on firmer legal ground. These displays of force by the Federal Executive, along with the President's dominant role in the Pullman Strike in Illinois, established the Chief Executive as the key figure in domestic emergencies. His interventions in Idaho made a generally favorable impression on the public. And in the famous *Debs* case, with which most of you are familiar, the Supreme Court strongly supported the President's hand in emergency labor disputes.

In the years since, the President has claimed the right to invoke extraordinary powers whenever he deemed a national emergency to exist, whether it took the form of a war abroad, or economic disruption here at home. One declared state of emergency has been piled on top of another.

In January 1973, Senator Charles McC. Mathias of Maryland and I became Co-chairmen of a Special Committee created by the Senate to examine the consequences of terminating the declared states of national emergency that now prevail; to recommend what steps the Congress should take to ensure that the termination can be accomplished without adverse effect upon the necessary tasks of governing; and also, to recommend ways in which the United States can meet future emergency situations with speed and effectiveness but without relinquishment of congressional oversight and control.

In accordance with this mandate, the Special Committee on National Emergencies and Delegated Emergency Powers—in conjunction with the Executive branch, expert constitutional authorities, as well as former high officials of this government—has been engaged in a detailed study to determine the most reasonable ways to restore normalcy to the operations of our government.

A first and necessary step was to bring together the body of statutes, which have been passed by Congress, conferring extraordinary powers upon the Executive branch in times of national emergency. This was a most difficult task, completed last autumn. Nowhere in the government, in either the Executive or Legislative branches, did there exist a complete catalog of all emergency statutes. Many were aware that there had been a delegation of an enormous amount of power but, of how much power, no one knew, In order to correct this situation, the Special Committee staff worked with Executive officials, experts in the Library of Congress and the General Accounting Office, and knowledgeable legal authorities to compile an authoritative list of delegated emergency powers.

In the past, the only way to compile a catalog useful to Congress would have required going through every page of the 86 volumes of the Statutes-at-Large. Fortunately, the U.S. Code (1970 edition and one supplement) was put into computer tapes by the U.S. Air Force in the so-called LITE system, which is located at a military facility in the State of Colorado. The Special Committee devised several programs for computer searches based on a wide spectrum of key words and phrases contained in typical provisions of law which delegate extraordinary powers. Examples of some trigger words are "national emergency" "war," "national defense," "invasion," "insurrection," etc.

These programs, designed to produce a computer printout of all provisions of the U.S. Code that pertain to a state of war or national emergency, resulted in several thousand citations. At this point, the Special Committee and Library of Congress staffs went through the printouts, separating out all those provisions of the U.S. Code most relevant to war or national emergency, and weeding out those provisions of a trivial or extremely remote nature. Two separate teams worked on the computer printouts and the results were put together in a third basic list of U.S. Code citations.

To determine legislative intent, the U.S. Code citations were then hand checked against the Statutes-at-Large, the Reports of Standing Committees of the U.S. Senate and House of Representatives and, where applicable, Reports of Senate and House Conferences.

In addition, the laws passed since the publishing of the 1970 Code were checked and relevant citations were added to the master list. The compilation was then checked against existing official catalogs of the Department of Defense, the Office of Emergency Planning, and a 1962 House Judiciary Committee synopsis of emergency powers. The result was a compilation and commentary on 470 special statutes invokable by the President during a time of declared national emergency.

These hundreds of statutes clothe the President with virtually unlimited powers with which he can affect the lives of American citizens in a host of all-encompassing ways. As the chief law-enforcement official of your state, you should know that this vast range of powers, taken together, confers enough authority on the President to rule the country without reference to normal constitutional processes.

Under the authority delegated by these statutes, the President may: seize property; organize and control the means of production; seize commodities; assign military forces abroad; institute martial law; seize and control all transportation and communication; regulate the operation of private enterprise; restrict travel; and, in a plethora of particular ways, control the lives of all American citizens.

A review of these emergency statutes reveals a consistent pattern of law-making by which Congress, through its own actions, has transferred this awesome power to the executive, ostensibly to meet the problems of governing effectively in times of great crisis. No charge can be sustained that the Executive branch usurped these powers from the Legislative branch. The contrary is true; the transfer has been routinely mandated by Congress itself in response to the exigencies of war and other grave emergencies. But this is a time when the fears and tensions of the cold war are giving way to detente. A stable truce exists between North and South Korea, direct U.S. involvement in the Indochina civil war has ended, and big power confrontation in the Middle East has subsided. The time is ripe for Congress to assess the nature, quality, and effect of what has now become known as emergency powers legislation. These laws are of such significance to civil liberties, to the operation of domestic and foreign commerce, and to the general functioning of the U.S. government, that, in microcosm, they reflect dominant trends in the political, economic, and judicial life in the United States.

Let me cite a few examples. In the context of the war powers issue and the long debate of the past decade over national commitments, 10 USC 712, entitled "Foreign governments: detail to assist," is important. It reads:

"(a) Upon the application of a country concerned, the President, whenever he considers it in the public interest, may detail members of the Army, Navy, Air Force, and Marine Corps to assist in military matters—

"(1) any republic in North America, Central America, or South America;

"(2) the Republic of Cuba, Haiti, or Santo Domingo and

"(3) during a war or a declared national emergency, any other country that he considers it advisable to assist in the interest of national defense.

"(b) Subject to the prior approval of the Secretary of the military department concerned, a member detailed under this section may accept any office from the country to which he is detailed. He is entitled to credit for all service while so detailed, as if serving with the armed forces of the United States. Arrangements may be made by the President, with countries to which such members are detailed to perform functions under this section, for reimbursement to the United States or other sharing of the cost of performing such functions."

The Defense Department, in answer to inquiries by the Special Committee concerning this provision, has stated that it has only been used with regard to Latin America, Liberia and Iran, and interprets its applicability as being limited to noncombatant advisers. However, the language of Section 712 is wide open to other interpretations. Since Congress has delegated this power in such an open-ended way the argument could be made that no further congressional concurrence was necessary.

The repeal, three years ago, of almost all of the 1950 Emergency Detention Act was a constructive step, but 18 USC 1383 remains. "Restrictions in military areas and zones" reads:

"Whoever, contrary to the restrictions applicable thereto, enters, remains in, leaves, or commits any act in any military area or military zone prescribed under the authority of an Executive order of the President, by the Secretary of the Army, or by any military commander designated by the Secretary of the Army, shall, if it appears that he knew or should have known of the existence and extent of the restrictions or order and that his act was in violation thereof, be fined not more than $5,000 or imprisoned not more than one year, or both."

This statute appears, on its face, to be a permanent, not an emergency power. It was used as the basis for interment of Japanese-Americans in World War II. Although it seems to be cast in a permanent form, the legislative history of the section shows that the statute was intended as a World War II emergency power only, and was not to apply in "normal" peacetime circumstances. Yet the law remains on the books.

A second study by the Special Committee soon to be published analyzes the arbitrary use of Executive Orders in times of declared national emergency. It is our conclusion that a great many of the most significant Presidential decisions are not available for Congressional or public scrutiny either in the *Federal Register* or through transmittal of classified information to the Senate and the House.

Again Congress' complacency can be cited as the reason for this disorderly state of affairs. Congress has not specified substantive standards under which all—and I emphasize all—presidential directives should be recorded. In addition, Congress has not yet enacted laws to prevent the Executive from abusing its power to clasisfy documents where its purpose is to withhold information from Congress and the public. The problem of public accountability is unfortunately wrapped in legal controversy and is, in a sense, technical in nature. It involves, however, in a profound sense, the survival of constitutional government.

What the Executive does with public funds and who is entitled to know about Executive directives are among the most important questions now being asked of our system. Until a majority of the men on Capitol Hill grapple with these problems directly, Congress will be confronted with a continuing veil of secrecy and left shackled in its capacity to oversee the Executive. The bombing of Cambodia, indeed the whole presidential conduct of the Indochina war, and now Watergate, tragically demonstrate the results of such legislative abdication.

Current revelations of how power has been abused by certain presidential advisers and high executive officials should give rise to new concerns about the potential exercise, unchecked by Congress or the American people, of these extraordinary emergency powers. Like a loaded gun lying around the house, the plethora of delegated authority could readily be used for purposes far removed from those originally intended.

Accordingly, Senator Mathias and I, along with members of the Special Committee and Majority Leaders Mansfield and Minority Leader Scott, plan to offer an omnibus legislative package after the July 4th recess to remedy this situation. The measure would terminate all existing emergencies and provide orderly procedures for both declaring and ending new national emergencies in the future.

It would provide that, in the event of an invasion of the U.S., a declaration of war by Congress, an insurrection within the United States in aid of a foreign enemy, an economic disaster or dislocation of national proportions, or a catastrophic natural disaster, the President could proclaim the existence of a national emergency. Such a presidential proclamation would be published in the *Federal Register* in which the President would have to designate those provisions of emergency law to be exercised during the declared emergency, in order for the statutes to become operative.

Any national emergency so declared by the President would automatically end—as would those laws triggered by the emergency—after 90 days. However, by concurrent resolution, Congress could either end the emergency earlier or extend its life for a specified period, but not to exceed a year at a time. I might note here that through both World Wars, the British Parliament declared the U.K. to be in a state of national emergency for only 30 days at a time.

Since the failure of the Roman Republic, historians and philosophers have analyzed the problem posed to a legislature when it confers extraordinary power upon the Executive. Their writings teach us that liberty is fragile, and vulnerable to those who exercise power purely for its own sake. Machiavelli, in his Disclosures on Livy, acknowledged that great power may, on occasion, have to be given to the executive if the state is to survive, but warned of the grave dangers in doing so. He cautioned:

"Nor is it sufficient if this power be conferred upon good men; for men are frail, and easily corrupted, and then in a short time he that is absolute may easily corrupt the people."

Rousseau also discussed the question of delegated emergency powers in his *Social Contract*. He wrote:

"However this important trust be conferred, it is important that its duration should be fixed at a very brief period, incapable of being ever prolonged. In the crises which lead to its adoption, the State is either soon lost, or soon saved; and the present need passed, the dictatorship becomes either tyrannical or idle."

Despite this ancient advise, frail men continue to succumb to the temptations of great power. These are times when we can ill afford to let that power go unchecked.

So, I urge the National Association of Attorneys General—and each of you separately—to give active support to this legislative effort to retrieve normal government and restore those checks and balances, which form the bedrock principle of our constitutional system. Notify your Senators and Congressmen that the time has come to end emergency government in this "land of the free."

DUE PROCESS IN AN IMPEACHMENT TRIAL

Mr. ABOUREZK. Mr. President, the question of how much due process is due a President in an impeachment trial is one which has troubled many people since the beginning of the House's inquiry in impeachment. An excellent article by Charles Rembar in the New York Times Magazine of Sunday, July 21, 1974, helps in answering this question. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW MUCH DUE PROCESS IS DUE A PRESIDENT

(By Charles Rembar)

There is confusion, a dangerous confusion, in our talk about impeachment. In the year or so since public discussion of the subject began, most of the discussion has been cast in concepts borrowed from the criminal law. It is said the President is to be presumed innocent until he is proved guilty, that the evidence must establish guilt beyond a reasonable doubt; it has even been argued that the President's production of evidence should be sheltered by the privilege against self-incrimination. We talk as though Richard Nixon, the man and citizen, were on trial, rather than the conduct of his office.

This is error. Impeachment is no closer to a criminal trial than it is to an election. It is not an election, of course, despite the fact that our new Vice President, when he was a Congressman (either cynically, he being a proponent of impeachment at the time, or, more likely, thoughtlessly) declared that an impeachable offense is whatever Congress says it is. The definition of impeachable transgressions is not the subject of this piece, which deals, rather with the standards according to which Congress should arrive at its decision on whether such transgressions have occurred. But procedure here, as nearly everywhere, is hardly less significant than substance.

The impeachment of a President is virtually unprecedented. The House has voted Articles of Impeachment only 12 times in our history, and only four times has impeachment resulted in removal. Only once has a President been involved, and though the Senate vote was notoriously close, the charges against Andrew Johnson were ludicrous. He was accused of two "high crimes and misdemeanors." One was making speeches disrespectful of the Congress. The other was that he fired his Secretary of War, in violation of a statute designed by Congress to provoke a confrontation, a statute obviously unconstitutional. The charges against President Nixon are quite different.

We naturally turn to precedents in a crisis; the past has banked its wisdom and it is foolish not to draw on it. But since there are no precedents actually in point, we tend to make the error of reaching for precedents not in point. And since the abuses charged, whatever they amount to technically, are crimes in that larger sense of the word we often use, we tend to look for guidance to the criminal law. But impeachment is not a criminal prosecution; removal from office is not a penalty. Impeachment and removal, rather, are a unique political mechanism, created by our Constitution, a proceeding *sui generis*.

The confusion is natural. The idea of judicial trial is root-deep in our culture. Most of those at the Capitol are lawyers (two-thirds of the Senators, more than half the Representatives), but this is a minor factor. All of us are lawyers in this sense. Law is more than an implement of government, more than an operating institution. It is as much a part of our culture as morals, art, technology. And the center of this aspect of our culture is the adversary trial, the age-old, well-loved struggle in the courtroom. (A measure of its hold on us is that there is no surer scene for a stage success.) The adversary trial is the method by which Americans (and Englishmen; other legal systems differ) settle disputes among themselves and between themselves and their government. All of us, whether or not we practice law, are educated in it, have thoughts about it, feel strongly on what is right and wrong in the conduct of a trial. We pit antagonists against each other—trial by battle has never died—and we want to see a fair fight. Each contesting individual has procedural rights and privileges, which are given extra dimension when he is accused of crime.

These ideas and feelings find expression, tersely and powerfully, in our Constitution, in the phrase "due process of law." We look upon due process, along with the First Amendment's guarantees, as the basis of our freedom. And we are familiar with its rudiments. When the litigation is civil, our property is at stake, or certain personal rights the law tends to treat as property (reputation, privacy, domestic claims). When the litigation is criminal, it is our liberty, our property again, or even (rarely now) our lives. They are not to be taken from us, by force of law, except according to the system; that is, by the adversary process our culture tells us is our due.

But these are not the things at stake when an official is impeached. What is at stake, on both sides of the matter, is the welfare of a nation. Whatever "high crimes and misdemeanors" may mean, the standards under which the test is made need not be, and should not be, the standards of the courtroom. There is no "case" in the courtroom sense. The people are deciding for themselves, through their elected representatives, whether the President ought to stay in office.

If the distinction seems remote, too technical and abstract, let me give a few examples on how it bears on concrete problems. "Presumption of innocence" and "proof beyond a reasonable doubt" have been cited, on behalf of the President, as much by his liberal opponents as by those who support him. Our criminal procedures are based on the premise that it is better that many of the guilty should escape than that one innocent be punished. Hence the guilty have the benefit of rules designed to protect the innocent; felons have a license to take advantage of the inhibitions we put upon enforcement of the penal law. But the proceedings for impeachment and removal created especially by the Constitution are not penal. It cannot be supposed that the Founding Fathers thought it better that many office-holders who betray their office should nevertheless stay in office than that one of them, perhaps misjudged, should be expelled. Removal from the White House is not a punishment; it is a protection of the Presidency, and a safeguard to the people, created by the Constitution. Hence there is no room for favoring presumptions, no requirement of overwhelming proof. These familiar legal principles of criminal law would be pertinent if an official, having been impeached and removed from office, were later prosecuted for violation of the penal code. But in impeachment proceedings, each Senator must vote the way the evidence points; he should not vote against removal because he thinks there is, say, one chance in five that the official has not committed the extreme offense he is charged with.

The same holds for the privilege against self-incrimination. The privilege comes from the Fifth Amendment, which states: "No person . . . shall be compelled in any criminal case to be a witness against himself." The proceedings in the Senate are not a criminal case. Indeed, Article I, Section 3 of the Constitution draws a distinction between impeachment (whose effects are carefully limited to removal and disqualification) and any criminal case that may come afterward, (which these provisions expressly mention). Self-incrimination therefore cannot be a ground on which an official subject to impeachment can keep evidence out of the hands of Congress. (Indeed, President Nixon has not invoked the privilege in his refusal to supply the evidence.)

In a subsequent criminal prosecution, it might be argued that the yielding of certain evidence in the course of an impeachment invalidates the prosecution. But the possibility that criminal offenses might for this reason go unpunished is hardly relevant. Vindictiveness has no place here. Compliance with the Constitution, the need that public servants perform responsibly and not abuse their powers, is incomparably more important than whether an individual who has committed a crime gets his just deserts.

The concepts of the criminal law are incongruous in impeachment, and analogies drawn from civil litigation are scarcely better. It has been suggested that the model for the Senate proceedings should be the kind of litigation in which the beneficiary of a trust complains of his trustee's actions. But the constitutional nature of impeachment excludes mechanical adherence to any courtroom standards. There is grave distortion when we view impeachment in the mirror of our courtroom adversary system, and see it as a struggle between an individual intent on preserving something that he claims belongs to him and another who seeks to take it from him. The notion that the Presidency is a form of private property is constitutionally obscene.

Consider the manner in which the proceedings might be conducted. Should they be televised? The Supreme Court, dividing five to four, has held that televising a criminal trial denies due process. One of the reasons given was that the defendant would be subjected to unwarranted additional strain.

At a criminal trial, the defendant must be present in the courtroom; in impeachment, the President has an option, and the likelihood is he will not be present in the Senate chamber. If he chooses to, he will have made a judgment that his appearance will help his cause, a benefit magnified by television.

Another factor in the majority's decision was the jury trial tradition that jurors must be insulated from public opinion; the Justices were concerned about the effect of television on the jurors' independence. In impeachment proceedings, the Senators and Representatives cannot be cut off from the people. They will be sensitive to public opinion, and that opinion, therefore, ought to be as well-informed as possible, a goal toward which television is a mighty aid. There are other dangers in the broadcast of a jury trial that have no relevance to impeachment; there is not space to list them all. If we keep in mind that the national welfare is involved—and not, as in the courtroom, the welfare of an individual—the answer is quite clear; everything possible should be done to subject what goes on to the closest national scrutiny. For this purpose, it is fortunate that we have lately had the means to give the people first-hand knowledge, without journalistic intermediation.

Take another important matter: the way the evidence and the argument are presented. The adversary tradition can be useful; having the evidence offered, and arguments made, from opposing points of view may help to reach right judgment. But there is a crucial difference. The Senate has a set of rules adopted when Andrew Johnson was impeached. The House of Representatives selects a group of its members, called "managers," to present the case for removal. The President is represented by counsel. I would suggest, instead, that both sides of the issue be presented by the House.

Those who voted for impeachment would select the managers for removal; those who voted against impeachment would select the managers opposed. Each group should be free to employ outside counsel. But, given the public interest on both sides of an impeachment, it is inappropriate that the case for keeping the officeholder in office should be made by his private counsel. Since it is not a matter of preserving personal rights, there should be no personal counsel.

Then there is the question of the kind and amount of evidence. Here again the judicial adversary system should not be closely followed. Courtroom rules of evidence were developed with a view to protecting juries against whole categories of proof deemed not reliable enough. When a case is tried before a judge without a jury, the rules of evidence are more flexible and much less is excluded. Rules are, of course, abstractions, and can work badly in specific cases. Whatever their value for the generality of jury trials, they should not be uncritically taken out of context. Since the question for decision involves the good of the whole country, and not the liberty or property of a single citizen, these traditional rules of evidence may be illuminating, but they cannot be controlling.

What has just been said would tend to enlarge the quantity of the evidence to be heard. Another need in this extraordinary situation points the other way; it might cut down the testimony. A long continued Senate proceeding is obviously unhealthy. Stalling is a familiar tactic in courtroom litigation. Judges try to counter it, not always with success. Its capacity for mischief is infinitely greater here. There have been suggestions that the President means to stall, perhaps in the hope that some outside event will divert a current running against him.

It has been suggested, on the other hand, that his opponents want to prolong proceedings which, whatever the final decision, would make the President look bad enough to affect the voting of the citizens in the following election (which may be in 1976 rather than 1974). Neither strategem, of course, should be aided or abetted. The snail's pace of litigation is too leisurely for impeachment. The "motions," "objections," points of the trial procedure—the adagio of the courtroom—can be too costly here.

Sometimes President Nixon's presentation of the issue is consistent with a proper differentiation, as when he speaks about the Presidency. At other times, as when he promises to "fight like hell," he seems to view the White House as a personal possession of which assailants might deprive him.

The real question is: Has the Presidency, within the meaning of the constitutional proscription, been abused? And the way to reach the answer, the way provided by special clauses in the Constitution—Sections 2 and 3 of Article I, Section 4 of Article II—is, as I have said, unique. The due process that is required is not the criminal due process that protects an accused's life, liberty and property, none of which is at hazard here. It is rather the due process that pervades the entire Constitution and all our law. The damage to the country is minuscule when one criminal goes free. The damage to the country is critical when the abuses specified in Article II occur.

The kind of fairness that due process calls for here is fairness to the people, whose concern to have the right conclusion reached is all that really matters. Richard Nixon's personal interest—the question whether Richard Nixon gains or loses—can have no weight in this extraordinary balance. It is, of course, a matter of dramatic interest, with rooters for and against. Nixon-haters and Nixon-lovers have clothed the event with their feelings about the man. But these competing feelings are trivial in relation to the vast importance of the issue. This is not a game we are watching.

If we are to think in adversary terms at all, we should think of these preceedings not as *The People v. Richard Nixon* but as *The People v. The People.* It is the United States that is concerned, on both sides of the issue. But the "versus," even with "the People" on both sides of it, is infelicitous. The man who occupies the White House should be ejected if he has acted in a way the Constitution does not tolerate. He should stay if he has not. It is as important that an official who has not breached the constitutional injunction should serve out his term as that one who has committed the trespass should be ousted. Either way, it is the welfare of the Republic that is the subject, not the welfare of Richard Nixon.

ADVERSE EFFECTS OF THE PAY CEILING ON SALARIES OF GOVERNMENT OFFICIALS

Mr. McGEE. Mr. President, the problem of compression in the upper reaches of the General Schedule occasioned by the statutory restriction against career civil servants being paid more than individuals at level V of the Executive Schedule, has been thoroughly explained by the General Accounting Office.

In a paper prepared prior to the Senate's action this year disapproving the President's recommendations on executive, legislative, and judicial salaries, the GAO covered the serious and deleterious impact this ceiling is having. This presentation comes in the second part of the GAO paper, for which I now ask unanimous consent that it be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

THE PAY CEILING IMPOSED ON SUPERGRADES AND OTHER SENIOR EMPLOYEES IS HAVING SERIOUS ADVERSE EFFECTS

Pay rates for Federal white-collar employees under statutory pay systems are subject to annual review and adjustment in accordance with 5 U.S.C. 5301. However, the law provides that these pay rates may not exceed the rate for Level V of the Executive Schedule. The Level V pay rate was last increased in March 1969, from $28,000 to $36,000. This rate has been the ceiling for Federal employees pay since that time. The pay rate for GS–18 employees reached this ceiling in January 1971. With the continued increase in other General Schedule salaries, based on comparability with the private sector, the percent of all supergrade employees paid less than the comparability rate has increased sharply because of the $36,000 ceiling, as shown below:

Year	*Percent*
1971	18
1972	33
1973	64
Today (plus 1,000 at GS–15)	85

There are now 4,200 employees in grades GS–16, GS–17, and GS–18, and 1,000 employees in the top step of GS–15 who should be paid more than the $36,000 ceiling. The following table shows the GS–15 to GS–18 salary rates, as determined by the comparability process, and the comparability rates affected by the ceiling.

Steps	GS–15	GS–16	GS–17	GS–18
1	$28,263	$32,806	[1] $37,976	[1] $43,926
2	29,205	33,899	[1] 39,242	
3	30,147	34,992	[1] 40,508	
4	31,089	[1] 36,085	[1] 41,774	
5	32,031	[1] 37,178	[1] 43,040	
6	32,973	[1] 38,271		
7	33,915	[1] 39,364		
8	34,857	[1] 40,457		
9	35,799	[1] 41,550		
10	[1] 36,741			

[1] The rate of basic pay for these employees is limited to $36,000 because of the statuory ceiling.

The $36,000 ceiling similarly affects the senior levels of other Federal pay systems.[1] This is the *compression problem,* which adversely affects both Federal employees and the Government. These adverse effects include:

Imbalance between salaries and responsibilities.

Loss of income to the employee, including future retirement benefits.

Early retirement is made more attractive.

Increased turnover of top management personnel and consequent decrease in skill levels.

Declining appeal of supergrade positions.

Hiring for supergrade positions made increasingly difficult.

IMBALANCE BETWEEN SALARIES AND RESPONSIBILITIES

Salary compression seriously weakens two pay principles providing internal equity which are established by law: equal pay for equal work; and maintaining pay distinctions in keeping with work and performance distinctions. All employees in grades GS–18, and GS–17, 80 percent of those in GS–16, and 4 percent of those in GS–15 now receive annual salaries of $36,000. The statutory principles (5 U.S.C. 5301) dictate that those paid the same should have responsibilities that are equal; but obviously they are not. In fact, three levels of supervision in a typical major division or bureau are earning the same salary, a condition which would be considered unacceptable in the private sector.

The difference between the pay of senior employees and the pay of employees at lower levels has narrowed sharply during the past several years. In December 1969, when Federal salaries were unaffected by the present ceiling, the differential between the pay of an employee in the first step of GS–12 and a GS–18 employee's pay was 150 percent. After the October 1973 pay increase, the differential had narrowed to 106 percent. Continuation of this narrowing will not only further distort pay distinctions in keeping with work distinctions, but it may reduce morale within the work force and have a negative impact upon the career incentives of employees entering the career service.

LOSS OF INCOME

The most obvious adverse impact of compression is that employees are denied salary increases to which they would otherwise be entitled. The following table shows the annual salary loss of employees at levels GS–18, GS–17 (step 4), GS–16 (step 5), and GS–15 (step 10) based on current comparability rates.

	Comparability rate	Ceiling	Annual salary loss
GS–18	$43,926	$36,000	$7,926
GS–17 (step 4)	41,774	36,000	5,774
GS–16 (step 5)	37,178	36,000	1,178
GS–15 (step 10)	36,741	36,000	741

When viewed on a cumulative basis, the inequity caused by the ceiling seems even greater. For example, a GS–18 employee's cumulative salary loss for the 3-year period ended January 5, 1974, was $11,557:

Period	Comparability rate	Ceiling	Difference	Salary loss
January 1971	$37,624	$36,000	$1,624	$1,624
January 1972				
Do	39,693	36,000	3,693	3,693
January 1973				
Do	41,734	36,000	5,734	4,411
October 1973				
Do	43,926	36,000	7,926	1,829
January 1974				
Total				11,557

The affected employees are continually losing ground since every cost-of-living increase means a further loss in purchasing power of their stagnated $36,000 salary. For example, the GS–18 salary increase in January 1971 was limited by the $36,000 ceiling and has remained at that rate. Using the changes in the Consumer Price Index (CPI) since that time, we estimate that the purchasing power of a GS–18 employee's $36,000 salary is now worth about $30,985: a drop in purchasing power of $5,015.

An employee's retirement income is determined by applying a formula to the average of his 3-years highest salary. In other words, the higher the average, the greater the employee's retirement income. By compressing salaries below pay rates computed under the comparability process, the ceiling is penalizing employees, since the amount of retirement income they would otherwise be entitled to is being reduced.

For example, if a 55-year old GS–18 employee retired in January 1974 after 30-years service, his retirement income during a 19.3 year remaining life expectancy would be about $44,100 less than if the pay ceiling had not been in effect.

EARLY RETIREMENT MADE MORE ATTRACTIVE

Under current economic conditions, continuation of the $36,000 salary ceiling will allow many employees to earn more retirement income by retiring early rather than continuing to work for the Government. They can then substantially better their current income by accepting non-Government employment.

In planning whether to continue a career or retire, an employee whose salary is at the ceiling must consider the relative financial benefits. For each additional year of work, the employee increases his annual retirement income by about $720 (2 percent of $36,000) and contributes $2,520 to the Civil Service Retirement Fund. If the CPI rises and remains at the minimum of 3 percent during that year, it would be more advantageous for the employee to have retired since his annual annuity would have increased by about $810[1] and he would not have been required to make any additional contributions to the retirement fund.

The following hypothetical example involving a 55-year-old GS–18 employee with 30 years' service at December 31, 1973, illustrates why early retirement has become more attractive. Assuming 5.5 percent cost-of-living annuity increases at January 1 for each of the next 3 years, and the employee retired at December 31, 1973, the employee's annual annuity at January 1, 1977, would be $25,120. However, if the employee works the additional 3 years he would contribute an additional $7,560 to the retirement fund, and would receive about $1,477 a year less in his retirement annuity for the rest of his life.

INCREASED TURNOVER OF TOP MANAGEMENT PERSONNEL

The turnover of supergrade employees has increased since 1970. This is attributable, in part, to salary compression coupled with cost-of-living increases in retirement annuities. Between 1970 and 1972, supergrade retirements increased from 264 to 380, a rise of about 44 percent. Further, during the first 8 months of 1973, another 379 supergrades retired. If retirements during the last 4 months of the year were at the same rate as during the first 8 months, we estimate that a total of about 570 supergrades retired during 1973, or more than twice the number of 1970.

In terms of the supergrade population, the retirement rate also increased.

	Number supergrades employed	Supergrades retirements	Percentage
1970	4,754	264	5.6
1971	4,855	273	5.6
1972	4,384	380	8.7
1973	4,909	570	11.6

[1] Projected for 12 months based upon 379 actual retirements during the 1st 8 months of 1973.

More than 1,000 supergrade employees are now eligible to retire, with 400 to 500 becoming eligible each year. Also, these supergrade employees are retiring at an earlier age.

	Total supergrade retirements	Below 60-years of age	Percentage
1970	264	85	32.2
1971	273	100	36.6
1972	380	154	40.5
1973 (8 months)	379	188	49.6

This loss of experienced management talent is discussed in the following sections.

DECREASE IN SKILL LEVELS

Skill levels in some supergrade positions have fallen because on occasion, vacancies caused by early retirements must be filled by employees who have less experience and lower skills. The personnel director of a major Government commission in the Washington metropolitan area informed us that his organization sometimes must promote relatively "green" GS–15 employees to fill GS–16 vacancies caused by retirements. Other personnel directors indicated similar experiences in their organizations.

DECLINING APPEAL OF SUPERGRADE POSITIONS

Salary compression is making supergrade positions less attractive and threatens the integrity of Federal pay systems. Personnel officers with whom we consulted stated that some employees refuse to accept higher positions in the supergrade ranks because of the absence of additional monetary rewards. Others have expressed unwillingness to make geographic moves to new work assignments even when promotions were involved.

During our study, many such instances were cited to us. One case involved a GS–15 (step 10) employee who was offered a GS–16 position in the personnel office of a major department. The employee would not accept the higher position because of the added responsibilities and arduous work without additional income.

HIRING FOR SUPERGRADE POSITIONS MADE INCREASINGLY DIFFICULT

Some agencies report that they are experiencing increasing difficulty in hiring qualified personnel from outside the Government to fill senior level positions. This is particularly notable in the scientific, medical, and educational fields. Personnel directors told us that the individuals best qualified to fill supergrade positions often are refusing to accept Government employment because they would suffer a loss of income.

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[1] i.e. P.L. 313: Foreign Service and Other.

[1] Civil Service retirement annuities are adjusted on the first day of the third month that begins after the Consumer Price Index (CPI) has risen at least 3 percent from the last adjustment, and remains at this higher level for 3 consecutive months. The annuity increase is equal to the highest percentage increase in the CPI during the 3 consecutive month period, plus 1 percent. During the past 3½ years annuity payments to Government retirees increased 29.5 percent.

REFORMS APPEAR ESSENTIAL

The problems discussed above will progressively worsen with each year of delay in adjusting Executive Schedule pay. In addition, if the current ceiling continues until the next scheduled quadrennial review, another 21,000 General Schedule employees will be added to those whose salaries would be limited to $36,000—including the top two steps of GS–14, most of those in GS–15, and all of those in GS–16, GS–17, and GS–18. There would then be about 28,000 employees all earning the same pay, even though their responsibilities range from GS–14 through Executive Level V. This would mean that six levels of responsibilities would be earning the same pay.

This would result in a virtually meaningless pay system for Federal managers and would seriously undermine the ability of the Government to attract young men and women interested in a long-term career in Federal service.

The current proposal in the President's budget, while falling short of the Quadrennial Commission objective, would offer a measure of relief. Therefore, we believe that the Congress should accept the President's recommendations for adjusting executive, legislative, and judicial salaries.

The cost of this proposed salary adjustment in the fiscal year 1975 budget is $34 million, out of a budget of over $300 billion—or $1 for each $10,000. We believe that the public will recognize the importance of this investment since it will help attract and retain the most competent managers. We also believe that the adjustment is essential even if Congress decides to exempt itself at this time, and even though, in such an event, some Federal executives would earn salaries in excess of the basic pay of Members of Congress (a condition which already exists for Members of the Cabinet).

We believe that the Congress should also consider major reforms in the processes for adjusting Executive Schedule salaries, such as:

Making Executive Schedule salary rates subject to an annual cost-of-living adjustment, in the years between the quadrennial review.

Initiating early action leading to integrating the Federal pay structures at the top of the General Schedule and the bottom of the Executive Schedule. The report of the Quadrennial Commission proposes the establishment of a task force to develop a plan for achieving this objective. The executive branch should be called upon to proceed with a study and to report its conclusions to the Congress in the next session.

Establishing a policy under which employees whose pay is affected by compression have their retirement income adjusted to reflect the amount to which they would have been entitled if compression were not a factor.

JIM WEBB: NASA HERO

Mr. MOSS. Mr. President, this Sunday's Washington Post includes an article reminding us of the leadership that James E. Webb gave the Nation as Administrator of the National Aeronautics and Space Administration from 1961 to 1968.

Having known Jim Webb, and counted him a friend, since our law school days together, I am pleased to call this article to the attention of my colleagues. I know that, as the anecdotes in the article amply demonstrate, Jim will shrink from the appellation of "hero." President Johnson often referred to Webb as "the best manager in Government," and I feel that this praise is richly deserved.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

NASA's Other Hero

(By Julian Scheer)

This weekend is the fifth anniversary of man's first footprints on the moon. There will be toasts to Armstrong, to Aldrin, to Collins, Von Braun and others. And deservedly so, for they played major roles. But in the great tradition of history, there is also the forgotten or unknown man. For the space program it may be James E. Webb.

It won't worry Jim Webb a wit, but it was his incredible leadership which made the event possible.

Jim Webb had been Truman's Director of the Budget and Dean Acheson's Under Secretary of State—which made him Washington-wise—and he was enjoying a successful and lucrative business career in Oklahoma when he was called on by a somewhat reluctant President Kennedy to be administrator of the National Aeronautics and Space Administration.

He likes to point out that he was 18th or 19th on Kennedy's list of prospects and, after all had declined, it was Lyndon Johnson who persuaded Kennedy to select him.

Webb simply was not a Kennedy type. He appeared humorless, bull-headed, too knowledgeable about how Washington worked, too close to Sen. Robert Kerr (D-Okla.) who was becoming "Mr. Space" in Congress. And he was not good at taking orders. Early on, when someone in the White House suggested a good location for a NASA procurement award, Webb replied with a blistering memorandum to Ken O'Donnell—clearly intended for Kennedy eyes—which simply said: You run the White House, I'll run the NASA. He meant it; it was reflected in every move he made after that.

In dealing with the White House, Webb fought the Bureau of the Budget for every nickel—as if the loss of five cents would topple all that had gone before. It was a blood-on-your-hands attitude. And when he finally got his way, which he usually did, he kept the White House congressional aides away from *his* committees of Congress. He'd fight his own battles—his way of maintaining his freedom within the Executive Branch.

And Congress found a new kind of man to deal with. Few believed Webb not to be a scientist or engineer, for he dazzled them with his knowledge of the technical as well as the management of the vast NASA program structure.

His only weapon was "tell 'em all." He never wined or dined them at his home, was straightforward and rather formal with them. His torrent of words numbed them, and when the committees were reeling under the verbiage and charts and graphs, he would bring on his experts, even the astronauts.

Instead of complaining about going to the Hill for committee after committee and subcommittee after subcommittee of testimony, he bragged that Congress knew everything he knew and that NASA testified 5–6,000 pages worth each session.

But it was in the internal workings of NASA where his strength lay. He was first to arrive, last to leave each day. He peppered every individual on his staff with a dozen memos a day—new ideas, new concepts, new thoughts. The sentences were paragraphs and the paragraphs were pages. His internal intelligence network was astounding.

"I hear there's a problem with the LM guidance system at Bethpage," he'd say—two days before a program review revealed it. While he left the technical decisions in the wisest hands, the program managers came prepared to discuss a technical problem in minute detail. If they fell short under a barrage of questions, there would be no decision until they returned better equipped.

He constantly juggled personnel to get a better mix and to push everyone to his Peter Principle. He fondly called it "planned disequilibrium." He had an uncanny knack for standing back and looking at the big picture—a trite phrase for a Webb strong suit:

"Managing this size program, how can we expand internationally and draw in other partners.

Managing 35,000 NASA employees, 400,000 in 20,000 companies, how do we pull it all together so it will give the country a lasting base in technology?

"In giving facility grants to colleges and universities, let's force the President there to get the philosophers involved or to spend some time looking at local domestic programs.

"Is our patent policy adequate?

"How do we transfer this new technology to the civilian sector?"

There was a constant barrage of ideas. He never took on a problem without coming out with two, three or four options. First, he'd solve the problem and then, like a sensitivity session, everyone had to "learn" from the problem and look at the other options—which were, to Jim Webb, opportunities. Everything was an opportunity.

Webb's relationship to his staff was largely impersonal but not without feeling. At the end of a terrible crisis day it was not unlike him to ask about a sick child—something he had picked up from his intelligence network.

And he never took advantage of the emoluments of the office. When GSA sent brochures over so he could pick the limousine he wanted, he was upset at the high prices and ordered a Checker cab, painted black, which was NASA's official vehicle for nine years.

A typical "Webbism," as his habits were often called, occurred at a conference on the peaceful uses of outer space in Kansas City in the early '60s. Webb arrived at the hotel and found no reservation in his name. The advance people had fouled up and everyone on the NASA staff in attendance, guests, speakers, etc., were comfortably in their rooms. Webb made no scene, did not identfy himself, and a staff member found him hours later in a far corner of a first-floor ballroom. There he had pulled some chairs together and stretched out for the night, fully clothed, shoes off, and reading some paperwork. He was finally persuaded to take a quickly discovered room.

Abruptly in 1968, Jim Webb resigned. Most of the major Apollo decisions had been made. There were tough days ahead—Apollo 8 and onward—but brilliant Tom Paine was there. Webb knew Nixon would keep him after the election (or Humphrey if he'd won). But Webb decided the time had come. It was part of his feeling for Washington and NASA and what he felt the country needed. And he knew Paine could do the job and was untouchable. Few agencies had such good men back to back.

Almost shockingly, it was less than a year away from the first manned lunar landing. Had he struck it out, waited just a while longer, he could have basked in the moment of tremendous glory.

Simply, for Jim Webb, it was time.

ENERGY POLL: IS ALMOST HALF THE PUBLIC "ANTINUCLEAR"?

Mr. GRAVEL. Mr. President, soon the Senate will be voting on nuclear insurance legislation which was passed by the House July 10. During the House debate, members of the Joint Committee on Atomic Energy claimed that a vote against the committee's bill would be a vote against nuclear power.

Although I strongly disagree with that claim, I do not wish to argue that point today. I simply want to ask my colleagues, what is wrong with being "antinuclear"?

A recent poll taken by National Analysts, which a Philadelphia division of Booz, Allen & Hamilton management consultants, indicates that a full 46 percent of the American public either opposes or is "concerned" about nuclear powerplants. Even if the poll is off by 15 points in either direction, the percentage would still be extremely significant.

Mr. President, so that my colleagues may consider some details of that poll, I ask unanimous consent that the article entitled "What Others Think—Public Attitudes Toward Nuclear Power Plant Construction," from the May 23, 1974, issue of Public Utilities Fortnightly, be printed in the Record at the end of my remarks.

WHICH WAY WILL THE WIND BLOW?

In addition to the poll, there are other indicators that the wind is blowing against nuclear power. For instance, the Task Force against Nuclear Pollution reports a 400 percent increase over a year ago in the rate at which it is receiving antinuclear petitions.

Both of the country's leading environmental lobbies, Friends of the Earth and the Sierra Club, favor a nuclear power moratorium. Furthermore, the League of Conservation Voters is starting to watch our nuclear votes for its environmental rating charts on each of us.

I would like to remind my colleagues that last summer, 100 top scientists of the Pugwash Conference issued the following warning about nuclear power:

> The as yet unsolved problem of waste management and the possibly unsolvable (in an absolute sense) problems of catastrophic releases of radioactivity and diversion of bomb-grade material, combine to create grave and justified misgivings about the vast increase in the use of nuclear power that has been widely predicted. The wisdom of such an increase must at the present time be seriously questioned.

Many of the Pugwash members are nuclear physicists who once worked on nuclear weapons; they cannot be accused of "fear of the unknown" or "fear of what they do not understand." For the full text of their statement, please see the Record, volume 119, part 25, pages 33154–57.

Last but not least, after 1½ years of looking into the safety problems associated with American nuclear reactors, the British Government has rejected American reactors in Britain. Some details are available in the Record of July 17, 1974, page 23791, and of March 20, 1974, page 7413.

Under the circumstances, I believe an "antinuclear" position is the most responsible one. Nuclear advocates are really playing a game of "Russian Roulette."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Public Utilities Fortnightly, May 23, 1974]

WHAT OTHERS THINK—PUBLIC ATTITUDES TOWARD NUCLEAR POWERPLANT CONSTRUCTION

(By Alfred E. Goldman)

Although almost half of the American people are concerned about the risks involved in the production of electricity from nuclear power plants, almost six out of ten apparently prefer to run these risks rather than have the use of electricity rationed or restricted.

This conclusion is based on a survey of a scientifically selected cross section of Americans eighteen years old and over conducted by National Analysts.

While 44 per cent of the 931 men and women interviewed said they thought the use of nuclear power to generate electricity was either a "serious" or a "very serious" problem, 59 per cent said they would rather have a nuclear-powered generating station within 25 miles of their home than to have their use of electricity rationed or restricted.

Another survey, conducted in 1973 for the Electric Companies Public Information Program, showed that 61 per cent of those interviewed in a national sample were either "strongly favorable" or "somewhat favorable" toward nuclear power plants as a source of electrical energy. A total of 61 per cent also indicated they felt more nuclear plants would be needed by 1980 "in order to have enough electric power for all needs."

A somewhat higher proportion of people (71 per cent) interviewed in November, 1973, by the Harris Survey reported they would favor President Nixon's proposal to speed up the construction of nuclear power plants as one of the ways "of avoiding a serious shortage of energy in this country."

While these surveys indicate a majority of Americans at the present time are apparently willing to approve construction of nuclear power plants as the least objectionable of a number of undesirable alternatives, they should not be interpreted to mean that the nuclear power plant building program will proceed smoothly without the possibility of serious public opposition.

The prediction made last fall by Ralph Nader before the Western Governors' Conference that public concern would bring a halt to the construction of nuclear power plants within five years is probably an exaggeration. On the other hand, the statement of the Atomic Energy Commission chairman, Dixy Lee Ray, last December on the Columbia Broadcasting System program "Face the Nation" was probably an underestimate of opposition to the nuclear plant construction program.

The AEC chairman stated (as quoted in The New York Times) that the actual "strong opposition" to construction of nuclear power plants among the general public is only a "minority of 5 to 10 percent."

The National Analysts' nationwide survey showed that about one-fourth of those interviewed (24 per cent) stated that if they learned a nuclear-powered generating station was going to be built within 25 miles of their homes they would "join others in the area in trying to prevent it from being built." An additional 5 per cent indicated they would be concerned enough about the risks to cause them "to plan to move to a new location." Another 17 per cent said they would "be concerned but not do anything about it."

At the other extreme, 33 per cent stated they would welcome the building of such a facility in their area because they felt this would mean cheaper electricity. The remaining 21 per cent said they would not care one way or the other.

These responses were made to a question which made no mention of a fuel shortage or the possibility of rationing or restricting of electricity. When asked to respond only to the proposal for a nuclear power plant within 25 miles of their home without having to face a choice between the nuclear power plant and a shortage of electricity, this cross section of the American public divided into three fairly equal parts: (1) strongly opposed, as evidenced by plans actively to oppose the building of a plant or to move out of the area because of it (29 per cent), (2) somewhat concerned but not motivated strongly enough to take any action or indifferent (38 per cent), and (3) positively supporting new construction because of the prospect of cheaper electricity (33 per cent).

These findings suggest that the proportion of the public strongly opposed to the program may be substantially higher than the AEC chairman has claimed.

The division of the public into three fairly equal groups suggests that there is a relatively low degree of crystallization of public opinion on this issue at the present time. The middle group, made up of those who are either indifferent or who are somewhat concerned but who stated they would probably not take any action, could be pushed in either direction by the course of events and or the effectiveness of the presentation of the issues by the protagonists in the controversy.

A continuation or worsening of the energy situation would no doubt tend to push this middle group toward more active support of the nuclear power plant program. On the other hand, events, such as the discovery by the Colorado Department of Health of abnormal levels of radioactive hydrogen in the drinking water of a town five miles from a factory making plutonium triggers for nuclear weapons, would tend to draw the relatively indifferent or mildly concerned into the ranks of active opponents.

There is further evidence in the National Analysis survey of the lack of solidification of public opinion on *this issue* at the present time, increasing the possibility of public opinion shifting one way or the other. Those interviewed were asked to express their degree of concern over eight separate problem areas: crime and violence, the fuel shortage, deterioration of our cities, protection of our environment, using up our natural resources, the Watergate affair, narcotics and drug usage, and using nuclear power to generate electricity. Each person was asked to indicate his degree of concern with each of these problems. The proportion choosing the middle of the scale, representing the position "not concerned one way or another," was far higher on the nuclear power plant question than on any of the other problems.

Members of the public had very clear-cut opinions one way or the other on crime and violence and drugs, only 5 per cent and 6 per cent, respectively, indicating the middle position on these problems. On the other hand, almost one-third (32 per cent) chose this middle position on the nuclear power plant question. With the exception of the question on the fuel shortage, which also showed a fairly high degree of undecided or indifferent opinion (23 per cent), on all of the other questions those taking part in the survey showed a much greater tendency to take a clear-cut position on the question than in the case of the nuclear power plant question. For example, only 16 per cent chose the undecided or indifferent position with respect to Watergate, while only 14 and 15 per cent, respectively, chose this position on "environmental protection" and "using up our natural resources."

Voters in Austin, Texas, indicated a very narrowly divided and shifting opinion on this issue in two recent bond issue elections. In September, 1972, the voters rejected a proposal to join with three other Texas cities in the construction of a nuclear power plant. Fourteen months later, however, they reversed that decision by a narrow margin of

722 votes, 50.9 percent of the total votes cast being in favor of the proposal. At the same election, a proposal to approve the construction of a coal- or lignite-fired electric power plant was approved by an overwhelming majority of some 21,000 votes, with 77.4 per cent of the total favoring the proposal.

We would need a study of the motivations of the Austin voters before we could determine the reasons for such a marked difference in the degree of support for the traditional and the nuclear-powered plants. While economic factors might be one possible reason for the difference, these factors do not appear to be too important since the voters were asked to approve a total of $337 million for the construction of traditional facilities and only $61 million for participation in the nuclear power plant construction. Differences in the public's perception of the relative safety of the two sources of electric power *could* be one of the important determinants of the great difference in degree of approval, but it would not be valid to conclude this was the most significant factor without an actual study of voter decisions.

Another indication of the volatile nature of opinion on this issue came from the mail response to two programs featuring the nuclear power plant controversy aired over some 200 National Educational Television stations. Mail response to two programs on "The Advocates," originating at station WGBH in Boston, shifted from a majority approving nuclear plants in 1971 to a majority disapproving them in 1974. In the earlier response, 60 per cent favored nuclear plants and 40 per cent opposed them; in the 1974 response, 58 per cent of the mail votes showed disapproval compared with 42 per cent in favor of such construction.

The National Analysts survey shows that there is a widespread concern over environmental protection, with 78 per cent of the public feeling that environmental protection is either a "serious" or a "very serious" problem. More than half (54 per cent) stated that it was a "very serious problem." Only a small minority (7 per cent) said that environmental protection was either "not at all serious" or "not serious."

The seriousness of the conviction regarding the importance of environmental protection is shown by the fact that almost twice as many people were willing to accept the rationing or restriction of electricity than were willing to approve the construction of a power plant "where it may interfere with the balance of nature."

Although some of the groups most active in the environmental protection movement are also active in the opposition to the nuclear power plant program, our data suggest that concern over environmental protection and opposition to the nuclear power plant construction program are far from identical attitudes—78 per cent regarding environmental protection as either a "serious" or "very serious" problem compared with 44 per cent so regarding nuclear power plant construction.

Supporters of the nuclear power plant program, cognizant of this widespread concern for environmental protection, are emphasizing the claim that fossil fuel as a source of electrical energy presents more of a threat to the environment than nuclear power. Opponents of the program, of course, vigorously dispute the claim.

In the battle for public approval, apparently the supporters of the nuclear power plant program currently have an edge over the opponents, but our assessment leads us to conclude that public opinion on the issue is far from solidified. Therefore, it is possible that public opinion could shift dramatically in either direction, depending on the course of future events and the relative effectiveness of the public information campaigns of the protagonists in the controversy.

(About the author—Alfred E. Goldman is president of National Analysts, a division of Booz, Allen & Hamilton, Inc., international management consultants. He received his BS and MA degrees in psychology from City College of New York and his PhD in clinical psychology from Clark University. Prior to joining National Analysts, he was a research associate at the Harvard University School of Public Health and assistant director of psychological services at Norristown State Hospital.)

EVERYONE MUST OBEY THE COURTS

Mr. MONDALE. Mr. President, many years ago Mr. Justice Felix Frankfurter wrote:

> No one, no matter how exalted his public office or how righteous his private motives, can be judge in his own case. That is what courts are for.

It has long been a basic tenet of our constitutional system that the courts are the proper place for the resolution of public and private disputes and that everyone must obey the courts.

Again, the words of Mr. Justice Frankfurter:

> When in a real controversy . . . an appeal is made to law, the issue must be left to the judgment of courts and not the personal judgment of one of the parties. This principle is a postulate of our democracy.

Yet, we are witnessing a strange jig, being danced by the President of the United States and his counsel, with respect to the President's plans with regard to obedience of the U.S. Supreme Court.

I am appalled that the President is unwilling to say that he will obey the High Court. The President's conduct represents a presumptuous affront to the dignity of the Court as well as a serious blow to public confidence in our governmental processes and the rule of law.

Repeatedly over the past several weeks, high White House officials have turned away questions as to the President's willingness to obey a Supreme Court decision. Most recently, Mr. St. Clair in California last night repeatedly refused to say that the President would obey the Court.

I cannot understand the President's apparent unwillingness to say, simply, that he will obey the U.S. Supreme Court. Such a statement is little to ask of a lawyer, a member of the Supreme Court bar, a former Member of Congress, and the chief law enforcement officer of the Nation. Such a statement would seem to represent nothing more than a reaffirmation of commitment to the rule of law. Yet, we do not get an answer.

Mr. St. Clair says that he does not want to put pressure on the Court by discussing Presidential compliance. But is not that precisely what Mr. St. Clair is doing? It appears that the President and his counsel are engaged in psychological warfare with the Court. The refusal to affirm obedience appears to be an attempt to scare the Justices into second-thoughts about the merits of the controversy by planting seeds of doubt in their minds as to the enforceability of a decree.

Such tactics have frequently backfired throughout our constitutional history. And such conduct represents a serious affront to the fairness and objectivity of the members of the High Court.

Perhaps the President is, indeed, seriously entertaining the possibility of actual disobedience of a future Court order. Perhaps he believes that the Court could not enforce an order directed against the President.

However, although the Court has no troops to enforce its orders, the army of public opinion could not help but look unkindly on disobedience of our highest judicial tribunal.

Whatever the President's motives may be, his conduct strikes a hammer-blow to an already shattered public confidence in our Government. His unwillingness to submit himself, in advance, to obedience causes many to doubt whether our system of justice remains strong, whether there are differing systems of justice for the mighty and the weak, and whether the fabric of our constitutional structure can stand the strain.

These doubts should not be allowed to exist. And, more importantly, they should not be engendered by the refusal of the Chief Executive to simply state that he will obey the Supreme Court.

The Court may not—because of questions of standing or justiciability—ever reach the merits of the controversy between President and Special Prosecutor. The Court may rule in the President's favor on the merits.

But, whatever the Court ultimately rules, the President should immediately tell the American public that he will obey that ruling. Any other course of conduct questions the legitimacy of our ultimate dispute-settlement mechanism and fosters public confusion and doubt.

Again, the words of Mr. Justice Frankfurter:

> If one man can be allowed to determine for himself what is law, every man can. That means first chaos, then tyranny.

PROTECTION OF INDEPENDENT FUEL DEALERS

Mr. CHURCH. Mr. President, the time has come for Congress to enact legislation to aid the independent fuel dealer. In the wake of the energy crunch, they have become the pawns in a marketing game being conducted by the Nation's major oil companies.

Time is of the essence and I urge the members of the Commerce Committee to report out what has been called the "dealer day in court" legislation. The Senate has already passed such a measure three times. But each time it became the victim of circumstances, once being left out of a conference report, and once vetoed, as a part of the emergency energy legislation, by the President.

I have written a letter to Senator MAGNUSON, chairman of the Commerce Committee, setting forth a history of this legislation, its current need, and a suggested vehicle for bringing the matter before the full Senate. I urge its consideration.

Mr. President, I ask unanimous consent that my letter to Senator MAGNUSON, and a copy of the "dealer day in court" legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 15, 1974.
Hon. WARREN G. MAGNUSON,
Chairman, U.S. Senate Commerce Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR MAGNUSON: I am becoming more and more concerned over what seems to be an unfortunate ramification of the energy crunch—the treatment of independent fuel dealers by their oil company suppliers. I know that, as Chairman of the Commerce Committee, you are familiar with these problems and are in a position to help these small businessmen gain needed protection.

Approximately 90 percent of the nation's service stations are independently operated, usually under lease or rental agreements with petroleum companies. Under these arrangements the independent dealer buys his products from the oil company and then is responsible for marketing, maintenance, sales of accessories and a variety of related activities. They represent the only real "free enterprise" left in an industry which has long since gone the way of cartelism.

The problems they face just in maintaining their businesses and performing a service for their customers and their communities are enough to discourage many would-be businessmen. But now, in addition to the normal rigors associated with small business, they face a much more serious challenge from the major oil companies.

Petroleum dealers have no control over the pricing policies of their suppliers. In spite of this, dealers are often blamed for the ever-increasing price of fuel. In addition, the pricing policies of the oil companies often leads to a dealer finding himself uncompetitive with others in his area. This may lead, in turn, to a reprimand to the dealer, from the oil company, for not selling enough gasoline.

My greatest concern, however, lies in the complete control over the dealers—through lease and rental agreements—exercised by the oil companies. These agreements generally contain provisions for the sale of oil company products such as tires, batteries, crankcase oil, etc.

Many dealers are now being harassed by the oil companies, which come into their businesses and threaten sudden termination of their leases if the dealer does not step up sales of oil company products, or comply with ever-changing credit policies, or display materials to the satisfaction of the company.

Generally, the provisions of these lease or rental agreements allow the oil company to terminate the agreement—often without cause—effective in a number of days. In that rests the most serious problem facing the dealers.

It is obvious that major oil companies are beginning—in the wake of the energy crunch—to carry out plans to shape the future face of retail petroleum marketing. These plans may even represent a "dividing up" of the nation for the marketing purposes of the majors. As is usual in these matters, nothing is provable.

Whatever the reasons for these changes, independent dealers are the pawns in the game. The examples of sudden lease terminations for little—and in some cases no—cause are many and varied. There are a number of such examples in the state of Idaho, although Idaho dealers are certainly not the only victims. I can cite examples of oil companies chastising dealers for not selling enough of their product, in spite of the fact that the companies have priced them out of the market. Hanging over the head of the dealer is the threat of lease termination. At this juncture, almost any lease is vulnerable if the dealer does not fit in the future plans of the oil company.

The time has come to provide some legal recourse and protection to independent dealers. It is not an idea which is new to this Congress. The Senate has passed so-called "dealer day in court" legislation three times. First, as a part of the Mandatory Petroleum Allocation Act. Because the House had no similar provision in its allocation bill, it was dropped in conference. The Senate again passed such a provision as a part of S. 2589, the emergency energy legislation. This time, because the House had also passed such a provision, it survived the conference and was again passed by both houses in the adoption of the conference report. That legislation, as you know, became the victim of a Presidential veto.

Each time the "dealer day in court" legislation has passed, with seeming strong support, it has been the victim of circumstance. Although the Administration has indicated the "dealer day in court" provision as one of the "objectionable" provisions which prompted President Nixon's veto of the emergency energy legislation, it is doubtful that—standing alone—the legislation would again be vetoed.

For that reason, I urge the Commerce Committee to report this legislation to the full Senate for consideration. This time standing alone, so that the "dealer day in court" proposal may have a test of its support in the Senate. I have every faith it will pass.

Your Committee has already held hearings on the substance of this proposal. Because of those hearings, and in view of the Senate's earlier support of the legislation, further hearings would seem unnecessary. A possible vehicle could be the attachment of the "dealer day in court" provisions of the conference report on S. 2589 (a copy of which is enclosed) to, or as a substitute for, S. 1694, the proposed Fair Marketing of Petroleum Products Act, which is now before the Commerce Committee.

I strongly feel that we must move soon on this matter. Each day, I receive new reports of harassment of dealers in Idaho and elsewhere. To enact the "dealer day in court" legislation, providing for established procedures in lease termination, and access to judicial redress for the dealer, would be a great step toward protection of the most competitive sector of the petroleum industry.

Thank you for your consideration.

With best wishes,

Sincerely

FRANK CHURCH.

To provide for protection of franchised dealers in petroleum products. From conference report on S. 2589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not it owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner and a distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise, or who was so engaged at any time after the start of the base period.

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

SEC. 2. (a) (1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than ninety days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this Act together with a summary of the applicable provisions of this Act.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in all States.

(b) (1) If a refiner or distributor engages in conduct prohibited under subsection (a) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (a) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects of conduct prohibited under subsection (a) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, he paid by the defendant. In the case of actions for a failure to renew damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the issues which are embodied in the Genocide Convention affect and concern all Americans. I continue to receive expressions of this concern in my mail. Just yesterday I received a letter from Ms. Michele Mooney of Los Angeles, Calif. In her letter she implored:

> The ratification of the Genocide Convention by the Representatives of the United States, should, MUST, be underwritten by those who were elected to be the voice of all freedom-loving citizens.
>
> Please keep up the combat on behalf of love!

Over the years, I have received many such honest, forthright expressions of grassroot support for the Genocide Convention. Letters such as the one Ms. Mooney sent reinforce my strong conviction that the Senate must not renege on its moral obligation to ratify this treaty. In this spirit, I again urge my colleagues to act favorably on the Convention.

WAYNE MORSE—IN MEMORIAM

Mr. ABOUREZK. Mr. President, on July 22, 1974, death took away one of the most outspoken, incorruptible and brilliant Senators this Nation ever had. Wayne Morse was a man whose sense of outrage was activated by the irresponsibility, greed and corruption he encountered while serving the citizens of Oregon.

Wayne Morse was a blunt man. Wayne was Wayne Morse who once said that Morse was a man of utmost integrity. It every day that he walked onto the floor of the Senate, he acted as if it was his last day. Wayne Morse did not believe in image making, nor did he care if he offended political friends. He acted out his deep sense of what he called "constitutional liberalism." Wayne Morse did not cast his votes in the Senate while looking to the next election. He voted on principle.

While he often said that many of his colleagues agreed with him in the cloakroom and told him that he was right, they meekly admitted that "because of other reasons" they had to vote against him. Wayne Morse would smile at this behavior, not because it was so funny, but because it was sad.

Perhaps if Wayne Morse had been in the White House in 1968, the country would have had the kind of moral leadership it is so sorely lacking today. And if Wayne Morse had been in the White House in 1968, serving the public interest would have been the clarion call rather than the victim of Presidential action.

I join my colleagues in the Congress and my fellow citizens across the Nation in mourning the death of Senator Wayne Morse, a man who carried the banner of American constitutional democracy when it made both friend and foe alike terribly uncomfortable.

Mr. President, I ask unanimous consent to have two articles, one from the Washington Post and the other from the New York Times printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 23, 1974]

WAYNE MORSE DIES; A SENATOR 24 YEARS

(By Alden Whitman)

Former Senator Wayne Morse of Oregon, a strong early critic of the Vietnam war and a long-time Congressional liberal, died yesterday of kidney failure in Good Samaritan Hospital, Portland, Ore. He was 73 years old.

Mr. Morse had entered the hospital last Wednesday in the midst of an arduous campaign in which his chances to regain the Senate seat he lost in 1968 were considered good. He had won the Democratic nomination in a primary two months ago and was opposing Senator Robert W. Packwood, the Republican incumbent.

A Populist in the tradition of George W. Norris, Robert M. La Follette and William Jennings Bryan, Wayne Lyman Morse spoke up for many transiently unpopular causes. He opposed American military involvement in Vietnam; he fought for trade unionism and for civil rights.

As a champion of the common people, he was often raspy and blunt, but he regarded himself as a man who refused to compromise his principles or mute his voice. Many of his critics, though, saw him as an opportunist and a threat to the Establishment.

At various times in his 24 turbulent years in the Senate, Mr. Morse was a Republican, an independent and a Democrat. Neither party was wholly pleased with him, nor was he ever wholly compatible with a party label. He was impartially scornful of both Democratic and Republican Presidents, upbraiding them with his rich talent for invective.

He described an address to Congress by President Harry S. Truman as "one of the cheapest exhibitions of ham acting I have ever seen"; he denounced President Dwight D. Eisenhower as a "hypocrite"; he accused President Lyndon B. Johnson of being "drunk with power." Nor did Mr. Morse spare his fellow Senators, once calling one of his corpulent colleagues "a tub of rancid ignorance."

CRUSTY CRITICS OF WAR

Mr. Morse entered the Senate in 1945 as a liberal Republican and left it in 1968 as a liberal Democrat. His last term was notable for his crusty criticism of President Johnson and the Vietnam war, which started with a succinct "nay" that recorded his opposition to the Gulf of Tonkin resolution of Aug. 7, 1964. Only one other Senator, the late Ernest Gruening of Alaska, voted against the measure, which President Johnson used as a functional declaration of war in Southeast Asia. Mr. Morse's intransigent opposition to the war was a factor in his defeat in 1968.

From 1964 until he left office, he voted against every measure, including appropriations, that had the effect of keeping American troops in Vietnam. He also carried his campaign against the war through the country in speeches, and he supported Senator Eugene J. McCarthy when the Minnesota Democrat sought the Presidency on an antiwar platform in 1968.

Once aroused, Mr. Morse could be a fiery, though prolix, speaker. His long-windedness did not sting nearly so much as his epithets; but he considered his outspokenness a virtue.

"It is true that I use langauge that people can understand," he remarked a couple of years ago. "And if I think a course of action is outlawry, I say so.

"If I say that the United States is the greatest threat to world peace, I say so simply because it is true. If the truth is intemperate, then I will continue to be intemperate."

Mr. Morse was so often in the minority and so frequently cutting in his remarks that he was known as "The Lone Ranger" or "The Tiger of the Senate." These views of him were softened yesterday as Senator Mike Mansfield of Montana, the Democrat leader spoke of him as a "man of fierce independence" and Senator Mark O. Hatfield, Republican of Oregon, said that his "early prophecies and warnings about Vietnam were such that we all owe him a great debt."

Mr. Morse, who was a lean, trim man with a clipped mustache, sharp nose and bushy black eyebrows, was an extraordinarily hardworking Senator. He was accounted knowledgeable in labor and education matters, in conservation and in the farm problem. He was himself a breeder, raiser and trader of Devon cattle and a horseman who won many competitions.

Mr. Morse's Populism had its roots in Wisconsin, the home state of the LaFollettes, where he was born, a farmer's son, on Oct. 20, 1900. From his father, a livestock man, he learned a fear of debt and of hard times, when the cattle had to be fed on cornstalks and straw mixed with molasses. His father, Mr. Morse recalled, strongly counseled him on the evil of becoming beholden to others.

TAUGHT LAW AT COLUMBIA

The young man was educated at the University of Wisconsin and took law degrees from both the University of Minnesota and Columbia. He taught briefly at Columbia and the University of Oregon and then, in 1931, became dean of the Law School at Oregon. Because of his position he was often called upon to arbitrate labor disputes on the West Coast, establishing a reputation for settling controversies with dispatch and fairness.

His record commended him to President Franklin D. Roosevelt, who named him a public member of the War Labor Board in 1942. He left in something of a storm in 1944, asserting that the board was too considerate of John L. Lewis, then head of the United Mine Workers.

In that year he was elected to the Senate as a Republican, but no sooner had he taken his seat in 1945 than he was jousting with party conservatives. One of his betes-noires was Senator Robert A. Taft of Ohio, who was for Mr. Morse "a symbol of reaction and defeatism." Among other things, the Oregonian vociferously objected to the Taft-Hartley bill as hamstringing trade unions. He voted against the bill, which became law in 1943 over President Truman's veto. (For most of his political life Mr. Morse enjoyed strong labor support. It diminished in 1968, when Vietnam was a crucial issue.)

In the Republican jockeying in 1952, Mr. Morse swung to General Eisenhower in order to block Senator Taft's aspirations for the nomination. But he chilled toward the general when he designated Senator Richard M. Nixon of California as his running mate, and in the campaign he spoke for Adlai E. Stevenson, the Democratic candidate.

When the Senate convened in January, 1953, Mr. Morse announced that he had shucked the Republican party and was now an independent. With a pixie sense of humor he went into the Senate chamber with a folding chair and asked where he should sit. He was eventually assigned to the Republican side of the aisle, but was stripped of his committee posts.

Three years later, after having harried the Republicans over the Korean war settlement and cold-war brinkmanship, as well as over domestic matters, Mr. Morse became a Democrat and was handily reelected to the Senate in 1956. He still, however, thrived on adversaries, including Democrats who failed to measure up to his principles.

And he did not neglect Republicans, notably Clare Booth Luce, whose confirmation as Ambassador to Brazil he fought unsuccessfully in 1959. Mr. Morse pronounced her unfit, and she retorted that her "difficulties go back some years and began when [Mr.] Morse was kicked in the head by a horse." She was alluding to an episode in 1951 when a horse broke the Senator's jaw with a kick. Mr. Morse won his contest with Mrs. Luce, however, for she resigned the Brazil post without serving.

In the early nineteen-fifties, Mr. Morse was a strong supporter of civil rights legislation, and he continued to espouse liberal voting and other rights for blacks. He also supported increases in price-support payments to farmers and other agricultural legislation. Additionally, Federal support for education had his warm backing.

Mr. Morse irritated some of his fellow Senators by the length of his speeches. An hour for him was a mere warm-up—in one session his speeches covered 400 pagse of The Congressional Record. Once, in 1953, he talked for 22 hours and 26 minutes against an offshore bill that gave title to coastal states. At the time his remarks were described as the longest continuous oration in the Senate's history.

His defeat by Mr. Packwood in 1968 was close, the margin being a little more than 3,000 votes. Mr. Morse essayed a comeback in 1971, but Mr. Hatfield was an easy winner. This year, despite his age, he was said to have had a good chance of returning to the Senate for his last hurrah.

Mr. Morse was campaigning until last Wednesday, when he was stricken with an infection of the urinary tract. He had responded to antibiotic therapy until Sunday, when his condition worsened and he slipped into a coma.

Surviving are his widow, the former Mildred Downie; three daughters, Nancy Campbell, Judith Eaton and Amy Bilich; two brothers, a sister and six grandchildren.

[From The Washington Post, July 23, 1974]

FORMER SENATOR WAYNE MORSE DIES IN PORTLAND HOSPITAL AT 73

(By David S. Broder)

Former Sen. Wayne L. Morse of Oregon, a maverick who switched parties twice and fought with five Presidents, died yesterday in a Portland hospital at the age of 73.

Morse, whose characteristic independence of judgment made him one of only two senators to oppose the 1964 Gulf of Tonkin resolution that launched America into the Vietnam war, succumbed to kidney and heart failure following a urinary tract infection that hospitalized him last Wednesday.

Until then, he had been campaigning for another term in the Senate against Sen. Bob Packwood (R-Ore.), who defeated Morse in 1968 after a 24-year tenure as a Republican, independent and Democratic senator.

A new senatorial candidate is to be chosen by the Democratic state central committee.

Morse is survived by his widow, Mildred, three daughters—Nancy Campbell, Judith Mary Eaton and Amy Ann Bilich—six grandchildren, two brothers and a sister. Funeral arrangements are pending.

In his 30 years in public life, Morse, whose intellectual brilliance was acknowledged by even his most bitter critics, at various times served, supported and scorned every President of both parties from Franklin D. Roosevelt through Lyndon B. Johnson.

His feuds were proverbial, and over the years came to include almost every colleague in the Oregon congressional delegation and many of the newsmen who covered him.

Yet among those same legislators and journalists, he was respected as a gifted lawmaker, with a genuine mastery of the fields for foreign policy, education and labor legislation he made his own.

At the same time that President Johnson was in almost daily verbal combat with Morse over the Vietnam war, he chose the Oregonian to floor-manage his landmark aid-to-education bill, and when it was passed, Johnson said, "No one else could have done it."

Long before it became fashionable for other politicians, Morse espoused the view that he would not bend his personal philosophy to the needs of party regularity. He bolted the Republican party in 1952 in disgust with the Eisenhower-Nixon campaign, served for two years as an independent, then joined the Democrats, only to fight John F. Kennedy for the nomination of his new party, and to take the early lead against the Vietnam policies of President Johnson.

Describing his own philosophy as one of "constitutional liberalism," Morse said in a 1953 article that he believed his course of personal independence was "the best way I can challenge the political expediency of both parties."

It was his fiercely cultivated and bristling independence—as well as his prescience on Vietnam—that senators noted in their eulogies yesterday.

Sen. Mark O. Hatfield (R–Ore.), a man Morse jumped party lines to endorse in 1966 and against whom he ran in 1972, called Morse "a politician from a unique mold and an enigma to many people. When convinced of a position on an issue, he was not swayed . . ."

Sen. Packwood said, "Wayne Morse was a man of integrity and courage. He was never afraid to fight for his convictions." Senate Majority Leader Mike Mansfield (D–Mont.) called him "a man of fierce independence."

Wayne Lyman Morse was born on a farm outside Madison, Wis., on October 20, 1900, and as a boy came under the spell of the great Wisconsin independents, the LaFollettes. He attended the University of Wisconsin, studied law at the University of Minnesota and Columbia University, and moved west in 1929 to join the University of Oregon law school faculty. Less than two years later, at 30, he became the youngest law school dean in the nation.

His debut in national life came in 1941, when Roosevelt chose Morse, already a skilled labor arbitrator, as chairman of an emergency board created to head off a nationwide railroad strike.

A marathon 38-hour final bargaining session after six weeks of hearings produced a compromise settlement on Dec. 6, 1941—the eve of Pearl Harbor.

Roosevelt then named him a public member of the War Labor Board, where he served for two years until he resigned with a characteristically sharp attack on Roosevelt and Secretary of Interior Harold L. Ickes over the settlement of a coal dispute. A letter to Ickes, complaining about him and Under Secretary Abe Fortas, showed even then Morse's mastery, of the acerbic style for which he became famous:

"Dear Mr. Secretary. Thank you very much for your letter of June 11, 1943. It is in keeping with and supports my low esteem of you. The attempt of you and Mr. Fortas to try to convict me, without justification, of deceiving the President in order to divert attention from your gross mishandling of the coal case should be beneath you as a Cabinet officer . . . I deeply resented the 'off-the-record' statements which you made at your press conference at the time you announced your scuttling truce with [John L.] Lewis . . ."

"I am perfectly aware of the fact that for one in my subordinate position to express his complete lack of respect for and confidence in men in such high positions as you and Mr. Fortas is not in accordance with government protocol, but I could not have done less and kept faith with my self-respect," Morse concluded.

In 1944, he was back in Oregon to win his first term in the Senate, as a Republican. He came back to Washington from the campaign by car, towing his two champion saddle horses, the forerunners of a string of horses and cattle he kept at his farms in Maryland and Oregon.

In his first term, he conducted a 10-hour filibuster on behalf of President Truman's veto of the Taft-Hartley labor act—a record he more than doubled in another speech in 1953 lasting 22 hours and 26 minutes.

But despite his support of the Democratic President on that highly partisan issue, Morse was no ally of Truman's. He accused Truman of "showboating" on another labor issue and denounced him from the platform in 1946 as the "head of one of the most corrupt political machines in this country."

But after his re-election in 1950, Morse joined seven other Senate Republicans in decrying Sen. Joseph R. McCarthy's tactics in investigating alleged Communists in the Truman administration, and became a major Republican advocate of Truman's civil rights program.

In 1951 Morse suffered a broken jaw when kicked by a horse he was showing at a Virginia fair. Years later, the incident was revived in the course of a memorable fight he had with Clare Booth Luce.

Morse led a Senate battle against her confirmation as ambassador to Brazil in 1959, and when she prevailed, by lopsided 79–to-11 margin, the playwright could not refrain from saying that her difficulties all occurred because "some years back . . . Wayne Morse was kicked in the head by a horse."

Morse indignantly returned to the Senate floor to denounce "this slanderer," and three days later Mrs. Luce withdrew from the post.

Morse's transformation from maverick Republican to maverick Democrat began in 1951, when he announced early for Dwight D. Eisenhower, but warned that "if my political party offers me a President and a platform in 1952 of only isolationist candidates, I will take a long walk . . . I have no intention of placing party above country."

Eisenhower was, of course, nominated, but on Oct. 18, 1952, Morse announced he would vote for Adlai Stevenson, because "never have I been so completely disillusioned about any man as I am about Eisenhower."

A week later, he resigned from the Republican Party, and when he returned to the Senate in January, 1953, he brought along a folding chair, saying, "Since I haven't been given any seat in the new Senate, I decided to bring my own."

The Republicans quickly stripped Morse of his seniority on the Armed Services and Labor committees and he was made a junior member of Public Works and the District of Columbia committees.

His independence, vigor and combativeness quickly made Morse a leading figure in District affairs, and he emerged as one of the strongest congressional advocates of home rule for the nation's capital.

He applied his strong concern for civil rights and civil liberties to Washington's problems, vowing to do his utmost to eliminate racial segregation and deliver self-government to the people of the city.

Only days after his reelection in 1956, Sen. Morse—by then one of the hardest-working of Washington's "city councilman" in the Senate—announced that he wanted to stay on the District Committee because it provided him a special opportunity for public service.

Even in his later years in the Senate, when he became absorbed in the Vietnam war opposition, he continued to devote long hours to hearings and speeches on District legislation.

As chairman of the Senate District subcommittee on health, education and welfare matters, the senator constantly—and often bluntly—reminded colleagues on both sides of the Capitol of his firm belief that the bulk of Washington's problems were traceable to the absence of self-government.

But Morse's battle on behalf of home rule for Washington did not keep him from criticizing the leadership at the District Building when he felt improvements could be effected there.

In the field of education, he pressed for many improvements in the public school system and was the Senate sponsor of legislation establishing Federal City College and the Washington Technical Institute.

In 1954, Morse campaigned hard for the election of Richard L. Neuberger (another man with whom he was later to carry on a personal feud) as Oregon's first Democratic senator of modern times.

He joined the Democratic Party himself in 1955 and for the next decade was the center of a series of battles over environmental, natural resources, education and labor issues, including the tideland oil fight, the Hells Canyon Dam case, the Landrum-Griffin labor reform bill and a series of struggles over federal aid to education.

In 1956, he won what was perhaps his sweetest personal victory when he ran for re-election as a Democrat and trounced Eisenhower's Secretary of Interior, Douglas McKay, who had returned to Oregon in an effort to purge the renegade Morse.

But four years later, in 1960, Oregon Democrats rejected Morse in favor of John F. Kennedy in their presidential primary.

In 1964, Morse cast the vote of which he said he was most proud when he joined the late Ernest Gruening of Alaska as the only opponents of the Gulf of Tonkin resolution, the measure that President Johnson took as congressional sanction for American intervention in Vietnam.

For the next eight years, in office and out, Morse traveled the country, tirelessly arguing against the war.

In his 1962 biography of Morse, called "The Tiger in the Senate," Portland Oregonian correspondent A. Robert Smith (who himself was periodically barred by an irate Morse from entering the senator's office) recalled that Morse had once told a Detroit reporter, "I sometimes wonder if I'm going at this a little too hard."

"But then," the senator continued, "I think of all the men and women who wish there were just one politician in Washington who would speak his mind and cast his vote honestly and freely with only his conscience to guide him."

"Maybe it's a bit brash to assume that I'm that man," Morse said, "but believe me, I'm trying to be."

(Note.—This obituary was prepared with the research assistance of Elisabeth Donovan and Robert L. Asher.)

NUCLEAR EXPERTS ADMIT FIASCO IN ILLINOIS

Mr. GRAVEL. Mr. President, an astonishing story appears in the July 15 issue of Weekly Energy Report, a trade journal edited by Llewellyn King in Washington, D.C. The story says that General Electric has admitted that its nuclear fuel reprocessing plant in Morris, Ill., is "inoperable."

According to the story, GE's brand-new, $65 million plant "may have to be abandoned entirely." The trouble with the plant is apparently so fundamental that GE says the only solution would be "a new process flowsheet and new plant configuration." New configuration may be impossible because massive concrete walls, which have been built, are required to shield workers from high levels of radioactivity in the plant.

The failure at Morris is another warning to Congress that nuclear engineers and architects can make major mistakes of almost incredible size. This community of experts, nevertheless, is constantly trying to assure the public that nuclear power catastrophes will never happen because not only have they imagined all the possible problems which could cause major accidents, but they have also solved those problems for us.

That foolish claim is the basic argument of all nuclear power advocates—and it is basically dangerous for this country. The fiasco at Morris is an important reminder that nuclear experts do not imagine and solve all their problems in advance. For all anyone knows, America's next reminder may be a nuclear power disaster.

Mr. President, I ask unanimous consent that the article entitled "GE Fuel Recovery Plant 'Inoperable,'" from the Weekly Energy Report of July 15, 1974, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Weekly Energy Report, July 15, 1974]

GE Fuel Recovery Plant "Inoperable"

(By Llewellyn King)

The General Electric Company's Midwest Fuel Recovery Plant (MFRP) at Morris, Illinois is a fiasco. The 300-ton, $65 million installation, does not work and probably never will. That, in essence, is what an embarrassed GE told the Atomic Energy Commission last week, although the company couched its report in rather obscure language.

The immediate result is one of upset and, in some cases, consternation to utilities that were expecting to ship spent fuel to the plant. It is not yet clear what will be the full impact on the utility industry or what General Electric's final determination of what to do about the plant will be. Industry speculation is that it may have to be abandoned entirely. All that General Electric will say is that it is "inoperable" in its present configuration. Reports of trouble with the plant have been circulating for some time. Then, early this month, GE wrote to its utility customers telling them not to count on the availability of the plant. Last Monday GE met with the Regulatory Division of the AEC and on Tuesday it told the full story to the commissioners. In a statement GE said: "The Nuclear Energy Division of General Electric Company submitted a report to the Atomic Energy Commission this week describing the difficulties encountered by its Midwest Fuel Recovery Plant . . . The report detailed the plant's process difficulties assessed during a four-month study by a team of technical experts; difficulties such as materials handling technologies incorporated in the plant's process flow sheet that were not adaptable to remote operating and maintenance requirements. 'The only technically feasible solution to this problem seems to be the development of a new process flow sheet and new plant configuration,' the report states. General Electric management is assessing the implications of the MFRP Report on its plans for the fuel processing business. Meetings with customers are being planned to review spent fuel storage and other possible problems arising out of the inability of the MFRP to commence operation in 1974 as previously planned."

The GE plant is one of three commercial plants for spent fuel recovery in the United States, none of which is operational at present. Nuclear Fuel Services has a 300-ton plant at West Valley, New York and a 1500-ton plant is planned by Allied Gulf Chemical Corporation at Barnwell, S.C. The NFS plant, after a long period of successful operation, has been shut down while additions are made and it is not expected to come back on line until early 1979. The Barnwell plant is not due to go into operation until 1977 and that may be delayed. The only other reprocessing capacity in the country is owned by the Atomic Energy Commission and was installed as part of the weapons program for separating out plutonium.

Nuclear fuel recovery takes place after the core of a nuclear power reactor has been burned up, is clogged with fission products, and loses its fissionability. However, in the course of initial burnup only a small part of the fissionable uranium in the core is spent and by means of chemical separation, this is recovered along with plutonium. At this point high level radioactivity wastes are captured and sparated for disposal. The conventional system for fuel recovery is the use of the purex method developed by the AEC. The GE plant employs an advanced technique known as Aquafluor and it is with this process that the company has run into trouble, although fuel reprocessing is recognized to be one of the most difficult aspects of the nuclear fuel cycle. GE's reference to a "new configuration" has been received skeptically in the industry because of the nature of the reprocessing plant which employs massive protective concrete walls. Present in the reprocessing cycle are massive quantities of high level radiation and for successful operation a fuel reprocessing plant needs to run continuously and requires remote maintenance. The process does not lend itself to frequent start-ups and shut-downs.

While it is hard to access the impact of the GE problems, it has immediately highlighted fuel reprocessing as one of the weakest links in the fuel cycle. Two specific problems result immediately for utilities that were planning to use the GE facility: first, there will be a considerable storage problem for utilities whose storage pools are already full or filling up; second, it will change the economics of nuclear power by delaying plutonium recycle and removing quantities of uranium from inventory. Nonetheless, it is not sufficiently severe a perturbation in cost to affect the overall economics of generating electricity from nuclear power. By the end of last week, the AEC was beginning to look at the possibility of providing storage facilities for spent fuel that might accumulate at utility plants as a result of the problems at Morris, Illinois.

STOP THIS CRONY POLITICS

Mr. MONDALE. Mr. President, several days ago Mr. Morris Nooner was appointed Director of the Veterans' Administration Office at Fort Snelling, Minn. His appointment met with immediate and strong opposition from members of the Minnesota congressional delegation.

In a letter to the President, I protested Mr. Nooner's appointment on several grounds. Mr. Nooner is, in my opinion, unqualified to assume the supervisory authority over VA field work. He has no experience in pensions, insurance, home loans, and other important VA programs. In addition, Mr. Johnson, who appointed Mr. Nooner, is leaving the VA under intense public and congressional pressure. On the eve of his departure under these circumstances, it is totally inappropriate for Mr. Johnson to appoint Mr. Nooner to this critically important post.

On Sunday, the Minneapolis Tribune editorially called for the withdrawal of the Nooner appointment. Yesterday, the Minneapolis Star editorially criticized this unfortunate appointment.

I ask unanimous consent that the editorial from the Minneapolis Star of July 22, 1974, entitled "Stop this Crony Politics" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Stop This Crony Politics

Minnesota's four Republican congressmen plus Democratic Reps. Joe Karte and Don Fraser and Sen. Walter Mondale all agree in the most positive terms that the appointment of Morris Nooner, Jr., as the $33,899-a-year director of the Fort Snelling VA Center is the rankest kind of crony politics.

We find that pretty persuasive. We hope that President Nixon, to whom the four Republicans appealed in a joint letter will agree.

The discredited, lame duck VA administrator, Donald Johnson, tried to justify Nooner's appointment on the grounds that Nooner is a deserving "career employee." That is simply not so.

Nooner has neither regional office nor insurance experience, and the Fort Snelling facility, among other duties, runs the VA insurance program for the Western half of the country. Nooner is an old buddy of Johnson, a former American Legion national commander. Apart from a shared interest in Legion politics, Nooner's background was in Illinois school administration. He joined Johnson only in 1971 as an assistant. In 1972 Johnson, now hanging on only until a successor is named, created a new education division to be headed by Nooner. When the Civil Service Commission branded Nooner unqualified, Johnson used a loophole to squeeze him in by naming him acting head of the unit, thereby "qualifying" Nooner through experience.

Johnson ignored the customary courtesy of consulting with the Minnesota congressmen, but more important, his ploy is part of an attempt to take care of several friends by shifting them to secure jobs before a new national VA administrator takes over. This is unfair not only to veterans and the staff at Fort Snelling, but to Nixon. We agree with Rep. John Zwach, a Veterans Affairs Committee member, that a "top quality" director is essential at Fort Snelling. Johnson was accused of maladministration; why let him foist an unqualified administrator on an important facility now that he's on the way out?

PRODUCTION OF OPIUM IN TURKEY

Mr. NELSON. Mr. President, recently the Government of Turkey decided to resume the production of opium. This action has caused much concern in this country, resulting in passage by the Senate of the Turkish opium amendment to the Comprehensive Drug Prevention Act. I ask unanimous consent that Stephen Rosenfeld's article on this matter, appearing in the Washignton Post on July 19, 1974, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Turkey: The Opium Issue

(By Stephen S. Rosenfeld)

The United States' dispute with Turkey over its lifting of its opium poppy ban dramatizes the hard but necessary question of whether a tie cultivated on the basis of "national security" serves the real interests of the United States.

For it is plain that, in trying to persuade the Turks not to grow opium—much of which has ended up in the veins of American heroin addicts—American diplomats have been severely inhibited by their predisposition to maintain the strategic tie regardless of the strains put on it by Turkey's poppy policy.

But what is the value of that strategic tie? Is it great enough to justify the misery and human degradation which its maintenance may entail? And how is any citizen to decide?

To diplomats, of course, grand strategy is what diplomacy is all about; fighting drugs is important but secondary. Turkey's part in the American strategic competition with the Soviet Union has been accepted as an article of faith. (Note how quickly the phrase "NATO's flank" has come into use in the current Cyprus crisis.) To diplomats, the foreign play's the thing. They tend to think that politicians who worry about drugs have a point but must overplay their concern for political purposes and in any event do not understand the real world.

Politicians, on the other hand, especially if they are in close touch with the drug problem, find it hard to imagine how any strategic consideration short of Armageddon could be more important. They tend to regard diplomats as single-minded, narrow and unfeeling in their definition of "national security." They do not share the premises of the cold war or the "mind set" of putting strategic factors first.

So it was that in urging an aid cutoff the other day, Sen. Walter F. Mondale (D-Minn.) declared: "We are certain to hear the same tired national security arguments about how we cannot do anything to jeopardize our strategic position in Turkey, about the importance of our military bases and intelligence facilities there. I think it is time to reconsider both the strategic value of those installations and, even more importantly, the priority we give abstract concerns about strategic position over the concrete and in this case brutal costs to be borne by the American public in the name of national security."

Added Rep. Charles B. Rangel (D.-N.Y.): "It should be recognized that under the existing treaty with Turkey, we cannot use our bases except when Turkey is at war with the Soviet Union. During the recent Arab-Israel war, we were not able to use our bases to refuel our reconnaissance aircraft. Obviously, these bases contributed nothing to our strategic deterrence. Their real value is to deter local agression against Turkey."

"What about our intelligence facilities there?" asked Mondale. "Well, it is very easy to raise the specter of indispensable secret intelligence assets. But I believe that those who are truly knowledgeable in this area will support my contention that advances in satellite reconnaissance and other facilities are fully adequate to take care of our priority concerns without the use of those in Turkey."

In his reply, Turkey's foreign minister chose not to try to rebut any of the Mondale-Rangel arguments. He merely asserted that American military aid serves the "joint defense needs" of Turkey and the U.S. "We in Turkey see American friendship as linked not to the opium poppy but to more serious causes, among which lie great ideals and strategic factors," he said.

To be sure, crises like the one in Cyprus tend to reinforce the standard diplomatic view that what counts in the world is the game of nations on the global chessboard. To the extent that the United States' purpose is to use its influence to urge restraint, good political relations with Turkey—relations unencumbered by a dispute over opium popplies—are obviously to be preferred.

But if the United States is prepared to see Cyprus unite with Greece and thereby become available to the Pentagon as a base, then good political relations with Turkey become less essential. This is admittedly, a cynical argument though it is at least debatable whether it is any more cynical than arguments used by those who discount the opium factor.

My own view is that there is no call for anyone troubled by the drug issue to be intimidated by the strategic issue. The cold-war conditions which made it seem important to Americans to knit Turkey into an anti-Soviet chain have changed. Mondale is on the mark in suggesting that American citizens have a right to expect specific benefits from their government's foreign policy.

The Turks, who are traditionally anti-Russian, are not such namby-pambies that they cannot make an intelligent choice of what side their bread is buttered on. Whether an aid cutoff would achieve the goal its congressional sponsors insist it would may well be debatable, given the peculiar dynamics of Turkish politics. But there is no reason to be in thrall to the totems of "national security."

RETIREMENT OF BRIG. GEN. GERALD G. FALLS, JR.

Mr. McGEE. Mr. President, at the end of this month, a most distinguished military career will come to a close.

Brig. Gen. Gerald G. Fall, Jr., Commander of the USAF 4th Air Division, will end 32 years of service to his country. General Fall will retire at Francis E. Warren AFB, located at Cheyenne, Wyo. He has expressed to me several times his love of Cheyenne and Wyoming, and I can assure the general that Wyoming returns his esteem.

General Fall chose Warren as his base of operations, over all the other air bases in the Rocky Mountain States that came under his command. We are honored by that choice, although we know why. Wyoming in general is a fine place in which to live, and Francis E. Warren AFB is one of the best in the Nation. The personnel at Warren have taken a close interest in the affairs of Cheyenne since the 1800's, when Warren was then known as Fort D. A. Russell, one of the Cavalry posts in the old West.

Missiles are the steeds the Air Force commands there now, and General Fall was intimately acquainted with the defense of our Nation through strategic air power. But his concerns also included the men and women of the Air Force he commanded. And his concern did not stop at the base gate. He has been most active in Cheyenne's civic matters, opening the base to visits by residents and tourists alike, all eager to savor a most historic place.

General Fall also earned the undying respect of the Wyoming Civil Air Patrol, when he located a fine building for them on the base, rather than their continuing to meet in the Naval Reserve building in Cheyenne. He was most adamant on that point and has continued to strongly support CAP and other civic organizations.

In short, Mr. President, Wyoming will always honor Gerald Fall as an adopted son, and we wish him well in his retirement. I share his hope, as he expressed to me in a recent letter, that his services will continue to help his country.

THE REPRESSION OF DEMOCRATIC RIGHTS IN SOUTH KOREA

Mr. METZENBAUM. Mr. President. I wish today to call the attention of this body to the outrageous situation in South Korea, a nation which has received over $12 billion in American economic and military aid since World War II and for whose freedom and independence 54,246 of our men died and 103,284 were wounded.

Despite this extraordinary commitment of American blood and treasure, South Korea has failed to assure its own people of the democratic rights which our country fought to defend.

In fact, South Korea has become an efficient police state, complete with a domestic and international surveillance apparatus, the Korean Central Intelligence Agency, whose methods smack of the infamous Soviet K.G.B.

At this moment, four leading critics of President Park Chung Hee and his regime are on trial in Seoul on clearly trumped-up charges of subversion. By no stretch of the imagination can these men be described as Communists or as Communist sympathizers. One is Yun Po Sun, 77-year-old former President of South Korea; another is Kim Dong Gil, professor of American history and an authority on Abraham Lincoln. The remaining two are Presbyterian ministers, Rev. Park Hyong Kyn and Rev. Kim Chan Kook, both educated in this country at the Union Theological Seminary.

These four men stand accused of the heinous crime of criticizing the constitution, a document which President Park revised in 1972 in order to increase his own power and to permit him to succeed himself in office indefinitely. The defendants have spoken openly against Park's growing authoritarianism and admit that they encouraged university students to demonstrate nonviolently against the regime in April of this year. Fourteen persons have already been sentenced to death in connection with these demonstrations, including Kim Chi Ha, the country's best young poet, whose sentence has recently been commuted to life imprisonment. Fifteen other people received life sentences, twenty drew 20 years, six received 15 years, and 30 more were sentenced to 5 to 15 years. Two hundred persons are yet to be tried, among them Roman Catholic Bishop Daniel Chi, whose offense is that he gave $2,500 to Kim Chi Ha, the poet, some of which found its way to the anti-Park student organizations.

In addition to all of this, the regime has moved against Kim Dae Jung, the man who ran against President Park in the 1971 Korean presidential elections. Kim Dae Jung was kidnapped from his hotel in Tokyo by South Korean agents last year and forcibly returned to the country. He is now charged with election law violations. Presumably, running against Park is considered a violation in and of itself.

Mr. President, I submit that it is our right and our duty as a free nation to condemn these sweeping violations of democratic liberties and human rights on the part of a country with which we are so closely identified. For too long, we have looked the other way while dictators, be they in Greece, Vietnam, Korea, or Latin America, trample on everything we hold dear. I say that it is time for us to stand up for decency, both at home and abroad. We have had enough of cynicsm, of naked power, of contempt for people and their rights.

In pursuit of this objective, I call upon the Secretary of State to communicate our extreme displeasure at these scandalous events to the South Korean authorities in the strongest terms.

Furthermore, I call upon my colleagues in the Congress to support initiatives by Senator ABOUREZK and Representative FRASER to tie foreign aid to the end of repressive practices in countries which receive our assistance. In the Korean case, I would support a drastic and immediate cut in American military aid from the current level of $177 million to half that amount. This aid could be restored only when the President notified Congress that he has received assurances from the South Korean Government to the effect that these flagrant violations of human rights have ceased and that political prisoners have been freed.

Mr. President, we have a long-standing interest in Korea and there are many warm ties between our two peoples. I have the greatest respect and admiration for those Koreans who have so bravely born witness to the ideals of democracy in the face of brutal repression. Their fight is our fight and if we do not support them, we shall ultimately place our own freedoms in jeopardy.

THE CITADEL COMMENCEMENT DAY ADDRESS

Mr. HOLLINGS. Mr. President, commencement time each year brings with it hundreds, even thousands, of speeches and exhortations. Only precious few of these break new ground, and fewer still do so with eloquence. One of the truly outstanding speeches of this commencement season was delivered on May 18 at the Citadel in Charleston, S.C.

The speaker was Dr. Prystowsky, provost of the Hershey Medical Center and dean of the College of Medicine at Pennsylvania State University. Dr. Prystowsky, a native of Charleston, returned to his home city to accept the honorary degree of doctor of science from the Citadel. From the days of his study at the Citadel and at the Medical College of South Carolina, Harry Prystowsky has had a distinguished career already, fully justifying his 1960 selection as one of America's 10 outstanding young men by the U.S. Junior Chamber of Commerce.

In his commencement day address, Dr. Prystowsky addresses himself to the role of the university in scholarship, research, and creative understanding. He warns that we will all be the losers if the research functions of scholarly life are subordinated to the mechanics and techniques of teaching. While the best classroom presentation is both neecessary and admirable, overemphasis on presentation at the expense of what is being taught will bring us to that point where we have the finest in teaching methods—but nothing to teach.

The university has as its guiding precepts the accumulation and transmission of knowledge. Each of these missions is absolutely vital. When one is subordinated, both will eventually suffer. While recent years have seen renewed stress upon the transmission of knowledge, the pendulum shows sign of perhaps swinging too far, and the corrective is to recall the vital function of knowledge research. This is the focus of Dr. Prystowsky's address. As he says:

> Scholarly activity, in general, and the creation of new knowledge, in particular, are strongly entrenched in the University tradition—not to the exclusion of skilled teaching, but an essential precondition for it.

The speech goes on to make several other salient observations on university research, its relationship to government sponsorship, and its direct impact upon the well-being of each and every one of the world's citizens. Anyone desiring to keep abreast of the most forward-looking university thinking ought to be conversant with the themes developed in this very fine address.

For that reason, Mr. President, I ask unanimous consent that Dr. Harry Prystowsky's Citadel Commencement Day speech be printed in its entirety in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

GRADUATION ADDRESS, THE CITADEL, MAY 18, 1974

President Duckett, Governor West, Senator Hollings, members of the Board of Visitors, distinguished guests, graduates, ladies and gentlemen.

I. INTRODUCTION

By way of introduction, I ask your permission to allow me a footnote or two.

First, permit me to congratulate you, the graduation class, your friends and your families. This day stands out as a marker of your accomplishing an important objective.

Second, President Duckett, to be asked to participate in this academic ceremony is a great honor for me. I shall never forget your kindness.

II. THE SOCIAL VALUE AND ROLE OF SCHOLARLY ACTIVITY

I express deep concern for what appears to be a growing erosion of understanding about and support for the University's fundamental role in scholarship, research, and creative activity. As a result of many factors within and without the University, measurable aspects of the teaching function are being emphasized to the extent that scholarly activity appears to be jeopardized. Increasingly, the emphases are on who and how many are being taught and how they are being taught. Far too little attention is being given to the substance of what is being taught and to the expansion and enrichment of the knowledge and skills which might be taught.

At the national level this trend is illustrated by the Carnegie Commission reports on higher education between 1968 and 1972. For example, the digest and index of these reports are contained in 191 pages. Most of these pages are devoted to the structure, personnel, clientele, and financing of higher education. One half of one page is devoted to the topic of research. And yet, none of the other attributes of higher education are important if the substance of the endeavor, i.e. man's knowledge and creative forward movement, stagnates or ceases to grow.

At the state level many legislatures have directed much attention to faculty teaching loads and have given little recognition to the fundamental relationships between effective teaching and scholarly and creative activity.

At both national and state levels the economic squeeze produced by inflation and by attenuation of financial support has begun to produce serious restriction of the scholarly functions and to alter the atmosphere of universities.

Why has and should American society continue to permit and support scholarly activity? It seems to me to be a fundamental characteristic of human nature that people are curious to explore their world and seek variability and creativity in their experience. Since learning and creating are characteristic of all human existence, a society which does not cultivate these qualities in its people violates their very nature and restricts their potential. Moreover, such a society restricts its adaptability. I stress the point that the cultivation of individual creativity increases society's adaptability.

We all believe that a fundamental goal of American society is to help each individual realize the fullest and most satisfying personal development. This accomplishment requires a social and environmental context which promotes the highest possible quality of individual and group living. This general goal finds its expression in many more specific objectives. For example, how can we insure that every baby is born healthy, free from vulnerability, and free to achieve her or his potential? How can we increase our essential food supplies and the effectiveness and equality of their distribution? How can we insure significant and creative living opportunities for elderly citizens? How can we develop organizations to accomplish a variety of social and economic purposes in a way that protects the integrity of the individual? How can we shape and control our natural environment to increase the health and well being of society and the individual?

I observe that the specific objectives of dominating concern in a society vary from generation to generation. In the recent past such concerns have included economic depression, inflation, war, civil rights, environmental pollution, crime, health care, civil disorder, and corruption in government. Frequently, issues assume crisis proportions before significant efforts are mounted to do something about them. Then, the urgency of the situation requires action and solutions using whatever knowledge and technology are available at the time. If necessary knowledge and technology are not available, I maintain that effective action and solutions are not possible.

It has been a basic assumption of American Society that the more man knows about himself and his world, the more flexibly and successfully he can work toward the kinds of personal and social objectives mentioned above; in addition, the more effectively he can cope with personal and social crises of living which arise from time to time—some of which indeed may threaten his very survival. The future improvement and well-being of individuals and society as a whole have been assumed to rest on the cornerstone of the educational level of the citizenry. Formal education is considered a key avenue to knowledge and skill acquisition, and, therefore, to effectively coping with life. Toward this end the opportunity for education has increasingly come to be accepted as a constitutional right of each citizen; it has been legally mandated as a requirement for all children and adolescents up to certain ages. We have tried to ensure a minimum level of knowledge and competence for everyone in this country. Equal social and economic opportunity has been seen, in part, as a product of equal education and educational opportunity.

It has been assumed that increased knowledge would lead to more effective personal and social action. While this assumption can still be presumed to be correct, history tells us that we must distinguished between knowledge and hypothesis and between well established facts and incomplete observations. Partial and/or inaccurate knowledge frequently leads to erroneous action which can have undesired, damaging, or even disastrous consequences. Human history is replete with illustrations of the phenomenon.

A corollary to my first assumption has been emerging which has obtained considerable social acceptance and validation. The corollary is that, while at any moment of time we must act upon what we know, you and I must recognize there is much that we do not yet know and that some of our knowledge is partial or inaccurate. Appreciating this fact, we must cultivate processes, methods, and skills in individuals and society which will continually increase what we know, expand our creativity, and reduce our inaccuracies of knowledge and action.

Stated in other words, if knowing is a key means to the basic social objective of the fullest and most creative personal, social, and environmental development, and if partial or inaccurate knowledge frequently leads to erroneous actions which inhibit or prevent making progress toward that fundamental objective, then it follows that you and I must continually strive to increase the accurateness and completeness of what we know, and the richness of our creativity. This is absolutely essential if we are to achieve one of our most fundamental social values.

I cite illustrations of the expression of this principle in American society to emphasize the growing social acceptance of its validity, and the extent to which scholarly, creative, and research activities have permeated society in America.

How can one continually increase what he/she knows? One fundamental means is by frequent interchange of information with other people and the environment. The tools of literacy are the first keys to this: the ability to read (and to judge the logic and sensibility of what one reads); the ability to write and to speak clearly (and to judge the logic and sensibility of what one hears others say); the ability to use quantification as an important means of organizing and making judgments about some types of information; the ability to observe accurately what is going on and to recognize the distinctions between observations and the inferences and judgments one draws from them. There is and must continue to be a longstanding and widespread public support for the view that reading, writing, and arithmetic are the cornerstones of education.

A second illustration might be thought of as both a product of and a stimulus to the industrial revolution. The research and development efforts of American industry have grown enormously during the present century. The industrial revolution has been fueled, in part, by major advances in knowledge and technology. It became increasingly apparent to industrial leaders that to be equal to or ahead of their competitors, they could not simply keep marketing the same old products manufactured in the same way year after year. They needed to improve old products and to develop new ones. As the validity of this principle was increasingly demonstrated in industry, their leaders began devoting a significant percentage of funds to research and development of new or improved products. Stated in other words, there was appreciation for the need to expand knowledge and technology.

Since the 1930's, the American government has been increasingly utilizing the research and development function to help it deal with policymaking problems and to help government contracts with outside sources for this function. Sometimes "in house" efforts have developed, such as in the National Institutes of Health.

Some public, nonprofit groups have adopted also research and development as a primary thrust. Perhaps one of the most dramatic examples in recent decades is The March of Dimes which sought funds to eradicate poliomyelitis. Partly as a result of research funded by this effort, the capability of preventing polio was developed. There were only five new cases in the entire United States in 1973. Few youngsters and young adults now know what an "iron lung" is.

Finally, men and women from all walks of life have for centuries been exploring new ideas in books or manuscripts, creating new art forms, and capturing human experience in differing musical forms. Most communities in this country have public libraries available in permanent or mobile form, and many have evolved their own symphonies, choruses, art galleries, and theatrical groups.

These illustrations make it clear that there have been increasing validation and social acceptance of the need for knowing as a process, i.e., for continuing efforts to elaborate our creativity, what we know and how we use it. The value of the research and development function is now widely accepted. There are some limitations, however, in many of the ways in which these functions are presently implemented in our society.

When research and development are carried out as a corporate or governmental enterprise, its primary purpose is to serve the economic interests of the company, or the programs of a government agency. As a result, the problems or issues which can be addressed and pursued are limited by cost-benefit or political necessity. This approach means that the primary focus is usually on specific, practical, immediately pressing problems (such as how to improve the gas mileage of an engine or how to fuel a ship with an atomic reactor). Corporate or government executives, legislators, and the general public are concerned about their problems and objectives of today. They want solutions to them today or yesterday at the latest. They are willing to fund research and development activities which they think will produce the result. To be sure, such research has considerable social utility.

The sort of thinking is well and good, but the ability to solve such practical pressing problems when they arise rests upon a much broader general base of knowledge painstakingly accumulated over a period of decades or even centuries. For example, this country succeeded magnificently in its space exploration program in less than a decade. Such was possible only because there already existed a huge fund of knowledge of astronomy, of our solar system and the physical principles which control it, of engineering principles which govern the strength and other characteristics of materials and physical bodies of the properties of heat, electricity, communication, and the development of the electronic computer. These are only a few of the many knowledge reservoirs which were at hand and could be utilized.

Man's ability to solve his practical problems is no greater than the general knowledge reservoirs he can draw upon. An approach which gives most of its attention to the solution of practical problems will one day find the general knowledge reservoirs drained of thier utility. As a result, mankind shall be severely handicapped. For example, the moment of a fuel crisis does not permit the time to develop fundamental knowledge which could immediately open up possibilities of alternative fuel sources. Such information must exist at the time the crisis occurs if it is to be resolved in a time span which will avoid serious consequences. The recently announced social policy objective of making this country energy self-sufficient in a decade assures the availability of and illustrates the faith in the national research capabilities of the United States.

A second limitation in some current goal oriented projects is that knowledge held by a few is not available for general use. Accordingly, special advantage is given to those few who hold it. Both industry and government have developed many security arrangements to protect the knowledge which gives them this special advantage, whether it be in a product market or in national defense. While the necessity for such information control is valid, no society can place primary reliance for the continuing expansion of its total knowledge base on arrangements which inhibit or prevent complete and free sharing of newly developing data.

A third limitation in many scholarly, research, or creative activities is that there is no direct relationship between knowledge development or the creative process and teaching this information to the next generation. Students should be learning the most up-to-date facts available to mankind. As one scholar put it, to teach the student the physics of 30 years ago is to teach him much that we now know to be in error. A serious time lag between the generation of new knowledge and its dissemination to the public handicaps both individuals and society.

At the very highest level of education is the modern University. It is essential that research be promoted and pursued systematically in order to generate new information. In this manner it shall discharge its teaching function responsibly and shall contribute toward more effective solution of the technical and social problems of society.

What is the special role of the University if it be true that one of the most distinctive characteristics of humankind is its constant striving to know more and more about itself and the universe in which it is immersed?

There is need for an institution that can be free of the pressures of immediate crises, where the primary focus is on the elaboration and dissemination of what mankind knows and can create, and where there is a community of people competent to stimulate, challenge and evaluate one another's efforts. A context is required where the primary commitment is to serve not just particular interests, but the general public interest by extending the boundaries of basic information and supporting creative work in the arts and humanities in order to extend man's imagination and potential. An environment is needed where the functions of knowing as learning what is known, and knowing as searching for new knowledge are closely related. Each generation preparing to take over the leadership of our society must be taught in a context where the active scholarship of the teachers provides the main assurance that what is taught is reliable and up to date. The student must be exposed to the impact of an original mind. In turn, this mind must be trained to advance knowledge by questioning accepted facts and ideas or by dissolving old concepts and casting them into fresh patterns. Such activity makes it unlikely that the student will be misled by the teacher's ignorance.

The University is a special institution which societies have been evolving since medieval times to serve these purposes. Within the United States, this concept has reached its most productive expression in the form of the major public Universities. Scholarly activity, conducted within a University context, is, therefore, a cornerstone of a creative, adaptive, productive, free, and humane society. The University has operated for years under what may be called a code of ethics. This principle inhibits the single-mindedness of effort toward personal economic gain or secretive deliberation as a means of developing personal advantage.

It has been in the historical tradition of academic freedom that University research should be public. I mean open to unrestricted observation and discussion by members of the academic community and to publication without restrictions. It is also accepted that research is for the ultimate benefit of all people. Accordingly, the results of investigation and experimentation are made known freely and promptly. In the academic realm, all University research should be of such a nature and should be carried on with such purposes and in such a manner that it contributes to the University's educational program.

Research in its formal sense is only one type of creative activity. The faculty in any collegiate institution must be involved in some kind of scholarly activity to keep their knowledge and competence, and therefore their teaching, current and up to date. Scholarly activity, in general, and the creation of new knowledge, in particular, are strongly entrenched in the University tradition—not to the exclusion of skilled teaching, but an essential precondition for it. Moreover, dissemination of information to students and others is essential to provide feedback which helps improve and shape future scholarly activity.

A function of the University may be focused on adding to mankind's basic reservoir of knowledge without concern for potential utility (basic research), or on elaborating knowledge and methods for the purpose of gaining some new utility for mankind (applied research). Both are essential, for each contributes to the other. The University's scholarly activity may include the acquiring of new factual data from which new concepts of human and environmental phenomena may be induced, the seeking of a new synthesis of available factual data, the formulation of new hypotheses for inquiring and consideration, the analysis of pressing problems of individual and social importance along with the development of tools or methods for dealing with same, and the creation of art such as painting, poetry, and music.

In summary, the welfare of mankind is served by insuring a significant and continuing human investment in the creative process. The University as the locus of this effort can greatly enhance its value to mankind and to America, in particular, by making possible a constant and articulate press on the frontiers of knowledge. The University ought to lead society in the identification of problems and the advances to their solution, rather than being primarily an organ of response to problems as perceived by others.

III. ENDING

To my way of thinking, civilization is the development of man and not the history of the material things which he accumulates or constructs. Many people wonder if a scientific material age—like the present one—can keep alive any civilization. I believe it to be yours and my first task to meet this challenge and to be worthy custodians and transmitters of all the beauty and truth which the human spirit has struggled so long to create.

It has been stated that the search for truth should be the goal of our activities. When I speak of truth, I refer to scientific truth and moral truth.

And at this moment I believe it to be quite appropriate for all to recognize the contributions and achievements of the cadets as well as those of the veteran students and of those receiving the advanced degrees. It ought be noted that these will be the first MBA degrees awarded by the College.

I believe The Citadel to be a society of learned men. The goal—since its origin—has been the incessant, quiet, search with conviction for new truth and the affirmation of old truth. This is the condition for the intellectual progress of our nation. Many years from today the record will be read. It will then be manifest to all that The Citadel has carried out its responsibilities. We, her students, will give thanks that The Citadel was founded.

SENATOR WAYNE MORSE

Mr. HART. Mr. President, eulogies in which attempts are made to assess the life of a man or woman have a way of becoming more flowery than accurate, more guesswork than research. Perhaps that is unavoidable as we seek to anticipate the judgment of history.

Of Senator Wayne Morse, of Oregon, who died yesterday, it will be noted that he fought hard for the people of Washington, D.C., that he was perhaps the Senate's most knowledgeable member in the area of education, that he correctly warned the Nation of the folly of making war in Vietnam.

It will also be noted that of equal importance to the many causes for which he chose to fight were the skills, energy, and independence of mind he brought to those efforts.

History is already proving Senator Morse correct on Vietnam, and I, for one, will leave other judgments of his career to history.

However, I would like to make one contemporary observation which perhaps is obvious, but one which future generations should consider in assessing Senator Morse.

In the words of the poet Dylan Thomas, Senator Morse did not go gentle into that last good night. He continued to fight for what his conscience led him to believe was right, through victory and defeat, rejecting quiet retirement as a viable option.

For the present then, let it be said that his voice of reason and perception will be missed in a society which must have thoughtful and vigorous dissent if it is to remain free and strong. I suspect that of all the tributes contemporaries will pay Senator Morse, he would value that comment above all others.

GAO REPORT ON FEDERATION OF EXPERIENCED AMERICANS

Mr. CHURCH. Mr. President, in recent years important new programs have been enacted for older Americans, including Operation Mainstream, RSVP—retired senior volunteer program, a national Senior Service Corps, Foster Grandparents, Senior Opportunities and Services, a hot meals program for the elderly, and others.

Time and time again these programs have amply demonstrated their value, not only for aged participants but also the communities served.

It is essential that this Federal effort be continued and, where needed, broadened.

Here, the Senate Special Committee on Aging—of which I am chairman—has a vital function. It must review programs for older Americans to insure that they are, in fact, administered effectively, impartially, and professionally.

Last year Senator EAGLETON, the chairman of the Subcommittee on Aging of the Labor and Public Welfare Committee, and I requested the Government Accounting Office to conduct an inquiry concerning the award of Federal funds to the Federation of Experienced Americans, an organization created on March 29, 1972.

Specifically, we asked the GAO to investigate:

First. A Department of Labor contract under Operation Mainstream for $1.54 million to provide new job opportunities for 350 low-income persons aged 55 or older; and

Second. An OEO grant for $400,000 to assist in the development of new approaches and methods for overcoming special problems of the Spanish-speaking elderly poor.

Recently, the GAO submitted the report requested by the committee and subcommittee. Its findings and conclusions, I strongly believe, should be brought to the attention of Members of Congress.

One particularly alarming finding was:

> The grant and contract awards were processed outside normal procedures. Officials of Labor and OEO said that both the grant and the contract had substantial White House backing.

Equally disturbing, there is much concrete evidence that the contract and grant represented a determined effort by officials in the White House to siphon off Federal funds from organizations considered "unfriendly" to the administration.

In effect, the report portrays a vindictive White House using every resource at its disposal to punish so-called "enemies" or those who would not march to the administration's drum beat.

DEPARTMENT OF LABOR CONTRACT

By way of background information, President Nixon recommended a $13 million funding increase for Operation Mainstream at the 1971 White House Conference on Aging. Of this amount, Department of Labor officials initially recommended $3.4 million for the National Council of Senior Citizens and $1.1 million for the National Council on the Aging. This decision was based upon the time-tested expertise and competence of these two organizations in conducting older worker pilot projects: the Senior Aides program in the case of the National Council of Senior Citizens and the Senior Community Service Project by the National Council on the Aging.

Both of these national contractors—as well as other leading organizations on behalf of the elderly, including the National Retired Teachers Association-American Association of Retired Persons and the National Farmers Union—had been independently evaluated and received favorable commentary.

However, the GAO report revealed:

> The former executive assistant told us the White House wanted Labor to cut back and/or terminate funding for two of the Operation Mainstream national contractors—the National Council on the Aging and the National Council of Senior Citizens. He stated that Labor had no intention of reducing or terminating funding with these groups, primarily because an evaluation report had stated that the nationally run contracts were the best segment of the Operation Mainstream program in terms of accomplishments and meeting of program objectives.

Because of White House pressure, the additional funding for the National Council of Senior Citizens was pared from $3.4 million to $1.8 million—for a 47 percent reduction. The National Council on the Aging's funding was cut back by 36 percent, from $1.1 million to $700,000.

The bulk of this money was then diverted to the newly created Federation of Experienced Americans, an organization with no prior experience or proven expertise in aging. Moreover, the FEA had been only in existence for about 4½ months when the Department of Labor awarded the contract.

After an extensive review, the GAO has concluded that FEA's operations were, in significant respects: ineffective, deficient, or in violation of its contract.

Among the major findings:

> The Oakland component was not effective in achieving its primary objectives—training and placing disadvantaged elderly persons in unsubsidized jobs.
>
> Many of its enrollees, claimed as unsubsidized placements by the Oakland component, actually had been working for the same employer or industry before, during, and after their employment. They had also earned amounts above the poverty level income criteria used by Labor in determining eligibility.
>
> Neither the enrollees claimed as placements by the Oakland component nor their employers had been made aware of the program's objectives.

OEO GRANT

The White House also exerted similar pressure on behalf of the OEO grant, despite a courageous civil servant's conclusion that FEA was totally unqualified to perform the services. The former Chief of the Older Persons programs stated in a November 17, 1972, memorandum that he was "shocked at the weakness" of the FEA proposal. He gave this very candid assessment:

> The proposal as now written is an extraordinary weak, unfocused, uninformed and unprofessional job. It is without a doubt the weakest proposal of this magnitude that I have ever received. It is really an unbroken chain of mundane cliches, uninformed statements of purported fact and immoderate condemnation of all existing agencies and programs as they relate to the Spanish-speaking elderly.

Nonetheless, FEA was funded for $400,000, after being ordered by a White House staff member. Additionally, the GAO report reveals:

> OEO officials told us that Mr. Evans also instructed OEO to limit its forthcoming contract extension with the National Council on Aging to six months after which OEO would be expected to award a grant or contract to FEA to provide a full range of professional training and technical assistance for OEO aging programs that had been provided by the National Council on the Aging for many years with funds from OEO and other agencies.

Finally, the GAO concluded that FEA's accounting system and internal controls were inadequate. As a result of these deficiencies, GAO questioned expenditures totaling $184,000 under the Department of Labor contract and $30,000 under the OEO grant. One striking example is travel to Hawaii by the FEA president and his wife, although no contract or grant activity was conducted there. Total expenditures for this trip amounted to $1,325. The GAO report said:

> He did not prepare a report on the business he conducted. When we questioned him about the trip, he advised us that he went to Hawaii to observe a day care center for the elderly and that his wife provided secretarial service and accepted transportation in lieu of salary.

Both the Department of Labor and OEO have since notified FEA that it would be in the best interest of the Government not to refund the present programs.

WATERGATE COMMITTEE REPORT

Similar findings and conclusions were reached in the draft report by the Select Committee on Presidential Campaign Activities. This report was based in part on information supplied by the Senate Committee on Aging.

In the chapter on the "Use of Incumbency Responsiveness Program," the committee declared:

> The evidence gathered indicates that Federal resources were employed to secure the support of older Americans.

Additionally, the report described efforts to use Government pamphlets to puff up the administration's record on behalf of the elderly

One memorandum on this subject by a member of the Committee To Reelect the President said:

> We are all in agreement that brochures produced and distributed by government departments and agencies will be important in persuading older voters to reelect the President. These brochures will be nonpartisan enough to break through the election year aversion to political rhetoric, but will be strongly supportive of the President.

CONCLUSIONS

All in all, the circumstances surrounding the contract and grant awards to FEA constitute an outrageous lack of integrity on the part of high officials in Government.

No one benefits—least of all the elderly—if Federal resources are exploited for narrow partisan advantage.

Fortunately, the evidence clearly suggests that such practices are the very rare exceptions for Federal programs serving the elderly.

But even if one instance exists, it must be terminated immediately. Otherwise, it can become a cancerous growth, undermining confidence in our institutions, and eventually resulting in the destruction of our democratic system.

Mr. President, I wish to announce that the Committee on Aging will consider a number of alternatives—legislative, administrative, and others—in the months ahead to insure that Federal programs for elderly persons are not compromised for partisan advantage.

In this regard, we shall welcome suggestions from Members of Congress, national aging organizations, administration officials, and the general public to fulfill this responsibility.

Mr. President, I commend the GAO report on "Award of a Contract and a Grant to the Federation of Experienced Americans, Inc., and Related Activities" to my colleagues. Additionally, I ask unanimous consent that a digest of the report's findings and conclusions be printed in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

[Comptroller General's Report to the Special Committee on Aging and the Subcommittee on Aging, Committee on Labor and Public Welfare, U.S. Senate]

DIGEST ON AWARD OF A CONTRACT AND A GRANT TO THE FEDERATION OF EXPERIENCED AMERICANS, INC., AND RELATED FINANCIAL AND PROGRAM ACTIVITIES—DEPARTMENT OF LABOR, OFFICE OF ECONOMIC OPPORTUNITY, B-163922

WHY THE REVIEW WAS MADE

At the request of the Committees, GAO

Reviewed the bases on which a contract and a grant were awarded to the Federation of Experienced Americans (FEA) by the Department of Labor and the Office of Economic Opportunity (OEO);

Identified persons involved in the awards and their activities; and

Reviewed financial and program activities of FEA through June 30, 1973.

FEA administered a program for the Department of Labor under a cost-reimbursement contract amounting to $1,540,000. The program was designed to enroll and provide subsidized work to 350 individuals who were at least 55 years of age and who had been certified as "poor," by Labor's definition. Seventy-five percent of the 350 were to be placed into unsubsidized employment.

FEA also administered a program for the elderly poor under an OEO grant amounting to $399,839. This was designed to assist in the development of new approaches and methods for overcoming special problems of the Spanish-speaking elderly poor.

GAO discussed its findings with officials of Labor, OEO, and FEA. However, these officials and other affected parties have not been given an opportunity to formally examine and comment on this report, as agreed with the Committees.

FINDINGS AND CONCLUSIONS

Preaward activities

The grant and contract awards were processed outside normal procedures. Officials of Labor and OEO said that both the grant and the contract had substantial White House backing.

Program activities and results

GAO did not review FEA's program activities under the grant since OEO was in the process of doing so.

Under Labor's contract FEA operated an Operation Mainstream program in California—Oakland and San Francisco—and Florida. The Florida component was managed effectively. Some minor deficiencies were brought to the attention of the project director who agreed to correct them.

The Oakland component was not effective in achieving its primary objectives—training and placing disadvantaged elderly persons in unsubsidized jobs.

Many of its enrollees, claimed as unsubsidized placements by the Oakland component, actually had been working for the same employer or industry before, during, and after their enrollment. They had also earned amounts above the poverty level income criteria used by Labor in determining eligibility.

Neither the enrollees claimed as placements by the Oakland component nor their employers had been made aware of the program's objectives.

Almost all the enrollees participating in Oakland were placed in private for-profit concerns—primarily in the garment industry—which was not in accordance with contract provisions that subsidized placements be with public or private nonprofit institutions.

At the FEA component in San Francisco, program goals generally were being accomplished, although the recordkeeping activities and internal control procedures needed improvement. The project's director subsequently advised GAO of actions taken to overcome these problems.

Financial activities

Lack of appropriate checks and balances rendered FEA's accounting system and related internal controls inadequate.

Appropriate controls had not been established to encourage compliance with contract and grant requirements, to insure that contract and grant funds were used only for authorized purposes, or to check the accuracy or reliability of accounting records.

As a result of the deficiencies noted, GAO questioned expenditures of about $184,000 under the contract and about $30,000 under the grant.

In several instances FEA used contract funds for expenditures under the grant and vice versa. Contract and grant funds were also used for personal expenditures of FEA's president.

FEA employees traveled outside program areas without authorization from Labor and OEO officials. Trips were made without documenting the purposes. No reports were made of the business conducted. GAO questioned about $23,700 of travel expenses for these and other reasons.

FEA made a large number of equipment and supply purchases amounting to $3,807 through private suppliers without first obtaining written permission from the contract officer as required under its contract with Labor.

AGENCY ACTIONS

Both Labor and OEO have notified FEA that after weighing all pertinent available facts and considerations, it would be in the best interest of the Government not to refund present programs with FEA.

Labor and OEO will make the final determination of the allowability of costs questioned by GAO under the contract and grant, respectively. In addition, Labor auditors will audit FEA's financial transactions for the period from July 1, 1973, to the end of the contract and the grant periods.

HUMAN RIGHTS VIOLATIONS IN CHILE

Mr. KENNEDY. Mr. President, the Senate Subcommittee on Refugees held a hearing this morning on U.S. policy toward Chile and on the continuing human rights, refugee and humanitarian problems in that country following the military overthrow of the previous government.

I can only say that the testimony we received from members of the study mission which I dispatched to Chile following an invitation from the junta confirms previous reports by a series of respected international groups, including Amnesty International and the International Commission of Jurists, of the deplorable condition of basic human rights in that country.

Ralph Dungan, former Ambassador to Chile, and Dr. John Plank, a former State Department expert on Latin American affairs, told the subcommittee that on the basis of their interviews of detainees, of defense attorneys for political prisoners, of the families of prisoners, and of respected church and political leaders, they concluded that a systematic use of torture and a continuing pattern of violation of human rights exists in Chile.

Their statements, along with the testimony of former Attorney General Ramsey Clark and Judge William Booth of the Criminal Court of New York City, also confirmed that a system of repressive military rule has replaced the traditional democratic and constitutional system in Chile.

Despite the strong public and private statements by other governments, the United States has not issued a single official statement condemning the violation of human rights taking place in Chile. There appears to be nothing on the record of an active and vigorous concern evidenced by our representatives. I find this lack of concern for human rights—which we have seen in the past in Bangladesh, in Vietnam, in South Korea, in Greece, and in other countries—to be a failure of U.S. foreign policy.

The most apparent evidence of U.S. policy toward the military government is our continued support of economic and military assistance toward that country. I believe that while some justification can be offered for the humanitarian elements of economic aid, since they are designed to alleviate the problems of the people of Chile, I believe there is no justification for continued military assistance to that country. I intend to seek an end to military assistance while the violation of human rights continues.

Mr. President, I ask unanimous consent that my statement at the hearing along with the statements of the study mission be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator Kennedy's Opening Statement Before the Subcommittee on Refugees Hearing on Humanitarian Problems in Chile

The hearing today resumes the Subcommittee's public inquiry into U.S. policy toward Chile—and the continuing human rights, refugee, and other humanitarian problems which resulted from the overthrow of the Allende Government last September 11.

Shortly thereafter, on September 20, this Subcommittee heard testimony from officials in the Department of State and several American citizens who had just returned from Chile. Our concern was not only over the end of Latin America's longest tradition in democratic rule—but also over the human tragedy produced by the violent overthrow of the Allende Government. Mass arrests—the jailing of thousands—the execution and mistreatment of prisoners—the repression of the press and political dissent—book-burning—and other violations of human rights—marked the aftermath of the military coup. And judging by recent field reports, there is good cause for continuing concern over the people problems of Chile.

Since last September, the Subcommittee has maintained close contact with international organizations attempting to assist in the movement of refugees and the protection of human rights in Chile. We have also exchanged views with the new Chilean Government, the Department of State and others.

We have sought through private and public means to emphasize the urgency which the Subcommittee attaches to the care of refugees and the protection of human rights. To some degree, we hope that our efforts have contributed responsibly—at least to the safe conduct of several thousand political refugees out of Chile in recent months. And we shall continue our efforts in behalf of the growing number of Chileans now taking refuge in neighboring Argentina and Peru.

Today's hearing is undertaken in the firm belief that the plight of these new refugees, and the continuing violation of human rights by the junta, must remain an essential factor in the evaluation of American policy toward Chile—particularly when the current military government receives both economic and military assistance from the United States.

The Administration has proposed for FY 1975 the first new development loans to Chile since 1967, some $25 million, and an increase in grant assistance to more than $1 million, compared to $330,000 in FY 1974. While in the last full year of the Allende Government, FY 1973, the Administration felt the food needs of the country required only $2.5 million in food for peace assistance, it now proposes food for peace grants and loans of $37 million. In addition, a month after the coup, a commodity credit loan of $24 million was extended and a month later, an additional commodity loan of $28 million was extended.

Some of these programs are clearly humanitarian in nature. But it is difficult to understand why the humanitarian rationale that the Administration is putting forward today, was not equally relevant prior to the overthrow of the previous government, when Chile was denied similar programs.

There is, however, no humanitarian justification to support military aid to Chile. The Administration has recommended a near doubling of its FY 1974 budget proposal for military assistance. Originally, the Administration proposed a $10 million military credit sales program for FY 1974. Following the coup, that figure was increased to $15 million, a 50% increase. In December, the Senate adopted my amendment to the Foreign Aid Appropriations bill to halt all military aid to Chile. Unfortunately, it was dropped in Conference. Despite that evidence of Senate concern, for the coming fiscal year, the Administration proposes another jump in military aid to $20.5 million. Also, the Administration proposes to maintain the training of Chilean military officers at an $800,000 level.

Given the virtually unanimous reports—by respected international organizations and individual jurists—of continuing violations of human rights, I find the military assistance program to be an unjustified and inexcusable policy. It contrasts with the decision of Britain to withhold new military aid. And, contrary to the Administration's public rhetoric of concern for human rights, it represents a deeply disturbing lack of commitment to basic human values. The United States should not be providing military assistance to Chile, or any other nation, with a record of flagrant and consistent repression of its citizens.

Nor has the Administration chosen to adopt a low profile policy in its relations with the current Chilean regime.

In international agencies, particularly the Inter-American Development Bank (I.D.B.), pressure from the United States in support of the Chilean regime has been evident. It was widely reported that intervention of U.S. Government officials produced an unusual speedup in the I.D.B. process in order to assure a loan announcement in Santiago at the opening of the I.D.B. meeting there this spring. Similarly, at the United Nations, the United States was noted for its opposition to action by the Commission on Human Rights against Chile.

The latest sign of the willingness of this Administration to be viewed as the uncritically of the Chilean junta—despite the flow of political refugees and the continuing reports of torture and repression—is the current trip of the Secretary of the Army to Chile.

I find it somewhat difficult to understand the justification for sending the Secretary of the Army to hobnob with Chilean military officials when repression continues to be characteristic of the Chilean Government.

Since our previous hearing, Amnesty International, the International Commission of Jurists, the International Labor Organization, and other international agencies and organizations, have reported publicly and privately on the continuing repression in Chile. The United Nations Commission on Human Rights sent a stiffly worded telegram of concern to the junta, and the Inter-American Commission on Human Rights has directed an investigating team to Chile this week.

The previous history of events, and the continuing disclaimers of Chilean representatives of any conditions approaching those described by these international organizations, prompted me to respond favorably to the invitation of the President of the junta, now Supreme Chief of the Nation, General Augusto Pinochet Ugarte, to send a Study Mission to Chile. The Study Mission included the Honorable Ralph Dungan, a former Ambassador to Chile; Dr. John Plank, a former Director of Research and Analysis for the State Department's Latin America Intelligence and Research Bureau; and Mark L. Schneider, a member of my staff.

The Study Mission spent April 20–27 in Chile, and on its return reported its findings to me in private. That report unfortunately demonstrated, contrary to the assurances of Chilean government officials, that a continuing and systematic disregard for human rights existed in Chile. The mission found that arbitrary arrest and indeterminate detention without charge continued. The Chilean habeas corpus had been suspended. Torture and mistreatment of prisoners continued. Some prisoners were held incommunicado for months. Others were permitted to see their families on a regular basis, but briefly. Most never had a chance to see a lawyer. Due process appeared limited in all instances; totally absent in some. Schools and colleges were under military control. Freedom of the press did not exist. Many thousands of individuals were fired arbitrarily for their political beliefs from public and private employment. Labor unions were barred from striking and restricted in their normal activities. Traditional institutions of a political democracy had been suspended. And the number of Chilean refugees in neighboring countries was growing.

Following the Study Mission's return to Washington, and with the understanding of Chilean officials, I communicated the Study Mission's findings and suggestions to the junta.

The Study Mission's report reflected a deep concern over the continuing violation of human rights in Chile—a concern which is shared by many in the international community. It also raised troubling questions over the course of American policy toward the junta.

The power to change conditions in Chile—now evidenced in a growing flow of refugees—clearly rests with the junta. But there is little evidence of much change. And I am deeply distressed over the junta's lack of response to legitimate international concerns.

The power to alter United States policy, clearly rests with us. And our government has a responsibility to the American people and its Representatives in the Congress, to insure that every effort is being made to make our policy live up to the standards and ideals for which our nation stands.

Today, the members of the Study Mission will be making the first public report of their findings.

In addition, since their visit, other prominent Americans have visited Chile. Two of them will also testify today. They are the former Attorney General of the United States, Ramsey Clark, and Judge William Booth of the Criminal Court of the City of New York.

We will also hear in response the Acting Assistant Secretary of State for Inter-American Affairs, the Honorable Harry W. Shlaudeman. In conclusion, I can only share the sentiments expressed by the Archbishop of Santiago, His Eminence Cardinal Raul Silva Henriquez, who stated in speaking for all the Bishops of Chile: ". . . there are rights that touch the very dignity of the human person, and they are absolute and inviolable . . ." I believe the United States must examine its policy and its attitude toward other nations with a recognition of that fact.

Summary of Testimony of Ralph A. Dungan

The situation in Chile as we observed it in April of this year and which apparently continues more or less unchanged today was marked by substantial violations of human rights, violations of Chilean constitutional guarantees, and repression of basic civil freedoms such as freedom of the press and free assembly. On the whole the measures being taken at the time of our visit almost nine months after the coup d'etat were completely out of proportion to any real threat against the internal security of the nation; were vindictive and cruel and are violative of every canon of accepted international practice as well as inconsistent with Chilean constitutional law and traditional practice.

Specifically as a result of direct contact with an estimated 400 political prisoners and interviews with scores of them in about a dozen prisons or places of detention we concluded that a variety of methods of torture repugnant to any human being were systematically being employed in interrogations to substantial numbers of detainees;

Almost universally prisoners were held incommunicado for as long as seven months without charges, without family visitation and without legal counsel;

Summary arrest and the most violent police methods were carried out systematically so that an atmosphere of fear and anxiety was deliberately and cynically created in the population with the heaviest burden being placed on the poor and those of modest capacity to defend themselves;

Conditions in the prisons we visited varied considerably; some crowded and unsanitary; others crude but meeting minimum standards. Because of time limitations and the distances involved we did not observe large newly established detention centers. But the protracted detention without charges, with virtually no outside contact and especially the tortures associated with the interrogation made these efforts seem somewhat beside the point;

Some prisoners we met had received summary military trials in the early days of the new government without being represented by counsel and were serving long sentences without rights of appeal; and

Credible witnesses estimated that as many as 12,000 persons were killed during the months immediately following the coup.

In addition to the many prisoners to whom we spoke, we also availed ourselves of the opportunity to speak to many persons of low and high station from all sides of the political spectrum. In particular I had extensive conversations with old friends in all walks of life—businessmen, journalists, churchmen, educators and politicians. While there were many—the preponderant portion I would say—who accepted the coup d'etat as an unavoidable consequence of the deterioration of all aspects of national life under the Allende government, all without exception rejected the use of the systematic use of torture and intimidation which we have cited. Many it should be said expressed ignorance of some of the conditions which we observed.

It seems to me that the case has been clearly made and verified by many international observers that substantial violations of human rights have and are now occurring in Chile. With full respect for the principles of self-determination and non-intervention which I strongly support, it seems to me that a continuation of these conditions demand a reassessment of U.S. policy. The principle of non-intervention does not imply a neutrality with respect to violations of human rights much less an accelerated effort in support of a regime which is insensitive to the decent opinion of mankind. If modern history teaches us anything it is that violations of human rights at home and abroad are ignored at our common peril.

Walter Lippman, I think it was who wisely observed that the problem of dictatorships is that they leave no way to go except to become more dictatorial. The way is clear for the Chilean Junta not because we think so but because it is right. No amount of invoking the crimes of the Allende regime or the conjuring up of an international communist conspiracy can justify the violation of human rights, the repression and the harsh economic measures which are the fate of the Chilean people today.

TESTIMONY OF JOHN N. PLANK

Thank you, Mr. Chairman. Your able staff member Mr. Schneider has given you a full account of the trip that he, Ambassador Dungan and I made at your request. What I want to do here is to complement that report, perhaps to supplement it in some respects.

In your capacity as chairman of the subcommittee, you asked us to go to Chile to explore the situation with regard to reported violations of fundamental human rights. I know I speak for all three members of the group when I tell you that none of us undertook the trip with firmly set notions of what we would find. Of course we had all read and heard the reports that had alarmed you and that had prompted your inquiries. We went to Chile, however, without a predetermination either to confirm or to disprove those reports, but rather to see, to investigate, to explore.

What we found in Chile you know from Mr. Schneider's account; and you know that what we found is deeply disturbing when seen from the perspective of anyone who values individual freedoms and the procedures of constitutional democracy. Chile today is a police state with all that that characterization entails in respect of restrictions on freedoms of speech, press and assembly, freedom of inquiry and instruction, freedom of association and organization; with all that it entails in respect of arbitrary arrest and detention; with all that it entails in respect of condemnable modes of interrogation and imprisonment and lack of conventionally accepted standards of due process under law.

Our observations and conclusions differ in matters of focus and detail from those of other outside groups that have visited Chile with human rights concerns; but we agree with spokesmen for such groups—the International Commission of Jurists, Amnesty International, the Women's International League for Peace and Freedom, for instance—in our assessment of general trends and prevailing climate in Chile under its current military government.

I am not persuaded that much good purpose would be served by yet another recital of statistics relating to violations of human rights. Therefore, Mr. Chairman, with your permission I shall try to do two other things. First, I want to give you some first-hand impressions and observations about Chilean conditions. Second, I want to try to present to you what I understand to be the Chilean Government's position regarding human rights violations under current conditions.

While in Chile we saw direct evidence of torture of detainees, and from the prisoners and detainees with whom we talked we heard almost countless stories of mistreatment and torture. More important, we got from the prisoners and detainees—as well as from members of their families and others with whom we talked—an almost Kafkaesque description of an atmosphere of uncertainty, arbitrariness. The basic right of *habeas corpus*—or as it is known in its Chilean form, *amparo*—was not observed, and persons could remain detained for from five to seven months without knowing the charges against them, without access to legal counsel. Anonymous or spiteful telephone calls were presumably sufficient cause to ensure the arrest of persons, some of whom with whom we talked having been arrested, released in the absence of grounds for holding them, and then re-arrested on the basis of another relation. Families of detainees and prisoners had little regularized communication with them, and governmental capriciousness in this respect was evident—there were no standard, uniformly applied regulations or procedures regarding visitation or communication privileges.

At the time we were there, there were approximately 6,000 officially recognized detainees and prisoners, a substantial number of whom were being held without specific charges. We saw several hundred of these detainees and prisoners during our stay as we visited a variety of detention centers in and near Santiago and Valparaiso. I shall be glad to respond to your specific questions about what we saw and heard in these centers.

6,000 is not in absolute terms a large number; but the violation of basic human rights is not a matter to be calculated or evaluated in statistical terms—we are talking about persons, of human beings. Even as a matter of statistics, however, the detention of such a number is by no means insignificant. 6,000 detainees in Chile, with its overall population of 10,000,000, would correspond to the detention of 128,000 in the United States with its population of 210,000,000.

Now, though, I should like to talk about a different range of human rights and their violation in Chile. I have in mind restrictions on freedom of speech, press, inquiry, instruction, assembly and association. Regimes that practice repression in these matters are always deplorable; that the Chilean regime should practice them makes that regime particularly deplorable, given Chile's long and proud history of respect for human rights and freedoms in the civil sphere.

Again I will be happy to respond to specific inquiries about what we saw and heard regarding these kinds of violations, if you wish. Here I want to stress only that the apparent tranquility one observes in Chile today has been purchased at an extremely heavy price and that that tranquility may be superficial. Visitors to Germany and Berlin in 1936 also found an apparently tranquil population, an orderly one; and many of our own United States citizens were much and favorably impressed by what they saw.

I am rushing by these subjects rapidly because I do want to spend some time on the regime's rationale for behaving as it does. Our group, I think, was favored over some others that have visited the country by being able to talk at length with high-ranking Chilean officials, including General Pinochet. I am not going to quote from individual conversations, nor am I going to ascribe viewpoints to persons. But I think my colleagues, Messrs. Dungan and Schneider, will confirm the thrust of what I am about to say.

First, as to allegations of torture, regime spokesmen insist that torture does not occur, or that if it does, it occurs only sporadically and never with official sanction. It is striking that regime spokesmen hold steadfastly to this insistence in the face of observable evidence the explanation for the insistence probably is to be found in the ways the regime sees and defines the situation in Chile, both the situation it believed it confronted on September 11, 1973 and the situation it believes it confronts today.

Recall that the Chilean military has declared that Chile is in a "state of internal war" as well as in a "state of siege." This position of course allows the authorities to behave in arbitrary ways that would not be, could not be, sanctioned under Chile's normal constitutional procedures. More important, however, is what the declarations reveal of the mental sets, the attitudes, of the ruling military representatives.

Chileans who are at present detained are regarded by the military as being quite literally "enemies"—enemies of the state and enemies of the Chilean nation. They are, therefore, seen to be traitors; and in the view of the Chilean military they are being treated more benignly than they have any right to expect.

The Chilean Government is dominated by a group of committed anti-Marxists, and in the purest sense (that is, in an altogether non-self-seeking spirit) they are embarked upon an almost holy campaign to extirpate the Marxist virus from the Chilean body politic.

If, then, and for example, a young Chilean socialist student is arrested and during interrogation is subjected to such torture as having hot needles inserted beneath his fingernails—my colleagues and I can attest on the basis of personally viewed evidence that needles have been inserted beneath fingernails—that might be justified or explained as being the result of overzealous behavior in the anti-Marxist crusade by a subordinate official. But top-ranking officers gave us another explanation for the evidence that we saw of this particular variety of torture: we were told that Chilean Marxists were so committed, so dedicated, so fanatical, that they literally tortured themselves in order to bring discredit upon the present Chilean regime. You can see that dispassionate discussion with officers of the regime of the question of torture in Chile is difficult.

Second, members of the regime are persuaded that anyone who does not see both the necessity for and the rightness of the regime's actions from September 11 until the present is to be regarded as being either a Marxist himself (keep in mind that Marxism, Communism and Socialism tend to be synonymous terms in the lexicon of today's Chilean military, and that all the terms connote something odious) or is a Marxist-Communist dupe. Again, so convinced are regime members of the absolute rightness of their cause—and so persuaded are they that any sane observer must agree with their assessment after viewing the evidence as they present it—that dialogue and discussion are almost impossible with them. They are, in the now popular phrase, "true believers."

Third, they are convinced that by acting as harshly as they did in the weeks and months after September 11, they spared Chile a monumentally bloody and costly civil war. The deaths and imprisonments that followed upon their takeover are a small price to have paid for saving Chile from either communism or internecine strife. And in fact the military in Chile regard themselves—and are puzzled and upset when they are not so regarded by others—as being Chile's saviors.

Fourth, the members of the regime disdain—perhaps even despise—politics as being divisive, as providing too much opportunity for demagoguery and error, as being inherently corrupt and corrupt and corrupting. Political parties as agencies for the articulation of issues and the formulation of proposals for radical change, social and economic change, are viewed as disruptive. Educational institutions at all levels—primary, secondary, university—are viewed as particularly susceptible targets for Marxist infiltration and for subversion in the interest of contaminating young Chilean minds: Hence, they have been purged, their direction taken over by military officers.

Since the regime's rulers are soldiers who have spent their active lives as non-political, highly specialized and well-qualified professional officers, they tend to have a very inadequate acquaintance with the history of western political thought and organization as it has developed through the history of western civilization; and they appear to know little of democratic political processes or of the purposes of democratic politics. They have not yet acquired a coherent political organizational theory of their own—their regime, for instance, is not, at least it is not yet, appropriately to be called a fascist one; but they do tend to apply the label "Marxist" with little or no discrimination to any pattern of thought or organization of which they disapprove. They will insist that freedom of thought and expression exist in Chile today—"anyone is free to believe in Marxism if he wishes"—but they will resolutely deny anyone the right or the opportunity to try to translate his beliefs into action.

Fifth, the military now believes—or appeared to believe when we were there—that in its 6,000 detainees it had managed to capture the "hardcore" of potential troublemakers . . . and it was my strong impression that these 6,000 were, in the eyes of the military, "non-persons" unentitled even to recognition as human beings. It was suggested that the 6,000 be expelled from the country; but this suggestion was pushed aside by high-ranking officers on the ground that the 6,000 would simply regroup on the outside and would then re-enter Chile to foment discontent and disorder, if not to engage in overt armed insurrection. The conclusion of the military was that it was better to keep them imprisoned.

I have tried in these last paragraphs to convey what I thought to be the mood, the style of thinking, the premises that underlie the behavior of the current Chilean regime. I think that unless we recognize the Chilean military as having truly totalitarian pretensions—if not till now totalitarian instruments and achievements—we will be unable to understand them. They are bothered by adverse world public opinion regarding their behavior, but they have persuaded themselves that public opinion is the product of a well-orchestrated Marxist-Communist campaign. They claim to be unable to understand the reasons for criticism of their governance on any other grounds. They are upset when the Chilean Cardinal speaks out in Chile against violations of human rights, but they insist that the Cardinal has been paying too much heed to Marxist advisers.

The operational question that confronts the United States in this situation is a difficult one. Our concern must be with and for the welfare of the Chilean people. It is most unlikely that any direct pressure by the United States upon the military would have the effect of ameliorating current Chilean conditions in respect of human rights.

What might we do? Here are my urgings:

1. Do not cut off assistance that can be made directly available to the Chilean people and particularly to Chile's needy. I have in mind of course assistance in kind, assistance in the form of food, kerosene, tools and the like.

2. Do not provide military assistance to Chile.

3. Until the administration and governance of Chile's educational institutions has been returned to civilian control and has been freed from the severe ideological constraints under which it operates today, do not provide assistance to Chilean education.

One matter needs to be stressed: What the United States does in its Chile policy cannot be viewed in isolation. Our actions vis-á-vis Chile are seen and evaluated elsewhere, particularly elsewhere in Latin America.

There is a climate of cynicism abroad in today's world, and cynicism marks the attitude of many peoples toward the United States. I must urge that the United States restate its commitment to the standards of democracy and adherence to the great principles of western civilization regarding responsible governance and social and political decency. The United States cannot long remain a strong society in the absence of something more than a rhetorical commitment to the basic human and social values upon which it was founded. Nor can the United States long maintain a position of political leadership in the world in the absence of its real commitment to constitutional democracy and the rule of law.

I do not call upon the United States to intervene in any active way in Chile's internal affairs—such intervention would be in any event counter-productive regarding the goals I believe we should seek. But the United States is certainly under no obligation to help the present Chilean Government pursue goals we find objectionable or incompatible with the fundamental values we prize. I find the example of our private sector investors worth taking into account here: they do not invest in countries whose climate they regard as being undesirable, nor are they forced to invest in such countries. Why, then, should the United States taxpayer's dollar go to support a regime whose behavior constitutes a standing affront to the principles of human rights and decency for which we stand?

AN UNWISE VA APPOINTMENT

Mr. MONDALE. Mr. President, several days ago the outgoing Administrator of the Veterans' Administration, Mr. Donald Johnson, named Mr. Morris Nooner, Jr. to head the VA Regional Center at Fort Snelling, Minn. Mr. Nooner is currently Director of the Education and Rehabilitation Service at the VA. Prior to coming to the VA in 1971, he was with the Illinois Education Department.

In a letter to the President dated July 16, 1974, I strongly objected to the appointment of Mr. Nooner. I believe Mr. Nooner woefully unqualified to assume this important position. As head of the Fort Snelling office, Mr. Nooner will exert important and pervasive control over the lives of Minnesota veterans and veterans throughout the upper Midwest. While he may, as a result of his experience in Illinois and his work since 1971 with the VA, be qualified to deal with the educational aspect of VA work, I can detect nothing in his background or experience which will qualify him for VA field work—work on pensions, home loans, insurance, and other VA programs.

Furthermore, Mr. Johnson has recently submitted his resignation. I believe his resignation was motivated by intense pressure from the public and from Members of Congress and by valid criticism of the performance of Mr. Johnson as Administrator of VA. On the eve of his departure, it seems both inappropriate and unwise to permit Mr. Johnson to make this appointment. Given recent criticism of the VA, public confidence and VA performance are not well served by this unfortunate appointment.

Yesterday, the Minneapolis Sunday Tribune called upon Mr. Donald Johnson "to withdraw Nooner's appontment." In an editorial, the Tribune reviewed the "bitter bipartisan opposition from the State's congressional delegation" to Mr. Nooner's appointment and concluded:

> The VA in Washington would be wise to reconsider Nooner's appointment to what is considered one of the most important and best-run VA offices in the country.

Mr. President, I ask unanimous consent that the editorial from the Minneapolis Sunday Tribune of July 21, 1974 entitled "An Unwise VA Appointment" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

An Unwise VA Appointment

Rarely has an appointment to a U.S. government job in Minnesota aroused such bitter bipartisan opposition from the state's congressional delegation as that of Morris Nooner to head the Veterans Administration Center at Fort Snelling. Local VA officials, for obvious reason, decline to comment, but are disappointed that the job has not been given to someone more qualified and less controversial. The VA in Washington would be wise to reconsider Nooner's appointment to what is considered one of the most important and best-run VA offices in the country.

Nooner, who will be paid $34,000 for the local post, is an old American Legion buddy of VA Administrator Donald Johnson, a former national commander of the Legion. Johnson has been under heavy fire from Congress and Vietnam War veterans and soon will be leaving the VA. Some of the most intense criticism has been aimed at the VA's Education and Rehabilitation Service, which processes veterans' student claims and benefits. Heading that service in Washington has been Nooner, who was given the job after serving as Johnson's confidential assistant. Before joining the VA in 1971. Nooner was an Illinois school official.

"I want to know for sure that he wasn't shoved out there (Fort Snelling) so that he wouldn't be moved out (of his current job) by a new administrator," Rep. Zwach said Thursday. This is strong language for Zwach, who as a member of the House Veterans' Affairs Committee generally goes along with VA policy. Zwach, along with the three other Minnesota Republicans—Quie, Frenzel and Nelsen—have asked President Nixon to hold up the appointment while Nooner's qualifications are investigated. Minnesota's Democratic Sen. Mondale and Rep. Fraser are equally disturbed. Fraser, for example, describes Nooner as a "political crony" of Johnson without previous VA regional office experience and no insurance background. One of the reasons the Fort Snelling VA center is so important is that it is one of only two VA offices in the country handling VA insurance programs.

We share Zwach's concern. An appointment to such a key position ought to be made by the new head of the VA; the departing administrator ought to withdraw Nooner's appointment.

WAYNE MORSE

Mr. PASTORE. Mr. President, amid all the political pressures of present day Washington, many of us in the Senate turned our attention from time to time to the Far West where a former colleague of ours was in the thick of a fight to return to these halls where he served for 24 years.

That figure was Wayne Morse—seemingly with all the fire—as he campaigned only a week ago with those oratorical powers with which he made this Chamber echo—while his contribution to the Nation's history filled countless pages of the Congressional Record.

Now that voice is silenced. Wayne Morse has passed from us. He belongs to the ages.

The Senator from Rhode Island did not always agree with the Senator from Oregon—but the Senator from Rhode Island never lost respect for the character and convictions and the deep humanity of Wayne Morse.

I value the editorial epitaph from the New York Times of Tuesday, July 23, entitled "The Senate's Loss." And I prize these lines:

> Senator Wayne Morse of Oregon was too much the maverick . . . too much the gadfly . . . to be a hero of the Senate establishment—too much the independent to be predictable even in his proved liberalism. He was a superb public servant—not in spite of these attributes but because of them.

The death of Wayne Morse is, indeed, the Senate's loss. For we remember the deep humanity and sympathetic nature beneath and beyond the persistence of the debator—the soul of kindness and thoughtfulness.

We have known him to postpone a principal address on this floor that he might first speak words of appreciation and comfort to a Senate staff member who chanced to be hospitalized at that moment.

And if it were a colleague temporarily affected, Wayne Morse would be the first with his visit and his sympathy.

A student of the law, a teacher of the law, a maker of the law, the three score years and ten of his life Wayne Morse dedicated to service and to his fellow men.

He was a great American.

And the sympathy of all America goes to his loved ones—the wife and children of his heart and home.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered; and morning business is closed.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 3164, which the clerk will report.

The second assistant legislative clerk read as follows:

> A bill to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on the amendment by the Senator from Wisconsin (Mr. Proxmire), for which there will be 2 hours debate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield myself such time on my amendment as I may require. I understand my amendment is the pending business. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Kenneth McLean, of the staff of the Committee on Housing, Banking and Urban Affairs, and Eleanor Bachrach, a member of my staff, have the privilege of the floor during the debate and the vote on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this amendment would strike section 10(c) of the bill and would thereby retain authority held by the Secretary of HUD and the Administrator of the VA under present law to set standards governing the amount of settlement costs allowable under FHA and VA mortgages. This authority to regulate settlement costs on FHA and VA mortgages was enacted in section 701 of the Emergency Home Finance Act of 1970.

S. 3164, as reported, would repeal the section 701 authority. This would be a major blow to the consumer interest. It would remove from the books the only statutory deterrent to further escalation of settlement costs—costs which are already excessive in many areas of the country. When I say "excessive," I think I can document that, and I will. The average home buyer is already burdened by the inflation of housing prices and rising interests rates. As a matter of fact, the home buyer rarely, if ever, has been in such a dilemma as he is in today. The evidence has been in the drop in housing starts, the enormously high interest rates, and the great difficulty that people who want to buy a home are in now. And on top of this a high settlement cost bill—payable immediately—and that can spell the difference between his being able or unable to buy a house.

As a matter of fact, the average closing cost is 10 percent of the cost of the House. So in addition to a downpayment on the house, the home buyer has to come up with another 10 percent, which is a great burden, to pay for closing costs.

I oppose the repeal of section 701. If section 10(c) remains in the bill, S. 3164 will be an anticonsumer bill, not a proconsumer bill.

We have had a lot of talk about no-fault. The fact that this would be a bigger gouge—this is a bigger gouge—to the consumer than no-fault.

The disclosure and other provisions in S. 3164 are not objectionable, but they will be meaningless if the only real authority to control settlement costs is repealed. All the consumer groups who have testified on this legislation before the Senate and House committees have opposed the repeal of section 701.

It has been claimed that the retention of the section 701 authority is not necessary because FHA and VA already have the power to act on a case-by-case basis where settlement fees charged are in excess of the "reasonable and customary" charges for that area. Aside from the fact that customary charges in many areas are far from "reasonable," for the services provided, it is obvious that occasional intervention in particularly flagrant cases will do nothing to solve the basic problem—excessive and unjustified settlement costs overall. Let me describe the dimensions of the settlement cost problem.

DIMENSIONS OF THE SETTLEMENT-CHARGE RIPOFF

The most thorough and comprehensive study of settlement charges is contained in the HUD-VA report released on February 17, 1972. The data from the HUD-VA study was taken from over 50,000 FHA and VA transactions during the month of March 1971. The data was acquired from each FHA and VA insuring office located in all 50 States. The study found that the average total settlement charge was $1,937 on homes with an average sales price of $19,397. In other words, settlement charges accounted for 10 percent of each residential transaction.

One of the main findings of the HUD-VA study is that there is an incredible variation in settlement charges between metropolitan areas and even within the same area. For example, for homes in the $20,000 to $24,000 price range, the HUD-VA study revealed the following variations:

> Total settlement charges varied nationwide from a low of $200 to a high of $5,000;
>
> Closing charges which are a component of total settlement charges varied nationwide from a low of $50 to a high of nearly $2,000;
>
> Total settlement charges in Los Angeles County varied from less than $1,000 to nearly $4,400;
>
> Closing charges, that is, part of settlement charges that are closing, in Los Angeles County ranged from about $200 to almost $1,000;
>
> Closing charges in Washington, D.C. ranged from $487 to $1,030; and
>
> Closing charges in Cook County, Illinois ranged from a low of $102 to a high of $723.

How much fat is there in the $14 bil-the same price, between $20,000 and $24,000. It was not houses which were different in price.

Similar variations were found in all of the areas that were studied in detail for the report.

The principal conclusions of the HUD-VA study were summarized in Secretary Romney's testimony before the Senate Banking Committee on March 1, 1972. These conclusions are quoted in part as follows:

> Settlement costs and practices vary widely within the same geographic area.
>
> State regulation of title insurance and other title related costs is largely ineffective.
>
> In most cases, competition in the conveyancing industry is directed toward other participants in the industry and not toward the home buying public.
>
> It is evident from these findings that serious problems exist in the conveyancing industry, and that such problems demand immediate attention in order to assure that the public is not charged more for settlement costs than is reasonable.

In response to questioning about the size of the overcharge per year on closing costs, Secretary Romney said:

> I don't think there is any question but what it is hundreds of millions of dollars. That is the overcharge.

Secretary Romney's conclusions were strongly supported by Assistant Secretary Gulledge. When asked whether there was any rational reason for the great disparity in closing costs, Mr. Gulledge made the following observation:

> We found . . . within the same metropolitan area you have a great disparity between the costs being charged which would tend to give some credence to your point that there is not a great deal of rational relationship. It is almost a question of what the traffic will bear.

THE TOTAL SETTLEMENT BILL

From the figures developed in the HUD-VA study, it is possible to compute the total amount of settlement charges paid by home buyers and sellers in an average year. When these figures are adjusted to include settlement charges on conventional mortgages and updated to reflect the increase in prices since 1971, the average total settlement charge on today's typical transaction comes to $2,816. There are approximately 5 million sales of one-to-two-family homes in a normal year. At an average cost of $2,800, the total settlement charge bill paid by home buyers and sellers comes to a staggering $14 billion a year.

The HUD-VA study also provided data on closing charges and settlement charge by State. When these figures are adjusted to include conventional mortgage transactions and updated for inflation, the average closing charge varies from a low of $476 in South Dakota to a high of $1,278 in New York, a variance of nearly 3 to 1 for essentially the same service. Total average settlement charges range from a low of $1,573 in South Dakota to $6,458 in Alaska, a variance of better than 4 to 1.

Now, these were on houses of virtually lion settlement bill? How much are consumers being overcharged? How much could be saved if charges were limited or the industry made competitive? I estimate at least $1.5 billion a year could be saved, or roughly 10 percent of the total settlement bill.

Mr. President, I think on the basis of all the study and the documents, that is a conservative estimate, I think it could be substantially more than that.

These potential savings are considerably in excess of the savings estimated from the no-fault insurance bill on which consumer organizations have centered much of their attention.

The largest element of the $14 billion settlement bill are real estate commissions. These total $5.6 billion a year. In today's market, the typical real estate agent's commission is 6 percent of the sales price and in some areas 7 percent compared to a more or less standard 5 percent just a few years ago. It is difficult to understand why the percentage commission paid to a real estate agent should be increasing since the average sales price of housing is also increasing faster than the rise in the general cost of living. If real estate agent commissions were rolled back to the 5 percent level, consumers would save nearly $1 billion a year.

The second largest element of the $14 billion settlement bill are closing charges. These charges total $4.5 billion a year with most of the money going to lenders, title insurance companies and attorneys. Title insurance companies alone receive a billion dollars a year in premiums. Less than 3 percent of this amount is paid out in losses. So it seems to me this could almost be construed as a 97 percent ripoff.

High closing charges are concentrated in six jurisdictions—New York, New Jersey, the District of Columbia, Virginia, Maryland, and California. These six jurisdictions account for 23 percent of all residential real estate transactions. The average closing charge in these six jurisdictions is $1,185 compared to $760 for the rest of the country. If closing charges in these six jurisdictions were to be reduced to the average for the rest of the country, the savings would be almost $500 million.

WHY S. 3164 WOULD NOT DO THE JOB

The committee report expresses the belief that the additional disclosures, the prohibition against kickbacks, and the limitation on escrow account payments contained in S. 3164 will, by themselves, eliminate excessive or unnecessary settlement charges. Aside from the assertions made by the settlement industry, there is no evidence to suggest that these reforms will be very effective in reducing excessive settlement charges.

One reason why settlement charges will not be appreciably reduced through disclosure is that the real estate settlement process is an inherently uncompetitive situation. The average person buys or sells a home only once or twice in his lifetime. He is a captive customer in the hands of the lender, the real estate agent or the attorney. He has no basis for judging whether a particular fee or charge is reasonable, particularly when the amount of the fee or charge is small relative to the total purchase price of the house. Once a buyer is committed to a particular purchase, he is in no position to question individual charges which may be tacked on by various partial participants in the settlement process. It is unrealistic to assume that consumers will suddenly begin shopping for settlement services. A few sophisticated buyers might. However, the vast bulk of consumers will go along with whatever charges are imposed as they do today.

A second reason why disclosure is inadequate is that those who provide settlement services discourage price competition. Local and State bar associations have established minimum fee schedules for settlement attorneys. The 6 percent real estate commission has become virtually standard on residential transactions.

Title insurance companies charge virtually the same premiums for title insurance. There is no reason to assume that these habits of noncompetition, built up over a lifetime, will be transformed by a disclosure law.

The proponents of S. 3164 made much of the fact that minimum fee schedules for attorneys were declared to be in violation of the antitrust laws in a 1972 decision. However, since the committee ordered S. 3164 reported, this decision was overturned by the court of appeals on the grounds that the practice of law is a "learned profession" and not subject to the antitrust laws.

The prohibition against kickbacks or other unearned fees contained in section 7 of S. 3164 is a worthwhile reform. However, there is no evidence that closing charges are lower in the States which have already declared kickbacks to be illegal. Indeed, the Maryland State Bar prohibits kickbacks and yet closing charges in Maryland are among the highest in the Nation.

In the absence of effective regulation, the net effect of the antikickback provision will be to transfer income from one segment of the settlement industry to another and possibly increase total settlement charges.

That may seem impossible, but it is a fact, and I am going to explain why it is possible that the antikickback provision may actually result in higher charges to the consumer.

For example, one of the most common type of kickback arrangements occurs when title insurance companies rebate a portion of the title insurance premium to the attorney or lender or realtor who referred the business. Prohibiting kickbacks will result in a bonanza to these title insurance companies, since there is no method for forcing the savings to be passed on to the consumer. Nor is there any provision in S. 3164 to prevent the previous recipients of kickbacks from raising their charges to the public to compensate for the reduced kickback income. If this occurs, the net effect would be to increase the total settlement bill paid by the public. This may explain why title insurance companies have been the most enthusiastic supporters of the antikickback provision.

STRONGER ACTION NEEDED

Given the size, scope and nature of the settlement charge problem, it is evident that the weak remedies provided in S. 3164 are simply inadequate to do the job. Stronger measures are needed. The committee has two bills before it which deal directly with the settlement charge problem—S. 2288 which I introduced on July 30, 1973 and S. 3232 which I introduced on March 25, 1974.

S. 2288 would require HUD to issue regulations limiting settlement charges on all mortgage transactions within 6 months. Some have argued that the regulation of settlement charges is inherently unworkable, that too many separate services are involved, and that local differences in record-keeping practices are too great for HUD to develop fair and meaningful regulations. Others have expressed the fear that in the long run, regulations might raise settlement charges, should the settlement industry dominate the regulatory process as regulated industries so often do.

Whatever the merits to these arguments, the fact remains that the commitee has not held in-depth hearings to explore their validity. There have been examples of reasonably successful price regulation at the Federal level. For example, the Securities and Exchange Commission, under the authority of the Investment Company Act of 1940, has issued regulations limiting the maximum commission which can be charged in connection with the sale of mutual fund shares. While real estate settlement charges are more complicated, the problem does not seem incapable of administrative solution.

An alternative to the price regulation approach is contained in S. 3232. This bill would require mortgage lenders to pay for all settlement charges which they require as a condition for making the mortgage loan. For example, many lenders require borrowers to purchase a title insurance policy which protects the lender. If the policy is required by the lender for his protection, why should not he pay for it?

If lenders were required to pay for settlement charges, they would use their superior economic leverage and sophistication to force prices down. Assuming a reasonable degree of competition between lenders in the mortgage loan market, these savings would then be passed on to the general public. Another advantage of the lender-pay approach to the home buyer is that the cost of settlement charges paid by the lender would be included in the finance charge which is tax deductible.

WHY HUD'S REGULATORY AUTHORITY SHOULD NOT BE REPEALED

It is a serious mistake to repeal HUD's regulatory authority to regulate settlement charges as is done under section 10(c) of S. 3164, which my amendment pending now would knock out. First of all, it is premature to abandon the regulatory approach before Congress has thoroughly examined all the alternative methods for reducing excessive settlement charges.

Congress has not held in-depth hearings to examine under what circumstances and under what conditions regulations might or might not be feasible. All we have are the self-serving allegations of the settlement industry that regulations are inherently unfair and unworkable.

Second, until Congress does make a final judgment on the best way for limiting settlement charges, HUD's regulatory authority under section 701(a) serves as a deterrent to prevent a further escalation in settlement charges. It also prods State and local governments into reforming real estate settlement practices. The repeal of HUD's regulatory authority will signal settlement attorneys, title insurance companies, and others that the Federal Government is no longer seriously interested in curbing excessive settlement charges. As a result, settlement charges are likely to rise to record highs, especially on FHA–VA transactions.

Third, even if we concede the argument that the disclosure and other provisions in S. 3164 might somehow lower settlement charges, the authority to regulate settlement charges should still be kept on the books to be used in the event the disclosure reforms do not work. In theory, Congress could always pass a new law at a later date if it became convinced that the regulation of settlement charges was necessary. As a practical matter, it would be most difficult to enact such a bill in a timely manner given the depth of opposition to regulation on the part of the settlement lobby.

Mr. President, I think this is clear in view of what is happening today, right now on this bill, in the very, very great difficulty we have in getting action on this amendment because of the opposition in depth of the banks, of the title insurance companies, of the title companies, and of the lawyers. With the mail that they have been able to organize that goes to Senators and their calls on Senators, I think it is clear that it would be relatively easy for them to get 34 Senators—that would be all they need—to block the possibility of our providing such legislation, this protection for the consumer, once we repeal it. That is what the bill would do unless my amendment passes.

Such legislation would be subjected to numerous delays at various points in the legislative process and these delays could cost home buyers hundreds of millions of dollars.

It is not too difficult to understand why the settlement lobby is so anxious to repeal HUD's regulatory authority. Given the negative position taken by the present Secretary of HUD, the settlement lobby cannot be worried that tough regulations are imminent. However, the mere existence of the authority on the books does constitute a threat and probably constrains the providers of settlement services from raising their charges by as much as they would like to. The repeal of HUD's regulatory authority is thus likely to cost the consumer. Even a 5-percent increase in settlement charges could cost consumers $700 million a year. These are some of the likely consequences if the Brock bill is enacted.

I ask the Senators as a matter of commonsense and as a matter of political experience why it is that this industry should be so concerned, go to all the great effort they have gone to to fight my amendment, if they are not concerned about it. If the only objection to the amendment—and this is what most Senators tell me—is that it has not been used, then we would not get the industry fighting it this way. They obviously want to preserve that $700 million that they reckon as their take and which, in my view, is a wholly unjustified and completely unnecessary "ripoff" of the home buyer, who is in such a very difficult position right now.

WHY THE BROCK BILL SHOULD BE DEFEATED

There is little controversy over the disclosure and other provisions in the Brock bill. However, if section 10(c) repealing HUD's regulatory authority is retained, the Brock bill should be defeated. The increase in settlement charges which could be triggered by the repeal of HUD's authority would substantially outweigh any marginal benefits accruing to consumers from the disclosure and other provisions. As a practical matter, most of the so-called reforms in the Brock bill are already contained in other legislation or in administrative regulations either proposed or existing. For example, the Senate has already passed a bill, S. 2101, which calls for the comprehensive disclosure of settlement charges 10 days in advance of settlement. HUD has announced its intention to implement administratively almost all of the reforms in the Brock bill. The limitations on payments into escrow accounts are already contained in the standard mortgage contracts promulgated by the Federal National Mortgage Association and the Federal Home Loan Bank Board. Thus, the so-called benefits of the Brock bill are marginal and largely cosmetic, while the potential cost to consumers arising from the repeal of HUD's regulatory authority is enormous. The Brock bill is not in the best interests of consumers and should be defeated if it cannot be amended to strike the section repealing HUD's regulatory authority.

Mr. President, I reserve the remainder of my time and yield the floor.

The **PRESIDING OFFICER**. Who yields time?

Mr. **BROCK**. Mr. President, I suggest the absence of a quorum, with the time to be equally divided.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the pending amendment by Mr. PROXMIRE, on which the yeas and nays have previously been ordered, occur today at the hour of 12:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. BROCK. Mr. President, will the Senator withhold that?

Mr. ROBERT C. BYRD. I withdraw my suggestion.

Mr. BROCK. Mr. President, before answering the specific points raised by the Senator from Wisconsin, I would like to clarify several questions that have come before this body during these debates.

First, there seems to be considerable misunderstanding over the purpose of section 701 of the Emergency Home Finance Act which the Senator from Wisconsin would preserve on the books.

Contrary to the impression left from statements made by the Senator from Wisconsin, both the language of the statute and the legislative history support the view that section 701 was in no way intended to confer on HUD and VA the authority to regulate the rates and charges made for closing and settlement services.

By authorizing and directing HUD and VA in section 701(a) "to prescribe standards governing the amounts of settlement costs allowable" in connection with FHA and VA assisted mortgage transactions, Congress was simply providing explicit congressional approval and authorization for the administrative practice that FHA and VA had developed under very general statutory authority to disapprove FHA insurance or VA assistance in a particular transaction where the charge for a particular settlement service was in excess of the "reasonable and customary" charge for that service in the area.

The language of section 701 simply does not support the conclusion that rate regulation was intended in section 701 (a). After authorizing HUD and VA in subsection (a) to prescribe "standards governing the amounts of settlement costs allowable" in FHA and VA assisted transactions, the Congress directed these two officials in subsection (b) to conduct an extensive study and to "make recommendations to the Congress with respect to legislative and administrative actions which should be taken to reduce mortgage settlement costs and to standardize these costs for all geographic areas." The implication is clear that subsection (a) was not intended to confer any authority "to reduce" or "to standardize" settlement costs.

Moreover, if there had been any intention that subsection (a) was to be utilized as a means of reducing settlement costs, at the very least subsection (b) would have been drafted to authorize a report on the further "legislative and administrative actions which should be taken to reduce mortgage settlement costs." This interpretation of the statutory language is confirmed by the legislative history of the provision.

The legislative history of the provision indicates that what was intended by this authority was that HUD and VA continue to prescribe the type of standard—that is, that charges for settlement services in FHA and VA assisted transactions be "reasonable and customary"—historically utilized by HUD and VA in examining closing costs in particular transactions.

The language of what ultimately became section 701 was first introduced in the 91st Congress by Senator SPARKMAN to carry out the recommendations of the Commission on Mortgage Interest Rates to the President of the United States. Essentially, the recommendations of that Commission were: First, HUD and VA should continue their practice of reviewing closing costs in particular FHA and VA assisted transactions to insure that the charges are "consistent with the accepted standard in each local area;" second, regulations and procedures should be developed to ensure that borrowers received reliable estimates of closing costs a reasonable time prior to closing; and third, HUD and VA should undertake a joint study recommending to the Congress steps that could be taken "to reduce and standardize" closing costs. The Commission on Mortgage Interest Rates in no way recommended that HUD or VA be given authority to regulate closing costs or to adopt any regulations that would have the effect of reducing or standardizing closing costs around the country.

It is equally significant that the report of the Senate Banking Committee reiterated that section 701, would implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs in FHA-VA assisted housing.

The report continues that—

> It would direct the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs, after consultation with each other, to prescribe standards governing the amounts of settlement costs allowable in any area in connection with the financing of FHA-VA assisted housing.

Equally significant is the fact that no attention was paid to this section of the bill when it was debated on the Senate floor on April 16, 1970.

Mr. President, giving a Government agency authority to regulate the rates charged by small businessmen and professional people throughout the country is not a matter to be undertaken lightly. Certainly, if this was the intention something to that affect would have been said in the committee reports or on the Senate and House floors. Statements made lead to the contrary conclusion. In addition, it seems inconceivable that if the section were intended to provide broad ranging authority to regulation and reduce these charges, such a provision would be placed in a miscellaneous section of an emergency bill and receive virtually no opposition or discussion.

POTENTIAL BENEFITS OF RATE REGULATION UNDER SECTION 701 INFLATED

Second, I wish to point out that the potential benefits of rate regulation under section 701 of the Emergency Home Finance Act have been inflated by the Senator from Wisconsin. He has estimated that at least $1.5 billion a year could be saved or roughly 10 percent of the total settlement bill of $14 billion.

This is absolutely ridiculous because the types of charges that would be covered under section 701 account for only a small portion of total settlement costs incurred in residential real estate transactions.

The Senator from Wisconsin has pointed to the 1972 HUD–VA study on closing costs as demonstrating that the average total amount of settlement costs paid in the 50,505 FHA–VA transactions examined in the study was $1,937 and that this is a relatively large sum for a home buyer to raise in addition to the down payment. Then he argues that Federal regulation of these costs under section 701 could save home buyers millions of dollars. But there are certain crucial facts that are conveniently not pointed out.

First, the majority of the costs that make up the $1,937 figure would not be covered by rate regulation under section 701—even assuming that section gave the Secretary of HUD rate regulatory authority. The language of section 701 authorizes the Secretary only "to prescribe standards" governing costs incurred "in connection with the financing" of FHA and VA assisted transactions. As HUD's July 1972 proposed regulations indicated, the types of charges covered by such regulation would be limited to such charges as credit reports, surveys, title examination, title insurance, closing fees and termite inspections. These charges account for a very small portion of the $1,937 total settlement charge figure. In fact, the HUD–VA statistics themselves indicate that on average, such charges amount to only about $207. Other settlement items, such as recording fees, transfer taxes, sales commissions, prepaid items such as real estate taxes and insurance, and points—which are a function of the interest rates—that account for the great portion of settlement costs, would not and perhaps could not be regulated.

Thus, we ought to be very clear that all we are talking about, at best, is regulating a very small portion of total settlement charges.

Second, as the HUD–VA study indicated, nationwide approximately half of the total costs that might be subject to regulation are typically paid for by the seller, not the buyer. To the extent that supporters of Federal rate regulation are arguing that settlement costs ought to be regulated because they constitute a massive initial hurdle to homeownership that must be paid by the buyer-borrower at the time of closing in addition to the down payment. the HUD–VA statistics clearly refute this argument. For example, the charts on pages 39 and 40 of the HUD–VA report indicate that in the State of Alabama, the buyer pays for only 22 percent of total closing costs; in

California only 37 percent; in Montana, 42 percent; in the State of Washington, 37 percent.

The plain fact is that the types of charges that would be subject to regulation under section 701 do not constitute a major initial burden to home ownership. Anyone who has purchased a house in suburban Maryland, for example, knows that 50 percent to 75 percent of the total charges paid at settlement by the buyer are accounted for by governmentally imposed charges, such as transfer and real estate taxes and recording fees.

For these reasons, I believe that rate regulation under section 701 of the 1970 act does not offer the promise of any real savings to home buyers. I believe the Banking Committee acted wisely in voting to remove this provision from the statute books and to adopt legislation that offers a far better prospect of dealing with the basic problems in the settlement area in a way that will effect real savings to home buyers.

SECTION 701 IS ARBITRARY—LIKE "SHOOTING IN THE DARK"

Mr. President, a third reason that I support repeal of section 701 as recommended by the Banking Committee is that I fear that if this section remains on the books it might some day be used as a basis for arbitrary and unreasonable Government regulation to harass small businessmen and individuals.

Let us look for a moment at the history of the use of the regulations under section 701 by HUD.

In July of 1972, HUD issued proposed regulations under section 701 that would have proposed maximum limits on certain charges for settlement services in FHA and VA transactions in six metropolitan areas. Regulations for other areas were to be forthcoming. Supporters of Federal rate regulation of settlement services were elated because these regulations would have forced reductions in charges by 25 percent or more. Those who would have been regulated expressed their deep concern to Members of Congress and to HUD and argued that these regulations were very unfair and, in fact, were not authorized by section 701.

Rather than examine costs and profits, what HUD apparently did was to determine maximum limits based on the charges prevailing in the low-cost and low-price areas. It was like saying that the retail price of a Cadillac in New York City ought to be based on the retail price of a Chevrolet in Detroit.

FHA Commissioner Lubar, who testified before the House Banking Committee, was very clear in stating that—

> The expenses that the providers of these services incurred in order to provide the services were not ascertained and therefore were not factored into the proposed maximums.

The reasons for this were detailed by Mr. Lubar:

> Attempting to regulate settlement costs nationwide—in 50 States and over 3,000 counties instead of in the fewer than 100 jurisdictions involved in the 6 metropolitan area proposal—would be virtually impossible in view of the wide variances in settlement practices, especially if due process required verification of the individual costs of all providers of services ranging from one-man law firms to giant title companies. We would need to ascertain—for each of these jurisdictions—actual settlement charges and the costs incurred in the performance of settlement services. Then we would have to determine, again on a jurisdiction-by-jurisdiction basis, what constitutes reasonable charges. Accordingly, it is apparent that, even if it could be concluded that Federal regulation of settlement costs was workable at all, such regulation could be achieved only at a very high administrative cost, widely out of proportion to the benefits that would be received by consumers.

Prof. Dale Whitman, who was intimately involved in the development of these regulations and who testified as an independent expert was equally candid about the problems with rate regulation under section 701:

> Let me first deal with the potential for successful rate regulation by HUD. I struggled with this matter for a year at HUD, and I can assure you that it is not an easy problem. Prevailing practices, customs and laws vary widely. Many are inefficient, but they can not be changed instantaneously. A rate which is fair and profitable to one provider may appear confiscatory to another. In addition, the information needed to set rates intelligently is simply not available to HUD, and is unlikely to become so. HUD has virtually no data whatever on the internal costs of operating a lawyer's office, a title insurance company, or a surveying firm, and it is not easy to see any feasible means of collecting such information. Without it, HUD is essentially shooting in the dark in setting rates.

In the face of this testimony, it is clear to me, as it was to a majority of the members of the Banking Committee, that there are two equally objectionable alternatives if section 701 stays on the books as authority for Federal rate regulation in this area:

Either HUD must "shoot in the dark" in establishing maximum charges because such charges would not be based on the costs or profits of rendering the services regulated, or

A bureaucracy of potentially immense proportions must be developed to set rates on the basis of a fair and thorough examination of these costs and profits of hundreds of thousands of attorneys and businessmen who provide settlement services.

Mr. President, most Federal rate regulation in the past has been directed at the large firms—the railroads, the utilities, and the airlines. With their lawyers and accountants they are able to cope with the regulatory requirements of producing cost figures. But here we are dealing with small firms and individuals—surveyors, real estate brokers, lawyers, and title companies. It would place an intolerable burden on these people to require cost justification for their services. And, more important, the cost of the vast bureaucracy which would have to be established could not be justified by the amount of potential savings to the consumer in rate regulation. For this reason, I urge rejection of the Proxmire amendment.

SECTION 701 IS NOT THE "CLUB IN THE CLOSET"

The Senator from Wisconsin has urged that section 701 be retained on the books as a "club in the closet" to prevent a further escalation of settlement charges. But, keeping section 701 on the statute books would in no way deter increases in settlement charges or prod State and local governments into reforming real estate settlement practices. What kind of "club in the closet" is a statute that threatens arbitrary governmental action and which in no way will lead to basic reforms? Such a club will only lead to continuing efforts of the part of small businessman to insure that such unreasonable action is never implemented. Indeed, consumers should likewise fear the type of regulation proposed by HUD in 1972 under section 701 since it promises to drive virtually all attorneys, title companies and others out of the FHA-VA market if they are forced to arbitrarily reduce their charges even though the reductions are not based on any determination of their costs or profits.

Similarly, keeping section 701 on the books can only have the effect of preventing State and local governments from undertaking basic reforms and will have a particularly adverse effect on those States that may be considering effective State regulation of title insurance. If these State legislatures believe that at some time in the future HUD may be regulating title insurance charges, it is obvious that they would not seek to enact legislation that would subject title insurance companies to duplicate regulation at the State level. Time and again, we have seen how once the Federal Government moves into an area, the State and local governments draw back from exercising overlapping jurisdiction.

It is interesting to note that States which have been experimenting with settlement cost reforms, such as New York, Maryland, Massachusetts, and Connecticut, have only been dealing with the problem of payment of interest on escrow accounts. With section 701 on the books, the States simply have not passed additional laws providing for State regulation of title charges. I venture to say if section 701 is repealed we will have pressure on State legislators to enact additional title rate regulation laws. This is as it should be.

On the other hand, enactment of S. 3164 and repeal of section 701 would very definitely signal settlement attorneys, title insurance companies, and others that the Federal Government is very seriously interested in curbing excessive settlement charges. With the prospect of HUD reporting to the Congress 3 to 5 years from now on how effective the reforms of S. 3164 have been, it is likely that those who provide settlement services will be very wary about increasing their charges unnecessarily. This is particularly true since section 10 of S. 3164 directs HUD to report back to us on what further legislative measures are needed, including the possibility of rate regulation or having lenders bear certain settlement costs. In the face of serious Federal consideration of these possibilities, the enactment of S. 3164 would be much more effective in curbing excessive settlement charges than keeping an unworkable section 701(a) on the books.

I would add nothing further, Mr. President. The matter has been debated extensively. I feel very sincerely that the

Committee on Banking, Housing and Urban Affairs has presented to the Senate an enormously important and productive consumer protection bill, that can result in savings of hundreds of millions of dollars to the American home buying public. I urge the support of the legislation, and urge that this particular amendment be defeated, because I think it adds nothing; as a matter of fact, I think it is a detriment to the true reform effort which we are endeavoring to make at this point in time.

With that, Mr. President, I am prepared to vote. I suggest the absence of a quorum.

The **PRESIDING OFFICER.** On whose time?

Mr. **BROCK.** To be equally divided.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **CHURCH.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. **PROXMIRE.** Mr. President, I yield such time to the Senator from Idaho as he may wish.

CORRECTION OF A VOTE

Mr. **CHURCH.** Mr. President, yesterday the distinguished Senator from Wisconsin (Mr. NELSON) offered an amendment. A motion was subsequently made to table that amendment. I was present at the time the motion was made, and at the time the vote on the motion was made. I voted on the motion to table in the affirmative. The motion carried.

The RECORD, however, fails to disclose that I voted on that motion. Therefore, I ask unanimous consent that the official RECORD of the Senate relating to the vote (No. 322) may be corrected to show that I was present and did, in fact, vote in the affirmative on the motion to table the amendment offered by the distinguished Senator from Wisconsin yesterday afternoon.

The **PRESIDING OFFICER.** Without objection, the RECORD will be so corrected to reflect the affirmative vote.

Mr. **CHURCH.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **PROXMIRE.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **PROXMIRE.** Mr. President, I yield whatever time the Senator from Washington may require.

Mr. **MAGNUSON.** Mr. President, I am pleased to join with Senators PROXMIRE, MATHIAS, CASE, KENNEDY, HART, TUNNEY, METZENBAUM, and HATFIELD in cosponsoring this most important proconsumer amendment.

For years, consumers have awaited significant Federal legislation in the real estate settlement costs area. Real estate settlement costs remain a flagrant area of consumer abuse—one where the consumer does not get fair prices. In the State of Washington, the settlement costs are only slightly above the national average, and yet the average closing costs to a consumer is $873 for a property transaction and the average realtor's fee is $3,351. Consumers in the State of Washington pay over $388 million each year to sustain the settlement and closing cost industry. And the State of Washington is only slightly above average for the Nation.

The six States with the highest settlement charges alone total $498 million over the national average each year. Frankly, I do not believe the consumer is getting what he is paying for in this area.

These figures demonstrate the underlying need for significant Federal reform of the settlement-closing cost industry. Many of us looked forward to the present bill with anticipation that we would finally have a chance to vote on significant consumer legislation in this area. Unfortunately, the bill on which we must address today is not all that many of us would wish.

I am pleased to see many of the provisions in S. 3164. The antikickback section, the disclosure of settlement costs to consumers, the special information booklets required of HUD, and the limitations on advance deposits in scrow amounts are all steps forward in this area. None of these provisions are revolutionary. Some have been discussed for many years. Most of them have been outlawed already in one form or another in existing statutes. On balance these provisions are worth enacting today and, in a bill by themselves, are entitled to the Senate's support.

However, S. 3164 includes another provision which has not been widely debated, which has not been widely publicized, and which represents a major step backward for the average home buyer. The committee's bill would repeal the only existing authority presently found in Federal law to regulate closing costs and fees.

I have studied the committee's report for a justification for this repealer section. The committee seemed to feel that the Federal Government should not be involved in fixing or regulating the rates charged for real estate settlement costs. Yet the committee, in another section of the same bill, states that it is important that the Secretary of HUD investigate the possibility of Federal rate regulation. The report states at one place:

> While there is undoubtedly a Federal interest in insuring settlement costs, particularly in FHA or VA transactions, are not unreasonably high, it does not follow that the Federal Government should place tens of thousands of individuals or businesses . . . Under Federal ratemaking simply because there are abuses or problems in certain areas of the country.

This statement in the report is an excellent rationale for retaining discretionary authority in the Secretary of the Department of Housing and Urban Development. Frankly, there is not adequate record to demonstrate the need for repeal of this discretionary authority in the Department of HUD. The committee itself admits that it has adequate information at this time to make any final recommendation in the rate regulation area. Yet the bill mandates final a most significant change in the status quo of Federal regulation. The case has simply not been made.

I believe there are significant adverse potential effects on consumers if we act today on a bill which retains the repealer provision. No one can deny that the present discretionary authority in HUD, although never actually implemented, has had a significant "jawboning" effect on settlement closing costs. There is significant testimony in the House and Senate hearing record by consumer advocates to indicate that settlement and closing costs have been in fact held down by the threat of Federal regulation. The most severe abuses have been restrained because of this discretionary authority residing in the Secretary of Housing and Urban Development. Repeal of this provision, enacted in 1970, can only be interpreted as a green light for accelerating inflation in the settlement costs industry.

The existing discretionary authority in HUD has provided a major stimulus for States to begin policing their own localities. Many States have made great strides in recent years in this area. The hearing record again reflects that the stimulus for this State action was the threat of Federal preemption of the area unless the States began to act in consumers' behalf. Repeal of the discretionary authority in Federal officials will remove this stimulus for States to continue internal reform.

The Federal Government should be acting to protect homeowners who depend on Government insured loans. Enactment of this repealer will be a step in the opposite direction. The Government as guarantor of home loans should be concerned about the welfare of the mortgage industry. It should also be concerned about the welfare of the home purchaser. Unfortunately, we have not taken strides to adequately protect the home purchaser. This repealer section would further tilt the Government's guarantees away from the home buyer and toward the financial institutions.

There simply is no reason at this time to change the status quo. The discretionary authority enacted in 1970 has never been used. In 1972, the HUD did make a tentative proposal. But it was quickly withdrawn because it came under violent attacks from the financial industry and the White House. Alternative proposals were never given a chance or treated seriously.

The case for standby price controls has been strongly made in recent months. Consumers who must purchase services in a noncompetitive industry have no defense. Their only hope is adequate governmental supervision of the industry. Standby controls can serve this function. The fact that the White House has indicated that it would never allow the standby control power to be used by the Secretary of HUD is not adequate reason to repeal that control. Even President Nixon has found, on occasion, that standby controls enacted by Congress were needed and should be imposed. The Senate may recall that the President was strongly opposed to the standby wage-price controls of several years ago. Yet, the President, despite much rhetoric that he would never use such controls, did find it necessary to finally implement them. I believe the same situation may prevail today in the area of real estate settlement costs.

No reasons have been advanced to change the status quo. The bill mandates a 3-year study with recommendations by the Secretary of HUD. There will be adequate opportunity for Congress to consider repeal at that time if the facts accumulated by HUD reflect the need. On the other hand, if the facts accumulated by HUD demonstrate the need for direct Federal intervention, enactment of new Federal regulatory legislation may be nearly impossible.

Although supporters of the bill label it a "consumer protection bill," not one significant national consumer oriented organization endorses the bill as long as it retains the repealer section. The harm to consumers from the repealer section far outweighs the benefits gained from the rest of the bill. I ask the Senate to join with me in striking the repealer section from the bill, then we can move on to final passage.

Mr. PROXMIRE. Mr. President, I want to thank the distinguished Senator from Washington very much for his statement and for his support.

Mr. TUNNEY. Mr. President, I would like to commend the distinguished Senator from Wisconsin for his efforts on behalf of the American consumer, and offer my support to his amendment to S. 3164, the real estate settlement procedures bill. This amendment deletes section 10C of the bill which would repeal the authority of the Secretary of Housing and Urban Development to regulate settlement charges.

Although I have expressed support for most of the provisions of the settlements bill, I feel that to repeal HUD's authority to regulate settlement rates would strip the consumer of an important protection against exorbitant settlement costs. The repeal this authority would give the settlement industry the green light to raise its charges without restraint. Many of the provisions of S. 3164 are new and untried, and it therefore seems most prudent to retain the one statutory provision that does ultimately insure the consumer a fair shake. This one sure provision is the authority to put ceilings on settlement charges. Let us truly protect the consumer by passing the Proxmire amendment to delete the repeal of the HUD authority to regulate settlement rates.

Mr. SPARKMAN. Mr. President, S. 3164, the Real Estate Settlement Procedures Act of 1974, was recently reported by the Senate Banking Committee by an 11-to-2 vote. One provision of this bill, section 10(c), has been the subject of some controversy in that the section would repeal section 701 of the Emergency Home Finance Act of 1970. It has been claimed that section 701 authorizes HUD and the VA to regulate the rates and charges of persons who provide settlement services in federally assisted transactions and that the repeal of section 701 would take away this rate regulatory authority.

As the Senator who introduced the original bill containing section 701, I think the Members of the Senate ought to be aware that section 701 was never intended to provide such rate regulatory authority and the legislative history of the provision clearly bears this out. The statutory language is to "prescribe standards governing the amount of settlement costs." This language clearly did not intend HUD and VA to be rate regulatory bodies. There is a big difference between HUD issuing standards under which settlement charges should be allowed and HUD being set up as a regulatory body to set arbitrary ceilings on such things as lawyers' fees and other similar professional and service charges. It is because section 701 has been subject to such misinterpretation that I felt constrained to support its repeal when the issue was considered by the Senate Banking Committee.

Section 701 was originally introduced by me on February 16, 1970, as section 2 of S. 3442, the Mortgage Credit Act of 1970. At that time, I stated quite clearly on the floor of the Senate that in introducing the bill, I was acting to carry out the recommendations of the Commission on Mortgage Interest Rates, which had published its report in August of 1969. That Commission, of which I was a member, was charged with the responsibility of recommending ways to meet the mortgage credit crunch that prevailed at the time. The report also included the following findings and recommendations in regard to closing costs:

> CLOSING COSTS
>
> The Commission believes that special attention should be given to the question of closing costs associated with mortgage transactions. These costs at times add significantly to the burden of acquiring a home since they come on top of whatever downpayment must be made.
>
> The Commission recognizes that institutional practices in different states and localities are the primary determinant of many of the charges made at a mortgage loan closing. Past studies have shown, however, that charges for such things as title insurance, attorney's fees, property surveys, and the like do vary considerably across the country. Buyers sometimes do not learn of these costs until quite late, and then have no time to shop around for a less expensive deal.
>
> FHA and VA presently do pay some attention to closing charges, and attempt to protect individual borrowers from having to pay more for a particular service than is generally customary in the local area involved. The Commission believes that this practice should be continued and that procedures should be developed to provide helpful information about such charges to prospective borrowers along the lines discussed above in connection with information on borrowing costs. The Commission further urges the Congress to call on the Department of HUD and the Veterans Administration to undertake jointly a special study exploring what additional steps might be taken to standardize and reduce such costs, and to report their findings by the middle of next year.
>
> With respect to closing costs and other fees collected in connection with mortgage financing, the Commission recommends that FHA and VA: (a) continue the present administrative practice of reviewing such costs to see that they are consistent with the accepted standard in each local area; (b) develop regulations and procedures to assure that prospective borrowers have reliable estimates of such costs within a reasonable time prior to the loan closing; and (c) undertake a joint study for submission to the Congress by mid-1970 recommending steps to reduce and standardize such costs.

The language of this report is perfectly clear that the Commission was in no way recommending that Congress give FHA and VA rate regulatory authority in this area. What the Commission did recommend was that HUD and the VA prescribe standards under which they would continue their administrative practice of insuring that FHA and VA borrowers did not pay more for settlement services than was customary in the local area involved. HUD and VA regulations provided then, and still provide now, that Federal assistance or insurance can be denied if the items of closing costs are in excess of the "reasonable and customary" standard. Section 701 was simply intended to carry out the Commission's recommendation that the Congress reconfirm this administrative practice. Moreover, the Senate Banking Committee Report specifically stated (S. Rept. No. 91–761, 91st Cong., 2d Sess.) that the section "would implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs on FHA- and VA-assisted housing."

I cannot understand how and why section 701 has now been so misconstrued as to be interpreted as authorizing a massive scheme of Federal rate regulation of settlement changes in federally assisted transactions. But I wish to assure my colleagues that this was clearly not intended, and that in repealing section 701 we are not taking away any rate regulatory authority from HUD but simply removing from the statute books an ambiguous section that has already been subject to too much misinterpretation.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally divided.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

RECESS TO 12:15 P.M.

Mr. PROXMIRE. Mr. President, I move that the Senate stand in recess until 12:15 p.m.

The motion was agreed to; and at 11:43 a.m. the Senate took a recess until 12:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ABOUREZK).

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The Senate continued with the consideration of the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally related mortgage transactions, and for other purposes.

The PRESIDING OFFICER. The Senate will now proceed to vote on amendment No. 1556. The yeas and nays have been ordered. There is no time for debate.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be allowed 1 minute, and I yield one-half minute to the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

One minute of debate.

Mr. PROXMIRE. I ask unanimous consent that Nick Miller from Senator MAGNUSON's staff be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Are we voting on the Proxmire amendment?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. And that will be followed by the inflation cost-of-living resolution?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BELLMON) is absent to attend the funeral of a relative.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) and the Senator from Maryland (Mr. MATHIAS) would each vote "yea."

The result was announced—yeas 55, nays 37, as follows:

[No. 325 Leg.]

YEAS—55

Abourezk
Bayh
Beall
Biden
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Eastland
Gravel
Griffin
Hart
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Magnuson
Mansfield
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stennis
Stevens
Stevenson
Symington
Thurmond
Tunney
Weicker

NAYS—37

Aiken
Allen
Baker
Bartlett
Bennett
Bentsen
Bible
Brock
Byrd, Harry F., Jr.
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Ervin
Fannin
Fong
Goldwater
Gurney
Hansen
Helms
Hollings
Hruska
McClellan
Nunn
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Taft
Talmadge
Tower
Williams
Young

NOT VOTING—8

Bellmon
Cook
Fulbright
Hartke
Javits
Long
Mathias
Packwood

So Mr. PROXMIRE's amendment (No. 1556) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 363

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on Senate Resolution 363. The yeas and nays have been ordered.

As soon as there is order in the Chamber, the clerk will call the roll. The Senate Chamber will please come to order.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BELLMON) is absent attending the funeral of a relative.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 88, nays 5, as follows:

[No. 326 Leg.]

YEAS—88

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—5

Aiken
Bennett
Brock
Goldwater
Nelson

NOT VOTING—7

Bellmon
Cook
Fulbright
Hartke
Long
Mathias
Packwood

So the resolution (S. Res. 363) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 363

Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy

Whereas the American economy has in recent months reached an alarming state of instability and uncertainty combining reduced economic growth, corrosive inflation, high unemployment, unprecedented high rates of interest, the decline of available loan and venture capital, serious changes in energy supply and pricing, unanticipated and destabilizing commodity shortages, and growing international economic and financial uncertainties; and

Whereas the complexity, magnitude and persistence of these difficulties has occasioned substantial disagreement as to their causes and remedies; and

Whereas no agreed program for effective specific Government programs, levels of Fed-administration, and the Federal Reserve Board, acting independently, have not yet been able to overcome these problems; and specific government programs, levels of federal spending and activities in all economic sectors continue to contribute to these difficulties; and

Whereas the American people in the face of this persistent economic deterioration are growing more dismayed and uncertain as evidenced by the widespread labor unrest and the declining financial markets of recent weeks; and

Whereas this deepening lack of confidence could magnify an already serious economic situation into a national crisis should these difficulties continue unabated: Now, therefore, be it

Resolved, That it is the sense of the Senate that the leadership of the Nation responsible for our economic well being meet together immediately in a spirit of unity to design a set of policy actions to achieve the common goal of restoring stability and growth to the American economy and confidence and prosperity to the American people.

It is imperative as in previous moments of great national need, that the two political parties, the Congress and the President, labor and management, put aside their domestic and political differences and work together in a spirit of discipline, compromise, and sacrifice for the common good.

SEC. 2. It is further the sense of the Senate that this domestic summit be convened forthwith comprised of the President, the majority and minority leadership of both Houses of the Congress, the chairmen and ranking minority members of the Appropriations Committees of both Houses, the Chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee, and the Chairman of the Federal Reserve Board, together with leaders of labor and business, and such other participants as they may agree upon. They shall meet and devote such time as necessary until a plan of action is decided upon which, by its demonstration of renewed unity, direction, and purpose will gain the public support and confidence necessary to be effective in overcoming these difficulties.

SEC. 3. It is further resolved by the Senate that it stands ready to cooperate fully in the spirit of commitment and unity which the solution of this truly national problem will require of all elements of American society.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that name of the Senator from Hawaii (Mr. INOUYE) be added as a cosponsor of the resolution just adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I would like to make a brief comment on the resolution that was just agreed to. A staff member of mine came to me yesterday and said that a resolution was being sponsored by 50 or 60 Senators for a summit meeting on the economy, and would I endorse the idea. I said, "Yes, I would be glad to sponsor such a resolution."

Then I read the resolution and discovered it was really just a little summit on top of a molehill. I do not think that is a high enough summit. Therefore, I voted against the resolution. It has long been the established practice of the Senate to do nothing about important, urgent problems. This resolution establishes a new precedent for doing less than nothing, and I think that is a very bad precedent for the Senate to establish.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. HUDDLESTON. I would like to say to the Senator from Wisconsin that the purpose of this resolution is not just to ask for another meeting, another conference, another session where a group of economists sit down and expound on their theories as to the problems of our economy and what we ought to do to solve them.

It does not call upon the Members of Congress to sit down alone and to try to develop a solution; it does not simply call upon the executive branch to come forward with a plan of their own, because those who sponsored this resolution believe that a solution developed by any one element—whether it be Government or labor or industry—would be doomed to failure to start with.

Instead, we think it is important that there be a unified effort made at the formulation stage. Certainly, nobody can question that we do need a plan, a plan of action, and that is what this resolution is calling for—not just another meeting or even a meeting of the highest levels of Government, of business, and of labor but a session and a lengthy session—if the Senator has read the resolution, he noted that this group is to stay in session—until an action plan is developed. I think that is doing something.

Mr. NELSON. Mr. President, let me say everybody endorses the objective. It is a lovely, lovely motherhood resolution, but it really does not do anything. We tell George Meany, we tell the head of General Motors, and the leadership and economists, "Now, you fellows go some place, some place and sit there," as it says:

> They shall meet and devote such time as necessary until a plan of action is decided upon which, by its demonstration of renewed unity to action and purpose will gain the public support and confidence necessary and effective in overcoming their difficulties.

I just say this is a lot of baloney, and I will apologize to the Senator if they come up with anything half as high as a molehill.

Mr. HUDDLESTON. I might say that the Senator from Wisconsin (Mr. NELSON) can obviate the necessity for such a meeting by bringing to the Senate within a reasonable time a comprehensive solution to the problems we are faced with.

Mr. NELSON. A group of us did sponsor such a resolution. It would require some specific action. The Joint Economic Committee would call before it a cross section of economists for their suggestions for congressional action. These proposals would then be introduced for congressional consideration. That approach or something similar to that would make some sense. But this thing is one everybody can vote for because it really does not do anything, and let us not kid ourselves.

CONSUMER PROTECTION AGENCY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 707, and the clerk will report.

The assistant legislative clerk read as follows:

> Calendar No. 857, S. 707, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The Senate resumed the consideration of the bill (S. 707).

Mr. MANSFIELD. Mr. President, first I want to say I am in accord with the purpose of the resolution we just passed this afternoon, and I want to commend the junior Senators who got together on a bipartisan basis and endeavored to do something about the No. 1 issue facing this country today.

I also hope that the President will read this resolution, recognizing the intent behind it, and come forth with some initiative of his own when he addresses the Nation on the state of the economy tomorrow night in California.

This is a step in the right direction, and I think those who are responsible for it, the five junior Senators, are entitled to nothing but praise and commendation from their colleagues in this body and the people of the Nation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

FORMER SENATOR WAYNE MORSE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that three obituaries, published in the Washington Star, the Washington Post, and the New York Times of today, having to do with our late colleague, Wayne Morse, Oregon's great dissenter, be incorporated at an appropriate point in the RECORD. I thank the distinguished Senator.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 22, 1974]

WAYNE MORSE DIES; A SENATOR 24 YEARS

(By Alden Whitman)

Former Senator Wayne Morse of Oregon, a strong early critic of the Vietnam war and a longtime Congressional liberal, died yesterday of kidney failure in Good Samaritan Hospital, Portland, Oreg. He was 73 years old.

Mr. Morse had entered the hospital last Wednesday in the midst of an arduous campaign in which his chances to regain the Senate seat he lost in 1968 were considered good. He had won the Democratic nomination in a primary two months ago and was opposing Senator Robert W. Packwood, the Republican incumbent.

A Populist in the tradition of George W. Norris, Robert M. La Follette and William Jennings Bryan, Wayne Lyman Morse spoke up for many transiently unpopular causes. He opposed American military involvement in Vietnam; he fought for trade unionism and for civil rights.

As a champion of the common people, he was often raspy and blunt, but he regarded himself as a man who refused to compromise his principles or mute his voice. Many of his critics, though, saw him as an opportunist and a threat to the Establishment.

At various times in his 24 turbulent years in the Senate, Mr. Morse was a Republican, an independent and a Democrat. Neither party was wholly pleased with him, nor was he ever wholly compatible with a party label. He was impartially scornful of both Democratic and Republican Presidents, up-braiding them with his rich talent for invective.

He described an address to Congress by President Harry S. Truman as "one of the cheapest exhibitions of ham acting I have ever seen"; he denounced President Dwight D. Eisenhower as a "hypocrite"; he accused President Lyndon B. Johnson of being "drunk with power." Nor did Mr. Morse spare his fellow Senators, once calling one of his corpulent colleagues "a tub of rancid ignorance."

CRUSTY CRITICS OF WAR

Mr. Morse entered the Senate in 1945 as a liberal Republican and left it in 1968 as a liberal Democrat. His last term was notable for his crusty criticism of President Johnson and the Vietnam war, which started with a succinct "nay" that recorded his opposition to the Gulf of Tonkin resolution of Aug. 7, 1964. Only one other Senator, the late Ernest Gruening of Alaska, voted against the measure, which President Johnson used as a functional declaration of war in Southeast Asia. Mr. Morse's intransigent opposition to the war was a factor in his defeat in 1968.

From 1964 until he left office, he voted against every measure, including appropriations, that had the effect of keeping American troops in Vietnam. He also carried his campaign against the war through the country in speeches, and he supported Senator Eugene J. McCarthy when the Minnesota Democrat sought the Presidency on an antiwar platform in 1968.

Once aroused, Mr. Morse could be a fiery, though prolix, speaker. His long-windedness did not sting nearly so much as his epithets; but he considered his outspokenness a virtue.

"It is true that I use language that people can understand," he remarked a couple of years ago. "And if I think a course of action is outlawry, I say so.

"If I say that the United States is the greatest threat to world peace, I say so simply because it is true. If the truth is intemperate, then I will continue to be intemperate."

Mr. Morse was so often in the minority and so frequently cutting in his remarks that he was known as "The Lone Ranger" or "The Tiger of the Senate." These views of him were softened yesterday as Senator Mike Mansfield of Montana, the Democratic leader, spoke of him as a "man of fierce independence" and Senator Mark O. Hatfield, Republican of Oregon, said that his "early prophecies and warnings about Vietnam were such that we all owe him a great debt."

Mr. Morse, who was a lean, trim man with a clipped mustache, sharp nose and bushy black eyebrows, was an extraordinarily hard-working Senator. He was accounted knowledgeable in labor and education matters, in conservation and in the farm problem. He was himself a breeder, raiser and trader of Devon cattle and a horseman who won many competitions.

Mr. Morse's Populism had its roots in Wisconsin, the home state of the Lafollettes, where he was born, a farmer's son, on Oct. 20, 1900. From his father, a livestock man, he learned a fear of debt and of hard times, when the cattle had to be on cornstalks and straw mixed with molasses. His father, Mr. Morse recalled, strongly counseled him on the evil of becoming beholden to others.

TAUGHT LAW AT COLUMBIA

The young man was educated at the University of Wisconsin and took law degrees from both the University of Minnesota and Columbia. He taught briefly at Columbia and the University of Oregon and then in 1931, became dean of the Law School at Oregon. Because of his position he was often called upon to arbitrate labor disputes on the West Coast, establishing a reputation for settling controversies with dispatch and fairness.

His record commended him to President Franklin D. Roosevelt, who named him a public member of the War Labor Board in 1942. He left in something of a storm in 1944, asserting that the board was too considerate of John L. Lewis, then head of the United Mine Workers.

In that year he was elected to the Senate as a Republican, but no sooner had he taken his seat in 1945 than he was jousting with party conservatives. One of his betes-noires was Senator Robert A. Taft of Ohio, who was for Mr. Morse "a symbol of reaction and defeatism." Among other things, the Oregonian vociferously objected to the Taft-Hartley bill as hamstringing trade unions. He voted against the bill, which became law in 1948 over President Truman's veto. (For most of his political life Mr. Morse enjoyed strong labor support. It diminished in 1968, when Vietnam was a crucial issue.)

In the Republican jockeying in 1952. Mr. Morse swung to General Eisenhower in order to block Senator Taft's aspirations for the nomination. But he chilled toward the general when he designated Senator Richard M. Nixon of California as his running mate, and in the campaign he spoke for Adlai E. Stevenson, the Democratic candidate.

When the Senate convened in January, 1953, Mr. Morse announced that he had shucked the Republican party and was now an independent. With a pixie sense of humor he went into the Senate chamber with a folding chair and asked where he should sit. He was eventually assigned to the Republican side of the aisle, but was stripped of his committee posts.

Three years later, after having harried the Republicans over the Korean war settlement and cold-war brinkmanship, as well as over domestic matters, Mr. Morse became a Democrat and was handily reelected to the Senate in 1956. He still, however, thrived on adversaries, including Democrats who failed to measure up to his principles.

And he did not neglect Republicans, notably Clare Boothe Luce, whose confirmation as Ambassador to Brazil he fought unsuccessfully in 1959. Mr. Morse pronounced her unfit, and she retorted that her "difficulties go back some years and began when [Mr.] Morse was kicked in the head by a horse." She was alluding to an episode in 1951 when a horse broke the Senator's jaw with a kick. Mr. Morse won his contest with Mrs. Luce, however, for she resigned the Brazil post without serving.

In the early nineteen-fifties, Mr. Morse was a strong supporter of civil rights legislation, and he continued to espouse liberal voting and other rights for blacks. He also supported increases in price-support payments to farmers and other agricultural legislation. Additionally, Federal support for education had his warm backing.

Mr. Morse irritated some of his fellow Senators by the length of his speeches. An hour for him was a mere warm-up—in one session his speeches covered 40 pages of The Congressional Record. Once, in 1953, he talked for 22 hours and 26 minutes against an offshore bill that gave title to coastal states. At the time his remarks were described as the longest continuous oration in the Senate's history.

His defeat by Mr. Packwood in 1968 was close, the margin being a little more than 3,000 votes. Mr. Morse essayed a comeback in 1971, but Mr. Hatfield was an easy winner. This year, despite his age, he was said to have had a good chance of returning to the Senate for his last hurrah.

Mr. Morse was campaigning until last Wednesday, when he was stricken with an infection of the urinary tract. He had responded to antibiotic therapy until Sunday, when his condition worsened and he slipped into a coma.

Surviving are his widow, the former Mildred Downie; three daughters, Nancy Campbell, Judith Eaton and Amy Bilich; two brothers, a sister and six grandchildren.

[From the Washington Post, July 23, 1974]

FORMER SENATOR WAYNE MORSE DIES IN PORTLAND HOSPITAL AT 73

(By David S. Broder)

Former Senator Wayne L. Morse of Oregon, a maverick who switched parties twice and fought with five Presidents, died yesterday in a Portland hospital at the age of 73.

Morse, whose characteristic independence of judgment made him one of only two senators to oppose the 1964 Gulf of Tonkin resolution that launched America into the Vietnam war, succumbed to kidney and heart failure following a urinary tract infection that hospitalized him last Wednesday.

Until then, he had been campaigning for another term in the Senate against Sen. Bob Packwood (R-Ore.), who defeated Morse in 1968 after a 24-year tenure as a Republican, independent and Democratic senator.

A new senatorial candidate is to be chosen by the Democratic state central committee.

Morse is survived by his widow, Mildred, three daughters—Nancy Campbell, Judith Mary Eaton and Amy Ann Bilich—six grandchildren, two brothers and a sister. Funeral arrangements are pending.

In his 30 years in public life, Morse, whose intellectual brilliance was acknowledged by even his most bitter critics, at various times served, supported and scorned every President of both parties from Franklin D. Roosevelt through Lyndon B. Johnson.

His feuds were proverbial, and over the years came to include almost every colleague in the Oregon congressional delegation and many of the newsmen who covered him.

Yet among those same legislators and journalists, he was respected as a gifted lawmaker, with a genuine mastery of the fields of foreign policy, education and labor legislation he made his own.

At the same time that President Johnson was in almost daily verbal combat with Morse over the Vietnam war, he chose the Oregonian to floor-manage his landmark aid-to-education bill, and when it was passed, Johnson said, "No one else could have done it."

Long before it became fashionable for other politicians, Morse espoused the view that he would not bend his personal philosophy to the needs of party regularity. He bolted the Republican party in 1952 in disgust with the Eisenhower-Nixon campaign, served for two years as an independent, then joined the Democrats, only to fight John F. Kennedy for the nomination of his new party, and to take the early lead against the Vietnam policies of President Johnson.

Describing his own philosophy as one of "constitutional liberalism," Morse said in a 1953 article that he believed his course of personal independence was "the best way I can challenge the political expediency of both parties."

It was his fiercely cultivated and bristling independence—as well as his prescience on Vietnam—that senators noted in their eulogies yesterday.

Sen. Mark O. Hatfield (R-Ore.), a man Morse jumped party lines to endorse in 1966 and against whom he ran in 1972, called Morse "a politician from a unique mold and an enigma to many people. When convinced of a position on an issue, he was not swayed . . ."

Sen. Packwood said, "Wayne Morse was a man of integrity and courage. He was never afraid to fight for his convictions." Senate Majority Leader Mike Mansfield (D-Mont.) called him "a man of fierce independence."

Wayne Lyman Morse was born on a farm outside Madison, Wis., on Oct. 20, 1900, and as a boy came under the spell of the great Wisconsin independents, the LaFollettes. He attended the University of Wisconsin, studied law at the University of Minnesota and Columbia University, and moved west in 1929 to join the University of Oregon law school faculty. Less than two years later, at 30, he became the youngest law school dean in the nation.

His debut in national life came in 1941, when Roosevelt chose Morse, already a skilled labor arbitrator, as chairman of an emergency board created to head off a nationwide railroad strike.

A marathon 38-hour final bargaining session after six weeks of hearings produced a compromise settlement on Dec. 6, 1941—the eve of Pearl Harbor.

Roosevelt then named him a public member of the War Labor Board, where he served for two years until he resigned with a characteristically sharp attack on Roosevelt and Secretary of Interior Harold L. Ickes over the settlement of a coal dispute. A letter to Ickes, complaining about him and Under Secretary Abe Fortas, showed even then Morses mastery of the acerbic style for which he became famous:

"Dear Mr. Secretary. Thank you very much for your letter of June 11, 1943. It is in keeping with and supports my low esteem of you. The attempt of you and Mr. Fortas to try to convict me, without justification, of deceiving the President in order to divert attention from your gross mishandling of the coal case should be beneath you as a Cabinet officer . . . I deeply resented the 'off-the-record' statements which you made at your press conference at the time you announced your scuttling truce with [John L.] Lewis . . ."

"I am perfectly aware of the fact that for one in my subordinate position to express his complete lack of respect for and confidence in men in such high positions as you and Mr. Fortas is not in accordance with government protocol, but I could not have done less and kept faith with my self-respect," Morse concluded.

In 1944, he was back in Oregon to win his first term in the Senate, as a Republican. He came back to Washington from the campaign by car, towing his two champion saddle horses, the forerunners of a string of horses and cattle he kept at his farms in Maryland and Oregon.

In his first six months in the Senate, he made more speeches than all the other freshmen combined. The Senate reporters nicknamed him "the Five O'Clock Shadow," in grudging tribute to his habit of taking the Senate floor each day when all other business was finished to deliver himself of some views.

In his first term, he conducted a 10-hour filibuster on behalf of President Truman's veto of the Taft-Hartley labor act—a record he more than doubled in another speech in 1953 lasting 22 hours and 26 minutes.

But despite his support of the Democratic President on that highly partisan issue, Morse was no ally of Truman's. He accused Truman of "showboating" on another labor issue and denounced him from the platform in 1946 as the "head of one of the most corrupt political machines in this country."

But after his re-election in 1950, Morse joined seven other Senate Republicans in decrying Sen. Joseph R. McCarthy's tactics in investigating alleged Communists in the Truman administration, and became a major Republican advocate of Truman's civil rights program.

In 1951 Morse suffered a broken jaw when kicked by a horse he was showing at a Virginia fair. Years later, the incident was revived in the course of a memorable fight he had with Clare Boothe Luce.

Morse led a Senate battle against her confirmation as ambassador to Brazil in 1959, and when she prevailed, by a lopsided 79-to-11 margin, the playwright could not refrain from saying that her difficulties all occurred because "some years back . . . Wayne Morse was kicked in the head by a horse."

Morse indignantly returned to the Senate floor to denounce "this slanderer," and three days later Mrs. Luce withdrew from the post.

Morse's transformation from maverick Republican to maverick Democrat began in 1951, when he announced early for Dwight D. Eisenhower, but warned that "if my political party offers me a President and a platform in 1952 of only isolationist candidates, I will take a long walk . . . I have no intention of placing party above country."

Eisenhower was, of course, nominated but on Oct. 18, 1952, Morse announced he would vote for Adlai Stevenson, because "never have I been so completely disillusioned about any man as I am about Eisenhower."

A week later, he resigned from the Republican Party, and when he returned to the Senate in January, 1953, he brought along a folding chair, saying, "Since I haven't been given any seat in the new Senate, I decided to bring my own."

The Republicans quickly stripped Morse of his seniority on the Armed Services and Labor committees and he was made a junior member of Public Works and the District of Columbia committees.

His independence, vigor and combativeness quickly made Morse a leading figure in District affairs, and he emerged as one of the strongest congressional advocates of home rule for the nation's capital.

He applied his strong concern for civil rights and civil liberties to Washington's problems, vowing to do his utmost to eliminate racial segregation and deliver self-government to the people of the city.

Only days after his reelection in 1956, Sen. Morse—by then one of the hardest-working of Washington's "city councilmen" in the Senate—announced that he wanted to stay on the District Committee because it provided him a special opportunity for public service.

Even in his later years in the Senate, when he became absorbed in the Vietnam war opposition, he continued to devote long hours to hearings and speeches on District legislation.

As chairman of the Senate District subcommittee on health, education and welfare matters, the senator constantly—and often bluntly—reminded colleagues on both sides of the Capitol of his firm belief that the bulk of Washington's problems were traceable to the absence of self-government.

But Morse's battle on behalf of home rule for Washington did not keep him from criticizing the leadership at the District Building when he felt improvements could be effected there.

In the field of education, he pressed for many improvements in the public school system and was the Senate sponsor of legislation establishing Federal City College and the Washington Technical Institute.

In 1954, Morse campaigned hard for the election of Richard L. Neuberger (another man with whom he was later to carry on a personal feud) as Oregon's first Democratic senator of modern times.

He joined the Democratic Party himself in 1955 and for the next decade was the center of a series of battles over environmental, natural resources, education and labor issues, including the tideland oil fight, the Hells Canyon Dam case, the Landrum-Griffin labor reform bill and a series of struggles over federal aid to education.

In 1956, he won what was perhaps his sweetest personal victory when he ran for re-election as a Democrat and trounced Eisenhower's Secretary of Interior, Douglas McKay, who had returned to Oregon in an effort to purge the renegade Morse.

But four years later, in 1960, Oregon Democrats rejected Morse in favor of John F. Kennedy in their presidential primary.

In 1964, Morse cast the vote of which he said he was most proud when he joined the late Ernest Gruening of Alaska as the only opponents of the Gulf of Tonkin resolution, the measure that President Johnson took as congressional sanction for American intervention in Vietnam.

For the next eight years, in office and out, Morse traveled the country, tirelessly arguing against the war.

In his 1962 biography of Morse, called "The Tiger in the Senate," Portland Oregonian correspondent A. Robert Smith (who himself was periodically barred by an irate Morse from entering the senator's office) recalled that Morse had once told a Detroit reporter, "I sometimes wonder if I'm going at this a little too hard."

"But then," the senator continued, "I think of all the men and women who wish there were just one politician in Washington who would speak his mind and cast his vote honestly and freely with only his conscience to guide him."

"Maybe it's a bit brash to assume that I'm that man," Morse said, "but believe me, I'm trying to be."

[From the Washington Star-News]

WAYNE MORSE DIES AT 73; OREGON'S GREAT DISSENTER

(By Richard Slusser)

Former Sen. Wayne L. Morse, 73, as unpredictable as he was incorruptible during his 24 years in the Senate as a liberal Republican, independent and then as a Democrat from Oregon, died yesterday of kidney failure in a Portland hospital.

Morse had been campaigning in Oregon for the Senate seat he lost to Robert W. Packwood in 1968. After winning the Democratic primary two months ago he was given a good chance to defeat Packwood.

He entered the hospital five days before his death and was being treated for a urinary tract infection. He was responding to antibiotics until Sunday when the kidney failure put him on the critical list.

A man of uncommon courage in opposing policies of his party or his country when he felt the policy was wrong—which he often regarded as wrong in an immoral sense—Morse is particularly remembered for his joining with the late Sen. Ernest Gruening, D-Alaska, in casting the only two votes in Congress opposing the Gulf of Tonkin resolution which allowed the Johnson administration to widen the war in Vietnam.

Morse's intemperate remarks received many interpretations; he could surprise presidents with his tirades, and they realized, in the words of Lyndon B. Johnson, that he was a "man who has never been afraid to say what he thinks."

In one of his most publicized outbursts of opposition, Morse fought the nomination of Clare Boothe Luce for ambassador to Brazil. Although she eventually was confirmed—but resigned before ever serving in the post, Mrs. Luce said that her troubles with Morse ran back to the time when he was kicked in the head by a horse.

Morse, who was kicked by a horse in 1951 and suffered a broken jaw, retorted that her remark was "part of an old pattern of mental instability on her part."

Morse long battled for home rule for the District and during his years on the Senate District Committee took a particular interest in the city's affairs, especially in education.

He was assigned to the District Committee as a penalty assignment after bolting the Republican party and becoming an independent. Although he was one of the early senators backing Dwight D. Eisenhower for their party's presidential nomination—partly because he felt that nomination of the late Sen. Robert A. Taft of Ohio would be a backward step for the party—Morse refused to support Eisenhower after the convention. His beliefs as a Republican, he said, "no longer prevail in a Republican Party dominated by reactionaries running a captive general for president."

For punishment, Republicans stripped him of two important Senate committee posts—Labor and Armed Services—and placed him on the District Committee, where he was to become the loudest advocate of home rule, a cause in which he would not compromise to watered-down versions.

However, he did gain for the District a public college by compromising with House members who wanted a vocational institution. And in the final bill that compromise resulted in the city having both—Federal City College and Washington Technical Institute.

He next got land grant status and federal endowment for Federal City College and an assignment for the college to run a federally financed extension service in the community.

Morse also was successful in fighting for higher teacher salaries here as well as an elected school board and was a watchdog over the police and the District's licenses and inspections department.

Often he would rise early and drive from his apartment in the District to his Poolesville, Md., farm and feed his prize livestock. He also liked to go to the farm after an exhausting day in the Senate for relaxation.

Morse was a descendant of John Morse, who came to America from England in 1639 and later was a founder of New Haven, Conn. Born on a farm near Madison Wis., he was a product of that part of the country which has given the nation a number of outstanding populists like the Progressive, Robert M. LaFollette, and Democrat William Jennings Bryan and Republican George W. Morris.

Morse attended the University of Wisconsin where he majored in labor economics but also won a medal in debating. He also was the coach of the university's debating team and an instructor in argumentation.

He continued studying and teaching at Wisconsin until receiving his law degree in 1928, when he went to Columbia University on a teaching fellowship. At Columbia he was the fourth person to receive a doctor of jurisprudence degree.

He began his long association with Oregon in 1929 when he went there as an assistant professor of law at the University of Oregon. Within two years he was a full professor and dean of the law school; at the age of 31 he was the youngest dean of a standard law school in the country.

He helped raise the law school's standing so much that in 1932 he was appointed dean and director of law for Oregon's higher education system.

In the late 1930s he was a special assistant to the U.S. attorney general, supervising a staff of about 2,000 employees in a study of criminal law administration in the United States.

With his training in labor economics and law Morse became a labor arbitrator, first in Oregon and from 1938 to 1942 as the Labor Department's Pacific Coast arbitrator of disputes between shipowners and the International Longshoremen's and Warehousemen's Union.

Morse became one of the country's leading arbitrators and was prominent on mediation boards settling a number of important disputes. When the National War Labor Board was created in 1942 he was named to the board as the public member.

He resigned from the board in 1944 because he felt John L. Lewis and his United Mine Workers received too many concessions. As public member of the board Morse vigorously opposed any settlement of a labor dispute which in his judgment compromised the standing of the board.

He soon returned to Oregon and entered the Republican senatorial race and, surprising many, defeated Sen. Rufus C. Holman in the primary. Morse said Holman was a "dangerous isolationist" and Holman countered that Morse, with his organized labor support, was a "New Deal carpet bagger."

During his first term he supported the United Nations Charter, the Bretton Woods monetary agreement bill, aid to Greece, Turkey and to Europe, the North Atlantic Security Pact and federal aid to education. He opposed a $100 million loan to Spain and the Taft-Hartley labor bill.

Although he voted for an anti-filibuster ruling of Vice President Alben W. Barkley in 1949, Morse set an all-time record of 22 hours and 26 minutes of continuous speaking in the Senate in 1953 in his opposition to the tidelands bill. "I stopped when I did because I finished all I wanted to say," he explained.

Morse was known for his verbosity and could speak for great periods of time without manuscripts. "When I was teaching school," he said, "I learned that one of the best tools I had was repetition. And I found that I had to adjust the amount of repetition to the capacity of the class to learn.

"You may have noticed I sometimes seem to repeat myself a great deal in my speeches to my Senate colleagues."

Morse's slogan when he first ran for the Senate was "principle above politics," a slogan that he maintained basically the same during his last campaign:

"I shall work and fight for the restoration of integrity in our government."

Morse believed that Americans had lost their faith in Congress as well as in the executive branch's leadership. He lost faith in the executive branch himself, particularly in President Johnson's policy in Southeast Asia.

In 1966 Morse said he personally would lead a fight against Johnson's renomination in 1968 unless Johnson took a sharp turn in foreign policy. "The U.S. should stop playing its unilateral role around the world," he said. "We can't police the world."

He had campaigned for Johnson in 1964 in 14 states and was surprised by Johnson's war policy: "I didn't have the slightest idea he would out-Goldwater Goldwater."

Morse blamed "nobody but Johnson for our predicament in Vietnam." "He's powermad," he said, "He wants to be all things to all men, and he can't and he's worried."

Opposed to U.S. involvement in the Vietnam war as being immoral and against international law, Morse remarked after the American Bar Association's house of delegates passed a resolution declaring the U.S. position in Vietnam legal:

"Apparently what the ABA needs is a freshman refresher course in international law."

His opposition to the war was credited with helping Packwood defeat him in 1968. He later ran against Sen. Mark Hatfield, R-Ore., and was defeated.

Yesterday when Hatfield announced Morse's death to the Senate he said that the late senator's "early prophecies and warnings about Vietnam were such that we all owe him a great debt."

After his last term ended in the Senate Morse was the guest of honor in a Wayne Morse appreciation night here. After many tributes were paid him Morse spoke of his future away from the Senate: "I still dedicate myself to those causes so long as I live . . . When taps sound, I will die with my boots on; I will never know the meaning of retirement."

He leaves his wife, the former Mildred Donwie, and three daughters, Mrs. Nancy Campbell, Mrs. Judith Eaton and Mrs. Amy Bilich, two brothers, a sister and six grandchildren.

Mr. JAVITS. On yesterday I was necessarily absent from the Senate when a number of Senators expressed their feelings in terms of a memorial about Wayne Morse.

Mr. President, he was one of the most gifted men I have ever known, one of the most dedicated and patriotic. He literally expended his life in the public service, especially because of the effort he threw into his opposition to the Vietnam war, in which he really had a sense of prescience as well as a sense of national dedication.

I worked with Wayne Morse also in a particular matter which he felt cost him his seat here, and that was an effort to deal with the national paralysis resulting from strikes, or the threat of it in given transportation strikes. He knew the cost in political terms and was ready to pay it. In his case, he actually did pay it, in his own estimation.

Mr. President, I rise, in friendship and in sorrow and in tribute to his memory and to his family, to express my admiration and my affection for my colleague in arms here, who served as the chairman of the Committee on Labor and Public Welfare, of which I was the ranking member, and for whom I had the deepest regard and the highest admiration.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 6485) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6485) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, was read twice by its title and referred to the Committee on Agriculture and Forestry.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER (Mr. McINTYRE). The Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, does the distinguished floor leader desire to call up an amendment before my remarks?

Mr. RIBICOFF. Mr. President, as I understand, the order of business would be committee amendment No. 3. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. RIBICOFF. If the Senator will yield, I will explain the amendment in 30 seconds and then yield to the Senator.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 67 strike out lines 20 and 21 and on line 25 strike out the word "and"; renumber the succeeding sections; and insert the following new section (3):

> (3) if the complainant requests that his identity be protected, his complaint shall not be maintained for public inspection and copying.

Mr. RIBICOFF. Mr. President, this amendment will prohibit the CPA from making available to the public a consumer complaint wherein the complainant has requested that his identity be kept secret. Before the committee amendment, CPA could publicly disclose a complaint submitted in confidence, although the complainant's identity was not disclosed.

I believe this amendment had the unanimous support of the entire membership of the Committee on Government Operations, and I support the amendment.

I thank the distinguished Senator from Virginia.

Mr. CANNON. Mr. President, will the Senator yield 2 minutes to me in order to call up a conference report?

Mr. WILLIAM L. SCOTT. I yield.

ANTIHIJACKING ACT OF 1974—CONFERENCE REPORT

Mr. CANNON. Mr. President, I submit a report of the committee of conference on S. 39, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. McINTYRE). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 15, 1974, at pages H6497–H6504.)

Mr. CANNON. Mr. President, I am pleased to report to the Senate that, after almost 2 years of tedious and sometimes fruitless efforts, the Senate and House have agreed on an antihijacking measure designed to more fully protect the public from aerial crime, aircraft piracy, and terrorism.

My subcommittee on aviation began working on this serious problem in the summer of 1972 as a new wave of hijacking and extortion attempts gripped the world's air transportation system. It should be noted that only after our committee had created new and tough antihijacking legislation which passed the Senate on September 21, 1972, that the administration finally adopted its own program to deal with the dangerous situation. The administration was finally stirred to action after months of lethargy by the spectacular and nearly catastrophic hijacking of a Southern Airways jet in November of 1972 which almost ended in tragedy.

Briefly, Mr. President, the conference report before us today enacts into law the tough antihijacking program that has been in effect at our Nation's airports since early in 1973 and which seeks to assure that dangerous criminals do not carry deadly weapons aboard aircraft with which they could accomplish a hijacking.

Second, the bill modifies U.S. law to bring it into conformity with the terms of The Hague Antihijacking Treaty to which the United States is a party. The treaty provides for the return of hijackers to the nation in whose territory a hijacking has occurred regardless of where in the world the hijacker is found or, in the alternative, for prosecution of the offender by the nation in which he is found.

Mr. President, S. 39 represents the first legislation to pass the Congress in more than a decade dealing with the hijacking phnomenon. We can take comfort in the fact that since the administration belatedly acted in 1973, the program in effect at the Nation's airports has been effective in preventing hijackings. This program is the heart of our bill.

With passage of S. 39 into law, I am confident that the recent record of success will continue.

Mr. KENNEDY. Mr. President, in February of 1973, I voted for S. 39, now called the Antihijacking Act of 1974. At that time, the bill contained no death penalty provision. It was my conviction then, as it is today, that strong law enforcement measures are needed to curb the incidents of hijacking and avoid the terrible risk to human life which such acts create.

However, after the bill was passed by the Senate and sent to the House, a capital punishment provision was included in the bill. This provision resembles S. 1401, the death penalty bill passed by the Senate in March of this year. My vote against that bill and my opposition now to S. 39 reflect my belief that the death penalty is wrong both in principle and as it is imposed in the United States today.

In addition to the mental suffering which the death penalty inflicts on defendants, its imposition constitutes a public denial of the sanctity of human life which can only have a brutalizing effect on our society. Not only is the death penalty wrong in principle, in my view, but its imposition has resulted in the execution of a disproportionate number of poor people and minority members, a situation which I believe to be untenable and unavoidable as long as the death penalty remains in existence. Even under the provision included in S. 39, I believe the danger exists that a jury would make a different interpretation of what facts constitute a mitigating or aggravating factor when a rich white person was involved than when a poor black person was the defendant. Statistics have shown that throughout the history of the death penalty in the United States it has, by and large, been the poor and minorities who have been executed.

It is my belief that provisions such as those contained in S. 39 which provide for jury discretion in determining what facts constitute mitigating and aggravating factors, also raise serious constitutional questions in light of those opinions in Furman against Georgia which held that discretionary imposition of the death penalty constituted cruel and unusual punishment in violation of the eighth amendment to the Constitution.

In March of this year, when S. 1401 came before the Senate, I introduced a number of amendments to it, several for the purpose of diminishing the possibility of error in the imposition of the death penalty and one for the purpose of saving the lives of individuals held as hostages in the commission of kidnapings and hijackings. None of these provisions, which passed in the Senate, are included in S. 39. It is my hope that those of my colleagues who are in favor of capital punishment but who supported my amendments to S. 1401, will today cast their votes against S. 39, because of the absence of those safeguards.

Although I realize that sentiment in Congress today favors some form of the death penalty, I would hope that in the future, those who looked to it as a simple solution to our law enforcement problems will come to realize that the brutalizing effect it has on society far outweighs whatever deterrence it might provide.

Mr. HART. Mr. President, today the Senate is considering the conference report on S. 39, the so-called Antihijacking Act of 1974. Obviously, all of us in this Chamber strongly support efforts to protect passengers on airplanes from terrorists' kidnapings. Stringent measures are needed to prevent such dangerous crimes whenever possible and to punish appropriately those who do manage to commit them.

Unfortunately, however, the conference report includes the death penalty provision provided for in the House version of this bill. As my colleagues know, I am firmly convinced that capital punishment is wrong, that it is unjustified and bad legislative policy, whatever the constitutional arguments which might be mustered for or against a particular bill.

The Senate has recently had occasion to review the entire question of capital punishment, several months ago, when we passed S. 1401, which provides for the punishment of death in a variety of situations.

It would probably serve little point here to rehearse all the arguments against the death penalty which those of us opposed to capital punishment presented to the Senate on that occasion.

Briefly, as we indicated then, there is simply no evidence that the death penalty deters any criminal behavior more than a life sentence would. Of course, any punishment has some deterrent value. No one argues that the death penalty does not deter. But the question is whether the uniquely harsh and irreversible impact of execution provides sufficiently more deterrence than imprisonment to justify the ultimate penalty.

As I stated when we considered S. 1401, we know that mistakes will be made and that innocent men will be condemned to death through human error. We know that those who have been sentenced to death overwhelmingly have been the poor, members of minorities, and the unpopular.

In America, rich, white Americans simply are not given the death penalty. In America, racial hostility and anxiety over personal safety are tragically intertwined by both events and design. Each of us can ask ourselves whether we really believe this discriminatory imposition in practice would be eliminated by any bill other than an absolutely mandatory one—which is unacceptable for other reasons.

Third, premeditated execution itself undermines our efforts to teach the sanctity of life. In addition, the brutalizing effect of the barbaric suffering executions still involve is recognized by our insistence that the condemned be killed in private. The logical way to insure a deterrent effect would be to execute them publicly in the city square.

Mr. President, I ask unanimous consent that at the conclusion of these remarks, the introductory portion of my separate views in the report of the Committee on the Judiciary for S. 1401 be printed in the RECORD.

The **PRESIDING OFFICER**. Without objection, it is ordered.

(See exhibit 1.)

Mr. **HART**. Although the Senate did pass S. 1401, it was amended in several respects to make it somewhat less onerous. It reduces at least slightly, the chances of executions by mistake or where the circumstances called for a lesser punishment, even assuming the propriety of the death penalty in some situations.

For example, under S. 1401, there are detailed provisions for appellate review of the death sentence procedure. Further, the "aggravating circumstances," which must be present before the death penalty can be imposed, must be found beyond a reasonable doubt.

On the other hand, the provisions of S. 1401 specifying those "mitigating circumstances" which preclude the death penalty are to be "liberally construed." S. 1401, as amended, also contains the provision to permit the Attorney General to seek the safe release of hostages by indicating that such release should be considered a mitigating factor.

S. 39, as reported by the conference committee, does not even contain these slight concessions to the terrible risks of playing God with the lives of our fellow human beings.

But these differences, Mr. President, only underline the more fundamental problems I and many of my colleagues have with both measures. I only take some small confort in my conviction that the day is not far off when America will decide that we are a mature and rational enough nation to relegate executions to the dust bin of history.

EXHIBIT 1

ADDITIONAL VIEWS OF MR. HART

(To accompany the Report of the Subcommittee on Criminal Laws on S. 1401, a bill to provide a revised federal death penalty)

I. INTRODUCTION

The Supreme Court decision in *Furman* v. *Georgia,* 408 U.S. 238 (1972), casts severe doubt on the constitutionality of existing death penalty statutes. In response, the President has proposed a new death penalty.

The constitutionality of S. 1401, itself, is unclear. If constitutional, S. 1401 would still be bad legislation—unwise and unjustified.

While I favor abolition of capital punishment, I appreciate that some of my colleagues favor retaining a carefully circumscribed death penalty. *But even assuming* that a well-drafted bill might be capable of imposing death only in appropriate circumstances, S. 1401 is not such a bill. It is likely to produce *both* unjust executions, in some cases, and jury acquittals of guilty murderers, in others. Moreover, it would weaken the ability of police to rescue hostages.

For all these reasons, I oppose passage of S. 1401.

Part II of these views summarizes the background of S. 1401 and its proposed scheme. Part III examines the general case made for retaining capital punishment. Part IV, *assumes* that some form of acceptable death penalty might be drafted to apply in appropriate cases, and examines the defects of the particular approach taken by S. 1401.

II. BACKGROUND AND OPERATION OF S. 1401

The Committee report outlines the decision in *Furman*. Briefly, a five-four majority held that the death penalty, as imposed under the procedures before the Court, constituted "cruel and unusual punishment" in violation of the Eighth and Fourteenth Amendments.

The full import of the decision is unclear. Each justice in the majority wrote a separate opinion. Justices Brennan and Marshall found execution a *per se* violation of the Eighth Amendment. Justice Douglas found he did not have to reach that question and held only that the present system's discriminatory impact made the punishment "cruel and unusual." But there are strong indications he would join Justices Brennan and Marshall in striking down any death penalty.

Accordingly, attention has focused on Justices Stewart and White as the critical votes for any statute which the Court might uphold. Both stressed the rarity of imposition and the arbitrary manner in which it was imposed.

Following *Furman,* the search commenced for a death penalty which might be made acceptable to a majority of the Court. Several States have taken the straightforward approach of a "mandatory" death penalty. Execution would be automatic for an enumerated list of offenses; anyone convicted of one of these offenses would be killed, regardless of the circumstances.

The problem with this approach is obvious. There is no room at all for the jury to consider mitigating circumstances or to exercise any mercy. Such a Draconian law not only revolts our sense of justice, but also would produce jury "nullification" through either conviction for a lesser-included offense or outright acquittal. Indeed, it was because of this nullification problem at the turn of the century—as society's sense of justice evolved—that mandatory death penalties largely were abandoned for the modern discretionary approach.

Apart from the impact of jury nullification on law enforcement, the barbaric nature of strict mandatory death penalties was well summed up by Justice Blackmun in his *Furman* dissent.

Such legislation is regressive and of an antique mold, for it eliminates the element of mercy in the imposition of punishment. I thought we had passed beyond that point in our criminology long ago. (Id. at 413.)

S. 1401, then, is an answer offered to both *Furman* and the criticism of mandatory penalties.

Provisions of S. 1401

How would S. 1401 work? The bill specifies a list of mitigating and aggravating factors the jury may consider, but does not permit discretion to weigh those factors or to consider others. If any mitigating factor is found, death is precluded. If no mitigating factor is found and any one of the aggravating factors is present, the sentence must be death.

S. 1401 permits consideration of only five mitigating circumstances; the offender is under 18 years of age; his participation was peripheral; his capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the law is "significantly impaired"; he acted under unusual and substantial duress; or (where death actually results) the risk of death was not foreseeable.

Two groups of aggravating circumstances are enumerated.

In the case of "national security" crimes, they are that the defendant has been convicted of a similar capital crime; or knowingly created a grave risk of substantial danger to the national security; or knowingly created a grave risk of death to another person.

For other capital offenses, there must be a homicide and a finding that

The homicide was committed in the course of committee treason, espionage, sabotage, skyjacking, kidnaping, arson, escape from custody; or

The homicide was committed in an especially heinous, cruel or depraved manner;

The homicide was committed for gain;

The victim was a President, Vice President, President-elect or Vice President-elect, Supreme Court Justice, visiting head of state or high foreign official, federal law enforcement officer (broadly defined) or federal corrections officer, killed while performing his duties or because of his official status.

The Committee Report defends S. 1401 on two levels. First, the report reasserts the traditional grounds for retaining the death penalty; that it is necessary (1) to deter other murders; (2) to indicate society's condemnation of heinous acts; and (3) to incapacitate murders so they cannot strike again.

Proponents of S. 1401 also claim it meets the constitutional and policy pitfalls raised in *Furman*. They suggest that unlike other approaches, it is a fair, rational system which would permit execution only in appropriate cases and would avoid the dangers of jury nullification. I believe S. 1401 would do neither. And, of course, I challenge the basic case advanced for retaining the death penalty.

III. THE CASE AGAINST CAPITAL PUNISHMENT

The reasons why I find the arguments for capital punishment unconvincing can be briefly summarized. They are examined in more detail in the appendix to these views.

What do we know about capital punishment? We do know that mistakes will be made through human error and innocent men condemned to die. The Committee claim that this danger has passed is unconvincing.

Second, we know that those who have been sentenced to death have overwhelmingly been the poor, the minority member, and the unpopular. Rich, white Americans simply are not given the death penalty. In America, racial hostility and anxiety over personal safety are tragically intertwined by both events and design. Each of us can ask ourselves whether we really believe this discriminatory imposition in practice would be eliminated by any bill other than an absolutely mandatory one—which is unacceptable for other reasons.

Third, the very act of premeditated execution is itself a denial of the sanctity of life to which appeal is made by proponents of capital punishment. While we teach people that life should not be taken, executions, at bottom, teach that the state will sanction killing if the benefits are sufficient. Moreover executions today still involve barbaric suffering.[1] Indeed, the brutalizing effect of such horror is recognized by our insistence that men be executed privately, rather than publicly in the city square. That would be the logical way to ensure the purported deterrent effect.

Footnotes at end of article.

There have also been cases of "suicide murders" induced by the existence of the death penalty; that is, persons who wanted to take their own lives, but were unable to do so and therefore killed so they would in turn be killed by the state.[2]

Surely, in light of these considerations, this awesome ultimate penalty by which we play God can be justified only by some significant demonstration that it is needed to protect human life where other punishments would fail. While those who favor the death penalty ask *for conclusive proof* it is not necessary, *we need only ask for any substantial evidence that it is;* none can be provided.

Deterrence

The Administration concedes that deterrence is the principal rationale for the death penalty.[3] But is it a *necessary* deterrent? An affirmative answer to that question requires more than the simplistic observation that since people fear death most, it must be an effective deterrent.

This appeal to "intuitive logic" often obscures the real issue. No one disputes that capital punishment has *some* deterrent effect. Presumably all penalties do. That simply is not the question. The point is whether it has a *sufficiently greater deterrent effect than life imprisonment*. In other words, is there any substantial demonstration that a significant number *of those murders who would be deterred by any punishment* would be deterred by death, but not by life imprisonment? If not, how do we justify imposing the ultimate penalty with its risks of irreversible injustice and its other costs to society?

No compelling case has been made that death is a greater deterrent. The evidence simply is not there. With rare unanimity, the studies show no higher criminal homicide rates in states without the death penalty than in those which retain it. In response to the possibility that figures of this kind may reflect divergent social and cultural factors other than capital punishment, more sophisticated studies have compared the rates in contiguous states where history, geography and social and economic conditions are similar. The results are the same. There is no indication the death penalty affects the rate of criminal homicide. Similarly states show no rise in murders once they abolish the penalty, nor a decline if they reinstate it. The Committee critique of the studies is fallacious.[4]

Acknowledging the absence of any data to support the death penalty, both the Justice Department and the Subcommittee Report emphasize instead "empirical evidence" based on the personal impressions of law enforcement officials and statements by individual offenders. These prove little upon closer examination.

One Administration witness, testifying before the House Judiciary Committee cited an American Bar Association study showing instances in which criminals did not carry guns, or kill potential victims because of the death penalty. In fact, no such study exists or was ever made.[5]

In a recent statement of the Department's position, Attorney General Richardson admitted that it is impossible to show with the available statistics that capital punishment has a greater deterrent effect than life imprisonment, but added:

"Statements by offenders concerning the effect of the availability or non-availability of the death penalty upon their actions *do demonstrate* that in certain instances the death penalty is, in fact a greater deterrent." [6]

With all due respect to the Justice Department, there have been no such reported statements by offenders, to our knowledge, which actually "do demonstrate" that the death penalty is a superior deterrent to life imprisonment. Not only is the motive of such statements suspect. They do not preclude the possibility that those offenders also would have been deterred from carrying loaded weapons, or taking life by the threat of life imprisonment if that had been the highest penalty then available in their state.[7] And, of course, the experience of officials is based primarily on the statements of offenders.

The Attorney General's statement goes on to add:

"Moreover, logic demonstrates that the death penalty will have a material deterrent effect on some potential offenders in some instances."

Examples are then given of such premeditated crimes as kidnapping and skyjacking. But this is to lapse into the irrelevant issue of whether it is a deterrent at all, rather than the pertinent question of whether it deters more than life sentences.

Incapacitating offenders

Obviously, death does incapacitate, with finality, both those guilty of murder and those who might later have been found to have been innocent. But it often costs the government more to conduct a capital trial, keep a man in the special facilities on death row, and defend appeals, and then execute him, than it would have cost to have imprisoned him for life.

Moreover, despite popular myths to the contrary, the facts show that those sentenced to life imprisonment are no more likely to commit another killing than are members of the general population. Therefore, however much our emotional reactions might tug in the opposite direction, there is no more rational basis for executing someone convicted of homicide, so that he won't *kill again,* than there is to execute a bank robber or someone who has committed assault and battery, so that he will *not kill the next time*.

Retribution

It is easy to be unfair to advocates of capital punishment and to characterize their "retribution" argument as a primitive desire for blind vengance. The claim is more sophisticated. Their first point is that the death penalty offers strong condemnation by society of the most heinous criminal actions, without which expression of revulsion there would be great pressure for private reprisals and vigilante justice. Proponents also suggest that providing the most stringent penalty is necessary in order to demonstrative the intensity with which the act is condemned and thereby reinforce the internalized social restraints which help prevent others from such behavior.

There is no greater evidence of resort to private reprisal or vigilante justice in abolition states than in those with capital punishment. Moreover, the argument is a *non-sequitur*. To say society can express its utmost condemnation only by imposing its most severe penalty does not necessarily tell us what the upper limit of severity should be—or that it must be the death penalty. If life sentence with no parole were reserved for the most heinous culpable acts, then imposition of that penalty would likewise reinforce the community's internalized sanctions. Finally, the most brutal murders are quite often committed by precisely those deranged or incapacitated persons who are unlikely to be executed in any event.

This, in summary, is the case against retaining capital punishment. It rebuts the Subcommittee's assertion that "necessity" justifies the death penalty in the interest of protecting society.[8]

But a further word is in order in light of the Administration's defense of S. 1401. Even if there is more merit than I have found in the deterrence and retribution accomplishments of the death penalty, one thing is clear. Neither is plausible unless there is a substantial likelihood it will be imposed. Yet most homicides will not be capital offenses under S. 14041. The Justice Department has repeatedly emphasized that it would only apply in an extremely small number of instances.[9]

In the case of deterrence, we are concerned with homicides committed by rational persons who do premeditate and who include in their calculations the possibility of capture and punishment. Are those individuals not likely to believe that if caught, they can establish one of the mitigating circumstances in S. 1401 and escape the death penalty? [10] Similarly, we have noted that many of the most shocking homicides will not elicit the maximum condemnation of the law under any but an absolutely mandatory death penalty. In short, even the inadequate efforts in S. 1401 to prevent executions offensive to our conscience weaken further the claims of deterrence and retribution.

Thus, S. 1401 underlines the question whether advocates of capital punishment can simultaneously achieve its retention in a form which is *effective,* and *constitutional,* and *just*. An examination of S. 1401 suggests the answer may well be in the negative: that our colleagues either will have to abandon the death penalty or will have to pass a law which is constitutionally defective or one which disregards the palpable injustices that may result.[11]

But this question need not be answered conclusively before acting on S. 1401. A substantial number of our colleagues still favor retaining the death penalty for narrowly circumscribed situations if a workable, just bill can be devised. *The remainder of these views are particularly addressed to those Senators and assume such a statute is both desirable and attainable*. Even within that framework, it is clear that S. 1401 is not the appropriate vehicle.

IV. LEGISLATIVE DEFECTS OF S. 1401

There are serious policy defects in S. 1401. It excludes considerations relevant to determining whether execution is appropriate and poses a substantial risk of unjust executions. For that reason, it also encourages juries to acquit in the face of clear evidence of guilt. And it poses added dangers for those taken hostage by criminals.

Precluding considerations of mitigating circumstances

The Committee states that to "preclude the consideration of any mitigating circumstances that might justify a lesser punishment in a particular case [would be] *clearly unacceptable*". P. 14. (Emphasis added.) I agree. Yet by permitting the jury to consider only five mitigating factors, S. 1401 would do just that.

What additional mitigating factors might be relevant in a particular case? We need look no further than S. 1, the comprehensive criminal code reform bill introduced by three distinguished members of the Subcommittee, Senators McClellan, Ervin and Hruska. The death penalty in that bill, Section 1–4E1, includes several circumstances which go beyond those in S. 1401.

S. 1401 only permits the jury to consider whether the defendant acted "under unusual and substantial duress." S. 1 permits the jury to determine if:

(1) The offender acted under unusual *pressures or* influences *or* under the domination of another person. (Emphasis added.)

Duress involves coercion. The provision in S. 1, which includes the impact of influence or domination, as well as "pressure," clearly permits the jury to consider far more than it may under S. 1401.

Second, while S. 1401 only permits a showing the defendant was less than 18 years of age at the time of the offense, S. 1 would permit a showing that he was emotionally immature.

Footnotes at end of article.

Third, S. 1 permits the jury to consider the fact the offender has no "significant history of prior criminal activity." This may not be considered under S. 1401. (Prior conviction for certain offenses *may be an aggravating factor under S. 1401*, but no prior record is required to trigger the death penalty if another aggravating factor is found.)

Commenting on the greater flexibility in S. 1 for the jury to consider these mitigating circumstances, the Attorney General did not dispute their relevance in some cases. Rather, he replied that since such considerations do not preclude the death penalty under S. 1, they "can be drawn with greater breadth," than can those in S. 1401.[12] It is true that under S. 1, the jury's findings on these considerations do not automatically dictate the sentence. But that is not the point here. The important fact is that when they introduced S. 1, Senators McClellan, Ervin and Hruska indicated their appreciation that these considerations might be relevant in some circumstances to whether the death penalty was too harsh or unjust. And the Justice Department apparently does not disagree. Yet these considerations would be *excluded* from the jury's consideration in the sentencing proceeding under S. 1401.

In addition to S. 1, it is instructive to consider the *Report of the National Commission On Reform Of The Federal Criminal Laws*, commonly known as the "Brown Commission" after its chairman, former Governor Fat Brown of California. The Brown Commission Final Report offered alternative approaches on capital punishment: abolition of the death penalty, and a proposed death penalty statute should Congress opt for its retention. Their proposal *required* the court to impose a life sentence rather than death, whatever the jury recommendation, if the judge found:

"(c) Although the evidence suffices to sustain the verdict, it does not foreclose all doubt respecting the defendants guilt." [13]

Why was such a provision included? First, it must be remembered that jurors are instructed they may find the prosecution's case "proved beyond a reasonable doubt", even though they are not absolutely certain of the defendant's guilt and retain some ill-defined nagging doubt that the Government's version of events is the truth.

The elements of a capital offense not only may involve proof of objective facts by circumstantial evidence, but also may involve determinations about subjective states of mind and motive: To what degree were the defendant's mental capacities impaired? Did he have treasonous intent? What threat to his own life or limb did he perceive? To say the least these questions involve terribly subjective determinations for the fact finder. Even when a judge believes there is "proof beyond a reasonable doubt," in the sense that he cannot articulate clearly any specific question which remains unanswered, he may still feel a very strong sense of uneasiness that the defendant's assertions have substance. In those few cases, should the court be compelled to send the defendant to his death?

It seems clear that this is the distinction made in the Brown Commission's proposed section on grounds which would preclude the death penalty. There is no comparable provision in S. 1401.

Next we come to several mitigating circumstances which are expressly provided for in both the Brown Commission proposed statute and in S. 1 but which do not expressly appear in S. 1401. Under the Brown Commission proposal and S. 1, the jury could consider a variety of factors relating to the offender's state of mind at the time of his crime:

If he believed the circumstances morally justified or extenuated to conform his conduct to the law was impaired as a result of mental disease or defeat or intoxication;

If he was under the influence of extreme emotional or mental disturbance;

If he believed the circumstances morally justified or extenuated his act and that belief was plausible by ordinary moral standards.

Together, the provisions would cover not only ongoing mental conditions but also momentary passion, extreme provocation, emotional distress, or justification. The only comparable consideration in S. 1401 is a variation on the first of these. Section (f) (2) of S. 1401 permits the defendant to show that:

His capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to prosecution.

Since this does not require that the impairment result from a mental disease or defect or intoxication, the Justice Department claims it is broader than the corresponding provisions in other proposed statutes. It suggests that Section (f) (2) comprehends provocation, emotional disturbance, actions of passion, and a defendant's belief his action was morally justified; each might be sufficient, in appropriate cases, for the jury to find his ability to appreciate or conform his behavior had been "significantly impaired." [14] In short, the Department acknowledges these factors, too, would sometimes be relevant to a decision on the death penalty, but prefers they be weighed in the process to determining the defendant's capacity to appreciate and conform his conduct. This approach raises several problems.

Though modified, the provision closely parallels the formulations used for legal insanity and other tests of mental condition. Is it likely that defense counsel will be apprised of its intended breadth from a plain reading of the statute? And what other factors, which we may have failed to raise in our letter to the Attorney General, could defendants establish in order to invoke Section (f) (2)? Moreover, assuming defense counsel somehow learns of its intended coverage, how easy will it be to obtain a jury charge from the court based on this kind of informal legislative history, which does not, for example, appear in the Report. In fact, the Report, itself, states that the provision requires a showing the defendant's "mental capacity" was impaired. The phrase "mental capacity" connotes an ongoing mental condition even more; it hardly suggests that a plausible belief of moral justifiaction might be sufficient, as the Justice Department contends.[15]

Finally, even assuming a jury charge which spells out the factors the Attorney General says may be considered under Section (f) (2), how is the juror to perform the mental gymnastics such determinations would require? Under this approach the juror must decide not merely whether the defendant plausibly believed the homicide was morally justified. He must simultaneously determine whether that belief was sufficient to "substantially impair" the defendant's capacity. Does that depend on the intensity with which the belief was held? On the nature of the presumed moral justification? On how "plausible" the belief was by common moral standards? Or may the jury consider a mixture of all three aspects? The complexities are overwhelming.

This last mitigating circumstance would best be left a separate element. If the standard, in the Attorney General's phrase, is "too loosely drawn", then we would revise it to read as follows: "The offense was committed under circumstances which the defendant believed to provide a moral justification, or extenuation, reasonable, in fact, by ordinary standards or morality, for his conduct."

Eliminating the reference to "plausible" and changing the standard to "reasonable" should make that consideration, in and of itself, a sufficient ground to preclude the death penalty. After all, this would not mean the offender would go free. He would face life imprisonment. It would merely mean that if he reasonably thought his behavior was morally justified or extenuated, we would not kill him.

As of the other types of considerations not expressly listed in S. 1401, they should be spelled out as examples of circumstances which might justify a finding under Section (f) (2) of impaired capacity. So amended, Section (f) (2) would read: "His capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of the law was significantly impaired by (a) emotional or mental disturbance or distress; (b) provocation; (c) intoxication; (d) mental disease or defect; (e) other causes; but not so impaired as to constitute a defense to prosecution."

A third omission from the list of mitigating circumstances is the absence of any provision that the death penalty may be inappropriate because of the defendant's cooperation in releasing hostages unharmed. Death is mandatory if a homicide occurs in the course of a kidnaping, skyjacking or prison break, unless one of the five mitigating circumstances is present. Thus, any person already substantially involved in such a homicide and to whom none of the present mitigating factors apply, literally has nothing to lose. If caught, he faces automatic death.[16] It must be remembered, the bill is premised on the offender's awareness of the penalties.) There is no incentive for him to let any hostages free or permit a plane to land safely. If acts which threaten innocent lives seem to serve his escape, there is no leverage for the police to convince him to release them unharmed.

The Justice Department rejects any consideration in this area, because it "appears desirable on its face [but] might serve to encourage certain types of offenders to act with impunity, knowing that if they later . . . release a hostage, regardless of what they may have done before, the provisions of S. 1404 would require that the death sentence not apply to them." [17]

But again, one must consider a rational murderer, not subject to some other mitigating factor. Is he really likely to kill persons he otherwise would not have slain merely because he can then "gain" life imprisonment by taking and then releasing hostages? We find a different scenario far more likely: Someone is killed at the start of a prison break attempt, or a skyjacking; the perpetrators subsequently hold guards or passengers hostage and face the questions whether to kill them, too—in order to delay or avoid capture—since apprehension means certain death. We leave it to our colleagues to ask themselves which situation poses the greater danger to innocent human life.

Next, there is the more fundamental question whether any enumeration can exhaust the factors which may be very relevant in a given case. Chief Justice Burger's dissent in the *Furman* case, joined by all his dissenting colleagues, emphasized the difficulty of trying to encapsulate all the mitigating circumstances a jury might properly take into account:

However, Mr. Justice Harlan's opinion for the Court in *McGautha* convincingly demonstrates that all past efforts "to identify before the fact" the cases in which the penalty is to be imposed have been "uniformly unsuccessful," 402 U.S. at 197. One problem is that "the factors which determine whether the sentence of death is the appropriate penalty in particular cases are too complex to be compressed within the limits of a single formula. . . ." (citation omitted) 408 U.S. at 401.

I appreciate that the constitutional theory of S. 1401 requires an effort to spell out those circumstances insofar as possible. But Congress still can recognize its inability to cover

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Footnotes at end of article.

in a short list all the factors which may cry out for mercy in some future case, even though such situations do not now come to mind. Under the Brown Commission statute, in addition to the specified list of factors, death would be precluded upon a finding: "there is some other compelling circumstance which would make sentence of death unjust."

For it to apply, a specific circumstance would have to be raised explicitly by the defense and there would have to be adequate information in the record to support a finding that the factor was present. Moreover, the jury would have to agree upon such a finding and agree that it, alone, rendered the death penalty inappropriate. This would have to be articulated in a special verdict. In contrast, the procedures involved in *Furman* provided no way of telling what factors had influenced any particular juror, to what degree it influenced him or whether the other jurors agreed.

Finally, as to the aggravating factors listed in S. 1401, there is no requirement that they be proved beyond a reasonable doubt before the jury or judge could return a special verdict. The Attorney General rejected this suggestion on the ground that the standard presently in the bill—"preponderance of the information"—is the one used in all Federal sentencing proceedings,[18] I hope my colleagues are more willing to recognize the unique nature of a proceeding which might produce an execution.

Capital punishment is terribly irrevocable; men may be sentenced to death for murders they did not commit, *or for murders they committed under circumstances different from the good faith findings of the jury.* The possibility of error, present even when proof beyond a reasonable doubt is required, multiplies incalculably when findings which condemn a man to death need only seem more likely than not.

The same kinds of subjective determinations already noted in regard to mitigating circumstances are also involved in any finding of some aggravating factors in S. 1401. Nor is the guaranty of appellate review a significant safeguard, since findings can be overturned only if "clearly erroneous." Should we take a man's life if the fact finder is not at least sure to a moral certainty that the aggravating factor which we say warrants death is, in fact, present?

Danger of jury nullification

In its present form, S. 1401 also poses a risk of jury nullification. Where the ability of the jury to weigh mitigating circumstances is sharply restricted, any jurors determining guilt who are concerned about a possible death sentence will feel greater pressure to hang the jury, convict on a lesser charge, or even acquit despite strong evidence of guilt.

This concern could occur for two reasons: (1) jurors willing to find proof beyond a reasonable doubt according to the court's charge, may still have some malaise about the correctness of that verdict; (2) jurors confident about the verdict of guilt may feel strongly, on the basis of what they have seen and heard at the trial, that a death penalty would be unjust.

The Justice Department claims this danger is eliminated by the separate trials on guilt and punishment. It argues that since the evidence on punishment would not be offered until the second hearing stage, "this should be enough to avoid the inducement of [jury nullification]."[19]

But would it be enough? The trial jury would usually be aware it was a capital case. Either they would also be aware of the nature of the sentencing proceeding under S. 1401, or they would not.[20]

If the jury *is* aware of the sentencing procedure, then it knows it may not even sit at the second stage, given the options under Section (b). And the jurors know that if they do sit on the question of punishment, their ability to show mercy will be curtailed by the quasi-mandatory scheme of S. 1401. Thus, there would be an inducement to implement any qualms about the appropriateness of the death penalty for that particular defendant by preventing a murder conviction at the trial stage.

If the trial jury *is ignorant* of the sentencing procedures when they commence their deliberations on guilt, then there is still a danger of nullification. For that is the only way a juror who strongly feels death is inappropriate can be sure that his view will prevail and he can avoid complicity in what he regards as an unjust execution. The fact that jurors should not vote on guilt for that reason, under the law, is not the point. Jurors do.[21]

Conclusion

For those who seek a carefully drawn death penalty statute which would avoid unjust results, and provide an effective deterrent, without distorting the criminal justice process or endangering innocent lives, S. 1401 raises many serious problems. I hope my colleagues will consider the advice of a witness at the subcommittee hearings *who is an advocate of capital punishment and was an advisor to the Florida Commission created to draft a post-Furman statute.* He concluded that S. 1401 would not accomplish its own professional aims and suggested that the Committee "go back to the drawing boards" to see if a better bill was not possible.[22]

FOOTNOTES

[1] There is both the mental anguish of anticipation and the physical pain of the execution, itself. We hope our colleagues do not assume that modern executions are momentary and painless. I urge them to read the responsible accounts of several recent executions in the appendix to these views.

[2] See appendix at 4.

[3] Letter from Attorney General Richardson to Senators Hart and Kennedy (October 8, 1973) P. 1. (The questions sent to the Attorney General and his response are reprinted in full in the appendix to these views.)

[4] These studies, and the Subcommittee Report's comment on them are examined more fully in the appendix at 2–3.

[5] Upon close examination, one learns this reference, by now misleading reproduced in several sources, refers to assertions made without documentation by a state district attorney at an ABA symposium on the death penalty. See testimony of Henry Peterson in Hearings on Capital Punishment before Committee on the Judiciary, U.S. House of Representatives, 92d Cong., 2d sess. (1972) at 33–34; and H. Bedau, "The Nixon Administration and the Deterrent Effect of the Death Penalty," 34 Pitt. L. Rev. 557 (1973) (tracing the emergence of this "study").

[6] Richardson letter, *supra* note 4 (emphasis added) at 2.

[7] The significance of these personal "testimonials" is discussed in the appendix at 3–4.

[8] "In providing its members protection, *society must do what is necessary* to deter those who would break its laws and punish those who do so in an appropriate manner." Subcommittee Report, p. 7 (emphasis added).

[9] E.g., Richardson letter, *supra,* note 4, at 2.

[10] It cannot be argued in response that such persons will be unaware of the sentencing scheme of S. 1401. Certainly after the first sentencing proceeding under S. 1401, and perhaps upon its enactment, widespread media comment on its operation would alert most of those who are likely to calculate their crimes in advance.

[11] It is doubtful that S. 1401 skirts the constitutional swamp posed by *Furman.* For example, Justice White objected not only to arbitrary imposition, but also to a death penalty "so infrequently imposed that the threat of execution is too attenuated to be of substantial service to criminal justice." 402 U.S. at 313. Moreover, it is by no means clear that Justice Stewart and White would uphold any death penalty which turned on finding by the jury, with the attendant possibility of arbitrary or discriminatory imposition.

[12] Richardson letter, *supra* note 4, at 4. (Answer to question 2.)

[13] National Commission on Reform of Federal Criminal Laws, Final Report, Provisional Section 3603 (p. 314) (1971).

[14] Richardson letter, *supra,* note 4, at 6–7.

[15] Subcommittee Report, p. 16.

[16] *For these purposes,* we have accepted the assumption death in a greater deterrent, on which S. 1401 is premised.

[17] Richardson letter, *supra* note 4.

[18] Richardson letter, *supra* note 4, at 9.

[19] Richardson letter, *supra* note 4, at 4.

[20] It is unclear what inquiries the trial jury might make of the court regarding the sentencing proceeding to follow, or what instructions would include on this point if S. 1401 were enacted. But in any event it is likely that some jurors would be familiar with the scheme of the statute from its discussion in the media.

[21] Only in a single stage proceeding at which both guilt and punishment are decided, can a juror vote his true feelings on the question of guilt and still be sure he can prevent a recommendation on the death penalty. After the jury agrees on guilt, he can still force a hung jury or an agreement not to recommend the death penalty. Where there is a split proceeding and the jury had broad discretion on the question of punishment, the danger is still present but substantially less than where, as under S. 1401, the determination is automatic.

[22] Testimony of Prof. L. Harold Levinson, Reform of the Federal Criminal Laws, Hearings before the Subcommittee on Criminal Laws and Procedures, Committee on the Judiciary, U.S. Senate, 93d Cong., 1st sess. (1973) at p. —.

Mr. CANNON. Mr. President, I thank the Senator for yielding, and I ask unanimous consent that the matter be deferred for the time being.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Virginia yield to me, without losing his right to the floor and without his yielding counting as a second speech against him?

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that I may yield from time to time today to colleagues for such purposes as they choose, without losing my right to the floor or without my remarks later on being considered a second speech.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I am glad to yield to the distinguished majority whip.

Mr. ROBERT C. BYRD. I thank my friend, the distinguished Senator from Virginia.

Mr. President, I have had numerous constituents contact me with reference to the acronym CPA. Most of these constituents are certified public accountants, and they feel that the adoption of this acronym for the new agency, in the event the bill is enacted into law, would be somehow harmful to them, by virtue of the fact that they would be confused in the public mind with the new agency.

I have discussed this matter with the distignuished manager of the bill, Mr. RIBICOFF, and with other Senators who are likewise interested. Mr. RIBICOFF has indicated, I believe, that he would be receptive to an amendment which would change the name of the agency, in the event the legislation becomes law, to "The Agency for Consumer Protection," rather than "The Consumer Protection Agency." Thus, the acronym would be ACP, rather than CPA.

Therefore, on behalf of myself and Mr. RIBICOFF, Mr. RANDOLPH, Mr. CANNON, Mr. PERCY, and Mr. ROTH, I send an amendment to the desk, and I ask unanimous consent that I may offer this amendment at this time, notwithstanding the fact that a committee amendment is pending.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask the clerk to state the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> At the appropriate place throughout the text of S. 707 change the words "Consumer Protection Agency" to read the "Agency for Consumer Protection."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Louisiana (Mr. JOHNSTON) may also be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) may also be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia has the floor.

Mr. ALLEN addressed the Chair.

Mr. WILLIAM L. SCOTT. Does the Senator from Alabama desire to speak?

Mr. ALLEN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. Mr. President, I am glad to yield to the Senator from Alabama for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I ask for the yeas and nays.

The yeas and nays are ordered.

Mr. HRUSKA. Mr. President, I rise to speak in favor of the amendment to change the name of the proposed Consumer Protection Agency to Agency for Consumer Advocacy. Mr. R. G. Hinrichs, of Lincoln, Nebr., who is president of the Nebraska Society of Certified Public Accountants, recently wrote to me about his profession's concern with preserving the established identity of the abbreviation CPA. His letter states clearly the matter at issue. I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 10, 1974.

ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: I am writing to you on behalf of the members of the Nebraska Society of Certified Public Accountants to express our strong concern regarding the title proposed for the agency which would be created to protect consumer interests.

The proposed agency title "Consumer Protection Agency" when abbreviated, "CPA", is identical to the description which has come to be recognized universally as a respected, professional attainment in accounting. Recognizing the importance of protecting the user of accounting services from misrepresentation by non-qualified persons, the legislatures of all fifty states have passed laws restricting the use of the "CPA" designation only to those who have met the requirements to be licensed as a certified public accountant.

We wish to emphasize that we are not attempting to sway the substance of the legislation one way or the other. Our only concern in this matter stems from the confusion which will result in the use of the initials "CPA" to identify the proposed consumer protection agency and the identification of those initials with a certified public accountant.

Since as early as 1971, our American Institute of Certified Public Accountants has been expressing our views to the sponsors of the consumer protection legislation. In fact, we have repeatedly brought this matter to the attention of the former General Counsel of the Subcommittee on Reorganization, Research and International Organizations. Each time we have done so, we have been told that nothing could be done since our views "should have been made known earlier". This seems to us to be an unreasonable and unrealistic approach to the evolution of legislation which has seen many significant changes since consideration of it began.

We find it even more disturbing since we have offered a suggestion for a change in the name of the proposed new agency which cannot be considered substantive, nor would it remove the importance attached to the words "consumer protection". We have suggested in the past, and again strongly urge, that the name of the new proposed agency be titled "Agency for Consumer Protection" instead of "Consumer Protection Agency". This minor editorial change in the title should not adversely affect consideration of the principles underlying the consumer protection legislation. On the other hand, it will have a major impact on certified public accountants throughout the country who will greatly appreciate the sensitivity which would be shown by you and your colleagues to the importance of the preservation of a respected professional designation.

Very truly yours,
R. G. HINRICHS,
President, Nebraska Society of CPAs.

Mr. ALLEN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state it.

The legislative clerk read the amendment, as follows:

> Amend Byrd amendment by: striking the word "Protection" and substituting the word "Advocacy"".

Mr. ALLEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote on the amendment by Mr. ALLEN occur at the hour of 2 p.m. today.

Mr. ALLEN. Reserving the right to object, Mr. President, since the distinguished Senator from Virginia has the floor, when would there be an opportunity to discuss this amendment?

It is a very important amendment and deserves legitimate discussion.

Would an opportunity be given to discuss the amendment?

Mr. ROBERT C. BYRD. If the distinguished Senator from Virginia would respond.

Mr. WILLIAM L. SCOTT. I would like the opportunity to complete my remarks.

Mr. ALLEN. Mr. President, might I suggest that the vote on the amendment come at 4 o'clock with an hour for discussion equally divided prior to the vote?

Mr. RIBICOFF. I am amenable to anything that is desired by the Senator from Alabama. I see no need for a long discussion, and whatever suits the Senator from Alabama is perfectly all right with me.

Mr. ALLEN. Well, in view of the Senator's generosity, suppose we cut it down to a 30-minute discussion?

Mr. RIBICOFF. It is perfectly all right.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if it meets approval of the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), that at the hour of 3:30 p.m. today the Senate proceed with the debate on the Allen amendment to the Byrd amendment and that the rollcall, which has been ordered, occur on the Allen amendment at the hour of 4 o'clock p.m., and that the vote on the Byrd amendment, as amended, if amended, occur immediately thereafter.

Mr. ALLEN. That is fair.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, would the Senator amend that so that it would be at the conclusion of my remarks or 3:30, whichever occurs later?

I may keep the floor beyond the 3:30 hour and I just want the right to do this, if necessary.

Mr. ROBERT C. BYRD. Well, all right, I think the Senator is going to do the best he can.

Mr. WILLIAM L. SCOTT. Why, of course, I am, but I do not want, if I am interrupted from time to time, to be precluded from finishing my remarks before we get on the other matter.

Mr. ROBERT C. BYRD. The Senator states a reasonable proposition. I would hope he would not yield to too many Senators in that event, because if he does, the vote can be 6 o'clock p.m. today, or could even be put over until tomorrow.

Mr. WILLIAM L. SCOTT. I would say to the distinguished Senator, I have been attempting to get the floor since Thursday, perhaps Wednesday, and now that I have it, I want to keep it until I finish my remarks.

Mr. ROBERT C. BYRD. I hope the Senator will do that, and I hope that he will not yield too often.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. ROBERT C. BYRD. I ask unanimous consent that the time on the Allen amendment be divided between Mr. ALLEN and Mr. RIBICOFF.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, in the rush of congressional business, we may from time to time act on measures with which we are not fully familiar. Therefore, I would like to take this time today to go over this proposed Consumer Protection Act, S. 707, and comment on the various sections of the bill.

It is interesting to note that the certified public accountants do not like to have the letters CPA refer to this bill, and that is certainly understandable. The distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) wants to change the title to Agency for Consumer Protection and then, as I understand it, the distinguished Senator from Alabama (Mr. ALLEN) wants to change the name to Agency for Consumer Advocacy.

It is my recollection that the Senator from Michigan (Mr. GRIFFIN) yesterday called it the special interest protection bill. I frankly like the phrase, "common law barratry bill", because certainly the administrator would stir up strife and litigation within the Government and among the business community.

It might also be called a Frankenstein monster, because I believe it would create an agency which would destroy the effectiveness of many existing programs.

Let us look at the effectiveness of the bill. As you know, the committee struck the first 50 pages, starting with a clean bill, beginning at the bottom of page 50, which states in section 2:

> The Congress hereby finds that—
>
> (1) Federal agencies administer many laws, programs and activities which substantially affect the health, safety, welfare, and other interests of consumers.

Now, Mr. President, we are talking about existing agencies of government which are charged with protecting the public interest. The next paragraph reads:

> (2) Federal agencies often fail to consider adequately the interests of consumers, in part because consumers lack effective representation before such agencies.

This appears to be an unwarranted smear on all existing Government agencies and officials. In fact, it appears to be an insult to Congress in suggesting that we will not exercise proper congressional oversight.

Paragraph (3) reads:

> Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace.

This reminds me of the fairy tale we heard as children, the story of the genie in the bottle, or Aladdin and his wonderful lamp, where the possessor of the lamp or the bottle could merely rub it and a creature would appear, willing to grant every wish to the possessor of the lamp or the magic bottle. Somehow, we have gotten around, in many sectors, to a new genie called government. All we need to do is to pass a new law, create a new agency of government, or spend additional money to solve any problem that exists.

That is not the American system of government that was handed to us by our forebears. I do not like to believe that each individual citizen needs of the services of the Federal Government to protect him in all the ways that are mentioned in this paragraph. Our country was developed upon the premise of the worth and dignity of the individual: that the individual, to the extent possible, would look after his own interests, and that when government was needed, to provide a given service because an individual could not best provide it for himself; then, the local government would first be called upon.

If local government could not act in a specific case, then the State government would attempt to meet the needs of the citizens which could not be met at a lower level, and this, in accordance with the constitutional concept of limited Federal authority.

Year by year, citizens have been obtaining a higher degree of education, of knowledge, of sophistication. Yet the Federal Government is being called upon more and more to look after the needs of the individual citizens.

The next paragraph of the bill states that it is necessary to have a governmental organization to represent the needs of the consumers before Federal agencies and courts. Why do we need a new level of government, a new group to become involved in every issue before government regulatory bodies? Certainly, lawyers do not need a Consumer Protection Agency to provide work for them, as this bill would.

If we concede, as the bill alleges, that Federal agencies are not adequately protecting the interest of the consumer or the public, what assurance do we have that another layer of government, a new agency, would do any better than the existing bodies? Who would police the new agency?

What do we mean by "the interest of the consumer?" This consumer advocate might intervene and allege that every person in America should drive a smaller car. Of course, some people would prefer to drive smaller automobiles. They cost less initially; they use less gas; maintenance may be cheaper; and their operation may result in less pollution. But some people like the luxury of a large automobile. They may feel more comfortable, especially when traveling on long trips.

The consumer advocate might indicate that everyone should have both AM and FM radiobands. We had this matter before the Senate just a few weeks ago, and the membership of the Senate was almost equally divided as to whether we should have a Federal law compelling the manufacture of radios costing more than $15 to have both AM and FM bands

What I am saying, Mr. President, is that consumers are people with a wide variety of interests and opinions, often conflicting with one another. I cannot conceive of any individual not being considered a consumer at one time or another.

Mr. President, I wish to quote in part an editorial that seems pertinent at this point from the Roanoke Times, an editorial dated June 20. It is entitled, "A Monster All the Same." Beginning with the second paragraph, it reads:

> All of this would be in the name of Consumer, a magic name these days. And who is the consumer? Well, he is everybody, and not the same person all the time. Mr. Jones at the supermarket is a consumer; but in the TV repair shop or on the cattle range, he is one of these non-consumers to be regulated on behalf of the consumer. The "consumer" sometimes hasn't caught on to the fact that he's quite often in a job subject to regulations and that no matter whether he is Mr. Hyde or Dr. Jekyll, he is subject to taxation. One more super agency would be just one more layer of bureaucracy for him to support.

Mr. President, I think this is an excellent editorial. But returning to the proposed bill, this new agency would speak out in the interest of the entire population of the country and represent all of us as if we had a unanimity of views.

Going back to the example of the automobile, we might think about it within the concept of the American competitive free enterprise system. Undoubtedly, this country manufactures more automobiles than any country in the world. We have more diversification of makes and models than any country in the world. If we had only one make and model automobile, the American automobile, would it be better than having General Motors, Chrysler, Ford, American Motors, and some of the smaller automobile manufacturers, competing among themselves? Even within each company and division, models are competitive with one another for the American and world markets. Competition results in improvement of products. I do not believe that any administrator can speak for all the American citizens on a given issue because our country is diversified. That is one of its strengths. People have different tastes and desire different products and place different emphasis on those products. There is a free choice in the marketplace and this results in the manufacturer attempting to improve his products. Who would buy a shoddy product in preference to a well made one if they are in competition in the marketplace? I believe this personal decision, or free choice in a competitive market, makes for better products and for greater satisfaction among the American people.

Now, looking at the bottom of page 51 which indicates that Congress declares it to be the purpose of the act to "protect and promote the interest of the people of the United States as consumers of goods and services which are made available to them." Then, looking at the top of page 52, we find one of the purposes Congress declares under this bill is a Consumer Protection Agency "to represent the interest of consumers before Federal agencies, and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers." It does appear that the Administrator of the Consumer Protection Agency would appear before Federal agencies and courts and tell them what is and what is not in the interest of all of the American people. Apparently, he would be omnipotent, knowing at all times what is in the public interest and what is not, what the individual citizen needs or desires, even though their needs and desires are very diverse.

At the present time there are Government agencies working in all of the fields mentioned in this bill charged with protecting the public interest and in a few minutes, I want to talk about how the Administrator unler this act would duplicate the functions of the various branches of Government. But, the mere appearance in every situation, of this Administrator, or his lawyers, attempting to advise every other Administrator, every other agency, as to how they should perform their responsibility to serve the public, in my opinion, would tend to divide and harass all existing governmental units. We need unity in government in order to protect the public interest. In fact, I would like just to discuss for a minute common law barratry because I believe this bill could very well be known as the common law barratry bill. The third edition of Bouvier's Law Dictionary, in quoting Blackstone, indicates, or rather describes those who indulge in barratry as "pests of civil society that are perpetually endeavoring to disturb the repose of their neighbors and officiously interfering in other men's quarrels;" and elsewhere describes as barratry "the trafficking and merchandising in quarrels; the huckstering in litigious discord."

Mr. President, I ask unanimous consent to include at this point in the RECORD a description of the crime of barratry and the criminal aspects of champerty and maintenance as found in the annotations of volume 139, American Law Reports Annotated, beginning at page 620, including only the text, Mr. President, omitting the notes and citations.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

[From American Law Reports, Annotated]

ANNOTATION

Offense of barratry; criminal aspects of champerty and maintenance.

[Champerty and Maintenance, §§ 1, 2.]

I. Offense of barratry:
a. Introduction; definitions, 620.
b. Nature and requisites of the offense:
1. In general, 622.
2. Number of acts required, 624.
3. Grounds of defense, 625.
c. Form and sufficiency of indictment or information; notice of particular acts, 625.
d. Acts constituting or not constituting barratry, 629.
e. Punishment, 631.
II. Criminal aspects of champerty and maintenance:
a. Introduction, 631.
b. History; champerty and maintenance as constituting offenses:
1. In general, 632.
2. Under common law, 632.
3. Transition; curtailment of ancient common-law principles, 635.
4. Extent of adoption of common law, 640.
5. Under statute, 642.
c. Definitions; what constitutes offense:
1. In general, 648.
2. Essentials of offense, 650.

I. OFFENSE OF BARRATRY

a. Introduction; definitions.

Barratry within the purview of this annotation is that offense known as such in the field of criminal law, and does not include barratry as it is known in maritime or insurance law, where it has been defined to be an unlawful or fraudulent act, or very gross and culpable negligence, of a master or the mariners of a vessel in violation of their duty as such, directly prejudicial to the owner, and without his consent.

The origin of the term "barratry," or "barretry," as it is sometimes called, is somewhat obscure, but it was known early in the common law, and it seems that the term is derived from two Norman words—"barraté" and "barat," which came to mean contentions and quarrels, and eventually developed in England into the words "barratry" and "barrator." Barratry, or common barratry, has been defined to be the offense of frequently exciting or stirring up suits and quarrels between individuals, either at law or otherwise.

Barratry was a criminal offense at common law, and it is made a criminal offense by statutes of many, if not all, the states of the United States. While some statutes have adopted the common-law definition of barratry, others define the offense as the practice of inciting groundless judicial proceedings.

One guilty of the crime of barratry is known as a barrator or common barrator, which has been defined to be a common mover or exciter or maintainer of suits and quarrels, either in courts or elsewhere in the country.

b. Nature and requisites of the offense

1. In General

It has been said that maintenance is a species of barratry, and that champerty and conspiracy belong to the same class of offenses. It has been held, however, that the provisions of a statute defining the offenses of barratry and maintenance do not embrace champerty.

Barratry is an indictable offense both at common law and under statutes. However, it is not an act of like character with cheating and swindling.

It has been held that one may be properly tried and convicted of the offense of an attempt to commit barratry upon an indictment charging the common-law offense of barratry.

Barratry, being a substantive and distinct offense, is not affected by the fact that it is committed by one in public office, and is not, therefore, merged in an offense committed in that office.

The offense of barratry may arise from inciting public prosecutions as well as private suits, persons taking a public-spirited interest in public prosecutions being protected from a charge of barratry by the motive prompting them to interfere. And the offense may exist whether the suits excited or stirred up are just or unjust, well or ill founded.

Without an intention or a malicious design to oppress and harass another by exciting and stirring up suits, there can be no barratry. So, the offense of barratry does not consist in promoting either private suits or public prosecutions when the sole object is the attainment of public justice or private rights, but on the prostitution of these remedies to mean and selfish purposes. It has been held that a statute denouncing common barratry in vexing others with unjust and vexatious suits applies to one who brings vexatious actions in his own name and right. And it has been said that if the design is not to recover in one's own right but only to ruin and oppress one's neighbor, that is barratry. A man may, however, lay out money on behalf of another, because of such person's poverty, in suits at law to recover a just right; but if he lends money to promote and stir up suits, he is a barrator. Under some barratry statutes, it has been held that proof of a corrupt or malicious intent to vex or annoy is required. It is not required that in barratry there should be any false representations with an intent to defraud, or the obtaining of money or other valuable thing, or that the frequent suits stirred up should be fraudulent.

While the meaning of barratry included the activities of attorneys at common law, and apparently independently of any statute, it has been applied to one soliciting a large number of claims of the same nature and charging a fee for his services in connection with the claims contingent on the amount recovered, statutes in some jurisdictions specifically make solicitation of employment by and for attorneys, as well as solicitation of claims for the purpose of prosecuting, defending, or collecting the same by persons generally, an offense of barratry. Such a statute has been declared to be constitutional.

2. Number of acts required

The offense of barratry consists in the practice or habit of stirring up strife. It does not consist of one act, but of many acts; and it may not, therefore, be predicated upon a single instance or act. In this connection, it has been held or stated that at common law at least three acts of a barratrous nature were necessary to constitute the crime of barratry, although basic authority for this view has been found to be somewhat doubtful and uncertain. Under some statutes it has been held that three distinct acts are necessary to constitute the offense of barratry.

3. Grounds of defense

The fact that acts of barratry are done under color of official office, such as that of a magistrate, will not preclude a defendant's liability to be indicted for barratry.

And a statute limiting the commencement of indictments and informations for bracery, champerty, maintenance, and kindred offenses to one year after the offense has been committed, is not applicable, either in terms or in principle, to the offense of barratry, the offenses mentioned therein consisting of a single act, the time of which may be readily ascertained, whereas barratry is made up of many acts committed at different times.

c. Form and sufficiency of indictment or information; notice of particular acts

At common law it has been held that it is essential to the validity of an indictment for barratry that it should charge the defendant with being a common barrator, which is a term of art appropriated by law to this crime, and cannot be supplied by words which may import as much, such as a common oppressor and disturber of the peace, or a stirrer up of strife among neighbors. Accordingly, an indictment without the word barrator is not good. On the other hand, it has also been held that an indictment charging an accused with being a common barrator, without concluding that the offense was against the peace or form of the statute is not sufficient. But an indictment charging the accused with being a common barrator in violation of, or against the form of, the statute, is good, notwithstanding that the offense is a common-law offense.

As being an exception to the general rule in criminal cases that an indictment must charge in detail as to all essential particulars constituting the offense, a general charge in an indictment that the accused is a common barrator sufficiently defines the offense, without setting out therein the particular acts or instances constituting the offense, or the venue or place where the accused offended as a common barrator, the reason for this exception to the rule being that it is the general practice, and not the particular acts, which constitutes the offense.

Accompanying the above principle, however, arising out of the peculiar nature of the offense, it early became the settled practice to require the prosecutor to give the accused before trial notice of the particular acts, or a bill of particulars, upon which he relied to prove the offense, so that the accused could prepare his defense. And if the prosecutor failed to give such notice, the court would not suffer the trial to proceed. In this connection it has been held that in the absence of notice no evidence of particular acts should be admitted at the trial, and that notice given after the commencement of the trial of the particular acts of barratry intended to be proved is not a reasonable notice. It has also been held that the prosecutor may not give the evidence of any particular acts other than those of which he has given notice. It has been held, too, that the evidence of the acts of barratry relied upon for conviction need not be the same acts upon which the indictment was based.

The fact that it is the customary practice in cases of barratry to require the giving of notice containing a specification of the particular acts of barratry intended to be given in evidence in support of the prosecution, filed along with the indictment, does not, however, make such notice a part of the record, or indictment, so that the notice or bill of particulars is not open to demurrer, nor does it furnish a ground for a motion in arrest of judgment. The proper mode of objecting to such notice is to show that the defendant has been misled or surprised, as a ground for postponing the trial until a more sufficient specification is furnished. In a jurisdiction in which a bill of particulars in criminal cases is not recognized, a general charge in an indictment that the accused is a common barrator and that on each and every one of certain specified days did move and stir up divers quarrels, strife, suits, and controversial controversies, is insufficient. Under a statute penalizing persons who engage in the practice of soliciting employment for attorneys, it has been held that the criminal act is not sufficiently identified to enable an accused to prepare his defense where the indictment does not state from whom the accused sought to obtain employment. It has been held, however, that an information in barratry against an attorney under such a statute need not set out the nature or character of the suit allegedly solicited by the accused, it being sufficient to refer to the suit as being a suit at law, alleging its number, the court in which it was filed and the parties thereto.

Under a barratry statute having coordinate clauses relating to independent and distinct criminal acts, it is not necessary to allege in an indictment under one clause that the criminal acts in question were done for profit or with the intent to distress or harass, as required by another clause of the statute.

d. Acts constituting or not constituting barratry.

It has been stated that the commencement of three suits by a creditor against a debtor when one suit would have served might constitute barratry, if it appeared that the creditor had been given particular directions therefor with a malicious design to harass and oppress the debtor.

The acts of a magistrate in moving and exciting the commencement of various criminal prosecutions on informations made before, and warrants issued by, him for the purpose and as the means of extorting money from parties in such prosecutions have been held to constitute acts of barratry within the purview of the offense.

It has been intimated that circumstances whereby a plaintiff brought suit against a fellow townsman before a justice of the peace in a town thirty miles distant from the city of their residence, with summons returnable at an unreasonable time if repeated, might constitute barratry under a statute defining barratry as annoying others "with unjust and vexatious suits."

It has also been said that the common-law offense of barratry includes within its scope the conduct of an attorney in soliciting employment by means of assistants, office boys or "runners." So also, independently of statute, the term "barratry" has been applied to one soliciting a large number of claims of the same nature, and charging a fee for his services in connection with the claims contingent on the amount recovered. And the common-law offense of barratry has been held to apply to the solicitation of suits by an individual who is to receive compensation for his assistance in such suits from the collections made by virtue thereof.

Under a statute making attorneys and other persons who solicit employment in suits, or for the rendition of legal services, guilty of barratry, the solicitation of cases constitutes barratry.

On the other hand, other circumstances have been held not to constitute the offense of barratry. Thus, it has been held that the sale of information relating to an outstanding title to a tract of land, which was in the adverse possession of another, or the rendition of services in the acquisition of such title for a consideration does not constitute barratry. And an agreement, in consideration of liberal compensation, to furnish information to a bank concerning an overpayment to a depositor so that the bank might recover it, is not against public policy as being violative to common barratry. So, an agreement under which a person takes an assignment of a claim, in which he has no interest, against another and institutes and prosecutes an action against such other for a consideration has been held not to be barratry.

It has been held that performance by an attorney of a contract under which he authorized his name to be published in a commercial law list, and the acceptance of legal matters forwarded to him by virtue of his name being so listed do not constitute a violation of a statute penalizing barratry.[68] Similarly, a contract between a firm of attorneys and its client compensating such firm for services rendered in the collection of certain notes and containing a provision for further compensation in the event that further legal service was required to collect them has been held not to violate a barratry statute.[69] And it has been held that a power of attorney given to an attorney to enter suit for and to recover certain land at his own expense for which he was to receive, as compensation for his services, an undivided one-half interest in the land recovered is not a violation of the provisions of a barratry statute.[70]

The offer of a bar association to represent free of charge persons caught in the toils of usurious money lenders in defending against illegal exaction, and to represent them in bringing actions to recover amounts illegally paid under loan contracts, does not constitute a violation of the statute relating to the offense of barratry.[71]

It has also been held that a barratry statute is not violated by an agreement between a citizen of a municipality and the municipality under which the former advanced the legal expenses necessary to appeal litigation testing the validity of a municipal ordinance forbidding the sale of intoxicating liquors.[72]

The maintenance of a copyright protection bureau for the purpose of protecting the copyrights of a group of motion picture producers and distributors does not constitute the offense of barratry.[73]

e. Punishment.

Barratry as a common-law offense and misdemeanor may be punished by fine and imprisonment at the discretion of the court, and where the offender is an attorney or solicitor he may be disbarred.[74] And under statute making one adjudged a common barrator guilty of a misdemeanor, it has been provided that if any attorney shall violate the provisions of the statute he shall also be disqualified from practicing his profession.[75]

II. CRIMINAL ASPECTS OF CHAMPERTY AND MAINTENANCE.[76]

a. Introduction.

Champerty and maintenance appear but infrequently in modern jurisprudence as substantive criminal offenses, even under statutes specifically making them, or some particular phase of them, criminal offenses, * * *.

Mr. WILLIAM L. SCOTT. This point is made for the purpose of further comparing or contemplating the activities in this bill and activities considered a crime at common law and contrary to public policy over the ages.

Let me just lift out a few of the highlights of the crimes of barratry, champerty, and maintenance that have such a close relationship to the provisions of this bill. The annotation indicates that a government official may commit this offense of barratry by frequently inciting or stirring up quarrels between individuals either at law or otherwise.

Maintenance is a species of barratry, and champerty and conspiracy belong to the same class of offenses. The offense may arise from inciting public prosecution as well as private suits and can be committed by one in public office as well as a private citizen.

It could be committed by attorneys and is actually independent of any statute. It does not consist of one act, but many acts and, in fact, is the practice or the habit of stirring up strife.

The annotation indicates that at common law at least three acts of a barratrous nature were necessary to constitute the crime and the fact that acts of barratry are done under the color of official office such as that of a magistrate will not preclude the defendant's liability to be indicted for barratry. As you know, Mr. President, it has been considered against public policy to encourage individual citizens or groups to cause con-

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Footnotes not printed in RECORD.

flict or unwarranted strife or litigation and I believe having a Government barrator is also against the public interest.

We have some Government agencies now which attempt to harass the businessman and OSHA—the Occupational Safety and Health Administration—readily comes to mind, but this bill would harass Government officials and agencies in the performance of their statutory duties when Government unity is needed to protect the public interest.

I note further on page 52, that the purpose of the act is to protect consumers with respect to the "(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property, or tangible or intangible goods, services or credit." It sounds like a pretty big order. In fact, I asked a staff member to check the Government manual to determine what existing agencies now perform these functions. He determined that there were 40 departments, independent agencies or branches thereof already working in this field and at least in part, their functions would be duplicated by the Consumer Protection Agency. Rather than reading this long list of agencies, Mr. President, I ask unanimous consent that they be included at this point in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

CPA Duplication of Federal Agencies

Federal Agencies that would be duplicated by CPA functions as stated in Sec. 3(3) (A):

Consumer Product Safety Commission.
Agriculture:
Agricultural Marketing Service.
Animal and Plant Health Inspection Service.
Commerce: National Bureau of Standards.
Department of Transportation:
Office of Hazardous Materials.
Office of Pipeline Safety.
Office of Transportation Security.
U.S. Coast Guard.
Federal Aviation Administration.
Federal Highway Administration.
Federal Railroad Administration.
National Highway Traffic Safety Administration.
National Transportation Safety Board.
Health, Education and Welfare:
Public Health Service.
Food and Drug Administration.
Health Resources Administration.
Health Services Administration.
Social and Rehabilitation Service.
Housing and Urban Development: Interstate Land Sales.
Interior:
Office of Oil and Gas.
Office of Coal Research.
Office of Water Resources Research.
Office of Research and Development.
Bureau of Mines.
Bureau of Land Management.
Mining Enforcement and Safety Administration.
Treasury: Bureau of Alcohol, Tobacco and Firearms.
Civil Aeronautics Board.
Security and Exchange Commission.
Environmental Protection Agency.
Farm Credit Adminstration.
Federal Home Loan Bank Board.
Federal Power Commission.
Federal Reserve System.
Federal Deposit Insurance Corporation.
Federal Trade Commission.
Interstate Commerce Commission.
Postal Rate Commission.
U.S. Tariff Commission.
Atomic Energy Commission.
Federal Maritime Commission.
Tennessee Valley Authority.

Mr. WILLIAM L. SCOTT. And, then paragraphs B, C, D, E, and F appear to duplicate the functions of various other agencies of Government.

B relates to the preservation of consumers choice and a competitive market. In other words, it includes part of our antitrust laws, and it would appear to be primarily a function of the Federal Trade Commission and the Department of Justice. C relates to unfair and deceptive trade practices which are clearly a primary function of the Federal Trade Commission.

The next paragraph relates to "truthfulness and fairness in the advertising, promotion and sale by a producer, distributor, lender, retailer, or other supplier, of such properties, goods, services, and credit." This could relate to a great variety of Government agencies, the Federal Trade Commision, the Food and Drug Administration, the Department of Agriculture.

In fact, I understand in the debate on this bill in the House of Representatives, a proponent admitted that this act related to functions of 33 agencies and 400 bureaus and subagencies, managing consumer programs.

In an editorial of the Richmond News Leader, on June 25, 1974, the writer quoted tax foundation reports that the Federal Government now administers more than 1,000 consumer protection programs through 57 agencies at a cost of $3 billion a year.

That, in addition, 23 States have set up consumer protection agencies, 29 States have consumer fraud agencies operating through the offices of their State attorneys general. Consumer protection units operated by more than 40 cities and 20 counties can be added to the list. The editorial concludes:

> American consumers, among the smartest in the world, are paying handsomely to protect themselves. If the Senate decides to establish yet another consumer protection gimmick through the CPA, consumers will get more—much more—than they bargained for.

Mr. President, I ask unanimous consent that the editorial in its entirety opposing the adoption of this measure be included at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Whose Consuming Interests?

Before long the Senate will be asked to consider a bill, already passed by the House, bearing the innocuous title of the Consumer Protection Agency Act (S. 707). Consumerism has become the equivalent of mom, the flag, and apple pie, and any legislation carrying some promise of helping consumers usually wins swift and unequivocal support.

That should not be the case with this bill, which goes far beyond any previously considered "consumer legislation." It provides for an agency with powers superseding all other federal agencies or departments—an agency headed by an administrator not subject to supervision by any elected official. This administrator would be appointed to serve during a presidential term. He could be removed from his post only for inefficiency, neglect of duty, or malfeasance of office. He, and he alone, would have the power to determine what is in the best interest of consumers. The agency's actions would not be subject to judicial review.

The dangers implicit in establishing such an autonomous arbiter of consumer interests are not imaginary. They are real. No element of American enterprise that deals with the consumer in any way would be free from the Consumer Protection Agency's scrutiny or displeasure. Even other federal agencies and departments would have to answer to the CPA. As Virginia Senator William Scott points out, the proposed act defines a consumer as "any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes." By this definition, consumer interest also is the public interest, which all government officials and employees are already sworn to uphold. So why the need for a CPA?

The proposed measure, if enacted into law, also would pose serious threats to First Amendment guarantees of a free press. Senator Charles Percy of Illinois, one hardly considered hostile to consumer interests, testified before a Senate committee, "The threats [in this bill] to a free and vigorous press are very real . . . I have no doubt that this country feeds on an active, probing, inquiring, inquisitive press that never wavers or hesitates because of implicit or explicit governmental intimidation." Columnist Jeffrey St. John supported Senator Percy's view in subsequent testimony.

The proposed measure would give the CPA power to intervene in all radio and television license renewals whenever the CPA might choose, on the grounds that stations applying for license renewals do not carry enough consumer news. Advertising revenues are the economic basis for both print and electronic media; the CPA could undermine this economic base through constant harassment. The proposed measure would give the CPA responsibility for "maintenance of truthfulness and fairness in advertising with powers broadly interpreted by the executive branch." This means that the CPA would have sweeping powers to harass advertisers and media that print or broadcast advertisements; in demands for counter-advertising, the CPA could make the Federal Trade Commission look like a piker.

The CPA also would have the right to "require any person engaged in a trade, business, or industry which substantially affects interstate commerce" to furnish the CPA with whatever information the CPA might deem to be of concern to consumers. Naturally, this provision applies to reporters and editors, who would be stripped of their rights to protect their confidential sources; they would be denied even the right to adversary hearings in court. This provision strikes at the very heart of editorial freedom that is vital to a free press. The measure contains no provision for legal challenge to CPA rulings, giving it extraordinary powers to abridge the due process and First Amendment rights of any business—including the press.

The Senate should exercise skepticism on any measure that would create a new agency with such unprecedented authority. The language of the measure is so broad and so unlimited that a CPA created under it would be a virtual czar over all commerce and government. In response to militant lobbying efforts by Ralph Nader-inspired consumer fire-eaters, the proposed CPA would wreck industries at will, no matter how arbitrary and capricious the CPA might be.

Consumer activists think that the creation of a CPA would do everyone a favor.

In the interest of truth-in-advertising, these activists ought to point out that the high costs of a CPA would be borne by all consumers-as-taxpayers. Taxpayers already are paying dearly to serve their consuming interests: The Tax Foundation reports that the federal government now administers more than 1,000 consumer protection programs through 57 agencies at a cost of $3 billion a year. In addition, 23 states have set up consumer protection agencies, and 29 states have consumer fraud agencies operating through the offices of state attorneys-general. Consumer protection units operated by more than 50 cities and 20 counties can be added to the list.

American consumers, among the smartest in the world, are paying handsomely to protect themselves. If the Senate decides to establish yet another consumer protection gimmick through the CPA, consumers will get more—much more—than they bargained for.

Mr. WILLIAM L. SCOTT. Now, returning to paragraph E on page 53, the proposal indicates that the purpose of the act is to include protection of consumers with respect to the "furnishing of full, accurate, and clear instructions, warnings and other information by any such supplier concerning such property, goods, services and credit;". It appears that the Administrator would also be a business czar. Most products today, Mr. President, have instruction labels and warnings. In fact, there are many laws on the books with regard to this. But I wonder what rules and regulations might be promulgated under pressure from the Administrator, if he is given the authority to protect consumers in this specific field. The next paragraph would protect consumers with respect to their legal rights and remedies. This section again seems to be very much akin to common law barratry or more modern "ambulance chasing."

A staff member has also compared the functions of the proposed new Consumer Protection Agency with those performed by the existing Government units and found a considerable duplication for paragraphs B, C, D, and E.

Mr. President, I ask unanimous consent to have printed in the Record at this point a list of agencies performing functions that would be duplicated by this bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

Federal Agencies that would be duplicated by CPA functions as stated in Sec. 3(3) (B):

Justice Department.
Federal Trade Commission.
Agriculture: Agricultural Marketing Services.
Commerce: Economic Development Administration.
Civil Aeronautics Board.
Federal Power Commission.
Interstate Commerce Commission.
Securities and Exchange Commission.

Federal Agencies that would be duplicated by CPA functions as stated in Sec. 3(3) (C):

Federal Trade Commission.
Civil Aeronautics Board.
Interstate Commerce Commission.
Securities and Exchange Commission.
Agriculture: Packers and Stockyards Administration.
Food and Drug Administration.

Federal Agencies that would be duplicated by CPA functions as stated in Sec. 3(3) (D):

Federal Trade Commission.
Civil Aeronautics Board.
Interstate Commerce Commission.
Agriculture:
Agricultural Marketing Service.
Animal and Plant Health Inspection Service.
Commodity Exchange Authority.
Packers and Stockyards Administration.
Food and Drug Administration.

Federal Agencies that would be duplicated by CPA functions as stated in Sec. 3(3) (E):

Federal Trade Commission.
Consumer Product Safety Commission.
Food and Drug Administration.
Agriculture:
Agricultural Marketing Service.
Animal and Plant Health Inspection Service.
Securities and Exchange Commission.

Source: U.S. Government Manual 1973/74.

Mr. WILLIAM L. SCOTT. Mr. President, regardless of whether the figures used in the debate in the House, the figures used in the editorial or the list of duplicating agencies compiled from the Government Manual by my staff, are correct, there is obviously a considerable amount of duplication of functions.

Now, Mr. President, there are a series of definitions in section 4, beginning on page 53. One defines agency action to include "an agency rule, order, license, sanction, relief, or the equivalent or the denial thereof, or failure to act." This seems rather broad to me and to include almost any kind of action. At the same time, the bill endeavors to define agency activity to mean any "agency process, or any phase thereof conducted pursuant to any authority or responsibility under law, whether such process is formal or informal." Agency proceeding "means agency rulemaking, adjudication or licensing as defined in section 551 of title 5 of the United States Code." A reference to the Code indicates that this definition once again is very broad in scope and is part of the Administrative Procedure Act.

Then it is interesting to note that "Federal court" is first defined to include any court of the United States and then the definition identifies each court specifically. This fact should be read along with page 64 relating to judicial review which indicates that:

> The Administrator may intervene as of right as a party or otherwise participate in any civil proceeding in a federal court which involves the review or enforcement of a federal agency action if he determines such action substantially affects the interests of consumers.

I assume we are not abolishing the Department of Justice by this act, but I have always understood that the Attorney General had plenary authority, under law and executive order, to represent the Government in all cases before all of the courts in the country. If we divest the Attorney General of the authority to represent the consumer interest or the public interest, there will be little for him to do.

Or, if we let him represent the United States and the Administrator of the Consumer Protection Agency represents the consumer, it may well result in having two different points of view before the courts. The case of the United States versus the United States, with one group of Government attorneys opposing another group of Government attorneys, presenting an entirely different point of view. To me such a proposal is untenable.

Mr. President, the more I read this act and the more I think about it, the more I am convinced that the proposal should be decisively defeated. We look at the last section on page 55. The definition of an individual means a human being. Now, that is very enlightening. An individual means a human being. We have known that for some time without it being specified in this proposal. Paragraph 11 on page 55 defines the interest of consumer to mean any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction.

Now it appears to me that this gobbledygook would permit the Administrator to put his nose into all phases of both Government and business. He can stir up strife and litigation in almost any field under this act, even though it may be in violation of the crime of common law barratry or any of the 36 State statutes on the subject of barratry. When we look at the definition of participation, he appears to be able to do this in any manner he chooses.

Turning to page 56 of the bill, Mr. President, paragraph 5(b) indicates that the "Administrator shall be appointed by the President by and with the advice and consent of the Senate for a term coterminous with the term of the President, not to exceed 4 years." It also provides that he may be reappointed, but can only be removed by the President for "inefficiency, neglect of duty, or malfeasance in office."

In effect, we are giving extremely broad authority to an appointed consumer advocate without any control of his decisions for a period of 4 years. Most officials of the executive branch of Government, even those apponted for a definite term can be removed at the pleasure of the President. While I doubt the wisdom of this action, I am sure by now, the Senate knows of my opposition to almost every paragraph of this bill. The new Agency to be created at a time when we have an estimated deficit between this year's Government income and outgo of roughly $12 to $15 billion.

The Government also has an indebtedness of $471,662,200,407.05 as of July 11, according to the Treasury Department Daily Report and estimated interest for the fiscal year which ended on June 30 of $29,350,000,000. Recent polls show that the general public is more concerned about inflation than any other issue confronting the country and one of the major features contributing to the inflationary spiral is excessive Government spending and deficit financing. It seems to me that we can save the taxpayer some money by shelving this bill.

Let us look at some of the provisions relating to personnel.

It provides for a Deputy Administrator, General Counsel, five Assistant Administrators, and authorizes the Administrator on page 76 to "appoint, assign the duties of, and fix the compensation of, in accordance with civil service and classification laws, such officers and employees, including attorneys, as are necessary to perform the functions vested in him."

It specifically authorizes him to "employ experts, expert witnesses, and consultants," and to "compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18," currently $36,000 per year.

He may also "appoint advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him, and to compensate such persons, other than those employed by the Federal Government, at rates not in excess of the maximum daily rate prescribed for GS-18," or not in excess of this $36,000 annual ceiling.

In other words, we are creating a new, independent major Government agency with authority on behalf of the Administrator to appoint as many consumer advocates before various branches and agencies of government as his appropriations will permit. Somehow the phrase "Frankenstein monster" comes back to mind. Then, we look at the functions of the Administrator beginning on page 58 and it authorizes him to "(1) represent the interests of consumers before Federal agencies and Federal courts in accordance with this Act;" in duplication of the role of the Attorney General before the courts and the statutory duties of the various existing agencies to protect the public interest.

He is authorized to receive complaints from consumers, to conduct research and other information-gathering activities relating to the interest of consumers and to disseminate public information of concern to consumers.

I would submit, Mr. President, that we have a sufficient number of Government pamphlets and in fact, have an office within the National Archives charged with the responsibility of getting rid of unnecessary Government forms and papers.

It is somewhat difficult to understand paragraph 5 on page 58 which authorizes the administrator to "publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers." Does that mean that this proposed new agency would disseminate information on a national basis of all committee hearings, of all acts of the House and the Senate, and not only in the Congress, in Federal agencies, in Federal courts, but other information useful to consumers?

This could authorize the agency to print and distribute any kind of material, because certainly everything printed has some value to somebody somewhere. It is difficult for us who serve here in the Congress to know at all times when the committees on which we serve and each subcommittee is meeting, but I believe it would be impossible for any Administrator to know and to publish information about all activities in the Congress, all the activities within the courts and all activities within the executive branch of the Government. The Federal Register attempts to perform at least a portion of this function. But mistakes are made and frequently changes are made in the time and the place of meetings of all branches of the Government. In my opinion, it would be humanly impossible for any agency to keep the public advised in this respect and attempting to do so is a substantial duplication of the work of existing agencies. It is interesting to note on page 59 that the Administrator will "inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interests of consumers;". Would this act create a consumer lobbyist to contact each Member of the Congress and suggest how he should vote on a particular bill? My constituents are not the slightest inhibited in letting me know of their feelings without having an appointed official or one of the staff members stop by the office and visit for that purpose. I am very doubtful that a national consumer lobbyist would know the viewpoint of the citizens of Virginia. Certainly, the ability to be more familiar with the viewpoint of constituents than the Congressman or Senator elected to represent them is a big task.

We have had considerable discussion about the labor provision on page 59 of the bill, and I will not dwell on this provision. I understand that the committee amendment on this phase of the bill has been defeated.

It is difficult to understand why any labor disputes should be exempted and Government agencies, business and industry should be harassed. Frankly, I am opposed to the harassment of labor, management, or government by a taxpaid consumer lobbyist and intend to vote against the entire bill, but in all fairness, it does not seem reasonable that one segment should be treated differently from another. They should all be on the same footing and none exempted without compelling reasons. Insofar as I know, no compelling reasons have been given for the exemption of labor.

On pages 59, 60 and 61 of the bill, it is provided that the Administrator shall prepare and submit an annual report which need not be coordinated with any officer or agency of the Government but shall include a statement of the extent of participation by consumers and effectiveness of representation of consumers before Federal agencies. The Administrator is also authorized to rate the performance of Government agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interest of the consumers. We now have an Office of Management and Budget to perform this function and the new agency would be within the executive branch of Government operating under the President. Congress is charged with congressional oversight; and the General Accounting Office, as an arm of Congress, has responsibility to make investigations and recommendations on the effectiveness of Government agencies. These provisions appear to me to provide another example of duplication of functions, another layer of Government, and more cost to the overburdened taxpayer.

Thinking of the taxpayer, Mr. President, I understand this bill authorizes the appropriation of $60 million over a 3-year period; and while this is only a small item, compared with the overall Federal budget, it appears to be one expenditure which can be avoided. In my opinion, the monetary cost of this bill would be far more than the authorization because various provisions of the bill require existing Government agencies to perform functions, provide services and personnel, do a considerable additional amount of paperwork and hold hearings at the request of the consumer advocate which might not otherwise be necessary and which may not be in the public interest. The stirring up of controversy and dissension undoubtedly will cost the American taxpayer far more than the amount of the authorized appropriation.

There is an article on page 47 of the July 22 issue of U.S. News & World Report entitled, "Those 'Rip-offs' That Irritate Taxpayers." It indicates that increasing numbers of taxpayers around the country are sending a message to Washington stating, "Don't waste our money on foolish items." It lists a number of items, such as a study of the impact of rural road construction in Poland; a study on teaching mothers how to play with their children; a study of wild boars in Pakistan; a study of lizards in Yugoslavia; a study of the American and Indian whistling ducks; a study of bisexual Polish frogs; a study of how the frisbee toy spins through the air; a study of why children fall off their tricycles and numerous others—all at the expense of the taxpayer and totaling several million dollars. The article concludes by quoting Congressman H. R. Gross of Iowa, who is completing 26 years of service in the House of Representatives and who blames Congress for appropriations and Government expenditures continuing to increase.

I might add that Mr. Gross has saved many millions of dollars, perhaps going up into the billions of dollars, during the time that he has served in the House of Representatives. He is quite frequently called the watchdog of the budget.

According to Mr. Gross, the remedy is simple, we must learn to say "no." He states that Congress is a sad place, that the taxpayer cannot look here for any help on spending.

Mr. President, this entire bill provides for an unnecessary new Government agency. Unnecessary expenditures by that agency; harassment of existing Government agencies through a consumer advocate; harassment of the business community and State and local governments. Frankly, I find little or nothing in this bill that is not being performed by existing agencies or cannot be performed by existing Government agencies. Rather than saddle the administrative bodies of Government with a consumer lobbyist at taxpayers' expense, I believe we should, through legislative oversight, find specific instances in which a given governmental unit is not performing the functions for which it was created, and call that to the attention of the agency, or, through cooperation with the executive branch, cause the head of the agency to be removed and a suitable person substituted in his place.

There was an advertisement in this week's issue of U.S. News & World Report by the manufacturer of heavy earth moving equipment entitled, "The Cheering Section, too, helps win games" and concludes with a question, "How many games would your home team win if all the spectators did nothing but smear and jeer them at every game?" Rather than harass the business community, rather than harass existing Government agencies, I believe we should find a way to encourage them to make their best efforts and certainly having a consumer lobbyist looking over their shoulders or criticizing their every movement is not the way to bring about the best in Government.

Looking at the bottom of page 61, et seq., it is provided that the Administrator may intervene as of right as a party or otherwise participate for the purpose of representing the interest of consumers in any proceeding covered by the Administrative Procedure Act. But further on, the Administrator is authorized to participate in any agency activity which he determines may substantially affect the interest of consumers when it is not covered by the Administrative Procedure Act. Looking at section (c), it provides each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue additional rules which may be necessary to provide for the Administrator's orderly intervention or participation in accordance with this section, in its proceedings and activities which may substantially affect the interest of consumers. Now, Mr. President, if this does not add to the duties of existing Federal agencies, cause them to expend additional funds and take away the time which might otherwise be spent in the regular performance of their duties, then I do not understand the provisions.

It appears that the thrust of this measure is to have the consumer lobbyist intervene in as many hearings before administrative agencies as possible and to express his views on as many issues before administrative bodies as possible. Not only will this delay the decisionmaking process but the delays can be costly to both the Government and the private sector seeking Government decisions. A consumer lobbyist intervening to express his views with the authority from Congress to appeal a decision to the courts means pressure and may not be as fair to all parties as the present procedure. Certainly a hearing officer, commission or board will be influenced by the point of view of a government official given authority by the Congress to appeal any decision made by the officer, commission or board to the courts. I would prefer the decision of the regulatory agency to be final unless it is arbitrary or capricious and for the Department of Justice to continue to make the decision regarding any appeal within the court system.

I would add, Mr. President, that I have a variety of amendments to offer to this bill at the appropriate time. One such amendment provides that the Attorney General would continue to represent the Government including the Consumer Protection Agency if this measure is enacted into law, or would choose the lawyer who would represent the Consumer Protection Agency if for some reason he chose not to do so.

As you may know, no appeal can be taken within any of our Federal courts without the personal approval of the Solicitor General of the United States who serves under the Attorney General within the Department of Justice, and yet this bill would let the Administrator of the Consumer Protection Agency represent the consumer in court or choose the attorney who did which could result in lawyers representing two different points of view, arguing against one another within the Federal courts, and all at taxpayers' expense.

Section (d), on page 63, indicates that if any Federal agency does not initiate a proceeding or activity upon the request of the consumer lobbyist, he must advise the Administrator in writing why he has not taken the requested action.

Section (e) authorizes the Administrator to request a Federal agency to issue orders, summon witnesses, keep documents, papers and records, produce books and papers and information in writing and states that such Federal agency shall issue such orders unless it reasonably determines that such an order is not relevant to the matter at issue or would be unnecessarily burdensome to the person specified or would unduly interfere with such Federal agency's discharge of its own statutory responsibility. This section's type of activity might well be called a fishing expedition and could be used to harass any agency of the Government.

But, looking at the following section (f), the Administrator is authorized to represent the interest of consumers upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. Would this not have the effect of calling upon the taxpayer to subsidize any grievance, which any group of any nature might have and also have the effect of stirring up strife and litigation within the executive branch of Government. Then we have the question of judicial review in section 64. In effect it indicates that if the consumer lobbyist is not satisfied with the action taken by any agency of Government or if there is any suit pending in any of the courts of the country, he may intervene as of right as a party or otherwise participate in any civil procedure which involves the review or enforcement of a Federal agency action if he determines that such action substantially affects the interest of consumers. Now, it is provided that before instituting a proceeding in a Federal court he shall file a petition before such agency for a rehearing or for reconsideration and the agency shall act upon his petition within 60 days. Would this not have the effect of saying that if you do not do what I want you to do, I will take you to court? Would it unduly affect the decision to be made by a regulatory Government agency?

We should reflect, Mr. President, upon the nature of these regulatory agencies whether we are talking about the Federal Power Commission, the Federal Trade Commission, the Civil Aeronautics Board, the Federal Food and Drug Administration, or some other administrative body, these agencies were created for the purpose of specialization, for the purpose of holding hearings, listening to all sides of a given matter and arriving at a decision in the public interest which would not be upset by the courts except for an abuse of authority or arbitrary and capricious action on behalf of the heads of the agencies. They are quasi judicial in nature and I do not believe it would be wise for the Congress to have a consumer lobbyist or special interest Administrator looking over the shoulders of these experts charged with the responsibility of protecting the public interest who could not possibly have the expertise already present in specialists in a great variety of fields and tell both the administrative agency and the courts what should be done in a specific case. Somehow I continue to think about barratry, the stirring up of strife and litigation contrary to good administration and general public policy.

Mr. President, in reviewing this material, I have covered about 15 pages and there are 25 additional pages remaining. It is a bad bill; I urge its defeat but would reserve the right to discuss the remaining 25 pages and to offer a variety of amendments at a later time during the debate on this bill.

Mr. President, I look at the minority views of the committee, the dissenting report sets forth the views of the senior Senator from North Carolina (Mr. Ervin), by the Senator from Alabama (Mr. Allen), the Senator from Tennessee (Mr. Brock), and the Senator from Georgia (Mr. Nunn), all members of the Committee on Government Operations.

They indicate that this proposal is a bad idea whose time has come and gone. They urge that the bill be rejected or at least that extensive revisions be made in it before it is passed.

The four Senators suggest this for a number of major reasons, and I would like to read some of the reasons so we will be sure that it is in the Record.

They say that it "is bad in theory, being conceived out of a paranoid fear of businessmen and farmers, a patronizing attitude toward consumers, and a paradoxical view of the government."

They say that it is bad because it "grants powers to a political appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have."

They say that it is bad because it would "result in the subversion of the public interest to the often conflicting special interests of consumers, as these special interests are defined by a corps of bureaucrats."

These Senators say that this bill is bad in that it is "a fraud upon consumers who have been led to believe it is the answer to their day-to-day problems and frustrations."

They say that if enacted, it would "lead inexorably to the creation of other special advocacy agencies representing interests just as important as those of the consumer which are threatened by the existence of a powerful CPA."

Then, Mr. President, they go into some detail on these various items that have just been mentioned.

They say: "We are asked to believe that most, if not all, businessmen are scheming swindlers whose every action must be subject to review and attack by consumer protection agents who have been untainted by any business experience more responsible than a paper route."

They add: "We are asked to believe that all consumers are mental midgets who must look to Washington to find out how to manage their personal lives from some bureaucratic consumer 'representative' who will have neither the time nor the knowledge to shop for and cook a decent supper."

They speak of an idea which they designate as the "capture" theory; that the proponents of this bill would have us believe that the regulatory agencies designed to protect the public are always "captured" by the very interests they are supposed to regulate, bending to the will of these special interests with whom they are in constant touch.

By the same analogy, Mr. President, why would not the Administrator of the Consumer Protection Agency become a captive of the interests he is supposed to be protecting? The provisions of this bill provides a duplication, over and over again; another layer of government. It is an oversimplification of the complicated problem.

I believe that protection for the consumer rests in his own careful selection of the products he buys. I believe his protection lies in the competitive, free American market, whereby one businessman is trying to manufacture, produce, or make available a better product than another, each of them, while doing this, attempting to make a profit.

The businessman is imbued more today, I believe, with the public interest perhaps more than he was in days past. The American consumer, the average American citizen, is better educated than his forefathers were. And I believe, Mr. President, that this bill is just an added burden upon the taxpayers. I believe it adds to the deficit financing that is helping to create the inflationary pressure that we have today.

Mr. President, I conclude my remarks by urging that the Members of the Senate analyze the various provisions of this bill very carefully and that they reject it. It could well come back to haunt us if we pass it without knowing the contents of each specific section of the bill.

We call it a consumer protection bill. We have an amendment before us for consideration, offered by the Senator from West Virginia, to turn these words around, so that the agency will not constitute a confusion with the certified public accountants by being known as "CPA." He would have it called the Agency for Consumer Protection. It has been suggested by the Senator from Alabama that we call it the Agency for Consumer Advocacy, and by the Senator from Michigan that we call it the special interest protection bill.

It would appear more proper to call it the "Common Law Barratry bill," because it seems to me that we are creating an agency to stir up strife and litigation within the existing governmental agencies.

In my opinion, it is not in the public interest. I believe it should be soundly defeated. If Congress does see fit to pass this bill, I hope that the President will veto the bill, as he has told us that he will, and that Congress will sustain the veto of the President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, as we continue to debate the establishment of the so-called Consumer Protection Agency, it is very clear to me that this body, and the public at large, have an inadequate understanding of the implications of this proposal. I use the phrase "so-called" because there is a real problem with the title. No doubt it is the intent of the sponsors of S. 707 to establish a government mechanism to protect consumers. Everyone is moved by reports where those in commerce have failed to meet reasonable standards of performance or where individuals have been frustrated in seeking redress for products which fail to perform up to the expectations of the consumer and promises of the seller. However, the simple act of labeling a measure "consumer protection" does not make it so. Therefore, the fundamental objective of the legislative debate must be to go beyond the title to determine what is truly being proposed. Simple reliance on the legislative title is, unfortunately, insufficient because the title does not explain the true nature of the legislation.

The initial conceptual problem is obvious to any who might look for a reasonable definition of the interests this agency intends to represent. It should be clear to all that there is no single, identifiable, monolithic consumer interest. In section 4(11) of S. 707, "interest of consumers" is defined as "any health, safety or economic concern of consumers involving real or personal property, tangible or intangible goods, services, credit or advertising of description thereof, which is or may become subject to any business, trade, commercial, or marketplace offer or transaction, or which may be related to any term or condition of such offer or transaction, whether or not payment or the promise of consideration is involved." It is very important to note that despite the sweep of this language, there is nothing in it to help us to identify qualitatively where the highest interest of consumers lies. What we are given is a jurisdictional definition which tells us what acts within the world of commerce affect the interests of consumers. Mr. President, I would suggest that there is a large, crucial difference between a jurisdictional definition and an attempt to enunciate what are the true interests of consumers, in other words what is best for them.

The language in the House bill, H.R. 13163, is only slightly better, yet it makes no attempt to provide guidelines for the Administrator as to the specific nature of the interests of consumers that are to be protected. The reason for this failure is obvious: It is definitionally impossible to come up with language which would reflect what the Congress considers to be in the interests of consumers. Once one goes beyond the phrase "consumers' interests" he is confronted with contradictions and conflicts within the aggregate community of consumers. In automobiles, for example, speed, economy, safety and cost are often conflicting interests. To cite another example, because of the consumer's interest in secure sources of energy, the U.S. Congress rushed through legislation to expedite the construction of the Alaskan pipeline. Yet a representative of the National Consumer Congress recently declared that construction of the pipeline was contrary to the consumer interest.

It is extremely disquieting that the Congress, even under a legislative title so comforting, would consider it prudent or even possible to set up an economic agency within the Government to articulate the final word for all consumers, which is exactly what the Administrator is told to do. I find the notion, no matter how superficially appealing, simplistic and dangerous. For the fact is, Mr. President, that no Administrator of the Consumer Protection Agency, no agency no matter how sophisticated, could possibly express the complexity of interests which are consumer interests. This I believe is the single most important question which we address: Is it possible for the Government to establish an agency to represent the "consumer interest" which can possibly do justice to its own mandate? If it is not possible, as I am suggesting, then the Congress cannot allow this proposal to become law, for its enactment would constitute nothing less than a fraud on the consumer.

It is interesting to note that the Senate Commerce Committee did appreciate the difficulty, in fact the inherent impossibility, of asking a single agency to represent at the same time the total complex of often conflicting consumer interests. The committee report admits the impossible situation. The committee's response? When there are numerous views as to the nature of the consumers' interests, the Administrator will decide. Mr. President, the Congress is being asked to approve legislation which would provide for the appointment of a single man who will speak, ex cathedra, and inform all consumers of the true nature of their interests. Surely the Senate does not and should not want to do any such thing. Surely this body understands that the true nature of the American system is pluralistic, and monistic proposals to allow for a "consumer czar" are alien and unwise.

Mr. President, it is important that the Senate look for a moment to the reasons which have been offered to justify the establishment of this "Consumer Protection Agency."

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. BUCKLEY. I yield.

The PRESIDING OFFICER (Mr. BARTLETT). The Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I was interested in the comment the distinguished Senator from New York was making with regard to determining what was the interest of the consumer.

Would not the Senator agree—and perhaps he could express his views—on the diversity we have within our country, the diversity of backgrounds of individuals, the diversity of economic levels, social levels, the diversity in educational levels, the diversity of preference for a given product? The analogy of an automobile was mentioned, with one individual wanting a large car for comfort and one individual wanting a small car for its economy. We have different views.

Does not the diversity that we have within this country, perhaps, in the marketplace as well as elsewhere, strengthen the country? Does not the diversity result in additional automobiles being manufactured to meet the desires of the people?

Is it possible for anyone, even someone all knowing, to come up with a consumer point of view that 211 million or 212 million people would agree with and which is their point of view? Do we have such a people in this country?

Mr. BUCKLEY. As the Senator from Virginia expresses it, Mr. President, the situation is obviously preposterous. There is no single consumer best interest. If there were, we would only have one brand of toothpaste on the market, one automobile, one kind of bicycle, one kind of condensed milk, and one kind of medicine. You name it.

One of the glories of our system is the diversity of the products that are produced by corporations and companies, small firms, and family units trying to meet the diversity of consumer demands. To the extent that we create a czar who can arbitrarily declare that this item or that item is not good for you and for me, to that extent we limit choice. To that extent I think we harm the true consumer interest.

Mr. WILLIAM L. SCOTT. If the Senator will yield further, again going back to the example of the automobile, does not the fact that General Motors, Chrysler, and Ford compete with one another, and American Motors and some of the smaller people are attempting to enter the field, result in a better automobile than if we just had one American automobile? Is not this part of the foundation of our competitive free market?

Mr. BUCKLEY. That is very definitely at the heart of it.

Also the fact that we have imported automobiles as a part of the overall provision of choice to the consumer. As a matter of fact, if some of the most strident consumer advocates had had their way—and this is clear from the evidence—the Volkswagen would have been forbidden entry into the United States as not being safe for the average American driver.

What this would have done is it would have deprived many, many Americans of a cheaper automobile, of a more economical automobile, and would also have removed that competitive influence on domestic manufacturers which has led to a whole generation of American-made compacts and subcompacts.

In other words, choice is a good thing for the American consumer. Yet, to establish a czar who would ultimately make his own decision as to what was in your interest and mine would circumscribe choice, to that extent.

For example, one thing that I believe most Americans would agree on as consumers is that it is not in their interest to have the ignition interlock seatbelt system. This is an atrocity imposed upon all American buyers in the interest of consumer protection. I say that Americans are adult enough to analyze a product and determine for themselves what is in their own interest.

Mr. WILLIAM L. SCOTT. If the Senator would yield on that point, I am quite aware that he sponsored a bill to give this freedom of choice with regard to the interlocking devices. I have been privileged to cosponsor the bill with the Senator from New York. The desirability of having this measure was brought very graphically to my own mind this weekend because I have an automobile that cannot be started without the seatbelt being fastened.

Over the weekend my wife and I were on a trip and stopped some 200 miles from home to get some gasoline. When the tank was filled with gasoline we did buckle our seatbelts but the car would not start. Something had happened to the automobile.

I do not know whether it was too hot or just what the difficulty was. I did not know at that time that there is a button underneath the hood one could push in an emergency situation. But we appeared to be stranded in a new automobile 200 miles from home. Some 20 minutes later we were able to start the car, but it illustrates what can happen.

I believe that we should find a bill coming before the Senate to which we can attach this proposal as an amendment and get this regulation of the Department of Transportation changed that when one has a seatbelt he can decide whether he wants to buckle it or not.

I am not speaking against seatbelts. I think they are a desirable safety feature. I believe we should have seatbelts on automobiles, and people should buckle them. But to say that you cannot start the motor of a car unless your seatbelt is buckled is something quite different. My own car also has the steering wheel lock. You cannot start the car; you cannot even push it, except straight ahead or straight back. You cannot turn the wheels.

It took us over 20 minutes to get the car started. It was a new automobile with 3,000 or 4,000 miles on it. I still do not know why it would not start, but the difficulty was connected with the locking device.

Would not the Senator agree that we are taking away too many individual choices from the American people. This is a prime example of what the Consumer Protection Administrator could advocate in our interest.

I appreciate the Senator yielding.

Mr. BUCKLEY. Mr. President, I thank the Senator from Virginia for helping to clarify and put a spotlight on this aspect. There are other aspects about this legislation which make it totally inadvisable, which I shall go into in my statement.

ORDER OF BUSINESS—ELEMENTARY AND SECONDARY EDUCATION ACT—CONFERENCE REPORT

Mr. PELL. Mr. President, will the Senator from New York yield to me in order that I might present a conference report on a privileged matter?

Mr. BUCKLEY. I am glad to yield to the Senator from Rhode Island without losing my right to the floor.

Mr. PELL. I thank the Senator from New York.

Mr. President, I ask unanimous consent to take up at this time the conference report on H.R. 69, and I ask for its immediate consideration.

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, will the Senator tell us what the conference report is?

Mr. PELL. Certainly. Actually I do not believe it requires unanimous consent to be taken up because it is a privileged matter.

This is the conference report on H.R. 69, the ESEA conference on which we arrived at a conclusion last night.

Mr. WILLIAM L. SCOTT. Is that the education bill?

Mr. PELL. The Senator is correct.

Mr. WILLIAM L. SCOTT. Mr. President, I wish to ask the Senator whether, and I do intend to object if it requires unanimous consent, but I suggest that the Senator——

Mr. PELL. Mr. President, does this require unanimous consent?

The PRESIDING OFFICER (Mr. HELMS). It does not require unanimous consent.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. PELL. I yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, many of us have not studied this conference report, and we would like to have an opportunity to study it. I would ask the distinguished Senator to withhold this matter.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. PELL. I shall take it up later this afternoon.

Mr. RIBICOFF. There is a unanimous-consent agreement pending at the desk entered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) that there was to be a vote on the Allen amendment to the Byrd amendment to S. 707; and it was understood, I believe, subject to the Senator from Virginia finishing his speech, that that would occur at 3:30 p.m.

I would suggest we wait for the distinguished majority whip to come to the floor before the Senator enters into any understanding because there is a unanimous-consent agreement at the desk now.

Mr. PELL. Mr. President, I appreciate the courtesy of the Senator from New York. With that understanding, I will withdraw my request but I wish to put the Senate on notice that I do intend to take it up later.

Mr. JAVITS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. HANSEN. Mr. President, a parliamentary inquiry. Who has the floor?

The PRESIDING OFFICER. The junior Senator from New York has the floor but he has yielded.

Mr. PELL. Mr. President, will the Senator yield to me without losing his right to the floor?

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, will the Senator yield for that purpose?

Mr. PELL. I yield for that purpose.

Mr. JAVITS. Mr. President, is a motion to take up a conference report privileged or does it require unanimous consent?

The PRESIDING OFFICER. It is privileged.

Mr. JAVITS. At any time a Member can get the floor. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I thank the Chair.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

Mr. JAVITS. Mr. President, if I may just finish my remarks, I have been recognized by my colleague, and I would like to finish my remarks.

I am the ranking minority member of the committee which deals with this conference report, and I agree with my colleague from Rhode Island that we should not incommode members by an hour or two. But I think it is perfectly fair to advise the Senate that we will seek consideration of that report on a preferential basis as soon as he can get the floor, and that we will seek application of the rules for that purpose, so that there is no mistake about it in the Senate. I hope that will not be necessary, but I think the Senator is absolutely correct. The Senator is being very courteous to everyone, but we do intend to seek consideration of the conference report.

Mr. PELL. I thank the Senator. I wish to add that I would like to get this conference report through today. Out of appreciation and courtesy to the junior Senator from New York, I shall not take up his time any more, but I shall bring it up later.

The PRESIDING OFFICER. The Senator from New York has the floor.

The Senate will be in order. The Senator is entitled to be heard.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. BUCKLEY. Mr. President, it is contended, in section 2(2) of S. 707, that the interests of consumers are inadequately represented within the operation of the regulatory agencies that the Congress has established over the years. It is found, implicitly, that the agencies established to carry forth the public interest, or if you will the consumers' interest, have failed to do so. But rather than recommending that the procedures before these agencies be changed so as to assure a greater consumer input in the particular area of jurisdiction, the committee concludes that what is needed is yet another agency. Only this time we will call it a Consumer Protection Agency and all the reasons for the failure in the other instances will disappear. In other words, what section 2(2) asserts to be true about all agencies presently existing will not be true about the Consumer Protection Agency. I find the reasoning astonishing.

To return to the major point offered by the sponsors of S. 707: the U.S. Senate is asked to create another agency, this one quasi-regulatory, because the ones already established are unable adequately to represent the public interest. Does not the self-evident contradiction bother anyone?

The sponsors observe a failure in the operation of existing agencies, but rather than analyzing the failure in any meaningful way, they have brought forth for the Congress consideration the old, failed solution. Why should we place any faith in a second generation of agencies set up to represent the public interest where the first generation has failed?

If the conceptual problems and historical lessons were not enough to produce great reluctance on the part of the Senate to enter into a variation on the old theme, then every Senator should simply direct his attention to the way in which the proposed agency would be structured. Section 5 of S. 707 informs us that all authority, duties and functions of the Agency are vested in the Administrator. As far as it goes, this is the standard language of the standard form of bill designed to be the standard Federal solution to the most recently discovered problem. It has become expected that the Congress simply acknowledges or asserts the existence of a problem, and responds to it by directing the executive branch, some new quasi-judicial agency or an independent corporation to do what in some bureaucrat's estimation is necessary to solve the problem.

But in the case of the ACA, the authors propose to endow the Administrator with powers that are positively dazzling in their scope. It is the Administrator and the Administrator alone who will determine what is in the interest of consumers, and his determination is not reviewable by any court of law. He can intervene in any proceeding before any Federal agency, and can go to court to reopen proceedings and decisions hitherto considered final. The Administrator, possessing wide discovery authority in the legislation, may in his sole discretion release information about a company, product or practice, including trade secrets, when he deems it "necessary to protect the health or safety of the public." And if the Administrator commits error he is obliged under the proposed law to do no more than apologize to the firm which may have experienced severe or even fatal injury. Mr. President, I ask the members of this body whether such permissive requirements meet even the most modest demands of due process?

The point has been made often by the legislation's sponsors that the proposed Consumer Protection Agency is not a regulatory body. Its function in life, we are told, will be to advocate a position, which as a matter of law is that of the consumers. I suggest, Mr. President, that in practice this would prove to be a distinction without a difference. By virtue of the Agency's existence, its staff and funding, it is not hard to imagine that the Consumer Protection Agency will be able to exercise a vicarious regulatory power. That the ACA can appeal whatever are the conclusions of other Federal agencies in which the ACA has a permissible interest is going to mean something to the decisionmakers in those other agencies. In other words the ACA will have a de facto power to regulate without the responsibility for doing so. The idea of powers or rights given without correlative responsibilities to serve as countervailing factors reflects unsound public policy. And this is exactly the case with a consumer advocacy agency.

There are a number of practices authorized under the proposed act over which I have serious concern. First, the Administrator is authorized to make grants and enter into contracts for research and other supportive functions which are worthwhile in the sole judgment of the Administrator. What this means is that the Administrator is given rather sizable sums of Federal money to distribute to private organizations that are allied with his own causes and views. If any taxpayer has ever wondered how the Government creates a vested interest, it is in just this manner. Is it proper for the Federal Government to tax the people in order to allow an Administrator who cannot be dismissed to utilize his sole judgment in supporting advocacy groups with whom he happens to be in sympathy?

A second activity of extremely dubious merit is the authorization of comparative testing of products along guidelines which are not included in the bill. The Administrator will establish the test criteria, select the products to be compared and after the test is conducted, announce the results. At first glance one might wonder what could possibly be wrong with the comparison testing of products which are readily available in the marketplace. Well, two things. Very often products although similar in many ways are designed to emphasize high-performance capabilities in certain specialized functions which are necessarily ignored in a comparative test. Performance grading, then, is something which could be reflected positively or negatively solely by the test design.

Further, even with agency personnel doing their utmost to construct a model for the comparative tests which reflects a disposition toward fairness and sophistication, there will necessarily have to be tradeoffs which will either treat none of the products fairly or will actually favor one product over another. However, I seriously doubt whether this proposed Federal agency will have available to it the ability to replicate the complexities which are necessarily required to reflect the aggregate demands of the marketplace. The reason for this is that only in the marketplace is one likely to find all the nuances. The test models will necessarily be simplistic. The consequences to a business, tested under a design which will reflect a bias in favor of a competitor's emphasis, may well be devastating.

Certainly all Members of this body are familiar with the institutional problems when he wishes to communicate a point or distinction over a matter of some interest to him.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the yeas and nays on the Allen amendment to the Byrd amendment be vitiated; that the Allen amendment to the Byrd amendment be accepted, and that the rollcall vote on the Byrd amendment, as amended by the Allen amendment, occur now, with the understanding that the Senator from New York (Mr. Buckley) not lose his right to the floor, that it not be counted as a second speech against him.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The question is on agreeing to the Byrd amendment, as amended by the Allen amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Hartke) and the Senator from Louisiana (Mr. Long) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Arizona (Mr. Goldwater), the Senator from Florida (Mr. Gurney), the Senator from Oregon (Mr. Packwood), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. Bellmon) is absent attending a funeral of a relative.

I further announce that, if present and voting, the Senator from Arizona (Mr. Goldwater) would vote "yea."

The result was announced—yeas 87, nays 5, as follows:

[No. 327 Leg.]

YEAS—87

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Gravel
Griffin
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams

NAYS—5

Baker
Brock
Brooke
McClure
Weicker

NOT VOTING—8

Bellmon
Cook
Goldwater
Gurney
Hartke
Long
Packwood
Young

So Mr. Robert C. Byrd's amendment, as amended by Mr. Allen's amendment, was agreed to.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. CANNON. Mr. President, will the Senator from New York yield me 30 seconds?

Mr. BUCKLEY. Mr. President, I yield to the distinguished Senator from Nevada without yielding my right to the floor.

ANTIHIJACKING ACT OF 1974—CONFERENCE REPORT

Mr. CANNON. Mr. President, I ask unanimous consent that the conference report on S. 39 be made the pending business.

Mr. President, earlier today this matter was covered and was completed except for the agreement of the Senate. It was temporarily laid aside, in the belief that a Senator wanted to speak on the matter.

That is not the case; therefore, I ask that the Senate approve the conference report.

The conference report was agreed to.

Mr. CANNON. Mr. President, I thank the distinguished Senator for yielding.

LEGISLATIVE PROGRAM

Mr. BUCKLEY. Mr. President, I would yield to the distinguished Senator from Michigan without sacrificing my right to the floor.

Mr. GRIFFIN. Mr. President, with that understanding, I take this time for the purpose of asking the majority leader if he can advise us concerning the program for the rest of the day and for whatever information he may be able to give us.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished acting Republican leader, it is anticipated that we will be on the pending business, Agency for Consumer Advocacy, for the rest of the day.

Tonight, the distinguished Chairman of the Subcommittee on Education will lay down the conference report, but it will not be taken up until the first thing tomorrow.

At this time, I ask unanimous consent, on another item of unfinished business, Calendar 838, S. 3164, that there be a time limitation of 30 minutes on all amendments.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. And 1 hour on the bill, under the usual rule.

Mr. ALLEN. Mr. President, reserving the right to object, which is the bill?

Mr. MANSFIELD. Real estate settlement services.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, I would just state that this has been cleared with the Senator from Tennessee (Mr. Brock), who is handling the bill on our side, so I know of no objection to the request.

Mr. MANSFIELD. And may I say that we will not return to S. 3164 today, but Senators should be on notice that it might be taken up tomorrow or Thursday.

The PRESIDING OFFICER. Without objection, the Senator's unanimous consent request is agreed to.

The Text of the Unanimous-Consent Agreement Is as Follows:

Ordered, That, effective on Wednesday, July 24, 1974, at the conclusion of routine morning business, during the further consideration of S. 3164, the so-called "Real Estate Settlement Procedures Act of 1974," debate on any amendment, debatable motion, or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the Senator from Tennessee (Mr. Brock): *Provided,* That the Senator from Maine (Mr. Hathaway) be recognized to call up four amendments in succession when the bill is reported: *Provided further,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Tennessee (Mr. Brock) and the Senator from Wisconsin (Mr. Proxmire): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. YOUNG. Mr. President, on this last vote, I understood it was supposed to come at 4 o'clock. Someone called my office a little bit ago saying I would have a minute and a half to make it, but there was no waiting for it.

After this, when a vote is called for 4 o'clock, I think the offices should be notified that a vote is coming earlier. The vote was not that important, but I like to be present.

Mr. MANSFIELD. Mr. President, the Senator has a point. If a vote is called for a definite hour, Senators hereafter will be notified.

Would the Senator care to make a statement as to how he would have voted if he had been here a minute sooner?

Mr. DOMINICK. Mr. President, will the Senator use his microphone?

Mr. YOUNG. I would have voted "yea" had I been present.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. HARRY F. BYRD, JR. I notice on the calendar S. 3792, a bill to amend and extend the Export Administration Act. May the Senator from Virginia be notified if any unanimous-consent requests are made in regard to that measure?

Mr. MANSFIELD. Yes, indeed.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. ROBERT C. BYRD. Now that an agreement has been reached on the real estate settlement bill, I wonder if the Senate will agree to allowing the Senator from Maine (Mr. HATHAWAY), when the Senate next takes up that bill, to call up his four amendments in succession. I ask unanimous consent to that effect.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. He has four amendments which he could call up under the bill, and there would be 30 minutes on each of them.

Mr. GRIFFIN. Mr. President, may I ask the Senator from Maine whether or not he has discussed that with the Senator from Tennessee (Mr. BROCK)? Is that agreeable to him, does the Senator know?

Mr. HATHAWAY. Yes, the Senator from Maine will state to the Senator from Michigan that I have discussed it with the Senator from Tennessee, and he is agreeable to that.

Mr. GRIFFIN. To that procedure?

Mr. HATHAWAY. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I thank the Senator from New York for his usual graciousness.

Mr. BUCKLEY. I am glad to oblige the distinguished majority leader.

Because of the authority attributed by the public to an "official" finding by Government, Government ought to be extremely cautious about entering the too often subjective business of product comparisons. As a rule, the marketplace, which reflects a multiple of individual judgments reflecting a host of consumer preferences, has provided a more reliable test of design and performance than an ACA. Testing is better left to private organizations whose findings are greeted with a healthy skepticism. A Government announcement is often treated as gospel by an unsuspecting consumer who is most unlikely to think in terms of distinctive test models.

Mr. ALLEN. Mr. President, will the Senator yield for a question?

Mr. BUCKLEY. I am glad to yield to the Senator from Alabama.

Mr. ALLEN. Would the Senator mind, when he refers to this inchoate agency, referring to it as something besides the CPA? Because that has been abolished by the Senate. The Senator might refer to it by other initials. Would that be asking too much of the Senator?

Mr. BUCKLEY. I recognize that halfway through my statement we have changed the name of what we are speaking about. I ask unanimous consent that initials "CPA" be considered to have been changed to "ACA" wherever they appear in my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I thank the Senator.

Mr. BUCKLEY. Mr. President, it has been suggested that a more appropriate name would be "National Agency To Disrupt Economic Rights"; the acronym would be "NADER."

Mr. ALLEN. I will accept that.

Mr. BUCKLEY. Continuing my statement:

A third practice which the Administrator is authorized to undertake is the development of informal dispute settlement procedures which one assumes will include the Administrator's right to seek consent agreements with private citizens and industry. I note this because it has been a point of the bill's sponsors that the Consumer Protection Agency will not be a regulatory agency.

However, the likelihood of the persistence, made possible by the provision of Government funding without any practical or institutional limitations on the amount of resources to be concentrated by the Agency to a given matter, puts a private party in the position of consenting to an agency agreement or facing long, serious, and expensive involvement with the Consumer Protection Agency. The result, in all probability, will be that the private party, assessing the assured costs versus the potential profit, will give in on the point and direct his business enterprise elsewhere. That Government should be allowed to wield a stick of the kind being offered to an administrator without meaningful restrictions is frightening. It suggests the ultimate in regulation by intimidation.

This is the very kind of legislation which has made it increasingly difficult for smaller enterprises to survive. It is not that the Congress is going to do anything more than offer to the voters "consumer protection" and to the Administrator the authority to seek solutions to consumer problems. Certainly, if this bill passes, that will be the total of our intent.

However, at one point the Agency created to do the job comes face to face with a private party who is totally unable by any practical measure to compete with an agency of Government which has its point to make.

Mr. President, I have, thus far, merely sketched some of the problems and dangers that lie within the seductive title of the bill that is before us. I would like to quote extensively from a detailed study of both the Senate and House versions of the proposal to establish a Federal Consumer Protection Agency prepared by Stanley T. Kaleczyx, Jr., consumer affairs attorney for the Chamber of Commerce of the United States.

I believe it is important for us to be aware of what is in the House version as well as our own because of the mistaken idea that the former is substantially weaker. No one should vote for the Senate bill, in other words, in the mistaken assumption that the mischief can be remedied in conference. The Kaleczyx study details the full horrors of what both Houses of the Congress seem hellbent to inflict on the consumer and on the businesses that serve his needs—and all in the name of consumerism.

Now I shall quote extensively, Mr. President, from the study referred to:

> On April 3, 1974, the House of Representatives passed the proposed Consumer Protection Act of 1973, H.R. 13163. This bill would establish a Consumer Protection Agency (CPA) which, in the language of the bill, would provide "vigorous representation and protection of the interest of consumers" (Section 2). As the report of the House Committee on Government Operations, No. 93-962 states at page two, the CPA would have four principal roles:
>
> (1) consumer advocacy;
> (2) complaint handling;
> (3) information development;
> (4) advising Congress and the President.
>
> The Senate version of the Consumer Protection Act, S. 707, was referred jointly to the Senate Commerce Committee and Senate Government Operations Committee. On April 11, 1974, the Senate Commerce Committee reported out the bill; the Senate Government Operations Committee, on May 28, 1974. The stated purposes and roles of the House-passed measure may be used to characterize the Senate bill. Although the Senate bill is a much more dramatic example of a philosophy of consumerism which pits business against the consumer, neither the House nor the Senate version of this legislation represents a point of view which may be characterized in any way as balanced, fair or impartial to the interests of business or to the interests of consumers. Indeed, one pundit has compared the two bills as follows:
>
> "The difference between the House and the Senate versions of the CPA bill is the difference between an eight-foot and a nine-foot rattlesnake. Both are poisonous and both are deadly."
>
> One need only look to the definitions of "consumer" and "consumer interest" contained in both bills to conclude that anything and everything is fair game for the CPA—unless it concerns organized labor.

Which the Senate voted to totally exempt from the impact of this legislation.

To continue with the study:

It is not, however, the special treatment of labor unions which has engendered so much hostility toward this legislation. Rather, the consequences which would flow from the enactment of this legislation and the operaion of CPA itself should be the cause of grave concern on the part of all consumers as well as business. This legislation is both anti-consumer and anti-business. Neither the House nor the Senate bill is representative of legislation enacted in the public interest. Both bills should be rejected by all responsible legislators and their constituents.

In the following analysis, the impact and the underlying philosophy of the two bills will be discussed and the differences and similarities of the two bills highlighted. A thumbnail chart summarizing in brief ten of the provisions of the two bills is included as an appendix. It should be noted that the appendix does not represent an attempt to list all the differences or even all the salient provisions of the two proposals.

THE UBIQUITOUS "CONSUMER INTEREST"

The proponents of the CPA bill, both in the House and in the Senate, have argued that the underlying philosophy of the bill is to provide a voice for consumers before Federal agencies. The proponents argue that the CPA bill provides an Administrator and an Agency who will act in the "consumer interest." What the advocates of H.R. 13163 and S. 707 overlook, however, is the fact that their underlying philosophy is fundamentally unsound. The basic infirmity with the approach to these bills is that there is no such thing as a single consumer interest. In short, the consumer interest is not monolithic but is composed of a number of consumer interests, some of which are at times competing interests. For example, in the area of packaging, who is to say that all consumers have a greater interest in the standardization of packages than in the convenience of the use of these packages? Or that consumers are more concerned with packaging that provides an extra measure of protection for the product or the retail cost of the product? Where is the line to be drawn when one consumer interest leaves off and another prevails? Whether we consider the House or the Senate version of the bill, the conclusion is the same: There is no one consumer interest.

Both the House and Senate versions of the bill, however, provide for an Administrator of this Consumer Protection Agency who will have the ultimate authority to choose what consumer interest will be represented by the Agency. In effect, this means that one individual will select the consumer interest which will be subsidized by the taxpayers' money, whether or not the individual taxpayer has elected that particular consumer interest as the consumer interest which he supports. Indeed, S. 707 provides in Section 14(e)(2) as follows:

"A determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action."

The import of this provision is simply this: The CPA Administrator's determination of what is in the interest of consumers is not reviewable in court by anyone. Indeed, comparisons to the concept of finality employed in judicial proceedings are inapposite. While a determination of a party's standing to sue may not be subject to interlocutory appeal, such a decision is made by a dispassionate court. Similarly, it is the Federal agency which, in accordance with due process standards articulated in its rules of procedure, determines the extent of participation of intervenors seeking access to its proceedings. The CPA, itself a biased party which believes it has an interest in the proceeding, however, determines its own right to intervene in an agency activity under the provisions of both bills.

H.R. 13163 does not contain the specific language found in the Senate version of the bill. It is no less certain, nonetheless, that the effect of the House bill is identical to that of the Senate bill. The CPA Administrator does have complete discretion in determining what is the consumer interest—and that determination is not reviewable by the very body which has oversight responsibility, the Congress. The Honorable Don Fuqua addressed this particular issue in the additional views which he submitted in response to the House Committee Report on H.R. 13163. Congressman Fuqua wrote as follows:

"Remember, we are, among others, delegating to this CPA the duty to define what is or is not in the consumer interest. Congress will have no say in any such definition.

"In theory such a delegation may seem sound, but some very thorny questions are going to be presented when the CPA starts operating in the vast and often contradictory area of consumer interest. What is the primary consumer interest in automobiles—safety or cost? What is the primary consumer interest in gasoline—cost, availability or octane rating? We cannot reasonably expect the CPA, as an advocate, to argue both sides of a question. And, we cannot really expect the CPA to hold its own hearing on an issue prior to intervening in another agency's hearing on the same issue. In a very real sense, we have created here a prestigious Federal lawyer with itself as a client."

In sum, there is fundamentally no difference in philosophy between the House and the Senate versions of this legislation. Both bills assume that an omniscient Administrator, who possesses a vast reservoir of knowledge which encompasses every conceivable consumer interest, shall determine for all citizens—and all citizens are consumers—what is in their best interest. There is no room for individual choice; there is only one unchallengeable consumer interest.

THE PROPOSED ABDICATION OF OVERSIGHT AUTHORITY

An analysis of the House and Senate bills permits only one unavoidable conclusion: The CPA Administrator is responsible to no one in deciding for consumers what is in their best interest. Further, once that initial determination is made, the Administrator can, in practical effect, do as he pleases within the broad confines of both bills.

The Senate bill, in particular, gives the Administrator of CPA virtually unbridled authority to conduct his agency's affairs without any direction or oversight from the Executive branch. Section 5(b) of S. 707 reads in pertinent part as follows:

"The Administrator shall be appointed by the President by and with the advice and consent of the Senate for a term coterminous with the term of the President, not to exceed four years.

"On the expiration of his term, the Administrator shall continue in office until he is reappointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office."

The effect of this Section is three-fold. First, it provides for an Administrator with a fixed term of office, a provision which is unprecedented in other non-regulatory government agencies. Second, the Administrator, unlike most cabinet-level officers, does not serve at the discretion of the President. Third, the grounds for removal are more stringent than the requirements for the removal of heads of other regulatory agencies within the government. This last observation is particularly important because it may be seen as inconsistent with the argument advanced by the proponents of this legislation. The supporters of the CPA have argued that the existing regulatory agencies are the "captives" of the industries which they supposedly regulate. If such were, in fact, the case, then, under existing law, the President has the authority to remove agency heads who fail to act in the public interest. Under this provision of the Senate bill, however, the President does not have the same latitude to discharge the CPA Administrator if he fails to act in the amorphous "consumer interest."

In addition, the Senate bill in Section 6(c) further hinders the Executive branch in the performance of its legitimate oversight authority. Section 6(c) has two basic provisions. First, the Administrator shall concurrently transmit a copy of any budget estimate or request to the President, the Office of Management and Budget and the Congress. Second, whenever the Administrator submits any legislative recommendations, testimony, or comments on legislation to the President or OMB, he shall concurrently transmit a copy to the Congress. While these provisions ostensibly inform Congress of the activities of the CPA, they do so at the expense of limiting the Executive in developing its programs and budgets for the coming fiscal year. The effect of these provisions is to limit the capacity of the Executive to balance the interests of all agencies with respect to legislative preferences and resource needs. As a result, the Executive will be significantly impeded in its ability to present uniform and coherent programs to the Congress.

The "captive" agency theory, so popular with the proponents of this legislation, was alluded to above. The necessary corollary to the proposition that regulatory agencies are the captives of the industries which they purportedly regulate is that Congress has failed in its oversight responsibility. Since each regulatory agency is charged to act in the public interest, it is the responsibility of Congress to insure that the agencies which it does create do discharge their statutory obligations. It is not logical to believe that the CPA will be insulated from this "captive agency" theory. In fact, if the proponents of the legislation are to be believed, then the CPA, like other agencies of the Federal government, will eventually be under the clandestine control of special interests. At this juncture, of course, it is impossible to determine whether the CPA would be co-opted by the industries which allegedly "control" the existing regulatory agencies or whether the CPA will be dominated by and receive direction from the most radical consumer advocates. In any event, both the Senate and the House bills do not provide the Congress with the authority it requires to properly and effectively exercise its legitimate oversight responsibility.

Section 6(b)(3) of the Senate bill provides that the Administrator shall include in his report "the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act." In Section 6(b)(4) it is provided that the Administrator shall recount "the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs." Similarly, Section 4(d) of H.R. 13163 provides that the Administrator shall submit to Congress and the President each year an annual report which "shall include a summary and evaluation of selected major consumer programs of each Federal agency, including, but not limited to, comment with respect to the effectiveness and efficiency of such programs as well as deficiencies noted in the coordination, administration or enforcement of such programs."

What both bills clearly do is delegate the authority of Congress to engage in oversight of government agencies to this new entity. This is clearly duplicative of the work of the

GAO which Congress has created as its investigatory arm to help determine whether existing agencies are acting in the public interest. At the very least, this would suggest that Congress is creating a new agency, a new Federal watchdog, which will have not the public interest in mind but the interest of a special group within the larger category of the public interest.

In addition to this delegation of oversight responsibility to a new Federal agency, the language of both the Senate and the House bills provide that there shall be no effective oversight of the workings of the CPA until three years after the enactment of the legislation. The fatal flaw in this proposal is perhaps most articulately summarized by the minority report filed in opposition to S. 707 by Senators Ervin, Allen, Brock and Nunn. The Senators state:

"If we are to believe the proponents of this bill that legislative oversight is totally ineffective in controlling agency actions, then we shall have a CPA which is absolutely free of any control and responsibility. Until fiscal year 1977, when new authorizations must be sought from the Senate Committees on Government Operations and Commerce, it answers to no one but its appropriations committee, whom it is authorized to lobby along with other Members of Congress."

If the unbridled authority of a CPA Administrator who acts in an amorphous, self-proclaimed "consumer interest" is to be doubted by anyone, one need only look to the position of organized labor on this bill. While the specific labor exemption provision in both the House and the Senate bills will be discussed below, it is instructive to review the position of labor on this bill. *The Washington Post* of Wednesday, June 19, 1974, reported the following:

"A provision added by the Senate Government Operations Committee giving the proposed Consumer Agency the power to intervene in certain labor cases nearly pushed the AFL–CIO into the opposition camp. However, labor lobbyists now believe that they have the votes to kill that amendment on the Senate floor and are supporting the bill."

Organized labor is so fearful of the authority and power of the CPA Administrator and the deleterious effect the Administrator's intervention in labor disputes may have that this powerful lobbying block had, at the very least, seriously contemplated opposing the legislation when it became apparent that, in the Senate version of the bill, labor would be partially under the scrutiny of the CPA Administrator. This double standard of organized labor is perhaps the best testimony that the CPA bill is, in fact, legislation which is meant to operate in the public interest.

REPRESENTATION OF THE CONSUMER INTEREST

The proponents of this legislation, as has been noted above, have repeatedly cited the need for a federally funded consumer advocate who would have the authority to intervene in virtually all agency activities. To insure that the CPA would be fully appraised of any agency activity—whether formal or informal—with an impact upon consumers (i.e., all agency activities), both the House and Senate bills place an affirmative obligation on existing agencies to inform the CPA of all their activities. Section 13 of the House bill states that "any Federal agency action . . . including, but not limited to, the issuance or adoption of rules, regulations, guidelines, orders, standards, or formal policy decisions" shall be reported to the CPA when notice is also given to the public. While Section 9 of the Senate bill contains a similar provision, the Senate version also requires that the individual agencies provide the Administrator status reports when so requested by the CPA. One can only speculate why the proponents of this legislation believe that the CPA should receive special notification of agency activities above and beyond the forms of notice (including, but not limited to, Federal Register notice) available to the general public. The only rationale is that the CPA has more rights than the private consumer.

For purposes of analysis, CPA intervention in formal and informal agency proceedings shall be considered separately. It is important to remember, however, that the CPA can participate in all types of proceedings and may, in fact, appear, leave, then reappear in one on-going proceeding like a phantom presence.

Formal proceedings

Section 6 of the House bill and Section 7 of the Senate bill give the CPA the authority to intervene as a party or otherwise participate in all Federal agencies proceedings whenever the CPA determines that such proceedings will affect the interests of consumers. Although both bills state that, when intervening in formal proceedings, the CPA must follow agency rules of practice and procedure governing the conduct of the proceeding, the Senate version also states that the Federal agencies shall review their rules of procedure and change them in any way necessary to accomodate the Consumer Protection Agency.

Both bills make it clear that the CPA may determine, in its own unchallenged discretion, which proceedings are of interest to consumers. Further, the CPA may intervene in proceedings on behalf of consumer groups when so requested. The net effect of both the House and Senate provisions is that the CPA, in essence, will determine its own right to intervene in a particular proceeding before another agency. Under normal practice, each Federal agency determines who may appear before it as a party. Indeed, agency rules prescribe in detail who will be recognized as a party in a proceeding. For example, the Federal Trade Commission's rules state that intervenors must show "good cause" before they will be allowed to intervene or appear before the Commission in a particular proceeding. With the enactment of the Consumer Protection Agency legislation, existing regulatory agencies will lose their discretion to determine intervention rights.

Although the forum agency will still be able to prescribe the extent of participation to be afforded individuals representing a particular interest, the CPA will determine the extent of its participation when it determines that a consumer interest is involved. The probable effect of this broad-sweeping authority will be a complete inability on the part of the forum agency to control its proceedings in a manner which guarantees an orderly process with all voices being heard.

The determinative factor governing the right of parties to intervene in formal agency proceedings has been the extent to which such parties have had a personal stake and a direct interest in the outcome of the proceedings. In the case entitled *In the Matter of Campbell Soup Company*, for example, a group of students petitioned the Federal Trade Commission to hold a formal, adjudicatory hearing concerning a matter which was the subject of a pending consent degree negotiated by the FTC. That request was denied, principally because the case did not justify the expenditure of additional resources which an adjudicative hearing would have entailed. This determination was intertwined with the Commission's concern that the agency should not be unnecessarily loaded down with adjudicative matters involving a multiplicity of parties and issues, particularly when the intervenors lack a personal stake in the final decision. The Commission did, however, grant the students a hearing and allowed them to file statements of their views and advice.

It is precisely this type of agency discretion which would be lacking in matters involving the CPA. Whether the Administrator were "advocating" a CPA-inspired cause or had taken up the banner of a consumer advocacy group would be of no consequence. In either event, the CPA could intervene with full party status as a matter of right. The dictates of the CPA would, in the final analysis, prevail.

It should be noted that both bills express the hope that the CPA will refrain from assuming full party status except where necessary to adequately represent consumers. It is the CPA, however, rather than the forum agency, which will decide the necessary extent of its intervention in a proceeding before a regulatory agency.

Informal proceedings

The House bill states that the CPA "may participate or communicate in any manner that any person may participate or communicate" in all other activities. (Section 6(a) (2).) The Senate version states that in all other activities the CPA may "participate by presenting written or oral submissions, and the Federal agency shall give full consideration to the submissions" by the CPA. (Section 7(b).) Although the language of these two sections is somewhat different, the effect is the same. The CPA may fully involve itself in the myriad of activities in which the Federal agencies may engage. The House bill does not define the word "activity". The Senate bill, however, defines "activity" to mean "any agency process or phase thereof conducted pursuant to any authority or responsibility under law". (Section 4(4).) Consequently, both bills give the CPA the mandate to monitor the activities of the various regulatory agencies. The breadth of this mandate is most clearly demonstrated by the following statement in the House Report:

"There is no attempt in the bill to define "agency activity" because of the multiplicity and variety of activities in Federal agencies. . . . [T]he term overcomes any possible arguments and assumed precedents to the effect that . . . preliminary matters are not a part of "agency process" for rulemaking and adjudication, and, therefore, not within the compass of "agency proceedings". *One way or another, the CPA is entitled to be involved if consumer interests are affected and other persons have access to the Federal agency.*" [Emphasis added.]

As has been stated many times, the bulk of the work done by regulatory agencies is of an informal nature. Negotiations leading to a consent decree would be classified as an informal activity under both the Senate and the House bills. The CPA could demand to become a part of such negotiations and could prevent a consent-degree from being finalized. In this situation, the regulatory agency would then be forced to resort to an expensive and time-consuming formal adjudicative hearing. The net result of such broad CPA authority may be to formalize informal activities and thus require agencies to divert resources from planned activities. Consequently, the existing regulatory agencies would be compelled to restructure their priorities to meet the demands of the CPA.

JUDICIAL REVIEW

Both bills give the CPA authority to intervene in or initiate judicial review of agency decisions whether or not it participated in the orginal proceedings or activity. Section 6(d) of H.R. 13163 states that the CPA may seek review in those cases in which an aggrieved person would have standing and which, in the opinion of the Administrator, involve a consumer interest. Section 8(a) of S. 707 gives the CPA standing "to obtain, in the manner prescribed by law, judicial review of any agency action reviewable under law". In those situations in which the CPA did not take part in the original proceeding before the agency, both bills require it to seek reconsideration before the forum agency prior to instituting a suit.

As was pointed out earlier, the CPA alone determines its jurisdictional mandate with respect to the "consumer interest". Consequently, when the CPA seeks judicial review, the CPA Administrator, rather than a court of law, makes the threshold determination concerning CPA's standing to sue. In light of the very broad definition of the "interest of consumers" found in both the House and Senate bills, the judicial review sections effectively provide that any agency decision that may conceivably have an effect on consumers—no matter how indirect this effect may be—may be subject to a judicial challenge instigated by the CPA.

Further, one can hardly take solace from the requirement included in both bills that the CPA seek reconsideration of an agency decision before initiating a suit against another Federal agency. This provision, in essence puts the expert regulatory agency on notice that unless it accedes to the CPA's wishes, the agency will be required to expend its resources in litigation in order to defend its expert determination.

The Minority Report accompanying S. 707 summarizes the effects of these provisions of both bills as follows:

"Considering the scope of the CPA's jurisdiction and its rights to interpret its own jurisdiction, this is the most far-reaching right to judicial review ever conceived by Congress, stripping the courts of any shred of discretion to control their own calendars.

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"In practical terms, the courts will be faced with two congressionally ordained expert agencies; one agency being mandated to balance all special interests and come to a final decision on the basis of the public interest, and another agency challenging that public interest decision on the basis of its explicit right to seek judicial review of such decisions as a representative of a special interest."

There is one significant difference between the House and Senate bills with regard to judicial review. Section 8 of S. 707 gives the CPA eplicit authority to intervene as a party in enforcement proceedings. In other words, the CPA will function as a second prosecutor. In this situation, the company involved will be facing two government attorneys who will simultaneously prosecute the case. Not only does the dual prosecutor provision of S. 707 offend traditional notions of fairness and due process, but its inclusion may also virtually destroy the ability of the agency with primary enforcement jurisdiction to exercise the control and discretion necessary for presenting an orderly case.

On the other hand, the House bill provides that the CPA shall intervene as a party only in cases seeking judicial review. In case primarily involving enforcement, or imposing a fine or penalty, the CPA may participate as an amicus curiae. The House bill, however, leaves the CPA's status doubtful in those cases which involve both enforcement and judicial review of an agency determination. In these cases the CPA could persuasively argue that Section 6(d) of H.R. 13163 gives it ample authority to intervene as a party.

The full import of these judicial review provisions is persuasively revealed by the Honorable Clarence J. Brown in his additional views which were filed with the House Committee Report. Congressman Brown wrote:

"Even worse, if the decision of the host agency does not suit the CPA, the Government (CPA) will appeal that "final Government decision to the courts—and force the original prosecuting agency to, in effect, defend the businessman. This is hardly a blow struck for decisive, effective and consistent administration of our laws. And, even more irrationally, under this bill, the Consumer Protection Agency can appeal the final decisions of other Federal agencies even when it had not acted as an advocate of the consumer interest in the proceedings which led up to the final decision. Should the CPA be thus permitted to sleep on its rights (and the rights of the consumer) and then delay the exercise of governmental decisions by an appeal to the agency for a rehearing by the agency or an appeal of the agency decision to the courts? Such a "justice delayed" process hardly seems designed to advance the interests of consumers, taxpayers or the public—or anyone who may be all of these rolled into one."

INFORMATION GATHERING

The information gathering provisions of the two bills represent the most impressive array of power granted to the CPA. The full import of these provisions can only be comprehended properly when they are considered in the context of the CPA's authority to involve itself in both formal and informal activities. It is the ability of the CPA to gather vast amounts of information outside the context of a formal proceeding, in particular, that makes the CPA much more than the mere advocate which it is touted as being by its proponents.

For purposes of simplicity, the three major facets of the information gathering process—subpoena power, interrogatory power, and access to agency files—will be considered separately. What should be remembered, nevertheless, is that the CPA will use all these powers in combination.

Subpoenas

Both Section 7(e) of S. 707 and Section 6(g) of H.R. 13163 give the CPA authority to use the subpoena power of a Federal agency in formal agency proceedings. Section 7(e), however, gives the CPA a unique right which no other advocates will enjoy: namely, the Senate bill would extend this subpoena authority to informal agency activities. Indeed, no other person—not even advocates for alternative or competing consumer interests—will be able to demand that an agency use and enforce subpoenas in virtually every conceivable agency activity. Other advocates will be able to use an agency's compulsory process only in formal adjudicatory situations.

As noted above, H.R. 13163 does not give the CPA subpoena power in informal activities. Although this is an improvement, its significance should not be over-emphasized for these reasons. First, Section 10(a) of H.R. 13163 gives the CPA authority to use the interrogatory powers of another agency with virtually no limitation on the subject matter of the requested information. Second, Section 10(b) gives the CPA authority to obtain information from other agencies. (Included in the information which the CPA may obtain are prosecutorial recommendations and related investigatory materials.) Third, under the provisions of Section 6(g) of the House bill itself, "requests" of the CPA that another agency use its subpoena power on behalf of the CPA are mandatory and not precatory. The "host agency" has no discretion to refuse the Administrator's request. All the Administrator need do is file a general statement indicating the "general relevance and reasonable scope of the evidence sought." As a result, the House bill authorizes the CPA to develop information through these alternative means so that the net effect is similar to giving the CPA the right to subpoena evidence in informal proceedings.

Interrogatories

Under the House bill, the CPA may request that an agency which possesses interrogatory authority utilize that power whenever the CPA determines that it requires information "to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers". (Sec. 10(a)(1)(A).) The term "substantial economic injury", however, is so broad and vague that it is an almost all-inclusive standard. The fact that some agencies do not have interrogatory authority does not effectively check the CPA's broad authority in this area. For example, the jurisdiction granted the Federal Trade Commission permits the FTC to issue interrogatories covering a virtually unlimited subject area. Consequently, such broad-ranging information gathering authority would be available to the CPA except under very limited circumstances.

The House bill places few restrictions upon the CPA's ability to use the interrogatory powers of a host agency. For example, the House bill states that the CPA can not use interrogatories if the information is for use in a pending proceeding against the addressee. Obviously, then, interrogatory information can be used in any proceeding commenced after issuance of the interrogatory or in a proceeding against someone other than the addressee of the interrogatory. The requirements that the information sought be relevant and not unduly burdensome, of course, restate existing law.

The Senate bill also contains an interrogatory provision. Section 11 provides that the CPA will have independent authority to issue interrogatories and need not rely upon another agency. Further, the Senate bill does not use "substantial economic injury" as a standard for issuing the questionnaire, but applies a more concise and understandable "unconscionable conduct" standard. However, the Majority Report of the Senate Government Operations Committee transforms the standard into one of substantial economic injury (the House language) when it states:

"Consumer fraud, in this circumstance, is not restricted to technical violations of law but is intended to refer to all deceptive, unfair, or fraudulent practices *which result in substantial economic injury to consumers.*" [Emphasis added.]

The same objections to the use of the interrogatory authority which apply to the House bill apply with at least equal force to the Senate bill. Indeed, the Senate version does not even provide the check of a third agency's review of the reasonableness of the request.

Most significantly, the proponents of broad interrogatory authority have never satisfactorily justified the grant of the authority to a non-regulatory agency which ostensibly has an advocacy function. Interrogatory authority is an investigatory power. It is appropriate only in the hands of a regulatory agency, not in the hands of a supposed non-regulatory advocate of a special interest. It is difficult to justify granting the CPA rights to compulsory process which have never been available to other advocates who do not enjoy party status in administrative proceedings. There is only one conclusion which can be drawn from the adamant insistence of the proponents of this legislation who view the interrogatory power—and all the information gathering provisions—to be of paramount importanec: The CPA is not supposed to be a mere advocate of all consumers which has the rights of any one consumer advocate. The CPA is a new entity with powers that far surpass the authority or right of individual citizens.

Access to Government files

Both the House bill (Sec. 10(b)) and the Senate bill (Sec. 11(c)) give the CPA access to virtually any information in the files of other government agencies which the CPA deems necessary to carry out its functions. This power is subject to several extremely

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[1] There are two differences between the exceptions found in the Senate and House bills. The Senate bill states that the CPA may not compel access to prosecutorial recommendations made by other agencies. This exception is not in the House bill. However, under the Senate bill, the CPA can obtain the factual information found in the investigatory files which are the bases for prosecutorial recommendations.

The Senate bill exempts bank examinations and similar financial reports from the information which Federal banking agencies must supply to the CPA. The House bill has no comparable exemption.

narrow exceptions.[1] In fact, the exceptions in the Freedom of Information Act, which determines public access to government information, are broader than those found in the CPA legislation. The result is that the CPA, and only the CPA, will have access to information not available to other advocates. Consequently, a certain unfairness would attach to any agency proceeding or activity in which the CPA participated since the CPA would be able to command greater information than the rest of the parties or participants who must use the Freedom of Information Act and the normal discovery processes.

Further, the rights given the CPA in this area are greater than those now available to other Federal agencies. Independent regulatory agencies do not have authority to compel the release of information. The other agencies and departments can obtain information only after channeling the request through the Office of Management and Budget. Consequently, the legislation gives the CPA access to information which is unavailable not only to other advocates but also unavailable to the rest of the government.

What this means, as the Senate Government Operations Majority Report makes clear, is that the CPA will be able to compel access to a variety of sensitive data, including privileged communications, attorney's work product, test results, investigatory files, trade secrets and other confidential financial information. Indeed, under both bills the CPA has authority to make itself the repository for much of the sensitive data in the government. In light of criticisms regarding government over-exertion in compiling dossiers on private citizens, it is hard to understand why sponsors of the legislation wish to give the CPA this unique ability. One need only recall the lack of Congressional oversight inherent in this legislation (discussed above) to conclude that the CPA will have unbridled authority to "advocate" from a position uniquely superior to any other litigant or intervenor—whether it be another Federal agency or a private citizen.

EXEMPTIONS

In a strange twist of logic, both bills exempt certain agencies and activities from the purview of the CPA. Under the House bill (Section 17) the CIA, the FBI, the National Security Agency, and the intelligence and security functions of the Department of State, Department of Defense, and the Atomic Energy Commission are exempted. The CPA also does not have authority to involve itself in labor disputes and labor agreements.

Under the Senate bill (Section 17(d)), the CIA, FBI, and NSA are totally exempted. The intelligence and security functions of the Department of Defense are exempted, as well as the broadcast license renewal proceedings of the Federal Communications Commission. Labor disputes involving wages or working conditions affecting health or safety are exempted (Section 6(a)(11)).

There may be good reason for exempting those agencies which are involved in national security functions. If the CPA is to protect consumers, then there is no reason for exempting either the FCC or, more importantly, labor disputes. It is sheer nonsense to argue that the activities of labor unions do not affect consumers. For example, secondary boycott activities may have a more direct effect upon the cost and availability of consumer goods than an adjudication before the FTC to determine whether a firm has engaged in unfair or deceptive trade practices. The only rationale given for exempting labor totally from the House bill and partially from the Senate bill, is the obviously specious argument that labor disputes do not impact on the interest of consumers.

The Minority Report filed by the dissenting members of the Senate Government Operations Committee recites perhaps the most dramatic impact upon consumers of a labor dispute:

"Delay in settlement of a dock strike will have an *immediate* effect upon consumer prices and the availability of goods, both specifically mentioned as interests of consumers in the definition of that term in the bill. Anyone who cannot see that has not read the Committee Report in the 92d Congress on this bill, wherein Senator Allen pointed out that the AFL-CIO had submitted for a prior CPA bill hearing record a legal opinion which concluded that NLRB proceedings might result in a substantial impact upon consumer prices.

"Failure to see such an elemental fact tends to substantiate the theory that consumer interests are in the subjective eye of the beholder, and will vary considerably from person to person and from situation to situation; such failure to see the impact of labor dispute proceedings upon consumers also may indicate a bias against the business community, a bias that is reflected in this entire bill."

The proponents of this legislation do argue, nevertheless, that NLRB proceedings, by their very nature, are adversary proceedings. As a result, they maintain, unlike other agency activities which are biased and one-sided, NLRB proceedings do not demand the presence of an institutionalized consumer advocate. In some inexplicable fashion, the consumer interest will magically emerge and be championed. Further, it is argued, business will champion the consumer's cause in an attempt to minimize its costs. It is ironic that in this one area—and this area alone—business, which allegedly holds the regulatory agencies captive, will act in the consumer interest. Yet, in an FPC curtailment proceeding aimed at determining the allocation of natural gas among distributors from one supplier, the consumer is not represented and CPA must intervene.

One can only speculate that the desire of organized labor to exempt itself from CPA jurisdiction gives credence to the arguments of the opponents of this legislation that CPA intervention will only cause undue delay, extensive costs, and, ultimately, aggravate the very problems which the CPA was allegedly created to correct.

CONCLUSION

As the above materials show, the CPA legislation, while having a great impact on administrative law, has very little to do with consumer protection in the popular sense of the phrase. If the CPA bill is enacted, it will not result in consumers getting their money back if they feel they have been defrauded; it will not put fly-by-night shysters out of business. As a non-regulatory advocate, it will not be able to deal with the individualized problems which face consumers. Neither bill will give the consumers real consumer protection.

There is only one provision in this legislation which will even bring consumers into contact with the CPA, namely, the consumer complaint section. Section 10 of the Senate bill and Section 7 of the House bill are substantially similar. These sections state that the CPA is to receive and transmit to appropriate agencies consumer complaints which it receives. Other Federal agencies must then report their disposition of the complaint to the CPA. Thus, the CPA acts only as a bureaucratic referral service—it does not meaningfully deal with substantive consumer complaints itself.

When the individual consumer thinks of "consumer protection", he or she does not think in terms of intervention in complex, protracted administrative proceedings. Rather, the consumer is concerned with shoddy workmanship, ineffective guarantees, and false, misleading and deceptive practices. These concerns are not addressed by the CPA in any meaningful fashion. Thus, the very title of the legislation—a clever but deceptive gimmick—tells a lie. Consumer grievances will not be redressed by this proposal; only the self-styled consumer advocates stand to gain—at the expense of the *public* interest.

In sum, the Consumer Protection Act of 1974 is itself the largest fraud and hoax to be perpetrated upon the Congress and the public. One can only speculate how long it will take before it will be necessary to create a new layer of bureaucracy to protect the consumers and the public from the Consumer Protection Agency. One message is, nevertheless, clear: Neither the House nor the Senate bill would pass muster if the Fair Packaging and Labeling Act were applicable to them.

Mr. BUCKLEY. Mr. President, I understand the distinguished Senator from North Carolina has some questions he wanted to ask.

Mr. ERVIN. Mr. President, I invite the Senator's attention to page 55 of the bill as a preamble to asking the question. I shall go to page 86. Page 55 defines consumers interest as follows, and I read from subdivision (11):

> (11) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration;

Mr. President, I wish to ask the Senator from New York if he agrees with the Senator from North Carolina that the only rational meaning one can give to that definition of what constitutes the interest of consumers is that the interest of consumers is anything which the Administrator says is an interest of the consumer outside of those areas of life which relate to spiritual and love affairs of the consumer.

Mr. BUCKLEY. The Senator from New York agrees with the interpretation of the Senator from North Carolina, but I am not at all sure these days what mystic insight an administrator may claim in some jurisdiction in the other world. Certainly, there is nothing in this legislation to regulate his determination of what is in the Senator's interest and mine.

Mr. ERVIN. In other words, for all practical intents and purposes, anything in the interest of the consumer would be within the provisions of this bill and, therefore, subject to the supervisory conduct of the administrator, if it has any effect on any health, safety, or economic concern of the consumer.

Mr. BUCKLEY. Without doubt.

Mr. ERVIN. It does not even stop with the bill; it goes into the future. It states "which is or may become."

Can the Senator find any legislation in the history of this Nation which is as broad in the power it undertakes to vest this administration in this bill?

Mr. BUCKLEY. I believe this is the broadest delegation of undefined authority to be found anywhere in the legal statutes of this country or the Constitution of this Nation. It is unparalleled in scope and if we believe in a government of laws and not of men, then it is essential that this legislation not be enacted.

Mr. ERVIN. I invite the Senator's attention to page 86, subsection (b), line 17 which states:

> (d) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions of the Department of Defense (including the Departments of the Army, Navy, and Air Force).

With the exception of the amendment which was adopted excluding organized labor, this is the only exception to the act, is it not?

Mr. BUCKLEY. I call the attention of the Senator from North Carolina to one additional exemption for which there is no logical explanation that I can see, and that is the licensing of radios and television under the Federal Communications Commission. Apparently for reasons unknown to the Senator from New York, one is not supposed to interfere in this particular area, just as one is not supposed to interfere in matters involving labor disputes, when it is clear to this Senator that the consequences of those disputes have a direct and immediate impact on consumers.

Mr. ERVIN. The Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions of the Department of Defense are not organizations which are engaged in the rendering of services to consumers.

Mr. BUCKLEY. Not that the Senator is aware of, nor are they engaged in the kind of proceedings which the Administrator under this bill has a right to intervene in, so I am not sure why that is an exception.

Mr. ERVIN. So that with the exception of the FCC, every agency of the Federal Government other than those I have just mentioned, are under the supervisory jurisdiction of the Administrator?

Mr. BUCKLEY. That is correct.

Mr. ERVIN. So, in this bill, the advocacy of this bill is based on the premise that all of the Federal agencies which are subject to the supervisory authority of the Administrator are incapable of performing the functions which are vested in them, and which functions can be supervised by this superhuman Administrator?

Mr. BUCKLEY. That is substantially correct, and that is why I am so puzzled as to why the committee reporting the legislation should conclude that the existing consumer protection agencies are not competent to protect those interests and that, therefore, we need another agency layered on top with unbridled authority. Are we to believe that that super agency will be wiser and, in fact, better able to discharge its responsibilities than all the other Federal agencies?

Mr. ERVIN. Does the Senator from New York share the fear of the Senator from North Carolina that the human being who is capable of exercising vast powers of supervision given the Administrator by this proposed legislation has not been created by the Lord God Almighty?

Mr. BUCKLEY. The Lord God Almighty has not yet created such a human being whom I know of.

Under the circumstances, I think it is incredible, given the philosophical underpinnings of our Federal Government, that we should carve out an emperor, even in the name of consumerism.

Mr. ERVIN. The Senator from North Carolina construes this bill, with the exception of the few limitations we have discussed, and particularly with reference to subsection (d) on page 62, to give the administrator not only the right to intercede in formal proceedings, as set forth in subsection (a) of the preceeding section, but it also gives him the right to interfere in any other Federal agency activity, if he, the Administrator, in his uncontrolled and unreviewable discretion, comes to the conclusion that that activity could substantially affect the interests of the consumer, and it says he can make oral or written submissions.

Does not this mean that the Administrator could go into the Department of Defense, with its contract for research of a weapons system, and interfere in that activity, if he says to himself it affects the consumers' interest?

Mr. BUCKLEY. There is simply no limitation other than those narrow areas of exemption the Senator from North Carolina cited earlier. What concerns me, and I know it concerns the Senator from North Carolina equally, is the inevitable result of creating another agency, with the right to proceed at its own discretion, to reopen proceedings that were closed and final, to deal with proceedings at every agency level, to cause uncertainty and cause enormous overhead and expenses and, in effect, freeze out the small businesses that are finding it harder and harder to survive in our overbureaucratized society.

Mr. ERVIN. To put the question, then, in the North Carolina vernacular, does this bill authorize an administrator in his uncontrolled discretion to go around and throw monkey wrenches in the operations of all Government machinery?

Mr. BUCKLEY. It does precisely that, and who will pay? The consumer will pay. The consumer will pay all of the costs. It will be harder and harder for new products to be accepted. Businesses will pay because an administrator could very well come up and come to a decision that is not supported by the evidence and destroy the enterprise. It will be a heavy burden on the consumer.

Mr. ERVIN. Does the Senator agree that this proposed legislation, if enacted would give the administrator authority not given to any other Federal official—namely, the authority to undertake to inform the American people about the different goods and services being offered?

Mr. BUCKLEY. This legislation will do precisely that, and based on the standards that appeal uniquely to the administrator.

I would like to suggest that there are many consumer advocates around this country who are claiming that "my interest demands locked seatbelts." I believe it is dangerous when you give a governmental agency an arbitrary right to define what should go into a cake of soap and then say that all other brands of soap are not good because he does not like their fragrance or something or other. This could create havoc in the marketplace and would also shrink the options available to American consumers who, after all, represent a variety of desires, a variety of tastes.

Mr. ERVIN. Cannot a statement made by the administrator play havoc with private enterprise?

Mr. BUCKLEY. It can do absolutely that, in the judgment of the Senator from New York. I believe that this has been supported by Prof. Ralph Winter of Yale Law School, for example, and other experts on administrative law.

This can create havoc and cause uncertainty by dragging out proceedings and by giving this one individual the right to burrow into everyone's private files.

If, in the sole judgment of this one administrator, the disclosure of that private proprietary information is "in the interest of safety"—or something or other—of the consumer, then that vitally precious proprietary information will be disclosed.

Mr. ERVIN. Does the Senator from New York agree with the Senator from North Carolina that if Congress can be so foolish as to authorize a public official—namely, this administrator—to make statements to the public, this proposal should be amended so as to make the United States responsible for any slanders or libels he utters, just like other people who engage in talking?

Mr. BUCKLEY. I agree with the Senator.

Mr. ERVIN. In the last analysis, is not this proposal based on the theory that the bureaucracy which has heretofore been established and is now functioning is not functioning properly and has failed to perform its duties?

Mr. BUCKLEY. This Senator would suggest that one of the few accurate statements in the entire legislation before the Senate is the finding that bureaucracies do not operate efficiently. It is for that reason that I query whether still another bureaucracy to be added to the pile we have in Washington will make life better rather than worse.

Mr. ERVIN. So this proposal, in effect, is based upon the promise that the way to cure the inefficiency of bureaucracy is to add another John Q. Bureaucracy to the chain of government.

Mr. BUCKLEY. That is the underlying philosophy that would suggest, if the findings are accurate, that some of the existing agencies have become captives of the industries they are supposed to regulate; then, the answer is not to create a czar over whom no one has control but, rather, to find ways to improve the procedures of the particular agencies in question.

Mr. ERVIN. That would be, would it not, the rational and forthright way to cure the alleged ills—that is, by changing the laws governing the regulatory powers existing in the regulators or by getting different personnel?

Mr. BUCKLEY. I agree wholeheartedly. In this particular matter, we could see to it that the input of the consumer, of consumer groups, and consumer representatives—Lord knows, there are enough of them in this country who are concerned over every aspect of consumer interest, whether it be fraud, safety, packaging—then we would be able to have accurate input, under controllable conditions, into the agency which has the expertise to assess this interest versus other interests.

Mr. ERVIN. I ask the Senator from New York if the proposed legislation is not, in the last analysis, bottomed upon three theories: First, that Government is highly inefficient, and therefore we must increase the amount of Government we have; second, that all businessmen and producers sit up all night thinking of new methods to defraud the customers on whose good will they are dependent for their prosperity; and, third, that the American consumers—and that includes all Americans—are mainly incapable of looking after their own interests and must be put under the bureaucratic guardianship of the administrator.

Mr. BUCKLEY. The Senator from North Carolina is correct on all three points.

Mr. ERVIN. I thank the Senator, and I commend him on the excellent speech he has made.

Mr. BUCKLEY. I thank the distinguished Senator from North Carolina.

Just to complete my remarks, I urge the Members of this body not to pay attention to pressure groups, but to do their homework, to read the material that I have entered into the RECORD, to read independent views which are excellent—in fact, devastating—in connection with the proposed legislation. I hope that when the time comes to vote on this measure, it will be defeated overwhelmingly.

Mr. RIBICOFF. Mr. President, I move the adoption of committee amendment No. 3. I understand that there is no opposition to it.

Mr. ERVIN. What does the amendment provide?

Mr. RIBICOFF. Committee amendment No. 3 prohibits the CPA from making available to the public a consumer complaint where the complainant has requested his identity be kept secret.

Before the committee amendment, the agency could publicly disclose a complaint submitted in confidence, even though the complainant's identity had not been disclosed.

Mr. ERVIN. I favor that. I do not think a man ought to be allowed to shoot from ambush and keep his identity hidden.

I would like to ask the Senator this question: Notwithstanding that this person, this complainant, does not wish to be identified and would not be identified—that the complaint would not be made public—would the firm or the person against whom the complaint was directed be permitted to know his identity?

Mr. RIBICOFF. No. The complaint will be made available to the company, but the complainant's identity will not be disclosed to the company.

The problem is that often in a situation such as this, the man might know of a great health wrong or a safety wrong, and yet does not want to lose his job. To protect the complainant, the complaint will, on his request, be available to the company without disclosing the complainant's name.

Mr. ERVIN. The person against whom it is directed has to answer the complaint of an unidentified individual and is not allowed to know the identity?

Mr. RIBICOFF. That is correct.

Mr. ERVIN. I think that one of the greatest methods of searching for truth in the courts of our land and in our everyday life is for us to know the identities of the people who make accusations, because these people may be actuated by bias and the desire to do injury to the person of whom they complain.

Mr. RIBICOFF. We may have a situation in which a conscientious employee who has worked for a company for 25 years knows that a company has committed fraud. He knows that there may be an unsafe drug or an unsafe product, and he feels motivated to make this available to the proper authorities. Yet, he is afraid for his future livelihood.

Mr. ERVIN. But the complainant does not necessarily have to be an employee. He may be a competitor who is desirous of harassing or having the Administrator harass his competition. Is that not so?

Mr. RIBICOFF. If the Administrator believes that there is no significance to the complaint, section 10 provides that he does not have to forward the complaint to the company. If the complaint is significant, it should be forwaded to the company. The complainant's motive for making the complaint in the first place would not affect the importance of such a complaint.

Mr. ERVIN. And we could have people set in motion false complaints and so have their identity protected, and deprive the person who is the victim of the false complaint of an opportunity to know whether the complaint is made by a competitor or by a person who is making the complaint out of hatred and malice.

Mr. RIBICOFF. The complaint goes to the person complained against. He will have ample opportunity to go into it, to explain whether there is a basis to the complaint or not. If the complaint is false, he may say so.

Mr. ERVIN. But he would not have an opportunity to show not only that the complaint was unfounded but also that it was made by one of his economic enemies.

Mr. RIBICOFF. I think the Senator is correct. While the complainant's identity would be indicated in the files, the information would be kept confidential.

Mr. ERVIN. I do not think there ought to be much confidentiality which might result in protection of character assassins.

Mr. RIBICOFF. I am assuming that we are not talking about character assassins. I do not believe the Administrator is going to forward every complaint that comes down the pike. If the complaint is insubstantial, if it amounts to no more than character assassination, he will not forward it. On the other hand, a complaint sent by a person who has requested that his identity be kept confidential, might concern a matter patently in the public interest, involving health, safety, or widespread fraud.

We had the situation of a large fraud taking place on the Pacific coast, involving a huge insurance company. False statements involving investments were involved. I believe the complaint was disclosed by somebody within that organization. Banks and individuals lost in the millions. The incident was widely reported in the newspapers.

It was important that this conduct not continue to go undetected.

Another example is the recent fiasco concerning an oil drilling company. Some of the largest and most knowledgeable investors, bankers, industrialists, and lawyers in the country were defrauded. Much of the information necessary to uncover this type of fraud comes from people within the organization.

When we have widespread fraud, unsafe products, or filthy products that injure the health, it would seem to me that it ought to be disclosed. I can understand that generally many employees who would be likely to know about such conditions, would be hesitant to speak for fear of losing their job.

It would be good if everybody had courage, and every once in a while you do read about a courageous individual who does speak out publicly only to find himself without a job. He loses his only means of support, because he has followed his own sense of public obligation and duty.

I think what we are concerned about is where people are reluctant to disclose important facts concerning widespread fraud or injury to the public interest for fear of reprisal. At the same time, we were concerned about making complaints available to the public where the complainant's identity was withheld. What we did in committee was to make sure that a person could disclose the facts in such a case without fear of reprisal, but then we also prevented disclosure of such facts to the public. The information will be kept confidential within the agency, but the agency would be required to make this information immediately available to the person or company complained against. I think we have struck a fair balance. The provision, as amended, encourages people to disclose important facts, while preventing any injustice to the company complained about that could occur from public disclosure of the complaint.

Mr. ERVIN. I think that is an improvement, but I do not think it goes far enough.

I am sure they will have many complaints, thousands and thousands of complaints. Maybe we deserve them; but just the first few months the Senate Watergate Committee was in operation, we had 62,000 complaints from all over the United States about how we were perverting the Constitution and the truth and everything else.

Mr. RIBICOFF. Along that line, as long as the senior Senator mentions it, I think Woodward and Bernstein, with the distinguished chairman, did more than anyone to break this fantastic scandal known as Watergate. Yet they had a complainant by the name of "Deep Throat" that they referred to in their book and whose identity is still a secret. No one knows who it is except Woodward and Bernstein. That person could still be part of the administration. If so, he was able to keep his job only because his identity has been kept confidential.

I believe the distinguished Senator from North Carolina is probably better aware than any other Member of this body, or maybe of the public, of this example. Yet, I do not know whether even the distinguished chairman knows who "Deep Throat" is.

Mr. ERVIN. I have no idea, but I would say this is a good amendment. I support it, but I think it still does not go far enough.

It is the only thing on this bill that does not go too far.

Mr. RIBICOFF. Mr. President, I move the adoption of the committee amendment No. 3.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

Mr. RIBICOFF. The next order of business is committee amendment No. 4, I believe.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk reads, as follows:

> On page 71, line 8, after the word "agency", strike out "and"; after line 8, insert:
>
> (6) information contained in or related to examination, operation, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions, or any other information relating to the financial transactions of individual customers of such financial institutions; and

Mr. RIBICOFF. Mr. President, this prohibits CPA from obtaining from Federal banking agencies information prepared by such banking agencies relating to bank examination reports, bank operations or condition reports, and any other information relating to the financial transactions of individual customers of banks.

This amendment was proposed in the Government Operations Committee by Senator Brock.

Mr. President, as I understand the situation, the distinguished Senator from Illinois (Mr. Stevenson) has an amendment to the amendment.

Our distinguished colleague (Mr. Brock) is now involved in a conference going on involving the Banking Committee. It is obvious that his duties in the conference make it impossible for him to be here.

As I understand the situation, no final action will be taken on this amendment at this time. As I understand it, the Senator from Illinois will offer his amendment, explain it, and then we will put in a quorum call. The leadership will then decide what will be the next order of procedure until the Senator from Tennessee has an opportunity to explain his proposition, and talk against the amendment of the Senator from Illinois.

Is my understanding correct?

Mr. STEVENSON. Mr. President, I have no understanding with the Senator from Tennessee.

He does expect me to offer this amendment, perfecting amendment to the committee amendment. I can do that now.

Mr. RIBICOFF. If the Senator will yield.

I think in all fairness to Senator Brock, he should have the opportunity of being present to hear the explanation of the perfecting amendment by the Senator from Illinois, and I wonder if the majority whip, under the circumstances, would put this over in all fairness until Senator Brock can be here. I think it would be unfair to Senator Brock not to be present when the amendment is discussed.

Mr. ROBERT C. BYRD. Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Does the Senator from Illinois wish to offer his perfecting amendment at this time so that it will be before the Senate?

Mr. STEVENSON. Mr. President, I send the amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report it.

The legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

> On page 71, line 9, in lieu of the language to be inserted by the Committee amendment insert the following: "and such information shall include, but shall not be limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of any agency responsible for regulation or supervision of financial institutions; and".

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me for a unanimous-consent request?

Mr. STEVENSON. I am happy to yield.

ORDERS FOR RECOGNITION OF SENATORS TOMORROW; FOR TRANSACTION OF ROUTINE MORNING BUSINESS; AND FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 69, EDUCATION AMENDMENTS OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after Mr. Proxmire is recognized under the previous order, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Mr. Roth, Mr. Buckley, Mr. McClure; that there then be a period for routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, and that at that time, notwithstanding the order entered earlier today, the Senate proceed to the consideration of the conference report on H.R. 69, the Education Amendments of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on HR. 69, if such disposition occurs tomorrow, it be within the discretion of the leadership, the majority leader or his designee, to proceed at that time with either the resumption of the real estate settlement services bill or the agency for consumer advocacy bill, whichever the leader wishes to proceed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION AGENCY ACT

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. ROBERT C. BYRD. Now, Mr. President, may I say to the distinguished Senator from Connecticut that there will be no more rollcall votes today. If the distinguished Senator from Illinois wishes to discuss his perfecting amendment, I think he should be allowed to do that. He has the floor, and he can do it in any regard, and whatever discussion he wishes to make today would appear in the Record. The Senator from Tennessee (Mr. Brock) would read that Record, and I assume further discussion on that perfecting amendment would occur on tomorrow or the next day, whenever the Senate resumes its consideration of the unfinished business, at which time the Senator from Tennessee would have ample time to interrogate the Senator from Illinois concerning his perfecting amendment and make whatever statement he wishes.

So that what I am saying, in reality, is that the Senate need not necessarily adjourn at this time, if the Senator from Illinois wishes to speak to his perfecting amendment or if any other Senator wishes to speak.

Mr. RIBICOFF. Just as a matter of comity. This is a controversial amendment; I believe the Senator from Tennessee feels very strongly about it.

My only thought was that while we might lose half an hour's time, in fairness to the distinguished Senator from Tennessee I would be reluctant not to give him the opportunity to be present when the Senator from Illinois made his position clear. As a matter of comity, I think it would be proper to wait for an explanation of the amendment until the Senator from Tennessee (Mr. BROCK) could be present, but I would defer, naturally, to the leadership.

Mr. ROBERT C. BYRD. If the Senator from Illinois is agreeable, the leadership is prepared to resume routine morning business, or adjourn.

Mr. STEVENSON. The Senator from Illinois is agreeable.

Mr. ROBERT C. BYRD. I thank the Senator, and I thank the distinguished manager of the bill.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent there now be a resumption of routine morning business with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMORIAL SERVICES FOR FORMER SENATOR WAYNE MORSE

Mr. HATFIELD. Mr. President, funeral arrangements have been made for former Oregon Senator Wayne Morse, and I want to bring them to the attention of my colleagues and the many friends of the late Senator, in case some of the Senators and his other friends are able to attend the service.

A public memorial service will be held at the State Capitol in Salem, Oreg., at 10 a.m., Friday morning, July 26. Later Friday, another public service is scheduled in Eugene at 3 p.m., at the First Congregational Church.

QUORUM CALL

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION AMENDMENTS OF 1974—CONFERENCE REPORT

Mr. PELL. Mr. President, I understand that by unanimous consent it has been agreed that the conference report on H.R. 69, the Education Amendments of 1974, will be taken up at the close of morning business tomorrow.

The PRESIDING OFFICER (Mr. BARTLETT). The Senator is correct.

Mr. PELL. Mr. President, the conference report now being considered by the Senate is the product of 6 weeks of continual meeting between the House and Senate conferees. Innumerable differences were contained in six separate comparative documents which were methodically and painstakingly reviewed. I do believe that this conference attained the very real essence of legislative activity—compromise.

Neither the House nor the Senate prevailed on all issues which were brought into the conference. For example, the so-called consolidation of certain education programs, opinions on which were strongly held by Senate conferees, was resolved along the lines of the House bill, this notwithstanding the strong views of the Senate, for it was understood that to get a bill, the House approach to consolidation was necessary.

Another example involves the impact aid provisions of the Senate bill, which contained a certain measure of reform and a new method of making payments for children in low-rent public housing. Here, in general, the Senate view prevailed, and the final conference report contains language reflecting much of the original Senate position. These are two instances which exemplify the bargaining, which ended in the final compromise on busing.

I will not go into a detailed discussion of the conference agreement here. It is contained in the conference report before you. I would like to touch upon what I think are the high points of the conference substitute bill.

Perhaps the subject of most interest to local educational agencies is the title I formula. This matter, which could have been the subject of great dispute, was generally resolved on the Senate floor when the Senate, on a rollcall vote, adopted the main part of the House formula. The Senate bill retained part B of title I—incentive grants—as well as part C, which created special payments for areas enrolling large numbers of low-income children. The conferees retained part B, in essence, as found in the Senate bill and kept part C for one year, while creating a new, imaginative approach to funding these highly impacted title I areas through the utilization of impact aid funds attributable to children residing in federally assisted public housing.

The impact aid provisions pretty much continue the provisions under the old law. The Senate bill contained a phaseout of the eligibility of children whose parents are employed in another State. Impact aid payments to those areas suffering from a decline in federally connected population due to military base closings are also protected by the phaseout.

The Senate bill contained a rewriting of that portion of the law pertaining to children in low-rent public housing. Existing law which separates those children from other federally connected children would be repealed so that they will count as "A" category children and "B" category children as all others are counted. This provision, which was probably the most contentious during the discussion on impact aid, was reformed to reflect the conferees' interest in those urban areas which are highly impacted with disadvantaged children, many of whom live in public housing projects. The conference agreement includes these children in the first and final tiers for payment and requires that funds attributable to their presence be used by the school district for compensatory education of children from low-income families.

The conference report retains the Senate provisions on bilingual education, aid for the education of handicapped children, and reading. It creates a National Center for Education Statistics in the office of the Assistant Secretary for Education and prohibits regionalization of education program administration without congressional approval.

Both the Senate and House bills contain provisions aimed at consolidating certain Federal programs. The major difference by the Senate attempted to protect those programs by requiring that only new funds be used in a consolidated manner. The conference dropped that Senate provision, and the following programs have been consolidated into two areas: First, in support of libraries and learning resources; and second, in support of innovation. Nevertheless, the Senate requirement that the consolidation operates only if there is true advance funding and if the appropriations levels are at least as high as the preceding year of the consolidation were retained by the conference. In addition, the conference agreed that, during the first year in which appropriations were made for the consolidated program, only 50 percent of the funds would be consolidated. The remainder would still flow to the States under the categorical programs.

The administration consolidation found in the original Senate bill was retained, as was the Special Projects Act, which sought to give the Commissioner of Education a certain amount of discretionary funds while retaining a mechanism for the adoption and funding of new innovative programs. Under that pilot project authority, the conferees retained metric education, gifted and talented children, women's equity education, consumers' education, career education, arts in education, and community schools.

The final major issue had to do with those two provisions of both bills which pertained to busing. This was the most contentious portion of the bill and required endless days and hours of debate. The language the Senate brought into the conference was totally unacceptable to the House, which was instructed three separate times not to recede on this issue. Nevertheless, the Senate conferees held to the belief that there were also certain House provisions which were totally unacceptable to them. The final language is a melding of the two. While the very stringent reopener of court cases on the House side was dropped, an equally-controversial provision pertaining to termination of court orders was retained, as was a much more restrictive Ashbrook amendment having to do with the use of Federal funds for busing.

Mr. President, it is my belief that this is the best bill which the conference, considering these two very divergent bills, could have worked for. It is the result fully of 1½ years of work, and it is my hope that the Senate will approve the conference report.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PELL. Is it in order to lay before the Senate the conference report at this time, for taking up tomorrow?

The PRESIDING OFFICER. It could be done, but the Senate is not going to proceed with it until tomorrow.

Mr. PELL. Just for the purpose of the record, I ask that it be laid before the Senate, so that it will become the pending business at the close of morning business tomorrow.

The PRESIDING OFFICER. (Mr. Bartlett). The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 69) to extend and amend the the Elementary and Secondary Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of today.)

Mr. PELL. Mr. President, I ask unanimous consent that tomorrow, when consideration is given to the conference report on H.R. 69, the following staff members be permitted to have access to the floor: Stephen J. Wexler, Richard D. Smith, Jean S. Fislicher, Nik Edes, Lisa Walker.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate?

Mr. WILLIAMS. Mr. President, there can be no finer tribute to a public official than to say that without his efforts the legislation we are considering today would not be possible. In this particular instance, I feel I must say that without the untiring efforts of Senator Wayne Morse, the man who was "Mr. Education" for so many years, the conference report on the Education Amendments of 1974, which the conference committee agreed upon last night, would not even have been a probability.

Following the passage of the landmark education bill of 1965, which for the first time provided major Federal assistance to elementary and secondary schools, President Johnson said about Morse: "No one else could have done it." With the tragic death of Senator Morse yesterday, during his campaign to be reelected to this body where he had dedicated 24 years of his life, there can be no more fitting memoriam than remembering the importance of his life, his work and his dedication to the principle that all children have the right to equal opportunity and the very basis of this opportunity is a solid foundation in basic education. Certainly, the Elementary and Secondary Education Act has been the cornerstone of this goal for many years, and the conference report today should be evidence that we are continuing to carry on Senator Morse's work.

Mr. President, Senate conferees entered the conference more than a month ago with a bill embodying major differences with the House. We met in conference throughout this time, with many sessions going long into the night. We return to the Senate today with a conference report that will not please everyone, because we are not all pleased. But we do return with a report which I believe will bolster the process of education in every part of this Nation, and represents an effort of all conferees to deal honestly and openly with all points of view.

Mr. President, this bill is an education bill. While I understand that the focus of the media, organizations and many of our colleagues has been on the provisions relating to school desegregation issues, the major intent and thrust of this bill is the equal educational opportunity of schoolchildren. I believe that we all can be very proud of major new steps this conference report takes in bolstering this birthright of education in urban areas, and for handicapped children and children who are bilingual.

Some of the most important provisions of H.R. 69 include the following:

HANDICAPPED CHILDREN

An entitlement of funds on the basis of young people, ages 3 to 21, in each State to bolster the education of handicapped children, originally offered by Senator Mathias. This provision, along with major new State plan requirements for the education of all handicapped children will focus Federal money on children within all of our States who are not presently receiving educational services. H.R. 69 also provides an extension of the Education of the Handicapped Act, and includes vitally important new provisions authorized by Senator Stafford, and joined by Senator Randolph and myself to provide procedural protections and due process to handicapped children and their parents.

IMPACT AID

Incorporates the Senate provisions for major reform of the impact aid program, which for the first time automatically includes children living in low-rent public housing. For the first time, districts with public housing children will be assured funding to offset the education expenses normally shouldered by those local governments.

TITLE I

The conference report retains Senate provisions for the funding of part C, assistance for districts with high concentrations of low-income families, and part B, assistance for States which have made great effort to increase their expenditures for the education.

BILINGUAL EDUCATION

Provides major changes in title VII, the bilingual education program as contained in the Senate bill, intended to strengthen this initiative and assure greater sensitivity to the needs of children with limited English-speaking ability so that they may acquire literacy in their own native language and increase their fluency in the English language. In addition this section provides, for the first time, that a portion of the funding be utilized for teacher training, and establishes by law the Office of Bilingual Education.

CONSOLIDATION

The conference report also provides major new emphasis on the simplification and consolidation of Federal education programs. The first consolidation provides for a simplified single State application for Federal funds administered through the State education agency. Under this provision the State would submit one application specifying administrative provisions applicable to all Federal programs administered by the State education agency.

The second consolidation provides for a new consolidation of program funds in two primary areas: Innovation—including title III, ESEA; dropout prevention; health and nutrition programs; title V, ESEA—and library and instructional resources—including title II, ESEA; title III, NDEA; and guidance and counseling. I point out here, Mr. President, that this consolidation goes much further than many of us had wished. Under the conference agreement, all funds could be consolidated into these two broad categories. However, this consolidation can only occur if the following conditions are met: First, that all of these programs are fully funded at the fiscal year 1974 level, or at the level of the previous year's consolidation; and second, that these programs are forward funded. Should these conditions be met, 50 percent of all funds could be consolidated in the first year and 100 percent in the second year.

The third consolidation, the Senate's Special Project Act, is also contained in the conference report and involves discretionary programs now administered by the Commissioner of Education. Under this act, the Commissioner would be authorized to make contracts for almost any area of educational demonstration and innovation. However, 50 percent of the appropriations under this act must be spent on new categorical programs identified by the Congress and including: education for the use of the metric system, education of gifted and talented children, consumer education, career education, women's educational equity and the important new program for the development of community schools sponsored by Senator Church and me.

OTHER PROVISIONS

A revitalized effort to provide assistance for readiing programs.

New authority and direction for the National Center for Education Statistics.

Mr. President, one of the major defeats suffered by the Committee on this bill during Senate consideration was the adoption of a formula for title I which was less than equitable for the major urban centers of this Nation. As my colleagues know, I fought that formula and feel very strongly that the formula adopted was not one which was fair to all parts of the country. I hope, Mr. President, that many of the decisions made by the conference will help offset the problem that this formula will represent for many States, including my own State of New Jersey. The adoption of separate authorization for part C of title I, part C of impact aid for children in low-rent housing, the formula under the second consolidation which is based on population—all of these provisions will assist our large urban centers and enable them to provide better educational opportunity for their children.

In conclusion, Mr. President, I would like to thank all of my colleagues on the conference for their efforts in reaching agreement on this legislation. The distinguished chairman of the Subcommittee on Education (Mr. Pell) has done the lion's share of the work here, sitting with the conferees throughout all sessions, and must be complimented for having the patience of Job; likewise, the distinguished ranking member of that subcommittee (Mr. Dominick) and of the full committee (Mr. Javits) did much to assure that the Senate position was maintained and that agreement could be reached. Finally, Mr. President, I would like to thank the staff of all Senators involved for their efforts over the last year to assure that this legislation represented the best efforts that could be achieved for education.

GOOD NEWS FROM GREECE

Mr. PELL. Mr. President, preliminary news reports from Greece this afternoon indicate that the Government of Greece will be returned to civilian control.

The same news agencies report that the restoration of civilian government has been underwritten by the real leadership of the Greek Armed Forces—by true military professionals whose interest lies in running the armed services, and not in running their country.

Mr. President, the news from Greece, if it is confirmed and sustained in the coming days, will be welcomed by freedom-loving people throughout the world.

As an outspoken critic of the repressive, undemocratic, and barbaric policies of the military juntas in Greece, I am deeply pleased that the junta has been deposed, and I am earnestly hopeful that this day will mark the turning point toward a restoration of individual freedom and democratic government for the people of Greece.

The people of the United States have a strong interest in the developments in Greece, not only because of the long history of friendship between the Greek and American peoples, but because the survival of democratic government in Europe and indeed throughout the world rest in part on the contributions of a strong and healthy Greek nation to the NATO community.

In conclusion, Mr. President, it is my earnest hope that the events in Greece today may mark the beginning of a new and brighter era for the people of Greece and for relations between the United States and Greece.

Mr. President, I yield the floor.

QUORUM CALL

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVISION OF ORDER FOR RECOGNITION OF SENATORS PROXMIRE, BUCKLEY, McCLURE, AND ROTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of speakers tomorrow morning before routine business is transacted be revised as follows: that following the remarks of Mr. Proxmire, Mr. Buckley be recognized, that he be followed by Mr. McClure, and that he be followed by Mr. Roth, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum .

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION AMENDMENTS OF 1974

Mr. JAVITS. Mr. President, the conference committee on H.R. 69, the Education Amendments of 1974, has now concluded its deliberations and filed its report. These deliberations stretched over several weeks and on occasion a session went into the early morning hours. The conference report was signed by every Senate conferee, majority and minority.

The final bill is necessarily a compromise between the House and Senate versions. While there are provisions which leave me much dissatisfied—such as the title I, ESEA, formula and the anti-busing provisions—I feel that, on balance, we have before us a bill which resolves the issue and merits approval by the Congress and signature into law by the President.

The administration should be satisfied with this measure for it contains major recommendations made by the President. First, H.R. 69 includes reforms of the impact aid program, Public Law 874. Changes to impact aid have been urged, in turn, by Presidents Eisenhower, Kennedy, Johnson, and Nixon, but heretofore have not been enacted by the Congress.

Further, the administration can point to the adoption of a broad consolidation of categorical Federal education aid programs. In this connection, the conference followed the pattern of the House bill which was closest to the administration's proposals.

In addition, H.R. 69 contains alterations to the title I, ESEA formula urged by the administration, principally the so-called Orshansky formula for a flexible definition of poverty. This, too, is a major change.

As has been the case in past years, the education bill now before us is a bipartisan measure composed of provisions contributed by minority members as well as those of the majority. These provisions include contributions by committee members and also floor amendments by noncommittee minority Senators. Included among these, for example, is the Mathias amendment for the education of handicapped children; and the Buckley amendment for the protection of pupil rights. Provisions sponsored by Senators Hansen, Helms, and Cook, among others, are included in the final bill; and Senator Brooke's amendment on counsel fees had a material effect on the bill's final form.

Major contributions by minority members of the committee include the following: A new program for bilingual vocational training by Senator Dominick for persons of limited English-speaking ability who have dropped out of school or finished secondary schooling found in section 841; grants for States to develop plans for equalization of educational expenditures between areas within the State, authored by Senator Schweiker, and found in section 842; Senator Beall's provisions for reading improvement contained in title VII; and Senator Stafford's provision for the handicapped in the section 406 career education program.

I take particular satisfaction in the provisions for gifted and talented children—section 404; Adult Education—part A of title VII; and the "basket" of pilot plant programs in title IV which I authored. A complete list of minority committee contributions is found on page 572 of Senate Report 93–763; most of these provisions in the Senate version of the bill were retained in the final version of the measure.

I should like to make reference to provisions particularly affecting my own State of New York and other urbanized and industrialized States. While there is especial concern as to the new title I formula as it affects local educational agencies which especially disadvantages urbanized and industrial States, this is balanced in some part—albeit not nearly enough—by the other provisions, as follows:

First. Inclusion in payments under the impact aid program—Public Law 874—of children living in public housing.

Second. Retention of the Bayh amendment providing for an authorization of $15.7 million to bring up to 90 percent hold harmless those local educational agencies suffering a diminution in title I–A funding.

Third. Retention of part B—State incentive grants—of title I as now written in law.

Fourth. Retention of the Senate provision for part C for areas with the heaviest concentrations of disadvantaged children for fiscal year 1975.

Fifth. Adoption of a 100-percent hold harmless for title I State agency programs for handicapped and other institutionalized children.

Finally, I should like to refer to title II of the bill pertaining to the issue of busing. I withheld discussion of this provision until last because I wish to stress that, despite headlines to the contrary, H.R. 69 is—and always has been—an education bill rather than a busing bill. Busing occupies really only a small portion in this legislation although it occupies a major portion of the news stories concerning it.

While I have my own personal doubts about the constitutionality of either the House or Senate language, both of which attempted to restrict the courts in their efforts to desegregate public schools, the House position was insistent and endorsed by that body in three successive votes, to instruct their conferees, each by a margin of better than 2 to 1. Bearing that in mind, I think the compromise language should be acceptable to both bodies.

The House bill, you will recall, would have provided for automatic reopeners of all existing busing orders not in compliance with the guidelines of the bill. This, we felt was disruptive to the point of being very dangerous, and we are pleased that the House conferees accepted our provision. As to the House provision allowing termination of court orders involving transportation upon a showing that a freedom-of-choice system was in operation; that section now allows it but that such motions shall be granted only if the school district is presently in compliance and if the judge specifically finds that such compliance will continue.

Essentially the final language of the bill preserves the Senate language which conditions future court actions on a showing that the fifth or fourteenth amendment has been complied with—that is, the courts are only bound to follow the guidelines set forth in the bill if these rights would not be infringed.

Second, we were able essentially to preserve the Senate language on reopener (though not on termination of orders), namely, that old cases can be reopened only if the health or educational advancement of the children involved were being adversely affected by busing.

Finally, on the question of the use of Federal funds, the Ashbrook amendment—which would have prohibited totally the use of such funds for busing—was amended to provide that funds appropriated under the impacted area program could be used for such a purpose, though all other funds cannot. We had proposed that the funds appropriated for the emergency school aid program be similarly exempted, but we were not successful.

In conclusion, I would be remiss if I did not express to my colleagues on the conference—and especially our distinguished chairman, Senator PELL—my appreciation for a difficult and arduous job, well done. The bill before us is landmark legislation which should be approved by the Senate and enactment into law as the best practicable result for a bill we must have.

Mr. President, I again suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized in the order stated and each for not to exceed 15 minutes: Mr. PROXMIRE, Mr. BUCKLEY, Mr. MCCLURE, and Mr. ROTH. There will then be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each. At the conclusions of which period the Senate will take up the conference report on the education bill, H.R. 69. Rollcall votes are expected to occur tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 4:52 p.m. the Senate adjourned until tomorrow, Wednesday, July 24, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1974:

IN THE U.S. NAVY

Vice Adm. Frank W. Vannoy, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Kenneth R. Wheeler, Supply Corps, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. William W. Behrens, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. John P. Weinel, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Rear Adm. Edwin K. Snyder, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United Sttaes Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Winton W. Marshall, 545–14–4500FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named Army Medical Department officer for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general, Medical Corps

Col. John W. White, [redacted] Army of the United States (colonel, Medical Corps, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Howard Wilson Penney, 369–12–3626, Army of the United States (major general, U.S. Army).

EXTENSIONS OF REMARKS

BILL SCOTT REPORTS

HON. WILLIAM L. SCOTT

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 23, 1974

Mr. WILLIAM L. SCOTT. Mr. President, since coming to the Congress I have endeavored to keep constituents informed regarding our activities, and ask unanimous consent that a copy of my current newsletter be printed in the RECORD for the information of Senate colleagues.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

BILL SCOTT REPORTS, JULY-AUGUST 1974

CONSUMER PROTECTION AGENCY

A measure now under consideration in the Senate, known as the Consumer Protection Agency Act, sounds like a very desirable bill. Everyone would like to rid the marketplace of faulty products and of shoddy merchandise, but the proposed establishment of a new federal agency with an administrator who would be a government-sponsored consumer lobbyist before existing government agencies does not appear to be the proper way to accomplish a worthy purpose.

We have existing departments and agencies of government with experts in every conceivable field charged with the responsibility of protecting the public interest within their respective fields. This new agency would not make any decision on behalf of the government but would lobby before all decision-making branches of government in favor of what the administrator considered to be the consumer point of view. Since we are all consumers, having differing views and preferences on almost any matter, the consumer advocate would undoubtedly be representing the views of only a portion of the people at a given time.

Some method should be found under which existing agencies would operate in the public interest without having another agency of government looking over their shoulders and telling them what needs to be done within a field where they have a specialized expertise.

I have studied this bill very carefully and have spoken on the floor of the Senate in some detail with regard to the various aspects of the proposal. Somehow it reminds me of an ancient crime known as common-law barratry which has been adopted by statute in 36 of our states. The crime may be committed by private persons or public officials and consists of needlessly stirring up strife and litigation. An early English Judge, Blackstone, referred to those who commit the offense as "pests of civil society who are perpetually endeavoring to disturb the repose of their neighbors and officiously interfering with other men's quarrels"; and at another time referring to barratry as "the trafficking and merchandising in quarrels; the huckstering in litigious discord".

This proposal would permit the head of the new agency not only to advocate a particular position before existing government agencies but to take the agencies to court if they did not follow his suggestions. The Attorney General is charged with the responsibility of representing government agencies in the courts, and if this consumer protection agency would hire its own lawyers as the proposal authorizes it to do, it could well result in the government paying two sets of attorneys with different points of view and become a case of the United States versus the United States, an untenable position.

Public policy requires that we have as much unity within the government as possible for its effective operation; and duplication of agencies and functions is a very costly and unwise practice. Even though the goal of the proponents is a worthy one, I am opposing the bill in its entirety and have prepared a number of amendments to it. Should you desire a copy of the somewhat lengthy statement, please let me know and it will be forwarded to you.

TAX AMENDMENTS

As you know, the Senate recently debated a variety of proposed tax amendments to a debt ceiling bill, designed to keep the government functioning properly. However, the debt ceiling bill, as it came from the House merely raised the amount of indebtedness which could lawfully be incurred by the government and made no mention of taxes. The proposals, for the most part, increased the tax burden of the business community and gave tax relief to low income citizens. Most people would agree that every citizen should share a portion of the tax burden, and undoubtedly reforms in our tax laws are needed. Because of this, the House Ways and Means Committee has been holding hearings and considering tax reform legislation for many months and will probably report a bill for floor action soon.

When we are talking about changes in our tax laws involving many billions of dollars, it seems irresponsible to have the proposals made on the floor of the Senate without committee hearings; but it is hoped and expected that the tax writing Ways and Means Committee will report out a tax bill within the very near future. Copies of my own remarks on the proposed amendments will be furnished upon request.

RICHMOND VISIT

On August 2, I will be in the Richmond office all day to meet with constituents regarding their views on legislation or any matter they care to discuss. While you are welcome to visit without an appointment, it would be helpful in scheduling if you would call the office manager in Richmond at 649-0049 so that a mutually agreeable time for meeting can be arranged. Our Richmond office is located in Room 8000 of the Federal Building, 400 North 8th Street.

CONGRESSIONAL BUDGET

Congress will be operating in the near future under new budget procedures because of a recently enacted budget control measure. This bill, known as the Congressional Budget and Impoundment Control Act, is intended to help Congress reassert its authority over the budget-making process which in recent years has been assumed, to a large extent, by the Executive Branch of the government. Under the new law, a budget committee will be established in each house of Congress. There will be a Congressional Budget Office and a detailed timetable within the Congress for various phases of budget approval and appropriation process. In addition, October 1 will mark the beginning of a new fiscal year in the future rather than the present July 1.

The importance of establishing firmer Congressional control over the budget is illustrated by the fact that as of July 11, the national debt stood at $471,662,200,475.05, according to the Treasury Department; and estimated interest on the indebtedness for the fiscal year which ended June 30, 1974, at $29,350,000,000. Therefore, it is understandable that citizens are more concerned about inflation, taxes and the high cost of living than other issues confronting the country. One of the major contributors to the inflationary spiral is deficit financing and excessive spending by the federal government. It is hoped that this new budget control act will assist the government in putting its fiscal house in order, but I believe the Congress must also learn to say "no" to many suggested new programs.

VETERANS BENEFITS

The Senate has recently passed the Vietnam Era Veterans Readjustment Assistance Act of 1974 which increases the rates of monthly educational assistance by 18.2 percent, establishes a partial tuition assistance allowance of up to $720 a school year, extends the maximum entitlement of educational benefits from 36 to 45 months, raises the maximum work-study allowance from $250 to $625, and authorizes direct loans up to $2000 a year to cover educational costs not otherwise provided for.

The House bill did not contain tuition assistance allowances and retained the 36-month benefit entitlement. In conference between the House and Senate there is some division regarding both of these items and especially tuition allowance, some conferees feeling it is wrong to give additional allowance to a veteran who chooses to attend a high-cost school. These differences must be resolved before the bill can become law.

ACADEMY APPOINTMENTS

Members of Congress are given the opportunity each year to nominate young men for appointment to the Army, Navy and Air Force Service Academies. They may have five of their constituents in each academy at a given time. We were fortunate this year to be able to fill two vacancies in each of the three academies and also to have 24 additional young men we named as alternates be appointed to fill vacancies from throughout the country. Therefore, we now have 30 new Virginians entering the academies in the freshman class which commenced on the 8th of this month.

The office is now starting to process the applications of young people interested in entering the service academies in July 1975. First it is necessary for those interested in entering the academies to obtain and submit completed applications to us prior to September 1, 1974. Thereafter, they will be notified of the time and place to take competitive examinations. The grades they receive on these written tests are the most important consideration in determining whether or not they will be nominated, but their records in secondary school and extracurricular activities are also considered. Let me add that we have more than ten applications for each nomination the office is able to make. So far only young men have been admitted to the academies and, in order to be eligible, they must have reached their 17th birthday by July 1 of the year of admission but not have reached their 22nd birthday by that date. I would suggest that those who are interested let the office know promptly so that applications and other information can be forwarded in sufficient time for them to be returned to us before the September deadline.

CORRESPONDENCE

Our office receives more than 1000 letters each week from constituents on a wide variety of subjects. Of course, we welcome their views on any matter and the opportunity to assist them in their relationships with the federal government.

The following observations may be helpful even though we are glad for constituents to share their thoughts in any manner they choose:

Mimeographed or printed letters, to which the constituent merely signs his name and address, indicate that an organization or a group working in concert wants to present a point of view but do not show the same concern that a well-thought-out individual letter or post card indicates.

Because of the great bulk of mail received, all Members appreciate a concise letter which clearly sets forth why one believes a bill is good or bad and how he believes it will affect others.

There is no need to remind the Congressman of the large number of persons who the writer represents or threaten to support his opponent at the polls during the next election if he doesn't vote the way the writer suggests. In fact, Members of Congress like to believe that their vote is always based upon what they feel is the best interest of their constituents and of the country generally. Having the views of constituents several days or more prior to a vote gives the Congressman or Senator an opportunity to know the opinions of the people he represents before he has made a determination on how he will vote.

FOUR-MILE RUN

The Arlandria area, both in Arlington County and the City of Alexandria, has been subject to periodic flooding for a number of years resulting in damage to commercial and residential property and considerable inconvenience to citizens of the general area. Congress has previously authorized a flood control project, but rising costs and greater hazards increased the costs beyond the amount authorized. An agreement, however, was worked out so that the Federal government would bear a substantial majority of the costs with Alexandria, Arlington and the RF&P railroad adding contributions to assist. It is also understood that all jurisdictions within the basin area will regulate future development so that it will not materially add to the danger of flooding.

Our Public Works Committee recommended, and the Congress approved, new authorization of funds to construct the flood control project. Ground breaking ceremonies were held on July 12. It is good to know that this long-needed project is now under way, and even though it will take several years to complete, citizens can look forward to the elimination of a problem which has plagued the area for more than a decade.

MAILING LISTS

Our newsletter is mailed throughout Virginia to every constituent who lets us know of his desire to receive it, and we are always glad to add the name of others not presently on the mailing list. It is difficult, however, to maintain an accurate statewide list as people move from place, marry, or for some reason we make an error in the listing. Therefore, if anyone is receiving duplicate copies of the newsletter, if their name or address is incorrect, or if they are not presently on the mailing list and would like to receive the newsletter, please let us know.

CAMPSITE RESERVATIONS

Legislation enacted earlier this year permits individuals to reserve campsites in a number of national parks. The nearby parks and campgrounds for which reservations can be made in advance are listed below.

Park: Blue Ridge Parkway, VA and NC; Campsites: Crabtree Meadows, Mt. Pisgah, Peaks of Otter, Roanoke Mt., Doughton Park, Otter Creek, Rocky Knob, Price Park, and Linville Falls (Fee $2.00).

Park: Cape Hatteras, NC; Campsites: Oregon Inlet, Salvo, Cape Point, and Frisco (Fee $3.00).

Park: Greenbelt Park, MD; Campsite: Greenbelt (Fee $2.00).

Park: Catoctin Mountain, MD; Campsite: Owens Creek (Fee $2.00).

Park: Prince William, VA; Campsite: Oak Ridge (Fee $2.00).

Park: Assateague, MD; Campsites: Bay Side and North Beach (Fee $2.00).

A list of more distant parks, reservation forms, or further information may be obtained from this office upon request. If the reserved period requested begins from 10 to 90 days from the date of request, the request should be mailed to: Park Reservations System, Inc., P.O. Box 1976, Cedar Rapids, Iowa 52406.

CONTROLLING THE DATA BANKS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RANGEL. Mr. Speaker, over 2 years of Watergate has unquestionably raised public consciousness on the matter of civil liberties and the individual's right to privacy. Today, more than ever, the average American is sensitive to any invasion of his basic constitutional rights. Hence, the subject of data banks is in the public arena. A Washington Post editorial of July 19 placed this subject in its proper perspective. The editorial, entitled "Controlling the Data Banks," is now submitted for the thoughtful attention of my colleagues:

CONTROLLING THE DATA BANKS

Congressional concern about preserving civil liberties has been, over the years, a sometimes thing, so many people will be surprised if the current surge of legislative interest in protecting individual privacy actually produces much legislation. There are growing indications, however, that this year Congress might really follow through on at least one major privacy issue by enacting a measure to regulate data banks and protect citizens against the improper or undisclosed collection and use of personal information by the government.

The need for controls has been amply documented. After four years of work, Sen. Sam J. Ervin's Subcommittee on Constitutional Rights has just released a landmark study which itemizes 858 federal data banks containing over 1.2 billion records on identifiable individuals. Over 86 per cent of these files are computerized. Various data banks hold information on citizens' employment records, medical problems, driving habits, criminal histories, financial dealings, military service and other sensitive subjects. At least 29 files concentrate on derogatory information. In more than 42 per cent of the cases, citizens are not notified that such records about them are being kept. And only 16 per cent of all these data banks have been expressly authorized by law. All this is doubly awesome because the study is incomplete. It does not include the White House "enemies lists" or the records maintained by some agencies which refused to cooperate.

Clearly some basic rules need to be set before the government's penchant for collecting information grows any further out of hand. Last year an HEW advisory committee proposed several fundamental principles: that there should be no files whose existence is undisclosed; that citizens should be able to review and correct almost all records about themselves; that information gathered for one purpose should not be used for another without the subject's consent; and that extensive efforts should be made to protect the security and confidentiality of all files. These principles have been incorporated in the Koch-Goldwater bill in the House and in Senate measures sponsored by Sen. Ervin and several colleagues. On both sides of the Capitol, useful hearings have already been held. The legislative efforts have received a strong assist from Vice President Ford, who pushed the Office of Management and Budget to submit some specific recommendations to the Hill.

For all this progress, however, the hard work is just beginning. Major disagreements have surfaced about the way that basic policies should be applied to governmental files as different as, for instance, the FBI's investigative dossiers and the masses of inactive records in the National Archives. Agencies have already started lobbying for exemptions for national security files, personnel records, census data and other categories. Indeed, some modifications will be required. For example, notifying the subjects of all files would be self-defeating for law enforcement agencies; for the Archives it would be impossible. But Congress should resist the pressures to write such broad, permanent exemptions into a law. The prudent course would be to authorize an oversight board to make exemptions in accord with strict guidelines and with ample opportunity for public comment before any data-collecting is allowed to proceed in secrecy.

Another major issue is how ambitious legislation should be. Some bills would reach not only federal files but also state, local and private data banks. Ultimately those files should also be subject to controls, since citizens can be hurt just as badly by the misuse of private records as by federal mistakes. Yet Congress may not know enough about the multitude of nonfederal files to deal intelligently with them all at once. The difficulties encountered in trying to regulate credit reporting and limit the traffic in arrest records suggest that a careful, step-by-step approach is best outside the federal domains. By reforming the policies for federal agencies and federal aid recipients, this Congress can set a strong example for the states and give citizens far more assurance that they won't be hurt by information lurking somewhere in a data bank.

SURFACE COAL MINING LEGISLATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ASHBROOK. Mr. Speaker, during the past week, we have had the opportunity to discuss in depth three bills that would regulate the surface mining of coal. Of these three bills, I strongly support H.R. 12898, and I oppose H.R. 11500 and H.R. 15000. Only H.R. 12898 is a reasonable compromise between the energy needs and environmental concerns of our Nation.

Surface coal mining is necessary to provide the United States with critically needed energy resources. Currently about half of our coal is derived from surface mining, three-fourths of which is used in the production of electricity. Since our oil and natural gas reserves are already inadequate, any cut in coal production would probably result in serious electrical shortages.

H.R. 15000, however, would ban surface mining within 6 months in the mountains and within 18 months in other areas. Given our current energy problems, a complete phaseout of surface mining seems totally unrealistic at this time. We simply must have the coal to keep our economy running.

H.R. 11500, although more realistic than H.R. 15000, also would sharply reduce U.S. coal production. According to the Bureau of Mines, 187 million tons of coal would be lost next year if H.R. 11500 is adopted. This amounts to approximately one-third of all U.S. coal production. Again, I do not believe that we can afford to sacrifice these coal reserves.

H.R. 12898, on the other hand, guarantees continued access to the surface coal that we must have to meet our energy needs. At the same time, it establishes a detailed list of strict land reclamation standards.

Under the bill, land must be restored "to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or an equal or better economic or public use suitable to the locality." Affected lands must have "a stable and self-regenerating vegetative cover." The coal operator is responsible for successful revegetation for 5 years after the completion of reclamation and for 10 years if the annual average precipitation is 26 inches or less.

Slopes must be stable and all surface areas must be protected from erosion. Streams must be protected against siltation and acid runoff. These and many more environmental safeguards would be instituted by passage of H.R. 12898.

If a coal operator fails to abide by these restrictions, Federal inspectors can close down the operations or impose a heavy fine. In addition, any citizen adversely affected by the actions of a regulatory authority may file a civil action on his own behalf.

Mr. Speaker, H.R. 12898 would assure production of the coal we must have for our energy needs and still protect our environment. The other bills would deny us access to these vital reserves.

PRESSURE ON THE IRS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. TIERNAN. Mr. Speaker, I am herewith submitting for the RECORD a number of articles detailing White House pressure on the Internal Revenue Service. This pressure was designed to bring the powerful administrative measures against those the White House considered enemies or uncooperative. It is my contention that this evidence substantiates the need for an independent IRS contained in my proposed legislation, H.R. 14793.

The articles follow:

[From the New York Times, May 19, 1974]

INQUIRY TO FOCUS ON IRS POLICIES: INDEPENDENT FEDERAL AGENCY PLANS REVIEW TO PINPOINT SERVICE SHORTCOMINGS

(By David Burnham)

WASHINGTON, May 18.—For the first time in 20 years, the Internal Revenue Service's treatment of taxpayers is to be the subject of a major investigation and review by an independent Federal agency.

The yearlong study, which is expected to cost at least $100,000, will examine the policies and practices of the I.R.S. in such areas as the summary seizure of the assets of delinquent taxpayers, the extent to which confidential taxpayer information is given to other agencies and the manner in which taxpayers are selected for auditing of their tax returns.

The initiation of the study was announced this week by the Administrative Conference of United States, a little known agency set up to identify the causes of inefficiency, delay and unfairness in the administrative proceedings of all Federal agencies and to recommend how these proceedings can be improved.

The conference, which began operating in 1968, now has a $750,000 annual budget and a professional staff of about eight lawyers and conducts most of its investigatings through consultant reports prepared by law professors.

The announcement of the concentrated examination of the revenue service came at a time when the agency has been under increasing criticism from a number of Congressmen and consumer groups.

At a news conference Thursday, the project's director, Charles Davenport, a professor at the University of California Law School at Davis, outlined the major subjects that would be examined during the study.

Mr. Davenport said these were the confidentiality of taxpayer information, collection procedures such as the seizure of property, settlement procedures and the use of civil money penalties.

The law professor said other major areas were the way the service handled citizen complaints, methods by which the public could be assured of the fairness and consistency in the selection of who was audited, and what information the agency should make public.

The Congressional Joint Committee on Internal Revenue Taxation has a mandate to monitor the service, but because of the heavy pressure of writing substantive tax laws, the question of how the laws are administered has been mostly ignored.

The last major investigation of the tax agency was initiated by Congress in the early nineteen-fifties at the end of the Truman Administration and the beginning of the Eisenhower Administration. Though prompted by allegations of widespread corruption in the service, the investigation considered many procedural and organization problems.

Antonin Scalia, chairman of the Administrative Conference, sponsor of the present investigation, said he hoped the project would serve "to provide needed public assurance" that the problems of the service "are being looked into by a responsible Government agency."

Both Mr. Scalia and Mr. Davenport said Donald C. Alexander, the Commissioner of Internal Revenue, had assured them of the service's full cooperation.

The study will be under the supervision of a steering committee, including Mr. Scalia and Walter J. Blum, professor at the University of Chicago Law School; Sheldon S. Cohen, former I.R.S. Commissioner now in private law practice here; Victor H. Kramer, director of the Institute for Public Interest Representation, Georgetown University Law School; Harry K. Mansfield of the Boston law firm of Ropes & Gray; Don J. Summa, a certified public accountant with Arthur Young & Co., New York, and Dean Benard Wolfman, University of Pennsylvania Law School.

[From the Washington Post, June 14, 1974]

IRS LINK TO NIXON QUERIED: DEMOCRATS EYE SERVICE'S USE TO HARASS

(By Richard L. Lyons and William Chapman)

Several Democrats on the House Judiciary Committee said they heard evidence yesterday that raised serious questions whether President Nixon was involved in the use of the Internal Revenue Service to harass political enemies and help friends.

"My impression," said Rep. Edward Mezvinsky (D-Iowa), "is that the use of IRS is as significant as, if not more so than, Watergate" as a possible impeachable offense. "Legitimate questions were raised and should be pursued."

Rep. Wayne Owens (D-Utah) said the evidence raised the possibility that serious criminal acts had been committed. "The question of whether the President will be tied to them is a question" which has to be answered, he said.

Committee Chairman Peter W. Rodino (D-N.J.) said the allegation of misuse of the IRS "goes to the heart of the question of whether there has been a serious abuse of power by the President." He said the committee will deal with the issue "very seriously."

On the other hand, Rep. Robert McClory (R.-Ill.), acting senior committee Republican, said: "I didn't feel the presentation was too serious" so far as showing any improper act by the President.

The committee is seeking a 17-minute tape of a Sept. 15, 1972, conversation in which then White House counsel John W. Dean III said he talked with the President about the use of the IRS to attack political enemies, and a report on an IRS investigation of Lawrence F. O'Brien, then Democratic National Committee chairman. This was seven weeks before Mr. Nixon won re-election in a landslide.

Committee special counsel John Doar told newsmen he will ask the committee to issue a subpoena ordering the President to turn over this tape.

Two versions of this tape are already on the public record. In the edited version released by the White House, the President said to Dean:

"I want the most comprehensive notes on all those who tried to do us in. . . . We have not used the power in this first four years, as you know. . . . We have not used the bureau and we have not used the Justice Department but things are going to change now . . ." The "bureau" presumably referred to the FBI. No mention was made of the IRS in the White House version.

In transcribing the tape, the committee found that an earlier segment has been omitted. In that portion, H. R. (Bob) Haldeman, then White House chief of staff, said to the President: "Chuck has gone through you know, has worked on the list and Dean's working the, the thing through IRS. . . . He turned out to be tougher than I thought he would . . ."

This was a four-minute conversation between Haldeman and the President before Dean joined the meeting. It was played for the committee again yesterday. The 17-minute segment that the committee hopes will shed light on the President's involvement in political use of the IRS was the final 17 minutes of the meeting.

When sorting out tapes that should be given to the Watergate special prosecutor, U.S. District Court Judge John J. Sirica held back the 17-minute segment on grounds that it was not related to the Watergate issue. Last week he said he would give it to the Watergate prosecutors, but not to the Judiciary Committee.

Committee lawyers said it is a felony either to interfere with the administration of the IRS or to impede an IRS investigation. It has been alleged that someone in the White House tried to get the IRS to audit tax returns of 490 White House "enemies" and to give special favorable treatment to some presidential friends, such as actor John Wayne and evangelist Billy Graham.

A staff report by the congressional Joint Committee on Internal Revenue Taxation last winter said former IRS Commissioner Johnnie M. Walters ignored a 1972 White House request for special audits of the 490 White House enemies. Most of the names were supplied by Dean, the report said. O'Brien's name was said to be on the list.

Last year O'Brien said he had been under scrutiny by the IRS since 1970, when he returned as Democratic national chairman but had no previous reason to believe it was politically motivated. He said the audits resulted in upward adjustments of tax due by a few hundred dollars.

Committee sources said evidence presented yesterday showed that one request for an audit of O'Brien's returns originated with John D. Ehrlichman, a top White House aide. He reportedly asked for a check on a report that O'Brien had received a large amount of money he had not reported as income.

The sources said Walters subsequently reported back through then Secretary of the Treasury George P. Shultz that the IRS had closed its investigation. Ehrlichman reportedly was displeased. This evidence originated in closed session testimony given the Senate Watergate committee, the sources said. This apparently was a separate request from the blanket list of enemies Dean gave the IRS in 1972.

Another former IRS commissioner, Randolph W. Thrower, confirmed last June that he had resisted strong White House pressure to hire John J. Caulfield and G. Gordon Liddy Jr. in 1970 when the White House wanted to crack down on radicals in the peace movement and elsewhere. Caulfield and Liddy figured in events leading up to the Watergate break-in, and Liddy is serving a prison term for his role.

Thrower later resigned after failing to get an appointment with the President. However, he denied published reports yesterday that he resigned specifically to protest political tampering with the revenue service.

A series of leaks of material from the impeachment inquiry, most of it not helpful to the President, apparently stopped yesterday as members feared it would damage the image of the committee for fairness and responsible action.

House Speaker Carl Albert (D-Okla.) reportedly took a hand in urging members to stop leaking secrets. One Democratic committee member refused to talk to a reporter for fear of contributing to polarizing the committee and Congress along partisan lines.

PRIVATE PENSION REFORM

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BROWN of Ohio. Mr. Speaker, in the near future, the Members of the House of Representatives will have before us landmark legislation in the field of private pension reform. As a strong supporter of that legislation, I wish to share with my colleagues my views on the need for private pension reform:

STATEMENT OF CONGRESSMAN CLARENCE J. BROWN TO THE HOUSE GENERAL SUBCOMMITTEE ON LABOR

Mr. Chairman: I appreciate the opportunity to testify before the Subcommittee today on the subject of pension reform legislation. It is an area in which I am deeply interested and for which I have the highest hopes of enactment during the 93rd Congress. My appearance here today is motivated out of a situation which developed last year in my own Congressional district. I would like to briefly share that experience and my thoughts about it with you this morning in the hope that it will contribute constructively to the task you have undertaken.

For many years prior to its sale to Textron, Inc., on January 3, 1967, the Thompson Grinder Company of Springfield, Ohio, was a locally owned and operated manufacturing plant. Its owner was a pillar of the Springfield community and his relations with the approximately 200 employees of his machine tool firm were based on trust and a mutual commitment to and local interest in the business. That relationship unfortunately changed, however, when the plant was sold to Textron in 1967.

As you know, Textron is one of our Nation's largest conglomerates with subsidiaries located throughout the country and annual gross revenues of almost 2 billion dollars. Suddenly the rather personal relationship which Thompson Grinder employees had had with their management ceased to exist and was replaced by the impersonality of an absentee owner a thousand miles away. Specifically, Thompson Grinder became a subsidiary of Waterbury-Farrel of Cheshire, Connecticut, which in turn, was a subsidiary of Textron, Inc., with home offices located in Providence, Rhode Island.

The Thompson Grinder pension plan has a long history. The firm unilaterally established a pension trust on June 1, 1942. On May 29, 1961, the firm accepted in negotiations with its local union of United Auto Workers a non-contributory pension plan for full-time hourly rated employees, and merged the assets of the June, 1942, pension trust into the new plan. Subsequently, the new plan was amended by the company and the union on March 7, 1966.

Following the 1967 purchase by Textron, a pension agreement, dated June 28, 1969, was propounded by the new owners. To quote the new document, Textron "assumed the obligations of the company (Thompson Grinder) under the plan and the related trust".

Subsequent to the assumption of the obligations of the pension plan, Textron twice negotiated pension benefit increases totalling $249,400. of added liability. This new unfunded accrued liability was added to the previous unfunded accrued liability of the Thompson Grinder firm prior to its purchase by Textron, also approximately a quarter of a million dollars. The original owners of Thompson had agreed to funding of the plan being financed over a twenty-five year period. A similar 25 year funding period was implemented by Textron for the two benefit increases negotiated after their purchase of the firm.

On May 25, 1972, Textron shocked the Springfield community when it announced it was closing the Thompson Grinder plant. During the next several months negotiations were undertaken to reach a Termination Agreement, and a document was signed on October 9, 1972. Paragraph Six of the Termination Agreement provided that the company's obligation to contribute to the pension plan would terminate as of the termination date of the labor agreement then in effect, and that the assets of the pension plan would be applied in accordance with the terms of the plan.

The effect of the plant closing and the provision of the Termination Agreement just referred to, was, of course, to leave a substantial unfunded accrued liability amounting to approximately one-half million dollars. Typical of the impact of this deficit was the situation of my constituent, Mr. Cletus Frederick, an employee of the Thompson Grinder firm for 21 years and 7 months prior to its closing last year. By letter dated February 16, 1973, Mr. Frederick was advised by the Vice President for Administration of Waterbury-Farrel that his annual annuity under the pension plan would be $100.72, starting at age 65 and continuing until his death. Had the pension plan been fully funded, Mr. Frederick would have been entitled to $1367.16 annually. The amount finally offered, therefore, represents a settlement of approximately 7.3% of the figure which would have been his normal entitlement. One hundred dollars and seventy-two cents seems to me a small annual pension for a man who has invested almost 22 years of his life with one firm. More than that, however, it seems to me a cheap price for Textron to have paid for the half million dollar liability it had assumed.

The economic implications of Textron's decision should be considered for a moment from Textron's perspective. It is difficult to believe that Textron, when it purchased the firm, did not take into some account the approximately $250,000 of accrued pension fund liability which existed in 1967. Accountants tell me that unfunded pension commitments represent a balance sheet liability. The logical conclusion I draw is that Textron paid less for the plant than they would had no pension plan existed, and that the former owner accepted less because he recognized it as an obligation he would have fulfilled had he not sold the plant.

I am further bothered by the thought that the two pension increases negotiated by Textron subsequent to their purchase of the plant—totalling a quarter of a million dollars—must necessarily have resulted in smaller paycheck increases or fewer other fringe benefits. It is difficult, if not impossible, to assess whether Textron acted in good faith when they originally purchased the Thompson Grinder plant, or later when they negotiated the two pension increases. I hope that their intention in either case was to keep the plant open and viable, but in view of the closing of the plant in 1972, I have some question in my mind whether that was the case.

After the decision to close the plant and move its production to Connecticut, I was interested to see how far Textron was willing to go in taking care of its employees. The details are illuminating. They graciously offered to 192 employees jobs in a plant in New Hampshire with no seniority rights and no assurance they would be kept on after the day they arrived. The fact that not a single Thompson Grinder employee took advantage of this "offer", in spite of poor employment prospects in the Springfield area, speaks eloquently of Textron's generosity.

The pity is that everything Textron did was, as one might imagine, completely within the letter of the law. Whether it was morally correct is another question—a question about which Textron does not seem concerned. What they did to 192 employees—some of whom had invested their entire work lives in Thompson Grinder—was to leave them high and dry. Very legal, but cruelly tragic in human terms.

It was, nevertheless, my hope that Textron could be persuaded to fund at least a portion of the unfunded liability, and I set up a meeting in my office recently with Textron representatives to explore that possibility. Unfortunately, the meeting proved to be fruitless as it was Textron's position that they had acquitted all their legal responsibilities and were unwilling to go any further in meeting what was at best only a moral obligation.

Mr. Chairman, three years ago I doubt whether I would have testified before you on behalf of pension reform legislation. I come from an area of the country which values self-sufficiency and abhors the intrusion of government in the lives of its citizens. The Thompson Grinder episode has changed my mind. In a very direct and personal way the plight of this comparative handful of workers has brought home to me the callousness of some companies and their views about pension systems.

Perhaps, "system" is not even the right word, for in reality there is nothing but a hodge-podge of varying responses to the pension question. Sadly, most pension plans seem to be more concerned with providing the appearance of a pension plan than with addressing the substantive need of American working people. The fact that a man can spend 22 years of his life at a job, believing that he will be adequately taken care of by a pension plan upon retirement, and then can end up with $100.72 a year in pension benefits adequately makes the point.

Congress, especially in recent years, has been increasingly concerned and involved through broad legislation in the establishment of a national social policy. Some legislation in the pension reform field now being considered by this Subcommittee has to make good sense when considered from this perspective. Every time a plant closes in this country, there are significant but uncalculated burdens passed on to individuals or to society as a whole in the form of higher taxes. Every worker unexpectedly deprived of his pension must, upon retirement, find support from some other source. For many it comes from social welfare programs financed by the American taxpayer. Ironically, a substantial portion of the 50% corporate income tax Textron pays each year goes to support the welfare system which their own business practices help perpetuate.

Perhaps it is unfair to single Textron out as an example, but I use it because it represents a meaningful personal experience. And it is fair to say that Thompson Grinder represents only the tip of a great iceberg of human tragedy. If such things continue to occur, it will do increasing damage to the relationships between American industry and labor. This Subcommittee has within its purview the responsibility to do something about such practices and thereby improve the lives of countless millions of citizens in the years ahead. I urge you to make that bold move and pledge my support for your efforts. In closing I would mention that my bill, HR 3784, is identical to the bill, HR 2, introduced by Chairman Dent, and now under consideration by this Subcommittee.

Thank you, again, Mr. Chairman, for this opportunity to appear before you.

AMENDMENT OFFERED BY MR. DELLENBACK

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. DELLENBACK. Mr. Speaker, I intend to introduce the following proposed amendment to H.R. 11500 when in the course of consideration of this bill we reach the appropriate point.

AMENDMENT TO TITLE II PROPOSED BY MR. DELLENBACK

Line 19, page 232, insert "having an interest which is or may be adversely affected" between "person" and "may.".

Delete line 25 on page 232, and line 1 on page 233 through "as the case may be", and insert in place thereof "order such violation or failure to be corrected".

Beginning on line 7, and continuing on line 8, page 233, delete "regardless of the amount involved or citizenship of the parties".

THE OUTER CONTINENTAL SHELF ENERGY POLICY ACT OF 1974

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HARRINGTON. Mr. Speaker, last week, Thursday, July 18, I submitted H.R. 16008, the Outer Continental Shelf Energy Policy Act of 1974. The bill amends the Outer Continental Shelf Lands Act of 1963, the statute governing the leasing of offshore areas for oil and natural gas development, and has three major premises. First, the Federal Government should improve its capacity to gather the best possible measurements of oil and gas resources on the Outer Continental Shelf. Second, any decision to go forward with further leasing of offshore areas should be made only within the context of comprehensive national energy policy planning. Third, major questions of policy concerning the Outer Continental Shelf should be made with assured and adequate input from environmental and consumer activists within and outside Government, from representatives of State and local governments, and from private parties of all types with an active interest in such operations.

Underlying these premises is the major theme of the legislation: that the case for immediately developing the reserves on the Outer Continental Shelf has yet to be made, and that the Federal Government requires additional planning mechanisms in order to choose among the policy alternatives open to it.

Nearly every authority agrees that energy resources on the OCS will play an important part in meeting future energy needs. With the Department of the Interior as custodian, the American people own the bulk of the Nation's remaining fossil fuel resources; including an estimated 35 percent of the oil and gas, most of it offshore.

The manner in which the Federal Government manages these resources over the next few decades will be critical. The pace at which the shelf is developed, for example, can play a key role in determining the overall rate of energy growth, the mix of fuels, and the degree to which the Nation must rely on imported fuels. Whether environmental values are protected in the process can determine the usefulness of coastal zones and open space to future generations.

Given the importance of the Outer Continental Shelf as a store of energy for the United States, I am troubled by the failure to consider the broadest possible array of options for managing these resources. The bills amending the OCS Lands Act which were considered in hearings in the Senate several weeks ago include worthy refinements in environmental standards for offshore drilling, plans to share production revenues with coastal States, reforms of the Interior Department's oversight role in the letting of leases, and other commendable provisions. But every bill also accepts the unquestioned and unexamined assumption that the leasing of offshore lands to the oil companies should go forward in the near future. One major bill, for example, declares as a matter of policy that all Outer Continental Shelf lands on which oil could be produced without unreasonable environmental harm should be made available "as soon as practicable."

Yet, we realize, makers of public policy do not even know how much oil large areas of the Continental Shelf contain. A year ago, for example, the Geological Survey assured us that the Atlantic OCS has 48 billion barrels of oil and 220 trillion cubic feet of natural gas. This year, we were informed that estimates had decreased to 10 to 20 billion barrels of oil, and 55 to 110 trillion cubic feet of gas. Not only have the figures gone down in absolute terms, but the wide range of the latest estimates suggests that these measurements remain uncertain. The Council on Environmental Quality, in its preliminary statement on Atlantic OCS energy resources last month, justifiably cautioned:

> Whether oil and gas are present in the Atlantic and Gulf of Alaska areas is highly speculative. There may be large commercial reservoirs in these regions exploitable with today's technology, or only small, non-commercial reservoirs, or only trace amounts.

I am not asserting that planning for OCS production should stop because of these statistics; I am, instead, urging that it go further than is now required. In reaching our present supply projections, we have not only counted our eggs before they have hatched; we have also sold them and consumed them before we even know they exist.

A first step in formulating national energy policies, therefore, is to improve the country's very imprecise means of measuring the extent of its resources. Presently, in the case of unexplored areas like the Atlantic Outer Continental Shelf, the Interior Department issues preliminary exploratory permits to interested oil companies, who in turn hire geophysical experts to survey ocean areas by measuring certain magnetic, gravitational, and seismic qualities of the underwater rock formations. The surface of these formations is not disturbed by more direct probing, like the drilling of exploratory wells.

Government managers of the property can purchase the results of the initial surveys, but some of the information can be withheld as "proprietary" at the companies' discretion, and the Government has no authority to conduct exploratory work on its own. Individual tracts in the ocean are "nominated" for leasing by the oil companies as a result of their indirect examination of reserves, put up for auction at public sessions where companies who participated in exploratory work can theoretically compete with each other in bids, and only after a tract is won by a given company or consortium of companies are exploratory wells drilled to confirm the amount of oil and gas believed to reside there.

The trouble is that without having dependable estimates of reserves in OCS locations, especially in "virgin" areas like the Atlantic and the Gulf of Mexico, it is difficult to evaluate the place these areas should hold in a national energy plan.

The Outer Continental Shelf Energy Policy Act authorizes the Federal Government to conduct a thorough inventory of oil and natural gas resources on the Shelf. This inventory is designed to provide information about the extent, location, and characteristics of such resources in order to provide a basis for, first, development and revision of the present leasing programs of the Shelf; second, greater and better informed interest by potential producers in the oil and gas resources of the Shelf; and third, more informed decisions regarding the publicly owned resources on the Shelf and the revenues to be expected from leasing these resources.

In making the inventory, the Secretary of the Interior is authorized to directly conduct or contract for seismic, geomagnetic, and gravitational investigations or drilling on the shelf. Presently, as I mentioned, this kind of direct activity by government is not permitted.

In addition, the Secretary is authorized to acquire all data held by private oil companies—ultimately if it should prove necessary, by issuing subpenas for this information.

The task confronting the Federal Government, however, is larger even than the very important problem of adequate information. I would suggest, for example, that even if the Atlantic OCS is found to contain considerable amounts of oil, we might want to consider preserving that energy for our children, or for national security purposes, rather than using it "as soon as practicable." As long as we do not have a national policy which includes consideration of our energy needs for the next three decades, I do not believe that leasing on the OCS should be accelerated, as several Senate bills propose. Conceivably, our energy requirements through the 1980's could be satisfied by a combination of conservation, reliance on existing oil and gas sources, geothermal energy, and coal and oil shale recovered in environmentally acceptable ways. Perhaps OCS energy should be held in reserve in the event solar energy and nuclear fusion do not evolve as anticipated by the end of this century. But instead of our insisting on the formation of a comprehensive energy policy in which OCS resources have their well-considered role, we seem about to go forward—in an overall policy vacuum—with development on the Outer Continental Shelf.

As an example, however, of the array of options that purposeful energy planning might offer the country, I would refer to a booklet published by the Ford Foundation's energy policy project, "Exploring Energy Choices." The study presents various "scenarios" of energy consumption, and therefore, of energy development. It is through analyses like these that all the possibilities for use of the OCS's resources emerge.

First, "Exploring Energy Choices" examines a scenario in which the United States would continue its recent historical growth in energy consumption. During 1950–72, energy use grew at the rate of about 3.4 percent a year. If that rate is to be continued, all of the U.S. domestic sources of supply, including the Atlantic OCS, would have to be developed simultaneously. Such a policy seems inherent, incidentally, in the Interior Department's drive to expand leasing on the Outer Continental Shelf tenfold by next year.

The energy policy project goes on, however, to propose a set of options differing dramatically from those of Interior and the oil industry. The project describes a "technical fix" scenario which would require a concerted national effort to reduce growth in demand to about 2 percent a year. In such a situation, the project states:

> Domestic oil production would have to grow only about half as much by 1985 and 2000 as it would under the comparable "historical growth" case. The pace of Outer Continental Shelf development . . . could be much lower [yet] self-sufficiency could be achieved sooner.

The country would have the option, in other words, of leaving the Atlantic undisturbed, in the event its cache of oil is deemed too small and the attendant social and environmental problems too serious. Or of holding Atlantic resources in reserve, in case solar energy and nuclear technology do not evolve as anticipated by the end of the century.

Perhaps, after an assessment of the environmental consequences, levels of national energy demand, and alternatives for satisfying these demand levels, development of Atlantic Ocean oil and natural gas would emerge as an acceptable option. In that case, the low-growth scenario of the energy policy project could be modified so as to avoid reliance on nuclear power, because of unresolved safety problems, or to remove the need for strip-mining coal, if that were viewed as environmentally or socially unworkable.

In order to encourage the kind of broad policy approach exemplified by the work of the energy policy project, the Outer Continental Shelf Energy Policy Act requires, as a condition of further leasing of tracts on the shelf, the prior preparation of energy policy impact statements. The impact statement provision is an ambitious, back door approach to requiring national energy policies. The statement for each geographic area proposed to be leased would include information on:

First, the location, extent, and characteristics of the oil and natural gas reserves existing within that geographic area;

Second, the energy policy considerations of which the decision to designate for leasing that geographic area is a part, including the projected annual levels of national energy consumption to be satisfied in whole or in part by energy resources derived from that area;

Third, a description of alternative means of deriving energy resources sufficient to satisfy the energy needs intended to be met by development of energy resource derived from that geographic area, together with the reasons why these alternative means are not to be relied upon to fulfill these needs; and

Fourth, an evaluation of the capacity of the government agency or agencies with regulatory and oversight responsibility related to such tracts, to supervise the development of such tracts in accordance with intended energy policies.

Finally, in order to encourage the broad input on policy which I believe national decisions of this kind require, the Outer Continental Shelf Energy Policy Act creates an Operations Advisory Board. The Board would be composed of the Secretary or his designees, who would serve as Chairman, and ten additional members appointed by the President. One would serve from the Environmental Protection Agency, and the others would be representative of the appropriate State, interstate, and local government agencies in coastal areas, experts in the fields of operations in the Outer Continental Shelf, private industry involved in such operations and organizations or groups demonstrating an active interest in such operations and the environmental effects thereof.

The Board would be empowered to review the provisions of the Outer Continental Shelf Lands Act and the accompanying regulations, monitor enforcement of these provisions, and make recommendations to the Secretary for any necessary changes in them. The Board would also be empowered to hold public hearings whenever and wherever it considered them appropriate for carrying out its functions. Most importantly, perhaps, the Board would assist the Secretary in compiling the policy impact statements I described earlier.

In conclusion, Mr. Speaker, I would emphasize that my legislation, if adopted, would in effect impose a moratorium on leasing on the Outer Continental Shelf until preparation of the suitable energy policy impact statement. I don't intend this provision to be as drastic as it might at first appear; the objective is merely to insure that a decision, for example, to lease areas off the coast of the Eastern United States, is reached prudently and with due consideration for all possible alternatives.

At this point, Mr. Speaker, I would like to reprint the text of the legislation in the Record:

H.R. —

A bill to amend the Outer Continental Shelf Lands Act to insure that the Federal Government has available to it reliable information on the nature and extent of energy resources in the undeveloped areas of the Outer Continental Shelf, and that any decision to develop said resources take place within the context of a national energy policy.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Outer Continental Shelf Energy Policy Act."

FINDINGS

Sec. 2. The Congress finds that—

(a) Energy resources and their management are of overriding national importance for the public health, safety, and welfare, and for the national security of the United States.

(b) Some mineral resources, especially petroleum and its products and natural gas, are in short supply, causing or threatening inconvenience, hardship, and economic disruption for the present and succeeding generations.

(c) In the absence of intelligent planning, the impact of national and international energy shortages will become increasingly severe.

(d) It is particularly appropriate that the Federal Government exercise direct control and oversight of the resources on the Outer Continental Shelf, since these resources are the heritage and property of the people of the United States.

(e) In order to develop our Nation's energy resources in a timely and orderly manner, protect the environment in the process, and insure a fair return to the public from the sale or lease of these resources, it is essential for government to have the best possible measurements of our oil and gas resources on the Outer Continental Shelf.

(f) In undeveloped areas of the Outer Continental Shelf, the Federal Government presently has extremely limited information with which to assess the role these areas should play in a national energy policy structured to satisfy the needs of future as well as present generations.

(g) Serious questions have been raised about the capacity and willingness of the major oil companies, which have dominated Outer Continental Shelf development in the Gulf of Mexico and Santa Barbara Channel, to supply the government with the needed information on the nature and extent of reserves.

(h) Before the commencement of leasing in the undeveloped areas of the Outer Continental Shelf, it is necessary that reliable, detailed information on resources be available to the government, and that the decision to go forward with the leasing of promising tracts, or, as an alternative, hold such tracts in abeyance to satisfy future national needs, be made only in the context of a comprehensive national energy policy in which present and future energy resources and requirements are duly evaluated.

PURPOSES

Sec. 3. It is the purpose of this Act to insure that—

(a) the Federal Government has reliable and firsthand information on the nature and extent of energy in the undeveloped areas of the Outer Continental Shelf;

(b) development of these areas only proceed after this data has been received and evaluated; and

(c) development of these areas, at whatever time and place, take place within the context of a comprehensive national energy policy considerations.

INVENTORY OF OUTER CONTINENTAL SHELF ENERGY RESOURCES

Sec. 4. The Outer Continental Shelf Lands Act (43 U.S.C. 1331–1343) is amended by adding at the end thereof the following new sections:

"Sec. 18. Inventory of Outer Continental Shelf Energy Resources.—(a) The Secretary is authorized and directed to conduct an inventory of oil and gas resources on the Outer Continental Shelf. This inventory shall be designed to provide information about the probable location, extent, and characteristics of such resources in order to provide a basis for—

"(1) development and revision of the present leasing program on the outer Continental Shelf;

"(2) greater and better informed competitive interest by potential producers in the oil and gas resources of the outer Continental Shelf; and

"(3) more informed decisions regarding the value of public resources and revenues to be expected from leasing these resources.

"(b) In making the inventory required by this section, the Secretary (at any stage of investigation or drilling) is authorized to—

"(1) conduct or contract for seismic, geomagnetic, gravitational, geophysical, geological, or geochemical investigations or drilling on the outer Continental Shelf;

"(2) acquire, by purchase or otherwise, the results of seismic, geomagnetic, gravitational, geophysical, geological, or geochemical investigations or drilling conducted by any person on the outer Continental Shelf;

"(3) consult all data pertaining to that area held by State and local governments and other Federal Government agencies; and

"(4) consult all data pertaining to that area obtained by any person under exploratory permits issued by the Secretary.

The Secretary shall have authority, for purposes of this subsection, to sign, and issue subpenas for the production of relevant books, papers, charts, and other documents or materials, and, in case of refusal to obey a subpena served upon any person under the provisions of this subsection, the Secretary may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and produce such relevant books, papers, charts, and other documents or materials before the Secretary. No person shall be permitted to conduct further exploration or to bid for or hold a lease in the designated area unless he submits the requisite information to the Secretary.

"(c) The Secretary shall make certain that the investigations or drilling referred to in subsection (b) utilize the best available technology, and that his Department, in assessing the results of such investigations or drilling, utilizes adequate numbers of expert personnel;

"(d) The Secretary shall make available to the public all information obtained by him under this section, except any information pertaining to specific tracts shall be kept confidential until the tract to which such information pertains has been leased under this Act. Any information obtained by the Secretary under this section, regardless of how obtained, may be disclosed to any other person who is administering this Act solely for the purpose of such administration, and, when relevant, in any proceeding under this Act. Nothing in this section shall be construed as authorizing the withholding of any information from the Congress.

"(e) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section during the two fiscal years ending June 30, 1975, and June 30, 1976.

"SEC. 19. Outer Continental Shelf Operations Advisory Board—

"(a) There is established in the Department of the Interior an Outer Continental Shelf Operations Advisory Board. The Board shall be composed of the Secretary or his designee, who shall be Chairman, and ten members appointed by the President, one from the Environmental Protection Agency and the others to represent appropriate State, interstate, and local government agencies in coastal areas, experts in the fields of operations in the Outer Continental Shelf, private industry involved in such operations and organizations or groups demonstrating an active interest in such operations and the environmental effects thereof.

"(b) The Board shall meet at the call of the Chairman or a majority of the members thereof. A majority of the members shall constitute a quorum for the purpose of establishing official positions of the Board.

"(c) The Board shall

"(1) review the provisions of this Act and the regulations pursuant thereto;

"(2) monitor the enforcement of such provisions and regulations;

"(3) make recommendations to the Secretary for any necessary changes in such provisions or regulations;

"(4) hold public hearings whenever and wherever appropriate in carrying out its functions, and

"(5) assist the Secretary in compiling the Policy Impact Statements described in Section 20.

"(d) Members of the Board from Federal departments and agencies and from State and local governments shall receive no additional compensation for their services as members of the Board. Members of the Board selected from the private sector, while serving on business of the Board, shall receive compensation at rates fixed by the Secretary but not exceeding $100 per day, if service on the Board would result in loss of income which would otherwise be earned. All members of the Board, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Secretary shall make available to the Board such office space and facilities, and such secretarial, clerical, technical, and other assistance and such information and data in his possession or under his control, as the Board may require to carry out its functions.

"SEC. 20. Preparation of Energy Policy Impact Statement—

"(a) After the designation of a geographic area on the Outer Continental Shelf for leasing, and before the solicitation of nominations for the sale of individual tracts within said geographic area, the Secretary shall prepare and make public a detailed statement including:

"(1) the location, extent, and characteristics of the oil and natural gas reserves existing within said geographic area;

"(2) the energy policy considerations of which the decision to designate for leasing said geographic area is part, including the projected annual levels of national energy consumption to be satisfied in whole or in part by energy resources derived from said area;

"(3) a description of alternative means of deriving energy resources sufficient to satisfy the energy needs intended to be met by development of energy resource derived from said geographic area, together with the reasons why these alternative means are not to be relied upon to fulfill these needs;

"(4) an evaluation of the capacity of the government agency or agencies with regulatory and oversight responsibility related to said tracts, to supervise the development of said tracts in accord with intended energy policies;

"(b) In compiling the Policy Impact Statements described in this section, the Secretary shall:

"(1) consult on a continuing basis with the Outer Continental Shelf Advisory Board, and shall solicit additional views from all concerned parties, including representatives of local, state, and interstate government agencies in coastal areas, experts in the fields of operations in the Outer Continental Shelf, private industry involved in such operations, and private individuals and organizations demonstrating an active interest in such operations and the environmental effects thereof;

"(2) utilize the data resulting from the inventory of Outer Continental Shelf energy resources described in Section 18.

"SEC. 21. No heretofore unleased tracts on the Outer Continental Shelf shall be leased until at least sixty (60) days following the submission to Congress of the Policy Impact Statement pertaining to said tracts.

WELFARE OUTSTRIPS SOME PAY

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HUBER. Mr. Speaker, the problem of what to do with our national welfare system has plagued the Congress for some years. Everyone knows that welfare reform is needed. It has always been suspected that some of our present laws were encouraging people to make a career out of welfare. Recently, a study released by the Joint *Economic* Committee showed that welfare in some cases actually beats working—something many of us have been asserting for some time. The Washington, D.C. Area is an example of how the present system is not working as the article that appeared in the Washington Post on July 22, 1974, points out. The item from the Post follows:

WELFARE OUTSTRIPS SOME PAY

(By Stephen Green)

A congressional study released yesterday indicates that under some circumstances it can be more profitable to be on welfare in the District of Columbia than to hold a job.

The study, conducted by the Joint Economic Committee of the Congress, says the welfare systems are so structured in the District and elsewhere in the country that they financially encourage unemployment, higher birth rates and separation of families.

However, the study contains no material showing that persons actually make decisions to have children or leave their jobs or families based on financial benefits they may receive from public assistance.

In the District, according to the study, a family consisting of an unemployed mother and her two children could get annual public assistance benefits equivalent to a taxable income of $5,160 a year. The report gives median salary for women workers in the city as $5,144 a year.

The median salary is the wage that lies in the middle of the group of salaries being surveyed. Thus, half the employed women earn less than the median and half earn more.

According to statistics in the study, the combined income of a family in which a working father is separated from his wife and children, permitting them to obtain public assistance benefits, is higher than the income of a similar family living together.

Also, the report shows that the public assistance benefits for an unemployed woman with one child in the District can be more than 800 per cent higher than the benefits obtained by an unemployed woman without children.

"This analysis reveals the welfare system's average financial incentives for family breakup, motherhood and for not working," said Rep. Martha W. Griffiths (D-Mich.) chairman of the Joint Economic Subcommittee on Fiscal Policy.

The figures in the report are July, 1972, statistics supplied by the D.C. Government and 99 other local governments from around the country. The 100 localities were selected to present a "nationally valid picture" of what welfare benefits are available to different groups of people, the report said.

Nationally, according to the report, the average cash, food and housing benefits potentially available to a nonworking welfare mother with three children exceed median women's wages by about 10 per cent.

Such a family, the report states, would be entitled to an average of $4,579 in tax- and expense-free benefits a year that equal about $5,006 in taxable income. This is $398 above the median wage and salary income of all women workers, according to the report.

In the District, according to the report, the annual median wage for women is $527 less than the equivalent annual taxable income available through public assistance to a family consisting of an unemployed mother with three children.

Such a family in the District, according to the report, could get annual public assistance benefits that include $2,862 in aid to families with dependent children (AFDC), $900 in food stamps, at least $80 in free school lunches and public housing worth $1,320 a year. These benefits, come to $5,164. The committee staff, in the report, states this is equivalent to a taxable income of $5,671 a year.

Not all welfare families in D.C. have public housing. There is a waiting list for such housing in the city.

The report also states that in the District a mother of three who works for the median wage would be eligible for some public assistance benefits worth $1,617 a year. The value of these benefits added to her median salary would total $6,761 a year.

But, the report states, with the deduction of working expenses and childcare expenses, she would be left with the equivalent of an annual taxable income of $5,440. This is $231 less than the equivalent taxable income for the unemployed mother of three.

There are about 106,000 persons on the D.C. welfare rolls, according to a recent testimony by city officials before the House District Appropriations Subcommittee. About 101,000 receive AFDC payments.

Joseph Yeldell, head of the city's department of human resources, which handles the city's welfare program, could not be contacted yesterday for his reaction to the report.

The report states the national statistics show welfare benefits available to an unemployed single woman without children are 50 per cent, or $1,159, less than the annual benefits available to an unemployed woman with one child.

In D.C., according to the report, an unemployed woman with one child could get benefits worth $3,131 a year more than the benefits available to a childless, unemployed woman.

A childless, unemployed woman in D.C. who is not eligible for unemployment insurance, could get in annual public assistance benefits only $432 in food stamps. An unemployed woman with one or more children would be eligible for AFDC payments and public housing.

Mrs. Griffiths said the committee's study shows that "by splitting up, poor families generally can increase joint income by more than enough to pay for the cost of maintaining a separate household. Benefit gains in cash and food range as high as 50 per cent of original family income."

In the District, according to the report, a family consisting of an unemployed mother, three children and a father working 40 hours a week for $2 an hour, would have an income from wages and public assistance equivalent to a taxable income of $5,328, the report said.

The public assistance benefits received by such a family could include only food stamps and public housing.

If the father moved out, he still would have his wages of $4,160 a year. The mother and three children, according to the report, would get public assistance benefits equivalent to a taxable annual income of $5,671. This would place the combined family income at a taxable equivalent of more than $9,000 a year, according to the report.

U.S. JAYCEES HONOR PITTSBURGH SELF-HELP GROUPS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the U.S. Jaycees have just published a book, "UPLIFT: What People Themselves Can Do," which analyzes the scope and success of small scale self-help projects, operating in low income communities throughout the country.

I am pleased and proud to report that the Jaycees chose four such operations in my congressional district.

These four projects, along with 96 others, we picked from some 1,000 similar activities isolated by the Jaycee research project.

I wish to include in the RECORD at this time a brief description of the neighborhood programs singled out by the Jaycees, and offer my sincere congratulations for jobs well done to Pittsburghers: Mr. Leon Hickman, director of the homemaker skills program; Mr. Richard Barber, director of urban talent development; Mr. Bernard Jones, director of urban youth action; and Mr. James Givner, director of Operation Better Block.

The material follows:

HOMEMAKER SKILLS

Her admirers call Cora Raiford the "miracle worker" of Pittsburgh's Homewood-Brushton district because of her ability to brighten the drab lives of the poor.

During the last five years she has become a friend, a teacher and confidante to more than a thousand people—poor people who have long been victims of poverty, imprisoned without hope in the city's slums.

She has touched their lives through compassion and caring, through helping them and teaching them. She has taught them about decorating their homes, about stretching the family income, about flower arranging and ceramics. She has given them lessons in sewing, knitting, cooking, and the art of candle making. But what she does best is to help people learn about the most important art of all—the art of living.

Cora Raiford's story is a large part of the story of a special program started in the late 1960s called Homemaker Skills. It was launched by ACTION-Housing, Inc., which is a privately funded self-help agency founded in 1957 to provide new and rehabilitated housing for low- and "no"-income families.

"Its one thing to take people out of the slums and give them a place to live," says ACTION-Housing's executive director, William Farkas. "But it's something altogether different to expect them to know how to live once they've gotten a place."

The challenge of the Homemaker Skills program, continues Farkas, is "to find out how in the hell we can deliver the myriad of services and abilities people must have to maintain homes at near or below poverty levels—so that they can live with the dignity and pride of their more affluent neighbors."

Homemaker Skills concentrates its efforts in two low-income areas of Pittsburgh. One is the Homewood-Brushton district which is predominantly black; the other is the Perry-Hilltop district, about one-third black, on the city's North Side. Although ACTION-Housing says the program is available to the general community without regard to place of residence or income level, the primary thrust of Homemaker Skills is clearly directed toward families living in new or rehabilitated housing that is sponsored by ACTION-Housing and other nonprofit leasing enterprises.

The twin driving forces of Homemaker Skills are a pair of dedicated, energetic women: Cora Raiford, who works in the Homewood-Brushton area, and Aurelia Demus, who is active in the Perry-Hilltop area.

"They, not us, make Homemaker Skills tick," says Jonathan Zimmer, director of supportive services for ACTION-Housing.

What makes the approaches of Cora Raiford and Aurelia Demus tick is sensitivity. Both know the problems of poverty. Both have seen the deterioration of their neighborhoods and communities. They have different ways of going about it, but they both know how to develop a sense of self-confidence and dignity in the "ladies" of the program.

Their constant reference to "ladies" reflects the importance they attach to human dignity in their overall attack on the problems. A lady is a symbol of achievement, and to Cora Raiford and Aurelia Demus all the women in Homemaker Skills are ladies.

The Homemaker Skills program provides the ladies with free classes in a great variety of subjects. These include the basics of homemaking, such as sewing, cooking, and interior decorating, as well as more advanced topics, such as nutrition, budget stretching, upholstering, and art.

"Our hope is to build the necessary skills for people to live in public housing so that they can become self-sufficient," says Farkas. "This is the real bread and butter of housing programs."

It is also what sets ACTION-Housing apart from other housing programs.

Homemaker Skills classes are conducted on an informal basis, without rigid structuring. In general they have had no official beginning or ending point. Some participants tend to drop out after reaching a certain level of skill, while others continue to attend over a long period of time. The classes are held in a variety of places—in the four Homemaker centers, in the homes of the "students" themselves, or some other place.

All of the class sessions are kept free of anything that would lead to them being mistaken for welfare or social development programs. Cora Raiford and Aurelia Demus want to make it instantly clear that they are homemakers, not caseworkers. Theirs is a one-to-one relationship with each lady, not a teacher-student or caseworker-client relationship.

"I guess the real thing is that they get to know us and trust us as friends," says the soft-spoken Aurelia Demus. "It really becomes a social situation when they begin sharing all their problems with us. Once you start working in the same kitchen with a person or sit in the living room with her, there's a certain bond of friendship and trust that automatically begins to develop."

Both Cora Raiford and Aurelia Demus come by their talents naturally. Mrs. Demus has been sewing or knitting all her life. And Mrs. Raiford says, "I can't remember when

I couldn't sew or read a pattern. I love to cook, and any kind of art work I see I want to try." She is an experienced home economist who learned her craft at Tuskegee Institute in Alabama.

The Homemaker Skills program has gone far beyond just knitting, sewing, cooking, and other routine skills. Mrs. Demus, for example, has added a charm class for teenage girls, is experimenting with cooking courses for boys, and has started special piano and music classes for adolescents and adults.

One of the most exciting new ideas she has brought to the Perry-Hilltop area is a course in junk art—the art of making such things as wall hangings and centerpieces from bottle caps and coat hangers. The course is being taught by Dorothy Richardson, a long-time civil rights worker and the person who got Aurelia Demus involved with ACTION-Housing in the first place.

Cora Raiford has also expanded her offerings to include classes in candle making and foliage arrangement. Tutorial classes for boys have been launched. And even the men of the neighborhood have become involved in the basics of plastering, upholstering, and home repairs.

The results of Cora Raiford's classes can be found throughout the homes in the Homewood-Brushton area. One woman, for example, did all her own drapes and curtains, turning her home into a showpiece for the rest of the neighborhood. Both her pride and reputation are now spreading, as others follow her example.

One interesting result of Homemaker Skills' success has been that Allegheny County Community College has called on Mrs. Raiford to teach a special ten-week, 30-hour creative home economics skills course right at her Tioga Street Center. "Our hope," says Zimmer, "is that a college certificate will stimulate some of the people involved in Cora's program to go on to other areas of education and training.

Homemaker Skills operates four centers, two in Homewood-Brushton and two in Perry-Hilltop. The centers themselves reflect the creativity of the Homemaker Skills program. Cora Raiford, for example, has converted the Tioga Street center—an abandoned sheet mill—into a veritable rose garden of homely pleasantness. Combining her own with that of her participants, she has completely revamped the inside with bright and decorative wall hangings, attractive furniture, and colorful foliage arrangements.

All of the centers are beehives of activity throughout the week, with a variety of activities in full swing on any given day. Consider a typical evening at Aurelia Demus' three-story thatched row house headquarters on Charles Street. The center is filled to overflowing. Eight women ranging in age from 21 to 86 are on the second floor for their regular sewing class. A group of neighborhood men are meeting on the first floor to discuss furnace maintenance with an expert from one of the local gas companies. And the third floor is jammed with teenagers talking about a school project, as their record player blares forth the music of Aretha Franklin and Robert Flack.

And this is how Aurelia Demus likes it. "When we're busy," she says, "that means we're reaching people," and she goes on to recall her very first sewing class in a makeshift trailer two years ago—when only two people showed up.

Some of the participants are turning their new-found talents to profit-making ventures.

A woman in Mrs. Demus' sewing class, for example, has begun making turbans, for which she has found a good market. And then there is Ann McCoy, one of the veterans of Cora Raiford's program, who has learned how to make fancy napkin holders using empty detergent bottles. In 1973 she sold over one hundred of her popular creations to friends and neighbors for Christmas gifts.

"It would have cost $5 to get something that pretty at a store," says one woman. "Ann only charged $3."

Funding is a continuing problem for both Homemaker Skills and ACTION-Housing. Although Homemaker Skills has largely been supported by private foundations, these sources are beginning to dry up somewhat.

As Cora Raiford puts it: "We've had to beg, borrow, and steal to get the necessities, such as stoves, refrigerators, sewing machines, and other materials. So far the supply has been ample."

But with or without equipment, Homemaker Skills will go on.

"By itself," admits Zimmer, "it has not solved all the problems associated with poverty. Far from it. We are never satisfied and feel much more can be done. But through people like Cora Raiford and Aurelia Demus we have improved the housekeeping and maintenance skills of the residents we serve in our more than one thousand housing units. This in turn has begun to provide a beneficial impact on the quality of life in our housing developments and the community as a whole."

AMENDMENT OFFERED BY MR. SYMMS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. SYMMS. Mr. Speaker, I introduce the following amendment for protection of the 5-minute time rule:

AMENDMENT TO H.R. 11500 OFFERED BY MR. SYMMS

On page 234, following line 17, add a new subsection "f" as follows and reletter the subsequent subsections.

"Sec. —. Every citizen of and within the United States may seek to enjoin before any United States District Court every effort to restrict the surface mining of coal upon a showing that such restriction will increase United States dependence upon imported fuels or will impair employment security among citizens of the United States: *Provided,* That any such injunction which may be issued by the U.S. District Court does not impair the obligation of surface mining operations to restore the mined land to substantially useful and relatively attractive condition."

EXPLANATION OF SYMMS AMENDMENT

1. Under the present committee Bill every citizen has the right to sue in court to stop mining if an individual citizen or group of citizens consider it to be damaging to the environment.

2. The Committee Bill states that the area that is surface mined must be returned to the "approximate contour" that existed before any mining occurred. This term is vague and leaves the door open for excessive law suits and litigation under the above mentioned provision.

3. Such a halt to mining operations that could arise as a result of these suits and litigation would cause excessive unemployment. Unemployment reduces tax revenue from which welfare and unemployment compensation are paid.

4. Any reduction in energy production will produce unemployment. In fact, the Chase Manhattan Bank predicts unemployment would rise to 25% by the mid 1980's if energy production remains level; if it declines the result will be worse. This is based on people already born entering the work force.

5. This amendment protects the workers of America and at the same time insures land reclamation. The legitimate ends of conservation are adequately met. This vote will test the wishes of those who want to control surface mining: Is their concern for the American worker as great as for the landscape?

HEARING ON HUMAN RIGHTS IN SOUTH KOREA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. FRASER. Mr. Speaker, the House Foreign Affairs Subcommittees on International Organizations and Movements and Asian and Pacific Affairs will hold a joint hearing on human rights in South Korea. The hearing will be held at 2 p.m., Tuesday, July 30, in room H-236 in the Capitol.

The hearing on July 30 will include testimony from the following witnesses:

Prof. Edwin O. Reischauer of Harvard University, former U. S. Ambassador to Japan;

William Butler, attorney, recently returned from South Korea as an observer for Amnesty International;

A witness from the Department of State; and a witness from the Department of Defense.

The hearing is being held to examine the growing repression by the South Korean Government. President Chung Hee Park appears unwilling to tolerate any criticism of his regime. Recently military court martials have sentenced 14 persons to death, 15 persons to life imprisonement, 20 persons to 20 years, and 6 others to 15 years in prison for organizing student demonstrations which called for democratic rule in South Korea. The lawyer who defended the nation's leading poet and 10 students in these political trials has been arrested because he denounced the military judges who imposed death sentences on several of his clients.

The administration proposes to allocate $252 million to South Korea in fiscal 1975. Military assistance, under the terms of the Foreign Assistance Act, is supposed to prevent international communism from attempting "to bring under their domination peoples now free and independent. . . ."

The Park government may be South Korea's own worst enemy.

I include after my remarks, an article which appeared in the New York Times on July 19 reporting the arrest of Kang Shin Ok, the South Korean lawyer who defended a number of persons involved in the political trials mentioned above.

Also, I include the statement by the Committee for Human Rights in Korea which is composed of 40 Americans and Korean residents in the United States. The list of persons includes church leaders, university professors and former ambassadors.

Finally, I include an editorial which

appeared in the July 22 New York Times urging the United States to warn the South Korean Government that:

> The 38,000 American troops that still defend South Korea cannot be expected to remain there very long if a tightening dictatorship continues to make the government of South Korea less and less distinguishable from that of the North.

The article follows:

[From the New York Times, July 19, 1974]

LAWYER IN SEOUL HELD AFTER TRIAL

(By Fox Butterfield)

SEOUL, SOUTH KOREA, July 18.—A prominent South Korean lawyer who defended the nation's leading poet and 10 students in political trials last week has been arrested, associates disclosed today.

The lawyer, Kang Shin Ok, was taken from his office by plainclothes agents last Monday, apparently because he had denounced in court the military judges who imposed death sentences on several of his clients, including the poet, Kim Chi Ha. Mr. Kang, a leading advocate of civil liberties, holds a graduate degree from George Washington University and also studied at Yale.

Kim Young Sam, vice president of the New Democratic party, the major opposition was detained this morning, apparently only for interrogation. He had scheduled a news conference at which, according to aides, he planned to call for suspension of the sweeping emergency decrees proclaimed by President Park Chung Hee this year.

The arrests are part of a steadily lengthening series of political detentions, trials and convictions designed to suppress all opposition to President Park. In recent months 91 people have been convicted of subversion, with 14 sentenced to death. Over 100 others are awaiting trial, informed diplomats say.

The two other major court actions continued.

In one a former President, Yun Po Sun, two Protestant clergymen and a professor of American history appeared for the second day before a closed court-martial in the Defense Ministry. They are accused of violating emergency decrees by giving money to dissident students and calling for Mr. Park's ouster.

Foreign correspondents have not been allowed to attend, and the strictly controlled press has not reported the proceedings.

In a civilian appellate court another well-known Korean Kim Dae Jung, argued that the case charging him with election law violations in 1967 and 1971 be thrown out because the judge was prejudiced. Mr. Kim is the opposition leader who was kidnapped from his Tokyo hotel room last August by agents of the South Korean Central Intelligence Agency. His appeal is given little chance of success.

The series of trials has produced a palpable atmosphere of fear, reducing conversations to whispers or shrugs of the shoulders and often leading to outright refusals to receive visitors.

Partners in the law office of Mr. Kang declined to comment on why he had been arrested or what he had said in court that led to his arrest. "Do you think we want to be arrested too?" one of them asked.

BROAD PROHIBITION

Under an emergency decree issued April 3, it is a crime punishable by death for anyone "to advocate, instigate, propagate, broadcast, report, publish or otherwise communicate to others such act or acts as are prohibited" by the other emergency measures.

Others familiar with Mr. Kang's case said that in his criticism of the three judges he termed the trial a farce and asserted that he was ashamed to be a lawyer in Korea and that if he was a student he would have done just what the students did.

Mr. Kang, who is 39 years old, was arrested outside the courtroom with another defense lawyer. They were held for two days, then released, but Mr. Kang was rearrested.

The Korean Lawyers Association met to discuss Mr. Kang's arrest, believed to be the first instance in which a lawyer has been detained in South Korea for his words in the courtroom.

Mr. Kim Shin Ok of the New Democratic party has been one of the more outspoken members of the opposition in the National Assembly. According to his aides, he had intended to call not only for suspension of the emergency decrees but for the end of the courts-martial and freedom for Mr. Kim Dae Jung, who has been under virtual house arrest since his abduction.

STATEMENT OF COMMITTEE FOR HUMAN RIGHTS IN KOREA

Friends of the Korean people and persons concerned with human rights there and elsewhere have watched with mounting distress the acts of President Chung Hee Park during the past six months which have systematically sought to eradicate all criticism or protest against his dictatorial rule in Korea.

These acts now culminate with the sentencing by Courts Maritial of fourteen persons to death, fifteen persons to life imprisonment, twenty persons to twenty years and six others to fifteen years in prison for the "crime" of organizing student demonstrations which called for the return of a more democratic government and a more just society.

More than two hundred others are yet to be tried while the previous opposition candidate for Presidency, Km Dae Chun, who was kidnapped from Tokyo, is under trial and the previous president, Yun Po Sun, has been called to trial.

More than thirty others including clergymen, professors and students are known to have been sentenced to imprisonment for periods of from five to fifteen years for expressing the belief that the Korean people have the right to discuss the form of government under which they live.

The injustice and the inhumanity of these sentences against students, intellectuals and religious leaders and the detention of outstanding democratic political leaders calls for international protest in the name of humanity and human rights. We call on the United States to distance itself promptly from oppressive acts against the people of Korea which the Government of President Park has carried out (supported by U.S. arms) and to use its influence for the restoration of participatory government in Korea. In so protesting these acts, and by limiting further aid, the U.S. Government would fulfill the policy enunciated by Secretary of State Acheson in 1950: "United States aid, both military and economic, to the Republic of Korea has been predicated upon the existence and growth of democratic institutions within the Republic" and Section 32 of the Foreign Aid Law of 1973 which states it is the sense of the United States Congress that aid should not be given to the government of countries which carry out political repression of their citizenry.

Professor Hugh Borton, East Asia Institute, Columbia University and former President, Haverford College.

Professor Jerome A. Cohen, Director, East Asian Legal Studies, Law School, Harvard University.

Professor John K. Fairbank, Chairman, Council East Asian Studies, History, Harvard University.

Professor Gregory Henderson, Fletcher School of Law & Diplomacy, Tufts University.

Professor Donald W. Klein, Political Science, Tufts University.

Professor Robert Legvold, Political Science, Tufts University.

Professor Edwin O. Reischauer, Former U.S. Ambassador to Japan, University Professor, Harvard University.

Professor Benjamin S. Schwartz, History & Government, Harvard University.

Dean Krister Standahl, Divinity School, Harvard University.

Professor James C. Thomas, Jr., Curator Nieman Foundation, Harvard University.

Professor Ezra F. Vogel, Director East Asia Research Center, Harvard University.

Rev. James E. Anderson, Stated Clerk, Presbyterian Church in the U.S.

Rev. Dr. Lawrence W. Bottoms, Moderator, Presbyterian Church in the U.S.

Rev. Dr. W. Sterling Cary, President, National Council of Churches.

Rev. Dr. Tracey Jones, General Secretary, Board of Global Ministries, United Methodist Church.

Rev. Dr. Robert J. Marshall, President Lutheran Church of America.

Rev. Dr. Robert B. Moss, Jr., President, United Church of Christ.

Father William McIntyre, Secretary General of Maryknoll Fathers.

Rev. Dr. John Coventry Smith, President of the World Council of Churches.

Rev. Dr. Eugene Stockwell, Associate General Secretary for Overseas Ministries, National Council of Churches.

Rev. Dr. Kenneth Teegarden, General Minister & President, Christian Church, (Disciples of Christ).

Dr. William P. Thompson, President World Alliance of Reformed Churches, Stated Clerk of the United Presbyterian Church in the U.S.A.

Mr. Sung Nam Chang, Publisher, *Free Republic*.

General Bung Nam Choi, Former Brigadier General, Army of the Republic of Korea.

Dr. Kyu Hong Chyun, Former Ambassador of Korea to Germany & France.

Dr. Young Che Kan, Editor, *Free Republic*.

Dr. B. S. Kim, Chairman, Sociology Department, Montclair State University.

Dr. Jai Hyon Lee, Former Director, Information Officer, Korean Embassy in the U.S.A.

Mr. Keun Pal Lee, Executive, director, Korean Institute for Democracy & Unification.

Professor Channing Liem, Former Ambassador of Korea to the United Nations, Political Sicence, New Paltz State University.

Dr. Paul Kichon Ryu, Former President, Seoul National University.

Dr. Harold Hakwon Sunoo, Professor of Asian Studies, The City College, City University of New York.

Dr. Soon Man Rhim, Sociology, William Paterson College of New Jersey.

Dr. Syngman Rhee, Associate for Internationalization, The United Presbyterian Church in the U.S.A.

Dr. Wi Jo Kang, President, Association of Korean Christian Scholars in the U.S., Associate Professor of Comparative Religions, Concordia Seminary.

Dr. Hai Won Chang, Columbia University, Vice-President—Association of Korean Christian Scholars in the U.S.

Mr. Harry S. Ashmore, Executive Vice-President, Center for the Study of Democratic Institutions.

Mr. Theodore Richard Conant, Director, J. Henry Schroder Banking Corporation.

Mrs. Ellen Pasaty Conant, Far Eastern Fine Arts Authority.

Dr. Andrew Cordier, President Emeritus Columbia University.

Mr. Joseph E. Johnson, Princeton, New Jersey.

Rev. Vern Rossman, Executive Director, Intermedia, National Council of Churches.

Rev. L. Newton Thurber, Liaison with East

Asia, The United Presbyterian Church in the U.S.A.

[From the New York Times, July 22, 1974]

Repression in Korea

The arrests and military trials of dissidents in South Korea—highlighted by the fourteen death sentences handed down in one week—have suddenly taken on a scope and character that demand American attention.

President Park Chung Hee's repressive measures, designed to perpetuate himself in power, have led to the arrest of hundreds of students, intellectuals and opposition politicians. More than 90 have now been convicted by a military court, 35 of them sentenced this month to terms running from 20 years to life. The Defense Minister's decision to commute to life terms the sentences of five of those who had been condemned to die, including that of the dissident poet Kim Chi Ha, will be wlecomed but hardly alters the repugnant thrust of the Government's harsh crackdown.

Others now on trial include two clergymen, former President Yun Po Sun and—in a civilian court—Kim Dae Jung, the 1971 presidential candidate who captured 46 per cent of the popular vote against General Park, then left the country and was kidnapped from a Tokyo hotel room last August by South Korean agents. And now a defense lawyer has been arrested for his strong words in court.

The current politiical turbulence followed President Park's revision of the country's Constitution in November 1972, under cover of martial law. The revision enables him to retain office as long as he likes, to control the National Assembly and to exercise virtually unlimited powers. Student demonstrations last fall, followed by mass signing of petitions for restoration of a democratic constitution, led to emergency decrees that now make almost any dissent punishable by death.

This disgraceful situation makes a mockery of the principles for which the United States has expended blood and treasure in Korea for a quarter-century. A four-month cut-off of Japanese economic aid last year brought the temporary release of Kim Dae Jung. What is needed now is a joint démarche by Washington and Tokyo and a clear warning that the 38,000 America troops that still defend South Korea cannot be expected to remain there very long if a tightening dictatorship continues to make the government of South Korea less and less distinguishable from that of the North.

H.R. 15995 WOULD EXTEND LOAN

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ROGERS. Mr. Speaker, I am pleased to announce that earlier this afternoon the Subcommittee on Public Health and Environment voted unanimously to report H.R. 15995, a bill which would extend the loan and scholarship provisions of the Health Manpower Training Act, and the Nurse Training Act for 1 year as well as extending the National Health Service Corps Scholarship program. We agreed to one amendment to H.R. 15995 in which we would increase authorizations for the National Health Service Corps Scholarship program to $40 million. A "clean" bill is being introduced today.

DAIRYMEN PAY TRIBUTE TO AVERY A. VOSE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. McCLORY. Mr. Speaker, the July 1974 issue of Dairymen's Digest—Mid-States Region bears on its cover the likeness of my long-time friend and constituent, Avery A. Vose, who for many years actively served the dairy industry. Included among the prominent organizations so competently represented are the Associated Milk Producers, Inc., the American Dairy Association of Illinois and the Illinois Milk Producer Association.

The article, which summarizes all too briefly Avery Vose's long experience and many contributions to the dairy industry, follows:

Avery A. Vose Is Cream of the Crop

Some 45 years ago in his first year at the big University of Illinois, Avery Vose, of Antioch, Ill., came under the influence of a professor of agricultural economics who inspired him to devote his life to improving the lot of dairy farmers.

He became a dairyman himself, milking 40 purebred Holsteins to make a living. But helping the dairy industry eventually became his full time job with dairying taking second place in his life.

Avery scrutinized dairy co-op's financial statistics as closely as he watched the butterfat and production records of his own herd.

Today at age 65, he is retiring as treasurer of both the Associated Milk Producers, Inc., and the Mid-States Region of AMPI.

During his lifetime he pioneered as an officer in many dairy farmer organizations and gained the unofficial reputation of "professional president."

He was president of the Federated Dairy Cooperatives, the first Chicago order area bargaining group for dairy farmers. He was president of Associated Dairymen, Inc., which originated the standby pool.

He was president of the Chicago Milk Foundation, a director and chairman of the board of the National Dairy Council. Under his guidance the councils became the major educational tool of dairymen in many of the nation's city schools.

He was a director of both the American Dairy Association of Illinois and the Illinois Milk Producers Association.

Characteristically whenever an organization gained a full head of steam he willingly stepped down from the presidency to make way for new ideas.

He learned the dairy farming business on the farm taking five cans of milk to the train as a youngster for shipment to the Chicago market, and for seven years as one of the original fieldmen for the Pure Milk Association.

For two years he managed a Kraft cheese plant and for another two years a PMA powder plant, both in Wisconsin.

One of his major triumphs was the merger of the PMA with the Pure Milk Products Cooperative of Fond du Lac to make the strongest dairy farmer bargaining agent, with the largest membership, in the nation.

With the two groups merging into AMPI, it gave Avery another reason to cheer. Aiding in both mergers was his quiet and unassuming leadership.

Avery has the capacity to respect the opinions of others and as a testimonial to him, one dairy leader said at a retirement party: "Mr. Vose is the only man I've ever known who has never flown off the handle at a meeting."

He also has always been and will continue to be a source of information and counsel for dairy farmers and AMPI on major issues.

While serving all dairymen, largely in efforts to sell more milk and to create stronger bargaining positions, Avery also is devoted to his family.

His son, David, received a doctorate in economics from the University of Wisconsin and is now vice-provost at the University of Minnesota—Duluth.

His wife suffered a stroke in 1951 and died four years later.

(He later married his wife's sister, Helen, stating, "I didn't want to have the chore of breaking in a new mother-in-law.")

Another tragedy came with the allegations of illegal campaign contributions of AMPI while Avery was treasurer. This was carefully hid from him, and a chagrined Avery demands that cooperatives find a way to prevent farmer board members from being deceived by high handed management.

Because Avery refused to toot his own horn or to jockey for the seat of power although he had the ability to inspire the staffs of many major national dairy organizations may account for the fact that while he is Mr. Big in service, he has never received the Mr. Big awards by contemporaries in the dairy industry.

He does have the personal satisfaction of being a major influence in making the Mid-States Region of AMPI the most powerful bargaining organization for dairy farmers in the nation.

Embarrassed by the praise from associates who have a genuine fondness for him at one of the many testimonial parties on his retirement at age 65, Avery, said: "If I'd have known all these tributes were coming I wouldn't have retired."

And what were the words of the professor who inspired him to this lifetime of dedication and accomplishment when he was a young green lad from a Lake County dairy farm?

The professor said, and, unfortunately still says today: "Milk prices to farmers are too high and consumers are being gouged."

BAY STATE AWARD

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. CONTE. Mr. Speaker, this afternoon the Massachusetts State Society of Washington, D.C., awarded its fourth Bay State Award to a Member of this House, Congresswoman Margaret M. Heckler.

The Bay State Award does not have a long history—but its recipients have been long on dedicated service to the Commonwealth and the Nation.

The first recipient was our beloved former Speaker, John McCormack. The second recipient was Arthur Fiedler, who has brought so much joy to music lovers throughout the world through the vehicle of his Boston Pops Orchestra.

Last year, we honored Majority Leader Thomas P. O'Neill with this award. And this year we continued the tradition by honoring our colleague Margaret Heckler, who is completing her fourth term in the House.

Peg Heckler has distinguished herself

in the Congress in many areas. Just to single out one in which we share a deep concern—I want to mention her work on the House Veterans Affairs Committee.

PEG HECKLER has represented the people of the 10th District of Massachusetts, the Commonwealth, and the Nation in the finest tradition. I was pleased to join my fellow members of the Massachusetts State Society in honoring PEG HECKLER and at this time insert into the RECORD the text of the citation awarded today:

The Massachusetts State Society of Washington, D.C., presents to the Honorable Margaret Heckler, M.C., the Bay State Award as the exemplification of a courageous legislative leader who has focused attention, provided expertise, gained recognition and earned the highest regard for the Commonwealth of Massachusetts, the people of the United States and the leaders of other countries in the community of nations. Her outstanding accomplishments to the present are but a prelude to her achievements we envision for the future.

WILLIAM COLBY, DIRECTOR OF CENTRAL INTELLIGENCE

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HÉBERT. Mr. Speaker, in exercising its oversight responsibilities in the intelligence area, the Special Armed Services Subcommittee on Intelligence is conducting hearings on H.R. 15845 with the view to clarifying the role of the Central Intelligence Agency in our organization for national security.

Mr. Speaker, I consider that the article published in the Parade magazine of the Washington Post on Sunday, July 21, 1974, concerning the Director of Central Intelligence, Mr. William E. Colby, was most timely and I insert that article for the information of our colleagues:

WILLIAM COLBY, NEW DIRECTOR OF THE CIA: HE'S CHANGING THE AGENCY'S IMAGE

(By Lloyd Shearer)

The Central Intelligence Agency is suffering from a badly tarnished image, and its new director, William Egan Colby, 54, is charged with burnishing it.

This is no easy job, since over the years the CIA has generated on the domestic front a closed, mysterious, excessively secretive and sinister image. It has also violated the legislation of its origin.

Created in 1947 specifically to gather "Foreign Intelligence," it has intervened in American student organizations. It has trained about 50 police officers from a dozen American cities in intelligence theory and technique.

And worse yet, from a public relations viewpoint, it has stupidly involved itself in the domestic scandals of the Nixon Administration by furnishing equipment to E. Howard Hunt Jr. to help break into and burglarize the Beverly Hills office of Dr. Lewis Fielding, psychiatrist of Daniel Ellsberg of Pentagon Papers notoriety.

The CIA also provided Hunt with false identity equipment so that he could fly to Denver and try to talk Dita Beard into denying that she ever wrote the infamous ITT memo, coupling a favorable anti-trust Justice Department ruling with the promise of a $400,000 contribution to the Republican campaign fund of 1972. Moreover, it allowed its personnel to prepare a psychological profile on Ellsberg for the White House.

LEADING PARTICIPANTS

And two of its former employees, E. Howard Hunt and James McCord, were leading characters in the Watergate fiasco, to say nothing of the four Cuban-Americans who were hired to do the actual dirty work.

Overseas, of course, where most of its clandestine as well as overt activities take place, the CIA has hired mercenaries in Southeast Asia, overflown the Soviet Union, dropped agents into Red China, structured its own airline out of Taiwan, conspired to overthrow various regimes in various parts of the world from Iran to Cambodia to Cuba, and in general, has consistently intervened in the domestic affairs of foreign nations.

With that agency background of controversial hits and misses, Director Colby has his image-changing work cut out for him. He is approaching it with care and vigor. He is inviting newsmen to lunch with him, to ask questions, to visit CIA headquarters in Langley, Va., where the access road now bears a sign, plainly lettered CIA. It used to say Bureau of Public Roads. He even allowed Parade to interview his wife, the former Barbara Heinzen, a delightful woman with printer's ink in her blood who helped put him through Columbia University Law School by working as a department store copywriter and editor of a New York State labor publication. Soft-speaking and low-key, Colby, a 24-year unpretentious veteran of the spy business, believes in opening up the CIA without disclosing its secrets.

He is allowing the TV networks to take a guided tour of the agency. He is permitting his men to identify themselves over the telephone instead of switching the caller to an extension number. He is preparing succinct intelligence summaries instead of ponderous, bulky reports and forwarding them to interested parties with a phone number to call in case they need more detailed information.

CONSCIOUS OF PUBLIC OPINION

He is aware of the mounting public criticism which holds that his 16,000-man agency is spending approximately $750 million of the taxpayers' money each year without enough public accountability through the various Congressional subcommittees charged with tracking the CIA. And he is mindful of inadequacies in the agency's recruiting program, especially of minorities.

"What we're looking for," he explains, "are young men and women who are interested in intellectual and technical pursuits. Intelligence is technical these days. We're in the market for something like 130 specialist disciplines, running all the way from nuclear physicists to financial economists. We need every kind of specialty to help in our total intelligence process.

"We especially need women and blacks. We don't have enough of them as professional intelligence officers. A few months ago I gathered all the middle managers in the agency and I gave them a very direct talk. I told them I wanted to see the number of blacks and the number of women in responsible jobs rise sharply.

OPPORTUNITY AND CHALLENGE

"We also need," Colby concedes, "some fellows who will run some clandestine operations for us. They have to be fellows with a little bit of adventure in their spirit and frequently quite a lot of courage. But I'm not going around saying, 'Join the CIA instead of the Fish and Wildlife Service.' And I'm not going around saying, 'Join the CIA and save the world.' People who want an interesting, fascinating challenging career can find it in the CIA, and that includes those who are more student than activist, those who are more activist than student, those who are more the engineer than liberal art buff. We're wide open for the person who believes we have an essential function to perform."

According to Colby, the primary function of the CIA is apple-pie simple: "We gather information from all over the world in order to learn as much as we can about foreign problems so that we can decide what to do about them.

"We have various ways of gathering information—reading newspapers, taking photographs, listening to electronic noises in the atmosphere, and employing clandestine activity where it's essential. We gather the information, analyze it, think about it, come to some judgment or estimate the situation and relay it to the national leadership, executive, legislative, and indirectly, even to the public so that the U.S. can make informed judgments and decisions."

Colby, who will finish his first year as director of the CIA on Sept. 4 this year, believes the agency is indispensable, "because I do not think the U.S. today can afford the luxury of being blind in the world or of hoping to learn enough of what's going on through the public press and other media."

He knows, he says, that the U.S. has no intention of invading the Soviet Union and is sure the Soviet Union has no intention of invading us. "But I think the Soviet Union has a philosophy which holds that America is run by an imperialist conspiracy, a class society and that there must be, according to their doctrine, a revolution, a change in our society.

"It's a religious belief, and from time to time the Soviets have engaged in the process of trying to encourage it along.

"America has gotten into several wars in this century, started by people who thought we either would not or could not stand up to them. Kaiser Wilhelm thought we would not join World War I. Adolph Hitler was quite certain that we would stay out of World War II. Josef Stalin thought we would not fight in Korea and Ho Chi Minh certainly felt we could not stop his effort to take over South Vietnam. Where people realized we not only could but would fight—for example, in the Berlin Crisis, the Cuban Missile Crisis—we have had no war. Having a CIA is like having insurance. You pay for it, but hopefully it's worth it."

HEAD OF "BLACK OPERATIONS"

Bill Colby, 5 feet 11, thin, trim, with pale blue myopic eyes helped by glasses, is a lawyer by training. He looks like a lawyer, also like a teacher, a minister, a banker, a doctor, anything except what he is—the nation's chief spokesman who for years was deputy director of the CIA's clandestine or "black operations" directorate.

He was born in St. Paul, Minn., in 1920, the only child of Elbridge Colby, an Army officer. He was reared at various Army posts, spent three years of his youth (1929-32) in Tientsin, China, entered Princeton in 1936 and was graduated four years later. He entered Columbia University Law School but left after his first year to join the parachute corps.

"He had to memorize the eye chart in order to get in," his wife reveals. "But he memorized one line backwards. When he took the eye test, he cited the letters incorrectly. He wanted so badly to get in, however, that they looked the other way and the examining officer said, 'So long as you can see the ground we'll take you.'"

Colby served as a staff lieutenant in the 462d Parachute Artillery Battalion (he had attended the ROTC at Princeton) and was fired when a new commander joined the 462d and replaced the old staff with a new one. Lieutenant Colby found himself in a replacement pool, which he didn't like. When an officer came through, looking for volunteers for an overseas operation, code-named JEDBURGH, he quickly volunteered, thus, becoming a member of Gen. William Donovan's intelligence service, the Office of

Strategic Services. As a member of the JED's Colby parachuted in uniform to help resistance groups in France during the weeks following the Allied landing.

He was so cool and outstanding in action that he was chosen despite his young age, 24, to command a group of Norwegian-American paratroopers charged with sabotaging German railway operations in Norway. According to Harris Smith, an historian of the OSS: "The drop was finally made from American aircraft staffed by inexperienced crews in late March, 1945. Two of the planes crashed and ten OSS men were killed. Colby and those OSS men who did reach their destination were forced to operate with a minimum of supplies; the American planes had dropped their equipment a bit off target—in Sweden."

COLLEGE SWEETHEART

Discharged from the Army as a major, young Colby married Barbara Heinzen whom he'd dated in 1941 when she was a junior at Barnard College and he a first-year law student at Columbia.

They were married in St. Patrick's Cathedral on Fifth Avenue, and then Colby reentered Columbia Law. Before he was graduated he went to work for Maj. Gen. Bill Donovan's prestigious New York law firm, Donovan, Leisure, Newton, Lombard and Irvine, many of whose members had served with him in the OSS.

In 1949 after a two-year stint with the Donovan firm, Colby joined the National Labor Relations Board in Washington. He wasn't particularly happy or fulfilled as a lawyer, and one evening he remarked to his wife. "I don't know. I just don't want to go through life saving $100,000 a year for American Can—or some other corporation."

CALL OF THE CIA

When the Korean War broke out, Bill Colby, an adventurer by heart, joined the Central Intelligence Agency. Under one guise or another he has been with the agency ever since, generally fighting communism.

In Stockholm from 1951 to 1953 he was listed as a foreign service attache. In Rome from 1953 to 1958, where he was unofficially known as "one of Clare Boothe Luce's boys," he was officially carried as "first secretary and special assistant to the ambassador." In Rome where his wife recalls, "we lived five of our loveliest years," Colby worked underground to prevent the Italian Communist Party from winning a majority in Parliament.

Came next his first three-year stint in Vietnam, ostensibly as first secretary of the American Embassy in Saigon, his first assignment in Asia. Colby was, of course, much more than that. He was probably the shining light of the intelligence community, performing so well in his situational assignments and various cloak-and-dagger assignments that he was brought back to CIA headquarters in Washington and appointed chief of its Far Eastern Division.

The most controversial segment of William Colby's intellignce career concerns his involvement in the Vietnamese pacification program known as "CORDS," an acronym for "Civil Operations and Revolutionary Development Support." One part of this program was the operation code-named Phoenix.

Just as he was about to become chief of the CIA's Soviet operations in 1968, Colby was sent back to Vietnam on the request of Robert Komer, a former CIA man, and given ambassadorial rank. He was placed in charge of South Vietnam's overall pacification program, supposedly designed "to win the hearts and minds of the people."

ABUSES DURING PHOENIX

The Phoenix portion of the program, which aimed to neutralize the Vietcong infrastructure, involved the capture, imprisonment, defection, and murder of the Vietcong. There were abuses in its execution, and as Colby conceded in February, 1970, to the Senate Foreign Relations Committee," . . . I would not want to testify that nobody was killed wrongly or executed in this kind of a program. I think it has probably happened, unfortunately." But there are excesses in all wars, and in seems manifestly unfair to brand Colby a "mass murderer and war criminal" which was done by those in the intelligence community who last year opposed his appointment as CIA director. No one ever called him such names in World War II when he was killing Germans. And few people realize how chaotic "Phoenix" was until he took it over.

LEGENDARY ON POSTERS

Colby does not look or act like an exquisitely sensitive man, but during the period of his Senatorial confirmation, when posters bearing his photo with the legend, "mass murderer and war criminal," were tacked to posts and walls in Washington, D.C., he was deeply hurt. One night he drove home to the unpretentious house he owns in Springfield, Va., a capital suburb, plaintively asked his wife, "How does it feel being married to a war criminal?"

A WIFE'S FEELINGS

"My heart went out to him," Barbara Colby recalls, "because if ever there was a good, decent man who has served his country and his family—Bill has served every President from Franklin D. Roosevelt to Nixon—well, it's Bill."

Although Colby is a Nixon appointee, he, unlike so many others, is not about to follow orders blindly or to traffic with White House types like Ehrlichman and Dean who sought to compromise the CIA in the Watergate coverup.

"I will do the proper and legitimate things under the statute that CIA has been charged to do," he says. "And if I'm asked to do something beyond that legal authority, then I won't do it. I'll resign."

In line with that, Colby recently supported an amendment to the National Security Act of 1947 which originally authorized the founding of the CIA. The amendment was introduced by Sen. William Proxmire (D., Wis.) to protect the CIA from abuses emanating from the political system. It limits the CIA to its basic mission of collecting foreign intelligence and closes a loophole in the 1947 act which permitted the agency to get itself so disastrously involved in domestic intelligence.

Under Colby's regime the CIA is not only projecting a more open and candid image, it is undergoing a structural transformation. Colby has abolished the 10-man Board of National Estimates founded in 1950 and replaced it with a group of national intelligence officers, each charged with preparing a series of short-term intelligence assessments of their special areas. He has reduced the number of covert, so-called "black operations" largely because satellite equipment is so sophisticated today that it can photograph and relay far more reliable information than that provided by an agent dropped by plane or landed by submarine on foreign land.

A practicing Roman Catholic, a pillar in community affairs, a hard-working (Saturdays until 3 p.m.) civil servant who earns $42,000 a year, a good and understanding father to his four surviving children—a fifth died early this year of epilepsy—a loving and dutiful husband, William Colby has been a professional intelligence officer for half his adult years.

NO FLAG LAPEL PIN

The United States is indeed fortunate in having him. As a lawyer he could be earning three times in civilian life what he earns in government service. "But it wouldn't give me the satisfaction," he says, "that I find in this job." Colby wears no flag pins in his lapel to demonstrate his patriotism. It goes much deeper than that.

LAND USE PLANNING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. LEHMAN. Mr. Speaker, under leave to revise and extend my remarks, I am inserting into the RECORD the text of my letter to the editor of the Miami Herald on the failure of the House to pass the rule which would have enabled us to debate the merits of the Land Use Planning Act:

A NATIONAL LOSS OF LAND PLANNING

Unfortunately, the House of Representatives, by a vote of 204 to 211, failed to pass the rule to even consider the Federal Land Use Planning Act. This would have been a very valuable piece of legislation for South Florida, for we are going to have to build more than twice the number of structures that we have existing today before the turn of the century.

This needed construction will create tremendous burdens on the services provided by state and local governments.

The Land Use Planning Act would have provided assistance to the states for the development of a comprehensive land use planning process and its implementation. The act called upon the states to voluntarily develop a land use planning process if they willingly accepted Federal money. The federal assistance would have enabled local agencies to designate certain areas which they consider to be areas of critical environmental importance, and to look for ways to protect them.

Florida has already enacted several pieces of land use legislation, including the Environmental Land and Water Management Act, which provides for the preparation of regulations for areas of critical state concern, and requires review and approval of developments of regional impact. A $100 million grant program, as was provided for in H.R. 10294, would have provided federal funds to help implement Florida's planning process.

Land is our most valuable and important natural resource. Americans have taken for granted an endless supply of land, and clean water and air. This view of our environment as a cheap resource has resulted in rash and unplanned land destruction, as well as pollution of our rivers, aircraft noise over our residential areas, filth in our air and water. It is time for us now, before it is too late, to take the action necessary to protect our vital environmental resources.

This bill would have provided our cities, towns and other political subdivisions with the means of settling land use questions that regularly come before them. This bill would have reduced isolated and chaotic development, replacing it with a land use partnership among state and local governments.

The proposal did not authorize acquisition of any private property or easements, and contrary to the claims of its opponents, did not authorize federal zoning. In fact, this measure actually gave local governments more control over federal decisions than they have ever had before.

The remaining supply of underdeveloped land is rapidly dwindling. Industrial planners, condominium developers, lumberers, environmentalists, highway builders and countless other groups struggle over every available area. The people of South Florida badly needed this legislation and the funds it would have made available for proper land use planning.

WILLIAM LEHMAN,
Member of Congress.

CARRIER ADMIRAL

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. WYDLER. Mr. Speaker, there was recently brought to my attention a poem written about a great American naval hero, Adm. J. J. "Jocko" Clark. This man distinguished himself by directing our naval forces in attacks on the Japanese fleet.

His widow, Olga Clark, has written a beautiful poem which she dedicated to Jocko. I believe my colleagues would be pleased and honored to read it:

CARRIER ADMIRAL

TO JOCKO

In his old navy uniform that had seen the times of war
The Admiral was buried.
As he was laid for the reception in the sad house for the dead,
His sister, hurriedly, had tinctured with some ink the seams
Of his worn-out jacket.
His face with eagle-like profile was proud and serene,
He never was afraid of death, and endured suffering
Uncomplainingly.
He was a brave man, stoic, loyal, true to his Indian lineage,
The many generations of the first Americans
Who never bent their honor.
The Cherokees, his tribe, endowed him with a certain magic—
"A cowboy from Oklahoma," as he often called himself,
And a no-nonsense man, he nevertheless admitted having heard
"The drums over the hill . . ."
His frankness and sincerity inspired such confidence
Men followed him into danger willingly.
His simple faith in God was perhaps the secret
Of his strength.
A strict disciplinarian, beginning with himself,
Used to command and being obeyed, yet quick to acknowledge and reward,
He was lordly.
His warmth of heart, coupled with a rich sense of humor, and
Outstanding generosity, were most endearing, especially since
He remained his unassuming modest self
As the truly great one can be.
When in the hospital his eyes were closed
His corpsman who attended him at his nadir
Of human frailty
Approached me sobbingly, "Your husband was the giant of a man.
The likes of him we shall not see again."
So came the day he was no more.
I pressed my face into the dent left on the pillow by his head.
Strangely, I did not cry.
The sky was clear when from the chapel in Arlington
We came to the cemetery.
It was a lovely day, although the sun-rays, tinted with the sorrow,
Seemed to reflect a deathly pallor—
Falling into nothingness.

The narrow cart brought from the chapel a simple military coffin
Covered with the U.S. flag.
I believe on top was a large cross I sent
Of orchids and pale roses.

Six pairs of horses drove the coffin
Up the hilly road.
Perhaps there was a military band—
One's memory gets blurred.
The cannons roared—great many times—in a salute
To the four-star Admiral,
The hero referred to as the fightingest,
The leader known to have taken awesome risks
To save the fliers' lives.

To put into his coffin I had brought a gift:
A silver anchor with the inscription, "Happy Landings,"
But the aides, whisperingly, had begged it off for a museum,
Same as his Navy hat.

No one, though, knew that in his pocket went a small old picture
Of the face remembered.
A long, long time ago, in Europe, at a reception,
We had very nearly met.
Fate had denied us then the introduction,
Until years later. Many years . . .

As the large crowd stood in silence, the mountain of wreaths
Was pushed aside. The flag was taken off the coffin and
Folded reverently. One of his foremost fliers presented it
To me with a kind smile.

The Taps!
Clutching the flag to my breast I thought of the Fighting Lady,
The beloved carrier, USS YORKTOWN, he led into a legend—
If the great ship could fly,
She would have sailed across the air
To pay him homage, at the open grave.

The gigantic shadow seemed to be hovering above
As I stood praying the Almighty for a miracle:
To lend my humble hands the strength
To hold on to that vision,
So that the Admiral could get on board,
To roam, as it befitted him, the oceans—
Into the mists of time.

He was The Carrier Admiral.

—OLGA CLARK.

DISCRIMINATION IN CREDIT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. KOCH. Mr. Speaker, the Subcommittee on Consumer Affairs is currently considering legislation dealing with discrimination in extensions of credit. It is important that this Congress obtain passage of legislation that would provide equal credit to women without regard to their sex or marital status. I received the following letter from one woman who experienced outrageous discrimination in applying for a mortgage. Such practices must cease and I am appending a copy of her letter so our colleagues might be aware of some current mortgage practices:

DEAR CONGRESSMAN KOCH: I would like to commend you on the work you are doing on behalf of equal credit legislation, and your sponsorship of H.R. 14856. This subject is of special interest to me because of the problems my husband and I faced when we tried to obtain a mortgage.

My husband had been weekending in Vermont for many years, and last summer we decided to purchase a small vacation home of our own. Although the housing market was quite inflated, we finally managed to locate a house that was within our budget. We applied for a $10,000 mortgage, and were prepared to pay the balance of the purchase price, $7,500 in cash. We were both employed by the New York City Department of Social Services, and had a combined income of $28,000 per year. Our mortgage application was turned down by three Vermont banks. Their reasons were all the same: we had been married for less than a year; the difference in our ages was questionable (I am 27, my husband is 44); and finally, my income could not be counted because I was, as one bank president delicately put it, still in my 'dangerous years'. Although the bank officials felt my husband was too old for me, they still feared that I would become pregnant and have to stop working.

Our story does have a happy ending. We were able to arrange for a private mortgage, at half the interest rate the banks were charging. But the dire predictions of the bank officials have come true: our son is four months old, and I am on unpaid maternity leave. In spite of this blot on our financial profile, the mortgage gets paid every month, and there is enough left over for the rest of the bills.

Although the rejections of our mortgage applications worked to our advantage in the end, it is essential that banks be made to look at all credit applications objectively and leave worries about 'dangerous years' to the woman, her partner, and her gynecologist.

LAND AND WATER CONSERVATION FUND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. WOLFF. Mr. Speaker, yesterday I announced my intention of offering an amendment to H.R. 16027, the Interior Department's appropriation bill, which would amend the land and water conservation fund appropriation from $300 million to $450 million. One of the major objections to raising the appropriation for the Land and Water Conservation Fund is that States still have substantial sums of money which they have not obligated. However, this is not necessarily the case. For the information of my colleagues, I am presenting a list of those States which have exhausted their fiscal 1973 funds or have negligible balances for that year. All moneys appropriated for the fund by the Congress in fiscal year 1972 have been spent.

The States have made tremendous strides in utilizing this fund. Unobligated funds are down from approximately $70 million to only $22 million. I might add, that $4 million of this $22 million belongs to the Federal Government's contingency fund.

The list of States with no or negligible funds remaining follows:

Falling into nothingness.

States with zero dollars left over:

California, Colorado, *Washington, D.C. Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Oregon, Pennsylvania, South Dakota, Utah, and Wyoming.

States with less than $1,000 left over:

Arizona ($107), Maryland ($343), Texas ($178), Wisconsin ($3).

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*Washington D.C. is not a State.

THE DEFAMATION OF AMERICAN POLES

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BROYHILL of Virginia. Mr Speaker, at the request of Mr. Henry C. Lajewski, of Arlington, Va., and under leave to extend my remarks, I would like to insert into the CONGRESSIONAL RECORD an excellent article by Mark M. Krug which appeared in the summer 1974 issue of the University of Chicago Magazine:

THE DEFAMATION OF AMERICAN POLES

(By Mark M. Krug)

Approximately ten million Polish-Americans have good cause to feel injured and often even defamed by their fellow Americans. In the face of this attempt to denigrate them, Polish-Americans have, in the main, remained a silent minority.

It ought to be made clear at the outset that our reference here is to Poles who came to America from Poland and not to Jews who also immigrated, in large numbers, to the United States from Poland. The bulk of these immigration waves came between the years 1880 and 1915.

The American public has so far shown little curiosity to learn the story of the immigration of Polish-Americans, their ways of life, their aspirations, hopes and frustrations. Fiction writers who have written, especially in recent years, dozens of books based on the life of Jewish professors, businessmen, and Jewish mothers, Italian "Godfathers" and Irish politicians, yet to write a novel based on the life, the customs, the predictions, and the dilemmas of Polish-Americans. Sociologists have produced many learned theories on American-Jews and American-Italians and other minority groups, but there is no scholarly sociological study of the Polonia, the Polish community in America. Broadway has producer *Fiddler on the Roof*, the *Rose Tattoo*, and many other plays with heroes and villains drawn from the white ethnic groups. All that the Poles got was Stanley Kowalski (or rather Kowalski as played by Marlon Brando) in Tennessee Williams' *Streetcar Named Desire*. There are no counterparts in the delineation of the Polish-American community (with the possible exception of Nelson Algren) of a Saul Bellow, Philip Roth, Mary McCarthy, Jimmy Breslin or Mario Puzo.

Television producers are very sensitive to new opportunities for successful shows. Recently, they have apparently become convinced that there is a demand for "ethnic shows." So after "All in the Family" and after "Bridget Loves Bernie," they decided to put on the air a "Polish" detective, naturally a kind of superman with criminals and women, but they revealed their ignorance and carelessness by giving the detective a typically Czech name of "Banacek."

But while American Poles are little heard from, they are not entirely forgotten. Americans don't want to know much about them, who they are, whence they came from and how they live, but they have been flooded by the abominable "Polish jokes," heard in night clubs and on television, which picture all Poles as simpletons, fools and obscurantists. The fad of the Polish jokes seems to be weakening lately and for that we ought to be thankful. But still, once a week, millions of Americans laugh uproariously when Archie Bunker calls his son-in-law a "dumb Polack" or a "meathead." Sure enough, the son-in-law is an intelligent college student who is supposed to expose Bunker's bigotry, but survey after survey has shown that the heart of the listening public belongs to Archie. Americans have traditionally prided themselves in being ingenious, inventive and shrewd. For them to accept the image of millions of Polish-Americans as easily fooled, lacking imagination and incapable of accomplishing a fairly complicated task is a serious matter.

It is even more serious and more insulting, since it is so unjust and undeserved. Yet one must ask himself how did this phenomenon come to pass. The root cause of the present plight of the Polish-Americans must be sought in the history of their country of origin and in the story of their immigration to the United States.

The most significant fact to remember is that Poles who came to this country in large numbers between the years 1880 and 1910 did not come from a free sovereign homeland. In fact, since 1795 there had been no Poland on the map of Europe.

In 1795, after 800 years of existence as an independent state, Poland was a strong and distinct national entity. Poles, whose forebears accepted Christianity in the 9th century, considered themselves the defenders of the Roman Catholic faith and an outpost of western Christian civilization against the repeated onslaughts of the Russians, the Turks and other "heretic" invaders. Poles proudly claimed that Poland was a living "Christian wall" against the conquest of Europe by the Mongols, the Tartars and the Turks. Polish children were taught on their fathers' knees the story of the heroic contributions of King Jan Sobieski and his Polish army, who helped defeat the Turks in 1683 at the gates of Vienna. Poles also cherished the memory of their resistance to the repeated invasions by the Teutonic Knights, who came from East Prussia, and the victories attained in preserving Polish independence against the invading armies of Sweden and Russia.

For centuries, Poland's powerful neighbors were determined not to allow the Poles to live as an independent people. Finally, in 1795, Russia occupied eastern Poland, Prussia took the western and northern lands, and the southern part of Poland was incorporated into Austria. From that time on, for 125 years, Poles were ruled by three foreign powers. They regained their independence in 1918, when a free Poland was created by the terms of the Treaty of Versailles, based, in part, on the Wilsonian principle of self-determination of nations.

This long period of partition of Poland and the incessant struggle of Poles for independence—in particular two great uprisings, one in 1831 and the other in 1863—had a lasting and profound influence on the Polish people. They became one of the most nationalistic and patriotic peoples in Europe. To Poles, who had lost their independence to foreign invaders, and who were determined to regain their freedom, love of country became almost a national obsession. The Polish poet, Adam Mickiewicz, put it well in verse in one of his poems: ". . . my fatherland, you are like health, only those who have lost you, can know your value." It was indeed a desperate struggle that the Polish people waged against the might of czarist Russia, the military machine of Prussia and immense power of the Austro-Hungarian empire. The occupying powers attempted in varying degrees to suppress the spirit of Polish nationalism through forced Russification or Germanization and through bribery, political concessions and often by brutal force.

All these efforts failed. Poles had no independent political institutions. Their military rebellions were suppressed. Their sons died on foreign battlefields, in a vain hope of enlisting the sympathy and the military aid in a fight for an independent Poland. But their dedication to the idea of a free Poland never faltered. If anything, during the period of foreign domination Poles became an even more united people—united by a will for independence and united in one language and culture and in one religious faith. Polish language became a precious and effective bond for Poles in all three sectors of occupation. To speak Polish, to write in Polish, to love the Polish language became almost a religious commandment for all Poles. The patriotic poetry of the great Polish poets. Adam Mickiewicz, Julius Slowacki, and the Messianic writings of Stanislaw Wyspianski became not only great literature for educated Poles, but their most sacred treasures and a source of constant inspiration.

CHURCH AND STATE

For the mass of poor and largely illiterate peasants who formed the overwhelming majority of the population, the spirit of Polish nationalism was kept alive by the Polish Catholic church. While the Catholic church in Poland was faithful and obedient to Rome, it was primarily a *Polish* Catholic church because it supported the fierce Polish nationalism and kept the devotion to the Polish language. Polish customs and Polish hopes and aspirations for independence. Priests delivered patriotic sermons in Polish and religious schools taught Polish language and literature. This was often done in the face of dire threats of the occupying authorities. As time went on, the lines of demarcation between Polish nationalism and Polish Catholicism became blurred and they have remained blurred until the present time.

Since several mililon Poles came to America during the period of the occupation of their country by foreign powers, they brought with them to this country both the spirit of fierce Polish nationalism and an unbounded devotion to the Polish Catholic church. In that, they differed from Italians who came from a free Italy, and especially from Sicilians, who had little comprehension or feeling for Italian nationalism and who, while devout Catholics viewed the Italian church and Italian priests with a great deal of suspicion, if not outright cynicism. Obviously, the contrast with Polish and Russian Jews, who felt little allegiance to the countries of their origin, was even greater. Both Polish nationalism and their special devotion to the Catholic church are still the most outstanding characteristics of those American Poles who have preserved their ethnic identity.

Polish patriotism stemming directly from the tragic history of Poland's partition is still a powerful force today. It is evident in the activities of the Polish-American organizations. American Poles are often exhorted by their leaders to maintain that spirit of Polish nationalism. For American Poles, Polish nationalism constitutes no conflict with their strong patriotic devotion to the United States.

The mass Polish immigration came, as we have said, in the last two decades of the 19th century and in the period before World War I. It was overwhelmingly peasant in character. During that period of time over three million Poles came to America, paralleling the massive Italian and Jewish immigration. While the special character of these immigration waves influenced the nature of the Italian-American and Jewish-American communities, the status, the image and the problems of the contemporary Polish community, or of Polonia as Poles call it, reflect the after-effect of the original immigration in bolder and clearer relief.

In comparison with the Italians, the Jews or the Irish, the Poles have made less economic and social progress in the American milieu. The reason for this phenomenon has, of course, nothing to do with the innate abilities of Poles, but is related to the point at which they started their journey to the New World.

Polish immigrants were overwhelmingly peasants who came from an occupied country and from a society which still practiced a variation of feudal economy. Professor Florian Znaniecki estimated that 60% of Polish immigrants were landless peasants who eked out a bare living as hired hands on large estates and that 27% were small landowners.

Polish immigration included few skilled workers or artisans. The mass of the Polish peasants who came to the United States had no skills to survive in the industrialized and strange country to which they came. They spoke rudimentary, peasants' Polish and were, to an overwhelming extent, illiterate, both in their own language and in English. Thus, unlike the Jewish immigrants and to some extent the Italian newcomers, most Poles were not able to benefit in their adjustment period from reading the few Polish newspapers in America. In addition, unlike the Jews who were experienced international wanderers, and unlike the Italians who benefited from the love and glamor that American society has always accorded Italy, Poles came from a country which was in chains and which was unknown to the Americans. The Italian immigrants, however, who came mostly from Sicily and southern Italy, did suffer from the "Mafia" image.

All that Poles had to offer America was their inordinate capacity and wilingness to do hard physical labor. This contribution should have been accepted with gratitude by the booming American economy and industry, but in fact the Poles were shown little compassion and even less appreciation. The Poles, bewildered in the new society, were determined to adjust and to survive. To do this, they became unskilled laborers in the steel mills in Pittsburgh and Gary, in the Ford factories in Detroit and in the stockyards of Chicago. Some Poles who had experience in the coal mines in Poland, and many others who did not, went to work under hard and dangerous conditions in the coal fields of Pennsylvania.

No work was too hard, too menial, too coarse or too dangerous for the Poles. They had no choice and could not be choosy about jobs if their families were to survive in their new environment. This hard, demanding labor was a signal contribution of these millions of brawny and healthy immigrants who without complaining or rebelling helped to make America the industrial giant it is today.

There was virtually no crime among the Poles; their young people did not consider illegal activities as one possible avenue for advancement in the new, strange and often hostile environment. Crime was unthinkable in a Polish neighborhood where the authority of the parents, of the priests and of the police was highly respected and where the emphasis was on hard work, thrift and savings. Savings banks abounded and most Polish fraternal organizations were (and are) also insurance and savings institutions.

How did America repay the contribution and the exemplary behavior of these Polish immigrants? What they got in return was not a sense of welcome and appreciation. On the contrary, ridicule and scorn were heaped on the heads of these simple uneducated folk who worked sixteen hours a day in dangerously insecure mines, mills and stockyards, for pitiful wages.

The reasons for this ridicule and the cruel and unfeeling image of the "dumb Polacks" must be explained because the problem of the image they present to America is still a serious dilemma facing Polonia today. First, there was great resentment that many Poles, like many Italians, have after a period of time returned to "the old country." This caused them to be branded as exploiters and sojourners in their new land. Feeling unwelcome in the new country, aliens in a cultural milieu which they did not understand, fearful that their children would be lost to them in an environment which violated many of their values, and doubtful of their prospects for economic advancement, many Polish immigrants were determined to save some money and return to their villages. In fact, between the years 1891 and 1910, 234,000 Poles returned to Poland.

Since many Polish immigrants intended to return, or were thinking of returning, "some day" to Poland, they felt consciously or subconsciously no compelling incentive, as did the Jewish and many of the Italian immigrants, to accept and bear the trials and tribulations of assimilation or to go through the educational steps necessary for naturalization.[1]

Among other factors, this phenomenon may account for the fact that the economic, social and educational advancement of Poles was much slower than that of the Jews, the Irish and the Italians. The realization that they have been outpaced by other immigrant groups has created another dilemma for American Poles—their persistent, although now gradually disappearing, sense of inferiority which has grown in direct proportion with the appearance of the periodic epidemics of the senseless, unjust and heartless "Polish jokes."

It is virtually impossible to exaggerate the severity of the cultural shock suffered by the mass of Polish peasant immigrants. They came to this country, not from the advanced regions of Poland, around Warsaw, Pozan and Lodz, but from the least advanced regions—the highlands in southern and eastern Poland. They came from isolated primitive villages where they had no interest and no part in the management of their own affairs and no voice in the political affairs of the region and of the nation. Politics was the exclusive domain of the aristocratic landlords and of the country gentry. If they voted, they did so as the local priest or government official told them to vote. Even the rudiments of the democratic process were unknown to them.

The Irish immigrants spoke English and had considerable familiarity with Anglo-Saxon mores and institutions, while Poles were largely illiterate in their own language. Jewish immigrants were overwhelmingly literate and were becoming "Americanized" daily by the Yiddish newspapers which devoted many pages to instructing them how to survive and to prosper in the new land. In addition, the Jewish immigration, especially that which came from Russia and Poland, and to a lesser degree, the large wave of Italian immigrants, contained a pool of potential leaders and spokesmen. Poles had few of these advantages.

GENERATION CARRYOVER

The children of the Polish immigrants suffered in the public schools the usual tribulations of the other immigrant students, but they had to cope with another handicap—their unpronounceable names. Anglo-Saxon and Irish teachers resented the effort it took to pronounce these names correctly and often suggested to a Stankiewicz or Wroblewski to tell his parents to change his name to "Stanley" or to "Warren." Polish children soon perceived, directly or by repeated innuendo, that to get along in school you had to forget or to hide your Polish ties and identity. When they told their Polish parents, who had struggled in occupied Poland to preserve their Polish identity, of their reluctance to speak Polish and of their desire to shorten their names, the reaction was often harsh and unyielding. No wonder then, that among many second generation Poles there developed a growing feeling of inferiority. They suffered from the hostility of their teachers to their cultural heritage and they were ashamed of their poor and illiterate parents who, as they soon discovered, did not even speak a "good" or literate Polish.

The generation gap was real and it was painful, and it had its effects on the psyche and the state of mind of the American Pole. The effects are still evident today. Professor Eugene Kusielewicz, president of the Kosciuszke Foundation, maintains that even the third generation of Poles "suffers from the same feeling of inferiority that is characteristic of the rest of Polonia." This feeling of inferiority, he believes, is reinforced by the largely negative image that Poles present to the rest of Americans.

Many Polish leaders dispute the views of Kusielewicz and cite evidence which indicates that many second and third generation Poles are interested in and are proud of the Polish identity and culture. The truth probably is that some young Polish-Americans are ashamed of their ethnic origin and others are proud of being Polish, while the attitude of the vast majority fluctuates somewhere in between these two extremes. There is no question, however, that many young American families of Polish origin, well established economically and sure of their place in the American society, are taking advantage of the greater acceptance of ethnicity and are much more comfortable with their ethnic identity and affiliation.

A POLISH PRESIDENT?

The question of image that they present to the rest of the Americans is one of the major dilemmas for the Polish-American community. When Senator Edmund Muskie was running for the Democratic Presidential nomination, I asked Aloysius Mazewski, president of the Polish National Alliance, a 300,000-member organization, whether he, a well-known Republican leader, and the Alliance, which includes many Republicans, would endorse Muskie were he to get the nomination. Without hesitation Mazewski said: "Yes, we will, because our most important concern is the image of Polonia and what better way is there to improve this image than by having a Polish-American in the White House."

The defense of the image of American Poles is the major preoccupation of the Polish-American Congress. The Congress is an umbrella organization of over forty Polish fraternities, clubs and associations. It was organized in May, 1944, to help in the establishment of a free and independent Poland at the conclusion of World War II, but now the Congress devotes a great deal of its efforts to the strengthening of the political positions and influence of American Poles and to the defense of the public standing of Polonia in the United States.

The image problem lies heavy on the hearts of the Polish community, and it ought to lie as heavy on the conscience of the American people. For some reason, the dominant American society has chosen to brand the American Poles as slow-witted, and television shows and night club comedians delight in telling jokes, the butt of which is the stupid Pole who has difficulty in grasping a simple situation and who is easily outwitted. Such an image would be hard to bear for any group, but for American Poles, the descendants of a people which prides itself as having been the defenders of Christianity in Europe, which has produced writers like Sienkiewicz, Reymont (both Nobel Prize winners), Mickiewicz, Slowacki and Conrad, and scientists like Copernicus and Eva Sklodowska Curie, the painter Jan Matejko, and composers like Chopin and Paderewski, the burden is almost unbearable.

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[1] Professor Reverend M. J. Madaj suggests that this widely shared intention of an eventual return may provide at least a partial explanation for the slow process of assimilation or Americanization of the Polish communities. (M. J. Madaj, "The Polish Community—A Ghetto?" *Polish American Studies*, July–December, 1968, p. 69.)

Nicholas von Hoffman wrote in his column in the *Washington Post* that "Poles have yet to make it as a respected group of people with feelings. . . . No other group in America has to put up with this sort of thing. Sure, there still are anti-Negro and anti-Semitic jokes going the rounds, and anti-other people jokes also, but nothing like the Polish jokes. Just about anybody who isn't Polish or at least Slavic thinks nothing of cracking one of these belittling, invariably unfunny, cruel jokes."

In recent years, American Poles have launched a long overdue counter-offensive. They have branded their image false and the "Polish jokes" as an unworthy and an un-American abomination.

The Polish-American Congress has established a special committee on education and cultural affairs, which has demanded from the communication media the elimination of "Polish jokes" and asked them to present the contributions and the positive life-styles of the Polish community in America. So far, this campaign has been only partly successful.

American Poles have only recently increased their efforts to support Polish cultural activities. There are two colleges, supported by Polish-Americans, where the Polish language and literature are taught extensively. But this effort is far from adequate.

In Polish-American communities throughout America, art clubs, academic group discussions, art shows, and poetry readings draw large and enthusiastic audiences.

In Poland, in spite of the restrictions of the communist regime, the Polish theater, one of the best in Europe, thrives. Playwrights like Stanislaw Witkiewicz, Tadeusz Rosewicz and Slawomir Mrozek have had their plays produced in France, Switzerland and England. Polish movie making is considered the most avant-garde in the world, and Hollywood has lured many Polish film directors and writers to work in America. The ancient Jagiellonian University in Crakow and Warsaw University rank among the finest in Europe, and on their faculties there are many world renowned scholars.

The record of the several generations of Poles in America provides no justification for the defamation and the mental anguish imposed on this group. But there is a growing spirit of self-confidence and pride in their cultural heritage among Americans of Polish descent.

REPORT OF THE FEDERAL RAILROAD ADMINISTRATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. McKINNEY. Mr. Speaker, last month, when the House considered the Federal Railroad Safety Act authorization, I brought to the attention of my colleagues the fact that the Federal Railroad Administration had held rail safety hearings on the Connecticut-New York commuter lines last July 28, 1973, and that a year later we were still awaiting the report of the FRA investigation.

Last week the FRA issued its report and at this time I would like to share with my colleagues some of my thoughts on the first such report ever issued by the FRA.

Certainly this long-awaited Federal Railroad Administration report on safety conditions of the Connecticut-New York commuter lines is not the blast at the Penn Central that many of my commuter constituents desired and anticipated. However, I cannot help but think had the report been issued earlier, before the Penn Central corrected many of the inadequacies which the FRA conceded had led to justified complaints, we would have a much more forceful report. As it is, perhaps prompted by the FRA investigation, the Penn Central has corrected some of the conditions complained about, has programed other improvements for the near future, and has made commitments to the FRA to publicize certain aspects of train procedure.

For example, in my testimony at the FRA hearing in White Plains, N.Y., last July, I referred to the "deferred maintenance" practices of the Penn Central. The FRA report states their investigation revealed no such practices per se but it did disclose maintenance problems at Brewster—Putnam Junction—car shop. Hence, on June 1 the maintenance and repair work done at Brewster stop was assumed by the Madison Avenue car shop.

During the FRA hearings, I raised the issue that train crews and tower operators are improperly trained. Again, I do not know if it was the result of the investigation or what, but the FRA report states that such an allegation may have been warranted with respect to conditions which existed up to a relatively short time ago, but are not warranted now. Why are they not warranted now? Because the Penn Central "recently" improved its training programs. How recent is "recently?" Are these training programs the result of the hearings and subsequent investigation?

Again, in my testimony I complained that passengers and some trainmen do not know the location of fire extinguishers on the cosmopolitan and metropolitan cars. We now have assurances in the FRA report that the trainmen have now been made aware, in training classes, of locations of fire extinguishers and emergency tools on the new cars and the Penn Central has agreed to post adequate signs marking the location of fire extinguishers for the information of passengers. When did the Penn Central agree to this simple request to post signs designating the location of fire extinguishers? Was it again "recently" and, if so, is that the reason these signs have not yet been posted? When can we expect the signs to be posted?

Hence, in many respects the FRA report is anticlimactic. The report has been issued after the Penn Central has agreed to certain remedies or has instituted remedies for the allegations and complaints made at the FRA hearings and in this sense I find the report very accommodating to the railroad.

I will not say the report is a whitewash, although to read the two pages of conclusions one could easily arrive at this sentiment. But again it is anticlimactic in that since the report was issued a year after the hearing the time span allowed plenty of opportunity for the Penn Central to take action on the complaints and improve operations and correct deficiencies. Perhaps we should be grateful to the FRA that these improvements have been accomplished and that we have assurances that further improvements are programed.

However, there is no reassurance anywhere in the report that followup will be forthcoming. I have written to Mr. John Ingram, Administrator of the Federal Railroad Administration, with respect to this matter. What assurances do we have that the training programs will continue? Will the FRA spotcheck the Penn Central commitments to improved procedure and operation? Will the FRA issue periodic reports on Penn Central service?

While most of the allegations I raised in my testimony last year have been answered by the FRA, one issue was not mentioned, that being whether the number of accidents that have occurred have been reported and, if reported, if the correct cause of the accident had been filed. I raised this issue, because several railroad employees had advised me that a number of derailments—or their true cause—are hidden from the press, the public and the FRA. I was disappointed that the FRA did not address this complaint and I have asked Mr. Ingram for information as to what action his staff took on this allegation. In this respect, it seems to me essential that the rank and file railroad employees be interviewed to determine if there is any justification for this allegation.

That I consider it necessary to interview the rank and file railroad employees raises another aspect of the FRA report which disturbs me. The FRA investigated two parts of my testimony relating to rail employees—possible violations of the Hours of Service Act and the complaint that Penn Central officials are forcing employees to work under unsafe conditions, particularly with respect to equipment that is unsafe—and concluded that interviews with "appropriate local union officials" all indicate there is nothing to substantiate these allegations. I do not mean to impugn our union officials, but I regret that the FRA did not conduct interviews with the union rank and file. It seems to me that no investigation, whatever its kind, is complete unless the crewmen who operate the trains, the rank and file, are queried about existing conditions. I have also written Mr. Ingram in this regard.

In my statement before the FRA hearing examiner last July, I called for a definitive statement on exiting from the new cars. Certainly the FRA statement is far from definitive on this point. The FRA "inclines to the opinion" that the Penn Central is correct is not publicizing the location of door-opening levers; that for the convenience and safety of passengers, they best not know the location of these levers lest they be used during nonemergency situations and run the risk of injury or death by contact with the electrified third rail or being struck by a passing train. The FRA concludes there is less likelihood of injury to passengers if they evacuate under proper controls. I had stated in my testimony that the Penn Central had a point in their contention but, like my commuter constituents, I wanted from the FRA a "definitive statement" on the issue of exiting. To "include" to an opinion is not the definitive statement we were looking for and I doubt if this report will lay to rest the concern of my commuter constituents on the question of egress from the new cars.

Moreover, in a sense their fears may be heightened by the reading of that section of the report dealing with the flammability of car interiors. While the FRA tests concluded that the materials are not highly flammable as alleged but are "quite fire resistant" and are considered to be among the "best state-of-the-art materials currently available for application in public transportation vehicles," the report goes on to note that should the plastic materials used in the cars catch fire, they may burn with sufficient intensity to produce toxic gases as alleged, but that such gases would require exposure of at least 10 minutes to produce harmful effects. I quote from the FRA report:

> Within that time frame passengers should have ample opportunity under PC emergency procedures to evacuate the train.

I do not believe this 10-minute time frame will be of comfort to commuters who have grave reservations about the exiting procedure of the new cars. Rather than alleviate commuter fears, I think the FRA report in this respect, by not being conclusive and definitive, simply adds to the argument of those who want the location of the door-opening levers publicized.

We have the assurance from the FRA that that agency is researching development of minimum standards to be included in its forthcoming passenger car safety regulations, and that the FRA is researching matters related to fireproofing of interiors. But this is little comfort to commuters who are presently riding the cosmopolitans and who know that more of the same cars are on order.

The Penn Central has agreed to provide commuters with adequate information concerning procedure they should follow in emergency situations. We all await this "adequate information" and hope it will be forthcoming in the very near future.

We have the FRA report; we now know of improvements the Penn Central has made in its operating and maintenance procedures; we now know what is in the planning stages and what is expected to be completed this year and in the near future. But the FRA must not simply sit back, now that their investigation has been completed, and simply trust that the Penn Central will live up to its promises and continue its improvements. In accordance with the provisions of the Rail Safety Act, the FRA must continue to spot check the Penn Central, issue periodic reports on the railroad's service, and insure that the Penn Central improvement program continues unabated.

EDUCATIONAL OPPORTUNITIES IN THE VOLUNTEER FORCE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, one of the strongest factors in promoting enlistments in the all-volunteer force is the opportunity for educational advancement. In a recent column in the Chicago Tribune, John Chamberlain described the outstanding program originally initiated by the 9th Infantry Division in the Pacific Northwest. Mr. Chamberlain also has some perceptive observations concerning conscription in American society. I insert this item in the Record and commend it to the attention of my colleagues:

[From the Chicago Tribune, July 20, 1974]

Volunteer Army Gaining Its Stride

(By John Chamberlain)

When President Nixon made his still unappreciated gift to Young America by ending the draft, the cynics came out of the woodwork in full force. A volunteer army, they said, would never do. It would lure only the dregs; it would use up money that might better be spent on advanced weapons; it wouldn't represent a democratic cross-section of the nation; it would be 30 per cent black, etc., etc.

For a couple of months, when enlistments dropped by 30 per cent, it looked as tho the cynics were going to be right. But on the first anniversary of the draft's demise, the voluntary Army is already a resounding success. On July 1, Secretary of the Army Howard Callaway made the point statistically: The Army ended the fiscal year in excess of its authorized strength of 731,600. There had been enlistments of some 200,000 volunteers, and a high reenlistment of some 58,000 men and women.

An apparent paradox is involved here. All the polls tell us that patriotism is at a low ebb, particularly among the young. I myself doubt the ability of a pollster to get a true answer to questions about being motivated by patriotism—people feel sheepish about boasting of their love of country just as they feel sheepish about admitting their own virtue.

Leaving that matter aside, however, the U.S. Army Recruiting Command, which is under the direction of the astute Maj. Gen. William B. Fulton, has discovered that an inversion of the R. O. T. C. principle is just the thing to build up a voluntary Army. Under R. O. T. C., a college student devotes most of his time to ordinary civilian subjects, with his military training coming after math and chemistry and language requirements have been satisfied. The Army now works it the other way round.

In running the Ninth Infantry Division in the Pacific Northwest, Gen. Fulton had conducted something called "Old Reliable University"—he had worked with local colleges, vocational schools and high schools to enable his "old reliables" to get diplomas they had missed in civilian life. The principle, elaborated as the Educational Service Plan, is now luring high school graduates into the voluntary Army; almost 70 per cent of the June 1974 enlistments were high school graduates or the equivalent.

A recruit is now able to spend some 20 per cent of his training time on the ordinary civilians subjects he might have elected if he had gone to college. He can enroll in a local community college or a vocational school and, in three years of military service, get up to two years of credit toward an ordinary bachelor's degree.

This brings college training within the reach of hundreds who could not afford it, otherwise. It does not lead to any skimping in military preparedness; the improvement in morale and motivation means that the 80 per cent of time spent on military training is more intensively utilized.

The opportunity for continuing an education has brought highly motivated people into the Army. And the motivation extends to the blacks and other minorities, who now constitute some 21 per cent of the active Army, not an overbearing "ethnic" burden.

The skeptics are still at it, however—they show it when they ask such questions [quoting from the Washington Post] as "How well will an army of well-paid enlistees recruited in 'peacetime' perform in combat?" There can be no definitive answer to such a question short of war, but when Nixon called for his Middle East alert last fall, a telephoned notification at 12:15 a.m. brought an eager 100 per cent response of "Yes sir, where are we going?"

A voluntary Army does not make semantic mock of the 13th Amendment, which prohibits "involuntary servitude." The young, who make a fetish of integrity, appreciate that—and they are making the voluntary Army their own.

KNOCKING OUT NO-KNOCK

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. DRINAN. Mr. Speaker, I am happy to attach another editorial recommending the repeal of the "no knock" legislation. This editorial is from the Worcester, Mass., Telegram, a distinguished daily newspaper with a very highly regarded tradition of competence and excellence in its editorial positions.

I have the hope that the House of Representatives will follow the recommendation of this editorial and follow the Senate in repealing the "no knock" provisions of Federal criminal law.

The editorial follows:

Knocking Out No-Knock

In 1970, Congress granted "no-knock" authority to District of Columbia policemen, allowing them to enter dwellings, with a special warrant, without knocking and identifying themselves. Later that year, as part of the Drug Abuse Prevention Act, the same right was extended to federal narcotics agents across the country.

The legislation was intended to give additional impetus to law enforcement in an era of sky-rocketing crime. It brought the element of surprise into the arrest process by giving suspects no chance to escape or destroy evidence.

At the time the proposal was debated, its opponents argued that Americans should be secure in their homes and that no-knock would open the door to abuses. An amendment by Sen. Sam Ervin to delete the provision from the anti-drug act was defeated by the Senate.

Four years have passed since, and the impact of no-knock has proven questionable at best. While some police authorities argue that the surprise entry helped arrest and conviction, the police chief of the District of Columbia said his department could live without no-knock. And the lawyer for the district police stated that no-knock investigation increased the possibilities of injury both for law enforcement officers and occupants of homes entered.

Moreover, several unfortunate incidents have occured where teams of narcotics agents descended upon private homes by mistake, ransacked apartments and mistreated innocent people. The Gigotto case in Collinsville, Ill. was one outstanding example.

Because the risk to individual rights seems to outweight the potential benefit law enforcement may gain from no-knock, the Senate reversed itself on the issue the other day, voting 63 to 31 to end it. If we still accept that old American idiom that "a man's home is his castle," the House should do likewise.

NUCLEAR FUEL COULD BECOME IN SHORT SUPPLY

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HOSMER. Mr. Speaker, set forth below is my statement on the effect possible on nuclear fuel supply from a failure to install adequate nuclear fuel reprocessing facilities, which circumstance could materialize.

The material follows:

Hosmer Says Fuel Reprocessing Failure Will Boost Demand for Enrichment by 22 Percent and Feed by 40 Percent—Sees Need To Reactivate Purex Facility

A serious new instability in the nuclear fuel supply picture is being introduced by the prospective dearth of fuel reprocessing facilities. It may further complicate the transition of its enrichment phase from public to private hands. I have asked the AEC to provide testimony regarding the problem during the final stages of Phase III hearings on the Future Structure of the Uranium Enrichment Industry.

If GE's Midwest Fuel Recovery plant at Morris, Illinois, is ever redesigned and completed, it will still be several years late in coming on line. The Nuclear Fuel Services Co. reprocessing plant in New York and the Allied Chemical/Gulf General Atomic plant at Barrwell, South Carolina, will be somewhat modest in size and may, themselves, come late on line. Exxon has nebulous plans for a reprocessing plant in Tennessee which may or may not materialize. In any case, these and future reprocessing schemes, public or private, buck up against massive environmental clearance problems.

Under the circumstances there now appears little alternative but for AEC to reopen its Purex facility at Hanford. I have asked that AEC furnish cost and time on line estimates concerning Purex. I want to furnish them to the Administration in ample time for inclusion in its FY 1976 budget and earlier supplementals.

Purex will require widespread alterations in order to process civilian fuel elements and meet environmental standards. Reopening will be very expensive.

The difficulties of installing adequate reprocessing facilities and the need which seems to loom to inject the government into the picture calls for several high level policy decisions. The most fundamental of these decisions is whether or not to lump reprocessing in with waste disposal as a government function for the foreseeable future. If this appears desirable then both activities should be under some responsible, permanent subunit of the federal government which will survive reorganizations such as those contemplated by the ERDA legislation. Doing so could obviate some of the fears now being expressed over possible surreptitious diversion of plutonium from peaceful channels during the civilian fuel reprocessing. I do not, myself, regard this as a problem which cannot be handled quite adequately by IAEA and domestic safeguards. However, there is much confusion over it amongst the lay public.

The far more serious problems stemming from inability to reprocess spent fuel are three in number:

(1) The safe and secure storage for an indefinate period of spent elements for which space is now growing tight. Considerable investment will become mandatory to provide new storage and how it is to be financed will be troublesome.

(2) Even should plutonium recycle pass the AEC's licensing hurdle and offer the tantalizing prospect of reducing the demand for enriched uranium by 10% or so, this alternative will not practically be available so long as plutonium for recycling remains locked up in unreprocessed fuel elements, and

(3) Even more significant amounts of nuclear fuel in the form of unburned U-235 would remain locked up in the same unreprocessed elements. Utilities have depended upon the availability of this enriched uranium for recycling back into their reactors as soon as possible. More than 90% of the U-235 fabricated into a new fuel element still remains in a spent fuel element. Only a fraction of it is burned. The unavailability of such enormous stocks of U-235 as those which could be frozen in unreprocessable spent fuel would place large new requirements for unforeseen enriching capacity and feed materials.

I have only gross and preliminary estimates of what these unanticipated requirements for separative work and feed material might be in the 1980's should reprocessing capacity prove to be in negative supply. Variables such as each individual utility's estimates regarding both plutonium and enriched uranium recycle are just not available at this time. It is hoped that AEC's testimony will bear on these matters.

Meanwhile, my tentative estimate is that the absence of reprocessing capacity in this time frame could mean something like a 28% increase in demand for separative work and possibly a 50% increase in demand for feed per year. The relationship between the two demands is not linear because uranium reclaimed from spent fuel rods is already substantially enriched and only some topping is needed to bring it back up to its desired U-235 content.

The prospect of such unanticipated demands as these would, of course, throw a heavy burden on the raw and feed materials industries. It would require almost immediate action and government financing to build up and sustain a preproduction stockpile adequate to satisfy the extra burdens during much of the decade of the 1980's. It would require a massive infusion of capital into the mining and milling industries to make available the necessary additional feed material.

"THE SPIRIT OF '76"

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. YOUNG of Illinois. Mr. Speaker, recently, I called the attention of the House to the need for greater participation in the 200th anniversary of the signing of the Declaration of Independence of the United States.

In connection with my efforts to obtain increased citizen awareness of this event, I have sponsored an essay contest for high school students on the "Spirit of '76."

I would like my colleagues to read one of the two winning essays written by Shari D. Olenick, 819 Prairie Lawn Glenview, Ill., a sophomore at Glenbrook South High School. I am sure my colleagues will find it reassuring that we have such intelligent and thoughtful views so well expressed by the youth of this country.

The essay follows:

The Spirit of '76

"We the people, of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America." So reads the preamble to the United States Constitution, and it is these words that define the continual search that not only constitutes our goal in the next 25 years, but for the rest of our existence as a nation.

". . . in order to form a more perfect Union . . ." This realistic observation mirrors not only our forefathers' hopes, but their rationalizations as well. The phrase employed is not "to form a perfect Union," but rather "to form a more perfect Union." Too many Americans tend to criticize our government in terms of a perfect society; there has never been a perfect society. Such delusions can become obsessive, and in the throes of this obsession, we might miss the opportunity to criticize constructively, depriving our government of its backbone—the voice of the people.

". . . establish justice . . ." Can we, the people, permit our laws to be upheld by an elite few? No—one needn't pass the American Bar examination in order to become involved in the many issues facing out justice system. It is not only our right to become involved, it is our responsibility as Americans. Must we be content with a welfare program that virtually sanctions the misery and impoverishment that characterizes poverty? No, but we, the people, must take the first step. Can we let ourselves be spoon-fed political information without once questioning its validity? Not unless we strive for a Communist Utopia.

". . . insure domestic tranquility . . ." Who defines "domestic tranquility?" Is it defined by school officials, who, in their isolated idealism, decree that children be bussed into school districts that don't want them, school districts that they don't want themselves? Or perhaps it is defined in the explosion of a terrorist's bomb in California, a bomb that decrees with a deep and vindictive hatred, "We, too, are the people. . . ." Domestic tranquility is not a dream, nor is it the idyllic state that people envision it as. Rather, it is the reality of a nation of people working together to better the lives of others, airing their differences and learning the fallacies of their prejudices.

". . . provide for the common defense . . ." What constitutes "common defense?" Obviously Viet Nam did not, and we voiced our feelings with an adamant agony that finally led to our withdrawal. We didn't leave soon enough? Perhaps next time we'll be more decisive, more adamant about the value of human lives. Or perhaps there won't be a next time. If we finally take stock of our position in the turbulent world political scene, then perhaps, we the people, will be able to stop another Viet Nam from developing.

". . . promote the general welfare. . . ." For all the government's talk of the welfare of the people, the greatest detriment to American society is the apathy that presently ravages it. The validity of this statement is found in the many examples of the work of one individual in our society. People like Ralph Nader have given the American people a taste of the social victories that can be theirs for the searching. Most people realize the value of personal well-being. What they don't realize is that they are a part of something bigger—a nation—and that this nation's well-being has a radical effect on their own well-being.

". . . insure the blessings of liberty to ourselves and our posterity. . . ." The only way that we, the people, can insure the ideals and principles on which our country was founded is to take a long hard look at them, and then relate them to our lives. We must shock the American public out of their blindly apathetic search for the American dream, and make them realize that our American dream is not theirs for the buying, but rather theirs for the doing. The American dream is a search; but unless we open our eyes and participate in it, the America we find may not be the America of our dreams, the America that our forefathers worked so diligently to insure. We the people, must lead that search.

WHAT'S RIGHT ABOUT AMERICA

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mrs. HOLT. Mr. Speaker, one of my constituents, Karen Yolanda Bond of Hanover, was an entrant in the recent Miss National Teenager Pageant of Maryland. Part of the competition was a short essay on "What's Right About America." Karen's essay is as follow:

> The American people—past, present, and future—that's what's right about America! In the past, many Americans lived and died to make and preserve our special freedoms.
>
> Presently, those seeing beyond our weaknesses work faithfully to preserve such strengths as freedom of religion, freedom to be an individual, and freedom to succeed regardless of background. Among us are people inspiring us teenagers to make an even better future through this opportunity to be our best today. These American people—past, present, and future—that's what's right about America! That's why I am proud to be an American!

I am proud of Karen and, even though she tells me she did not win the pageant, I still think she is a winner.

GOLD ADVOCATES SAY INFLATION CAUSED BY "NEW ECONOMICS"

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. CRANE. Mr. Speaker, the United States and the world face an unprecedented inflation at the present time. Much of our discussion about inflation tends to misunderstand its real cause and, if that is the case, we will fail in our attempts to reverse it.

Inflation has specific causes, the most important of which is an artificial increase in the supply of money with no backing for it. Deficit spending by Government, for example, is simply a form of taxation through the back door. Instead of raising taxes for Government expenditures, Government simply prints more money, thereby decreasing the value of all currency in the society. This is the situation we face today.

To those who argue that changes in the quantity of money do not really matter, Prof. Milton Friedman responds that:

> There is massive historical evidence that they do. Every economic recession but one in the U.S. in the past century has been preceded by a decline in the rate of growth of the quantity of money . . . . Acceleration of monetary growth in 1962 was followed by economic expansion. The monetary growth rate was too high—but it took until 1965 for its cumulative effects to produce higher prices . . . monetary expansion . . . has produced the widening signs of inflationary pressure.

The unfortunate state of the American and the world economy, many believe, can be traced to the period when the dollar ceased to be backed by gold.

In an article appearing in the July 18, 1974, issue of the Journal of Commerce, Charles A. Fuller, Jr., notes that:

> The current runaway worldwide inflation and the breakdown of the international monetary system is a direct result of action taken by western nations, most notably the United States, in adopting the "New Economics" and failing to back their currencies in gold.

Mr. Fuller points out that the advocates of gold believe that:

> Governments . . . have embarked upon a dangerous worldwide expansion of money supply and credit, a policy which led Jacques Rueff, a leading international monetary expert and former adviser to the late President Charles de Gaulle of France, and who called this period of history "The Age Of Inflation," to sound his famous warning "I fear for western civilization."

One way to check the power of governments, Mr. Fuller writes, "is to tie money to gold." Economist Ludwig von Mises, in his volume, Theory of Money and Credit, stated that governments resist a gold standard because "it wrests from the hands of 'economic tsars' their most redoubtable instrument. It makes it impossible for them to inflate. That is why the gold standard is furiously attacked by all those who expect they will benefit by bounties from the seemingly inexhaustible government purse."

I wish to share with my colleagues the thoughtful article, "Gold Advocates Say Global Inflation Caused by Move to 'New Economics,'" by Charles A. Fuller, Jr., which appeared in the Journal of Commerce of July 18, 1974, and insert it into the RECORD at this time:

> GOLD ADVOCATES SAY GLOBAL INFLATION CAUSED BY MOVE TO "NEW ECONOMICS"
>
> (By Charles A. Fuller, Jr.)
>
> The current runaway worldwide inflation and the breakdown of the international monetary system is a direct result of action taken by western nations, most notably the United States, in adopting the "New Economics" and failing to back their currencies in gold.
>
> This is the view of the gold advocates who see the adoption of monetarist and Keynesian economic theories as leading the western world to ultimate economic and political disaster.
>
> FEARS EXPRESSED
>
> Governments, the gold advocates points out, have embarked upon a dangerous worldwide expansion of money supply and credit, a policy which led Jacques Rueff, a leading international monetary expert and former adviser to the late President Charles de Gaulle of France, and who called this period of history "The Age of Inflation," to sound his famous warning: "I fear for western civilization."
>
> To those Americans perplexed by the current high rate of inflation in the United States, the cause of inflation is clearly defined by Webster's Third International Dictionary.
>
> Inflation, the dictionary reports, is "an increase in the volume of money and credit relative to available goods resulting in a substantial and continuing rise in the general price level."
>
> In short, the United States and other countries have been increasing their supplies of money and credit at far too rapid a pace. With the resultant increase in paper money the nations of the world—their economies stimulated by the newly created money—are bidding against each other for the world's limited supplies of raw materials and goods and forcing prices upwards.
>
> The result, in effect, has been a "beggar my neighbor" policy among nations in reverse. Instead of each nation devaluing its currency in order to allow its exports to better compete in world markets and increase home employment—a course of action taken during the 1930's—virtually every nation today is "beggaring" its neighbor by bidding supplies of raw materials away from each other in the world markets.
>
> Much of the current inflation in the United States can be traced to this country's failure (by both the President and Congress) to increase taxes to pay for the Vietnam War or, better yet, in the opinion of many, not to have gotten us into that disastrous war in the first place.
>
> President Johnson, in effect, told the American people that we could have "both guns and butter," a statement which flies in the face of all historical evidence. Similarly, President Nixon also refused to pay for the war which he waged for more than four years out of current tax revenues, and under his administration the United States is now running the largest peacetime deficits in history.
>
> The post World War II arms race with the Soviet Union has also been inflationary, doubly so. Guns, tanks and aircraft, expecially when produced on a planned obsolescence basis as some critics charge, add nothing to the standard of living and bid labor, capital and materials away from the private sector.
>
> In many cases, the American taxpayer has really been given the business. A General Accounting Office (GAO) report, for example, showed that manufacturers of bombs and

rockets for the Vietnam War were making annual profits on invested capital of 300 to 1,000 per cent or even higher.

One basic reason why inflation in the United States has accelerated rapidly in the past few years has been devaluations of the dollar which, of course, have made imported products much more expensive and, at the same time, made U. S. exports cheaper and thereby creating shortages of commodities here with foreign purchasers bidding them away from Americans.

The gold advocates view the present world situation with alarm. In their view the present world is floating in an ocean of public and private debt of such massive proportions that sooner or later the world will be thrown into a depression of unprecedented magnitude, perhaps after a period of hyperinflation in some countries.

Herbert Stein, chairman of the President's Council of Economic Advisors, recently blamed the American people for the high rate of inflation, an escalation which hit an annual rate of 14.2 per cent in May. But Mr. Stein, it should be pointed out, has defended the administration's policy of not raising taxes and, further, his economic predictions in recent years have consistently proved to be wrong.

One steel importer asked last year what he thought the rate of inflation would be in 1974 in view of Mr. Stein's prediction that it might go as high as 8 per cent, concluded:

"Well, if Stein says it will be 8 per cent, then I'd say it's got to be 18."

The Nixon Administration has blamed much of the inflation on high oil prices, but this is only one part of the inflationary spiral, a spiral deliberately set in motion by governments on the basis that "easy money" policies lead to high employment.

CONSIDERABLE DOUBT

There is considerable doubt in the minds of many observers whether governments can take the necessary—and painful—step to bring inflation under control: higher unemployment.

One Italian industrialist, when asked what he thought the world's current economic difficulties will lead to, replied that the necessary steps may be impossible in a democracy. He added that historically whenever an economy was out of control or foreign debts could not be paid, the outlet was war.

"But with nuclear weapons that possibility is unthinkable today," he said.

Referring to Italy, which today is bankrupt, he added that many people believe the situation will disintegrate into armed conflict between the left and right.

It is a historic fact that inflation leads to more inflation. The Federal Reserve, for example, is continuing to expand the nation's money supply at a rather rapid pace just to keep close to the treadmill sparked by earlier expansion of money and credit and thereby prevent a severe recession or economic collapse.

Each increase in prices leads businessmen to boost their loan demand since the cost of maintaining inventories of raw materials and other goods is now higher.

This process was carried to its extreme in the classic case of hyperinflation in Germany after World War I. As incredible as it might seem, people constantly complained that there was not enough money even when inflation had reached the point that workmen were paid every hour with bundles of banknotes. What they and their employers were complaining about, of course, was that the money would no longer buy what was needed.

The current high interest rates in the United States—the highest in this country's history—in theory are supposed to cool the demand for money. But some observers see this as largely ineffective in dampening the demand for credit since the nation's banks have adopted a "floating" prime rate for business borrowers.

Under a "floating" price the interest rate on a loan is moved up or down through the life of the loan. Therefore, businessmen are not easily deterred from borrowing at today's high rates if they believe the rates will drop in the future.

The gold advocates feel the adoption of monetarist and Keynesian policies by governments have prevented periodic purges of the credit system which they view as necessary evils which must be endured if economic systems are not to get completely out of hand.

One way to check the power of governments is to tie money to gold, a situation which officials of the United States Government and other nations as well have refused to allow. In fact, in their criticism of gold, Treasury spokesmen were once quoted as saying that if the world's central banks stopped buying gold on the free market, the price of that metal would drop far below the then official price of $35 an ounce.

Economist Ludwig Von Mises in his "Theory of Money and Credit," asserted that governments resist a gold standard because, "it wrests from the hands of the 'economic tsars' their most redoubtable instrument. It makes it impossible for them to inflate. That is why the gold standard is furiously attacked by all those who expect they will benefit by bounties from the seemingly inexhaustible government purpose."

ROSENBERGS CANNOT BE REDEEMED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ASHBROOK. Mr. Speaker, liberals never stop trying to rewrite history. Their latest project is to redeem the reputation of the Rosenbergs, convicted of espionage in the early 1950's.

To speed this redemption, the Rosenberg apologists have taken to the communications media with a vengeance. As a result, the American people have been subjected to a barrage of television programs, news articles, and letters to the editor, all advancing the proposition that the Rosenbergs were really just innocent folk heroes.

I find this propaganda effort absolutely incredible. Despite President Nixon's current problems, it does not make history any different. Try as liberals may to convince us otherwise, the Rosenbergs were spies for the Soviet Government.

It was therefore refreshing to come across a letter in the New York Times that refutes this attempt to idealize the Rosenbergs. As the writer, Mr. Rifkind, contends—

> They [the Rosenbergs] were not American heroes; they were spies in the service of the Stalinist tyranny.

I am glad that someone has taken the time to set the record straight on this matter.

The text of Mr. Rifkind's letter is as follows:

ROSENBERGS: THE "UNTAINTED VERDICT"

To the Editor:

In the past few months, TV plays and documentaries, mass meetings and letters to newspapers have promoted the myth that the Rosenbergs, convicted more than twenty years ago of espionage, were innocent folk heroes, killed by a corrupt judicial system. The record, however, does not yield to fiction. They were not American heroes; they were spies in the service of the Stalinist tyranny.

The facts are public but either not well known to the myth-makers or deliberately distorted:

The verdict of guilty was pronounced by a jury declared satisfactory by the accused before they had exhausted their thirty challenges; after the verdict, jury and judge were praised by the Rosenbergs' self-selected lawyer.

The presiding judge, Irving R. Kaufman, was of such quality that he was later recommended for appointment to the Court of Appeals—of which he is now the Chief Judge—by Learned Hand, universally regarded as a towering champion of human liberty.

The conviction was approved on appeal in an opinion written by Judge Jerome N. Frank, who is without a peer in his protection of the rights of those accused of crime.

The Supreme Court declared, "Each of the Justices has given the most painstaking consideration to the case"; it found no reason to review the verdict or sentence.

After sixteen petitions for reconsideration in the District Court, seven in the Court of Appeals, seven in the Supreme Court and two applications to President Eisenhower, the verdict of guilt remained untainted.

In 1967, Morton Sobell, of co-defendant, suggested that new evidence had been unearthed that would create a doubt about the verdict. That application was decided by Judge Edward Weinfeld, whose meticulous treatment of facts has won him nationwide renown. He found it utterly devoid of merit. Moreover, he laid to rest as false the claim, recently disinterred, that both judge and prosecutor had withheld from the defense helpful information. Another recent fabrication attributes to Judge Learned Hand a statement that the prosecutor was guilty of reprehensible conduct during trial. There is not a word in the record to support it.

The imposition of sentence is always a grave judicial responsibility. Some people were opposed to capital punishment in the fifties, and perhaps more of them are so opposed in the seventies. But a judge's duty is to obey the will of Congress, and not to be swayed by his own predilections. The Rosenbergs were sentenced under a statute which plainly contemplated the death penalty for serious acts of espionage. Life imprisonment was not authorized.

Many are under the impression that the sentence received no appellate scrutiny. That is not true. Judge Frank said: "Since two of the defendants must be put to death . . . we have scrutinized the record with extraordinary care. . . ." He pronounced the trial flawless, and he declared the sentence to be within the law; valid under the Constitution; supported by adequate evidence, and not at all offensive to the "common conscience."

Moreover, while a sentence is pronounced by a judge, its execution rests in the discretion of the President. In the case of the Rosenbergs, President Truman did nothing to obstruct execution. President Eisenhower twice denied clemency.

The current agitation has no contact with genuine efforts to improve the judicial process. History is being rewritten to manipulate political opinion in a direction which cannot be in the interest of the American people.

SIMON H. RIFKIND.

NEW YORK, *July 5, 1974.*

QUESTIONNAIRE RESULTS OF THE 11TH DISTRICT OF INDIANA—1974

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HUDNUT. Mr. Speaker, I would like to take this opportunity to acquaint my colleagues in the Congress with the views of my constituents as they were set forth in their responses to the recent questionnaire we sent to everyone in the 11th Congressional District in the State of Indiana. Almost 17,000 persons answered my request that they share their opinions with me, and many not only made additional comments but also wrote me letters to amplify their views.

I was grateful for these responses. While obviously I must make up my own mind on how to vote on any given issue, remembering Edmund Burke's apt remark that one's constituency requires his industry, but even more, his judgment, nonetheless, the information I received through the questionnaire about what the constituency I represent is thinking supplies valuable input in the decisionmaking process. And beyond that, I believe that this type of communication between a Congressman and his constituents contributes immeasurably to the creation of an atmosphere of openness which is essential to the vitality and health of our democracy.

The only additional comment I would make is that in these strenuous times through which our Nation is passing with so many controversial issues facing us, we must never forget that as we formulate our opinions on these matters and speak our minds, reasonable men and women in all good conscience will differ. If we remember that, and respect each other's right to his or her own opinion without questioning the other person's motives or lampooning his point of view, we will be true to the ideals at the heart of American democracy by protecting the freedom of speech and thought that differentiates our way of life from a dictatorship.

Herewith are the questionnaire results:

	Percent	
	Yes	No
1. Do you associate the incidents surrounding Watergate primarily with:		
The Republican party	8.26	
The entire political system and politicians in general	58.25	
With a few isolated individuals	33.5	
2. Do you think the President should be compelled to spend all funds appropriated by Congress, even if he feels these expenditures are not in the best National interest?	16.91	83.09
3. Should Indianapolis continue to be on the same time on a year-round basis?	78.42	21.58
4. Do you favor the expansion of trade with the Soviet Union and China?	50.76	49.24
5. Do you feel that network television fairly presents both sides of most issues?	31.01	68.99
6. Do you think the Federal Government should completely finance all Federal election campaigns?	25.20	74.80
7. Impeachment is defined as bringing charges against a public official so that the official may be brought to trial. It does not mean removal from office. Under the Constitution, the House of Representatives brings the charges (impeaches), and the Senate tries the case and makes final judgment. Do you favor the impeachment (bringing to trial) of President Nixon for what the Constitution specifies as treason, bribery, or other high crimes and misdemeanors?	39.77	60.23
8. Would you favor some relaxation of clean air standards aimed at increasing gasoline mileage on cars and allowing a greater use of coal and high sulphur fuels in order to help solve the energy crisis?	72.42	27.58
9. Federal Judges are appointed for life. Do you think they should be elected—or subject to a periodic review—so that their terms will be limited?	87.03	12.97
10. Should the Federal Government require more information on consumer products and institute more stringent controls?	55.21	44.79
11. Should the death penalty be restored for such crimes as premeditated murder, wartime treason, skyjacking, or kidnapping which result in death?	86.99	13.01
12. Should all Federal office holders be required to make a complete financial disclosure?	76.67	23.33

EQUAL OPPORTUNITY IN NEW YORK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RANGEL. Mr. Speaker, Federal efforts to enforce civil rights will only be truly effective when local governments commit themselves to defeating discrimination and surpass minimum Federal requirements. These minimum standards are important as a first step, but effective implementation is carried out at the local level.

New York City has recently taken those extra steps. Mayor Beame issued an executive order creating a comprehensive equal opportunity program in the city government. I commend Mayor Beame on his decisive action on behalf of equal opportunity, and I urge my colleagues to read the following article from the New York Voice of June 21 describing New York's prospective program:

FIRST COMPREHENSIVE EFFORT: EQUAL EMPLOYMENT PROGRAM SET UP FOR CITY EMPLOYEES

(By Claire Paisner)

An executive order, considered of major importance in the city's history by human rights specialists, has been recently promulgated by Mayor Abraham Beame. Issued as Executive Order No. 14, it institutes a systematic equal employment program within city government, the first formalization of an internal program in the area of equal opportunity.

Prior to this move, there had been executive orders under the previous administration prohibiting discrimination and calling for an ethnic count of city employees, which was accomplished by the City Commission on Human Rights. There was a complaint procedure according to which individual employees could charge discrimination if they felt they had been subjected to it. But the Administration had not reached the point of setting up an overall affirmative plan, requiring positive initiative, as under Executive Order 14.

"This is a major civil rights step in government," Eleanor Holmes Norton, chairperson of the City Commission on Human Rights, told the Voice. "It mandates all agencies of city government to reform their practices to conform with modern notions of equal opportunity," she said, explaining that there have been a number of "forward-looking policies" that have come out of the courts recently and that need to be incorporated into a new program.

Asked if Executive Order 14 was in response to federal mandate, Commissioner Norton replied that it goes far beyond what is required by the U.S. government, operating through its principal human rights arm, the Equal Employment Opportunities Commission (EEOC).

New York City and all other public employers came under the jurisdiction of the EEOC through legislation passed in July, 1972. Prior to that, only private employers were regulated with regard to employment discrimination.

"There is no obligation to have a comprehensive program," said Mrs. Norton, noting that the new plan avoids the piecemeal approach whereby changes are made in response to successive pressures. "We're not going to wait to be sued by minorities and women. This is no way to approach civil rights," she remarked.

CONTENTS OF PLAN

The executive order, covering both appointive and civil service positions, outlines a number of steps that are to be taken in setting up a program.

The first task is the preparation of guidelines by three agencies: the Department of Personnel, the City Commission on Human Rights, and the Law Department. These guidelines would include specific criteria to be used in such areas as "recruitment, hiring, selection, benefits, promotion, transfer, separation, compensation, and skills training." The three agencies are to work under the direction of the Office of the Mayor in preparing these guidelines. Mrs. Norton was unable to say precisely when they would be completed.

Immediately after the issuance of the guidelines, each city agency is instructed to analyze the composition of its work force and its personnel policies and then prepare an Equal Employment Opportunity Program following the guidelines. This program is to be submitted to both the Department of Personnel and the City Commission on Human Rights, who, in turn, report to the Mayor.

Each city agency, in addition to following an approved EEO plan, is required to appoint a senior staff member as an Equal Employment Opportunity Officer and report regularly to the Mayor concerning the implementation of its plan.

The Department of Personnel, in consultation with related agencies, is also required to submit a city-wide EEO program under the executive order.

Mrs. Norton says she expects that in the course of carrying out the order, a number of recommendations will be made for changes in personnel procedures, as well as alterations in existing law.

ETHNIC SURVEYS

Commissioner Norton, who also served in her present capacity under former Mayor John Lindsay, told the Voice that the need for a new program was perceived as a result of the ethnic census prepared by the Commission, published in September of 1973. The census itself was considered a milestone in city EEO policy and it contained a number of recommendations for personnel changes. The last previous census had been taken under Mayor Wagner in 1963.

After the ethnic census was begun during the Lindsay era, the new federal law covering local governments was passed, and it included the requirement that the states and municipalities submit regular reports about the composition of their workforce to the EEOC. (A report, in fact, was prepared by the N.Y.C. Personnel Department some months ago, but has not yet been released to the public.)

Using data gathered in the 1973 survey by the City Commission on Human Rights (which based its findings on 1971 figures), Blacks made up 25% of the municipal work force and Puerto Ricans 6%. Both groups had increased their number considerably since 1963, although the still low percentage of Puerto Ricans was highlighted. (In 1970 Blacks were 21% and Puerto Ricans 10% of the city's total population.)

Both groups were found to be concentrated in certain agencies, and both had earnings toward the lower end of the pay schedule. For instance, 48% of the Blacks and 59% of the Puerto Ricans were in the salary range of $5,200–$7,299, as opposed to only 10% of the Whites.

JERRY FORD

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. COLLINS of Texas. Mr. Speaker, all of us in the House know Jerry Ford well. Having served on the floor with us for so many years, he gained the admiration and respect of everyone on both sides of the aisle. Now that he has moved up to the position of Vice President of our country it is interesting to see the impression and viewpoint of the people who are meeting him during his visits around the country.

The Vice President has visited Dallas on three different occasions during the past 3 months. Tom Johnson, who is executive editor of the Dallas Times Herald, wrote a very interesting article on Jerry Ford. Tom Johnson is a dynamic man on the move who represents the future leadership of Texas. I was interested in the complete writeup that he gave in the article of July 16. Here are Tom Johnson's observations in the Dallas Times Herald:

Getting To Know Ford

He insists on being called Jerry, not Mr. Vice President. He requires staff assistants to read George Reedy's "Twilight of the Presidency," a book which peels flesh off U.S. presidents for amassing luxuries in public office and for permitting their aides to isolate them in The White House.

He travels at a fast pace, exactly 200,919 miles since becoming vice president on December 6, 1973.

He delivers many speeches, more than 250 this year in 36 states.

He is not a brilliant, charismatic speaker, nor does he pretend to be. He does not have the magnetic charm that electrifies an audience in the fashion of John Connally.

He punctuates his private conversations with jabs on his left hand, while his right cradles a pipe filled with an aromatic blend. He seems to listen well.

Those who spent time with him in Dallas recently provide different personal descriptions, but highly positive reactions:

". . . he's solid . . ."

". . . he's willing to listen."

". . . he's honest in his answers."

". . . he would be dependable . . ."

". . . he's not flashy."

And, perhaps, the one comment that echoed most frequently from his appearances here: ". . . he could be a good president."

Gerald R. Ford, age 61, the most important number two man in the world.

As Washington reels under the impact of its seemingly endless barrage of daily political explosions, and as 1976 approaches, the importance of knowing Mr. Ford becomes more critical.

In three trips to Dallas, he has provided considerable insight into the public and private man.

On May 11, at the Dallas-Fort Worth Airport Marina Hotel, he warned that Democrats are seeking a veto-proof Congress which he equated with a "legislative dictatorship."

He said then that Texas' Republican party is long on quality but short on quantity. He is working to strengthen the GOP in each state.

He defends President Nixon, but concedes that the tape transcripts "don't confer sainthood on anybody." He believes it would be wrong if the President resigned.

On June 13, addressing the Southern Baptist Convention in Dallas, Mr. Ford asked Americans to speak up "affirmatively about what's right about this country." He said, "We must get ourselves together to move forward to a higher state of moral responsibility and achievement."

On July 6, at the dedication of the World Trade Center, Mr. Ford stressed the vital importance of solid international relations. He reminded his audience of the President's great successes in foreign policy, from Southeast Asia through the Middle East, the Soviet Union, and the People's Republic of China.

A few other glimpses came through:

When a false report of a DPS escort vehicle being hit by gunfire was issued, Mr. Ford wasted no time after his speech at the Trade Center to make himself available to reporters in order to get the truth out. He did not try to cover anything up or to delegate the briefing to aides and law enforcement officials.

He has built solid friendships in Dallas. If that same impact is being felt in those 250 other speech sites across the country, he's far ahead on the route to the Oval Office, despite protestations that he really doesn't aspire to the Presidency.

IOWA REPUBLICANS SUPPORT AMNESTY

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ROBISON of New York. Mr. Speaker, it is evident that a greater appreciation for the need for a more complete national reconciliation is growing. This is evidenced by the adoption of a conditional amnesty plank in the platform adopted on July 20 by the Iowa Republican State Convention.

As adopted the amnesty portion of the platform reads:

In light of historical precedent and in order to remove lingering vestages of the Vietnam War, we urge that amnesty for objectors to the war be considered depending on the merits of each individual case and further advocate that alternative service be required as a condition of amnesty where granted. We oppose blanket amnesty.

The action by the Iowa Republican Party closely parallels the amnesty proposal I have made. Since a determined effort was made to take this plank from the platform and was defeated, I am hopeful that this action signals not only an awareness of the problems which amnesty can help overcome, but a commitment to taking steps which can truly "bind up the Nation's wounds."

U.S. SECRET SERVICE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BELL. Mr. Speaker, on June 20, I introduced H.R. 15505, a bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service. Last week, I reintroduced this legislation with cosponsors.

As you know, Secret Service protection was some years ago extended by law to provide security for major political candidates and for foreign dignitaries. The Federal Government has acknowledged that the responsibility for protection of those individuals entitled to such protection by the Secret Service is at the Federal level. However, the Secret Service is not large enough itself and, therefore, must seek assistance from local law enforcement agencies to adequately provide this service.

There is currently no fund available to reimburse State and local agencies for the assistance that is requested of them by the Secret Service. Thus, the burden falls upon these agencies themselves to pay such expenses from their own budgets.

In Los Angeles alone, requests by the Secret Service for supplementary security personnel more than tripled with the passage of Public Law 90–331, which provides security for major Presidential and Vice Presidential candidates, and Public Law 91–651, allowing protection for dignitaries. During an 11-month period in 1972, the Los Angeles Police Department incurred direct expenses of $168,959 in responding to 44 requests of the Secret Service. No doubt the local agencies in many other Member's districts have been affected similarly.

This increased burden on local communities was not forseen when Congress enacted the legislation to expand Secret Service protection. It is time, however, that this inequity be corrected and that the Federal Government assume responsibility for paying Secret Service costs. My bill would accomplish this by authorizing the Secretary of the Treasury to reimburse State and local governments for expenditures made at the request of the Secret Service.

The response to this proposed legistion has been very favorable and widespread. Typical of that response is a letter I received yesterday from Chief of Police Edward M. Davis of the Los Angeles Police Department.

I respectfully call to the attention of my colleagues Chief Davis' letter and the attached list of expenditures incurred by the LAPD, for assistance provided to the Secret Service during 1972, the complete texts of which follows:

Los Angeles Police Department,
Los Angeles, Calif., July 16, 1974.

Hon. Alphonzo Bell,
House of Representatives,
Washington, D.C.

Dear Congressman Bell: Bravo for your H.R. 15505. As you know we provide extensive security for Federal officials visiting in this City, and other persons, at the request of the Secret Service. This is now done at a considerable sacrifice to the citizens through diluted police services to the balance of the city. This bill will rectify a long-term inequity.

Sincerely,

E. M. Davis,
Chief of Police.

EXPENDITURES BY THE LOS ANGELES POLICE DEPARTMENT FOR VIP SECURITY

Dignitary	Date	Man-hours	Cost
Premier Sato (Japan)	Jan. 5/9, 1972	135.0	$1,422.13
Moishe Dayan (Israel)	Feb. 8/9, 1972	192.0	1,560.63
Vice President Agnew	Mar. 17/22, 1972	253.0	2,175.27
Congresswoman Shirley Chisholm	May 17/22, 1972	248.0	2,054.55
Senator McGovern	May 18/21, 1972	42.2	318.74
Senator Humphrey	May 18/June 6, 1972	222.5	2,339.25
Senators Humphrey/McGovern	May 22/June 6, 1972	178.0	1,819.62
Senator Humphrey	May 22/June 6, 1972	535.4	4,139.24
Senator McGovern	May 24/June 7, 1972	1,172.0	9,793.49
Wives of Presidential nominees	May 31, 1972	15.0	121.31
Senators Humphrey/McGovern	June 5, 1972	15.0	104.94
Vice President Agnew	June 8/10, 1972	410.5	3,179.89
Senator Muskie	June 16/17, 1972	29.0	277.07
President Echeverria (Mexico)	June 16/21, 1972	1,069.0	9,277.09
President Arana (Guatemala)	June 24/25, 1972	168.0	1,997.75
President Nixon	July 2/9, 1972	22.0	292.00
Vice President Agnew	Aug. 4/8, 1972	505.5	4,407.79
Sargent Shriver	Aug. 14/15, 1972	649.0	6,033.60
Vice President Agnew	Aug. 25/27, 1972	12.0	129.72
Senator McGovern	Aug. 29/Sept. 6, 1972	1,107.0	9,190.44
Senators McGovern/Kennedy	Sept. 1, 1972	10.0	105.38
Senator Kennedy/Sargent Shriver	Sept. 8/9, 1972	18.0	166.94
Sargent Shriver	Sept. 8/11, 1972	139.0	1,149.64
Senator Kennedy	Sept. 10/11, 1972	522.0	$4,772.69
Senator Kennedy/Sargent Shriver	Sept. 11, 1972	24.0	175.00
Mrs. Nixon	Sept. 18/22, 1972	881.0	7,628.66
Senator McGovern	Sept. 22/27, 1972	1,130.5	9,586.95
President Nixon/Senator McGovern	Sept. 22, 1972	10.0	105.38
President Nixon	Sept. 22/28, 1972	3,526.0	30,398.13
Mrs. Tricia Nixon Cox	Oct. 5/6, 1972	31.0	382.04
Sargent Shriver	Oct. 5/6, 1972	195.0	1,642.96
Prince Hassan (Jordan)	Oct. 9, 1972	3.0	27.93
Senator McGovern	Oct. 12/16, 1972	1,356.1	11,327.45
Representative Schmitz	Oct. 14, 1972	10.0	75.58
Prince Hassan (Jordan)	Oct. 18, 1972	5.0	45.52
Mrs. Julie Nixon Eisenhower	Oct. 24/25, 1972	61.0	694.50
Senator McGovern	Oct. 24/27, 1972	836.0	9,166.14
Senators Kennedy/McGovern	Oct. 25, 1972	10.0	105.38
Do	Oct. 27, 1972	12.0	72.77
Senator Kennedy	Oct. 27/28, 1972	487.5	4,913.14
President Nixon	Oct. 27, 1972	124.0	1,079.88
Vice President Agnew	Oct. 29/Nov. 2, 1972	2,224.0	18,710.83
Mrs. Nixon	Nov. 2/5, 1972	705.0	5,661.20
Senators Kennedy/McGovern	Nov. 26/27, 1972	48.5	330.88
Total		19,348.7	168,959.49

WMCA CALLS FOR UNIVERSAL AMNESTY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Ms. ABZUG. Mr. Speaker, I would like to call to your attention a broadcast aired July 4, 1974, on WMCA, a radio station in New York, supporting total and unconditional amnesty. It has been more than 19 months since the signing of the Paris accords and we still have not shown enough courage to recognize those Americans who refused to participate in an immoral war. Amnesty should not be delivered piecemeal but should be given to all draft evaders, deserters, and antiwar demonstrators without any requirement of punitive service.

As you know I have introduced a bill, H.R. 236, which would grant universal and unconditional amnesty. I therefore commend station WMCA for its strong leadership in an area which should be of utmost concern to all Americans, and insert the following for the benefit of my colleagues:

AMNESTY

There's something pretty special about this Fourth of July. For it's the first "independence Day" this country will celebrate with all of America's troops home from Vietnam. Which suggests to us at WMCA that this July Fourth is the perfect time for Americans to come out in support of total and unconditional amnesty—an amnesty which would bring those American men and women living in exile home also.

For while we believe that the veterans of the Vietnam war served this country with a courage and commitment symbolic of America's dedication to democracy throughout the world, we believe that the war resisters also stood up for American idealism—by refusing to participate in a war whose moral and constitutional bases were highly questionable. Trying to punish them now serves no purpose at all; only creates more bitterness and devisiveness throughout the land; and prevents the citizens of this country from joining together in peace and understanding.

Yes. The time has come for unconditional amnesty. And we think that letters to you Washington representatives favoring that amnesty would carry an extra measure of strength, were they to be dated, "July 4th."

H.R. 6485—TOBACCO MARKETING QUOTA PROVISIONS AMENDMENT

HON. FRANK A. STUBBLEFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. STUBBLEFIELD. Mr. Speaker, the bill H.R. 6485, as amended, was passed by the House and sent to the Senate on Monday, July 22, 1974.

The purpose of this legislation is to preserve the effectiveness of the tobacco program by discouraging the production of types of tobacco, which are not under the price support and production control quota programs from being grown in areas where tobacco farmers have chosen to comply with these programs. This bill primarily affects the growing of Maryland type 32 in the burley, dark, and flue-cured areas.

This legislation was requested by the tobacco grower leadership from the burley, dark, and flue-cured areas of production. In 1972, approximately 850,000 pounds of tobacco reportedly produced from Maryland-type seed were produced in the burley areas of Kentucky, Tennessee, and Virginia. In 1973, this production rose to an estimated level of approximately 5 million pounds primarily in those States.

The production and marketing of tobacco represented to be of Maryland type 32 in the burley production areas has caused great concern among burley producers, auction warehousemen, and others. Maryland tobacco is similar to burley tobacco, especially when grown on the same type soil under the same cultural practices. Both are light air-cured and are used primarily in the manufacture of cigarettes.

The Tobacco Subcommittee and the full House Committee on Agriculture recognized the concern of the burley producers and after considering the problem thoroughly recommended the enactment of this legislation. The U.S. Department of Agriculture also recommended the enactment of H.R. 6485, as amended.

H.R. 6485 was introduced by Congressman Breckinridge (for himself, Mr. Carter, Mr. Stubblefield, Mr. Perkins, and Mr. Snyder). Identical companion bills were sponsored by Mr. Natcher and Mr. Quillen. On the Senate side an identical bill, S. 1533, has been introduced by Senator Cook and Huddleston of Kentucky and Senators Baker and Brock of Tennessee.

I wish to take this opportunity to thank my colleagues who joined in the passage of H.R. 6485. I hope that the Senate will pass this much-needed legislation at an early date so that final enactment may take place in time for the law to be effective with the 1975 crop.

SENATOR WAYNE MORSE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. PEPPER. Mr. Speake:, the Nation has suffered a great tragedy and immeasurable loss in the passing of former Senator Wayne Morse. It was my privilege to serve in the Senate with him for many years. He was a rare man—rare in ability, rare in the depth of his dedication to the public interest, rare in his integrity of mind and principle, rare in his persistence and pursuit of a worthy goal, rare in his understanding of public matters, rare in charm and graciousness. His public career is a record of a great warrior for the causes that he deemed right. It mattered not to him what the odds against him were, what forces opposed him or whether he stood alone. He fought unfalteringly, doggedly, persistently for what he thought was right. He had a deep feeling about public issues, because he saw the impact of such issues upon people for whom he had a very sensitive concern. He fought with only former Senator Gruening, his Senate colleague at his side, to prevent the enlargement of the war in Southeast Asia and to stop it once it achieved momentum. First because he thought it was wrong constitutionally for the President, without a declaration of war by the Congress, to conduct large-scale military activities in Southeast Asia and second, because he loved the men, women, and children who died in that war too much to see them killed. His strong and advanced position in trying to prevent and then later to stop the war in Southeast Asia undoubtedly contributed to his defeat in his effort to return to the Senate. But if he had known when he voted and fought as he did against that war that it would inevitably mean his defeat, such knowledge would not have changed his action or his attitude one iota. He put principle above politics, partisanship, or personal detriment. He fought for the working people of this country with singular tenacity and effectiveness. He fought for the farmers. He fought for the underprivileged—those discriminated against, those who needed help. He was like a knight of the round table as he ranged over the realm of public problems, jousting with every defender of wrong, gallantly fighting for every cause which he thought was right.

There was great variety in his genius. He was not only an eminent lawyer, a distinguished dean of the law school of his State, a great negotiator, an outstanding administrator, but a successful and imaginative farmer and breeder of horses and cattle, erudite writer, and a persuasive speaker all over the country.

He had been renominated for the Senate in his State and many thought he had a chance of winning back his Senate seat which would have warmed his heart for he loved the Senate and he loved the opportunity that it gave him to fight battles he felt needed to be fought.

Only a little while ago he and I were together at the memorial service of his late, great colleague, Senator Ernest Gruening, and we talked about his great career, his campaign, and his hopes of another opportunity of great public service. Then he seemed in good health. I congratulated him upon his Democratic victory and extended him warmest wishes for the future.

Now that great voice is stilled, that brilliant mind is no longer restless in his mighty work, that body that vibrated with energy is active no more. But the memory of Wayne Morse, all that he was, all that he did, all that he fought for, all that he stood for, all that he meant to a loving family and innumerable friends and to people everywhere will never be forgotten. My wife joins me in extending deepest sympathies to his widow and to all the members of his family.

DISMAY OVER RUSH INVITATION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BROWN of Ohio. Mr. Speaker, at an earlier point in the RECORD today I expressed my willingness to raise questions supplied to me by other Members of the House when Kenneth Rush, counselor to the President for economic affairs, appears before the Joint Economic Committee next Monday.

In those remarks I referred to copies of letters of June 18 to the President and Senator WILLIAM PROXMIRE, vice chairman of the Joint Economic Committee, expressing my dismay with events surrounding an earlier invitation to Mr. Rush to appear before the committee. The copies of the two letters are placed in the RECORD at this point:

JUNE 18, 1974.

Hon. RICHARD M. NIXON,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: I am asking that this letter be transmitted to you as quickly as possible because of the urgency and importance of this matter.

In a letter dated June 13, Mr. Kenneth Rush wrote to Senator William Proxmire, vice chairman of the House-Senate Joint Economic Committee, to advise him that he would not appear as previously scheduled before that committee Tuesday, June 18, for the committee's review of the President's mid-year economic report.

As the member of the committee who had originally suggested that Mr. Rush be invited to appear for the hearings, I wanted to provide him with an opportunity to share constructively with the Joint Economic Committee, the media and the public both the opportunities which the economy holds for the nation and the problems it presents.

I urge, as a member of the committee, that the domestic health of our country must move forward while you continue your important foreign missions to the mid-East and to Russia.

I want to emphasize that I made my proposal regarding Mr. Rush's appearance in the good faith that both the Executive and the Congress must act responsibly and in concert. The nation's economic conditions require full and candid discussion between the Administration and the Joint Economic Committee as a guide to both public and private actions that may affect the economy. Because the Joint Economic Committee is an advisory committee only and not a legislative committee, it seems to me that the separation of powers doctrine, which Mr. Rush cited in his refusal to appear before the committee, does not apply.

I strongly urge, therefore, that Mr. Rush advise the Chairman of the Joint Economic Committee, Representative Wright Patman, that he has reconsidered his earlier refusal to appear before the committee and that Mr. Rush will schedule an appearance.

I will continue to work to try to reestablish a positive relationship between the Administration and the Joint Economic Committee. Such a relationship, I strongly feel, is of utmost importance to the economic well-being of the nation.

Sincerely,

CLARENCE J. BROWN,
Member of Congress.

JUNE 18, 1974.

Hon. WILLIAM PROXMIRE,
Vice Chairman, Joint Economic Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR: I join you in the indignation you expressed last week when informed by Mr. Kenneth Rush that he would not appear Tuesday, June 18, before the Joint Economic Committee for its review of the President's mid-year economic report. I feel that Mr. Rush should appear.

However, I feel that by cancelling the rest of the hearings, you have improperly denied the members of our committee the opportunity to read questions for Mr. Rush into the hearing record to be sent to the White House for response.

I urge that you try to work out a strategy with me to try to persuade Mr. Rush to appear before our committee at a future date. I shall make my own request to Mr. Rush to reconsider his refusal to appear when I meet with him for breakfast with other members of our committee on Wednesday morning. I certainly agree with you that the breakfast meeting is no substitute for discussing the Administration's economic proposals in a public committee session, but such an exchange is better than no meeting at all.

Also, I would suggest that a meeting of the full committee be convened at the earliest convenient date at which a House-Senate bi-partisan approach can be considered to arrange for the public appearance of Mr. Rush and others of the President's economic advisors. Hopefully, your cancellation without consultation with other members of the committee of the sessions at which we were to hear from Federal Reserve Chairman Arthur Burns and Council of Economic Advisors Chairman Herbert Stein has not precluded any opportunity for the appearance of these other public officials whose views and actions have an important impact on our economy.

Sincerely,

CLARENCE J. BROWN,
Member of Congress.

ESTABLISHING A CEILING ON DOD SPENDING

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ASPIN. Mr. Speaker, for several years now I have attempted to set an overall limit on the Department of Defense authorization bill by proposing a ceiling amendment. I feel that the ceiling approach, rather than individual weapons systems amendments, allows Congress to establish a firm limit on military spending without forcing the full House to judge the merits of every aspect of the military budget.

Congress frequently applies a ceiling to other spending programs. In fact, President Nixon recently signed the Budget Control Act which will mandate specific budget ceilings on the entire Federal budget at the beginning of each year; this legislation applies ceilings to military as well as civilian aspects of the budget.

Despite this frequent use of the ceiling approach, there were some Members who criticized my amendment as being too arbitrary an approach to the defense budget.

In a recent interview, Defense Secretary James Schlesinger more or less endorsed the ceiling concept for the Pentagon's budget. Martin Schram, Newsday bureau chief, interviewed Dr. Schlesinger on May 28, 1974, for an article which appeared on June 28, 1974.

Schram and Schlesinger discussed the manner in which Congress deals with the Pentagon's budget each year. The article said that while the military usually wins its fights in Congress, it does often lose some "irritating skirmishes" due to what it calls "congressional nitpicking" over selected weapons systems.

In actual interview, Schram asked Schlesinger: "What if Congress were to exercise its oversight function differently and place a ceiling on DOD spending?"

Schlesinger replied that he would not object to Congress setting a flat ceiling on the military budget each year "if they give us flexibility to use our resources."

Schram asked further whether Schlesinger would "prefer that to the present piecemeal approach"?

"Sure," replied Schlesinger.

Mr. Speaker, I think that it is highly significant that the Defense Secretary has endorsed the ceiling approach to the defense budget. I am also delighted that my distinguished colleague from New York (Mr. Addabbo) will be carrying the fight for a ceiling on the defense appropriation bill due on the House floor in about 2 weeks. I will most certainly support Mr. Addabbo's amendment and urge that my colleagues do so too.

I am including the contents of the Newsday article of June 28, 1974, in which parts of the Schlesinger interview appear, in the Record at this point:

[From the Long Island Newsday, June 28, 1974]

BILLION-DOLLAR BUDGET

(By Martin Schram, Lynn Rosellini, and Bob Wyrick)

Washington.—Every year a game is played on Capitol Hill as hearings on the defense budget begin. But this year, many congressmen and defense officials, including Defense Secretary Schlesinger, are in favor of changing the rules.

The game as it now is played pits rooms full of military men, their desks piled high with documents, against a handful of congressmen whose job it is to approve or reject the multibillion-dollar defense budget. It is a lopsided game that the military usually wins. As one observer put it: "A David and Goliath confrontation without the slingshot."

But while the military wins the game, it often loses some irritating skirmishes with what it calls "congressional nitpicking" over selected weapons systems. This situation caused Schlesinger, in a recent interview, to concede that he would not object to Congress' setting a flat ceiling on the military budget each year, "if they give us flexibility to use our resources." Schlesinger said, in fact, that he would prefer this to the present piecemeal approach to budget cutting.

For the past two years more and more defense spending critics in Congress have been moving in this direction. One reason is that it is easier to let the Pentagon decide where cutbacks should be made than to convince an individual congressman to vote against a military spending program in his district. The second reason is the sheer size of the defense budget. For 1975, the budget is $92.6 billion.

Each year, Congress is faced with a mountain of paper on the Pentagon budget. It includes transcripts that go on for hundreds of pages, backed up by Pentagon documentation that runs into tens of thousands of detailed pages on everything from manpower needs to complex weapons systems. Rep. George H. Mahon (D-Texas), chairman of the House Appropriations defense subcommittee, says, "This government is so big no human being can keep up with it." Ralph Preston, chief counsel to the subcommittee, says, "If we were to take a job like the budget and farm it out to a place like Rand [Corp.], it would take them five years to do a good job. We get a lot of detail on a lot of programs, but even then we're only scratching the surface."

Arnold Smith, a former staff member of the Senate Appropriations defense subcommittee, has this description of what happens: "This big truckload of paper comes over and who in the hell is going to read it? These senators are running so hard already they don't have time to kiss their wives."

The Pentagon is well aware of congressional limits. One of the highest ranking officials in the Defense Department says, "We don't give Congress our five-year-plan. We give them one year and little hints of the next, and they authorize for us just a little piece at a time." At the same time, the official criticized Congress for "picking around at the edges" of the defense budget, and said it should spend its time deciding broader issues.

Basically, there are three entities outside the Pentagon which take an interest in minding military spending; (1) Congress, (2) the General Accounting Office and (3) independent organizations such as the Federation of American Scientists, the Brookings Institution and the Center for Defense Information.

Aligned against critics of military spending are the Pentagon itself; some powerful members of Congress, who occupy key positions (such as Louisiana Democrat F. Edward Hébert, chairman of the House Armed Services Committee); and the well-heeled military lobby, which one study indicates spends $36,000,000 a year to promote Pentagon objectives. The study was prepared by Sen. William W. Proxmire (D-Wis.), who says, "The military lobby represents the unseen hand of pressure on Congress for increased defense spending."

While there are pressures on congressmen to increase military spending—because it "promotes national security" and "produces jobs"—there is very little pressure from individual voters to reduce it. Sen. Thomas J. McIntyre (D-New Hampshire), chairman of the Senate subcommittee on military research and development, believes this is because the Pentagon deals in figures so large that they "numb the mind." McIntyre says, "If you gave your wife a million dollars and told her to go out and spend $1,000 a day and don't come back until she'd finished, you wouldn't see her again for three years. If you asked her to spend a billion, you wouldn't see her again for 3,000 years. They want $9.3 billion approved [for research and development] this year. I sometimes can't understand how the bastards can spend it that fast."

Each year in late January or early February, the Armed Services Committees of both houses of Congress receive the defense budget. In the following three or fourth months the committees and their subcommittees hold hundreds of hearings, and most of their time is spent listening to military brass. This year, on the House side, for example, about 100 witnesses were called, most of them Pentagon officials who testified in favor of the Defense Department's proposals.

Retired Army Lt. Col. Edward King describes what it is like to sit on both sides of the fence during defense hearings. As an Army official, King testified in favor of military budgets, and since his retirement, he has testified against certain aspects of military spending which he considers wasteful.

"Come over in uniform and you're one of the boys," he said. "But show up in your suit trying to save the taxpayers a buck and you're an enemy." As far as the Pentagon's approach is concerned, King says, "It's the same old game every year—tell them the part that scares the hell out of them and don't tell them anything else."

Before the budget hearings, for six to eight weeks, staff member of the Appropriations and Armed Services Committee on both sides of the house are invited several times a week to the Pentagon for budget "briefings" that last from two to four hours each. The briefings usually are followed by a cocktail party and dinner, during which congressional staff members are treated "obsequiously" by the military officers, according to Smith, the former Senate Appropriations subcommittee staffer.

Congressional staffers also are invited to go on cruises aboard aircraft carriers, attend openings of new military bases and view new weapons demonstrations, sometimes in delightful climates, Smith said. "I always felt that they [the Pentagon] were total masters of the information they had and were able to portray it for you in a totally convincing way," he said. "But even though every item in the budget might be totally justified, there is the feeling of helplessness before this avalanche of paper.

There are about 30,000 persons who have a hand in preparing the defense budget, while the combined staffs of the Senate and House Armed Services Committees compromise only 72 persons. By the time the budget reaches Congress for hearings, congressmen can only ask questions based upon the limited infomation their staff members have been able to assimilate. On the House side, for example, each member is given five minutes in which to ask those questions.

In addition to the regular budget this year, Congress was asked to approve a "supplemental" 1974 budget. This budget, with 526 pages of items costing $6.2 billion, was considered in only two days of private hearings, during which 50 military officers in uniform were present and congressional members were not allowed to take copies of the budget out of the room. One freshman congresswoman, Rep. Patricia Schroeder (D-Colo.), said that there was not enough time for members to even begin to study the supplemental budget. "I was just furious," she said. "To think that anyone could okay $6.2 billion just zap bam like that."

Rep. Charles E. Bennett (D-Fla.), a 22-year veteran of the Armed Services Committee, said that Congress is quite capable of dealing with the huge volumes of testimony. "The mind's like a computer," he said. "You retain this stuff . . . What better system could you have?"

Some Conservative congressmen and their staff members think it is unwise for Congress to try to oversee defense spending on an item-by-item basis. Their views are summed up by Michael Hemphill, defense expert in the office of Sen. John Tower (R-Texas), a member of the Armed Services Committee. Hemphill is impatient with congressmen like Proxmire, who recently exposed the large number of native Filipino servicemen utilized as personal servants for military brass. Hemphill called Proxmire's investigation "a waste of congressional time."

He said that generals and admirals are handling the biggest financial undertaking in America and that they are the equivalent of corporate executives, although they don't earn as much. "How are we going to retain men of these [sic] caliber if we don't give them the comforts of life?" he asked. Hemphill said he feels that Congress, basically should give the Pentagon what it wants because the Pentagon is the expert on military matters and knows what America needs.

The Pentagon, however, controls the information that Congress receives. Much of it is classified and, as Mahon says, "Sometimes we don't hear the whole story."

In addition to this, the Pentagon is close to some congressmen. One example of the often remarkable similarity of views among the Pentagon's friends in Congress occurred in 1972 during debate on the Trident submarine program. Ohio Republican Rep. Donald D. Clancy stated on the House floor: "The Trident program is not a crash program. It is an urgent but orderly program for replacing our aging Polaris submarines with new submarines having greatly improved capabilities."

Shortly thereafter, Rep. Samuel S. Stratton, New York Democrat, began a speech which said: "The Trident program is not a crash program. It is an urgent but orderly program for replacing our aging Polaris submarines with new submarines having greatly improved capabilities." The speeches continued for 17 identical paragraphs, right down to the last sentence, "We must start building at once." The origin of the speech could not be determined.

Some of the most significant defense budget cutting occurs in committee. Once it happens, cuts are seldom completely restored on the floor of either the House or Senate. Last year, for example, the Senate Appropriations defense subcommittee, headed by Sen. John L. McClellan (D-Ark.), cut $4.1 billion from the budget proposed. Although floor amendments restored a portion of this money, the final package that came out of the Senate-House conference amounted to a cut of $3.5 billion. McClellan has set that goal again for this year, according to subcommittee staff member Guy McConnell.

Ironically, while some committees cut funds the Pentagon wants, others add money that the Pentagon has not even requested. This year, for example, the Texas delegation succeeded in persuading the House Armed Services Committee to add $104,900,000 to the budget to build 24 new planes for the Air National Guard. These planes, which the Pentagon had not requested, are slated to be produced by the Texas-based LTV Corp. Similarly, it is almost axiomatic that congressmen will oppose the closing of military bases in their own districts, even though the Pentagon has proposed this as a way to cut costs.

On paper, Congress has a watchdog over Pentagon spending—the General Accounting Office (GAO), set up to be an independent agency responsible to Congress for overseeing government spending. Out of its 3,300 professional staff members, the GAO has assigned 524 people to watch the defense budget.

One Pentagon cost expert says, "The GAO is hell on widows and orphans. But the greatest problem anybody who is thrift-minded in Congress faces is the reluctance of the GAO to go after the big contractors. I guess GAO has its [good] reputation because people have got to believe in something in government." Richard F. Kaufman, an economist with the Joint Economic Committee, made similar observations in a magazine article, which called the GAO Congress's "one-eyed watchdog," and said it treads lightly where defense contractors are concerned.

Richard Gutmann, director of the GAO's procurement and systems acquisition division, denied these charges. The GAO, he said, attempts to "call the shots as we see them, with due regard to fairness." Gutmann conceded, however, that "the most significant reports we've been issuing . . . by necessity, [are] classified." Since 1972, Gutmann's division has issued 193 staff studies of defense procurement and 138 of them are classified. Gutmann said that the GAO is "cognizant" of the public's right to know and makes every effort to get the reports declassified, but that the Pentagon has the final word. He said that "damned few" of the classified reports are complimentary to the Pentagon.

The remaining Pentagon critics are made up of outside groups, frequently headed by ex-servicemen, who take up the cudgels against the defense budget year after year—with zeal, but only occasional success. They have even less access than Congress to information which the Pentagon deems classified. But from the outside and with their past experience, they attempt to analyze the defense budget and propose ways of cutting it.

This year, the outsiders have concentrated their efforts on getting Congress to approve an overall cut in military manpower and to set a ceiling on the defense budget equal to last year's budget, plus a percentage increase for inflation. Many liberal congressmen and some budget-minded conservatives have joined forces for the effort, but so far, they have not been effective. An amendment to set a budget ceiling failed in the House this year by 24 votes (209 to 185), and prospects are dim for success in the Senate.

John Isaacs, anti-defense-spending lobbyist for Americans for Democratic Action, said, "Not many senators or congressmen want to go on the floor and challenge the Pentagon because they can always be made to look like a fool. Most people leave it to the Armed Services Committees and the Appropriations Committees, who leave it to the Pentagon, so they get what they want."

NORTH CAROLINA GOV. JAMES E. HOLSHOUSER ENDORSES LEGISLATION TO SAVE THE NEW RIVER BY INCLUDING IT IN NATIONAL WILD AND SCENIC RIVERS ACT

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. MIZELL. Mr. Speaker, the Governor of North Carolina James E. Holshouser is supporting the action of the House Interior and Insular Affairs Subcommittee on National Parks and Recreation to save the New River.

As you are aware before this subcommittee reported a measure to study the New River for inclusion in the National Wild and Scenic Rivers System comprehensive hearings were held.

Governor Holshouser felt it of such importance that the New River be saved he dispatched his personal representative, Mr. Robert L. Buckner, to the hearing for the presentation of a statement on his behalf. I would like to have inserted in the RECORD a copy of Governor Holshouser's testimony:

STATEMENT

(Statement on behalf of Governor James E. Holshouser of North Carolina before the Parks and Recreation Sub-Committee of the House Interior Committee, June 3, 1974, regarding suitability of the New River in North Carolina for study as a unit of the National Wild and Scenic River System.)

I am pleased to offer this statement in support of House Bill 11120 to amend the Wild and Scenic Rivers Act of 1968 by designating a segment of the New River as a potential component of the National Wild and Scenic Rivers System. This is an important piece of legislation for northwestern North Carolina and I appreciate the opportunity to present the position of the State of North Carolina regarding it.

As this committee is undoubtedly aware, a segment of the New River included in this legislation has been proposed by Appalachian Power Company as the site for a pumped-storage hydroelectric project. This is the so-called Blue Ridge Project. Early last April, I expressed my opposition to this project. Despite the fact that our nation is faced with a serious energy problem, and despite the fact that I am willing to make reasonable compromises to alleviate this energy problem I am convinced that the detriments of the Blue Ridge Project far outweigh its benefits. I am simply opposed to incurring permanent social and environmental damages in order to obtain relatively short-term power benefits, particularly, when those benefits accrue almost wholly outside North Carolina. Thus, I am still opposed to the project.

It is clear that the proposed Blue Ridge Project will have certain benefits and a number of very clear disadvantages. Outside of the obvious benefit associated with the electric power to be derived from the project recreation is the other major project benefit The major damage of the project will be its impact upon the social and personal lives of the citizens of Ashe and Alleghany Counties who will be disrupted so that it can be constructed.

In my opinion, this proposal to make the New River a potential unit of the National Wild and Scenic River System offers the citizens of Ashe and Alleghany Counties the opportunity to preserve their land and their way of life while at the time reaping benefits from increased development associated with stimulated recreational use of the New River.

Therefore, I strongly endorse this legislation and urge you to take favorable action upon it so that the needed studies can be made of the New River and an informed decision made upon its suitability as a component of the National Wild and Scenic River System.

During the recently concluded 1974 session of the North Carolina General Assembly, two bills were relative to the New River were passed. The first of these bills designated the New River, from the confluence of the South Fork New River and the North Fork New River to the Virginia border, as a component of the North Carolina Natural and Scenic Rivers System. The second bill called for a study of the feasibility of including in the State Natural and Scenic Rivers System those segments of the South Fork New River and the New River from U.S. Highway 421 near Boone down to the Virginia border. This study is to be completed and a report ready for the General Assembly by January 15, 1975. Our planning effort will begin shortly and will provide full opportunity for review and comment by affected citizens and local government. We will also take into full account the economic needs of the area in designing our strategy for preservation of the South Fork.

The State conducted detailed studies in 1971 of the South Fork of the New River in conjunction with its assessment of rivers in North Carolina as potential candidates for inclusion in a State system of natural and scenic rivers. The results of this assessment strongly supported inclusion of the South Fork New River in the State system.

The intent of the following remarks is to indicate the suitability of the South Fork New River for inclusion into the National Scenic Rivers System as a scenic river.

The South Fork New River heads in Watauga County, North Carolina, in the vicinity of Blowing Rock and flows generally northeastward through the Blue Ridge

Mountains across Ashe County, and joins the North Fork New River on the Ashe-Alleghany County boundary near the North Carolina-Virginia State line. The Blue Ridge Parkway follows the eastern edge of the drainage basin, whereas, the western edge of the drainage basin is located about midway between the North and South Forks. The elevation at the confluence with the North Fork is 700 feet below that of its headwaters. South Fork New River is the larger of the two headwater rivers of New River and has a gradient that falls approximately 8 feet per mile.

In terms of geology, the entire drainage area for the South Fork New River is in the Blue Ridge province. The bedrock geology of the Blue Ridge province is among the most complex in the United States. The area has a wide variety of metamorphic and igneous rocks. Bedrock more than 500 million years old is exposed along reaches of the channel of the South Fork New River.

Precipitation on the basin averages about 52 inches per year. Average annual snowfall is about 20 inches. The 52 inches of precipitation amounts to 294 billion gallons per year for the entire basin area of 325 square miles. Evaporation and use by plants amounts to 143 billion gallons per year and 151 billion gallons per year are discharged by the South Fork New River.

The following analysis is based upon certain criteria[1] developed jointly by the Department of the Interior and the Department of Agriculture. Each individual criterion is summarized and following each is an evaluation of how well the South Fork New River meets the criterion.

The national criteria indicate that the "river and its immediate land area should be considered as a unit, with primary emphasis upon the quality of the experience and *overall* impressions of the recreationists using the river or the adjacent riverbank".

First, the river must be in a free-flowing natural condition. The South Fork New River meets the criterion.

Second, the river should be "accessible by roads which may occasionally bridge the river areas. Short stretches of conspicuous or longer stretches of inconspicuous and well screened roads or railroads paralleling (the) river area may be permitted". The South Fork New River has numerous road crossings and several stretches of the river are paralelled by roads.

Third, the "river or river unit must be long enough to provide a meaningful experience". Generally this would be at least 25 miles; however, shorter segments that possess outstanding qualifications may be included. The South Fork New River extends approximately 65 miles from its headwaters near Blowing Rock in Wautauga County to its confluence with the North Fork New River in Ashe and Alleghany Counties.

Fourth, "there should be sufficient volume of water during normal years to permit, during the recreation season, full enjoyment of water-related outdoor recreation activities generally associated with comparable rivers". The South Fork New River, like many mountain streams, is characterized by rapid increases in flow in response to rainfall. Rates of rise of one foot per hour are common following periods of intense rainfall. The U.S. Geological Survey operates a gaging station 600 feet upstream from bridge on State Highways 16 and 88. Area of the drainage basin above the gage is 207 square miles. Lowest daily flow recorded at the gage during 45 years of record (1926–1969) is 65 cubic feet per second. The maximum peak discharge was 52,800 cubic feet per second during the 1940 flood.

A statistical analysis of the data for the 1926–1969 period shows that average flow is 408 cubic feet per second, the 50-year flood (peak discharge expected to be equaled or exceeded once every 50 years on the average) is about 31,000 cubic feet per second, and the minimum one-day flow having a recurrence interval of 20 years is 86 cubic feet per second.

Winter and early spring are the months with the highest flows while the summer and fall months are considerably lower. The difference between the flows during the wet and dry months is due to seasonal distribution of rainfall.

Fifth, "the river and its environment should be outstandingly remarkable and, although they may reflect substantial evidence of man's activity, should be generally pleasing to the eye." Furthermore, "agricultural practices which do not adversely affect river area may be permitted." South Fork New River from its origin to the backwaters of the proposed impoundment meanders lazily through scenic pasture, meadow, and farm land. The entire area is under private ownership with very few landowners having deed to both river banks. Landowners bordering the river number in the hundreds.

Sixth, "the river should be of high quality water or susceptible to restoration to that condition." Furthermore, "water quality should meet minimum criteria for desired types of recreation except where such criteria would be exceeded by natural background conditions and esthetics and capable of supporting propagation of aquatic life normally adapted to habitat of the stream, or is capable of and is being restored to that quality." The reach from the confluence of Middle Fork South Fork New River and East Fork South Fork New River to the New River is presently classified as Class C. The headwaters of South Fork New River are influenced slightly by the discharge of treated waste from Blowing Rock and Boone. The bacteriological quality of the waters from Howards Creek downstream to the confluence with North Fork are of such quality to allow excellent recreation classification.

The preceding data convinced me that the South Fork New River meets the criteria for inclusion in the National System as a Scenic River. I am aware that H.R. 11120 includes the North Fork New River and, as I have indicated, this segment is not included in the State study. Although the focus of State planning will be on the South Fork, we pledge close cooperation with the Federal government in the study effort that will take place following passage of H.R. 11120. I understand that the Senate version of this bill, S. 2439, includes a two year limit on the study. North Carolina will support this limitation should the House choose to include it in H.R. 11120.

I urge favorable action on H.R. 11120. Thank you very much for this opportunity to express the State of North Carolina's views on the matter.

SUPPORT FOR FREE CHINA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ASHBROOK. Mr. Speaker, proposals for full diplomatic recognition of Communist China are being heard again. In remarks before this body I have opposed such proposals.

Recently, there have appeared a number of excellent analyses of what diplomatic recognition of Communist China would do. In a letter to the New York Times, C. Martin Wilbur, professor of Chinese history at Columbia University has written:

> I see no compelling reason why we should deliver a blow to the Chinese on Taiwan . . . Senator Jackson has simply fallen in with Peking's strategy to isolate Taiwan diplomatically before attempting to subdue it.

At this point I include in the Record the text of Professor Wilbur's letter and the text of an editorial from the San Diego Union:

[From the New York Times, July 18, 1974]

Jackson's China Plan

To the Editor:

Senator Henry M. Jackson returns from his trip to the People's Republic of China with the proposal that the United States raise its diplomatic liaison office in Peking to an embassy and at the same time reduce its embassy in Taipei to a diplomatic liaison office. This is a very misguided suggestion.

One can have no quarrel with the Senator's desire to improve relations with mainland China in the interests of world peace, but why should this be done at the cost of serious damage to our friend and ally, the Republic of China on Taiwan?

Our Government has recognized the Government of the Republic of China continuously since 1928. For the past two decades, our official relations have been intimate, while cultural and economic relations between Americans and Chinese on Taiwan are lively and constantly expanding. Insofar as nations can be friends, our two nations have achieved that position.

Germany is divided and ruled by two separate governments, both of which are represented in the United Nations and both of which enjoy diplomatic relations with major governments. This simple realism took years to achieve. We should apply the same principle to divided China, which is ruled by two separate governments, each of which is fully effective in its area of control. We should strive for impartially equal relations with both.

We may offer to raise our diplomatic liaison office in Peking to the status of an embassy but should make it clear that we will not reduce the status of our embassay in Taipei. The leaders in Peking might refuse—they probably have turned down that proposal before—but if they do, that is their decision. I see no compelling reason why we should deliver a blow to the Chinese on Taiwan, particularly when their Government is struggling to maintain its position in the world. Senator Jackson has simply fallen in with Peking's strategy to isolate Taiwan diplomatically before attempting to subdue it.

C. Martin Wilbur.

[From the San Diego Union, July 12, 1974]

Senator "Feverish"—China Idea Unrealistic

While President Nixon was visiting Moscow with a case of phlebitis, Sen. Henry Jackson was visiting Peking with a case of presidential fever. Apparently trying to fashion a China plank for a potential campaign platform, the senator has come away from a meeting with Chinese Communist leaders urging that we close the U.S. embassy in the Nationalist Chinese capital on Taiwan and open one in Peking instead.

The most we can say for the Jackson trip is that it has reminded us that Communist China is still there, posing all its puzzles and dangers, while the world has been preoccupied with the possibilities of an arms agreement and other fruits of detente between the United States of America and the Soviet Union. Otherwise we doubt if the senator's trip will move America any closer to full diplomatic recognition of the Peking government, or move himself any closer to the Democratic presidential nomination in 1976.

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[1] Guidelines for Evaluating Wild, Scenic and Recreational River Areas Proposed for Inclusion in the National Wild and Scenic Rivers System Under Section 2, Public Law 90–542.

China has moved to the back burner in U.S. foreign policy, and for good reason. It is now fully evident that a fierce power struggle is taking place within the ruling circle of mainland China. The anti-Confucius campaign that began last year has flowered into an open attempt by hard-line Maoists to clip the wings of Premier Chou En-lai, who met Sen. Jackson in a hospital. The age and failing health of Both Chou and Mao Tse-tung are threatening the stability of the Peking government. Chou's moderate policies toward the West are by no means assured of continuation. The U.S. liaison office in Peking, which Sen. Jackson would elevate to the status of an embassy, has been notably without major assignments except to nurse the flickering flame of U.S.-Chinese trade.

The senator's proposal is unrealistic in the context of the political ferment in Peking and also inconsistent with the position he has taken toward detente with the Soviet Union. He has been an outspoken critic of the President's Moscow summitry, arguing that the United States should demand a softening of Kremlin attitudes toward dissenting intellectuals and would-be emigrants. His insistence on this point has been the main obstacle to passage of a trade bill which the Administration has been seeking for nearly two years.

Now, Sen. Jackson would take a major step of conciliation with a Communist regime in Peking which has a record of suppression of intellectual freedom, regimentation of its populace and suppression of emigration in a degree even more outrageous than the Stalinist days of the Soviet Union. If there are no Solzhenitsyns in China for whom the senator can go to bat it is only because dissenters of that stripe were weeded out with bullets long ago.

Sen. Jackson has embarked on a course typical of presidential hopefuls—traveling abroad to develop an image in foreign affairs. Fortunately for him, he still has two years to clear up where he really stands on the issue of trade and diplomacy with Communist governments—any of them.

THE GREAT PAYCHECK RAID

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HARRINGTON. Mr. Speaker, last week I inserted in the RECORD an article by Bill Duncliffe, which explored the tax burden of two fairly typical middle-income workers. Today I would like to followup with another part of Mr. Duncliffe's series from the July 8 Boston Herald-American which itemizes the taxes which take approximately 38 percent from an average worker's gross income.

The text follows:

THE GREAT PAYCHECK RAID

Each week your livelihood—and that of every other person in Massachuetts—is being picked apart by a multitude of national, State and local taxes.

But while everyone is aware of how much is taken in withholding and Social Security taxes, few realize how large a slice of their income is being consumed by the many other levies to which they are subjected.

Two typical wage earners opened up their financial records and family budgets to the Herald American in order to explore just how these indirect and hidden taxes hurt them.

What was found—and what it all means, to you as well as to them—is told in this series, "The Great Paycheck Raid."

TAXES ARE TAKING 38 PERCENT OF YOUR ANNUAL INCOME

(By Bill Duncliffe)

The "stars" of this series are two demoralized wage earners, who every week of their working lives, are seeing their salaries pillaged in The Great Paycheck Raid.

But they are "stars" in the same unfortunate sense as the victims of a hungry and plundering horde, for while they are angered by what is happening to them they feel helpless to do anything about it.

And they are very much like the rest of us.

One is a blue-collar worker who, at 40, heads a family that includes his wife as well as five children ranging in age from ten through their teens. They live in the rented half of a duplex in one of Boston's residential neighborhoods, and their only "luxury" is a small car bought two years ago.

His factory job pays $201 a week—and that is not enough to keep his children in socks, shoes and staple foods. His wife cannot give him a lift by taking a paying job because her more important responsibilities at home demand all the hours and energy she has.

His salary falls so far short of what his family needs for simple survival that he is forced to scratch for whatever handyman chores he can find on evenings and weekends just to provide them with the barest necessities.

He is essentially a family man and the fact that he is compelled to work other jobs disgusts him greatly—but he really has no other choice if he is to feed and clothe his children.

The second man is a white-collar worker in his mid-thirties with a college degree, a wife, and son still in the Romper Room stage of education. Every business day he drives from his new and possibly over-priced home in one of Boston's bedroom communities to his desk in the downtown office district.

His job, which entails some traveling and a good deal of responsibility, pay $278 a week—and that is not enough either, because in order to meet their bills and live in moderate comfort, his wife must work too.

Taken together, their income last year came to $19,000, and he is the first to say they are by no means starving. But they are not living in splendid luxury either, and what they do have was bought at the cost of extra hours of separation from each other—because they sometimes work different shifts—less time than they would like to spend with their son, and social life limited to infrequent dinner dates on weekends.

The white-collar worker is a privately happy but publicly disgruntled man—happy at what years of struggling, saving, and planning have enabled him and his wife to achieve but nagged by the growing belief that they're being hurt and held back by the never-ending avarice of those who assault their paychecks each week.

Both men are real—and may even be numbered among your neighbors—but for reasons that will soon be obvious they asked that their identities be withheld. Neither one is a rabble rouser or malcontent. Instead they are everyday people like most of us, and like most of us are responsible enough to recognize that taxes are a necessary price to pay for the rights and opportunities they enjoy.

But—again, like most of us—they cannot help but be aware when they examine their check stub each week that there is a vast disparity between what they earn and what they take home. They are beginning to grumble, to ask whether too many hands are reaching out for too much of their money—and are squandering it rather than spending it wisely.

That, briefly, is what The Great Paycheck Raid is all about, for most of us are being dunned for much more than we realize by a multitude of Federal and State taxes and by the few but immensely onerous levies that are available to local government.

A few of these taxes—income, Social Security, the auto excise, and the everpresent property tax—are direct, in that all that's needed to see what they're costing is a glance at a check stub or bill.

But the majority are imposed more subtly. There are no less than 25 different taxes which the State inflicts on its citizens, businesses, and activities, and Washington has a long lineup of levies it relies on to keep the mills of government grinding.

And just about all are felt—eventually—by people like the blue-collar worker, the white-collar worker—and you and I.

Organizations such as the Tax Foundation, Inc., run numbers through their computers and come up with figures to show that every one of us works two hours and 38 minutes a day—just to pay taxes. And the Mass. Taxpayers Foundation comes up with other statistics to indicate that more than $11 billion—or 38 percent of the $30.3 billion of personal income in this State last year—was consumed by Federal, State, and local taxes.

But numbers of that magnitude are so large as to be meaningless in terms of the effect they have on the average wage earner's paycheck. To measure that, the Herald American talked at length with the factory hand and the office worker, and was allowed to examine their financial records.

From their tax returns and candid conversations, a picture of how The Great Paycheck Raid is jeopardizing the future of two men and their families was drawn—and this is what it showed. First, the factory worker and his $201.

When he gets his check each week, the Feds take $6.90 and the State takes $2.90 right off the top, for income taxes.

Then the government, without any allowance at all for the fact that he has five young mouths to feed, takes another $10.07 for Social Security payments.

That reduces his pay to $181.63—and the Raid is only just beginning.

This year's excise tax on his car was $104—and that breaks down to $2 a week.

He tries to limit gas for it to ten gallons a week—but the 11½ cents he may pay in State and Federal taxes per gallon chips another $1.15 from his earnings.

Between them, he and his wife smoke three packs of cigarettes a day. It is one of the few enjoyments—if that's the proper word—they have, but the State hits them with a tax of 16 cents a pack and the Federal government demands another eight cents—and so it costs them 72 cents a day or $5.04 a week for that.

He stays away from "hard" liquor; he can't afford it. But three nights a week he stops on his way home from work for a glass of beer—and every glass costs him four cents in taxes.

According to tables supplied by the government, the factory worker and his wife pay $42 a year in the State sales tax. According to his budget the figure is closer to $78—or $1.50 a week.

All of those combine to cut another $9.81 from his income—and that brings it down to $171.82. But there's more.

He has—and needs—all three household utilities, gas, electricity and a telephone, and the bills for each one of them average about $20 a month, or $5 a week.

All three are subject to Federal, state and local taxes—but all three pass them on in toto to their customers. In his case that means 63 cents of his cost for gas service per week goes to pay the company's tax bill, while the electric company gets him for 55 cents and N.E. Tel. & Tel. nicks him for $1.10. That's another $2.28 nibbled away from his income, which cuts it down to $169.54.

And that's not all either.

Each month the factory worker must pay $210 for his flat, and according to David Taylor of the Rental Housing Ass'n. the rule-of-thumb in Boston is that about 30 percent of any rent goes for property taxes.

On that basis he's paying $63 a month—or $15.75 a week—toward his landlord's real estate bill—and that shrivels his income down to $153.79.

And believe it or nor, there's more.

Government hits industry, farmers, cattle ranchers, and every other business with corporation, real estate, transportation, excise, and other taxes—and another rule-of-thumb some experts like to quote is that half of these taxes are absorbed by shareholders and the public is saddled with the rest.

There is no totally accurate method of measuring exactly how hard a wallop that delivers to the blue-collar man's rapidly shrinking budget, but one official with a well-earned reputation for knowing what he's talking about told this reporter that taxes account for at least 20 percent of the cost of any given item, from A-frames to zoom lenses.

If that's an accurate yardstick it clips another $30.41 from his budget—and leaves it at $123.38.

And really, that's not all either, because he has to have Blue Cross coverage for his family at $8.18 a week, he's dunned for $1.50 in union dues, and another $12 in payments on a loan he had to get in order to buy some badly-needed furniture. While those are not levies imposed by law, they could be considered "taxes" on his need for medical coverage and job protection, and on his inability to make ends meet.

That leaves him with just $101.70 to put food on the table and clothing on his children's backs, to pay utility and heating oil bills and meet all the other demands on his paycheck—and it's just not enough.

His wife scrimps every way she can; she delays shopping for groceries until Saturday night, because after 5 o'clock her neighborhood supermarket cuts prices on many perishables rather than risk having them spoil over the weekend. She buys boy's sneakers for her girls because the soles are thicker and, hopefully, will last longer. And the factory worker spends every spare moment either looking for or doing odd jobs—because right now they are all that is between him and utter destitution.

Despite his desperate condition he holds no gripe against Boston's city administration; he thinks he and Mayor White are faced with the same essential problem of too much unavoidable outgo and not enough unencumbered income, and he is sure that, like him, White is doing the best he can with what he has.

But he's just as sure that the Federal and state governments don't give a damn about him, that they're spending high while he's forced to live low through no fault of his own. And what really drives him up the wall is the cavalier way many better-fed politicians and experts judge his situation.

In the past several weeks many of them told this reporter that while a 38 percent level of taxation in this state may be a lot, it is not oppressively so. They said that Sweden, Great Britain, Italy and—closer to home North Carolina—either tax their people more or give them a lot less in services.

"What the hell do I care about how tough they're having it in Europe?" he explodes, "and what does it matter to me if they're not getting as much for their tax money down south?

"I'm not living in any of those places! I'm living here, in Massachusetts—and it's here where I'm being killed!"

LAW ENFORCEMENT CONFERENCE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BYRON. Mr. Speaker, yesterday it was my pleasure to sponsor a law enforcement conference in the Sixth District of Maryland. The purpose of the conference was to bring local, county, State, and Federal law enforcement officers and elected officials together to discuss State and Federal law enforcement programs.

Mr. George Bohlinger III, represented the Law Enforcement Assistance Administration giving the Federal view of law enforcement programs. Richard Wertz, executive director of the Governor's Commission on Law Enforcement and the Administration of Justice presented the latest information on State programs. This was followed by a panel consisting of Chief Judge Robert Sweeney of the Maryland district courts, Mr. Bohlinger, Mr. Wertz, Sheriff Charles E. Price of Washington County, and Chief Charles V. Main of the Frederick City Police.

This type of forum provides an excellent setting for the exchange of ideas and the presentation of information on trends in law enforcement programs. This conference included for the first time a discussion of the role of corrections in the overall law enforcement picture. I would like to express my gratitude to the participants and to Frederick Community College for the use of their facilities.

CAPTIVE NATIONS WEEK 1974

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HUBER. Mr. Speaker, in my view Captive Nations Week, the third week in July of each year, is a very serious and important matter. All the more serious and important this year, because the newspapers of America are filled with talk of détente and East-West trade. A great deal has happened in the world since 1959 when the first Presidential proclamation on this topic was issued. Little of what has taken place has been of much benefit to the Free World, in my view. Therefore, I am taking the liberty of including the text of a speech I gave at Cobo Hall in Detroit, Mich., on July 14, 1974, on the subject, which spells out my view in a little more detail:

CAPTIVE NATIONS WEEK COMMEMORATION, JULY 14, 1974

Governor Milliken, distinguished guests, ladies and gentlemen, thank you for the opportunity to join you in observing Captive Nations Week.

The plight of the Captive Nations is not a subject you hear mentioned by television news commentators, or read about on the editorial pages of your newspaper. Dr. Gallup does not publish the opinion of the American public on the subject of the Captive Nations.

There are some, including government leaders, who say that Captive Nations issue is not important anymore—that it is a relic of the Cold War. The official attitude of our government is much different today than it was in 1959 when President Eisenhower signed the original Capitive Nations Resolution, which is printed in your program today.

The original resolution was a ringing declaration of the commitment of the people of the United States to freedom for all peoples. Proclamations since that time have become bland and meaningless to the true cause of freedom.

What has changed since 1959? Has the Soviet Union changed? Soviet citizens still do not have freedom of emigration, the forced labor camps are still there, and intellectual dissent is stifled. Soviet actions in Southeast Asia, Czechoslovakia, and the Middle East provide dramatic testimony that the Soviets have not become more peaceful.

Today, our government is engaged in a quest for "peace" with the Soviet Union. The instruments chosen for building this peace are trade and arms limitations.

What does history teach about such tactics? Does trade bring peace? History shows that the United States has had nearly all its wars with its principal trading partners—England, Germany and Japan. What about arms limitations? Did the treaties prior to World War II save us from going to war? Did the pact renouncing war as an instrument of policy prevent Hitler from marching? History provides the answer, and it is a lesson we ignore at our own peril.

Since our Executive Branch now speaks only of trade and detente, it is up to the Congress of the United States to speak of freedom, human rights, and self-determination of peoples. If no one appears to be listening, the Congress can and should write laws to forbid the President from making trade concessions to the Soviet Union until such time as we see real concessions, such as freedom of emigration.

"Peaceful coexistence", as defined by the Communists, means continuation of the struggle to achieve world communism by means other than open warfare. In the long run, the hopes and aspirations of the Captive Nations could be more significant than the megatonnage of our respective nuclear weapons. How these captive peoples view the United States as opposed to their Communist masters could decide the future of the world.

The Soviet dictators still believe there will never be a peaceful world until all the world is communist. The only effective counter I know to that view is that there will never be a truly peaceful world until all men are free everywhere. To view the world otherwise, just in terms of trade or cultural exchange, would be to sell ourselves, our heritage, and our future generations for thirty pieces of silver.

I am also including, as a second item, extracts from a speech given by the Honorable Yaroslav Stetsko at the seventh World Anti-Communist League Conference, held in Washington, D.C., from April 11–14, 1974. Mr. Stetsko's remarks were delivered on April 9. Extracts from his speech follow as I feel they are worthy of the attention of my colleagues:

EXTRACTS OF SPEECH BY HON. YAROSLAV STETSKO

Common to all of us are fear, hope and the endeavour to find some way out of the critical situation in which not only subjugated nations in the Russian empire have found themselves.

I am speaking not only about problems concerning one part of the world but equally free and subjugated people, and more, concerning nations subjugated and free! It is said: "Humanity is confronted with the possibility of being destroyed by thermo-nuclear war". Does such a danger really exist? Is there really no other way out than the capitulation before the tyrants or appeasement and detente at the cost of hundreds of millions of the subjugated people and dozens of the subjugated nations recognizing their slavery and the ruling of the Russian tyrants over them.

Do we not really have another superpower—the existence of which has gone unnoticed, not so much in terms of material and technological as in spiritual, ideological and political values—which plays a decisive role in the developments that are irrevocably coming upon us?

Shall it be detente with tyrannies and balance of power on a worldwide scale, i.e. capitulation before tyrants, or the reliance on the eternal spiritual values of man and nations as the solution to the world crisis?

Besides the technological elements of superpowers, in particular the thermo-nuclear elements, there is an element which is more important—namely, the spiritual element.

The spiritual superpower is that of the subjugated people and nations in the Russian empire and under the communist yoke, who are desiring freedom and justice and are ready to sacrifice everything material, for that, even their own lives.

Why should the natural process of disintegration of empires in the whole world stop at the frontiers of the Russian prison of nations?

The more that this Russian empire imposes on the subjugated people and nations its own way of life, starting from the metaphysical doctrine down to the Kolkhoz system, something unprecedental in all kinds of empires in history up till now.

Why should this empire not finally become bankrupt instead of being preserved as a "new world system of ideas and values"?!

The spiritual and political superpower of our epoch—is hundreds of millions of human beings and dozens of subjugated nations in the Russian empire and under the communist yoke. It is this reality, this real factor of world politics which will decide upon the future of mankind.

Is there besides USA, a second superpower in the world? The Russian prison of nations so-called superpower is a 'colossus on feet of clay'.

It is not sufficient to have the most modern type of weaponry and warfare technology, it is also necessary to possess the sympathy of the souls of people and of nations.

Does Russia or communism possess on her side the souls of Ukrainians, Turkestani, Georgians, Azerbaijani, Byelorussians, Lithuanians, Latvians, Estonians, Bulgarians, Hungarians, Poles, Czechs, Slovakians, North Caucasians, Jews, Tartars, Rumanians, Croats, Albanians, Don Cossacks, Germans? Even Professor Sakharov (Russian) has to acknowledge the mighty (disruptive) power of liberation national idea although he is fighting for human rights only but not for the rights of nations.

We raise as the central problem the right of nation, liberation nationalism, because never until now the human rights of a subjugated nation have been realised unless the precondition was realised: National independence, democratic, but above all sovereign own state. We support the movement for human rights but the ideas of this movement will not be realised in the nationally subjugated countries in the empire.

In order to realise human rights George Washington had to gain national independence for America. There does not exist any other individual in the world without a concrete national imprint and there are no human rights realised without realisation of rights of the nation to which it belongs. And what of the democratic empires? Did they guarantee human rights in the countries they subjugated in the past?

In the "International Herald Tribune" of March 3d, we read: "Alexander Solzhenitsyn, the Russian dissident writer, has addressed a long letter to the Soviet leaders asking them to abandon communism as an alien, unworkable political philosophy, dismantle the Soviet Union and focus on developing Russia proper as a separate state.

In addition to abandoning Soviet sway over the countries of Eastern Europe, the Kremlin would also be expected by the author to drop its control over the Soviet Union's 14 non-Russian republics.

They are Estonia, Latvia and Lithuania in the Baltic: Armenia, Azerbaijan and Georgia in Transcaucasia; Kazakhstan, Kirghizia, Tadzhikistan, Turkmenia and Uzbekistan in Central Asia; Ukraine, and two smaller republics not mentioned by Mr. Solzhenitsyn—Byelorussia and Moldavia. All have strong nationalist sentiments.

"Nationalism"—writes Solzhenitsyn in the well known letter to the Soviet leaders—"was declared by your ideology already dead in 1848. But is it possible to find today a greater power in the world than nationalism?"

And Brezhnev in a speech on the 50th anniversary of the USSR said that "nationalist superstition is an unusually vital phenomenon which has a firm grip on people's psychology . . ." He also stated "it must not be forgotten that nationalist prejudices are a very vital phenomenon rooted in people's psychology. One must also take into consideration that manifestations of nationalist tendencies are often interwoven with local patriotism that in turn is associated with nationalism."

Liberation nationalism—opposed to imperialism—has become the symbol and banner of our age. "Without nationalism"—write the fighters in our native lands—"there is no progress; without nationalism there is no nation." Under the banner of nationalism, the national liberation movement in the whole world is taking place. More than half of humanity considers it its own banner.

And the greatest achievement of our liberation struggle, a guarantee of our victory is the fact that the struggle for the soul of the subjugated nations was taken up by the young generation, which at times was born of parents already grown up under the Bolshevik occupation, a generation which has never seen the free world, but to the contrary, was reared in an atmosphere hostile to its own nation, in the spirit of the occupant.

The banner of traditionalism of a millennium, the primacy of the spirit, the immortality of the soul, the banner of the nation, of the eternity of a nation was raised by the generation of the sixties and the seventies, was carried by sons and daughters not only of inmates of prisons and concentration camps, but also of average workers, collective farmers and even technocrats.

This is the greatest blow suffered by the Communist ideology and system of life, the Russian system of occupation, in recent decades.

For this reason, it will be impossible to crush the national aspirations. As a rule the revolution of soldiers was preceded by the revolution of poets and creators of spiritual values.

The ideological, spiritual, moral and political revolution, is a precondition of armed revolution. The creativity of the young generation has a clear national political aim: The national state.

SUPPORT FOR AMNESTY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RANGEL. Mr. Speaker, as this Nation endeavors to recover from the wounds of the Vietnam era, an issue that must soon be legally and spiritually confronted is that of amnesty for those who chose not to participate in the Indochina war.

In a recent meeting, the Parish Council of St. Gregory the Great in New York issued a resolution stating their support for amnesty. The statement, which I deeply support, is now submitted for the thoughtful attention of my colleagues.

Let us not consider this issue in the light of petty partisan politics but rather in the clear light of reason, compassion, and decency.

The resolution follows:

PARISH OF ST. GREGORY THE GREAT,
New York, N.Y., June 24, 1974.

Hon. CHARLES RANGEL,
Washington, D.C.

DEAR CONGRESSMAN RANGEL: In the month of May, after long and complicated debate, the Parish Council of St. Gregory the Great, representing the people of the parish, passed the following resolution on the question of Amnesty. We forward this resolution to you for your consideration and, hopefully, for your support in your work in the halls of Congress. The resolution read as follows:

Be it resolved that the Parish of St. Gregory the Great urge its political representatives in Congress to work for an immediate and general amnesty for those who have left the country or who have been imprisoned because of their opposition to compulsory military service in the Indo-China War, and that amnesty be granted on an individual basis to those who have deserted the Armed Forces for reasons of Conscience.

We thank you for your efforts on our behalf, and we strongly urge you to support the spirit of our resolution. With best wishes and prayers for your work, I remain

Respectfully yours,
Rev. JOHN J. MANNING,
Secretary, Parish Council.

A LONG LOOK AT THE SSS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. TEAGUE. Mr. Speaker, a recent editorial in the July 15, 1974, Wall Street Journal, points out that the Social Security System is in poor financial condition. The paper quotes from a recent cover story in the U.S. News & World Report.

I found the figures about the Social Security System most disturbing and I believe my fellow Members of Congress will also find them disturbing. I trust this body has not been derelict in watching over the Social Security System. I believe it is time for us to do something about this most distressing problem.

The article follows:

A LONG LOOK AT THE SSS

We read with interest last week's cover story in U.S. News and World Report on the Social Security System, which concludes that the system is in desperately poor financial condition. "The failure to reform Social Security, almost everyone agrees, could lead in the long run to disaster."

It is worse than that. USN&WR says that by 1990, even though a worker pays a maximum Social Security tax of $2,070.45, which has to be matched by his employer, the system will be paying out $20 billion more in benefits than it takes in that year. Unhappily, the assumptions cranked into these numbers are those of the Social Security Administration, numbers that are obsolete and ridiculously optimistic. Unless taxes are increased substantially, deficits on the order of $20 billion could arrive by 1980, growing by leaps and bounds from there.

The most disheartening number, an official one, is provided by the Treasury Department. As of June 30, 1973, the unfunded liability of the system was $2.1 trillion. Another way of putting it is this: in a very real economic sense, the national debt is at least $2.1 trillion larger than the politicians say it is. If, as of June 30, 1973, the system had refused to accept new workers, saying it would only collect taxes and pay benefits to those already covered, its outlays over the next 75 years would exceed receipts by $2.1 trillion, plus market rates of interest compounded annually. In the last year, the number has grown by about $300 billion.

So far, Congress has blinked away this enormous pool of debt by passing a law that defines "actuarial soundness." Its reasoning is that the SSS would never close off to new work force entrants, hence there would always be new workers to pay the benefits to the new recipients. By the congressional "dynamic assumptions" definition of actuarial soundness, the system is only in deficit by $62 billion, spread over the next 75 years.

As it happens, for the dynamic assumptions method to hold up the assumptions have to be as dynamic in reality as they were on the planning boards. They have not been. Working on the 1960 Census figures, the Social Security bureaucrats projected a 1964–1975 birth rate gradually declining from 21 per 1,000 to 20 per 1,000, then climbing again. Instead, the birth rate dropped like a stone throughout the period and now stands at around 15 per 1,000. The bureaucrats projected a growth in real wages over the period of 2.1% a year; between 1965 and 1973 the real wage growth averaged 1.7%.

The errors imply much higher taxes are required to sustain benefit levels, and of course imply economic insanity if Congress continues to hike benefit levels. How much higher taxes? In their "Actuarial Audit of the Social Security System," Robert Kaplan of Carnegie-Mellon University and Roman Weil of the University of Chicago assert that realistic assumptions "imply taxes 50% to 75% higher than current levels." The SSS actuaries will not be able to avoid admitting some of this when they put out their new assumptions based on the 1970 Census. The Kaplan-Weil argument is that the dynamics have worsened since 1970 and should be faced up to now.

What's to be done? The first thing is that the public has to be told, by the politicians, that it is not possible to maintain the current rate schedule and benefit level. One or both have to be adjusted. It is of vital importance that the public be told that most of the work force is now counting on the purchasing power the current benefit levels yield for their retirement years.

Congress may cringe at the idea of trimming these benefit levels, but sharp tax boosts won't be popular either. Liberals will want to dip into the general fund to keep the system going a little longer, but within two or three years this method will be cleaning out the Treasury. All other "worthwhile" government programs will have to be chopped out to sustain Social Security. That, too, appears to be politically impossible. Indeed, there are no politically appealing ways to straighten out this mess. But the longer the nation waits to do it, the more it will hurt.

METRO-GOLDWYN-MAYER

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. CORMAN. Mr. Speaker, Metro-Goldwyn-Mayer, one of our most important motion picture companies, celebrates its 50th anniversary this year. The MGM Studios in Culver City, Calif., have enjoyed a worldwide fame for the hundreds of motion pictures which have delighted and thrilled generations of moviegoers. The films have brought honor not only to the State of California, but also to the American people, whose aspirations and high standards of entertainment these films reflect.

For many years Hollywood was the acknowledged motion picture capital of the world, and for most of that period Metro-Goldwyn-Mayer was the preeminent motion picture company.

For this we have to thank the creative and talented people who worked at MGM. In one area, particularly, these filmmakers and players made the full-maned MGM lion a world-famous trademark. This was the motion picture musical, of which MGM produced more than 100.

Fortunately for all of us who remember these movies with affection, MGM has seen fit to celebrate its 50th anniversary with a marvelous musical film, "That's Entertainment!" which is a compilation of unforgettable magical moments from many of these pictures.

Special recognition should go to Jack Haley, Jr., who wrote, produced and directed the movie, to executive producer Daniel Melnick and to the many other dedicated people at MGM who helped bring this film to the screen. It obviously is a labor of love as well as a work of exceptional merit. And it must have had special meaning for Mr. Haley, whose father, Jack Haley was starred in one of the great MGM musical classics, "The Wizard of Oz," which is represented in "That's Entertainment"

The film is narrated by Fred Astaire, Bing Crosby, Gene Kelly, Peter Lawford, Liza Minnelli, Donald O'Connor, Debbie Reynolds, Mickey Rooney, Frank Sinatra, James Stewart, and Elizabeth Taylor. All of these great stars appear in the film. The one exception is Liza Minnelli, who talks with great love and admiration of her mother, Judy Garland, one of the motion picture industry's outstanding stars.

It is encouraging to learn that today's new generation of filmgoers, many of whom were weaned on cinematic violence, are seeing and enjoying "That's Entertainment!", and now have a new and deep respect for the stars and filmmakers of yesterday.

TOBACCO FARMERS

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. GINN. Mr. Speaker, the tobacco farmers in Georgia and other States are caught in the grip of a potentially disastrous price squeeze. Even though production costs have increased drastically in the past year, the price farmers are receiving for their crop this year is the same or less than a year ago.

To try to provide emergency relief in this crisis period, I have personally contacted Agriculture Secretary Earl Butz to urge him to take administrative action to assist our tobacco farmers. I have also joined as a sponsor of legislation to increase the tobacco support price by 10 percent. What we need now is action.

I testified this afternoon before the Subcommittee on Tobacco of the House Committee on Agriculture in regard to this problem. I would like to have the text of my statement to the subcommittee appear in the RECORD at this point along with the text of a statement I issued on July 16:

STATEMENT BY CONGRESSMAN BO GINN BEFORE THE SUBCOMMITTEE ON TOBACCO

Mr. Chairman and Members of the Subcommittee, I welcome this opportunity to present my statement as part of your examination of the crisis that faces our tobacco farmers.

The facts are simple. In my own First Congressional District, opening market prices were down two to three cents below the prices received last year. The cost of production is up 28 to 35 percent or more in our area. If we do not have higher prices, then many farmers face the prospect of bankruptcy. Others, who are better able to withstand a bad year, are likely to abandon or severely reduce tobacco production next year.

I am not going to try to fix the blame in this situation simply to produce a scapegoat. But I believe we must understand the cause in order to produce a cure. Prior to the current growing season the major tobacco companies assaulted the Department of Agriculture with pleas for increased production. They said that increased production was essential to meet increasing domestic and foreign demand and that they would be prepared to pay the price for this increased production. A 10 percent allotment increase was granted, and now we see the cruel effect of that shortsighted action.

The tobacco companies have pulled off the greatest agricultural hoax of the year. Their maneuver is the slickest trick I have seen since we virtually gave away grain supplies to the Soviets in the Russian wheat deal.

What we have now is the fact that the farmer answered the call of the Department of Agriculture to increase tobacco production during a period of extraordinarily high inflation. Now that the crop is ready and must be sold, the tobacco companies are blackmailing the farmers into selling at below cost. Mr. Chairman, I believe this tactic is going to backfire when farmers pull out of tobacco production to avoid future problems such as this. Then the tobacco companies will be running back to Washington pleading for help.

The Department of Agriculture is responding to the crisis by saying that prices will go up when primings and lugs are sold and we go into sales for the upper stalk leaves. Certainly the price will go up. The price always goes up when we get into the upper stalk leaves. But the point is that as things stand now, this higher grade of tobacco will still be selling at about the same price that was received last year despite the fact that inflation has raised costs dramatically.

Labor costs, of course, are higher this year. And I know that I am not telling the Members of this Subcommittee any news when I point out that fertilizer and insecticide prices have gone through the roof.

Mr. Chairman, I believe it is essential that the Congress take a hard look at the root causes of this crisis. There is a very serious question about possible restraint of trade agreements. There is a very serious question about the pressures brought to bear regarding the increase in allotments. We should have a thorough probe of the tobacco companies entire policy on marketing. We should have a thorough probe of the Department of Agriculture's role in this affair.

I am grateful for the opportunity to present this statement to you, and I am confident that this outstanding Subcommittee and Committee will move aggressively into a full review of the problem.

Thank you.

NEWS RELEASE

WASHINGTON.—Congressman Bo Ginn said Tuesday that the opening day of tobacco sales indicates that Georgia farmers were lured into increased production this year by false promises from the major tobacco companies that increased demand would justify increased planting.

Instead, Ginn noted, the opening day of sales showed that prices are at about the same level as last year even though the costs of growing tobacco have gone up 25 percent or more.

"The tobacco companies persuaded the Department of Agriculture to increase production by saying they would need a big crop this year to meet increasing domestic and foreign demands," Ginn said, "but it appears now that they simply wanted to keep their own prices down by getting farmers to grow a bumper crop."

"The result has been that the companies and the federal government have lured farmers into major investments in this year's crop that now will be lost if market prices do not increase," he said.

Ginn said he would compile statistics on the Georgia prices and personally bring them to the attention of Agriculture Secretary Earl Butz.

The First District Congressman said he is hopeful that the companies will increase prices when they realize "they are about to force many farmers to the brink of financial ruin."

LOUISIANA LEGISLATURE GOES ON RECORD URGING REPEAL OF PSRO

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RARICK. Mr. Speaker, the Louisiana Legislature has recently approved House Concurrent Resolution No. 111 "urging Congress to repeal the Professional Standards Review Organization Law."

The Louisiana Legislature very correctly pointed out in enacting this legislation that—

> Operation of Professional Standard Review Organizations will cause great harm and financial hardship to the elderly and poor people of our country because of . . . unrealistic requirements on physicians to practice their profession based on standards and norms approved by the Department of Health, Education, and Welfare.

The bill approved by both the house and senate of the Louisiana Legislature goes on further to point out that—

> These segments of our population will suffer greatly if denied medical care and hospitalization deemed necessary by their physician but not in conformance with HEW standards based on averages and medians rather than human needs.

Mr. Speaker, to this date over 125 Members of the House have joined in sponsoring PSRO repeal legislation. The action by the Louisiana Legislature only further emphasizes the need for Congress to act now to repeal the PSRO law.

I insert a copy of the resolution adopted by the Louisiana Legislature in the RECORD at this point:

A CONCURRENT RESOLUTION URGING CONGRESS TO REPEAL THE PROFESSIONAL STANDARD REVIEW ORGANIZATION LAW; AND FOR OTHER PURPOSES

(Regular session, 1974, House Concurrent Resolution No. 111, by Messrs. Landry, Leblanc, Jenkins, Scogin, O'Neal, Humphries, Stephenson and Marullo)

Whereas, Section 249-F of Public Law 92-603, Professional Standard Review Organization (PSRO), was enacted by the Congress of the United States in 1972 without due consideration and careful deliberation by both its bodies; and

Whereas, operation of Professional Standard Review Organization will cause great harm and financial hardship to the elderly and poor people of our country because of its unrealistic requirements on physicians to practice their profession based on standards and norms approved by the Department of Health, Education, and Welfare; and

Whereas, these segments of our population will suffer greatly if denied medical care and hospitalization deemed necessary by their physician but not in conformance with HEW standards based on averages and medians rather than human needs; and

Whereas, this law may well inhibit the great advancement seen in American medicine during this century of progress in conquering many of man's dread diseases.

Now, therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring herein, that this body notify the Congress of the United States that the Professional Standard Review Organization Law is ill-conceived legislation, harmful to the public and pernicious in its effect on the practice of medicine.

Be it further resolved that the Congress be urged to repeal the Professional Standard Review Organization Law as quickly as possible to prevent the damage it will cause to the public and the American health care system.

Be it further resolved, that this Legislature encourage Louisiana physicians to continue the ethical practice of their profession, to maintain the privacy and confidentiality of their patients' records, to retain their right to make medical decisions based on their own professional judgement, and to support the existing system of peer and utilization review available in hospitals and nursing homes, medical societies and associations.

Be it further resolved that the Secretary of State is hereby authorized and directed to transmit an appropriate copy of the Resolution to the Secretary of the Senate of the United States, to the Clerk of the House of Representatives of the United States, and to each member of the Louisiana Congressional Delegation.

CONGRESSMAN DOMINICK V. DANIELS HAILS GENE FARRELL ON LATTER'S RETIREMENT—"A GREAT NEWSPAPERMAN" CALLS IT QUITS AT THE JERSEY JOURNAL

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, on August 1, 1974, one of the best of the old breed of newspapermen is calling it quits at the Jersey Journal after 46 years in the newspaper game. Eugene Farrell has announced his retirement as executive editor of the Jersey Journal, the Jersey City, N.J., based organ of the Newhouse chain.

Mr. Speaker, I know of no one in the newspaper business who exemplifies the ideals of the profession more than Gene Farrell. Careful and precise, he always valued accuracy in his work. In this he was the very model of the old breed of newsmen.

Long before the term "advocacy journalism" came into vogue, Gene was crusading for a better Jersey City. His contributions to our city and county are so many that space and time preclude me from listing them all here in the House Chamber. Following my remarks, I shall insert an account of his career from the July 18, 1974, edition of the Jersey Journal which tells the story of his remarkable career.

Jersey City has lost a tireless zealot for better government. I hope that Gene stays in Jersey City where he can give encouragement to his successors and to those who hold public office. Certainly we will miss his pen, but his advice will be valuable and I hope he favors us with it in the future as he did in the past.

Mr. Speaker, as Gene Farrell goes into retirement, I extend to him and his lovely and talented wife, Lois, my very best wishes. Jersey City is the better for Gene Farrell's contributions.

The article follows:

FARRELL RETIRES AFTER 46 YEARS

Eugene G. Farrell, executive editor of The Jersey Journal, announced today he will retire Aug. 1 after 46 years in the newspaper business.

He spent 36 of them as an editor of Newhouse newspapers in five cities and had been the editor or the executive editor of this newspaper since 1951. Prior to that he served in Jamaica, Long Island City, Newark, and Harrisburg, Pa.

Today he recalled that it was in the summer of 1928, a few weeks after his graduation from Notre Dame, that he walked into a newspaper office and wrote his first story, a three-paragraph piece on a parochial school play.

"In between," he said, "there have been years of wonderfully interesting work and many fine people."

In between, too, he built a record of civic enterprise achievement with his editorial campaigns in each of his cities. He had the pleasure of seeing one come to fruition a week ago when the Charter Study Commission recommended a new form of government for Hudson, something for which he had long argued.

He was in such civic enterprises from his earlier career when, as a reporter in Jamaica, he worked on stories which led to the creation of the Long Island parkway system during the administration of Governor Franklin Roosevelt in New York.

In Long Island City his editorials helped bring about the founding of Queens College.

In Newark, another series of editorials convinced the city commission to let the Port Authority run the airport and the seaport, a management which changed those facilities from rundown liabilities to flourishing assets.

A firm believer in P.A. efficiency, he campaigned later in this newspaper for takeover of the Hoboken piers and for Port Authority operation of the Hudson Tubes—now PATH.

In Harrisburg he carried on a campaign against the slums near the capitol where a cluster of state buildings since has been erected.

What does he rate as his greatest civic success with editorials?

"Undoubtedly the change of government in

Jersey City because that did two things the city needed: It put the worm in the apple of boss rule, making possible the election of officials like Mayor Jordan. And it opened the way for minority groups to elect members of the council through district representation."

The Jersey Journal editorial campaign which he directed 15 years ago included hundreds of stories and dozens of editorials. It succeeded by rallying the housewives of the city against the politicians and they prevailed even against the opposition of John V. Kenny's political machine.

Since 1970, as executive editor, Farrell oversaw the paper's political coverage. His interest in politics goes back to his days of covering New York's city hall when Jimmy Walker was the mayor.

Only this year he won a New Jersey Press Association state first prize for interpretive writing with a series analyzing the mechanics of Paul Jordan's 1973 campaign.

Farrell also gave his time freely to public service. During the 1950s Gov. Robert B. Meyner appointed him to the original New Jersey State Market Commission on which he served four years, first as vice chairman and later as chairman. The commission studied the feasibility of a food distribution center in Hudson County, an idea rejected by the county at the time but generating new interest now. He resigned from that post when he felt he had completed his work.

In 1966 he was named chairman of the original board of managers of the Jersey City Medical Center, which pulled the hospital complex out of serious financial difficulties and began the reorganization and rebuilding which continues today. He stepped down from the board of managers in 1970 when he became 65 years old.

Born in Brooklyn, Feb. 12, 1905, Farrell was the son of a career Navy man who had fought in a gun crew of the USS Iowa in the Spanish-American War. As a boy, because of his father's assignment there, he lived for nearly four years at the Olongapo, Philippine Islands naval station in Subic Bay. The sleepy little Navy installation became one of the major bases of World War II in the Pacific.

Returning to Brooklyn he was graduated from St. Brigid's School as valedictorian, was in the first June class graduated at Brooklyn Technical High School, worked for a year, and then entered Notre Dame where he won an A.B. degree with honors. His plan to teach school and study law was frustrated by preliminaries to the Depression; school teachers were not being appointed. Deciding that journalism was a kind of teaching, he got a job on the Long Island Daily Press in Jamaica. Within a few years the paper was purchased and Farrell became one of the young executives who grew up with the Newhouse newspaper group.

Jim Bishop, the columnist, in his book "Reporter," listed Farrell among the outstanding city editors he had known.

Farrell has three sons from his first marriage to the late Margaret F. Reidy of Brooklyn. He and Lois Fegan, woman's editor of this newspaper, were married in 1952. After several years in a riverfront apartment in West New York, they purchased a home in Downtown Jersey City where they still live.

How does he feel about leaving daily newspaper work after all that time? "I'm looking forward to change," was the answer.

AMENDMENT TO HOUSE RESOLUTION 988

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. YOUNG of Florida. Mr. Speaker, when the House considers House Resolution 988, I along with my distinguished colleague from Pennsylvania (Mr. Heinz) will offer an amendment to establish a permanent Select Committee on Aging.

This new committee will not have legislative jurisdiction, but will have oversight functions along the same lines as the Special Committee on Aging in the Senate. More than 115 Members of the House have sponsored legislation to establish a committee concerned with the problems of aging and older Americans. One-fifth of our citizens are over 55 years of age, and the proportion is increasing. Yet the House has no focused means of examining their special needs and problems, and making recommendations to the appropriate legislative committees. Members who serve on a Select Committee on Aging can gain valuable insights which they can then bring to their regular legislative duties on exclusive committees.

Mr. Speaker, following is the text of the proposed amendment which we will offer to both House Resolution 988 and the Hansen substitute, plus a list of those Members who have sponsored similar legislation in the House:

Amendment Offered by Mr. Young of Florida to House Resolution 988

Page 40, immediately after line 10, insert the following new paragraph:

"(f) There shall be in the House the permanent Select Committee on Aging which shall not have legislative jurisdiction but which shall have jurisdiction as follows:

"(1) Conducting a continuing comprehensive study and review of the problems of the older American, including, but not limited to, income maintenance, housing, health (including medical research), welfare, employment, education, recreation, and participation in family and community life as self-respecting citizens.

"(2) Studying methods of using all practicable means and methods of encouraging the development of public and private programs and policies which will assist the older American in taking a full part in national life and which will encourage the utilization of the knowledge, skills, and special aptitudes and abilities of older Americans to contribute to a better quality of life for all Americans.

"(3) Developing policies that would encourage the coordination of both governmental and private programs designed to deal with problems of aging.

"(4) Reviewing any recommendations made by the President or by the White House Conference on Aging relating to programs or policies affecting older Americans."

Page 40, line 10, strike out the quotation marks.

Sponsors of Legislation in the 93d Congress To Establish a Permanent Select Committee on Aging

Abdnor, Abzug, Andrews, Ashley, Badillo, Bell, Benitez, Boggs, Brasco, Broomfield, Buchanan, Burgener, Burke (Fla.), Carney (Ohio), Carter, Chisholm, Cohen, Collins, C., Corman, Conte, Daniel, Danielson, Davis, Dent, Drinan, Edwards (Cal.), Edwards (Ala.), Eilberg, Forsythe, Fraser, Frey, Froehlich, Fulton, Fuqua, Grasso, Green (Ore.), Green (Penn.), Gude, Gunter, Hanley, and Hanna.

Harrington, Heckler (Mass.), Heinz, Helstoski, Hillis, Hinshaw, Howard, Hungate, Jarman, Johnson (Penna.), Kemp, Ketchum, Koch, Kyros, Lagomarsino, Lent, Long, Luken, McCormack, McDade, McFall, McKinney, Mathis (Ga.), Mayne, Moakley, Mosher, Moss, Murphy (III), Murtha, Owens, Peyser, Pike, Podell, Preyer, Price (III), Pritchard, Randall, Rangel, Rees, Regula, Riegle.

Robison (N.Y.), Rodino, Roe, Roncalio (Wyo.), Roncallo (N.Y.), Rosenthal, Roy, Roybal, Ruppe, Sarasin, Sarbanes, Satterfield, Schroeder, Sebelius, Seiberling, Skubitz, Stark, Steele, Steelman, Studds, Talcott, Teague (Calif.), Thone, Tiernan, Veysey, Walsh, Wilson, Bob (Calif.), Wilson, Charles H. (Calif.), Winn, Won Pat, Yatron, Young (Ill.), and Young (Ga.).

U.S. JAYCEES HONOR PITTSBURGH SELF-HELP GROUPS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the U.S. Jaycees have just published a book, "Uplift: What People Themselves Can Do," which analyzes the scope and success of small scale self-help projects, operating in low-income communities throughout the country.

I am pleased and proud to report that the Jaycees chose four such operations in my congressional district.

These four projects, along with 96 others, were picked from some 1,000 similar activities isolated by the Jaycee research project.

I wish to include in the Record at this time a brief description of the neighborhood programs singled out by the Jaycees, and offer my sincere congratulations for jobs well done to Pittsburghers: Mr. Leon Hickman, director of the homemaker skills program; Mr. Richard Barber, director of urban talent development; Mr. Bernard Jones, director of urban youth action; and Mr. James Givner, director of Operation Better Block.

The material follows:

Urban Youth Action

Pittsburgh, Pa.—Down the street from the Duquesne Club, where Pittsburgh's corporate leaders meet, young black people are striving to get their cut of the free enterprise system's employment pie.

They are participants in Urban Youth Action (UYA), a program established in 1967 and overseen by a group of mostly young black businessmen. UYA is primarily in the business of teaching the young people of Pittsburgh about the business world and developing their employment potential.

Much of UYA's work involves finding jobs and providing training for young people in the low-income Hill and Homewood-Brushton districts of the city. Bernard H. Jones, the man behind the idea and now the chairman of the UYA board, sees the program as having a far more profound influence on young lives than simply an economic one. "Coming out of UYA," he says, "are a cadre of revolutionaries. They will revolt against the dismal futures their brothers and sisters have faced in the black ghettos. They are building self-esteem."

More than 4,000 youngsters have participated in the program since its inception. The current "class" numbers 450—nearly all elementary and high school students. There is also an active "alumni" group that promotes UYA projects in its dealings with local business and the community.

UYA adheres to the principle of "learning by doing," and that includes the staff, which is composed for the most part of high school volunteers. There is a full-time director, C. Richard Gillcrese, who began with UYA when he was 19 years old and it was just beginning. He has three full-time adult assistants, a secretary, and a controller, all of whom were in the program as students.

UYA headquarters is a busy place, as can be seen by a glance at the various department activities. It has departments for employment, and also for education, community service, and economic development.

Employment. Urban Youth Action is an organization run much like a business. Gillcrese says the older youths who work there in managerial positions are constantly grooming younger workers to assume their jobs when they graduate from school.

There is an incentive system for trainees. When a student first applies to join the program, he must fill out an application form, be interviewed, and discuss his salary and hours of work, as if he were applying for a job.

"We do this so they will know what they will be facing when they try to get a job after they leave high school," the director says.

The staff of the Urban Youth Action employment relations department stays in touch with major companies in the area to learn of employment opportunities. They also work with placement agencies and try to guide UYA members into particular jobs that are available.

A key part of this placement program is a summer job program that has found employment for more than 500 youngsters over the past seven years or so. Many of the youths have stayed on as permanent employees after graduating from school.

Education. Several volunteers are engaged in educational projects. Part of the young staff is keeping abreast of opportunities offered by colleges and technical and vocational schools. Information is gathered from these institutions on a regular basis and made available to UYA members and other students interested in continuing their education.

The UYA staff members of the organization's board of directors also provide counseling as to what institutions UYA members should apply to and how to go about it.

One of the UYA's most successful education programs—for elementary school students—is also its oldest. Bernard Jones relates how it got started:

"We went to a school and told the principal we would like to hire the entire fifth- and sixth-grade classes for three weeks and pay them a dollar an hour for three hours of work." The students worked in the school office and wth teachers and custodians, and also did a variety of odd jobs.

"In that three-week period," says Jones, recounting the experience, "it helped youngsters get interested in English. It helped the math teacher get some new courses up."

"For example the students got some catalogues from the stores. They figured out what presents they wanted to buy for their parents. They had to read the catalogues, so the English teacher got them involved in reading. They figured how much money they were going to make, how much their gifts came to. So that got them involved in math.

"One parent said she had always had trouble getting her son to go to school but during that three weeks, he was getting her up in the morning! There were kids waiting outside of school for the teachers to arrive to get in there so they could go to work.

"This project was so successful that after the three-week period the parents and teachers and all met with us and said, "You've got to continue it."

Jones says that UYA, which exists primarily on donations, has managed to come up with enough money to pay about twenty-five of the school's students 75 cents an hour for three hours a week. UYA has also extended the program to other elementary schools.

"One of the best letters I ever received," Jones says, "was from a girl who had returned to school from pregnancy. She was able to work [in the junior high school program], and she thanked me because she was able to buy clothes and things for her daughter.

"By working she relieved the pressure she had of supporting her kid at home. Although her kid lives at home with her parents like she does, she still wanted to do something to support her."

Community Services. Work aspects of the community services program are also administered by the employment relations office. Service workers must be high school students and must attend a weekly UYA training session conducted by a business professional. These young workers perform a number of tasks designed to help needy individuals or the entire community. They may do housework for the handicapped, shop for the elderly, paint houses, and weed lots.

Sometimes workers are employed on jobs that have been contracted for with UYA by a major company or a government agency. The entire program is intended to provide the youths with valuable work experience, as well as money.

Economic Development. Director Gillcrese administers the organization's economic development program for new ventures. This program is financed partly by contributions deducted from the paychecks of the UYA staff and student workers. Donations from businesses, foundations, and other sources also go into a fund to support the program, which includes assistance for students who are going on to college and other schools. Another source of revenue consists of the UYA alumni members, each of whom contributes $6 a year.

Bernard Jones got the idea for starting UYA when he was a community worker for the city's urban redevelopment authority. He saw the need for assisting young people to make the transition from school to the world of work and, at the same time, to imbue them with pride in themselves.

Over the years, UYA has launched hundreds of youngsters on successful careers. How many are carrying on the revolutionary spirit isn't known. But Robert B. Pease, the former executive director of the urban redevelopment agency, thinks they will create a different city in the future.

"If I were asked to name the most significant urban redevelopment contribution to the Pittsburgh community over the past twenty years," he says, "my vote without hesitancy would go to the Urban Youth Action program in the Hill district. For this is urban renewal, as I view it, in its purest and most direct role."

Operation Better Block

PITTSBURGH, PA.—Pittsburgh's Homewood-Brushton section is a neighborhood in transition.

On block after block the people are out repairing and painting their houses. Lots have been cleaned up, grass seed planted, and new lawns kept neatly mowed. Hedges and bushes are trimmed. Sidewalks have been repaired, holes in the street filled in, and the trash is gone.

This transformation of a once-decaying neighborhood is the doing of Operation Better Block—an idea that never caught on in the place it originated, New York City, but has flourished since being transplanted to Pittsburgh. Carrie Washington, assistant director of Better Block, feels the project failed in New York's slum neighborhood because it was sponsored by the city.

"Here, the people themselves are doing it—they are doing it because they want to take more pride in their community," she says. "And they are making more than just physical improvements—they are bringing about change in their lives."

Better Block was put together in 1970 by a coalition of Homewood-Brushton community organizations known as Forever Action Together (FAT). The housing committee of FAT spent eighteen months designing the project, then went from block to block trying to organize the residents. These efforts eventually resulted in the creation of some thirty block associations or clubs involving a total of about 6,500 people.

The effect of these associations has been widespread. The city has been pressured into fixing sewers and streets, improving street lighting, and removing trash. Absentee landlords have been forced to repair and maintain their buildings. And the people of Homewood-Brushton, as well as of other areas of the city, have become much more concerned about their physical environment than they used to be.

But Better Block emphasizes much more than just cleaning, fixing, and repairing. It is concerned about the entire community and all of its problems. Consequently any list of Better Block's accomplishments must be extended to include the fostering of community pride and neighborliness, persuading families not to leave the area, providing part-time work for neighborhood youngsters, organizing sports and other recreational activities, and giving local people a chance to find out what they all have in common.

"What people have discovered in the clubs is that they can sit down and discuss common problems and help one another," says Carrie Washington. "They are generating a whole different spirit than was here before, when nobody cared about anything."

What Better Block itself has learned is the importance of caring for and dealing with the people. As Carrie Washington says pointedly, "You can give all the grass seed in the world, all the paint, all the peat moss, but if you don't work with the people inside the houses, you have wasted your time."

Organizing a new block association begins with Better Block's five staff members undertaking a study of the problems and characteristics of the prospective new member block. Is it, for example, primarily a block of elderly people? Are there a lot of children? How many people are home owners? Is there a high percentage of absentee landlords?

One of Better Block's two field representatives then assists the group during its first shaky days as it sets up priorities and begins organizing a block association.

Better Block initially provides $25 to the new association, and it will subsequently contribute additional seed money of up to $500 as the association requires it. Better Block staff members maintain a close watch over expenditures to see that policy is carried out.

Residents are given grass seed, shrubbery, and other items, along with donated clippers and mowers. Project leaders buy paint, gas lamps, and fencing materials at cost and sell them to the residents at the same price. Better Block keeps on file a list of contractors who will do reliable work at reasonable cost for those who can afford it.

From the beginning the project has maintained close contacts with the city, although its financing has come from the Allegheny Conference on Community Development United Fund and several large Pittsburgh companies.

"Consequently," says Carrie Washington, "people have been amazed at the fast action we get. It runs all the way from sewer cleanups to better street lighting—whatever you can think of. The city fixed a hole in the middle of Monticello Street that could have swallowed a compact car. They sent in the Neighborhood Youth Corps to help in the cleanup."

The project has ways of dealing with absentee landlords. It first makes residents fulfill their obligations as tenants. Then, if necessary, they bring legal action against obstinate landlords.

The Better Block clubs serve as a forum where a person can take a complaint against his neighbor without generating personal friction.

"When we tell Mrs. Smith her garbage is attracting rats, she gets made at *us*, not her neighbor, Mrs. Jones, who wants it cleaned up," says Carrie Washington.

Representatives of different blocks meet once a month to discuss their programs and exchange ideas. Most of the ideas concern how to keep the club going after the funds from Better Block have been used.

FAT's president, James Givner, the owner of a beauty-products store, has been fostering the participation of youth in Better Block. Individual clubs are urged to include young people in their meetings and solicit their ideas for improvements. High school students have been paid to make and install new house numbers and to build trash receptacles, with some local companies providing the necessary money.

Efforts are also made to provide recreational facilities and activities for the neighborhood youngsters, partly to involve them in Better Block, partly to provide them with leisure-time activities, and partly to expand their horizons.

In 1973, for example, Operation Better Block sent a team of Little League all-stars to play in Madison, Ohio. The excitement of the game was compounded by the fact that most of the Pittsburgh youngsters had never been out of their home city before.

"The coaches selected those kids who were able to get along with other players, those with a positive attitude, and those who showed evidences of leadership," Carrie Washington explains. "All we heard from the others when the all-stars came back was, 'Boy, next year I'm going to be like one of them so I can make the team'."

Carrie Washington says that numerous donors have attempted to influence the direction of the project. "We have had more spinoffs suggested than you can imagine, and we have had to say our goal is here.

"We went to a donor who suggested certain changes . . . and made this a condition of his donation. He was told, 'No, we will not accept any funds from anyone on the basis of change of this program. It has already been designed and we will not let anyone build in failures.' Now this was a $10,000 grant, and we didn't have a penny. It jolted him."

Nevertheless the organization received the grant that year—and each year thereafter.

"Obviously if there were more money, more blocks could be helped," Givner says. "But the response from the residents has been tremendous."

And that's the real name of the game.

EXPENDITURES ON U.S. EDUCATION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ARCHER. Mr. Speaker, the United States has made great advances in the field of education. Unfortunately, many individuals and groups believe the answer to better education is more Federal money. It is easy to forget that the United States as a national priority spends a tremendous amount of money on its educational system at all levels, both public and private. I am including in the CONGRESSIONAL RECORD some relevant facts about our country's expenditures on education:

EXPENDITURES ON U.S. EDUCATION

I. The U.S. spends far more on education than is generally realized when all education expenditures are added up: federal, state, local and private (often overlooked).

Education is the largest single American industry.

The profession is the largest single occupational group.

More is spent on education than is spent on national defense.

II. Comparatively speaking, the U.S. spends a greater proportion of its GNP on education than does any other major country in the world.

The U.S. spends more, in real terms, on education than does the rest of the non-Communist world put together.

The U.S. spends 8% of its GNP on education.

1. Total expenditure on education in the U.S. in 1973–74, elementary, secondary, and higher, public and private was $96.3 billion. This is higher than the amount spent for national defense, $81 billion in 1974.

2. Total public expenditure was $79 billion but an additional $17.3 billion was spent by nonpublic sources. About 17% of education costs came from private funds, a higher figure than in any other major nation.

3. $61.6 billion was spent on elementary and secondary schools; of this amount, $56 billion was public and $5.6 billion was nonpublic.

4. $34.7 billion was spent on higher education; of this amount, $23 billion was public and $11.7 billion was nonpublic.

5. Of the public funds for education, $7.7 billion are appropriated at the federal level, $32.1 billion at the state level, $29.8 billion at the local level and $9.4 at all other levels. The remaining amount, $17.3 billion, comes from non-public sources.

6. In 1971–72, the total American expenditure on education was 7.9% of the Gross National Product. (Above statistics from Department of HEW, *Digest of Educational Statistics*, 1973, pp. 22–23.)

7. In 1970, the U.S. spent an average of $264 per capita on public education. This figure does not include the amount from private sources, which would be approximately $44 (17%). Thus the U.S. total per capita would be about $308.

8. The world average per capita spent on education in 1970 was $46. Thus the U.S. spent well over 6 times the world per capita expense on education. The per capita expense for the developed world (a fairer comparison) for 1970 was $150. However, this figure includes the U.S. itself and also includes the U.S.S.R.; the figure for the Soviet Union, $159 per capita, is based on the official exchange rate of approximately one ruble to the dollar which experts in the Soviet economy regard as totally unrealistic. A "real" equivalent would be much lower than the official $159, per capita.

9. Probably a more realistic comparison would be with the NATO nations of Western Europe which have a comparable economic development and "hard" currencies combined with reliable statistics. The figure for European NATO countries is $93 per capita. Few countries outside of the U.S. spend any significant amount on private education. Thus, Americans spend a good three times as much on education as do the people most like ourselves, Western Europeans.

10. In 1970, the U.S. was spending about $65 billion a year on all education, public and private. The rest of the non-Communist world (Western Europe, Latin America, Africa, Australasia and the free countries of Asia, including India and Japan) all together was spending about $60 billion a year. The U.S. thus spends a little more on education than does the entire remaining Free World. (Above statistics from U.S. Arms Control and Disarmament Agency, *World Military Expenditures*, 1971, pp. 14–17, 38–41).

11. There has been a steady, in fact, a steep growth in the real sums spent at all levels in the U.S. on education in the past 30 years. In 1944 the percentage of the GNP spent on education was 1.8; by 1974 it had risen to over 8% . . . this represents more than a four-fold increase in 30 years.

12. Although education costs are only a relatively small part of the federal budget (education was meant to be a state function, after all) it accounts for over 40% of state and local expenditures. This is more than three times the outlay for highways, the second largest item in their budgets. (Above statistics from Department of HEW, *Digest of Educational Statistics*, 1973, pp. 24–27).

13. It is thus fair to say that Americans are not short-changing education but are in fact devoting far more of their resources to this activity than is any other country in the world, with the possible exception of Canada, no matter whether you count in dollar terms, in "real" purchasing power, or in percentages of the GNP.

14. When critics claim that the Nixon Administration is "short-changing" education, it should be noted that the Administration has more than tripled the amount of federal funds devoted to education in its years of office. In 1967–68, federal aid to education was $5.1 billion (HEW, *op. cit.*, p. 22). For Fiscal Year 1975, a total of $16 billion is budgeted for education at the federal level. (OMB, *Special Analysis, Budget of the U.S. Government*, Fiscal Yr 1975, p. 109).

15. Unfortunately, however, not all federal money spent on education goes for better schooling for children; the U.S. Office of Education, which administers these programs, estimates that roughly 30% of the funds are spent on administrative costs . . . absorbed by the federal bureaucracy.

RADIATION IN PERSPECTIVE

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. LUJAN. Mr. Speaker, Dr. Roger E. Linneman, president of Radiation Management Corp., and assistant professor of clinical radiology at the University of Pennsylvania, has authored an excellent article entitled, "Accentuate the Positive," which appeared in the July/August issue of Trial magazine.

In the article Dr. Linneman poses a series of questions typical of those currently being asked not only by Members of this body but of the general public as well. He then in very lucid fashion provides comprehensive scientifically based responses to these questions and presents them in a manner understandable to the lay public. In large part the questions relate to fears that people may hold to concerning the biological effects of radiation from a variety of sources. These include radiation exposure as a consequence of diagnostic examination by physicians, radiation due to low-level emissions from nuclear power plants, radiation from natural background causes and that received as a consequence of jet aircraft travel.

Dr. Linneman points out that no discussion of radiobiological effects can be meaningful without a presentation of the levels of exposure involved. In each case the average levels of exposure from the various sources are cited and the risk, if any, is clearly enunciated. I shall not attempt to summarize this very fine presentation of a subject of current interest to all of us. Instead, I insert the article by Dr. Linneman in the RECORD at the conclusion of these remarks:

ACCENTUATE THE POSITIVE

(By Dr. Roger E. Linneman)

"Doctor, will the radiation hurt me?"

This increasingly common question is asked of many doctors in a modern world where patients get x-rayed, children watch TV, and people live near nuclear power plants.

Recognizing there is no absolute safety in any human endeavor and considering for the moment that a certain level of electrical energy is beneficial to the health and welfare of society, the proper questions for society to ask are:

Do we need or desire more electrical energy?

What are the feasible methods to produce this energy?

What are the medical hazards from each of these methods of production?

We are told that for the near future the two most practical and economical methods of producing electricity are the nuclear fission process and the combustion of fossil fuels. Though there are many factors to consider when selecting a source of electrical energy, one of the most important is the impact on the public's health. To the degree the society has already accepted the use of fossil fuel to produce electricity, an impact evaluation is *ipso facto* retrospective. A decision to now employ a nuclear technology is prospective, and therefore a proper impact evaluation should seek answers to the following questions:

How and to what extent may the population be exposed to radiation?

What do we know about the human effects of radiation?

To what can we compare the exposure dose from nuclear reactors?

What are the estimates of risk to the population from this exposure?

What are the estimates of risk to the population from continued use of fossil fuels?

POPULATION EXPOSURE

Under normal operations, nuclear power reactors discharge radioactive isotopes to the atmosphere. These discharges occur primarily as gases via the stack, and liquids via the discharge canal into an adjacent water source (river, lake, bay, etc.). The exposure to the population from gases is primarily external, i.e. the radioactive isotopes remain outside of the body (in the air and on the ground) where they emit radiations that may penetrate the body. To a lesser degree, there is an internal exposure from breathing the radioactivity in the air and from consuming food products contaminated with radioactivity (e.g. milk and iodine). Under controlled conditions, these gases are released periodically. Over the course of time, dispersion by wind dilutes the radioactivity in all directions. Consequently, the exposure to the population decreases as the distance from the plant increases.

Upon discharge into a stream or river, the radioactive isotopes are rapidly diluted and mixed with radioactive isotopes already present in the water. These radioactive isotopes expose man through consumption of food and water. Hence, the primary exposure to man from the liquid discharges is an internal exposure, i.e., the source of radiation, after ingestion, is located within the body.

Radiation causes cancer! Radiation causes genetic mutations! Both are true statements. However, an important characteristic of all biological systems is their ability to react to physical or chemical insults with a graded response to increasing doses. Consequently, any discussion of radiation effects is meaningless without first specifying the dose.

REACTOR EXPOSURES

Presently, there are about 30 nuclear power reactors operating in this country. The estimated average dose to the entire U.S. population from these reactors is 0.01–0.001 millirad per year. To the people living within the vicinity of a reactor, the doses may average a few millirad for close-by residents to 0.01 millirad out to 50 miles.

HUMAN EFFECTS—CANCER

In medicine, we have been using radiation for over 70 years. In any year, approximately 137,000,000 people (over 1/2 the population) in this country receive at least one X-ray.

It is estimated that X-rays play a major role in ½ to ⅔ of all serious diagnoses. During this time, we have accumulated a considerable body of knowledge regarding the effects of radiation on the human. It is safe to say that there has never been a potentially hazardous agent so carefully and exhaustively studied by so large a group of internationally recognized scientists as has been radiation. We have learned that in sufficiently high doses, radiation can be dangerous—can induce cancer. We have learned that radiation is an effective agent with which to cure cancer. This apparent enigma is a result of the fact that the body's response to radiation depends on many factors including the sensitivity of the tissue, the total dose and time over which the dose is delivered. The longer the time over which the dose is delivered, the smaller the effect. In other words, cells, tissues, and organs can and do repair and recover from radiation damage.

The two most important long term effects that are associated with radiation are cancer and genetic mutations. In order to detect these effects, relatively large populations exposed to relatively large doses of radiation must be examined. These studies include people treated with x–rays, atomic bombs casualities, and radiation workers.

The evidence that radiation bears a cause and effect relationship to cancer lies above a level of exposure of about 30,000 millirad. The most convincing evidence is above exposures of 100,000 millirad. Doctors who pioneered in the use of x–rays were its first cancer victims. Other groups affected were radium dial painters, populations of Hiroshima and Nagasaki, and patients treated with x-rays for rheumatoid spondylitis and tinea capitis.

Do radiation doses below levels of 30,000 to 100,000 millirad cause cancer? Many studies have been done and others are continuing in search of an answer to this question. These studies include a variety of exposure situations such as I–131 treatment of hyperthyroidism (7,000–15,000 millirad), occupational exposures of radiologists and their technicians (thousands of millirads), occupational exposure of AEC employees (thousands of millirads), diagnostic fetal exposures (few hundred to a few thousand millirads), and environmental exposures of populations living downstream from nuclear reactors.

With the exception of fetal irradiation, all of these epidemiological studies have failed to demonstrate a positive effect. The absence of a positive result combined with information on dose-cancer relationships at high doses indicates that any increased incidence of cancer following low dose exposures would have to be exceedingly small. It has been estimated that to see a statistically significant increase in the incidence of cancer at low doses, at least 5 million people would have to somehow be exposed to about 5,000 millirad (over and above background). No such exposure, except perhaps in a nuclear war, can be envisioned. To attempt to unequivocally find a dose-effect relationship at the few millirad level either experimentally or epidemiologically is virtually impossible.

GENETIC EFFECTS

Genetic studies in the human are among the most difficult and illusive studies in medical science from which to try to gather meaningful data. The problem is threefold: (1) a relatively high incidence of normal genetic defects (2–4% of live and stillborn children show visible congenital defects and about 15% of all pregnancies end in miscarriage); (2) the requirement for extremely large irradiated populations in order to make any small increase in the mutation rate statistically apparent and (3) understanding and controlling all other causes that produce similar genetic mutations.

Studies concerning abnormal characteristics in children of one or both parents exposed to varying amounts of radiation exposure include the children of radiologists, radiation workers, and women exposed to therapeutic amounts of radiation. These studies have been generally negative. However, they must be regarded as inconclusive since in most instances there were too few cases to be statistically significant and the variables were not well controlled.

An important human study was that of the Atomic Bomb Casualty Commission (ABCC) on children born of Japanese parents irradiated in Hiroshima and Nagasaki. Some 75,000 children born of these parents were examined and followed. There was no increased frequency of congenital malformations, stillbirths, neo-natal deaths, or growth and development abnormalities in the first generation off-spring.

That radiation can produce genetic mutations was first demonstrated by Mueller in the 1920's on experiments with the fruit fly. Using relatively large doses of radiation (above approximately 25,000 millirad), he was able to show genetic defects in the subsequent offspring of these flies. Twenty-three years ago, Dr. William Russell of Oak Ridge, Tennessee, began his genetic experiments with mice. He used the mouse because it is a mammal, and large numbers of mice are relatively easy to produce. Today, he is probably the world's foremost authority on many aspects of mammalian radiation genetics. Like Mueller, he was able to demonstrate genetic mutations with relatively high doses of radiation. But, as with the fly, attempts to demonstrate an increased incidence of genetic mutations with doses below about 37,000 millirad are very laborious. As the dose is lowered, the increased incidence of mutation is so small that extremely large numbers of experimental animals are required to show a statistically significant difference. Consequently, the experiments become unwieldy and very costly.

Russell also studies the effect of dose rate on genetic mutations. He delivered a total dose of 400,000 millirad to both female and male mice using dose rates of 100,000 millirad per minute to 1 millirad per minute. In the female mouse at a dose rate of 9 millirad per minute, he found no significant increase in genetic mutations. He also found that female mice irradiated and bred before six weeks showed an increase in genetic mutations. However, if the breeding was delayed for six weeks or more following irradiation, he found no increase in genetic mutations. His interpretation is that the female mouse has a recovery or repair mechanism for genetic damage. In both the male and female mouse, the lower dose rates were associated with less genetic damage than would be anticipated from linear extrapolation of high dose rate effects.

In view of this recent work, Russell concluded that the genetic hazard is about six times less than it was considered to be when the present standards were set in 1956.

FETAL IRRADIATION

In 1906, Bergonie and Tribodeau formulated the hypothesis that the radiosensitivity of tissues and cells in the body varies. Cells which turn over and divide rapidly and cells which are undifferentiated are more radiosensitive than cells and tissues such as the brain or muscle, which divide slowly or not at all and are well differentiated. Subsequently, it was postulated that the embryo and fetus (rapidly growing organs) should be more radiosensitive than the born child or adult. Experimental work has confirmed this. Death of the embryo or fetus or congenital abnormalities have been produced in animals with doses as low as 10,000 millirads delivered in a matter of seconds on the first day of gestation. It was also found that the fetus is most sensitive in the early stages of pregnancy (first three months). As the pregnancy develops, larger doses of radiation are required to produce abnormalities.

Laboratory and clinical studies, by and large, support the contention that doses of radiation below 10,000 millirad do not contribute to intra-uterine or extra-uterine growth retardation or to gross congenital malformations.

Some epidemiological studies indicate that abnormal x-ray exposure of mothers during pregnancy may be associated with an increased incidence of cancer in children before the age of ten years. The frequency of such malignancies in unirradiated children is about 1 in 1200 births. The studies referred to provide evidence that a dose of about 1,000 millirad, delivered in a very short time, may result in a doubling of the "natural" incidence of cancers in children.

Assuming that a fetus could receive a dose of about 0.01 millirem in 9 months, and that the effect of this long term exposure would be the same as that of exposures of short duration, the additional risk of developing cancer as a result of 0.01 millirem is about 1 in 120 million.

In the past few years, much has been written concerning infant mortality and the emission of radioactive materials from nuclear reactors (Sternglass Hypothesis). Because an increase in infant mortality as a result of an extremely small radiation exposure would be an unexpected radiobiological effect and because, if true, it would have serious public health consequences, the question was extensively studied by federal and state health authorities as well as medical scientists all over the world. Scientists knowledgeable in infant mortality, epidemiology, and radiobiology have overwhelmingly rejected the Sternglass Hypothesis and his data as completely unfounded and unsupported. Most recently, the National Academy of Science reviewed the status of our knowledge of radiation effects and concluded that:

"It is clear that the correlations presented in support of the hypothesis depend on arbitrary selection of data supporting the hypothesis and the ignoring of those that do not. In several regards, the data used by Sternglass appear to be in error.

"In short, there is at the present time no convincing evidence that the low levels of radiation in question are associated with increased risk of mortality in infancy. Hence, for the purposes of this report, no estimate of risks are considered to be applicable."

OTHER SOURCES OF RADIATION

From time immemorial, the human race has been bathed in an envelope of radiation emanating from the sky, from the ground, from the food we eat, and within our bodies. On the East Coast, this amounts to approximately 110 millirem per year. Annually, the radiation from the sky contributes about 35 millirem; the buildings we live in add another 34 millirem; the air we breathe, 5 millirem; and the food we eat, about 25 millirem. The latter is chiefly from radioactive potassium which is in both water and food. This background radiation varies considerably around the world. For example, in Denver due to higher elevation the population is exposed to approximately 175 millirem per year. In some areas of France, the annual exposure is 350 millirem; India, 1,500 millirem; Egypt, 400 millirem; and in some areas of Brazil, 13,000 millirem.

This variation is not only due to the cosmic radiation but also due to the radiation emanating from the ground, where the earth contains more thorium and radium and uranium.

With the increasing use of radiation in medicine, research and industry, man has added radiation to his environment. By far, the largest contribution is from the use of radiation in medicine. The bone marrow and the gonads are the tissues of concern in the use of diagnostic x-rays. The exposures vary from a fraction of a millirad to a few thousand millirads. Other sources to which the population is exposed include fallout, approximately 2-3 millirad annually; television sets, watches, etc., about 1 millirad annually; and nuclear reactors, approximately 0.01 millirad per year. A round-trip cross-country jet ride exposes a person to about 4 millirem.

RADIATION RISKS

In the absence of any observed effects at very low doses and in the interests of assisting the lay community in weighing the risks and benefits of a technology, it is customary to extrapolate from observed effects at high doses to possible effects at low doses. Consequently, to guard the public's health to the maximum, the most conservative assumptions are incorporated into derivations of mathematical formulas for estimating low dose effects.

To maximize any effect, it is assumed that radiation is cumulative, that there is no repair of radiation damage, and that prolonged exposures are equally as effective as instantaneous exposures. These formulas do not, in themselves, prove that any dose of radiation is harmful. In the course of public discussions about radiation, the word "assumed" is often dropped and the statement "all radiation is harmful" made rather than "all radiation is assumed to be harmful." In reality, the effect at very low doses could also be zero.

Depending on the assumptions used and the interpretations of the hard data at high dose levels, scientists have made various estimations of effects at low doses. Perhaps the most severe estimations of low dose effects that have received wide public attention are those of Gofman and Tamplin for cancer, and Linus Pauling for genetic effects. In making the following risks estimations, I have used their figures. Though they do not represent a consensus of scientific opinion, they are certainly the most conservative. Pauling's genetic risk, which he attributes to mutations resulting from irradiation of parents, includes gross physical and mental defects, and embryonic, fetal, and neonatal deaths.

According to estimates made by these scientists, if 3 million people living within 50 miles of a reactor receive an exposure of 0.01 millirad per year, there would be an extra 0.03 cancer death per year and a 0.1 extra genetic problem. Normally, this group of three million people can expect to have 4,800 cancer deaths per year and about 7,200 genetic problems per year.

For the population of the United States as a whole, the dose from presently operating nuclear reactors is about 0.001 millirad. The extra cancer death risk would be 0.2 cases per year. Normally, there are about 320,000 cancer deaths in this country per year. The extra genetic risk is about 0.4, whereas normally there are about 500,000 genetic problems as defined by Pauling. In other words, if radiation is harmful at these very low doses, it appears that the worst we could expect is less than one extra cancer death and less than one genetic problem each year as a result of normal nuclear power reactor operations.

Another way of looking at the problem is in terms of the individual risk—"what is my chance of cancer death or having a genetic problem as a result of this exposure?" This too, can be calculated. Normally, one out of every 10 pregnancies in this country evidences a genetic defect—a conception disintegrating shortly after implantation, a miscarriage or an abortion, a still birth, some mental or physical defect. There is one chance in 60 that an individual would have an automobile injury in any one year, and one chance in 4,000 that he would experience an automobile death in any one year. Estimates on the consequences of air pollution suggest that there is one chance in 10,000 that any individual would die in any one year as a result of air pollution. For women who are on "the pill," there is once chance in 25,000 that a fatal complication would occur as a result. On the whole, there is one chance in 500,000 that any individual in the U.S. would die in an earthquake. Finally, the chances of getting cancer as a result of reactor radiation is about one in one billion.

Psychologists say that each individual has a "chance-o-meter" built into his thinking and that in general, people tend to write off as an act of God or an act of Nature any chance greater than one in 100,000. Some people are more conservative than others and, consequently, demand better odds in any activity in which they engage. Others will engage in the same activity at worse odds.

Having considered the maximum risks to people from the generation of electricity with nuclear energy, and having compared these risks to which individuals are normally subjected today, the final step in this decision-making process is to compare these to the risks of continued use of fossil fuel to generate electricity. Unfortunately, information concerning the effects of air pollution on the human body are sparse compared to the great wealth of knowledge we have on the effects of radiation. Consequently, it is impossible to even estimate individual risks from air pollution. According to some authors, the present day mortality caused by air pollution in this country is 20,000 deaths per year. Others have gone as high as a million deaths per year. The former is from a report prepared for a congressional committee on Air Pollution in the United States in 1963. Fossil fuel power plants are responsible for about one-seventh of all the atmospheric pollutants. It appears that the sulfur oxides and nitrous oxides are the most damaging agents.

In an article entitled, "Air Pollution and Human Health," which was published in *Science* in August 1970, the authors reviewed more than 200 studies dealing with air pollution and human health. They concluded that a 50% reduction in air pollution would lead to, among other things, a 25% reduction of mortality due to lung cancer and a 20% reduction in cardiovascular (heart disease) mortality, the number one killer in the United States today. In numbers, this means we would save 15,000 people from lung cancer each year and one-quarter of a million from heart disease by reducing fossil fuel air pollution. The National Research Council's Committee on Air Pollution calculated that the total cost due to air pollutants is 13 billion dollars per year or $65 for each man, woman, and child in this country.

SUMMARY

In summary, it can be seen that the radiation emissions of nuclear power plants are small indeed compared to natural background radiation and radiation emissions from other man-made sources of radiation. For example, the population is exposed to 100 times more radiation from television sets than from nuclear power reactors. The assumed risks to the people in this country from nuclear power reactors are also small compared to the normal risks which are tolerated in this society and significantly less than those from continued use of fossil fuels to produce electricity.

The complete elimination of all hazards is a most difficult if not impossible task. If we need and desire a certain level of electrical energy, if we must choose between alternative sources of the energy, the health hazards of radiation discharges from the normal operation of nuclear power plants are indeed small, non-existent, compared to those from the continued use of fossil fuel plants.

THE PERSISTENT ILLEGAL ALIEN CONTROVERSY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BADILLO. Mr. Speaker, in recent weeks attention has once again been focused on those aliens who have entered the United States by other than legal means and who are attempting to eke out an existence while fearing apprehension by the authorities. Most of the stories focus on the Government's efforts to apprehend and deport these hapless men, women, and children and on the allegations that they are taking jobs which could be performed by American citizens or that they are swelling the welfare rolls. Tragically, these accounts fail to report the fact that the vast majority of so-called illegal aliens perform jobs which most citizens would not even consider doing and that they perform this work at substandard wages and often under hazardous or undesirable conditions. Seldom is any consideration given to the constant misery and fear which these people are forced to endure, the conditions in their native lands which have precipitated their departure, or their victimization by unscrupulous employers, landlords, and creditors. One does not often read that, in the course of dragnets conducted by the Immigration and Naturalization Service and other Federal agencies, the illegals are frequently degraded and are subjected to demeaning procedures, many of which violate those basic rights which we in this body have sworn to protect and defend.

Frequently these operations to apprehend illegal aliens result in any person who may speak with an accent or who may present a "foreign" appearance being confronted by a Federal agent and forced to prove their citizenship. Basic civil liberties and simple human dignity are many times ignored in the course of these investigations. Particularly distasteful is the fact that the term "illegal alien" has become a code word for the Spanish speaking and all too often Puerto Ricans, Mexican Americans, Cubans, and other Spanish-speaking citizens are needlessly embarrassed, inconvenienced, and intimidated, either directly or indirectly. Surely no one in good conscience can defend or condone such ill-conceived and misdirected policies and practices.

Unfortunately, this whole situation was seriously exacerbated last year when the House passed H.R. 982, known as the Rodino bill. While the ostensible purpose of this legislation was to protect the American labor force against job encroachment by illegal aliens, this measure represents a most serious assault against civil liberties and clearly discriminates against the foreign-born and foreign-language speaking Americans. For example, because of problems in locating or furnishing vital statistics, many minority groups would have considerable difficulty in furnishing documentary proof of their birth and citizenship. In addition, an overly cautious employer may refuse to hire an alien legally permitted to work or a minority group citizen for fear that the person may be an illegal alien. It was for these reasons that the Governor of New York recently refused to approve State legislation similar to the Rodino bill.

I believe that the American labor force must be provided with all reasonable protection. However, while protecting the rights of American workers we cannot deny rights to others and the problems of unemployment and economic dislocation will not be solved by pitting American-born workers against the foreign born, as does H.R. 982. Also, this repressive and discriminatory legislation simply perpetuates unfounded myths and irresponsible charges about illegals. I am fearful that it will serve only to fan the flames of prejudice and misunderstanding and needlessly aggravate community tensions.

I remain adamant in my opposition to the Rodino bill and am gratified that the Senate has the wisdom not to proceed with this measure. I am hopeful this bill will not be acted upon in these waning months of the 93d Congress and trust that a more rational, humanitarian, and compassionate attitude will prevail should the issue again arise in the 94th Congress.

The question of illegal aliens is one which we cannot avoid and is one which warrants full and careful consideration. Last September, for example, during consideration of amendments to the Immigration and Nationality Act, I offered an amendment authorizing a special study of the flow of migrants from the Dominican Republic to the United States as some had estimated that there are approximately 200,000 illegal Dominicans in New York City alone and claims were made that there was an influx in the number of illegal Dominicans. Surely we must take into consideration those factors which are at the root of the flow of illegal immigrants as well as secure accurate data on the precise number of nonlegal aliens.

Another proposal worthy of attention and support is amnesty for certain illegal aliens, such as those who are close blood relatives of lawfully admitted permanent resident aliens or U.S. citizens, those who might be entitled to a special preference status regardless of their country of origin and those who have resided in this country for a certain number of years. Many illegal aliens have lived and worked in the United States for many years, have married, raised their families, and have become a part of the communities in which they reside. However, their lives are a nightmare as they live in constant fear of detection and deportation. Certainly these men and women warrant special and sympathetic consideration and an amnesty provision I believe would be an equitable and humane device. As long as an illegal alien does not have a criminal record and could not be classified as undesirable, some form of amnesty—within a set period of time—should be provided.

Finally, attention must be foused on one of the primary causes for the illegal alien problem—the highly discriminatory annual ceiling of 120,000 persons imposed on the Western Hemisphere. The Western Hemisphere quota recalls the regressive era of the national origins quota system and the Asia-Pacific Triangle quota. The question as to "where were you born" has yet to be eliminated from questions to be answered in establishing one's eligibility for immigration. While the establishment of a preference system, as provided for in H.R. 981, may establish some order in the issuance of visas to applicants from Western Hemisphere nations, the continuation of the 120,000 annual limitation on this region remains as a standing affront to our sister republics and certainly exacerbates the whole illegal alien question. I urge that the Senate take affirmative steps to place the Eastern and Western Hemispheres on an equal footing and remove the discriminatory limitation on the number of persons who may immigrate from Latin America.

Mr. Speaker, I sincerely hope that our colleagues will carefully and seriously reflect on what I have discussed this afternoon and that they will take into account the humanitarian aspects of the illegal alien situation. This is simply not a black or white issue but one which warrants close consideration of various important factors such as the causes of migration, the actual impact of illegal aliens on the economy, the human misery and suffering endured by illegals, the violation of basic rights and human dignity of both aliens and citizens, the cruel and needless separation of families, and the possibility of granting some form of amnesty.

TURKISH OPIUM BAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. WOLFF. Mr. Speaker, I would like to insert in the RECORD at this point, statements that were delivered at hearings I sponsored in New York dealing with the effects of the lifting of the Turkish opium ban. These statements clearly substantiate the worst fears of Americans that we will see a resurgence of opium traffic, and the concurrent growth in heroin addiction in our country. The statements follow:

STATEMENT BY ARTHUR RANDALL, CHIEF, NARCOTICS BUREAU FOR WILLIAM CAHN, DISTRICT ATTORNEY OF NASSAU COUNTY

I am pleased to appear before you this morning in support of your efforts to continue the ban on opium poppy production in Turkey.

In the past decade, we have witnessed the havoc wrought by the heroin epidemic and the vibrations are still being felt in our spiraling crime statistics. Painfully, we have learned that the containment of this problem is not solely within the grasp of local law enforcement. The broad scope of the heroin problem extends beyond the borders of this country.

Experience has taught us that on the domestic front effective law enforcement, coupled with the certainty of punishment, allied with sound rehabilitation and preventive programs, are key-blocks in building a bastion against the cancer of heroin abuse within the confines of our country. Standing alone, this bastion cannot contain the assault of heroin abuse unless a priority effort is made to stem the infiltration of heroin into our country. Unless we can stop the infiltration of heroin, the cancer of heroin abuse will keep spreading.

The facts adduced, since the initiation of the Turkish ban on opium poppy production, has been startling in my community and throughout the country. Our own intelligence reports reflect that there is very little heroin present in our Country, and arrrests for heroin sales and possession have dropped off dramatically since the initiation and enforcement of the ban. The elimination of illicit poppy production in Turkey and greater priority by the Federal government to interdict and destroy the smuggling operations in our opinion has done much to contain the heroin epidemic.

I find disturbing, but understandable, the recent announcement by the Turkish government lifting the ban on the cultivation of the opium poppy. Prior to the ban, it was estimated that 80% of America's heroin consumption could be traced to the poppy fields of Turkey. Can we, therefore, remain indifferent to this lifting of the ban? Shall we, as a nation which has triumphed over the most pervasive and brutal challenges to the vitality of our institutions in time of war and depression, surrender its social health to a drug epidemic spawned on the poppy fields of Turkey?

Reports are persistent that Turkey is confident it will remain immune to any cessation in the flow of our aid. This notion by the Turkish government, or any other nation involved in poppy production, must be dramatically dissipated. To do otherwise, would be surrendering our youth to the ravages of heroin abuse. We must make it known in no uncertain terms that we intend to stop giving economic assistance to those nations which fail to exercise firm controls over illegal drug production.

We must also recognize realistically that the Turkish farmer must be compensated for his loss of income. Without such aid, Turkey will be beset with explosive economic and political problems. Therefore, we must grant additional economic aid to Turkey to compensate the workers who are economically dependent upon poppy production. We cannot, in good conscience, create economic disaster for the estimated ninety thousand farmers engaged in poppy production. There are those who blindly and ignorantly raise the hue and cry of the financial burden of such an undertaking to our nation. Unfortunately, however, in the past, we have learned that there is no bargain basement where we can deal with American security and well-being. We know that the health of our young people represents the strength of our future. We are in a war against drug abuse and as in every war, we must prepare to expend our full resources in containing and defeating the enemy. Therefore, we should be just as prepared to grant additional compensation to those nations who assist us in this war against drug abuse. There are those who argue that the ban on opium poppy production and the resulting scarcity of heroin has led to the abuse of other drugs. We find little or no evidence to support this position. In the event that it does arise, we shall then meet this challenge.

President Kennedy stated, "It should be our earnest intention to insure that drugs should not be employed to debase mankind." To serve in this fight against heroin abuse, it is mandate that the total resources and energies of our free society must be continually mobilized. The drug abuse problem is one of the great challenges of our times and it calls for aggressive action to contain and liquidate this dangerous, malignant cancer. It would be ironic if the American experiment, so bright with promise at its inception, should be stricken into sterility and doom by our inability to have the will and resolution to meet the challenge of heroin abuse.

Gentlemen, in my 25 years as a Prosecutor, I have witnessed time and time again man's inhumanity to his fellowman. Each and every day, we, in law enforcement, observe the injustices and cruelty one man can inflict upon another, yet nothing is of more concern to me than the growing toll of tragedy among our youth which stems from their involvement in drug experimentation and abuse. Like a wave, it engulfs not only the abuser but his family and community around him.

As a parent, as a citizen and as a Prosecutor, I commend you and support you fully in your efforts to stem the flow of heroin into our country and contain this scourge of our youth.

STATEMENT BY JAMES HENDERSON, PRESIDENT, INTERNATIONAL NARCOTIC ENFORCEMENT OFFICERS' ASSOCIATION

I come before you today wearing two hats. I have been designated by my Commissioner of Police Louis Frank to represent the Nassau County Police Department and in addition I will speak as the President of the International Narcotic Enforcement Officers' Association.

I would like to read into the record a resolution passed by the INEOA at its April 25, 1974, Board of Directors Meeting held in Washington, D.C., which I believe expresses the view of over 5,000 Narcotic Enforcement Officers.

RESOLUTIONS OPPOSING LIFTING OF BAN ON OPIUM PRODUCTION BY TURKEY ADOPTED APRIL 25, 1974, WASHINGTON, D.C., BY THE INTERNATIONAL NARCOTIC ENFORCEMENT OFFICERS ASSOCIATION

Noting that on June 30, 1971, the Government of Turkey took commendable action in deciding that the most suitable method of preventing diversion of opium into the illicit traffic was to prohibit all production of opium in Turkey;

Appreciating that this action was taken for international humanitarian reasons in spite of certain economic and social considerations;

Believing that the Government of Turkey's ban on opium production has caused a significant shortage in the flow of opium to clandestine heroin laboratories thereby disrupting the supply of illicit heroin to victim countries;

Regarding the disruption of illicit traffic in Turkish opium as a major factor contributing to the reduction of heroin addiction in the United States;

Being deeply concerned by reports that the Government of Turkey is considering a resumption of opium production; and

Convinced that a resumption of production would make available sizeable quantities of diverted opium thereby stimulating the illicit manufacture and distribution of heroin;

Recommends and strongly urges:

(1) That the Government of Turkey continue its humanitarian resolve in recognition of the serious consequences that the world community would suffer if the Government of Turkey were to abandon its present policy; and

(2) That the Government of Turkey continue its ban on the production of opium.

Be it further resolved that this resolution accompanied by evidence of its approval be forwarded to the Turkish Ambassador to the United States with a recommendation that it be respectfully transmitted to the Prime Minister of the Government of Turkey.

PASSED AND ADOPTED, at a regularly scheduled meeting of the Board of Directors of the International Narcotics Enforcement Officers Association held in Washington, D.C. on the 25th day of April, 1974.

Attested to: John J. Bellizzi, Executive Director, INEOA.

This resolution is the strong feeling of our group who represent Narcotic Enforcement not only in our fifty states and Canada but also over 50 countries of the world. We strongly feel the resumption of the growing of the opium poppy in Turkey would be a backward step which would result in an increase in addiction to heroin and certainly an increase in crimes perpetrated to enable the addict to purchase his supply of the living death.

We have all seen the ban work—Heroin of the Turkish type is in short supply and the arrest statistics concerned with its related crimes have leveled off and even lowered. Now is the time in history to avoid such a backward step.

I hope what we are doing here today is not a lesson in futility. According to a recent news release it is my understanding the Turkish Government has already lifted the ban as far as six of its provinces are concerned.

Gentlemen, please do whatever you can to see that heroin does not again become readily available.

STATEMENT OF B. A. RITTERPORN, JR., PRESIDENT, NEW YORK COUNTY REPUBLICAN VOLUNTEERS

These Hearings—tragically enough—can no longer serve to warn the Turkish government of U.S. indignation over the *possibility* of renewed Turkish cultivation of opium.

Nine days ago, the Turks carried through on what had for months been their threat. It is confirmed; full-scale opium production will be resumed by Turkish peasants this fall. The United States—and New York City in particular—can expect the renewed onslaught of the "heroin epidemic" within a relatively few months thereafter.

New York County Republican Volunteers took to the streets on this issue as early as April 20th. We demonstrated before the Turkish Consulate General in Rockefeller Centre in order to rouse popular protest of Turkey's abrogation of its 1971 agreement with our country banning opium growth. We were pleased to have had the Harlem-based Citizens Coalition Against Crime join in our protest demonstration and to have won widespread media coverage—then and subsequently—of our outcry.

Republicans demonstrating? A preponderantly white, middle-class group shouting slogans and waving placards?

The overwhelming danger certainly warranted what we did.

In the late 1960's, 80 percent of the heroin flooding the East Coast originated as Turkish opium. At the height of the epidemic, according to John R. Bartels, Jr., U.S. Drug Enforcement Administrator, there were as many as 600,000 heroin addicts in America. In New York City, there were as many as 150,000. To "boost" habits costing up to $150-a-day, these addicts literally looted the City. *Newsweek* in 1971 estimated that the annual cost of New York City's crime-to-pay-for-heroin was at least $2 billion—and perhaps far higher.

Addicts accounted for 80 percent of the shoplifting in the City, with comparable figures for mugging, burglary, robbery, et al. I personally know a black businessman who was ruined by having been robbed and burglarized more than a dozen times. Fear was so pervasive that three years after the worst of the epidemic, any number of midtown shops still operate behind locked doors.

Turkish supplies, Mafia trafficking and peer group proselytism (remember The Rolling Stones on the thrills of shooting dope) combined to devastate our country during the late 1960's and early 1970's. Heroin became the leading cause of death among New York City males in the 15 to 35 age bracket. Bureau of Narcotics and Dangerous Drugs figures showed a 420 percent increase in the rate of New Heroin Addicts Reported between 1965 and 1971. Over the same five year period, Bureau of the Census data indicate the overall American crime rate soared 490 percent. The similarity of these curves cannot be viewed as coincidental to anyone who has seen addicts in schools, on street corners and in clinics, as I have.

Or been mugged—as I have.

The U.S.-Turkish Agreement of 1971 was literally a godsend. Its benefits have been widely noted. Administrator Bartels tells us the addiction rate is cut by at least half. Incidence of crime has also been reduced. Aggregate narcotics fatalities have fallen in New York City from 1,205 in 1969 to an estimated 1973 level of 658—and heroin is no longer the first among the killer narcotics.

A Department of State briefing paper states: "While improved law enforcement efforts in Turkey, Europe and the United States and expanded addict rehabilitation programs contributed to these trends, there is no question that the ban on Turkish poppy cultivation was the major factor."

There is very little rational justification for Turkey's reversion to opium cultivation. Only about 100,000 peasants have actually made their living by opium. Legal opium operations contributed a mere one percent to the Turkish GNP.

On the other hand, Turkey has great apparent reason to want to maintain American good will. From 1946 through 1972, Turkey received more than $2.5 billion in U.S. foreign grants and credits. That represented fully one-third of the U.S. outpouring to the Mid-East as a whole. Notably, it was 41 percent greater than the credits and grants extended by the U.S. to Israel.

Nor should Turkey be insensible to the value of its exports to the United States. These grew from $60 million in 1960 to $106 million in 1972.

Without in any way apologizing for the Turks or rationalizing the heinous move that they have made, it is apparent to me that we must look further than logical self-interest to explain the Turkish decision to restore opium cultivation.

Opium cultivation has for 400 years been an integral of Turkish life. One province—as you know—is actually named "Afyon," the Turkish word meaning "opium." Although there are obviously large numbers of Turkish officials and landowners that again want in on the huge profits offered by heroin trafficking, the fact remains that for nearly all Turks opium is not thought of as a narcotic. The poppy is food. And it is invested with great meaning as part of Turkish tradition.

That tradition has great, renewed importance. The modern social system wrought by Kemal Ataturk is under attack. Inevitably, this reaction is strongly xenophobic. No less than the Deputy Premier slashes at tourism and foreign investment as "polluting" the country.

Unfortunately, backcountry traditionalism frequently is linked and supported by extreme left wing guerrilla action. You will recall some of the frightful acts of terrorism that have befallen Americans in Turkey recently.

In fact, the temper of the country has become so aberrant that we could revise the 19th century epithet and hold Turkey now to be the Mentally Sick Man of Europe.

It was in this atmosphere that *all* the political parties of the country last year called for resumption of opium cultivation. In one move, both the satisfactions of tradition and of baiting the United States could be indulged.

But how many New York City kids must die of heroin because Turkish demagogues want to stir up the worst elements of the Turkish national character?

There is no rationalizing the tragedy that Premier Ecevit has begun.

Shock treatment is required for the badly disturbed Turkish nation.

But first, we must joggle our own State Department. It has too much deferred to the Turks. State has relied on "quiet diplomacy" to hold the Turks to their word—and failed!

Chairman Wolff: your own subcommittee should immediately require Secy. Kissinger to appear before you in order to present a strategy that can still compel the Turkish government to relent from again growing opium. Your responsibility, Mr. Chairman, is to make the Secretary and the entire Department understand that more heroin means calamity for the people of our cities—blacks and whites both.

Secretary Kissinger need not mince words with Premier Ecevit. Power equations have changed in the Mid-East, thanks in part to the brilliant successes won by the Secretary. If Turkish irrationality is speeding the country back into heroin trafficking, the U.S. can with cold reason lay down the law.

Per House Concurrent Resolution 507, which you have introduced, all U.S. governmental assistance for Turkey should end. Similarly, again following your lead, the new Trade Bill should deny Most Favored Nation status to Turkish exports. Some of those—e.g., tobacco—would quickly lose their place in American markets without equal footing with competitive products of other countries.

And as they set about re-infecting us with heroin, we should proceed to quarantine the Turks. One appropriate measure would be to cut U.S. air service to Istanbul and Ankara.

In fact, the gravity of the Turkish action against is so great that we should not hesitate to break diplomatic relations with the country.

In pragmatic terms, we do not now *need* Turkey as an ally. Accordingly, we certainly should not do anything to perpetuate an alliance—or any form of relationship—when our so-called ally is unleashing heroin upon us. Nor would it in any way be improper or unwise to take steps to seek the ouster of Turkey from the North Atlantic Treaty Organization.

In short, we should not refrain from any step—no matter how drastic—to exorcise the spirit now possessing Turkey. The danger that its actions are about to wreak on all of us justify any action that we may take to jar Turkey back to its senses.

THE CASE FOR H.R. 14392—PART II "ARE CANCELED LOANS TAXABLE?"

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, in an article in the July 8, 1974 issue of the Chronicle of Higher Education, Ms. Karen J. Winkler has summarized very well the status of the Internal Revenue Service's effort to enforce Revenue Ruling 73–256.

With permission from the Chronicle of Higher Education, I am inserting this article in the hope that my esteemed colleagues will read it carefully and will join me and 137 other Members in cosponsoring H.R. 14392.

The article reads as follows:

ARE CANCELED LOANS TAXABLE?

(By Karen J. Winkler)

WASHINGTON.—Hundreds of thousands of persons may be liable for up to three years of back taxes on education loans that were canceled in return for their service as teachers or health personnel in understaffed areas, according to a ruling that the Internal Revenue Service has recently begun to enforce.

In 1973, the I.R.S. ruled that such "forgiven" loans should be considered income and that taxes must be paid in the year they are canceled. Because the loans are made "primarily for the benefit of the grantor," the I.R.S. said, they cannot be considered tax-exempt scholarships.

YEARLY PAYMENTS DROPPED

Many state and federal programs, as well as privately sponsored medical programs, provide for the cancellation of all or part of loans to prospective teachers, doctors, dentists, nurses, pharmacists, medical technicians, physical therapists, optometrists, osteopaths, podiatrists, and veterinarians in return for a promise to serve in low-income or poorly staffed areas, or to instruct the handicapped.

Each yearly loan payment is usually dropped, partially or totally, for each year of service.

Under the I.R.S. ruling, taxes can be collected retroactively, for the three years preceding notification of liability. A single taxpayer earning $10,000 a year with a canceled debt of $2,000 a year for three years, for example, would thus have to pay an additional $540 a year in taxes, a total of $1,620.

The Internal Revenue Service did not begin to enforce the ruling until early April, when it notified roughly 1,000 teachers and health practitioners in North Carolina that they had 15 days to sign an agreement that they would pay taxes on canceled loans. Students in other states have not yet been contacted.

An I.R.S. official told *The Chronicle* that North Carolina was a test case, and that the service would analyze the effect of the ruling there before using it nationwide.

Eighteen states currently finance such forgiven loans. At least two more are debating doing so.

Revenue service officials said the ruling would also apply to federal loans, although sources within the Department of Health, Education, and Welfare said they had not received official confirmation of the status of their various programs. They hope some will be exempt.

Combined, the programs canceled the loans of almost 300,000 teachers and health professionals last year, all of whom may now be hit with bills for back taxes:

Under the National Direct Student Loan program (formerly the National Defense Student Loan program), approximately 285,000 teachers were absolved of approximately $45-million of debts for one year of service in 1973.

Under the Nurse Training Act of 1971, some 12,330 nurses were absolved of $2.39-million in 1972.

Under the Comprehensive Health Manpower Act of 1971—part of the Public Health Service Act—40 borrowers were absolved of $40,000, and 480 have applied for another repayment provision since becoming eligible last September.

Many of the roughly 700 teachers and 1,500 health practitioners liable for back taxes on their North Carolina state loans have already received payment-due notices, with 15 days to agree or appeal. The pressure is against appealing: if they lose, the taxpayers will be charged interest for each extra day until they sign a statement accepting liability.

The bills have ranged from about $50 for low-paid teachers to around $1,000 for doctors earning $30,000 a year, a local I.R.S. official in North Carolina said.

Both students and state officials complained that there should be no taxation wthout notification at the time the loan was made. "We weren't told we were subject to the ruling until November," Janet Proctor, administrator of state medical loans, said. "If you head people into the program, ask them to serve in given areas, without advising them they will be taxed, they feel misled. It's not fair," she said.

WE'RE GETTING THE BLAME

It is also not fair to the people administering the program, said James Spate, director of the state's prospective teachers program. "We were not aware it was coming, and we're getting the blame for something that isn't our fault."

Colleges and universities may find themselves in a similar position if canceled National Direct Student Loans are taxed. Since the government does not have on file the names of the students absolved at each institution, colleges and universities would presumably have to supply their records to the I.R.S.

This past year, 2,639 institutions of higher education participated in the federal program.

"We also feel it's defeating the purpose of an incentive" to serve in understaffed areas, Mr. Spate said. While he reported that students applying for loans to become teachers in North Carolina so far had not been deterred by news of the ruling, Ms. Proctor said there had been "a groundswell of discouragement and concern" among prospective health professionals.

AGENTS AT THE OFFICE

Moreover, she said, "Some students who have already been involved in the program are paying back the loans rather than practicing because they don't want to get involved" with tax problems.

Nurses and physical therapists, she reported, have received tax notices at home, while some doctors and dentists have been confronted by revenue agents at their offices.

Rep. Ike F. Andrews (D-N.C.), is enlisting support for a bill to bar retroactive taxation, so that students will know their responsibilities before they apply for loans or go into service in special areas. Other Congressmen are being asked to introduce legislation banning all tax on canceled student loans.

ECONOMIC REALITIES AND RHODESIAN CHROME

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. BIESTER. Mr. Speaker, in approaching the question of our continued trade with Rhodesia and our violation of United Nations sanctions against such trade, one of the factors we must consider is our economic relationship, now and in the future, with Rhodesia as well as all the other African states.

Currently, U.S. interests have over $3 billion worth of investments in Africa. One-third of this is in Nigeria while private interests in Rhodesia total only about $60 million. It is projected that our investments in Nigeria are likely to double over the next few years, mainly as a result of our need for petroleum. Recent figures supplied by the Federal Energy Office show that Nigeria is now emerging as one of our largest sources of petroleum—especially crude oil—supplying almost 15 percent of our imports. In fact, in some recent reporting periods, Nigeria has been our largest single foreign supplier.

Traditionally, we have experienced a generally favorable overall balance of trade with African nations, and our positive position here has helped to offset unfavorable balances elsewhere. As a result of our increased reliance on oil from African sources, the dollar figure for our total imports from Africa in 1973 exceeded exports to Africa, $2.35 billion to $2.30 billion—a substantially balanced trade picture, nevertheless. For the first quarter of 1974, however, we did show a net positive balance of $126 million.

Trade with Rhodesia is a miniscule percentage of our overall trade with all African nations. Commerce Department figures thus far this year indicate that Nigeria and South Africa, together, comprise over 50 percent of the monetary value of all imports from Africa and almost 40 percent of all exports. Rhodesia represents much less than 1 percent of the African total in either category.

Africa possesses overwhelming reserves of critical mineral resources and produces much of the current world supply of manganese, 28 percent of world production; cobalt, 80 percent; bauxite, 68 percent; copper, 17 percent, and petroleum, 11 percent. Substantial outputs of cocoa, coffee, groundnuts, and roundwood also come from African nations. To a great extent, the United States relies on African nations for these resources. Almost 60 percent of our manganese and 80 percent of our cobalt, for example, come from the African continent.

It is in our national interest to observe the sanctions now and support those who would see majority rule in Rhodesia. With a minority of 200,000 whites imposing its rule on nearly 5 million blacks, I believe both our current economic and political relations with African nations and our-long term trading and business interests with Rhodesia, itself—for chrome or whatever—rest clearly with majority rule in Rhodesia. In my estimation, based on personal conversations with a number of African leaders, we are deluding ourselves if we assume that those in power in Africa are indifferent to our stance with regard to sanctions. On the contrary, our violation of sanctions is invariably the first topic of conversation raised by African diplomats in discussions with Americans.

As we consider our resource needs for the future and where our trading markets can lie, I believe we must carefully assess the wisdom of our current relationship with Rhodesia. Whatever gain we can possibly see in our present course and I see none is decisively refuted by the economic and political realities by the situation, both present and certainly in the future.

GROWTH AND PROGRESS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. TRAXLER. Mr. Speaker, this past weekend the people of Bridgeport, Mich. took part in a 3-day celebration of progress and pride, the annual Sauerkraut Festival. Each year at this time, the community marks its continued growth and prosperity with this fine festival. I ask my colleagues to join in a salute to this fine American community, its proud heritage, and its friendly hard-working people.

No words are more appropriate for Bridgeport than the words: growth and progress. Over the years, the people of the area have watched their town grow with new industries, schools, and shops. And yet, a visitor to Bridegport cannot help but feel the friendly flavor of the rural community that it was.

Early settlers of the area named it "Cass Bend," after the river that courses gently through it. Historians have left us precious few facts on Cass Bend, although we do know that its first election was held in 1848. Early in 1874, a bridge was ordered to be built and paid for from State land improvement funds set aside by Michigan's famous boy governor, Stevens Mason. Shortly afterward, money to build a turnpike connecting nearby Saginaw and the bridge was appropriated. In 1884, the name of the area which is now the center of town was officially designated the township seat, with its new name of Bridgeport.

Industry is not new to the area. In fact, one of its founders, M. C. Lull, built a sawmill there in 1849. According to newspaper accounts of the time:

> Some of the finest lumber ever manufactured in Michigan—the famous Cass River cork pine—came out of the first saw mill.

A year after the construction of the sawmill, Hull undertook another venture. He bored a salt well and historians believe that this well provided the "Finest flow of brine ever struck in the Saginaw Valley."

Shortly after the sawmill operation began, other mills were constructed. Shingle mills, and flour mills were some of the first businesses built.

Bridgeport Lumber and Saw Co., established in 1862, was one of the first important businesses in the area. Another footnote of days gone by was the prosperous business of a man named Foster, who manufactured a cure-all called Hinkley's Bone Liniment. The product caught on, and for some years afterward Bridgeport was the home of this popular elixir.

Today, of course, Bridgeport continues to prosper. Under the active leadership of its chamber of commerce and other community groups, Bridgeport has become a friendly community justifiably proud of its continued growth.

What was once a log cabin on the Cass River is now a community of more than

14,000 people. Although many of its people work in the neighboring industrial centers of Saginaw, Flint, and Bay City, many others work in Bridgeports own industrial concerns.

A deep-seated belief in that the utilization of man's personal gifts is a part of God's purpose led a foundry employee to invent a new tool, and thereby place himself at the head of a new industry in the field of metal workings. In 1932, Rollin M. Severance, a supervisor in a Saginaw factory, designed the first midget mill. After 2 years, working at home in his off-hours to perfect his invention, Severance quit the foundry and hired several helpers to fill orders that were swiftly pouring in. In the years since, Severance Tool has expanded from the original shop in a spare bedroom in Mr. Severance's home to a plant in Bridgeport that now occupies about 45,000 square feet.

Another Bridgeport success story is the one of George Gunther and the Great Lakes Guage Co. In 1961, Mr. Gunther converted a 30 by 50-foot tractor shed into a manufacturing facility and hired three employees. Now some 50 people are employed in the manufacture of carbide gages, bushings, and small precision tools. Other industries include a S. & E. Machine Products, Master Tool and Die, and Dixie Tool Industries. It should be noted that Vlasic Foods of Bridgeport, makes some of the best sauerkraut anywhere, and that this sauerkraut is one of the highlights of the festival.

New homes, apartments, schools, churches, and shops mark the spirit of this town of growth and progress. Bridgeport is proof that small towns can remain vibrant and friendly as they prosper. I salute the people of Bridgeport and invite all Americans who may be vacationing or traveling in Michigan to stop and enjoy the Sauerkraut Festival in Bridgeport, Mich.

Mr. Speker, I would like to thank a fine community newspaper, the Bridgeport Future, which in itself is a symbol of growth and community involvement, for the background information contained in my salute to this growing, prosperious American community.

THE SHAPE OF THINGS TO COME

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RUPPE. Mr. Speaker, it is my distinct privilege to bring to the attention of my distinguished colleagues a speech given by the Honorable Joseph John Jova, Ambassador of the United States of America to Mexico. It is a sound, eloquent, scholarly commencement address, delivered to the graduating class of the University of The Americas, Cholula, Mexico, on June 8, 1974.

In this connection, it may be important and interesting to report that Ambassador Jova, a conscientious, competent, hard-working career diplomat earned his every promotion, and they have been numerous strictly on meritorious service. In the company of, and in no small part, thanks to the brilliant cooperation of, his devoted, charming, London-born wife, Pamela, and his five talented children, he, Ambassador Jova, has been advanced to the grade of Foreign Service Officer, First Class, prior to his appointment as U.S. Ambassador to the key Republic of Honduras. While in that post, Ambassador Jova was fortunate enough to have as his Deputy Chief of Diplomatic Mission another Foreign Service Officer, Miss Jean Marie Wilkowski, who later was appointed the first woman-Ambassador to any nation on the great continent of Africa. It is gratifying to note that Ambassador Wilkowski, is now giving sterling service for the human race as U.S. Ambassador to the Republic of Zambia, one of the four most valuable copper-exporting countries on the face of our planet.

After Ambassador Jova's Mission to Honduras, he was promoted to the vital job of Ambassador of the United States of America to the Organization of American States. Here again, the gentleman and his family provided constructive services to the whole Western Hemisphere family of nations. As I have already indicated, he is learning, teaching, and working effectively in Mexico. His speech to the young ladies and gentlemen of the University of the Americas reads as follows:

THE SHAPE OF THINGS TO COME

Mr. President, Mr. Chairman of the Board, estimado señor secretario, graduates and guests. I should like to thank you most sincerely for having chosen me to talk with you today.

This occasion and this place form a particularly appropriate setting for the issues I shall treat: vital issues brought about by new realities. The time is appropriate because, as graduates, you are just starting a lifetime of confronting those issues and realities. Although I am sure you are happy to have finally completed your studies, you should remember that "commencement" means a beginning, not a termination. The place is especially appropriate. The very idea of a "University of the Americas," with all its associations of the New World, its sense of One-ness and shared values among the Hemispheric community of nations, is intimately linked to the response you must make to future challenges. Finally, our meeting here is significant as coming together of the generations. My generation, though still active in the direction of the world's affairs, can see the time when the torch will be passed to the younger generation. We are pleased with what we see. For it is youth that has so inspiringly answered the call to protect our threatened environment. And it is youth that is fashioning a new culture, a "counter-culture", that seeks fulfillment in the quality of its human relationships and spiritual values, rather than in the quality and quantity of the goods it consumes. With that in mind, let us now examine some of these new realities.

That we are approaching a profound transformation in human affairs is reflected in the rise of the new discipline of "futurology." The general tenor of the futurologists' vision may be gleaned from the titles of their work: thus Peter Drucker foresees an Age of Discontinuity, Zbigniew Brezezinski places us Between Two Ages, and Alvin Toffler frets about Future Shock. In recent months an economist, Robert Heilbroner, has written An Inquiry Into the Human Prospect and found that prospect frightening and depressing in the extreme.

Most of these writers agree that we are at watershed in human history, that the future promises jolting dislocations that will require nothing less than a thorough re-ordering of our values and life styles if we are to survive, let alone prosper.

A more literary description of what we face is provided by Herman Hesse, the German novelist, in Steppenwolf, a work which has enjoyed a revival in recent years. Hesse wrote that:

> "Human life is reduced to real suffering, to hell, only when two ages, two cultures and religions overlap . . . There are times when a whole generation is caught this way between two ages, two modes of life, with the consequence that it loses all power to understand itself and has no standard, no security, no simple acquiescence."

Are we really approaching such a ghastly state of affairs? That such a question can even be asked seriously strikes me as grimly ironic when I recall the prevailing mood of only a decade ago. For, if this were June of 10 or 11 years ago, my remarks and indeed my outlook would be a very different order. It would have been standard for a commencement address to have been something of a pep talk.

After all, had we not just launched an Alliance for Progress that would lift Latin America from centuries of economic want into an era of steadily increasing per capita productivity and consumption? Indeed, was not a Decade of Development underway, powered by a formidable array of American and international organizations with goodwill, technology and resources to spare, promising the beginning of the end of poverty, disease and ignorance for the entire Third World? (A term which itself was new.) Meanwhile, on the home front, plans were being laid for a Great Society that would wage a War on Poverty and see the eternal banishment of urban slums and rural deprivation.

Does all that sound like wishful thinking? It was. Confident economists, to some extent the high priests of the social order, spoke of the "fine tuning" of the economy, with unemployment and inflation presenting no insurmountable barriers to a rational, Keynesian handling of monetary and fiscal policy. In fact, economists did not even countenance the possibility that inflation and unemployment could co-exist. You should remember too that talk of "ecology" and "The Population Bomb" had not yet entered the public debate.

Vietnam was still the scene of a relatively small American presence, and Watergate was just another luxury apartment building. No one talked about the generation gap in those days, and the college man was not only clean cut but also crew cut. Generally speaking, the Victorian idea of continued, unlimited growth and progress was alive and well. So, had I spoken with you at that time I would no doubt have tried to share with you the profound hopefulness and heady optimism that were so widely held for the human condition. But this is not the early sixties, so I cannot.

Now, ten years is a very short time indeed in Man's history, and we are entitled to ask: "What happened? What can account for our descent, in so short a time, from insouciant buoyancy to a rather pervading sense of ill-ease?" Basically what happened was that the Real World, so full of nationalistic fervor, unreason and passion, and inexorably guided by ancient human and natural laws (to which Whiz Kids are not always privy), gave a mighty kick in the pants to the notion that there were simple solutions to age-old problems. We were rebuked by History itself for our arrogance and hubris. It was a learning experience. Certainly one does not see too many panaceas being peddled these days.

And what of the future, which, after all, is the vague, unformed landscape you will have to inhabit? I would like to look briefly at the past in order to illuminate what awaits us.

For about the last 200 years—that is since the beginning of the Industrial Revolution—visionary statesmen in the West have put their faith in industrial growth as the hope of mankind. This hope was amply justified in the workings of industrial development, for through the application of science and technology, men became Supermen in their productive capacity. Further, the growth and spread of industrialization meant not only a rapid increase in the availability of goods and services—an ever-enlarging pie, if you will—but it also meant an ever-increasing slice of that pie for the people who helped produce it. Even though proportional differences might remain between rich and poor, and in fact might actually grow, each passing year meant an absolute increase in the portion each received.

In the last few years, however, a number of alarmed industrialists, scholars, and prophets have foreseen an end to growth. Not just population growth, mind you, with its obvious and grisly Malthusian consequences, but an absolute ceiling on industrial growth itself. It is not only a matter of exponentially increasing demands for raw materials in the face of a dwindling of those same resources. The final, ultimate Ghost in the Machine of industrialization is the limited capacity of our biosphere—that thin envelope of water, soil and air in which human life is possible—to absorb the heat of industrial processes.

Even if we had unlimited energy and mineral resources, even if we learned how to recycle our waste, at our present rate of industrial growth the planet might be virtually uninhabitable in some 250 years and uncomfortably, even catastrophically, warm long before that. And certainly before thermal pollution really becomes noticeable, we will be confronted with the recurring nightmares of overcrowding, major climatic changes, massive crop failures and starvation, and murderous violence spawned by the bleak desperation of the situation. These symptoms, in fact, have already made their appalling debut. We may be sure that the oil shortage of last winter was but a mild preview of what is to come.

That there are limitations, then, to industrial growth is now widely accepted as fact. What are the human consequences of this? To use the analogy of the pie, it means, given the current growth of population, an absolute decrease in the size of each person's slice with each passing year, beginning perhaps in the next ten to twenty years. This knell, I should point out, sounds as surely for the socialist countries as for the West.

The impact of a limited growth or "steady state" world economy will be hard enough on the developed nations. Certainly much of what we conceive of as the Good Life is predicated on the assumption of sustained industrial growth.

But the blow will fall most cruely on those less developed countries which are lacking in abundant mineral resources. For it is a fact that the majority of mankind has been experiencing an intense Revolution of Rising Expectations since the Second World War, a revolution enormously aided by another revolution, the rapid rise of global communications. Of particular significance in this matter is the demographic profile of the Third World, and I think we should examine this closely.

Of the world's current population of some 3.6 billion, 2.5 billion live in the less developed countries. The population growth in these countries is such that the total population doubles roughly every 25 years. If present growth levels continue unchecked, the Third World will be forced to support a population of some 40 billion people a hundred years from now, a prospect as disturbing as it is absurd. But let us base our speculation on a more ideal growth model, however unrealistic that may be. Let us assume that throughout the Third World, a fertility level that would produce Zero Population Growth is achieved by the year 2000—a quarter century hence. Even if this drastic change could come about, the distribution of population below childbearing age would mean that the population would continue to grow until it increased two and a half times, or to well in excess of 12 billion.

Bearing in mind our present inability to properly feed, house, educate and employ the majority of mankind, I think we can grasp the dimensions of the problem. Certainly it is not pleasant to reflect on the political consequences of explosive population growth in the face of limited economic growth. The responses to these severe dislocations will probably range from whole groups of people quietly and hopelessly starving to death to inflamed violence as have nots try to wrest the basis for life itself from the haves. The struggle will be not only between the rich and poor nations, but between the rich and poor classes of individual societies. It is difficult to speculate on the political life of such societies, but I think we can safely say that the climate of reasonableness and measured give-and-take will be noticeably absent.

That, then, is a brief overview of the kind of situation we might expect to encounter in the foreseeable future: a world of increasingly frantic competition for increasing scarce resources, a world haunted and stalked by poverty, famine, violence, and war.

A gloomy scenario? Indeed it is. Is the situation hopeless? I think not.

I think not because of the sterner stuff I have witnessed in human beings, a certain toughness and resiliency implied in Winston Churchill's remark, uttered in the black days of the Battle of Britain, that "Western man has not come this far because he was made of sugar candy." Above all, we must avoid a failure of nerve.

The answer to the future's problems does not ultimately lie in another machine; it lies in the spirit of Man. This applies particulary to you. For what you will be called upon to do is to fashion a new ethos and a new sensibility that must be compatible with the new realities of this old world.

It is impossible now to imagine what the prevailing value system of the 21st century will be, but I would venture a guess at two prominent aspects of such a system, one rather new, the other quite old. The new will involve an extreme sensitivity to the vast, seamless web of nature of which we are a part. This already has a good start in the ecology movement, in which youth played such a part. It is very reassuring to me to hear our planet referred to as "Spaceship Earth"; that is an image we would do well to bear in mind. We are going to have to look at growth and well-being in terms other than the purely monetary. Paul Samuelson, the Nobel Laureate economist from M.I.T., whose economics textbook you may well have used, has recently proposed that the index of Gross National Product be replaced by one called Net Economic Welfare, a measure which would take into account some of the "disamenities" of growth—pollution, overcrowding, and so forth—and thus gauge our progress—or lack of it—more revealingly. Certainly in the future conservation will play as fundamental a role in our economic life as production.

The other, older principle echoes down the centuries. It has been stated in many languages and many cultures long since vanished. Its most eloquent expression was probably given by a carpenter's son on the Mount of Olives nearly 2,000 years ago. It is simply a belief in the Brotherhood of Man—the One-ness of Man.

It means we are all in this together—the Mexican farmer on his ejido, the Pittsburgh steel worker, the graduating senior at the University of the Americas and the United States Ambassador to Mexico; we are all in it together, all of us passengers on this same Spaceship Earth. Let us never forget that. Brotherhood has existed as an ideal for millenia; the time has come to lift it from the shelf of platitudes, dust it off, and put it to work.

Members of the graduating class, distinguished guests—we have been discussing serious matters this afternoon. But we should remember Plato's admonition that "God alone is worthy of supreme seriousness," and look to the enjoyment of life as well as to its preservation. I earnestly hope that the coming years will find you discovering the richness and wonder that human existence, for all its trials, still offers courageous and inquisitive men and women.

Let us recall a favorite passage from Ecclesiastes:

To every thing there is a reason, and a time for every purpose under heaven:

A time to be born, and a time to die;

A time to weep, and a time to laugh; a time to mourn, and a time to dance.

A time to get, and a time to lose;

A time to rend, and a time to sew; a time to keep silence, and a time to speak;

A time to love, and a time to hate; a time for war, and a time for peace.

And I fervently hope that for you it will be a time for peace—a time for peace in brotherhood and one-ness.

You well know tht existence is ever changing—imperfect but wonderful, joyful but marked by tragedy. What is always necessary to state, to write, to sing is that from beginning to end, as individuals or as nations—through joy or tragedy, through concord or discord—We are one. We are one—brothers all.

The most basic purposes of education are to open the students' minds, prepare them to live in today's—and tomorrow's—world, and to launch them on a life-long voyage of self-discovery. Today you start that voyage. I wish you well. Thank you.

IS THERE ANY HOPE FOR OUR NATIONAL SYMBOL?

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, the survival of the bald eagle, our national symbol, is threatened today by the relentless development of its natural habitat. Fortunately, constructive action is being taken to protect our bald eagle population. This fine effort, conducted by Eagle Valley Environmentalists, Inc., has been actively involved in the purchase of eagle nesting areas in southwestern Wisconsin to provide a safe haven where the birds can rebuild their depleted numbers.

I commend EVE and the Izaak Walton League for their efforts to promote programs to protect our bald eagles and commend to the attention of the Members an article by EVE's president, Terrance W. Ingram, which was published in the July issue of Outdoor America, the official publication of the Izaak Walton League of America.

IS THERE ANY HOPE FOR OUR NATIONAL SYMBOL?

(By Terrence W. Ingram)

For a national symbol, the bald eagle has a tough row to hoe.

Shot at due to misinformation or greed, its reproductive capacity hampered by pesticides and driven from its preferred nesting areas by burgeoning development, this great bird is now in danger of extinction.

How did the bald eagle become so important? How serious are the threats to its existence? Will the species survive outside of zoos, or will it go the way of the passenger pigeon? Opinions vary, but there is reason for hope.

The Continental Congress selected the bald eagle as our national bird in 1787. Benjamin Franklin promoted the wild turkey, but the majestic, fierce fighting giant—loyal to its mate until death—won out.

Bald eagles normally weigh from eight to twelve pounds and build their huge six-to-ten-foot high nests in remote areas away from man. They have a wingspread of seven to eight feet, whereas the red tailed hawk, our largest common hawk, has a wingspread of up to four and one-half feet. Young eagles, "immatures", are completely dark brown and do not acquire the adult plumage of a white head and tail until they are about four years old.

There are two races of the bald eagle—the northern and the southern bald eagles. The southern race is found in the Gulf Coast states, with the main concentration in Florida. Most of these birds nest in or around the Everglades National Park.

The northern race nests mainly in Northern Wisconsin and Minnesota, a stronghold for an estimated 30,000 to 55,000 of the great birds.

This year, new eagle nests have been started in southern Illinois and Kentucky. Each year the U.S. Forest Service conducts a survey of the eagle nests in their forest areas. Of the 171 active nests reported in 1973 throughout the USFS Eastern Region, 107 were successful in producing young. A small increase in the number of young produced over the previous year was recorded. Almost 2/3 of the active nests were successful in producing young. This was five per cent above last year's total and was the highest percentage in the past ten years.

POPULATION DECREASING

The winter population along the Mississippi River and its tributaries was declining for about ten years until about 1969. It held its own for a couple of years and then increased greatly in 1972. Since then the population has started decreasing again. It dropped 18 per cent in 1973 and another 20 per cent in 1974. The percentages of immatures have also dropped from a high of 30 per cent in 1973 to 23 per cent in 1974.

The decline in the eagle population was first noticed about 20 years ago. Often blamed for eating lambs, chickens and fish, they were shot. Some states offered eagle bounties. Although they are now protected throughout the United States, the shooting of eagles still occurs. Possibly the most infamous case happened in Wyoming, where a rancher was charged with killing 366 bald and golden eagles from a helicopter. News reports have indicated that several eagles were shot this past winter, '73–'74, during the bird's annual incursion into the Upper Mississippi Valley.

In April, the Fish and Wildlife Service announced that "a ring of more than two dozen traffickers in illegal eagle and other bird parts and feathers" had been uncovered in Oklahoma. Interior Secretary Rogers C. B. Morton said that the group killed thousands of migratory birds and eagles to manufacture Indian artifacts.

The lucrative trade sees eagle carcasses selling on the black market for as high as $125 each, according to the Fish and Wildlife Service.

It is now known that in the Midwest over 90 per cent of the bald eagle's food consists of small fish. The wide-spread use of DDT after World War II is blamed for the decline of the species. The eagles accumulated DDT in their bodies by eating fish contaminated with the pesticide. It's believed this caused a thining of the eggshells in the annual clutch of one or two eggs. With the thinning of the eggshells, the adult often crushed the eggs while she was brooding. An abrupt temperature change caused by the female being flushed from her nest while incubating would also render them infertile.

WHAT IS BEING DONE?

Bald eagle nesting trees in National Forests are now protected by law. Both the Forest Service and the Fish and Wildlife Service are developing new guidelines for management and protection of the birds. State conservation departments throughout the Midwest are attempting to develop management guidelines for nests and roosts off their lands.

The latest impact on eagle preservation is the setting aside of private lands by interested organizations and persons. Hunt-Wesson Foods has participated in a project to buy an eagle nesting preserve near the Chippewa National Forest in Minnesota. Weyerhauser Co. has set aside bald eagle nesting areas on their Klamath, Oregon tree farms and has a wildlife biologist looking after the nesting birds.

Eagle Valley Environmentalists, Inc., The Nature Conservancy, The National Wildlife Federation and the National Audubon Society are each purchasing winter roosting valleys near winter feeding locations. The Nature Conservancy has purchased Cedar Glen in Illinois. Both the Audubon Society and NWF are involved with preserving a roost in South Dakota. Eagle Valley Environmentalists, Inc. is raising funds for the purchase of roosting valleys along the Mississippi and Wisconsin rivers.

A major bald eagle research project in the Midwest is being coordinated by Elton Fawks, a long-time eagle researcher and Izaak Walton League member. This project is being co-sponsored by Eagle Valley Environmentalists, Inc. and other conservation organizations. The project will produce:

1. Semi-annual reports on the status of the bald eagle population.
2. The formation of a clearing house for research ideas and future needs.
3. The encouragement of new research conducted.
4. Locating funds for eagle research.
5. Keeping the public informed of the eagles' needs and changes in the population.

HOW CAN YOU HELP

Nationwide, the bald eagle still has a viable population. Funds are needed for research and the purchase of both roosting and nesting areas. With more conservationists and conservation organizations cooperating, the bald eagle will remain wild and not become just a caged symbol of freedom.

If interested in helping, write EVE, P.O. Box 155, Apple River, Illinois 61001 or the Izaak Walton League National Office, Suite 806, 1800 N. Kent St., Arlington, VA 22209.

EAGLE "EGG-PLANT"

A unique transplant of bald eagle eggs from Minnesota to Maine is now underway, according to Fish and Wildlife Service Director Lynn A. Greenwalt.

The experiment involves taking six bald eagle eggs from active nests in the Chippewa National Forest in Minnesota, where eagle populations are stable, and placing them in bald eagle nests in Maine, where pollution has apparently affected eagle egg hatching success in recent years. Eggs from the Maine nests will be taken to the Fish and Wildlife Service's Patuxent Wildlife Research Center in Laurel, Maryland, for incubation and pollution studies. Previous studies show that the foster parents will accept the eggs and have hatched and fledged the young.

LABOR-MANAGEMENT JOIN TO FIGHT ALCOHOLISM

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, on July 10 our distinguished colleague Representative Daniel Flood spoke at a luncheon in connection with the first meeting of the new and largely expanded Labor-Management Committee of the National Council on Alcoholism. The National Council on Alcoholism is the only national voluntary health agency founded to combat the disease of alcoholism.

The cochairmen of the expanded NCA Labor-Management Committee are Mr. George Meany, president, AFL–CIO; and Mr. James M. Roche, chairman of the board, General Motors Corp. The new committee includes some of the top corporate and labor union presidents in the country.

Alcoholism is a disease which affects nine million Americans and costs our economy $25 billion a year, according to a 219-page report released on July 11 of this year by the Department of Health, Education, and Welfare. At the luncheon at which Congressman Flood spoke, Mr. Meany and Mr. Roche released a joint statement:

> We are calling for all unions and employers, big and small, to join us in this effort. We urged them to stop kidding themselves by saying, "We don't have that problem here."

The Meany-Roche statement further declared that—

> If every industry would use the knowledge available to deal with their alcoholics just as they do with any other sick person, successful industry programs demonstrate that at least three million alcoholics could recover over a six year period.

At the present time we are reaching less than 10 percent of labor and industry. These progressive programs are working for such companies as General Motors, Hughes Aircraft, Firestone, Du Pont and a few others. For example, the General Motors alcoholism recovery program, which is being implemented with the full and complete cooperation of the United Auto Workers, reports the following results with the employees who have gone through their program over the past few years:

First, 80 percent recovery rate;

Second, 85 percent reduction in lost man hours;

Third, 70 percent reduction in sickness and accident benefits paid; and

Fourth, 47 percent reduction in sick leaves.

Mr. Speaker, I include the speech by Congressman Flood at this point in the Record:

REMARKS BY CONGRESSMAN DANIEL FLOOD

Mr. Meany, Mr. Roche and Members of the Committee:

As you can gather from reading the newspaper, watching television or just talking to your neighbor over the back fence, the United States Congress is enduring—I was going to say enjoying—its busiest session in years.

However, when I received your kind invitation to attend this lunch, I put it on my high-priority list immediately.

As Chairman of the House Appropriations Subcommittee on Labor-HEW which handles a budget which is over $36 billion a year, I sometimes find that some of the most important health problems in the country are neglected in appropriating that vast sum. This has been true of alcoholism for a number of years but with the passage of the historic Comprehensive Alcoholism Act less than four years ago, our Appropriations Committee has in every subsequent year gone far beyond the recommendations of an Administration which is supposedly interested in combating alcoholism.

I could cite a number of examples but one of our Committee reports will have to suffice.

In February, 1972 top officials of the Department of Health, Education, and Welfare appeared at a press conference to announce a massive attack on alcoholism. At the same time they released a 120 page report to the Congress noting that there were nine million alcoholics in the country, that the cost to both business and labor exceeded $15 billion a year, and they included a whole lot of additional statistics on the fact that alcoholism was the prime cause of 50 percent of our highway fatalities, that two million alcoholics were arrested each year and clogged our court system, and so on.

The rhetoric was fine but they sent up a budget of less than $100 million for the "massive" attack.

We rejected that budget out-of-hand. We declared in our official report that alcohol is the most abused drug in the United States and it was about time that we launched a drive to combat what we referred to as "one of the world's most serious health problems, alcoholism."

We were short on rhetoric and long on funds. We added $60 million to the Administration budget for alcoholism. Unfortunately, this sum became part of one of the President's two vetoes of the Labor-HEW appropriations bill in Fiscal 1973, but we still salvaged a considerable increase for alcoholism in the bill which finally cleared the Congress and was at last signed by the President with a reluctant pen.

In the subsequent two years the Administration has continued its penny-pinching attitude toward alcoholism. As a matter of fact, this very year it tried to wipe out the project grants which go to communities all across the country and the training grant program so vital because testimony before our Committee revealed the desperate shortage of trained workers in the field of alcoholism. We rejected the Administration position, restored the project and training monies and added a sizable amount for the National Institute on Alcoholism for Fiscal 1975.

We can do a part of the job but there is obivously a limit to what we can accomplish in terms of existing Federal revenues. I am therefore delighted that this morning, as I understand it, you held the first meeting of a new and greatly strengthened Labor-Management Committee of the National Council on Alcoholism. Through testimony our Committee has received, we know that you have been working in the vineyards for a number of years and that you pioneered in the labor-management attack on alcoholism. However, in looking over the list of members of your new committee, I believe that you now have a lineup rivaling that of the New York Yankees in the days of Babe Ruth and Lou Gehrig.

We know that the disease of alcoholism spares no segment of our society—it hits the blue collar worker on the assembly line, the coal miner in the pits and the white collar executive in the highest corporate echelons.

In past years, untold thousands of workers and executives were fired because of their disease of alcoholism, an event bringing ruination to not only themselves but to their immediate families and their loved ones. I now say to both labor and business that there is great hope—that we can salvage untold numbers of men and women whom we formerly consigned to the scrapheap.

A significant number of corporations are finding that it is good business to introduce programs for early detection and treatment of both executives and employees. I am delighted to note that James M. Roche, the former Chairman of the Board of the General Motors Corporation is a co-chairman of your committee, and that General Motors has launched a major program to salvage alcoholics. Now I know that my good friend George Meany is co-chairman of your new committee. George, in case you're worried, I am not going to say that what is good for General Motors is good for the country, but in this case this alliance is a deeply significant example of cooperation between the executive and the worker in the solution of a problem common to both.

Finally, what you are doing here is strengthening the bonds of alliance between your publicly-elected officials and the great voluntary sector in which both labor and industry play so significant a role. In fact, I am so carried away by this tremendous cooperative effort that I here and now invite designated representatives of this Labor-Management Committee to come before our House Appropriations Subcommittee next year and tell us of the wonderful work you are doing.

Thank you very much.

REJUVENATION OF AMERICA'S COAL INDUSTRY

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. TIERNAN. Mr. Speaker, there is no question that the long-term goal of project independence will necessitate the expansion and rejuvenation of America's coal industry. Approximately 97 percent of our hydrocarbon reserves—fossil fuels—lie in long-neglected coalfields. With this vast potential it is rather foolish to continue our reliance on expensive foreign oil. The controversy concerns the method of extracting that coal.

Our coal wealth is divided into two reserves of the West—3 percent of total—and the deep mined anthracite coal of the East. Whereas the vast majority of our ultimate coal reserves are in the East, the western coal is the most easily accessible and is of lower sulfur content. The recent trends in the energy industry have been to abandon the underground mining, primarily in the East and Midwest, for strip mines in the West. Their rational is that western coal is low sulfur, and hence meets environmental restrictions; and can be easily and cheaply procured. In 1973 nearly half of the 600 million tons of coal produced in the United States come in from strip mines.

In the proposed strip mining legislation, the Congress is asked to consider the benefits of strip mining in the West in light of the Nation's current shortage of inexpensive energy. Would strip mining alleviate that shortage and at what cost? One bill would ban strip mining altogether (H.R. 15000), another would closely regulate it through strict land reclamation standards (H.R. 11500), and one would give it virtually a free reign (H.R. 12898). In resolving the attendant controversy I have had to balance three basic arguments: first, America's need for low cost energy; second, strip mining's possible deleterious, irreparable environmental damage; and third, the effect of the proposed legislation of my constituents.

Argument No. 1: The coal companies have held that the only source of low-sulfur coal is west of the Mississippi. They state that any attempts to regulate their efforts in this area will result in either higher costs to the consumer or in no coal at all. Agreed, western, strippable coal is low sulfur, lower in most instances than the eastern coal. But it also has a low Btu—heat—value, which means it is necessary to burn more of it to get that same amount of energy as with the high Btu eastern coal. So the actual sulfur emitance level is the same for both groups of coal and the coal companies' main argument is refuted.

Argument No. 2: The coal companies claim that no land reclamation regulations are necessary; that they will regulate themselves. I completely disagree. First, the National Academy of Sciences recently released a report finding that many areas of the West could not be reclaimed to their original state if they were strip mined. Second, West Virginia is living testimony to the travesty that strip mining can work on the landscape. It was a West Virginia Congressman, Mr. HECHLER, who sponsored the bill banning strip mining altogether. It is clear that something must be done to protect the delicate ecological balance of the West from the expedient advances of the energy companies.

Argument No. 3: Coal companies claim that the easily accessible western coal reserves will produce cheaper coal than the deep mines of the East. And well they might—for someone in Montana. But the transportation costs inherent in shipping that coal to Eastern States like Rhode Island would negate the initial cost advantage.

In conclusion, there was no economic, ecological, or environmental justification for giving my support to strip mining in any form. Hence, I have voted just for the Hechler bill banning all strip mining—H.R. 15000—and will strongly support the Udall bill—H.R. 11500—which sets strict land reclamation standards for strip mining. The Udall bill also seeks to encourage the growth of the eastern deep mining industry, to the ultimate benefit of Rhode Island and the country.

HONORABLE PETER RODINO, FAIR, JUST, AND JUDICIOUS—CHAIRMAN IN THE SPOTLIGHT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. EVINS of Tennessee. Mr. Speaker, Members of Congress on both sides of the aisle generally agree that the gentleman from New Jersey (Mr. Rodino), the distinguished Chairman of the Judiciary Committee, has been a model of fairness and evenhanded treatment in his handling of the difficult impeachment matter.

He is able, experienced, deliberate, and calm—an ideal chairman for one of the most demanding challenges any chairman of any committee has ever faced in history.

In my view he has measured up to the challenge.

Chairman Rodino has patiently directed the presentation of all the evidence—he has even admitted the President's lawyer to the proceedings—and permitted him to argue his position in his effort to be fair.

Throughout the proceedings Chairman Rodino has demonstrated great respect for our system of government—the Constitution and the Presidency—he has steered a middle course, patiently but decisively, with a full and detailed presentation of the evidence, permitting the committee to weigh the allegations carefully in the public interest.

Peter Rodino was a member of the famed "class" of the 80th Congress—the so-call infamous do-nothing Congress of 1947–48—but a Congress which produced two Presidents, the Speaker, Chairman Rodino, and other distinguished leaders.

Peter Rodino is now the man of the hour, and shortly the televised spotlight of the Nation will focus on his committee as the Members begin their final deliberations on whether to recommend impeachment of the president.

Undoubtedly history will record that Chairman Peter Rodino has established sound and reasonable precedents in this historic impeachment proceedings under the Constitution.

In this connection I place in the Record herewith a column by Mary McGrory of the Washington Star-News, concerning Chairman Rodino, because of the interest of my colleagues and the American people.

The column follows:

[From the Washington Star-News, July 22, 1974]

POINT OF VIEW

(By Mary McGrory)

The House Judiciary Committee has turned a corner. Special counsel John Doar on Friday flung off his "objective" coat and cocked his fists for impeachment.

After the momentous closed-door session, Chairman Peter Rodino turned a corner in the Rayburn Building and ran smack into a covey of ardent Nixon loyalists, wearing their buttons and their grievances.

"Please be fair," pleaded a blonde with an elaborate hairdo.

The chairman looked into her face and said with feeling, "I couldn't be fairer if I had been thinking of my own mother and father."

He took the elevator to the fourth floor and walked into another ambush—a large party from Rabbi Korff's ranks, including an elderly woman in a wheelchair stuffed with flags. The chairman greeted her with slightly flustered, but genuine cordiality.

"That devil," murmured a small black woman with a "Get off his Back" sticker pasted on the back of her sundress addressed him angrily:

"Can't you do something about the irresponsible members of your committee?"

The chairman smiled at her. "I can't tell you what to do, can I? I don't dictate, I preside."

A babble of voices arose, such as is heard often in the Judiciary Committee. The chairman waited patiently for it to subside.

"I am going to do that which is right, for our country, for the republic, for the people," he promised, and edged away.

In his office, where he was planning to eat someone else's carry-out lunch, more protesters turned up. A trio of Massachusetts women set upon him. One of them told him, "Forty-five million people voted for Nixon and still want him, and you should uphold their votes."

Rodino replied gently, "The question is whether Richard Nixon upheld faithfully the laws of the land."

"Let me show you something," he said suddenly, and escorted the women to his inner office. He pointed out a signed photograph of himself with Richard Nixon at a bill-signing and called their attention to a letter, preserved in plastic, from the President congratulating him on an award from the Justinian Society.

"I revere the presidency," he said.

Frustrated, but somewhat mollified, they departed.

The chairman, who is 65, and has been working 16-hour days for several months, did not feel imposed-upon. Unlike the politician in the White House soon to be judged, he expects criticism and listens respectfully to dissenting citizens. He will be hearing similar impassioned pleas, in possibly more sophisticated terms, for weeks to come.

"It's the end of the trail," he said. The investigation is over. His conduct of it has pleased no one. Republicans cried he dragged his feet, Democrats that he bent over backwards. Under severe pressure he made vast concessions to bipartisanship. He admitted the President's lawyer, James St. Clair. He capitulated on witnesses, who added little information and chewed up eight days.

He has been accused lately of swamping the committee and the public with evidence. He has been "anxious" about the impatience of the country.

But, he still says, there was no other way.

"It would have been indefensible to let facts one way or another escape our attention," he explains earnestly, in defense of the long, bumpy, sometimes stalled journey. It had to take time. It was a search for truth. It neede painstaking professionals like John Doar and Bert Jenner to make the investigations and put the facts together.

"You know we have a saying in Italy, 'Qui va piano va sane e va lontano,' which means 'He who goes slowly goes well and far.' Now the facts are all here and you have to take them all."

The Congress and the country are faced with a mountain of evidence. It is an 8,000-page mountain that cannot be ignored or walked around. It is there, and it will be brought to the floor, the chairman hopes, with solemnity and "no glee whatsoever."

The absence of Edmund Burke, some mighty orator to move the immovables, does not trouble the chairman as it does others.

"This is not the ordinary kind of legislation that one tries to push," he says. "This is for the ages. If a man has heard on the tapes Richard Nixon telling John Mitchell to cover up and says he is relaxing with a friend, you're not going to change him. Beautiful words and high rhetoric and calling on the gods won't help. The facts will have to speak."

"It was the only way," he said again.

Now that the day of judgment draws near, some people begin to think that Peter Rodino, the anxious little man from Newark, was the only man who could have brought it about.

COAL REPORT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. FRENZEL. Mr. Speaker, the Upper Midwest Council, a nonprofit, nonpartisan corporation specializing in research for the region roughly comprising the Ninth Federal Reserve District, has had an energy task force at work for about a year.

The council's energy task force issued a newsletter dated April 22, 1974, entitled "Coal Report." The newsletter was an interim report of the task force's coal subcommittee.

The "Coal Report" may be of particular interest to Members who are seeking more information on the strip mining bill now before the House. The tentative recommendation indicates that west coal will have to be utilized to much greater extent and that in the immediate future, the next 6 to 10 years, expanded strip mining of western coal will be required.

The newsletter follows:

COAL REPORT

INTRODUCTION

Currently visible trends indicate that increased development of western coal within the Ninth Federal Reserve District is necessary in order that the U.S. may move toward the administration's desired position of near self-sufficiency. At this point, development of western coal appears inescapable. This report is not intended to excite the demand for energy or to promote the use of western coal. It is, in essence, a statement of the current situation and a discussion of some of the problems inherent in expansion of the use of western coal for the next several years.

Even if the U.S. achieves "Project Independence," and even if the U.S. achieves a state of "zero" growth, western coal development will continue in order that new energy sources are available to replace disappearing ones.

Regarding the environmental implications of western coal development, the subcommittee recognizes that major environmental decisions are involved. Significant national pressures will surely be applied to expand the production of western coal and great caution must be taken to ensure that all environmental impacts are fully assessed and that the trade-offs are fully examined before significant developmental activity takes place.

STATEMENT OF SITUATION

(1) Because of any number of factors, it appears to be in the national, regional and local interest to expand extraction of energy from the region's coal reserves.

(2) Because of the limitations resulting primarily from lead times for coal conversion systems (gasification) the immediate concern is for mining, transporting, handling and burning coal. For the next six to ten years, the major use of western coals will be for electric generation and for boiler fuels. Lead times for gasification, transportation of gas and related requirements are such that the immediate thrust will be an expansion of current uses.

(3) A moderate estimate of when coal utilization will swing significantly to gasification is—about 1985 for large-scale production.

FORCES COMING TO BEAR

It has become a national energy "policy" to expand use of western coal to replace less abundant, more unsure energy supplies. It is abundant; it is accessible; and the basic technology exists today to mine, transport, handle and utilize coal. It is our own (U.S.) resource, free from direct external (international) political pressures for the most part.

Potential cutbacks of natural gas supplies for this region, coupled with reductions in Canadian crude oil supplies force the region to look to expanded production and use of western coal.

Montana, North Dakota and South Dakota currently derive much of their electrical energy from hydroelectric facilities. Expansion of electric generation facilities in these States in recent years, however, has been almost exclusively into utilization of coal mine-mouth for the most part.

Minnesota and Wisconsin are large consumers of coal for electric generation. Forecasts of natural gas cutbacks and existing long lead times for nuclear power; coupled with the fact that new feasible hydro sites are not available, stresses the reliance of there two States on coal.

Western coal is favored for this region for many reasons; among those are: competitive transportation costs, less sulphur content, long-term firm contracts and purchases can be made, adequate transportation systems are available.

Eastern States will seek to make eastern coal a more competitive commodity through research into better ways to effect sulphurdioxide and flyash removal from emissions. In addition, eastern coal interests are beginning research and development work on gasification of their coal.

The major question is NOT "Do not want increased western coal utilization?" The questions to be asked are: "Where do we want the coal to come from? Where do we want to locate the plants which will utilize the coal?"

PRIORITIES AND RECOMMENDATIONS

(1) To combat the current and enduring energy shortage, western coal will have to be utilized to a much greater extent.

(2) For the immediate period—the next six to ten years—expanded strip mining transportation and handling of western coal will be required. Expanded mine-mouth electric generatiton facilities will be required. Large quantities of western coal will be shipped across the Dakotas, Minnesota and Wisconsin, much of it destined for Illinois, Michigan, Iowa and Missouri. Use of western coal in Minnesota and Wisconsin will expand greatly. Utilities will require greatly expanded coal-handling facilities. Railroad facilities and cars will have to be increased significantly.

Decision-makers will have to begin addressing key mining, transportation and gasification questions. The basic choices are: mine-mouth electric generation and/or gasification and transportation of the end product to user markets; or, mining of coal, transportation to water resources and user markets for gasification and for other industrial uses and electric generation.

Either of these two choices precipitates major problems and demands timely decisions to expedite the choices.

The subcommittee sees the following as the major concerns to focus upon. They are ranked in order of seriouness, and states most affected are indicated. Most all of the major decisions regarding these major concerns will be made within the next 2–3 years.

Immediate concerns, 6–10 years.

(1) Coal-handling and storage systems, e.g. Pigs Eye. (Minnesota & Wisconsin)

(2) Rail transportation to handling/storage facilities. (All states)

(3) Strip-mining. Montana, South Dakota, North Dakota. All states indirectly.

(4) Mine-mouth generation plants. North Dakota, South Dakota, Montana.

Long-range concerns, after 1980–1985. These are concerns requiring immediate attention and decisions.

(1) Availability of water. All states.

(2) Economic growth in coal regions such as new communities or expansion of existing communities. Montana, North Dakota, South Dakota.

(3) Increased taxation and higher coal costs. All states.

(4) Gasification and electric generation plant locations. All states.

Governments, organizations, businesses and the general public will have to be made aware of the many problems and the many questions to be answered.

(1) If the coal is mined, shipped out and gasified or otherwise used elsewhere, higher taxes on coal can result in the mining states, significantly boosting the cost of coal.

(2) If the coal is mined, gasified or otherwise used and the end product then transported, a significant economic base will develop in the coal states with resultant economic and social impacts. (Estimates are that a single large coal gasification plant would require a town of about 10,000 people.) Tax revenues in the coal states would, of course, increase.

JOHN F. GRINER IS DEAD—LED AFGE TO GREATEST STATUS

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. McFALL. Mr. Speaker, many of my colleagues have paid tribute to John F. Griner, the recently deceased president emeritus of the American Federation of Government Employees.

Many of my colleagues have been quoted in other publications which have been reprinted in the AFGE Washington Letter.

I include these articles at this point in the RECORD:

JOHN F. GRINER IS DEAD—LED AFGE TO GREATEST STATUS

John F. Griner, president emeritus of the American Federation of Government Employees, a giant of American labor, is dead.

He succumbed to a long illness Monday morning at the Cairo, Ga., hospital.

The funeral was held in Cairo on Wednesday.

Among AFGE leaders attending the rites were National President Clyde M. Webber, Executive Vice President Dennis Garrison, National Secretary-Treasurer Douglas H. Kershaw and District 6 National Vice President A. K. Gardner, representing the National Executive Council.

It was Griner, a farm boy and former railroad telegrapher, who led AFGE to its present position as the largest union in the Federal sector.

It was Griner who fought the good fight for his membership, constantly seeking their betterment and vigilant in the protection of their rights.

Because AFGE was barred by law from striking or using other economic measures, Griner and his deputy and successor, Clyde M. Webber, used the power of persuasion in accomplishing gains for the Federal employee.

Their jawboning and cajoling brought great results—increased pay, better job protection, presidential executive orders which spelled out rights for the government worker. The Monroney Amendment which gave higher pay and comparability to the blue collar employee could not have been passed had it not been for AFGE and John Griner. Former Sen. Mike Monroney (D-Okla.) gave that tribute to the union and its leader.

Rep. Robert N. C. Nix said in tribute to Griner's lobbying ability:

"John Griner seems to make his home on The Hill. He is always here and is always alert and convincing in working for his union."

Griner was closely involved with the Federal government for 34 years, 26 of those as an employee and later as an executive with the Railroad Retirement Board.

He was elected National President of AFGE in 1962, having previously served as a National Vice President and member of the National Executive Council representing District 7 from 1946.

Griner was elected for five consecutive terms, retiring for ill health shortly after his triumph at the 1972 convention. He was succeeded by Webber, who was named to the post by the National Executive Council.

Before he entered Federal service, Griner worked from 1925 to 1936 at one time or another as a telegrapher, agent, train dispatcher and assistant car accountant for the Atlantic Coast Line, Seaboard, Georgia Northern and Southern Pacific. At his death he still carried cards in five railroad unions.

Griner entered Federal service in 1936 as an adjudicator with the Railroad Retirement Board at the CAF–6 grade and when he left in 1962 to devote full time to being AFGE's National President, he was a GS–15.

For the last 11 years of his employment with the board, he was labor relations officer, serving as liaison between the board and the railroad unions and, in addition, was responsible for labor relations and training.

While employed by the Railroad Retirement Board, he studied at Columbus University, now a part of Catholic University, and received its LLB degree in June, 1940.

When he assumed the presidency of AFGE, its membership was approximately 80,000 and when he retired was over 300,000, making the union larger than all other Federal employee organizations combined, excluding the postal unions.

Griner was born in Camilla, Ga., Aug. 9, 1907 and was graduated from Camilla High School in 1924.

His wife, the former Claranell Nicholson, and two sons, John Jr., and Remer Griner; two grandchildren and two sisters survive.

U.S. LEADERS SADDENED, PRAISE RECORD

Many of America's legislative and executive leaders joined in tribute to the memory of John F. Griner. Here are some of their statements:

Representative JEROME WALDIE, Democrat, of California: "John Griner's leadership in obtaining greater health and retirement benefits, and pay levels comparable to those offered in the private sector will long be remembered and appreciated by all Federal employees. His dedication and energetic pursuit of greater benefits and better guarantees of employees rights serve as the finest example to follow for those of us who represent Federal employee interests."

Senator TED STEVENS, Republican, of Alaska: "Throughout his term as national president, and prior to that District 7 vice president, of AFGE, John Griner's strong and able leadership did much to better the fate of government employees across the nation.

"As a member of the Senate POCS, I had the opportunity to work closely with Mr. Griner prior to his retirement in 1972, and I found him capable and dedicated to representing the best interest of AFGE. I was deeply saddened to learn of his death."

Jerry Wurf, president, American Federation of State, County and Municipal Employees: "John Griner presided over an important transition period in Federal employment—a period in which the public employee union movement shifted from its experimental stages to acceptance as a force for justice on the job in government. He made important contributions to the cause of Federal employee unionism. He also showed great foresight in relying upon the assistance of Clyde Webber, making it possible for Webber to move to the forefront of the union and become his successor as president."

Senator Robert Dole, Republican of Kansas: "I was saddened to learn of the death of John Griner.

"He was a devoted and dedicated leader who knew the value and necessity of effective representation for America's civil servant.

"His service as AFGE president spanned virtually my entire career in the House and Senate, and the force of his leadership was highly visible in the state of Kansas as well as in the halls of Congress.

"John Griner's legacy to the AFGE and to the quality of government throughout America will be a lasting monument to his years of effort on behalf of government employees."

Senator Quentin Burdick, Democrat of North Dakota: "The passing of John Griner came as a shock to me as I know it did for many other members of the Senate and Congress. It is difficult for those who worked closely with him to believe that this man, who for so long helped shape the law with respect to government workers, will no longer be here to lend his wise counsel. Even after John's retirement as president of the American Federation of Government Employees, his presence was felt on the Hill and wherever rules and laws affecting federation members were discussed.

"The bible tells us that God is guarded in his ways and until the plan of life is known to all, we must be content in understanding that the spirit of what John Griner stood for will always be with us aiding in efforts to shape better goverment.

"I want to join with the members of AFGE and all those who knew John in expressing heartfelt sympathy to his wife and family during this time of bereavement."

Senator Jennings Randolph, Democrat of West Virginia: "John F. Griner was a true American in every sense. His legislative battles were fought for the sole purpose of aiding those who most required help and were unable to help themselves. His work benefited citizens generally. John Griner was loved and respected by a multitude of men, his colleagues in the labor unions, here in the Senate and the House, but most of all by the civil servants he represented.

"As president of AFGE, Mr. Griner's leadership was an inspiration to all the members of that organization. He was the guiding light in the legislative proposals which government-oriented unions set forth. He accepted challenges and met them with wisdom and affirmative action.

"He was a man of courage who fought with all his heart and spirit for the principles in which he believed."

Representative Dominick V. Daniels, democrat of New Jersey: "The government worker never had a more loyal friend or devoted servant than John Griner. Mrs. Daniels joins with me in expressing my deepest sympathy to the Griner family in their hour of bereavement. However, I know that when the immediate shock wears off they will have the memory of a very wonderful man to comfort them."

Representative David Henderson, democrat of North Carolina: "It was with a deep sense of personal loss that I received the news of the passing of John Griner.

"A forthright, direct and totally honest man, John was quite different from many of the people a Congressman often encounters in the course of his duties.

"It was not uncommon for him to walk into my office without an appointment or prior notice or to call me off the House floor when he had a matter of urgency he wanted to discuss with me, and he did not hesitate to dial my telephone directly either at my office or my home.

"The cause of employee organizations in the Federal service has been greatly advanced by the long and loyal service of John Griner as president of the AFGE.

"John and I did not always agree, but he was a man I always liked, a man I felt I could always trust, and a man who knew how to work out realistic compromises without waivering in the cause he represented.

"He typified the best of what Federal employee organizations had to offer. Both the American Federation of Government Employees and the civil service in general are the better for his service."

Representative Richard White, democrat of Texas: "Mr. Griner very ably led AFGE for many years bringing it to a position of great prominence and influence. He was a strong advocate of the AFGE position and was a very familiar and forceful figure in legislative circles. He left his imprint on the legislative process and permanently shaped the course of AFGE."

Representative Morris Udall, democrat of Arizona: "As a member of Congress whose committee assignment has brought me into long and close contact with representatives of Federal employees. I had many discussions with John Griner on major issues.

"He was a battler for decent compensation and working conditions for all Federal employees. He was alert to legislative issues and agency practices which were detrimental to the interest of the employees and was quick to come to the defense of those he felt were being unjustly maligned.

"The AFGE grew in numbers and strength under his dedicated service and he will be remembered for his solid contributions to the betterment of not only the Federal employees but to the Federal government as a whole."

Representative James M. Hanley, Democrat of New York: "John Griner was a great labor leader and his loss will be mourned by thousands of Federal employees throughout the country. During the many years I worked with him on civil service issues, I found him to be dedicated, fair and tough-minded. Every Federal employee owes him a debt of gratitude for the many battles he led during his distinguished carrier. We will all miss him."

Representative Robert N. C. Nix, Democrat of Pennsylvania: "I was deeply shocked and saddened to learn of the death of John Griner, past president of AFGE, a colleague and friend.

"We worked together very closely in the 60's and early 70's as the American Federation of Government Employees began its great expansion under John Griner's leadership.

"John was a man who was big in all the ways that counted. His word was his bond. He was as concerned as any man I have known since I came to the Congress for the welfare of all of his constituents.

"He brought respect to the government union movement which is his great monument. he did more for race relations in government than any other man by being fair, by being color blind, and an American government worker first and a powerful leader second. It will be a long time before we see his like again."

Representative William Ford, Democrat of Michigan: "I was deeply saddened at the news of John Griner's death. He was truly an outstanding person—an effective leader and spokesman of the AFGE, a patriotic American and a truly warm and likeable human being. His country and his people are the better for his having lived."

Representative Charles Wilson, Democrat of California: "Few labor leaders have achieved the predominance associated with John Griner's career. During his tenure as president, AFGE tripled its membership among Federal employees. During that period, I was fortunate to become his friend and work closely with him on matters important to government employees. His death is not only a profound loss to his friends, but an immense loss to hundreds of thousands of civil service employees who benefited from his leadership."

Senator Gale W. McGee, Democrat of Wyoming, chairman, POCS Committee: "It is no concidence that the decade from 1962 to 1972, which was marked by significant increases in the status and benefits of Federal employment, also measure the tenure of John Griner as president of AFGE. John was an aggressive, sometimes stubborn and always tenacious advocate of what's best for the workers. I respected him greatly and feel a sense of loss at his death. He has left a great legacy in a much stronger union and a much stronger labor movement."

Speaker of the House Carl Albert, Democrat of Oklahoma: "I am saddened greatly by the death of my friend John Griner, whose name will forever be synonymous with the American Federation of Government Employees which he gave all of life's strength to build. John's unsurpassed effectiveness, dedication and loyalty protected the rights and enhanced the welfare of every employee of the government of the United States. He will be greatly missed by Federal employees.

"Fortunately, John Griner lived to see many of his dreams transferred into law. The comparability bill and the wage board bill are two outstanding examples of the many measures passed by Congress largely due to the effective hard work of John Griner.

He understood Congress as an institution and was loved and respected by its members. My wife Mary and I express our deepest sympathy to John's family."

Senator Frank E. Moss, Democrat of Utah: "I am greatly saddened by the death of John Griner. His passing is a great loss to those of us who were fortunate to be counted as his close friends. His death is also a tremendous loss to the American labor movement. John was truly a pioneer. The strides made by the Federal employees in recent years can be attributed mainly to the AFGE, which has been almost synonymous with the name John Griner. The greatest loss of all is to John's wife and family. I extend to them my deepest sympathy."

Representative Frank Brasco, Democrat of New York: "It was with a great deal of sadness that I learned of the death of John Griner. Although ill health had forced him to retire from the presidency of AFGE, he never lost his interest in the welfare of government employees everywhere and he will be sorely missed by those thousands of people in whose behalf he so diligently worked for many years. My deepest sympathies are extended to his wife and family."

Representative Thaddeus J. Dulski, Democrat of New York, chairman, Post Office and Civil Service Committee: "I was saddened to hear of the passing of John Griner, president emeritus of the American Federation of Government Employees. President Griner was one of those energetic and unique individuals whose creative lives do not always make the headlines. Yet, his contributions to legislation for the employees of his union and for all Federal employees are legion.

"As Chairman of the Post Office and Civil Service Committee, I had a close association with President Griner. My door was always open to him. He was a leader among labor leaders. He presented the views and recommendations of his organization without prejudice to his opponents and respected my right to oppose his recommendations without any pressure whatsoever.

"I always found him cooperative, fair, and reasonable in dealings with me and with other members of Congress, particularly with the members of our committee."

Senator **Henry Bellmon** (Republican of Oklahoma): "During the nearly six years I have served on the Senate Post Office and Civil Service Committee, I have been ever aware of the impact and influence Mr. Griner has had on the shaping of legislation affecting civil service employees. As members of AFGE will surely miss his able representation, so will members of the Senate miss his respected efforts to achieve with us positive legislative action in civil service matters."

Senator **Ernest F. Hollings**, (Democrat of South Carolina): "I am greatly saddened to learn of the passing of John Griner. As head of the AFGE for ten years, John did an outstanding job of representing members of the association. During his tenure, the membership increased threefold and many pieces of significant legislation were passed under John's leadership. Above all, he was a fine man and his presence will be sorely missed."

Senator **Hiram Fong** (Republican of Hawaii): "I was deeply saddened upon hearing of the passing of John Griner, a longtime friend, a respected advocate and a devoted American. Mrs. Fong joins me in extending our heartfelt sympathies to his wife Claranell, his two sons, and the rest of John's family.

"Some of my earliest recollections of work on Federal employee legislation in the United States Senate include deep conversations with John. His counsel in formal hearings and in private discussions was always incisive, knowledgeable, and sincere. His understanding of the problems of Federal employees everywhere and his ability to articulate those problems to me and other members of the Senate Post Office and Civil Service Committee were always appreciated.

"He gave very valuable assistance to the committee in our efforts to write Federal pay comparability and fringe benefit laws.

"It was with regret that we heard of his long illness and his retirement from the presidency of the American Federation of Government Employees. He will be missed even more now.

"It was my privilege to have known John Griner personally, to have him visit with me in my home state of Hawaii, and to work together with him in behalf of all Federal employees."

AFL–CIO Leaders Pay Tribute to Griner's Gains for Labor

AFL–CIO President George Meany and AFL–CIO Secretary-Treasurer Lane Kirkland sent the following telegram to Mrs. John F. Griner:

"Please accept our deepest sympathy on the death of your husband. John served his fellow government workers with honesty and diligence for many years.

"He made significant contributions to the AFL–CIO Executive Council and all of his colleagues on that body share our sense of loss.

Telegram

The following telegram was sent to National President Clyde M. Webber from Peter Fosco, general president and Terence J. the Laborers' International Union of North America.

"We wish to extend our sincere sympathy to your organization on the death of Brother John F. Griner. Please extend our sympathies also to his family."

Federal Area Press Tells of Many Feats

Members of the Washington press corps who covered the Federal beat knew John F. Griner well, respected him and knew his friendship.

Joseph Young, staff writer of The Washington Star-News wrote of Griner's stature:

"Griner brought to the AFGE an aggressive leadership which made it the No. 1 Federal employee union.

"Although Griner could be tough in bargaining sessions with Federal personnel managers and insistent in his dealings on Capitol Hill concerning government employee legislation, he was adept at the art of compromise at strategic moments to reach the best possible results for his membership and Federal employees in general.

"At times brusque and outspoken in his public appearances, Griner in private was a warm-hearted man who performed many personal kindnesses for friends, AFGE employees and union members."

Mike Causey, Federal Diarist of The Washington Post, was another newsman who held Griner in high regard. He says that he wrote all of the important facts about the president emeritus when he covered the farewell banquet given to him in 1973. Causey wrote in part:

"Leaders, dues-payers and watchers of the government's largest employee union will bury their hatchets tonight for a testimonial banquet honoring John F. Griner, one of the most interesting and colorful labor bosses ever to hit town. . . .

"None of the speeches, however eloquent, will be able to capture the impact Griner had on the bureaucracy where AFGE now represents five of every ten employees. When elected 11 years ago, many observers figured the rough talking Georgian for a one-termer, figuring his direct approach—enemies called it ham-handed—methods would backfire.

"But the Union prospered—thanks also to dues checkoff—and Griner showed he was a master of backroom union politics as well as legislative wheeling and dealing to benefit union members. . . .

"Over the decade, the conductors of this column (the Federal Diary), Jerry Klutzz, Willard C. Clopton, Jr., and I have covered, praised and blasted Griner and his actions. If a boxscore were taken, brickbats would probably outnumber bouquets, because that is the nature of this business. But for today bouquets and nothing else are in order for John F. Griner."

John Cramer, also a Star-News staff writer said:

"John Griner lived during the growing period of the great AFGE and personally contributed magnificently to the cause of Federal employee unionism. All government workers forever will owe him a great debt."

Griner Played Strong Role in AFL-CIO

John F. Griner played a strong role in AFL-CIO national operations.

He was a vice president and member of the Executive Council of AFL-CIO and also served as a vice president and member of the Executive Committee of the AFL-CIO Industrial Union Department, comprised of some of the largest unions affiliated with AFL-CIO. He was elected to the AFL-CIO Executive Council in October, 1969 and to the IUD Executive Committee in November, 1965.

As National President of the AFGE, he served on the National Wage Policy Committee of the Coordinated Federal Wage System and on the Wage Committee of the Department of Defense within the CFWS; the Federal Safety Committee; the President's Committee for the Handicapped, and the Federal Pay Committee for the GS Employees.

THE IMPEACHMENT QUESTION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. HANRAHAN. Mr. Speaker, the impeachment question continues on and on as it becomes more and more involved. The tapes are revealing more information about the alleged coverup, but it is difficult to determine how much bias there is from the people reporting the facts. The Judiciary Committee has the hardest part of its investigation remaining. For the benefit and interest of my colleagues, I wish to insert the three following articles, all from the Wall Street Journal, and all relating to the impeachment issue:

Help for the President

This week we seem to be running across headline after headline featuring the quote from the tape of President Nixon saying "I want you all to stonewall it. . . ." It appears in some such fashion not only in the editorial cartoons, whose very life depends on wrenching things out of context, but on the front pages of such publications as Newsweek and The New York Times, The Week in Review.

The full quote as it appears in the House Judiciary transcripts has been recorded by many careful reporters, including Carol H. Falk of this newspaper. It comes up in the context of the President saying President Eisenhower was too tough in firing his aide Sherman Adams. Mr. Nixon says:

"And, uh, for that reason, I am perfectly willing to—I don't give a —— what happens. I want you all to stonewall it, let them plead the Fifth Amendment, cover-up or anything else, if it'll save it—save the plan. That's the whole point. On the other hand, uh, uh, I would prefer, as I said to you, that you do it the other way. And I would particularly prefer to do it that other way if it's going to come out that way anyway. And that my view, that, uh, with the number of jackass people that they've got that they can call, they're going to—the story they get out through leaks, charges, and so forth, and innuendos, will be a hell of a lot worse than the story they're going to get out by just letting it out there."

Now, we would certainly not argue that even in its full context the quote reflects any great credit on the President. The fact that it was not included in the White House version of the transcripts reflects even less. But in the whole context, it is no more conclusive than anything else in the transcript. Indeed, it neatly sums up to the ambiguity that to our eye appears throughout the transcripts. The President was of two minds. On one hand he was perfectly willing to obstruct justice. On the other, he longed for a forum in which to get out the essential story without innuendos ballooning it beyond what he considered its true proportion.

We are perfectly willing to listen to an argument that either of these motives predominated; reasonable men can differ. But there is an essential ambiguity that has to be faced directly. To take the "stone-walling" quote specifically, it certainly does not prove that we now have a tape of the President explicitly ordering a cover-up. Yet that is precisely the inference a publication creates by throwing away, buying or sliding over the last half of the quotes and putting the first half in a headline.

There is much here that we do not understand. We can't see why the White House would undermine itself by leaving out the section containing this quote when it knew the House committee already had the full tape. Similarly, we can't see why the editors of Newsweek and the Times weekly review want to help the President by fueling the White House contention that the impeachment drive is nothing more than persecution of the President by the media.

But most of all, given our understanding that the purpose of journalism is to promote public understanding of public issues, we cannot understand the scale of news values that would thrust before the reader only half of the President's quote.

IMPEACHMENT PANEL NEXT WEEK GETS DOWN TO CENTRAL QUESTION: AT LAST IT MUST DECIDE WHAT "HIGH CRIMES" ARE; DEBATE MAY SHIFT VOTES—BIRDSEED FOR THE EAGLE?

(By John Pierson)

WASHINGTON.—Funny thing about the impeachment process: After eight months, 7,000 pages and nine live witnesses, the House Judiciary Committee is only now getting around to asking the real question.

That question:

Should you throw out President Nixon—or any President—only if he has committed a serious crime? Or do you throw him out simply for failing "to take care that the laws be faithfully executed"?

For one anti-Nixon Democrat, when it comes to impeachment, "shooting the Constitution in the head is just as bad as shooting a person in the head."

Not so, says one pro-Nixon Republican, who maintains that "the Constitution itself requires criminality. And it serves the Constitution, rather than slaughtering it, to adhere to that requirement."

The issue will finally be joined next week, when the committee begins a public debate on proposed articles of impeachment. That the committee has waited until the end to define "high Crimes and Misdemeanors" makes its vote on impeachment less certain than conventional wisdom would have it.

CONVENTIONAL WISDOM

Conventional wisdom says that most of the Judiciary Committee's 21 Democrats and a handful of its 17 Republicans will recommend that the House impeach Richard Nixon on the ground that he has, in effect, tried to shoot the Constitution. Meanwhile, most of the Republican minority is expected to oppose such a recommendation on the ground that the inquiry has failed to produce conclusive proof of a criminal act.

But next week could stand such calculations on their ear. Despite months of total immersion in the evidence, many members appear not to have decided yet—or if they have, they are keeping their own counsel. Some members simply haven't taken the time to read all 7,000 pages and thus may be swayed relatively more by the debate itself. And recent partisan wrangling over leaks, witness lists and the like may have made the committee look more polarized than it really is.

"A majority of the Republicans are going to be defenders in any event," predicts Rep. Hamilton Fish of Upstate New York, one of the committee Republicans considered most likely to vote for impeachment. "But a minority, myself included, are not picking up our marbles and going home because of losing a few procedural votes."

THE IMPORTANCE OF DOAR

A lot is going to depend upon the kind of impeachment articles Special Counsel John Doar proposes, the way he relates them to the evidence, and the eloquence and logic the members bring to the debate.

"I don't see how you can decide," says Rep. Ray Thornton, an Arkansas Democrat, "until a structure of words is put together to test against the evidence and the law."

Mr. Doar has been drafting and redrafting a proposed structure of words for some weeks now. But he has ignored repeated pleas from Democrats and Republicans alike to "tell us what all this evidence means." Mr. Doar and Chairman Peter Rodino, a New Jersey Democrat, wanted to put off conclusions as long as possible to avoid splitting the committee until they had crammed those 7,000 pages into the members' heads.

This strategy has left some Republicans overjoyed at what they regard as the inability of the Democrats to bring the inquiry effectively to bear on anything. "They're losing the needle in the haystack," says Rep. Charles Wiggins of California, the President's ablest defender on the committee.

OF EAGLES AND BIRDSEED

The Doar-Rodino strategy of letting the evidence speak for itself has also left some pro-impeachment Democrats fuming about a lack of leadership and direction. "You can't expect the members to behave like eagles when you're feeding them an overdose of birdseed," a committee staffer complains.

But Rep. James Mann, a moderate Democrat from South Carolina, thinks that the inquiry has been conducted properly. "I can't give up the principle of objectivity and fairness just because there are those who choose to," he says, referring to anti-Nixon leaks from the committee's closed-door hearings as well as to the White House's campaign to discredit the inquiry.

"It would have been helpful to have more focus," adds Rep. Mann, "but it would have been difficult to have it and not seem to be prosecuting the President."

Chairman Rodino has been adamant on this point: The House, like a grand jury, is a fact-finder, trying to determine whether the President has done anything to warrant a Senate trial; only if the House votes to impeach Mr. Nixon does it don a prosecutors robe and argue its case to the Senate.

There comes a time, however, when the committee must focus on the question: Do Mr. Nixon's deeds warrant a recommendation of impeachment? Privately, Judiciary Democrats and Republicans have already begun the focusing process, which won't end until the public debate is finished and the vote taken, around the end of this month.

This schedule could be upset if the Supreme Court rules that Mr. Nixon must give the special prosecutor the additional 64 tapes the prosecutor wants or if committee members demand more time to collect their thoughts. Among members, there is some feeling of resentment that they are being rushed into a decision by a House Democratic leadership caving in to an impatient public.

"I may even vote 'present' (instead of 'yea' or 'nay') if I don't feel prepared," New York's Rep. Fish says.

As they adjust the locus, Democrats are coming to see two kinds of impeachment articles. One would be a set of specific allegations of specific crimes. One might be, for example, that Mr. Nixon took part in a conspiracy to obstruct justice, in part by ordering—or refusing to stop—the payment of hush money to E. Howard Hunt, one of the original Watergate defendants.

The other kind of article would be a more general charge that the President has failed to carry out his constitutionally imposed duties "to take care that the laws be faithfully executed," to "faithfully execute the office of the President of the United States" and to "preserve, protect and defend the Constitution of the United States." Perhaps by using federal agencies to harass his enemies and reward his friends. Or by cutting corners on his own taxes, thus destroying public confidence in the tax system. Or by countenancing obstruction of justice, burglary, warrantless wiretaps and other illegal acts on the part of his subordinates.

Most Republicans are expected to argue that you shouldn't impeach a President on this kind of general count and that the evidence is insufficient to support his impeachment on any specific criminal counts. As one GOP member, not a Nixon defender, puts it: "The smoking gun isn't there."

To which Democrats will reply that the House, like a grand jury, need only find "probable cause" to believe that Mr. Nixon is impeachable, leaving it to the Senate to apply a trial jury's higher standard of proof "beyond a reasonable doubt."

To which the President's defenders will respond that a standard higher than probable cause is required of the House if it wants to win its case in the Senate. "It's inappropriate for a prosecutor—in this case the House—to proceed unless he thinks he can get a conviction," California's Rep. Wiggins says.

To which Democrats will answer that criminal counts are secondary—that what really matters is the general count of failure to uphold the Constitution. "It all comes under a category of abuse of power, abuse of the office," one moderate Democrat says. "There may be specific crimes—the cover-up, a bribe from dairymen, tax fraud—but none of them is as important as the overall pattern."

"The impeachment process isn't a criminal process," Rep. Thornton maintains. "It's a safety valve to preserve our government system."

"The 'take-care' duty emphasizes the responsibility of a President for the overall conduct of the Executive Branch, which the Constitution vests in him alone," Special Counsel Doar argued in a memo last February. "He must take care that the Executive is so organized and operated that this duty is performed.

"The duty of the President to 'preserve, protect and defend the Constitution' to the best of his ability includes the duty not to abuse his powers or transgress their limits—not to violate the rights of citizens, such as those guaranteed by the Bill of Rights, and not to act in derogation of powers vested elsewhere by the Constitution," Mr. Doar continued.

THE ST. CLAIR REBUTTAL

That's quite a mouthful—and quite a mindful, too. And it may come as no surprise that Mr. Nixon's defenders reject it. In an opposing memo last February, the President's lawyer, James St. Clair, argued that "the lesson of history, logic and experience" is that "a President may *only* be impeached for indictable crimes."

Rep. Wiggins expands on this theme. "Impeachment on broad general grounds is bad law and bad policy," he says. "It's bad law because it gives a meaning to the impeachment clause that's imprecise and impossible for future Presidents to adhere to. It goes to past conduct that wasn't illegal at the time it was done and to conduct that's been condoned in others. Under this standard, one man's abuse is likely to be another man's view of energetic leadership.

"It's bad policy because it turns the corner to a parliamentary system. It's a vote of 'no confidence'," Rep. Wiggins continues. "If the people want, they can amend the Constitution, but Congress shouldn't do it through the impeachment process."

At least one committee Democrat shares some of these concerns. "I don't foreclose impeaching him for failure to 'take care'," Rep. Walter Flowers of Alabama says. "But you open up a Pandora's box of what each person thinks a President should do.

"If you're going to zap Richard Nixon on that, you've almost of necessity got to look backward. Nixon has been a very poor steward of the office, and I don't know that his predecessor was a very good one, either."

THE PUBLIC PERCEPTION

There is also the question of whether the public will understand or accept impeachment on such broad grounds. "If the people perceive that their elected President is being railroaded out of office, there could be trouble in this country," Rep. Wiggins declares.

South Carolina's Rep. Mann worries about this too. One drawback to postponing the public debate on fundamentals is that "the American people haven't been called upon to think as to what they want the moral level of their government to be," he says. "Unless the report of the Judiciary Committee is extremely well done," he adds, a general article of impeachment "won't fly with the people."

Another Southern Democrat, Rep. Flowers, is a little more confident. "I don't think the general public reveres the Constitution as much as we in Congress and the media do," he says. "But the public is prepared for it to go either way—provided it's fair and reasonable."

Thoughtful Guide on Impeachment

(By Robert L. Bartley)

As the House and the nation near the crucial stage of the debate over impeachment of President Nixon, we are fortunate to have fresh intellectual guidance from Charles L. Black Jr., of Yale Law School. His new booklet "Impeachment; A Handbook" is a model of how so serious an act of state should be approached.

Mr. Black is Luce Professor of Jurisprudence at Yale and a recognized constitutional scholar. Early in the current controversy he attracted attention by arguing that executive privilege means that the Executive has the prerogative of deciding whether or not to release tape recordings. He now notes that this position "enjoyed little support from others." He adds, "I have from my youth quite consistently opposed the President who has been the subject of recent proceedings."

The stance that attracted recent public attention to Professor Black, though, is in some ways uncharacteristic of this thoughts on other legal issues in the impeachment controversy. On issue after issue, he manages to cut through various arguments to record positions that simply *have* to be right. He has managed to package these thoughts in a booklet simple and short enough to be a useful guide to the average concerned citizen, or the average concerned Congressman.

The best example, indeed the heart of the book, is the definition of the constitutional phrase "treason, bribery and other high crimes and misdemeanors." The key to understanding this, the author argues, is the legal rule of *eiusdem generis*, or "of the same kind." He elaborates:

"Thus if I said, 'bring me some ice cream, or some candy, or something else good,' I would think you understood me well if you brought me a piece of good angel food cake, I would boggle a little, perhaps, if you brought me a good baked potato, and I would think you crazy or stupid or willful if you brought me a good book of sermons or a good bicycle tire pump."

In short, the words "high crimes and misdemeanors" should describe something of the same general character as treason or bribery. That is, Professor Black continues, they must be extremely serious, corrupting of the political and governmental process, and plainly wrong in themselves. That is, "those offenses which are rather obviously wrong, whether or not 'criminal,' and which so seriously threaten the order of political society as to make pestilent and dangerous the continuance in power of their perpetrator."

However, there must be a specific offense: "General lowness and shabbiness ought not to be enough. The people take some chances when they elect a man to the presidency, and I think this is one of them."

While not discussing the details of specific accusations against President Nixon, Professor Black runs down the list applying his standard to each. Receiving of bribes is obviously impeachable, though proving motivation is difficult. Serious income-tax fraud is impeachable. The use of the tax system to harass political opponents is particularly heinous, a clear abuse of power.

The impoundment of funds might be impeachable in theory or in some flagrant case, the author continues, but is not likely to be impeachable in the real world with its real doubts and complexities. Similarly, unauthorized warmaking as it is likely to be actually encountered is probably unimpeachable. Improper campaign tactics, somewhat similarly, would depend on circumstances.

Obstruction of justice is not an easy charge to handle in Professor Black's framework. He can envision cases in which the President could commit this crime without its being an impeachable offense: "In many cases his failure to protect some people at some times might result in his being held in contempt by the public." Yet it does strike at the legal process the President is sworn to uphold, and "there must come a point at which excuses fail."

Other parts of the book include a primer on impeachment procedures, discussion of other technical issues and suggestions on how Congress can curb Executive excesses short of the ultimate sanction of impeachment. There are also several thinly disguised barbs at Raoul Berger, who has made his learning" on English precedents. Mr. Black refers, for example, to the "superabundant learning" on English precedents. Mr. Black also disputes the contention, offered by and probably only by Mr. Berger, that impeachment is subject to review by the courts.

Not everyone will agree with every point Mr. Black makes. To this reader, his position that executive privilege is absolute seems too much a mirror image of Mr. Berger's position that it does not exist. Mr. Black's opposition to televising a Senate impeachment trial overlooks the vital importance of giving the American people the smell and the feel of the thing, their usual basis for a collective judgment that often in the end proves as keen as that of the most learned legal mind.

Inevitably in a short volume rushed to meet a topical deadline, important issues are overlooked. Most notably in this case, the question of what standards of proof ought to apply in the House. It is not difficult to imagine crucial undecided Congressmen wrestling with the issue of whether they should vote to hold a trial even if they do not believe the President ought to be removed from office. While this question may ultimately be a political one it is clearly one on which some legal learning could be quite helpful.

Yet none of the specifics about Mr. Black's book is as important as its general approach and tone, which treats impeachment as an issue deserving of unusual care and what in an earlier day might have been called unusual prayerfulness. As something that cannot be dismissed but cannot be decided as merely another political issue, as he says, "I confess to a very strong sense of the dreadfulness of the step of removal, of the deep wounding such a step must inflict on the country, and thus approach it as one would approach high-risk major surgery, to be resorted to only when the rightness of diagnosis and treatment is sure."

NIXON CANCELS DEBTS OWED TO U.S. TAXPAYERS BY FOREIGN COUNTRIES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. RARICK. Mr. Speaker, the cost of peace through détente continues to be brought out. Todays Federal Register carries the President's memorandum of June 29 canceling a $500 million debt owed by Israel to the American people and a memorandum of June 30 canceling a $20 million debt owed by Egypt to the American taxpayers.

If any Member were to introduce legislation calling for Government subsidies to an arms manufacturer, it would be immediately branded as inflationary, anticonsumer, and denounced as materialistic. Yet, for some strange reason the American taxpayers are told that selling arms to foreign governments and then canceling the debts is in the interest of preserving the peace.

President Nixon and Secretary Kissinger continue to prove themselves to be the most philanthropic people in the history of the world—so long, at least, as they are using someone else's money. And they will continue to be hailed great world leaders working for peace, until the American people, who will be paying the bills, find out the true cost of "détente."

I include the two Presidential memorandums at this point in the Record:

Title 3—The President—Memorandum of June 29, 1974

[Presidential Determination No. 74–23]

EMERGENCY SECURITY ASSISTANCE FOR ISRAEL

Memorandum for the Secretary of State and the Secretary of Defense

The White House,
Washington, June 29, 1974.

By virtue of the authority vested in me by section 4 of Public Law 93–199, the Emergency Security Assistance Act of 1973 (hereinafter "the Act"), I hereby release Israel from its contractual liability to the extent of $500,000,000 to pay for defense articles and defense services financed under the Act by the credit agreement entered into by the Government of Israel and the United States Government on June 3, 1974.

This memorandum shall be published in the Federal Register.

Richard Nixon.

[FR Doc.74–16953 Filed 7–19–74;4:27 pm]

The President—Memorandum of June 30, 1974

[Presidential Determination No. 74–26]

DETERMINATION AND AUTHORIZATION UNDER SECTION 614(a) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED—PROVIDING SECURITY SUPPORTING ASSISTANCE TO EGYPT IN FY 1975

Memorandum for the Acting Secretary of State

The White House,
Washington, June 30, 1974.

Pursuant to the authority vested in me by section 614(a) of the Foreign Assistance Act of 1961, as amended (hereafter "the Act"), I hereby:

(a) Determine that the use of not to exceed $20 million of funds available in the fiscal year 1975 for security supporting assistance to Egypt, without regard to the requirements of the Act, is important to the security of the United States; and

(b) authorize such use of not to exceed $20 million as security supporting assistance to Egypt for the purposes of sweeping mines from the Suez Canal, providing technical assistance and training to the Egyptians in disposing of unexploded ordnance in the Canal and along its banks, and assisting in the salvage of wrecked ships and debris blocking the Canal.

This determination shall be published in the Federal Register.

Richard Nixon.

[FR Doc.74–16954 Filed 7–19–74;4:27 pm]

U.S. JAYCEES HONOR PITTSBURGH SELF-HELP GROUPS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the U.S. Jaycees have just published a book, "Uplift: What People Themselves Can Do," which analyzes the scope and success of small scale self-help projects, operating in low income communities throughout the country.

I am pleased and proud to report that the Jaycees chose four such operations in my congressional district.

These four projects, along with 96 others, were picked from some 1,000 similar activities isolated by the Jaycee research project.

I wish to include in the RECORD at this time a brief description of the neighborhood programs singled out by the Jaycees, and offer my sincere congratulations for jobs well done to Pittsburghers: Mr. Leon Hickman, director of the homemaker skills program; Mr. Richard Barber, director of urban talent development; Mr. Bernard Jones, director of urban youth action; and Mr. James Givner, director of operation better block.

The information follows:

URBAN TALENT DEVELOPMENT

(We're not here to train, we're here to motivate. We want to develop the individual so he can grow within the system—any system.—Pittsburgh, Pa.)

A few years ago Jim Cleveland was a mailman going nowhere.

Today he's an operations supervisor for a major interstate bus company. He's a college graduate with a bachelor of arts degree in political science. And he's a man with a dream of someday perhaps starting a career in law.

At age 44, he has found that life has suddenly become a "heads-I-win-tails-I-lose" proposition.

"As long as I keep using my head and get off my tail, I can't lose," he says, reflecting the new self-confidence that has begun to dominate his philosophy of life.

Jim Cleveland is just one of hundreds of people who have suddenly become aware of themselves and their abilities because of an organization called Urban Talent Development, Inc. (UTD). Started in 1970, UTD has become known as the "Sesame Street" of manpower-training programs throughout the Pittsburgh area.

Cleveland minces no words when he tells someone about the fourteen days he spent at UTD in 1971.

"It was like a spiritual revival," he says unabashedly. "I came away baptized with a renewed faith in myself."

More than anything else, that's exactly what Urban Talent Development is all about.

UTD promises nothing, yet everything. It doesn't teach you how to be an auto mechanic, but it does teach you how to be a self-starter. It does not teach you how to be a carpenter; rather it teaches you how to build confidence in yourself and your abilities. It does not teach you a trade; rather it teaches you how to handle yourself under all job situations and opportunities.

In essence, UTD takes people—primarily people with underdeveloped talents who are wandering aimlessly in the world of work—and tries to instill in them self-motivation to go out and do what they want to do.

There are no stipends for attending UTD. That's one of the factors that separates the program from other manpower-training concepts. Urban Talent doesn't want the "program hoppers" who jump from one wage-paying program to the next and end up back on the street corners in between.

The basic ingredient demanded by Urban Talent Development is sincerity of purpose. Beyond that, applicants must be 18 years of age or older, in good health, graduates of high school or some equivalent, and with some demonstrated aptitude for the world of work. If these critera can be met, the doors of UTD are open to everyone—free.

Many of UTD's students even have college degrees. But the college graduate of today—especially the black college graduate—is finding that unemployment plays no favorites, and that welfare rolls can be indiscriminate in their selections.

The dynamic leaders of UTD, Dick Barber and Len Burnett, like to say that perhaps Demosthenes, the ancient Greek philosopher, statesman, and orator, was thinking of them when he said more than 2,000 years ago:

"Small opportunities are often the beginning of great enterprises."

UTD seeks to supply the small opportunities in achieving its self-proclaimed goal of building careers. The statistics of the program over the last three years are proof that the approach is working.

Through the beginning of 1974, a total of 710 students have been enrolled in UTD training programs; of these, 614 have completed the two-to-three-week courses—and 544 have been placed in better jobs or in school for further education and training.

The average UTD student is between 20 and 30. He or she is unemployed, receiving unemployment benefits or welfare benefits, or no benefits at all, and he is groping through a lifestyle of hardship and poverty.

The student-body profile shows an average of $2,472 in yearly earnings before training, and an average of $5,271 after training (the after-training figure is deceptively low because it includes the earnings of those who have taken part-time jobs while they continue their schooling).

The bulk of the graduates are going into supervisory and management positions that give them unlimited opportunity for advancement.

Jim Cleveland is one example.

Cora Watley is another. From being an unhappy school teacher frustrated by mandated teaching styles she didn't like and earning just $5,000 a year, she has moved on to an exciting, $9,700-a-year job as underwriter for an insurance company.

"UTD didn't teach me how to be an insurance underwriter," Cora Watley says frankly. "I didn't even know what an insurance underwriter was. But UTD did teach me about dealing with people. It taught me about the business world as a whole."

UTD had heard about a trainee position with the insurance company, gave her a crash description of what it was all about, and asked her if she was interested.

"I liked what I heard, applied for the position, and here I am," she says.

Like any successful program, UTD is a product of its leadership. From the very beginning, it looked like it was headed for success, at least in terms of improbability. After all, what else could result from the unlikely teaming of a former sharecropper, a pro football star, a pro football player who didn't make it, a vegetarian, and a Kelly girl?

Urban Talent now has a staff of nine dedicated people, headed by the ex-sharecropper—Richard Barber, nicknamed "Patches" because of his firsthand experience in poverty. But since his childhood as a plantation worker, Barber has managed to use his knack for self motivation to achieve success in practically everything he's done. Today he's working toward a PhD in business administration at the University of Pittsburgh.

More importantly, he's the president and co-founder of Urban Talent Development.

Dick Barber has a small wooden sign on his desk that says: "The Buck Stops Here." With Barber, it really does.

"We're not here to train, we're here to motivate," he says. "We want to develop the individual so he can grow within the system—any system. For any aspiration or goal to be achieved within the system, you've first got to understand the system. This is what we try to do in Urban Talent Development."

The need for UTD developed as a spin-off from lessons learned in a training program launched by All-Pro Enterprises, Inc., a food-service business organized by Brady Keys, a former football star for the Pittsburgh Steelers.

In developing All-Pro Enterprises, Keys had organized a special series of three-week programs to help train blacks and other minority-group people to be franchise operators. What he found, however, was that the trainees were going back to their home area, opening franchises—and failing as businessmen.

According to Len Burnett, the pro football player who didn't make it and UTD's current executive vice-president, "The lesson we learned was that merely teaching blacks and other minorities about franchises wasn't going to work, and that the real need was in understanding the whole aspect of the business world."

That's how Urban Talent Development was born—with Keys as chairman of the board, Barber as president, and Burentt and other dedicated people involved in operations. At first the program was structured to help minorities to go into business for themselves. After one year, though, it was found that the real need in the business world was for supervisory and management people—with the requisite business skills, of course.

"Civil rights groups were out banging on doors to get jobs," says Burnett. "but once they got them, we didn't have the properly trained people to fill them. Business executives were telling us, 'Okay, give us ten people here, twenty people there'—and we didn't have them."

With that as its challenge, UTD remolded its program and gradually it became what it is today—a concept combining the elements of supervisory management, business management, and career orientation into a series of three-week courses running six hours a day for five days a week.

Classes are small—around 15 to 20 students—and they tend to be informal and loosely structured. They are more like free-wheeling discussion sessions than lectures.

Len Burnett, Les Misik, and Wellington Allen, the teachers, can be found straddling desks or perched on tables as they talk with their students. The language is the language of the student, not the business world. They may use "Peanuts" cartoon characters to demonstrate economics and the free enterprise system. But once the student has completed his studies, he will understand a profit-and-loss statement as well as any businessman.

Techniques of interviewing, personnel traits needed for supervisory positions, and even personal appearance are among the elements emphasized through imaginative methods devised by the instructors themselves.

"It's the little things that turned me on," says Beverly Gaskins, a 22-year-old high school graduate who eventually wants to open her own boutique. "Like interviewing, for example. They gave us some insight into the tricks interviewers are likely to pull in testing you out. What do you do, for example, when an interviewer offers you a cigarette knowing full well there's no ashtray around?

"They want to see how aggressive you are and whether you will ask for an ashtray or try to quietly sneak the ashes into the cuffs of your pants or somewhere else. These are the kind of things you'd never be aware of unless someone told you about them."

Role playing, public speaking in front of other members of the class on such topics as "what made me happy this week" or "something I really like to do" are all among the ways UTD seeks to build self-confidence.

"We don't want them talking about something they don't know anything about; we want them telling us things they want to talk about," says Barber. "We want them to convey feeling so we can share that feeling. If their experience is a happy one, we listeners should also be happy. And if they are sad, we too should be sad. We're more interested in how they say it than what they say."

Burnett is a living example to the students in terms of overcoming disappointment and hardship, and of turning their lives around through self-motivation.

A pro-football player with a lot of potential, Burnett injured a knee in his first year with the Steelers, and two years later completely washed out in an attempted comeback. Instead of disappearing, however, he emerged with a new all-star credential, this time in the field of education. His influence is seen dramatically in practically every educational aspect of the UTD program.

Urban Talent Development is presently a $165,000-a-year operation, completely funded through private foundations. There are no governmental or public subsidies. Barber likes it that way, because with no public subsidies there are no bureaucratic strings attached to the program.

"We look at manpower as a business, and so manpower training should be treated as a business," says Barber. "We don't want a program that perpetuates the welfare program. Our goal is to provide alternatives and remedies to welfare. A training program is not completely successful until it places all its trainees in jobs—jobs that are meaningful and offer a rewarding, satisfying career."

In some sense, UTD is ahead of its time, embracing the concept of career education that is only now beginning to infiltrate public education.

Perhaps Burnett captures the whole thing most effectively and dramatically in a poem he reads at some of the graduation exercises for UTD classes.

He calls it the "Penny Poem," and it goes like this:

I bargained with Life for a Penny,
  And Life would pay no more,
However, I begged at evening
  When I counted my scanty store.

For Life is a just employer.
  He give you what you ask,
But once you have set the wages
  Why, you must bear the task.

I worked for a menial's hire,
  Only to learn dismayed,
That any wage I had asked of Life,
  Life would have willingly paid.

HEALTH CARE FOR THE ELDERLY

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. TIERNAN. Mr. Speaker, I would like to commend the Veterans' Administration on the fine work they are doing in the area of health care for the elderly. The aged are perhaps the most neglected minority in our country today, and the VA's efforts can serve as a model for other agencies in correcting the ignominious treatment of older Americans. It is for the purpose of informing the Members of Congress and all others interested in this most important undertaking, that I respectfully include the following correspondence between my office and the Veterans' Administration:

JUNE 5, 1974.

Mr. DAVID POGOLOFF,
Congressional Liaison, Veterans' Administration, Rayburn House Office Building, Washington, D.C.

DEAR DAVE: I would greatly appreciate a detailed elaboration of the Veterans Administration plans for "Research and Aging Centers" at six VA hospitals: Bay Pines, Florida; Boston OPC, Bedford, Massachusetts; Little Rock, Arkansas; St. Louis, Missouri; Palo Alto and Los Angeles, California. The project is listed under the heading of "Biomedical Research Projects," pages 8–15 in the Fiscal Year 1975 Budget Justifications, and page 861 of the Appropriations Hearings of the same year.

An explanation of plans, criteria, and timetable for implementation would be greatly appreciated.

Sincerely,

ROBERT O. TIERNAN,
Member of Congress.

VETERANS' ADMINISTRATION,
Washington, D.C., July 1, 1974.

Hon. ROBERT O. TIERNAN,
House of Representatives,
Washington, D.C.

DEAR MR. TIERNAN: I am pleased to respond to your inquiry about the proposed Veterans' Administration Geriatric Research and Clinical Centers. Currently, the Veterans Administration is providing care for 18,400 veterans aged 65 and over in VA hospitals, 4,100 aged veterans in VA nursing bed care units, and 3,500 in VA domiciliaries. These figures represent the largest aged population receiving direct medical and clinical care from a single agency.

The medical, psychological and adjustment problems often encountered by these veterans and their families require specialized knowledge and care. The VA continually endeavors to upgrade the care of these patients by attracting doctors interested in geriatric medicine and by encouraging clinically applied research aimed at better understanding the physiological, intellectual, and emotional functioning of the aged.

The geriatric centers are to provide a focus within the VA hospital system for continued clinical, research and educational development. Out of the specific needs of geriatric patients grow research ideas that require a supportive, professional environment in which the ideas can be explored. In a like manner, the research results need to be applied, tested, and refined in a clinical, daily patient care setting. The Veterans' Administration Geriatric Research and Clinical Centers are envisioned as serving this vital integrative purpose and as providing strong leadership in the training and education of geriatric professionals and paraprofessionals.

The originally suggested hospital sites were chosen because of a history of geriatric research. When it became known that geriatric centers were being planned, additional VA hospitals asked to be considered. As a result, twelve VA facilities were given the opportunity in November 1973 to submit detailed proposals described their particular interest and commitment in the study of aging. Each geriatric center was expected to have a clinical, research and educational component and to develop a total approach to the solution of identified problems which would improve care for the aging.

Eleven proposals were submitted in April 1974. The VA Hospital St. Louis, though originally identified as a potential center, did not submit a proposal. An evaluation of the individual geriatric proposals was conducted by six consultants prominent and knowledgable in the field of aging. The criteria used to select sites included: the adequacy and clarity of the proposal in describing the center's mission; the degree to which the intergrative function of the clinical, research, and educational components was conceptualized; the importance and need in the areas proposed for study; the organization clarity.

At this time, four sites have been chosen for activation as geriatric research and clinical centers: the VA Hospital Los Angeles at Wadsworth; the VA Hospital Little Rock, Arkansas; and two joint centers involving the Boston Outpatient Clinic/Bedford VA Hospital/Boston VA Hospital and the American Lake/Seattle VA Hospitals. Three additional hospitals are still being considered: VA Hospital Bay Pines, Florida; VA Hospital Sepulveda, California; and VA Hospital Palo Alto-Menlo Park, California. Site visits will be arranged to those hospitals to clarify certain elements in the submitted proposals and to assist in the revision and resubmission of a proposal.

The combined clinical and research budget estimates of these proposed centers as submitted indicate a need in the fiscal year 1975 for $7 million. Additional evaluation of individual clinical and research projects will be conducted to select those of highest merit for initial funding.

Some of the most pressing elderly veteran needs cited by clinical researchers for study are: suicide in the elderly; geriatric cardiovascular studies; memory, learning, and retraining in geriatric patients; effectiveness, dose relationships, and incidence of side effects of psychopharmacologic agents upon geriatric population; "companion" program for depressed patients; lipid metabolism during aging; and, hypothalamic-pituitary neuroendocrine functions and their relationship to osteoporosis in elderly patients.

Enclosed is the activation timetable for the geriatric centers.

Thank you for your interest in the elderly veteran and in our Agency's continued work in his behalf. If at any time you have further questions about the Geriatric Research and Clinical Centers, please contact us and we will be happy to respond.

Sincerely,

R. RONDEBUSH,
Deputy Administrator.

Enclosure.

GERIATRIC RESEARCH AND CLINICAL CENTERS

ACTIVATION SCHEDULE

Date and event

July, 1973: Planning Conference, VA Central Office.

October-November, 1973: Proposals solicited from twelve field stations.

February, 1974: Planning Conference—Evaluation Mechanism, VACO.

January-March, 1974: Site visits to potential centers.

April, 1974: Proposals submitted.

May-June, 1974: Proposals evaluated.

August, 1974: Completion of Protocol Evaluation.

September, 1974: Determination of initial funding levels.

October, 1974: Notification and allocation of funds.

January, 1975: Merit review of specific, individual, clinical programs and research projects.

February, 1975: Final allocation of funds for clinical programs and research projects.

March, 1975: Evaluation of implementation progress including field visits.

HISC—SELECTIVE SECURITY?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1974

Mr. LEGGETT. Mr. Speaker, I recently received in the mail the printed hearings of the House Internal Security Committee on Chile. I remark on this not because it is unusual to receive hearings in the mail, but because this particular volume came to me from the Embassy of Chile. While I am very aware that it is the responsibility of any embassy to keep abreast of happenings in Washington that affect its government, and that embassies generally try to disseminate information about their respective countries that they wish made known for one reason or another, it seems to me that the distribution of congressional hearings to Members of Congress by an embassy transcends the limits of good taste. The United States has its difficulties at the moment, but it does not need the Embassy of Chile to keep it abreast of what its own elected representatives are doing.

While we are on the subject of what our Government and its various organs are doing, I am curious as to why the Internal Security Committee, whose mandate is to inquire into internal matters, has taken the time and effort to compile a 225-page hearing record on Chile's internal problems. Dictatorships are not uncommon in this world—we should know, we support some of the best that money can buy—but none of them have been deemed worthy of the energy and efforts of the Internal Security Committee. It appears that what we have here is a case of selective security: it does not matter how repressive, how undemocratic, or how dictatorial a government, it is OK with HISC—as long as it is not Communist. In my estimation, a dictatorship does not have to be Communist to be odious to free men, and if the Internal Security Committee gets into the business of investigating dictatorships, it is going to have a lot to do for a long time. I think, though, after reading the areas of inquiry that the House has assigned to HISC, it would be far better served by concentrating its efforts on whatever internal threats may exist.

SENATE—*Wednesday, July 24, 1974*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, in the fret and fever of these troubled times, when we know not what a day may bring forth, we thank Thee for this quiet moment when all else is shut out and our hearts are uplifted to Thee. We cannot make better laws or a better world except as we are better persons. Make and keep our inner lives pure and kind and just, that we fail not. May our highest incentive be not to win over one another but to win with one another by doing Thy will for all. Show us what Thou dost will for this Nation and help us to be faithful agents for bringing it to pass. Correct our mistakes, redeem our failures, confirm our right actions, and crown this day with the benediction of Thy peace.

We pray through Him whose joy was to do Thy will. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 23, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar under "New Reports."

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF THE TREASURY

The legislative clerk proceeded to read sundry nominations in the Department of the Treasury.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NATIONAL TRANSPORTATION SAFETY BOARD

The legislative clerk proceeded to read sundry nominations in the National Transportation Safety Board.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL TIME FOR CONSIDERATION OF AMENDMENTS TO FEDERAL RULES OF CRIMINAL PROCEDURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 984.

The PRESIDENT pro tempore. The bill will be stated by title.

The second assistant legislative clerk read as follows:

> A bill (H.R. 15461) to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 983, S. 3684, be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, on my time, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

"BIG SHOTS" REQUIRED TO STAND IN LINE, TOO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 674, Senate Resolution 292, be removed from the general orders on the calendar and placed under "Subjects on the table."

The PRESIDENT pro tempore. Without objection, it is so ordered.

DO WE NEED A CONSUMERS' BUREAU?

Mr. GRIFFIN. Mr. President, in the July 23 issue of the Wall Street Journal there appeared a very penetrating analysis and commentary on S. 707, the bill to establish a so-called Consumer Protection Agency, now renamed an Agency for Consumer Advocacy.

The article, written by Arlen J. Large, entitled "Do We Need a Consumers' Bureau?" is important reading for Members of Congress as well as others who subscribe to the Congressional Record. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Do We Need a Consumers' Bureau?

(By Arlen J. Large)

Rep. David Henderson of Iowa, during final House debate in 1887 on a bill creating the Interstate Commerce Commission:

"This city is today swarming with keen, zealous, able agents of the railroad power trying to defeat passage of this bill. Every vote cast at their dictation and every vote cast against this bill is a vote for railroad supremacy and against the people. . . . The passage of this bill will be one of the greatest steps that can be taken to speed the coming of still happier days for our people."

Sen. William Proxmire of Wisconsin, introducing in 1974 a bill to abolish the Interstate Commerce Commission:

"There are more whiskers and cobwebs at the ICC than any other place in the government. With fierce competition among air, rail, barge and road transportation, regulation for other than safety purposes has long been unnecessary. The answer is abolition plus strong enforcement of the antitrust laws."

Unfortunately, there's no swarm of railroad agents pestering Congress to pass Sen. Proxmire's bill; the railroads have grown comfortable with the ICC. Instead, Washington is a swarm with lobbyists promising that there'll be "still happier days for our people" if Congress sets up just one more new government agency to see that the ICC and other sleepy bureaucracies start working harder for ordinary consumers. And a rival flock of business lobbyists is warning of chaos and disaster if the proposed Consumer Protection Agency ever starts charging around Washington raising hell in triplicate.

While there's no chance that Congress soon will bestir itself and abolish the ICC, there's considerable unhappiness with it and the other alphabet agencies that regulate transportation, energy, medicine, food and other industries. That unhappiness has led to overwhelming House passage of the Consumer Protection Agency bill earlier this year. The Senate is debating it hotly now. Virginia Knauer, the President's powerless consumer adviser, is keen for it. Yet the unsatisfactory record of the old-line regulators ought to be a strong argument against trying to cure the ills of bureaucracy with more bureaucracy.

For Congress, setting up a "good" new agency to correct its own mistakes of the past is the easy way, a cop-out. The consumer agency would be doing the job Congress itself should be doing, has the power to do, but hasn't the energy to do.

SOME SCARY SCENARIOS

This isn't the argument of the consumer agency's business opponents and their allies in the Senate; they essentially want to keep the status quo. Thus the opposition's debating points run to a new-found admiration for the existing "orderly processes of the government," and scary scenarios of the consumer agency using its vast powers to bully even Henry Kissinger.

Sen. Sam Ervin of North Carolina and three other Senate opponents note in a written argument that the consumer agency can give advice to the State Department on foreign trade policies that affect consumers. So suppose, they say, that U.S. diplomats are negotiating an oil deal with the Arabs. Sen. Ervin's camera rolls:

"Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your new proposition, I must contact the administrator of the Consumer Protection Agency or one of his agents.' It would appear that an advocate of the (agency) will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law."

With the opposition portraying the agency as a reckless bureaucratic giant, its supporters naturally stress how small and prudent it will be. Sen. Abraham Ribicoff of Connecticut and his allies promise the agency will consist of "a relatively small number of professionals" helping regulators, "on a case by case basis" to see the consumer viewpoint.

But this contradicts the proponents' simultaneous visions of a truckload of consumer triumphs to be won in the federal regulatory snakepit. A checklist of examples of wrongs the agency supposedly could correct is long and ambitious: The high price of heating oil, Food and Drug Administration foot-dragging on safety rules for X-ray machines, Commerce Department sloth in banning fire-prone clothing, Civil Aeronautics Board tolerance of high air fares and lost luggage, FDA laxity toward dangerous toys, Transportation Department snoozing on rickety school buses, Federal Aviation Administration flabbiness on DC–10 cargo doors that pop open in flight, which proved fatal to 344 people in a crash near Paris this year.

Such a list belies the claim that the new agency would be a midget; it would have taken a many-eyed monitor to note that the FAA's ruling on DC–10 cargo doors was "permissive" instead of "mandatory," and to get the ruling reversed. But the list also belies any assertion that the status quo is all right and that the existing regulators are doing their jobs well.

A congressional decision to correct regulatory wrongs with an institutionalized consumer advocate would just endorse and enlarge a dark side of government that's already subject to ridicule. Advocacy proceedings before federal regulatory bodies can drag on for years in a lawyerish nightmare of hearings and appeals. Sen. Ribicoff's bill would put a new set of faces at attorneys' tables in hearing rooms all over town, adding new parties to a function of government that has a life of its own.

In his irreverent book "The Institutional Imperative (How to Understand the United States Government and Other Bulky Objects)," Robert Kharasch describes the purpose of the regulators this way: "The activity of regulation, the sheer running of the machinery processing minute inquiries and complex questions, is itself the only 'purpose' of regulation. This is so because the machinery defines the purpose: You cannot say whether a rate is reasonable without establishing a rate base, and the question of what goes in the rate base is a question so surpassingly difficult as to be decided only by the machinery of regulation. So, only the operation of the machinery defines the purpose of its operation."

There's much argument about whether the old-line regulatory agencies have become "captives" of the industries they regulate. Sponsors of the consumer bill assume that they are, and that the new agency is needed as an antidote to that captivity. Sen. Ribicoff and the other sponsors also worry about attempts to put in a political fix on the agency's freedom to pursue consumer injustices wherever it sees them. Over strong protests from the Nixon White House, the pending Senate bill would give the agency's chief a fixed four-year term to prevent a President from sacking him for policy reasons.

The fear of political intervention is understandable in the light of the recent history of reversible milk price supports and White House badgering of the Internal Revenue Service. But the kind of independence proposed for the consumer agency could someday give it captivity problems of its own.

The agency's staff basically will confront endless Go-No-Go decisions on whether it should become a party in a formal ICC proceeding on a vegetable truck route, or get involved in a proposed new Agriculture Department rule on hot dogs, or appeal in court a Federal Trade Commission decision on the elasticity of suspenders. And thus the staff could itself become a major focal point for lobbying and pressure from affected industries and consumer groups.

It's easy to imagine the president of an airline that wants higher fares trying to persuade the head of the consumer agency to stay out of his CAB case. If the fare increase isn't granted, the argument would run, my airline will go smash, and *then* how would consumers get to Des Moines? If the consumer agency buys that, its failure to show up at the CAB hearing could itself influence the board's final decision.

Doubtless in its early years the consumer agency wouldn't buy such arguments readily, and would oppose most government decisions favorable to business, just as business groups fear now. But if experience with existing regulators is a guide, the blood could cool and the head could nod as the years go by and precedents build up for not intervening in cases, lest an industry lose its capacity for service to consumers in the long run.

Then at some point Congressmen waving pro-consumer banners would be tempted to pass a new law establishing an advisory council to the Consumer Protection Agency, to make the agency more aggressive. And in the end, a spiritual descendent of Sen. Proxmire might arise to note the agency's whiskers and cobwebs and urge its abolition.

MORE DIRECT WAYS

If Congress isn't happy with the performance of its own regulatory creatures, it has more direct ways of shaking things up. It could, as Sen. Proxmire and a few others suggest, seriously explore the merits of deregulation, leaving more business decisions to the competitive marketplace.

Congress could change its statutory marching orders to its regulators. That happened, with great legislative bloodshed, in 1962, when Congress told the FDA to keep off the market drugs that aren't effective, as well as those that are unsafe. Congress could also use more frequently a tactic adopted in the air and water pollution laws, which set fixed dealines of performance for the Environmental Protection Agency and gave ordinary citizens legal standing to sue the agency in court if it flubs the job.

Finally, the Senate could crack down on the ancient presidential custom of reserving the regulatory commissions as retirement pastures for former Congressmen and favored cronies. The alphabet agencies aren't like Cabinet departments, where the top men are responsible to the President. The regulators, in contrast, exercise semi-judicial powers delegated by Congress and are not part of the Executive Branch. Yet the Senate has been supine about confirming almost any nomination to a regulatory agency. Last year's rejection of a Nixon-appointed nominee to the Federal Power Commission was a rarity.

But of course, it would be hard, distasteful work for Congress to change regulatory objectives, or supervise the agencies closely with a minimum of politics. It makes people mad and upsets the routine. As controversial as it is, a Consumer Protection Agency is an easier approach.

Cynics might argue that it's too much to expect Congress ever to shape up, so a new bureaucracy is the best available stopgap. In that light, the Consumer Protection Agency, if it comes, will be a confession of congressional sloth and timidity, a shield intended to protect Congress from its own hard duty.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT—THE U.S. ECONOMY

Mr. PROXMIRE. Mr. President, this morning I make my 21st speech on what's right with the Federal Government, and in a sense it is the toughest subject of all because I am speaking about what's right with the American economy today.

There has not been a time since the Great Depression when there has been so much denunciation of the American economy. And there is plenty to denounce: inflation is raging at a 12-percent rate. Unemployment is too high. Interest rates are outrageous. The consumer has told reliable pollsters that he has less confidence in the economy than at any time since the polls have been taken.

So what is good? The answer is plenty. And if Americans are to do anything constructive about these problems, they should recognize that in spite of the series of economic blunders, and the stumbling and indecisive leadership, one way or another, the Federal Government and the economy have achieved remarkable progress in the past 17 years.

It is of course not true that "we never had it so good." We had it better a year ago in the hard cold terms of real take-home pay.

I have chosen the last 17 years because one has to pick a beginning, and 17 years ago I came to the Senate. During that time, I have had an opportunity to observe our Federal Government and the economy more directly and explicitly. Consider the progress in the past 17 years, since I came to the Senate.

REAL INCOME UP

The average American family today can buy—after taxes and inflation—a huge two-fifths more than it could 17 years ago. The typical black family has done even better. It can now buy 60 percent or three-fifths more than it could 17 short years ago, although the typical black family receives 40 percent less income than the average white family.

The median income of all U.S. families rose to over $12,000 in 1973. The Census Bureau figures show that almost 10 percent of American families had incomes above $25,000 a year and 1 percent had more than $50,000 a year. Even with food prices rising, the average American spends 5 percent less of his income on food today than he did in 1957.

There are many different ways to examine the changes which have occurred in the distribution of this income among American families over the past 17 years. Many Americans view the greatest inequity as being the extreme differential between the income of the wealthiest families and the income of the poorest families. What has happened to this measure of economic justice? In 1957, the average income of the highest fifth of American families was 8.12 times that of the lowest fifth of American families and only 7.56 times as great in 1971. This statistic demonstrates that there has been a small amount of redistribution of income from the wealthiest to the poorest Americans over the past 17 years. Another important aspect of the distribution of income has to do with those Americans who have incomes below the poverty line.

POVERTY DOWN

Since 1957 there has been a one-third reduction in the number of families with incomes below the poverty line. But it is still a shocking fact that the incidence of poverty among minority citizens runs at the shocking rate of 30 percent. And the number of families living below the poverty line has not improved in the past 5 years. Today there are still 23 million Americans living in poverty.

During the past 17 years, the economy has created jobs for almost 20 million new workers. In only two of those years has the annual average unemployment rate exceeded 6 percent. The most rapid growth has come in "good" jobs—that is, high paying professional, technical, and managerial positions.

JOB SATISFACTION

Recent surveys show a surprisingly high level of job satisfaction among American workers—higher than ever before. I found this to be true when I worked recently in such jobs as on a dairy farm, at a paper mill, in a canning factory, at a meat packing plant, in a bank, at a clothing store and elsewhere. In general people are more satisfied with the challenge, comfort, and financial rewards of their jobs. For more than 20 years I have met tens of thousands of workers every year at plant gates and at office buildings in Wisconsin. I have found today's worker clearly less dissatisfied than he was 10 or 20 years ago.

In spite of their high weekly take home pay, Americans are working the shortest hours in history, with more holidays and vacations than ever. As a result leisure time and recreational activities have increased sharply in the past 17 years. Americans spend more time outdoors and in sports than ever before. We have had a steady increase in the participation of Americans in social activities such as outdoor sports events, concerts, picnicking, nature walks, and birdwatching in the last 17 years. There has also been a substantial increase in water activities such as swimming, boating, and fishing. The number of Americans who own and use bicycles has increased in a spectacular fashion. It is certainly healthier to have bicycle rather than automobile traffic jams.

MATERIAL WELL-BEING WIDESPREAD

The material affluence of American families can be measured by the remarkable fact that 96 percent of American families own television sets. Almost one-half of these are color TV's. More than a third of American families own two or more automobiles.

I might say with respect to color television, and television generally, that many people derive that, especially those who are of the higher incomes or higher educational achievement, by the fact that in terms of entertainment availability and in terms of news availability it represents a remarkable improvement for millions of Americans.

We had testimony before the Joint Economic Committee a few years ago and Mr. Ruggels testified that Consumer Price Index did not allow for improvements of this kind, that whereas years ago if we wanted to see a movie we would pay 50 cents, now of course we pay $1.50 or $2 or $4. The fact is that we can see movies now on television at a penny or two a kilowatt-hour. There has been that kind of improvement which is not measured by the Consumer Price Index, it is not in the statistics, but does represent in the view of some highly competent economists another very sharp improvement in the economy and the enjoyment of living by Americans.

Almost all Americans own or have access to telephones, refrigerators, washing machines, and dryers.

While it is extremely difficult to measure what is a substandard housing unit, it is still true that there has been a sharp reduction in the number of families living in substandard housing in the United States.

According to the Census of Housing Statistics, there has been a 50-percent reduction in the number of families living in substandard housing between 1960 and 1970. Today less than 10 percent of all Americans live in substandard housing. Yet almost a quarter of all black families remain in inadequate housing conditions. Adequate housing for all Americans remains an unmet national goal, even though we have had this very sharp improvement.

HEALTH IMPROVED

We spend far, far more on medical care today than we did in 1957. In fact, it is very clear that the costs of medical care has become a burden on a large number of our citizens. Yet statistics show a substantial improvement in the health of the average American. The life expectancy at birth for the average American has increased almost 2 full years during the past decade and a half. But each year there are still more than 12 million American children who never get to see a doctor and the infant death rate in this country is still higher than a dozen other industrialized nations.

AMERICAN WORKER MORE HIGHLY SKILLED

Most encouraging of all from the standpoint of the future of the economy the American citizen has never been as highly skilled as he is now. The proportion of Americans who had completed high school in 1950 was a bare one-third. Today it is a full two-thirds and going up sharply every year. College enrollment doubled between 1960 and 1970. Illiteracy rates have dropped to less than half what they were 15 years ago. The Federal Government is devoting literally 10 times as much to vocational education now as it was in 1957 and the results are showing in the far higher skills of our work force. The fact is that blacks have made greater educational and skill progress than whites.

The amount of time blacks spend in school has been coming closer to the amount of time whites spend in school. But the quality of education made available to blacks is obviously not equal to that of whites.

PRIORITIES IMPROVED

One of the things that is right, but not right enough, with the Federal Government has been the substantial change in its priorities over the past decade and a half. In fiscal year 1960 the United States spent $49.5 billion or 53.7 percent of the total Federal budget on defense. While the estimate for fiscal 1975 calls for more than can be justified and for almost twice as much money for defense, the $96.1 billion represents a sharply reduced 31.6 percent of the total Federal budget. If the proportion of Federal moneys going for defense has decreased, what sectors of the Federal budget are increasing? There have been large increases in social security benefits going to older Americans. Unemployment compensation has been extended to additional workers. The amount and duration of coverage has also been increased. There has been a substantial increase in the number of people covered under our public assistance going to the poor and disabled.

In addition, the amounts going to each family under public assistance has increased. We have created the new programs of medicare and medicaid. Food stamp programs, educational aids and housing subsidies have also increased dramatically for the less fortunate American. The most dramatic shift has been the large amounts of money we are now shifting into preserving our natural environment. From pollution control to new urban recreation areas, the U.S. Government and private industry mandated by Government has begun to spend billions of dollars to insure that future generations of Americans will have places to play in, decent air to breathe, quieter and safer working conditions, cleaner water and a more scenic and beautiful country.

DIRECT SUBSIDIES DOWN

While many indirect subsidies to businesses result from the present tax laws, the proportion of the budget going in direct subsidies to the private sectors has been reduced during the past 17 years. While the Federal Government has involved itself too deeply and extravagantly in too many aspects of the domestic economy, it is true that the degree of control and subsidy of the economy by the U.S. Government is still among the lowest of any industrialized nation.

INFLATION WORSE THAN EVER

In part, but only in part, the serious inflation problem is showing signs of a basic easing. The heart of the problem is to increase the supply of goods by increasing production. Our shortage of productive capacity has been a critical problem. Recently there has been a rapid increase in the investment outlays in every area where prices have been rising most sharply: The oil, paper, chemical, and textile industries. The substantial increase in capital spending in general has been one of the few bright spots in the current economic scene. This private investment will generate new plant and equipment which will in turn, produce more goods and thereby help reduce the inflationary pressures on many sectors of the American economy. There are also indications that commodity prices which have been rising at incredible rates may be leveling off or even declining in the next year or so.

In spite of sharp recent increases in wages, the performance of wage negotiations throughout this long inflationary period has been remarkably moderate. The American labor sector has been acting most responsibly during these inflationary times.

The words of the song, "America" are just as true today as they were decades ago: "America, America, God shed His Grace on thee." We still have the greatest energy and raw material base in the world; the most highly skilled and educated workers in the world; the most imaginative and innovative management in the world; and the most advanced technology in the world.

But we do have right now what is perhaps the most serious inflation problem in our history. It flows in part from the massive progress the Federal Government has so swiftly pushed on this society's vast but limited resources. The huge social security and unemployment compensation gains are a blessing. So are the massive environmental and working condition improvements. The immense progress in education, the great new health programs all bring great national benefits. They make Americans healthier and more skilled. But there is a price for moving too fast without cutting the waste and killing the unnecessary programs in the process. That price is inflation and I expect to speak on that early next week.

Incidentally, Mr. President, in conclusion in connection with my remarks, I want to call the attention of the Senate to a very interesting article that appeared in Time magazine in the current issue.

It is written by George Church and he analyzes what he feels ought to be done to mobilize against inflation.

He said:

> The first essential is to hold down Federal spending and reduce the rate of increase in the U.S. money supply. It means slow growth, sluggish profits, distressing unemployment. So it is not surprising that the old-time religion has been more often preached than followed.

He goes on to say:

> The size and specifics of any cut in this year's budget are less important than that the Administration, the Federal Reserve and Congress all determine to apply fiscal-monetary restraint for as long as is necessary. The strategy should be to permit some real growth, but keep the budget and monetary brakes on hard enough to hold total demand for several years slightly below the economy's capacity to increase the output of goods and services, until the inflationary momentum at last subsides.

Then he asks:

> The President—possibly acting through a reviewed Cost of Living Council—should monitor wage-price increases in key industries.

He asks—

> A resurrected Cost of Living Council or some other body should also monitor the government's own price behavior.

Mr. President, this is particularly important, because of the many things the Government does that exacerbate and increase inflation.

Mr. President, I ask unanimous consent that this article be included in the RECORD after my remarks.

The PRESIDING OFFICER (Mr. TUNNEY). Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I also call attention to a thoughtful suggestion of Dr. Paul Samuelson, one of the few Nobel Prize winners as an economist in this country, who suggests that we should have a benefit-cost inflation analysis when we move ahead with these programs.

He argues that we should go ahead, as I argue that we should go ahead, with these social programs that I think are so vital for our country. When we do it, we should do so with our eyes open, and realize what the costs are when we increase social security, as greatly as we have, or realize what the costs are when we impose noise limitations on industry that will cost $31 billion in the next few years.

We should have this analysis before us and proceed, as I say, with our eyes open in a balanced way, and recognize that if we are going to impose further burdens on our economy, we have to make cuts elsewhere; we have to be willing to be realistic about those cuts, and have the force and power to get those cuts through Congress and enacted into law.

Mr. President, I yield the floor.

EXHIBIT 1

HOW TO MOBILIZE AGAINST INFLATION

Inflation may be becoming to the 1970s what depression was to the 1930s—not only an econoimc agony but a crisis that threatens the stability of society. Like the Great Depression four decades ago, today's Great Inflation has struck a blow at Americans' usual optimism about the future and replaced it with a deep worry—about whether families will be able to afford travel, comfortable housing, even the foods they like best.

Millions of people justifiably feel that the economy is cheating them of the rewards of hard work and thrift. A few more years of skyrocketing prices that wipe out much of the middle class and reduce some Americans to eating dog food could well cause many voters to question whether a system so fundamentally flawed can endure.

The public demoralization is being vastly increased by a gnawing fear that no one knows how to stop inflation in a modern democratic capitalist economy. The Government swings erraticaly from price controls to a free market from budget stimulation to budget cutting, from easy money to tight money; nothing seems to work for long. Economists discussing anti-inflation strategy have rarely been so modest and tentative; several seem confident only in proclaiming that their colleague's ideas will not work.

Modesty is advisable: inflation is in fact the most torturingly complex problem of modern economics. It seems inextricably bound up with growth and high employment; a quick and sure solution might be achieved by inducing another depression—but that would be too severe a cure. Moreover, inflation has become a worldwide plague (Time cover, April 8). The U.S., even if it can control the economic sickness within its own borders, might be subject to reinfection from abroad.

But if no quick, final cure is in sight, the

Government still has an obligation to act. The economy, to be sure, is not completely manageable by Washington, but there are a number of policy actions that could be taken to greatly reduce inflation's severity. And in dealing with inflation, degree is crucial; the difference between price increases at annual rates of, say, 6% and 12% is the difference between excessive social drinking and incapacitating alcholism.

The steps are slow-working and painful. Worse, they sound like a prescription for ensuring the defeat of any President who tries them, since they amount to taking on every vested interest in the economy at once. So there will be a strong temptation to avoid them and hope that a recent down-turn in inflation—from an annual rate of 12.3% in the first quarter to 8.8% in the second—continues on its own. But that improvement is scarcely satisfactory; the Government must do all it can to bring the rate down further.

The first essential is to hold down federal spending and reduce the rate of increase in the U.S. money supply. That classic remedy for inflation has been advocated so often that Administration officials refer to it as "old-time religion." It means slow growth, sluggish profits distressing unemployment. So it is not surprising that the old-time religion has been more often preached than followed.

Right now, the Federal Reserve Board is acting the role of zealous convert. In 1972 and early 1973 it pumped out enough money to overstimulate a booming economy; money supply in the last quarter of 1972 grew at a startling annual rate of 8.4%. Lately the board has held the increase to a rate of about 6%, a growth much slower than the explosive—and inflationary—surge in demand for business loans. Interest rates have consequently gone into orbit. But as Alan Greenspan, who is Nixon's choice to become head of the Council of Economic Advisers, has pointed out, that policy has been pushed close to the point at which it will self-destruct. Savings and loan associations and savings banks cannot effectively compete with commercial banks for funds in the tight money market, and some may soon teeter on the edge of collapse. If so, the Federal Reserve would have to come to their rescue as "lender of last resort"—and that would mean another massive, inflationary increase in the money supply. The Federal Reserve, in other words, cannot fight inflation all by itself; it needs help from Administration budget makers—who, while preaching fiscal conservatism, have run up a cumulative deficit of $68 billion in five years.

Federal Reserve Chairman Arthur Burns called last week for a $10 billion cut in Government spending for fiscal 1975, which is budgeted at $305 billion, v. $270 billion in the last fiscal year. President Nixon himself has said that expenditures should be held to $300 billion, at which point they might just be balanced by growing revenues, but he has postponed the hard decisions about where to cut. Small wonder. The choice will have to be made from a herd of sacred cows; military spending, veterans' benefits revenue-sharing aid to states and cities.

The size and specifics of any cut in this year's budget are less important than that the Administration, the Federal Reserve and Congress all determine to apply fiscal-monetary restraint for as long as is necessary. The policy need not be pressed hard enough to cause a recession. Rather, the strategy should be to permit some real growth, but keep the budget and monetary brakes on hard enough to hold total demand for several years slightly below the economy's capacity to increase the output of goods and services, until the inflationary momentum at last subsides.

Such a hold-down would set up severe strains in the economy, which the Government must be prepared to ease. For one thing, credit would remain scarce and costly, especially for small businessmen and home buyers. To prevent big corporations from gobbling up all the loan money, the Government would have to nag bankers to turn down some loans and perhaps institute credit controls if they refused.

A long-term program of holding down demand would mean that for years the nation could not reduce the jobless rate to the 4% "full employment" level; unemployment might well rise beyond the present 5.2%. The unemployed, of course, cannot be callously written off—but heating up the whole economy to the point at which employers are eager to hire everyone who turns up is at present a sure prescription for accelerating inflation. Instead, the jobless should be helped by higher unemployment benefits, public-service employment programs, massive job-training efforts to give them marketable skills—and the budget should be cut in other places to provide the money.

Even a consistently pursued policy of fiscal and monetary restraint, however, would not defeat inflation by itself. It should be reinforced by an array of other policies, all of which should be put into effect together. No one of these policies is likely to have much impact on its own, but cumulatively they could put a substantial dent in the inflation rate.

For one thing, the President—possibly acting through a revived Cost of Living Council—should monitor wage-price increases in key industries with a baleful eye and demand from Congress stand-by authority to roll back those that are far out of line. Even liberal economists are generally reluctant to go back to comprehensive wage-price controls. But in a highly inflationary climate, the Government must try to counter the temptation for unions and companies to push for the biggest increases that their raw economic power would temporarily command. Indeed, many economists fear that high wage demands are about to replace shortages as the prime inflationary force in the economy—and the Government cannot persuade labor leaders to moderate them unless it makes a conscientious effort to restrain business too. The President, as wielder of the nation's largest jawbone, should define what wage and price behavior is responsible and focus public opinion pressure against increases that violate the guidelines. In order to assure that he is listened to, he needs the authority to order occasional rollbacks.

A resurrected Cost of Living Council or some other body should also monitor the Government's own price behavior. As economists tirelessly point out, Government departments and regulatory agencies, in an effort to please narrow constituencies, often adopt policies that spur rather than slow inflation. For example, the Agriculture Department is now buying up $100 million worth of "excess" beef and pork in a deliberate effort to keep prices paid to farmers and feed-lot operators from dropping. Federal regulatory agencies often set railroad, truck and barge freight rates high enough to protect the most inefficient carriers from competitive damage. A separate federal agency should be empowered specifically to watch for such practices and try to get them stopped.

The Government should also explore all possible ways to increase the productivity, or output per-man hour, of the nation's work force. High productivity enables employers to grant wage increases without raising prices, but U.S. productivity fell at an annual rate of 5.5% in this year's first quarter.

As a first step toward reversing that trend, Congress should legislate extra tax credits for companies that have superior productivity records. The tax credit now granted on the purchase of new equipment, says Michael Evans, president of Chase Econometric Associates, a subsidiary of Chase Manhattan Corp., "is too broad-based. It gives the same 7% for everything from office furniture to industrial machines. It could be more stratified; it could give more emphasis to productivity." The President, by jawboning through the Department of Labor and Federal Mediation and Conciliation Service, should also press for more labor-management agreements that phase out featherbedding and other make-work practices.

Finally, the Administration should ask Congress to wipe off the books a complex of outdated laws and practices that keep prices high for the benefit of special constituencies. Every economist has a long list of these that has turned yellow with age. Among them: the Davis-Bacon Act, which guarantees that construction workers on federal projects receive the often inflationary prevailing wage in the area where they work. The Jones Act prevents shippers from using low-cost foreign vessels to haul their goods from one U.S. port to another, and the "Buy American" Act forbids the Government to buy from foreign suppliers unless their bids are at least 6% below those of U.S. companies. Quotas still hold down imports off foreign textiles, steel and butter. Misnamed Fair Trade laws in 15 states, authorized by a federal enabling act, prevent retailers from cutting prices on many brand-named goods. The key to getting rid of these outrageous anomalies is to attack them all at once by putting together something like an "Omnibus Inflation Control Bill of 1974" that could win broad public support. Trying to repeal them one by one is nó use; the only people who would be excited would be the lobbyists for the special interests involved.

Even if the Government does everything it can to contain inflation within the U.S., though, there will still be that danger of imported inflation from abroad. American prices for many key raw materials—oil, wheat, lead, sugar—are heavily influenced, if not dictated, by the world supply-demand balance. All have zoomed in the past year or so because of global shortages, real or engineered. Restraining demand in the U.S. may not be enough to keep prices down—especially if other industrialized countries stimulate their economies to make up for a loss of export sales to the U.S. and commodity-producing nations form more price-raising cartels modeled after the Organization of Petroleum Exporting Countries.

To counter that threat, the U.S. must take the lead in organizing international cooperation against inflation. As a start, it should try to win at least an informal agreement among the leading financial powers to synchronize their monetary and fiscal policies. The goal should be world restraint to combat world inflation. Further, the U.S. should attempt to reduce the frenzy of international bidding for scarce commodities by forming a world organization that would improve forecasting of global supply and demand. And the State Department should push harder to form an organization of petroleum-importing countries that could bargain with Arab leaders for lower prices.

This program contains something to offend almost everyone; liberals and conservatives; businessmen, workers and farmers; and several departments of the Government itself. Whether President Nixon, facing impeachment, can put such a program across, is all too obviously doubtful. The more important question might be whether any U.S. Administration could summon the courage to launch this kind of all-out attack on inflation. It would succeed only if the public could be persuaded that all parts of society—the businessman jawboned out of price increases, the worker asked to settle for a modest wage increase, the banker told not to make certain loans—were being asked to make equitable sacrifices. The only answer is that the risks of not doing so are even greater. For the Nixon, Ford or any other Administration that might be in power—and for the nation as a whole—there is no deadlier danger than continued raging inflation.

The PRESIDING OFFICER (Mr. TUNNEY). Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 15 minutes.

Mr. BUCKLEY. Mr. President, I suspect that I shall be continuing a little bit along the theme on which the Senator from Wisconsin talked. I wish to address myself to the economic situation which confronts us.

Mr. President, a recent poll of public opinion affirmed what most Americans have long suspected: inflation is by far the most serious domestic problem in the opinion of the American people. The New York Times for July 14, 1974, carried a story headlined: "Inflation Replaces Energy as Nation's Main Concern—48 Percent in a Gallup Poll Cite Rising Costs as No. 1 Problem—Consumers Assert Prices 'Trap' and 'Depress' Them." The story stated:

> The Gallup Poll revealed that concern over inflation cut across both age and income barriers, and was widespread throughout the nation.

The Washington Post, July 19, 1974, carried this headline: "Inflation: Public Enemy No. 1." The article to which that headline was attached even quoted John Kenneth Galbraith, the implementation of whose economic theories has contributed so much to inflation, as stating that inflation is a problem. More than that, the high priest of past inflationary policies has now publicly identified the villain in the piece by calling for "a fiscal policy that rules out for the indefinite future any expansion of the Federal budget." And so we find today an extraordinary concensus not only as to the gravity of the problem of inflation, but as to its underlying causes.

It is rare that one can make a near absolute statement in the complex and confused area of national concerns. But I think it is safe to say that there is no issue that troubles the American people more than the unprecedented rate of inflation we now endure, one hitherto unknown to us in peacetime.

It is sometimes the case that headlines tend to magnify the seriousness of a problem or, at the very least, distort it in a sensational way. But in this case the problem is far greater than even the headlines indicate, for what is at issue is not only inflation but other economic ills connected with our general economic malaise. The problem of liquidity, for example, is currently severely limiting the growth and modernization of American industry. Businessmen simply cannot find the funds they need for expansion; and such funds they can secure in competition with Government borrowing commands a rate of interest that is often prohibitive.

Mr. President, there is little satisfaction in being able to say "I told you so." But surely this body should be reminded that there have been those of us who have warned of the danger. There are those of us who, in the face of a lemming-like rush for the distribution of taxpayers' money, stated that the inevitable result would be a crushing inflation that would especially hit the elderly, those on fixed incomes and the poor. It cannot be said that the Congress was unaware of the stark historical facts of the situation. We know what inflation did to Weimar Germany. We know what it did to Imperial Rome. We know what it has done to every nation in which there have been politicians only too willing to sing the soothing lullaby that tells that "a little inflation is good for you." Yet, knowing these facts, this body has consistently voted for inflationary policies and programs. And now, to the surprise of some, the time has come to pay the cost.

The time has also come Mr. President, to talk blunt, plain, commonsense to the American people. This is not a time for lullabies. I do not share with some the belief that we are approaching a period of panic and sudden economic catastrophe. But I do share with the American people the belief that we must recognize the full seriousness of the inflationary spiral in which we find ourselves. More than that, if we are to restore the degree of confidence in Government that is essential to enlist the full cooperation of the American people in bringing inflation to heel, the people will have to be satisfied that the President and the Congress not only understand the gravity of the situation, but that they have a coherent program for bringing it under control.

Mr. President, it is time that the Congress and the administration admit the truth. The big spenders cannot continue to "stonewall it" any longer. The fiasco of the paternalistic, welfare state must be stripped of its glamorous, seductive rhetoric and shown for what it is: the biggest ripoff of the American wage earner in the history of the Republic.

New Federal programs enacted over the past decade were too often passed into law with little or no idea of their eventual cost. Moreover, many of the programs are not subject to the congressional appropriation process. Thus they never have been reviewed from the perspective of justifying every dollar the programs expend. These programs and the deficits they have spawned have simply become annual drains on the Treasury, immune from congressional surveillance or criticism. We can no longer afford to have the Federal budget so dominated by so-called "uncontrolable expenditures" that it becomes a virtual impossibility to keep it within noninflationary bounds. Yet we have no responsible choice but to bring this Frankenstein's monster of our own creation under control. And one way to do it is to change the spendthrift habits of a generation and more that even the American economy can no longer afford.

Since 1971, Mr. President, I have listened to our well-intentioned colleagues go their merry way, blithely throwing other people's money to the four winds, cheerily discussing the distribution of the wage earners' taxes as if it were so much birdseed. Well, the time has come for the Congress and the administration to take sober stock of the consequences of our past extravagance. Inflation is admittedly a complex economic phenomenon, Mr. President. But it is not so complex that we cannot painstakingly trace its sources back through the labyrinthine paths of monetary policy to those who have called for evergrowing spending, as if tomorrow would never come. Now, tomorrow has come.

Mr. President, the current record rate of inflation did not just happen. It was caused. It was caused by many factors. Let me list a few:

The acceleration of Federal spending. Since 1969, the United States has had to "pay the bill" for the costs that were built into the Federal budget in the mid-1960's by the Great Society programs. These programs, with their seductively low early year costs have dramatically driven up the overall size of the Federal budget. It took us 173 years before Federal spending reached $100 billion. That was in fiscal 1962. Only 9 years later, in fiscal 1971, the budget pierced the $200 billion mark. It took only 4 more years, until fiscal 1975, for the budget to exceed $300 billion. This staggering rate of increase in Federal expenditures shows no early signs of abating. Programs, once initiated, have a momentum of their own. I need only cite, as a typical example, the agricultural appropriation bill that we adopted earlier this week—up 28 percent from the prior year's level, with the increase in the fledgling food stamp program accounting for more than $1 billion of the more than $3 billion increase in the appropriation. And waiting in the wings is a $70 billion national health insurance proposal.

Wage and price controls. The pressures for price increases built up as a consequence of chronic overspending were simply delayed. As a result, there has been a surge in prices to "catch up" to the price level that would have obtained when free market conditions are permitted to operate.

Budget deficits. As a consequence of the extraordinary growth of Government expenditures, the Federal budget ran a stupendous series of deficits; $110 billion since 1969. The heavy deficits required extensive financing in the private capital markets. Many corporate borrowers were thus forced to rely on the commercial banking system for funds. The extraordinary demands for funds on the commercial banking system in turn encouraged a monetary policy that has resulted in an increase in the money supply by the Federal Reserve at a rate which guaranteed a high rate of inflation.

Inadequate capital formation. The prospect of inflation has discouraged the habit of saving that historically has been the prime source of capital for the investment required to modernize our industrial plant to reduce costs, and to expand its capacity to meet demand. But more than that, our tax structure compounds the problems of capital formation. The current capital gains tax, for example, serves to immobilize enormous amounts of capital that would otherwise be available for new investment. This is especially so when the forces of inflation serve to convert a capital gains tax into a capital levy. Inflation has ravaged business enterprise by overstating profits and understating depreciation. Thus the tax code has inhibited the businessman from making the long-term investment necessary to retain and expand the productive capacity of American industry by taxing ficticious profits.

Thus the U.S. economy is generally being subjected to a troika of inflationary pressures: rapidly increasing Government expenditures, catchup price increases as a consequence of the lifting of price controls, and inflationary monetary policy to offset the excessive strains on private financing resulting from Government borrowing.

Unlike many sayers of doom who are always in evidence, there is nothing unresolvable about the problem of inflation we now face. We can invoke the necessary remedies, and can do so without triggering a widespread economic catastrophe. However, the hour is late and steps must be taken at the earliest opportunity, lest we have to take far more painful steps at a later date.

I, for one, believe that the American people are ready and willing to take the necessary medicine provided they have confidence in the doctor. This question of confidence is all important, because the measures that must be taken will require the understanding and cooperation of our entire society—especially as we reject the heresy that the Federal Government can, or ought to try to spend us out of all our problems.

The first order of business, in establishing this base of confidence, is for the President and the Congress to declare unequivocally and convincingly that our first domestic priority is to bring inflation under effective control; and that until this objective is achieved, all other domestic plans and programs will be subordinated to it. Rhetoric alone, however, will no longer suffice. The American public must also be convinced that we have a hardheaded, workable approach to the economic problems now plaguing us.

To this end, and in order to restore vitality to the American economy, I urge the President and the Congress to adopt the following program:

First. Establish an informal ad hoc congressional liaison committee to plan and coordinate executive and congressional anti-inflation measures. Such a step will help to assure that the Congress and the executive branches will be pursuing the same anti-inflationary policies and legislative objectives rather than following separate and perhaps, inconsistent paths.

Second. Beginning with an immediate objective of a $10 billion reduction in projected Federal expenditures in fiscal year 1975, initiate a policy of fiscal restraint that will result in budget surpluses for at least the duration of the inflation. A $10 billion cut represents a feasible near-term compromise between a reduction large enough to have a significant impact on inflation and one small enough to avoid disrupting vital Government programs.

Third. Adopt a "zero budgeting" approach to the funding of all Federal programs. This will force a program-by-program reexamination that will enable the Congress to, first, (a) recapture control over a large proportion of the "uncontrollable expenditures" that now bedevil budget planners; second, (b) weed out those programs whose need or value cannot be adequately demonstrated; and third, (c) stretch out others so as to reduce their net annual cost. Zero budgeting requires that every dollar expended by the Government must be justified as against alternative uses rather than merely justifying this year's additional funding as is now the case.

Fourth. Place a moratorium on new Federal programs except to the extent that their cost or adverse impact on the economy is offset by the termination or modification of existing programs. Consideration of such massive new programs as national health insurance will simply have to be deferred until we restore the stability and vitality of the American economy. Nor can we prudently undertake at this time the more modest programs that will create new and perhaps irresistible demands for new forms of Federal largesse.

Fifth. Revise budgetary procedures so that the Federal budget will reflect all Federal expenditures, direct and indirect. Despite legislative attempts to the contrary, the full cost of Federal programs, and consequently the extent of their impact on inflation, is frequently omitted from calculations of Federal expenditures. I am advised, for example, that in fiscal year 1974, the Export-Import Bank, Postal Service, Rural Telephone Corporation, REA revolving fund, and certain environmental programs accounted for $13.4 billion in expenditures that were not reflected in the Federal budget.

Sixth. Enlist Federal Reserve support of a policy that will maintain a pattern of stable monetary growth with price stability as its first objective. In attempting to meet a multiplicity of objectives such as employment, international payments equilibrium and others, the Federal Reserve has neglected its primary function: to provide a monetary framework for price stability. This objective should be restored to a position of paramount importance.

Seventh. Revise the Internal Revenue Code and tax regulations so as to eliminate disincentives to investment and encourage savings.

Eighth. Eliminate unnecessary overhead costs and delays in the implementation of Government programs by adopting wherever possible the special revenue sharing approach to Federal funding. It has been estimated that there is as much as $3.5 billion expended annually to administer Federal categorical grants—virtually all of which could be carried out by the States.

Ninth. Cushion the distortions and inequities created by inflation by indexing the income tax and by requiring the Federal Government to issue constant purchasing power bonds. Inflation forces taxpayers into higher tax brackets without any actual increase in the purchasing power of their incomes; and bondholders are forced to pay taxes upon purely fictitious interest while inflation depreciates the purchasing power of their investments. "Indexing" the income tax would eliminate the "windfall" tax profits now realized by the Federal Government from inflation, and it would eliminate the taxation of fictitious business profits. The availability of constant purchasing power bonds would encourage savings, allow individuals of modest means to plan for their own retirement with some degree of confidence, and require the Federal Government to pay the true cost of servicing its debt.

Tenth. Require the preparation of inflation impact statements with 5-year projections before the initiation or renewal of any Federal program. Too often the Congress has voted on programs with no idea of how much they would eventually cost. More than any other factor, this is responsible for the tripling of the Federal budget since 1962.

Mr. President, this is by no means an exhaustive catalog of what needs to be done to stem inflation and revitalize the economy. But I do suggest that a commitment by the Congress and the administration to these steps will not only insure the cooperation of the American public, but set us well on the road to price stability and economic health.

The **PRESIDING OFFICER.** Under the previous order, the Senator from Idaho (Mr. McClure) is recognized for not to exceed 15 minutes.

Mr. McCLURE. Thank you, Mr. President.

I want to, at the outset, commend my colleague from New York (Mr. Buckley) for his very thoughtful and perceptive statement, and to join with him in a call for action in regard to the economic reforms that we can and we must institute. Without reiterating each of the 10 points he has made, I would say that certainly in this body we must find substantial agreement upon a number of those steps if, indeed, we are to accomplish what must be done.

Various professors, economists, businessmen, and bureaucrats are surprised to note that there is anything wrong with our economy. There is a sudden spate of articles and speeches acknowledging the fact and attempting to analyze its various fiscal and monetary, political, and historic causes.

I am not going to try to analyze the background. I am here to advocate that we take certain steps to strengthen the economy and let our constitutents know that we are representing them, not debating about some sort of representation we might possibly get in a decade or so.

Last week, a number of Senators—myself included—invited five of the Nation's leading economists to come to the Capitol and brief us on the economy, and to make recommendations for a legislative program. No two saw our fiscal problems in the same light, of course. And yet each shared two common bonds: All of the economists said we are in deep fiscal trouble, and all of them felt that as a first step, we in the Congress should undertake a major reduction in Federal expenditures.

During the week, the Senator from Nebraska (Mr. Curtis) and the Senator from Wyoming (Mr. Hansen) joined me in issuing a statement that laid out the beginnings of a legislative program to bring the economy under control. Specifically, we recommend:

First. A 10-percent cut in pay for Members of Congress until the budget is balanced.

Second. An immediate $10-billion cut in spending in the current budget and placing all authorizations on an annual basis.

Third. A series of steps to encourage savings and investment by the American public.

Fourth. Completion of pending legislation to provide retirement savings for those men and women not now covered by formal retirement plans, through tax incentives.

Fifth. Drafting and ratification of a constitutional amendment mandating a balanced budget.

When Senators CURTIS, HANSEN, and I suggested that the Congress take a 10-percent pay cut, the point was not to suggest that the money saved—\$2¼ million—would significantly affect the economy of the Nation, but to show that we are serious about making long overdue economic reforms—and that we are willing to "put our money where our mouth is."

This notion of reform is just beginning to achieve "respectability." Recent economic thinking has been dominated by two schools of thought:

The euphoric, which sees no difficulties nor dangers in anything at all; but, if there seems to be a problem, bases it on the public's dislike of tax hikes; and the gloom-and-doom school which feels that not only the Nation's but the entire world's economy is heading for an inevitable crash complete with credit collapse, forced debt liquidation and serial business collapses.

In my opinion there is still room between the "euphorics" and the "doomsayers" for other voices—voices of moderation, and these voices may still prevail. But they will not prevail if the Congress does not take the lead, forget the rhetoric and convince the country that these actions are not another weary public relations charade.

We all know that it would not be easy, but it has to be done. The American people have to know that Congress is finally serious about reducing Federal expenditures and Federal deficits. This is what the Senators and I intended to convey by our suggestion of a congressional pay cut. It is the balancing of the budget that is important, and the 10-percent pay cut must be linked to the balanced budget or it does not mean anything.

The polls have shown us that the American citizen now has the economy at the top of his worry list, and to him the economy is not an abstraction. It involves his paycheck, his bills, his business, and ultimately the amount and quality of food on his table. Inflation not only erodes the value of goods and services, but together with taxes provides a strong disincentive to save. The American people have not lost the desire to save. They have quite literally lost the ability. Putting money in a bank and watching its value decrease even as it collects interest is a baffling and frightening experience. One has only to examine the entry of the American public into the purchasing of silver bars and gold coins to realize that Americans are distrustful of their country's currency as well as of its policies. The phenomenon is not explained by a sudden fascination on the part of the American public with numismatics. Many of the most popular coins are those low in numismatic value, the so-called bullion coins. Our administration has tacitly admitted that it is afraid of an alternate, preferred currency by voicing its reluctance to allow citizens to own gold. But at the same time it has failed to take positive steps to strengthen the dollar.

Something clearly must be done to encourage the habits of savings and investment of the American citizen. An increase in the deduction or credit for dividend payments coupled with a similar credit for interest on savings would help. I want to make it clear that the people I have in mind are not the millionaires, but the ordinary people who have only a few dollars to invest and who would invest them if they knew that what they invested would be stable in value, that the income from it would be theirs, and that the whole proposition would be worth the trouble.

I would also like to see action completed on pending legislation to allow people to invest something for their retirement. This would, at the same time, stimulate long-time investment and savings. I see no reason why a person should have to work for either big business or big labor in order to be allowed by law to invest a good portion of his time toward his retirement. This is an area in which by helping the small businessman, we could help the economy as well. I was disturbed to notice in a recent poll that a majority of the citizens questioned stated a preference for wage and price controls. But controls are the only sure way to destroy the economy permanently. They can be tolerated in a free society for a very short period of time. But they are worse than useless if, at the same time, the fundamental problem of inflation has not been successfully dealt with—or at least unless a substantive start had been made in that direction. In the summer of 1971 we did the worst of all possible things when we imposed controls and did nothing else to reduce the pressures on the economy. The predictable subsequent inflation was only that which would have occurred anyway, somewhat delayed.

Until a serious attempt to balance the budget is made, we will have nothing but arguments. Inevitably, someone's pet project will have to get along on a little less money. It is time to face that fact. Even Keynes, after all, thought that there were times for a budget surplus, a budget deficit, and a time to balance. Now, if ever, is the time to balance. The people have heard this idea argued over for so many years that I am afraid their reaction will be to yawn and say "oh, that again." But we have to let them know we are serious. The major factor involved right now is whether or not the people believe we will respond. Do they have any confidence at all in the economy? Not much. Do they have any confidence at all in the Presidency? Not much. Do they have any confidence in the ability or desire of the Congress to move in this direction? Absolutely none. And I think right now, the people are justified in that lack of confidence. We have to move to instill some confidence in them. But we are not going to do it by fancy speeches and big promises. They are too cynical for that. They have had too many promises and been fooled too many times. People are fed up with all the inaction and overstatements of what we are going to accomplish. That is why by taking some dramatic step such as cutting our own salaries demonstrates that this time we mean business.

That is why it is so encouraging to hear others offering constructive suggestions as Senator BUCKLEY has done this morning, and such as the passage of the Bartlett resolution yesterday.

I am encouraged that 35 Senators supported a spur-of-the moment amendment to cut 4 percent out of the Agriculture Consumer Protection Environmental Protection appropriation bill this week. Thirty-five on that bill; maybe 40 on the next one. But a 4-percent reduction below budget estimates on all appropriation bills would automatically bring the \$10 billion reduction that Arthur Burns has called for.

Let us agree on one thing:

It is time for some direct and positive action. I think that if we will take it, if the President will exert leadership, the people will respond and we can head off a serious economic crisis.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. McCLURE. Mr. President, I am happy to yield to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I wish to express this Senator's appreciation for the thoughtful comments the Senator from Idaho made on what is the central domestic problem facing the American people today and on into the near future. I agree with him that we require more than rhetoric, that the public is tired of promises, and they want to see action.

I just hope our awareness, our new awareness to the problems we face fiscally will be such as to energize the Members of this body to forget politics and get on to serve the interests of the American public.

I also hope the Senator will join with me and other Senators in seeing if we can mobilize sentiment in this body to oppose as a matter of principle any appropriation bill that not only exceeds the budgetary request now before us but also which fails in one manner or another to cut back that magic 4 percent that spells the difference between bringing inflation under control and eroding the confidence and the savings of the American people.

Mr. McCLURE. I thank the Senator from New York for his statement. The important thing is for the people to recognize that we are going to do something. I think the voice of the people as expressed in the communications I have received from home are very clearly saying to us: Now is the time to do something. Congress can and must act positively.

Mr. BUCKLEY. We know the mood of the public, and I hope the Senator agrees with my hope that the people will remind those who are running for election this year that they are no longer watching for the promise but are watching for the performance, and the one performance they want to see is action in cutting back Federal expenditures. This would require the American people to exercise the same kind of self-discipline they have every reason to expect of us, namely, to recognize that all of their projects cannot be met; that there are limits to what Washington can do to them.

Mr. McCLURE. I think they must also recognize, and make officeholders and officeseekers recognize, that the men and women in the Congress of the United States who will not vote for a balanced budget are voting for a tax increase, that tax which is the cruelest of all taxes—inflation. Certainly, a 4-percent cut in an appropriation level is far preferable to a larger increase in the rate of inflation. I think the people understand that, and I think they must communicate it in very real and effective political terms to those people who seek office.

Thank you, Mr. President.

PIONEER DAY, 1974

Mr. CHURCH. Mr. President, today I submit a resolution commending the members of the Church of Jesus Christ of Latter-day Saints. I join the people of my home State and the people of Utah—our sister State to the south—in commemorating the arrival of the Mormon pioneers in the valley of the Great Salt Lake some 127 years ago.

The Mormons are a pioneering people. On the fifth day of April 1847, a band of 143 men, 3 women, and 2 small children led by Heber C. Kimball left their camp on the banks of the Missouri River, and headed west.

Two days later, another group embarked on the journey westward. Brigham Young, a leader of this portion of the group and president of the church, had decided to lead his people to the Rockies, at a time when most other pioneers were headed to Oregon or California. Brigham Young had made a wise decision.

From the time Joseph Smith founded the Church of Jesus Christ of Latter-day Saints in 1830, the Mormons had been subjected to unending religious persecution. Brigham Young knew that for his people to survive, they must go to an area that no one else wanted. He knew that if they settled in Oregon or California, they would be pushed out—as they were in Ohio, Illinois, and Missouri. He knew that their Zion was in the desolate, yet awesome Salt Lake Valley.

On July 24, 1847, the vanguard of the Mormon pioneers, after 4 months of struggling through brush and rock, over boulder-choked mountain and across raging stream, rolled out of Emigration Canyon.

In the forenoon of that day, Brigham Young, who had been confined to a sickbed with mountain fever, looked for the first time upon the valley of the Great Salt Lake.

A pioneer journal recorded the scene:

> The creaking of the wagon wheels came to a stop, each shout to tardy oxen, each crack of whip became suddenly silent as the leader's searching eyes traveled across the valley. The muted song of a thrush, the chirp of a cricket and the distant roar of a mountain torrent were the only sounds heard, as the leaders eyes seemed to drink in the whole scene.
>
> A certain inward, penetrating power gave a prophetic quality to that inspired gaze as it saw more than any mortal eye in the pioneer company.
>
> Brigham Young's voice broke the stillness. "This is the place."
>
> And indeed it was.

The Mormons soon found that growing wheat and corn in a dry climate and on desertland is impossible to do without supplemental water. Faced with this sparse environment and the rock-hard soil, they pioneered modern irrigation methods by building dams on streams in the nearby canyons to store and divert a supply of the precious water, to their crops in the basin below.

Today, the once desolate Salt Lake Valley is filled with lush green vegetation and gleaming marble buildings; a fitting tribute to Mormon ingenuity, perseverance, and hard work.

Their success in bringing water to the desert is only but a small portion of their magnificent pioneering history. Throughout the latter half of the 19th century, the LDS brought newly immigrated European converts to their western headquarters and then assimilated them into their intermountain communities. The Mormons soon spread over the entire region, seeding towns and farming communities in Arizona, New Mexico, Colorado, Wyoming, and California. In my own State of Idaho, the Mormons founded Fort Lemhi in 1855 and Idaho's first permanent town, Franklin, some 5 years later.

Today, the 3.5 million Mormons around the globe and the 215,000 Idaho members of the church, are a respected people. They have earned that respect through years of hard work and wholesome living. The church has no paid clergy, but instead relies on the voluntary efforts of the farmers and laborers, business and professional people, as well as the housewives who make up their congregations.

As an example of Christianity in action, the LDS welfare system is perhaps the most comprehensive in the world. Food, clothing, and furniture are made available, without cost, to needy persons at storehouses throughout the United States. These commodities are produced at church-owned farms and ranches and packaged at church-run canneries, where church members—often entire families—donate their time.

The strong sense of community which binds the Mormons close to each other, is also evident in their highly successful social events. The LDS church sponsors the world's largest softball and basketball tournaments; wards and stakes hold local talent shows, present plays and sponsor dances, where young and old dance side by side.

It is often proudly said, that no Mormons need suffer for material goods or brotherly companionship.

This year, some 18,000 young Mormons—most 19- and 20-year-old men and women—are serving their church as missionaries. These people give 2 years of their lives to spread the message of their church throughout the United States and in most of the countries of the free world. Not only have these young people helped to make theirs the world's fastest growing religion, but they have proven to be outstanding goodwill ambassadors for America as well.

I am especially happy today, to note that the majestic new Washington, D.C., temple, which is nearing completion in Kensington, Md., will be open for public tours during the period from Tuesday, September 17, to Saturday, October 26, except Sundays and Mondays. This, the 16th Mormon temple, is an awe-inspiring building, of which members of the LDS faith living in the eastern half of the United States and Canada, as well as all Mormons, can be justly proud.

Mr. President, it is only fitting, that on this, the most special of Mormon holidays, we in Idaho and the rest of the country should stop and pay tribute to a most special and unique pioneering people.

Mr. President, Mr. GRIFFIN and Mr. MCCLELLAN also join in offering this resolution.

Mr. MANSFIELD. Will the Senator yield?

Mr. CHURCH. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, with the Senator's permission, that I may be on the resolution as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I do so because many of the members of the Morman faith have come into various parts of Montana, especially the southwestern part, from Idaho and Utah. They have been pillars of the community. They are a fine group of people. They make many contributions to the benefit of Montana as well as Idaho, Utah, Arizona, and other States, and also, may I say, to the Union of States.

Mr. GRIFFIN. Would the Senator from Idaho yield to me?

Mr. CHURCH. I thank the Senator very much. I am happy to add his name as a cosponsor.

I yield.

Mr. GRIFFIN. Mr. President, I commend the Senator from Idaho for offering this resolution and calling the attention of the Senate to the importance of this day to the Mormon Church. Like the Senator from Montana, the population of my State includes an important group who are Mormons. Indeed, as is well known, the distinguished former Governor of Michigan who until recently served as a member of the President's Cabinet, George Romney, is one of the leaders of the Mormon Church.

Mr. President, if an opportunity were accorded, I feel certain that a number of other Senators would cosponsor this resolution. I wonder if it might be possible, under an unanimous consent arrangement, for a period during the remainder of the day, to allow other Senators to add their names as cosponsors?

Mr. CHURCH. Mr. President, I would be most happy to do that.

Mr. GRIFFIN. I think that would be very desirable.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I would suggest that the resolution be agreed to and remain at the desk for the remainder of the day for additional cosponsors.

Mr. GRIFFIN. I think that would be a fine arrangement.

Mr. CHURCH. Mr. President, I ask unanimous consent that upon the adoption of the resolution by the Senate, the resolution lie on the desk for sponsorship by such other Senators who may wish to add their names to it for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I send my resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 366) commending the members of the Church of Jesus Christ of Latter-day Saints.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BENNETT. Mr. President, today is an important day for the people of Utah and for those citizens of the United States who are members of the Church of Jesus Christ of Latter-day Saints or Mormons. Being a Mormon myself, I would like to share with you the meaning which this day holds for us.

On July 24, 1847, a group of pioneers entered what is now known as the Salt Lake Valley. They were the first of many groups of Mormon pioneers to reach the Great Salt Lake. Led by Brigham Young, who has been called a modern-day Moses for his role in leading these people across the plains, these pioneers broke a new trail along the Platte River which was to be used by many thousands of those who settled, tamed, and built the West into what it is today.

Their journey was not easy, even for the days of covered wagons and horseback travel. Their route was long and filled with hardships as they traveled from the Midwest to the Rocky Mountains. Those who could not afford covered wagons put their belongings in carts and pushed and pulled them by hand across the plains. Their determination led them through times of disease, famine, and winter's fury. There were many who never arrived at their destination in the West. Truly, their journey is one of the great religious exoduses of all times.

When the first group of pioneers came over the mountains that surround Salt Lake Valley, Brigham Young saw the valley for the first time and said, "This is the place." At that time, the valley was a desolate wasteland, and the pioneers realized that the end of their trek did not mean the end of hardship nor the end of hard work. The same courage and determination which had led these sturdy pioneers across the plains helped them to tame the desert and truly make it blossom as a rose.

This example of courage and faith is one that lives in the hearts of all of us who share in this heritage. The problems and challenges of our day, although different in nature from those of the pioneers' day, are nevertheless great, and I hope and pray that we can continue in courage and faith to meet and conquer those challenges facing us.

Mr. President, I have been delighted to learn that my colleague, Senator CHURCH of Idaho, has introduced a resolution honoring my people, and I am honored to join him as a cosponsor.

Mr. MOSS. Mr. President, the date of July 24 is one of great importance in my State. It is a State holiday—a day upon which there is a great deal of celebration and commemoration. For it was on this date that the first company of Mormon pioneers entered the Salt Lake Valley. What they saw as they entered was a valley devoid of any vegetation, except for a lone cedar tree which only seemed to punctuate the desolation.

It was through the hardships and sacrifices of those hardy people that the valley that was once desert now blossoms like the rose, with schools, churches, industry, parks and monuments, beautiful trees, and gardens of flowers—all a living monument to the great vision and courage of those pioneers.

The arrival of the pioneers in Salt Lake Valley on July 24, 1847, ended their history of moving away from persecutions as they sought the freedom to worship God according to their beliefs. After a humble beginning in New York State, a move to the city of Kirtland, Ohio, and thence to Illinois and the historic settlement in the city of Nauvoo, the first generation Mormons lost their prophet, Joseph Smith, to an assassin's bullet.

The eventual escape from the embittered mobs in Illinois, and the trek across the Rocky Mountains to Utah, is the story of a dedicated people. Under the leadership of their second prophet—Brigham Young—they endured the incredible hardships of that pioneer trail, to arrive in the end at the valley of the Great Salt Lake, instantly proclaimed by their ailing leader, "This is the place." Today all Utah echoes that proclamation.

Mr. CHURCH. Mr. President, I ask that the Senate favorably consider this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 366) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 366

Whereas pioneers of the Church of Jesus Christ of Latter Day Saints exemplify the spirit of those who won the West; and

Whereas present day members of the Church, like their forebears, have the respect and admiration of this Nation for their industry and wholesome living; and

Whereas Mormons across the United States and around the globe are noted for a community spirit and concern for individual members which knows no bounds: Now, Therefore, be it

Resolved, That it is the sense of the Senate that members of the Church of Jesus Christ of Latter Day Saints are to be commended on this day, the 24th of July 1974—a day which commemorates the settling of the Great Salt Lake Valley—for their many achievements as a major religion and a humanitarian people.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes.

NATIONAL COMMISSION ON INFLATION

Mr. ROTH. Mr. President, over the past 4 months I have periodically taken the Senate floor to urge my Senate colleagues to develop a coordinated program to restrain inflation. Specifically, I have urged the Senate to enact my proposal to establish a National Commission on Inflation.

The Nation Commission on Inflation would study the causes and consequences of inflation and develop and recommend to the President and the Congress policies and procedures to control inflation. Because of the importance of forming a national consensus on anti-inflation policies, the Commission would be composed of representatives of Government, business and industry, labor, agriculture, and consumer interests.

Shortly after I introduced Senate Joint Resolution 201 last April, I asked Dr. Arthur Burns, the Chairman of the Board of Governors of the Federal Reserve System, for his views on my proposals.

In his response, he said:

> I have reviewed with great interest your proposal for a National Commission on Inflation. You have my support in this endeavor to promote voluntary wage and price restraints. . . . Our inflationary problem is so serious that we cannot afford to overlook any possible benefits that might be found in a new approach of this kind.

Dr. Burns was correct in his assessment of the seriousness of our inflation problem, and of the consequences for failing to take action.

The continuing rate of inflation has created an intolerable situation in this country today and a total lack of confidence in the Federal Government. The American people's faith in their Federal Government has deteriorated primarily because of the failure on the part of the administration and the Congress to develop a sound anti-inflation policy.

The administration's policy to fight inflation has been virtually nonexistent, consisting so far of White House meetings with a group of busines executives. On July 22, I wrote the President to urge him to establish a high-level commission devoted solely to the problem of inflation.

In my letter to the President, I wrote:

> We are experiencing a drastic lack of confidence in this nation's ability to cope with its economic problems, and it is vitally important for the Federal Government to assert its leadership. A Presidential proposal to establish such a commission, coupled with a strong Congressional endorsement, would promote the nation's confidence in its Federal Government's ability to take steps to control inflation.

Congress must also share some of the blame for failing to take the initiative in developing policies to restrain inflation. The Senate did take action yesterday to call for an economic summit conference on inflation. But, the Senate is also compounding the inflation problem by continuing to increase Federal spending. If the Congress is serious about controlling inflation, we must cut Federal spending by $5 to $10 billion this year and we must have a balanced budget next year.

With Federal spending out of control, and with both the administration and the Congress failing to provide adequate leadership on the inflation issue, there is a vital need for the establishment of a single unit to coordinate the fight against inflation. For this reason, I again urge my distinguished colleagues to act upon my proposal to establish a National Commission on Inflation.

Perhaps the most important function of the Natonial Commission on Inflation would be to encourage cooperation between the various segments of the economy, particularly business and labor, to work for price and wage restraint.

If big business and big labor can work so effectively together in removing wage and price controls, they are capable of cooperating in restraining inflation.

Business-labor cooperation is especially important as the number of work stoppages and strikes increase. As of the beginning of last week, 588 strikers were in progress, the highest number of strikes since the years immediately following World War II. Important contract discussions involving such major industries as coal, aerospace, and railroad are coming up in the next few months. Although the National Commission on Inflation would not be authorized to set mandatory controls or voluntary guidelines, it could work with business and labor to create a favorable climate for joint cooperation.

Traditionally, business and labor have had an adversary relationship. But we must recognize that today's world is vastly different, with increasing competition from technologically advanced countries such as Japan and West Germany. If we are to compete effectively, we must establish a dialog between Government, labor, and business to reach a united policy. A national consensus on economic policies is critically important today because of the inflation we are all experiencing.

The Federal Government currently has a patchwork of departments, agencies, and boards involved in economic analysis and interpretation. But not one Government unit is devoted solely to our most serious national problem.

The National Commission on Inflation would fulfill that role. It would guarantee a degree of coordination in the Government's response to inflation. It would be authorized to deal solely with the problems of inflation, and would report to the President, the Congress, and the American people on methods to reduce the inflationary pressures in the economy.

The battle against inflation will not be an easy one, especially if we do not all work together. Federal spending must be controlled, our monetary policy must be restrained, and business, labor, and Government must reach agreement on common policies. The National Commission on Inflation would work for a national consensus on anti-inflation policies. Inflation is our No. 1 economic problem, and the Commission would establish the reduction of inflation as our No. 1 priority.

Mr. President, I ask unanimous consent to have my letter to the President of the United States printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 22, 1974.

HON. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In your consideration of economic policy options, I urge you to consider the establishment of a high-level commission devoted solely to the problem of inflation.

Such a commission would study and evaluate the inflation problem, and recommend policies and procedures to utilize the resources of the Federal Government in an all-out battle against inflation.

The commission, which would be composed of representatives of government, business and industry, labor, agriculture and consumer interests, would seek to reach a national consensus on policies to restrain inflation. Hopefully, a coordinated study involving representatives of the private sector would resolve many of the self-defeating, inflationary policies practiced by all concerned.

We are experiencing a drastic lack of confidence in this nation's ability to cope with its economic problems, and it is vitally important for the Federal Government to assert its leadership. Over three months ago I introduced a joint resolution to establish a National Commission on Inflation. A Presidential proposal to establish such a commission, coupled with a strong Congressional endorsement, would promote the nation's confidence in its Federal Government's ability to take steps to control inflation.

Sincerely,

WILLIAM V. ROTH, JR.,
U.S. Senate.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. NUNN) laid before the Senate a message from the President of the United States submitting the nomination of Alan Greenspan, of New York, to be a member of the Council of Economic Advisers, which was referred to the Committee on Banking, Housing and Urban Affairs.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. NUNN). Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution by the Common Council of the City of Buffalo, N.Y., memorializing Congress to change daylight saving time. Referred to the Committee on Commerce.

A resolution by the National Association of Insurance Commissioners opposing Federal workmen's compensation legislation. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted.

By Mr. MONTOYA, from the Committee on Appropriations, with amendments:

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1028).

ORDER FOR EXTENSION OF TIME TO FILE REPORT ON S. 1361, COPYRIGHT LAW REVISION

Mr. PASTORE. Mr. President, on July 10, with the consent of the Committee on the Judiciary, S. 1361, the copyright law revision bill, was referred to the Committee on Commerce for 15 days, expiring on July 24.

The committee has completed its work and is in the process of writing the report.

I ask unanimous consent that the Committee on Commerce be given an extra day, namely July 25, for the filing of its report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF REPORT NO. 1024

Mr. MANSFIELD. I ask unanimous consent, Mr. President, that Report No. 1024, on S. 3792, be reprinted to reflect corrections of various errors in printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator from Tennessee.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE (by request):

S. 3801. A bill to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration. Referred to the Committee on Agriculture and Forestry.

By Mr. SYMINGTON:

S. 3802. A bill to provide available nuclear information to Committees and Members of Congress. Referred to the Joint Committee on Atomic Energy.

By Mr. SCHWEIKER (for himself and Mr. HUGH SCOTT):

S. 3803. A bill to provide for the improvement of roads in Raystown Dam area. Referred to the Committee on Public Works.

By Mr. MATHIAS:

S. 3804. A bill for the relief of Pio G. Valle. Referred to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3805. A bill relating to the compensation of certain employees of the Committee on the Judiciary of the Senate. Referred to the Committee on Rules and Administration.

By Mr. JACKSON:

S. 3806. A bill to increase the authorizations for grants for the preservation of historic properties under the Act of October 15, 1966, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER (for himself and Mr. HUGH SCOTT):

S. 3803. A bill to provide for the improvement of roads in Raystown Dam area.

ACCESS ROADS FOR RAYSTOWN DAM

Mr. SCHWEIKER. Mr. President, on behalf of myself and the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), I am today introducing a bill similar to one introduced by our colleague in the House, Mr. SHUSTER, which will serve to remedy an inequitable and potentially dangerous situation with regard to the access roads for the Raystown Dam project in Huntingdon County, Pa. My legislation will authorize the Army Corps of Engineers to upgrade and maintain the roads leading to the Raystown Dam site. This was a situation not covered in the authorizing legislation for the dam, and the condition of these roads has significantly deteriorated due to machinery and construction hauling for the dam.

The Raystown Dam has recently been dedicated and it is estimated by the Corps of Engineers that this site will attract up to 1.8 million visitors per year. Clearly these roads leading to the site must be upgraded to safely accommodate the visitors who will be drawn to this attractive recreation site. Both the personal safety of each visitor and convenience require that the condition of the roads be improved. However, the authorizing legislation has not taken this matter into consideration. In fact, by acquiring property that previously was on the tax rolls for the dam project itself, the Federal Government has reduced the ability of local townships to maintain these roads which will now be used by hundreds of visitors from other countries and other States.

The legislation which I introduce today is of course, similar to other proposals which have previously been approved by the Congress, and this concept will undoubtedly be the subject of further consideration by the Senate Public Works Committee. I am hopeful that I might be able to work with that committee in developing an equitable solution to this situation.

The Raystown Dam represents a major improvement in the area in terms of needed flood control and the safety and stability of the communities affected. It is also a highly significant recreation facility for Pennsylvania and is within easy access of at least five other States. Therefore, I hope the Senate will give prompt and favorable consideration to my proposal to improve and maintain the quality of the access roads leading to the dam to safely accommodate the millions of people who will be visiting it in the near future.

Mr. HUGH SCOTT. Mr. President, on June 6, 1974, I visited the Raystown Dam project with Vice President Gerald Ford for the dedication ceremonies of this important project.

Raystown will provide a tremendous service to the residents of central Pennsylvania, because the dam constitutes an important link in the flood control system of the State. The dam will be instrumental in preventing terrible disasters such as the Wilkes-Barre area experienced 2 years ago from Hurricane Agnes. Also, the dam will function as a beautiful recreational area for the residents of Pennsylvania and visitors from outside the State. Huntingdon County, the home of the Raystown Dam project, will particularly benefit from increased visitor traffic.

Today, I am delighted to join with Senator RICHARD SCHWEIKER in a bill which authorizes necessary repair to the roads surrounding the Raystown Dam. Presently, these roads are not adequate for the increased visitor traffic. It is vital that these roads be upgraded and repaired so visitors will be able to enjoy the many recreational opportunities of the dam project. The bill also provides for continuous Federal maintenance of these key roads throughout the year.

I sincerely hope the bill will be passed during this Congress, so the important construction work may be completed as soon as possible.

I encourage all my fellow Pennsylvanians to visit an enjoy this wonderful addition to our Commonwealth's natural resources.

By Mr. JACKSON:

S. 3806. A bill to increase the authorizations for grants for the preservation of historic properties under the Act of October 15, 1966, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I am sending to the desk for appropriate reference legislation to aid the historic preservation program established by the Congress in 1966. To date the program has been a remarkable success both in terms of the preservation of our Nation's heritage and in increasing public awareness of that heritage. The historic preservation grant program, however, is no longer adequate to meet the available State moneys; and with the approaching Bicentennial, I believe that it is incumbent upon the Congress to revise that fund to realistically reflect current State efforts.

Recently, the Senate Committee on Interior and Insular Affairs held hearings on S. 2877, legislation to establish a meeting house preservation program to celebrate the Bicentennial. I am a cosponsor of that measure, and I was very impressed by the testimony at that hearing. A common theme which ran through the course of the hearing was that although "meeting house" is a good concept, there are critical needs other than meeting houses which the States would like to preserve were Federal funds available.

The purpose of this measure is to provide those funds. The bill is not complicated and would raise the annual authorization to $150 million for 5 years. Present State efforts will approximate $165 million during the next fiscal year.

The legislation also provides that for the purposes of making grants for projects to preserve historic meeting houses and endangered properties of national significance, the Secretary may provide up to 90 per centum of the cost of such project.

Mr. President, I am aware of the various major items of legislation pending before the Congress, and of the limited time available before the Congress finally adjourns. It is my intention to move expeditiously on this and related measures, however, because the Bicentennial anniversary of this Nation is also approaching.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2102

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2102, a bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States.

S. 3480

At the request of Mr. TUNNEY, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 3480, the National Summer Youth Sports Program.

S. 3643

At the request of Mr. JAVITS, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 3643 to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service.

S. 3753

At the request of Mr. MCCLURE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3753 to amend the Funeral Transportation and Living Expense Benefits Act of 1974.

S. 3759

At the request of Mr. PROXMIRE, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 3759 to amend the Congressional Budget Act of 1974 to require the Congressional Office of the Budget to prepare fiscal notes for bills and joint resolutions.

SENATE RESOLUTION 366—SUBMISSION OF A RESOLUTION COMMENDING THE MEMBERS OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS

Mr. CHURCH (for himself, Mr. MOSS, Mr. GRIFFIN, Mr. MCCLELLAN, Mr. MANSFIELD, Mr. TUNNEY, Mr. ROTH, Mr. GOLDWATER, Mr. MCCLURE, Mr. HANSEN, and Mr. BENNETT) submitted Senate Resolution 366 which was considered and agreed to later today.

ADDITIONAL COSPONSOR OF A RESOLUTION

Senate Resolution 329

At the request of Mr. Humphrey, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of Senate Resolution 329, relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945—AMENDMENT

AMENDMENT NO. 1608

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. CHURCH. Mr. President, I am today submitting an amendment to S. 3660. The amendment requires affirmative congressional approval of Export-Import Bank financing of equipment or expertise for the exploration and production of fossil fuel energy resources in any Communist country.

Proposed oil and gas projects convince me that we must make an exception in this case to the general principle that Congress should give broad policy guidelines and leave case decisions to the executive branch. The American taxpayers are being asked to subsidize the financing of oil and gas equipment to Communist countries at a time when the equipment and expertise is in short supply here in the United States. American companies wanting to increase domestic reserves and production are now wait-listed for the equipment. The waiting time for drilling rigs and bits is several years. If we are serious about wanting to decrease American dependence on foreign energy supplies, it is folly to subsidize Soviet purchases of the very equipment we need to do it.

The Subcommittee on Multinational Corporations heard testimony about the North Star and Yakutsk projects to develop Siberian natural gas. The companies involved claim that they are taking great financial risks to secure foreign sources of natural gas for the U.S. consumer. But a closer examination of these projects shows that the real risk taker will, as usual, be the U.S. taxpayer. All of the facilities to be constructed in the Soviet Union will be financed by Export-Import Bank credits and guarantees, amounting to $4 billion. That is 10 times the present Eximbank exposure on sales to the Soviet Union. The only financial stake the private companies will have in these ventures is the LNG tankers and the regasification plants located in the United States—facilities which could easily be transferred to other uses, should the Russians choose to renege on their contractual obligations.

These credits are to be repaid by the Russians over a 12- to 15-year period, through the sale of natural gas to the United States in volumes that would leave the east and west coast markets dependent on the Soviet Union for as much as 10 to 15 percent of their demand for natural gas. And the price of this Russian gas is expected to be at least three times higher than that of domestically produced gas at the present time.

The Soviet request for $49.5 million in Eximbank credits currently pending for the Yakutsk project is for exploration to prove that there are sufficient gas reserves in Siberia to justify laying pipe and building LNG port facilities. The Export-Import Bank and the companies involved claim that participation in the exploration phase in no way implies a commitment to go ahead with the actual development phase requiring $900 million in additional Eximbank commitments. But it hardly makes sense to pour scarce capital and equipment into exploration and then not go ahead with development once adequate reserves are proved. Therefore, this $49.5 million request is most likely only the opening wedge which could allow the companies to circumvent the $50 million limit provided in Senator Stevenson's "Congressional veto" bill. In my judgment, there must be an absolute requirement of congressional approval for Export-Import Bank assistance for the purchase or lease of any equipment or service relating to exploration for, or production of, fossil fuel energy resources in Communist countries.

The amendment which I introduce today provides for such congressional approval.

Mr. President, at this time I ask unanimous consent that some additional documentation and two brief excerpts from the subcommittee hearings be printed in the Record following my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

(Note.—In the course of hearings by the Subcommittee on Multinational Corporations concerning the Siberian natural gas projects, held on June 17, 1974, the following exchanges took place between Senator Church, Subcommittee Counsel Jerome Levinson, and Mr. Jack Ray, Executive Vice President of Tennessee Gas Transmission, the lead company on the proposed North Star Project.)

EXCERPT A

Senator Church. I am sure that all told more money is going to be spent looking for oil and gas worldwide than will be spent on this project, but the question is can we afford the diversion of capital and personnel of this magnitude for the purpose of building facilities inside of the Soviet Union.

Mr. Levinson. Your own statement at page 5 says offshore gas development, for example—and that is offshore U.S.—is limited by the availability of drilling rigs and other equipment. All domestic resource development is constrained by availability of technical personnel and skilled labor and by economic and environmental constraints.

Now when we were in London, in the course of the oil investigation which the subcommittee initiated, we were told consistently that the major constraint on the development of North Sea oil and gas was the availability of equipment, drilling rigs and technical personnel which could work on that. If you overlay on top of these projects development requirements for Russia, these major Soviet projects, aren't you really just straining beyond our capacity and doesn't it really involve a diversion, on the basis of your own statement?

Mr. Ray. Well, I don't think so. I believe we can handle it. I just don't see that one project is going to bankrupt the country on labor or trained personnel.

Senator Church. No, I don't think there is any one project that ever does it. It is just that one project becomes the final straw and this one is a project of very big magnitude.

Mr. Ray. Yes, it is.

EXCERPT B

Senator Church. If you examine the financing, it is interesting to me to see who assumes the risk.

First of all, there is to be an Export-Import Bank participation of a billion dollars, plus another billion dollars in U.S. government guarantees of private bank loans. So to the extent that the private U.S. banks advance capital, the repayment of their loans by the Russians will be guaranteed by the U.S. government or an agency of the U.S. government, the Ex-Im bank. So, in effect, the U.S. government guarantees our private banks that they will be repaid.

Isn't that correct?

Mr. Ray. Yes, sir.

Senator Church. Then in addition to guaranteeing our private banks they will be repaid, the U.S. government itself, through the Export-Import Bank, extends an additional billion dollars in credit. That is $8 billion of risk assumed by the U.S. government.

The risk relates to facilities located within the Soviet Union. They will be there and the Soviet government will have them for whatever purposes it wishes whether or not it repays the loans. It is a very real risk.

Now, what risk do the companies assume, the private companies, your company and the other private companies involved in this consortium?

To what extent are they going to assume any risks?

Mr. Ray. $2.6 billion of ships.

Senator Church. The ships are going to be sailing the oceans, they are not going to be inside of the Soviet Union or within the jurisdiction of the Soviet Union.

Mr. Ray. If the gas supply were cut off the ships would have no other place to go.

Senator Church. Aren't there other places where liquefied gas is going to be purchased in the world?

Mr. Ray. Not very many. I hope there are at least one or two others.

Senator Church. What about Algeria?

Mr. Ray. They have at the moment committed all of their gas reserves.

Senator Church. Ships could be used in that traffic, I should think.

What about Indonesia?

Mr. Ray. I don't know how much of Indonesia reserves are committed. There are several LNG products in the making in Indonesia.

Senator Church. What about the Alaskan North slope?

Mr. Ray. Well, number one, you can't get a LNG ship up to the Alaskan North slope. You might if the gas is piped south, you could perhaps use one or two ships to bring gas to the U.S. West Coast.

Senator Church. Isn't your company negotiating something with Saudia Arabia at the present time?

Mr. Levinson. Yes. For LNG liquefication for Aramco and Saudi Arabia? As you yourself have said in your statement, you are exploring as many possibilities as you possibly can to diversify.

Mr. Ray. We are. I would like to make—

Senator Church. Before you make your point let me make mine. The LNG task force listed the following countries as potential sources for LNG supplies: Algeria, Australia, Abu Dhabi, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Malaysia, New Zealand, Nigeria, Pakistan, Papua, Qatar, Saudi Arabia, Trinidad and Tobago, USSR, Venezuela.

The point I make is that, given your own interest in diversity of supply and the number of countries that may potentially supply natural gas in liquified form, I should think the companies aren't taking a very great risk in investing in the ships. If the trade with the Soviet Union is cut off, it is altogether probable there will be other uses to which these ships can be put. So the companies get the ships at no very great risk while the U.S. government assumes the real risk in extending the credit necessary to finance the construction of the facilities inside of the Soviet Union.

EXCERPT C

Senator CHURCH. Do you think that the Russians constitute a dependable source for this gas over the next 25-year period, considering all the potential problems that we might face, all the potential confrontations that might occur between Russia and the U.S.?

Mr. RAY. Yes, sir, I do. The Russians have been quite scrupulous in meeting the contractual contracts they have had on commercial trade.

Senator CHURCH. Well, I find it a little hard to believe, in a crisis that might develop between the United States and the Soviet Union that the Russian Government would not place its own interests above its contractual obligations and simply cut off the gas. After all, we have just been through that very experience when the Arab countries took precisely this course.

It seems to me to be very naive to assume that the Russians won't place their national interest first whenever they think that it would be to their national advantage to cut off the supply.

EXCERPT D

Mr. RAY. Well, ships are a little bit different. There are a number of ways of financing ships.

Senator CASE. What do you plan to do?

Mr. RAY. Well, if we own the ships we hope to use Title 11 mortgage guarantee insurance.

Senator CASE. That is, the ships will be government financed?

Mr. RAY. Yes, sir.

Senator CASE. Government financing will amount to how much?

Mr. RAY. Well, if it were, that is 87½ percent.

Senator CASE. So you would have seven-eighths of $2.6 billion, or $2.275 billion in guarantees by the U.S. Government for ships.

NORTH STAR LIQUEFIED NATURAL GAS PROJECT

I. U.S. Companies: Tenneco; Texas Eastern Transmission Co.; Brown & Root, Inc. (Engineers).

II. Volume and destination of gas: 2.1 billion cubic feet per day to the Philadelphia area of the U.S. for 25 years; This plus 10 percent of 1980 gas requirements for market area of New England, New York, New Jersey, Pennsylvania, Ohio, West Virginia, Kentucky, and Tennessee.

III. Purchases from U.S. companies

U.S. $— Billions.

(A) Purchases by Russians.

	U.S. financing	U.S.S.R. equity	Total project
Plant	$1.2	$0.3	$1.5
Pipeline	1.8	.4	2.2
	3.0	.7	3.7

(B) Purchases by U.S. companies:

	Billion
20 ships at $131 million/ship	*$2.6
Regasification and port fac	0.4
Total	6.7

*NOTE.—87½ percent of the cost of ships built in the U.S. will be financed by U.S. Government credits.

In addition, the Soviet Union is expected to spend about (in ruble equivalent) $1.5 billion on internal costs for construction, manpower, transportation, etc.

IV. U.S. Government participation:

(A) Export-Import Bank, ———, probably request for $1.0 billion Export-Import Bank loan and $1.0 billion Ex-im guarantee of private U.S. bank loans.

(B) *FPC*

Approval for gas import prices.

(C) *Maritime Administration*

Title XI insurance for LNG tanker construction.

YAKUTSK LIQUIFIED NATURAL GAS PROJECT

I. U.S. Companies: El Paso Natural Gas (Lead Company); Occidental Petroleum Corp; Bechtel, Inc. (Engineers and chief contractors).

II. Japanese Consortium world participants with share equal to that of U.S.

III. Volume and destination of gas: 1 billion cubic feet of natural gas per day to *West Coast* U.S. ports; 1 billion cubic feet of natural gas per day to Japan. This flow would continue for at least 25 years.

IV. Purchases from U.S. companies (all in 1973 dollars): 2 phases (1) Exploration phase would reassure volume of gas in Yakutsk field at a total cost of $110 million to the U.S. An equal amount would be paid by Japan, through export credits. (2) To complete the project purchases from the U.S. will be aproximately $3 billion more in purchases from all construction by the U.S. companies. An equal amount will be spent for goods and services from Japan.

Procurement of Foreign Goods & Services for USSR Facilities:

	1973 Dollars
Exploration and Confirmation	220,000,000
Field Development	135,000,000
Pipeline & Compression	1,175,000,000
Liquification	359,000,000
Port and Shipping Terminal	35,000,000
(50% Japanese and 50% U.S.)	1,924,000,000
U.S. LNG Fleet*	1,200,000,000
Japanese LNG Fleet	400,000,000
U.S. Receiving and Regasification Facilities	150,000,000
Japanese Receiving and Regasification Facilities	150,000,000
Total	3,824,000,000

* NOTE.—87½ percent of the cost of ships built in the U.S. will be financed by U.S. Government credits.

In addition, the Soviet Union will spend approximately $1.2 billion on internal costs.

U.S. Government Participation—

(A) *Export-Import Bank:*

1. Preliminary request for $49.5 million loans and $49.5 million guarantee for exploration and confirmation stage.

2. Will be requested for 45% loaned and 45% guarantee of future procurement of foreign goods and services for USSR facilities.

(B) *FPC*: Approval for gas import prices.

(C) *Maritime Administration*: Subsidizes LNG Tanker construction.

COMPARISON OF SELECTED PROJECTS FOR THE DEVELOPMENT AND IMPORT OF LIQUID NATURAL GAS (LNG) TO THE UNITED STATES

Producing country	Volume (billion cubic feet per day)	Price [1] dollars per mm Btu (U.S. delivery)	Duration (years)	Delivery due date	Destination	Estimated project cost (billions)	U.S. share of cost [2] (billions)	Exim bank credits and guarantees (millions)	Companies
Algeria	1.0	$0.77-0.83	25	1976	East coast	$1.9	$1.5	$314.8	El Paso.
Indonesia	.55	1.63	20	1977	West coast	NA	NA	($333.0)	Mobil, Pacific Lighting.
Alaskan North Slope	1.6	1.25	25	1980	West coast	3.5	3.5		El Paso.
Soviet Union: Yakutsk project	1.0	(NA)	25	1982	West coast	5.0	2.4	($900.0)	El Paso Occidental Bechtel.
North Star project	2.1	(1.40-2.30)	25	1980	East coast	8.2	6.0	NA	Tenneco, Texas Eastern, Brown and Root.

[1] By comparison, U.S. domestic price of natural gas from Texas to the New York market is approximately $0.55/mmBtu and in San Francisco, $0.50/mmBtu.

Footnotes indicate still in negotiating stage.

[2] Amount to be financed by U.S. sources, including tankers and regasification facilities to be located in the United States.

AMENDMENT OF THE EXPORT ADMINISTRATION ACT OF 1969—AMENDMENT

AMENDMENTS NOS. 1609 AND 1610

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted two amendments, to be proposed by him, to the bill (S. 3792) to amend and extend the Export Administration Act of 1969, as amended.

Mr. BAYH. Mr. President, I am introducing at this time two amendments to the Export Administration Extension Act—the first of which is aimed at controlling the most significant economic problem facing us today—inflation.

One clear and ever-present threat to domestic price stability has been the uncontrolled exportation of commodities in short supply. Over the last year, prices for such short supply commodities as soybeans, scrap iron and steel, and petrochemicals have skyrocketed due to the sudden rise in export levels of these commodities. The price of wheat has still not stabilized in the continuing wake of the "great grain robbery"—the massive $2 billion sale of U.S. wheat and other grains to the Soviet Union.

In failing to adequately monitor these commodities, the administration has been caught dumbfounded as domestic prices of short supply commodities soar. The administration policy with regard to short supply commodities has been to either invite and accept the spiraling domestic price such as in the case of petrochemicals, or to clamp down export controls with no foresight as to the negative effects of such controls on our foreign relations, as was the case with the administration's disastrous 5-day-long embargo on soybeans last summer.

In the case of petrochemicals, administration policy was harmful not only to domestic price stability, but to the employment related to the petrochemical industries as well. In the 2-month period, from February to April of 1974, when the administration removed price controls of petrochemicals to solve the domestic supply shortage without consideration of export limitations, the wholesale price index for 10 plastic resins rose 27.6 percent. Sample increases in that same 2-month period, included a 35.7-percent rise in the wholesale price of polyvinyl chloride resin and a 49.4-percent rise for general purpose polystyrene resin.

At the same time, the Cost of Living Council analysis, based on a petrochemical end use model, found that the direct and indirect unemployment in manufacturing generated by a 15-percent cutback in petrochemical feedstocks would be 1.03 million workers—which translates to a 1.1 percentage point increase in the unemployment rate.

In the case of the soybeans, the administration waited to act until the domestic price of soybeans had risen over 200 percent in a 1-year period, and then clamped down an embargo on all soybean exports which severely damaged our relations with Japan. The administration then showed how little thought had been given to its earlier action when the restrictions were withdrawn 5 days later.

One of the primary reasons for the administration's failure to control the domestic price of short supply commodities has been the absence of a timely and accurate monitoring system. While the Export Administration Extension Act addresses this problem by requiring a more formal monitoring system within the Department of Commerce, I remain concerned that the Congress must have the capacity to evaluate for itself, on an informed basis, the position of the administration with regard to its export policy for short supply commodities.

Therefore, Mr. President, I propose today an amendment that will require the Comptroller General to maintain a continuous assessment of short supply commodities, domestic prices of these commodities, and exports of those commodities.

Under this amendment the Comptroller General will also evaluate such factors as the current and projected domestic shortages of key commodities, the status of domestic prices and employment in industries associated with such commodities, and the anticipated domestic and foreign demand for such commodities.

In addition, GAO will assess the need for additional export controls of commodities in short supply, the time and manner in which such controls should be implemented, and the recommended duration of these controls.

The Comptroller General will issue regular reports to the Congress summarizing these findings. In addition to the regular reports, the Comptroller General is directed to make special reports to the Congress any time he feels that the level of exports of any commodity in short supply so threatens domestic price or employment stability that immediate congressional action is warranted.

My amendment establishes an information gathering system for the Congress which will enable us to keep abreast of necessary and relevant economic data. With the continuous monitoring of administration policy on short supply commodities, GAO will be able to keep the Congress in the posture of being able to react, on an informed and rational, as opposed to an ad hoc, basis to any serious threat to domestic price stability or employment caused by foreign demand for short supply commodities.

Mr. President, the second amendment I am introducing today is designed to close a loophole in that provision of the Mineral Leasing Act which relates to the exportation of Alaskan oil. Specifically, this amendment is to section 28(u), entitled "Limitations on Export" of the Alaskan pipeline legislation passed last year.

The purpose of the amendment is to insure that if Alaskan oil is exported in exchange for equal amounts of foreign crude oil, as authorized by section 28(u), that such oil switching—designed to facilitate oil delivery to different markets—not result in any increase in the price of oil and oil products for American consumers.

As the law stands at the present time, the huge, multinational oil companies are in a position to switch huge quantities of oil—sending Alaskan oil to Japan and importing compensating oil from the Middle East or other oil exporting areas so there is no decrease in the amount of oil available in U.S. markets. This oil switching could be exploited by those oil companies to sell U.S. oil abroad at international prices which are higher than the domestic oil price, reaping a benefit of as much as $5 a barrel for as much as a million barrels a day.

The $5 figure is based on the current difference between the controlled price of domestic oil and the average price of foreign oil. The million-barrel-a-day figure is based on the expectation that the west coast will only be able to utilize about one-half of the 2-million-barrel-a-day capacity of the Alaskan oil pipeline during the early 1980's.

I might say at this point, Mr. President, that the inability of the west coast to utilize the full capacity of the Alaskan oil pipeline was one of the key points I and certain of my colleagues made last year when we advocated transporting Alaskan oil to U.S. markets via Canada. Our proposed trans-Canadian alternative to the Alaskan pipeline was designed to accomplish several goals:

First. Prevent the exportation of Alaskan oil—something that is all too likely under the present circumstances—to Japan and other foreign countries;

Second. Deliver U.S. oil in Alaska to consumers in the Middle West and other parts of the country where the oil shortage is most severe, while still permitting the west coast to share in the benefits of Alaskan oil; and

Third. Provide greater equity for American consumers in oil pricing, since leaving the Middle West and Northeast disproportionately dependent on insecure foreign oil has the effect of telling consumers in these areas that they must pay significantly more for fuel than their counterparts in other parts of the country.

These were our goals last year when we opposed the Alaskan oil pipeline; we were anxious to see speedy use of Alaskan oil, but we wanted it used fairly by all Americans.

However, that battle has been lost.

Now it is imperative that we prevent the conditions for exportation of Alaskan oil set forth in last year's act from permitting the oil giants—whose profits continue to soar at astounding rates—to use oil switching to the detriment of American consumers.

As I said, these oil companies can escape whatever price controls might be in effect on domestic oil when Alaskan oil begins to flow in about 5 years by switching Alaskan oil for foreign oil. Not only would the oil companies be able to sell U.S. oil abroad at uncontrolled prices, they would then be able to sell their foreign oil in the United States at the high international price.

This oil switching could cost Americans up to $2 billion a year, an unconscionable rip-off of American industry and consumers for the sole purpose of enriching the coffers of the already overly wealthy multinational oil companies.

My amendment would prevent this travesty. It would require simply that if the oil companies use the oil switching authorized in the Alaskan Pipeline Act, that such switching not result in any increase in the price of oil to Americans. The oil companies could still switch the oil, for convenience in delivering oil to nearby markets, but U.S. consumers would pay the prevailing domestic price for the imported oil brought in to compensate for the exported Alaskan oil.

In other words, this amendment guarantees that American consumers will not be the innocent victims of oil company shenanigans.

At times, Mr. President, my amendment has been questioned by those who say that if oil is exchanged in the fashion described above that Americans will be charged the domestic price for imported oil. But that verbal assurance is inadequate. This amendment, then, codifies what we are told will happen anyway—something I feel is imperative since I will not leave the well-being of Indiana consumers to the whims of Exxon, or Mobil, or any other huge oil company. We have seen too often that those companies define their self-interest differently than we define the best interests of our constituents.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974—AMENDMENT

AMENDMENT NO. 1611

(Ordered to be printed and to lie on the table.)

Mr. HART submitted an amendment, intended to be proposed by him to amendment No. 1578, intended to be proposed to the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

Mr. HART. Mr. President, I firmly believe that current institutions and facilities for housing juveniles are not satisfactory and that major changes in delivery of services to juveniles is needed. S. 821, scheduled to be considered tomorrow, incorporates the needed changes.

However, if a new system for delivery of services is to be instituted, then the jobs and job rights of the workers employed in the existing institutions must be adequately protected. If a State institution for juveniles is to be closed, because of programs initiated and funded under this legislation, each worker in that institution deserves appropriate job protections. We should not tell employees that because Government has decided to close their place of employment, their years of service and the benefits accrued are worth nothing or they have no reemployment rights.

S. 821, as reported by the Judiciary Committee provides a skeleton framework for protection of affected employees.

The intent of employee protection language in the amendment I file and ask be printed at the end of my remarks is to fully preserve the rights, privileges, and benefits under existing collective-bargaining agreements or otherwise; to continue collective-bargaining rights; to provide training or retraining programs; and to continue employment for affected individuals at equivalent pay and responsibility levels.

This language is primarily to clarify and explain the employee's rights by conforming the language to the public employee guarantees incorporated in the Urban Mass Transit Act of 1964, Public Law 88-365 (49 U.S.C. 1609(c)). It was also incorporated in the original draft of the Juvenile Justice and Delinquency Prevention Act introduced in 1973.

The amendment makes clear it is not our intent to threaten the economic well-being of these State and local government employees. In reforming our programs for youthful offenders, we should not ignore the thousands of experienced employees at State and local levels who work in present programs. Their rights must be protected, and their knowledge and skills utilized. I would hope this amendment will be adopted to S. 821.

Mr. President, I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1161

On page 36, strike out lines 21, 22, and 23 and insert the following:

"(17) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—

"(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise;

"(B) the continuation of collective bargaining rights;

"(C) the protection of individual employees against a worsening of their positions with respect to their employment;

"(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or part under provisions of this Act;

"(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protection arrangements established pursuant to this section;

NOTICE OF HEARING ON A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 1, 1974, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

James C. Hill, of Georgia, to be U.S. district judge for the northern district of Georgia, vice Sidney O. Smith, Jr., resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND), chairman; the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

POSTPONEMENT OF HEARING REVIEWING THE OPERATION OF THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Labor hearing scheduled for July 29, 1974, reviewing the operation of the Occupational Safety and Health Act of 1970 and pending amendments is postponed. This hearing will be rescheduled at a later date.

The public hearings scheduled for July 30, and July 31, 1974, at 9:30 a.m. in room 4232 of the Dirksen Office Building will be held as originally scheduled.

ADDITIONAL STATEMENTS

NURSING HOMES

Mr. TAFT. Mr. President, I was pleased to note HEW Under Secretary Carlucci's announcement on June 21 that the effort to upgrade federally supported nursing homes will be stepped up. I am concerned that this urgent need may not have been receiving the emergency attention it deserves.

Last January 23, I urged the Nation's nursing home administrators to take advantage of a new Federal law which I cosponsored to help eliminate fire hazards in their facilities. That new law, signed by the President December 28, 1973, would allow the Federal Housing Administration to guarantee loans to be used to provide fire safety equipment for skilled and intermediate care nursing facilities. The provision of the Federal guarantee would result in a lower interest rate for these loans than the nursing homes could otherwise obtain.

In a Department of Health, Education, and Welfare study, dated last December 27, it was pointed out that 59 percent of the skilled nursing homes in our country did not comply with the Government's life safety code; according to the records available 27.8 percent of these had incomplete or no plans to correct their deficiencies, but nevertheless were certified to receive Federal medicare and medicaid money. Nearly 50 percent needed better sprinkler protection systems and 36.5 percent had no sprinklers.

As I stated then, the human aspect of these figures is that the very safety of a considerable portion of the million patients in our Nation's 8,000 nursing homes continues to be presently imperiled. These figures should be of the greatest concern to all of us. If the situation is not corrected as quickly as possible we may have some terrible tragedies, supported in part by Uncle Sam's financing. That probably has even happened already.

In the ensuing 6 months since the study was revealed, there have been some disturbing indications that some Government entities are not responding to this problem with the needed sense of urgency. The most concrete of these indications at the Federal level is that after more than half a year since the law I referred to was passed, it is still not in effect.

In response to my urgings last January, several conscientious nursing home administrators asked me immediately for more information about obtaining a federally guaranteed nursing home improvement loan. In retrospect I certainly misled them when I replied that the program would be operating shortly. The delay seems all the more unconscionable when one learns the cause; an argument by certain Federal officials over semantics in the regulations and the placement of responsibility for the post-repair inspections of homes receiving the loans.

Another disturbing element has been that some staff officials at the Department of Health, Education, and Welfare in Washington have been indefinite about the extent to which the situation described by the report is being promptly corrected. While various reasons have been offered, the most serious problem appears to be defective, inaccurate or incomplete data submitted by the States.

Some of the steps announced recently, such as the program of unannounced visits to over 300 nursing homes, the proposed development of national rating standards, and the institution of a nationwide information system on long-term care, will help the Department discover "What's going on out there?" and thus may lead to more responsive corrective action. These steps are long overdue and certainly should have been instituted as quickly as possible after last December's survey results became available.

The Federal Government has also continued its sizable training program for State inspectors and increased Federal program personnel. Furthermore, lately it has put considerable emphasis on explaining to the States how to fill out certification forms and checking to determine whether the old forms were filled out accurately.

I have already emphasized the pressing need for much-improved information and the forms certainly must provide complete and accurate enough information to make judgments on nursing home certifications feasible. However, we must not forget that the most urgent concern has to be those nursing homes already labeled unsafe and the elderly people who may be living in fire traps or otherwise dangerously substandard facilities. The reminder cited several times to my staff by HEW's staff, that last December's survey was based upon a check of forms rather than of the actual nursing homes, fostered concern on my part that some in Government were concentrating too much on forms and paperwork and too little on initiation of nursing home improvements.

The real situation may be better or worse than the horrendous situation indicated by the survey; in his June 21 speech, Mr. Carlucci mentioned some evidence that it may be worse. HEW should respond accordingly and I am pleased to see evidence that indicates some agency movement.

Since the most direct responsibility for initiating improvements is at the State level, particularly under medicaid, HEW will have to crack down on the States as part of its emphasis on correcting present problems. Some States are moving unconscionably slowly to force nursing homes to take corrective action, while in some States virtually all skilled nursing facilities have been converted to intermediate care facilities so that they have more time to comply with the life safety code. This kind of maladministration by the States has to stop, even if it takes action such as suits by the Federal Government to accomplish that end.

Considering the results of the nursing home survey, I would have expected HEW to go out of its way to warn and educate people about the problems it had uncovered. There was some publicity upon the release of the survey report in January. Furthermore, certification status and reports for individual nursing homes are available at local certifying offices. However, there has been no concerted HEW attempt to make the general public aware of the existence and availability of these reports. Furthermore, the average citizen looking for a suitable nursing home would need a translator to interpret the reports. These surveys ought to be summarized for the general public and posted in the nursing homes themselves, as is being contemplated by HEW. HEW should also take further steps to indicate generally to the public the magnitude of the problem and the information available, so that consumers can respond as they see fit.

I realize that any such publicity could be misleading if designed carelessly, that actual correction of these defects may take time, and that a decision to cut off Federal funds is a very serious step which can cause immediate hardships for a nursing home's patients and possibly bankruptcy for the home itself. Nevertheless, I can see no excuse for continuing for an extended period to funnel millions of Federal medicare and medicaid dollars into homes which have already been assessed as hazards and which have absolutely no plans to correct deficiencies. The Federal and State administrators involved must obtain any needed data and make some hard choices, in terms of deciding whether deficiencies are minor enough to be waived and what corrective actions are acceptable. But although the annual rate of deaths due to fires in nursing homes receiving Federal funds may not be great percentage-wise, any deaths should be reminder enough that these decisions and the corrections themselves must be made as expeditiously as possible.

FOOD AND FUEL FROM TRASH

Mr. PROXMIRE. Mr. President, in May I chaired 3 days of hearings into the economic implications of a new technology for converting common organic wastes into ethyl alcohol and single cell protein. This process, funded through the Department of the Army, has been developed by research scientists at the Natick Laboratory in Massachusetts.

The work underway at the Natick Laboratory represents a very small percentage of the Federal Government's research and development effort, less than one-hundredth of 1 percent. But the potential benefits of this particular research are enormous. Even a cautious appraisal of the Natick process suggests that it holds the promise of making an important contribution to some of the Nation's most critical needs: Energy, food, and solid waste management.

Environmentalists, who have been wrongly attacked from some quarters as the chief culprits in the energy crisis, will be glad to know that the Natick process was developed as a direct result of efforts to comply with the National Environmental Policy Act. Following passage of this legislation in 1969, the Department of the Army directed the Natick scientists to undertake studies of ways to dispose of solid waste so as to protect and enhance the environment. Two goals were set: to reduce the amount of waste dumped into the environment and to convert such wastes into useful products economically. Great strides have been made in meeting these goals. The scientists have already proved that the process is technically possible. In June a prepilot plant opened to begin demonstrations that the process can be economically feasible for private enterprise.

Mr. President, an excellent and remarkably well-written article by Cathy Kaufman appears in the July 20 edition of The Nation magazine which explores the potentials of the Natick process. I think my colleagues in the Senate should be aware of the exciting work that is going on in this area. I ask unanimous consent that the article "Food and Fuel From Trash," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Food and Fuel From Trash

(By Cathy Kaufman)

In subtropical countries, one is advised to keep a light burning in the closet. It keeps the atmosphere sufficiently dry to discourage certain mildew-producing fungi that attack cellulosic materials such as cotton or linen. During World War II, the U.S. Army began investigating the habits of *Trichoderma viride*, a clothes-destroying fungus with a particularly keen appetite for the cartridge belts worn by soldiers in the South Pacific. Three years ago, the research assumed an offensive rather than defensive stance, when it was decided, under the Army's Pollution Abatement Control Program, to see if *T. viride* could be used to eliminate cellulosic wastes at military bases. The U.S. Army Laboratories at Natick, Mass. (whose mission involves materiel; food for the astronauts is both developed and manufactured there), soon isolated a mutant of *T. viride* that converts cellulose to glucose so quickly and efficiently that, in the not too distant future and on a large scale we may be able to produce both food and fuel from trash.

T. viride works by producing an enzyme, cellulase, that then converts cellulose to glucose. The glucose, in turn, may be transformed by microbial action to single-cell proteins, by chemical conversion to other chemical feedstocks, many of which are now derived from petrochemicals, and by fermentation to ethyl alcohol (ethanol) or to other chemicals such as acetone.

The age of fossil fuels, like the age of dinosaurs, is transitory. The estimates are that it will come to an end in the early years of the 21st century. Certainly it will be sputtering with a yellow flame by then. The hope in cellulose is that it is the only organic material on earth that is constantly replenished by solar energy, in estimated quantities of 100 billion tons per year. Municipal trash is composed of about 70 per cent cellulose—roughly, 50 per cent paper and paperboard wastes and 20 per cent garbage and yard wastes. Last year some 200 million tons of trash was collected by cities and towns in the United States. This may be the only natural resource that is growing, not diminishing; the calculated annual trash increase is 5 per cent.

In addition to municipal trash, sources of cellulosic waste include industrial paper and wood wastes, agricultural and food-processing wastes and animal feedlot wastes. Roughly 800 million tons of livestock manure is produced annually in feedlots. About 50 per cent of the dry organic weight of this mass is cellulosic and can be reduced to chemically pure glucose, recyclable to cattle as syrup or as single-cell proteins.

One thousand pounds of cellulose waste will yield 500 pounds of glucose. The 50 per cent conversion rate applies again to the yield from the glucose of either single-cell proteins (SCPs) or alcohol. Thus production of food or fuel would be equally efficient.

The single-cell proteins are comparable in essence to brewer's yeast. Their crude protein content is high—44 to 51 per cent, compared to 32 to 42 per cent for soybeans, or, for soybeans in their most concentrated, defatted form, 45 to 54 percent. Among land-based vegetables, only sunflower seed concentrate is higher in protein than SCPs, by 2 per cent. Furthermore, the protein of SCPs is complete, containing all eight essential amino acids.

Hypothetically, the bulk cellulosic municipal waste of 140 million tons could be converted into 35 million tons of SCPs. That would be greater than India's record wheat production of 26 million tons two years ago (since drastically reduced). And the crude protein content of the hypothetical SCP production would be four times greater than that of an equal amount of wheat.

There is a considerable protein imbalance in the world today. "Food imperialism" (the phrase is from Lyle P. Schertz of the U..S Department of Agriculture) takes grain and fish from the poor nations to feed the beef cattle of the rich. Wealthy nations such as the United States, Canada, Great Britain and the European countries have a taste for beef generously marbled with white fat. Cattle raised on grass, in Australia and Argentina, are leaner and their fat is yellow, from carotene in the grass. The lifetime diet of the average American cow raised for beef consists of about 12 per cent protein daily. This has been derived primarily from grains and legumes suitable for human consumption, such as corn and soybean meal. Most of our harvested grain, in fact, is fed to animals at a great net loss of protein. As meat eaters we retrieve only 10 per cent of the protein fed to cattle.

Historically, cattle have been ruminating beasts, eating cellulosic fodder not suitable for human consumption, converting it to high quality protein for man's enjoyment and health. Ideally, cattle eat what we cannot, and we eat them. This natural (to us) efficient design is altered when the diet of beef cattle is composed of grains or fish meal suitable for man. The artificially imposed pattern becomes grotesque when one considers that millions of people in the world are underfed in both protein and calories to the point of debilitation and in increasing numbers to the point of actual starvation.

Dr. Robert Oltjen, chief of the USDA's Ruminant Nutrition Laboratory at Beltsville, Md., has fed livestock exclusively on ground-up newspaper or wood pulp mixed with molasses, supplemented with urea (which the animal converts to protein), to determine exactly how low a dietary level cattle can tolerate and still remain healthy and commercially viable. One bull at the Beltsville laboratory has thrived for nine years on a wholly protein-free diet. In Dr. Oltjen's opinion, cattle in the United States consume excessive amounts of protein and go to market too fat.

But if fatty beef continues to dominate the market, despite indications that its consumption contributes to increased blood cholesterol levels and colon cancer, the protein to produce it could at least be derived from SCPs from waste material and not from grains desired by humans. Dr. Oltjen sees the current high cost of conventionally produced yeast, or SCPs, as the only major deterrent to its widespread use as a cattle food supplement. Using the present very rough cost estimates for the Natick process, one can speculate that the production of a ton of SCPs from municipal waste would cost slightly less than half the current cost ($110 to $120) of a ton of soybean meal.

Human diets, too, could be greatly enhanced with the addition of SCPs. Experiments have demonstrated that the palatability of bread is not altered by the addition of SCPs and the protein content is considerably increased. Such means of adding protein to the diets of those subsisting largely on starchy foods like manioc or taro in the developing countries could mean the difference between the presence or absence of kwashiorkor, a syndrome of severe protein deficiency. The diets of the poor in our own country are notably low in protein and would benefit by SCP enrichment. It is true that further research needs to be done to assure the purity of the trash-derived glucose used for SCP manufacture, if these are designated for human consumption. The problem is not perceived as one that is insoluble by the Natick scientists.

The other possibility in the Natick process is the production of fuel. Ethanol has long been recognized as a suitable, even desirable, additive for gasoline, but the cost of producing it by fermentation of valuable grain foodstocks made it uneconomical, at least in this country. Brazil and South Africa produce ethanol as a motor fuel from surplus sugar. Before World War II both the French and Germans mixed ethanol with gasoline.

Sen. William Proxmire (D., Wis.), chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, held three days of hearings recently on the food and fuel potential of the Natick process. Natick scientists Dr. Mary Mandels, Dr. John Nystrom and administrator Leo Spano were present, as were protein experts, alcohol and waste management experts; John Sawhill, administrator of the Federal Energy Administration, Russell E. Train, administrator of the Environmental Protection Agency, representatives of Shell and Mobil Oil companies and Ralph Nader.

A large part of Sawhill's testimony was devoted to the impracticality of using ethanol fermented from grain as a gasoline additive; it would be uneconomical and divert food supplies from human use. This was largely irrelevant, given the subcommittee's focus on municipal trash as a source of ethanol.

Train's attitude toward ethanol was even more negative. Even cheaply produced ethanol would not be practical to use as an automotive fuel additive, he said, listing reasons such as its oxygen content, which would require carburetor modification; the affinity of alcohol for water, which would cause its separation from gasoline in storage tanks and the high evaporation rate of alcohol. These "obvious difficulties," according to Train, outweigh the potential benefits of ethanol.

On questioning by Proxmire, neither Train nor his technical adviser, a former long-time Texaco employee, showed any familiarity with the more positive experiments using alcohol as a fuel additive.

Even the oil company representatives agreed with Dr. Thomas B. Reed, methanol expert and M.I.T. research chemist, that 10 per cent additions of ethanol or methanol to gasoline require no carburetor modification. Furthermore, Reed said, a one-in-ten methanol-gasoline mixture can increase fuel economy up to 10 per cent in some cars. Methanol or ethanol significantly increases the octane of gasoline, and carbon monoxide emissions are decreased up to 70 per cent. The problem of the affinity of alcohol to water could be solved by using Sunoco-type mixing pumps at the filling station.

Are the oil companies interested in seeing ethanol used as a 10 per cent gasoline additive? Yes, says Shell. No, says Mobil; they would prefer that trash be used as fuel by burning it directly. Both Mobil and Shell agreed, however, that the government should bear all costs of research and development of producing ethanol from municipal waste. Only when it becomes "commercially feasible" would the oil companies care to step in.

Ralph Nader accused the oil companies of indifference to the development of any forms of energy that they cannot directly own or control. Oil, uranium, coal, natural gas are finite and possessable. Solar energy is relatively infinite, and falls indifferently upon the earth, lease or no lease.

Though ethanol manufactured from currently available municipal, agricultural and feedlot wastes could provide 14 per cent of this country's fuel consumption, so far only $400,000 has been invested in the pertinent research at Natick. Nader contrasted this with the hundreds of millions of dollars the oil companies are spending on shale oil development which, at best, will provide only 2 per cent of our annual energy needs, and the $2.7 million spent recently on the American Electric Power System's campaign to convince the public that burning coal without pollution controls is the answer to the energy problem.

An additional tens of billions of dollars, Nader said, has gone into the development of nuclear power that, with all its environmental hazards (the AEC admitted after the hearings that 861 "abnormal" events occurred in our forty-two nuclear power plants last year), so far provides only a minute percentage of our energy.

The modest outlay devoted to cellulose conversion at Natick consists of a small laboratory in a basement, where the enzymatic broth is produced. Behind the glass beakers containing shredded copies of the *Boston Globe* (the cellulose substrate of choice) microbiologist Mary Mandels has pinned newspaper clippings on the world's current famine situation. In the pre-pilot plant, a sunny, large room in another building, one edges down a narrow aisle past banks of dials to a row of squat, miniaturized vats, swaddled and muffled in asbestos like so many dutiful children done up to play in the snow. The pre-pilot plant began operations in June; it will produce 500 pounds of glucose per month.

Two years ago, a delegation of Russians visited the Natick laboratories and were given samples of *T. viride* to take home. They purchased fermentation equipment from Fermentation Design, Inc., of Bethlehem, Pa., suppliers to Natick, in quantities three times greater than Natick's. In addition, they bought a computer to facilitate experimentation in their pilot plant. So far, Natick does not have $150,000 for a computer.

The Russians' interest is in production of single-cell protein and in this respect they are unique among those—representatives of private industry, foreign governments, states such as Oregon, with a straw disposal problem—who have been granted royalty-free licenses by the Army to apply the enzymatic conversion process to waste. Most interest has been expressed in using the process for waste disposal or to produce industrial chemical feedstocks.

In some respects the Natick process can be viewed as a litmus test for social ideologies. We have a pot of glucose, derived in a clean, nonpolluting way from municipal trash in a plant costing less than the traditional incinerator plant. From it we can derive all the chemicals that are conventionally derived from glucose. In addition, because it is so cheap and replenishable, we can at last contemplate producing protein from it by microbial action or fuel by fermentation. No efficiency or cost factor helps us make the decision; the equipment is multi-purpose. We can produce what we deem most valuable—food for the starving or fuel for our automobiles.

Of course it is not so simple. Modern agricultural methods are bound to technology and the consumption of ever-increasing amounts of energy. A large proportion of the energy used for tractors, electricity for irrigation, and to produce nitrogen fertilizers and pesticides, is derived from finite fossil resources.

The production of corn is typical of the way energy is used for crop production in the United States. A detailed cost-benefit analysis (Pimental, Hurd, et al., in *Science*, November 2, 1973) reveals the startling fact that, though actual corn yields per acre have increased 138 per cent since 1945, this has been possible by breeding strains increasingly dependent on and responsive to pesticides and nitrogen fertilizers: the result has been an actual *decline*, since 1945, in corn production per unit of energy expended on production. Currently, we are using the equivalent of 80 gallons of gasoline to raise an acre of corn yielding 81 bushels.

Green revolution crops, too, are bred to heavy and sometimes precarious dependence on fuel-based fertilizers and pesticides. Modern agricultural methods increase the fossil fuel input and decrease correspondingly the need for human labor. With population increasing and fuel decreasing, that does not seem the best way to proceed. It would be wiser to use more animal and green manures, crop rotation, breeding for more inherent sturdiness and less dependence on pesticides and chemical fertilizers, and intensifying—in this country at any rate—farm labor at decent pay, through subsidy if necessary. Unless we change direction, the need for fuel for agricultural use alone will not abate but grow in Moloch-like rapacity as current techniques spread and as the world's population increases.

ICELAND'S 1,100TH ANNIVERSARY

Mr. MOSS. Mr. President, special recognition is due the industrious and energetic people of Iceland. On July 28 the 1,100th anniversary of the founding of Iceland will occur.

As we make preparations for our Bicentennial celebration in 1976, the significance and importance of the settlement of Iceland should become more apparent. The traditions of the bold and adventurous Norwegian Vikings who crossed the unknown North Atlantic to found Iceland are part of the Icelandic and western heritage. In less than six decades the Norse and Celtic settlers established an independent republic that was governed by a Central Parliament—the Althing. This is the world's oldest Parliament. In 1930, on the 1,000th anniversary of the Althing, the Congress of the United States recognized the varied contributions of the Icelandic people and presented to the people of Iceland a statue of Leif Ericson, the "discoverer of Vinland."

It was Leif Ericson, "son of Iceland," who, in about A.D. 1000, became the first known European to set foot on American soil. He, and similar Viking settlers of democratic Iceland, typify the courage and determination of the freedom-loving people of the Western World. Through the efforts of such individuals the democratic traditions of America have been built and are reinforced.

In recognition of the accomplishments of Leif Ericson, a Presidential proclamation to comply with a joint resolution of Congress designates October 9 in each year as "Leif Ericson Day."

Mr. President, extensive celebrations have occurred and will occur in the Republic of Iceland this summer to commemorate the arrival of the first settlers to Iceland. These memorable celebrations began with the national day celebration on June 17, and will culminate with the national festival on July 28. The enrichment of American life, due to the tradition of the ancestors of the Viking explorers, can be an example as we meet the unknown challenges and dangers of our third century as a Republic. I hope that we will recognize this.

THE COURTHOUSE TAKEOVER—DISTRICT OF COLUMBIA AS A MODEL FOR THE NATION

Mr. KENNEDY. Mr. President, on Monday night, July 15, Frank Gorham, Jr., and Robert Nathan Jones surrendered to the authorities. Thus ended the dangerous confrontation at the Federal courthouse here in Washington between these two men and law enforcement officials that had gone on for 104 hours. The outcome was a storybook ending: no one hurt, the prisoners recaptured, the hostages saved.

The country can be proud that the District of Columbia, its Capital City, is able to serve as a model for the Nation in this regard. The District authorities have proved that patience and compassion work better than haste and hatred.

The happy ending was not the result of accident or good luck. This 4½-day ordeal ended peacefully because the people did not like violence, did not want violence, and were determined not to have violence.

On the second day of the confrontation, the Washington Star News noted that few of the spectators, as they waited and watched the silent courthouse, thought the crisis would end without bloodshed. Their pessimism was understandable, for sometimes violence seems to have become the rule rather than the exception in our society.

But that pessimism proved unfounded, thanks to the wise restraint of the District of Columbia and Justice Department officials and so many others involved, who thereby set this outstanding example of wise and effective law enforcement for the Nation.

Because of reporters like Chris Lorenzo of the Washington Star News, who spent 43 hours on the phone talking to the prisoners and the hostages and went without sleep for nearly 3 days; because of reporters like Jim Vance of WRC-TV, who acted on several occasions as an intermediary between the prisoners and officials; and because of law enforcement officials like Chief Deputy U.S. Marshal James Palmer, who said that his lifestyle dictated that everyone involved should walk out of the courthouse alive—because of Americans like these, the crisis at the courthouse had that storybook ending.

It it my hope that unfortunate incidents like Attica and the SLA shootout in Los Angeles and others like them are in the past, and that we shall once more make violence the exception and not the rule in law enforcement.

IMMEDIATE AND CONCERTED ACTION IS NEEDED TO COMBAT INFLATION

Mr. PERCY. Mr. President, I was one of the 54 Senators who joined in sending a letter to the President on June 24 requesting that he submit a proposed balanced Federal budget for 1975.

I believe the Congress has the responsibility of working with the executive branch in a concerted effort to reduce the projected Federal deficit and to take any other actions which would halt the staggering inflation we are now experiencing. Because of this, I wrote to the President yesterday with my own proposals for reducing the projected deficit for fiscal year 1975 by $10 billion.

I do not maintain that my suggestions are the final or the only means by which Federal spending can be reduced and Federal revenues increased. I do believe, however, that a results-oriented dialog on this subject must begin immediately if we are to have any reasonable expectation of reducing the projected deficit during this fiscal year.

I hope that other Members of Congress will be encouraged to review the budget requests submitted last February and make their own suggestions for change.

Mr. President, I ask unanimous consent that a copy of my letter to the President and my suggestions for $10 billion in Federal deficit reductions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, D.C., July 23, 1974.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Inflation continues unabated and at record levels. For the government not to take those measures to reduce inflation which are reasonable and feasible courts severe, perhaps tragic, consequences.

Your concern for this matter is apparent and promotes the likelihood that the legislative and executive branches of government can discover comity together and agree on prompt steps to reduce the rate of inflation. Only then can we rescue the nation from the existing economic perils.

I believe the first and most urgent requirement is to bring the fiscal year 1975 budget into balance. The purpose of this letter is to suggest to you, and to your economic advisors, measures which, if adopted, would reduce the anticipated federal deficit by $10 billion. Though I arrived at these proposals after study of federal revenues and outlays for fiscal year 1975, I do not ascribe absolute wisdom to them. Yet I do hope they will serve to promote the dialogue, in the Administration and the Congress, which will result in swift agreement to reduce the anticipated deficit by $10 billion, including the specific program cuts to achieve that goal. I believe that this is possible, indeed imperative.

For us to move precipitously from a deficit spending level of approximately $3 billion in fiscal 1974 to a level of over $12 billion in fiscal 1975 would only further worsen an already serious situation. Although a $10 billion reduction in the expected deficit would not achieve a balanced budget, it moves us closer to a more consistent fiscal policy. It would, in fact, be a slightly more restrictive budget than last year's when we experienced a $3.5 billion deficit.

Cutting the budget deficit will help curb the inflation rate. Monetary restraint can be eased. Moreover, positive government action will provide a beneficial psychological effect on all segments of the economy—business, labor, consumers, financial institutions, the stock market.

My proposals were selected with three dominant priorities in mind. First, no cuts should be made now that would result in human suffering, such as reductions in food or other minimum income assistance. Second, cuts should not be made in such areas as revenue sharing, research or education, thus reducing our investment in the future vitality of all our institutions. Finally, no cuts can be permitted which would endanger our national security. We are closer to peace through this Administration's policy of detente with the Soviet Union. Tensions have been eased in the Middle East. But we have not yet progressed to the point of significant bilateral reductions in defense spending. We must maintain a strong defense. However, I believe certain defense spending proposals can be reduced or deferred without posing any threat to our security.

Budget cuts should be debated now in the spirit of the Congressional Budget and Impoundment Control Act of 1974. As you stated the day you signed this landmark legislation, it places equal responsibility on the Congress for controlling federal spending. The provisions of that Act will first apply to the budget for fiscal 1977. But because of our present economic perils, I do not believe the nation can wait two years before implementing the basic philosophy of this legislation.

Also at the time of the bill-signing you stated that the Administration's budget for fiscal 1976 would be a balanced one. I propose the need to accelerate that timetable to advance a balanced budget for fiscal 1975. Inescapably, any spending reductions or tax increases will cause some discomfort. But to continue to court double-digit inflation promotes the possibility of real tragedy.

For millions of Americans whatever burdens created in the attempt to bring inflation under control are burdens which must be borne.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

PROPOSALS FOR OUTLAY SAVINGS

PROPOSAL

fiscal year 1975 outlay savings

	(Millions)
Long-term construction projects:	
a. Defer ⅓ of outlays on selected, non-essential Department of Interior construction projects. Budget now requests $1,230.974 million for Bureau of Land Management construction of buildings and recreation facilities; Bureau of Reclamation studies of proposed projects, grants, and loans and direct expenditures for construction and rehabilitation of existing projects; National Park Service construction of recreational facilities and roads. This spending can be deferred in part without any serious long-term consequences	$410.324
b. Defer ⅓ of requested outlays for selected Army Corps of Engineers civil construction projects, now budgeted at $935.362 million. These outlay requests should be cut from non-essential projects such as recreation, and not from projects for which there is an immediate need, such as flood control	308.451
c. Defer ⅓ of budgeted spending on interstate highway construction and ¼ budgeted spending on rural and urban highway construction. $4,050.000 million is now budgeted for such construction from the Federal Highway Administration Trust Fund. No serious long-term consequences would result from the delay in this proposed construction. This type of expenditure is better when a stimulative outlay is needed for the economy	1,220.000
National Health Insurance:	
Budget includes $42.0 million in outlays for proposed national health insurance program. Implementation of any new program is virtually impossible during FY '75 and this outlay can and should be deleted	$42.000
Defense:	
a. A 2% cut in military and civilian manpower, to be taken from support functions. At this time 85% of military manpower serve in support rather than combat positions. In its report on the Department of Defense Procurement authorizations this year, the Senate Armed Services Committee reiterated its recommendation that support forces be cut, including a 30% reduction in overseas headquarters personnel. Despite this, only a 7% reduction has been effectuated at this time, with only an 11% reduction programmed by FY '76. These reductions would be in addition to the 2% military and 4% civilian manpower request reductions already recommended by the Senate Armed Services Committee and adopted by the Senate this year. Outlay savings are based on a 6 month phase-out, with personnel reductions to be made by attrition	970.878
b. Defer requested naval base improvements on Diego Garcia in the Indian Ocean as well as costs of maintaining aircraft carrier held out or programmed retirement to service this base. There are serious questions as to the advisability of establishing a permanent U.S. presence in the Indian Ocean. Long-term costs will be over $5.6 billion per year. The proposal deserves further study	107.300
c. Stretch out requested procurement by building three, rather than seven, DD-963 destroyers, and 250, rather than 510, M60A1 tanks this year. Immediate need for this procurement has not been demonstrated, and delayed procurement will allow further opportunity for study of the continued reliability and viability of this hardware	354.000
d. Cut foreign military aid (grants and credit sales) by 10%. This will serve to give notice to the nations affected that efficiencies in their own defense establishments are now required and that the U.S. will now look more closely at their actual military needs	190.000
General Spending Cut:	
Budgeted outlays for "non-mandatory" programs which have not been affected above could be cut by 2.5% without serious harm to program direction and content. This would include regular agency administrative and program appropriations, but not such permanent programs as Veterans education or social security	1,600.000
Authorization Cut Already Adopted by Senate:	
The Senate Armed Services Committee and Senate have already approved a cut of $1,500 million in the DOD procurement authorization request. This cut can be implemented dollar for dollar into outlay savings. (This does not include the savings resulting from manpower cuts made by the Senate. These savings are proposed to become effective over a one year period. One half of the savings resulting from the Senate cut and one half of the savings resulting from the cut proposed above are included under DOD manpower above.)	$1,500.000
Total proposed outlay savings	6,702.953

REVENUE RAISING PROPOSALS

First year revenues

	[In millions]
Repeal state and local gas tax deduction. These taxes are in reality local highway users taxes. Repeal of the deduction will only cost a few dollars per individual per year, affecting those with higher incomes to a greater extent	$600
Limit foreign tax credit for oil production income, thus assuring that U.S. companies will pay a fair share of U.S. taxes	300
Phase out domestic depletion allowance (Ways and Means proposal). Recent oil price increases provide sufficient incentive for new drilling	620
Dye heating fuel oil to deter tax fraud in its use as diesel fuel	500
Repeal foreign depletion allowance. The U.S. should not encourage drilling abroad	40
Repeal overall (as opposed to per country) tax basis for oil and gas extraction income, thus limiting use of foreign tax havens	450
Limit DISC to incremental increases in exports, consistent with the original purpose of this tax preference	142
Repeal Western Hemisphere companies tax advantages. There is no justification for this special preference	40
Reform minimum income tax, such as recently proposed by Treasury Department. This would assure that all individuals pay a minimum tax on their incomes	745
Total revenue raised	3,437

INCREASE IN CRUDE OIL PRICES

Mr. JACKSON. Mr. President, the well-known energy economist Walter J. Levy has published an extremely important article in the most recent issue of Foreign Affairs. Mr. Levy's article attempts to examine the economic and social implications of the recent Arab oil embargo and the resulting crude oil price increases. While he is not optimistic, Mr. Levy does indicate there are several steps the United States and other oil-importing nations can take to avoid significant economic, and particularly balance of payments, problems.

Mr. Levy notes that the position of international oil companies has changed significantly in the past year. He notes they can no longer act as "intermediaries" between oil exporting and importing countries because they have lost considerable leverage. This, and other developments, points to a far greater involvement by consuming country governments in oil industry operations. Indeed, Mr. Levy states that "perhaps even some measure of control" will have to be exercised by importing countries over the operations of international oil companies. This development is important since it bears directly on an issue the Senate Interior Committee has been considering: The Federal chartering of oil companies.

As most members know, the outlook for oil supplies, despite White House claims to the contrary, is not good. Mr. Levy agrees. He notes that:

> No lasting relief is in sight for needy oil-importing countries.

Mr. Levy sees the need for four steps to improve this situation. First, we must establish and coordinate international research and development on new energy sources. Second, we must continue to practice and promote energy conservation. Third, each oil importing country should maintain stockpiles equal to 6 months of its oil imports. Finally, Mr. Levy recommends greater cooperation among the oil importing countries of the world on problems of mutual interest.

Mr. Levy feels that if these measures are successfully undertaken, we can avert world economic and political problems similar to those of the Great Depression.

Mr. President, because of the timely nature of Mr. Levy's article and the direct importance it has for legislation now before the Senate, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Foreign Affairs, July 1974]

World Oil Cooperation or International Chaos

(By Walter J. Levy)

Rarely, if ever, in postwar history has the world been confronted with problems as serious as those caused by recent changes in the supply and price conditions of the world oil trade. To put these changes into proper perspective, they must be evaluated not only in economic and financial terms but also in the framework of their political and strategic implications.

I need not dwell here on the overwhelming importance of oil for the energy requirements of every country in the world; nor do I plan to elaborate on the fact that—except for the United States, the Soviet Union and a small number of countries that are, or will become, self-sufficient—most of the nations of the world will, at least for the foreseeable future, depend almost entirely on imports from a handful of oil-exporting countries, with an overwhelming concentration of oil production and reserves in the Persian Gulf area of the Middle East. Among those countries in the Gulf, Saudi Arabia is predominant in terms of reserves, production, and most important, in the potential to provide significant expansion of supplies. Inevitably, producing decisions by Middle East governments, especially Saudi Arabia, will play a pivotal role in future world oil availability and pricing.

Over the last three years or so, oil-producing countries have in fact taken over complete control of the oil industry in their countries. They have coordinated their efforts through the Organization of Petroleum Exporting Countries (OPEC) which was established in 1960. Since 1970, producing governments have imposed in rapid succession changes in previous agreements that had been negotiated and renegotiated with their concession-holding companies, predominantly affiliates of the Anglo-American international oil companies. These changes were arrived at under the threat that if the oil companies would not acquiesce, the producing countries would legislate such changes unilaterally or expropriate the concessions. In October 1973 the last vestige of negotiations was abandoned and producing governments unilaterally set posted prices on their oil.

In the exercise of this power, Middle East producing countries have raised their government oil revenues from taxes and royalties from about 90 cents per barrel in 1970 to about $3.00 per barrel by October 1973 and then to $7.00 per barrel by January 1974. In addition, as a result of the participation agreements between the producing countries and the oil companies, the governments earn additional income from the sale of their newly acquired oil. Its amount, of course, depends on the percent of government ownership and the price they charge for their oil. Agreements had been concluded, as recently as late 1972, under which producing countries acquired a 25 percent participation in the oil-producing operations and were also committed to sell most of their participation oil to the oil companies at agreed-upon prices; now producing countries are demanding that these arrangements be changed in their favor. Only a few arrangements have yet been concluded, but most of the producing countries will probably insist on at least the equivalent of 60 percent participation and a price for the sale of their oil corresponding to about 93 percent of the posted price—both changes most likely to be imposed with retroactive effect as of January 1, 1974. On such a basis, the government income from the total oil-producing operations in key countries would average about $9.25 per barrel.[1]

Meanwhile, the oil income of the Middle East producing countries has increased from $4 billion in 1970 to $9 billion in 1972, and to a presently estimated $60 billion in 1974. The oil revenues of all OPEC countries are increasing from $15 billion in 1972 to nearly $100 billion in 1974. Allowing for all their own foreign exchange requirements, OPEC producing countries will still have available surplus revenues on the order of $60 billion this year alone. And there remains a clear and present danger that under conditions as they exist now, the supply of oil from individual producing countries or a group of them to individual importing countries or a group of them might—as in October 1973—at a time unknown, again be curtailed or completely cut off for a variety of economic, political, strategic, or other reasons.

The quick pace at which the producing countries have effected this radical shift in the balance of power is perhaps the most dangerous aspect of the current situation. Whatever the merits of their case (of which more later), the world faces frightening repercussions on account of the suddenness with which oil costs of importing countries and oil revenues of producing countries have been inflated. There just has been no time for mature consideration by the societies that have to deal with this new exercise of oil and financial power, be they recipients or dependents, producers or consumers.

The security of international oil supply operations is further affected by regional conflicts in the producing areas of the Middle East—in particular the still unresolved issues posed by the Israeli-Arab confrontation. There are other potentially dangerous and divisive possibilities, as reflected in Iran's policy of establishing herself as the major strategic power in the Persian Gulf and the Indian Ocean. This could, in due course, aggravate what is already a latent conflict between Iran and some of the Arab countries—not only Iraq, where the hostilities are acute, but perhaps even Saudi Arabia. There are also disputes between Iraq and Kuwait, unresolved boundary issues between Saudi Arabia and Abu Dhabi, and internal conflicts such as the Kurdish problem in Iraq. Further problems are posed by inherently unstable governments in many of these areas and by uncertain and unpredictable rules for the succession to power.

Moreover, within the Persian Gulf area there are varying economic and strategic relationships between some of the producing countries and Western powers on the one hand, and the Soviet Union and even Communist China—on the other. Moscow is deeply involved in Middle East affairs and with the strategic and national policies of some countries, particularly Iraq and Syria. As the producing countries increasingly assert their oil and money power, they are also likely to become increasingly involved as hostage or pawn in any major power struggle.

How can the nations of the world handle this new situation? What is the role of the international oil companies? Above all, how can the producing and importing nations avoid a confrontation or simply a series of reciprocal actions that must tend more and more toward economic chaos and grave political danger? Is there a way to reconcile the various national interests and to achieve constructive overall *cooperation?*

II

The first key fact that must now be recognized is that the position of the international oil companies has changed completely over the past few years. Up to about 1969 the major concession-holding companies still could determine levels of production, investments, exports and prices. Moreover, they still possessed substantial bargaining leverage in their negotiations with producing countries, largely by virtue of the surplus producing capacity that obtained in the Middle East, and even in the United States into the latter sixties.

All this has now gone. The producing countries have taken over from the companies the power to set production levels, to designate or embargo export destinations, to direct investments and to set prices. The oil-producing affiliates of the international oil companies have become completely subservient to the directives issued by the oil-producing countries. Nothing perhaps reflects the present state of affairs more dramatically than the fact that American- and Dutch-owned oil companies had no choice last fall but to become the instruments for carrying out the embargo on oil shipments to their own home countries.

Thus, the companies no longer possess any real leverage. About the only role that is, in effect, left to them in established producing areas is that of a contractor providing technical services, getting in return some privileged access to oil—at costs and prices determined by producing governments. The extent of even this "privilege" and the time over which it will be available are subject to unilateral cancellation at any moment, as were all preceding arrangements.

At the same time that they have been deprived of effective control over their producing operations, the role of the international oil companies in consuming countries has come under increasing fire, fueled also by the recent sudden increase in company profits. During the emergency, consuming governments largely abdicated any effective role; the companies thus had to make far-ranging decisions as to allocation of supplies, pricing, treatment of nonintegrated companies, and many other issues. It was the companies that kept sufficient supplies moving to all countries; now, after the event, some of their decisions are being challenged by consuming governments. It is extremely doubtful whether the companies still possess the necessary flexibility to cope with another similar crisis.

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[1] Incidentally, Saudi Arabia has implied that in its judgment the present high level of posted prices would have a disruptive effect on the international payments accounts and should, accordingly, be reduced somewhat. While it might be difficult to obtain the support of OPEC for a cutback of posted prices, Saudi Arabia could easily achieve a similar result by reducing the price at which it sells its own oil to a level equal to the tax-paid cost of the companies' equity crude plus a per-barrel profit comparable to what the producing governments have said the companies are entitled to earn. Such a price would be some $3.00 per barrel less than 93 percent of posted prices.

If the role of the major international oil companies in established producing areas is diminished, it is nonetheless important to understand what their remaining position is. The technical services they can provide are extensive, and vital to continuing development of the producing countries' resources as well as to efficient producing operations. Moreover, none of the producing countries is prepared to handle alone the disposition of the huge volumes of production they control: the downstream facilities of the majors provide assured outlets for the mainstream of their production, while remaining quantities of crude can be sold directly or used to support refining and petrochemical production in their own countries or in joint ventures abroad.

Because of their size, scope, technical competence and financial strength, coupled with their important positions in the production and development of oil, gas, coal, shale, tar sands, and atomic resources in areas politically secure, the international oil companies are bound to play a major—if not the major—role in expanding dependable additional sources of energy supplies. Even though their foreign crude oil resource base is subject to progressive erosion, the major internationals will accordingly continue to provide for the importing countries over the years ahead the most flexible sources of energy supply.

However, the international oil companies are no longer able to assure the continuity or price of regular supplies to oil-importing countries. And while they can hope to maintain continued preferred access to substantial production in support of their affiliates' crude requirements, even that is uncertain and contingent on the producing countries' self-interest in extending such offtake rights.

Downstream investment in refining, marketing, and transport thus tends to become extremely risky, because the viability of such investment is predicated on secure supplies. Meanwhile, as a logical part of their own development program, producing countries are using their control over crude availability to spur refining and petrochemical investment in their own countries and to acquire tanker fleets—all of which will in due course add to consuming countries' foreign exchange import costs and adversely affect the flexibility and security of their supplies.

In the circumstances, oil-importing countries can no longer expect the companies to fulfill their earlier most important role, as an effective intermediary between the interests of producing and consuming countries. Nor can the international oil companies function, as in the past, effectively to preclude direct dealings between importing and producing countries relating to oil supplies, prices, etc., which may easily lead to political confrontations. To the extent that the companies maintain their operations in producing countries, they in fact reflect the producing governments' economic, political, and strategic policies. To be able to hold on to whatever tenuous residual rights or preferences the producing countries might still be willing to extend, the companies will have no choice but to acquiesce in virtually any kind of conditions imposed or exacted.

All this points to a far greater involvement by consuming-country governments in oil industry operations than heretofore. One major objective will be greater "transparency" in oil company policies. Oil-importing countries cannot be in the dark with respect to negotiations in producing areas, when the decisions vitally affect the security and price of their essential oil supplies. They will want to know more about investment plans and policies in their own countries. And with transparency will inevitably come progressively more government interposition throughout internal oil economies.

But here, too, the international oil companies will have a continuing role to play. Producing countries will become increasingly involved downstream, as direct crude sellers and through investment. Consuming countries will become increasingly involved upstream, through various exploration and crude arrangements. Within this emerging fragmentation of world oil trade, the integrated facilities of the companies could provide an important, perhaps the major, core of efficient operations.

In sum, whatever arrangements on supply, financing, and pricing the oil companies may still be able to conclude formally with producing countries, in practice and underlying reality such arrangements cannot be ignored by the importing countries but are bound to be decisively affected by their policies. Moreover, with the vital concern the importing countries have not only for price but for availability of oil, it now appears inevitable that their governments will also in due course establish a comprehensive policy of surveillance and consultation—perhaps even some measure of control—with regard to oil company operations encompassing the whole range of oil activities vitally affecting their countries.

III

As the problems of oil have become matters that in many key respects can only be handled directly between governments, so their gravity has now become all too clear. Faced with the major "supply shock" of the October 1973 oil embargo and the overall cutback in Arab oil production, the immediate reaction of practically every importing country was to engage in a competitive scramble for oil supplies, coupled with offers to adapt its Middle East policy to Arab demands, and promises of all kinds of financial inducements. It was indeed a humiliating experience for historically independent and proud nations. What we were witnessing, in fact, was not only the fragmentation of the operations of the multinational oil companies, but also the polarization of the oil policies of the importing countries, with foreign petroleum ministers skillfully influencing individual importing countries through the device of handing out oil rewards and punishments.

Then, late in 1973, the advance in world oil prices dictated by OPEC countries was of such magnitude that practically every importing nation was suddenly confronted with major balance-of-trade problems of immediate and continuing effect. The cost of foreign oil supplies for all importing countries will exceed $100 billion in 1974, compared with some $20 billion in 1972. For developing countries alone, it will jump from $5 billion in 1973 to $15 billion in 1974—and the $10-billion increase will exceed all the foreign aid that these countries received in the previous year. Meanwhile, as noted, the OPEC producing countries will accumulate, during 1974 alone, surplus holdings of foreign exchange not needed for their own import requirements of some $60 billion—or nearly two-thirds of the net book value of total U.S. private foreign investment.

Obviously, this surplus accumulation of funds will somehow be recycled into the world's monetary system, probably mainly into the short-term Eurodollar market. But this process will not necessarily result in the availability of loans to the various importing countries in accordance with their individual foreign exchange needs. The creditworthiness of the borrower will decide whether or not Eurodollar loans will be available; many of the developing countries and some developed countries will not qualify under this criterion.

Foreign grants and soft loans—some of them probably never to be repaid—will have to be made available, and the Monetary Fund and the World Bank are addressing themselves to this problem. I doubt that anything like adequate amounts can be made available.

But the financial oil drainage is *not* only a short-term and passing issue. It will be with us for many, many years—if oil prices remain at present levels (or rise as is now occasionally threatened), and if the oil-producing countries themselves are not prepared to make favorable loan arrangements to needy countries in addition to whatever the developed countries are able and willing to do. To the extent that oil imports are financed by a continued recycling of surplus oil revenues via investments or loans on commercial terms, oil-importing countries will face pyramiding interest or individual charges on top of mounting direct oil import costs.

Equally if not more disturbing is the question whether or not the producing countries owning already large surplus funds will be willing to continue to maintain or to expand their production and accumulate financial holdings that might result, in part at least, in nothing but paper claims that could not be repaid. If the producing countries make direct foreign investments, the bulk of such investments will obviously be placed in the advanced developed countries, where it would appear to be safest and most profitable. That will leave the less-preferred developed countries and the developing countries out in the cold. Moreover, the scope for such investments owned directly by foreign producing governments is likely to be limited. Accordingly, oil-exporting countries with surplus revenues might well decide to reduce production—to conserve their liquid gold in the ground rather than increase potential paper claims above ground. Oil revenue surpluses could thus well conduce to oil supply shortage.

There are thus valid reasons to fear that even where present policies of producing countries provide for expanding oil production, circumstances might arise where, in what they consider to be their own self-interest or even for any political whim, the governments involved abruptly cut their level of oil exports. Kuwait, Libya, Abu Dhabi, Ecuador, and Venezuela have already announced restrictions in their production. Iran has threatened to do so if the importers object to price levels.

The financial dilemma for oil-importing countries is clear. In order to finance oil import costs, they will have to look to progressively expanded foreign investment by, or indebtedness to, producing countries. Without any amelioration in the cartel prices and payments terms, the alternative for importing countries would be rather severe reductions in oil imports and oil consumption. To cut back imports drastically, to levels that could be financed out of current income, would hardly be a viable solution. The resulting shortfall in total energy, and the economic consequences of declines in production, employment and trade, would further undercut the oil-importing countries' ability to finance even sharply reduced levels of oil supplies. The contraction of energy consumption and economic activity would thus become a cumulative spiral.

In sum, the short- to medium-term implications of the present situation are simply not bearable, either for the oil-importing countries—especially the nations already needy—or for the world economy as a whole. In the wake of this topsy-turvy winter, with the Arab oil embargo against the United States now lifted, the temptation is momentarily strong to suppose that the oil crisis has now genuinely eased. The major industrialized countries of the world once again look forward to economic growth, though at lower rates, with worldwide balance-of-payments deficits, and with a terrible economic and political problem of inflation, to which oil prices have made a substantial contribution. But the oil balance-of-payments burden is just starting and the transfer of funds to oil-producing countries just beginning. In any case, no significant *lasting* relief at all is in sight for the needy oil-importing countries. The fact is that the world economy—for the sake of everyone—cannot survive in a healthy or remotely healthy condition if cartel pricing and actual or threatened supply restraints of oil continue on the trends marked out by the new situation.

IV

As a first step, the insecurity of oil supply and the financial problems that have arisen clearly call for a wide-ranging coordinated program among all importing countries. This was the main reason why the American government called for a conference of the major oil-importing countries in February of this year. This cooperative effort falls into two basic parts: first, what must be done internally by the importing countries; and second, what a coordinated policy should be vis-a-vis producing countries.

With the oil-producing countries already cooperating closely through OPEC, cooperation among the oil-importing countries is a simple necessity; properly understood and handled, it can be the only way to achieve constructive overall adjustments.

Among themselves, the importing countries must first establish and coordinate their research and development programs with regard to existing and new energy resources. Unnecessary and time-consuming duplication must be avoided, and research and development efforts should be concentrated on those resources where optimum results can be expected. The skills available for research and the engineering resources that would have to be employed, if not pooled, should at least be utilized in accordance with a program for maximum overall efficiency.

The oil-importing countries must also establish a concurrent and consistent program of energy conservation which would provide for far greater efficiency in the use of energy resources. Here too the research effort and the measures to be taken should be coordinated on an international basis.

Whatever the course of foreign oil prices, policies to conserve consumption and to spur the development of alternative energy sources will remain relevant for the future. Moreover, a high degree of government involvement is essential to the success of such efforts—including the probable necessity of government guarantees putting a floor under the selling price of alternative energy sources. For if—as we shall see later—there is a chance that foreign oil prices will fall, then private interests working on projects for tar sands, shale, gasification of coal and the like, will not be willing or able to continue their efforts. If a major effort to develop alternative energy resources is to be sustained, particularly in North America, the criterion cannot be orthodox economic soundness weighing the price of alternative energy against the actual (or predicted) price of foreign oil. Rather, the decisive criterion must be the price to which foreign oil could and would *rise* if the alternative energy supplies were not forthcoming. The public interest in avoiding dependence on foreign oil dictates public support and substantial measure of price guarantees by individual countries, notably the United States but perhaps others as well, again acting in coordination.

Thirdly, the major importing countries must be able to agree on a problem that has so far eluded their efforts—that of adequate stockpiling and burden-sharing. On stockpiling, no importing nation should now have on hand perhaps less than a supply equal to six months of its imports. And there must be clear contingency plans for restrained consumption and for sharing, if oil supplies are again cut off or curtailed—whether for political or economic reasons. Remaining oil imports must be parceled out according to some formula based not on the previous percentage of imports from the sources cut off, but on the basis largely of need—so that those fortunate enough to possess substantial national energy resources would have the smallest, if any, claim on the oil still flowing. Beyond that, I do not believe it would be politically feasible to establish rules that would require countries able domestically just to cover their minimum requirements to export some of their domestic energy supplies to a less fortunate country.

Moreover, oil-importing countries must abstain from trying to resolve their balance-of-trade problems by unduly pushing their general exports to other oil-importing countries or by restricting their imports from them. Such policies would only aggravate the problems of these other countries. Competitive devaluation of currencies or inflation of export prices would be self-defeating, since the oil-producing countries clearly intend to adjust the level of oil prices in accordance with an index of currency values as well as the cost of manufactured goods and other commodities in world trade. The oil-importing countries may have to act in many other ways in order to avoid such dangerous repercussions as severe deflation and unemployment. To deal with the situation will require an unprecedented degree of self-restraint, prudent economic management and political sophistication and wisdom. Past experience suggests extreme skepticism that the countries will in fact consistently follow such policies. But if they do not, the consequences for all of them could become very serious indeed.

Bilateral transactions between oil-importing and producing countries or their respective companies will inevitably be of growing importance. But in concluding such deals the importing countries must abstain from trying to obtain unilateral advantages—by making arrangements for oil imports that would tend to preempt sources of supply through discriminatory practices, or by transactions designed to tie up for themselves an excessive part of the import capacity of the oil-producing country.

They must also resist the temptation to offset their oil deficits by the competitive rearming of the various Middle East countries, a practice bound in the end to produce a military disaster for all.

So much for the minimum initial requirements for cooperation among the major oil-importing countries. A measure of common appreciation does now exist for most of these "headings of cooperation" by at least a large majority of the relevant importing countries, although they have yet to be fleshed out by practical working arrangements or adequate guidelines for national behavior.

The hardest questions remain. Even if cooperation is achieved in all these respects, can it serve to do more than shorten the period of extreme vulnerability and cushion the impact of continued one-sided decisions by the OPEC countries? Is consumer cooperation truly adequate if it does not address itself to the key questions of price and supply?

I believe the answer to both questions is in the negative. When the brewing crisis came to a head last fall, the initial reaction of many importing countries was to try unilaterally to take care of themselves for both economic and strategic reasons—through barter arrangements, major investment offers to various producing countries, even in some cases extravagant arms supply deals. This tendency was an understandable reaction in the first phase of the new crisis, and indeed a continuing degree of individual national initiatives is not only inevitable, but can be healthy in some respects, in providing an infusion of economic and political alternatives into the changing relationships between oil-importing and oil-producing countries.

Already, however, the limits of the individual approach are obvious. Even for the most aggressive of the oil-importing nations, it has not worked effectively; they find themselves with very large obligations in return for very small increments of favorable treatment, or for nothing more concrete than a generalized promise for the future. Moreover, where there have been specific deals, these are as much subject to abrogation or revision as the basic arrangements themselves. "What have you done for me lately?" is not a question confined to the dialogue between politicians and voters.

Moreover, precipitate attempts by individual countries to go it alone can only obscure the nature of the problem, which is basically a common one that engages not only the interests of all the importing countries but the interests of the producers in a viable world economy and in their own regional and national political stability. The producers are bound not to see the problem in this light if one importing country after another posits this arrangement or that as its own selfish modus vivendi. And to defer attempts at resolution of the common payments problem while individual initiatives are being exhausted is bound to make eventual general agreement more difficult, because so many inconsistent cards will have been played.

Thus, it is my conviction that a constructive accommodation between the interests of producers and importers, enabling the latter to pay for and finance adequate oil imports, is possible only if the importing countries share a common appreication of the need for a price adjustment as well as for the establishment of financial mechanisms to this end. Just as far-reaching coöperation among the producing countries has brought about the present situation, so a similar coöperation among the importing countries is now an essential prerequisite to a balanced solution. Only if the major importing nations act to coördinate their policy can they expect to be able to present the supply and financial problems they are facing in an effective manner—and to make clear the implications of these problems for the producers themselves. Moreover, only then could they impress upon at least the relevant producing countries what I believe are the two central elements in a satisfactory long-term arrangement—some downward adjustment in the level of foreign crude oil prices to all consumers, and specific relief, including long-term deferment of payments, for the neediest of the oil-importing countries.

V

If coöperation among oil-importing countries is essential to the development of constructive coöperation with producing countries, so too is a full and fair understanding by the importers of the case of the producing countries. Many of its key points were presented vividly in last July's issue of *Foreign Affairs* by Jahangir Amuzegar of Iran; these points and others have since been developed in a series of public statements by various leaders of producing countries. Nonetheless it helps to go over the main elements that enter into the attitudes of the producers, and to explore the validity of their arguments, seeking to arrive at a clear picture of what their long-term interests are.

A major goal of producing countries is rapid and consistent progress in their economic development so that they can become economically viable and secure by the time their oil reserves peter out. In the meantime, the pace of their industrial progress depends largely on the size of their oil revenues, and the level of oil prices is of decisive importance for their present and future prosperity.

The producing countries also cite additional reasons to justify the huge price increases that they imposed in the course of 1973. The large increase in oil prices, they say, is warranted by the alternative cost that would have to be incurred if oil had to be replaced by other energy sources such as shale oil, oil from tar sands, etc. Even though there is currently still a surplus of potential oil supplies, oil reserves may well be exhausted in perhaps 20 to 30 years. But in a free competitive market, prices would not, *at this time*, reflect *future* shortages of supply and would thus provide no encouragement for the development of substitutes. Accordingly, the oil-producing countries say that high oil prices are now necessary so that research and development programs for new energy sources will be promptly initiated. Otherwise, with the long lead time required, energy would be in short supply when world oil production begins to decline.

Also, so they argue, high oil prices now will result in oil conservation and encourage the use of oil for the most essential and valuable purposes where it cannot be so easily replaced, such as for petrochemical production. The highest-value use, they maintain, should in practice be the basis for oil pricing.

The producing countries also assert that the high current oil prices redress the injustice of too low a level of prices in the past, when oil prices had fallen behind those of manufactured goods and food which the oil-producing countries had to import. Relatively low oil prices in the past have, they maintain, unduly enriched the developed countries at their expense. (Whatever the degree of validity of this argument for past periods, it should be noted that the increase in oil prices between 1970 and January 1974 has, according to a United Nations analysis, amounted to 480 percent and was extraordinarily larger than that of practically any other commodity. The share of petroleum in world imports of about $316 billion during 1970—the last year for which detailed statistics are available—amounted to about 7.7 percent; at January 1974 commodity prices, the value of 1970 imports would have increased to $618 billion, of which petroleum would have accounted for as much as 23 percent.)

Oil-producing countries are aware that high oil prices may harm the progress of other developing countries. But primary responsibility for economic assistance, so they postulate, rests on the rich developed countries. And even though oil-producing countries maintain that in development terms they are still poor, they have stated that they, too, will make a substantial contribution to support developing countries, and a number of them have indeed done so. In addition, they will endeavor to convince other raw-material-producing developing countries that they, too, could improve their economic position substantially if they would only follow the OPEC example.

The producing countries also complain that in the past they have been deprived of economic development based on their oil resources, such as refineries, petrochemical plants, tankers, and energy-intensive industries. Instead, enormous quantities of gas have been flared. Accordingly, it is a basic part of their development policy that investment in local petroleum-processing plants should be undertaken on a large scale within the oil-producing countries, and that they should participate far more in the whole operation of the transportation and exporting of oil.

Obviously, there is substantial merit in many of the points now so forcefully advanced by the oil-producing countries—and it is no effective answer to point out that Western initiative was largely responsible both for the discovery of oil and for the development of its manifold uses. The major oil-importing nations, in particular, must give heed to the legitimate grievances and aspirations of the oil producers.

On the other hand, the producing countries cannot continue to take the position that the economic situation of the major importing countries is no concern of theirs. It is one thing to adjust oil prices to the real or imagined wrongs of the past, another to carry that adjustment to the point of jeopardizing the future economic, political, and strategic viability of importing countries. For if this happens, the viability of the producing countries themselves must surely be affected over the years to come.

There is thus no alternative for the importing countries but to try to convince the producing countries that there must be responsible accommodation between the interests of importing and producing countries. In order to carry conviction, it is essential that there be basic unity among importing countries about the underlying assessments and their policy goals. In the light of the extremely sensitive relationship between consuming and producing countries, a contrary position of one or two major importing countries would tend to destroy the effectiveness of this approach. It would also further strengthen the producing countries in the sense of power that they believe they hold over importing countries, and would encourage them to conclude that they could effectively maintain their internal as well as external security in the face of evolving world chaos.

In actual fact, however, many producing countries, in spite of the extraordinary concentration of oil and money resources in their hands, are as yet quite fragile entities, without substantial strategic and military strength in world affairs. They have been able to assert themselves because of the disunity among, and unwillingness of, importing countries to take any firm position vis-à-vis the producing nations. Whatever the concern of producing countries and companies in the pivotal transition from surplus producing capacity to tightness of world oil supplies, the oil-importing countries were largely complaisant about the course of events. Now, unrestrained exercise of their oil and money power by producing countries presupposes that the importing countries will continue to acquiesce and remain passive, even if the world's economic and political stability is at stake. This cannot be a safe basis upon which the producing countries could proceed. If the worst is to be avoided, the producing countries must be made to recognize the danger of pursuing such a course.

There is also the danger that this concentration of oil and money resources would tempt the Soviet Union to make use of fundamentally weak and socially unstable producing countries—by proxy, so to speak—in order to undermine the economic and political stability of the non-Communist world. Soviet adventurism cannot be ignored, especially the application of Soviet power through controls over certain governments such as those of Iraq or Syria, as well as by internal threats through Soviet support of subversive opposition to governments. There exists, in practically every one of these countries, the potential for sudden revolutions by extreme elements.

All of these factors are clearly known to the various dynasties and national governments. Most of them must have inevitably reached the conclusion that their hold on power, which is sometimes tenuous, depends in the final analysis on a satisfactory relationship with the non-Communist world. We are all interested in the maintenance of a peaceful cohesion among Middle East countries. But they must recognize that if this cohesion is mainly used to enable them to enforce their will on the rest of the world through the use of oil and money power, they would not only undermine the position and strength of the importing countries but would also expose their governments and nations to extreme risks.

The oil-exporting countries must be aware that their own independence could not safely be assured if the United States and its allies were to be fatally weakened vis-a-vis the Soviet Union. It would not be in their self-interest to refuse to supply the vital oil needs of the world or to insist on an unmanageable level of prices, and risk the economic, political, and strategic consequences of such politics.

VI

So far I have been making the case for unprecedented cooperation among the oil-importing nations, and for much greater understanding by both producing and importing countries of each other's needs and of the common interests that affect both groups. If reason alone controlled human affairs, one might conclude that a satisfactory solution was possible from greater understanding alone.

Unfortunately, that is not the case. One must in the end come back to the harsh economics of the energy situation worldwide, and of the rapidly rising trends in oil consumption that have lain at the root of the present crisis. For it is these trends essentially—far outstripping the growth of indigenous energy sources—that have made the oil of the OPEC countries, especially in the Middle East, so vital to practically every nation of the world, and have thus given the OPEC countries the bargaining leverage to establish the present unilaterally controlled price and supply situation. With all the understanding and sympathy in the world, the producing countries cannot be expected not to use a bargaining position as strong as the present one of OPEC and its Middle East members.

In last July's *Foreign Affairs*, Carroll Wilson argued that the United States would be placed in an intolerable state of dependence on Middle East oil if it did not develop other sources of energy to the maximum and at the same time curtail the rate of growth of its energy consumption from 4.5 percent to a suggested three percent. Essentially the same analysis must now be applied to the oil-importing naions as a whole, not for the sake of eliminating a critical degree of dependence on the Middle East—for that is simply not in the cards at least for the rest of this decade—but for the sake of containing thereafter the problems of oil supply and finance and of establishing now an acceptable degree of balance in the bargaining positions of producers and consumers of oil.

The starting point should be the period from 1968 through 1972, when energy consumption in the non-Communist world as a whole increased at 5.6 percent per year, and oil consumption by 7.5 percent per year. The result was that Middle East oil production went up by an average of 12.5 percent per year.

Now the prospect for the period from now until 1980 is for a substantial expansion in non-oil energy sources and in oil production within the major oil-consuming countries. Yet it remains as clear as it was a year ago that no drastic technological breakthrough is in sight at least in this time frame. We are still talking about natural gas, coal, hydroelectric power and nuclear fission as the primary alternatives to oil—and one need hardly add that even substantial increases in some of these are still fraught with difficulty.

In response to the new situation, it is already reasonable to postulate some conservation at the margin in response to higher energy costs. Given the dynamic energy needs of Japan, the developing countries, and to a lesser extent Western Europe, however, it is difficult to see that "conservation at the margin" will in itself produce a dramatic drop in the growth of energy needs. Supposing, for example, energy consumption grew at only 4.6 percent per year instead of the 5.6 percent of the 1968–72 period, the picture might look something like this:

	Millions of barrels, daily oil equivalent			Average annual percentage growth, 1972–80
	1972	1975	1980	
Primary energy demand	80	91	115	4.6
From nonoil sources	35	38	48	4.0
Oil consumption	45	53	67	5.1
Indigenous oil production	18	19	27	5.2
Oil imports	27	34	40	5.0
Needed from the Middle East	18	23	29	6.3

Obviously, this is a broad-brush projection. But it is enough, I believe, to demonstrate two fundamental conclusions: (1) that even *at current prices* this rate of oil imports could not be sustained by the oil-importing countries on a current payments basis; (2) that with production increases fairly well spread among the producing countries, none would be under any pressure to lower prices or to increase production further. (This is a modest conclusion; actually the pressure would be greater for production cutbacks than for increases. The oil simply might not be forthcoming.) In short, mere "conservation at the margin"—itself more than many governments are now asking of their people—will neither avoid economic calamity nor provide a balanced situation vis-a-vis the producers.

To get these essential results I believe we shall have to go considerably further. Again for illustrative purposes, let us see what the situation would be if the oil-importing countries could manage genuine austerity in their use of energy, cutting their growth rate to, say, 3.3 percent. (The reduced U.S. growth rate would have to be less than this; with all U.S. energy waste, it would still involve a major change in habits and ways. For Japan and the developing countries, the impact on production growth would be far more severe. In short, this kind of reduced rate of increase does deserve to be called austerity.) In such a case, using the same assumptions for non-oil sources and indigenous oil production, a revised table would look like this:

	Millions of barrels, daily oil equivalent			Average annual percentage growth, 1972–80
	1972	1975	1980	
Primary energy demand	80	87	104	3.3
Nonoil sources	35	38	48	2.0
Oil consumption	45	49	56	2.7
Oil imports	27	30	29	.8
Needed from the Middle East	18	19	18	.1

This level of austerity would, I believe, be just adequate to permit the major industrialized nations to maintain viable economic and industrial operations, including continued growth but at a lower rate than might have been projected on the basis of previous oil prices and supply availability.

Even then, most of the oil-importing countries would, at least until the latter part of this decade, be exposed to a very substantial and—in the case of some countries—nearly unmanageable financial burden. In short, while the deliberate initiation of such austerity would require an act of political will far exceeding what is actually happening in most importing countries, the choice will in the end be compelled by financial pressures. The longer it is put off the worse it will get.

Once undertaken, this austerity policy could in time achieve some trade balance between the producing and consuming countries. In particular, the huge annual accumulation of surplus funds by Middle East producing countries would start to decline about 1978 and would reach manageable proportions shortly thereafter. Put differently, the importing countries would in aggregate terms be able to pay for their oil by a steadily increased flow of goods and services to the producers. At the same time, however, since the ability of the importing countries to supply goods and services is concentrated in only a handful of them, the financial burden of oil imports would vary greatly, remaining very substantial for the less-industrialized developed countries and especially for the developing countries which are net consumers of oil. Thus, it would remain essential to have financial mechanisms and arrangements that would cushion this differential impact and make it bearable.

Turn now to the situation of the oil exporters. The second table suggests that their total exports would level off and then start to decline slightly by the end of the decade, as the importing countries managed to increase their non-oil sources of energy and as indigenous oil sources were tapped more fully (principally the North Sea and the North Slope in Alaska). The table also assumes that oil producers outside the Middle East will increase their total capacity somewhat, and will be motivated to produce at maximum attainable levels—since practically all of these nations need their oil revenues for immediate development purposes. Thus, the total demand on the Middle East would tend to decline by the end of the decade.

This is not to suggest for a moment that the Middle East oil producers would then be in difficulty. They would still be supplying more than 60 percent of the oil moving in world trade, and Middle East oil would remain vital to Japan, Western Europe, and the developing nations—in an austerity situation, any further cuts would reach the bone more rapidly than in the present somewhat "soft" situation. In short, the Middle East producing countries as a group would remain in a strong position.

At the same time, the production levels of individual countries in the Middle East would be placed seriously in question. Kuwait (like Libya in North Africa) is already pursuing policies designed to conserve its oil reserves and thus to stabilize output below previously attained levels of production. On the other hand, Iran and Iraq look to increase their production very substantially from present totals of roughly eight million barrels a day to 12–13 million barrels per day. If these trends were to continue, and if the need for Middle East oil were to level off at 18 million or so barrels per day, it is evident that the remaining suppliers—especially Saudi Arabia and Abu Dhabi which had previously benefited from oil revenues far in excess of their development needs—would then have to accept a drastic reduction in their levels of production, or alternatively to seek to increase their output by reducing their prices (and thus giving consumers an incentive to ease up on their austerity).

It is an open question, which of course cannot be analytically resolved, whether in the light of these circumstances the various Middle East producing countries would decide to "fight it out" among themselves by competing for exports through price reductions. They might seek to go in the opposite direction, to enter into a production and export control agreement under which they would rearrange their respective production and export levels. At the same time, they might try to increase their prices and tax takes so as to provide for the needs of those Middle East countries that would have to reduce some of their previously anticipated production. On a rational basis, the latter course might be chosen, since any price and tax reductions would tend to force others downward as well, so that the Middle East as a whole would obtain lower revenues for the same or a higher level of production than before the initial price and tax reductions.

In trying to assess what under such conditions the producing countries might actually decide to do, we must think not only or even mainly in economic terms, nor draw only on past experience with regard to the cohesiveness of private cartels in similar circumstances. At most, the economic facts of supply and demand frame the problem; it will still be decided by national governments in the producing countries, and their policies are likely to be governed by an extraordinary combination of political and strategic as well as economic factors.

On the basis of such a broad assessment, the short-term argument for controlling production and maintaining or further raising prices and tax takes must encounter a growing awareness of wider relevant considerations. For such a course—in effect responding to consumer austerity by higher producer prices—would surely leave the importing countries with even worse financial problems than are now in prospect. Even more heavily than now, the burden of paying for restrained but more expensive oil imports would fall upon lagging economies suffering from extremely serious financial problems. Even more than now, the producing countries would have to ask themselves whether they could expect to remain islands of prosperity in a worldwide depression, or of political stability when the will and ability of strategically powerful nations to support them had been eroded.

VII

To sum up, four elements are essential to move to a reasonable adjustment: far-reaching cooperation among the oil-importing nations, an understanding by the importing nations of the interests and aspirations of the producing countries, a clear-cut (and painful) program of energy austerity by the oil-importing countries, and a recognition by the producing countries that even in an austerity situation any attempt to hold prices high must result in worldwide dangers to which they could not be immune. Only with far-reaching consumer coöperation can it be expected that the producing countries will come to this necessary conclusion; at the same time coöperation without austerity will not do the job. Both are needed, and a large new dose of political will, not yet in sight, will be required to achieve them.

The key to a reasonable solution is time: to make the financial burdens on all oil-importing countries tolerable and to bridge the gap until the day, not too far distant, when the producing countries, at least in the aggregate, will have reached the point where they can be paid in goods and services—and where they will have joined, for practical purposes, the ranks of the developed nations.

And the basis for such an adjustment, in turn, is the acceptance of a principle that, while the sovereignty and control of nations over their natural resources remains unquestioned, such control cannot and must not lead to the unrestrained exercise of power, but must be based on a mutual accommodation of interests or, as the United Nations Declaration on the Establishment of a New International Economic Order puts it, on an appreciation of "the reality of interdependence of all the members of the world community." Otherwise it will be destructive to all.

Such a principle is not, of course, confined to the case of oil. The April meeting of the United Nations General Assembly, and the United Nations reports prepared for it, have underlined the degree to which the rise in food and fertilizer prices over the past two years—created in these cases by market forces in combination with national domestic agricultural policies—have damaged the interests of the needy developing countries in particular. The United States especially has it in its power to adopt measures that would ease the actual cost of food supplies to this group of countries; one suggestion would be that the United States provide grain and other crucial food to needy countries on concessionary terms or through the application of PL 480 funds. A similar move might be undertaken by the major countries that export fertilizer. Now, as preparations are underway for a World Food Conference in the fall, such moves would be even more in order, based on the continued operation of market forces for most consumers but with measures to cushion the impact on needy countries.

Oil remains the biggest and most difficult case. Since 1970 the price and availability of oil moving in world trade have been determined progressively by the OPEC countries unilaterally, to the point where the present situation effectively is one of price imposed by a cartel. Completely free market prices for traded oil are not a practical alternative; in a free market the existence of large reserves and the very low cost of developing and producing such oil would mean a market price that would be very low indeed. Such a price would not be acceptable to producing countries—since it would not provide them with the budgetary and foreign exchange revenue badly needed for their economic development. Nor would it in fact serve the interests of importing countries as a whole—since it would lead to wasteful consumption of oil on the one hand, and on the other would provide no inducement to the major countries to push forward in good time with research and development on new and more costly energy resources which will be needed even more once readily available supplies of oil begin to stagnate or decline.

Accordingly, the price of oil moving in world trade is bound to be a kind of administered price, not necessarily negotiated directly between producing and importing countries but at least established in a way that would attempt to accommodate and reconcile the economic and financial interests of both groups. In addition, the specific plight of the needy oil-importing countries should be provided for, if not through a two-tier pricing system, then at least by long-term deferral of payments and easy credit terms for loans.

In sum, I believe that the world situation would now call for solemn undertakings that would assure the essential oil requirements of all the importing countries on terms and conditions that are economically and financially sustainable. This should be accompanied by measures to deal along the lines proposed with the cognate cases of food and fertilizer. At the same time, it is imperative that all the necessary provisions be made to safeguard the essential economic interests of the producing countries into a future when their position will inevitably become less strong than it is at present. Such a combination of actions would be an act of statesmanship in which the oil-producing countries and the oil-importing countries could and should join not only for the common good, but perhaps even more so in their most cogent self-interest.

Today, governments are watching an erosion of the world's oil supply and financial systems, comparable in its potential for economic and political disaster to the Great Depression of the 1930s, as if they were hypnotized into inaction. The time is late, the need for action overwhelming.

CREDIT FOR S. 754, THE SPEEDY TRIAL ACT OF 1974

Mr. ERVIN. Mr. President, the Speedy Trial Act of 1974, S. 754, yesterday passed the Senate unanimously. This is a bill that the Subcommittee on Constitutional Rights has been working on since early 1970 and it represents the dedicated efforts of several present and past subcommittee staff members. Mark Gitenstein, staff counsel, put together the particular bill which passed the Senate on July 23, 1974. Glenn E. Ketner, Jr., who is no longer with the subcommittee, first realized the need for the legislation and worked most diligently for its passage during the time he served on the staff. James L. (Harvey) Stuart and Mary Gowen of the subcommittee staff also contributed significantly to the development of this legislation. The entire effort came under the supervision and direction of Lawrence M. Baskir, chief counsel and staff director. The subcommittee owes each of these people a debt of gratitude for their work on this important legislation. The distinguished Senator from Nebraska (Mr. HRUSKA) was most helpful to me and the subcommittee in the development of S. 754.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the submission of the Genocide Convention to the Senate for its advice and consent has raised again the issue of the relationship between the Constitution and treaties. Some people who oppose the Genocide Convention do so because they believe that under article VI of the Constitution the Genocide Convention would be the supreme law of the land superseding the Constitution. If there was ever a conflict between the Constitution and the convention, these opponents feel the conflict would have to be decided in favor of the convention.

Is this true? We do not have to engage in idle speculation on this point. The U.S. Supreme Court and other Federal courts have spoken out many times, clearly and uniformly, on the relationship between the Constitution and treaties. Thus the Supreme Court has said:

> To construe this clause (Article VI, clause 2) as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions would permit amendment of the Constitution in a manner not sanctioned by Article V. *Reid v. Covert,* 354 U.S. 1.

And again the Federal courts have said:

> The treaty-making power of the federal government is subject to prohibitions within the constitution against state or federal government, and does not extend so far as to authorize what the constitution forbids. *Amaya* v. *Stanolind Oil,* 158 F. 2d 554.

And again:

> No article or term of treaty may nullify any guarantee of right preserved by the Constitution to citizens. *Pierre v. Eastern Air Lines,* 152 F. Supp. 486.

We can readily see from the three above-cited decisions that the Constitution has precedence over all treaties. Should there ever be a conflict between the Constitution and the Genocide Convention, under our system of government, the conflict would have to be resolved in favor of the Constitution. The contention of some of the opponents of this convention that it would undermine our Constitution is groundless.

Mr. President, I call upon the Senate to ratify the Genocide Convention without delay.

PRESS APPLAUDS NO-KNOCK REPEAL

Mr. ERVIN. Mr. President, on July 11, the Senate voted 63 to 31 to repeal the so-called "no-knock" laws passed in 1970.

Since that vote, there has been virtually unanimous approval registered in the press. In view of the fact that this legislation is still pending in the House, I ask unanimous consent, Mr. President, that four of these editorial comments—from the Washington Post, Washington Star-News, and two from the New York Times—be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washingon Post, July 16, 1974]

NO MORE NO-KNOCK

The Senate's emphatic 63–31 vote to repeal the authority for no-knock search and arrest warrants in the District of Columbia and in federal drug probes shows dramatically how times have changed since 1970. Then, in what Sen. Sam J. Ervin last week called "a period of hysteria," a legislator's view on no-knock was regarded as a litmus test of whether he was "hard" or "soft" on crime. In such a climate, the controversial no-knock warrant provisions were adopted by wide margins. The Senate's reversal of that decision after just four years is a sign that the crime issue has been put in better perspective and that many senators have become much more sensitive to the need to safeguard individual rights.

A major influence on the Senate vote was the fact that no-knock warrants simply have not proved to be useful weapons against crime. The District of Columbia police, intended to be the prime beneficiaries of the 1970 law, have not used no-knock warrants at all since October 1970. Police officials fear that unannounced entries can increase the risk of injury both to police and to the citizens involved. District Chief Chief Jerry V. Wilson, whose views on such matters carry substantial weight on Capitol Hill, has said that he has no objections to repeal.

Nationally, the biggest blow to no-knock was the controversial events that took place in Collinsville, Ill., in April 1973, when federal narcotics agents broke into the wrong two homes and terrified the occupants. Those raids (which were actually conducted without any warrants at all) dramatized the dangers of permitting agents to burst into peoples' homes without warning. In line with the administrative reforms which followed the Collinsville experience, federal drug agents have used only one no-knock warrant in the past 12 months. This record—the lack of use and the potential for harm—persuaded many senators to join Sens. Ervin and Gaylord Nelson (D-Wis.) in last week's move for repeal. A typical convert was Sen. Charles H. Percy (R-Ill.), who supported no-knock authority in 1970 but last week called it "an invitation for official lawlessness."

The drug enforcement authorization bill now goes on to the House, where the outlook for the repeal amendment is not so clear. That body is generally regarded as "tougher" on crime, but a concern for individual privacy and the rights of citizens has been expanding there in recent months. If the issue receives the unemotional attention it deserves, a majority of House members may well also decide that the no-knock warrant authority serves no useful purpose in the statute books.

[From the Washington Star-News, July 15, 1974]

KNOCKING OUT NO-KNOCK

The Senate's 64-to-31 vote the other day to strike the controversial no-knock search and arrest authorizations from District and federal criminal statutes was, as one member observed, a dramatic reversal of the Senate's position of four years ago. And the sound reason for that reversal is that four years of experience with this grant of extraordinary police authority has justified every protest that was raised against its enactment in 1970.

To document their case, some of the Senate's most influential members presented a formidable array of evidence that no-knock warrants have contributed virtually nothing to the cause of effective law enforcement, that it is subject to gross abuse by overzealous agents and that its use poses demonstrably serious dangers both to officers and to citizens.

None of those arguments gets directly to Senator Sam Ervin's fundamental objection: that the authority granted District police and federal narcotics agents to break into homes or offices without announcing themselves constitutes an indefensible violation of individuals' rights to privacy and the sanctity of their homes.

But the proofs of how badly and how ineffectively it has been used obviously made Senator Ervin's constitutional arguments more persuasive to a number of senators who initially had thought it might be a valuable tool of law enforcement. Indeed, it is surprising that the repealer vote was not even more lopsided. Federal agents have used the authority only sparingly—and it is well that they have in light of the record of the mistakes, poor judgment and violence associated with it. District Police Chief Jerry Wilson, who has said no-knock's repeal would not affect his law enforcement program "one way or another," hasn't authorized its use in over two years.

For all of this, the predictions are that the repeal motion will face a tough fight in the House. If that's so, we urge House members, before they vote, to read the Senate record's incontrovertible evidence that this is a case of excessive police powers that would never be missed.

[From the New York Times, July 15, 1974]

AN END TO NO KNOCK?

In voting to end authority for District of Columbia policemen and Federal narcotics agents around the country to obtain warrants to enter dwellings without knocking and identifying themselves, the Senate has taken a wise step which the House should quickly follow. The "no-knock" authority was granted to District of Columbia policemen in the District of Columbia Crime bill passed in 1970. The last Senate vote on the issue came in October 1970 on an effort by Senator Ervin to delete it from the Drug Abuse Prevention Act. Senator Ervin's amendment failed then by a vote of 42–20.

After four years' experience around the country with "no knock," the Senate reversed itself on the issue last week by an overwhelming vote of 63 to 31. It is no wonder. On the night of April 23, 1973, a band of narcotics agents in Collinsville, Ill., burst into the home of Mr. and Mrs. Herbert Gigotto, threw both occupants to the floor, threatened them with guns, ransacked the household, destroyed a good deal of personal property and found no narcotics. Other families in communities elsewhere had similar experiences.

The Police Chief of the District of Columbia said he had no objection to the repeal of the no knock authority. The principal lawyer for the District of Columbia police had earlier expressed the opinion that no-knock entries and searches increased the possibilities of jury both for the police and the occupants of the homes entered and searched. In offering his successful amendment to end no-knock warrants, Senator Ervin observed that they "have done nothing to stem crime."

The basic principle that Americans should be secure in their homes suggests that the House should follow the Senate's lead, and hard experience dictates it.

[From the New York Times, July 14, 1974]

THE PROBLEM WITH SHORTCUTS

(By Tom Wicker)

About midway through the decade of the sixties, the fear of crime began to emerge as a powerful American political issue. Crime in the streets, the drug problem, urban rioting, increasing violence—all gave Americans good reason to be disturbed and to make their feelings known. But as happens all too often, their political leaders flocked to exploit the political issue without doing anything useful about the basic problem.

Thus, the United States Senate, in a seizure of ill-considered zeal to prove itself a hard-nosed crime fighter, passed, in 1970, laws that authorized Federal narcotics agents and District of Columbia policemen to get "no-knock entry" warrants if a judge could be persuaded that such warrants were necessary to prevent the destruction of evidence. Armed with such warrants, the agents or the D.C. police could break into a house or an apartment with no warning to its inhabitants.

In 1973, numerous news stories appeared about innocent families—the Giglottos and the Askews, then of Collinsville, Ill., were the best examples—being terrorized and their houses damaged by agents bursting in to search for nonexistent drugs. A survey by The New York Times disclosed that "scores of agents" in their zeal to crush illicit drug trafficking have mistakenly broken into the homes and apartments of dozens of innocent families, terrorizing the occupants and heavily damaging property."

There had even been deaths—a Norfolk, Va., woman shot and killed a patrolman who was trying to enter her apartment looking for heroin (there was none), and narcotics agents killed a man fleeing from a no-knock raid in California. He didn't have any drugs, either.

Earlier this year, the Federal agents responsible for the Collinsville raid were acquitted of criminal charges. But the unfavorable public notice no-knock entry had acquired did not go for nothing. The Drug Enforcement Agency, for example, began requiring its agents to wear blue jackets with an armpatch and caps, when conducting a raid; this at least gave those raided some suggestion that those knocking down their doors were officers and not thugs or madmen.

Agents wanting to conduct a no-knock raid now have to get authorization from the Drug Enforcement Agency's headquarters in Washington; they have to convince their own superiors as well as a judge. The training of agents is said to have been strengthened in hopes of avoiding troublesome incidents.

Senators Sam Ervin of North Carolina and Charles Percy of Illinois joined to push a bill through Congress enabling victims of such outrages as the Collinsville raid to sue the Federal Government directly for damages—providing the possibility of redress for such victims and putting both agents and their supervisors on notice to take more care in planning and staging raids.

But all these were no more than limited steps to cope with what was fundamentally a bad idea; and useful as each may have been in itself, none of them eliminated the bad idea—any more than no-knock entry coped with crime. In the Federal city of Washington, D.C., for example, although specifically authorized to do so, the police have not sought no-knock warrants since October, 1970, and Chief Jerry V. Wilson has said he would not object to repeal of the law.

There is some reason to believe, in fact, that no-knock entry was mostly a public relations product of the Nixon Administration, aided and abetted by members of Congress of both parties, all of whom wanted quick catchword legislation to suggest that they were dealing with crime. "No-knock" nicely served the purpose.

Now the Senate—again led by the Ervin-Percy combination—has voted to repeal no-knock altogether, both for the D.C. police and Federal narcotics agents. Nor was this a close decision—63 to 31 for repeal—which is reassuring evidence that mankind does occasionally learn from its errors and follies.

The House may not yet be ready to abandon no-knock, but the massive switch in the Senate—even Mr. Percy voted for no-knock in 1970—should be enough to maintain the repeal in a Senate-House conference. Meanwhile, the Senate might begin the re-examination of some other dangerous measures once pictured to the public as vital in the fight on crime.

"Preventive detention" in the District of Columbia is one example, and legitimated wiretapping is another; the first has proved useless and the latter may not produce enough anticrime results to be worth its frequent and inevitable abuses. As Charles Percy put it in the debate on repealing no-knock entry, "short-cut methods when dealing with basic constitutional rights" can become "an invitation for official lawlessness."

SENATE DRUG HEARINGS

Mr. GURNEY. Mr. President, on May 9, the Senate Subcommittee on Internal Security embarked on a series of hearings on the marihuana-hashish epidemic and its impact on U.S. security. It was my privilege to preside over the two lengthy hearings on May 17 and 18, at which most of the medical, scientific, and psychiatric testimony was presented.

For the purpose of these hearings, the subcommittee brought together more than a score of top-ranking medical researchers and scientists from six countries. Several of the participants in our hearings, themselves scientists of international eminence, told me afterwards that our witness list constituted the most distinguished panel of experts on marihuana and hashish—cannabis as it is known scientifically—ever assembled at a single gathering.

I am not exaggerating when I say that I consider these hearings to be among the most important ever conducted by a committee of Congress.

They provide a terrifying answer to the question: how harmful is marihuana? In my remarks today, I plan to summarize the basic scientific findings presented to the subcommittee.

The many articles that have been written about the hearings have brought a flood of letters to my office from law enforcement officers, Government officials, educators, clergymen, writers, editors, students, and anxious parents. Already, the hearings are having a measurable impact. It is my conviction that this impact will be enhanced many times over when the printed record of these hearings becomes available sometime next month.

In his opening statement, Senator EASTLAND clearly established the jurisdiction of the Internal Security Subcommittee by pointing out that the cannabis epidemic had created a new complex of security problems for our Military Establishment and that the widespread use of marihuana and hashish had been encouraged by a militant promarihuana propaganda campaign which began at the time of the Berkeley uprising and continues to this day. As pointed out by Prof. Hardin Jones, assistant director of the Donner Laboratory for Medical Research at the University of California in Berkeley, in his testimony of May 20 before the subcommittee, this prodrug propaganda campaign was initiated by members of the radical left movement whose purpose is the revolutionary overthrow of the American democratic system. In the words of Timothy Leary, guru of the leftist drug cultists:

> Drugs are the most efficient way to revolution.

Or, quoting Jerry Rubin:

> Pot is central to the revolution. It weakens social conditioning and helps create a whole new state of mind. The slogans of the revolution are going to be pot, freedom, license. The Bolsheviks of the revolution will be long-haired pot smokers.

There is a tendency to dismiss people like Leary and Rubin as eccentrics or kooks—but one must remember that the underground press which featured them was read by a host of young people every week.

The damage done by this leftist promarihuana propaganda was compounded by the many academicians who were disposed to be tolerant about marihuana, because it seemed to be an integral part of the student revolt against the establishment. It was further compounded by a small number of scientists and a somewhat larger number of literary psychiatrists who repeatedly gave marihuana a clean bill of health based on limited short-term observations—without waiting for the findings on the long-term consequences of marihuana. Most of these long-term findings have only started coming in within the last few years—and that is what our recent hearings were all about.

I recall that when the controversy about cigarette smoking and cancer was raging during the late 1950's, there were medical scientists of some eminence who came to the defense of cigarettes. For example, Dr. Ian McDonald, one of California's foremost cancer specialists, and chairman of the Cancer Commission of the California Medical Association, made the sweeping statement before a congressional committee, that not only did cigarette smoking bear no relationship to lung cancer, but that he would venture the assertion that "a pack of cigarettes a day will keep lung cancer away."

Dr. McDonald's assertion was completely demolished within several years by the mounting mass of scientific evidence that there is a relationship between cigarette smoking and lung cancer.

The sweeping defenses of marihuana that are to be found in a number of books written several years ago by men of some reputation, have, in the same manner, been completely outdated by the mass of recent reports from top-ranking cannabis scientists in various parts of the world.

In amplifying the purpose of our recent hearings, Senator EASTLAND said the following at the hearing of May 9:

> When a conflict of opinion exists within the scientific community on a question as important as marihuana, the Congress and the American people are entitled to a fair presentation of both sides to this controversy. In fact, however, there has been widespread publicity for writings and research advocating a more tolerant attitude towards marihuana—while there has been little or no publicity for writings or research which point to serious adverse consequences. The writings are there, the research papers by eminent scientists are there, the books are there—but very few people know about them. One witness who will appear before the subcommittee will testify that in campus bookstores in the United States, Canada and England, virtually all of the literature he found on marihuana—and he found a lot of it—took a tolerant attitude towards it or even advocated legalization.
>
> It is because of this strange imbalance in dealing with the question of marihuana that most intelligent people are under the impression that the bulk of the scientific community looks upon marihuana as a relatively innocuous drug. Part of the purpose of the forthcoming hearings will be to inquire into, and document, the extent of this imbalance. In doing this, we shall, in effect, be presenting the "other side," so that the Senate—and the American people—will have a better understanding of the problem.

The first point that has to be made is that our country is now caught up in what is probably the worst cannabis epidemic in history—even worse than the classic epidemics that had so debilitating an effect on the Egyptian people and other Mediterranean peoples. The fact that the Federal law enforcement authorities last year seized 780,000 pounds of marihuana and 54,000 pounds of hashish means that perhaps 10 times as much cannabis—or even more—got into the country and was consumed. These are fantastic quantities when you consider that a pound of marihuana can intoxicate almost 200 people, while a pound of hashish can intoxicate eight times as many.

All strata of our population are involved in the epidemic—our college students, our high school and junior high school students, grade school students, ghetto youth, blue collar workers, and even staid conservative members of the business and professional community. On this last point, I note that the subcommittee has received a letter from an investment counsel in Chicago urging a more tolerant attitude toward marihuana because, he said, the significant majority of his business and professional freinds smoke it.

The amount of marihuana and hashish being seized in this country is enormous. A few months ago there was a single seizure involving 10,000 pounds of hashish; while on June 26, United States and Mexican agents seized 42 tons—84,000 pounds—of marihuana in the vicinity of the Mexican border. Commenting on the tremendous increase in cannabis imports into the United States, Mr. Andrew C. Tartaglino, Acting Deputy Administrator of the Drug Enforcement Administration, told Senator EASTLAND in the opening hearing on May 9 that—

> The traffic in, and abuse of, marihuana products has taken a more serious turn in the last two or three years than either the courts, the news media, or the public is aware. The shift is clearly toward the abuse of stronger, more dangerous forms of the drug which renders much of what has been said in the 1960's about the harmlessness of its use obsolete.

As I have pointed out, the epidemic spread of marihuana and hashish use has been made possible, and even encouraged, by widespread publicity given the statements of scientists and lay spokesmen advocting a more tolerant attitude toward marihuana, and by the near blackout—at least until very recently—no scientific writings pointing to serious adverse consequences.

For instance, books like Lester Grinspoon's "Marihuana Reconsidered" and the Consumer Union's "Licit and Illicit Drugs"—both of which took the stand that marihuana was not seriously dangerous and should be legalized—received rave reviews in the New York Times and the Washington Post and other papers, and the authors were invited to appear on numerous talk shows. But when Dr. Gabriel Nahas, a distinguished Columbia University scientist with more than 400 scientific papers to his credit, a year and a half ago published a book entitled "Marihuana—Deceptive Weed," there was no review in the Times or the Washington Post and no invitation to appear on talk shows. When half a dozen Columbia University scientists wrote individually to the New York Times to suggest that Nahas' book had merit and should be received, their letters were ignored. And when 16 professors and scientists at Columbia's College of Physicians and Surgeons signed a joint letter in January of this year to the editor of the Times book review section urging that Nahas' book be reviewed, this letter was also ignored.

This one-sided publicity has succeeded in fostering the almost universal impression that marihuana is a relatively innocuous drug, and that it is so regarded by the scientific community. So widespread is this impression that just over a year ago, in March of 1973, District of Columbia Mayor Walter Washington's Advisory Committee on Narcotics Addiction, a committee consisting of some 40 prominent citizens, filed a report urging the complete legalization of marihuana on the grounds that—

> No demonstrable medical evidence is available to support the assertion that marihuana

> use is hazardous or detrimental to the physical or mental health of the user.

Only a few weeks ago, the Subcommittee on Internal Security received a phone call from a mother in San Diego who had just been compelled to pull her son out of his senior year in high school, because he was constantly intoxicated on marihuana and hashish. She told the subcommittee that when she had taken her problem to one of the local drug counseling programs, the drug counselor told her that marihuana was really nothing to worry about. "I smoke pot every day myself," she quoted the counselor as saying.

There have been warnings from some eminent scientists in the past but—perhaps because they spoke individually—their warnings were ignored. In September of 1972, for example, I presided over a hearing of the Senate Subcommittee on Internal Security at which we took the testimony of Dr. Olav J. Braenden, for many years director of the United Nations Narcotics Laboratory in Geneva. Dr. Braenden testified that, among the scientists working in the field, there was a general consensus that marihuana is dangerous. He said:

> As progressively more scientific facts are discovered about cannabis, the more one becomes aware of its potential dangers.

He understood the need for more research and, pointing to the example of thalidomide, he told the subcommittee that when it comes to medicine and drug policy it is better to be careful than to be careless.

But the media generally paid shamefully little attention to the testimony given by this eminent European scientist—testimony based not only on his own experience but on the experience of some 26 cooperating laboratories in various parts of the world.

The recent hearings, I am happy to report, have finally succeeded in breaking through the virtual blackout which characterized previous media attention to the adverse scientific evidence on marihuana. There were too many scientists of distinction involved for anyone to be able to dismiss their testimony as the work of scientific mavericks or crackpots. The credibility of their collective testimony was reinforced by the fact that quite a few of them, earlier in time when embarking on their research, leaned toward the tolerant attitude on marihuana that was then prevalent. Adding further reinforcement was the additional fact that this mass of independently conducted scientific investigations came up with results that frequently overlapped and mutually supported one another.

On the basis of the attention our hearings have already received, I believe that these hearings have succeeded in completely shattering the widespread belief that the scientific community looks upon marihuana as a relatively harmless drug.

All of the scientists who testified said that they considered marihuana a very dangerous drug. They further stated that this was the consensus at several recent international conferences of cannabis researchers. Several of the witnesses said that they considered cannabis the most dangerous drug on the market today.

Collectively, their testimony pointed to the following findings: First, that marihuana reduces DNA synthesis thus impeding the process of cellular reproduction; second, that, smoked even in small amounts, it results in broken and malformed chromosomes, thus opening up the possibility of abnormal births or genetic mutations; third, that chronic marihuana smoking results in a severe reduction in male hormone levels and sperm count; fourth, that marihuana alone, or combined with cigarette smoke, damages lung tissues far more rapidly than cigarette smoke alone; fifth, that there is evidence of irreversible brain damage after several years of chronic exposure; and sixth, that even single exposures to large dosages can lead to psychotic episodes, while chronic use leads to paranoid symptoms and serious and persistent deterioration in mental functioning.

I have made the point that this testimony cannot be lightly dismissed, because there are too many internationally distinguished scientists involved. The witnesses included such eminent names as: Prof. W. D. M. Paton of Oxford University, who heads up the British drug research program and who is without question one of the world's leading pharmacologists; Prof. Nils Bejerot of Sweden, perhaps the ranking international expert on the epidemiology of drug abuse; Prof. M. I. Soueif of Egypt, author of the classic study on the consequences of hashish addiction in his country; Prof. Robert Heath, chairman of the Department of Psychiatry and Neurology at Tulane University Medical School; Prof. Morton Stenchever, chairman of the Department of Obstetrics and Gynecology at the University of Utah Medical School; Dr. Julius Axelrod, Nobel Prize winning researcher of the National Institute of Mental Health; and, at a previous hearing, Dr. Henry Brill, senior psychiatric member of the Shafer Commission and president of the American Psychopathological Association.

Let me recapitulate some of the major findings that were presented to the subcommittee by the scientists who testified.

1. TOXICITY AND ACCUMULATION IN THE BRAIN

Marihuana is a complex toxic substance, whose principal psychoactive component is THC—tetrahydrocannabinol. This substance is intensely soluble in fat, which gives it the ability to penetrate into all parts of the body, including the brain, the ovary, the testes, and the fetus. This characteristic means that it tends to persist in the human body for long periods of time after exposure, and to accumulate with repeated exposures.

One of the principal areas of accumulation is the human brain. This has been established with radioactively tagged THC.

Experiments with animals have demonstrated that the toxicity also tends to be cumulative; thus, it requires one-tenth as much marihuana to kill a mouse if given in repeated daily doses as if given in a single dose.

2. EVIDENCE OF IRREVERSIBLE BRAIN DAMAGE

Related to its toxicity and its tendency to accumulate in the brain, is a growing body of evidence that regular marihuana use for a year or 2 may result in irreversible brain damage. This also ties in with the evidence developed by a number of researchers that marihuana use reduces DNA synthesis and, in so doing, reduces the mitotic index, or the rate at which the body produces new cells to replace the cells that are constantly dying off.

Several of the psychiatrists who testified before the subcommittee said that a hypothesis of irreversible brain damage tied in with their own clinical observations that brilliant young people who went on prolonged marihuana binges were simply not able to recapture the same level of mental competence they had displayed before becoming chronic marihuana users, even after abstaining from marihuana for several years.

Dr. Robert Heath of Tulane University, working with brain wave patterns in rhesus monkeys, demonstrated that after 3 or 4 months of chronic marihuana exposure there was a persisting abnormality in the brain wave patterns of the monkeys, even when the marihuana was removed.

Professor Paton referred to animal experiments which demonstrated that rats exposed to marihuana smoke had significantly smaller brains and hearts than rats not so exposed. In the light of the cumulative evidence, he felt that serious attention had to be paid to the research of Dr. Campbell and his colleagues at the Royal Bristol Hospital, demonstrating that chronic young marihuana smokers aged 18 to 26 had suffered as much brain atrophy as is normally encountered in people aged 70, 80 and 90.

3. DAMAGE TO THE CELLULAR SYSTEM

New scientific research pointing to radically new findings, is traditionally not accepted by the scientific community unless there is confirming or converging evidence from other independent researchers. What was truly remarkable about the body of evidence presented to the subcommittee was the fact that the main reports on new marihuana research converged from four or five or six directions on several central conclusions.

There was, for example, converging evidence from a substantial number of the scientists whose research pointed to damage to the cellular system, primarily through reduced DNA and RNA synthesis.

Dr. Akira Morishima of Columbia University, told the subcommittee that—

> When the specimens of three marihuana smokers were compared with those of age and sex matched non-smokers, the mitotic index, or the proportion of those cells in process of cell division, was noted to be only 2.3 percent in marihuana users, compared with 5.9 percent for the controls.

Dr. Morishima also found that a large proportion of the cell nuclei in marihuana smokers contained a significantly decreased number of chromosomes—

from 38 to 8—instead of the 46 chromosomes found in normal cells.

Dr. Gabriel Nahas and a team of three other Columbia University scientists found that in 51 marihuana smokers who had averaged three marihuana cigarettes a week for 4 years, the production of the immune cells—the T-lymphocytes—in the blood was 41 percent less than in nonsmokers. He made the point that the immunity response of the smokers "was similar to that of patients with cancer, or kidney grafts—treated with immunosuppressants—who were tested and who presented documented evidence of an impairment of their immunity system."

Professor Cecile Leuchtenberger, head of the Department of Cytochemistry at the Swiss Institute for Experimental Cancer Research, also found evidence of serious damage to the cellular process, involving the possibility of lung cancer and genetic damage. This is what she told the subcommittee:

> Smoke of marihuana cigarettes has harmful effects on the tissues and cells of animals and of humans. The observations that marihuana cigarette smoke stimulates irregular growth in the respiratory system, that it interferes with DNA stability of cells and chromosomes, that is it disturbs the genetic equilibrium, strongly suggests that marihuana cigarette smoke is a health hazard which may not only be implicated in lung carcinogenesis, but may also have mutagenic potentialities.

Prof. Arthur M. Zimmerman, of the University of Toronto, in a statement subsequently submitted to the subcommittee, reported on recent research dealing with the effects of marihuana on a culture of unicellular organisms.

His studies, he said:

> Clearly demonstrate that THC at a modest dosage reduces the growth and delays cell division of a uni-cellular protozoan, tetrahymena. These effects on cell growth are related to a depression of cell metaboism, i.e., a reduction of DNA, RNA and protein synthesis. The effects of THC are reflected in a reduction in the cell's ability to synthesize and assemble RNA, which is an essential components of the protein synthesis system. The reduced cell synthesis, in the presence of THC, may be attributable to the reduction of DNA synthesis which is known to direct cell metabolism.

Professor Paton, who has monitored some 800 cannabis research papers in connection with his duties as director of the British drug research program, told the subcommittee that there were many more papers dealing with other aspects of the damage done by marihuana to both cell metabolism and cell division. Said Professor Paton:

> Numerous such effects have now been described, including actions on microsomes, on mitochondria, on neurones, fibroblasts, white blood cells, and on dividing cells, affecting metabolism, energy utilization, synthesis of cellular constituents, and immunological responses.

Professor Paton and several of the other scientists who testified expressed grave concern that grade school children exposed to marihuana—an increasing phenomenon over the past 2 or 3 years—might damage themselves in a manner which would make impossible their physical and mental maturation. The years on either side of the advent of puberty normally constitute a period of explosive physical development, when new cells are being produced more rapidly than at any other period in the lifespan. A serious impairment in DNA synthesis and cell division during this period could conceivably have catastrophic effects. To paraphrase what Professor Paton told the subcommittee, we might, a number of years hence, find ourselves saddled with a partial generation of teenagers who have begun to grow old before they have even matured.

4. DAMAGE TO THE REPRODUCTIVE SYSTEM

The subcommittee also heard impressive evidence dealing with the damage—or potential damage—of marihuana to the reproductive system. Dr. Robert C. Kolodny, who heads up the Endocrine Research Section at the Masters and Johnson Research Foundation, reported that in a group of 20 males aged 18 to 28 who had used marihuana at least 4 days a week for a minimum of 6 months, the principal male sex hormone, testosterone, was found to be approximately 44 percent lower than for the control group of men who had never used this drug. He said that the reduction in testosterone level appeared to be related to the amount of marihuana used, so that men who averaged 10 or more joints per week had significantly lower levels than men who used fewer than 10 marihuana cigarettes weekly. He also found subnormal sperm counts in six of the men tested. In a few cases involving very heavy use, the sperm count was so low that the men had to be considered clinically sterile. Finally, he reported on several instances where intermittent impotence, apparently associated with marihuana use, disappeared after the use of marihuana was discontinued.

Although making the point that the Masters and Johnson results will have to be confirmed by further research, Dr. Kolodny warned against the possible dangers in these terms:

> Since at least some of the active constituents of marihuana have been shown to cross the placenta, there may be a significant risk of depressed testosterone levels within the developing fetus when this drug is used by a pregnant woman. Since normal sexual differentiation of the male depends on adequate testosterone stimulation during critical stages of development, it is possible that such development might be disrupted. Theoretically, there is also the possibility that marihuana use by the prepubertal male may delay the onset or completion of puberty or may interfere with bone growth, if a suppression of pituitary or hypothalamic function occurs. Neither of these possibilities have been investigated.

Although Dr. Kolodny said that he was not aware of any confirmatory research that had yet been conducted on the specific subject of marihuana and spermatogenesis, Dr. Cecile Leuchtenberger told the committee that she has found a marked disturbance in spermatogenesis in male mice which had inhaled marihuana smoke for several months. Not only were there fewer mature sperm cells than in the controls, but many of the spermatids—the precursors of the sperm cells—carried a faulty and reduced amount of DNA. This, she said, would indicate that marihuana smoke interferes with male fertility.

Dr. Morton Stenchever, of the University of Utah, reported on research which he and two other University of Utah scientists had conducted over 1971 and 1972 on chromosome damage in chronic marihuana users. They found that the chronic users displayed roughly three times as many broken chromosomes as nonusers, and that smoking was also accompanied in some cases by abnormal chromosone formations. The much higher rate of broken chromosones held true for light users who had averaged only one marihuana joint per week.

In summarizing his studies, Dr. Stenchever said:

> The study did not shed any light on the question of whether or not this chromosome breaking agent or any other chromosome breaking agent is capable of causing abnormalities of unborn children, an increased mutation rate, or an increased incidence of cancer. However, all of these possibilities are potentially there and only further studies of a more detailed nature will be able to answer these questions.

Dr. Paton, in his testimony, reported on a number of experiments with animals that pointed to a series of adverse effects from marihuana on the birth process. Said Dr. Paton:

> Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormalities in three species of animals. The deformity includes lack of limbs (reduction-deformity). The factor responsible has not been identified, but does not appear to be THC, although new work is showing that THC kills a majority of fetuses and in the remainder produces an increased incidence of still births and stunting. The effect is dose-related, an important thing to establish if cause and effect are considered.
>
> One must notice that general anesthetics as a class can also produce fetal abnormality. A provisional hypothesis for teratogenicity, therefore, is that this action of cannabis reflects its fat-solubility and relation to anesthetics, and constitutes a sort of anesthesia, for instance, of limb buds developing in the fetus at critical periods—hence the reduction-deformity. It must be stressed that all I have said refers simply to the development of the fetus. There is also the question whether the genetic material, perhaps as a result of interference with cell-division, is altered—giving life to heritable defects.

In one of the animal experiments to which Professor Paton referred, the teratogenic effects carried over for another two generations without further exposure to marihuana.

In the light of all of this converging research, I do not think it premature to warn the public that the use of marihuana during pregnancy, or its chronic use prior to pregnancy, may result in birth defects or even in genetic mutation. Although his research would have to be duplicated by other scientists before it could be considered definitive, Dr. Kolodny made the point that the evidence already on hand was strong enough to warrant a public warning. Professor Paton went one step further. In response to a question, he stated flatly that those indulging in chronic abuse ran a serious risk of giving birth to abnormal or defective offspring.

CANNABIS AND CANCER

There is a growing body of evidence that marihuana smoke has a far greater potential for bringing about cancerous alterations in tissues than does tobacco smoke. Dr. Cecile Leuchtenberger reported that her experiments have demonstrated that addition of marihuana to tobacco cigarettes produced a smoke which was much more harmful to mouse lung cultures than was the smoke from tobacco cigarettes without marihuana.

Drs. Kolansky and Moore, two Philadelphia psychiatrists, told the committee that emphysema and other disorders of the respiratory track were the general rule among chronic marihunana smokers.

Dr. Forest S. Tennant, Jr., who headed up the U.S. Army drug program in Europe from 1968 until 1972, told the committee that among chronic hashish smokers in the Armed Forces, bronchitis and sinusitis were very commonplace and that he had been surprised to find in young men of 20 the kind of acute bronchitis ordinarily found in cigarette smokers who had smoked heavily for many years. He said that—

> The abnormalities found in the bronchial biopsies were the same that are associated with heavy cigarette smoking and cancer on the lung.

What makes these findings all the more alarming is that, because of the time limitations of an Army tour of duty, the young men examined by Dr. Tennant had been chronic cannabis abusers for very brief periods of time—several months to a year at the most.

Dr. Paton pointed out that one of the reasons for the greater damage done by marihuana is that the inhalation and retention of the smoke is much deeper and more efficient with marihuana than it is with cigarettes. Calling for medical studies on a wide scale to determine the effects, Professor Paton said that emphysema which is normally a disease of later life is now cropping up with increasing frequency in young people, opening up the prospect "of a new crop of respiratory cripples" early in life.

It will take some years before scientists can report in an epidemiological manner the precise impact of marihuana on cancer. Hopefully, now that we are alerted, it should not take us long to get this information as it took us to find out about the relationship between cigarette smoking and cancer.

THE PSYCHIATRIC EFFECTS OF MARIHUANA

There was also a remarkable convergence of findings between the psychiatrists who testified before the subcommittee on the spectrum of major damage resulting from chronic marihuana usage. The psychiatrists included Dr. Harvey Powelson, for 8 years—1964–72—the head of the psychiatric division of the student health service at Berkeley; Dr. Henry Brill. Senior psychiatric member of the Shafer Commission and the president of the American Psychopathological Association; Dr. N. I. Soueif, of the university of Cairo, recognized as the foremost expert on hashish addiction in Egypt; Dr. Philip Zeidenberg, senior research psychiatrist at the New York Psychiatric Institute; Dr. Andrew I. Malcolm of Toronto, until recently staff psychiatrist with the Addiction Research Center of Ontario; Prof. Nils Bejerot of Stockolm, an internationally recognized expert on drug epidemiology; Dr. Conrad Schwartz of Vancouver, chairman of the drug habituation committee of the British Columbia Medical Association; and Drs. Harold Kolansky and William T. Moore, two Philadelphia psychiatrists with wide experience in marihuana-related cases.

Drs. Kolansky and Moore told the subcommittee:

> Marihuana and hashish have a chemical effect that produces a brain syndrome marked by distortion of perceptions and reality. This leads to an early impairment of judgment, a diminished attention and concentration span, a slowing of time sense, difficulty with verbalization, and a loss of thought continuity characterized by a flow of speech punctuated with non sequiturs which leaves the listener puzzled. In time, the chronic smoker develops a detached look as decompensation of his ego occurs.

Dr. Harvey Powelson, whose extensive exposure at Berkeley over 8 years probably makes him the most experienced campus psychiatrist in the country, told the subcommittee that in 1965 and 1966, when the marihuana epidemic first broke, he had had a tolerant attitude toward it, based on the then almost universal assumption that marihuana was not seriously harmful. As a result of his experience, he said, his attitude toward marihuana was changed to the point where he now considers it the most dangerous drug we must contend with. He gave the following reasons for his change in attitude toward marihuana:

> 1. Its early use is beguiling. It gives the illusion of feeling good. The user is not aware of the beginning loss of mental functioning. I have never seen an exception to the observation that marihuana impairs the user's ability to judge the loss of his own mental functioning.
>
> 2. After one to three years of continuous use the ability to think has become so impaired that pathological forms of thinking begin to take over the entire thought process.
>
> 3. Chronic heavy use leads to paranoid thinking.
>
> 4. Chronic heavy use leads to deterioration in body and mental functioning which is difficult and perhaps impossible to reverse.
>
> 5. For reasons which I can't elucidate here, its use leads to a delusional system of thinking which has inherent in it the strong need to seduce and proselytise others. I have rarely seen a regular marihuana user who wasn't "pushing". As these people move into Government, the professions, and the media, it is not surprising that they continue as "pushers," thus continuously adding to the confusion that this committee is committed to ameliorate.

Dr. Philip Zeidenberg, a biologist as well as a psychiatrist, told the subcommittee that—

> There is no doubt that a single dose of tetrahydrocannabinol can cause an acute psychotic reaction in mentally healthy individuals; and that marihuana use is also associated with longer-lasting and even chronic psychoses.

All the psychiatrists who testified agreed on the point that chronic marihuana abuse results in a serious loss of motivation—the so-called "amotivational syndrome." Commenting on this point, Dr. Nils Bejerot told the subcommittee that the syndrome is characterized by "a massive and chronic passivity brought about by prolonged and intensive abuse of cannabis. In these cases there is a basically altered sense of reality, and a tendency to magical thinking. Intellectual deterioration, which may be irreversible, and vagabondism commonly develop." Dr. Bejerot expressed the belief that marihuana is an addictive drug and that a strict concept of addiction does not necessarily involve the kind of agonizing withdrawal symptoms that characterize heroin use. He warned that—

> If cannabis were legalized in the United States this would probably be an irreversible process, not only for this country and this generation, but perhaps for the whole of western civilization. As far as I can see, another result would be a breakdown of the international control system regarding narcotics and dangerous drugs.

THE DANGER OF EPIDEMIOLOGICAL SPREAD

The spreading use of marihuana throughout our society has been made possible in part by the tolerant attitude of the media and the academic community. But another major factor that accounts for the dramatic escalation of marihuana use is the ease with which it can be transported and concealed and used and the relative cheapness of the drug.

As dangerous as alcohol can be when chronically used, the bulky nature of alcohol places certain limits on its use—and these limits are further reinforced by the familiar drunken stagger and by the unmistakable smell of alcohol on an inebriate's breath.

None of these considerations apply to marihuana.

A high school student or a grade school child or a blue-collar worker or an office worker would have difficulty smuggling a bottle of alcohol into his school or his place of work without being discovered. And if he was able to conceal the bottle, he is likely to give himself away by his drunken stagger or his alcoholic breath. With marihuana, however, the concealment of several joints presents no problem even to the unsophisticated grade schooler—nor is there any drunken stagger or telltale odor.

Cost is another factor contributing to marihuana's tremendous danger of epidemiological spread. Even though the sale of marihuana is illegal, students are able to purchase it—the rate will vary from time to time and from place to place—at approximately $1 per joint. And a joint of good marihuana is quite enough to produce intoxication. If marihuana were ever legalized, an entire pack of joints could theoretically be sold for the same price as a pack of cigarettes or less.

Because of these factors, the marihuana-hashish epidemic, which began in 1965, rapidly spread down into the high schools and junior high schools and then into the grade schools, and more recently into the ranks of the blue-collar workers and businessmen. Beyond its demonstrated ability to involve a very large number of people in a very short time, marihuana use in moderate amounts accelerates rapidly to use in large amounts and more potent forms. Thus, Dr. Forest Tennant, who headed up the Army drug program in Europe, found that young soldiers arriving in Germany could escalate from a few marihuana joints a week prior to arrival, to anywhere from 50 to 600 grams of hashish a month only 1 month later. I want to point out here that it takes only a quarter of a gram of hashish to produce intoxication in the average person.

Dr. Tennant also found that, because of the easy availability of hashish in West Germany, 10 percent of our servicemen rapidly reached the hashaholic stage, while a total of 16 percent consumed hashish in excess of three time a week.

These are facts we have to keep in mind when people talk about the legalization of marihuana in the United States.

Several of the scientists who testified stated that they considered marihuana far more dangerous than alcohol, in terms of its potential for damage to the individual and to society. Summarizing the important differences between alcohol and marihuana, Professor Paton said the following:

> Alcohol is taken, often diluted with food, and often for taste or to quench thirst rather than for psychic effect; it is eliminated in a few hours; there is little or no evidence for carcinogenicity or teratogenicity, particularly if nutritional defect and correlation with smoking are allowed for; psychotic phenomena only occur after heavy and prolonged dosage; it occurs naturally in the body of animals, and probably also in man; it has valid medical uses for nutrition and as a vasodilator; it "escalates" only to itself; the price paid for overuse is paid in later life.
>
> Cannabis is taken specifically, and usually by itself (sometimes with other drugs), for its psychic action; it is cumulative and persistent; its tar is carcinogenic and failure to inhale reduces its effect considerably; experimentally it is teratogenic; psychotic phenomena may occur with a single dose; it is not a natural constituent; prolonged trials in medicine from the 1840's led to its abandonment from pharmacopaeias; it can predispose to the use of other drugs; the price for its overuse is paid in adolescence.
>
> One could say that cannabis shares the disadvantages of alcohol and tobacco, together with its own psychotogenic and biochemical actions, its chronic effects being accentuated by its cumulative tendency, giving it much earlier adverse action.

To what Professor Paton said, one has to add the much greater potential of marihuana for epidemic spread, about which I have already spoken.

MARIHUANA AND THE LAW

What I have said about the physical and psychological effects of marihuana should not be construed as meaning that I favor tougher penalties for those who smoke it occasionally and who are caught in the possession of small quantities.

In his opening statement, Senator **EASTLAND** made it clear that the subcommittee was opposed to sending young people to prison for the possession of small quantities of marihuana for personal use. I strongly support this position. The fact is that at the present time very few young people are sent to prison for simple possession, either under Federal law or under State law. But the State laws are uneven on this point, and Federal law still leaves much to be desired.

We have come a long way in recent years. Up until 1970, under the Marihuana Tax Act and the Harrison Act, simple possession of marihuana called for a mandatory minimum sentence of 2 years in prison and a maximum of 10 years; and it is appalling to think that many young people actually did receive sentences of this magnitude. Both of these acts were removed from the books by Public Law 93–513, which was passed in October 1970. The provisions of this law, which are now incorporated in the United States Code—title 21, sections 841–844—converted simple possession of marihuana from a felony to a misdemeanor. While there is no mandatory minimum penalty, the law does permit a maximum penalty of 1 year and/or $5,000 for first offenders. Second offenders are still considered felons, and for them the maximum penalty is 2 years in prison and/or $10,000. First offenders convicted under this law can have their convictions set aside and records cleared if probation is successfully completed.

My personal opinion is that it would make more sense to rewrite this portion of the law to make simple possession, on a first offense, a misdemeanor punishable by a fine of up to $100. Having laws which permit penalties of 1 year in prison and a $5,000 fine for a first offender caught in possession of an ounce of marihuana is actually counterproductive because by far the majority of our judges recoil from such excessive penalties—and, in the act of recoiling, they frequently are disposed to impose no penalty at all.

The same situation applies, but in an even more dramatic manner, to the laws governing the smuggling of marihuana. Smuggling of any quantity of a drug is a felony. In the case of marihuana, any person caught in the act of smuggling even 1 ounce could, theoretically, be imprisoned for 5 years. In practice, as a customs officer stationed on the Mexican border recently informed the subcommittee, hundreds of young people are caught every week trying to smuggle in small quantities of marihuana. Those caught smuggling bottles of whisky frequently have administrative fines of $5 or $10 slapped on them—in addition to suffering the pain of watching their whisky flushed down the toilet. But in the case of minor marihuana smugglers—anything under an ounce and a half or 2 ounces—our customs officers simply flush the pot down the drain and there is no penalty of any kind.

Laws that are never enforced are worse than no laws at all. In the case of the laws governing the smuggling of marihuana, I really do think that the present penalties for first offenders should be replaced by a mandatory fine similar to what I have recommended for simple possession; perhaps the second offense for both possession and smuggling should constitute a felony punishable by fine and imprisonment.

There are those who recommend the abolition of all penalties for possession of marihuana. This was the position of the Shafer Commission, and it is also the position of NORML, the most prominent of the national promarihuana lobbies. All of the scientists who testified on this point were inclined to favor some kind of penalty for simple possession. As one psychiatrist pointed out, by penalizing traffickers but letting users go scot free, we would, in effect, be sending contradictory signals to our young people—which would make it more difficult to get across the basic message that marihuana is a very dangerous drug against which society has to protect itself. Dr. Brill, who had served as senior psychiatrist on the Shafer Commission, told the subcommittee that although he had originally supported the proposal that there be no penalty of any kind for simple possession, he now felt that this position had to be reconsidered.

If those portions of our law which govern simple possession are still too stringent, the statutes covering the big smugglers and the big pushers are far too lenient—and, even worse, they are far too leniently enforced. Over and over and over again, traffickers caught with hundreds or even several thousand pounds of marihuana go scot-free, with a 6-month or 1-year suspended sentence. This portion of our law, in my opinion, has to be amended and amended promptly. The large traffickers and the pushers must not be permitted to get off so lightly. For them, I would like to see mandatory minimum sentences of several years in prison.

I have instructed my staff to study the existing legislation and ways of improving it, and after these hearings have been made public, I may want to submit some concrete proposals for the revision of existing laws.

THE NEED FOR A NATIONAL EDUCATIONAL PROGRAM

I believe that, with the evidence we have brought together at these recent hearings, we can now mount a national educational program on marihuana and hashish that will be effective in persuading young people to abstain from the drug.

No young person wants to run the danger of permanent brain damage.

No young male wants his male hormone level reduced by almost 50 percent or his sperm count reduced to zero.

No young person wants to damage their cellular processes and chromosomes, thus opening the way to abnormal offspring or genetic mutations.

Up until recently, those scientists who mistakenly believed that marihuana was a relatively benign drug have had the ear of our press and of our networks. I have the impression that we are now witnessing the beginning of a change in attitude. It is my conviction that we can reverse the massive marihuana-hashish epidemic which engulfs our country—just as we have already succeeded in reversing the relentless upward trend of the heroin epidemic and the LSD epidemic which preceded it—if our various Government agencies and our media and our schools embark on a united educational effort.

It is my hope that our recent hearings

will serve to encourage and facilitate the launching of such a nationwide program.

Mr. President, I ask unanimous consent to print in the Record at this point the text of the testimony given to the Subcommittee on Internal Security by Prof. W. D. M. Patton of Oxford University, and the text of the testimony of Dr. Harvey Powelson, formerly of the University of California at Berkeley.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT BY W. D. M. PATON

I am Professor of Pharmacology in the University of Oxford. My interest in cannabis was aroused by a conference on adolescent drug-dependence in 1966. Since it subsequently appeared that there was little known about it in modern terms, and that little but sociological or psychological work was being initiated, I began pharmacological studies in 1969. Some of my earlier work has been relevant: on anaesthetics (dating back to 1944 in connection with narcosis in diving and submarine escape), and on opiates (from 1949). The statement that follows rests partly on this work, partly on my own informal contacts with drug users, and partly on a review of the recent research on the effects in animals and man (written together with Dr. R. G. Pertwee and Dr. Elisabeth Tylden) which forms three chapters in "Marihuana" ed. R. Mechoulam, Academic Press, recently published. Of this work (400–500 papers), usually only a small fraction is referred to in official reports and other writings; something like 100 further scientific papers have appeared since our final manuscript was sent in. I will try to bring out what appear to me the salient points of all this work, interpreted from my pharmacological experience, and taking for the most part the point of view of preventive medicine.

I shall use the term cannabis rather than marihuana, since the use of the latter word may suggest a sharper distinction from hashish than in fact exists (both are mixtures of cannabis resin with other material from the plant), and perhaps also begs the question whether or not it would be possible to legislate differently for them.

It is sometimes said that cigarettes and alcohol are as bad as, or worse than cannabis, yet they are "legal"—why should not cannabis be too? I shall try to compare these three later; but it is necessary to review the actions of cannabis first, particularly because very little publicity indeed has hitherto been given to many of its actions.

The first point to stress is that cannabis is a complex mixture of chemicals, of which *at least* the following are known to have a biological action: tetrahydrocannabinol (THC), propyl-THC, cannabidiol, cannabinol, and a group of water soluble materials giving alkaloidal reactions. This affects, inter alia, the suggestion that one might permit a preparation containing up to 1 or 2% THC to be marketed: this would only be feasible if THC were the only active principle. It also means that pharmacological or other studies which are limited to THC have only a restricted relevance to problems of human usage of cannabis.

FAT-SOLUBILITY

Second, and possibly the most important single fact about cannabis, apart from the fact of its psychic action, is that THC, the main psychically active principle, is intensely soluble in fat, as we pointed out in 1970. It has an octanol/water partition coefficient of about 6000 to one, over 10,000 times that of alcohol. Corresponding to this is a low solubility in water. Its fat solubility is greater than that of industrial solvents, and is exceeded only by substances like DDT. The other cannabinoids share these properties. This solubility gives it an affinity for, and ability to transverse, the fatty material in cell-membranes.

From this physical property follows: (a) the activity of cannabis by all routes of administration; (b) its cumulative effect, and the persistence of effect when drug is withdrawn; (c) its passage into all parts of the body, including brain, adrenal gland, ovary, testis, and foetus; (d) the diffuseness of its effects because it is able to reach every cell in the body; (e) the overlap in its effects with those of one important group of fat-soluble materials, the general anaesthetics such as chloroform.

Perhaps I should say a special word about the brain, where perhaps the most important fatty material in our bodies is located, though in much smaller percentage than (say) in adipose tissue. Here, too, cumulation of THC and its first two metabolites has been found.

TOXICITY

(a) Fat affinity and cumulation in the body in themselves are not necessarily harmful, even if cumulation is undesirable in princciple. The fundamental test is a biological one, whether *toxicity* is cumulative. This has been found to be the case; for a mouse, it requires one-tenth as much cannabis to kill if given in repeated daily doses as if given in a single dose. Similar cumulative toxicity has been found for THC and in other animals. Inferences must not be drawn, therefore, from responses to single exposures to the likely effect of repeated doses.

(b) We have found that toxicity, as judged by loss of weight and lethality, is associated with the fat-soluble fraction of cannabis; THC appears to be the main, but not the only substance responsible. It appears impracticable, therefore, to dissociate the psychic and the toxic effects.

(c) The question of lethality in man is important. Since few practitioners would know how to diagnose a death caused, or contributed to, by cannabis, and since it could not at present be proved by forensic analysis, only scanty information can be expected in any case. The case reported by Heyndrickx et al, in the light of this, is rather convincing.

Possibly more important is to point to three ways in which cannabis could indeed cause or facilitate death. (a) It produces a considerable tachycardia, and this may be associated with electrocardiographic changes and ventricular extra-systoles. It is not at all impossible that this, in unfavorable circumstance in a chronic user, could progress to ventricular fibrillation and death. (b) It causes a dilatation of peripheral blood vessels, corresponding to the hypotensive action in animals. This probably underlies the "fainting attacks" reported, causing postural hypotension. As with other hypotensive drugs, if the subject could not become horizontal either deliberately or by falling (e.g., because he was in a chair), blood supply to the brain might fail. (c) Cannabis, chiefly because of its cannabidiol content, can potentiate and prolong the action of barbiturates (as well as other drugs used in medical treatment). This could mean that a non-lethal dose of barbiturate became lethal.

Regardless of decisions about the law, one wishes that all cannabis users were aware of these possibilities.

TERATOGENICITY

Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormality in three species of animals. The deformity includes lack of limbs (reduction-deformity). The factor responsible has not been identified but does not appear to be THC although new work is showing that THC kills a majority of foetuses and in the remainder produces an increased incidence of stillbirth and stunting. The effect is doserelated, an important thing to establish if cause and effect are considered.

These results are sometimes dismissed on the grounds that any drug in sufficient dose will be teratogenic. While this is not quite accurate, there is evidence that serious disturbance of the mother can have such an effect. This gives an added importance to the criterion suggested by Robson & Sullivan which I would adopt; that a result should be taken as significant when the teratogenic dose is a small fraction of the dose lethal to the mother. This is the case with cannabis, and is in contrast to other drugs, including nicotine and aspirin.

A very important question is whether cannabis directly affects the genetic material, i.e., nucleic acid. Early reports of interference with cell-division indicated this. These have been confirmed. Dr. Nqhas' report here has clinched the issue. One must notice that general anaesthetics as a class can also produce fetal abnormality. A provisional hypothesis for teratogencity, therefore, is that this action of cannabis reflects its fat solubility and relation to anaesthetics, and constitutes a sort of anaesthesia, for instance, of limbbuds developing in the fetus at critical periods—hence the reduction-deformity. It must be stressed that all I have said refers simply to the development of the fetus. There is also the question whether the genetic material, perhaps as a result of interference with cell-division is *altered*—giving life to heritable defect.

CARCINOGENICITY AND LUNG PATHOLOGY

Like the tar from cigarettes, reefer tar is carcinogenic when painted on mouse skin. Cannabis smoke produces changes in cultures of lung tissue, including loss of contact-inhibition between cells. THC in low concentration resembles the carcinogen methyl-chlolanthrene in generating malignancy in rat embryo cells incubated with a murine leucemia virus, but is slower in action. The irritant effect of the smoke on the respiratory tract is well-known to users, and is associated with bronchial pathology.

These effects are becoming very important. Originally, one was uncertain about their significance, and what the balance would be between the facts that more cigarettes than reefers will normally be smoked in any one day, whereas inhalation and retention of the smoke is much deeper and more efficient with the reefer. But now lung damage, in the form of emphysema, is being repeatedly recorded. Emphysema is normally a disease of much later life; but now the quite unexpected (to me, at least) prospect of a new crop of respiratory cripples early in life, is opening up. Originally, I thought the cancer risk was the main problem; cannabis has never been used extensively in a society with an expectation of life long enough to show a carcinogenic effect in man, until recent years. In effect, a new experiment in cancer epidemiology started 5–10 years ago. To this I would now add respiratory pathology generally; and because, just as with bronchitis and cigarette-smoking, it shows itself early, I believe medical studies on this, on a wide scale, are now urgent.

CELLULAR EFFECTS OF CANNABIS AND THC

Numerous such effects have now been described, including actions on microsomes, on mitochondria, on neurones, fibroblasts, white blood cells, and on dividing cells, affecting metabolism, energy utilization, synthesis of cellular constituents, and immunological responses. To this we must add the recent observation that chronic administration of THC to young rats leads to a reduction in brain and heart weight. Such effects are to be expected, rather than a matter of surprise, from a drug with a high affinity for lipid in a cell-membrance. It should be noted that the local concentrations of THC or its metabolite in the cell-membranes will be far higher than those in the blood; theoretically, one would expect a concentration factor of several hundred; experimentally, concentrations of 600-fold with brain and 380 with red cell membranes.

An important aspect of these effects is what they imply for *maturation* of an individual; we are concerned not only with the effect of a drug on a mature adult, but also what it does to school-children, still developing in many ways. The interference by cannabis with both cell-metabolism and cell-division is very worrying.

THE RELEVANCE OF ANIMAL WORK

It may be argued that actions in animals are of little relevance to man. However, the pharmaceutical industry, and the bodies which supervise it, do not operate on this pre-Darwinian principle. Difficulties chiefly arise when an inordinately high safety factor has been stipulated. But there is also misunderstanding over rates of dosage. It is to be expected that small animals will require proportionately larger doses (per unit body weight) than man, just as they need proportionately more food, because of their faster metabolic rate. One can estimate a house dose on this basis as ten times that of man; taking this together with the rates of human use reported in WHO Special Report No. 478 (up to or exceeding 10 mg/Kg THC per day) it appears that almost all the experimental work reported in animals is relevant to man. The conclusion is reinforced by the NIMH-sponsored toxicity studies on monkeys. A daily dose of 50 mg/Kg orally of THC killed 1 of 6 monkeys; damage to the pancreas, ulcerative colitis, and myeloid hyperplasia were noted. This result, at doses only 10 times some rates of human consumption makes no allowance for contribution by other toxic materials in cannabis.

TOLERANCE

I mentioned high rates of human use. People have expressed incredulity at this, yet it is well-established. I would like to deposit a table of consumption in a group of English students (subject to the approval of the authors)—perhaps the best evidence yet, since the composition of the actual reefers being used was measured; uses ranged up to 199 mg THC per day, around 20 times the ordinary dose for a "high." By itself it shows the degree of tolerance that is achieved, with the resulting need to take high doses for an effect. By the same token, toxicity and accumulation *at these levels* must be considered.

DIFFICULTIES IN THE EXTENSION OF ANALYTIC WORK TO MAN

Although there are a number of human studies on the effects of single small doses, there is still no systematic modern study of the bodily effects of continued cannabis administration. One reason is that while limited dosage is acceptable for volunteers, dosage over a prolonged period at the higher rates of use is not. It would be possible to study users themselves, if a method of urine and blood analysis existed capable of verifying their actual consumption. This, however, is at present not practicable; as a result only the subject's testimony as to his rate of consumption of a substance of unknown composition is available, and this is hardly sufficient. Once methods of analysis of body fluids are adequate, the position should improve considerably.

PSYCHOLOGICAL EFFECTS IN MAN

It may be useful to bring a number of findings together:

(a) The neurophysiological observations, in man and animals, of hypersynchronous discharges from the deeper parts of the brain (not the cortex) as a result of giving cannabis or THC. These discharges have been termed "epileptiform."

(b) The observation by Campbell and his colleagues of an apparent loss of brain substance in the deeper regions, in a group of young chronic cannabis users. This needs further exploration, and it is likely that it is now possible with new non-invasive radiographic techniques.

(c) The cumulative property of THC, and its affinity for fat and hence for cell-membranes.

(d) The numerous psychiatric reports of gradual psychological change, which becomes less and less readily reversible, the longer the cannabis exposure. (This delayed recovery may well have been known in the Moslem community in medieval times; see Schwarz, J. Amer. Med. Ass. *223*, p. 195. 1973.)

(e) The fact that most of the elements of this psychological change (paranoid feelings, change in mood, cognitive impairment, loss of memory, loss of concentration, a motivational state, introspective preoccupation with internal imagery, hallucination) can be reversibly produced by single doses of THC or cannabis in normal volunteers.

(f) The ability of cannabis to affect cellular metabolism and cell division.

These findings converge to a remarkable extent in supporting a prima facie view that repeated cannabis use acts on the deeper parts of the brain (where sensory information is processed and mood controlled); that this is at first reversible, but becomes more persistent as cumulation occurs, and that later irreversible changes occur with loss of brain substance, due either to interference with the capacity of brain cells to synthesise their requirements or to interference with cell division.

It is quite likely that all this would be accepted and acted upon, by the cannabis user, were it not for the visual imagery, and (here cannabis is very like nitrous oxide) the euphoria and the conviction of insight and cosmic significance.

COMPARISON WITH ALCOHOL AND TOBACCO

One may summarize this as follows: (1) alcohol is taken, often diluted with food, and often for taste or to quench thirst rather than for psychic effect; it is eliminated in a few hours; there is little or no evidence for carcinogenicity or teratogenicity particularly if nutritional defect and correlation with smoking are allowed for; psychotic phenomena only occur after heavy and prolonged dosage: it occurs naturally in the body of animals, and probably also in man; it has valid medical uses for nutrition and as a vasodilator; it "escalates" only to itself; the price paid for overuse is paid in later life.

(2) tobacco is taken partly for relaxation, partly to assist work, and there is some evidence of an improvement in mental function; the nicotine in it is rapidly metabolised and non-cumulative; the evidence suggests that it is the tar that is carcinogenic, and the risk can be reduced if inhalation is avoided, nicotine being absorbed through the mouth; it is not teratogenic; no psychotic phenomena occur; it is not a natural constituent; it has no medical use; it does not "escalate"; the price paid for overuse is paid in later life—reducing life expectancy from about 75 years to 70 years.

(3) cannabis is taken specifically, and usually by itself (sometimes with other drugs), for its psychic action; it is cumulative and persistent; its tar is carcinogenic and failure to inhale reduces its effect considerably; experimentally it is teratogenic; psychotic phenomena may occur with a single dose; it is not a nataural constituent; prolonged trial in medicine from the 1840's led to its abandonment from pharmacopaeias; it can predispose to the use of other drugs; the price for its overuse is paid in adolescence.

One could say that cannabis shares the disadvantages of alcohol and tobacco, together with its own psychotogenic and biochemical actions, its chronic effects being accentuated by its cumulative tendency, giving it much earlier adverse action.

THE QUESTION OF LEGALIZATION

(a) Viewing cannabis as if it were a new pharmaceutical product, I could not agree to approval being given to the introduction, for general and repeated consumption, of a substance shown experimentally to be carcinogenic, teratogenic, and cumulative, and able to interfere with a variety of cellular processes, until it had been shown, quite unequivocally, that, for some reason, humans were exempt from the actions concerned.

(b) There is no rational dividing line between cannabis and other drugs such as LSD or some opiates. A high dose of cannabis overlaps with a low dose of LSD (in its hallucinatory and psychotomimetic action) and with the less active opiates (in respect of analgesia, euphoria, and "day-dreaming" state). In fact, since cannabis is unique among these drugs for its cumulative action, I would put it lower in the list for legalization than some others. One needs to ask, what other drugs can produce prolonged cognitive impairment in a young person?

(c) In a similar way, it does not seem feasible to me to propose legalization of cannabis of limited potency. There is in fact an analogy with alcohol here: we have marihuana (1–2% THC), and weak beers (2% alcohol); hashish (say 8% THC) wines (8-15% alcohol); red oil, on the illicit market (up to 30–40% THC), hard liquor (30–50% alcohol). To suggest one could legislate for 1 or 2% THC is like suggestion one could legislate for weak beer. It would remove none of the present objections to cannabis legislation, while yet allowing the drug to be used.

(d) The significance of progression from cannabis to other drugs has been much discussed, and my own (1968) paper severely, but fallaciously, criticised. (The fallacy was exposed, inter alia, by R. C. Pillard in the New England Journal of Medicine (197) *285*, 416–7). The final report of the Le Dain Commission concluded as regards LSD that "the use of cannabis definitely facilitates the use of LSD or predisposes a certain number of individuals to experiment with it." The argument they give (including the relationship between the nature of the two drugs and the finding that over 95% of those who had used LSD had used cannabis) were the same as those I had advanced in respect of heroin and cannabis. My argument also cited the remarkable temporal coincidence between cannabis convictions and heroin addiction in the U.K.; evidence of this sort has not been provided in respect of LSD.

Today, with the further evolution of drug use, it seems clear that, depending on availability of drug, various patterns of progression are possible, in which one would include cannabis to opiates, cannabis to LSD, and cannabis (low potency) to cannabis (high potency). Simple reasons can now be seen; that cannabis increases suggestibility and impairs memory; and that it overlaps in pharmacological actions with opiates (euphoria, analegisa, daydreaming state) and with LSD (visual imagery). It is therefore well-suited to providing a halfway house, converting one major step directly to use of opiates, LSD or hashish, into two smaller and more easily accepted steps.

The growth of poly-drug use may now have made it impossible to define patterns of progression accurately. But one may hazard the opinion that no programme to get rid of opiate addiction or LSD use will really succeed until cannabis use declines. Cannabis can serve as well to cause relapse, as to initiate drug use.

(d) The last point concerns the age of those involved. If someone dies of alcoholism or lung cancer at the age of 50 onwards, that is a loss; but the individual has had 30 years of adult life, and the chance to make his own contribution. **But the adolescent, dead or socially inactivated by 20 years old,** has never even had a start on mature life; the loss, both for him or her, and for society, is incalculably greater.

THE DIFFICULTY OF FRAMING A POLICY

My own opinion is that it would be disastrous to make it legal even to possess cannabis. If one talks, not to lawyers or sociologists but to schoolchildren and students, at least in the U.K., it is not at all clear that a majority would even wish for this to happen. But nevertheless, there would be for the foreseeable future a large number of people breaking the law, just as they do over speed limits, customs-regulations, and income-tax return. It seems that one would have to treat a cannabis-possession similarly, accepting that the majority of offences would not be recognized, yet maintaining the legal position about it. Viewing it in this way might, indeed, help to deglamourise it.

But something more is needed. It would be quite right for the debate to sharpen our criticism of alcohol and tobacco. Further, for a significant number of youngsters, who have found consolation in cannabis, there is the question, "If not pot, what?" It is for the framing of an answer to this question that new creative thinking is urgently needed.

STATEMENT BY DAVID HARVEY POWELSON, M.D.

In 1965, I was chief of the Department of Psychiatry in the Student Health Service at the University of California in Berkeley. It was the first year of the student riots. It was also the first year that hallucinogens were becoming widely used and I, as the person responsible for mental health on that campus, was vigorously involved in the debate about psilocibin, LSD and mescaline.[1]

In the spring of that year a reporter for the Daily Californian, the student newspaper, asked for my opinion on marihuana. At that time I lacked any direct experience as a physician with marihuana users. The medical literature was sparse, but in general seemed to be saying that there was no proof of long term harmful effects from marihuana. I summarized this for the reporter and said there was no proof of harm and that it probably should be legalized and controlled. In general, this view met with approval from most of the students and most of my professional colleagues.

In 1965, the use of marihuana spread throughout the Berkeley Campus. Simultaneously its use was spreading to all the colleges and universities across the countfy. From the campus communities it spread at an accelerating rate through the surrounding communities. By now its use is subject to no age, social or geographic barriers.

My place of observation was unique. I was there at the beginning and in my work I was actively involved with students not only as a psychiatrist but as a teacher, and as a participant in a four year research project studying maturation and growth, in college students. In addition, I was routinely meeting with deans and administrators who were dealing with the drug problem and the students who were in academic and/or disciplinary difficulties as a consequence of the use of marihuana and its derivatives.

Most importantly, I was in daily contact with the constant flow of students through the student health service and the psychiatric clinic and hospital.

During the period I am speaking of (from 1965–72) the clinic saw approximately 2000–3000 students a year as outpatients and about 150–200 students a year who were mentally ill enough to be hospitalized. Naturally, I didn't see all these students but the people who ministered to them were all under my supervision. I personally interviewed about 200 students a year; many were seen for a single hour, others were seen as intensively as 2–3 times a week for varying lengths of time up to and including 5 years. A legitimate question which is often raised is that of sampling: i.e., "how typical are these patients when compared with the general population of U. C. students?"

(I am convinced that aside from the obvious fact that they have come to the clinic, they vary in no significant way from the population of the University of California, Berkeley, as a whole. For a systematic study of this point, c. f., Katz, Joseph, Ph. D., *Growth and Constraint in College Students,* Institute for the Study of Human Problems, Stanford University, Stanford, California, 1967, pp. 510–68. This study was done at Berkeley on the same group of students I am discussing. Comparisons were made on all sorts of variables: psychological; psychiatric; and so on. No significant difference between the clinic and general population were found.)

During this time (from 1965–72) an increasing number of patients were using marihuana. My best guess, based on surveys and impressions, is that more than 90% used it at one time or another in college. More than 50% used it "socially" (approx. 1–2 times per week) and about 10% were heavy users (at least 1 time daily).

My first important shift in thinking occurred as a result of observations made during psychotherapy with a young man, S., who was bright enough to be getting his law degree and Ph. D. simultaneously and competent enough to be learning to fly and deal in real estate at the same time. As we proceeded in our work together, I came to know S.'s way of thinking; i.e., *how* he thought. Most of us do this without thinking about it. All of us come to know to some degree the way our friends and colleagues think. In therapy, the opportunity to hear someone think out loud about a problem important to him maximizes the opportunity to come to know how he uses or misuses logic, remember clearly or not at all, does or does not exercise good judgment about his own thinking, and whether or not he is able to know his own feelings. We had made enough headway so that S. had begun to be able to observe and understand his own thinking. Periodically, we had hours (I was seeing him twice weekly) when his thinking became mushy. If I tried to follow him, my head began to spin. When I protested that he'd become impossible to listen to, he'd argue that his own experience was that he was thinking more clearly, more insightfully, than ever. On one such occasion, he mentioned that he'd been to a party two nights before where he'd had particularly good "grass." In Berkeley, 1968, that was not a particularly memorable remark, but we thought there might be some connection with his thinking. This same series of events recurred often enough so that I finally was able at times to post dict that S. had had some "mind-expanding drug," usually marihuana.

S., because he was a good observer, helped show me another aspect of the thinking disorder I'm describing. Central to his difficulties was a paranoid stance toward the world. By this, I mean a style of thinking characterized by a constant suspicion that one is being controlled; e.g., by the establishment, the system, etc.; and simultaneously a constant unwitting search for people and situations which will do just that; e.g., drugs, demagogues. If this manner of thinking is carried further, it blends into the condition usually called paranoia. Here the subject is controlled by voices, God, or whatever, and at the same time, he is very often "against his will" being controlled by a state hospital or jail. S. was forever talking about his search for something or someone he could trust. He very frequently clutched to himself people who were totally untrustworthy and hurt and rejected others who manifestly admired and like him.

When he had used marihuana, his thinking became more paranoid, i.e., he became more mistrustful of me, for instance, and at the same time, he became more wily so that he talked glibly, using cliches, theories, and "insights," all to avoid noticing concretely and immediately whatever he was really doing and feeling in his relationship with me, as well as his relationships outside. In short, the pathological part of his thinking was exaggerated in two ways: (1) he was more suspicious, etc. and (2) he was more adept at fooling himself about what he was up to, while simultaneously maintaining how "aware," "in touch," and "loving" he was.

S. continued in therapy but also continued to use marihuana and hashish. (Hashish is merely another more concentrated source of the active principals contained in marihuana). Toward the end of his therapy, I had decided that so long as he muddied his thinking in this way, there was no use continuing. He, however, suffered a fatal accident (as a result of an error in judgment) before his therapy actually terminated.

As I was becoming familiar with these effects of marihuana on S., I gradually learned to pick up signs when they were more subtle. I came to observe the same changes in others, i.e., that marihuana exacerbated the pathological aspects of their thinking.

These observations were made before controlled studies began to give clues as to the nature of the mental changes taking place which could explain these phenomena. The committee has undoubtedly heard or will hear of the studies by the Hollister[2] group at Stanford on what they call "temporal disintegration" which seem to be changes secondary to the loss of immediate memory and the loss of an accurate time sense. There are also corrorborating studies from Utah[3], clinical studies by Kolansky and Moore[4], x-ray studies by Campbell in England[5], and a study on students by Schwarz[6] at the University of British Columbia to cite a few of the most relevant studies made on subjects comparable to the ones I'm describing.

Following the above described observations, I saw the same picture more and more frequently. The essence of the pattern is that with small amounts of marihuana (approximately three joints of street grade), memory and time sense are interfered with. With regular usage the active principals cause more and more distorted thinking. The user's field of interest gets narrower and narrower as he focuses his attention on immediate sensation. At the same time his dependence and tolerance is growing. As he uses more of the drug, his ability to think sequentially diminishes. Without his awareness, he becomes less and less adequate in areas where judgment, memory and logic are necessary. As this happens, he depends more and more on pathological patterns of thinking. Ultimately all heavy users (i.e., daily users) develop a paranoid way of thinking.

After I had become aware of the generality of this sequence another reporter from the *Daily Californian* interviewed me to see if my opinions had changed in the interim. In the course of that interview, I realized in a concrete and explicit way that they had. The headline read, "Psychiatrist says pot smokers can't think straight." This time the response of the community and colleagues was not so approving. It is an interesting fact that questioning the claims or marihuana users leads to much more anger, vilification, and character assassination than does the opposite stance.

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[1] M. Friedman and D. H. Powelson, "Drugs on Campus," *The Nation,* January 31, 1966.

[2] Hollister, T. F., *Science,* 2 Apr. 71.

[3] Clark, J., Hughes, R., and Nakashima, F., *Arch. Gen. Psychiat.,* Vol. 23, 1970.

[4] Kolansky, H. and Moore, W. T., *JAMA,* Apr. 19, 1971.

[5] Campbell, H. H. G., Evans, M. Thomson, J. L. G., *et al., Lancet,* 2:1219–1224, 1971.

[6] Schwarz, Conrad J., *Conad Psychiat. Ass. Jour.,* Vol .14, 1969.

In subsequent years in Berkeley, both at the clinic and in my private practice, I have observed the long term effects of cannabis. Originally, my observation was that students who had "dropped out" into the "drug scene" and were attempting to return, were finding it difficult if not impossible. A frequent story is that the young person has become aware that the life he's been leading is unsatisfactory and unproductive. He then stops drugs for six months or so and reenters the university. When he returns to school, however, he finds that he can't think clearly and that, in ways he finds difficult to describe, he can't use his mind in the way he did before. Such people also seem to be aware that they've lost their will someplace, that to do something, to do anything, requires a gigantic effort—in short, they have become will-less—what we call anomic. An irony here is that they have now achieved the freedom they sought. They need an external director. They are ripe for a demagogue.

The changes in the capacity to think in some subjects are long lasting if not permanent. One of my original (1967) subjects was a member of the junior faculty. He "dropped out" and used hashish exclusively for 18 months in daily doses. When he realized that it was interfering with his physical coordination he stopped all drugs. Two years subsequent to this he returned to the University. He found that he could not do mathematics at a level which he had found possible before. Three and one-half years later, his conviction was that the change was permanent. My own observations of him and other such gifted people have led me to the same conclusion, i.e., that the damage may be permanent.

My stance toward marihuana has shifted to the extent that I now think it is the most dangerous drug we must contend with for the following reasons:

1. Its early use is beguiling. It gives the illusion of feeling good. The user is not aware of the beginning loss of mental functioning. I have never seen an exception to the observation that marihuana impairs the user's ability to judge the loss of his own mental functioning.

2. After one to three years of continuous use the ability to think has become so impaired that pathological forms of thinking begin to take over the entire thought processes.

3. Chronic heavy use leads to paranoid thinking.

4. Chronic heavy use leads to deterioration in body and mental functioning which is difficult and perhaps impossible to reverse.

5. For reasons which I can't elucidate here, its use leads to a delusional system of thinking which has inherent in it the strong need to seduce and proselytize others. I have rarely seen a regular marihuana user who wasn't actively "pushing."

As these people move into government, the professions, and the media, it is not surprising that they continue as "pushers," thus continuously adding to the confusion that this committee is committed to ameliorate.

Mr. GURNEY. Mr. President, I also ask unanimous consent to print in the RECORD a number of editorials that have resulted from our hearings; an article that appeared in U.S. News & World Report; a column by syndicated Columnist John Chamberlain; and a major article which appeared in the Washington Post. Although this last article did not mention our hearings, the author systematically interviewd many of the scientists who testified before the subcommittee, and there is no doubt that the inspiration for the article was provided by our hearings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SO, YOU THINK POT IS HARMLESS

(By John Chamberlain)

John Stacks, the news editor of Time's Washington Bureau and the co-ordinator of its Watergate coverage, remarks, in an article in the Overseas Press Club of America's "Dateline 1974," that "the success of the Watergate investigators in ferreting out hard facts from reluctant sources was a tonic to Washington journalism."

What Stacks says is true about one type of Washington journalism, the "get the guy" type. I applaud "getting the guy" if he is really a crook or a liar, but when the press corps of a great capital is encouraged to think of journalism primarily as an adventure in the cultivation of stool pigeons it is not a tonic generally. The trouble with Washington journalism at the moment is that whole areas of government activity get very little coverage. All the hounds are on one scent.

Information that might have a great effect on a nation's life is left to smoulder. For example, how many stories have you seen devoted to the remarkable marijuana investigation conducted by the US Senate Subcommittee on Internal Security?

The glib cliche about marijuana, endorsed, by the way, by some conservatives as well as by the liberals, is that marijuana, or pot, when smoked in moderation, is really no worse than a few glasses of beer. This view has been periodically challenged, mainly in Europe, but there has been little published on the subject that has had a cumulative impact.

The Senate Subcommittee on Internal Security, the Eastland Committee, has really dug into the question of marijuana toxicity, rolling up a vast body of testimony that should be the subject of debate on campuses from Berkeley, Calif., to Cambridge, Mass. Since I am not a doctor, and my paraphrases of medical testimony might not be trusted by the marijuana cultists, let me quote a few authorities directly.

Item, from a statement by Drs. Harold Kolansky and William T. Moore on the results of a clinical study: "In the last nine years we have seen hundreds of patients who have suffered psychiatric and neurological symptoms . . . and have described the findings in almost 60 of these patients. . . . Many of those we examined . . . appeared older than their chronological age. . . . The incapability of completing thoughts during verbal communication that resulted in confused responses seemed to imply some form of organicity either of an acute biochemical nature . . . or, one might hypothesize, structural encephalopathy." (I looked up "encephalopathy" in the dictionary: It means sickness or derangement of the brain.)

Item, from Dr. W. D. Paton, professor of pharmocology at Oxford: "Administration of cannabis during the vulnerable period of pregnancy has been found to cause fetal death and fetal abnormality in three species of animals. The deformity includes lack of limbs (reduction-deformity) . . . a very important question is whether cannabis directly affects the genetic material, i.e., nucleic acid . . . Dr. Nahas' report here has clinched the issue . . . lung damage, in the form of emphysema, is being repeatedly recorded. Emphysema is normally a disease of later life; but now the quite unexpected (to me, at least) prospect of a new crop of respiratory cripples early in life is opening up . . ."

(So you can give birth to congenital cripples and die in your 40s or 50s of wrecked lungs. Go right ahead.)

Item, from Dr. Robert G. Heath's description of his studies of the effect of cannabis on rhesus monkeys: When the monkeys were regularly exposed to these drugs . . . persistent — perhaps irreversible — alterations developed in brain function at specific deep sites where recording activity has been correlated with emotional responsivity, alerting and sensory perception."

(Warning: you may be more like a rhesus monkey than you think.)

Item, from Dr. Robert C. Kolodny, endocrine research director, Reproductive Biology Research Foundation, St. Louis, Missouri: "Cannabis resin . . . injected into pregnant rats . . . had a variety of effects. These effects included syndactyly (webbing between the digits) . . . encephalocele (hernia of the brain). . . . Phycomelia (abnormal development of the limbs, with the 'seal-flipper' appearance also encountered with thalidomide . . . complete absence of limbs . . .").

(Well, they're only rats. The trouble is that rats react to drugs in a very human way.)

I could go on quoting from other medicos. If you want more evidence, write to the Eastland subcommittee, care of the U.S. Senate.

RESEARCH REPORT—THE PERILS OF "POT" START SHOWING UP

At a time when demands are growing for reduced penalties on use of marijuana and hashish, new evidence is coming out linking the drugs to both mental and physical disorders.

As described in official testimony, research by U.S. and foreign experts indicates that marijuana and hashish may cause birth defects, psychological addiction, and sexual and other troubles.

The experts presented their findings before the Senate Internal Security Subcommittee investigating what it terms a "cannabis epidemic" in the U.S.

Cannabis is the dried parts of the hemp plant from which marijuana—called "pot"—and hashish—or "hash"—are derived. Hashish is more potent than marijuana, but is used less.

THE RISK FACTOR

The researchers emphasized that much more work is needed to substantiate their findings, but they agreed that the claim that cannabis is an innocuous drug is ill-founded.

Over and over in the testimony, the scientists made clear their studies suggest that marijuana and hashish users run considerable risks. For example:

Marijuana and hashish use among children may result in a generation of young "old people," according to Prof. W. D. M. Paton, professor of pharmacology at Oxford. He said cannabis interferes with cell division and cell metabolism and may affect adolescent development.

Professor Paton reported that studies done in England found a shrinkage, due to reduced cell production, of the brains of cannabis users. This shrinkage, he said, is comparable to that found in people late in life.

HARDER TO GET "HIGH"

Regular users of cannabis develop a tolerance for the drug, thus requiring greater levels of its use to get a "high," Professor Paton said. "This increased intake may be a serious factor," he added, since preliminary tests on animals indicate that as the drug is used regularly, less of it is needed to produce a dangerous toxic effect.

Dr. Gabriel Nahas, physiologist and pharmacologist at Columbia University, said his tests indicate that cannabis impairs the body's immunity system.

Results showed that marijuana smokers had a 40 per cent lower production of white blood cells than nonsmokers of marijuana. He said he suspects that this lowered response lessens the body's ability to combat disease.

Findings by another researcher raise suspicions that cancer, genetic mutation and birth defects may result.

According to Dr. Akira Morishima, of the department of pediatrics, Columbia University, such problems may occur in marijuana smokers because of a substantial decrease in the number of chromosomes—specks of matter that carry hereditary characteristics—in each cell. This shortage often leaves the "pot" smoker with less than the normal complement of 46 chromosomes.

STERILITY PERIL

The potential danger of sterility in men was also raised.

Testosterone, the principal male sex hormone, has been found to be at a significantly lower level of production in marijuana smokers than in those who do not use marijuana. Dr. Robert C. Kolodny, research director at the Reproductive Biology Research Foundation in St. Louis, testified further: "It is apparent that there is a potential risk in cannabis use during pregnancy."

Dr. Kolodny indicated that birth defects and miscarriages were possible side effects of usage.

Despite what many believe, long-time users of the drugs can get "hooked" by developing "psychic dependence" on them, one authority testified.

Dr. M. I. Soueif, of the department of psychology at Cairo University in Egypt, said withdrawal after long-term use results in the individual's becoming "quarrelsome, anxious, impulsive, easily upset and difficult to please."

Although the findings unveiled in the hearings are relatively new, they are already being reviewed by drug-study organizations. E. M. Steindler, secretary of the Committee on Drug Abuse of the American Medical Association, told "U.S. News & World Report":

"It [cannabis] is definitely not an innocuous drug. We have looked at those reports on marijuana and hashish. . . . These are interesting studies, and we feel that more needs to be done along those lines."

Dr. Robert L. DuPont, director of the National Institute on Drug Abuse, takes an even stronger position on the findings.

"These are valid concerns, and all of these problems are being investigated further," he said. "I have no doubt that we will find problems with the use of marijuana and hashish.

"Some of the pressing concerns that I have with cannabis usage have to do with possible chromosome breakage, respiratory-system damage, reduction of testosterone levels and the hampering of the body's immunity system. . . . It's going to take some time to confirm these things and to build a firm base around these findings."

A SENSE OF URGENCY

Exactly what to do about the medical problems remains a matter of debate. Subcommittee officials contend that increased use of "pot" and "hash," as indicated in the chart at left, adds urgency to this issue.

One thing that seems certain: How to handle this increased usage in the light of recent medical findings is going to present the nation with big problems for years to come.

JUDGING BY CONFISCATIONS—A RAPID RISE IN MARIJUANA USE

Seizures by federal authorities:

	Marijuana	*Hashish*
	Pounds	
1968	85,715	534
1969	73,108	2,247
1970	185,096	7,256
1971	308,048	22,188
1972	514,812	30,094
1973	782,033	53,333

All told: An estimated 835,366 pounds of marijuana and hashish—a more potent form of marijuana—were seized last year.

Officials say that roughly 8 pounds of drugs reach users for every 1 pound seized. Thus, close to 7 million pounds of marijuana and hashish were consumed in the U.S. last year—enough "pot" and "hash" to make more than 2 billion cigarettes.

Source: Senate Internal Security Subcommittee; U.S. Drug Enforcement Administration.

[From the Indianapolis (Ind.) News, June 10, 1974]

POT PERILS

Advocates of legalizing marijuana have long contended that it's non-addictive and no more harmful to one's health than cigarettes or liquor.

They've got away with this because, until quite recently, no one had done any research on how marijuana affects the body and the mind.

The spreading use of marijuana has caused scientists to look into the question, and the results are now coming in.

Dr. David H. Powelson, former director of the student health services psychiatry department at the University of California at Berkeley, who once called marijuana harmless and urged its legalization, recently told a Senate Internal Security subcommittee that seven years of research have convinced him that he was completely wrong.

He has found evidence, he said, that chronic use of marijuana permanently impairs the ability to "think clearly."

Appearing before the same Senate subcommittee, Dr. Nils Bejerot, acting professor in social medicine at the Karolinska Institute in Stockholm, reported on the work of a team of German scientists.

"A serious complication of cannabis (marijuana) abuse is chronic psychosis," he said. He added that acute marijuana intoxication can cause an altered sense of reality and "a tendency to magical thinking."

At the same time, Dr. William T. Moore decleared that he and a colleague, Dr. Harold Kolansky, had conducted studies which showed that "marijuana smoking carries enormous risks of physical and mental damage."

In the current New England Journal of Medicine, a group of researchers at the Reproductive Biology Research Foundation in St. Louis tell of a study they made on the relation between marijuana and sexuality.

Pot, they found, may cause temporary sterility—possibly even impotence—in males. In a preadolescent boy, it may severely disturb the normal course of puberty.

A pregnant woman carrying a male fetus might seriously inhibit his sexual development by smoking grass.

A recent survey by the Phoenix Newspapers, Inc., showed that 57 per cent of students in one Phoenix high school believe that marijuana usage by teenagers is increasing.

If the students are right—and they should know—it's about time the schools told them of these recent findings.

[From the Memphis (Tenn.) Commercial Appeal, May 16, 1974]

THE MOST DANGEROUS DRUG

For several years, a movement to legalize marijuana has been gaining ground in the United States. Both the Consumers Union and the National Commission on Marijuana and Drug Abuse have urged softer laws. But Congress has reacted cautiously—and with good reason. Research reports on the long-term effects of marijuana use have not been conclusive. The possibility of the drug's becoming a more dangerous and pervasive problem than alcohol has been a strong barrier to its legal acceptance.

Now a new and most persuasive opponent has come forth. In 1965, Dr. David H. Powelson, a California psychiatrist, publicly endorsed the open sale of marijuana. He has changed his mind, he told the Senate Internal Security subcommittee recently. After seven years of research with students at University of California at Berkeley, where he was director of the student health service psychiatry department, Powelson said he is convinced marijuana is "the most dangerous drug" sold illegally in this country.

His studies indicate that chronic use for from one to three years permanently impairs the ability to think clearly. He described this pattern of deterioration: Loss of ability to think sequentially, partial loss of memory, inability to reason and, finally, a paranoid mental state in which the user thinks he's being persecuted.

Marijuana supporters, of course, will cite other studies that don't reach the same conclusion. Authorities can be quoted that pot smoking is relatively harmless fun. People who like marijuana, it is often argued, should have as much right to indulge their habit as those who like alcohol.

But what is "harmless" about the cases like Powelson documents. They exist. Even if some people are more severely affected than others, there is apparently no way to determine who is likely to be mentally and physically impaired and who isn't. Why should the government, through legalization, encourage anyone to take such a chance? And just because alcohol is abused doesn't mean that society should approve the abuse of another drug. To the contrary, the alcohol problem should make society determined that additional abuses must be prevented as much as possible. Making marijuana easier to get and smoke would be a major cop-out.

Powelson's change of heart and mind underlines the danger.

[From the Boston Evening Globe, May 16, 1974]

PRESS, TV ACCUSED OF PROPOT BIAS

WASHINGTON.—The United States is in the midst of a marijuana and hashish epidemic, but the media have reacted by blacking out news of evidence that might be adverse to legalizing the drugs, Sen. Edward J. Gurney said today.

In a statement prepared for delivery to a Senate Panel's headings on the dangers of marijuana, the Florida Republican said that based in the amount of seizures, it is estimated that Americans consumed 7.82 million pounds of marijuana and 265,000 pounds of hashish last year.

"These are truly staggering figures—figures which suggest that the United States may today be caught up in the worst cannabis epidemic in history," Gurney said.

Gurney said he is convinced from evidence he has seen that "our media have observed a near total blackout on news or scientific evidence that might be considered inimical to the cause of legalizing marijuana."

In testimony last Thursday before the Senate internal security subcommittee Dr. Henry Brill, one of the senior psychiatric members of the President's Commission on Marijuana and Drug Abuse, said the media seized on passages in the report which suggested a tolerant attitude—"and ignored a number of strongly worded passages warning against the dangers of marijuana," Gurney said.

He added that many television talk programs and news panel shows "have run literally scores of discussions on marijuana, featuring pro-marijuana authors . . ." But he said letters which accompanied a book critical of marijuana and written by "a highly distinguished scientist" were not acknowledged by the television stations.

The senator added that "The New York Times book review section had favorably reviewed some half-dozen books on marijuana . . . the same book was ignored. When six or seven Columbia University scientists who thought the book had merit wrote individually to The New York Times urging that the book be reviewed; their letters were not accorded the courtesy of a routine acknowledgement."

[From the St. Paul (Minn.) Pioneer Press, May 21, 1974]

Result of Smoking Grass Compared to Radiation

WASHINGTON.—Marijuana smoking can have the same result as radiation poisoning and some of the blame for leading people to think it's harmless lies with the federal government, a Senate panel was told Monday.

Appearing before the Senate Internal Security subcommittee, Dr. Hardin Jones, a professor of medical physics and physiology at the University of California, said the United States is in a marijuana epidemic caused by a propaganda campaign "involving a small but influential number of academic propagandists, the media, the entertainment industry and the new left."

Jones said efforts to use marijuana at a moderate level or to legalize it "have prevented sensible acts to reduce use of this drug . . . we find no 'safe' level of the use of cannabis."

Smoking marijuana affects the body the same way radiation does, Jones said.

"As an expert in human radiation effects . . . chromosome damage . . . even in those who use cannabis 'moderately,' is roughly the same type and degree of damage as in persons surviving atom bombing with a heavy level of radiation exposure (approximately 150 roentgens). The implications are the same," he said.

As for misformation about marijuana, Jones said the federal government, through its agencies, "has been one of the worst offenders in spreading the impression that cannabis is a harmless drug.

"Reports of the Department of Health, Education and Welfare are inadequate scientifically, do not touch accurately on the principal matters needing clarification and, in many instances, are likely to lead the public to believe that science has proven marijuana harmless," Jones said.

Jones also said the networks have given so much time to people like LSD advocate Timothy Leary that if the equal time principle were invoked, "some hundreds of hours, at least, to scientists" who have found marijuana harmful would be required for broadcast.

"In placing their facilities at the disposal of this one-sided propaganda campaign, they may have succeeded in brainwashing themselves, in addition to the brainwashing of a substantial portion of the American public.

"At least one cannot escape the impression that many people in the media now seem to have convinced themselves that marijuana is perfectly safe and that the public interest demands its legalization," Jones told the panel.

[From the Jacksonville (Fla.) Times-Union, May 23, 1974]

Marijuana and the Atom Bomb

The horrors of possible genetic mutations resulting from atomic fallout have been widely accepted and rightly so.

At the same time, marijuana has been pushed in many quarters as a pleasant relaxant that should be legalized.

What do the two things have in common?

Plenty, if the testimony of Dr. Hardin B. Jones, a professor of medical physics and physiology at the University of California, is to be believed.

Dr. Jones told the Internal Security subcommittee of the United States Senate:

"As an expert in human radiation effects . . . chromosome damage . . . even in those who use cannabis (marijuana) 'moderately,' is roughly the same type and degree of damage as in persons surviving atom bombing with a heavy level of radiation exposure—approximately 150 roentgens. The implications are the same."

We don't know whether Dr. Jones is a conservative or a liberal in his political views and it should not matter. Scientific research, not ideologies, should be the determinant as to whether marijuana is harmless or dangerous.

Unfortunately, much of the debate so far has been ideological rather than scientific.

That is a ridiculous situation but ridiculous situations are commonplace these days.

The push to make marijuana socially and legally acceptable has come from some very high places and some of these voices have told many people, mostly young people, exactly what they want to hear.

This is true to the extent that evidence indicates that enough marijuana or hashish for five billion "joints" entered the United States last year.

What kind of responsibility do the marijuana "pushers"—both those who sell and those who advocate its use—bear if Dr. Jones or Dr. Olav Braenden, director of the United Nations Narcotic Laboratory in Geneva, Switzerland, are right?

Dr. Braenden's report indicates from research that "cannabis accumulates in the brains and gonads in the manner of DDT, that it produces fetal deformities in animals, in addition to abortions and stillbirths in a manner that resembles the damage done by thalidomide. . . .

"That it results in breakage and serious damage to human chromosomes, and that it seriously reduces the body's ability to produce DNA, a critical component of all cells, including reproductive cells. . . ."

If this is true, what will be the effect of marijuana on a generation yet unborn? How can it be justified on any moral, social or ethical basis?

Public outcry, based on much thinner evidence than is piling up against marijuana has relegated several substances or products into a virtual leper colony status.

Unless the scientific testimony can be refuted by believable scientific research, the case against marijuana calls for a verdict of guilty and a change in the climate of thought that regards it as merely a pleasant relaxant.

Such a change in attitude is needed to counter what Dr. Jones describes as efforts to use marijuana at a moderate level or legalize it. These efforts, he says, "have prevented sensible acts to reduce use of this drug . . . we find no 'safe' level use of cannabis."

His testimony won't make a popular man on campus and it is more believable for this reason. He is risking the treatment accorded others who have debunked some of the modern myths that have become dogma in some academic circles.

What a frightening prospect to have all the radiation monitoring equipment and worldwide efforts to curb atomic fallout only to have the same effects from the already epidemic use of marijuana.

[From the Florida Times-Union, Jan. 9, 1974]

"Pot" Accumulates—Like DDT

A striking reminder that the public fight against drug abuse is a continuous battle comes in a report recently released by the U.S. Senate Internal Security subcommittee.

In the words of Chairman James Eastland, D-Miss., "We have been concentrating on the heroin epidemic for the past two years, and there seems to be some solid evidence of progress. . . .

"But it is impossible to escape the conclusion that, while our attention was focused on heroin, there has been a runaway escalation of the use of other drugs, primarily marijuana and hashish (milder and stronger forms, respectively, of cannabis). . . ."

For perspective, it should first be recognized that throwing the nation's major attention against heroin, instead of milder drugs, was no oversight, but a soundly reasoned decision. Heroin kills; heroin destroys lives; the need of heroin addicts to support a $150 or so a day "habit" has driven many—daily—into the streets to steal and rob and kill.

It would, indeed, have been a distorted sense of priorities which did not attack the greatest evil first.

And there is evidence that the massive effort is paying off: as early as a year ago Dr. Robert Dupont, chief of the Washington Narcotics Treatment Administration, termed heroin addiction "more than cut in half" in the nation's capital; Dr. Jerome Jaffe, head of the Federal Special Action Office for Drug Abuse Prevention, told a congressional subcommittee that heroin addiction was "leveling off;" and John Ingersoll, director of the U.S. Bureau of Narcotics and Dangerous Drugs stated that a "turning point" seemed to have been reached in the battle against "H."

But, without any thought to diminishing the efforts which have curtailed the greater drug abuse, there indeed seems urgency to turn to the lesser, though still pronounced, evil.

Evidence indicates that more than five billion marijuana and hashish "joints" (or 20 for every man, woman and child in the country) entered the U.S. last year.

"The pandemic use of marijuana and hashish has been brought about, in part," Eastland said, "by a militant pro-marijuana propaganda campaign conducted by many New Left organizations and by the entire underground press . . .

"And it has been stimulated perhaps in major degree, by a number of highly publicized reports, written by persons (many entirely well meaning) who did not have available to them, at the time, most of the highly significant scientific research conducted over the past few years that puts a danger sign on cannabis use. . . ."

Among the most recent reports cited by Sen. Eastland was one by Dr. Olav Braenden, director of the United Nations Narcotics Laboratory in Geneva, which "points strongly to the conclusion that marijuana may be even more dangerous than had previously been believed. . . .

"(Researchers have found that) cannabis accumulates in the brains and gonads in the manner of DDT, that it produces fetal deformities in animals, in addition to abortions and stillbirths, in a manner that resembles the damage done by thalidomide . . .

"That it results in breakage and serious damage to human chromosomes, and that it seriously reduces the body's ability to produce DNA, a critical component of all cells including the reproductive cells. . . ."

The subcommittee's report should receive priority attention from the full Congress, and, even more important, from the public, when the new session begins Jan. 21.

The prevalent impression that "pot" is harmless—"people smoke it every day and it doesn't bother them"—is increasingly being contradicted by many studies (of which the UN report is only the latest) which show persuasive evidence of serious, long-range effects. It is a matter too important to remain clouded, confused.

[From the Washington Post, June 24, 1974]

New Findings Show Harm—Views on Marijuana Shifting

(By Robert Joffee)

Los Angeles.—Marijuana may turn out to be more harmful than many scientists had previously thought.

Only a year ago most researchers studying the drug thought it probably was relatively harmless—at least when compared with alcohol and other commonly abused drugs.

Since then, however, new findings have raised the possibility that long-term use of "grass" might be linked to damaged chromosomes, lower production of sex hormones, and greater vulnerability to diseases.

The new findings are preliminary and as yet unsubstantiated, but they have appeared in prestigious scientific and medical journals—publications which previously paid scant attention to the perils of "pot."

The findings are significant politically as well. At a time when respectable voices are calling for laws making personal possession and use of the drug a misdemeanor or no crime at all instead of a felony, the findings already have provided ammunition for those who oppose such moves.

Last week the Illinois Bar Association passed a resolution urging repeal of all laws banning personal possession and use. IBA President William P. Sutter explained, "We aren't endorsing its use; we are recognizing that the majority of medical opinion is that casual use is not harmful . . ." Critics can now argue that medical opinion may be changing, though many researchers still favor removal of criminal penalties for marijuana use despite the new findings.

About $4 million in federal grants and contracts insure that the research will continue during the coming fiscal year.

"I couldn't give a hoot about social policy," says Dr. Morton A. Stenchever, an obstetrician at the University of Utah Medical Center in Salt Lake City, "but I'll have to say there are quite a few problems with marijuana."

He compared chromosome damage in a group of 49 marijuana users to that in a control group of nonusers. His findings, published last January in the Journal of Obstetrics and Gynecology, were that users averaged 3.4 chromosome breaks per 100 white blood cells while non-users averaged only 1.2 breaks.

Dr. Stenchever explained that increased chromosome breaks might raise the likelihood of eventually getting cancer or becoming the parent of a child with birth defects.

Dr. Akira Morishima of the Department of Pediatrics, Columbia University, N.Y., has reported findings similar to Stenchever's.

The Stenchever and Morishima findings led the National Institute on Drug Abuse (NIDA)—the federal agency which bankrolls much of the nation's marijuana research—to fund several projects in which other researchers will attempt to reproduce the Stenchever and Morishima research processes to determine whether similar findings can be obtained.

Controversy over the findings persists. "Genetic damage is an extremely nebulous field," said Dr. Lissy Jarvik, a pediatrician-psychiatrist doing genetic research at the University of California Medical Center in Los Angeles.

"I don't see how Stenchever's work can be replicated," she said. "He's had some 50 students on a number of drugs, and marijuana was simply the only drug they had in common." She contended that Dr Morishima's work would be easier to recreate.

Dr. Jarvik pointed out that "the body has repair mechanisms. Depending on the type of break, chromosome damage may have no effect. Also, cells in which breaks have occurred may die; and then again, there's no harm."

The danger, she said, is that cells with abnormal chromosomes might multiply and produce identical, also damaged, cells. "Then, in 10 or 15 years, such cells might be responsible for causing cancer."

"Whenever I present data I'm immediately attacked by the other side," Dr. Stenchever retorts. "Maybe she didn't read my article." He insists the increase in breakage alone is enough to cause serious concern, and he notes that half the drug users he studied took no other drugs except alcohol.

The Utah researcher noted that, when it comes to chromosome breaks, other widely used drugs are probably as dangerous as marijuana. "I think the same rate of breakage probably occurred in Valium," he said. Valium, a tranquilizer, is one of the most common prescription drugs in the country.

Few researchers are more cautious about the implications of their findings than Dr. Robert C. Kolodny, director of the infertility program at the Reproductive Biology Research Foundation in St. Louis. He has been checking levels of testosterone, the principal male sex hormone, in marijuana.

Dr. Kolodny, 30, has been working with Dr. William Masters, famed for his pioneer research in human sexual response, and Drs. Robert Kolodner and Gelson Toro.

In a recent article in the New England Journal of Medicine, Dr. Kolodny told how his group compared 20 men who used marijuana four days a week for a minimum of 6 months with 20 men who were non-users; testosterone levels in the users averaged a striking 40 per cent lower than in non-users.

Dr. Kolodny speculated—and he stresses the word "speculate"—that "there may be a decrease in fertility as a result of chronic, intensive marijuana use"; that heavy users may encounter potency problems; that pregnant female users "may disrupt sexual differentiation in male fetuses" during the second, third and fourth month of pregnancy; and that preteenage boys who smoke marijuana "may somehow disrupt completion of puberty," impairing normal sexual development.

He noted that his study has not yet been replicated. "So what you're dealing with is speculation based on preliminary findings."

Other researchers praised Dr. Kolodny's objectivity; and some said they believe his work is more important—and more frightening—than even he thinks it is.

Others noted that the exact function of testosterone is not completely understood, and thus the effect of the shortage is unpredictable.

Dr. Kolodny is beginning to receive testosterone samples from other laboratories throughout the country.

Even fellow researchers who respect his work call Dr. Gabriel Nahas a "crusader" against decriminalization. Others call him "a fanatic." Almost all agree, however, that efforts to duplicate the Columbia University pharmacologist's research should be made as soon as possible.

Dr. Nahas, who announced his findings at a highly publicized press conference two weeks before they appeared in Science magazine last February, studied white blood cell production in 51 marijuana users. All the subjects reported having smoked at least three times a week for four or more years.

He found that cell production in users averaged 40 per cent less than in a control group of nonusers.

Since white blood cell production is considered vital to the body's ability to fight disease, he speculates that marijuana use impairs the immunity system.

The Nahas findings are viewed as significant because they show exactly the same low level of production in white cells taken from users that he found in cells taken from non-users and subsequently exposed to a marijuana agent in the test tube.

"We'd all be surprised if Nahas' findings are replicated," said UCLA's Dr. Jarvik. "I've spoken with a number of people in immunology and they're all extremely skeptical."

Sources at NIDA, which is funding attempts to replicate the immunity-system research, said two papers prepared for publication this summer confirm the Nahas findings while a third, using different techniques fails to do so.

Drs. Stenchever, Morishima, Kolodny and Nahas all learned about the drug-use background of their test subjects through interviews with them. Critics argue, with some justification, that interview data are not sufficiently reliable.

Ideally, say the critics, a test subject should be confined to a closely supervised hospital ward where researchers can make certain that he is under the influence only of the drug being tested—and feeling only the effect of a prescribed dose.

Until recently, prescribed doses of marijuana were unavailable—and street doses varied enormously from cigarette to cigarette.

But now, because pharmacologists have isolated tetrahydrocannabinol (THC), the main intoxicating agent in marijuana, researchers can choose from a pot smoker's pipe dream of doses. The government provides low-, medium-, and high-dose cigarettes—and even cigarettes with no dose at all. In addition, researchers can obtain THC pills, so that marijuana can be administered orally.

Long-term controlled-dosage research is expensive, because hospital beds and supervising nurses are expensive. But such research is said to be especially rewarding for detailed study of the psychological aspects of the drug.

A bearded young man named Craig sat smoking a "joint" in a dimly lit room filled with stereophonic rock and roll. A nurse sat beside him to make sure he smoked the whole cigarette.

The smoking room was on the third floor of UCLA's Neuro-Psychiatric Institute (NPI)—and except for occasional supervised excursions to movie theaters and restaurants, Craig had been on that floor for almost 90 days, receiving $25 a day for his work.

That work involves submitting to, and participating in, a daily battery of tests: being wired to brain-wave machines, pressing buttons when images appear on a screen, answering questions in almost incessant interviews, and taking written tests not unlike school admission exams.

Would Craig continue smoking after his release? "Yeah, probably," he said, "but if anyone tries to take my pulse or ask how high I am, I'll kick 'em."

Dr. Sidney Cohen, a psychiatrist, and Phyllis Lessin, an anthropologist, supervise the NPI study.

"We've pretty well disproved the old notion that marijuana produces a 'reverse tolerance,'" Lessin said. Reverse tolerance is a technical term for the old pot smoker's notion that it takes less and less marijuana for an experienced user to get high. Dr. Cohen said NPI researches have found that the drug produces real tolerance, that one becomes inured to the effects of the same dosage if it is received day after day.

Lessin said NPI researchers also had disproved other myths about the drug. "We're learning that in many ways, it's a drug just like other drugs," she said.

Dr. Cohen provided two examples: "A lot of cops believe grass dilates the pupils of the eye; when, in fact, if a suspect's pupils are dilated, it's probably because of anxiety. As for the notion that pot excites sexual desire, well, we found that—like alcohol—it's sexually debilitating."

NPI researchers were not seeking the therapeutic applications for marijuana, Dr. Cohen said, but two therapeutic possibilities were discovered there because specialists from the enormous UCLA medical center next door also ran tests on NPI subjects.

For example, eye specialists discovered that marijuana reduces pressure within the eyeball, and thus might prove to be effective in treating glaucoma—a condition of excess pressure inside the eye which often afflicts older people. "The standard drugs for treating glaucoma don't help some people, but maybe THC will," Dr. Cohen explained.

Lessin said she occasionally goes over to the Jules Stein Eye Institute to help administer tests to middleaged glaucoma victims. "In other words, I have to teach them now to smoke pot," she said.

And while marijuana fails to dilate pupils, it does dilate bronchial tubes. "Asthma victims suffer from constricted bronchials," Dr. Cohen said. "It's possible THC will prove to be a useful supplemental drug for them, too." He said doctors at the medical center already are working to develop an experimental THC aerosol can.

Of course, the problem with THC as a therapeutic drug is its side effect—the high. Dr. Cohen said pharmacologists are hoping to isolate other cannabinoids which are not intoxicating because they may prove to have the same therapeutic effect.

At the Langley-Porter Institute (LPI) in San Francisco, another University of California facility, one strong joint a day is considered an extremely low dose. Test subjects there receive the equivalent of a pack of such cigarettes each day.

"Of course we administer it orally," said Dr. Reese Jones, a psychiatrist who has conducted marijuana research at LPI for more than five years. "Our subjects would be hoarse if they had to take that dose in smoke."

Dr. Jones' subjects—like their counterparts in Los Angeles—are confined to a psychiatric ward where they undergo constant testing. "We've been learning that little doses do one thing and big doses another," Dr. Jones said, stressing that big doses have much stronger physical effects.

"Our subjects are pretty sedated when they first get started on the high dose," he said. "Then, after six or seven days, what looks like a tolerance develops, and they become more alert and active, both psychologically and physically. You could say they return to normal.

"After two or three weeks, we substitute a placebo (a pill with no TCH); and suddenly the subjects become irritable and restless, and have trouble sleeping. They are probably suffering the symptoms of withdrawal from a physical dependence."

At such high doses, not presently available to ordinary users in this country, Dr. Jones is convinced THC closely resembles "sedatives—hypnotic-type drugs like alcohol and phenobarbital."

The "good news," he said, is that test subjects tolerate high doses "extremely well." But the "bad news" is the similarity between THC and "drugs that cause serious problems for some people in our society who use them."

Unless U.S. customs agents can prevent increasing importation of hashish and hashish oil (concentrated marijuana derivatives), Dr. Jones said he fears this country may face an epidemic of heavy-dosage use not unlike that in his laboratory.

About 40 miles south of San Francisco, at the Veterans Administration Research Hospital in Palo Alto, Dr. Leo Hollister, a pharmacologist, began some of the first U.S. government-sponsored marijuana research on human test subjects almost seven years ago.

Today he and psychiatrist Jared Tinklenberg are comparing the effects of single, normal doses of marijuana with similar doses of other drugs.

"The social aspects of this drug have been described ad nauseum," Dr. Hollister remarked. "When it comes to short-term effects, I don't think we've learned anything really significant in the last couple years.

"Now the issue that remains to be settled is how the drug achieves its effects."

The two men observed that marijuana seems to disrupt the transfer of information in the brain from short-term to long-term memory so that information acquired while under its influence is forgotten more easily than if it were acquired sober.

"It's possible that marijuana allows the brain to be flooded with irrelevant information," Dr. Tinkleberg speculates. "The subject then fails to distinguish between important and unimportant facts.

"Now we're trying to see if marijuana shares this quality with alcohol."

SOUTH KOREA

Mr. KENNEDY. Mr. President, for some time, overseas observers of South Korea have become increasingly concerned by events taking place there. The record is one which raises serious questions.

In 1972, democratic processes were suspended for an indefinite period, and martial law was declared. A new constitution was written, which restricted the right of dissent.

In January 1974, President Park announced two emergency measures which prohibited the denial, opposition to, misrepresentation of or defamation of the Constitution and any effort to revise or repeal it; advocacy of any action prohibited by the emergency measure, or communication about such action by any means; and, finally, criticisms of the emergency action itself.

A military court martial, presided over by Korean generals, was established to try cases arising out of the emergency measures, and the Korean CIA was empowered to investigate the cases.

Last April, a further directive, known as "Emergency Decree No. 4," was announced. Under this measure, all political dissent was effectively outlawed, including "individual, or collective activities such as assembly, demonstration, protest or sitdown in or around academic institutions."

In its most sweeping provision, it forbids, "any person to advocate, broadcast, report, publish, or otherwise communicate to others such act or acts as are prohibited by the present emergency decree." The penalties for violation of these measures: death, life imprisonment, or imprisonment for not less than 5 years.

On July 11, the military court-martial found 21 persons guilty of organizing student protests, which the Government alleged were aimed at the overthrow of President Park. The sentences decreed: Kim Chi Ha, one of Korea's best known contemporary poets, convicted of encouraging anti-Government demonstrations and financing student protests—sentenced to death, along with six others, all students at Seoul National University. Eight students were sentenced to life imprisonment, and six others to 20 years in jail.

South Korean spokesmen for President Park explain the necessity for these actions in this way:

> They (the students) cannot differentiate legal, healthy criticism of the government from communist tactics, so we have to teach them this lesson.

Last week, the lawyer who defended these students, a graduate of George Washington University, himself was arrested as a result of remarks he made critical of the government, in his summation before the court. And over the weekend, it was reported that Kim Chi Ha and five other students who had received death penalties had, as a result of international pressure, had their sentences reduced to life imprisonment.

Now a new trial is underway in which the defendent is a former President of South Korea, Mr. Kim Dae Jung. Jung, opposition candidate to President Park in the 1971 election, in which he captured 46 percent of the popular vote, left Korea in 1972 after the imposition of martial law. Last August he was forcibly removed from his Tokyo hotel by agents of the South Korean Government, and returned to Seoul, where he was detained for 76 days and then placed under house arrest.

At his trial, before the military tribunal, he stands accused of violating election campaign rules under the old Constitution, for asserting during the 1971 campaign that President Park intended to make himself President for life. Mr. Jung does not deny the charge and maintains that, in fact, his prediction has come true.

In a conversation with foreign correspondents, he explained:

> In 1971, I told my people that if we failed to change the government this time, we will lose the separation of powers, and we will lose the direct election system, and our freedoms will be severely restricted.

Mr. President, it is this progressive denial of civil liberties that is a matter of deep concern, in terms of both basic human rights, and of political stability on the Korean peninsula, 21 years after the end of the Korean war.

I ask unanimous consent that several articles on this subject be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 28, 1974]

SOUTH KOREA: "IT'S TIME TO BLOW THE WHISTLE"

To the Editor:

South Korean President Park's April 3 Emergency Decree and subsequent detentions of some 240 students, Christians and intellectuals remove the last prop from our Korean policy.

A Korean student's "refusal to attend classes and examinations without plausible reasons" and student "assemblies, demonstrations, discussions, rallies and other individual and collective activities in and out of school except normal classes and research activities under the direction and supervision of school authorities" can bring the "death penalty, life imprisonment or more than five years' imprisonment." Class nonattendance or casual student remarks at college or at home can bring "the closing [for good] of any schools to which such measures-violating students belong."

Americans have been told for nearly thirty years by our highest authorities that the purpose of American aid to Korea (now over $12 billion) was to defend democracy there. Yet South Korea today is not only no democratic state; its decrees mark it as more ferociously antidemocratic and intolerant of its citizens than is even the Soviet Union.

Seoul is an armed camp under a garrison commander. Other Korean troops are under the tactical command of a four-star American general and can be ordered to suppress with American arms the slightest expressions of Korean democracy. Even if defense and security alone were our aim, present R.O.K. decrees radically undermine that objective.

Our influence on Seoul is gone: We could not even obtain the release of the moderate democratic opposition leader invited to Harvard whom the Park Government abducted in an outrageous flouting of international law. Nor could we impede in any visible way the 29-month-long descent into totalitarianism of Seoul's authorities. Nevertheless, the Administration is increasing its military aid request for Seoul to $252.8 million.

It is time to blow the whistle before we are mired in a serious blow-up in the world's most dangerous 85,000 square miles. We and the U.S.S.R. should cease treating the two Koreas as client states and should now accelerate the crucial process of reducing our military aid to the rival regimes. Moreover, the Senate Foreign Relations Committee and the House Foreign Affairs Committee should hold public hearings on Korea to ventilate thoroughly the many complex problems that have been too long ignored by the American people.

JEROME A. COHEN,
Director, East Asian Legal Studies.
GREGORY HENDERSON,
Fletcher School of Law and Diplomacy.

[From the Christian Science Monitor, July 15, 1974]

A PLEA FOR REASON IN KOREA

The Government of South Korea has pushed to its ultimate the policy of labeling political dissidents as "enemies" who endanger "national security."

A three-man military tribunal set up under emergency decrees has sentenced 14 South Korean citizens to death, and 39 others to long prison terms, some for life. Another 200 are under court martial and face similar treatment.

Among the 14 receiving death sentences are five students from Seoul National University and the poet Kim Chi Ha who has been called the Solzhenitsyn of Korea.

The severity of the sentences seems obviously intended to frighten away any further political opposition to the rule of Park Chung Hee.

That opposition, suppressed under martial law since 1972, finally boiled to the surface in the spring of last year with student protest demonstrations involving thousands of students in almost every major university.

President Park yielded momentarily, pulling back somewhat the Korean CIA's domestic surveillance operations and replacing its unpopular chief. But that temporary tactic was soon followed by the extraordinary decrees that made virtually any whisper of dissent punishable in the extreme.

Mr. Park's excuse is the need for vigilance against the North. But South Korea has never been stronger economically and militarily. There is less reason now for authoritarianism than ever and, indeed, every condition exists for the country to adopt more democratic practices.

Kim Chi Ha's "crime" was that he gave some money (about $450) to one group of student protesters.

Previously, the well-known poet has been jailed a number of times and once committed to a sanatorium—in a move similar to the Soviet Union's treatment of prominent dissidents—because of poetry satirical of government policies.

Inevitably, one compares the Soviets' final disposition of Mr. Solzhenitsyn with the Park regime's "solution" to Kim Chi Ha.

To the extent that world protest helped to obtain the release of Solzhenitsyn to exile, might it now obtain more lenient and reasonable treatment for Kim Chi Ha and his fellow South Korean dissenters?

It is possible, and there is time.

Here is one such protest.

[From the Washington Star-News, July 15, 1974]

TYRANNY IN KOREA

The seemingly inexorable advance of presidential despotism and repression in South Korea is reaching intolerable limits. It now calls for a most serious review of American policy toward a country for which the United States, in the name of preserving "democracy," has paid dearly in blood and treasure.

The series of outrageous acts of repression is growing. Most recently, 14 persons accused of fomenting student activities against the regime of President Chung Hee Park were sentenced to death by a military court in Seoul. Dozens of others were given prison sentences ranging from 15 years to life. In all, some 253 people have been arrested for violating the president's decree of April 3 which makes any antigovernment demonstration a crime punishable by death. The roundup of intellectuals, politicians and student leaders by the ubiquitous Korean secret police includes one of the country's most renowned poets, Kim Chi Ha, who is one of those sentenced to death.

Political reaction in this country to the increasingly tyrannical nature of the Park regime is entirely predictable. Already there have been loud calls from politicians and other public figures for an immediate end to all American aid to South Korea and the withdrawal of our remaining forces there. The familiar charge that the United States is supporting yet another malevolent dictatorship among its clients will be heard with increasing frequency.

There are, however, two problems with this argument as it appears to us. The first is that cutting off American aid and withdrawing American troops from South Korea will eliminate whatever leverage we now are able to exert on the government in Seoul. Indeed, an argument can be made that President Park dissolved the Korean Assembly, declared martial law and assumed distatorial powers in 1972 precisely because he perceived in the proclamation of the "Nixon Doctrine" the probability of an eventual withdrawal of American support.

The second problem is equally obvious: The withdrawal of American aid would inflict the greatest injury, not on the Park regime, but on millions of innocent South Koreans who are already in quite enough trouble. It is essential that our leverage on the Seoul government should be exerted as strongly as possible to modify its tyrannical tendencies. But the impulse to wash our hands of the whole unhappy situation is not the best answer.

[From the Washington Star-News, July 14, 1974]

ANOTHER SEVEN DOOMED BY KOREA

SEOUL, KOREA.—Seven more persons, including a well-known Korean poet, were sentenced to death yesterday, and former President Yun Po-sun was added to the list of 55 civilian defendants being tried on charges of ploting to overthrow the government.

The seven brought to 14 the number of persons given death penalties last week in connection with an underground student group known as the National Democratic Youth-Student Federation.

Thirty-nine others have been sentenced to prison terms ranging from 15 years to life. The remaining two, who are Japanese residing in Korea, will be sentenced tomorrow.

The seven sentenced to death yesterday included dissident poet Kim Chi-ha, 33, five students from Seoul National University and a 29-year-old unemployed man.

Yun Po-Sun, the 75-year-old former president, said he will go on trial Tuesday on a charge of providing money to the student group. He was not detained although he was interrogated by the military prosecution on May 22.

In pronouncing the sentences yesterday, Lt. Gen. Park Heedong, who headed President Chung Hee Park's special three-man military tribunal, said the court could not consider any extenuating circumstances for the student defendants because national security was involved.

The panel also sentenced seven others to life terms, 12 defendants to 20 years in prison and six more to 15 years on similar charges. The verdicts are subject to review by higher courts.

The court-martial was set up Jan. 8 when Park proclaimed an emergency decree to crack down on antigovernment elements.

The poet was accused of providing $450 to the student group to help finance its alleged antigovernment plot.

Kim became known to foreign readers for a sarcastic poem a few years ago ridiculing alleged corruption among South Korea's top government and business circles.

Yun Po-sun was the ceremonial head of state under the late Premier John M. Chang's government when Park then a general, overthrew Chang's constitutionally-elected government in May 1961.

Yun stayed on as president after the military coup until March the following year. He ran twice unsuccessfully against Park in 1963 and 1967, and retired from active politics in 1971.

He was charged with supplying $1,000 through a Christian minister, who also is charged with helping the alleged student plot.

[From the New York Times, July 17, 1974]

SEOUL COURT BEGINS TRIAL OF EX-PRESIDENT: YUN AND 3 OTHERS FACING POSSIBLE DEATH PENALTY ON SUBVERSION CHARGE

(By Fox Butterfield)

SEOUL, SOUTH KOREA, July 16.—A former President of South Korea went on trial before a military court today on charges of subversion that carry a possible death sentence.

Yun Po Sun, a frail, 77-year-old, was accused of having advocated the overthrow of President Park Chung Hee and having provided the equivalent of $1,000 to anti-Government student demonstrators.

Three other prominent Koreans also went before the special court martial today on the same charges: the Rev. Park Hyong Kyu, an outspoken Presbyterian minister; Kim Dong Gil, a professor of American studies at Yonsei University in Seoul, and the Rev. Kim Chan Kook, dean of the theological seminary at Yonsei.

The two clergymen are both graduates of Union Theological Seminary in New York.

The Government appeared so sensitive to putting a man of Mr. Yun's stature on trial that as late as yesterday the Premier's office had assured the United States Embassy that Mr. Yun would only be a "witness" in the case of the three other men. American officials today were reportedly angry at what they regarded as deception.

LONG SERIES OF TRIALS

The court action today was the latest in a lengthening series of trials that have already resulted in the conviction of South Korea's best-known poet, the former publisher of the country's most respected intellectual magazine and 89 other clergymen, students and opposition party members.

The trials grew out of demonstrations and a petition campaign last winter and spring against President Park's increasingly autocratic rule. Mr. Park responded, first in January and then more sweepingly in April, with a series of emergency decrees that now make virtually any dissent punishable by death.

According to well-informed Western diplomats, more than 100 other Koreans who have been arrested this spring for involvement in the anti-Government dissidence are likely to be brought to trial soon.

In court proceedings already completed, there have been these decisions:

Kim Chi Ha, the country's best-known young poet, was sentenced to death last Saturday. He was alleged to have been connected with an underground group, the National Democratic Youth-Student League, which the court said organized demonstrations against Mr. Park on April 3.

Fifty-two other Koreans and two Japanese were also convicted in the last week in the same trial. Thirteen were sentenced to death, and 15 to life imprisonment. Relatives of some of the defendants, who were largely students, said they had been severely tortured during interrogation.

Chang Jun Ha, the publisher of Sasanggye, once South Korea's leading intellectual journal, was sentenced to 15 years in jail last February for advocating reform of the Constitution. The Constitution was revised in 1972 by Mr. Park to give himself sweeping powers and the means to continue in office as long as he wishes.

In eight other known trials during February and March, 35 other Koreans, including members of the New Democratic party, the leading opposition group, medical school students and students at Ewha Women's University, were given terms ranging from one to 17 years in prison.

In addition, Kim Dae Jung, the opposition political leader kidnapped from his Tokyo hotel room last August by South Korean agents, is now before a civilian court on charges of election law violations in 1967 and 1971. Mr. Kim was the opposition candidate against Mr. Park in the 1971 presidential election.

The disclosure in today's newspapers that former President Yun was on trial brought incredulous responses from many Koreans, though they have grown used to learning of further trials.

Mr. Yun, who walks with the aid of a cane, was accompanied to the trial in the Ministry of Defense today by his wife and two lawyers. Under the strict rules of the special court-martial, each defendant may be accompanied only by his lawyer and one close family member.

Because the court-martial is secret, no account of the proceedings today against Mr. Yun and the three others was available. But yesterday in an interview the fragile-looking Mr. Yun freely acknowledged that he had given money to the students through the Rev. Park Hyong Kyu.

WORK FOR DEMOCRACY CITED

Sitting in an old carved wooden chair in one wing of his sprawling, traditional style villa, Mr. Yun said: "I gave the money because the students are trying to work for democracy. The young people needed the money."

"Do you think $1,000 is enough to overturn the Government," he asked, speaking in the English he learned 50 years ago as a student at the University of Edinburgh.

Mr. Yun, a member of an aristocratic family and a Presbyterian, was elected President in 1960 after the overthrow of President Syngman Rhee. He continued in office for a year after Mr. Park came to power in the military coup of 1961 but finally resigned in protest over the junta's rule. He later ran unsuccessfully against Mr. Park for President in 1963 and 1967.

Kim Dong Gil, the Yonsei University professor who is on trial with him, is an expert on Lincoln and is one of South Korea's leading specialists on American history.

[From the New York Times, July 18, 1974]

South Korean Defendants: Angry Poet and Frail Former President

(By Fox Butterfield)

Seoul, South Korea, July 17.—When Kim Chi Ha, South Korea's best-known young poet, heard a death sentence pronounced against him by a military judge last week, he was reported to have laughed.

"Even a sparrow squeaks before dying!" he is said to have shouted, quoting a Korean proverb. "So let me tell you my cause is just. I would do the same thing over again if I am released."

Yesterday, before another military tribunal, a former President of South Korea, Yun Po Sun, calmly admitted having given the equivalent of $1,000 to dissident students. Under emergency decrees proclaimed by President Park Chung Hee this year, that is a crime punishable by death.

The two defendants seem unlikely associates, either in crime or in their blunt defiance of the Government, Mr. Kim, 33 years old, is a brilliant satirical poet whose writing has twice been interrupted by bouts of tuberculosis. Mr. Yun, 77, is a frail, reclusive elder statesman from an old aristocratic family. They have been thrown together in the most sweeping series of political trials in South Korea's troubled history.

NINETY ONE CONVICTED SO FAR

The trials, which began in February and March but then slackened off until June, are President Park's response to demonstrations last winter against his increasingly authoritarian 13-year rule. Ninety-one people have been convicted so far—14 of them sentenced to death—and it is estimated that 100 or more are in jail awaiting trial.

The prisoners, including clergymen, professors, students and members of the opposition, share certain links. They are largely from the urban middle class and well educated, and many are members of the Christian minority of 12 per cent, which has long played an active role in politics and movements for social justice.

Mr. Kim, a Roman Catholic, has long been under the influence of the Most Rev. Daniel Chi, the most outspoken Catholic leader, who was himself arrested last week but then released. For several years, Mr. Kim lived with and worked for the Bishop, and one of the charges against both of them was that Mr. Kim took money from the Bishop to give to student demonstrators.

Many years ago Mr. Yun's father built a small brick Presbyterian church next to their sprawling traditional home, which covers several acres in downtown Seoul.

"All we are working for is democracy in this country," Mr. Yun explained to a visitor earler this week. Yesterday he was placed under house arrest and forbidden to talk with correspondents.

COMMUNIST LINK DENIED

"The students are Christians, not Communists," Mr. Yun said the other day, speaking in the English he learned 50 years ago as a student in Scotland. If we don't have democracy here, why did the American soldiers come to Korea to fight and die?"

He sat on an old, carved Chinese-style wooden chair surrounded by antique porcelain vases and scroll paint-ancestors. Above his head was a Chinese inscription reading "Study and loyalty to repay the nation." It was drawn in the 19th century by one of Korea's last kings.

Mr. Yun, was elected President in 1960 after the overthrow of President Syngman Rhee, walks slowly with the aid of a cane. Seventy members of his family once inhabited the home—actually a series of tile-roofed compounds joined around a park—but only he and his wife live there now.

Mrs. Yun accompanied her husband to the court-martial yesterday. Each defendant is allowed to have only one close family member present.

Mr. Kim's wife went to the dozen sessions of her husband's trial, taking with her their son, born since Mr. Kim was arrested in April. She has not been allowed to visit him in prison or exchange letters with him.

IDENTITY IS CONCEALED

Though Mr. Kim is well known, many Koreans still are not aware that he was tried and given the death penalty. In announcing the verdict a military spokesman described him only by his little-used original name, Kim Young Il, and the strictly controlled press did not venture to supply the missing information.

To avoid her own arrest, Mrs. Kim declined to speculate whether the charges against her husband were true. However, a letter circulating in Seoul that was drawn up by families of some of the 54 others convicted in the same trial alleges that the Government manufactured the evidence and subjected the prisoners to "intolerable torture by water, electricity and denial of sleep."

Whatever the Government's case, there is no doubt that Mr. Kim's writing has incensed President Park for years. His poetry, in a lyrical, compelling style that drew heavily on traditional folk themes and classical allusions, grew more and more political.

His most famous poem, titled "The Five Thieves," describes an orgiastic contest in corruption between officials, businessmen and generals. It says:

Long ago peace reigned over the land.
Farmers ate to their fill. Many died of ruptured sides.
People went naked because they became tired of fine silk.
But right in the middle of Seoul there lived five thieves.
Watch the general—he crawls on all fours, with tens of thousands of medals made of gold and silver wrapped around his body.
He misappropriates his soldiers' rice and fills the sacks with sand.
What wonderful war tactics he has.

Lawyer in Seoul Held After Trial: South Korean Said To Have Termed Cases a Farce

(By Fox Butterfield)

Seoul, South Korea, July 18.—A prominent South Korean lawyer who defended the nation's leading poet and 10 students in political trials last week has been arrested, associates disclosed today.

The lawyer, Kang Shin Ok, was taken from his office by plainclothes agents last Monday, apparently because he had denounced in court the military judges who imposed death sentences on several of his clients, including the poet, Kim Chi Ha. Mr. Kang, a leading advocate of civil liberties, holds a graduate degree from George Washington University and also studied at Yale.

Kim Young Sam, vice president of the New Democratic party, the major opposition group, was detained this morning, apparently only for a brief time, for interrogation. He had scheduled a news conference at which, according to aides, he planned to call for suspension of the sweeping emergency decrees proclaimed by President Chung Hee this year.

The arrests are part of a steadily lengthening series of political detentions, trials and convictions designed to suppress all opposition to President Park. In recent months 91 people have been convicted of subversion, with 14 sentenced to death. Over 100 others are awaiting trial, informed diplomats say.

Two other major court actions continued. In one a former President, Yun Po Sun, two Protestant clergymen and a professor of American history appeared for the second day before a closed court-martial in the Defense Ministry. They are accused of violating emergency decrees by giving money to dissident students and calling for Mr. Park's ouster.

Foreign correspondents have not been allowed to attend, and the strictly controlled press has not reported the proceedings.

In a civilian appellate court another well-known Korean, Kim Dae Jung, argued that the case charging him with election law violations in 1967 and 1971 be thrown out because the judge was prejudiced. Mr. Kim is the opposition leader who was kidnapped from his Tokyo hotel room last August by agents of the South Korean Central Intelligence Agency. His appeal is given little chance of success.

The series of trials has produced a palpable atmosphere of fear, reducing conversations to whispers or shrugs of the shoulders and often leading to outright refusals to receive visitors.

Partners in the law office of Mr. Kang declined to comment on why he had been arrested or what he had said in court that led to his arrest. "Do you think we want to be arrested too?" one of them asked.

BROAD PROHIBITION

Under an emergency decree issued April 3, it is a crime punishable by death for anyone "to advocate, instigate, propagate, broadcast, report, publish or otherwise, communicate to others such act or acts as are prohibited" by the other emergency measures.

Others familiar with Mr. Kang's case said that in his criticism of the three judges he termed the trial a farce and asserted that he was ashamed to be a lawyer in Korea and that if he was a student he would have done just what the students did.

Mr. Kang, who is 39 years old, was arrested outside the courtroom with another defense lawyer. They were held for two days, then released, but Mr. Kang was rearrested.

The Korean Lawyers Association met to discuss Mr. Kang's arrest, believed to be the first instance in which a lawyer has been detained in South Korea for his words in the courtroom.

Mr. Kim Young Sam of the New Democratic party has been one of the more outspoken members of the opposition in the National Assembly. According to his aides, he had intended to call not only for suspension of the emergency decrees but for the end of the courts-martial and freedom for Mr. Kim Dae Jung, who has been under virtual house arrest since his abduction.

[From the New York Times, July 21, 1974]

Seoul Commutes Death Penalty On Poet and Four Other Dissidents

Seoul, South Korea, July 20.—The death sentences of the dissident poet Kim Chi Ha and four other men convicted of an anti-Government plot were commuted to life terms today.

Defense Minister Suh Jong Chul reviewed their sentences, imposed by a special military court established to crack down on movements demanding a more liberal democracy in South Korea. He said the sentences had been commuted because the five had shown deep repentance for their offenses, in the course of their trials.

They were among 55 civilians, including two Japanese, who were arrested last April and convicted of plotting to overthrow the Government of President Park Chung Hee.

Most of the 55 were said to be members of a clandestine group known as the National Democratic Youth-Student Federation and were charged with seeking to oust the present Government to set up a Communist regime.

Besides the five whose sentences were commuted today, nine others have drawn death sentences, 15 others life terms and 26 others up to 20 years in prison. There was no indication what the Government planned to do about these sentences.

Those who had the death penalties reduced, in addition to Mr. Kim, are Lee Chul, said to have been head of the dissident group; Yoo Intai, his deputy; Kim Byung Kar, said to have been the group member responsible for organizational activities among college students in Seoul, and Rah Byung Shik, who was said to have been in charge of coordinating Christian students. All four were students at Seoul National University.

The lawyer who defended Mr. Kim Chi Ha and Mr. Rah is reported to be in trouble as a result of the trial. Kang Shin Ok, 39 years old, who studied in the United States at George Washington University, has been arrested and is awaiting military trial because of remarks critical of the Government in his summation before the court July 9, according to informed sources.

Mr. Kang likened the trial to one conducted under the Nazi regime and charged that the court had disregarded fundamental legal procedures by examining evidence without the presence of the defendants, the sources said.

The lawyer, arrested last Tuesday, is charged with violation of an emergency Presidential decree of Jan. 8 that bans any act defaming or criticizing the Government. The maximum penalty is 15 years in prison.

CONSUMER ACTION FOR IMPROVED FOOD AND DRUGS

Mr. HUMPHREY. Mr. President, consumer movements and action groups are a growing phenomena in this country. If we believe in a safe food and drug supply, it is crucial that we encourage groups like Consumer Action for Improved Food and Drugs.

Ms. Cathy Sulzberger, executive director of Consumer Action for Improved Food and Drugs, has been an instrumental leader in a grass roots organization of citizens trying to reform laws dealing with our food and drug supply. Ms. Sulzberger's goal is a Government that is more responsive to consumer problems; her efforts should be applauded.

Ms. Sulzberger was interviewed in the FDA Consumer of June 1974. She brings to this interview a perception which merits attention by the FDA and the Congress. Mr. President, I ask unanimous consent that this interview be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

A Consumer Looks at FDA

The present consumer movement has led to the creation of many groups in Washington that present a "consumer's" view to the Federal Government. As one of the largest regulatory agencies, FDA has its share of consumer advocacy. Cathy Sulzberger, executive director of Consumer Action for Improved Food and Drugs, is a 24-year-old graduate of Tufts University who has spent over a year organizing groups and individuals who have expressed interest in FDA activities. In this interview with the editor of FDA Consumer, Ms. Sulzberger discusses the goals of the present consumer movement and how she as a consumer perceives FDA.

Q. Ms. Sulzberger, you serve as executive director of Consumer Action for Improved Food and Drugs. What does this organization do?

A. This is a grass-roots organization that is trying to organize people to have an effect on the food and drug supply in this country. We organize groups to work with both the Government and industry to try to effect basic changes in the food and drug supply.

Q. How many groups has your organization helped thus far?

A. Up to this point, we've been associated with about 15 groups throughout the country. For example, there is one group in the Bronx that is concerned with drugs and pregnancy. That group started its activities by looking at diuretics—drugs used to reduce the amount of fluid in the body—and then became interested in the larger question of drugs and drug labeling.

Another group, in Rochester, New York, is concerned with lead in cookware and the health hazard that results. Through the efforts of that group and others, cookware with lead has now been taken off the market. These are just two examples of the types of groups that we deal with and try to assist.

Q. Do you supply these groups with money?

A. No. Our main help is with information and legal advice, if they need it. We are in Washington and deal constantly with FDA, so if these groups need something from the FDA headquarters' office, we can get it for them more easily than if they try to do it themselves. Or, if they want to deal with industry, they often seek us out for a little advice on what their first meeting should be like.

Q. How do you finance your activities?

A. Right now we're supported by a few individuals who have given us money to sustain ourselves. But we're looking for other sources of support. We're going to start a consumer magazine that will focus totally on the food area. The magazine will report on the activities of consumers, food sellers, and food regulators, and try to generate a dialog among them. Hopefully, this will become a moneymaking venture as well as a good means of communication. We're also looking into other means of support.

I think it's terribly important to point out that industry in this country spends vast sums of money in Washington to present its view before the Government. Their money, of course, comes from the prices that consumers pay for their products. We aren't so fortunate to have such an easy means of financing and have to seek different ways to finance our efforts.

Q. Your group is one of several in Washington that has been established in the past few years to deal with FDA or the food and drug supply. Briefly, what other types of similar organizations exist in Washington?

A. Well, let me first point out that there are basic differences between our group and others in Washington. The other groups generally are concerned with all consumer problems. We are simply dedicated to trying to work in the food and drug area. I believe that for us to have a strong affect, we can't become too diverse. We have to be able to pinpoint what we want to do and have a real target and focus. We are also different because we act as consultants to other consumer groups working on FDA issues.

There are many other groups that are doing good work. For example, an organization called Concern, which is basically an environmental group, is now getting into food questions as they relate to pesticides, additives, hormones, and other potential environmental contaminants. There is also the Center for Science in the Public Interest, where Mike Jacobsen is doing a terrific amount of work on nitrites and food additives. The other people in that organization are working on other things, like energy and the environment.

Ralph Nader's Health Research Group does some of the best consumer work in the food and drug area. Also, the Consumer Federation of America has coordinated consumer OTC drug additives, and Consumers Union has a legal staff in its Washington office which is beginning to do a lot more work with FDA, especially by submitting petitions for actions. They recently submitted petitions to FDA on *Salmonella* and drained weight. Another group, headed by Bob Choate, is coordinating a consumer conference in conjunction with FDA.

Those are the consumer groups that come most readily to mind.

Q. How much contact do these groups have with each other? Would you say that the consumer groups in Washington speak with one voice?

A. Definitely not. Each of us has different concerns. But we do communicate with each other. Once a month, representatives of about 15 groups get together and try to hash out the things that happened that month. We brief each other on what we're all up to.

One purpose of this is that when we do deal with an agency like FDA, we do want to have a unified plan. At the very least, we want to know what each of us is doing so we won't be springing anything on each other. But very often we disagree among ourselves on the proper course of action, so it wouldn't be right to say that we speak with only one voice. These meetings are held to plan presentations for monthly meetings which have been held between consumer groups and the FDA Commissioner for the past 2 years.

Q. Virtually all these Washington groups have just come into being in the past few years. Why this interest in FDA?

A. One of the major reasons that people became involved in FDA activities was because of Jim Turner, who is one of the founders of Consumer Action for Improved Foods and Drugs. Jim worked with Ralph Nader back in the late 1960's and earlier in this decade. His job was to focus on FDA. While he was working with Ralph Nader, Jim wrote a book called *The Chemical Feast*, which got a lot of people concerned and interested. Mike Jacobsen then wrote *Eaters Digest*, and numerous studies were done of the quality, safety, and price of the food and drug supply.

I think that before that information was published, many people had taken for granted that FDA was really the consumer's friend and was really watching out for the consumer. Those books and others brought out that this wasn't quite so. After that, a lot of groups began to spring up and become very concerned about the quality and safety of the food and drug supply in this country.

Q. You personally have been involved in the consumer movement for about a year now. How did you get involved?

A. First, I want to say that I think everyone is involved in one way or another for their whole lives. I've only been active for about a year, but I've been involved and concerned much longer than that. When I was in college, I became very interested in the whole question of health care. After college, I worked for Senator Javits and saw much of the consumer legislation that came into the office. I also saw enormous pressure—lobbying—efforts—that was going on against consumer legislation, and I really didn't understand why anyone would lobby, for example, against a consumer product safety commission or consumer protection in general.

Needless to say, experiences on the Hill really stimulated my interest. I couldn't understand why people would be against more protection for the consumer. So I decided to find out more, and to do something about it.

Q. Do you have enough historical perspective to say how the present consumer movement differs from previous ones?

A. I can't really speak about consumer movements that took place before I was born. But I do see differences between the present consumer movement as it existed a few years ago, and as it exists now. A few years ago, consumers were *merely* trying to make the public and industry aware of their concerns and complaints. There was a lot of screaming, a lot of publicity. And I think that was absolutely necessary.

Now, I think, consumers are becoming well educated about the subject areas they're dealing with. They realize that they have to come in with good information when they talk to industry and the Government. They have to try to show these groups that by doing something different it will really be better business.

Q. Ralph Nader is always described in the newspapers as a consumer advocate. Would you consider yourself a consumer advocate?

A. I don't like to think of myself as speaking for anyone except myself. I am a consumer, but I wouldn't say I'm a consumer advocate, except that I believe that what I advocate is in the consumer's interest.

Q. When you convey an opinion to FDA, or to industry, are you speaking only for yourself, or are you trying to convey what you believe to be the concerns of many other consumers?

A. I am speaking for myself, but I'm also speaking with the knowledge that I've gathered from letters we receive from people who are also concerned about these problems, and from information from people I've spoken to about these problems.

Q. Taking this a step further, there is criticism in Washington among Government employees and industry that the people who purport to represent consumers are really representing no one but themselves. Could you comment on that criticism?

A. Let me begin by saying that we get a lot of feedback from what the Government would consider "ordinary" consumers—housewives, men and women who shop in grocery stores, people with children. These people feel they have no access to the Federal Government. They feel that they can't affect any type of policy decision and can't change any policy.

We know this, because we go out to speak to these people. For example, Jim Turner spoke in New York and as a result we got 50 letters. That's a lot of letters from one speaking engagement. That means that 50 people sat down to write to us about their concerns. They're not asking us for information, they're asking what they can do, how they can help. They're expressing concern about the food and drug supply. They're concerned with whether their children are getting bad baby food or whether they are being injured by drugs.

So when we speak in Washington, we have some understanding of what the "ordinary" consumers—if I can use that term—really are concerned about and want to convey to the Government. So while I personally do not claim to speak for anyone but myself, I think it's important for people in Washington to recognize that all of us do have contacts with consumers and do speak with some knowledge about what people are concerned about.

Q. Are the people who are writing letters to you really representative of the way most Americans feel, or are they in a sense a special interest group?

A. I think every mother and father is concerned with the safety and health of their children. I think every person is concerned with his or her own health. I think people are concerned with getting good nutrition from food. I think people are concerned about paying high prices for sugar-coated cereal when they could just as easily pay less and add a teaspoon of sugar.

I think people today are concerned. Not just the well educated, but all people. The recent increase in the price of food caused by inflation is making people even more concerned about the safety and nutritional quality of foods.

I also think that most people think that foods are safe, and that when a physician prescribes a drug, he knows what he's doing. When people learn that the system is not all it's cracked up to be, that people like us have real concerns about the quality and safety of the food in this country and about the way drugs are being used, they do show a great interest.

Let me give you a few specific examples. There was a petition filed concerning the way the contraceptive drug Depo-Provera was being administered and the way people are informed. People were being deceived about what was being done to them and the risks they were taking.

The group in the Bronx I spoke of earlier became concerned about diuretics after a pregnant woman had taken a dosage *four times* as large as she should have. After she had the baby, she didn't lose any weight, and began to think that there was something wrong. It was soon discovered that the pharmacist misread the prescription, and the physician never bothered checking.

Another example involves Label, a group we work very closely with. A few years ago they filed a petition to require full ingredient labeling on foods. This petition generated 7,000 personal letters to FDA in support of the petition, plus many, many others to us directly—and massive press coverage throughout the country.

So, to answer your question, yes, I do think we represent a special interest group. We try to represent special interests of the consumer. This is people expressing concern for things over which they have no control themselves, but over which they would like control, through their Government.

Q. You have indicated that people seem frustrated by their inability to have an impact on Government. To what do you attribute this frustration?

A. I think people are frustrated because whenever they see the news or read a newspaper, they get the feeling that the only people who really have an impact are the politicians or the lawyers who represent special interests. I think many people today really feel impotent. This is especially true of people outside Washington, who want to affect how the Government reacts but who feel that they really can't.

For example, with respect to FDA, a lot of people feel that they really can't have any effect on what FDA is doing. They can't afford to have a high-priced lawyer or Washington representative. They don't have a trade association. And how often can they see their Congressman, and have that Congressman really address himself to an issue?

I think there is real frustration in this country about the Government. One of the things we're trying to do is to show people that they can have an impact. We want to show them that it's not just up to their Congressman or other leaders. They themselves can learn about a subject, and learn there are ways to approach things which can have just as much effect as do the ways of anyone else.

Q. Do you believe that the regulatory system is working?

A. It's not working very well. It works at a very slow rate—and it works for special interests a lot of the time. You know, lobbyists in Washington who represent industries have incredible amounts of money behind them, and they're able to have their voices heard. The consumers in the field don't have that kind of money. They don't have the chance to come to Washington and be heard. We want to make sure that consumers do have the opportunity to be heard in Washington and have as much influence on what's going on as industry does.

Q. The way the Government is set up, FDA itself is supposed to represent the public interest. Do you believe that it does?

A. I think an organization like FDA has problems built into it. FDA is influenced to a large extent by the industries it regulates. It is natural for an industry regulated by any agency of the Federal Government to try to influence its decisions.

What we're trying to do is to counteract some of that influence by bringing to FDA's attention the views of consumers. We have to try to make FDA understand the kinds of issues consumers think are important. We have to impress upon the people at FDA that the regulated industries are not the only ones who care about what is being decided about foods and drugs. Consumers care, too.

We want FDA to have consumer interpretations of what needs to be done, and also whatever information consumers can supply to FDA which will make its decisions more in the public interest. I think at present some of the available information never reaches FDA. Other information relied on by FDA comes from heavily biased industry sources. We're trying to equalize the balance of power.

There are other ways also that represent the public interest. We can often be an innovative force by giving FDA new ideas about issues that consumers are concerned with. We can give FDA support for extremely hard decisions that may have a strong economic impact against what industry wants. I think that for FDA to work on some issues it needs to have a strong consumer input, and that's what we're trying to give it.

Q. What do you hope to accomplish by your efforts?

A. The goal, of course, is to assure a safe food and drug supply. We're also trying to make the Government more responsive to the needs of the consumer, and to make the consumer voice strong enough so that Government knows what those needs and concerns are.

I think it's important to point out that while we're dealing with FDA on these issues, we're also dealing with industry in the same manner. We want our local groups to work with industry on economic and marketing issues, so that we can convey our views to all sides.

One thing that we do want to do is to establish consumer food and drug groups in all 119 cities where there are FDA offices or resident inspection posts. The purpose of these groups would be to serve as watchdogs over the industries in these areas and to tingle the nerve ends of FDA.

We also want to make sure that every time industry tries to influence FDA, we have a chance to answer it. This is not to say that we are always opposed to what industry wants. In fact, we want to work with industry where possible to ensure the safety and quality of foods and drugs. But we do want the Government to know that the consumer wants a voice in what the Government is doing.

Q. As a result of your activities do you think FDA is more responsive to your needs?

A. Some of FDA's new policies are working. For example, I think it's very helpful that FDA has established an Ad Hoc Consumer Council that meets with the FDA Commissioner once a month to discuss issues that interest us. This gives us a chance to present to the highest FDA officials, including the Commissioner, our concerns and to ask questions. I don't think any vital information is passed or any vital decisions made, but it is important that contact and interaction takes place.

But I still think FDA has to make more of an effort to bring consumers and outside scientific experts into the highest levels of its decision-making.

Another area where FDA needs to improve is in the release of information to the public. FDA now says that 90 percent of the information in its files can be released under the Freedom of Information Act. Unfortunately, FDA has implemented this policy in such a way as to make it very hard for consumers to utilize the information. Some of our requests involve a great expense to us.

I think we'd like to feel that FDA was saying, "Here's the information, we'll try to give you direction if you want it. We'll try to show you where things are." This is what FDA can do if it really wants to open up its decision-making processes to scrutiny by consumers. We've even made a detailed proposal for such an effort and have waited more than a year for an FDA reply.

Q. What else would you do to improve FDA as it relates to the consumer?

A. In a bureaucratic structure like FDA, things tend to be staid and not to move too quickly. They tend to work along existing guidelines and existing patterns. I think that somehow FDA has to break out of its patterns and guidelines and become more flexible.

Also, I think it's extremely important that someone at the highest levels of FDA represent the consumer viewpoint. The tendency for FDA has been to say that it represents the consumer and it needs no further consumer representation. I think that's not so, and I'd like to see someone in high levels at FDA whose sole job is to represent consumers.

I think a lot of the mistrust about FDA stems from the fact that a number of high FDA officials come from industry. They come from the food industry, the drug industry, or are lawyers who have represented the industry and are now coming to FDA and claim to represent the public interest. I think it's very unrealistic for us to accept the fact that people who have worked with one point of view for so long can all of a sudden change their perspective and work effectively on behalf of the public interest.

I'm not suggesting that the people who come from industry to work for FDA are in any way dishonest. Usually, they're not. But I do think that people from industry come to FDA with biases, and then make decisions based on those biases.

Also, these people who once worked for the industries have friends in those industries and tend to be sympathetic toward them. They get a lot of their information from those people because they know and trust them. That results in an imbalance of information and perspective which we're trying to correct by bringing another viewpoint to FDA.

Q. It is a fact that some FDA employees have worked for industry. But you do want people with experience in food and drug production, because they have the best backgrounds to understand the issues confronting FDA. Do you want FDA to hire people who are unfamiliar with the industries regulated by the Agency?

A. Not at all. We do want the best experts in the food and drug area. But it seems to me that someone whose total work experience has been in industry has a bias, and it would be a better alternative to try to hire people who don't have any biases. There are a good many people outside of the food and drug industries who have expertise, skill, and knowledge to deal with these problems. There are State and local food and drug officials, many of whom have excellent qualifications to be Federal regulators. There are research scientists throughout Government—at the National Institutes of Health or at the Agricultural Research Service, for example—who are highly skilled in detailed aspects of food and drug regulation. There are city public health officials who increasingly find themselves working with consumer groups to correct food and drug health problems. There is even a growing number of professionals who have aligned themselves directly with consumer and public interest groups, such as the Environmental Defense Fund, Public Citizen, Inc., and Common Cause.

None of these sources is tapped in any meaningful way for FDA or other regulatory agency employment. Industry is consistently tapped. This raises serious questions about FDA's understanding of its obligation to protect and represent the public interest.

Q. Are there any specific issues that you're dealing with now on which you think FDA is wrong?

A. Let me just mention two. One is the whole issue of food labeling. I believe the law should require full ingredient labeling for all foods, including a listing of the type of colors, flavors, and spices, both artificial and natural, in the product. There are many people who are allergic to certain kinds of foods, and many other people who want to avoid some kinds of ingredients.

If FDA feels that it needs more legislative authority to carry out its food labeling authority more responsibly, then I think FDA should ask Congress for that authority.

The second is the issue of food additives. Many of these additives may cause cancer. I believe strongly that the public should know it is being exposed to a potential cancer risk. It seems to me that anyone should have a choice of the kinds of food they want to eat, but at the same time, they should be aware of the potential dangers of those foods.

People don't know about nitrites and nitrates. They don't know of the possible problems of certain artificial colors and flavors. They don't even know what foods they're in. FDA just doesn't seem to be as concerned about this whole issue as we are.

Q. You've spoken about how you perceive FDA and its reaction to consumer needs. How well does industry respond to your positions?

A. I think industry does perceive the need of consumers for certain things, but very often is afraid of what's going on because of what might happen to its economic position or security. This is why industry often thwarts good regulations.

I think that industry has to recognize quite simply that positive reaction to consumer needs is really good business, and that the companies that are going to make the most profits are those that respond most progressively to what consumers want. This is true also in the area of regulation. A company that favors industry-wide regulation favorable to consumers will in the long run do better than a company that opposes every attempt at regulation. Surprisingly, in some instances we've found industry to be more responsive than FDA.

Now, there are specific cases where I think industry is still backwards. For example, in the whole area of prescription drugs, the public is clamoring for information about prescription drugs. Even FDA is talking about having patient package inserts so that consumers will know about prescription drugs. But the industry reaction is to increase the warnings on the labeling that goes to doctors and to ignore the fact that this isn't helping the patient, because doctors just don't have enough time anymore to talk to patients about prescription drugs.

Another example: There was an enormous argument by the food industry when nutrition labeling was being developed on how the labels should be written. The food industry was scared of saying on the label that a particular food has no vitamin A or vitamin C or another nutrient. What we were fighting for was a standardized label that would tell the consumer exactly what was, and what wasn't, in the food product, and industry fought very hard against that kind of honest and forthright labeling.

I think it's very important for consumers to realize that if we really want to effect change we have to develop enough of a relationship with industry so that we can sit down with them and discuss our concerns. We're doing fairly well in the food area, and have had many constructive meetings with certain trade associations. We're also talking with a number of individual firms, and they're beginning to understand what our concerns are. They may even be beginning to respond.

Q. The history of consumer movements in this country has been one of cycles. The consumer movement in the early 1900's, for example, led to the passage of many laws, but then died out. So too with the movement of the 1930's. What future do you see for the present consumer movement?

A. The movements in the early 1900's were really small business movements. The gains the consumers made in the 1930's did not die out because of lack of interest, but because the Supreme Court challenged the legality of certain economic issues that had very little to do with real consumer issues. I think that if the present movement is to survive, we have to combine our focus on Government with a focus on industry. Industry is going to have to develop the types of programs and policies that favor the consumer.

I'm not going to predict that every group now active in the consumer movement is going to survive. But I haven't seen any die out yet. And I think the movement is getting stronger, because people are becoming more educated about their rights in the marketplace, and are demanding that Government and industry respond to their needs.

I think a lot more needs to be done, but a lot has been done, and what I've seen thus far has been encouraging from both industry and Government.

WAYNE LYMAN MORSE

Mr. SPARKMAN. Mr. President, I want to join my colleagues of the Senate in expressing sorrow at the death of former Senator Wayne Morse with whom many of us served. It was my pleasure to know Wayne Morse and to serve with him in the Senate and on the Foreign Relations Committee. One thought I have always had regarding him is that he was in every sense of the word his own man. He was a man of integrity and of deep sincerity. It meant little to him whether his views were shared by others. He found himself often in a small minority but he knew what a brilliant mind and a pure heart told him was the right course for him to take.

I remember him first as a Republican, then as an Independent, and later as a Democrat. It was not party or politics that gave him direction but it was that inner feeling as to what his stand should be.

Both Mrs. Sparkman and I extend our deepest sympathy to Mrs. Morse, a wonderful lady and a wonderful companion throughout the years to Senator Morse.

Mr. President, the Washington Post carried a very fine editorial in this morning's issue regarding Senator Morse. I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WAYNE LYMAN MORSE

It is characteristic of the career of former Sen. Wayne Morse of Oregon, who died on Monday, that he should have been in the midst of a political battle right up to the end of his life. At the age of 73, he was doing what he had done through a half century of public service—he was waging vigorous combat. His most celebrated target was the war in Southeast Asia and he was the earliest and most outspoken opponent of that policy in the Senate, taking pride in the fact that he voted against every measure in support of that war that came before the Senate. On several occasions he was joined in that crusade by his friend from Alaska, Sen. Ernest H. Gruening, who died just a few weeks ago. After six terms in the Senate as a Republican, an independent and a Democrat, Sen. Morse was defeated in 1968 by a 3,000-vote margin.

He was in the midst of his second attempt at a comeback when his kidneys and heart failed him. Descriptive adjectives such as "maverick" and "combatative" were easy to apply to Wayne Morse. But the man did not lend himself that easily to labels. Born on a farm near Madison, Wis., Mr. Morse attended the University of Wisconsin for his undergraduate training, received a law degree from the University of Minnesota and went on to Columbia University for a doctorate in law. He made a major study of the grand jury system and it attracted the attention of officials of the University of Oregon. He was brought there as a professor and soon was made the dean, bypassing several older men to become the youngest law school dean in the nation at the age of 30.

His first national attention, typically, came as the result of a fight within the National War Labor Board, to which he had been appointed by President Roosevelt. Mr. Morse resigned from the Board after two years, in the midst of a loud policy disagreement. His loss to that body can be measured by the fact that he wrote more than half the board's opinions in the two years in which he served.

Although he had been a lifelong Republican, in 1952 he broke with his party and its leader, Dwight Eisenhower, and ran as an independent. He lost his committee assignments and languished in a no-man's land until he finally became a Democrat. One of his first contributions to his new-found party was to assist Richard Neuberger in becoming the first Democrat elected to the Senate from Oregon in 40 years. But soon, he and Neuberger were at war with each other in one of the Senate's most celebrated feuds.

He was cut from a mold that seems to fit few of our contemporary political leaders. It didn't bother him which way the wind was blowing. He would more likely go out and try to change its direction, unafraid to be the first to take a stand that might not be popular. He was prepared to disagree with his party or his President if he thought either to be wrong. He knew some of his positions would cost him votes, but he cared more about what he thought was right. Many a man who loses his office at 67 could be expected to retire to his farm. Wayne Morse was different. He loved the feel of movement and action, combat and discourse, and he set a standard of integrity and independence that will be difficult to match.

GREECE AND CYPRUS

Mr. KENNEDY. Mr. President, I am encouraged by reports of political changes in both Greece and Cyprus. The generals' junta in Athens has announced that it has requested a former Prime Minister Mr. Constantine Karamanlis, to form a civilian government, for the first time since the coup of April 21, 1967. In Cyprus, meanwhile, the fragile and tentative ceasefire has been accompanied by the resignation of Mr. Nikos Giorgiades Sampson, and his replacement by Mr. Glafkos Clerides, President of the House of Representatives and a man with long experience at mediating between the Greek and Turkish communities on that troubled island.

There is now greater reason to hope for an end to fighting on Cyprus, and the transfer of this dispute from the battlefield to the conference table. I am sure that the efforts of Great Britain to mediate will have the firm support of the U.S. Government. And I hope that Mr. Clerides and other leaders in Cyprus will be able to continue the efforts of President Makarios, in securing the independence of Cyprus and protecting the rights of all its citizens.

Events in Greece, while still unclear, offer the hope for an end to repression in that country. For the past 7 years, the nation that gave us the idea and the word "democracy" has systematically denied it to its citizens. Greece has been an outcast in Europe, and among all civilized nations. It has been threatened with instability stemming from political repression and, as a result, it has been the weak link in NATO's southern defenses. And because of these facts, many of us here in the Senate have been increasingly concerned about the viability of U.S. policy toward Southern Europe and the Balkans, and increasingly disturbed by the administration's support for the junta.

If, indeed, Greece is returning to effective civilian rule, there is a chance that that nation will again return to the practice of democracy. There is a chance for greater political stability—stability based on the expressed consent of a free people. And there is a chance to resolve the fundamental contradictions in U.S. policy towards Greece and Southern Europe. This is in the interests of Greece, of its neighbors, of the Western Alliance, and of free men everywhere. As further reports come in, I am hopeful that the decision to return Greece to civilian rule will hold up, and that this is only the first step in a new direction for that country.

YOUTH INTERNSHIPS PROMOTE FAITH IN OUR GOVERNMENTAL SYSTEM

Mr. HUMPHREY. Mr. President, an article appeared in the Washington Post on July 22, describing the "Interns Who Didn't Stay Away." The article reveals a response of some interns to the negative attitude that we sometimes hear from young people when they are questioned about their Government and the possibility of their involvement in Government. It is a positive reply to the cynical effect of Watergate which is capsulated by Gordon Strachan's precarious advice that young people should stay away from a career in Government.

With the attitudes expressed by the interns in this article and the work that I have seen accomplished by the interns in my own office, I can see that the discouraging effect of Watergate is not as pervasive among young people as many think. In fact, I want to commend Cathy Gorlin of Wesleyan University, Barbara Heine of Indiana University, Jonathan Adams of Carleton College, John Brennan of the John Marshall Law School, and Mark Fishman of Williams College for their efforts as current interns on my staff.

We must continue to encourage potential public servants to become involved in Government. Without the involvement of young people we will lose them as a source of new ideas and ability to perform vitally important hard work in helping to provide services to constituents.

The Senate clearly recognized the importance of these considerations in adopting an amendment I had submitted to the Education Amendments of 1974, H.R. 69. My amendment, entitled the "Political Leadership Program Act of 1974," would have helped to give young people an opportunity and encouragement to become involved in the workings of Government during this critical time.

We desperately need the input of educated and enthusiastic young people into a system that constantly needs regeneration and revival. And this input must be initiated by the Government itself to insure that it will continue to grow more responsive to the concerns of our citizens in the midst of rapid change and complex developments that have a profound impact upon our society.

My amendment would have established internship stipend programs through grants made by the Commissioner of Education to authorized colleges and universities. Under these grants, students would have received credit while working closely with elected officials in State and local governments.

The "resources" are there—as evidenced by the statements in the Washington Post article and the energy generated by the interns working throughout the Government. Programs such as the one that I have proposed would serve to foster a new and continuing involvement of these young people. They would also give the impetus of encouragement to these fine young minds to consider careers of public service. The funds requested for the implementation of this program would be an investment in the future of our Nation.

I deeply regret that my amendment was not retained in the conference report on H.R. 69. I strongly oppose this decision which amounts to a failure to address a demonstrated urgent need and to seize an important opportunity to develop a broad involvement of youth in public service. While I must reluctantly concur in Senate adoption of the conference report, because of the vital necessity to enact authorizations for programs of education assistance across the Nation, I serve notice of my intention to continue pressing for enactment of the Political Leadership Program Act.

Mr. President, I ask unanimous consent that the Washington Post article on interns be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 22, 1974]

THE INTERNS WHO DIDN'T STAY AWAY

(By William Gildea)

Before the Watergate committee one day last summer, former White House aide Gordon Strachan was asked by Sen. Joseph Montoya (D-N.M.) what advice he might have for other young men like himself considering a career in government.

"Well, it may not be the type of advice you could look back and want to give," Strachan said, "but my advice would be to stay away."

The college students and teen-agers spending the summer in Washington as interns in government don't take Gordon Strachan seriously. They say Watergate proves all the more that young people, with new ideas, are desperately needed and that Strachan must not have been thinking carefully about what he said.

"My reaction to Gordon Strachan was that I came to school here in Washington last fall," said Joel Bergsma, a George Washington University student working in Vice President Ford's office this summer. He hopes to continue there after school reopens.

Like Bergsma, hundreds of young persons have come to Washington this summer undaunted by Watergate revelations and determined to explore ways of making some kind of contribution to government. Summer intern programs are flourishing as never before.

At the White House, 350 applications for summer internships were received and the program was expanded to 37—19 women and 18 men. College students earn $125 a week, graduate students $150. On Capitol Hill, more than 1,800 interns are working, including up to 15 and 20 in the offices of some senators.

The interns on the Hill are fairly outspoken. Many, like 16-year-old Martin Luther King III, want action fast and express dismay over the sluggish, impersonal ways of government. Some cite self-interest by legislators and say they aren't at all impressed by very many of them. Some say in no uncertain terms that President Nixon should be removed from office. They agree on one thing: that young people are needed.

At the White House, the interns are heavily Republican and generally support Mr. Nixon. They sometimes take a good deal of kidding when people find out where they're working.

"I've been told I signed up on the S.S. Titanic," said Linda Smith, a 22-year-old Wheaton College graduate from Ardmore, Pa. working for Mrs. Nixon's press secretary, Helen Smith (no relation). "But," Linda Smith adds, "no one can deny the fact that this is an incredible experience."

"People joke and say things like, 'Are you being taped?'" said John Unland of Pekin, Ill., a Colgate senior working in the office of special assistant to the President William J. Baroody. The White House mood is "rather studious, neither gay nor depressed," Unland said, but "not a jocular attitude at all . . . a low-keyed, hard-working type of operation."

"I've been questioned by my college friends, 'How can you work for this administration?'" said Philip Pulizzi of Williamsport, Pa., a 1973 Rutgers graduate working toward a master's degree in legislative affairs at G.W. Having interned previously on the Hill, his answer is that this summer's job is "part of a total learning experience."

Carla Chenette, a University of Connecticut junior and president of the Connecticut Association of Future Farmers of America, said, "I thought before I came that the White House would be quite a bit overshadowed by Watergate, but that's not so."

Miss Chenette, who is working for the domestic council, added however that "Things are getting apprehensive around here this week with the impeachment vote coming up. It's come up more in conversation this week."

Kelly Duncan, a Democrat and Georgetown U. junior from New Orleans, said everybody around the White House "is enthusiastic about his job but the enthusiasm has been moderated to some extent by recent revelations." He said he appreciated the opportunity for "another view, from inside the White House," and has "an open attitude" on possible impeachment proceedings.

To a person, the White House interns appeared happy they're where they are and grateful for the "experience," a feeling expressed as well as any by Linda Smith. "So much is happening. All sorts of fields and options are open. Now is a very decent time to get into politics. If you want to get something done, the only way is go get involved. If you stay away, you're not helping at all."

University of Virginia senior Linda Bartlett, who described herself as "probably the most ardent of the group" in her support of the President, said, "The challenges are greater; Watergate has made them more explicit." For James Spaith of Shawnee Mission, Kans., it is "a young person's duty" to get involved.

On Capitol Hill, the attitude of the interns seemed more anxious. There was more emphasis on "changing the system," and doing it quickly. Several spoke emotionally about the low esteem in which they held many senators and representatives. But they wanted very much to try to do something.

"Our government has to be fixed," said Martin Luther King III, a summer page nominated by Sen. Edward M. Kennedy. The son of the late civil rights leader is a senior at Galloway High School in Atlanta.

"There should be a change now. I don't see how we can let the Nixon administration get away with all that has happened. But enough people don't seem to try to do anything about it.

"We need a change in the government, period. A change in the officials of the executive branch. How can we have someone running the government and setting these kinds of examples, breaking laws? If we do it, we go to jail for a hundred years. It's wrong, even if it's the President."

King said a "lot of time is wasted" in settling the Watergate issue, indicating some congressmen are looking out for themselves. "They're just sitting down and saying, 'I'm all right.'" And he said lesser issues in Congress tend to get in the way of "things that are really important, like poverty."

Another 16-year-old with ties to the Kennedy office is the late President's daughter, Caroline, doing various jobs for three weeks. She declined a brief interview through Kennedy press secretary Dick Drayne, who said a number of interview requests have been turned down.

"I haven't met too many people I admire," said Mike Thomas, a Franklin and Marshall sophomore from Lancaster, Pa., working for Rep. Edwin Eshleman (D-Pa.). He cited Senators Charles Percy and Birch Bayh among the few who do have his respect.

"I'm just beginning to feel emotionally the inefficiency of government," Thomas said. "Congress moves like a dinosaur bumping around. If they do anything right, it's only because they're under great pressure from their constituents.

"Too many people seem wrapped up in furthering their own cause. Congress itself seems to be wrapped up in non-essential activities. If somebody doesn't go exactly by parliamentary procedure, somebody else will argue about it."

Linda Donaldson of Winnemucca, Nev.,

calls the experience of answering mail in the office of Sen. Howard Cannon (D-Nev.) "so impersonal," adding, "I have to realize you can't make everybody happy. You answer in such a general way. When you care about people like I do, it's frustrating."

Tony Chelte of Springfield, Mass., a senior at North Adams State College who works for Rep. Silvio Conte (R–Mass.), finds that "people have a false image of a congressman and what the whole government system is." He believes that "A staff makes the congressman."

He said he has found certain congressmen react to issues "on the recommendations of others, off the top of their heads, and without pursuing the matter themselves."

Chelte added that he believed many significant issues, such as veterans' legislation, were not acted on quickly enough and that he perceived a tendency "in an election year to take no extreme stand." He cited three strip mining bills and said the one he favored, the strictest one that would phase out strip mining, by Rep. Ken Hechler (D–W. Va.), would probably be defeated because not enough congressmen had the courage to support it. The bill was defeated, and overwhelmingly.

Contrary to Strachan's opinion, Chelte said it was important for young people to get into politics—but he didn't always feel that way.

"I was out in the streets screaming and yelling against Vietnam," Chelte recalled. "I experienced all kinds of drugs. But you come to a point when you have to reexamine your thinking. I've come to the decision you have to work within the system to change it.

"If a young person takes a statement of Gordon Strachan's seriously, that's ridiculous. How else is somebody going to change the system?"

CAVE-IN ON MILITARY SERVANTS

Mr. PROXMIRE. Mr. President, the conference on the fiscal year 1975 military procurement authorization bill has ended.

In reviewing the actions of that conference, one item stands out against the backdrop of the compromise positions so frequently the result of such conferences. It is the issue of military servants.

Mr. President, I recognize that there is give and take in the conference approach to resolving differences between the two Houses. This is normal and proper.

But in the case of military servants, there has been all give and no take by the Senate conferees.

I could understand it if the Senate had narrowly accepted an amendment to cut back on the odious military servant program. If the will of the Senate were not strong, then there could be some reason for not pushing hard for the Senate position on this matter.

But that simply is not the case.

On June 3 of this year the Senate overwhelmingly voted to curtail the military servants program from a total of 675 allotted positions to 218. Further restrictions were placed on the use of these private personal servants in uniform. The vote was 73 to 4.

A year before the Senate adopted a similar amendment by a vote of 73 to 9.

What could be clearer than that mandate of the will of the Senate?

But what happened in conference? The conference dropped all reference to a ceiling on military servants. They did not reduce this program by one man. The top brass will continue to receive their personal allotment of 675 enlisted men to serve their every whim. The servant program lives on with Senate sanction and acceptance even though 73 Senators voted to bring this program down to a low level.

Where is the compromise here? There is no compromise. The Senate has caved in to the Pentagon. The brass will have their way. They will retain their Filipino houseboys, their maids, chauffeurs, cooks, errand boys, butlers, gardeners, dishwashers, clotheswashers, and bartenders. And the Senate is in the position of saying to the Pentagon—go ahead we do not care.

That is the way it looks as a result of the conference report.

What we have in place of a ceiling on the number of military servants is the weakest sort of language stating that the Defense Department must make a report in 90 days.

Now what do you think the Defense Department is going to say? That the generals and admirals should not have servants at taxpayers' expense? Not a chance.

They are going to repeat the familiar refrain. Generals and admirals are busy men. They cannot take care of their cars, homes, gardens. They do not have time for cooking or serving drinks. They must have personal servants for that.

And the wives of these important military men also have duties outside the home so that they cannot care for the home and food preparation as other workingwomen. Therefore, the taxpayers should pay for personal servants for these men and their wives.

That is what they will say. This is what they have been saying for 2 years.

So the Pentagon will make a report. And the report will be given to Congress. And Congress may or may not have a hearing on the matter. And the hearing may or may not result in corrective action. And life goes on just as the Pentagon top brass wants it to.

Have we forgotten that the military servants program already has been studied in depth by the General Accounting Office? Have we forgotten what they found? That these men were no more than servants; that they often were required to perform personal duties totally unrelated to any military function; that there were distinct racial overtones in the military servant program. That many men were assigned to be military servants instead of volunteering as required by regulation.

Instead of acting on this comprehensive report by an unbiased arm of Congress, we are asking the fox to tell us if he has been stealing any chickens lately. And as he opens his mouth to say no, chicken feathers float to the ground.

Mr. President, I am deeply, deeply disappointed. I could accept compromise as resulted last year. I agreed to a compromise at the last minute with the Armed Services Committee on this issue on the floor in the hope that the committee would see the problem through.

There seemed every indication that this would happen. The 73 to 4 vote was overwhelming in every sense.

And yet we come up with nothing. And the Pentagon continues to waste the taxpayers money on personal servants.

Such is the unfortunate state of affairs the conferees have left us in. Frankly it is a disgrace to the Nation and to this great deliberative body.

I appeal to the Armed Services Committee to explain why at a minimum there was no compromise and why the resounding Senate vote was overturned.

NATIONAL HEALTH INSURANCE

Mr. KENNEDY. Mr. President, as the discussion and debate concerning a national health insurance program for the United States nears its climax, it becomes increasingly easy to lose sight of the key issues under consideration. The necessary maze of technical considerations which must be addressed in making an equitable and humane Federal policy with respect to national health insurance a reality often obscure those fundamental issues which are, in fact, the only real issues under discussion.

A national health insurance program must, in my view, be a program which distributes the burden of payment among all Americans in such a way as to remove ability to pay as a consideration in the care of the sick. It must provide a uniformly high level of personal health services to all Americans, with respect both to quality and dignity. No American citizen can be expected to ask less.

A second vital characteristic must be a reasonably effective role for the consumer of health services in determining the scope of and conditions under which those services will be provided.

Too often the complexities of medical care and the enormous dollar volumes flowing through our health care system create a set of incentives which work to foster a heavily paternalistic atmosphere, making it difficult or impossible for the consumer of health services to influence the quality, quantity or circumstances surrounding that medical care. Any national health insurance program acceptable to me must provide the average American with a much greater say in those matters than he now has. The consumer must in addition have a greater role in determining how the dollars which flow into the health care system, and which originate in his pocket, are spent.

That issue—the control of the health care dollar and the implications of that control for health policy, is the single most important policy issue yet remaining in the national health insurance debate.

In a review of a recent book, Mr. Jack Geiger, an important force in the development of the neighborhood health center movement, has concisely and articulately stated this important issue. I ask unanimous consent that his article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 17, 1974]

The Poor Grow Sicker, the Sick Grow Poorer

(By H. Jack Geiger)

(The New York Times Book Review, "Blue Cross: What Went Wrong?" By Sylvia A. Law and the Health Law Project, University of Pennsylvania. 246 pp. New Haven: Yale University Press. $8.95.)

In the 1960's it was fashionable, for a while, to believe that the American health care system was basically sound but had just neglected the poor and the elderly. We observed that in this most affluent of nations, the poor were likelier to be sick, the sick were likelier to be poor, and the poor grew sicker while the sick grew poorer. We recognized that the middle class could no longer afford to pay for its aging parents' hospital and medical bills.

Secure in our faith that it is always better to tinker with a system than to make fundamental design changes, we threw a few additives in the tank—Medicare, Medicaid and the poverty program's network of neighborhood health centers for the poor—and waited for the wonderful mileage our health care providers assured us the system would then deliver.

A decade, and many millions of dollars, later, our unease is greater. The poor, the ghetto dwellers, the migrant farmworkers and the rural sharecroppers continue to suffer appallingly and to die needlessly, though we seem to care less about it than we did. The middle class has been priced almost out of the health care marketplace. But now, in addition, there is the growing sense in many quarters that something is deeply and gravely wrong, that the health care system just doesn't work—at least for the average consumer it is supposed to serve.

The standard responses to this dissatisfaction are already evident. The health insurance companies, pharmaceutical manufacturers, hospitals and health professionals are dusting off the old Norman Rockwell paintings and running full page ads (which you and I are paying for, as we shall see) to assure us that their only concern is our family's health, to tell us how much we need them and to convince us subtly not just that they work in the public interest but they are the public interest. There is a raft of proposals for national health insurance plans in Congress, and this is the year, at last, when one of them may pass. Once again, we are promised, the system will be fixed.

Sylvia Law knows better. Just in time for the great debate on national health insurance that is now beginning, she and her colleagues at the Health Law Project of the University of Pennsylvania have written a book that is, in the war for control of the health care system, like a small, elegant, beautifully fashioned charge of dynamite.

If it is read—as it should be—by everyone concerned with health care, from Congressmen to consumer, it should explode many of the treasured myths about our current health care system and force us to recognize that our choice of a national health insurance plan is not a choice between competing legislative technicalities in a highly complex area of fiscal and administrative expertise. It is not a matter of tinkering, but an example of the single greatest issue of social policy, which is: who will make the thousands of day-to-day decisions that really comprise social policy—representatives of the public, accountable to the public, or representatives of special interests, accountable to themselves?

Wisely, "Blue Cross: What Went Wrong?" does not address all the issues of health care of the whole of the American health care system—an almost impossible task even for a much longer book. Instead, it examines just one segment—the national network of local "non-profit" hospital insurance plans to which we pay our premiums and which, in turn, pay the hospitals most of the bill when we use them. This is the function of Blue Cross for the private health care consumer.

What is not so widely known is that for the past nine years Blue Cross has had another and even more important function, from the point of view of public policy. In Professor Law's view, Blue Cross has really run and administered our major Federal health programs—not the Department of Health, Education and Welfare, not the Congress, not the state governments, not the taxpayers who supply the Federal and state dollars for Medicare and Medicaid, and certainly not the ordinary citizens who need and use hospital and health services.

Blue Cross is the "fiscal intermediary." The Federal Government does not pay your hospital bill directly under Medicare, for example. Instead, under a huge contract between H.E.W. and the Blue Cross associations, it pays Blue Cross, which pays the hospital.

Along the way, it is Blue Cross that has the delegated—that is, public—responsibility to see to it that the hospital charges are reasonable, that cost controls are exercised, that the services are really needed, that quality standards are maintained, that costs from the private sector are not loaded onto the Medicare bill—in short, that the whole system is accountable to the government which is paying for it and the people who are using it.

The trouble, Professor Law argues, is that Blue Cross, the fiscal intermediary "regulating" the hospitals, is the hospitals. Blue Cross is a creation of our hospitals and the American Hospital Association, dominated by the hospitals. Some 42 per cent of the membership of Blue Cross boards of directors are hospital representatives; another 14 per cent are physicians; most of the rest, including "public" representatives who are rarely publicly chosen, are bankers, business executives (including officers of hospital supply corporations), and the like.

What happens when the fox is not merely in the chicken coop, but is appointed by the government to be its administrator. The predictable happens, not because institutions (or foxes) are necessarily evil, but because they will always look first to their own survival, and only then to the interests of the public (or chickens).

More than 100 pages of appended notes and documentation in "Blue Cross: What Went Wrong?" show that the "reasonable cost" formula for determining hospital charges has nothing to do with what is reasonable by any market or accounting standards. Hospitals can charge off to the Medicare "costs" of the hospital day a portion of their public relations costs, the cost of advertising to present a good public image, the expenses of fighting unionization of underpaid and exploited hospital orderlies and aides, the costs of depreciation—even on buildings and equipment originally bought with public funds—as well as the costs of drugs, medical equipment and supplies bought at hugely inflated prices, all to create an enormous backdoor subsidy of public funds not under public control.

The record in utilization monitoring, quality control and related aspects of hospital performance, it is argued, is just as bad. "The picture that emerges is one of total unaccountability," and with truly staggering understatement, Professor Law later adds, "the interests of even benevolent institutions and the public interest do not necessarily coincide."

All this is important because, if and when we do legislate national health insurance, we will have to decide whether or not the Government will administer its cost and quality control aspects directly through a Federal regulatory agency that is responsive to the people who use health services. If, once again, we appoint a "fiscal intermediary," will it be Blue Cross or some similar representative of hospital and health insurance company interests, or representatives of the public, the powerless consumer?

If we use the present Blue Cross or its equivalent, Professor Law says, national health insurance will be insurance for the hospitals and health providers, not for us. The design of the health care system will not really change in the direction of public accountability. Rather, in the memorable phrase of some radical health workers, national health insurance will simply be a Great Leap Sideways.

The Health Law Project's proposals are modest. Above all, they say, we must have a consumer-responsive health care system, and national health insurance must be administered by an agency that represents, and is accountable to, the public. We will probably have to have fiscal intermediaries, they say, and we will need the special administrative and health care expertise represented by the staffs of organizations like Blue Cross. First, we must, in the best sense of the word, socialize Blue Cross by transforming the boards of directors of all the Blue Cross plans across the nation, eliminating the representatives of health care providers and requiring public election of representative health care consumers. Remarkably, even this proposal is simultaneously free of apocalyptic rhetoric and addressed to the issue at the heart of it all:

"Making health services delivery publicly responsive is certainly an important value in itself. But the underlying value, one that transcends health services, is the need to develop means by which people can control their own lives and the institutions and programs upon which they depend. From an individual perspective, things seem to be out of control, chaotic, random, and at the mercy of some autonomous technology or system. To some extent this perception is accurate, but to an important degree power, money, and knowledge have become more concentrated in the hands of the institutions and professionals who have always had them. . . . There are enormous obstacles involved in creating a means whereby people can participate in the determination of social policy in this highly technological society . . . [but] the consequences of our present course seem so grave, and the stakes so high, that it seems important to articulate democratic alternatives and to struggle to make them happen."

That, in my view, is what changing the health care system is all about. I think we are unlikely to achieve it this year, or even soon, or in a single stroke, but we will need this book continually to remind us of the real nature of the issues.

ECONOMIC LEADERSHIP IS THE RESPONSIBILITY OF CONGRESS

Mr. HUMPHREY. Mr. President, it has been clear for some time that the seriousness of our economic situation is such that firm economic leadership by Congress cannot be avoided any longer. The so-called price-bubble is no longer a bubble, as was pointed out in the May consumer price report: Prices were up by 10.7 percent from 1 year ago, and the average consumer must now pay $14.50 for the same basket *of goods* that he bought for $10 in 1968. American consumers spend about one-fifth of their annual budget on food, which is now 16 percent more expensive than a year ago.

As I travel around the country, I have seen how inflation is seriously cutting into our economic fabric. Four and a half million Americans are now jobless, with many more discouraged workers having dropped out of the labor force. Households have been forced to dip into $5.5 billion worth of their personal savings in a struggle to maintain a decent standard of living. After-tax purchasing power dropped by more than 3 percent last year, imposing severe hardships on the American public and contributing to the business slowdown.

In recent months, many economists have stated that the American people are suffering under the worst inflation since World War II. Why is it that now, when our country is no longer at war, we sit and do nothing as our Nation's standard of living is eroded? I believe that it is high time we take a critical look at the traditional tools of economic management and develop some answers to the current vexing economic questions.

I believe that the major reason for the recent failure of economic policy is the administration's blind and narrow adherence to the myth of the free market. For many years we have known that Government involvement in the economic life of this Nation is essential for prosperity because there are many economic activities, such as protection of the environment, that are essentially public in nature. In addition, we know that competitive markets do not exist in many sectors of the American economy and Government antitrust efforts are essential. In other words, truly competitive markets do not, for the most part, exist in vast areas of the American economy.

This ideological blindspot is evident in the administration's traditional attack on inflation, with the peculiar result that present policies only tend to further aggravate inflation. We now see that tight monetary policy is ineffective, in this time of spiraling prices, in reducing investment demand. In fact, it is clear that this policy only serves to raise credit costs and business expenses, in general. Those who agitate for across-the-board budget cuts must recognize that the current inflation has not been the result of excessive Government spending. The Federal budget, on a national income accounts basis, has been in approximate balance for the last 18 months. Experience with floating exchange rates, which the administration tried as a last resort, has actually worsened domestic inflation and our balance-of-payments deficit. Continued reliance on these limited economic tools will throw this country into a deep recession.

A second deficiency in economic policy stems from the oversimplified view that some economists themselves have of the economy. For better than a generation Keynesian theories have dominated economic policy. But the Keynesians of the 1930's developed their theories about a much simpler economy, and over the following 40 years both the private and the public sectors became many times more complex. Sales and investment volume in the private sector for consumer and capital goods, along with the supportive transactions for these markets, have exploded in recent years. The public sector also grew in size, coverage, and complexity. Federal subsidies, for example, public actions designed to encourage certain kinds of private market behavior, account for $63 billion in Federal resource allocation cost annually.

Insufficient information is a third explanation for the recent economic crisis. At the heart of the failure to anticipate and coordinate economic policy, has been a failure of the Federal Government to develop and use information properly. Most businessmen and academic experts agree that this deficiency is a major problem, and that the Government has a primary responsibility to improve the situation. There has been little effort to develop an understanding of long-range trends in the economy, and, when studies are developed, they are not used for policy by the Federal Government. Data on particular markets is also weak, preventing rational analysis of prices, production, unemployment, and so forth. We need a clearer picture of the world prospects in food and energy markets, for example, because scarcities and high prices abroad now have a greater impact in our Nation than ever before. The microeconomic aspects of our economy's performance cannot be ignored either, if we are to have effective Government action.

Finally, all this basic information must be organized in a systematic, understandable way, picking out the important factors from the irrelevant ones, and fitting them together into a total picture which we can use to identify potential problem areas and what can be done about them. As the distinguished majority leader, the Senator from Montana, MIKE MANSFIELD, pointed out, we must face up to the "question of how to coordinate and apply available knowledge in a manner which permits wise and rational policy choices to surface in a timely fashion and at a sufficiently high level of Government to make them useful."

A fourth deficiency in the Federal Government's management of economic policy is in the institutions we use for this purpose. The Council of Economic Advisers is inadequate in scope and resources to carry out its task of monitoring the economy and recommending new economic policies to the President. We also have excessive duplication and lack of coordination among the other Federal agencies that have some responsibility for economic policy. We badly need reform in the institutional structure of economic affairs. Indeed, President Nixon himself pointed out in 1971 that—

> The capacity to do things—the power to achieve goals and to solve problems is exceedingly fragmented and broadly scattered throughout the Federal Government.

This confusion has grown worse in the last 3 years.

I believe that we in Congress must take on the responsibility and do something about these weaknesses in our approach to economic policy. The time has come to organize our Government in a way that will generate the economic answers which the American people must have. There is a deep-rooted frustration in this country with the delayed reaction to our economic ills, and it is up to Congress to develop preventive policy before the situation deteriorates to a point where the only answer the White House can provide to our people is "tighten your belts."

One method of achieving this goal is with a national planning mechanism, which would be charged with assembling not just aggregate data but also detailed statistics on the markets for goods and services, labor and capital. If scarcities in refined petroleum were anticipated, for example, new refinery construction could be strongly encouraged. If international demand for U.S. foodstuffs were to rise sharply, policies to either expand our food production, or ration the amount of it we can export, could be proposed. In other words, the primary purpose of such a mechanism would be to provide information on how to improve economic policy, rather than to directly control it.

But this is only one general suggestion about what we can do about the current economic crisis. We really need many more creative ideas to overcome the intellectual wasteland that characterizes economic thought today. I would like to commend highly two congressional resolutions proposed by Senator NELSON and Senator PROXMIRE, which represent a first step in this direction.

Senate Concurrent Resolution No. 88, presented by Senator NELSON and myself, suggested an Advisory Board to the Joint Economic Committee composed of leading economists and other experts from a broad spectrum of political backgrounds. This panel could perform an extraordinarily useful function for this Congress, by developing specific legislative recommendations on the basis of broad expertise drawn from the business and academic worlds. The Joint Economic Committee would then report its proposals to both the Senate and House leadership, who would in turn insure that any sound recommendations are reported to Congress, as soon as possible. Senator NELSON's resolution calls for a firm bipartisan commitment by Congress to study all the economic remedies that are within reach, and to take responsible legislative steps toward leading the Nation out of the present economic stagnation. Senator NELSON deserves credit for this initiative.

Senator PROXMIRE has proposed resolution 93 in the same spirit of creative and coordinated leadership by Congress. The Senator states that the Joint Economic Committee should undertake a "crash study of the causes of the Nation's current runaway inflation and of ways to stop it," to be aided in this study by experts from all fields. The committee will direct its attention to the deficiencies of available information, and will also focus on the problems in modern economic theory which concern this Nation. To insure the health of this complex country, it is essential that a bipartisan group concern themselves with these critical issues.

There are of course many other economic issues the Congress should examine in order to develop new policies. But, right now it is urgent that the Congress take a firm position to bring the country out of its economic quagmire. Senator PROXMIRE, with his long experience as vice chairman of the Joint Economic Committee and his valuable service in the Congress, has clearly recognized this responsibility and I fully endorse his resolution, which was unanimously approved by the Senate on July 9, 1974. I now urge the House to act on this resolution, as soon as possible.

A wait-and-see attitude on the part of Congress is simply not possible any longer. Prices are rising astronomically and paychecks continue to shrink in purchasing power. Professor Haberler recently predicted that—

> A large country that restrains its inflation can count on many others to follow its lead.

A concentrated American effort to cure inflation and recession at home could improve our international position as well. For these reasons, I hope that we in Congress will move quickly to restore confidence in the American economy.

MORE PAY FOR FEDERAL JUDGES

Mr. McGEE. Mr. President, I ask unanimous consent that an editorial which appeared in the June 11, 1974, editions of the Los Angeles Times relating to the pay of Federal judges be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE PAY FOR FEDERAL JUDGES

Federal judges haven't had a pay increase since 1969, although the cost of living has gone up 30% in that time. The result is that highly competent jurists have quit the bench, others are on the verge of resigning, and President Nixon has been unable to fill more than 20 vacancies in the district and circuit courts.

If nothing is done, the country is going to have to settle either for a decline in the quality of the federal courts or for the appointment of much older lawyers. Neither alternative is acceptable.

District judges now receive $40,000 a year, and circuit judges $42,500. At first glance, they appear to be handsome salaries, but they average at least 60% below the income that a comparable lawyer could earn in private practice.

Younger lawyers, with excellent qualifications, reject appointments because they are at that stage in life where they are raising families and the demands on their incomes are the greatest.

Older lawyers, who have become financially secure, are more willing to serve. But they become eligible for retirement after comparatively brief service and before they can achieve their full competence in the many and complex civil and criminal issues that they must try in their courts.

Congress had a chance to raise the salaries of federal judges earlier this year. But their increase was tied to simultaneous raises for top executive-branch employes and for senators and representatives.

The senators, understandably, shied away from voting themselves a raise in an election year, and their vote to kill the legislation denied everyone an increase.

But a proposal now before the Senate Post Office and Civil Service Committee would permit the special commission that surveys government salaries to recommend adjustments every two years, instead of every four years as under existing law.

It's still a political year, and no action is likely to be taken until after the November elections. But we believe that the committee should approve the legislation, which would hold forth the hope to present and potential judges that the government may come up with at least a modest raise in two years.

Increases for legislators and executive employes should have to stand on their own merits when the commission convenes. But more money for judges is clearly in order. The alternative—a federal bench of gradually declining competence—would be infinitely more costly.

SPECIAL EMERGENCY U.S. CONTRIBUTION TO UNRWA

Mr. KENNEDY. Mr. President, several weeks ago, on May 29, I wrote to Secretary of State Henry A. Kissinger to express my personal concern over the deteriorating financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East—UNRWA, and to urge his recommending an immediate Presidential determination for a special emergency contribution to this international humanitarian agency.

As I indicated in my letter to the Secretary, official estimates indicate that some $20 million are needed to give the agency minimum financial solvency, and that the deficit for 1974 alone is approximately $10 million. According to officials in UNRWA—and this view has been shared by the Subcommittee on Refugees, which I serve as chairman, and officials in the Department of State—unless additional contributions from the international community were forthcoming within the very near future, UNRWA services, including the distribution of food rations and the education of young refugees, would be sharply curtailed.

I am gratified to report to the Senate today that, as a result of a Presidential determination authorized by the Migration and Refugee Assistance Act of 1962, the United States has committed $4,200,000 toward a special UNRWA account to help finance the agency's education program for young refugees. Coupled with a special contribution of some $8,500,000 from the European Economic Community and smaller contributions from other sources, the American commitment helps to insure that UNRWA's important humanitarian services to Palestine refugees will continue. The administration's action deserves our tribute and support.

CONSUMER PROTECTION

Mr. BROCK. Mr. President, a recent Star-News editorial concisely expresses the crucial faults inherent in the proposed Consumer Protection Agency. The fundamental goal of protection for the consumer is not challenged here; it is the means of achieving this end which deserves careful, thorough consideration. I strongly recommend this article to my colleagues and ask unanimous consent that it be printed in the RECORD in its entirety.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUREAUCRACY THREAT SEEN IN BILL

"Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flim-flam and faulty products. They see vast benefits if the consumer becomes really entrenched in government with a watchdog agency of vast power. And, having scored a three-to-one victory for this proposition in the House, they now are knocking on the Senate's door.

"The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

"This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies, as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL-CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. 'We don't regard labor relations as having a consumer interest,' a spokesman said. 'We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs.'

". . . If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

"And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster and premature tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

"Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos."

CORPORATE CONCENTRATION

Mr. MUSKIE. Mr. President, over the last 3 months, the Subcommittee on Budgeting, Management, and Expenditures, under the able leadership of Senator METCALF, has been conducting hearings into the concentration of ownership of major U.S. corporations in the hands of a very few large institutional investors. The hearings have been held jointly with the Subcommittee on Intergovernmental Relations, which I chair.

These hearings were sparked by a report of the Subcommittee issued last December, entitled "Disclosure of Corporate Ownership." Among the major findings of this study was that current procedures for disclosing corporate ownership data, and particularly data relating to voting power, are highly inadequate, and frequently misleading.

The report gives us a singularly thorough look at the ways in which information about corporate ownership is hidden from public view—not illegally or deliberately—but in accord with generally accepted methods of accounting and reporting. The result of such practices—such as the use of street name accounts in place of actual names to identify ownership—is information which too often gives no hint of the patterns of ownership of a particular corporation, or of the degree to which ownership of that corporation is concentrated in a very few hands.

Because of the importance of this report, I am pleased to draw the attention of my colleagues to some well deserved praise for it, from A. A. Sommer, Commissioner of the Securities and Exchange Commission.

In remarks prepared for delivery before a postgraduate course on Federal securities law in California earlier this month, Commissioner Sommer has presented a most thoughtful and persuasive case for the need for more complete disclosure of a number of aspects of corporate activities. With justified compliments for Senator METCALF, Mr. Sommer made the following point:

> Senator Metcalf's concern about the concentration of the ownership of major corporations in large financial institutions is strongly reminiscent of concerns that have been expressed in this country for well over a century about concentration of wealth. It may well be that the dangers of this concentration are more pronounced now than ever before, particularly in view of the emergence of huge funds of capital and pension funds, charitable foundations, investment companies and other mechanisms for grouped investments. It seems to me that some of the criticisms which Senator Metcalf and his staff have spoken about concerning present disclosure practices are well justified.

One of the major recommendations of the subcommittees' study was fuller disclosure concerning the business affiliations of officers and directors of public-held companies. Commissioner Sommer proposes a substantial expansion of this recommendation—that "all occupations and directorships of directors, officers and substantial shareholders of an issuer be publicly disclosed in the annual report."

For those concerned with issues of corporate disclosure and accountability, Commissioner Sommer's remarks are important reading. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPORT ON ANNUAL REPORTS

(By A. A. Sommer, Jr.,[*] Commissioner, Securities and Exchange Commission)

By now you have undoutedly been amply reminded that you are attending this course in the midst of the weeks during which the Securities and Exchange Commission began its existence 40 years ago. Any fair rendering of the last 40 years' history of securities regulation would, I think, as did such a rendering by Felix Belair, Jr. in The New York Times a week ago Sunday, give the Securities and Exchange Commission fairly high marks in protecting investors, assuring the integrity of securities markets, and in general advancing the reliability of information available to investors. Like any human organization, the Commission has had times of greatness, times of trouble, times of torpor, and, in the minds of some at least, times of hyper-activism.

However, while engaging in a bit of self-adulation during this memorable period, I find it helpful to reflect upon not only what has been done, but what has been left undone, despite earnest desires and enormous efforts. I have been recently reading the doctoral thesis of Professor Robert Chatov who presently teaches at The New York State University at Buffalo. This thesis, impressive both in length and quality, discusses in considerable detail the accounting profession since its advent on the American economic scene, but more particularly the relationships which have existed since 1933 between that profession and the Securities and Exchange Commission. So much that was said during the early period of the Commission's existence—the mid-30's and shortly thereafter—is remarkably contemporary in the tone and content. There was then, as there is now, a harsh suspicion in many quarters that the Commission wishes to pre-empt the establishment of accounting principles and auditing standards; there was concern that the professionalism of the accounting profession would be diluted unless there was preserved to it the opportunity for "flexibility" and judgment, with the establishment of unitary accounting principles as a foe to the preservation of these characteristics. So many of the issues seem so similar, the rhetoric so familiar. Ah, how slowly do times change.

On a broader scale, the arguments concerning the value of proposed extensions of disclosure continue unabated, the usefulness of disclosure practices continues to be questioned. Contrast, if you will, the statement of Judge Weinstein in *Feit* v. *Leasco* with that of then Chairman of the SEC, James M. Landis, uttered in 1935. Here is Judge Weinstein:

> "In at least some instances, what has developed in lieu of the open disclosure envisioned by Congress is a literary art form calculated to communicate as little of the essential information as possible while exuding an air of total candor . . . In the face of such obfuscatory tactics the common or even the moderately well informed investor is almost as much at the mercy of the issuer as was his pre-SEC parent. He cannot by reading the prospectus discern the merit of the offering."

And here is James M. Landis 36 years before:

> "Perhaps the most common complaint against the operation of the Securities Act centers about the length and complexity of the prospectus that under the law must precede or accompany the sale of a registered security . . . A different problem presents itself, however, with reference to the mass of investors, some of whom still believe that surplus is cash in the bank and that balance sheet valuations are readily convertible into money. A great question remains of how to simplify for them a thing that is naturally intricate and how to do it without running the danger of misleading them by the very fact of enforced simplicity."

Thirty-nine years later we are still concerned with the problem of conveying the information available to issuers in a meaningful, comprehensive, adequate fashion to the smaller investor. During the 40 years of the Commission's existence ideas to accomplish this have ranged from provisions for simplistic graphs and charts through to total abandonment of the individual investors in favor of the professionals. It has been suggested that, in effect, prospectuses and other documents should be in words little advanced beyond baby talk; on the other hand, Homer Kripke in referring to the "myth of the informed layman" has suggsted that disclosure documents should reflect a realization that only a professional can understand them and they should be frankly designed for his use. It has been suggested that documents be in two or more parts, with one part a simplified version directed to the average investor, and other parts of substantially greater complexity for use by the professionals and sophisticated investors (how ideas do endure: in 1935, precisely what Chairman Landis suggested with respect to prospectuses and in 1969 it was precisely what the Disclosure Study recommended with respect to certain proxy statements and in somewhat attenuated form with respect to prospectuses). Recently the Commission developed the concept of "differential disclosure," a technique which would result in greater details in the financial statements in the Form 10–K filed with the Commission, with only summarization of such additional data included in the financial statements in the annual report to shareholders.

Amid these recurring re-examinations, it is sometimes possible to discern real progress. I would suggest that one area in which this has been accomplished is the approach of the Commission to the annual report to shareholders.

Historically, the Commission, while developing an increasingly sophisticated system of disclosure in connection with distributions and in connection with filings with it, has treated the annual report to shareholders with extreme tentativeness and even deference. It has been unsure of its power to directly affect the contents of the annual report; this misgiving is amply reflected in statements of Professor Louis Loss, the Reporter of the American Law Institute's Federal Securities Code project, where he has said that one of the primary purposes of the codification effort is to give the Commission direct power over the content of annual reports to shareholders. The Commission has been hesitant to churn up the one fertile patch in which a company, and particularly its chief executive officer, can speak uninhibitedly to its shareholders of past triumphs and disappointments, the promise of future glories and the wonders of the present without having his every word passed by a gaggle of lawyers and sliced thin by Washington bureaucrats.

The Commission has, in my estimation, been too sensitive to charges that regulation of the contents of the annual report to shareholders would be an unwarranted intrusion upon freedom of speech for management; to some extent the Commission's hesitancy is probably a reflection of the notion, somewhat naive I think, that the mandated disclosures in filings with the Commission would offset exaggerations or inadequacies in annual reports in the market place.

At one time, namely 1942, the Commission did propose to extend its controls over the annual reports rather directly. Under a proposal then considered by the Commission, the annual report would have had to be filed with the Commission in advance of its use; either it or the proxy statement would have had to include extensive modifications in the Commission's power over proxy statements as a result of intense pressures brought on Congress and the Commission. An examination of the legislative history pertaining to this matter indicates that there was indeed no misgiving expressed on the part of the Congress or the Commission with regard to the assertion of direct power over annual reports; as a matter of fact, it is apparent from examining the dialog between Chairman Purcell and members of the House Committee on Interstate and Foreign Commerce that the Committee members found it very difficult to differentiate between the Form 10–K filed with the Commission and the annual report furnished to shareholders.

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[*] The Securities and Exchange Commission, as a matter of policy, disclaims responsibility for any private publication or speech by any of its members or employees. The views expressed here are my own and do not necessarily reflect the views of the Commission or of my fellow Commissioners.

To the extent that the Commission has in the past exerted power over the annual report, it has done so in two ways: one, by referring such power from its power to regulate proxy solicitations (Section 14(a) of the 1934 Act), and second, through that ubiquitous creature Rule 10b–5.

All of the present requirements promulgated by the Commission with respect to the annual report are contained in one rule under Section 14(a): Rule 14a–3 (and its correlative, Rule 14c–3). Under this rule, as it is presently constituted, anyone who solicits proxies pursuant to Section 14 of the 1934 Act is required to furnish either before or concurrently with a conforming proxy statement an annual report containing specified information (these provisions also relate to statements required under Section 14(c) when proxies are not solicited). This information must include comparative columnar form financial statements for the last two fiscal years prepared on a consistent basis, including balance sheets and income statements. These financial statements must conform to those that are in the Form 10–K filed by the issuer unless there is set forth in the annual report "any differences . . . from the principles of consolidation or other accounting principles or practices, or methods of applying the accounting principles or practices . . . which have a material effect on the financial position or results of operation of the issuer." There is permitted the omission from the statements in the annual report of some details and the condensation of some information within parameters that are further specified in other rules.

These financial statements, at least for the last fiscal year, must be certified by independent public or certified public accountants, with certain rare exceptions; it is now proposed that the financial statements for both years must be certified.

For a company which is subject to the proxy rules for the first time, the annual report must contain such information about the business done by the issuer and its subsidiaries during the fiscal year as will, in the opinion of the management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

Seven copies of the annual report must be mailed to the Commission "solely for its information," and such reports are not regarded as "filed" for liability purposes under the 1934 Act—but note, this does not remove them from the scope of Rule 10b–5.

The rule very specifically provides that "Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by management."

Obviously these requirements are restrained, limited, conservative.

The other means by which the annual report has become subject to federal requirements is through Rule 10b–5. There has been litigation, and causes of action have been found to exist, as a consequence of alleged omissions from or misstatements in annual reports, and I would say without much hesitation at this time that virtually all counsel are fully convinced that, given the broad interpretations by courts of the scope of Rule 10b–5, any material misstatement in an annual report or any omission from it of a material fact necessary to make the statements included in it not misleading may give rise to a Rule 10b–5 cause of action. As you well know, courts have held that a defendant in a Rule 10b–5 action need not be a purchaser or seller of securities to be held liable; the requirement that a violation be "in connection with the purchase or sale of a security" is satisfied by the simple existence of a trading market with public dissemination of information that may be relied upon by those purchasing or selling securities in the market or which may impact the price of securities in that market.

I think the diffidence and hesitancy of the Commission with regard to the annual report are now disappearing and there is considerably more willingness on the part of the staff and the Commission to entertain a broader interpretation of the Commission's powers in this area. In the latter part of 1972, Chairman William J. Casey appointed an Advisory Committee on Industrial Issuers to review the disclosure practices and policies of the Commission and make recommendations with regard to their change and augmentation. I was a member of the committee. Among the members of the committee, consisting not only of laywers, but representatives of the industrial community, the securities business and other government agencies, there was precious little concern with whether the Commission had the power to intrude itself into the contents of the annual report. It was, I think, unanimously recognized that the annual report was perhaps the single most effective medium through which corporate information was disseminated to the investment community and that as such it should be more fully utilized and should be made more reliable. Thus, the committee recommended a number of changes in the annual report, mostly increasing the information contained in it, many of which recommendations have now been incorporated by the Commission in proposed amendments to Rules 14a–3 and 14c–3.

One of the most significant changes suggested by that committee, which has been incorporated in the proposed revision of Rules 14a–3 and 14c–3, would be a requirement that ". . . no chart, schedule, 'financial highlights' section, graph, figure or similar material of a financial nature contained anywhere in the report shall present the results of operations or other material financial information for two or more periods, in a light either less or more favorable than the financial statements included in the report."

This is an effort to eliminate the practice, not uncommon during the financial orgy of the late 60's, when a company's financial statements would be prepared with a relative degree of conservatism and in accordance with generally accepted accounting principles, but other information in the annual report would present the same basic data in a far more favorable light and in many instances blatantly inconsistently with the information in the certified financial statements—and always, I should add, more dramatically and compellingly than the manner of presentation of the financial statements.

The proposed amendments of Rules 14a–3 and 14c–3 would significantly expand the quantum of information contained in the annual report; much of this information now in the Form 10–K would be simply repeated in the annual report. These are the additional items that would be required in the annual report:

1. A summary of operations covering a five-year period substantially in the form required by Item 2 of Form 10–K.

2. Textual information which will, in the opinion of management, indicate the nature and scope of the liquidity and working capital requirements of the issuer. Matters that should be considered include peak seasonal demand for working capital, availability and cost of credit, policies associated with the extension of credit to customers, purchase commitments related to inventories, policies followed as to the magnitude of inventory to be maintained, and future financing requirements and plans. This requirement and others like it are important. They require that management furnish not only raw information and bare facts to shareholders and the investment community, but that in addition management interpret this information in a meaningful way to assist the ordinary investor in understanding it. Too frequently I think management has had the attitude that their sole responsibility to shareholders was to give them raw data concerning the company; if the shareholders were sophisticated enough to understand it, well and good; if they were not, then that was their misfortune unless they sought professional assistance. This provision is intended to create at least a possibility that ordinary shareholders will be able to understand the financial situation of the company, will be able to understand when a company is heading into a liquidity crisis, will be able to understand when a company may be on the threshold of financial need, the satisfaction of which may pose significant peril.

3. Information about the business done by the issuer and its subsidiaries during the fiscal year such as will in the opinion of the management indicate the general nature and scope of the business of the issuer and the subsidiaries. This obviously is found in most annual reports; however, the formalization of it may have the effect of causing management to pay closer attention to the manner in which it renders this vital information. In addition, it would be required that the "line of business" reporting data contained in the Form 10–K be also reported in the annual report to shareholders. This requirement, it should be noted, reflects not only the recommendation of the Advisory Committee referred to earlier, but that of the Financial Executives Institute in 1971 and of the American Institute of Certified Public Accountants at about that time.

4. The name, principal occupation or employment and the name and principal business of any organization in which each director and each executive officer of the corporation is employed. As I will note in a moment, this information, already required in the Form 10–K and proxy statements, is not enough in the eyes of many people and should be expanded further.

5. Information about the principal market in which the securities of any class entitled to vote at the meeting are traded, and the high and low sales prices (or in applicable classes, the range of bid and asked quotations) for each quarterly period within the most recent two years, information about dividends paid on such securities during such two years, and a statement of the issuer's dividend policy with respect to such securities. I think this is extremely important additional information. Granted any shareholder with enough interest would be able to go back and reconstruct these figures, but why should that burden be placed upon him?

Historically, both in terms of time and emphasis, the annual report has been more peculiarly the domain of the stock exchanges, and particularly the New York Stock Exchange, than it has been of the Securities and Exchange Commission. For many years, the New York Stock Exchange has had as a part of its listing agreement a requirement that a company with securities listed on the Exchange furnish to its shareholders an annual statement containing certain specified information. Recently, the Exchange published its "White Paper" entitled "Recommendations and Comments on Financial Reporting to Shareholders and Related Matters." In this, the Exchange, without making it a matter of rule, set forth in fairly strong language the types of information which should properly be included in the annual reports of listed companies. In many instances these proposals also would simply repeat in the annual report information already required in the Form 10–F; in other instances the proposals go beyond that.

Here is some of the data which the Exchange suggests should be in an annual report:

1. information concerning liquidity;
2. information concerning lines of business;
3. explanation of the differences between book and taxable income;
4. details of the computation of earnings per share;
5. five-year summary of earnings;
6. information with respect to conflicts of interest between the corporation and officers and directors; and
7. a discussion of the reasons for material changes in the factors affecting the results of operations of the current year as compared with the preceding year.

The Exchange suggests that it might be useful for companies to set aside a section of the annual report for supplemental financial data. This is a resurrection of an idea which has been suggested frequently in the past—that perhaps both worlds—the one, consisting of the freely written, uncensored, colorful, lively aspects of the annual report, the other, the structured exactness of filed documents with the Commission—can be served by having an annual report consisting of two parts, each reflecting one world. The Commission has not mandated such a segmentation in annual reports and it has certainly not prohibited it. It has, as a matter of fact, on occasions recognized that companies might wish to follow this course. It may well be that mandated detailed information can be segregated from the more "glamorous" parts of the annual report. However, in the course of doing this issuers should be careful that they do not mislead investors with regard to the importance of information required by the Commission or relegate it by type-size or placements to such an extent that no investor might reasonably be expected to familiarize himself with it.

One of the reasons why the annual report is so attractive a vehicle in the disclosure scheme lies in the belief that people do read it. In the course of using it as a vehicle for the effective communication of important information, it must not become so overburdened, so lengthy, so suffused with detail that it loses the one characteristic which it has above all other corporate documents, namely, readability and readership.

With that caution in mind, I approach suggestions of additional information to be included in the annual report with some diffidence. However, I think there is good evidence that there have emerged additional areas of investor concern about which larger amounts of information should be widely circulated.

One of these is the problem of the independence of the public accountant. I am thoroughly convinced that if hope there be for the restoration of belief in corporate integrity, it lies in the integrity, the independence and the professional capacity of the accounting profession. Consequently, I feel that we should avail ourselves of every means at our disposal to shore up that independence and give the accountants every opportunity to perform their professional work in a manner that is in the public interest. At the present time, Item 12 of Form 8–K requires the disclosure of information concerning changes in a registrant's certifying accountant. The item requires that, in the case of such a change, the registrant must furnish to the Commission a letter stating whether within the 18 months preceding the engagement there were any disagreements between the registrant and the former principal accountant on any matter of accounting principles or practices, financial statement disclosure or auditing procedure, ". . . which disagreements if not resolved to the satisfaction of the former accountant would have caused him to make reference in connection with his opinion to the subject matter of the disagreement." In addition, the registrant must ask the former accountant to furnish a letter to the Commission stating whether he agrees with the statement contained in the letter of the registrant and, if not, the basis for the disagreement. We are in the process of re-examining these provisions. Many have suggested that perhaps they are too loose, that they lend themselves to evasion, that there is a normal human reluctance to hang out dirty linen which prevents the requirement of such disclosure having the effect intended.

Professor Douglas Hawes of the Vanderbilt Law School has recently suggested that information concerning change of accountants should be incorporated in the proxy statement furnished to shareholders. I heartily endorse this proposal (and would suggest, because of its readership, that perhaps the information might be included in the annual report). It seems to me that there is little information which can be made available to shareholders which is more important than information concerning disputes that have developed between the independent auditor and the management. It seems to me that the threat of more widespread dissemination of this information will lead to greater management willingness to prepare financial statements in the manner which will meet auditor approval. If there has been a change of auditors in circumstances in which there was a dispute between management and the auditors, then surely the shareholders should know this when they are called upon to vote for management and for the selection of auditors, a practice which is commonplace now. Beyond that, it seems to me that not only should disagreements eventuating in a change of auditors be disclosed, but when such a change occurs the company should have to disclose whether during, say, the three preceding years the disappearing auditor had qualified its opinion and what the nature of the qualification was. Auditors, as a consequence in some measure of the deluge of litigation to which they are being subjected, are quicker now than before to qualify an opinion and in a significant number of cases a qualification is followed in fairly short order by dismissal. Shareholders should be alerted to this sequence of events through the means best afforded to bringing it to their attention, the annual report.

Senator Metcalf of Montana is the Chairman of the Senate Subcommittee on Budgeting, Management and Expenditures which, together with Senator Muskie's Subcommittee on Intergovernmental Relations, has been conducting extensive hearings following publication of an outstanding report dealing with the problems of disclosure of corporate ownership. Senator Metcalf's concern about the concentration of the ownership of major corporations in large financial institutions is strongly reminiscent of concerns that have been expressed in this country for well over a century about concentration of wealth. It may well be that the dangers of this concentration are more pronounced now than ever before, particularly in view of the emergence of huge funds of capital in pension funds, charitable foundations, investment companies and other mechanisms for grouped investments. It seems to me that some of the criticisms which Senator Metcalf and his staff have spoken about concernng present dsclosure practices are well justified. In the case of the Commission, our statutory mandates relate principally to disclosures pertaining to "beneficial" and "record" ownership—see, for instance, Schedule A to the Securities Act of 1933 and Section 12(b) of the Securities Exchange Act of 1934; totally absent from these disclosure standards in the statutes are requirements with regard to disclosure with regard to "beneficial" (as we presently understand it) and "record" ownership without having any notion whatsoever as to the location of voting power in a corporation.

It is the voting power upon which the Subcommittees have concentrated and with good reason. Because of the statutes under which it works, the Commission is severely handicapped in gaining information concerning voting power, even though many recognize the desirability of more disclosure concerning such matters. At the present time the staff is exploring the extent to which it can mandate disclosure of this information and the extent to which we should require public disclosure of it. It seems to me that to the fullest extent feasible, without creating a body of misleading information, the Commission should require the disclosure in annual reports or in proxy statements of all material information concerning holdings of large amounts of voting power. It may be that legislation will be required to clarify and fill out the power of the Commission to compel this disclosure. Meanwhile, it is heartening that some institutional holders, notably the First National City Bank of New York, are publishing their holdings and the extent to which they have voting rights with respect to them.

It has been suggested that the threshold of disclosure be reduced from the common and conventional ten percent or five percent to a level of one percent. I have some concern as to whether the disclosure of all those who have possession of one percent or more of the voting power of a corporation would really add significantly to the useful fund of knowledge without unduly burdening the annual report or the proxy statement. However, again I think that this is a matter which should be explored. I react similarly to the proposal by the Subcommittees that the 30 largest holders of voting power in all publicly-held corporations be disclosed. In many instances I can conceive that this information would be extremely useful and extremely helpful; however, in others I think it would contribute very little to investors' protection. Again, though, this is a subject that deserves careful study.

The Subcommittees have also proposed fuller disclosure about the business affiliations of officers and directors of publicly-held companies. As indicated, Form 10–K requires that the principal occupation of officers and directors be disclosed and there have been proposals that this information be included in the annual report. However, it seems to me that the requirements with respect to this information might be further extended to require that each officer, director and substantial shareholder disclose the identity of all corporations and other business enterprises in which he has an interest as officer, director or substantial shareholder. Many of the matters which might be disclosed under such a standard are already required to be disclosed under present conflict of interest disclosure provisions; however, in many instances these requirements may not flush out the full extent to which a director may have interests that would be relevant to shareholders of a corporation in assessing his competence, his dedication to the company, and his ability to serve effectively as a director. I would strongly endorse the idea that *all* occupations and directorships of directors, officers and substantial shareholders of an issuer be publicly disclosed in the annual report.

There is the temptation to use the annual report as a means of social control; for instance, the suggestion has been made that the annual report should contain more extensive detailed information with regard to the environmental and employment practices and violations of a corporation. It frequently seems that many look to disclosure less as a means of assisting an investor in making an intelligent investment decision than as a means of promoting social policies established by other branches of the government. I do not mean to demean the worthwhileness of such other efforts. However, I think it is important that if the annual report is to be the primary means through which the average investor secures useful investment information about an issuer, it should remain as unencumbered, as direct, as simple as we can possibly make it so that it may effectively serve that purpose. If it becomes another prospectus, if it becomes prolix and extended, if it becomes weighted with legalisms, then we will have lost the last opportunity to make information conveyance to average investors a meaningful and useful process.

In this connection, it seems to me that one of the most constructive proposals that has been made during the recent round of suggestions for change is the one contained in the proposed amendments of Rules 14a–3 and 14c–3, as well as in the New York Stock Exchange White Paper, to the effect that provisions be made for any shareholder to secure without cost a copy of the corporation's Form 10–K. The need for this is demonstrated by the fact that there have been too many instances in which the annual report contents vary significantly—and invariably in the direction of less meaningful disclosure—from those in the Form 10–K. Surveys have repeatedly found, for instance, that disclosures with respect to lines of business are often stated less accurately and candidly in the annual report. In a recent issue of *Forbes* a writer compared the disclosures in the Franklin National annual report with those in its 10–K and discovered rather shocking omissions from the annual report.

Of all the proposals contained in the proposed amendments to Rules 14a–3 and 14c–3, I am told by the Division of Corporation Finance that this is the one that has drawn the most objections. Principally, these objections are on the ground that this would burden a corporation with an unwarranted and unnecessary cost. The experience of companies which have made the 10–K available without cost to shareholders has invariably been that the number of shareholders requesting the documents has been very few. Thus, if, say, one percent of the shareholders requested the document, then a corporation with 30,000 shareholders would have to furnish 300 copies. Inasmuch as typically in publicly-held companies Forms 10–K are produced in substantial quantity for circulation internally and to lenders and investment bankers and others anyway, it would seem to me that the additioal cost of reproducing a relatively small number of copies would be insignificant and that the only significant additional charges would be mailing and personnel to respond to the requests. It may well be that the Commission should permit the omission of certain financial schedules unless they are paid for by the requesting party. If that is done, it seems to me unlikely that the cost of mailing 10–K's to requesting shareholders would be more than $1 to $2 a copy. If the experience of other companies is truly indicative, and if that cost estimate is a realistic one, then it seems to me that that is a very small price to pay to more fully inform shareholders and other members of the investing community.

Should we take another step to give the annual report integrity by requiring that it be filed prior to use? I do not think so. I can readily appreciate and sympathize with the concern that has been expressed by issuers that such a requirement would lead to all the frustration, delays, prolixity, verbal obtuseness that attend 1933 Act prospectuses. The very reason why the annual report is a better medium for informing shareholders than the proxy statement derives, frankly, from those characteristics which it has acquired as a consequence of the public relations arts. People are far more likely to spend time with a document that has a fetching cover, is printed on glossy paper, is replete with multi-color illustrations, is punctuated with easily understood charts and graphs, and is written in good English style with colorful adjectives and compelling verbs. If these qualities are lost, then the annual report will lose much of that which gives it its potential as a vehicle for fuller and better communication. I must candidly confess the Commission's staff has not historically appeared to have much tolerance of the P.R. arts and I would fear for the annual report's vitality if it came under our scalpel.

In addition to changes that relate specifically to the contents of annual reports there are other changes pending or made which will impact those contents, particularly in the accounting area. The Commission is steadily expanding the information which must be in financial statements filed as part of Form 10–K. These changes have required or will require more information concerning compensating balance arrangements, costs of borrowing, deferred taxes, accounting policies and the like. While this additional information must be set forth *in extenso* in the financial statements of the Form 10–K, the Commission does expect that it will be summarized adequately in the financials in the annual report.

This incidentally is the "differential disclosure" concept about which there has been some controversy. This is an effort by the Commission to avoid deluging the ordinary investor with a mass of unmanageable information and detail while making it available to the professional and the sophisticated investor who can use it intelligently. The thought is that the detail is *available* to everyone but that actually putting it in documents such as annual reports which are intended for widespread distribution may really result in poorer rather than better disclosure. Nonetheless, the combination of adequate summarization in connection with the financial statements contained in the annual report and the availability of the Form 10–K upon request of a shareholder should assure that no one is being discriminated against as a consequence of "differential disclosure."

In one area it is impossible to effectively legislate—and that is in candor. When the Commission and the New York Stock Exchange are finished writing their new prescriptions for the contents of annual reports, they still can be misleading—in some cases culpably so, in others not so culpably—if management does not choose to level with its shareholders and with the investment community. If the hard facts mandated for inclusion in the annual report are inundated in fluffy meringue, then the annual report will serve its purpose little better than it has done historically. There must, above everything else, be a realization on the part of management that candor, forthrightness, honesty and directness with the investment community are essential to public acceptance of a corporation's securities. When suspicion exists that a corporaiton has not been forthright, has not been honest, has not been candid, then the price paid in the market place, not only by it, but by its shareholders as well, can be simply devastating.

The annual report and the requirements for informational content cannot be static; rather it must constantly reflect what is important to investors. In other days, environmental problems were of little consequence to investors; now to many they are a meaningful measure of a corporation and its management. Thus the contents of the report must constantly adapt to the necessities of the time. Unfortunately, we know precious little of the information which actually goes into an investor's decision, hence many of our conclusions about what should be in an annual report must reflect conjecture and surmise. This limitation of knowledge however, should not prevent intelligent judgments about what investors need to know, and when we make that judgment, we must then determine how they can best be given the information they need.

With its hesitancies now gone, with its legal authority better recognized, the Commission is now moving toward making the annual report a more effective means of informing the markets about issuers. This need not be done at the cost of that which is good in the annual report; it need not be done at the expense of the opportunity of corporate officials to comment on the past and the future; it need not be done at the expense of all the public relations techniques which enliven most annual reports. But the annual report must become a more reliable, a fuller, a more candid statement of information important to the average investor—and along with it it will also become more useful to the professional and the sophisticated investor.

I think fairness demands that we recognize the extent to which annual reports are doing a better job than before. In examining them through the years it is apparent that many issuers are striving more conscientiously to make them fair, accurate, meaningful, useful and even candid, and certainly if one contrasts them with the practices of a generation ago the change is immense. But I think there is room for improvement. The continuation of greater Commission attention, greater recognition by management of the financial as well as legal penalties for fudging and the demands of investors are going to result in that improvement.

LAOS REFUGEES STILL WAIT TO GO HOME

Mr. KENNEDY. Mr. President, a decade of war in Laos has turned that small country into a nation of refugees—with nearly half the population forced to move once, and often many times, because of the shifting tides of war.

Hardest hit have been the highland peoples of Laos—the Meo—who bore the brunt of the conflict and who have been pushed from their highland homes to the crowded plains along the Mekong. There they remain dependent refugees today, because there is no land and no way for them to become self-sufficient again.

Recent field reports indicate that some 800,000 refugees are still settled along the narrow strip of land controlled by the Vientiane—former Royal Lao—Government, and that almost 80 percent want to return to their homelands. Small numbers of refugees have already made their way back to their homes since the cease-fire took effect. But for the vast majority returning home is still a long way off—both in distance and in the assurance of security. Going home is something they cannot do without help—help in moving, in housing, and in food, for a period until their first crop.

But most important, they need the security of peace—and that peace can only come when the new coalition Provisional Government of National Union begins to function throughout all of Laos. And it is to this goal that our Government must devote our every resource.

Mr. President, I fully appreciate the difficult problems in bringing normalization and peace to the people of Laos, and the added problems in bringing a unified administration to all areas of the country after many years of civil war. We must surely recognize the need for a time of transition—but we must not lose sight of our obligation to give the new Government a chance to work. We must continue to support and help the refugees while they wait, but we must guard against using our aid program to perpetuate old relationships and the division of the country.

Our true remaining obligations in Laos, and all of Indochina, are to the people in need of relief and rehabilitation. We can meet that obligation without further involving ourselves in the remaining political conflicts in the area, if we provide humanitarian assistance and channel it through international organizations and voluntary agencies, and if we end our old master-client relationship with the governments of the area.

As the Congress considers this fiscal year's Indochina aid program, the refugees of Laos should be given the priority they deserve. Their situation, and the history of their problem, has been stated most clearly in a recent essay by John Burgess for the Washington Post.

Mr. President, I would like to draw to the attention of Senators this excellent article on the plight of the refugees of Laos, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, June 30, 1974]

LAOS REFUGEES STILL WAIT TO GO HOME

(By John Burger)

VIENTIANE, LAOS.—On the Vientiane Plain, they live in crowded settlements and farm upland rice on fields they have hacked from the forests. In the mountains of Xieng Khouang province to the north, some grow crops on rocky hillsides and others live on supplies delivered by American airplanes.

They are refugees, some of the estimated 800,000 people forced from their homes by the war that ravaged Laos until shortly after the ceasefire of Feb. 22, 1973. Though the battlefields of Laos have been still for 16 months and the Vientiane government and the leftist Pathet Lao have been working together in a coalition for two, the refugees still are waiting to go home.

When one asks a refugee in Laos if he will go home, the answer is almost invariably, "Yes," but with a qualifier: "When the big people send us back, we'll go back. If they don't, we'll stay here." So far the "big people" on both sides of the coalition have been preoccupied with other things. So these refugees stay where they are and wait.

A recent survey of 392,567 refugees conducted by the Laotian Social Welfare Department in Vientiane found that about 80 per cent said they wanted to return to their native villages. (The survey found that there were a total of over 769,000 persons displaced by the war living in the Vientiane government zone. The total population of Laos is thought to be something under 3 million.)

Few seem to be wary of returning to areas controlled by the other side if peace is guaranteed. In general it was not the Pathet Lao's presence that made them flee their homes, but the fighting and American bombing that inevitably followed. Though exact figures are not known, the Pathet Lao zone also was saddled with hundreds of thousands of refugees—people who escaped into the zone when ground fighting reached their homes and those who relocated their villages in forests and caves because of the bombing. But most people faced with the need to move chose the Vientiane government zone, where there was some guarantee of physical safety and ample supplies of rice from the Americans.

Small numbers of people already have made their own ways back home to Pathet Lao-controlled territory. Laotian officials estimate that about 3,600 people have returned to homes in the Pathet Lao zone around the royal capital of Luang Prabang.

But for these people home was just a day or two's walk into the next valley. For the great majority of displaced Laotians, moving back is something they cannot and will not do on their own. They need rice for at least a year, old people and children would find the journey difficult, houses must be built from scratch and fields cleared anew. And there is the agonizing, but ever-present possibility of more war.

FORCED EVACUATIONS

There are, of course, political questions too. During the war the Vientiane faction and the United States strove to depopulate the Pathet Lao zone through forced evacuations and day and night bombing of civilian targets. At the close of the fighting it was estimated that about two-thirds of Lao's people lived in the Vientiane government zone, even though that government controlled less than a quarter of the country.

Many rightist politicians in Vientiane are not anxious for large numbers of people to return to the Pathet Lao zone, where they would help rebuild that part of the country and no doubt vote for Pathet Lao candidates when elections ultimately are held to reunify the country. But for the same reasons the Pathet Lao are determined to regain the people they lost during the war. So far the Pathet Lao have emerged as the dominant force in the coalition and it seems likely that they will get their way in the end.

Politics aside, the realities of the situation are that the Vientiane zone does not have the resources to support the people who live in it. Either the refugees must go home or there must be a continuing long-term commitment from a foreign agency to support them. For the past 4 years, that foreign agency has been the United States Agency for International Development (USAID) which as of May 31 was still supporting 164,336 people in Laos at a cost of about $15 million yearly.

A year ago USAID was supporting 357,000 people. Since 1960 USAID in Laos has been on hand to give rice, cooking utensils and medical aid to anyone leaving the Pathet Lao zone. USAID supplies also kept alive tens of thousands of military dependents during the war. But since the ceasefire, USAID has cut its rolls by over 50 per cent and forced many refugees to support themselves.

USAID's head office in Vientiane has issued a directive that any refugee wishing to return to the Pathet Lao zone is to be given one month's food rations and a few other supplies. U.S. officials say that in Luang Prabang many of the 3,600 people who migrated home carried USAID rations with them.

REDUCING THE ROLLS

The protocols to the Laotian peace agreement state that "the people who had to flee during the war have the right to choose whether they wish to stay where they are or to freely return to their old villages . . . Both sides will use every means . . . to help them remain where they are or return to their old villages."

The refugee question is the responsibility of the Joint Commission to Implement the Agreement, a body in which Vientiane and the Pathet Lao are equally represented. At present the commission is still working out details of the neutralization of Vientiane and Luang Prabang and the separation and demarcation of opposing forces in the field.

In answer to a question, the Pathet Lao spokesman for the joint commission said that "we haven't discussed the refugee problem yet." He said that it would be on the agenda as soon as the other problems were cleared up. The commission functions slowly and it could be many months before this question comes before it.

On the Vientiane Plain, where USAID once fed about 46,000 people, most of them lowland Lao from northern Laos' Plain of Jars and environs, USAID has cut the rolls to about 2,500 people. On paper USAID's rules of assistance are that if refugees are put on resettlement sites where it is judged that there is sufficient farmland so they can support themselves, the people will be fed until their first rice harvest.

But it rarely has worked that way. The inhabitants of the Plain of Jars were resettled in areas where USAID thought they could support themselves, but for three years supplies were cut after the rice harvest and then resumed because of poor yields, pestilence and political pressure to keep the people happy. But this year the support finally ended. Last year's harvest was one of the best in recent history and USAID seems anxious to cut spending in Laos as much as possible.

One USAID official estimated that this year about 70 per cent of the Plain of Jars refugees would have sufficient rice to make it through to the next harvest in November; another 20 per cent could make ends meet by working as day laborers and operating stalls, and that the remaining 10 per cent would make it through by borrowing from friends and neighbors. A Laotian researcher attached to the Social Welfare Department put it this way: "Most have enough to eat, but with the land they have they'll never be well off."

But at the settlements themselves, one hears a different story—that upland rice fields are unproductive; that there is not enough to eat; that animals die before reaching maturity; that USAID should resume rice supplies.

It is difficult to ascertain independently how much of the complaining is genuine and how much is an attempt to get something for nothing. But it is immediately apparent to the visitors that these villages are a cut below the permanent villages on the Plain of Vientiane. The houses are made of bamboo, the roofs of thatch and there are far fewer chickens and pigs wandering around.

One USAID worker commented that he had originally thought that the people were lazy and unwilling to develop the land they had, but "after three years of surveying I think the people are tremendously energetic." In general, he thought, they have as much to eat as other farmers on the plain. But the Americans generally concede that the refugees have received the worst land on the plain (the best being already taken) and that they are not willing to work it as hard as they would their own land on the Plain of Jars.

STRONG TIES TO LAND

I have yet to talk to a Plain of Jars refugee who did not say he wanted to go home. Ties to ancestral land are extremely strong among the Lao. These people were forcibly evacuated from the Plain of Jars in early 1970 after living for five years with the Pathet Lao and enduring some of the heaviest bombing in history.

The refugees talk of the pre-war Plain of Jars in almost idyllic terms, of how the air was cool, water was plentiful, there was enough paddy land for everyone and life was good. Then came the bombing in 1964 and by 1968 every village had been destroyed and the people were forced to live in the forests and farm at night.

"My old house had seven rooms—but the airplanes destroyed the whole thing," said a 47-year-old farmer with a laugh. Despite the trauma that the people experienced with the

American air war, they direct no visible hostility toward foreigners.

The farmer's house at Phan village, about 25 miles north of Vientiane, was a single-room structure. He said that some of their farmland was periodically flooded by the nearby Nam Ngum River and that there had been land disputes with old villages in the area. "If we stay here, we'll stay poor," he said. "The good land is all taken."

Everyone says he wants to go home, but some USAID officials predict that once given the chance, not so many actually will. The younger people have been exposed—in however limited a way—to the bright lights and luxuries of Vientiane. Educational opportunities are better on the Vientiane Plain and in 4½ years they have invested considerable labor in their present homes and fields.

But for the time being the move is unthinkable for all of them without assistance and assurance from the "big people." The move back would be as disruptive as was the move down to the Vientiane Plain. They would need rice, transportation (in 1970 they were flown out of the Plain of Jars on American airplanes), medical assistance and new tools and building materials.

TOO MANY PEOPLE

For the most part the refugees have no fears of living under the Pathet Lao. From 1964 until they left in 1970, the Plain of Jars was Pathet Lao territory, and, among people whom they trust, most refugees speak well of life under their administration. And if all of the North Vietnamese combat troops in the Pathet Lao zone were to leave, the situation would be even more attractive for the refugees.

In Military Region II, the situation is more complex. Region II was the scene of the heaviest fighting of the war. According to Phil J. Buechler, head of USAID operations in the region, there are now about 135,000 people living in the bit of mountainous Region II that the Vientiane government held at the time of the ceasefire, about 1,000 square miles. American surveys have concluded that the area can support only 55,000 people.

It is in Region II that USAID's refugee support activities are concentrated. At present the Americans feed just under 90,000 people there, down from a high of about 156,000 last November before the post-harvest relief cuts. But as people's rice stores run out, the flow of American rice is being resumed and some officials expect that about 130,000 people will be back on support by November.

Relief operations are centered at Ban Xon, a large airstrip, hospital and market complex about 70 miles north of Vientiane. Every day American planes fly from Vientiane to deliver rice, high protein noodles, medical supplies and passengers to about 100 refugee supply sites scattered around the mountains and valleys. About another 75 sites are supplied by truck.

Here most of the refugees are not lowland Lao, but ethnically separate Meo tribesmen and Hill Lao. All around the Ban Xon area the mountains are bare of trees where people have cut and burned the forests to clear fields. The valley is only about 1,000 feet above sea level and it is full of malaria-carrying mosquitoes. At this time of the year the 250-bed hospital that USAID runs is full; about 70 per cent of the patients have malaria.

Refugee support in Region II is handled exclusively by USAID. USAID also funds agricultural assistance and loan associations in an effort to get as many people as possible up to subsistence levels. But given the number of people and the area of land, there must be fundamental changes in the situation. "They have to move," said Buechler.

Though as elsewhere in Laos there is virtually no fighting in Region II, the military situation remains tense, with both sides manning the lines with their best troops. American officials say that to their knowledge in Region II no one has made the move back into the Pathet Lao zone.

"Most of the people would like to go back, but it's not going to happen overnight," Buechler commented. Among the hill people of Region II there is probably more apprehension about living with the Pathet Lao than elsewhere. The Meo and Hill Lao people were the mainstay of the U.S. Central Intelligence Agency's clandestine army which bore the brunt of the fighting with the Pathet Lao and North Vietnamese.

CLEARING FORESTS

In the far south of Laos, around the town of Pakse, most of the approximately 50,000 people who were on USAID support at the time of the ceasefire are now on their own, either living in their old villages which were in the fringe areas of the Vientiane government zone or working rice fields at "permanent" resettlement areas. As of May 31, USAID was feeding 7,956 people around Pakse.

Last December, I accompanied some of 350 families who were being moved from a temporary site to a permanent site outside Pakse. Carrying everything they owned, the refugees boarded trucks and were deposited along a rough dirt road newly built through heavily forested hills.

With assistance from USAID, the people were to cut wood and build houses, clear upland rice fields from the forests and support themselves within a year. Those with whom I spoke said they did not want to make the move but wanted to go back to Saravane, their old home now controlled by the Pathet Lao and North Vietnamese.

American officials last December said that about 800 people had moved back into the Pathet Lao zone on their own, but in general people were reluctant to go because of the continued presence of North Vietnamese and forced porterage duty on the nearby Ho Chi Minh Trail.

But for the great majority going alone is unthinkable. They will wait until Vientiane and the Pathet Lao have settled the country's security questions and can give them material assistance in the move. There remains the possibility that in the event of a major migration USAID might continue assistance to the people after they entered the Pathet Lao zone.

The rapid influx of thousands of dependent persons would strain the Pathet Lao's resources. Reports in Luang Prabang indicate that the leftists are discouraging further migrations into their zone until after the rice harvest late this year.

In material terms the refugees of Laos are among the best cared for in the world. Compared to refugees in South Vietnam, the Mideast and Bangladesh, many of Laos' refugees live in relative luxury. But for them the psychological jolt of living in a strange and unfriendly environment is as painful as the physical hardships themselves.

Like peasant people all over world, Laotians take great satisfaction in working the land that they and their forebears grew up on. Few will be happy until they can return there.

ENVIRO-ELITIST

Mr. MUSKIE. Mr. President, recently the National Observer printed an article by Mr. Ray Kudukis, director of public utilities for the city of Cleveland, and member of the National Commission on Water Quality, entitled "In Response to an 'Enviro-Elitist.' "

The article is a strong and lucid reply to an earlier article by Dr. Frank Schaumburg which criticized the Clean Water Act of 1972 for which I was the principal sponsor; the National Commission on Water Quality of which I am a vice chairman; and, indeed, our representative system of government which I serve as a U.S. Senator.

Dr. Schaumburg's article was distressing not just because he misinterprets the purpose and intent of the 1972 clean water law and not just because he misapprehends the purpose and intent of the National Water Quality Commission. The article suggests a basic lack of understanding of a system composed of elected representatives who reflect the views, aspirations and goals of all the people—not just who are technicians, academicians, and professionals.

Mr. President, Mr. Kudukis has written an excellent reply. I commend it to the Senate and ask unanimous consent that Dr. Schaumburg's original article and Mr. Kudukis' response be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Observer, May 4, 1974]

"ENVIROPOLITICS" IS A POLLUTANT, TOO

(By Frank D. Schaumburg)

In the fall of 1972 Congress passed by a near-unanimous vote a very crucial piece of environmental legislation, the 1972 amendments to the Water Pollution Control Act. It is not surprising that the act received such strong congressional support, since a "nay" vote on any environmental measure could constitute political suicide.

Americans most often look to their political leaders in Washington, D.C., for remedies or solutions to technological and all other domestic problems. But why? Is it because politicians are considered omniscient, or because they possess the authority to legislate? Throughout recent history Americans have been lulled into the belief that laws and large appropriations can serve as a panacea for all ills. The public will soon come to the realization, however, that laws cannot create energy nor can they magically cleanse the environment. Yet Congress proceeds undauntedly in its efforts to legislate away all ills.

This article will explore the interrelationship among politics, laws, and the environment. This will enable the reader to better understand why some of our nation's problems are being intensified rather than attenuated by political involvement.

The 1972 Water Pollution Control Act is based upon many elements of unsound scientific reasoning and fact. For example, it elucidates a national goal of "zero water pollution" by 1985, a goal that is thermodynamically, technologically, and economically unrealistic and in fact impossible to achieve. If interpreted literally, this act might be viewed as an attempt by Congress to amend the basic laws of science and nature.

Another serious shortcoming of this act is the obvious lack of concern for its many negative impacts on the air and land phases of the environment. Should the act continue to be implemented as the Environmental Protection Agency (EPA) administrator is currently directing, the sparkling waters achieved will be masked by polluted air and debris-laden land. Of course, laws could be passed to deal with these problems once they become manifested in critical proportions. This issue of concern for the *total* environment has been addressed in my paper, "Nature—An Important Factor in Management of the Total Environment," which will be presented at the seventh annual conference of the International Association on Water Pollution Research in Paris next fall.

ADVICE WITHOUT EXPERTISE

While preparing this technical paper I carefully reviewed the content and early consequences of the 1972 act. Several perplexing questions surfaced. For instance, how could such a technically unsound piece of legislation be promulgated? And why has this act resulted in an implementation program based upon adversary procedures wherein dischargers are dealt with like criminals and given only the guilty or not-guilty alternatives?

Answers to these and related questions become readily apparent when the political fabric and framework of our legislative processes is examined. Of particular interest is the expertise (or lack of expertise) of the President, our senators and representatives, and members of the commissions, committees, and boards appointed by the President or Congress. The remarks and explanations that follow should be referenced with the adjoining diagram, which illustrates the political maneuvering involved with implementing the 1972 act.

Consider first the composition of our Government's legislative branch. Of the 100 U.S. senators, 98 have nontechnical backgrounds; 60 are lawyers. Only 10 of 435 representatives have technical backgrounds; 208 are lawyers. Little improvement is found in the executive branch. Not only is the President a lawyer, but he leans almost exclusively on lawyers for advice and counsel, even on technical matters.

Though constrained by a deficiency in technical experience and expertise, the 92nd Congress created the highly technical—and in my view politically expedient—1972 Water Pollution Control Act. The act did, however, clearly reveal Congress' concern that its rigorous provisions and goals might have a serious impact upon technology, ecology, economics, and society. To quell this concern, Congress created through the act the National Commission on Water Quality (also known as the Rockefeller Commission) to evaluate the act's impacts. The commission is to report its findings back to Congress by 1975.

A rational person might logically assume that appointments to this 15-member advisory commission would include representation from industry, ecology, engineering, economics, and perhaps even a politician or two. Though rational, such an assumption demonstrates political naivete. After all, why should Congress permit its publicly popular environmental act to be open for criticism by a knowledgeable segment of society?

As a consequence, the *act specifies* that five commission members shall be appointed from the Senate, five from the House, and five shall be selected by the President. Twelve of the 15 commissioners have nontechnical backgrounds, including its chairman, former New York Gov. Nelson Rockefeller. It becomes all too apparent that Congress assigned a segment of itself to advise itself on matters beyond its intrinsic expertise. This provision of the act clearly illustrates the political game that is being played at the expense of the environment.

From a citizen's perspective, the needs and concerns for environmental quality should transcend partisan politics. But then consider the aspirations of some of the commissioners. Chairman Rockefeller, a likely Republican Presidential contender, is matched against vice chairman Edmund Muskie, a Democratic Presidential hopeful. Since Senator Muskie introduced this legislation, he is committed to defend it before Congress and the public. It is very likely that he will attempt to divert the commission, its staff, and its consultants from any consideration of the act's highly unrealistic 1983 and 1985 goals. On the other side of the political fence, it might be politically expedient for Nelson Rockfeller to discredit the act and with it a political opponent, Senator Muskie.

Congress provided the commission with a $15 million budget to undertake its important mission. One of the major expenditures to date has been the assembling of a large, predominantly nontechnical staff to assist and advise the commission.

The act stipulates that the commission can retain as consultants such eminent technical groups as the National Academy of Sciences, the National Academy of Engineering, and the National Institute of Ecology. I have been an adviser to the Institute of Ecology relative to its assignment with the commission.

INSULATED BY POLITICS

It can be noted on the diagram that the technical groups have been relegated to the periphery of the decision-making process. Their reports will be routed to the commission staff, which will report to the commissioners, who will report to the public-works committees of the House and Senate, which will make the final report to Congress. The amount of technical input that can pass or filter through these many layers of nontechnical, political insulation will very likely be minimal.

The act provides a conceptual blueprint for the development of an implementation and enforcement program by the EPA. It is not surprising that President Nixon entrusted this tremendous environmental assignment as EPA administrator to a fellow lawyer, Russell Train. Before Train, fellow lawyer William Ruckelshaus was our nation's environmental leader.

Recognizing that professional, technical input should be made available during implementation, Congress provided in the act for two committees to advise the EPA administrator. One committee, the Effluent Standards and Water Quality Advisory Committee, was required by law to be comprised entirely of technical experts—which it is. Unfortunately, Congress failed to provide *any* budget for this committee to meet and function. Consequently, its effectiveness has nearly paralleled its budget level.

The second committee, the Water Pollution Control Advisory Board, is also nearly defunct, but for another reason: Its chairman, as specified by the act, is the EPA administrator. The administrator rarely, if ever, calls the board together for a meeting. It is doubtful that the board could provide much counsel, since eight of its nine Presidentially appointed members have nontechnical backgrounds.

AN UNREALIZED INTENT

After the EPA has developed specific standards for municipal and industrial waste discharges, the task for enforcement is delegated through its regional offices to the 50 states. Even though the act purports to increase state control on environmental matters, the reverse situation has actually resulted. As a consequence of this act and the implementation programs specified by the EPA, many previously effective state programs have been destroyed or seriously weakened. State regulatory agencies now serve only as puppets and policemen for the EPA and are buried in a bureaucratic quagmire of forms and paper work.

The predominance of lawyers in all phases of our political framework has resulted in adversary procedures and problem oversimplification. It must be remembered that laws alone cannot solve technical problems; they can only provide avenues to seek solutions. Voters all too often equate laws, lawyers, and politics. They must recognize that a law consists of basically two elements, substance and form. Lawyers are skilled primarily in the latter.

As a consequence, many of our laws, especially technical laws, may sound appealing but frequently are shallow and ineffective. For example, the obvious intent of the 1972 act's sponsor was a cleaner environment. However, that intent was not transformed into a substantive and workable law, owing in part to the obvious lack of reliable technical input.

The tenor of my remarks might suggest opposition to nontechnical persons, especially lawyers, being entrusted with lawmaking, law implementation, and law enforcement. This is certainly not my intent. I am confident that many of the engineers, scientists, physicians, and others in the technical segment of society would fail miserably in the political arena. My thesis is simply that politicians and their appointees must recognize their technical limitations and seek counsel from those who are knowledgeable rather than from those who will say what the politician wishes to hear. Our environment will not be effectively managed until our politicians become more technically sensitive and our technologists more politically sensitive.

IN RESPONSE TO AN "ENVIRO-ELITIST"

(By Raymond Kudukis)

This Nation's recent environmental movement brought significant new public awareness, strict new antipollution legislation, and new everyday words, such as ecology, to the language. It also has brought an emerging form of elitism—which I call "enviro-elitism," replete with technological breast-beating and political naivete.

A good example of such elitism was displayed recently by Frank Schaumburg in his article "Enviropolitics is a Pollutant Too," which appeared in The National Observer on May 4. In the article he criticizes the Federal Water Pollution Control Act Amendments of 1972 and the National Commission on Water Quality, set up by the act to study its various impacts. Dr. Schaumburg, head of the Department of Civil Engineering at Oregon State University, asserts that the act is "based upon many elements of unsound scientific reasoning and fact," and cites as an example the ambitious goal of the elimination of discharge of pollutants by 1985. He states the well-known cliche that the American people "have been lulled into the belief that laws and large appropriations can serve as a panacea for all ills."

Many people certainly could have said that President Kennedy's goal of putting a man on the moon within 10 years also was based on unsound scientific reasoning and fact, and that in the early 1960s that goal was excessively ambitious. But this nation went ahead anyway—and succeeded.

Of course, laws by themselves cannot create nor magically cleanse the envrionment. But they do indeed lead to action that will create and cleanse the environment. How else but through strong laws can we compel huge, powerful concerns to fulfill their responsibilities in cleaning up the environment? The 1972 law was passed precisely because the technicians, the industrialists and others, never had the power, nor the inclination, to do it. Now it is time for public action. I submit that the overwhelming vote for the 1972 law was not a fear of political suicide, as Schaumburg contends, but a simple response to, and agreement with, the public will. This law is vastly complex and far-reaching. It is certainly not a perfect law. Few are. But it is the law!

I can allow Schaumburg the freedom of his theories and beliefs, but I question his familiarity with the 1972 law and the task of the National Commission on Water Quality, which he contends was created to quell a concern that somehow Congress created a monster in passing the 1972 act. Besides arguing paradoxically that it is at the same time a "technically unsound piece of legislation" and a "highly technical" piece of legislation, he apparently missed one of its tenets. Asserting that the law demonstrates "a lack of concern for . . . negative impacts on the land and air phases of the environment," he goes on to say that he, himself, will address the total environment aspects in a technical paper to be delivered in Paris this fall.

A short quote on the charge in the 1972 act to the commission should alleviate any doubts as to the commission's specific tasks: The commission "shall make a full and complete investigation and study of all the technological aspects of the total economic, social, and environmental effects of achieving or not achieving, the effluent limitations and goals set forth . . . in this act."

REFINING THE LAW

The commission is unique in at least two ways. First, unlike so many others that look primarily into the past to see what went wrong, this commission is concerned primarily with the present and future capacity of this country to clean up its waters. Also, it is the first time to my knowledge that Congress has passed a law—and with enlightened forethought—has set up a body to evaluate the possible impact of that law. The commission will go back to Congress with its findings, which may be used as to tool to refine the law, if necessary.

From his elitist perspective Schaumburg bemoans the fact that "12 of the 15 commissioners have nontechnical backgrounds." It is surprising that he did not take his quest for pedigree a step further. He might have investigated how many congressmen are doctors to be able to pass relevant medical legislation, or how many are farmers to pass farm legislation, or laborers to pass laws concerning workers. Let us consider the logic of a commission of 15 experts, each an authority in his field. It is easy to see that if we had a noted environmentalist, a noted naturalist, a dean of law, a top sociologist, etc., we soon would come to an impossible situation. If any agreement were reached, it would be based on the expertise of only one man. It would be an elitist policy-making situation. If the question dealt with environment, who on the commission would argue with the foremost environmentalist? If it dealt with the law, who would argue with the foremost lawyer? If it dealt with a social question, who would argue with the top sociologist?

ADOPTION AND APPLICATION

No commission within our system should be made up of elitists who by themselves possess all necessary information for a decision. Rather it should be made up of persons who know where to seek information and, after receiving it, know how to adopt and apply it.

We must remember in the quest for technological truth that laws are passed for the benefit of the people and the laws must reflect a sensitivity to the public's proclivities and needs. This can be done only by balancing humanism and technology, with neither dominating the other. After all, it is not only the technology aspects of water-pollution control that are important, but social, economic, environmental, and political aspects as well. Lest we forget—it is the average citizen who elects the lawmakers. It is the citizen who has the right to understand the law and its implications, for it is he who will eventually have to pay the bill.

This balance of humanism and technology can best be achieved by ensuring that any lawmaking body or commission that advises it be representative of the people. A close look at the makeup of the National Commission on Water Quality shows that the members do represent a cross-section of the people.

DECADES OF SERVICE

First let me make it clear that as one of three technical members of the commission, I am not speaking for the commission but as an individual.

Ten of the commissioners are from the House and Senate public works committees. This is of great importance because the commission thereby has a direct link with the Congress and committees dealing every day with questions of environment. Although all members of those committees may not have the degrees Schaumburg would like to see, their decades of service gives them a background that can easily match those of Ph. D.s. The remaining members—those appointed by the President—reflect not only technical expertise in the public and private sectors ,but an equitable geographic distribution as well. This gives the commission a necessary cosmopolitanism that enviroelitists might find difficult to accept.

Moreover, the commission's staff is well-balanced. About 25 of the 40 professional staff members have technical backgrounds.

There would be great danger in having commission members with technical backgrounds who are able to look at the 1972 law and state 11 years in advance that the 1985 goal is "thermodynamically, technologically, and economically unrealistic and in fact impossible to achieve," as Schaumburg does. We could also end up with one environmental expert making, political predictions two years before an election, while political observers who spend their lives in the field scratch their heads and furrow their brows, wondering who the political candidates might be. Not only does Schaumburg know that former Gov. Nelson Rockefeller and Sen. Edmund Muskie, two commission members, will be the Presidential candidates in 1976, but he also knows their motives for participating in the National Commission on Water Quality. He just cannot concede to them a genuine interest in the problems of water pollution.

We are well aware of the dangers of "isms." Elitism is particularly dangerous because of its subtlety and beguilling surface logic. Certainly our laws are not perfect, but God help us if we see the day when they are promulgated or even evaluated by a class of elitists.

Mr. RANDOLPH. Mr. President, I join with Senator MUSKIE in commending to the Senate's attention an article by Raymond Kudukis, entitled "In Response to an 'Enviro-Elitist.'" The article, which appeared in the June 15, 1974, issue of the National Observer, is in response to an earlier article by Dr. Frank Schaumburg, "Enviropolitics is a Pollutant, Too," which also appeared in the National Observer.

Dr. Schaumburg criticized the 1972 Federal Water Pollution Control Act Amendments and the National Commission on Water Quality, on which I serve. He asserted that the act is "based upon many elements of unsound scientific reasoning and fact," and that the Commission, established by an amendment to the 1972 act which I sponsored, was set up to quell any concern that Congress had created a monster.

Mr. Kudukis, one of five public members of the Commission, states in response to Dr. Schaumburg:

> How else but through strong laws can we compel huge, powerful concerns to fulfill their responsibilities in cleaning up the environment? The 1972 law was passed precisely because the technicians, the industrialists and others never had the power, nor the inclination to do it. Now is the time for public action.

The Commission's legislative mandate is to fully and completely investigate and study "all of the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving the effluent limitations and goals" set forth in the act. Mr. Kudukis points out that the Commission is unique in two ways. The first is that the Commission's interest is in the future, not the past; and the second is that "Congress has passed a law and—with enlightened forethought—has set up a body to evaluate the possible impact of the law." The findings of the Commission, to be reported to the Congress in October 1975, can be used as a tool to refine the legislation, if necessary.

The Commission membership is made up of a representative cross section of the people across the Nation and the technical fields demanded for such a study. Mr. Kudukis, a civil engineer and director of public utilities for the city of Cleveland, and other public members reflect the technical expertise necessary to complete the Commission's task. The other public members are: Gov. Nelson A. Rockefeller, who serves as Chairman; William R. Gianelli, a consulting civil engineer and former director of the California Department of Water Resources; and Edwin A. Gee, senior vice president of the DuPont Corp.

There are five members each from the Senate and House, as well. Representing the Senate, besides myself, are Senators MUSKIE, BENTSEN, BAKER, and BUCKLEY. The House Members are Representatives ROBERT JONES, JAMES WRIGHT, JOHN BLATNIK, WILLIAM HARSHA, and JAMES GROVER.

The Commission is staffed by professionals with expertise in all disciplines of technology, social sciences, economics, the environment, and political institutions.

The Commission's charge is a compelling one: to investigate and evaluate the implications of one of the most far-reaching and technical pieces of legislation ever passed by the Congress. Mr. Kudukis' dedication to cleaning up our water sets an example for us all. Through the insight that he and other members bring to the Commission, and under the able leadership of our Chairman—Governor Rockefeller—and Vice Chairmen—Senators MUSKIE and BAKER, Representatives JONES and HARSHA, and Dr. Gee—I am confident that we can make a significant contribution to solving one of the most pressing problems facing our Nation today.

NO-KNOCK

Mr. NELSON. Mr. President, on July 11, the Senate, by an overwhelming vote of 64 to 31, repealed the no-knock provisions of the Federal drug law and the District of Columbia criminal code. These provisions authorized Federal narcotics agents and D.C. law enforcement officials to forcibly break into a citizen's home without first knocking and identifying themselves or their purposes.

The Senate's action represents a dramatic shift in opinion from 1970, when the no-knock provisions were enacted. In great part, the shift was motivated by a clear recognition that the no-knock authority is dangerous to everyone concerned—numerous reports documented how use of no-knock authority resulted in serious injury and even death to police officers and innocent citizens. The Senate's action was also motivated by a clear understanding that the no-knock authority violated the individual's right to privacy, a right guaranteed to everyone under the fourth amendment. If Federal officials could burst into a citizen's home without warning, the constitutional protection of privacy was rendered meaningless.

Public support for the Senate's action has been expressed all over the country. People everywhere recognize that the individual's right to privacy is the cornerstone of our democratic system of self-government. I am therefore hopeful that the House will decide to concur in the Senate's judgment on this issue.

Mr. President, I ask unanimous consent that editorials on the Senate repeal of the no-knock provisions from the Milwaukee Journal, the Sheboygan, Wis. Press, the Houston Chronicle, and Indianapolis News be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Milwaukee Journal, July 17, 1974]

No to "No-Knock"

The nightmare of armed strangers breaking through the door and ransacking the house is etched into the memories of a number of American families. Held at gun point, they watched helplessly before unidentified narcotics agents came to realize they had raided the wrong house.

More clearly that the warnings of civil libertarians, these errant no-knock drug raids have demonstrated the flaw in relinquishing certain constitutional rights in the war on crime.

Sen. Ervin (D-N.C.), the most articulate critic of this 1970 legislation at the time, and Sen. Nelson (D-Wis.), have finally convinced Senate colleagues to repeal no-knock because it violates "the privacy of the individual and the sanctity of his home." The House should not delay in concurring.

[From the Sheboygan (Wis.) Press, July 13, 1974]

"No-Knock" Knocked

Good judgment reigned in the U.S. Senate when Sen. Gaylord Nelson's amendment to legislation continuing the Federal Drug Enforcement Administration was accepted by a 64 to 31 vote.

The surprising thing is that 31 senators favored continuing the controversial "no-knock" provision of the 1970 District of Columbia Crime Control bill.

Provisions of that legislation permitted law officers in the district to enter dwellings without knocking. They were allowed forced entry. The rationale was that such entry was needed to collect evidence during investigations of drug law violations. Without the provision, proponents argued, evidence could be flushed down toilets. One opponent of the measure quipped during the 1970 debate that it would be better to preserve the provisions of the Fourth Amendment in the District of Columbia than the toilets. His motion to outlaw toilets in the district, however, failed.

In a more serious tone, but with his inevitably colorful language, Sen. Sam Ervin decried the legislation: "This . . . is as full of unconstitutional, unjust and unwise provisions as a mangy hound dog is full of fleas . . . a garbage pail of some of the most repressive, near-sighted, intolerant, unfair and vindictive legislation that the Senate has ever been presented . . . an affront to the constitutional principles and to the intelligence of the people of the United States."

When proposing elimination of the "no-knock" provision Nelson noted repeated abuses of it, citing instances beyond Washington, D.C. where it was used. Two Collinsville, Ill., families, for example were terrorized by federal agents who had somehow barged into the wrong homes.

Another reason that the law lost its former support was the very practical consideration that too many officers were shot while making their forced entries.

More than two-thirds of the senators voting on the "no-knock" amendment saw the wisdom of abandoning the forced entry procedure. Surely there will be a similar proportion of representatives when the bill arrives in the House.

[From the Houston Chronicle, July 15, 1974]

Knock Out No-Knock

The vote of the Senate to repeal the law that permitted federal narcotics agents and District of Columbia police to make no-knock raids on suspected drug dealers was good news, and it's to be hoped that when the repealer gets to the House it will get the same favorable reception.

The law authorizing no-knock raids (entry into a private residence without warning and often forcibly) was passed four years ago when the government was trying almost every way possible to make a dent in the drug traffic.

But as Sen. Sam Ervin, the sponsor of the legislation eliminating the no-knock authority, put it: No knock violates "the privacy of the individual and the sanctity of the home," and the effect of it had been "to sanction the methods of a common burglar.'

The senator's remarks were certainly no overstatement, as was demonstrated in many cases throughout the country where narcotics agents had come bursting into the privacy of homes in shocking conduct.

The Senate's passage of the no-knock repealer should not, however, be taken to mean that there is a growing lack of concern with the drug problem. Drug use and the drug traffic still have a very high priority on the country's menace list, but there is also a growing realization that our framework of civil liberties can't be destroyed in the campaign against drugs, that the baby shouldn't be thrown out with the bath water.

[From the Indianapolis News, July 15, 1974]

No-Knock Repeal

Individual privacy was reinforced Thursday when the Senate voted to repeal the "no-knock" provision of our Federal drug laws. The four-year-old statute allowed Federal narcotics agents to obtain warrants to break forcibly into homes where narcotics were "suspected" to exist.

Although the statute represented an attempt to control illegal drug traffic, it was repeatedly abused by agents who made "mistakes" and stormed the homes of innocent citizens, sometimes terrorizing them for hours before the error was discovered. The victims of these Gestapo-like tactics reported they were manhandled and threatened by the erring agents during these "legal" break-ins. One New Jersey housewife even reported that Federal agents refused to allow her to dress as they held a gun to her husband's head during one such midnight raid.

Although the mushrooming sale of dangerous drugs is a very real problem in our society, privacy should be respected. The function of the government is to protect and serve the citizenry, not to terrorize innocent victims of bureaucratic incompetence or to decide whose home is to be invaded.

Recently we have witnessed the all-encompassing Soviet KGB version of a no-knock law and the fear it can instill in a society. Although their goals may differ with our government's, the tactics and the affront to human dignity and personal liberty are the same. Terror tactics and midnight raids have no place in a free society.

EXPLANATION OF VOTE AGAINST H.R. 15472

Mr. DOMENICI. Mr. President, earlier this week I voted against H.R. 15472, the Agriculture-Environmental and Consumer Protection Appropriation Act, 1975. In view of the resolution I also introduced this week calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy, it would have been grossly inconsistent of me to have supported the final version of this bill.

The bill as reported from committee was already $120,489,200 over the administration's budget request and $2,965,251,300 more than appropriated for fiscal 1974. Then, Mr. President, approximately $114 million was added on the floor, bringing the final version to approximately $234 million over the budget request or approximately $3.19 billion more than appropriated for fiscal 1974.

However, the final version of this bill passed the Senate and I would like to take this opportunity to address myself to two items included in the bill which I feel are extremely important and justifiable.

The first item is the continued Federal assistance to States to help them run their State pollution control programs. As my colleagues will recall, there was quite a bit of tension and concern generated several months ago when it was announced by the administration that State pollution control agencies ought to become more self-sufficient. I was among those legislators alarmed by the prospect that in their infancy, State programs for the control of air and water pollution would be deprived of the Federal grants which had in many cases breathed them into life and have been their sustaining force. Subsequent to the administration's announcement there was such opposition to that course of action that it appeared that the administration had backed off from that concept.

Feeling as I do that these grants to State agencies are extremely crucial, I am pleased that a significant funding level will be provided for these purposes. I would like to go on record also as indicating that I for one will very carefully examine these appropriations in subsequent years to insure that State air and water pollution control programs have the self-sufficiency to survive as viable programs before I will agree to eliminate Federal assistance.

The second item, Mr. President, is the provision concerning the rural development programs. The total effect of these programs will be to make the rural areas in our Nation a more desirable place in which to live and earn a decent living. As living conditions and job opportunities improve in our rural areas, they will attract citizens away from our overcrowded and overtaxed urban areas.

These programs will provide for the use and conservation of land, water, wildlife and other natural resources of our rural areas. They will improve recreational facilities and historical sites and at the same time help attract new industry. They will improve markets for crops and livestock and provide credit for those who are unable to obtain it elsewhere. They will allow our rural citizens to improve their present housing, build new housing, and construct new and adequate sewage facilities.

I could go on and on about the benefits of these programs to our rural inhabitants and in the long run to all Americans. I am certainly pleased with the committee's recommendation in this area and their inclusion in the final bill.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

ADDITIONAL CONFEREES ON S. 3066

Mr. SPARKMAN. Mr. President, will the Senator yield so that I can make a unanimous-consent request?

Mr. PELL. I yield.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the names of Senator McINTYRE and Senator BENNETT be added to the list of conferees on S. 3066, the Housing and Urban Development Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. I thank the Senator.

EDUCATION AMENDMENTS OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 69. The clerk will report.

The legislative clerk read as follows:

The report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes.

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I ask unanimous consent that Mr. Thomas Hughes of my staff be granted permission of the floor during this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, may I ask that Mr. David Clanton, a staff member of the Commerce Committee, be allowed on the floor during the debate on this report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is consideration of the conference report on H.R. 69.

Mr. PELL. Mr. President, this bill is really a major educational bill, covering a great portion of the educational system of our country, making a new formula for title I of the Elementary and Secondary Education Act; having an effect on impact aid; going along with the administration to a degree in its consolidation program; and involving a great deal of funds, $24 billion.

Also included in this bill are busing provisions which I have always felt should be appended to civil rights bills, not educational bills. But, be that as it may, both the House and the Senate did attach civil rights provisions to this bill.

Mr. President, on the busing portion, which is the part of the bill which always seem to acquire the national focus rather than the educational portions, as I believe should be the case, the conference language that we agreed to sought to do what any conference should do, and that is to work out a compromise between the House and the Senate language.

A portion of the conference language was not very acceptable to some of the Senate conferees. I remember there was a 7-to-6 vote in one case. So it was not acceptable to those who were very probusing, nor was it very acceptable who were opposed to busing.

It reminds me a little bit of the higher education bill of about 3 years ago which was opposed by the elements of the Senate who are on both extremes. That would indicate to me that when the bill is opposed by the two differing viewpoints on each wing, then the bill must be in the middle, and that is a pretty good place to be as a compromise.

In this case, what it basically provides—and I do not agree with this because I think busing is a necessary tool, it should not have too many restrictions on it—is that no youngster may be bused beyond the second nearest school to him unless it is in accordance with the 5th and 14th amendments to the Constitution of the United States.

Even then we sought—and this some people say is extralegal or illegal—to say a court order would not apply if it harmed the health of the child or the child was going to an inferior school. I would hope that this conference report would be accepted.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the conference report, as Senator PELL so properly said, is a very comprehensive document making landmark changes in respect to the law.

Unfortunately for all of us, emphasis and public consideration of the matter has been so heavily on the controversy surrounding busing as to omit the critically important nature of the bill itself. Senator PELL has already dealt with that both today and yesterday in his own statement as I have.

I merely wish to call attention, however, to the fact that we have, first the consolidations that make this in some respects a special revenue-sharing bill. Second, we have a very gifted concept in this measure in order to determine whether there are programs which are useful in respect of new approaches to education, at the same time, not committing ourselves irrevocably to such programs until we have tried them out and determined whether they really can work. This is contained in this whole approach in what has been called the "basket of experimental programs" in the Special Projects Act, wherein, after a seasoning period of 3 years the programs cease to be categorical and are consolidated into the Special Projects Act group of programs.

We consider this one of the most gifted aspects of the bill. It is very interesting that it was one which the conferees looked at with the most favor in their own deliberations. It was one of the provisions in the bill which seemed to be immediately accepted as an original concept and idea.

The other aspect of the bill which I think deserves very close attention is the fact that we have revised the impact aid so that it becomes more equitable in terms of the broad impact which results therefrom, without, however, charging any of the existing beneficiaries in an adverse way, or prejudicial way, by the revision of the concept of what is the Federal impact, to be much more fair to public housing children in the districts where they do impact the school system.

Finally, on this particular matter I believe that the educational excellence provisions of the bill must commend themselves very highly to those Senators who have a very strong feeling about the ultimate effect of the legislation—what it really means in terms of the cost-benefit ratio, delivery at the point of performance in terms of educating the child.

Also, Mr. President, the conference report dealt very wisely and very providentially with the amendments to which Senator BUCKLEY was a sponsor, relating both to confidentiality of certain information about the child and parental access to records.

We consider that it was a particularly felicitous and constructive exercise of the conference opportunity.

Finally, respecting the much debated busing problem, which in the final analysis boils down to the question of what, if any, confrontation should be invited between the courts and the Congress—I really believe, Mr. President, that that confrontation is the real issue. The issue is no longer whether desegregation shall be inhibited. It cannot be, and should not be, and I think we have crossed that bridge some years ago.

The issue is no longer whether anybody is trying to establish racial balance by busing, or by desegregation orders, as we have made it clear and the courts have made it clear, and, as ardent civil rights advocates, Senators like myself, have made clear, that is not within the purview of the Constitution, and that is not what the Constitution or the laws of the States direct themselves to.

That is a matter of pedagogy in each individual State, and that is the way it should be left. I think that is a very different attitude on this subject. But as long as it is kept within the confines of the Constitution in being colorblind as to the opportunities for education, we can have no argument about them.

The Constitution gives the right not to be discriminated against. It did not seek to determine what the pedagogical advantages of racial balance in particular school systems would be. I think that is critically important, to mark out the area in which we can operate, because the sole Federal area then relates to how this Congress should determine what shall be the action of the country, when the courts are seeking to assure constitutional rights to the individual citizen, because we must remember he is both a citizen of his State and a citizen of the Nation in terms of the provisions of the Constitution which are here involved.

I believe therefore, that the issue really was one of to what extent by law can we regulate remedies which are available under our authority to regulate the remedies which are available to the local Federal courts, which have their origin in the Judiciary Act of 1789, as distinguished from the Supreme Court.

And second, to what extent should we invite a confrontation between the Congress and the Supreme Court—the Congress digging its heels in on its construction of the Constitution, and the Supreme Court already having made clear in many, many cases its construction of the Constitution.

I believe, Mr. President, that we have very carefully and very successfully navigated this channel in terms of the conference report.

I would like to point out, Mr. President, that I did not hesitate to vote against the conference report on the last education bill because I thought that the provisions in the bill respecting this much vexed question of busing were unconstitutional. I said at the time I was confident the Court would strike them down as, in effect, it did, but nonetheless it was my duty to vote as a Senator against what I considered to be an unconstitutional measure, even though I was confident the Court would not go along with what we had provided. Nonetheless, I voted against it because it was unconstitutional.

It is my intention to vote for this conference report because I believe that while the Senate has given up a great deal of its position—and I shall point that out in a moment—we have successfully, and probably by a hairsbreadth, navigated this constitutional question in the provision we have made.

Now, I wish to call to the attention of Senators what I consider to be a considerably key concession to the House point of view; I would say the determining concession to the House point of view, in respect of these so-called antibusing provisions. We have given them authority in the court which it would not have as a rule of equity. In other words, these are equity courts entering desegregation orders. The court would not have authority to terminate a desegregation order except by a chance of circumstances.

In other words, if an order were on the books and a particular educational district or a proper party would come in and sue and say, "Terminate this order because we are in compliance with the order," they could not get any such termination because under the rules of equity the court will not vocate such an order or injunction or a comparable equity decree simply because the parties are complying with it, to keep it in effect into the indefinite future, unless there is some change of circumstances in basic fact which dictates there should be a change in the order.

But we have agreed to such a reopening in the case of the Senate definition; that is, adopting the Senate reopener provision; and even beyond that we have agreed to a power in the court to terminate for reasons other than the normal equity ground. That is found at page 38 of the conference report, and I would like to read those words into the record.

> SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws may to the extent of such transportation, be terminated if the court finds the defendant educational agency has satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable.

And here are the key words:

> and will continue to be in compliance with the requirements thereof.

Mr. President, as I understand it, the purpose of the conferees respecting that particular set of words was that the court should have the power to terminate orders, and if this becomes law will have to the power to terminate orders substituting for what they would normally imply as their rule of equity, the ability to look at all the circumstances and, as the circumstances indicated, look down the corridor of time and determine that as far as the court could see that the constitutional protections would continue to be afforded.

Now, Mr. President, that is a very good concession. Undoubtedly it will bring on a good many applications for termination. It should go far to satisfy the feeling in a good many areas, I am sure, that there should not be an outstanding order where there is actually no constitutional denial and where there does not seem to be any likelihood of constitutional denial.

Now, Mr. President, I am sure I will be seriously criticized by many in the civil rights field for proceeding in this way, as will others. But Mr. President, much as I am sad about that—because I feel I am as vigilant and active a devotee of the civil rights of Americans as anyone in this Chamber—I feel, as we all know, that the art of legislation is the art of compromise; that you had literally a complete confrontation between the House and the Senate, that it went on for more than 6 weeks. In some cases, we sat into the small hours of the morning. Finally it was this formula which I have referred to which broke the deadlock. Considering the urgency of this bill to all Americans, I feel that it was not only a reasonable compromise, but an understanding effort to satisfy the essential feelings and claims of each House.

Mr. President, I have just described what we did respecting the views of the House of Representatives. What we did respecting the views of the Senate was to include, as the basis for all provisions respecting busing, the Scott-Mansfield language, which enabled us to agree before on this issue, and which enabled us to agree on this issue this time.

So, Mr. President, I believe that we have done our utmost to accommodate the mandate of each House in respect of this matter, and that we have successfully done so. For all these reasons, Mr. President, I hope very much that the Senate will see fit to approve this conference report, a product of a mountain of labor and devotion by men and women who really felt the cause of education of the American child commanded of them efforts far beyond the call of duty which they expended in this effort to come to an agreement which is now before the Senate for approval.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, I am prepared to vote on this conference report.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. DOMINICK. Mr. President, I rise to urge my colleagues to support the conference report on H.R. 69, the Education Amendments of 1974. As you may know, this bill is the result of a tremendous effort on the part of the Labor and Public Welfare Committee conferees as well as our colleagues in the other body.

I want to take this opportunity to congratulate both my colleague from New York (Mr. JAVITS) and also my colleague from Rhode Island (Mr. PELL) for the tremendous work which they put in on this particular bill.

Just talking off the cuff for a moment, Senator PELL said originally that he thought we could get this over reasonably quick. I said if we got a bill at all, it would take at least 2 months. I think it has taken 2 months. I am really quite amazed that we have gotten any kind of bill at all. What we do have, in my opinion, is pretty good.

I must say that on balance, I am pleased with this bill, which I consider to be the most comprehensive piece of elementary education legislation ever considered by the Congress. It includes also some higher education, so it may just be the most comprehensive piece of educational legislation, regardless of what level.

I do have some reservations about certain provisions of the bill, but on balance, it is a good bill and I urge my colleagues to support it.

One of the most important features of this legislation is the new title I formula, which in my estimation distributes the funds in a more equitable manner to educationally disadvantaged children.

Incidentally, I was pleased to see the continuation within title I of the special incentive grants to the States, the so-called part B program, which rewards those States who tax themselves at a rate above the national average in their effort to finance elementary and secondary education.

We started this part B program years ago, and when it was eliminated in the House, it looked for a while like the program would be ended. But the conferees agreed to continue it, and I think it will prove to be very worthwhile.

Mr. President, this bill contains a number of provisions which focus attention on those thousands of children who require bilingual education programs. I was particularly pleased with the conferees' acceptance of my amendment with respect to bilingual vocational training, which authorizes $17.5 million during this fiscal year for programs to help those who suffer from limited English-speaking ability, and thus cannot benefit from conventional vocational training.

With respect to the Federal impact aid program, I still would disagree with the inclusion of public housing children in this program, and I also had hoped that out-of-country "B" children would be phased out over a period of years. However, in general, I applaud the impact aid reforms approved by the conferees.

One of the most important new sections of the bill is title IV, which provides for the phasing in of the consolidation of certain education programs. This provision is similar to one I proposed during Senate deliberation of S. 1539, and is, I feel, a major step forward in giving the decision-making power to local school districts. It will also simplify the paperwork and administration of the various consolidated categorical programs. Incidentally, I would like to single out for special attention the conferees retention of the Special Projects Act within title IV, authored by Senator JAVITS, which will serve as an incubator for innovative ideas in education to be tested over the next few years. This is an extremely imaginative program and very well conceived. I congratulate Senator JAVITS on his approach to this problem.

I would also like to point out the "Protection of the Rights and Privacy of Parents of Students" provision, section 513, of this bill. After much consideration in conference, this provision was adopted, and should serve to help guarantee the rights and privacy of all parents of schoolchildren. This section requires the written consent of a parent before any personally identifiable data about a school child can be released. It also provides for the right of a parent to have access to his child's student record files.

Mr. President, the one title in this bill which I feel has the potential to help our educationally disadvantaged children more than any other is title VII, the National Reading Improvement Program which I cosponsored with Senator BEALL. It has long been my view that reading is the key to education. Without the ability to read well, how can any child be expected to perform adequately in any of his classes? The National Reading Improvement program authorizes over $300 million during a 4-year period for demonstration projects, special emphasis projects, training of reading teachers by public television, and reading academies. All of these projects are to be focused on helping the below-average reader to achieve reading proficiency in the elementary grades.

All of us in the Senate, I would suspect, have received letters from people who unfortunately have gone through school and have not learned either to spell or to write. If they cannot spell or write, it follows that they probably cannot read well obviously.

Mr. President, the most controversial title in this bill concerns the busing of school children to achieve racial integration. Frankly, I believe the busing compromise adopted by the House-Senate conference does not go far enough. It does not, for example, provide any relief for school districts such as those in Denver which are experiencing difficulty in complying with court-ordered busing plans.

During the conference, it became evident that the reopener provision in the House bill, which would allow school districts to request a judicial review of their court orders that were not in conformity with the antibusing language as set forth in the House bill, was the key issue.

I was very adamant in trying to maintain intact the reopening provisions, but I encountered overwhelming opposition from the other conferees—not only on the Senate side but also on the House side.

As a result, two of the three reopening provisions were entirely eliminated, and section 219, which provides for the termination of court orders requiring the transportation of students upon satisfactory evidence that school districts are not effectively excluding students on the basis of race, has been so modified as to make it ineffective in most instances.

The modification takes away the imperative that courts shall terminate such cases and mandates only a discretionary phrase that the courts may terminate such cases. In addition, the court has to make a finding that the school district is in compliance with the 5th and 14th amendments and will continue to be in compliance with those amendments in the future. How the courts are going to be able to make such a finding about the future, I do not have any idea.

Finally, all court orders to terminate busing would be stayed pending the appeals process. This means that even after making a finding that a local school district is not, and in the future will not be, in violation of the 5th and 14th amendments, an order to terminate busing cannot be carried out until all appeals in connection with that order have been exhausted.

But this again supposes that a court can look into the future, like a soothsayer, and decide what somebody is going to do, either educationally or housing-wise or on the education board, when they have not even announced for election to the board or been appointed to it.

Mr. President, despite my strong opposition to the relatively weak antibusing language which was finally adopted by the conferees, I would urge my colleagues to support the conference report because of the many fine education programs which it authorizes. These federally funded programs are a vital part of our Nation's educational process, and it would be unfortunate if we deprive our Nation's children of this Federal assistance.

I might also add that the antibusing language, although it is not nearly as strong as I and others would like, nevertheless is an improvement on the law we now have. We have taken, at least the first step forward before we start to run. It is my feeling that, on balance, therefore, we should support this bill.

Mr. BEALL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. JAVITS. Mr. President, I should like to express my appreciation to Senator DOMINICK for the nice things he has said about me and my work in connection with this bill, and to return the compliment, which he very richly deserves, in respect of part B, a very gifted concept, to reward States which do more than their share in respect of educational excellence and educational opportunity.

This is not only something that he authored but also something for which he has continually fought, and obviously with considerable success. It is a great benefit to his State and to many other States.

Also, let me say, somewhat wryly, that Senator DOMINICK's satisfaction with the formula on title I distribution, which is the big ticket item, as they call it, in this matter, does not fill me with happiness or satisfaction. It is entirely, in my judgment, at the expense of the great industrial States which have the highest tax rates and are really sweating it out in terms of the educational level they are giving, which they cannot afford. I think it was a disaster to them for the formula to have been adopted as urged by Senator MCCLELLAN.

But, again, I say that wryly; because, for Senator DOMINICK I hope it will be understood in his State, as it should be, that it is a really great success for them, as they do extremely well, as do a number of other States, and I think quite unfairly at the expense of States like my own.

Finally, Mr. President, I have worked with Senator DOMINICK for a long time in these matters, as he is the ranking member of the Education Subcommittee. He has conservative views—we all know that—but I wish all Senators, conservative or liberal, were as honest and straightforward as he is. When he is with you, he is with you all the way—no holds barred. If he is against you, he fights you with every appropriate weapon in his arsenal. I respect that. I try to live that way myself, and I recognize it in him. I commend him most highly for it.

Mr. TAFT addressed the Chair.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Maryland has the floor.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. TAFT. Mr. President, I ask unanimous consent that Eleanor Parker, a member of my staff and John Hunting, a member of the staff of Senator JAVITS, may have the privilege of the floor during the debate on the conference report on the education bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that Joseph Carter, a member of my staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. PELL. Mr. President, I should like to pay tribute to Senator JAVITS, the ranking member of the Committee on Labor and Public Welfare, and to Senator DOMINICK, the ranking minority member of the subcommittee, for their contributions and all they have done to move this measure along. It was moved along, as always in our committee, with nonpartisanship. I just want to express this publicly.

I should also like to express publicly the debt we in the Senate owe to Chairman PERKINS, on the House side, who kept our noses to the grindstone and pressed us ahead when many times it appeared that the conference might dissolve.

Mr. BEALL. Mr. President.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Maryland.

Mr. BEALL. Mr. President, I rise in support of the conference report. I do so, even though I am disappointed in the conference committee's action with respect to the busing issue.

As my colleagues know, I strongly supported and voted for the stronger antibusing provisions during the Senate floor debate. In view of the fact that the House busing provisions were defeated by the narrowest of margin on the Senate floor, and were overwhelmingly adopted by the House, I felt that the final compromise should have been closer to the stronger House position. However, Mr. President, we simply did not have the votes on the conference committee, and thus we have this before us now.

The antibusing provisions, of course, reflect the overwhelming opposition to busing to achieve racial balances that exists in the country. This opposition includes almost half of the black community.

Each year I receive in my office the annual poll taken of the National Merit Scholars who are the brightest high school students in the Nation. This poll attempts to gage the students' feelings on numerous issues.

In response to a question, "Would you move into an integrated neighborhood," the response was 90 percent of the students would be willing to live in an integrated community, and 7 percent would not. However, when asked, "Do you favor busing of children to achieve integrated school systems," 68 percent said no and 26 percent said yes.

Now, Mr. President, young people generally are among the most idealistic of our society and probably harbor less prejudice. But the point is that they oppose as adamantly as society as a whole, busing to achieve racial balances. Given this feeling among all ages and segments of our society and the findings depicting little, if any, educational achievement gains attributable to busing, we should be questioning this approach.

Mr. President, I do not believe that the overwhelming opposition to busing to achieve racial balances results from racial prejudices. A recent article from Public Opinion Quarterly said that—

> Recent data from a large national sample strongly suggests that the subjective motivations for opposing busing are not racism . . . and . . . that among the public at large, busing is not perceived as a racial issue, and widespread opposition to it does not foreshadow a reversal in the long term decline in prejudice . . . teaching black and white children in the same school is not the key issue. Opposition to school integration is not closely correlated with opposition to busing. A large majority supports school integration but does not believe that busing is the best means to attain it.

I ask unanimous consent that the full article be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, I might add that the Conference Committee did retain my amendment that would at least ban busing ordered during the school year. While this will not prevent busing, it would prevent the order from interrupting the continuity of the educational process during the school year.

Mr. President, if the measure before us dealt with the busing issue alone, I would not support the bill. However, this is basically an education bill and aside from the busing provisions, it represents a constructive measure which should improve the quality of education of our children.

H.R. 69 would continue a number of vital existing education programs such as impacted aid, adult education, aid to disadvantaged students, Indian education, and bilingual education, to name a few. In addition, the bill provides for some consolidation of existing programs so as to give local and State educators more discretion with respect to the spending of Federal funds.

And more importantly, the legislation authorizes a number of new and important initiatives such as:

First, the national reading improvement program, which I authorized along with Senator EAGLETON. This bill authorized $413.5 million for an accelerated attack on the problem which I have labeled the "Achilles' heel" of American education: namely, the large numbers of students who cannot read or who are reading below the appropriate level. I ask unanimous consent that this title of the bill, the conference report's language discussing our action on the reading title, and my floor remarks of May 8 when the bill passed the Senate, be printed following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BEALL. Mr. President, second, the new and needed assistance for handicapped children authored by my colleague, Senator MATHIAS, and cosponsored by me. Maryland and other States are under court orders to face up to their responsibilities with respect to the handicapped children. The State realizes its obligations and it is desirous of responding to the needs but financial assistance is needed. This emergency aid will be of utmost importance in helping the State to respond to that need and more importantly begin redressing the neglect of handicapped children that has often occurred in the past.

Third, a new program of aid to the gifted and talented. Certainly our Nation depends on the encouragement and utilization of the talents of our brightest students and they are often neglected.

Fourth, a community school section to encourage maximum utilization by the community of educational facilities is included in the legislation.

I have only touched on some of the highlights of the bill. Time does not permit me to address each of the sections, as important as each may be.

The important point is that this is a very important piece of legislation that deserves to be passed so that the schools of this Nation may get about the business of providing expanded educational opportunities for all children of our country.

Mr. President, I therefore urge the adoption of the conference report.

EXHIBIT 1

THE POLITICS OF SCHOOL BUSING*

(By Jonathan Kelley)

"Although rejecting school busing has the objective consequence of perpetuating racial segregation and educational inequality, data from a large national sample indicate that the subjective motivations involved are not merely racism. In contrast to the position among the mass public, opposition is closely linked to racial prejudice among college graduates." The author is Assistant Professor of Sociology at Yale University and Senior Research Associate at the Center for Policy Research.

Busing school children in order to achieve racial balance is a political issue whose time seems to have come. Political issues have a characteristic life history.[1] Typically, they are taken up first by a small minority on the far left and then, if successful, they move slowly across the political spectrum, gaining support from increasingly conservative segments of the population.[2] Somewhere in this process, the issue may become a matter of partisan dispute—although that is more frequent among the political elite than among the mass public.[3]

A number of race relations issues seem to have gone through this cycle since the 1940s. Opposition to discrimination in schools, housing, and employment was originally a minority stance common only on the left and in educated circles. By the mid sixties, it had become a majority view [4] and a matter of sharp partisan dispute,[5] with segregationist views held only by a small minority on the right. This seems not to have changed appreciably even since the race riots of 1965-68,[6] about which time a series of controversies arose over busing school children.

Busing appeared to be just another race relations issue and one on which racist [7] attitudes were remarkably widespread and clearly a matter of partisan dispute.[8] An old and widely accepted practice in other contexts, it became controversial only when school integration, an archetypical racism issue,[9] was its manifest purpose and objective consequence. The much-touted white backlash seemed to have arrived.

However, recent data from a large national sample strongly suggest that the subjective motivations for opposing busing are not racism even though opposition has the objective consequence of perpetuating racial segregation and educational inequality. Opposition is not closely correlated with racism and is quite differently related to background and social status. Unlike racism, opposition to busing is not closely linked to conservative views on most other social and political issues. Among the public at large, busing is not perceived as a racial issue and widespread opposition to it does not foreshadow a reversal in the long-term decline in prejudice. Only among the educational elite, a small but crucial minority, are they closely related.

DATA

The data are from the National Opinion Research Center's 1972 General Social Survey, a national sample of the non-institutionalized population of the United States, 18 years or older, conducted in the spring of 1972. It is a multi-stage area probability sample to the block level with quotas based on sex and age within blocks.[10] The sampling variability is somewhat higher than in a simple random sample, so cases were weighted downward to make statistical tests approximately correct.[11] Analysis is confined to the 1352 actual (838 weighted) non-Negro respondents since Negro respondents were not asked the bulk of the race relations items. The data are available for reanalysis from the Roper Public Opinion Research Center, William College.

BUSING AND RACIAL ATTITUDES

Attitudes toward busing were measured by a single item, used previously in a number of AIPO surveys with marginals almost identical to those reported here (see footnote 8). Racial attitudes were measured by eight items taken from several previous national surveys.[12] The items, with the proportion of white population giving more prejudiced answers shown in parentheses, are:

1. In general, do you favor or oppose the busing of Negro and white school children from one school district to another? (83% oppose, 4% don't know, 13% favor)

2. Do you think white students and Negro students should go to the same schools or to separate schools? (14% separate, 2% don't know, 84% same)

3. Would you yourself have any objection to sending your children to a school where a few (half, more than half) of the children are Negroes? (7% would object to few, 16% to half, 35% to more than half, 42% would not object)

4. How strongly would you object if a member of your family wanted to bring a Negro friend home to dinner? (13% object strongly, 18% mildly or don't know, 67% not at all)

5. Do you think there should be laws against marriages between Negroes and whites? (38% yes, 3% don't know, 59% no)

6. White people have a right to keep Negroes out of their neighborhoods if they want to, and Negroes should respect that right. (21% agree strongly, 17% agree slightly, 7% don't know, 23% disagree slightly, 33% disagree strongly)

7. If a Negro with the same income and education as you have, moved into your block, would it make any difference to you? (14% would not like it, 85% no difference or don't know, 1% would like it)

8. Negroes shouldn't push themselves where they're not wanted. (42% agree strongly, 29% agree slightly, 7% don't know, 13% disagree slightly, 10% disagree strongly)

9. If your party nominated a Negro for president, would you vote for him if he were qualified for the job? (25% no, 6% don't know, 69% yes)

All race relations items are included except for one with utterly useless marginals.[13] The items are quite diverse and seem to cover the more salient topics reasonably well.

The racism items are highly correlated with one another and seem to be part of a single attitude syndrome, but attitudes toward busing are not closely correlated with any of them. Details are given in Table 1. Correlations between racism items average fully .38 while those with busing average only .12. Attitudes toward school segregation are as much a part of the general racism syndrome (and as little related to busing) as are Bogardus' classic social distance questions on intermarriage and entertainment in the home.[14] Views on residential segregation and on a Negro president are equally part of the racism syndrome. Only views on busing are distinct; factor analysis confirms this.[15] The first factor explains 88 per cent of the common variance (with communalities estimated iteratively); the racism items all have high factor loadings but busing does not. When the eight racism items are combined into a single summary scale,[16] the correlation between busing and racism is only .18. In sharp contrast, correlations between any one of the racism items and a scale composed of the others average .56; the lowest, involving item 8, is fully .42. *In short, while rejecting school busing has objectively racist consequences, the subjective grounds for opposition are not, it seems, simply racism.*

TABLE 1.—CORRELATIONS AND FACTOR LOADINGS (ABOVE DIAGONAL); PARTIAL CORRELATIONS CONTROLLING MOTHER'S EDUCATION, URBANIZATION, EDUCATION, OCCUPATION, AND INCOME (BELOW DIAGONAL)

[Decimals omitted]

Items	Items (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Factor loading
(1) Busing	------	11	14	12	09	12	12	19	10	19
(2) Integrated schools	[1]08	------	50	47	36	38	44	23	42	66
(3) Percent Negroes in school	12	45	------	44	34	45	40	26	46	67
(4) Bring home to dinner	[1]09	40	39	------	40	43	46	31	45	69
(5) Law against marriages	[1]07	23	28	32	------	42	28	32	35	56
(6) Out of neighborhood	[1]09	29	41	37	33	------	41	41	41	67
(7) Same SES, moves in	10	39	36	41	21	36	------	21	42	61
(8) Push in where unwanted	18	12	20	24	22	35	16	------	28	51
(9) Negro President	[1]07	32	42	38	25	34	37	20	------	64

[1] Not significant at the 0.01 level, one-tailed.

There are several good reasons for suspecting that other variables might mask the true relationship between busing and racism. But, in fact, these suspicions appear to be groundless. First, while high-status individuals are generally less prejudiced, their children might have more to lose by being bused from good middle-class schools into poor neighborhoods where the schools are inferior, the values less middle-class, and the atmosphere "tougher." Lower-status individuals are generally more prejudiced but their children are already in poor schools and have less to lose—and perhaps something to gain—by busing. Also, people in the North and in larger cities are less prejudiced but might find busing harder to support. Their children might be sent to schools that are quite alien, since neighborhoods are racially and economically highly segregated. But in smaller towns and in the South—where prejudice is more common—differences among schools are perhaps smaller and so give less reason to oppose busing.

In spite of these plausible arguments, the relationship between busing and racism is no stronger—if anything, slightly weaker—when these possible masking effects are taken into account. (Details are given below the diagonal in Table 1.) Controlling for status (education, occupation, income, and mother's education), region, and city size,[17] the partial correlations between busing and racism items are uniformly small, averaging only .10; not all are statistically significant. In contrast, the partial correlations between racism items remain large and statistically significant, averaging .32. It seems fairly clear that the true relationship between busing and racism is not masked by other variables but is simply not very strong.

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*Footnotes at end of article.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Busing		09	13	08	07	12	09	16	09
(2) Integrated schools	41		41	34	26	29	34	19	31
(3) Percent Negroes in school	27	74		33	24	28	32	17	34
(4) Bring home to dinner	31	77	59		29	33	35	24	33
(5) Law against marriages	21	76	49	66		32	22	24	28
(6) Out of neighborhood	22	68	51	59	57		32	30	31
(7) Same SES, moves in	50	81	69	78	64	74		18	31
(8) Push in where unwanted	33	54	32	52	48	48	53		22
(9) Negro president	27	76	63	69	61	57	81	47	

The weak association between busing and racism items does not seem to be an artifact produced by the busing item's skewed marginals, by non-linearity, or by differential measurement error. Using Cramer's V and gamma, measures of association that are independent of the marginal distributions and assume only nominal and ordinal measurement respectively, the association between busing and racism is much lower than that between racism items.[18] The average V's are .10 and .29 for busing and racism respectively; gamma's are .31 and .62.

For differential measurement error to account for the low correlations, the reliability of the busing item would have to be only a tenth that of the racism items. The average correlation between busing and the racism items, .12, when corrected for attenuation due to measurement error, would be $(.12/\sqrt{r_{BB}\, r_{RR}})$ where r_{BB} and r_{RR} are the reliabilities of the busing and racism measures respectively.[19] The corresponding figure for correlations between racism items is $(.38/\sqrt{r_{RR}\, r_{RR}})$. If these are equal, then $r_{BB}=.10\, r_{RR}$. (While this is approximate, more precise calculations for each racism item separately give virtually identical results.)

But it seems highly unlikely that the busing item is that unreliable. Its test-retest reliability is .49, about 75 per cent of the average of .66 for racism items.[20] Opinions should be relatively well formed since busing is an unusually salient issue—95 per cent of the population have heard of it.[21] And the question wording appears to be adequate; some of the evidently successful racism items seem more obscurely worded. So it seems reasonably clear that measurement error cannot explain the low correlation. Subjectively, opposition to busing is just not very closely tied to racism.

CORRELATES OF BUSING AND RACISM

Busing and racism are related to background, to social status, and to other attitudinal variables in quite different ways. This is strong evidence that they are subjectively distinct; technically, the evidence is particularly persuasive since busing's skewed marginals cannot account for the different patterns.

Correlations with background variables differ appreciably.[22] The simple correlations (columns 1 and 2 in Table 2) show that racism is more prevalent in rural areas, among older people, and in the South. In contrast, opposition to busing is much more evenly spread throughout society; it is equally widespread in urban and in rural areas and is only a little more common among older people and in the South. Neither the respondent's sex nor, surprisingly, the number of the respondent's school-age children are related to either racism or opposition to busing.

Although it makes little practical difference, there is a problem in interpreting these figures: correlations involving busing will be more heavily attenuated by measurement error since the racism scale is more reliable than the single item on busing. The well-known correction for attenuation adjusts for this.[23] The test-retest reliability of the busing item is .49. That of the racism scale can be estimated either by Cronbach's alpha (giving .82) or by correcting the individual items' correlations using test-retest reliabilities and estimating the scale's reliability with the Spearman-Brown formula (giving .85); correlations in columns 3 and 4 are corrected using the more conservative .85. Since unreliability in other variables attenuates correlations with busing and racism equally, I have not corrected for it. In any event, measurement error makes little difference. Busing and racism still have very different correlations and most of the differences are statistically significant.

TABLE 2.—CORRELATES OF RACISM AND OF OPPOSITION TO SCHOOL BUSING, DECIMALS OMITTED

	Simple correlations		Corrected correlations [1]		Standardized partial regression coefficients (paths) [2]				
	Racism	Busing	Racism	Busing	Racism	Busing	Racism	Busing	Voting
Independent variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Background:									
Rural residence	27	[3] 03	29	[3] 04	[4] 04	00	[4] 09	−01	04
Southern origin	34	[3] 11	37	[3] 15	[4] 26	[4] 10	[4] 20	[4] 09	07
Age	29	[3] 09	31	[3] 31	[4] 18	[4] 09	[4] 08	03	[4] −18
Number of school children	−03	01	−03	02	00	03	00	01	−02
Sex (female)	04	−02	04	−02	−01	−01	00	01	−05
Status:									
Occupation	−20	[3] 05	−22	[3] 07	−06	08	−03	09	01
Family income	−23	03	−25	[3] 04	−02	07	−02	05	−01
Education	−36	[3] −06	−39	[3] −09	[4] −16	[4] −11	[4] −10	[4] −13	01
Mother's education	−27	[3] −03	−29	[3] −04	−05	04	−03	05	[4] −08
Father's occupation	−11	[3] 0	−12	[3] 01	−03	00	−01	02	04
Attitudes:									
Political intolerance	47	[3] 04	51	[3] 05			[4] 25	−05	−03
Against woman president	31	[3] 05	33	[3] 07			[4] 18	01	02
Sex not permissive	30	[3] 13	32	[3] 19			05	[4] 11	06
Against abortions	15	[3] 02	17	[3] 02			−04	−02	−01
Against gun control	12	05	13	[3] 08			[4] 06	03	[4] 16
Punitive to criminals	14	20	15	[3] 30			[4] 10	[4] 19	[4] 06
Racially prejudiced		18		[1] 25					[4] 21
Against school busing	18		[2] 19						[4] 08
Politics:									
Party (Republican)	−06	[3] 08	−06	[3] 11					[4] 34
Conservative vote	23	16	25	23					
Variance explained (R^2)					27	03	37	08	25

[1] Col. 3 is corrected for attenuation in racism only and col. 4 for attenuation in busing only; the correlations between busing and racism therefore differ.

[2] Computed from correlations not corrected for attenuation.

[3] Difference between correlations statistically significant (p <.01, two-tailed) by the test given in Hubert M. Blalock, Jr., "Social Statistics," New York, McGraw-Hill, 1972, p. 407.

[4] Path coefficient greater than twice its standard error.

The independent effects of background variables (especially rural residence) on racism are different from those on busing. Path coefficients[24] show the influence of each independent variable while statistically controlling for the others; columns 5 and 6 control simultaneously for background and status variables and columns 7 and 8 also control for attitudes. Busing and racism are again distinct.

Racism and opposition to busing are quite differently related to various measures of social status[25] (detailed in Table 2). Lower-status individuals are consistently more prejudiced; this is especially clear for education[26] but is also true for occupation, income, father's occupation, and mother's education. Attitudes toward busing, in contrast, are virtually uncorrelated with status. The small relationships that do exist are not all in the same direction: higher education is associated with support for busing but higher income and occupational status are associated with opposition. These results are equally clear for the simple correlations and for correlations corrected for attenuation; the differences are statistically significant. When other variables are controlled (columns 5 to 8 in Table 2), low status is still consistently associated with racial prejudice although only education has a large independent effect.

The pattern for busing is different and more complex. People with higher income and occupational status are actually more likely to oppose busing—quite the reverse of the pattern for racism—while more educated people are supportive. The independent effects are larger than the simple correlations; it seems that education on the one hand and occupation and income on the other actually mask each other's effects. People who are consistently high (or low) on all three are cross-pressured. In contrast, there is no cross-pressure for racism since high status of any sort is consistently associated with liberal views.

Opposition to busing is spread fairly uniformly throughout society[27] while racial prejudice is much more highly concentrated in particular groups; background and status variables jointly explain only 3 per cent of the variance in busing but fully 27 per cent of the variance in racism. In all, since racism and busing are not related to social status in

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Footnotes at end of article.

the same way, they are presumably not part of the same attitude syndrome.

Racism and busing are also quite differently related to various social and political attitudes.[28] This is perhaps the strongest evidence that they are distinct. Racism is closely tied to conservative views on a wide range of social and political issues, while opposition to busing is not. Racism is highly correlated with political intolerance (opposition to free speech for atheists and communists), with opposition to a woman president, and with opposition to sexual permissiveness. It is more modestly correlated with opposition to abortion and gun control. This is equally true for the simple correlations and for those corrected for attenuation; the great majority of the differences between busing and racism are statistically significant.

In spite of considerable multi-colinearity, essentially the same pattern holds when background, status, and other attitude variables are controlled (column 7 in Table 2). Political intolerance and opposition to a woman president have particularly large independent effects.

In sharp contrast, opposition to school busing is not closely related to these variables. The correlations with political intolerance, opposition to a woman president, gun control, and abortion attitudes are all very low. The independent effects are generally negligible, although opposition to sexual permissiveness has a significant effect. The only attitude that is closely correlated is support for more punitive treatment of criminals; this, in fact, has a larger effect on busing than on racism. In sum, racism is closely linked to conservatism on a variety of other social and political issues; busing is not. This is very strong evidence that they are not different aspects of a single underlying syndrome.

Busing and racism also seem to have distinct effects on voting behavior, although the evidence is not unequivocal.[29] While attitudes often have little independent effect on voting in presidential elections, in 1968 both racism and busing had appreciable effects independent of everything else.[30] Details are in column 9, Table 2.[31]

In a race between Wallace, Nixon, and Humphrey, racism was a major source of support conservatives, with the biggest difference between Wallace supporters and the others. Opposition to busing had only a modest, though statistically significant, independent effect, principally on Humphrey's supporters.[32] In contrast, when taken separately, individual racism items had an average effect (independent of a racism scale composed of the remaining items) of only .04 in comparison to busing's .08.

Ignoring Wallace votes altogether, in a two-way race, party was more important and attitudes less—a result also found by Converse.[33] But opposition to busing still had a small independent effect (.06, significant at p. 10). Racism had an independent effect of only .10, so busing was relatively important as attitudes go. (This analysis is not shown in Table 2.) All in all, it seems likely, although not certain, that busing had a modest effect independent of racism.[34] providing additional evidence that racism and busing are subjectively distinct.[35]

EDUCATION, RACISM AND BUSING

While rejecting school busing has objectively racist consequences, among the general public the subjective motivation does not seem to be racism. But this is not true of the educational elite. Among college graduates there is a good deal of truth in the view, widespread in political and academic circles (and among Blacks[36]), that opposition to busing is motivated by racism. This has important practical implications since education, law, politics, and the media are all dominated by college graduates who thus define the terms of public debate. But on busing, the elite and the mass public they address are simply talking past one another.

Among the educational elite, opposition to busing is rather closely correlated with prejudiced views on racial issues. In contrast, people who are not college graduates have well-developed and coherent attitudes on racial questions but these attitudes are not at all closely correlated with their views on busing. The average correlation between busing and the various race relations items is lowest for respondents with eight or fewer years of education, slightly higher for those with nine to twelve years and for those with some college, and clearly highest for college graduates. In contract, the average correlation between different racism items is about the same at all educational levels:

	0 to 8 yrs	9 to 12 yrs	Some college	College graduates
r (busing and racism items)	0.07	0.10	0.10	0.23
r (among racism items)	.34	.36	.31	.35

Less-educated individuals seem to have coherent, well-organized attitudes toward racial questions; the low correlation with busing does not merely reflect a general lack of organized attitudes.[37] For college graduates, when the correlations are corrected for attenuation (assuming that measurement reliability is about the same as in the population at large[38]), the average correlation between busing and racism items, .41, is only a little lower than the average of .53 among racism items.

Factor analyses lead to the same conclusion (see Table 3).[39] For everyone except college graduates, busing has negligible loadings on the principal factor; the racism items all have large loadings. While busing still has the lowest loading among college graduates, it is of the same order of magnitude as some others, notably the school integration items. Since the busing item may be less reliable, on this evidence busing is not clearly distinct from racism.

By way of summary, the correlation between busing and the full eight-item racism scale is only .10 for people who did not go past the eighth grade, .14 for those with nine to twelve years of schooling, .16 for those with some college, and .37 for college graduates. Again, college graduates are quite different from everyone else; differences between them and the two lowest educational groups are statistically significant ($\rho < .05$, two-tailed). In sum, this evidence strongly suggests that, although opposition to busing is not part of the racism syndrome for the majority of the population, it is at least highly correlated with racism among the educational elite.

Some qualifications are, however, in order. First, these results must be treated with some caution since the sample of college graduates is not large (180 actual, 112 weighted cases). Second, the high correlation between busing and racism may in part reflect a general tendency for all sorts of distinct attitudes to be more highly correlated—organized into more coherent general ideologies—among more educated groups. For example, the correlation between prejudice and political intolerance is .25 for the least educated group, rising to .36, .52, and .50 among successively more educated groups; the corresponding correlations between racism and restrictive attitudes toward pre-marital sex are .18, .21, .36, and .32.

TABLE 3.—FACTOR ANALYSIS OF BUSING AND RACISM ITEMS BY EDUCATION: LOADINGS ON THE FIRST PRINCIPAL FACTOR[1] FOR RESPONDENTS AT DIFFERENT EDUCATIONAL LEVELS, DECIMALS OMITTED

Items	Education			
	0 to 8 yr	9 to 12 yr	Some college	College graduate
(1) Busing	12	16	19	38
(2) Integrated schools	71	65	46	52
(3) Percent Negroes in school	74	69	53	51
(4) Bring home to dinner	72	68	61	70
(5) Law against marriages	46	51	53	54
(6) Out of neighborhood	63	62	70	69
(7) Same SES, moves in	60	64	56	59
(8) Push in where unwanted	31	43	52	53
(9) Negro president	56	62	58	75
Common variance explained (percent)	92	100	86	83
Number of cases	(149)	(433)	(144)	(112)

[1] Principal axis factor analysis with communalities estimated iteratively.

In spite of this evidence, it nonetheless seems that opposition to busing is not simply one aspect of the racism syndrome even among college graduates. While highly correlated, they have rather different relations to background and social status and strikingly different relations to other attitudes (detailed in Table 4).

Background characteristics have more influence on racism than on attitudes toward busing. People who live in rural areas are more prejudiced but only slightly more likely to oppose busing. Southerners are much prejudiced but only somewhat more hostile to busing.

The results for social status are harder to interpret since the direct control for education greatly reduces the effect of all status variables. The small educational differences that remain within each of the four main groups are unrelated to racial prejudice but do have some influence on busing—there is less opposition among those with two or three (rather than one) years of college and among those who went beyond their B.A.'s to graduate or professional schools. And, except for college graduates, people in higher-status occupations are somewhat more opposed to busing but not more prejudiced.

Much of the strongest evidence is found in the quite different correlations with other social attitudes. Political intolerance is very strongly related to racial prejudice, even controlling for everything else, but has only a modest influence on busing. This pattern is especially clear among those with some college and among college graduates. Attitudes toward a woman president show the same distinctive pattern. Finally, among college graduates (but not elsewhere), people with more punitive attitudes toward criminals are much more likely to oppose busing but, in contrast are only somewhat more prejudiced.

Footnotes at end of article.

TABLE 4.—RACISM AND OPPOSITION TO SCHOOL BUSING FOR RESPONDENTS OF DIFFERENT EDUCATIONAL LEVELS; PATH COEFFICIENTS, DECIMALS OMITTED[1]

	Education							
	0 to 8 yr		9 to 12 yr		Some college		College graduate	
Independent variables	Racism	Busing	Racism	Busing	Racism	Busing	Racism	Busing
Background:								
Rural residence	12	−03	14	−03	08	11	09	01
Southern origin	27	22	20	12	20	02	15	05
Status:								
Occupation	−03	12	−03	09	08	25	03	−01
Family income	−07	−06	−01	02	00	05	−02	12
Education [2]	−05	05	−04	02	+01	−17	−04	−17
Mother's education	−17	10	−06	03	06	−03	00	02
Attitudes:								
Political intolerance	22	−10	24	−04	40	09	40	12
Against women president	08	05	19	00	24	01	27	02
Punitive to criminals	06	20	12	11	19	13	22	42
Variance explained (R)	25	11	26	04	42	15	44	25

[1] Partial regression coefficients in standard form, computed from correlations not corrected for attenuation. N's are given in table 3 and variables defined in footnotes 16, 22, 25, and 28.

[2] The variance is greatly reduced and the effect of education (and of correlated variables) is therefore minimized.

In all educational groups, racial prejudice is highly concentrated in particular social and ideological groups while opposition to busing is much more evenly distributed; background, status, and attitudes consistently explain more of the variance in racism. In sum, busing and racism do not seem to be part of the same attitude syndrome even among college graduates.

This evidence is not entirely straightforward. First, since each educational group is treated separately, most of the variation in education and much of the variation in occupation, income, mother's education, and political tolerance is controlled, since they are all correlated about .5 with education. These variables all have substantial correlations with racism (see Table 2), so their effect is reduced disproportionately. That makes busing seem more like racism than it really is. Secondly, standard deviations differ in various educational groups. This affects the paths presented in Table 4 but unstandardized partial regression coefficients (b's), free from this defect, in practice lead to the same conclusions. I have therefore presented the more familiar path coefficients. And lastly, the precise results must be treated with some caution; the samples are sometimes small and measurement error may not be the same in all groups.

Taken together, these results clearly show that the subjective sources of opposition to school busing are only very slightly correlated with racism for the vast majority who have not graduated from college. The factor analysis shows this clearly and the regression analysis provides additional support. For college graduates, a small but crucial elite, the situation is more complex. Subjectively, opposition to busing is probably not simply one aspect of the racism syndrome; the factor analysis is inconclusive but the regression analysis suggests that it is distinct, especially in its relation to attitudinal variables. But busing and racism are rather closely correlated; it seems that racial prejudice is one major source of opposition to school busing among the educational elite.[40]

DISCUSSION

Schoolbusing is not just another in the long series of racial issues that have moved across the political stage in recent years; in spite of objective fact and elite misperception, most people simply do not react to it in that way. The widespread opposition to busing and the success of politicians opposed to it are not evidence of a white backlash, nor do they portend a reversal of the historic trend toward racial equality.

The whole situation is rather schizophrenic. Objectively, the courts ordered busing as a means of integrating schools. Rejecting busing preserves racial segregation and, probably, educational inequality. The subjective reactions of the educational elite are roughly consistent with the objective situation: college graduates' views on busing correspond rather closely with their racial views. And it is precisely this elite that defines the public debate; education, law, politics, and the mass media are overwhelmingly dominated by college graduates. But the subjective reactions of the public they address—the vast majority of the population—are not the same at all. For them, busing is only in small part a racial issue; they judge busing on quite different grounds.

But it is by no means clear why most people oppose busing. In part it may be that busing, like other forms of commuting, can be time-consuming, unpleasant, and expensive. These are common complaints[41] and may have an element of truth as well as rationalization. Also, although the rhetoric of local control can be a mask for other interests, it may reflect some real concerns. Parents may be more familiar with local schools and teachers and feel that they, or their communities, have more influence on them. These considerations may in part explain why about half of all blacks oppose busing.

Teaching black and white children in the same school is not the key issue. Opposition to school integration is not closely correlated with opposition to busing. And a large majority support school integration but do not think that busing is the best means to attain it.[42]

I suspect that the crucial issue for whites is the kind of schools into which their children might be bused. For well-to-do whites, these would usually have inferior educational facilities,[43] a less academic atmosphere, more class and racial tension, and a "tougher" style—more physically violent and less middle class. The children of poor whites may, conversely, actually stand to gain from busing. While I have no direct evidence, Table 2 provides some indirect support.

First, those who are better off economically (and so have more to lose) are slightly more likely to oppose busing. Second, support for more punitive treatment of criminals may to some extent reflect a general anxiety about violence; if so, there is evidence that this increases opposition to busing. But this is all quite problematic. For most people it is clear that opposition to busing is not just racism but it is by no means clear what else is involved. This is a question that richly deserves investigation and not only for the light it throws on recent politics. The status quo strongly favors busing's opponents and some understanding of the motives involved is the first step toward change.

FOOTNOTES

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[1] Bernard R. Berclson, Paul F. Lazarsfeld, and William N. McPhee, *Voting: A Study of Opinion Formation in a Presidential Campaign,* Chicago, University of Chicago Press 1954, pp. 206–212.

[2] This presupposes that there are at least moderately well-formed attitudes in the mass public. There is evidence that attitudes are not organized into highly national ideologies: Philip E. Converse, "The Nature of Belief Systems in Mass Publics," in David E. Apter, ed., *Ideology and Discontent,* New York Free Press, 1964, pp. 206–260; and Robert Axelrod, "The Structure of Public Opinion on Policy Issues," *Public Opinion Quaterly,* Vol. 31, 1967. But data from this and other recent studies suggest that well-formed attitudes exist in the mass public: e.g., Angus Campbell, *White Attitudes Toward Black People,* Ann Arbor, Institute for Social Research, 1971, especially Appendix C; John P. Robinson, Jerrold C. Rusk, and Kendra B. Head, *Measures of Political Attitudes,* Ann Arbor, Institute for Social Research, 1968.

[3] Herbert McClosky, Paul J. Hoffman, and Rosemary O'Hara, "Issue Conflict and Consensus Among Party Leaders and Followers," *American Political Science Review,* Vol. 54, 1960, pp. 406–429.. In the public at large, views on race—and most other issues—were not highly politicized in the 1950s and early 1960s; are Angus Campbell, Philip E. Converse, Warren E. Miller, and Donald E. Stokes, *The American Voter,* New York, Wiley, 1960, chaps, 8–10. But the 1964; election seems to mark the beginning of an era in which ideology in general, and racial issues in particular, are strongly politicized; see John Osgood Field and Ronald E. Anderson, "Ideology in the Public's Conceptualization of the 1964 Election," *Public Opinion Quarterly,* Vol. 33, 1969, pp. 380–398; Richard W. Boyd, "Popular Control of Public Policy: A Normal Vote Analysis of the 1968 Election," *American Political Science Review,* Vol. 66, 1972, pp. 429–449; John F. Becker and Eugene E. Heaton, Jr., "The Election of Senator Edward W. Brooke," *Public Opinion Quarterly,* Vol. 31, 1967, pp. 346–358; see also footnote 5.

[4] See Hazel Erskine, "The Polls: Negro Housing," *Public Opinion Quarterly,* Vol. 31, 1967, and "The Polls: Negro Employment,"

Public Opinion Quarterly, Vol. 32, 1968. p. 139; Campbell, *White Attitudes Toward Black People,* op. cit., chap. V, 1940s, see T.W. Adorno *et al., The Authoritarian Personality,* New York, Harper and Row, 1950, chap. 5.

[5] Field and Anderson, *op. cit.;* Boyd, *op. cit.;* Becker and Heaton, *op. cit.;* Everett Carll Ladd, Jr., and Charles D. Hadley, "Party Definition and Party Differentiation," *Public Opinion Quarterly,* Vol. 37, 1973, pp. 21–34; Philip E. Converse, *et al.,* "Continuity and Change in American Politics: Parties and Issues in the 1968 Election," *American Political Science Review,* Vol. 63, 1969, pp. 1083–1105.

[6] Campbell, *op. cit.,* chap. 7.

[7] The term "racism" is used to mean racial prejudice or hostility toward Negroes. The use of this term rather than some other is simply a matter of terminological convenience and has no particular theoretical or conceptual implications.

[8] According to the Harris Poll, opposition to busing is widely believed, especially among blacks, to be a mask for opposition to school integration; see Louis Harris, "Election showed sharp racial division," New York Post, November 24, 1972, p. 8. In several recent national samples, Gallup found opposition to busing among 85 per cent (in 1970), 76 per cent and 80 per cent (in 1971) of the white population; our 1972 data show 83 per cent opposed. Among blacks, 48%, 46% and 47% opposed it in Gallup's data and 43% in the 1972 data. The question wording is given in text below. See George Gallup, *Gallup Opinion Index,* Vol. 58, 1970, pp. 8–9; Vol. 75, 1971, pp. 18–20; and Vol. 77, 1971, pp. 23–24.

[9] See Adorno, *op cit.,* chap. 4 for early data; for more recent data see P. Sheatsley, "White Attitudes toward the Negro," *Daedalus,* Vol. 95, 1966, pp. 217–238.

[10] Details are given in NORC, *Codebook for the Spring 1972 General Social Survey,* Chicago, National Opinion Research Center, 1972, pp. 49-53; and Carol Richards, "An Analysis of NORC National Block Quota and Probability Samples," Chicago, National Opinion Research Center, 1972.

[11] NORC's experience suggests that the sampling variability is about that of a simple random sample of 1000; see NORC *op. cit.* I have therefore weighted the 1613 actual cases by the fraction 1000/1613.

[12] The sources and previous usage of these items is given in NORC, *op. cit.,* pp. 116–118.

[13] "Do you think Negroes should have as good a chance as white people to get any kind of job, or do you think white people should have the first chance at any kind of job?" Only 3% said white people first.

[14] E. S. Bogardus, *Immigration and Race Attitudes,* Boston, Heath, 1928.

[15] Whatever its defects in exploratory contexts, factor analysis provides a very sensitive test of the hypothesis that a group of items all measure a single underlying trait; there is, in particular, no problem about rotation since only one factor is of interest. In my experience, factor analysis provides a more stringent test than Guttman scaling, although the results are generally quite similar. For detailed treatments see Harry H. Harmon, *Modern Factor Analysis,* Chicago, University of Chicago Press, 1967; and Stanley A. Mulaik, *The Foundations of Factor Analysis,* New York, McGraw-Hill, 1972.

[16] This is an additive (Likert) scale with each item weighed equally. Items were first recorded into ranges 1 (least prejudiced) to 3 (most prejudiced). The scale is quite reliable—Cronbach's alpha is .82. Many of these items, together with some others, are known to make a good Guttman scale with a coefficient of reproducibility of .93; see Donald J. Treiman, "Status Discrepancy and Prejudice," *American Journal of Sociology,* Vol. 61, 1966, pp. 655–656.

[17] These variables are described more completely in footnotes 22 and 25 below.

[18] The details follow. V's are given above the diagonal and gammas below; decimals are omitted.

[19] The well-known correction for attenuation, e.g., David R. Heiss, "Separating Reliability and Stability in Test-Retest Correlation," *American Sociological Review,* Vol. 34, 1969, pp. 94–95.

[20] Unfortunately, this is based on just over 100 cases, the exact number varying slightly from item to item. The lower bound of the 95% confidence interval nonetheless gives a reliability half that of the racism items.

[21] Gallup, *op. cit.,* Vol. 77, p. 23.

[22] Item wording is given in NORC, *op. cit.* "Rural residence" is current residence, coded into four categories: rural county (no town of 10,000); urban county; metropolitan area under 2,000,000; and larger metropolitan area. "Southern origin" is place of residence at age 16 with South coded high. Age is in years. Number of school children is the number of children, aged 6 to 17, in the household.

[23] See, for example, Heiss, *op. cit.*

[24] Partial regression coefficients in standard form; see, for example, John P. Van de Geer, *Introduction to Multivariate Analysis for the Social Sciences,* San Francisco, W. H. Freeman, 1971, chaps. 10–12.

[25] High scores indicate high status. Education is in years. Occupation is in Hodge-Siegel-Rossi occupational prestige scores; see NORC, *op. cit.,* pp. 103–104. Family income is annual income from all earners recoded in twelve categories from "under $2,000" to "$30,000 and over."

[26] A well-known result, e.g., John Harding, *et al.,* "Prejudice and Ethnic Relations," in Gardner Lindzey and Elliot Aronson, eds., *The Handbook of Social Psychology,* Reading, Mass., Addison-Wesley, 2nd ed., Vol. 5, 1969, pp. 28–29.

[27] Except that there is much more support among blacks, about half of whom support busing; see footnote 7.

[28] Conservative answers always get higher scores. Scales were first constructed on conceptual grounds and then refined by factor analyses. Scoring is additive with items weighted equally after being recorded so that the range was the same for each. The precise question wording and marginals are given in NORC, *op. cit. Political intolerance* is: "Now, I should like to ask you some questions about a man who admits he is a Communist. Suppose this Communist wanted to make a speech in your community. Should he be allowed to speak, or not?" The scale includes a similar item on removing the Communist's book from the public library and two parallel items on speeches and books by an atheist; see Samuel A. Stouffer, *Communism, Conformity, and Civil Liberties,* New York, Doubleday, 1955. Factor analysis shows that Stouffer's parallel items on university teaching and tolerance of socialists do not scale with the four items given above, at least not in all segments of the population. *Woman president* is: "If your party nominated a woman for President, would you vote for her if she were qualified for the job?" *Sexual permissiveness* is: ". . . If a man and a woman have sex relations before marriage, do you think it is always wrong, almost always wrong, wrong only sometimes, or not wrong at all?" *Abortion* is a six-item scale, for example: "Please tell we whether or not you think it should be possible for a pregnant woman to obtain of a serious defect in the baby?" Other items involved two further "medical" circumstances—woman's own health endangered, pregnancy resulting from rape—and three "contraceptive" circumstances—the woman does not want or cannot afford more children, or is unmarried. The scale is highly reliable but not entirely unidimensional; the medical and contraceptive items form distinct subcales. *Gun control* is: "Would you favor or oppose a law which would require a person to obtain a police permit before he or she could buy a gun?" *Punitive toward criminals* is: "Are you in favor of the death penalty for persons convicted of murder?" "In general, do you think the courts in this area deal too harshly or not harshly enough with criminals?" This scale is not particularly reliable but is conceptually reasonable and shows quite distinct loadings in a factor analysis with other scales, both here and in other studies. Further details are available on request. Note that single-item indicators are generally more vulnerable to measurement error so that correlations involving them will be lower, other things being equal.

[29] The voting data are on the 1968 election while the attitude data were collected early in 1972 and the results must therefore be treated with caution, but if either an individual's vote or his attitudes reflect reasonably stable predispositions, the distortion should not be extreme. Ignoring this problem is conservative since correcting it would probably make attitudtes appear even more important; see the procedure in David L. Featherman, "Achievement Orientations and Socioeconomic Career Attainments," *American Sociological Review,* Vol. 37, 1972, pps. 137–138 and Appendix.

[30] Other data are the 1968 election also show that issues are important and generally give results very similar to those reported here; see Converse, "Continuity and Change in America Politics," *op. cit.,* especially p. 1097. Also see footnote 3.

[31] Conservatives are coded high. Party is coded "strong Republican," "Republican NEC," "Independent, leaning Republican," "Independent NEC," "Independent, leaning Democratic," "Democrat NEC," "strong Democrat." Vote is actual vote or the individual for whom non-voters would have voted. On a wide range of attitudes, Wallace's supporters were more conservative than Nixon's, who in turn were more conservative than Humphrey's; in the analysis reported in Table 2, (a three-way race) Wallace is therefore coded high, Nixon next, and Humphrey low. For a two-way race, Nixon is scored high, Humphrey low, and Wallace voters are treated as missing data.

[32] Nixon's supporters were fully .43 standard deviations more conservative than Humphrey's; Wallace's were only a modest .18 standard deviations more conservative than that. This pattern seems to have existed also in 1971 when Nixon supporters were .38 standard deviations more conservative than Muskie's with Wallace's only .05 standard deviations more conservative yet; see Gallup, *op. cit.,* Vol. 77. But on racism. Nixon's voters were only a little (.16 standard deviations) more conservative than Humphrey's, while Wallace's were fully .62 standard deviations more conservative yet.

[33] Converse, "Continuity and Change in American Politics," *op. cit.,* pp. 1097-1098.

[34] Busing is an especially dangerous issue for Democrats precisely because it is not just a matter of racism. In presidential elections, Democrats have already lost much of the racist vote. One more racial issue would not add to the damage but busing cost votes that the Democrats might otherwise get. Gun control is, for similar reasons, quite dangerous to Wallace and possibly to Republicans with a similar appeal. Support is almost as widespread as opposition to busing, is equally independent of party, background, and general conservatism, and had an even larger impact on voting. The effect was, however, mainly confined to Wallace vote.

[35] Results on the relationship between busing and other variables are strikingly similar to those found in several Gallup surveys; see Gallup, *op. cit.* Comparable results are available for the relationship between busing and background (rural residence, region, age, re-

ligion, race, and sex), social status (occupation, income, and education), and political party.

[36] Louis Harris, *op. cit.*, p. 8.

[37] Less-educated respondents also have well-organized attitudes toward abortions and political intolerance, the only other attitudes for which we have appropriate data. From low education to high, the average correlations between abortion items are .46, .46, .49, and .50, respectively. The corresponding correlations for political intolerance are .40, .45, .44, and .43.

[38] The number of cases for which test-retest data exist (about 100) is too small to test this point directly. Inter-item correlations for the racism, abortion, and political intolerance scales are more or less the same in all educational groups, which suggests that reliability is about the same.

[39] In general there are difficulties in comparing factor analyses from different subpopulations; see Mulaik, *op. cit.*, pp. 351-360. The present case is sufficiently simple that these complexities can be safely ignored.

[40] There is substantial path between racism and busing even controlling for everything else. The causal influence is, on the whole, probably from racism to busing since racism is a more general attitude, acquired early in life, while busing is a specific and relatively new issue.

[41] Gallup, *op. cit.*, Vols. 75, 77, and 99.

[42] *Ibid.*, Vol. 99, 1973, found that among those favoring integration only 6% of whites and 14% of blacks thought busing the *best* way to achieve it.

[43] See, for example, Patricia Cao Sexton, *The American School*, Englewood Cliffs, New Jersey, Prentice-Hall, 1967, pp. 54-55.

EXHIBIT 2

CONFERENCE REPORT LANGUAGE DISCUSSING COMMITTEE ACTION ON READING TITLE

NATIONAL READING IMPROVEMENT PROGRAM

Purpose of the program.—The Senate amendment, but not the House bill, establishes a new program to:

(1) provide financial assistance to encourage State and local educational agencies to undertake demonstration projects to strengthen reading instruction programs in the elementary grades;

(2) provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading demonstration programs; and

(3) develop a means by which measurable objectives for reading demonstration programs can be established and progress toward such objectives assessed.

The conference substitute adopts these purposes but the projects and programs are not referred to as demonstration projects and programs.

Reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with State and local educational agencies for demonstration projects in schools having large numbers or high percentages of children with reading deficiencies, and with such agencies and other nonprofit institutions for demonstration projects for preschool children. Each such contract must fulfill specific requirements, covering testing, types of programs, availability of test results, parental involvement, and coordination between preschool and elementary school programs. Applications may be approved only if the State educational agency has been notified and given an opportunity to comment.

The conference substitute adopts these provisions of the Senate amendment, except that such projects are not referred to as demonstration projects. The conferees intend that the requirement with respect to contracts with nonprofit institutions is a limitation on the Commissioner, and does not apply to State or local educational agencies. The conference substitute also omits language from the Senate amendment which requires that each contract demonstrate an integral relationship between preelementary programs will be carried out as part of a general learning environment. The conference substitute removes the requirement of prior notification of the State educational agencies before approval of an application of a local educational agency and adopts a substitute instead of a provision wherein an advisory council is appointed by a State educational agency in order to receive and designate priorities among applications for grants in that State, and wherein the local educational agency shall notify the State educational agency of its desire to receive a grant. It is the intent of this legislation that both public and nonpublic schools be adequately represented on the State Advisory Councils. No such contract may be entered into without approval of the project by the State educational agency. The conference substitute also provides that not more than 12½ percent of funds expended under this program in any fiscal year may be expended in any one State in that year.

Purchase of books for reading improvement projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner shall reserve up to 3 percent of the demonstration program funds for grants to State and local educational agencies to pay the Federal share (50%–90%) of the cost of program for the purchase of inexpensive books for distribution to elementary students. This provision is omitted from the conference substitute, but it is the intent of the conferees that grant recipients may use such funds to buy such books.

Special emphasis projects.—Under the provisions of the Senate amendment relating to the national reading improvement program, the Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers (whose qualifications are set out in the law). State educational agencies must approve the projects. A districtwide project is authorized and priority in awarding districtwide project is given to districts making maximum utilization of television programs for teachers of reading. The conference substitute contains this provision.

Reading training on public television.—Under the Senate amendment, the Commissioner is authorized to enter into grants or contracts for preparation, production, evaluation, and distribution for use on public educational television courses for elementary teachers who wish to become reading teachers or specialists. The conference substitute contains this provision.

Grants for institutions of higher education.—Under the Senate amendment, the Commissioner is authorized to make grants to institutions of higher education to assist them in strengthening graduate and undergraduate programs in the teaching of reading, and in planning and implementing cooperative programs with State and local educational agencies. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Office for the Improvement of Reading Programs.—Under the Senate amendment, there is established an Office for the Improvement of Reading Programs, to supersede the existing Right to Read Office, headed by a Director at the GS-17 level, responsible for administration of this Act and for coordination of the furnishing of services under a number of OE, NIE, and HEW reading-related programs. The conference substitute does not contain this provision of the Senate amendment.

Establishment of the Reading Improvement Laboratory.—Under the Senate amendment, the Director of the National Institute of Education is directed to designate an existing facility or to establish a new facility to be known as the Reading Improvement Laboratory. Through the Institute and the Laboratory, he shall conduct research, demonstrations, and pilot projects in reading. The conference substitute does not contain this provision of the Senate amendment. Although the conference committee dropped this provision, the conferees strongly believe that additional research in reading is needed. This purpose can be accomplished, however, through the regular appropriations for NIE. Also, the conferees urge NIE to explore designating an existing laboratory for reading.

State Certification Agencies.—Under the Senate amendment, the Commissioner is authorized to make grants to State educational agencies to enable them to institute or upgrade reading certification requirements. The conference substitute does not contain this provision of the Senate amendment.

Evaluation.—Under the Senate amendment, the Commissioner must submit an evaluation report to the authorizing Committees of the Congress not later than March 31 annually. The conference substitute contains this provision of the Senate amendment, except that the Commissioner may reserve 1 percent of sums appropriated for the reading program for any fiscal year for evaluation of programs assisted thereunder.

Establishment of the Presidential Award for Reading Achievement.—Under the Senate amendment, to motivate children to read, there is established a Presidential Reading Achievement Award, including an emblem to be presented to elementary school children for reading achievement, and a flag or other appropriate recognition for elementary schools achieving excellence. The conference substitute does not contain this provision of the Senate amendment.

Reading Academies.—Under the Senate amendment the Commissioner is authorized to enter into contracts and grants with nonprofit groups for reading academy programs for youths and adults who do not otherwise receive such assistance. This provision is contained in the conference substitute.

Authorizations.—Under the Senate amendment, authorizations for the reading improvement projects are $82,000,000 for fiscal year 1975, $88,000,000 for fiscal year 1976, and $93,000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $30,000,000 for fiscal year 1975, $82,000,000 for fiscal year 1976, $88,000,000 for fiscal year 1977, and $93,000,000 for fiscal year 1978. Under the conference substitute, if appropriations for such reading improvement projects exceed $30,000,000, such excess shall be distributed to the States according to their relative school-age population, except that no State is to receive less than $50,000. Such excess funds must be administered through State educational agencies exclusively and those agencies must give priority in funding to already federally-funded reading programs.

Under the conference substitute, the State educational agency has responsibility for oversight administration of local programs assisted with such excess funds, in order to assure compliance with the requirements of the conference substitute which relate to the use of such excess funds, but actual program administration is the responsibility of the grant recipient.

Under the Senate amendment, appropriations for special emphasis projects are authorized as follows: $25,000,000 for fiscal year 1975, $30,000,000 for fiscal year 1976, and $40,-

000,000 for each of fiscal years 1977 and 1978. Under the conference substitute, such authorizations are $15,000,000 for fiscal year 1975, $20,000,000 for fiscal year 1976, and $25,000,000 for each of fiscal years 1977 and 1978.

Under the Senate amendment, $3,000,000 is authorized to be appropriated for reading training on public television for fiscal year 1975, to remain available for obligation and expenditure through the succeeding fiscal year. The conference substitute contains this provision.

The Senate amendment authorizes appropriations for reading academies of $10,000,000 for fiscal year 1975, $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978. The conference substitute authorizes for such academies $5,000,000 for fiscal year 1975, $7,500,000 for fiscal year 1976, and $10,000,000 for each of fiscal years 1977 and 1978.

TITLE VII—NATIONAL READING IMPROVEMENT PROGRAM

Statement of Purpose

Sec. 701. It is the purpose of this title—

(1) to provide financial assistance to encourage State and local educational agencies to undertake projects to strengthen reading instruction programs in elementary grades;

(2) to provide financial assistance for the development and enhancement of necessary skills of instructional and other educational staff for reading programs;

(3) to develop a means by which measurable objectives for reading programs can be established and progress toward such objectives assessed;

(4) to develop the capacity of preelementary school children for reading, and to establish and improve preelementary school programs in language arts and reading; and

(5) to provide financial assistance to promote literacy among youth and adults.

Part A—Reading Improvement Projects

PROJECTS AUTHORIZED

Sec. 705. (a)(1) The Commissioner is authorized to enter into agreements with either State educational agencies or local educational agencies, or both, for the carrying out by such agencies, in schools having large numbers or a high percentage of children with reading deficiencies, of projects involving the use of innovative methods, systems, materials, or programs which show promise of overcoming such reading deficiencies.

(2) The Commissioner is further authorized to enter into agreements with State educational agencies, local educational agencies, or with nonprofit educational or child care institutions for the carrying out by such agencies and institutions, in areas where such schools are located, of such projects for preelementary school children. Such projects are to be instituted in kindergartens, nursery schools, or other preschool institutions.

(b) No agreement may be entered into under this part, unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information, as he may reasonably require. Each such application shall set forth a reading program which provides for—

(1) diagnostic testing designed to identify preelementary and elementary school children with reading deficiencies, including the identification of conditions which, without appropriate other treatment, can be expected to impede or prevent children from learning to read;

(2) planning for and establishing comprehensive reading programs;

(3) reading instruction for elementary school pupils whose reading achievement is less than that which would normally be expected for pupils of comparable ages and in comparable grades of school;

(4) preservice training programs for teaching personnel including teacher-aides and other ancillary educational personnel, and in-service training and development programs, where feasible, designed to enable such personnel to improve their ability to teach students to read;

(5) participation of the school faculty, school board members, administration, parents, and students in reading-related activities which stimulate an interest in reading and are conducive to the improvement of reading skills;

(6) parent participation in development and implementation of the program for which assistance is sought;

(7) local educational agency school board participation in the development of programs;

(8) periodic testing in programs for elementary school children on a sufficiently freqent basis to measure accurately reading achievement, and for programs for preelementary school children a test of reading proficiency at the conclusion, minimally, of the first-grade program into which the nursery and kindergarten programs are integrated;

(9) publication of test results on reading achievement by grade level, and where appropriate, by school, without identification of achievement of individual children;

(10) availability of test results on reading achievement on an individual basis to parents or guardians of any child being so tested;

(11) participation on an equitable basis by children enrolled in nonprofit private elementary schools in the area to be served (after consultation with the appropriate private school officials) to an extent consistent with the number of such children whose educational needs are of the kind the program is intended to meet;

(12) the use of bilingual education methods and techniques to the extent consistent with the number of elementary school-age children in the area served by a reading program who are of limited English-speaking ability;

(13) appropriate involvement of leaders of the cultural and educational resources of the area to be served, including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community; and

(14) assessment, evaluation, and collection of information on individual children by teachers during each year of the pre-elementary program, to be made available for teachers subsequent year, in order that continuity for the individual not be lost.

(c) Each such applicant, in addition to meeting the requirements of subsection (b), shall provide assurances that—

(1) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level;

(2) the agency will develop a plan setting forth specific objectives which shall include the goals of having the children in project schools reading at the appropriate grade level at the end of grade three; and

(3) whenever appropriate, sufficient measures will be taken to coordinate each preelementary reading program with the reading program of the educational agencies or institutions which such preelementary school children will be next in attendance.

(d) No grant may be made under this part unless the application for such grant provides assurances that the provisions of this subsection are met. Each State educational agency shall—

(1) establish an advisory council on reading appointed by such agency which shall be broadly representative of the education resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary and secondary schools,

(B) institutions of higher education,

(C) parents of elementary and secondary school children, and

(D) areas of professional competence relating to instruction in reading, and

(2) authorize the advisory council established under clause (1) to receive and designate priorities among applications for grants under this section in that State, if—

(i) that State educational agency desires to receive a grant under this part, or

(ii) any local educational agency of the State desires to receive a grant under this part, and notifies the State educational agency concerned, or

(iii) in the case of a preelementary school program any nonprofit educational agency or child care institution in that State desires to receive a grant under this part, and notifies the State educational agency concerned.

(e) No agreement may be entered into under this part unless the application submitted to the Commissioner—

(1) has first been approved by the State educational agency, and

(2) is accompanied by assurances that such agency will supervise compliances by the local educational agency in that State with the requirements set forth in subsection (b) of this section.

(f) The Commissioner may approve any application submitted under this part which meets the requirements of subsections (b), (c), (d), and (e). In approving such applications, the Commissioner may not use any panel (other than employees of the Office of Education) for the purpose of such approval.

(g) In approving applications under this part the Commissioner shall, to the maximum extent feasible, assure an equitable distribution of funds throughout the United States and among urban and rural areas. Not more than 12½ percent of the funds expended under this part in any fiscal year may be expended in any State in that year.

Part B—State Reading Improvement Programs Statement of Purpose

Sec. 711. It is the purpose of this part to provide financial assistance to the States to enable them—

(1) to provide financial assistance for projects designed to facilitate reaching the objectives of this title;

(2) to develop comprehensive programs to improve reading proficiency and instruction in reading in the elementary schools of the State;

(3) to provide State leadership in the planning, improving, execution, and evaluation of reading programs in elementary schools; and

(4) to arrange for and assist in the training of special reading personnel and specialists needed in programs assisted under this title.

APPLICABILITY AND EFFECTIVE DATE

Sec. 712. (a) The provisions of this part shall become effective only in any fiscal year in which appropriations made pursuant to section 732(a) exceed $30,000,000 and then only with respect to the amount of such excess.

(b) The provisions of this part shall be effective on and after the beginning of fiscal year 1976.

ALLOTMENTS TO STATES

Sec. 713. (a)(1) From the sums appropriated pursuant to section 732(a) for each fiscal year which are available for carrying out this part, the Commissioner shall reserve such amount, but not in excess of 1 per centum of such sums, as he may determine, and shall apportion such amount to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title. Of the remainder of such sums, he shall allot an amount to each State which bears the same ratio to the amount available for allotment as the number of school age children (aged 5 to 12, inclusive) in each such State bears to the total number of such children in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him. The allotment of a State which would be less than $50,000 under the preceding sentence shall be increased to $50,000, and the total of the increases thereby required shall be derived by proportionately reducing the allotments to the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotments to any such remaining States from being reduced to less than $50,000.

(2) For the purpose of this section the term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(b) The amount allotted to any State under subsection (a) for any fiscal year which the Commissioner determines will not be required for that year shall be available for reallotment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the amounts originally allotted among those States under subsection (a) for that year, but with the proportionate amount for any of the other States being reduced to the extent it exceeds the sum the Commissioner estimates the local educational agencies of such State need and will be able to use for that year; and the total of these reductions shall be similarly reallotted among the States whose proportionte amounts were not so reduced. Any amount reallotted to a State under this subsection from funds appropriated pursuant to section 732 for any fiscal year shall be deemed part of the amount allotted to it under subsection (a) for that year.

AGREEMENTS WITH STATE EDUCATIONAL AGENCIES

SEC. 714. (a) Any State which desires to receive grants under this part shall, through its State educational agency, enter into an agreement with the Commissioner, in such detail as the Commissioner deems necessary, which—

(1) designates the State educational agency as the sole agency for administration of the agreement;

(2) provides for the establishment of a State advisory council on reading, appointed by the State educational agency, which shall be broadly representative of the educational resources of the State and of the general public, including persons representative of—

(A) public and private nonprofit elementary school children, and

(B) institutions of higher education,

(C) parents of elementary school children, and

(D) areas of professional competence relating to instruction in reading,

to advise the State educational agency on the formulation of a standard of excellence for reading programs in the elementary schools and on the preparation of, and policy matters arising in the administration of, the agreement (including the criteria for approval of applications for assistance under such agreement) and in the evaluation of results of the program carried out pursuant to the agreement;

(3) describes the reading programs in elementary schools for which assistance is sought under this part and procedures for giving priority to reading programs which are already receiving Federal financial assistance and show reasonable promise of achieving success;

(4) sets forth procedures for the submission of applications by local educational agencies within that State, including procedures for an adequate description of the reading programs for which assistance is sought under this part;

(5) sets forth criteria for achieving an equitable distribution of that part of the assistance under this part which is made available to local educational agencies pursuant to the second sentence of subsection (b) of this section, which criteria shall—

(A) take into account the size of the population to be served, beginning with preschool, the relative needs of pupils in different population groups within the State for the program authorized by this title, and the financial ability of the local educational agency serving such pupils,

(B) assure that such distribution shall include grants to local educational agencies having high concentrations of children with low reading proficiency, and

(C) assure an equitable distribution of funds among urban and rural areas;

(6) sets forth criteria for the selection or designation and training of personnel (such as reading specialists and administrators of reading programs) engaged in programs assisted under this part, including training for private elementary school personnel, which shall include qualifications acceptable for such personnel;

(7) provides for the coordination and evaluation of programs assisted under this part;

(8) provides for technical assistance and support services for local educational agencies participating in the program;

(9) makes provision for the dissemination to the educational community and the general public of information about the objectives of the program and results achieved in the course of its implementation;

(10) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to evaluate the effectiveness of the program and to carry out his other functions under this title;

(11) provides that not more than 5 per centum of the amount allotted to the State under section 713 for any fiscal year may be retained by the State educational agency for purposes of administering the agreement; and

(12) provides that programs assisted under this part shall be of sufficient size, scope, and quality so as to give reasonable promise of substantial progress toward achieving the purposes of this title.

(b) Grants for projects to carry out the purposes of this part may be made to local educational agencies (subject to the provision of subsection (e) relating to the participation of private elementary and secondary school pupils), institutions of higher education, and other public and nonprofit private agencies and institutions. Not less than 60 per centum of the amount allotted to a State under section 713 for any fiscal year shall be made available by the State for grants to local educational agencies within that State.

(c) The Commissioner shall enter into an agreement which complies with the provisions of subsection (a) with any State which desires to enter into such an agreement.

(d) The Commissioner's final action with respect to entering into an agreement under subsection (a) shall be subject to the provisions of section 207 of the Elementary and Secondary Education Act of 1965, relating to judicial review.

(e) The provisions of section 141A of the Elementary and Secondary Education Act of 1965 relating to the participation of children enrolled in private elementary and secondary schools shall apply to programs assisted under this part.

PART C—OTHER READING IMPROVEMENT PROGRAMS

SPECIAL EMPHASIS PROJECTS

SEC. 721. (a) The Commissioner is authorized to contract with local educational agencies for special emphasis projects to determine the effectiveness of intensive instruction by reading specialists and reading teachers. Each such project should provide for—

(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school and the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems; and

(2) an intensive vacation reading program for elementary school children who are found to be reading below the appropriate grade level or who are experiencing problems in learning to read.

(b) No contract may be entered into under this section unless upon an application made to the Commissioner at such time, in such manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

(1) the provisions of section 705(b) are met; and

(2) the State educational agency has certified that individuals employed as reading specialists and reading teachers meet the requirements of subsections (e) and (f).

(c) No contract may be entered into under this section unless the project has been approved by the State educational agency.

(d) The Commissioner is authorized to enter into at least one arrangement with a local educational agency for a districtwide project conducted in all schools of such agencies. In selecting the districtwide project, the Commission shall give priority to an application from a local educational agency if the Commissioner finds that—

(1) the local educational agency will give credit for any course to be developed for reading teachers or reading specialists under section 722 and will encourage participation by the teachers of such agency in the training;

(2) the local public educational television station will present or distribute, in the event supplementary noncommercial telecommunication is utilized, any course to be developed under section 722 at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

(3) the local educational agency will make arrangements with the appropriate officials of institutions of higher education to obtain academic credit for the completion of such a course.

(e) In any project assisted under this section a reading teacher may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of a reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading speciallist. A regular elementary teacher may be used in lieu of a reading teacher if the Commissioner finds that the local educational agency participating in a reading emphasis project is unable to secure individuals who meet the requirements of the reading teacher, and if such regular elementary teacher is enrolled or will enroll in a program to become a reading teacher.

(f) For the purpose of this section and section 722 the term—

(1) "reading specialist" means an individual who has a master's degree, with a major or specialty in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction, and

(2) "reading teacher" means an individual, with a bachelor's degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has suc-

cessfully completed two years of teaching experience, which includes reading instruction.

READING TRAINING ON PUBLIC TELEVISION

SEC. 722. (a) The Commissioner is authorized, through grants or contracts, to enter into contractual arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

(1) the preparation, production, evaluation, and distribution for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

(2) the preparation and distribution of informational and study course material to be used in conjunction with any such course.

(b) In carrying out the provisions of this section the Commissioner shall consult with recognized authorities in the field of reading, specialists in the use of the communications media for educational purposes, and with the State and local educational agencies participating in projects under this title.

READING ACADEMIES

SEC. 723. (a) The Commissioner is authorized to make grants to and to enter into contracts with State and local educational agencies, institutions of higher education, community organizations and other nonprofit organizations, having the capacity to furnish reading assistance and instruction to youths and adults who do not otherwise receive such assistance and instruction.

(b) Grants made and contracts entered into under this section shall contain provisions to assure that such reading assistance and instruction will be provided in appropriate facilities to be known as "reading academies".

PART D—GENERAL PROVISIONS

EVALUATION

SEC. 731. (a) The Commissioner shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives not later than March 31, in each fiscal year ending prior to fiscal year 1979. Each such report shall—

(1) contain a statement of specific and detailed objectives for the program assisted under the provisions of this title;

(2) include a statement of the effectiveness of the program in meeting the stated objectives, measured through the end of the preceding fiscal year;

(3) make recommendations with respect to any changes or additional legislation deemed necessary or desirable in carrying out the program:

(4) contain a list identifying the principal analyses and studies supporting the major conclusions and recommendations contained in the report; and

(5) contain an annual evaluation plan for the program through the ensuring fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921.

(b) From the sums appropriated pursuant to section 732 for any fiscal year, the Commissioner may reserve such amount, not in excess of 1 per centum of such sums, as he deems necessary for evaluation, by the Commissioner or by public or private nonprofit agencies, of programs assisted under this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 732. (a) There are authorized to be appropriated to carry out the provisions of parts A and B of this title $30,000,000 for the fiscal year ending June 30, 1975, $82,000,000 for the fiscal year ending June 30, 1976, $88,000,000 for the fiscal year ending June 30, 1977, and $93,000,000 for the fiscal year ending June 30, 1978.

(b) There are authorized to be appropriated to carry out the provisions of section 721, relating to special emphasis projects, $15,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976, and $25,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

(c) There are authorized to be appropriated for the purpose of carrying out section 722, relating to reading training on public television, $3,000,000 for the fiscal year ending June 30, 1975. Sums appropriated pursuant to this subsection shall remain available for obligation and expenditure through the succeeding fiscal year.

(d) There are authorized to be appropriated to carry out the provisions of section 723, relating to reading academies, $5,000,000 for the fiscal year ending June 30, 1975, $7,500,000 for the fiscal year ending June 30, 1976, and $10,000,000 for each of the fiscal years ending June 30, 1977 and 1978.

TITLE VIII—MISCELLANEOUS PROVISIONS

PART A—POLICY STATEMENTS AND WHITE HOUSE CONFERENCE ON EDUCATION

NATIONAL POLICY WITH RESPECT TO EQUAL EDUCATIONAL OPPORTUNITY

SEC. 801. Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of equal educational opportunity, and (2) declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers.

POLICY WITH RESPECT TO ADVANCE FUNDING OF EDUCATION PROGRAMS

SEC. 802. The Congress declares it to be the policy of the United States to implement immediately and continually section 411 of the General Education Provisions Act, relating to advance funding for education programs, so as to afford responsible State, local, and Federal officers adequate notice of available Federal financial assistance for education authorized under this and other Acts of Congress.

POLICY OF THE UNITED STATES WITH RESPECT TO MUSEUMS AS EDUCATIONAL INSTITUTIONS

SEC. 803. The Congress, recognizing—

(1) that museums serve as sources for schools in providing education for children,

(2) that museums provide educational services of various kinds for educational agencies and institutions and institutions of higher education, and

(3) that the expense of the educational services provided by museums is seldom borne by the educational agencies and institutions taking advantage of the museums' resources,

declares that it is the sense of Congress that museums be considered educational institutions and that the cost of their educational services be more frequently borne by educational agencies and institutions benefiting from those services.

WHITE HOUSE CONFERENCE ON EDUCATION

SEC. 804. (a) The President is authorized to call and conduct a White House Conference on Education in 1977 (hereafter in this section referred to as the "Conference") in order to stimulate a national assessment of the condition, needs, and goals of education and to obtain from a group of citizens broadly representative of all aspects of education, both public and nonpublic, a report of findings and recommendations with respect to such assessment.

SENATOR BEALL'S REMARKS WHEN EDUCATION BILL PASSED SENATE MAY 8, 1974

Mr. BEALL. Mr. President, at this time I want to address myself to title VII, the national reading improvement program.

This title combines S. 1318, which I introduced and S. 2069, which was introduced by Senator Eagleton and would authorize a 4-year, $469 million accelerated attack on what I have labeled the "Achilles' Heel" of American education—the large number or high concentration of children in some schools with severe reading difficulties.

The education-limiting and career-crippling handicap of the inability to read is so big and its solution so important that it demands a concentrated attack, and I believe that the reading improvement program can and will make a substantial difference.

The reading effort authorizes two types of demonstration projects, the reading improvement demonstration projects and the special emphasis projects. Under the former, Federal assistance would be available for projects conceived by States or local education agencies. Under the special emphasis projects, Federal assistance would be available for school districts to carry out a specific demonstration designed to determine the effectiveness of intensive instruction by reading specialists and the reading teachers—the regular classroom teacher with upgraded skills.

Reading emphasis projects must provide for:

First, instruction for all students in grades one and two by a reading specialist for one period daily and similar instruction for students in grades three through six who are experiencing reading difficulties; and

Second, an intensive vacation reading program for elementary children who are having reading problems.

Other provisions of the reading program would:

First, authorize the development of a course and a study guide in reading to be shown over public television for use by teachers and parents;

Second, provide grants to institutes of higher education to strengthen and improve undergraduate and graduate instruction in the teaching of reading;

Third, direct the National Institute of Education to accelerate research in reading and to establish a reading improvement laboratory.

Fourth, provide grants to States for the review and upgrading of State certification requirements;

Fifth, create a Presidential Award for Reading Achievement to motivate elementary pupils to develop better reading skills, and

Sixth, establish an Office of Improvement of Reading in the Office of Education.

Cosponsoring S. 1318 with me were Senators DOMINICK, DOMENICI, MONTANYA, and PASTORE. I am grateful for their help and support on this measure.

The alarming statistics reveal the magnitude of the reading problem. It is estimated:

That some 18½ million adults are functional illiterates;

That some 7 million elementary and secondary children are in severe need of special reading assistance;

That in large urban areas, 40 to 50 percent of its children are reading below grade level;

That 90 percent of the 700,000 students who drop out of school annually are classified as poor readers; and

That massive reading difficulties revealed in those statistics have been confirmed by surveys of teachers and principals alike.

The Office of Education in 1969 surveyed 33,000 title I elementary schools in over 9,200 school districts across the country. Two hundred and sixteen thousand teachers were asked to supply data on approximately 6 million pupils in grades 2, 4, and 6. These teachers judged reading the greatest area of need and they estimated that approximately 2.5 million pupils, or 48 percent of the enrollment in these grades, showed evidence of a critical need for compensatory programs in reading. This data indicated that

22 percent of the urban schools had 70 to 100 percent of their pupils reading 1 year below grade level.

Similarly, a survey of principals representing elementary school populations of approximately 20 million and a secondary school population of 17.8 million was taken seeking their estimate of the reading problem. These responses were analyzed by Carol Ann Dwyer of the Education Testing Services, Berkeley, Calif., and she found that the principals identified some 4.7 million pupils with reading problems in the elementary grades, and 2.7 million in the secondary grades.

Alarmingly, 37 percent of the elementary pupils and 46 percent of the secondary pupils with reading problems were reported to be receiving no special assistance in the instruction of reading.

The Department of Education in my State last year released the results of its survey of 11,000 citizens on the most important goal for Maryland schools. The survey found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Over and over again, parents, the general public, and the press across the Nation have expressed concern with poor student performance in the fundamental reading areas.

After I introduced this measure, an individual from Texas sent me a copy of the Dallas Morning News of June 24, 1973, which did a story on "Illiterate Graduates Face Literate World." I want to read into the Record the first two paragraphs from this article:

At commencement exercises throughout the city recently, anywhere from 500 to 1,000 of Dallas' 9,000 graduating seniors, according to official estimates, walked across stages to be handed diplomas they could not read.

Barely able to read, many will wind up with poor jobs or no jobs at all.

Still in school, youngsters who are either unable to read at all or read only at the most elementary level can be found in almost every one of Dallas' 43 secondary schools.

Dallas School Superintendent Nolan Estes has estimated more than 20,000 of the public school system's 70,000 secondary students read at least two or more years below grade level.

On May 4 the Washington Post headline read "Reading Tests Show Widespread Illiteracy." The Post was reporting on a new Government report showing that about 1 million American youths between the ages af 12 and 17 are unable to read as well as the average fourth grader and can thus be called illiterate. Dr. Holloway, director of the right to read program, called this report "alarming and discouraging." I ask unanimous consent that this article be printed at the end of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Reading Tests Show Widespread Illiteracy

(By Eric Wentworth)

About one million American youths 12 to 17 cannot read as well as the average fourth grader and can thus be called illiterate, according to a new government report.

Reading test scores were worse among blacks than whites, boys than girls, and youngsters from low-income families with less-educated parents than those from more fortunate backgrounds, the report showed.

The report, released by the National Center for Health Statistics, provided new evidence that the United States has a serious literacy problem despite the more than $40 billion spent yearly on public school operations.

The report's findings were based on brief literacy tests administered to a selected sample of 6,768 youths from 1966 through 1970.

The tests were part of the national center's health examination survey, a major quest for data on Americans' physical and mental health. Later reports will explore links between illiteracy and health problems.

The sampled pupils were asked to read seven short paragraphs of 40 to 50 words and answer three multiple-choice questions on each. They were considered literate if they could give correct answers for four of the paragraphs.

One paragraph read: "It was spring. The young boy breathed the warm air, threw off his shoes, and began to run. His arms swung. His feet hit sharply and evenly against the ground. At last he felt free." The questions concerned the season of the year, what the boy was doing, and how he felt.

The 12-to-17-year-olds whose scores fell below what could be expected from the average child beginning fourth grade were considered illiterate. Fourth-graders are normally 9 years old.

After analyzing the test results, survey officials estimated that 4.8 per cent of the nation's nearly 23 million youths in the 12–17 age bracket extending all the way through high school grade levels, can be termed illiterate. That would amount to about 1 million young Americans.

More specifically, the report showed:

Among black youths as a whole, the illiteracy rate is 15 per cent. For white youths, it is 3.2 per cent.

For males of both races, the rate is 6.7 per cent, while for females it is 2.8 per cent.

For black males alone, the rate is a dramatic 20.5 per cent, or one in five. On the other hand for white females alone, it is 1.7 per cent, or less than one in 50.

The report also showed, as might be expected, that illiteracy rates are highest among youths whose families rank at the poverty level, and decline as income levels rise, still, at least some youths from families with $15,000-plus income flunk the literacy test.

Similarly, young people are most often illiterate when their parents have had little education, according to the report's findings. Among black youths from families headed by someone who had no formal education at all, for example, more than 50 per cent are illiterate.

On the other hand, some illiteracy is also found among the offspring of white college-educated parents.

"Alarming and discouraging" was how Ruth Love Holloway, director of the U.S. Office of Education's "right to read" program, viewed the report.

OE's "Right to read" program, first announced in 1969 by the late James E. Allen, Jr. who was then U.S. education commissioner, has been sponsoring a number of innovative reading programs and disseminates information about those that prove successful.

Mr. Beall. Mr. President, this kind of frustration, as I pointed out when I introduced the bill last March, resulted in a lawsuit by a teenager in California who is suing the San Francisco school district and the State of California for $1 million for graduating him from high school without learning to read. I ask unanimous consent that articles on this case be printed at the end of my remarks.

The Presiding Officer. Without objection, it is so ordered.

(See exhibit 1.)

Mr. Beall. This concern is evidenced by the suggestion of Dr. Kenneth Clark that all subjects be suspended in the ghetto school for a year and that all such time be spent on bringing the children's reading up to grade level.

Mr. President, I am convinced that the disenchantment in our schools, to a large degree, has to do with the inadequate performance in the reading area. This is not to say that schools do not do a good job with the large majority of our young people. They do, but a technological society like our where only 5 pecent of the jobs are unskilled cannot tolerate massive reading problems such as I have just described. Welfare rolls, to mention one social cost, will increase unless we do a better job of teaching such youngsters to read.

The President has recognized the importance of reading by establishing the "right-to-read" program, which is charged with the responsibility of eliminating functional illiteracy by 1980. Under the able direction of Dr. Ruth Holloway, the right-to-read program is doing some extremely interesting and constructive work.

I will now proceed to discuss the special emphasis projects in some detail.

READING PROBLEMS—A PREVENTIVE APPROACH

The primary focus of the entire bill, as well as the special emphasis projects, is preventive. I believe that it is essential that we not only focus on reading problems, but also that we zero-in on the elementary years. I believe that prevention is more effective both in terms of education results and cost effectiveness than subsequent remedial efforts.

The special emphasis projects thus call for the teaching of reading to all elementary children in grades 1 through 2 by reading specialists. This is the real preventive aspect of the program and it is aimed at preventing reading problems from developing. It is designed to get all children off to a good start in reading.

In title I schools we know that reading retardation becomes greater with each successive year. I have talked with many teachers about the reading problem and, almost without exception, they advise me that it becomes increasingly more difficult, some say almost impossible, to remedy reading difficulties the longer we wait.

For grades 3 and above, the reading specialist would only be utilized for those children who are not reading at grade level or who are experiencing reading problems.

Also, an important responsibility of a reading specialist would be to administer or supervise the administering of the necessary diagnostic and screening tests to identify pupils who, for whatever reason, are having problems in reading.

VACATION READING OPTION

At the first sign that a child is falling behind in reading, there would be made available the option of attending a summer or vacation intensified reading program, again employing reading specialists.

Mr. President, the Nation through the Elementary and Secondary Education Act and other programs, has attempted to improve the education of disadvantaged youngsters.

Certainly that act has helped to identify and spotlight the massive education deficiencies of some of our schools. Unfortunately, we have not achieved the results to date that we have hoped for, although we have learned a great deal from our experiences. For example, we have found that we cannot spread the money among all of our schools and expect results; instead, we have found that better results are achieved when we concentrate such resources.

Also, districts that have emphasized academic programs have in general had better results. As a recent title I evaluation noted:

Apparently there has been an over-alocation of supporting services and an under-allocation of academic services in Title I since the program's inception.

Headstart is another program which I strongly support. Interestingly enough, both in title I and the Headstart program "gains" that were produced often disappear. A study by Mr. Donald Hayes, of Cornell University, and Judith Grether, of the Urban Institute, indicate that the reading deficiency of disadvantaged children may be traced in part to the adverse impact of the summer vacation period.

These researchers found:

> Much of the difference between white and nonwhite can be traced to differential progress in reading and word knowledge during nonschool periods . . . put another way, the four summers between second and sixth grades produce a reading differential almost equal to the effects of five academic years. Month for month in 1965–66 the ghetto students were progressing at a rate 16 times as great during school as out of school. The upper-middle class student progressed at 3.5–4 times the rate *in* school as *out*. Students in all sets appear to learn while in school—it is when they are out of school that the important differentials appear. While *in* school the relatively rich white school children do barely better than the ghetto schoolchildren (1.3 times as much progress per month in 1965–66) but during the summer the relatively rich whites progress 6 times the rate of nonwhites.

This study, while certainly not conclusive, does add support to the summer school component of my proposal. Perhaps the study may help to explain the "loss" during summer vacation periods of "gains" realized in some of our compensatory education programs.

In the last Congress during hearings on equal educational opportunities, in a response to a question about my reading proposal, Mr. James F. O'Neil, of the State Board of Education for the State of Michigan responded:

> I particularly believe that the proposal to provide summer reading programs would be important, for this reason. Again, this latest study indicates that in the opinion of the report, that many children in the low socio-economic areas, lose more than others during the summer months, because of the social and economic advantages and the motivation in the homes. Therefore, it would seem that having funds for the summer program would be particularly important to overcome such a slippage as that and to determine, if this is occurring, whether such programs would prevent it. That particular aspect is something I would wholeheartedly support.

For elementary grades 3 and above, reading would be taught by a specialist only for those children who are not performing at grade level. Also, these children would continue to have available the summer school program.

The special emphasis projects then seek to prevent reading problems from developing, to identify them immediately when they do, and to provide for prompt remediation once such problems are identified.

At this point, I want to strongly emphasize that this proposal is not meant to, nor will it, minimize or downgrade the role of the regular elementary classroom teachers in reading. The reading specialists employed in this program will serve to introduce specialization and intensification of reading instruction to all children in project schools, but the classroom teacher will continue to carry out his or her reading responsibilities, although obviously there would be coordination between the classroom teacher and the reading specialist.

SPECIALIZATION IN READING

Admittedly, specialization in reading for all children at the elementary grade level is new, but specialization itself at the elementary level is not new. At the elementary level, specialists are often employed to teach music, art, and physical education. Unlike in some of these other areas utilizing specialists, the reading specialist will not supplant the classroom teachers' reading role.

All reading instruction would not be the responsibility of the specialist. The regular classroom teacher will continue his or her important responsibilities, but the reading specialist will supplement and intensify that effort.

Indeed, this proposal envisions substantial upgrading of elementary teachers in reading, particularly in grades 1 through 3. That is why I have included the training program to make this possible.

Mr. President, schools in a number of States, such as California, Michigan, Wisconsin and Missouri have been utilizing reading specialists with considerable success. Dr. Kiesling, of the Urban Institution, writing in the November 1972 issue of "Education and Urban Society," examines various hypotheses for effective programs for disadvantaged children. He found that—

> Minutes of instruction, especially those by the trained reading specialists, were constructively related to reading gains.

Continuing, he argues that in situations where the present system is failing, such as in many of our core cities:

> It might be efficient to substitute specialists's instruction for relatively large amounts of self-contained classroom instruction.

In his concluding comments, Dr. Kiesling says:

> It is widely believed, mostly on the basis of the reports of large national surveys, that compensatory education has failed. The findings of this study, which demonstrated modest average success and the possibility of very respectable gains in reading if diagnostic reading specialists are used for instruction, stand in partial contradiction to this.

Dr. Kiesling also cited what he called increasing evidence from research in compensatory education tending to support his findings. In discussing this literature, Dr. Kiesling states:

> Guszak (1970) discusses research which he feels gives rise to a reasonable hunch that instruction by diagnostic reading teachers is effective for disadvantaged pupils. Bissell (1970) has shown convincingly, in a careful analysis of the findings of many well-designed compensatory education research projects, that better learning rates are associated with the degree of external organization and sequencing of the child's learning experiences, hierarchical organization of objectives, directive teacher role and the nature and amount of program supervision and personnel training. These attributes are precisely those that are present with instruction by trained specialists especially so when the program is planned such that the regular classroom teacher and paraprofessionals are well coordinated to the specialists' activity.

From the discussion it is clear that the reading specialist's ability and leadership is critical to the success of this program. The reading specialist's role will be both challenging and difficult.

The reading specialist will be introducing specialization in the reading area for all elementary students as he or she provides instruction to all children in grades 1 and 2, and to all children who are reading below the appropriate grade level in grades 3 through 6.

In addition, reading specialists will be teaching those children who participate in the summer intensive reading program.

But, the reading specialist's responsibilities extend beyond the teaching function as important as this is. The reading specialist, as envisioned in this proposal, is expected to provide strong leadership for and coordination of the reading program at his or her school. The reading specialist will also administer or supervise the administering of diagnostic testing and screening.

Further, the reading specialist will be a resource person, helping the elementary classroom teachers grow and improve their instruction of reading in the regular class and will help develop additional reading specialists. For those schools who will participate in the public television reading courses for teachers, authorized by the reading title, the reading specialist is expected to lead followup discussions after the media presentation of the course within the school. Finally, the reading specialist is expected to, in effect, be a salesman for reading, helping to instill in the faculty and students the overriding importance of this subject and a burning desire on the part of the teacher and student alike to improve the reading performance of that school.

I have included a definition of "reading specialist" and "reading teacher" in the bill. Experts with whom I consulted cautioned me that the intent of the program could be frustrated if qualified individuals were not attracted, particularly in view of the importance of the specialist in this program. On the other hand, if I made the requirement too strict, there may not be adequate numbers of reading specialists.

A "reading specialist" is defined as an individual who has a master's degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed 3 years of teaching experience which includes reading instruction.

This is essentially the definition of the International Reading Association, a professional organization active in the upgrading of reading instruction.

The term "reading teacher" means an individual with a bachelor degree, who has successfuly completed a minimum of 12 credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education and has succesfully completed 2 years of teaching experience, which includes reading instruction.

Realizing that there may not be adequate reading teachers or specialists, I have provided sufficient flexibility in the defintions so as to allow a reading teacher to be utilized in lieu of a reading specialist and a regular teacher for a reading teacher, provided such teacher is enrolled or will enroll in classes to meet the higher requirements. I would emphasize, however, that these definitions are only for the purposes of this program.

It is clear that the legislation envisions a major upgrading of professional qualifications in the reading area, particularly in project schools. The bill also will encourage institutions of higher education to give greater emphasis to reading in the preparation of elementary teachers and reading specialists. The goal is to have all elementary teachers in project schools become reading teachers. To accomplish such a goal, it is obvious that a massive retraining effort will be necessary. Some school systems are recognizing this need and an effort is already underway.

For example, the Baltimore city school system found it necessary to give all 8,000 teachers some additional training in the reading area.

As unbelievable as it sounds, it was possible until very recently for teachers to teach reading without a single college course in reading or reading methods. For example, in my State of Maryland, prior to 1972, the only requirement was one single course in language arts. This in general seems to have been the case in most States in the country, for as a study, "The Information Base for Reading" by the Educational Testing Service of Berkeley, Calif., observed:

"In 1960, as in 1970, the most frequent requirement for certification as a regular elementary teacher or secondary teacher was one course in reading and/or language arts."

The Library of Congress at my request, completed a survey of the 50 States to determine their requirements for the regular elementary teacher and the reading specialist. I ask unanimous consent that this chart be included at the end of my remarks.

There being no objection, the chart was ordered to be printed in the Record, as follows:

50 STATE SURVEY BY THE LIBRARY OF CONGRESS AT THE REQUEST OF SENATOR J. GLENN BEALL, JR. (R-MD.) ON THE CERTIFICATION REQUIREMENTS IN THE METHODS OF READING INSTRUCTION FOR PUBLIC SCHOOL TEACHERS IN SELECTED STATES

	Regular elementary school teachers				Reading specialists at the elementary school level			
State	Number of course hours (credit)	Type(s) of courses(s)	Percent meeting present requirements	Changes in requirements in the past 5 years	Number of course hours (credit)[1]	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years
Alabama	0	NA[2]	NA	None		NA	NA	None.
Alaska	"3 courses"	Techniques, diagnosis, prescription.	50	1971—no specific requirement in the methods of reading instruction previously.	M.A	Techniques, diagnosis, prescription, materials.	NS[3]	None.
Arizona	3 s.h	Methods	100	None	15 s.h	Methods, remedial, practicum or internship.	100	1971—Course sequence mandated.
Arkansas	3 s.h	NS[3]	NS	1972—none before	M.A	Methods, remedial, laboratory practice.	NS	None.
California	"1 course"	Methods, to include phonics.	100	1971—Inclusion of phonics not previously specified.	NS	Certification based upon recommendation by local educational agency and passage of examination; or observation by a panel appointed by the State educational agency.	100	None.
Colorado	0	NA	NA	None	NS	NA	NA	None.
Connecticut	6 s.h	Methods (3) children's literature (3).	NS	1972—None before	M.A	Methods, remedial, practicum, children's literature.	NS	None.
Delaware	3 s.h	Methods	100	None	15 s.h (graduate).	Methods, remedial, practicum	100	None.
Florida	2 s.h	Methods	NS	None	21–33 s.h	Foundations, methods, remedial, children's literature.	NS	None.
Georgia	5 q.h.[4]	Methods	90	None	25 q.h	Methods, remedial	100	None.
Hawaii	0	NA	NA	None		NA	NA	None.
Idaho	0	NA	NA	None		NA	NA	None.
Illinois	2 s.h	Methods	90	None	32 s.h	NS	100	None.
Indiana	6 s.h[4]	Developmental and corrective reading.	NS	1970—none before	30 slh	Foundations, diagnosis, laboratory practicum.	100	None.
Iowa	3 s.h	Methods	80	None	M.A. plus 4 years of experience.	Approved program basis	100	1970.
Kansas	0	NA	NA	None	12 s.h. (graduate).	Foundations, remedial, practicum.	80	1971—requirements specified.
Kentucky	6 s.h	NS	NS	1972—none before	12 s.h. graduate).	do	NS	Do.
Louisiana	3 s.h	NS	25	1971—none before		NA	NA	None.
Maine	0	NA[5]	NA	None	12 s.h	Remedial	100	Do.
Maryland	3 s.h	Methods	8–85	1972—none before	12 s.h	Foundations, remedial, practicum.	85	Do.
Massachusetts	0	NA	NA	None	18 s.h	NS	"Most"	Do.
Michigan	0	NA	NA	do	12 s.h. plus 4 years of experience.	Methods, diagnosis, treatment of difficulties.	87	Do.
Minnesota	0	NA	NA	do	"6 courses"	Developmental reading, remedial, practicum.	NS	Do.
Mississippi	6 s.h	Methods	99	do	15 s.h	Developmental reading	99	Do.
Missouri	4–5 s.h	Methods	20	None	NS	Methods, remedial, psychological testing, practicum.	90	1970—Psychological testing requirement added.
Montana	0	NA	NA	None		NA	NA	None.
Nebraska	0	NA	NA	None		NA	NA	None.
Nevada	2 s.h	Methods	100	None	M.A	NS	100	None.
New Hampshire	0	NA	NA	1970—from specific requirements to approved program basis.	M.A	NS	95	1970—from specific requirements to approved program basis.
New Jersey	"1 course"	Methods	100	None	24 X.h	Methods, practicum psychological testing.	NS	1971—requirement raised from 19 to 24 s.h.
New Mexico	3 s.h	Methods, remedial.	85	None	10 s.h. (for elementary. reading teachers).	Foundations, remedial, practicum.	70	None.
New York	6 s.h	NS	70	1972—none before		NA	NA	None.
North Carolina	0	NA	NA	None	18–30 s.h	Methods, remedial, practicum	NS	None.
North Dakota	0	NA	NA	None	"8 courses" (graduate).	Foundations, remedial, practicum.	100	None.
Ohio	3 q.h	Methods	100	None	18 q.h	Foundations, developmental, remedial, practicum.	100	1972—none before.
Oklahoma	3 s.h	Methods and materials.	100	None	12 s.h	Foundations, remedial, practicum.	100	None.
Oregon	6 q.h	Methods	75	1972—minimum specified	15 q.h	Methods, remedial, practicum	90	1972—minimum specified.
Pennsylvania	NS	NA	NA	1969—3 s.h. required previously.	NS	NS	NS	1969—genera guidelines outlined.
Rhode Island	3 s.h	Methods	NS	None		NA	NA	None.
South Carolina	3 s.h	Methods	NS	None	12 s.h	Methods, remedial, practicum	NS	None.
South Dakota	0	NA	NA	None		NA	NA	None.
Tennessee	3 s.h	Methods	NS	None		NA	NA	None.
Texas	"1 course"	Methods	100	None	6 s.h	Methods, diagnosis	100	None.
Utah	0	NA	NA	None		NA	NA	None.
Vermont[6]	NA	NA	NA	NA	NA	NA	NA	NA.
Virginia	3 s.h	Methods	NS	None	M.A	Foundations, remedial, practicum.	NS	1972—none before.
Washington	"1 course"	Methods	100	None	20 q.h	NS	100	None.
West Virginia	2–3 s.h	Methods	33	None	27 s.h	Foundations, remedial, clinical experience.	100	None.
Wisconsin	"1 course"	Methods	60	1973—requirement made mandatory.	M.A. or 30 s.h	Advanced methods, measurement, remedial, supervision, internship.	100	1972—none before.
Wyoming	8 s.h.[5]	Methods	95	None	6 s.h. (additional to standard requirement).	Remedial	95	None.

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[1] Where this space is left blank (—), no separate certification for specialized reading teachers at the elementary school level exists.

[2] NA—Not applicable.

[3] NS—Not specified (if in a "Number of course Hours" column, a requirement exists but the number of hours is not specific; in other columns, NS indicates that the data is unavailable).

[4] s.h.—semester (credit) hours; q.h.—quarter (credit) hours.

[5] 8 s.h. of courses in the methods of teaching elementary skills, including reading.

[6] Due to staff limitations, the State of Vermont has declined to answer all inquiries related to this study (see attached note).

Mr. BEALL. Mr. President, Professor Roeder, Eller, and Beal of State University College, Fredonia, N.Y., had the following to say with respect to the preparation of teachers to teach reading:

"To the already voluminous number of reasons suggested for Johnny's inability to learn to read, the authors would like to suggest one more—perhaps Johnny is experiencing difficulty in learning to read because many of his teachers have not been adequately prepared to teach reading. In fact, the majority of Johnny's teachers have no doubt spent more time in college gymnasiums learning to play volleyball and similar games than they have spent in college classes learning how to teach reading. . . . Unfortunately, when a neophyte teacher is graduated from an accredited institution and awarded state certification, it is often assumed that he possesses at least a minimal understanding of how to teach reading. Nothing could be more remote from reality! . . . As a matter of fact, one of the authors received his baccalaureate degree in elementary education from an institution which required such courses as: Industrial Arts (3 hrs.), Music Methods (6 hrs.), Arts and Crafts for Classroom Teachers (6 hrs.), Physical Education (2 hrs.), and Marriage and Family Relations (3 hrs.). Consequently, when he embarked upon his professional career, he was prepared to teach his fifth graders how to swim, sing, make puppets, build birdhouses, play volleyball, settle family arguments, and weave baskets. Unfortunately, he was not prepared to teach his students how to analyze words, comprehend printed materials or critically evaluate textbook selections. Somehow, his alma matter had let him down; it had disregarded the most important R—Reading Although he had fulfilled all the requirements for graduation and state certification, he—and his contemporaries—were never required to complete a course in the teaching of reading."

Mr. President, there are three sections of the reading title designed to improve and upgrade the teaching of reading in the country.

First, section 705, "Grants for institutions of higher education." This section authorizes grants to institutions of higher education for the purpose of planning and implementing programs to strengthen and improve graduate and undergraduate instruction in the teaching of reading and the cooperative programs with State and local educational agencies.

Second, section 708 authorizes grants to States to strengthen existing certification requirements. Hopefully, this will result in an increase in the course requirements in reading for future elementary teachers so that such graduates will meet the requirements of a reading teacher.

TELEVISION TEACHER TRAINING

Section 704 authorizes the Commissioner of Education to make arrangements for the preparation and production for viewing on public television of reading courses for elementary teachers and reading specialists. In addition, a study course guide would be prepared for use in conjunction with the television instruction.

The great potential of television for educational purposes has been demonstrated by such shows as Sesame Street and Electric Co. Also, college courses have been successfully offered over television. My State of Maryland is doing some imaginative and innovative work in this area.

One frequent difficulty with many of the television courses is the times at which such courses are offered. Sunrise is obviously not the best hour for our citizens. I have tried to draft this bill, not only to tap the best available talent to produce the courses, but equally important to encourage the offering of such courses at hours that are convenient to the teachers.

This provision envisions the outstanding reading experts in the country combining their talents with experts in the utilization of the communication media for educational purposes to produce first-rate courses that may be used by any interested school system.

While I want to see the courses available to all reading emphasis projects and schools and school systems everywhere, the legislation requires that the Commissioner give priority in selecting the urban districtwide project to applicants which can show—

First, that the State and local educational agencies will give credit for the television courses and encourage participation by the district's teachers;

Second, that the local television station will offer such courses at hours convenient to the teachers. It is hoped that the time of viewing will enable all the elementary teachers to view the program as a group so as to enable follow up discussion led by the reading specialists; and

Third, that the local education agency will make arrangements with the colleges and universities so that academic credit will be given for the completion of such courses.

CENTER FOR READING IMPROVEMENT

Despite the importance of reading, this importance has not been adequately reflected in educational research and development. Accordingly, this part of my proposal would require the Director of the new National Institute of Education to establish a Center for Reading Improvement. $10 million would be authorized for the purposes of this section and these sums would remain available until expended.

The educational centers and labs previously funded under the Cooperative Research Act have been transferred to the National Institute of Education.

The Institute has been evaluating the present educational laboratories and center programs. I have examined some of the programs of the centers and labs and I must say that none of their work, in my judgment, compares with the importance of reading for our society. I believe that reading certainly should at least have one center or lal that is devoting full time to this problem.

Thus, under section 705 of my proposal, the Director of the National Institute of Education, through the Institute and the Center for Reading Improvement, would conduct or support research and demonstration in the field of reading, including, but not limited to the following areas:

First. Basic research in the reading process. The case for accelerated research and development efforts in the reading area is made by the massive reading problems facing the country. We certainly need to learn more about the reading process and how children learn to read. This is an exceedingly complex and difficult area, but its difficulty is exceeded only by its importance. So, I hope that basic research in the reading process will be pursued.

Second. That most effective method or methods for the teaching of reading. The debate on how to teach reading in the country has been going on for over a century with the proponents of the phonetic and look-see approach enjoying popularity at different times. Until educational research resolves this question, it would seem prudent that we make certain that our teachers know the main alterntives and techniques and when and how to employ special techniques of instruction.

Third. Improved methods for the testing of reading ability and achievement. There is a need to improve our techniques for testing reading ability and achievement. There is already some interesting work going on as evidenced by the Education Commission on the States' national assessment of educational processes, and also the work in my State on criterion-reference tests.

Fourth. Development of model college courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists.

Fifth. The development of techniques for the diagnosis and correction of reading disabilities. Throughout the last decade surveys both among those training to become teachers and those in teaching, have indicated that both groups believe that inadequate preparation was given in diagnosing and correcting reading problems of pupils.

The educational literature during this same period also emphasized the need for this approach. But as the Education Testing Service observed:

"In spite of such widespread exhortations, the requirement for teachers' education and certification have shown no subsequent change according to the surveys in 1960 and 1970."

Sixth. The development of model reading programs for elementary school children generally, and special model reading programs for elementary schoolchildren who are educationally disadvantaged, or handicapped.

During 1950's there was considerable concern with respect to teaching of science in high schools. As a result, a study was undertaken by the National Science Foundation and a model textbook for physics was developed. It is my understanding that this was very well accepted and has been credited with substantial upgrading of the instruction of physics in the United States. I believe we should attempt a similar effort with respect to the development of a reading curriculum for pupils in the early elementary grades.

Seventh. The use and evaluation of education technology in reading, and

Eighth. The evaluation of educational materials in reading. P. Kenneth Komoski, president of the Education Product Information Exchange Institute, indicated a conservative estimate of the education material being marketed to the schools is over 200,000 items and that this production has increased twenty-fold in the last two decades. There are also numerous materials specifically on the teaching of reading, providing teachers with many options and alternatives in the selection of teaching materials. Mr. Komoski points out that less than 10 percent of the education materials have been field tested and only approximately 1 percent have been subjected to learner-verification techniques.

PRESIDENTIAL READING AWARDS

Finally, my proposal would establish Presidential awards for reading achievement. There will be two types of awards, one for elementary students and one for elementary schools.

The student award would consist of an emblem to be presented to elementary students for achievement in reading, as defined by the Commissioner of Education.

The school award would be a pennant, or other appropriate recognition, for schools achieving reading excellence, as defined by the Commissioner. The student and school awards will be of such design and material as the President prescribes.

I would hope that the President, before deciding on the design and material for the award, would consult with the education community and provide both the education community and the public with an opportunity to make suggestions for the award. Perhaps, it would be worth considering a national competition for the design of such awards, but I have not specified this in the statute itself.

Mr. President, in 1955 President Eisenhower was presented with evidence regarding the physical fitness of American youth. The President was told that 58 percent of the American children failed on one or more of six basic tests for muscular strength and flexibility as compared to only 9 percent of the Western European children.

As a result, President Eisenhower established what is now the President's Council on Youth Fitness and Sports. School fitness programs were developed for our youth, including a screening test for young children to identify those most in need of help. A seven-part test was devised and standards were set for each item for each age group. The program was adapted by schools all over the country.

The President's Council on Physical Fitness has said that physical fitness of our youth has improved substantially. Since 1961, there has been a 32-percent gain in the proportion of children passing the physical fitness test from 60 to 80 percent.

In general, after 5 years of using the test, the performance of our youth has improved in all fitness areas.

Similarly, competition among schools in athletics fosters competition and excellence in sports. In addition, it tends to elevate the importance of athletics in the minds of students. I believe that the Presidential student awards envisioned will encourage interest and motivate elementary students in reading. Also, the school competition would underscore the importance of academic excellence in this the most important subject area at the elementary level.

This program will follow the successful physical fitness program and the only costs involved are some administrative expanses.

CONCLUSION

Mr. President, the reading proposals recommended to the Senate are the result of considerable study and good hearings. It addresses what I regard as the Achilles' heel of education, the massive reading problem of schools having large numbers or high concentrations of children reading below grade level.

It places a priority on the early elementary years through the use of reading specialists to intensify and supplement the regular classroom reading instruction. In effect, it gives the students a double dose of reading to prevent the educational-limiting and career-crippling handicap of the inability to read.

Mr. William Raspberry, in his column in the February 19 Washington Post, commented on the suggestion that subjects be suspended in ghetto schools for a year to concentrate on raising reading performance, as follows:

"Since you can only play at teaching history to children who can't read, why not stop playing and teach them to read?"

Mr. President, I can assure you that this bill aims at preventing such playing and contemplates a serious and concentrated attack on the reading problem. Its goal is "to teach them to read." In fact, it adopts the ambitious goal of having all children in reading emphasis project schools reading at grade level by the end of the third grade.

While this proposal will not be a panacea for all of the reading problems, I believe there is considerable evidence that this approach can and will make a substantial difference. The reading problem is so big and its solution is so important that I hope my colleagues will join me in enacting the reading improvement title of the pending measure. Its enactment will be a giant step toward preventing or reducing reading problems. A society where technology and education are so important and where only approximately 5 percent of the jobs are unskilled cannot allow the dangerous conditions to continue where massive numbers of children lack the ability to read which affects both their capacity to learn and to earn.

I had the pleasure of serving on the National Commission on the Financing of Postsecondary Education. This Commission has issued its report and recommendations, which, in general were well received. This commission studied the ways and means to provide the opportunity for the financing of higher and technical education for all students. But, it will do us little good to guarantee that financial barriers will not prevent students from postsecondary education and training if the students are not capable because of educational deficiencies, the most important of which is reading, to take advantage of these opportunities.

For, Mr. President, equal opportunities begin early. The reading title's significance may be more important than the report of the Postsecondary Education Commission, as important as that is. This comment is not meant to detract from that report which I believe will be most important in determining future higher education policies in the country; but this proposal, after all, seeks to make the opportunity for higher education or technical education possible by not only reaffirming that children have the right to read, but also helping to assure that they will, in fact, be able to read.

EXHIBIT 1

"Education Daily", May 4, 1973

PETER DOE SEEN AS FORERUNNER OF MORE SCHOOL FRAUD SUITS

The case of Peter Doe, the 18-year-old who is suing the San Francisco public schools for a million dollars for graduating him from high school with only fifth-grade reading ability, won't blaze new trails in the annals of constitutional law, his attorney told a recent conference in Washington on *Fraud in the Schools*.

Unlike most recent educational reform cases which have been based upon broad constitutional principles, the Peter Doe case hinges on "very traditional, very conventional legal theories of negligence, tort liability," explained the plantiff's lawyer, Susanne Martinez of the Youth Law Center in San Francisco.

"What I think is different about the kind of case we are talking about today . . . is that this kind of case offers a unique opportunity to focus on not merely the outside kind of elements which make up the educational system, but the very process of education itself," Martinez told the conference of legal experts, educators and government officials.

"It is not a First Amendment case. It is not an access to education case. It is not a civil rights action. It is an action which looks to the product of education and says that the system has somehow failed and that the system should be held accountable for it."

PETER DOE'S STORY

In a brief summary of *Peter Doe* v. *San Francisco Unified School District*, Martinez explained that the case involves an 18-year-old, white, middle-income young man who graduated from high school in San Francisco in 1972. He attended elementary school junior and senior high school in San Francicso, was never held back a grade, and his grade point average upon graduation was slightly higher than C. He was never a discipline problem and had a regular attendance record. He was given periodic state required tests, and test scores were placed in his records which in almost every case indicated his performance was in the bottom quartile of the school. When his mother—a college graduate—made specific inquiry about the boy's progress in reading, she was assured on several occasions that his performance was average. After graduation, Peter Doe was tested by two reading specialists who concluded independently that he had a fifth-grade reading ability. Thereafter he was placed under a private reading tutor, and gained an estimated two grade levels in reading ability within about seven or eight months.

WHAT IS THE COMPLAINT?

The complaint filed on behalf of Peter Doe boils down to four major counts, Martinez explained. The first is a count of common law negligence, contending that the school district by "various acts and omissions" failed to carry out the duty it owed to the plaintiff, that reasonable care was not exercised and that the plaintiff was damaged as a result.

The second count is a common law action based upon misrepresentation, contending that the school district misrepresented the young man's abilities and progress to his parents, and that they were thus unable to seek help for him.

Other causes of action are lumped under statutory claims. In California, a state agency can be held liable for its failure to carry out a statutory duty. In this case, for example, state law imposes certain duties on the school district to give parents information and to establish certain standards of basic skills to be met before students are given a diploma.

The last cause of action is based upon a constitutional claim that the young man has a constitutional right to education (since struck down by the U.S. Supreme Court in the *Rodriguez* decision) and that he was denied these rights.

THE FIRST OF MANY FOR MANY PETER DOES?

"I think it's very important to look at this case and consider the facts involved . . . (it is) perhaps the first of what would be undoubtedly a series of cases of this type brought on different factual allegations, sometimes brought on different legal theories, sometimes brought for different kinds of relief," Martinez said. "Peter Doe is simply a forerunner of an effort on the part of parents and citizens to bring to focus through the judicial system attention upon the fact that the schools—have failed in some way to provide the Peter Does of this country with the kind of education to which they are entitled.

"I think that we all have to recognize that Peter Doe is certainly not an exceptional case. He is one of thousands and probably hundreds of thousands of children who are in schools in this country who are passed through the school systems from year to year and to whom the state has never provided that kind of education (for) which we would hope . . ."

THE LOYAL OPPOSITION

Probate Judge Haskell J. Freedman of Middlesex County, Mass., assumed the conference role of "loyal opposition" to the theory behind the pending suit. Freedman, former general counsel to the Massachusetts Teacher Association, complimented Miss Martinez and her associates for their "imaginative and creative thinking in drafting a bill of complaint," and conceded that the suit and questions involved are "provocative." On the whole, though, Freedman predicted little chance of success and added "If asked, I would advise against bringing the suit."

NO PENALTY FOR VIOLATIONS?

"I do not question that the references to the California Education Code in the complaint are correct. Obviously, they are. But I did note that the complaint does not allege any pertinent sections of the California Education Code that provide any penalty for violations of the sections quoted," Freedman observed.

POSSIBLE DEFENSE

Freedman suggested several legal defenses which might be used. One is the defense of laches, "a legal doctrine by which one who might otherwise be entitled to relief may be denied relief because the person waited too long before bringing the action." Another defense would be that the charge is vague. Freeman said, "Does the California Constitution or its Educational Code define education? Does either set forth educational standards of performance by pupils in precise terms that a teacher knows in advance his or her legal responsibility and the penalty for failure?" Another defense would be that the schools alone do not educate. "The parents, the child's playmates, his environment, all bear upon his learning ability and capacity to absorb . . ."

Another defense would be to raise the question about whether or not the schools make a difference, said Freedman, pointing to the writings of Jencks, Coleman, Pettigrew and Armor summarized by Geoffrey Hodgson in a recent issue of *Atlantic Monthly*. Contributory negligence might also be one defense since Peter Doe or his parents might themsleves have contributed to the fact that he cannot read adequately. The doctrines of sovereign immunity and separation of powers were also cited by Freedman as possible defenses against the charge.

"The answer to Peter Doe's situation, in my opinion, is not to be found in the courts, but in the several legislatures of the states," Freedman concluded.

LEGAL ACCOUNTABILITY IS DIFFERENT

"There is always agitation and ferment in the educational world and that is good, and now the principle of accountability is a topic on everyone's tongue, but the discussion has all taken place in the educational world and they are talking about educational accountability, which I suggest is a different concept from legal accountability. I know of no comparable discussion of the legal accountability of the teaching profession in current legal literature . . ."

BUT WHAT WOULD HAPPEN IF—

"Assuming the plaintiffs prevail, then I would anticipate, first, a plethora of similar suits across the nation. If there are about 40 million students that attend the public schools of America and if we conservatively estimate that probably five percent are having an unsatisfactory—which is a euphemistic word—experience, then one might anticipate two million parents bringing suits claiming damages.

"It would require a political revolution in the field of public school education . . . It would cost potentially billions of dollars. It would open Pandora's box and once opened it would not be closed, and it would substantially—very substantially—improve the economic status of the American lawyer."

FINAL RESOLUTION YEARS AWAY

The final outcome of the Peter Doe case, which has roused considerable interest among educational lawyers throughout the country, could be more than two years away, Martinez told one participant. An amended complaint is being prepared, and when that is served the defendants will have 30 days to answer.

"They will probably file what is called a demurrer in California, which challenges our right to bring the action, and I expect that the case will go up on appeal and the outcome of the case, given the time lag in California cases, could be two years or even more," she said.

HOW TO GET IT

The man who arranged the conference was Stuart A. Sandow of Syracuse University's Educational Policy Research Center, who accurately forecast a case of fraud against the schools as early as November, 1970. Co-sponsors with EPRC were George Washington University's Institute for Educational Leadership and the Lawyers Committee for Civil Rights Under Law. Copies of the 130 page publication, *Suing the Schools for Fraud: Issues and Legal Strategies*, including the conference transcript, may be ordered for $2.50 each from EPRC Publications, Educational Policy Research Center, 1206 Harrison Street, Syracuse, New York 13210.

USC OFFERS WORKSHOPS ON EXCEPTIONAL PRESCHOOLERS

The University of Southern California is offering a special two-week workshop for school psychologists and special education consultants June 4–15 on assessment and program planning for preschool handicapped children. For information, write Dr. Elizabeth Neumann, University Affiliated Project, Children's Hospital, 4560 Sunset Boulevard, Los Angeles, California 90027.

"PETER DOE" CANNOT READ—SCHOOL SUED

(By David Holmstrom)

SAN FRANCISCO.—"Peter N. Doe" graduated from a San Francisco high school last year with a B-minus average—but could only read at a fifth-grade level.

When his mother discovered his plight, despite assurances by school officials that he was attaining the proper reading level, she decided to sue the school district for $1 million.

Her unique decision has sent a shock wave of questions across the United States, about educational quality and how much legal responsibility schools and teachers have for instilling in students a skill as basic as reading.

Suzanne Martinez, the San Francisco attorney for "Peter N. Doe" said the national attention on the suit has "led to a lot of different strategies being developed in other states including possible class-action suits and challenges to teacher certification and other procedures of state educational systems."

LEGAL BASIS EXPLAINED

"The case in San Francisco," said Mrs. Martinez, "derives its legal basis from questions of negligence, misrepresentation, and several statutory claims." Since the suit was filed late last year but not yet served on the San Francisco school district, the school district has voluntarily said it will set goals for students and possibly would not issue diplomas if a student is unable to read at the proper level.

Stephen D. Sugarman, a University of California law professor, said teachers should not take lightly such suits by "individual consumers who have already bought the product and are not happy about it."

Responding to Professor Sugarman at the National Education Association (NEA) conference in Portland, Ore., Judge Haskell C. Freedman from Middlesex, Mass., said such malpractice suits attempt to make "scapegoats" out of teachers and school boards. "Teachers have little voice in financing, equipping, or organizing schools," he said, "there is no constitutional right of literacy, and the child himself might be guilty of contributory negligence."

But in the case of "Peter N. Doe" from a white, middle-class family there was no disciplinary problem, and the young man had a normal attendance record. According to Mrs. Martinez, the young man's college-educated mother has placed the boy under a tutor and within six months his reading ability had jumped nearly two years. His response to tutoring also establishes his ability to learn.

"With the age of accountability," said Mrs. Charleselta Alston, director of the San Francisco Adult Literacy Center, Inc., "teachers can no longer blame parents, the environment, or the socioeconomic status of the family for nonteaching."

FICTITIOUS NAME USED

"Thousands of persons leave school nonreading," she said, "and the schools no longer can afford to take fresh minds, turn them off, and ultimately destroy them, and then become angry and defensive at the public who criticizes them."

The lawsuit was filed under the fictitious "name of "Peter N. Doe" to spare the litigant 'public stigma and humiliation." Mrs. Martinez said the young man is not working now and that within four to six months, the case will reach the courts.

Assessing the possible outcome and the educational ramifications, Mrs. Martinez said, "naturally many parents are thinking if this family can do it [sue] then so can we, and such litigation possibly could bankrupt whole school systems. We are in the process now of scaling down the damages to around $5,000 and asking for recovery of at least the cost of tutoring."

The suit contends that "Peter N. Doe" graduated "unqualified for employment other than the most demeaning unskilled, low-paid, manual labor" and that the law required the educational system to insure that he met certain requirements before receiving a diploma.

Earlier, in May of 1972, the family of "Peter N. Doe" had first filed a claim against the school district which the district denied.

Mr. **DOMINICK**. Will the Senator yield for a unanimous-consent request?

Mr. **BEALL**. Yes, I will be happy to yield.

Mr. **DOMINICK**. I ask unanimous consent that my educational aide, John Adair, be permitted privilege of the floor during the debate.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BROCK**. Mr. President.

The **PRESIDING OFFICER**. The Senator from Tennessee.

Mr. **BROCK**. Mr. President, I have listened with interest to the comments made so far and there is much that has been said with which I agree.

I pay particular note to the contribution made by the Senator from Colorado to this bill. I support his efforts to achieve a more equitable formula for funding, I think he is absolutely right, I think he has served his State and Nation well in his effort.

I supported the Senator from Maryland's efforts with regard to the handicapped children. I think that was absolutely essential.

I find so much in this bill with which I am not only pleased but proud of the Congress for the steps forward, but I find myself in a difficult position.

It is well and good to fund educational assistance, but if in the process the regulations, rules or orders which are placed upon those systems make it impossible for them to operate effectively for the benefit of the children of the community, then the money is wasted.

That is the situation in too many communities across this country. It has been a rather remarkable thing to me to watch my region of the country respond to the 1954 Brown decision. There were some agonizing years in the 1950's in my part of the country, and finally and rightly it decided it had no alternative but to obey the law as defined by the Supreme Court.

Our progress has been remarkable. I recently read an article in the Post citing the degree of enrollment of black children in white schools, the degree of integration in southern school systems, and the lack of progress made in other parts of the country.

The article showed that the South has achieved more in the area of equality of opportunity for black children than any other part of the country.

It is ironic to me that this so-called compromise, which I consider to be a good deal less than that, has two effects, neither being suitable:

First of all, by refusing to accept the provision which allows reexamination of court-ordered busing plans to protect the rights of southern children, in certain cases, we freeze in the practice of compulsion and abuse of these children in most of the Southern States; by adopting the new language, we freeze in racial discrimination in the Northern States.

So we have the worst of both worlds. We have an injustice with which we do not deal, either in the South or in the North. And I cannot bring myself to vote for a conference report which so abjectly begs the question of equity and equality of opportunity for all of our children.

I am very proud of the progress we have made in my part of the country. I am very proud of the enormous effort that people of both races have made to abide by the law, written as well as ethical. They have made enormous progress. I think that is a mark of the maturity and integrity of the people of the South.

But they have been abused of late. They have been abused since 1971, and they have been afforded no protection by the people's branch of the Government, the Congress of the United States.

We are being asked today to support a compromise that freezes in abuse and offers no succor or relief, but simply perpetuates the crime, and then goes further to say, "But we are not going to let it happen anywhere else. We are not going to do anything about the other parts of the country" where the problem is twice the magnitude of that which we find in the Southern States.

I find that not only ironic but unacceptable, and I hope the Senate will not bow to this momentum, this pressure, this so-called compromise. I hope the Senate and I hope the House of Representatives will insist that their conferees reconvene and get honest and deal with this problem once and for all, to do what the courts as well as the people have asked us to do, and establish standards of equity that apply nationally, not just in one part of the country but across the board, so that every child, black or white, may have confidence that he will be treated, fully and fairly, with equity in terms of opportunity to participate in this free society of ours.

I urge the defeat of the conference report.

Mr. President, I ask unanimous consent to have printed in the Record the article entitled "School Integration Highest in South," to which I have referred, written by Bart Barnes, and published in the Washington Post of July 16, 1974.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 16, 1974]

SCHOOL INTEGRATION HIGHEST IN SOUTH

(By Bart Barnes)

Public schools in the Deep South, once the stronghold of resistance to racial integration, are now virtually the only school systems in the nation that continue to reflect substantial progress towards desegregation.

According to figures released by the U.S. Office of Education, movement towards desegregation of the public schools in the Northern and Western states has all but halted.

But in the 11 states of the Old Confederacy, which have the highest percentage of black students of any region in the country, there continues to be increasing numbers of blacks and whites attending school together.

The latest figures, compiled every two years by the Office of Education, reflect public school enrollments in September of 1972. However, spokesmen for both the Office of Education and civil rights organizations said the figures generally hold true for today.

What the figures demonstrate is that the 11 former Confederate states—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia—had the highest degree of racial integration in the nation. In those states, 43.3 per cent of all black public school students were attending schools that were 50 per cent or more white. Only 29.9 per cent of the black students in those states were attending schools that were 80 per cent or more black. Blacks accounted for 26.3 per cent of all public school students in the 11 Southern states in the fall of 1972.

By contrast, in the Northern and Western states, only 28.7 per cent of the black students were attending schools that were 50 per cent or more white. In the border states, Delaware, Maryland, Kentucky, West Virginia, Missouri and Oklahoma, plus the District of Columbia, only 31.8 per cent of the black students were in schools that were more than half white. In both regions, the majority of black students were in schools that were more than 80 per cent black—59.8 per cent in the border states and D.C., and 55.9 per cent in the northern and western states.

William L. Taylor, director of the Center for National Policy Review and a former staff director of the U.S. Civil Rights Commission, said the data released by the Education Office indicates "a pattern of nonenforcement in the north and west."

Taylor said this is one of the central conclusions of a nationwide study the center is just finishing on desegregation in the public schools.

Outside of the District of Columbia, which has a 95.5 per cent black student enrollment, the figures showed Illinois to be the most highly segregated state in the nation. More than 77 per cent of the black students in that state were enrolled in schools in which more than 80 per cent of the students were black.

Although not as highly segregated as Illinois, virtually all the industrialized states of the North remained heavily segregated in the public schools. More than half of the black public school students in New York, New Jersey, Pennsylvania, Ohio, Michigan and Indiana were enrolled in schools that were 80 per cent or more black.

In three of those states, New York, New Jersey and Pennsylvania, the degree of segregation actually increased between 1970 and 1972 with more students enrolled in 80 per cent or more black schools.

By contrast, none of the former Confederate states had school systems that were as heavily segregated as the public schools of the industrialized north. North Carolina—where court-ordered busing for school desegregation began in Charlotte—had the highest degree of racial integration with only 7.4 per cent of the black students in that state attending schools that were 80 per cent or more black. Schools in both Alabama and Mississippi were more fully integrated than those in New York.

Virginia, where state officials once endorsed a campaign of "massive resistance" to school desegregation, had only 12 per cent of its black students in schools that were 80 per cent or more black.

Mr. BROCK. I yield to the Senator from Alabama.

Mr. ALLEN. Did the Senator notice the figures released last week and reported through the press, to the effect that there has been more desegregation in the public schools in the South, and particularly in the 11 States of the old Confederacy, than in any other section of the Nation in recent years?

Mr. BROCK. That was the article to which I was referring, in which it was pointed out that the degree of integration as well as desegregation—and they are not synonymous, as the Senator knows——

Mr. ALLEN. Yes.

Mr. BROCK. Is almost twice the level in the South of what it is in any other part of the country. In other words, we have made that much more progress, sometimes under duress but more often under voluntary efforts of the communities.

Mr. ALLEN. And in some other areas of the country, areas of the country outside the South, there is more segregation today than there was 3 or 4 years ago?

Mr. BROCK. In every section of the country, as I recall, other than our own.

Mr. ALLEN. Yes. I certainly commend the Senator for the attitude of the people of Tennessee in solving this problem and the manner and spirit in which they have obeyed the law and obeyed the dictates of the Supreme Court, and the good feeling that exists among our people, black and white, throughout Tennessee, throughout Alabama, and throughout the South.

I ask if the Senator from Tennessee does not think it would be advisable for some of the other sections of the country to comply with the rulings of the Supreme Court in the same fashion that the people of Alabama and Tennessee have done.

Mr. BROCK. I do not think there is any question about it. I have said several times, I do not know whether anyone is listening, but I think the Senator knows what I mean when I say that I believe the South, and particularly my State of Tennessee, does now and will continue to lead the Nation in terms of its race relations, because we have affection, love, and respect for the law, and we will abide by the law; we have no inclination to do otherwise.

Mr. ALLEN. Does not the Senator find that people in Tennessee of both races are opposed to busing of students from one end of the county to another and one end of the city to another in order to achieve a racial balance or for the purpose of changing the racial composition of schools?

Mr. BROCK. I wish, I just wish that I could take some of my colleagues into some of the meetings that I have gone to with black and white parents and let them listen to the plea of a black mother who has three children in grammar school, all three of them in different schools. They are being bused. Because of that and because she is not wealthy enough to own her car and cannot hire a taxi, and because all of the children have been removed from her neighborhood, she cannot participate in the PTA. She cannot support those three schools as she did the neighborhood school where they were originally placed. I wish Senators could listen to the plea of that lady for fairness and for an opportunity to support not only her children but all the children of the community in an effort to participate in a better school system. Those stories are legion.

The majority of our communities that have been affected by this abuse, of both races, have, time and time again, asked that they be allowed to have a free, a fair, an equal education system without the imposition of forced busing. They believe they can integrate, in their terms, or segregate, in ours, without this. I believe so, too, because we have done so. We have done so in virtually all the communities of the South. I cannot understand why they are willing to single out a few and say, "you must suffer, you must take this abuse, your children must suffer"—the language in the Senate bill is absolutely incredible. It is absolutely incredible in terms of its provision of relief to a family.

The bill says that a family can seek relief only if the health or safety of the child is affected by the time or distance of the travel. What about the effect on the school system itself? What about the drain on the resources? What about the trauma created by this kind of thing?

Mr. ALLEN. They must consider——

Mr. BROCK. Relief for these hardships is not even allowed. With this sort of so-called compromise, I find the conference report unsatisfactory.

Mr. ALLEN. Does not the Senator find that the court orders, by and large, have required the closing of black schools and the transportation of black students more than is the case in white schools and white students, so that the imposition really is on the black students to a greater extent than on the white students? That is the case in Alabama, I know.

Mr. BROCK. That has generally been the case; that is correct.

Mr. ALLEN. I thank the distinguished Senator.

Mr. COOK. Mr. President——

Mr. ALLEN. The Senator from Tennessee has the floor, and I commend him for his attitude with respect to this conference report. I commend the fine people from Tennessee for the manner in which they have obeyed the law and the spirit in which they have obeyed the law.

I thank the Senator.

Mr. COOK. Mr. President.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Kentucky.

Mr. COOK. Mr. President, may I say that under normal circumstances, I would agree with what the Senators have suggested earlier in the consideration of the conference report: that the art of compromise is the art of passage of legislation and the art of implementation of legislation. I have felt that way most of the time I have been in the Senate.

However, yesterday we found ourselves in quite a dilemma in our community and I would like my colleague from North Carolina (Mr. ERVIN) to listen to some of this because I am a little amazed at what really occurred.

In my community of Louisville, in Jefferson County, the Federal judge eliminated the city school system, which has been in existence for probably 100 years or longer. In his decision, the judge ordered that the Louisville city school system and the Jefferson County school system be merged, effective immediately. He also ruled that the county school superintendent was authorized "to proceed immediately" in implementing the merger desegregation order.

This decision apparently ignores several important matters. The judge ruled that the new merged system would be run by a 10-member board composed of the members of the current, two five-member boards, and headed by the present county school superintendent. This order totaly disregards a Kentucky statute which limits merged school boards to seven members. In addition, it makes no provision for the present head of the city school system, whose term has not yet expired.

As a more practical matter, the director of pupil transportation has told the judge that it will take 150 additional schoolbuses, at a start-up cost of $3.3 million, to implement the plan, and while school begins in approximately 6 weeks, the buses will not be available for at least 6 months. This means that the opening and closing hours of the schools will have to be staggered, or that parents will have to drive their children to school. If the latter choice becomes necessary, many people will not be able to comply, simply because they have no transportation.

I cannot, for the life of me, see how a Federal judge can say, when school systems have been in existence for over a hundred years, that they shall automatically merge, that a school superintendent and school members who were duly elected are only maintaining and retaining their office for the purpose of appealing this particular case and that, thereafter, they will not be an elected people in the political jurisdiction under the statutes of the Commonwealth of Kentucky they were elected to hold.

In addition, under the laws of the Commonwealth of Kentucky and decisions of the Court of Appeals of Kentucky, there has been a substantial sum of money that has been appropriated each year for the transportation of school pupils who are not in the public school system. This basically has been the parochial system; and the funds that were appropriated by the county government for this purpose were somewhere in the vicinity of $370,000.

The court has ruled if it is necessary to eliminate that feature, then the appropriation that is made for the purpose of transporting children will have to be eliminated, and they will have to find another means by which these children will have to find their way to school. Where are the rights of these children?

So I say that, having thought the compromise would work and that I would be in favor of a compromise, I now find I am not in favor of that compromise. I am not in favor of it, because, in its present form, it would permit rulings such as the one in Louisville.

Therefore, my only recourse is to vote no on this report. If a State can establish political subdivisions, if the Senator's State of North Carolina can establish counties, by reason of its own authority under the law, a Federal judge should not be able to say—"We are going to cut across county lines, or we are going to cut across school district lines and make any kind of political subdivision we want to make."

Under those circumstances, I cannot vote for this conference report, and I would hope that we would have a substantial debate on the floor of the Senate in relation to the House language.

I cannot believe that five people who were duly elected by the citizens of their community walked out of the Federal court in Louisville, Ky., yesterday, no longer duly elected individuals under the statutes of the Commonwealth of Kentucky and no longer able to perform the task for which they were elected.

I must say, Mr. President, that I just cannot believe that that is the answer. The only answer is to have strong legislative requirements, and the requirements of this compromise are not the language that would meet that issue.

I yield the floor.

Mr. ERVIN. Mr. President, we are sometimes told that we should respect all judicial opinions. I do not accept that theory because I do not think a judicial opinion is entitled to respect unless it is respectable.

In taking this position I find myself in the company of one of the greatest of all Americans, Abraham Lincoln. In his celebrated debates with Senator Douglas, Abraham Lincoln discussed the Dred Scott decision. He said that the Dred Scott decision was erroneous, that it was contrary to all of the precedents on the subject; that he refused to accept it as a rule for the guidance of the government or the people, and that he would do everything within his power to secure its reversal.

Lord Acton said that power corrupts and absolute power corrupts absolutely. This aphorism applies to judges just like it does to other men and, more particularly, to judges because they have almost absolute power in this Nation.

I do not think that we are going to put an end to some Federal judges appointing themselves chairmen of school boards and school boards unless we take some drastic action on the third article of the Constitution.

Under the third article of the Constitution, Congress has the absolute power to prescribe the jurisdiction of all Federal courts inferior to the Supreme Court, and it has the power to prescribe all appellate jurisdiction of the Supreme Court, and leave the Supreme Court only with its original jurisdiction.

I have stated on the floor of the Senate on several occasions that the equal protection clause of the 14th amendment is probably the clearest provision of the Constitution.

Mr. President, I favor the equal protection clause of the 14th amendment because it was placed in the Constitution to prevent a State from having one law for one man or one group of people and another law for another man or another group of people, when those men or those groups of people are similarly situated.

So all that the equal protection clause of the 14th amendment provides is that no State shall deny to any person within its jurisdiction the equal protection of the laws; and all that means, despite all the legal gobbledygook that has been stated about it, is that no State shall treat in a different manner persons similarly situated.

The interpretation placed on the equal protection clause is in reality a perversion of the equal protection clause insofar as forced busing of schoolchildren on orders of the Federal courts is concerned. When a court orders a school board to bus children solely for the purpose of integrating their bodies rather than enlightening their minds, the court orders the school board to violate the equal protection clause in two respects.

In the first place, the court states to the school board, "You must divide all the schoolchildren in this school attendance zone or district into two groups. You may let the first group attend their neighborhood schools in their school attendance zone or district, but you must deny the second group of children the right to attend their neighborhood schools in their attendance zone or district." That is an order from the court to the school board to violate the equal protection clause because it clearly orders the school board to treat in a different manner children similarly situated, in that all of them are residents of the attendance zone or district in question.

In the second place, the court orders the school board in a schoolbusing decree to violate the equal protection clause in an additional way. The court says to the school board, "The reason you have to divide these children into these two groups and must deny equal protection of the law treatment to the second group is that you must bus the second group to schools elsewhere, either to increase the number of children of their race in the schools elsewhere or to decrease the number of children of their race in their neighborhood schools."

Oceans of judicial sophistry cannot wash out the plain fact that that is denying the children who are ordered to be bused the right to attend certain schools solely on account of their race, and that is exactly what the Supreme Court held in Brown against Board of Education of Topeka to be unconstitutional.

I do not know how the schoolchildren of our land are going to get judicial relief against this judicial usurpation unless Congress passes some kind of bill that takes the courts and the Department of HEW by law out of the school board business. This Congress has power to do under article III of the Constitution.

The distinguished Senator from Alabama (Mr. ALLEN), the distinguished Senator from Georgia (Mr. TALMADGE), and the distinguished Senator from Arkansas (Mr. MCCLELLAN) offered an amendment to this effect to this bill during this year in the Senate. The amendment was rejected by a fairly narrow vote. In order to give some advice to future legislators as to how they can put an end to this judicial tyranny, I ask unanimous consent to have printed in the RECORD at this point a copy of that amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TITLE IX—PUBLIC SCHOOL—FREEDOM OF CHOICE

SHORT TITLE

SEC. 901. That this title may be cited as the "Student Freedom of Choice Act".

FREEDOM OF CHOICE AMENDMENT TO THE CIVIL RIGHTS ACT OF 1964

SEC. 902. The Civil Rights Act of 1964 (42 U.S.C. 1971–1975a–1975d, 2000a–2000h–6) is amended by adding at the end thereof the following new title:

"TITLE XII—PUBLIC SCHOOL—FREEDOM OF CHOICE

"SEC. 1201. As used in this title—

"(a) 'State' means any State, district, Commonwealth, territory, or possession of the United States.

"(b) 'Public school' means any elementary or secondary educational institution, which is operated by a State, subdivision of a State, or governmental agency within a State, or any elementary or secondary educational institution which is operated, in whole or in part, from or through the use of governmental funds or property, or funds or property derived from a governmental source.

"(c) 'School board' means any agency which administers a system of one or more public schools and any other agency which is responsible for the assignment of students to or within such system.

"(d) 'Student' means any person required or permitted by State law to attend a public school for the purpose of receiving instruction.

"(e) 'Parent' means any parent, adoptive parent, guardian, or legal or actual custodian of a student.

"(f) 'Faculty' means the administrative and teaching force of a public school system or a public school.

(g) 'Freedom of choice system' means a system for the assignment of students to public schools and within public schools maintained by a school board operating a system of public schools in which the public schools and the classes it operates are open to students of all races and in which the students are granted the freedom to attend public schools and classes chosen by their respective parents from among the public schools and classes available for the instruction of students of their ages and educational standings.

"SEC. 1202. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, such financial assistance from any such program or activity on account of the racial composition of the student body at any public school or in any class at any public school in any case whatever where the school board operating such public school or class maintains, with respect to such school and class, a freedom of choice system.

"SEC. 1203. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school to transport students from such public school to any other public school for the purpose of altering in any way the racial composition of the student body at such public school or any other public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1204. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce any school board operating such public school system to close any public school, and transfer the students from it to another public school for the purpose of altering in any way the racial composition of the student body at any public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1205. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school system to transfer any member of any public school faculty from the public school in which the member of the faculty contracts to serve to some other public school for the purpose of altering the racial composition of the faculty at any public school where the school board operating such public schools maintains with respect to such schools a freedom of choice system.

"SEC. 1206. Whenever any department, agency, officer, or employee of the United States violates or threatens to violate section 1202, section 1203, section 1204, or section 1205 of this Act, the school board aggrieved by the violation or threatened violation, or the parent of any student affected or to be affected by the violation or threatened violation, or any student affected or to be affected by the violation or threatened violation, or any member of any faculty affected or to be affected by the violation or threatened violation may bring a civil action against the United States in a district court of the United States complaining of the violation or threatened violation. The district courts of the United States shall have jurisdiction to try and determine a civil action brought under this section irrespective of the amount in controversy and enter such judgment or issue such order as may be necessary or appropriate to redress the violation or prevent the threatened violation. Any civil action against the United States under this section may be brought in the judicial district in which the school board aggrieved by the violation or threatened violation has its principal office, or the judicial district in which any school affected or to be affected by the violation or threatened violation is located, or in the judicial district in which a parent of a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a member of a faculty affected or to be affected by the violation or threatened violation resides, or in the judicial district encompassing the District of Columbia. The United States hereby expressly consents to be sued in any civil action authorized by this section, and expressly agrees that any judgment entered or

> order issued in any such civil action shall be binding on the United States and its offending department, agency, officer, or employee, subject to the right of the United States to secure an appellate review of the judgment or order by appeal or certiorari as is provided by law with respect to judgments or orders entered against the United States in other civil actions in which the United States is a defendant.
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> "SEC. 1207. No court of the United States shall have jurisdiction to make any decision, enter any judgment, or issue any order requiring any school board to make any change in the racial composition of the student body at any public school or in any class at any public school to which students are assigned in conformity with a freedom of choice system, or requiring any school board to transport any students from one public school to another public school or from one place to another place or from one school district to another school district in order to effect a change in the racial composition of the student body at any school or place or in any school district, or denying to any student the right or privilege of attending any public school or class at any public school chosen by the parent of such student in conformity with a freedom of choice system, or requiring any school board to close any school and transfer the students from the closed school to any other school for the purpose of altering the racial composition of the student body at any public school, or precluding any school board from carrying into effect any provision of any contract between it and any member of the faculty of any public school it operates specifying the public school where the member of the faculty is to perform his or her duties under the contract."

Mr. ERVIN. We have had some astounding schoolbusing decisions in this country. One of them arose in the city of Charlotte, in my State, and is known as Swan versus the Charlotte-Mecklenberg Board of Education. In that case the district judge stated that all of the parties in case agreed and the court found as a fact that it was impossible to desegregate the schools in northwest Charlotte without busing thousands of children.

That was a finding of fact to the effect that any segregation which existed there was de facto segregation, which was beyond the reach of the Federal Government.

Notwithstanding that fact, and notwithstanding the fact that the Congress of the United States in 1964 passed a law which said that no Federal officer or court should order the busing of children to overcome a racial imbalance, the district judge ordered the children to be bused solely for desegregation purposes.

That opinion was affirmed by the Supreme Court of the United States in a most peculiar decision. The Court was confronted in that case by the fact that in the 1964 Civil Rights Act, Congress had flatly denied to Federal courts the power to order children bused for the purpose of creating a racial balance, or overcoming a racial imbalance.

How did the Supreme Court get around that provision? In a most peculiar fashion. The Chief Justice said, I think, 23 times either expressly or by implication in the opinion, that the Federal Government has no power to deal with the assignment of children to public schools in a State, unless there has been actual discrimination on the part of the State.

But then the court said that the 1964 act only related to de facto segregation, and not to discriminatory segregation, and, therefore, it had no application.

In other words, the Supreme Court in that case held that when it undertook to enact the anti-busing provisions in the Civil Rights Act of 1964, Congress was attempting to legislate, in respect to a matter concerning which it had no constitutional right to legislate, and was not attempting to legislate in regard to a matter concerning which it had the constitutional right to legislate.

That conclusion was no compliment to Congress. It said, in effect, Congress was attempting to legislate in respect to de facto—not discriminatory—segregation. The Court's conclusion to this effect was totally inconsistent with the entire legislative history of the Civil Rights Act of 1964.

Another strange decision was handed down in Richmond, Va., where the district judge undertook to nullify county and city boundary lines which had been created by the State of Virginia, long before what my old geology professor, Collier Cobb, used to call the Uncivil War. But the judge was not deterred from his tyranny by the fact that Virginia had established the boundary lines of Richmond, Henrico County, and Chesterfield County before the Civil War when black people were in slavery. He undertook to nullify the boundary lines.

That case was argued by a great constitutional lawyer and scholar, Philip B. Kurland, of the University of Chicago Law School. Mr. Kurland raised the point that there could not be any discrimination in the location of these boundary lines because they had been set up by the State of Virginia years before any problems of this nature were in existence.

But, nevertheless, when the case got to the Supreme Court, the Supreme Court split 4 to 4, and Justice Powell, who had been a lawyer for the Richmond School Board in times past, disqualified himself. The effect of the Supreme Court decision was to affirm the ruling of the Circuit Court for the Fourth Circuit reversing the district court efforts to nullify Virginia's creation of its political subdivision.

On yesterday, the district judge sitting in a case arising in Kentucky undertook to nullify another provision of the Constitution, one which Judge Merhige attempted to nullify in the Richmond case.

The 10th amendment to the Constitution states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Mr. President, one of the powers reserved by the Constitution to the States is the power of the State to establish its own political subdivisions for the purpose of enabling it to function as a sovereign State.

In the Kentucky case, the district judge usurped, and undertook to exercise, a power reserved to the Commonwealth of Kentucky by the 10th amendment. He undertook to destroy the duly established political subdivisions in the city of Louisville and Jefferson County; and not only to destroy those which had been duly created by the Commonwealth of Kentucky in the exercise of its reserved powers under the Constitution, but he undertook to create some new political subdivisions to supersede them, and to exercise the powers which the Commonwealth of Kentucky had given to its own duly created political subdivisions.

As the distinguished Senator from Kentucky (Mr. COOK) has just remarked, if a Federal court has the power to destroy the political subdivisions created by a State in the exercise of its constitutional power, and if it has the right to ignore county lines and city lines established by a State in the exercise of its constitutional power, then it has, by the same token, the power to abolish State boundary lines and consolidate two or more States, in accordance with its whim.

Mr. President, I think it is about time for the Federal judges and the Federal courts to return to their proper judicial duties, and to stop trying to act as school boards. I think it is about time that Congress recognizes the fact that the equal protection clause does not authorize the Federal courts or Federal agencies to rob the people of the States and particularly little children of their liberties; that clause is only a prohibition against discriminatory exercise of power by the States.

This problem does not bother me as an individual because in my county our schools are fully integrated. Every child goes to his neighborhood school. My concern arises out of my conviction that the worst thing that can happen to a nation is for Federal officials, and especially Federal judges, who are beyond the power of control except by drastic action under the third article, to undertake to exercise the powers denied them by the very instrument which they are professing to interpret.

Decisions of judges are not sacrosanct. They are entitled to respect only if they are respectable. I do not respect decisions which pervert and distort the equal protection clause of the 14th amendment, or which undertake to rob the States of their reserved powers to create their own political subdivisions, as district courts have attempted to do in Richmond Va., and in Louisville, Ky.

Mr. President, I think it is time for us to get back to the realization of the truth that public school systems are designed to be educational institutions, and exist to enlighten the minds of the little children rather than merely to integrate their bodies under some decree of some Federal court.

Mr. President, any kind of tyranny is bad, but tyranny over little children is about the worst kind of tyranny that has ever been practiced by mortal man. That is exactly what the decree handed down in the Commonwealth of Kentucky yesterday and those handed down by other Federal courts elsewhere perpetrate upon little children.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. Hathaway). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I propound the following requests, after having consulted with the distinguished assistant Republican leader; the distinguished Senator from New York (Mr. Javits); the distinguished manager of the conference report, Mr. Pell; the distinguished Senator from Alabama (Mr. Allen), and the distinguished Senator from Kentucky (Mr. Cook). These requests are as follows:

That beginning at 1:30 p.m. today, there be a limitation of debate on the conference report of 1 hour, to be equally divided between and controlled by Mr. Javits and Mr. Allen; that at 2:30 p.m. today, a vote occur, up or down, on a motion to recommit with instructions, such motion to be proposed by Mr. Allen; that no tabling motion be in order.

Provided, further, that no request for a division of the instructions be in order; provided, further, that no amendment be in order.

Ordered, further, that upon the conclusion of that vote—the announcement of the result by the Chair—a vote occur, up or down, with no tabling motion in order, on the adoption of the conference report.

Mr. GRIFFIN. Would the majority whip agree that it would be more appropriate to say "if the motion to recommit were defeated"?

Mr. ROBERT C. BYRD. Absolutely. I thank the distinguished assistant Republican leader.

That if the motion to recommit fails, then the vote, up or down, with no tabling motion in order, occur immediately upon the conference report.

Mr. JAVITS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Mr. President, is a motion in order to recommit the conference report with instructions?

The PRESIDING OFFICER (Mr. Hathaway). Such a motion is in order.

Mr. JAVITS. And what is the effect of such a motion if it is agreed to?

The PRESIDING OFFICER. The motion is a guidance to the conferees. If the conferees should ignore the instructions, the new conference report is not subject to a point of order.

Mr. JAVITS. And the conference remains in being. In other words, the conferees are not discharged?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I have no objection.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object—I wonder whether the distinguished Senator from Alabama would indicate, for the information of the Senate, what the substance of his motion to recommit would be.

Mr. ALLEN. In short, the motion is that the conference report be recommitted to the conference committee and that the Senate conferees be instructed, in effect, to recede to the House positions on all matters having to do with transportation of students, the court orders in connection therewith. That, in effect, is the thrust of the motion, which is couched in such language, I believe, as will accomplish that purpose.

Mr. GRIFFIN. I thank the Senator from Alabama.

Mr. ALLEN. And it will be discussed during this hour.

Mr. GRIFFIN. I will state that that is essentially the Esch amendment, which was offered in the Senate by the junior Senator from Michigan. I will support the motion to recommit, and I withdraw my reservation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. JAVITS. Mr. President, in agreeing to the unanimous-consent request, which I do, I do not wish to necessarily adopt the statement of the Senator from Alabama as to what it means if his motion carries. But I have heard the ruling of the Chair, and that is the ruling by which I understand we will be guided on what that motion means.

Second, Mr. President, may I ask Senator Allen to confirm that his motion will seek to cause the Senate to recede and accept the House language on the following points: purpose, findings, reopening proceedings, intervention in court cases authorized, limitation on court orders, and prohibition against use of appropriated funds—the descriptions of each item appearing on pages 154, 155, and 156 of the conference report.

Mr. ALLEN. That is correct.

As the Senator from Alabama understands it, these are the remaining unresolved points—that is, as regards the acceptance of the House language. In some instances, the House language was accepted on some of these points. But this, as the Senator from Alabama understands it, does cover the areas where the Senate's view was accepted over the House language; we would go back to the House language in cases of conflict.

Mr. JAVITS. Mr. President, if the Senator will yield, so that we may be clear, that is not strictly true.

Mr. ALLEN. In what way is that not true?

Mr. JAVITS. I think the Senator is doing what he wants to do. I did not want him to labor under any misapprehension. Even in those cases, there were amendments which were adopted by the conferees, so that the Senate did not prevail, except with amendments. But I believe that by reference to the total paragraph, which I have mentioned, one understands exactly what happened and what the Senator wants to happen if his motion prevails.

So I believe that the purpose of the Senator—to wit, to instruct the conferees—is accurately served by this description.

Mr. ALLEN. The Senator from New York has made plain that he does not regard these instructions as binding upon him, so great particularity is not necessarily required. The thrust of the motion is for the Senate conferees to get in line with the House position so that we can get a bill.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. ALLEN. I yield.

Mr. JAVITS. I must say that I must take exception, very strong exception, to what the Senator said about me.

Mr. ALLEN. About what?

Mr. JAVITS. I have been very loyal to the Senate's instructions on many bills in which I have thoroughly disagreed. So I do not think the Senator need make any reservations about my understanding of what it means to be a Senate conferee.

Mr. ALLEN. I understood the Senator to make a parliamentary inquiry of the Chair as to whether this instruction would be binding.

Mr. JAVITS. I made no such inquiry of the Chair. I only inquired of the Chair what it means if the Senator's motion is agreed to, and the Chair so stated.

Mr. ALLEN. Yes.

Mr. JAVITS. And I said that that was what I regarded as the law of the case; that is all. That does not mean that I will or will not be bound, and I do not have to make any promises on that if I continue as a conferee, except to tell the Senator that I have always been faithful to my duties as a conferee, even in dealing with questions in which I thoroughly disagree with what the Senate was seeking to accomplish.

Mr. ALLEN. The Senator from Alabama was not inquiring of the Senator from New York as to whether he was going to live up to or abide by the instructions of the Senate. The Senator from New York did elicit this information from the Chair, and he got that information, and he alone knows whether he feels that it is binding upon him.

Mr. JAVITS. The Senator said that I would not consider myself bound, and I wish to correct that impression. I will consider myself instructed as the Chair has defined the instruction, according to the rules of the Senate.

Mr. ALLEN. That is, instructed without being instructed, the Senator means.

Mr. JAVITS. I do not think I need to improve on the record beyond that.

Mr. ALLEN. I see. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. ROBERT C. BYRD. Mr. President, before the Chair proceeds, I want to be sure that I specified in my request that the vote on the adoption of the conference report, up or down, with no tabling motion in order, will occur immediately following the vote on the motion to recommit if that motion to recommit fails.

The PRESIDING OFFICER. The Chair so understands.

Is there objection? Without objection, it is so ordered. The unanimous-consent request is agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, under the order of yesterday, the Senate agreed to my request that upon disposition of the conference report the distinguished majority leader or his designee could at his discretion call up either the Real Estate Services bill or the Consumer Products bill, am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Then I would state, because consent has already been given, that upon disposition of the conference report, the Senate will resume consideration of the Real Estate Settlement bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 69 IS INADEQUATE

Mr. BUCKLEY. Mr. President, the final action of the conference committee on H.R. 69 with regard to busing is surely disturbing and disappointing to the great majority of Americans, who time and time again have indicated their opposition to forced busing to achieve elusive and illusory social goals. It must also be disappointing to the 46 Senators who on May 16 voted in favor of the House language on busing, as well as the 261 Representatives who, just this Monday in a vote of 261 to 122, insisted on the retention of the House busing language.

For the so-called busing compromise reached by the conference in reality represent a 90-percent victory for the Senate version, which passed here by only one vote. The effect is that all the teeth have been taken out of the antibusing provisions.

The Scott-Mansfield language, permitting the courts to ignore the limitations on busing contained in the bill, has remained intact, although it was deleted in one of the two places where it appeared in the Senate version.

The provision reopening previous court busing orders has lost all its force by the agreement to substitute "may" for "shall." The courts already may reopen cases if they chose to do so.

The provision requiring the Federal Government to pay attorney's fees to the prevailing party when it loses a busing suit which it had brought to court has been vitiated by the conference.

Finally, the provision prohibiting the use of Federal funds for busing has been sidestepped by exempting Federal impact aid funds from this prohibition.

The debilitation of the antibusing provision means that irresponsible courts will continue to demand the unjustifiable and very possibly harmful busing of young children.

Forced busing by judicial or legislative order, is in effect, the same as the State taking over the human right of parents to determine what is or is not in the best interest of their own children's education. This right cannot, of course, be asserted in a manner that does violence to the rights of another. But this is not at issue here—for it is a perversion of the constitutional guarantee of equal treatment that states that children must be moved around like pawns on a judicial chessboard because of the color of their skins. The State cannot grant such a right, and cannot take it away.

Mr. President, we are talking here about decisions affecting the lives, the education, and the futures of America's children. I most strongly believe that the only people who have, and should have, the moral and legal right to make such decisions for our children are their parents. For too long the rights of America's parents regarding the education and development of their children have been ignored or violated by overzealous educators or elitist social planners who feel that only they know what is in the best interests of the child, and "the parents be damned."

There are other important objections to this report. For example, the multitude of categorical Federal grant programs whose structure and regulations have in part served to stifle effective operation and innovation of educational programs by the States and local school districts, will continue under this bill. No significant breakthrough in the direction of educational revenue sharing has been made, in spite of the fact that such a course has been urged by the administration. Additional bureaucratic redtape has also been created by this bill.

Another aspect of the bill which concerns me is the possible inequities which may be inflicted upon disadvantaged urban children as a result of changes made in the title I formula.

Mr. President, I am pleased that the conference did accept my parental rights amendment. Its provisions will be of vital significance to millions of parents and their children. But in spite of its acceptance, the serious failings of the conference report which I have mentioned compel me to oppose the report. It is in the interests of America's children that I urge the Senate to return the report to conference for needed changes in its busing language and other provisions.

PARENTAL RIGHTS AMENDMENT TO H.R. 69

Mr. President, I want to express my appreciation to the conferees for the retention of my parental rights amendments to H.R. 69. I think the issues of privacy involved in it are extremely important to every parent and student. In time I believe that it will come to be regarded as a very significant piece of legislation, a cornerstone of the protection of the rights and privacy of parents and students. I am sure that America's parents would join me, if they could, in expressing my thanks.

Mr. SCHWEIKER. Mr. President, as a Senate conferee on H.R. 69, the Education Amendments of 1974, I want to express my strong support for this legislation which has now been agreed to by the House-Senate conference committee.

This was a long conference. The bill which was finally accepted does not include every provision which I had favored, but in many respects it is nevertheless a landmark education bill. I would like to call to the attention of my colleagues the following provisions which I believe will enable us to vastly improve the quality of American education:

First, I strongly supported a stronger title I formula which would assist urban school districts with high concentrations of students from low-income families. I was disappointed the Senate formula did not in my judgment properly support large-city school systems. I think the agreement reached by the Senate and House conferees on title I and the public housing students in the impact aid program is a good compromise.

Second, although the Senate adopted my amendment to include labor-management relations as an eligible program under title I of the Higher Education Act, the conferees emphatically felt that the present law would authorize such programs. Despite the fact that the Department of Health, Education, and Welfare has contended such programs are not covered, I am pleased that the conferees clarified this by stating:

> The Commissioner is directed to reexamine the regulations for that [Labor-Management Relations] program, and the projects supported under it, to assure that labor-management relations receive appropriate recognition as a supportable activity.

This should make clear to the Department the intent of Congress that such programs in labor-management relations be included in title I of the Higher Education Act.

Third, an amendment which I introduced and the conference accepted provides for ethnic heritage studies centers. The Schweiker Ethnic Heritage Studies Program Act, first enacted in 1972, authorizes the Commissioner to make curriculum materials and dissemination of information and materials relating to the history, cultures and traditions of the various ethnic and minority groups in our country. H.R. 69 extends the program through fiscal year 1978.

I also sponsored an amendment to the General Education Provisions Act, which was retained, to require the Commissioner to submit to the authorizing committees a schedule for the promulgation of regulations within 60 days of the passage of legislation. The schedule shall also provide that all regulations shall be promulgated within 180 days of submission of the schedule. This amendment was necessary because of the delay in the promulgation of the regulations for the pilot project in ethnic studies and for title IX of the Education Amendments of 1972, both of which were not published by HEW until nearly 2 years after enactment of the legislation.

The bill also offers increased opportunities for women in athletic programs by amending title IX of the Education Amendments of 1972 to provide that the President shall prepare and publish within 30 days proposed regulations implementing the provisions of title IX relating to the prohibition of sex discrimination in federally assisted education programs, "which shall include with respect to intercollegiate activities reasonable provisions considering the nature of particular sports."

The conferees also adopted a provision in the bill to initiate, expand, and improve programs for the handicapped at the preschool, elementary and secondary levels, in order to provide full educational opportunity to all handicapped children. The amendment provides for mainstreaming programs, interlocking special education with regular education, and authorized interim funding until permanent legislation is enacted. I strongly supported this measure.

In conclusion, Mr. President, I support this legislation not because it represents the end of our efforts in this area, but because it provides a basis for a new beginning in our commitment to quality education. I urge prompt Senate passage of this measure.

Mr. HUMPHREY. Mr. President, I wish to express my support for the Education Amendments of 1974 (H.R. 69) reported to the Senate by the Senate and House conferees. We considered this bill at some length 3 months ago, and the revised version we are considering again today is in many respects very similar to the bill approved by the Senate at that time. While it is not a perfect piece of legislation, and while there are some particular points which I believe are most unfortunate, it is basically an excellent bill with much of value in it. And, from the perspective of the public schools in this country, it is a much-needed and long-awaited bill.

The public educational institutions of this country have been forced to operate under the uncertainty of continuing resolutions for too long. The administration has been blind to the need for constructive and well-defined programs in our country's schools. The President has seen fit to veto one education bill after another, arguing that the educational assistance program should no longer be subject to objectives, guidelines, and careful review and should be consigned to a reduced overall level of funding.

I sincerely hope that this negativism of past years will be outgrown this year, and that the President will approve this measure, with the many elements of compromise which have been included in it.

CIVIL RIGHTS COMPROMISE

The only seriously disappointing part of the bill is the section dealing with busing for purposes of desegregation. The language approved by the conferees does on the one hand, at least assert that nothing in the bill shall be construed as overriding the responsibility of the courts to determine constitutional rights. But the bill as approved by the conferees now prohibits the use of any Federal funds whatsoever for the purpose of fulfilling the edicts of the courts. This puts the Federal Government in the ambiguous position of demanding adherence to the Constitution but making it as difficult as possible for the local school district to do so. In the long run this will work a great hardship on both the schools and the individual children. And it is hardly an admirable example for the Congress of the United States to respond with such indifference to the imperative of aiding States and local communities in meeting their constitutional requirements.

But I want to stress that, in spite of the step backward in civil rights embodied in this bill, much is achieved which will go far toward alleviating some of the basic inequalities in this country by striking at the causes.

TEACHING CHILDREN TO READ

There is a major new program in the bill for teaching reading to elementary and preelementary schoolchildren—a part of which I sponsored. A study done by the Office of Education recently indicated that we are still a long way from solving the problem of illiteracy in this country, and that the problem is particularly severe in the poorest segments of the population—those very people who have the longest way to go to achieve equality. In particular, the study demonstrated that where one or both of the parents were illiterate, it was highly probable that the children would also be illiterate. This means that we are still only marginally reaching those groups which most need high quality instruction in reading.

Everyone is agreed that the ability to read effectively is the most essential passport to a quality education. The child who falls progressively behind his peers in reading from grade to grade, or who starts out well behind them, is precluded from ever mastering the vast array of subject matter—technical, vocational, or social—which is a prerequisite to full participation in modern society. The present bill initiates a massive effort to deal with this problem, and thus to attack one of the principal sources of inequality.

EDUCATION FOR THE HANDICAPPED

Another vital step taken in this bill is the initiation of a major program for education for the handicapped—which originated in an amendment sponsored by Senator MATHIAS and myself. The handicapped have been the forgotten people of our schools and of our society. They are penalized for their maladies in hundreds of small ways, and the educational activities which could be tailored to meet their needs are frequently denied them—often more from indifference than malice.

Recently the courts have pointed out that the equal rights guaranteed to all Americans by the Constitution apply as fully to the handicapped as to the rest of us. The most tragic part of this neglect has been that a large proportion of these handicapped people could make a full and useful contribution to society if only they were not prevented from the outset from receiving the education they need. The conferees have fully recognized the importance of providing adequate education for the handicapped, and I commend them for retaining this section of the bill at the full level of funding.

STUDENT INTERNS IN GOVERNMENT

Unfortunately, the conferees did not show so much wisdom when it came to the issue of educating young Americans in the political processes of this country. I sponsored a program, included in the Senate bill, which would have provided funds for students to serve as interns in State and local governments. If there was ever a time when young Americans needed to be encouraged to participate more fully in the political process, to learn how it works and what its values are, this is the time. So many of our young people have been disillusioned and alienated by the events of the last 2 years. They have chosen to drop out of political life, to ignore the government which will nonetheless have so much importance for their lives.

We need to do everything in our power to get them involved again—and to get them involved at all levels of government. I have a number of interns working in my office this summer. They are making significant contributions to the work in my office, and at the same time are having an opportunity to observe first hand the way in which a Senate office operates. Unfortunately, restrictions on space limit the number of interns I can accept, or indeed that the whole Senate or Congress can accept.

But Washington is not the only center of government activity, and many student could benefit from opportunities to participate elsewhere in the country. I am shocked and disappointed that the conferees would choose at a time like this to ignore the importance of getting our young people involved in the system once again, and have sacrificed this opportunity to help our young people to learn about their Government.

Mr. President, I want to reiterate that while this bill does have its defects, and while I do feel disappointed over some specific decisions made by the conferees, it is nonetheless a solid piece of legislation. We need to pass this bill. And we need to send the message to the President that the country cannot afford to do without a positive education program, and that this is a bill he must not veto. I urge my colleagues to join me in supporting the education bill approved by the conferees.

Mr. BROOKE. Mr. President, I must oppose the passage of the conference report on the Education Amendments of 1974. Two months ago I spoke at great length on the unconstitutionality of the antibusing amendments to this education bill. In the interim the House and Senate conferees have achieved a number of compromises that would make the bill less drastic in its effect. But, the bill still contains a number of unconscionable and I believe unconstitutional provisions. And I cannot, in good conscience, compromise when the constitutional rights of our Nation's schoolchildren are at stake.

The conference report still retains one of the original bill's most objectionable provisions, the ban on busing beyond the next-nearest school. As I have said before, implementation of such a provision would preclude desegregation even in the inner city. It would impose the entire burden of desegregation on those black and white families who live in the city adjacent to the inner core. It would free the more affluent black and white families from the desegregation process while lower-middle income families, black and white, would find their children bused to inner city schools. This provision is blatant class legislation. It would lead to chaos and take us back to Plessy against Ferguson.

The compromise bill also provides that court busing orders may be terminated if the court finds the school district has satisfied the requirement of the 5th and 14th amendments and will continue to do so. The provision contains no time limits and would permit the lifting of an order the moment a school system can claim to be unitary. Thus, conceivably, the section could allow a school district to demonstrate initial desegregation compliance, promise to keep up the good work, get out from under a court order and then slide back to only partial compliance, requiring a whole new court suit to have a new order issued. This puts an unconscionable burden on the plaintiffs who could very likely be going back and forth to court in an effort to safeguard the constitutional rights of their children.

This provision is contrary to the practice in other areas of the law where illegal conduct ought to be remedied has ceased. In such areas as antitrust, trade regulation, and voting rights, courts exercise jurisdiction after the illegal conduct that prompted the litigation has been remedied.

In addition, the bill flatly bars use of any Federal school funds, except those under the impact-aid program, from being used to finance busing for desegregation purposes. This provision is unsupportable. If local education agencies are required by a Federal court agency to increase transportation, I think it is only proper that Federal funds be made available to meet part or all of these increased expenses. I cannot understand the logic of proponents of this provision who charge that busing is expensive, yet who have consistently argued that Federal funds should not pay student transportation. Is their purpose to penalize those districts where the constitutional rights of schoolchildren are being protected?

It is true that the conference report provides that the final language is "not intended to modify or diminish the authority of the courts of the United States to enforce fully the fifth or 14th amendments to the U.S. Constitution." This modification does to some degree mitigate the harshness of the ban on busing beyond the next-nearest school and other objectionable provisions, but, in reality, it resolves few problems. The bill still retains very strong antibusing language. If enacted it would certainly encourage people to act in accordance with the bill's prescribed remedies. Though the courts would ultimately rule on the constitutionality of the provisions, significant damage would already have been done.

It is indeed sad that at a time when this country desperately needs leadership, Congress, in this case, seems unwilling to exercise it. We all know what the law of the land is. We all know that we cannot legislatively repeal an almost unanimous line of Supreme Court decisions. Yet, apparently many in this body will vote to pass these insidious and unconstitutional antidesegregation amendments.

Sooner or later the courts will have to rule on these amendments. It is ironic that when Congress is trying hard to reestablish its parity with the executive branch, it seems more than willing to pass the buck of busing to the judiciary.

If we are to have three coequal branches of Government, as required by the Constitution, Congress must recognize that it cannot abdicate its constitutional responsibilities to either the executive branch or to the judiciary.

Mr. President, I urge the Members of the Senate to vote against this legislation. I understand the importance of this education bill. I understand that it encompasses over $25 billion in Federal aid to education. But, I would prefer to see every American schoolchild deprived of some additional Federal aid than to see any American schoolchild denied his constitutional rights.

Mr. CRANSTON. Mr. President, the conference report on the Education Amendments of 1974, H.R. 69, deserves the favorable support of Senators. As a member of the Education Subcommittee of the Senate and as a conferee on the bill, I am gratified that the measure provides for so many new and important directions in providing quality public education programs for all Americans.

In 1965, when the Congress enacted the elementary and secondary education amendments, it was envisioned that the Federal role in education would provide a responsive and continuing commitment to schools across the Nation. The thrust of the legislation then, as now, was one of Federal, State, and local partnership in meeting the great education needs of America. In the measure before us, we have continued and expanded that basic commitment by enumerating some new programs, revising some old ones, and renewing the life of demonstrated successes such as aid for educationally disadvantaged children.

Once again, the Senate is in debt to Senator CLAIBORNE PELL, chairman of the Education Subcommittee and a distinguished friend of education, whose adroit stewardship of this legislation—in subcommittee, in full committee, on the Senate floor and in conference with the House—provided the backbone of leadership without which this measure could not have flourished. Senator PELL's fine professional staff—Stephen Wexler, Richard Smith, and Jean Frohlicher—were of great help to us all, as were Gary Aldridge, Carol Lumb, Jon Steinberg, and Allison Beck to me.

On the minority side of the aisle we have seen one more example of why Senator JACOB K. JAVITS has come to be known as a passionate and knowledgeable advocate of Federal education programs. At his side throughout the long course of this bill has been Roy H. Millenson, minority staff director of the Senate Labor and Public Welfare Committee, whose dedication and expertise were of great value.

CONFERENCE REPORT IN GENERAL

Mr. President, the conference committee which worked to resolve the many differences between the Senate and House education bills sought to resolve some of the key education issues of our time: Aid to disadvantaged students, aid to federally impacted school districts, school desegregation, the future of Federal categorical education programs, and bilingual education, to cite just a few. Although there are some areas of disappointment—such as what I believe to be a too sweeping consolidation of categorical programs—I am convinced that the conference agreement on H.R. 69 makes giant strides in many key areas of education. I cite just a few of them:

BILINGUAL EDUCATION

Mr. President, I am especially proud that the conference agreement on bilingual education includes all the major provisions of S. 3553, the bill I introduced in October 1973, as well as the principle features of S. 3552, as introduced by the Senator from Massachusetts (Mr. KENNEDY), which I cosponsored. In my view, the conference action in sustaining the key points of my bill and Senator KENNEDY's is an important reaffirmation of congressional faith in the value of bilingual education as a critically important educational mode.

As reported from conference, the bill replaces the current title VII bilingual education program, and includes the following major provisions:

POLICY DECLARATIONS

The term "children of limited English-speaking ability" is used merely as a term of statutory reference, and in no way is the term intended to imply any sense that children who share a linguistic and cultural background different from the majority of students are somehow inferior. Thus, the congressional findings in the bill include: First, that there are large numbers of children of limited English-speaking ability, second, that many of such children have a cultural heritage which differs from that of English-speaking persons, third, that a primary means by which a child learns is through the use of such child's language and cultural heritage, fourth, that, therefore, large numbers of children of limited English-speaking ability have educational needs which can be met by the use of bilingual educational methods and techniques, and fifth that, in addition, children of limited English-speaking ability benefit through the fullest utilization of multiple language and cultural resources.

It is to assist in the provision of equal educational opportunity that the conferees resolved to provide more and—hopefully—better demonstration projects in bilingual education, with a wider range of support activities and coordination with other Federal education activities, and—of primary importance—an expanded program of teacher training and training programs for other bilingual education personnel. These activities, together with in-depth research by the National Institute of Education and a thorough national survey of bilingual programs and needs, are mandated in the conference agreement to give school districts across the country new material, new learning data, and the personnel necessary to build sound bilingual programs.

GOALS AND METHODS

Although the major thrust of the program is aimed at elementary school programs, where the greatest need exists at this time and where the greatest benefits can be achieved; preschool programs are provided as well as programs at the secondary level where successful elementary school programs can be continued and maintained and where experimental efforts can be initiated for students who never received bilingual education. Also, the conference report makes provision for voluntary participation in bilingual education programs by children whose language is English, in order that the divurgent language and cultural heritage of bilingual children may be more fully understood and appreciated.

In order to be of assistance to State and local education agencies, the Commissioner is directed to provide suggested models for bilingual education programs respecting pupil-teacher ratios, teacher qualifications, bilingual/bicultural curriculums, and other important factors bearing upon the success of bilingual education programs.

NATIONAL ASSESSMENT

Mindful of the critical need for accurate data for use in bilingual education policymaking, the conference report mandates, a report on July 1, 1975, and July 1, 1977, to the President and the Congress on the condition of bilingual education in the Nation, the administration of title VII program and other Federal bilingual programs, a statement of activities current and projected, and an estimate of educational personnel needed to carry out the objectives of the act.

The conference report also requires a national survey of the number of children and adults with limited English-speaking ability—and the extent to which they are being served by Federal, State, and local programs.

Further, the conference report directs the preparation of a 5-year plan for extending bilingual and education services—through cooperative and voluntary arrangements among States, localities, and the Federal Government, and through other means—to those persons determined by the survey to be in need of such services. This plan must be submitted by July 1, 1977.

EDUCATIONAL PERSONNEL DEVELOPMENT

The lack of adequately trained bilingual education professional personnel—including teachers, counselors, administrators, teacher aides, and other paraprofessionals—and the virtual nonexistence of programs to produce those personnel is viewed as a major failure in our teacher training system and the major obstacle to the immediate development of fully bilingual programs where they are needed.

In a sampling of the title VII projects across the country, the total need for trained bilingual teachers in those projects was found to be 35,117. In contrast, there are presently 9,448 teachers in title VII projects. Similar deficiencies were found in the numbers of bilingual counselors, administrators, and trainel paraprofessionals.

Because of these dramatic shortfalls, the preparation of education personnel specially trained to carry out bilingual education programs is emphasized in the conference report: All bilingual education programs funded under the act must have a training component for education personnel, and at least 15 percent of each project grant must be devoted to training activities carried out in conjunction with the particular program. In addition, $16 million of the first $70 million appropriated and one-third of all amounts appropriated above $70 million in any year must be spent on training programs.

The revision of the Senate language in clause (1) of section 721(a)—so as to place in only one such clause the training provisions—was technical in nature. No change in substance was intended; thus, all bilingual education programs funded under section 721(a)(1) must, by virtue of clause (3)(B), include auxiliary and supplementary training components. The reference in subsection (b)(1)(A) of section 721 to "one or more of the clauses of subsection (a)" in no way alters this requirement.

NATIONAL ADVISORY COUNCIL ON BILINGUAL EDUCATION

The recent reactivation of an Advisory Council on the Education of Bilingual Children is encouraging, although the legislation creating such a council was enacted in 1967 as part of the original Bilingual Education Act, and the Council did not meet between 1970 and 1974.

The conference report, as did the Senate bill, envisions a strong and active Advisory Council, and specifies the appointment of 15 members, to terms of varied length, drawn from the ranks of both lay and professional persons interested and experienced in the education of bilingual persons. Classroom teachers, teacher trainers, and school board members are among the categories of persons to be appointed to the Council.

The Council is directed to submit an annual report on its own, to the President and the Congress, covering and evaluating the current status and projected directions for bilingual education and other Federal bilingual programs in the Nation, as observed from the Council's unique vantage point.

FEDERAL SUPPORT OF STATE BILINGUAL ACTIVITIES

The current title VII statute, which would be replaced by the provisions in the conference report, does not provide a role for State education agencies in the Federal bilingual effort. In the past, Federal moneys have been granted to local education agencies and to organizations and institutions supporting LEA activities, but not to the State agencies themselves. The conference report provides for a wider range of State activities and includes authority for the Commissioner to grant some funds to the State educational agencies for supportive and technical services while at the same time insuring that the total amount of funds granted to LEA's is not substantially diminished.

Also, the conference report calls for consultations by the Commissioner with State education agencies, and others, in the development of suggested models for bilingual education statutes, curriculums, and teacher certification processes that might voluntarily be adapted for use in a variety of locations.

BILINGUAL EDUCATION RESEARCH AND THE NATIONAL INSTITUTE OF EDUCATION

In terms of prority needs, the conferees agreed to the Senate emphasis on the importance of bilingual research and development, R. & D., in the belief that good bilingual teachers and sound bilingual programs are inseparable. The conferees, therefore, adopted most of the Senate language directing the National Institute of Education to carry out research and demonstration programs that will determine basic educational needs and language acquisition characteristics of the target population, create and disseminate instructional materials and equipment for bilingual education programs, and establish and operate a national clearinghouse of information for bilingual education. Five million dollars is authorized to be appropriated for each fiscal year prior to fiscal year 1979.

Mr. President, I cannot emphasize too strongly my own intention to follow the activities of NIE in carrying out the mandates of this bill—as well as those of the Office of Education in implementing the new title VII provisions. It is my firm belief that the future of bilingual education in America will, in large part, depend upon the kinds of research and development activities, as well as the effective dissemination thereof, that occur within the NIE authorities set forth in H.R. 69, and I believe that careful congressional oversight is both necessary and desirable as to this entire program.

CONSUMERS' EDUCATION

The consumer education program contained in the conference-reported bill is the result of an amendment I offered to the Education Amendments of 1972—Public Law 92-318. Although it became law that year, the program has neither been funded nor implemented—a fact that has been discouraging to me and to educators who know the potential value of this program. Such a program is perhaps more important now than ever, in the midst of skyrocketing prices, that children be taught how to make wise decisions in dealing in the marketplace—decisions based on facts, not fallacies.

As contained in the Education Amendments of 1974, the consumer education program is included as a priority program within the special projects section.

Such treatment will authorize $15 million per year for each fiscal year through 1978, thus giving the program another chance to define specific strategies and get moving. The conference agreement also includes an Office of Consumer Education.

SAFE SCHOOLS STUDY

I am very pleased that the conferees adopted the major language provisions of my amendment authorizing the carrying out of a Federal study of the frequency and incidence of school crime in the Nation. Together with similar provisions in the House bill, the conference agreement will assure a careful and complete study over the next 2 years, with interim reports to the Congress and a final report no later than December 31, 1976.

Americans have long viewed education of their children as a national priority. The right to an education in an atmosphere free of violence and the threat of violence must be a part of that top priority. Yet, crime and violence in schools are rising as fast or faster than in society at large. And they must be stopped. Because while the dollar losses due to school vandalism can be estimated—about $500 million annually, nationwide—crime's cost to the national spirit and to the public confidence in schools cannot be calculated.

It is the purpose of the study not only to determine what kind of crime occurs, with what frequency, and where, but to help local communities find ways of resolving the issues in the best interests of their community and their children. Local control over these matters is essential.

I wish to emphasize one point in particular, Mr. President, regarding the information to be generated through this study: In assessing crime in schools and the causes of crime in schools, it is essential that: First, the climate of the community be assessed completely and accurately, second, that students and community have an opportunity to comment upon and have input in the processes of the study, and third, every effort be made to get the points of view of parents, students, and faculty with respect to the specific situations being studied and described. I might add that I am especially interested in having the viewpoints of students reported in this study.

VETERANS COST-OF-INSTRUCTION AMENDMENTS

Mr. President, I also am very pleased that the five veterans cost-of-instruction amendments—one which was added on the Senate floor on May 16, 1974—have been agreed to by the conference committee, with only two minor modifications.

I spoke on the floor at length during consideration of S. 1539, as reported, by the Senate and during debate on the additional amendment I offered for myself and others at that time, which was agreed to by the Senate. I do not feel, therefore, Mr. President, that it is necessary for me to reiterate the explanation of these amendments and their underlying purpose at this time. Rather, I would indicate that all that was set forth during the May 16 debate is fully applicable to the language of the amendments as they have emerged from conference with the exception of the two minor modifications made in the conference report.

Mr. President, the only substantive modification made in conference was that the new alternative first-year eligibility criterion added by the Senate amendment, that is, that a school could qualify, not only if the number of eligible veterans in attendance increased by 10 percent over the number of such veterans in attendance during the prior academic year, which is the sole first-year eligibility criterion in present law, but also if the total number of undergraduate eligible veterans in attendance at the school constituted 10 percent of the total undergraduate enrollment—was modified so that there could be no diminishment of effort in enrolling veteran students on the part of schools seeking to qualify under the new alternative first-year criterion.

Thus, the new language in subclause (ii) of clause (A) of paragraph (1) of section 420(a) is qualified so that a school to be eligible must show not only that its eligible veteran-student enrollment is 10 percent of the total undergraduate student enrollment but also that that percentage itself is no less than the comparable percentage for the prior academic year. In other words, if a particular school seeking first-year VCI eligibility has 12 percent of its undergraduate student body composed of eligible veterans, in order to qualify under this new alternative criterion for VCI payments such school would also have to show that eligible veterans comprised not more than 12 percent of its total undergraduate student body for the prior academic year, If, for example, that prior year's eligible veteran enrollment constituted 13 percent, that school would not be eligible under the new alternative second-year criterion because its student-veteran enrollment percentage had decreased.

Mr. President, one other minor change which was made by the conference in these amendments was to make their effective date the date of enactment of H.R. 69, rather than making them effective with respect to payments made on or after October 1, 1973, as contained in the Senate amendment. The effect of this change is that the June 1974, payments made to eligible institutions will not be disturbed, but schools qualifying after enactment under the new eligibility criteria for either first-year or second-year grants should be given supplementary VCI payments with new moneys appropriated or remaining moneys from the intial appropriation.

However, with respect to the new programmatic requirement that 75 percent—as contrasted with 50 percent in present law under section 420(e)—of VCI payments must be used by the institution to establish the required full-time Veterans' Affairs Office and, if any funds remain within that 75-percent share, to carry out the other special veterans programs which VCI institutions are required to carry out by section 420(c)(1)(B), that new requirement is applicable with respect to program operations occurring and expenditures by VCI institutions beginning on the date of enactment of the act. The requirement can be effectively enforced by the Office of Education through the installment payment process. Institutions have had notice of the possibility of this change in the share requirement since March 29, 1974, when the committee report was filed on S. 1539.

Mr. President, I want to express my gratitude to my fellow Senate conferees and to the conferees from the other body for their sympathetic consideration of the Senate VCI amendments. I note also that the House-passed fiscal year 1975 Appropriations Act includes another $23.7 million for VCI payments for academic year 1974–75, and I trust that the Office of Education will give heed to the direction of the Senate Appropriations Committee in its May 3, 1974, report on the Second Supplemental Appropriations Act for fiscal year 1974, when it stated its strong disapproval of refusal to spend money appropriated for VCI payments and directed that the $23.7 million contained in that Supplemental Appropriation Act be obligated immediately for payments to eligible institutions.

CONCLUSION

Mr. President, there are many provisions—in addition to the few I have just mentioned—that I supported in committee, worked for on the Senate floor, and worked for in conference: Indian education programs, library programs, new directions in programs for the gifted and talented, adult education provisions, measures affecting aid to schools in federally impacted areas, continuance of the Emergency School Aid Act, and others.

Without question, this is an urgent bill for education. The programs it authorizes will make up the body of Federal-aid-to-education legislation concerning elementary and secondary schools through 1978. The dollars it authorizes will contribute greatly to the economic survival of the Nation's schools, although the Federal dollar contribution is still far from adequate. The organizational mandates the bill gives to the U.S. Office of Education are well-considered, important, sensible, and meant to be followed.

I urge the firm support, by every Senator, of the critically needed Federal aid to education measures contained in H.R. 69, the Education Amendments of 1974.

APPROVE THE EDUCATION CONFERENCE REPORT

Mr. CLARK. Mr. President, after more than 2 full months of negotiations, the House and Senate conferees have reached a compromise agreement on the Education Amendments of 1974. The bill, of course, is the major education bill for the next 4 years, and it represents the most comprehensive education legislation in history. In drafting and compromising on this legislation, the Members of both houses have worked countless hours over the past two sessions of Congress in an effort to achieve a stable education program for our public schools.

I would like to take this opportunity to endorse this bill and to urge my colleagues in both Houses to approve the conference agreement so we can get on with the job of educating our chldren. Mr. President, I doubt that anyone who has carefully studied or worked on this complex legislation is completely satisfied with every provision in the conference agreement. But I do not believe we should allow narrow interests to overcome the widespread needs of our public school system. If we become bogged down on any one specific issue at the expense of the larger goals of this legislation we would perform a grave disservice to our children. If we do not approve this report now, we will virtually seal the fate of any new education bill in this session and relegate the vital matter of education to the uncertainity of more and more continuing resolutions.

Our children deserve better than that. They deserve an education bill—this bill. I urge my colleagues in both Houses to refrain from the short-sighted temptation to throw out the baby with the bath water and instead vote to approve the conference report and this vital legislation.

Mr. HOLLINGS. Mr. President, we are truly at the crossroads today as we consider the conference report on the elementary and secondary education bill. The schools of this Nation cannot continue to survive and flourish under the conditions that our timidity and indecision have created during the past 5 years. We shall be judged harshly—perhaps for generations—if we do not act decisively today by approving this long-overdue legislation.

In the long process of constructing this bill, we have offered progress in solving as yet unmet needs of the educationally deprived, the handicapped, and the undereducated.

The bill before us deals with every single aspect of Federal programs touching on elementary and secondary education, as well as a number of programs at the post-secondary level. The agreements reached in conference reflect genuine concern and perceptive thinking about the problems of school systems, teachers, and pupils. In its totality, the bill sharpens the focus of Federal programs on areas that have been blurred by empty rhetoric. The bill makes sense in terms of administrative functioning, in terms of spurring educational research and development, and—most importantly—in terms of easing the burdens of State and local governments in their attempts to provide educational equality for all citizens.

I urge all of my colleagues to support this legislation in the interest of enriching the education of our children and attaining the promise of this great Nation.

Mr. GURNEY. Mr. President, I am opposed to the adoption of this conference report because of the language contained in title II dealing with the forced busing students.

When the House originally passed this bill, they included the strong antibusing language of the Esch amendment. This language passed, I might add, by a healthy margin of 2 to 1. When the bill came up here in the Senate, I offered a similar antibusing amendment, and I am sure that my colleagues are familiar by now with the purpose of that language.

The major thrust of my amendment was to prohibit busing beyond the school next closest to the student's home, and to allow existing court-ordered busing cases to be reopened and reconsidered in light of this new language. Unfortunately, by a one-vote margin, the Senate voted instead to substantially weaken this directive by dropping the reopener provision and including language to assure the courts that busing is fine as long as it is disguised as a protection of constitutional rights.

Alarmed by Senate action, the House subsequently voted not once, but twice, to reaffirm their stand on the busing issue. By margins of well over 2 to 1, the House instructed their conferees to stand firm against moves to weaken their position. In the face of such prevailing insistence, however, the conferees have reported language which might well be described as a lot of "sound and fury, signifying nothing."

The compromise language admonishes against busing beyond the next closest school, while at the same time assuring the courts that "the provisions of this title are not intended to modify or diminish the authority of the courts of the United States to enforce fully the 5th and 14th amendments to the Constitution." With the courts' traditional mania for busing, this is an unnecessary reminder, to say the least.

Further language authorizes "only such reminders as are essential to correct particular denials of equal educational opportunity or equal protection of the laws."

Well now, this means about as much protection against forced busing as a paper umbrella against a hurricane.

The courts have traditionally used the equal protection rationale for ordering busing. Up to now, they have done this with the tacit support of Congress. By adopting this conference report langauge, we will be giving no less than our official stamp of approval to forced busing.

Equally objectionable, in my opinion, is section 218 relating to the reopening proceedings. This language is of particular concern, obviously, to those States and school districts where busing orders are presently in effect.

The House language, and my amendment, provides for reopening and reconsideration of existing busing orders in light of this most recent statutory modification. In other words, school districts in every part of this country would be treated equally under the law.

The compromise negates this crucial equalizer, and set us back nearly 20 years—with primarily those States in the South bearing the brunt of a national problem. While those school districts which have not yet been ordered to bus will be considered under the provisions of this title, all those districts under busing orders will be considered under those same dubious principles set forth in the Swann case. This blatant Government-enforced discrimination is as repugnant as the problem it purportedly seeks to solve.

Mr. President, I urge my colleagues to reject this conference report. I see no reason for us to rehash the days of debate on this issue—the arguments by now should be apparent to anyone in this Chamber. This limp-wristed language will do no more to prohibit forced busing than existing statutes, and I am hopeful that it will be defeated.

Mr. MUSKIE. Mr. President, the education bill to which we will give final Senate approval today represents a major legislative achievement in providing a solid base for aid to our Nation's schoolchildren. But the merits of this measure are clouded by the compromises it makes with the basic principle of equality in education.

The so-called antibusing language of this bill attempts to remove congressional support for the guarantee of equal access to quality education for all our children. It seeks to hamstring the progress of two decades toward implementing the constitutional promise of equality. The only saving grace of this measure is its language which recognizes that Congress, in the heat of political expediency, is powerless to undermine basic constitutional guarantees. I hope our Federal judicial system will exercise its power—and responsibility—to hold fast in its determination to protect those guarantees.

The antibusing provisions of this meassure also regrettably have overshadowed the significant legislative accomplishments it contains. This 4-year extension of the Elementary and Secondary Education Act was developed through months of hard work and careful consideration of our educational needs by Members of both Houses, from both parties. It provides firm support for the future development of our educational system. It authorizes funding for the next 4 fiscal years, in the total amount of $25.2 billion, to be spent both for time-tested programs and innovative ideas. Of particular interest to Maine is the increase in the basic funds provided under title I for aid to schools with children from low-income families, and the expansion of programs for adult education, bilingual education, and library services.

I have deep-seated objections to the antibusing provisions of this bill. They are perhaps unconstitutional, and they are certainly unwise.

But objectionable as these provisions are, the consequence of disapproving this bill would be far worse. The antibusing provisions passed by the House, upon which that body threatens to insist, would mandate chaotic and painful relitigation of hundreds of desegregation decisions which have already moved us so far toward fulfilling constitutional promises of equality. For the Senate to disapprove the compromise reached in conference would pose the real danger that this House language might eventually prevail. And disapproval now of this bill would substantially undermine progress toward quality education for children of all disadvantaged families by preventing enactment of the $18.5 billion in aid to their schools which this bill contains. The overall impact of this measure would be to help the very children who are the subject of the dispute over busing.

The merits of this education bill are great. Its offensive antibusing provisions, I trust, will be cast aside by the courts in their enforcement of the Constitution. This bill gives hope for real progress toward quality education for all our children, and I will give it my support.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Mr. William Corbett, of Senator HANSEN's staff, be permitted access to the floor during the debate on the conference report of the education bill and on the legislation to be taken up thereafter this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GREECE

Mr. PELL. Mr. President, the time under the germaneness rule having expired, I wish to make some remarks on an unrelated matter.

Mr. President, I am overjoyed at the course of events in Greece.

I speak as one who has long sought to bring the influence of American policy toward Greece to bear in support of a restoration of constitutional government. It was in fact with that goal in mind that I sponsored legislation (S. 2754), which passed the Senate without objection on January 23, of this year, calling for a termination of credit arms sales to the military junta. Incidentally, with the change of regime I now believe it would be inadvisable for the House to pass this bill.

Now that the barbaric, repressive and undemocratic junta has passed from the scene it appears that Greece once again has returned to civilian control under the leadership of Constantine Karamanlis.

He is an excellent choice to lead the Greek nation at this difficult moment in its history. We will always remember his remarkable statement of conscience of September 30, 1973. We have admired his ability to rise above factional discord and his readiness to place himself at the service of the Greek people.

But, as Premier Karamanlis would probably be the first to acknowledge, the essence of democracy is that it is based on the rule of law, not men.

As fortunate as the Greek people are to have the statesmanship of men such as Karamanlis, Kanellopoulos, Mavros and the senior commanders of the Greek armed forces at their service, these men are mortal. I would hope that in the days ahead, the Greek nation will look to the restoration of institutions which have served them so well in the past. I refer of course, to their constitution and to their king. Both institutions have particular values in times of stress and they serve to complement each other.

After 7 years of lawless rule, the Greek constitution is in tatters. No one really knows which articles are in force and what guarantees exist. Whatever is done ultimately about a new constitution, I would hope that the new Government will act promptly to reaffirm the basic political and human freedoms to which the Greek people are so devoted, and which have been so brutally denied them during the past 7 years.

Philosophically, too, I have come to the conclusion that a constitutional monarchy provides a desirable safeguard for democracy in a climate where political passions run strong and where the constitutional constraints themselves are not backed by strong precedents of respect.

If chiefs of government err or fall, the monarch can stand above partisan strife, fill temporary voids of leadership and facilitate the selection of new leadership—thus making less likely a return to the barricades or a coup d'etat. It is interesting to note in this regard that it is a rare country that has a constitutional monarchy where democracy is not in practice.

Consequently, I strongly urge the new Greek leadership to seek the return to Athens of King Constantine. If this appears to be the will of the Greek people, the United States should do whatever it can toward this end.

These years of exile, hardship, and sorrow have matured King Constantine beyond his years. He has used this time well, taking degrees at Cambridge University. Having suffered hardship himself, he is more able to identify himself with the travails and troubles of the Greek people. He possesses the qualities of humility and compassion which a chief of state must have if he is to serve his nation well.

In conclusion, I rejoice for the Greek people in this their moment of deliverance. The darkness of years has lifted. The Greek people should know that despite whatever has transpired between our governments, that the American people have been and still are their brothers in the spirit of democracy.

Mr. President, I yield the floor.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. PELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, it is my understanding that there is an hour set aside for debate beginning at the hour of 1:30. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. And that the vote will occur on the conference report on the motion to recommit at 2:30?

The PRESIDING OFFICER. That is correct.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15, or subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senate will stand in recess until the hour of 2:15, or subject to the call of the Chair.

Whereupon, at 1:29 p.m. the Senate took a recess.

The Senate reassembled at 1:31 p.m. when called to order by the Presiding Officer (Mr. HATHAWAY).

EDUCATION AMENDMENTS OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 69) to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes.

Mr. ALLEN. Mr. President, I offer a motion and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

> The Senator from Alabama (Mr. ALLEN) moves that the Conference Report on H.R. 69 be recommitted to the conference committee with the following instructions to the Senate conferees:
>
> That they agree to the original House positions with regard to the provisions referred to under the following captions appearing in the Conference Report on pages 154, 155, and 156:
>
> 1. Purpose of the Equal Education and Opportunities Act of 1947.
> 2. Findings.
> 3. Reopening Proceedings; Intervention in Court Cases Authorized.
> 4. Limitation on Court Orders.
> 5. Prohibition Against Use of Appropriated Funds.

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. ALLEN. Mr. President, the conference report on H.R. 69 is before us. Many Members of the Senate are not pleased with the conference report provisions with regard to the elimination of forced busing of schoolchildren in order to create a racial balance or to change the racial composition in schools.

The House provisions on this subject were offered on the Senate floor and, by a very close vote, I believe 48 to 47, the House provisions offered in the Gurney amendment on the floor were tabled. Then, in conference the Senate view in many important respects was allowed to prevail.

The purpose of this motion is to point out the areas in which the House position was not agreed to by the conference and to send the bill back to the conference with instructions to our conferees to agree to the House provisions on these points mentioned in the motion.

Mr. President, I suppose everyone wants to see this bill passed in one form or another, so no extended debate has taken place with respect to it and, after this motion is voted upon, if it is not sent back to conference, then there will be an up-and-down vote on the conference report.

We, in the Senate, have the option of seeking to lay the conference report on the table and sending the bill back to the House with a request for another conference, or merely to send it back at this time and ask our conferees to confer further with the House conferees, and agree with the House on the items in dispute.

The bill has been tied up on conference for 6 weeks or 2 months, some very long time, and they have got down to the point where there are only differences in about five areas, and in those differences the motion which has been filed would instruct our conferees to agree to the House position.

The best way to get this bill enacted into law and signed by the President is to agree to this motion. The House is adamant with regard to their provisions. Three times already they have instructed their conferees to stand by the House provisions because they have voted these provision by possibly a 2-to-1 vote, or more than a 2-to-1 vote.

I have just been furnished with a copy of a letter which 146 House Members have written the President stating that—and that is slightly more than one-third of the House—if the House provisions do not emerge from the bill, and the bill is finally passed, and the President vetoes the bill, more than a third of the House Members, a sufficient number to sustain a veto, will vote for sustaining the President.

Mr. President, I ask unanimous consent that a copy of this letter be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, we are very close to reaching agreement on this bill if we pass this motion.

The PRESIDING OFFICER. The Senator has used up his 5 minutes.

Mr. ALLEN. Mr. President, I yield myself an additional minute.

If we pass this motion, and our conferees would go back to a further conference with the House, and if they agreed to the House amendments in these five areas covered in the motion, this bill will be agreed to in very short order, and sent to the President for certain approval, and we would have this vast aid to primary and secondary schools throughout the country become a reality.

So, Mr. President, I hope that since the Senate was so closely divided, and only 1 vote separated us, and the House is overwhelming in favor of the House language, and since they spent some 6 or 8 weeks trying to reach an agreement, and since there is a likelihood of a veto with a certainty that the veto will be sustained, and we will have no bill at all, I believe it is the better part of wisdom to approve this motion, accept the antiforced busing language of the House, and get a bill passed. There is no assurance whatsoever if this motion is not passed and the Senate does not approve the conference report that the House will accept it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, if we get a bill any time soon, or if we get a bill at all it would behoove the Senate to pass those measures, accept the House provision, have the House then quickly agree to our action, the Senate, of course, agreeing to its action after the conferees report back, and then have this great bill which means so much for the elementary and secondary schools throughout the land.

EXHIBIT NO. 1

CONGRESS OF THE UNITED STATES,
Washington, D.C.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In two successive Congresses, the House of Representatives overwhelmingly has voted by better than two to one to severely restrict the harsh and unjust impact of forced-school busing for racial balance upon both students and parents.

On August 17, 1972, the House, by 282 to 102, passed a bill which in essence incorporated the concepts you had urged upon the Congress to remedy the evil embodied in forcing children to ride for miles to schools, bypassing those within easy access in their own neighborhoods.

Again on March 26 of this year, substantially the same measure was approved, 293 to 117, as an amendment to the Elementary and Secondary Education Act.

This House action prohibiting busing of a child beyond the second nearest school to that child's home, without nullifying the concept of forced-busing altogether, would bring great relief to both black and white citizens who worry about long daily bus rides for their children.

Mr. President, the House-Senate Conference Committee at present is still considering a resolution of differences between this strong, purposeful House measure, and a meaningless Senate amendment that has no real impact on the busing issue.

We, the undersigned Members of the House of Representatives, urge you respectfully to publicly state your intention to veto the Education bill unless the House amendment is fully retained when it reaches your desk.

We pledge our votes to sustain your veto.

We must delay no longer in clarifying this issue. Millions of parents and schoolchildren are still in a state of confusion, awaiting the outcome of court cases on busing, when twice their elected Representatives have made their position clear as to what the outcome should be.

We recognize the especially pressing matters of State occupying you at this particular juncture, both at home and abroad. It is therefore with special appreciation that we thank you, Mr. President, for giving your immediate attention to this matter, and acting upon it as we request.

Respectfully yours,

David Satterfield, Bud Hillis, John H. Rousselot, George A. Goodling, Dawson Mathis, Roger Zion, Del Clawson, Glenn Davis, Bill Ketchum, John Hunt, Bill Young, Philip M. Crane, Robert J. Huber, William F. Walsh, John N. Happy Camp.

Carleton J. King, Louis Frey, Walter E. Powell, Trent Lott, John Y. McCollister, Harold R. Collier, Bo Ginn, Sam Devine, Don Clancy, James R. Grover, Jr., Sam Steiger, Robert W. Daniel, Jr., John Buchanan, Thad Cochran, J. F. Hastings.

Gene Snyder, Gene Taylor, Charles E. Wiggins, Wm. L. Dickinson, Bill Wampler, J. K. Robinson, Jack Edwards, Barry Goldwater, Jr., Victor V. Veysey, David C. Treen, Don Clausen, Bob Wilson, Bill Archer, Wilmer Mizell, Robin Beard.

Jack Brinkley, Ben Blackburn, Robert J. Lagomarsino, Bob Bauman, H. R. Gross, Floyd Spence, Dan Daniel, Robert B. Mathias, James Abdnor, Jack Kemp, Steve Symms, Marjorie S. Holt, J. L. Pettis, Edith Greene, Edward Hutchinson.

Alan Steelman, John J. Duncan, William G. Bray, W. L. Armstrong, Manuel Lujan, Jr., Earl F. Landgrebe, Tennyson Guyer, Bud Shuster, Frank A. Stubblefield, Larry Winn, Jr., Wendell Wyatt, John M. Ashbrook, Lawrence J. Hogan, Charles E. Chamberlain, Joel T. Broyhill, Wm. Broomfield, Dan Kuykendall, Charles Thone, Keith G. Sebelius, C. W. Burgener.

John B. Conlan, Ed Derwinski, John J. Rhodes, L. C. Arends, James M. Collins, Bob Michel, John H. Ware, Burt L. Talcott, Skip Bafalis, Carlos J. Moorhead, Norman F. Lent, John W. Wydler, William B. Widnall, Bill Randall, O. C. Fisher, John T. Myers, G. V. Montgomery, John Paul Hammerschmidt, Jamie L. Whitten, Bob Jones, Jim Martin, John Jarman, Walter B. Jones.

Tim Lee Carter, Bill Scherle, Omar Burleson, Robert G. Stephens, Jr., John J. Flynt, Jr., Earl B. Ruth, W. H. Harsha, Lamar Baker, David Towell, Dale Milford, Robert P. Hanrahan, Stan Parris, Bob Price, Harold V. Froehlich, G. William Whitehurst, James H. Quillen, Benjamin A. Gilman, Charles S. Gubser, Lawrence G. Williams, Guy Vander Jagt.

Edwin D. Eshleman, Thomas N. Downing, James A. Haley, Charles E. Bennett, Joe D. Waggonner, Ja., David N. Henderson, John E. Breaux, Don Fuqua, Bob Casey, Bill Nichols, David R. Bowen, Goodloe E. Byron, Harold Runnels, Olin Teague, W. S. (Bill) Stuckey, Jr., John R. Rarick, Bill Chappell, Jr., Bob Sikes, Tom Bevill, Otto E. Passman, Ed Young, Walter Flowers, John W. Davis.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

The PRESIDING OFFICER The Senator's 1 minute has expired.

Mr. ALLEN. I yield myself 1 additional minute.

The PRESIDING OFFICER The Senator is recognized.

Mr. WILLIAM L. SCOTT. Is it not true that even the conference report we have before us is contrary to the express instructions of the House?

Mr. ALLEN. Yes. On three occasions they have instructed the House to stand by the House language. Yes, this conference violates the House instruction.

Mr. WILLIAM L. SCOTT. I might say that in talking last night with Members of the House, they made me aware of that. They indicated the margin by which they had instructed their conferees in this matter was such that regardless of what we do over here, they are not going to agree to the conference report. I think the past vote indicates they will not.

Mr. ALLEN. I thank the Senator for making that point.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ALLEN. Mr. President, I yield 6 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, I certainly thank the Senator for yielding to me.

Naturally, it is a source of great disappointment, and I am not alluding to the act of any particular conference, of course, but it is naturally a source of great disappointment to those of us who have been most vitally affected by this subject matter for years, that key provisions that were overwhelmingly passed by the House and, in substance, were passed by the Senate lacking only one vote, have come back to us now in a form that really does not represent the position of a majority of the House or anything like a majority, and it does not represent, and I say this respectfully, the position of a majority of the Senate.

I do not think there is any other subject matter where a situation such as that could happen or exist; any subject matter of any substance except this matter of busing and the whole idea that goes with the segregation of schools, de facto or otherwise.

Another sad feature about this matter is, and I speak with great deference to the judicial branch of Government, for all these years now, more than 20 years, our Supreme Court has not yet really wrestled with this problem and given a written opinion with some guidance in it that goes to the very heart and thrust of this matter about our school system. I say that with the greatest of deference.

We had the decision of 1954, which threw things into the laps of the trial courts. They have wrestled with this problem and so have the circuit courts of appeal. But in a long 20 years—and 20 years is a long time—we do not yet have, even though there is a case pending there now, a decision by the Supreme Court of the United States on this subject.

Furthermore, Mr. President, outside of the South—and I am not speaking now in sectional terms—but outside of the South, which had these laws with reference to a separate system—with slight exceptions outside of the South there has been no real effort, plan, or pattern to enforce this decision of 1954.

That point has been raised on the floor many times, and some 12 years ago, or possibly 10 years ago, I put in the Record the statistics of the official record showing the situation is far worse in States beyond the South, beyond these States that had these special laws as they were in the South then.

And today, I have not heard of any Governor, or any gubernatorial candidate in any of those States, running on a platform to literally enforce the 1954 school case in its broadest terms. There has been no organized effort at the State level. There have been some spotty efforts, but no recognized statewide efforts. It has not been a major issue in any gubernatorial campaign.

With reference to our own colleagues, I do not know of any one, any Member of this body from those States who has run on a platform that "I pledge to try to get all of the schools in my State actually integrated, for all practical purposes actually integrated."

I do not know, there might be some who ran on that kind of ticket, but I have not heard of it, and I do not believe that has helped them.

I am sure there were some platforms that had the idea of enforcing that 1954 decision as to the Southern States, because that has been reflected here so many times in so many votes on the floor of the Senate. Those votes have proven that they are playing a losing game. That vote has gotten closer and closer and closer as the years have come and gone.

As I said, it was by a one-vote margin during this year, this calendar year, that that amendment of which I spoke was lost—but only by a one-vote margin, Mr. President. When those votes were lost in prior years, they were lost——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. May I have 1 additional minute, Mr. President?

Mr. ALLEN. I yield additional time to the distinguished Senator from Mississippi.

Mr. STENNIS. As I say, those votes used to be lost almost 2-to-1 against our position.

What does that mean? It means that this problem has come home to a degree to other areas. I think in that way, and in that way alone—unless the Supreme Court renders some kind of rule on it—the problem which was forced upon the South will force this thing to an issue. And the sooner the better it will be when we have an adjustment formula of some kind under which all schools will have a better chance to strive for the processes for which they were created, education, rather than to change a social order, which is what they are used for so much now.

I do not want that change to come to any area so suddenly as it was forced on ours, where it destroys the helpless victims, where it destroys the chance of an education to the extent it has in our area, and where we all know the helpless victims were the children.

I think under the House bill as passed it does provide a remedy for all children, regardless of color, regardless of history. It provides a living pattern, at least, for all the States.

Mr. President, I think this ought to be sent back on instructions, as proposed by the Senator from Alabama. It is not going to be solved until we meet this problem more from a national standpoint.

I thank the Senator for yielding.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object. I would like for the Senator to use some of his time. We have only 10 minutes remaining.

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Mr. President, I would hate for our 10 minutes to go by with a quorum call.

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I ask unanimous consent that the proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, may I inquire from the Senator from Rhode Island how much time he has left on his side?

The PRESIDING OFFICER. The Senator has 25 minutes remaining.

Mr. JAVITS. Mr. President, would the Senator yield to me for 10 minutes?

Mr. PELL. Mr. President, the time is at the disposal of the senior Senator from New York, in fact.

Mr. JAVITS. I thank the Senator.

Mr. President, there is an adage in life which says that often people do not know when they have won, and they proceed to press something thereafter and then lose it. I think that is almost true in this case because, having lived with these negotiations on the conference report now for a couple of months, I have gone over again, last night and again just now, what resulted from the conference.

Frankly, I am appalled. I am appalled at myself, that I should feel compelled, in the larger interests of the school bill, to vote for this conference report, considering the provisions which remain in it.

Mr. President, I wish we could, by some trick of time, transpose the arguments in the House, those which will occur during consideration of this conference report here, so that Members might have a look at what they think about it. Let us remember that a conference report is signed by the conferees, among whom are such ardent radicals as Mr. Quie of Minnesota, and others of similar extreme views.

Let us remember that they will argue, unquestionably, that this represents a very significant success for the House conferees. Frankly, I think they are more right than we are.

Let me say why, rather than just let it stand as a proposition.

What have they conceded, assuming that the House bill is exactly what the proponents of this motion desire? Let us see what they have given up.

Reading from page 34 under "Findings"—and by the way that is one of the things that is the subject of this recommittal motion—they have allowed the Senate to say, "except that the provisions of this title are not intended to modify or diminish the authority of the court of the United States to enforce fully the 5th and 14th amendments to the Constitution of the United States."

Considering what else is in this particular title, that is a very, very small doffing of your hat to what is the established law, yet the recital of which gives some reassurance in view of the enormous capacity for social instability which is inherent in this particular law, even as it is in the conference report.

Second, Mr. President, in terms of the second point which is raised, the motion omits entirely any attention whatever to very significant gains for the antibusing forces. For example, section 205 expressly spells out what they have always been worried about—that is, that the courts would lend themselves to some kind of racial balance—and expressly says that it shall not constitute a denial of equal educational opportunity or equal protection of the laws if there is no balance in the population of a particular school district.

Again, it accepts the concept of the neighborhood school with a section which says that assignment on a neighborhood basis shall not be considered a denial of equal educational opportunity.

Mr. President, perhaps the most significant gain of all for the House is contained in a matter which is not dealt with, obviously, by the motion to recommit. That is the order of remedies, the priority of remedies.

In the priority of remedies school transportation or busing is not even mentioned. It is not even one of the items of the priority of remedies. But, on the contrary, it is expressly omitted because in that respect the conferees said, "Well, if a court wants to do it, it has to draw on its constitutional power."

Mr. President, in view of our authority to deal with the procedure of courts as contrasted with the basic constitutional questions to which I have just referred, we have listed from A to G in section 214 a whole list of priority of remedies where we do have authority to tell the courts what we want by way of procedure, and none of those is transportation. So the court would have to exhaust all those remedies, all of them written by the House, until it gets to the question of whether, in exercise of its authority under the Constitution, it will order transportation.

Mr. President, when it does order transportation, what do we do? Now we come again to one of the sections which is raised in this particular motion to recommit. We expressly provide that if a condition of segregation has been caused by residential shifts in population, changes within a school district which result from population shifts, then there is no remedy for that. We expressly provide that. We expressly provide, with respect to district lines which a State may draw in subdividing its territory into separate school districts, that they shall not be ignored or altered except where it is established—and that means by the burden of proof—that the lines were drawn for the purpose and had the effect of segregating children among public schools on the basis of race, color, religion, or national origin—in short, an affirmative showing of a violation of the constitutional rights of individuals.

Mr. President, having made that point very clear, that the courts are strictly on their own if they are going to order any transportation, and that this is not not only a remedy of last resort but is not even a remedy specified in the hierarchy of remedies, so much do we want the courts, according to this conference report, to consider that the last possible resort.

Mr. President, what is really the thrust of this motion, therefore, is not transportation, because the movers know as well as we do that the courts being strictly on their own, the order of remedies being expressly stipulated, and this remedy being one of really very last resort, It is very unlikely to be resorted to. There are plenty of objections and plenty of interpositions.

What this motion to recommit is really all about is the question of reopeners and the question of terminating existing orders. It is not really an antibusing proposition, because that is thoroughly cemented into the bill right now, as far as it can be humanly done without running afoul of the Constitution, and as it is, it puts the courts and Congress in a position of confrontation one with the other.

Mr. President, has my time expired?

The PRESIDING OFFICER (Mr. McCLURE). The Senator has 3 minutes remaining.

Mr. JAVITS. It already puts Congress in a confrontation with the courts, but I am not going to argue about that. That is water over the dam, we have agreed.

What this really does is to seek to restore the House reopener provision and the House provision respecting the termination of remedies and, according to the mover of this particular amendment, the limitation on the expenditure of funds.

Let me deal with the last first, because that seems to be a factor, and it should not be.

We agreed in the conference on a prohibition against the use of appropriated funds for busing—the so-called Ashbrook amendment. We agreed to that. The only qualification we put on it was that money which came out of impact aid could be used for this purpose. That was recognized by Representative ASHBROOK, himself, as something which was legitimately necessary, not to those of us who are concerned about these so-called antibusing provisions but to impacted school districts which simply would have to utilize some of those funds for the particular purpose of busing, if they were compelled to do it, based upon all the other provisions of this and other law.

So I think it is fair to say that the limitation against the use of appropriated funds for busing remains substantially intact as it passed the House.

Mr. President, I yield myself 3 additional minutes.

We come now to the two points—the reopener provision and the termination of orders dealing with transportation that have already been entered. Let us see what we did with those.

The House accepted, in a give-and-take compromise, the Senate reopener. That reopener provides that anybody with any interest—parents or guardians of children, and so forth, or an educational agency—may seek to reopen or intervene in the further implementation of a court order if the time or distance of travel is so great as to risk the health of the student or to significantly impinge on his or her educational process. That is a continuing, ongoing right which can be invoked for reopener.

Now we come to termination, which perhaps is the most controversial matter of all. There we have, as I said when I opened this debate, given up the power of a court of equity to sit by where it has entered an equity decree and not make any changes in it unless there are changes of circumstances, and we have allowed termination. That is the essential thrust of what the House wanted. We have allowed termination, provided that the court finds that the defendant agency has satisfied the 5th or 14th amendments, whichever is applicable, and—this is the code which settled the dispute—will continue to be in compliance with the requirements thereof, which requires the court to take a look into the corridor of time and see whether it is likely that the constitutional rights will continue to be granted.

Mr. President, I think it strains the imagination to see how one could do any less than that in giving the power to terminate an equity decree which otherwise would be permanently on the books. It seems to me, and it seemed to the majority of the Senate conferees who dealt with that matter with the greatest reluctance, that this is an eminently reasonable precaution to take in respect of the termination of a permanent equity decree and a right to terminate which was not otherwise available and would not be otherwise available.

In short, Mr. President, the House has been successful, in my judgment, to an overwhelming extent, so much so as to deeply concern people like myself as to whether the whole effort is justified. The essential thrust of what the House wanted is in the bill, the only exception being those elements which have the potential for catastrophic social instability which have been somewhat modified—not even changed, not even withdrawn, but somewhat modified—to wit, the reopener clause and the clause on limitation of orders.

The fundamental thrust of what the House wanted, the use of money for busing, the order of priority in respect of remedies, the fact that racial balance shall not be confused with desegregation according to the Constitution, the allowability of assignment to neighborhood schools, and freedom to draw district lines—all this has been completely reserved without any change in respect of this measure.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. JAVITS. I yield myself 2 additional minutes.

Mr. President, considering the enormous consequence of this bill in terms of education, a program indispensable to the education of our children in this country, and its remarkable balance and achievement in all the respects which concern education, the fact that the Senate conferees, who in a sense were a kind of template of the feelings of the Senate, all signed the report, and that Senators DOMINICK, BEALL, and SCHWEIKER, who have very sympathetic views to those of the movers of this recommittal, in terms of that particular issue, felt that what was accomplished justified their committing their honor and their judgment by signing this report, it seems to me that all those things together certainly should outweigh even the vestiges of reservation, which the movers of the recommittal have.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 additional minute.

Mr. President, if this is recommitted, we have opened Pandora's box. So many of these compromise our impact today, and dozens of other things on this bill were all strung together by safety pins and threads.

Mr. President, it will all fall apart, in my judgment, and be disastrous in my view to the cause of education, because as I understand the law, once the conference is recommitted, anything goes and anything is open for consideration and anything can be reconsidered and reiterated and reargued.

The worth of this educational package and its balance is so great that I think that even the balance of convenience is diametrically opposed to rejecting the conference report.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. PELL. I yield myself a minute.

I believe the Senator from New York has presented articulately and well the arguments in favor of the approval of this conference report.

The fact that it is a compromise as far as the busing issue goes is shown by the fact that those who are very much for busing and those who are very much opposed to busing both disapprove of this bill, each feeling it does not go enough in their direction. When any measure is opposed by the two wings of our body, it would seem to me that measure is a measure of compromise, a middle ground, and should be approved.

That is exactly, from a political viewpoint, what we sought to do in this case.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLEN. Mr. President, I appreciate the concern of the distinguished Senator from New York for our position with respect to this motion and he voiced the fear that those of us who want to see a strong antiforced-busing position made will lose by the adoption of this motion.

Now, I rather imagine that if that were exactly correct, the distinguished Senator would be joining in the motion rather than opposing it with all of his strength.

Mr. President, in my judgment, the best way to get an education bill, the best way to get this tremendous bill passed, is to agree to the motion to recommit the bill with instructions to our conferees to accept the House provisions with reference to forced busing, and in reference to the matters referred to in other motions.

The distinguished Senator from New York says: "Well, it will unravel everything."

Well, that would hardly seem to be the case because all we would have to do is go in and yield to the House position. That would not seem to cause a great deal of unraveling as the Senator from Alabama sees it.

Mr. President, I have in my hand a letter signed by, as I count them, 146 Members of the House addressed to the President, which was written prior to the approval in conference of the report, and it is pointed out that this same language was passed by the House August 17, 1972, by a vote of 282 to 102, and on March 26 of this year it was passed again by a vote of 293 to 117.

Now, compare the vote here in the Senate, by only one vote we were able to kill this very same House language when it was offered here on the floor of the Senate by the distinguished Senator from Florida (Mr. GURNEY) in the form of an amendment.

So, Mr. President, this letter goes on to say that these 146 Members of the House, more than one-third of the Members, would support a veto by the President of this entire bill if the House language is not agreed to as it regards busing.

Mr. President, this letter states:

> This House action prohibiting busing of a child beyond the second nearest school to that child's home, without nullifying the concept of forced-busing altogether, would bring great relief to both black and white citizens who worry about long daily bus rides for their children.
>
> We must delay no longer in clarifying this issue. Millions of parents and schoolchildren are still in a state of confusion, awaiting the outcome of court cases on busing, when twice their elected Representatives have made their position clear as to what the outcome should be.

So the best way to get this education bill approved by both Houses and signed by the President is to support this motion, that our conferees go back into conference.

It does not kill the bill, far from it, it puts life in the bill if we pass this motion, because do the Senators think the House is going to accept this conference report when they have been voting almost 3 to 1 in favor of their language? Do the Senators think they are going to accept this report?

I believe not. I believe they will turn it down and the bill will be in more danger than it is in at this time here in the Senate.

It seems to me that the best way to get a bill is to approve this motion to recommit.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, how much time remains?

The PRESIDING OFFICER. Eight minutes remain to the opponents.

Mr. JAVITS. How much time do the proponents have?

The PRESIDING OFFICER. Two minutes to the proponents, 8 minutes to the opponents.

Mr. JAVITS. All right, I yield 4 minutes.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Bertram W. Carp, a member of my staff, be given the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JAVITS. Mr. President, I wish to make it clear that I am not hoping to win over the proponents of the motion to recommit.

I am addressing myself to those who have to evaluate the motion to recommit as against the total context of the bill, one; and two, as against what is left in the bill of the House position toward this whole question of the transportation of students.

The basic point which I made is that, one, the total context of the bill completely outweighs what ought to be legitimate concerns about this busing question and, second, an analysis of the individual sections which shows that the overwhelming weight of this compromise fell in the House's position, and, after all, our duty as trustees for the Senate and being conferees meant that we had to give some credit and weight to the action of the Senate.

Though the action of the Senate was by close votes, I would hope when we add to that, to those votes, the support of Senators who feel that the educational gains far outweigh whatever they may have given up in respect to the House position, that the weight is very definitely on the side of approving the conference report, and that is the burden of my argument here.

I think it is a question of how Members look at the balance in this bill respecting education and respecting busing, and on both the grounds that the balance is heavily in favor of education and that the balance is also weighted in favor of the House position respecting even busing, that it makes a preponderant case for the rejection of the motion to recommit and the approval of the conference report.

As to the other point which was made, that is, on the question as to whether the whole matter would be open, of course it is. This is just as broad as it is long; just as the Parliamentarian ruled that a point of order cannot be made against a conference report which does not carry out these instructions to the letter, so, on the other side, no point of order can be made if we bring in a conference report which is completely different from this conference report on the educational factor, because once you go back to the conference, everything can be rewritten.

I am arguing that the balance struck, which induced such Senators as Mr. DOMINICK, Mr. BEALL, and Mr. SCHWEIKER to sign the conference report, is a balance which it is very important, in the interests of the Senate, to retain.

The PRESIDING OFFICER (Mr. MCCLURE). Who yields time?

Mr. JAVITS. Mr. President, may we know the state of the time now?

The PRESIDING OFFICER. Four

minutes for the proponents; 5 minutes for the opponents.

Mr. JAVITS. Mr. President, unless the Senator would like to use his time, may I suggest the absence of a quorum?

I suggest the absence of a quorum, and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I support the motion of the Senator from Alabama. It is a well-known fact that the conferees are probusing. They have accepted the Senate language to the point that the guts of the antibusing provision have been removed. The loopholes that have been put in the conference report are big enough to drive a bus through—any bus—and I am not happy about them. For that reason I cannot support the conference report.

Mr. ALLEN. Mr. President, I ask how much time remains to the Senator from Alabama.

The PRESIDING OFFICER. Four minutes—no, 2 minutes is correct.

Mr. ALLEN. I yield myself 1 minute.

Mr. President, I shall try to sum up the issue as I see it. If you favor forced busing of schoolchildren or you are just a little bit against it, then the vote, as the Senator from Alabama sees it, would be no on the motion. If, on the other hand, you are adamantly and unreservedly and strongly against forced busing of schoolchildren, as the Senator from Alabama sees it, you would vote aye on the motion to recommit.

Mr. DOLE. Mr. President.

Mr. JAVITS. Mr. President, how much time do the opponents have remaining?

The PRESIDING OFFICER. One and a half minutes.

Mr. JAVITS. Mr. President, I yield one-half minute to the Senator from Kansas.

Mr. DOLE. I thank the Senator from New York.

Mr. President, on May 20, 1974, during original consideration of the Senate education amendments (S. 1539) I established in a colloquy with the distinguished floor manager of the bill (Mr. Pell) that an exception had been created to eliminate "windfalls" for Public Law 874 school districts.

This was accomplished by permitting States such as Kansas, which have equalization plans in effect, to consider the full amount of impact aid funds as local resources when computing the amount of State aid to be distributed to a certain local educational agency. In the form the bill passed the Senate, then, it was my understanding that the problem of whether, and to what extent, impact aid funds could be counted had been, for the most part, resolved.

Now, with a particular phrase added in conference, the basic issue seems to have been unnecessarily complicated and confused. I refer to what is apparently a limitation on the percentage of Federal impact aid moneys which may, in fact, be taken into account by a State. The pertinent language is:

> *Provided,* That a State may consider as local resources funds received under this title only in proportion to the share that local revenues covered under a State equalization program are of total local revenues.

In seeking to ascertain the origin of this provision, I noted that it had been offered as an amendment on the floor of the House during its consideration of H.R. 69 on March 27, 1974, and rejected. Inasmuch as it was not even considered by the Senate at all, I find it extremely difficult, then, to rationalize its inclusion in the conference report.

There is no necessity at all for this "restrictive" language, and it can only result in a mass of undue confusion when those charged with drafting the appropriate regulations attempt to make an interpretation. Moreover, it will in all likelihood cause some untenable problems for States which must make adjustments to try to accommodate the "ratio" requirements.

The most striking among these problems in Kansas may well be found at Fort Leavenworth, which consists of all Federal property with no locally taxable real estate—and thus, no local revenue for education whatsoever. With the addition of the conference language in question, then, Federal impact aid funds could not be considered at all.

The real injustice, however, will come with the entire State having to subsidize, with increased taxes, windfalls for Public Law 874 school districts which, in turn, will not even be able to lawfully use the overage because of budgetary spending limitations. All this because of language which purports to place limits on State treatment of impact aid payments, notwithstanding the State's efforts to otherwise "equalize."

It seems to me that absent the opportunity to appropriately amend the bill at this point, it is incumbent upon the House to review and reevaluate this provision, and define and clarify its intent. Only then will the Department of Health, Education, and Welfare have the legislative guidelines it needs to avoid some gross inequities and unmanageable regulatory standards to all the "equalization" States which would be affected.

The best way to arrive at that solution, certainly, would be to delete the language in question altogether from the conference report. It is indeed unfortunate that the House conferees insisted on the provision in the first place, and I sincerely hope that they will act to correct the confusion and forestall the potential adverse ramifications when the report is before that body.

Mr. JAVITS. I yield myself 1 minute. Mr. President, to sum up our position, this is not, as we judge it, a motion to recommit on busing. Everything that the House wanted to do has been done. This is a motion to recommit on the reopener clause.

On that, Mr. President, our feeling is that the compromise avoids what could be the gravest danger of social instability by the fact that that reopener clause would be a confrontation with the Supreme Court of the United States and an extraordinarily unstabilizing element to those who are the victims, who were for years the victims of discrimination in school attendance.

For those reasons, Mr. President, we hope that the motion will be rejected.

The PRESIDING OFFICER. All time on the motion has expired.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit with instructions. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Okahoma (Mr. Bellmon), the Senator from Hawaii (Mr. Fong), and the Senator from Oregon (Mr. Packwood) are necessarily absent.

The result was announced—yeas 42, nays 55, as follows:

[No. 328 Leg.]

YEAS—42

Allen
Baker
Bartlett
Bennett
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cook
Cotton
Curtis
Dole
Eastland
Ervin
Fannin
Goldwater
Gravel
Griffin
Gurney
Hansen
Hartke
Haskell
Helms
Hollings
Hruska
Huddleston
Johnston
Long
McClellan
McClure
Nunn
Proxmire
Roth
Scott, William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower
Young

NAYS—55

Abourezk
Aiken
Bayh
Beall
Bible
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Domenici
Dominick
Eagleton
Fulbright
Hart
Hatfield
Hathaway
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—3

Bellmon
Fong
Packwood

So the motion by Mr. Allen to recommit the conference report was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alabama (Mr. Sparkman) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Hawaii (Mr. Fong), and the Senator from Oregon (Mr. Packwood) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) would vote "yea."

The result was announced—yeas 81, nays 15, as follows:

[No. 329 Leg.]

YEAS—81

Abourezk
Aiken
Baker
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Ervin
Fulbright
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—15

Allen
Brooke
Buckley
Byrd, Harry F., Jr.
Cook
Eastland
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Roth
Scott, William L.
Stennis

NOT VOTING—4

Bellmon
Fong
Packwood
Sparkman

So the conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendmentts of the Senate to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. SHIPLEY, Mr. EVANS of Colorado, Mr. BURLISON of Missouri, Mr. NATCHER, Mr. SMITH of Iowa, Mr. CASEY of Texas, Mr. MAHON, Mr. ANDREWS of North Dakota, Mr. MICHEL, Mr. SCHERLE, Mr. ROBINSON of Virginia, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (S. 39) to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the pending business is S. 3164, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally related mortgage transactions, and for other purposes.

Mr. GRIFFIN. Mr. President, will the distinguished Senator from Tennessee, who has control of the time, yield to me for a moment?

Mr. BROCK. I yield.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I should like to ask the distinguished majority leader what information he may be able to give the Senate concerning the program for the remainder of the day and for the remainder of the week.

INDEPENDENT SPECIAL PROSECUTOR ACT OF 1973

Mr. MANSFIELD. First, Mr. President, I ask unanimous consent that Calendar No. 573, S. 2611, be transferred from "General Orders" to "Subjects on the Table."

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. MANSFIELD. Second, Mr. President, I ask unanimous consent that Calendar No. 606, Senate Resolution 154, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Third, Mr. President, the pending business is the Real Estate Settlement Procedures Act of 1974, which hopefully we will finish this afternoon.

Then, of course, we have the consumer advocacy bill, S. 707.

Tomorrow, we will take up the bill having to do with juvenile justice, and hopefully we will be able to follow that with Calendar No. 975, the bill to amend the Rail Passenger Service Act of 1970.

RECLASSIFICATION OF DEPUTY U.S. MARSHALS

Mr. MANSFIELD. At this time, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 981, H.R. 5094.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5094) to amend title 5, United States Code, to provide for the reclassification of positions of deputy United States Marshal, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment:

On page 2, beginning at line 9, strike out the following language:

Sec. 2. (a) Effective on the effective date of this section, a deputy United States marshal on the rolls on such date to whom the amendment made by the first section of this Act applies, shall be converted, as follows, follows, except that each deputy marshal who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted, as the result of the enactment of this Act, to a step of a grade no higher than the step of the grade he would have been placed in if the effective date of this section had been a date immediately preceding June 15, 1973.

And insert in lieu thereof the following language:

SEC. 2. (a) Effective on the effective date of this section, a nonsupervisory deputy United States Marshal on the rolls on such date to which the amendments made by the first section of this Act apply, shall be converted as follows, except that each nonsupervisory deputy marshal (1) who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had this Act applied to him on the date immediately preceding the reclassification action, or (2) who was appointed to a position classified under the classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had his position been classified under the classification standards which were in effect before June 15, 1973;

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PROGRAM

Mr. MANSFIELD. Continuing, Mr. President, is it anticipated that Calendar No. 985, a bill to amend and extend the Export Administration Act of 1969, will be taken up on Monday or Tuesday. Hopefully, by that time the House will have passed its bill. There is an expiration date, which is on Wednesday next.

Later this afternoon, we may get some idea from the Senator from Wisconsin (Mr. PROXMIRE) whether or not we will be able to take up S. 2125 today.

In addition, on Thursday next, a week from tomorrow, we will take up an act to amend the Atomic Energy Act, and the distinguished assistant majority leader will, at an appropriate time, propose a time limitation to the Senate.

The full Appropriations Committee today is marking up the Treasury appropriations bill, we hope to have that ready for Monday. A cloture motion will be filed by the Senator from Connecticut (Mr. RIBICOFF) on tomorrow. When that is done—or maybe it will be done this afternoon—unanimous consent will be asked to have the vote occur on Tuesday next at the hour of 1 o'clock, I believe.

So, the way it is shaping up—and I have been a little haphazard in what I have been saying—is this: If we finish what we contemplate finishing today and tomorrow, there will be no Friday session.

Mr. GRIFFIN. I thank the majority leader.

Senators should be aware of the fact that unanimous consent will be asked for the vote on cloture on Tuesday rather than at a time certain, as I understand it, so that if there is any objection or concern about it, they ought to let it be known to the leadership.

So far as I am concerned, I think that is a good arrangement.

Mr. MANSFIELD. From what I can see, it is agreeable.

Mr. ALLEN. Would the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. ALLEN. Is it contemplated that S. 707 will come up this afternoon for any additional discussion?

Mr. MANSFIELD. No.

Mr. ALLEN. I thank the Senator.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

The Senate resumed the consideration of the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement service provided in federally related mortgage transactions, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Maine (Mr. HATHAWAY).

Mr. HATHAWAY. Mr. President, I ask unanimous consent that my amendments Nos. 1601, 1602, 1603 and 1604 may be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The legislative clerk proceeded to read the amendments.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 20, in line 4, delete the semicolon and add the following: ", including, where practicable, the average amount of such costs in the county where the settlement is made.".

On page 21, in line 10, delete "ten" and insert in lieu thereof "fifteen".

On page 22, line 20, delete "ten" and insert in lieu thereof "fifteen".

On page 22, after line 20, add the following: "In issuing such regulations, the Secretary shall take into account the need to protect the borrower's right to a timely disclosure.".

On page 28, line 2, delete "and", insert the follow new paragraph, and renumber paragraph (3) as paragraph (4):

"(3) recommendations on the desirability of the Secretary establishing procedures to provide to the borrower and seller all clerical and administrative services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of Federal related mortgage loans; and".

Mr. HATHAWAY. Mr. President, I modify my amendment No. 1601 to have the word "county" on line 3 deleted and the word "region" put in its place, and I send that modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

Mr. HATHAWAY. Mr. President, I would like to make a statement on each of these amendments.

The first one would call upon the Secretary, where practicable, to include in the booklet that is called for by the bill the average amount of the settlement costs in the region where the settlement is going to be made. I think that it would be extremely helpful to know what the average costs are in that area as well as knowing all items of cost that may be incurred in a real estate settlement.

With respect to amendment No. 1602, the reason for the request to extend the 10-day notice period on settlement cost to 15 days is to cover the situation where the borrower finds that he is not in agreement with the settlement costs given to him by the lender's attorney or the title insurance company and he will need some additional time in which to find another title company or another attorney that will do the job for him at a more reasonable rate.

Once he finds this attorney or title company, then that party, of course, will need some time to perform the services and since he is already obligated to the seller to close the transaction by a certain date, then I think this additional time could be needed in many circumstances.

With regard to amendment No. 1603, this is inserted at the end of line 20 on page 22, simply to exhort the Secretary in promulgating regulations with respect to the waiver of the 10-day notice requirement of settlement costs to be sure to take into account the need to protect the borrower's right to timely disclosure.

The borrower may be in a position, and oftentimes is, where he could easily be coerced into signing a waiver at the last minute in order to put through the loan and be able to buy the property.

We do not want to see any buyer placed in that position and this amendment is simply to exhort the Secretary to consider that factor when he puts out his regulations on this matter.

The final amendment, No. 1604, is simply to require the Secretary if he finds that some kind of a fee regulation is in order to consider a recommendation which I offered in the committee in this regard, and I ask unanimous consent that that amendment which was offered in committee and the explanation thereof be included at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(a) The Secretary, in consultation with the Administrator of Veterans Affairs, the Administrator of the Farmers Home Administration, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall, within 180 days following the date of enactment, establish precedures to provide to the borrower and seller all services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of federally related mortgage loans.

(b) The Secretary is authorized to contract with private attorneys and other justified persons qualified to provide such services when he can demonstrate that this will lower the overall cost of providing such services.

(c) The Secretary is authorized to charge a reasonable fee for services provided under this section.

(d) Nothing in this section shall be construed to bar any person from contracting with an attorney or other qualified individual for the purposes of providing services incident to or part of a real estate settlement.

EXPLANATION

In large proportion, the high costs involved in real estate settlements result from two factors:

a. the provision of clerical and administration work, as well as professional services, by law firms and private companies with high overhead costs; and

b. the lack of any effort by HUD to obtain such services for the borrower and seller at the lowest possible cost.

This amendment seeks to remedy the problem of high cost by giving HUD direct authority to administer real estate settlements in federally related mortgage transactions. Specifically, it would do the following:

a. Require that all clerical and administrative work, including preparation and typing of forms and obtaining of routine information, be performed directly by personnel in HUD offices, at a lower cost overall.

b. Authorize and direct HUD to negotiate with private attorneys and other persons qualified to perform services required in connection with a real estate settlement for the purpose of obtaining the lowest possible rates for such services. HUD is directed to do this with respect to professional and other related services for which a substantial fee may be imposed, including such things as title search, attorney fees, survey and origination fee. In addition, the Secretary is authorized to negotiate with title insurance companies to bring down the premium rates where title insurance is included as a closing cost, as it is in most states. Since the negotiations would reach down to the local level, where real estate transactions are handled, this procedure would automatically allow for any necessary regional variation in rates.

The amendment authorizes the Secretary of HUD to charge a reasonable fee for all settlement services provided. This means that there would be no additional cost to the Federal government arising from the direct administration of real estate settlements.

Finally, the amendment preserves the right of any borrower or seller involved in a mortgage transaction to obtain and pay for his own attorney or other qualified person to handle any or all of the work involved in his real estate settlement, if he chooses to do so. So long as the person is willing to assume the additional cost burden that may be involved, he is free to contract for those services on his own.

Mr. HATHAWAY. Mr. President, I have discussed this matter with the Senator from Tennessee and I believe he is willing to accept these amendments as modified. I want to extend to him my appreciation for his doing so, and I want to commend him on the work he has done on this bill.

It is much needed legislation and I will be glad to support it in the vote on final passage.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, I appreciate the Senator's remarks. He has been a strong supporter of this bill of mine and I have great pride in it; I think it is a remarkably good piece of legislation.

I have studied the Senator's amendments. I am prepared to accept them and take them to conference. I am not sure, but I think the intention of the amendment is sound and I would ask that the amendments be approved.

Mr. HATHAWAY. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1557

Mr. BURDICK. Mr. President, I call up my amendment (No. 1557) to S. 3164.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 28, strike lines 24 and 25, and on page 29, strike lines 1 through 4, and insert in place thereof the following:

SEC. 12. Any action to recover damages pursuant to the provisions of section 6 or 7 shall be brought only in a State court of competent jurisdiction in the State in which the property involved is located within one year from the date of the occurrence of the violation.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, under the bill, lenders are required to make advance disclosure of the settlement costs in real estate transactions, and there is also a prohibition against any kickbacks between lenders and attorneys, title companies, or others involved in settlement activities. The bill provides that persons not making disclosure as required in the act or engaging in kickbacks will be subject to an action for damages by any person affected by these activities.

The purpose of this legislation is to correct certain deficiencies in real estate settlement services which are detrimental to home owners and home buyers. Section 12 of the bill provides concurrent jurisdiction in the State and Federal courts for any action to recover damages for the failure to disclose or for kickbacks made in violation of sections 6 and 7 of the bill. However, since this act essentially is intended to correct deficiencies in real estate transactions, which are primarily regulated by State law, I do not think that it is necessary or appropriate that these actions be heard in the Federal district courts. The Federal courts are already seriously burdened with a very large volume of important cases involving matters of antitrust, the environment, securities laws, reviewing the actions of Federal regulatory agencies, and other matters of national scope and consequence. The violations which this act is designed to prohibit would be local in nature and, therefore, can appropriately be heard in the State courts. In addition, the requirements for disclosure and the prohibition against kickbacks are clearly spelled out in the legislation and the accompanying committee report so that enforcement of this legislation in the State courts will not impose any difficult burden of legal interpretation on the State court judges.

Finally, the limitation on jurisdiction that I am recommending here has a precedent in the recently passed no-fault legislation, S. 354. Section 112 of that bill limited jurisdiction for damages on a no-fault claim to the State courts.

For all of these reasons, I hope that the Senate will accept this amendment to S. 3164, the real estate settlement costs bill.

All this does, Mr. President, is place the jurisdiction for any violations of this Act in the State courts. In the first place, these transactions are local in nature. They take place in localities; the damages are $500 or actual damages, whichever may be greater, and I presume in most cases, it would be about $500.

It seems that we should follow the precedent that we establish here in no-fault, that these are local in nature and therefore should be handled by the local courts and not burden the Federal courts.

Mr. BROCK. Mr. President, if the Senator will yield, I would like first to congratulate him on the work he has done. I think it is worthy of note, in terms of the problem, that we have a substantial caseload in our Federal court system and the Senator's efforts to relieve at least part of that burden are noteworthy.

I am prepared to accept the amendment. I wish he had offered it on the previous legislation. I would have been glad to support it there, too, but he has seen fit to offer it on this bill.

Mr. BURDICK. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing on the amendment of the Senator from North Dakota.

The amendment was agreed to.

Mr. BROCK. Mr. President, I know of no further amendments. Before we go to third reading, I would like to express my gratitude to this body and to my colleagues, particularly, on the Committee on Banking, Housing and Urban Affairs, for their support of this legislation. I honestly and truly believe that this is enormously needed, and that it is the finest kind of consumer protection legislation.

The bill requires a uniform settlement statement. It requires that the consumer be told the types of costs that might be included in the final settlement, with a special information booklet distributed by HUD.

The bill provides for advance disclosure of all settlement costs, as now modified, 15 days before the final closing. It prohibits kickbacks on fees. There is a limitation on the requirement for advanced deposit to escrow accounts. It establishes a demonstration basis for land parcel recordation systems. It requires a report of the Secretary on the necessity for further congressional action.

Mr. President, I authored this bill some time ago. I have labored long for its passage, and I feel very strongly that we have accomplished much. I hope that it will soon be agreed to by our colleagues in the other body.

I might add one footnote. That is with regard to the amendment offered by the Senator from Wisconsin. I understand clearly and completely his concern. We did not agree on his amendment. We did not agree as to whether or not it would have effect. I do not believe its effect would be constructive. But the will of the Senate was to the contrary.

With or without that amendment, this bill is necessary and is needed in law. I am privileged to present it to the Senate today, and urge that it be passed.

I have no further requests for time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Do the Senators yield back their time?

Mr. BROCK. I yield back my time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. MANSFIELD. Mr. President, have we reached third reading?

The PRESIDING OFFICER. Yes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I think the country is fortunate in having this bill on closing costs passed. It is a bill that the Banking Committee worked hard on. It is a bill that meets an enormously expensive problem for the American consumer. Some $14 billion are involved in closing costs every year and, of course, with that much at stake in, perhaps, the most troubled industry we have, an industry that has been hit the hardest by high interest rates, a bill of this type which will prevent excessive closing costs is most timely.

As I say it hits the area where inflation and interest rates have hit the hardest.

Mr. President, I would particularly like to pay tribute to the distinguished Senator from Tennessee (Mr. BROCK) who worked very, very hard on this bill, and it is really his bill, as far as this Senator is concerned.

There is one section of it where we had a disagreement, but that has been worked out, and I think he deserves a great deal of credit for having developed this bill, worked it through the subcommittee, the committee, and now through the Senate, and we hope into enactment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time the question is shall it pass?

The bill (S. 3164) was passed, as follows:

S. 3164

An act to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes

Be it enacted by the Senate and House of

Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Real Estate Settlement Procedures Act of 1974".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that significant reforms in the real estate settlement process are needed to insure that consumers throughout the Nation are provided with greater and more timely information on the nature and costs of the settlement process and are protected from unnecessarily high settlement charges caused by certain abusive practices that have developed in some areas of the country. The Congress also finds that it has been over two years since the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs submitted their joint report to the Congress on "Mortgage Settlement Costs" and that the time has come for the recommendations for Federal legislative action made in that report to be implemented.

(b) It is the purpose of this Act to effect certain changes in the settlement process for residential real estate that will result—

(1) in more effective advance disclosure to home buyers and sellers of settlement costs;

(2) in the elimination of kickbacks or referral fees that tend to increase unnecessarily the costs of certain settlement services;

(3) in a reduction in the amounts home buyers are required to place in escrow accounts established to insure the payment of real estate taxes and insurance; and

(4) in significant reform and modernization of local recordkeeping of land title information.

DEFINITIONS

Sec. 3. For purposes of this Act—

(1) the term "federally related mortgage loan" includes any loan which—

(A) is secured by residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families; and

(B) (i) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government or is made in whole or in part by any lender which is regulated by any agency of the Federal Government; or

(ii) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or agency; or

(iii) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) is made in whole or in part by any "creditor" as defined in section 103(f) of the Consumer Credit Protection Act (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year;

(2) the term "thing of value" includes any payment, advance, funds, loan, service, or other consideration;

(3) the term "settlement services" includes any service provided in connection with a real estate settlement including, but not limited to, the following: title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a realtor, and the handling of the processing, and closing or settlement; and

(4) the term "Secretary" means the Secretary of Housing and Urban Development.

Sec. 4. The Secretary, in consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such minimum variations as may be necessary to reflect unavoidable difference in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans. Such form shall conspicuously and clearly itemize all charges imposed upon the borrower and all charges imposed upon the seller in connection with the settlement and shall indicate whether any title insurance premium included in such charges covers or insures the lender's interest in the property, the borrower's interest, or both. Such form shall include all information and data required to be provided for such transactions under the Truth in Lending Act and the regulations issued thereunder by the Federal Reserve Board, and may be used in satisfaction of the disclosure requirements of that Act, and shall also include provision for execution of the waiver allowed by section 6(c).

SPECIAL INFORMATION BOOKLETS

Sec. 5. (a) The Secretary shall prepare and distribute booklets to help persons borrowing money to finance the purchase of residential real estate better to understand the nature and costs of real estate settlement services. The Secretary shall distribute such booklets to all lenders which make federally related mortgage loans.

(b) Each booklet shall be in such form and detail as the Secretary shall prescribe and, in addition to such other information as the Secretary may provide, shall include in clear and concise language—

(1) a description and explanation of the nature and purpose of each cost incident to a real estate settlement, including, where practicable, the average amount of such costs in the region where the settlement is made;

(2) an explanation and sample of the standard real estate settlement form developed and prescribed under section 4;

(3) a description and explanation of the nature and purpose of escrow accounts when used in connection with loans secured by residential real estate;

(4) an explanation of the choices available to buyers of residential real estate in selecting persons to provide necessary services incident to a real estate settlement; and

(5) an explanation of the unfair practices and unreasonable or unnecessary charges to be avoided by the prospective buyer with respect to a real estate settlement.

Such booklets shall reflect differences in real estate settlement producers which may exist among the several States and territories of the United States and among separate political subdivisions within the same State and territory.

(c) Each lender referred to in subsection (a) shall provide the booklet described in such subsection to each person from whom it receives an application to borrow money to finance the purchase of residential real estate. Such booklet shall be provided at the time of receipt of such application.

(d) Booklets may be printed and distributed by lenders if their form and content are approved by the Secretary as meeting the requirements of subsection (b) of this section.

ADVANCE DISCLOSURE OF SETTLEMENT COSTS

Sec. 6. (a) Any lender agreeing to make a federally related mortgage loan shall provide or cause to be provided to the prospective borrower, to the prospective seller, and to any officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist such loan, at least fifteen days prior to settlement, upon the standard real estate settlement form developed and prescribed under section 4 and in accordance with regulations prescribed by the Secretary, an itemized disclosure in writing of each charge arising in connection with such settlement. For the purposes of complying with this section, it shall be the duty of the lender agreeing to make the loan to obtain or cause to be obtained from persons who provide or will provide services in connection with such settlement the amount of each charge they intend to make. In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided.

(b) If any lender fails to provide a prospective borrower with the disclosure as required by subsection (a), it shall be liable to such borrower in an amount equal to—

(1) the actual damages involved or $500, whichever is greater, and

(2) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court;

except that a lender may not be held liable for a violation in any action brought under this subsection if it shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures adopted to avoid any such error.

(c) The provisions of subsection (a) shall be deemed to be satisfied with respect to any settlement involving a federally related mortgage loan if the disclosure required by subsection (a) is provided at any time prior to settlement and the prospective borrower executes, under terms and conditions prescribed by regulations to be issued by the Secretary after consultation with the Federal Reserve Board, a waiver of the requirement that the disclosure be provided at least fifteen days prior to such settlement. In issuing such regulations, the Secretary shall take into account the need to protect the borrower's right to a timely disclosure.

(d) With respect to any particular transaction involving a federally related mortgage loan, no borrower shall maintain an action or separate actions against any lender under both the provisions of this section and the provisions of section 130 of the Consumer Credit Protection Act (15 U.S.C. 1640).

PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES

Sec. 7. (a) No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement involving a federally related mortgage loan shall be referred to any person.

(b) No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

(c) Nothing in this section shall be construed as prohibiting (1) the payment of a fee (A) to attorneys at law for services actually rendered or (B) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (C) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.

(d) (1) Any person or persons who violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(2) In addition to the penalties provided by paragraph (1) of this subsection, any person or persons who violate the provisions of subsection (a) shall be jointly and severally liable to the person or persons whose business has been referred in an amount equal to three times the value or amount of the fee or thing of value, and any person or persons who violate the provisions of subsection (b) shall be jointly and severally liable to the person or persons charged for the settlement services involved in an amount equal to three times the amount of the portion, split, or percentage. In any successful action to enforce the liability under this paragraph, the court may award the costs of the action together with a reasonable attorney's fee as determined by the court.

LIMITATION ON REQUIREMENT OF ADVANCE DEPOSITS IN ESCROW ACCOUNTS

SEC. 8. No lender, in connection with a federally related mortgage loan, shall require the borrower or prospective borrower—

(1) to deposit in any escrow account which may be established in connection with such loan for the purpose of assuring payment of taxes and insurance premiums with respect to the property, prior to or upon the date of settlement, an aggregate sum (for such purpose) in excess of—

(A) in any jurisdiction where such taxes and insurance premiums are postpaid, the total amount of such taxes and insurance premiums which will actually be due and payable on the date of settlement and the pro rata portion thereof which has accrued, or

(B) in any jurisdiction where such taxes and insurance premiums are prepaid, a pro rata portion of the estimated taxes and insurance premiums corresponding to the number of months from the last date of payment to the date of settlement,

plus one-twelfth of the estimated total amount of such taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the date of settlement; or

(2) to deposit in any such escrow account in any month beginning after the date of settlement a sum (for the purpose of assuring payment of taxes and insurance premiums with respect to the property) in excess of one-twelfth of the total amount of the estimated taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the first day of such month, except that in the event the lender determines there will be a deficiency on the due date he shall not be prohibited from requiring additional monthly deposits in such escrow account of pro rata portions of the deficiency corresponding to the number of months from the date of the lender's determination of such deficiency to the date upon which such taxes and insurance premiums become due and payable.

ESTABLISHMENT ON DEMONSTRATION BASIS OF LAND PARCEL RECORDATION SYSTEM

SEC. 9. The Secretary shall establish and place in operation on a demonstration basis, in representative political subdivisions (selected by him) in various areas of the United States, a model system or systems for the recordation of land title information in a manner and form calculated to facilitate and simplify land transfers and mortgage transactions and reduce the cost thereof, with a view to the possible development (utilizing the information and experience gained under this section) of a nationally uniform system of land parcel recordation.

REPORT OF THE SECRETARY ON NECESSITY FOR FURTHER CONGRESSIONAL ACTION

SEC. 10. (a) The Secretary, after consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, and after such study, investigation, and hearings (at which representatives of consumers groups shall be allowed to testify) as he deems appropriate, shall, not less than three years nor more than five years from the effective date of this Act, report to the Congress on whether, in view of the implementation of the provisions of this Act imposing certain requirements and prohibiting certain practices in connection with real estate settlements, there is any necessity for further legislation in this area.

(b) If the Secretary concludes that there is necessity for further legislation, he shall report to the Congress on the specific practices or problems that should be the subject of such legislation and the corrective measures that need to be taken. In addition, the Secretary shall include in his report—

(1) recommendations on the desirability of requiring lenders of federally related mortgage loans to bear the costs of particular real estate settlement services that would otherwise be paid for by borrowers;

(2) recommendations on whether Federal regulation of the charges for real estate settlement services in federally related mortgage transactions is necessary and desirable, and, if he concludes that such regulation is necessary and desirable, a description and analysis of the regulatory scheme he believes Congress should adopt;

(3) recommendations on the desirability of the Secretary establishing procedures to provide to the borrower and seller all clerical and administrative services incident to or a part of a real estate settlement which may be allowed in connection with the financing of housing constructed, purchased, or rehabilitated with the assistance of Federal related mortgage loans; and

(4) recommendations on the ways in which the Federal Government can assist and encourage local governments to modernize their methods for the recordation of land title information, including the feasibility of providing financial assistance or incentives to local governments that seek to adopt one of the model systems developed by the Secretary in accordance with the provisions of section 9 of this Act.

FEE FOR PREPARATION OF TRUTH-IN-LENDING AND UNIFORM SETTLEMENT STATEMENTS

SEC. 11. No fee shall be imposed or charge made upon any other person (as a part of settlement costs or otherwise) by a lender in connection with a federally related mortgage loan made by it (or a loan for the purchase of a mobile home), for or on account of the preparation and submission by such lender of the statement or statements required (in connection with such loan) by sections 4 and 6 of this Act or by the Truth in Lending Act.

JURISDICTION OF COURTS

SEC. 12. Any action to recover damages pursuant to the provisions of section 6 or 7 shall be brought only in a State court of competent jurisdiction in the State in which the property involved is located within one year from the date of the occurrence of the violation.

VALIDITY OF CONTRACTS AND FEES

SEC. 13. Nothing in this Act shall affect the validity or enforceability of any sale or contract for the sale of real property or any loan, loan agreement, mortgage, or lien made or arising in connection with a federally related mortgage loan.

EFFECTIVE DATE

SEC. 14. The provisions of this Act, and the amendments made thereby, shall become effective one hundred and eighty days after the date of the enactment of this Act.

AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Agency for Consumer Advocacy, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Under the previous order the Senate will return to the consideration of the unfinished business, which the clerk will report.

The assistant legislative clerk read as follows:

> Calendar No. 857, S. 707, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Agency for Consumer Advocacy, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. MUSKIE. Mr. President, 2 years ago on the floor of the Senate I urged passage of legislation to establish a Consumer Protection Agency to represent consumer views before Government agencies and to conduct research into consumer affairs and complaints. A number of my colleagues did the same.

Today, that same issue is before us. Legislation to establish a voice for the consumer has been bounced from the Senate to the House and back again, in a pattern so erratic as to discourage the bill's most ardent supporters and confuse the most interested onlookers.

Surely the time has come to resolve this issue once and for all.

Though the bill we are considering this week has been modified from earlier versions, the issues at stake are fundamentally the same. They have been aired and thrashed out so *often that they* have started to become obscure.

The principal issue we must decide here is whether or not the American consumer needs an advocate to protect his interest at the decisionmaking levels of Government. I believe the answer is clearly, "Yes."

We live in a time when the consumer's domain—the marketplace—is a far more baffling structure than in years past. The growing concentration of economic power in a relatively few giant conglomerates has diminished the salutary incentives of competition. Frequent experiences with products marketed with insufficient attention to health and safety, or lacking in basic quality, have made the exercise of free choice in the marketplace a far less potent tool for the average consumer. And an increasing coziness between industry and the Federal agencies created to regulate it gives the appearance, if not the reality, of government by special interests.

These developments have left the American consumer more and more at the mercy of economic and political factors generally out of his control. If he is to regain a sense of participation in our free enterprise system, he needs a voice to insure that his interests will be represented when decisions are made that affect his daily life in very important ways.

The Consumer Protection Agency would provide just such a voice.

Judging from the tone of the opposition launched against this bill, it appears that emotions have taken hold and blurred these basic issues. For example, much of the mail I have received on the subject has claimed that S. 707 is a threat to the free enterprise system.

Such rhetorical overkill tempts one to believe that the collective conscience of American business is very guilty.

In fact, however, I believe such opposition to the bill comes from a fundamental misunderstanding of the powers of the proposed agency. For while providing a new and stronger voice for the consumer, the bill also includes stringent safeguards designed to protect the honest and conscientious businessman from harassment and to prevent the disclosure of information vital to a healthy business sector.

First, the agency would have no independent subpena powers. If it decides to intervene as a party in another agency's proceedings, it can request information from that agency—unless "the agency determines that the request is not relevant to the matter at issue, is unnecessarily burdensome, or would unduly interfere with the conduct of the agency or proceeding." In other words, the Consumer Protection Agency could not intervene vindictively or frivolously.

Second, in requesting information about activities not subject of proceedings before another agency, the burden would be on the Consumer Protection Agency to demonstrate a need for the information sought. The Agency could not go on fishing expeditions, nor harass the neighborhood pharmacist or mechanic.

And last, the Agency's power to release information would be carefully circumscribed, to prevent damage to business through unwarranted disclosure of trade secrets or other confidential matters.

Two years ago, when these same issues were aired, the Government Operations Committee went over the bill with a fine-toothed comb. The end product, a sound and responsible bill, went on to die in a Senate filibuster.

This time around, we again have a constructive and workable bill before us. We should not allow the rest of the story to be repeated.

Today, the voice of the consumer is perhaps the most universal of all in our ownership-oriented society. Yet when government policy affecting the marketplace is decided upon, the consumer is often too little heard.

The Consumer Protection Agency will not solve all the problems of the American consumer in the marketplace. But it will begin the process of redressing the balance between shopper and producer, between citizen and his remote government.

I commend those who have worked so long and hard to bring this bill before the Senate again, and I urge its speedy enactment once and for all.

ORDER OF BUSINESS

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and the Senate turn to the consideration of Calendar No. 986, S. 2125.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

AUTHORIZING RELINQUISHMENT OF A REVERSIONARY INTEREST IN CERTAIN LANDS IN THE CITY OF ALBUQUERQUE, N. MEX.

The Senate proceeded to consider the bill (S. 2125) to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Act of June 9, 1906, entitled "An Act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended, is further amended by adding at the end thereof the following new section:

"SEC. 3. (a) Notwithstanding the provisions of section 1 hereof, the Secretary of the Interior is authorized to transfer by quitclaim deed or other appropriate means to the city of Albuquerque, New Mexico, all right, title, and interest remaining in the United States in the following described lands:

"PARCEL 1

"A parcel of land situated within the northwest quarter of section 20, township 10 north, range 4 east of the New Mexico principal meridian and within tract numbered 1 of the Municipal Addition numbered 2, an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northwest corner of said tract numbered 1, said northwest corner being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northwest corner of said section 20 bears north 89 degrees 29 minutes 40 seconds west, a distance of 1355.11 feet;

"thence south 0 degrees 23 minutes 20 seconds west, a distance of 220.88 feet to a point on a curve on the new southerly right-of-way line of Lomas Boulevard Northeast as shown on the New Mexico State Highway Department right-of-way map for project numbered I–040–3(1)163, and the true point of beginning;

"thence southeasterly along said southerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 1461.13 feet, a central angle of 2 degrees 37 minutes 42 seconds, and a long chord which bears south 88 degrees 17 minutes 40 seconds east, a distance of 67.02 feet) a distance of 67.03 feet to a New Mexico State Highway Department right-of-way marker (station 14+47.46) and a point on the westerly right-of-way line of Herndon Street Northeast;

"thence south 1 degree 49 minutes 00 seconds west, along said westerly right-of-way line, a distance of 11.81 feet to the point of curve marked by a New Mexico State Highway Department right-of-way marker (station 0+50);

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the northeast, having a radius of 330.71 feet, a central angle of 48 degrees 55 minutes 00 seconds and a long chord which bears south 22 degrees 38 minutes 30 seconds east, a distance of 273.85 feet) a distance of 282.35 feet to a New Mexico State Highway right-of-way marker (station 2+89.89);

"thence north 43 degrees 02 minutes 30 seconds east, along said westerly right-of-way line, a distance of 10.00 feet to a New Mexico State Highway marker (station 2+89.89) and a point on a curve;

"thence southeasterly, along said westerly right-of-way line on a curve (said curve being concave to the southwest, having a radius of 242.58 feet, a central angle of 33 degrees 46 minutes 00 seconds and a long chord which bears south 30 degrees 04 minutes 30 seconds east, a distance of 140.09 feet) a distance of 142.96 feet to a New Mexico State Highway Department right-of-way marker (station 4+56);

"thence north 64 degrees 32 minutes 30 seconds west, a distance of 278.27 feet to the westerly boundary line of said tract 1;

"thence north 0 degrees 23 minutes 20 seconds east along said westerly boundary line, a distance of 259.86 feet to the true point of beginning.

Said parcel of land containing 0.7041 acre more or less.

"PARCEL 2

"A parcel of land situated within the northeast quarter of section 20, township 10 north, range 4 east, of the New Mexico principal meridian and within tract 4 municipal addition numbered 2 an addition to the city of Albuquerque, New Mexico, said parcel of land being more particularly described as follows:

"Beginning at the northeast corner of tract numbered 2 said tract numbered 2 being the same as shown on the plat of said addition filed for record in the office of the county clerk of Bernalillo County, New Mexico, on July 12, 1955, from which point the northeast corner of said section 20 bears north 52 degrees 15 minutes 18 seconds east, a distance of 80.97 feet;

"thence south 1 degree 8 minutes 10 seconds east, along the westerly right-of-way line of Eubank Boulevard northeast, a distance of 208.78 feet to the true point of beginning;

"thence, south 1 degree 8 minutes 10 seconds east, along said westerly right-of-way line, a distance of 150.20 feet, from which point the State highway department right-of-way marker (station 20+00 end of construction Eubank) bears south 1 degree 8 minutes 10 seconds east, a distance of 85.18 feet;

"thence south 88 degrees 51 minutes 50 seconds west, a distance of 108.00 feet to the easterly boundary of a 10-foot public service company easement;

"thence north 1 degree 8 minutes 10 seconds west, along said easterly boundary, a distance of 150.20 feet;

"thence north 88 degrees 51 minutes 50 seconds east, a distance of 108.00 feet, to the true point of beginning.

Said parcel of land containing 0.3724 acre more or less.

"(b) No conveyance shall be made under this section unless the city of Albuquerque has shown to the satisfaction of the Secretary of the Interior (i) that the lands described in subsection (a) are no longer suitable for park and other public purposes; (ii) that the city of Albuquerque will sell such lands at not less than fair market value; (iii) that the proceeds from the sale thereof will be spent to acquire lands located in the North Valley area of the city of Albuquerque bounded on the west by the Middle Rio Grande Conservancy District right-of-way, on the south by Candelaria Road, on the east by private residential areas along the west boundary of Rio Grande Boulevard, on the north by privately owned lands and containing 134.975 acres more or less; (iv) that any lands acquired with such proceeds are suitable for park and other public purposes; and (v) that any amount by which the proceeds from the sale of the lands described in subsection (a) exceeds the purchase price of the lands acquired will be paid to the United States.

"(c) If the requirements of subsection (b) are satisfied, the Secretary is authorized to enter into an agreement or agreements with the city of Albuquerque whereby, in consideration of a quitclaim deed to the city of Albuquerque of all right, title, and interest remaining in the United States in and to the lands described in subsection (a) which have been conveyed to the city of Albuquerque, the city of Albuquerque agrees that (i) title to any lands acquired with the proceeds of the sale of the lands described in subsection (a) will vest in the United States if such acquired lands ever cease to be used for park and other public purposes, and (ii) that the city of Albuquerque will, within ninety days after acquiring such lands, execute a deed to this effect and deliver said deed to the Secretary.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "To amend the Act of June 9, 1906, entitled 'An Act granting land to the city of Albuquerque for public purposes' (34 Stat. 227), as amended.".

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, July 24, 1974, he presented to the President of the United States the enrolled bill (S. 39) to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ATOMIC ENERGY ACT OF 1954, AS AMENDED—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 15323, an act to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, to be equally divided between Mr. PASTORE and Mr. AIKEN; that there be a time limitation on any amendment in the first degree of 1 hour; that there be a time limitation on any amendment to an amendment of 30 minutes; that there be a time limitation on any debatable motion or appeal of 30 minutes; that the agreement be in the usual form, and subject to the approval of Mr. AIKEN.

The PRESIDING OFFICER. Without objection, the several requests are agreed to.

Mr. ROBERT C. BYRD. Mr. President, it is the understanding of the leadership that this bill will be called up next Thursday, a week.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have any orders for the recognition of Senators been entered for tomorrow?

The PRESIDING OFFICER. None have been entered.

Mr. ROBERT C. BYRD. Thank you, Mr. President.

ORDER FOR MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, following the recognition of the two leaders or their designees under the standing order, on tomorrow, such period to extend not beyond the hour of 10:30 a.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUVENILE JUSTICE BILL, S. 821—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the calling up at the hour of 11:30 a.m. tomorrow of the juvenile justice bill, S. 821, be vacated, and that at the hour of 10:30 a.m. the Chair lay before the Senate Calendar No. 971, S. 821, the juvenile justice bill. This has been cleared with both Mr. BAYH and Mr. HRUSKA.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAIL PASSENGER SERVICE ACT OF 1970, S. 3569—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 821 tomorrow, on which there is a time agreement, the Senate proceed to the consideration of Calendar Order No. 975, S. 3569, and that the unfinished business be laid aside temporarily and remain in a temporarily laid-aside status until the disposition of the above measure, or until the close of business tomorrow, whichever is the earlier, or at the discretion of the majority leader or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have clocked into the program tomorrow Calendar Order 975 without the approval of Mr. HARTKE, who is to manage the measure.

Now, Mr. President, I ask unanimous consent that the order for the taking up of Calendar Order No. 975 tomorrow be conditioned upon Mr. HARTKE's approval, because he is to manage that bill. I discussed the matter with him earlier. He has not gotten back to me. In view of the fact that the Senate is about to wind up its business for today, I would like to leave it on that basis. I do not like to operate under those conditions, but I think in this instance it would be justified.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION—UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. RIBICOFF may, on tomorrow—and he can do this without consent—enter a motion to invoke cloture on the agency consumer advocacy bill, but I ask unanimous consent that, in the event he does present that motion tomorrow, Senate rule XXII be waived to this extent, to wit, that the 1 hour for debate on Mr. RIBICOFF's motion, signed by the appropriate number of Senators, shall not begin running until 1 o'clock p.m. on Tuesday next instead of Monday, which would be the requirement under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, then, that the automatic quorum would begin at 2 o'clock on Tuesday next, and a vote would occur immediately upon the establishment of a quorum.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. BAYH, that the following staff members of the Committee on the Judiciary, Subcommittee To Investigate Juvenile Delinquency be granted the privilege of the floor during the discussion and vote on this matter: John M. Rector and Alice B. Popkin; and the following staff member of the Committee on the Judiciary, Subcommittee on Constitutional Amendments: Howard Paster; and the following staff members: Chuck Bruse, Paul Summitt, and Ken Lazarus.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. The Senate will convene tomorrow at the hour of 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business, for not exceeding 30 minutes, with statements therein limited to 5 minutes each.

At the conclusion of morning business, the Senate will proceed to consider Calendar 971, S. 821, the Juvenile Justice bill, under a time limitation, with rollcall votes expected on passage of that bill and possibly upon amendments thereto.

Upon the disposition of that bill, with the approval of Mr. HARTKE, the Senate will proceed to consider Calendar 975, S. 3569, a bill to amend the Rail Passenger Service Act of 1970, and for other purposes.

If that bill is disposed of tomorrow, the Senate will resume consideration of the unfinished business, S. 707.

It is possible that amendments may be called up and voted upon tomorrow. In any event, a cloture motion will be voted on next Tuesday, circa at 2:15 p.m., which motion will be introduced by Mr. RIBICOFF, and other Senators, on tomorrow.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. GRIFFIN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 4 p.m. the Senate adjourned until tomorrow, Thursday, July 25, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1974:

COUNCIL OF ECONOMIC ADVISERS

Alan Greenspan, of New York, to be a Member of the Council of Economic Advisers, vice Herbert Stein.

IN THE AIR FORCE

The following officer under the provisions of Title 10, United States Code, Section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of Section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Brent Scowcroft, [redacted] FR (brigadier general, Regular Air Force) U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24, 1974:

DEPARTMENT OF THE TREASURY

Stephen S. Gardner, of Pennsylvania, to be Deputy Secretary of the Treasury.

Charles A. Cooper, of Florida, to be an Assistant Secretary of the Treasury.

Richard R. Albrecht, of Washington, to be General Counsel for the Department of the Treasury.

NATIONAL TRANSPORTATION SAFETY BOARD

Louis M. Thayer, of Florida, to be a member of the National Transportation Safety Board for the term expiring December 31, 1978.

Francis H. McAdams, of the District of Columbia, to be a member of the National Transportation Safety Board for the term expiring December 31, 1977.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, July 24, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

O praise the Lord, all ye nations; praise Him all ye people. For His merciful kindness is great toward us: and the truth of the Lord endureth forever. Praise ye the Lord.—Psalms 117.

"Holy, holy, holy! Lord God almighty!
Early in the morning our prayers shall rise to Thee."

So move Thou into our hearts that we may walk in Thy ways and live in Thy love. By every revelation of Thy glory in daily life do Thou sustain us in our pilgrimage and strengthen us to do justly, to have mercy, and to walk humbly with Thee.

Teach us to listen to Thy still, small voice of wisdom that we may not wander in worried ways. Nor flounder in fluctuating fields which waste our time, divide our energies, multiply our troubles, and subtract from our peace.

Remind us that we are not called to take the place of others but to take our own place doing our own work, always seeking the right, always doing our best, and always leaving the outcome to Thee.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 39) entitled "An act to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3782. An act to amend the Public Health Service Act to extend for 1 year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools.

APPOINTMENT OF CONFEREES ON H.R. 15472, AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15472) making appropriations for the agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, SHIPLEY, EVANS of Colorado, BURLISON of Missouri, NATCHER, SMITH of Iowa, CASEY of Texas, MAHON, ANDREWS of North Dakota, MICHEL, SCHERLE, ROBINSON of Virginia, and CEDERBERG.

CONFERENCE REPORT ON H.R. 14592, MILITARY PROCUREMENT APPROPRIATIONS—1975

Mr. HÉBERT submitted the following conference report and statement on the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 93–1212)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1975 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $320,300,000; for the Navy and the Marine Corps, $2,866,-200,000; for the Air Force, $3,286,300,000 of which (1) $104,900,000 shall be used only for the procurement of A–7D aircraft for the Air National Guard of the United States, and (2) $405,100,000 shall be available only for procurement in connection with the Airborne Warning and Control System, and shall be available for that purpose only if and after the Secretary of Defense determines and certifies such determination to the Congress that such system is cost effective and meets the mission needs and requirements of the Department of Defense, except that the foregoing certification requirement shall not apply with respect to the procurement of long lead time items for such system.

MISSILES

For missiles: for the Army, $436,500,000; for the Navy, $634,500,000; for the Marine

Corps, $74,100,000; for the Air Force, $1,579,200,000.

Naval Vessels

For naval vessels: for the Navy, $3,156,400,000, of which sum $1,166,800,000 shall be used only for the Trident program; $502,500,000 shall be used only for the SSN–688 nuclear attack submarine; $244,300,000 shall be used only for the DLGN nuclear powered guided missile frigate program; $457,100,000 shall be used only for the DD–963 program; $16,000,000 shall be used only for the sea control ship program; $92,300,000 shall be used only for the patrol hydrofoil missile program; $186,000,000 shall be used only for the patrol frigate program; $81,400,000 shall be used only for the fleet oiler; $116,700,000 shall be used only for a destroyer tender; $10,800,000 shall be used only for a fleet ocean tug; $104,600,000 shall be used only for the Poseidon conversion of fleet ballistic-missile submarines; $18,300,000 shall be used only for conversion of a submarine tender; $22,000,000 shall be used only for craft; $10,400,000 shall be used only for pollution abatement craft; $55,300,000 shall be used only for outfitting material and post delivery; $71,900,000 shall be used only for escalation on prior year programs.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $300,600,000; for the Marine Corps, $74,200,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $187,700,000.

Other Weapons

For other weapons: for the Army, $52,200,000; for the Navy, $25,500,000; for the Marine Corps, $500,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1975 for the use of the Armed Forces of the United States for research, development, test and evaluation, as authorized by law, in amounts as follows:

For the Army, $1,878,397,000;

For the Navy (including the Marine Corps), $3,153,006,000, of which $57,500,000 shall be available only for application to surface naval gunnery (excluding the Close-In Weapon System) including gun fire control systems, gun mounts, unguided and guided ordnance, and fuzing;

For the Air Force, $3,389,517,000; and

For the Defense Agencies, $516,057,000, of which $25,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 785,000;
(2) The Navy, 540,380;
(3) The Marine Corps, 196,398;
(4) The Air Force, 627,535.

SEC. 302. (a) The United States military forces in Europe can reduce headquarters and noncombat military personnel relative to the number of combat personnel located in Europe. Therefore, except in the event of imminent hostilities in Europe, the noncombat component of the total United States military strength in Europe authorized as of June 30, 1974, shall be reduced by 18,000. Such reduction shall be completed not later than June 30, 1976, and not less than 6,000 of such reduction shall be completed on or before June 30, 1975; however, the Secretary of Defense is authorized to increase the combat component strength of United States forces in Europe by the amount of any such reduction made in noncombat personnel. The Secretary of Defense shall report semiannually to the Congress on all actions taken to improve the combat proportion of United States forces in Europe. The first report shall be submitted not later than March 31, 1975.

(b) For purposes of this section, the combat component of the Army includes only the infantry, cavalry, artillery, armored, combat engineers, special forces, attack assault helicopter units, air defense, and missile combat units of battalion or smaller size; the combat component of the Navy includes only the combat ships (aircraft carrier, cruiser, destroyer, submarine, escort and amphibious assault ships) and combat aircraft wings (fighter, attack, reconnaissance, and patrol); the combat component of the Air Force includes only the tactical fighter reconnaissance, tactical airlift, fighter interceptor and bomber units of wing or smaller size.

(e) The Secretary of Defense shall undertake a specific assessment of the costs and possible loss of nonnuclear combat effectiveness of the military forces of the North Atlantic Treaty Organization countries caused by the failure of the North Atlantic Treaty Organization members, including the United States, to standardize weapons systems, ammunition, fuel, and other military impedimenta for land, air, and naval forces. The Secretary of Defense shall also develop a list of standardization actions that could improve the overall North Atlantic Treaty Organization nonnuclear defense capability or save resources for the alliance as a whole. He shall also evaluate the relative priority and effect of each such action. The Secretary shall submit the results of these assessments and evaluations to the Congress and subsequently shall also cause them to be brought before the appropriate North Atlantic Treaty Organization bodies in order that the suggested actions and recommendations can become an integral part of the overall North Atlanitc Treaty Organization review of force goals and development of force plans. The Secretary of Defense shall report semiannually to the Congress on the specific assessments and evaluations made under the above provisions as well as the results achieved with the North Atlantic Treaty Organization allies. The first such report shall be submitted to Congress not later than January 31, 1975.

(d) The total number of United States tactical nuclear warheads located in Europe on the date of enactment of this Act shall not be increased until after June 30, 1975, except in the event of imminent hostilities in Europe. The Secretary of Defense shall study the overall concept for use of tactical nuclear weapons in Europe; how the use of such weapons relates to deterrence and to a strong conventional defense; reductions in the number and type of nuclear warheads which are not essential for the defense structure for Western Europe; and the steps that can be taken to develop a rational and coordinated nuclear posture by the North Atlantic Treaty Organization Alliance that is consistent with proper emphasis on conventional defense forces. The Secretary of Defense shall report to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives on the results of the above study on or before April 1, 1975.

TITLE IV—RESERVE FORCES

SEC. 401. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, the Selected Reserve of each Reserve component of the Armed Forces will be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 400,000;

(2) The Army Reserve, 225,000;

(3) The Naval Reserve, 117,000;

(4) The Marine Corps Reserve, 36,703;

(5) The Air National Guard of the United States, 95,000;

(6) The Air Force Reserve, 51,319;

(7) The Coast Guard Reserve, 11,700.

SEC. 402. The average strength prescribed by section 401 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 403. (a) The average strength prescribed by section 401 of this title for the Air National Guard of the United States shall be used to man a force which shall include not less than 91 flying units in the Air National Guard during the fiscal year beginning July 1, 1974.

(b) It is the policy of Congress that any increase in the ratio of aircrew to aircraft for the strategic airlift mission of the Air Force above the present ratio of crewmembers per aircraft should be achieved to the maximum extent possible through the components of the Selected Reserve and not by increasing the active duty force level of the Air Force. To carry out such policy the Secretary of Defense is directed to study the possibility of increasing the strategic airlift crew ratio per aircraft to the required levels by utilizing jointly the resources of the Air National Guard and the Air Force Reserve. Such study shall specifically include: (1) restructuring the missions of Air National Guard units so as to retain an effective strategic airlift capability within the Air National Guard and the Air Force Reserve; (2) the utilization of Air National Guard units now in existence so as to avoid the loss of existing skills in those units; (3) alternatives, including, but not limited to, transfer, rotation, "hybridization", and "association", for making available to the Air National Guard and the Air Force Reserve strategic airlift aircraft in numbers sufficient to support an effective capability; and (4) the desirability of new statutory authority for the limited selective mobilization of members of the Air National Guard under circumstances not leading to a declaration of a national emergency by the Congress or the President. The Secretary shall submit his study to the Congress not later than 180 days after the date of enactment of this Act, and before the implementation thereof, together with an evaluation of such study, a proposed schedule for its possible implementation, and such recommendations for legislative action relating to the subject matter of this section as he may deem appropriate.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) (1) For the fiscal year beginning July 1, 1974, and ending June 30, 1975, the Department of Defense is authorized an end strength for civilian personnel as follows:

(A) The Department of the Army, 358,717;

(B) The Department of the Navy, including the Marine Corps, 323,529;

(C) The Department of the Air Force, 269,709;

(D) Activities and agencies of the Department of Defense (other than the military departments), 75,372.

(2) The end strength for civilian person-

nel prescribed in paragraph (1) of this subsection for the fiscal year ending June 30, 1975, shall be reduced by 32,327. Such reduction shall be apportioned among the Army, Navy, Air Force, and activities and agencies of the Department of Defense as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to Congress within 60 days after the date of enactment of this Act on the manner in which this reduction is to be apportioned among the military services and the activities and agencies of the Department of Defense and among the mission categories described in the Manpower Requirements Report. This report shall include the rationale for each reduction.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether in permanent or temporary positions and whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section, but such additional number may not exceed one half of one per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

SEC. 502. It is the sense of Congress that the Department of Defense shall use the least costly form of manpower that is consistent with military requirements and other needs of the Department of Defense. Therefore, in developing the annual manpower authorization requests to the Congress and in carrying out manpower policies, the Secretary of Defense shall, in particular, consider the advantages of converting from one form of manpower to another (military, civilian, or private contract) for the performance of a specified job. A full justification of any conversion from one form of manpower to another shall be contained in the annual manpower requirements report to the Congress required by section 138(c)(3) of title 10, United States Code.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning July 1, 1974, and ending June 30, 1975, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 97,638;

(2) The Navy, 71,279;

(3) The Marine Corps, 26,262;

(4) The Air Force, 52,900;

(5) The Army National Guard of the United States, 12,111;

(6) The Army Reserve, 6,673;

(7) The Naval Reserve, 2,536;

(8) The Marine Corps Reserve, 3,403;

(9) The Air National Guard of the United States, 2,359; and

(10) The Air Force Reserve, 1,126.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components prescribed in subsection (a) of this section for the fiscal year ending June 30, 1975, shall be adjusted consistent with the manpower strengths provided in title III, title IV, and title V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve Components in such manner as the Secretary of Defense shall prescribe.

TITLE VII—GENERAL PROVISIONS

SEC. 701. (a) Paragraph (1) of section 401 (a) of Public Law 89–367, approved March 15, 1966 (80 Stat. 37), as amended, is amended to read as follows:

"(1) There is authorized to be appropriated as a single appropriation to the Department of Defense for the fiscal year ending June 30, 1975, the sum of $1,000,000,000, including $263,860,000 for procurement of aircraft, missiles, tracked combat vehicle, and other weapons, to support South Vietnamese military forces. Such appropriation shall be administered and accounted for as one fund and may be obligated only by the issuance of orders by the Secretary of Defense for such support. Funds appropriated pursuant to this section shall be deemed obligated at the time the Secretary of Defense issues orders authorizing support of any kind to South Vietnamese military forces. No support herein authorized may be made available in any manner unless pursuant to a specific order issued by the Secretary."

(b) That portion of paragraph (2) of such section 401(a) which precedes clause (A) is amended to read as follows:

"(2) No defense article may be furnished to the South Vietnamese forces with funds authorized under this or any other Act unless the Government of the Republic of South Vietnam shall have agreed that—".

(c) Section 401 of such Public Law 89–367 is amended by striking out subsections (b), (c), and (d) and inserting in lieu thereof the following:

"(b) No funds authorized by this or any other Act to or for use by the Department of Defense may be obligated in the fiscal year ending June 30, 1975, for support of South Vietnamese military forces in any amount in excess of the amount of $1,000,000,000.

"(c) Any obligation incurred against funds authorized under this section shall, in the case of nonexcess materials and supplies furnished from the inventory of the Department of Defense, be equal to the replacement cost thereof at the time such obligation is incurred, and in the case of excess materials and supplies, be equal to the actual value thereof at the time such obligation is incurred.

"(d) No funds authorized by this section may be used in any way to support Vietnamese or other forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.

"(e) Within 30 days after the end of each quarter of the fiscal year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a written report regarding actual obligations incurred against funds appropriated pursuant to this section. Such report shall indicate the different purposes for which such obligations were incurred and the amounts thereof, together with such other information as the Secretary determines appropriate."

SEC. 702. Subsection (b) of section 7307 of title 10, United States Code, is amended to read as follows:

"(b)(1) After the date of enactment of this paragraph, no naval vessel in excess of 2,000 tons or less than 20 years of age may be sold, leased, granted, loaned, bartered, transferred, or otherwise disposed of to another nation unless the disposition thereof has been approved by law enacted after such date of enactment.

"(2) After the date of enactment of this paragraph, any naval vessel not subject to the provisions of paragraph (1) may be sold, leased, granted, loaned, bartered, transferred, or otherwise disposed of to another nation in accordance with applicable provisions of law only after the Secretary of the Navy, or his designee, has notified the Committees on Armed Services of the Senate and the House of Representatives in writing of the proposed disposition and 30 days of continuous session of Congress have expired following the date on which notice was transmitted to such committees. For purposes of this paragraph, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 30-day period."

SEC. 703. Notwithstanding any other provision of law, no funds authorized to be appropriated pursuant to this Act may be used for research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, or biological or chemical warfare agents upon dogs for the purpose of developing biological or chemical weapons.

SEC. 704. Section 204 of Public Law 93–166 is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of law, the conduct by the Department of the Navy of training operations at the Culebra complex involving the firing of any shells, missiles, or other projectiles from ships or the dropping of any bombs, strafing, firing of rockets or missiles, or the launching of any other projectiles from aircraft at Culebra or at any keys within three nautical miles thereof is prohibited during any period of time that the negotiations required by subsection (b) have been ended on the initiative of the United States Government prior to the conclusion of a satisfactory agreement. In the conduct of the negotiations required by subsection (b) the Secretary of the Navy shall not agree to any relocation of training operations from the Island of Culebra which would be rendered ineffective by any international agreement on the law of the sea which may become international law within three years after the date of the enactment of this Act."

SEC. 705. Section 401 of the Department of Defense Supplemental Appropriations Authorization Act, 1974, is amended by striking out the period at the end of such section and inserting in lieu thereof the following: "when his enlistment is needed to meet established strength requirements.".

SEC. 706. None of the funds authorized by this Act may be used for the purpose of carrying out any proposed flight test (including operational base launch) of the Minuteman missile from any place within the United States other than Vandenberg Air Force Base, Lompoc, California.

SEC. 707. (a) No funds authorized to be appropriated by this or any other Act may be obligated under a contract entered into by the Department of Defense after the date of the enactment of this Act for procurement of goods which are other than American goods unless, under regulations of the Secretary of Defense and subject to the determinations and exceptions contained in title III of the Act of March 3, 1933, as amended (47 Stat. 1520; 41 U.S.C. 10a, 10b), popularly known as the Buy American Act, there is adequate consideration given to—

(1) the bids or proposals of firms located in labor surplus areas in the United States as designated by the Department of Labor

which have offered to furnish American goods;

(2) the bids or proposals of small business firms in the United States which have offered to furnish American goods;

(3) the bids or proposals of all other firms in the United States which have offered to furnish American goods;

(4) the United States balance of payments;

(5) the cost of shipping goods which are other than American goods; and

(6) any duty, tariff, or surcharge which may enter into the cost of using goods which are other than American goods.

(b) For purposes of this section, the term "goods which are other than American goods" means (1) an end product which has not been mined, produced, or manufactured in the United States, or (2) an end product manufactured in the United States but the cost of the components thereof which are not mined, produced, or manufactured in the United States exceeds the cost of components mined, produced, or manufactured in the United States.

SEC. 708. (a) Chapter 401 of title 10, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"§ 4314. United States Army Command and General Staff College degree.

"Under regulations prescribed by the Secretary of the Army, and with the approval of a nationally recognized civilian accrediting association approved by the Commissioner of Education, Department of Health, Education, and Welfare, the Commandant of the United States Army Command and General Staff College may upon recommendation by the faculty confer the degree of master of military art and science upon graduates of the college who have fulfilled the following degree requirements: a minimum of thirty semester hours of graduate credit, including a masters thesis of six to eight semester hours, and a demonstration of competence in the discipline of military art and science as evidenced by satisfactory performance on a general comprehensive examination. These requirements may be altered only with the approval of such association. The Secretary of the Army shall report annually to the Committees on Armed Services of the Senate and House of Representatives the following information: (1) the criteria which must be met to entitle a student to award of the degree, (2) whether such criteria have changed in any respect during the reporting year, (3) the number of students in the most recent resident course graduating class, (4) the number of such students who were enrolled in the master of military art and science program, and (5) the number of students successfully completing the master of military art and science program."; and

(2) by adding the following new item at the end of the analysis of such chapter:

"4314. United States Army Command and General Staff College degree."

(b) The Commandant of the United States Army Command and General Staff College may confer the degree of master of military art and science upon graduates of the college who have completed the requirements for that degree since 1964 but prior to the enactment of this Act; but the number of such degrees awarded for such period may not exceed two hundred."

SEC. 709. (a) The Congress finds that the defense posture of the United States may be seriously compromised if goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development programs or procurement programs financed in whole or in part with funds authorized by this or any other Act authorizing funds for the Department of Defense are exported to a controlled country without an adequate and knowledgeable assessment having been made to determine whether the export of such goods, technology, and techniques will significantly increase the present or potential military capability of any such country. It is the purpose of this section, therefore, to provide for such an assessment, to insure notice of proposed exports to the Secretary of Defense, and to authorize the Secretary of Defense to review the proposed export of goods, technology, or industrial techniques to any such country whenever he has reason to believe that the export of such goods, technology, or techniques will significantly increase the military capability of such country.

(b) Effective upon enactment of this section, any application for the export of any goods, technology, or industrial techniques described in subsection (a) shall, before being eligible for export to a controlled country, be reviewed and assessed by the Secretary of Defense for the purpose of determining whether the export of such goods, technology, or techniques will significantly increase the present or potential military capability of such country.

(c) If the Secretary of Defense determines, after his review and assessment, that the export of such goods, technology or industrial techniques will in his judgment significantly increase the present or potential military capability of any controlled country, he shall recommend to the President that the application for export be disapproved. In any case in which the President disagrees with a recommendation made by the Secretary of Defense to prohibit the export of such goods, technology, or techniques to a controlled country, the President shall submit to the Congress a statement indicating his disagreement with the Secretary of Defense together with the recommendation of the Secretary of Defense. The application for the export of any such goods, technology, or techniques may be approved after submission by the President of his statement and the recommendation of the Secretary of Defense to the Congress and 60 days of continuous session of the Congress has elapsed following such submission unless within such 60 day period Congress has adopted a concurrent resolution disapproving the application for the export of such goods, technology, or techniques.

(d) As used in this section (1) the term "controlled country" means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic (East Germany), and such other countries as may be designated by the Secretary of Defense, and (2) the term "days of continuous session of the Congress" shall not include days on which either House of Congress is not in session because of an adjournment of more than three days.

(e) The Secretary of Defense shall submit to the Congress a written report on his implementation of this section not later than 30 days after the close of each quarter of each fiscal year. Each such report shall, among other things, identify each instance in which the Secretary recommended to the President that exports be disapproved and the action finally taken by the executive branch on the matter.

TITLE VIII—NUCLEAR POWERED NAVY

SEC. 801. It is the policy of the United States of America to modernize the strike forces of the United States Navy by the construction of nuclear powered major combatant vessels and to provide for an adequate industrial base for the research, development, design, construction, operation, and maintenance for such vessels. New construction major combatant vessels for the strike forces of the United States Navy authorized subsequent to the date of the enactment of this Act becomes law shall be nuclear powered, except as provided in this title.

SEC. 802. For the purposes of this title, the term "major combatant vessels for the strike forces of the United States Navy" means—

(1) combatant submarines for strategic or tactical missions, or both;

(2) combatant vessels intended to operate in combat in aircraft carrier task groups (that is, aircraft carriers and the cruisers, frigates, and destroyers which accompany aircraft carriers); and

(3) those types of combatant vessels referred to in clauses (1) and (2) above designed for independent combat missions where essentially unlimited high speed endurance will be of significant military value.

SEC. 803. The Secretary of Defense shall submit to Congress each calendar year, at the same time the President submits the budget to Congress under section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), a written report regarding the application of nuclear propulsion to major combatant vessels for the strike forces of the United States Navy. The report shall identify contract placement dates for their construction and shall identify the Department of Defense Five Year Defense Program for construction of nuclear powered major combatant vessels for the strike forces of the United States Navy.

SEC. 804. All requests for authorizations or appropriations from Congress for major combatant vessels for the strike forces of the United States Navy shall be for construction of nuclear powered major combatant vessels for such forces unless and until the President has fully advised the Congress that construction of nuclear powered vessels for such purpose is not in the national interest. Such report of the President to the Congress shall include for consideration by Congress an alternate program of nuclear powered ships with appropriate design, cost, and schedule information.

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1975".

And the Senate agree to the same.

F. EDWARD HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
WILLIAM G. BRAY,
LESLIE C. ARENDS,
BOB WILSON,
CHARLES S. GUBSER,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
BARRY GOLDWATER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14592) an act to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training statement loads and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—PROCUREMENT

In Title I of the bill, procurement, there were numerous items in disagreement between the House bill and the Senate amendment thereto.

Twenty-six of these items were procurements designated for the Military Assistance Service Funded (MASF) program for military assistance to Southeast Asia. Of the total authorizations in Title I, $287.4 million had been requested by the Department of Defense for MASF programs. The House authorized a total of $263.9 million. The Senate amendment reduced Title I by the amount of $287.4 million but authorized $212.3 million in requested MASF procurement and provided that amount under Title VII of the bill. Title VII authorizes to be appropriated as a single appropriation, funds to support South Vietnamese military forces.

Both the House bill and the Senate amendment thereto had provided for the MASF account to be administered as a single fund. The Senate amendment, however, provided for establishment of a separate appropriation and account for MASF and for authorizing under Title VII those portions of the procurement requiring authorizations which were related to MASF. The House conferees accepted the Senate language of Title VII relating to MASF, including the earmarking of funds for procurement of weapons systems in that title. The Senate conferees agreed to accept the total of $263.8 million for procurement items relating to MASF as contained in the House bill, the total to be transferred to Title VII.

A transfer of $263.9 million, therefore, was made from Title I as contained in the House bill and a like amount is consequently provided under Title VII in the conference report.

As a concomitant of this, the conferees agreed on an adjusted total authorization ceiling in Title VII of $1.0 billion for support of the South Vietnamese military forces in Fiscal Year 1975. The House bill had originally contained $1.126 million and the Senate amendment had contained $900 million for this authorization. The $263.8 million authorized for procurement in Title VII represents that part of the $1.0 billion authorization for South Vietnamese support which, in accordance with 10 U.S.C. 138, requires specific authorization in procurement legislation.

In connection with the procurement items specifically authorized in the MASF account, the conferees agreed that if the Department of Defense finds it advantageous to reobligate funds for the F-5E procurement program during Fiscal Year 1975, it may do so from within the $263.9 million authorized for procurement. However, such a decision regarding the F-5E program will require a prior approval reprograming application for this purpose which must be approved by the four cognizant Committees. The Department of Defense had previously advised the Committees on Armed Services of the Senate and House of Representatives that the Department had deobligated $51.9 million of a $65.0 million contract involving F-5E airframes. Apparently this decision was made by the Department because of a change in priorities in the MASF program for FY-1974 when the Department of Defense elected to use approximately $51 million of MASF funds to support the Military Assistance Program. Since the Department wishes to retain the option of going forward with the F-5E contract for these aircraft in Fiscal Year 1975, the conferees agreed to this arrangement provided that the funds are reprogramed from within the $263.9 million authorized for MASF procurement during FY-1975.

TITLE I—PROCUREMENT

Aircraft

Army

AH-1Q attack helicopter

The House bill contained $27.5 million for 21 AH-1Q attack helicopters. The Senate amendment provided $15 million for six helicopters, a reduction of $12.5 million and 15 helicopters from the House bill. The Senate took the position that these 15 helicopters would not be delivered until 1977 and would not require funding until Fiscal Year 1976.

The Department of Defense expressed concern that if funds were not available early in fiscal year 1976, there would be a break in the production line, resulting in cost increases and delays.

The conferees agreed that there should be no break in the production. The House conferees, therefore, reluctantly receded with the specific understanding that included in the authorization are long-lead funds for the required 15 additional helicopters. The conferees further agreed that early release of these funds for the 15 additional helicopters was authorized.

The House recedes.

Modification of aircraft

The House bill authorized $160.5 million for modification of aircraft, a reduction of $4.5 million from the Army request. The Senate amendment contained $158.3 million, a reduction of $2.2 million from the House amount.

The Army informed the conference committee that the $2.2 million was no longer required.

The House recedes.

Navy and Marine Corps

A-4M light attack Skyhawk

The House authorized $57.3 million for the procurement of 24 A-4Ms, and $2.2 million for advanced procurement. The Senate amendment approved only the $2.2 million advanced procurement and recommended that these 24 aircraft be funded in fiscal year 1976.

The Senate conferees pointed out that the fiscal year 1974 supplemental contained 24 A-4Ms which will not be delivered until calendar year 1976, at the same time as the 24 requested in the fiscal year 1975 bill. The Senate conferees further noted that already approved A-4Ms, plus others for foreign sale, will result in a high production rate late in calendar year 1976, followed by a complete shutdown of line in calendar year 1977 under the proposed program. While concerned for the adequacy of Marine Corps aircraft, the House conferees agreed that the Senate position could result in a more even and orderly monthly production rate.

The House recedes. The amount authorized is $2.2 million.

A-7E Corsair II

The Navy request for fiscal year 1975 was $138.2 million for 34 A-7E airplanes and $3.8 million for advanced procurement. The House bill approved the entire request. The Senate amendment reduced the aircraft request by $7.5 million, and approved the authorization for advanced procurement.

The Senate reduction was made because that $7.5 million is available to apply to the current request because of a change in the fiscal year 1974 appropriation for the A-7E program.

The House recedes. The amount authorized is $130.7 million for 34 planes, and $3.8 million for advanced procurement.

F-14A Tomcat

The Navy request for fiscal year 1975 contained $639.3 million for the procurement of 50 F-14A's and $70 million for advanced procurement. The House approved the entire request.

The Senate amendment reduced the fiscal year 1975 request for procurement, including advanced procurement, to $687.3 million, a reduction of $22 million. The Senate rationale was that the sale of 30 F-14's to Iran would reduce the procurement cost by that amount.

The House recedes. The amount authorized is $617.3 million for 50 airplanes and $70 million for advanced procurement.

AH-1J Sea Cobra

The Navy's original request was for $24.9 million to purchase 20 AH-1J's and $3.9 million for advanced procurement. The House bill included the entire amount, but the Senate amendment reduced the authorization by $5.4 million and 6 aircraft.

The Senate conferees maintained that because of slippage in the production schedule, 6 of the requested aircraft would not require funding until fiscal year 1976. Therefore, the 6 aircraft could be deferred until next year's request.

The House recedes. The amount authorized is $19.5 million for 14 helicopters and $3.9 million for advanced procurement.

T-34 trainer

The original Navy request was $3.5 million for the modification of 2 T-34B aircraft to T-34C configuration. Study by the House committee revealed that 18 new T-34C aircraft could be purchased for a total of $7 million. The House bill, therefore, authorized $7 million for 18 new aircraft. The House conferees were adamant that it was more cost-effective to procure the 18 new aircraft than to modify just 2 18-year-old T-34B aircraft at half the cost.

Further, the committee on conference expects that the engines procured for use in the T-34C aircraft will be assembled in the United States.

The Senate recedes.

Modification of aircraft

The House approved $335 million, a $3.5 million reduction from the request, representing denial of the aforementioned $3.5 million for the T-34B. The Senate amendment reduced the authorization further by $4.9 million.

The $4.9 million was to be utilized for the OV-10 night gunship modification. The conferees agreed to defer the OV-10 modification until less costly modifications have been thoroughly evaluated.

The House recedes. The total amount authorized is $330.1 million.

Aircraft spares and repair parts

The House authorized $374.2 million, the amount requested, for aircraft spares and repair parts. The Senate amendment reduced this amount by $800,000, the amount for initial spares of the A-4M airplanes which were eliminated by the conferees.

The House recedes.

Air Force

A-7D attack aircraft

The House bill contained $100.1 million for the procurement of 24 A-7D aircraft for the purpose of further modernization of the Air National Guard.

There was no similar provision in the Senate amendment.

The Senate conferees agreed to the House action, recognizing the addition was merely the continuation of a program started by the Senate in the fiscal year 1974 authorization bill.

The Senate recedes.

A-10 close air support aircraft

The House bill contained $140.3 million for the procurement of 26 A-10 aircraft, plus $28.9 million for advanced procurement, the amounts requested. The Senate amendment increased the request by 4 airplanes and $18.9 million, reflecting a transfer of 4 aircraft from R&D to the procurement account. The Senate amendment also contained a restriction that the funds authorized be available only for the procurement of A-10's or A-7D's, based on the winner of the flyoff between these airplanes.

The Deputy Secretary of Defense wrote to the Senate Tactical Air-Power Subcommittee on June 20, 1974, certifying that the A-10 was the winner of the comparative evaluation and the flyoff results validated the Air Force request for initial A-10 production.

After lengthy discussion, the House conferees receded on the dollar authorization and the Senate conferees receded on the restrictive language. The amounts authorized are $159.2 million for the procurement of 30 airplanes and $28.9 million for advanced procurement.

E-3A AWACS

The original procurement request for the AWACS was $494.4 million for 12 airplanes and $21 million for advanced procurement. The House authorized $247.2 million for the procurement of 6 airplanes and $10.5 million for advanced procurement. The Senate authorized the full amount requested. Both houses authorized $34.4 million for initial spares. Further, the Senate amendment contained language which stated that the procurement funds would be available only after certification by the Secretary of Defense on the capability of AWACS to perform its mission and upon completion of further testing in the November–December 1974 time frame.

After extensive discussion, the Senate conferees reluctantly agreed to a 6-aircraft buy but with an increase of $81.5 million in the amount authorized to assure adequate funding. The Senate conferees also insisted that these aircraft be delivered at a one-a-month rate to protect the current contract delivery schedule.

The Senate recedes. The amount authorized is $328.7 million for aircraft and $42 million for advanced procurement.

The Senate recedes on the Senate language.

F-111F

The House bill contained $205.5 million for the procurement of 12 F-111F airplanes. The Senate amendment contained an identical provision, plus an additional $15 million for advanced procurement. The House conferees agreed that advanced procurement funds are necessary for a fiscal year 1975 procurement of F-111F aircraft.

The House recedes.

F-15

The budget request was for $756.9 million for procurement of 72 F-15 aircraft. Both the House and the Senate approved the full request, and the Senate report commented on the desirability of holding F-15 production at the 9 per month rate which will be obtained by the end of the FY 1974 funded delivery period. The Senate report recommended that the FY 1975 airplanes be delivered in an 8 month period in order to maintain an even monthly production rate.

The conferees agreed with the rationale on production rate expressed by the Senate and specifically authorize an accelerated delivery of the FY 1975 F-15 program.

Civil reserve air fleet (CRAF) modification

The House authorized $25.0 million of a requested $132.9 million for the initiation of the CRAF modification program in FY-1975. The Senate deleted the entire amount.

The $25.0 million authorized by the House would have permitted initiation of the CRAF modification program. This amount would have included funds sufficient to modify two wide-bodied aircraft (one B-747 and one DC-10) and also would have permitted payment of non-reoccurring costs associated with beginning production (engineering, design, tooling, kit fabrication). Finally, these funds would have also permitted payment to the airlines for offset costs associated with modification and lost revenues due to increased operating weight, etc.

The Senate was adamant in its opposition to initiating this program and was of the view that the Department should re-evaluate any airlift requirement before going forward with this program.

In view of the adamant position of the Senate conferees, the House conferees reluctantly receded. In receding from its position, the House and Senate conferees did, however, concur in the recognition of the need to improve overall strategic airlift capability. Therefore, to this end, the Air Force is directed to affirm overall strategic airlift requirements and capabilities, including the contribution of CRAF to determine how to best effect such improvements.

The House recedes.

Other production charges

The House approved $126.7 million, the amount requested. Of this total, $1.2 million was transferred to Title VII of the bill and $22.6 million for the ALQ-119 ECM pods.

The Senate also deleted $22.6 million for the ALQ-119 ECM pods pointing out that an improved ALQ-131 pod would also be procured in fiscal year 1975. The House conferees held that denial of the ALQ-119 authorization would cause a break in the ECM pod production line and that the improved pod is still under development and may not be ready for the scheduled production.

The Senate recedes. The amount authorized is $125.5 million.

C-141 stretch

The Senate had approved $31.0 million for the stretch and refueling modification of the C-141. The House did not authorize this program.

The Senate conferees pointed out that $31.0 million was the minimum amount required to initiate the C-141 modification program which will produce a prototype of the stretched C-141 and validate the technical feasibility of such a modification. The Senate conferees were of the view that the stretch C-141 is the most feasible and immediately attainable method of enhancing the military airlift capability of the Department of Defense.

The House recedes.

Aircraft spares and repair parts

The House bill authorized $786.3 million for spare parts. The Senate bill authorized $700.8 million for the same purpose.

After transfer of that portion of the aircraft spares and repair parts attributable to the MASF program, the conferees agreed to adjust the Senate authorization for spare parts for the C-5/C-141 program to $17.2 million and $4.8 million for the A-7 program, for a new revised total of $722.8 million.

The House recedes with an amendment.

Missiles

Army

TOW antitank missile

The House approved $107.1 million, the amount requested by the Department, for the procurement of TOW missiles and launchers. The Senate reduced this figure to $104.6 million, a reduction of $2.5 million—$2.0 million for TOW missile launchers and $500,000 for TOW missiles which are part of Support of South Vietnamese Military Forces transferred to Title VII, Section 701, of the bill.

The House recedes.

Navy

Phoenix missile

The House bill contained $4.7 million, the amount requested, for procurement of Phoenix missiles. The Senate amendment reduced the authorization by $1.5 million since sale of Phoenix missiles to Iran has reduced the cost of the missiles to be bought by the Navy in Fiscal Year 1975 by this amount.

The House recedes.

Bulldog missile

The Senate amendment contained a $23.1 million authorization for the procurement of Bulldog class air support missiles for the Marine Corps. The House bill did not have a similar provision. No funds were requested for this program. The Director of Defense Research and Engineering had rejected the Navy's request for production funding in favor of development of a laser-guided version of the Air Force Maverick, it was learned.

The Senate conferees pointed out that a laser-guided Maverick had not begun engineering development by the time the Senate acted on the bill. The Bulldog has completed R&D and all of its required operational testing with outstanding results, and the missile is ready for production. A total of $16.8 million was expended in R&D on the project.

The Senate conferees recommended procurement of Bulldog missiles for the Marine Corps as an interim inventory of laser-guided close air support missiles, pending availability of a laser-guided Maverick at some time in the future.

After considerable discussion, the House and Senate conferees agreed to an authorization of $15.4 million, a reduction of $7.7 million, for the procurement of half the number of missiles proposed by the Senate.

The House recedes with an amendment, and the Senate agrees to same.

Harpoon

The House had approved the Defense Department's request of $78.2 million for the procurement of Harpoon missiles.

The Senate amendment reduced the number of missiles authorized by the House, by a reduction of $7.7 million, on the rationale that the planned production rate of the Harpoon missile was too rapid in the early part of the program.

The House conferees position was that the Harpoon system is needed on an urgent basis to overcome significant deficiencies in the Navy's ability to counter ship, aircraft and submarine launch platforms. The House conferees pointed out that the program is on schedule and within program cost.

The Senate recedes.

Air Force

Maverick (AGM-65)

The House approved the original authorization request of $88.0 million. The Senate reduced the program by $30.3 million, which represented the advance buy funds for Fiscal Year 1976, on the basis that current program deliveries should be stretched over Fiscal Year 1976 to prevent a surge in the production rate followed by a slow-down. The House conferees position was that stretching the contract will necessitate renegotiation with the contractor and concomitant increases in the price of the missiles. The advance buy funds will allow continuing the production towards attaining the requirement without a costly gap or stretch which could cost an additional $26.0 to $50.0 million.

After discussion, the Senate conferees agreed to the House amount except as to $7.9 million representing long lead funding for Fiscal Year 1976.

The Conference Committee approved an authorization of $80.1 million.

Modifications for in-service missiles

The House authorized the full request of $49.0 million. The Senate reduced the Air Force modification program funds $8.1 million by reducing the AIM-9J modification funds from $14.5 million to $6.4 million on the basis that the Air Force had only a quarter of the planned number of "B" version SIDEWINDER missiles in inventory for this modification.

The House recedes. The amount authorized is $40.9 million.

Minuteman

The House authorized the full request of $312.0 million. The Senate amendment reduced the total by $13.6 million, the amount for the procurement of MINUTEMAN missiles to replace those to be utilized for the Operational Base Launch (OBL) tests from Montana to the Pacific Ocean. The Senate's reduction is in accordance with a Senate provision in Title VII of the Senate amendment prohibiting funds authorized in this Act from being used for flight tests of the MINUTEMAN missile except from Vandenberg Air Force Base, California. The House conferees agreed to the Senate language restriction and, therefore, the dollar reductions.

The House recedes.

Spares and repair parts

The House authorized the full request of $75.1 million for Missile Spares and Repair Parts. The Senate reduced this amount by $2.0 million, which would have been used for the procurement of spares and repair parts associated with the MINUTEMAN Operational Base Launch (OBL) tests from Montana to the Pacific Ocean.

The House recedes.

Marine Corps

TOW missile

The House approved $30.8 million, the amount requested by the Marine Corps, for the procurement of TOW antitank missiles. The Senate reduced this figure to $28.9 million, a reduction of $1.9 million, as a result of a recalculation of funding requirements.

The House recedes.

Naval Vessels

Nuclear powered attack submarine (SSN)

The House authorized $502.5 million for 3 nuclear attack submarines. The Senate amendment contained $335 million for 2 submarines.

The House conferees pointed out the necessity of maintaining a steady program, especially in the construction of nuclear ships, and the greatly increased reliance on submarines in naval operations.

The Senate recedes.

Sea control ship (SCS)

The House authorized $142.9 million for the lead sea control ship.

The Senate denied this amount since fiscal year 1974 funds of $29.3 million for design and long-lead procurement for the lead ship has been held up by the Appropriations Committees.

The Senate conferees pointed out that because of this delay, the sea control ship should not be placed under contract in fiscal year 1975.

The House conferees pointed out that the Navy had given up 47 percent of its fleet in order to get new ships, and that this was the first of the SCS class. The House conferees, therefore, believe strongly that funding for this ship should not be withheld completely, and indicated their desire to move forward with this class of ship.

The House reluctantly recedes on $126.9 million of the authorization and the conferees agreed to an amount of $16 million for the sea control ship.

Patrol frigate (PF)

The House bill authorized $436.5 million for 7 patrol frigates.

The Senate amendment authorized $186 million for 3 ships.

The House conferees stressed the desirability of authorizing these ships in sufficient numbers to make it attractive to private shipbuilders, and of not increasing program costs further by undue stretchout of the procurement.

The Senate conferees pointed out that the Mark 92 fire control system is still under development and will require extensive additional testing.

The Senate conferees were adamant and the House conferees agreed to the 3-ship authorization.

The conferees direct that the contract for the 3 ships not be awarded until such time as the Mark 92 system has satisfactorily completed the required test and evaluation. Upon completion of the test and evaluation, the Armed Services Committees of the Senate and House are to be advised of the results, including all deficiencies, for review prior to contract award for the fiscal year 1975 program.

The House reluctantly recedes.

Destroyer tender (AD)

The House authorized $116.7 million for 1 destroyer tender.

The Senate denied this amount.

The Senate conferees stated that other submarine and destroyer tenders for which funds had earlier been authorized and appropriated have not yet been put under contract.

The House conferees pointed out, however, that the destroyer tenders were badly needed to support the new destroyer, the DD-963 class and the DLGN's.

The Senate recedes.

Outfitting and post delivery

The House authorized $60.8 million for outfitting and post delivery.

The Senate reduced this amount by $5.3 million.

The Senate conferees point out that $1.4 million was included for the 2 patrol gunboats earlier removed from the program and that $3.9 million would not be needed for obligation this year.

The House recedes.

Authorization by item for ship construction

The House language sets forth the amounts of money which are authorized specifically and only for each program. The Senate amendment did not include such language.

The House conferees pointed out the desirability of having better congressional control over shipbuilding funds since in the past many programs have been terminated and the funds transferred to other programs without prior approval of the committees.

The Senate recedes.

Tracked combat vehicles

Army

M30A1 Turret trainer (M60M1)

The House approved the original authorization request of $6.0 million for the procurement of 34 M30A1 Turret Trainers. The Senate reduced the program with Army concurrence to $4.5 million.

The House recedes.

M113A1 armored personnel carrier

The House authorized $24.0 million for the procurement of M113A1 Armored Personnel Carriers (APC). Of the amount authorized by the House, $9.4 million was for support of South Vietnamese Military Forces and has been transferred to Title VII. The remaining $14.6 million was added by the House, at the request of the Army, in lieu of the procurement authorization for the Armored Reconnaissance Scout Vehicle (ARSV).

The Senate amendment did not include the $14.6 million.

It was the Senate position that the M113A1 is not a satisfactory reconnaissance/scout vehicle for the Army and that the Army should wait until the overall study of the reconnaissance/scout vehicle requirements were complete before investing any funds in the reconnaissance/scout vehicle area.

The House conferees believe that a replacement of the gasoline-operated M114 is necessary, and until a production decision on the MICV is made, the M113 APCs are the best replacement to the M114 that the Army can get.

The conferees agreed on an authorization of $7.3 million for the procurement of APCs for the Army in Title I of the bill.

Other weapons

Army

Modification of weapons and other vehicles

The House approved $9.2 million, $2.3 million more than had been originally requested, for modification of weapons and other vehicles. The $2.3 million added by the House, at the Army's request, was to provide additional modification kits for approximately 55 VULCAN Air Defense Systems.

The Senate recedes.

M 202A1 launcher, incendiary rocket

The bill contained $2.6 million, the amount requested, for the procurement of M 202A1 Launchers and Incendiary Rockets. The Senate reduced this amount to $1.7 million, a decrease of $900,000. The Senate's position was that $800,000 was to be utilized for Allied War Reserves which were not adequately justified.

The remaining $100,000 is for Support of South Vietnamese Military Forces and is transferred to Title VII of the bill.

The House recedes.

M 60 machine gun, 7.62 mm

The House approved $5.0 million, the amount requested, for the procurement of 6,000 machine guns. The Senate amendment reduced the amount to $1.0 million, and 1,237 machine guns. The Senate's position was that $4.9 million was to procure machine guns for the Allied War Reserves. The remaining $100,000 reduction is part of Support of South Vietnamese Military Forces and is transferred to Title VII of the bill.

The House objected to the Senate reduction of $3.9 million to the Allied War Reserve on the basis that it is essential that the production line for this weapon be kept open.

The Senate recedes. The total authorization is $4.9 million.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

General

The Department of Defense requested authorization of $9,325,039,000 for the fiscal year 1975 Research, Development, Test, and Evaluation appropriations.

The following table summarizes the Senate and House modifications to the Research and Development budget request:

FISCAL YEAR 1975 R.D.T. & E. SUMMARY

[In thousands of dollars]

	Request	House	Senate	Reclama	Conference		
						Change from	
					Amount	House	Senate
Army	1,985,976	1,878,397	1,883,216	1,948,068	1,878,397		−4,819
Navy	3,264,503	3,153,006	3,178,742	3,260,969	3,153,006		−25,736
Air Force	3,518,860	3,459,760	3,389,470	3,451,470	3,389,517	−70,243	+47
Defense agencies	528,700	485,500	509,657	521,400	491,057	+5,557	−18,600
Test and evaluation	27,000	25,000	27,000	27,000	25,000		−2,000
Total program	9,325,039	9,001,663	8,988,085	9,208,907	8,936,977	−64,686	−51,108
Reimbursements from foreign military sales			−35,673	−35,673	−35,673	−35,673	
Total budget authority	9,325,039	9,001,663	8,952,412	9,173,234	8,901,304	−100,359	−51,108

As shown, the conferees agreed on a total of $8,936,977,000 which is $388,062,000 less than the amount requested. The program total is further reduced by $35,673,000 which reflects reimbursements from Foreign Military Sales resulting in a total net budget authority of $8,901,304,000.

The details of the differences between the House bill and the Senate amendment and the changes adopted by the conferees are reflected in the following table:

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

[In thousands of dollars]

Item number and program element	Fiscal year 1975 request	House		Senate		Conference
		Change	Authorization	Change from House	Authorization	
ARMY						
1. Aerial Scout	6, 000		6, 000	-5, 360	640	1, 916
2. Heavy lift helicopter	57, 725		57, 725	-21, 200	36, 525	36, 525
3. Utility tactical transport system (UTTAS)	54, 060	-5, 000	49, 060	+5, 000	54, 060	54, 060
4. Cobra TOW		+4, 500	4, 500		4, 500	4, 500
5. Stinger	33, 730		33, 730	-1, 500	32, 230	32, 230
6. Chapparal/Vulcan	7, 229		7, 229	-5, 800	1, 429	3, 029
7. Site defense	160, 000	-10, 000	150, 000	-40, 000	110, 000	123, 000
8. Pershing II	11, 200		11, 200	-11, 200		5, 000
9. Advance forward area air defense system	44, 668	-29, 668	15, 000	+29, 668	44, 668	30, 668
10. Advanced ballistic missile defense	91, 410	-26, 410	65, 000	+26, 410	91, 410	91, 410
11. Cannon launched guided projectile	12, 556	-6, 256	6, 300	+6, 256	12, 556	6, 300
12. Surface-to-air missile development (SAM-D)	111, 215	-11, 215	100, 000	+11, 215	111, 215	111, 215
13. Kwajalein Missile Range	84, 554	-4, 554	80, 000	+4, 554	84, 554	82, 000
14. Bushmaster	7, 030	-2, 930	4, 100	+30	4, 130	4, 100
15. Armored reconnaissance Scout vehicle	8, 062	-3, 762	4, 300	-138	4, 162	4, 162
16. XM-1 tank	68, 790	-3, 790	65, 000	+290	65, 290	65, 000
17. Weapons and ammunitions	7, 306	-1, 600	5, 706	+1, 600	7, 306	5, 706
18. Lethal chemical munitions	4, 894	-1, 894	3, 000	-6	2, 994	3, 000
19. Mechanized infantry combat vehicle	9, 011	+1, 700	10, 711	-1, 700	9, 011	10, 711
20. Triservice tactical communications program	37, 273	-2, 273	35, 000	+2, 273	37, 273	36, 000
21. Clothing, equipment, and packaging technology	2, 220	+1, 500	3, 720	-1, 500	2, 220	2, 220
22. Food technology	5, 986	+500	6, 486	-500	5, 986	5, 986
23. Surveillance, target acquisition, and night systems (STANO)	15, 398	-2, 398	13, 000	+2, 398	15, 398	14, 000
24. Classified program	20, 529	-4, 029	16, 500	+4, 029	20, 529	20, 529
Safeguard	60, 794		60, 794		60, 794	60, 794
Programs not in dispute	1, 064, 336		1, 064, 336		1, 064, 336	1, 064, 336
Total, Army program	1, 985, 976	-107, 579	1, 878, 397	+4, 819	1, 883, 216	1, 878, 397
25. Reimbursements from foreign military sales				-7, 973	-7, 973	-7, 973
Total, Army budget authority	1, 985, 976	-107, 579	1, 878, 397	-3, 154	1, 875, 243	1, 870, 424
NAVY						
1. Tactical air reconnaissance	5, 300		5, 300	-5, 300		2, 400
2. Classified program	5, 700		5, 700	-5, 700		2, 900
3. VCX (carrier on board delivery program)	4, 961		4, 961	-4, 461	500	500
4. VFX fighter prototype	34, 000	-34, 000		+34, 000	34, 000	30, 000
5. Surface launched weaponry	13, 142		13, 142	-4, 000	9, 142	9, 142
6. Sanguine	13, 205		13, 205	-1, 800	11, 405	13, 205
7. Surface missile guidance (cadv.)	3, 000		3, 000	-2, 000	1, 000	1, 000
8. Trident missile system	648, 767		648, 767	-15, 000	633, 767	641, 094
9. Fleet ballistic missile system	46, 669	-9, 669	37, 000	+9, 669	46, 669	38, 669
10. Sidewinder	522	+5, 000	5, 522	-5, 000	522	12, 522
11. Air launched air-to-air missile (Agile)	19, 987	-19, 987		+19, 987	19, 987	
12. SLCM	44, 971	-2, 500	42, 471	-4, 500	37, 971	41, 000
13. Aegis	67, 012	-17, 012	50, 000	+17, 012	67, 012	63, 000
14. Close-in weapon system (Phalanx)	32, 100	-20, 000	12, 100	+20, 000	32, 100	15, 000
15. Surface missile guidance	32, 222	-7, 200	25, 022	+7, 200	32, 222	25, 222
16. Advanced ship development	19, 042	-3, 000	16, 042	-400	15, 642	16, 042
17. Radar surveillance equipment (eng.)	10, 940		10, 940	-3, 000	7, 940	10, 000
18. Surface effect ships	57, 981		57, 981	-12, 200	45, 781	45, 781
19. Improved SSBN	16, 000		16, 000	-16, 000		
20. Classified program	7, 319		7, 319	-4, 000	3, 319	6, 000
21. Classified program	24, 096		24, 096	-1, 900	22, 196	24, 096
22. U.S.S. Hip Pocket	3, 129	-3, 129		+3, 129	3, 129	995
Programs not in dispute	2, 154, 438		2, 154, 438		2, 154, 438	2, 154, 438
Total, Navy program	3, 264, 503	-111, 497	3, 153, 006	+25, 736	3, 178, 742	3, 153, 006
23. Reimbursements from foreign military sales				-27, 700	-27, 700	-27, 700
Total, Navy budget authority	3, 264, 503	-111, 497	3, 153, 006	-1, 964	3, 151, 042	3, 125, 306
AIR FORCE						
1. A-10 aircraft	93, 905		93, 905	-12, 500	81, 405	81, 405
2. F-4 avionics	13, 600		13, 600	-1, 000	12, 600	13, 600
3. Aircraft equipment development	4, 994		4, 994	-1, 000	3, 994	4, 994
4. Electronically Agile radar	8, 000		8, 000	-4, 000	4, 000	4, 000
5. Gas turbine technology	14, 789		14, 789	-1, 800	12, 989	14, 789
6. Advanced tanker/cargo aircraft	20, 000		20, 000	-15, 500	4, 500	8, 000
7. B-1	498, 973		498, 973	-44, 000	454, 973	454, 973
8. Air combat fighter	36, 000	-5, 000	31, 000	+5, 000	36, 000	32, 000
9. Advanced ballistic reentry system	119, 943	-15, 000	104, 943	+26, 900	131, 843	124, 000
10. Advanced air-to-air weapons technology	3, 100	-3, 100				
11. Air launched cruise missile	80, 000	-5, 000	75, 000	-11, 000	64, 000	71, 500
12. Minuteman	142, 900		142, 900	-19, 000	123, 900	123, 900
13. SLBM radar warning system	8, 000	-8, 000		+8, 000	8, 000	
14. NAVSTAR global positioning system	25, 400	-2, 500	22, 900	+2, 500	25, 400	23, 900
15. Conventional weapons	24, 900	-4, 900	20, 000	+4, 900	24, 900	20, 000
16. Improved aircraft gun system	9, 690	-7, 500	2, 190	+10	2, 200	2, 190
17. Drone/RPV systems development	18, 000		18, 000	-11, 000	7, 000	17, 000
18. Improved tactical bombing	11, 828		11, 828	-3, 500	8, 328	11, 828
19. F-4/F-105 protective systems	5, 400		5, 400	-1, 400	4, 000	5, 400
20. Joint tactical communications	15, 700		15, 700	-3, 000	12, 700	14, 700
21. Minimum essential emergency communications network	7, 500		7, 500	-2, 000	5, 500	6, 500
22. Advanced command and control capabilities	1, 500		1, 500	+5, 000	6, 500	6, 500
23. Conus over-the-horizon (OTH) radar system	12, 300	-2, 000	10, 300	+2, 000	12, 300	10, 300
24. Improved capability for operational test and evaluation	11, 900	-3, 100	8, 800	+3, 100	11, 900	10, 500
25. Precision emitter location strike system	25, 100	-3, 000	22, 100	+3, 000	25, 100	22, 100
Programs not in dispute	2, 305, 438		2, 305, 438		2, 305, 438	2, 305, 438
Total, Air Force budget authority	3, 518, 860	-59, 100	3, 459, 760	-70, 290	3, 389, 470	3, 389, 517

Item number and program element	Fiscal year 1975 request	House		Senate		Conference
		Change	Authorization	Change from House	Authorization	
DEFENSE AGENCIES						
DARPA:						
1. Military sciences	41,100	−2,800	38,300	+2,800	41,100	38,300
2. Strategic technology	75,000	−6,000	69,000	+3,700	72,700	69,000
3. Management systems technology	2,743		2,743	−2,743		
4. Undistributed reduction		−8,000	−8,000	+8,000		−3,000
DCA:						
5. WWMCCS-JTSA	4,550		4,550	−1,000	3,550	3,550
6. Defense communications system	13,605		13,605	−3,500	10,105	10,105
7. Undistributed reduction		−5,000	−5,000	+5,000		
DMA:						
8. Mapping, charting and geodesy development	5,651		5,651	−1,000	4,651	4,651
9. Undistributed reduction		−2,000	−2,000	+2,000		−1,000
DSA:						
10. Defense documentation center	11,778		11,778	−500	11,278	11,278
11. Undistributed reduction		−500	−500	+500		
12. DIA (classified)		−1,300		+300		
13. DNA (classified)		−3,000		+1,000		
14. NSA (classified)		−10,800		+5,800		
15. Technical support to OSD/JCS	18,800	−3,800	15,000	+3,800	18,800	17,800
Programs not in dispute	122,373		122,373		122,373	122,373
Total, Defense agencies budget authority	528,700	−43,200	485,500	+24,157	509,657	491,057
16. Director of Test and Evaluation	27,000	−2,000	25,000	+2,000	27,000	25,000
Total, R.D.T. & E. program	9,325,039	−323,376	9,001,663	−13,578	8,988,085	8,936,977
Reimbursements from foreign military sales				−35,673	−35,673	−35,673
Total, R.D.T. & E. budget authority	9,325,039	−323,376	9,001,663	−49,251	8,952,412	8,901,304

CONFERENCE ACTION ON SELECTED SUBJECTS IN THE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, FISCAL YEAR 1975 AUTHORIZATION REQUEST

Surface naval gunnery

Section 201 of the House bill contains language specifying that $57,500,000 of the amount authorized for Navy RDT&E shall be available only for application to surface naval gunnery excluding the Close-In Weapon System. This is intended to prevent such funds from being reprogrammed to other requirements as has been the practice in the past.

The conferees agreed with the importance of improving the effectiveness of naval gunnery. Newer technology programs such as guided ordnance and the 8″ Major Caliber Lightweight Gun (MCLWG) will help achieve this objective.

The reprogramming of funds within the gun programs and projects may be accomplished in accordance with established procedures. The conferees discourage, however, the reprogramming of funds from the MCLWG, guided ordnance, and lightweight gun fire control system development programs.

The surface naval gunnery programs include the following:

Long Range Surface Weapon System (5″ and 8″ guided projectiles);

Surface Launched Munitions;

Fire Control Systems (Advanced);

Gun Systems including the Lightweight Intermediate Caliber Gun System; and

Fire Control Systems (Engineering) including the MK-68, MK-86 and 8″ MCLWG.

The Senate recedes.

A–10

Section 201 of the Senate amendment provided that $81,405,000 shall be available only for the research, development, testing, and evaluation in connection with the A–10 aircraft and only if the A–10 wins the "fly-off" competition against the A–7D. The House bill contains no similar provision.

The Senate recedes.

ADVANCED FORWARD AREA AIR DEFENSE SYSTEM

The House bill authorized $15.0 million of the $44.668 million requested by the Army for this system. The Senate amendment authorized the $44.668 million request.

The Advanced Forward Area Air Defense System consists of the Low Altitude Forward Area Air Defense Missile (LOFAADS), which is also referred to as the Short-Range Air Defense Missile (SHORAD); the Manned Portable Air Defense System; and the LOFAADS gun programs.

The House reduction of $29.668 million was directed toward the $35.1 million requested for the SHORAD program.

SHORAD is intended to fulfill the Army need for an all-weather system that could defend adequately against aircraft attacking in nonvisual conditions.

While there is not a viable threat that has an all-weather capability at this time, both the House and Senate Armed Services Committees recognize the need to establish such a capability against potential threats. The conferees, however, were concerned with the conflicting testimony concerning the planned procurement of a SHORAD system. The Army indicated its intention to conduct an open competition for consideration of three foreign systems—the Roland, Rapier and Crotale, as well as proposals reflecting American technology. Several Defense witnesses, however, submitted prepared statements indicating firm plans to procure one of the three foreign systems. The Department of Defense had estimated that procurement of one of the three foreign systems will result in a savings of several hundred million dollars. The conferees are not convinced that this is necessarily the case.

Other reasons given for the procurement of one of the foreign systems are to realize a savings in time and to demonstrate our willingness to cooperate with our NATO allies. The conferees believe that while expediency is desirable, the time frame for the development of a viable all-weather threat is such that cost and performance effectiveness can be favored over time.

The conferees do not believe that it is necessary to procure a foreign developed SHORAD system solely to demonstrate cooperation with our NATO allies. The United States participation in the development of the NATO Patrol Hydrofoil Missile Ship is a very strong indication of our willingness to cooperate. While the conferees support cooperative programs with our allies, consideration must be given to the procurement of foreign technology or hardware on a case by case basis.

It is the view of the conferees that any competition conducted for procurement of a SHORAD system must be open to all prospective bidders to insure procurement of the best system at the lowest possible cost and within the required time frame. Therefore, foreign systems must not be favored because of the earlier availability of test firing data. An all-weather American system, for example, may never have been fired but could conceivably provide equal or greater performance than a foreign counterpart at a much lower cost.

The conferees agreed to an amount of $30.668 million for the three Advanced Forward Area Air Defense System programs. $21.2 million of this amount may be applied toward the SHORAD program.

AERIAL SCOUT

The House bill approved the full amount of $6.0 million requested. The Senate amendment authorized $640,000, which is $5,360,000 less than the House and provided only for Army in-house costs. This will permit the Army to issue Request For Proposals to industry in October 1974 as planned, but would not support the planned contract date in mid-May 1975.

The Senate action reflects the fact that the Army has yet to decide whether to modify an existing Army helicopter, adapt a current United States or foreign helicopter for military use, or begin a new helicopter development. Since the planned contract date is only 45 days before the beginning of fiscal year 1976, the Senate considered that there would be little if any impact on the program to delay award of the contract until early in fiscal year 1976. Moreover, by next February, when the 1976 request is being reviewed by the Congress, the Committees will know which alternative the Department has selected and have a more meaningful basis for consideration.

The conferees agreed to authorize $1,916,000 with the understanding that these funds will be used only for in-house support and costs incidental to issuance of Request for Proposals to industry.

BALLISTIC MISSILE DEFENSE

[In thousands of dollars]

	Request	House	Senate	Conference
Advanced ballistic missile defense	91, 410	65, 000	91, 410	91, 410
Site defense	160, 000	150, 000	110, 000	123, 000
Safeguard	60, 794	60, 794	60, 794	60, 794
Total	312, 204	275, 794	262, 204	275, 204

The House bill authorized $275.8 million of the $312.2 million requested for the three ballistic missile defense programs. The Senate amendment authorized $262.2 million, or $13.6 million less than the House. The conferees agreed to authorize $275.2 million as indicated in the preceding table. This restores the Advanced Ballistic Missile Defense program to the full amount requested, and results in a reduction of $37.0 million in the amount requested for the Site Defense program.

The conferees agreed that the primary objective of the Site Defense program should not be directed toward a prototype demonstration but rather the development of subsystems and components to advance the technology in such elements as sensors, missiles, and software. The conferees recognize the need to closely review the progress of this program next year together with technical progress of related developments in the Advanced Ballistic Missile Defense program, and the implications of any results of SALT II and continuation of the ABM treaty. This should provide a basis for determination of the actions to be taken on the fiscal year 1976 authorization request for these programs.

CANNON LAUNCHED GUIDED PROJECTILE

The House bill authorized $6.3 million of the Army's request for $12.556 million. The Senate amendment authorized the full amount requested.

The conferees concurred with the Army's need for a guided projectile but expressed concern over the number of developments in this area. The Army has two contractors for their parallel development effort while the Navy is developing a 5-inch guided projectile. The conferees believe that the possibility of the Navy 5-inch round to the 155mm configuration for use by the Army. Even with the increased drag caused by the sabot, the range of the Navy round is far greater than that of the Army's present round.

The conferees direct that the Director, Defense Research and Engineering define funds for procurement of an adequate number of saboted 5-inch rounds for a flyoff with the 155mm rounds during the fiscal year. The conferees believe that the possibility of using a common round will offset the investment for a flyoff.

The conferees believe that the $6.3 million will be adequate for completion of the development of the Army's 155mm round and the flyoff. The flyoff will lead to a special meeting of the Defense Systems Acquisition Review Council in January 1975 to decide on the next phase of the program. If the results of the DSARC require the application of additional funds during the last half of fiscal year 1975, the conferees agreed that a prior approval reprogramming of funds from lower priority programs would be considered if submitted in accordance with established procedures. The Senate recedes.

HEAVY LIFT HELICOPTER

The House bill provided the full amount of $57.7 million requested for the HLH program. The Senate amendment approved $36.5 and denied $21.2 million requested for a second prototype helicopter including reliability and maintainability improvement of components.

The Senate position reflects the concern that the start of a second prototype in fiscal year 1975 would be premature for this advanced development program particularly since serious technical problems and schedule delays have been encountered. However, the Senate recognized that if the first prototype succeeds in proving the Advanced Technology Components (ATC) programs, additional development prototypes would be appropriate coincident with a decision to begin engineering development.

The House recedes but the conferees agreed that if the present technical problems involving the ATC program are solved and the program progresses satisfactorily through the first half of the fiscal year, a reprogramming action may be submitted in accordance with established procedures to increase the program to the extent deemed necessary by the Secretary of Defense.

PERSHING II

The House bill authorized $11.2 million as requested by the Army. The Senate amendment provided no funds for this program. Both the House bill and the Senate amendment authorized $12.0 million as requested to support the Radar Area Correlation project which will prove the technology required for Pershing II.

The Senate conferees agreed to restore $5.0 million in the Pershing II program. The conferees agreed, however, that studies should be undertaken to provide an updated cost effective analysis of this program that considers all available tactical weapons that could be employed. The conferees further request that the Army explore the feasibility of participation in this development effort by the NATO countries. The Army is requested to provide this data as part of the FY 1976 request for authorization for this program.

AEGIS

The House bill authorized $50.0 million of the $67.012 million request by the Navy. The Senate amendment authorized the full amount.

The House action was based on the belief that the Navy had not accomplished an acceptable level of system planning that is commensurate with the $400.0 million expended to date on the Aegis program.

The conferees agreed to increase the funding level to $63.0 million for the fiscal year 1975 planned effort which includes development of the Combat Systems Engineering Development Site. The conferees concur in the fact that subsequent authorization requests for Aegis will be predicated upon:

Successful at-sea testing that demonstrates the ability of Aegis to meet its prescribed performance objectives;

At-sea operation and maintenance of the Aegis system by shipboard personnel only;

Definition and approval by both the Navy and the Department of Defense of the platform(s) for Aegis; and

A cohesive integration plan specifying the interface of Aegis with the platform(s) and other weapon and command/control systems.

AIR-TO-AIR DOGFIGHT MISSILES

[In thousands of dollars]

	Request	House	Senate	Conference
Agile	19, 987	0	19, 987	0
AIM-9L	522	5, 522	522	12, 522
CLAW	3, 100	0	0	0

The conferees agreed to an amount of $12.522 million for Air Force and Navy air-launched air-to-air missile programs as outlined above.

Of the $12.522 million, $4.522 million is authorized for the AIM-9L Sidewinder development program. This missile is the latest product improvement to the Sidewinder series and will be used by both the Navy and the Air Force. Navy testimony on the program indicated that the budget request of $0.522 million was based on starting procurement in fiscal year 1975 but that technical problems with the missile had caused production to be delayed. The Navy indicated that additional funds of $4.0 million would be required to support the development program this year, and the conferees agreed to provide that amount.

The conferees expressed concern over the conflicting requirements provided by both the Navy and Air Force for an advanced technology follow-on missile to the Sidewinder series. The Navy indicates the need for a missile with the off-bore-sight acquisition capability of the Agile; yet the Air Force contends that this characteristic would provide virtually no added combat capability. After expending $75.0 million on the Agile program, the Navy stated that they were in the process of reviewing the dogfight mission reqiurements to establish how the intercept took place, what the angles were, how much off-bore-sight acquisition capability was required, and what percentage of the required performance could be achieved with an improved Sidewinder. The data provided to the conferees has not supported either the Claw or Agile approach.

The Senate recedes and agrees to terminate the Agile program in its present form.

The conferees agreed to authorize $8.0 million to initiate the development of a *common* Air Force/Navy dogfight missile for the 1980 time frame. This amount has been added to the Sidewinder AIH-9L account. Prior to expenditure of these funds, however, the Navy and Air Force must agree upon a mutually approved joint requirements document that delineates the performance requirements for the common dogfight missile. When the Services inform both Committees that this has been accomplished, the technology base already developed in the Agile, Claw and Sidewinder programs can be used as a basis to start this new program.

The conferees further agreed that compatibility of the missile with the new lightweight fighter/attack aircraft must be both considered and attainable.

The conferees believe that there are no technical reasons that preclude the development of a *common* dogfight missile for both Services. Firm requirements, however, must be established prior to the expenditure of funds to develop complex technology that may not even be required. The Committees on Armed Services wish to be kept advised of progress during the ensuing year on this program development.

CLOSE-IN WEAPON SYSTEM (PHALANX)

The House bill authorized $12.1 million of the $32.1 million requested by the Navy for this program. The Senate amendment authorized the full $32.1 million.

CIWS was designed as a fast reaction, last ditch defense against the anti-ship missile. An engineering prototype has been in test for over one year.

The House conferees pointed out that the validity of the tests performed to date is questionable insofar as the simulated targets do not adequately reflect the intended threat.

The conferees agreed to authorize $15.0 million for the conduct of performance effectiveness tests against dynamic target replicas, i.e., simulated targets by the Navy, and to gather preliminary reliability and maintainability information necessary for a production decision. This data will provide a basis for Congressional consideration of the fiscal year 1976 request.

IMPROVED SSBN

The House bill authorized the $16.0 million requested to initiate development of an improved submarine launched ballistic missile system called the SSBN-X. The Senate amendment provided no funds for this program because it was deemed premature. The conferees support the concept of this submarine system, which would contain much of the Trident system technology but be smaller and less costly. The plan for a hi-lo mix of Trident and the SSBN-X in the late 1980s and beyond, when Poseidon replacement will become necessary because of age, is considered to have merit.

The conferees agreed that a delay of one or two years in the initiation of this program would also permit the lessons learned in developing the Trident system to be applied to the SSBN-X. The lead submarine contract for Trident has not yet been awarded and much development work still remains to be done.

The conferees considered that preliminary investigations of the SSBN-X, if required, would be appropriate for the Navy to conduct under the Advanced Ship Development program for which $16,042,000 is authorized. The House recedes.

NAVY RECONNAISSANCE PROGRAMS

The Navy request for authorization included $5.3 million to initiate the development of a reconnaissance pod to be carried on tactical fighter and attack aircraft, and $5.7 million to initiate the development of a carrier-based electronic intelligence airplane (called TASES) to replace the present EA-3B. The House bill authorized both requests, while the Senate amendment deleted the funds for both programs.

The Senate questioned whether the A-7E attack airplane was suitable for performing reconnaissance missions and stated that the Navy had not resolved the operational concept of utilizing fighter and attack airplanes in the reconnaissance role. The conferees agreed that the Senate's questions were valid and required resolution before the reconnaissance pod development program is initiated. The conferees restored $2.4 million of the request, which was specifically identified by the Navy for development of improved sensors that could be used in a reconnaissance pod or in the present RA-5C aircraft.

The Senate's objection to the TASES program was the announced plan to install the electronic intelligence-gathering equipment in anti-submarine warfare airplanes. The conferees agreed with the Senate position that a dedicated TASES airplane should be procured, and restored $2.9 million to start development on the TASES system with the understanding that these funds are made available only if the dedicated concept is pursued.

USS HIP POCKET

The House bill deleted the entire $3.129 million requested by the Navy. The Senate amendment authorized the full amount.

In the USS Hip Pocket program the Navy installs new technology aboard ship for at-sea evaluation. The conferees believe that the Navy can use its development assist type tests for such evaluations and does not need dedicated funding for this purpose. The conferees agreed to restore $995,000, as reclamaed by the Department of Defense, to the fiscal year 1975 program for completion of those tests for which long lead items were procured.

The Senate recedes and agrees that this funding will conclude the USS Hip Pocket program.

NAVY FIGHTER PROTOTYPE

The Navy's request was for $34.0 million to begin development of a VFX lightweight fighter to be a complement to and follow-on for the F-14 in the 1980's. The House deleted the entire request since the Navy did not present a solid argument in favor of developing another lightweight aircraft. Further, the Navy could not adequately describe the reasons why either Air Force prototypes, the YF-16 or YF-17, could not be made carrier compatible to satisfy the requirement.

The Senate approved the full request giving strong endorsement for the VFX as defined by the Navy fighter study group but also recognized the possibility of adapting one of the Air Force prototypes to the Navy role.

Subsequent to the House bill, the House conferees were provided with additional testimony by the Navy that described and better defined the need for a VFAX, a common lightweight fighter/attack aircraft.

The conferees, therefore, agreed with the Senate position that the Navy should proceed with this program. The House was persuasive that $30.0 million should be entirely adequate to support the Navy's planned program in fiscal year 1975.

ADVANCED TANKER/CARGO AIRCRAFT

The House bill authorized the $20.0 million requested. The Senate amendment authorized $4.5 million, because the requirement had not been clearly defined and because the amount provided would be adequate to support the three competing contractors in concept development, trade-off studies and preliminary design during the last half of the fiscal year.

The conferees request that the Air Force provide a detailed and comprehensive analysis of airlift requirements in support of the fiscal year 1976 authorization request for this program which will include consideration of all aircraft, whether in inventory, being procured, or under development, and the airlift assets of our NATO allies.

The conferees agreed to authorize $8.0 million as reclamaed by the Department of Defense. This increased amount represents a revised estimate of the cost of the work described above for the three competing contractors.

B-1 AIRCRAFT

The House bill authorized the full $499.0 million requested. The Senate amendment authorized $45.0 million. The Senate stated it was dissatisfied with continued increases in cost and delays in schedule.

The program proposed by the Air Force for fiscal year 1975 provides for continuation of the program presented last year plus an initial request for a fourth development aircraft, acceleration of some development effort that previously had been planned to be conducted after the production decision, and some production type engineering design effort.

The conferees are concerned that the management reserve funds requested by the Air Force may not be adequate to meet the technical problems and schedule delays that might occur during the coming year. The House conferees agreed with the Senate action to increase the management reserve fund by $30 million.

The Senate Committee in its report provided restrictions on the development of new initiatives and the fourth aircraft. After considerable discussion, the conferees agreed to the following statement of intent regarding new initiatives and the development of the fourth aircraft.

The effort toward the development of, or new initiatives relating to, the fourth or subsequent aircraft is contingent upon and may not commence prior to successful first flight of the prototype aircraft. At that time, the Air Force can initiate a prior approval reprogramming action in accordance with established procedures to use the unexpended portion of the management reserve funds to initiate this development.

The conferees are concerned with the accomplishment of a successful first flight.

The conferees believe that the comprehensive cost effectiveness study being conducted by the Department of Defense under the cognizance of the Director, Defense Research and Engineering will provide an important basis for consideration of the authorization request to be submitted for fiscal year 1976.

The House recedes and agrees to a funding level of $455.0 million.

SUBMARINE LAUNCHED BALLISTIC MISSILE RADAR WARNING SYSTEM

The House bill deleted the entire $8.0 million Air Force request for the Submarine Launched Ballistic Missile radar warning system. The Senate amendment approved the full amount.

The House rationale was based upon the fact that the Air Force did not establish that the technology of the proposed system was necessary to meet the early warning requirements.

The Senate recedes; however, the conferees agreed to delete the funds for this program without prejudice.

The conferees request the Air Force to examine existing radar systems for performance and cost effectiveness and to reestablish the requirement for them in light of the overlapping capability with other systems. Upon further study, should the Department of Defense establish a convincing need to proceed with the research and development aspects of this program in fiscal year 1975, i.e., this type of system is required and is necessary to replace older systems which have excessive logistic support and maintenance costs relative to their operational effectiveness, the matter would be appropriate for submission of a reprogramming action. Consideration should be given to the Army's efforts in this area.

TECHNICAL SUPPORT TO OSD/JCS

The House bill authorized $15.0 million of the $18.8 million request by the Department of Defense. The Senate amendment authorized the full amount.

The House action was directed toward the Weapons Systems Evaluation Group (WSEG). The utility of their studies was questioned insofar as they seemingly had little impact on the Research and Development programs.

Subsequent to this action, the Director, Defense Research and Engineering has clarified the role of the WSEG and has taken measures to enhance its effectiveness.

The conferees agreed to increase the level of funding for OSD/JCS support to $17.8 million. The $1.0 million reduction may be applied on a program priority basis.

TITLE III—ACTIVE FORCES

Title III of the bill contains the authorization for the end strength of the active-duty component of the armed forces for fiscal year 1975.

The House bill had reduced the authorization by the military departments by 2,810, all of the reduction coming from the Air Force.

The Senate amendment had reduced the total authorization by an additional 46,213, including numerical reductions from the separate components as follows:

Army, 16,700;
Navy, 13,380;
Marine Corps, 3,598; and
Air Force, 12,535.

The Senate conferees insisted upon the soundness of their position and maintained that manpower reductions could and should be made without affecting combat units.

The House conferees, however, were adamant that reduction of the magnitude prescribed by the Senate amendment could not be made without seriously affecting the capabilities of our forces. The conferees considered this matter in great detail, and agreed to the component strength authorization as provided in the House bill.

The Senate reluctantly recedes.

Support forces in Europe

The Senate amendment contained a provision, section 302(a), expressing the sense of Congress that U.S. military forces in Europe have an excessive number of headquarters and noncombat military personnel relative to the number of combat personnel located in Europe. The provision would have required the noncombat component of the Army strength in Europe to be reduced by an amount of not less than 20 percent over a two-year period, with 50 percent of the reductions completed on or before June 30, 1975. The provision further stated that the Secretary of Defense could increase the combat component strength of the Army in Europe to the extent support forces were reduced. The House bill contained no similar provision.

The House conferees were opposed to the Senate provision in its original form and expressed their deep concern that no unilateral reductions be made in U.S. forces in Europe inconsistent with the NATO position at the Mutual and Balanced Force Reduction (MBFR) negotiations and that no action to reduce forces be taken in such a manner that it would violate the understanding achieved with NATO allies pursuant to the Jackson-Nunn amendment in the fiscal year 1974 procurement authorization act. The House conferees also expressed the belief that the support reductions would be excessive if charged exclusively against the Army strength in Europe. It would have required a reduction of approximately 23,000 support troops. The Senate conferees assured the House conferees that the thrust of the amendment was not to enforce any unilateral reductions but to bring about an improvement in the forces by reduction in support personnel accompanied by corresponding increases in combat personnel. The Senate conferees were insistent that reductions could be made in support personnel in Europe.

After extensive discussion, therefore, the conferees agreed on a modified version of the Senate provision which stipulates that the noncombat component of total U.S. military strength in Europe shall be reduced by 18,000 to be completed not later than June 30, 1976, with not less than 6,000 of such reduction completed on or before June 30, 1975, and that the Secretary of Defense is authorized to increase the combat component strength of the U.S. forces in Europe by the amount of any such reductions made in noncombat personnel.

Standardization in NATO

The Senate amendment contained a provision, section 302(b), requiring the Secretary of Defense to make an assessment of the loss of effectiveness in NATO because of the failure to standardize weapons systems, ammunition, fuel and other items, and further charged the Secretary of Defense to bring such assessments, together with recommendations for standardization actions, to the attention of NATO so that such assessments and recommendations can become part of the NATO review of its force goals. The House bill contained no such provision.

The House conferees did not object to the conduct of the study or desirability of standardization but believed that the Secretary of Defense should report to the Congress prior to submitting his findings to the NATO Council so that Congress would have an opportunity to make a prior judgment on the recommendations if it so wished. The House conferees, therefore, recede with a revision of the language providing that the Secretary of Defense shall report his findings to the Congress and subsequently bring them to the attention of the appropriate NATO bodies.

Tactical nuclear warheads

Section 302(c) of the Senate amendment contained language freezing the number of tactical nuclear warheads in Europe as of the date of enactment of the bill except in the event of hostilities.

The House conferees accepted this Senate provision with a revision which limited the freeze until June 30, 1975, and deleted the semi-annual reporting requirement.

TITLE IV—RESERVE FORCES

Title IV of the bill contains the annual authorization for the average strength of the Selected Reserve for each Reserve component of the Armed Forces. The House and Senate differed on the strength figures for the Army National Guard, the Army Reserve, the Naval Reserve, the Marine Corps Reserve and the Air National Guard. There was no difference in the authorization for the Air Force Reserve or the Coast Guard Reserve.

The House and Senate compromised their figures as follows:

For the Army National Guard the Senate had authorized 390,000 while the House had authorized 408,000. The conference agreed on 400,000.

For the Army Reserve the Senate authorized 220,000 while the House authorized 225,000. The Senate recedes.

For the Naval Reserve the Senate authorized 110,000 while the House authorized 117,000. The Senate recedes.

For the Marine Corps Reserve the Senate authorized 36,703 while the House authorized 38,000. The House recedes.

For the Air National Guard the Senate authorized 93,412 while the House authorized 95,000. The Senate recedes.

Where the Senate yielded, it was on the basis that recruiting results and current strength provisions had exceeded original Senate estimates. That is, the Senate believed that the higher figures were justified but had authorized a lower amount based on expectations of what the Reserves could obtain.

The House receded in the case of the Marine Corps Reserve because it is believed that the average strength figure could not be obtained based on the Marine Corps failure to increase their Reserve strengths in fiscal year 1974.

In the case of the Army National Guard where both Houses receded, it was believed that the figure 400,000 was adequate without the disestablishment of any units and would permit a desired manning level.

Airlift crew ratio and use of Air Guard and Reserve

The House in section 402 of the bill stated that the average strength prescribed by section 401 of this title for the Air National Guard of the United States shall include a force of not less than 91 flying units. The Senate had no comparable section.

However, in section 303 of the Senate amendment it was declared to be the policy of Congress that any increase in the ratio of aircrew to aircraft for the strategic airlift mission of the Air Force above the present ratio of 2.00 active-duty crewmembers and 1.25 Reserve force crewmembers per aircraft should be achieved through the components of the Selected Reserve and not by increasing the active-duty force level of the Air Force. The section also directed the Secretary of Defense to formulate a plan to increase the strategic airlift crew ratio per aircraft to the required levels by utilizing jointly the resources of the Air National Guard and the Air Force Reserve. The plan, under the Senate amendment, shall specifically include:

(1) restructuring the missions of Air National Guard units so as to retain an effective strategic airlift capability within the Air National Guard and the Air Force Reserve;

(2) the utilization of Air National Guard units now in existence so as to avoid the loss of existing skills in those units;

(3) alternatives, including, but not limited to, transfer, rotation, "hybridization," and "association," for making available to the Air National Guard and the Air Force Reserve strategic airlift aircraft in numbers sufficient to support an effective capability; and

(4) a test of the "hybrid concept" for Air National Guard units in the strategic airlift role using C–5 or C–141 aircraft at not less than 2 existing Air National Guard facilities.

The Senate amendment section also required the Secretary of Defense to submit his plan to the Congress not later than 90 days after enactment of this act.

Both the House and Senate receded in their language and substituted new language which requires that the Air National Guard of the United States shall be used to man a force which shall include not less than 91 flying units in the Air National Guard during fiscal year 1975.

It also states as a policy of the Congress that any increase in the ratio of aircrew to aircraft for the strategic airlift mission of the Air Force above the present ratio of crewmembers per aircraft should be achieved to the maximum extent possible through the components of the Selected Reserve and not by increasing the active-duty force level of the Air Force. The Secretary of Defense is directed to study the possibility of increasing the strategic airlift crew ratio per aircraft to the required levels by utilizing jointly the resources of the Air National Guard and the Air Force Reserve.

In making such a study it is directed that the study should include:

(1) restructuring the missions of the Air National Guard units so as to retain an effective strategic airlift capability within the Air National Guard and the Air Force Reserve;

(2) the utilization of Air National Guard units now in existence so as to avoid the loss of existing skills in those units;

(3) alternatives, including, but not limited to, transfer, rotation, "hybridization," and "association," for making available to the Air National Guard and the Air Force Reserve strategic airlift aircraft in numbers sufficient to support an effective capability; and

(4) the desirability of new statutory authority for the limited selective mobilization of members of the Air National Guard under circumstances not leading to a declaration of a national emergency by the Congress or the President.

The Secretary of Defense is required to submit to the Congress not later than 180 days after the enactment of this act, and before the implementation thereof, his evaluation of such a study, the proposed schedule for its implementation, and such recommendations for legislative action relating to the subject matter of this section as he deems appropriate.

The conferees dropped a Senate provision that have implied transfer of control of C–5A and C–141 Air Force strategic airlift aircraft to the various state national guards.

TITLE V—CIVILIAN PERSONNEL

Both the Senate and House authorized civilian personnel end strengths by services and Defense agencies.

The House reduced the number requested by the Department of Defense by 15,000 with the reductions to be allocated among the services by the Secretary of Defense.

The Senate amendment reduced the DOD request by 44,600 and specified where the cuts should be made.

After extensive discussions both the House and Senate receded and agreed to a fiscal year 1975 end strength for Defense civilian personnel of 995,000. This is a reduction of 32,327 from the Defense Department request and is to be apportioned among the military departments and Defense agencies by the Secretary of Defense. The Secretary of Defense shall report to the Committees on Armed Services of the Senate and House of Representatives within 60 days after the enactment of this Act on the manner in which this reduction is to be apportioned among the military departments and the Defense agencies and among the mission categories described in the Manpower Requirements

Report. Because the reduction includes many unfilled spaces and because over 200,000 new civilian employees are expected to be hired in fiscal year 1975, the Department of Defense should be able to accomplish the full reduction by normal attrition without layoffs of present employees.

Civilian strength adjustment

Section 502 of the Senate amendment declared the sense of Congress that the Department of Defense use the least costly form of manpower and directed that the Secretary of Defense in developing annual authorization requests be required to consider the advantages of conversion of military to civilian personnel and vice versa. There was no similar provision in the House bill. However, the House bill, in section 501 (c), provided for an adjustment for civilian strength authorized whenever the Secretary of Defense or Service Secretary determines that a function or activity will be performed by direct-hire civilian employees and vice versa.

Both the Senate and the House receded and new language was agreed to providing that it is the sense of Congress that the Defense Department use the least costly form of manpower that is consistent with military requirements and other needs of the Department of Defense. It further directed that in the development of the annual manpower authorization requests to the Congress, the Secretary of Defense shall consider the advantages of converting one form of manpower to another (military, civilian or private contract) for the performance of a specified job. The justification of any conversion from one form of manpower to another shall be contained in the Annual Manpower Requirements Report to the Congress required by section 138(c) (3) of title 10, United States Code.

Section 502 of the House bill authorized the Secretary of Defense, when he determines that such action is in the national interest, to employ civilian personnel in excess of the numbers authorized by section 501, provided that the number of additional personnel to be employed shall not exceed 1 percent of the total number of civilian personnel authorized by section 501, and further provided that the Secretary of Defense shall promptly notify the Congress of any decision to increase civilian personnel strength pursuant to this authority. The Senate amendment did not provide such authorization.

The conferees adopted the House language but provided that the authority of the Secretary under this section shall be limited to ½ of 1 percent for use on a temporary basis to meet emergencies.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Section 601(a)

The Senate amendment provided the authorized Military Training Student Loads as requested by the Department of Defense as follows:

Army	97, 638
Navy	71, 279
Marine Corps	26, 262
Air Force	52, 900
Army National Guard	12, 111
Army Reserve	6, 673
Navy Reserve	2, 536
Marine Corps Reserve	3, 403
Air National Guard	2, 359
Air Force Reserve	1, 126

The House added 3,000 to the Army Reserve and 500 to the Marine Corps Reserve, as requested by the Deputy Assistant Secretary of Defense for Reserve Affairs and concurred in by the Deputy Assistant Secretary of Defense for Education.

The Senate authorized the strengths requested but in section 601(b) required the Secretary of Defense to adjust the Military Training Student Loads consistent with the manpower strengths in Titles III, IV, and V. This would meet the intent of the House increases.

The House, therefore, recedes.

Education assistance

A floor amendment to the Senate amendment would have precluded the Department of Defense from denying financial assistance to any person pursuing an educational program solely on the grounds that such person is enrolled in a college that terminated ROTC.

The House conferees were adamant that this provision be deleted from the bill.

If the universities and colleges wish to divorce themselves from the training program offered by ROTC, the House conferees believe the Department of Defense should be allowed to withhold financial assistance to persons at those institutions. The choice of whether such colleges or universities desire to reinstate the ROTC is totally up to the institution.

The Senate reluctantly recedes.

TITLE VII—GENERAL PROVISIONS

Military assistance in support of South Vietnam

As indicated in the discussion of Title I, in the explanation of the transfer of procurement authorization for Military Assistance to South Vietnam to Title VII, the conferees agreed on a limitation of $1 billion on authorization for appropriation for support of South Vietnamese forces.

Both Houses had included new language providing for this military assistance program to be managed as a single account. The conferees agreed to accept the more restrictive language of the Senate amendment providing for the establishment of a separate appropriation and account for military support to South Vietnam. Pursuant to the agreement authorization for procurement was transferred from Title I to Title VII.

The conferees wish to emphasize that prior year's military assistance to South Vietnam which was Service funded was an annual authority and expired at the end of each fiscal year. Since the conference report does not include any new service funded authority for FY 1975, all unused Military Assistance Service Funded (MASF) authority automatically expired at the end of FY 1974. Hence the Department of Defense has no authority to use any unobligated balances in Service funds for support of South Vietnamese military forces.

Disposal of old ships

The Senate amendment contained a provision, section 702, requiring that any naval vessel in excess of 2,000 tons or less than 20 years of age may be sold, leased, granted, loaned, bartered, transferred, or otherwise disposed of only in accordance with a law enacted hereafter. It also stated that any other naval vessel may be transferred only after the proposed transfer has been presented to the Committees on Armed Services of the Senate and House for 30 days of continuous congressional session.

The Senate conferees pointed to the necessity of getting formal congressional control over the transfer of naval vessels to other nations. The House conferees noted, however, that the language was far broader than that required to cover transfers to other nations. The conferees, therefore, agreed on modified language for the section consistent with the Senate's intent.

The House recedes.

CIA activities

Section 703 of the Senate amendment was a floor amendment to revise the National Security Act of 1947 so as to assure prohibition of CIA involvement in domestic activities. The amendment was not germane to the House bill and the House conferees informed the Senate conferees that they could not consider nongermane amendments because of the Rules of the House. The House Committee indicated its intention to immediately consider legislation similar to the Senate provision.

The Senate, therefore, recedes.

Enlisted aides

Section 704 of the Senate amendment contained a provision that only 218 enlisted men may be assigned on a temporary basis to perform the duties of enlisted aides. The House bill did not address the issue.

The Senate conferees expressed the belief that the enlisted aide program was still being abused, there were too many unnecessary social activities engaged in by high ranking military personnel and that curtailment of authority for aides would help curtail unnecessary functions.

The House conferees pointed out that the congressional action taken during fiscal year 1974 reduced the number of aides from 1,722 to 675. This latter number was to be put into effect beginning July 1, 1975, and had not been given an opportunity to work. The House conferees were insistent that the agreement of last year be permitted to operate, at least on an experimental basis, before further reductions are made. The Senate conferees insisted that last year's action was insufficient. The Senate conferees agreed to yield on the number limitation provided the matter receives further scrutiny.

The conference, therefore, directs the Secretary of Defense to study the need for enlisted aides to provide *military* assistance to senior military officials and to report to the Congress the results of that study within 90 days. It was further agreed by the conferees that the House or Senate Armed Services Committee, or both, would hold hearings on these alternatives as soon thereafter as practicable.

Prohibition of research on dogs

The Senate amendment contained a provision, section 705, prohibiting the use of funds authorized by this act for the purpose of carrying out research, testing and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological or chemical warfare agents upon dogs. The House bill contained no comparable provision.

The conferees were advised by the Department of Defense that this provision would prohibit the conduct of all research involving the use of dogs even where the purpose was for the health and safety of civilian and military defense personnel, or for the benefit of dogs and other animals.

Many cases could be cited where use of dogs in research contributed to the health of human beings, cases where other species could not have been used.

For example, university experts related their experiments with a chemical that is found as a contaminant in the preparation of white flour for bread. When the bread containing this chemical was fed to dogs, even with very low levels of the chemical, it caused seizures. The importance of this finding was that a similar occurrence of convulsions might be expected in children. Of special significance, there were no adverse effects observed when the bread containing this contaminant was fed to other species.

The conferees do not support the use of dogs for research in chemical and biological agents whose only purpose is to destroy life. The conferees believe it is essential, however, that research to improve and save lives of either man or animal be continued. The conferees agreed that while the provision had merit, it required modification to permit certain research to be conducted that would benefit the health and safety of man. The conferees agreed to modify the language of section 705 of the Senate bill. The language as agreed to by the conferees will prohibit the utilization of dogs in research for the purpose of developing biological or chemical weapons. However, it will not prohibit research on dogs for other purposes such as establishing immunologic levels, occupational safety hazard levels and other vital medical research designed to improve and save lives.

Prohibiting expenditure to stimulate domestic economy

The Senate amendment contained language, adopted on the Senate floor, which would prohibit the expenditure of any funds by the Department of Defense for the purpose of stimulating or otherwise forcing a change in the domestic economy, unless hereafter authorized by law.

The House bill contained no similar provision.

The Senate language was not germane to the House bill and, as indicated, the House conferees were unable to accept nongermane amendments because of the Rules of the House. The House conferees further pointed out that the committees of both Houses had examined the purpose of the authorization in the present bill in great detail and in no case are funds authorized for the purpose of stimulating the domestic economy.

The Senate recedes.

Continuation pay for military physicians in initial residency

The recently passed physicians' bonus legislation, Public Law 93–274, precludes those in "initial residency" from receiving the new bonus. The new law also terminates continuation pay for physicians below the grade of O-6 (colonel/captain). Subsequent to the passage of the law it became known that some military doctors delayed their initial residency for some years and performed general medical duty during which service they received continuation pay. The effect of Public Law 93–274, therefore, would be that such physicians would lose continuation pay at the commencement of residency, thus suffering a substantial reduction in pay not intended by the Congress.

The Senate bill contained a provision authorizing continuation pay for physicians in initial residency, so that the Department of Defense could provide such pay to those in inital residency who are otherwise qualified. Five years of service are required by regulation for doctor to be eligible for continuation pay.

Because the provision was found to be nongermane to the House bill, the House conferees could not accept the provision. However, recognizing the merits of the amendment, the House conferees agreed to introduce separate legislation in the House and to give the legislation prompt consideration.

The Senate recedes.

Culebra

The Senate bill contained a provision prohibiting expenditure of funds by the Navy after December 31, 1975, for operations involving target practice at the Island of Culebra. The House bill contained no such provision.

The House conferees expressed their concern that adequate practice facilities be available to the Navy. The House accepted the Senate provision with a language modification which prohibits the use of the Culebra complex for target practice during any period of time that negotiations required by Public Law 93–166 have been ended on the initiative of the U.S. Government prior to the conclusion of a satisfactory agreement on a new site. In Public Law 93–166 Congress authorized the appropriation of $12 million for construction and equipage of a site for the relocation of the ship-to-shore gunfire and bombing operations from the Island of Culebra. Written into the law was the provision that the relocation of such operations from Culebra is conditional upon the conclusion of a satisfactory agreement to be negotiated by the Secretary of the Navy or his designee with the Commonwealth of Puerto Rico. To date, negotiations have not identified a satisfactory alternative site.

The purpose of the provision agreed to by the conferees, therefore, is to assure that authorities for both the U.S. Government and the Commonwealth of Puerto Rico diligently pursue negotiations for the purposes of satisfactorily resolving this issue at the earliest possible date.

The conferees noted the receipt of a communication from the Deputy Secretary of Defense reiterating the intention of the Executive Branch of relocating the target site from the Culebra complex no later than December 31, 1975, but emphasizing that the Department of Defense has no intention of relocating the training facilities currently on Culebra until a suitable permanent site is agreed upon.

Authority to enlist non-high school graduates

A provision included in the DOD Supplemental Authorization for Appropriations Bill for FY 1974, reads as follows:

"No volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma."

Section 709 of the Senate amendment included a provision that would add the wording to the above language, ". . . when the enlistment is needed to meet requirements established by the Secretary of the service concerned."

There was no similar provision in the House bill.

The Senate conferees stated the provision in the Senate amendment was intended to insure that a non-high school graduate would not be denied original enlistment solely because the potential recruit was not a high school graduate, particularly when the enlistment was needed to meet established requirements for new accessions to the Armed Forces. But they pointed out that the language in the Supplemental Bill could conceivably be given the interpretation that the Armed Forces could not give preference to enlisting high school graduates over non-high school graduates. By the additional language of Senate amendment this would permit the Secretaries of the various departments to use educational levels as indications of qualifications for personnel management and for the screening of personnel acquisitions.

The House recedes.

Recruiting advertising

The Senate amendment contained a provision stating the sense of Congress that in advertising activity for the recruitment of military personnel the Department of Defense should utilize "all major forms of public media, including the broadcast media." The House bill contained no such provision.

The House conferees pointed out that there was nothing in law at present specifically prohibiting the use of advertising in any one specific media and that it would appear to be consistent with the sound legislative practice to pass a law to permit something not prohibited by law. In addition, the House conferees pointed out that the amendment could be taken as a move to require equal distribution of advertising funds among all media without regard to the most cost-effective means of conducting an advertising campaign. The House conferees, therefore, were adamant in their opposition to the amendment.

The Senate reluctantly recedes.

Operation base launch

Section 711 of the Senate amendment provided that none of the funds in the bill may be used for the purpose of carrying out flight tests (including operational base launch) of the Minuteman missile from anywhere in the United States other than Vandenberg AFB, Lompoc, California.

The Senate language would prevent the Air Force from flight testing Minuteman under operational conditions from missile wings in Montana and elsewhere. Such testing had been planned by the Air Force and the House bill included $13.6 million for tests.

The House conferees strongly supported the desirability of such realistic testing. However, the Senate conferees were adamant.

The House, therefore, recedes.

War reserve stock limitation

The Senate amendment contained a provision designed to prohibit the use of funds authorized in the bill for stockpiling war material for use of any Asian country except as authorized by section 701, the Foreign Assistance Act, or the Foreign Military Sales Act. The language further prohibited transfer of already stockpiled material to any Asian country except as specifically authorized by law.

The House bill contained no similar provision.

The House conferees strongly opposed the Senate provision. The House conferees noted that no hearings had been held on the provision and that this is a very complex matter which could seriously hinder the planning of the Armed Forces for their own requirements as well as coordination with allies in a crisis.

The House conferees were adamant and the Senate, therefore, reluctantly recedes.

Procurement of medicine and medical supplies

The Senate amendment contained a provision adopted without hearings eliminating the existing exclusion in law which permits the purchase of medicine or medical supplies by other than competitive procurement with formal advertising. The House bill contained no such provision. The Department of Defense opposed the amendment.

The House conferees pointed out that this would be a procedural change in a complex procurement area which could involve significant delays in the procurement of medicines and medical supplies and could involve consideration of proprietary rights. Further, the House conferees pointed out that the writing specifications for use in formal advertising could complicate the procurement of medicines. The Senate conferees agreed that there were complex questions involved which had not been thoroughly aired as would have been the case if public hearings were held. Most importantly, the House conferees insisted the amendment was non-germane under the rules of the House.

The Senate, therefore, recedes.

Kahoolawe

The Senate amendment contained a provision which would have directed the Secretary of Defense to conduct an investigation for the purpose of locating an uninhabited island other than Kahoolawe to be used for target practice by the military services. The House bill contained no such provision. The House conferees pointed out that there is a requirement for air-to-surface and surface-to-surface bombardment training by our military forces and pointed out that a Defense Department study completed in 1972 reaffirmed the need for meeting this requirement at the Island of Kahoolawe.

The Senate recedes.

Awarding of master's degrees

The Senate amendment included a provision to allow—subject to the approval of a nationally recognized civilian accrediting association approved by the Commissioner of Education, Department of Health, Education and Welfare—the Commandant of the Army Command and General Staff College to confer the degree of master of military art and science upon graduates of the college. There was no such language in the House bill. During the 90th Congress the House passed similar legislation but no action was taken in the Senate.

Since 1963 the Command and General Staff College has conducted a graduate program which was, until 1966, accredited by the North Central Association of Colleges and Secondary Schools. This is a voluntary program offered only to a very limited number of officers who have been rigorously screened for academic and professional competence. By accrediting the program, military art and science was recognized as a distinct academic discipline by the North Central Association. However, the accreditation was withdrawn on June 30, 1966, only because the Command and General Staff College did not have degree-granting authority.

The Senate conferees pointed out that the granting of such degree would promote wider recognition by the civilian academic community of the military calling as a profession by providing a related scholastic discipline. Further, this would be a major help in securing faculty recognition of ROTC instructors who could obtain a graduate degree in the discipline in which they teach.

The House recedes.

Formal advertising

The Senate amendment contained a provision adding a new report required relating to military procurement. The provision would have required the head of an agency to submit to Congress a report describing each purchase or contract, the value of which amounted to $1 million or more, where formal advertising was not used. The House bill contained no such provision.

The House conferees maintained that the amendment would have instituted an extensive reporting requirement without substantial benefit to the Congress. The House conferees believe that adequate information on procurement procedures can be obtained by the Congress under present procedures. The Congress is continuing to improve its information-gathering function by use of such procedures as the recently revised Selected Acquisition Report. The House conferees believe that additional reporting requirements should not be instituted except in response to detailed study by the Congress to assure that such reporting is necessary. The House conferees further stressed that the provision was not germane. The House conferees were, therefore, adamant in their opposition and the Senate reluctantly recedes.

Export of technology

The Senate amendment contained language which would have provided the Secretary of Defense with substantially more authority in all administrative decisions relating to the granting of export licenses on the sale of goods or technology to foreign countries. There was no similar provision in the House bill.

The House conferees accepted the Senate provision with a modification which restricted the purview of the Secretary of Defense to goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development or procurement programs of the Department of Defense. The conferees were unanimous in their expression of concern over the fact that our country has apparently unwittingly committed itself to the sale of items which will enhance the military capabilities of our potential enemies.

It should be noted that under the conference report the Congress, by concurrent resolution, may override the decision of the President where he reverses a decision of the Secretary of Defense to recommend against the approval of an export license.

Deadline extension for military decorations and awards

The Senate amendment contained a provision, section 719, to extend the time limits for the award of military decorations to individuals for service between July 1, 1958, and March 28, 1973. Written recommendation would have to be made within one year and awarding of the decoration within two years. The House bill had no similar provision.

The principal purpose of the amendment is to benefit individuals who served in Vietnam. Delays have been experienced in receiving recommendations or in gaining substantiating information because many individuals involved were prisoners of war.

The House conferees recognized the merits of the amendment and did not wish to prevent the awarding of decorations in meritorious cases involving former prisoners of war. However, the House conferees were unable to accept the provision because it is not germane to the House bill and, therefore, could not be accepted under the Rules of the House. The House conferees stated that separate legislation to accomplish the purposes of the provision has been introduced in the House and would be given a hearing in the near future.

The Senate conferees, therefore, reluctantly recede.

Recomputation of military retired pay

The Senate bill contained a floor amendment not considered in committee which would have provided recomputation of military retired pay on January 1, 1972, pay scales. The House bill contained no similar provision.

The House conferees indicated they were unable to consider the amendment because it was nongermane to the House bill and the Rules of the House precluded the acceptance of nongermane amendments in conference.

The House conferees indicated plans to consider major legislation revising the military retirement system in the future and indicated that recomputation proposals would have an opportunity to be presented during those hearings.

TITLE VIII—NUCLEAR-POWERED NAVY

The House bill had a separate title, Title VIII, that would establish the policy of the United States to modernize its naval strike forces by making its new major strike combatant ships nuclear powered.

The House language defines the major combatant vessels, requires the Secretary of Defense to submit an annual report to the Congress, and requires that all authorizations and appropriations for major combatant vessels shall be for nuclear-powered vessels, unless the President fully advises the Congress that construction of nuclear-powered vessels for such purposes is not in the national interest.

The House conferees reviewed the many instances in which it took congressional initiative to bring about nuclear-powered ships for the Navy.

The Senate conferees desired to make the definition of major combatant vessels more explicit by spelling out that the ships that would be traveling with aircraft carriers could be cruisers, frigates and destroyers, and that ships which might operate independently could also be cruisers, frigates and destroyers in addition to submarines and aircraft carriers. The conferees do not intend that ocean escort ships, such as the sea control ship, the patrol frigate, the patrol hydrofoil missile ship, the surface effect ship or amphibious ships such as the landing helicopter assault ship (LHA) be included in this "major combatant" category requiring nuclear propulsion.

The language of the title was modified accordingly.

The Senate recedes.

SUMMARY

The bill as agreed to in conference, totals $22,195,037,000, of which, $35,673,000 will come from reimbursements for foreign military sales.

The figure arrived at by the conferees is $935,102,000 less than the amount requested by the Department of Defense.

F. Edw. Hébert,
Melvin Price,
O. C. Fisher,
Charles E. Bennett,
Samuel S. Stratton,
William G. Bray,
L. C. Arends,
Bob Wilson,
Charles S. Gubser,
Managers on the Part of the House,
John C. Stennis,
Stuart Symington,
Henry M. Jackson,
Howard W. Cannon,
Thomas J. McIntyre,
Strom Thurmond,
John G. Tower,
Peter H. Dominick,
Barry Goldwater,
Manaagers on the Part of the Senate.

LET JUSTICE BE DONE

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. KOCH. Mr. Speaker, truth and justice ultimately will prevail in the United States. The U.S. Supreme Court in its unanimous decision of today ruled that no man is above the law and that we are a government of laws not of men. The President sought to frustrate the pending criminal proceedings instituted by the Special Prosecutor by denying to the Special Prosecutor evidentiary matter. He sought to establish an exemption for himself under the guise of executive privilege, and the Supreme Court said, "No." It is surely true that "justice though moving slowly seldom fails to overtake the wicked."

There will be some who will now urge further delay of the impeachment proceedings in order to give the President an opportunity to comply with the Supreme Court order, and should he comply, to allow the Judiciary Committee to listen to the tapes. I do not believe that further delay is necessary or justified. The Judiciary Committee need only establish that there is probable cause that the President has committed impeachable acts. It is not its function to have a trial on those issues nor to consider all the evidence that might be adduced at a trial.

In my opinion the evidence supporting articles of impeachment now being considered by the Judiciary Committee is overwhelming and I cannot believe that a further delay in those proceedings will be tolerated by the membership of that committee. We are approaching the end of the drama. After the Judiciary Committee makes its report there are two further actions to be taken: a vote by the full House of Representatives and the subsequent trial of the President by the Senate.

Let justice be done.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS NATION NEEDS ECONOMIC LEADERSHIP

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, President Nixon has announced that he will make an address on the economy tomorrow night.

I hope that he will address himself to the full range of our economic problems: From the inflation that keeps pushing prices up, to the recession which is cutting back production and threatening jobs.

New Government figures have underscored once again the seriousness of our economic predicament. Consumer prices went up another 1 percent in June, and the inflation has now spread to a wide range of goods and services.

Meanwhile, take-home pay dropped 4½ percent from a year ago, after inflation is taken out.

Production also dropped, for the second consecutive quarter, and that used to be the definition of a recession before the administration tried to change the definition.

The other thing that is going up, besides prices, is the number of people who have no confidence in the administration's ability to solve economic problems. That figure reached 83 percent, according to a new poll out yesterday.

It is high time that the Nixon administration faces up to these problems. The administration has gone several months now with no economic policy at all, except tight credit and hands off everything else. The Nation needs better economic leadership than that.

PERMISSION FOR SUBCOMMITTEE ON AERONAUTICS AND SPACE TECHNOLOGY TO SIT DURING GENERAL DEBATE

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aeronautics and Space Technology of the Committee on Science and Astronautics may meet during debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

RESIGNATION OF JUDGE KERNER

(Mr. GROSS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I have just been informed that Federal Appeals Court Judge Otto Kerner, who has been convicted on several criminal charges, and is on his way to Federal prison, resigned this morning. As I announced last Thursday, it was my purpose to offer a resolution of impeachment in the House of Representatives tomorrow to impeach Kerner and strip him of his status as a Federal judge. That now becomes moot, as far as I am concerned.

I appreciate the fact that Kerner finally demonstrated the decency to resign, and thereby make it possible to sever him from the Federal payroll, and he will not further disgrace the judiciary by spending his time in prison as a Federal judge.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mrs. HANSEN of Washington. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 403]

Andrews, N.C.
Biaggi
Blatnik
Boggs
Brasco
Breaux
Burlison, Mo.
Burton, Phillip
Carey, N.Y.
Chisholm
Clark
Clay
Conyers
Culver
Davis, Ga.
Dellums
Dennis
Diggs
Dingell
Dorn
Dulski
du Pont
Evins, Tenn.
Ford
Fulton
Gibbons
Gray
Hansen, Idaho
Harsha
Heckler, Mass.
Hillis
Hogan
Holifield
Ichord
Jones, Tenn.
Kemp
King
Landrum
Minshall, Ohio
Murphy, N.Y.
Owens
Railsback
Rangel
Reid
Rodino
Roe
Rooney, N.Y.
Satterfield
Smith, N.Y.
Steele
Symington
Teague
Thompson, N.J.
Udall
Vander Jagt
Wiggins

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1975

Mrs. HANSEN of Washington. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Pennsylvania, Mr. McDade, and myself.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentlewoman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16027, with Mr. Price of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN (Mr. Price of Illinois). Under the unanimous-consent agreement, the gentlewoman from Washington (Mrs. Hansen) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. McDade) will be recognized for 1 hour.

The Chair recognizes the gentlewoman from Washington.

Mrs. HANSEN of Washington. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the Members are well aware the Surface Mining Control and Reclamation Act is scheduled to be debated after conclusion of the Interior and related agencies appropriation bill. I know the Members are anxious to proceed with that bill. However, I would be extremely remiss if I did not explain some of the details of the $3.1 billion Interior and related agencies appropriation bill.

Prior to that, Mr. Chairman, I would like to express my appreciation to the members of the subcommittee and members of the full committee, because this is the last bill I will bring to the House. I would like to express my appreciation to the gentleman in the chair, who has presided over all the bills which this subcommittee has brought to the House while I have been chairman. I would also like to express my appreciation to the people at the desk, who have been so courteous; and to the members of the staff of the subcommittee and of the full committee.

Mr. Chairman, today the Appropriations Subcommittee on Interior and Related Agencies presents to you its annual bill for your consideration. Since this will be the last time that I have the privilege of bringing this to the House, I would particularly like to express my appreciation to the Chairman of the Committee of the Whole, the distinguished gentleman from Illinois, who has presided over the Committee of the Whole each year when we have brought our bill before you. His courtesy and knowledge of our problems are unsurpassed.

I would also like to express my appreciation to staff members at the desk who have been so courteous. I would also like to express my deepest appreciation to all the members of the Interior Subcommittee who have so faithfully participated in our committee activities. It has been rewarding to work with members from so many areas of this Nation who have performed diligently and responsibly in carrying out the activities which are nationwide and which spell out in capital letters—"America."

I salute Congressman Yates of Illinois; Congressman McKay of Utah; Congressman Long of Maryland; Congressman Evans of Colorado; and Congressman Veysey of California. I would also like to pay a tribute to our retiring member from Oregon, WENDELL WYATT—my distinguished colleague and neighbor. The Congress is going to miss Congressman WYATT's participation in our national endeavors.

To my very distinguished ranking minority member, JOE McDADE, my deepest appreciation for his unfailing courtesy, his continuing presence at committee meetings, and his great understanding of our national problems.

At this time I think it is also appropriate to express my appreciation to the very distinguished gentleman from Texas, the chairman of the full committee who is and has always been cooperative, courteous, and helpful.

To our staff, David Willson and Byron Nielson, my gratitude and appreciation for long hours of service far beyond the call of duty. This appreciation also goes to Keith Mainland of the full committee.

To each Member of the House of Representatives who has participated in our public hearings and who has written us and talked to us about funding in terms of that funding's meaning to our national environment, economy, land management and human progress, my thanks.

May I recommend to the members of this committee that all of you read our volumes of hearing testimony for in these you will find not only detailed budgetary analyses, innumerable facts relative to the operation of the departments and agencies funded here today, but answers to many of the questions which America is currently asking.

The details of these hearings may help you to explain to your constituents exactly those problems which our Government and its citizens face in this year, problems which are not entirely soluble with money, but need a deep dedication to future management of U.S. resources.

There are highly controversial problems arising within the next few years. For example, we must carefully weigh the desire of Americans to utilize energy and yet fail to make adequate provision for the development of energy independence in this country. Instead we persistently rely upon fragile foreign commitments for major energy sources. Can the American economy survive if it must become a beggar before other nations of the world? How do we prevent failure of survival?

During the past year's energy crisis, we heard many words and gave lipservice to conservation as well as development of energy independence. However, it is rather sad to discover that the moment oil is available again, no one seems to consider driving 55 miles an hour necessary, no one bothers about air-conditioning excesses, et cetera, and neither do Americans consider it necessary to proceed at full speed to develop our own energy source exploration. It is almost as if some of the American people were saying, "Let's live it up and to hell with the future." I do not believe that our Nation can survive with this attitude.

Our economy and our way of life is too involved with energy resources. At the same time, it is necessary for America to realize that most energy resources are not renewable—oil and gas among them. Once depleted, they are gone forever. Therefore, this Nation must make its choices—use with conservation and judgment or consumption until destruction.

If one is under any illusions that energy does not enter into even the most remote community's economy, the hearings held in our committee, some of which were detailed in the earlier energy bill and some of which are detailed in the hearings on this current bill, should soon convince every Member of this body of the impact of energy loss.

Many communities sustain themselves exclusively by the tourist industry and lack of gasoline and the inability to purchase gasoline spells bankruptcy for the segments of this industry. This is actually true in almost every category of American life.

However, again let me emphasize that along with new sources of energy available to the American public, the American public must also use this energy with reason and some degree of appreciation for its precious life-building infusion for America.

In the category of alternatives facing the United States, we cannot escape the fiscal responsibilities of management nor the political responsibilities of judgment. If this Nation is to harvest its coal, what limitations must be put upon the land before there is a wholesale defacement which will last until eternity? If oil shale is to be pounded or changed into oil, will our Government find the resources to first announce the answers to that problem which is lying beneath every ton of rock in the West, "What about water?"

Our Government—Congress and the executive branch—have been singularly remiss for many decades on land management funding. They seemed to think that ownership, per se, was all that was important in land and its resources. The acquisition of land by anyone, including the Government, implies management.

We have some of the worst grazing land in the United States under the Forest Service and the Bureau of Land Management. We have coal leases which were granted years ago and on which nothing has been done, either to recoup them for the Government or to proceed with orderly production and exploration. We have forest land which has been depleted and no reforestation done. We even have a struggle to find money to repair flood control damage on public lands.

I do not need to say it again for the committee has said repeatedly that the budget has never reflected in its preparation for us, land management—all it is is land occupancy. This year, which I shall note a little later, we are turning from that policy.

The committee has also warned repeatedly that if we were to remain a free Nation, we had to develop our options relative to energy. It was not until gasoline was not available that the Office of Management and Budget "got with it." Earlier they "spared no ponies" to make sure that Vietnam got all the gasoline it needed. In fact, they drank it up over there, but what was the United States doing about developing alternate sources? Nothing! The budget was "pennywise and pound foolish." This administration is not the only guilty one. The problem goes back for several years.

Not only do we have the problem of choices to make in energy knowledge, and more particularly in the knowledge that will give to us energy without destruction of the land, air and water, but we also have come to the crossroads where we either declare that the management of our forests is for the future or it is a "cut and clear" irresponsible attitude of shrugging governmental shoulders about management. Our forests are the single renewable resource the United States has, but it is impossible to have this renewable resource available to the American public in the future if we do not make an investment in it now.

The committee has added substantially to the forest budget this year, and I may say this is without benefit of the blessing of the Office of Management and Budget because the committee realizes that to have a tree in 2020 that tree must be planted this year or next.

The Office of Management and Budget is sitting in a never never land dreaming under some kind of palms. I would suggest that they remove themselves from these exotic isles and face the brutal consequences of what happens when we have no watershed protection, no timber resources, and no recreation spaces for an ever-expanding America. They will feel reactions rather than the gentle tap of palm frond.

I make a strong and earnest plea also to the new budget committee which has been created by this Congress to take into account not only the military defense of this land, but the resource defense of the land. Unless the budget committee forthrightly faces its needs and provides management money for our natural resources, the congressional budget process will be as bad if not worse than it was before the creation of a budget committee.

There should be no single department in our natural resource domain that does not begin to inventory its needs and what will happen environmentally with production. Alternatives should be developed and long-range planning done.

The Federal Government may have achieved no success with land-use planning for private citizens, but there is no excuse on Earth why the Federal Government cannot implement land-use planning on its own acres, which, as I will note later, occupy one-third of this Nation.

It seems to me a salutary bit of planning to know, for example, when acres of land are to be scheduled for sale, what the environmental impact of that sale will be, so that the terms of the sale may acknowledge the environmental problems. This is true with coal, oil shale, rock, gravel, trees, et cetera.

If a computer can figure out what people like to wear and what they should eat, it seems to me that we can computerize and assemble from all the vast data available to us, knowledge of our lands and our water.

As I have said to you for many years, the Interior Subcommittee does not spend the largest amount of money in the budget. In fact, the budget is barely more than 1 percent of Federal spending. Think of that in terms of the fact that this must provide management, exploration, et cetera, for one-third of the Nation's land. It is unfortunate we do not spend more. However, the significance of the committee's activities is in the immensity of the land and problems we serve, the people of the land and the relationship of the resources to the survival of America.

In this budget we have substantial increases for many categories including the U.S. Park Service which is the finest in the world. There are increases in other areas, and with this budget I bring to this committee of the whole House a plea for your tolerance. It is not easy to take the wide variety of agencies we handle—27—and go from the national forests to fine arts and not say, "Well, I can't see why those people should have money. Of what importance are they?"

We are not like many of the appropriation bills which deal with items of transportation or national defense or health because we deal with all of them. We have roads, health, and resources which are the national defenses. We also deal with education, art, culture, environment, water, fish, and humanistic programs. In fact, the great gentleman who preceded me as chairman of this subcommittee used to call this Interior bill, "the all-American bill" for it reflects the entire spectrum of our national life.

The committee has never been able to afford the luxury of prejudice. We have to view tolerantly the archaeological explorations in the Near East, to understand the water transportation system of the trust territories, the necessity for boarding schools for Indians located in isolated areas, and the need to propagate with fish the streams of the United States.

Our responsibility runs from Micronesia to Maine, from Alaska to Florida and in this budget today we present to you management funds proposed for the preservation and orderly development of our natural resources and for the well-being of the American citizen represented in this budget.

There are those who will rise on the floor and discuss some silly-sounding title of some project developed through the cooperation of a foreign government and the Smithsonian Institution. On pages 205 and 206 of volume 2 of our hearings you will discover that in a discussion as to strange-sounding titles that Dr. Challinor of the Smithsonian very carefully points out several references to subjects which picked out of context sound extremely strange yet they have had a deep impact on the total scientific knowledge and today's basic information relative to studies which have resulted in benefits for all mankind.

We present this bill not in the amounts which the committee wishes, nor in the amounts which we think responsible, but within severe fiscal responsibility restraints.

There are those who will say that recreation across the far-flung areas of our domain is of less than no consequence and yet these same people will pile themselves into a car on Friday night and depart for a junket into our national forests or our national parks and growl if there isn't a TV hookup for their trailers. Needless to say, our national parks and national forests welcome the public for they agree with the committee that it is far far better for a Nation to be outdoors enjoying the sunshine and the beauty of America than to be sitting on some city street figuring out ways to tear up the pavement or destroy their neighbors.

As I have said for 8 years, we have not been legislating for Illinois, Washington, Utah, Maryland, Oregon, California, Colorado, Pennsylvania, or Texas. We have had to become Americans and to appropriate money for the entire United States. The letters "US" in the committee's vocabularly stands for us—America.

Our Nation is wide and long—our needs and our people are divergent. Ladies and gentlemen of this committee, America is a dream woven of many strands of national need, desires, and goals—a dream that becomes, when finished, a great and mighty fabric.

Within this bill there is a reflection to some degree of the best which is in each of us, and the understanding we need to give this Nation for its strength. Perhaps we also reflect our failures and our shortcomings, but if in this budget we also reflect the use of these lessons and try to build a more successful tomorrow, we will have accomplished our purpose.

So, in summary again please regard the bill with tolerance for the American who loves an art gallery, for the American who wants to tramp in the wilderness, for the American who wants a better education for his child. Accept the challenge and please note that the committee is trying to reflect, moneywise, the steps necessary to achieve survival, growth, and greatness.

I will go into the bill with reference to various categories so that you may have an opportunity to understand what the hundreds of items are about and what relationship they bear to the total management of our world for 1975.

We are a small amount over the budget, and I have no apologies whatsoever. We could have cut forestry, we could have cut Indians, we could have cut health, and we could have cut forest protection. But, to what purpose?

If you will look at the table in our committee report, which I shall note in a moment, you will find that our bill brings in more revenue to the Treasury of the United States than is herein appropriated. Also, measure what this bill does as against other expenditures in this Government. One helicopter for God knows whose use costs about three times the amount of the sum we are over the budget.

I am also sure that we have some highly unpopular items in the bill and some, as I noted, which will be the target of the funmakers, but I am also sure we have some very popular items or the committee would not have been besieged with so many requests from Members and the general public.

Our bill does not reflect your total wants nor your district's, as I noted earlier, it reflects the best we could do.

I have said some very unkind things about the Office of Management and Budget not only this year, but in the past. For once, I want to express my appreciation to them for recognizing the tremendous needs of the Indian Health Service and placing in our fiscal budget the amounts of money which were add-ons last year, thus reflecting the desire of Congress and the administration—because of the presidential signature—in wanting to better the health and lives of one of the most poverty-ridden segments of our American population.

I trust that in future years the Office of Management and Budget will be as sensible about other items and that they will understand full well it is necessary to provide funding for laboratories to solve the problems of forest insects, that they will decide once and for all Indian children should not be sent to school in firetraps that could be of great peril to their lives, and finally that the Office of Management and Budget will be so pleased with their stand for humanity and take such pride in their sensible humanitarian activities that they will continue to add to the health budget for the Indian people.

This bill, by the way, is really the fourth part of the Committee's appropriation activities. A breakdown of the other three are as follows:

First. In the second supplemental appropriation bill, nearly $160 million was appropriated for a wide variety of programs. Included was more than $97 million for the U.S. Forest Service including money to pay for firefighting on public lands and $6,213,000 for insect control. In the wake of the energy crisis, the bill also provided some $18 million to help meet Government costs in countering the Nation's crisis.

Second. The special energy research development and appropriation bill of some $2.2 billion was enacted by Congress. This was in response to filling the fuel tanks and redirecting our national resources toward greater self-sufficiency and items included are listed as follows:

Geological Survey:	
Geothermal investigations	$9,774,000
Energy-related geologic investigations	30,851,000
Water resource investigations	2,125,000
Total, Geological Survey	43,125,000
Bureau of Mines:	
Energy research (mostly coal liquefaction and gasification)	86,098,000
Metallurgy research related to energy	4,100,000
Mining research	52,100,000
Subtotal, Bureau of Mines	142,298,000
Office of Coal Research	261,278,000
Fuel allocation, oil and gas	69,590,000
Energy conservation and analysis	26,875,000
Grand total	543,166,000

Third. The continuing resolution kept the generated forces of the Federal Government moving at a constant level but paused to instruct the Department of Interior to increase environmental research to make certain that energy development would not sacrifice environmental excellence—research fleets.

While we are prone in Congress to reflect only our failures and be extremely critical, I cannot help but remind the members of this committee that during the past 8 years there has been progress and genuine progress in many fields.

In 1960, the Bureau of Indian Affairs was sponsoring 612 students in colleges and universities. In 1974 the number reaches 17,471 Indian youths enjoying the grants for higher education which this budget has funded. Yet, we are confronted with our own Government reports which say:

> American Indian students, for example, score lower at every grade level than does the average student. In addition, Indian students have greater problems with reading and mathematics development. Further, the drop-out rate among Indian students is exceptionally high.

That is only one more aspect of problems facing American Indians. Beyond the administration's budget, the subcommittee received requests totaling more than $500 million for a wide variety of Indian needs, wants, and dreams. We have met a fraction of the challenge.

In the field of Indian health, may I suggest that you may want to read, beginning on page 465 of volume 1 of the committee hearings, the discussion of Indian health problems, programs, and progress. I would also like to point out the following accomplishments:

Health improvement—calendar year 1955–72

	Percent decrease
Death rates:	
Infants	67
Under 28 days	58
28 days to 11 months	72
Maternal	54
Influenza and pneumonia	58
Certain diseases of early infancy	66
Tuberculosis, all forms	85
Gastritis, et cetera	81
Congential malformations	52
Incidence rates:	
New active tuberculosis cases	61
Trachoma	64
Increased use of service—Fiscal year 1955–73	
Hospital admissions	104
Women provided family planning services	79
Outpatient visits	412
Dental services	379

However, it is also not inappropriate to call to the attention of the committee some of the problems remaining:

First. The effects of rising medical care costs and energy—supply and shortages;

Second. The need for continuing preventative health service;

Third. The continuing need for better alcohol control programs and mental health programs;

Fourth. Maternal and child care—the time after the mother has returned from the hospital with her child still remains a critical health time in the Indian world;

Fifth. Much has to be done to improve the housing and sanitation facilities of Indian homes to correct health deficiencies;

Sixth. More knowledge and training must be given to the Indian mother in the matter of nutrition and child care;

Seventh. Dental health needs to be stepped up, for although we take care of the very young, we are not even attempting to solve the problems of the middle-aged and the elderly with dental programs;

Eighth. Much needs to be done in the entire field of nutrition; and

Ninth. There remains the deficit in construction.

There is a total backlog of $370 million for medical facilities construction. We are building one new Indian hospital this year although 20 are outmoded. Interestingly enough, if you will study the foreign operations budget and list the hospital construction that Congress has managed for countries overseas, there has been a great deal of attention given to hospital construction.

As I noted last year, in the years from 1965 through 1972 this Congress authorized the expenditure of $43,675,000 for the construction and capital improvements of American hospitals abroad in Beirut, Paris, Turkey, Rome, Taiwan, Nigeria, Israel, Poland, Afghanistan, India and in those same years hospital construction for American Indians in the United States of America was $19,693,900. These figures speak for themselves, but as a footnote, may I remind this Congress that American Indians are our own citizens, and it was probably due to their cooperation that we are now here as a nation.

Some recipients of hospitals abroad, I daresay, seldom bother to worry about the United States for more than the cash that has been spent there. I am interested in good hospitals wherever they be, but let us not forget that our American Indians have a priority.

Also, as we appraise our successes, may I repeat for your information what the committee learned during its hearings relative to a very interesting application of space technology to Indian health needs.

In the Tanana Valley in Alaska, community health aides are now communicating with doctors via the ATS–1 satellite and are able to get prompt advice on the care of sick patients. For years, communication in the remote villages of Alaska has been a chronic problem. Regular radio communication is often so garbled as a result of the high mountains and the northern lights phenomenon that messages are completely unintelligible. As a result of this experiment in the Tanana Village, the Indian Health Service has decided that the only way to handle communication in the remote areas of Alaska is by satellite.

Mr. Chairman, it is now time to give you the summary of this bill:

SUMMARY OF BILL

Item	Budget estimates, fiscal year 1975	Recommended in bill	Comparison
Title I, Department of the Interior:			
New budget (obligational) authority	$2, 060, 643, 000	$2, 067, 645, 000	+$7, 002, 000
Title II, Related Agencies:			
New budget (obligational) authority	1, 073, 951, 710	1, 085, 870, 310	+11, 918, 600
Subtotal, this bill	3, 134, 594, 710	3, 153, 515, 310	+18, 920, 600
Special energy research and development appropriation act	(561, 633, 000)	(543, 166, 000)	(−18, 467, 000)
Grand total, new budget (obligational) authority	(3, 696, 227, 710)	(3, 696, 681, 310)	(+453, 600)

TOTAL APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

In addition to the amounts in the accompanying bill, which are reflected in the table above, permanent legislation authorizes the continuation of certain Government activities without consideration by the Congress during the annual appropriations process.

Details of these activities are listed in appropriate tables appearing at the end of this report. In fiscal year 1974 these activities are estimated to total $1,191,950,176. The estimate for fiscal year 1975 is $970,391,038.

The following table reflects the total budget obligational authority contained both in this bill and in permanent appropriations for fiscal years 1974 and 1975:

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES TOTAL BUDGET AUTHORITY FOR FISCAL YEARS 1974-75

Item	Fiscal year 1974	Fiscal year 1975	Change
Interior and related agencies appropriation bill	$2, 577, 876. 200	$3, 153, 515, 310	+$575, 639, 110
Permanent appropriations, Federal funds	944, 534, 176	774, 528, 038	−170, 006, 138
Permanent appropriation, Trust funds	247, 416, 000	195, 863, 000	−51, 553, 000
Total, budget authority	3, 769, 826, 376	4, 123, 906, 348	+354, 079, 972

REVENUE GENERATED BY AGENCIES IN BILL

The following tabulation indicates total new obligational authority to date for fiscal years 1973 and 1974, and the amount recommended in the bill for fiscal year 1975. It compares receipts generated by activities in this bill on an actual basis for fiscal year 1973 and on an estimated basis for fiscal years 1974 and 1975.

Item	Fiscal year 1973	Fiscal year 1974	Fiscal year 1975
New obligational authority	$2, 649, 45, 300	$2, 577, 876, 200	$3, 153, 515, 310
Receipts:			
Department of the Interior	4, 431, 759, 000	8, 563, 017, 000	8, 703, 740, 000
Forest Service	469, 747, 535	417, 320, 000	458, 785, 000
Total receipts	4, 901, 506, 535	8, 980, 337, 000	9, 162, 525, 000

SUMMARY OF INCREASES AND DECREASES

Following is a summary by bureau of the major increases and decreases in new obligational authority recommended for fiscal year 1975, including the reduction for agencies normally funded in this bill but included this year in the Special Energy Research and Development Appropriation Act, 1975, compared with the budget estimates:

Major increases:	
Forest Service	+$32, 306, 000
Bureau of Indian Affairs (excluding Revolving Fund for Loans)	+17, 685, 000
U.S. Fish and Wildlife Service	+5, 421, 000
Trust Territory of the Pacific Islands	+2, 500, 000
Bureau of Mines	+2, 164, 000
Office of Water Resources Research	+1, 095, 000
Subtotal, major increases	+61, 171, 000
Major decreases:	
Decrease below the budget in the energy appropriations bill	−18, 467, 000
National Foundation on the Arts and the Humanities	−16, 000, 000
Bureau of Indian Affairs, Revolving Fund for Loans	−12, 000, 000
National Park Service	−4, 458, 000
Smithsonian Institution	−3, 986, 000
Geological Survey	−2, 381, 000
Bureau of Land Management	−1, 773, 000
Office of the Secretary	−748, 000
Subtotal, major decreases	−59, 813, 000
Other decreases	−904, 400
Net total, increase above budget estimates	+453, 600

EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1975

The budget estimates for bureaus and agencies funded in this bill projected new obligational authority of $3,134,594,710, and total expenditures of $3,153,367,000.

The committee has recommended total new budget—obligational—authority of $3,153,515,310, an increase of $18,920,600 above the budget estimate. In the Special Energy Research and Development Appropriation Act, 1975, the Congress approved a net reduction of $18,467,000 in new budget—obligational—authority, making a net increase for agencies normally funded in this bill of $453,600. Concurrent with its recommendation of an increase in new budget—obligational—authority, the committee has also recommended a reduction of $2,410,000 in appropriations to liquidate contract authority.

The estimated net effect of committee action on expenditures for all bureaus and agencies normally funded in this bill for fiscal year 1975 will be a decrease of about $1,300,000, consisting of a decrease of about $9,600,000 in the special energy bill and an increase of about $8,300,000 in this bill.

EXTENT OF ACTIVITIES FUNDED IN BILL

There follows a listing of selected items which indicate the extent of activities funded in this bill, and in the Special Energy Research and Development Appropriation Act, 1975, for agencies normally funded in this bill:

Management of public lands:	
Acres onshore:	
Bureau of Land Management	451, 043, 353
U.S. Forest Service	187, 255, 013
Bureau of Indian Affairs	52, 635, 948
U.S. Fish and Wildlife Service	31, 148, 846
National Park Service	29, 117, 412
Subtotal, acres onshore	751, 200, 572
Acres offshore:	
Under 200 meters	515, 000, 000
Over 200 meters	631, 680, 000
Subtotal, acres offshore	1, 146, 680, 000
Total acres	1, 897, 880, 572

	Current inventory	*1975 Construction*
Road construction (miles):		
Bureau of Land Management	44, 330	182
Bureau of Indian Affairs	22, 000	725
National Park Service	10, 204	17
U.S. Fish and Wildlife Service	6, 022	---
U.S. Forest Service	201, 317	8, 000
Total miles	283, 873	8, 924

Recreation visitation (millions):	*1973 actual*	*1975 estimate*
National Park Service	216	236
U.S. Fish and Wildlife Service	25	20
Bureau of Land Management	50	60
U.S. Forest Service	188	202
Total visitations (millions)	479	518

TIMBER PRODUCTION

FOREST SERVICE

An estimated harvest of 12.6 billion board feet is anticipated for 1975, with receipts from sales of approximately $437 million. This volume represents about one-fourth of the total timber and 30 percent of the softwood timber cut for industrial purposes annually, and is equivalent to the construction of about 1.2 million average sized homes.

BUREAU OF LAND MANAGEMENT

Administers the sale of over 1.3 billion board feet of timber annually. Timber receipts are estimated to be $126.2 million in 1975.

SOIL AND WATER CONSERVATION

FOREST SERVICE

The national forests of the West, about 20 percent of the area, produce about 50 percent of the water, conservatively estimated at a value of over $1 billion annually.

BUREAU OF LAND MANAGEMENT

Administers an active program of soil stabilization practices on 160 million acres of public lands covering about 2,200 watersheds. Practices are designed to conserve and develop public land soil and water resources and include construction of small water control structures, contouring and cultivation, revegetation, protective fencing, and water developments.

GRAZING

BUREAU OF LAND MANAGEMENT

Administers grazing of approximately 9.1 million head of livestock and 2.4 million big game animals. Grazing receipts are estimated to be about $14 million in 1975.

FOREST SERVICE

Administers the grazing of 6.1 million head of livestock, including offspring. This provides a continued and necessary source of grazing required by 16,600 family-type ranch units. In addition, an estimated 4.1 million big game animals graze on national forest lands.

MINERAL RESOURCES

BUREAU OF LAND MANAGEMENT

Administers mining and mineral leasing on approximately 819 million acres of land in the continental United States and more than 515 million acres of submerged lands of the Outer Continental Shelf within 200 meter water depth.

GEOLOGICAL SURVEY

Provides the basic scientific and engineering data concerning water, land, and mineral resources; and supervises the development and production of minerals and mineral fuels on leased Federal, Indian, and Outer Continental Shelf lands. The value of production expected in fiscal year 1975 on Federal, Indian, and Outer Continental Shelf mineral leases is $6.1 billion, with royalties accruing to the Government of $880 million.

Bonuses from lease sales this fiscal year will approximate $7.1 billion.

FISH AND WILDLIFE RESOURCES

FISH AND WILDLIFE SERVICE

Produces in excess of 7.6 million pounds of fish a year. The cumulative effect is estimated to support approximately 44 million fisherman-days annually. In addition, this Bureau's refuges accommodate about 1.6 billion waterfowl-use days, not including Alaska. These refuges also support almost 6.3 million hunting and fishing-use days.

ADMINISTRATION OF TERRITORIES

The Department of the Interior is responsible for the administration of the Trust Territory of the Pacific Islands, over 2,000 islands covering about 3 million square miles of the western Pacific Ocean, American Samoa, and Guam. This involves the management of about 985 square miles of land with a total native population of approximately 222,000.

INDIAN EDUCATION AND WELFARE

Indian children in Federal day and boarding schools, 57,500.

Indian children in public schools, 98,000.

Indians provided with welfare guidance service, 96,100.

Operation and maintenance of 300 Indian irrigation systems.

ENERGY ACTIVITIES FUNDED IN THIS BILL

In the Special Energy Research and Development Appropriation Act, 1975, a total of more than $543 million was provided for agencies normally funded in this bill. Energy research programs funded in that bill were those of the Office of Coal Research, the Geological Survey, and the Bureau of Mines. Funding was also provided for the petroleum allocation and energy conservation and analysis activities now transferred to the Federal Energy Administration.

A large number of activities included in this bill also relate to energy but were not included in the Energy Research and Development Appropriation Act because they did not relate directly to energy research or were so closely tied to related nonenergy programs of the various bureaus that they were difficult to separate. In addition, budget amendments in some of these programs were received after the bill was considered by the House. Energy related activities included in this bill total approximately $122.5 million, of which the principal components, along with the 1974 funding and the recommended funding for fiscal year 1975, are as follows:

[In thousands of dollars]

Bureau/appropriation/activity	Fiscal year 1974	Committee bill 1975
BUREAU OF LAND MANAGEMENT		
Management of lands and resources:		
Land-use planning in energy areas	1,317	2,367
Environmental analysis for energy areas:		
Oil and gas		1,400
Arctic gaslines		3,500
Other non-Bureau energy initiatives	1,500	5,400
BLM initiatives	505	505
Energy leasing activities:		
OCS leasing	3,460	18,585
Coal	770	1,820
Oil shale	765	865
Geothermal steam	550	1,200
Upland oil and gas	1,550	1,860
Surface protection:		
Stipulations and compliance	1,050	1,700
Energy minerals rehabilitation inventory and analysis		1,400
Trans-Alaska pipeline inspection	7,214	8,714
Total, energy programs, Bureau of Land Management	18,681	49,316
U.S. GEOLOGICAL SURVEY		
Surveys, investigations, and research:		
Special projects:		
Geothermal investigations	288	1,095
Energy impact evaluation		2,600
Arctic-environmental studies		400
Alaska pipeline	905	347
Water resources: Hydrologic studies	1,100	1,200
Conservation:		
Lease management	10,603	16,010
Resource evaluation and classification	6,040	16,328
EROS	225	50
Total, energy programs, Geological Survey	19,161	38,030
BUREAU OF MINES		
Mines and minerals:		
Mining research:		
Health-related research in coal mines	3,509	3,566
Safety research in coal mines	23,482	24,110
Data collection and analysis	2,850	3,000
Total, energy programs, Bureau of Mines	29,841	30,676
U.S. FISH AND WILDLIFE SERVICE		
Resources management:		
Coal and oil shale research	200	1,100
Trans-Alaska pipeline	450	500
Powerplant siting		700
Total, energy programs, U.S. Fish and Wildlife Service	650	2,300
Subtotal, Department of the Interior	68,333	120,322
DEPARTMENT OF AGRICULTURE—FOREST SERVICE		
Forest protection and utilization: Surface Environment and Mining	1,750	2,220
Grand total	70,083	122,522

OUTER CONTINENTAL SHELF LEASING

The committee held extensive hearings on numerous budget proposals relating to the proposed accelerated oil and gas leasing program on the Outer Continental Shelf. The administration has proposed, as a part of Project Independence, to go from a current program of about 3 million acres leased in calendar year 1974 to a target program of 10 million acres leased in calendar year 1975.

The committee supports the objective of greater self-sufficiency in energy. However, the committee has grave reservations about the practical aspects of such a vastly accelerated OCS leasing program in 1 year. The committee believes that several ramifications of the effort to achieve this goal indicate that the public interest may be sacrificed. Specifically, the committee is concerned about the following:

For those lands which are leased, there must be assurances that there is expeditious exploration and development. The committee does not want the United States to find itself in a situation, similar to the previous coal leasing program, where millions of acres are leased to companies which defer development on them in order to reap greater profits from future price increases. The committee understands that OCS leasing is under a different law than coal leasing, but the committee is concerned that through lease extensions, and so forth, a similar situation could result.

The committee wants assurances that the environmental impact of proposed OCS leasing actions is carefully and fully assessed before the leases are made. The committee understands that this is now a requirement under the Environmental Policy Act. However, the committee believes that environmental assessments must not be made merely to provide strict compliance with the procedures and the policy established by that act but also to gain a full understanding of the total impact of these leasing actions. In addition there should be the fullest public participation and dialog so that there is a complete knowledge by the Government and the U.S. public of the consequences of leasing activity or the lack of leasing activity on the relationship between production, consumption, and U.S. energy needs.

There must be assurances that the prices paid for the leases reflect fair market value and a fair return to the U.S. Government. The committee is concerned that private sector capital might diminish as a result of continuing large sales. In this case, the companies might fail to make bids which reflect the actual worth of the resource and that, with a stated "10-million-acre target," bids could be accepted at much less than fair market value in order to attain the target. The committee believes that it might be a far wiser policy to lease fewer acres in 1975 and extend the program into future years so that fair market values and environmental values may be attained.

The committee is also concerned that a lack of availability of materials such as drilling rigs and pipelines, particularly in deep water areas, could serve as a deterrent to the development of OCS leases and that there could be unwarranted lease extensions.

In summary, the committee believes that a "target of leasing 10 million acres" may be a reasonable one. However, the committee emphatically believes that this objective should be treated for what it actually is—a goal. In the pursuit of this goal, the United States must not sacrifice the public interest, for these are resources that belong to all the people, and all of the people are entitled to protection and consultation in their disposition.

The committee has not made substantial reductions in the budget requests that relate to the proposed 10-million-acre leasing program. With the funds provided, the Department should pursue its stated objective and prepare for a sound leasing program. The committee directs the Department to appear expeditiously before the committee and justify the leasing of additional acreage before further calls are made for nominations of tracts which would lead to leasing in excess of 3 million acres.

The acquisition and evaluation of data under studies proposed in the budget pertaining to the level of leasing should be completed before a final decision is made on the level of an expanded offshore leasing program. This would include, at a minimum, justification of the proposed leasing level in terms of: First the role of offshore oil and gas in a comprehensive energy strategy or plan; second, the availability of drilling rigs, steel pipe, and personnel to support an expanded leasing program; third, the availability of capital to make the bonus bids and finance the exploration and development of the leases; fourth, the ability of the Bureau of Land Management and Geological Survey effectively to administer the program; fifth, the effect on revenues returned to the Federal Government of leasing the proposed acreage; sixth, the relative environmental risks involved in each of the areas proposed for lease; seventh, the onshore environmental, social, and economic impacts; and eighth, the relationship of potential offshore production to total reserves, total consumption, and energy conservation practices.

If you will read the hearings, you will also note that the committee has held extensive discussions with witnesses from the Department of Interior on how we should exercise our responsibility for managing our Outer Continental Shelf resources, a reevaluation of our sales procedures, and other highly controversial issues which need to be resolved.

These issues lie within the responsibilities of the legislative committee. However, it has long been my feeling, and some management people within Interior share my feelings, that alternative methods of sales procedures must be tried.

I realize that this can be nothing more than experimental, but whether we retain the bonus system with its demands to tie up substantial amounts of capital and result in larger corporations because of their maneuverability, securing the bids, or whether we move to an all royalty system, must be resolved. The entire problem of leasing public lands needs continuing legislative review and it needs the close scrutiny of legislative committees.

The committee has noted before, and I will note again, that there is also a tendency for certain dominant groups in one energy field to secure leases that will also allow them dominance in other energy fields. We know from our hearings that groups which produce oil now seek to secure geothermal leases. For the well-being of the country and its people and for the continuing credibility of industry itself, this situation should be under careful and constant review.

I feel that I have been highly privileged as a member of this committee for 10 years to review in the last 8 of those years the entire procedures and processes of our land policies including oil leasing and to have had the opportunity to familiarize myself with many of the problems. I only wish every American might have shared this opportunity.

Responsibility will be reflected in the management of our lands and resources by completely openminded explorations of all the facets. We are a system based on private capital, but the public has a distinct interest in the use to which this private capital is put for it is unwarranted that at any time in this Nation an entire segment of the economy can be imperiled by greed or extraordinary profits.

Through our system of open hearings we have had all segments of our population representing, I am sure, the people, industry and the Government in attendance. A continuing dialogue among all three must continue. The people too little understand all facets of the problems, industry sometimes ignores the responsibility to the Nation whose system allows it to survive, and Government has not realized the tremendous managerial responsibility thrust upon it to make sure that the United States does not become a jungle of conflict and if continued will only result in bonfires meaning total destruction of credibility and common sense.

For many years, the committee has been concerned that budget constraints have resulted in inadequate budget resources for the U.S. Forest Service. The Forest Service is charged by law with multipurpose management of the 187 million acres under its jurisdiction. Not only must it provide a sustained yield of timber and fiber, but it must protect wildlife, provide recreation opportunities for all the people of the country, manage rangelands, and provide soil and water conservation.

Last year, the committee directed the Forest Service to develop a long-range, multiyear budget and management plan to bring the management of Forest Service lands up to standards consistent with multi-use objectives. In response to this request, the Forest Service has developed an "environmental program for the future." The committee held lengthy hearings on this plan and supports the current objectives and means to achieve them which the Forest Service has proposed. The Forest Service should now provide the widest opportunity for public comment on the plan's contents. When these comments are secured, the committee expects to have further discussions with the Forest Service so that the Congress can begin to implement its recommendations.

To further the solution to the coming problems which the years hold for our forests, and realizing that there is an obvious worldwide wood fiber shortage, the committee is moving ahead with expanded funding for the Forest Service.

A tree planted today obviously cannot be harvested tomorrow. More than 3 million acres of unreforested national forest lands are capable of growth for commercial use. Since trees are a renewable resource, to leave these areas unreforested is a waste to both the people and the Federal Government. It has been clearly established that for every dollar invested in reforestation and timber stand improvement several dollars are returned to the Treasury. We have inflation in the value of wood products. We have an evershrinking land base. Future demand is going to increase. The one and the obvious relief is to expand the fiber supply.

Broad, bold, comprehensive action is required now if we are to prevent an acceleration in softwood lumber and plywood prices, and if, in fact, we are to provide fiber at any cost to met the housing needs of the Nation in the years ahead.

The committee, therefore, proposes to institute this year a 10-year reforestation and timber stand improvement program. The committee is adding $15 million to the administration's requested $35 million to make a total of $50 million available in the first year of this undertaking. This additional funding will provide planting for an additional 30,000 acres and the committee understands that this is the maximum amount the Forest Service can utilize. If these 30,000 acres had been planted years ago and were now forested with mature timber, that timber would be worth more than $100 million. The committee believes that if this program is pursued for another 9 years, the entire 3.3 million acres of backlog can be completely reforested.

Costs of the program during the last 9 years will be even greater than that of this first year. Inflation will add more to the future costs. But, whatever the cost, the job must be done. It is a sound investment and will help solve the inflationary prices of softwood lumber, plywood, and homebuilding.

We urgently request that the Forest Service proceed immediately with the expansion of necessary nursery capacity and we urge that this program be vigorously pursued until completed. The committee is fully aware that the start of this program will not result in an immediate increase in the allowable cut, and must not be used as an excuse for such an increase in the cut. The entire goal and purpose would be defeated.

Not only is the committee concerned about the production of timber but also with the well-being of watersheds, the solution which trees can provide for environmental betterment, adequate provision for visitor use, and protection of fish and wildlife.

Therefore, the committee has, in this critical budget year, also provided additional funds, over the Forest Service budget, to accelerate work in these areas. Specifically, the committee has added $739,000 for recreation use, $1,000,000 for rangeland management, $900,000 for soil and water management, $360,000 for trees and timber management research, $2,500,000 for watershed management research, $760.600 for wildlife, range, and fish habitat research, $570,000 for insect and disease research and $4,921,000 for cooperation in forest fire control. It is expected that with *these additions* to the budget estimates, a basis for the expanded program in future years will be made so that the management of Forest Service lands may be brought to a level which is consistent with its multiple use objectives and with national needs. The committee makes no apology for meeting a problem before it becomes a crisis and urges the new Committee on the Budget to hold adequate hearings to determine our natural resources budget requirements and responsibilities.

For the information of the Committee of the Whole House, I would like to report that we held hearings on the various levels of funding necessary to bring varying degrees of achievement of a forest response to national needs. At this point I am presenting for your information here the alternatives for a higher, moderate, and low management program so that the people in the United States in reading this hearing and that the Members of this Committee may know what they can provide for our future forests.

[During the period 1975–79 unless otherwise noted]

		High alternative			Moderate alternative			Low alternative		
	Units of quantity	National forests	Assistance to private owners and States	Totals	National forests	Assistance to private owners and States	Totals	National forests	Assistance to private owners and States	Totals
Timber sales, per year	billion board feet	17. 1	7	24. 1	14. 8	6. 0	20. 8	13. 4	4. 8	18. 2
Increased timber supply from better utilization	do		11. 4			7. 3			4. 0	
Timber access roads	miles	48, 750			46, 350			37, 200		
Reforestation	million acres	3. 4	12. 1	15. 1	2. 2	9. 1	11. 3	2. 0	5. 0	7. 0
Thinning	do	4. 5	3. 7		2. 4	2. 9		2. 0	. 9	
Increased annual allowable harvest by 1984	billion board feet	3. 8			. 8			. 2		
Seedlings and improved trees	billions		6. 9			5. 1			3. 5	
New recreation capacity	people at one time	351, 000			87, 000			15, 000		
New recreation roads	miles	2, 000			600			None		
New recreation trails	do	6, 100			1, 800			None		
Improved wildlife habitat	million acres	23. 7	1. 6	25. 3	19. 4	1. 5	20. 9	16. 7	1. 4	18. 1
Range allotments under improved management	number	8, 300			7, 570			7, 070		
Available grazing	thousand animal-unit-months	16, 300			13, 300			11, 300		
Insect/disease detection surveys	million acres	3. 4			2. 5			1. 8		
Erosion control and stabilization	acres	300, 000	188, 000	488, 000	190, 000	110, 000	300, 000	100, 000	83, 000	183, 000
Acres saved from burning		350, 000			260, 000			35, 000		
Man-caused fires prevented		5, 000			3, 700			500		
Fire improvements		245			90			None		
Fuel and firebreaks	miles	15, 250			12, 000			8, 000		
Land acquisition	acres	375, 000			130, 000			74, 000		
Property corners established	number	32, 100			21, 800			13, 200		
Cash receipts (1975–79)	millions	$2, 327			$2, 273			$2, 248		
Timber sales in 1984	do	$846			$815			$802		
Returns to States and counties	do	$528			$516			$510		
Budget for 1975	do	$1, 080. 5			$766. 5			$669. 2		
Budget for 1975–79	do	$6, 776. 9			$4 682. 8			$3, 345. 5		

LOG EXPORTS

The committee has renewed a limitation on the use of funds available under this act for sales of unprocessed timber made by the Secretaries of the Interior and Agriculture where timber will be sold for export, or to be used as a substitute for timber exported by the purchaser. The limitation would not apply to the use of such funds for activities under sales made prior to the effective date of the fiscal year 1974 Interior Appropriations Act. The committee expects that the Secretaries shall include provisions in future timber sales contracts that will assure that the timber involved will not be exported, or used by the purchaser as a substitute for timber he exports, or sells for export.

Some confusion has existed as to what the committee meant by the term substitution. The committee defines substitution as the purchase of a greater volume of public timber by an individual purchaser than his historic pattern within a reasonable time of the sale by such purchaser of a greater volume of his private timber than has been his historic pattern. The committee also requests that the Secretaries shall include in future contracts a provision preventing a purchaser from selling timber to another person who would use the said timber as a substitute for timber he exports.

The committee has noted that there has been a substantial traffic in so-called cants. O cant is produced by slicing a log lengthwise into pieces which are slightly greater than 8 inches. This practice permits a purchaser to take a log from Federal land, to slice it 2 or more times, to do no more manufacturing, and then to export the resultant cant. The committee views this as a clear attempt to circumvent the intention of the Congress to embargo the export of whole logs from Federal lands. The Secretaries are, therefore, directed to require a purchaser to perform a greater amount of manufacture of logs from Federal lands before the product can be exported. The committee recommends the manufacturing requirements of the British Columbia Regulation R as such additional manufacture. It is not intended that this additional manufacturing requirement apply to the State of Alaska which has a long-established trade in cants.

INDIAN SELF-DETERMINATION

The committee held extensive hearings on the current administration policy of Indian self-determination, and will continue to be interested in the progress of this program. The committee fully supports this policy and has approved funds to continue it in fiscal year 1975. However, the committee requests that this policy be implemented very carefully so that the Indian community achieves maximum benefit from it and is not disappointed by possible adverse side effects of implementation.

The policy of self-determination is implemented, in part, by contracting with the various tribes for services previously supplied by the Bureau of Indian Affairs. Budget justifications reviewed by the committee revealed that the Bureau of Indian Affairs anticipated that it would provide approximately $155 million to the tribes in such contracts during fiscal year 1975 and that they would be able to reduce the total permanent positions in the Bureau by approximately 1,000. Further, the Bureau has allocated specific funds to be used by the tribes in managing these contracts. The committee wants to be sure that, in assuming responsibilities for programs formerly operated by the Bureau, the various tribes have the administrative capability to manage them effectively. It is incumbent upon BIA to assure that this capability exists and that adequate technical and management assistance is provided to the tribes in transition. The committee wants to insure a full accounting of the funds used and the programs operated so that there is maximum program effectiveness. In short, the committee wants to be sure that self-determination is not implemented so hastily that there is a net decrease in services to the Indian people, with resulting disappointment to all concerned.

In addition, it is clear to the committee that as the tribes assume more responsibility for Indian program operation, there is a fundamental need for the development of more sophisticated tribal administrative machinery than has heretofore existed. In particular, the committee believes that there will be a need for the establishment of well-managed personnel, retirement, auditing, and budget and accounting systems, and other facets of modern organizational management, adapted, of course, to meet the unique and special requirements of the Indian people.

The commitee expects a full review of the Bureau's response to its concerns in the 1976 budget hearings.

This year, as in past years, the committee was confronted with a flood of requests for numerous unbudgeted projects by various tribes and Indian groups. Those totaled more than half a billion dollars. The committee listened carefully and patiently for 2 days as various projects were described by outside witnesses. The committee believes that most if not all of these projects were meritorious. It has done its best, within the overall parameters of a constrained budget, to accommodate as many as possible. The committee has added more than $17 million above the budget estimates of the Bureau of Indian Affairs, exclusive of the Indian Revolving Loan fund. The committee is pleased that the Congress has passed and the administration has requested funding for the Indian Financing Act, which authorizes grants, direct loans, and loan guarantees and interest subsidies. This bill includes $68 million to implement that act. It is expected that many of the very meritorious projects described to the committee by outside witnesses and Members can be provided for with these funds. In the case of the direct loan program—revolving fund for loans—the committee realized that there would be many demands and little repayment of loans after the end of the first year. Since the $50 million requested was a one-time authorization, the committee decided it would be wiser to defer appropriation of part of the authorized amount. This will provide available authorization for appropriation in future years.

The committee continues to be concerned about the various Federal programs affecting Indian education. After months of delay, the Department of the Interior and the Department of Health, Education, and Welfare have finally formed a joint study of the programs which provide grants or other assistance to public schools with Indian children. It is hoped that this study will identify needed changes in legislation and regulations so that the funds provided for these programs are distributed fairly and equitably to the Indian community. In addition to those programs which provide assistance to the operation of schools with Indian children, the committee continues to be concerned with the funding of construction of public schools with Indian children. The committee is aware that Public Law 815 does not operate to provide safe, modern school facilities in wide areas of the country. Yet the list of construction needs grows longer each year. It is the opinion of the committee that some solution should be found. Indian children are entitled to protection from fire and disaster.

REPROGRAMING PROCEDURES

The House Committee on Appropriations for many years has had an informal agreement with the various agencies and bureaus funded in the Department of Interior and related agencies appropriation bill with respect to guidelines and procedures for reprograming funds by deferring approved projects and utilizing funds appropriated for these projects to accomplish others.

It has come to the attention of the committee that the practice of requesting approval for reprograming or notifying the committee about reprograming actions is not uniformly understood by the 27 various agencies funded in this bill.

The committee is well aware of the need of the administering agencies to reprogram funds to carry out an effective program. Changing conditions due to various factors may result in variations of cost estimates. However to maintain integrity in the appropriation process the committee must be kept fully appraised of all proposed reprogramings of projects and programs within each activity undertaken by the agency involved.

It is with this thought in mind that the committee has established the following criteria, generally parallel to those guidelines established in Senate Report No. 971, 88th Congress, 2d session for all reprogramings:

First. No funds shall be reprogramed from approved projects and programs within activities without a written request from the agency involved requesting specific approval.

Second. Such proposal should be made only when an unforeseen situation arises; and then only if postponement of the project or the activity until the next appropriation year will result in actual loss or damage. Mere convenience or desire should not be factors for consideration.

Third. Any project or activity which may be deferred through reprograming shall not later be accomplished by means of further reprograming; but, instead, funds should again be sought for the deferred project or activity through regular appropriation processes.

Fourth. Greater care should be expended in both legislative and appropriation processes to estimate costs more accurately and realistically in order to avoid situations wherein costs are underestimated to such an extent that requests for additional authorizations or for authority to expend greatly increased amounts must be made.

Fifth. It is desirable that in every possible instance funds for a project or activity should be expended or obligated during the fiscal year for which the appropriation is made.

The criteria pertaining to reprogramming for land acquisition under the Land and Water Conservation Fund contained in Senate Report No. 172, 89th Congress, 1st session, shall remain in effect.

The committee is highly displeased at the manner in which budget amendments have been submitted by the administration. The committee has had to consider almost $500,000,000 in budget amendments submitted after the original budget was presented, and the committee is aware that there are still proposals languishing at the Office of Management and Budget. For the most part, these amendments have had to be considered out of context of the regular budget justifications. The committee expects that the administration will process these amendments more expeditiously in the future.

GSA SPACE RENTAL

The committee has included a provision in the bill, identical to provisions in other appropriations bills for fiscal year 1975, which limits the payment for GSA space and services to 90 percent of the GSA billing. The committee recommendations for the various appropriations in the bill include reductions to implement this provision. These reductions total $7,787,000.

PROGRAMS NOT INCLUDED IN THE BILL

The budget estimates for fiscal year 1975 included funding for the following activities:

Saline Water Research	$3,029,000
Youth Conservation Corps	10,240,000
National Museum Act	1,000,000
Pennsylvania Avenue Development Corporation	831,000
Total	15,100,000

Existing legislation authorizing these appropirations expired June 30, 1974, or is insufficient to cover the amount requested in the budget.

Hearings were held on the budget estimates, but in absence of authorizing legislation for these activities in fiscal year 1975, the committee has decided to pass over these items without prejudice.

LIMITATION ON UNIT COST OF EMPLOYEE HOUSING

The limitation on the unit cost of employee housing—regardless of the source of financing—in the continental United States, Alaska, Hawaii, and the Territories shall be $45,000. This limitation includes engineering and design costs, but excludes provision of utilities to the lot line. Any exceptions to this monetary limitation shall be submitted to the committee for its advance review and approval. Employee houses shall not exceed the standards outlined by the committee in House Conference Report No. 2049, 87th Congress, 2d Session.

TITLE I—DEPARTMENT OF THE INTERIOR

LAND AND WATER RESOURCES

BUREAU OF LAND MANAGEMENT

Management of lands and resources

Appropriation, 1974	$116,682,000
Estimate, 1975	142,469,000
Recommended, 1975	140,696,000
Comparison:	
Appropriation, 1974	+24,014,000
Estimate, 1975	—1,773,000

The amount recommended by the committee, compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands o fdollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975
Resource management, conservation, and protection	113,244	+84,733	−1,080
Cadastral survey	11,889	+3,265	
Firefighting and rehabilitation	5,400	−20,300	
General administration	3,853	+430	−20
GSA space costs	5,160	+4,736	−573
Pay cost increases	1,150	+1,150	−100
Total, management of lands and resources	140,696	+24,014	−1,773

The Bureau of Land Management is responsible for the conservation, management, and development of about 451 million acres of the Nation's public lands, including 278 million acres in Alaska.

In addition, the Bureau administers mining and mineral leasing on other federlly owned lands, or former Federal lands where minerals have been reserved in public ownership, and on the submerged lands of the Outer Continental Shelf.

The reduction of $1,773,000 below the budget estimate consists of the following decreases:

Environmental impact of proposed Arctic gaslines	—$1,000,000
GSA space costs	—573,000
Increased pay costs	—100,000
Oil and gas leasing onshore	—50,000
Geothermal leasing	—30,000
General administration	—20,000

The budget estimate for this account reflected an increase in forest management programs on public domain lands. The increase was offset by a decrease in the funds provided in this account for the management of the Oregon and California grant lands. The justification for this diversion was that increased revenues from timber sales in the Oregon and California counties provided adequate funds for the mangement of these lands. While the committee has approved this one-time diversion, the committee does not approve of the continuing use of Oregon and California earmarked funds for management of public domain lands, other than Oregon and California lands. This year's budget should in no way be considered a precedent for future years. The Oregon and California lands are among the most efficiently managed in the country, and should be a model for other areas to follow. The committee in no way supports any action which will have the effect of diminishing the intensity of management of these lands.

The committee is aware and concerned about the rate of destruction of cultural treasures in certain areas of our public domain lands. The 300-percent increase in the budget for protection of these items will enhance the protection but will not approximate in any manner the job that needs to be done. Although the committee has recommended no additional funds above the budget for this activity, it would give sympathetic consideration of a reprograming request if the Bureau is able to identify savings in other areas.

The committee bill provides an increase of $24,014,000 over the 1974 budget. Despite this increase, the budget for the Bureau of Land Management remains lamentably small given the vast responsibilities the Bureau has over one-third of our Nation's land, particularly in view of the enormous growth in recreation use as well as natural resource demands.

Please do not be alarmed about the $20 million 1974 item shown as a reduction this year. This is fire cost money which will be reflected as usual in the supplemental budget at the end of the fire season. The amount then presented will reflect the actual costs.

Construction and maintenance

Appropriation, 1974	$6,800,000
Estimate, 1975	6,655,000
Recommended, 1975	6,655,000
Comparison:	
Appropriation, 1974	—145,000
Estimate, 1975	

The committee recommends an appropriation of $6,655,000. The budget estimate, for construction and maintenance of various facilities necessary for the proper administration of public lands under the jurisdiction of the Bureau of Land Management.

PUBLIC LANDS DEVELOPMENT ROADS AND TRAILS

Liquidation of contract authority

Appropriation, 1974	$4,000,000
Estimate, 1975	4,070,000
Recommended, 1975	4,070,000
Comparison:	
Appropriation, 1974	+70,000
Estimate, 1975	

This appropriation is required to liquidate obligations incurred under contract authority provided in the Federal-Aid Highway Act for development of roads and trails on public domain lands.

The Bureau of Land Management is responsible for maintaining about 44,000 miles of roads on the 451 million acres administered by the Bureau. Of the 32,000 miles of roads which are classed as primitive, 30,000 are in need of up-grading. There is an additional need of 6,700 miles of road construction and surfacing in order to serve the long-term management needs of the public lands.

OREGON AND CALIFORNIA GRANT LANDS

Indefinite appropriation of receipts

Appropriation, 1974	$28,750,000
Estimate, 1975	28,750,000
Recommended, 1975	28,750,000
Comparison:	
Appropriation, 1974	
Estimate, 1975	

The bill continues the indefinite appropriation of 25 percent of the gross receipts from sales of timber and other products, representing one-third of the 75 percent of revenues due the Oregon and California counties.

It is estimated that a total of $28,750,000 will be available during fiscal year 1975 for construction, acquisition, and operation and maintenance of access roads and improvements, and for forest protection and development on the revested lands and on other Federal lands in the Oregon and California land grant counties of Oregon.

RANGE IMPROVEMENTS

Indefinite appropriation of receipts

Appropriation, 1974	$3,242,000
Estimate, 1975	4,503,000
Recommended, 1975	4,503,000
Comparison:	
Appropriation, 1974	+1,261,000
Estimate, 1975	

The committee recommends an indefinite appropriation of $4,503,000 to be derived from public lands and Bankhead-Jones Farm Tenant Act lands grazing receipts for construction, purchase, and maintenance of range improvements.

RECREATION DEVELOPMENT AND OPERATION OF RECREATION FACILITIES

(Indefinite, Special Fund)

Appropriation, 1974	$165,000
Estimate, 1975	242,000
Recommended, 1975	242,000
Comparison:	
Appropriation, 1974	+77,000
Estimate, 1975	

The committee recommends an appropriation of $242,000, the budget estimate. This is an appropriation of receipts from admission fees and user charges from recreation users of lands administered by the Bureau of Land Management. The funds will be used to perform corrective and preventative maintenance at recreation facilities and to construct and improve facilities in support of the BLM off-road vehicle management program.

OFFICE OF WATER RESOURCES RESEARCH

Salaries and expenses

Appropriation, 1974	$13,769,000
Estimate, 1975	12,700,000
Recommended, 1975	13,795,000
Comparison:	
Appropriation, 1974	+26,000
Estimate, 1975	+1,095,000

The objective of this program is to stimulate, sponsor, provide for, and supplement present programs for the conduct of research, investigations, experiments, and the training of scientists in the fields of water and resources which affect water, in order to assist in assuring the Nation of a supply of water sufficient in quantity and quality to meet the requirements of its expanding population.

The committee recommends an appropriation of $13,795,000, a net increase of $1,095,000 over the budget estimate, consisting of an increase of $1,101,000 for State institutes and a decrease of $6,000 for GSA space costs. The increase will provide $110,000 per State for the 50 States and Puerto Rico where institutes have already been established. In addition, $10,000 each is provided for newly authorized institutes in the Virgin Islands, Guam, and the District of Columbia. The committee regrets that budget constraints prevent the recommendation of greater increases. Witnesses appearing before the committee stated that this is far more than just a land grant college assistance program. The committee understands that water is a vital factor in our national life and knowledge of our water resources is necessary if we are to maintain an adequate supply in the future.

The amount included in the bill provides the following:

Assistance to States for institutes	$5,640,000
Matching grants to institutes	3,000,000
Water resources research to be formed by any qualified entity or individual as provided under Title II of the Act	3,170,000
Scientific information center	940,000
Administration	992,000
GSA space	53,000
Total	13,795,000

FISH AND WILDLIFE AND PARKS

BUREAU OF OUTDOOR RECREATION

Salaries and expenses

Appropriation, 1974	$4,696,000
Estimate, 1975	5,040,000
Recommended, 1975	5,010,000
Comparison:	
Appropriation, 1974	+314,000
Estimate, 1975	—30,000

The Bureau of Outdoor Recreation serves as the focal point in the Federal Government for activities relating to outdoor recreation. In addition, a liaison is maintained with State and local governments and with the private sector with a view toward developing and executing a nationwide coordinated effort in the provision of outdoor recreation opportunities.

The Bureau also administers a program of matching grants to States for recreation planning, for acquisition of land and water areas, and for the development of such areas.

The committee recommends an appropriation of $5,010,000, a reduction of $30,000 below the budget estimate. The reduction consists of $9,000 for pay costs and $21,000 for GSA space costs.

LAND AND WATER CONSERVATION FUND

Appropriation, 1974	$76,223,000
Estimate, 1975	300,000,000
Recommended, 1975	300,000,000

Comparison:

Appropriation, 1974	+$223,777,000
Estimate, 1975	------------

The following table reflects the action recommended by the committee on the budget request:

Activity	Budget estimate	Committee bill	Change
Assistance to States	$196,000,000	$180,000,000	−$16,000,000
Federal programs:			
National Park Service:			
Recently Authorized Areas:			
Bighorn Canyon NRA	447,000	447,000	------------
Biscayne NM	1,000,000	1,000,000	------------
Buffalo NR	7,000,000	7,000,000	------------
Capitol Reef NP	375,000	375,000	------------
C. & O. Canal NHP	7,190,000	7,190,000	------------
Cowpen NB	1,000,000	1,000,000	------------
Cumberland Island NS	9,925,000	9,925,000	------------
Delaware Water Gap NRA	4,183,000	4,183,000	------------
Effigy Mounds NM	13,000	13,000	------------
Fort Donelson NHP	150,000	150,000	------------
Golden Gate NRA	10,000,000	15,000,000	+5,000,000
Gulf Island NS	342,000	342,000	------------
Lincoln Home NHS	500,000	500,000	------------
Minute Man NHP	3,000,000	3,000,000	------------
Muir Woods NM	400,000	400,000	------------
Perry's Victory IPM	250,000	250,000	------------
Piscataway Park	825,000	825,000	------------
Sleeping Bear Dunes NL	1,150,000	1,150,000	------------
Subtotal	47,750,000	52,750,000	+5,000,000
Wild and scenic rivers:			
Lower St. Croix	1,450,000	1,450,000	------------
Upper St. Croix	800,000	800,000	------------
Subtotal	2,250,000	2,250,000	------------
Deficiency awards	1,500,000	1,500,000	------------
Inholdings	20,000,000	16,200,000	−3,800,000
Total, National Park Service	71,500,000	72,700,000	+1,200,000
Forest Service:			
Whiskeytown-Shasta-Trinity NRA	$550,000	$550,000	------------
Sawtooth NRA	2,000,000	2,000,000	------------
Oregon Dunes NRA	800,000	800,000	------------
Flaming Gorge NRA	250,000	250,000	------------
Mt. Rogers NRA	1,100,000	1,100,000	------------
Spruce Knob-Seneca Rocks NRA	1,100,000	1,100,000	------------
Appalachian Trail	3,550,000	3,550,000	------------
Wilderness and primitive areas	2,000,000	2,000,000	------------
Specially designated recreation areas	4,650,000	18,550,000	+$13,900,000
Deficiency awards and inholdings	1,000,000	1,000,000	------------
Total, Forest Service	17,000,000	30,900,000	+13,900,000
U.S. Fish and Wildlife Service:			
Special legislation:			
San Francisco Bay NWR	6,000,000	6,000,000	------------
Tinicum Environmental Center	200,000	1,200,000	+1,000,000
Endangered species	1,300,000	1,300,000	------------
Recreation additions:			
National Elk NWR	750,000	750,000	------------
Mason Neck NWR	250,000	250,000	------------
Total, U.S. Fish and Wildlife Service	8,500,000	9,500,000	+1,000,000
Bureau of Land Management:			
King Range NCA	445,000	445,000	------------
Pacific Crest Trail	55,000	55,000	------------
Total, Bureau of Land Management	500,000	500,000	------------
Administration	6,033,000	5,980,000	−53,000
GSA space costs	467,000	420,000	−47,000
Total	300,000,000	300,000,000	------------

The committee recommends the full budget request of $300,000,000 for the land and water conservation fund, but has made several adjustments within the total.

The total recommended for assistance to States is $180 million, or 60 percent of the total appropriation. This level of funding is consistent with funding levels recommended by the committee in past years and will provide the States with adequate funding resources to carry out recreation land acquisition and development programs. Funds provided to the States shall be available to assist in the acquisition of properties at fair market values existing prior to the occurrence of Hurricane Agnes which are authorized by Pennsylvania State law to be acquired without consideration of any loss in value attributable to that disaster and which are acquired by the borough of Tunkhannock, Pa., for the River Street Park land and water conservation fund project. No person otherwise eligible for any kind of replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646), with regard to this project shall be denied such eligibility as a result of his being unable to meet the occupancy requirements set by that act because of that disaster.

The committee recommends an allocation of $16,200,000 for acquisition of National Park Service inholdings. During hearings on the 1975 proposed land and water conservation fund program, the Park Service identified numerous inholding opportunities, which are currently available or might be available in the near future. The committee expects the Department to submit these requests to the committee for approval using the normal procedure. The committee has indicated its interest in expediting payments to landowners who have offered to sell their property to the National Park Service under its opportunity inholding program. In furtherance of this effort, this committee approves the following procedures with respect to this program:

As has been the custom in the past, periodically proposed acquisitions are to be consolidated and submitted for consideration by the committee. The committee will make every effort to take action on any of the proposed acquisitions within 30 days of the date of the transmittal of the program to the committee.

The Department of the Interior has already initiated action to expedite processing of these programs. The Office of Management and Budget is also requested and encouraged to take similar action to improve the processing of offers taken under this program in order to expedite payments to the landowners. It is therefore suggested that the Office of Management and Budget give simultaneous consideration to these proposed acquisitions so that total processing time may not exceed 30 days.

The committee has recommended an increased allocation of $13,900,000 for land acquisition of the U.S. Forest Service. The increase is to be divided as follows: $10,000,000 for acquisition of lands in the Lake Tahoe basin, Calif.; $2,000,000 for acquisition of lands in the Sabine, Sam Houston, and Angelina National Forests, Tex.; $1,500,000 for acquisition of lands in the Green Mountain National Forest, Vt.; and $400,000 for land acquisition at the Council Bluffs project, Clark National Forest, Mo.

The premise on which the 1975 budget estimate was submitted would permit the Forest Service to acquire land for national recreation areas, wilderness and primitive areas, and the Appalachian Trail but would restrict land acquisition in specially designated recreation areas within national forests to only $4,650,000. Recreation use on the lands of the National Forest System continues to grow at a rate in excess of many past projections.

The committee disagrees with this proposed policy especially in view of the fact that additional recreation lands could be acquired in the eastern portion of the Nation where there are numerous areas of dense population. In addition, adherence to the proposed policy would drastically interfere with coordinated recreation plans of the Forest Service and the various States.

The Forest Service requires an annual program of about $70 million for the remaining 16 years of the fund to accomplish the purchase program envisioned initially over the 25-year period of the fund. In preparing future budgets the Forest Service program should reflect this need, with adequate attention given to land acquisition in specially designated recreation areas.

The committee recommendation includes an additional $1,000,000 for land acquisition at the Tinicum Environmental Center, Pa., for a total 1975 program of $1,200,000. The center is administered by the U.S. Fish and Wildlife Service.

U.S. FISH AND WILDLIFE SERVICE

Resource management

Appropriation, 1974	$86,537,000
Estimate, 1975	101,095,000
Recommended, 1975	100,666,000
Comparison:	
Appropriation, 1974	+14,129,000
Estimate, 1975	−429,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Estimate, 1975
Habitat preservation	$16,158,000	+$3,750,000	
Wildlife resources	43,329,000	+4,668,391	
Fishery resources	21,760,000	+420,000	
Endangered species	5,318,000	+658,000	
Interpretation and recreation	5,880,000	+210,000	+$50,000
Administration	3,623,000		
GSA space costs	3,798,000	+3,622,609	−422,000
Pay cost increases	800,000	+800,000	−57,000
Total, resource management	100,666	+14,129,000	−429,000

The net decrease of $429,000 below the budget estimate consists of an increase of $50,000 for recreation use at the Wichita Mountains National Wildlife Refuge, and decreases of $57,000 for pay costs and $422,000 for GSA space. Within the funds provided in the bill for "Fishery resources" the committee directs that the production level of 4.6 million lake trout per year from the Jordan River National Fish Hatchery be maintained in fiscal year 1975.

The committee continues to be concerned about proposals by the Fish and Wildlife Service to turn over the operation of certain Federal fish hatcheries to State governments. In the course of its hearings, the committee learned that a special task force of outside fisheries experts has been established to consider the whole question of the Federal role in the nationwide fisheries program. In the meantime, however, the Service continues to negotiate with States for transfer of certain hatcheries. The committee is concerned that in its haste to achieve a certain numerical objective in its hatchery transfer program, important Federal interests will be sacrificed. Specifically, the committee wants to be sure that the Federal investment in land and capital equipment in these hatcheries is maintained and that the States which assume responsibility for operating them have adequate budget resources to do a proper maintenance and management job. The committeee directs that the Department secure the approval of the committee before any agreement is entered into for the transfer of ownership and/or operation of a Federal fish hatchery.

The committee is also concerned about certain proposals to realine the regional boundaries and regional cities of the Service. Such proposals are often advocated for the principal purpose of making regional boundaries and cities conform to the so-called standard Federal regions and often have no relationship to efficiency and effectiveness in the operations of the Service. The committee directs that no realinement of regional boundaries and cities of the Service be made without prior approval of the committee.

The committee continues to be concerned about curtailment of recreation use on wildlife refuges. The committee understands that the primary purpose of these refuges is wildlife protection and that recreation should be controlled when public use becomes harmful to the primary purpose of the refuge. However, the committee believes that recreation use should not be unnecessarily curtailed and directs the Service to continue to provide adequate recreation use where it is not inconsistent with wildlife protection.

The committee is recommending an increase of $14,129,000 over last year's appropriation to carry out the many important responsibilities with which the Service is charged. The recommended allowance will provide for an additional 123 positions. The committee believes that the important work of the Service has to be focused in the field and not in the Washington office. The committee directs that to the maximum extent possible, the new positions provided in this bill be assigned to the field and not be used to increase the staff of the Washington office.

The committee is sympathetic to the appeal from the Service on the effects of the 1967 limitation of $25,000 for rehabilitation and improvement projects funded in this account. In the future, the cost of each rehabilitation and improvement project at any one of the Service's installations shall not exceed $60,000. Should the cost of any such project exceed $60,000, it is not to be undertaken without the prior approval of the committee.

Construction and anadromous fish

Appropriation, 1974	$8,126,500
Estimate, 1975	8,597,000
Recommended, 1975	13,447,000
Comparison:	
Appropriation, 1974	+5,320,500
Estimate, 1975	+4,850,000

This appropriation finances the construction and rehabilitation of fish hatcheries and wildlife refuge facilities, and fishery and wildlife research facilities. It also provides funds to carry out the provisions of the Anadromous Fish Conservation Act, to preserve, develop, and enhance anadromous fishery resources within the several States and the Great Lakes:

In addition to those projects included in the budget estimate, the committee recommendation includes the following projects:

Hatchery building, Allegheny National Fish Hatchery, Pennsylvania	+$300,000
Canal rehabilitation and flood damage repair, Okefenokee National Wildlife Refuge, Georgia	+200,000
Visitor facilities, Horicon National Wildlife Refuge, Wisconsin	+400,000
Site work, Makah National Fish Hatchery, Washington	+940,000
Hatchery facilities, White River National Fish Hatchery, Vermont	+1,523,000
Hatchery facilities, Warm Springs National Fish Hatchery, Oregon	+$1,187,000

In addition, the committee has provided $300,000 over the budget estimate in the anadromous fish program for matching with the State of Washington. These funds are to be used to assist in the implementation of the recent decision by U.S. District Court Judge George H. Boldt concerning Indian fishing rights. The committee understands that a budget recommendation for this activity will be shortly coming from the administration, but it was not received in time for committee action on the bill.

The 1975 program recommended by the committee will provide $2,633,000 for the anadromous fish program and $10,814,000 for construction and maintenance.

MIGRATORY BIRD CONSERVATION ACCOUNT

Definite, repayable advance

Appropriation, 1974	$3,500,000
Estimate, 1975	
Recommended, 1975	1,000,000
Comparison:	
Appropriation, 1974	−2,500,000
Estimate, 1975	1,000,000

Under the provisions of the wetlands legislation, this appropriation provides advances to the fund for acquisition of refuges. The advances are to be repaid from receipts beginning in fiscal year 1977. The congressional intent in approving advance funding was to enable purchase of wetlands before land price escalation. The budget policy of eliminating this advance funding is shortsighted. Last year the Congress approved funds in this appropriation over the objection of the administration and this year the committee is recommending funds when none have been requested by the administration.

In addition to funds provided in this appropriation, receipts from the sale of duck stamps, estimated at $11,000,000 in fiscal year 1974 and $12,000,000 in fiscal year 1975, will be available for acquisition of wetland areas.

NATIONAL PARK SERVICE

Operation of the National Park System

Appropriation, 1974	$193,752,000
Estimate, 1975	210,058,000
Recommended, 1975	209,437,000
Comparison:	
Appropriation, 1974	+15,685,000
Estimate, 1975	−621,000

The amount recommended by the committee, compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Estimate, 1975
Park management	195,894	+8,444	
Forest fire suppression and rehabilitation of burned areas	700		
Executive direction	5,342	+59	−40
GSA space costs	4,601	+4,282	−511
Pay cost increases	2,900	+2,900	−70
Total, operation of the National Park System	209,437	+15,685	−621

The reduction of $621,000 below the budget estimate consists of decreases of $70,000 for pay cost increases, $511,000 for GSA space, and $40,000 for executive direction.

The committee directs that within available funds, the National Park Service assist Indian tribes in planning museums and culture centers. The Indian community has recently shown an increased interest in developing its cultural resources and providing the American public an opportunity to learn more about the cultural heritage of the American Indian. The committee believes that the National Park Service has expertise in this area and can provide valuable technical assistance.

Planning and construction

Appropriation, 1974	$20,012,000
Estimate, 1975	57,303,000
Recommended, 1975	53,466,000
Comparison:	
Appropriation, 1974	+33,454,000
Estimate, 1975	−3,837,000

The committee recommends reductions below the budget estimate of $5,874,000 for Constitution Gardens—providing a total program of $2,000,000—and $1,000,000 for advance planning—providing a total program of $1,700,000. In addition, the committee directs that the National Park Service utilize, by reprograming, $2,800,000 included in previous appropriations for projects which cannot now be carried out or must be delayed until future years. Including this reprograming and the decreases noted above, the National Park Service will be able to carry out the following unbudgeted projects within the $53,466,000, which the committee recommends:

Reconstruction and restoration, Bent's Old Fort, Colo	+$2,336,000
Reconstruction and restoration, Fort Vancouver, Wash	+225,000
Visitors Center, George Rogers Clark National Historical Park, Ind	+532,000
Road construction and visitor facility planning, Grant Kohrs National Historic Site, Mont	+30,000
Project planning Newhalen campground facilities, North Casades National Park, Wash	+270,000
Park development, Bailly Homestead Area, Indiana Dunes National Lakeshore, Ind	+319,000
Visitors center and exhibits, Lincoln Home National Historic Site, Ill	+746,000
Fort stabilization and restoration, Gulf Islands National Seashore, Fla	+700,000
Fort stabilization and restoration, Gulf Islands National Seashore, Miss	+250,000
Fort reconstruction, Fort Scott National Historical Site, Kansas	+429,000

Road construction (liquidation of contract authority)

Appropriation, 1974	$35,000,000
Estimate, 1975	23,000,000
Recommended, 1975	24,126,000
Comparison:	
Appropriation, 1974	−10,874,000
Estimate, 1975	+1,126,000

This appropriation provides for liquidation of obligations incurred for construction of parkways and roads and trails by the National Park Service under contract authority provided in the Federal-Aid Highway Act.

The committee recommends the following reductions in the program proposed in the budget:

Construction Gardens (leaving a total appropriation in this account of $2,000,000)	−$1,941,000
Advance planning (leaving a total appropriation in this account of $2,100,000)	−1,000,000

The committee recommends the following additional projects not included in the budget request:

Natchez Trace Parkway:	
Section 3–C (Mississippi)	+$2,400,000
Planning, section 3–P–6 (Mississippi)	+100,000
Planning, sections 3–V–2, 3–V–1, and 3–U–2 (Mississippi)	+450,000
Section 2–D (Alabama)	+1,000,000
Grant Kohrs National Historic Site, Mont	+100,000
Park development, Indiana Dunes National Lakeshore, Ind	+17,000

In addition, the committee directs the National Park Service to accelerate work on the Alabama segment of the Natchez Trace Parkway to the maximum extent possible using available contract authority and liquidating cash. The Alabama segment will provide a direct connection with the Mississippi segment already under construction. The committee also urges that construction on the northern Mississippi segment be accelerated.

Preservation of historic properties

Appropriation, 1974	$15,842,000
Estimate, 1975	24,375,000
Recommended, 1975	24,375,000
Comparison:	
Appropriation,	+8,533,000
Estimate, 1975	----------

The committee recommends an appropriation of $24,375,000, the budget estimate. The amount provided includes the following activities:

Grants-in-aid	$16,000,000
Special Bicentennial grants-in-aid	4,000,000
Maintenance of the National Register	751,000
Advisory Council on Historic Preservation Support	543,000
Historic Sites Survey	578,000
Historic American Buildings Survey	448,000
Historic American Engineering Record	236,000
Archeological Investigation and Salvage	1,819,000
Total	24,375,000

The committee directs that within the funds available for archeological investigation and salvage, $175,000 be included for continuation of work at the Makah-Ozette diggings.

PLANNING, DEVELOPMENT AND OPERATION OF RECREATION FACILITIES

Indefinite, special fund

Appropriation, 1974	$30,738,000
Estimate, 1975	11,900,000
Recommended, 1975	11,900,000
Comparison:	
Appropriation, 1974	−18,478,000
Estimate, 1975	----------

The committee recommends an appropriation of $11,900,000, the budget estimate. Authority for this program originates from Public Law 92–347, approved July 11, 1972, whereby fees collected by the National Park Service for admission to designated units of the System and for special recreation-use facilities are earmarked for appropriation for its own use.

The committee recommendation will provide for the following activities:

Enhancement of fee collection systems	$6,000,000
Alternate transportation systems	4,608,000
Planning, rehabilitation and repair of recreation facilities	1,292,000
Total	11,900,000

The committee directs that, within the funds available for transportation systems, $150,000 shall be used for a field study of the Golden Gate National Recreation Area Travel Study.

John F. Kennedy Center for the Performing Arts

Appropriation, 1974	$2,400,000
Estimate, 1975	2,420,000
Recommended, 1975	2,420,000
Comparison:	
Appropriation, 1974	+20,000
Estimate, 1975	----------

The committee recommends an appropriation of $2,420,000, the budget estimate, for the cost of the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. These funds will provide for maintenance, security, information, interpretation, janitorial, and all other services necessary to the nonperforming arts functions of the Center.

ENERGY AND MINERALS

GEOLOGICAL SURVEY

Surveys, investigations, and research

Appropriation, 1974	[1] $160,240,000
Estimate, 1975	[2] 250,576,000
Recommended, 1975	203,195,000
Comparison:	
Appropriation, 1974	+42,955,000
Estimate, 1975	−2,381,000

[1] Excludes $10,642,000 base for budget estimates considered in the Special Energy Research and Development Appropriation Act, 1975.

[2] Excludes $43,125,000 budget estimate considered in the Special Energy Research and Development Appropriation Act, 1975.

The total amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate 1975
Special resource and environmental projects	3,363	+3,790	----------
Alaska pipeline related investigations	347	−558	----------
Topographic surveys and mapping	41,525	+4,741	−160

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate 1975
Geologic and mineral resource surveys and mapping	41,408	+2,691	−6
Minerals discovery loan program	198	−93	
Water resources investigations	46,426	+946	
Conservation of lands and minerals	32,323	+14,550	−300
Facilities	10,800	+5,068	−171
Earth resources observation systems	7,549	−1,405	
Resource and land investigations program	944		
Land use data and analysis	2,000	+2,000	−509
General administration	3,000	−87	−87
GSA space costs	9,412	+9,412	−1,045
Pay costs increases	1,900	+1,900	−103
Total, geological Survey	203,195	+42,955	−2,381

The Geological Survey provides the basic scientific data concerning water, land, and mineral resources and supervises the prospecting, development, and production of minerals and mineral fuels on leased Federal, Indian, and Outer Continental Shelf lands.

The reduction of $2,381,000 below the budget estimate consists of the following decreases:

Small scale and special mapping	−$160,000
Land resource surveys	−6,000
General administration	−87,000
Headquarters operation, Reston, Va	−71,000
Movement of personnel and goods	−100,000
Land use data and analysis	−509,000
Pay cost increases	−103,000
GSA space	−1,045,000
OCS lease supervision	−250,000
Oil shale lease supervision	−50,000

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

Salaries and expenses

Appropriation, 1974	[1] $59,040,000
Estimate, 1975	68,146,000
Recommended, 1975	67,803,000
Comparison:	
Appropriation, 1974	+8,763,000
Estimate, 1975	−343,000

[1] Included under the heading "Mines and minerals," Bureau of Mines.

This is a new appropriation, reflecting a recent reorganization in the Interior Department which split from the Bureau of Mines responsibilities relating to mine health and safety enforcement. A new agency, the Mining Enforcement and Safety Administration, now carries out these responsibilities in the Department.

The amount recommended by the committee compared with the comparable 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975
Coal mine health and safety inspections	38,833	+4,220	
Metal and nonmetal mine health and safety inspections	10,109	+2,100	
Education and training	5,564	−1,500	
Technical support	8,823	+1,235	
Program administration	1,417	+28	
GSA space costs	2,307	+1,980	−256
Pay cost increases	700	+700	−87
Total, mining enforcement and safety administration	67,803	+8,763	−343

BUREAU OF MINES

Mines and Minerals

Appropriation, 1974	[1] $71,989,000
Estimate, 1975	[2] 75,539,000
Recommended, 1975	77,703,000
Comparison:	
Appropriation, 1974	+5,714,000
Estimate, 1975	+2,164,000

[1] Excludes $33,611,000 base for budget estimates considered in the Special Energy Research and Development Appropriation Act, 1975.

[2] Excludes $137,108,000 budget estimate considered in the Special Energy Research and Development Appropriation Act, 1975.

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975
Metallurgy research	15,672	+200	
Mining research	36,283	+6	
Data collection and analysis	11,619	+1,762	−238
Engineering, evaluation, and demonstration	9,996	+1,004	+2,700
Program administration	1,419	+28	
GSA space costs	2,214	+2,214	−246
Pay cost increases	500	+500	−52
Total, Bureau of Mines	77,703	+5,714	+2,164

The net increase of $2,164,000 above the budget estimate consists of decreases of $238,000 for world mineral consumption and recycling statistics, $52,000 for pay costs, and $246,000 for GSA space, and increases of $2,000,000 for mined land investigations and demonstrations—anthracite area and $700,000 for filling mine void areas at Rock Springs, Wyo.

INDIAN AFFAIRS

BUREAU OF INDIAN AFFAIRS

Operation of Indian programs

Appropriation, 1974	$415,271,000
Estimate, 1975	464,107,000
Recommended, 1975	467,096,000
Comparison:	
Appropriation, 1974	+51,825,000
Estimate, 1975	+2,989,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate 1975
Education	221,934	+22,989	+2,918
Indian services	97,199	+3,290	+895
Tribal resources development	67,609	+13,284	
Trust responsibilities	17,885	+3,441	
General management and facilities operation	57,746	+4,098	−300
GSA space costs	4,723	+4,723	−524
Total, operation of Indian programs	467,096	+51,825	+2,989

The net increase of $2,989,000 above the budget estimate consists of decreases of $524,000 for GSA space and $300,000 for transfer of functions of the National Council on Indian Opportunity, and the following increases:

Higher education scholarships	+$1,000,000
Law enforcement and safety, including $120,000 for the Ute Mountain Ute Tribe, Colorado; $120,000 for the Southern Ute Tribe, Colorado; and $100,000 for the Lower Elwa Tribe, Washington	+370,000
Work-learn program	+25,000
Operation of the Busby School, Montana	+125,000
Operation of the Ojibway School, North Dakota	+218,000
Operation of the St. Francis School, South Dakota	+75,000
Operation of the Navajo Community College, Arizona	+1,400,000
Pilot experimental program in early childhood education	+100,000
Indian fishing rights, Washington, including $75,000 for law enforcement, $175,000 for resources management, and $120,000 for tribal operations for the Quinault Tribe, Washington	+500,000

The committee considered carefully the budget request of $300,000 to provide assistance to Indian tribes and organizations in making their views known to a proposed domestic council committee on Indian policy. At the time of the hearings, the Bureau of Indian Affairs had only very vague ideas concerning the structure and operation of the process and did not subsequently provide the committee with further information concerning the views of the Indian community, as requested. As noted above, the committee has disallowed the budget request but will consider this proposal in the future when the plans and procedures are more definite.

The committee is concerned about the slowdown in the Indian housing program. The housing needs of the Indian people are increasing each year. According to a recent survey, there are about 106,900 Indian homes of which only 40,600 existing dwellings are in standard condition. About 47,100 can be renovated to standard condition and about 47,100 new homes are required to replace existing substandard dwellings. The committee expects the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, the Department of the Interior, and other agencies involved to jointly make every possible effort to alleviate the Indian housing situation. Within the funds provided in this appropriation, the committee directs that $240,000 be used for repair and restoration of homes on the Papago Reservation.

Within funds available under the adult vocational training program, the committee directs that the training program at the Lummi School of Aquiculture be continued.

Within funds available for Indian services, the committee directs that $24,000 be used for social services for the Ute Mountain Ute Tribe, Colorado, and $26,000 be provided for the Squaxin Island tribal government development program, Washington.

Within funds available for tribal resources development, the committee directs that $20,000 be provided for the Papago travel study, $40,000 be available for road maintenance for the Ute Mountain Ute Tribe, Colorado, $400,000 be provided for forestry programs of the Quinault Tribe, Washington; $300,000 be provided for purchase of road equipment for the Los Coyotes Reservation, Calif.; and necessary funds be included for continuation of Indian action teams for the Northern Cheyenne Resources Development Corporation and the Colville Confederated Tribes.

The committee believes that there are valuable services being performed by the Intermountain Indian School and the National Indian Training Center at Brigham City, Utah. Accordingly, the committee directs that no action be taken to transfer personnel and equipment or close or transfer this facility without the consent of the committee. The committee further directs that the school shall have an enrollment of no less than 800 students and that no less than $3,475,000 be expended on the Intermountain Indian School at Brigham City, Utah, by the BIA in fiscal year 1975. At least $304,000 shall be expended for the National Indian Training Center programs in fiscal year 1975, unless otherwise approved by the committee. The committee has no objection to the transfer of the administration of National Indian Training Center programs to Haskell Indian Junior College so long as NITC functions remain headquartered in Brigham City, Utah.

Construction

Appropriation, 1974	$54,723,000
Estimate, 1975	51,875,000
Recommended, 1975	66,571,000
Comparison:	
Appropriation, 1974	+11,848,000
Estimate, 1975	+14,696,000

The committee recommends an appropriation of $66,571,000, an increase of $14,696,000 above the budget estimate. The increase above the budget estimate includes the following projects:

On farm developments related to the Navajo irrigation project	+$2,000,000
Power and irrigation construction, Colorado River Indian irrigation project	+2,000,000
Surveys and planning, land leveling, and canal lining, San Carlos Indian irrigation project	+1,000,000
Construction of San Simon School, Arizona	+4,000,000
Dormitory construction, Riverside Indian School, Oklahoma	+2,225,000
Design of new high school, Fort Totten, N. Dak	+375,000
School construction, Brockton, Mont	+1,300,000
School construction planning, Hays/Lodgepole, Mont	+145,000
Big Springs Domestic Water System, Uintah and Ouray Reservation, Utah	+1,433,000
Planning and construction of school facilities at Keshena and planning of facilities at Neopit, Wisconsin	+218,000

The committee continues to be concerned about the proposed replacement facility for the Chemawa School in Oregon. The committee believes that before funds are appropriated for this facility there needs to be an assessment of the educational needs of Indian children in the Northwest area, with specific reference to the need for a boarding facility, and with specific attention to the amount of remedial education needs that can be provided for in public schools. There should also be a study of the possible use of other facilities which could be converted for use for Indian education.

ROAD CONSTRUCTION

Liquidation of contract authority

Appropriation, 1974	$43,000,000
Estimate, 1975	59,000,000
Recommended, 1975	59,000,000
Comparison:	
Appropriation, 1974	+16,000,000
Estimate, 1975	-----------

This appropriation is required to liquidate obligations incurred for Indian road construction under contract authority provided in the Federal-Aid Highway Act.

Indian loan guaranty and insurance fund

Appropriation, 1974	-----------
Estimate, 1975	$20,000,000
Recommended, 1975	20,000,000
Comparison:	
Appropriation, 1974	+20,000,000
Estimate, 1975	-----------

This program was established by the Indian Financing Act of 1974—Public Law 93-262. The funds provided in this appropriation are part of the $68,000,000 recommended in this bill for implementation of that act.

The funds recommended will provide for the following activities:

Reserve for losses on guaranteed and insured loans	$6,635,000
Interest subsidies	12,065,000
Technical assistance	500,000
Administrative expenses	800,000
Total	20,000,000

Revolving fund for loans

Appropriation, 1974	$900,000
Estimate, 1975	50,000,000
Recommended, 1975	38,000,000
Comparison:	
Appropriation, 1974	+37,100,000
Estimate, 1975	−12,000,000

This program was established by the Indian Financing Act of 1974—Public Law 93-262. The funds provided in this appropriation are part of the $68,000,000 recommended in this bill for implementation of the act. This appropriation will provide for direct loans to Indian tribes and individuals at interest rates and terms established by the act.

The Indian Financing Act provided a one-time authorization for this program of $50,000,000. During the hearings, it was learned that there will be little repayment of loans in the first year of the program. Since this is a revolving loan fund, appropriation and obligation of the full $50,000,000 authorized for this program in fiscal year 1975 would leave only very small amounts for loans in future years. The committee believes that it would be more prudent to appropriate less in the fiscal year of the program and reserve some of the authorization for appropriation in future years.

The committee wishes to emphasize that it fully supports this program, as well as the other programs of the Indian Financing Act, and believes that these programs can make a large contribution to the goal of Indian self-determination.

Alaska Native fund

Appropriation, 1974	$70,000,000
Estimate, 1975	70,000,000
Recommended, 1975	70,000,000
Comparison:	
Appropriation, 1974	-----------
Estimate, 1975	-----------

Section 6 of the Alaska Native Claims Settlement Act—Public Law 92-203—provides for the establishment in the U.S. Treasury of an Alaska Native fund into which $462,500,000 shall be deposited over a period of 11 years.

After completion of an Alaskan Native roll, all money in the Alaska Native fund, except for certain fees as provided in section 20 of the act, will be distributed among the regional corporations—organized pursuant to section 7 of the act—for the benefit of Alaskan Natives.

The bill includes $70,000,000, the budget estimate, which is the amount specified in the authorizing legislation for deposit in the Alaska Native fund in fiscal year 1975.

Miscellaneous Tribal funds

Appropriation, 1974	$18,500,000
Estimate, 1975	18,500,000
Recommended, 1975	18,500,000
Comparison:	
Appropriation, 1974	-----------
Estimate, 1975	-----------

Funds held in trust for Indian tribes under the provisions of various acts are used for expenses of tribal governments, administration of Indian tribal affairs, employment of tribal attorneys, establishment and operation of tribal enterprises, investments, and the welfare of Indians.

TERRITORIAL AFFAIRS

OFFICE OF TERRITORIAL AFFAIRS

Administration of territories

Appropriation, 1974	$14,500,000
Estimate, 1975	15,000,000
Recommended, 1975	14,950,000
Comparison:	
Appropriation, 1974	+450,000
Estimate, 1975	−50,000

The Secretary of the Interior is charged with responsibility of promoting the economic and political development of those territories which are under the U.S. jurisdiction and within the responsibility of the Interior Department.

In addition to certain funds available to the Virgin Islands and Guam under permanent appropriations, this bill provides $1,000,000 for the Guam Economic Development Fund.

The $13,950,000 included in the bill for American Samoa will provide for priority programs in education, public health, public works operations, and administrative services. The committee calls attention to the progress made by the legislative branch of the government of American Samoa in accepting more responsibility and providing additional funds for various construction programs in American Samoa. This year, for the first time, all construction projects in American Samoa are being financed by local revenues.

The decrease of $50,000 below the budget estimate for American Samoa includes decreases of $25,000 for the Governor's office, $4,000 for the Chief Justice and High Court, and $21,000 for administrative services.

The committee held extensive hearings on the use of educational TV in the school system of American Samoa. The committee understands and appreciates the contribution which television can make to the educational process. However, the committee believes that television can never replace the teacher as a focal point in the classroom. The committee is concerned that too much reliance is being placed on educational TV in the educational system in American Samoa and directs that all available steps be taken to assure that TV does not become a substitute for the classroom teacher.

Trust territory of the Pacific Islands

Appropriation, 1974	$59,386,000
Estimate, 1975	61,000,000
Recommended, 1975	61,500,000
Comparison:	
Appropriation, 1974	+4,114,000
Estimate, 1975	+2,500,000

Funds provided under this appropriation account are for the continuation of the accelerated development program in the fields of education, health, public works, and resource management of the Trust Territory of the Pacific Islands.

The total appropriation recommended in the bill will provide $1,112,100 in direct appropriations for the High Commissioner, the Judiciary, and the Federal Comptroller, $49,730,900 for grants for operations, $9,157,000 for grants for capital improvements, and $1,000,000 for the economic development loan fund. This allocation corresponds to the budget estimate. In addition, the committee recommends an appropriation of up to $2,500,000 to replace categorical grant programs which have been phased out in recent years.

Micronesian claims fund

Appropriation, 1974	----------
Estimate, 1975	$1,400,000
Recommended, 1975	1,400,000
Comparison:	
Appropriation, 1974	+1,400,000
Estimate, 1975	----------

Public Law 92-39 authorizes ex grata payments to certain inhabitants of the Trust Territory of the Pacific Islands who suffered damages arising out of the hostilities of the Second World War and prior to July 1, 1951. Title II of that act provides $20,000,000 for post secure claims to personal or real property that arose piror to July 1, 1951.

The $1,400,000 provided in this bill is the first portion of title II moneys needed to settle post secure claims. The Micronesian Claims Commission estimates it will adjudicate 300 title II cases in fiscal year 1975.

SECRETARIAL OFFICES

OFFICE OF THE SOLICITOR

Salaries and expenses

Appropriation, 1974	$9,089,000
Estimate, 1975	11,870,000
Recommended, 1975	11,790,000
Comparison:	
Appropriation, 1974	+2,701,000
Estimate, 1975	−80,000

The committee recommends an appropriation of $11,790,000 a decrease of $80,000 below the budget estimate. The reduction consists of $12,000 for the Word Processing Center and $68,000 for GSA space.

At this point I think I should emphasize to the Committee of the Whole House, the importance of what a committee action taken several years ago, during the initial discussion of the proposed Alaska pipeline, means to the people of the United States. The committee appealed to the Solicitor of the Department of the Interior for a ruling relative to the reimbursement of additional costs superimposed upon the taxpayers by the proposed Alaska pipeline.

In the record of that supplemental hearing you will find, detailed, the Solicitor's opinion that the oil companies or consortiums, who are responsible for removing the oil and constructing the pipeline, are also responsible for reimbursing the taxpayers for the costs incurred by the Federal Government as a result of the pipeline constructions. Probably no more significant ruling was brought to a committee than this one.

I have always felt that the Solicitors of the Department of the Interior were rather the watchdogs for you, the people. I want to express my appreciation to the Solicitors with whom I have had the privilege of working while chairman. They have been competent, dedicated men with an extremely keen perception of the ramifications of the law of this land. They are all underpaid and overworked, and I cannot resist giving them this salute.

OFFICE OF THE SECRETARY

Salaries and expenses

Appropriation, 1974	$17,225,000
Estimate, 1975	20,047,000
Recommended, 1975	19,629,000
Comparison:	
Appropriation, 1974	+2,404,000
Estimate, 1975	−418,000

The committee recommends an appropriation of $19,629,000, a reduction of $418,000 below the budget estimate, for the operating expenses of the Office of the Secretary. The reduction consists of $40,000 for international activities; $40,000 for communications; $27,000 for Assistant Secretary, congressional and legislative affairs; $19,000 for Assistant Secretary, land and water resources; $20,000 for personnel management; $172,000 for GSA space; and $100,000 for general services.

Departmental operations

Appropriation, 1974	$6,620,000
Estimate, 1975	10,954,000
Recommended, 1975	10,954,000
Comparison:	
Appropriation, 1974	+4,334,000
Estimate, 1975	----------

The committee recommends an appropriation of $10,954,000, the budget estimate. The amount provided includes $5,255,800 for the Office of Hearings and Appeals, $1,794,500 for the Natural Resources Library, $253,700 for the Johnny Horizon program, $250,000 for the International Geothermal Symposium, $2,000,000 for the Office of Research and Development, and $1,400,000 for the Office of Minerals Policy Development.

SALARIES AND EXPENSES

Special foreign currency program

Appropriation, 1974	$670,000
Estimate, 1975	522,000
Recommended, 1975	192,000
Comparison:	
Appropriation, 1974	−478,000
Estimate, 1975	−330,000

The committee recommends an appropriation of $192,000, a reduction of $330,000 below the budget estimate. The amount recommended will provide for research in Poland on coal gasification and liquefaction, and geology.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE—FOREST SERVICE

FOREST PROTECTION AND UTILIZATION

The bill includes under this heading a total appropriation of $416,403,000, a decrease of $53,303,000 below the 1974 appropriation and an increase of $24,996,000 above the budget estimate. The committee has noted earlier in this report the basis and justification for these and other increases in the budget of the Federal Service.

The following is a summary of actions taken on the programs included under this appropriation:

Forest land management

Appropriation, 1974	$377,884,000
Estimate, 1975	291,136,000
Recommended, 1975	306,278,000
Comparison:	
Appropriation, 1974	−71,606,000
Estimate, 1975	+15,142,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

FOREST LAND MANAGEMENT

[In thousands]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Estimate, 1975
National forest protection and management:			
Timber resource management:			
Sales administration and management	$81,437	+$1,974	----------
Reforestation and stand improvement	48,289	+14,958	+$15,000
Recreation use	45,422	+819	+739
Wildlife and fish habitat management	8,903	+209	----------
Rangeland management	16,809	+996	+1,000
Soil and water management	15,583	+246	+900
Minerals management	3,436	−1,000	−1,000
Forest fire protection	34,345	−2,014	----------
General land management activities	25,421	+680	----------
Subtotal	279,645	+16,868	+16,639
Amount advanced from cooperative range improvements	−700	----------	----------
Subtotal, national forest protection and management	278,945	+16,868	+16,639
Water resource development related activities	----------	−159	----------
Fighting forest fires	4,275	−90,800	----------
Forest insect and disease control	10,969	−6,463	----------
Cooperative law enforcement program	1,575	−1,007	----------
GSA space costs	8,214	+7,655	−1,343
Pay cost increases	2,300	+2,300	−154
Total, forest land management	306,278	−71,606	+15,142

The net increase of $15,142,000 above the budget estimate consists of reductions of $154,000 for pay costs, $1,343,000 for GSA space and $1 million for Project SEAM—which has been transferred to "Forest research"—and the following increases:

Reforestation and stand improvement	+$15,000,000
Recreation use, including $150,000 for operation of campgrounds in the White Mountain National Forest, N.H.	+739,000
Rangeland management	+1,000,000
Soil and water management	+900,000

Forest research

Appropriation, 1974	$63,800,000
Estimate, 1975	70,525,000
Recommended, 1975	75,487,000
Comparison:	
Appropriation, 1974	+11,687,000
Estimate, 1975	+4,962,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Comittee bill, 1975	Bill compared with— 1974 appropriation	1975 estimate
Trees and timber management research	13,447	+360	+360
Forest watershed management research	8,760	+1,800	+2,000
Wildlife, range, and fish habitat research	4,467	−15	+760
Forest recreation research	1,176	−150	
Fire and atmospheric sciences research	7,847		
Forest insects and disease research	17,011	+6,250	+570
Forest products utilization research	9,723		
Forest engineering research	1,547		
Forest resources evaluation	3,649		
Forest economics and marketing research	3,653		
Project SEAM	2,200	+1,450	+1,500
GSA space costs	1,487	+1,472	−169
Pay cost increases	520	+520	−59
Total, forest research	75,487	+11,087	+4,962

The net increase of $4,962,000 above the budget estimate consists of decreases of $59,000 for pay costs and $169,000 for GSA space and the following increases:

Maximum fiber yield research, Rhinelander, Wis	+$360,000
Soils and reforestation research, Wenachee, Wash	+300,000
Strip mining research (Project SEAM), Berea, Ky	+500,000
New England forest environment research, Durham, N.H	+100,000
Project SEAM (transferred from "forest land management")	+1,000,000
Western environment forestry research (Eisenhower consortium)	+700,000
Urban forestry research, Northeast Pennsylvania	+450,000
Urban forestry research, Syracuse, N.Y	+450,000
Shrub research, Provo, Utah	+100,000
Wildlife habitat research, Stoneville, Miss	+100,000
Wildlife habitat research, Orono, Maine	+50,000
Wildlife habitat research, Olympia, Wash	+100,000
Wildlife habitat research, Fresno, Calif	+50,000
Management of upland wildlife, St. Paul, Minn	+100,000
Research on acute bovine pulmonary emphysema, La Grande, Oreg	+60,000
Forest research in the Idaho Batholith, Boise, Idaho	+100,000
Trout habitat research, Blacksburg, Va. and Franklin, N.C	+100,000
Black walnut research, Carbondale, Ill	+$120,000
Air pollution research, Delaware, Ohio	+450,000

Within the funds available for forest recreation research, the committee directs that $100,000 be provided for recreation research in the North Central Region. Within the funds available for forest resources evaluation, the committee directs that $100,000 be available for forest survey, North Central Region.

State and private forestry cooperation

Appropriation, 1974	$28,022,000
Estimate, 1975	29,746,000
Recommended, 1975	34,638,000
Comparison:	
Appropriation, 1974	+6,616,000
Estimate, 1975	+4,892,000

This program, carried out in cooperation with the States, encourages private timber management.

The net increase of $4,892,000 above the budget estimate consists of decreases of $9,000 for pay costs and $20,000 for GSA space and an increase of $4,921,000 for cooperation in forest fire control.

Construction and land acquisition

Appropriation, 1974	$27,093,000
Estimate, 1975	24,147,000
Recommended, 1975	31,459,000
Comparison:	
Appropriation, 1974	+4,366,000
Estimate, 1975	+7,312,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands of dollars]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Estimate, 1975
Forest land management construction:			
Development of recreation—public use areas	4,866	+3,791	+3,075
Water resources development construction	2,118	+1,949	
Construction for fire, administration, and other purposes	1,643	+540	
Research construction	4,355	−1,353	+4,355
Water pollution abatement	15,704	−2,034	
Land acquisition, Weeks Act	1,560	+260	
GSA space costs	393	+393	−66
Pay cost increases	820	+820	−52
Total, construction and land acquisition	31,459	+4,366	+7,312

The net increase of $7,312,000 above the budget estimate consists of decreases of $52,000 for pay costs and $66,000 for GSA space and the following increases:

Recreation construction, Council Bluffs Project, Clark National Forest, Missouri	+$1,325,000
Visitors facilities, Blanchard Springs Caverns, Arkansas	+900,000
Laboratory construction, Auburn University, Alabama	+816,000
Laboratory construction, Arcata, Calif	+564,000
Public facilities, Kerr Aboretum, Okla	+450,000
Laboratory construction (west wing), Corvallis, Oreg	+2,800,000
Planning and design, Forest Research Laboratory, Fresno, Calif.	+175,000
Recreation construction, Mueller Park, Cache NF, Utah	+$100,000
Water systems and sanitation facilities for group-type camping area at Jackson Flat, Angeles National Forest, Calif.	+300,000

FOREST ROADS AND TRAILS

Liquidation of contract authority

Appropriation, 1974	$97,700,000
Estimate, 1975	121,000,000
Recommended, 1975	120,464,000
Comparison:	
Appropriation, 1974	+22,764,000
Estimate, 1975	−536,000

These funds are required to liquidate obligations incurred under contract authority contained in the Federal-Aid Highway Act. The reduction of $536,000 below the budget estimate is for GSA space. Within the funds provided, the committee directs that $175,000 be used for construction of access roads for a group-type camping area at Jackson Flat in the Angeles National Forest, Calif.

The committee reemphasizes its strong opposition to the road policy which is currently in effect for the Forest Service. Requiring timber purchasers to construct timber access roads has the effect of reducing total receipts to the Federal Government and, therefore, to the State and county governments which also share the revenues. Furthermore, it encourages construction of roads whose quality is not consistent with the multiple use of objectives of Forest Service lands. In addition, it discourages the small timber operator from competing for timber contracts and depletes the fine engineering staff presently employed by the Forest Service. The committee expects the appropriate authorizing committees to address this policy and recommend to the Congress necessary changes.

The committee is concerned that the entire road program for fiscal year 1975 relates to timber harvesting needs. There are substantial additional needs for recreation and general purpose roads and the committee is aware that approximately $7 million could be used for this purpose in fiscal year 1975. The committee directs that, using contract authority currently available, the Forest Service increase its road program to provide for recreation and general purpose needs. Liquidating cash for the increased program can be provided in future years.

Acquisition of lands for national forest, special acts

Appropriation, 1974	$94,000
Estimate, 1975	161,000
Recommended, 1975	161,000
Comparison:	
Appropriation, 1974	+67,000
Estimate, 1975	

Congress has enacted several special laws which authorize appropriations from the receipts of specified national forests for the purchase of lands to minimize erosion and flood damage.

Acquisition of lands to complete land Exchanges

Appropriation, 1974	$55,300
Estimate, 1975	39,310
Recommended, 1975	39,310

Comparison:	
Appropriation, 1974	−$15,990
Estimate, 1975	----------

The act of December 4, 1967 (16 USC 484a) stipulates that deposits made by public school districts or public school authorities to provide for cash equalization of certain land exchanges can be appropriated to acquire similar lands suitable for national forest system purposes in the same State as the national forest lands conveyed in the exchanges.

Acquisition of lands, Klamath Indians

Appropriation, 1974	------------
Estimate, 1975	$49,000,000
Recommended, 1975	49,000,000
Comparison:	
Appropriation, 1974	+49,000,000
Estimate, 1975	------------

Public Law 93–102, August 16, 1973, authorized the acquisition of the remaining Klamath Indian forest lands in Oregon. These lands constitute about 134,961 acres and are to become part of the Winema National Forest. The committee recommendation provides the estimated cost of the acquisition of these lands.

COOPERATIVE RANGE IMPROVEMENTS

Special fund, indefinite

Appropriation, 1974	$700,000
Estimate, 1975	700,000
Recommended, 1975	700,000
Comparison:	
Appropriation, 1974	--------
Estimate, 1975	--------

Part of the grazing fees from the national forests, when appropriated, are used for revegetation of depleted range lands, construction and maintenance of range improvements, rodent control, and eradiction of poisonous plants and noxious weeds.

Assistance to States for tree planting

Appropriation, 1974	$1,013,000
Estimate, 1975	1,346,000
Recommended, 1975	1,344,000
Comparison:	
Appropriation, 1974	+331,000
Estimate, 1975	−2,000

These funds are used to provide advice, technical assistance, and financial contributions under section 401 of the Agricultural Act of 1956, to carry out increased tree planting and reforestation work on non-Federal forest lands.

Grants are matched by the States, and work is conducted in accordance with the plans submitted by the States, and approved by the Secretary of Agriculture.

The reduction of $2,000 below the budget estimate is for GSA space.

CONSTRUCTION AND OPERATION OF RECREATION FACILITIES

Indefinite, special fund

Appropriation, 1974	$3,278,000
Estimate, 1975	1,260,000
Recommended, 1975	1,260,000
Comparison:	
Appropriation, 1974	−2,018,000
Estimate, 1975	----------

The committee recommends an appropriation of $1,260,000, the budget estimate. Authority for this program originates from Public Law 92–347, approved July 11, 1972, whereby admission fees and user charges collected by the U.S. Forest Service at certain recreation areas are made available for appropriation for recreation-related activities.

The recommendation will provide for repair of facilities at fee-designated sites and increased enforcement of laws and regulations on Forest Service lands in order to reduce vandalism.

COMMISSION OF FINE ARTS

Appropriation, 1974	$153,000
Estimate, 1975	176,000
Recommended, 1975	174,000
Comparison:	
Appropriation, 1974	+21,000
Estimate, 1975	−2,000

The Commission of Fine Arts is a permanent advisory agency created to give advice concerning esthetic standards and matters of civic design involved in the orderly development of the city of Washington; and to furnish expert opinion on questions of art to the President, to the Congress and its committees, and to the heads of various departments and agencies of the Federal and District governments. The committee commends the Commission for the excellent work it has done.

The reduction of $2,000 below the budget estimate is for GSA space.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES ADMINISTRATION

Indian health services

Appropriation, 1974	$200,284,000
Estimate, 1975	226,043,000
Recommended, 1975	225,352,000
Comparison:	
Appropriation, 1974	+25,068,000
Estimate, 1975	−691,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation (thousands)	Bill compared with— Estimate, 1975 (thou-) sands
Patient care	$148,696,101	+$12,233	+$100
Field health services	69,816,000	+9,103	+696
Program management	3,111,000	+121	----------
GSA space costs	1,928,899	+1,811	−1,484
Pay cost increases	1,800,000	+1,800	−3
Total, Indian health services	225,352,000	+25,068	−691

The net reduction of $691,000 below the budget estimate consists of decreases of $1,484,000 for GSA space and $3,000 for pay costs and the following increases:

Medical care program, Ute Mountain Ute Tribe, Colorado	+$100,000
Study of the unmet health needs of the Indians served by the Small Tribes Organization of Western Washington who do not come within the current scope of the Indian Health Service program to determine how to best serve the needs	+100,000
Dental care, including programs for the Salish and Kootenai Tribes, Montana	+50,000
Health education	+21,000
Community health medics, including 20 additional positions	+250,000
Health clinic, White Eagle, Okla., including 24 additional positions	+275,000

The committee wishes to commend the Department of Health, Education, and Welfare and the administration for finally recognizing in this budget the urgent need for expanded programs in Indian health. In terms of the improvements made in the overall status of Indian health, the Indian Health Service is one of the real success stories in the Government. But there is still much to be accomplished, as the following items indicate:

The mortality rate from various causes for Indians is considerably higher than the general population.

Twenty Indian hospitals need replacement and thirteen additional hospitals require major modernization. The estimated cost of this work is more than $400 million.

Only 16 out of 51 Indian hospitals fully meet fire and safety codes; only 22 of the 51 Indian hospitals are accredited by the Joint Commission on Accreditation of Hospitals.

An estimated 22,150 Indian homes need running water and adequate waste disposal facilities; an estimated 15,847 Indian homes need upgrading of existing sanitation facilities.

The committee expects that the Department of Health, Education, and Welfare and the Administration will continue to give high priority to the important programs of the Indian Health Service.

Indian health facilities

Appropriation, 1974	$49,927,000
Estimate, 1975	54,956,000
Recommended, 1975	55,406,000
Comparison:	
Appropriation, 1974	+5,479,000
Estimate, 1975	+450,000

The recommended increase of $450,000 over the budget estimate will provide for planning for a replacement hospital in Parker, Ariz.

The committee is aware of the large unmet needs in the construction of Indian hospitals. Budget constraints have prevented the committee from further increasing this budget request to help meet some of these needs. The committee expects that future budgets from the administration will reflect the maintenance and construction needs in this area.

OFFICE OF EDUCATION

Indian education

Appropriation, 1974	$40,000,000
Estimate, 1975	42,000,000
Recommended, 1975	42,000,000
Comparison:	
Appropriation, 1974	+2,000,000
Estimate, 1975	----------

[In thousands]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975
Part A—Entitlement	$25,000	----------	+$25,000
Part B—Special projects for Indian children	12,000	----------	−20,000
Part C—Special projects for Indian adults	3,000	----------	−5,000
Administration	2,000	+$2,000	----------
Total, Indian education	42,000	+2,000	----------

The committee believes that the policy proposed by the administration of requesting no funding for part A of this program would result in disappointment by many school systems which have just begun to build special programs for Indian education under appropriations made for this program in 1973 and 1974. The committee has therefore made adjustments in the total appropriation requested to return the allocations for parts A, B, and C to the levels at which they were funded in fiscal year 1974.

May I suggest that no school board in the United States use the Indian population in their school as an excuse to add to their financial ability for programs for which the non-Indian children are provided at the expense of Indian funding.

It is unconscionable to make Indian education grants, provided to upgrade total Indian education and knowledge, a part of a school district budget meaningless to Indian children.

In addition may I add the following:

INDIAN EDUCATION ACT

First. The administration requested no funding for part A of the act. In order to avoid disruption in an on-going program, the committee has recommended a level of $25 million, the same as fiscal year 1974. It should also be noted that the committee recommended, and the Congress approved, a special provision in the current continuing resolution to keep the part A program going. Otherwise it would have fallen to zero on June 30, 1974. Anyone who is familiar with the committee recommendations for Indian education in recent years knows that the committee has not been skimpy with, nor negligent of, the needs in Indian education.

Second. In addition to the $42 million recommended for the Indian Education Act in this bill, HEW estimates that $145 million will be available to assist Indian students under the various authorities of the Office of Education.

In addition to this $187 million total, the bill provides, under the BIA Johnson-O'Malley program $27,952,000 for assistance to public schools near Indian reservations. This comes to a total of more than $210 million for assistance to Indians in non-BIA schools.

In addition to this $210 million, there is almost $140 million provided in the BIA budget for operation of BIA schools or schools funded by BIA but operated by the tribes on a contract basis.

Third. The committee is again concerned that the proliferation of education programs which affect Indian children has resulted in serious inequities in the way the funds are distributed. While some students receive double or triple "dips," others receive little or nothing. The committee has requested a joint HEW-Interior study to determine ways to more equitably distribute these funds. Until the findings of this study are known, the committee does not believe it is wise to pour more money into the part A program of the Indian Education Act.

Also, in response to a letter from me to the Department of Health, Education, and Welfare, a letter was forwarded me on June 7 which said:

> This is in response to your request for data on the number of Indian children enrolled in Public schools participating in the Federal programs funded under the legislative authorities; Elementary and Secondary Education Act Title I, PL-874 Federal Impact Aid, the Johnson-O'Malley Act, and Title IV the Indian Education Acts.
>
> The following data represents our best estimate of the number of Indian children participating in the Federal program mentioned above, during school year 1973-74. These figures are estimates and should be treated as such; however, we feel they are reasonable.
>
> Federal programs:

Number of Indians participating, school year 1973-74

ESEA title I	70, 500
Public Law 874	68, 875
Title IV, Indian Education Act	35, 000
Johnson-O'Malley program	51, 150

> NOTE.—Total number of Indian children enrolled in Public school during school year 73-74 is 230,000.
>
> The Bureau of Indian Affairs indicates that approximately 93,000 Indians in public schools are receiving funds under the Johnson-O'Malley program; however, 41,850 of the 93,000 are participating in terms of general aid, whereas, 51,150 are participating in terms of special programs. The 68,875 shown for PL-874 is all in terms of general aid to the school district enrolling children from Federal lands.
>
> It is not possible to estimate the number of Indian children who are receiving support from more than one federal program, but it is safe to assume that: the children receiving support from PL-874 and the General Aid category of Johnson-O'Malley are also participating in one of the other federal programs shown above.

May I urge that this whole program of joint participation of funding for Indian young people be investigated by the authorizing Committee of Education and that the committee call the BIA and the Office of Education, HEW, into a review session and provide, as a result of the discussion, a simple structure enabling each Indian child to have a total entitlement payment without overlap.

The taxpayers of the United States are interested in efficiency, and I do not believe that we can talk of achievements when we have an overlap in three ways in Indian education: First, through elementary and secondary moneys, second, through Johnson-O'Malley moneys, and third, through Indian Education moneys.

There are too many underprivileged children to have nothing if we do not figure out a responsible base.

May I again urge the Labor, Health, Education and Welfare Committee to hold oversight hearings and continue the prodding which the Appropriations Subcommittee has given and come up with a formula which reflects not only Indian needs but needs for all underprivileged children.

It is a sad and tragic fact that many young people today do not have a job because they cannot read. It is also a sad and tragic fact that young people who are parents cannot give the proper health and nutrition background to their children because they cannot read or understand the depth of programs which exist for their benefit.

I happen to believe that all minorities should be treated with equal dignity and financing so that we make a total American majority and that we make America responsible and responsive to the needs of every American youngster and every American family. It is not a matter of Indian, black, or chicano, but it is a matter of total excellence for everyone. We can afford to do no less, and we will destroy ourselves if we do not provide the opportunities for every young person in the United States to become part of the American majority.

It is unconscionable to believe that in 1974 our young Indian people have not received the programs which will guarantee them, the young people who are descendants of the possessors of America itself, an opportunity to fully participate in the affairs of the United States.

INDIAN CLAIMS COMMISSION

Salaries and expenses

Appropriation, 1974	$1, 164, 000
Estimate, 1975	1, 333, 000
Recommended, 1975	1, 324, 000
Comparison:	
Appropriation, 1974	+160, 000
Estimate, 1975	—9, 000

The committee recommends an appropriation of $1,324,000, a reduction of $9,000 below the budget estimate. The reduction below the budget estimate is for GSA space.

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and expenses

Appropriation, 1974	$1, 559, 000
Estimate, 1975	1, 840, 000
Recommended, 1975	1, 777, 000
Comparison:	
Appropriation, 1974	+218, 000
Estimate, 1975	—63, 000

The committee recommends an appropriation of $1,777,000, a reduction of $63,000 below the budget estimate. The reduction consists of $47,000 for four additional positions and $16,000 for GSA space.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Salaries and expenses

Appropriation, 1974	$105, 275, 000
Estimate, 1975	155, 000, 000
Recommended, 1975	145, 000, 000
Comparison:	
Appropriation, 1974	+39, 725, 000
Estimate, 1975	—10, 000, 000

The committee recommends a total appropriation of $145,000,000 for activities under this account, a decrease of $10,000,000 below the budget estimate and an increase of $39,725,000 over the fiscal year 1974 appropriation.

The following tabulation reflects the distribution of funds as provided in the bill:

[In thousands]

Activity	1974 appropriation	1975 budget estimate	Committee bill, 1975	Increase or decrease
National Endowment for the Arts:				
Grants-in-aid to groups or individuals	$46, 025	$57, 650	$53, 850	—$3, 800
Grants-in-aid to States	8, 250	14, 350	13, 400	—950
National Endowment for the Humanities:				
Grants-in-aid to groups and individuals	35, 750	57, 000	53, 850	—3, 150
State-based programs	8, 750	15, 000	13, 400	—1, 600

Activity	1974 appropriation	1975 budget estimate	Committee bill, 1975	Increase or decrease
Administrative expenses	$6,326	$10,333	$9,900	−$433
GSA space costs	174	667	600	−67
Total, national foundation on the arts and the humanities	105,275	155,000	145,000	−10,000

The committee is aware of the increasing interest and support by the public for the activities funded in this appropriation. The National Endowment for the Arts estimates that about 40,000 individual grantees or participants were directly affected by the endowments programs in fiscal year 1974 and the programs provided about 550 million contacts with the American public. The National Endowment for the Humanities estimates that about 10 million contacts were made with the American public in just one segment of its program.

Matching grants

Appropriation, 1974	$13,000,000
Estimate, 1975	20,000,000
Recommended, 1975	14,000,000
Comparison:	
Appropriation, 1974	+1,000,000
Estimate, 1975	−6,000,000

Funds provided under this appropriation account are available for matching in an amount equal to the total amount of gifts, bequests, and devises of money, and other property received by each endowment during the current and preceding fiscal years, for which equal amounts have not previously been appropriated.

The $14,000,000 recommended by the committee in this appropriation will provide $7,500,000 for the National Endowment for the Arts and $6,500,000 for the National Endowment for the Humanities. The committee believes that these budget levels reflect realistic programs, given the state of the economy and overall budget priorities.

Relative to the expenditure of the National Foundation for the Arts and Humanities, the committee should recommend an investigation relative to the total level of expenditures which are used in the arts and those in the humanities for it has been suggested that the expenses as an integral part of the humanities are much less than those of the arts programs due to the number of people involved.

For example, if groups of students use humanities grants what relationship in cost is it to the costs of ballet, theatre, or opera productions? Until we have a better analysis, it is difficult to determine the absolute propriety of the relationship of these funds.

First. Should they be equal; if not what difference should there be for the operating arts as against the scholastic humanities?

Second. If there should be no difference, let us have the complete report of the evaluation.

SMITHSONIAN INSTITUTION

Salaries and expenses

Appropriation, 1974	$57,642,000
Estimate, 1975	68,789,000
Recommended, 1975	67,789,000
Comparison:	
Appropriation, 1974	+10,147,000
Estimate, 1975	−1,000,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

[In thousands]

Activity	Committee bill, 1975	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975
Science	$23,944	+2,146	−$295
History and art	9,021	+333	−63
Public service	2,253	+139	−30
Museum programs	4,332	+726	−100
Special programs	5,429	+2,319	−165
Administration and support activities	20,278	+2,206	−120
GSA space costs	790	+536	−188
Pay cost increases	1,742	+1,742	−39
Total, salaries and expenses	67,789	+10,147	−1,000

The committee directs that within the funds provided for the Center for the Study of Man, $50,000 be included for archeological studies relating to the culture of American Indians.

Science Information Exchange

Appropriation, 1974	$1,695,000
Estimate, 1975	1,770,000
Recommended, 1975	1,755,000
Comparison:	
Appropriation, 1974	+60,000
Estimate, 1975	−15,000

The Science Information Exchange receives, organizes, and disseminates information about research in progress in the life, physical, and social sciences. Its mission is to assist the planning and management of research activities supported by Government and nongovernment agencies and institutions by promoting the exchange of information that concerns subject matter, distribution, level of effort, and other data pertaining to current research in the prepublication stage.

The reduction of $15,000 below the budget estimate is for pay costs.

Museum programs and related research (special foreign currency program)

Appropriation, 1974	$4,500,000
Estimate, 1975	4,500,000
Recommended, 1975	2,000,000
Comparison:	
Appropriation, 1974	−2,500,000
Estimate, 1975	−2,500,000

This appropriation item is to provide for the special foreign currency program of awarding grants to American universities, museums, or other institutions of higher learning, interested in conducting research in foreign countries. The committee urges that these funds be used only for projects of the highest possible priority.

The committee recommendation includes $1,000,000, the budget estimate, for the salvage of archeological sites on the island of Philae, Egypt.

Restoration and renovation of buildings

Appropriation, 1974	$1,070,000
Estimate, 1975	1,325,000
Recommended, 1975	1,490,000
Comparison:	
Appropriation, 1974	+420,000
Estimate, 1975	+165,000

The increase of $165,000 above the budget estimate is for the installation of an escalator in the National Museum of Natural History. This item was included in the budget estimate under "Salaries and expenses" and the committee has recommended a corresponding reduction in that account.

Construction and improvements, National Zoological Park

Appropriation, 1974	$3,790,000
Estimate, 1975	10,000,000
Recommended, 1975	9,420,000
Comparison:	
Appropriation, 1974	+5,630,000
Estimate, 1975	−580,000

The amount recommended will provide for the following:

Elephant house and bird house environs	$2,970,000
Planning and initial construction—service and parking facilities	2,700,000
Construction of education and administration building	2,500,000
Planning	600,000
Renovation and repair	650,000
Total	9,420,000

The committee has recommended a reduction of $500,000 in the budget estimate for construction of the Education and Administration Building. The committee favors the construction of this building and urges that every effort be made to secure additional funding from non-Federal sources.

Construction (appropriation to liquidate contract authority)

Appropriation, 1974	$17,000,000
Estimate, 1975	10,000,000
Recommended, 1975	7,000,000
Comparison:	
Appropriation, 1974	−10,000,000
Estimate, 1975	−3,000,000

This appropriation provides liquidating cash requirements for contract authority previously authorized for construction of the National Air and Space Museum. Testimony from the Smithsonian Institution indicated that only $7,000,000 is actually needed to liquidate obligations in fiscal year 1975.

NATIONAL GALLERY OF ART

Salaries and expenses

Appropriation, 1974	$6,202,000
Estimate, 1975	6,673,000
Recommended, 1975	6,673,000
Comparison:	
Appropriation, 1974	+471,000
Estimate, 1975	----------

The bill provides $6,673,000, the budget estimate, for salaries and expenses of the National Gallery of Art.

The National Gallery of Art receives,

holds, and administers works of art acquired for the Nation by the Gallery's Board of Trustees; maintains and administers the Gallery building so as to give maximum care and protection to art treasures and to enable these works of art to be exhibited regularly to the public without charge.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Salaries and expenses

Appropriation, 1974	$800,000
Estimate, 1975	1,010,000
Recommended, 1975	954,000
Comparison:	
Appropriation, 1974	+154,000
Estimate, 1975	−56,000

The Woodrow Wilson International Center for Scholars was authorized by Public Law 90-637, approved October 24, 1968, as the Nation's official living memorial to the 28th President. It sponsors a continuous advanced scholar, international fellowship program on various social and scientific subjects of special interest in the world of today.

The committee recommendation will provide $685,000 for the fellowship program and $269,000 for administrative expenses.

The decrease of $56,000 below the budget estimate is in the Public Service program. The committee recommendation will provide $100,000 for this program.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Salaries and expenses

Appropriation, 1974	$19,605,000
Estimate, 1975	9,719,000
Recommended, 1975	$9,686,000
Comparison:	
Appropriation, 1974	−9,919,000
Estimate, 1975	−33,000

The amount recommended by the committee compared with the 1974 appropriation and the 1975 budget estimate by activity is as follows:

Activity	Committee bill, 1975 (thousands)	Bill compared with— 1974 appropriation	Bill compared with— Estimate, 1975 (thousands)
Program review and development	$600	−$234,000	
Program coordination	2,150	+550,000	
Scheduling and facilitation	400	−5,500	
Bicentennial information network (BINET)	800	+400,000	
Communications	1,300	+284,000	
International activities	200	+150,000	
Exhibitions	1,900	−11,500	
Office support	657	−139,000	
Direct grants to the States	1,375		
Matching grants		−11,000,000	
GSA space costs	304	+87,000	−$33
Total, American revolution bicentennial administration	9,686	−9,919,000	−33

The committee urges that all Federal agencies cooperate with State bicentennial commissions and historical societies to the maximum extent possible so that the celebration of the Nation's Bicentennial may be a truly national and coordinated undertaking.

FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW

Salaries and expenses

Appropriation, 1974	$60,000
Estimate, 1975	63,000
Recommended, 1975	$60,000
Comparison:	
Appropriation, 1974	
Estimate, 1975	−3,000

The committee recommends an appropriation of $60,000, a reduction of $3,000 below the budget estimate, for the Federal Metal and Nonmetallic Mine Safety Board of Review which was established by section 10 of the Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

The adjudicative duties of the Board, in docketed cases, involve the hearing and determination of applications filed by mine operators seeking annulment or revision of, and temporary relief from, orders issued by the Secretary of the Interior under sections 8 and 9 of the act.

Testimony before the committee revealed that to date, no appeals have been made to the Board for hearing.

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

Salaries and expenses

Appropriation, 1974	$694,400
Estimate, 1975	694,400
Recommended, 1975	644,000
Appropriation, 1974	−50,400
Estimate, 1975	−50,400

The Joint Federal-State Land Use Plannning Commission for Alaska was established by the Alaska Native Claims Settlement Act—Public Law 92-203. Under the act the Federal Government will pay 50 percent of the Commission's expenses and the State government will pay 50 percent.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

[Note.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority appropriated, 1974 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1975 [1] (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with— New budget (obligational) authority, 1974 (5)	Bill compared with— Budget estimates of new (obligational) authority, 1975 (6)
TITLE I—DEPARTMENT OF THE INTERIOR					
Land and Water Resources					
Bureau of Land Management					
Management of lands and resources	$116,682,000	$142,469,000	$140,696,000	+$24,014,000	−$1,773,000
Construction and maintenance	6,800,000	6,655,000	6,655,000	−145,000	
Public lands development roads and trails (appropriation to liquidate contract authority)	(4,000,000)	(4,070,000)	(4,070,000)	(+70,000)	
Oregon and California grant lands (indefinite, appropriation of receipts)	28,750,000	28,750,000	28,750,000		
Range improvements (indefinite, appropriation of receipts)	3,242,000	4,503,000	4,503,000	+1,261,000	
Recreation development and operation of recreation facilities (indefinite, special fund)	165,000	242,000	242,000	+77,000	
Total, Bureau of Land Management	155,639,000	182,619,000	180,846,000	+25,207,000	−1,773,000
Office of Water Resources Research					
Salaries and expenses	13,769,000	12,700,000	13,795,000	+26,000	+1,095,000
Total, Land and Water Resources	169,408,000	195,319,000	194,641,000	+25,233,000	−678,000
Fish and Wildlife and Parks					
Bureau of Outdoor Recreation					
Salaries and expenses	4,969,000	5,040,000	5,010,000	+314,000	−30,000
Land and Water Conservation Fund					
Appropriation of receipts (indefinite)	76,223,000	300,000,000	300,000,000	+223,777,000	
U.S. Fish and Wildlife Service					
Resource management	86,537,000	101,095,000	100,666,000	+14,129,000	−429,000
Construction and anadromous fish	8,126,500	8,597,000	13,447,000	+5,320,500	+4,850,000
Migratory bird conservation account (definite, repayable advance)	3,500,000		1,000,000	−2,500,000	+1,000,000
Total, United States Fish and Wildlife Service	98,163,500	109,692,000	115,113,000	+16,949,500	+5,421,000

				Bill compared with—	
Agency and item (1)	New budget (obligational) authority appropriated, 1974 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1975[1] (3)	New budget (obligational) authority recommended in bill (4)	New budget (obligational) authority, 1974 (5)	Budget estimates of new (obligational) authority, 1975 (6)
National Park Service					
Operation of the National Park System	$193, 752, 000	$210, 058, 000	$209, 437, 000	+$15, 685, 000	−$621, 000
Planning and construction	20, 012, 000	57, 303, 000	53, 466, 000	+33, 454, 000	−3, 837, 000
Road construction (appropriation to liquidate contract authority)	(35, 000, 000)	(23, 000, 000)	(24, 126, 000)	(−10, 874, 000)	(+1, 126, 000)
Preservation of historic properties	15, 842, 000	24, 375, 000	24, 375, 000	+8, 533, 000	
Planning, development and operation of recreation facilities (indefinite, special fund)	30, 378, 000	11, 900, 000	11, 900, 000	−18, 478, 000	
John F. Kennedy Center for the Performing Arts	2, 400, 000	2, 420, 000	2, 420, 000	+20, 000	
Total, National Park Service	262, 384, 000	306, 056, 000	301, 598, 000	+39, 214, 000	−4, 458, 000
Total, Fish and Wildlife and Parks	441, 466, 500	720, 788, 000	721, 721, 000	+280, 254, 500	+933, 000
Energy and Minerals					
Geological Survey					
Surveys, investigations, and research	160, 240, 000	205, 576, 000	203, 195, 000	+42, 955, 000	−2, 381, 000
Mining Enforcement and Safety Administration					
Salaries and expenses	59, 040, 000	68, 146, 000	67, 803, 000	+8, 763, 000	−343, 000
Bureau of Mines					
Mines and minerals	71, 989, 000	75, 539, 000	77, 703, 000	+5, 714, 000	+2, 164, 000
Total, Energy and Minerals	291, 269, 000	349, 261, 000	348, 701, 000	+57, 432, 000	−560, 000
Indian Affairs					
Bureau of Indian Affairs					
Operation of Indian programs	414, 478, 000	464, 107, 000	467, 096, 000	+52, 618, 000	+2, 989, 000
Education and welfare services (appropriation to liquidate contract authority)	(793, 000)			(−793, 000)	
Construction	54, 723, 000	51, 875, 000	66, 571, 000	+11, 848, 000	+14, 696, 000
Road construction (appropriation to liquidate contract authority)	(43, 000, 000)	(59, 000, 000)	(59, 000, 000)	(+16, 000, 000)	
Indian loan guaranty andi nsurance fund		20, 000, 000	20, 000, 000	+20, 000, 000	
Revolving fund for loans	900, 000	50, 000, 000	38, 000, 000	+37, 100, 000	−12, 000, 000
Alaska Native fund	70, 000, 000	70, 000, 000	70, 000, 000		
Miscellaneous trust funds (definite)	3, 000, 000	3, 000, 000	3, 000, 000		
Miscellaneous trust funds (indefinite)	15, 500, 000	15, 500, 000	15, 500, 000		
Total, Bureau of Indian Affairs	558, 601, 000	674, 482, 000	680, 167, 000	+121, 566, 000	+5, 685, 000
Territorial Affairs					
Office of Territorial Affairs					
Administration of territories	15, 500, 000	15, 000, 000	14, 950, 000	+450, 000	−50, 000
Permanent appropriation (special fund)	(420, 000)	(625, 000)	(625, 000)	(+205, 000)	
Transferred from other accounts (special fund)	(645, 000)	(875, 000)	(875, 000)	(+230, 000)	
Trust Territory of the Pacific Islands	59, 386, 000	61, 000, 000	63, 500, 000	+4, 114, 000	+2, 500, 000
Micronesian claims fund, Trust Territory of the Pacific Islands		1, 400, 000	1, 400, 000	+1, 400, 000	
Total, Office of Territorial Affairs	73, 886, 000	77, 400, 000	79, 850, 000	+5, 964, 000	+2, 450, 000
Secretarial Offices					
Office of the Solicitor					
Salaries and expenses	9, 089, 000	11, 870, 000	11, 790, 000	+2, 701, 000	−80, 000
Office of the Secretary					
Salaries and expenses	17, 225, 000	20, 047, 000	19, 629, 000	+2, 404, 000	−418, 000
Departmental operations	6, 620, 000	10, 954, 000	10, 954, 000	+4, 334, 000	
Salaries and expenses (special foreign currency program)	670, 000	522, 000	192, 000	−478, 000	−330, 000
Total, Office of the Secretary	24, 515, 000	31, 523, 000	30, 775, 000	+6, 260, 000	−748, 000
Total, Secretarial Offices	33, 604, 000	43, 393, 000	42, 565, 000	+8, 961, 000	−828, 000
Total, new budget (obligational authority, Department of the Interior	1, 568, 234, 500	2, 060, 643, 000	2, 067, 645, 000	+499, 410, 500	+7, 002, 000
Consisting of—					
Appropriations	1, 568, 234, 500	2, 060, 643, 000	2, 067, 645, 000	+499, 410, 500	+7, 002, 000
Definite appropriations	(1, 413, 976, 500)	(1, 699, 748, 000)	(1, 706, 750, 000)	(+292, 773, 500)	(+7, 002, 000)
Indefinite appropriations	(154, 258, 000)	(360, 895, 000)	(360, 895, 000)	(+206, 637, 000)	
Memoranda—					
Appropriations to liquidate contract authoritiy	(82, 793, 000)	(86, 070, 000)	(87, 196, 000)	(+4, 403, 000)	(+1, 126, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(1, 651, 027, 500)	(2, 146, 713, 000)	(2, 154, 841, 000)	(+503, 813, 500)	(+8, 128, 000)
TITLE II—RELATED AGENCIES					
Department of Agriculture					
Forest Service					
Forest protection and utilization:					
Forest land management	377, 884, 000	291, 136, 000	306, 278, 000	−71, 606, 000	+15, 142, 000
Forest research	63, 800, 000	70, 525, 000	75, 487, 000	+11, 887, 000	+4, 962, 000
State and private forestry cooperation	28, 022, 000	29, 746, 000	34, 638, 000	+6, 616, 000	+4, 892, 000
Total, forest protection and utilization	469, 706, 000	391, 407, 000	416, 403, 000	−53, 303, 000	+24, 996, 000
Construction and land acquisition	27, 093, 000	24, 147, 000	31, 459, 000	+4, 366, 000	+7, 312, 000
Forest roads and trails (appropriation to liquidate contract authority)	(97, 700, 000)	(121, 000, 000)	(120, 464, 000	(+22, 764, 000)	(−536, 000)
Acquisition of lands for national forests:					
Special acts (special fund, indefinite)	94, 000	161, 000	161, 000	+67, 000	
Acquisition of lands to complete land exchanges	55, 300	39, 310	39, 310	−15, 990	
Acquisition of lands, Klamath Indians		49, 000, 000	49, 000, 000	+49, 000, 000	
Cooperative range improvements (special fund, indefinite)	700, 000	700, 000	700, 000		
Assistance to States for tree planting	1, 013, 000	1, 346, 000	1, 344, 000	+331, 000	−2, 000
Construction and operation of recreation facilities (indefinite, special fund)	3, 278, 000	1, 260, 000	1, 260, 000	−2, 018, 000	
Total, Forest Service	501, 939, 300	468, 060, 310	500, 366, 310	−1, 572, 990	+32, 306, 000
Commission of Fine Arts					
Salaries and expenses	153, 000	176, 000	174, 000	+21, 000	−2, 000

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued

[Note.—All amounts are in the form of "appropriations" unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority appropriated, 1974 (enacted to date) (2)	Budget estimates of new (obligational) authority, 1975 [1] (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with— New budget (obligational) authority, 1974 (5)	Bill compared with— Budget estimates of new (obligational) authority, 1975 (6)
Department of Health, Education, and Welfare					
Health Services Administration					
Indian health services	$200, 284, 000	$226, 043, 000	$225, 352, 000	$+25, 068, 000	-$691, 000
Indian health facilities	49, 927, 000	54, 956, 000	55, 406, 000	+5, 479, 000	+450, 000
Total, Indian Health	250, 211, 000	280, 999, 000	280, 758, 000	+30, 547, 000	-241, 000
Office of Education					
Indian education	40, 000, 000	42, 000, 000	42, 000, 000	+2, 000, 000	
Indian Claims Commission					
Salaries and expenses	1, 164, 000	1, 333, 000	1, 324, 000	+160, 000	-9, 000
National Capital Planning Commission					
Salaries and expenses	1, 559, 000	1, 840, 000	1, 777, 000	+218, 000	-63, 000
National Foundation on the Arts and the Humanities					
Salaries and Expenses					
Endowment for the arts	54, 275, 000	72, 000, 000	67, 250, 000	+12, 975, 000	-4, 750, 000
Endowment for the humanities	44, 500, 000	72, 000, 000	67, 250, 000	+22, 750, 000	-4, 750, 000
Administrative expenses	6, 500, 000	11, 000, 000	10, 500, 000	+4, 000, 000	-500, 000
Subtotal, salaries and expenses	105, 275, 000	155, 000, 000	145, 000, 000	+39, 725, 000	-10, 000, 000
Matching Grants					
Endowment for the arts (indefinite)	6, 500, 000	10, 000, 000	7, 500, 000	+1, 000, 000	-2, 500, 000
Endowment for the humanities (indefinite)	6, 500, 000	10, 000, 000	6, 500, 000		-3, 500, 000
Subtotal, matching grants	13, 000, 000	20, 000, 000	14, 000, 000	+1, 000, 000	-6, 000, 000
Total, National Foundation on the Arts and the Humanities	118, 275, 000	175, 000, 000	159, 000, 000	+40, 725, 000	-16, 000, 000
Smithsonian Institution					
Salaries and expenses	57, 642, 000	68, 789, 000	67, 789, 000	+10, 147, 000	-1, 000, 000
Science information exchange	1, 695, 000	1, 770, 000	1, 755, 000	+60, 000	-15, 000
Museum programs and related research (special foreign currency program)	4, 500, 000	4, 500, 000	2, 000, 000	-2, 500, 000	-2, 500, 000
Restoration and renovation of buildings	1, 070, 000	1, 325, 000	1, 490, 000	+420, 000	+165, 000
Construction and improvements, National Zoological Park	3, 790, 000	10, 000, 000	9, 420, 000	+5, 630, 000	-580, 000
Construction (appropriation to liquidate contract authority)	(17, 000, 000)	(10, 000, 000)	(7, 000, 000)	(-10, 000, 000)	(-3, 000, 000)
Salaries and expenses, National Gallery of Art	6, 202, 000	6, 673, 000	6, 673, 000	+471, 000	
Salaries and expenses, Woodrow Wilson International Center for Scholars	800, 000	1, 010, 000	954, 000	+154, 000	-56, 000
Total, Smithsonian Institution	75, 699, 000	94, 067, 000	90, 081, 000	+14, 382, 000	-3, 986, 000
Historical and Memorial Commissions					
American Revolution Bicentennial Administration					
Salaries and expenses	19, 605, 000	9, 719, 000	9, 686, 000	-9, 919, 000	-33, 000
National Council on Indian Opportunity					
Salaries and expenses	282, 000	(2)		-282, 000	
Federal Metal and Nonmetallic Mine Safety Board of Review					
Salaries and expenses	60, 000	63, 000	60, 000		-3, 000
Joint Federal-State Land Use Planning Commission for Alaska					
Salaries and expenses	694, 400	694, 400	644, 000	-50, 400	-50, 400
Total, new budget (obligational) authority, Related Agencies	1, 009, 641, 700	1, 073, 951, 710	1, 085, 870, 310	+76, 228, 610	+11, 918, 600
Consisting of—					
Appropriations	1, 009, 641, 700	1, 073, 951, 710	1, 085, 870, 310	+76, 228, 610	+11, 918, 600
Definite appropriations	(992, 569, 700)	(1, 051, 830, 710)	(1, 069, 749, 310)	(+77, 179, 610)	(+17, 918, 600)
Indefinite appropriations	(17, 072, 000)	(22, 121, 000)	(16, 121, 000)	(-951, 000)	(-6, 000, 000)
Memoranda—					
Appropriations to liquidate contract authority	(114, 700, 000)	(131, 000, 000)	(127, 464, 000)	(+12, 764, 000)	(-3, 536, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(1, 124, 341, 700)	(1, 204, 951, 710)	(1, 213, 334, 310)	(+88, 992, 610)	(+8, 382, 600)
RECAPITULATION					
Total, new budget (obligational) authority, all titles	2, 577, 876, 200	3, 134, 594, 710	3, 153, 515, 310	+575, 639, 110	+18, 920, 600
Consisting of—					
Appropriations	2, 577, 876, 200	3, 134, 594, 710	3, 153, 515, 310	+575, 639, 110	+18, 920, 600
Definite appropriations	(2, 406, 546, 200)	(2, 751, 578, 710)	(2, 776, 499, 310)	(+369, 953, 110)	(+24, 920, 600)
Indefinite appropriations	(171, 330, 000)	(383, 016, 000)	(377, 016, 000)	(+205, 686, 000)	(-6, 000, 000)
Memoranda—					
Appropriations to liquidate contract authority	(197, 493, 000)	(217, 070, 000)	(214, 660, 000)	(+17, 167, 000)	(-2, 410, 000)
Total, new budget (obligational) authority and appropriations to liquidate contract authority	(2, 775, 369, 200)	(3, 351, 664, 710)	(3, 368, 175, 310)	(+592, 806, 110)	(+16, 510, 600)
Special Energy Research and Development bill (Interior portion)	(230, 083, 000)	(561, 633, 000)	(543, 166, 000)	(+313, 083, 000)	(-18, 467, 000)
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	(3, 005, 452, 200)	(3, 913, 297, 710)	(3, 911, 341, 310)	(+905, 889, 110)	(-1, 956, 400)

Footnotes at end of table.

FOOTNOTES

[1] Includes budget amendments as follows:

H. Doc. 93-209

Bureau of Land Management: Management of lands and resources	$9,700,000
United States Fish and Wildlife Service: Resource management	800,0000
Geological Survey: Surveys, investigations, and research	25,300,000
Bureau of Mines: Mines and minerals	103,500,000
Office of Coal Research: Salaries and expenses	148,400,000
Office of the Secratary: Energy conservation and analysis	12,900,000
Total, H. Doc. 93-209	300,600,000

H. Doc. 93-286

Bureau of Land Management: Management of lands and resources	12,325,000
Geological Survey: Surveys, investigations, and research	2,625,000
Bureau of Mines: Mines and minerals	300,000
Bureau of Indian Affairs: Operation of Indian programs	300,000
Office of the Solicitor: Salaries and expenses	350,000
Office of the Secretary: Departmental operations	1,400,000
Total, H. Doc. 93-28	17,300,000

H. Doc. 93-291

Forest Service: Acquisition of lands, Klamath Indians	49,000,000

H. Doc. 93-307

Bureau of Land Management: Management of lands and resources	$1,110,000
Geological Survey: Surveys, investigations, and research	15,205,000
Total, H. Doc. 93-307	16,315,000

H. Doc. 93-310

Bureau of Indian Affairs:	
Operation of Indian Programs	10,000,000
Indian Revolving fund for loans	50,000,000
Indian Loan Guaranty and Insurance fund	20,000,000
Total, H. Doc. 93-310	80,000,000

H. Doc. 93-317

Forest Service: Forest Research	6,040,000
Total, budget amendments	469,255,000

[2] Budget amendment contained in H. Doc. 93-286 withdrew the request of $300,000 for appropriations for the National Council on Indian Opportunity.

Mr. Chairman, we have presented in detail this bill. We have also presented in detail through our volumes of hearings the factual problems of America. I have one final word. If you believe in this country and your country's sense of commitment to destiny, then you should vote for this bill. If you believe that the American society deserves less than we give to foreign nations around the world, vote "No."

The committee firmly believes that we would be less than responsible and responsive to the needs of this Nation, if we do not support this bill.

The usual and standard quote at this point in our proceedings is to say, "This is a good bill, you should support it." I am not going to repeat those words, because it is the best bill we could do under the fiscal system. I am, however, going to say that if you believe that Americans deserve good management of their natural and human resources, and if you believe that the United States is going to last much longer than impeachment proceedings, you will support the bill.

It is a bill for you—a bill for the future of that America which will last long after we have celebrated our bicentennial. It is a meaningful contribution to the tricentennial and to the society of nations with whom we associate.

Frankly, I believe that this bill is a small downpayment on what we owe our inheritors. It is a small downpayment that we make for having had the privilege of living on the American earth, and it is a commitment to the American future.

Mr. VANIK. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN of Washington. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I wish to commend the committee for its vigilance in assuring that the public interest is protected under the proposed expansion of leasing on the Continental Shelf. I am troubled with talk about a 10-million-acre leasing program which may exceed the capacity for development.

Can the gentlewoman from Washington, the chairman of the committee, give me some assurance that this leasing will not be beyond the capacity of development?

Right now there is a shortage of development equipment. Can the gentlewoman, the chairman of the committee, assure me that there will be some vigilance over the leasing program in order to assure it keeps pace with the availability or is related to the availability of production equipment?

Mrs. HANSEN of Washington. Mr. Chairman, may I say to the gentleman from Ohio that this subject has received more care and more scrutiny in the committee discussions and in our hearings than any other. That is the reason why on page 7 and page 8 of the report the Members will find a thorough discussion of the responsibility that we felt the Department of the Interior should have in the matter of leasing.

Project Independence provides for a target program—and I use the word, "target," advisedly—of 10 million acres, expanding the program from 3 million acres.

The committee is well aware of the problems of greatly expanding OCS leasing particularly because of the environmental considerations. We have very fragile terrain offshore. We think that the Department of the Interior should not only report its environmental findings, but that it should discuss the problems with the States involved, because there are some States which have complete restrictions against exploration, against drilling, and so forth.

On the other hand, as the gentleman knows, the United States is faced with developing additional sources of energy to be able to meet the ever-expanding needs. However, the committee felt that there should be very careful review at each step of the OCS leasing program. Vast amounts of knowledge are necessary and that is why the special energy research and development appropriation bill and this bill have provided additional funds which we felt are necessary.

The Members are well aware, I am sure, that this committee has increased funding for the Geological Survey year after year. The committee was extremely disturbed several years ago to discover that the oil companies and the business enterprises knew far more about the terrain and about the characteristics of the land and the problems concerning these matters than did the Government. The Government did not have the money to develop the knowledge, and the committee has been continually struggling with this problem.

We think that we are building a far sounder structure.

Mr. VANIK. Mr. Chairman, I wish to commend the gentlewoman, the chairman of the committee, and the committee for this action they have taken.

Mr. Chairman, leasing of Federal lands for energy development should not be permitted beyond the capacity for reasonable development. It appears that the Department of Interior, in proposing an expansion of OCS leasing to 10 million acres a year, apparently has forgotten this principle of equity and good sense. In exploring for a justification for the accelerated leasing schedule, I have found almost no hard facts. Some Interior representatives claim, in fact, that the 10-million-acre target is only an approximate goal meant to spur additional drilling in some vague hope of achieving energy self-sufficiency by 1980.

The Council on Environmental Quality recently released its report on leasing on the Outer Continental Shelf. One of the major facts stressed by CEQ in its report was that the presence of commercially recoverable oil and gas reserves in the Atlantic and Alaskan OCS—areas targeted under the accelerated leasing program—is only speculative. In short, if we lease these areas now, we will not even be sure what we are giving away.

Another factor that must be considered is the extent to which the Department of Interior is capable of regulating this development. Currently, DOI's program for supervising OCS leasing relies on a great deal of coordination between the Bureau of Land Management and the Geological Survey. This program has proven itself barely adequate to handle the relatively low levels of leasing activity in the past. There is good reason to believe that this tenuous organizational arrangement will crumble under the additional pressure of a 10-million-acre program. Already there are indications that the Geological Survey is not performing an adequate job of regulating drilling activities on existing leases in the OCS.

In sum, it appears to me that there are ample reasons why the OCS program should not go forward. The accelerated leasing of the OCS at this stage is premature and quite apparently a reflex action to the energy shortages of this winter. The potential for abuse of the public interest is high. For these reasons, I hope the committee will continue to demonstrate a high degree of vigilance over the Department of Interior's activities in this area.

Mr. McDADE. Mr. Chairman, I yield myself 5 minutes.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the distinguished gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

Before the gentleman from Pennsylvania delivers the main text of his address, I think we ought to take a moment to talk about the subcommittee chairman, the gentlewoman from Washington (Mrs. JULIA HANSEN). She has done such a marvelous job for the Congress, for the Committee on Appropriations, for her constituents, and for the country that I know that Members of the House on both sides of the aisle would like to pay special tribute to this remarkably capable person at this time.

Many committee chairmen, many subcommittee chairmen, and all Members of the House of Representatives have heavy responsibilities. When I survey our House membership I must say that there is no more dedicated, devoted, and effective person in the House than the gentlewoman from Washington (Mrs. JULIA HANSEN). I think it is a great loss that she is not going to be with us next year. She does her homework; she knows her bill; she works with her colleagues and others; and she serves the country eminently well. Future generations will owe a debt of gratitude to the foresight that JULIA HANSEN has demonstrated in providing for our precious national resources.

Mr. Chairman, our losses are furthered by the departure of WENDELL WYATT. The distinguished gentleman from Oregon has repeatedly made valuable contributions in his work on the Interior Subcommittee and in the committee and the House otherwise. His sound, levelheaded judgment has always been apparent in our deliberations in the committee. He will be greatly missed.

As chairman of the Committee on Appropriations, I want to offer special recognition to these two distinguished and outstanding Americans.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

Mr. Chairman, I want to join the distinguished chairman of the Committee on Appropriations, the gentleman from Texas, in paying my respects and regrets to the gentlewoman from Washington (Mrs. HANSEN) who will not be with us next year.

Those of us who have served with this delightful lady recognize that she has made a tremendous contribution Not only has she handled this bill with great efficiency and great concern for the items covered in the bill, but also in all of the other things that she has done while she has served with us here in the Congress. I have always found every time that I have discussed anything with the gentlewoman that she has always had an understanding and a receptive ear. She does not always say, "Yes." We do not want a chairman who always says, "Yes." She is a delightful person, and we are going to miss the gentlewoman from Washington, Mrs. JULIA HANSEN, a great deal. Not only are we going to miss the distinguished chairman of the subcommittee, but as well our colleague, the gentleman from the neighboring State of Oregon, Mr. WENDELL WYATT, who is going to leave us. He will not be here either next year.

As they go to whatever they plan to do after this session of Congress, we wish them well and want them to know that we are grateful for the contributions that they have made during their service here.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I am no longer a member of this subcommittee but for 3 years I was a member and for at least a year and a half I served as the ranking Democratic member on the subcommittee with the gentlewoman from Washington, (Mrs. HANSEN) and also with the gentleman from Oregon (Mr. WYATT) I just want to add my words at this point to indicate there are very few people in the House who have been more pleasurable to work with than have been the gentlewoman from Washington (Mrs. HANSEN) and the gentleman from Oregon (Mr. WYATT). I think both of them have shown a decency and a concern about the subject at hand and I am pleased to have served during my career in the House with such outstanding members.

Mr. McDADE. I thank the gentleman for his comments.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to pay tribute to the dedicated public service of the distinguished chairman of the Interior Subcommittee, the gentlewoman from Washington (Mrs. HANSEN).

She has established a highly respected leadership in the vital areas of conservation and energy development. She has been forceful in preserving and protecting the national domain. She has always been graciously cooperative. These policies and her contributions deserve the eternal gratitude of the American people.

Mr. McDADE. Mr. Chairman, I thank my colleague, the gentleman from Ohio, for his remarks.

Mr. Chairman, I do want to say to my very distinguished chairman, the gentleman from Texas and the ranking minority member, the gentleman from Michigan as well as my other colleagues who have commented briefly today that I wish to join them in expressing regret at the decision of the gentlewoman from Washington to retire. This is indeed the last appropriation bill that we will pass that will bear her hallmark. I think it is worthy of note that in the years she has been here every single appropriation bill for the Department of the Interior and related agencies has borne the stamp in no uncertain terms of the gentlewoman from Washington (Mrs. JULIA BUTLER HANSEN).

I think it is important for us to remember however that the work she has done in the past will go on, that millions of Americans enjoy a better usage of the national parks because of her interest in them, that millions of Americans will derive benefits from our national forests because of the tremendous interest she has taken, and that countless thousands of young Indian children will be given better educations and better health care because the gentlewoman from Washington has taken the time and effort and made the hard decisions to make that possible.

So we wish her well in her retirement and thank her for so many years of dedicated public service.

Likewise I want to pay tribute to my dear friend, the gentleman from the State of Oregon (Mr. WENDELL WYATT) who is making his last trip around today on this appropriation bill. I have been privileged as a Member of the minority side of the aisle to be the beneficiary of the wise counsel of my friend from Oregon on numerous occasions. Somebody once made the comment that one man who is right constitutes a majority, and if that phrase ever had applicability I think it has applicability in the case of my dear friend, the gentleman from Oregon.

Nobody, and I say this just as forcefully as I can, has spent more time and more hours looking at the problems that face the national forests of our Nation than the gentleman from Oregon. He is in my judgment the most knowledgeable Member of the House of Representatives with respect to this tremendously important resource and he has done so much to make these bills better vehicles for all Americans for all time.

We wish the gentleman from Oregon (Mr. WENDELL WYATT) Godspeed in his retirement and thank him for the tremendous public service he has performed so unselfishly and without a great desire to take the credit but with a desire to get the job done on so many important issues on so many different occasions.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding. From the comments just made about our colleague from Oregon and his willingness to dig in to find the facts, of course, his position without actively seeking a lot of publicity or seeking to aggrandize himself, is well taken. I have had a chance on many occasions to work with the gentleman in the well and our good colleague, the gentleman from Oregon. In both cases they have been willing to make sure that the appropriation with which we were dealing was very thoughtfully considered and yet they were both pretty hardnosed trying to stay within the budgetary requirements, and especially the gentleman from Oregon in his tremendous efforts to make sure that our National Parks and Forests in the West are adequately protected. He has been exceptionally good and effective in making sure we have adequate funds for this type of activity.

So I thank the gentleman for bringing out the point that our colleague, the gentleman from Oregon, has been so conscientious in his work on appropriations and trying to provide for what is really needed and not trying to take all the credit when many other Members of Congress are taking all the credit; so I appreciate the gentleman bringing out this point.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McDADE. I yield myself 5 additional minutes.

Mr. Chairman, I am delighted to rise today to urge support for this important appropriation bill. It has been a great pleasure taking note of the tremendous contributions of the gentle lady from Washington and gentleman from Oregon as we brought this bill to the floor; but make no mistake about it, this bill is the work product of a group of men and women who have worked together trying to produce a major resource bill to Congress and do it in a way that makes it capable of support by every Member of the House.

I hope that when we get beyond the 5-minute rule it will get the strong endorsement of the House, because I believe it merits it.

Mr. GROSS. Mr. Chairman, will the gentleman yield ?

Mr. McDADE. I yield to the gentleman from Iowa.

Mr. GROSS. I notice on page 2 of the report, the second table on the page, that there is $354,079,972 of additional spending, I assume for the same general purposes as those in 1974. Now, irrespective of the budget, this is an increase of $354 million over the appropriations for the same general purposes of last year.

Mr. McDADE. I would point out to the gentleman concerning that table that it includes, in addition to the regular budget request, permanent appropriations that exist within this bill, those that are essentially earmarked appropriations over which we have very little control. To try to present a full picture of what is being expended, those permanent appropriations are included along with the roughly $3.1 billion which is the first column for fiscal year 1975 for Interior and related agencies appropriation bill—$3.1 billion.

The items below that, I say to my able colleague from Iowa, are permanent funds over which we have very little discretion, but we wanted the gentleman to know the total amount of expenditures that are to apply, and therefore they are included, and indeed they do reflect increases in expenditures.

Mr. GROSS. So it can be accurately said that the bill is $354 million over expenditures for the same general purposes as last year?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McDADE. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I say to my colleague that there is no doubt that there are additional expenditures. I do want to point out to my colleague, if I may, however, that the table above it indicates the amount of new obligational authority that was requested of our subcommittee in both bills.

The gentleman will recall that the sum of $500 million which was in this bill was taken out of it and put into the energy appropriation which we passed some time ago. If the gentleman takes into consideration all the requests which we got as a committee of the House for new obligational authority, I say to the gentleman that we exceed those requests by $400 million, looking at the total package.

Mr. GROSS. Well, somehow or other I still cannot relate—but the gentleman is saying that this table, the second table on page 2 of the report, is $354 million above spending for the same general purposes as last year—we cannot very well fight inflation on that basis, can we?

Mr. McDADE. There are increases in expenditures, I say to my colleague, but a lot of that money the gentleman sees reflected in that table is presented to give him and other Members of the House a total picture of what is involved here, but it is important to know that we have very little control over those permanent accounts. They do impact on Federal spending, but not in new obligation authority.

What we had before us is more accurately reflected above in the summary of the bill showing what the requests for new obligational authority were; new spending authority were, and how we dealt with those.

I say to my colleague from Iowa that we did make a very strong effort to keep this bill within the bounds of the recommended budget. As I indicated, we had to consider about a billion dollars of requests in excess of the budget. We worked very diligently not to get into that position and to bring to the House a bill today which would not force the Members to have to decide what they would be for or against—a budget buster like that or this important resource bill. We have not done that.

Mr. GROSS. Is not the real test not how much we spend above what we spent last year?

If you and I are in financial trouble, we must cut our rate of spending, cannot we agree on that?

Mr. McDADE. I think that is certainly one test people ought to apply, but I do not think it is the full test. For example, may I say to my colleague that in this bill, and in the energy bill we passed some time ago, was a great deal of money to try to develop our resources—if you will, the peoples' resources—to solve the energy crisis.

That did reflect increases in spending that will occur in fiscal year 1975.

The CHAIRMAN. The gentleman's time has again expired.

Mr. McDADE. Mr. Chairman, I yield myself 2 additional minutes.

I think it is important, I say to my able colleague from Iowa, to recognize some of these things. We have to examine the Outer Continental Shelf to see whether or not we ought not to be bringing in more production of oil. We have to examine whether or not we cannot take coal and put it into a more presentable form, either through liquefication or gasification, to try to help us solve the energy crisis.

Some of these expenditures that we are making in this bill I think will help us through the energy crisis and will assist us, it seems to me, in bringing in additional revenue to the Treasury, something like $9 million, by activities generated within this bill.

I think this is a good investment in helping us to use our resources. This bill does more than a few worthwhile things, I would say to my colleague, the gentleman from Iowa.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. McDADE. Yes, I yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. Mr. Chairman, I would like to point out to the gentleman that in the budget this year there is an item we have not carried before, and that is GSA space costs which amounts to a substantial amount of money.

Mr. McDADE. Mr. Chairman, looking at all these factors and recognizing what it is we are making these expenditures for today, I think we can support this bill with a resounding vote. I hope that we do. I hope that we recognize that the investment that we are making in this bill in our national forests and in our national resources and that we will do much in assisting our native Americans to get better education, to get better health care, and indeed, in trying to make cultural opportunities available to a wider segment of the American people.

All of these factors merit our support of this bill.

Mr. Chairman, H.R. 16072 is in my judgment, one of the most important bills brought before this House each year. It is a resource bill where investments are made in renewable resources, energy resources, recreational resources, and, most importantly, in human resources. The dividends from these investments are realized in better education for Indian children, improved health care for Indian families, cultural and recreational opportunities for millions of American families and effective environmental management policies for our public lands.

The total new obligational authority contained in this bill amounts to $3,153,515,310. This is $450,630 above the budget estimates, and quite close to the amounts requested. However, a more meaningful comparison in my judgment, is to look at the funds we are appropriating today in terms of how much revenue they will generate. The total revenues generated in this bill will amount to an estimated $9,162,525,310 for the coming fiscal year. This means we are investing $3 billion and we are generating $9 billion. This by anyone's standards, is a tremendous investment of tax dollars.

However, we must look at the total picture. The actions of the committee in funding items in this bill will yield benefits to our Nation for many years to come and those benefits will not only be measured in terms of dollars and cents. The vast acreage of public lands managed by the Interior Department and the Forest Service represent a proprietary relationship between the people of this Nation and their Government. At the present time, 1.897 billion acres, both onshore and offshore, containing huge amounts of resources are funded through the activities in this bill. These lands will yield an abundance of national and natural resources now and for many years to come.

Our national forests yield a harvest of 12.6 billion board feet of timber, one-half of the water resources of the West, grazing for 6 million head of livestock. The Brueau of Land Management administers the sale of over 1.3 billion board feet of timber annually with receipts accruing to the Treasury of $16 million. In addition the BLM administers lands where 9 million head of livestock graze and habitat for millions of animals. The BLM is also charged with the important task of administering the mining and mineral leasing activities on 1.3 billion acres of offshore and onshore Outer Continental Shelf Lands.

Programs of the Fish and Wildlife Service produce 7.6 million pounds of fish each year. Their activities also include the support of 44 million annual fishing days and about 1.6 million waterfowl days, as well as 6.3 million hunting and fishing use days.

Earlier this session the Appropriations Committee produced a Special Energy Appropriations bill in an attempt to expedite and accelerate this Nation's new energy supplies. Our subcommittee produced one title of that bill including more than $543 million dollars in direct energy research aimed at producing those new energy sources. Many of the activities in this bill are closely related to our energy crisis but are not directly involved in energy research. Over $122 million in energy related activities are contained in this bill, including such programs as energy leasing activity by the Bureau of Land Management, trans-Alaska pipeline inspections to insure that environmental considerations are being met, health and safety research in the Nation's deep coal mines and research by the Forest Service into proper suface mine reclamation techniques.

There are numerous programs contained in this bill that meet the many needs of the American Indians. This bill contains over $1 billion in funds for the Bureau of Indian Affairs, the Indian Health Service, and for educational assistance to Indian youth. The accomplishments of the Indian Health Service have been tremendous over the past decade. Infant death rates are down 67 percent, tuberculosis is down 85 percent, gastritis is down 81 percent, influenza and pneumonia are down 58 percent. While these statistics are impressive, they are only the beginning of a long effort to improve the health and welfare of Indian families. The funds in this bill will allow for the education of nearly 150,000 Indian children in Federal boarding schools and in public schools.

But the American Indians are not the only beneficiaries of this bill. The funds for the National Endowment for the Arts and Humanities have been increased by 25 percent, the largest increase in the bill. We have provided funds for construction, additional land acquisition, and other improvements to our National Park System. Each year over 200 million visitations are made to our national parks, where all America can enjoy unlimited recreational opportunity. Our national parks are one of our finest investments.

We have also taken action to increase funds for the activities of the U.S. Forest Service. The total Forest Service budget has now passed the $500 million mark. Increases of $15 million coupled with another $35 million in this bill should be sufficient to launch the Forest Service proposed 10-year reforestation and timber stand program. These funds will provide planting for an additional 30,000 acres and at this level the entire present 3.3 million acres of backlog can be completely reforested.

Also included in this bill is approximately $4.2 million for additional land acquisition at the Delaware Water Gap National Recreation Area. This vitally important national recreational area has languished far too long a time. Thanks to the cooperation of the members of the subcommittee, we have been able to greatly increase available funding for this park. We must do so for many reasons.

First, the threat of condemnation has hung over the citizens of this area for almost a decade, working innumberable hardships upon them. They have a right to expect speedy justice in the resolution of their cases. This large infusion of money will help meet that end. Secondly, previous land owned by the Federal Government in this area has presented us with a checkerboard type of ownership, the result of which has been an administrative nightmare. Past superintendents of the park have found it extremely difficult to manage this national asset in a way that would enable it to achieve its full potential for the people of our Nation. We have needed this large infusion of money to try to meet this problem.

Mr. Chairman, I have spoken with knowledgeable people in the National Park Service who tell me that if all goes well, this should be the last request for funds for land acquisition for the Delaware Water Gap Recreation Area. As one who has spent countless hours getting this park reauthorized, attending to the needs of those whose land was tied up awaiting condemnation awards, attempting to assure that the various park superintendents had the various staff and other assets necessary to perform their tasks with the excellence that we have come to expect of them, I am deeply pleased that we may well be at the end of this particular road. The National Parks have been described as "windows of the past," and this great resource, when it is completed, will protect for future generations of Americans one of our Nation's most magnificent land areas.

Mr. Chairman, the people of several of our States have been plagued by an infestation of gypsy moths for some time now. Some time ago, as a result of a legislative effort which I undertook, this committee directed the Forest Service to engage in maximum transferability of all accounts so that there would be sufficient funding to have effective control programs operated by the affected State, the Forest Service, and the appropriate local governments. The Forest Service reports to us that there are in inventory several chemicals that do provide an effective control mechanism for this pest. It should be noted that the control chemicals contain none of the damaging chemical effects that are often associated with DDT. The Forest Service is to be commended for its work in developing these chemicals. Nevertheless, I have constantly pointed out to them that much more remains to be done if we are to insure that our vital timber stands are protected against this infestation. Therefore, I am most pleased to report to the members of the committee that this bill contains a new and important research initiative designed to provide us with even more effective measures.

The bill contains $3.4 million in this fiscal year for this research project and that is important. Even more important is the fact that we have received assurance from the appropriate executive groups that this represents the first fiscal year funding of a multiyear research project designed to bring this problem under control. Indeed, the Office of Management and Budget has agreed to spend at least $22.2 million in the fiscal years ahead in trying to nail down a solution to this problem. Our committee shall in the meantime continue to monitor the department to make certain that its control programs are responsive, appropriately funded, and meaningful in this continuing struggle to protect our timber stands and control the gypsy moth. We look forward to the day when the dollars that we appropriate today, together with those that will come in future fiscal years, will place us in an even stronger position.

Funds contained in this bill will also provide $2 million to enable the Bureau of Mines to continue its demonstration projects utilizing the single bore hole injection method. This method, which was developed by the Dowell Division of the Dow Chemical Co., is in my judgment, the most important break-through made in the area of subsidence control in the past 50 years. The process has been initially tested both in Wyoming and Pennsylvania, and the principles inherent in the method have proven themselves workable. Most importantly, such work, when fully demonstrated, has the potential to provide us with a new weapon in the battle to improve our environment by restoring subsurface conditions in previously inaccessible and often abandoned underground mine workings.

As we know, such mine workings over a period of time are certain to deteriorate and as they do, they create an inevitable surface disturbance. Too often, the tragic circumstances of that surface disturbance are innocent people who see their homes or their businesses destroyed, as the subsurface support gives way. This new method of subsurface stabilization enables the Bureau of Mines to gain access to those deteriorating and abandoned workings where access never was possible before; and access, in this case, enables us to bring relief to those who would otherwise face the loss of their homes or their businesses.

I am hopeful as well that this process, as it moves through the demonstration phase, will prove itself a reliable and dependable weapon in all cases of subsurface disturbance. When it does, it will contain within it the capacity to offer a far more effective cost-benefit ratio to these projects. Great credit is owed to the Bureau of Mines for their willingness to innovate in this critical field, and with the new $2 million in this bill, we will be able to move closer to the day when the process will be totally perfected. In the interim, let us never forget that we will be providing protection to people who see their homes or businesses threatened.

Some time ago, we were contacted by officials of the borough of Tunkhannock in my congressional district who cooperated with the State government in acquiring several tracts of land with homes thereon. That acquisition was essential because of the devastating effects of Hurricane Agnes. Officials of the borough were advised by the State government that the proper way for the acquisition to occur was through funding provided by the Bureau of Outdoor Recreation. Appropriate steps were taken by the local government, and long after the horrible events of 1972, they were advised of a legal problem that existed as a result of the Bureau of Outdoor Recreation's solicitor's opinion. Mr. Chairman, it is essential that this problem be resolved and to that end, I am pleased to report that we have worked with officials of the BOR and developed appropriate language contained in the committee report we are passing today which will remove the legal impediment and permit the BOR to acquire these properties at preflood values at the earliest possible moment. I want to express my deep appreciation to Mr. Watt, the Director of the Bureau of Outdoor Recreation, and his solicitor, and Mr. Hulett, for the wonderful spirit of cooperation they displayed in reaching an equitable solution to this problem.

In summary, this bill is a product of many months of deliberation over how to best meet the numerous and varied programs which contribute to the development of our renewable and depletable resources; our cultural and human resources; and the prudent management of our public lands. It is a series of what I believe to be wise investments in America and I urge its adoption by the House of Representatives.

Mrs. HANSEN of Washington. Mr. Chairman, I yield such time as he may consume to the distinguished gentlemen from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, may I first join those of my colleagues who have commended the distinguished gentlewoman from Washington.

The bill is, of course, a special tribute to the excellence of her representation and of her superior personality this afternoon; but it is more than that. It is a program for the progress and advancement of our Nation. I want to express the admiration and respect that I have for the gentlewoman. I have sat in committee with her through weeks and months of hearings, and, I have watched the manner in which she conducted the hearings and the manner in which she analyzed the requests for appropriations of the various Government agencies which receive their funds in this bill.

Her knowledge of the details of the various programs is matched only by her ability to comprehend their meaning in the full context of the bill.

The distinguished chairman, JULIA BUTLER HANSEN, knows the reality behind all the testimony with which the committee was presented.

The distinguished gentlewoman from Washington grew up in the great logging camps of the Northwest. She knows the timber industry. She has been in the coal mines. She has visited the game preserves. She has been on the oil rigs. She has been in the great national parks, and she has been in the art centers. She is a poet and author in her own right. She is sensitive to the visual arts and to literature. Mr. Chairman, Mrs. HANSEN knows the people who have a vital interest in these programs, people whom she loves, and who in turn love her.

I do not say that lightly. I have seen it in the eyes of the American Indians, in those of the Samoan Natives and in the eyes of people from Micronesia, who have visited our committee. I have heard the words they have spoken to her, and I have heard the words they have spoken about her. They were not obsequious words or words uttered because of the appropriations that were involved in this bill. These were people who were simply and honestly trying to express the special kind of feeling that they have for one who they know is a very good friend of theirs.

All of us have the highest respect for Mrs. HANSEN, a feeling that we all have for her beyond that of a colleague.

She is our dear friend, and it is with real sadness that we contemplate her leaving.

My good friend, the gentleman from Pennsylvania (Mr. MCDADE) mentioned that this was the last time that Mrs. HANSEN would leave her hallmark on this bill. I do not think he really meant that. This is the last time Mrs. HANSEN will leave her name on this bill, but her hallmark will stay on this bill not only for this year but for the next year and for years to come, because the mark that she has placed on these appropriations for all the activities that make up the Department of the Interior will stay with us for generations to come. Such has been her vision, her insight, and her remarkable acumen.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am delighted to yield to my friend, the gentleman from Washington.

Mr. HICKS. Mr. Chairman, I want to thank the gentleman for the remarks he is making. I know they are 2,000 percent true.

I would like to join in the sentiments the gentleman has expressed, even though I cannot match him in the details of his knowledge. My knowledge runs in other directions and in other subjects.

The House of Representatives of the United States is losing a great lady when the gentlewoman, the leader of my delegation, leaves at this time, and I am certainly grateful that the gentleman from Illinois is spreading this discussion on the RECORD.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I wish to echo the sentiments of both the gentleman in the well and my colleague, the gentleman from Washington, with regard to the leader of our delegation. We will miss her very much. I think this House will, too.

We are pleased to be on the floor with her here today as she is bringing her last bill to us.

Mr. Chairman, I thank the gentleman for his kind comments which he has made for the head of our delegation and wish JULIA the best for the future.

Mr. McKAY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Utah.

Mr. McKAY. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well and reaffirm what he has already said.

My experience is brief on this committee, being a 1-year, junior member of the committee. However, my experience has been long enough, in association with JULIA HANSEN, since I have been here to cause me to reaffirm what has already been said, and that is that she is a tough deliberate legislator, and she will not be dissuaded by sophistry of any kind. Yet, in the midst of that toughness and deliberateness and tenaciousness, she has a compassionate side which tempers that toughness to a reasonableness that is necessary in a democracy of our type in order to take care of the needs of all as nearly as is possible and as nearly as is practical under the limitations of the budget and the concerns of our country.

The gentlewoman's compassion for the Indians, as has been stated, is well known and is strongly felt. Her name is talked about, and she is as nearly a legendary figure as one can find among the Indian tribes across the country.

Mr. Chairman, I have been out in

Samoa, and I find that in the trust territories her compassion and her knowledge are well received out there.

Mr. Chairman, I would also like to mention a word concerning my good friend, the gentleman from Oregon (Mr. WYATT), who has been very able in the fields of forestry and western problems, just as has the gentlewoman from Washington been most knowledgeable about the affairs of the West, which deal primarily with our public lands. JULIA HANSEN and WENDELL WYATT have been bastions in support of our forest resources and other public resource needs.

Mr. Chairman, the gentleman from Oregon has acted with very great insight. I would like to commend him also at this time. We are losing two fine Members from the House of Representatives, in the fields of natural resources and the protection of our natural resources, which still remains the key to the future of our Nation. This Nation needs more of the stature of JULIA HANSEN and WENDELL WYATT.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise to associate myself with the remarks made in regard to the gentlewoman from Washington (Mrs. HANSEN) and the gentleman from Oregon (Mr. WYATT).

Mr. Chairman, I rise today in support of H.R. 16027, the Department of the Interior and related agencies appropriations bill, 1975 and, at the outset, I want to join my colleagues in commendation and appreciation of the capable and dedicated performance of my colleague from Washington, the very able chairwoman (Mrs. HANSEN) and my distinguished colleague from Oregon (Mr. WYATT) since they will soon be retiring from the Congress.

In their respective roles, both Mrs. HANSEN and Mr. WYATT have truly acted in the best interests of the American public by prudently apportioning funds for the protection, enhancement, and wise utilization of our vast wealth of natural resources. Through their efforts, they have demonstrated a genuine understanding of our concerns and needs, not only in the Pacific Northwest, but throughout our Nation, and I want to take this opportunity to thank them for a job well done.

At the same time, I want to commend the ranking minority member (Mr. McDADE) and the other members of the Interior Appropriations Subcommittee for the fine job they have done, in the face of the many competing demands for funding, in recommending realistic, responsive and responsible funding levels sufficient to deal with some of our most pressing national priorities.

With this in mind, I am pleased to note that, in recognition of our serious energy problems and the need to move as rapidly as possible toward energy "independence," the committee has seen fit to recommend increased funding levels for the Bureau of Land Management and the Geological Survey. These funding increases will allow a greater expansion of BLM's Outer Continental Shelf leasing program and the Geological Survey's mineral lease management and resource evaluation and classification activities which, as I see it, are absolutely vital if we are to successfully advance toward energy self-sufficiency.

The committee's funding recommendation of $300 million for the Land and Water Conservation Fund will allow continued acquisition of lands for parks and recreation to meet the public's growing demand for recreational opportunity. I am particularly pleased to note that the recommended funding level includes $15 million for land acquisition in the Golden Gate National Recreation Area, the establishment of which I cosponsored as a member of the authorizing committee.

The committee bill also includes significant and, in my judgment, necessary increases in funding for Indian programs, both through the Bureau of Indian Affairs and the Office of Indian Education. Of particular importance is the $20 billion in funding requested for implementation of the Indian Financing Act which, in my judgment, will contribute significantly to the goal of Indian self-determination.

As the ranking minority member of the Territorial and Insular Affairs Subcommittee of the authorizing committee, I am pleased that the committee has recommended a funding level of $63.5 million for the Trust Territory of the Pacific Islands. This funding will allow the trust territory to continue its important efforts to upgrade and expand vitally-needed public services and facilities.

In representing an area in which the lumber industry plays a key economic role, I am well aware of the important contributions of the Forest Service to the effective utilization and conservation of our timber resources. For this reason, I am pleased that the committee has recommended additional funding for the Forest Service to initiate a 10-year reforestation and timber stand improvement program, as well as funding for watershed management, forest fire control, and forestry research. A portion of this funding will be used to meet increased costs of forestry research laboratory construction at various locations, including the Redwood Research Laboratory at Arcata, Calif.

In a related matter, I am particularly pleased to note that the committee has once again included a restriction on use of funds included in this bill for sales of unprocessed timber from Federal lands where timber will be sold for export or used as a substitute for timber from private lands sold for export. As some of my colleagues know all too well, log exports have been a major concern of the forest products industry in northern California and throughout the Pacific Northwest, and I am pleased that the committee saw fit to address this problem.

Mr. YATES. Mr. Chairman, the distinguihed gentlewoman from Washington is not only a great lady for all the personal qualities that she possesses, but she is a great American, one who has the ideals and traditions of our Founding Fathers perpetually in mind, one who loves her country. She loves America, and she has done everything in this bill to make America the great Nation that it is.

Mr. Chairman, I wish, too, to address my remarks in farewell tribute to the gentleman from Oregon (Mr. WYATT) and to tell him how much of a joy and a pleasure it was to serve with him on the committee, to work with him, to hear his suggestions, and to be associated in his progressive contributions which he has made in the Congress. We will miss him very much, and we hope he and JULIA HANSEN will come back and visit with us often.

Mr. Chairman, one of the great attributes of the distinguished gentlewoman from Wahington is her foresight. She recognizes that one of our greatest challenges as a Nation is the effective management of our national resources. We no longer live in a world where questions of resource development can be resolved by band-aids, suggested by a remote bureaucracy. The varied character of our many resources poses an equally varied task of management. For example, the national forests which provide the lumber for construction and the fiber for papermaking, are a uniquely renewable resource. They are a crop, and for them good management means good husbandry, recognizing the years it takes for trees to grow.

This year, in this bill, the committee recommends that the Forest Service meet its responsibilities. In a series of unprecedented discussions, the Forest Service and the committee identified a largely neglected area of its responsibility and together produced a program to meet those needs.

It is proposed in this bill that every acre of a 3.3 million acre backlog be planted with trees in a period of 10 years. With this money an additional 30,000 acres will be replanted. The committee would have liked to go even further, but the Forest Service assured us that this was all the money that could be used in this year.

This is more than the start of a new program. It is a commitment to the future, to future generations, that they will continue to be able to enjoy the great forests that have been a part of our national heritage, and which will remain a part of their national heritage as well. The results and the benefits may not be obvious next year, nor the year after that, but in the years to come when trees will have grown on acres that would otherwise have been barren, we will be able to look back with pride upon this day, and justifiably so, because this committee and this Congress will have replaced irreplacable resources through programs of exploration and good management.

We have only the beginning of a technology, Mr. Chairman, that we will need to become more efficient in the use of our resources. Industry has many more instruments that are available which provide it with information than the Government possesses. As a result, Government decisions have frequently been made in the dark for lack of adequate information. We have provided in this bill the beginnings to obtain the source information which will permit a greater management of the resources that belong to the people of this country.

The bill before us responds in a comprehensive, thoughtful and creative way, and places great emphasis on the management and development of our fossil fuels. The fuel shortage of last summer and mid-winter was shocking to most Americans, but its lesson can be helpful if we can learn from it to practice conservation of our resources.

The Federal Government is the owner and the lessor of some of the Nation's largest reserves of oil sand, oil shale, onshore and offshore oil deposits. In his Project Independence the President proposed to make a substantial commitment to offshore oil exploration and exploitation. Government leases for such drilling are proposed to cover millions of acres. Nowhere else is the need for management so vital, and nowhere else could the lack of management cause more damage.

The President has proposed that 10 million acres in the Outer Continental Shelf be leased within the next year. The committee considered that request, and concluded that in the interest of good management that the leasing program should be limited during next year to 3 million acres, and again our committee report says:

> The committee directs the Department to appear expeditiously before the Committee and justify the leasing of additional acreage before further calls are made for nominations of tracts which would lead to leasing in excess of 3 million acres.

Mr. Chairman, why did the committee do that? The evidence before the committee showed that there is a shortage of oil rigs, oil pipe, and that there is a shortage of the expert manpower needed to carry out the leasing of 10 million acres.

Second, Mr. Chairman, the committee had before it the example of what has happened in the coal-leasing program in the West.

I am sure that some of the Members may wish to read our hearings in volume 6 in which we go into the question of the leasing of the people's resources.

On page 105 of part 6 of the committee hearings, I asked the representatives of the Department of the Interior this question:

> May I turn your attention to the coal leasing program. I don't know whether you have read the report put out by the Council on Economic Priorities on the Study of the Public and Indian Coal-Leasing Lands.

Mr. Hastey replied:

> I have not read it. I have seen a copy.
>
> Mr. Yates. I read from it:

And I quote:

> C&P found, because of weakness in the original leasing and mismanagement on the part of Interior, the public coal leasing program for the last 54 years has not operated in the public interest, it has failed to encourage resource development, failed to provide fair market value to the public and to the Indian treasuries and saddled the Nation with a huge block of leased, but unmined coal that may well frustrate energy resources planning for decades to come.

I asked Mr. Hastey if he would please comment on that. He said:

> That is a tough one.
>
> Mr. Yates. I don't know that it's your fault. I think it may be the fault of some of your predecessors, but the point is correct, isn't it?

Mr. Hastey said:

> It's correct. I can't argue that it's not. This is why we have proposed changes in the 1920 Mineral Leasing Act, to bring about more diligent development of coal and also to restrict offerings to competitive leasing.

Under the Coal Leasing Act, Mr. Chairman, we find that the major 15 leaseholders of the coal leasing programs have already obtained leases to almost 70 percent of the public coal lands, certainly a very monopolistic picture. That, Mr. Chairman, was one of the reasons that the committee decided that we ought to have great care that we would follow very carefully the question of leasing the acreage in the Outer Continental Shelf so that the repetition of the evils of the coal leasing program is avoided.

Mr. Chairman, my good friend, the gentleman from Pennsylvania (Mr. McDADE) and the distinguished gentlewoman from Washington (Mrs. HANSEN) have discussed other aspects of the committee bill, and I will not go into them at this time.

Mr. VEYSEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. WYATT).

Mr. WYATT. Mr. Chairman, this is a very, very good bill. I support it wholeheartedly. A great deal of time, thought, and attention have been given to it. I should like to express my deep sense of appreciation to the chairman of our subcommittee, the gentlewoman from Washington, for her many years of devoted attention to the subjects contained in our annual appropriations bill. I have served on several subcommittees. I am acquainted with most of the Members of the House. I do not know anyone who knows the subject matter of his or her committee more thoroughly than does the gentlewoman from Washington (Mrs. HANSEN). I am always amazed as we get into various little crevices and details of almost every subject matter at the width and breadth of the knowledge that the gentlewoman from Washington (Mrs. (HANSEN) has—and has at the tip of her fingers—in connection with this bill. The Nation owes her a debt of very great magnitude for her service, for her acquisition of this knowledge, and for her constructive use of the knowledge over the years. I shall not miss her as much as many Members of the House since I represent the congressional district across the Columbia River from the gentlewoman's district, so I anticipate we will see each other from time to time.

I should also like to express my personal appreciation to my colleagues in the House who have said kind things about my service during my service in the House.

One aspect of the bill that I should like to point to in particular is the section on reforestation that has been referred to by several of the speakers. I was delighted to hear the remarks of the gentleman from Illinois (Mr. YATES) on this matter because, while all Members were very interested in it, he was particularly interested in taking this resource that we have, the 3.3 million acres of unreforested land and making them productive, putting them into production so that our children will have wood fiber, so that they will have the houses, so that those of us who represent large cities will know that their constituents can have housing.

But we have an ever shrinking base for wood fiber in this country because of additional wilderness studies and designations and uses of the forests other than growing commercial timber. This base has been shrinking. We have now at the present time a pent-up demand, a compressed demand for housing. Everyone knows that housing starts are down, but because of the fact that housing starts are down, when the interest rates come down and the economy starts moving in this area again the demands are going to radically increase for wood fiber, and it simply is not going to be there. With supplies down and demands up, the prices we are going to be facing for soft wood lumber and plywood are going to be astronomical and are going to inflate further the cost of homes.

So unless we start a program, as we are going to do this year, we will be in more serious trouble. We should not wait for the crisis to occur before we act. We cannot plant a tree today and harvest it tomorrow. It simply will not work that way.

Mr. McKAY. Mr. Chairman, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Utah.

Mr. McKAY. Mr. Chairman, will the gentleman agree that this is one process in our Government where the saying of Amos in the Good Book says that "where there is no vision the people perish," because this is an area, as the gentleman indicated, where unless we look down the road for 10 or 20 or 30 or even 50 years and start the operation today, there will be no hope for those future years.

Mr. WYATT. I thank the gentleman for his remarks. The gentleman is absolutely correct.

If there is any legacy the gentlewoman from Washington (Mrs. HANSEN) and I would like to leave, it would be to ask the House to consider the reforestation program we have started. It will take 9 more years and a great deal more money than has been invested in the program so far, but the taxpayers will receive in return a great deal more than will be invested by the Government. As an investment, it is a very sound program for the Government, and in addition it would provide the needed wood fiber. And this is a renewable resource, a continuing natural resource if well managed. It is unlike oil and coal, when once exhausted, they are gone forever.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman in the well my colleague from Oregon, for his untiring efforts to achieve better forest management. I would also especially like to commend my dear freind, the gentlewomen from Washington, for her distinguished service as chairman of this important subcommittee on appropriations and for all her many years of meaningful contributions to the House of Representatives. I want the gentleman in the well (Mr. WYATT) and the gentlewoman from Washington (Mrs. HANSEN) to know how much they are going to be missed in the deliberations of this body.

I would like to ask the gentleman from Oregon this question. I understand that sound forestry requires that in many parts of the national forest system there be an acceleration in the rate of making commercial thinning sales in overstocked young stands of timber in order to promote the growth of the residual timber stand. I understand that the program of the Forest Service encompasses some commercial thinning sales. I would like to ask the gentleman whether in his opinion the bill includes sufficient funds to bring this commercial thinning sale program to an acceptable level.

Mr. WYATT. I certainly agree with the gentleman's statement that sound forestry practice on the national forests requires the making of commercial thinning sales as he has stated. The committee has understood Public Law 86-517 as a substantive direction to the Secretary of Agriculture to employ every good forestry practice that is conducive to sustained yield as defined in that act. Certainly, this includes the making of commercial thinning sales to achieve proper levels of stocking in the residual timber stand. Both the budget and the bill include funds for preparing, making, and administering such commercial thinning sales. Unfortunately, there are still not enough funds for a total, complete job for this essential and salutary forestry practice. We continue to urge that adequate funds, which are really in the nature of a profitable investment, be included for this purpose in future budgets submitted to Congress.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Colorado (Mr. EVANS), a member of the committee.

Mr. EVANS of Colorado. Mr Chairman, I would like to associate myself with the comments that have just been made by other members of the committee as they relate to the distinguished chairman, the gentlewoman from Washington (Mrs. HANSEN) and our distinguished committee member, the gentleman from Oregon, Mr. WENDELL WYATT. I cannot add very much to what others have said about these two distinguished Members of the House, but I would like to say one thing. At this time when the Congress of the United States has about the worst reputation it has ever enjoyed, I wish all of us had reputations similar to those of the gentlewoman from Washington and the gentleman from Oregon. I cannot think of any two more outstanding Members of the House. We shall miss their friendship. We shall miss their expertise. We shall miss their leadership in the House. I want them both to know how very proud I am to have been able to associate with them for just these brief few years on this committee.

I am deeply concerned about the present laws and past policies of the Interior Department in the leasing of federally owned resources, especially the coal leasing program.

While it is true that the Department has a moratorium on the issuance of any new coal leases, the Interior Department has published a draft environmental impact statement on the coal leasing program and is considering lifting the moratorium. A Federal Energy Administration background paper on Project Independence advocates a "major leasing program for mineral rights to Federal lands involving 10 million acres per year by 1978."

A recent report on Federal coal leasing by the Council on Economic Priorities has described many of the problems with the coal program. I shall summarize some of the findings of this Council:

Currently, there are 15 billion tons of coal under lease on the public lands. This represents 35 times the total U.S. coal production in 1973. In addition, there are 5 billion tons of coal on Indian lands, which are held in trust for the Indians and administered through the Bureau of Indian Affairs.

There is a great concentration of lease holdings among corporations. Fifteen out of a total of 144 leaseholders control 70 percent of the leases. This group includes 5 oil companies, 7 out of the top 15 coal producers in the Nation, and 3 electrical utilities.

Speculation has been rampant. Despite diligence requirements in the leases, only 11 percent of the leases are producing coal; 321 leases out of a total of 474 have never produced a ton of coal. In its 54 years, the leasing program has contributed less than 1 percent of the Nation's coal production.

The largest leaseholders speculate the most. The 15 major leaseholders have rights to 70 percent of the public coal lands, but this land has produced only 48 percent of the coal from all leases. Five of those major leaseholders—El Paso Natural Gas, Westmoreland Resources, Shell Oil Co., Sun Oil, and Richard Bass—have never produced a ton of coal from their leases.

Rather than being guided by any concept of the public interest, the public's resources have been leased at industry initiative. Two hundred twenty-seven out of 474 leases on public lands were granted on a noncompetitive basis. Over 90 percent of the leases issued on a competitive basis, however, drew one or no bidders. In fact, then, only 56 out of 474 leases were issued on a truly competitive basis.

Only one-half of the 6,515 acres of Federal lands strip mined to date have been reclaimed.

Coal leases on public lands are issued for 20-year terms, and for 10-year terms on Indian lands. Because of their automatic renewal, they have been issued, in effect, forever. Not one has been cancelled for any reason such as nonproduction or failure to reclaim stripped lands.

It is my sincere hope that the Interior Department will not lift the current moratorium on Federal coal leasing until the necessary changes can be made in the law, regulations, and leases to deal with these problems. Enough Federal coal has already been leased—35 times the 1973 production. We should have the time to correct these problems and operate an effective and efficient program in the public interest. Additional leasing should wait and can wait.

Though I have concentrated on the coal leasing program in my remarks today, I fear that we have the similar problems with some of the other Federal leasing programs. More than 10 percent of the public lands are papered over with noncompetitive onshore oil and gas leases, which are issued on a first-come, first-served basis or by use of a lottery system. Only 5 percent of these oil and gas leases are issued competitively.

The overall problem is quite sweeping: Extensive leasing with insufficient competition, and an inadequate understanding of the value of the resources being leased, combined with no assurance of development, encourages this speculative situation. The public does not receive the energy from its leased resources, and the Public Treasury does not receive a fair market return from its resources.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I just want to commend my colleague on the comments he is making, and to indicate that this is an area, indeed, of concern to all of us. We certainly hope the Department does not rush pellmell into new leasing arrangements.

We have had some conversations on both sides of the Capitol about changing the original act. We certainly do not want to get caught in the old system where we find public lands held up in a nonproductive way for long periods of time.

The gentleman's statement is very much appreciated.

Mr. EVANS of Colorado. Mr. Chairman. I hope it will be seen by the Department that we have enough leases in existence now. Those now outstanding should be required to produce before new leasing is started.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Chairman, I rise today to express my support for the bill brought to the floor this afternoon by the distinguished lady from Washington, our friend, JULIA BUTLER HANSEN, and her fine Subcommittee on Interior and Related Agencies. One of the fallout benefits of the present energy crisis is an awakening of interest in our resources. There is a growing awareness among the people of this great Nation of ours as to the importance of our natural resources. Over the years, however, there has been one among us here in Congress who long has recognized this need and labored diligently so that the Nation could meet the challenges which face it.

Under the leadership of JULIA BUTLER HANSEN, we have advanced tremendously in the conservation and wise utilization of our natural resources.

This year, the Congress faces a situation much the same as we have experienced in the past few years, in that the recommended level of appropriations for the Department of Interior, the U.S. Forest Service, and related agencies, to say the least are at the absolute minimum. In fact, I believe that the recommendations were below minimum levels required and I am pleased that the committee has taken positive action to correct some of the serious deficiencies which were contained in the budget submitted to us in January of this year.

One of the most serious deficiencies was in the area of reforestation of our national forest lands. Recent estimates estimated that 3.3 million acres of lands under the jurisdiction of the U.S. Forest Service are in desperate need of reforestation as the result of fire, windstorms, insects, and disease attacks and other reasons. During the past 5 years the Forest Service has replanted some 600,000 acres and nature has replanted a third as much again. It would appear that the reforestation or some 800,000 acres would be something to crow about, but during the same period, natural causes such as fire, insects, and disease, have resulted in the deforestation of some 812,000 acres. We are not making any headway.

This is recognized in a very fine statement of the committee and I would call to the attention of my colleagues, page 9 of House Report No. 93-1209 which accompanied the appropriation bill before us, as it is an excellent statement as to the need for realism in funding the programs of the U.S. Forest Service. I would like to quote one section, however, to emphasize the importance of the situation which faces us:

> Broad, bold comprehensive action is required now if we are to prevent an acceleration of the softwood lumber and plywood prices, and if in fact we are to provide fiber at any cost to meet the housing needs of the Nation in the years ahead.

With this warning, the committee has recommended that the Nation embark upon a 10-year reforestation and timber stand improvement program. I would endorse this call wholeheartedly.

Over and above the reforestation efforts, I would also call to your attention the more realistic funding of the other program of the Forest Service, of the overall programs of the Bureau of Indian Affairs, of the Fish and Wildlife Service, of the Bureau of Mines, and the Office of Water Research Resources Research. All of these are areas in which we have been deficient in our activities over the years and I think all are concerned with the preservation of our human and natural resources upon which we will depend for decades to come.

In adition to general support of these efforts, I would like to mention briefly one item in particular and that is the land and water resource conservation funds earmarked for the acquisition of lands at Lake Tahoe Basin. As you well know, we have in Lake Tahoe a bistate scenic natural area of national significance. We have invested heavily at the local, State, and Federal levels in a variety of programs designed to preserve the beauty and the purity of the lake and the stability of the land areas in the basin immediately surrounding the lake. The soils on these land areas are extremely fragile and every effort must be made to protect them as well as the lake itself. Congress has recognized this in the past, both through the approval of the bistate regional planning agency compact, and also through the appropriation of funds with which to buy significant parcels of land which will play major roles in the preservation of the basin.

We have once again in the appropriations bill before us another acquisition proposal which I believe is crucial to the area.

Before concluding Mr. Chairman, I would like to call to your attention one factor. We have here what really is a money-making appropriation. New obligational authority proposed for fiscal year 1975 is slightly over $3 billion. It is anticipated that the Forest Service, and the Department of Interior will generate revenues to the Federal Treasury of approximately three times these amounts through the solid, wise management of our natural resources. The fact that we are utilizing these natural resources with the wisdom and efficiency with which the Nation has operated over the years, can be attributed largely to one person in this Congress, our good friend from Washington, JULIA BUTLER HANSEN. Her wise stewardship of the funding of these programs over the years has contributed tremendously to their success.

Let me take this opportunity to express my deep appreciation, both personally, and on behalf of the people of the Second District of California, and of the people of all of the State of California, for the outstanding service to the Nation which has been performed by Mrs. Hansen as Chairman of the Interior and Related Agencies Subcommittee of the Committee on Appropriations, and for those members of the committee who have served with her. Under very difficult and extremely tight fiscal conditions, she has accomplished much for adequate conservation and wise utilization of natural resources which are so important to us in this day and age.

This as we all know, is her swan song, as far as the appropriations for these agencies are concerned. I want to say here and now to you, JULIA, that as you enter retirement, you will do so with the confidence that the Nation and especially our natural resource program is far better off for your service here in the House of Representatives over the years.

Congratulations, best wishes for much happiness in the years ahead. May you have the time to enjoy some of the forests, public lands, and other resources which the people of this Nation have been enjoying over the years because of your wisdom and foresight.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. VEYSEY).

Mr. VEYSEY. Mr. Chairman, as we consider today the appropriation of funds for the Department of the Interior and related agencies for fiscal year 1975, as a member of the Interior subcommittee, I can attest to the many hours of hearings and to the careful drafting of this bill before it was reported out to the full committee.

However, before proceeding further to mention some of the items in the bill, I want to express my sincerest regrets at the departure of two of my subcommittee colleagues, our distinguished chairwoman, the gentlewoman from Washington, JULIA BUTLER HANSEN, and the gentleman from Oregon, WENDELL WYATT.

Throughout my service under the distinguished chairwoman, I have come to have a deep appreciation for the keen insight and exceptional leadership abilities which were so ably demonstrated here today, and so frequently in our committee work. I shall miss her, but I know that she will be happy in the enjoyment of the quiet solitude of the Pacific Northwest.

I have been impressed many times at the qualities of patience which she has demonstrated, not only with members of the committee, but with witnesses before the committee; the dedication which she has shown to the subject matter in this appropriation bill, and the most remarkable memory which is for her a fearsome weapon. She is a master of the subject matter coming before the committee, drawing on her many years of legislative experience, both in her State and here in the Congress.

The gentleman from Oregon will be leaving many friends who admire and respect him as a legislator. I also want to be included among these friends and as an admirer.

Oregon will be losing a fine statesman and gaining a very capable attorney, and I shall miss his counsel and his advice. I hope he will continue to counsel with us from time to time in the future.

The Department of the Interior has become one of the vital departments in the preservation of our natural environment.

Because of the greater public awareness for conservation, the Department of the Interior has now become the focal point of Federal responsibility in maintaining the public domain. In addition, the energy crisis has made the activities of the Department of the Interior in energy-related fields more urgent and vital than ever before.

The Forest Service has begun an ambitious 10-year reforestation and timber-stand improvement program which I strongly support. This will reach out to reclaim over 3.3 million acres of land now needing attention.

The fiscal year 1975 appropriation of $50 million, which is an increase of $15 million from the budget request, will fund the first step to reforest 30,000 acres. This is a small step, but a very important first one.

This appropriation reflects the committee's interest not only in the production of lumber but also in the benefits which trees provide to watersheds and to the protection of wildlife and recreation.

The demand for wood products is at an all-time high, and I believe this program will result in future generations having an adequate supply of timber. It is time that we start to rebuild this great renewable resource.

During the past year, almost 180,000 acres of Forest Service-protected lands were burned. Not all of this was highly productive timberland, I am glad to say, some being brushland, but it is nonetheless a tragedy in terms of the timber lost, the water resources lost, and the recreation lost and the flood hazard created.

The committee, in recognizing the critical need to protect our forest lands, has provided additional funds over and above the Forest Service budget request of $4,921,000 for cooperation in forest fire control.

Chief McGuire of the Forest Service has informed me only today that they are about to acquire the second of the modular airborne firefighting system units which the committee very wisely appropriated money for in the first supplemental appropriation of last year. This will increase the Forest Services' capability to stop fires at a very early time before they become large conflagrations.

Some of these units will be delivered too late to be fully effective in the 1974 fire season, but the importance of this investment, I think, must be considered.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McDADE. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. VEYSEY. Mr. Chairman, I thank the gentleman for yielding me additional time. This investment in forest fire control must be considered in light of the $95 million that was spent in forest firefighting last year. I think the wisdom of this appropriation can easily be judged.

In addition, during subcommittee hearings, testimony was given which related that fuel modification and firebreak work did, in fact, stop large fires that developed in the Angeles National Forest in my own congressional district.

I applaud the efforts of the committees in recognizing the need for better fire control, especially in light of the ever-increasing demand for recreational access to Forest Service lands.

A major portion of the energy activities, $543 million, from the Department of the Interior was incorporated into the Special Energy Research and Development Appropriation Act. But approximately $122.5 million in energy-related money is included in this bill, which is an increase of $52.5 million over the earlier fiscal year.

An important but small appropriation of $250,000 is included for the United Nations-United States International Geothermal Symposium to be held next spring in San Francisco.

This will bring together 1,500 scientists from throughout the world who have developed the latest technology in the science of locating and using our geothermal resources. They will thus open up an important access to this new and desirable source of energy.

I should further report that planning for the symposium, led by the Geological Survey, and coordinated by an organizing committee, is proceeding well. Cooperation and other funding is assured from the United Nations, the Department of Interior, AEC, National Science Foundation, the State of California, University of California, and the rapidly growing private sector.

If we are to reach the goal of energy self-sufficiency by the early 1980's we must move to increase geothermal, shale, and coal leasing activities. The committee proposes acceleraed leasing activities, particularly on the petroleum-rich Outer Continental Shelf.

Mr. Chairman, I would like to comment on the increase for the National Foundation for the Arts and Humanities, which receives a $145 million appropriation, which is about $45 million above the budget for 1974 but represents a decrease of $10 million from the requested amount for this year.

In my district, I can attest that the Claremont College Graduate School, which recently has received a grant of $150,000 from the Foundation for the Humanities for a graduate study program in European history, is using this money well.

I heartily support this appropriation and urge my colleagues to do the same.

Mr. Chairman, this is, I believe, a well-balanced appropriation bill, and I earnestly solicit the support of my colleagues for it.

Mrs. HANSEN of Washington. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Oklahoma (Mr. McSPADDEN).

Mr. McSPADDEN. Mr. Chairman, I want to commend the gentlewoman from Washington and her subcommittee for a series of hearings which have well documented this entire budget. Certainly, this is the budget for America and for American people. There undoubtedly should be many important activities funded; but this report and this bill are well conceived and spending here is wise.

I was most impressed with the understanding of needs for American Indian people which this budget reflects and the gentlewoman always has displayed. Under her leadership, funding for Indian health services has grown from $75 million in 1967 to $225 million this year. At the same time, we have seen fewer deaths of Indian babies and better health among all Indian people. This is a wise and needed investment of our Nation's resources into our own people.

In the Interior Subcommittee hearings, I noted that when the chairman asked Dr. Johnson about unmet medical needs of American Indians, that he answered that—

> The IHS is not providing approximately one-third of the needs of the 498,000 Indian people. These unmet needs are largely surgery, adult dental care, mental health and preventive services.

The Director of the Indian Health Service added a note of optimism, however, in saying:

> For the first time in several years (the IHS would) be able to make a significant impact on reducing that backlog.

In another area, I noted that the Indian Health Service testified that it has a $370 million backlog in construction projects. At that point, the gentlewoman from Washington said:

> When we are confronted with employment crises at various times and rather than makework proposals it would be more sensible to build some of these Indian hospitals.

That makes sense. Certainly, there are needed hospitals and other facilities which should be planned and ready for construction when the economy of an area needs a boost.

The people of Oklahoma are very pleased that, within this budget, $8,560,000 is included for a new hospital at Claremore, Okla. This is a most worthy and needed replacement. This hospital serves a 12-county area where some 35,000 Cherokee, Creek, Osage, Ouapaw, Miami, Seneca, Wyandotte and other Indians reside.

This new facility will replace an old hospital which was built in two phases during 1928 and 1935. Frankly, it simply is no longer capable of responding to the health needs of the area.

The new hospital will contain a gross area of 92,000 square feet with a 60-bed inpatient area and a 20-bed multipurpose unit, an outpatient department, areas for supportive services and space for field health activities.

The Indian Health Service anticipates average daily census of about 54 patients and the annual outpatient visits eventually will reach 48,000.

The people of Oklahoma—and Indians everywhere—are pleased that this important new hospital has been budgeted and so ably presented here today.

Indians also are pleased with the continued emphasis on education which is again reflected in this budget. I note that when the gentlewoman from Washington became chairman of this committee, there were 2,359 Indian students enjoying higher education under the BIA grant program. That number grew to 17,471 Indian youths gaining that help for a college education last year.

As a representative and a descendant of Indians, I wanted to make these points clear and to thank the gentlewoman for her concern about Indians and her support for programs and activities which are improving Indian lives.

Mrs. HANSEN of Washington. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I rise in strong support of the action of the Committee on Appropriations on the Forest Service funding activities. I certainly wish to compliment the distinguished gentlewoman from Washington and the other members of the subcommittee for their understanding and for their action on the problems that face the Forest Service.

Mr. Chairman, I rise in support of the Appropriation Committee action on Forrest Service funding for its activities. Budget requests and constraints for many years have resulted in inadequate budget resources for the Forest Service. While the increases in funding were not to the level as developed for the "environmental program for the future," a multiyear budget and management plan, nor to the level of funding I had anticipated, these increases are steps in bringing the management of the 187 million acres up to a standard consistent with multiuse objectives.

The increase of $15 million for reforestation and timber stand improvement is a wise investment for the people of the United States. Future demands for wood and wood fiber are going to increase. Only by investing in reforestation and timber stand improvement now can we assure ourselves of meeting the increasing demands of future generations. An aggressive reforestation program is needed for the more than 3 million acres of deforested national forest lands. This job must be done and it will help solve the inflationary prices of lumber, plywood, and homebuilding we are now experiencing.

The small increases for recreation use, rangleland management, and soil and water management will help to more adequately provide for the visitor use of the national forests, for increased beef production, and for protection of our soil and water so vitally needed for environment betterment.

The increase of $4,962,000 for research activities will accelerate finding answers to some of the most critical environmental problems facing our land managers and our Nation. The energy shortage has everyone searching for new sources of energy. Vast deposits of coal and oil shale underlie much of the surface of the land surface of this Nation. Disturbing the surface and mining for these deposits are of great concern and critical to our environment.

I was most happy to see the $4,921,000 increase for cooperative fire control. It will assist the States in providing additional fire protection for those products and services needed to meet future demands.

The increase in the construction and land acquisition appropriation will provide for recreation facilities so sorely needed for healthful outdoor recreation and the needed research laboratories for efficient and effective research on forest environmental problems.

The committee direction that the Forest Service increase its road program to provide for recreation and general purpose road needs was gratifying. Better balance in road and trail construction is needed. Timber purchasers should not be required to construct roads as a condition of sale. All roads and trails should be constructed from appropriated funds so that quality of construction is consistent with the multiple use objectives of Forest Service lands. I hope the Forest Service will move in this direction.

In conclusion, Mr. Chairman, I would like to commend the gentlelady from Washington (Mrs. HANSEN) and the other members of her subcommittee for taking this action to protect and preserve our national forest lands.

Mrs. HANSEN, who for many years has been a national leader in forestry affairs, has chosen to retire at the end of this Congress. It has been my distinct pleasure to work with her on forestry matters and I know that she will be missed, both by her colleagues here in the House and all parties interested in forestry legislation.

Mrs. HANSEN of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ADDABBO), a member of the full committee.

Mr. ADDABBO. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I rise in strong support of this bill, and especially to concur in the remarks and the praise concerning our retiring Members, the gentleman from Oregon (Mr. WYATT), who is my neighbor, and the beloved gentlewoman from Washington, the great chairman of the subcommittee, JULIA HANSEN.

On behalf of the people of New York State and New York City, and especially my district, I take this opportunity to thank the lovely lady for the wonderful help she has given to us, for her help in giving life to a great national park, the Gateway National Park, and to have included in this appropriation bill an amount close to $6 millilon, so that the people of Queens and the people of all of New York City can enjoy the benefits of Gateway. I know the people of New York City will always keep a place in their hearts for the lovely lady, who, on her own time, visited New York City and walked the beaches of Gateway and visited many of the national monuments. Through her efforts and her personal knowledge, we were able to achieve great things for the city of New York, and it was through these efforts we were able to preserve great monuments and beautiful works of art and the natural resources of New York. I know this dedication has been the byword of all the endeavors and undertaking of this great and knowledgeable lady.

So, Mr. Chairman, on behalf of the people of the State of New York and the people of my city, the gentlewoman will always have an open invitation from me and from the people of New York to visit our great State and our wonderful city as an honorary and beloved adopted citizen of the city of New York.

Mrs. HANSEN of Washington. Mr. Chairman, I thank the gentleman for his kind remarks.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. SISK).

Mr. SISK. Mr. Chairman, I wish to join with my other colleagues, my distinguished friend, the gentleman from New York (Mr. ADDABBO). I thank him for his remarks, and I appreciate the other remarks that have been made in regard to our distinguished colleague, the gentlewoman from Washington (Mrs. HANSEN), and for my friend, the gentleman from Oregon, WENDELL WYATT.

Let me say here on behalf of the State of California that we are going to miss these two very fine Members. I do not know what California would have done without the graciousness of the gentlewoman from Washington.

We have a vast interest in connection with the appropriations over which she has presided through the years, and certainly, on behalf of my constituents and my colleagues from States other than California, we wish her well. We are going to miss her.

We want to take this opportunity to express our deep and sincere appreciation for all the things she has done through the years.

Mrs. HANSEN of Washington. Mr. Chairman, I am happy to yield 5 minutes to the distinguished gentleman from Florida (Mr. SIKES) who is a member of the full committee.

Mr. SIKES. Mr. Chairman, today a great lady and an accomplished legislator is offering to the House, for the final time in her distinguished career, the Department of the Interior and related agencies appropriations bill.

I am sorry that JULIA BUTLER HANSEN is leaving the House. I believe this same regret is felt by every Member of the House. She is a delightful person to know and, happily, she is also a careful and constructive thinker. For almost 14 years, she has given sound advice and outstanding leadership to the Congress and the Nation.

When she became the first of her sex to be named chairman of an Appropriations Subcommittee, there may have been some who had misgivings. But if this were so, the skeptics became true believers. Those of us who knew Mrs. HANSEN never had any doubt that she would distinguish herself in her duties as chairman.

Through the years, she has helped to mold the American resolve to protect the land and forests, which are such a precious heritage of our country, in a proper and meaningful way. Her contributions have been sound and constructive and they will live on long after she has left the Halls of Congress.

JULIA brought with her valuable experience gained in years of service in the Washington State Legislature. She also brought with her the ability to make friends and to offer responsible service in the lawmaking processes in the Nation's Capital.

And she brought with her a love for her country; a dedication to protect it from enemies, foreign and domestic; and a will to undertake, without reserve, the manifold and exacting tasks which are associated with membership in the Congress. She has done all things well. We can all be proud that we have been privileged to work with Julia and fortunate in having enjoyed her warm friendship.

Today's Hansen bill is another forward step in improving America and America's resources. She has not hesitated to add funds where they are needed, as in forestry. She has had the courage to delete items for which a justification has not been fully shown. She is indeed an outstanding legislator. The people of America are grateful for her services.

Mr. McDADE. Mr. Chairman, I am delighted to yield 5 minutes to my able colleague, the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, I rise in support of this bill, but first I would like to offer my sincere gratitude and my heartiest compliments to the gentlewoman from Washington, the chairman of the Appropriations Subcommittee on Interior, Mrs. Julia Butler Hansen.

It has been my distinct privilege to serve and work with Mrs. Hansen since her election to Congress in 1960. It is difficult to identify a major problem that has faced this Nation since 1960 that Mrs. Hansen has not worked diligently and effectively to solve. Her achievements on the Appropriations Committee are well known, but it should also be noted that she served with distinction on other important committees, such as Education and Labor, Veterans' Affairs, and Interior and Insular Affairs.

It is often noted that Mrs. Hansen is the first woman to serve as a chairman of an Appropriations Subcommittee. It should also be noted that she is and has been one of the best subcommittee chairmen ever to have served on the Appropriations Committee. The bill that is before us today is ample evidence of her abilities and her dedication.

I do not want to leave the impression that the benefits of her talents have accrued only to the jurisdiction of the Interior Subcommittee. I have served with her on the Subcommittee on Transportation and the Subcommittee on Foreign Operations. I have seen her in action during full committee deliberations on the bills reported by other subcommittees.

I believe that every member of the Appropriations Committee will agree with me that she is a true stalwart among her colleagues. She embodies the finest principles of responsive and responsible lawmaking.

It was with deep regret that I received the news of her retirement. She will leave a vacancy in the Halls of Congress that will never really be filled. The people of this country owe her a debt of gratitude, as do the future generations that will benefit from her public service.

Also it is with great regret that I see our good friend on this side of the aisle, the gentleman from Oregon, Mr. Wendell Wyatt, leaving the Congress. He has been a highly dedicated public servant. He has worked tirelessly to protect our natural resources and undoubtedly is one of the most knowledgeable Members of the House when it comes to the U.S. Forest Service. I think that one of the finest things that could be said about a man is that he is a good man, and in my book Wendell Wyatt is a good man.

Mr. Chairman, I support the bill under consideration, and I would like to place emphasis on two of its specific recommendations. The first is the proposed funding for the third phase of the Bethel, Vt., salmon fish hatchery. This whole project owes a great deal of its success to the hardworking Congresswoman from Washington and the ranking Republican Congressman Joe McDade—three times in the past year she has made sure that the hatchery in Vermont was not overlooked in the budget.

It has been a real pleasure for me to work with Mrs. Hansen and Joe McDade. Their efforts from the beginning have been crucial in establishing the hatchery.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding.

I just want to say the gentleman from Massachusetts accurately pointed out the state of facts with reference to the budget in the bill. I do think it is important to note that there is not any way that the gentlewoman from Washington, Mrs. Hansen and I could have ignored the hatchery, with all of the comments and with all of the approaches that had been made for its support by the gentleman from Massachusetts. In fact, they should have named it after the gentleman from Massachusetts. He is assuredly the most ardent and eloquent advocate and without question the father of this important national facility.

Mr. CONTE. Mr. Chairman, I want to thank my friend, the gentleman from Pennsylvania, for those kind remarks. I hope this will help to make the return of that Atlantic salmon to the Connecticut River a reality. I hope Mrs. Hansen and members of her committee will be able to do some fishing on the Connecticut River with me very soon; although given the Congresswoman's talent and persistance, I am sure she will go home with bigger and better salmon.

The entire project of saving the eninternational scope. As a result of an agreement with Denmark in 1972, high seas fishing for salmon will be phased out by 1976. The United States has negotiated a similar contract with Canada that prevents their netting fish at the mouths of rivers, which had virtually wiped out our supply of salmon. With the Danish and Canadian threats gone, an almost certain road to extinction for the Atlantic salmon has been reversed. Interstate cooperation of environmental and sportsmen's groups has helped to clean up the river, so, provided the fish have a chance to swim up the river, they can actually live and spawn there. We have been working for fish ladders at the dams along the salmon runs so the fish can make their way upstream, because several States are involved in the welfare of the Connecticut River.

Last year with the assistance of Chairman Julia Hansen, Joe McDade, and the House Interior Appropriations Committee, initial funding for planning and acquisition for a salmon hatchery at Bethel, Vt., was established after a careful study to determine the best site for the project. After the first appropriation of $125,000, an additional $600,000 was appropriated for complete plans and the water supply system. The officials of the Fish and Wildlife Service inform me that full operation, including smolt purchases and salaries can be maintained with a total appropriation of $4,995,000. The appropriation recommended by the House Interior Appropriations Subcommittee will go a long way in getting the fish back into the river.

The support for this project is broad in Congress as well as among the residents of the Connecticut River Valley. If we proceed on schedule, including this appropriation for fiscal year 1975, by 1980 there should be some significant runs of Atlantic salmon in the Connecticut River, based on using 500,000 smolts in the river each year. Continuity in these proceedings is essential to insure success—the importance of the ongoing project has been my reason for continued efforts to carry it through. To halt the project now, I believe, would be a step backwards for conservation, a big disappointment for New England fishermen, and negligence in restoring the natural beauty of the Connecticut River. If we go ahead with the project, we may even begin to hear some good fish stories again, something we have missed in the Connecticut Valley for a long time.

Mr. Chairman, as a member of the Migratory Bird Conservation Commission, I would also like to voice my support for the committee's recommendation providing for $1 million to the migratory bird conservation account. Under the provision of the wetland legislation, this appropriation will be added to the fund used to acquire lands for national wildlife refuges and waterfowl production areas. These areas serve as the breeding grounds and resting areas for waterfowl, and without them many species would face extinction. Since 1962 the Migratory Bird Conservation Commission has approved the acquisition of over 1,752,000 acres of land at a cost of $161,700,000. The moneys for these purchases were arrived at from congressional loans such as the one recommended, combined with revenues from "duck stamp" purchases. Revenues from the stamps over the past 12 years have come close to matching the appropriations from the Congress. Those in this country interested in sportsmanship and conservation cannot bear the whole financial burden—if we maintain our part of the cost, we can continue to provide for the land purchases and conservation measures to prevent extinction of our precious wildlife.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Regula).

Mr. REGULA. Mr. Chairman, I rise in support of H.R. 16027, the Department of the Interior and related agencies appropriations bill, 1975. However, I want to call my colleagues' attention to page 7 of the committee report which speaks of the Outer Continental Shelf leasing program. As is pointed out in the report, the administration has proposed a target program of leasing 10 million acres in 1975. The committee has stated that it—

> . . . Does not want the United States to find itself in a situation, similar to the previous leasing program, where millions of acres are leased to companies which defer development in order to reap greater profits from future price increases.

And the committee has asked for assurance that the environmental impact of the proposed OCS leasing actions be fully assessed before the leasings are made. I want to commend the members of the committee for their foresight and associate myself with this request. I also want to point out that what we are talking about here is the leasing of part of that which we hold in trust for all American citizens—a nonrenewable natural capital resource. And I want to suggest to my colleagues that we exercise similar foresight in reinvesting the fungible proceeds received from these leases.

During fiscal year 1972, the Bureau of Land Management and the Forest Service, two major revenue earners, collected approximately $900.3 million in receipts from the use or lease of Federal lands and resources which they administered. Of this total about 35 percent was deposited to the general fund account of the Treasury; 19 percent was deposited in special fund accounts for distribution to States and their subdivisions; and 46 percent was deposited in special Treasury accounts to finance various Federal programs relating to outdoor recreation, public land improvements, and natural forest maintenance. A small amount was deposited in a special holding account pending determination of the rights to land and timber of the Tongass Natural Forest in Alaska.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I thank the gentleman also for the information he has given the House today. I would like to join the gentleman in his commendation to the committee for their recognition of the necessity of good management of the public lands, and I would like also to point out the fact that we could do even better than we do with our national forestlands with respect to timber cutting and timber sales if we had a little more access and a little more reforestation.

I think this is a point often misunderstood by this body, that the Government owns vast acreages, 37 million acres in my State, and oftentimes they are not funded well enough to develop those natural resources to the best of the ability of U.S. Forest Service and Department of Interior.

I appreciate the gentleman pointing this out. I commend again the gentlewoman from Washington (Mrs. Hansen) and the members of the committee for recognizing this, also in particular my colleague Wendell Wyatt from Oregon. I am sorry we have to have the arts and humanities in this same bill, as I oppose these nonessential items.

Mr. REGULA. I thank the gentleman for his comments and I support the gentleman for his comments and I support the gentleman's statements. I think we overlook really what a tremendous national resource our forests are and we fail to realize that any moneys spent to develop the national forests are an investment in the future. As one representing a portion of the "landowners", the people in Ohio, I think this is a good investment of our tax money.

Mr. SYMMS. Some of the money in this bill will go for forest research, for example. In my State alone the Forest Service figures there are 100 million board feet of white pine timber in the State dying each year that should be cut and sold but they have not been able to accomplish this. I think the committee has made great steps in this respect in this year. The gentlewoman from Washington (Mrs. Hansen) has made great progress in this throughout her career and so has the gentleman from Oregon (Mr. Wyatt). We can rest assured that money spent for developing the national forests will be a good long-range investment for the country.

Mr. REGULA. I thank the gentleman for his comment.

I noted a story recently reporting that 56 percent of all cuttable timber in the Nation is on public lands, so national forest lands are an important resource for housing and for other types of building.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. REGULA. Mr. Chairman, Department of the Interior revenues earned from the use or lease of minerals, fees, concessions, grazing, lands, power, timber, and water will be in excess of its appropriations, exclusive of trust funds, by an estimated $2,665,217,000 in fiscal year 1975. The Forest Service estimates it will receive $458,785,000 from timber sales, grazing, power, recreation, and land use during fiscal year 1975. Estimated combined receipts from the Departments of Interior and Forest Service, will amount to $6,374,841,000—Interior, $5,916,056,000; Forest Service, $485,-785,000—in fiscal year 1975. An additional $3 billion could be realized from increased outercontinental shelf leasing during fiscal year 1975 as a result of intensified energy development efforts.

Although these Federal lands and resources are not distributed proportionally throughout the Nation, they belong to all of the people of the United States. I believe that the revenue earned from such lands and resources should be used in a manner that will result in preservation and enhancement of the resource from which it emanated and to the maximum net public benefit.

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Chairman, I would like to first commend the members of the Appropriations Subcommittee on the Interior for their dedicated efforts in bringing forth this legislation. In addressing myself to the funding for the C. & O. Canal National Historical Park, I would like to take particular note of the special attention which the gentlewoman from Washington (Mrs. Hansen) has given to this project. The Members well know of this distinguished lady's tireless efforts on behalf of the entire National Park System, and I would like to call particular attention to her efforts on behalf of the C. & O. Canal National Historical Park—efforts which are much appreciated by all who have ever had occasion to visit the canal and enjoy its many beauties. The gentleman from Pennsylvania (Mr. McDade) has proven himself a friend of the C. & O. Canal Park.

Included in this appropriations bill, beyond the $1 million for park operations, is a total of $3 million to be used to help repair and restore the enormous damage done to the canal by Hurricane Agnes. This is the full amount which the Department of the Interior requested for this work for fiscal 1975.

Of course, the work which remains to be done on the canal, only to bring it back into the condition it was in prior to the hurricane, is considerable. Many of the beautiful and historic aqueducts were severely damaged, and they continue to deteriorate rapidly. The original clay liner remains damaged in parts. The towpath remains in need of further repair. The list, I am sorry to say, is lengthy.

I regret that the Park Service, in its original budget request, did not ask for additional funding. Secretary Morton, in response to the pleas of myself, Congressman Byron, and Senators Mathias and Beall, toured the canal several days ago. He now has made known that Interior recognizes funding needs beyond its original budget request. He now supports an additional $5 million. With this new support, I believe we have an opportunity to obtain additional funding.

My concern that we obtain this funding stems from both a long and deep interest in the condition and care of this magnificent park and an awareness that the cost of repairs will only continue to escalate as time goes by. This escalation, certainly, will be in part due to normal inflationary processes. However, it additionally will be due to the further deterioration in the condition of the structures along the canal. Some may well simply cease to exist if attention is not given them in the near future.

I will continue to work with Congressman Byron, and Senators Beall and

MATHIAS to have Interior's new request included in the bill.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I thank the gentlewoman for yielding. I rise in support of this legislation; however, I do have some questions for the gentlewoman. As I understand it, there is in the present legislation a continuing authorization to spend some $300 million a year for the Land and Water Conservation Fund; is that correct?

Mrs. HANSEN of Washington. Mr. Chairman, if the gentleman will yield?

Mr. WOLFF. I am happy to yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. This bill provides $300 million for the Land and Water Conservation Fund. May I say to the gentleman that last year it was only $76 million and that was $21 million above the budget estimate.

Mr. WOLFF. The point is, there was authorization to spend $300 million last year, but we only appropriated $76 million; is that correct?

Mrs. HANSEN of Washington. Yes, that is correct, because the budget request was very low. There were large unobligated balances at that point.

Mr. WOLFF. On that score, I ask the gentlewoman, has she seen this report on the Nation's recreational needs, which according to a recent Anderson column, has been suppressed by the administration, even though the report was prepared in 1970 by Mr. Hickel and started by Mr. UDALL?

Mrs. HANSEN of Washington. No. I have not seen it; however, I am familiar with the details of the input that went into it.

Mr. WOLFF. There are two very significant factors, I think, in this report. First, it states that only 25 percent of the existing public recreational facilities and only 3 percent of the public land base are situated so as to be close to the people's need for recreation. Second, the report recommends that there should have been expended at least $6.3 billion for the Land and Water Conservation Fund over the last 5 years to take care of urban recreation deficiencies alone.

Mrs. HANSEN of Washington. If the gentleman will yield, this is what this committee has been concerned about for the last several years. The committee has been tremendously aware of the problems of the large cities and the urban population, and is trying to provide recreation in adjacent areas.

The Gateway National Recreation Area is an example, and this serves a large area in the Northeast and Atlantic States. I think that recreation for populated urban areas is going to be increasingly important in the future and a source of great pride to the country.

Mr. WOLFF. I just want to add to the statements made by the gentleman from New York (Mr. ADDABBO) in congratulating the gentlewoman for her work on the National Gateway Recreational Park. There is, however, one area we have had great difficulty in trying to fund, and that is the Udalls Cove preserve in New York.

We have tried to obtain funds for this land which was declared a nature sanctuary, and have been unable to get the funds, because there were not the funds in the pipeline or in unobligated funds for the State of New York. In fact, 25 States now have run out of funds in the way of obligated funds.

Mrs. HANSEN of Washington. This was one of the problems with State funding last year. There are States which have run out of funds and some which have not.

As of May 31, 1973, there was a total unobligated balance in the State program of $170,203,290, of which New York's share was $11,639,673. This year, with the additional funds provided in the bill, the State of New York will receive $11,231,996.

This is the largest amount for any State with the exception of the State of California. So there should be plenty of money in the State's program to be able to go ahead and purchase necessary recreation land.

Mr. WOLFF. I thank the gentlewoman. I must say I was intending to offer an amendment to this bill to increase the funding. Actually, it would not even be an increase, but a carrying over of funds that were authorized but not expended last year.

I am, however, sympathetic with the views and needs of the Nation in terms of cutting back expenditures in order to combat inflation. The principal concern behind the amendment I intended to offer was that adequate funding would be available this year for the States to preserve and protect valuable resources such as Udalls Cove. I feel reassured that I can count on the support of the gentlewoman that the $300 million we are appropriating will be expended so that we can protect invaluable areas like Udalls Cove and its adjacent uplands which are vital to its ecosystem.

I do feel, however, that we must push ahead on the legislation which is currently pending before the Interior Committee to increase funding for the Land and Water Conservation Fund. It is my understanding that hearings will begin on this vital legislation, of which I am a cosponsor, next week. This legislation will give us the authority we need to increase the authorization for the Land and Water Conservation Fund. We must move ahead in this direction if we are to preserve the invaluable resources with which we have been blessed. Again, I thank the gentlewoman from Washington for her assurances regarding funding for the pristine areas in my district especially, in particular Udalls Cove and its adjacent uplands.

Mrs. HANSEN of Washington. I assure the people of New York that there is no one more interested in their program of recreation land acquisition than I am, particularly in this area.

Mr. SCHERLE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 103 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Vermont (Mr. MALLARY).

Mr. MALLARY. Mr. Chairman, I rise in strong support of this bill. I wish to join the other Members in commending the subcommittee for its careful balancing of the national needs. I am particularly happy to recognize the skill with which the gentlewoman from Washington and the gentleman from Pennsylvania and the subcommittee have dealt with the problems they face in this bill.

I particularly want to commend them on two projects that are funded in this bill with which I am very familiar and which I strongly support.

One of them is the additional allocation from the land and water conservation fund for the additional acquisition of land in the Green Mountain National Forest. This is a vitally needed program.

There are sizable inholdings within the national forest that need to be acquired. We need to acquire a great deal of land in order to reach the demarcation boundaries. We need to get this land soon, while it is still available at reasonable prices, so that we will be able to preserve for the people of this Nation this precious natural resource.

Mr. Chairman, I note that funding is also provided in this bill for the Salmon Hatchery at Bethel, Vt., the Green Mountain National Hatchery. All of New England and all the Northeast are looking forward to the day when the salmon will run again in the Connecticut River. This project will bring that time much closer.

Mr. Chairman, I certainly commend the committee for its activities, and I wish to express my full support of the bill.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. PATMAN).

WE CAN SOLVE OUR ECONOMIC PROBLEMS

Mr. PATMAN. Mr. Chairman, today the Democratic caucus adopted a resolution on the economy calling for a number of positive steps.

Mr. Chairman, we can solve our economic troubles and this resolution points the way to many important steps. In fact, none of the problems which are before us today are really new—they are things that we have been able to deal with successfully as a nation in the past and there is no reason why it cannot be done again.

Without question, there is a great deal of pessimism across the country today and there is no doubt that we have serious economic problems. But the important thing is for the Congress, the administration, and the American people to realize that these problems are solvable. We need to take positive steps rather than just lamenting our troubles.

Much of our current economic trouble stems from poor monetary policy and the highest interest rates in the history of the United States. These are unnecessary conditions which have placed heavy burdens on the plain people and have all but closed the housing market and deprived millions of good hardworking Americans of an opportunity for decent shelter.

We must correct this situation and find a means of delivering credit on reasonable terms to the people and the businesses which really need it. There are several ways in which this could be done. First of all, the Federal Reserve could use its many powers to allocate credit to housing and other areas in the economy which have suffered the most from this long period of high interest rates. The discount window, the reserve requirements, the open market purchases, are all available to the Federal Reserve to allocate credit to areas starved for credit under today's monetary conditions.

Secondly, the Congress should move ahead with the establishment of a National Development Bank which would be a lender of last resort for housing and community needs across the land. We used to have the Reconstruction Finance Corporations, RFC, that was killed early in the Eisenhower administration. This was a mistake because the RFC was a source of credit—large credit—for many important needs during the 1930's and 1940's. And this concept should be revived today under National Development Bank legislation.

As I have proposed for several years, a National Development Bank should be capitalized at a billion dollars with the power to lend 20 times its capital. In other words, we would have a $20 billion bank which would be available to make loans on reasonable terms for housing, businesses, and community projects which could not obtain funds on reasonable terms in the private market. Mr. Chairman, I can think of nothing more important to the economic health of the Nation than the establishment of a National Development Bank with broad powers to meet credit needs of the people.

The administration should also take another look at Public Law 91-151 which the Congress passed in December of 1969 to provide standby control over credit. This power, when triggered by the President, would allow controls to be placed on all aspects of credit transactions—including interest rates, maturities, downpayments, and similar items. This authority, if used properly, could allocate credit to the areas of greatest need and away from those endeavors which are causing inflationary pressures.

Public Law 91-151 is something that the President has had on the books for almost 5 years and it has not been used despite severe credit dislocations during this period. I hope the President will take another look.

Mr. Chairman, once again let me emphasize that our problems in the economy can be solved. We have had problems in the past and it is time that we face these situations in an optimistic manner with the resolve to get something done. The Congress and the administration and the American people can work together and we can move legislation and new approaches to get us out of this economic mess. It is a difficult situation, but it is far from impossible.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Chairman, there is much in this particular report on which we can soundly comment. I would like to confine my comments, however, to two portions of the report, because I think they are sufficiently significant that they deserve special comment.

Those portions are, first, the matter of programs of the U.S. Forest Service and, second, the matter of log exports. These appear in the committee report on pages 9, 10, and 11. I emphasize the value of reading these particular pages and assimilating the significant actions which the subcommittee has proposed here and which, of course, the full Committee on Appropriations has backed up.

There is not any question but that this tremendous asset, our national forests, has an almost unique status so far as it being an asset of the United States is concerned. That uniqueness lies in the fact that it is a resource that is a renewable resource. So many of the natural resources of this country are nonrenewable and, because of this, we must husband carefully the use of our minerals and the use of certain other resources which, once used, will not be available again.

This is not true of the product of our national forests. In the action of the committee, as spelled out on the pages to which I have alluded in the committee report, they establish not only action for this year but the blueprint for intensified action in the years which lie immediately ahead.

Earlier there were remarks made by the chairman of the subcommittee, the gentlewoman from Washington (Mrs. HANSEN), and my colleague and friend, the gentleman from Oregon (Mr. WYATT), looking particularly at these important points, and I would commend the reading of those remarks to the Members, and I personally would like to join in what has been said therein.

However, I call the attention of those of us who will be here next year that the blueprint which is laid out in this section for going forward beyond this year with additional funding for the Forest Service is something which can and needs to be done in the way of reforesting and timbering, and I repeat this improvement can and will be done.

Second, on the matter of log exports, the figures, when one looks at them, are frightening, showing the increasing amount of this particular asset which has been exported. We do not dare permit the continuing rise in this particular type of action. And there again the action of the committee in making clear that everything which can be done will be done to see that the timber coming from our national forests will not be exported or used as a substitute for timber that is exported, is an extremely important action on their part.

It is my personal feeling, quite frankly, that the language set forth at the bottom of page 10 should be even tighter than it is so far as being sure that there is no substitution. But I join in support of that which has been said here, and commend the committee and the subcommittee and the individual members upon what they have done in this particular regard.

Mr. Chairman, I would like to close by not only commending and expressing our concern about the departure of the gentlewoman from Washington (Mrs. HANSEN) which will be indeed a loss to this Congress, but to also say a few words about the departure of my close friend, the gentleman from Oregon, Mr. WENDELL WYATT.

I think that the contributions the gentleman from Oregon (Mr. WYATT) has made to the Congress in general are material. I think the gentleman has been for many of us, as the gentleman has for me since I first came to the Congress, a source of sound advice and a source of invaluable judgment. There is no question but that the gentleman's absence from the Congress next year will be a loss to those of us in the State of Oregon but, beyond that, his loss is going to be felt by everyone who cares about the work of this particular committee.

The gentleman has been a leading light, and has been a forward thinker: The gentleman has been a creative force in cajoling, urging, browbeating and persuading those who deal with the products of our forests into believing that this is an asset which cannot be wasted, and which must be enhanced. I believe that the loss of his sound counsel and effective work within the Congress and within the Government is going to be a very material loss so far as our going forward from this point on is concerned.

So, Mr. Chairman, I write into the record my deep regret over the departure of the dedicated and very able gentleman from Oregon (Mr. WYATT).

Mr. McDADE. Mr. Chairman, I have no further requests for time at this moment.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this legislation. I would like to thank the chairman and the members of the subcommittee for consideration of additional funds for the completion of the Natchez Trace.

I thank Mrs. HANSEN for her great interest in the Indian tribes. She visited my district several years ago and met with the Choctaw Indians, one of the largest tribes east of the Mississippi River. We are going to miss Mrs. Hansen, and also the gentleman from Oregon, Mr. Wendell Wyatt.

Mr. Chairman, sitting on the same side of the aisle as Mrs. Hansen, sometimes I have gotten off the track and she has brought me back on the main line, and she has done so with firmness, if that was necessary. I thank her for giving me this opportunity to have worked with her over these 8 years that I have been in the Congress.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Chairman, in recent years a former Secretary of the Department of Interior who was new in town, was preparing to present committee testimony "on the Hill," and his friend asked him if he was prepared to answer questions before Julia Butler Hansen, and he asked, "Who is Julia Butler Hansen?" His friend said, "Never mind; you will find out."

He did find out, as hundreds and hundreds of other governmental officials and Congressmen have found out over the years that when appearing before Julia Butler Hansen's committee, they had better done their homework and they had better have been prepared to advance their recommendation with facts and figures that will be in the public interest. "Tough" is the way to describe her. Tough but extremely able and fair.

The gentlewoman from Washington, Mrs. Julia Butler Hansen, is one of the most delightful persons who has ever served in the Congress. She has the combination of a Carrie Nation, a Joan of Arc, a Florence Nightingale, a Susan B. Anthony, with just the right mixture of a Molly Brown of more recent vintage. All of these strong characteristics of these people rolled into one end up as the personification that we see today in Mrs. Julia Butler Hansen.

Many of us are personally indebted to her for many considerations she has given us over the years. What is more important, however, is that the United States of America is indebted to her for her great interest and contributions in the legislative field. We have no more qualified person in all the United States than Mrs. Julia Butler Hansen, and today, during this consideration of one of the final bills that she has handled, I think we all owe our highest regards to her.

Mrs. HANSEN of Washington. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Mississippi, the ranking member of the full committee (Mr. Whitten).

Mr. WHITTEN. Mr. Chairman, I wish to subscribe to the many fine statements that have been made about our good friend, the gentlewoman from Washington, Mrs. Julia Butler Hansen. It has been my privilege to sit on the Appropriations Committee with Mrs. Hansen for a long time. I agree with all the wonderful words that have been said today. I speak off the cuff, but from the heart.

The many places in various sections of the United States which have been mentioned today are just a few of thousands that have benefitted by the actions of Julia and her subcommittee. The projects are physical monuments and evidence of the interest and love for the United States on the part of Julia and members of her subcommittee. They will always constitute physical proof of the outstanding job she has done in preserving this great country for future generations.

An example of this physical evidence is, as my colleague from Mississippi mentioned, the Natchez Trace Parkway which is in my State; a parkway to which this subcommittee has contributed greatly, without budget recommendation.

Before she came here, Mrs. Hansen had wonderful success as a member of her State legislature. A few years ago the State Legislature of Mississippi, my State, invited Mrs. Hansen to speak to a joint session of the body. I was privileged to hear her and to see her in action. If the Members of this body had seen her in action that day, they would have seen how she had the members in the palm of her hand. You would have seen how she has handled the people back home.

Mr. Chairman, these are physical monuments that we have been discussing, the forests, the parkways, the many historic monuments, and the many, many programs and environmental improvements to which she and her subcommittee have contributed, now and for posterity. But her record goes far beyond the annals of the Congress, the history as written in the Congressional Record will show that Mrs. Hansen has done so many other things for the benefit of our country. Julia has been a tower of strength in the operation of the House of Representatives.

Mr. Chairman, in the retirement of the gentlewoman from Washington, Mrs. Julia Butler Hansen, we lose one of the kindest, one of the ablest and one of the greatest Members we have ever had in this Congress. No Member ever left a higher mark of excellence.

Julia, we love you, we wish for you many happy and eventful years. You have earned them.

Mr. ALEXANDER. Mr. Chairman, today as in the recent past, I would have liked to have provided an analysis of where the dollars go in as many of the funding categories in this bill as possible. But, as in the past, I have found it difficult to locate data which makes that possible.

The problem stems directly from the failure of the Congress and the various agencies of the executive branch to use the same titles in their various budget and appropriations documents. This makes comparisons of the data available difficult at best, and in many cases almost impossible.

My principal concern with the analysis which I have been providing on appropriations bills coming before the House thus far has been to identify the percentage of funds which have been going, or can be expected to go, to nonmetropolitan areas and to metropolitan areas.

The bill which we deal with today, H.R. 16027, making appropriations for the Department of the Interior and related agencies is one of those bills which are best described as everybody's bill. This is so because the work of the Fine Arts Commission, the Fish and Wildlife Service, the John F. Kennedy Center for the Performing Arts, the National Foundation on the Arts and the Humanities, the National Park Service, and the Bureau of Outdoor Recreation perform activities which protect and enhance our natural or cultural heritage. And these agencies are all funded under the proposal we are voting on today.

These functions which we underwrite with these funds are of immense value to our people as a nation and society.

But, there are only three items for which sufficient information has been available to me in a form which would allow a projection to be made of what funds might be spent in nonmetropolitan areas from these appropriations. This projection is based on the percentage of 1973 fiscal year outlays spent in nonmetropolitan areas. The results of the study appear in the chart below:

[Dollar amounts in millions]

Program	1975 committee recommendation	1975 estimate going to nonmetropolitan counties	1974 appropriation	Fiscal year 1973 percentage going to nonmetropolitan counties
Department of agriculture, forest service:				
Forest protection and utilization	$416.4	$257.3	$469.7	61.8
Forest roads and trails	120.4	90.8	97.7	75.4
Department of Health, Education, and Welfare:				
Health Services Administration Indian health facilities	55.4	45.9	49.9	82.9
Total	592.2	394.0		

Mr. LEGGETT. Mr. Chairman, I wish to express my support for, and call to attention of the House, the provision in H.R. 16027 which institutes a 10-year reforestation and timber stand improvement program for our national forests.

The Appropriations Committee has recommended a $15 million a year increase to the $35 million requested by the administration for reforestation and timber stand improvement, a recommendation which I feel is of critical importance and should be supported by the full House. Though the $48,289,000 in this years appropriation falls short of a previously unfulfilled commitment of $65 million made in 1972 under H.R. 13089, the Accelerated Reforestation of National Forests Act, it does represent a concerted effort at correcting an economic and environmental disaster in the production and the management of our national forests.

We have faced a continual rise in the price of wood as supply has been unable to meet the demands of the public. Housing has been a primary factor in the increased demand.

A timber supply problem was predicted by the Forest Service as early as 1952 and 1962, though no legislative action was effected until 1969–70. The first real signs of the wood supply crunch were evident in 1968 and 1969. During those years, lumber and plywood prices rose nearly 50 percent. From 1971 to 1973, a similar supply/demand problem occurred, adding further evidence to the assertion that poor forest management had a crippling effect in meeting the Nation's needs at prices the public could reasonably afford.

Today there remains no question as to the grave economic situation of the lumber industry. Price increases for 1972-73 reportedly ranged from 24.3 to 36.9 percent. Though the problem has been identified, production levels declined in each region during the fourth quarter of 1973 by 5.8 percent.

The wood stock economic crisis is a tragic irony in light of the full growth potential that exists on land that now lies wasting away due to clear cutting, no growth, or poor management. Potential growth rates for fully stocked natural stands would increase the present actual growth rate by 39 percent in our national forests. The greater significance of vigorous implementation of reforestation in natural forests is its effect on other ownership classes of production. The 92 million acres of national forests' commercial timberlands produces 982 billion board feet, or 51 percent of the total softwood sawtimber inventory, both public and private. It is contended by the American Enterprise Institute, that since the market impact is so great, the policies of the national forest would strongly influence the policies followed for other types of public timber ownership. This could amount to a potential growth increase, in all public production, of 45 percent.

The present bill will finance the reforestation of 3.3 million backlog acres, which now exists in our national forests. Our record to date in effectively gaining ground in our reforestation program has been poor. The $35 million per year base figure has, at best, left our recovery capabilities at a standstill. The administration's efforts in carrying out the program has been a dubious success, at best, amounting to only a 23-percent reduction of the backlog in the last 5 years. The administration's commitment to the project has been less than helpful as evidenced by the fact that the Appropriations Committee has seen fit, and properly so, to increase the amount allotted for the project, above administration recommendations.

Inflation has and will continue to have a significant role in the cost of reforestation. With a leadtime of 25 years before reforestation and with timber stand improvement measures developing trees of sawtimber size, and an inflation cost factor of between 8 and 12 percent, it is imperative that the program begin, in full, now.

Skillful management of our forests and a reforestation program which is rigorously implemented serves not only economic considerations, but environmental ones as well. The protection of watersheds, wildlife, and the natural resources of the land have been placed in jeopardy by the logging and forest practices which have left the land clear cut. To prevent the reclamation of land from becoming prohibitive and to maintain the natural wildlife and water quality found in our national forests, planned reforestation and management has become critical for the present and future development of our forest resources.

In passing this provision, we must be aware of the fact that the $50 million figure is only a satisfactory funding level for the reforestation of 30,000 acres this fiscal year.

According to the Forest Service, in a letter that is included at the end of my remarks, the bill's appropriation seems to be reasonably within the range projected in 1971, given an inflationary rate of over 20 percent in the last 3 years.

I would encourage the Forest Service and the Congress to continue to be responsive to the reforestation timetable in the interest of the public, both economically and governmentally. Further, that we continue to support the program with the necessary funds it will need in the coming years.

Proper economic and environmental policy concerning our national forests dictates that an intensive and comprehensive reforestation and management program be fully implemented immediately.

I include the following:

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 14, 1971.

HON. ROBERT L. LEGGETT,
House of Representatives.

DEAR MR. LEGGETT: This is in further response to your letter of April 23 requesting an analysis of our program to reforest the five million acre backlog on the National Forests.

According to the latest Project Work Inventory there were 4.8 million acres of nonstocked and understocked commercial forest land in need of reforesting on the National Forests. We estimate the cost of doing this work at about 552 million dollars and that it would take about 13 years to complete the job. The time requirement of 13 years is based on the availability of labor and equipment, on the capacities of our tree nurseries to produce planting stock, and on the probabilities of being able to secure seed from the proper seed sources. It would take about four years to "gear up" because we would have to prepare additional seed beds, install irrigation systems, and expand facilities for handling and storing the trees at many of the nurseries. Some of the species of trees needed have to be grown three years in the nursery before they are ready for outplanting. Also, many species produce seed in collectible quantities at intervals of several years .

A tentative five-year program to begin accomplishing the needed reforestation efficiently and in the shortest reasonable time is as follows:

Fiscal year:	*Acres*	*Cost* ($)
1973	190, 000	24, 800, 000
1974	250, 000	28, 750, 000
1975	350, 000	40, 250, 000
1976	420, 000	48, 300, 000
1977	420, 000	48, 300, 000

Following the initial five years of the program, it would continue at the F.Y. 1977 level until it tapered off during the last several years. This tentative program assumes that it would be part of a coordinated program for development of all of the resources of the National Forests and that funding of other activities such as watershed, recreation and wildlife management, etc. would provide multidisciplinary support to assure protection of the environment.

Reforestation of land cut over on sale areas, funded with deposits by timber purchasers under the Knutson-Vandenberg Act, is expected to increase from about 200,000 acres to 250,000 acres annually during the period 1973–1977, inclusive.

We appreciate your continuing interest in the management of the National Forests.

Sincerely,

JOHN R. MCGUIRE,
Acting Chief.

Mr. SEIBERLING. Mr. Chairman, today the House is considering the appropriations bill for the Department of the Interior and related agencies. The bill includes moneys to be appropriated for the Land and Water Conservation Fund—LWCF—program administered by the Bureau of Outdoor Recreation.

Next week, the House Interior Subcommittee on Parks and Recreation has scheduled hearings on various bills to amend the LWCF program. Among the bills to be considered is one I authored to increase the fund from $300 to $900 million.

With the pending Interior appropriations bill and the LWCF hearings, it is very timely for Members of the House to examine closely the fund to see if it is fulfilling its purpose and meeting the needs of our citizens.

The Land and Water Conservation Fund was begun in 1965. It is used by State governments on a 50–50 matching basis to acquire and develop park and recreation lands and by Federal agencies like the National Park Service to acquire lands needed to satisfy national conservation goals. The fund is derived from entrance and user fees collected at a number of Federal recreation areas, receipts from the sale of surplus Federal property, Federal taxes on motorboat fuels, and royalties from offshore oil wells.

FEDERAL NEEDS

An average of 40 percent of the fund goes to Federal agencies. It is the only source of land acquisition moneys for the National Park Service. Estimates are that the Park Service needs around $327 million to purchase private inholdings in 50 units of the park system and lands recently authorized in new national park areas. With the proposed additions of Big Cypress and Big Thicket, the total could be raised to well over $600 million.

The Park Service share of the fund in the pending appropriations bill is only $72.7 million. In fiscal year 1974, no moneys were appropriated from the fund for Federal land acquisition, and the Park Service was left with only carryover funds appropriated in previous years.

At this erratic, low rate of funding, it will be many years before the Park Service can acquire the necessary lands authorized by Congress. And, in the meantime, inflation is rapidly escalating land prices and many key parcels of land could be lost to development.

The heavy backlog in unacquired national park lands has had a further deleterious effect. The Department of the Interior and the Office of Management and Budget have continually opposed any new national park proposals. This is a deplorable situation as now, more than ever before, our country desperately needs more Federal parks and recreation areas, particularly near our major urban centers.

Between 1960 and 1970, 24 million people were added to the population of the United States. Seventy-three percent of the Nation's population now live in urban areas, on less than 2 percent of our country's land. Within our central cities, one family in two or three does not own a car. Yet most of our parks are located in remote areas, accessible only to families with automobiles, and then only on weekends or summer vacations.

Only 8 percent of all Federal recreation lands are located in urban areas. Most Federal parks are far removed from the urban masses or, where they are located in metropolitan areas, they are limited in purpose—such as national battlefields—or unsuitable for intensive recreation—such as national historic sites. The lack of Federal recreation and park lands is particularly acute in the Eastern, Midwestern, and Southern States.

If we are to expand our country's ability to provide outdoor recreational opportunities where they are most needed—and to preserve valuable open space before it is lost forever—more funds must be made available on the Federal level.

My bill, to increase the annual authorization of the Land and Water Conservation Fund from $300 to $900 million would end the logjam that has stymied Federal acquisition. Moneys for the increased funding are already available in the U.S. Treasury. The Secretary of the Interior has announced plans to increase offshore oil drilling by tenfold, which would more than cover a threefold increase in the fund. Revenues from offshore oil leasing are expected to reach over $8 billion in fiscal year 1975.

The purpose in using these oil revenues for the LWCF program has been to convert a natural public resource that is being depleted into a natural public resource that will not be depleted. As we increase the rate at which we deplete our oil resources, we should also increase the rate at which we fund parks, recreation, and conservation of land and water resources. Otherwise we would be allowing a substantial cut in the percentage of offshore oil revenues going into the fund.

STATE NEEDS

The need for additional funding for recreation purposes is equally acute on the State level. As the demand for recreation has grown nationally, pressures have grown on our State and local parks to help meet this demand.

Unfortunately, the funds available under the present program are falling far short of meeting the State needs for outdoor recreation land and facilities. Traditionally, park programs have taken a back seat to other State and local priorities. Only in recent years, has outdoor recreation been recognized as an important and basic human need. At the same time, with the rapid disappearance of suitable open space, particularly around our central cities, fewer opportunities have been available for outdoor recreation. And the need grows more acute every year.

As of the end of fiscal year 1974, the States had obligated all but $22 million of the moneys appropriated to them. Actually, the word "obligated" is a misnomer, a creation of the Bureau of Outdoor Recreation that merely clouds the issue. Many of the States have committed their funds for specific projects and are simply waiting for BOR's formal approval of environmental impact statements and the like. Although the States have committed their funds, they must wait for BOR to officially state that the funds are obligated.

Earlier this year, I wrote to the Governors of each State asking for their views on the LWFC program—whether they have need for increased funding and what other changes they would like to see enacted. I received replies from 42 States.

The State officials unanimously endorsed my proposal to increase the fund from $300 to $900 million a year. They said their need greatly exceeds their allotment, and the need grows even greater every year. Many of them asked that the matching grant formula be changed to 75 percent Federal and 25 percent State or local. Several requested that the program provide funds for operation and maintenance of parks, as well as planning, acquisition, and development.

The following are excerpts of the replies I received from State officials concerning the land and water conservation fund. I think these will be helpful to the Members in evaluating the various proposals for amending the land and water conservation fund. I believe most Members will come to my conclusion—that the fund desperately needs to be increased, and that $900 million is a reasonable figure to meet the growing State and Federal needs for outdoor recreation.

The following are a few excerpts from the replies I received to my informal survey of the States:

Alabama: "We concur with the recommendations of (the National Association of State Outdoor Recreation Liaison Officers requesting $480 million for FY/75 and and increase in the annual fund to $1 billion) as they do represent the states and they are the ones that have been selected to administer this program in their respective states or areas." (George C. Wallace, Governor)

Alaska: "We do recommend that Land and Water Conservation Funds be available to states or local governments for operation and maintenance costs, provided the general level of the fund can be increased." (William A. Eagan, Governor)

Arizona: "The State of Arizona presently can spend more than twice the money available under the current matching program of 50 percent. Because of recently approved bonding programs in several communities and in the two largest counties in Arizona, it is very likely that units of government could use a threefold increase in the fund support as proposed by your bill. This means that even under the existing 50-50 matching program the local units of government will, in all likelihood, be able to match additional funds which would be provided by your bill." (Jack Williams, Governor)

Arkansas: "Most of the small communities in the state of Arkansas are unable to provide 50% matching funds needed to acquire or develop recreational facilities. For this reason, I feel that a formula of 75-25 will be of great benefit to our small communities . . . I feel that a thorough investigation should be made prior to granting money to be used for maintenance and operation of recreational facilities." (Dale Bumpers, Governor)

California: "Since the beginning of the Land and Water Conservation Fund program in 1965, California has received over $66 million in grants. In this same period, we could have funded at least $250 million in grants if federal funds had been available." (Ronald Reagan, Governor)

Colorado: ". . . we feel that the 50–50 matching grant formula is adequate for most of our programs in Colorado. We also feel that grants for operations and maintenance should not be provided with federal grants. We believe that this is a local responsibility. . . . Our requests for funding in FY–1974 totalled about $10 million and our appropriation was only $1¼ million. For FY–1975 our requests were about $5 million, and we estimate an appropriation of about $2.3 million. Historically, our requests have been about four or five to one over our apportionment." (T. W. Ten Eyck, Executive Director, Dept. of Natural Resources)

Delaware: "The need is apparent. Our state park program envisions expenditures of two to four million dollars annually. Local funds would far exceed this amount. Delaware's Federal appropriation for 1974 was $579,570. Current state and local funds eligible for matching are estimated to be $5,750,000. A change in the matching formula to 75% Federal–25% State and expansion of the program to include operations and maintenance would be beneficial to our programs." (Sherman W. Tribbitt, Governor)

Florida: "Florida has experienced a marked increase in local requests for Land and Water Conservation funds this year due to suspension of the Department of Housing and Urban Development's Open Space Program. . . . The projected Fiscal Year 1975 apportionment of $5,369,420 for Florida could be utilized easily if it were tripled as a result of your bill's passage. Such an additional allocation would be split evenly between local government and State-sponsored projects. There would be no difficulty in meeting the 50–50 matching requirement on either level." (Reubin Askew, Governor)

Georgia: "A total of 210 requests were submitted to the Department of Natural Resources requesting $16,000,000 in L&WCF monies. You can readily see that Georgia's anticipated FY 1975 apportionments of approximately $3,400,000 falls far short of the demand for such funds." (Jimmy Carter, Governor)

Hawaii: ". . . the amount of Land and Water Conservation funds allotted to Hawaii is not enough to match State and local funds available for implementing recreation projects through the Capital Improvements Program . . . Accordingly, we fully support this legislative proposal to increase the annual authorization for the LWCF." (George R. Ariyoshi, Acting Governor)

Idaho: "Under the existing allocation formula and level of funding, Idaho receives approximately 1.5 million annually. Since applications have always exceeded available funds, no real promotion of the Land and Water Conservation Fund program has been attempted. With a little encouragement given to the local project sponsors, we feel certain that Idaho could match several times the amount of the present allocation." (Cecil D. Andrus, Governor)

Indiana: ". . . financial assistance in larger amounts than in past years is imperative if we are to keep pace with the ever increasing demands for leisure opportunities in our outdoor settings . . . As part of the ongoing planning program, it was recently determined that over $300 million would be needed in the next fourteen years in our State for public outdoor recreation acquisition and development projects."

Iowa: "One of the problems experienced with the program in the past is a fluctuating level of appropriations to the Fund from year-to-year. This is somewhat disruptive to advance planning. Part of this problem apparently stems from an obsession of OMB, and perhaps by some members of Congress, for a rapid obligation rate whereby a dim view is taken if most funds appropriated during a particular fiscal year are not obligated by the States during that year. This resulted in a particularly drastic reduction in the appropriation for fiscal year 1974." (Robert D. Ray, Governor)

Kansas: "The Joint Council on Recreation advises me that Kansas and other states can very well commit all funds allocated under the $900 million level. As our program has progressed in recent years, the Joint Council has a backlog of projects and with the present applications has an estimated fund requirement of $5,139,000." (Robert Docking, Governor)

Kentucky: "At the current LWCF funding level, we can anticipate a maximum of two million dollars in the Department of Parks for the biennium. We could realistically use another ten million dollars in capital construction funds for the 1974–76 biennium." (Ewart W. Johnson, Commissioner, Department of Parks)

Louisiana: "An on-going, continuous process was instituted early in the program to qualify projects on the federal level far in excess of the availability of federal funds apportioned to the state in any one fiscal year. Qualification of projects does not obligate federal funds, but creates a backlog . . . It goes without saying that the program has been enthusiastically accepted and demanded in this state." (Gilbert C. Lagasse, Director, State Parks and Recreation Commission)

Maine: ". . . in conjunction with any increase in the authorized funding level, we would request Congressional consideration of . . . Passage of the pending amendment to allow a percentage of the funds to be used to enclose certain types of facilities . . . increasing the Fund's cost-sharing rate to more than 50%, say 75% . . . expanding the scope of the program to include reimbursement for operation and maintenance of these facilities. There is also a pending amendment to change the apportionment formula. In the past, we have been opposed to this as it would reduce Maine's annual funds considerably. We would not oppose this amendment if the funding level were increased at the same time to assure Maine $2.5 to $3 million annually." (Kenneth M. Curtis, Governor)

Maryland: "The Maryland Department of Natural Resources . . . is in favor of increasing the 50/50 matching grant formula to perhaps a 75/25. When we allocate State funds for local projects, the State already pays 100% for land acquisition to the local subdivision and in many cases 75% of the cost of development of the facility." (Marvin Mandel, Governor)

Michigan: "Expressed in terms of 1973 dollars, land acquisition and development will require at least $550 million (for the period 1975–79). Our planners have also projected this need through 1989, the statutory limitation of the LWCF program, and have arrived at the staggering figure of $2.25 billion. A second reason for our support is that the LWCF is now the only Federal Assistance available specifically for a wide range of public outdoor recreational facilities and areas . . . Finally, inflation has spurred an acceleration in land prices and construction costs which few could have imagined when the present $300 million figure was authorized." (William G. Milliken, Governor)

Missouri: "As off-shore oil drilling increases on federal lands, the Land and Water Conservation Fund also should increase for purchase of more public recreation land; this is the direct way for an inland state like Missouri to benefit from the increased leasing activity . . . clearly the Land and Water Conservation Fund must be increased just to keep pace with escalating land costs. In brief, an increase in the Fund for Missouri would be favorably received and immediately used." (Christopher S. Bond, Governor)

Montana: "The number of new acquisitions and new facilities plus inflation is creating a burden which all levels of government are facing. Any assistance in operations and maintenance would be quite helpful. Right now we have a number of projects amounting to over a million dollars which are waiting for the 1975 appropriation. An increase in the annual appropriation will aid our park and recreation program at all levels of government." (Wesley R. Woodgerd, State Fish and Game Director)

Nebraska: "Last year Nebraska communities submitted over $10 million of proposed projects and we were able to fund only $3 million based on available funds. This year communities submitted over $14 million of proposed projects. Again we could only program for $3 million of projects. Obviously, there is a great interest by Nebraska's political subdivisions in the program." (J. James Exon, Governor)

Nevada: "With increased funding available as proposed in your bill, we recommend that the formula be changed to provide 75% matching from the federal source. This would be a great assistance to the smaller communities which have a difficult time in raising the local share of the project proposal." (Mike O'Callaghan, Governor)

New Jersey: "At this moment, applications in hand and legitimate program inquiries could more than utilize New Jersey's allocation at the $900 million level. . . . It is our feeling that the present 50–50 funding ratio is generally preferable . . . it is our strong conviction that project accountability is closely tied to the financial commitment of the project sponsor. The 50–50 ratio provides meaningful assistance without adversely affecting project accountability." (David J. Bardin, Commissioner, Department of Environmental Protection)

New Mexico: ". . . we have project proposals pending which total approximately $4-million that would be funded if adequate funds were available . . . in 1973 the State Legislature passed the Outdoor Recreation Act which provided up to 25% State supplemental funds to assist the communities with their projects. However, the 1974 State Legislature failed to appropriate funds for this purpose. We therefore support a change in the formula from 50/50 matching grant." (Bruce King, Governor)

New York: "Federal funds over the past several years have been insufficient to meet the recreational needs of New York State. The State Office of Parks and Recreation estimates that $3.0 billion in capital construction funds will be required over the next 20 years for state and municipal recreational projects. At present funding levels, it is estimated that there will be a $1.6 billion cumulative gap by the year 1990. In regard to pending recreational projects, state appropriations presently in force amount to approximately $118 million. . . We have approximately $20 million in municipal recreational projects that cannot be advanced because of lack of federal funds. In addition, the voters of New York State recently approved an environmental bond issue which includes $175 million for the preservation of land resources. Additional federal funds are needed to supplement these bond funds. It is our opinion that administration of the Fund should be revised to permit federal aid for indoor recreational facilities. We also support grants for operations and maintenance of recreational facilities." (Malcolm Wilson, Governor)

North Carolina: "We, in North Carolina concur with the 50/50 matching grant formula . . . We also prefer that the program continue to be only for acquisition, develop and planning. Local government must assume responsibility for management, operation and maintenance. . . . All of our apportionments from the LWCF program for this year and all previous years have been obligated . . . North Carolina could effectively utilize $12.5 million in fiscal 1975. We, however, anticipate receiving only $3.7 million, leaving a gap of $8.8 million for fiscal 1975." (James E. Holshouser, Jr., Governor)

North Dakota: ". . . the State Outdoor Recreation Agency currently has in excess of $2 million in requests for federal fund assistance from the Land and Water Conservation Fund . . . Additional demands will be made against North Dakota's allocation by an expanding state parks program, acquisition of additional state forest lands, and the development of badly needed water-based recreational facilities at state sites. In addition, our demand for urban recreational development expanded three-fold during the past two years with no increase in the funding level of the Land and Water Fund Program. We can expect these demands to continue in the years ahead." (Arthur A. Link, Governor)

Ohio: "I am pleased to learn of the action you have taken in the Congress by introducing an amendment to the Land and Water Conservation Act of 1965 bill to increase the Annual Authorization for the fund from $300 to $900 million. Your consideration and effort in this direction is appreciated." (William B. Nye, Director, Department of Natural Resources)

Oklahoma: "We feel this need strongly in Oklahoma, and can assure you that additional money would be greatly appreciated and well utilized here. At the present time we have approximately $12,000,000 worth of projects upon which we cannot act due to a lack of LWCF matching funds. We are also interested in pursuing the idea of adjusting the matching formula." (David Hall, Governor)

Oregon: "I welcome the opportunity to work with you in your efforts to alleviate the problems of financing recreational projects. The small, rural cities and counties in Oregon have experienced great difficulty in raising matching funds, as the cost of parks is incredibly high per capita. At the least, these deserving small cities should receive an increase in federal matching funds." (Tom McCall, Governor)

Pennsylvania: "Your efforts to increase the authorized level of funding from $400 million to $900 million is appreciated. However, it would be rather difficult for State agencies and local governments to match their portion of that level of funding on a 50–50 basis. The cost sharing percentage ratio should be increased to 75% federal and 25% local." (Maurice K. Goddard, Secretary, Department of Environmental Resources)

Puerto Rico: "In recent years, we have had a consistent problem of matching the available federal funds with local funds. Certainly, a change in the law with regard to the matching formula from 50/50 to 75/25 would aid in the resolution of this problem." (Rafael Hernández-Colón, Governor)

South Dakota: "In our state, the federal cutback in fiscal year 1974 created a great deal of speculation on the future of the BOR program . . . Currently, we are anticipating that the fiscal year 1975 apportionment will gear up the program to the fiscal year 1973 level. Any larger increase in South Dakota's apportionment is limited by the availability of local funds. A formula change to a 75/25 ratio would be helpful in this respect." (John Popowski, State Liaison Officer)

Tennessee: "The State is holding project applications from local governments for matching assistance totaling more than $4 million. Only $1.6 million will be available for FY '75. The State Legislature appropriated nearly $10 million for Conservation capital improvement projects for FY '75. Only $1.6 million from the Land and Water Conservation Fund is anticipated to match this amount." (Granville Hinton, Commissioner, Department of Conservation)

Utah: "Since the creation of the Land and Water Conservation Fund, the State has funded over 170 projects which have accounted for over $24 million in outdoor recreation expenditures for land acquisition and development. In addition . . . approximately another 125 projects over the last seven years have been turned down for funding due to insufficient Federal matching . . . the need for additional outdoor recreation funds to meet the current recreation demand is great, for we anticipate well over $10 million worth of projects this coming fiscal year, 1974–75, with an estimated apportionment of only $2,147,180 for matching. The need for additional funds at the present time is critical." (Calvin L. Rampton, Governor)

West Virginia: ". . . it is necessary to consider the flunctuating nature of the annual apportionments. This program's annual apportionments have been so inconsistent that the development is practically impossible. If the fund could be stabilized over a period of years, I would support such changes as: 1. Increasing matching formula up to 75 percent . . . 2. Allowing states to utilize up to 25 percent of their annual apportionment to fund outdoor recreation facilities that can be enclosed during inclement weather in the off season. I recognize the desirability of financial assistance for operation and maintenance of recreation areas, but I would not support efforts to do so from the Land and Water Conservation Fund Program. . . West Virginia could utilize three to five million dollars annually for pending and anticipated recreation projects. You can rest assured that I support raising the level of funding." (Arch A. Moore, Jr., Governor)

Wisconsin: "Recently we reviewed the needs for land acquisition and development of park and recreation areas for the next fifteen years. The estimates are as follows: Cost of land acquisition to 1989 $483,000,000. Cost to develop parks to 1989 $260,000,000. . . . During 1971–72, Wisconsin's allocation was $4.8 million and we had no trouble matching that amount. We feel that Wisconsin could fully use aids generated from a $900 million appropriation. Wisconsin makes 25 percent state supplemental grants to local governments to purchase recreation land under any federal program. We would welcome 75 percent federal-25 percent local cost sharing for any program; however, we feel that it would be more important for land acquisition." (L. P. Voight, Secretary, Department of Natural Resources)

Vermont: "The 50/50 matching grant formula has been inadequate in Vermont because many of the cities and towns were unable to match it with local funds. We would support a move to change the formula to a 75/25 ratio or at least have it made more flexible . . . For a number of years the State Legislature in Vermont has appropriated a bond issue to partially match the Land and Water Conservation Funds up to 40% of the cost of the project. The average has been somewhere in the neighborhood of 30–35% leaving the local share at 15–20%." (Thomas P. Salmon, Governor)

Virginia: "The Commission of Outdoor Recreation, the agency in Virginia which administers the Land and Water Conservation Fund program, generally provides 75% of the cost of local projects . . . We have found little difficult in finding localities to come up with 25% of the cost of a project. Our only difficulty is having sufficient Land and Water Conservation Funds to fully finance all of the projects we would like to undertake at the local level . . . during the 1972–74 biennium, the State of Virginia provided approximately $8.2 million in State funds along with our apportionment of approximately $4.5 million in Land and Water Conservation Funds for State and local park and recreation acquisitions and developments. So you can see we are doing a great deal at the State level; however, it would strengthen our program tremendously if we could receive additional Land and Water Conservation Funds." (Earl J. Shiflet, Secretary of Commerce and Resources)

Washington: "The needs identified in the Washington Statewide Comprehensive Outdoor Recreation and Open Space Plan (SCORP) far exceed the existing financial resources available to the state . . . Local agency project grants-in-aid are approved on a 75/25 basis, with 50% LWCF, 25% State funds, and 25% local funds. An increased LWCF apportionment, coupled with a more flexible funding formula allowing up to 75% LWCF use would be most beneficial in extending the capabilities of Washington to meet both State and local project needs." (Daniel J. Evans, Governor)

Wyoming: "We welcome your suggestion of a 25/75 matching grant formula. It would ease a burden on all of our entities in their acquisition and development program . . . in the nationwide program we thought it expedient to first construct recreation areas and facilities for the public. . . . The next phase should be implementation of the 'protection' portion of the Act, i.e. constructing headquarter areas and a State Park Superintendent's home and/or headquarters so that the total recreation area would be covered on a 24 hour basis. If this phase would be matchable, it, too, would alleviate the concern of all State Park Directors in managing park areas." (Paul H. Westedt, Director, Recreation Commission)

Mr. LEHMAN. Mr. Chairman, I rise to associate myself with the remarks of the lady from Washington, Congresswoman Julia Butler Hansen, the gentleman from Illinois, Congressman Sidney R. Yates, and the gentleman from Indiana, Congressman John Brademas, and in opposition to the amendment of the gentleman from Iowa, Congressman H. R. Gross.

This Nation, even with its present serious fiscal problems, can and will find the means to support the Appropriations Committee's funding of the National Endowment of Arts and Humanities.

The National Endowment is endeavoring to bring various forms of culture to the people throughout the country, and like our own metropolitan government in Dade County with its effort to bring a municipal museum to south Florida, we can make an important contribution to raise the quality of life for our citizens.

Mr. MAYNE. Mr. Chairman, I rise in support of the House Appropriations Committee's recommendation that a total of $159,000,000 be appropriated to the National Foundation on the Arts and the Humanities, and strongly urge my colleagues in defeating all amendments reducing the amounts so recommended.

The fine returns to this Nation from the programs of the National Endowment for the Arts and of the National Endowment for the Humanities amply justify the relatively moderate sums invested by the Congress. Few Federal programs provide such value per tax dollar. I have supported various amendments to hold certain Federal programs to the fiscal year 1974 level of spending, as a means of curbing total Federal spending that feeds inflation, but I submit that any attempt to so hold the Arts and Humanities programs would not be true economy in Government.

Although H.R. 16027 as reported by the Appropriations Committee provides $40,725,000 more than the level of new budget authority appropriated for the last fiscal year, 1974, for the foundation and its twin endowments the committee's recommendation already represents a cut of $16 million from the budget request submitted by President Nixon. Rather than accept floor amendments further reducing this appropriation, I believe a strong case may be made for increasing it not only to the level requsted by the administration but further to a level providing for full funding of the authorization for the National Foundation. If such an increase is not made by the House, I would urge that it be considered by the Senate Appropriations Committee and the Senate.

Mrs. HANSEN of Washington. Mr. Chairman, I yield myself 30 seconds to say "thank you" to my good friends and colleagues.

Mr. JOHN L. BURTON. Mr. Chairman, I have been a Member of the House for just a little over a month but I could not let this occasion go by without adding my personal thanks and best wishes to the distinguished chairwoman of the Appropriations Subcommittee on Interior and Related Agencies.

Because of her special concern and commitment, a project of great importance to my California district will proceed and the magnificence of the Golden Gate headlands in Marin and San Francisco counties will be preserved.

The Congress worked its will in creating the Golden Gate National Recreation Area but lands must be acquired, transportation projects tested, and, most importantly, funds must be available if this magnificent area is to be preserved in the manner that the Congress envisioned when it passed the original GGNRA legislation.

Julia Butler Hansen has worked to see that funds are available and for that I, and the people of San Francisco and Marin County and all who share the concerns for the preservation of this beautiful open space, owe her a debt of gratitude.

Mr. PHILLIP BURTON. Mr. Chairman, I should like to take this opportunity to join with my colleagues in expressing admiration for the gentlewoman from Washington, Julia Butler Hansen. It has been my privilege to work with her as a member of the Hansen Committee on Organization and Procedures of the Democratic Caucus. Her achievements in the past 3 years as chairwoman of that committee have had a profound and significant effect on the workings of the House which will be felt for decades to come. She has worked tirelessly and patiently and she has always been considerate of the views of others as she has guided that committee toward conclusions to improve the functioning of this body.

JULIA BUTLER HANSEN has served the people of this Nation as chairwoman of the Appropriations Subcommittee on Interior and Related Agencies. She has fought for conservation and the preservation of our open spaces for future generations to enjoy. She has fought for the development of our resources; our land, water, minerals, wildlife, and parks and she has diligently and firmly stood against their exploitation by special interests. JULIA BUTLER HANSEN has had a special commitment to the principle that the land with all of its abundance and beauty belongs to all of us and that it is our responsibility to pass this heritage on intact to future generations.

JULIA BUTLER HANSEN has been of invaluable help to me personally in the effort to preserve the beautiful Golden Gate and in securing necessary funds to develop the Golden Gate National Recreation Area.

In my capacity as chairman of the Subcommittee on Territorial and Insular Affairs, I always found JULIA BUTLER HANSEN to be understanding and sympathetic toward the needs of the people of the territories for which the United States has special responsibility.

JULIA BUTLER HANSEN is a humane and compassionate woman, a tireless fighter for reform of House procedures, and a dedicated servant of the common good. It has been my special privilege and pleasure to have her as a friend. She will be missed in the Congress and I am sure that all who have served with her wish her the full enjoyment of her retirement and return to her home State of Washington.

Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, $140,696,000.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois: Page 2, lines 9 and 10, strike "$140,696,000" and insert therein "$141,696,000".

Mr. ANDERSON of Illinois. Mr. Chairman, I almost hesitate to disturb the mirrorlike tranquility of these proceedings by offering an amendment to what is surely a most exemplary bill.

At the outset I want to join in the commendations that have so richly been paid and so deservedly paid to the distinguished chairperson of the subcommittee, the gentlewoman from Washington and also to my very dear friend and a senior Republican member of the subcommittee, the gentleman from Oregon. We will miss them not only for their service on this committee but also because of the great contributions that they have made in the public interest through the many years of their combined service.

It is only my deep and overriding concern for my region of the country, which has already been predicted will be the victim of a shortage of fuel, of natural gas as early as this winter, a prediction that was made only a week ago by the head of the Federal Energy Administration, Mr. Sawhill, that leads me to offer an amendment.

The function of this amendment is to restore $1 million to this measure for the purpose of expediting completion of the environmental studies on the Arctic gas pipeline projects. These studies constitute the first phase of the Federal approval process for such projects. The administration had requested a total of $4.5 million for these studies which, with full funding, they would expect to complete by late spring, 1975. The committee's provision of $3.5 million, however, threatens to significantly delay completion of these environmental impact statements. Moreover, since the Federal Power Commission cannot initiate its full-scale proceedings until such studies are filed, delaying the latter's completion inevitably prolongs the already lengthy FPC certification process.

Specifically, we expect that the $1 million funding cut will adversely affect the already proposed and vital Arctic gas pipeline project. This project is a venture backed by a 27-member consortium consisting of United States and Canadian gas and oil companies which has already filed the appropriate applications with United States and Canadian authorities. The project is a vast undertaking which envisions a 2,600-mile pipeline complex to transport natural gas from Alaska's Prudhoe Bay and Canada's Mackenzie Delta to U.S. markets. The system will tap over 33 trillion cubic feet of proven gas reserves and is expected to deliver over 4 billion cubic feet of such gas daily—that is the equivalent of nearly 700,000 barrels of oil. It is estimated that the pipeline will cost over $6 billion and the consortium plans to commence gas deliveries in 1979. Basic markets will be the Upper Plains States, the Great Lakes States, the west coast, and the Mid-Atlantic States.

The anticipated 1979 completion date, however, is contingent on many variables. Within this country, the consortium must receive a right-of-way permit from the Interior Department and a pipeline certification from the Federal Power Commission. In addition, certain permits must be obtained from the State of Alaska. Since the pipeline also traverses Canada, approval from its Ministry of Northern Development and Indian Affairs and the Canadian National Energy Board must be secured. Finally, because of the international nature of the project, it is expected that our State Department will negotiate an agreement with Canadians concerning ownership and gas shipment rights. Although each of these steps shall proceed concurrently, each may encounter unanticipated obstructions and seriously delay approval of the entire project. Let me stress, that all of these approval procedures must go forward without delay if the 1979 completion is to be achieved.

The precise delay potential of the bill's $1 million funding reduction is unknown. The Interior Department staff charged with the responsibility of preparing the impact statement estimates that the probable delay is approximately 3 months. This seemingly minimal delay, however, will be compounded because, as I noted earlier, the Federal Power Commission cannot begin its full scale proceedings until the pertinent environmental impact statements have been filed.

The pressing need to expedite these already lengthy approval procedures leads me to conclude that this $1 million must be restored to the bill. By passage of this amendment, Congress can insure that at least one source of significant delay will be obviated. Moreover, this body shall have then helped facilitate delivery of this vital fuel to an energy hungry nation.

Let me add one final note: support of this amendment should not be construed as congressional approval of the Arctic Gas Consortium's particular venture. Indeed, it is expected that other groups will come forth with alternative schemes to transport gas from the far north to domestic markets. This amendment merely provides the additional funds necessary to insure that all permit approval procedures move ahead without delay. Additionally, the Interior Department's environmental assessment can be expected to furnish the type of information base necessary for a prudent determination of the particular route or project which is in the national interest.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding. I would like to associate myself with the remarks of the gentleman from Illinois. It was my understanding that the original plan within the Department of the Interior was that they wanted to spend $9 million and take 2 years to do it; but by the time the request came over to the Congress it was cut both in money and in time. It was cut from $9 million to $4.5 million, cut from a 2-year study to a 1-year study. I think we are at the absolute bottom minimum right now.

A study, a comprehensive study, a thorough and complete study, is necessary for two things.

It is necessary, No. 1, to be able to pick the best route for this gas pipeline; No. 2, it is necessary in order to avoid court fights. We had a lot of trouble with the Alaska pipeline with court fights and with discussion of problems. If we do not have a proper study, if the complete provisions of the Environmental Protection Act is not followed, we end up with a court fight on this one, and we cannot afford it.

I think the amendment offered by the gentleman from Illinois is absolutely correct, and I would like to go on record in support of it.

Mr. ANDERSON of Illinois. I thank the gentleman for his very valuable contribution. He makes, I think, an additional and a very valid argument for the adoption of the amendment.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, what the gentleman is saying in his amendment is that he is requiring an additional $1 million for an environmental impact study on the Trans-Canadian-Mackenzie Valley route.

Is it his opinion that if we do vote on this affirmatively, would it in any way be interpreted as a congressional OK for the Trans-Canadian-Mackenzie route?

Mr. ANDERSON of Illinois. As I said a moment ago—perhaps the gentleman was not in the Chamber—it ought to be emphasized that support of this amendment should not be construed as approval of any particular venture, be it the Arctic Gas Consortium or anyone else. It is to examine necessary and desirable routes that may be pursued.

The **CHAIRMAN**. The time of the gentleman from Illinois has again expired.

(On request of Mr. Young of Alaska and by unanimous consent Mr. Anderson of Illinois was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Alaska. Is it my understanding, then, that some of this money possibly could be utilized in the other alternate routes, or is it to be specifically spent on the Trans-Canadian-MacKenzie route?

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I will yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, it is a very important point, and it is an important point to emphasize, that part of these studies are the alternative routes. Clearly, the alternative to the MacKenzie Valley route is an Alaska route, and it is an important part of NEPA as the alternatives are studied.

If we cut the money, one of the things we do is to start impinging on the quality of the study, one of the very important parts of the study of alternative routes. I think it is in the best interests of the gentleman from Alaska to vote for the amendment offered by the gentleman from Illinois just for that very reason, that, in order to get a proper study of alternatives, we need to have the money for the study.

Mr. YOUNG of Alaska. Mr. Chairman, I have one additional question. Is it my understanding that the FPC actually does not have to have an environmental impact statement prior to its ruling; that its decision is based upon the availability of gas, the availability of the marketplace, the price of consumption of that gas, and actually they are not requiring an environmental impact statement before they make their decision?

Mr. ANDERSON of Illinois. I am informed by people in the Department of the Interior that this is not so. These studies have to be completed or there will be, inevitably, delay of the certification process by the Federal Power Commission. I am giving the gentleman the benefit of the very best information I have been able to develop on this point.

Mr. YOUNG of Alaska. With all due respect, as the gentleman knows, we have a vested interest in my area in where this line goes, and I do not want to be caught in a box of considering that this is a trans-Canadian route.

Another alternative, as the gentleman well knows, and I think we should make it perfectly clear on the record, that a vote for this amendment would not be a vote for the Canadian route.

Mr. ANDERSON of Illinois. Let it therefore be made clear by the author of the amendment, the gentleman in the well, that this amendment is not a congressional endorsement or approval of any specific route. It does not rule out consideration of any alternate routes.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the author of the amendment if it is not true that the purpose of the amendment is to expedite the environmental impact study, on the Arctic gas pipeline and to place the study before the Federal Power Commission for the final determination of that Commission.

Mr. ANDERSON of Illinois. The gentleman has correctly stated the purpose of the amendment.

Mr. RUPPE. And it certainly is true that it is the opinion of people in the Midwest that the route through Canada can support itself on its own merits. It is not a legislative attempt to make a decision, or foist a decision, on the Federal Power Commission, but rather to get a fair opportunity for the Midwestern States to get a Canadian pipeline considered as one of the proposals before the Federal Power Commission, we must recognize that the Midwest is definitely energy short, is a deficit area at the present time, and faces a worse energy shortage in future years.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I certainly will.

Mr. ANDERSON of Illinois. Again, I will say that the gentleman from Michigan, a distinguished member of the Committee on the Interior, is knowledgeable in these matters and has stated very simply and better than I could myself the rationale of this particular amendment.

Mr. RUPPE. Mr. Chairman, I thank the gentleman.

Mrs. HANSEN of Washington. Mr. Chairman, I rise in opposition to the amendment.

It is always with regret that I rise in opposition to an amendment that is providing energy, even though not many seem to be concerned these days about conserving energy. I have found, as I drive on the highways, that there are very few people interested in saving energy. Cars going to the airports are going 70 miles an hour; people with air-conditioners are operating them at top speed.

Let me say to the distinguished gentleman from Illinois that the committee had long, extensive hearings on this entire problem.

There are about six proposals which relate to a variety of routes. We have a map in our hearings, if the gentleman will turn to page 1043 of part 4. One route goes straight down toward Valdez, Alaska. One route comes down into Alberta, and there is one that goes into the midcontinent.

I would point out to the gentleman that the money will be spent for routes where the applications are actually made, and some of the applications have not yet been made.

May I point out that $3,500,000 is in the budget for environmental impact statement preparation and for an economic and security analyses. In addition, there is $130,000 in the Office of the Solicitor for legal work involved in this project.

I would also like to point out that there was a great deal of uncertainty expressed in the testimony of the Interior Department when they were before us relative to the proposals. During our hearings the committee learned that one of the companies, El Paso, had already filed an intervention suit against one of the other companies, Arctic Gas, and that there was talk that the Polar Gas people were going to file an intervention suit against the Arctic Gas people.

There is not at this point full, complete knowledge of where any Arctic gas lines will go. With a great deal of care and a great deal of caution, we looked at this entire picture and concluded that the $3,630,000 provided in the bill is sufficient until we have more precise information.

The committee does try to act responsibly, and we have tried to bring to the floor of this House a responsible and a sensible bill. We have never at any time refused to entertain a supplemental request, and we never refused to discuss with the Senate in conference those items where further discussions or hearings have revealed additional information.

So this is the reason why I oppose this particular amendment.

Before concluding, I might remind the distinguished gentleman from Illinois that it was the efforts of the Subcommittee on Interior and Related Agencies which gave to the taxpayers a break by requiring reimbursement for the extraordinary costs that were involved in environmental impact studies relating to the trans-Alaska pipeline.

The **CHAIRMAN**. The time of the gentlewoman from Washington (Mrs. Hansen) has expired.

(By unanimous consent, Mrs. Hansen of Washington was allowed to proceed for 1 additional minute.)

Mrs. HANSEN of Washington. Mr. Chairman, this alone has done a great deal to protect the people and the taxpayers of this Nation.

I would urge that the Senate carefully review this. Let us define exactly the steps we wish to take and when and how. If the requirements are greater than the funds we have provided, it can be considered in conference or in a future appropriation bill.

Mr. Chairman, I urge the defeat of the amendment.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will take just a few minutes to indicate my regret that I must disagree with my able colleague, the gentleman from Illinois (Mr. ANDERSON) and some of his associates on this issue.

I feel that I must point out to the House that this committee did give this particular item a great deal of scrutiny when the Bureau of Land Management came before us, and as a result of that hearing we provided $3.5 million to begin looking at environmental impact statements in connection with applications that were not even filed at the time we held our hearings.

There are six different routes under consideration. We do not know today which one might be settled on. We gave 80 percent of the budget estimate that the Bureau of Land Management requested to begin with to get on with this work.

I say to my colleagues in the House, with all due respect to the position taken by my colleague, the gentleman from Illinois, that we do want to go slowly here. This committee has had a great deal of experience with respect to how we should try to handle the writing of environmental impact statements when we must develop an issue such as this one. We handled it on the trans-Alaska pipeline. There were millions of dollars spent on environmental impact statements on the trans-Alaska pipeline. We are still spending money on that.

However, we worked out a mechanism in this subcommittee to try to make sure the burden of writing those impact statements would not fall 100 percent on the taxpayer. We tried to make sure there would be some mechanism whereby the Federal tax dollars we would spend would be spent to come to an environmental decision on the pipeline, and we tried to make sure the companies would agree to a reimbursement. Indeed, we had the Department of the Interior set up a separate account so that we could make sure the burden of doing that necessary work was not to result in a 100-percent Federal obligation on the taxpayers of this Nation.

We think we ought to go a little bit prudently here. We think we ought to move in a way that is deliberate because 80 percent of this budget estimate is here.

I also want to remind my colleagues that this bill has yet to go to the U.S. Senate. We have yet to move the bill across this hall.

If the Department of the Interior feels that there are certain problems in our action they have the right of appeal to the other body. That is why we have the two Chambers. That is why this bill will go to conference.

We are trying to present the Members with a bill that does not just rip up the Federal budget. This bill, as I indicated in my general remarks, is $400,000 above the budget. As I indicated, we think we have kept it pretty well down giving due concern to all of our priorities, and still trying to make sure that the resources of our Nation are protected.

I think the Members of the House can feel comfortable when they understand that we did appropriate $3.5 million, 80 percent, roughly, of the budget request, to begin this program.

I hope that this amendment will be defeated.

Mr. HOSMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, whenever you have to have a data base for an environmental determination you have to have a very broad base and a very deep base.

The Members will recall that when we were working on the trans-Alaskan pipeline there was an enormous environmental hullabaloo. There were lawsuits filed all over the place about the alleged inadequacy of the environmental protection statement. This delayed the building of the line considerably. The line was delayed for 4 years, largely while additional data was being collected.

Now, if everything goes well, and Pollyanna does not get mugged, and pulled out of the game here, according to the gentleman from Illinois (Mr. ANDERSON), we might have this new gas line on stream by 1979.

It is important that we have it on the line by 1979, because prior to 1979, if we pass this strip mining bill in the form that we now have it before the Congress, the Nation is going to have an enormous short-range energy shortage based on the lack of coal. But, later, in the median range after 1979 and in the 1980's we are going to be confronted with another very serious type of fuel shortage.

I would call the attention of the Members to my remarks appearing at page 24794 of the RECORD of yesterday which came out today, which points out that, in connection with the reprocessing of nuclear fuel there is very likely to be a lack of facilities to do this adequately. This lack will leave a lot of plutonium locked up in unprocessed fuel elements. It will also leave a lot of enriched uranium fuel locked up in unprocessed fuel elements during the very period of the 1980s.

That simply means that we will have something like this gas line coming on to compensate for the possibility that we may not have adequate nuclear fuel in the mid-term.

The other thing I would like to say on this issue is that, although this is an allegation that is directed at bringing gas into the upper Middle West, certainly the data base will apply to all alternatives, whenever the gas may be delivered. In order to get a license for any one of these lines you have to have all the alternatives discussed in an environmental protection statement, anyway. So this is simply an assist in the timely provision of the information which is needed for all of this.

With particular reference to the Middle West, when we were discussing the legislation here on the floor about the trans-Alaskan pipeline, the gentleman from Illinois violently opposed the bill, wanting to have it built across Canada, because the gentleman wanted to bring this oil to the upper Middle West. The gentleman had a logical position insofar as his parochial interests are concerned.

This trans-Alaska pipeline will put oil and gas resources into tankers and bring them down to the west coast, and even to the gulf or even to the east coast. But it will not bring these energy resources to inland areas, the interior areas, the midwestern areas where there is need.

So I think it is about time that we make it possible at last for that kind of line, too, to be considered as an alternative, even though it may not in the end become the chosen alternative.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

The gentleman mentioned 1979 as likely the earliest date that that gas pipeline from Alaska could become available to people in the United States. I might point out that at the present time we have been trying to negotiate natural gas imports from Algeria; but Algeria just turns the valve of that gas on and off at will. Their contracts have been hardly worth the paper they are written on; their contracts today are either ignored or renegotiated at ever escalating prices.

Mr. HOSMER. I would also caution the gentleman that so far as the Canadians are concerned, we are not entirely out of the woods with respect to interruption.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

I just want to have the record reflect at this point, is the gentleman in the well now in support of the amendment I have offered to the committee bill?

Mr. HOSMER. Not only am I in support of the amendment the gentleman has offered to the committee bill, but I wish to take issue with the gentleman who just argued that this would save money because it would be spending Government money now instead of waiting later for an applicant for a gas line to pay for such studies.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HOSMER was allowed to proceed for 1 additional minute.)

Mr. HOSMER. If we wait for such a pipeline applicant, they would have to pay for it, and the gentleman from Pennsylvania (Mr. McDADE) says tax money would be made. Let me tell the Members about this waiting business. It will take $3 million later, the way inflation is going, to do this $1 million's worth of work now. Another thing is, if this $1 million which comes out of Uncle Sam's pocket speeds that line getting onstream a year earlier, or at least lets it get there on time, the tax revenues that the Government will get back from having that pipeline in profitable operation, and the tax revenues this Government will get back just because there is enough energy to operate in the Middle West, and wherever else the pipeline goes, will make that $1 million that the gentleman from Pennsylvania (Mr. McDade) is worried about look like 2 cents and a couple of peanuts.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

I suggest that when the gentleman talks about the price becoming higher because of inflation, I think the gentleman does not realize what the $4½ million is for.

Mr. HOSMER. I know what the $4½ million is for, and I decline to yield further.

Mr. YATES. I must say the gentleman does not know what it is for.

Mr. STEIGER of Wisconsin. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am pleased that my distinguished colleague, the gentleman from Illinois, has offered the House a chance to take action on this needed money. It is important in terms of the Midwest as well as the Nation as a whole. My hope is that the distinguished gentlewoman from Washington and the distinguished gentleman from Pennsylvania notwithstanding, the House will in fact be able to find it in its heart to adopt this amendment as a way to try to insure that the country has at least a decent shot at getting the supply of natural gas it needs on a timely basis.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I am delighted to yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

I thank the gentleman for his support. I noted particularly in the remarks made a few minutes ago by the distinguished chairman of the subcommittee, the gentlewoman from Washington (Mrs. Hansen), that she was very open-minded, and I compliment her on that attitude, in saying that after all this is a matter that could be considered and would be considered in a supplemental appropriation bill. But I would submit for those Members who were not here to listen to my statement earlier, it is clear this money is going to be needed to complete these necessary environmental impact statements if we are to get on with the FPC's certification process and all of the other complicated steps involved in bringing this pipeline into reality, in bringing natural gas and energy to our country. So why wait for the vagaries of a supplemental appropriation bill? Let us do what we have the power to do now on the floor this afternoon. Put the money in there.

Again, I compliment the gentleman from California (Mr. Hosmer) for his support of the proposition and for his very sage observation that we are living in times of double-digit inflation, and to spend a million dollars now to complete those statements may save us several million dollars later on. I think we ought to get on with the very important business of completing this line by 1979 when we in the Middle West are going to feel the very real impact of a serious shortage of natural gas and other fuels, if we have not done everything we could do and should do to bring those energy supplies to market.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the distinguished gentleman from California (Mr. Bell).

Mr. BELL. I thank the gentleman for yielding.

Mr. Chairman, I wish to commend the gentleman from Illinois for his statement, and I support this amendment. I think one of the things that we have to seriously consider is trying to develop our energy resources. One of the problems that is delaying the rapid development of these resources, strangely enough, is the demand for environmental report and impact statements. Unless we get some leadtime on those reports we are not going to get our energy resources developed adequately when we need them.

Mr. STEIGER of Wisconsin. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-six Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Anderson).

The question was taken; and on a division (demanded by Mr. Aspin) there were—ayes 19, noes 36.

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent right-of-way; and acquisition of rights-of-way and of existing connecting roads on or adjacent to such lands; an amount equivalent to 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands, to remain available until expended: *Provided*, That the amount appropriated herein for the purposes of this appropriation on lands administered by the Forest Service shall be transferred to the Forest Service, Department of Agriculture: *Provided further*, That the amount appropriated herein for road construction on lands other than those administered by the Forest Service shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further*, That the amount appropriated herein is hereby made a reimbursable charge against the Oregon and California land grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

Mr. RONCALIO of Wyoming. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I want to thank the capable, competent and lovely chairperson of the Appropriation Subcommittee for all the help which she has given me over the years. It has been of inestimable help to me, and I am sure we—all citizens of Wyoming—will remember her for many, many years for her cooperation and her help here in Congress to all of us in my State.

Mr. Chairman, I particularly want to thank all the members of the committee, the gentleman from Illinois (Mr. Yates) and the gentleman from Utah (Mr. McKay), and also the gentleman from Pennsylvania (Mr. McDade) on the minority side, for the increase from $89,000 to $110,000 per State funding for water resource research institutes.

With the onslaught of the strip mining in my State, which legislation we are also now working on, together with this bill today, that becomes very important. This is not all requested, but it is very close to it and we are grateful. As for the funds for Surface Environment and Mining within the Forest Service, we were very pleased for the appropriation of $2.2 million. In the form of grants for the $700,000 for filling mine voids in Rock Springs caused by subsidence of old coal mines of certain companies, that $700,000 can continue good work, which I hope will include the payments to a Mrs. Doak for a modest amount of money for damage to her home, even though it is not in the prime area designated for subsidence damage restitution. This Doak issue should certainly be settled from this subsidence appropriation, if not from HUD funds.

Included is the Eisenhower consortium, to conduct environmental research at nine western universities, including the University of Wyoming. This was of special interest to Bill Carlson, president of the University of Wyoming and to the entire university community at Laramie. We got all but $100,000 we asked for, and we are grateful for that appropriation also.

We also appreciate the response to a letter from Mike May of Meeteetse dealing with the Forest Service area for receiving some help to combat noxious weeds in the national forests which are destroying grazing areas. The increase for the forest insect and disease research to help fight the mountain pine beetle is deeply appreciated. It is glaringly obvious in its destruction in northern Wyoming.

I might ask a question or two about the fact that I was disappointed to find there were no additional funds for the National Park Visitor Center for Lovell, Wyo. We thought $1.45 million would be forthcoming.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. Yes, I yield to the gentlewoman.

Mrs. HANSEN of Washington. May I say to the gentleman that it was a most difficult thing to apportion among all the various agencies in this bill the priorities we were faced with.

I would say to the gentleman that there is increased interest in all these areas, although I would point out that some of our western parks may be losing visitation as a result of fuel shortages.

May I say also to the gentleman that we had more than $1 billion worth of requests above the budget and we had to make difficult choices so that we are not referred to as "big spenders."

Mr. RONCALIO of Wyoming. I appreciate the answer very much. I do hope that when the impact statement and the decision regarding the problems of environment are concluded, there may be something provided supplementally for the continuing growth of the National Park Visitor Center in Lovell, and particularly the next increment of the transport road.

I wonder whether the gentlewoman might comment on that.

Mrs. HANSEN of Washington. If the gentleman will yield, may I say I hope this will be settled too. There is a question of who is going to determine the future of that entire area and what the future will be. I hope that the parties involved will resolve their disputes so that we can get on with this project.

Mr. RONCALIO of Wyoming. Fine. The people of Wyoming are very interested in the Shell Falls Overlook in Bighorn National Forest. That, too, is not funded in this legislation. It would appear as though they had been shortchanged this year and I wanted to make sure that they had not.

I appreciate the gentlewoman's remarks, and I hope we can continue to fund these items in the supplemental appropriations.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding.

The gentleman in the well and I have heard over and over and over—in fact, every Member of this House has—that not one penny of taxpayers' money should ever go into the construction or the maintenance of the Kennedy Center for the Performing Arts.

I think the record should show that today the committee is asking for an appropriation of $2,400,000, and I quote:

> These funds will provide for the maintenance, security, information, interpretation, janitorial, and all other services necessary to the nonperforming arts functions of the Center.

As usual, the overworked taxpayer always picks up the tab.

I thank the gentleman for yielding.

Mr. GROSS. Mr. Chairman, it is Christmas in July today for assorted professors and various so-called researchers who have become accustomed to lining up for the Federal dole to pay their various ways around the globe on almost numberless junkets that go under the nice sounding title of "cultural and scientific research."

The poor, suffering U.S. taxpayer, of course, will once again be gouged to pay for these sabbaticals. The committee is to be commended, in my opinion, for making a reduction of $2.5 million in the request for professorial junket money, but I submit that the $2 million recommended for it in this bill is precisely $2 million too much at a time when this Nation is teetering on the brink of bankruptcy.

I have no illusions that the amount will not be approved but I believe that the American taxpayers should be made aware of what is involved here.

They are buying, for example, a project to provide, and I quote, "photographic documentation of painting and sculpture during India's golden age," which is defined as occurring between the fifth and eighth centuries, A.D. The researchers may be slightly mixed up because the present era of unbounded U.S. giveaway foreign aid programs is surely India's most golden age. Our foreign aid has been so enormous, in fact, that Mrs. Gandhi was able to build an atomic bomb with the money she would otherwise have had to spend to feed India's children suffering from malnutrition.

But photographing India's first golden age is only one project. There are many others. For example, U.S. taxpayers are going to finance a project in Poland titled, and I quote, "Interaction of Small Rodents With Human Beings." Meanwhile, they are also shelling out for a study called "The Systematics and Physiological Ecology of Tunisian Sponge Communities." Another so-called project in that country seeks, and again I quote, "information about what makes a desert a desert."

Over the years the taxpayers of this country have financed some pretty wild projects in Yugoslavia and this year they are going to bankroll a researcher or two to look at "Mammals of the Adriatic Islands and Adjacent Mainland of Yugoslavia."

We are financing a study of "Medieval Islamic Astronomy," which involves a study of manuscripts in Cairo, and another study to see if the temples at Karnak are alined with the stars. This one, by the way, has been going on since 1971.

I am confident that the taxpayers will be delighted to know that they are paying for a study of, "The History of Flight in Poland." This may have replaced a study of chins done there several years ago. We are also financing several cartoon films to be made in Poland, a survery of Polish textiles and, for some reason best known to the committee, a study of "traditional Polish musical instruments."

For some equally obscure reason the beleagured taxpayers—who cannot get a loan today without paying astronomical interest rates—are being asked to finance the "Translation of Manuscripts Available in India on Foundry Practices in Ancient Russia, and on the Russian Travels of Robert Fulton." Now there is a project with real priority, as my liberal friends are fond of saying.

The folks here at home will be paying for a study on the wild boar in Pakistan and a survey of the wild sheep and goat population in that country.

Across the border in India, intrepid researchers continue to plug away on their study of the "Comparative Bioenergetics of the House Sparrow." They have a colleague busy studying the anatomy of orchids, another one investigating the "Niche Ecology of the Garden Lizard" and still another making an anatomical study of the Indian Whistling Duck.

The fellow who was studying the behavior of the one-horned rhinoceros last year is still at it and it can be reported to you that those researchers who have been spending money since 1971 on the ecology and behavior of hoolock gibbons are not about to give up. They are going strong, as are their colleagues studying wild ungulates in the Gir Forest of India. They have been in the woods since 1970 and I predict they will stay there as long as the American taxpayers' money holds out.

Mr. Chairman, these are but a few of the dubious research projects being supplied money by this bill. It is long past time when this House stands up for the American working man and woman and cuts off money for the myriad of so-called cultural and scientific research and exchange programs in which the various agencies of the Federal Government have involved themselves.

Mr. COLLIER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time so that I may make additional comments to those made by the gentleman from Iowa (Mr. GROSS).

It seems to me that the real problem in trying to ascertain how money for research is and has been dissipated over the years, lies in the fact that Congress rarely has the information with regard to how this money is being spent, or how it is going to be spent, until after some of these ridiculous projects are already in process.

Some 4 or 5 years ago I introduced legislation that would have required the establishment of a central data processing center for all research projects. I think in light of the fact that we are now spending across the several agencies some $17 billion of the American taxpayers' money for research, that there ought to be some control. Yet there is little or no control under the present system.

If, however, we could move that type of legislation—and I certainly have no pride of authorship—it would be possible to use data processing and computer systems to feed in each prospective research project, so that the Congress, in turn, would know what projects were being considered and how these research investigations were being conducted. Until we do this, we will never get a handle on this, and we will be appropriating tax funds blindly for such projects as have been brought to our attention once again. And the folks back home, if my mail is indicative, are getting fed up with it.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate very much the interest of my friend, the gentleman from Iowa (Mr. Gross), in the various projects that have been undertaken by the Smithsonian Institution. The gentleman recites these projects each year, and of course we question the experts from the Smithsonian Institution about them because of this interest by the gentleman from Iowa.

On page 203 of part 2 of the committee hearings the Members of the House will find reference to one of the projects that the gentleman from Iowa alluded to; namely, the "Systems Analysis of the Pre-Saharan Ecosystem of Southern Tunisia." I think if the Members of the House will read that testimony they will see that there is reason for undertaking this project. It is a study of how a desert advances over fertile areas, and how that may be avoided in order to preserve the water of the particular area. This may bear upon saving some of our own areas in this country.

We asked the gentlemen from the Smithsonian Institution to give us some additional information on it, and the additional information that they gave us appears on page 206 of part 2 of the committee hearings, and I would like to read to the Members about some of the scientific titles and what those projects signify.

For example, project 1 was one that had the title of "Molecular Structure of Nucleic Acids," by James D. Watson and Francis H. Crick; published in Nature, in London on April 25, 1953.

This study revealed the shape of genes, and was basic to the study of DNA, which relates to the basic material of life.

No. 2. "On Antibacterial Action of Cultures of a Penicillium, with Special Reference to Their Use in the Isolation of B. Influenzae," by Alexander Fleming; published in the British Journal Experimental Pathology in London, 1929. This study opened up the whole field of antibiotics, without which so many diseases would still conquer and kill members of the human race.

The third project is on the "Electrodynamics of Moving Bodies" which was published in the German Journal in Leipzig in 1905. This was Professor Einstein's first paper on the theory of relativity.

The fourth project is the "Study on Plant Hybrids" which was published by Gregor Mendel in 1865. This began the study of plant genetics.

The point I am trying to make is that I know my own limitations. I know that many Members of the House know their own limitations. The fields of knowledge are without limitation, and what we are seeking to do in making these funds available for study is to make sure that the frontiers of mankind's knowledge are expanded in a very practical way for the most part.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. COLLIER. I thank the gentleman for yielding.

Let me suggest to my good friend, the gentleman from Illinois, that there are a host of research projects wherein few question their importance or validity. My remarks were directed to devising some type of control which is now nonexistent. I think the gentleman will agree that there are many of these research projects that he and Members of Congress are not aware of until after the decision has been made elsewhere, and that there is a great deal of duplication on these projects. All I am suggesting is that with growing sums of tax money being put into research, much of which is important, some of lesser importance, there ought to be some means by which we could control it. There should be some means by which duplication would not result, and some means by which we could exercise what I think is a degree of prudence at a time when we ask for as much Federal funds in research as apparently is being demanded at this time by many agencies.

Mr. YATES. I respect the opinion of the gentleman from Illinois. I am sorry that he is leaving the House. I would tell my friend that many of these projects are funded by foreign currencies which must be used in the countries issuing those currencies. We hope that as a result of the use of the currencies in those countries we do obtain knowledge which will be helpful.

Second, may I suggest to my friend, the gentleman from Illinois, that there may be duplication. There is a great deal of duplication in the field of cancer research today. I say that duplication by itself is not necessarily bad, because one person may find a cure for cancer in a study that somebody else is doing, too.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Is this a cancer study bill?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, and at the request of Mr. Gross, Mr. Yates was allowed to proceed for 1 additional minute.)

Mr. GROSS. Will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. GROSS. Is this a bill to provide money for the study of cancer? Let me ask the gentleman if he has a report on the hulock gibbons? They have been studying the hulock gibbons for I don't know how many years. How about the catfish in India and their rhythms? Did the gentleman have a report on that at this time?

Mr. YATES. If the gentleman from Iowa wants one, I will be very glad to get him one.

Mr. GROSS. I thought the gentleman was interested. He is a member of this appropriations subcommittee. I would like to hear the reports on some of the other studies that have been going on since time immemorial.

Mr. YATES. If the gentleman will let me know which ones he wants a report on, I will be very glad to get them for him.

Mr. GROSS. I am just calling this to the gentleman's attention. He has his hand on the spending throttle in the committee He can turn it off and on. He has joined in bringing a bill here which is $900 million more than was spent last year. He ought to be able to justify that kind of an increase.

Mr. YATES. We do justify it.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentlewoman from Washington.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Yates was allowed to proceed for 1 additional minute.)

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. I thank the gentleman for yielding.

I would like to put this $900 million increase over last year in context. There is a one time appropriation of $49 million in this bill for the purchase of land from the Klamath Indians, to provide the U.S. Forest Service with forest resources which will benefit the people of Iowa.

There is about $80 million for GSA space which was not in last year because of new legislation. There is $68 million for the new Indian Financing Act. There is a $224 million increase this year for the land and water conservation fund, which the administration requested. If one would include a 10 percent escalation due to inflation since 1974 that comes to about $257 million. In addition the committee provided large increase for energy research and development in the special energy research and development bill. That total, just for these things explains almost all of the $900 million increase over last year.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law; $77,703,000, of which $26,991,000 shall remain available until expended: *Provided*, That the amount appropriated for "Mines and minerals" in the Special Energy Research and Development Appropriation Act, 1975, shall be merged, without limitation, with this appropriation.

AMENDMENT OFFERED BY MR. STEIGER OF ARIZONA

Mr. STEIGER of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. STEIGER of Arizona: Page 15, line 20, strike out the figure: $77,703,000," and insert "$227,703,000,", and strike out the figure: "$26,991,000", and insert "$176,991,000".

Mrs. HANSEN of Washington. Mr. Chairman, I reserve a point of order against the amendment.

Mr. STEIGER of Arizona. Mr. Chairman, I should also like to reserve comment on the point of order, whatever it may be.

Mr. Chairman, I would like to advise my colleagues that what we have done in this not very devious amendment is to raise the ante on the moneys appropriated for the Bureau of Mines by $150 million. I do this for a very specific reason, because later on today or sometime tomorrow this body appears certain to pass the Surface Mining Act.

This particular Subcommittee on Appropriations is famous for the integrity of its legislation and in order that we maintain that reputation for integrity and pass a true appropriations bill, it will be essential that we have at least $150 million for this new agency, whatever it may be, to administer the Surface Mining Act at least through the remaining 5 months of this calendar year.

So I think it would behoove the House and the record to recognize that what we do costs the consumer money, but this also will cost them money in the form of the general fund out of the budget.

I see that my objective friend from Idaho is seeking recognition and I yield to him.

Mr. SYMMS. I thank the gentleman for yielding; but does he really think $150 million would be enough to administer the Surface Mining Act?

Mr. STEIGER of Arizona. I know the Interior Department has been lusting after the Interior Mine Act and I know they are caught up in their prudence and I know while they are lusting for this that cooler and stronger heads will prevail and they will only be able to spend $150 million this year.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. KETCHUM. As a member of the Interior Subcommittee, I am sure all that we have to go on in H.R. 11500, the strip-mining bill, is an estimate. We are informed that on one small project, an miniscule project, we are going to spend millions on reclamation; $150 million seems like a pittance to even administer this bad bill.

Mr. STEIGER of Arizona. I would be willing to entertain a modest increase.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. HOSMER. I would suggest a better course of action than providing these additional funds out of an already broken Treasury would be, when the strip mining bill finally gets here, that the gentleman use his great powers of persuasion to help defeat that thing. Then we will avoid this terrible economic depression this country will face when the country does not have the energy because this strip mining bill, with its environment bias, will prevent us from digging the needed amount of coal.

Mr. STEIGER of Arizona. I must say to the distinguished gentleman from California that thought had not occurred to me as a viable alternative, but I will seize upon it.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Arizona.

Mr. UDALL. I am happy to see there seems to be a consensus that we are going to have a strip mining bill; but I would point out that there is another legislative body called the Senate which will have to consider this legislation.

Secondly, I would note we have ahead of us a conference with the Senate and there will be plenty of time to take care of it. It ought to be adequately financed to have the kind of strip mining we should have had years ago.

Mr. STEIGER of Arizona. I also would advise the gentleman that the other body has already considered with its usual alacrity and in-depth understanding at the same time the Surface Mining Act and has come up with an act that I am sure will be very compatible with the version the House will pass. At any rate, $150 million is a conservative amount.

Mr. SYMMS. Mr. Chairman, will the gentleman yield further?

Mr. STEIGER of Arizona. I yield to the gentleman.

Mr. SYMMS. The reason I asked the question about the $150 million, I happened to be with John Sawhill of the Federal Energy Office last week. He informed me they had 200 employees last December, 2,000 this June, and expect to have 3,400 employees in the near future and I do not know how many next year. I can see the same thing would happen with the Bureau of Mines.

I wonder if the gentleman has thought this through and realizes if $150 million comes even near what this agency will require.

Mr. STEIGER of Arizona. I must confess that I am horrified that the gentleman would suggest that I would offer a quantitative amount of money without having gone into a tremendous amount of study and research. The way I arrived at this was to take the estimate of the Interior Department and triple it, which is my normal way of dealing with agencies.

I would assume it would last 6 months.

Is the gentleman from Pennsylvania (Mr. McDADE) seeking recognition?

Mr. McDADE. Yes; but I will do it on my own time.

Mr. STEIGER of Arizona. I was afraid of that.

POINT OF ORDER

The CHAIRMAN. Does the gentlewoman from Washington desire to press her point of order?

Mrs. HANSEN of Washington. I do, Mr. Chairman.

The amendment relates to a bill not yet enacted, which has not even passed this House and is, therefore, clearly in violation of rule XXI, clause 2.

Further, Mr. Chairman, I call attention to page 14 of the report of the committee. Because the bills were not yet out of conference at the time of markup, funds were not included in the following: Saline water research was contained; the Youth Conservation Corps, the report of which has not yet come out of the committee, was omitted; the National Museum Act, which has not passed markup, was taken out; and the Pennsylvania Avenue Development Corporation.

So, Mr. Chairman, I do press the point of order where this has no business in this bill at this time. We did not go to the Rules Committee for a ruling, and I suggest that the amendment is clearly out of order.

Mr. STEIGER of Arizona. Mr. Chairman, may I be heard on the point of order?

Mr. Chairman, I must find myself, for the first time that I am aware of, in disagreement with the gentlewoman from Washington.

I would point to the language of the legislation on page 15 which I am amending. In the section I am amending, we recite the uses for the money to be expended. On line 19 of that legislation, Mr. Chairman, are the words:

> And for other related purposes as authorized by law.

The language that is offered is simply an increase in this budget. Its purpose may be as the gentlewoman described, but the amount of money involved is a direct reference, and completely compatible and therefore germane.

Mr. Chairman, I know the Parliamentarian is listening and has revised his hasty estimate of the value of the gentlewoman's request, and therefore, while he is revising that, I will be happy to yield to the gentlewoman.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman tell me what he is speaking of when he says we had all these speeches around here, if he just intended to raise the budget, which does not need increasing, but he stated that this was to carry out the implementation of the Strip Mining Act which is under consideration, so I would suggest that his statement match his other statement.

The CHAIRMAN. The Chair is prepared to rule. The amendment offered by the gentleman from Arizona merely seeks to increase the amount of funding for the Bureau of Mines, and the amendment itself does not specify the particular areas in which it is to be used.

The pending paragraph provides an appropriation for several purposes related to mines and mining; and the Chair knows of no statutory restriction on the total amount which may be appropriated. The language in this bill also provides that it be used only for such related purposes as are authorized by law.

The Chair, therefore, overrules the point of order.

Mrs. HANSEN of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Arizona came to me and indicated that he wished to fund the Surface Mine Control and Reclamation Act. I think that it is entirely out of order to place an amendment before the House providing funds for a bill that has not yet passed the House.

May I suggest that the funding for the Bureau of Mines has been carefully reviewed, and money has been provided for its activities not only in this bill, but in the energy bill which passed earlier this year.

I would suggest that this amendment is entirely out of order at this time. May I say that this committee fully expects to pass legislation including funds for the Surface Mine Control and Reclamation Act when and if that act becomes law and when we have held hearings with those agencies involved on the necessary funding levels. I don't think it is wise to pick figures out of the sky.

Mr. **EVANS** of Colorado. Mr. Chairman, will the gentlewoman yield?

Mrs. **HANSEN** of Washington. I yield to the gentleman from Colorado.

Mr. **EVANS** of Colorado. Mr. Chairman, I concur with the gentlewoman's remarks. It is amazing that anyone would suggest any amount for implementing a bill that has not yet been passed and has no possible estimates of cost to it.

There has been no testimony to support any dollar amount for implementing the strip mining law. Therefore, it is not only premature, it is totally out of order.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Arizona (Mr. STEIGER).

The amendment was rejected.

Mr. **HECHLER** of West Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I asked for this time in order to propound a question to my able friend, the gentleman from Pennsylvania (Mr. McDADE).

I wish to congratulate the able gentleman from Pennsylvania and his constituents for his ability to obtain funds for projects which pertain to his area. I think he has been eminently successful, and I hope my remarks will assist him in the future.

In particular, I would like to point out that on page 28 of the report there are "increases of $2 million for mined land investigations and demonstrations—anthracite area." These are funds to be expended by the Bureau of Mines.

In conversations with the Director of the Bureau of Mines and other individuals in the Bureau of Mines, I have frequently pointed out that there are many areas throughout Appalachia, in the bituminous coal area, which desperately need the type of funds which are provided in this bill. The response I receive from the Bureau of Mines is that when the committee report specifies "anthracite area," that can only be used in Pennsylvania.

Since only less than 7 million tons annually of anthracite coal is now being mined, which is less than 2 percent of the total production, I wonder whether the gentleman from Pennsylvania could advise his bituminous friends how it would be possible for non-members of the Committee on Appropriations to share in some of the funds which he has been able to obtain for these mined land investigations and demonstrations? The very able gentleman from Pennsylvania very well knows, from hearings his committee has conducted, that there are many areas throughout the mountains where there exist subsidence, gob piles, and other unsightly and damaging and dangerous results of coal mining. I hope the gentleman from Pennsylvania can give us some advice as to how we can achieve a small measure of the success of the gentleman has.

Mr. **McDADE**. Mr. Chairman, will the gentleman yield?

Mr. **HECHLER** of West Virginia. I gladly yield to the gentleman from Pennsylvania.

Mr. **McDADE**. Initially, I certainly want to thank my colleague, the gentleman from West Virginia, for his kindness in noting the small measure of success we have had in bringing to bear some Federal resources on the enormous environmental problems that have existed and do exist in the anthracite coal fields of Pennsylvania.

I am happy to be able to inform him that we are making substantial progress in demonstrating methods to deal with those extraordinarily difficult consequences, almost all of which result from a past history of about 100 years of deep mining.

I know of my colleague's deep concern for this sort of problem, and I think I can tell him with unequivocation that he can take comfort in seeing these funds expended in Pennsylvania for this reason.

Mr. **HECHLER** of West Virginia. Mr. Chairman, I certainly would hope that the gentleman would address himself to my question, which is, with 667 gob piles in West Virginia alone, what does the gentleman propose to do in order to get rid of some of these smoking gob piles that emit acrid, polluting smoke at a time when people are fined $25 for burning trash in their backyard?

Mr. **McDADE**. If the gentleman will permit me to finish my answer, what I was going to say is that one of the things we are doing here is demonstrating a new process, a process that attacks the tremendous problems created by the deep mining industry, in an effort to restore the environment to the state that it was in before we had deep mining and piling up of this enormous solid waste disposal problem, as well as the problem of air pollution, the problem of water pollution, of subsurface subsidence all of those things that are consequent problems of deep mining.

This process, if we can get it absolutely demonstrated as we are trying to do, will then become a weapon that the Department can use all over the country.

Mr. Chairman, I will call the gentleman's attention to the fact that they are doing that now on a small basis in the State of Wyoming. They are doing it in Rock Springs, which is in the district of the distinguished gentleman from Wyoming.

If that technology does apply—and I deeply hope it will—then we can transfer that technological breakthrough all over the Nation, including those areas of the gentleman's home State and other States where we do have this problem.

As the gentleman knows, when we get to the strip mining bill—and we almost got into it a little earlier—I hope to offer an amendment that will provide the earmarking of $200 million from receipts of the Outer Continental Shelf. We now get in the receipts of the Treasury about $8 billion. I hope to earmark $200 million of that and make that amount available for appropriation for this committee to deal with these previously damaged areas.

The **CHAIRMAN**. The time of the gentleman from West Virginia (Mr. HECHLER) has expired.

Mr. **McDADE**. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish simply to say to my colleagues that I hope we can see fit to support that program I have just spoken about.

We would then earmark $200 million out of those natural resource receipts. We would not have to feel a great deal of concern about whether or not the Office of Management and Budget or someone downtown would agree to send us a budget request. If we can get that kind of reliable, stable fund and bring it to bear on the problems that exist in the gentleman's State, in my State, and in, I think, the 29 States of this Union where we do have these abandoned workings, then we can take technology like this and bring it to bear on the problem and start to bind up the wounds of this Nation in those areas where we have suffered both from strip mining and from deep mining.

Mr. **HECHLER** of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. **McDADE**. I yield to the gentleman from West Virginia.

Mr. **HECHLER** of West Virginia. Mr. Chairman, I appreciate what the gentleman has said.

Of course, my personal preference would be that these funds not be diverted from some other source but rather from a place where they obviously belong. They should come from a tax placed on the coal industry itself, which has created these wastes.

Mr. **McDADE**. Mr. Chairman, in response, let me say to the gentleman that his suggestion sounds pretty good, but what is going to happen in my State, for example, is that a certain class of consumer is going to be required to bear the burden of this entire thing if that happens.

What I mean by that is this: I have people in my State who still burn coal. If we should put a surtax on this, for instance, that tax is going to be passed along to the consumer, and that narrow class of consumer is going to be required to pay for this $10 billion worth of damage we have sustained around the Nation.

Mr. Chairman, I believe a better way we can do it is to recognize that we have an obligation to bind up the national wounds, and the way to do that is to try to do it, not by taxing a class of consumer with increased costs—because that is what will happen—but let us take some of the dollars we are talking about in this bill.

Mr. Chairman, I will remind my colleague, the gentleman from West Virginia, that they are currently running about $8 billion a year which is earmarked in the Treasury from general receipts. All I want to do is to earmark, if I can later on, about $200 million of that in an effort to start to bind up these scars. I think that alternative is much more preferable to a tax, which gets passed on to the gentleman's consumers and to my consumers. It is preferable to a reliance upon the general funds of the Treasury, which may or may not result in a budget amendment which is presented to us. If we earmark it, then we will have a fund which the gentleman's constituents and my constituents and everybody in the Nation can have in order to accomplish this, a fund which we can recognize will be there and available to utilize technology such as this.

Mr. HECHLER of West Virginia. Will the gentleman yield further?

Mr. McDADE. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I respectfully disagree with the gentleman.

I think all costs of coal mining ought to be internationalized and made realistic, instead of putting them on the backs of others, either taxpayers or someone else.

Mr. McDADE. Mr. Chairman, the gentleman will recognize that we are getting in the Treasury now the receipts of $8 or $9 billion, and the only lien against that $8 or $9 billion is the $30 million in this bill for the land and water conservation fund. That is the only restriction on it.

I say, let us put one more restriction on those general receipts in the Treasury and take $200 million more from that and get at the wounds which exist in the Nation, without putting taxes on or without increasing the cost of utilities and without increasing the cost of coal, which is still burned by many people. The gentleman will recall I said I still have people in my district who burn coal.

Mr. HECHLER of West Virginia. Mr. Chairman, if the gentleman will yield further, this subject, of course, is going to be debated extensively in connection with the Seiberling amendment, or any revision thereof, at which time those of us who favor the other approach will have a full opportunity to air our feelings.

But I certainly hope the gentleman from Pennsylvania will consider one of these demonstration projects in the anthracite region could be extended a little for a demonstration in the bituminous coal fields.

Mr. McDADE. Mr. Chairman, I will say to the gentleman from West Virginia that this is a national problem all over the United States.

I would also say to my colleague, the gentleman from West Virginia, that the way to make sure that we can begin to go about this task is to establish a reliable fund where we can take the technology we are developing here and apply it nationally, not by putting a tax on or raising the price of electricity or the price of coal and not by taxing a single class of consumers, but simply by earmarking some of the enormous resource dollars which are going into the Treasury now as a general receipt, and earmarking a very small portion of it. I say to my colleague, the gentleman from West Virginia, that if we can take that approach then I can assure the gentleman and the Members of this Committee that we can look forward to getting rid of this problem.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

CONSTRUCTION AND LAND ACQUISITION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection and utilization of national forest resources, point discharge monitoring and evaluation, and non-point discharge surveillance monitoring and evaluation, and the acquisition of lands and interests therein necessary to these objectives, $31,459,000, to remain available until expended: *Provided,* That not more than $1,576,000 of this appropriation may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513–519).

Mr. VANIK. Mr. Chairman, I appreciate the decision of the committee to provide an additional $450,000 for air pollution research at the Forest Service's Delaware, Ohio laboratories. The committee was good enough to include this item in the appropriation for fiscal year 1973—but the funds were impounded.

I hope that the committee will be able to obtain assurances from the Department that they will carry out the clear intent of the Congress and obligate these funds.

A vigorous and accelerated research program by the Forest Service at its Delaware, Ohio, laboratory is needed to help develop types of trees which can help improve air quality by absorbing and removing pollutants from air. In addition, more research is needed on how trees can be helped in overcoming the weakening effects of steady, low-level air pollution. Today, this constant low-level smog is causing serious tree losses and tree diseases in our Nation's urban areas. This research is particularly important now that some of our air quality standards are being suspended in an effort to deal with the energy crisis.

Again, I want to thank the committee for its support of this appropriation. In terms of the future quality of life in urban areas, this is probably the most important research that the Forest Service will have ever undertaken.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SALARIES AND EXPENSES

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $145,000,000, of which $67,250,000 shall be available until expended to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, of which not less than 20 percent shall be available until expended to the National Endowment for the Arts for assistance pursuant to section 5(g) of the Act; $67,250,000 shall be available until expended to the National Endowment for the Humanities for support of activities in the humanities pursuant to section 7(c) of the Act; and $10,500,000 shall be available for administering the provisions of the Act: *Provided,* That not to exceed 3 per centum of the funds appropriated to the National Endowment for the Arts for the purposes of sections 5(c) and 5(g) and not to exceed 3 per centum of the funds appropriated to the National Endowment for the Humanities for the purposes of section 7(c) shall be available for program development and evaluation.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: on Page 36, line 20, strike out "$145,000,000" and insert "$105,275,000".

Mr. GROSS. Mr. Chairman, I will explain this amendment in very short order. It is simple and to the point. The committee saw fit to increase the appropriation for the National Foundation on the Arts and the Humanities by $39,725,000. My amendment would hold them right where they are. It would say to little Twinkle Toes and those promoting lessons in belly dancing that the $105 million you got last year was enough. We can use this money for far better purposes than for the arts and the humanities.

I trust the Members remember that it was only a few years ago that the National Foundation on the Arts and the Humanities was started, and I believe the first appropriation was $2½ million—perhaps $5 million. Now take a look at this request for $145 million. The deeper we go in debt the more Congress spends on things like this that we could do without altogether. I would like to strike it all out, but I am trying to present an acceptable amendment by simply cutting off the increase of $39,725,000 in one year. I hope that in the interest of fiscal sanity, and in the interest of your taxpayers and mine, that the amendment will be adopted.

Mr. Chairman, the budget of this Government can never be balanced if programs of such little value as this in terms of essentiality are to be increased from $105,000,000 to $145,000,000 in 1 year.

Mrs. HANSEN of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee is well aware of the fiinancial problems in the United States, and we did very reluctantly reduce the budget increase requested by the administration for the National Foundation on the Arts and Humanities.

I might point out that the people who participate in the arts and in the humanities in the United States represent a greater number of people than those who participate in sporting activities. It was, as I said, very regretful that the committee had to reduce the budget request for the Arts and Humanities Endowments.

If any Members read the report in last night's Washington Star-News they would have seen what the Humanities Endowment has been doing and the good they are offering to the American people in regard to the Bicentennial Celebration. For example, "War and Peace" was presented on television under the sponsorship of the Humanities Endowment. I think the Members will find that these programs are meeting a great need of a great number of average Americans who do desire some opportunity to share the great wealth of literature, art, painting, and music.

I for one oppose and I am sure the committee opposes any attempt to cut the Arts and Humanities Endowments when there are increasing numbers of people participating. The States are year after year appropriating more money. We also have great numbers of young people who are participating all over the United States in these programs. I certainly think if we cannot afford this very small amount for what I consider some of the finest things in life. I think this country has truly become an impoverished country.

I do urge rejection of the amendment.

AMENDMENT OFFERED BY MR. ICHORD AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. GROSS

Mr. ICHORD. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD as a substitute for the amendment offered by Mr. GROSS: Page 36, line 20, strike out the figures "$145,000,000" and "$67,250,000" and insert in lieu thereof "$105,275,000" and "$48,387,500."

Page 37, lines 3 and 6, strike out the figures "$67,250,000" and "$10,500,000" and insert in lieu thereof the figures "$48,387,500" and "$8,500,000."

Mr. ICHORD. Mr. Chairman, I offer this amendment as a substitute amendment because I think the amendment drafted by the gentleman from Iowa should proportionately cut the earmarkings and the administration expenses.

The committee will note that the Committee on Appropriations has appropriated $145 million for the National Foundation on the Arts and the Humanities, and then it has $67,250,000 earmarked for a specific purpose and another $67,250,000 earmarked for another purpose and $10.5 million earmarked for administration, a total of $145 million. My amendment also proportionately cuts those earmarkings.

Let me take this opportunity, Mr. Chairman, to join in the accolades given to our distinguished subcommittee chairman, the gentlewoman from Washington. There is no more beloved and no more respected leader in this House. I share the respect for the gentlewoman from Washington. Our loss in this body will be an even greater loss to the country. But, like all mortal beings, the gentlewoman is fallible and she has overlooked one item in this bill that should not be included among the many millions of dollars that are appropriated by this bill.

I am prompted, I would say to my beloved colleague, the gentlewoman from Washington, to offer this amendment because of the article that was written, and I am sure that many Members of the House have heard from their constituents about the same, an article written by James Dale Davidson. I imagine most of the Members have received copies of that article.

I asked the General Accounting Office to give me a rundown on that article as to how accurate it was in detailing blatant governmental waste in this country. The GAO report revealed that the projects were not as bad as the article depicts but the report does reveal frightening waste and flagrant disregard of the taxpayers of this Nation. This is the report that I received from the General Accounting Office as to the waste in the National Foundation on Arts and Humanities.

One item in the article involved payment to the author of Lighthouse, $5,000. This is what the GAO said:

According to a Foundation official, Aram Saroyan (son of William Saroyan) authored the poem "Lighght." The poem, only seven letters long, is considered a literary illustration of refracted light. He was awarded $500 when it was selected for the American Literary Anthology.

This American Literary Anthology has received several thousands of dollars from the National Foundation on Arts and Humanities.

No. 20 in this article, the "History of Comic Books," $71,000. This is what the General Accounting Office said:

No information was readily available on a "history of comic books." However, Foundation officials were aware of a study conducted into the history of comic strips.

A grant of $8,700 was awarded by the Foundation to the University of California at Santa Barbara for Professor David Kunzle to study the history of 19th Century European comic strips. The study, entitled "The History of the Comic Strip, Volume II: the 19th Century," focused on the social and political style of the comic strips which was much more prevalent then than now.

No. 21 in this article, a "Dictionary of Witchcraft," "A Few Grand":

In response to a general inquiry on a "Dictionary of Witchcraft," an Endowment official reported that a grant had been awarded to the University of California at Los Angeles to support the gathering of information for the reference book: American Popular Beliefs and Superstitutions, a standard work for use in the fields of linguistics, mythology, and folklore. The sum of $24,134 was awarded on February 15, 1974. The project had been supported in previous years, according to the spokesman, by a grant of $21,995.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. ICHORD was allowed to proceed for an additional 5 minutes.)

Mr. ICHORD. Mr. Chairman, now, I would point out to the Members that I also have a report concerning the Smithsonian Institution of such programs financed by them as the study of Lizards in Yugoslavia, $15,000; collection of rare moss in Burma, $5,000; study of wild boars in Pakistan, $35,000; study of the bisexual behavior of the Polish frog, $6,000.

I could go on and on.

Let me say to the Members of the committee, I wish that my Republican colleagues had been in the Democratic Caucus this morning. They would have heard some very good speeches about the causes of inflation and the need of the Congress to take remedial action.

I offer this, I say to the gentlewoman from Washington, for two reasons. The causes of inflation that I learned in grade school are, and no government economist or other economists refute them, primarily are two; one is excessive Government spending and the other is productivity remaining at the same or decreasing productivity. In the last 5 years this Nation has spent at least $100 billion more than it has taken in. No wonder we are experiencing rampant inflation.

This is just a little biting of the bullet. I would say to the gentlewoman from Washington that if we adopt this amendment, we are going to save $39 million, approximately. That will pay the salaries of all the Members of the House for two and a half years.

A more important reason I would say to the gentlewoman from Washington is this: If we are ever going to stop such flagrant examples of waste, we better start slapping the wrists of the executive agencies downtown. These programs are a black mark on the executive and they are a black mark on the Congress of the United States.

Mr. GIAIMO. Will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I wish the gentleman would use this program as an area to find the money to pay some of the salaries——

Mr. ICHORD. Is the gentleman in favor of the program of $71,000 paying taxpayers' money out for the study of the history of comic strips?

Mr. GIAIMO. Of course not.

Mr. ICHORD. Then why does he not slap their hands, I say to the gentleman from Connecticut. Why does he reward them by giving them $35 million more than they got last year? That is all I want to do, is cut them back to what they got last year.

Mr. EVANS of Colorado. Will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I appreciate the gentleman's concern about spending a few thousand dollars on——

Mr. ICHORD. This is $39 million, I say to the gentleman, and it will pay all of our salaries for two and a half years.

Mr. EVANS of Colorado. Two thousand dollars on a study of the bisexual life of the frog. I wish the same kind of anxiety and anguished outrage could be expressed by the gentleman on a far more important subject, and that is the inability of this Congress to do anything about the billions of dollars of military overruns we have on procurement contracts.

Mr. ICHORD. Let me say to the gentleman from Colorado—and I promise the gentleman from Colorado—there are such expenditures included in the military research budget. I intend in the future—that has already passed now—but I will make a promise to the House that

I will subject the same items in the military research budget to such an amendment if the House will adopt this amendment. There are many equally ridiculous examples of spending, and we should also slap their wrists. We should not reward such waste with increased budgets.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Iowa.

Mr. GROSS. The gentlewoman from Washington spoke of the number of people who benefited by this program. I wonder if the number of people benefited by the arts and humanities program in any way compares with the number of taxpayers who will be called upon to pay for this increase of $39,725,000, and a total of $145,000,000?

Mr. ICHORD. Let me say to the gentleman from Iowa that the poor people of this country are now saddled with a national debt approaching a half trillion dollars—five hundreds of billions—and the interest on that national debt is predicted to be next year $31 billion which will have to be paid before any services are paid to help the people of the United States.

I cannot see any valid reason why this body should not take this small step toward holding the line in the field of governmental spending.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the late and beloved President John F. Kennedy stated during his lifetime:

> I want my country to be known for its strength, and I also want it to be known for its wisdom and for its devotion to the arts and to the humanities.

I do not think the American people would approve of the activities of the National Foundation for the Arts and Humanities as being described as "Little Twinkle Toes" and "Belly Dancing," which was the term used by the gentleman from Iowa. The gentleman obviously has not studied the hearings on the endowments. Belly dancing is not among its activities. Ballet dance is. His amendment should be defeated.

The gentleman from Missouri (Mr. ICHORD) offers a substitute for a greater reduction. I doubt that he has read the record for he questions only projects from previous years which our committee questioned, too.

So, the examples of endowment error are old hat. They are things of the past. Why should such examples be used to justify a cut in appropriations far greater than that already made by the committee?

The gentleman from Missouri is an able member of the Committee on Armed Services. Earlier this year, his committee brought to the floor a bill providing for military expenditures approximating $100 billion dollars. The gentleman talks of economy—why did he not reduce that enormous budget?

I feel strongly about this appropriation because I believe it is in keeping with the traditions for freedom upon which this Nation was established. Americans pride themselves upon their freedom to think and freedom to speak, the free expression of ideas. We may not agree with some contemporary painters or writers, but should not we defend their right to express themselves freely?

Cannot the people of the United States afford $145 million to foster the arts and the humanities if they are willing to appropriate almost $100 billion to keep this country strong? Can they not afford to appropriate this relatively minor sum of money to give quality to the life of the people of this country?

Among his many accomplishments, President Kennedy probably did more than any other President to bring the arts to the attention of the American people. He knew the value of the arts, and he knew the value of a President's imprimatur, which he often and gladly gave to the arts in America.

The late President was fond of telling the following story:

> One afternoon in the fateful year of 1941, the President of the United States had two callers. The first was Lord Lothian, the British Ambassador, who had just flown in from London to give Franklin D. Roosevelt an eyewitness account of the bombing of London. The second was Francis H. Taylor, museum director and authority on the history of art.
>
> Taylor waited for two hours while the President and Lothian talked. Then he finally entered, he found the President "white as a sheet." Yet the President, we are told, kept Taylor in his office that afternoon for another hour and a half. Turning from a grim preoccupation with the war, Franklin Roosevelt talked about the arts in American life. He spoke of plans for broadening the appreciation of art, and looked forward to the day when "every schoolhouse would have contemporary American paintings hanging on its walls."
>
> George Biddle, the distinguished American artist who records this meeting, adds on his own: "Roosevelt had little discrimination in his taste in painting and sculpture. (But) he had a more clear understanding of what art could mean in the life of a community—for the soul of a nation—than any man I have known."
>
> . . . Roosevelt . . . understood that the life of the arts, far from being an interruption, a distraction, in the life of a nation, is very close to the center of a nation's purpose—and is a test of the quality of a nation's civilization. That is why we should be glad today that the interest of the American people in the arts seems at a new high.

The great painter, Pablo Picasso, was upbraided by a viewer of his paintings for not being understandable. "Sir," he replied, "I don't understand Chinese, but a great many other people do. Should they cease talking because I do not understand their language?"

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Recently, there was a poll during which this question was raised. The results were most interesting. As I recall, people earning $10,000 a year, and less, as a matter of fact, expressed the strong hope that there would be increased Federal spending for the arts and humanities.

Mr. YATES. That is true. May I quote some statistics taken from national polls which indicate the powerful interest of the American people in the arts:

> 49 percent of the public (16 years and older)—or 71.3 million people—said they "go to see things like art shows, museums, historical houses, or antique, craft, or furniture shows." In fact, more people attend such visual arts activities, museums, and historical sites than attend spectator sports (47 percent said that they attend spectator sports "a great deal" or "some").
>
> 48 percent—69.8 million Americans—attend the theatre, movies, ballet, or modern dance performances, opera, the circus, or other pageants.
>
> 43 percent—62.6 million Americans—reported that they engage in creative activities such as photography, painting or sketching, woodworking, and weaving.
>
> 37 percent—53.8 million Americans—attend musical performances such as rock, jazz, folk, symphony, or chamber music concerts.
>
> 34 percent—49.5 million Americans—attend lectures, take adult education courses, or spend time at the library doing research or studying.

Mr. Chairman, we ought to approve the committee's recommendation. This committee has already cut a substantial sum of money. It has already cut $17 million from this appropriation.

Mr. WYATT. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. WYATT. I thank the gentleman for yielding.

I would just like to point out that the committee did take $17 million from the budget request.

I would like to also just make the observation that if Members of this body would carefully inspect the record and find out what other countries around the world are spending per capita on the arts and humanities, they will find that this amount, even though it is substantially over that of last year, is still a considerably small amount per capita, compared to most of the other civilized countries of the world.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 1 additional minute).

Mr. YATES. Mr. Chairman, the committee's recommended appropriation of $145 million for the activities of these two great foundations is based upon a realistic assessment that the American people strongly support our appropriating funds for the arts and the humanities in this country. The Endowments operate not only on a Federal level. Their good work is found in every State and in almost every local community throughout the country.

This is support given to artistic and cultural programs that will assure the American people greater joy and human fulfillment.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I have never been more proud to associate myself with the remarks made by a colleague, than by the statements of the gentleman from Illinois (Mr. YATES) and by the gentleman from Oregon (Mr. WYATT).

Mr. YATES. Mr. Chairman, I urge the defeat of these amendments.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the reason I believe this amendment is an appropriate and a correct amendment that is in the spirit of the budget control bill which this House has already passed. One of the main purposes of that bill was to show the American people that we, as a Congress, are serious in our efforts to cope with inflation.

Many of my colleagues from the Democratic side of the aisle today, by resolution of their own caucus, have pledged to do something about inflation. All this amendment does is to say to the American people that we are maintaining the same level of expenditure as last year and we will not contribute further to inflation, by increasing expenditures in this area.

Mr. Chairman, my belief is that when my good colleague, the gentleman from Illinois, talks about the funding and support of sports events and circuses, fine, but those type people are not in here asking for a subsidy from the Federal Government. They do it on their own, and the customers who support that form of entertainment pay for it, not the Federal Government.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I wish to point out to the gentleman that the reason that the people who sponsor sports events do not need a subsidy from the Government is that they get their subsidy through a special tax treatment on their investments.

Mr. ROUSSELOT. Mr. Chairman, so do the people who are in the field of music and the arts and humanities. These groups have all kinds of nonprofit organizations, they have all kinds of foundations, and they get the same kind of tax treatment of which the gentleman is speaking. And on top of that they receive this additional Federal subsidy.

My point is this: I believe that if this Congress is serious about its efforts to stop inflation, we can begin to stop it right here with this amendment.

Mr. Chairman, I encourage my colleagues to support this very reasonable amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I appreciate the gentleman's yielding.

I resented the inference of my distinguished colleague from Illinois when he was talking about this amendment being offered in a "know-nothing" attitude, and for a minute I thought, since he was referring to the Committee on Un-American Activities, and since I happen to chair the successor committee, the Committee on Internal Security, that he was referring to the gentleman from Missouri.

I will say to the gentleman from Illinois that I happen to be one who does appreciate the arts. In fact, the last time I was in Paris I spent 2 whole days in the Louvre in Paris. I happen to be married to a young lady who has a degree in art, and I would have to spend that time in the appreciation of art whether I liked it or not.

Mr. Chairman, I am not offering this amendment to "gut" the National Arts and Humanities. I am offering this amendment to see whether the gentleman from Illinois and other Members are willing to bite the bullet. I will ask the gentleman from Illinois whether he is willing to slap the hands of an agency which will pay out $5,000 for a seven-word poem—"Lighght."

Mr. Chairman, I will ask the gentleman from Illinois whether he is willing to slap the hands of an agency which will pay out at least $8,700 for a similar program and approximately $71,000 for a study of the history of comic strips. Is the gentleman willing to pay out a few thousand dollars for a dictionary on witchcraft?

Mr. Chairman, we have fiscal and monetary problems in this country. This is our chance to save $39 million. Why should we not do it? If we cannot do it now, we will never be able to do it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I would be glad to yield to my colleague, the gentleman from Illinois, except that he would not yield to my colleague, the gentleman from Missouri, when he asked for time.

Let me just conclude with this point, and then I will be glad to yield.

The Democratic Caucus today voted "to cut out waste and unnecessary expenditures wherever found." This is an add-on cost that is above last year's appropriation. If the Democratic Caucus was serious when they passed that resolution, I would say they should support this effort which has been made by my colleagues the gentlemen from Iowa and Missouri and show that they mean business in keeping the budget under control.

I will be glad to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I will say to my friend, the gentleman from Missouri, that not only have these people already been slapped on the wrist, but they have been dealt a sledge-hammer blow, because the committee already cut $17 million.

Mr. ROUSSELOT. That so-called cut is from the budget, not from last year's appropriation level. That is the point the gentleman from Missouri is making. This is not a cut from last year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment. Mr. Chairman and my colleagues, it is so easy to lose one's patience in talking about matters involving the arts and the humanities, but let us not do so because we are merely arguing about reduced fundings.

I think there is a national commitment to this program by the Congress. Many of us can well remember the days when this legislation was originally proposed and it was laughed out of these Chambers, but finally its day arrived, and it passed, and was enacted into law.

It began as a modest program, and it has been growing each year. The President of the United States, to his credit has asked for greater amounts this year for this program. And I say that is to his credit. Why? Because Americans have at long last realized that there is a national commitment to the arts and the humanities, and wish to keep the commitment. Let us continue the program so that America will be increasingly and continually proud of its accomplishments in the arts and in the humanities.

Let me say this: It is so very simple to take programs that are questionable to us, and to say, "Would you vote for this program?" as the gentleman from Missouri has said. Well, if the gentleman from Missouri will come up to my district I can show the gentleman a Federal program where they studied the sex life of clams; this was done by the Federal Shellfish Laboratory and many important things have been learned from this program.

I do not know what is learned from studying comic strips, but maybe something is. But I will tell the Members something.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will yield to the gentleman in a moment.

If we were to go back several centuries we would have found some distinguished physicists dropping feathers and pieces of lead from over the short side of the Leaning Tower of Pisa. At that time some might have thought that they were crazy. But by dropping lead and feathers from that tower they established some great physical principles of serious import to the world.

My point is that we should not, you and I, act as arbitrary censors here. Wherever human knowledge is being developed let it develop, whether it is good or bad. We can afford to live with some of the bad knowledge.

Mr. ICHORD. Will the gentleman yield now?

Mr. GIAIMO. I will yield to the gentleman when I have finished.

As far as saving money, will the gentleman from Missouri join with me in a few weeks when I and some of my colleagues offer a proposal to cut military assistance aid to South Vietnam, which is measured not in a few million dollars, but in hundreds of millions of dollars? And will he join in cutting some of the huge military and foreign aid expenditures, which will in fact add more to our inflation than this very modest program, a program which also gives many jobs to people.

Mr. ICHORD. Will the gentleman yield?

Mr. GIAIMO. I repeat, it also gives jobs to people in the United States in addition to the artistic and cultural contribution that is made.

Now I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, may I say to the gentleman from Connecticut that I may well join with the gentleman in the well in the amendment because of the great monetary and fiscal problem this Nation faces.

However, let me ask the gentleman, does the gentleman favor financing a program to write a seven-letter poem, L-I-G-H-G-H-T? Does the gentleman favor the expenditure of such funds? That is different from a study of the sex life of clams.

Mr. GIAIMO. I would hope so.

Mr. ICHORD. Does the gentleman support this program?

Mr. GIAIMO. I support the Federal program which appropriates funds for the many kinds of cultural purposes.

Mr. ICHORD. The gentleman does not support this ridiculous program, does the gentleman?

Mr. GIAIMO. If some of them happen to be silly ones, it is up to our committee in our oversight function to see to it that the agencies administering those disbursements are properly supervising them, and that they do not waste money.

Mr. ICHORD. Why does the gentleman not slap their hands instead of giving them $39 million?

Mr. GIAIMO. We did slap their wrists in the past by cautioning them about dubious or unwise expenditures. We did cut $10 million from the budget request.

But to delete $39 million as the amendment proposes is more than a slap on the wrist. It would be too severe a cut. I propose instead a better oversight by the agencies.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. I thank the gentleman for yielding.

May I say that I have listened to many of the arguments in favor of this amendment. Most of the material that has been presented is outdated. If the Members will study the records of our hearings last year and the year before, they will find the explanations they require. The items that have been discussed today have been corrected, and the gentleman is using outdated programs. In some instances, the projects and programs that have been mentioned today were not even funded.

I also want to say to the gentleman that I share his philosophy that all of us will benefit. There are a great many programs in this bill.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mrs. HANSEN of Washington. If the gentleman will yield further, it is very easy to take a bill of this size with 27 agencies involved and pick out something that sounds very funny and very humorous. But, Mr. Chairman, I would remind the Members that anyone acting in a narrow provincial sense could be against music; against novelists; against artists; and against craftsmen. They could be against any number of things, but I would trust Members will remember that America is a nation of many people.

Mr. PATTEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the State of New York has increased its appropriation this year from $14 million to $30 million. The State of Iowa has almost tripled its appropriation to $175,000 this year. They get $200,000 from this Federal money. In my State we cannot find the money in response to the demands of our citizens. There are some 20 colleges, our State museum, our philharmonic orchestra, our TV programs. They are all providing our citizens with a chance for a better quality of life.

Just recently I went down the streets of one of our principal cities when the temperature was 100 on the sidewalk. I will bet that I saw 20,000 kids right up to high school age with no interest and nothing to do, with no skills in music or no interest in reading. We can find it all over America. America needs this culture.

President Nixon asked for the increase, and we cut it $10 million. This will be the best investment coming onto the Bicentennial program to increase the quality of life for every American citizen that it touches.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PATTEN. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

The gentleman mentioned the State of Iowa and the expenditure of $175,000. If the State of Iowa wants more of the arts and humanities, then let the people of the State of Iowa pay for it.

Mr. PATTEN. They get $200,000 under this bill. Every State gets $200,000. We have 1,200 philharmonic orchestras around the Nation today, not to mention all the other arts. I think the program is necessary, and I think it is wonderful, and I support the committee.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Democratic caucus this morning committed itself to try to save the taxpayers money. I commend my friends for doing so. The action comes belatedly but it is welcome.

As one who has often voted to save the taxpayers money, including opposing this program when it was initiated because I had reservations about using Federal funding for arts and humanities, I want to say this is one of the times in which I erred in opposing this program. It is my conviction that this program has done a great deal of good for the people of our Republic. I know it has done good for the people of Alabama. Like the gentleman from New Jersey, we find ourselves in a situation in which we cannot fund the programs that are worthwhile which we would like to fund.

In my view, if anything these funds are inadequate. As the gentleman has indicated, we are approaching our Bicentennial celebration. Nothing could be more appropriate than that we could have funds for a positive constructive activity, one that means so much to the quality of life in our society. I hope the committee will be sustained.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with the remarks of the gentleman from Alabama. It seems to me there are many places where we ought to cut in order to make sure that we do have less inflation in this Nation, but when we will see the serious problems facing our Nation there is some hope in the arts and the humanities. As the gentleman from Illinois mentioned, we are talking about the quality of life in America. If one looks at the biography of many great artists, be they visual artists or performing artists, their peers and contemporaries did not recognize their worth. Some received their chance in some other country. What we are doing is giving our budding artists a chance. In the humanities area it may not be as demonstrable as soon. Human values must be constantly assessed, and through the humanities there is hope for the Nation. But it seems to me if we look at the total expenditures in the arts and humanities we find a big plus sign.

Certainly LIGHGHT expenditure was a mistake, but I do not think the endowment will do that again. If we cut every cent out of this appropriation we will not stop LIGHGHT. It occurred long ago. This Agency had to learn as it went along too and it has been learning.

From the hearings we had in our committee I think this appropriation will bring results we can be proud of. I think this Agency is doing good for our Nation. Therefore I urge our colleagues to vote against this amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Iowa.

Mr. GROSS. If there is no money in the Alabama treasury to pay for the arts and the humanities, the gentleman ought not to be coming to the Federal Government, because there is none here either. We are busted. I cannot believe the State of Alabama is as badly in debt as is the Federal Government and we have got to save, I will say to my friend from Alabama, wherever we can in order to take care of the foreign aid that the gentleman votes for all the time.

Mr. BUCHANAN. I will not say to my friend that we in Alabama might come out better by applying for foreign aid, but we do need the money for this. It serves a great purpose throughout the country. I wish it could be funded more completely and I make no apology for supporting this appropriation.

Mr. BRADEMAS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I shall make only two or three points. One of the first points I want to make is represented by the fact that we have just heard eloquent remarks in support of the committee bill and in opposition to the pending amendments on the part of the gentleman from Alabama (Mr. BUCHANAN) and the gentleman from Minnesota (Mr. QUIE).

Mr. Chairman, when I heard the gentleman from Alabama speak I was reminded of the equal eloquence with which our former colleague, the present Vice President of the United States, the Honorable GERALD R. FORD, spoke when we were working on the authorizing legislation last year. Members of the House may recall how our former colleague, Mr. FORD, then remarked that earlier in his career in the House of Representatives he had opposed the arts and humanities program, but how he went on to say that he had been moved, as a result of there having been placed in his home town of Grand Rapids a sculpture by Alexander Calder, one of the great artists of our time, to a position of strong support of the Arts and Humanities Foundation.

Mr. FORD remarked that the placement of that sculpture in a rundown part of Grand Rapids had so enlivened the spirit of the people of that community that it had brought about an awakening of immense interest in the area. The Calder sculpture became a source of great pride and achievement to the people of Grand Rapids, during that debate in the House, as chairman, Mr. FORD, as did our friend, the gentleman from Alabama, declared his vigorous support of the Arts and Humanities Endowments. If our Baptist friend from Alabama will allow a Methodist from Indiana to say so, I am delighted that he too has made public confession and now become a supporter of the program and, as I observed earlier, an eloquent one.

Mr. Chairman, now I think my friends on both sides of the aisle are aware that I have found it easy to restrain my enthusiasm for the works of the present President of the United States. But I have also, Mr. Chairman, made public protestation of my support of what this administration has done in giving attention to the arts and humanities in American life.

I think it is significant, Mr. Chairman, that under President Eisenhower, President Kennedy, President Johnson, and President Nixon, and with the support of both Democrats and Republicans in Congress, we have begun to provide support from our public tax moneys of a kind that can give us pride in the work of our National Government in support of the works of the life of the mind and of the imagination.

Now, Mr. Chairman, I was interested in the observations of my good friend, the gentleman from Missouri (Mr. ICHORD), who was quoting a poem that has been quoted here many times whenever we debate this program.

I would only say this to him, and I say this with all, candor, I do not think it is sound public policy to expect that we, as elected politicians, should give our approval to every program that may be supported by either the Arts or the Humanities Endowment. Indeed, I believe that one of the most valuable dimensions of this program has been that it has been free from control by elected politicians.

Now, Mr. Chairman, let me make another point. The works of the life of the mind and of the imagination are very powerful. We know that. We know that in the Soviet Union, for example, the government controls what people write. It controls what people paint. The Soviet government does not approve of a number of the works of some of its artists and thinkers and writers. We have seen only in recent times how one of the great artists of our times, Alexander Solzhenitsyn, has had to flee his country to live in a part of the world that is free. Why? Because in his homeland, the government controls the works of the mind and the imagination.

Mr. Chairman, as chairman of the subcommittee with jurisdiction over the legislation authorizing the Arts and Humanities Foundation I am adamantly opposed to any effort on the part of politicians—and I am proud to be a politician—to dictate each and every program that may be supported by the Arts and Humanities Endowments. I may be in disagreement with some of their judgments, but I do not think it is appropriate to legislate what they should or should not support.

I have just two other points I would like to make before I yield, Mr. Chairman. The American people overwhelmingly support these programs. Evidence for that assertion can be seen in the repeated support by Presidents of both parties and by solid bipartisan votes in the House and in the Senate.

TRIBUTE TO JULIA BUTLER HANSEN

Finally, Mr. Chairman, I should like to take advantage of this opportunity to speak some words of tribute to the distinguished chairman of the Subcommittee on the Department of Interior and Related Agencies of the Committee on Appropriations, our distinguished colleague and friend, the Honorable JULIA BUTLER HANSEN of Washington. This may be the final time she defends one of her bills on the floor of the House of Representatives.

In my judgment, Mr. Chairman the people of the United States owe JULIA BUTLER HANSEN an enormous debt of gratitude for the leadership she has given in her subcommittee and in the House of Representatives and in Congress in struggling for adequate funds for the arts and humanities program.

When the gentlewoman from Washington (Mrs. HANSEN) retires from the House of Representatives she will know better than any of us with respect to which of her many activities in the House, she will take most pride.

In my own judgment—and I confess I speak as chairman of the gentlewoman's counterpart subcommittee on the authorizing committee—the gentlewoman ought to take enormous pride in what she has done for the arts and the humanities for the people of the United States. If for no other reason, than to honor the gentlelady from Washington, I hope we vote down this amendment.

Mr. Chairman, let me also touch for a moment on JULIA BUTLER HANSEN's efforts to modernize the operations of the House of Representatives.

I believe that all those concerned with the operations of the House must express their gratitude to Mrs. HANSEN for her gifted and effective leadership as chairman of the Select Committee on Organization and Procedures of the Democratic Caucus of the House of Representatives.

I think it is not too much to say that without the Hansen committee and its recommendation, the House would be lacking in many of the reforms most of us now agree have proved invaluable to a modern legislator in a great country.

Mr. Chairman, I want to add an observation about the personal qualities of Mrs. HANSEN. She is a tireless worker, possessed of a quick mind, sensitive to the attitudes of persons of various points of view, and a person with a first-class sense of humor.

Finally, Mr. Chairman, I might here note that one of the most pleasant experiences I have had came when I was able to be present for the awarding to Mrs. HANSEN of a honorary doctor's degree by St. Mary's College, Notre Dame, Ind., in the congressional district I represent, a degree awarded in recognition of Mrs. HANSEN's outstanding contributions as a legislator.

Mrs. HANSEN is, without question, Mr. Chairman, one of the ablest Members of the House of Representatives with whom during my 16 years in this body it has been my pleasure to serve.

We shall miss her in the House, and we all wish her well as she retires to her home State of Washington.

Mr. Chairman, I insert in the RECORD the text of a letter paying tribute to Mrs. HANSEN, from Dr. Ronald Berman, chairman of the National Endowment of the Humanities:

NATIONAL ENDOWMENT
FOR THE HUMANITIES,
Washington, D.C., July 24, 1974.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR JOHN: It is a great pleasure for me to join with others in Washington and throughout the country in honoring Julia Hansen. It is known by many people that Mrs. Hansen has made a distinctive contribution to her state and to the nation, but we know this especially at the National Endowment for the Humanities because of the constant and careful attention she has given to promote national programs in the humanities. She has seen the significance which comes to a nation that intelligently studies and preserves the past and makes this past an important element in the life of the present. By supporting the scholar in the academic and by urging that the humanities also be a part of the public life of the nation, she has vigorously furthered the two main activities of the Endowment.

The fact that those activities directed at increasing the appreciation, understanding, and *use* of humanistic knowledge by the average citizen now comprise the largest component of the agency's efforts is due in large measure to Mrs. Hansen's own insistence that the humanities should be not simply adornments to be enjoyed in our personal lives but rather are essential elements to responsible decision-making in a democratic society. This view is reflected especially in programs which bring citizens and humanists together to discuss critical public issues. Four years ago no such program existed in *any* country, and now they are in operation in nearly every state and involving over one million Americans.

This afternoon, for the last time, we shall watch Julia Hansen steer the appropriations bill for the Arts and the Humanities through the House. We shall reflect, as usual, upon the perceptiveness of her questions during long and studious hearings in the spring; and we shall respect the acumen with which she advised us on priorities. Humanists, like artists, are sometimes thought not to be good at figures; and to have little understanding of the real political process. If that is true, then they have reason indeed to have valued Julia Hansen's leadership. We shall miss her immediate presence; but we shall still look for her counsel from afar. And we wish her well.

Sincerely,

RONALD BERMAN,
Chairman.

Mr. MATHIS of Georgia. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. I yield to the gentleman from Missouri.

Mr. ICHORD. I appreciate the gentleman yielding. I had endeavored to get my good friend, the gentleman from Indiana (Mr. MADDEN) to yield.

I would say I certainly join in the remarks about the distinguished chairman of the subcommittee.

Now, I listened to the very eloquent speech of the distinguished gentleman from Indiana very closely.

I would say it would be very relevant if, by this amendment, I was trying to cut or to gut the National Foundation. The gentleman from Michigan quoted the late John F. Kennedy, and one would think that I was gutting the appropriation. I point out to the committee again that all this amendment does is to hold the line; all this amendment does is to appropriate exactly the same as was appropriated last year.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. I yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. The gentleman is not keeping it at exactly the same, because we have an increased number of participants and we have the higher cost of inflation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, since our good colleague from Indiana did not have time to yield, I think he invoked the Vice President's name as a supporter of this bill. It is true the Vice President supports the arts and humanities. During the last month, the Vice President has been calling for the Congress to restrain our expenditures. I know, because I was with him a week ago at several appearances. He clearly did not recommend increasing expenditures, as a matter of fact he suggested the Congress cut programs.

I want to call to the attention of our colleague from Indiana the fact that he was not here when we talked about the Democratic caucus, which today voted very decisively to stop inflation. I think this is a very simple test. Are we really serious about stopping inflation?

All that my good colleague from Missouri is trying to do is to have this expenditure continued exactly as it was last year. That is a simple restraint, and that supports the spirit which the Vice President is trying to encourage us to do, since my good colleague from Indiana invoked the spirit of the Vice President. I think it was very wise that he did.

So, my point is that my colleague from Missouri has very properly introduced an amendment which merely holds the expenditure to where it was last year. That is a reasonable proposition. It merely says that it stops it where it was last year and stops the inflationary expenditure binge of this Congress.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. Mr. Chairman, I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I hope we are not met, let me say to my friend from California, to construe the Vice President's words. He is saying that the Vice President is opposed to the budget recommendations of the President.

Mr. ALBERT. Mr. Chairman, I move to strike the last word.

I think we can assume that the President in setting up his budget is as much concerned as we about the matter of keeping our fiscal house in order.

I did not rise for that purpose. I rose to sadly note that this is the last time one of the finest chairmen this House has ever had to preside over any bill from the Appropriations Committee, or any other committee, will honor us by her presence. I want to say out of my own heart, JULIA, that I appreciate the great service you have rendered to the House of Representatives.

[Applause, the Members rising.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Missouri (Mr. ICHORD for the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GROSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 284, not voting 24, as follows:

[Roll No. 404]

AYES—126

Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Bennett
Blackburn
Bray
Brinkley
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burleson, Tex.
Butler
Byron
Camp
Carter
Clancy
Clark
Clawson, Del
Cochran
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
de la Garza
Dennis
Dent
Derwinski
Devine
Dickinson
Downing
Duncan
du Pont
Erlenborn
Fisher
Fountain
Frey
Froehlich
Gaydos
Gilman
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Harsha
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, N.C.
Kemp
Ketchum
Lagomarsino
Landgrebe
Landrum
Lott
Lujan
McCollister
Mallary
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Michel
Miller
Minish
Minshall, Ohio
Mizell
Murtha
Myers
O'Brien
Poage
Powell, Ohio
Preyer
Price, Tex.
Quillen
Randall
Rarick
Roberts
Robinson, Va.
Rogers
Rousselot
Runnels
Ruth
Satterfield
Scherle
Shipley
Shuster
Snyder
Spence
Staggers
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Towell, Nev.
Treen
Wampler
Ware
White
Whitehurst
Wiggins
Williams
Wilson, Bob
Wylie
Young, Fla.
Young, S.C.
Zion

NOES—284

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Baker
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Denholm
Donohue
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gettys
Giaimo
Gibbons
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kuykendall
Kyros
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mann
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Whalen
Whitten
Widnall
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright

Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOT VOTING—24

Brasco
Burlison, Mo.
Burton, Phillip
Carey, N.Y.
Chisholm
Clay
Culver
Davis, Ga.
Davis, S.C.
Diggs
Dingell
Dorn
Evins, Tenn.
Flynt
Griffiths
Hansen, Idaho
Hébert
Holifield
Jones, Tenn.
Rooney, N.Y.
Steele
Sullivan
Symington
Zwach

So the substitute amendment for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW

SALARIES AND EXPENSES

For necessary expenses of the Federal Metal and Nonmetallic Mine Safety Board of Review, as authorized by law (30 U.S.C. 721) including services as authorized by 5 U.S.C. 3109, $60,000.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do this for the purpose simply of asking the very able gentlewoman from Washington concerning the $60,000 for the Federal Metal and Nonmetallic Mine Safety Board of Review. It would seem to me if there were ever a case of a board that has used its time in innocuous desuetude it would be this Board. This Board of Review has had no cases, no appeals, and has had some $10,000 in travel funds, as I understand.

I would simply like to raise the question why this Board has to continue in existence when it obviously is performing no useful function whatsoever?

Mrs. HANSEN of Washington. Mr. Chairman, if the gentleman will yield, Congress created the Board and Congress can terminate the Board.

The Board has not acted on a case to date but there could be a case or an appeal and the board must have adequate funds to respond if appeals are made. I would not object to the abolishing of this Board if that is the will of Congress.

Mr. HECHLER of West Virginia. I thank the gentlewoman from Washington. I think this is one agency of the Government that ought to be abolished, and as an abolitionist I would like to see this Board completely abolished.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mrs. HANSEN of Washington. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 22, not voting 27, as follows:

[Roll No. 405]

YEAS—385

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—22

Archer
Ashbrook
Beard
Clancy
Collins, Tex.
Conlan
Crane
Davis, Wis.
Devine
Gross
Huber
Hunt
Ketchum
Landgrebe
McCollister
Miller
Powell, Ohio
Robinson, Va.
Shuster
Steiger, Wis.
Traxler
Young, S.C.

NOT VOTING—27

Abdnor
Brasco
Broyhill, N.C.
Burlison, Mo.
Burton, Phillip
Carey, N.Y.
Chisholm
Clay
Culver
Davis, Ga.
Davis, S.C.
Dickinson
Diggs
Dorn
Evins, Tenn.
Griffiths
Gunter
Hansen, Idaho
Holifield
Jones, Tenn.
Quie
Rooney, N.Y.
Steele
Sullivan
Symington
Wilson, Bob
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Holifield with Mr. Culver.

Mr. Rooney of New York with Mr. Broyhill of North Carolina.

Mr. Symington with Mr. Davis of Georgia.

Mrs. Sullivan with Mr. Dorn.

Mr. Davis of South Carolina with Mr. Gunter.

Mr. Brasco with Mr. Clay.

Mrs. Chisholm with Mrs. Griffiths.

Mr. Evins of Tennessee with Mr. Abdnor.

Mr. Jones of Tennessee with Mr. Quie.

Mr. Phillip Burton with Mr. Bob Wilson.

Mr. Carey of New York with Mr. Zwach.

Mr. Burlison of Missouri with Mr. Dickinson.

Mr. Diggs with Mr. Hansen of Idaho.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR INTERNATIONAL BROADCASTING ACT

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1250, Rept. No. 93–1216), which was referred to the House Calendar and ordered to be printed:

H. Res. 1250

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14780) to authorize appropriations for fiscal year 1975 for carrying out the provisions of the Board for International Broadcasting Act of 1973. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 14780, it shall be in order in the House to take from the Speaker's table the bill S. 3190 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 14780 as passed by the House.

POLICY STUDY BY JOINT ECONOMIC COMMITTEE ON INFLATION

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1251, Rept. No. 93–1217), which was referred to the House Calendar and ordered to be printed:

H. Res. 1251

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (S. Con. Res. 93) relating to an inflation policy study. After general debate, which shall be confined to the concurrent resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the concurrent resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

REGULATING REAL ESTATE SETTLEMENT PROCEDURES

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1252, Rept. No. 95–1218), which was referred to the House calendar and ordered to be printed:

H. Res. 1252

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9989) to further the national housing goal of encouraging homeownership by regulating certain lending practices and closing and settlement procedures in federally related mortgage transactions to the end that unnecessary costs and difficulties of purchasing housing are minimized, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON S. 386, URBAN MASS TRANSPORTATION ACT

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1253, Rept. No. 93–1219), which was referred to the House Calendar and ordered to be printed:

H. Res. 1253

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 386) to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes, and all points of order against the conference report for failure to comply with the provisions of clause 3, Rule XXVIII are hereby waived.

RECLAMATION DEVELOPMENT ACT OF 1974

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1254, Rept. No. 93–1220), which was referred to the House Calendar and ordered to be printed:

H. Res. 1254

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes, and all points of order against Title I of said bill for failure to comply with the provisions of clause 4, Rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

200TH ANNIVERSARY OF FIRST CONTINENTAL CONGRESS

Mr. O'NEILL. Mr. Speaker, I call up House Resolution 1255 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1255

Whereas the First Continental Congress met two hundred years ago, September 5, 1774, through October 26, 1774, as the first American congress of representatives, and enunciated those principles of government of free men which have inspired Americans throughout their history and which still guide this nation: Now, therefore, be it

Resolved by the House of Representatives, that the two hundredth anniversary of the meeting and accomplishments of the First Continental Congress be commemorated, and to that end the Speaker of the House will appoint four Members of the House of Representatives to constitute a Committee on Arrangements.

The Committee on Arrangements shall plan the proceedings, issue appropriate invitations, and select distinguished scholars of the period of the American Revolution to deliver a memorial address.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object—and I do not think I will object—may I ask the gentleman from Massachusetts what this is all about?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, this is a resolution that rightfully belongs to the gentleman from Pennsylvania (Mr. McDade). The gentleman presented the resolution to the leadership of the House on both sides, and we thought it was an excellent idea in view of the fact that in September of this year Congress will be celebrating its 200th anniversary.

If the gentleman from California would yield to the gentleman from Pennsylvania, the gentleman could further explain the resolution.

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, I deeply appreciate the action of the majority leader, the gentleman from Massachusetts (Mr. O'Neill) in bringing up this resolution. I would just like to say that all we are trying to do is to set up a small mechanism so as to be able to recognize that 200 years ago in September the first Continental Congress met. As I say, we are trying to set up a Committee on Arrangements to find out a way to arrange for the House to take note of one of the most important developments in our Nation's history.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield further, I would ask the gentleman from Pennsylvania whether this would not possibly be the same type of a ceremony we have had such as that concerning the observance of Flag Day?

Mr. McDADE. Will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Speaker, I thank the gentleman again for yielding.

As my colleagues, I am sure, will recollect, not long ago we had in this Chamber a celebration of Flag Day. Also in previous years we have had distinguished Americans, such as Carl Sandburg, who came before us in the Chamber and spoke on the anniversary of Lincoln's death.

We contemplate setting up a Committee on Arrangements so as to be able to take appropriate note of that tremendous event that occurred just about 200 years ago, when the first Continental Congress convened.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would ask the gentleman from Pennsylvania (Mr. McDade) whether our country at that time was $500 billion in debt, and would the gentleman state whether there would be any recognition of that fact at that time?

Mr. McDADE. Mr. Speaker, if the gentleman will yield further, I will say to the gentleman from Iowa that we will recognize appropriately all of the issues that were before that Continental Congress, and we hope all of the issues that are before this Congress.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PROCEDURE FOR ADJOURNMENT OF THE CONGRESS

Mr. O'NEILL. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 568) and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 568

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of Sec. 132(a) of the Legislative Reorganization Act of 1946 (2 USC 198), as amended by Section 461 of the Legislative Reorganization Act of 1970 (Pub. Law 91–510; 84 Stat. 1193), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the distinguished majority leader explain what this concurrent resolution is all about?

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, under the provisions of the Legislative Reorganization Act of 1946, as amended by section 461 of the Legislative Reorganization Act of 1970, referring to section 132(a), unless otherwise provided for by the Congress, the two Houses shall adjourn sine die not later than July 31 of each year. This motion is the customary procedure that we have followed every 2 years.

Mr. ROUSSELOT. So that if I were to object, we would have to adjourn?

Mr. O'NEILL. I would presume we would have to go to a vote on that.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, might this then be described as another great reform that has bit the dust for years?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I would have to say that it is, but this one bit the dust back in 1946, about 28 years ago. I do not know how many times it has bit the dust throughout the years. But I will say that in my 22 years here, I think we got out only once before July 31. So I would have to answer the gentleman in the affirmative.

Mr. GROSS. I will say to the distinguished majority leader that it is time that this charade was ended. I certainly would have no objection to adoption of the amendment. I hope, though, that the reformers around here who are so eager to change everything and the procedures in the House, and all of the rules, take note of the means of this one that never should have been.

Mr. O'NEILL. May I say to the gentleman I will be sorry to see him leave.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, it is the intention on scheduling to go through until 7 o'clock, and at 7 o'clock the Committee will rise. The legislation tomorrow will be the strip mining bill, and we will move forward. I presume the gentleman's agreement that was made earlier will be kept.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. HOSMER. It is now 5:55 p.m. We are on a unanimous-consent request which has to do with a 3-hour discussion. We started operations on this bill a week ago, 8 days ago. We had it Wednesday, Thursday. We had it Monday and Tuesday, and now the gentleman, I gather, wants to chop it off after another hour and then come back again and take it up again piecemeal. I have found that in connection with this legislation when there are enough people on the floor to hear it discussed, the amendments that I offer are accepted, and when they are not here, there is a corporal guard for the environmental people who manage to defeat these amendments. Now we are at the hour where the sun is down past the yardarm where one of the previous Speakers of this House used to frequently strike a blow for liberty. I just want the gentleman to know that if he is insistent that we go ahead, and then chop me off at a position where by tomorrow the membership will have forgotten what they were mad about on this bill today, I am going to take as many measures as I can to make certain that we have a quorum. I would suggest to the gentleman that he would seek to come in early tomorrow. Let us get this thing out of the way in the same fashion without chopping up consideration of this. Let us get it out of the way. Otherwise I will have to use whatever parliamentary safeguards I have to protect my rights and protect the rights of the minority.

I thank the gentleman for yielding.

Mr. O'NEILL. I would be remiss if I did not thank the gentleman for his cooperation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

The majority leader said that the intention was to have the strip mining bill become the first order of business tomorrow. Does that mean we will not take up the conference report on legislative appropriations until after the strip mining bill is completed?

Mr. O'NEILL. As far as I know, that is right. At this particular time, unless there be a change in the schedule, the answer is in the affirmative.

Mr. STRATTON. If the gentleman will yield further, we have once again the controversial matter of the west front included in this bill, and I should like to have the majority leader's assurance that we will know when that bill is going to be brought up, rather than have it brought up suddenly in advance of the strip mining bill, which is billed as the first order of business.

Mr. O'NEILL. That legislation will not be on the floor tomorrow, but will be scheduled for next week.

REQUEST FOR HOUR OF MEETING TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock a.m. tomorrow, Thursday, July 25, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

SURFACE MINING AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HOSMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 324, nays 54, not voting 56, as follows:

[Roll No. 406]

YEAS—324

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Bell
Bennett
Bergland
Biester
Bingham
Blatnik
Boggs
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Butler
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Dingell
Downing
Drinan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Hudnut
Hungate
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitten
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—54

Arends
Armstrong
Baker
Bauman
Beard
Bevill
Blackburn
Bray
Broomfield
Byron
Camp
Clawson, Del
Collins, Tex.
Conable
Conlan
Daniel, Robert W., Jr.
Dennis
Devine
Duncan
Erlenborn
Flynt
Frelinghuysen
Froehlich
Goodling
Gross
Hosmer
Huber
Hunt
Hutchinson
Jones, Ala.
Ketchum
King
Landgrebe
McCollister
McEwen
Miller
Moorhead, Calif.
Mosher
Nelsen
Parris
Poage
Powell, Ohio
Quillen
Rarick
Robinson, Va.
Rousselot
Sebelius
Spence
Stephens
Symms
Towell, Nev.
Treen
Whitehurst
Young, S.C.

NOT VOTING—56

Barrett
Biaggi
Boland
Brasco
Burlison, Mo.
Burton, Phillip
Carey, N.Y.
Carney, Ohio
Chisholm
Clark
Clay
Conyers
Culver
Davis, Ga.
Davis, S.C.
Dickinson
Diggs
Donohue
Dorn
Dulski
Evins, Tenn.
Fulton
Gray
Griffiths
Gubser
Gunter
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Hébert
Holifield
Jones, Tenn.
Landrum
Martin, Nebr.
Minshall, Ohio
Mollohan
Montgomery
Nix
Rodino
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Smith, N.Y.
Steele
Steiger, Wis.
Sullivan
Symington
Thone
Thornton
Waldie
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Zwach

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11500, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN (Mr. SMITH of Iowa). The Chair will attempt to explain the situation.

Before the Committee rose on yesterday, it had agreed that the remainder of the substitute committee amendment titles II through VIII, inclusive, would be considered as read and open to amendment at any point.

The Committee further agreed that the time for debate under the 5-minute rule would be limited to not to exceed 3 hours and allocated time to titles II through VIII as follows: 50 minutes for title II, 20 minutes for title III, 50 minutes for title IV, 5 minutes for title V, 5 minutes for title VI, 40 minutes for title VII, and 10 minutes for title VIII.

In an attempt to be consistent with the unanimous-consent agreement entered into on yesterday, the Chair will endeavor to recognize all Members who wish to offer or debate amendments to title II during the 50 minutes of time for debate on that title.

If Members who have printed their amendments to title II in the RECORD would agree to offer those amendments during the 50-minute period and to be recognized for the allotted time, the Chair will recognize both Committee and non-Committee members for that purpose.

Members who have caused amendments to title II to be printed in the RECORD, however, are protected under clause 6, rule XXIII, and will be permitted to debate for 5 minutes any such amendment which they might offer to title II at the conclusion of the 50 minutes of debate thereon.

The Chair will now compile a lits of those Members seeking recognition to offer or debate amendments to title II and will allocate 50 minutes for debate accordingly.

The Chair will give preference where possible to those Members who have amendments to offer to title II.

Members who were standing at the time of the determination of the time allocation will be recognized for 1 minute and 20 seconds each.

PARLIAMENTARY INQUIRY

Mr. KETCHUM. Mr Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KETCHUM. Mr. Chairman, I note that the time is approximately 6:30 p.m., and it is my understanding that the Committee will rise at 7 o'clock p.m., tonight.

Does that mean now that the Members who have not been recognized in these next 30 minutes will be continued to be recognized tomorrow when we resume debate on this great issue?

The CHAIRMAN. The Chair will state that time will remain on this title. The gentleman is correct.

PARLIAMENTARY INQUIRY

Mr. SYMMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SYMMS. Mr. Chairman, will amendments be in order as soon as the chairman goes ahead with proceedings here?

The CHAIRMAN. The gentleman is correct.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

I take this time in order that some questions may be directed to the gentleman from Arizona (Mr. UDALL).

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, I thank the gentleman for yielding.

I rise for the purpose of directing a question to the chairman of the subcommittee, the gentleman from Arizona (Mr. UDALL).

The question is this: Does this bill as presently written permit the mountaintop and valley-fill method of surface mining?

Mr. UDALL. Mr. Chairman, if the gentleman will yield to me, as I said on two previous occasions in the debate—and I shall ask permission to revise and extend my remarks, and I will go into this in some detail in the extension of my remarks—I made it clear that this bill is not intended to outlaw the surface-mining technique known as mountaintop removal.

What the bill says is that that kind of mining—and I might add that this type of mining has done more damage over the years than any other type of mining in Appalachia—this type of mining can continue, but it can continue only if it meets the standards in section 211 applicable to other steep-slope mining operations.

There are other techniques for accomplishing mountaintop removal if they can be utilized to meet these necessary standards; these particular techniques can be used if they restore the shape of the mountain as they go along.

Mr. Chairman, I will put a complete exposition of this in my extension of the remarks so we will have the benefit of that.

If they can restore the shape of the mountain, they can use these various methods, the valley-fill or the head-of-the-hollow, for instance.

You can put the fill on the benches, or place it on level ground away from the mining site if all of these fit in with the post-mining plan. We are not trying to outlaw mountaintop removal if it meets the standards of the bill.

Mr. TAYLOR of North Carolina. Does this mean that spoil can be placed in the valley, or at some other location away from the mining site? For example, the head of a hollow located elsewhere on the mountain being mined?

Mr. UDALL. Yes, if it meets the standards set up in the bill, but the extent and how this is done depends on characteristics of the specific site, the mining and reclamation method employed, and the post-mining land use and its configuration as contained in the approved mining and reclamation plan. All spoil disposal areas must be part of the permit area.

Various types of earthmoving and fill operations are necessary to prepare lands for developed post-mining land uses. This is discussed on page 106 of the report and I would like to insert that portion here.

In short, these fill areas must be appropriately engineered and constructed in order to assure to the greatest extent possible the stability of the fill, adequate permanent drainage and a usable surface upon completion of mining. It is expected that the regulations issued by the Secretary of Interior would specify engineering and materials handling practices along with appropriate drainage controls—to prevent pollution and assure stability—for these activities.

EXCEPTIONS

Although usually preferable, it may not always be best to return mountain lands to their approximate original contour. In various areas such as the mountainous Appalachian coal fields, there is a paucity of flood free, relatively flat developable land. Thus some surface mining operations offer the opportunity for creating a resource which otherwise might not be available or might be prohibitively expensive.

The mining application process and the environmental standards for steep slope mining allow for variance from the regarding requirement to achieve a desirable postmining land use, provided that the proposed use of the land is reasonable and capable of being met with respect to public and private investments. The bill also stipulates that fill areas created for such development are to be designed and constructed so that the land is capable of development upon completion of mining. It is expected that the Secretary of Interior will include in regulations to be issued under this act such fill placement standards as are necessary to assure suitable site development potential upon completion of mining. Standards might parallel those used by the Department of Housing and Urban Development for developing fill areas for construction purposes.

The committee felt that these planning and fill placement requirements were reasonable since:

First. The utility of a flat land site on a mountaintop is dependent upon suitable access, adequate utilities, such as water, storm water, and sewage control. Without indication that public jurisdictions involved will assume responsibility for maintaining the necessary public facilities, the development of flat areas should not be encouraged.

Second. Controlled placement and compaction of spoil is desirable so that surface created is suitable for use without waiting for an extended period of years for settling prior to development.

Third. As the requirement of return to approximate original contour and the limitation of dumping spoil downslope are environmentally preferable, exceptions to the standards should only be granted where it is demonstrated that such exceptions are necessary to allow a desirable and achievable postmining land use.

Mr. TAYLOR of North Carolina. Does this mean that the original contour need not be restored?

Mr. UDALL. Not if a postmining plan is developed that meets the standards, and is otherwise in compliance with the act. I want to assure the gentleman that mountaintop removal raises problems, but we do not intend to outlaw it; under approved conditions it can continue. The appropriate problems of the committee report include the sections on "approximate original contour"—pages 85–92—and "steep slope mining"—pages 102–107.

Mr. HOSMER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-four Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. MELCHER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. MELCHER. Mr. Chairman, I offer an amendment to the Committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MELCHER to the committee amendment in the nature of a substitute: Page 172, line 4, strike out "and", and immediately before line 5 insert the following, and renumber the following paragraph accordingly:

"(12) the surface coal mine operations are not located within, and would not adversely affect, an alluvial valley floor in semi-arid and arid regions;"

Mr. MELCHER. Mr. Chairman, this is an amendment offered to protect and safeguard the valley floors of our rivers and streams in the West. It is an eminently needed amendment. I offer it for the consideration of the Committee.

My colleague from Colorado (Mr. EVANS) is the proponent of this amendment and I am delighted to join him and other supporters in encouraging the House to recognize the extreme importance of the valleys in our Western States that are irrigated or subirrigated and provide the base ranches for our livestock industry.

It is on land such as this that produces the hay and grain on the rich, lush pastures that provides additional forage to add significantly to the range grasses on the prairies surrounding. By making sure that these valleys are not mined we maintain the needed balance for the rangeland surrounding.

If mined the disturbance to the water table or the resulting sediment or erosion would in many instances cause permanent damage. For these reasons this amendment protecting these valleys is essential.

I yield to the gentleman from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Colorado (Mr. EVANS).

Mr. STEELMAN. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Texas.

Mr. STEELMAN. Mr. Chairman, this is a highly important amendment. I rise in full support of it and hope our colleagues will follow suit.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I would like to ask my good friend and colleague a question about this amendment. When the gentleman defines alluvial valley floors is he talking about the alluvial valley floors of some 150 million years ago, which is what the coal lies on, or is it the present alluvial valley floors which presently contain water and contribute to supporting crops?

Mr. EVANS of Colorado. Mr. Chairman, if the gentleman will yield, in regard to the term "alluvial valley floors" I yield to the gentleman from Arizona to comment on what the committee means when it uses the term "alluvial valley floors."

Mr. UDALL. Mr. Chairman, the term "alluvial valley floors" as used in the bill and the committee report refers to those unconsolidated deposits formed by streams—including their meanders—where the ground water is so near the surface that it directly supports extensive vegetation.

These alluvial valley floors receive recharge of their waters from areas surrounding them, and the water availability in such floors is in excess of the actual precipitation on the surface of such deposits.

Further, these alluvial valley floors have streams flowing through them which contribute significantly to domestic, municipal, agricultural, recreational, or industrial use.

Does the gentleman agree that is his intention and definition in reference to alluvial valley floors?

Mr. EVANS of Colorado. I agree with your statement of the meaning of "alluvial valley floors" as the term is used by the committee report and in this amendment.

Mr. ANDREWS of North Dakota. Mr. Chairman, if the gentleman will yield further, this does not include the naturally dewatered deposits on hills or casual gullies which do not contain supportive underground subirrigation?

Mr. EVANS of Colorado. The gentleman is correct.

Mr. RUPPE. Mr. Chairman, if the gentleman will yield, would this language actually prohibit mining under any stream? It seems to me under any stream we have an alluvial valley floor and this would be a prohibition against any mining under any stream.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield to my colleague from Colorado.

Mr. EVANS of Colorado. I do not so construe this. This is to protect the arid and semiarid areas of the United States. I call to the attention of the committee a finding by the Academy of Sciences that studied this proposal problem of strip mining. They said:

> In planning of any proposed mining and rehabilitation it is essential to stipulate the alluvial floors be preserved.

Mr. ANDREWS of North Dakota. This, then, is where farming is actually being practiced, subirrigated hay meadows or other crop land but not casual grass lands.

Mr. EVANS of Colorado. The gentleman is correct. I appreciate my colleague making that point clear.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Montana (Mr. MELCHER). This amendment would prohibit surface mining in alluvial valley floors in semiarid and arid regions. Such a prohibition could be interpreted to prevent surface mining across any watercourse, no matter how trivial. Obviously such an interpretation would completely disrupt surface mining operations in the West. This legislation is replete with similar restrictions, all subject to differing interpretations. To concur in the addition of yet another ambiguity to this bill compounds this insult to reason. Hence, Mr. Chairman, I oppose the amendment.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Wyoming.

The CHAIRMAN. The gentleman from Colorado is recognized for 4 minutes.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield to my colleague from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. Mr. Chairman, if we do not adopt this provision, my fear is that once we strip mine these valley floors it is difficult, if not almost impossible, to restore them. We are talking about areas where rainfall is very scarce, ranging from 8 or 9 inches up to 17 or 20 inches. That is not how we define semiarid and arid, but these floors are critical to the economic stability of the mountainous West.

I would say that the areas generally we are talking about would include parts of the States of Montana, Wyoming, North Dakota, South Dakota, Utah, Colorado, Arizona, and New Mexico. These are the principal ones. There could be others.

(Mr. RONCALIO of Wyoming asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Chairman, strip mining will have tremendous impacts on the ground water resources of my State of Wyoming. H.R. 11500 has been drafted so as to minimize those impacts. The bill establishes detailed requirements for premining information, standards which I helped draft to minimize the disturbance to the hydrologic balance, and monitoring information that must be gathered as the mining operation progresses.

One productive and limited area, however, has not been adequately protected by this legislation—alluvial valley floors.

These are the prime agricultural lands of my State that lie along the rivers and streams where the ground water table is so near the surface that it directly supports vegetation. These are the subirrigated hay meadows that produce hay now selling for over $70 a ton. The hydrologic impacts of mining these alluvial valley floors cannot be minimized. As the National Academy of Sciences recommends, they should be preserved.

The Evans' amendment to protect these alluvial valley floors should not be confused with mining of coal seams that are aquifers. The committee bill and the Evans' amendment would allow the mining of aquifers so long as the hydrologic impact of the mining operation is "minimized"—section 211. This would mean that a coal company could remove a coal seam that was serving as an aquifer.

The Evans' amendment will not prohibit mining in my State. It will limit the operations at some mines and cause other operations to alter their future mining plans, but it certainly will not prohibit surface mining. Neither will the Evans' amendment stop or curtail coal production from my State. The prohibition on alluvial valley floors will not become effective for 2 years under the interim program of H.R. 11500 and thus any mine that might at present be mining in an alluvial floor will have ample time to alter its mining plan. At present in the Powder River Basin it is estimated that only one or two mines would be affected and these operations will have up to 2 years to mine or alter their mining operations.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I rise in strong support of the Evans amendment.

Protection for alluvial valley floors is a crucial issue for the West. Alluvial valley floors are the most fertile areas in the arid lands of the West—the ground water level is so near the surface of an alluvial valley floor that it directly supports extensive vegetation. In addition, these valley floors receive water from surrounding areas and are thus capable of sustaining vegetation well in excess of what would be expected based on the precipitation levels in the area. As a result, these areas produce the finest hay meadows which are key to the successful ranching industry in the West.

The Evans amendment insures that at least this area will be preserved from the ravages of strip mining. Reclamation of these areas has never been proven successful—this amendment is one lone example of where H.R. 11500 is responsive to the scientific facts on reclamation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. MELCHER) to the committee amendment in the nature of a substitute.

Mr. HOSMER. Mr. Chairman, on that I demand a division, and pending the division, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and one Members are present, a quorum.

Mr. HOSMER. Mr. Chairman, I appeal the decision of the Chair and on that I ask for a division.

The CHAIRMAN. Is the gentleman demanding a division on the amendment?

Mr. HOSMER. No, on the Chairman's decision. I ask for a division.

The CHAIRMAN. What is the gentleman appealing?

Mr. HOSMER. I am appealing the decision of the Chair that a quorum is present and demanding a division on my appeal.

The CHAIRMAN. The Chair will advise the gentleman from California that the ruling of the Chair is not appealable. If the gentleman desires a division on the pending amendment, that is in order.

Mr. HOSMER. Mr. Chairman, I did demand a division on the Melcher amendment.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 64, noes 2.

So the amendment to the committee admendment in the nature of a substitute was agreed to.

Mr. McKAY. Mr. Chairman, the complexity of the Surface Mining Control and Reclamation Act of 1974, further complicated by hundreds of amendments, makes it difficult to come to grips with the bill. Nevertheless, I think that it is important to make wise and informed decisions on such important legislation. I have carefully reviewed the bill and I wish to set forth my views and my support for several amendments.

I believe that some reclamation of surface mining areas is essential, and I support reasonable legislation requiring reclamation. On the other hand, in a time of energy shortages, we cannot afford to shut mining down or make it prohibitively expensive. We must balance the need for minimum environmental standards with the need to mine our valuable surface coal resources.

H.R. 11500 is an attempt by the Interior Committee to strike such a balance. It has some commendable features which I support. One such provision would provide aid to schools of mines for the training of metallurgical engineers. I have long been outspoken about the coming mineral shortage and the growing shortage of metallurgical engineers. I have introduced legislation to aid the training of metallurgical engineers.

On the other hand, some provisions of H.R. 11500 interfere unreasonably with coal mining. Several provisions, although innocuous in appearance, could be devastating if expansively interpreted. It should be remembered that difficult restrictions can only add to the consumer's cost. Accordingly, I support some important amendments.

Section 206(a)(3)(B), providing for the designation of an area as unsuitable for surface coal mining if it would "affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems," could have widespread impact if interpreted too expansively. Some people believe that all development should be precluded on great masses of land to protect "historic, cultural, and esthetic values." These values where significant, should be protected, but development needs, should also be considered. I support an amendment which would add:

> If it is determined that these values are more important to the national interest than the production of coal.

Section 209(d)(9) would totally prohibit strip mining coal operations in national forests, unless the mining or significant commitments to mining had taken place prior to September 1, 1973. I do not favor the degrading of the beauty of our national forests. I also favor multiple use of forest land. But I think it unwise to completely preclude all future strip coal mining in national forests, even where it would not be inconsistent with scenic and multiple use values. There are billions of tons of coal in our national forests, and some of it can be recovered, if properly managed and reclaimed, without destroying other important values.

Section 211(d)(1) provides an exemption from the approximate original contour requirement if "an industrial, commercial, residential, or public facility development" would "constitute a higher or better economic or public use of the affected land." I would add agricultural and recreational uses to the list of exceptions. Certainly if agricultural and recreational use are determined by the governing agency to be a better use of the land, it should be allowed rather than returning the land to approximate orginal contour. One of the major potential strip mining areas in Utah probably could not be returned to approximate original contour but could be reclaimed for higher use as pastureland.

I have reservations about section 212 which regulates the surface effects of underground mining operations. The vast majority of Utah's, and the Nation's coal resources must be deep mined and therefore great care must be taken to avoid unreasonable restrictions which would effectively prohibit underground mining of the Nation's coal. Because the focus of the bill is on surface mining, attention has been diverted from this section. I urge my colleagues to consider the wide ranging impact of this section and to act favorably on amendments to remove unreasonable restrictions on the underground coal mining industry.

Section 223 establishes the right to bring citizens suit. Effective enforcement requires that legal actions be provided for, but experience has taught that provisions allowing anyone, no matter what their interest, to bring suit are often abused. Environmental suits have too frequently caused long delays. I favor limiting the right to sue to person "having an interest which is or may be adversely affected," rather than allowing "any person" bring a suit. I also favor amending subsection (b) by eliminating the words "in any manner" and by adding the words "and not primarily through the injured parties' own negligence" after "the Secretary." This would still allow a person suffering injury to sue for damages, as opposed to an amendment which would entirely eliminate the provision, but would give the coal company a defense if the person's injury was his own fault.

Finally, I oppose title VI, designation of lands unsuitable for mining of minerals other than coal. Although the provisions appear reasonable on a casual reading, careful examination indicates that the section could have far ranging impact. In a bill directed at regulating surface mining of coal, a provision to regulate all mining is out of place. Regulation of mining generally should be considered in separate legislation, after appropriate hearings. In addition, the Federal land classificaton being carried on by the Interior Department is accomplishing much of what this provision is intended to do. Federal land use plans are being developed and mining has been prohibited or severely limited in some areas.

Mr. HOGAN. Mr. Chairman, I rise to express my support for the efforts being made here this week to enact effective and responsible legislation for surface mining regulation.

I want simply to offer some general comments on the subject and to suggest some recommendations on what the final legislation should include.

First of all, I would point out that there is no stronger imperative for us than to develop to the fullest practicable extent our domestic energy resources.

In the heat of Washington's July, we may tend to forget that last winter we had a very serious fuel crisis that affected the life and work and comfort of millions of Americans. We may not readily recall that this crisis was brought on, in large part, by our overdependence on foreign powers for fuel supplies.

To turn our backs now on domestic energy reserves as substantial as those recoverable through strip mining would be as irresponsible, as shortsighted an action as the Congress could take.

Strip mining currently provides roughly half the coal being produced and consumed in the United States. Approximately 300 million tons of strip-mined coal were used last year to heat our homes and schools and hospitals, and with our current known reserve of 45 billion tons of strip-mineable coal, we could continue at that same rate of consumption for another 150 years.

And so it is inconceivable to me that

we should enact legislation to ban strip mining completely.

But neither can we close our eyes before the great stretches of ravaged land that stand in silent, profound testimony to the evil abuses that uncontrolled strip mining has inflicted upon the Earth.

There must be a middle ground between total abolition of strip mining and total destruction of the land, and it is this middle ground that we must find.

If strip mining is to be permitted, it must be accompanied by reclamation standards that are effective and enforceable.

We must establish standards that will guarantee the land's recovery before allowing the land's desecration. There may be honest disagreement about the technical aspects of that recovery, and in our lengthy debate this disagreement will doubtless be resolved. But above all, the principle must be established, and the law must be strictly enforced.

Beyond this basic standard of reclamation, we must adopt provisions for strict control of pollution that unavoidably emanates from strip mining operations. Again, there will be disagreement on particulars, but we cannot retreat from our responsibility to protect the environment even as we move forward in our efforts to increase domestic energy supplies.

Working within these broad guidelines, I am confident that we can fashion a legislative measure that will accommodate our energy needs, our environmental requirements, our national interest.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, according to rule XXIII, clause 6, I offer my amendment numbered 62 to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: page 173, line 2. Strike out "Sec. 210." and insert a "Sec. 210." to read as follows:

Sec. 210. (a) Each application for a permit pursuant to a State or Federal program under this Act shall be submitted in a manner satisfactory to the regulatory authority and shall contain:

(1) the names and addresses of the permit applicants (if the applicant is a subsidiary corporation, the name and address of the parent corporation shall be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property; any purchaser of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names and addresses of principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person or group owning, of record or beneficially, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface coal mining operation within the United States or its territories and possessions;

(3) a description of the type and method of surface coal mining operation that exists or is proposed;

(4) evidence of the applicant's legal right to enter and commence surface coal mining operations on the area affected;

(5) the names and addresses of the owners of record of all surface and subsurface areas abutting on the permit area;

(6) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(7) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has held a Federal or State surface coal mining permit which subsequent to 1960 has been suspended or revoked or has had a surface coal mining performance bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(8) such maps and topographical information, including the location of all underground mines in the area, as the regulatory authority may require, which shall be in sufficient detail to clearly indicate the nature and extent of the overburden to be disturbed, the coal to be mined, and the drainage of the area to be affected;

(9) a copy of the applicant's advertisement of the ownership, location, and boundaries of the proposed site of the surface coal mining and reclamation operation (such advertisement shall be placed in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks and may be submitted to the regulatory authority after the application is filed);

(10) a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation.

(b) Each application for a permit shall be required to submit to the regulatory authority, as part of the permit application, a surface coal mining and reclamation plan which shall contain:

(1) the engineering techniques proposed to be used in the surface coal mining and reclamation operation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan where appropriate for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation (where vegetation existed prior to mining); an estimate of the cost per acre of the reclamation, including statements as to how the permittee plans to comply with each of the applicable surface coal mining and reclamation performance standards established under this Act;

(2) the consideration which has been given to developing the surface coal mining and reclamation plan in a manner consistent with local physical, environmental, and climatological conditions and current surface coal mining and reclamation technologies;

(3) the consideration which has been given to insuring the maximum practicable recovery of the coal;

(4) a detailed estimated timetable for the accomplishment of each major step in the surface coal maining and reclamation plan;

(5) the consideration which has been given to making the surface coal mining and reclamation operation consistent with applicable State and local land use programs;

(6) a description, if any, of the hydrologic consequences of the surface coal mining and reclamation operation, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems, including the dissolved and suspected solids under seasonal flow conditions, and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated surface coal mining in the area upon the hydrology of the area and particularly upon water availability;

(7) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined; the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the thickness of the coal seam found; an analysis of the chemical properties of such coal to determine the sulfur content and the content of other potentially acid and toxic forming substances of the overburden and the stratum lying immediately underneath the coal to be mined; and

(8) proprietary information, which if made available to the public would result in competitive injury to the applicant, may be designated confidential and, if accepted by the regulatory authority shall be subject to the provisions of section 1905 of title 18, United States Code. Appropriate protective orders against unauthorized disclosure or use by third parties may be issued with respect to such information, and violations of such orders shall be subject to penalties set forth in section 224 of this Act.

(c) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with an appropriate official, approved by the regulatory authority, in the locality where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(d) A valid permit issued pursuant to this Act shall carry with it a right of successive renewals provided that the permittee has complied with such permit. Prior to approving the renewal of any permit, the regulatory authority shall review the permit and the surface coal mining and reclamation operation and may require such new conditions and requirements as are necessary or prescribed by changing circumstances. A permittee wishing to obtain renewal of a permit shall make application for such renewal within one year prior to the expiration of the permit. The application for renewal shall contain:

(1) a listing of any claim settlements or judgments against the applicant arising out of, or in connection with, surface coal mining operations under said permit;

(2) written assurance by the person issuing the performance bond in effect for said operation that the bond continues and will continue in full force and effect for any extension requested in such application for renewal as well as any additional bond the regulatory authority may require pursuant to section 216 of this Act;

(3) revised, additional, or updated information required under this section.

Prior to the approval of any extension of the permit, the regulatory authority shall notify all parties who participated in the public review and hearings on the original or previous permit, as well as providing notice to the appropriate public authorities, and taking such other steps as required in section 209 of this Act.

Mr. HOSMER (during the reading). Mr. Chairman, I make the point of order that the Clerk is not reading the amendment verbatim, and ask that it be read verbatim.

Mr. Chairman, I demand regular order.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Chairman, I object.

The **CHAIRMAN.** Objection is heard.

The Clerk proceeded to read the amendment to the committee amendment in the nature of a substitute.

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes, had come to no resolution thereon.

FIRST NATIONAL STUDY OF COMBINED WELFARE BENEFITS SHOWS THEY SURPASS WOMEN'S WAGES

(Mrs. GRIFFITHS asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. GRIFFITHS. Mr. Speaker, I wish to call to my colleagues' attention the latest study of public welfare programs in a series published by the Subcommittee on Fiscal Policy of the Joint Economic Committee. The study, entitled "Welfare in the 70's: A National Study of Benefits Available in 100 Local Areas," allows the first national generalizations to be made about the welfare system. The 100 counties surveyed, chosen as a statistical sample of the Nation, include all major urban areas and are listed below.

This analysis reveals the welfare system's average financial incentives for family breakup, motherhood, and for not working. Previously we have known that benefits varied greatly among States and that they rose with presumed need—that is, that they were larger for large than for small families, and larger for broken and jobless families than for intact families and working families. The new data permit us to measure the differences in combined benefits on a national basis.

Major findings:

FAMILY STRUCTURE

By splitting up, poor families generally can increase joint income by more than enough to pay for the cost of maintaining a separate household. Benefit gains in cash and food range as high as 50 percent of original family income. For instance, if a father with a full-time job at $2.00 an hour moved out of the household in July 1972, thus qualifying his wife and three children for federally aided welfare cash (Aid to Families with Dependent Children), the family's combined income gain in cash and food benefits averaged $2,358. In 36 States the mothers and children would gain eligibility for medicaid for the first time from the father's move. (The other States offer medicaid to children, but not parents, in intact families who are poor.)

By having her first child, an unemployed single woman can almost double her cash and food benefits (the average annual boost in July 1972 was $1,159). Without a child, her needs are smaller, and she qualifies only for food stamps and State- and locally-funded general assistance ("home relief") where available.

WORK DISINCENTIVES

By going to work full time, most jobless welfare mothers of three who are enrolled in the food stamp program can increase the family's discretionary income (that left after payment of taxes and work expenses) by no more than one-fourth of wages. For instance, such a mother who obtained a $2.00 per hour job in July 1972 increased discretionary income by an average of 25 cents per wage dollar; but one-third of AFDC families lived where the gain either exceeded 35 cents or fell below 15 cents. If the family lived in public housing, the gain averaged only 16 cents.

By going to work full time at either the old or the new minimum wage, fathers on AFDC for unemployed fathers (AFDC–UF) face net losses in family income because the forfeited welfare cash generally exceeds the net wage gained. For instance, in 1972 a man with a wife and three children who found a full-time job at $1.60 an hour received an after-tax income of $3,034, but lost AFDC–UF benefits of $3,840 in San Francisco or $3,588 in Portland, Oregon.

Many people have argued that welfare families face high financial penalties for work. Others have said that because Federal rules require States to reimburse AFDC families for their work expenses, and because some States permit them to earn a sizable sum without any cut in their welfare grant, the work incentives are strong. This study finds that 65 percent of AFDC families live in States that fail to fully reimburse working mothers for taxes, food, clothing, and transportation expenses, and that, on the average, welfare families cannot increase discretionary income very much by going to work.

Also, the data leave little doubt that welfare does establish large incentives for low-income families to break up, or to not marry in the first place, and there is a sizable benefit for a woman who has her first child, but this declines for additional children.

BENEFITS FOR THE WORKING POOR

The study surveyed benefits that specific kinds of families and individuals, with earnings ranging from zero to area median earnings, could have received in the 100 local areas in 1972. Only broken or jobless families are eligible for AFDC cash, but intact families with children, single persons, and couples without children are eligible for food stamps, public housing, and some State and locally financed general assistance cash programs.

The report found that 59 percent of the poor lived in States with AFDC benefits for unemployed fathers and that 40 percent lived in areas offering general assistance on a *long-term* basis to the able-bodied poor. In addition, 74 percent lived in counties with public housing projects, although most counties lacked enough apartments to meet the demand. In July 1972, 75 percent of the poor lived in areas that offered food stamps, but by July 1974 most counties offered stamps, and all were scheduled to do so by September.

The study shows that in most areas there is aid of some type available to needy two-parent families, and to poor individuals and couples who are neither old nor disabled. However, because Federal cash aid is prohibited for them, their overall potential benefits are much lower than those of fatherless families. For instance, in July 1972, average cash and food benefits available for families of men with a full-time job at the minimum wage were only from one-fourth to one-third as large as corresponding benefits available to mother-headed AFDC families of the same size and with the same earnings. Average food and cash benefits for these non-AFDC intact families were from $1,800 to $2,200 lower—gross taxable equivalent basis—than for the AFDC families.

Weighting the county data by the distribution of the poverty population, the average cash and food benefits available to persons working full time at the old and the new minimum wages were as follows:

GROSS TAXABLE SUM EQUIVALENT TO AVERAGE ANNUAL CASH WELFARE AND FOOD BENEFITS (JULY 1972)

Family type	Works 40 hours at $1.60 (earns $3,200 a year)	Works 40 hours at $2 (earns $4,000 a year)
Single individual [1]	$84	$64
Couple [1]	324	113
Mother and child	1,793	1,432
Mother and 2 children	2,678	2,260
Mother and 3 children	3,236	2,805
Father, mother, and child [1]	743	460
Father, mother, and 2 children [1]	1,083	683
Father, mother, and 3 children [1]	1,489	1,089

[1] Ineligible for AFDC.

BENEFITS FOR AFDC FAMILIES

The study found that potential AFDC benefits in July 1972 averaged $2,947 for a penniless mother with three children. However, 22 percent of such AFDC families lived where benefits were below $2,000, and 15 percent where they exceeded $4,000.

Available food benefits for a family of four whose only cash was a monthly AFDC grant averaged $884 annually, raising the cash-food benefit total to $3,831—equal to $4,104 in taxable income, only $77 below 1972 median earnings of women workers. Because national food stamp benefits have risen 34 percent in the last 2 years, and because AFDC benefits have risen in some States, the report understates benefits available today. Based on the July 1974 food stamp schedule, average cash and food benefits now available to an AFDC family of four would be about $4,100, or about $4,400 in taxable income.

In July 1972 public housing benefits, when available, averaged $748 annually, and medicaid, $770, for an AFDC family of four. Virtually all AFDC families receive medicaid; and, in January 1973, 60 percent received food stamps, but only 14 percent lived in public housing.

The study shows that such a family in July 1972 could have received an average of $4,579 in tax- and expense-free cash, food, and housing benefits—equal to about $5,006 in taxable income. This was greater than gross earnings received by 30 percent of the women who worked full time all year long, and $398 above the median wage and salary income of all women workers in 1972.

Among the 100 counties studied, a four-person AFDC family in 1972 could have received as much as $6,136 a year in tax-free cash, food, and public housing benefits—equivalent to about $6,950 in taxable income, plus medicaid—if it lived in Boston, Mass., but only $2,181 plus medicaid in Bolivar County, Miss.

PROGRAM ADMINISTRATION

Because of the complexities of welfare programs, the study of benefits unintentionally became a study of program quality as well. I am grateful to State and local welfare officials for replying to the subcommittee questionnaire. Most States cooperated fully, and some filed answers quickly, completely, and accurately. But staff analysis found one or more of these errors in many State responses:

High rate of error in computing benefits;

Inconsistent application of State welfare policies by different persons within the agency;

Poor coordination between the welfare agency and associated State or local agencies; and

Inability to cope with the workload imposed by the subcommittee's 130 hypothetical welfare applicants.

The difficulties that the States had illustrate the severe problems that plague administration of welfare programs for real recipients. Welfare is not only a tangle of inequities and disincentives; it also is an administrative jungle.

This study provides the most complete picture ever assembled of what we are doing with our welfare dollars and should be a boon to researchers. I urge that the study be updated periodically to aid Congress and the executive branch in setting welfare policy.

The list of the 100 areas surveyed follows:

LIST OF 100 LOCAL AREAS INCLUDED IN SUBCOMMTITEE ON FISCAL POLICY STUDY OF CURRENT WELFARE BENEFITS

State (or other State-level jurisdiction)	County (or other local jurisdiction)	Pages in report showing benefits as of July 1972[1]
Alabama	Jefferson	68-9
Arizona	Pima	70-1
Arkansas	Saline	72-3
California	Alameda	76-7
	Contra Costa	90-1
	Fresno	92-3
	Kern	96-7
	Los Angeles	74-5
	Orange	86-7
	Riverside	94-5
	Sacramento	84-5
	San Bernardino	88-9
	San Diego	78-9
	San Francisco	82-3
	Santa Clara	80-1
	Shasta	100-1
	Ventura	98-9
Colorado	Denver	102-3
	Pueblo	104-5
Connecticut	Hartford	1C6-7
Delaware	New Castle	108-9
District of Columbia	Washington (city)	110-1
Florida	Dade	112-3
	Duval	114-5
	Orange	116-7
Georgia	Burke	122-3
	Fulton	118-9
	Richmond	120-1
	Telfair	124-5
Illinois	Cook	126.7
	Hancock	130-1
	Tazewell	128-9
Indiana	Lake	132-3
Iowa	Taylor	134-5
Kansas	Leavenworth	136-7
Kentucky	Calloway	140-1
	Letcher	138-9
Louisiana	Iberville (parish)	144-5
	Orleans (parish)	142-3
	Vermilion (parish)	146-7
Maine	Kennebec	148-9
Maryland	Baltimore (city)	150-1
Massachusetts	Essex	156-7
	Middlesex	154-5
	Plymouth	158-9
	Suffolk	152-3
Michigan	Gogebic	166-7
	Monroe	164-5
	Washtenaw	162-3
	Wayne	160-1
Minnesota	Dakota	170-1
	Hennepin	168-9
Mississippi	Bolivar	172-3
	Tippah	174-5
Missouri	Pemiscot	178-9
	St. Louis (city)	176-7
New Jersey	Bergen	186-7
	Camden	182-3
	Essex	180-1
	Hudson	184-5
	Morris	189-8
New Mexico	Bernalillo	190-1
New York	Albany	202-3
	Erie	194-5
	Monroe	200-1
	Nassau	198-9
	New York City	192-3
	Rensselaer	204-5
	Suffolk	196-7
North Carolina	Haywood	206-7
Ohio	Cuyahoga	208-9
	Franklin	210-1
	Guernsey	214-5
	Montgomery	212-3
Oklahoma	Tulsa	216-7
Oregon	Lane	220-1
	Multnomah	218-9
Pennsylvania	Allegheny	224-5
	Dauphin	226-7
	Lehigh	230-1
	Philadelphia	222-3
	York	228-9
Puerto Rico	Caguas (municipio)	234-5
	Ponce (municipio)	232-3
Rhode Island	Providence	236-7
South Carolina	Beaufort	238-9
South Dakota	Shannon	240-1
Tennessee	Hamilton	244-5
	Shelby	242-3
Tezas	Bezar	250-1
	Dallas	248-9
	Hale	254-5
	Harris	246-7
	San Patricio	252-3
Virginia	Dickenson	258-9
	Richmond (city)	256-7
Washington	King	260-1
	Snohomish	262-3
West Virginia	Lincoln	264-5
Wisconsin	Milwaukee	266-7

For aid in reading tables, see pp. 63-66 of the report.

SUBCOMMITTEE ON FISCAL POLICY

House of Representatives

Martha W. Griffiths (D-Mich.), Chairman; Richard Bolling (D-Mo.), Hugh L. Carey (D-N.Y.), William B. Widnall (R-N.J.), Barber B. Conable, Jr. (R-N.Y.).

Senate

William Proxmire (D-Wis.), Abraham Ribicoff (D-Conn.), Lloyd M. Bentsen, Jr. (D-Tex.), Jacob K. Javits (R-N.Y.), Richard S. Schweiker (R-Pa.).

BRADEMAS HAILS RETURN OF CIVILIAN GOVERNMENT TO GREECE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, as some of my colleagues in the House of Representatives are aware, I am the first native American of Greek origin elected to Congress.

It has been a cause of deep distress to me not only as one of Greek descent but as an American to see the country of my father's birth and, in the phrase so familiar to us all, the cradle of democracy, controlled by successive military juntas.

As I observed in the House on Monday, in my view, the current crisis between Greece and Turkey over Cyprus is in large part the consequence of the continued failure of the Nixon administration to come to grips with the dangers to the strength of the Western Alliance of the continuation in Greece of a military dictatorship.

I am, accordingly, delighted at the announcement yesterday of the resignation of the military government of Greece and its replacement by former Premier Constantine Caramanlis as head of a civilian government.

This is great good news for the people of Greece and those who love freedom everywhere.

As you know, Mr. Speaker, Mr. Caramanlis was Premier of Greece from 1955 to 1963. I know him and have talked with him in Paris during his exile there. Mr. Caramanlis is a man of integrity and ability, with a deep commitment to free political institutions.

I hope that the Government of the United States will not hesitate to support him and the civilian government which, according to the reports today, he has been invited to lead.

In a time, Mr. Speaker, when much of the news for democracy is discouraging, the fall of the military dictatorship in Greece and the coming into power of civilian leaders who are committed to parliamentary institutions is a breath of fresh air.

Let us all hope that the cease-fire on Cyprus will be observed and that the governments of both Greece and Turkey will restrain themselves from any further actions that could provoke new outbreaks of violence.

And, Mr. Speaker, to reiterate, I hope that the United States will respond swiftly and unequivocally to these dramatic developments in Greece and Cyprus by making clear our strong support for free and democratic governments in both countries.

THE NATIONAL PROTECTION ACT

(Mr. **BLACKBURN** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **BLACKBURN**. Mr. Speaker, the testimony before the Subcommittee on International Trade made clear the urgent need for the following:

First. Protection of American labor and industry against unfair competition from the nonfree and slave labor of the Soviet Union and the Warsaw Pact countries.

Second. Assurance that the security of the United States is not endangered by transfer of U.S. technology and capital equipment to those Communist governments.

Third. Reassertion of the constitutionally assigned congressional responsibility to regulate foreign commerce.

When we consider H.R. 15264, I will introduce an amendment, in the nature of a substitute. The title of the amendment is the National Protection Act. Its purpose:

First. Prevent the exportation and reexportation of American technology, capital equipment, scientific accomplishments and agricultural commodities to nonmarket economy countries and unfriendly governments.

Second. Prevent the exportation of such products by American subsidiaries operating abroad to nonmarket economy countries and unfriendly governments.

For the information of my colleagues, I am introducing the full text of the National Protection Act.

AMENDMENT OFFERED BY MR. BLACKBURN TO H.R. 15264

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Protection Act".

SEC. 2. Section 2 of the Export Administration Act of 1969 (50 U.S.C. App. 2401) is amended by striking out paragraphs (3) and (4).

SEC. 3. Section 3 of the Export Administration Act of 1969 (50 U.S.C. App. 2402) is amended—

(1) in paragraph (1) thereof by striking out "countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest" and inserting "market economy countries and friendly nations (except nonmarket economy countries)";

(2) in paragraph (2) thereof by inserting "unfair competition or" immediately before "the excessive drain", by striking out" significantly", by striking out "and to fulfill its international responsibilities", by striking out "and" immediately before "(C)", and by inserting immediately before the period at the end thereof the following: ", and (D) to the extent appropriate to retaliate against a nation or group of nations which have unreasonably restricted United States access to their supply of a particular commodity";

(3) in paragraph (3) thereof by striking out "and" immediately before "(B)" and by inserting immediately before the period at the end thereof the following: ", and (C) to deal with world shortages of particular commodities, whenever feasible, through international cooperation with the mapor suppliers and consumers of such commodities, rather than by taking unilateral actions";

(4) in paragraph (5) thereof by inserting "either military or economic potential of those governments which may threaten the security or economy of the United States or which has the effect of furthering or supporting" immediately after "furthering or supporting";

(5) in paragraph (6) thereof by striking out "representatives of appropriate United States Government agencies and qualified experts from private industry." and inserting "two members (who may not be from the same political party) of each of the following committees: the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, the Committee on Banking and Currency of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Internal Security of the House of Representatives and the Committee on the Judiciary of the Senate, the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate, and the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate."; and

(6) by adding at the end thereof the following new paragraph:

"(7) It is the policy of the United States that the encouragement of exports is a secondary consideration and that the primary concerns of the United States are national security considerations and considerations regarding possible harm to the American economy from unfair competition arising out of United States exports used in combination with slave and semislave labor within nonmarket economy countries.".

SEC. 4. Section 4 of the Export Administration Act of 1969 (50 U.S.C. App. 2403) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary of Commerce is authorized and directed to carry out this Act and to effectuate the policies enumerated in section 3.";

(2) by striking out subsections (b) and (d); and

(3) by redesignating subsections (c) and (e) as subsections (b) and (c) respectively.

SEC. 5. (a) (1) The first sentence of section 5(a) of the Export Administration Act of 1969 (50 U.S.C. App. 2404(a)) is amended by inserting immediately before the period at the end thereof the following: ", and from two members (who may not be from the same political party) of each of the following committees: the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, the Committee on Banking and Currency of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Internal Security of the House of Representatives and the Committee on the Judiciary of the Senate, the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate, and the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate".

(2) The second sentence of such section 5(a) is repealed.

(b) (1) The first sentence of section 5(b) of the Export Administration Act of 1969 (50 U.S.C. App. 2404(b)) is amended by inserting ", except in cases which involve national security or threat to the national economy, or both" immediately before the period at the end thereof.

(2) The second sentence of such section 5(b) is repealed.

(c) Section 5(c) of the Export Administration Act of 1969 (50 U.S.C. App. 2404(c)) is repealed.

SEC. 6. Section 14 of the Export Administration Act of 1969 is amended by striking out "1974" and inserting in lieu thereof "1977".

QUESTION OF INFLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. KETCHUM) is recognized for 60 minutes.

GENERAL LEAVE

Mr. **KETCHUM**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **KETCHUM**. Mr. Speaker, it is astounding to me that a Member of the House since the 80th Congress, and a Rhodes scholar, would have to visit the supermarket to discover that we are in an inflationary period. Yet that is what he told us last Thursday.

I also find it astonishing that this same man, who has voted in the House of Representatives since 1947, and has seen many periods of economic worry come and go, should point the finger of blame at the administration. A recent Harris poll indicated that nearly half the American people believe the Federal Government is no longer wise enough, or competent enough, to avert a major recession. Surely it is not our job to feed their wariness and disgust by bickering amongst ourselves as to whose fault inflation is. I am not standing here to indict or defend this or any other administration, and I would hope that none of my colleagues would so demean themselves, or our Government.

Economic instability and loss of public confidence are the fruits we are reaping for ignoring the fundamental principles of sound fiscal policy. Inflation did not come to visit us like a spirit in the night, from some mysterious source. It began right here in the Congress, with our inability to hold Federal expenditures in line with our revenues.

Massive Federal deficits, once the popular crash solution to sluggish business, now roost permanently in our economic life, in good times as well as bad. Even amidst the heady expansion of 1973, the Government found itself writing in red ink in figures over $14 billion. In 3 out of the last 6 years, Federal deficits approached and passed the $25 billion mark.

This record has caused results which required no crystal ball to foresee: huge Federal borrowing on commercial loan markets has pushed interest rates to unprecedented highs, while the Federal Reserve, struggling to maintain liquidity under the load of this borrowing, has expanded credit, fanning the flames of inflation. Caught in a continual upsurge of prices, both businessmen and consumers now plan around the anticipation of future inflation. Consumers speed up the purchase of durables, thinking the price may rise later; labor unions demand ever higher wages, to protect their membership from the apparently unsanforized dollar.

If we are to reverse this process, we

can no longer excuse a bloated, gluttonous budget by claiming that three-fourths of it is uncontrollable. An uncontrolled budget means an uncontrolled economy, and that we cannot tolerate any further.

We were told, last Thursday, that the Congress has stayed within 1 percent of the President's recommended expenditures—but that is a misleading statistic. Dealing with our present huge figures, a mere six-tenths of a percent increase in Federal spending as a percentage of the gross national product represents an average annual increase of $6.6 billion. And, if you can shrug at that, then let us ask what the Congress has done to cut Federal spending—nothing. How many of our Members who voted not to increase the debt ceiling have voted in favor of massive appropriations bills? More than 90, I would be willing to bet.

The gross Federal debt has grown steadily from $270.8 billion in 1954 to an estimated $505.5 billion for 1974. More important, interest on the public debt has risen much faster than the debt itself. So we may summarize the trend of Federal fiscal policy as one of constantly increasing expenditures, which have long since caught up with and passed population growth, and affluence.

The Government continues to engage in more programs and services at the Federal level. Obviously, this takes more and more money, and it appears that little or no thought is being given to exactly where our priorities lie.

One of our recent priorities, it seems, was the funding of the International Development Association to the tune of $1½ billion. When each of you who voted for that bill visit your districts, what do you tell your constituents? That they now have the right to own gold? How many of them could afford to buy gold, even to fill their teeth. But every one of them will share in the repayment of that $1½ billion. They cannot afford a home mortgage, yet we tell them that, through our outrageously increased deficit spending, they can afford to finance projects halfway around the world.

Or, let us consider the Consumer Protection Agency—in this inflationary period, with its attendant disillusionment on the part of the American public, can we seriously expect the average consumer to believe that, by spending $50 million, we are decreasing the cost of living to him? I think not.

And how about a bill we are presently considering? The strip mining bill, which will cost $10 million in Federal assistance to States in the first year—and $200,000 in research institute expenditures, in the first year. These figures are estimates, and nowhere in the bill is there even an estimate for administrative costs. Can it really be considered a priority expense for the Federal Government to subsidize research, duplicating an effort which is already being performed by the States? Is this wise fiscal policy in an inflationary period?

I have said before, and will say again and again that the answer to our spiraling inflation lies with the Congress as does the responsibility to put that answer into practice. What we need is strong leadership. Our leaders should demand fiscal responsibility; demand cuts in appropriations by committees. We should have a constitutional amendment to require a balanced Federal budget. If no appropriation could be made in excess of the estimated revenue of the country in any given fiscal year, then there could not be this deficit spending. And, while the recuperation period for our chronically sick economy might be a long, tough one, its eventual return to full health through fiscal sanity would be well worth the effort.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, inflation must be blamed on the Congress as well as the executive branch.

Some statistics will illustrate the problem quite well. In 1962, the Federal budget passed the $100-billion mark for the first time. A scant 9 years later, in 1971, we passed $200 billion. Now, for 1975, we face a budget of $300 billion. Gentlemen, this is not the stock market. This is Federal spending. Money that we collect from the taxpayers. Spending is the direct cause of inflation. When you triple spending in 13 years, especially when you do it with deficit financing, you are the cause of the inflation which is robbing our citizens.

The people of this country are not fools. In just 2 years we will celebrate the 200th anniversary of the American Revolution—a revolution caused by excessive taxation. Today, the total bite out of every working person's paycheck for local, State, and Federal spending is 44 percent. That means the average person works the first 2¼ days of every week just to pay the cost of Government programs.

How long can we expect the average person to pay for such foolishness? The taxpayer gives more than a third of his paycheck to the Government, and the Government, through its economic policies, discounts the other two-thirds at the rate of 10 percent a year or more in inflation.

I tell you, if we do not take more care to listen to what the taxpayers are saying, they are going to send us a message we will not forget at the next election.

We have passed the budget reform act. Now we must make it work. Only if we limit spending can we control inflation.

A situation where the Congress blames the Executive and the Executive blames the Congress will do nothing for the American people. What will do is a firm resolve how to end runaway spending and restore fiscal sanity in Washington.

The American people are awaiting our decision.

Mr. KETCHUM. Mr. Speaker, I thank my old friend, the gentleman from California (Mr. LAGOMARSINO) for his participation in this special order.

Mr. Speaker, I now yield to my friend, the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding me this time, and for taking this special order today. I am only sorry that if I were to look up into the press gallery, which I would not do, I am sure I would see that it was empty, because all of the members of the press are more concerned about the latest television show that will be going on the air tonight, and are not at all interested in something that will have an effect upon and impact on the American people.

Webster says that inflation is strictly an expansion of the money supply. One of the biggest mythologies that is promoted by our great liberal leadership of this country is that rising prices cause inflation. That is just mythology. Rising prices are the result of spiraling inflation. Inflation is causing a watered-down money supply just like pouring water in the soup. What we have done in this Congress during the past 40 years has been disgraceful to the American people as we have printed more and more and more I O U nothings—and I might say to the gentleman in the well that if he or I were to get a printing press and start printing money like they do at the Federal Reserve down on Independence Avenue at 14th Street at the Treasury Department we would be thrown in prison for counterfeiting, but because of the legal tender laws the Government is allowed to print that legally.

I hold in my hand here a 10,000 mark note that represented the life savings of a factory worker in Germany, much like those of a factory worker in America. This was some 54 years ago in Germany, and it represented this worker's life savings, and it was worth at one time $8,700, but in 1923 it was worth nothing.

I wonder how long it will take us at the rate we are going to have the dollar hit zero, just as the German mark did in 1923?

We are on a very, very precipitous course toward the day of reckoning when all things, all debts, will have to come home to roost.

That is one of the reasons that the interest rates are going up, as the gentleman in the well says. The gentleman in the well pointed out that there are too many loans out, too many notes being sold, too much Government debt being put on the money market forcing interest rates up.

We have to come back to the reality that 2 plus 2 is 4, and not 22. We also have to come back to the reality that prices are set by the demands of goods and services produced by the people of this country going into the money supply, and that is where prices come from.

Legislation like we are discussing on the strip mining bill will only further and further make the pricing system of this country make prices go up, and thus it will be harder and harder to produce the goods and services in this country.

Mr. Speaker, I would like to commend the gentleman for the stance he has taken in this 93d Congress, for his consistent conservative voting record in voting against the irrationality of big Government spending programs which are doing nothing but keeping the working American taxpayer away from a fair shake.

I think it is high time that the Members of this House take their constitutional responsibility to heart, and that is to control the spending bills and control the spending, and start setting the policy like a group of men rather than running home and promising programs, and then only coming back to Washington to pay for them through deficit spending instead of overtly going to the public and asking them for the necessary taxes to pay for those programs.

I thank the gentleman for yielding.

Mr. KETCHUM. Mr. Speaker, I now yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Speaker, I thank my friend, the gentleman from California, for yielding.

Mr. Speaker, to my mind the recent suggestion that we combat current economic problems by expanding Federal spending is tantamount to treating diabetes with cotton candy. Or to return to wage and price controls is like using a muzzle to treat lockjaw. It is antiquated economic theory held over from the 1930's and still championed by those who sold us social security as a low cost saviour of the Nation's elderly. We, the American people, have followed the spend and spend, tax and tax, elect and elect approach to where we are today.

This spring when the results of my annual constituent questionnaire came in, the people made their point perfectly clear: Cut spending. By and large the majority favored cuts in social programs, but a plurality also favored looking to the defense budget as a source of savings. I have honored their decision, and will continue to do so. They are right.

Our economy is bloated with excess spending. It is not all excess Federal spending. Plastic consumer money, the ubiquitous credit card, is also involved. We may not be able to do much about the latter, but we can do something about the former by balancing the budget and not dumping another $9 or $10 billion into the already bloated economy. This much we can do, but it will take some guts.

The distinguished majority leader in the other body has suggested the possibility of dealing also with consumer credit. That is also tough medicine, and we should consider that too.

The problem is inflation. The way to deal with inflation is with antiinflationary medicine and that means reducing the number of excess dollars available to buy the goods and services available for sale. We can do that best by reducing our contribution to the excess. We must also encourage the production for sale of goods and services. We do not need, we certainly do not need renewed economic stagnation legislation such as that of phases one through four. All that did was create shortages.

To give an example of how wage and price controls do not work, let us look at home canning, "putting up" fruits and vegetables. During World War II we had controls and they worked. The costs to the manufacturers of canning containers were controlled and their prices were controlled. So was their production. In fact, sizes were standardized—the 63 millimeter container. It all worked because production, in addition to wages and prices were controlled. But when we tried to adapt the economics of the 1940's to the situation in the 1970's, we did it by controlling only wages and prices, not production. None other than Chester Bowles, wartime OPA Administrator, pointed out the folly of this selective application of a only part of a once-effective system.

Now, I submit if this body wants to grandstand with economic controls, there is no point in going back to something that did not work because it could not work. We can not blame the administration for the failure of wage and price controls. They were doomed at birth. I would oppose resumed controls in any event, but suggest that if those favoring controls are sincere they should come forward with legislation that controls wages, prices, and production. That would mean their saying: First, thou shalt be paid no more than x dollars for thy work, second, thou shalt charge no more than y dollars for thy products, and third, thou shalt produce z number of things meeting thy Government's specifications.

We must also improve our national productivity, the share of goods and services produced relative to what goes into production in the form of labor and materials. That means cutting down on nonproductive spending, the kind that goes toward completing septuplicate Government reports that are seldom, if ever, constructively utilized. That means dealing with the problem of 5 or more million aliens illegally in this country taking jobs from citizens and creating more demand than supply of goods and services. That means encouraging production of consumer goods and services rather than discouraging it.

But it does not seem sensible to me to grandstand by penalizing the productive element in society, and by reimposing economic stagnation legislation. We should ignore complaints about unemployment coming from anyone who is not simultaneously pushing for a solution to the illegal alien problem. We should ignore complaints about inflation coming from those who propose inflationary budget deficits.

The time for burying the economic theories of the 1930's and 1940's is at hand. They have flunked the course in the 1970's. It is time to balance our budget and let the American economy provide jobs for Americans.

That is why I have urged the President to seize the only initiative that can lead to a balanced budget for fiscal 1975: namely, to veto the entire series of appropriations bills that we send to him. If he will take this bold and unprecedented action, it will then be possible for the Congress to consider these spending bills en bloc and cut them back to fit the available revenues. Forty-two colleagues have joined in supporting this fiscally responsible approach.

Strong medicine must be taken because there is no other way to cut the fever and ease the pain of inflation.

Mr. Speaker, I want to join in thanking the gentleman from California for taking the initiative here today to provide this special order so that we can discuss these theories that were advanced on the floor of the House quite recently.

Mr. KETCHUM. I thank the gentleman from North Carolina. I particularly appreciate the letter on which I was a cosigner is making suggestions to the President.

I now recognize the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. I thank the gentleman for yielding.

I wish to congratulate the gentleman from California for taking this special order. I wish to associate myself with the comments he made in response to the Speaker's charges last week that our Nation is on the brink of a great depression. Let me say, however, that I see no signs of a great depression or a recession in our country.

Rail carloadings are breaking new records. Delivery time on new trucks, farm equipment, and manufacturing machinery is now backlogged many, many months, and in some cases years. In fact, with the annual expenditures of the Vietnam war reduced by more than $30 billion, with thousands of jobs awaiting the willing hand in the marketplace, there can be absolutely no plausible explanation for the wasteful spending, the pump-priming, and the spending for spending's sake.

Government spending, Government intervention is our problem. Inflation is the result. Chaos and instability will be our ultimate lot if this Congress fails to accept its responsibility now and balance the budget by holding the line on spending and taking the shackles off of the marketplace.

Again I wish to thank the gentleman for taking this special order.

Mr. KETCHUM. I thank the gentleman for his participation.

Mr. Speaker, I now recognize the gentleman from California, my friend (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I would like to thank my colleague from California, BILL KETCHUM, for taking this special order today to give us an opportunity to remind Congress of the role it has played in fueling the inflation machinery.

It is Congress that has the constitutional responsibility for appropriating tax dollars, and controlling the level of the public debt. And it is Congress that has ignored the impact these actions have on the inflationary spiral.

Deficit spending over the last 10 years—that is, from fiscal year 1964 through fiscal year 1974—amounts to nearly $181 billion, and the July 3, 1974, report of the Joint Committee on Reduction of Federal Expenditures estimates that the deficit for fiscal year 1975 will be over $20 billion. To quote from the respected chairman of the House Appropriations Committee, Congressman GEORGE MAHON:

> No government, not even the richest on earth, can continue to overspend or undertax by multi-billions of dollars nearly every year and still not eventually plunge itself into financial disaster.

A good case in point is the bill (H.R. 15580) this House recently passed which would appropriate $33,156,541,000 for the

Departments of Labor and Health, Education and Welfare in fiscal year 1975. Final passage of this measure was supported by 329 Members of this body. In addition, the House Committee report on H.R. 15580 estimated that the budget requests not considered in this legislation because the authorizing legislation had not yet been enacted total $4,648,293,000. This addition would push the grand total for appropriations in this fiscal year for Labor-Health, Education and Welfare up to nearly $38 billion, an increase of almost $10 billion over the fiscal year 1974 appropriation.

Another good example of an area where Congress must bear the responsibility for excessive Federal spending is "backdoor" authority. From fiscal year 1969 through fiscal year 1974, Congress has added $31,026,000,000 in "backdoor" budget authority to the President's budget requests. This "backdoor" budget authority includes debt authority or borrowing authority, contract authority, and permanent authority; for example, interest on the public debt, revenue sharing, and social security benefits. As we all know, "backdoor" authority has added billions of dollars to outlays which have not been provided for through the appropriations process.

Even the so-called relatively uncontrollable outlays which are estimated to be 73.5 percent of fiscal year 1975 spending are only uncontrollable when considered in relation to current laws, laws which were voted on and approved by Congress.

Congress must clearly share the responsibility for the inflationary machine. Most economists generally agree that the continued trend to increase Federal spending for goods and services financed through heavy deficits, coupled with the Federal Reserve Board's creation of new money, is the primary inflationary pressure in our economy. It is the deficit spending financed by increases in the money supply that allows Government to spend in excess of revenues, and thereby make more money available in the public sector.

Congress has the responsibility for the appropriations process, and Congress has the responsibility for approving legislation containing "backdoor" authority. If we are truly concerned about inflation, we have the constitutional means to bring it under control. It is irresponsible to try to pass the buck to the administration for our own weaknesses. Just 2 months ago the Speaker of this body cast the tie-breaking vote in favor of legislation increasing the public debt limit to $495 billion.

It is going to take the full cooperation of both the executive and legislative branches of Government to ease the burden of inflation on the American people. It is not the blame that is important but the results.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from California.

Mr. KEMP. Mr. Speaker, I commend the gentleman from California (Mr. KETCHUM) for providing Members with this opportunity to discuss the excessive level of spending by the Federal Government. It is an important service which he renders through this colloquy.

Only when we affix responsibility for this excessive spending, can we begin an active program to stop it.

Government spending has been out of control for years—perhaps, for decades. Almost everyone knew it, but too few were either willing to admit it or willing to put a ceiling on it. But the rhetoric of those who decried this spending was not always matched adequately with votes against it. We are seeing, thankfully, a decided change in that posture, at least to the extent that national leadership is now saying, even publicly, that this spending must stop.

Unfortunately, this debate has been characterized by too many pointing the finger of blame at some institution other than their own. The Congress says the President is to blame; the President says the Congress is to blame. Both say the demands of various economic constituencies—seeking benefits from Government—are to blame. There is more than a grain of truth in each of those assertions, however, and that fact must be recognized and reckoned with, if we are to get this spending under control.

Last week, a distinguished chairman of one of this House's most powerful committees dispatched a telegram to the President, asking him to exercise leadership on this issue, including proposing cuts in the budget and even impounding funds which are in excess of spending requests. I think each of us needs to call upon the President—as the originator of fiscal requests through his Office of Management and Budget and as the executor of our laws—to exercise stronger leadership on this matter. But, the President does not bear the responsibility alone, and we should not try to pass the whole question over to him.

The Congress has the power to make cuts in both budget requests and in actual appropriations. We should exercise it, not simply call upon the President to make those difficult decisions as to which program will be cut and which will not.

The Congress has the power to authorize the President in each instance of spending to withhold the obligation of appropriated funds in the interest of holding down spending and protecting the solidity of the dollar. We should exercise that statutory power, conferring to him thereby adequate discretionary authority. This is certainly preferable to recommending outright impoundments, practices which have been frequently overturned by the courts and are themselves, stop gaps for ineffective congressional action.

The Congress has the inherent power—in its constitutional power to tax and to appropriate money—to determine national priorities—what programs are so essential that they ought to be funded before others. We should exercise that power, instead of "passing the buck" on such a hard-nose decision to the President, letting him take the abuse of those who feel adversely affected by his determination of such priorities.

This is not to say, however, that the President should not be held fully accountable for those particularly spending and fiscal responsibilities which rest with the Executive.

It is within the Executive that the budget is formulated and initial decisions made as to which departments and agencies should receive which level of funds. It is there also that the decisions are made on which new programs to recommend to the Congress, or which existing ones be revamped or terminated.

It is there that the basic decisions on the level of personnel within the departments and agencies are made—one of the largest factors on the budget.

And, of great importance, it is there—in the Presidency—that the people's attention customarily focuses on economic problems. The President can command the attention of the people, the economic constituencies, and the Congress—particularly those who are ready, willing, and able to stand behind the President in making some major cuts in the level of spending—in getting us on the right track.

Everyone is going to have to understand that unless all of us are willing to tighten our belts by living with less government spending that we are inviting the dislocation of the entire economy.

I think it is far better to take a little hurt now than to run the unavoidable risk of a major disaster at some point down the road.

It is for this reason that I believe a joint effort is going to be required. The President is going to have to make some specific proposals to the Congress—not just some vague jawboning—on programs on which he thinks we should make cuts. He is going to have to threaten vetos of excessive spending bills in order to discourage the big-spenders in Congress. He is going to have to direct his department and agency heads—and OMB—and the Federal Reserve Board—to hold the line on all spending and to take immediate measures to alleviate our economic condition.

It is for this reason that I have appealed to him yesterday, by letter, to take these steps. The text of that letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 22, 1974.

Hon. RICHARD M. NIXON,
The President of the United States, The White House, Washington, D.C.

MY DEAR MR. PRESIDENT: During the past several weeks, the Nation has become more acutely aware of the serious economic problems confronting us and of the necessity of national leadership—the Executive, the Congress, and the private sector—taking decisive action to help restore among the people a confidence in our economy.

I do not believe, as some would infer, that the responsibility for our present economic problems lies solely with the Executive, nor do I believe it lies with the Congress alone. There is a mutual, joint responsibility to care for the taxpayers interests which, in my opinion, has not been exercised adequately by either branch during recent years. It took our country 185 years to get to an annual spending level of $100 billion, but it took only 9 years more to double that to the $200 billion level, and then only 4 more years to reach the $300 billion level. This simply cannot continue, if we are to preserve and expand our private enterprise economy.

The time has come for specific plans of action, not mere words. If we do not move aggressively to stop excessive government spending and the adverse economic results which have flowed from that spending, particularly double-digit inflation and a tight credit market, we cannot expect the people to have confidence in the economic future.

There are many of us, Mr. President, in the Congress who are committed to holding the line on spending, but we are in the minority. Our efforts can be reinforced only when the Executive shows a clear determination to hold down spending too.

I take this opportunity to associate myself with the distinguished Chairman of the Committee on Ways and Means, Mr. Mills of Arkansas, in his call of last week for you to veto all bills which appropriate funds in excess of your budget request, to submit a supplemental budget message providing for a reduction in projected Fiscal Year 1975 spending of at least $10 billion, and to withhold the obligation of appropriated funds in excess of the initial budget requests. These measures would show a clear intent on the part of your Administration to bolster the economy and to aright most of the imbalances existing in the economy today.

In addition to these measures called for by Mr. Mills, I believe strongly that you should submit only a balanced budget to the Congress for Fiscal Year 1976 and that you should persuade the Board of Governors of the Federal Reserve System that there should be no additional increase in money supply which is not coupled with a prior, equal increase in national productivity. These measures would help lessen the inflationary spiral immeasurably, for our economic history shows inflation to be directly related to both government spending and the issuance of paper money behind which stands no like increase in productivity.

I cannot help but feel that over the coming years our economic solidarity would be best served by instituting a specific constitutional or statutory mechanism limiting the government's share of the people's income to a fixed percentage of gross national personal income. Government takes more and more from taxpayers each year, as a percentage of their income. We simply cannot continue to move forward with economic progress, while assuring the sanctity of our political and economic freedoms, when government takes ever-increasing shares of the people's labors—their incomes. The Office of the Presidency, as the Nation's principal voice on economic affairs, would be an appropriate place to launch anew an effort to control spending through control of revenue from which that spending comes.

If the Executive and the Congress work together in resolving this issue, we can be successful. If we do not, we should be held fully accountable by the people for the turmoil which will ensue.

Sincerely,

JACK KEMP.

Mr. Speaker, at the same time, Congress must hold the line on authorizations and on spending. We should not enact any bill—authorization or spending—which commits more money than that requested by the President's budget—as proposed to be scaled down by him.

And, we must tell the people how important it is to hold the line—that in meeting the separate demands of individual economic and fiscal constituencies—no matter how well deserved—that taken as a whole we invite the collapse of the economy because of the total aggregate spending which arises from those separate measures. We cannot expect the people to tighten their belts unless we are willing to do likewise; therefore, I think the President and the Congress must show the people that we are.

The situation today is so closely analogous to the late 1920's as to be startling. Instead of everyone saying the other guy is to blame, we had better all row together. I, for one, want no role in policies which invite a repeat of 1929 and all which followed. We can avoid a calamity. We can avoid even a recession. But only if we take action and do it now. We have a chance to start that process, and there is no more better a time to do it than today.

Mr. HUDNUT. Mr. Speaker, I am pleased to join my colleague, the distinguished gentleman from California (Mr. KETCHUM) in his discussion on inflation and our national economy.

There is no doubt that inflation is our No. 1 issue. Consumers all over the country are worried about the runaway rise in prices and the skyrocketing cost of living. The high cost of borrowing money has made it practically impossible for young families to buy homes. Inflation is certainly our most serious domestic problem, the one people are most concerned about. It has been called the cruelest tax of all because it decreases the earning power of the worker and pulls down the living standard of those who live on fixed incomes in their older or disabled years.

In assessing the blame for the present economic conditions, the Congress must share the responsibility as well as the executive branch. It is the Congress which controls the purse strings and in the past 44 years, annual Federal spending has increased from $4 billion to a proposed $305 billion. In the same period, the average bite of earnings that the Government takes from taxpayers has jumped substantially, cutting deeply into spendable income levels of consumers.

The Government role in fueling inflation can also be seen by the amassing of $218 billion in budget deficits and the addition of $234 billion to the national debt in the last 20 years.

The most effective action that could be taken to slow inflation and reduce interest rates would be to cut Government spending and stop the borrowing that is necessary because of budget deficits. In this connection many months ago I submitted a bill (H.R. 7154) to require the Federal Government to operate on the basis of a balanced budget except in times of congressionally declared emergencies, and to make systematic payments on the national debt. Others have introduced similar bills, but so far we have not been able to get a hearing on the proposal.

While this Congress has passed the Budget and Impoundment Control Act, we still await the delayed proposal to reform the House committee structure. Little will be accomplished toward balancing the budget if several committees still have jurisdiction in the same areas and propose spending measures that overlap in function. Committee reform should be put on the list of "must" action.

It is my hope that the Congress will take these steps. It is certainly not in the best interest of our Nation to let a situation develop whereby the Congress blames the Executive and the Executive blames the Congress.

We must work together to solve the problems of inflation. The American people are awaiting our decisions and they are ready to help us in our effort. They are suffering and sacrificing in this inflation spiral and they are looking to us for help in this struggle.

Mr. BAUMAN. Mr. Speaker, last Thursday, this House heard a commentary on the Nation's economic problems, led by the distinguished Speaker of this Chamber. He was joined in this commentary by the distinguished chairman of the Committee on Ways and Means, and the chairman of the Committee on Banking and Currency. Thus, I believe it is reasonable to conclude that the opinions and policies expressed by these men constitute the opinions and policies of the majority party as it is represented in this body. I am sad to observe that these opinions and policies represent nothing new, and are in fact just a rehash of the same programs of a bygone era which brought us to our present difficulties.

The reporter writing on business and economic matters for the Baltimore Sun observed recently that the biggest game going in Washington these days is the mad rush to point fingers at virtually anyone else in an effort to avoid blame for inflation. This reporter's own opinion was that there is more than enough blame to go around; that no one has an exclusive claim to causing the problem. I think he is right, and proof of his theory was in ample supply in this Chamber last Thursday. Majority party leaders spent considerable energy deploring what the Speaker termed "Republican economic theory," conveniently ignoring their own prominent role in creating our present economic problems.

By the peculiar definition of the gentleman from Oklahoma, GOP economic policy boils down to tight credit and high unemployment. Such a contention is absurd, and the gentleman knows it. But it does make us look like heartless ogres, and so serves a purpose of sorts come November.

I am glad my colleague, the gentleman from California (Mr. KETCHUM) has organized the special order on this subject here this evening. It is time the record was set straight. The principal source of inflationary pressure in the country today is this Capitol building. The cause is excessive Federal spending and horrendous budget deficits, both of which could be halted by this Congress if a majority of us could assemble the courage to stop promising so much to so many at the taxpayer's expense.

As I said earlier, there is plenty of blame to go around. I am sorry to have to note that an administration of my party has played a significant role in running up more than $100 billion in deficits since 1969. Its efforts at holding down spending have been too sporadic to be effective. But "administration policy" and "Republican policy" are not one in the same. A majority of the Republican Members of this House have protested excessive budgetary recommendations by the President in the past, and have voted our convictions on numerous occasions even when it meant opposing the White House position.

But the administration just does not deserve all the credit. The Democratic

Speaker of the House, in proposing his own "solutions" to the Nation's economic problems, offered a series of programs which would exacerbate those problems, not solve them.

"The answer," he said with a straight face, "is obviously an income policy." That, for the uneducated, is a euphemism for economic controls. And we all know how well economic controls worked between 1971 and 1973. How does the Speaker justify dragging out this completely discredited method of "dealing" with inflation? By complaining that "the administration has rendered it ineffective."

Economic controls are "ineffective," all right, but it is not the administration's fault. Economic controls were doomed to failure from the first because they cannot possibly work under any circumstances. They attack symptoms, not causes of inflation. But that simple truth seems persistently to escape my colleagues on the other side of the aisle. Economic controls were a disaster for this Nation because controls, no matter how they are administered, can only cause severe distortions in the economy, the effects of which last long after controls are lifted. Controls cannot solve inflation because they have no effect on the Government's budgetary excesses or deficits, nor do they affect monitary policy in the slightest.

Controls are merely cosmetic surgery, but it is surgery which carries with it side effects of the most serious and debilitating sort for the Nation's economy. If this is the Democratic "solution" to our economic problems, we are all in serious trouble indeed.

Finally, the Speaker concluded by recommending a series of proposals which would, you guessed it, cost more money! Lots of money! And he did not even mention a program proposed by the gentleman from Arkansas (Mr. MILLS) in concert with his friend, the Senator from Massachusetts (Mr. KENNEDY), a health scheme which would add some $13 billion to the Federal budget, at the most conservative estimate. This free-spending attitude on the part of the majority in this Congress is at the real root of our inflationary problems. The propensity to establish dozens of new programs each year, which require progressively higher appropriations in succeeding years to satisfy ravenous bureaucratic appetites, can be laid at the doorstep of the majority party almost exclusively. Truly, the orgy of finger pointing witnessed in this Chamber last Thursday was a classic case of the pot calling the kettle black.

James Madison once wrote:

> In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

Mr. Speaker, we have managed quite well to control the governed. The latter half of Madison's equation remains unfulfilled.

Mr. ARMSTRONG. Mr. Speaker, the Nation is reeling from the sharpest price increases in American history. Runaway prices have caused severe hardship for millions of Americans, particularly the elderly and others on fixed incomes.

Even worse hardship is yet to come. And our economic and political system may be toppled unless Congress comes to its senses.

Leaders of agriculture, labor, and business, as well as scholars and politicians, have finally realized what consumers have long known: the situation is getting out of control.

Economists fear permanent damage to the Nation's financial structure, savings institutions are shaky; the public is rapidly losing confidence in the ability of our political system to cope with the situation; the Chairman of the Federal Reserve cautions that steep inflationary trends such as we are now experiencing cause disillusionment and discontent. He warns:

> The ultimate consequence of inflation could well be a significant decline of economic and political freedom for the American people.

But Congress has repeatedly ignored these warnings or, worse yet, answered with superficial responses and illogical solutions.

Panic is beginning to spread across the Nation. Congress has precious little time to correct past mistakes and reestablish policies which will prevent an economic collapse or worse.

Considering the seriousness of our present situation, I am deeply disturbed by remarks of the Speaker of the House on July 18. The Speaker blames President Nixon for mismanaging the economy. Certainly he is entitled to criticize. I, myself, have often disagreed with the President's economic policies and have never hesitated to criticize the sometimes illogical policies of the administration, as my colleagues know.

But mere criticism is not enough—certainly it is no substitute for effective leadership. The Speaker's statement underscores the lack of such leadership and congressional preoccupation with the President. Day after day on issues affecting the national economy, and on other issues, Members of Congress whine about the President's actions or inactions.

Ladies and gentlemen, in heaven's name, are we hypnotized by the President? Do we think our mission as Members of Congress is no more than to advise or criticize the President?

We are the Congress. We are the architects of policy for this Nation. It is for us—for Congress, not the President—to formulate policy decisions for this Nation.

Congress has caused inflation. Congress must reverse the trend.

Although many factors have contributed to rising prices, the primary cause has become increasingly obvious—excessive Government spending.

Year by year, by decades of unbalanced budgets, Congress has fostered increasingly serious economic dislocations. For a time, some people thought the consequences of excessive Government spending could be avoided; and others thought inflation could be managed or held to a minimum; a few may have even thought the risk was worth taking.

But as the rate of inflation has risen, almost everyone has come to realize the human, as well as economic, cost of inflation and how it threatens the stability of our society. Obviously, something must be done.

Will Congress come to grips with inflation before the situation goes completely out of control—as it has already done in other countries?

This Congress still has a chance, possibly the last clear chance, to restore sound financial policies to our Government and thereby avoid panic inflation and the consequences: reckless speculation, bank failures, joblessness, civil unrest, the ultimate breakdown of our system itself—as Dr. Burns has warned.

Clearly, the Federal Government is spending too much. Not too much for the appetite of program administrators; possibly not too much, or even enough, as measured by the needs of people to be served and the value of worthwhile programs. But more than we can continue to spend without ruinous inflation, higher taxes or both. More than we can continue to spend without permanent damage to our national economy.

The decision to restrain spending will not come easily. As Clare Boothe Luce recently pointed out,

> Congress is a kind of economic wino—hopelessly addicted to spending, even though it knows it can all wind up in the gutter of a great depression.

Some may yet believe the President, not Congress, should be held primarily responsible for the financial mess this country is in. Any who think so should consider the wise counsel of Senator MANSFIELD:

> The fault lies not in the Executive Branch but in ourselves, in the Congress. We cannot insist upon the power to control expenditures, and then fail to do so. If we do not do the job, if we continue to abdicate our Constitutional responsibility, the powers of the Federal government will have to be recast so it can be done elsewhere.

I am pleased to quote Senator MANSFIELD for two reasons: First, because he is right. Second, to underscore my belief that responsible fiscal policy is not and should not be primarily a partisan concern.

And this is another reason I am dismayed by the partisan tone of the Speaker's recent comments. Although I have frequently addressed the House on this subject, I have never done so in primarily partisan terms. Nor do I now imply that just one political party is responsible for what is going wrong with our country. Despite the Speaker's partisan attack, I acknowledge the failures of Congress are not entirely the fault of the Democrats.

Having controlled Congress for 40 of the last 44 years, the Democratic Party must certainly bear prime responsibility. But I am well aware that some Democratic Members of Congress have pleaded with party leadership for more responsible fiscal policy. Were it not for their efforts the crisis would be even deeper and more severe.

Nor have members of my own party always been responsible in establishing spending limitations. But I must admit a degree of pride at the extent to which my party has resisted political temptation.

Members of my party have been amazingly consistent in fighting for fiscal restraint and balanced budgets.

But the main issue far overshadows partisan consideration. The country is in an economic mess. The need to control the Federal budget before reckless spending ruins our country is a proper concern of all Americans of all political parties. It is particularly the duty of those of us who serve in Congress and who have the constitutional responsibility to control spending and a moral obligation to do so wisely.

Let us do our duty.

Mr. ZION. Mr. Speaker, I have attended literally hundreds of meetings with my constituents in the past few years. There is no question but that the most pressing problem they face is inflation, and there is no question but that the Democrat-controlled Congress is responsible.

Mr. Speaker, the old days of tax and tax, spend and spend, elect and elect, which is still the Democrat Party's creed, must come to an end. The American people are not nearly as naive as they once were. When demagoging Democrats on the one hand protest inflation and on the other hand continue to force spending above appropriations, there can be no question of the responsibility. It is interesting to note that while creating inflationary pressures on the one hand, they loudly protest when the administration vetoes excessive spending bills or attempts to curtail the ravages of inflation by impounding funds in excess of income. No, Mr. Speaker, the American people will not buy it this time. They know that every committee chairman, every subcommittee chairman, and the majority of every committee is made up of members of the Democrat Party. They certainly know that the dissatisfaction which they so appropriately feel can certainly not be relieved by electing more of the people who have caused the problems.

It is most significant to note that the last time we had a Republican administration and Congress, we balanced the budget, reduced the national debt, lowered taxes, and got out of the Korean war. It is that type of Congress that this Nation desperately needs; and, in my view, they deserve to have it.

Mrs. HOLT. Mr. Speaker, instead of producing a coherent policy to fight double-digit inflation, which is bankrupting our constituents, the administration and this Congress have been floundering in futility, ignoring the truth.

The truth is that the Federal Government has devoted years to pumping billions of unearned dollars into the currency, and has thereby devalued the real dollars the people have earned.

There is no escaping this truth, but this country will pay a fearful penalty if the congressional majority fails to recognize it and deal with it responsibly. I am disheartened when I hear many of my colleagues offering gimmicks instead of reality to a desperate public.

There is only one answer to the riotous inflation that is ruining the American economy, and that is to reduce Federal spending to the level of revenues.

Federal spending exceeded revenues by $23 billion in the 1971 fiscal year, $23 billion in fiscal 1972, $14 billion in fiscal 1973, and an estimated $5 billion in the last fiscal year.

A total of 65 billion unearned dollars were poured into the currency in just 4 fiscal years, devaluing the earnings of every American and causing intolerable inflation.

The administration cannot escape responsibility for the economic mess we are experiencing. It proposed deficit budgets. But the congressional majority cannot escape responsibility either, for its response to deficit budgets was to authorize even more spending.

The administration has proposed a fiscal 1975 budget that is $10 billion higher than estimated revenues, but I have not detected any firm resolve in the congressional majority to eliminate that deficit.

Instead, some Members of Congress seem determined to make the situation worse than it already is.

We are constantly dealing with proposals to expand Federal spending instead of restraining it, and the expansionists are forever telling us that the poor need more programs.

Mr. Speaker, the poor are not helped by the circulation of more money that buys less. The poor are not helped by growing central bureaucracies that consume much of the devalued money on the pretense of helping them.

Hard-working, middle-income taxpayers are being dragged backward toward poverty by inflation which erodes their earnings and savings.

The people did not ask for inflationary Federal spending to support the growth of a monstrous bureaucracy that increasingly regulates their lives and usurps the responsibilities of States and local governments.

The people want less government and less inflation, but there is considerable doubt whether the congressional majority has learned that lesson.

Mr. CEDERBERG. Mr. Speaker, last Thursday, under special order of the House, there was an extended discussion of the economic problems now facing the Nation, particularly the problem of inflation. That discussion was led by the distinguished gentleman from Oklahoma, the Speaker of the House.

I am glad to see that the leadership of the majority party, which has controlled this Congress for 20 years, is concerned about our economic problems. However, I must respectfully disagree with both the diagnosis and the prescription.

There is no simple explanation or solution for the present dilemma of high inflation, and stagnant economic growth. However, to guide the Congress in its course of action, there are certain axioms which are not arguable.

First, Federal budget deficits contribute to inflation in at least two fundamental ways. When the Federal Government borrows to finance a deficit, it competes in the money market, and drives up interest rates. When the Government spends that borrowed money, it competes for scarce goods and services, and drives up the prices of those goods and services.

Second, every dollar on the Federal balance sheet—expenditures, revenues, deficit, and debt—is entered pursuant to legislative authority granted by the Congress. Our legislative responsibility for that balance sheet, and for its impact on the economy, is clear and inescapable.

Third, the balance sheet for the past 20 years, with the opposition party controlling the Congress, and the Congress controlling the purse strings, shows that this country has and will run Federal funds deficits estimated to total $218 billion, adding $219 billion to the public debt.

During the first 5 full fiscal years of this administration, 1970 through 1974, congressional actions and inactions on the President's budget requests increased Federal expenditures by $12.3 billion. During the current fiscal year, 1975, we have already enacted legislation increasing expenditures by an estimated $1.1 billion.

During the 5 fiscal years 1970–1974, congressional action through the appropriations process, led by the House Committee on Appropriations, has reduced spending by $6.7 billion; a record in which I take great personal pride. This action consists of a reduction of $8.6 billion in regular appropriations bills for the Department of Defense and Military Construction, and an increase of $1.8 billion in all other appropriations bills.

Mr. Speaker, I do not suggest that Federal spending is the sole cause of inflation, or that reductions in Federal spending will by themselves bring inflation completely under control. I do say that the country looks to us for leadership, and that the most immediate and direct leadership we can provide—for both its real and psychological effects—would be prompt and significant reductions in Federal spending.

During the discussion last Thursday, the distinguished minority leader, the gentleman from Arizona, recommended the prompt implementation of the budget control procedures provided in the budget control legislation which has just been signed by the President. I strongly endorse that action, and call to the attention of the Members that section 906 of that law provides certain provisions may be implemented for fiscal year 1976, and applied to the budget for that fiscal year, which we will receive next January.

I call on the majority party to join us in providing this leadership. Let us reverse the trend, already apparent in this fiscal year, toward busting the President's budget. Let us show the country that Congress can be responsible, and that financial chaos is not inevitable.

Mr. ARCHER. Mr. Speaker, the greatest problem the American people face at present is inflation and a chief cause of that inflation has been the policy of Federal budget deficits. It is a fact in a family budget as well as a government budget you cannot continue to spend more money than you take in without serious consequences.

Although it is easy to blame an administration in power for a reckless fiscal policy, it is true that if such a policy is put into effect, it is primarily the responsibility of the Congress. It is the Congress which has the power to authorize programs and appropriate funds for Federal Government programs. It is clear from our own political history that the Democrats, who have controlled Congress for 38 out of the past 42 years, have encouraged and aided the trend toward Federal deficit financing. The other consequences of this reckless fiscal policy have been the centralization of power in the hands of the Federal Government and the increase of more and more controls over our free enterprise system. There can be no effective program for fiscal responsibility unless it has the active support of the Democratic leadership. Over the past 4 decades—and certainly during the time I have served in the House—the leadership of the Congress has not exercised fiscal restraint.

The record of Republicans in Congress has been based on sound conservative principles: reduction of Federal spending, promotion of individual freedom, strengthening our free enterprise system, curbing inflation, eliminating Federal deficits, and easing of the tax burden for all Americans especially the middle class. As a result I have been voting the minority against new and massive spending programs passed by the Congress.

The Democratic leadership and a majority of Democratic Members have voted to increase funds for programs in the President's budget. These funds have been raised above even record high spending levels. This increase in expenditures is only part of the problem. There has been a consistent stream of costly proposals for massive new Federal programs. It is strange that at the same time certain voices in Congress decry the problem of inflation, these same individuals are proposing new spending programs which would dwarf our present programs in costs to the taxpayers. If adopted, these new measures would greatly increase our problems with inflation.

If the Democratic leadership and the majority of Democrats in this Congress wish to take positive action to eliminate Federal deficits, cut spending and reduce inflation, I invite them to cosponsor and vote for the constitutional amendment I have proposed to require a balanced Federal funds budget. This would be a positive, permanent, and effective step toward a policy of fiscal responsibility. It is only by getting back to the fundamental law of economics—you cannot continue to spend funds you do not have without suffering the economic consequences that we can hope to restore fiscal sanity.

Congress needs to adopt a mechanism for itself and for the administration in power to curb Federal spending. It is only by establishing a balanced budget that all of us in Congress—Republicans and Democrats, conservatives and liberals—can prove our commitment to fiscal responsibility.

Mr. YOUNG of Florida. Mr. Speaker, when the distinguished Speaker of the House and many of his majority party colleagues take the floor of the House to place the blame for inflation on the President of the United States and the Republicans in Congress, in amazement I say to myself, "Look who's talking."

Some of those very same Members trying to divert "blame" to other parties are the very same people who vote for every spending bill—except national defense, for every amendment to increase spending amounts—except national defense, and oppose every effort to cut appropriations bills—except national defense.

The prime impetus for big Federal spending, and the big Federal borrowing to support it, has been Democratic administrations and Democratic-controlled Congresses. With the "New Frontier" and "Great Society" programs, the stream of Federal money into the economy became a deluge. The inflationary spiral began to take off.

When President Nixon took office, the inflationary pattern was well-entrenched. His immediate reaction, therefore, was to reduce the Federal bureaucracy and cut back on Federal spending.

Cries of outrage and anguish arose immediately from all those vested interests which had been feeding at the Federal trough. The attempted discontinuance of a costly and unworkable program brought floods of lobbyists for its continuance. Impoundment of appropriated funds brought lawsuits and threats from congressional leaders. The return of power to States and local governments brought massive resistance from bureaucratic and congressional leaders who saw their power bases undermined.

Despite the President's best efforts, the Congress—under Democratic control—continued to authorize new programs and spend at a rate which could not be met from Federal revenues.

Here is an economic and political "fact of life":

The annual budget figure—some $305 billion this year—is not pulled out of thin air by the President and his advisers. It is a figure which is largely mandated by congressional action in authorizing and appropriating legislation. Attempts to blame the President, therefore, for a record Federal budget and a record deficit are misdirected. The Congress set the parameters for that budget, the Congress enacted by "backdoor spending" the "uncontrollables"—items not subject to annual appropriations—which now constitute more than two-thirds of our budget expenditures, and the Congress repeatedly and explicitly authorized further and further expansion of our public debt. Most recently, the Speaker himself broke a 190 to 190 tie vote on yet another increase in the "temporary" debt ceiling.

The President has consistently resisted the big spending bills of a Democratic-controlled Congress. He has vetoed 38 bills altogether; these bills proposed a total expenditure of $137.9 billion. On 33 of these bills, the Congress sustained his veto and subsequently passed less expensive measures, for a total savings to the taxpayer of $25 billion. However, the Congress also overrode five vetoes, at a total cost to the taxpayer of $32 billion.

The Congress has taken a major step away from the fiscally irresponsible patterns of the past by enacting the Budget and Impoundment Control Act. This legislation establishes Budget Committees in both House and Senate, and requires approval of a spending ceiling for each fiscal year. In its actions on appropriations measures, the Congress must remain within this ceiling. Furthermore, the legislation prohibits such "backdoor spending" as the items which have contributed so substantially to inflation in the past.

Perhaps the most important feature of the Budget Control Act is that, for the first time, it places the fiscal responsibilities of the Congress "up front" and makes them highly visible to all concerned. No longer can the majority push through large expenditures without consideration of their eventual inflationary consequences.

No longer will we have multibillion dollar "bailouts" for every special interest group which can command a Democratic majority. Under Democratic leadership, Congress has been responsible for substantial inflation over the past decade, and it will now be called to account for its actions in "priming the pump" of an already overheated economy.

From recent statements, however, it appears that the Democrats have learned nothing from past experience. Their proposals for dealing with inflation drag out some of the same old chestnuts which have caused so much agony in the past. No further comment need be made on the harmful effect of increased Federal spending; it is a short-run palliative which worsens the long-run disease. Wage and price controls have proven to have such a totally distorting and disastrous effect on the economy that private enterprise is still trying to recover. Not only did these controls drive important commodities out of U.S. markets and into more lucrative foreign markets, but they set the stage for horrendous increases when the controls were lifted.

Food prices have increased an average 22 percent since last year.

The cost of living has gone up more than 12 percent.

The country is beset by waves of strikes, as unions demand wage increases ranging up to 25 percent or more, to make up for the period when they were under controls.

It is somewhat incredible to me that leading Democrats continue to look upon wage and price controls as the answer to inflation, given the sorry track record of such controls.

As for a tax reduction, I would be the first to support such a break, providing that the reduced revenue is offset by a comparable reduction in Federal spending. We are on exceedingly shaky financial ground already, and our $10 billion deficit for this year is not going to be helped by a measure which reduces tax revenues by several billion more dollars but which does nothing to reduce spending. Senate Democrats who attempted to attach a tax-cut rider to House approved legislation were voted down by their wiser colleagues, who realized that tax reform is a complex fiscal and economic issue which cannot be treated as a political football.

Inflation is a cancer on our economy. It is the most pressing problem facing our Nation today. Inflation lurks always to challenge industrialized and underdeveloped nations alike. But we can face inflation head on, and we can bring it under control, if we have the determination. The first step in this process has got to be the exercise of fiscal responsibility by the Congress, and this especially means the majority party. Federal spending must be cut. The enactment of expensive new programs must be balanced by the excision of worthless old programs. Political gain must be subordinated to a long-term concern over the good of the Nation.

This has always been my own program, and that of most fiscally responsible Republicans. We are losing our chief spokesman and most dedicated crusader, the distinguished gentleman from Iowa (Mr. GROSS) at the end of this Congress. I can only hope that those on the majority side will take heed of his repeated warnings of fiscal disaster—a disaster which seems ever-closer in reality—and work with us to stem the tide of inflation and restore fiscal integrity to the Federal Government.

Mr. ESHLEMAN. Mr. Speaker, does not anyone in Washington understand that it is the price of food, climbing interest rates and other rising costs that are the real problems facing Americans? Cannot anyone see beyond Watergate far enough to realize that inflation is robbing everyone and tearing this country apart?

Those are very basic questions, and similar ones are thrown at me nearly every day. The rising cost of living is by far people's biggest concern.

The answer is that many of us are very concerned about this problem, but there can be no doubt that it is a concern that has been played down by the news media in its concentration on other stories out of Washington.

Arthur Burns, head of the Federal Reserve Board, is a major economist who has expressed alarm about the inflationary situation.

Dr. Burns said recently:

> Inflationary forces are now rampant in every major industrial nation of the world. For many years our economy and that of other nations has had a serious underlying bias toward inflation.

He went on to point out that inflation breeds fear. It saps public confidence in a more personal way than almost any other threat; it produces generalized anxiety likely to lash out against politicians, institutions, foreigners, social classes—against any handy target. Dr. Burns said:

> The gravity of our current inflationary problems can hardly be over-estimated. If past experience is any guide, the future of our country is in jeopardy. If continued, inflation at anything like the present rate would threaten the very foundations of our society.

That is an ominous warning coming from so scholarly a gentleman. But the reaction of many people to higher prices at the grocery store, reduced pensions, increased education expenses, and all the other personal economic problems caused by inflation should be enough to convince national leaders of the wisdom in Burns' evaluation. People are angry and they want action. The danger comes when the action some politicians propose threatens our whole way of life.

Even after our unhappy experience with partial wage and price controls a few months ago, you hear talk again about going to that kind of policy. The statements are coming from many of the same Democrats who saddled us with that disastrous control program in the first place. Obviously they cannot be talking about going back to a program of partial controls, because we saw that they do not work either equitably or economically.

So the proposal must be for complete controls, and complete economic control can only be accomplished by nationalizing all major means of production—in other words, socialism. That would be a drastic change in our way of life and one that I am doubtful many Americans want to take.

It puzzles me that this kind of proposal gets talked about when there is another more reasonable route to getting our economy back in order. The main problem with this route is that it does not appeal to the politicians, particularly the politicians in Congress. The reason it lacks appeal is that it would bring screams from every special-interest group in the country, and nearly every American is the member of at least one such special interest.

This route to economic stability is cutting Government spending. Obviously, that is nothing new or novel, but, so far, it has proved almost impossible to bring about.

Let me give you some figures to make it a little clearer why Government expenditures are so much a part of the inflationary problems. In the past 44 years, 40 of which the Democrats have controlled Congress and therefore controlled exclusively the Nation's purse strings, annual Federal spending has risen from $3 billion to $304 billion. That is a 10,000-percent increase in spending during a period when the Nation's population only doubled. It has to be a major inflationary factor.

In that same 44-year period, the Federal bureaucracy has increased 450 percent since the end of World War II, the Federal pay has gone up 146 percent. The combination of a bigger and bigger bureaucracy at higher and higher pay just has to be very inflationary.

Meanwhile the average percent of earning paid out by all Americans to all levels of government has jumped from 11.6 percent to 31.3 percent. Therefore, not only has increased Government spending contributed significantly to the cost-of-living problem, but the tax dollars needed to support that spending have cut into the spendable income you need to personally cope with the inflationary spiral.

Yet another set of statistics suggest Government's role in fueling inflation. In the past 20 years, all of which have seen the Democrats running the economy in their role as the legislative majority, Congress has rolled up $218 billion in budget deficits adding $234 billion to the national debt. Exactly 20 years ago, in the 1954–55 period, the rise in the cost-of-living averaged out to almost nothing. It is not hard to calculate that two decades of deficits have been significant contributors to our present inflationary problem.

The answer to inflation for anyone involved in Government is rather obvious—cut spending. It is necessary not only to balance the budget, but reduce spending to a point that we can begin paying off the national debt. Only then will Government dollars stop interfering with the free market, and thus stop pushing prices upward.

But, the solution, while obvious, is not so easy. Everyone is for cutting Government spending—until it affects them adversely. If we are to make the cuts necessary to do the job of halting inflation, no program can be sacred. These cuts cannot all come out of some favorite whipping boy like defense. They will have to be made across the board. And they will, without a doubt, hurt.

That is where the political problem comes in. Are people upset enough about inflation to hurt a little to stop it? Too many politicians think not. Thus, the spending goes on and the inflation follows it. But, if Arthur Burns is correct that in the near future that attitude could destroy our society, maybe it is time to get the word to those politicians.

The word is this—inflation is serious and we must act to stabilize the economy. We must face up to the pressures that will be brought by special interests as they seek to save their portion of the dole. We must act in the national interest which does not necessarily mean satisfying each little special interest. The national interest is getting the inflation thief out of everyone's pocket. That means cutting Federal spending, and no amount of congressional coverup by the Democrats can bury the fact that the legislative leadership responsibility for doing just that has been entrusted to them. If they fail to act, then the responsibility for rampant inflation must be placed squarely on Democratic Party shoulders.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join the other Members of the House this afternoon in discussing inflation, and specifically the direct effect that expanded Federal spending has upon the inflationary pressures which we, as a nation, face.

In researching the subject, I noted with great interest a statement by the distinguished chairman of the House Appropriations Committee, Mr. MAHON of Texas. Mr. MAHON's statement was made at the time he presented to the Congress the "1974 Budget Scorekeeping Report No. 11." He advised that:

> The total impact of Congressional actions and inactions in the recent session was to increase outlays by $3.5 billion over the original January budget as amended.

The budget report was prepared by the staff of the Joint Committee on Reduction of Federal Expenditures and was inserted in the CONGRESSIONAL RECORD on January 14, 1974.

Further research reveals that the Democrat-controlled Congress added substantial budget increases to dozens of measures and in many instances insisted on mandatory authorizations and appropriations. Many of these are programs that have very dubious records of administration and effectiveness—welfare, food stamps, and pork barrel programs are examples.

Notwithstanding the necessary preoccupation of Congress with the impeachment issue, I believe we have an obligation to the American public to move to curb inflation. I direct the special attention of Members of the House to a constitutional amendment I cosponsored, and which was just recently introduced.

My amendment would require the Federal Government to operate under a balanced budget. Further, it would require passage of revenue-producing legislation prior to spending legislation in periods when a Federal deficit is expected for 2 or more fiscal years.

Our serious problems with inflation demand that we eliminate the chief cause of that inflation—deficit spending by the Federal Government. We cannot expect significant relief from inflation until the Congress is forced by constitutional law to spend within the Government's income, which is the intent of my proposed constitutional amendment.

I would like to emphasize to Members of the House that even though we are looking at reforms in the tax codes of the country, we cannot ignore the fact that the critical question is still spending reform. Our whole system now is based upon going further and further into debt each year, and each year the Congress simply votes to increase the debt ceiling rather than decrease the spending ceiling.

Just like an individual's personal debts, that Federal debt is going to have to be repaid—and we all know it will be the individual citizens of this country who will have to pay it, as well as cope with the inflation it is now causing.

The record clearly shows that Democrats have been consistently irresponsible in adding to Federal expenditures, and failing to balance these increases by either other economies or adding to the Federal revenues. Thus, we do not have to speculate about the pernicious effects of inflation, because we can see them all about us. As far as inflation is concerned, the No. 1 culprit in our country is the Democrat-controlled Congress.

Mr. STEELMAN. Mr. Speaker, I am grateful to the gentleman from California for sponsoring this special order on inflation and Government spending. Economic affairs constitute one of the most important issues before the American people. I doubt if there ever was a time when we had to chart so narrow a course between the twin threats of runaway inflation and devastating recession.

The problem with inflation merits our most concentrated attention and objectivity. I was interested in the distinguished Speaker's views on the economy, for his statement focuses our attention on this vital matter. But I was also rather disappointed at the partisan tone of some of his remarks. The American people are not interested in assessing the blame for our economic problems. They do not want promises of instant solutions which they know cannot be fulfilled. They want a dispassionate, reasoned, and disciplined attack on increasing prices.

With the situation as difficult as it is, it seems to me there ought to be plenty of humility to be passed around among all policymakers, including us in Congress. It is just plain silly for one party to blame the other or for one branch of Government to blame the other when we should be expending our energy in the effort to increase our understanding of our economic problems.

The solution to inflation must follow from a careful and comprehensive appraisal of the causes of inflation. The Democratic leadership has made no such appraisal.

Instead, our distinguished speaker has merely asserted that the fundamental tools of monetary and fiscal policy do not work and that an incomes policy, a return to direct price, wage, and profit controls is the appropriate course.

I must take sharp execution to such a view. There is simply not one shred of evidence which indicates that wage and price controls can effectively hold down prices over the long run without causing economic chaos. Many of the shortages we have now have resulted because controlled domestic prices led to decreases in investment, increased exports, and so on.

Before controls were implemented, most economists stated that they would cause dislocation, shortages, black markets, and a large bubble of price increases as soon as controls were removed. In spite of this advice, Congress gave the administration a blank check to impose controls and virtually insisted that it do so. The administration finally made the mistake of acceding to that demand in August of 1971, in spite of the fact that monetary and fiscal restraint had brought inflation down from above a 6-percent rate to below a 4-percent rate by that time.

The controls were followed by dislocations, shortages, and black markets, as in beef. Prices were repressed for a time, but as soon as controls were removed, there was an explosion of prices. It has proven very difficult to remove controls.

And yet, while the inflationary pressures, partly caused by controls, are still working their way through the economy, the Democratic leadership calls for new controls. The public must think we are slow learners.

The assertion that fiscal and monetary tools will not work to bring down inflation is also mistaken. The evidence over the last 100 years shows that decreases in money supply are followed, after a lag, by recession, and greater than average increases in the money supply are followed, again after a lag, by inflation. The evidence is also just as clear that when consumption and investment demand are already strong, deficits in the Government budget lead to inflation. This was made clear in the 1967–69 inflation, which was stimulated by the failure to increase revenues to cover the costs of the Vietnam war and again in the last 3 fiscal years, when large deficits were run in spite of booming investment and export demand.

Government deficits fuel inflation in two ways. They put more money in the hands of the public to purchase goods, and they finance programs which take resources out of the private sector, thus reducing the amount of production which may be applied to the kinds of goods which consumers wish to buy. It amazes me that anyone who would claim credit on behalf of Congress for passing the Budget Act of 1974, which recognizes the need for proper fiscal policy, would at the same time argue that Government spending makes no difference to inflation.

That argument is merely a rationalization for continued reckless spending. And Congress has spent recklessly. We do not evaluate programs to see that they are achieving their objectives. We do not eliminate outmoded programs. We have allowed backdoor spending to explode, thus wiping out the discipline which has been exercised by Appropriations Committee.

Our problem now is not lack of demand. The economic downtown of recent months is directly due to the oil shortage and consequent price hikes and other materials shortages which constrain production. Raw materials processors are operating at well above 90 percent of capacity which is far above their desired levels of output. Even with the downturn, unemployment has remained at 5.2 percent which is low for a period of falling real output.

Our problem is inflation. The demand induced inflation of last year, coupled with unavoidable increased cost of food and energy, have created a rampant inflation psychology. To turn the corner on inflation, we must defeat the inflation psychology which feeds on itself. We must disappoint the expectations of those who are looking for higher prices.

The only reliable way to accomplish this is through continued fiscal and monetary restraint. When people see that Government is not going to endorse inflation by expanding credit and Government demand, inflation will recede. Restraint must be applied prudently so that we do not set recessionary forces in motion. But the restraint must last until business, labor and consumers expect less inflation instead of more. Once this occurs, we can begin to set the stage for a new sustained, noninflationary economic expansion.

Mr. MILLER. Mr. Speaker, a great deal has been said in this body over the past few weeks about the serious problems this country faces in combating the terrible inflation that grips our economy. Unfortunately the blame for inflation has been placed everywhere except where it belongs—on the Democratic-controlled Congress.

It is the responsibility of the Congress, and especially the House, to be the fiscal watchdog for the country. Instead Congress has embarked on spending programs like a 10-year-old with his allowance in a candy store. It is very easy and convenient to place the blame for inflation elsewhere. But the plain fact is that Congress controls the Federal pursestrings and it is Congress' obligation to see that they are pulled tighter when Government spending has reached excessive levels. It is obvious that those levels have been achieved. For the first time in our Nation's history we are heading for a budget of over $300 billion. Tagging along with this astounding figure is his inflationary brother—a deficit of close to $11 billion. If the citizens of this land want to know what is feeding inflation, they have to look no further than Capitol Hill. It is long past time to tighten our belts, make some tough decisions—and cut Federal spending.

One of the problems that Congress must face in reducing the level of spending is the many bills that come before us containing a variety of programs, some good and some bad. All too often the congressional attitude has been to take the whole bill since the overall effect is felt to be beneficial. However, this is exactly the type of voting that feeds inflation. Rather than cut out the extravagant portion that will contribute to inflation, too many Members have been content to swallow the entire package. It is time to do some pruning of these loaded bills.

Since the beginning of the 93d Congress I have voted against over $75 billion for various pieces of legislation. Unfortunately some of what was contained in those bills was undoubtedly beneficial. However, it was the same old story of forcing us to swallow the bad with the good, the extravagant giveaways with the wise spending. If the Congress is ever to assume the responsibility to control Government spending that is rightfully ours, we must stop accepting this type of legislation. Instead, each Member should assume the obligation to search for the fat in each piece of legislation and then act to cut that fat. It is the only way that inflation can begin to be brought under control. Congress need look no further than the halls of Capitol Hill to find the answer to this problem.

Mr. KETCHUM. Mr. Speaker, I apologize to the gentleman from Georgia (Mr. YOUNG) for having to take this special order on such an auspicious occasion, when I am sure in another 10 or 15 minutes all America will be breathlessly awaiting the great road show that will be taking place in the Rayburn Building. I hope they all have their makeup on.

Mr. PARRIS. Mr. Speaker, I listened with great interest and considerable dismay to the special order on Thursday, July 18, in which several of my colleagues in Democratic leadership positions participated. As you will undoubtedly recall, the subject of that special order was the sorry state of the American economy.

The gist of the message which was delivered during the special order was that the blame for the inflationary spiral we are now experiencing can be placed on one place only—squarely on the shoulders of the administration. It was implied that Congress has performed admirably in its fight against inflation—a notion with which I must strongly take issue. Therefore, I welcome this opportunity to bring into the open some additional facts concerning the role of Congress in fueling inflation.

Mr. Speaker, all of the economic experts with whom I have ever conferred believe that the single most important cause of inflation is excessive Government spending. And there is no question that we, as Members of Congress, play a very vital role in the determination of each year's level of Government spending.

As we all know, each year the executive branch assimilates and delivers to the Congress the projected budget requirements of all Federal departments and agencies. It is then the responsibility of the Congress to analyze these budget requests and to formulate and approve the necessary authorization and appropriation bills in order to fund the Federal Government.

If the Congress believes that the budget request for a specific category is insufficient, the Congress may raise that level. Conversely, the Congress may also decrease funding in areas where it believes the administration has been excessive in its budget request.

In the past 44 years, annual Federal spending has increased from $4 billion to a proposed $305 billion in fiscal year 1975, which is almost a 1,000-percent increase. Over the past 30 years, more than $218 billion in budget deficits has been amassed and consequently, it has been necessary to raise the national debt limit by $234 billion. Statutorily, all of these increases have had to receive congressional approval.

During Thursday's special order, specific mention was made of the Budget and Impoundment Control Act which was recently signed into law. I certainly agree that this is much-needed legislation which will provide an effective mechanism toward better congressional control over the annual budgetary process. However, there are certainly other areas where we need to take immediate action. For example, where is the meaningful tax reform legislation, which the chairman of the Ways and Means Committee has repeatedly assured us will be forthcoming in this Congress? The bill is still in markup stages in the committee; even if it were to be reported out in the immediate future, that would leave precious little time for both Houses to approve the bill prior to adjournment of the 93d Congress. Where is national health insurance? Yet to be considered by the Ways and Means Committee. Where is House Resolution 988, the committee reform resolution? Bottled up somewhere in the Democratic Caucus. And where is the Oil and Gas Energy Tax Act, which deals with the oil-depletion allowance and foreign tax credits? The bill is being held up by infighting among the Democratic leadership.

All of these things deserve immediate consideration by the Congress, so that appropriate action may be taken prior to adjournment. And all of these bills will certainly help us to improve and reduce our inflationary spiral, so that the pinch which our constituents feel may be reduced.

I realize it is difficult for us all to recognize the impact that we, as Members of Congress, have had in adding to our inflationary trends. I also realize how easy it is to "point the finger" elsewhere and blame the administration for the entire economic mess in which we find ourselves and how tempting it becomes to support appropriations for everything from social programs to defense budgets. However, unless the Congress takes positive action now to enact sound legislation and to reform its internal workings to better cope with the inflationary crisis, we will continue to do permanent harm to our Nation's economy and to our constituents.

Mr. O'BRIEN. Mr. Speaker, the entire Nation is looking to the Federal Government for relief from inflation. But what do they see? They see Congress and the executive branch pointing the finger of blame at each other like naughty children while prices go up and up.

It is about time we realize that Congress is as much to blame for inflation as the administration. The only way we are going to lick the problem is by joining forces and working as a team.

If we can cut Government spending, we can at least slow inflation. The annual Federal budget has grown from $4 billion in 1930 to more than $300 billion today. The national debt now stands at $234 billion and Federal spending now accounts for more than one quarter of the gross national product.

Granted, we have taken a step or two in the the right direction toward reducing Federal spending. We recently passed the Budget Control and Impoundment Act which would give us greater control in budgetary matters. Hopefully, this measure will be implemented in the near future.

However, we are still waiting action on the House committee reforms proposed by the Bolling-Martin committee. Unfortunately, the leadership in the House has stalled these reforms. How can we expect to make any progress toward balancing the budget if numerous committees retain jurisdiction in the same areas and continue proposing spending measures that are overlapping in purpose? Reform is needed to streamline this arrangement and cut down on costly inefficiency.

In addition, we must put the lock on back-door spending which accounts for a substantial part of the budget.

No one can deny that Government spending fuels inflation. In 1962 the budget topped the $100 billion mark. Only 9 years later it hit $200 billion and now, 3 years later, it is up another $100 billion to more than $300 billion. If spending continues at that rate, we could conceivably be faced with a $400 billion budget for fiscal year 1976.

One way or another, we are going to have to pay a high price for our years of fiscal irresponsibility. I realize that it is easier to search around for a scapegoat than to solve the problem.

There just are no simple solutions. One thing is certain though. Bickering among ourselves will not end inflation nor will it do much to regain the confidence of the American people. The citizens of this country have been tightening their belts to fight inflation for quite a while. Now it is up to Congress and the rest of the Federal Government to shoulder their share of the responsibility and help the people in their struggle.

Mr. VEYSEY. Mr. Speaker, I want to congratulate my colleague from California (Mr. KETCHUM) for arranging for this forum on the economy and on congressional and Presidential action related thereto.

Modern fairy tales are fascinating, but none is more intriguing than the efforts of the majority party to portray itself as the "white knight" in the battle to control inflation. We have heard some descriptions of economic conditions which would challenge the imagination of Lewis Carroll of "Alice in Wonderland" fame.

The American citizen and the taxpayer in particular is tired of politicians who pass the buck. It is time we put the responsibility for the uncontrolled inflation exactly where it belongs: on the tax-and-spend philosophy of the Congress which has been Democrat-controlled for many years.

There has been an imaginative effort by many to minimize the dramatic growth of our national debt by making comparisons with the growth of the gross national product, GNP, but the comparison is hardly parallel. In the past 10 years the national debt has increased 50 percent, and the cost of living is up 53 percent.

Has Federal spending been inflationary? The close parallel of these trends persuades me that it is inflationary. Approximately one-fourth of the total national debt has been incurred during the past 4 years. The public debt through 1970, including two world wars, the Korean Conflict, and most of the cost for the war in Vietnam, was $382.6 billion. Four years later at the conclusion of fiscal year 1974, the public debt ceiling was raised to $495 billion, and it is very likely to exceed $500 billion before the end of fiscal year 1975.

Has the Congress acted responsibly in fiscal matters? Much of the growth in Federal spending has occurred in the "human resources" programs. They accounted for only 34 percent of the budget during fiscal year 1969, but make up more than 50 percent of the fiscal year 1975 budget. Consider what has happened to Federal spending during the last decade—1965–75:

Health: Increased from $1.7 billion to $26.3 billion; a 1,444 percent increase.

Income security—social security, unemployment, welfare, et cetera: Increased from $25.7 billion to $100.0 billion; a 289 percent increase.

Education and manpower: Increased from $2.3 billion to $11.5 billion; a 400 percent increase.

Veterans benefits and services: Increased from $5.7 billion to $13.6 billion; a 139 percent increase.

Food assistance—food stamps, child nutrition, school lunches, et cetera: Up from $600 million to $5.8 billion; an increase of 866 percent.

Defense: Up from $49.6 billion to $87.7 billion; only a 77 percent increase.

Deficit financing is the vehicle that Congress has utilized to fund new programs. It is an "expedient" form of taxation. While tax increases may not be popular back home, neither is inflation, and the prime cause of inflation is the policy of deficit financing practiced by the Congress. The last budget year in which tax revenues exceeded Government expenditures was fiscal year 1960, and there have only been 3 such years in the last two decades.

The effects of an expansionary fiscal policy can most readily be seen by reviewing the increases in disposable income. In terms of current dollars, the 1965 per capita disposable income was $2,432. By 1971, it had leaped 48 percent to $3,595. The 1973 per capita disposable income—most current figure available—is $4,295, a 76-percent increase from 1965.

What about taxes? Pollster Lou Harris reported on July 22 that the public is willing to have a tax cut to stimulate consumer spending, but was not willing to admit that a tax increase might dampen inflationary pressures. However, the painful fact remains that inflation is eroding the taxpayers' purchasing power while his cost-of-living pay increases are boosting him to the next higher income tax bracket. In 1965, per capita Federal income taxes were $577. Although there was a tax cut in 1970, the per capita income tax had risen to $963 in 1972. The taxpayer loses either way.

One final myth needs to be dispelled, and that concerns defense spending. Many advocates of social reform have attempted to distort the issue and blame huge Federal deficits on defense spending, but the facts do not support this conclusion.

In 1965, defense spending accounted for 41.9 percent of the national budget. Human resource programs—education and manpower, health, income security and welfare, veterans benefits, et cetera—accounted for 27.6 percent. In fiscal year 1973, only 31.2 percent of the budget was allocated for defense spending while 47.75 percent went for human resources. The fiscal year 1974 defense spending was held to 29 percent while human resource spending soared to nearly 50 percent of the national budget.

There are no easy answers, but the alternatives are limited. Clearly we need the best cooperative effort from the executive and legislative branches. Further, we need restraint and understanding by all Americans in reducing demand for goods and services where possible, reducing demands for further Government services, and reducing upward pressures on wage and interest rates. We need more productivity—more goods to satisfy our needs and to absorb greater purchasing power.

The following editorial from the Wall Street Journal of July 22, 1974, accurately describes the alternative courses that lie ahead for the Congress. The power to spend is the power to tax. The Congress has demonstrated its ability to spend, but the Congress has been irresponsible for too long. Now it is time for Congress to demonstrate that it is capable of controlling its appetite to spend in the overwhelming need to contain destructive inflation.

The editorial follows:

THINKING ABOUT DEPRESSION

Herman Kahn, the physicist and thinker who runs the Hudson Institute, believes there is one chance in six of a depression in 1974–75, and if it doesn't occur in this period, one chance in six that it will occur in 1976–80. In other words, he sees one chance in three that in this decade we will experience depression, by which he means a 10% unemployment rate lasting at least 18 months. There are those who believe Mr. Kahn is being pessimistic; there also are some we talk to who think the chances are higher.

Those who dismiss such talk as being unrealistic generally do so by arguing that "the government will not permit it to happen." During the past quarter-century of global prosperity, the idea has taken root that governments know enough about the manipulation of monetary and fiscal policies to prevent serious economic disruptions of the kind experienced in the 1930s. Certainly, as Paul McCracken explains nearby, they know more now than they did then.

This thought is comforting, but not that comforting if it merely means that the Federal Reserve will gun the money supply to counter every conceivable deflationary pressure that might be arrayed against it. For what Mr. Kahn imagines, a short piece down the road, is a U.S. government faced with choosing between a depression of this definition and an annual inflation rate of 30% or 40%. At some point, he argues, a government will have to pick the depression.

We see no reason why a future U.S. government has to be faced with that kind of choice. With a nation as educated and, at least at the grass roots, as sensible as ours, there still should be will enough to make the corrections before the collapse, and thus avoid it. The key to this is for policy-makers to recognize, as Mr. Kahn does so clearly, that the current fears and risks of depression tomorrow are created by the inflation today. Depression will come only if inflation and inflationary expectations are so high they can be cured no other way.

In other words, the way to head off depression is to get inflation under control. This in turn means slowing monetary growth. And realistically this cannot be done until monetary policy is freed of the burden of government borrowing and government deficits. So to get the correction under way now, while there is still time to avoid depression, it is clear what must be done.

Government spending at all levels must be reduced and the federal government has to lead the way. Government spending is draining the productive base of the economy of the resources it needs to renew itself. What is truly frightening are the budget projections for the future, based on promises the politicians have been making in the past. Unless there are sharp reductions in the $305 billion budget, of the kind proposed by Treasury Secretary Simon, the budget next year will be wildly uncontrollable and heading to $1 trillion by the 1980s. It will never again be as "easy" for Congress and the administration to get the budget under control as it is right now.

Instead, both Congress and the White House, Democrats and Republicans, are jockeying for position so each will be able to blame the other. At the same time, Washington is mesmerized by the increasing flow of tax revenues into the Treasury. Corporations are paying ever higher taxes on mythical inventory profits; wage earners are paying ever higher taxes as the progressive tax structure pushes them into higher tax brackets with no real increase in earnings.

But if the Fed maintains any kind of restraint in money growth, the profit illusion

> will evaporate and unemployment will climb rapidly. Tax revenues, of course, will plummet in that case. We can easily imagine a $25 billion deficit in the current fiscal year ending next June, and the government forced to propose either a huge tax increase or a $50 billion deficit for fiscal 1976 in order to meet existing government obligations.
>
> President Nixon, who is scheduled to make an economic address to the nation this week, must at least attempt to lay out the alternatives to the people who elected him. Not by complaining about congressional spending. But by beseeching the people and their representatives to work out a joint effort to do what has to be done. Just as it is no longer unthinkable, that a President may be impeached, no longer unthinkable we may be hit with an economic depression, it should no longer be unthinkable that the federal budget should be cut.

LABOR UNIONS AND OUR ANTITRUST LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, today a great hue and cry is being raised in this country against big business. Self-proclaimed consumer advocates, some academicians and Members of Congress are conducting a vociferous campaign for breaking up large corporations in the name of preserving free and open competition and protecting the consumer's interests.

In this litany against the evils of corporate bigness, of "shared monopoly" and "excess profits," the voices of labor union officials often are among the loudest heard. Completely ignored, however, are the evils flowing from monopolistic practices of giant labor unions. They are the only participants in the private sector of our economy that have been granted statutory exemption from the application of the antitrust laws, being subject to those laws only in certain very limited areas.

The effect of this exemption has been to award to labor unions an all but unlimited right to restrain trade and commerce. A labor union is free to create and maintain a monopoly of the labor supply of a given industry, craft, or occupation; it can fix prices by imposing uniform wages in the labor market through the compulsory union shop; and it can form conglomerates by unionizing workers in either related or unrelated occupations.

Unions are free to do these things to the detriment of all concerned—of business, of the consumer, and even of labor in general. The long-range effects on our economy are extremely serious.

Most people see danger in allowing a single firm to monopolize the steel industry, the automobile industry, or any other vital industry, but a surprising number of people see nothing wrong in permitting a single union to monopolize the labor supplies of such industries.

Union chieftains, of course, argue that they need the exemption from the antitrust laws so that they may be able to protect the interests of "labor" in general. Such argument, however, simply does not fit the facts.

In the first place, although union professionals regularly claim to speak for labor and labor's interests, they can speak only for unions, which represent a bare 25 percent of the American work force. The power they exercise in disproportion to their minority status is due to union concentration in key industries such as basic metals and the automotive industry. In the second place, labor unions exploit their monopoly status exclusively to their own benefit, to the detriment of nonunion workers and often even of their own membership.

Through their enormous power, unions are frequently able to force wage increases throughout an industry which are so large as to be economically unjustifiable. In so doing, they make the amount of employment available in that industry less than it would be otherwise. The effect is an increased number of people seeking employment in other occupations. Excessive wage increases which far outrun productivity, reduce the number of available jobs, and produce unemployment are hardly in the interest of "labor."

A member of the Federal Trade Commission, Mayo J. Thompson, in a recent speech outlined how labor union monopolies are simultaneously creating inflation and unemployment. Commissioner Thompson said:

> Many labor unions in the United States and other industrialized countries of the world clearly exercise a degree of monopoly power over the world's economies that is grossly inconsistent with the welfare of the great bulk of its citizens.

He pointed out that the FTC is supposed to see that the country's economic system is kept free of monopoly. He said:

> Our problem is that we've been authorized to clean only one of the tracks in the country's two-rail economic system. We can and do investigate monopoly on the corporate side of the roadbed but monopoly on the labor side is off-limits to us.

Commissioner Thompson also made the important point that toleration of labor union monopolies encourages the toleration of monopolies in other segments of the economy. He said:

> Most fair-minded people recognize the inconsistency and injustice of a law that makes a situation illegal if it is created by one group of people and perfectly lawful if it happens to be the work of some other group of people.
>
> Since labor unions are free to, and do, build up and exercise vast amounts of monopoly power in their markets, a lot of our citizens are unable to work up much enthusiasm for reducing whatever monopoly power might be found in our various product or corporate markets. Once the law has given its blessing to monopoly and all its wide ramifications in one area of our economic life, the temptation is very strong to give it a similar blessing in all other areas as well.

Chairman Arthur Burns of the Federal Reserve Board has stated that structural changes in the antitrust laws are needed so as to apply them effectively to labor unions as well as business firms. Testifying last year before the Joint Economic Committee of the Congress on the imperative need for bringing inflation under control, Chairman Burns said:

> Not a few of our corporations and trade unions now have the power to exact rewards that exceed what could be achieved under conditions of active competition.

He added that genuine progress in curbing inflation "would require that we undertake to curb abuses of economic power by both business firms and trade unions, besides reappraising a host of laws and governmental regulations that interfere with the competitive process."

Dual standards for labor unions and corporate enterprises in monopolistic practices and restraint of trade have not always been public policy. Under common law it was an offense both for manufacturers to combine to fix prices and for employees to combine to fix wages. This was incorporated into our Federal law in the Sherman Antitrust Act, and the Supreme Court in the famous Danbury Hatters case of 1908 quite naturally declared that the act applied equally to both business and labor. But unfortunately the evenhandedness of the common law tradition did not long survive the Danbury Hatters decision. The displeasure of union officials caused Congress in the Clayton Antitrust Act of 1914 to declare that "the labor of a human being is not a good or article of commerce" thereby removing organized labor from most areas of antitrust regulation. The Clayton Act exemption, which also limited the use of Federal injunctions against organized labor, was reinforced by the passage of the Norris-LaGuardia and Wagner Acts and by subsequent Supreme Court decisions.

As the dangers of union monopoly became more apparent, however, efforts were made to curb this exemption or at least limit its effect. The original version of the Taft-Hartley Act, as passed by the House in 1947, contained a provision amending the Clayton Act so as to withdraw labor's antitrust exemption and a Justice Department study in 1955 made the same recommendation to the Attorney General. Both proposals unfortunately failed, yet as recently as 1965 the Supreme Court ruled that labor's exemption did not apply when it could be "clearly shown" that union had conspired with certain employers to eliminate competition from the industry. This decision, however, was ambiguous and has not proved to have had any great deterrent value. Union monopoly has continued unchecked.

The effort to further narrow the union exemption from the antitrust laws through court rulings continues. In one major pending case, the plaintiffs in a lawsuit against several unions assert that unions are subject to the antitrust laws when they engage in violent and coercive conduct in an attempt to deny nonunion firms access to the market and drive them out of business. The plaintiffs are confident that ultimately the courts will rule in their favor.

This court attack on union monopoly power is important and I sincerely hope it is successful. However, I believe that the Congress need not wait on the courts and litigation which may take several years to correct this serious problem. The time has come, in fact it is long overdue, for Congress to make it completely clear in every respect that when labor unions engage in monopolistic practices and restraint of trade they are subject to prosecution under the antitrust laws. The evidence is abundant that union monopoly power is a major cause of high prices. The need for controlling inflation has become so critical that the Nation's economic health is seriously dangered. The public is being hurt badly and the public interest demands that something be done.

I am today introducing a bill to amend our antitrust laws so as to make them fully applicable to labor unions in the same manner as they apply to business enterprises. My bill would do this by striking the exemptions for labor unions from the Sherman, Clayton, and Norris-La Guardia Acts. It would not impair the fundamental right of American workers to organize in their own self-interest, to bargain collectively with their employers, or to strike. It would simply insure that those rights are not abused in such a way as to establish monopolies and restrain trade.

The legislation I am offering is simple and uncomplicated. It does not attempt to spell out the particular practices that would make unions subject to prosecution under the antitrust laws but leaves that determination up to the courts. This is exactly the way our antitrust laws are drawn up and the way they have been applied to business firms. As the Federal courts through their decisions over the years developed standards as to what constitutes a monopolistic business practice, so will the courts set the standards for determining what constitutes a monopolistic union practice.

I believe this legislation is eminently fair and that it is long overdue. If corporate monopolies are detrimental to the public interest, labor monopolies are no less so. My bill places unions and management on an equal footing before the antitrust laws of this country.

It is anticipated that union officials will attack the intent of the legislation I am offering and will endeavor to portray it as harsh and punitive. Unfortunately, union officials have been quite successful in making it appear that questioning the virtue of almost any activity undertaken by unions is equivalent to casting aspersions on God, home, and motherhood. Yet there is no good reason that union monopoly should be any less suspect than corporate monopoly.

I also anticipate broad support for my bill from the general public and from rank-and-file union members. A recent public opinion survey by Opinion Research Corp. revealed that 70 percent of the people believe too much power is concentrated in the hands of leaders of the big unions of this country. That view is shared by 60 percent of union members and 76 percent of nonunion workers who, as we pointed out earlier, constitute the great majority of our work force. My bill will get to the root of monopolistic union power which harms almost everyone but will not interfere with those union functions which truly benefit working men and women.

CONGRESS MUST REESTABLISH THE FISCAL INTEGRITY OF THE GOVERNMENT OF THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the Congress must take the leadership in immediately reestablishing the distressed fiscal integrity of the Government. The time has come for the Congress to match its words in this regard with action.

I have today introduced a bill to provide the Congress with the vehicle for honoring a commitment to restoring that integrity—and, in the process, to help pick the economy up out of the slump in which we now find it.

The bill, the proposed Fiscal Integrity Act, would reestablish our Government's fiscal integrity and its monetary policy through the establishment of ceilings on both revenue and budget outlays, through tightening the issuance of additional money, and through requiring the disclosure of the costs of programs proposed to be enacted.

Why is the Fiscal Integrity Act necessary?

The proposed Federal budget for 1975, forecasting expenditures of over $304 billion, exceeds the previous year's budget by a full $20 billion. In 1940 our Federal budget was only $10.1 billion.

It took this country 185 years to get to an annual Federal spending level of $100 billion, but it took only 9 more years to double that to the $200 billion level, and then only 4 more years to reach the $300 billion level.

The mushrooming national public debt will soon be at nearly $500 billion—half a trillion. It took us over 150 years after 1789 to reach the $200 billion debt mark, then less than 20 years to double it to $400 billion, and then only 10 more years to add another $100 billion.

The spiraling rate of inflation is now projected to be nearly 14 percent this year. Only 10 years ago it averaged around 3 to 4 percent, a manageable figure.

The amount of taxes the Federal Government will have to collect from every man, woman, and child in the Nation to meet expenses this year is $1,492 per person—or $5,768 for the average family of four. In 1940 it was $77 per person—or $308 for that average family of four.

The ever-increasing printing of paper money is now estimated to be at between 7 and 8 percent of the total money supply for this year—a factor greatly contributing to the erosion of the purchasing power of the dollar.

And, recent analysis shows that the total sum of new funds which would be authorized by only 400 bills introduced this Congress would be in excess of $873 billion. And, nearly 15,000 bills have been introduced this Congress—and we still have half a year to go. These dangerous economic policies must be halted.

Government spending—and the raising of revenue requisite to that spending—has a historical ceiling beyond which it invites either or both the collapse of the economic strength of a nation or political and economic freedom. The statistics prove the tendencies of Government to siphon off ever greater shares of the people's income for itself.

Government must realize that it cannot indefinitely tax the people at constantly increasing levels without destroying the people's ability to support themselves and their families.

The Congress has not done its fair share of the job of maintaining a growing economy, halting inflation, keeping the budget under control and establishing national priorities in a consistent manner.

Where, then, do we start in coming to grips with these problems?

I think the place to start is, first, recognizing that the Congress has contributed to the problem, not to its resolution. We have spent too much money, not raised enough to meet the costs of government, have allowed the issuance of paper money to go unabated, and have inadequately reformed our own internal procedures for showing how much money is proposed to be spent by new bills.

We must determine, as a matter of congressional policy, that it is the joint and several responsibility of the legislative and executive branches to reestablish our fiscal integrity through the imposition of a requirement that budget outlays not exceed revenue—that there be balanced budgets, that the issuance of additional money not contribute to inflation, and that each branch have adequate capability to prepare the budget in a manner consistent with those policies. By establishing, at law, a recognition that it is a joint and several responsibility of these two branches, we will stop much of the buck-passing which goes on as to which branch is responsible for our economic woes. If we assume the responsibility, we are guilty of not properly exercising it.

What would the Fiscal Integrity Act do about these problems?

REVENUE AND BUDGET OUTLAYS CONTROL

Title I of the Fiscal Integrity Act would establish for each fiscal year a revenue and budget outlays limit for the Government. No appropriation shall be made for any fiscal year by the Congress in excess of the revenue and budget outlays limit for such fiscal year.

This revenue and budget outlays limit is the next, logical step which should have been included in the recently passed Budget Reform Act. That Budget Reform Act established an initial spending ceiling each Spring only as a goal, with the final ceiling established in the Fall as an after-the-fact ceiling, meaning that expenditures can still exceed revenue and add to the debt. A balanced budget requirement should have been in that Act; it wasn't. But, it is in my bill.

How would the limit work?

The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by a "Federal revenue factor".

Thus, from the first year of the operation of this provision, a ceiling in relation to national income is established on government revenue and spending. As the economy grows, new dollars would be available for existing or new programs, but a greater percentage of the people's income would not be available.

Once that computation is made for the first year, it will—in that first year only—be reduced by 2½ percent in order to cut off the top the excessive spending which we now have. Thereafter—for the next 20 years—it will be cut by one-fourth of 1 percent each fiscal year, a more gradual reduction, but one eventually leading to another reduction in excess of 5 percent.

One should note that a cut in outlays is accompanied by a cut in revenue—and vice versa—so that cutting revenue will not result in creating more of a deficit—as is now a danger—and cutting outlays should result in a cut in taxes.

The bill specifically requires that, if during any fiscal year the revenue of the Government exceeds the established limit for that year, the amount in excess shall be used for the payment of the public debt of the Government.

The limitations, determinations, estimates, and calculations required to be made by this title shall be made by the newly created Congressional Budget Office, acting through its Director.

What if an emergency arises—such as a large-scale war or economic crisis—which absolutely requires spending beyond the revenue level?

In that case—that emergency—a resolution passed by at least two-thirds of each House of Congress shall suspend the limitation, but only to the extent necessary to meet that particular emergency and only for that fiscal year within which the resolution was passed. If it is to be continued beyond that fiscal year, the Congress must pass a new resolution. I do not want to see a vague, general, times-are-tough emergency resolution passed, thereby voiding the intent and letter of the limitation; the provisions of the bill guard against that happening.

It should also be made clear, from the outset, that the power of the House Committee on Ways and Means and the Senate Committee on Finance is not impaired by this bill. Within the overall revenue limitation, those committees can carry out any degree of tax reform, increasing certain taxes, reducing others—eliminating old taxes, imposing new ones deemed necessary. The only limitation is that the total revenue collection not exceed that percentage established in relation to aggregate national income for that period.

This Congress has tried for nearly 200 years to control spending by controlling appropriations. It simply has not worked. The figures I have just cited on the growth of taxes, expenditures, debt, and inflation attest to the failure of this institution to hold the line.

What we must do, if we are to give action to our words and not just propound rhetoric, is to institute a mechanism—a device—for establishing a known standard—set here in relation to aggregate national income—for raising the revenue from which those expenditures are made.

If revenue cannot exceed a certain percentage, and if expenditures cannot exceed that revenue, then we have found the device for which we have looked for the past two centuries. I think my bill contains that device.

CONTROL OF THE GROWTH IN THE MONEY SUPPLY

When money is printed and there is no increased productivity to stand behind that new money, it robs each of us that holds a dollar of some of the purchasing power of that dollar.

The short term gains of pumping more money into the economy—which is principally a device allowing Government to pay for much of its debt without borrowing funds for it—produce long term losses for us all. We are each a little poorer when new money is printed and no productivity accompanies it.

The Board of Governors of the Federal Reserve System now has the power to issue new money supply. Congress gave it that power long ago. It was a mistake.

When new money supply is kept at about 3 or 4 percent, it is at least manageable—even though it still contributes to inflation. But, when that new supply is up around 7 or 8 or even more of a percentage, it results in the 11, 12, 13, even 14 percent inflation we have been experiencing. The charts are clear on this phenomenon: The increase in money supply produces an increase in prices. There is a direct, commensurate correlation between additional money supply and higher prices. That fact cannot be denied.

It is contended by some that there needs to be some increase in money supply—unaccompanied by additional productivity—to keep the Federal Government from having to borrow all of its funds for deficit financing from lending institutions at high interest rates. The answer to that is not to print more money; the answer is to stop deficit spending.

It is contended by others that there needs to be some increase in money supply—unaccompanied by additional productivity—to help boost a sagging economy and not to result in such restrictive lending policies as to jeopardize jobs. The answer to that is to find a level at which a sagging economy can be boosted, but not at the expense of the purchasing power of all those who have jobs or who are on fixed incomes and pensions.

Title II of the Fiscal Integrity Act provides that the Board of Governors of the Federal Reserve System must keep additional issuance of money at no more than 1¼ percent per fiscal quarter during ordinary times and 1½ percent per fiscal quarter during extraordinary times—with Congress having to specifically act upon allowing that 1½ percent level.

The Board can tie the issuance of new money to productivity, nonetheless, if it is less than either 1¼ or 1½ percent per fiscal quarter, because the bill does not require any new issuance of money at all, if the Board is so inclined.

As a matter of both philosophy and theoretical economics, I do not believe there should be an additional increase in the money supply which is not coupled with a like increase in national productivity. That is the only way to insure that the printing of additional, new money will not contribute to inflation.

We do not, however, live today under either normal or particularly healthy economic conditions. To insist that we immediately require by law that increases in the money supply be coupled with productivity is to put an additional pressure, potentially counterproductive at this time, upon the economic recovery capabilities we now have. It would switch us from one policy immediately 180 degrees in favor of another. I think that would be too drastic and would incur too many risks.

We should, therefore, take a halfway step, and that is what title II of the Fiscal Integrity Act is; it is a step in the right direction but one which would not require an immediate and total reversal in prior policy. As a step in the right direction, once we have reached a stage of economic recovery adequate to take the other step without running unnecessary economic risks, then we can amend the law to do so.

ADDITIONAL FISCAL DISCLOSURE REQUIREMENT

The Congress has taken an important first step—in the enactment of the Budget Reform Act—toward reestablishing its authority with respect to the preparation of the budget for the Government. The motives which underlay the enactment of that act are praiseworthy. Let us hope that the Budget Reform Act does work, and if it does not, as enacted, let us hope we will move quickly to rectify its weak provisions.

An important aspect of budget control was left off the Budget Reform Act as it worked its way through Congress. I speak of a requirement that each bill introduced or reported—which would authorize the expenditure of money—contain at the bottom of the first page of that bill the exact costs of implementing its provisions.

Let us be frank with ourselves. Too many bills are introduced without any real knowledge—even among its sponsors—of the total eventual costs of implementing its provisions, if enacted.

I think it would make all of us stop and think twice about introducing a bill to expand an existing—or enact a new—program, if we knew how much it would cost the taxpayers. At this initial level—this first step—in the process of how our laws are made, it would be a good thing for us to require—of each other and of ourselves—to disclose how much these bills would cost the taxpayers.

Similarly, title III of my bill would require a bill which would save money to show how much money would be saved.

Title III establishes a fairly simple procedure for obtain the figures for these fiscal notes—one which ought to be able to be done with existing staff of the departments and agencies.

THE TEXT OF THE FISCAL INTEGRITY ACT

With the explanation which I have just given of the proposed Fiscal Integrity Act, I think its provisions ought to be more understandable to each of us. The text of the bill follows:

H.R. 16111

A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of controls with respect to the levels of its revenues and budget outlays, the issuance of money, and the preparation of the budget, and for other purposes

Be it enacted by the Senate and House of

Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Integrity Act".

FINDINGS

Sec. 2 (a) The Congress hereby determines that—

(1) it is the joint and several responsibility of the legislative and executive branches of the Government of the United States to reestablish the fiscal integrity of the Government through the establishment of requirements that budget outlays not exceed revenue, that the issuance of additional money not contribute to inflation, and that each such branch have adequate capability to prepare the budget of the Government in a manner to insure the reestablishment and maintenance of such fiscal integrity;

(2) the Government has been, and is now, making budget outlays for nontrust budget items in excess of revenues received from all nontrust sources;

(3) such existing fiscal policy has resulted in substantial borrowing by the Government from both public and private sources, an increase in the public debt of the Government and the interest payments required to carry such debt, and an increase in the insurance of additional money;

(4) such deficit spending has contributed to inflation in the economy and an attendant lessening of the value of the dollar in terms of its ability to purchase goods and services in both domestic and foreign markets;

(5) allowing the continuation of policies and activities which lessen the fiscal integrity of the Government is detrimental to the general welfare of the people and ought, therefore, to be ended.

TITLE I—REVENUE AND BUDGET OUTLAYS CONTROL

Sec. 101. (a) There is established for each fiscal year a revenue and budget outlays limit for the Government. Budget outlays shall consist of the total of expenditures and net lending of funds under budget authority. No appropriation shall be made for any fiscal year by the Congress in excess of the revenue and budget outlays limit for such fiscal year.

(b) If during any fiscal year the revenue of the Government exceeds the limit established by subsection (a) of this section, the amount so in excess shall be used for the payment of the public debt of the Government.

(c) The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by the Federal revenue factor for such year.

(d) For the fiscal year beginning more than one hundred and eighty days after the date of enactment of this Act, the term "Federal revenue factor" shall mean the number derived by dividing the estimated aggregate revenue of the Government for the preceding year by the aggregate national income for such year, reduced by 0.025 per centum.

(e) For each of the following years, the term "Federal revenue factor" shall mean the number equal to the Federal revenue factor for the preceding fiscal year; except that for each of the twenty fiscal years beginning after the fiscal year to which this Act shall first apply, such term shall mean the number equal to the Federal revenue factor for the preceding fiscal year, reduced by an additional 0.0025 per centum.

(f) The limitations, determinations, estimates, and calculations required to be made by subsections (a), (c), (d) and (e) of this section shall be made by the Congressional Budget Office, acting through its Director.

Sec. 102. Upon an emergency, determined by a resolution passed by at least two-thirds of each House of Congress, the provisions of section 101 of this Act may be suspended, but only to the extent necessary to meet such particular emergency, and in no event shall such suspension apply to any fiscal year other than that fiscal year in which the resolution determining the existence of such emergency was passed.

Sec. 103. The provisions of this title shall apply to fiscal years beginning after the one hundred and eighty day period following the date of enactment of this Act.

TITLE II—MONETARY SUPPLY CONTROL

Sec. 201. (a) In carrying out its functions under section 324 of the Revised Statutes and under the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System shall insure that any rate of increase in the amount of currency in circulation and demand deposits is not greater than 1¼ per centum per quarter fiscal year.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, upon a finding and a report to the Congress by the Board of Governors of the Federal Reserve System that an extraordinary economic condition exists, the Board may exercise its functions so as to insure that the rate of increase in the amount of currency in circulation and demand deposits is not greater than 1½ per centum per quarter fiscal year during any fiscal year following the end of the first sixty days of continuous session of the Congress after the date on which the report is transmitted to it unless, between the date of the report and the expiration of the sixty-day period, either House passes a resolution stating in substance that it does not agree with the findings of the Board.

(2) For the purposes of paragraph (1) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(3) The provisions of sections 910 through 913 of title 5, United States Code, shall apply to the procedures applicable to the consideration of any resolution of disapproval under this subsection.

TITLE III—FISCAL DISCLOSURE

Sec. 301. A bill or joint resolution of a public or private character which has been introduced in either House of Congress or received by it from the other House shall be printed only when there appears at the bottom of the first page thereof a fiscal note. Such fiscal note shall state the amounts estimated to be the direct and indirect costs likely to be incurred or the direct and indirect savings likely to be achieved in carrying out the provisions of such bill or joint resolution in the fiscal year in which it is introduced or received and in each of the five fiscal years following such fiscal year, or for the authorized duration of any program authorized by such bill or joint resolution if less than five years, except that in the case of measures affecting revenue, the fiscal note shall state only the estimate of the change in revenues for a one-year period.

Sec. 302. (a) A copy of each bill or joint resolution required by section 301 to have printed on its first page a fiscal note shall, upon introduction or receipt, be transmitted immediately to the instrumentality of Government which will carry out the provisions of such bill or joint resolution.

(b) Not later than seventy-two hours following the receipt of any bill or joint resolution transmitted under subsection (a) of this section, such instrumentality shall transmit the text of the fiscal note for that bill or joint resolution to the Public Printer for printing by him.

(c) If a Member of Congress notifies the instrumentality of government which will carry out the provisions of the bill or joint resolution that he intends to introduce a bill or joint resolution required under section 301 to be printed with a fiscal note, and submits a copy of the bill or joint resolution to such instrumentality, such instrumentality shall provide such Member with the text of the fiscal note for that bill or joint resolution. Such fiscal note shall be placed at the bottom of the first page at the time of introduction. A copy of any bill or joint resolution introduced with a fiscal note in accordance with this subsection shall be transmitted to the Public Printer for printing, and the provisions of subsections (a) and (b) of this section shall not apply to any bill or joint resolution so introduced.

Sec. 303. A bill or joint resolution ordered reported by a committee of either House which authorizes a budget outlay shall be printed only when there appears at the bottom of the first page thereof a fiscal note consistent with the requirements of, and prepared in a manner consistent with, sections 301 and 302 of this title.

CALL FOR ACTION

Mr. Speaker, I believe more effective budget control and monetary supply control are ideas whose times have come.

Whether they are enacted this year, or at some subsequent point, they will be enacted. If not, we run the risk of destruction of our still free economy, our political system, and our free society.

The time is now for this body to exert leadership. It should do so. I am committed to that.

CONGRESS MUST ACCEPT AND EXERCISE ITS AUTHORITY OVER THE FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. Cohen) is recognized for 5 minutes.

Mr. COHEN. Mr. Speaker, the Members of this body are acutely aware of the unease and frustration pervading this Nation because of our present economic woes. The hitherto unknown combination of double-digit inflation and the threat of recession has created great concern among our Nation's citizens. Understandably they feel that their lives, fortunes, and futures are more and more beyond their own control and subject to the decisions of their Government. Unfortunately, many Americans also believe that their Government lacks the knowledge or ability to correct the problems now plaguing us and make good on the promises it has held out to the people.

In this atmosphere I consider it absolutely imperative that Members of Congress, who collectively have the constitutional responsibility for determining our fiscal policies, be honest with the American people about the authority they can exercise to correct them. I have been very disturbed in recent weeks to hear respected leaders of this body blame the administration for overspending and declare that the President must impound funds in order to bring Federal expenditures to an acceptable level.

Surely, after the thousands of words spoken by Members of Congress on the impropriety if not illegality of executive impoundment and after the great expense in time and effort involved in enacting the Congressional Budget and Impoundment Control Act of 1974, we are not going to be so hypocritical as to insist that the Congress has neither the responsibility nor the authority to control the Government's purse. I have heard calls for the President to veto all appropriations bills and send them back for congressional action. Have we forgotten that before virtually any of our fiscal year 1975 appropriations bills go to the President for signature they must still gain the final approval of both this and the other body?

If the Members are concerned, as we must be, with reducing Government spending and thus helping control inflation, then certainly a vote can be taken to recommit these bills to conference or committee with instructions that the reductions be made. And while, admittedly, the procedures established in the Budget Control Act do not become formally effective until next year, there is no reason why a similar approach cannot be informally utilized to determine a viable budget ceiling and the priorities necessary for readjusting our appropriations.

I would urge my colleagues to be absolutely honest also about both the complexity of the economic problems and the implications of a large budget cut. The severe inflation of this past year has been a worldwide problem brought on in considerable measure by the sharp increases in oil and food prices. These price increases were the result of sudden shortages and the scramble of nations to obtain enough of these materials to maintain their economic production. In the end, such problems will only be corrected by increasing our agricultural and energy supplies.

Further, a large portion of the present Federal budget, including revenue sharing, highway funds, and social security is already committed by law and cannot be included in any budget reduction efforts. This means that a 10-percent reduction will necessitate very deep cuts in the smaller, controllable section of the budget. A number of programs for which Congress has expressed great support may, therefore, be jeopardized. Obviously, then, Congress will have to make some very difficult decisions about its priorities.

But that, after all, is our function. We have the authority and responsibility to do so, and it is incumbent upon us to demonstrate to this Nation that we have the will. Instead of trying to point the finger of blame at another branch of Government, let us square our shoulders and assume the task for which we were elected. Until we do so, the crisis in confidence will continue, and it will not just be the Congress or the administration, the Democrats or the Republicans who will lose, but the entire Nation.

INTOLERABLE LIFE FOR SYRIAN JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, under the various agreements made by the United States with the Syrian Arab Republic between 1946 and 1972, roughly $60 million has been extended to that nation in addition to the $50 million in military and economic assistance doled out until 1965.

In light of the resumption of diplomatic relations between the two nations at the ambassadorial level and the new educational and cultural agreements, we may expect more demands for assistance from Syria. In considering these requests, we ought to show our concern for a community held captive in Syria, much as we have done for the Jewish community in the Soviet Union, and as we failed to do for European Jewry under Hitler.

The parallels between the state of Syrian Jewry today and that of Jews of other times and places are all too clear. Like their European counterparts of the thirties, they are now required to carry identity cards stamped in yellow. Like the Soviet Jews of today, they are persecuted and forbidden to emigrate. These prejudices reflect themselves in a multitude of conscious policy measures that the Syrian Government directs toward its captive Jewish population.

The severe discriminations that the Jews in Syria have been subjected to have become draconian since the 6-day war. The Jewish community is being forcibly isolated. Soldiers and other civil servants are forbidden to trade in Jewish shops. Curfews are announced to confine Jews to their homes for lengthy periods. The Jewish populations of Aleppo and Damascus are never allowed to leave the city limits.

Not only are Jews set apart, they are subjected to harassment. As part of a deliberate effort to plague its Jewish population, the pieces of real estate that Jews are forbidden to transfer to their heirs are given to Palestinians, the very people who perpertrate malicious acts against their Jewish neighbors under the sanction of the police.

These deplorable conditions are rendered intolerable by the absolute refusal of the Syrian Government to permit Jewish emigration. The Jewish men and women who sought to make their way out of the country have received lengthy prison sentences. Of late, Syrian police are cracking down on relatives of Jews who have succeeded in leaving the country, subjecting them to reprisals, including arrest and torture.

Even as I speak, these Syrian Jews are suffering in the purgatory that the perversions of justice, unabashedly committed by the Syrian Government, have given rise to.

Mr. Speaker, to assure the dedication of the United States to fundamental human rights, to give these unrepresented people their only opportunity to live in freedom and dignity, I propose that the Vanik amendment to the trade bill be amended to extend the proscription of the most-favored-nation status to any and all nations which deny to their citizens the right to emigrate.

Mr. Speaker, I mean that specifically to include Syria.

RESOLUTION ON THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, the American economy is currently teetering on the brink of disaster. Nonetheless, the Nixon administration persists in its cruel and inhuman pursuit of outmoded, traditionally Republican, economic policies.

Today the Democratic caucus adopted a resolution recommending alternative approaching to strengthening our economy. In doing so, the caucus acted on the basis of advice recently offered to the steering committee by some of our Nation's leading economists.

The President would do well to adopt these recommendations. And the Nation would be the chief beneficiary.

The text of the resolution follows:

RESOLUTION ON THE ECONOMY OF THE HOUSE DEMOCRATIC CAUCUS

Whereas the American economy is in its worst overall condition since the Great Depression, and,

Whereas the American people are suffering the ill effects of rapid and persistent price inflation: high and rising unemployment; chronically low levels of production and, currently, a severe economic recession; extremely high interest rates which are causing serious dislocations of financing in the housing industry, small business, utilities, state and local governments, and other sectors of the economy; budget deficits resulting from shortfalls in Federal revenues caused by lost economic production; supply bottlenecks and shortages of basic resources; growing unfairness in the distribution of income; and lack of integration of governmental policies which, in itself, contributes to the foregoing problems, and,

Whereas the current Administration has, over more than five years, proved itself incapable of working effectively to solve our nation's economic problems and has, in fact, measurably contributed to these economic difficulties through its failure to fashion and to implement policy correctly, and,

Be it therefore resolved, That the Democratic Caucus of the United States House of Representatives recommends (1) the adoption of a balanced tax reform package, including measures to offset the harm done by inflation to the purchasing power of middle- and lower-income families, who have suffered most from inflation; (2) cutting out of waste and unnecessary expenditures wherever found; (3) improved and expanded public employment and unemployment compensation programs to combat the rising tide of joblessness and increased efforts to solve the specific problems of the marginally employable; (4) cushioning the impact of monetary restraint and bringing down high interest rates by channelling credit toward credit-starved areas of the economy, such as productive capital investment, housing, state and local governments, and small business, and away from speculative and inflationary use of credit; (5) increasing the supply of scarce materials and forestalling future shortages through advanced planning and sensible import, export, subsidy and market policies; (6) consideration and implementation of new policies to place all governmental economic policy machinery on a longer-range basis, including review of government policies in such areas as agriculture, energy, transportation, health, defense procurement, and antitrust policy, and development of the Congress' own new budgetary system for long-range purposes, such as the evaluation of long-range effects of changes in taxes and expenditures; (7) efforts by business, labor and government to achieve responsible wage and price behavior; (8) adequate support for badly-needed social programs, such as education, health, housing, and anti-pollution efforts through the increased federal revenues which will automatically result from a healthy economy, and

Be it further resolved, That the appropriate committees of the House be urged to report legislation to implement these recommendations, where possible, in this Congress and, where not, in the 94th Congress.

EXIMBANK: EXPORTING AMERICA INTO ENERGY EQUIPMENT SHORTAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, as our Nation drifts with uncertain energy supplies, while the growth of American industry pauses because of energy shortfall, while citizens remain concerned because of inadequate and high-priced electricity and oil, the taxpayer funded Export-Import Bank continues on its merry way, funding the sale of energy-related equipment all over the world at subsidized interest rates. The taxpayer-backed industry subsidy for energy development and production outside the United States and for other nations approximates $60 million per year.

Developers of energy have the option of creating new energy in the United States at interest costs of 12 to 15 percent—or developing energy abroad with the aid of the Eximbank and its 6 to 8.5 percent loans.

The record which I submit with this statement clearly indicates that the American taxpayer provided massive long term loans at 6% to develop the North Sea oil for the European market. Another Export-Import Bank loan for $172,350,000 at 6 percent will build a pipeline in Norway. In the past 3 fiscal years, the total of North Sea related development loans to England, Norway, and Denmark appears to be in excess of $347 million.

Other Exim loans have been to the oil producing countries which rewarded the lender by multiplying the price of the product to Americans.

Some of these credit arrangements include recipients involved in the oil boycott against the United States:

First, $6 million for an offshore oil rig to be used in the Arab emirate of Abu Dhabi; and

Second, $50 million to build an oil pipeline from the Gulf of Suez to Alexandria, Egypt. The line will be owned 50 percent by Egypt, with the remainder shared by Saudi Arabia, Kuwait, Abu Dhabi, and other OPEC members.

Where is our national interest in the policies of the Export-Import Bank, which has dramatically and continuously encouraged the exportation of energy producing equipment which is often in critically short supply in America. In the area of oil production, the Bank has encouraged a domestic shortage of drilling, refining, and pipe equipment by granting low-cost, 6 to 8.5 percent loans to foreign oil producers for their purchase of American equipment. The export of these materials hurts U.S. producers, who can obtain needed equipment only with long delays and high interest rates of 12 to 15 percent.

The International Association of Oil Well Drilling Contractors reports that there is a 2-year wait for drilling pipe and a 3-year delay for drilling rigs. On April 1, 1974, the Assistant Administrator for Policy, Planning, and Regulation of the Federal Energy Office, stated that—

> The general uncertainty as to the availability of tubular goods has apparently already delayed the drilling of some wells which should be drilled now.

Yet, since June of 1973, the Eximbank has made available to other countries—in the petroleum energy area alone—well over $200 million for financing the export of exploratory, production, transport, and refinery materials.

Mr. Speaker, how can we hope to be independent in energy while we create more favorable conditions for energy development abroad than at home? By rough estimate, I have found that within the past 5 years alone, the Eximbank has granted over 200 loans for all forms of energy development—loans amounting to nearly $3 billion. Because the Bank provides a loan for only about half the value of the export, it appears that the Bank has helped export more than $6 billion in energy equipment. How much more successful would Project Independence become, if the Bank's guaranteed and subsidized loans could be made avaiable for domestic energy investments? In light of energy needs at home, the export of capital for foreign energy development can no longer be considered a valid function of the Eximbank.

I urge the House Banking and Currency Committee, which is currently considering legislation to extend the life of the Bank, to place restrictions on the power of the Bank to encourage energy equipment sales. The Bank must be prevented from exporting us into brownouts, blackouts, and energy-related unemployment.

Below are listed my own estimates—developed from the Bank's annual reports—of the total amount of all energy development loans granted by the Eximbank during the past 5 fiscal years.

Fiscal year and amount

Number of loans granted:		
24	1970 (7/69–6/70)	$310, 921, 220
30	1971 (7/70–6/71)	287, 444, 760
50	1972 (7/71–6/72)	816, 585, 430
55	1973 (7/72–6/73)	669, 123, 090
42	1974 (7/73–6/74)	889, 927, 610

Following is the table of Export-Import Bank loans for fiscal year 1974. The level and type of loans made in fiscal 1974 is typical of those made in fiscal years 1972 and 1973:

FISCAL YEAR 1974

OBLIGOR, PURPOSE, RATE, TERMS, AND AMOUNT

Bahamas

Deutag International (C Deilman AG): oil drilling; 6.000% payable in 5 SA.; beginning 12-31-76; $1,521,580.

Brazil

Sociedade Anonima White Martin: Expand facilities for gas & liq.; 6.000% payable in 9 SA· beginning 11-10-81; $4,693,500.

Dow Quimica Do Nordeste SA (Dow Chemical Co): Construct petrochemical plants; 6.000% payable in 8 SA.; beginning 11-10-80; $5,145,000.

Canada

Irving Oil Co.: Oil refinery expansion; 6.000% payable in 10 SA.; beginning 5-10-81; $24,750,000.

China, Republic of (Taiwan)

Taiwan Power Company (Ministry of Finance): Increase in financing for 5-50 MW Gas turbine units; 6.000% payable in 10 SA.; beginning 2-05-80; $10,980,000.

Taiwan Power Company (Republic of China)): Two nuclear power plants: 6.000% payable in 15 SA.; beginning 5-20-89; $199,498,800.

Colombia

Corporacion Electrica de la Co. (Republic of Colombia Ministry): Generators; 6.000% payable in 15 SA.; beginning 5-30-84; $10,577,700.

Costa Rica

Instituto Costa de Electridad (Ministry of Finance): Two gas turbines power plants; 6.000% payable in 8 SA.; beginning 6-05-78; $2,123,863.

Denmark

Corino Shipping A/S et al. (Dampskibsselkabet AP 1912 et al.): Increase in financing for two drilling vessels; 6.000% payable in 7 SA.; beginning 9-15-77; $337,586.

Maersk Boreentreprise (Dampskibsselskabet Incorp.): Increase in financing for one offshore drilling rig; 6.000% payable in 7 SA.; beginning 7-10-77; $450,000.

Steamship Co.: Steam turbine units; 6.000% payable in 8 SA.; beginning 12-05-79; $1,760,000.

Dominican Republic

Corp. Domicana Electricidad (Dominican Republic): Electric power expan. program; 6.000% payable in 14 SA.; beginning 8-10-84; $18,000.000.

Ecuador

Empresa Electrica del Ecuador: Thermal power station expans.; 6.000% payable in 6 SA.; beginning 5-05-79; $2,660,850.

Egypt, Arab representative of

Suez-Mediterranean pipeline pe.: Pipeline construction project; 6.000% payable in 16 SA.; beginning 8-10-77; $50,000,000.

Finland

Neste oy: Gas turbine power pac.; 6.000% payable in 7 SA.; beginning 2-10-78; $855,260.

Iran

Intairdril limited (intairdril): Oil drilling equip.; 6.000% payable in 5 SA.; beginning 11-05-76; $1,620,000.

Israel

Bank Hapoalim—BM.: Increase in financing for 3 gas turbine generators; 6.000% payable in 10 SA.; beginning 11-15-78; $1, 350,000.

Italy

Sub Sea Oil Services SPA (Shell Petroleum NV): Submarine and related equipment; 6.000% payable in 5 SA.; beginning 4-10-77; $529,650.

Japan

Atomic Power Company (Japan Development Bank): Increase in financing for nuclear fuel; 7.000% payable in 5 SA.; beginning 11-01-73; $1,000,000.

Mexico

Com. Federal de Electricidad (Nacional Financiera SA): Nuclear power plant const.; 6.000% payable in 20 SA.; beginning 5-10-82; $25,515,000.

Nigeria

Ashland Oil Co. oil exploitation equip. & servi.; 7.000% payable in 10 SA.; beginning 10-05-74; $1,800,000.

Norway

Ugland Shipping Company A.S. (Den Norske Credit Bank): increase in financing for semisubmersible oil driller; 6.000% payable in 7 SA.; beginning 9-15-77; $461,250.

Norskald (Gotaas-Larsen Shipping Corp.): increase in financing for semi-submersible drilling rig; 6.000% payable in 5 SA.; beginning 2-05-77; $900,000.

Nordic Offshore Drilling Co. (Other): blowout preventor; 6.000% payable in 5 SA.; beginning 8-05-76; $900,000.

Gotaas-Larsen Drilling A/S Co. (Hambros Bank Ltd): increase in financing for drilling equipment; 6.000% payable in 5 SA.; beginning 8-05-77; $315,000.

Skaugen-Offshore Co. (The Offshore Co.): increase in financing for drilling equipment;

6.000% payable in 5 SA.; beginning 2-05-78; $225,000.

Ekofisk Co-Venturer (Parents of Co-Venturer): oil & gas field developmt; 6.000% payable in 5 SA.; beginning 7-10-78; $22,-500,000.

Ekofisk Co-Venturers (Parents of Co-Venturers): construct oil pipeline; 6.000% payable in 8 SA.; beginning 7-10-80; $172,350,000.

Ks A. S. Viking Offshore (Den Norske Creditbank): semisubmersible drilling rig; 6.000% payable in 5 SA.; beginning 11-10-77; $2,250,000.

Ks Dyvi Drilling As (Various): offshore drilling equip.; 6.000% payable in 5 SA.: beginning 11-30-77; $2,700,000.

Sweden

Sydsvenska Varmekraftaktiebol (Sydkraft & Skandinaviska): nuclear fuel load; 6.000% payable in 5 SA.; beginning 8-20-80; $6,570,000.

Thailand

Ednasa Co. Ltd.: one drilling rig; 6.000% payable in 5 SA.; beginning 8-10-74; $1,800,000.

Ednasa Co. Ltd.: one drilling rig; 6.000% payable in 5 SA.; beginning 8-10-73; $1,080,000.

United Kingdom

Salvesen Offshore Drilling Ltd. (Christian Salvesen Ltd.): increase in financing for cargo vessel for drilling oper.; 6.000% payable in 7 SA.; beginning 10-31-77; $900,000.

Geoprasco Overseas Ltd. (Trafalgar House Investment Ltd.): oil drilling equip.; 6.000% payable in 4 SA.; beginning 6-05-76; $742,500.

Kingsnorth Marine Drilling Ltd. (various): oil drilling equipment, 6.000% payable in 5 SA.; beginning 2-05-78; $6,300,000.

Four Millbank Investments Ltd. (four Millbank holdings Ltd): oil drilling rig; 6.000% payable in 5 SA; beginning February 5, 1978; $2,703,688.

Venezuela

C. A. De Admin Y Fomento Electri (Corp. Venezolana De Fomento): two gas turbines; 6.000% payable in 8 SA; beginning May 10, 1978; ———.

C. A. Energia Elec. Venezuela; gas turbine power plant; 6.000% payable in 8 SA; beginning November 10, 1978; ———.

Yugoslavia

Elektrarna Sostanj (various): thermal power plant and equip.; 6.000% payable in 12 SA; beginning May 10, 1984; $18,000,000.

Various (various): construct nuclear power plant; 7.000% payable in 20 SA; beginning June 10 1979; $176,019,000.

Zaire

Soc. Nationale D Electricite (Min. Finance Govt. of Zaire): electric power line construction; 6.000% payable in 15 SA; beginning August 10, 1985; $102,240,000.

WHAT IF WE DON'T IMPEACH HIM?

(Mr. FRASER asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. FRASER. Mr. Speaker, I have just reread Arthur M. Schlesinger, Jr.'s May 1974 Harper's Magazine essay, "What if We Don't Impeach Him?" Schlesinger, now Albert Schweitzer profesor of humanities at the City University of New York and author of "The Imperial Presidency," answers his own question: failure to impeach will consolidate the "imperial Presidency," possibly diminish the Presidency in other areas as ill-advised restrictions are placed on Nixon and, finally, hold up to the Nation and the world a moral model not even the President's defenders defend.

But what if the House impeaches the President and the Senate fails to convict? I agree with Arthur Schlesinger's view:

Even if Mr. Nixon should eventually beat the rap, the experience of trial before the Senate would inescapably have a chastening effect. The readiness of Congress to carry things that far must surely reinvigorate the system of accountability—not so much as conviction and removal but a good deal more than acting as if Mr. Nixon had done nothing out of the ordinary. The worst thing, it seems to me, would be to register Congressional acquiescence to Mr. Nixon's theory of Presidential accountability. It is better to have impeached and lost than never to have impeached at all.

The article follows:

[From Harper's Magazine, May 1974]

WHAT IF WE DON'T IMPEACH HIM?

(By Arthur M. Schlesinger, Jr.)

We hear a great deal today about the presumably grim consequences of the impeachment of the President—an endless public trial, a people divided, a government paralyzed, a nation disgraced before the world. But suppose the House of Representatives should decide *not* to impeach Mr. Nixon. This would have its consequences, too—consequences that deserve at least as careful an examination.

For the refusal to impeach would be a decision as momentous as impeachment itself. It would and could be interpreted only as meaning that Congress does not think Mr. Nixon has done anything to warrant impeachment. It would alter the historic relationship of Presidential power to the constitutional system of accountability for the use of that power. The message our generation would send to posterity would be that Mr. Nixon, whatever his other disasters, had conceived and established a new conception of Presidential accountability, and that his successors, so long as they take care to avoid the crudities of a Watergate burglary, can expect to inherit Mr. Nixon's conception of inherent Presidential authority and to wield the unshared power with which he will have endowed the Presidency. Failure to impeach would be a vindication of a revolutionary theory of Presidential accountability.

The traditional theory, the theory that prevailed from 1789 to about 1966, was sufficiently clear. The President, as Andrew Jackson put it, must be "accountable at the bar of public opinion for every act of his Administration." "I have a very definite philosophy about the Presidency," said Theodore Roosevelt. "I think it should be a very powerful office, and I think the President should be a very strong man who uses without hesitation every power that the position yields; but because of this fact I believe that he should be sharply watched by the people [and] held to a strict accountability by them."

It is precisely such a system that Mr. Nixon has seemed determined to reject, one that manifestly drives him, as *he* would say, "up the wall." In his view, the requirements of accountability are sufficiently fulfilled every four years. Each Presidential election confers a mandate, which empowers the President to do whatever he thinks best for the safety and welfare of the republic. Between elections the President has the right to be left alone to carry out his mandate. The mandate, if there were proper "respect for the Presidency," should shield the President from the harassment of a nosy Congress, an unscrupulous opposition, and a disrespectful press. All these egregious institutions must "get off his back" and let him do his job.

For better or worse, however, this conception of Presidential accountability does not happen to be the one embodied in the American Constitution. It may well be embodied in the last constitution of General de Gaulle. But Mr. Nixon, alas, is not the President of France. And his novel theory of Presidential accountability, applied to the American scene, has led to a variety of unprecedented executive actions, some of which, in my judgment, are impeachable and some of which are not.

Mr. Nixon moved rather systematically, for example, to deprive Congress of the three historic powers that enabled it during most of American history to play its role in the system of accountability. One of these is the power of the purse—the power to decide how public money should be spent. *The Federalist*, No. 58, called this "the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure." The second is the power of oversight and investigation—the power to monitor and disclose the activities of the Executive branch. "The informing function of Congress," said Woodrow Wilson, "should be preferred even to its legislative function." The third is the power to declare war—the power specifically reserved by the Founding Fathers for Congress so that, as Lincoln said, "*no one man* should hold the power of bringing this oppression upon us."

These are the powers that had above all preserved the balance of the Constitution—and these are the powers that Mr. Nixon set out methodically to nullify. Through his doctrine of unlimited impoundment, he sought to nullify the Congressional power of the purse. Through his doctrine of unreviewable executive privilege, he sought to nullify the Congressional power of oversight and investigation. Through his doctrine of the unlimited power of the Commander in Chief to take preemptive action to protect American troops from the threat of attack, he sought to nullify the Congressional power to authorize war. If he had succeeded in imposing these three doctrines in the absolute form in which he presented them, he would have effectively ended the power of Congress as a partner in the constitutional order.

I do not propose, however, that these doctrines, wrongheaded as they may be and ominous as would be their consequences, constitute per se grounds for impeachment. Mr. Nixon has been perfectly open and aboveboard about these claims. He has avowed his doctrines publicly and given Congress and the people full and fair warning. Moreover, as we should have learned from the Andrew Johnson case, impeachment is not the way to settle arguable constitutional differences in advance of final decisions by the Supreme Court. Of course, if Mr. Nixon persisted in such doctrines in defiance of court orders, this would be another question and would obviously carry him into the zone of impeachability.

What matters here is that these doctrines express a state of mind. They express a rejection of Lincoln's view that under the Constitution "*no one man*" should exercise excessive power. And this same state of mind, the same resentment of challenge and scrutiny, the same effort to break the Presidency out of the historic system of accountability has led Mr. Nixon into other claims and deeds that fall much more probably into what Hamilton, explaining the necessity for impeachment, called "the abuse or violation of some public trust."

Foremost among the public trusts confided by the people to the President is the constitutional command that "he shall take Care that the Laws be faithfully executed." A crucial question in regard to the Watergate matter is whether Mr. Nixon has obeyed this command. One reading of the record would suggest, for example, that, instead of pressing for the detection and punishment of lawbreakers, Mr. Nixon has continuously resisted inquiry into Watergate: first trying to limit the FBI investigation; then failing to report to law-enforcement officials crimes of which he had admitted knowledge after March 21, 1973; then withholding evidence from the courts; then firing the Special Prosecutor, who seemed too ardent about the faithful execution of the law; then, when forced by the courts to produce tapes he had attested on July 23 last as being "under my sole personal control," denying that some ever existed and turning over others in a form so damaged and defective as to destroy their evidentiary usefulness; most recently, declining to submit further evidence to a new Special Prosecutor. When the board of technical experts concluded that one of the most critical tapes had been deliberately obliterated, Mr. Nixon, far from showing constitutional zeal about ferreting out the obliterators, revealed no public concern or even curiosity.

This would not seem a convincing portrait of a President taking care that the laws be faithfully executed. Of course, it may well be an incorrect reading of the record. Still, there is surely enough in that record, however read, to raise the question of whether Mr. Nixon's interest in Watergate has been in the faithful execution of the law or in the sabotage of a criminal inquiry. In a constitutional order, above all when the probity of the President himself is under challenge, that question demands an answer. The Founding Fathers anticipated that such questions might arise and laid down in the Constitution a way by which answers could be found.

For no President can withhold evidence in an impeachment inquiry. Whatever standing the claim of executive privilege may have in other circumstances, it has none here. James K. Polk was the only President between Jackson and Lincoln to enhance the power of the Presidency; but Polk conceded with utmost clarity in a message to the House of Representatives in 1846 that, if the House were looking into executive misconduct with a view to the exercise of its power of impeachment, "the power of the House in the pursuit of this object would penetrate into the most secret recesses of the Executive Departments. It could command the attendance of any and every agent of the Government, and compel them to produce all papers, public or private, official or unofficial, and to testify on oath to all facts within their knowledge."

Impeachment, it must be emphasized, is not a judgment on a public official; it is a process by which a judgment can be reached on the basis of evidence. And this process offers the most expeditious as well as the constitutional way to resolve the question of whether Richard M. Nixon has faithfully executed the laws of the United States. It is a procedure, moreover, that should commend itself quite as much to the friends of the President as to his critics. For, if Mr. Nixon is indeed guiltless, if he is the victim, as Vice-President Ford assures us, of a left-wing cabal organized, according to Senator Goldwater, by "people dangerous to the American way of life," then what better way to expose the conspiracy and confound the conspirators than to give Mr. Nixon a fair and open trial? Whatever constitutional scruples may have constrained the President from making public the documents that Senator Scott tells us, would clear him if only they could be released, would necessarily be overborne in the case of impeachment. Do not these true believers wish to dispel all uncertainty and give the President in whom they profess such boundless faith the opportunity to vindicate his character?

This is precisely the ground on which Benjamin Franklin argued in the Constitutional Convention. Impeachment, he said, was the best way to assure not only "the regular punishment of the Executive where his misconduct should deserve it" but equally "his honorable acquittal when he should be unjustly accused." Dr. Franklin cited the case of the Prince of Orange, who was blamed for the failure of the Dutch fleet to carry out an agreement to meet the French fleet at a stated rendezvous. Because the *Stadtholder* could not be impeached, suspicions were permitted to flourish and ended in "the most violent animosities and contentions" against him. "Had he been impeachable," Franklin observed, "a regular and peaceable inquiry would have taken place and he would if guilty have been duly punished, if innocent restored to the confidence of the public." When there was no process of impeachment, Franklin noted, this might leave a desperate people no alternative but assassination, in which case the leader under fire would be "not only deprived of his life but of the opportunity of vindicating his character."

Worst of all is the signal transmitted to posterity if Congress decides that the question of whether Mr. Nixon has faithfully executed the laws is not worth bothering to answer. Such a considered expression of Congressional indifference could not but invite Mr. Nixon's successors to be equally cavalier about their constitutional responsibilities in the assurance that, unless a President, say, murders his wife in the presence of his Cabinet, Congress will be unlikely to insist that he need worry about his obligation to take care that the laws be faithfully executed. Thus refusal to impeach Mr. Nixon would widen the breach in the system of accountability. And that breach would be widened still further if a Congressional failure to act established the view espoused by the new Attorney General and some Republican members of Congress that a President is not to be held accountable for the deeds of his closest subordinates.

Obviously a President need not be impeached because an obscure official buried deep in the endless bureaucracy, someone he does not know and probably has never heard of, does something wrong. But it is an extraordinary idea that a President is not responsible to some degree for the behavior of those intimates with whom he chooses to surround himself in the White House and the Cabinet. No doubt many of the Republicans who deny that Mr. Nixon should be held accountable for Messrs. Haldeman, Ehrlichman, Mitchell, Stans, Dean, Krogh, Chapin, et al. are stockholders in great corporations. One hardly supposes that they would be equally permissive if the top man in one of these corporations disclaimed all responsibility for a persisting and cumulative pattern of offenses that had wrecked the public credit of the firm and had been committed by people he personally brought into the business. On the contrary: they would hasten to vote him out of office at the next stockholders' meeting. It is hard to see why Republican Congressmen should have higher standards for the president of a corporation than for the President of the United States.

The practical point is irresistible. If Mr. Nixon did not know what his right-hand men were doing, it was only because he did not wish to know. He had every facility in the world for finding out. And if Congress should decide that a President is no longer to be held broadly accountable for the conduct of his most personal appointees, it would obviously encourage future Presidents to wink at every sort of skulduggery so long as nothing could be traced to a specific directive from the Oval Office.

The constitutional point is equally irresistible. Madison was the father of the Constitution. The First Congress, because it contained so many men who had been at Philadelphia in the summer of 1787, has been called an adjourned session of the Constitutional Convention. Madison in the First Congress successfully argued that the President must have power to remove his appointees. Assuring the President this power, Madison said, would "make him, in a peculiar manner, responsible for their conduct, and *subject him to impeachment himself* [my emphasis], if he suffers them to perpetrate with impunity high crimes and misdemeanors against the United States, or neglects to superintend their conduct, so as to check their excesses. On the Constitutionality of the declaration I have no manner of doubt." If the Ninety-third Congress should now decide that it understands constitutionality better than Madison and the First Congress, if it concludes that Mr. Nixon has no responsibility for the conduct of his closest associates, it would confirm Mr. Nixon's success in breaking the Presidency out of the historic system of accountability and in fastening a new conception of Presidential responsibility on the American republic.

The refusal to impeach Mr. Nixon would in addition fix on the hapless republic the idea of "national security" which he invoked —and apparently still invokes—as justification for secret and lawless behavior on the part of a President and his agents. No doubt Mr. Nixon's defenders will claim that he did no more than other Presidents—notably Lincoln and Franklin Roosevelt—in moving beyond the Constitution to protect the safety of the nation. They will point out that neither Lincoln nor Roosevelt was impeached; therefore, Mr. Nixon must be in the clear. And certainly one cannot deny Presidents the power to take drastic actions at their own peril when the life of the nation is at stake. Madison himself wrote in *The Federalist*, No. 48, that it was vain "to oppose constitutional barriers to the impulse of self-preservation." But there remain signal and decisive differences between the actions of Lincoln and Roosevelt and the actions of Mr. Nixon.

The life of the nation, after all, was truly at stake during the Civil War and again during the second world war. Moreover, Lincoln and Roosevelt carefully explained to Congress and the people why they thought the emergency so critical and thereby enabled Congress and the people to be the judge of their actions. Time in their cases was unquestionably of the essence. Their Congresses were unwilling or unable to devise policies of their own. And none of their acts was directed against the internal political process. Indeed, both Lincoln and Roosevelt held Presidential elections in the midst of their supreme national crises—and did not try to cook the results.

Moreover, where Lincoln and Roosevelt did their best to account for their actions to Congress and the people, where Mr. Nixon himself had expounded with relish his theories of impoundment, executive privilege, and the Presidential war-making power, Nixon never let Congress or the people on his notion that "national security" gave the President the right to break the law; this had to await John Ehrlichman's testimony before the Watergate Committee. Nor did he vouchsafe any public explanation of the national emergency of 1970, any argument that the Weathermen and the Black Panthers posed a threat to the republic comparable to that posed by civil war or by Nazism. Instead, behind closed doors, he authorized illegal actions—actions in many cases beyond anything undertaken by Lincoln or Roosevelt in times of authentic and indisputable crisis. Most indefensible of all was the Nixon Presidency's subversion of the political process itself. Whether this was authorized in advance or covered up afterward, it represented an attempt to deny the American people one of the two constitutional remedies for the abuse of Presidential power. The other remedy, of course, is impeachment; and, if Congress chooses to deny us this as well, where would it leave the constitutional order?

Mr. Nixon's all-purpose incantation of national security as an inherent and absolute Presidential right, whatever the surrounding circumstances, a right to be exercised in secret at Presidential pleasure without accountability to Congress and the people, surely represents an extraordinary violation of public trust. Some of his own people have begun to understand this now, even though Mr. Nixon himself thus far has shown not the slightest evidence of comprehension, repentance, or even passing regret. "The key," the penitent Egil Krogh recently said, "is the effect that the term 'national security' had on my judgment. The very words served to block critical analysis. It seemed at least presumptuous if not unpatriotic to inquire into just what the significance of 'national security' was." If Mr. Nixon is not impeached, it will be a message from Congress to future Presidents that they can define national security as they wish, share their definition with no one, and do whatever they claim national security requires. It will be difficult for future Congresses to object when future Presidents act upon the powerful precedent Mr. Nixon will thus have established.

Future Presidents will be tempted most of all to assume that the American people in the end really prefer a regime based on and limited to the idea of quadrennial accountability so long as it is divorced from the stupidity of a Watergate burglary. And Watergate is precisely the sort of excess that more intelligent or less deluded Presidents than Mr. Nixon would take every care to avoid. If Mr. Nixon is still in office in January 1977, even though his personal reputation may be shattered beyond repair he will very likely have succeeded in consolidating the imperial Presidency.

There may be still another institutional consequence. There are two ways to deal with the abuse of Presidential power. One is to reestablish and enforce the system of accountability. The other is to reduce the powers of the President. Having failed to do the first, Congress would no doubt attempt the second. Since no one in Congress really trusts Mr. Nixon an inch, if he is not impeached there will be a continuing campaign till January 1977 to clip his wings through restrictive legislation. Already Congress has under consideration proposals giving itself the last word on questions like impoundment, executive privilege, executive agreements—questions that, before the Nixon Presidency, were worked out by accommodation and comity between the executive and legislative branches.

The trouble with wing-clipping legislation is that it would not only restrain Mr. Nixon in his last two years but could do injury, perhaps lasting injury, to the Presidency as an institution. But the Presidency as an institution is really not the cause of our trouble. As an institution, the Presidency has served the republic well during most of the course of American history. It would be fallacious to eviscerate the institution because a recent President or two abused the trust—or because Congress and the people allowed the system of accountability to fall into decay. The great virtue of impeachment is that it punishes the offender without punishing the office. It would permit future Presidents to use legitimate powers to the full while warning them in an emphatic way that they had better not usurp illegitimate powers or ignore the system of accountability.

Impeachment is, after all, the constitutional remedy. It is not, as some citizens seem to suppose, a form of lèse majesté. The Founding Fathers prescribed it in the full expectation that it would be used. Madison deemed it "indispensable" that the Constitution contain a provision "defending the Community ag.st the incapacity, negligence or perfidy of the chief Magistrate." Monroe called the impeachment clause "the main spring of the great machine of government," the method of keeping the machine "in motion by its own powers and on a proper balance." There can be no better means than this of making future Presidents sensitive to the system of accountability—and of making future Congresses remember that they too have a responsibility in the constitutional order. If there was ever a time when the community needed defense against Presidential incapacity, negligence, and perfidy, it is surely today. If Congress does not act in 1974, the deterrent effect of the impeachment clause will thereafter be nonexistent.

The constitutional side of the story is not all, nor is it even perhaps the more important side. A Congressional decision to excuse Mr. Nixon's transgressions would create more than a constitutional model. It would create a moral model.

The President of the United States occupies a peculiar but recognized place in the moral organization of American society. Theodore Roosevelt called the Presidency a "bully pulpit." Franklin Roosevelt said it was "preeminently a place of moral leadership." Parents used to hope their children would grow up to be President. Children like to see the President, whoever he is, as benign and wise, the national father to whom they can safely entrust their lives and their destinies.

What happens to this bond when a President no longer sets a particularly edifying example? No doubt it is healthy not to see a President as a superhuman figure. Yet it troubles the whole society when he can no longer be seen as any sort of example at all. Few among us can hate our children enough to urge them to model themselves on Mr. Nixon. "He is the most visible and instructive father figure we have," Gurt Vonnegut, Jr., recently wrote, "our most impressive teacher. What does he teach our children? To give almost nothing to charity, to cheat in money matters at every opportunity, to lie, to reject all criticism, to be indifferent to the needs of strangers, to treat laws disrespectfully, to love only close friends and relatives and sports on television, and to carpet-bomb at Christmas." How to convey the ideals of American life in the face of such a moral example?

Mr. Nixon has succeeded for the moment in turning the Presidency into preeminently a place of immoral leadership. This is not only confusing for children and demoralizing for parents but it spreads its contamination well beyond the White House, bringing American politics in general into discredit. Nothing has been more marked after Watergate than the indiscriminate national revulsion against all politicians. I saw a bumper sticker the othed day: BE A PATRIOTIC AMERICAN—VOTE AGAINST ALL INCUMBENTS. All this is manifestly unfair. Mr. Nixon's chums were, in the main, not politicians at all. They were public-relations men, bond lawyers, and the like, with little knowledge of and no respect for the political process. They never understood that democratic politics is a conflict of limited liability in which the opposition must always be permitted to live to fight another day. The crassness and stupidity of their tactics appalled the professionals, including those in Mr. Nixon's own party. And it was seasoned professionals like Senator Ervin who took the lead in exposing them. But if members of Congress should say, in effect, that Mr. Nixon and his men did not after all transgress the bounds of traditional politics, that none of their dirty tricks rouses serious Congressional objection, then Congress will only strengthen the popular cynicism about politicians. All politicians will be perceived as more or less out of the same can. Only Congress can redeem the reputation of politics by enforcing a distinction between Watergate politics and the politics of a constitutional democracy.

The shrinking from impeachment probably arises from the novelty of abuse of power, from the remoteness of contemporary Presidents, and from the difficulty of visualizing the offenses of the Nixon Administration. Perhaps the situation can be more easily conceived if put in terms more homely and local. A letter in the Ann Arbor *News* of December 19, 1973, did this rather well. The author, Robert P. Weeks, wrote:

"What would you do, as a citizen of Ann Arbor, if you learned that the Mayor of Ann Arbor . . . had done the following:

"1. Approved a plan by which the Chief of the Ann Arbor Police Department could illegally tap your phone, open your mail, and burglarize your apartment, office or house;

"2. Directed the Ann Arbor Police and FBI agents to tap the phone of the Ann Arbor *News* reporter who covers city hall; directed the FBI to investigate a newscaster for the local radio station;

"3. Withheld knowledge of a burglary from a local judge trying a case in which that knowledge was crucially important;

"4. Secretly taped conversations held in the mayor's office in city hall between himself and citizens like you as well as public officials, then when a confirmed court order required him to turn over nine of these tapes, refused to obey; then, reversed himself; then, announced that the two tapes containing perhaps the most critically important material never existed;

"5. Tripled his wealth while serving as Mayor of Ann Arbor;

"6. Paid practically no Federal income taxes for several years because he claimed huge and legally dubious deductions for turning over his official papers to the Ann Arbor Historical Commission;

"7. Surreptitiously used Ann Arbor taxpayers' funds to make major improvements on two private dwellings of his;

"8. Twice selected personally as mayor pro tem a man who had bribes delivered to him in city hall and then had to resign to avoid going to jail;

"9. Selected and supervised as trusted top officials of his administration seven men who were indicted, convicted or have pleaded guilty—including the city attorney."

The citizens of Ann Arbor, Mr. Weeks suggested, would very likely not be altogether complaisant about such matters. "Should we hold Ann Arbor elected officials to one high standard of conduct but have a much lower, much more lax standard for the President? . . . Our silence is a way of saying to this President and future Presidents, 'There's practically no limit to the corruption we'll put up with in the White House.'"

It may well be that, even should a majority of the House vote to impeach Mr. Nixon, one-third plus one of the Senate would block his conviction and removal. Some people would feel that this would be the worst outcome of all, that Mr. Nixon would construe acquittal as triumphant vindication, that he would return with righteous vigor to his course of aggrandizement, that he would even reinstitute the enemies list and use all the resources of government to conduct reprisals against all who had dared challenge and criticize him.

This is not impossible, though it does not seem likely. Even if Mr. Nixon should eventually beat the rap, the experience of the trial before the Senate would inescapably have a chastening effect. The readiness of Congress to carry things that far must surely reinvigorate the system of accountability—not so much as conviction and removal but a good deal more than acting as if Mr. Nixon had done nothing out of the ordinary. The worst thing, it seems to me, would be to register Congressional acquiescence to Mr. Nixon's theory of Presidential accountability. It is better to have impeached and lost than never to have impeached at all.

Some dream of milder alternatives—a resolution of censure, for example, that both houses would pass by majority vote. But this would be a cop-out and readily identifiable as such unless the resolution managed to specify exactly why the deeds condemned were censurable but not impeachable. Another suggestion is a resolution calling for the President's resignation. But this would be purely hortatory, and, if more than that, would introduce an indigestable parliamentary element into a nonparliamentary system. I hardly think it would be wise in the long run to confer on Congress the power to dismiss Presidents without investigation and trial. Think what might have happened, for example, in the fortnight of Congressional indignation after President Truman fired General MacArthur, or in the period when John Adams was standing up against Congressional agitation for war with France. Yet everyone now agrees that these two doughty Presidents never had finer hours.

The Founding Fathers were prescient in making impeachment the constitutional remedy. They did not want to make it easy to get rid of Presidents but they were determined to make it possible to do so. If members of Congress really want to restore the historic system of accountability, the means are at hand. If they decide not to hold Mr. Nixon and his successors accountable except once every four years, they will license the imperial Presidency, usher in a new and ominous time for the republic, and transform the balance and character of our constitutional order. Impeachment may have grievous consequences. Refusal to impeach the President will have consequences even more grievous and far more enduring.

LABOR SUPPORT FOR RHODESIAN SANCTIONS

(Mr. FRASER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, soon the House will be asked to vote on S. 1868, the bill to halt the importation of Rhodesian chrome and ferrochrome; and restore the United States to full compliance with United Nations sanctions against the white minority regime of Ian Smith. Some elements of the stainless steel industry would have us believe that Americans will lose jobs if Congress decides that this country should honor its legal treaty obligation. But labor unions deny such assertions.

Most recently, the Oil, Chemical, and Atomic Workers International Union stated its position in a letter to Members of the House. Mr. Anthony Mazzocchi, director of the union's citizenship-legislative department, states:

> The OCAW organizes many of the workers in this country's ferrochrome industry and their jobs may be threatened if the United States does not renew its compliance with sanctions.

The letter from the Oil, Chemical, and Atomic Workers notes the trend in other nations toward tighter enforcement of the United Nations sanctions and concludes with the following strong point:

> The United States should not stand alone in violation of its treaty obligation to comply with United Nations sanctions and its opposition to the interests of the majority of Rhodesians who will soon rule their own country.

Mr. Speaker, U.N. sanctions offer a practical means by which the international community can induce political change without resort to violence. Our country's foreign policy should always reflect support for peaceful change in the world. I place the full text of the letter from the Oil, Chemical, and Atomic Workers be printed in the Record at this point:

> Oil, Chemical and Atomic
> Workers International Union,
> *Washington, D.C., July 19, 1974.*
>
> Dear Congressman: The House of Representatives will soon consider S. 1868, a bill to renew United States compliance with the United Nations sanctions program against Rhodesia. The Oil, Chemical and Atomic Workers International Union wholeheartedly supports this bill, and we urge you to vote for S. 1868 when it comes to the House floor.
>
> There has been considerable debate about the economic effects on the workers of the United States if sanctions are reimposed. The OCAW organizes many of the workers in this country's ferrochrome industry and their jobs may be threatened if the United States does not renew its compliance with sanctions.
>
> Since passage of the sanctions-breaking Byrd Amendment in 1971, Rhodesia has exported to the U.S. processed ferrochrome, not chrome ore, at prices in some cases below even the cost of production in this country. One factor in the cheaper price of Rhodesian imports is the low cost of labor in Rhodesia, where severe restrictions are placed on collective bargaining by African workers and where strikes by African miners are specifically prohibited.
>
> The tide in southern Africa is turning, especially following the Portuguese coup. The Rhodesian minority regime will not be able to survive much longer. Mozambique may be independent within a year, and Rhodesia will probably lose its main access to the sea. South Africa is becoming less willing to throw in its lot with a Rhodesian regime which is losing ground. Japan and the European Economic Community are taking steps to strengthen their compliance with sanctions. Even Portugal is discussing sanctions implementation with Great Britain. The United States should not stand alone in violation of its treaty obligation to comply with United Nations sanctions and in opposition to the interests of the majority of Rhodesians who will soon rule their own country.
>
> The House Foreign Affairs Committee recently voted in favor of the Rhodesian sanctions bill by a vote of 25 to 9. We hope that you will join them in supporting S. 1868.
>
> Sincerely yours,
> Anthony Mazzocchi,
> *Director, Citizenship-Legislative Department.*

PROPOSED AMENDMENT TO H.R. 15264

(Mr. YOUNG of Texas asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNG of Texas. Mr. Speaker, I include an amendment that I intend to offer under the rule:

> Page 2, immediately after line 11, insert the following new section:
>
> Sec. 2. Section 4(b)(1) of the Export Administration Act of 1969 is amended by adding at the end thereof the following: "In curtailing the exportation of any articles, materials, or supplies to effectuate the policy set forth in section 3(2)(A) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation."
>
> Redesignate succeeding sections accordingly.

AMENDMENT TO H.R. 11500

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, the following amendment to section 709 of H.R. 11500 is printed in the Record for entitlement of 5 minutes time under the rule:

> Amendment to H.R. 11500, as Reported Offered by Mr. Hechler of West Virginia
>
> Page 287, line 16, strike all through page 288, line 2, inclusive, and insert therein the following:
>
> "(b) All coal deposits, title to which is in the United States, in lands with respect to which the United States is not the surface owner thereof and hereby withdrawn from all forms of surface mining operations and open pit mining except surface operations incident to an underground coal mine."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Phillip Burton (at the request of Mr. O'Neill), for today through Monday, July 29, on account of official committee business.

To Mr. Evins of Tennessee (at the request of Mr. O'Neill), for today and Thursday, July 25, on account of death in the family.

To Mr. Symington (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Ketchum) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 5 minutes, today.
Mr. Kemp, for 30 minutes today.
Mr. Quie, for 35 minutes, today.
Mr. Cohen, for 5 minutes, today.
Mr. Hansen of Idaho, for 5 minutes, today.
Mr. Abdnor, for 5 minutes, today.

(The following Members (at the request of Mr. Young of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. Podell, for 10 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Eilberg, for 10 minutes, today.
Mr. Vanik, for 10 minutes, today.
Mr. Dulski, for 10 minutes, on July 25, 1974.
Mr. Vander Veen, for 20 minutes, on July 29, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fraser, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record, and is estimated by the Public Printer to cost $834.

Mr. Vanik, and to include extraneous material, in the Committee of the Whole today.

Mr. Hechler of West Virginia, to revise and extend his remarks during general debate on H.R. 11500.

Mr. Hechler of West Virginia, his remarks during consideration of H.R. 11500 in the Committee of the Whole today.

Mr. Perkins and to include extraneous matter.

Mr. Seiberling, on H.R. 16027, and to include extraneous matter.

(The following Members (at the request of Mr. Ketchum) and to include extraneous material:)

Mr. McClory.

Mr. Hosmer in two instances.

Mr. Rhodes.

Mr. Hunt.

Mr. Derwinski in three instances.

Mr. Walsh.

Mr. Ashbrook.

Mr. Smith of New York.

Mr. Lagomarsino.

Mr. Mayne.

Mr. Huber.

Mr. Ruppe.

Mr. Hansen of Idaho.

Mr. Symms.

(The following Members (at the request of Mr. Young of Georgia) and to include extraneous material:)

Mr. Rooney of New York.

Mr. Anderson of California in two instances.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mr. Moorhead of Pennsylvania in 10 instances.

Mr. McFall.

Mr. Mazzoli.

Mr. Byron in 10 instances.

Mr. Reuss in five instances.

Mr. Ashley.

Mr. Patten.

Mr. Rangel in 10 instances.

Mr. Alexander in five instances.

Mr. Waldie.

Mr. Harrington.

Mr. Eilberg in five instances.

Mr. Vanik in two instances.

Mr. Wolff in five instances.

Mrs. Mink in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3782. An act to amend the Public Health Service Act to extend for one year the authorization of appropriations for Federal capital contributions into the student loan funds of health professions education schools; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 39. An act to amend the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to provide a more effective program to prevent aircraft piracy; and for other purposes.

ADJOURNMENT

Mr. MELCHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Thursday, July 25, 1974, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HÉBERT: Committee of conference. Conference report on H.R. 14592 (Rept. No. 93–1212). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 11796. A bill to provide for the free entry of a 3.60 meter telescope for the use of the Canada-France-Hawaii Telescope project at Mauna Kea, Hawaii; with amendment (Rept. No. 93–1213). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. H.R. 14718. A bill to discontinue or modify certain reporting requirements of law; with amendment (Rept. No. 93–1214). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 14167. A bill to amend the act of October 27, 1972 (Public Law 92–578); with amendment (Rept. No. 93–1215). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 1250. Resolution providing for the consideration of H.R. 14780. A bill to authorize appropriations for fiscal year 1975 for carrying out the provisions of the Board for International Broadcasting Act of 1973 (Rept. No. 93–1216). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1251. Resolution providing for the consideration of Senate Concurrent Resolution 93. Concurrent resolution relating to an inflation policy study (Rept. No. 93–1217). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1252. Resolution providing for the consideration of H.R. 9989. A bill to further the national housing goal of encouraging homeownership by regulating certain lending practices and closing and settlement procedures in federally related mortgage transactions to the end that unnecessary costs and difficulties of purchasing housing are minimized, and for other purposes. (Rept. No. 93–1218). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 1253. Waiving certain points of order against the conference report on S. 386. A bill to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes (Rept. No. 93–1219). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1254. Resolution providing for the consideration of H.R. 15736. A bill to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes (Rept. No. 93–1220). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 16087. A bill to amend title II of the Social Security Act to provide that full benefits (when based upon the attainment of retirement age) will be payable at age 60 (with such benefits being payable in reduced amounts at age 57 in most cases); to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 16088. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 16089. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. HAYS (for himself, Mr. Thompson of New Jersey, Mr. Dent, Mr. Nedzi, Mr. Brademas, Mr. Gray, Mr. Hawkins, Mr. Gettys, Mr. Annunzio, Mr. Gaydos, Mr. Mollohan, Mr. Koch, Mr. Cleveland, Mr. Ware, and Mr. Froehlich):

H.R. 16090. A bill to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes; to the Committee on House Administration.

By Mrs. GRIFFITHS (for herself, Mr. Corman, and Mr. Rangel):

H.R. 16091. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself and Mr. Roe):

H.R. 16092. A bill to establish a National Resource Information System, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KLUCZYNSKI (for himself, Mr. Blatnik, Mr. Jones of Alabama, Mr. Harsha, Mr. Wright, Mr. Cleveland, Mr. Gray, Mr. Don H. Clausen, Mr. Clark, Mr. Snyder, Mr. Johnson of California, Mr. Zion, Mr. Dorn, Mr. Hammerschmidt, Mr. Henderson, Mr. Mizell, Mr. Roberts, Mr. Baker, Mr. Howard, Mr. Shuster, Mr. Anderson of California, Mr. Walsh, Mr. Roe, Mr. Cochran, and Mr. Roncalio of Wyoming):

H.R. 16093. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. KLUCZYNSKI (for himself, Mr. McCormack, Mr. Bafalis, Mr. James V. Stanton, Mr. Abdnor, Mr. Breaux, Mr. Hanrahan, Mr. Studds, Mr. Taylor of Missouri, Mrs. Burke of California, Mr. Ginn, Mr. Milford, Mr. Vander Veen, and Mr. Traxler):

H.R. 16094. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. KUYKENDALL:

H.R. 16095. A bill to provide for a multimodal transportation study in accordance with provisions of the Federal-Aid Highway Act of 1973; to the Committee on Public Works.

By Mr. McKINNEY (for himself, Mr. Drinan, and Mr. Harrington):

H.R. 16096. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 16097. A bill to amend the Higher Education Act of 1965 to provide for the education of persons for coal production, conversion, utilization, and conservation and related activities, and for other purposes; to the Committee on Education and Labor.

H.R. 16098. A bill to improve national reading skills; to the Committee on Education and Labor.

H.R. 16099. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to increase safety on the Nation's highways; to the Committee on Public Works.

By Mr. ROGERS:

H.R. 16100. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations, condominium housing associations, and certain homeowners' associations and to tax the unrelated business income of such organizations; to the Committee on Ways and Means.

By Mr. SCHERLE:

H.R. 16101. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 16102. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974, through the last Sunday in February 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. McKinney, and Mr. Mosher):

H.R. 16103. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for the classification of information, and for other purposes; to the Committee on Government Operations.

By Mr. STEIGER of Wisconsin (for himself, Mr. McSpadden, Mr. Brown of California, Mr. Kemp, Mr. Mitchell of New York, Mr. Obey, Mr. Murtha, Mr. Esch, Mr. O'Hara, Mr. Traxler, Mr. Helstoski, Mr. Anderson of Illinois, Mr. Froehlich, Mr. Davis of Wisconsin, Mr. Thomson of Wisconsin, Mr. Martin of North Carolina, Mr. Bergland, and Mr. Kastenmeier):

H.R. 16104. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. BURKE of Massachusetts:

H.R. 16105. A bill to amend title 38 of the United States Code in order to extend the period after discharge in which psychosis is deemed to be incurred in military service from 2 years to 3 years; to the Committee on Veterans' Affairs.

By Mr. CONLAN:

H.R. 16106. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. GINN:

H.R. 16107. A bill to require the establishment of an agricultural service center in each county of a State as part of the implementation of any plan for the establishment of such centers on a nationwide basis; to the Committee on Agriculture.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Anderson of California, Mr. Conable, Mr. Steele, Mr. Talcott, Mr. Traxler, Mr. Vander Jagt, Mr. Wright, Mr. Young of Illinois, and Mr. Don H. Clausen):

H.R. 16108. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. HÉBERT (for himself and Mr. Bray) (by request):

H.R. 16109. A bill to amend title 10, United States Code, to eliminate the requirement for quadrennial physical examinations for members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Armed Services.

My Ms. HOLTZMAN:

H.R. 16110. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP:

H.R. 16111. A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of controls with respect to the levels of its revenues and budget outlays, the issuance of money, and the preparation of the budget, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself and Mr. Rangel):

H.R. 16112. A bill to amend title 38 of the United States Code in order to improve the business loan program for veterans and to make veterans who served after January 31, 1955, eligible for such program; to the Committee on Veterans' Affairs.

By Mr. SEIBERLING (for himself, Mr. Anderson of California, Mrs. Burke of California, Mr. Breaux, Ms. Holtzman, Mr. Matsunaga, and Mr. Vander Veen):

H.R. 16113. A bill to amend the Land and Water Conservation Fund Act of 1965 to increase the authorization of appropriation for the Land and Water Conservation Fund; to the Committee on Interior and Insular Affairs.

By Mr. SIKES (for himself, Mr. Gibbons, and Mr. Bafalis):

H. Con. Res. 569. Concurrent resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. LITTON:

H. Res. 1256. Resolution requesting the President to comply with the Supreme Court order and turn over evidentiary information; to the Committee on the Judiciary.

By Mr. LUKEN:

H. Res. 1257. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. OWENS (for himself, Mr. Biester, Mr. Bingham, Mr. Broomfield, Mr. Dellenback, Mr. du Pont, Mr. Fraser, and Mr. Zablocki):

H. Res. 1258. Resolution expressing the sense of the House of Representatives concerning ratification of the Geneva Protocol of 1925, and a comprehensive review of this Nation's national security and international policies regarding chemical warfare; to the Committee on Foreign Affairs.

By Mr. YATES (for himself, Mr. Metcalfe, Mr. Edwards of California, and Mr. Rangel):

H. Res. 1259. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. YOUNG of Florida (for himself, Mr. Burke of Florida, Mr. Frey, Mr. Gunter, Mr. Steiger of Wisconsin, and Mrs. Heckler of Massachusetts):

H. Res. 1260. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MOORHEAD of Pennsylvania introduced a bill (H.R. 16114) for the relief of Victor Henrique Carlos Gibson, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

HON. WAYNE MORSE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. ROSENTHAL. Mr. Speaker, the death of one of America's most distinguished liberal statesmen, in the midst of his attempt to reenter the public service, represents a great loss for America.

A courageous and outspoken individual with an incredible political perspicacity, former Senator Wayne Morse of Oregon repeatedly demonstrated his expertise on matters relating to agriculture, civil rights, conservation, education and labor. Throughout his 24-year tenure in the Senate, Morse revealed his strong dedication to the public interest; he sought to place the welfare of the public above his loyalty to "the party."

The interest and concern that Senator Morse directed toward problems in the domestic sphere was extended to the realm of foreign affairs as well. The Senator's bold decision, in 1964, to oppose the Gulf of Tonkin resolution revealed another fine characteristic inherent in his personality—his refusal to abandon the principles he believed in despite the fact that his convictions were considered unpopular or improper by majority standards.

Men of Wayne Morse's caliber, integrity and intelligence are not easily found in government.

Though there can never be another Wayne Morse, let us hope that his spirit will serve as an inspiration to all individuals engaged in the public service. Our Nation needs more leaders with the stature and conviction of Senator Morse for only they can maintain an independent, fresh and nonpartisan outlook in these times of increasing political distrust, partisanship and disillusionment.

As a further tribute to Senator Morse, I am inserting in the Record at this point a moving editorial from the New York Times, dated July 23, 1974, memorializing him.

The editorial follows:

The Senate's Loss

Senator Wayne Morse of Oregon was too much the maverick to be a reliable party man, too much the gadfly to be a hero of the Senate Establishment, too much the independent to be predictable even in his proved liberalism. He was a superb public servant—not in spite of those attributes but because of them.

Originally a Republican of the Western progressive breed known in an earlier day as the "sons of the wild jackass," Wayne Morse broke with his party when General Eisenhower, whom he had warmly supported, made peace with the conservative Senator Robert A. Taft. He sat is the Senate for a time as an independent by name as well as by nature and a few years later won re-election as a Democrat. He did not disparage the party system as such; he just gave principle a higher priority than party or, for that matter, than the views of his constituents.

Believing with Edmund Burke that a representative's first loyalty is to his own judgment, he took counsel with himself and had the courage to act on it. He could be wrongheaded at times—but most of the time he seemed magnificently right—especially, in the light of history, when he and another great independent liberal, Senator Ernest Gruening of Alaska, who died only a few weeks ago, stood alone against the Gulf of Tonkin resolution.

Right or wrong, Wayne Lyman Morse went his own way, cavalierly crossing party lines to vote his conscience. At his death he was in the thick of a fight to make a last comeback to the United States Senate. The Senate lost.

THE FEDERAL BUDGET

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 24, 1974

Mr. HARRY F. BYRD, JR. Mr. President, last Friday, July 19, the Wall Street Journal ran an excellent editorial entitled "Cutting the Federal Budget." It points out that the major administration economic authorities, William Simon, Arthur Burns, and Alan Greenspan, all agree that to fight inflation, we must cut Federal spending. I agree fully.

Inflation is our No. 1 domestic problem, and the No. 1 need is a cut in Federal spending.

The editorial says, however, that whatever effort there is will fail "unless President Nixon joins with enthusiasm."

I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to printed in the RECORD, as follows:

[From the Wall Street Journal, July 19, 1974]

CUTTING THE FEDERAL BUDGET

We continue to hear that Congress is seriously concerned about inflation. We do not believe what we hear, and will not until we see Congress cutting the federal budget instead of piling it on. But at least a handful of people in the capital are starting to talk about spending cuts of a size that would impress us.

Treasury Secretary Simon has presented to the President a list of potential cuts amounting to $20 billion. Fed Chairman Arthur Burns and House Ways and Means Chairman Wilbur Mills want $10 billion lopped from the $305 billion total. Herbert Stein is eager to slash and his putative successor as the Prseident's chief economic adviser, Alan Greenspan, is eager, too. The only member of the economic quadriad who doesn't want to cut the budget by more than nickels and dimes is budget director Roy Ash, who thinks it's a waste of time to even ask Congress.

What effort there is will fail unless President Nixon joins with enthusiasm. His politcal advisers, who still believe there's room for delaying the hard decisions, want him to avoid upsetting the public and Republican Congressmen. But the President's indecision quite properly leads to questions about his ability to govern, which is a powerful political consideration pointing toward action. As this is weighed, Mr. Nixon may be drawn to the proponents of a serious budget cut.

Their arguments are powerful. Monetary restraint is the most important anti-inflation weapon, but is a crude weapon when used by itself. A constricting of money growth has its most painful effect on the productive resources of the economy; the government takes the first slice of the money supply to finance its debt and business and industry are left starved by the remainder.

Increasing taxes is no help. Higher taxes also fall hardest on the productive segment of the economy, putting pressure on management to recoup through increased prices and labor through increased wages. The only effective answer is to cut government spending in a way that does least damage to economic output and employment, concentrating in those areas where the government does not receive goods and services for the money it spends.

This is why Mr. Ash is so pessimistic. The least productive government spending is in transfer payments, which politicians equate with the poor, the sick and the aged. Mr. Simon is already having his morality questioned by the liberal press as a result of the budget memo he gave the President. The Treasury Secretary unflinchingly proposed $9.3 billion cutbacks in the $126 billion now earmarked for government pensions, disability, health and Social Security benefits. He also proposed whacking billions from manpower, education, highway, farm, revenue sharing and foreign aid programs.

Congress would be appalled if Mr. Nixon asked for these cuts. But cuts in government benefits will have to be made, sooner or later, and it will become more painful the longer Congress waits. Even if there were no immediate inflation problem, the benefit levels of the retirement programs have to be reduced or the programs will eventually collapse in insolvency. For years, imprudent Congresses and administrations have been pumping them up to get votes, predicating their generosity on dizzy assumptions of future economic growth. Up to now, Social Security beneficiaries have kept well ahead of the inflation rate, but it is now impossible to defend the system as actuarily sound even by traditionally loose definitions. So Mr. Simon asks that the next benefit increase be deferred by six months, a measure that will not only save $4 billion but also move the Social Security System back toward solvency.

If Mr. Simon's proposal is viewed in this light it could hardly be termed "at once morally, administratively and politically disastrous" as one media pundit has put it. Inflation is sapping the strength of the nation's economic and political institutions and Mr. Simon has come up with the first and only serious program to combat that process that we have seen. We'd venture that an American public frightened by the inflation it sees would support the Simon approach.

President Nixon though has to embrace it and make it his own. Wilbur Mills proposes a presidential television address stating the problem and challenging Congress to slash government spending. Mr. Mills also thinks Mr. Nixon should threaten to impound appropriated funds if Congress refuses to cut.

We think the challenge should be made but not the threat which simply gives Congress a cheap way to avoid the issue. Especially if in the months ahead soaring inflation is matched by rising unemployment the public will have an opportunity to prod Congress during the November elections. If this Congress is not serious about inflation the voters are likely to supply one that is.

THE "NEW" GEORGE WALLACE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. RANGEL. Mr. Speaker, rarely does a major newspaper columnist deal with an important political topic or personality head on. Most columns are frought with equivocation and moderation, though honesty and decisiveness may be called for. In that light, I was pleasantly surprised to read William V. Shannon's column in the New York Times of July 9, entitled "Mr. Wallace Again." I hope that this piece receives wide consideration, for it eloquently states what is too rarely being said. It is now submitted for the attention of my colleagues.

MR. WALLACE AGAIN

(By William V. Shannon)

WASHINGTON, July 8—Every discussion on the future of the Democratic party goes back to the putative candidacy of Gov. George C. Wallace.

Party leaders and other candidates are treating him in gingerly fashion as if he were a time bomb about to explode. Whatever they think of him privately, they treat him in public as if he were a legitimate fellow Democrat whose opinions are entitled to be heard with respect.

Robert Strauss, the Democratic National Chairman, is careful to see that Wallace agents are represented in every party committee. Senator Edward Kennedy last year attended a civic celebration in Alabama honoring Mr. Wallace. Senator Henry Jackson goes so far as to say that he could envisage Mr. Wallace in either place on the Democratic national ticket in 1976.

The party officials hope that if he is treated with enough courtesy, Governor Wallace will act like a good loyal Democrat and support the ticket next time. Behind the public hypocrisy of the rival candidates, of course, is the desire to conciliate Mr. Wallace's followers and eventually to steal away as many of them as they can for themselves.

Both assumptions are profoundly mistaken.

Mr. Wallace is not going to abide by any party rules or tradiitons of loyalty unless he benefits from them. If he does not get at least the Vice-Presidential nomination, he will bolt the party again and run for President as an independent.

If he does run, no other candidate is going to take his hard-core supporters away from him. As for his more marginal supporters in the North and West, Senator Kennedy could compete for them because he has a family legend of his own to deploy against Mr. Wallace's extrarational appeal. But in a three-way race for the Presidency in 1976 among Mr. Kennedy, Mr. Wallace and the Republican nominee, the votes of marginal Wallaceite voters would depend on how the candidates positioned themselves on the issues. Buttering up Mr. Wallace in the meantime is not going to help in that hard fight and does positive harm. It confers on him a respectability that he does not deserve and could not win in any other way.

Democrats who think that Mr. Wallace can be taken into camp are making the same mistake that many Republicans made from 1950 to 1954 in trying to conciliate and control Senator Joseph R. McCarthy. Throughout history, many liberals and conservatives alike have had difficulty in coping with demagogues. Being rational themselves, willing to compromise and to abide by society's laws and unwritten rules, they cannot comprehend the true dynamic force of an opponent whose appeal is to irrational forces, who brooks no compromise, and who is willing to conjure up the demons of violence if they serve his purposes. Over and over again, men of goodwill in other political factions are mislead by a demagogue's honeyed words and gestures to legality.

Since there has been so much attention paid of late to Governor Wallace crowning a Negro homecoming queen at the university of Alabama and receiving the endorsement of a Negro mayor in his current race for re-election, it is useful to recall his record.

Four Ku Klux Klansmen were convicted by all-white juries and eventually given twenty-year prison sentences for their part in the castration of a black man in Alabama in 1957. As soon as Mr. Wallace became Governor in 1963 and gained control of the state parole board, the board freed these Klansmen even though they had served less than four years. As one Alabama journalist observed, Governor Wallace in allowing them to go free "signaled his support to every white man in Alabama who wanted to use brutality and terrorism to oppose racial change."

It should have been no surprise that shortly thereafter, four black girls lost their lives in Birmingham when their Sunday school was dynamited. The perpetrators of that crime have never been punished.

It was Governor Wallace who ordered the state police to attack the civil rights demonstrators with tear gas and cattle prods when they crossed the bridge at Selma in 1965. In the summer of that same year, a young white Episcopalian seminary student was shot down and killed in Hayneville, Ala., because he was a civil rights worker. In a caricature of a trial, the man who killed him was acquitted on grounds of self-defense.

The blood of these innocent dead and mutilated victims of both races cries out against the new "respectable" George Wallace. His whole appeal was and is based on racism, on the fear and hatred of blacks.

No honorable politician can top Mr. Wallace in appealing to his own followers because no other national candidate has his record of identification with anti-Negro violence or his skill in manipulating covert racist language. Let Mr. Wallace and his followers resume their third-party adventures. Neither America nor the Democratic party can risk legitimizing the cruel and loathsome racial impulses in the South's dark past that now live on in the nightmares of the whole nation.

IMPEACHMENT POLITICS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. SYMMS. Mr. Speaker, the following is the text of a statement made today by Senator James McClure of Idaho.

I commend this to my colleagues and I would like to associate myself with the release of Senator McClure:

Statement of U.S. Senator James A. McClure on Impeachment Politics

I have learned today that in all likelihood the President will sign the Legal Services Corporation Act into law. To me, and to others in the Congress it looks as if commitments made by the White House staff to Senate liberals will be honored above commitments made by the President himself to the American people in two consecutive elections.

I resent this kind of impeachment politics, and the public should resent it.

On the floor last week, I mentioned dual commitments and I suggested that it was a case where either Mr. Nixon's Chief of Staff, Alexander Haig was unaware of prior commitments against legal services legislation, or that the President personally saw fit not to honor his pledge to Senator Carl Curtis or Congressman LaMar Baker when they met with him on this issue. Those two men were told by the President there had been no commitment to Senate liberals that Legal Services would be signed. I do not doubt that pledges for support were given Senators Javits and Taft, by General Haig. And I do not doubt that the President denied such pledges had been made.

Here, with the Legal Services bill, there are clearly double and opposite commitments emanating from the White House—the President in trying to stay in office, and his staff assumes that means trying to placate everybody: that means playing both sides. It can't be done.

President Nixon didn't receive his overwhelming mandate from his White House staff. He certainly didn't receive it from his liberal detractors in the Congress. But he does have a mandate from the American people, and if this Legal Services business is a real trend, if the President gives in to pressure to create programs and ideas rejected during the Presidential elections, it can only be seen that he has turned his back on the people.

There are those of us in the Congress and the Senate who want to work with the President to bring his mandate for a change in domestic policy into reality. That has not changed. My pledge to that end is as strong as ever.

In two consecutive elections, Americans called for a change in domestic policy. It became even more important in the last election following the Democratic Convention. The war was ending, there were great steps in foreign policy, but the majority of Americans gave the President a mandate to change what they saw—and the President said he saw—as dangerous trends in domestic issues. But by signing this Legal Services Bill, Richard Nixon, will have given in to those trends, and it must bring his ability to govern effectively, and to lead at all into sharp question.

HON. WAYNE MORSE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. HELSTOSKI. Mr. Speaker, former Oregon Senator Wayne Morse, a man whose name was synonymous with intellectual dignity and courage, died Monday in a Portland hospital at the age of 73. A man of tremendous resourcefulness, death came to him as he was in the midst of an intense campaign to recapture the seat he once held.

As Senator from Oregon for 24 years, Wayne Morse brought an indomitable spirit, a formidable intellect, and a reservoir of legislative skills to the forefront of America. Moreover, he was a man who did not back down from defending his beliefs and who was not afraid to speak to people directly from his heart.

As we all recall, it was Senator Morse and the late Senator Gruening of Alaska who had the courage to stand alone years ago and vote against the Gulf of Tonkin resolution, legislation which ultimately led to the tragedy of Vietnam. Now that both men are gone, Mr. Speaker, I can not help but wonder how many young lives would have been saved had we heeded their advice and given credibility to their foresight.

Mr. Speaker, I would like to take this opportunity to extend my deepest sympathy to the Morse family and to the people of Oregon. They can take comfort in the fact that Wayne Morse will long be remembered as one of America's most outstanding and courageous men.

ARTS AND HUMANITIES APPROPRIATIONS

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. CAREY of New York. Mr. Speaker, we in this Nation have been fortunate to witness the growth of the performing arts as well as the arts and humanities in recent years—and with it the development of many talented citizens' capabilities in art, music, writing, ballet, music, et cetera.

The appropriation measure now under consideration which would provide $145 million to the performing arts and the arts and humanities for 1975 is vital if we are to insure the continuation of this important national enlightenment.

Every citizen gains from the national encouragement of the arts and humanities and the visual arts—whether one is the creator or viewer. And we in turn gain as a Nation for insuring that citizens' talents and their abilities to express themselves creatively is not lost to this and future generations.

Mr. Brademas has worked hard to insure the future of this vital aspect of American life. And I am grateful to again witness efforts to continue such important funding that Mr. Thompson of New Jersey and I worked to create when as members of the same subcommittee we sought to insure a brighter future for the arts and humanities in American life.

The late President Kennedy, who did so much to gain greater recognition for the arts and humanities once said:

> When power corrupts, poetry cleanses, for art establishes basic human truths which must serve as the touchstone of our judgment.

Surely we in the Congress are aware of the need for even greater encouragement of the arts and humanities—for they represent a universal language and the groundwork for greater understanding among all people. Let us not lose the momentum we have gained in developing national creativity—let us encourage it and insure its future by supporting my distinguished colleague, Mrs. Hansen's efforts to insure adequate appropriations for the visual arts, and the arts and humanities.

And as I leave the Congress, I will feel proud in knowing that it was through our joint efforts that we were able to insure that young and old alike could share in not only the development of their creative abilities but also jointly savor the artistic talents of others.

A TRIBUTE TO CHARLES CLAYTON SNAPP—1904 TO 1974

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ALEXANDER. Mr. Speaker, the city of Walnut Ridge in Lawrence County, Ark., recently celebrated one of its most joyous occasions—its centennial anniversary. Less than a week later, the city was saddened by the loss of Mr. Charles Clayton Snapp. He was an outstanding civic leader and conservationist who had been one of the most dynamic forces in Walnut Ridge, indeed in the whole region, during the last half century.

Mr. Snapp was a businessman, operating one of northeast Arkansas's outstanding motels and, with his brother Russell, an automobile agency. He had been an organizer of one of Walnut Ridge's banks and had served as the city's postmaster for 12 years.

Particularly during his last 25 years many of his efforts were directed toward improving the quality of life in Lawrence County and the State of Arkansas.

He worked for 7 years as a member of the Arkansas Game and Fish Commission. It was mainly through his relentless efforts that a lake and recreation area for the county was established. And, when the time came for naming it an appreciative people remembered and called the facility Lake Charles.

The scope of Mr. Snapp's dedication to the interests of the people of the region can be seen, to some degree, in the kinds of awards presented to him. These included the Watershed Man of the Year Award for the Arkansas Conservation District in 1974, the Wildlife Conservation Award for Arkansas in 1965, and the Resource Conservation and Development "Conservation Man of the Year Award" from the Soil Conservation Service in Arkansas in 1973.

Soon after my election to the Congress Mr. Snapp invited me to take a trip through the region with him. He wanted me to review the conservation, recreation, and flood control projects that were important to the Ozark foothills. For a full day we rode crosscountry, over hills and through dales, up and down ditch banks, to see first hand the projects that would benefit the people and economy of Lawrence and the surrounding counties.

I will always remember one statement he made:

> Bill, there is not one dime in this for me! I am working for our people, so they can prosper.

As his Congressman, I worked with Mr. Snapp on improvements that will for generations to come benefit Arkansas. Mr. Snapp was diligent in his pursuit and dedicated to the success of any undertaking on which he embarked.

Mr. Snapp maintained his pace until his fatal heart attack. His continued involvement in making the countryside of America a better place to live was best described in an editorial in the May 2, 1974, issue of the Walnut Ridge Times Dispatch. It said, in part,

> At 70, many men have retired, but Charles C. Snapp had more projects going when he was fatally stricken last week than many people undertake in a lifetime.

His life was a tribute to the frontier spirit that has made America great.

ST. CLAIR CALLS EVIDENCE INADEQUATE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. CARTER. Mr. Speaker, I am pleased to include for the RECORD a report of a press conference given by Presidential lawyer, James D. St. Clair, on the matter of evidence in the impeachment inquiry:

[From the Washington Post, July 23, 1974]

ST. CLAIR CALLS EVIDENCE INADEQUATE

(By Carroll Kilpatrick)

SAN CLEMENTE, CALIF., July 22.—Presidential lawyer James D. St. Clair said he advised Mr. Nixon in a two-hour meeting today that "in my judgment, if all the evidence were viewed objectively, it would not sustain any" of the impeachment articles.

St. Clair charged that the staff of the House Judiciary Committee, in preparing articles of impeachment, abandoned its impartial role and assumed "a prosecutorial role."

Moreover, St. Clair said in a televised news conference, the staff by its actions has attempted to tell members of Congress how to vote on the impeachment issue.

That raises the question of what kind of advice the committee is going to get from its staff, he said.

"It had always been my understanding they had been employed by the committee to to act as an impartial adviser to the committee, developing such facts, both pro and con, as existed," St. Clair said.

The evidence developed during the lengthy committee inquiry "doesn't even come close to establishing guilt" on the President's part, St. Clair argued.

Like all other White House spokesmen, St. Clair declined to say whether Mr. Nixon would abide by a Supreme Court decision ordering him to turn over additional tape recordings to Watergate Special Prosecutor Leon Jaworski.

Declaring it would be "highly improper" for a lawyer to discuss a pending case, St. Clair said that to answer the question would "require speculation on my part as to whether the court would say this . . . or that."

He said the responsibility rests clearly with the House not to impeach and bring "that burden on the American people unless the evidence is clear.

"If there is substantial doubt or no evidence, as I suggest is the case, the House of Representatives ought not to simply pass the matter on to the Senate . . .

"There is no provision if there is a finding of probable cause to impeach. They have to decide whether or not to impeach, and I think they ultimately will assume that responsibility."

St. Clair answered reporters' questions for more than 30 minutes. On a number of occasions, he used a handkerchief to blot perspiration on his face.

While declining to say what the President would do regarding a Supreme Court ruling, St. Clair said Mr. Nixon would not invoke the Fifth Amendment.

Earlier today, Samuel A. Garrison, the new chief counsel for the Republicans on the Judiciary Committee, argued that Mr. Nixon's refusal to give up more tapes was covered by the Fifth Amendment.

St. Clair's attack on the committee staff follows a series of attacks last week by White House press secretary Ronald L. Ziegler and counselor to the President Dean Burch.

White House aides have acknowledged that the committee is likely to vote a bill of impeachment, but they maintain that the House will not do so. Their strategy appears to be to challenge the committee's impartiality before it takes a vote to impeach.

St. Clair said he believed that Congress "will home in" on the issue of whether the President authorized payment of hush money to convicted Watergate conspirator E. Howard Hunt.

That is the "narrow issue" and the evidence supports the President's claim that he did not authorize the payment, St. Clair argued.

The tapes show that Mr. Nixon "could not have known of nor authorized" the payment because the day after the payment "he is still talking about it," St. Clair said.

John W. Dean III, former presidential counsel and chief witness against the President, "initiated the payment before he met with the President" on March 21, 1973, St. Clair contended.

St. Clair said he had written to House Judiciary Committee counsel John Doar requesting that he be permitted to participate in open hearings the committee plans. Doar has not yet replied, St. Clair said.

An impeachable offense must be defined as a major or serious crime, the attorney argued. He said he did not think the American people would accept anything else. That is why the allegation of presidential approval for payment of hush money is the principal issue, St. Clair said.

When asked how he found the President's mood when he met with him today, St. Clair replied that "to me, he seems quite confident."

LEGISLATIVE QUESTIONNAIRE

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MIZELL. Mr. Speaker, on June 3 of this year, I told my colleagues in the House that I had mailed a legislature questionnaire covering several items of importance and interest to my constituents.

At that time I indicated that I would inform my colleagues of the results of the questionnaire, and I would like to place those results in the RECORD at this point:

LEGISLATIVE QUESTIONNAIRE

64.7% of the respondents indicated that they do not favor the impeachment of President Nixon. 35% said they favor impeachment based on their knowledge at the time of the questionnaire.

24.3% of the respondents favor reduction of Environmental Protection Agency air quality standards to permit increased use of coal to alleviate the current energy problem. 22.9% would reduce new car emission standards, and 28.5% favor legislation to tax excessive profits of oil companies. 24.2% of the respondents indicated their support of legislation to permit deep water ports for oil importation.

On the question of whether or not funds should be diverted from the highway trust fund to support public mass transit systems, 54.7% indicated opposition to such diversion of funds, while 45.3% support the use of trust funds for mass transit.

76.2% of those responding said they favor federal legislation which would establish minimum standards for no-fault automobile insurance plans. 23.8% oppose such legislation.

To combat inflation, 24.9% favor the reestablishment of wage and price controls across the board. 28.3% would limit Federal spending, while 21.2% said they would increase Federal taxes. 25.7% of the respondents favor a balanced federal budget.

86.4% of the Fifth District citizens who mailed in their questionnaires indicated that they favor increasing the earning limitation for persons receiving social security benefits. 13.6% oppose such a move.

When asked where they stand on a national health insurance program to cover catastrophic or prolonged illness, 70.4% indicated support and 29.6% opposition.

77.2% of the respondents opposed public financing of all candidates for Federal office, while 22.8% support this approach.

Noting that the U.S. Postal Service was, ". . . for all intents and purposes, removed from Federal or Congressional control" in 1970, Representative Mizell asked "How would you rate your postal service?" 30% said "Good," 45.1% "Fair," and 24.9% "Poor."

LET 'EM EAT FM

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HUBER. Mr. Speaker, sometimes, it seems that government does too much for the people of America. At least that is the viewpoint recently expressed by the Detroit Free Press in an editorial on July 9, 1974, which addressed itself to the bill passed by the other body requiring radio manufacturers to provide radios capable of receiving both FM and AM signals. This is certainly a case of too much assistance. I commend this editorial to the attention of my colleagues:

LET 'EM EAT FM

The U.S. Senate has approved a bill that promises to revolutionize American living styles. The only problem with the legislation that would require radio manufacturers to provide sets capable of receiving both FM and AM signals is that it doesn't go far enough, and include enough territory.

FM reception requires circuitry considerably more sophisticated than AM and therefore costs more. A person who wants to pay only for AM reception, however, would naturally be unaware of the delights he has been missing in the higher frequencies, and should be required to have them available.

Pursuing this line of thought indicates that nobody should be able to purchase a radio that did not have reception capability for submarines broadcasting at 1,000 meters, foreign short-wave stations at 19 meters and Sputniks at 20 centimeters. It would be one wild radio set and cost a mint, but what the heck.

By the same token it is idiotic to provide cars without the amenities to any sap who might wish to live austerely. He should be required to take power brakes, air conditioning, rear-window defoggers and a factory-installed shoe buffer.

It is outlandish to permit people to build houses with only one bathroom. Every refrigerator should have at least an ice maker and an ice-water dispenser.

The Senate is on the right track. Permitting people to buy only what they want and can afford keeps the economy stagnant and denies them pleasures that they should have, whether they have the money or not.

AMERICAN TROTSKYITES SPLIT ON TERRORISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ASHBROOK. Mr. Speaker, the Socialist Workers Party, the American Trotskyite organization has expelled 69 of its members because they support the proterrorist majority of the Fourth International.

The House Committee on Internal Security has published documents showing the development of a proterrorist majority in the Fourth International, the World Trotskyite Movement. Trotskyites have engaged in terrorist activities in Argentina, Bolivia, Chile, Ireland and Spain. There are contacts between the Fourth International and other terrorist groups such as the Palestinians.

The majority of the Socialist Workers Party has argued against the use of terrorism at this time due to the small size of its movement. The group just expelled which calls itself "The Internationalist Tendency" supports terrorism but has not engaged in such activity.

The two leaders of the "Internationalist Tendency" William Massey and John Barzman are now operating out of headquarters in Chicago at 1450 West Belle Plaine, Chicago, Ill. Massey and Barzman both attended the World Congress of the Fourth International held in Sweden, February 1974, where they voted in support of every resolution favoring terrorism and "armed struggle."

Last year the Socialist Workers Party through their surveillance of the "Internationalist Tendency" secured a secret letter written from France by Barzman to his comrades in the United States. Barzman, who lived in France for 12 years, has been closely associated with the Communist League, the French section of the Fourth International which has been outlawed by the French Government because of its violent activities. This group now calls itself "The Revolutionary Communist Front."

Barzman's secret letter was published in the confidential Socialist Workers Party Discussion Bulletin and was reprinted by the House Committee on Internal Security in its hearing on "The Theory and Practice of Communism," part 3—Expocuba. The letter revealed that Barzman has received advice and instructions from Alain Krivine and Gerard Vergeat. Krivine was arrested by the French Government as one of the main instigators of the violence that led to the outlawing of the Communist League. Vergeat has among his other duties, liaison with Arab terrorist groups and is attempting to organize an Arab Trotskyite organization.

One of the complaints made by Massey against the leadership of the Socialist Workers Party was that—

> The SWP leadership has refused to put forth an adequate defense of the "Internationalist Tendency" which has been the target of a series of attacks not only on the part of the House Internal Security Committee of the U.S. Congress, but on the part of a number of its pimp journalists.

This statement was made by Massey in a letter to the Political Committee of the Socialist Workers Party dated June 9, 1974, and printed in the Internal Information Bulletin of the Socialist Workers Party, a confidential publication dated July 19, 1974, which was obtained last week by the minority staff of the House Committee on Internal Security. "The series of attacks" referred to by Massey consisted of the House Committee on Internal Security publishing confidential documents of the Socialist Workers Party showing the support given by Massey and his group to international terrorism. The reference to the journalists probably refers to the fact that such knowledgeable writers as Victor Reisel and such publications as Human Events used the documents of the House Committee on Internal Security to expose the Terrorist International.

If Mr. Massey and his friends confine themselves to sitting around the coffee table and talking, obviously the authorities will take no action against them. But if they decide to translate talk into action, they will find that the authorities know where to locate them.

SAM GARRISON NEW CHIEF MINORITY COUNSEL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. McCLORY. Mr. Speaker, in order to further explain the recent action taken by the Republican members of the House Judiciary Committee in the designation of Samuel A. Garrison III, as chief minority counsel to represent the interests of the minority members, I draw your attention to a thoughtful editorial, which appeared in yesterday's Chicago Tribune.

The editorial is reproduced herewith for the benefit of my colleagues in the House, and others who may have occasion to peruse the article:

[From the Chicago Tribune, July 23, 1974]

JENNER OUT, GARRISON IN

With impeachment hearings approaching their climax, the Republicans on the House Judiciary Committee have dropped Albert E. Jenner Jr. as minority counsel and turned his duties over to Sam Garrison, his deputy.

Rep. Robert McClory of Illinois, second ranking Republican on the committee, disclosed the change on television Sunday. He said that Mr. Jenner "has taken a strong position pro impeachment, entirely in line with the Democratic leadership. . . . In order that Republicans can be served, we need the action of—the partisan service of—Mr. Garrison."

Mr. McClory is right. We happen to agree with Mr. Jenner that the committee should recommend impeachment, and so do a good many other Republicans. But that isn't the point. Mr. Jenner was supposed to be representing the 17 Republicans on the committee, and on the record, at least, most of them are still holding out against impeachment.

Many of them never were happy with the appointment of Mr. Jenner, who once helped raise funds for Illinois' Democratic Sen. Adlai Stevenson. Last Friday, the Democratic counsel, John Doar, presented the proposed articles of impeachment and said that "reasonable men acting reasonably would find the President guilty." Mr. Jenner said he agreed with every word. This convinced most of the Republicans that Mr. Jenner could not properly represent them.

Even if a majority of Republicans on the committee did favor impeachment, it wouldn't make sense to have opposing counsel taking the same side and nobody except the President's lawyer, James St. Clair, arguing the case against impeachment. This wouldn't help the public to understand the case or the committee to make a proper judgment. It would only have lent credence to White House Press Secretary Ronald Ziegler's charge that the committee is conducting a "kangaroo court."

INFLATION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HANRAHAN. Mr. Speaker, inflation is indeed a problem that must be handled immediately and decisively. A Congress that has been Democratic-controlled for over 40 years continues to support wasteful and extravagant programs and deficit financing which results in a grossly unbalanced budget. We must shoulder much of the blame for this on the Democratic leadership.

There are no two ways about it. We must stop spending more than we are taking in. In the last 20 years, the Government has amassed $218 billion in budget deficits in addition to adding $234 billion to the national debt. This is a deplorable situation and should not be allowed to continue. The inflation rate jumped 8.8 percent in 1973, the highest rate of increase since World War II. However, while we must reexamine the budget, we must not eliminate needed social and economic programs necessary for the well-being of our citizens and the economy. We must exert pressure on the rest of the Congress to enact certain measures to save money.

For my part, I have supported various pieces of legislation to aid in fighting inflation. Only a few months after I began my first term in office last year, I cosponsored a bill to keep revenues in line with expenditures.

I supported legislation which will give conservative thinkers in Congress their rightful power to have an effect on the expenditure of funds. This new bill calls for the creation of a budget control committee. It will insure that we Congressmen concerned about extravagant Federal spending will have the power necessary to keep the country within its budget.

Finally, I am in favor of the proposal to overhaul the committee structure in the House. The plan would consolidate the now diffuse responsibilities for the complex and overlapping areas of health, energy, foreign affairs, and transportation now handled disjointly by a number of separate committees. Hopefully, this would cut the bureaucratic red tape and reduce Government spending. The result would be a lessening of inflation.

OUR POSTAL SERVICE WOES CONTINUE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ALEXANDER. Mr. Speaker, since the creation of the U.S. Postal Service 3 years ago as a "quasi-independent" agency, we have seen a steady deterioration of service to the countryside. As I prepare for hearings in the First Congressional District on the management and operations of the Postal Service, I find a wealth of complaints in Arkansas alone that dictate the need for a broad reassessment of our decision to "let go" of the Postal Service. I would like to share with my colleagues two of the most recent comments I have received from the folks back home regarding the lack of service they are getting in the delivery of mail:

JULY 22, 1974.

DEAR BILL: I find your efforts to examine the U.S. Postal Service and seek ways to improve its service commendable.

Recently I discovered that there was no provision for registering mail after 5:30 p.m. in the whole state of Arkansas!

How ridiculous that in a State capital (with its attendant courts, businesses, banks, and law matters) there should be no facilities for the registration or certification of important mail or provision for buying U.S. or foreign airmail stamps after hours.

LANE LARRIEU,
Little Rock, Ark.

JONESBORO, ARK.,
July 22, 1974.

Re U.S. Postal Service (or lack of it)
Hon. BILL ALEXANDER,
House of Representatives,
Washington, D.C.

DEAR BILL: I don't know how many people may complain—some, as you know, "suffer in silence". I can't be silent about it any longer.

The local situation—I do not know now—as of this date—whomsoever the Postmaster may be—nor do I know whether he's still known as Postmaster or by some other consummate title. Makes no difference about title.

Let's look at the 3 or 4 or 5 "windows" in our local office—on numerous occasions lately I have personally experienced the unpleasant duty of finding only one window open for service with long lines of waiting patrons. In an office in a city the size of Jonesboro I think this is ridiculous—absolutely ridiculous.

On Friday, July 19, 1974—I personally took a piece of mail to be processed by Certified Mail to our local postoffice at 4 P.M. I found one Service Window Open. I saw 6 People standing in line in addition to the Customer at the window. This Customer had 5 Packages to mail and the Forms all had to be completed. I waited some 20–30 minutes and saw that it would probably be an hour before I could be waited on. My time is as valuable—probably more so—than the postal employees—so it was necessary for me to go back to my Office and again try on July 22, 1974 to get this mailing done.

I submit to you that we have here in Jonesboro a ridiculous service bottleneck as to local service—who is to blame I do not know but I would guess the top man—whether he be now Postmaster or otherwise—somebody is dragging his feet and is not earning his pay—which we taxpayers are paying.

I can tell you without equivocation that there are a few of the "little employees" who really try to render service and break this bottleneck but they can't do it all by themselves.

Think the problem is at the top man—whomsoever he may be.

It is disgraceful!

I could—if I had the time—get you a hundred letters like this but I don't have the time to be "Running the Postal Service".

What can you do about it?

Sincerely,

T. H. BUCK PRYOR.

THE SECOND ATTACK AT PEARL HARBOR

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. GAYDOS. Mr. Speaker, how are we Americans doing in the second attack at Pearl Harbor? I believe this question needs to be asked. And, I submit, that the answer to it is that we are not doing very well. In fact, we are in grave danger of losing a good part of the State in which historic Pearl Harbor is located.

The Associated Press carried a dispatch from Honolulu the other day to the effect that Japanese financier Kenji Osane had completed a deal with ITT Sheraton Corp. whereby three major Hawaiian resort hotels will pass into Japanese hands.

The hotels are well known in the tourist trade. One, the Royal Hawaiian on Waikiki Beach is perhaps the best known of all. The others are the Sheraton Waikiki and the Sheraton Maui on the island of Maui, the hotel which has the distinction of descending a scenic hillside. All three have heavy patronage from the U.S. mainland.

Perhaps, if Osano and his interests, which paid $105 million for the three establishments, were unique in their Hawaiian takeovers, we might accept their purchases as an expected instance of internationalism. But the fact is that more and more Japanese businessmen are buying up more and more of our 50th State to the exclusion of the Hawaiian people and their mainland countrymen. And they are doing so with dollars which I insist were obtained through long-standing trade advantages in their overall dealings with us.

Most of us are old enough to recall vividly the first attack at Pearl Harbor and how that catapulted us into the greatest war in history and how the late President Roosevelt determined at that time it would live forever as a "day of infamy." But here we are, three decades later, seeing the Japanese people, armed with our dollars, accomplishing far more in a conquest at Pearl Harbor than did that country's air arm and navy.

Japanese militarists destroyed a large part of our fleet and killed hundreds of young Americans. But we quickly recovered and Pearl Harbor became a rallying cry as we proceeded on to victory. But what of today? How can we get back the Royal Hawaiian, the Sheraton Waikiki, the Sheraton Maui, and all the other multimillion dollar parts of Hawaii which the Japanese already have captured? And how can we halt the continuing Japanese business offensive before Hawaiii in all but loyalty becomes a province of Japan rather than a free and sovereign member of our Union?

As a people, we did remember the first Pearl Harbor. Are we now to overlook the second? Hawaii is far too important to allow the assault by the Japanese business forces to continue. It is a national challenge.

MOBILE HOMES

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ASPIN. Mr. Speaker, I have recently become very concerned about certain anticompetitive business practices in the mobile home industry.

My office has received complaints from many Wisconsin residents regarding "closed court" purchasing and "tie-in sales." These two devices are often used by unscrupulous mobile home park operators who force prospective mobile homeowners to buy a home from the operator of the court rather than purchase one from an outside source and move it into the court.

On July 10, I wrote to Chairman Lewis Engman of the Federal Trade Commission and asked him to investigate this possible violation of antitrust statutes in the hope that the FTC will order mobile home court operators to halt this restrictive practice.

I believe that mobile home court operators may be violating antitrust laws through their use of closed court and tie-in arrangements.

Forcing mobile homeowners to purchase their home from the operator of the park is not only anticompetitive, but has the effect of limiting one of our basic rights—the freedom to live where we choose.

So that my colleagues will have a better idea of this problem, I am inserting in the Record my letter to Chairman Engman of the Federal Trade Commission:

July 10, 1974.

Hon. Lewis Engman,
Chairman, Federal Trade Commission,
Washington, D.C.

Dear Mr. Chairman: Pursuant to a conversation between Brad Gary of my staff and your Congressional Relations office, I am requesting an investigation of an anti-competitive practice known as "closed court" purchasing.

This problem appears to be particularly widespread in Southeastern Wisconsin where prospective mobile home owners are often required to "buy into" a mobile home community, rather than having the option of purchasing a mobile home from an outside source and moving it to the individual trailer park.

I hope you will be able to determine whether this practice is a violation of anti-trust statutes and I would also appreciate your informing me of what corrective measures can be taken to remedy this matter.

Thank you for your assistance in this matter.

Sincerely,

Les Aspin,
Member of Congress.

EDDIE ROECKER—HE HAS DONE SO MUCH FOR ALL OF US

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HUNT. Mr. Speaker, last night in Mount Ephraim, N.J., the "little guys" went to bat for Ed Roecker.

Who is Ed Roecker? Ed Roecker is a big man, with a big heart, and a big voice. At Williamsport, Pa., the heart of Little League baseball, he is known as "Mr. National Anthem." Thousands of little leaguers, past and present know Ed Roecker. Their parents and friends know Ed, and he is loved by all.

Ed has spent a lifetime giving—last night he received the gratitude of a most thankful public.

I submit for the Record Mr. Speaker, the following article from the Tuesday, June 25 edition of the Camden Courier-Post, which succinctly tells the Ed Roecker story:

"Little Guys" Bat for Ed Roecker

(By Leroy Samuels)

Joe Brennan of Camden says when Eddie Roecker sings the National Anthem at a ball game, the whole world stops. Everyone is suddenly all ears, because Eddie Roecker of Camden sings from the heart: he is loud and clear and he is very sincere.

"Each time I go to a ball game and Eddie sings the National Anthem—it tears me apart," said Brennan the other night. "Each time he does it, the whole ballpark stands still and the people get filled with emotion. When Eddie finishes, everyone feels like fighting a tiger. They have that kind of inspiration from Eddie. That kind of warmth and love for the man."

Eddie Roecker, an ex-semi-pro baseball player who made it into the big leagues of entertainment, always drifted back to the ball parks, the stadiums, the sandlot field with a wire fence for a backstop and a hand microphone and a scratchy speaker nailed to the wood.

"The big guy always amazed people because he made the big-time in music and the shows—but he always came home to Merchantville and helped the little people here," said Brennan. "The higher Eddie Roecker went, the more intense he became to help us here at home. He worked in so many benefits, anything to help the little people. He did so much . . ."

Eddie Roecker. A man with a big heart. Founder of the Merchantville Little League, singer of the National Anthem at the Little League games in Williamsport, Pa., each summer the people there called him "Mr. National Anthem." A big hit at the local sports dinners. Opener of the annual oldtimers softball games in Camden County each summer. He really did so much.

And now the little people are going to do something for Eddie Roecker.

The big guy is in the hospital. He had recent major surgery and is clinging to hopes of singing again. "Already, Eddie has shown so much determination and willpower," said Brennan. "Already, the doctors are hoping for a great, great recovery from his operation."

But Eddie Roecker will be hospitalized for weeks and the Camden County people are going to do something which is long overdue; hold a social night to tribute all of the good things Eddie Roecker has done in his life.

Eddie's night is scheduled July 23 at Schillig's Black Horse Farms in Mt. Ephraim and Joe Brennan expects a full house of sports people, entertainers, and dozens of people helped somehow by Eddie.

"For the first time, we will properly be able to thank Eddie," said Brennan, "and it gets me all choked-up to think about the opportunity. When you know a guy like Eddie for 25, maybe 30 years, you think of all the wonderful things he has done—it's certainly time to say thank you, Eddie."

Eddie strikes home hard to so many people—right into the heart of their emotions. It happened to Marie Christian of the Teener Leagues baseball several years ago. After Eddie sang at an All-Star baseball dinner, Marie wrote to the big guy.

"When you finished singing the Lord's Prayer, a pin could have been dropped," she wrote. "Even the young boys enjoyed your singing . . . and you know how boys can be at a dinner. You see, Eddie, they recognize quality. Thanks so much, Eddie."

Dozens of local people are helping to lift off the big dinner, including Mike Hayes, Frank DiRenzo, Pete DelGrande, Joseph Cupparo, Jack Belfri, Joe Borreggine, John Giuseppe, George Montanaro, Jack Steck, Pete Kaighn, and Mayor Bertram German of Merchantville. Brennan says the next committee meeting is tonight, six o'clock, in Giuseppe's Restaurant, and interested persons can contact Brennan at 228-2335 for more information.

"It's the least we can do for Eddie," said Brennan. "After all, he's done so much for us."

ERRONEOUSLY QUOTED

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. RHODES. Mr. Speaker, yesterday afternoon I was erroneously quoted by UPI as having told a group of Republican Members of the other body that—in my view—there are now enough votes in the House of Representatives to impeach the President of the United States.

I said no such thing. I told the Senators that an assessment of the outcome of an impeachment vote in the House depends on what day it is, so volatile is the issue. The Senator who was the alleged source of the story informed me that he had been grossly misquoted and issued an immediate correction to the press.

But it was too late. The original wire story had moved across the country and was featured on at least one of the major network news programs last night.

Mr. Speaker, all of us can agree that it is highly important that the American people receive a consistently fair and accurate account of the historic impeachment investigation. In order for this to happen, the media must exercise extraordinary caution and restraint in reporting to the people the frequently sensational events of the day. Generally speaking, I think that the press has done a remarkable job. But they are only human and susceptible to fatigue and strain, as we all are.

I hope the press will find the physical and mental reserve needed to report the news accurately, lest the people receive a distorted account of what is happening in this House—as they did yesterday concerning my position.

EVIDENCE FOR IMPEACHMENT—THEN AND NOW

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. WALDIE. Mr. Speaker, this is, indeed, an historic day in the House of Representatives and the House Committee on the Judiciary.

Today we begin the actual deliberations on articles of impeachment of the President of the United States.

It has been a long and deliberate process between the introduction of a resolution of impeachment and the actual debate on the articles.

On October 23, 1973, I and 30 cosponsors introduced such a resolution. That action followed the firing on October 20 of Special Prosecutor Archibald Cox and the forced resignation of Attorney General Elliott Richardson and Deputy Attorney General William Ruckelshaus by President Nixon.

Immediately after the "Saturday Night Massacre"—taken because Mr. Cox refused to cease his efforts to obtain evidence by court action from the White House, I called the President's action an obstruction of justice—especially the President's apparent refusal to comply with Judge Sirica's court order to turn over nine tape recordings of White House conversation. In fact, the President had allowed the deadline set by the court to pass without complying. He did offer a compromise by which he would release not tapes, but transcripts with verification to be made by Senator JOHN STENNIS. This was not acceptable to Mr. Cox and after he made his views known at a news conference he was summarily dismissed by the President and the President ordered the Office of Special Prosecutor abolished.

Mr. Speaker, after the President's action against Mr. Cox, and the ensuing resignations of Attorney General Elliot Richardson and the Deputy Attorney General, William Ruckelshaus, there was an immediate outcry of protest from all over the Nation. The President capitulated and relinquished subpenaed tapes and agreed to continue the Office of Special Prosecutor.

While this reaction of the President stemmed some of the criticism of the events of October 20, it did not stop entirely the call for an impeachment investigation.

On the day after I introduced the resolution of impeachment I issued a statement indicating that I, and all the cosponsors of the resolution would continue to press for impeachment proceedings. In that statement we explained why we believed it was necessary to continue:

> The President's belated action (turning over the tapes) while welcome, removes only one of the grounds on which we sought impeachment, and it occurred only after the even graver attempt to obstruct justice by abolishing the office of the Special Prosecutor was carried out.
>
> Mr. Nixon's belated and angry submission on the tapes issue no way alters the fact that as President he has knowingly and willfully undertaken concerted and systematic action to render all branches of our government incapable of resolving charges and allegations of misconduct and criminal behavior.
>
> The full and solemn discharge of the Constitutional responsibilities imposed upon the House in the face of grave evidence and allegations of willful, wrongful, and prolonged attempts to obstruct justice makes a continuation of proceedings for impeachment an inescapable duty.

Mr. Speaker, looking at that statement in retrospect it is interesting and instructive to review the "grave evidence and allegations" referred to in the statement.

Watergate, of course, was the spark. The allegations of White House and possible presidential involvement first were raised by me in a speech on the floor of the House on Monday, June 19, 1972, the first business day after the break-in at the Watergate offices of the Democratic National Committee.

On that date I said the following:

> Mr. Speaker, illegal wiretapping, electronic surveillance, and breaking and entering are despicable activities under all circumstances. They are particularly despicable when used as tools in a political campaign.
>
> It is unbelievably despicable when such activities are engaged in by a national political party as a part of a presidential campaign.
>
> The recent incident involving an attempt to plant electronic devices in the Democratic National Committee headquarters, allegedly master-minded by the chief security officer of the Republican National Committee and the Committee to re-elect the President demands on inquiry by the Fair Campaign Practices Committee as well as the Federal Bureau of Investigation.
>
> It may be, as John Mitchell, the former Attorney General and now campaign manager for the re-election of Richard Nixon, states—that James McCord was not authorized to bug the Democratic National Committee headquarters—it may also not be.

Mr. Speaker, I followed that speech with a formal protest that same day to the Fair Campaign Practices Committee charging "representatives of the Republican National Committee and the Committee to Re-Elect the President" with planting illegal electronic listening devices and photographing material in the offices of the Democratic National Committee.

I called this activity clearly outside the Code of Fair Campaign Practice adopted by both major political parties and said that I considered such action to be a "disastrous breach in public confidence in the American political system."

The Fair Campaign Practices Committee forwarded my complaint to the Committee to Re-Elect the President. On July 14, 1972, CRP Counsel Glenn J. Sedam, Jr., responded saying it would be "inappropriate" to comment on my charges because the matter was in the courts, the Democratic National Committee having filed a civil suit—Democratic National Committee and others against James W. McCord and others.

Mr. Speaker, on July 24, 1972, I challenged Mr. Sedam's view and called for an open investigation to "clear the pall of doubt that hangs over this distasteful affair." I said that—

> It would be in the best interest of Republicans and Democrats alike to air this matter in an open investigation in an effort to remove present doubts as to the honesty and integrity of our system of free elections.

On February 7, 1973, the Senate voted 70 to 0 to establish a select committee chaired by Senator SAM ERVIN to investigate Watergate and Presidential campaign practices during the 1972 campaign. Even before the select committee opened hearings, other evidence began to be revealed regarding White House involvement. This included the acknowledgement of L. Patrick Gray that he had shown FBI Watergate files to John Dean, the President's counsel.

The public hearings and the testimony at the Senate select committee hearings and the information developed by the Special Prosecutor Leon Jaworski compiled more and more evidence of White House and Presidential involvement.

Key developments prior to my introduction of a resolution of impeachment included: James McCord's letter of March 19, 1973, in which he revealed political pressure on the Watergate defendants to plead guilty, that perjury had occurred and that allegations about a CIA role and national security involving the Watergate break-in were not true; the resignation on April 30, 1973, of Ehrlichman, Haldeman, Kleindienst, and Dean; the dismissal in Los Angeles of the Ellsberg-Russo trial after it was revealed the Government participated in an illegal wiretap and that Ehrlichman had offered the directorship of the FBI to the presiding judge in the case while the trial was in progress.

The "cap" was really popped from the "bottle" on July 16, 1973, when Alexander Butterfield revealed to the Senate select committee the existence of a recording system in the President's offices at the White House and the Executive Office Building as well as the White House telephones.

Immediately after that disclosure I raised the question about the availability of the White House tape recordings in the event of impeachment proceedings.

On July 25, I issued a statement suggesting a possible impeachment action by the House of Representatives to secure necessary evidence—including the tapes—in the event the White House would not release them to the select committee or the Special Prosecutor.

> In the event that the President's assertion of separation of powers or executive privilege are sustained in the courts, or if the litigation becomes inextricably bogged down over jurisdictional questions . . . it will be abundantly clear that the present procedures are not adequate to resolve the fundamental question of Presidential involvement (in

> Watergate) . . . if this situation occurs, I believe the House of Representatives should seriously begin steps necessary for the initiation of an impeachment process as a means of acquiring the documents or tapes in dispute.

Other serious matters involving the President came to light before I introduced the Resolution of Impeachment on October 23. Among these were the charges that improvements had been made on the President's properties at San Clemente and Key Biscayne.

In August I requested permission to inspect the President's property at San Clemente to see for myself if charges that some $700,000 in public funds had been expended for nonsecurity and nonofficial purposes. I was allowed to examine the Federal installation at San Clemente, but denied access to the private grounds. Two days later, however, Congressmen JACK BROOKS and EDWARD ROYBAL were permitted on the grounds. Later Congressman BROOKS' Government Operations Subcommittee issued a report that was most critical of the expense of public funds to improve the President's private residences.

By the time of the President's refusal to surrender the tapes and other evidence and the firing of Cox, several other events occurred which strengthened my own view that impeachment proceedings should be initiated.

There were revelations about illegal political intelligence gathering. The ITT role in the selection of the San Diego Republican convention site and the role of the White House in the ITT antitrust cases came to light. There was a report regarding political campaign contributions and the administration's raising of milk price supports.

There were reports of the President being accused of willful evasion of income taxes. In September I urged the President to make public his income tax returns for the years in question. He did this in December.

In the courts, there were more events which strengthened the allegations that the President and the White House were involved in the Watergate break-in and coverup. Seven persons were indicted in conjunction with the break-in—including E. Howard Hunt, Jr., Gordon Liddy, and James W. McCord, all involved with the White House and the Committee To Re-Elect the President.

John W. Dean III, the President's counsel, plead guilty on October 19, 1973, to conspiracy to violate the civil rights of Daniel Ellsberg. White House staff members Ehrlichman, Liddy, Krogh, and Young were indicted on September 4, 1973, with regard to the Ellsberg case. Frederick C. LaRue, former White House aide and assistant to John Mitchell at CRP plead guilty to obstruction of justice on June 27, 1973. Jeb Magruder plead guilty to obstruction of justice and conspiracy on August 16, 1973. On October 1, 1973, Donald Segretti plead guilty to campaign violations. On October 18, 1973, Egil Krogh plead guilty to two counts of perjury. And, prior to the October 23, 1973 introduction of the resolution of impeachment, three corporations and four corporate executives plead guilty to illegal campaign contributions to the President's reelection effort. That number has since risen to 17 individuals and 13 corporations. The individuals include Herbert Kalmbach, the President's personal attorney.

The record, Mr. Speaker, is replete with evidence, prior to October 23, 1973, that there was every reason to justify the Judiciary Committee's beginning impeachment proceedings.

After I introduced my resolution on that date, I stated that if the President could produce evidence showing his exculpation—then I would vote against impeachment by the House of Representatives.

Mr. Speaker, the long Judiciary Committee proceedings which I have been privileged to play a part in have not revealed such exculpatory evidence. Rather, more damning evidence has been brought forward, not the least of that being the edited transcripts of White House conversations.

So, today we begin formal debate on the articles of impeachment of President Richard M. Nixon. Today, as was the case on October 23, 1973, I think the evidence warrants a vote for impeachment.

Today's decision by the Supreme Court upholding a lower court decision that the President should make available other tapes though not unexpected, is, nonetheless, welcome. I do not think it will have great impact on the impeachment proceedings because we already have ample evidence to warrant a vote for impeachment.

It is my view that if evidence on those tapes existed that would exonerate the President, it would have been made available long ago.

Any subsequent evidence will only add weight to a case for impeachment that is already overwhelming. I see no reason at all to delay our proceedings awaiting access to these latter tapes and documents.

HON. WAYNE MORSE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MAZZOLI. Mr. Speaker, a great friend of human rights, peace and self-government for the District of Columbia has died.

Wayne Morse served the State of Oregon and his country with distinction for 24 years in the U.S. Senate. During that tenure, he established a noble reputation for intelligence and independence.

In the 1950's, Senator Morse was a key Republican opponent of Senator Joseph McCarthy's "witch hunts" and a proponent of important civil rights legislation.

As a member of the Senate Committee on the District of Columbia, he fought for many years for home rule for the District—a struggle I fully supported this year as a member of the House Committee on the District of Columbia.

But perhaps his most unique and indelible mark on history was made in 1964 when Wayne Morse—with typical foresight—voted against the Gulf of Tonkin resolution, which was later cited as congressional approval of American action in Vietnam.

This vote against the resolution—a stance he shared with only one other Senator—demonstrated his usual independence. Senator Morse continued to oppose the Vietnam war in the Senate and in speeches across the Nation.

Mr. Speaker, the Nation is grateful for the unique and lasting contributions of Wayne Morse to the causes of peace and social justice.

PRESIDENT NIXON'S THREAT TO VETO CPA IS INSULT TO INFLATION-WEARY AMERICANS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ROSENTHAL. Mr. Speaker, President Nixon's threat to veto the Consumer Protection Agency legislation which passed the House of Representatives by an overwhelming 293 to 94 vote on April 3 and is now pending before the Senate—is an indication of his total alienation from the needs of the American people.

His veto threat is not only an insult to millions of inflation-weary Americans, but it places him in opposition to the advice of his own consumer adviser, Virginia Knauer, and the wishes of a strong bipartisan majority of the Congress. It will prove harmful to the efforts of Mr. Nixon's own political party to throw off its reputation as the party of big business.

Because the establishment of the CPA will have a chilling effect on the sale of Government decisions to the highest corporate bidder, its fate will be as important to our Nation's future well-being as the fate of campaign finance reform legislation.

It is impossible not to conclude that Mr. Nixon's veto threat is directly related to his anti-impeachment strategy. What he is attempting to do is to maintain the loyalty of a big business community angered by high interest rates, a bearish stock market, and a recession-bound economy. He is attempting as well to garner the votes of conservative anti-consumer Senators whose votes he will need during an impeachment trial.

But if these desperation tactics—designed to cover up Mr. Nixon's declining political fortunes and the country's worsening economic situation—are allowed to succeed then the Congress will become an accomplice in the further alienation of the American people from their Government in Washington.

It is my hope and expectation that the Senate, which has been so forthright in approving legislation to reform our political system, will also approve, by a two-third majority if necessary, this equally vital piece of legislation.

CAPTIVE NATIONS WEEK

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. WALSH. Mr. Speaker, the 15th anniversary of Captive Nations Week was observed this year between July 14 and 20. This week provided a national forum for the discussion of détente in all its aspects.

There is, in my opinion, a serious misconception that should be corrected concerning the attitudes of the captive nations groups in this country toward détente. These groups and individuals do not oppose détente, rather they support it.

A letter I have recently received from the chairman of the National Captive Nations Committee, Lev. E. Dobriansky, best explains that support. A portion of that letter follows:

> We have always been for detente as a process, but for one pursued on grounds of knowledgeability, accurate conceptualization, and trained perception. When, in relation to the USSR—the only real critical threat to our national security—some in our leadership still think of the USSR as a nation-state, ignore the historic messages of Sakharov, Solzhenitsyn and others, and have become party to such Moscow-bred myths as "non-interference in internal affairs," "peaceful coexistence" and others, the urgency for this national forum during the "15th" is greater than ever. The over 2 dozen captive nations, nearly ½ in the USSR itself, are an "internal" problem for Moscow. Are they, therefore, of no life-and-death concern to us? By our silence are we prepared to consign them to permanent captivity in the naive hope of thereby securing "peace"?

In addition to the above letter, I would also like to share with my colleagues the 1974 "Captive Nations Week Manifesto" sent me by the Assembly of Captive European Nations. The manifesto briefly describes the history of the week and explains this year's dramatic backdrop.

The manifesto follows:

Captive Nations Week—Manifesto 1974

Dedicated to the restoration of freedom, self-determination and human rights to the captive peoples of East-Central Europe, the Assembly of Captive European Nations calls attention to Public Law 86–90, unanimously adopted in 1959 by the Congress of the United States, by which the third week of July is annually designated as Captive Nations Week.

This year Captive Nations Week runs from July 14 to 20. It reminds us of the fate of one hundred million East and Central Europeans who are living under Communist rule. To maintain this rule huge Soviet armies were entrenched in the heart of Europe separating the Soviet sphere from the rest of the continent. They interrupted the normal flow of people, information and ideas as practiced amongst free nations, and guaranteed the continued existence of imposed Communist governments unable to survive the test of free elections.

This year's Captive Nations Week will be observed against the background of the 35-nation Conference on Security and Cooperation in Europe. The Soviet leadership now feels within reach of a cherished dream of nearly three decades: getting all of Europe and North America to formalize the existing political division of Europe, and to set a seal of approval on the status quo.

The Conference which opened in Helsinki nearly 1½ years ago and then shifted to Geneva, is entering its last stage. According to Soviet proposals it should return to Helsinki to wind up its deliberations and proclaim to the world a unanimous acceptance and recognition of the present status quo in East-Central Europe by 35 nations represented for that purpose by their Chiefs of States.

If the Soviet Union has its way, this meeting should be a ceremony to bury the hopes of the captive nations for the restoration of their freedom and independence from Soviet domination. Only one side—the Soviet Union—is demanding and winning all the concessions. Even after the West agreed to a far-reaching concession of the inviolability of frontiers, it has never asked Russia and her satellites to discuss human and political rights of the nations they hold in their grip behind those frontiers. Among the few problems related to the situation of the captive nations the Western side confronted the Communists with, was the freer exchange of people and ideas. But even in this matter the West met with refusal.

May we recall the words of the distinguished Soviet scientist Andrei Sokharov who warned the Western world that "rapprochement cannot be unconditional, otherwise, it will be just one more capitulation to our anti-democratic regime, an encouragement to its sins, and will have particularly heavy and tragic consequences for the entire world situation".

The ending of the Security Conference, as proposed by the Soviet Union in a bigpagent in Helsinki on a note of the recognition of the present status quo, would have far-reaching repercussions, not only among the people of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Rumania, but far beyond the Moscow dominated area of Europe.

While enormously strengthening the position of the Soviet Union, this policy would not strengthen the prospect for durable peace. By giving the Soviets security in the possession of their European conquests it would only make it easier for them to apply their power at other vulnerable points of the globe. Neither would the nations of East-Central, which historically a culturally feel part of the Western civilization, resign themselves to Communist slavery. Their discontent would lead, as in the past to periodic outbursts of unrest which may have a potential of involving the rest of the world.

Captive Nations Week serves as a reminder to the Communist rulers that Americans continue to care about the plight of the captive nations, that they have not been forgotten. and that their hopes and aspirations are shared by millions who have the privilege of living in freedom.

While commemorating this year's Captive Nations Week:

We appeal to the United States Congress to raise their voice in the annual Captive Nations Week debate in defense of the inalienable rights of the captive nations to freedom and independence as equal members of the community of free peoples.

We appeal to the Governors and Mayors in the United States to issue proclamations designating the third week in July as Capive Nations Week in their status or cities.

We appeal to religious leaders of all denominations to hold services during Captive Nations Week, and to remember the peoples of East and Central Europe in their sermons.

We appeal to the People of the United States of America to manifest during Captive Nations Week, July 14–20, their awareness of the importance of the fate of 100 million Europeans to mankind's long quest for peace and justice.

STEFAN KORBONSKI,
Chairman, Assembly of Captive European Nations.

TAX REFORM OR COMMITTEE REFORM

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mrs. SCHROEDER. Mr. Speaker, I wish that I were here speaking under different circumstances. Right now, I would rather be addressing my colleagues as part of a debate on tax reform bill. Unfortunately, I am not. I am speaking in a legislative vacuum.

Mr. Speaker, the Ways and Means Committee has been meeting on tax reform for almost a year and a half now. I know the committee has had many pressing matters before it, but perhaps if its overfed jurisdiction were cut back or it were divided into subcommittees more expeditious action would be forthcoming. Hopefully the House will approve the Bolling committee reforms to meet this problem. I also know that the tax code is complex—mostly because of all the tax concessions and loopholes for the favored few. But it does seem that some of the more glaring inequities could be remedied and some measure of relief given to the consumer.

Low and moderate income people carry a disproportionate tax burden, while the wealthy and profit-laden industries are provided with numerous opportunities to avoid paying their share. Low and middle income wage earners also are paying the heaviest tolls to inflation because they spend such a large proportion of their budgets on those items that have most risen in price, such as food, fuel and housing. Even in economically stable times we would be obliged to bring greater fairness and equity into the tax system. Confronted with the crippled buying power and declining standards of living accompanying inflation, we cannot turn our backs on tax reform.

The panel of leading economists convened by the Democratic Steering and Policy Committee has called for a balanced program of tax revision including both tax relief and tax reform. I am delighted the Policy Committee's entire set of proposals for combating inflation has been adopted by the full Democratic caucus earlier today.

The panel suggests tax relief in the form of reduced payroll taxes and/or an increase in the standard deduction or an alternative income tax credit. I and many other Members already have submitted legislation in this area to the Ways and Means Committee. My bill to increase the personal exemption to more realistically reflect the increased cost of living has 30 sponsors. Congressman JAMES BURKE's bill to revise and make more progressive the payroll tax structure, which I have also cosponsored, has the endorsement of over 130 Members. Despite this broad support the Ways and Means Committee is not even considering the proposal in its current work on an all-encompassing tax reform bill.

This tax relief, especially the payroll tax reduction which would show up immediately in the checks of millions of wage earners, is not only simple equity;

it would also diminish labor's demand for catchup wage increases. If accompanied, as it must be, by solid loophole-closing reforms and cuts in spending, these tax cuts favoring persons of modest means would moderate, not intensify inflation and would provide needed economic stimulus as we fall into what is now a full-scale recession.

WILLA BENGE WINS EMMY FOR "BLACK ON BLACK"

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. STOKES. Mr. Speaker, it is with pleasure that I take this opportunity to applaud the recent selection of Willa Benge for an Emmy award for her outstanding program, "Black on Black." The award was given for best achievement in community service programing by the Cleveland chapter of the National Academy of Television Arts and Sciences.

A charming and aggressive hostess, Ms. Benge has brought tremendous notoriety and success to television station's WEW's "Black on Black." The show focuses on black political life in Cleveland, and includes discussions with prominent national and international figures as well.

Ms. Benge is beginning her sixth year as moderator of the program, and she is one of the city's most talented and dynamic media personalities. Her candid, "to-the-point" style has earned her national recognition as one of the industry's most highly rated, successful interviewers, and has won the entertaining and informative "Black on Black" a wide and approving audience.

I wish to take this occasion to direct the attention of my colleagues to an insightful article about Ms. Benge that appeared in a recent edition of the Cleveland Journal which provides a glimpse of her provocative personality, and briefly details her contributions to and achievements in the field of broadcasting:

[From the Cleveland Journal, July 2, 1974]

"THE PEOPLE IN THIS CITY MADE THE PROGRAM WHAT IT WAS"—WILLA BENGE

The event is the Fifth Annual Emmy Awards Banquet of the Cleveland Chapter of the National Academy of Television Arts and Sciences, Friday, June 21, 1974, at the Grand Ballroom of the Sheraton-Cleveland Hotel.

Billed as Cleveland tv's "Night of Nights", and hosted by talk-show host Phil Donahue, Emmy nominees are being awarded for Achievement Telecast within the calendar year 1973.

Nominated for an Emmy in the second largest category, Community Service Programming, are "Christmas at Hale", Richard Pitsche and Leigh Wilson, Cinematographers; "Risko", Kent Geist and Ralph DiGuglielmo, producers; "When Generations Meet", Effie Hall, Producer; "Scene on Sunday", John Oven, Producer; "Flop Mop", Lou Gatozzi, Producer; "Vincent", David Cromwell, Producer-director; "Downtown Cleveland Lives", Bill Jacocks, Producer; and "Black", Willa Benge, Producer—The envelope please—

"It was the first time in my life that I was speechless! I had said earlier that just because "Black on Black" was nominated, it was no guarantee of winning an Emmy," Willa Benge explained. We were thumbing through early photos of guests that had appeared on "Black on Black" over the past five years.

"When we celebrated "Black on Black" 's fifth anniversary earlier this year, many people came back to Cleveland for the occasion.

James Farmer, the founder of the Congress On Racial Equality, Ruth Turner, who inspired people to lay down under tractors to die for all of this, Roy Innis, who was the first guest to appear on BOB, cancelled a trip to Africa to attend the anniversary."

In the beginning—

In 1968 there was a conference held at CWRU. Personalities from the media, station general managers, and leaders of the white and Black communities attended.

At that meeting, Willa Benge, who was working at CORE, met Don Perris, President of Scripps-Howard Broadcasting.

She told Perris that she had an idea for a tv show. His response was "Fine, let's talk about it." Willa's main reason for the creation of "Black on Black" was the fact that "there were no Blacks in tv actually enunciating the prime concerns of the Black community.

"It is a known fact that Black folks can sing and dance and throw footballs and play basketball. But, if in fact, there was going to be any real progress in Cleveland, the total community needed to understand the concerns and needs of Blacks in this city.

"We have to address ourselves to the fact there is still a very large number of people in Cleveland who are illiterate, and their only source of reference is television. They don't read newspapers, they don't read books."

The first show was on Black Nationalism. A panel of Blacks in media, some well known and other just coming into prominence then, were selected: Geraldine Williams, Gerard Anderson, Charles Loeb and Louis G. Robinson. Roy Innis was the first guest."

"A few of us 'old COREites' were together the night before the 5th anniversary. As we talked we realized that if anyone were to take the time to check the old records they would see that most of the prominent people across the country, the prime movers in this country, were involved in the Civil Rights movement at one time or another.

"But what's unfortunate today is that there is no movement for our young to address themselves to now. And you can't play 1968 Civil Rights games in 1974. We've learned as a result of what happened out in LA with DeFreeze and what happened here in East Cleveland, that anybody who is foolish enough to start throwing molitov cocktails will pay the price."

In looking back over these past five years, I have found that you can be different and survive. You don't have to deal with pacification-type situations as far as Black people are concerned. You can deal with the hard-core truth and get over. That's what this Emmy has meant to me.

It's meaningful for me to know that my peer group, in the media, the Establishment, recognizes the fact that we have accomplished a lot. At the same time, I realize that this Emmy belongs to the Black community, who made "Black on Black."

What do we have to do to make Blacks in all fields of endeavor realize what they owe to the Black community?

Someone said to me that I was limiting myself on the program by addressing only Black problems. I said that I could drop Black and deal with things relating only to the poor and the majority of Black people fall into that category.

Willa, who is a Community Relations Consultant for the Gulf Oil Corporation and works in Foster Home Recruitment for Social Services of the Cuyahoga County Welfare Dept., has definitely received a fitting reward for five years of service to the community.

JAYCEES SELECT BILL MELTON AS OUTSTANDING YOUNG TEXAN

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MILFORD. Mr. Speaker, I received a piece of real good news today, and good news is hard to find these days.

Bill Melton, president of the Oak Cliff Chamber of Commerce, has been selected as one of the five outstanding young men in Texas by the Texas Jaycees.

I know Bill Melton well, and a lot of you probably know him, if not by name, by voice. Bill was the network announcer for the halftime show at Super Bowl VI.

Before I go into Bill's personal achievements, I would like to tell you a little about Oak Cliff, a strong community which it is my privilege to represent.

Oak Cliff, originally an incorporated city all its own, is now a part of the city of Dallas. The people of Oak Cliff, however, still consider this area to be a separate entity, with its own community pride and problems. And the pride has set about solving the problems within the community.

One of the results of this outstanding sense of community and community spirit has been an outstanding chamber of commerce. A vital organization such as this brings forth people like Bill Melton.

I am about to tell you about some of the things Bill Melton has done to richly deserve this honor, but before I do, I ought to reassure you that, in addition to his community service, Bill does hold a paying job, where he is also outstanding. He is executive director of the Commissioners Court of Dallas County.

In his spare time, Bill has found a number of community projects where he has proved to be a real achiever.

He has been chairman of the city of Dallas Radio Commission, which operates a first-rate AM radio station, WRR. He has been chairman of the Oak Cliff YMCA Board of Management. He is a member of the board of the Dallas County March of Dimes and the Creative Arts Center of Dallas. He is second vice president of the Oak Cliff Lions Club. He is a member and Sunday school teacher at the Glen Oaks United Methodist Church, and serves as a member of the board of the North Central Texas Board of Church Extension for the United Methodist Church.

Bill is also a member of the Greater Dallas Planning Council, and many Dallas civic organizations.

In addition to his network television debut, which I mentioned earlier, Bill is heading into his 7th year as the public address system announcer for the Dallas Cowboys. He also performs this function for many other area sports teams not quite so well known as the Cowboys.

Bill's achievements have not gone unnoticed. In 1972 he was awarded the George Washington Honor Medal by the Freedom Foundation at Valley Forge, Pa., and he was "Member of the Year" of the Oak Cliff Chamber for 1971–72.

Today's honor is not the first Bill has recieved from the Jaycees, either. He received the Distinguished Service Award from the Oak Cliff Jaycees in 1972 and from the Dallas Jaycees in 1973. I might add, as an aside, that public service runs in the Melton family. Bill's father, Allen, received the Distinguished Service Award from the Dallas Jaycees some several years ago—he would not tell me exactly how many.

Mr. Speaker, I am proud of Bill, proud of Oak Cliff, and proud of the fine job of leadership the chamber of commerce is performing in that community. I hope our colleagues share that pride with me.

FEDERAL COCHAIRMAN OF APPALACHIAN REGIONAL COMMISSION, DONALD W. WHITEHEAD, ENDORSES LEGISLATION TO SAVE THE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MIZELL. Mr. Speaker, today I received a letter from Mr. Donald W. Whitehead, the Federal Cochairman of the Appalachian Regional Commission, endorsing legislation I have introduced which would study the New River in North Carolina and Virginia for possible inclusion in the National Wild and Scenic Rivers System.

The Appalachian Regional Commission has established itself as an influential body within North Carolina and the other States that it operates. Therefore, it is significant that its Cochairman would feel strongly enough to express his concern on the fact that the New River should be saved. For the benefit of my colleagues I would like to insert the text of Mr. Whitehead's letter in the RECORD:

APPALACHIAN REGIONAL COMMISSION,
Washington, D.C., July 23, 1974.

Hon. WILMER D. MIZELL,
House of Representatives,
Washington, D.C.

DEAR MR. MIZELL: This is in reply to your July 17, 1974, request for my comments on the bill (S. 2439/H.R. 11120) which would include the New River in North Carolina, Virginia, and West Virginia as one of the rivers to be studied for possible inclusion in the list of protected wild and scenic rivers.

As you know, we have twice in the past commented adversely during our consideration of the environmental impact statement on the Blue Ridge project of the Appalachian Power Company which is proposed for this river. I believe that a full study, within a limit of two years, of this river is justified, and therefore I join Secretary of Interior Morton in his comments contained in his April 4, 1974, letter to Senator Helms and EPA Administrator Train in his comments to you of July 15, 1974, wherein they both recommend passage of this legislation.

Because of the time constraints involved, it was not possible to obtain the position of the Commission as a whole, and therefore these comments reflect my views only.

Sincerely,

DONALD W. WHITEHEAD,
Federal Cochairman.

A PROGRAM FOR THE UNITED STATES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. LAGOMARSINO. Mr. Speaker, it is my pleasure to bring to the attention of the House an excellent editorial in the Santa Barbara News-Press.

The editorial follows:

[From the Santa Barbara News-Press, July 18, 1974]

A PROGRAM FOR THE UNITED STATES

Preamble of the Constitution.—We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves, and our posterity, do ordain and establish this Constitution for the United States of America.

The nation is awakening to a bitter fact; that we have been entertaining a thief in our midst—inflation.

He came in with the distress of the great depression of the 1930s. This country, imbued with the delusion that it had proved itself invincible in the first World War, settled down to supply a war-deprived people with the goods they craved.

The economy went through the roof and disaster fell upon us like a thunderbolt. Our house of cards collapsed around us. Our faith in the old-fashioned virtues was shaken as never before.

Having won the war—or so we thought—we set out to win the peace. New economic philosophies sprang into the language—full employment will create its own successes—let the government provide the remedies that hard work and enterprise had fashioned before. Thus we repealed the law of supply and demand.

We haven't balanced our national accounts since. It takes a king's ransom to pay the interest alone on the public debt. We are surviving on borrowed money.

And where does the borrowed money come from? It is supplied by the exhausted resources of the earth which we have appropriated to our use without restoring the damage as we go along.

Thus we delude ourselves!

Is it any wonder that we have a government that deludes itself—and tells us everything but the naked truth

Which is that each morning an hour's work will buy less—not more; that each day we are using more of the world's goods without paying for them by building a sound economy.

Is it not time that we get back to the fact that we cannot repeal the law of supply and demand? And that common sense tells us that a nation rich in resources and rich in human skills should bow its head in shame to pay its bills and to pay its workers with debased currency?

Let us make a new beginning.

Let us tell our Congress that We, the People, are sick and tired of an annual accounting that is not balanced—of a legislature that spends more money than it takes in, and thus adds constantly to the public debt.

That We, the People, are tired of sending to Congress those who haven't the guts to stand up and demand of the executive branch that they tell the truth to the Congress and to the American people.

That We, the People, are sick and tired of those in the House and Senate who take a pledge before God and the people to defend the Constitution and have not the honesty to give the public the simplest unpleasant facts so that the most innocent information has to be "leaked" instead of being presented to the public straightforwardly and correctly in an official manner.

That We, the People, do not believe that a self-governing nation can survive with its liberties intact—let alone, be great—if it does not practice the simple virtues and know the difference between "right" and "wrong." It must set an example to our youth that will enable them to grow up strong and proud that they are citizens of a country that abhors decent and distrust, that reveres integrity, forthright courage and wholesome simplicity. These are the qualities that make it possible for a self-governing people to work together in trust and confidence.

TRIBUTE TO THE HONORABLE D. THOMAS IORIO

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ROONEY of New York. Mr. Speaker, I was happy to note that the Italian Government is in agreement with me about one very important matter—appreciation of the helpfulness, kindness, and loyalty of the Honorable D. Thomas Iorio, the Deputy Sergeant at Arms and Majority Pair Clerk here in the U.S. House of Representatives.

Recently, at the Italian Embassy here in Washington, our friend the Ambassador of Italy to the United States, His Excellency Egidio Ortona, showed his government's appreciation for Tom Iorio's numerous contributions over the years toward furthering the friendship and cooperation that exists between the people of the United States and the people of Italy by presenting Tom with the title Commendatore Stella della Solidarieta Italliona, the Order of the Star of Solidarity of Italy.

Tom Iorio is a living example of the millions of Americans of Italian birth and descent who have assisted this country to achieve its greatness and who continue to make that greatness grow. His helpfulness and trustworthy loyal service to the House of Representatives itself as well as to individual Members who have made up this august legislative body over a quarter of a century have been of invaluable assistance to all of us.

It has been my privilege to call Tom Iorio my close friend for over 35 years. His willingness to help at all times shall always be remembered and appreciated by me. I want to extend the congratulations of all the Rooney family to Tom on receiving this much deserved decoration. I know that his lovely wife Clara and his family are justifiably proud of him. I hope that this House of Representatives will continue to have the benefit of Tom Iorio's assistance and loyalty for many years to come.

FREEDOM CENTER PICKS "HOME NEWS" PUBLISHER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. PATTEN. Mr. Speaker, one of the unheralded legislative achievements of the historic 89th Congress was the Freedom of Information Act, which I cosponsored. Because of that law, the citizens of this country are able to have access to more information about the policies and programs of the Federal Government.

Recently, Hugh N. Boyd, president and publisher of the "Home News" of New Brunswick, N.J., was named chairman of the 28-member advisory council to the Freedom of Information Center in Columbia, Mo.

The advisory council includes outstanding media leaders throughout the Nation, all of them concerned with freedom of information, so I am especially proud that Hugh Boyd was named chairman. He is an exceptionally capable, respected, and dedicated newspaper executive and I know that under his effective leadership, significant progress will be made by the council.

The article covering his appointment follows:

[From the Home News, July 16, 1974]

FREEDOM CENTER PICKS PUBLISHER OF HOME NEWS

Hugh N. Boyd, president and publisher of The Home News, has been named chairman of the 28-member advisory council to the Freedom of Information Center in Columbia, Mo.

The center, funded by subscriptions and contributions, is an international clearing house for materials and reports on the free flow of information.

Since its inception in 1958, the center has issued over 300 special reports. It answers more than 2,000 queries annually from editors and other media leaders from many nations. Boyd was one of the center's founders.

"The advisory council will give advice concerning the mission of the Freedom of Information Center, suggest topics for research projects and assist in formulating the center's guidelines and goals," explained Dwight E. Sargent, president of the center.

The advisory council members, which Sargent called "a good cross section of people concerned with the freedom of information" includes leaders from the newspaper, magazine and broadcasting industries, and representatives from academia and the library profession.

The council appointments were announced by Sargent, on behalf of the center's board of trustees. Sargent said he hoped groups of council members would gather several times each year.

The other members of the advisory council are:

Robert B. Atwood, president and publisher, The Anchorage Times, Alaska; Roderick W. Beaton, president, United Press International, New York; Barry Bingham Sr., chairman, The Courier-Journal Times Louisville, Ky.; Robert U. Brown, president and publisher, Editor & Publisher, New York; Erwin D. Canham, editor-in chief, Christian Science Monitor, Boston; George Chaplin, vice president and editor, The Advertiser, Honolulu, and Helen K. Copley, chairman, Copley Newspapers LaJolla, Calif.

Verne E. Edwards Jr. Journalism Department, Ohio Wesleyan University, Delaware, Ohio; Robert H. Estabrook, publisher, The Lakeville Journal, Conn.; James Hester, president, New York University; Larry H. Israel, president, Washington Post Co.; John H. Johnson, president, Johnson Publishing Co., New York, and Stuart Keate, publisher, The Vancouver Sun, British Columbia.

Robert E. Lee, chief of libraries, University of Western Ontario, London, Ont.; Hobart Lewis, chairman and editor-in chief, Reader's Digest, Pleasantville, N.Y.; Merrill Lindsay, president, Illinois Brodacasting Co., Decatur, Ill.; Elmer Lower, president ABC News Division, New York; Donald H. McGannon, president, Westinghouse Broadcasting Corp., New York: and Harold Niven, vice president, National Association of Broadcasters, Wash. and Vermont Royster, contributing editor, Wall Street Journal, New York.

Richard S. Salant, president, CBS News Division, New York; Theodore A. Serrill, executive vice president, National Newspaper Assn., Washington; Robert W. Smith, publisher, Minneapolis Star and Tribune, Minn., Roger Tatarian, journalism department, Fresno State College, Calif.; Martin Umansky, president and general manager, KAKE-TV, Wichita, Kansas; Richard Wald, president, NBC News Division New York, and Robert M. White II, editor and publisher, Mexico Evening Ledger, Mexico, Mo.

UNITED STATES-SOVIET DEALS SERVE SOVIET INTERESTS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ASHBROOK. Mr. Speaker, the question of U.S. trade with the Soviet Union is vitally important to the national security of the United States. The Soviet Union needs Western technology to develop industrially and militarily. I say industrially and militarily because the development of sophisticated modern weaponry requires a technologically developed industrial base.

Some proponents of expanding United States-Soviet trade have argued that such trade financed by American taxpayer subsidized credits will increase Soviet dependence on the United States. I have suggested that the opposite is the case—the United States would be dependent on the Soviets for raw materials and finished products under some of the deals being negotiated. Also, the Soviets owing the United States large sums of money will result in further American dependence on the Soviets if this country wants to be repaid.

Zbigniew Brezezinski, an authority on Soviet affairs, seems to be of the same opinion. He has recently stated:

> One can certainly conceive of a Soviet leadership being tempted to use both its indebtedness to the United States and American dependence on Soviet raw materials for political ends.

The case can be made that the Soviets have already done this on some past debts to the United States by their tying payment of those debts to the United States granting the Soviet Union most-favored status.

American national security is not enhanced by American dependence on the Soviet Union.

PUBLIC OWNERSHIP OF RAILROAD TRACKS GAINS SUPPORT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HARRINGTON. Mr. Speaker, in his "In The Nation" column in the July 21, 1974, New York Times, Tom Wicker endorses Congressman ASPIN's proposed legislation to establish an interstate railroad system, designed to restore and improve the condition of present railroad roadbeds and trackage.

I have cosponsored Congressman ASPIN's IRC legislation, because it seems to me that our need for such an agency is critical in light of the increasing number of train accidents due to decaying track conditions, and the threatened abandonment of rail service in many rural areas.

I insert Mr. Wicker's column in the RECORD at this time, and urge my colleagues to seriously weigh the merits of Congressman ASPIN's Interstate Rail Corporation legislation.

The text follows:

MAKING TRACKS

(By Tom Wicker)

The French Line has made one of the more melancholy announcements of the summer—that its great passenger liner, the France, will be withdrawn from service after Oct. 25. A veteran of several trans-Atlantic crossings in the France can hardly help wondering why something couldn't be done to preserve the leisurely and civilized means of travel. Must everything be sacrificed to speed and efficiency?

Something is being done, for example, to preserve, perhaps even restore, rail travel in America. Only a few years ago, it seemed as moribund as the France; now, while many problems remain, the vital signs are strong.

Most recently, Amtrak and several states have announced the restoration of some useful routes in the continental rail system, with several others about to be put into service. This is the result of Federal legislation providing that Amtrak must make passenger service available when states demanding it agree to assume two-thirds of any operational losses. Federal funds make up the deficit.

This ought not to be dismissed as a "subsidized" service. In the first place, if the service can be improved enough, there need be no great operating losses; but even if there are such losses, it makes sense that government should help finance a useful and desirable public service, rather than requiring that it necessarily pay for itself or make a profit. The Government does not require that Federal highways make a profit, and it pours huge sums into airport construction and other support to the airlines.

The state-Federal underwriting of operational losses has led to restoration, beginning this fall, of direct New York-Detroit service, via Albany, Buffalo, Niagara Falls and a run through Ontario. New York State also is arranging to underwrite renewed service between New York City and Montreal on the Hudson Valley route (service through Vermont has been restored), and from New York to Binghamton.

Michigan is getting ready to finance a link in a Chicago-Toronto service, Florida is proposing a turbo-train to run along the Gold Coast, and other states have various additional routes under consideration. Thus, many of the gaping holes in the original Amtrak route system may soon be filled and something like a national service provided.

But if that could be swiftly achieved and modern, new equipment provided, Amtrak passengers would still be facing a major obstacle to really good service—as any rider on the lucrative New York-Washington line could testify. On that route, even the comforts of the Metroliners, Amtrak's premier trains, cannot conceal the fact that much of the roadbed is obsolete.

From New York to Boston, the turbo-train does its best, but the roadbed is too elderly and meandering to permit a really competitive schedule. Much of the trackage over which Amtrak's trains must run is literally dangerous; most of it is old and rough, at best; many routes have duplicating tracks; and many are not as direct as they would be if they had been built to serve contemporary needs.

The fact is that no major intercity rail line has been built in America since the nineteen-twenties. As the railroads have declined, moreover, they have not kept the existing trackage in the best condition. This is a limitation on Amtrak service that Amtrak alone cannot meet; and most of the freight carriers can't either.

Representative Les Aspin of Wisconsin has proposed a means of dealing with the roadbed-track problem that seems well worth consideration. His legislation would set up an Interstate Railroad Corporation that would take over, rehabilitate and maintain the national railroad track system—but not the railroads themselves. Private carriers and Amtrak would continue to operate the trains.

Existing railroad companies could turn their trackage over to the new corporation, or continue to own and maintain it themselves. The trackage turned over to the new system would be "rehabilitated" with the proceeds of a one per cent tax on all surface freight shipments for a six-year period. Long-term maintenance would be provided by a charge of $1 per 1,000 gross ton-miles levied on freight and passenger carriers. Mr. Aspin thinks such a maintenance charge would be less than most carriers now pay for equivalent costs. Carriers retaining their own trackage would have to meet the standards set by the Interstate Railroad Corporation.

There may be other ideas, but Mr. Aspin has grasped an essential point—that Metroliners and Turbo-trains need a decent roadbed if they are to deliver their full potential to the growing numbers of railroad passengers.

TRIBUTE TO WAYNE MORSE

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1974

Mr. PERKINS. Mr. Speaker, this week the Nation mourns the passing of one of its great sons and one of the most brilliant and distinguished men ever to serve in the other body—Wayne Lyman Morse of Oregon.

I feel the personal loss sharply, for over the years I came to know Wayne Morse well as our committee assignments in our respective Houses of Congress brought us into frequent contact.

I know of no man who loved his country more, or who tried harder to serve the people.

Wayne Morse's final illness came swiftly, and struck him down in the midst of a campaign. He could have wanted no greater accommodation, for he was a man of action and movement. Long lingering illness or long lingering inactivity was no role for him, and I am glad he was spared it.

Courage is the word one thinks of immediately when one thinks of Wayne Morse. He had it in abundant measure, and he exhibited it many times during his long public career. He was not afraid to stand alone for what he believed to be right, and in many instances, his lonely stands have been vindicated by time.

The country will miss Wayne Morse; and his passing leaves those of us who admired him and served with him, with realization of our loss.

VIETNAM FORUM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. CRANE. Mr. Speaker, an event took place recently on Capitol Hill which I think is of considerable importance. A forum to discuss the situation in Vietnam was cosponsored by the Young Republican National Federation, Young Americans for Freedom, and the American Conservative Union. Instead of being a closed and elaborately orchestrated propaganda device, such as we have lately seen organized by opponents of the Republic of Vietnam, this forum sought to promote free discussion by opening its doors to interested parties.

From the discussion emerged details of the double standard used in judging South Vietnam, and how perfection was demanded of the South, whereas repression and brutality by the North were either tolerated or conveniently ignored. The falsity of the charge that the Vietnamese Government detains 200,000 political prisoners was shown by figures which established the total capacity of the prisons at only a small fraction of that number.

The story of continued North Vietnamese aggression and cease-fire violations was well brought out during the course of the discussion, especially their illegal infiltration of massive quantities of arms, ammunition, and men into the South.

I was pleased to participate in a forum which showed that supporters of the Republic of Vietnam are still prepared to speak out about the true situation in that country. I would like to share with my colleagues a report of the forum by James Roberts, political director of the American Conservative Union, as it appeared in the June 29, 1974, issue of Human Events:

Conservatives Respond to Hayden-Fonda Viet Forum

(By James Roberts)

With the signing of the Vietnam cease-fire agreement on Jan. 27, 1973, America's longest—and perhaps most difficult—war came to an end.

Though in disagreement with the restricted way in which the United States fought the war, most American conservatives agree that, in retrospect, the U.S. commitment there was necessary. And, despite the enormous cost in lives and treasure, most feel that the price was justified by the end result—namely, the stabilization of the strategic situation in Southeast Asia, the fulfillment of our military commitment to South Vietnam, the preservation of American credibility, the prevention of a Communist takeover in South Vietnam and the establishment of a viable government in Saigon capable of governing the country effectively and possessing the resolve and ability to defend itself against continued aggression from the North.

Ironicaly, but expectedly, leftists in Congress and the media have sought to undermine the considerable success achieved in Vietnam. Having relentlessly opposed the American military effort there on the grounds that the South Vietnamese should be willing to defend themselves, they are now out to make that self-defense impossible by terminating U.S. aid.

Led by such senators as Ted Kennedy (D.-Mass.), Frank Church (D.-Idaho), William Fulbright (D.-Ark.), and Charles Mathias (R.-Md.) and Congressmen like Ron Dellums (D.-Calif.), Pete McCloskey (R.-Calif.) and Bella Abzug (D.-N.Y.), liberals in Congress have sought repeatedly to drastically cut or eliminate altogether the military aid that Saigon desperately needs to counter the massive infusions of Soviet and Communist Chinese aid that the North Vietnamese are sending southward in violation of the Paris accords.

They have been aided in this drive by the liberal media and by radicals such as Jane Fonda and Tom Hayden—the dynamic duo who held the well-publicized propaganda "seminars" on Capitol Hill some months ago in an attempt to force the end of all support of the Thieu government.

In an effort to present the case for continued aid to South Vietnam, correct distorted reporting of the situation there and counter radical propaganda, the Young Republican National Federation, Young Americans for Freedom and the American Conservative Union co-sponsored a forum in Washington recently to discuss the situation in Vietnam. The meeting was held on Capitol Hill and was well attended by congressional staff members and members of the press.

The panelists included Elbridge Durbrow, former U.S. ambassador to South Vietnam (1959–1961); Frank Sieverts, special adviser to the assistant secretary of state on POW affairs; Reed Irvine, chairman of Accuracy in Media; Navy Capt. Ed Martin, a POW for six years in North Vietnam; Ed Feulner, executive director of the House Republican Steering Committee, and Representatives Phil Crane (R.-Ill.), and G. V. (Sonny) Montgomery (D.-Miss.). Moderator was Dick Smith, president of the Young Republican National Federation.

At the outset Smith stated the theme of the forum: in view of the $150-billion investment in South Vietnam, the current U.S. aid level is quite modest indeed (the Administration had asked for $1.6 billion for fiscal year 1975). Having enabled the South Vietnamese to defend themselves, it would be immoral to deprive them of the weapons they need for the task.

Speaking of the 50,000 U.S. dead and the hundreds of thousands of wounded, Smith said, "It would be a shameful slap in the face to the memory of these men and to their families for us to abdicate our responsibilities now. It's just not the American heritage to abandon a struggle, especially when the goal is in sight, or to desert a friend in need."

Ambassador Durbrow noted in his remarks that a double standard is used in judging

South Vietnam—that the Thieu government is expected to meet standards of perfection, while the brutality and barbarism of the Hanoi regime is explained away or ignored.

Durbrow went on to refute a number of leftist charges about South Vietnam, among them the contention that there are 200,000 political prisoners in the South. Durbrow stated that a thorough study by the U.S. Embassy in Saigon revealed that the maximum capacity of all prisons in South Vietnam is about 35,000. Indeed, even Sen. James Abourezk (D.-S.D.), who originally bruited about the 200,000 figure, has backed off from his original charge.

Durbrow also deflated the charge that Thieu is the ruthless dictator of a repressive police state, pointing out that Thieu has vocal opposition in the Assembly and that a vigorous opposition press exists.

"If Thieu is a dictator he's pretty naive," Durbrow said. "I can't understand why any dictator would be so stupid as to arm the peasants."

He pointed out that Thieu has distributed arms to more than 500,000 peasants—and that these guns could have been used against the government if it were intolerably repressive.

As for the police state allegation, the ambassador responded that there are 120,000 police in South Vietnam and that this is not an unduly large number considering that the country is still at war and that the Vietcong continue to perpetrate terrorism on a massive scale.

Accuracy in Media Director Reed Irvine added that one of the reasons for the existence of the double standard is biased media coverage of Vietnam.

"A good example is the Hué massacre during the Tet offensive," he said. "This was one of the greatest atrocities of the post-World War II era. More than 5,000 civilians were murdered in Hué, many of them by being buried alive in mass graves. Yet the New York *Times* ran only two stories on it. Contrast this to the coverage of the My Lai massacre in which about 109 civilians were shot in a combat situation. The New York *Times* subject index for a six-week period shows three and one half pages of titles on My Lai."

Ed Feulner, executive director of the House Republican Steering Committee, had recently returned from a trip to South Vietnam and he focused his remarks on North Vietnamese violations of the cease-fire agreement.

He said that, in direct violation of the accord, the North Vietnamese had:

Committed approximately 60,000 military violations and 7,000 acts of terrorism, killing 2,000 civilians, wounding 6,000 more and imprisoning 2,000 others.

Infiltrated 60,000 troops into South Vietnam;

Expanded oil pipelines in Communist-controlled areas;

Infiltrated 600 tanks, 1,000 artillery pieces, constructed numerous missile sites and built or expanded 12 airfields;

Failed to specify the point of entry for their one-for-one troop replacements;

Refused to cooperate with the International Control Commission in the search for MIAs (Missing in Action).

Shot at helicopters searching for MIAs, despite the fact that they were clearly marked and flying on predetermined routes on pre-arranged days.

Organized their released POWs into three infantry units based in South Vietnam.

There was so much war materiel coming into South Vietnam, Feulner said, that "the Ho Chi Minh Trail looked like Shirley Highway [a major Washington area thoroughfare] at 5:00 in the afternoon."

Frank Sieverts of the State Department pointed out that between 1965 and 1973 the Red Cross had conducted 475 inspections of POW camps in South Vietnam, adding that the North Vietnamese allowed no such inspections during the same period.

Sieverts said that after signing the Paris treaty Hanoi even tried to renege on its pledge to release all American POWs and conspicuously failed to respond to requests for information on MIAs. He said that in contrast the South Vietnamese had responded promptly to the 100 requests made by North Vietnam.

Sieverts emphasized that we have free access to South Vietnam and are therefore able to judge it against American standards. No such access exists to North Vietnam, which means that the North Vietnamese are exempt from any standards of comparison.

While anxious to make the case for continued aid to South Vietnam, the three sponsoring organizations sought to promote free discussion of the subject. Repelled by the closed and carefully stage-managed propaganda marathons held by Jane Fonda and Tom Hayden on Capitol Hill, the forum organizers opted for a meeting open to staff members in all congressional offices.

Not surprisingly, liberals and leftists were out in force. Their comments dealt almost exclusively with the alleged brutality of the South Vietnamese prison system.

For instance, Jean Pierre Debris, a French citizen released from prison by the Saigon government in 1972, stated that "hundreds of my friends didn't walk out and can't walk anymore because their legs were shackled so long."

Capt. Martin replied that Americans were able to walk upon release only because they had been relatively well-treated in the final weeks. He also told of seeing women and children as young as five shackled and held in cramped North Vietnamese prisons.

Rep. Crane addressed his remarks specifically to the so-called "tiger cages" on Con Son Island which he personally visited and investigated. While the prisons were hardly comfortable, Crane said that they were no worse—and in some respects were better—than similar prisons he had seen in South Vietnam and in many other countries, including the United States. The cells measured 10½ feet in depth, 10 feet in height and four to five feet in width, and accommodated a maximum of four, Crane said. In contrast to this, Capt. Martin said prison cells in North Vietnam measured 78 inches by 53 inches, each of them holding five men.

Toward the end of the session radical leader Don Luce contended that U.S. military aid to South Vietnam was vastly greater than Soviet and Communist Chinese aid to North Vietnam.

Mr. Sieverts replied, "The figure being used for Soviet and Chinese aid to North Vietnam is $290 million [per year.] That of course is hardware, most of which is going South for fighting purposes. I think the first thing on which we should agree is that the United States is providing zero aid for the purpose of attacking North Vietnam. Our aid to South Vietnam is being used in South Vietnam to defend South Vietnam."

The Thieu-haters, of course, want that aid terminated so that their prophecy that the Thieu government will inevitably fall would be self-fulfilled. Similar predictions had been made before, of course, as Rep. Montgomery pointed out.

"During the early '70s it was suggested that if 200,000 American troops were pulled out it would be another Dunkirk for the remaining troops," he said. Many people felt that the South Vietnamese couldn't hold. Well, they held and they're still holding."

Their ability to continue holding, of course, is linked directly to the aid they receive from the United States. It's all very simple: if the Crane-Montgomery side wins over the Dellums-Fonda side, South Vietnam will win as well.

BROADCASTING THE IMPEACHMENT DEBATES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. RANGEL. Mr. Speaker, the impeachment clause in our Constitution is the American people's primary check over the power of the Presidency. As such, the utilization of the impeachment machinery should be for the people.

In this light, I support full broadcast coverage of all the impeachment proceedings. A Washington Post editorial of July 19, entitled "Broadcasting the Impeachment Debates," effectively outlines the reasons for full impeachment coverage. It is now submitted for the thoughtful attention of my colleagues:

BROADCASTING THE IMPEACHMENT DEBATES

By approving Rep. Wayne Owens' resolution to permit broadcast coverage of open committee meetings in the House, the House Rules Committee has taken the first important step toward letting the entire nation witness first-hand the momentous impeachment debates which begin next week. The full House must still approve the Owens measure, and then the Judiciary Committee itself must agree to let the cameras in. But both hurdles can be cleared easily if enough members recognize the utility of providing direct, complete nationwide coverage of these historic events.

The key question is how much the nation should be able to learn about congressional deliberations on the impeachment of the President—the committee's actions, the House floor debates and, if the House votes for impeachment, the Senate trial. If tradition prevails and broadcasting is barred, the only direct observers of these proceedings would be the few members of the press and public who can squeeze into the chambers. The rest of the nation would be blacked out. Fortunately, more and more legislators are coming to realize how unwise such restrictions on communications would be. In addition to the Rules Committee's 10–3 vote, Rep. Sidney R. Yates (D.-Ill.) now has at least 87 cosponsors of his resolution to authorize live broadcasting of the House impeachment debates. So far, however, Speaker Carl Albert and Majority Leader Thomas P. O'Neill have failed to exercise any leadership toward enlarging public understanding of the actions of the House.

There is still some congressional uneasiness about the possible effects of full coverage. Some feel, for instance, that the presence of the cameras is inherently disruptive, but this is not necessarily the case. The major networks, including public broadcasting, have pledged that, if permitted to cover the sessions, they will do so in decorous and unobtrusive ways. This would probably mean continuous coverage without any arbitrary interruptions, using relatively soft lights and fixed cameras. There need not be any reporters cluttering the chamber, any panning of the audience, or any of the other techniques which could create an unseemly convention like atmosphere.

The next question is whether, no matter how well the broadcasters behave, the fact of being televised would alter the legislators' demeanor. Some suspect that, with the cameras on, some representatives might be tempted to grandstand, to engage in histrionics, or otherwise trifle with the solemn undertakings. That danger always exists. But continuous broadcasting could well be a steadying, restraining force, since all members would know that their constituents are watching how they carry out the most important duty of their political careers.

Another problem of possible distortion has been raised, especially by Republicans such as Rep. Delbert Latta (D-Ohio) who worry that the networks might not be "fair." But this is really an argument for more comprehensive coverage, not less, since the dangers of distortion or over-simplification by the media would be greatest, one would think, when the public is forced to rely entirely on compressed, selective reporting through the printed press and broadcast summaries. The more voluminous the evidence, the more intricate the debate, the more ambiguous a few particulars may be, the more important it becomes for the entire nation to have every opportunity to watch the arguments, to hear the tapes, and to weigh for themselves the presidential conduct which is being judged—and the conduct of the Congress sitting in judgment.

The notion that the nation should be watching these events continues to trouble some, mostly lawyers and mostly outside Congress, who equate impeachment debates with criminal proceedings from which broadcasting has traditionally been barred. That analogy does not stand up. However judicious impeachment ought to be in its procedures and findings, it is not, strictly speaking, a judicial process. It is a political process in the most basic constitutional sense; it is the means by which the people's elected representatives assess alleged abuses of the public trust. Public opinion as reflected in the mail or polls should not be the decisive influence on any member's vote. But in the long run popular opinion will provide the ultimate judgments on the outcome and the way in which it is reached. Thus it is in the best interests of everyone for Congress to give the public every opportunity to be fully informed at every stage of the process, by permitting the full, nationwide airing of the debates ahead.

A WELCOME CHANGE IN GREECE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ROSENTHAL. Mr. Speaker, the announcement of a restoration of civilian government in Athens yesterday is an event that should be greeted enthusiastically by all friends of Greece. Civilian rule marks the first important step toward a democratic government which has been denied Greece—the birthplace of democracy—for over 7 years.

Constantine Karamanlis is a seasoned and responsible political leader whose experience as premier for 8 years should help guide Greece in the difficult months ahead. This democratic restoration will not be easy. Premier Karamanlis and his government need and deserve the support of all for the interim period until elections can be held.

The tragic fighting in Cyprus, which has already cost many lives of the citizens of three countries, must now end. Turkey's role in achieving and maintaining a cease-fire is critical. I hope that Prime Minister Ecevit will respond to the changes in government in Athens and Nicosia by committing himself immediately to a cease-fire and withdrawal from Cyprus without either preconditions or recriminations. It would be tragic if Turkey tried to capitalize on the present conditions in these two countries by seeking unrealistic and unfounded benefits in Cyprus.

THE NUCLEAR ARMS RACE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "The Nuclear Arms Race":

[From Hamilton's Washington Report, July 24, 1974]

THE NUCLEAR ARMS RACE

Each time an American President and the leader of the Soviet Union hold a summit meeting the most critical item on the agenda is the limitation on nuclear arms. Both countries acknowledge that continuous development of bigger and better nuclear weapons is futile, dangerous, and costly, and yet the mad momentum of the nuclear arms race goes on.

The central reality of the nucelar arms race is that each country can destroy the other no matter which country strikes first. Upon this capability of mutual-assured destruction and the essential equivalence of nuclear arms rests the hope of deterrence of nuclear war.

Some progress has been made in stopping the nuclear arms race. In 1963, the Limited Test Ban Treaty stopped nuclear testing in the atmosphere but not underground. The Non-Proliferation Treaty, which went into force in 1970, is intended to limit the number of countries with nuclear weapons, and the Outer Space Treaty and the Sea Bed Treaty prohibited nuclear weapons in orbit or in the sea bed. The 1972 SALT agreements include a permanent ABM treaty limiting anti-ballistic missile systems (i.e., missiles designed to shoot down an attacking missile) and a five-year interim agreement placing limits on the number of offensive strategic missiles each side could build.

This month the United States and the Soviet Union signed another treaty limiting the size of underground nuclear weapons testing, starting March 1, 1976. Unfortunately, the negotiations did not move forward in the critical area of controlling the offensive nuclear arms race. Both sides did agree to seek a new ten-year interim agreeemnt to replace the present interim agreement which expires in 1977. Most experts were disappointed with the treaty, believing it will not prevent either side from doing what it wants to do and that it may relieve pressure for a complete ban.

With each country able to destroy the other with only a small portion of its strategic forces and with the cost of weapons absolutely staggering, it would appear that an agreement limiting arms could be reached, but the bargaining problems, the measurement of arms equality in particular, present enormous complexities. Each country's leader must contend with powerful groups within his own country, which make a national position on nuclear arms limitation difficult to achieve. Domestic, as well as international, considerations must be weighed. The U.S.S.R. has emphasized large land-based weapons; the U.S. has placed relatively greater emphasis on sea-based weapons and smaller more flexible land-based weapons. As a result the weapons systems of the two sides are difficult to compare. The status of forces, the race of technology, the variety of geography, and the differing strategic concepts must be considered, along with the Soviet weapons aimed at Europe and the NATO weapons poised to strike at the Soviet Union. Each side wants equality, but neither can agree on what weapons are equal to what other weapons. The most urgent issue is controlling multiple warheads (MIRVs), but limiting them is especially difficult because there are so many ways to measure equality. Moreover, the discussions occur in an atmosphere of suspicion and doubt about the other side's intentions.

All in all, there are not many solid reasons for hope that effective nuclear arms controls can soon be achieved. The day may come when the superpowers will reduce their reliance upon strategic nuclear forces. Already nuclear arms have become less credible for use, and at some point, although probably not soon, the superpowers may feel that nuclear arms competition is no longer required.

In the meantime, the costly and potentially deadly search for new weapons and strategies goes on. The refinement of MIRVs will heighten the vulnerability of land-based missiles to surprise attack, threatening to make an entire weapons system ineffective. Secretary of Defense Schlesinger has announced a new counterforce strategy, a change in targeting practices so that some U.S. missiles are programmed for Soviet military sites as well as cities. The objective is to give the President greater flexibility and selectivity in choosing among targets in the Soviet Union, but it also raises all kinds of questions about encouraging limited nuclear war, setting off another cycle of the arms race, and, if the Russians should conclude that their land-based missiles are vulnerable, increasing the possibility of a first strike.

In these circumstances, the objectives of U.S. strategic policy must be to deter the Soviet Union from launching a nuclear attack by the development of a secure and multiple deterrent force that will not threaten the Soviet deterrence. The U.S. should seek a verifiable arms limitation agreement which will keep the two countries in about the same relative strategic positions they are in now. U.S. policy must continue to enhance security by trying to slow down strategic arms competition and by minimizing the economic burden of the arms race. Direct discussions with the Russians can increase each side's understanding of the other's posture and contribute to a stable relationship. The risks of talking are far smaller than the risks of not trying for an agreement. Even so, the U.S. can reasonably expect negotiations to continue for many years.

FIREFLY CRISIS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. ASHBROOK. Mr. Speaker, in an age of chronic shortages, it might be wise at this time to point out that not even mother nature is immune to the classic laws of economics and the free market system which governs our daily lives.

I should like to call the attention of the Members to the following article from the Washington Post, which shows how Adam Smith's "invisible hand" influences the availability of resources in all facets of life—even the animal kingdom:

Mother Nature Is Suffering Firefly Crisis

St. Louis, July 19.—Mother Nature apparently has some shortages of her own, according to officials at the Sigma Chemical Co. of St. Louis.

Fireflies are in short supply, the officials say, so much so they have to be rationed.

"The demand for fireflies is so great we can't keep up with it, particularly during drought years, which are very hard on fireflies," a company spokesman said. "They have to be rationed."

The company has sponsored a national firefly collection for the last 13 years because the male insect is the only known source of active luciferase—ATP —a substance valued by many medical researchers, ecologists, and space scientists.

EASTERN EUROPE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. DERWINSKI. Mr. Speaker, quite predictably, the press has taken its readers from one major foreign crisis, from the Middle East to Cyprus, and then on to the next.

However, the area that has been somewhat neglected by the American press is Eastern Europe. I believe an article in this morning's Wall Street Journal, July 24, by Ambassador Jacob Beam, who as the Members know is one of most outstanding career diplomats of the United States, is an effective appraisal of U.S. foreign policy, of "détente" and the effects of suppression in Eastern Europe.

The article follows:

Eastern Europe, Ignored by Détente

(By Jacob D. Beam)

While few people would like to see the recent improvement in U.S.-Soviet relations reversed, some of the implications which flow from the concept of detente are coming under increasingly close scrutiny.

One area that invites attention is the effect of detente on the condition and future of the captive peoples in Europe.

From a moral point of view, the fate of Eastern Europe, taken together with that of the overrun Baltic states, remains World War II's most monstrous legacy. Soviet rule in the region affronts the historic cultures of its peoples, while holding them to levels of economic stagnation not far different from those which prevail in Russia itself.

This injustice is of longer duration, more deeply frustrating and larger in scope than any witnessed in modern times. The Arab and African worlds have waged successful struggles for independence, and our country has thought enough of the principle of freedom of choice in Korea and Vietnam to try to uphold it in two costly endeavors. Such opportunities have been denied the Eastern Europeans whose captivity is already at the point of transcending one generation. Their ultimate yoke could endure as long as the Tatar and Turkish conquests which for centuries laid a dead hand over the respective civilizations of Eurasia and the Mediterranean.

The satellites seem condemned to be the victims of no-win situations. When the going is tough between the big powers, they get squeezed. They tend to be forgotten during those periods when the West finds the Soviets in a mood to negotiate seriously on armaments and other important matters. Even our country with its Eastern European ethnic associations is unlikely to spoil the atmosphere by championing the rights of the captive nations, at the consequent risk of being accused of reviving the Cold War.

It is not my purpose to spoil detente by issuing a rash and hypocritical call to arms to save the satellites, but rather to explain their predicament. In between unpredictable outbreaks, which incidentally have caused the Soviets to be the only nation to use arms on the European Continent since the war, the satellite cause has failed to evoke sustained world indignation. There are even some in European official circles who say that the West is well quit of Eastern Europe, including East Germany, despite its accretion to Soviet strategic power. Indeed, Frenchmen have been heard to say: "We love Germany so much, we want two of them."

It is argued that the instability of the small Central European countries contributed to the outbreak of World War II and the same result could re-occur. Such was doubtless what President Podgorny was trying to tell me when I presented my credentials to him as U.S. ambassador in April 1969. He was probably speaking sincerely when he said Soviet action in Czechoslovakia had prevented the beginning of another European war. How much more may the Soviets really believe that detente has confirmed their mission to keep the peace in Europe by despotic methods?

A DEATH KNELL

Czechoslovakia sounded the death-knell to the idea that "convergence" offered a peaceful and painless solution. That doctrine, espoused in American academic circles and also by the leading Yugoslav party theoretician Kardelj, envisaged that the course of history favored an inevitable compromise between communism on the one hand and social democracy or evolving capitalism on the other. (It is less than comforting that the advocates of convergence reassure us that the Christian-Muslim conflict worked itself out over the centuries.)

The movement of course is in the other direction. The allegiance of the Soviets (and the Chinese) to the objective of ideological struggle makes it inconceivable that they would permit a reversal of the called-for progression from socialism to communism. The Czech leaders of 1968 went down to defeat as an advance party for convergence which would have tolerated a sweeping revision of party statutes. This would have provided, among other things, for secret votes for party officials and open meetings of the Central Committee (which incidentally was the practice in Lenin's time). From the Soviet point of view, the Czech party lost control by degenerating into a mass movement for "Communism with a human face." As in other countries, the issue is not whether capitalism or socialism shall prevail—there is little doubt that given a free choice some form of socialism would win out—the real issue is the degree of party and therefore Soviet control.

There have been some positive changes in Eastern Europe. Following the world outcry over the Czech invasion, the Soviets held back from using Russian forces to put down the Polish workers' riots in Stettin and Gdansk in late 1970. This does not mean that they would not have done so if the Polish police had not been up to the task, and if there had been a less satisfactory candidate than Gierek to replace the discredited Gomulka as first secretary.

There also have been practical variations from the Soviet norm. Most important is Poland's ability to safeguard private farming and a fair respect for the Church. Rumania is allowed the luxury of thumbing its nose at certain features of Soviet foreign policy, but mainly because it has no common frontier with the West and because Ceausescu runs a tight ideological ship. Hungary's economy is supposed to be a miracle by comparison with the others. American exports to state-operated industries in the satellites have increased manyfold. They have been absorbed in the pattern which promotes economic as well as ideological integration of the entire Soviet commonwealth.

Except in Poland's case, such manifestations of autonomy have not basically touched society, and could be merely transitory, depending on the local personalities involved. Human rights and freedom in the satellites have not benefitted correspondingly, and there have been recent retrogressions in Czechoslovakia and Hungary.

Moscow remains in charge. It coordinates the secret police in each country and determines party personnel policies. It can punish through the control of state investment and resource allocation. Realistically there is no foreseeable prospect of the captive nations themselves being able to cast off their yoke.

How much do the satellites benefit from Western attempts to circumvent the Soviet Union? The purpose of President Johnson's "bridge-building" exercise was too obvious and ended up a non-starter. Willy Brandt chose the alternate method of trying to get through to Eastern Europe over the bridge of a non-agression agreement with the Russians. Even this has not been too successful, for while it has fostered detente between the Soviet Union and the West, it has as yet brought little relief to the satellites. In Soviet logic, relaxation of tension between East and West threatens to undermine the basis of Eastern control over the Western-oriented subject states.

Apart from the choice of a conscience-saving escape, leaving it to "good" historical forces to work things out, what are the possibilities of righting the injustices inflicted on the people of Eastern Europe?

Rollback: Presumedly by force or pressure as proposed by the Republicans in the 1952 presidential campaign: The West will risk nothing for such a cause.

Revolt: Success possible only as a result of Soviet disintegration, or in the unlikely event an Eastern European or Baltic leader should take over the central government and party apparatus now dominated by the Russians.

Appeal to Russian better instincts: A matter for pious, prayerful hope.

Moderate evolution within the Communist movement: Encouragement of this trend is at the root of most Western policy and is deemed to be the safest, most logical way to proceed. In any event, it will be a slow, painstaking process.

LITTLE WE CAN DO

Realistically there is little we can do to alter basically the Soviet grip on its subject peoples. We hesitated to aid Hungary in 1956 in any substantial way for fear of upsetting the 1955 agreement with the Soviets establishing Austria's independence. Furthermore, the British, French and Israeli attack on Egypt at that time was a most complicating factor. President Johnson's response to the 1968 Soviet invasion of Czechoslovakia was restrained by his forlorn wish to end his administration with a summit with the Soviets and an agreement on strategic arms.

World reaction to Czechoslovakia, especially among the European Communist parties, probably did play a part, however, in bringing the Soviets around to general detente. The international meeting of Communist parties in Moscow in 1969 showed them to be faltering in their contest with the Chinese for ideological leadership. The new ingredient of improved relations with the West was added to the 24th Soviet Party Congress in March 1970. In the subsequent negotiations the Eastern European Communist leaders profited from settlements which confirmed the legality of their regimes and the national boundaries of their states. The issue of Soviet control remains, however, with its grip strengthened by the good use the Soviets make of periods of relative relative relaxation to consolidate their questionably acquired gains.

Considerable concern is now being expressed—and rightly—over the fate of oppressed minorities in the Soviet Union. It is hard to argue that our moral commitment to the captive peoples is any less great. The conference on European Security and Cooperation, which is reaching a crucial point in Geneva, offers us a chance to do something for them. Over and against the Soviet desire to consecrate East-West detente in a general summit meeting, we are still holding out for a freer movement of persons and ideas, of a kind which would help the isolation of Eastern Europe, and indeed, of the peoples of the Soviet Union.

There will be other occasions to show the Soviets in negotiation that a mitigation of their despotism can yield a range of subsidiary benefits and we should not shrink from utilizing them. To imply, as has been done by some of our own government spokesmen, that American concern for human rights might impede the business of preventing nuclear war, makes no sense.

CONGRESSMAN THADDEUS DULSKI HAS DONE HIS JOB

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. SMITH of New York. Mr. Speaker, as my colleagues know, my good friend and fellow western New Yorker, Thaddeus Dulski, has announced that he will retire from the House of Representatives at the end of this year. Since I have made a similar announcement, I can share with Ted the mixed feelings which go with such a decision—looking forward to more time for family and personal pursuits while regretting leaving the House with its great challenges and its opportunities for service and its fellowship.

Ted was already a veteran of 6 years standing when I came to the Congress in 1965. From that time through today, he has been a steadfast friend, cooperative in every way. I am honored to have served the Niagara Frontier in Washington in tandem with our dean, Ted Dulski, and I know that his service to the city of Buffalo will continue after he goes home next year.

George Borrelli, political columnist for the Buffalo Evening News, had a fine column in tribute to Ted which appeared on July 20, 1974. I submit the column in its entirety for my colleagues to read, since I think it is an honest evaluation of Ted Dulski's outstanding career in the House of Representatives:

"People's Congressman," Dulski Has Done His Job

(By George Borrelli)

After more than 20 years as an elected public official, Ted Dulski has decided to retire from the rigors of government.

It had long been rumored that Rep. Thaddeus J. Dulski, a Buffalo Democrat, would retire. But nobody really expected the suddenness with which the decision came this week.

Mr. Dulski, one of the area's most colorful political figures, explained his decision in typical fashion:

"I figure I've done my job," he said simply.

The timing of Mr. Dulski's retirement—he announced it Friday, four days after his primary designating petitions had been filed—aroused suspicions that it had been carefully orchestrated to preclude a Democratic primary fight for his congressional seat.

Not so, insists Mr. Dulski. "I didn't even make up my mind until last Monday. And I didn't tell Joe Crangle until late Thursday. He was dumbfounded."

Joseph F. Crangle, state and Erie County chairman, confirmed Mr. Dulski's account of the chronology.

The timing, of course, is convenient to Mr. Crangle and the Erie County Democratic organization, since it rules out a primary fight for Mr. Dulski's 37th District seat.

Last Monday was the deadline for filing petitions for the Sept. 10 primary election.

Since Mr. Dulski's petitions were filed and he declined to be a candidate, the Committee on Vacancies listed on his petitions will name the candidate to replace the retiring congressman on the Democratic ticket.

Chairman Crangle and six other organization Democrats constitute the Committee on Vacancies.

County Comptroller Henry J. Nowak, one of the party's top vote-getters who long has aspired to Congress, is rated the odds-on favorite to be designated for the Dulski seat.

Mr. Dulski, who is completing his 16th year in the House, is an amiable, hard-working lawmaker who likes to be known as the "people's congressman."

He's not a gifted orator. Nor is he a flashy performer. Rather, he takes pride in his folksy mannerisms and his ability to deal with constituents at all levels.

"I know a lot of people, businessmen, politicians, just plain working people. I like them and I think they like me. I have sympathy for their problems. And I've tried to help them."

Mr. Dulski's first congressional campaign in 1958 was against Republican James O. Moore Jr., then one of the Buffalo area's best known trial attorneys and now a Supreme Court justice.

A practical man, Mr. Dulski avoided head-to-head confrontations with Mr. Moore, such as public and television debates. Instead, Mr. Dulski chose to campaign in the style to which he was comfortable, person-to-person contact with as many voters as he could reach.

It proved to be the right strategy, with Mr. Dulski winning a narrow victory in a district that was Republican in enrollment by more than 35,000.

Shifting population patterns and reapportionment have now made Mr. Dulski's district better than 2 to 1 Democratic in enrollment.

"As a first generation Pole, I am proud of my heritage and I cherish the opportunity the people of my district have given me," said Mr. Dulski, who served five years in the Buffalo Common Council before going to Congress.

The highlight of Mr. Dulski's career in Washington came in 1967 when a series of retirements and election upsets the previous year, made him the senior majority party member of the powerful House Post Office & Civil Service Committee, automatically elevating him to the chairmanship.

It was during Mr. Dulski's term as chairman that the Congress enacted legislation shifting operation of the U.S. postal system to a government corporation.

The shift has produced some troublesome problems and remedial legislation has been introduced to correct them. Mr. Dulski, who is still chairman of the committee, will preside over hearings on the remedial legislation July 30–31.

As Mr. Dulski, who will be 60 on Sept. 27, heads into retirement, he's involved in one of the most serious constitutional controversies in the history of the nation—impeachment proceedings against President Nixon.

Rep. Dulski, who in the past had refused to take a position against the President in the impeachment proceedings, now says:

"With the new revelations in the case, I'm beginning to think the President was involved."

He declines, however, to state flatly that he will vote for impeachment if the issue comes before the full House in the remaining months of his term.

Mr. Dulski's right arm, James McCabe, his administrative assistant, was at the congressman's side when the retirement announcement was made.

He recalled the "shoestring" campaigns Mr. Dulski ran for Congress.

"We never spent more than $5000 on a congressional campaign. And we won them all."

That's the way Mr. Dulski is leaving public life—a winner.

CHALK UP ANOTHER VICTORY FOR KISSINGER AND THE ADMINISTRATION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. CARTER. Mr. Speaker, the perseverance, the astuteness and the diplomatic abilities of Henry Kissinger, Joseph Sisco and this administration have again paid off in averting a major war—this time in Cyprus.

I include for the Record portions of a statement by Murrey Marder of the Washington Post of July 23, 1974:

Kissinger: Major War Averted

(By Murrey Marder)

Secretary of State Henry A. Kissinger expressed the belief yesterday that the threat of major Greek-Turkish warefare has been averted although heavy fighting continued on Cyprus after the agreed cease-fire deadline.

The United States continued to make peace appeals in Athens and Ankara throughout the day after the intended 10 a.m. EDT cease-fire was to go into force. Continued shooting on Cyprus caused American officials to say early last night that there may be "some slippage" in plans for Greece and Turkey to begin peace talks Wednesday in Geneva, under British auspices.

Despite breaches in the cease-fire, Kissinger said at midday, "We believe . . . that a rather complicated crisis which had dangers of internationalization has been overcome."

Throughout a week of warfare on Cyprus following the coup led by Greek officers of the Cyprus National Guard which deposed Archbishop Makarios as President on July 15, unanticipated developments confounded the diplomacy of the United States and other mediators. In the same pattern, the United States yesterday was simultaneously receiving praise for achieving the cease-fire and working intensively to sustain it.

Archbishop Makarios, initially reported killed in the coup, and then rated politically finished by many U.S. strategists when he escaped from Cyprus, appeared yesterday in the State Department, smiling benignly on everyone, including Kissinger.

INFLATION AND THE ECONOMY: REDUCING THE FEDERAL BUDGET

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. BRECKINRIDGE. Mr. Speaker, today the economy of the United States finds itself in its worst economic condition since World War II. We are experiencing the largest prolonged peacetime inflation in this century, unemployment has attained an unacceptable level and is increasing while many are persuaded that we are suffering a recession. Solutions to these problems—especially from the executive branch of Government, and more particularly from the Office of Management and Budget—OMB—have not been forthcoming.

All the President's men seem to have different solutions as to the best ways to solve our economic problems—their house is divided.

Federal Reserve Chairman Arthur Burns is calling for a $10 billion cut in Federal spending in fiscal year 1975 from the proposed $305.4 billion budget, but does not urge easing of exorbitant interest rates now charged by banks. Mr. Roy Ash, Director of OMB, initially set his sights on a $2 to $5 billion cut reluctantly, but now says the President has urged that an additional $10 billion reduction might be possible through a reduction in the number of Federal employees—not necessarily a satisfactory answer. Kenneth Rush, the President's new chief economic adviser, is uncertain that even a $5 billion cut is possible; and Treasury Secretary William Simon, who often appears to be at odds with Ash on fiscal matters, has urged a $9.4 billion reduction in Federal spending.

What is the public to think of this brand of economics, where every so-called economic adviser comes up with a different solution? Thus far, none of these men appear to have the President's ear in regard to budget-cutting, or have emerged as a leading spokesman for White House economic policy.

Let us face it; there is no economic leadership presently evident in the administration, nor is there any promise thereof. Weak pronouncements from second or third-echelon administration spokesmen do not equate leadership.

This lack of leadership has been evident for the past few years and has been primarily responsible for the downturn in the Nation's economy. Our current economic dilemma of no growth and high inflation will go into the books as the most disastrous situation of the century, with the possible exception of the depression in the 1930's.

Never has inflation raged with such violence and for so long as it has in the past 7 years. Never have interest rates skyrocketed to such devastating levels and with such minor constructive impact. The stock market has proven a disaster area, with millions of investors suffering unconscionable financial losses and withdrawing from the market. And it appears that the end is not yet in sight.

Now is the time for someone to take the initiative and lead this country back to the road of prosperity for all, and to obtain an end to the inflation that has been causing so great a grief to millions of Americans—but especially to the poor and aged.

Today, I am asking the House of Representatives to turn its serious attention to the restriction of spending to no more than $295 billion for fiscal year 1975. This figure is still $20 billion more than we spent in fiscal year 1974, but is $10 billion under current OMB spending estimates. The best way to stop inflation is to stop excess spending. This is one certain action that Congress and the executive branch of Government can take conjointly that will have an impact on inflation, both at home and abroad.

Congress can and should use its constitutionally granted power of the purse—it must accept this responsibility—it must lead by example.

The OMB budget proposal for fiscal year 1975 constitutes the largest dollar increase in Federal spending in peacetime history. How can the Congress, under the conditions of today, agree to such spending? The answer is, and must be, that we simply cannot.

Although the administration often tells the public that Congress is "the big spender," this is simply not the case. The facts are that in the past 5½ years the OMB has proposed large increases in Federal outlays. During this period, the Federal budget has grown from $196 billion to the proposed $305.4 billion, an increase of 56 percent. This growth would have been even greater had not the Congress refused to appropriate some of the OMB requests. It is evident that this kind of spending cannot now continue unabated. It must be brought under control.

It is no secret that many Federal programs contain considerable waste, the mere size of our Government makes evident this fact. But we should be able to use our advanced technology—a technology that leads the world, and our managerial skills—to streamline Federal expenditures and render more efficient our Government's programs.

A reduction at this time of $10 billion in our Federal spending would constitute the initiation of the necessary chipping away at a budget that has become so swollen in the last 5½ years as to have reached the bursting point. Such continual excesses both have triggered and fired inflation, not only in the United States, but throughout the world.

Of course, the problem that remains is this: Just where do we cut the budget? There are, perhaps, as many differing ideas as to what is necessarily unnecessary in Government, as there are Members on this floor. I would not undertake the imposition of my ideas as to where this spending should be cut—but I am certain that the Congress is resourceful enough to come up with a solution. One thing, however, is certain; we should be able to live within a $295 billion budget in fiscal year 1975—the largest in the history of mankind.

Ten billion dollar cut in Federal spending would have a profound effect on the inflationary psychology which has infected our economy. It would hopefully lead to the breaking of the back of inflation; the economy would have fewer inflationary expectations; inventory spending to avoid inflation would be cut back; unwarranted plans to add more plant or equipment simply to beat rising prices would be revised; unions would be under lesser constraints to seek inflationary wage demands, confident that inflation was being brought under control. The Federal Reserve Board would be less inclined to pursue so tight a money policy that it burdens the next generation, if it saw that Congress was shouldernig a part of the burden by cutting spending. A relaxation of monetary policy would help to bring down interest rates and revive the depressed homebuilding industry, which is already suffering from an unemployment rate in excess of 8 percent.

A cut of $10 billion is in itself deflationary. It decreases the aggregate demand for goods and services by a similar amount of dollars, and, such spending cuts will curb inflationary expectations by convincing the public that the Federal Government is finally playing its part in curbing inflation.

All we need is the will and determination to cut the budget. The Congress has shown such a will and determination recently by passing the Congressional Budget and Impoundment Control Act of 1974, which will allow the Congress better control over its budgeting, beginning on July 1 of next year. But we should not wait another full year before coming to grips with this problem; we must act, now—immediately.

To oversimplify some of the problems caused by inflation, you need only to read a June 17, 1974, article published in the U.S. News & World Report magazine which contains some illuminating facts on the horrors of inflation. Some of the points made were:

Placing the 1969 dollar at a value of 100 cents, that dollar today is worth 75 cents, and, at the current rate of inflation, by 1979 will be reduced to 57 cents.

If the present inflation is not curbed, the houses now costing $37,500 will cost $51,000 in 1979.

The price of food will go from $54.40 per family today to $80.50 in 1979.

The price of gasoline will go from an average of 58 cents a gallon today to 88 cents in 1979.

The article also points out that a family of four that has had an increase in income from $20,000 in 1967 to $28,000 in 1974, has in theory, kept up with inflation—income before taxes and cost-of-living are both 44 percent higher. However, the family's social security and Federal income taxes are up 76 percent. The result, of course, is less buying power.

It is a truism that something must be done about Federal spending—a primary contributing cause of inflation. And it is evident that the administration and the OMB have thus far failed completely to halt this runaway, double-digit inflation that is consuming our future. The Congress must therefore accept the responsibility for accepting the leadership in solving this problem.

As we all know, of the proposed $305.4 billion OMB's budget, only some $84 billion is considered controllable. A spending item is considered controllable by OMB only if the President has discretion over the amount of appropriation or other budget authority he may recommend.

The remainder of the budget is considered uncontrollable, thus not subject to Presidential discretion in terms of budget recommendations. An example of an uncontrollable expense would be the authorizing legislation for social security benefits, veterans' pensions and compensation, and public assistance grants that stipulate the rates to be paid and conditions of eligibilty for payment.

To cut $10 billion from the controllable $84 billion portion of the budget will undoubtably prove a difficult and complex chore, fraught with political problems—but one that nonetheless must be undertaken. If the Congress acts now, prior to the completion of action on the appropriations bills for fiscal year 1975, we have the opportunity to make our own determinations as to budget cuts; we have, in short, the opportunity to substitute the House for the OMB, orderly constitutional processes for the administration's practice of impoundment to which we are all imposed. Failing this, we will again let the President have the final say in budget matters.

As far as I am personally concerned, I believe that the people are looking to Congress—to their elected Representatives—to get this country off dead center and back on a sound economic footing; and I feel that this can now best be done at this time by a reduction of the Federal budget for fiscal year 1975 by some $10 billion, more or less. I shall do everything in my power to obtain this objective, and will work with and welcome the advice and assistance of those who agree.

The time has come to—in fact—balance the budget.

AMENDMENTS OFFERED BY MRS. MINK

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mrs. MINK. Mr. Speaker, I intend to introduce the following amendments under the 5-minute rule:

Amendments to H.R. 11500 offered by Mrs. Mink:

Section 210(b), page 175, line 13, strike all words after "geologist" and the words "surface information" on line 14 and insert in lieu thereof the following: "when specific subsurface information is deemed essential and requested by the regulatory authority."

Section 214, (a), page 204, line 25, delete all words after the word "weeks", and on page 205, delete all of line 1 and on line 2, delete the words "of letters which he has sent to" and insert in lieu thereof the words, "The regulatory authority shall notify", and on line 5, delete the words "his" and insert in lieu thereof the word "the operator's".

Section 404, page 252, delete all of (a) and (b).

Section 705, page 284, lines 18 through 25, strike all of paragraph (3).

AMPLE PRECEDENT AIDS NIXON IN HIS POSITION ON EVIDENCE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. CARTER. Mr. Speaker, as a longtime admirer of the philosophy of James J. Kilpatrick, I include in the Record his words of wisdom for the perusal of this fearless forum:

Ample Precedent Aids Nixon In His Position On Evidence

(By James J. Kilpatrick)

Washington.—It is understandable but it is also regrettable, that so little public attention has been paid to President Nixon's letter of June 10 to Peter Rodino. The letter provides an excellent statement of Mr. Nixon's reasons for refusing to surrender further tapes and documents to the House Judiciary Committee.

Unfortunately, this long letter was released at a time when editors were struggling with a torrent of news. The President was off to the Mideast. Henry Kissinger was erupting in Salzburg. In Washington, the Judiciary Committee was leaking like a rusty bucket. Few newspapers had space to print the text of Mr. Nixon's letter, and few readers would have had time for it anyhow. The letter deserved something better.

The situation, in brief, is that the House committee had issued subpoenas demanding that the President surrender certain records. The President refused to honor the subpoenas. His reasons are solidly rooted in the doctrine of separation of powers.

"While many functions of government require the concurrence or interaction of two or more branches," Mr. Nixon wrote, "each branch historically has been steadfast in maintaining its own independence by turning back attempts of the others, whenever made, to assert an authority to invade, without consent, the privacy of its own deliberations."

Mr. Nixon supplied examples. In 1962, a federal district court issued a subpoena to the Senate, demanding certain evidence for use in the trial of James Hoffa. The Senate, by formal resolution, flatly refused to comply. More recently, in the case of Lt. William Calley, the House Armed Services Committee refused to provide evidence demanded by Calley's attorneys. Chairman Edward Hebert based his refusal on precisely the same grounds invoked by President Nixon today.

The judicial branch has taken the same view. In 1953, the House Un-American Activities Committee attempted to subpoena Justice Tom Clark. He refused to obey the subpoena. "The independence of the three branches of our government," said Clark, "is the cardinal principle on which our constitutional system is founded."

In his letter of June 10, Mr. Nixon cited a further example. In 1962, a Senate subcommittee demanded certain information from President Kennedy. When he refused to supply it, Sen. John Stennis of Mississippi upheld Kennedy's position: "I know of no case where the court has ever made the Senate or the House surrender records from its files, or where the executive has made the legislative branch surrender records from its files—and I do not think either of them could. So the rule works three ways. Each is supreme within its field, and each is responsible within its field."

This strikes me as sound doctrine. It is not the power of the law, it is only the power of public opinion that makes Presidents obey court orders. As the Supreme Court long ago acknowledged in Mississippi vs. Johnson, a Reconstruction case, a federal court is powerless to enforce an order a President chooses to ignore. It is universally assumed that if Rodino's committee were to ask a federal court to approve its subpoenas, and if a court should order Mr. Nixon to comply, Mr. Nixon would obey. But Rodino's refusal to seek judicial aid is in itself a reflection of the doctrine of separation of powers. A House committee does not want to leave an impression that it is subject to court orders.

Mr. Nixon is right in the position he has taken. He is right, that is, as a matter of law. The presidential office simply cannot be made a happy hunting ground for grandstanding federal judges and bloodthirsty congressmen, not even in the name of impeachment. The presidency could not survive as we know it.

THE AFRICAN DROUGHT: AMERICA'S SHAME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. RANGEL. Mr. Speaker, for the past 6 years, the 25 million citizens of Mauritania, Mali, Chad, Senegal, Upper Volta, and Niger in West Africa have experienced a drought of cataclysmic proportions. Crops and animal herds have died, rivers, lakes and wells have dried up, the Sahara Desert has advanced southward at a rate of 30 miles a year, and people have starved.

In a well-researched, revealing article in the Village Voice of July 4, Jeffrey L. Hodes considered the insufficient, chaotic American response to this tragedy. The article, entitled "The Shame of the Sahel," is submitted for the thoughtful attention of my colleagues:

The Shame of the Sahel

(By Jeffrey L. Hodes)

("Here is a great mass of people, yet it takes an effort of the intellect and will even to see them . . ."—Michael Harrington, in "The Other America.")

Nothing has changed in drought-stricken West Africa since the world first took notice of the catastrophe a year ago. As the devastation enters its sixth year, it carries with it an ominous vision of that horseman of the Apocalypse: famine.

Once again, the international community will boldly proclaim that massive death is being averted with emergency aid, when, as last year, hundreds of thousands will probably perish or slowly die from disease or malnutrition.

Nowhere is this attitude more prevalent than in the highest recesses of government, where the modus operandi seems to be: do as little as possible until cajoled into doing more, and then proclaim that the situation is under control.

Whether it's in the United Nations, the State Department, or the Agency for International Development (AID)—the fact is, the international response to the Sahel represents a pattern of inertia, insensitivity, and racism. For the Sahel does not have much strategic, political, or economic value to the U.S. Government which is the basis for most (sic) "humanitarian" assistance.

Black Africa never received much U.S. aid and Washington's rhetoric notwithstanding, we're still doing less than we proclaim. In the last 19 years, Black Africa received only five percent of the $6.3 billion worth of excess food given away by the U.S.—which is the world's breadbasket. This past year, AID has given more to feed the Sahel's starving masses than it has given in the last 19 years. But even this aid is deceptive.

For this year, in a sleight of hand, AID juggled its money. First it decreased economic aid to Black Africa by $13 million to $160 million, and then cut another $50 million which it redirected to South Vietnam. Later, under Congressional prodding, AID agreed to an additional $25 million for the six countries of the Sahel—but lumped this sum to the total of the slashed African aid package to cover up the huge cut.

And now, it's been revealed that last year $87 million in food credits to the African states was actually $50 million, and starting July 1, food grants went down to $5 million.

But whatever the amount, it's precious little, and represents what old "African hands" at the State Department call "presence money." After the early euphoria of the Kennedy administration for assisting the emerging nations of Black Africa, by 1966 the all-consuming passion of the Johnson administration had riveted most assistance for Vietnam.

The U.S. adopted a policy of benign neglect toward Black Africa—rationalized in a report only partially declassified last year, which to this date remains the basis of U.S. policy in Africa.

The "Korry Report" was written by a State Department task force headed by former U.S. Ambassador to Chile, Edward M. Korry, who was then Ambassador to Ethiopia.

Korry suggested an "emphasis country policy," concentrating U.S. aid in those Third World countries that could be used as pawns on the chessboard of global power politics. Rewards were to go only to explicit collaborators, or where the U.S. had economic self-interests.

What little aid was destined for Africa went to Ethiopia, Liberia, and Morocco—where there were military installations; resource-rich Uganda, Zaire, and Tanzania, as well as oil-rich Nigeria, and Ghana and Kenya—where Korry saw European influence eroding.

For the remainder of Africa, Korry suggested "regional self-help" projects, with minimal U.S. financing, because he didn't consider these nation-states as much more than conglomerations of tribes, rather than nations.

Korry's brand of imperialism is extraordinary. In sections of the report still classified, he wrote: "A quantitative distinction (should be made) explicit between resources for economic development and for *political* purposes . . . But these resources should be recognized for what they are: a limited but indispensable tool. . . ."

Regarding former French West Africa, the heartland of the Sahel. Korry suggested a hands-off policy. "It is not desirable at this time to challenge the special position of France in tropical Africa," he argued, because despite our differences with Paris, "the benefits of French influence . . . on the proper political organization of the African continent" are considerable.

The French record of neglect speaks for itself. The Sahel exists today in a time capsule, as it tries to shake loose the shackles of colonial servitude while leaping across centuries of economic development. The six nations—Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta—carved out of what was once semiarid French West Africa, are still scarred by the worst kind of economic Balkanization, perpetrated by artificial national boundaries imposed by a colonial power.

So by 1972, when the drought was officially "recognized," it's understandable that the Sahelian governments felt they had no place to turn for relief.

There are stories of African ambassadors roaming the halls of the State Department asking for help, and of AID officials suggesting the effects of the drought were being exaggerated.

By Christmas 1972, the Sahelian states turned to the United Nations. During the closing days of the annual General Assembly session, the Secretary General, Kurt Waldheim, was informed by his Secretariat and African ambassadors about what was happening. His response was to order a study of the problems of "desert encroachment."

In early 1973, as the horror stories and reports increased, UN agencies debated what to do, and whether the UN should issue a public appeal for aid. It's a measure of the moral bankruptcy of the UN that the agencies procrastinated another five months before anything was done.

In March 1973, the Sahelian governments met in Ouagadougou, Upper Volta, and issued a formal plea for help. Walheim's staff placed the Sahel on his agenda for his weekly staff meetings. But it wasn't until May that he discussed the drought.

By then, the situation had deteriorated to the point where—just as Martin Walker of the Manchester Guardian reported in the New York Times Magazine is happening again this year—the fumbling had screwed up the delivery of emergency food, necessitating an expensive and frantic airlift in early summer before the monsoons washed out roads.

But while the international community slowly galvanized itself to do *something* last summer—under the prodding from church and black groups, a bizarre but tragic thing happened.

On its own initiative the U.S. Public Health Service in Atlanta, Georgia sent a team of physicians to West Africa to assess the situation. They reported 100,000 deaths with levels of starvation greater than that of the historic famine in Bangladesh.

To prevent further mortality, the Public Health Service mapped a plan for special children's rations, vaccine against measles (a major killer, and food distribution. The PHA report quotes official AID reports identifying some U.S. relief shipments of sorghum (a high-protein cereal) to West Africa as "animal feed." Indeed, "indigestible" sorghum appeared in AID documents as lifesaving relief, according to some Washington sources. while in Sahelian refugee camps, it was cramps and diarrhea.

The Public Health Service reports were largely ignored by AID and the State Department—and, in fact, covertly concealed. In October, the State Department publicly spoke of "pockets" of malnutrition existing in West Africa. And this February, the President's Disaster Relief Coordinator told Congress that "widespread starvation was prevented."

Could the U.S. have done more? Last year of the aid given Africa, more than 40 per cent was in the form of excess food commodities. But the emergency food assistance given the Sahel came out of a special fund. Section 451 of the Foreign Assistance Act of 1961, the "Contingency Fund," authorized AID to spend funds for unforeseen catastrophes. However, AID has taken it upon itself to allocate funds "for situations involving the *security* of the United States."

During fiscal 1973, only half of the Contingency Fund was spent on disaster relief. Other grants were made for financing livestock research in the Bahamas, and an international plan to combat cholera. But in prior years, the funds were put to more dubious use.

During fiscal 1973, only half of the Contingency Fund was spent on disaster relief. Other grants were made for financing livestock research in the Bahamas, and an international plan to combat cholera. But in prior years, the funds were put to more dubious use.

During 1972, $24.5 million of $30 million in Contingency Funds was misallocated for "security assistance," such as:

$9.5 million to Malta to "support economic and political stability of the government . . ."

$15 million to Jordan to "maintain its political stability."

Under pressure from black legislators—in particular. Representative Charles Diggs, head of the African Affairs Subcommittee—AID reallocated its funds in the closing months of 1973—reducing aid for earthquake-shaken Nicaragua to make up the difference for the Sahel.

But between the Bahamas project and other misuses, at least $12 million in disaster relief funds were misallocated.

The drought this year is worse than last year. There was almost no harvest last fall. It's reflective of the UN's poor coordination that the Food and Agricultural Organization in Rome told the world the Sahel will be short 650,000 tons of grain this year when actually the total need is double that amount—1.2 million tons—to stave off famine threatening 200,000 people.

It is doubtful whether that much grain will ever be donated, to say nothing of the milk, vaccine, and other human and animal provisions—and then gotten to where it's needed.

Whether we can or will find the political will to prevent the tragic recurrence of the human devastation that plagued the Sahel last year is still very much of an open question.

In the Sahel, which is a forbidding land under the best of circumstances, emergency relief is wasteful without giving people the means to rehabilitate the land and salvage what remains of their once pastoral existence. For not only are people dying, but centuries of culture and nomadic way of life are being extinguished.

Meanwhile, the drought is spreading to Ethiopia and other parts of East Africa—putting the lie to the rationale of the AID technocrats who say that the people of the Sahel are responsible for their own fate because of cattle overgrazing and human overpopulation.

Meteorologists indicate that significant shifts have occurred in the weather patterns over Africa which may be cyclical, but perhaps permanent. The immediate reality, though, is that the drought could be one of mankind's greatest natural catastrophes.

GEORGIA FARMERS UNHAPPY WITH MR. EARL BUTZ

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MATHIS of Georgia. Mr. Speaker, as many Members of this House know by now, flue-cured tobacco farmers in Georgia, and other tobacco-producing States, are suffering as a result of U.S. Department of Agriculture policy as formulated and pronounced by one Earl Butz. Mr. Butz, despite warnings and pleas from tobacco growers and other leaders in several States, decided to listen to the large tobacco companies, and he issued an edict forcing tobacco growers to produce 10 percent more tobacco this year, 1974, than last. This action came on the heels of a 10 percent increase in 1973, in production over 1972. The result of these production increases has been to force prices to remain at or near the level paid to farmers last year, with higher prices being paid in only a very few instances. Production costs, meanwhile, have literally skyrocketed. One of the most authorative sources in the field, Clemson University Extension Service, reports production costs up more than 40 percent this year alone.

Mr. Speaker, my farmers, and those from all flue-cured tobacco producing regions, simply cannot survive on these low prices. The gentleman from Georgia (Mr. GINN) and I met with a large group of tobacco growers in Tifton, Ga., last Friday, and following that meeting, I called the Secretary of Agriculture to request he declare a "Sales Holiday" and that he meet with Mr. GINN, me, and other tobacco State Congressmen, as well as with a delegation of growers. Mr. Butz never returned my call, but three of his subordinates informed me that the Secretary did not have time to meet with me, or my group of tobacco producers. He has demonstrated again that he refuses to even afford them an audience in order that they might air legitimate complaints. I am sick of Mr. Butz and his high-handed arrogance. I enclose an editorial from the Daily Tifton Gazette, written by my dear friend Bob Morrell, and a telegram from the Honorable George Busbee, also my close friend, that also indicate their mild displeasure with this man who has set himself up as "Boss Butz."

[From the Daily Tifton Gazette, July 23, 1974]

BUTZ MUST GO

(By Bob Morrell)

If Georgia farmers (and those elsewhere too) had their way, they probably would advise Congress to forget about President Nixon and find a way to impeach Secretary of Agriculture Earl Butz instead.

And rightly so, based on the record.

The latest outburst of anger, disgust and frustration with U.S. Department of Agriculture policy, of course, is over the extremely unsatisfactory prices which flue-cured tobacco is bringing—not only in Georgia but also in North and South Carolina where markets now are open.

Although prices rose slightly Monday over last Thursday's offerings, the bids being made on Georgia leaf are nowhere near what the farmer must realize from his 1974 crop in order to make a modest profit.

Growers, with justification, are tracing the cause for low prices back to Butz and his policy of excessive tobacco production for 1974—a move urged by tobacco companies and encouraged by the Secretary.

Butz' latest disaster (as far as farmers and agri-business are concerned) comes on the heels of other outright stupid steps which have seriously hurt American agriculture. These include:

The ridiculous wheat deal with the Soviet Union which cost both farmers and consumers.

Absurd new policies on peanuts which have hampered seriously the ability of growers to realize a living from their crops.

Allowing desperately needed fertilizers to be exported, an act which made the domestic availability critical and sent prices skyrocketing.

Supporting a six percent loan to build a fertilizer complex in the Soviet Union at a time when no American firm or farmer can get such favorable terms.

The bill of indictment against Mr. Butz could go on and on, but the point is made, as is his apparent desire to completely wreck the entire commodities system under which America has become the world's leader in agriculture production.

And on top of this all comes the crowning blow—Mr. Butz high-handed refusal to meet with a committee of tobacco growers from Georgia to discuss the situation and his refusal to converse about the matter with Representative Dawson Mathis, a member of the House Agriculture Committee.

Georgia and all other American farmers have enough problems without such intransigent politicians establishing and administering their agricultural policies.

If elected Republican leaders and other administration officials have any hope of ever again holding office, they would do well to move Mr. Butz back to wherever he was before he began destroying the nation's agricultural economy.

ALBANY, GA.,
July 24, 1974.

Cong. DAWSON MATHIS,
Cannon House Office Building,
Washington D.C.:

I am asking you to use all the influence you have as I will do to provide a voice for the farmers of Georgia. I appreciate the service you have performed for our farmers in the past and know that you will continue to give your full attention to our agricultural needs. With this in mind there is a matter that I feel is of the utmost concern to our farmers. This is what appears to me to be a complete shutting of the door in Georgia farmers faces by Secretary of Agriculture Earl Butz. To be more specific I feel Secretary of Agriculture Earl Butz should be relieved of his duties by the President of the United States immediately and I respectfully ask that you take steps to insure that Mr. Butz is relieved at your earliest convenience. It is obvious that Mr. Butz is not responsive to farm problems in Georgia and certainly not to the tobacco problems we are experiencing in South Georgia. In fact his unwillingness to cooperate with our farmers is a good example of his evident disregard for Georgia's agricultural problems and needs. Thank you for your outstanding service to the farmers of our community.

GEORGE BUSBEE.

PIONEER DAY

HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. HANSEN of Idaho. Mr. Speaker, on July 24, 127 years ago, one of the most difficult and trying journeys in American history was concluded as the first Mormon pioneers entered the Salt Lake Valley.

The pioneer trek westward, which ended in Utah and later initiated settlements in my own State of Idaho and in other neighboring States, began early in February 1846 when the Mormons were driven out of Nauvoo, Ill. The first groups to leave reenacted a scene analogous to the early Israelites when they left Egypt to be led by a prophet to a promised land.

During the first week of exodus over 1,300 Mormon refugees from Illinois crossed the frozen Missouri River to escape persecution. Throughout the following year 15,000 Mormons left their homes to begin the long journey westward.

They sought a land which at the time no one else wanted, where they could worship, as our Constitution provides, in freedom.

During the journey prophetic lines were penned by the Mormon pioneer, William Clayton, words which are part of the now famous hymn "Come, Come Ye Saints."

We'll find a place which God for us prepared,
Far away in the West
Where none shall come to hurt or make
afraid;
There the Saints will be blessed.

A year and a half after they set out, 60 pioneers and 18 wagons were led into the Salt Lake Valley by Brigham Young to inherit a promised land which, through the magic of irrigation, backed by unremitting courage and toil they made to "blossom as a rose."

The civilization which sprang from the wilderness is a monument to those early pioneers, to their courage, their faith and perseverance.

In our remembrance of Pioneer Day, a holiday in many communities in my State, we pay tribute not only to the heritage which has had such an immense influence in the development of our region, but to the great personal achievements of those early settlers, many of them direct descendants of the original colonizers of America.

Looking back on the circumstances of the historic Mormon pilgrimage, one wonders what it was that sustained the pioneers through the hardships of their journey.

I think we must look inward for the answer, for something that in the hearts and minds of the Mormon pioneers was even more tangible than the mountains and deserts which stood between them and their promised land.

By their own fervent accounts amply provided in journals and other writings the participants in this endeavor witnessed that it was their belief that sustained them and carried them through, the first principle of that belief being faith.

More than the length of their journey or the obstacles in their path, it was their faith that determined their destiny.

So it has always been. One of the greatest needs we have for our present time and situation is faith, faith in ourselves and in our cause. We face new challenges and difficulties. Our ultimate success or failure in meeting these challenges is more often determined by the degree of faith and determination we can bring to the fore than by the particulars of the problem itself.

As we bring the experiences of our forebears into sharper focus by an appropriate remembrance of Pioneer Day, let us learn the lessons they can still teach us. Let us replace some of the despair and doubt in our country with hope and faith in the future. In that way we can help to make the great promise of America as true today as it was on July 24, over a century ago.

JOHN GRINER IS DEAD—LED AFGE TO GREATEST STATUS

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. McFALL. Mr. Speaker, I have previously entered in the Record many tributes to John Griner, the recently deceased president emeritus of the American Federation of Government Employees.

I insert articles printed in the Government Standard at this point in the Record.

John Griner Developed the Tools; It Is Up To Us to Use Them Well

(By Clyde M. Webber)

For more than a decade John Griner and AFGE were synonymous to the virtually millions of people affected by his life. But, each one of us saw John Griner through a different personal prism.

To the rank-and-file member of AFGE, he was a beacon amidst a morass of red tape. He led battles for many, he argued cases for one. He only insisted that the issue be one of principle and his Georgia-bred instinct of right and wrong would take over from there.

To all Federal workers he was an untiring advocate, promising only that unified action would guarantee them the right and the privilege to demand fair treatment on the job; a fair wage for work performed and their ration of dignity.

To the men and women of the labor movement, John Griner was an emissary for a new kind of unionism. His foresight ushered in a new era of public employee unionism.

To the Congress, where he spent long hours alternately persuading and demanding, coddling and berating, John Griner was an articulate spokesman for organized labor.

To management John could be caustic or cordial. His demeanor was dictated by how well or badly AFGE's membership was being treated.

His credo—"let us disagree without being disagreeable"—preceded him in all his dealings and provided him entry to the highest levels of Federal management. He always drove a tough but fair bargain and he knew the complete meaning of the word "bargain."

John Griner died last month but the legacy of his toil remains, symbolized in the building we dedicated to him when he retired. But our indebtednes to him can never be retired.

Without the strength and resilience he carefully initiated and nurtured within AFGE, how would we be capable of defending the merit system from the special interests out to destroy it? Lacking the credibility AFGE established under his leadership would anyone listen if we argued that self-serving and avaricious contractors were out to undermine the taxpayers' investment in a strong, honest Civil Service?

There are now several important areas of concern to you and me that wait at this juncture and each problem will demand every ounce of resolve we can muster, using the strength and techniques he helped to develop for us to make the lot of Federal employees a better one for themselves and their families.

The first of these concerns is the protection of the merit system.

In this time of deteriorating confidence in political institutions, every Federal employee should take the time to discuss their jobs with their families, neighbors and friends. Federal workers should feel a deep sense of pride knowing they are part of the overall mechanism that keeps Government running; that their position was secured on the basis of a competitive examination; that they compete with other qualified employees for every promotion; that their oath of office binds them to carry out their duties and responsibilities without favor to any person or special-interest group.

Unfortunately, there are very few Federal employees who realize how unique and important these facts are. Instead of taking pride in their work as civil servants, all too many Federal workers develop an inferiority complex because of the barrages of negative propaganda they face daily.

The second concern is the preservation and improvement of our input in the Federal wage-setting system, both General Schedule and Prevailing Rate.

Without constant attention to the precedent we've established for the union in setting wages comparable to those paid in the private sector our inroads could be trod under by the phoney sloganeering of anti-union spokesmen throughout the society.

We all learned an important lesson last year when, because of the bad advice he got from the Office of Management and Budget, the President found himself on the short end of a Senate vote to reject his plans postponing the pay raise legally due Federal employees.

That lesson combined with the experience we've accumulated in the wage survey system for Federal blue collar employees under the Wage Grade Act stands as convincing evidence that more intense union representation pays off in sound dollar-and-cents returns for all Federal workers—but more so for those with the foresight to join together under the AFGE banner.

Erosions in the size and composition of the Federal workforce represent yet another danger to dominate our concern.

The same anti-worker propaganda that attacks the pay-setting mechanisms for Federal workers is also steadily unleashed to cut the size of the workforce in absolute numbers. This is contrary to wisdom, reason, and fact; yet the notion finds its adherents in great numbers.

Despite the increases in population, dramatic increases in the size of the nation's overall workforce of better than 50 percent, and drastic shifts of the characteristics of the nation's working population, Federal employment has risen by only 14 percent over the past 20 years. At the same time the Federal role in our society has multiplied tenfold. That fact alone makes the Federal employee the most efficient and productive employee in the United States today.

Now, a record of efficiency like that is the envy of many a private-sector entrepreneur. But, the Government, ostensibly, operates without the profit motive, hence the drive by profitmoguls to wrest this work out of the hand of public servants via the contracting-out route.

The kernel of this conflict lies not only in the threat of job losses increased contracting represents—although this is a primary consideration. The other side of that coin is our concern, as citizens and taxpayers, that the institution of Government, as an advocate of all the citizens, not to be turned into a haven for political cronyism and a sanctuary of the profiteers.

The element of public accountability is the cornerstone of Government. That accountability can only be subverted by corporate decisionmakers.

Take, for example the prospect of a private insurance firm running Social Security—a prospect which, until recently, the OMB and certain managers in HEW were actively considering—how well would Social Security beneficiaries fare with private-sector managers making decisions about pension payments and improved services?

Another primary and ongoing concern of AFGE is the low priority given to employee rights under safety and equal employment statutes. Federal managers, some by design, others because of insensitivity, frequently fail to translate the explicit commitment of the Government from words on paper to fundamental and continuing action. Suffice to say that the example of the highest levels of Federal management encourage non-performance in both of these areas, although they are careful to mouth the philosophy in public.

These concerns, with all the tentacles of ramification they hold, continue to dominate my interest, just as they monopolized the countless working hours John Griner spent for ten years before me.

None of these is a self-contained, unrelated problem. None will disappear overnight. But I am confident each of them will fall to our persistent and dedicated efforts using the example John set for us.

John Griner Has Been Undoubtedly the Greatest National President in the 40-Year History of AFGE, AFL–CIO

The following statement was issued by unanimous vote of the National Executive Council on the motion of District 6 National Vice President A. K. Gardner after National President John F. Griner submitted his resignation for reasons of health in 1972.

"John Griner has been undoubtedly the greatest National President in the 40-year history of the American Federation of Government Employees, AFL–CIO.

"In the short span of ten years, he has accomplished three major tasks, any one of which would have been a signal achievement in itself and would have entitled him to the deepest appreciation of the officers and members of this Union.

"First, under his determined and courageous leadership, this Union has gathered over 300,000 dues-paying members, which is well over three times the number it had on its roster when he was elected to the National Presidency in 1962.

"Second, Griner accomplished Congressional enactment and Presidential signing of Wage Grade legislation this Summer, climaxing an eight-year struggle by the Union for this landmark legislation which will end up bringing some 700,000 Wage Grade workers in the Federal Government literally millions of dollars in hitherto-denied pay, equity and justice.

"Third, under Griner's leadership, the AFGE has now established ownership of a National Office building in Washington, culminating a long-cherished dream of those who have been active in this Union since its beginning.

"John Griner will be sadly missed but his name will be remembered as long as the American Federation of Govermnent Employees exists."

Remarks of Clyde M. Webber

The following excerpts are from the remarks of National President Clyde M. Webber at the ceremony dedicating the National Office as the John F. Griner Building as a memorial to departing President Emeritus Griner.

"I believe that AFGE has in the past been blessed with especially dedicated, bold leadership on all levels.

"We who compose the present leadership

GRESSIONAL RECORD. Excerpts from some of have pledged ourselves to whatever dedication and hard work necessary to fill the shoes which we have inherited.

"We are pleased to be assembled in a building bearing John Griner's name.

"For all these reasons, it is most fitting that the name selected for the building is that of the man who was undoubtedly the greatest National President in the 40-year history of AFGE.

"During the 10 years John Griner held the office of National President, AFGE membership tripled and the number of Exclusive Recognitions multiplied. Under John Griner, AFGE made great inroads into the area of union participation on policy-making and advisory committees. . . .

"In 1972 when John Griner retired on the advice of his doctors, Federal employees were enjoying many advances in pay, benefits and working conditions which they hadn't had in 1962 when he took office.

"We intend to continue the legacy John Griner left us.

"We currently have a program expanding our range of activities; we hope in the near future to represent a million Federal employees.

"To reach this goal, we must take advantage of every opportunity available. This will require cooperation at every level in AFGE.

"As an inspiration helping us to achieve this, all members and officers will have before us the model of the tenacity, the patience, the willingness to sacrifice time and comfort which has been the role of John F. Griner in building the AFGE into the largest and best union Federal employees have ever had."

THIS HAS BEEN A LABOR OF LOVE, DOING SOMETHING FOR THE PEOPLE I LOVE

John F. Griner's last public utterances as a National Officer of AFGE illustrated typically and clearly two of the strongest forces underlying his conduct as the union's chief executive—his deep, abiding love of the people he represented, and his fierce pride in the Civil Service as a bulwark of the Government.

Griner's last official testimony as AFGE National President was before the House Post Office and Civil Service Committee, and was a sharp rebuttal to certain aspects of a condemnation of the Civil Service by a Nader task force.

Griner's answer to aspersions on the performance of Civil Service employees was:

"I state frankly to you that the American people have every reason to be proud of the caliber and competence of Federal employees, as a whole.

"Without them, that vast modern enterprise called the United States of America could not function at all."

Then gaunt and aching with the ailment that was eventually to be the one antagonist he could not overcome, Griner rose at the farewell testimonial banquet tendered to him, and with a hoarse voice reiterated his affection for the members of the union for which he had, in the final analysis, sacrificed his health.

"When you said to me, 'God bless you,' you said the kindest words you could have said," Griner stated.

"This"—he said in referring to his career as National Vice President and National President—"has been a labor of love, doing something for the people I love."

"It is you," he said, in reviewing the union's growth and influence, "who did this, not John Griner."

"I just happened to be in the right place at the right time. You've come a long way, but you are just at the beginning."

"Finally," Griner concluded, "this is the last time I shall talk to the group of people I love best, the finest group on God's green earth."

Typically, one of Griner's last requests was for some songs from one of his favorite singers, Timothy Green, a member of Local 916 at Tinker Air Force Base in Oklahoma City, who had come to the banquet.

Many members of Congress had found Griner a stubborn advocate and a canny negotiator on legislation, and a long list of management's top officials had discovered him to be a belligerent adversary on personnel policies that he felt denied Civil Service employees their rights, their equity, or simple justice.

This profound faith in the Civil Service, this complete identification with its employees, his devotion to AFGE, and finally, his cheerful willingness to give, ultimately, all he had to offer to his cause—these were the hallmarks of John F. Griner.

UNIONS ARE BUILT BY MEN LIKE JOHN GRINER, WHO OFFER A SPECIAL KIND OF TOUGH, SOLID LEADERSHIP

The following are excerpts from a statement made by AFL-CIO Secretary-Treasurer Lane Kirkland at a testimonial dinner tendered to retiring National President John F. Griner Jan. 27, 1973.

"Brother Griner serves with dedication and distinction, as a Vice President and a valued member of our (AFL-CIO) Executive Council. He has demonstrated there an uncommon talent for common sense, wise counsel and sound judgment . . .

" . . . when other people were soapboxing about organizing the unorganized, John Griner was doing it—and doing it in one of the toughest fields, public employment. When John took over the reins of the union in 1962, it had under 100,000 members . . . And within 10 years, under John's leadership, the membership tripled to over 300,000—and the union won representation rights for more than 600,000.

"But the union didn't just get bigger. It got smarter and more competent. You forged the instrumetalities a modern union needs to meet the complicated problems of public employment—to meet the complicated needs of a membership that is fifty-fifty blue collar and white collar.

"This is the stuff and substance of the labor movement. This is our day-to-day work. This is the core around which we build—and from which we reach out and place before society as a whole the large agenda of social and economic justice that is labor's program for America.

"This is not the stuff and substance of newspaper headlines. It won't get you on the 6 o'clock news—unless you go out on strike.

"But it is vitally important work—and it gets more important every day. It has to do with the quality of life—which is also to say the quantity of means—of millions of people. As life and work become more complex, the individual needs more than ever, not less, the protection of a strong and effective union.

"Such unions are built by men like John Griner, who offer a special kind of leadership. It's tough; it's solid; it's rooted in common sense. It solves problems. It's honest. It builds a record of achievement, not rhetoric.

"We need more of that leadership—not just in the labor movement but throughout American life."

MESSAGES OF CONDOLENCE

A flood of messages of condolence to President Emeritus John F. Griner's family and friends in AFGE was sent by members of the Senate and House or published in the CON- these and other messages follow:

Whereas, the Committee on Post Office and Civil Service of the United States Senate is deeply appreciative of the contributions of John F. Griner to the formulation of legislation affecting the compensation, working conditions and benefits of Federal employees . . .

Resolved, that the Committee . . . does hereby express its condolences to the widow and family of, along with its unending appreciation for the contributions made by John F. Griner to the welfare of Government Employees.

> Gale McGee, Chairman; Jennings Randolph, Quentin N. Burdick, Ernest F. Hollings, Frank E. Moss, Hiram L. Fong, Ted Stevens, Henry Bellmon and Robert J. Dole.

"John Griner was untiring in his efforts to better the lot of those whom he represented and to improve their working conditions and relationships . . ."—John J. Flynt, Jr.

"His death will be deeply regretted by all Alaskans. I can only hope that John Griner's tradition of honest, strong representation of his constituents, and he had constituents in the same manner that we in Congress have constituents, will be remembered and continued. I shall miss him as a great American and as a good friend, and I extend my deepest sympathy to family."—Ted Stevens.

"I came to regard John Griner as a friend and adviser. I always found him to be a dedicated, fair and toughminded advocate for the well-being of all Civil Servants. Every Federal employee owes him a debt of gratitude for the many battles he led during his distinguished career. We will all miss him."—James M. Hanley.

"His dedication and energetic pursuit of greater benefits and better guarantees of employees' rights serve as the finest example to follow for those of us who represent Federal employees' interests."—Jerome R. Waldie.

"He was a devoted and dedicated leader who knew the value and necessity of effective representation for America's Civil Servants. His service as AFGE President spanned virtually my entire career in the House and Senate, and the force of his leadership was highly visible in the state of Kansas as well as in the halls of Congress."—Robert Dole.

"Even after John's retirement as President of the AFGE his presence was felt on the Hill wherever rules and laws affecting Federation members were discussed. The Bible tells us that God is guarded in his ways and until the plan of life is known to all, we must be content in understanding that the spirit of what John Griner stood for will always be with us aiding in efforts to shape and better Government."—Quentin N. Burdick.

"John F. Griner was a true American in every sense. His legislative battles were fought for the sole purpose of aiding those who most required help and were unable to help themselves. His work benefitted citizens generally. . . . He was a man of courage who fought with all his heart and spirit for the principles in which he believed."—Jennings Randolph.

"The Government worker never had a more loyal friend or devoted servant than John Griner. Mrs. Daniels joins me in expressing my deepest sympathy to the Griner family in their hour of bereavement. However, I know that when the immediate shock wears off they will have the memory of a very wonderful man to comfort them."—Dominick V. Daniels.

"John's unsurpassed effectiveness, dedication and loyalty protected the rights and enhanced the welfare of every employee of the

Government of the United States ... Fortunately, John lived to see many of his dreams transferred into law. The comparability bill and the wage board bill are two outstanding examples of the many measures passed by Congress largely due to the effective hard work of John Griner."—Carl Albert.

"Some of my earliest recollection of work on Federal employee legislation in the U.S. Senate include deep conversations with John. His counsel in formal hearings and in private discussions was always incisive, knowledgeable and sincere. His understanding of the problems of Federal employees everywhere and his ability to articulate those problems to me and other members of the Senate POCS Committee were always appreciated."—Hiram L. Fong.

"It was with great sadness that I learned of the death of John Griner, who will long be remembered for his landmark accomplishments as the dedicated leader of the AFGE. His strength and dedication, his service and loyalty were admired by all who knew him. We on Capitol Hill will miss his wise counsel and vigorous leadership."—Hubert H. Humphrey.

"Few labor leaders have achieved the preeminence associated with John Griner's career. During his tenure as President, AFGE tripled its membership . . . His death is not only a profound loss to his friends, but an immense loss to hundreds of thousands of Civil Service employees who benefitted from his leadership."—Charles H. Wilson.

"His passing is a great loss to those of us who were fortunate to be counted as his close friends. His death is also a tremendous loss to the American labor movement. John was truly a pioneer. The strides made by the Federal employees in recent years can be attributed mainly to the AFGE, which has been almost synonymous with the name John Griner."—Frank E. Moss.

"John and I did not always agree, but he was a man I always liked, a man I felt I could always trust, and a man who knew how to work out realistic compromises without wavering in the cause he represented. He typified the best of what Federal employee organizations had to offer. Both the AFGE and the Civil Service in general are the better for his service."—David N. Henderson.

POSSIBLE SHORTAGE OF NATURAL GAS

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. RUPPE. Mr. Speaker, many of us heard Federal Energy Administrator, John C. Sawhill, remark on national television this past weekend that the United States faces a possible shortage of natural gas in the not-too-distant future. In that light, I would think it only logical that we do all we can to facilitate the delivery of this natural commodity, rather than impede it. The action of the Appropriations Committee in reducing the Department of the Interior's requested budget for environmental impact studies of natural gas pipelines from the Arctic Circle by $1 million—from $4.5 million to $3.5 million—will unfortunately have that effect.

It has been estimated by the personnel within the Interior Department responsible for these studies that this cutback in funds could mean about a 3-month delay in the issuance of their reports. Now, to some this may not sound like an unreasonable amount of time—3 months—but this will have the resultant effect of postponing action by the Federal Power Commission which, after receiving these statements, must then decide who will build the pipeline network from Prudhoe Bay in Alaska to the lower 48, as many call the continental United States, and by what route this network will then travel

As many of you may know, the Arctic gas consortium has already filed with the Federal Power Commission for permission to build a pipeline from Prudhoe Bay, under which lie an estimated 26 trillion cubic feet of natural gas, to the Canadian-American border. This could link up with a proposed pipeline from the Mackenzie Delta in Canada which has approximately 7 trillion cubic feet of gas reserves. It is expected that the El Paso Co. will soon apply for a permit for the route from Prudhoe Bay but their plan involves gas liquefication and transportation from Alaska through the Pacific Ocean to the west coast.

Well over 50 petitions to intervene in the FPC proceedings have been filed and accepted by that Agency. I personally joined with the gentleman from Illinois (Mr. ANDERSON), the gentleman from Wisconsin (Mr. ASPIN), the gentleman from Minnesota (Mr. BERGLAND), the gentleman from Minnesota (Mr. FRENZEL), the gentleman from Wisconsin (Mr. FROEHLICH), and the gentleman from Illinois (Mr. ROSTENKOWSKI) in a petition to intervene. While I do not pretend to speak for the six others, I favor a route directly to the Midwest so that the citizens of those States are not shut off from needed gas supplies as may well be the case with the Alaskan oil which will go directly to the west coast.

But I would stress that a vote for this amendment to the Interior Department's appropriation would not have been construed as support for one route over the other. Rather, it would have been construed as a vote for an increased supply of natural gas when we may face severe shortages in the future. Speed is of the utmost importance. Any delay should be avoided in clearing the way for the delivery of this important gas. The $1 million extra not appropriated this afternoon could have proved to be a valuable investment in our Nation's energy supplies. I am indeed sorry that the House of Representatives failed to so act. It was a serious mistake.

SENATE—*Thursday, July 25, 1974*

The Senate met at 10 a.m., and was called to order by Hon. LAWTON CHILES, a Senator from the State of Florida.

PRAYER

The Reverend B. Cortez Tipton, ACSW, executive director, Council of Churches of Greater Washington, offered the following prayer:

Dear Lord and Father of mankind, enable us to know Thy mighty works. Help us to truly understand this great venture—our United States of America—as Your crucible of every national origin and faith. This honorable lawmaking body, the U.S. Senate, which is ever watchful of peace, freedom, and justice for this melting pot of human anticipation, is another example of Thy mighty works. Keep the Members thereof ever mindful of the rewards of their burdens.

Most Merciful Father, we are aware that the world awaits the finished product of our united efforts, the results of which will reveal the real worth and workings of freedom and progress. May we, as the constituency of Members of this Senate, be willing to undergird their efforts, and demonstrate the responsibility that goes with this freedom we seek so diligently. For, indeed, we are thankful that this is in essence Your message to us who are privileged to work together for the improvement of the quality of man. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 25, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. LAWTON CHILES, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CHILES thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 24, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 367—NAMING DEMOCRATIC MEMBERS OF THE COMMITTEE ON THE BUDGET, AND ITS CHAIRMAN

Mr. MANSFIELD. Mr. President, with the permission of the distinguished acting Republican leader, I would like at this time to send a resolution to the desk relative to the designation of the Democratic Senators who have been named by the steering committee, approved by the Democratic conference, for consideration at this time.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The second assistant legislative clerk read as follows:

S. Res. 367

Resolution naming the majority party's membership on the Committee on the Budget

Resolved, That the following shall constitute the majority party's membership on the Committee on the Budget of the Senate for the remainder of the 93d Congress.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the membership of the committee be read, but not the chairman.

The second assistant legislative clerk read as follows:

Mr. Magnuson, Mr. Moss, Mr. Mondale, Mr. Hollings, Mr. Cranston, Mr. Chiles, Mr. Abourezk, Mr. Biden.

Mr. MANSFIELD. Mr. President, was Mr. Muskie's name called?

The second assistant legislative clerk read as follows:

Mr. Muskie.

The ACTING PRESIDENT pro tempore. Does the majority leader wish the resolution divided, so that there will be a separate vote on the chairman?

Mr. MANSFIELD. Yes; that was my intention. But I wanted Mr. Muskie's name on there as a member of the committee.

The ACTING PRESIDENT pro tempore. His name has been read as a member of the committee.

The question is on agreeing to the resolution as to the members of the committee.

The resolution, as to the members of the committee, was agreed to.

The question is on the naming of the Senator from Maine (Mr. Muskie) as chairman.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Maine (Mr. Muskie) is designated as chairman of the committee.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. THAI-FLIGHT BAN SEEN AS POLITICAL PLOY

Mr. MANSFIELD. Mr. President, in this morning's Los Angeles Times is an interesting story by Mr. George McArthur. The title of the story is "U.S. Thai-Flight Ban Seen as Political Ploy." I would like to read to the Senate an excerpt from the story. It is from Bangkok:

The U.S. Air Force in Thailand has been having its troubles lately, so there was little surprise last week when the Bangkok authorities asked the Americans to stop reconnaissance flights over the Indian Ocean.

The question now arises as to who actually asked whom.

The government of Thailand had never before made a point of placing restrictions on American planes, which were, to say the least, fighting a major air war in Vietnam and Laos from Thai bases. Some American pilots from Thai bases are still getting combat pay for supply flights into Cambodia.

Authoritative informants now say the initiative to stop the Indian Ocean reconnaissance flights came from the Americans themselves.

The Thai announcement was a smoke screen worked out by U.S. Ambassador William Kintner, the West Point general turned scholar-diplomat, and Thai Foreign Minister Charunthan Issarangkun.

The evident design was to increase pressure on the U.S. Congress to approve almost $30 million for the improvement of base facilities on the Indian Ocean island of Diego Garcia. The idea was that if any necessary reconnaissance flights could no longer be flown from Thailand, the base at Diego Garcia would become even more vital.

This is a most interesting observation. I ask unanimous consent that the entire newsstory be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, July 25, 1974]

Smoke Screen Worked Out by Ambassador—U.S. Thai-Flight Ban Seen as Political Ploy

(By George McArthur)

Bangkok.—The U.S. Air Force in Thailand has been having its troubles lately, so there was little surprise last week when the Bangkok authorities asked the Americans to stop reconnaissance flights over the Indian Ocean.

The question now arises as to who actually asked whom.

The government of Thailand had never before made a point of placing restrictions on American planes, which were, to say the least, fighting a major air war in Vietnam and Laos from Thai bases. Some American pilots from Thai bases are still getting combat pay for supply flights into Cambodia.

Authoritative informants now say the initiative to stop the Indian Ocean reconnaissance flights came from the Americans themselves.

The Thai announcement was a smoke screen worked out by U.S. Ambassador William Kintner, the West Point general turned scholar-diplomat, and Thai Foreign Minister Charunthan Issarangkun.

The evident design was to increase pressure on the U.S. Congress to approve almost $30 million for the improvement of base facilities on the Indian Ocean island of Diego Garcia. The idea was that if any necessary reconnaissance flights could no longer be flown from Thailand, the base at Diego Garcia would become even more vital.

At any rate, after American prompting the Thais dutifully made their announcement, stating that American missions from Thailand were to be confined to those designed to enforce the Paris peace agreement of 1972 concerning Vietnam, Laos and Cambodia. The Thai government proceeded to get a little more mileage from the American-inspired announcement by implying—for restive domestic consumption—that Thai authorities intended to take a firmer look at the whole base situation from now on.

In fact, the government of Thailand has never given the Americans any real trouble over the bases and is unlikely to do so now, even though civilian Premier Sanya Thammusat, a former university reactor, is more vulnerable to popular pressures than the previous military regime.

The present rate of withdrawal, which will see the U.S. presence down to about 350 planes and 27,000 men by the end of this year, is delicately balanced to meet Thai domestic requirements and leave the United States with ample military punch in Southeast Asia.

Thailand's hawkish generals are temporarily out of power, but not without political clout. They find the American presence reassuring. Furthermore, the withdrawals under way are causing economic dislocations that the government can ill afford, despite the continuing pleas of some students.

The question is not so much whether the bases, built at an initial cost of $650 million (U.S.), should remain. It revolves around what possible use they might be to both Thailand and the United States.

The interplay involving Indian Ocean reconnaissance flights indicates the bases can be used for political purposes or for purposes somewhat remote from Thailand's security, or American power in South Vietnam.

In fact, the bases are now being used for reconnaissance flights over Laos, probably by unmanned drone aircraft. The U.S. Embassy in Bangkok, asked about reconnaissance flights over the Indian Ocean, replied: "The U.S. is not currently flying surveillance flights over the Indian Ocean."

Asked about flights over Laos, the reply was: "We do not discuss the specifics of reconnaissance flights."

Given the nature of the Indochina war and the uncertain peace agreements so far concluded, it is almost unthinkable that the United States would soon forego intelligence-gathering flights of one sort or another.

However, the big question now is whether the Thai bases will ever again be used for major attacks on North Vietnam—or elsewhere.

The United States has privately told the South Vietnamese government of President Nguyen Van Thieu that such air support in the future is virtually ruled out, even in the event of a large-scale and open North Vietnamese offensive. Although this was done to impress upon Thieu that South Vietnam must be prepared to do all the fighting nowadays. The United States was careful not to close the door absolutely.

The rationale for the Thai bases is based on three premises:

President Nixon has demonstrated in the past that he is willing to unilaterally order air strikes if he feels it necessary and Mr. Nixon remains the U.S. Commander in Chief.

In the event of an enormous North Vietnamese offensive, the United States would present its case to Congress, which might change its mind and remove present restrictions on northern air strikes.

In any event, U.S. air power in Thailand is a restraining influence on North Vietnam since Hanoi cannot rule out bombing raids and must plan accordingly. Furthermore, supply missions to Cambodia indicate the continued willingness of the United States to use its air power advantage in Indochina.

American officials decline to comment on further reductions in air power after the present schedule is completed by the end of the year.

By the end of the year, officials note, the U.S. Air Force in Thailand will remain a highly effective weapon. Of the 350 aircraft in the country, more than half will be combat jets.

Mr. MANSFIELD. I would hope, Mr. President, that the Armed Services Committee, as the Appropriations Committee will, will look into this matter most, most carefully.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed beyond 10:30 a.m., with statements therein limited to 5 minutes.

THE HIGH COURT'S DECISION IN THE TAPES CASE

Mr. ROBERT C. BYRD. Mr. President, our system of government is founded upon the diverse branches of government properly fulfilling their constitutional functions. The Supreme Court's unanimous decision yesterday in the tapes case is an example of the proper functioning of our Government at its best.

The President's failure to comply with the subpena duces tecum, issued by the U.S. District Court for the District of Columbia, for the production of 64 White House tapes necessary for the Watergate conspiracy trial, squarely presented the Supreme Court with the issue of whether all Presidential conversations are immune from the legal process under a doctrine of absolute executive privilege.

The Court acted promptly, thoroughly, decisively, hearing arguments on July 8 and issuing its unanimous decision on July 24. In rejecting the President's assertion of an absolute privilege to withhold Presidential conversations from the courts, the Supreme Court upheld one of this Nation's finest legal traditions—that no man is beyond the reach of our judicial process. Indeed, a court which is supposed to be a pro-prosecution, "law and order" Court could hardly reach any other decision. The Court's well-reasoned opinion recognized that there could be times, especially in the area of military, diplomatic, and sensitive national secret areas, in which Executive privilege might prevail and material might be validly withheld from the courts. But the Court rejected the claim in the present case, saying the demands of the judicial system outweighed any need for the President to keep these conversations secret.

I am compelled to say that it is a sad commentary upon the state of public confidence in our system that we all breathed a sigh of relief last evening when the President announced through his lawyer, Mr. St. Claire, that he would fully comply with the Court's decision.

Under our system of government, there is no citizen—whatever his rank or station—who should not comply or who would have any constitutional or legal reason not to comply with a decision of the highest court of our land. No man is above the law in our land, and the public has a right to the evidence of every man under our system of government.

But the praise for the Court's role in this drama should not deter us from praising two other separate entities of our Government for their roles in this proceeding.

The Special Prosecutor continues to earn the esteem of all of us for his tenacious pursuit of justice in this case, often being confronted by obstacles that would have deterred men of lesser courage.

And, with pride of membership, I must point to the role in this case of an aggressive and unyielding senatorial committee—the Senate Judiciary Committee, without whose efforts to secure the pledges of independence for the Special Prosecutor, there would have been no decision on the merits yesterday in this landmark case in the Supreme Court. If the members of the Judiciary Committee had not pounded out the guidelines for the Special Prosecutor which became law in the Federal Register, and if those members had not extracted pledges of support for the Special Prosecutor's independence from the Acting Attorney General and the Attorney General designates, the Special Prosecutor would not have had what the Supreme Court called the "unique authority and tenure" which gave him the standing to make this a justifiable case in the Supreme Court and which allowed the Court to reach its historic decision on the merits of the case.

Mr. President, an executive branch Special Prosecutor relentlessly pursuing evidence sought to be withheld by the President of the United States; protected in his position by law hammered out through the persistence of a wary Senate Committee on the Judiciary; and a decision by the highest Court of the land reached quickly and, yet, with insight and care to preserve the separation of powers of our constitutional system, show the proper functioning of the diverse branches of our Government in which all of our citizens and history can rightly take pride.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield briefly to the distinguished Senator from Missouri; I do not want to keep him waiting, he has an important report.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. EAGLETON. I thank the distinguished Senator from West Virginia.

DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM AND CONFLICT OF INTEREST ACT—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 15074, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommned to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—SHORT TITLE, DEFINITIONS

Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than $250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

Sec. 301. Establishment of the Office of Director.
Sec. 302. Powers of the Director.
Sec. 303. Duties of the Director.
Sec. 304. General Accounting Office to assist Board and Director.
Sec. 305. Nominating committee.
Sec. 306. District of Columbia Board of Elections and Ethics.

TITLE IV—FINANCE LIMITATIONS

Sec. 401. General limitations.
Sec. 402. Limitation on expenditures.

TITLE V—LOBBYING

Sec. 501. Definitions.
Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.
Sec. 503. Receipts for contributions.
Sec. 504. Statements of accounts filed with Director.
Sec. 505. Preservation of statements.
Sec. 506. Persons to whom title is applicable.
Sec. 507. Registration of lobbyists with Director; compilation of information.
Sec. 508. Reports and statements under oath.
Sec. 509. Penalties and prohibitions.
Sec. 510. Exemptions.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

Sec. 601. Conflict of interest.
Sec. 602. Disclosure of financial interest.

TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

Sec. 701. Penalties and enforcement.
Sec. 702. Tax credit for campaign contributions.
Sec. 703. Use of surplus campaign funds.
Sec. 704. A study of 1974 election and report by Council.
Sec. 705. Effective dates.
Sec. 706. Amendments to District of Columbia Election Act.

Sec. 707. Authority of Council.

Sec. 708. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

Sec. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act."

DEFINITIONS

Sec. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) obtained or authorized any other person to obtain nominating petitions to qualify himself for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. A person who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal Law.

(c) The term "office" means the office of Mayor of the District of Columbia, Chairman or member of the Council of the District of Columbia, member of the Board of Education of the District of Columbia, or an official of a political party.

(d) The term "official of a political party" means—

(1) national committeemen and national committeewomen;

(2) delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;

(3) alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and

(4) such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District of Columbia.

(e) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office.

(f) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; or

(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion or all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any oragnization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(g) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(3) a transfer of funds between political committees; and

(4) notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include the incidental expenses (as defined by the Board) made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee.

(h) The term "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

(i) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics created by title III.

(j) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(k) The term "Board" means the District of Columbia Board of Elections and Ethics established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.) and redesignated by section 306.

TITLE II—FINANCIAL DISCLOSURES

ORGANIZATION OF POLITICAL COMMITTEES

Sec. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other person has been designated and has agreed to perform the functions of treasurer. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution of $10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) Except for accounts of expenditures made out of the petty cash fund provided for under section 201(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of $10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) the treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.".

PRINCIPAL CAMPAIGN COMMITTEE

Sec. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate, except a principal campaign committee supporting the nomination or election of a candidate as an official of a political party may support the nomination or election of more than one such candidate, but may not support the nomination or election of a candidate for any public office.

(b) Each statement (including the statement of organization required under section 204) or report that a political committee is required to file with or furnish to the Director under the provisions of this Act shall also be furnished, if that political committee is not a principal campaign committee, to the campaign committee for the candidate on whose behalf that political committee is accepting or making, or intends to accept or make, contributions or expenditures.

(c) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

Sec. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board and such statements and reports thereof shall be furnished to the Director as it may require. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe—

(b) The statement of organization shall include—

(1) the name and address of the political committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the political committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the political committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(10) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall so notify the Director.

REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which he, or any person authorized by him (pursuant to section 401(d)) to do so, has received a contribution or made an expenditure in connection with his campaign or for the purposes of preparing to undertake his campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committee supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of $200 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $50 or more, together with the amount and date of such contributions;

(3) the total sum of dividual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or values of $50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of $10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe and a continuous reporting of its debts and obligations after the election at such periods as the Director may require until such debts and obligations are extinguished; and

(12) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

REPORTS BY OTHER THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of $50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

EXEMPTION FOR CANDIDATES WHO ANTICIPATE SPENDING LESS THAN $250

SEC. 209. Except for the provisions of subsections (c) and (d) of section 201, and subsection (a) of section 205, the provisions of this title shall not apply to any candidate who anticipates spending or spends less than $250 in any one election and who has not designated a principal campaign committee.

On the fifteenth day prior to the date of the election in which such candidate is entered, and on the thirtieth day after the date of such election, such candidate shall certify to the Director that he has not spent more than $250 in such election.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 210. All newspaper or magazine advertising, posters, circulars, billboard, handbills, bumper stickers, sample ballots, and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 211. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (hereinafter in this Act referred to as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Such appointments shall be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director of the Board and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept gifts and voluntary and uncompensated services. Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

SEC. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as he may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director may, in the performance of its functions under this Act, request the assistance of the Comptroller General of the United States, including such investigations and audits as the Board and Director may determine necessary, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree.

NOMINATING COMMITTEE

SEC. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter in this Act referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b) (1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.

(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia, with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b) (1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b) (2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d) (1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year immediately preceding the date or his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade 17 of the General Schedule under section 5332 of title 5, United States Code.

(f) (1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g) (1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for the appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

SEC. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), shall be known as the "District of Columbia Board of Elections and Ethics" and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b)(1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than $50 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(c) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

TITLE IV—FINANCE LIMITATIONS

GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $1,000:

(2) in the case of a contribution in support of a candidate for Chairman of the Council, $750:

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $500:

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, $200;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $100, and in case of a runoff election, an additional $100; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

(b) No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution which, and no person shall receive any contribution from any person (other than such an individual) which when aggregated with all other contributions received from that person, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $2,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, $1,500;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $1,000;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward $400, and in the case of a runoff election, an additional $400;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $200, and in the case of a runoff election, an additional $200; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

For the purposes of this subsection, the term "person" shall include a candidate making contributions relating to his candidacy for nomination for election, or election, to office. Notwithstanding the preceding provisions of this subsection, a candidate for member of the Council elected from a ward may contribute $1,000 to his own campaign. The provisions of this subsection to the extent that such provisions are applicable to corporations and unions shall, to that extent, expire as of July 1, 1975, unless the Council of the District of Columbia on or before such date enacts legislation repealing or modifying such provisions or extending such provisions as to corporations and unions on and after that date. In the event that the Council fails to so repeal, modify, or extend such provisions as to corporations and labor unions, the Council shall report its reasons therefor to the Committees on the District of Columbia of the Senate and the House of Representatives prior to August 1, 1975.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds $2,000.

(d)(1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contirbutions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purposes of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other authorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

(i) the candidate's name appears,

(ii) a photograph or drawing of the candidate appears, or

(iii) the identity of the candidate is apparent by unambiquous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18 of the United States Code would not constitute an expenditure by that corporation or labor organization.

(4) Every candidate shall file a statement with the Board, in such manner and form and at such times as the Board may prescribe, authorizing any person or any political committee organized primarily to support the candidacy of such candidate to either directly or indirectly, receive contributions, or make expenditures in behalf of, such candidate. No person and no committee organized primarily to support a single candidate may, either directly or indirectly, receive contributions or make expenditures in behalf of such candidate without the written authorization of such candidate as required by this paragraph.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of $50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

(h)(1) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing and applying the limitations contained in this section only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(2) For purposes of this subection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

LIMITATION OF EXPENDITURES

SEC. 402. (a)(1) No principal campaign committee shall expand any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, $200,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $120,000 for one of such elections and $80,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, $150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $90,000 for one of such elections and $60,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, $100,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $60,000 for one of such elections and $40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, $20,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $12,000 for one of such elections and $8,000 for the other of such elections; (5) in the case of a candidate for member of the Board of Education elected from a ward, or in support of any candidate for office of a political party, $10,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $6,000 for one of such elections and $4,000 for the other of such elections; and (6) in the case of a candidate for member of an Advisory Neighborhood Council, $500.

(2) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Board and the Board shall publish in the District of Columbia Register the per centum difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for 1974. Each amount determined under paragraph (1) shall be changed by such per centum difference. Each amounts so changed shall be the amount in effect for such calendar year.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expending funds or which would cause such principal committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

TITLE V—LOBBYING

DEFINITIONS

SEC. 501. When used in this title—

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia, and includes any other matter which may be the subject of action by the Council of the District of Columbia.

DETAILED ACCOUNTS OF CONTRIBUTIONS: RETENTION OF RECEIPTED BILLS OF EXPENDITURES

SEC. 502. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) all contributions of any amount or of any value whatsoever;

(2) the name and address of every person making any such contribution of $200 or more and the date thereof;

(3) all expenditures made by or on behalf of such organization or fund; and

(4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding $10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

RECEIPTS FOR CONTRIBUTORS

SEC. 503. Every individual who receives a contribution of $200 or more for any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

STATEMENTS OF ACCOUNTS FILED WITH DIRECTOR

SEC. 504. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 506 of this title shall file with the Director between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of $200 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $200 or more to such person since January 2, 1975;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1) of this subsection;

(3) the total sum of all contributions made to or for such person during the calendar year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4) of this subsection;

(6) the total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

PRESERVATION OF STATEMENTS

SEC. 505. A statement required by this title to be filed with the Director—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Director, Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Director of its nonreceipt;

(b) shall be preserved by the Director for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

PERSONS TO WHOM TITLE IS APPLICABLE

SEC. 506. The provisions of this title shall apply to any person (except a political committee) who, by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Council of the District of Columbia.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

REGISTRATION OF LOBBYISTS WITH DIRECTOR; COMPILATION OF INFORMATION

SEC. 507. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Council of the District of Columbia shall, before doing anything in furtherance of such object, register with the Director and shall give to him in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Director a detailed report under oath of all money received and extended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before the Council of the District of Columbia, or a committee thereof, in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Council of the District of Columbia in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Director shall be compiled by the Director as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the District of Columbia Register.

REPORTS AND STATEMENTS UNDER OATH

SEC. 508. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES AND PROHIBITIONS

SEC. 509. (a) Any person who violates any of the provisions of this title, shall be guilty of a misdemeanor, and shall be punished by a fine of not more than $5,000 or imprisonment for not more than twelve months, or both.

(b) In addition to the penalties provided for in subsection (a) of this section, any person convicted of the misdemeanor specified therein is prohibited, for a period of three years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the Council of the District of Columbia in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall be guilty of a felony, and shall be punished by a fine of not more than $10,000, or imprisonment for not more than five years, or both.

EXEMPTION

SEC. 510. The provisions of this title shall not apply to—

(1) any Member of the United States House of Representatives or any Senator;

(2) any member of a staff of any person specified in paragraph (1) while operating within the scope of his employment;

(3) any member of an Advisory Neighborhood Council;

(4) any person who receives less than $500 during the calendar year as compensation for performing services relating to the influencing of legislation; or

(5) any entity specified in section 1(d) of title II of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1554(d)), no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

SEC. 601. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensation provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed $100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other reason.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, deliver a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a charge of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS–15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth $1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

DISCLOSURE OF FINANCIAL INTEREST

SEC. 602. Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Government Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of

income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds $100 in amount or value, including any fee or other honorarium received by him or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly, which has a value in excess of $1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction, during the preceding calendar year if the aggregate amount involved in such transactions exceeds $5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Chairman and each member of the Council and the Mayor holidng office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of $10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of $10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall request the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirement contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities annd commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;

(5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and

(6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

TITLE VII—PENALTIES AND ENFORCEMENT, TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

SEC. 701. (a) Except as provided in subsection (b), any person or political committee who violates any of the provisions of this Act shall be fined not more than $5,000, or shall be imprisoned for not longer than six months, or both.

(b) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than $10,000, or shall be imprisoned for not longer than five years, or both.

(c) The penalties provided in this section shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calendar year 1974.

(d) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

SEC. 702. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47-1567—47-1567e) is amended by adding at the end of that title the following:

"SEC. 7. (a) Credit for Campaign Contributions.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of $12.50, or $25 in the case of married persons filing a joint return.

"(b)(1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

"Sec. 7. Credit for campaign contributions.".

USE OF SURPLUS CAMPAIGN FUNDS

SEC. 703. Within the limitations specified in this Act, any surplus, residual, or unexpended campaign funds received by or on behalf of an individual who seeks nomination for election, or election to office shall be contributed to a political party for political purposes, used to retire the proper debts of his political committee which received such funds, or returned to the donors as follows:

(1) in the case of an individual defeated in an election, within six months following such election;

(2) in the case of an individual elected to office, within six months following such election; and

(3) in the case of an individual ceasing to be a candidate, within six months thereafter.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

SEC. 704. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of the District of Columbia Campaign Finance Reform Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of those Acts so as to improve electoral machinery and to insure open, fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this section shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

SEC. 705. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1–1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles I, III, VI and VII of this Act shall take effect on the date of enactment of this Act.

(c) Title V of this Act shall take effect January 2, 1975.

AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

SEC. 706. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1–1113) is amendedd to read as follows:

"AUTHORIZATION

SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.".

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1–1104) is amended to read as follows:

"(b) Each member of the Board shall be paid compensation at the rate of $100 for each eight hour period with a limit of $12,500 per annum, while performing duties under this Act, except during 1974 such compensation shall be paid without regard to such annual limitation.".

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

AUTHORITY OF COUNCIL

SEC. 707. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 708. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

And the Senate agrees to the same.

Mr. GRIFFIN. Will the Senator from Missouri yield?

Mr. EAGLETON. I am happy to yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I want to make it clear in the RECORD, although the distinguished Senator from Maryland (Mr. MATHIAS), who is the ranking member on this side on that committee, is unable to be present at this time, it is my understanding, and I will ask the distinguished chairman of the committee if it is not the case, that he and other Republican members on the conference have signed the conference report unanimously in terms of the conferees subscribing to this conference report?

Mr. EAGLETON. The Senator from Michigan is eminently correct and Senator MATHIAS did participate fully in the conference of yesterday and did sign the report and supports this measure.

I move the adoption of the conference report on H.R. 15074.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, at this time I will seek recognition and yield my 5 minutes to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

THE COURT DECISION ON FORCED BUSING

Mr. ROBERT C. BYRD. Mr. President, a little earlier I complimented the Supreme Court of the United States on its unanimous 8-to-0 decision yesterday in the tapes case. Having heard the report earlier concerning the High Court's decision in the Detroit busing case, I wish also to compliment the Court on that momentous and historic decision, and again may I say that I cannot see how the Supreme Court could have held any other way.

The Supreme Court's reversal today of the Detroit school case will have a significant effect in settling a problem which has deeply concerned this country in recent years. The court-ordered busing of schoolchildren to schools distant from their homes has aroused a deep and bitter hostility in great numbers of our citizens, both black and white.

The decision stresses that the busing across school district lines would be acceptable if those school district lines were established with the purpose of fostering racial segregation.

The Court today moves us away from the fears of many people that large metropolitan areas would be joined together into one huge, court-joined school district solely for the purpose of achieving racial balance in the schools within that area. There is no question that State-enforced segregation in our schools is unconstitutional and must be eliminated wherever it be found. But it would have been equally wrong to have courts order children bused out of school districts to other districts merely to achieve an arbitrary racial balance.

I recognize this is a difficult field where there are no easy answers and few happy solutions, but I believe the Supreme Court's decision in Milliken against Bradley will ease the fears of many of our citizens, without ever losing sight of the necessity and legality of court action where constitutional rights are threatened.

GIVE EDUCATION AN EQUAL CHANCE

Mr. ROBERT C. BYRD. Mr. President, the United States is in the midst of another summer sports happening—the National Football League players' strike.

As an isolated event, the strike hardly would be worth noting, since it is extremely difficult to find sympathy for players earning an average of $32,000 a year when public schoolteachers in our country average only $10,673 annually.

But the strike does not stand by itself. It follows by about 1 month an American League baseball game, during which fans armed with bottles, lead pipes, and knives swarmed onto the field to attack a visiting team; and it comes on the heels of a college recruiting season which many observers believe was the most unethical ever.

Taken together, those three incidents illustrate what Ohio State University President Dr. Harold L. Enarson has called our "near obsession" with sport. It is time athletics were viewed with a more proper perspective. It is time we all realized that few things are less vital to our national survival than a fall without NFL football, the outcome of a single baseball game, or the location where high school athletes choose to continue their athletic training.

I enjoy sports as much as anyone. It is both relaxing and entertaining to watch skilled athletes compete. Yet, my enjoyment is blunted when I see athletics given a greater importance than they deserve—and given it, in many cases, at the expense of education.

On the professional level, football salaries, as I mentioned, average $32,000 for a 6-month season; baseball salaries average $40,000 annually; and average basketball earnings are estimated at $85,000 per season. Salaries by themselves are relatively unimportant—players cannot be blamed for getting what the traffic will bear; and little sympathy can be found for multimillionaire team owners who give in to the demands.

The danger lies, instead, with the inevitable inclusion of tax dollars in the professional teams' future plans—especially now that the breaking point has been reached. The New York Nets, for instance, won the American Basketball Association championship last year, and are considered one of the most successful sports franchises in the country. Yet, by grossing $2.5 million, the Nets admit they just broke even.

Most other teams are not as well off, and the question arises: Where do they go from here? Not higher ticket prices. They are about as high as they can go. The logical step is to demand bigger and more modern stadiums—which always have been, are being, and will continue to be built largely with tax dollars. And if one city does not come up with a new facility, the team will simply relocate.

At the present time, at least two American cities are constructing elaborate stadiums even before they have teams to use the facilities. They are building them merely to be in the bidding when the next team gets restless.

The Houston Astrodome, when it was opened at a cost of $31.6 million about a decade ago, was called the eighth wonder of the world. In another few years, as cities rush to make sure their athletes play in as much comfort as the Astrodome offers, it may not even be the eighth wonder of the National League.

But Houston had the foresight to move early. Other municipalities are paying dearly for the privilege of matching the Astrodome. In one case, a bond issue was approved for a stadium expected to cost $35 million. The price tag is now estimated at between $90 million and $100 million—and officials have yet to get a definite commitment for a team to play there.

What all this means, simply, is that, in many cities across this Nation, citizens are placing their lives, their children's lives, and even their grandchildren's lives in hock so that they can sit on cushioned seats watching professional athletes who dress in carpeted locker rooms.

And when a team wins a championship, thousands—and sometimes even a million or more—fans celebrate in the streets. It is a mania that is more and more apparent in America. And the irony of the celebrations—the pity of them—is that, in many of these very same cities, public school systems, with underpaid teachers and inadequate facilities, are turning out high school graduates whose basic skills of reading and writing barely reach the literate level.

The National Education Association notes, with justifiable frustration, that bond issues for new sports facilities are seldom rejected by citizens who, in recent years, have been turning down with alarming regularity increased expenditures for education.

If sports on the professional level are getting out of hand, the situation at the so-called amateur level is downright appalling. The costs to colleges for recruiting athletes are skyrocketing, and part of the increased costs have come from under-the-table offers, and out-in-the-open attempts at bribery and payoffs.

Darrell Royal, the respected head coach of the University of Texas, was quoted in the Chronicle of Higher Education as saying:

> You're out there trying to sell yourself and your school and (the high school athlete) ain't hearing a word you're saying. All he's wondering about is when you're going to start talking money.

And it is no wonder the recruited athlete is thinking money. If he is what is generally called a blue chip prospect, he has probably been visited by over 100 coaches, between 20 and 25 of whom have made illegal offers—in some cases, a new car and monthly "expense money"; in other cases, offers to pay off the mortgage on his parents' house.

On numerous occasions, coaches will send an assistant to move into the athlete's town for several months, just so someone from the university will be available if the prospect needs assistance. The cost is staggering, and I cannot help but wonder—although I suspect it has never happened—whether one of these assistant coaches, since he represents a university, has ever taken a side trip from the gymnasium and the super athlete to the school's chemistry department in an effort to attract a quality student to return with him to the university. I wonder what would happen if a coach returned to campus and said: "I didn't sign the 7-foot center, but I did bring back a student who needs financial help, but who may become a great research scientist." Undoubtedly, he would be summarily fired.

Richard Starnes of Scripps-Howard Newspapers, wrote that:

> Many athletic departments spend $50,000 and up on recruiting every year, and an unknown additional sum is spent by fiercely loyal alumni.

It is a safe bet that schools would look unkindly on any coach who was sidetracked from recruiting an athlete, and who used any portion of that money for something as "foolish" as enticing a brilliant student to attend his university.

Keeping in mind that haunting figure of $10,673 annually for a school teacher, there are some other cost estimates worth noting. One Big Ten university spends $19,000 a year on the telephone and telegraph requirements for recruiting athletes, while a southern football power admits an annual phone bill of $28,000 and an expenditure of $15,000 in postage for recruiting efforts.

And that is all before the athletes arrive on campus. Once there, the costs go even higher.

According to NCAA survey results, the average tutoring bills for football players at major colleges is about $17,000, and one Atlantic Coast Conference school is said to spend more than $20,000 a year. Everyone knows that these tutors are not employed to bring the athletes up to academic excellence—just to raise them to passing. The dividends to society would be greater if the tutors were employed to advance science students from good to excellent, but at few—if any—schools is such the case.

The NCAA—more noted for its petty feud with the AAU than for any efforts it is making to put sports in proper perspective—has reacted by passing another lenient regulation. As of August 1, schools engaged in big-time competition will be "limited"—limited, mind you—to 105 football scholarships and 18 basketball scholarships. For most big-time schools, this will mean an outlay of $500,000 annually. One cannot help but feel that the schools will somehow manage to survive that restriction.

At one time, colleges and universities justified enormous expenditures for athletics by saying the revenue produced by the school's teams helped build classrooms and laboratories. The years have taught us the fallacy of that argument. Revenue produced by athletics has gone, in too many cases, back into the athletic department. One case in point is a university that belongs to the Southeastern Conference. A few years ago, the school itself was in such sad financial condition that its regents were lobbying desperately in the State Legislature for more funds to pay professors. At the same time, a $2.3 million surplus was tucked away in a separate bank account for the school's athletic department. The story had a happy ending, of sorts, when the athletic department loaned the university $400,000; and thus the teams had a school to represent.

Most schools, of course, do not have a surplus. Their expenditures have kept pace—or outpaced—their revenues. Money from a bowl appearance goes immediately into a down payment to expand the stadium, with the taxpayers of the State picking up the rest of the tab. And the athletic departments can only keep their heads above water by continuing to win, continuing to appear in bowl games and postseason basketball tournaments. A losing season would spell financial ruin for the athletic department, and could bring the university itself down with it.

The ACTING PRESIDENT pro tempore. The Senator's additional 5 minutes has expired.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished acting Republican leader, I yield——

Mr. GRIFFIN. Mr. President, may I be recognized?

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. GRIFFIN. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader and I again thank my distinguished majority leader.

Thus, the coaches are under tremendous pressure to recruit, at whatever cost, the kind of athletes who will assure continuous winning—which, in turn, means larger athletic budgets. If the whole thing seems like a vicious circle, that is exactly what it is. And, unfortunately, there is no end in sight.

Since major athletic powers can no longer contend that winning teams mean money for the schools, the new justification is that competition is good for young people.

I could not agree more wholeheartedly. I believe it is extremely important that youths be taught that winning is a worthwhile goal. However, competition is taught not only on the playing fields—and certainly not by underwriting an athletic program that involves so few of the students in a participatory capacity. The 1972–73 football season, for instance, consisted of 2,997 games played by 620 universities and colleges, and involved only about 50,000 players, coaches, and trainers—out of an estimated college and university enrollment of 8,370,000.

It is folly to believe that all those students relegated to the status of observers learn any great lessons about competition—or that the students eager to excel in the classroom are any less competitive than the athletes. And I believe the competition fostered in the classrooms and laboratories of our colleges and universities produces greater benefits for our society than that which involves so few students on the playing fields.

True, some schools maintain topflight varsity programs while preserving their status as great universities. But the prospect is very real that, within the next few years, they may have to downgrade one. Either the athletic department is going to have to settle for a smaller, albeit equitable, share of the budgetary pie, or the university itself is going to suffer. Unless we start now to view sports in a better perspective—to give athletics a priority no higher than they deserve—that choice might be more difficult than it should be.

The answer, of course, is deemphasis. Everyone agrees on that. But past experience tells us how difficult that is to achieve. As long ago as 1929, the Carnegie Foundation for the Advancement of Teaching warned that college athletics "have bred among athletes, coaches, directors, and even in some instances among college administrative officers, equivocation and dishonesty."

Thus, the solution may be found in taking the other direction. The overemphasis has come step by step, bit by bit, and will continue until it reaches some undetermined point in the future. It might prove the wiser course, then, for the NCAA to remove all sanctions on recruiting, scholarships, and "expense money," and require only that schools make public the total costs of their athletic programs—even the expenses now hidden because they go for unethical and improper activities.

The result would be that one, two, or at the most, a half dozen universities would have powerhouses, with which the rest of the schools would be unable to compete. Those latter institutions, therefore, would be relieved of a great deal of pressure and could rededicate themselves to higher education, and to developing athletic programs truly amateur, involving a greater percentage of their students.

The games themselves—even the so-called major sports of baseball, basketball, and football—would remain unchanged, and would serve the recreational purpose they were originally intended to serve. And all our serious intense efforts could go into making our cities better places in which to live, and our universities better places in which to learn.

I suggest, Mr. President, that we all take the respite provided by the NFL players strike to reexamine our attitudes toward sports as they relate to the more important things in our society.

Mr. MANSFIELD. Mr. President, following the speech just given by the distinguished assistant majority leader, the Senator from West Virginia (Mr. Robert C. Byrd), I ask unanimous consent that an article which appeared in the Boston Globe under date of July 24, 1974, entitled "At Large/Mike Barnicle," and under the subheading "What Price Touchdowns?" be incorporated in the Record immediately following the remarks of the Senator from West Virginia.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Boston Globe, July 24, 1974]

(By Mike Barnicle)

What Price Touchdowns?

One bright note in a summer that has been filled with the sights and sounds of a government unraveling like a spool of tape has been the National Football League Players Assn. strike. If our luck holds, the impasse might continue into the fall and we would then be spared the task of having to watch or read about the mediocre exploits of those people from Foxboro who spend their Sundays masquerading as professional football players.

However, there is a larger question involved in this labor dispute—who cares? Who really cares that some defensive tackle, making $50,000 for an 8-month year, wants more dough? Who really cares that some corporation executive who presides over a tax write-off called a professional football club, won't give out a raise? Who cares about athletes in T-shirts, parading around a serene, tree-lined campus, protesting their lack of rights? And what concern is due an owner who bothers us with double-talk about the costs of owning and operating a franchise?

Both groups—the players and the owners—are in the headlines today because professional football has ceased to be a game and has instead become a rather boring pastime run by people who are more familiar with board rooms than locker rooms. The people who dictate the future of this "game" have more at stake in Dow Jones averages than they do in some quarterback's passing average. It is a big business run, for the most part, by greedy combines who raise ticket prices, sell cold hot dogs and unsalted popcorn at exorbitant rates and don't really care about those whose rights have truly suffered—the fans.

The "plantation mentality" of professional athletics in the United States has so long been a part of the scene that the specter of an outspoken player used to be enough to send the owner into convulsions and the athlete to Alpine, Tex., where he would languish away in some Class B league, his talents and his tongue in a city where no one could be harmed.

Players were slaves to be bought, sold or traded whenever their market value would benefit the club owner. Championships were tied to profits and the talents of the gifted few were showcased in an effort to trip the turnstiles and build up the bank accounts of the money men who signed the leases and granted the pay raises.

Finally, the break came when expansion arrived and athletes discovered that an open market and a bidding war meant a chance to gut some millionaire out of a few hundred thousand dollars. Leagues proliferated and talent diluted at such a rate that now there are people who refer to the new World Football League as "major league."

But all of that is the American way. So now we have quotes from Federal mediators on top of our sports pages and reports of "progress in the negotiations" instead of box scores. Agents and lawyers and accountants compete for the attention of athletes while sports fans have to take out bank loans if they want season tickets. It's all money now.

The Player Assn. keeps using the smokescreen of "the freedom issues" while the owners insist on mentioning nonsense like, "the ruination of the concept and structure of the game." In fact, what is involved are basic issues like preseason games—who plays and who pays; contracts—how long and how much; player trades—who goes and what do you give him to agree to go. All negotiable over any bank counter.

But the players continue to talk about their "rights" at the same time they are trying to hustle themselves out of town at the first smell of gold. And the owners are mad because their athletes have taken a page from their book about how to cheat the public and make money at it.

We now have a situation where we are saturated with more and more football, in more and more cities, played by teams with less and less talent. All because some market research major told the greedy where the dollars were. Both sides deserve one another.

CONCURRENT RESOLUTION RELATING TO ADJOURNMENTS DURING THE REMAINDER OF THE 93D CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 568.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a message from the House, which the clerk will state.

The second assistant legislative clerk read as follows:

House Concurrent Resolution 568 relating to adjournment to a date certain during the remainder of the 93d Congress.

Mr. ROBERT C. BYRD. Mr. President, would the clerk read the entire resolution?

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The second assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of sec. 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C.

198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193).

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

Mr. ROBERT C. BYRD. Mr. President, I ask that the clerk continue with the reading of the resolution so that the Senate will have an understanding of it.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The second assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of sec. 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193) the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the resolution is self-explanatory, I ask unanimous consent that the Senate proceed with its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 568) was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 16027. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the House has agreed to House Concurrent Resolution 568 relating to adjournment to a date certain during the remainder of the 93d Congress.

HOUSE BILL REFERRED

The bill (H.R. 16027) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Foreign Relations, without amendment:

S. 2354. A bill to provide for the participation of the United States in the African Development Fund (Rept. No. 93-1029).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3362. A bill to enable the Secretary of the Interior to provide for the operation, maintenance, and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes (Rept. No. 93-1030).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

H.R. 8193. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels (together with minority views) (Rept. No. 93-1031).

AUTHORITY FOR COMMITTEE ON COMMERCE TO FILE FINAL REPORT ON H.R. 8193, ENERGY TRANSPORTATION SECURITY ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce be permitted to file its final report until midnight tonight on H.R. 8193, the Energy Transportation Security Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE ON COMMERCE TO FILE REPORT ON S. 1361, GENERAL REVISION OF THE COPYRIGHT LAW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce have until Monday next to file its report on S. 1361, general revision of the copyright law.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, both of these requests have been cleared all around.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TUNNEY:

S. 3807. A bill to protect students receiving Federal financial assistance against losses resulting from the closing of certain private educational institutions. Referred to the Committee on Labor and Public Welfare.

By Mr. THURMOND (for himself and Mr. Hartke):

S. 3808. A bill to amend Public Law 92-425, an act "To amend chapter 73 of title 10, United States Code, to establish a Survivor Benefit Plan, and for other purposes." Referred to the Committee on Armed Services.

By Mr. GRAVEL:

S. 3809. A bill relating to Barrow Utilities, Inc., Barrow, Alaska. Referred to the Committee on Interior and Insular Affairs.

S. 3810. A bill relating to Barrow Utilities, Inc., Barrow, Alaska. Referred to the Committee on Commerce.

By Mr. EAGLETON:

S. 3811. A bill to provide for the payment of reasonable attorneys' fees in certain cases of civil actions brought against State and local law enforcement officers. Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 3812. A bill to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands. Referred to the Committee on Interior and Insular Affairs.

By Mr. CRANSTON (for himself and Mr. Tunney):

S. 3813. A bill to authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CRANSTON (for himself, Mr. Hartke, Mr. Randolph, Mr. Thurmond, Mr. Hansen, Mr. Talmadge, Mr. Hughes, and Mr. Stafford):

S. 3814. A bill to amend title 38 of the United States Code in order to extend medical benefits to the survivors of certain severely service-connected disabled deceased veterans. Referred to the Committee on Veterans Affairs.

By Mr. ROTH (for himself and Mr. Biden):

S. 3815. A bill to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building." Referred to the Committee on Public Works.

By Mr. HUDDLESTON (for himself, Mr. Chiles, Mr. Bentsen, Mr. Helms, and Mr. Nunn):

S. 3816. A bill to terminate the Emergency Daylight Saving Energy Conservation Act of 1973. Referred to the Committee on Commerce.

By Mr. BROCK (for himself, Mr. Baker, Mr. Fulbright, and Mr. Mansfield):

S. 3817. A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BENNETT:

S. 3818. A bill to amend the Internal Revenue Code of 1954;

S. 3819. A bill to amend the Internal Revenue Code of 1954;

S. 3820. A bill to amend the Internal Revenue Code of 1954; and

S. 3821. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TUNNEY:

S. 3807. A bill to protect students receiving Federal financial assistance against losses resulting from the closing of certain private educational institutions. Referred to the Committee on Labor and Public Welfare.

Mr. TUNNEY. Mr. President, I am introducing legislation today that would provide for the protection of students participating in federally insured student loan programs when the vocational or proprietary institution attended ceases operation. It would also protect students receiving veterans, education allowances.

Under present circumstances, when an institution closes its doors, the student is not only left with a loan to repay, but without the education for which he originally incurred the loan.

Four parties are involved when a student contracts for a federally insured student loan: The student, the loaning institution, the Federal Government, and the institution to be attended. Wherein lies the responsibility for repayment of that loan should the institution cease operation?

Clearly the initial responsibility lies with the student. He or she is contracting for the purpose of obtaining an education, with the hope that upon completion of his education he or she will be able to become employed and repay the loan.

The loaning institution accepts a certain amount of the responsibility in that it is loaning a sum of money to be spent by another party, for a specified period, hopefully to be repaid in the future. Student loans are generally a good risk in that the student will receive his education, become employed, thus allowing him to repay the loan.

The Federal Government has undertaken the responsibility of opting to repay the loss to the loaning institution should the student fail to do so. The Government, interested in the development of productive citizens, insures these loans, thus supporting the educational process.

The educational institution has the responsibility of educating the student.

On occasion, however, whether by illegal practice or lack of funds, many of these postsecondary institutions are forced to close, after midterm. In this instance, the student is left holding the bag with a loan to repay and without the product for which the loan was originally intended, that being his education.

My bill presents a solution to this problem. It stipulates that no Federal student loans, Federal insured student loans, or veterans education allowance may be paid to a vocational or proprietary institution that has been in existence for less than 10 years unless that school has provided assurances—by the posting of a bond or otherwise—that, in the event the institution ceases operation, it will reimburse the student for the portion of the loan that would cover the education not received.

For example, a student is attending a vocational business college, four quarters per school year. The school is bonded. Three quarters have been completed and the student is 5 weeks into his fourth quarter. The school is forced to close. Under my legislation the student shall be reimbursed by the institution for a total of the fourth quarter. This would allow him to transfer to another school with sufficient funds to complete a full quarter. In most instances, if the school is accredited—which it must be to receive Federal loans or VA benefits—the units completed can be transferred to another institution, while the partially completed units would not be transferrable.

This type of protection is long overdue. Unfortunately, an increasing number of students are becoming the victims of underhanded practices by people who are out to make a fast buck. In nearly all cases, the students who are affected are those who can least afford it; that is: Students from low-income families and veterans. In California two such instances have occurred.

In 1971, a civil fraud suit was filed against Riverside University. The school was forced into receivership and was charged with certifying numerous ineligible student loans. Many students had signed up for the loans but had not yet started class. The money, however, had already been expended by the school and the students were forced into repaying the loans.

Another example involved the West Coast Trade School, a group of five proprietary vocational schools in Los Angeles. This institution closed in May of 1973. Hundreds of students were left with loans to be repaid and no education. The second portion of my bill would cover these two institutions and others like it.

Over the years, the Federal Government has been held responsible for over 116,000 defaulted student loans, a liability which has amounted to $110.5 million of the taxpayers money. In California alone, 9,923 loans were paid by the Government amounting to $76.6 million. Obviously, only a percentage of these defaults were the result of an institution closing. However, one such instance, however, is one too many. Neither the student nor the Federal Government should be forced to clean up after an educational institution that has shirked its responsibility of educating. Too many students are being blindly duped into attending new vocational and proprietary institutions by misleading sales tactics and other abuses.

Some type of protection is urgently needed and I strongly feel that my bill meets that end.

Mr. President, at this point I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act be cited as the "Student Loan Protection Act of 1974".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "Federal student loan" means a loan made by any department or agency of the United States to an individual to assist that individual to attend an educational institution.

(2) The term "federally insured student loan" means a loan which is made by any person or by any department or agency of a State or local government to assist that individual to attend an educational institution and the repayment of which is insured or guaranteed, in whole or in part, by a department or agency of the United States.

(3) The term "veterans educational allowance" means subsistance allowance paid under chapter 31 of title 38, United States Code, and educational assistance allowance paid under chapter 34 and 35 of such title.

(4) The term "educational institution" means any institution which furnishes education or training at the secondary level or above, including vocational schools and correspondence schools.

(5) The term "new private educational institution" means any educational institution which (A) is not an agency of the United States, a State or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States, and is not owned and operated by one or more of the foregoing, and (B) which has been in operation for less than 10 years.

(6) The term "academic period" means, with respect to any new private educational institution, a semester, trimester, quarter, or other period of time during which education or training is offered by such institution. In the case of a new private educational institution which does not offer education or training based on an academic period within the meaning of the preceding sentence, such term means, with respect to any individual, that period which begins on the date on which such individual first attends such institution during an uncompleted course of study or training.

(7) The term "Secretary" means the Secretary of Health, Education, and Welfare.

REQUIREMENT OF GUARANTEES BY NEW PRIVATE EDUCATIONAL INSTITUTIONS

SEC. 3. (a) On and after the effective date of this section—

(1) no Federal student loan or federally insured student loan may be made to an individual to assist that individual to attend a new private educational institution, and

(2) no veterans educational allowance may be paid to an individual attending a new private educational institution, unless the new private educational institution has provided assurances satisfactory to the Secretary (by the posting of a bond or otherwise) that, in the event such institution ceases operations, it will make the payments required by subsection (b) with respect to each individual then attending such institution with the assistance of a Federal student loan or a federally insured student loan or who is receiving a veterans educational allowance.

(b) The amount to be paid with respect to an individual under subsection (a) is an amount equal to the expenses paid by such individual to enable him to attend such institution during the academic period in which such institution ceases operations, but such amount shall not exceed—

(1) in the case of an individual attending with the assistance of a Federal student loan or federally insured student loan, the portion of the loan attributable to such academic period, or

(2) in the case of an individual receiving a veterans educational allowance, the amount of such allowance received which is attributable to such academic period.

(c) The payments required by this section shall be made—

(1) with respect to an individual attending with assistance of a Federal student loan or federally insured student loan, to the lender as repayment of part or all of such loan, except that if such loan has been repaid, the payment shall be made to such individual, and

(2) with respect to an individual receiving a veterans educational allowance, to such individual.

PROTECTION AGAINST LOSSES NOT COVERED BY GUARANTEES

SEC. 4. (a) In the case of an individual who—

(1) was attending a new private educational institution which ceased operations on or before the date of the enactment of this Act,

(2) is attending a new private educational institution which ceases operations after such date and before the effective date of section 3 with respect to such institution, or

(3) is attending a new private educational institution which has failed to give the assurances required by section 3 and which ceases operations after the effective date of that section with respect to such institution, but only if such individual is pursuing education or training which he commenced at such institution before such effective date, the Secretary shall take the action required by subsection (b).

(b) With respect to an individual rescribed in subsection (a)—

(1) who was attending the institution with the assistance of a Federal student loan, the Secretary shall cancel an amount of such loan equal to the amount which would be payable under section 3 if that section applied, except that if such loan has been repaid, the Secretary shall pay such amount to such individual,

(2) who was attending such institution with the assistance of a federally insured student loan, the Secretary shall pay to the lender (as a repayment of part or all of the loan) an amount equal to the amount which would be payable under section 3 if that section applied, or if the loan has been repaid, shall pay such amount to the individual, and

(3) who was receiving a veterans educational allowance, the Secretary shall pay to the individual the amount which would be payable under section 3 if that section applied.

REGULATIONS

SEC. 5. The Secretary, after consultation with the Administrator of Veterans' Affairs, shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 7. This Act shall take effect on the date of its enactment, except that the provisions of section 3 shall take effect with respect to any new private educational institution on the first day of the first academic period of such institution which begins more than 90 days after the date of the enactment of this Act.

By Mr. THURMOND (for himself and Mr. HARTKE):

S. 3808. A bill to amend Public Law 92–425, an act "To amend chapter 73 of title 10, United States Code, to establish a Survivor Benefit Plan, and for other purposes." Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, I send to the desk a bill which would amend title 10, U.S. Code, by providing survivor benefits for certain totally disabled service-connected enlisted personnel who were excluded from benefits in the recently enacted Survivor Benefit Plan.

This bill is designed to remedy a glaring deficiency in recently enacted law which discriminates against thousands of former military enlisted personnel who were permanently and totally disabled due to service-connected causes, primarily during World War II.

In the last Congress a Survivor Benefit Plan was enacted which established a greatly liberalized system of benefits for the survivors of retired military personnel. Under this act, Public Law 92–425, survivors of military retirees are eligible to receive up to 55 percent of the retired pay of their sponsor at the time of the sponsor's death. These new benefits are essentially the same as, and are patterned after, those provided for survivors of retired civil service personnel.

However, only the survivors of retired military personnel are eligible for benefits under Public Law 92–425. Since enlisted personnel were not eligible to retire for disability prior to October 1, 1949, the effective date of the Career Compensation Act, all enlisted personnel disabled before and during World War II and up to 1949 are therefore barred from participating in the Survivor Benefit Plan. Thus, they are unable to provide adequate survivor benefits available to all other dependents of retired Government personnel, military and civilian alike.

By Public Law 93–82 the Congress recently recognized the inequity which their technical lack of retired status places on pre-1949 enlisted personnel who suffered permanent and total disability from service-connected causes. This act made such personnel and their dependents eligible to participate in a program similar to the CHAMPUS program. This on-going program, among other things, pays most of the civilian medical costs incurred by military retirees and their dependents.

Mr. President, the bill I am offering would conform exactly to the rationale of Public Law 93–82 by permitting former enlisted personnel who are permanently and totally disabled to participate in the Survivor Benefit Plan on the same basis as if they held a retired status. Under this bill they would make the same monthly contributions to help defray the cost of participation and their survivors would receive the same benefits. Certainly the need to provide such survivorship protection is equal to, and is perhaps even greater than the need to defray medical costs.

Before closing, Mr. President, I would like to stress the need for this legislation. Almost by definition, permanently and totally disabled veterans are, in most cases, limited to the disability compensation they receive from the Veterans' Administration. Of course, at the time of death, if death occurs for reasons other than service-connected disability, this compensation ends.

However, the survivors of these totally disabled veterans are usually left with nothing since the veterans, because of their disabilities, were unable to build an estate, accrue social security or obtain insurance except at prohibitive costs.

This bill will merely provide them the opportunity to participate in a contributory survivor benefit plan and thereby assure some support for those they leave behind.

Mr. President, while this bill falls under the jurisdiction of the Senate Armed Services Committee, I am pleased to have as a cosponsor the distinguished chairman of the Senate Veterans' Affairs Committee, Mr. HARTKE of Indiana.

By Mr. GRAVEL:

S. 3809. A bill relating to Barrow Utilities, Inc., Barrow, Alaska. Referred to the Committee on Interior and Insular Affairs.

S. 3810. A bill relating to Barrow Utilities, Inc., Barrow, Alaska Referred to the Committee on Commerce.

Mr. GRAVEL. Mr. President, today I am introducing two pieces of legislation for the relief of the people of Barrow, Alaska. A native owned cooperative utility system in the town, Barrow Utilities, Inc., provides natural gas and electric distribution service to 3,000 residents through approximately 400 meters. Due to negligence on the part of the Bureau of Indian Affairs and callousness on the part of the Department of the Navy, the Native residents of Barrow are now burdened with an unsafe natural gas distribution system, and utility rates which are among the highest in the Nation. The residents and officials of the city have referred to this situation as Barrow's "Time Bomb."

Barrow Utilities was formed in 1964 for the purpose of providing natural gas service to the residents of Barrow through loans and assistance made available by the Bureau of Indian Affairs in Alaska. Barrow Utilities agreed to provide the manpower to operate the system, which they did.

The Bureau agreed to provide managerial and technical expertise to train the Natives in the specialized art of operating a utility, with a view to self-sufficiency and viable utility status for the future. The Bureau of Indian Affairs reneged on this part of the agreement. By 1971, the cooperative was in a bankrupt condition, due mainly to the inadequacy of retail rates and charges, vast sums of delinquent utility bills, inexperienced management, incompetent accounting personnel, improper and inadequate records, and lack of skilled, experienced utility workmen and supervisors. The Bureau of Indian Affairs attempted to rectify this situation by recklessly allowing Barrow Utilities to incur a debt of $750,000 without regard to how the funds were to be used, knowing full well that more than money was needed to correct the situation.

The result is a gas distribution system which is, at this very moment, a safety hazard to the residents of Barrow. It has been described as "meeting no known safety standards." There is an impending danger of explosion. Cases of gas inhalation account for 2 percent of all hospital admissions in Barrow. The system itself has been cited for numerous violations by both the Federal Office of Pipeline Safety and the Alaska Public Utilities Commission. There is a definite and imperative need to replace the gas distribution system immediately.

The danger to life and property in Barrow because of the hazardousness of the gas pipeline system could have been overcome had Barrow Utilities the means to raise capital money. But the Bureau of Indian Affairs has the first mortgage loan on the gas and electric distribution system as well as a power, water, and sewage plant. Unless Barrow Utilities is relieved of these debts, there is virtually no way to borrow new money.

To enable Barrow Utilities to seek alternate funding sources and eventually insure the safety of the residents of Barrow, one of the bills I am introducing today provides for the cancellation of the debt of $750,000 owed by Barrow Utilities, Inc. to the Bureau of Indian Affairs.

A second and equally important issue concerns the price for natural gas paid by Barrow Utilities, Inc. The cooperative purchases natural gas from excess supplies in the Naval Petroleum Reserve No. 4, through contract with the Department of the Navy. This gas is sold at the wellhead and provided on an interruptible basis. In 1964, the price of 50 cents per thousand cubic feet—MCF—was set, but it was not based on any cost analysis of similar service. It was based on an 18 year amortization schedule whereby the natives of Barrow would bear the costs of development of additional natural gas wells drilled by the Navy.

This rate has no relation to actual use of service. Barrow Utilities is being asked to finance the total costs of drilling additional wells when they consume only 20 percent of the total gas production. The U.S. military and other governmental users consume 80 percent of the gas produced. The present capital expenditures for well development would have been made whether or not the residents of Barrow had been permitted to purchase natural gas. Finally, should the residents of Barrow not continue to purchase natural gas, the Navy would experience no reduction in operating and maintenance costs.

The price of 50 cents per mcf seems to have little justification. Yet, in July 1974 the Department of the Navy was ordered by the Office of Management and Budget to amortize the costs of well development over a shorter period of time. The rate of 77 cents per mcf was set as the base price for any new contract to purchase natural gas from petroleum reserve No. 4.

To illustrate the inequity, statistics indicate that in the lower 48 States, the average price at the wellhead for natural gas is 27.3 cents per mcf. In nearby Chugach, Alaska, firm gas service is being provided at 17 cents per mcf. In a time when Americans take pleasure in criticizing the huge profits earned by private sector energy suppliers, it is unbelievable and unjustifiable that the U.S. Government proposes to burden its citizens with a charge nearly 3 times in excess of the private sector rate.

In my opinion, the U.S. Government and the Department of the Navy have done a grave disservice to the residents of Barrow. The second bill I am introducing today provides that no agency of the U.S. Government shall impose any charge for natural gas made available to Barrow Utilities which is in excess of the average wellhead price in the lower 48 States.

The people of Barrow are entitled to fair and proper treatment from their Government. The residents of Alaska should no longer be treated as less than first-class citizens. I propose to protect these people in the face of arbitrary and unjust governmental action.

By Mr. EAGLETON:

S. 3811. A bill to provide for the payment of reasonable attorneys' fees in certain cases of civil actions brought against State and local law enforcement officers. Referred to the Committee on the Judiciary.

Mr. EAGLETON. Mr. President, I am introducing a bill today to amend section 1983 of title 42 in order to recompense law enforcement officials for the expense of defending themselves against baseless charges brought under this section.

Section 1983 was enacted in 1871 as part of the Post-Civil War Civil Rights Act. It guarantees a right of action for individuals who claim that they have been deprived of rights, privileges, or immunities secured to them by the Constitution and laws of the United States by persons acting under color of State law. Thus, persons who believe that their rights have been infringed by local officials have a remedy under which they can bring suit against the officials and may even seek damages.

Over the many years since this statute was originally enacted, it has served as a useful means of vindicating constitutional rights when those rights have been violated by local or State officials. There have been a great many successful cases in which the plaintiffs were able to show that the defendants were actually guilty of such violation.

However, in recent years, Mr. President, this section has been used for purposes quite different from those for which it was originally intended. We have seen local law enforcement officials all over the country hit with a barrage of suits that can only be described as groundless. Very often, the individuals bringing this suit have been convicted of a criminal offense and are confined in jail. From there, comes a flood of papers charging that an inmate was deprived of some right, in that a confession was coerced, he was mistreated by police officers, a plea of guilty was forced from him, and so forth. In many cases, this amounts to an attempt to relitigate issues already decided in the criminal proceedings in which the inmate was originally convicted.

This is not to say that all actions brought under section 1983 are without merit. It would be wrong to assert that no law enforcement official ever violates the constitutional rights of an individual; the retention of section 1983 on the statute books reflects a recognition that we must constantly be on guard against the arbitrary exercise of official power.

Nevertheless the evidence is clear that the right of action conferred by section 1983 is being misused in a great number of cases. In my home State of Missouri, there have been several such cases in which allegations have been made against law enforcement officials that were later proved to be totally unfounded and the cases were dismissed. Among those who were wrongfully charged in such suits were the prosecuting attorney of Phelps County, several police officers in the city of St. Louis, and the sheriff of Pettis County. There undoubtedly are other such cases but these are ones with which I am immediately familiar.

While all of the defendants in these cases were ultimately exonerated, they had to pay a price. Perhaps the greatest cost to them—one for which they can never be recompensed—stems from the very fact that such charges were made and published with the resultant damage to their reputations. Beyond this there are the financial costs of defending oneself in Federal court. In some cases public agencies provide legal representation but in others, either by choice or by necessity, the defendants have been required to hire their own counsel and pay all of the costs of defense themselves. This can be an enormous burden for a law enforcement official whose pay is rarely commensurate with the importance of his duties anyway.

Section 1983 exemplifies the fairness and justice that is the bedrock of our American system, Mr. President, but the principle of fairness must apply to both parties in any proceeding. It is hardly fair to grant a right of action to one who has a complaint against a law enforcement official and, more often than not, give him a court-appointed lawyer to pursue the case at no cost to him, while at the same time requiring the law enforcement official who is complained against to prove his innocence at great cost to himself.

The bill I am introducing today would make section 1983 more evenhanded. Any law enforcement official who is sued under section 1983 and who ultimately prevails—that is, if the charges against him are not proven to be true—would be entitled to have a reasonable attorney's fee paid by the Federal Government. It is necessary that the Federal Government make this payment rather than the plaintiff because suits of the kind I am describing are generally brought by individuals who have no means and a judgment of attorneys' fees against the plaintiff would more than likely prove worthless. As I previously stated, the remedy afforded under section 1983 forms an important part of the American system of justice. It is only fitting that the Federal Government participate in paying the costs of this procedure. I should add, by way of precedent, that similar provisions in the Civil Rights Act of 1964 permit the payment of attorneys' fees for persons who bring successful actions to have rights vindicated under that act.

We demand a great deal of our law enforcement officers, Mr. President. They are expected to wage a war—often at great personal hazard to themselves—against totally unprincipled and unscrupulous criminals while at all times conducting themselves in conformity with the requirements of law. On the whole, I believe they do a magnificent job of it. And one of the ways that we can assist them in meeting their responsibilities is to relieve them of the concerns arising from the need to defend themselves in Federal court against false and unjust accusations.

My bill is designed to accomplish that goal Mr. President, I urge its speedy consideration and adoption by my colleagues.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 3812. A bill to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk for myself and the Senior Senator from Arizona (Mr. Fannin) a bill to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

Mr. President, this proposal was submitted and recommended and I ask unanimous consent that the executive communication accompanying the draft legislative from the Secretary of the Interior be printed in the Record at this point in my remarks.

There being no objection, the communication was ordered to be printed in the Record, as follows:

Department of the Interior,
Washington, D.C., June 27, 1974.

Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a proposed bill "To authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands."

We recommend that this bill be referred to the appropriate committee for consideration and that it be enacted.

Eniwetok Atoll lies among the Marshall Islands, which are a part of the Trust Territory of the Pacific Islands administered by the United States acting on behalf of the United Nations. The atoll had been fortified by the Japanese during World War II and was captured by the United States in 1944, with the local inhabitants being placed under the jurisdiction of the U.S. Armed Forces. After the war, in 1947, the United States decided that the entire atoll was required for its atomic weapons testing program, so notified the United Nations Security Council, and resettled the atoll's inhabitants on nearby Ujelang Atoll. The testing, carried out between 1948 and 1968, severely damaged Eniwetok and made it uninhabitable.

The United States is committed to rehabilitating Eniwetok, whose former residents are most anxious to return. Discussion among various Federal agencies has resulted in this task being allotted in the following manner: Department of Defense—maintaining existing facilities and operations in the area and cleaning the atoll; Department of the Interior—rehabilitation of the atoll; Atomic Energy Commission—radiological monitoring and surveying.

This bill would authorize the appropriation of sums necessary to enable the Department of the Interior to fulfill its portion of the Federal commitment. A special authorization is needed because the authorization of funds for the Trust Territory in 1975, when it is contemplated that our rehabilitation work would commence, has already been enacted, and our budget could not incur an expense of this kind without serious curtailment of other programs for the Trust Territory.

Because of both the unforeseen problems which are virtually certain to occur in rehabilitating a former atomic test site and the rapidly increasing costs of basic building material, we find it necessary to request an open-ended authorization. However, based upon a master plan drawn up by a private consulting firm, which constitutes one possible way of meeting our responsibility, we tentatively estimate the cost of the operation at $12,000,000. Included in this amount is approximately $4,000,000 for replanting of the area and for construction of housing and community facilities; approximately $5,500,000 for facilities, equipment, and operations pertaining to the rehabilitation effort; and the remaining $2,500,000 for overhead, profit, and contingencies.

The Office of Management and Budget has advised that this legislative proposal is consistent with the program of the President.

Sincerely yours,

John Kyl,
Secretary of the Interior.

By Mr. CRANSTON (for himself and Mr. Tunney):

S. 3813. A bill to authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

LAKE CASITAS WATERSHED AND RECREATION PARK

Mr. CRANSTON. Mr. President, on behalf of myself and my California colleague (Mr. Tunney) I introduce a bill to authorize Federal purchase of lands for recreational park use above Lake Casitas reservoir, near Ojai, Calif., and to provide watershed protection for the Lake's essential water supply. The bill is identical to that introduced in the House by Congressman Robert J. Lagomarsino.

The bill I introduce today would create an 8,500-acre park on the north Shore of Lake Casitas, and is located adjacent to the Los Padres National Forest on the Ventura-Santa Barbara County line. The bill directs that the land remain in its natural state for the protection of the Lake Casitas watershed, although persons now living on the land—pursuant to approval by the Secretary of the Interior—will be allowed to stay if assurances are given that the land will not be used in a detrimental fashion. The land will revert to the Government at their death.

In introducing his bill, Congressman Lagomarsino expressed his hope that the recreation area be known as the Charles M. Teague Memorial Park, out of respect for the late Congressman whose efforts in the House of Representatives led to the construction of the Lake Casitas reservoir as a Bureau of Reclamation Project. I believe this is a fitting and wholly deserved remembrance, Mr. President, and I want to go on record as being in complete support of such a designation.

I ask unanimous consent that, at the close of my remarks, there be printed in the Record the text of the bill, together with resolutions by the Ventura County Association of Governments, the city council of the city of Camarillo, and the Casitas Municipal Water District, all supporting the legislation I introduce today.

There being no objection, the bill and material was ordered to be printed in the Record, as follows:

S. 3813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide for protection of the quality of water in Lake Casitas, and to provide for the preservation and enhancement of public outdoor recreation, fish and wildlife, and the environment of the area, the Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to acquire in the name of the United States certain privately owned lands within townships 3 and 4 north, ranges 23 and 24 west, San Bernardino base and meridian, lying outside the boundaries of the Los Padres National Forest, as generally depicted on the drawing entitled "Private Lands in Casitas Reservoir Watershed", numbered 767–208–237, and dated September 1972, which is on file and available for public inspection in the offices of the Bureau of Reclamation, Department of the Interior.

Sec. 2. (a) The Secretary may acquire the subject lands by donation, purchase (with donated or appropriated funds), condemnation or exchange: *Provided,* That any lands owned by the State of California or any political subdivision thereof may be acquired only by donation.

(b) With respect to property authorized to be acquired for the purposes of this Act, which is beneficially owned by a natural person and which the Secretary determines can be continued in that use for a limited period of time without undue interference with the administration, development, or public use of the area, the owner may on the date of its acquisition by the Secretary retain a right of use and occupancy of such property for agricultural or noncommercial residential purposes for a term, as the owners may elect, ending either—

(1) at the death of the owner or spouse, whichever occurs later, or

(2) not more than twenty-five years from the date of acquisition.

Any right so retained may not during its existence be transferred or assigned. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of such acquisition, less the fair market value on such date of the right retained by the owner.

(c) The Secretary may terminate a right of use and occupancy retained pursuant to this section upon the Secretary's determination that such a right is being exercised in a manner not consistent with the purposes of this Act, and upon tender to the holder of the right an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(d) For the purposes of this title, "noncommercial residential property" shall mean any single family residence in existence or under construction as of July 1, 1974.

Sec. 3. The Secretary, in accordance with the provisions of section 4 of the Act of July 9, 1965 (79 Stat. 213), shall administer the lands to be acquired and may issue such licenses, permits, or leases, or take such other action as may be required for proper management in accordance therewith. In administering such lands, the Secretary shall take such action as may be necessary to assure that such lands will be kept in their natural state as permanent open space or will be developed for public park purposes. The Secretary may provide for the management of such lands by the Casitas Municipal Water District, or any other authorized non-Federal public body, as part of the Lake Casitas Recreation Area.

Sec. 4. There is authorized to be appropriated the sum of $10,000,000 (April 1974 price levels) plus or minus such amounts as may be justified by changes in the price indexes for agricultural and noncommercial residential property in Ventura County, California.

Ventura County
Association of Governments,
Ventura, Calif.

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE VENTURA COUNTY ASSOCIATION OF GOVERNMENTS SUPPORTING THE PASSAGE OF HR–13507, "CONGRESSMAN CHARLES TEAGUE MEMORIAL OPEN SPACE PARK"

Whereas, on February 2, 1955, Congressman Charles M. Teague introduced in the 84th Congress, 1st Session HR–3488 which authorized the construction of the Ventura River Project, the principal feature of which is Lake Casitas; and

Whereas, through Congressman Teague's great interest and diligent efforts the Ventura River Project was completed on October 1, 1959, and Lake Casitas now holds in storage approximately 240,000 acre-feet of high quality water; and

Whereas, the Ventura County Board of Supervisors and the Casitas Municipal Water District Board of Directors have caused a study to be made by Montgomery Research, Inc. of the impact of varying land uses on the high quality of the water stored in Lake Casitas; and

Whereas, the conclusions presented in the study indicate that if any of the land use alternatives are implemented the high quality of the water will be degraded beyond acceptable limits and a serious problem of eutrophication will exist and, therefore, none of the land use alternatives of potential development should be implemented; and

Whereas, on January 11, 1973, due to his long-time, continuous interest in the Ventura River Project, Congressman Teague introduced in the 93rd Congress, 1st Session HR–1922 which authorized purchase by the United States of certain privately owned land within the direct drainage area of Lake Casitas thereby precluding the degradation of the high quality water and potential serious problems of eutrophication; and

Whereas, in March, 1974, Congressman Robert J. Lagomarsino introduced in the 93rd Congress, 2nd Session HR–13507 which would accomplish the same objectives sought by Congressman Teague; and

Whereas, due to the high esteem in which Congressman Teague was held by his fellow members of Congress and by the people he represented so well and faithfully in Ventura County, it seems appropriate that a memorial be established in his memory;

Now, therefore, be it resolved as follows:

The Executive Committee of the Ventura County Association of Governments strongly supports HR–13507 to establish an open space park which will accomplish the objective sought by Congressman Teague and would establish a suitable memorial which is sought by his fellow members of Congress and the residents of Ventura County by the designation of the area for which HR–13507 authorizes purchase as the "Teague Memorial Open-Space Park".

RESOLUTION No. 74–66

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMARILLO SUPPORTING THE PASSAGE OF HR–13507, "CONGRESSMAN CHARLES TEAGUE MEMORIAL OPEN SPACE PARK"

Whereas, on February 2, 1955, Congressman Charles M. Teague introduced in the 84th Congress, 1st Session HR–3488 which authorized the construction of the Venture River Project, the principal feature of which is Lake Casitas; and

Whereas, through Congressman Teague's great interest and diligent efforts the Ventura River Project was completed on October 1, 1959, and Lake Casitas now holds in storage approximately 240,000 acre-feet of high quality water; and

Whereas, the Ventura County Board of Supervisors and the Casitas Municipal Water District Board of Directors have caused a study to be made by Montgomery Research, Inc. of the impact of varying land uses on the high quality of the water stored in Lake Casitas; and

Whereas, the conclusions presented in the study indicate that if any of the land use alternatives are implemented the high quality of the water will be degraded beyond acceptable limits and a serious problem of eutrophication will exist and, therefore, none of the land use alternatives of potential development should be implemented; and

Whereas, on January 11, 1973, due to his long-time continuous interest in the Ventura River Project, Congressman Teague introduced in the 93rd Congress, 1st Session HR–1922 which authorized purchase by the United States of certain privately owned land within the direct drainage area of Lake Casitas thereby precluding the degradation of the high quality water and potential serious problems of eutrophication; and

Whereas, in March, 1974, Congressman Robert J. Lagomarsino introduced in the 93rd Congress, 2nd Session HR–13507 which would accomplish the same objectives sought by Congressman Teague; and

Whereas, due to the high esteem in which Congressman Teague was held by his fellow members of Congress and by the people he represented so well and faithfully in Ventura County, it seems appropriate that a memorial be established in his memory;

Now, therefore, be it resolved as follows:

The City Council of the City of Camarillo strongly supports HR–13507 to establish an open space park which will accomplish the objective sought by Congressman Teague and would establish a suitable memorial which is sought by his fellow members of Congress and the residents of Ventura County by the designation of the area for which HR–13507 authorizes purchase as the "Teague Memorial Open-Space Park."

CASITAS MUNICIPAL WATER DISTRICT RESOLUTION NO. 1444

A RESOLUTION SUPPORTING ADOPTION OF H.R. 13507

Whereas, on February 2, 1955, Congressman Charles M. Teague introduced in the 84th Congress, 1st Session HR 3488 which authorized the construction of the Ventura River Project, the principal feature of which is Lake Casitas; and

Whereas, through Congressman Teague's great interest and diligent efforts the Ventura River Project was completed on October 1, 1959, and Lake Casitas now holds in storage approximately 240,000 acre-feet of high quality water; and

Whereas, the Ventura County Board of Supervisors and the Casitas Municipal Water District Board of Directors have caused a study to be made by Montgomery Research, Inc. of the impact of varying land uses on the high quality of the water stored in Lake Casitas; and

Whereas, the conclusions presented in the study indicate that if any of the land use alternatives are implemented the high quality of the water will be degraded beyond acceptable limits and a serious problem of eutrophication will exist and, therefore, none of the land use alternatives of potential development should be implemented; and

Whereas, on January 11, 1973, due to his long-time, continuous interest in the Ventura River Project, Congressman Teague introduced in the 93rd Congress, 1st Session HR 1922 which authorized purchase by the United States of certain privately owned land within the direct drainage area of Lake Casitas thereby precluding the degradation of the high quality water and potential serious problems of eutrophication; and

Whereas, in March, 1974, Congressman Robert J. Lagomarsino introduced in the 93rd Congress, 2nd Session HR 13507 which would accomplish the same objectives sought by Congressman Teague; and

Whereas, due to the high esteem in which Congressman Teague was held by his fellow members of Congress and by the people he represented so well and faithfully in Ventura County, it seems appropriate that a memorial be established in his memory;

Now, therefore, be it resolved by the Board of Directors of Casitas Municipal Water District that this District strongly supports HR 13507 to establish an open-space park which will accomplish the objective sought by Congressman Charles M. Teague and would establish a suitable memorial which is sought by his fellow members of Congress and the residents of Ventura County by the designation of the area for which HR 13507 authorizes purchase as the "Teague Memorial Open-Space Park."

By Mr. CRANSTON (for himself, Mr. HARTKE, Mr. RANDOLPH, Mr. THURMOND, Mr. HANSEN, Mr. TALMADGE, Mr. HUGHES, and Mr. STAFFORD):

S. 3814. A bill to amend title 38 of the United States Code in order to extend medical benefits to the survivors of certain severely service-connected disabled deceased veterans. Referred to the Committee on Veterans' Affairs.

PERFECTING AMENDMENT TO CHAMPVA AUTHORITY

Mr. CRANSTON. Mr. President, today I am introducing, for myself and the chairman of the Committee on Veterans' Affairs (Mr. HARTKE), the ranking majority member of the Subcommittee on Health and Hospitals (Mr. RANDOLPH), which I chair, the ranking minority members of the full committee (Mr. HANSEN) and of the subcommittee (Mr. THURMOND), and full committee members Mr. HUGHES, Mr. TALMADGE, and Mr. STAFFORD, a bipartisan bill which will correct an unintended inequity in the provisions of title 38 authorizing medical benefits for the wives and dependents of permanently and totally disabled veterans whose disability is service-connected, or the widows and children of veterans who died as a result of service-connected disabilities. This program has been labeled CHAMPVA.

The CHAMPVA provisions, added by Public Law 93–82 which I authored in the Senate, represent an effort to extend special VA benefits for these dependents under title 38—such as are provided to them for death compensation benefits, home loans, and educational assistance benefits—so as to provide for medical benefits as well for these wives, widows, and war orphans. However, under the present statutory language in section 613(a)(2), medical benefits would be lost for the widow and dependent children in those exceptional cases where a totally and permanently service-connected disabled veteran died as a result of an accident, or an illness not associated with the veteran's disability. Certainly the medical benefits of such a veteran's dependents should not be terminated upon his death.

The legislation we are introducing today would correct the inequity resulting from the language in the current statute, and would make eligibility for these CHAMPVA benefits determined on the same basis as for GI bill benefits under chapter 35 for widows and surviving dependents of veterans who had total and permanent 100 percent service-connected disabilities at their death.

Mr. President, this new medical eligibility is estimated to affect the future benefits of approximately 114,999 dependents presently eligible for CHAMPVA under section 613.

At present, there are 427 survivors of deceased veterans who had been deemed 100 percent disabled due to a service connected disability, but whose death was not related to that disability. Of these survivors, 192 are without medical insurance and 235 have some form of third-party insurance.

These individuals have already given a great deal to their country through the disability of their veteran spouse. Should an additional tragedy occur, they should be protected from losing the benefits that are due them.

The first year costs of extending care to these dependents is estimated at $56,984.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing today be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (2) of subsection (a) of section 613 of title 38, United States Code, is amended to read as follows:

"(2) the widow or child of a veteran who (A) died as a result of a service-connected disability; or (B) at the time of death had a total disability permanent in nature, resulting from a service-connected disability,".

By Mr. ROTH (for himself and Mr. BIDEN):

S. 3815. A bill to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building." Referred to the Committee on Public Works.

Mr. ROTH. Mr. President, today I am introducing, for myself and Senator BIDEN, a bill to honor former Senator J. Allen Frear of Delaware by designating the new Federal building in Dover by his name.

It is important, I believe, that this building be named after such a distinguished son of Delaware as Allen Frear. For a Federal building should be more than just a building of bricks and mortar. It should be a building of spirit and tradition, tied to the virtues exhibited by our own patriots of revolutionary days: love of country, dedication to freedom, devotion to duty, faith in God, and allegiance to principle, ethics and morality. Allen Frear exhibited all those qualities—and more—throughout his life and as a distinguished Member of the U.S. Senate. Members of the Senate who served with him during the years 1949 to 1961 will recall his depth of perception, his good sense, his humaneness and his deep interest and concern for his fellow man.

J. Allen Frear was born on a farm near Rising Sun, Del., on March 7, 1903. He graduated from the University of Delaware in 1924. He became president and owner of a retail business in Dover, a commissioner of Delaware State College as well as of the Delaware Old-Age Welfare Commission, president of Kent General Hospital, a major in the U.S. Army, with overseas service in the European Theater of Operations and with the Military Government at the close of the Second World War, after serving two terms in the U.S. Senate, a Commissioner of the Securities and Exchange Commission. His life is one in which all of us from Delaware can be justly proud. By his example he has set a high standard for us all.

Mr. President, great men and great events are associated with the site of the new Federal building. It is fitting and proper that the Federal building be located near such historical places. And it is fitting and proper that it should bear as its name the name of one among us—from our own time—who did so much to carry on the great traditions of those whose presence throughout history honors the spot.

I hope my colleagues in the Senate will join with me in supporting this bill to honor a former Member of the Senate.

Mr. President, on July 2 I delivered an address in Dover at the dedication of the new Federal building which describes my views more fully. I ask unanimous consent that it be inserted in the RECORD at this time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATEMENT OF WILLIAM V. ROTH, JR.

Mr. Ink, distinguished guests.

As we stand here today facing the old historic Meeting House Square, one cannot help but pause and think of the great men and events associated with this locale. It was here, for instance, that John Dickinson, the penman of the revolution, is supposed to have drafted the Delaware Constitution in 1792. It is also said that this square was the site for the reading of the Declaration of Independence in 1776.

The cemetery adjacent to the Delaware State Museum is the resting place for such historic figures as Colonel John Haslet, the Commander of Delaware's first militia regiment, and of Senator John Clayton, jurist and Secretary of State under President Zachary Taylor. It is fitting and proper then that the new Federal Building be located so near such hallowed ground.

The proud traditions of Delaware upheld in the past by such men as those I have mentioned are still being upheld by fine and good men. Historians will long remember the contributions of John Williams of Sussex County whose quiet and methodical investigations of wrongdoing gained the attention, and respect of the entire nation. Cale Boggs whose early roots were in Kent County now represents the finest in New Castle County. His has been a lifetime truly marked by outstanding dedicated public service. In fact, because of my high regard for the service rendered our State by Cale I have urged that the new Federal Building in Wilmington be named after him.

Here in Kent County we have former Senator Allen Frear, one of the finest public servants Kent County has ever provided to this Nation.

Allen Frear has always been perceptive, full of good sense, and warmly human. These fine qualities plus his deep interest and concern for his fellow man are what helped to make him such an excellent United States Senator.

In these three men one can find many characteristics of the patriots of revolutionary days. Senators Frear, Williams, and Boggs represent all of the old fashioned virtues that made this country great—the same virtues exhibited by the heroes of the revolution—love of country—dedication to freedom—devotion to duty—faith in God—strong family ties—and an allegiance to principle, ethics and morality. All are men of unimpeachable integrity and morality, and each section of our State can be proud that it has provided such men to us and that men of this calibre would dedicate their lives to public service and show so much true concern for the citizens of this State.

Mr. Ink and distinguished guests, it gives me great pleasure to participate in this dedication. Moreover, it gives me double pleasure to propose to you today that this building be named after Dover's distinguished friend and neighbor, Former U.S. Senator Frear. I am making such a request of the Senate Public Works Committee and hope that my colleagues on this committee will go along with my proposal.

In the case of Senator Boggs, I was stymied by an unofficial rule that Federal buildings cannot be named after a living American unless he has reached the age of 70. Without revealing Allen Frear's age, I can say that in his case we are faced with no such impediment. I realize, however, that there are still some reservations about naming a public building after a living man. Whether or not this can be accomplished, I would hope the media and the people of Delaware would begin calling these two buildings by the names of these outstanding men.

It is important, I believe, that this building be named after such a distinguished son of Dover as Allen Frear. For a Federal building should be more than just a building of blocks and mortar. It should be a building of spirit and tradition, as well as a building tied to the virtues represented by Senator Frear and his distinguished colleagues I have mentioned. I want this building to be part of the fine traditions of this State and by being named after Allen Frear it will be.

Allen Frear served in the Senate from 1949 to 1961 and as his many friends in this State know so well he and his lovely wife Esther have participated in a lengthy array of civic and public causes. Their lives represent the finest in America and as we dedicate this building which I will hereafter call the Frear Building, I would urge that we dedicate it to the old fashioned virtues which made this country great—virtues which characterize the lives of Allen and Esther Frear. These are the virtues which have sustained this nation throughout its history and with the help of God they will continue to sustain us in the future.

By Mr. HUDDLESTON (for himself, Mr. CHILES, Mr. BENTSEN, Mr. HELMS, and Mr. NUNN):

S. 3816. A bill to terminate the Emergency Daylight Saving Energy Conservation Act of 1973. Referred to the Committee on Commerce.

Mr. HUDDLESTON. Mr. President, with the recent publication of the Department of Transportation's interim report on the effects of year round daylight saving time, the benefits of winter fast time remain nebulous at best. While the findings of the report are inconclusive, it does recommend that the winter daylight saving time experiment be abandoned from the last Sunday in October 1974 through the last Sunday in February 1975. The bill which I am introducing today would go a step further. It would repeal the Emergency Daylight Saving Energy Conservation Act and return the Nation to the observance of daylight saving time only from the last Sunday in April through the last Sunday in October as we have had in the past.

The Senate approved year round daylight saving time last December expecting significant energy savings, decreased crime, decreased traffic accidents, and more time for recreation. But, to the contrary, the DOT study indicates a "probable" electrical energy saving of only 0.75 to 1 percent partially offset by an increase in gasoline use as much as 0.5 to 1 percent in some States over the amount forecasted under conditions of standard time. It indicates no significant effects on traffic safety; no measurable effects on crime; and no measurable effects on recreation.

So, after 6 months, year-round daylight saving time has not borne out the Senate's expectations. What it has done is create very real and concrete problems for people in every part of the country.

Families remain understandably fearful for the safety and well-being of their small children who have to go to school in the dark. And, in areas where school hours have been shifted to avoid the darkness, working parents have been seriously inconvenienced.

Radio stations complain of frequency interference problems during prime time morning rush-hour broadcasts. All of the licensing changes and legislation in the world cannot change the basic, physical fact that broadcast signals behave differently in darkness than in daylight.

The construction industry—the Nation's largest industry—has called for the repeal of year-round daylight saving time because of the safety hazards of working during early morning darkness, and the resulting increase in energy use on construction projects.

And, farmers are seriously inconvenienced when daylight does not correspond to the working hours of the businesses with which they must deal.

Mr. President, I opposed year-round daylight saving time last December. But, after 6 months without conclusive proof that we are saving significant amounts of fuel; 6 months of complaints from constituents adversely affected by the time change; and, 6 months of just day-to-day experience with year-round daylight saving time, I am more opposed to it than ever.

We are fast approaching another winter under daylight saving time with all of its attendant problems. We have been assured that the Commerce Committee will hold in depth hearings on this matter, and I urge that they begin at the earliest possible date.

By Mr. BROCK (for himself, Mr. BAKER, Mr. FULBRIGHT, and Mr. MANSFIELD):

S. 3817. A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BROCK. Mr. President, on behalf of myself and Senators BAKER, FULBRIGHT and MANSFIELD, I am introducing an emergency measure to avoid unemployment and severe economic repercussion likely to occur as a result of the inability of firms to borrow funds because of current interest restrictions in some States.

Interest rates are now extremely high. The prime rate—the rates banks charge their best customers—is around 12 percent, and banks now borrow from each other in the so-called Federal funds market at 13–14 percent, or so. Under these conditions, corporations who need to borrow sizable amounts in order to carry on their business simply cannot get money in States like Tennessee and Arkansas, where the State constitutions impose ceilings of 10 percent. In Montana, and other States, statutory restrictions—sometimes equally hard to change—also make it virtually impossible to get needed funds.

The National Bank Act, generally speaking, authorizes national banks to charge the rates permitted to State banks or to other lenders in the same State. Back in 1933, Senator Glass proposed an amendment to the National Bank Act which authorized national banks to charge 1 percent in excess of the discount rate on 90-day commercial paper in effect at the local Federal reserve bank. It was necessary, according to Senator Glass, to authorize national banks to charge more than the State interest rates when rediscount rates equaled or exceeded the State interest rate ceiling—otherwise businesses needing to borrow might have to stop their operations. While Senator Glass recognized the desirability, as a general rule, of restricting national banks to charging the same rate ceilings as their State competitors, he saw the necessity of departing from this rule when necessary to enable national banks to carry out their function of providing funds for the needs of business.

In 1933, the Federal reserve discount rate reflected market conditions. In recent years, however, the Federal reserve discount rate has lagged far behind the market in periods of rapidly rising interest rates. The current discount rate of 8 percent permits national banks to charge 9 percent. With a prime rate of 12 percent common throughout the financial centers of the country, and with banks paying substantially over 9 percent to get funds from other banks or in the market, it is quite clear that the 9 percent permitted by Senator Glass' provision provides little or no help to concerns which cannot carry on their businesses without substantial borrowings of money.

Accordingly, in order to permit corporations to get funds in these days of high interest rates, my bill would permit federally insured banks and savings and loan associations to charge up to 5 percent over the applicable Federal reserve discount rate to all corporate borrowers.

The bill, of course, does not affect consumer lending or home mortgages. It is limited to corporations who, with their attorneys, do not need the protection of usury laws. In this connection it is appropriate to note that many States completely exempt corporate loans from their usury ceiling. It is also appropriate to note that certificates of deposit of $100,000 or more are exempt from interest rate ceilings under Federal Reserve Board and FDIC regulations.

My bill would authorize all insured banks, national and State, and all insured savings and loan associations, Federal and State, to charge these rates. I believe all of the institutions can be of help in this emergency, and that they should all be equally empowered to participate in providing this help.

In this country we have a decentralized banking system which has served well in providing credit for the Nation's expanding economic needs. This so-called dual banking system has been responsible for innovation at both the Federal and State level and I am a strong supporter of this system. In areas of major competitive importance, there must be a substantial measure of equality between banks under Federal or State charters. Wide discrepancies in the two systems over a protracted period of time would make it impossible to preserve these essential financial systems.

I urge prompt consideration of this bill in order to provide emergency relief for industry and agriculture in certain parts of the country. We cannot permit unrealistic interest ceilings to prevent business and agriculture from getting the funds needed to continue operating and to market crops, however beneficial and desirable the ceilings may be in the case of single family housing or small loans to consumers and other individual borrowers.

I full recognize that remedial action by those States suffering credit distortions because of usury ceilings would be the most desirable means of dealing with existing inequities. However, it is simply not possible for that to be done overnight in States like Tennessee, Arkansas, and Montana. Thus, to give these States sufficient time to act and yet not set an unwise precedent, I am limiting the effective date of the amendment to July 1, 1977.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5197 of the Revised Statutes, as amended (12 U.S.C. 85), is amended by inserting in the first and second sentences before the phrase "whichever may be the greater", the following: "or in the case of a loan to a corporate borrower, at a rate of 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal reserve bank in the Federal reserve district where the Bank is located,".

SEC. 2. The Federal Deposit Insurance Act is amended by adding at the end thereof the following:

"SEC. 24. (a) In order to prevent discrimination against State-chartered insured banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank would be permitted to charge in the absence of this subsection, a State bank may in the case of a loan to a corporate borrower, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal reserve bank in the Federal reserve district where the bank is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank would be permitted to charge in the absence of this paragraph, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than 2 years after the date of such payment, an amount equal to twice the amount of the interest paid from the State bank taking or receiving such interest."

SEC. 3. Title IV of the National Housing Act is amended by adding at the end thereof the following:

"SEC. 412. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may in the case of a loan to a corporate borrower, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal reserve bank in the Federal reserve district where the institution is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than 2 years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution asking or receiving such interest."

SEC. 4. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of the Act and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

SEC. 5. The amendments made by this Act shall apply to loans made after the date of enactment of this Act, but prior to July 1, 1977.

Mr. BAKER. Mr. President, I welcome the opportunity to cosponsor the bill introduced today by my distinguished fellow colleague from Tennessee (Mr. BROCK) which is designed to enable the banking industry in the States of Arkansas, Montana, and Tennessee to make loans to corporate customers at rates of interest comparable to those charged in other states to corporate borrowers.

While we hope that the present high interest rates, as manifested by a prime rate of approximately 12 percent, will soon recede, banks across the Nation currently pay 13 to 14 percent on funds borrowed from other banks. Consequently, it is not surprising that banks in Arkansas, Montana, and Tennessee are loath to make sizable corporate loans necessitating borrowing from other banks because the State constitutions and/or statutes in these States impose interest ceilings to 10 percent on all loans, including those made to corporations. A significant burden, thus, is imposed on the local business community as it is unable to obtain funds in these three States.

As explained by Senator BROCK, the measure which we introduce today would authorize, for a limited period of time, national banks, federally insured State chartered banks, and federally insured savings and loan associations to charge corporate customers interest rates at the discount rate on 90-day commercial paper in effect at the Federal Reserve Banks in the Federal Reserve District where the banking institution is located—plus 5 per centum. I understand that this legislation has the support of governmental banking officials at both the Federal and State levels; and, because it does not affect consumer or home financing borrowings, this bill will not constitute an additional burden upon the individual taxpayer already reeling from the effects of inflation.

Mr. President, as I possess an interest in a small national bank, I have carefully examined this legislation for a possible conflict of interest. Because the type of loans affected by this bill are made normally only by large financial institutions, and because it provides relief to FDIC State banks and savings and loan institutions as well as national banks, I have concluded that I should not withhold my vote or support for this legislation. Unless we authorize an increased interest rate ceiling in these three States, I fear that Arkansas, Montana, and Tennessee will experience unusual economic disorientation and substantial loss of jobs because the business communities in those States are unable to secure the funds necessary to continue their operations.

By Mr. BENNETT:

S. 3818. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

EXTENSION OF MORATORIUM UNTIL JANUARY 1976

Mr. BENNETT. Mr. President, I would like to offer an amendment to H.R. 8214 which would authorize extension of a moratorium on the reporting of military moving expenses until January 1, 1976. I had intended to introduce this amendment to H.R. 6642, a bill which was passed by this body on July 16, 1974, and which contains provisions extending this moratorium until January 1, 1975. Unfortunately the bill was passed before I had the opportunity to do this.

The extension of this moratorium until January 1976 is in the best interests of the Government. First, it will insure that we have had the opportunity to grant permanent legislative relief from the reporting requirement, a matter being considered by the Ways and Means Committee. Second, it will prevent the necessity for the military services to soon begin sinking costs into reporting systems that may not be required.

As background, it should be noted that in 1970 the Internal Revenue Service granted a 2-year moratorium to DOD on the military moving expense reporting requirement. This has periodically been extended since, with the current extension ending with the present session of this Congress. In granting this extension, IRS put DOD on notice that this would be the last short of legislative relief.

DOD has consistently sought relief from the reporting requirement because of the costs—$1.8 million fixed and $6.2 million annual operating—involved in establishing the necessary reporting systems. These costs would not be offset to any significant degree by increased tax revenue because moving costs included in gross income would be offset, in the great majority of instances, by comparable deductions. Further, implementation of the reporting requirement would subject military members to the so-called 39 week and 50 mile tax rules, which, as applied to the military who at the convenience of the Government are required to make frequent moves, are extremely unfair.

By Mr. BENNETT:

S. 3819. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. BENNETT. Mr. President, participants in the Armed Forces health professions scholarship program, which started in 1973, were originally under the impression that their educational expenses which are paid by the Government would not be taxable. However, on August 1, 1973, the Internal Revenue Service ruled that they were.

The average annual educational expenses under the program are approximately $3,000. In effect, by making this amount taxable, the value of the monthly stipend of $400 which the scholar receives is reduced by approximately $100 per month down to $300.

This scholarship program was considered as a substitute for the doctor draft which ended on July 1, 1973. If this program fails because it does not provide sufficient financial inducement, it may be necessary to reinstate the doctor draft.

The present language of the bill affords relief to participants in the scholarship program which would end in approximately 5 months—31 December 1974. This obviously is not an adequate amount of time in which to develop and obtain enactment of permanent legislative relief. In order to provide adequate time in which to develop and obtain enactment of legislation providing permanent relief to this program, there should be no terminating date for the temporary relief provided by this bill. The appropriate committees and the Congress should not be under undue pressure in reaching a permanent solution to this problem. These matters can be very time consuming as the amount of time this bill has been under consideration amply proves.

Mr. BENNETT:

S. 3820. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. BENNETT. Mr. President, participants in the Armed Forces health professions scholarship program which started in 1973, were originally under the impression that their education expenses which are paid by the Government would not be taxable. However, on August 1, 1973 the Internal Revenue Service ruled that they were.

The average annual educational expenses under the program are approximately $3,000. In effect, by making this amount taxable, the value of the monthly stipend of $400 which the scholar receives is reduced by approximately $100 per month down to $300.

This scholarship program was considered as a substitute for the doctor draft which ended on July 1, 1973. If this program fails because it does not provide sufficient financial inducement, it may be necessary to reinstate the doctor draft.

The present language of the bill affords relief to participants in the scholarship program which would end in approximately 5 months—31 December 1974. This obviously is not an adequate amount of time in which to develop and obtain enactment of permanent legislative relief.

By providing an additional year—fiscal year 1975—of relief, a responsible, adequate amount of time would be available in which to develop permanent legislative relief.

By Mr. BENNETT:

S. 3821. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

INDEFINITE EXTENSION OF MORATORIUM

Mr. BENNETT. Mr. President, I would like to offer an amendment to H.R. 8214 which would authorize an indefinite extension of a moratorium on the reporting of military moving expenses. I had intended to introduce this amendment to H.R. 6642, a bill passed by this body on July 16, 1974, and which contains provisions extending this moratorium until January 1, 1975. Unfortunately, the bill was passed before I had the opportunity to do this.

The extension of this moratorium for an indefinite period is in the best interests of the Government. First, it will insure that we have had ample opportunity to review and, if appropriate, grant permanent legislative relief from the reporting requirement, a matter being considered by the Ways and Means Committee. Second, it will help relieve some apprehension by members of the military and will prevent the necessity for the military services to soon begin sinking costs into developing reporting systems that may not be required.

As background, it should be noted that in 1970 the Internal Revenue Service granted a 2-year moratorium to DOD on the military moving expense reporting requirement. This has periodically been extended since, with the current extension ending with the present session of this Congress. In granting this extension, IRS put DOD on notice that this would be the last, short of legislative relief.

DOD has consistently sought relief from the reporting requirement because of the costs—$1.8 million fixed and $6.2 million annual operating—involved in establishing the necessary reporting systems. These costs would not be offset to any significant degree by increased tax revenue because moving costs included in gross income would be offset, in the great majority of instances, by comparable deductions. Further, implementation of the reporting requirement would subject military members to the so-called 39-week and 50-mile tax rules, which as applied to the military who at the convenience of the Government are required to make frequent moves, are extremely unfair.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3108

At the request of Mr. STAFFORD, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 3108 to amend the Rehabilitation Act of 1973.

S. 3327

At the request of Mr. CURTIS, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 3327 to amend section 208 of the Social Security Act.

S. 3783

At the request of Mr. FULBRIGHT, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 3783, to implement certain provisions of the International Convention on Fishing and Conservation of the Living Resources of the High Seas, and for other purposes.

SENATE CONCURRENT RESOLUTION 104—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE AVAILABILITY OF UNLEADED GASOLINE AND RELATED EQUIPMENT

(Referred to the Committee on Public Works.)

Mr. BIBLE. Mr. President, I rise to submit a concurrent resolution expressing the sense of Congress that the Environmental Protection Agency by regulation permit reasonable extensions of time to small business gasoline marketers so that they may obtain the equipment and product necessary to dispense unleaded gasoline without being subject to a $10,000 a day penalty.

A proud achievement of this body over the past 25 years has been its continuing concern over the years for the American small businessman. Those hardy entrepreneurs, as has so often been said, constitute the backbone of the American economy. In the petroleum industry, as in other segments of our economy, they are vigorous competitors, providing a major source of innovation, flexibility, lower prices and better service. Their value to many of our constituents was demonstrated in the imaginative actions taken by independent and other service station operators during the fuel crisis of this past winter.

In common with largest industrial and business organizations—they are subjected to the myriad regulations promulgated by our numerous, and I might say, ever-growing number of Federal regulatory agencies.

Small business petroleum marketers are required to prepare and file voluminous reports for IRS, OSHA, the Department of Commerce and others. Additionally, the energy crisis and the drive to clean up our environment have spawned a host of new problems and new reporting requirements for those dealing in petroleum products, such as vapor recovery, spillage control, allocation programs, and price controls.

These marketers now confront an additional classic small business regulatory problem.

By July 1—Sept. 1, 1974, upon extension applied for—gasoline stations are required to have available unleaded gasoline under penalties of up to $10,000 per day. In many instances this means that a third storage tank and special nozzles are needed. The requirement arises because 1975 model automobiles have been built with catalytic air pollution converters, which in turn call for the use of only unleaded fuels.

However, 1975 cars available this autumn will only constitute 10 percent of the car population by September 1, 1975. Thus, reasonable extension of the deadline for small marketers will not damage either the quest for cleaner air or the ability of small marketers to provide substantial service.

The difficulty faced by the independent small firms is in obtaining physical delivery of the equipment. Major oil companies appear in many instances to be taking care of their own stations. Independents are therefore in competition not only with these firms but with other businesses, industries, and agriculture in acquiring these scarce products. Surveys taken among these segments of the industry project delays reaching into the autumn of 1974 and in some instances beyond this. Yet EPA seems to be moving in the opposite direction, moving the deadline closer for some rural service stations in a recent action.

The intention of this resolution is to promote compliance with EPA requirements by the smaller gasoline station owners in order to preserve them in business. They are an important factor in many smaller towns and rural areas. For instance, there are some 13,000 gasoline wholesalers or jobbers. These firms own an average of seven service stations. Some years ago the report of the Senate Select Committee on Small Business indicated that independent retailers marketed between 20 percent and 25 percent of all the gasoline in the United States and were the balance wheel of competition in this industry.

The resolution is cast as a sense of Congress declaration of policy. Under such legislation, the Environmental Protection Agency would implement the policy by appropriate procedures and guidelines. EPA would presumably require a showing that the equipment and/or product involved has been ordered in good faith, so that the marketer has done everything he can do, and his inability to comply is due to factors beyond his control. This mechanism is apparent already in place under the current September 1 extension regulation.

The Agency has already proposed in its regulations that marketers who cannot obtain unleaded clear product on time can apply to EPA for an alternate supplier. This is a step in the right direction, and the language of the resolution as to products will provide congressional support for such a policy.

Mr. President, we are also familiar with the lines at service stations during the recent gasoline fuel crisis. Independent small gasoline retailers can, if equitably treated, be a substantial factor in avoiding such hardships in the future. The alternative would be that many good local businessmen would be forced to close their doors because of circumstances beyond their control. This resolution provides a reasonable means toward small business survival in this field. I hope the Senate can take expeditious action to enact the resolution.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks the full text of the concurrent resolution.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

S. Con. Res. 104

Whereas motor vehicles for the model year 1975 will be built with air pollution control equipment which requires unleaded fuel;

Whereas 1975 model motor vehicles may constitute up to 10 percent of the motor vehicles in use by the beginning of 1975;

Whereas the regulations of the Environmental Protection Agency require gasoline marketers to provided unleaded gasoline for such vehicles by July 1, 1974 (or upon application by September 1, 1974) under a possible fine of up to $10,000 per day; and

Whereas service station operators, marketers, suppliers, and especially small businesses, who are in good faith attempting to comply with this requirement, face delays in delivery and installation of equipment or gasoline which are beyond their control; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Administrator of the Environmental Protection Agency should, in the application of regulations pursuant to the Clean Air Act with respect to supplying, after July 1, 1974, unleaded gasoline for automobiles—

(1) grant reasonable extensions of time for compliance to retailers who are unable to obtain such gasoline or delivery systems for such gasoline; and

(2) consult with the Administrator of the Federal Energy Administration in order to obtain a fair allocation of such gasoline for all segments of the petroleum industry marketing structure.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1975—AMENDMENTS

AMENDMENT NO. 1612

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. NELSON (for himself and Mr. Ervin) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

THE SECURITY OF INDIVIDUAL PRIVACY

Mr. NELSON. Mr. President, I send to the desk on behalf of myself and the Senator from North Carolina (Mr. Ervin) an amendment to House Resolution 15404 which provides that none of the funds appropriated by this title should be used for the installation, maintenance or operation of electronic devices for intercepting wire or oral communications not authorized by sections 2516 and 2518 of title 18, United States Code.

Mr. President, on July 11 the Senate, by an overwhelming vote of 64 to 31, repealed the "no knock" provisions of the Federal drug law and the D.C. Criminal Code. In so doing, the Senate signaled its intention to correct a past mistake and to insure that individual liberties are not sacrificed on the altar of political expendiency.

That same sensitivity to individual liberty should now move the Senate to end the wiretapping abuses perpetrated in the name of "national security." The Senate should adopt legislation which requires all wiretaps to have their prior approval of a neutral court.

The need for such legislation is beyond doubt. Attorney General Saxbe has already endorsed the concept of requiring prior judicial authorization of national security wiretaps. In its report, the Senate Watergate Committee likewise stated that "it is preferable" to have prior court approval of national security wiretaps.

Because the need is so clear, Senator Ervin and I are proposing today an amendment to H.R. 15404, an appropriations bill for the Commerce, State and Justice Departments, which would prohibit the use of the appropriated funds by the Justice Department and the FBI for the installation, operation, or maintenance of wiretaps and electronic bugs which do not have the prior authorization of a judicial warrant. The effect of this amendment would be to put Congress on record as being against the Government's use of warrantless wiretaps for so-called "national security" reasons or for any other purpose. In so doing, it would help assure every American citizen that individual liberty—not unrestrained Government power—is the hallmark of our society.

This assurance would merely be a reaffirmation of the rights guaranteed to every individual by the fourth amendment to the Constitution. That amendment states explicitly that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

One need not be an historian or a lawyer to understand the basic purpose of this amendment. It is designed to protect an individual's privacy against unreasonable intrusions by the Government. To provide this protection, the amendment contemplates that a neutral court—not the Government—shall first determine whether any planned search is reasonable enough to justify the issuance of an approving warrant based on probable cause. This procedure makes eminent sense. Without prior court review, the Government would be both advocate and judge of its own case.

It is noteworthy, moreover, that the fourth amendment's protection applies to all Government searches. No exception is made for "national security" cases.

In 1967, the Supreme Court ruled that, as a matter of constitutional law, telephone wiretaps constitute Government searches which are subject to fourth amendment limitations. This ruling means that Government wiretaps must have the prior authorization of a judicial warrant based on probable cause. The Court has upheld this position in every subsequent wiretap case—even in those situations where it was claimed that the wiretapping was necessary to protect "domestic security."

Despite the clear meaning of the fourth amendment and interpretive decisions by the Supreme Court, the Government continues to authorize warrantless wiretaps in so-called national security cases. A Justice Department spokesman testified at a recent congressional hearing that approximately 100 warrantless wiretaps are operative at any given point of time. It was argued there and elsewhere that such wiretaps are necessary to protect the Nation's security.

The short but essential answer to that argument was offered more than 200 years ago by William Pitt. Responding to the Government's pleas that general search warrants were necessary for the Government to execute its responsibilities, Pitt declared that—

> Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves.

That response applies with equal force to any argument in support of warrantless wiretaps. Such wiretaps pose a grave danger to the individual's right to privacy and other fundamental constitutional liberties.

Often they reflect nothing more than a desire to pry into an individual's private affairs. Generally they are not supported by concrete evidence to justify the invasion of an individual's privacy. And always they escape the scrutiny of the courts, the Congress, and the public at large because the Government is not required to disclose their existence unless it prosecutes the individual involved—a rare occurrence in the history of national security wiretaps.

In a word, warrantless wiretaps are dangerous because they confer unlimited and unreviewed power in the executive branch. There is virtually no way for either the Congress or the courts to check the exercise of that power. Warrantless wiretaps thus violate the basic premise underlying our Constitution that all power is "fenced about."

The dangers of warrantless wiretaps are not confined to the criminal and truly subversive elements within our society. Warrantless wiretaps are a serious threat to everyone, regardless of his or her station in life. Many distinguished Americans, for instance, have been subject to national security wiretaps.

Those wiretapped in recent years include Dr. Martin Luther King, Jr., who was wrongly suspected of being a Communist dupe in the early 1960's; Joseph Kraft, the syndicated newspaper columnist; 17 newspapermen and Government officials who were suspected of leaking or reporting sensitive information in 1969—despite the fact that some of those tapped did not even have access to such information; congressional aides who knew reporters involved in the publication of the Pentagon Papers; and friends of a White House official suspected of passing information to the Chairman of the Joint Chiefs of Staff of the U.S. Armed Forces.

These and other incidents show that often national security wiretaps have been used to protect an administration from adverse publicity rather than to protect the Nation against foreign attack or subversion.

The abuses of warrantless wiretaps have rightly aroused concern among the public. In a recent opinion poll for the Senate Subcommittee on Intergovernmental Relations, Louis Harris found that 75 percent of the public believes that "wiretapping and spying under the excuse of national security [are] a seriout threat to people's privacy." Mr. Harris also found in another poll that more than 75 percent of the public now favors legislation to curb the Government's power to wiretap.

These opinion polls are not difficult to understand. The vast majority of the public instinctively recognize that lack of control breeds an official state of mind that condones the Government's invasion of a citizen's privacy. This official attitude is a dangerous threat to freedom. It led to Watergate and other illegal acts of political espionage.

The lesson of Watergate and other recent events is clear: warrantless wiretaps for so-called "national security" purposes should have no place in our society. It would indeed be ironic if the Government's invocation of national security could justify a violation of those constitutional rights and liberties which the Government is obligated to defend.

It is therefore incumbent on Congress to adopt action to prevent such wiretapping abuses and to alleviate public concerns. The amendment offered today provides the Senate with a timely opportunity to meet that responsibility. In essence, the amendment requires that wiretaps conducted by the Justice Department or FBI be subject to the court warrant procedures contained in title III of the Omnibus Crime Control and Safe Streets Act.

This requirement would not impinge on the Government's ability to install a wiretap when there is a legitimate need. Virtually every activity which endangers the Nation's security is a codified crime, such as treason or espionage. Section 2516 of title III explicitly allows for wiretaps to obtain information about such activities. Consequently, if the Government determines that it needs a wiretap to protect the Nation, it should be able to obtain the approving judicial warrant. This is particularly so since 6 years of experience under title III demonstrates that courts are very deferential to Government requests for wiretaps; of the thousands of wiretap applications made by the Government, the courts have denied only a handful.

This amendment, then, strikes a proper balance between the need to preserve fundamental constitutional liberties and the need to provide the Government with access to information concerning the Nation's security. For this reason, there should be no obstacle to Congress, approval of the proposed amendment. In fact, failure to adopt this amendment would be an admission to the American people that, for all their rhetoric, Members of Congress are unwilling to take concrete action to protect those rights and liberties which the Constitution guarantees to every individual. Mr. President, H.R. 15404 is now pending before the Senate Appropriations Committee. I ask that the amendment offered today be referred to that committee so that the amendment can be considered in the committee's deliberations.

I. THE SCOPE OF THE FOURTH AMENDMENT'S PROTECTION

To appreciate the need to prohibit the use of warrantless wiretaps, it is first necessary to understand the scope of the fourth amendment's protection. As noted earlier that amendment provides that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This amendment thus restricts the Government's power over the individual. As James Madison observed, this amendment, as well as the other amendments in the Bill of Rights:

> "Limit and qualify the powers of Government, by excepting out the grant of power those cases in which the Government ought not to act, or to act only in a particular mode." 1 Annals of Cong. 483 (June, 1789).

In this light, the basic purpose of the fourth amendment is clear. It protects each citizen's privacy from unreasonable invasion by the Government.

The fourth amendment was borne from the American Colonies' bitter experience with their British rulers. The English king's officers—armed with nothing more than a general warrant and a desire to suppress political dissent—frequently entered an individual's home and rumaged through his personal effects. Those warrants, and the indiscriminate searches which they sanctioned, quickly became a subject of dread among the American Colonies. See N. Lasson, "The History and Development of the Fourth Amendment to the United States Constitution," chapters 3 and 4 (1937).

In drafting a constitution to govern their new Nation, the American citizens were concerned that there be no resurrection of those indiscriminate searches by the Government. The fourth amendment was therefore, adopted to meet that justified concern.

The fourth amendment's protection is twofold. On the one hand, it precludes unreasonable invasions of an individual's privacy by the Government. On the other hand, the fourth amendment guarantees that that privacy can be invaded only when there is a judicial warrant based on probable cause. The fourth amendment's twofold protection was aptly summarized in a recent issue of the Arizona Law Review:

> The fourth amendment was intended not only to establish the conditions for the validity of a warrant, but also to recognize an independent right of privacy from unreasonable searches and seizures. Justice Frankfurter, dissenting from the [Supreme] Court's decision in *Harris* v. *United States*, interpreted [t]he plain import of this [to be] . . . that searches are "unreasonable" unless authorized by a warrant, and a warrant hedged about by adequate safeguards.
>
> Note, "Warrantless Searches in Light of Chimel: A Return to the Original Understanding," 11 *Ariz. L.Rev.* 455, 472 (1969).

It is quite clear, moreover, that the fourth amendment's protections were not to be suspended in cases of national security. When the fourth amendment was adopted, our Nation was only 11 years old. Foreign threats to the Nation's newly won independence remained ever present. Yet the fourth amendment provides for no exception to its application. The compelling conclusion is that the amendment should be applicable to all situations, including cases involving national security crimes. This conclusion is supported by innumerable constitutional scholars, including Justice William O. Douglas, who has stated:

> There is, so far as I understand constitutional history, no distinction under the Fourth Amendment between types of crimes." *Katz* v. *United States*, 389 U.S. 347, 360 (1967) (concurring opinion).

Our Founding Fathers, of course, did not contemplate the advent of telecommunications. Consequently, the amendment does not expressly include wiretaps of telephones within the ambit of its protection. But there is no question that the constitutional right to privacy is no less important in cases where the Government listens to a telephone conversation than when it physically enters an individual's home.

In the 1967 decisions of Berger against New York and Katz against the United States, the Supreme Court held that the fourth amendment therefore generally requires the Government to obtain a judicial warrant before it can wiretap a citizen's phone. In issuing the Katz decision that—

> The fourth amendment protects people, not places.

The soundness of the Berger and Katz decisions has been reaffirmed repeatedly by the Supreme Court. See, for example, *Alderman* v. *United States*, 394 U.S. 165 (1969). Most recently, in *United States* v. *United States District Court* (407 U.S. 297 (1972)), commonly referred to as the Keith case, the Court held that the Government could not wiretap American citizens without a judicial warrant—even when the citizens' activities threatened the domestic security of the Nation. Again, the Court made clear that wiretaps must adhere to the safeguards delineated by the fourth amendment:

> Though physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed, its broader spirit now shields private speech from unreasonable surveillance.

The Supreme Court has not yet decided whether the fourth amendment's protections apply to cases involving foreign powers and their agents. In the Keith case, the Court stated explicitly that it did not consider those situations where American citizens have a significant connection with foreign powers and their agents.

Because the Court has not ruled on these national security wiretaps, the present administration maintains that it may install warrantless wiretaps in certain stiuations. In a September 1973 letter to Senator WILLIAM FULBRIGHT, chairman of the Senate Foreign Relations Committee, then Attorney General Elliot Richardson stated that the administration would continue to install warrantless wiretaps against American citizens and domestic organizations if the administration believes that their activities affect national security matters.

Mr. Richardsons' comments apparently still reflect administration policy. A representative of the Justice Department testified at a recent congressional hearing that at any point in time approximately 100 warrantless wiretaps are operative. The representative stated, furthermore, that these wiretaps often include surveillances of American citizens. And that is precisely the problem of national security wiretaps.

The discretion to determine when such warrantless wiretaps are justified and properly executed has been the sole province of the executive branch. There has been virtually no opportunity for the Congress, a court, or any other public body to examine the exercise of that discretion in order to prevent abuses. The results are not surprising. Warrantless wiretaps have produced and continue to produce the very evils which the fourth amendment was designed to eliminate.

II. THE HISTORY OF WARRANTLESS WIRETAPS

Warrantless wiretaps were first employed early in the 20th century. Almost from the very beginning, constitutional scholars and law enforcement officials recognized the serious dangers of warrantless wiretaps. In an early surveillance case, the venerable Justice Oliver Wendell Holmes referred to warrantless wiretaps as "dirty business" (*Olmstead* v. *United States*, 277, U.S. 438, 470 (1928) (dissenting opinion)).

In 1931, J. Edgar Hoover, who by then had been FBI director for 7 years, commented that —

> While [the practice of warrantless wiretaps] may not be illegal, I think it is unethical, and it is not permitted under the regulations by the Attorney General.

In 1939, Mr. Hoover wrote to the Harvard Law Review that he believed wiretapping to be "of very little value" and that the risk of "abuse would far outweigh the value."

By 1939, however, pervasive reservations about wiretapping had inspired enactment of a law by Congress. In 1934, Congress passed the Communications Act. Section 605 of that act prohibits the "interception and divulgence" or "use" of the contents of a wire communication. From the moment of enactment, the provision seemed to erect a total prohibition to wiretapping and the use of information obtained from wiretapping. See *Nardone* v. *United States*, 308 U.S. 338 (1939); *Nardone* v. *United States*, 302 U.S. 379 (1937). As the Supreme Court stated:

> [T]he plain words of the statute created a prohibition against any persons violating the integrity of a system of telephone communication and that evidence obtained in violation of this prohibition may not be used to secure a federal conviction. *Benanti* v. *United States*, 355 U.S. 96, 100 (1957).

This interpretation was shared by civil libertarians acquainted with the legislative history. Indeed, subsequent efforts in the 1940's and 1950's to legalize certain kinds of wiretapping were repeatedly rebuffed by those in Congress who feared the consequences which wiretapping would have for civil liberties. See Theoharis and Meyer, "The 'National Security' Justification for Electronic Eavesdropping: An Elusive Exception," 14 Wayne L. Rev. 749 (1968).

On the eve of World War II, however, President Franklin D. Roosevelt became convinced that use of warrantless wiretaps would be necessary to protect the Nation against the "fifth column" and other subversive elements. Roosevelt therefore instructed his Attorney General, Robert Jackson, to authorize wiretaps against subversives and suspected spies.

But Roosevelt was not insensitive to the risks which wiretapping could have for constitutional rights and liberties. In a memorandum to Jackson dated May 21, 1940, Roosevelt indicated that he was aware of section 605 and had read the Supreme Court's interpretive decisions. Roosevelt basically agreed with the restrictions against wiretapping:

> Under ordinary and normal circumstances wiretapping by Government agents should not be carried on for the excellent reason that it is almost bound to lead to abuse of civil rights.

Roosevelt consequently instructed Jackson—

> to limit these investigations so conducted to a minimum and to limit them insofar as possible to aliens.

Roosevelt's sensitivity to the dangers of warrantless wiretaps did not necessarily rescue their legality. Many legal scholars have suggested that until enactment of title III of the Omnibus Crime Control and Safe Streets Act of 1968, all wiretapping was illegal. See, for example, Navasky and Lewin, "Electronic Surveillance," in hearings before Senate Subcommittee on Administration Practices and Procedures. U.S. Senate, 92d Cong., 2d sess., pp. 173–74, 180 (June 29, 1972). Theoharis and Meyer, for instance, observed that until 1968:

> All wiretapping violated the absolute ban of section 605 of the Federal Communications Act of 1934, and all other electronic eavesdropping which resulted in trespass of a constitutionally protected area was prohibited.

The questionable legality of wiretapping did not deter its use after World War II. In the 1950's and 1960's the Government's reliance on warrantless wiretaps mushroomed. No precautions were taken, though, to minimize the dangers to civil liberties recognized by Roosevelt. Concern for "national security" consequently led to the use of warrantless wiretaps against political dissidents—including Dr. Martin Luther King, Jr., who was wrongly suspected of being an unwitting dupe of the Communists.

The use of warrantless wiretaps had become a monster with its own momentum. Even the President did not always know the full extent to which such taps were used. Thus, upon learning of the taps on Dr. King and others, President Lyndon Johnson became irate.

One June 30, 1965, Johnson issued a directive placing severe restrictions on the use of warrantless wiretaps. Johnson initially made clear his general opposition to warrantless wiretaps:

> I am strongly opposed to the interception of telephone conversations as a general investigative technique.

Johnson nonetheless ordered that wiretaps be permitted in national security cases—but only with the specific authorization of the Attorney General. Johnson apparently believed, in good faith, that authorization of warrantless wiretaps by the Attorney General would prove to be an adequate safeguard for the individual's constitutional right to privacy and other constitutional liberties.

Sadly, but not unexpectedly, Johnson's belief proved to be illusory. Recent events have demonstrated that warrantless wiretaps—no matter how benign the Government's motives—cannot insure the sanctity of the individual's right to privacy. Reference to the examples cited in my statement of December 17, 1973—page 41864—makes this clear:

> On December 5, 1973, Eugene LaRocque, a retired rear admiral in the U.S. Navy, revealed that the Pentagon currently has a unit which is authorized to engage in the same kind of surveillance activities conducted by the "Plumbers Unit" in the White House. The purported basis of these activities is a need to protect "national security." Rear Adm. LaRocque emphasized that there is currently no procedure for Congress, the courts, or the public to determine the scope—or lawfulness—of the Pentagon unit's surveillance activities.
>
> In a report issued in October 1973, a House subcommittee found that certain White House officials invoked national security considerations to make the CIA their "unwitting dupe" in the burglary of Daniel Ellsberg's psychiatrist's offices and in other unlawful surveillance activities.
>
> Recently it was learned that in 1969 the administration installed warrantless taps on 13 government officials and 4 newsmen, for the purported reason that these individuals were leaking or publishing sensitive foreign intelligence information. In virtually all the cases there was little or no concrete evidence to justify the taps. In many cases the evidence shows that the individual tapped did not even have access to such information. Indeed, in at least two cases the taps were continued after the individual had left Government service and had joined the Presidential campaign staff of Senator Muskie.
>
> In 1969 the White House authorized the burglary of the home of newspaper columnist Joseph Kraft so that a warrantless tap could be installed. The alleged basis for this action was again national security. But there was and is no concrete evidence to establish that Mr. Kraft was acquiring or reporting any information which compromised our national security.
>
> Testimony before the Senate Watergate Committee revealed that the White House authorized warrantless wiretaps "from time to time" when it was conducting an independent investigation of the publication of the "Pentagon papers" in 1971. The taps were placed on numerous citizens including aides of Members of Congress, whose only connection with the "Pentagon papers" was a personal relationship with some of the reporters involved. Again, the taps were justified on national security grounds and, again, there was and is no concrete evidence to support the need for the taps.
>
> In 1970, the White House conceived and drafted a broad plan which proposed warrantless wiretapping, burglary, and other insidious surveillance practices. The staff assistant responsible for the plan stated in a memorandum to the President that certain aspects were "clearly illegal." Nonetheless, the plan was approved on the basis of national security, only to be scrapped shortly afterward when FBI Director J. Edgar Hoover objected.

In addition to these abuses, the Washington Post disclosed last January four more warrantless wiretaps conducted by the White House "plumbers" in 1972 against American citizens. The presumed basis for these taps was again national security. But there was no involvement of foreign powers or their agents. Nor were the taps in any way necessary to protect our Nation from foreign attack or subversion. The taps were instead justified on the grounds that a White House official was distributing certain information to the Chairman of the Joint Chiefs of Staff of the U.S. Armed Forces. In order to stop this distribution, the plumbers believed it necessary to wiretap the official's friends.

The abuses of warrantless wiretaps underscore the wisdom of the fourth amendment's protections. It would be naive to assume that the Government can make a disinterested judgment as to whether a planned search by Government agents is reasonable. The Government cannot properly be both advocate and judge of its own case.

Our Founding Fathers recognized this problem and adopted the fourth amendment. That amendment contemplates that a disinterested court will decide whether searches desired by the Government are reasonable. See, for example, the Keith case; *Coolidge* v. *New Hampshire* (403 U.S. 443 (1971)). The need for this disinterested judgment is no less necessary in cases involving the national security than it is in other cases. This essential point was advanced eloquently by Justice Douglas in the Katz case:

> Neither the President nor the Attorney General is a magistrate. In matters where they believe national security may be involved, they are not detached, disinterested, and neutral as a court or magistrate must be. Under the separation of powers created by the Constitution, the Executive Branch is not supposed to be neutral and disinterested. Rather, it should vigorously investigate and prevent breaches of national security and prosecute those who violate the pertinent federal laws. The President and the Attorney General are properly interested parties, cast in the role of adversary in national security cases. They may even be the intended victims of subversive action. Since spies and saboteurs are as entitled to the protection of the Fourth Amendment as suspected gamblers like petitioner, I cannot agree that where spies and saboteurs are involved adequate protection of Fourth Amendment rights is assured when the President and Attorney General assume both the positions of adversary-and-prosecutor and disinterested, neutral magistrate. 389 U.S. at 359–60 (concurring opinion).

In short, regardless of how beneficient the Government's intentions, warrantless wiretaps—whether in national security cases or in any other kind of case—pose serious dangers to the right to privacy as well as other constitutional rights and liberties.

III. AMENDMENT TO PROTECT AGAINST WIRETAP ABUSES IN NATIONAL SECURITY CASES

The history of warrantless wiretaps for national security cases demonstrates the need for corrective action. For too long Congress has closed its eyes to the abuses of those wiretaps—perhaps in the hope that the country would be better served if implicit trust were placed in the executive branch to safeguard constitutional rights. The history underlying the fourth amendment should have given Congress pause before being so trusting.

But whatever the rationale for past inaction, the Watergate scandals make clear that Congress must act now to insure the preservation of precious constitutional rights—especially the right to privacy. Invocation of national security should not enable the Government to wiretap without regard to traditional constitutional limitations. The amendment offered today provides Congress with an opportunity to assure the sanctity of those limitations.

The amendment simply prohibits the use of appropriated funds for wiretaps which do not comply with the warrant procedures included within title III of the Omnibus Crime Control and Safe Streets Act of 1968. Under that title, a court will approve a Government wiretap if there is probable cause to believe that a certain crime has been or is about to be committed. Crimes for which wiretaps can be authorized include national security offenses, such as espionage, sabotage and treason.

The amendment is really a very conservative measure. It merely reasserts the traditional safeguards provided by the fourth amendment. That amendment states that the Government cannot invade an individual's privacy without first obtaining a judicial warrant based on probable cause. The history of the amendment suggests that, except in certain matters—such as housing inspections—the "probable cause" requirement must relate to the commission of a crime. See, for example, *Wyman* v. *James*, 400 U.S. 309 (1971); *Camara* v. *Municipal Court*, 387 U.S. 523 (1967).

The history of the fourth amendment also underlies the need for prior judicial authorization for national security wiretaps. In United States against Brown, Circuit Judge Goldberg explained the importance of the court's role in supervising such wiretap:

> It remains the difficult but essential burden of the courts to be ever vigilant, so that foreign intelligence never becomes a pro forma justification for any degree of intrusion into zones of privacy guaranteed by the Fourth Amendment. 484 F. 2d 418, 427 (1973) (concurring opinion).

The Watergate scandals should teach us that the courts cannot carry this essential burden unless prior judicial approval is required for national security wiretaps.

There should be no concern that a requirement of judicial warrants for national security wiretaps will undermine the security of the Nation. Almost any activity which threatens the Nation's security is a codified crime for which a wiretap can be authorized. Courts, moreover, will be most responsive to Government requests for national security wiretaps. Past experience with title III indicates that judges are very deferential to Government requests for wiretaps to obtain information about domestic crimes; that deference is bound to be just as great—if not greater—when the crime is one involving national security. The convergence of these factors, then, makes clear that the amendment will not impose any undue restriction on the Government's ability to protect against foreign attack or subversion.

IV. CONCLUSION

For decades the Government has used warrantless wiretaps to serve its view of the national security. These wiretaps have always posed a fundamental danger to the freedoms guaranteed by our Constitution. The Watergate scandals and other recent events have exposed that danger in a dramatic and clear fashion.

We should not fail to heed the warning signs. Constitutional provisions empowering the Government to protect the Nation's security were never thought to justify the subversion of individual freedoms afforded by other constitutional provisions. As Judge Ferguson declared in the United States against Smith, a case concerning the use of warrantless wiretaps for national security purposes:

> To guarantee political freedom, our forefathers agreed to take certain risks which are inherent in a free democracy. It is unthinkable that we should now be required to sacrifice these freedoms in order to defend them. 321 F. Supp. 424, 430 (1971).

Congress cannot and should not tolerate governmental violations of the individual's constitutional rights to privacy by wiretaps or any other means. That right to privacy, as well as other constitutional liberties, are the cornerstone of our democratic system. If those rights and liberties are eroded, the very fabric of our constitutional system is imperiled. Congress should, therefore, act now to protect our cherished rights and liberties from abusive national security wiretaps.

Mr. President, I ask unanimous consent that the text of amendment offered today be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

> On page 22, between lines 10 and 11, insert the following new section:
>
> SEC. 208. None of the funds appropriated by this title shall be used for the installation, maintenance, or operation of electronic devices for intercepting wire or oral communications not authorized by sections 2516 and 2518 of title 18, United States Code.

WARRANTLESS WIRETAPPING AND INDIVIDUAL PRIVACY

Mr. ERVIN. Mr. President, I am pleased to join my colleague Senator NELSON in cosponsoring this amendment to the Justice Department appropriation bill, H.R. 15404, which would prohibit the use of appropriated funds for conducting warrantless wiretaps. By requiring that the Justice Department first obtain court approval before engaging in any wiretapping, this amendment seeks to protect the constitutional rights of all citizens and prevent against unwarranted invasions of their privacy.

To my mind, the purpose of this amendment is twofold. First, it is simply a stop-gap measure which would prohibit the Justice Department from engaging in any warrantless wiretap during this fiscal year, and second, by so doing, it recognizes the necessity for Congress to enact substantive legislation in the field.

That legislation to control national security wiretaps or any other kind of warrantless wiretap is necessary has long been recognized. In 1968 when Congress enacted title III of the Omnibus Crime Control and Safe Streets Act, the question of warrantless electronic surveillance for national security purposes was recognized but left unresolved. At that time, Congress only provided for court-authorized and stringently controlled use of wiretaps and electronic surveillance for certain major crimes. The comprehensive scheme adopted in the law prohibits the interception of wire or oral communications in such cases unless a court order based upon probable cause is first obtained. It was contemplated that whatever action the President deemed necessary to protect the national security would be taken under existing constitutional and legal procedures by the appropriate law enforcement agency of the Government.

But as succeeding events have graphically demonstrated, the critical area of national security wiretaps left unresolved in the 1968 act must now be addressed. Both the Keith decision and the case of the recently disclosed 17 national security taps have focused upon this particular area of wiretapping. In Keith, the Court rejected the President's assertion of an inherent power in domestic security cases to wiretap without a warrant. Writing for the Court, Justice Powell made the following points about the development of electronic surveillance:

> Even when employed with restraint and under judicial supervision[,] [t]here is, understandably, a deep-seated uneasiness and apprehension that this capability will be used to intrude upon cherished privacy of law-abiding citizens . . . Though physical entry of the home is the chief evil against which the . . . Fourth Amendment is directed, its broader spirit now shields private speech from unreasonable surveillance . . . [B]road and unsuspected governmental incursions into conversational privacy which electronic surveillance entails necessitate Fourth Amendment safeguards.
>
> National security cases, moreover, often reflect a convergence of First and Fourth Amendment values not present in cases of 'ordinary' crime. Though the investigative duty of the executive may be stronger in such cases, so also is there greater jeopardy to constitutionally protected speech. 407 U.S. 313.

The amendment we propose today would bring some temporary control over the practice while at the same time continue to permit the Justice Department to conduct wiretaps in national security cases. All that is required under the provisions of this amendment is that the Justice Department comply with the warrant requirement of title III before initiating any wiretaps.

At recent hearings held jointly by the Senate Judiciary Subcommittee on Constitutional Rights, and Administrative Practice and Procedure and the Foreign Relations Subcommittee on Surveillance, Attorney General Saxbe endorsed such a concept.

> I would like to see the Congress take some action in this area. There are three things that could be done. First, you can just do away with all electronic surveillance and it would put us at some disadvantage but we would live with it. . . . The second would be to set up an impartial, . . . Board of Congress, the Executive, and the Judiciary, to sit on a continuing board and review week by week what should be done. . . . And the third would be to try to get statutory authority to work it under Title III. . . . We would be happy to live with that.

As an interim measure, the prior judicial authorization requirement proposed in this amendment strikes a fair balance between security and freedom. This warrant requirement may be the ultimate solution to the problem, but that remains to be seen. In any event, it is a practical and workable solution for the moment and I would urge the adoption of this amendment by the Appropriations Committee. To continue to permit an unrestrained power in the area of warrantless wiretapping until definitive legislation is enacted only encourages the misuse and abuse demonstrated in the recently disclosed national security wiretaps.

MILITARY CONSTRUCTION AUTHORIZATION, 1975—AMENDMENT

AMENDMENT NO. 1613

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. HOLLINGS (for himself and Mr. CRANSTON) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3471) to authorize certain construction at military installations, and for other purposes.

TRADE REFORM ACT—AMENDMENT

AMENDMENT NO. 1614

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HUMPHREY (for himself and Mr. BENTSEN) submitted an amendment, intended to be proposed by them, jointly, to the act (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate economic growth of the United States, and for other purposes.

TRADE WITH THE DEVELOPING WORLD

Mr. HUMPHREY. Mr. President, an important issue in the upcoming multilateral trade negotiations is the role which the developing world will play in the attempt to equitably restructure the world trade order.

The multilateral trade negotiations have in the past largely been the domain of the developed countries. For the most part poorer countries have been only bystanders as the industrial countries negotiated between themselves for more open commercial exchange. While tariffs on products of the developed countries during the Kennedy round were reduced 36 percent on the average, the average tariff reduction for products of the developing countries was about 20 percent. According to Mr. Guy Erb of the Overseas Development Council:

> Tariff rates applied to products of developing countries are roughly twice as high as those applied to products of rich countries. For the United States, post-Kennedy round nominal rates were estimated at 6.8 percent on imports from developed countries, and at 12.4 percent on imports from developing countries.

Furthermore, the growth of trade with the developing world had been significantly smaller than the growth of trade worldwide. Between 1958 and 1972, for example, exports to Latin America, as a percentage total world trade, actually dropped from 10.4 to 5.3 percent.

Clearly, if the developing world is to pay for the external resources such as capital and technology necessary for economic progress, these countries must be able to expand markets for their own production abroad.

But, these same countries are at a competitive disadvantage compared to the rich countries, having neither the clout to secure concessions for their own products in the multilateral trade talks, nor the sophisticated marketing and distribution resources to compete against the big manufacturing concerns of the developed world.

Foreign assistance efforts aimed at improving the quality of life for the two-thirds of the world's population living in poverty will only be like "pouring water through a sieve" unless developing countries can establish a firm economic base upon which the domestic economy can expand. And, as Mr. Erb warns:

> Without a world economy which encourages the continuing growth of the exports of developing countries, many of their efforts to expand production and improve living standards will be hindered.

In recent years, developing countries have recognized trade as an important component in their economic development. "Trade not aid" has become a byword in the developing world to represent the importance of measures which countries can take to help their own economic development.

Not only does this concept of "self-help" preserve national dignity, but it represents sound economics. The development of export industries acts as a stimulus for the development of other sectors of a developing economy and provides a much more permanent base for economic development than direct grants from developed countries. And in the absence of much higher aid levels or accelerated private direct investment, exports must finance the bulk of imports needed for economic progress.

The expansion of export capability for the developing world also has significant implications for our own economy. The decline in the share of world trade enjoyed by the developing world means that these countries will have less to spend, in a real sense, in our own markets. Traditionally, the United States has realized a $2 billion trade surplus with the developing world. Yet this surplus dropped to $200 million in 1972 and will fall much further as most of the developing world diverts scarce foreign exchange to pay for the greatly increased costs of energy imports. Unless the developing world can increase their export markets and unless the oil producing countries adjust their prices to a more reasonable level, trade with much of the developing world could shrink to a negligible trickle.

An international plan, known as the generalized preference scheme, to promote the expansion of trade opportunities for the less developed world, was agreed to at the Second United Nations Conference on Trade and Development, 1968. The scheme is designed to assist developing economies realize their export potential by allowing duty-free or concessional rates on imports into developed countries for manufactured, semimanufactured and selected products of developing countries. Presently, the United States is the only major industrial nation which has not implemented this plan.

Title V of the proposed Trade Reform Act, currently before the Senate, would provide the President authority to extend duty-free treatment to certain imports from developing countries. This is an important step toward bearing our share of the responsibility under the worldwide generalized preference scheme. The scheme described in the Trade Reform Act represents a framework upon which meaningful trade preferences can be worked out with the less developed countries to assist them in their efforts to help themselves.

However, I feel that there are a few improvements which can be made in the scheme which is outlined in title V of H.R. 10710 to strengthen its mutual benefit.

Studies conducted by the United Nations Conference on Trade and Development and the U.S. Department of State show that the U.S. proposal is the most restrictive of the proposals yet implemented by other developed countries. It is estimated, for example, that even after the United States introduced our preference proposal the European Community and Japan would absorb three or four times more duty-free imports from less developed countries, as a percentage of GNP, than the United States.

At a time when the United States is encouraging regional economic development, the proposal penalizes less developed countries which require significant raw material inputs from other less developed countries in their manufactures. And the limitations on the level of exports which may receive beneficiary treatment, unduly restrict a potential for market growth. Instead of seeking an expanded level of trade, countries would be included to restrain exports to stay within the preferential margin.

There are several substantive adjustments, then, which must be made if we are going to participate in the worldwide scheme of generalized preference. Let us make our participation more than a token gesture.

When I began to consider measures to make U.S. participation in the generalized preference scheme more meaningful, I faced two important reservations. First, I wanted to be sure that tariff concessions to the developing world would not open up U.S. markets to a flood of cheap imports, impairing the competitiveness of industry and threatening the jobs of our own workers. I have become sufficiently satisfied that this would not be the case. The proposed Trade Reform Act, combined with existing statutory law, can achieve significant improvements in safeguarding American industry from an injurious level of imports irregardless of the source.

In addition, the Trade Reform Act requires the President to make individual determinations on the impact of extending tariff free status before a particular product can be included in the generalized preference scheme.

I believe that we must have safeguards which offer American industry protection across the board, and, if our general safeguards are inadequate, we should come up with safeguards that do the job on a fair and harmonious basis, instead of trying to apply a patchwork of safeguards which unduly encumber our trade agreements' programs.

A second reservation I encountered was whether the U.S. generalized preference scheme would encourage the large U.S. multinational corporations to shift manufacturing operations abroad to enjoy the benefits of the program. However, I found no evidence that generalized trade preferences would have such an effect. Studies conducted under the multinational project at Harvard University show that the multinational corporation has been consistently restricted from export industries by the governments of developing countries. The U.S. Tariff Commission points out that majority-owned affiliates of U.S. corporations "still represent a rather small share of world trade in manufacturers—8 percent."

The question that remains, however, is whether relatively minor tariff concessions on certain manufactured products selected on the basis of their relatively limited impact on the U.S. economy—and which could be withdrawn at any time—offer a strong enough incentive in any case for multinational companies to make a decision to invest several million dollars in the developing countries? I could not find evidence to convince me that the generalized preference scheme would encourage the multinational corporation to move to a developing country to enjoy a small and fragile tariff concession.

I am satisfied then that U.S. participation in the worldwide scheme of generalized preferences represents an appropriate response to the needs of the developing world without burdening our own economy. Furthermore, I am convinced that the amendment which I and Senator BENTSEN are introducing today, would provide a fair and reasonable extension of the benefits under the scheme with little effect on U.S. interests.

First, I think it is reasonable to demand that the extension of trade preferences to developing countries be conditioned on assurances that beneficiary developing countries will act as responsible trading partners in the world economy. In view of the irresponsible action of a few countries to restrict access by other countries to their basic raw materials, we should insist that the President take into account the extent to which developing countries are willing to assure the United States equitable and reasonable access to their markets and basic commodity resources. The amendment revises section 502 of the proposed Trade Reform Act to do exactly this.

Section 502 would be further amended to allow a more reasonable time period for notification when the President decides to terminate a preferential arrangement. Presently, the President must notify the Congress 30 days before terminating an agreement with a less developed country. Our amendment would extend the time period for notification to a more reasonable 60 days and would stipulate that the country involved be informed, as well as the Congress. This would allow the countries affected to make adjustments necessitated by abrupt changes in the flow of trade. Furthermore, the provision for notifying the country involved is only consistent with international principles regarding multilateral consultation and represents the fairness and responsibility which the United States has always demonstrated in the international economy.

Section 503 would be amended to allow more flexible rules for determining which products may be included in the scheme. Presently the scheme excludes articles from the scheme if more than 35–50 percent—the exact figure to be determined by the Secretary of the Treasury—of the materials and cost of manufacturing comes from countries other than the country receiving the trade preferences on a particular article. However, a large part of the raw materials used in manufactures of a developing country typically come from other developing countries. The so-called rules of origin as presently written into the proposed Trade Reform Act tend to penalize regional trade ties since countries cannot afford to utilize too many raw materials from their neighbors without bumping the ceiling on materials coming from external sources. This clearly contradicts a goal of our foreign assistance programs to promote the development of regional economic ties. Our proposed amendment would correct this incongruity by simply permitting raw materials obtained from other developing countries, which have also been designated beneficiary countries under the scheme, to be included within the ceiling on that part of the value of an article which must come from the country benefiting from the trade preference.

Finally, the amendment includes provisions to insure that the benefits of the scheme are not denied to those countries which most need assistance. The poorest countries suffer greatest under the restrictions imposed by the so-called competitive need formula which places qualitative limitations which restrict eligible exports under provisions of the bill. This is because the poorest countries of the world have economies which often depend on only one or two products for their entire export earnings. And in many cases the United States is the principal market for such exports. Therefore, these countries would be the most likely to encounter the exclusion which prohibits preferences on products comprising more than 50 percent of all imports of such products into the United States.

I feel that it is reasonable to give attention to the particular situations of the poorest countries, subject of course, to market distribution safeguards contained elsewhere in the bill. The amendment would accomplish this by exempting from the 50-percent limit those countries designated by the United Nations as "least developed countries" and products which are not directly or indirectly competitive with domestic products.

The competitive need formula also excludes an article from the preference scheme if total exports of that particular article to the United States exceed $25 million in any calendar year. While it may be appropriate to have a dollar ceiling on the level at which a country may export a particular article into the United States and still enjoy duty-free status, the current provision does not reflect the need to adjust the ceiling for effects of inflation. The current provision states this ceiling in current dollars. This means that every year the ceiling, in relative terms, will sink lower and lower as inflation makes it evermore restrictive. At an annual rate of inflation of 5 percent, for example, $25 million would be worth only $15 million 10 years from now. A country making a decision on whether or not to invest its resources to expand its export capabilities would certainly be dissuaded by the ceiling. It just would not be worthwhile to develop a particular export industry, knowing that in a few years inflation will abruptly cut off any growth potential. Our proposed amendment would account for this inflation factor by stating the ceiling in terms which would be adjusted to keep it relatively constant.

The United States is the last major industrialized country to legislate a generalized preference scheme. However, it is crucial that our scheme, when it emerges, be a reasonable and fair one. If we are going to do a job, let us do it right. The proposed Trade Reform Act contains the basis for a constructive U.S. response to trade development needs of the less developed world. The amendment is meant to add to the strength of this plan.

As the nations of the developing world show a sincere willingness to take steps to help themselves, it is only reasonable that the developed world should fully support these efforts. Clearly, the direction of foreign assistance has been toward specific development programs which promise to lead toward the establishment of a sound and self-sustaining economic base. Only through such programs can we really expect to raise the standard of living of the citizens of the poorest countries of the world.

The focus of foreign assistance bills passed by the House and Senate in 1973 was on aid to meet critical development problems, to stimulate employment-intensive technologies, and to concentrate on such requirements as food production, rural development, health care and other important needs of people, in less developed countries. And such an emphasis upon creating the economic basis for a better standard of living for populations in less developed nations should be a fundamental intent of a generalized scheme of trade preferences.

I feel that it is singularly appropriate that the United States join the other developed nations of the world in assisting the poor nations to enter world markets on a meaningful basis. I strongly urge my colleagues to support the provisions of title V of the proposed Trade Reform Act as revised by the amendment which I and Senator BENTSEN are now offering.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1614

On page 138, line 25, strike out "30 days" and insert "60 days".

On page 138, line 26, after "Senate" insert, "and has notified such country,".

On page 140, after line 17, insert the following:

(3) the extent to which such country has assured the United States of equitable and reasonable access to its markets and basic commodity resources;

On page 140, line 18, strike out "(3)" and insert "(4)".

On page 140, line 21, strike out "(4)" and insert "(5)".

On page 141, line 22, strike out "the" and insert "a".

On page 141, line 24, strike out "the" and insert "a".

On page 143, strike out lines 16 through 19 and insert the following:

(1) has exported (directly or indirectly) to the United States during any calendar year a guantity of an article having a total appraised value in excess of that amount which bears the same ratio to $25,000,000 as the gross national product (as determined by the Department of Commerce) for such calendar year bears to the gross national product (as so determined) for the calendar year 1974, or

On page 143, line 20, after "(2)" insert "except as provided in subsection (d),".

On page 144, after line 6, insert the following:

(d) Paragraph (2) of subsection (c) shall not apply—

(1) with respect to any country which is a least developed country, as designated by the United Nations, or

(2) with respect to any article if a like or directly competitive article is not produced in the United States.

On page 144, line 7, strike out "(d)" and insert "(e)".

Mr. BENTSEN. Mr. President, I am pleased to be introducing today with my distinguished colleague from Minnesota an amendment to the Trade Reform Act and one which addresses itself to the trade preference provisions of that legislation.

Mr. President, whether we like it or not this world has become an increasingly interdependent one. Conditions that threaten peace and stability in one part of the world loom as threats to peace and stability everywhere. Indeed one of the major problems facing the post-World War II political order is the North-South economic disparity which surfaced in the sixties and became a vivid reality in the seventies—witness the recent efforts of a number of raw material producers to form economic cartels in order to increase their share of the world's wealth.

This terrible and growing disparity in living standards between North and South cannot be tolerated as a permanent part of the international political and economic order. Barbara Ward has described the gap between the haves and the have-nots as "the most tragic and urgent problem of our day." Its urgency lies in its potential for political upheaval.

During the sixties, we offered foreign aid as a helpful panacea for the ills of the developing nations. That kind of aid is no longer feasible from our own point of view nor always desirable from the recipients' point of view. It encourages dependence rather than independence. It engenders the suspicion that we are trying to buy frendship.

In the search for an alternative means to stimulate development, attention has turned toward trade, which also happens to be mutually advantageous. For years the United States advocated trade preferences for the developing countries and I am pleased that the administration has finally requested authority from the Congress to develop a generalized system of preferences in the Trade Reform Act.

Trade preferences may well comprise a major part of the answer to the dilemma of development. At a time when foreign aid is no longer always a feasible developmental tool, it is worth experimenting with a system of preferences as long as adequate safeguards are maintained against disruptions of the domestic U.S. economy.

A directly related problem—and one which has received a great deal of attention since the Arab oil embargo was imposed last fall—is the trend toward pricing cartels among the LDC's. As chairman of the Senate Economic Growth Subcommittee, which has been holding a series of hearings on raw materials shortages and the potential for cartel formation among nonoil producer nations, I am convinced that the United States must develop a coordinated policy toward the producer nations which will discourage such cartelization.

Part of this policy should be to encourage diversification of the export economies of developing nations. Excessive reliance on exports of a single, or very few, commodities makes their entire economy more vulnerable to the frequent fluctuations of the international market in that particular commodity. Such dependence increases the temptation of producer countries to form pricing cartels in an effort to stabilize prices for their commodities and increase export earnings. Trade preferences will encourage needed diversification of the export economies of the LDC's.

Foreign trade accounts for about four-fifths of a developing country's foreign exchange earnings. The link between exports and economic growth is clear and the link between economic growth in the LDC's and demand for U.S. goods and services should be obvious as well. The more foreign exchange a country earns and the greater the size of its economy, the more it will need the goods and services we produce here in the United States. Therefore, a generalized system of preferences is an important stimulus to expanding international trade.

Mr. President, a generalized system of preferences will demonstrate our interest in developing a more cooperative world trading system. The amendment which my colleague from Minnesota and I are proposing is a modest effort to improve the trade preference provisions of the trade bill while at the same time insuring necessary safeguards against unfair market disruption in our own economy. This amendment is in the best long-term economic interests of the United States, Mr. President, and is designed to assure a more stable and satisfactory set of economic relationships between the United States and the developing world. I urge the Senate's support for our amendment.

NATIONAL HEALTH CARE ACT—AMENDMENTS

AMENDMENTS NOS. 1615 TO 1627

(Ordered to be printed and referred to the Committee on Finance.)

Mr. McINTYRE. Mr. President, I send to the desk amendments to S. 1100, the National Health Care Act.

I want to speak about the amendment which would add the services of qualified psychologists to the list of minimum standard benefits provided in my bill.

The benefits to citizens which are eventually included in national health insurance will, in the last analysis be meaningful benefits only if there are competent, qualified health professionals available to provide the benefits. It would be a cruel hoax to include mental health benefits in national health insurance and then, by precluding delivery of services by a large number of qualified service providers, create a situation in which services could not be delivered.

Professional psychologists in the United States represent a large pool of well qualified mental health service providers. Many significant developments and procedures in the provision of mental health services are technological applications of research and experimentation conducted by professional psychologists.

The private practice of psychology is governed by statute in 48 States and the District of Columbia. The continuing requirements for licensure or certification normally stipulate the doctorate in psychology plus 2 years of supervised experience. The conduct and practice of psychologists is further governed by the Code of Ethics of the American Psychological Association, a scientific and educational society which serves as the principal voice for American psychology. The membership of the association is now about 37,000 and includes approximately 90 percent of the doctorate psychologists and virtually all of the qualified health service providers. The association accredits doctoral health service training programs in psychology at over 100 universities, and these programs produce virtually all of the doctoral health service psychologists.

It is obvious that psychologists in the United States represent a significant pool of well trained, well regulated providers of mental health services. This critical professional manpower pool is distributed throughout the Nation at points where health services are needed and are being sought. Valuable health services are now being provided by this professional pool. It is essential that any program of national health insurance include provisions for direct access to professional psychologists by persons in need of mental health service.

CONSUMER PROTECTION AGENCY ACT—AMENDMENTS

AMENDMENT NO. 1628

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted an amendment, intended to be proposed by him, to the bill (S. 707) to establish a Council on Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENT NO. 1629

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT OF EXPORT ADMINISTRATION ACT OF 1969—AMENDMENT

AMENDMENT NO. 1630

(Ordered to be printed and to lie on the table.)

Mr. HARTKE. Mr. President, I submit an amendment to S. 3792, an act to amend and extend the Export Administration Act of 1969, and ask that it be printed and appear in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, on December 13, 1973, I detailed my concern about the critical short supply of iron and steel scrap and requested limiting exports of this commodity for the remainder of fiscal year 1974. Unfortunately, Congress was not able to act on this measure at that time. However, my proposal alerted the Department of Commerce to the critical situation and that Department made a weak attempt to alleviate the problem.

A critical short supply of iron and steel scrap still exists and in order to ease the present condition I am submitting an amendment to S. 3792 which would limit exports of this scarce commodity to no more than 5 million tons for the balance of fiscal year 1975.

The ferrous scrap situation threatens job stability, industrial growth and the American steel industry's ability to supply the Nation's need for steel.

Today, inventories of ferrous scrap have shrunk to their lowest level since World War II. As confirming evidence of shortages of scrap, especially in essential grades and sizes, scrap prices have soared far above their previous highs.

Unless the Federal Government acts now to further limit exports of iron and steel scrap, steel mills and foundries in the United States will incur additional disruption in their production scheduling, at a time when domestic demand for iron and steel scrap continues at the highest level in history.

For well over 3 years, the foundry and steel industries' warnings have been answered with inadequate measures by the Commerce Department. As a result, the crisis has so deepened that only strong measures will now suffice.

Ferrous scrap makes up almost one-half of the total metallic input used in steelmaking. The balance comes mostly from pig iron, produced in blast furnaces. The industry generates a large amount of scrap from in-plant sources. Nevertheless, it is heavily dependent on scrap processors and other outside sources for the balance of its needs.

This dependence is especially critical for electric-furnace plants; their metallic input is almost 100-percent scrap. Of the projected 51.7 million tons of purchased scrap needed by the steel industry and foundries in 1974, approximately 29 million tons will be required by hundreds of smaller companies without blast-furnace facilities.

In all, to produce 150 million net tons of raw steel in 1974—the same amount as last year—plus 18 million tons of castings, the steel and foundry industries will need 51.7 million net tons of purchased ferrous scrap, or 8 million tons more than in 1973.

The increased need stems from two main causes:

First, there will be less pig iron production in 1974. That is a consequence, among other things, of the tight supply of metallurgical coal, further compounded by the widespread shutdown recently of coal mines in West Virginia.

Second, there will be 2 million fewer tons of scrap available from in-plant sources in 1974 because of the heavy draw-down of inventories in 1973 to meet demand for finished steel.

The steel industry, with the support of the United Steelworkers Union and foundry companies is asking that present scrap exports currently authorized at a monthly rate of 700,000 tons—annual rate of 8.4 million tons—be reduced to assure an effective response to the scrap shortage. Part of the answer would be to limit exports of ferrous and stainless scrap to no more than 5 million tons for the balance of fiscal year 1975.

Based on its analysis of rising domestic and world steel demand, in late 1972 the steel industry warned the Commerce Department that a serious scrap shortage would develop in 1973 and that this situation could worsen as world demand for steel continued to increase. That is what happened.

In the last 6 months of 1972, exports of ferrous scrap were running well ahead of averages over the previous 10 years.

The pace quickened still more at the turn of 1973. Compared with 1 year earlier, export tonnage in December 1972 was up 90 percent; in January 1973 it was up 160 percent.

Translated into an annual rate, as the steel industry pointed out to a congressional committee in March 1973, this amounted to 13.3 million net tons. By contrast, the annual average over 10 preceding years was 7.4 million tons.

During the abnormal surge in exports of American ferrous scrap, demand at home for this essential raw material was mounting.

In December 1972, the steel and foundry industry asked the Commerce Department to limit exports to a reasonable level. Specifically, the industry asked that they be limited to an annual figure of about 7 million tons—600,000 tons a month.

The Government did not act until July 1973, and then it took only limited action. It was a case of too little, too late. When the books closed last year, 11.3 million tons had gone to export, badly depleting available domestic stocks.

To grasp the impact of high exports on domestic supply, consider this: last year, 5.3 million additional tons of ferrous scrap were added to the U.S. supply. Yet, of this increase, 3.9 million tons went abroad in exports, leaving only 1.4 million tons for domestic use.

In 1973, the supply of purchased scrap reached a level of 54.6 million net tons—including exports of 11.3 million tons. Part of this supply had been accumulated in late 1972, and shipped to coastal ports for export in 1973. Getting this much supply in 1974 is unlikely due to this year's projected decline in prompt industrial scrap—largely automotive—and to the fact that last year, high domestic demand combined with an unprecedented rise in exports caused a serious scrap shortage. This year, however, even if the supply of purchased scrap reaches the level achieved last year, projected domestic demand of 51.7 million tons in 1974 will require that exports be limited to 3 million tons this year—if domestic requirements are to be met. The alternative: scrap exports at a higher level will result in a proportionate decline in the amount of finished steel available to meet the needs of the domestic economy.

Finally, I ask my colleagues to consider what is done by countries of Western Europe and by Japan.

Except when home demand is low, they forbid or, at best, allow only minimal exports of scrap. Last year, for example, scrap exports out of the European Economic Community—a steel market comparable to our own—approximated only 400,000 tons, compared with the 11.3 million tons exported by the United States.

As worldwide demand was soaring, Britain, in September 1972, imposed an embargo closing off its exports of ferrous scrap except for a few low-quality grades.

Thus, while other industrial countries assure their own needs for ferrous scrap, the United States alone permits massive and unprecedented exports of this essential commodity. In doing so, it has, among other things, put its own steelmakers and foundries at an unfair disadvantage.

Certainly, in line with America's new realization that raw materials are in finite supply, Government on the one hand and concerned industries on the other, should develop long-term programs for scrap recovery. But longer term programs cannot answer the immediate need to maintain production operations.

Mr. President, the need for this amendment is clear. Potential adverse economic consequences of steel and iron shortages grow more severe with each passing week. The Congress must meet its responsibilities and take corrective action immediately.

AMENDMENT NO. 1630

On page 6, line 17, insert the following new section 6, renumbering section 6 as section 7 and subsequent sections accordingly:

SCRAP IRON AND STEEL

SEC. 6. Section 4 of the Export Administration Act of 1969, as amended by section 3 and section 5 of this Act, is amended further by adding at the end thereof the following new subsection:

"(h)(1) For the balance of fiscal year

1975, not more than five million tons of iron and steel scrap may be exported from the United States, including the District of Columbia, the Canal Zone, the Commonwealth of Puerto Rico, and all the territories, dependencies, and possessions of the United States.

"(2) The Secretary of Commerce is directed to allocate the iron and steel scrap that may be exported under (1) of this subsection consistent with the present allocation of iron and steel scrap exercised pursuant to the authority of this Act.

"(3) The Secretary of Commerce shall license exporters of iron and steel scrap in order to carry out this subsection.".

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1975—AMENDMENT

AMENDMENT NO. 1631

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. HARTKE. Mr. President, I submit an amendment to the Labor-HEW appropriation bill which would provide $2 million to aid in the conquest of measles and rubella.

Over the years, I have urged that the Federal Government embark on a program to assure 100-percent immunization of all children against these two diseases. Both are highly dangerous, especially when contracted by adults. The only way we can stop these two diseases from causing blindness and sterility, as well as adversely affecting the unborn babies of expectant mothers who contract these diseases, is to make sure that every child in the country is vaccinated.

The Government has, unfortunately taken a more relaxed approach. It was that approach which saw the number of measles cases jump to 75,000 in 1971. The case rate is down now, but we cannot rest in our quest to conquer measles and rubella. The administration has testified that—

> Our job will be harder than ever as we zero in on specific problem areas.

In other words, it will be hard to find those children who have not already been vaccinated. That job will take money, but the administration has actually decreased the amount of money it has requested for this important job within the past 3 years.

My amendment increases the expenditures for immunizations by one-third to $8,200,000—a very small amount when you consider the human lives which are involved.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1553

At the request of Mr. ERVIN, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of amendment No. 1553, intended to be proposed to S. 1361 for the general revision of the copyright law, title 17 of the United States Code, and for other purposes.

ANNOUNCEMENTS OF HEARINGS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on August 20, 1974, at 10 a.m. in room 3110, Dirksen Senate Office Building on the following bills: H.R. 10834, S. 2634, and S. 3187, to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes.

Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on August 20, 1794, at 10 a.m. in room 3110, Dirksen Senate Office Building, on the following bill: H.R. 11013, to designate certain lands in the Farallon National Wildlife Refuge, California, as wilderness; to add certain lands to the Point Reyes National Seashore.

Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on August 13, 1974, at 10 a.m. in room 3110, Dirksen Senate Office Building, on the following bill: S. 3536, to establish the Nantucket Sound Islands trust in the Commonwealth of Massachusetts, to declare certain national policies essential to the preservation and conservation of the lands and waters in the trust area.

Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on August 2, 1974, at 10 a.m. in room 3110, Dirksen Senate Office Building, on the following bill: S. 3413, to amend the Land and Water Conservation Fund Act of 1965, as amended.

Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on August 1, 1974, at 10 a.m. in room 3110, Dirksen Senate Office Building, to hear Government witnesses on following bill: S. 1270, to establish in the State of California the Santa Monica Mountain and Seashore National Urban Park.

NOTICE OF HEARINGS ON EXTENSION OF THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. JACKSON. Mr. President, on Wednesday, July 31, the Committee on Interior and Insular Affairs will consider S. 3717, a bill to extend the Emergency Petroleum Allocation Act of 1973. The Honorable William E. Simon, Secretary of the Treasury, and the Honorable John C. Sawhill, Administrator, Federal Energy Administration have been invited to appear before the committee to offer the administration's views on the question of the Allocation Act's extension.

The committee will convene at 10 a.m. in room 3110, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

I BELIEVE AMERICA

Mr. HOLLINGS. Mr. President, last week I had the pleasure of attending a performance of "I Believe America," a musical drama staged by the Performing Arts Association of Alexandria, Va., under the auspices of the Alexandria Bicentennial Commission's Festival of Independence. It is a superb production on a patriotic, upbeat note. Here, for a change, is theater which takes pride in America. Amidst the gush of doom and gloom and senationalist violence that theater-goers have been forced to endure in recent years, this is an exciting and welcome development. It is also encouraging evidence that we can celebrate our Nation's bicentennial in imaginative and creative ways.

I saw the response of the audience to this presentation. It can only be described as a genuine outpouring of enthusiasm. Anybody who says that Americans are not open to this kind of theater is sadly out of touch with the mood of the country. This is exactly what the people are thirsting for, because at heart America is strong and idealistic and still dedicated to the values and virtues which took us to greatness. It is not the people of America who have faltered—it is leadership that has not matched the greatness of the people.

The concept for "I Believe America" was developed by Sean Morton Downey, Jr. and Clova Demaine. Sean Downey, the director, has over 300 songs and 2 books to his credit. A many-faceted young man, Mr. Downey has been successful in the worlds of composing, singing, acting, business, and sports. He has also involved himself in many community and humanitarian activities. In the songs he has written for "I Believe America," he displays an understanding and a faith in America that is the most refreshing breeze from the world of entertainment that I have seen in many, many years.

Clova Demaine, who produced the play, has been a performer, conductor, director, and producer of many stage hits. She received an award from the State of Virginia for her "Most Valuable Contributions to the Performing Arts" in 1972.

Mr. President, everyone associated with this absolutley superb play is to be congratulated on his or her efforts.

And I am happy to learn that "I Believe America" will soon be a Broadway play. I have no hesitation in predicting it will be a huge success.

Mr. President, the title song for "I Believe America" could well be an anthem for the Bicentennial. I ask unanimous consent that the lyrics of this song be printed at this point in the RECORD.

There being no objection, the lyrics were ordered to be printed in the Record, as follows:

I Believe America

I believe that America is strong
With the power again to rise in song.
I believe we are a nation of 200 million strong
Who can crush the devil with a happy song.
In this land of good and plenty there are some
Who would make us all believe that we should run.
But we can't have the evening happiness without the morning strife.
As a nation, we are young in years, just beginning life,
And I believe that better days still lie ahead,
That the greatness of our people is not dead,
That the history books will sing our praises, justice, kind and strong
If we raise our voices in a happy song.
I believe the U.S.A. will rise again,
That we have learned our lesson and we are wise again,
That the wheatfields of the West
Will hold the hungry to her breast
I believe that Good is on the move again.
I believe the worker and the wealthy man
And all of us who share this fertile land
From the California ocean to the rocky coast of Maine
Will work to make the country great again.
I believe that America is strong.

RAIL TRANSPORT AND THE COAL INDUSTRY

Mr. HUGH SCOTT. Mr. President, recently, a revitalization has been taking place in the Nation's rail system. The rebirth of the railways as a vital, economical means of transportation is boosting the economy by adding jobs, and a new generation is being introduced to efficient passenger service.

The Nation's hope of energy self-sufficiency is largely dependent on the use of coal. Rail transport is vital to the coal industry. A recent story in the Pittsburgh Press by business editor William H. Wylie points out that because of the influx of demands for more coal cars, major producers of freight haulers such as the Pullman-Standard plant at Butler, Pa., are developing new lines and stepping up production.

The important role which the Nation's rail system plays in coal production is outlined in Mr. Wylie's in-dept article, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Butler Plant Tooling Up For Coal Rail Car Boom

(By William H. Wylie)

"Diamond Jim" Brady couldn't sell freight cars any faster than they are moving today.

Since the Russian grain deal, American railroads have been frantically combing their yards for rolling stock.

Now that the grain crisis has passed, the coal boom is beginning. Pullman-Standard's Butler plant, which makes one-fifth of the Nation's freight cars and is the largest single producer, is tooling up to move coal.

Lewis H. Warheit, manager of the Butler complex, said a new production line to make gondolas and open-top hoppers is scheduled to start up around the first of the year.

To provide room for the new line, Pullman-Standard moved flatcar production to its Bessemer, Ala., plant.

A spokesman for Pullman Inc., the parent company in Chicago, refused to pinpoint the cost of the changeover but conceded it is in the millions. In fact, he said several million dollars have been spent at Butler since 1970.

A NEW PRODUCT

Flat cars—used for truck piggy-back hauling—are a hot item. Warheit said the switch to Bessemer will provide more room for flatcar production.

When Pullman's directors visited Butler last week, they saw a new riveted open hopper car that will be made on the new line.

Rivets provide more flexibility and endurance to resist the abuse of hauling coal, a spokesman said. Freight cars usually are welded, not riveted, together.

The Butler plant, which provides 3,400 jobs and is second only to Armco Steel as the city's largest employer, is running at "practical capacity."

SHORTAGES HURT

Warheit said order backlogs will sustain the current production rate well into 1975.

Actually, shortages of energy, steel and paint are limiting daily production to around 45 cars, the spokesman said.

The plant is capable of making 60 cars a day, but this would consume more than its allotment of power, he explained.

In making 10,900 freight cars last year, the Butler facility used 245,000 tons of rolled steel and 252,000 tons of steel components (wheels, axles, couplers, etc.). Most of this was bought in the Pittsburgh area, the source said.

Also, 400,000 gallons of paint—mostly from the district—were required. And the plant's 1,417 welding machines melted 16 tons of weld rod and wire and nine tons of welding flux.

FUTURE LOOKS GOOD

In addition to fabricating the cars, the plant makes most of the components for them in the 1.5 million-square-foot complex.

Pullman-Standard officials are optimistic about the future. They expect coal to take over from grain in boosting demand for rail cars.

They cite predictions that in the next 10 years there will be a three-fold increase in coal production to nearly 1.5 billion tons a year.

This would create demand for an estimated 150,000 new coal-hauling freight cars.

33 CENTS A POUND

The weight of rail rolling stock is coming down—a concession to the energy crunch. One of the new covered grain hoppers weighs about 60,000 pounds—a ton lighter than older models.

Incidentally, freight cars sell for about 33 cents a pound—well under the dollar a pound for standard-sized automobiles.

James Buchanan (Diamond Jim) Brady, who teamed up with a young engineer, John M. Hansen, to found the Butler plant in 1902, was a super-salesman. Even before the groundbreaking ceremonies, he had 6,000 cars on the order books.

But today's market is even livelier. The 10 per cent freight rate increase approved by the Interstate Commerce Commission (ICC) will generate an estimated $1.5 billion. All of this must be plowed back into capital improvements, including rail cars.

A MASSIVE OFFENSIVE AGAINST ALCOHOLISM

Mr. WILLIAMS. Mr. President, on July 10 I was privileged to attend a luncheon in connection with the first meeting of the National Council on Alcoholism's launching of a new and largely expanded labor-management committee. The new cochairmen of the committee are George Meany, president of the AFL–CIO, and James M. Roche, chairman of the board, General Motors Corp.

The purpose of the Labor-Management Committee of the National Council on Alcoholism, which has pioneered for many years in setting up alcoholism programs in industries in all parts of the country, is to mount a continuing nationwide movement by the leaders of labor, business, government, and other communities to restore the employed alcoholic to useful citizenship, good health and productive employment through the initiation of soundly designed union-management employee alcoholism programs.

Up until a few years ago literally thousands of workers and executives were discharged because of their disease of alcoholism despite the fact that as far back as 1956 the American Medical Association had declared alcoholism a disease.

A few enlightened companies have in the last several years set up joint labor-management programs which have achieved enormous success, but it is only fair to state that these companies represent a very small percentage of the 84 million workers in this country.

Government has begun to do its part largely under the leadership of Senator Harold Hughes in the Senate. However, government cannot—and should not—attempt to do the entire job—there is a tremendously important role for the voluntary sector, and the National Council on Alcoholism is the only national voluntary health agency founded to combat the disease of alcoholism.

I was greatly moved by a letter which Senator Warren Magnuson, chairman of the Senate Appropriations Subcommittee on Labor-HEW, which has jurisdiction over alcoholism funds, sent to George Meany when he learned that Mr. Meany had accepted the cochairmanship of the new labor-management committee. At this point I would like to include the text of Senator Magnuson's letter to Mr. Meany:

> Your kind invitation to attend the first meeting of the new labor-management committee to focus upon the problems of alcoholism was most appreciated. I know you will understand that the rigors of my own campaign schedule out home preclude my return to D.C. by next Wednesday.
>
> I'm greatly impressed by what you and Jim Roche are doing to assist the National Council on Alcoholism. To place such an impressive legion of leaders from labor and industry behind the Council's pioneering efforts to establish company wide alcoholism programs that will help restore thousands to full and productive lives will surely advance the successes of that program. That alcoholism is an arrestable disease is still unknown or ignored by too many of our fellow citizens and you'll bring real hope to millions despite that sad fact!
>
> Over the years, in our Hearings on Federal health programs, I've been impressed by

the leadership the National Council has given to the problems of alcoholism and alcohol abuse. There are limits to what any of us can accomplish singly or even collectively, but with what you and all of your associates are doing here I know a good bit more will be done. I wish you every success and will do whatever I can to help.

Needless to say, I share Senator MAGNUSON's sentiments and as chairman of the legislative committee which has jurisdiction over alcoholism, I will do everywhere in my power to aid in this long overdue effort.

At the luncheon meeting previously referred to, the NCA Labor-Management Committee released a joint statement by George Meany and James M. Roche on the objectives of the new committee. I ask unanimous consent that the statement be printed in the RECORD along with a list of the top corporate and labor leaders who are the initial members of this new committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL ON ALCOHOLISM, INC.,
New York, N.Y.

JOINT STATEMENT BY GEORGE MEANY AND JAMES M. ROCHE

We are here today to declare war on a disease which is a health threat to our nation outranked only by cancer and heart disease—but which too many otherwise well informed people pretend does not exist.

That disease is alcoholism. It is probably the most misunderstood illness known to mankind. It destroys families, causes thousands of deaths every day and is a serious drain on our economy.

Yet—in spite of its serious consequences and the fact that it is treatable—this nation has only scratched the surface in terms of dealing with the problem.

Some of the most influential union and business leaders in the United States are joining forces through the Labor-Management Committee of the National Council on Alcoholism to combat this disease.

We are calling for all unions and employers—big and small—to join us in this effort. We urge them to stop kidding themselves by saying "We don't have that problem here."

Alcoholics are in every organization. They can be helped—and, aside from humanitarian reasons, it is just plain good business to do so.

Consider these facts from the National Council on Alcoholism:

1. There are 9,000,000 alcoholics in this country. 5,000,000 are employed. That's more than 4% of our total work force.
2. Alcoholism costs American industry $12.5 billion annually.
3. The rock bottom average cost of each alcoholic to his employer is $2,500 per year.
4. Alcoholism can strike a Board Chairman as easily as a blue collar worker. Disastrous decisions can result.
5. 50% of all fatal accidents occurring on the roads today involve alcohol. 50% of these fatal accidents involve an alcoholic.
6. 31% of those who take their own lives are alcoholics.
7. 40% of all male admissions to state mental hospitals suffer from alcoholism.

In spite of these alarming statistics, few companies are concerned to the point where positive action is being taken to help their alcoholic employees. This is unfortunate and should be changed.

What do we propose doing to change things?

Working through the National Council on Alcoholism and its nationwide network of affiliates, we offer unions and management our help in establishing tested employee alcoholism programs. These progessive programs are working for such companies as General Motors, Hughes Aircraft, Firestone and DuPont.

Are employee alcoholism programs effective?

The General Motors recovery program which is being implemented with the full and complete cooperation of the United Auto Workers reports the following results with the employees who have gone through their program:

1. 80% recovery rate.
2. 85% reduction in lost man hours.
3. 70% reduction in sickness and accident benefits paid.
4. 47% reduction in sick leaves.

If every industry would use the knowledge available to deal with their alcoholics, just as they do with any other sick person, successful industry programs demonstrate that at least 3,000,000 alcoholics could recover over a six-year period.

This is a war we can win. People are our greatest resource. If we dissipate that resource, we have only ourselves to blame for the consequences.

NATIONAL COUNCIL ON ALCOHOLISM INC.—LABOR-MANAGEMENT COMMITTEE

James M. Roche (Co-Chairman), Director, General Motors Corporation, 767 Fifth Avenue, New York, New York 10022.

Nicholas A. Pace, M.D. (Mr. Roche's Alternate), Medical Director, General Motors, 767 Fifth Avenue, New York, N.Y. 10022.

Leonard H. Goldenson, Chairman, American Broadcasting Companies Inc., 1330 Avenue of the Americas, New York, New York 10019.

Edmund Martin, Suite 310, 437 Main Street, Bethlehem, Pennsylvania 18018.

Marion Sadler, Director, American Airlines, 1101 East Calle Elena, Tucson, Arizona 85718.

William P. Tavoulareas, President, Mobil Oil Corporation, 150 E. 42 Street, New York, N.Y. 10017.

George Meany (Co-Chairman), President, AFL–CIO, 815 16th St., N.W., Washington, D.C. 20006.

Mr. Leo Perlis, Director (Mr. Meany's Alternate), Dept. of Community Services, AFL–CIO, 815 16th St., N.W., Washington, D.C. 20006.

I. W. Abel, President, United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222.

Al H. Chesser, President, United Transportation Union, 15401 Detroit Avenue, Cleveland, Ohio 44107.

Pat Greathouse, Vice President, United Automobile Workers, 8000 East Jefferson Avenue, Detroit, Michigan 48214.

A. F. Grospiron, President, Oil, Chemical and Atomic Workers International Union, P.O. Box 2812, 1636 Champa St., Denver, Colorado 80201.

Charles H. Pillard, President, International Brotherhood of Electrical Workers, 1125 15th Street, N.W., Washington, D.C. 20005.

NEW GOVERNMENT IN GREECE

Mr. TUNNEY. Mr. President, it was with great joy and relief that I learned of the restoration of civilian rule to Greece. The ruling military junta there has long been a blight on the picture of justice and humanity in the world and its tactics have for years been an affront to people around the globe.

It gave me hope to read in the newspapers that the people of Greece crowded the streets of their country in order to give Constantine Karamanlis a hero's welcome. I think it is a tribute to the nation.

Before thousands, Prime Minister Karamanlis made his way through Athens, the fountainhead of Greece's ancient democratic tradition, and in an address to the crowds he called for that tradition's rebirth. He asked his countrymen for help in propelling Greece toward a new era of national prudence and toward a new time of national patience.

The task ahead for Mr. Karamanlis will be a difficult one. We are not entirely sure how far into the background the military leaders have receded. There is still a danger of future intervention. Greece, as all European countries, faces severe economic problems fueled by the massive, oil-driven inflation. But for the first time in 7 years, the Greek government will have the support of its people, and the support of freedom-loving nations elsewhere in the world. So I am truly hopeful that the dark shadow of the last 7 years will now be lifted from Greek life.

Mr. President, it is my hope that Mr. Karamanlis will realize that his first step should be the withdrawal of all troops and any other military presence from Cyprus. It is time for peace to return to that troubled isle and it is time for the armies of both Greece and Turkey to be removed. It is my hope and expectation that Mr. Karamanlis will help obtain for that country the good fortune that has so recently befallen his.

Mr. Karamanlis' recognition of constitutional government in Cyprus is most welcome, and should put an end to the scheming and undermining of the tripartite arrangements which have governed Cyprus since 1960. We all hope and pray for rapid success at the Geneva peace talks which are commencing today.

CONSUMER HAS A FRIEND IN SENATE BILL 707

Mr. PERCY. Mr. President, I call attention to an editorial appearing in one of the middle Atlantic's leading newspapers, the Charleston, W. Va., Gazette of July 20, 1974, entitled "Consumer Has a Friend in Senate Bill 707." The editorial reflects a concern we all have about setting up new agencies of Government and about expanding the Federal bureaucracy. But on examining the present flaws in the regulatory process, it concludes, as I do, that that process needs the input of an informed spokesman advocating the views of consumers.

The editorial reasons:

Regulatory agencies don't represent the mass of Americans; regulatory agencies represent Big Business America.

Although the Consumer Protection Agency may never justify expectations of its sponsors, if it functions as it is supposed to function, one federal authority finally will be standing up for the public rather than the special interests. Indeed if this agency performs as desired traditional regulatory agencies will have to mend traditional habits and discharge their duties pro bono publico.

In reaching this conclusion, the editorial urges support for this bill on the part of my two very distinguished colleagues from the State of West Virginia—the highly judicious majority whip and the very talented and erudite chairman of the Public Works Committee.

Now, I do not know how my two colleagues will actually vote on this measure. But I do know that both have, in the past, lent consistent support for the concept of an independent consumer advocacy agency and for so many other measures which have had the effect of advancing the interests of over 200 million American consumers.

Mr. President, I ask unanimous consent to print in the Record the text of the excellent editorial from the Charleston Gazette, to which I have referred.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Consumer Has Friend in Senate Bill 707

Most Americans are totally disenchanted with Big Daddy government, and rightly so. Big Daddy government is bumbling, dissipative, officious, arrogant, inbred.

That's why so many Americans are so suspicious about any call for action that provides for setting up another federal agency to do anything. They've had it up to their eyeballs with the alphabet-soup array of federal agencies established to handle every conceivable problem known to humanity (and more than a few not known) whose end result has been higher taxes and scant relief from whatever the agencies were founded to cure or to prevent.

Nevertheless, the Gazette urges Sen. Jennings Randolph and Senate Majority Whip Robert C. Byrd to support S–707 that creates a Consumer Protection Agency at the national level.

Senate Bill 707 provides the American consumer a champion, and the Lord knows the American consumer needs someone on his side for a change. The measure is an old, old dream of Ralph Nader and his dedicated Raiders.

We'll immediately concede that a federal consumer protection agency oughtn't to be necessary. Were federal regulatory agencies doing the job they should be doing and are required to do by law this brain child of Nader's wouldn't be needed.

But as everybody is, or should be aware, federal regulatory agencies—such as the Federal Power Commission, Interstate Commerce Commission, Federal Aviation Agency, the Federal Communications Commission to name but four of the many control agencies situated in Washington—no longer, if they ever did, exist to serve the public. At inception a regulatory agency is kidnapped and taken over by the enterprise it is charged to supervise.

Regulatory agencies don't represent the mass of Americans; regulatory agencies represent Big Business America.

Although the Consumer Protection Agency may never justify expectations of its sponsors, if it functions as it is supposed to function, one federal authority finally will be standing up for the public rather than the special interests. Indeed, if this agency performs as desired, traditional regulatory agencies will have to mend traditional habits and discharge their duties pro bono publico.

INFLATION BRANDED AS "PUBLIC ENEMY NO. 1"

Mr. TALMADGE. Mr. President, I have had occasion to read an address delivered by Gabriel Hauge, chairman of the Manufacturers Hanover Corp., at the Canadian Financial Conference in Toronto, in which Mr. Hauge brands inflation as "Public Enemy No. 1." This was an outstanding address, and it focuses attention on what I regard as the most serious problem facing the United States today, surpassing all others in its severity and long-range importance to the security of our Nation.

In an incisive analysis of the situation, Mr. Hauge points to excessive Federal spending as one of the major culprits. I could not agree more, and one did not have to be a Philadelphia lawyer or a Wall Street economist to be able to predict some years ago the disastrous results of multibillion-dollar deficit spending by the United States at home and all over the world. We have persisted in a domestic policy of spending money we do not have for programs we do not need and continuing to pour billions of dollars overseas in an effort to play policeman, banker, and Santa Claus for the whole world. The chickens are now coming home to roost, and we find the United States faced with a national debt of almost $500 billion, more than the indebtedness of all the rest of the world combined, and rampant inflation which robs the working people of their earnings and the elderly of their savings. Moreover, inflation has been a major force in contributing to a loss of confidence by the American people in their Government and in their elected leaders which is so prevalent throughout the Nation today.

Mr. President, I ask that Mr. Hauge's address be brought to the attention of the Senate, and ask that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Public Enemy No. 1

(By Gabriel Hauge)

It has been well observed that, when the economic history of the 20th Century is written, considerable attention will be accorded the Great Depression of the '30s and the Great Inflation of the '70s. To be sure, prices have been climbing throughout the post-war period, but recently the nature of inflation seems to have changed. First, it began to spread from country to country, as depression did in the 1930s. Now, it may be reaching that psychological zone which, if penetrated, threatens substantial disturbance around the world. Inflation is Public Enemy No. 1, as the Vice President of the United States recently declared.

The reality is all the more acute for the United States, since our inflation rate has historically tended to be lower than that of most other countries. As recently as a year ago, the U.S. ranked better than nearly a score of major industrial nations. Since then, even as prices around the world spiralled upward, our inflation rate has moved ahead of almost half of these countries and now stands at 12 percent for this year. Understandably, this fact is of concern to Canadians, since your economy and ours are so closely interrelated.

That inflation in high dosage is now a worldwide phenomenon leaps out of the latest report of the Organization for Economic Cooperation and Development. In the year ending April 30, consumer prices in the 24 OECD countries spurted on average by 12.7 percent, compared with a rate of 7.7 percent for 1973.

THE CONSEQUENCES

We do not have to speculate about the pernicious effects of inflation, because we can see them all about us.

We see the best of our citizens, those who have saved and whose savings have built our country, suffering substantial losses in those savings. And we see those least able to fend for themselves, the poor and the elderly, forced to suffer disproportionately more than anyone else through the regressive taxation that inflation actually is. I agree with a leading spokesman for Congressional liberals in my country who said recently, "Inflation is the most reactionary force in the world."

We see people beginning to question the merit of saving. According to consumer surveys, they expect bad times. But in flat contradiction to all past normative behavior, they prefer to spend rather than see their savings erode. In this year's first quarter, the savings rate fell in the U.S. to 6¼ percent from the previous quarter's 7.3 percent. No other single figure poses so ominous a threat to the very heart of our economy, for it is with the savings of the people that the sinews of our productive strength are fashioned.

High rates of inflation seem to beguile at least some businessmen into thinking that their earnings are better than they are, and into the view that inflation isn't all that bad. Because of present accounting methods, profits tend to be overstated during a period of inflation. The practice involves charging only the historical cost of physical assets consumed (fixed assets and inventory), rather than current, higher replacement costs. When it comes time to replace these inventories or build new factories, many businessmen have found that these so-called profits are no more tangible than a mirage in the desert. Moreover, to the extent that they increase corporate tax liabilities, understatement of depreciation allowances and inventory profits may actually make the corporation worse off after taxes. To underline the point, in a report that appeared in *Business Week* not long ago, its editors concluded that after the effects of inflation were eliminated, U.S. corporate earnings, although nominally rising some 25 percent last year, were no better than levels reached as far back as 1965.

Inflation has so impacted our aggregate purchasing power that it has just about eliminated progress in reducing unemployment over the past dozen-and-a-half months. For example, in the autumn of 1972, the unemployment rate in the U.S. was about 5½ percent. Yet real disposable income, including transfer payments, dividends and interest, rents, and related items, was no higher at the end of the first quarter of 1974 than it was 18 months earlier. Income earned by the sweat of our collective brows has done even less well. If one looks at the purchasing power of earnings of the average worker in the nonfarm private sector of the U.S. economy, it is clear that he is no better off today than he was in January, 1965.

Inflation operates to distort economic policy and planning. For example, the way the leading economic indicators in my country are constructed, rising prices create an illusory appearance of strength. Our government's series of such indicators, which are looked to as harbingers of economic activity, rose throughout most of 1973 and early 1974, tapering only slightly during the second half of last year. However, when the influence of higher prices is eliminated, the indicators are less favorable today than at any time since September, 1972.

Banking data also reflect the disorienting effects of inflation. This fact has made the Federal Reserve's job of conducting monetary policy, difficult enough in a time of chronic budget deficits, much more so. When inflation is high, loan demand is strong in order that businessmen can finance inventory accumulation and pay tax liabilities generated by inventory profits. Strong business loan demand can increase the money and credit aggregates over and above Federal Reserve intentions due to our fractional reserve system and the custom of requiring compensating balances. When you add to this the fact that most loans to business are made today on a variable rate basis so as to minimize the deterrent effect of high interest rates, the Federal Reserve's problem becomes even stickier.

Inflation is even more insidious. It erodes the very fabric of our society. It stimulates a race for pay, profit, and power. It sets group against group in a feverish contest for slices of the national pie. It accelerates treadmill consumer spending. It encourages speculation in such things as real estate and commodities as means of making money, and discourages the development of entrepreneurial skills vital to the functioning of our society. Moreover, its soaring cost threatens to socialize many private educational and charitable activities. Inflation is a dangerous disease, not "a bad itch" or an "annoyance," as it was recently characterized by two leading economists. I say to you with all gravity that it is a threat to our society that is real and deeply disturbing.

THE CAUSES

How did we get to this perilous point in our affairs? The question is in no way academic. It is, rather, the most practical question that practical men can ask.

It is true that inflation is worldwide in scope. Official spokesmen in many lands, in attempting to explain their own inflation, have made references to external forces, as if, in the words of Gottfried Haberler, "the inflation bacillus had flown in from outer space."

Increases in petroleum-related prices have, of course, contributed. But the Organization for Economic Cooperation and Development has calculated that less than a quarter of the consumer price increases in the past six months has come from higher prices for oil. And since the consumer price increases for these countries average 12.7 percent over the past year, that still leaves a good deal to be accounted for, even after noting the adverse weather conditions affecting agriculture in many areas during 1972, the disappearance of the anchovies off Peru, and the presence of a worldwide industrial boom.

There is, I believe, a growing understanding that the roots of inflation go deeper than these transitory events. Any canvass of the causes should first acknowledge that, historically, inflation has not been inherent in our system. For 150 years, ending in 1945, we enjoyed in the U.S., with only occasional spurts of short-lived inflation, a generally stable price structure. The wholesale prices on average in our country were no higher in 1945 than in 1795.

A jobs standard

After World War II, we heard more and more about what was magnificently termed "the revolution of rising expectations." With it came the emphasis on maximizing economic growth. This new accent took many forms in many places. In the U.S., a principal expression was the passage of the Employment Act of 1946, which directed public policy almost single-mindedly toward achieving national employment objectives. Coming on the heels of World War II and with terrible memories of the preceding Great Depression still fresh in mind, this preoccupation was understandable. Enactment of the law, however, put us, in effect, on a jobs-standard for judging the performance of the economy. The cost to us has become very great. With time, we have found that the unemployment rate is not an adequate measure of resource utilization.

It has been said that generals are always preparing to fight the last war. John Kenneth Galbraith has, in a similar vein, indicted economists. "To them," he says, "unemployment is the great enemy. They don't seem to realize that inflation is far more serious than unemployment." While I don't always—or often—agree with my friend, Ken Galbraith, he is right as rain on this vital matter. I suspect that the 95 percent of our work force now gainfully empolyed agree with him, too. And I suspect that they are far in advance of many economists and public officials on this point.

The inflationary bias imparted to the economy by this philosophy has ramified in many ways. In the private sector, it has served to provide industry and labor with a solvent for some of their problems. Business has accepted higher labor costs because it believed it could not resist them and could pass them along to the consumer; labor accepted higher prices because it hoped to get higher pay and in the process beat the game.

The public sector

Another manifestation of the inflationary bias is the huge government involvement that has resulted. Let me give you an example. In the 1920s, total government spending in the U.S. took 10 percent of the gross national product. In the last ten years, it took 22 percent. In the '20s, as in the last 10 years, unemployment stood at 4.6 percent. The difference is that in the '20s, the consumer price index was stable on average compared to an average annual rise of 4 percent in the last 10 years. These figures indicate that government did not reduce the rate of joblessness, although this was the paramount national objective.

What government did accomplish was to create and indeed to institutionalize a strong base for our present inflation. Its fiscal dimension is clear from a recent comment by Secretary of the Treasury William E. Simon, who pointed out that it took us 185 years to spend $100 billion annually, but only nine years more to get to $200 billion, and only four years after that to exceed $300 billion. Fiscal theory earlier had called for budget deficits in bad years, to be compensated for by surpluses in good years. In the past 30 years, however, we have had only six bad years but deficits in 21. Rationalizing this deluge of deficits was the replacement of the cyclically balanced budget by the full-employment budget concept, which calls for budget deficits when the economy is operating short of full employment. And that, by the present faulty criterion of 4 percent unemployment as defining full employment, has been most of the time.

Miscalculations

Inflation has resulted also from misjudging the ability of the U.S. economy to grow because we only dimly understood the impact of three forces.

First, there was a failure to perceive early enough that the structure of the labor force had changed significantly in recent years. Whereas a jobless rate of 4 percent may have correctly represented full employment during the 1950s and early 1960s, toward the end of that decade more people from higher unemployment-prone groups, such as women and teenagers, entered the labor force. These changes have had the effect of lowering effective full employment from 96 percent of the labor force to 95 percent or perhaps even less.

Second, there has been a misjudgment concernin growth in the capacity of American industry to produce. Since the middle 1960s, when laws were first passed concerning industry's impact on the environment, most business capital spending, after adjustment for inflation, has gone to pay for costlier machines and factories to comply with these environmental requirements. Actual aggregate expansion of capacity has proved to be less than was believed to be the case. Discovery of this and other capacity limitations has dawned, but late, and at severe inflationary cost.

A third factor affecting the availability of supplies to our domestic markets was the early misjudgment of the impact of the new regime of exchange rates on the U.S. Although promoting calmness on the international monetary seas, back on shore floating has tended in many cases to weaken discipline that governments should encourage in domestic economies. While minimizing widespread outflows of funds in response to differences in inflation rates, interest rates, of economic conditions in general, floating exchange rates, by their near-instantaneous reaction to these pressures in the form of changes in exchange rates, altered demand and supply in foreign trade. In the case of th U.S., last year the floating rate system permitted the dollar's value to sink so low that it had the effect of making U.S. products extremely attractive in world markets. This incentive sucked large supplies out of our country, while at the same time limiting imports since they became more expensive. Whatever floating did for our balance of trade, inflation was exacerbated.

Taking these three factors into account, it appears our potential to supply domestic markets has grown since 1969, not at the 4.3 percent recently stated by the President's Council of Economic Advisers—and not, I'm afraid, even at the 4 percent rate to which that figure was later reduced—but at closer to 3 percent. Even with the substantial $12 billion decline in real GNP in this year's first quarter, we appear to be still operating at or very near overall potential domestic capacity. That inflation was encouraged in this environment is not surprising.

THE BATTLE PLAN

Let me say at once that any lasting victory over inflation must begin with you and me, the citizenry. You and I must find ways to moderate the "revolution of rising expectations," lest is scorch us all in an inflationary firestorm. We must find effective ways of getting across this plain truth: if we try to achieve rapidly rising private and public standards of living at the same time, we are going to find it costly and abortive.

1. Commitment

I must acknowledge that there are those who would appease inflation by trying to devise ways to live with it, such as general indexation. I take strong exception to indexing or any other similar palliative. It does not get at the fundamental cause of inflation: the disequilibrium between the demand and supply of goods. By boosting incomes in proportion to price rises, indexing at best merely perpetuates the disequilibrium. Moreover, by making it easier for people to live with inflation, general escalator arrangements would gravely weaken the discipline that is needed to conduct business and government affairs prudently and efficiently. For inflation anticipated is, indeed, inflation accelerated. The more people are promised a way to live with inflation, the less reason they have to take steps to correct it. The possibility of aggravating economic inequities seems great. Nor do I see how a comprehensive indexing of the U.S. economy would cope with the hundreds of billions of dollars of outstanding contracts and that savers now hold in bank deposits, savings and loan shares, and insurance reserves. It is worth noting that the most celebrated example of comprehensive indexation, Brazil, may well be in the process of coming apart at the seams.

Nor are price-and-pay controls the solution. In the U.S. we have taken a good look at what two freezes and four phases of this economic process have done to our economy and we do not like it.

2. Pacing Demand To Resources

Public attitudes are the fundamental underlying cause of our inflationary problem, and excess government spending translates these attitudes into a powerful force for raising prices. When I reflect on the benevolent role proclaimed by governments these days, I recall the words of a nineteenth century utopian socialist, Etienne Cabet, who wrote, "Nothing is impossible for a government that wants the good of the people."

Fiscal Policy

As citizens we have been demanding more from government than we are willing to pay for. As an essential part of any successful resistance to inflation, we must pay our way in the public sector and then some for the next few years. I recognize that much of the annual budget in my country consists of so-called "uncontrollables," programs for which increases in outlays are virtually mandated by law. But I agree with Treasury Secretary Simon when he declared in pretty uncomplicated language, "The idea that 75 percent of the budget is uncontrollable is a cop-out." The time has come when we must re-examine these programs in the interests of the overriding fight against inflation.

It is clear that we should have run a substantial budget surplus two years ago, instead of the $23 billion deficit actually recorded in fiscal year 1972–73. We should have had an even bigger surplus last year, but instead we ran a $14.3 billion deficit. For 1973–1974, the Administration projects a deficit of "only" $3½ billion, while for fiscal year 1975, beginning July 1, a rise in the deficit to $11½ billion is anticipated. Although the new fiscal year begins soon, it is not too late for the Administration and the Congress to tie into the task of eliminating this deficit. Moreover, Congress should hold the line against a tax cut which would be the wrong measure at the wrong time. As part of fiscal reform, we must rehabilitate or abandon the full-employment budget concept. It has been a fiscal mischiefmaker and worse.

In a related area, I am cheered that the Congressional budget process is about to be remedied. Bills that would integrate spending and taxing decisions have passed both our House and Senate and have been approved by a Conference Committee. This legislation would overhaul drastically the way Congress considers the federal budget and decides where funds are to be spent. If passed, this measure would mark the strongest Congressional effort in years to assert more control over the federal budget, now dealt with piecemeal by both houses. It may well prove to be a landmark in restoring fiscal responsibility.

MONETARY POLICY

Once fiscal discipline is restored, the task of monetary policy will be more easily accomplished. Although Federal Reserve Chairman Arthur Burns is doing a courageous job in conducting U.S. monetary policy in an effort to stem the inflation tide, the frequency and magnitude of government borrowings effectively circumscribe how tight monetary policy can be. The President's new chief economic coordinator, Kenneth Rush, is right when he says that monetary policy should remain restrictive long enough to work. In my view, the Federal Reserve should keep a steady hand on the monetary tiller, turning toward neither ease nor extreme tightness, and, most important, to stay the course. In terms of growth in the money and credit aggregates, the target range should gradually be lowered as the federal budget turns in a better performance. The "steady-state" target should be no more than half recent growth rates.

I have placed main emphasis on this prescription for dealing with the fever of inflation on pacing demand through effective fiscal and monetary policy, because without that nothing else will avail. That this policy is necessary but not sufficient, however, is becoming clearer as time goes on.

3. Supply Management

Other things can and should be done to reduce inflation and especially the expectation of inflation, such as encouragement to industry to expand capacity. Because of the ravages of inflation, even today's accelerated depreciation allowances do not permit businesses to establish a reserve sufficient to replace existing machinery and office and factory buildings. Tax laws and regulations should address themselves to this and related problems of business.

We should get rid of a mass of old laws, regulations, and programs that have tended to boost prices by promoting inefficiency. We have made great strides in dismantling the old farm program, but there remain such matters as featherbedding rules in labor-management agreements and in laws, restrictive local building codes, and some antitrust practices which tend to limit competition.

4. Employment goals

In order to give the battle against inflation the priority it deserves, the Congress should amend the Employment Act of 1946 to give price stability equal status with high employment. Pumping up aggregate demand sufficiently to help some more of the work force to obtain jobs at great inflationary cost to the 95 percent already employed is an obsolete view that deserves cold hard scrutiny and a search for alternatives.

Part of the answer to this dilemma lies in strengthening unemployment insurance measures. Another may be the acceptance by governments at all levels of the role of "employer of last resort." Many jobs that need doing require little skill, but in our technologically advanced system cannot be justified economically in the private sector. Such important tasks as helping to keep our cities clean, preserve and develop our national forests, and protect the ecological quality of our continent could be assisted through a well-conceived public employment program which could bring about a worthwhile cut in the unemployment rate at acceptable cost.

5. Monitoring stabilization

To help dampen inflation and the expectation of inflation, we may very well need to try out another tool. The Administration has proposed a surveillance function to watch and report price-and-pay trends in the economy. This strikes me as an idea worthy of a trial. Because of our unsatisfactory recent experience, I do not fear it would be a way to slip back into a system of permanent pay and price controls.

6. Private sector responsibility

The private sector as well has an important role to play in the inflation fight. Business and labor must look to the elimination of depression-born restrictions on production and services, and find other solutions to matters in their control than passing them on to consumers in constantly higher prices. Critical to this issue, of course, is the improvement of productivity. It is true that, "Anything we can do, we can do better."

Banking and financial institutions clearly have their responsibility. In the conduct of our affairs, we must strike a balance between lively entrepreneurship and plain old-fashioned prudence. In the financial business, so affected with the public interest, sound management is more than ever a compelling imperative today.

7. International Monetary Reform

Reform of the international monetary system should encourage effective stabilization policies in individual countries through a set of arrangements with incentives and sanctions, i.e., carrots and sticks. It would appear that the choice between a par-value system with flexibility and a floating system with rules is not all that great. However, neither will work unless each country puts forth its best efforts to maintain the health of its own currency. International cooperation is clearly more than ever the sine qua non of living together on this terrestrial ball. I cite the commitment against the use of trade restrictions to cope with oil-cost damage to balance of payment equilibrium in many countries. I note as well the recent progress of the C–20 in Washington. Indispensable as it is, however, international cooperation must never become an escape mechanism from the rigors of doing what each of us knows must be done at home.

THE CHALLENGE

Inflation can be subdued. It does not have the sanction of history. It is not inevitable.

In these remarks I have sought to set forth what might be called a consensus program of action. Its demands on any one of us or any group to which we and other citizens belong are modest. Its cumulative effect, how ever, can be decisive. It means tempering our aspirations with that degree of moderation that alone can insure their satisfaction; it means according a prime place in our economic goals to the integrity of our money; it means embracing confident policies toward the future instead of the fear and restrictionism born of depression; it means some throttling back of the pressure of demand on resources until they expand; it means doing not only "our best," but what we know is required in fiscal and monetary policy; it means widening supply bottlenecks; it means building an interdependent international economy on the foundation of sturdy national economies.

Success in this grand enterprise rides with you and me as citizens of our countries. We must commit our influence, whatever it be, wherever we are—in the corporate board room, in the councils of labor, of agriculture, of the professions—to rally opinion to the fight. You and I know that when economics is really important, it becomes politics, so as citizens we must make it politically rewarding for public officials to give primacy to the inflation battle. It makes no sense to blame them for what you and I ask them to do for the fiscal constituencies of which we are a part. With our support, they can array public priorities and reach a sensible judgment for their achievement over time.

Without this commitment from you and me, the fight for an honest currency will be lost and the result will be economic frustration and social stress which can strain to the peril point the fabric of our common life. If that happens, the dire event will trace to a failure of nerve. But, with our commitment, I have no doubt that so honest a cause can prevail.

IMPOUNDMENT REPORT

Mr. HUMPHREY. Mr. President, the Office of Management and Budget has released its report on "Budgetary Reserves as of June 30, 1974." This is the last of the quarterly reports required by the Federal Impoundment and Information Act, as amended. A new series of impoundment reports will be required by the Congressional Budget and Impoundment Control Act of 1974, which was signed into law on July 12, 1974.

I have been concerned about effective reporting of impoundments for several years. I authored the Federal Impoundment and Information Act of 1972, and messages for proposed impoundments—ever since that time we have tried here in Congress to make those reports more comprehensive and more useful. A number of constructive changes were made in response to our recommendations. But the reports never lived up to what we felt was needed.

We are about to embark on a wholly new reporting procedure. Title X of the Congressional Budget and Impoundment Control Act requires two types of special one for rescissions and one for deferrals.

In the case of proposed rescissions, unless both Houses of Congress complete action on a "rescission bill" within 45 days, the budget authority must be made available for obligation. Thus, the President must receive the support of both Houses within a specified time period.

In the case of proposed deferrals, if either House passes an "impoundment resolution" disapproving the request, the budget authority must be made available for obligation. Under this procedure the burden is on one House to overturn a deferral request. The act also requires cumulative monthly reports of proposed rescissions, reservations, and deferrals.

On June 21, 1974, when the Senate acted on the conference version of the Congressional Budget and Impoundment Control Act, I engaged in an extensive colloquy with the senior Senator from North Carolina (Mr. ERVIN). That dialog spelled out in considerable detail our expectations with regard to future impoundment reports. In particular, the quality of reports for policy impoundments must be of the highest order, with special treatment and narrative in place of the generalized codes used in the quarterly impoundment reports. Policy proposals are to be highlighted and given individual attention, perhaps by being set aside in a separate section. This will enable a Member of Congress to focus his attention immediately on the significant actions.

Mr. President, I ask unanimous consent that this report be printed in the RECORD, along with the July 15 cover letter from OMB Director Ash to Vice President FORD.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., July 15, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The enclosed report is submitted pursuant to the Federal Impoundment and Information Act, as amended. In accordance with that Act, the report is being transmitted to the Congress and to the Comptroller General of the United States, and will be published in the Federal Register.

This is the final report under the Federal Impoundment and Information Act, which was repealed by the Congressional Budget and Impoundment Control Act of 1974. The reports required by the Congressional Budget and Impoundment Control Act will begin as soon as reporting procedures can be instituted.

Sincerely,

ROY L. ASH,
Director.

BUDGETARY RESERVES AS OF JUNE 30, 1974

THE APPORTIONMENT AND RESERVATION OF FUNDS PROCESS

The Antideficiency Act (31 U.S.C. 665) requires, with certain exceptions, that all appropriations, funds, and contract authority be apportioned so as to: prevent obligation of funds in a manner which would require deficiency or supplemental appropriations; achieve the most effective and economical use of amounts made available; provide for contingencies; and effect savings. The Act also requires that apportionments shall be reviewed at least four times each year, and it authorizes reapportionments and the establishment of reserves. The authority granted by this Act is exercised by the Director of the Office of Management and Budget under authority delegated by the President.

Apportionments specify the amounts that may be obligated during specific time periods, usually within the current fiscal year. In some cases, specific provisions of law provide that funds should be available over a period longer than one year. In cases where the amount of contract authority available a year in advance is specified by law, a distinction is made in the accompanying report (Attachment D) between the 1974 and 1975 programs.

The practice of withholding some amounts—"reserving" them—from apportionment, either temporarily or for longer periods, is one of long-standing and has been exercised by all recent administrations as a customary part of financial management. The Antideficiency Act authorizes the withholding of funds from apportionment to provide for contingencies or to effect savings made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which the funds were made available. When funds are, by law, made available beyond the current fiscal year, they are generally not fully apportioned in the current year. The unapportioned part is withheld to be released later for use in subsequent years, as required.

In some legislative and appropriation actions, the Congress has required the withholding of specified funds. For example, the 1973 Agriculture-Environmental and Consumer Protection Appropriation Act (Public Law 92-399) explicitly required that an amount be placed in reserve pending an administrative determination of need. In other cases, notably the 1975 Labor-HEW Appropriations Act (Public Law 93-192), Congress has authorized the withholding from obligation and expenditure of specified amounts or percentages of appropriated funds. A table showing the amounts withheld under Public Law 93-192 is Attachment A to this report. A similar withholding was authorized by the 93rd Congress in the Agriculture-Environmental and Consumer Protection Appropriation Act of 1974. The Act provided an indefinite authorization to make insured loans in the Rural Electrification and Telephone Revolving Fund as follows (dollars in millions):

	Not less than—	Not more than—
Electric loans	618	750
Telephone loans	140	200
Total	758	950

The 1974 authority to spend debt receipts to finance loan activity was apportioned at the $758 million level.

In yet another case, Congress has made funds available only upon the arrival of certain contingencies. The 1974 Supplemental Appropriations Act (Public Law 93-245 sets aside a contingency reserve for the Interior Department's Office of Oil and Gas which is to become available only upon enactment of emergency energy legislation.

These Congressional directives are, however, the exception rather than the rule. Most reserves are established at the initiative of the Executive Branch and are based on operational knowledge of the status of specific projects or activities. For example, when a particular objective can be accomplished at less cost than had been anticipated when the appropriation was made, a reserve assures that savings can be realized and, if appropriate, returned to the Treasury. In other cases, apportionments sometimes await (1) development by the affected agencies of approved plans and specifications, (2) completion of studies for the effective use of the funds, including necessary coordination with the other Federal and non-Federal parties that might be involved, (3) establishment of a necessary organization and designation of accountable officers to manage the programs, or (4) the arrival of certain contingencies under which the funds must by statute be made available (e.g., certain direct Federal credit aids when private sector loans are not available). From time to time, reserves are established for the purpose of conforming to the requirements of other laws.

An example is the Executive's responsibility to stay within the statutory limitation on the outstanding public debt.

Most, but not all, funds provided by the Congress are subject to the apportionment process. Subsection (f) of the Antideficiency Act authorizes a series of exemptions. Temporary continuing appropriations are exempt from the apportionment process (Public Law 93-52, as amended, Section 103). Appropriations provided under such temporary continuing appropriation acts are usually indefinite in amount. In addition, some laws establish funding arrangements which are either outside the apportionment process or require Executive determinations before they become subject to apportionment. The Federal Water Pollution Control Act of 1972 (Public Law 92-500), for example, vests discretion in the Administrator of the Environmental Protection Agency to allot less than the maximum amounts authorized by the Act*. Under the provisions of the Act, authority to make contracts does not exist until the allotment is made. Consequently, fund availability (budget authority) exists only when allotments are made and only allotted funds move through the apportionment process. At this date, funds authorized by the Federal Water Pollution Control Act have been allotted on the following basis (dollars in billions):

	Authorized	Allotted	Unallotted
Fiscal year—			
1973	5	2	3
1974	6	3	3
1975	7	4	3

Funding of certain housing programs of the Department of Housing and Urban Development (HUD) presents a unique situation with respect to the apportionment process. For five housing programs, the Congress provides commitment authority that allows the Secretary of HUD to sign long-term contracts requiring annual payments to specific housing units. The commitment authority is not subject to the apportionment (and thus the reserve) process since it does not represent obligational authority of a given year. Rather, it represents an authorization to enter into contracts which will result in a requirement for obligational authority (payments) in each of the years covered by the contract. Current plans anticipate that the commitments for annual payments will be some $299 million under the level made available by the Congress for four of these programs. If used, the $299 million of authority could result in outlays of up to $10 billion over the life of the contracts. As the payments under the contracts come due, they are met by annual appropriations (provided under the account "Housing payments" which also covers low-rent public housing). Thus, funds are only required to meet annual payments under the contracts. They are not required at the time the contracts are signed and are made available only when actually appropriated. Since reserves are established only on the basis of fund availability and since funds appropriated for this program are needed for making payments at an early date, no reserves have been established for the subsidized housing programs.

The amount of funds apportioned or held in reserve at any one time is heavily dependent upon events both preceding and following initial apportionment actions. Key among the predecessor events is the passage of the annual appropriation bills. Apportionments for most Federal programs are made within 30 days of enactment of the appropriation bills. The earlier in the fiscal year these apportionments occur, the greater is the chance that reserves will accompany them. Early in the fiscal year, program and project plans are incomplete and allowances need to be made for contingencies which may occur later in the year. As administrative plans are completed and other events occur during the year, the need for reserving funds diminishes. Thus, for any one fiscal year, the amount in reserve is relatively low at the beginning of the year (reflecting primarily multi-year funds), peaks 30 days after passage of most of the appropriation bills, and then steadily diminishes as the end of the fiscal year approaches.

RESERVES AS OF JUNE 30, 1974

Since the report on Budgetary Reserves as of April 20, 1974, total funds in reserve for the 1974 program have decreased $29 billion to a new total of $75 billion. This reduction is primarily accounted for by the release of reserves in three areas: Emergency security assistance for Israel ($2.2 billion); Rural water and waste disposal grants under the Farmers Home Administration, Department of Agriculture ($.1 billion); and the Federal-aid highways/1974 program of the Department of Transportation ($.5 billion). The balance of the reduction in 1974 program reserves results from releases made to meet end-of-year funding requirements in many programs.

The $7.5 billion remaining in reserve in the 1974 program as of June 30, 1974, largely represents the reservation of obligational authority that has been made available beyond 1974. These reserves have been maintained through June 30 to ensure fund availability in 1975 and subsequent fiscal years. All but $2 billion of the total is in three departments, Agriculture ($1 billion), Defense ($1.6 billion), and Transportation ($3.3 billion).

All of the $6.3 billion in reserve for 1975 is in the Federal-aid highways account and other highway programs.

REPORT REQUIRED BY LAW

This report is submitted in fulfillment of the requirements of the Federal Impoundment and Information Act, as amended, which provides for a report of "impoundments" and certain other information pertaining thereto. This report lists the budgetary reserves that were in effect as of June 30, 1974. The Congressional Budget and Impoundment Control Act of 1974 will, when enacted, bring an end to this series of reports and begin a new series.

The new Act will repeal the current reporting requirements under the Federal Impoundment and Information Act and substitute new reporting provisions.

The Antideficiency Act requires that all apportionments be reviewed at least quarterly, and that reapportionments be made or reserves be established, modified, or released as may be necessary to further the effective use of the funds concerned. Thus, in answer to item Number 5 of the Federal Impoundment and Information Act, the period of time during which funds are to be in reserve is dependent in all cases upon the results of such later review.

Attachment D lists, by agency, all accounts for which some funds are reserved. An asterisk (*) identifies those accounts added to the listing since the last report (i.e., such accounts contained no reserves on April 20, 1974). The listing:

Presents the amount currently apportioned for the fiscal year 1974;

Presents the amount in reserve as of June 30, 1974;

States whether the amount reserved will be legally available for obligation in fiscal year 1975;

Indicates the date of the reserve action and the effective date of the current reserve;

Presents a code which relates to the reason for the current reserve action, without necessarily exhausting all possible reasons; and

Presents a code which indicates the estimated fiscal, economic, and budgetary impact of the current reserve.

Codes used in the remainder of this report relating to the reasons for and estimated fiscal, economic, and budgetary impact of the reserve actions are described in Attachments B and C. The codes and footnotes listed for each entry relate to conditions which were in effect as of the date of the reserve action.

ATTACHMENT A

THE 1974 LABOR/HEW APPROPRIATIONS—FUNDS WITHHELD FROM OBLIGATION AND EXPENDITURE

The 1974 appropriations act for the Departments of Labor, and Health, Education, and Welfare, and related agencies (P.L. 93–192) contains the provision that "not to exceed $400 million, . . . may be withheld from obligation and expenditure. . . ." The appropriation language also specifies that no individual appropriation provision may be reduced by more than five percent. In addition, the conference report (H.R. 93–682) establishes dollar limitations for the reductions that may be made to specified programs.

The following table shows the effect of the amounts withheld from programs receiving appropriations under this act. A comparison is drawn between amounts authorized to be withheld in the conference report and actual amounts withheld.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

[In thousands of dollars]

	Authorized to be withheld (conference report)	Amounts withheld (1975 budget)	Difference
Health:			
Health Services and Mental Health Administration:			
Mental health	26, 874	9, 567	−17, 307
Health services planning and development [1]	17, 509	25, 937	−16, 649
Health services delivery [1]	2, 800		
Health manpower [1]	22, 277		
Preventive health services	4, 936	0	−4, 936
Subtotal	(74, 396)	(35, 504)	(−38, 892)
National Institutes of Health:			
National Cancer Institute	27, 560	23, 706	−3, 854
National Heart and Lung Institute	15, 145	13, 365	−1, 780
National Institute of Dental Research	2, 278	1, 607	−671
National Institute of Arthritis, Metabolism and Digestive Diseases	7, 972	5, 886	−2, 086
National Institute of Neurological Diseases and Stroke	6, 250	3, 642	−2, 608
National Institute of Allergy and Infectious Diseases	5, 700	2, 911	−2, 789
National Institute of General Medical Sciences	8, 838	8, 449	−389
National Institute of Child Health and Human Development	6, 512	4, 799	−1, 713
National Eye Institute	2, 081	454	−1, 627
National Institute of Environmental Health Sciences	1, 443	482	−961
Research resources	6, 672	4, 046	−2, 626
John E. Fogarty International Center	237	0	−237
National Library of Medicine	877	0	−877
Subtotal	(91, 565)	(69, 347)	(−22, 218)
Total, health	165, 961	104, 851	−61, 110

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

[In thousands of dollars]

	Authorized to be withheld (conference report)	Amounts withheld (1975 budget)	Difference
Education:			
Office of Education:			
Elementary and secondary education	96, 725	94, 979	−1, 746
School assistance in federally affected areas	16, 584	16, 584	0
Education for the handicapped	5, 325	5, 325	0
Occupational, vocational, and adult education	26, 354	26, 354	0
Higher education	29, 167	29, 167	0
Library resources	8, 585	6, 261	−2, 324
Educational development	4, 487	4, 487	0
Salaries and expenses	93	93	0
Total, education	187, 320	183, 250	−4, 070
Welfare:			
Social and Rehabilitation Service:			
Grants to States for public assistance	2, 500	2, 500	0
Social and rehabilitation services	7, 775	7, 775	0
Subtotal	(10, 275)	(10, 275)	(0)
Office of Child Development: Child development	15, 500	9, 020	−6, 480
Subtotal	(15, 500)	(9, 020)	(−6, 480)
Total, welfare	25, 775	19, 295	−6, 480
RELATED AGENCIES			
Corporation for Public Broadcasting	2, 500	[2] 2, 250	−250
Office of Economic Opportunity	17, 315	[3] 9, 800	−7, 515
Total, related agencies	18, 815	12, 050	−7, 765
Total, HEW and related agencies	398, 871	319, 446	−79, 425

[1] The 1974 activities of these programs are divided between Health Services Administration and health resources in the 1975 budget appendix.

[2] This withholding does not appear in the 1975 budget appendix.

[3] In the 1975 budget appendix, this figure is shown as an unobligated balance lapsing.

ATTACHMENT B

REASON FOR CURRENT RESERVE

Code

1—"To provide for contingencies" (31 USC 665(c)(2)).

2—"To effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such (funds were) made available" (31 USC 665(c)(2)).

3—To reduce the amount of or to avoid requesting a deficiency or supplemental appropriation in cases of appropriations available for obligation for only the current year (31 USC 665(c)(1)). This explanation includes amounts anticipated to be used to absorb or partially absorb the costs of recent pay raises grant pursuant to law.

4—"To achieve the most effective and economical use" of funds available for periods beyond the currrent fiscal year (31 USC 665 (c)(1)). This explanation includes reserves established to carry out the Congressional intent that funds provided for periods greater that one year should be so apportioned that they will be available for the future periods.

5—Temporary deferral pending the establishment of administrative machinery (not yet in place) or the obtaining of sufficient information (not yet available) to apportion the funds properly and to insure that the funds will be used in "the most effective and economical" manner (31 USC 665(c)(1)). This explanation includes reserves for which apportionment awaits the development by the agency of approved plans, designs, specifications.

6—The President's constitutional duty to "take care that the laws be faithfully executed" (U.S. Constitution, Article II, Section 3):

6a—"Obligation at this time of the amount in reserve is likely to contravene law regarding the environment; or the amount in reserve is being held pending further study to evaluate the environmental impact of the affected projects (activities) as required by law.

6b—"Existing tax laws and the statutory limitation on the national debt are not expected to provide sufficient funds in the current and ensuing fiscal years to cover the total of all outlays in these years contemplated by the individual acts of Congress.

6c—"Action taken consistent with the President's responsibility to help maintain economic stability without undue price and cost increases.

6d—"Amount apportioned reflects the level of obligations implicitly approved by the Congress in its review of and action on the appropriation required to liquidate obligations under existing contract authority.

6e—"Other." See footnote for each item so coded.

7—The President's constitutional authority and responsibility as Commander in Chief (U.S. Constitution, Article II, Section 2).

8—The President's constitutional authority and responsibility for the conduct of foreign affairs (U.S. Constitution, Article II, Section 2).

9—Other. See footnote for each item so coded.

10—Not applicable or no reason required. (In most cases where a previous reserve has been apportioned in its entirety.)

ESTIMATED FISCAL, ECONOMIC, AND BUDGETARY EFFECT

I. Same effect as set forth in the most recently submitted budget document, of which this item is an integral part.

II. The reserve action will bring the budgetary impact of this program to a level nearer or equal to that contemplated in the most recently submitted budget document and contribute to the reduction of inflationary pressures.

III. The change from the previous reserve is expected to contract the budgetary impact of this program and contribute to the reduction of inflationary pressures.

IV. The release or reduction of the previous reserve will facilitate use and expenditure of the available funds consistent with current program needs and economic conditions in the area affected.

V. Other. See footnote for each item so coded.

VI. Not applicable or no explanation required. (In most cases where a previous reserve has been apportioned in its entirety.)

ATTACHMENT D

SUMMARY OF BUDGETARY RESERVES [1]

[In millions of dollars]

Agency	Amounts as of—				
	June 30, 1973	Sept. 30, 1973	Feb. 4, 1974	Apr. 20, 1974	June 30, 1974
1974 PROGRAM					
Executive Office of the President	2		1	1	
Funds Appropriated to the President	126	96	2, 507	2, 398	60
Department of Agriculture	1, 316	1, 173	1, 091	1, 080	957
Department of Commerce	140	63	59	53	47
Department of Defense—Military	1, 618	1, 143	2, 514	1, 686	1, 566
Department of Defense—Civil	33	1	4	5	5
Department of Health, Education, and Welfare	21	23	381	379	329
Department of Housing and Urban Development	460	456	823	467	467
Department of the Interior	478	162	219	202	206
Department of Justice	36	14	14	14	14
Department of Labor			21	21	157
Department of State	6		86	50	50
Department of Transportation	2, 885	3, 838	3, 817	3, 761	3, 341
Department of Treasury	22	22	23	23	22
Atomic Energy Commission	118	27			
Environmental Protection Agency			95	88	87
General Services Administration	262	258	38	38	38
National Aeronautics and Space Administration	2	2	2		
Veterans Administration	44	43			
Other Independent Agencies:					
National Science Foundation	62	4			
Small Business Administration	50	31	31	31	31
All Other	51	90	89	89	110
Total	7, 732	7, 446	11, 813	10, 384	7, 486
1975 PROGRAM					
Department of Agriculture			140	140	140
Department of the Interior		75	190	190	190
Department of Transportation			5, 994	5, 995	5, 994
Total		75	6, 324	6, 325	6, 324

[1] Details may not add due to rounding.

BUDGETARY RESERVES—Continued

[Dollar amounts in thousands]

[General notes: Amounts in parenthesis () indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated *
Executive Office of the President/Funds appropriated to the President:							
Appalachian Regional Commission: Appalachian regional development programs	(209, 000)	(225, 000)	Yes	June 29, 1973	July 1, 1973	5, 6c	I
	(320, 395)	(40, 000)	Yes	Sept. 12, 1973	Sept. 12, 1973	5, 6c	I
	325, 747	40, 000	Yes	Oct. 23, 1973	Oct. 23, 1973	5, 6c	I
Agency for International Development: Prototype desalting plant	( )	(20, 000)	Yes	Apr. 7, 1972	July. 1, 1973	5	I
	([1])	20, 000	Yes	Jan. 29, 1974	Jan. 29, 1974	5	I
Foreign Military Credit Sales	(78, 940)	(246, 060)	No	Jan. 23, 1974	Jan. 23, 1974	5	I
	(128, 940)	(196, 060)	No	Feb. 25, 1974	Feb. 25, 1974	5	I
	(150, 190)	(174, 810)	No	Mar. 18, 1974	Mar. 18, 1974	5	I
	(169, 890)	(155, 110)	No	Mar. 25, 1974	Mar. 25, 1974	5	I
	(181, 990)	(143, 010)	No	May 1, 1974	May 1, 1974	5	I
	(238, 240)	(86, 760)	No	May 13, 1974	May 13, 1974	5	I
	(240, 740)	(84, 260)	No	May 21, 1974	May 21, 1974	5	I
	(266, 690)	(58, 310)	No	May 24, 1974	May 24, 1974	5	I
	(300, 115)	(24, 885)	No	June 10, 1974	June 10, 1974	5	I
	(314, 615)	(10, 385)	No	June 13, 1974	June 13, 1974	5	I
	(322, 115)	(2, 885)	No	June 17, 1974	June 17, 1974	5	I
	325, 000		Not available	June 28, 1974	June 28, 1974	10	VI
Emergency Security Assistance for Israel	( )	[2] (2, 200, 000)	No	Feb. 1, 1974	Feb. 1, 1974	5	I
	(17, 336)	(2, 182, 664)	No	Feb. 28, 1974	Feb. 27, 1974	5	I
	2, 200, 000		Not available	Apr. 25, 1974	Apr. 25, 1974	10	VI
Council on Environmental Quality and Office of Environmental Quality	(1, 930)	(536)	No	Nov. 7, 1973	Nov. 7, 1973	5	I
	(1, 980)	(486)	No	Mar. 12, 1974	Mar. 12, 1974	5	I
	2, 466		Not available	May 24, 1974	May 24, 1974	10	VI
Special Action Office for Drug Abuse Prevention:							
Salaries and expenses	(3, 800)	(1, 200)	No	Dec. 26, 1973	Dec. 26, 1974	5	I
	5, 000		Not available	Jan. 11, 1974	Jan. 11, 1974	10	VI
Pharmacological research	(400)	(19, 600)	No	Dec. 26, 1973	Dec. 26, 1973	5	I
	20, 000		Not available	Jan. 11, 1974	Jan. 11, 1974	10	VI
Special fund	(1, 300)	(24, 700)	No	Dec. 26, 1973	Dec. 26, 1973	5	I
	26, 000		Not available	Jan. 11, 1974	Jan. 11, 1974	10	VI
National Security Council	(2, 502)	(300)	No	Nov. 16, 1973	Nov. 16, 1973	5	I
	2, 532	270	No	May 9, 1974	May 9, 1974	5	I
The Inter-American Foundation: Inter-American Foundation	(5, 000)	(35, 652)	Yes	June 12, 1973	July 1, 1973	4	V[3]
	(5, 000)	(35, 735)	Yes	Dec. 4, 1973	Dec. 4, 1973	4	I
	10, 000	([4])	Not available	Jan. 28, 1974	Jan. 28, 1974	10	VI[4]
Department of Agriculture:							
Agriculture Research Service: Construction	( )	(1, 520)	Yes	June 29, 1973	July 1, 1973	4, 6b	I
	3, 786	770	Yes	June 27, 1974	June 27, 1974	4, 6b	IV
Animal and Plant Health Inspection Service:							
Animal and Plant Health Inspection Service	(317, 083)	(878)	No	Nov. 23, 1973	Nov. 23, 1973	1	I
	(317, 583)	(378)	No	Feb. 8, 1974	Feb. 8, 1974	1	I
	321, 673	378	No	Apr. 23, 1974	Apr. 23, 1974	1	I
Animal Quarantine Station	130	64	Yes	Nov. 23, 1973	Nov. 23, 1973	5	I
Extension Service: Extension Service	(201, 429)	(3, 200)	No	Nov. 23, 1973	Nov. 23, 1973	2	I
	201, 737	2, 892	No	June 10, 1974	June 10, 1974	2	I
Foreign Agricultural Service: Salaries and Expenses, Special Foreign Currency Program.	1, 000	1, 240	Yes	May 23, 1973	July 1, 1973	4	I
Agricultural Stabilization and Conservation Service:							
Salaries and expenses	(256, 626)	(2, 619)	No	Nov. 23, 1973	Nov. 23, 1973	1	I
	256, 443	2, 802	No	Jan. 21, 1974	Jan. 21, 1974	2	I
Rural Environmental Assistance Program/1973–74	( )	(210, 500)	No [5]	Jan. 26, 1973	July 1, 1973	6b	I
	[6] 210, 500		Not available	Apr. 1, 1974	Apr. 1, 1974	10	VI
Rural Environmental Assistance Program/1974–75	90, 000	85, 000	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Emergency Conservation Measures	20, 453	10, 000	Yes	Nov. 23, 1973	Nov. 23, 1973	1	I
Water Bank Act Program	( )	(11, 391)	Yes	Jan. 26, 1973	July 1, 1973	6b	I
	10, 006	11, 645	Yes	Nov. 23, 1973	Nov. 23, 1973	6b	I
Cropland Adjustment Program	(50, 300)	(1, 600)	No	Nov. 23, 1973	Nov. 23, 1973	2	I
	51, 900		Not available	June 10, 1974	June 10, 1974	10	VI
Commodity Credit Corporation: Administrative Expenses	( )	(497)	No	Nov. 23, 1973	Nov. 23, 1973	1	I
	[7] 39, 631	269	No	Dec. 21, 1973	Dec. 21, 1973	1	III
Rural Electrification Administration: Loans	( )	(456, 103)	Yes	Jan. 26, 1973	July 1, 1973	2, 6b, 6c	I
	594	455, 635	Yes	Feb. 21, 1974	Feb. 21, 1974	2, 6b, 6c	V[8]
Farmers Home Administration:							
Rural Water and Waste Disposal Grants	( )	(120, 000)	Yes	Jan. 26, 1973	July 1, 1973	6b, 6c	I
	( )	(150, 304)	Yes	Nov. 23, 1973	Nov. 23, 1973	6b, 6c	I
	(30, 000)	(120, 304)	Yes	Dec. 28, 1973	Dec. 28, 1973	6b, 6c	I
	150, 304		Not available	June 7, 1974	June 7, 1974	10	VI
Rural Housing for Domestic Farm Labor Grants	( )	(1, 621)	Yes	Jan. 31, 1973	July 1, 1973	5, 6b	I
	(750)	(1, 831)	Yes	Sept. 10, 1973	Sept. 10, 1973	5, 6b	V[9]
	(1, 000)	(9, 081)	Yes	Nov. 23, 1973	Nov. 23, 1973	5, 6b	I
	10, 081		Not available	Feb. 14, 1974	Feb. 14, 1974	10	VI
Mutual and Self-Help Housing Grants	( )	(832)	Yes	Sept. 22, 1972	July 1, 1973	4	I
	(700)	(133)	Yes	Aug. 22, 1973	Aug. 22, 1973	4	I
	3, 832	1, 001	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Rural Housing Insurance Fund	( )	(133, 000)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	[10] 1, 435, 035		Not available	Sept. 12, 1973	Sept. 12, 1973	10	VI
Soil Conservation Service:							
Resource Conservation and Development	24, 189	4, 439	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Watershed Planning	13, 268	535	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
River Basin Surveys and Investigations	16, 587	60	Yes	Nov. 23, 1973	Nov. 23, 2973	4	I
Watershed and Flood Prevention Operations	169, 448	17, 454	Yes	Nov. 23, 1973	Nov. 23, 1973	4	I
Agricultural Marketing Service:							
Marketing Services, no-year	(1, 422)	(818)	Yes	June 11, 1973	July 1, 1973	4	I
	(1, 812)	(818)	Yes	Sept. 26, 1973	Sept. 26, 1974	4	I
	1, 812	1, 101	Yes	Jan. 22, 1974	Jan. 22, 1974	4	I
Perishable Agricultural Commodities Act Fund	(1, 416)	(58)	Yes	June 11, 1973	July 1, 1973	4	I
	1, 460	270	Yes	Dec. 26, 1973	Dec. 26, 1973	4	I
Forest Service:							
Forest Protection and Utilization	(3, 791)	(2, 128)	Yes	Nov. 2, 1973	Nov. 2, 1973	4	I
	3, 846	2, 073	Yes	Jan. 2, 1974	Jan. 2, 1974	4	I
Construction and Land Acquisition	(52, 196)	(1, 315)	Yes	Nov. 2, 1973	Nov. 2, 1973	5	I
	53, 511		Not available	Apr. 15, 1974	Apr. 15, 1974	10	VI
Youth Conservation Corps	(6, 693)	(3, 307)	Yes	Nov. 9, 1973	Nov. 9, 1973	4	I
	6, 893	[11] 3, 107	Yes	Jan. 11, 1974	Jan. 11, 1974	4	I
Forest Roads and Trails and Roads and Trails for States/1974 Program	( )	(278, 398)	Yes	Mar. 28, 1973	July 1, 1973	4, 6b, 6d	I
	(117, 164)	(208, 934)	Yes	July 16, 1973	July 16, 1973	4, 6d [12]	I
	(123, 558)	(342, 894)	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 6d	I
	131, 815	334, 637	Yes [13]	Jan. 23, 1974	Jan. 23, 1974	4, 6d	I

See footnotes at end of table.

BUDGETARY RESERVES —Continued

[Dollar amounts in thousands]

[General notes: Amounts in parenthesis () indicate actons superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated *
Forest Roads and Trails and Roads and Trails for States/1975 Program.		140,000	Yes	Nov. 02, 1973	Nov. 2, 1973	4, 6d	I
Brush Disposal	(18,657)	(26,601)	Yes	June 8, 1973	July 1, 1973	5	I
	25,000	21,554	Yes	Nov. 2, 1973	Nov. 2, 1973	4	V[14]
Forest Fire Prevention	275	109	Yes	June 8, 1973	July 1, 1973	4	I
Department of Commerce:							
General Administration: Special Foreign Currency Program	1,885	1,055	Yes	Dec. 21, 1973	Dec. 21, 1973	2	II
Office of Assistant Secretary for Science and Technology: Scientific and Technical Research and Services.	(131,485)	(11,934)	Yes	Dec. 27, 1973	Dec. 27, 1973	5	I
	136,823	6,796	Yes	Feb. 15, 1974	Feb. 15, 1974	5	I
Social and Economic Statistics Administration: 1974 Census of Agriculture	(......)	(1,360)	Yes	Nov. 24, 1972	July 1, 1973	2, 4	I
	1,360		Not available	Sept. 12, 1973	Sept. 12, 1973	10	VI
Domestic and International Business:							
Financial and Technical Assistance, Trade Adjustment Assistance	15,000	11,780	Yes	Dec. 21, 1973	Dec. 21, 1973	2	I
International Activities, Inter-American Cultural and Trade Center	(292)	(5,067)	Yes	June 26, 1973	July 1, 1973	4, 5	I
	322	5,051	Yes	Apr. 16, 1974	Apr. 16, 1974	4, 5	I
Participation in United States Expositions (Spokane Ecological Exhibition)	(7,575)	[15] (1,105)	Yes	Oct. 5, 1973	Oct. 5, 1973	4, 5	I
	8,677		Not available	Apr. 10, 1974	Apr. 10, 1974	10	VI
Office of Minority Business: Minority Business Development, no-year	(......)	(16,768)	Yes	Jan. 26, 1973	July 1, 1973	4, 6b	I
	(9,080)	(14,330)	Yes	July 24, 1973	July 24, 1973	5	I
	26,752		Not available	Oct. 16, 1973	Oct. 16, 1973	10	VI
National Oceanic and Atmospheric Administration:							
Operations, Research and Facilities [16]	(......)	(31,005)	Yes	June 28, 1973	July 1, 1973	2, 4, 6b	I
	(29,868)	(2,392)	Yes	July 19, 1973	July 19, 1973	2, 4, 6b	I
	(30,082)	(2,178)	Yes	Sept. 26, 1973	Sept. 26, 1973	2, 4	I
	(406,694)	(2,178)	Yes	Dec. 27, 1973	Dec. 27, 1973	3	I
	(416,981)	(2,178)	Yes	Jan. 16, 1974	Jan. 16, 1974	3[17]	I
	(423,166)	(2,178)	Yes	Apr. 30, 1974	Apr. 30, 1974	3	I
	437,799		Not available	June 25, 1974	June 25, 1974	10	VI
Satellite Operations [18]	(......)	(727)	Yes	June 28, 1973	July 1, 1973	5	I
	727		Not available	Dec. 27, 9713	Dec. 27, 1973	10	VI
Promote and Develop Fishery Products and Research Pertaining to American Fisheries.	(7,191)	(3,159)	Yes	Mar. 29, 1973	July 1, 1973	4, 5, 6a	I
	(7,336)	(3,111)	Yes	July 26, 1973	July 26, 1973	4, 5, 6a	I
	7,450	3,027	Yes	Dec. 21, 1973	Dec. 21, 1973	4, 5, 6a	I
Coastal Zone Management	(5,200)	(6,800)	Yes	Dec. 21, 1973	Dec. 21, 1973	4	I
	(8,000)	(4,000)	Yes	May 24, 1974	May 24, 1974	4	I
	8,825	3,175	Yes	June 25, 1974	June 25, 1974	4	I
National Bureau of Standards:							
Plant and Facilities		1,850	Yes	Nov. 24, 1972	July 1, 1973	2, 4, 6b	I
Research and Technical Services, no-year		3,812	Yes	May 7, 1973	July 1, 1973	5, 6b	I
Construction of Facilities	(......)	(740)	Yes	Jan. 26, 1973	July 1, 1973	4, 6b	I
	539	231	Yes	Dec. 21, 1973	Dec. 21, 1973	1	I
Maritime Administration:							
Ship construction	(......)	(34,000)	Yes	June 29, 1973	July 1, 1973	4	III
	(9,137)	(24,863)	Yes	July 27, 1973	July 27, 1973	4	IV
	304,953	5,500	Yes	Dec. 21, 1973	Dec. 21, 1973	2	II
Research and Development		5,000	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
State Marine Schools		127	Yes	Nov. 24, 1972	July 1, 1973	4	I
Federal Ship Financing Fund	(2,582)	(1,446)	Yes	June 27, 1973	July 1, 1973	5	I
	4,028		Not available	Oct. 11, 1973	Oct. 11, 1973	10	VI
Department of Defense—Military:							
Procurement:							
Missile Procurement, Army, 1973-75	(......)	(2,500)	Yes	Feb. 5, 1973	July 1, 1973	4	I
	163,382		Not available	Sept. 11, 1973	Sept. 11, 1973	10	VI
Procurement of Aircraft and Missiles, Navy, 1973-75	(......)	(13,281)	Yes	June 29, 1973	July 1, 1973	5	I
	(946,747)	(13,281)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	878,276		Not available	Jan. 28, 1974	Jan. 28, 1974	10	VI
Aircraft Procurement, Air Force, 1972-74	(415,551)	(143,492)	No	Sept. 7, 1973	Sept. 7, 1973	5	I
	368,478		Not available	Nov. 1, 1973	Nov. 1, 1973	10	VI
Aircraft Procurement, Air Force, 1973-75	(1,076,916)	(167,556)	Yes	Sept. 7, 1973	Sept. 7, 1973	5	I
	1,224,500		Not available	Nov. 1, 1973	Nov. 1, 1973	10	VI
Shipbuilding and Conversion, Navy, 1971-75	(......)	(145,672)	Yes	Nov. 24, 1972	July 1, 1973	4	I
	892,655		Not available	Sept. 11, 1973	Sept. 11, 1973	10	VI
Shipbuilding and Conversion, Nevy, 1972-76	(......)	(427,212)	Yes	Nov. 26, 1972	July 1, 1973	4	I
	738,000	148,081	Yes	Sept. 11, 1973	Sept. 11, 1973	4	I
Shipbuilding and Conversion, Navy, 1973-77	(......)	(763,300)	Yes	June 29, 1973	July 1, 1973	4	I
	922,000	408,532	Yes	Sept. 11, 1973	Sept. 11, 1973	4	I
Shipbuilding and Conversion, Navy, 1974-78	2,731,300	826,00C	Yes	Jan. 48. 1974	Jan. 28, 1974	4	I
Military Construction:							
Military Construction, Army	(......)	(70,304)	Yes	June 27, 1973	July 01, 1973	5	I
	(648,440)	(90,954)	Yes	Aug. 16, 1973	Aug. 16, 1973	5	I
	(648,020)	(95,488)	Yes	Dec. 27, 1973	Dec. 27, 1973	5	I
	(762,670)	(558,958)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	(1,184,957)	(138,956)	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
	(1,203,724)	(124,579)	Yes	Mar. 22, 1974	Mar. 22, 1974	5	I
	1,265,561	62,742	Yes	May 07, 1974	May 07, 1974	5	I
Military Construction, Navy	(......)	(68,133)	Yes	June 27, 1973	July 01, 1973	5	I
	(385,805)	(65,858)	Yes	Aug. 14, 1973	Aug. 14, 1973	5	I
	(334,948)	(64,674)	Yes	Oct. 11, 1973	Oct. 11, 1973	5	I
	(336,468)	(64,754)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(336,848)	(64,774)	Yes	Nov. 14, 1973	Nov. 14, 1973	5	I
	(338,174)	(64,439)	Yes	Dec. 17, 1973	Dec. 17, 1973	5	I
	(412,974)	(598,931)	Yes	Jan. 09, 1974	Jan. 09, 1974	5	I
	(650,758)	(363,047)	Yes	Feb. 15, 1974	Feb. 15, 1974	5	I
	(939,681)	(74,124)	Yes	Mar. 07, 1974	Mar. 07, 1974	5	I
	947,813	65,992	Yes	May 10, 1974	May 10, 1974	5	I
Military Construction, Air Force	(......)	(51,607)	Yes	June 27, 1973	July 1, 1973	5	I
	(130,860)	(49,773)	Yes	July 20, 1973	July 20, 1973	5	I
	(141,224)	(39,409)	Yes	Aug. 14, 1973	Aug. 14, 1973	5	I
	(160,501)	(39,409)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(171,972)	(29,937)	Yes	Jan. 7, 1974	Jan. 7, 1974	5	I
	(218,426)	(232,760)	Yes	Jan. 17, 1974	Jan. 17, 1974	5	I
	(402,711)	(48,475)	Yes	Feb. 13, 1974	Feb. 13, 1974	5	I
	(431,445)	(19,741)	Yes	Mar. 19, 1974	Mar. 19, 1974	5	I
	(433,974)	(17,213)	Yes	May 10, 1974	May 10, 1974	5	I
	(451,037)	(149)	Yes	May 31, 1974	May 31, 1974	5	I
	459,303	149	Yes	June 3, 1974	June 3, 1974	5	I

Footnotes at end of table.

BUDGETARY RESERVES—Continued

[Dollar amounts in thousands]

[General notes: Amounts in parenthesis () indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated *
Military Construction, Defense Agencies	(..........)	(58, 415)	Yes	Feb. 15, 1973	July 1, 1973	5	I
	(8, 000)	(58, 215)	Yes	Aug. 23, 1973	Aug. 23, 1973	5	I
	(8, 957)	(56, 615)	Yes	Oct. 16, 1973	Oct. 16, 1973	5	I
	(10, 277)	(54, 895)	Yes	Nov. 14, 1973	Nov. 14, 1973	5	I
	(10, 277)	(53, 904)	Yes	Dec. 17, 1973	Dec 17, 1973	5	I
	(15, 133)	(49, 048)	Yes	Jan. 9, 1974	Jan. 9, 1974	5	I
	(15, 133)	(46, 763)	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
	31, 683	28, 313	Yes	Feb. 15, 1974	Feb. 15, 1974	5	I
Military Construction, Army National Guard	(..........)	(102)	Yes	June 14, 1973	July 1, 1973	5	I
	(3, 051)	(..........)	Not available	Aug. 16, 1973	Aug. 16, 1973	10	VI
	(8, 943)	(29, 300)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	(29, 903)	(8, 340)	Yes	Mar. 7, 1974	Mar. 7, 1974	5	I
	(35, 753)	(2, 490)	Yes	May 28, 1974	May 28, 1974	5	I
	(37, 969)	(274)	Yes	June 18, 1974	June 18, 1974	5	I
	38, 068	175	Yes	June 26, 1974	June 26, 1974	5	I
Military Construction, Air National Guard	(..........)	(17)	Yes	May 29, 1973	July 1, 1973	5	I
	(5, 256)	(17)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	(5, 273)	(..........)	Yes	Oct. 23, 1973	Oct. 23, 1973	10	VI
	(9, 273)	(16, 000)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	(17, 514)	(7, 579)	Yes	Feb. 11, 1974	Feb. 11, 1974	5	I
	25, 273		Not available	May 14, 1974	May 14, 1974	10	VI
Military Construction, Army Reserve	(..........)	(7, 109)	Yes	Mar. 8, 1973	July 1, 1973	5	I
	(25, 423)	(7, 109)	Yes	Sept. 10, 1973	Sept. 10, 1973	5	I
	(29, 909)	(2, 623)	Yes	Nov. 8, 1973	Nov. 8, 1973	5	I
	(34, 709)	(38, 523)	Yes	Jan 18, 1974	Jan. 18, 1974	5	I
	(57, 320)	(15, 912)	Yes	Mar. 18, 1974	Mar. 18, 1974	5	I
	(64, 610)	(8, 622)	Yes	June 18, 1974	June 18, 1974	5	I
	69, 553	3, 679	Yes	June 26, 1974	June 26, 1974	5	I
Military Construction, Naval Reserve	(..........)	(3, 943)	Yes	May 3, 1973	July 1, 1973	5	I
	(17, 640)	(1, 842)	Yes	Aug. 8, 1973	Aug. 8, 1973	5	I
	(18, 657)	(915)	Yes	Nov. 8, 1973	Nov. 8, 1973	5	I
	(20, 099)	(22, 373)	Yes	Jan. 14, 1974	Jan. 14, 1974	5	I
	24, 469	18, 003	Yes	Mar. 14, 1974	Mar. 14, 1974	5	I
Military Construction, Air Force Reserve	(..........)	(850)	Yes	June 20, 1973	July 1, 1973	5	I
	(2, 415)	(850)	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
	(2, 444)	(821)	Yes	Oct. 23, 1973	Oct. 23, 1973	5	I
	(3, 444)	(9, 821)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	(10, 089)	(3, 176)	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
	(10, 858)	(2, 407)	Yes	Mar. 29, 1974	Mar. 29, 1974	5	I
	12, 208	1, 057	Yes	June 18, 1974	June 18, 1974	5	I
Defense Civil Preparedness Agency:							
Research, Shelter Survey and Marketing	(24, 617)	(1, 110)	Yes	Nov. 27, 1973	Nov. 27, 1973	5	I
	25, 717		Not available	June 14, 1974	June 14, 1974	10	VI
Special Foreign Currency Program:							
Special Foreign Currency Program, Defense, 1972–74	(..........)	(2, 477)	No	Dec. 18, 1972	July 1, 1973	5	I
	3, 169	2, 051	No	Aug. 31, 1973	Aug. 31, 1973	5	I
Special Foreign Currency Program, Defense, 1973–75	(..........)	(400)	Yes	Dec. 4, 1972	July 1, 1973	5	I
	2, 998	400	Yes	Sept. 6, 1973	Sept. 6, 1973	5	I
Department of Defense—Civil:							
Corps of Engineers:							
General Investigations	(..........)	(150)	Yes	June 29, 1973	July 1, 1973	5	I
	(65, 084)	(150)	Yes	Sept. 15, 1973	Sept. 15, 1973	5[19]	II
	65, 267		Not available	Feb. 27, 1974	Feb. 27, 1974	10	VI
Construction	(..........)	(783)	Yes	June 29, 1973	July 1, 1973	5	I
	(9, 100)	(333)	Yes	July 27, 1973	July 27, 1973	5	I
	(9, 175)	(258)	Yes	July 30, 1973	July 30, 1973	5	I
	(1, 114, 829)	(258)	Yes	Sept. 15, 1973	Sept. 15, 1973	5[19]	II
	1, 114, 937	108	Yes	Apr. 4, 1974	Apr. 4, 1974	5	I
Flood Control, Mississippi River and Tributaries	(..........)	(750)	Yes	June 29, 1973	July 1, 1973	5	I
	(151, 819)	(750)	Yes	Sept. 15, 1973	Sept. 15, 1973	5[19]	II
	(166, 419)	(750)	Yes	Jan. 26, 1974	Jan. 26, 1974	5	I
	167, 169		Not available	Apr. 4, 1974	Apr. 4, 1974	10	VI
Soldiers' and Airmen's Home: Capital Outlay	2, 169	612	Yes	Jan. 4, 1974	Jan. 4, 1974	5	I
Panama Canal: Canal Zone Government, Capital Outlay	(......)	(700)	Yes	Sept. 8, 1972	July 1, 1973	5	I
	7, 436	85	Yes	Sept. 14, 1973	Sept. 14, 1973	1	V[20]
Wildlife Conservation:							
Wildlife Conservation, Army	(598)	(107)	Yes	June 14, 1973	July 1, 1973	1	I
	606	342	Yes	Jan. 31, 1974	Jan. 31, 1974	1	I
Wildlife Conservation, Navy	(60)	(8)	Yes	June 14, 1973	July 1, 1973	1	I
	(69)	(22)	Yes	Oct. 3, 1973	Oct. 3, 1973	1	I
	69	37	Yes	Feb. 14, 1974	Feb. 14, 1974	1	I
Wildlife Conservation, Air Force	(124)	(40)	Yes	June 14, 1973	July 1, 1973	1	I
	(124)	(20)	Yes	Jan. 22, 1974	Jan. 22, 1974	1	I
	124	19	Yes	June 18, 1974	June 18, 1974	1	I
Salaries and Expenses: Cemeterial Expenses, Army	(14, 448)	(2, 053)	Yes	Sept. 14, 1973	Sept. 14, 1973	5	I
	13, 033	3, 468	Yes	Feb. 14, 1974	Feb. 14, 1974	5	I
Department of Health, Education, and Welfare:							
Health Services Administration:							
Health Services Delivery	(915, 869)	(2, 250)	Yes	Feb. 4, 1974	Feb. 4, 1974	5	I
	922, 869	2, 250	Yes	Mar. 14, 1974	Mar. 14, 1974	5	I
Buildings and Facilities	(19, 804)	(7, 000)	Yes	Mar. 13, 1974	Mar. 13, 1974	5	I
	26, 804		Not available	May 28, 1974	May 28, 1974	10	VI
Indian Health Services	(94, 372)	(91, 626)	No	Nov. 28, 1973	Nov. 28, 1973	5	I
	185, 998		Not available	Feb. 4, 1974	Feb. 4, 1974	10	VI
Indian Health Facilities	(3, 482)	(848)	Yes	June 27, 1973	July 1, 1973	5	I
	(34, 815)	(20, 593)	Yes	Nov. 28, 1973	Nov. 28, 1973	5	I
	55, 320	88	Yes	Jan. 30, 1974	Jan. 30, 1974	5	I
National Institutes of Health:							
Research Resources	(126, 941)	(1, 378)	No	Jan. 18, 1974	Jan. 18, 1974	3	I
	128, 162		Not available	June 28, 1974	June 28, 1974	10	VI
Buildings and facilities	(1, 000)	(23, 701)	Yes	Jan. 18, 1974	Jan. 18, 1974	5	I
	(10, 680)	(14, 021)	Yes	Feb. 27, 1974	Feb. 27, 1974	5	I
	14, 260	10, 441	Yes	June 14, 1974	June 14, 1974	5	I
Alcohol, Drug Abuse, and Mental Health Administration: Mental Health	(827, 193)	(13, 194)	No	Jan. 28, 1974	Jan. 28, 1974	1	I
	827, 409		Not available	June 28, 1974	June 28, 1974	10	VI

Footnotes at end of table.

BUDGETARY RESERVES—Continued

[Dollar amounts in thousands]

[General notes: Amounts in parenthesis () indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated *
Health Resources Administration:							
Health Services Planning and Development	(555, 997)	(6, 228)	No	Feb. 4, 1974	Feb. 4, 1974	3	I
	(585, 497)	(6, 228)	No	Apr. 3, 1974	Apr. 3, 1974	3	I
	585, 277		Not available	June 28, 1974	June 28, 1974	10	IV
Health Manpower	(734, 635)	(5, 370)	No	Feb. 4, 1974	Feb. 4, 1974	3	I
	(768, 910)	(5, 370)	No	Apr. 3, 1974	Apr. 3, 1974	3	I
	768, 701		Not available	June 28, 1974	June 28, 1974	10	VI
Assistant Secretary for Health: Office of International Health; Scientific Activities Overseas (Special Foreign Currency Program).	(13, 505)	(21, 714)	Yes	Jan. 30, 1974	Jan. 30, 1974	4	I
	16, 034	21, 714	Yes	Mar. 28, 1974	Mar. 28, 1974	4	I
Office of Education:							
Elementary and Secondary Education	(2, 025, 168)	(1, 746)	No	Jan. 17, 1974	Jan. 17, 1974	1	I
	2, 045, 168		Not available	June 28, 1974	June 28, 1974	10	VI
Higher Education, 1974–76	238, 000	237, 000	Yes	Jan. 17, 1974	Jan. 17, 1974	4	I
Higher Education, no-year	( )	(1, 889)	Yes	Nov. 30, 1972	July 1, 1973	5	I
	346, 118	8, 788	Yes	Jan. 17, 1974	Jan. 17, 1974	4	I
Library Resources	(163, 124)	(4, 897)	No	Jan. 18, 1974	Jan. 18, 1974	3	I
	163, 124		Not available	June 28, 1974	June 28, 1974	10	VI
Educational Development	15, 675	32	Yes	Jan. 18, 1974	Jan. 18, 1974	1	I
Educational Activities Overseas, Special foreign currency program	( )	(16)	Yes	Apr. 6, 1972	July 1, 1973	5	I
	2, 539		Not available	Jan. 17, 1974	Jan. 17, 1974	10	VI
Social and Rehabilitation Service: Research and Training Overseas	3, 700	7, 490	Yes	Jan. 18, 1974	Jan. 18, 1974	4	I
Social Security Administration:							
Limitation on Salaries and Expenses (Trust fund)	1, 878, 883	13, 580	No	Feb. 4, 1974	Feb. 4, 1974	1	I
Limitation on Construction (Trust fund)	( )	(12, 095)	Yes	Apr. 27, 1972	July 1, 1973	4, 5	I
	(12, 679)	(19, 973)	Yes	Aug. 21, 1973	Aug. 21, 1973	4, 5	I
	(15, 614)	(17, 425)	Yes	Nov. 30, 1973	Nov. 30, 1973	4, 5	I
	17, 646	15, 393	Yes	Feb. 4, 1974	Feb. 4, 1974	4, 5	I
Special Institutions:							
Howard University	9, 132	490	Yes	Jan. 17, 1974	Jan. 17, 1974	4	I
Model Secondary School for the Deaf	3, 500	803	Yes	Mar. 5, 1974	Mar. 5, 1974	4	I
Office of Human Development: Child Development	(419, 910)	(6, 480)	No	Jan. 18, 1974	Jan. 18, 1974	3	I
	(420, 000)	(6, 480)	No	May 15, 1974	May 15, 1974	3	I
	424, 670		Not available	June 28, 1974	June 28, 1974	10	VI
Department of Housing and Urban Development:							
Housing Production and Mortgage Credit: Nonprofit Sponsor Assistance		6, 530	Yes	Apr. 15, 1973	July 1, 1973	5, 6b, 6c	I
Community Development:							
Model Cities Program	(50, 055)	(100, 012)	Yes	Nov. 26, 1973	Nov. 26, 1973	6c	V [21]
	(75, 055)	(75, 012)	Yes	Nov. 30, 1973	Nov. 30, 1973	6c	IV
	150, 067		Not available	Apr. 15, 1974	Apr. 15, 1974	10	VI
Grants for Neighborhood Facilities		48	Yes	Nov. 27, 1973	Nov. 27, 1973	6c	I
Open Space Land Program	( )	(27, 730)	Yes	Mar. 8, 1973	July 1, 1973	6b, 6c	I
		55, 161	Yes	Nov. 9, 1973	Nov. 9, 1973	6c	I
Grants for Basic Water and Sewer Facilities	( )	(400, 175)	Yes	Jan. 26, 1973	July 1, 1973	6b, 6c	I
		401, 735	Yes	Nov. 27, 1973	Nov. 27, 1973	6b, 6c	I
Urban Renewal Fund	(613, 500)	(311, 314)	Yes	Nov. 26, 1973	Nov. 26, 1973	6c	V [21]
	(643, 500)	(281, 314)	Yes	Nov. 30, 1973	Nov. 30, 1973	6c	IV
	1, 526, 314		Not available	Apr. 15, 1974	Apr. 15, 1974	10	VI
Public Facility Loans	( )	(20, 000)	Yes	Jan. 26, 1973	July 1, 1973	6b, 6c	I
	24, 888	(22)	Not available	June 20, 1973	July 1, 1973	10	VI
Community Planning and Management: New Community Assistance Grants		1, 799	Yes	Nov. 16, 1973	Nov. 16, 1973	6c	I
Office of Interstate Land Sales Registration: Interstate Land Sales	(1, 460)	(1, 981)	Yes	June 20, 1973	July 1, 1973	4	I
	(1, 849)	(1, 379)	Yes	Dec. 12, 1973	Dec. 12, 1973	4	III
	1, 852	1, 376	Yes	Feb. 20, 1974	Feb. 20, 1974	4	I
Department of the Interior:							
Office of Territorial Affairs: Trust Territory of the Pacific Islands	(71, 550)	[23] (800)	Yes	Feb. 2, 1974	Feb. 2, 1974	5	I
	72, 350		Not available	Feb. 22, 1974	Feb. 22, 1974	10	VI
Bureau of Land Management: Public Lands Development Roads and Trails/1974 Program.	(4, 000)	(8, 961)	Yes	June 8, 1973	July 1, 1973	6d	I
	5, 205	18, 961	Yes	Oct. 3, 1973	Oct. 3, 1973	6d	I
Public Lands Development Roads and Trails/1975 Program		10, 000	Yes	Oct. 3, 1973	Oct. 3, 1973	4, 6d	I
Oregon and California Grant Lands		(1, 150)	Yes	June 8, 1973	July 1, 1973	4	I
	28, 750	5, 243	Yes	Oct. 2, 1973	Oct. 2, 1973	4	II
Bureau of Indian Affairs:							
Road Construction/1974 Program	57, 060	20, 000	Yes	Sept. 12, 1973	Sept. 12, 1973	4, 6d	II
Road Construction/1975 Program		75, 000	Yes	Sept. 12, 1973	Sept. 12, 1973	4, 6d	II
Bureau of Outdoor Recreation: Land and Water Conservation	(208, 168)	(61, 422)	(24)	June 8, 1973	July 1, 1973	6b	I
	(297, 223)	(57, 568)	(24)	Nov. 3, 1973	Nov. 3, 1973	5, 6b, 6d	I
	(324, 763)	(30, 000)	No	Feb. 2, 1974	Feb. 2, 1974	4, 6d	I
	305, 463	30, 000	No	Apr. 19, 1974	Apr. 19, 1974	4, 6d	I
Geological Survey: Payments from Proceeds, Sale of Water, Mineral Leasing Act of 1920.	(25)	(27)	Yes	May 6, 1973	July 1, 1973	426	I
	(25)	26	Yes	Nov. 19, 1973	Nov. 19, 1973	4	I
Bureau of Mines: Drainage of Anthracit Mines	200	3, 575	Yes	June 8, 1973	July 1, 1973	4, 5	I
Bureau of Sport Fisheries and Wildlife:							
Migratory Bird Conservation Account (Receipt Limitation)	(9, 000)	(981)	Yes	do	do	4	I
	(12, 000)	(981)	Yes	Aug. 23, 1973	Aug. 23, 1973	4	I
	21, 771		Not available	Nov. 2, 1973	Nov. 2, 1973	10	VI
Federal Aid in Wildlife Restoration	(45, 300)	(7, 863)	Yes	June 8, 1973	July 1, 1973	4, 5	I
	50, 818	10, 204	Yes	June 4, 1974	June 4, 1974	4, 5	I
Federal Aid in Fish Restoration and Management	(14, 565)	(2, 339)	Yes	June 8, 1973	July 1, 1973	4, 5	I
	16, 203	3, 846	Yes	June 4, 1974	June 4, 1974	4, 5	I
National Wildlife Refuge Fund	4, 620	4, 003	Yes	June 8, 1973	July 1, 1973	4, 5	I
Proceeds from Sales, Water Resources Development Projects	15	4	Yes	do	do	4, 5	I
National Park Service:							
Parkway and Road Construction/1974 Program	(16, 338)	(34, 610)	Yes	June 8, 1973	July 1, 9173	4, 6d [27]	I
	(16, 338)	(229, 610)	Yes	Oct. 1, 1973	Oct. 1, 1973	4, 6d	II
	51, 183	108, 115	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 6d	II
Parkway and Road Construction/1975 Program		105, 000	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 6d	II
Planning and Construction	(28, 100)	(14, 500)	Yes	July 30, 1973	July 30, 1973	4	I
	(79, 675)	(14, 500)	Yes	Nov. 2, 1973	Nov. 2, 1973	4, 5	I
	(79, 675)	(14, 500)	Yes	Jan. 29, 1974	Jan. 29, 1974	4, 5	I
	94, 175		Not available	Mar. 11, 1974	Mar. 11, 1974	10	VI
Operation, Management, Maintenance, and Demolition of Federally Acquired Property.	(17)	(65)	Yes	June 8, 1973	July 1, 1973	4, 5	I
	15		Not available	Nov. 2, 1973	Nov. 2, 1973	10	VI
Bureau of Reclamation:							
Construction and Rehabilitation	(16, 970)	(1, 055)	Yes	June 8, 1973	July 1, 1973	5	I
	228, 857	1, 055	Yes	Sept. 15, 1973	Sept. 15, 1973	5 [28]	I
Operation, Maintenance, and Replacement of Project Works, North Platte Project.	(28)	100	Yes	June 6, 1973	July 1, 1973	6e [28]	I

Footnotes at end of table.

BUDGETARY RESERVES—Continued

[Dollars amounts in thousands]

[General notes: Amounts in parenthesis ( ) indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated [a]
Upper Colorado River Basin Fund	(9,072)	(1,390)	Yes	June 8, 1973	July 1, 1973	5	I
	64,911	1,164	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
Department of Justice:							
Bureau of Prisons: Buildings and Facilities	( )	(36,441)	Yes	Jan. 26, 1973	July 1, 1973	5, 6b	I
	45,823	13,594	Yes	Sept. 19, 1973	Sept. 19, 1973	5, 6b	I
Department of Labor:							
Manpower Administration:							
Comprehensive manpower assistance*	2,304,191	85,500	Yes	June 21, 1974	June 21, 1974	4	I
Limitation on Grants to States for Unemployment Insurance and Employment Services.*	30,000	53,000	Yes	June 21, 1974	June 21, 1974	4	I
Employment Standards Administration: Special benefits	284,300	20,706	No	Jan. 17, 1974	Jan. 17, 1974	1	V [31]
Department of State:							
Acquisition, Operation, and Maintenance of Buildings Abroad	(62,248)	(44,521)	Yes	Dec. 31, 1973	Dec. 31, 1973	4	I
	63,993	44,521	Yes	June 19, 1974	June 19, 1974	4	I
Educational Exchange Fund, Payments by Finland, World War I Debt* [32]	383	31	Yes	Dec. 21, 1973	Dec. 21, 1973	4	I
Assistance to Refugees from the Soviet Union	( )	(36,500)	No	Feb. 2, 1974	Feb. 2, 1974	5	I
	36,500		Not available	Mar. 15, 1974	Mar. 15, 1974	10	VI
International Boundary and Water Commission, United States and Mexico: Construction.	15,681	4,983	Yes	Dec. 18, 1973	Dec. 18. 1973	5	I
Department of Transportation:							
Office of the Secretary: Transportation, Planning, and Research and Development.	( )	(5,300)	Yes	June 30, 1973	July 1, 1973	4, 6b	
	34,353		Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
U.S. Coast Guard: Acquisition, Construction, and Improvements	(30,946)	(10,609)	Yes	July 12, 1973	July 12, 1973	4, 6b	I
	(109,168)	(12,099)	Yes	Sept. 14, 1973	Sept. 14, 1973	4, 6b	II
	102,889	19,396	Yes	Dec. 27, 1973	Dec. 27, 1973	4, 6b	II
Federal Aviation Administration:							
Civil Supersonic Aircraft Development Termination	( )	(3,575)	Yes	Jan. 23, 1973	July 1, 1973	4, 6b	I
	3,600	3,033	Yes	Sept. 10, 1973	Sept. 10, 1973	4	I
Civil Supersonic Aircraft Development	( )	(2,153)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
	800	2,755	Yes	Sept. 10, 1973	Sept. 10, 1973	4	I
Grants-in-aid for Airports (Airport and Airway Trust Fund)	13,000	2,000	Yes	Sept. 14, 1973	Sept. 14, 1973	5	I
Facilities and Equipment (Airport and Airway Trust Fund)	( )	(207,631)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	I
	293,075	261,919	Yes	Sept. 12, 1973	Sept. 12, 1973	4	I
Research, Engineering, and Development (Airport and Airway Trust Fund).	( )	(10,000)	Yes	Jan. 18, 1973	July 1, 1973	4, 6b	IV
			Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
Federal Highway Administration:							
Highway Beautification	(41,977)	(11,521)	Yes	June 29, 1973	July 1, 1973	4, 5	I
	50,000		Not available	Sept. 15, 1973	Sept. 15, 1973	10	VI
Darien Gap Highway	( )	(545)	Yes	Jan. 18, 1973	July 1, 1973	4, 5	I
	17,661		Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
Highway-Related Safety Grants	(10,459)	(7,897)	Yes	June 29, 1973	July 3, 1973	4, 5	I
	13,229		Not available	Sept. 15, 1973	Sept. 15, 1973	10	VI
Federal-Aid Highways/1974 Program	(1,617,000)	(2,791,841)	Yes	June 29, 1973	July 2, 1973	4, 5, 6a, 6c	I
	(4,742,497)	(3,414,149)	Yes	Sept. 14, 1973	Sept. 14, 1973	6a, 6c	I
	(4,741,018)	(3,414,619)	Yes	Feb. 1, 1974	Feb. 1, 1974	6a, 6c	I
	(4,791,047)	(3,364,590)	Yes	Apr. 3, 1974	Apr. 3, 1974	6a, 6c	IV
	(5,161,347)	(2,864,590)	Yes	June 14, 1974	June 14, 1974	6a, 6c	IV
	5,195,347	2,914,590	Yes	June 28, 1974	June 28, 1974	6a, 6c	I
Federal-Aid Highways/1975 Program	(6,010,000)	[33] 5,958,500	Yes	Feb. 1, 1974	Feb. 1, 1974	4, 5	I
Rail-Crossings-Demonstration Projects	(22,322)	(3,053)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	21,700	75	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Territorial Highways/1974 Program	(4,000)	(1,602)	Yes	June 29, 1973	July 1, 1973	4, 6c	I
	(4,229)	(750)	Yes	Mar. 5, 1974	Mar. 5, 1974	4, 5	I
	4,275	563	Yes	June 28, 1974	June 28, 1974	4, 5	I
Territorial Highways/1975 Program		1,500	Yes	Mar. 5, 1974	Mar. 5, 1974	4, 5	I
National Scenic Highways/1974 Program		10,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
National Scenic Highways/1975 Program		10,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Trust Fund Share of Other Highway Programs/1974 Program	(6,973)	(15,793)	Yes	June 29, 1973	July 3, 1973	4, 5	I
	(28,120)	( )	Not available	Sept. 15, 1973	Sept. 15, 1973	10	VI
	(27,933)	(10,000)	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
	28,256	10,000	Yes	June 28, 1974	June 28, 1974	5	I
Trust Fund Share of Other Highway Programs/1975 Program		25,000	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
Forest Highways Trust Fund	(24,000)	(47,604)	Yes	June 29, 1973	July 1, 1973	2, 4, 6c	I
	26,000		Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
Public Lands Highways	(5,000)	(27,000)	Yes	June 29, 1974	July 1, 1973	2, 4, 6c	I
	(5,000)	(5,000)	Yes	Sept. 14, 1973	Sept. 14, 1973	4, 6c, 6d	I
	10,000		Not available	Mar. 5, 1974	Mar. 5, 1974	10	VI
Right-of-Way Revolving Fund	(48,000)	(74,782)	Yes	June 29, 1973	July 2, 1973	4, 5	I
	48,000	77,116	Yes	Feb. 1, 1974	Feb. 1, 1974	4, 5	I
National Highway Traffic Safety Administration:							
State and Community Safety	(26,993)	(1,290)	Yes	July 2, 1973	July 2, 1973	1	
	66,771		Not available	Sept. 13, 1973	Sept. 13, 1973	10	VI
Traffic and Highway Safety	(56,068)	(2,000)	Yes [34]	Sept. 14, 1973	Sept. 14, 1973	5	I
	86,405	2,000	Yes	Jan. 24, 1974	Jan. 24, 1974	5	I
Construction of Compliance Facilities	([35])	(9,018)	Yes	Jan. 19, 1973	July 1, 1973	4, 5	I
	([35])	18	Yes	Sept. 14, 1973	Sept. 14, 1973	5	V
Trust Fund Share of Highway Traffic Safety Programs	(16,848)	(2,580)	Yes	July 2, 1973	July 2, 1973	1, 5	I
	(96,167)	( )	Not available	Sept. 13, 1973	Sept. 13, 1973	10	VI
	(96,219)	[36] (37,202)	No	May 7, 1974	May 7, 1974	2	I
	95,547	[36] 37,202	No	June 18, 1974	June 18, 1974	2	I
Federal Railroad Administration:							
Emergency Rail Facilities Restoration	(27,100)	(7,648)	Yes [37]	July 27, 1973	July 27, 1973	2	I
	27,437		Not available	May 24, 1974	May 24, 1974	10	VI
High Speed Ground Transportation Research and Development		(15,000)	Yes	Jan. 19, 1973	July 1, 1973	4, 6b	I
			Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
Grants to the National Railroad Passenger Corporation		(10,000)	Yes	Jan. 19, 1973	July 1, 1973	4, 6b	I
	(54,900)	(48,100)	Yes	Sept. 13, 1973	Sept. 13, 1973	4, 6b	V [38]
	103,000		Not available	Nov. 23, 1973	Nov. 23, 1973	10	VI
Urban Mass Transportation Administration:							
Urban Mass Transportation Fund	(941,300)	(210,853)	Yes	July 6, 1973	July 6, 1973	4, 6b	I
	985,550		Not available	Sept. 14, 1973	Sept. 14, 1973	10	VI
Department of the Treasury:							
Office of the Secretary:							
Construction, Federal Law Enforcement Training Center	(383)	(21,517)	Yes	June 6, 1973	July 1, 1973	5	I
	668	21,234	Yes	May 20, 1974	May 20, 1974	5	V [39]
Bureau of Accounts:							
Subsidy Payment to Environmental Protection Authority	75	[40] 1,188	No	Nov. 29, 1973	Nov. 29, 1973	2	I

Footnotes at end of table.

BUDGETARY RESERVES—Continued

[Dollar amounts in thousands]

General notes: Amounts in parenthesis () indicate actions superseded by later apportionment actions. An asterisk (*) indicates an account added to the list since the last report. An account without an entry in the amount apportioned column indicates no apportionment has been made for fiscal year 1974.]

	Amount apportioned	Amount in reserve	Available beyond fiscal year 1974?	Date of reserve action	Effective date of reserve	Reason for current reserve (see code)	Estimated [a]
Atomic Energy Commission:							
Operating Expenses	(3,164,739)	(16,900)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	(3,174,154)	(7,500)	Yes	Nov. 19, 1973	Nov. 19, 1973	5	I
	3,181,386		Not available	Dec. 21, 1973	Dec. 12, 1973	10	VI
Plant and Capital Equipment	(48,470)	(1,830)	Yes	June 8, 1973	July 1, 1973	5	I
	(637,577)	(9,750)	Yes	Sept. 15, 1973	Sept. 15, 1973	5	I
	(637,912)	(9,400)	Yes	Nov. 4, 1973	Nov. 4, 1973	5	I
	(643,812)	(3,500)	Yes	Nov. 9, 1973	Nov. 9, 1973	5	I
	(645,812)	(1,500)	Yes	Nov. 12, 1973	Nov. 12, 1973	5	I
	677,312		Not available	Jan. 10, 1974	Jan. 10, 1974	10	VI
Environmental Protection Agency:							
Research and Development	(8,696)	(9,700)	Yes	Oct. 19, 1973	Oct. 19, 1973	5	IV
	(173,112)	(3,700)	Yes	Nov. 29, 1973	Nov. 29, 1973	5	IV
	(183,612)	(3,700)	Yes	Jan. 9, 1974	Jan. 9, 1974	5	IV
	(184,312)	(3,000)	Yes	Jan. 29, 1974	Jan. 29, 1974	5	IV
	(184,381)	(3,000)	Yes	Mar. 8, 3974	Mar. 8, 1974	5	I
	187,365		Not available	Apr. 10, 1974	Apr. 10, 1974	10	VI
Abatement and Control	(17,804)	(3,850)	Yes	Oct. 19, 1973	Oct. 19, 1973	5	IV
	(266,574)	(16,850)	Yes	Nov. 29, 1973	Nov. 29, 1973	5	IV
	(287,574)	(91,850)	(41)	Jan. 29, 1974	Jan. 29, 1974	5	I
	(287,674)	(91,850)	(41)	Mar. 8, 1974	Mar. 8, 1974	5	I
	(288,378)	(91,350)	(41)	Apr. 10, 1974	Apr. 10, 1974	5	I
	(291,528)	(88,200)	(41)	Apr. 19, 1974	Apr. 19, 1974	5	I
	(293,028)	(86,700)	(41)	May 9, 1974	May 9, 1974	5	I
	(292,739)	(86,700)	(41)	May 22, 1974	May 22, 1974	5	I
	294,945	86,700	(41)	June 27, 1974	June 27, 1974	5	I
General Services Administration:							
Real Property Activities:							
Sites and Expenses, Public Building Projects	(..........)	(22,206)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	22,000	15,500	Yes	Nov. 29, 1973	Nov. 29, 1973	4	I
Construction, Public Building Projects	(..........)	(234,309)	Yes	Jan. 26, 1973	July 1, 1973	2, 4	I
	73,653	20,803	Yes	Nov. 29, 1973	Nov. 29, 1973	4	I
Property Management and Disposal: Operating Expenses, Sale of Rare Silver Dollars.	(..........)	(4,000)	Yes	Nov. 30, 1972	July 1, 1973	4	I
	3,400	1,386	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Operating Expenses, Special Fund	(..........)	(850)	Yes	June 26, 1973	July 1, 1973	4, 5	I
			Not available	Aug. 16, 1973	Aug. 16, 1973	10	VI
National Aeronautics and Space Administration: Research and Development	(..........)	(2,200)	Yes	June 8, 1973	July 1, 1973	5	I
	(2,860,194)	(9,300)	Yes	Nov. 16, 1973	Nov. 16, 1973	5	I
	(2,867,294)	(2,200)	Yes	Jan. 23, 1974	Jan. 23, 1974	5	I
	2,869,494		Not available	Mar. 6, 1974	Mar. 6, 1974	10	VI
Veterans' Administration:							
Medical Prosthetic Research	(..........)	(3,648)	Yes	Feb. 15, 1973	July 1, 1973	5	I
	85,099		Not available	Nov. 23, 1973	Nov. 23, 1973	10	VI
Construction, Major Projects	(..........)	(34,710)	Yes	June 13, 1973	July 1, 1973	5	I
	114,626		Not available	Nov. 23, 1973	Nov. 23, 1973	10	VI
Construction, Minor Projects	(..........)	(5,000)	Yes	Dec. 20, 1972	July 1, 1973	5	I
	66,685		Not available	Nov. 23, 1973	Nov. 23, 1973	10	VI
Other Independent Agencies:							
Board for International Broadcasting: Board for International Broadcasting.*	115,000	10,000	No	May 20, 1974	May 20, 1974	1	I
District of Columbia:							
Loans for Capital Outlay, Metropolitan Area Sanitary Sewage Work Funds.	(..........)	(300)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	3,900	5,300	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for Capital Outlay, Sanitary Sewage	(..........)	(4,285)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	29,000	24,035	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for Capital Outlay, Water Fund	(..........)	(2,360)	Yes	Aug. 7, 1972	July 1, 1973	4	I
	8,000	7,460	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for Capital Outlay, Highway Fund	11,900	5,956	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Loans for Capital Outlay, General Fund	(..........)	(6,758)	Yes	Jan. 26, 1973	July 1, 1973	4	I
	176,500	29,526	Yes	Sept. 5, 1973	Sept. 5, 1973	4	I
Foreign Claims Settlement Commission: Payment of Vietnam and USS Pueblo Prisoner of War Claims.	9,125	7,229	Yes	July 12, 1973	July 12, 1973	5	I
American Revolution Bicentennial Administration:							
Salaries and expenses*		[42] 12,375	Yes	June 25, 1974	June 25, 1974	5	I
Commemorative Activities Fund	(..........)	(5,690)	Yes	Nov. 28, 1972	July 1, 1973	5	I
	(4,556)	(3,510)	Yes	Feb. 1, 1974	Feb. 1, 1974	5	I
	6,100	2,010	Yes	June 3, 1974	June 3, 1974	5	I
National Science Foundation: Salaries and expenses	(56,900)	(3,500)	Yes	June 8, 1973	July 1, 1973	2	I
	(620,845)	(19,900)	Yes	Nov. 23, 1973	Nov. 23, 1973	5	I
	634,745		Not available	Dec. 6, 1973	Dec. 6, 1973	10	VI
Occupational Safety and Health Review Commission: Salaries and expenses.	(4,296)	(445)	No	Jan. 14, 1974	Jan. 14, 1974	1, 2	V [43]
	(4,242)	(445)	No	Feb. 6, 1974	Feb. 6, 1974	1, 2	V [43]
	4,442	245	No	June 27, 1974	June 27, 1974	1, 2	V
Railroad Retirement Board:							
Limitation on Railroad Unemployment Administration Fund	8,578	4,822	Yes	July 1, 1973	July 1, 1973	4	I
Limitation on Salaries and Expenses	20,830	500	No	Jan. 18, 1974	Jan. 18, 1974	1	I
Small Business Administration: Business Loan and Investment Fund	(173,100)	(41,316)	Yes	June 29, 1973	July 1, 1973	2, 4, 6b	I
	(178,100)	(48,294)	Yes	Aug. 31, 1973	Aug. 31, 1973	2, 4	I
	348,700	31,094	Yes	Sept. 27, 1973	Sept. 27, 1973	2, 4	I
Water Resources Council: Water Resources Planning	(8,611)	(27)	No [44]	Aug. 24, 1973	Aug. 24, 1973	2	I
	8,669	[45] (27)	Not available	Mar. 27, 1974	Mar. 27, 1974	10	VI
Temporary Study Commissions: Commission on American Shipbuilding, Salaries and Expenses	205	57	Not available	Dec. 10, 1973	Dec. 10, 1973	2	II [46]
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance, Salaries and Expenses	167	165	Yes	Feb. 25, 1974	Fdb. 25, 1974	4	I

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[a] Estimated fiscal, economic, and budgetary effect (see code).

[1] Funds have not been apportioned pending review of plan.

[2] Funds reserved pending Presidential decisions.

[3] The amount apportioned is consistent with the limitation on the Foundation's activities according to Public Law 93-52 as amended.

[4] Funds in excess of $10,000,000 are not available in fiscal year 1974 pursuant to Public Law 93-240.

[5] The 1973-74 Rural Environmental Assistance Program funds lapsed on Dec. 31, 1973. The Sept. 30 report incorrectly listed the funds as available beyond fiscal year 1974.

[6] The funds in reserve have been apportioned pursuant to a U.S. District Court order which reinstated the 1973 REAP Program.

[7] The amount apportioned in this account is also apportioned in the Agricultural Stabilization and Conservation Service, salaries and expense account.

[8] The program level is above the amount reflected in the fiscal year 1975 Budget.

[9] The amount apportioned in this account was required to finance a loan approved at the end of fiscal year 1973.

[10] This apportionment action was inadvertently excluded from the Sept. 30 report.

[11] The fiscal year 1974 appropriation provides for program operation for the summer of calendar year 1974.

[12] Fiscal year 1972 contract authority in the amount of $23,700,000 will lapse on June 30, 1974.

[13] Code 6d was inadvertently excluded from the Sept. 30 report.

[14] Anticipated deposits were estimated at $5,000,000 more than anticipated in the budget estimates submitted to the Congress in January 1973.

[15] Funds were held in reserve to cover operating costs during the exhibition period.

[16] This account title was changed from "Research, Development, and Facilities" on Dec. 31, 1973.

FOOTNOTES—Continued

[17] The reserve was released to meet increased pay costs when transfer authority approved by Congress.

[18] This account was combined with the "Operations, Research, and Facilities" account on Dec. 31, 1973.

[19] Reason code 1 was incorrectly applied to the entries in the Sept. 30 report.

[20] The reserve was made at the request of the Canal Zone Government as a contingency for possible future inspection services.

[21] The apportionment increases the program level to a level greater than that contemplated in the most recently submitted budget document.

[22] The apportionment releasing the reserve was incorrectly excluded from the Sept. 30 report.

[23] The apportionment of funds in reserve was temporarily deferred until sufficient information was available for implementing the new public land survey program. The new program was funded for the first time in the 1974 supplemental (Public Law 93–245) enacted Jan. 3, 1974.

[24] Each reserve includes $30,000,000 of contract authority which becomes available at the first of each fiscal year and expires at the end of each fiscal year (16 U.S.C. 460 L–10a); all other funds are available beyond 1974.

[25] The Department of the Interior has no present plans for the use of these funds which are available only for the development of water wells on public lands.

[26] Reason code 5 was incorrectly included in the Sept. 30 report.

[27] Reason code 4 was inadvertently excluded from the Sept. 30 report.

[28] Reason code 6b was incorrectly included in the Sept. 30 report.

[29] No replacement or operation and maintenance work is currently necessary. (See footnote 30.)

[30] 66 Stat. 754 requires that certain miscellaneous revenues be deposited in a special fund to provide for the replacement of the project works and to defray annual operating and maintenance expenses when necessary.

[31] The reserve, made at the request of the Department of Labor, does not change expected payments for benefits as estimated in the latest budget document. The reserve reflects reimbursements from other agencies in excess of the amounts estimated in the budget document. The release of the reserve would increase availability above expected needs. The reserve is available for benefit payments if required benefit payments exceed current estimates.

[32] This reserve action was inadvertently excluded from the Feb. 4 report.

[33] This amount is potentially available for use under 1975 contract authority; the amount to be made available to each State for obligation in 1975 is anticipated to be announced by the Department of Transportation in July 1974.

[34] The Sept. 30 reoort incorrectly reported the reserve as unavailable beyond fiscal year 1974.

[35] $9,000,000 was transferred by the 1974 Department of Transportation Appropriation Act to the Traffic and Highway Safety account.

[36] Under the law (Public Law 93–87), apportionment of $25,000,000 in this account is contingent upon the enactment of mandatory seat belt use legislation in the States and Territories. Puerto Rico, the only jurisdiction which has enacted seat belt legislation in 1974, has been apportioned its incentive grant award. The balance will remain in reserve and lapse unless other jurisdictions enact seat belt legislation. This reserve action also includes $12,500,000 for incentive grants to jurisdictions for achieving exceptional highway fatality reductions. This incentive program will be initiated in 1975 and will base awards upon exceptional reductions in highway fatalities in calendar year 1974.

[37] The authority for loan approval expired on June 27, 1973.

[38] The amount apportioned is the full amount legally available until action is taken on the amendment to the Rail Passenger Service Act of 1970.

[39] The amount apportioned is below the obligational level planned in 1974 because of delays in resolving legal action over the adequacy of the environmental impact statement for this project.

[40] The reserve is required because the Congress *previously provided permanent*, indefinite authority (Public Law 92–500) for the subsidy payment. The funds in reserve will be written off in fiscal year 1974.

[41] Contract authority of $75,000,000 expires at the end of fiscal year 1974; the balance is available beyond fiscal year 1974.

[42] The amount available for state grant programs has been placed in reserve pending establishment of the American Revolution Bicentennial Board.

[43] This reserve action was taken at the request of the Occupational Safety and Health Review Commission due to hiring delays. The reserve is available as a contingency against an increase in future contested citations.

[44] The Sept. 30 report incorrectly reported the reserve as available beyond fiscal year 1974.

[45] The funds in reserve were not needed and written off on Apr. 8, 1974.

[46] The Commission on American Shipbuilding (authorized under the Merchant Marine Act of 1970, Public Law 91–469) was terminated on Dec. 20, 1973. The funds in reserve that are not needed in fiscal year 1974 will be written off.

USE OF SPECIAL TERMINATION COST CLAUSE ON DEFENSE RESEARCH AND DEVELOPMENT CONTRACTS

Mr. McINTYRE. Mr. President, there is a continuing need to make the most effective use of funds authorized and appropriated for the Department of Defense research and development program. One step in this direction was taken by the Senate Armed Servics Committee when it proposed the greater use of the special termination cost clause for major research and development contracts in its action on the fiscal year 1974 military procurement authorization bill. On pages 118 and 119 of Report No. 93–385 dated September 6, 1973, which accompanied that bill, the committee discussed the specific details of this clause and suggested that it be more widely used within the Department of Defense. The committee action was prompted by the recognition that a broader use of this clause would free up substantial amounts of money being tied up under certain research and development contracts for potential termination charges and provide the use of such funds for other important research and development programs. I will not go into any more specific details of this subject at this time because it has not as yet been fully resolved. However, there is a very broad interest in this matter throughout Defense industry and among the various Government agencies. It should also interest the Members of the Senate.

At the request of the Armed Services Committee, the General Accounting Office has conducted an analysis of this subject and has submitted the results, including inputs from the Department of Defense and industry. The Department of Defense has provided a report on the extent of the use of this clause by the military departments and yesterday I transmitted a copy of the GAO report to the Secretary of Defense for comment and appropriate recommendations regarding further actions to be taken, including legislative actions. The correspondence relating to these exchanges consists of a letter dated May 20, 1974, from the Office of the Assistant Secretary of Defense Comptroller—Program/Budget—a letter dated June 4, 1974, from the Comptroller General, and my letter of June 22, 1974, to the Secretary of Defense. I request unanimous consent that copies of these various letters be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. When the Department of Defense responds to my letter, it is my intention to take whatever action is then considered to be appropriate in conjunction with the committee action on the fiscal year 1976 military procurement request. I will keep the Senate advised of further significant developments in this matter as they may occur.

EXHIBIT 1

OFFICE OF THE
ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., May 20, 1974.

MEMORANDUM FOR MR. HYMAN FINE

Subject: Use of special termination cost clause on research and development contracts

In response to the Senate Armed Services Committee Report 93–385 of September 6, 1973, which suggested greater use of the Special Termination Cost Clause for major R–D contracts, an analysis was made of the use of this clause by the military departments. The results of that analysis are attached for your information.

It should be noted that the ASPR clause governing the Special Termination Cost Clause is presently being reviewed. A DoD position will be available after the ASPR Subcommittee Report is submitted.

DAVID J. HESSLER,
Director for Research & Development.

DEPARTMENT OF THE ARMY

PE number and short title	*Special termination costs clause used*	*Explanation if clause not used*
6.42.07 AAH	No	It is not intended to insert the clause in the contract. The reason for this is that the contract is managed by the C/SCSC System and the contracts do not show any reserve or management reserve for termination. There is no allowance in the incremental funding for termination and there are no apparent benefits derived from this clause and no reductions to the incremental funding would occur if the clause was imposed upon the project manager.
2.21.52 Improved HAWK	Not Eligible	The major portion of the RDTE effort had been completed prior to the effective date of Section 8–712 of ASPR.
6.32.03 HLH	No	Contractor is not withholding any funds for this contingency. By the time Secretarial approval can be obtained and funds made available, this contract will be almost fully

DEPARTMENT OF THE ARMY—Continued

		funded. Clause is no longer applicable when contract is fully funded.
6.43.06 STINGER	No	Information available from the Cost/Schedule Control System Report in the STINGER contract indicates that no reserve has been established by the contractor for the purpose of covering potential termination charges, and it is considered, therefore, that the intended purposes of the special termination cost clause would not be served by its insertion in the contract at this time.
6.36.20 XM-1	Yes	Contractor: General Motors Contract No. DAAE07-73-C-0301 Contract Amount: $87.0 million Contractor: Chrysler Motors Contract No. DAAE07-73-C-0300 Contract Amount: $68.1 million
6.43.07 SAM-D	Yes	
2.36.26 TACFIRE	No	The Special Termination Clause prescribed in Section 8-712 of the ASPR was not included in the TACFIRE Contract awarded 8 December 1967. The Contract did, however, provide a clause as Article No. 82 "Limitation of Government Obligation (June 1963) (AFPI 7-4054)". The contract was originally awarded as a Total Package Procurement to Litten Systems, Inc., Van Nuys, California, for a ceiling price of $122.3 million. The contract was restructured effective 31 March 72 to a development only contract with priced options for IRIP and FSP. The restructured contract does include as Article No. 89 a clause, "Limitation of Government Obligation". In view of the fact that the contract does provide a termination clause, though not the Special Terminations Costs Clause prescribed by Section 8-712 of ASPR, it is not recommended that the special clause be included. The TACFIRE program is now approaching final phases of development and no obligation authority could be saved by inclusion of the clause.
6.33.10 HELLFIRE	Not eligible	No RDTE contractual actions have met the criteria defined in Section 8-712 of ASPR; i.e., the contractual terms are less than two years; RDTE contracts to date are less than $50 million.
6.42.06 UTTAS	No	The UTTAS contracts were let prior to the effective date of Section 8-712, ASPR. DA is considering the use of these clauses as modifications to the UTTAS contracts.
12514 SAFEGUARD BMD System	Not eligible	Procurement is by one-year supplemental agreements against a specified scope of work, and is *not* an incrementally funded contract with term of two or more years. Special "Wind-up Costs" clause incorporated in the SAFEGUARD development contract DA-HC60-71-C-0005 with the Western Electric Company has been accepted by the contractor in lieu of requiring financing to cover potential termination. FY 75 will be the fifth year under the contract and the final stages of the development effort. Use of the ASPR 7-108.3 clause would not reduce requirement for annual obligation authority.
63308 Site Defense Prototype Demonstration Program	No	Special "Wind-up Costs" clause incorporated in the Site Defense Prototype Demonstration contract DA-HC60-72-C-0080 with the McDonnell-Douglas Astronautics Company has been accepted by the contractor in lieu of requiring financing to cover potential termination.
63308 SPRINT II (Site Defense)	No	Special "Wind-up Costs" clause incorporated in the SPRINT II contract DA-HC60-72-C-0130 with Martin-Marietta Corporation has been accepted by the contractor in lieu of requiring financing to cover potential termination. "J-23. Wind-up Costs. Subject to the provisions hereinafter stated, the contractor shall pursue diligently the objectives set forth in the scope of work up to the end date of the period specified in section H; provided, however that unless

DEPARTMENT OF THE ARMY—Continued

the contracting officer notifies the contractor no later than 60 days prior to said date that the period of performance of the contract will be extended, the contractor shall reduce his diligent pursuit of the objectives of the scope of work as necessary to assure that allotted funds are sufficient for reimbursement of "wind-up" costs. Costs incurred in "wind-up" of the contract will be allowable notwithstanding that they may be incurred after the end date of the period of performance specified in Section H, subject to Section J–1—"Reimbursement of costs" and Part III—"General Provisions" Section L, Clause 2, "Limitation of Funds" and Clause 3—"Allowable Cost, Incentive Fee and Payment," provided there is no negligent or willful failure to discontinue such cost as promptly as possible, costs incurred by the contractor relating to closeout of the contract will also be allowable subject to Section J–1, "Reimbursement of Costs", Part III—"General Provisions", Clause 2—"Limitation of Funds" and Clause 3—"Allowable Cost, Incentive Fee and Payment"."

DEPARTMENT OF THE NAVY—SPECIAL TERMINATION COSTS CLAUSE ON R. & D. CONTRACTS (R. & D. COST REIMBURSEMENT CONTRACTS OF $50,000,000)

PE No.	Short title	Special termination cost clause	Explanation if clause is not used
64303–N	AEGIS	Not used	Since current contract does not include funding for termination liabilities, special termination cost clause not needed.
64564–N	NATO PHM	Used	Upon approval, clause will be included in modification to contract.
24281–N	ANBQQ-5 Sonar	Not used	Since current contract does not include funding for termination liabilities, special termination cost clause not needed.
63501–N	S6G Nuclear Attack Sub. Prop. Plant.	do	Do.
63508–N	Gas Turbine Prop. System	do	Do.
63534–N	SES	do	Do.
63566–N	Amphibious Assault Landing Craft.	do	Do.
63567–N	Hydrofoil Craft	d	Do.
63578–N	A-4W/AIG Nuclear Prop. Plant	do	Do.
63361–N	Sub-launched Cruise Missile	Used	Plan to amend 2 contracts to include STCC.
64363–N	TRIDENT Missile System	do	Plan to amend contract to use STCC.
63236F	Adv Med STOL Transport	Not used	Both contracts were renegotiated in March 1974 and neither contractor agrees to use of the clause.
64215F	B-1	Used	
64220F	EF–111A	do	
64225F	A–10 Aircraft	do	
64723F	Adv Airborne Cmd Post	do	
64744F	AWACS	do	
27130F	F–15 squadrons	Not used	The structure of the F–15 contract and the LOGO clause being used do not recognize or fund any costs which could be included under a special termination costs clause.
63225F	Air Launched Cruise Missile	Used	

Note: Used defined as in use in fiscal year 1974 except for Air Launched Cruise Missile where use of clause is planned for fiscal year 1975.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., June 4, 1974.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate.

DEAR MR. CHAIRMAN: As requested in your October 4, 1973, letter (see enc. I), we examined the use of the special termination costs clause in the Armed Services Procurement Regulation (ASPR), sections 8–712 and 7–108.3. (See enc. II.)

We obtained background from the Department of Defense's (DOD's) ASPR Committee and its special subcommittee which was recently established to review the clause. Procurement officials of the Army, Navy, and Air Force gave us data on use of the clause and reasons why it has not been used more extensively. We also obtained industry associations' views on the use and adequacy of the clause as now stated and recommendations for changes they feel are needed to make the clause more acceptable.

The clause has been used in contracts only to a limited extent by the services, primarily the Air Force. None of these contracts have been terminated, so we could not evaluate the clause's effectiveness.

The major obstacles to increased use of the clause appear to be the small number of contracts which meet the required dollar criteria as stated in ASPR and the possibility of violating the Antideficiency Act if funds are not available to pay termination costs.

BACKGROUND

In early 1968 the Aerospace Industries Association recommended to DOD's ASPR Committee that a termination costs clause be established in ASPR. This clause would allow contractors to effectively use all money obligated to a program rather than having to limit their costs to maintain a reserve to cover potential termination costs. The Association suggested that the DOD establish a termination funding reserve account to pay termination costs. The amount of the account would be based on prior DOD experience and would total much less than the cumulative potential termination costs being reserved under individual contracts.

The ASPR Committee studied the recommendation and prepared a proposed special termination costs clause. The clause did not include the termination funding reserve account suggested by the association, but did include a maximum termination cost liability.

Industry associations felt that a maximum termination costs liability should not be included in the clause because the contractor's risks would be increased since the Government's liability would be limited to the negotiated amount. They also felt that the optional use of the clause should be extended to lower dollar value contracts—$5 million for research, development, test, and evaluation (RDT&E) contracts and $10 million for production contracts rather than the $25 million and $100 million levels proposed. Neither suggestion was included in the clause put into ASPR in early 1970. (See enc. II.)

In June 1973 the minimum limits for optional use of the clause were raised from $25 million to $50 million for RDT&E contracts and from $100 million to $200 million for production contracts. These new minimums were established to meet the funding level criteria which defines a major weapon system.

DOD USE OF THE CLAUSE

As noted previously, the special termination costs clause has been used only in a limited number of contracts, none of which have been terminated.

The Air Force is using the clause on the Advanced Airborne Command Post, B–1, and AWACS contracts. It plans to use it on several other contracts, including the A–10, if the program is approved, and the STOL program. The Army is using the clause on the XM–1 tank program and plans to use it on SAM–D contracts. Other uses will be considered on a case-by-case basis. The Navy has not used the clause but plans to use it on the Trident program.

Officials of the services said the clause has not been used more often because:

The clause is not authorized for use on the numerous RDT&E contracts under $50 million and production contracts under $200 million.

Use of the clause was not justified on some RDT&E contracts because of low potential termination costs.

The Antideficiency Act would be violated if funds were not available to pay termination costs (use of the clause does not automatically provide funds to pay termination costs).

The increased use, or planned use, of the clause appears to be the result of the Senate Armed Services Committee Report on the

DOD Fiscal Year 1974 Procurement Authorization Bill (S. Rept. 93–385, Sept. 6, 1973) in which the committee suggested that the services use the clause more. Shortly after this report was issued, the Deputy Assistant Secretary of Defense (Procurement) requested that the ASPR Committee review ASPR 8–712 to see if any changes in the criteria for using this clause are warranted.

PROPOSED CHANGES TO THE CLAUSE

In late 1973 an ASPR Subcommittee began reviewing the special termination costs clause to determine if changes were needed. We were informed that the Subcommittee plans to recommend that (1) the minimum contractual amount be reduced to the previous levels of $25 million for RDT&E contracts and $100 million for production contracts and (2) the clause not be used on contracts with minimal potential termination costs. The ASPR Committee will request comments on proposed changes from industry associations before formally revising the clause—tentatively scheduled for the end of 1974.

The major recommendation by the industry associations in their response to our inquiry (see enc. III) was to allow termination costs to exceed the maximum allowed by the clause if unused program funds are available to pay the additional costs.

CONCLUSIONS

The availability of funds to cover potential terminations appears to be a major obstacle to the increased use of the special termination costs clause. The problem arises from the possibility of violating the Antideficiency Act, which prohibits the incurrence of contractual obligations in excess of authorized amounts.

When a contract using the clause is terminated, funding of termination costs can come from three sources: (1) residual program funds, (2) funds transferred from other programs (reprograming), and (3) funds received through a supplemental appropriation.

The first two sources are the most expedient means of paying termination costs when these funds are available. However, if a contract is terminated at or near the end of a fiscal year, unobligated funds from these sources may be limited. Requesting a supplemental appropriation would be a last resort.

As stated in the Senate Armed Services Report on the DOD Fiscal Year 1974 Procurement Authorization Bill, the risks of not having unobligated balances available in the appropriations to meet potential termination costs are minimal. From a purely legal viewpoint, however, use of the clause does not relieve procurement officials from the possibility of violating the Antideficiency Act because the availability of unobligated funds is not insured.

Alternative solutions to overcome this obstacle include (1) authorizing the incurrence of termination costs under this clause to insure that additional funds will be made available if unobligated appropriation balances are not sufficient to cover these costs (this approval could be included in the annual DOD appropriation authorization) or (2) legislation could be enacted to exempt costs incurred under the clause from the Antideficiency Act.

We have no objections to the ASPR Subcommittee's proposal to allow use of the clause on lower dollar value contracts ($25 million RDT&E and $100 million production) and to prohibit its use on contracts with minimal potential termination costs, such as research contracts consisting primarily of personal services.

The industry associations suggested that the clause be modified to permit the contractor's claim for termination costs, when added to all other costs incurred, not to exceed the sum of the funds allotted to the contract for performance *plus* the amount allowed by the clause.

We do not agree with this suggestion. We believe termination costs should not be permitted to exceed the maximum allowed by the clause even if unused program funds are available. Such a change could encourage the contractor to reserve funds by limiting costs incurred under the contract rather than to negotiate a higher termination costs ceiling. This would defeat the purpose of the clause.

We did not obtain formal comments from the Secretary of Defense on this report; however, the information contained herein was discussed with DOD officials during the review.

This report completes the work you requested. The reports dealing with (1) contractors' independent research and development, (2) incremental programing of RDT&E, and (3) development of major weapon systems under cost-type contracts were previously sent to you.

We plan no further distribution of this letter unless you agree or publicly announce its contents.

Sincerely yours,

R. F. Keller,
Comptroller General of the United States.

Enclosure I

U.S. Senate,
Washington, D.C., October 4, 1973.

Hon. Elmer B. Staats,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

Dear Mr. Staats: The committee has completed and published its report (93–385) on the fiscal year 1974 procurement authorization bill.

There are a number of items in the report which involve actions to be taken by the General Accounting Office. Information on each of these items follows:

1. *Independent Research and Development*

Page 104 of the subject report states,

"While there is general satisfaction to date in the Department of Defense and in industry, additional time is needed to complete the implementing actions and acquire more experience as a basis for any changes which may be indicated as necessary to existing law. The General Accounting Office is in agreement with the need for additional time, and has expressed its intention to continue with the examination of this subject.

"The committee intends to follow these actions closely and consider the requirement for any possible further legislative actions in conjunction with the review of the fiscal year 1975 authorization request."

Request that the General Accounting Office conduct this further investigation including follow-up on the recommendations contained in your report B–167034, dated April 16, 1973. The opinions and recommendations of both the Department of Defense and appropriate industry associations should be obtained and reflected in your report. Discussions should be held with other governmental agencies such as the Department of Transportation, Atomic Energy Commission, and the National Aeronautics and Space Administration, all of whom have substantial research and development programs to determine the desirability and practicability of extending the independent research and development policy to include their organizations on a uniform basis with the Department of Defense. The investigation of this subject also should include consideration of the possibility of broadening the definition and application of relevancy to include all Federal agencies while at the same time extending the IR&D provisions as represented in the applicable Military Procurement Authorization Acts to these various agencies. The results of these discussions together with appropriate recommendations also should be included in your report.

2. *Incremental Programing of RDT&E*

Pages 112–115 of the subject report cover this subject and set forth a consolidated and current policy statement, including definitions which resulted from the coordinated efforts of the committee staff, the Department of Defense, and the General Accounting Office. In fact, as the report states, the revised incremental programing policy was worked out to the mutual satisfaction of the committee and the Department of Defense. In accordance to the committee report, you are requested to continue with your review of the implementation of this policy, as a follow-on to your earlier efforts as reported in General Accounting Office reports B–167034 of April 18, 1973, and May 15, 1973. Your study should include a reexamination of the Trident weapon system and such other major weapon systems which would represent an equitable sampling of the programs of each of the military departments. the extent to which first-tier subcontractors are being addressed should be made a matter of specific treatment since this is a new significant item covered under the revised policy. Comments should be submitted on the results of your findings together with any recommendations which you may deem appropriate.

3. *Major Weapon Systems Developed Under Competitive Cost Reimbursement Type Contracts*

This subject is covered on pages 115 and 116 of the committee report which includes an expression of the concern of the committee that there may be a need for the Department of Defense to examine the criteria, policy, and procedures contained in the Armed Services Procurement Regulations and other directives to insure that the source selection process is being uniformly applied and that the interests of all parties involved including the government are equitably considered and fully protected. The report requests that the Department of Defense conduct such an examination and advise the committee what if any changes should be made as a result of the committee's views. As indicated in the report, the General Accounting Office is requested to participate in this review and submit its independent findings and recommendations to the committee.

4. *Use of Special Termination Costs Clause on Certain Research and Development Contracts*

On pages 118 and 119 of the committee report the committee explains the use of the special termination costs clause on research and development contracts and encourages the use of this clause to a greater extent by all of the military departments. The General Accounting Office is requested to examine the use of this clause to the extent that it has been included in recent contracts and obtain the opinions of the various industry associations, and the Department of Defense on the wider application of this clause in future Department of Defense contracts. Comments with appropriate recommendations will be submitted to the committee.

Informal meetings have been held between the committee staff and the representatives of your agency to discuss each of the items contained in this letter. In order for your reports to be useful to the committee in its consideration of the fiscal year 1975 military procurement authorization request, such reports should be submitted by March 1, 1974.

Sincerely,

John C. Stennis,
Chairman.

Enclosure II

[7:150 April 16, 1973]

Contract Clauses

7–109.3 *Special Termination Costs.* In accordance with 8–712, insert the following clause.

SPECIAL TERMINATION COSTS (1970 FEB)

(a) Notwithstanding the clause of this contract entitled "Limitation of Costs/Limitation of Funds," the Contractor shall not include in his estimate of costs incurred or to be incurred, or of the total amount payable by the Government, any amount for Special Termination Costs, as herein defined, to which the Contractor may be entitled in the event this contract is terminated for the convenience of the Government. The Contractor agrees to perform this contract in such a manner that its claim for such Special Termination Costs will not exceed $____. The Government shall have no obligation to pay the Contractor any amount for such Special Termination Costs in excess of such amount. Special Termination Costs for the purpose of this contract are defined as costs only in the following categories:

(i) severance pay as provided in ASPR 15-205.39(b)(ii);

(ii) reasonable post-termination plant maintenance and operation costs, if expressly made allowable under other provisions of this contract;

(iii) settlement expenses as provided in ASPR 15-205.42(f);

(iv) cost of return of field service personnel from sites;

(v) costs in categories (i), (ii), (iii), and (iv) above to which subcontractors may be entitled in the event of termination.

(b) In the event of termination for the convenience of the Government, the amount of such Special Termination Costs shall be determined in accordance with the provisions of the contract and this clause shall not be construed as affecting the allowability of such costs in any manner other than limiting the maximum amount payable therefor by the Government.

(c) This clause shall remain in full force and effect until this contract is fully funded.

7-108.3—Armed Services Procurement Regulation.

8:58 April 16, 1973

TERMINATION OF CONTRACTS

8-712 Special Termination Costs Clause.

(a) The clause set forth in 7-108.3 is authorized for use in fixed-price incentive contracts and incrementally funded cost-reimbursement contracts when:

(i) the contract term is two years or more; and

(ii) the contract is estimated to require total RDT&E financing in excess of $25 million, or total production investment in excess of $100 million; and

(iii) the use of the clause in the contract is approved by the Secretary of the Department concerned or his designee.

(b) The contractor and the contracting officer shall agree upon an amount that represents their best estimate of the total special termination costs to which the contractor would be entitled to in the event of termination of the contract. Such amount shall be inserted in the clause.

(c) A provision allowing for negotiated adjustments of the amount reserved for special termination costs may be inserted as paragraph (d) of the clause. Contract provisions for periodic adjustments by mutual agreement of the parties may be established based on, among other things, (i) set time periods within the contract, (ii) the Government's incremental assignment of funds to the contract, or (iii) the time when certain performance milestones are accomplished by the contractor. Provisions for such adjustments may be considered desirable in contracts containing unusually long production schedules, or in contracts where the contractor's cost risk in the event of Government termination fluctuates extensively over the period of the contract, depending on the scope of work to be performed during a certain period of the contract or the amount of funds to be assigned to the contract during any one increment.

8-712—Armed Services Procurement Regulation.

ENCLOSURE III

COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS (CODSIA),
Washington, D.C., February 21, 1974.

HAROLD H. RUBIN,
Deputy Director, U.S. General Accounting Office, Procurement and Systems Acquisition Division, Technology Advancement, Washington, D.C.

DEAR MR. RUBIN: This is in rsponse to your letter of January 18, 1974, requesting the views of the Council of Defense and Space Industry Associations (CODSIA) concerning the Department of Defense's use of the special termination costs clause, Armed Services Procurement Regulation Section 8-712.

Because of the limited time afforded to respond, CODSIA has quickly checked with industry concerning the two questions mentioned in your letter. One question related to industry's experience following CODSIA's letter of September 22, 1969 to the ASPR Committee and since the clause was put into effect; the other requested any changes which industry believes are required to make the clause more acceptable.

Commenting on the first inquiry, it is noted that there has been little experience wherein the clause was actually required to be put into use. In other words, there have not been many major terminations in this time frame, which have involved this clause. This lack of experience limits our ability to discuss the use or adequacy of the clause as now stated.

Only one example of the clause becoming operative was discovered. In this instance, the final settlement fell within the dollar limitations set forth therein; therefore, no problem was confronted on allowable and allocable terminations costs being incurred beyond the dollars set forth in the clause.

There are companies which have current contracts that contain this clause. Several of these companies find it necessary to adjust the dollar limitations from time to time due to the fact potential termination costs are never static in an on-going contract. Such a right to do this is recognized within ASPR 8-712, but the clause itself, ASPR 7-108.3, does not recognize this aspect.

Industry concerns regarding the special terminations clause were expressed in our September 22, 1969 letter and again in the CODSIA study report of July, 1971, "Government Contract Terminations". The report had the following observations and recommendations:

"In this situation we have a double cost limitation—a ceiling on these kinds of special costs plus a restriction as to the kinds of costs that can be considered.

"The purpose of the special termination costs clause can hardly be faulted—to permit full utilization of contract funds for productive work and to exclude the limitation of Cost Funds clause in the contract. However, it should be made more flexible.

"RECOMMENDATION

"Revise the special termination costs clause, ASPR 7-108.3, to provide more flexibility with the ceiling subject to upward as well as downward adjustment, and with the categories of costs broadened to include all post-termination costs, not just limited categories."

(To assist you in your review, a copy of the CODSIA report of July, 1971 is attached—see pages 13 and 14.)

In line with the thought expressed above, and addressing specifically the subject of changes believed essential to make the clause more acceptable, the following changes are offered for consideration:

1. Within the clause (ASPR 7-108.3, lines 4 and 5 are the words, ". . . in the event this contract is terminated for convenience of the Government. . . ." It is strongly believed the words "for the convenience of the Government," should be revised to read "for the convenience of the Government on fixed price contracts and for convenience of the Government or default on cost reimbursement contracts." A similar treatment of these words is also required in paragraph (b) of this clause.

Reason: The sole purpose of this clause is to permit full use of incremental contract funds for productive work. This is primarily for the benefit of the Government. The clause is not intended to cause the contractor to assume additional risk by not holding the normal reserve of contract funds against a possible termination as he would do if this clause were not used. Nevertheless, there is always the risk, however remote, of a default termination. In the case of a cost reimbursement contract the allowability of termination costs for either default or convenience is basically the same, subject only to availability of contract funds. It is therefore apparent that in the cost reimbursement case the special termination costs clause, as currently limited to a convenience termination, imposes additional risk of loss to the contractor in the event of a default termination. In all fairness this limitation should be elimination. In all fairness this limitation should be eliminated to enhance the use of the clause and to preclude the clause from being self-defeating.

2. The "Recommendation" cited above and contained in the reference CODSIA study report suggested that the categories of costs defined in ASPR 7-108.3 be broadened to include all post-termination costs and not be limited to the categories currently covered in the clause. It is recommended that the clause be revised by eliminating the limited categories and adding after the words "are defined as costs", the following: "are defined as costs as covered by ASPR 15-205.12(b) (ii) Idle Facilities, ASPR 15-205.39(b)(ii) Severance Pay, and ASPR 15.205.42, Termination Costs."

Reason: Because the present clause covers only limited types of post-termination costs, it is incumbent upon a prudent contractor to hold a termination reserve for all categories of termination and post-termination costs not now listed in the clause but otherwise allowable under ASPR Section XV. The wording of the present special termination costs clause therefore, partially defeats the intended purpose of the clause. As the Committee on Armed Services of the U.S. Senate recognized (Report No. 93385 dated September 6, 1973, pages 118 and 119), the purpose of the clause is to enable the contractor to more fully utilize contract funds without the need for a reserve against possible termination.

3. In addition to eliminating the restrictive list of types of termination costs, ASPR 7-108.3 should be further modified by changing the second sentence thereof to read: "The contractor agrees to perform this contract in such a manner that its claim for termination costs, when added to all other costs incurred, will not exceed the sum of the funds allotted to this contract for performance plus $———— covered by the Special Termination Costs clause."

Reason: Without such a change, the clause has the characteristic of an advance understanding and limitation on termination costs even if, at the time of termination, the funds allotted to the contract were not exhausted. This is not the purpose for which the clause is intended. Such clarification will not increase the Government's liability but it will eliminate potential administrative confusion.

4. As will be noted in the CODSIA study report of July, 1971, as well as in CODSIA's letter of September, 1969 to the ASPR Committee, industry did not then, nor does it now, take issue with the purpose of the clause, but it must be recognized that it creates concern as to whether the dollar limitation will be adequate as the contract progresses. In this respect it is recommended that a paragraph (d) be added to the ASPR clause 7–108.3 (as Permitted by ASPR 8–721 (c)) to provide for periodic adjustment by mutual agreement of the parties.

In closing, we wish to express our appreciation for the opportunity to provide these comments as the consensus of the opinions expressed by the member associations of CODSIA and trust that they will receive due consideration in the course of your review. We would welcome the opportunity to have our representatives discuss with you in greater detail the views and recommendations which have been presented here.

Sincerely,

J. A. CAFFIAUX,
Staff Vice-President, Electronic Industries Assn.
FRANCIS P. ROONEY,
Manager, Defense Liaison Department, Motor Vehicle Manufacturers Assn.
ROBERT E. LEE,
President, National AeroSpace Services Assn.
JOSEPH M. LYLE,
President, National Security Industrial Assn.
KARL G. HARR, Jr.,
President, Aerospace Industries Assn.
EDWIN M. HOOD,
President, Shipbuilders Council of America.
JOHN C. BECKETT,
WEMA.

U.S. SENATE,
Washington, D.C., July 22, 1974.
Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: Senate Armed Services Committee Report 93–385 dated September 6, 1973, suggested greater use of the Special Termination Cost Clause for major research and development contracts to permit the more effective and timely use of appropriations for research and development. The General Accounting Office, by letter dated October 4, 1973, was requested to look into this matter and to provide comments with appropriate recommendations to the Committee.

The Office of the Assistant Secretary of Defense Comptroller (Program/Budget), on May 20, 1974, provided the Committee with an analysis of the use of this clause by the military departments. The letter stated that the Armed Services Procurement Regulations (ASPR) clause governing special termination costs is presently being reviewed and that a Department of Defense position would be available after the ASPR subcommittee report on the subject is completed.

The Comptroller General advised the Committee by letter dated June 4, 1974, of the results of the examination of this matter and included certain proposed changes to the ASPR clause and other conclusions.

I request that the Department of Defense review the Comptroller General letter of June 4, 1974, copy of which is attached, and provide comments including any possible effect on the ongoing DOD review of the ASPR clause. Will you also indicate any actions that may be contemplated by the Department of Defense on this subject, including proposals for legislative action which may be appropriate during Congressional consideration of the fiscal year 1976 military procurement authorization request.

Sincerely,

THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development.

EDUCATION OF HANDICAPPED CHILDREN

Mr. MATHIAS. Mr. President, with the Senate adoption of the conference report on H.R. 69 by the vote of 81 to 15, on July 24, 1974, this body once again expressed its approval for, among other provisions, an amendment which I offered to the education bill which provided additional funding for education of handicapped children.

The so-called Mathias amendment was cosponsored by 19 other Senators. Briefly, this amendment amended sections 611 and 612 of the Education of the Handicapped Children Act as to change the system of assistance under part B, for fiscal year 1975 only from a system of State allotments to a system of entitlements based on $15 per student on average daily attendance. The amendment provided that such assistance to States for initiating, expanding, and improving programs and projects for the preschool, elementary, and secondary school levels was for the purpose of providing full educational opportunities to all handicapped children.

The conference report, which we adopted yesterday, changed the distribution of such entitlements to $8.85 per child, age 3–21, and added a provision that payment under part B may be used for early identification and treatment of handicapped children under 3 years of age. I would point out that under my original amendment, it was estimated that $631 million are required to fully fund this program for fiscal year 1975. As modified by the conferees, this amendment would now provide approximately the same amount.

This morning I had the privilege of appearing before the Labor HEW Subcommittee of the Senate Appropriations Committee. Although I am a member of that committee I felt it was important to appear as a witness before that subcommittee to testify on behalf of the provision which this body adopted only yesterday.

As part of my testimony I included a letter which I received from the Council for Exceptional Children which eloquently speaks on behalf of millions of handicapped children in this country.

Mr. President I ask unanimous consent that a letter which I received from the Council for Exceptional Children dated July 24, 1974, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COUNCIL FOR EXCEPTIONAL CHILDREN,
Reston, Va., July 18, 1974.
Senator CHARLES MCC. MATHIAS,
460 Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: Permit me, initially, on behalf of the membership of The Council for Exceptional Children, to express our deepest gratitude for your role as initiator and primary sponsor of that provision in the Education Amendments of 1974 (H.R. 69) which authorizes a one-year, emergency entitlement under ESEA, Title VI–B, Education of the Handicapped, Aid to the States. Your forceful advocacy could not have been more timely, and we are delighted that your proposal was approved without a single objection by your colleagues in the Senate and was subsequently approved unanimously in a House-Senate conference on H.R. 69.

We now wish to offer our wholehearted endorsement for the position which you lay before your colleagues on the Senate Appropriations Committee, namely, appropriation at full entitlement under the "Mathias Amendment" for fiscal 1975.

As you are well aware, Senator, the long struggle to end the exclusion of/or inappropriate education of this Nation's approximately seven million handicapped children is now reaching monumental proportions. Numerous parents and other advocates for handicapped children have in the past three or four years sought redress in the courts. In point of fact, there are at least 36 cases now filed and/or completed in twenty-five of the states of the Union. Aside from the vital and immediate consideration that the courts are affirming the right to an education, the very fact that so many suits have been brought is in itself eloquent testimony to that severe neglect which is at long last coming to an end.

Moreover, at the close of the 1972 regular state legislative sessions across the United States, a total of 43 states had in place some form of legislation mandating the availability of public educational services to all handicapped children. In that regard, you will find enclosed a chart detailing the nature and extent of mandatory legislation in the states. It is important to observe that, of the nineteen states with specific statutory dates of compliance, seven become effective in 1974, one becomes effective in 1975, four become effective in 1976, four become effective in 1977, and two become effective in 1979.

However, while these statutes and their compliance dates represent a forceful statement of legislative intent, they do not guarantee actual program delivery. The same is true of court decrees, as may be witnessed in the District of Columbia where the plaintiffs have returned to court charging substantial non-compliance with that historic decree resulting from Mills v. D.C. Board of Education.

This is not to suggest lack of goodwill on the part of state and local officials; quite the contrary, it is simply to acknowledge a pressing financial crunch in the states and localities exacerbated by the ever-accelerating pace of those court orders and legislative mandates just cited. If I may borrow a phrase from your remarks on May 20 in the Senate Chamber: too many of the states are unable "to put their money where their laws are."

Justice delayed is nonetheless justice denied; as a consequence, parents, public officials, and educators have appeared before panels of both the Senate and House in the last two years to plead for enlarged federal assistance. A recent resolution of the National Governors' Conference succinctly summarizes the message being conveyed from the states to the National government:

> The National Governors' Conference believes it should be the responsibility of each state, as an integral part of a free public education, to provide for special education services sufficient to identify and meet the needs of all handicapped children.

Recognizing the tremendous additional

financial burden which would be incurred in providing for the education of all handicapped children, the National Governors' Conference calls upon the federal government to increase its assistance to the states in fulfilling this commitment. Federal assistance, however, should allow maximum flexibility and discretion to the states in providing the essential services they deem appropriate, since these services in many states are administered by more than one agency.

But certainly for the Senate of the United States, with its long history of conscientious attention to the "vulnerables" in our society, it is the basic reality of continuing lack of equal educational opportunity, regardless of the reason, which must ultimately offer the most compelling argument for Congressional action. That reality is bluntly portrayed in the report which accompanied the Senate version (S. 1539) of the Education Amendments of 1974:

There are 7 million (1 million of pre-school age) deaf, blind, retarded, speech-impaired, motor-impaired, emotionally disturbed, or other health-impaired children in the United States who require special education programs. Although these children represent approximately 10 percent of the school age population (a conservative estimate), and although the number of children receiving special help has grown from 2.1 million to nearly 3 million in the past 5 years, current data indicates that less than 40 percent are receiving an adequate education—

The current federal impact on the education of handicapped children has been of excellent calibre, characterized by sound leadership and the successful delivery of vital supportive services. But certainly the situation which now obtains in the states and their school districts argues forcefully for the evolution to a "second generation" in the federal partnership.

With its stipulation that there be a priority in the use of funds for those children not yet being served, the "Mathias Amendment" would be a tremendous boost toward achieving equal educational opportunity for handicapped children. We therefore must strongly urge the Senate Appropriations Committee to appropriate at full entitlement and we have been informed that the following organizations concur in that recommendation:

American Speech and Hearing Association.

National Association of Coordinators of State Programs for the Mentally Retarded.

American Foundation for the Blind.

American Association of Workers for the Blind.

Blinded Veterans Association.

United Cerebral Palsy Association.

Association for Children with Learning Disabilities.

National Association for Retarded Citizens.

Council of State Administrators of Vocational Rehabilitation.

National Society for Autistic Children.

Sincerely yours,

William C. Geer,
Executilve Director.

State	Type of mandation	Date of implementation	Date of passage	Ages of eligibility	Categories excluded
Alaska	Full planning and programing			6 to 20	
Alabama	Mandatory	1977	1971	6 to 21	
Arizona	Selective planning and programing	1976		5 to 21	Gifted and emotionally handicapped.
Arkansas[1]	Full planning and programing	1979–80		6 to 21	
California	Mandatory			3 to 21	Emotionally handicapped.
Colorado[2]	Full planning and programing	1975	1973	5 to 21	
Connecticut	Mandatory	1973		do	
Delaware	do			4 to 21	
District of Columbia	No statute (Mills v. Board of Education mandatory).	1972	1971	School age	
Florida	Mandatory	1973	1973	13 years guaranteed, 3 to no maximum	
Georgia	Full planning and programing	1976		3 to 18	
Hawaii	Mandatory		1949	5 to 20 (except under early admission plan).	
Idaho	do		1972	Birth to 21	
Illinois	do		1961	3 to 21	
Indiana	do	1973	1973	Deaf—6 mo; 6 to 18	
Iowa	Selective mandate		1970	Birth to 21 (to 24 if necessary)	Deaf, blind, or severely handicapped may be educated in State schools.
Kansas	Selective planning and programing	1979	1974	Birth to 21	
Kentucky	Planning and programing	1974		do	
Louisiana	Mandate by petition (5 or more)			3 to 21	
Maine	Mandatory	1975	1973	5 to 21 (speech handicapped—birth to 21).	
Maryland	Planning and programing	1979[3]		Birth to 18	
Massachusetts	do	1974	1972	3 to 21	
Michigan	do	1973		Bitrh to 25	
Minnesota	Mandatory		1972	Deaf, blind, (R or SI—4 to 21) MR 5 to 21, ED 6 to 21.	
Mississippi	Mandate by petition (5 plus)			Birth to 21	
Missouri	Mandatory	1974		5 to 21	
Montana[4]	(a) Selective conditional—(at least to EMR, TMR or PH).	1979	1974	PH—birth to 25; TMR—birth to 21; EMR—legal school age.	
Nebraska	Mandatory	1976	1973	5 to 18	
Nevada	do		1973	5 to 21[5]	
New Hampshire	do		1965	5 to 21; deaf 4 to 21; PH-5 to 31	
New Jersey	do			5 to 20	
New Mexico	Planning and programing	1977		By Jan. 1—6 to 21	
New York, court order	Mandatory		1973	5 to 21	
North Carolina	do		1974	Birth to adulthood deaf 18 or 21 if need exists.	
North Dakota	do	1980	1973	6 to 21	
Ohio	Petition (8 or more crippled or EMR)			5 to 21	
Pennsylvania, court order	EMR		1971	From 5 years of age	
Oklahoma	Mandatory		1970	4 to 21 (until 25 if necessary)	
Oregon	do		1973	Birth to 21; EMR 6 to 21	
Rhode Island	do		1971	3 to 21	
South Carolina	Planning and programing	1977		6 to 21, HI 3 to 21	
South Dakota	Mandatory		1969	Birth to 21	
Tennessee	Planning and programing	(6)		4 to 21	
Texas	Petition			3 to 21	
Utah	Mandatory		1973	5 to 21	
Vermont	do		1968	Birth to 21	
Virginia	Planning	1976–77[7]	1973	2 to 21	
Washington	Mandatory		1971	Legal school age	
West Virginia	do	(8)	1974	5 to 23	
Wisconsin	do	(9)	1973	Birth to 21	
Wyoming	do		1969	Legal school age	

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[1] Current statute is conditional; or 5 or more similarly handicapped children in district. AG opinion says new law effective July 1973.

[2] Except PH–3 to 21.

[3] Court order suggests present rights.

[4] Petition—(at least 4 EMR, TMR or PH).

[5] Aurally handicapped, 3 to 21.

[6] September 1974.

[7] Established by regulation.

[8] July 1, 1974.

[9] Aug. 9, 1973.

TRIBUTE TO FORMER SENATOR WAYNE MORSE

Mr. HOLLINGS. Mr. President, it was with much sadness that I learned of the passing of our good friend and former colleague, Wayne L. Morse, of Oregon. News of his death came as a shock to all of us who were following his typically energetic campaign to regain a seat in the U.S. Senate.

When I remember Wayne Morse, I recall a man who said what he thought and did what he said. He pulled no punches. And he was capable of a mighty wrath. I believe we have lost much of our capacity for righteous indignation. And I think our inability to get really stirred up—to get mad—is a loss for the country. When Government fails to perform—when those in high office become more devoted to individual advancement than to public service—and when all around us we see the public interest being subordinated to the special interests—we ought to get mad. Wayne Morse got angry about such things, and he did something about them. His was not a petty anger. It was an indignation that grew out of his unflinching dedication to right. He was, of course, a controversial man, and his out-spokenness led him into many frays. But through it all, he remained true to his principles and true to himself.

Wayne Morse's name will be writ large when the legislative history of the 1940's, 1950's, and 1960's is written. In education, in agriculture, in labor, in efforts to avoid the pitfalls of Southeast Asia, and in countless other areas, Wayne Morse was active, and the reform measures of the past quarter century more often than not bear his imprint.

Mr. President, I served for only a brief time alongside Wayne Morse in this Chamber, but I often saw him in subsequent years. I valued his counsel and I will always treasure his friendship. He was a fine public servant. And he was a good man. I join my colleagues in extending deepest condolences to his family.

TRIBUTE TO SENATOR WAYNE MORSE

Mr. KENNEDY. Mr. President, Hal Gross worked for Senator Wayne Morse in Oregon and then came to Washington in 1968 to serve under Senator Morse's chairmanship on the staff of the Special Subcommittee on Indian Education. He continued working for the subcommittee under my chairmanship and that of my brother Robert, and he has recently been consultant to my administrative practice and procedure subcommittee.

Mr. Gross has shared with me his moving thoughts on the death of Senator Morse, and I would like to share them with my colleagues:

I ask unanimous consent that the eulogy by Mr. Gross be printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

EULOGY OF SENATOR WAYNE MORSE

Wordsworth, speaking of another, described Wayne Morse:

> "The monumental pomp of age
> Was with this goodly personage;
> A stature undepressed in size,
> Unbent, which rather seemed to rise
> In Victory o'er the weight
> Of seventy years, to loftier height."

Wayne Morse died, as he would have chosen, fighting with all his great strength to restore moral leadership to his nation, and rule of law to the world.

Behind him he leaves the only immortality he sought: his great influence on the lives of us who knew him, and to whom he taught so much.

For he was many things: devoted husband, father, grandfather; statesman, moral leader, constitutional lawyer, teacher. But, of these, he was a teacher first, and he often saw fellow Senators as students—who were neither apt nor anxious to learn. Repetition, he often said, is a teacher's best ally.

His teacher's role was best exemplified by the case that history will remember best—his opposition from its inception to the unconstitutional and immoral participation of this nation in the Vietnam war. While others at first found it necessary or convenient to compromise or vacillate, or simply to remain silent, Wayne Morse, with Ernest Gruening, alone resisted.

His loyalty questioned by self-styled patriots, Senator Morse remembered and repeated Carl Schurz' words, with the lines others had forgotten:

> "Our country, right or wrong:
> When right, to be kept right;
> When wrong, to be put right."

Happily, he lived to see not "peace with honor", for there is neither peace nor honor in Vietnam, but at least our disengagement from the war; and he lived to see the nation persuaded of the view that he and Senator Gruening had once maintained alone. Appropriately, his last trip to Washington from Oregon was to eulogize his late, long-time friend and colleague, Ernest Gruening, whose death preceded his own by just three weeks.

Wayne Morse lived his life from beginning to end as a demonstration of those high principles in which he so strongly believed: the unflinching courage of his convictions, uncompromising integrity, determined devotion to duty. The nation will long feel his loss, for who is there to replace him?

His death comes at an historic moment when the Members of Congress, who were his students so often, will be tested to show whether those lessons that Wayne Morse taught, by word and by deed—courage, integrity, duty and a devotion to the Constitution—have been learned. His memory will best be served if Congress can pass that test.

NEED FOR AGENCY FOR CONSUMER ADVOCACY—A TRAGIC ILLUSTRATION

Mr. PERCY. Mr. President, a most moving letter to me from Mr. Elizabeth Greenwold, of Washington, D.C., points up the need for a Consumer Protection Agency—now renamed Agency for Consumer Advocacy.

Mrs. Greenwold describes a July 11, 1974, automobile accident in which her friend, Mrs. Pat Kiley, and Mrs. Kiley's 2-year-old daughter, Jessica, were tragically burned to death. Chris Kiley, Mrs. Kiley's 4-year-old son, who was to begin nursery school in September also suffered severe burns. He remains in critical condition at the Boston Hospital for Burns. Mrs. Greenwold writes:

> If he survives, only God knows in what condition.

Possibly the most tragic aspect of this deplorable misfortune is that it might have been prevented by responsible Federal agency action.

The Kiley car was struck from the rear by a vehicle traveling at a relatively low speed. Instantaneously, the fuel tank erupted into flames. The impact force of the crash was not sufficient to have killed and injured members of the Kiley family.

The Department of Transportaton's National Highway Traffic Safety Administration should have taken action to alter the design characteristics of gas tanks and their placement, which appears to have been a prospective cause of this crash. It almost did 4 years ago. Recognizing the inadequacy of then-existing fuel tank flammability standards, NHTSA in August 1970 issued a proposed rulemaking. Under the proposal, rear-end collision tests would have been required by January 1, 1972. I note that Mrs. Kiley's car was struck from the rear in 1974. Also, the rulemaking proposed that standards for permissible leakage of gasoline following a crash be made more stringent.

NHTSA received 34 comments on this proposed rulemaking. Only one comment, a 1½-page letter, from Consumers Union was supportive. By contrast, automobile manufacturers and their trade associations filed thousands of pages of comment strongly opposed to the proposal. Cost of testing and producing sturdier fuel tanks, the stringency of the proposed standards, and an early implementation date were the industry's primary objections.

In the face of this barrage of industry criticism, which constituted virtually all public input into the agency's decision-making process, NHTSA withdrew the proposed standards altogether. To this day there is no requirement for rear-end testing for fuel tank safety.

This example dramatically illustrates the need to redress the balance of representation in the Federal regulatory process. Organized consumer input is essential if regulations truly in the public interest are to be promulgated. I fervently hope that the Senate will act to safeguard against future tragedies of this kind. I strongly recommend expeditious enactment of the Agency for Consumer Advocacy. The health, safety, and economic welfare of 210,000,000 Americans is at stake.

Mrs. Greenwold writes concerning enactment of ACA:

> Some may see this bill as a conflict between interest groups or a conflict of abstract ideas. I see it in terms of a specific human tragedy that cuts through the abstract concepts and the political maneuvering to the heart of the issue: when mothers are buried and their children lie in pain on the brink of death, those with the power to help prevent this from happening again must act to do so. If effective consumer representation saves the life of one child, creation of the Consumer Protection Agency will have been worthwhile.

Mr. President, a shortened version of Mrs. Greenwold's letter appears in the July 25, 1974, edition of the Washington Post. I will include the full text of the letter as I received it at the conclusion of my remarks. One portion of the letter edited out in the Post reprint identifies Mrs. Kiley as having been an active participant in public affairs. Among other political involvement, Mrs. Kiley worked for many years for former Senator Jack Miller of Iowa. Senator Miller earned high regard from all his colleagues for his resolute and forward-looking legislative stands. I might add that Senator Miller voted to break the filibuster being waged against the CPA bill in 1972.

Mr. President, I ask unanimous consent that the full text of Mrs. Elizabeth Greenwold's letter to me dated July 17, 1974, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Washington, D.C., July 17, 1974.

EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: On Thursday, July 11, Mrs. Pat Kiley and her two-year-old daughter, Jessica, were killed in an automobile accident in New York. Their obituary appeared in the Post on Saturday, July 13. Pat had worked for many years for Senator Jack Miller of Iowa and for the Republican Governors Association, and had been vigorously involved in Republican politics throughout her career. She and her husband, Bob, had many friends in the Washington area. The way she and her little girl died—so needlessly—raises urgent questions of public policy. Ironically, the very day after they were buried, the Senate began debate on a bill that could have helped to save their lives.

Pat and Jessica were killed when their car was struck from the rear by a vehicle traveling at a relatively low speed. Their deaths were not caused by the impact of the collision, which was slight, but by the fire that broke out when their fuel tank erupted in flames. Pat's four-year-old son, Chris, who was to have begun nursery school with my daughter beginning in September, remains in critical condition at the Boston Hospital for Burns. Doctors there say his injuries are among the most severe they have ever seen. He may not survive. If he does, only God knows in what condition.

The National Highway Traffic Safety Administration has authority to regulate automobile safety, including the safety of fuel tanks. In 1968, NHTSA set forth standards and test procedures governing fuel tanks. The test procedures provided only for front-end collision testing, and there was no requirement for rear-end collision tests, in spite of the fact that when such collisions do occur, they pose a more serious hazard of fuel tank fires. Recognizing that their existing standards and testing procedures were inadequate to protect the public, NHTSA in August 1970 issued proposed new standards and testing procedures that would have required rear-end collision testing by January 1, 1972 and toughened the standard for permissible leakage of gasoline after the crash.

When the proposed new standards were published, NHTSA received 34 comments on them. Of these, only one comment, a 1½ page letter from Consumers Union, supported the proposed standards or suggested more stringent ones. By contrast, automobile manufacturers and their trade associations filed a host of comments, totaling nearly a thousand pages, strongly opposing the proposed standards. The companies opposed them on the ground that the testing would be too expensive, the standards too strict, and the implementation date too soon.

In the face of this barrage of industry criticism, which represented nearly all the public input into the agency's process, NHTSA retreated and withdrew the proposed standards altogether. *As a result, to this day there is no requirement for rear-end collision testing for fuel tank safety.* NHTSA currently has under reconsideration a proposal for rear-end collision testing, less stringent than the 1970 standards, that would not go into effect until September 1, 1975.

There is no question that the virtual unanimity of the comments received by the agency in 1970 is responsible for the fact that no rear-end collison standards are currently in effect. It may be that NHTSH's decision in this matter can be justified, but it is a fact that the issue was never really fought out by effective spokesmen for all positions because virtually the only input into NHTSA's decision-making process came from automobile companies.

I do not know whether implementation of the 1970 standards would have kept Pat Kiley's car from bursting into flames. I do know that there is no justifiable reason why such tragedies should occur, and I am appalled that to this day and henceforward until late 1975 no automobile model will be required to undergo a test to show that it can safely withstand a rear-end collision without becoming a flaming death trap.

This terrible tragedy has a direct and immediate bearing on a bill currently pending before the Senate. The bill, S. 707, would establish a Consumer Protection Agency, the primary function of which would be to present arguments on behalf of consumer interests—such as the interest in not having one's car catch fire—to federal agencies such as NHTSA. A Consumer Protection Agency, if it had been in existence in 1970, could have supported the position that rearend collision standards should go into effect promptly and provided an effective counterforce to the unanswered arguments of the automobile industry. Since such arguments were not made, the position of the industry prevailed by default.

It appears to me to be absolutely essential that consumers—who are the real Silent Majority in this country—be able to look to an organization that has the means and the responsibility to provide a reasonable degree of consumer input into the decisions of regulatory agencies. Right now that input just doesn't exist, and it isn't likely to come into existence in the foreseeable future unless an agency like the Consumer Protection Agency is created.

A bipartisan majority of the Senate favors S. 707. However, a determined filibuster is underway, backed by, among others, the major automobile companies, to prevent the Senate from voting on the bill. The real vote on the bill will be the vote on cloture, and that vote will be close. According to all reports, the votes of about a dozen Senators will decide the outcome.

Some may see this bill as a conflict between interest groups or a conflict of abstract ideas. I see it in terms of a specific human tragedy that cuts through the abstract concepts and the political maneuvering to the heart of the issue: when mothers are buried and their children lie in pain on the brink of death, those with the power to help prevent this from happening again must act to do so. If effective consumer representation saves the life of one child, creation of the Consumer Protection Agency will have been worthwhile. And if the tragedy that has already occurred puts the issue before the Senate in this sharp focus, then "these dead shall not have died in vain."

Sincerely,

ELIZABETH S. GREENWOLD.

INFLATION

Mr. CASE. Mr. President, earlier this month, the Senate passed Senate Concurrent Resolution 93, authorizing the Joint Economic Committee to conduct an emergency study of the economy and to recommend legislative remedies to the Congress.

Tuesday, we passed Senate Resolution 363 calling for a domestic summit conference on the economy.

Although each of these resolutions has merit, I believe there is one more highly constructive and necessary step the Senate must take in this area. I believe we must pass Senate Concurrent Resolution 88, introduced by Senators NELSEN, HART, HUMPHREY, and JAVITS, establishing a 20- to 30-member Joint Economic Committee Advisory on the economy.

When I announced my cosponsorship of Senate Concurrent Resolution 88 on June 24, I said:

> I think we need to give the Joint Economic Committee the resources to study this situation, to look at this new set of circumstances, and perhaps to devise new approaches to the perplexing problems that are upon us.

The Nation's economic planners last year were unprepared for the effect of foreign demand on domestic prices. The oil embargo and subsequent dramatic rise in fuel prices placed a tremendous strain on the economy. Shortages have cropped up in basic materials; bottlenecks have hamstrung areas of industrial output. The prime rate is up, housing construction is down, and our dollar is losing purchasing power every month. The total rate of inflation is the sum of many parts—years of accumulated pressure for a "growth" economy rather than a stable economy, increasing worldwide affluence accompanied by rising worldwide demand, competition for dwindling supplies, a price-hike wage-hike spiral.

These are new problems, and simply calling for continued tight money or a balanced budget or reduced Federal spending does not address any of them. And both of the resolutions we have already passed simply urge existing institutions to do their jobs. This is not enough. We must be prepared to reach for new ideas, to call on new sources of information, possibly to reappraise much of our old thinking about the causes of and cures for inflation. I urge the Senate to pass Senate Concurrent Resolution 88, to give the Joint Economic Committee—and the Congress—the additional expertise to act affirmatively to slow down inflation and restore a stable economy.

SENATOR WAYNE MORSE

Mr. HUMPHREY. Mr. President, Wayne Lyman Morse was a man of the people and for the people.

He worked tirelessly for them.

He believed in their goodness and decency.

He shared their hopes and fears.

Yes, he fought their battles. He raised his voice so often on their behalf.

Senator Wayne Morse walked that extra mile for his people—the people of his beloved Oregon, the American people.

On Friday, we will lay to rest my dear friend and colleague of so many years and so many struggles—the champion of progressive causes, gifted lawmaker, legal scholar, respected arbitrator, brilliant teacher, harsh critic, dissenter, lover of rural life, champion of human rights, and devoted husband and father. Wayne Morse was certainly all these things. And he was more.

Those of us who were close to him understood the drive, the stamina, the moral, and intellectual strength of this good man.

Wayne Morse had his roots in the rural heartland of our Nation. He was nurtured on turn-of-the century populism. Early on he knew the meaning of hard times. Though his education took him a long way from his father's Wisconsin farm, he never forgot his rural heritage. He never forgot what men like Bob LaFollette, George Norris, and William Jennings Bryan meant to so many millions of Americans. Throughout his long career of public service, he personified the independence, the courage, the might of these men.

To his everlasting credit, he took midwestern populism and transplanted it in the great Northwest where he and it flourished so well.

Yes, when remembering Wayne Morse, we must speak of his staunch independence.

His trademark was his shameless sense of being beholden to no one political party, to no single group or interest, to no single political figure.

To be sure, Wayne was combative because he was unwilling to yield on his convictions. He was unwilling to compromise on principle. In the political world where all too often lack of conviction gives way to political expediency. Wayne Morse fiercely stood his ground. His friends knew this. His enemies knew it as well.

Wayne Morse's achievements are both of spirit and of substance.

To his life's work, he brought tireless energy and relentless pursuit of his goals. Wayne Morse never gave up.

He never gave up his struggles against policies and people he believed to be wrong or injurious to the strength of the Republic.

He never gave up his commitment for civil rights and economic justice for all Americans whether these battles were waged in Oregon or in the halls of Congress.

He never gave up in his efforts to protect the rights of labor and the needs of the working people.

He never gave up the quest for quality education for the children of America.

He never gave up his belief that America could not be the world's policeman and that our involvement in Vietnam was morally wrong. Yet, he consistently supported our efforts to aid the weak and the needy in the post-war world.

But most important of all, he never abandoned his desire to serve the people of Oregon. Political defeat did not deter him. Setbacks never caused his sure steps to falter.

In the fall of 1971 he expounded on his spirit of determination. He said:

> I have always said, I said before I was defeated, that I would never retire, that I was going to continue with my boots on. That happens to be my blood chemistry. I think it is very important that we recognize that you can't, shouldn't in the interest of the public, say that somebody should not continue to serve the people of his state and country simply because he's reached the age that some people retire.

And he was taken from us as he campaigned, as he participated in the process so vital to our democracy.

This Nation of ours was in such desperate need of Wayne Morse. We needed him at a time when so few people seem to have faith in the political process. He could have helped restore that faith because the people believed Wayne Morse.

We needed him at a time of moral decay and wrongdoing in the highest office of the land. Wayne Morse would not have been afraid to condemn those who have betrayed the public trust.

Yes, we needed Wayne for his sense of vision and purpose, for his integrity, for his courage. We needed that old tiger back in the Senate.

I mourn the loss of a good friend. His dear wife Mildred and his children have lost a husband and father. America has lost a man who dared to fight for what he believed was right.

American life and American politics at midcentury were made better by Wayne Morse's ceaseless endeavors on our behalf. His contribution to our lives was only a small measure of what he still intended to give.

NATIONAL DIABETES MELLITUS RESEARCH AND EDUCATION ACT

Mr. SCHWEIKER. Mr. President, I am pleased that the President has signed into law the National Diabetes Mellitus Research and Education Act, which I introduced in the Senate. This act will at long last focus the full attention of public and private research on the fifth leading killer and one of the leading causes of blindness among Americans. Diabetes is also related to heart disease, hypertension, and kidney disease, but until now there has been no coordinated effort to combat it the way we are attempting to fight diseases like cancer and heart disease.

This law sets up a National Commission to formulate a long-range plan to combat diabetes, creates the position of Associate Director for Diabetes within the National Institute of Arthritis, Metabolism and Digestive Diseases, and creates a committee within the National Institutes of Health composed of representatives of each of the Institutes concerned with health problems relating to diabetes.

The enactment of this legislation is the culmination of a long effort to get the government committed to curing diabetes. My original bill, S. 17, was introduced on January 4, 1973. S. 2830, based on my bill, passed the Senate December 20, 1973, and the House passed similar legislation March 19, 1974. Two weeks ago the House passed the conference report by an overwhelming vote of 356 to 4, and the Senate by 94 to 0. I am especially pleased to have authored this legislation which will accelerate and coordinate national efforts against diabetes.

Mr. President, I ask unanimous consent that the text of the final bill, now law, be printed in the Record.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

NATIONAL DIABETES MELLITUS RESEARCH AND EDUCATION ACT

SHORT TITLE

Section 1. This Act may be cited as the "National Diabetes Mellitus Research and Education Act".

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress makes the following findings:

(1) Diabetes mellitus is a major health problem in the United States which directly affects perhaps as many as ten million Americans and indirectly affects perhaps as many as fifty million Americans who will pass the tendency to develop diabetes mellitus to their children or grandchildren or to both.

(2) Diabetes mellitus is a family of diseases that has an impact on virtually all biological systems of the human body.

(3) Diabetes mellitus is the fifth leading cause of death from disease, and it is the second leading cause of new cases of blindness.

(4) The severity of diabetes mellitus in children and most adolescents is greater than in adults, which in most cases involves greater problems in the management of the disease.

(5) The complications of diabetes mellitus, particularly cardiovascular degeneration, lead to many other serious health problems.

(6) Uncontrolled diabetes mellitus significantly decreases life expectancy.

(7) There is convincing evidence that the known prevalence of diabetes mellitus has increased dramatically in the past decade.

(8) The citizens of the United States should have a full understanding of the nature of the impact of diabetes mellitus.

(9) The attainment of better methods of diagnosis and treatment of diabetes mellitus deserves the highest priority.

(10) The establishment of regional diabetes research and training centers throughout the country is essential for the development of scientific information and appropriate therapies to deal with diabetes mellitus.

(11) In order to provide for the most effective program against diabetes mellitus it is important to mobilize the resources of the National Institutes of Health as well as the public and private organizations capable of the necessary research and public education in the disease.

(b) It is the purpose of this Act to—

(1) expand the authority of the National Institutes of Health to advance the national attack on diabetes mellitus; and

(2) as part of that attack, to establish a long-range plan to—

(A) expand and coordinate the national research effort against diabetes mellitus;

(B) advance activities of patient education, professional education, and public education which will alert the ctizens of the United States to the early indications of diabetes mellitus; and

(C) to emphasize the significance of early detection, proper control, and complications which may evolve from the disease.

DIABETES PLAN

Sec. 3. (a) The Director of the National Institutes of Health shall, within sixty days of the date of the enactment of this section, establish a National Commission on Diabetes (hereinafter in this section referred to as the "Commission").

(b) The Commission shall be composed of seventeen members as follows:

(1) The Directors of the seven Institutes referred to in subsection (e).

(2) Six members appointed by the Secretary of Health, Education, and Welfare from scientists or physicians who are not in the employment of the Federal Government and who represent the various specialties and disciplines involving diabetes mellitus and related endocrine and metabolic diseases.

(3) Four members appointed by the Secretary of Health, Education, and Welfare from the general public. At least two of the members appointed pursuant to this paragraph shall be diabetics or parents of diabetics.

The members of the Commission shall select a chairman from among their own number.

(c) The Commission may appoint an executive director and such additional personnel as it determines are necessary for the performance of the Commission's functions.

(d) Members of the Commission who are officers or employees of the Federal Government shall serve as members of the Commission without compensation in addition to that received in their regular public employment. Members of the Commission who are not officers or employees of the Federal Government shall each receive the daily equivalent of the rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Commission. All members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

(e) The Commission shall formulate a long-range plan to combat diabetes mellitus with specific recommendations for the utilization and organization of national resources for that purpose. Such a plan shall be based on a comprehensive survey investigating the magnitude of diabetes mellitus, its epidemiology, and its economic and social consequences and on an evaluation of available scientific information and the national resources capable of dealing with the problem. The plan shall include a plan for a coordinated research program encompassing programs of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the National Eye Institute, the National Institute of Neurological Diseases, the National Heart and Lung Institute, the National Institute of General Medical Sciences, the National Institute of Child Health and Human Development, and the National Institute of Dental Research, and other Federal and non-Federal programs. The coordinated research program shall provide for—

(1) investigation in the epidemiology, etiology, prevention, and control of diabetes mellitus, including investigation into the social, environmental, behavioral, nutritional, biological, and genetic determinants and influences involved in the epidemiology, etiology, prevention, and control of diabetes mellitus;

(2) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal phenomena associated with diabetes mellitus, including abnormalities of the skin, cardiovascular system, kidneys, eyes, and nervous system, and evaluation of influences of other endocrine hormones on the etiology, treatment, and complications of diabetes mellitus;

(3) research into the development, trial, and evaluation of techniques and drugs used in, and approaches to, the diagnosis, treatment, and prevention of diabetes mellitus;

(4) establishment of programs that will focus and apply scientific and technological efforts involving biological, physical, and engineering science to all facets of diabetes mellitus;

(5) establishment of programs for the conduct and direction of field studies, large-scale testing and evaluation, and demonstration of preventive diagnostic, therapeutic, rehabilitative, and control approaches to diabetes mellitus;

(6) the education and training of scientists, clinicians, educators, and allied health personnel in the fields and specialties requisite to the conduct of programs respecting diabetes mellitus;

(7) a system for the collection, analysis, and dissemination of all data useful in the prevention, diagnosis, and treatment of diabetes mellitus;

(8) appropriate distribution of resources between basic and applied research.

The long-range plan formulated under this subsection shall also include within its scope related endocrine and metabolic diseases and basic biological processes and mechanisms, the better understanding of which is essential to the solution of the problem of diabetes mellitus.

(f) In the development of the long-range plan under subsection (e), attention shall be given to means to assure continued development of knowledge, and dissemination of such knowledge to the public, which would form the basis of future advances in the understanding, treatment, and control of diabetes mellitus.

(g) The Commission may hold such hearings, take such testimony, and sit and act at such time and places as the Commission deems advisable to develop the long-range plan required by subsection (e).

(h) (1) The Commission shall prepare for each of the Institutes whose programs are to be encompassed by the plan for a coordinated diabetes research program described in subsection (e) budget estimates for each Institute's part of such program. The budget estimates shall be prepared for the fiscal year ending June 30, 1976, and for each of the next two fiscal years.

(2) Within five days after the Budget for the fiscal year ending June 30, 1976, and the Budget for each of the next two fiscal years is transmitted by the President to the Congress the Secretary shall transmit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Labor and Public Welfare of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for each of the Institutes for diabetes research, and a comparison of such amounts with the budget estimates prepared by the Commission under paragraph (1).

(i) (1) The Commission shall publish and transmit directly to the Congress (without prior administrative approval) a final report within nine months after the date funds are first appropriated for the implementation of this section. Such report shall contain the long-range plan required by subsection (e), the budget estimates required by subsection (h), and any recommendations of the Commission for legislation.

(2) The Commission shall cease to exist on the thirtieth day following the date of the submission of its final report pursuant to paragraph (1) of this subsection.

(j) There are authorized to be appropriated to carry out the purposes of this section $1,000,000.

"DIABETES RESEARCH AND TRAINING CENTERS CONTROL PROGRAMS

SEC. 4. Section 317 of the Public Health Service Act is amended—

(1) by striking out "communicable disease control" each place it occurs and inserting in lieu thereof "communicable and other disease control";

(2) by striking out "communicable diseases" in subsection (a) and inserting in lieu thereof "communicable or other diseases";

(3) by striking out "communicable disease program" in subsection (a) and inserting in lieu thereof "communicable or other disease control program";

(4) by striking out "communicable disease" in subsection (b)(2)(C)(i) and inserting in lieu thereof "communicable or other disease";

(5) by striking out "Rh disease," in subsection (h)(1) and by inserting "diabetes mellitus and Rh disease and" before "tuberculosis" in that subsection; and

(6) by striking out "COMMUNICABLE" in the section heading.

RESEARCH AND TRAINING CENTERS; DIABETES COORDINATING COMMITTEE AND GENERAL AUTHORITY

SEC. 5. (a) Part D of title IV of the Public Health Service Act is amended by adding at the end thereof the following new sections:

DIABETES MELLITUS PREVENTION AND

"SEC. 435. (a) Consistent with applicable recommendations of the National Commission on Diabetes, the Secretary shall provide for the development, or substantial expansion, of centers for research and training in diabetes mellitus and related endocrine and metabolic disorders. Each center developed or expanded under this section shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Secretary; and (2) conduct (A) research in the diagnosis and treatment of diabetes mellitus and related endocrine and metabolic disorders and the complications resulting from such disease or disorders, (B) training programs for physicians and allied health personnel in current methods of diagnosis and treatment of such disease, disorders, and complications, and (C) information programs for physicians and allied health personnel who provide primary care for patients with such disease, disorders, or complications. Insofar as practicable, centers developed or expanded under this section shall be located geographically on the basis of population density throughout the United States and in environments with proven research capabilities.

"(b) The Secretary shall evaluate on an annual basis the activities of centers developed or expanded under this section and shall report to the Congress (on or before June 30 of each year) the results of his evaluation.

"(c) There are authorized to be appropriated to carry out this section $8,000,000 for fiscal year ending June 30, 1975, $12,000,000 for fiscal year ending June 30, 1976, and $20,000,000 for fiscal year ending June 30, 1977.

"DIABETES COORDINATING COMMITTEE

"SEC. 436. For the purpose of—

"(1) better coordination of the total National Institutes of Health research activities relating to diabetes mellitus; and

"(2) coordinating those aspects of all Federal health programs and activities relating to diabetes mellitus to assure the adequacy and technical soundness of such programs and activitis and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities, the Director of the National Institutes of Health shall establish a Diabetes Mellitus Coordinating Committee. The Committee shall be composed of the Directors (or their designated representatives) of each of the Institute and divisions involved in diabetes-related research and shall include representation from all Federal departments and agencies whose programs involve health functions or responsibilities as determined by the Secretary. The Committee shall be chaired by the Director of the National Institutes of Health (or his designated representative). The Committee shall prepare a report as soon after the end of each fiscal year as possible for the Director of the National Institutes of Health detailing the work of the Committee in carrying out the coordinating activities described in paragraphs (1) and (2).

(b) Section 434 of the Public Health Service Act is amended by adding at the end the following new subsection:

"(d) The Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, working through the Associate Director for Diabetes (if that position is established), shall (1) carry out programs of support for research and training in the diagnosis, prevention, and treatment of diabetes mellitus and related endocrine and metabolic diseases, and (2) establish programs of evaluation, planning, and dissemination of knowledge related to research and training in diabetes mellitus and related endocrine and metabolic diseases."

ASSOCIATE DIRECTOR FOR DIABETES

SEC. 6. The Secretary of Health, Education, and Welfare may establish within the National Institute of Arthritis, Metabolism, and Digestive Diseases the position of Associate Director for Diabetes who would report directly to the Director of the Institute and who, under the supervision of the Director of the Institute, would be responsible for programs with regard to diabetes mellitus within the Institute.

TRIBUTE TO YANCEY BROS. CO., OF GEORGIA

Mr. TALMADGE. Mr. President, Dixie Business magazine recently paid tribute to Yancey Bros. Co. of the Atlanta area, the Nation's oldest dealer in Caterpillar tractors.

Yancey Brothers has, since 1914, been supplying Georgia's farmers and agribusinessmen with quality machinery, and over the past 5 years their sales have grown by over 100 percent.

Still a vital part of the Atlanta economy and still growing, Yancey Bros. was written up by Dixie Business editor Hubert Lee. I ask that this article, along with a Rotary Club biography of Goodloe Yancey III, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Dixie Business magazine]

YANCEY BROS. CO. CELEBRATES 60TH ANNIVERSARY

(By Hubert Lee)

The signs read "Take Another Look At Yancey . . . 60 Years."

The celebration was that of the nation's oldest Caterpillar dealer's, Yancey Bros. Co., Sixtieth Anniversary Open House at headquarters on 1-20 at Six Flags exit, just west of Atlanta.

Chairman of the Board Don A. Yancey and President Goodloe H. Yancey, III were greeting guests at the door as they registered and ladies received lovely corsages.

Over 1500 people saw the first public demonstration of the new small Caterpillar utility machines (Caterpillar D3 Track-Type Tractor, 910 Wheel Loader, 931 Track Loader), toured the Parts and Service product support facilities, and enjoyed a barbecue lunch.

"Yes, Yancey Bros. Co. certainly has come a long way since 1914, when Goodloe and Earle Yancey first merchandised county supplies and machinery," said Don Yancey.

"In those days, Goodloe and Earle traveled to see all their customers, then mainly counties.

"With the advent of the automotion and gasoline buggies, public demand for quality roadways drew the Yanceys to switch from the J.B. Adams mule grader to a mechanized tractor by Holt Manufacturing Company." "Thus with only a picture of a $4,750 tractor, Goodloe Yancey sold every available tractor not going to the U.S. Army, Holt's only customer."

In 1919, Yancey Bros. became the first U.S. dealer of Holt Manufacturing Company, which later merged with Best Tractor Co. to form Caterpillar Tractor Company.

"Yancey Bros. territories then covered Georgia, Alabama, Florida and South Carolina. As sales mushroomed Caterpillar reorganized territories, assigning Yancey Bros. Georgia.

Later, they reassigned 83 counties in North and Central Ga. However the Yanceys continued to set new sales and distributor records."

A 1919 Holt Memo reads, ". . . the most satisfactory distributing connection yet made is that with Yancey Bros. at Atlanta, Georgia.

"They are strikly hustlers and we could not ask for better representatives . . ."

In 1921, Yancy Bros. moved to 634 Whitehall Street, S.W.

Business boomed and building expansion kept pace to meet customer demands.

The depression slowed sales, but Yancey Bros. still looks back on the 30s with a smile.

"Mr. Goodloe (as friends called the founder) was always proud of the fact that not a single employee was laid off; we unplugged the Western Union clock to save $1.25 and reduced telephone service to cut expenses," continued Don.

As the economy strengthened, Yancey Bros. again responded to the needs of their customers, opening sales/product support branches in Augusta, 1947, and Macon, 1957; new headquarter facilities were built at 1540 Morningside Drive, . . . NW in 1951.

However, before long, the most energetic and aggressive Caterpillar dealer had soon outgrown their facilities and moved to their present 22 acre Cobb County headquarters.

The next year, Mr. Goodloe Yancey died, and President Don A. Yancey was elected Chairman of the Board.

Don Yancey carried forth the company insight and equipment leadership with which Yancey Bros. once was instrumental in providing initial organization for the Georgia Association of County Commissioners and the Georgia State Highway Department. His direction led to acquiring the assets of the Baily Co. in Mountain View, with which Yancey Bros. became the Towmotor lift truck dealer.

In 1973, Yancey Bros. again began expansion, breaking ground for a new 9½ acre facility in Augusta and adding 10,000 sq. ft. to their Towmotor products support branch.

President Goodloe H. Yancey, III, elected in January, continues to set new horizons for Yancey Bros. . . . seeing future growth in five areas:

(1) increased general product line market penetration:

(2) Towmotor lift trucks:

(3) engine sales:

(4) the recently introduced hydraulic excavators and

(5) small utility machine lines.

The young President admits to chills in his spine while pondering Yancey Bros. growth of tomorrow.

"Our aggressiveness and innovativeness will be our only limits to future developments," challenges Goodloe.

Under the Yancey spirit. Don and Goodloe now lead an organization of 467 employees, with sales growing over 100% in the past five years.

Both Yanceys are members of the Rotary Club of Atlanta, Georgia Highway Contractors Association, American Road Builders Association, SE Caterpillar Dealers Association.

Goodloe Yancey, III, is past president of the SE Towmotor Dealers Association and the Georgia Equipment Distributors Association.

Don A. Yancey, chairman, began his career with the Yancey Tractor Company in Albany, Ga. in 1935.

After serving in World War II, he resumed his business career in 1946 with Yancey Bros. Co.

In 1948, he was named vice president and in 1958 was elected president.

In January 1974, he was elected chairman.

Goodloe Yancey, III, was elected president in January 1974.

He served as executive vice-president since 1972, as well as general manager.

Goodloe Yancey, III, joined Yancey Bros. Co., in 1954 after graduating from the University of Ga. and serving as First Lieutenant in the U. S. Air Force.

Since 1954 he has held positions in Sales Training, Part Sales, General Line Sales, and served as Sales Promotion Manager, Vice President, and Executive Vice President and General Manager.

In 1972 he attended Harvard University, where he completed the advanced management program.

[From Rotary in Atlanta, Mar. 17, 1969]

GOODLOE H. YANCEY III

ADDITIONAL ACTIVE

(By Chet Covey)

You'll recognize that name for it is the same that has held membership in our club for 34 years, however our earlier Goodloe Jr. is the uncle of Goodloe III. Both are named for Goodloe Harper Yancey, father and grandfather.

Our three prized Yanceys come from an illustrious family of Confederates. The grandfather of Goodloe, Jr. and great-grandfather of Goodloe III was William Lowndes Yancey, from South Carolina, born in 1814. He attended Williams College one year then studied law in Greenville, South Carolina. He was elected to Congress and served until the Union was dissolved. He was a strong proponent of the "Alabama Platform," which advocated permission and protection of slavery in all territories. He walked out of the national Convention in Baltimore when they failed to adopt the resolution, and as early as 1850 openly advocated secession. When the South finally seceded William Lowndes Yancey delivered the address of welcome to Jefferson Davis on his arrival in Montgomery, in which the famous statement "The man and the hour have met" was made. The South needed sympathy and help from abroad so Davis asked Yancey to head a commission to go to Europe for the purpose. Two other members who were following him, J. M. Mason and John Slidell, were removed from the British ship "Trent," but later joined him. By the time Yancey returned home the Federal Government had blockaded the southern coast. Yancey was put ashore near Mobile and set out to walk all the way home to Montgomery. Our beloved Goodloe Jr. has the canteen that he carried on that memorable occasion.

Well, so much for the progenitors of this new member. It might be added that the bulldog tenacity of the family was further demonstrated when Goodloe Jr. and brother Earl set out for the north intent on talking Caterpillar into permitting them to retail their machines. All sales had previously been made direct to the consumer. The brothers failed in their first few interviews, but they refused to go home and after a week came away with a contract and franchise. They were Caterpillars first dealers and remain one of their largest.

Goodloe III was born in Albany. Brother Don is much older, having married when Goodloe was a mere smidgen of 4 or 5. Goodloe finished high school in Albany, then took a year at G.M.C. in Milledgeville. From there he entered Georgia University majoring in Business Administration. He joined the Air Force after graduation, two years state-side. He joined the family business 15 years ago, and is now Vice President.

On a double date he met lovely Delores Ann Taylor, an Agnes Scott student. She happened to be the date of the other fellow, but Goodloe cut in and was persistent. They were married about a year later. Today they are the parents of three boys, Goodloe IV (you guessed it) 10, James 7, and Allen 6. The family attends St. Ann's Episcopal Church.

I am told that this youngster is one of the hardest workers in these parts, but he does have time for the passion of his Uncle Goodloe, flower cultivation. He does some boating. He hopes soon to build a greenhouse.

The Yancey Company operates businesses in Atlanta, Macon and Augusta. They are now building a very massive installation far out on the north side, having outgrown their present establishment on Northside Drive.

Goodloe, if you can be just as good a man as your wonderful namesake Uncle and your capable and genial brother Don, Rotary will come to be as proud of you as it is them. Welcome.

DANGERS OF EXPORTING NUCLEAR POWER PLANTS

Mr. TUNNEY. Mr. President, the House was to have followed the Senate's lead this week and voted on a bill granting Congress the right to rescind administration proposals to send nuclear technology abroad. Unfortunately, they have been concerned with another matter and a vote is not expected until later in the month.

The measure, which passed the Senate unanimously, gives the American people and the world much needed extra insurance that no nuclear technology agreement will in the future become a passport for the proliferation of nuclear weapons.

The Joint Committee on Atomic Energy in the past has reviewed all proposals for nuclear transfer and, I might add, it has done so very competently. But its powers and Congress as a whole have been limited to study and not action, a situation the current legislation would correct.

Of course, the Congress did not decide to act on this situation without provocation. The President's nuclear proposals in June exacerbated the concerns that many of us have had for a long time.

A statement eloquently addressing these concerns was delivered to two House subcommittees last week by a distinguished expert in the field, Mason Willrich. I would like to recommend that statement and bring it to the attention of my colleagues.

Mr. Willrich is eminently qualified to discuss these nuclear proposals and the nuclear energy situation in general. He is a professor of law at the University of Virginia and has served as a consultant to the Ford Foundation, the RAND Corp., the U.S. Arms Control and Disarmament Agency, the Naval War College, and various private corporations. He is currently chairman of the International Energy Policy Study Group of the American Society of International Law and is a member of the Joint Board of Energy Studies of the National Academy of Science and the National Academy of Engineering. His most recent book, "Nuclear Theft: Risks and Safeguards," was published this year.

In his statement, Mr. Willrich sets forth three nonnegotiable provisions which he feels must be included in any upcoming agreement for nuclear cooperation:

First. Egypt and Irsael must ratify the Nuclear Nonproliferation Treaty.

Second. Egypt and Israel must guarantee that the reactors will be effectively protected against sabotage.

And third. Both countries must agree that the extremely dangerous plutonium produced in their reactors will not be reprocessed, stored, or fabricated on their territories without U.S. consent.

Mr. President, I agree with Mr. Willrich that we must have these three assurances before we should even begin to consider nuclear agreements. He states the case very well and he rebuts convincingly the argument that we should throw caution to the wind and conclude an arrangement now before a country like the Soviet Union beats us to it.

But I go beyond Mr. Willrich. His three provisions are essential but I think the world deserves even more protection. The dangers of these proposals are so great and the benefits so subject to debate that I wonder whether any assurances could ease my fears or soothe my conscience.

Mr. President, the Middle East war is anything but over and regardless of the safeguards that will be imposed or could be imposed, public opinion will justifiably link these agreements with the potential for atomic weapons. It is just too easy, no matter how extensive our precautions, for one of these countries to break the agreement and build a bomb, or for a terrorist group to seize a nuclear plant. The attack and destruction of a plant by conventional weapon or terrorist bomb would ruin a nearby city. According to the Atomic Energy Commission, it would kill an incredible number of people and render an area of thousands of square miles contaminated and uninhabitable for decades. Development of a tactical nuclear weapon in the Middle East would be even more disastrous.

We are preparing to put nuclear reactors in the hottest spot in the world at the same time that we are having trouble even convincing ourselves of their safety here at home. It does not make a great deal of sense and I am afraid that this move may bring us nearer to a horrible war, not closer to a lasting peace.

It is essential that the Congress have the right to annul these agreements and that is why the Joint Committee's bill is and I look forward to its speedy passage in the House.

Mr. President, I ask unanimous consent that Mr. Willrich's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MASON WILLRICH, BEFORE THE SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS AND MOVEMENTS AND ON NEAR EAST AND SOUTH ASIA OF THE HOUSE FOREIGN AFFAIRS COMMITTEE, JULY 18, 1974

Mr. Chairman: The Arab oil embargo and the OPEC oil price explosion during last fall and winter gave fresh impetus to the development of nuclear power in many countries. The Indian nuclear explosion in May was a grim reminder of the close link between civilian and military uses of nuclear energy, notwithstanding the Indian government's declarations of its peaceful intentions. Then in June, President Nixon's offers of nuclear power reactors and fuel to Egypt and Israel was followed closely by the announcement of a Franco-Iranian barter of nuclear reactors for oil. Nuclear power was thus dramatically introduced into the Middle East, a region plagued by periodic outbreaks of conventional warfare and wracked by continuous terrorist violence, and also a region that contains over half of the world's proven oil reserves. In view of these events, U.S. foreign policy related to the development and use of nuclear power merits close review and, where appropriate, modification. I am pleased, therefore, to appear before you and I hope I can assist you in your review.

In this statement I will focus on some specific suggestions concerning, first the implementation of President Nixon's nuclear offers to Egypt and Israel and, second, the development of U.S. foreign policy in the nuclear market in light of the new world energy situation and the evolving nuclear weapon proliferation issue. My emphasis throughout will be on political and institutional concerns.

U.S. NUCLEAR POWER OFFERS TO EGYPT AND ISRAEL

Until the Nixon-Sadat statement in Cairo on June 14, 1974, I believe the prevailing view among knowledgeable persons was that nuclear power would not be introduced into the Middle East until after a political settlement had been reached. In fact, dual purpose nuclear plants to generate electricity and desalt saline water were suggested from time to time over the years as inducements for a settlement. Since the 1956 war, and especially after the 1967 war, numerous official and unofficial studies were made and various proposals were discussed. Nothing came of these efforts, however, because the generally understood prerequisite for implementation—a Middle East political settlement—remained far from achievement.

In this connection, I believe President Nixon's nuclear offers were premature. We all welcome the recent progress toward a more stable situation in the Middle East. Secretary Kissinger in particular has played a crucial catalytic role in the steps that have been taken. At the same time, however, we all recognize that agreements on permanent territorial boundaries and a solution to the problem of the Palestine refugees will be much harder to achieve than were the agreements on separation of military forces. Until the boundary and refugee problems are solved in a manner acceptable to all parties to the conflict, the Middle East situation will remain explosive.

Though premature in my judgment, the nuclear power offers have nevertheless been made. I believe it would be counterproductive if they were now withdrawn. In fact, the Nixon Administration now has an opportunity to implement the offers in a way which will serve the cause of peace and stability in the Middle East (and Congress can, if it will, find legislative avenues for insisting that this be done).

Therefore, I recommend that implementation of the U.S. nuclear power offers to Egypt and Israel should be subject to three special conditions.

First, Egypt and Israel should ratify the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Egypt has signed the NPT, but not ratified, whereas Israel has neither signed nor ratified. Egypt would clearly welcome Israeli willingness to renounce nuclear weapons. In fact, President Nixon's nuclear power offers precipitated accusations from Cairo and denials from Tel Aviv regarding Israel's present nuclear weapon capabilities. Egyptian and Israeli ratification of the NPT would be a major step toward ensuring that the Middle East remains a nuclear weapon free zone. If, on the other hand, the U.S. offers are implemented without NPT ratification, the ambiguity of Israel's existing nuclear program and future plans will continue to cloud the political-military atmosphere. Israeli use of the plutonium produced over the years in the Dimona reactor is an especially troublesome issue that requires clarification. Faced with a situation of continual ambiguity, Egypt might well feel compelled to establish its own nuclear research and plutonium production capabiltiy free of safeguards against nuclear weapon acquisition. Egypt could, of course, do this without necessarily violating safeguards contained in a bilateral agreement with the United States covering nuclear power assistance. However, the technical expertise developed with assistance from the U.S. would be an invaluable asset in a future Egyptian military program.

The requirement of Egyptian and Israeli ratification of the NPT would also put the U.S. nuclear power deals in the Middle East on the same footing as the French deal with Iran. Iran is already a party to the NPT, and it has been reported that the French government's nuclear reactor swap for oil rests on an understanding that Iran will continue to adhere to its Treaty obligations. Moreover, a requirement of NPT adherence would support Iran's July 12 initiative requesting the United Nations General Assembly to consider the "establishment of a nuclear-free zone in the region of the Middle East." Indeed, absence of such a U.S. requirement could appear to undercut Iran's welcome foreign policy move.

Second, the Egyptian and Israeli governments should guarantee that the power reactors will be effectively protected against sabotage. Appropriate arrangements should be made for the U.S. government to monitor the implementation of this guarantee. Without effective safeguards against sabotage, the nuclear power plants would provide tempting targets for terrorist attacks. If successful, a terrorist attack against an operating nuclear power reactor could result not only in the destruction of a facility worth hundreds of millions of dollars, but also in the dispersal of radioactive debris over a large area. Such widespread radioactive contamination would constitute a serious health hazard and necessitate a costly cleanup. In this respect, we should also recognize that a nuclear power reactor might become a tempting target in a future large-scale war in the Middle East. Given Israel's experience with Arab terrorism, the U.S. might in fact learn a great deal from the Israelis about how to protect nuclear power reactors against sabotage—a problem that the U.S. AEC and electric utility industry have only recently begun to deal with.

Third, both Egypt and Israel should agree that plutonium produced in their respective power reactors will not be reprocessed, stored or fabricated in facilities on their respective territories without the consent of the U.S. Government. Moreover, it should be the declared U.S. policy not to consider giving its consent until a comprehensive political settlement in the Middle East had been agreed and implemented. The U.S. government should obtain special access rights as necessary in order to verify that these conditions are being observed. The risks of theft of plutonium by a terrorist group appear higher in the Middle East than elsewhere. Thus, the U.S. government's nuclear power offers should be implemented only in a way that will not result in the presence of significant amounts of plutonium in Egypt or Israel in a concentrated form that could be used directly in nuclear explosives.

If the three conditions I have outlined are included, then I believe the benefits of implementing the Nixon Administration's nuclear power offers to Egypt and Israel will outweigh the risks. Indeed, I think agreement by Egypt and Israel to implement the offers on these conditions would signify the determination of their governments to move toward the creation of a political climate in the Middle East compatible with nuclear power development. On the other hand, implementation of the U.S. nuclear power offers without such conditions would increase the risk of nuclear violence in the Middle East. Hence these requirements should be non-negotiable.

More broadly, we must ask how U.S. actions appear to countries outside that region. If we do not now insist on NPT ratification, other countries may well interpret our actions, in the wake of the Indian nuclear explosion, as signifying a retreat from the NPT. Our present eagerness to make bilateral nuclear power deals with Egypt and Israel also seems inconsistent with Secretary Kissinger's eloquent pleas, in February at the Washington Energy Conference and again in April at the U.N. General Assembly's special session on raw materials, for a multilateral approach to the world energy situation.

I would also like to note that, if implemented, the nuclear power deals with Egypt and Israel would both be subsidized by U.S. taxpayers. It is my understanding that the reactor and fuel sales are likely to be financed either through the Export-Import Bank or the U.S. foreign aid program, in either case at favorable interest rates. Furthermore, the uranium fuel enrichment services to be provided will preempt enrichment plant capacity that could otherwise be used to meet future requirements of U.S. electric utilities or of long standing foreign customers at costs which are lower than the costs of enrichment services at plants to be built in the future. Thus, we are preferring Egypt and Israel to our own electric power industry, and to a number of other countries which years ago launched nuclear power programs based on U.S. technology, partly in reliance on U.S. assurances of the continued availability of low cost uranium enrichment.

Finally, the Nixon Administration has argued that if the U.S. did not make these offers, then some other country would offer to provide nuclear power reactors without reasonable safeguards against diversion. This argument is reminiscent of the justification for U.S. sales of military equipment which all too often seem to fuel both sides in local arms races in politically unstable regions of the world. Which countries, if any, were actually competing with the U.S. in this matter and the nature of the offers pending remain unclear to me. Without full disclosure of the facts, it is impossible to separate fact from fantasy. However, if it ever becomes generally understood that U.S. foreign policy regarding nuclear power assistance is responsive to such competitive pressures, it would then be impossible to develop an orderly world nuclear market. If nuclear reactors are used as bargaining chips in the game of power politics, the economic benefits of nuclear energy will never be fully realized and the security of the world community will be substantially diminished.

WORLDWIDE NUCLEAR POWER CONTEXT

The dynamics of nuclear power development on a global scale are determined largely by the technical and economic characteristics of the nuclear fuel cycle, the duality of nuclear fission, and the structure of the world political system.

The use of nuclear fission to generate electric power involves a complex series of interrelated steps known as the nuclear fuel cycle. The power reactors currently in commercial use are based on the uranium-plutonium fuel cycle. One type of reactor, known as the light water reactor (LWR), uses low-enriched uranium as fuel and ordinary water as moderator. Another type, the heavy water reactor (HWR), uses natural uranium as fuel and D_2O as moderator. A type of power reactor based on the thorium-uranium-233 fuel cycle and using high-enriched uranium as fuel initially, the high temperature gas reactor (HTGR), is likely to receive widespread commercial use, starting in the near future. The uranium-plutonium fuel cycle for the LWR, the reactor type developed in the U.S., involves uranium exploration, mining and milling, enrichment, fuel fabrication, irradiation in a power reactor, chemical reprocessing, recycling produced plutonium and depleted uranium, and disposal of radioactive waste. For the HWR, the enrichment step is omitted, but a heavy water manufacturing plant is required.

The duality of nuclear energy derives from the fact that the steps in the nuclear power fuel cycle are substantially the same as those required to produce fissionable materials for nuclear explosives. In fact, the use of nuclear power inevitably involves the processing, production, and use as fuel of very large amounts of certain materials that could be used in nuclear explosives. For example, the Atomic Energy Commission estimates that by 1980 the U.S. electric power industry alone will be producing plutonium at a rate of more than 26,000 kilograms annually, and the rate worldwide will, of course, be much higher. Beyond 1980 the annual plutonium output from nuclear power programs throughout the world will increase rapidly to hundreds of thousands of kilograms and eventually reach millions of kilograms, assuming nuclear power forecasts are fulfilled. Yet five kilograms, or less, of plutonium is enough for a bomb capable of destroying a medium-sized city. Even a small natural uranium fueled research reactor, such as the Cirus reactor in Trombay, India, or the Dimona reactor in Israel, produces enough plutonium every year for about one nuclear explosive equivalent to the device detonated by the Indian government on May 18, 1974.

Finally, we live in a world in which political power is decentralized, and in which the ingredients of wealth and political power are very unevenly distributed. The primary political units are nation-states, which are territorially defined, and the main actors are national governments. International organizations play more or less important roles, depending on the national policies and capabilities of their member states. Similarly, multinational corporations enjoy more or less autonomy, depending on the policies and capabilities of the national governments of the territories in which they operate.

It must also be recognized that national governments are never of one mind and their policies result from the interplay of contending political factions. Moreover, depending on their particular circumstances, national governments are able to exert varying degrees of influence over the course of events in the world at large, and also varying degrees of control over their economic and social development as a nation. In short, the world political system is not only decentralized, but vulnerable and potentially unstable.

The distribution of nuclear resources and capabilities throughout the world is a special case of the wide disparities among nations in every respect. A large number of nations have small research reactors. For the most part, these reactors use relatively small amounts of high-enriched uranium as fuel and produce insignificant quantities of plutonium. Two important exceptions, previously mentioned, are the natural uranium fueled "research" reactors in India and Israel. Fifteen nations now have nuclear power reactors, which produce large amounts of plutonium, and that number is expected to increase to about thirty by 1980 (see chart 1 attached). It is important to understand, however, that most nations with power reactors are, and for some years at least will continue to be, dependent to some extent on other countries for raw materials or nuclear fuel cycle services.

The vast bulk of the world's proven low cost uranium reserves are concentrated in a relatively few countries—the United States, Soviet Union, Canada, France, South Africa, Australia, Gabon and Niger. Hence, the most economical deposits of uranium for nuclear power so far discovered are concentrated in fewer countries than in the case of oil. A larger number of countries have small reserves of low cost uranium and some, such as Sweden, have very large reserves of higher cost uranium. Nevertheless, a number of industrially advanced countries with large nuclear power programs such as Great Britain, the Federal Republic of Germany, Italy and Japan will be dependent on foreign countries for uranium, as they are now for oil.

With respect to uranium enrichment, until quite recently, the U.S. was in a monopoly position with its very large gaseous diffusion capacity originally constructed to produce high-enriched uranium for nuclear weapons. The smaller diffusion plants in Great Britain and France could not compete with the U.S. AEC's price for enrichment. However, under a tripartite agreement, Great Britain, the Federal Republic of Germany and the Netherlands are now aggressively pursuing the development and commercial demonstration of the gas centrifuge process for uranium enrichment; France is playing the leading role in a project to construct a large gaseous diffusion plant in Europe under multinational ownership, and South Africa is reportedly developing its own enrichment capability, possibly based on the jet nozzle process. Meanwhile, the Soviet Union is offering uranium enrichment services at prices reportedly five percent lower than the U.S. price and on more flexible commercial terms, though Soviet policy has been, if anything, more cautious than the U.S. with regard to safeguards arrangements.

It is noteworthy that a gaseous diffusion plant involves very complicated technology, must have a very large capacity to be economical, and requires a large amount of electric power to operate. On the other hand, gas centrifugation, though also very complex technologically, can be used in smaller plants and the process requires substantially less electricity per unit of separative work output. It is also noteworthy that the use of laser techniques to separate uranium isotopes is under intensive scientific investigation in a number of countries, including Israel.

Commercial fuel fabrication facilities and chemical reprocessing facilities are presently concentrated in a few countries. An economically efficient size for a fuel fabrication or reprocessing plant is one that serves a relatively large operable nuclear power capacity of at least 10,000 megawatts. Thus, there is a strong economic argument against the construction of nuclear fuel cycle facilities—enrichment, fuel fabrication or chemical reprocessing—in any country until it has a large nuclear power capacity. Nevertheless, several nations have already constructed pilot or demonstration facilities, and this trend will probably be difficult to curb in the future.

MOTIVES FOR NATIONAL NUCLEAR POWER PROGRAMS

Given these realities of the world context, there are a variety of motives for national governments to establish nuclear power programs. These include: low-cost electric power; increased energy security; creation of a nuclear weapon option; and prestige.

The economic case for nuclear power has been strengthened and expanded by the fourfold increase in world oil prices in 1973. Nuclear power reactors in the 1,000 megawatt range, the most efficient size given economies of scale, now appear to have a large competitive edge over fossil-fueled alternatives. Thus, a compelling economic case for nuclear power can be made in industrially advanced countries with relatively large electric power grids. Moreover, nuclear power reactors in smaller, less efficient sizes appear also to be competitive with oil-fired electric power generation at current world oil prices. The high oil price thus provides an economic rationale for nuclear power in a much larger number of countries with smaller electric power grids. Given the desperate financial circumstances of many countries in the wake of the oil price explosion, however, relatively few may be able to exercise the nuclear option in the near future without a substantial subsidy. This is, of course, especially true in less developed countries.

Nuclear power can offer increased security of energy supply basically in two ways. First, nuclear fuel can be substituted for oil for electric power generation, thereby diminishing a country's dependence on the world oil market that has, for the near term at least, been effectively cartelized by OPEC. Second, nuclear power can be exploited in a way that will lead to the eventual development of a maximum degree of national nuclear self-sufficiency. It is difficult to stockpile more than a few months of current requirements of oil. A handful of pellets of nuclear fuel are, however, equivalent to 85 tons of coal or 15,000 gallons of fuel oil.

Because the energy contained in a given volume of nuclear fuel is so concentrated, it is physically quite possible to stockpile several years worth of nuclear fuel in advance of need. Moreover, if successfully developed, breeder reactors, which produce more fuel than they consume as they generate electric power, would substantially reduce the amount of raw materials—uranium or thorium—required to sustain a growing nuclear power capacity. However, in most national circumstances for the foreseeable future, nuclear self-sufficiency could be achieved only if industry in the country involved were able to acquire and operate sophisticated fuel cycle technologies and if the government were willing to pay a very large economic penalty.

Nuclear power can result in a nuclear weapon option in a large number of ways. The basic requirement is the availability in the country concerned of plutonium or high-enriched uranium. In earlier testimony in these hearings, Theodore B. Taylor pointed out several technical paths and I will not, therefore, cover the same ground. However, I do wish to make a few additional points.

The spread of nuclear power has already dramatically changed the way in which nuclear weapon proliferation in the world must be perceived. The first five nations to acquire nuclear weapons—the U.S., the U.S.S.R., Great Britain, France and China—established major military programs motivated primarily by national security and prestige considerations. Indeed, most of the civilian nuclear power technology generally available today is an extrapolation from technology developed earlier for essentially national security purposes. The sixth nation to explode a nuclear device—India—is the first to do so using plutonium diverted from a reactor constructed ostensibly for "peaceful purposes." India is in this respect the first of a potentially long list of countries that may in the future acquire nuclear explosive capabilities as relatively cheap "spin offs" from their civilian nuclear power programs.

It is also important to understand that the pursuit of self-sufficiency in a nuclear power program leads inevitably to the creation of a nuclear weapon option, and at the same time nuclear self-sufficiency reduces external political constraints which might prevent a government from exercising that option. Thus, one nation's pursuit of nuclear energy self-sufficiency may well appear provocative to another.

Finally, a nation may believe that its prestige—domestically, internationally, or in both respects—will be enhanced if it embarks on a nuclear power program. From its inception the development and use of nuclear power has been afflicted by prestige considerations. The U.S. Atoms for Peace decision in 1953 was based on overly optimistic economic assumptions, but it nevertheless stimulated demand in many developing countries for research reactors and nuclear training grants. It also paved the way for a technological race between the United States, Soviet Union, Great Britain, France, and Canada, for a commercial nuclear power reactor, a race in which each of the participants appeared motivated largely by considerations of national prestige and international political aspirations. Today prestige factors continue to enter overtly into government decisions concerning the pace of breeder reactor development programs.

In this connection, it is indeed regrettable that the U.S. nuclear power offers to Egypt and Israel apparently rest primarily on grounds other than economic.

THE RISK OF GOVERNMENTAL NUCLEAR WEAPON PROLIFERATION: THE IAEA AND THE NPT

(See chart 2 attached.)

Of course, governments make up their own minds—and change them from time to time—about the nuclear weapon proliferation issue. We start with the fact that the U.S. and Soviet Union, locked in a nuclear arms race that has thus far proved quite uncontrollable, continue to be the major proliferators of nuclear weapons in the world. With the example of the two superpowers before them, and the necessity of existence in a world in which organized violence is frequently used to deal with conflicts of national interest, it is perhaps remarkable that so far in the nuclear age only four other countries have overtly acquired a nuclear explosives capability. However, the essential fissionable ingredients for explosives are only now for the first time becoming readily available in a large number of countries. In the future, how slowly or rapidly the number of governments armed with nuclear weapons increases will depend less on technical and economic considerations and more on how governments perceive their own particular political, security and prestige interests.

Though the possibilities for governmental nuclear weapon proliferation are likely to increase dramatically as nuclear power industries are developed on nationalistic lines, the capacity of international organizations or treaty arrangements to slow, if not halt, proliferation may also increase by giving national governments incentives and means to pursue common security interests in a broader multilateral framework. As the SALT I agreements are modest steps by the U.S. and Soviet Union toward limiting their nuclear arms race in particular, so the NPT and IAEA safeguards constitute initial steps in a long term effort to restrain nuclear arms competition in general. Both types of nonproliferation effort—vertical and horizontal—rest ultimately on self-restraint, given the weakness of the political capacities of international institutions. Both types of effort have also been outpaced so far by technological development and deployment.

The International Atomic Energy Agency (IAEA) was established in 1957 as an outgrowth of President Eisenhower's Atoms for Peace proposals. After a slow start, it is now an international organization, headquartered in Vienna, with a global membership of over 100 countries, including parties and nonparties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The IAEA has a two-fold mission: to promote the peaceful uses of nuclear energy; and to ensure that nuclear assistance intended for civilian purposes is not diverted to military programs. To verify that diversion has not occurred, the IAEA has developed a materials accountancy system. Internationally administered materials accountancy cannot prevent a nation from diverting materials.

Neither the IAEA itself, nor any other United Nations organ, contains a security force capable of action to prevent a national government from diversion.

Moreover, the uncertainties in an accounting system applied to large nuclear material flows results in a detection threshold which is quite high compared with the small quantities of materials that could be strategically significant, and possibly a detection time that is quite long in relation to the time it takes to fabricate nuclear explosives with diverted materials. Finally, if a government decides to divert nuclear materials from a civilian to a military program, it is unlikely that it would structure the diversion action in such a way that the IAEA inspection process would ever yield clear-cut evidence of a violation. More likely, the government would use tactics which would delay or frustrate the operation of the IAEA inspectorate, and confuse or obfuscate the matter as it was considered by the member governments on the IAEA Board of Governors and elsewhere.

IAEA material accountancy safeguards do, however, have an important role to play in connection with efforts to prevent or slow the spread of nuclear weapons. They enable a nation with a nuclear power program to offer as much evidence as practical, without interrupting commercial operations, of the exclusively civilian nature of its activities. The nation can do so by fully subscribing to and cooperating with the IAEA safeguards system. Moreover, a nation can offer its evidence to an impartial international agency for verification to the world community, rather than having to satisfy a hostile and suspicious neighbor on a bilateral basis. In recognition of the basic quality of nuclear energy, IAEA safeguards can thus help those nations who wish to do so to develop and use nuclear power in a less ambiguous and potentially threatening way than would otherwise be possible. Of course, national governments change and their policies change, so that a nuclear power program in one country will always appear somewhat ambiguous to the governments of other countries.

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT), though intended to erect a legal barrier against nuclear proliferation throughout the world, has suffered from the fact that its principal authors were the two nuclear superpowers—the U.S. and the U.S.S.R. The Treaty was the product of almost five years of intricate negotiations following agreement on the Limited Nuclear Test Ban Treaty in 1963. It was primarily developed during the Johnson Administration and ratified by the Nixon Administration. It rests on the premise that fewer is better with respect to the number of nations possessing nuclear weapons or explosives.

The NPT requires a non-nuclear-weapon party to formally renounce its right to manufacture or acquire nuclear weapons or explosive devices, and it also requires such parties to accept the application of IAEA safeguards on all their civilian nuclear activities. Every party—nuclear-weapon and non-nuclear-weapon alike—may export nuclear materials and equipment for peaceful purposes to non-nuclear-weapon countries only if the importing country accepts IAEA safeguards with respect to that particular transaction. This restriction applies to exports to non-parties as well as to NPT parties.

Of course, every government makes up its own mind about the NPT framework for multilateral management of the nuclear weapon proliferation issue. Neither the U.S. alone, nor the U.S. and U.S.S.R. together, nor any likely combination of states, can coerce others to adhere. Thus, it is something of an accomplishment that 83 nations are now full-fledged parties to the NPT. There are also 23 signatories and a number of these have large nuclear power industries or programs planned. Two signatories, the Federal Republic of Germany and Japan, will play key roles in determining the NPT's future development or demise. Among the countries which have thus far spurned the NPT entirely are three nations which have conducted nuclear explosions—France, China and India; four with substantial nuclear power programs or ambitions—Spain, South Africa, Argentina and Brazil; and one which is technically very sophisticated—Israel.

At this time, it is unclear what effect the Indian nuclear explosion (and any further nuclear explosions the Indian government may carry out in the meantime) will have on the willingness of signatories or holdouts to adhere fully to the Treaty and on the general incentives and disincentives for for nuclear weapon acquisition. Though the overall trend may appear discouraging, I believe it would be a mistake to conclude at this juncture that the Indian nuclear explosion has wrecked the NPT and the IAEA safeguards developed especially for it. India remains as far today as it was prior to May 18 from solving any genuine security problem with nuclear weapons, or from using nuclear explosives in commercial applications. The Indian explosion, thus interpreted, could serve to alert other nations to the futility of developing nuclear explosives for prestige. In any event, India's action coupled with the acceleration of national nuclear power programs in the wake of the OPEC oil price explosion have created a sense of urgency about nuclear proliferation. The NPT review conference now scheduled to be held in May 1975 provides a convenient date and forum for tackling the major challenges that civilian nuclear technology poses.

THE RISK OF NUCLEAR THEFT: NATIONAL SAFEGUARDS INTERNATIONALLY COORDINATED

The flows through nuclear power industries of very large quantities of materials that could be used to make nuclear explosives poses a two-fold challenge to governments. Not only must they develop international institutions and arrangements to ensure that the use of nuclear power by one nation does not threaten or appear to threaten another nation's security, they must also ensure that none of the nuclear weapon materials involved in their electric power industries are stolen. National governments and the societies they try to govern have, over the centuries, lived with a relatively high level of criminal and terrorist activity. Even persons in positions of governmental responsibility sometimes turn out to be criminals and yesterday's feared terrorists too often become tomorrow's respected governmental leaders.

With the widespread use of nuclear power, governments have a grave new responsibility. They must provide their citizens with effective assurance that not even a few kilograms of the tens of thousands, hundreds of thousands, and eventually millions of kilograms of plutonium in their nuclear power industries fall into the hands of criminal or terrorist groups. Otherwise, nuclear blackmail and acts of nuclear violence could become much too commonplace. This is a challenge that all governments share jointly.

The U.S. AEC has recently strengthened its safeguards against nuclear theft applicable to the U.S. nuclear power industry. However, much more needs to be done in this regard before the American people are reasonably safe in this regard. More discouraging, however, is the fact that almost no serious discussion of this problem has occurred at the international level, though there have been a few preliminary technical efforts. Nevertheless, the risk of nuclear theft affects us all since plutonium or high-enriched uranium from the U.S. nuclear power industry could be used in a terrorist attack in some other country and material stolen in another country could be used to hold hostage a city in America. The time our political leaders have to deal with the problem is rapidly running out, and leadership in this area is so far lacking.

U.S. FOREIGN NUCLEAR POLICY: RECOMMENDATIONS

In light of the present energy situation and related nuclear proliferation situation, I recommend the U.S. government consider adopting the following course of action with respect to its nuclear export policy, the NPT, and safeguards against nuclear theft.

First, the U.S. government would announce that, as an interim measure pending completion of the NPT review conference in May 1975, it would not enter into new umbrella agreements for nuclear cooperation or specific contracts for the export of nuclear materials or equipment to any country not a party to the NPT. Existing contractual commitments would be honored, however.

Second, prior to the review conference, the U.S. government would consult with NPT parties and also with NPT signatories who have started their ratification processes with a view to developing a series of nuclear export/import policy options. These options would then be considered within the IAEA initially and at the NPT review conference. The U.S. would seek in this way to negotiate on a multi-lateral basis a set of policies for the conduct of international nuclear commerce. Such international policies would be negotiated and implemented on a multilateral basis, involving both exporters and importers of nuclear materials and technology and using existing international organizations and treaty mechanisms.

If it develops that one effect of the Indian nuclear explosion has been to delay completion of the NPT ratification process in a number of key non-nuclear-weapon Treaty signatories with large nuclear power industries, consideration should nevertheless be given to inviting these signatories to attend the NPT review conference with the right to participate in the conference debate. This would encourage NPT signatories to participate fully in the formulation of policies for the future conduct of international nuclear commerce, without discouraging them from completing their respective ratification processes.

I believe the U.S. government should seek to develop with other governments specific policies in the following areas affecting the future development of a worldwide nuclear power industry:

First, circumstances in national nuclear power postures that may appear to another nation to threaten its security interests. These circumstances, depending on a nation's overall nuclear posture, might include: stockpiles of plutonium or high-enriched uranium under exclusively national control; facilities for uranium isotope enrichment, plutonium chemical separation or plutonium fuel fabrication under exclusively national control, especially in countries with small nuclear power capacities; and nuclear reactors or fuel cycle facilities under national control and not subject to IAEA safeguard requirements. Presumably, manufacture or detonation of a nuclear explosive device for whatever ostensible reason would be a circumstance that could appear to other nations as a threat to their security interests.

Second, rules specifying unfair competition among sellers in the world nuclear market. Unfair competitive practices might include sales of nuclear materials or equipment that would tend to create circumstances threatening to other nations. One example of such a transaction might be a sale to a country of a few hundred ultracentrifuges—enough for a small uranium enrichment plant but not enough for a commercial plant. It is interesting that the seller's profit in such a small transaction would be minimal and, therefore on both sides the transaction would rest on primarily political grounds.

Another example of possible unfair competition would be cartelization of the world uranium market or cartelization of the world uranium enrichment capacity. In the future, the industrially advanced countries of Western Europe and Japan will look to a relatively few countries for the vast bulk of their uranium supplies—Canada, South Africa, Australia, Gabon and Niger. Moreover, despite the diminution of U.S. control over the enrichment market that is anticipated, in the decades ahead there may still be only a few sources of commercial enrichment services—the United States, the Soviet Union, the British-Dutch-West German tripartite entity and the French led Eurodif entity. Though the possibility of an effective cartel emerging in any sector of the world nuclear market may seem remote at present, the same possibility with respect to crude oil seemed just as remote a decade ago when there was a glut on the world oil market and OPEC was formed.

In any event, the unfair competitive practices specified would be designed to facilitate the development of a world nuclear market on a sound economic basis, including obtaining the full benefits of economies of scale inherent in fuel cycle operations, and to minimize the occurrence of international nuclear transactions for noncommercial reasons.

Third, IAEA safeguards applicable to nuclear power industries and to international nuclear transactions in order to provide assurance against the risks of governmental diversion. Internationally administered safeguards would build on the existing IAEA and NPT global system, including the relationship between that system and respective national and Euratom and Latin American regional systems. One major issue would be the costs and benefits of materials accountancy as a verification measure when large nuclear material flows are involved and the possible development of additional or alternative approaches to ensure, as nuclear power industries grow, the continued efficacy of the system.

A second major issue would be whether NPT parties should create a double standard in their international nuclear transactions: one applicable to transactions among Treaty parties; and a second more restrictive safeguards standard or set of requirements for transactions between an NPT party and a non-party. It is sometimes suggested that the application of IAEA safeguards to all civilian nuclear facilities in a non-nuclear-weapon country would be simpler than the application of such safeguards only to nuclear materials and equipment that were imported. And, from this premise, it is argued that the increased simplicity of international safeguards administration would itself be a substantial inducement for countries to adhere to the NPT. I doubt this inducement will be sufficient. If the NPT parties were to develop a double standard, however, care should be taken that all dealings with NPT parties were still kept on a commercial basis. Adherence to the NPT should not entitle any nation to demand nuclear assistance on uneconomic terms.

Fourth, nationally administered and internationally coordinated safeguards to ensure against theft from nuclear power industries of materials that could be used to make nuclear explosives. Regardless of their attitudes toward the NPT and its international safeguards requirements, all governments have a common interest in safeguards against nuclear theft from their own nuclear power industries and also from the industries of other countries. The application of effective safeguards against nuclear theft is an extremely sensitive police function and, accordingly, it is a responsibility of national governments primarily. Indeed, any effective delegation of police power in this regard from a national to an international authority would imply revolutionary consequences for the world political system.

Nevertheless, international coordination is necessary since a nuclear theft in one nation could well have security ramifications for a number of others, and since, if a black market in nuclear materials develops in the future it is likely to have international dimensions. Such international coordination could perhaps be achieved through the IAEA. Indeed, as material flows build up in nuclear power industries in a large number of nations, it may well develop that the requirements for safeguards against governmental diversion and complementary measures to prevent theft will increasingly overlap.

CONCLUSION

In conclusion, I believe that the U.S. policy regarding exports of nuclear materials and technology should have three central aims:

First, the U.S. should seek the worldwide development and use of nuclear power on a sound economic basis. Regardless of the conduct of other countries, the U.S. government should avoid the use of nuclear power reactors as political bargaining chips in the Middle East or elsewhere in the world.

Second, the U.S. government should seek to prevent acts of nuclear violence using materials obtained from nuclear power industries. In view of the acceleration of nuclear power development in a number of countries in the wake of the OPEC oil price increases and in view of the Indian nuclear explosion, the U.S. government, in cooperation with other governments favorably inclined, now has an opportunity to convert the NPT review conference in May 1975 from a sterile debate into a forum for decision. Indeed, it may well be our last such opportunity. Moreover, in view of the forecast rapid buildup in nuclear material flows throughout the world, effective safeguards against theft must be developed and implemented in all countries with large nuclear power industries. Otherwise, terrorists may well be armed with nuclear explosives in the future.

Third, the U.S. government should seek to develop the capacity of international institutions for effective decisionmaking regarding nuclear power policy in particular and world energy policy in general. The gap between U.S. rhetoric urging multilateral cooperation to deal with the world energy situation and U.S. action in concluding special bilateral nuclear deals is apparent for all to see. Yet in the nuclear era, it is clear from an economic viewpoint, and even more from a security viewpoint, that the interests of all nations are becoming increasingly interwoven into an interdependent world.

CHART 1.—FOREIGN NUCLEAR POWER, BY COUNTRY

Country	Number of power-plants	Installed capacity (MW(e))	Number of power-plants	Installed capacity (MW(e))
Japan	5	1,756	41	31,636
West Germany	7	2,082	22	14,995
United Kingdom	28	5,335	43	14,479
USSR	10	2,457	23	11,997
Sweden	1	440	13	10,060
France	6	2,481	12	7,281
South Africa			8	6,898
Canada	5	1,974	9	5,482
Switzerland	3	1,006	6	3,406
Taiwan			4	2,808
Korea			4	2,328
Italy	3	597	5	2,163
East Germany	1	70	5	1,830
Czechoslovakia			4	1,760
Belgium			3	1,650
India	3	600	8	1,610
Argentina			3	1,518
Finland			3	1,480
Mexico			2	1,200
Netherlands	1	55	3	1,105
Spain	3	1,100	3	1,100
Romania			2	880
Bulgaria			2	880
Austria			1	700
Brazil			1	626
Yugoslavia			1	600
Thailand			1	500
Philippines			1	420
Pakistan	1	125	1	325
Other (not yet announced)				28,000
Total	67	20,078	231	161,000

Note: 1974 to early 1980's.

CHART. 2.—*NPT/IAEA Status*

NPT Parties: 83

NPT/IAEA safeguards agreements in force or negotiated: 43.

No safeguardable nuclear material on their territories: 33.

Nuclear-weapon states: 3.

Middle East parties: Iran, Iraq, Syria, and Tunisia.

NPT Signatories: 23

No safeguardable nuclear material: 9.

Substantial nuclear power programs: Japan, Federal Republic of Germany, Italy, Belgium, Netherlands, and Switzerland.

Middle East signatories: Egypt, Libya, Kuwait, and Yemen.

NPT Non-Signatories: 39

No safeguardable nuclear material: 26.

Nuclear power programs: Argentina, Brazil, India, Israel, Pakistan, South Africa, and Spain.

Nuclear-weapon states: 2, China and France.

Nuclear explosives tested: 1, India.

Middle East non-signatories: Algeria, Bahrain, Israel, Oman, Qatar, Saudi Arabia, and United Arab Emirates.

PRIVACY SURVEY INDICATES WIDESPREAD PUBLIC SUPPORT FOR LEGISLATION

Mr. PERCY. Mr. President, on July 18, Louis Harris reported the results of his nationwide survey on the uses and abuses of personal information. Mr. Harris concludes that—

> Fundamentally, people are in rather deep revolt against having their names and telephone numbers, given for one purpose, exploited for others. . . . What people resent is vital information about themselves being passed on without their express permission or being used in a way they are unaware of.

Mr. President, I hope that my colleagues in the Senate will join me in recognizing the strength of Mr. Harris' conclusion.

The Harris findings corroborate a growing conviction in Congress and throughout America: The right of privacy is fast becoming a vanishing legacy. The American people are awakening to the realization that there is virtually no item of deservedly confidential personal data that cannot be found out by the snooping credit investigator, insurance detective, or Government intelligence agent. An impressive 75 percent of Americans favor congressional action to safeguard their right of privacy.

Senator ERVIN, Senator MUSKIE and I have introduced S. 3418 to establish these needed safeguards. S. 3418 would, among other thiings, extend to every American the right to review and correct inaccurate or outdated information held in files about him. The fact that 82 percent of the Harris poll respondents strongly favor such a right is a clear indication of public support for this legislative effort. Because the Harris poll is important evidence of public sentiment about the right of personal privacy, Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

Majority Favors Legislation on Credit Information

(By Louis Harris)

The American people are so apprehensive about the use credit bureaus make of information on private individuals that by a lopsided majority of 75–14 percent they favor legislation which "would spell out what kinds of personal information credit companies can collect and hold in their files."

The growing practice of selling lists of names, addresses, and telephone numbers also meets with stiff consumer objections these days.

Sizable majorities are ready to spell out the ground rules they would like to see followed in legislation dealing with credit checks:

By 82–13 percent, Americans agree with the statement that "an individual should be given the opportunity to review and correct inaccurate information on his credit record." Many persons complained during the survey that they feel they have been rated a poor credit risk with no chance to correct such a charge.

By 78–16 percent, they also agree that legislation should make credit bureaus "notify an individual when an unfavorable report has been made about him, and tell that individual the name of the agency making that report."

By 76–17 percent, they want a law which would "prohibit credit information from being given to non-creditors, such as the government, without the permission of the person involved." People reason that since the information is about themselves, they should have the right to control who has access to it.

By 74–17 percent, they think legislation should contain "procedures for removing information from an individual's credit file." Many feel that once a bad credit rating has been entered, even if an individual becomes a good credit risk, there is no way to expunge the negative information from the record.

By 71–22 percent, they endorse the general proposition that as a matter of law "credit bureaus should establish effective procedures to protect the privacy of individuals on whom they have collected information."

A majority of 69 percent, however, say they do not feel that their personal right to privacy has been violated by credit bureaus. Nevertheless, a substantial 28 percent feel they have been victims of either misleading, damaging, or incorrect information stored in a credit bureau's files. By 48–43 percent, a plurality go along with the statement that they "begin losing their privacy the day they open their first charge account, take out a loan, buy something on the installment plan, or apply for a credit card."

The credit bureau business has burgeoned in recent years and the consensus of the average citizen is that most of them "do more harm than good," particularly those that service retail outlets.

Basically what people resent is vital information about themselves being passed or without their express permission or used in a way they are unaware of. Public attitudes toward the traffic in mailing lists and selling over the telephone are also negative.

Recently a nationwide cross section of 1,512 households was asked:

"Many people have been seriously concerned that their names and phone numbers are passed on from various sources without their permission. For each of the following actions, tell me if you personally would find it a serious violation, a minor violation, or no violation at all as far as your personal privacy is concerned? (Read list.)"

VIOLATION OF PERSONAL PRIVACY

[In percent]

	Serious	Minor	No	Not sure
Business organizations selling lists of their clients' names to other organizations	60	29	7	4
A real estate agent who gets your name from a credit bureau and phones you, trying to sell you land	54	33	10	3
Random digit dialing of telephones which allows research companies to get people on the phone who are not even listed in a phone directory	53	30	12	5
Motor vehicle registration bureaus providing lists of names to research companies	48	29	15	8
People using addresses from a phone directory to send you junk mail—that is, nonrequested mail which tries to sell you a product or service	47	33	17	3
People using phone numbers from a phone directory for the purpose of selling a product or service	40	37	20	3

Fundamentally, people are in rather deep revolt against having their names and telephone numbers, given for one purpose, being exploited for others, such as further information gathering and solicitation for products and services. This activity has also burgeoned in recent times.

The commercial use of information on private individuals obviously is disturbing the American people and is fast becoming a major sphere for consumerism in America today.

THE MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. STENNIS. Mr. President, I am happy to report to the Senate that the conference committee has agreed on a conference version of the annual military procurement authorization bill (H.R. 14592). A formal conference report was filed yesterday in the House.

I want the Senate to know that this was a tough conference. We began our meetings on June 20 and held 15 sessions on 10 meeting days—sessions in which conferees from both the Senate and House argued strongly for the positions of their respective Houses.

No one is ever wholly pleased with the results of a Senate-House conference, but I believe the conference has come up with a good bill under the circumstances. Before outlining some of the features of the conference agreement I would like to talk briefly about some of the circumstances which arose in this conference.

CONFERENCE CONSIDERATIONS

In the first place Senators should understand that House conferees are subject to a tight rule of germaneness.

Amendments are not in order, for bills pending in the House, which do not relate to the purpose of the pending bill.

In the past this conference difficulty has been eased somewhat by waivers requested by the House conferees from the House Rules Committee on this point. This year, however, the House Armed Services Committee determined before the conference began that conferees would not request any such waivers.

I ask unanimous consent that I may have printed at the end of my remarks in the RECORD a letter from the chairman of the House Armed Services Committee, who was conference chairman, on this point of germaneness.

I also ask unanimous consent that I may have printed at that point in the RECORD a list of Senate amendments which were not adopted in conference. It will be apparent from this list that several Senate amendments were ruled out on this point of germaneness.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Beyond that, Mr. President, I would like to note that there were 21 amendments added to this bill on the Senate floor after our committee had made its amendments. Senate conferees backed all these amendments to the hilt, and, under the circumstances, I think we did quite well in support of Senate positions. Ten of the twenty-one Senate floor amendments were approved in some form, despite the germaneness problem, and our committee language amendments were incorporated to some degree.

Senators should understand, however, that each difference must be resolved and that a large number of wide-ranging Senate amendments complicate conference deliberations even if the amendments are germane. House conferees are often able to concentrate on a smaller number of goals in a clear and definite priority, while Senate conferees seek to represent each Senate position faithfully.

MONEY ITEMS

In dollars and cents, I believe we did very well in conference. The $22.159 billion conference version is $340.1 million more than the $21.8 billion Senate bill, and $483.6 million less than the $22.6 billion House bill.

In round numbers, the compromise total for procurement, $13.258 billion, compares with about $12.9 billion in the Senate bill, and $13.6 billion for the House version.

In research and development the compromise total, $8.901 billion, compares with $8.952 in the Senate bill and $9.0 billion in the House bill.

MANPOWER ITEMS

NATO

In the field of manpower, I am glad to say that Senate conferees fought successfully for the Senate-approved NATO concept requiring reductions in support troops in Europe and permitting corresponding increases in combat troops.

Under the conference provision, a reduction of 18,000 troops from noncombatant military components in Europe will be required within 2 years—6,000 of them by next June 30 with corresponding combat increases permitted. The Secretary of Defense will apportion the cuts among the Services at his discretion.

ACTIVE DUTY

With respect to the strengths of the active military services at the end of fiscal year 1975, the Senate approved a total of 2,103,100 in round numbers and the House approved about 2,149,300.

This was one of the extensively debated, sharply contested points of the conference. It became clear, however, that House conferees would not approve meaningful reductions in active duty end strengths this year. The conference finally agreed on the cut of 2,800 positions in the Air Force as voted by the House.

In that connection, I can further report that, during the conference, Secretary Schlesinger informed the conferees that he has already cut support manpower 7,000 spaces below the budget request and will make more reductions beyond that figure. The Secretary plans to convert manpower saved by support cuts into combat strength. These conversions are to be effected worldwide, not only in Europe as required in the conference NATO provision.

The Senate Armed Services Committee plans to watch these projected support reductions very carefully.

CIVILIAN MANPOWER

I want to remind the Senate the civilian employment by service components is addressed this year for the first time in this bill. The Senate bill recommended specific reductions totaling 44,600 from the 1,027,327 recommended by the Defense Department. The House bill cut the total by 15,000 with the Secretary of Defense authorized to apportion the reductions among the services.

The conferees, I am glad to say, approved an overall cut of 32,327 from the recommended total. The Secretary will allocate the reductions, and, under a provision approved by the conference, he will be empowered to exceed the civilian manpower ceilings by one-half of 1 percent—about 5,000 positions—in emergency situations if he reports the circumstances to the two Armed Services Committees.

VIETNAM

As Senators know, this military procurement authorization bill has authorized funds for the Indochina war over the years, in a program called military assistance service funded (MASF).

Now that program has narrowed down to military aid for South Vietnam.

This year, for fiscal 1975, the Senate reduced the $1.6 billion requested for that military aid for Vietnam to $900 million, and included language requiring better accounting and a separate appropriation for these funds. The House bill set the total at $1.126 billion—the total approved for MASF in the 1974 fiscal year.

Conferees approved a total of $1 billion and the language tightening up on administration of the funds.

HARDWARE PROGRAMS AND AMENDMENTS

Mr. President, I have distributed a news release detailing the major actions in procurement and R. & D. and also the action on some of the important language differences between the two bills.

Rather than go into detail on each of these points I propose to insert the news release into the RECORD. With these explanatory remarks, and the materials previously discussed, I believe the Senate will be well informed on the conference actions.

I ask unanimous consent that this news release on the bill be printed in the RECORD at this point along with the items I have described.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senate and House conferees have agreed on a $22.159 billion compromise version of the annual Military Procurement Authorization Bill for Fiscal 1975, Senator John C. Stennis, Chairman of Senate conferees, announced today.

The compromise was $340.1 million more than the $21.8 billion measure voted by the Senate. It was $483.6 million less than the $22.6 billion bill approved by the House.

The conferees set the total for military aid to South Vietnam at $1 billion for the fiscal year beginning July 1.

The compromise, in summary:

[In billions of dollars]

	Administration request	House bill	Senate bill	Conference report
Procurement	13.8	13.6	12.9	13.258
R.D.T. & E.	9.325	9.0	8.952	[1] 8.901
Total	23.1	22.6	21.8	22.159

[1] Plus $35,700,000 to be obtained from reimbursement for foreign sales.

For Vietnam.—The aid program previously known as Military Assistance Service Funded (MASF)—the Defense Department had requested $1.6 billion for the 1975 fiscal year. The House voted $1.126 billion, the same total approved by Congress, for the current year, and the Senate reduced the total to $900 million.

In approving the $1 billion authorization, the conferees also approved Senate language which sets up a separate appropriation for these funds and requires that obligations be approved by the Secretary of Defense.

MANPOWER

NATO

The conferees approved new language which would require a reduction of 18,000 troops from U.S. non-combatant military components in Europe within two years—6,000 of them by June 30, 1975—and authorize a corresponding increase in combat components. The Secretary of Defense would have discretion to apportion these adjustments among the services.

The Senate had approved a reduction of 20 percent (about 23,000) from headquarters and other non-combatant U.S. Army personnel in Europe over two years—with half to be completed this year—and with authorization for corresponding increases in combat forces. The House bill contained no such provision.

Also approved by the conferees was an amended Senate-approved provision freezing the number of tactical nuclear weapons in Euope for one year while the NATO role of tactical nuclear weapons is studied by the Secretary of Defense.

Active duty manpower

With respect to active duty military manpower at the end of fiscal 1975, the Senate had voted two percent cuts in strength of each of the services, for a total reduction of 49,000 from the 2,152,000 recommended by the Defense Department. The House had recommended a cut of 2,800 positions in the Air Force.

The conferees, after extensive discussion, accepted the House reduction.

Civilian manpower

In the area of civilian employment in components of the Defense Department, the conferees recommended a cut of 32,327 from the 1,027,327 year end strength requested by the Department. The Senate had recommended a four percent reduction specified by service, to total 44,600. The House voted a 15,000 position cut in the force proposed by the end of fiscal 1975, with the reductions to be apportioned by the Secretary of Defense. The conferees agreed to let the Secretary apportion the 32,000 reduction among the services.

The conferees also approved a modified House amendment which would let the Department temporarily exceed the civilian manpower ceiling by one-half of one percent—about 5,000 positions—to meet emergency needs if the Secretary of Defense reported on the circumstances to the Armed Services Committees.

Reserve manpower

For military reserves, the conferees agreed on the following totals:

	House bill	Senate bill	Conference report
Army:			
Guard	408,000	390,000	400,000
Reserve	225,000	220,000	225,000
Navy Reserve	117,000	110,000	117,000
Marine Reserve	38,000	36,703	36,703
Air Force:			
Guard	95,000	93,412	95,000
Reserve	51,319	51,319	51,319
Total, DOD	934,319	901,434	925,022
Coast Guard	11,700	11,700	11,700

MAJOR WEAPONS IN DISPUTE

B–1 Bomber—The Senate bill reduced the $499 million request for development of the B–1 by $44 million, to $455 million, limiting the approved program for Fiscal 1975 to three prototype aircraft to permit flight testing and technical progress before further Congressional action. The House approved the full request which included starting a fourth prototype aircraft in Fiscal 1975.

The conferees voted $455 million, with language which would defer the fourth aircraft until after the first has been successfully flight-tested. At that time reprogramming within available B–1 funds could be requested to begin the fourth prototype.

Site Defense—The Senate had reduced to $110 million the Defense Department's $160 million request for R&D on Site Defense, the follow-on ABM program. The House voted $150 million for Site Defense.

Conferees voted $123 million in authorizations for Site Defense technology.

New nuclear missile-firing submarine—The Administration requested $16 million to begin development of a smaller ballistic missile submarine to complement the projected Trident force. The Senate bill deleted this authorization on grounds that approval this year would be premature. The House approved the full authorization.

The conferees deleted the $16 million in authorizations for development of this new submarine now.

Pershing II—The Senate bill rejected the request for $11.2 million in R&D authorizations for Pershing II, a tactical missile which would carry a nuclear warhead. The House approved the $11.2 million.

The Conference Committee approved $5 million in authorizations for Pershing II.

AWACS—The Senate approved the procurement of 12 E-3A AWACS radar warning airplanes at a cost of $549.8 million, and added a restriction in the bill which provides the funds are available *only* for the AWACS program. The House approved six of the planes and a total program of $292.1 million.

The conferees approved six planes, long lead time procurement for the other six, and provided for a one-a-month delivery schedule which will protect the present contract. The conferees approved a $405.1 million program for Fiscal 1975.

A-10/A-7 Close Air Support—The Senate voted $192.7 million to be used for A-10 aircraft or A-7D aircraft depending on which won the fly-off then in progress between the two. Also approved was a procurement authorization for 4 additional A-10s transferred from R&D funding. An additional R&D authorization of $81.4 million was approved for use if the A-10 won the fly-off competition. The House voted a $173.8 million program for the A-10 and separately voted $100.1 million for 24 A-7Ds for the Air National Guard.

The conferees approved $192.7 million for the A-10 plus the $81.4 million R&D authorization and also included $104.9 million for the 24 A-7Ds plus certain spare parts.

F-14—The Senate reduced the 50 aircraft, $639.3 million F-14 request, by $22 million, to $617.3 million because of lower costs attributable to sales to Iran. The House had voted the full request.

The conferees approved the $617.3 million program.

Shipbuilding—The Senate approved a $2.856 billion total for the Navy's shipbuilding and conversion authorization deleting one of three proposed nuclear attack submarines (−$167.5 million); completion of the first Sea Control ship (−$142.9 million); four of seven proposed patrol frigates (−$250.5 million); and a destroyer tender (−$116.7 million). The House approved a $3.539 billion shipbuilding total including all those vessels.

The conferees approved a $3.156 billion shipbuilding and conversion authorization, restoring the submarine and the destroyer tender, but eliminating four of the frigates and reducing authorizations for the Sea Control ship (−$126.9 million) to $16 million.

Airlift—Conferees approved the $31 million procurement authorization voted by the Senate (but not the House) for stretching out the C-141 to increase cargo space. The Department had requested $50 million.

The conferees deleted the $25 million voted by the House (not the Senate) to begin a prototype program for modifying commercial jumbo-jetliners so that they could be used for airlift in an emergency. The DoD had requested $132.9 million for the program.

Acting on language provisions of the differing bills, the conferees also:

Approved a redrafted version of a Senate-approved amendment designed to *prohibit research with poison gases and other chemicals on dogs* for weapons research. Language in the report will state that the provision is not to inhibit research aimed at preserving human life.

Approved a Senate amendment barring, for fiscal 1975, *tests of Minuteman missiles* from operational silos in the northwest United States.

Combined provisions, separately approved by the House and Senate, into a new provision which will require 91 flying units in the Air National Guard in Fiscal Year 1975 and states the policy of Congress that the components of the *reserve,* rather than increases in active duty forces, should be tapped to increase the ratio of airlift crews to *airlift* planes.

Redrafted *"Nuclear Navy" language,* included in the House bill, to require that the Navy utilize nuclear power plants for future major combatant vessels—submarines, carriers, cruisers, frigates and destroyers—unless the President reported that this would not be in the national interest.

Dropped a Senate-approved amendment limiting the number of *enlisted aides* assigned to flag officers in the military services to 218. Substitute language will require the Defense Department to report within 90 days on 1) the military commands which require assistance of the type provided by enlisted aides; and 2) alternative methods by which such assistance might be provided. After the report is received one or both Armed Services Committees, will hold hearings on the matter.

Modified a Senate-approved amendment requiring statutory authorization for selling or otherwise *disposing of naval vessels,* larger than 2,000 tons or less than 20 years old, to another nation. Other vessel disposals would require 30 days notice to the Congressional Armed Services Committees.

Dropped a Senate-approved restriction on *domestic activities of the Central Intelligence Agency* on grounds that the proposal was not germane to the procurement bill under rules of the House.

Dropped a Senate-approved provision for *recomputation of certain military retired pay* on grounds that it was not germane under House rules.

Redrafted a Senate-approved amendment designed to assure careful *review of certain exports of goods, technology and industrial techniques* to Warsaw Pact nations and such other nations as the Secretary of Defense may determine. The conference provision would require the Secretary of Defense to make recommendations to the President on licensing such exports. If the President overrules a negative recommendation by the Secretary, Congress could deny the export by passing a concurrent resolution within sixty days.

Dropped a Senate-approved amendment requiring specific congressional authorization for transfer of *stockpiled defense materials* to any Asian nation.

Approved a redrafted Senate provision requiring the Navy to negotiate with Puerto Rican authorities for an alternate site for *weapons training* now conducted *on the Island of Culebra.* The report will note that, while the bill was in conference, the Department announced that weapons training would end by July 1, 1975, on Culebra and by December 31, 1975, on the adjoining keys.

EXHIBIT 1

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., July 8, 1974.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your request, I will attempt to outline in summary form the general problem confronting the House conference on H.R. 14592 on the substance of certain Senate amendments which, under the Rules of the House of Representatives are considered non-germane.

The authority of the Managers on the Part of the House at a conference is, generally speaking, limited by two considerations. The first limitation relates to the scope of the matter to be considered by the conferees. The conferees on the part of the House are limited to the differences between the House and Senate versions of the bill, and they are precluded therefore from accepting any matter which would have the effect of broadening the scope of the matter in disagreement.

The second limitation is concerned with germaneness. The Managers on the Part of the House must, as a matter of principle, oppose any matter which would be in violation of the provision of Clause 7 of Rule XVI. That Rule states that "no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment." Stated another way, the fundamental purpose of an amendment must be directly related to the fundamental purpose of the bill. Therefore, if the House conferees accept an amendment which is non-germane, such matter, in accordance with Clauses 4 and 5 of the Rule XXVIII, and Clause 7 of Rule XVI, is automatically subject to a point of order on the question of germaneness. Therefore, under Clause 4 of Rule XXVIII, a separate vote may be demanded on any such Senate amendment and if the Senate amendment is rejected the conference agreement as a whole is considered rejected.

Although it would appear that accepting a meritorious and popular non-germane amendment would ordinarily receive House approval, such a practice raises grievous hazards because it gives opponents of the conference agreement, for whatever reason, several chances to defeat the conference report.

The rule of germaneness in the House is a matter of long standing and was established to facilitate the orderly processing of legislative business. It prohibits the consideration of legislative propositions or amendments which are not "germane" to the fundamental purpose of the bill under consideration. Thus, even those amendments that may be related to the subject matter of the bill might be ruled non-germane if they are not directed to the basic purpose of the legislation. For example, in a bill proposing to sell two battleships and build a new battleship with the proceeds, a proposed amendment to direct the proceeds of the sale of the battleships to the building of new roads was ruled to be non-germane.

Similarly, in a proposition to relieve destitute citizens of the United States in Cuba, an amendment declaring a state of war in Cuba would be non-germane.

The fundamental purpose of H.R. 14592 is to fulfill the statutory requirements of Section 138 of Title 10, United States Code, i.e., to provide annual authorization for appropriations for the Armed Forces. Therefore, any amendments not specifically directed to this general purpose of the legislation as expressed by the text of the House bill either in scope or germaneness is, under the Rules of the House, subject to a point of order.

As I had indicated earlier, though the Managers on the Part of the House may in some instances be persuaded as to the merits of a non-germane amendment, the likelihood of such an amendment receiving House approval is, at best, unpredictable. The reason for probable unfavorable House action stems from a variety of circumstances not the least being the traditional objection of House members to the acceptance of non-germane amendments to a legislative proposition. Obviously, the acceptance of non-germane matter, in almost every instance, automatically establishes a precedent for ignoring established House procedures and tradition and encourages the addition of extraneous matter to House-passed bills. Thus, this type of precedent frustrates the legislative process of the House by by-passing established Committee jurisdiction, avoiding public hearings and precluding the House members from amending propositions on the matter. In short, acceptance of non-germane amendments by House conferees would seriously erode the traditional legislative process of the House and contribute to, in the view of many House members, legislative chaos.

These are the circumstances therefore which require my fellow House conferees and me to reject non-germane matter in H.R. 14592.

The House/Senate conference on H.R. 14592 has been a very challenging, interesting, and rewarding experience. I am sure that I speak for all of my conferees when I observe that the conference has proceeded in a true sense of compromise and achievement. Therefore, it is with great reluctance that my conferees and I are forced by the circumstances outlined above to oppose the acceptance of any non-germane matter in the Senate amendment to H.R. 14592. I would further like to take this opportunity to point out that this policy on rejection of non-germane Senate amendments will continue in the future.

I trust this will be helpful to you in understanding my position on this matter.

With best wishes and warmest personal regard.

Sincerely,

F. Edw. Hébert, *Chairman.*

Senate Amendments and Committee Amendments Dropped

(H.R. 14592)

Amendment added by the Senate:

Title—Section, Sponsor, Amendment, and Reason Senate Receded:

VI–602, Javits, ROTC, The House insisted—colleges which unilaterally withdrew from ROTC should not receive military funds.

VII–703, Proxmire, CIA—restrict domestic activities. Non-germane—House has agreed to introduce comparable legislation.

VII–706, Biden, Prohibit all DoD Economic pump-priming. Non-germane.

VII–708, Hughes, Continuation pay to medical corps officers in initial residency training. Non-germane.

VII–710, Bayh, Use all forms of media in recruiting advertising. House insisted amendment unnecessary.

VII–712, Kennedy, Stockpiling for allies. House insisted amendment complex and deserving of further studying.

VII–714, Metzenbaum, Formal advertising required on contracts for medical supplies. Non-germane.

VII–715, Fong, Study to find island other than Kahoolawe for target practice. House insisted Kahoolawe essential for target practice.

VII–717, Metzenbaum, Require reports on competitive bidding. Non-germane.

VII–719, McGovern, Congressional awards for POWs. Non-germane; House will support bill.

VIII, Hartke, Recomputation. Non-germane.

Amendments added by committee.

The Conferees accepted all amendments added by the Senate committee.

CANADIAN OPPOSITION TO TRANS-CANADA GAS PIPELINE

Mr. STEVENS. Mr. President, in the continuing debate between proponents of a trans-Alaska versus a trans-Canada route for the first pipeline to carry Alaskan natural gas to market, little has been said of the feelings of Canadians toward the Arctic Gas Co. proposal.

In a recent conference in Ottawa, several strong Canadian-oriented arguments against the present trans-Canada gas line proposal were voiced. Major points of opposition were that Canadian manufacturing and engineering capacity would be overtaxed by the massive project, leaving the major portion of the work in the hands of American firms; that Canada would need for its own use most of the Mackenzie Delta gas and would have little excess for export to the United States; that acceleration of development of Canada's northern gas is of itself not necessarily advantageous to Canada; and that resolution of Canada's still unsettled native land claims could greatly slow the project.

The Federal Power Commission is now considering the gas line route issue. The final decision, however, is likely to come from Congress.

Mr. President, I strongly urge that the FPC—and, when the time comes, Congress—take a long, hard look at the objections brought up in the Ottawa conference.

For this Government to be lulled into believing that whichever route we finally approve will sail through on that basis alone would be a tragic mistake. That kind of naive decisionmaking could lead us to a delay even longer and more costly than that associated with the trans-Alaska oil pipeline.

This subject is dealt with in a recent editorial published in the Fairbanks Daily News-Miner. This editorial suggests that the FPC should not even consider the trans-Canada proposal a viable alternative until the serious problems within Canada have been overcome.

I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Canadians See Some Faults With Trans-Canada Gas Line

Americans, particularly Alaskans, have been receiving the hard sell on the benefits which would come from the construction of a trans-Canada natural gas pipeline as opposed to a plan for a trans-Alaska line.

Canadians have also received the selling points, but not everyone is buying them. Some strong arguments against the construction of a trans-Canada line by Canadian Arctic Gas Study Ltd. came up at a recent conference in Ottawa sponsored by Canadian Arctic Resources Committee.

The overriding theme at the conference seemed to be in a difference on selling points. Canadians, apparently, are being sold the pipeline idea because of its ability to provide them with gas from the Mackenzie Delta. Americans are also being told that the line through Canada will provide us with gas from the delta reserves. Some at the conference took the stand for "Canadian gas for Canadians."

The major points brought out in opposition to the pipeline plans of Canadian Arctic Gas Study Ltd. (the Canadian version of Alaska Arctic Gas Co. in our state) included:

Canadian contractors and manufacturers are too small to gear up quickly for the construction and machinery and material for the pipeline would be built in American plants;

Engineering management would be dominated by Americans because only Americans can deal with a project of that size;

Canada needs most, if not all, of the gas the pipeline could bring south during the next decade just to avoid a substantial increase in Canadian energy costs, leaving no excess reserves for use in the U.S.;

Acceleration of the delta development to coincide with Prudhoe Bay is of no economic advantage to Canada unless it is a great deal cheaper than the proposed trans-Alaska plan;

Native land claims settlements are still up in the air in Canada and development could be greatly slowed, thus pushing up costs, just as happened in the case of the trans-Alaska crude oil pipeline.

Alaskans have been under a barrage of "selling" propaganda by officials of both the trans-Canadian proposal (Arctic Gas) and the trans-Alaska proposal (El Paso Natural Gas Co.) for about one year.

However, in almost all of the discussion which has taken place little reference has been made to the Canadian attitude toward the pipeline.

Instead it has been deliberated at will from the standpoint that whichever route is approved by the Federal Power Commission will automatically be built.

Not so, as the points above show. Not included in that list is the opposition which is sure to come from environmentalists as the trans-Canada line covers five times the virgin territory the trans-Alaska oil line does. We all know that the latter project was held up 4½ years because of environmental objections.

With the many unknowns on the Canadian side of the line it seems almost unnecessary for us to continue to debate the issue.

The FPC would be wise to adopt a position of having all of the hurdles within Canada cleared before even considering that routing.

The trans-Alaska proposal would have the gas line pretty much following the route of the oil pipeline, and those hurdles have already been cleared.

When, and only when, all of the Canadian obstacles are out of the way should the FPC make any kind of decision on which of the plans—the two prominent ones or any others—should be approved for a transportation system of natural gas from the North Slope.

ETHIOPIA CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, the oldest independent nation on the African continent, Ethiopia, celebrated its National Day yesterday. Out of respect for their beloved leader, Emperor Haile Selassie, the citizens decreed that July 23, Selassie's birthday, be declared the National Day.

Born on July 23, 1892, Haile Selassie has been Emperor of Ethiopia since 1930 and has governed his country for over 50 years, the world's longest reigning monarch. He has been internationally renowned since his famous speech at the League of Nations in 1936 when he pleaded for assistance in the face of an Italian invasion of his country. The League failed to respond to his request and Ethiopia was occupied by the Italians for 5 years.

The Emperor's abilities have enabled him to institute reforms to bring Ethiopia out of her international isolation and economic underdevelopment. He has established hospitals, abolished slavery, and encouraged agricultural development. He gave Ethiopia its first written constitution and also founded its parliament.

A leader in the formation of the Organization of African Unity, Haile Selassie has been called the "Father of African Unity." Because of his stature he has helped mediate several intra-African disputes. He has also been a strong proponent of mutual security and supporter of the peace-keeping actions of the United Nations.

A long standing, close friend of the United States, Haile Selassie has visited this country many times. A major U.S. communications facility, Kagnew Station, has been located in Ethiopia since the 1940's. Kagnew is being phased down as the new communications facility on Diego Garcia in the Indian Ocean becomes operational.

Recent months have been a difficult

but challenging period for Ethiopia. A very serious drought caused thousands of deaths and much suffering. Historical social and economic problems led to the downfall of former Prime Minister Aklilu's government and the military has assumed a larger role in the country's affairs. It is noteworthy, however, that the military has pledged its allegiance to the Emperor.

Emperor Haile Selassie has agreed to the recent political changes which have occurred in Ethiopia. While no one can predict the outcome with certainty, it now appears that these changes may usher in a new period of social progress and economic development.

I wish to extend my best wishes to the Emperor and people of Ethiopia on the occasion of Haile Selassie's 82d birthday, as well as my hope that the country will be able to find a solution to its current problems and emerge from them stronger than ever.

SUPPORT FOR 55-MILES PER HOUR SPEED LIMIT GROWS

Mr. PERCY. Mr. President, although our country is still faced with the very real possibility of fuel shortages, we have in recent months been fortunate in having adequate fuel supplies available. Our return to a near normal fuel situation would not have been possible were it not for the continued cooperation of individuals and State and local governments with Federal efforts to reduce fuel consumption and to distribute equitably those supplies that have been available.

On June 12, I wrote to the Governors of the 50 States commending their policies and programs of fuel conservation and urging their continued dedication to making energy conservation a habit of American life. In addition, I solicited the Governors' comments on S. 3556, a bill I introduced with Senators RANDOLPH, STAFFORD, and WEICKER to extend indefinitely the 55-miles per hour speed limit on the Nation's highways.

I have now received responses from 27 Governors. I am pleased to report that most of them share my conviction that the reduced speed limit is helping us save some 73 million barrels of fuel a year and is to a great extent responsible for the dramatic decline in traffic fatalities and disabling injuries we have witnessed since the 55-miles per hour speed limit went into effect. Most of the Governors are therefore enthusiastic in their endorsement of S. 3556, and several others support the general goals of that legislation.

In addition, Claude Brinegar, the Secretary of the Department of Transportation, recently endorsed the extension of the 55-miles per hour speed limit in a letter to the Senate Public Works Committee. Secretary Brinegar clearly outlines the reasons behind his endorsement of my proposed legislation, and I ask that excerpts from his letter to the committee be included in the RECORD.

I would also like to share with my colleagues the correspondence I have received from the Governors and I ask that their letters be printed at this point as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRINEGAR

The temporary speed reduction was originally established to aid the national effort to conserve energy. The implementation of the Emergency Highway Energy Conservation Act has since shown that there is a separate substantial benefit flowing from the reduction, that is, the saving of thousands of lives. The reduced fatality tolls first appeared in the States that voluntarily reduced their speed limits late last year. The 16 States with reduced speed limits had a 15 to 20 percent reduction in fatalities in November 1973 as compared to November 1972, while the 34 States without reduced speed limits had only a 2 percent reduction. Subsequent statistics for the two groups of States provide a similar picture. For example, the figures for February 1974 versus February 1973 reveal a 30 percent reduction for the 33 States with reduced speed limits and a 3 percent reduction for the other 17 States. All of these 17 States adopted lower speed limits in late February and most registered substantial reductions during March.

In all, nearly 7,000 fewer people were killed during November 1973 through June 1974 than during the same 8-month period the year before. The current figures for the 1974 reductions in the 50 States are as follows:

ESTIMATED TRAFFIC FATALITIES AND CHANGES (50 STATES ONLY)

	1974	1973	Percent change
January	2,950	3,834	−23.1
February	2,625	3,479	−24.5
March	3,192	4,328	−26.2
April	3,442	4,454	−22.7
May	3,732	4,813	−22.5
June [1]	4,111	5,129	−19.8

[1] Pennsylvania estimated.

We believe that the primary contributing factors to these consistent reductions are public cooperation with and State enforcement of the lower speed limits. As the above discussion demonstrates, the substantial fatality reductions on a State-by-State basis correlate positively with the reduction of the limits. We estimate that the lower speed limits themselves are responsible for a 15 percent reduction. The balance of the reduction may be attributed to reduced highway travel. The slightly lower fatality reductions in the past several months may be due to gradual increases in highway travel and average highway speeds.

In view of the safety benefits of the speed reduction, we support the extension of the lower speed limits. While there are competing economic considerations, we believe at this time that they are outweighed by the increased safety on the highways. We would continue to study the impact that a permanent reduction in the speed limit is likely to have and, if necessary, would recommend appropriate amendments.

OFFICE OF THE GOVERNOR,
Augusta, Maine, June 17, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator, Illinois,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your complimentary remarks about Maine's energy conservation efforts. We are continuing our efforts to sustain the public's appreciation for this serious problem.

Because I am persuaded that lower speeds will save lives as well as gasoline, I fully support perpetuation of the national 55 mile per hour limits.

Sincerely,

KENNETH M. CURTIS,
Governor of Maine.

COMMONWEALTH OF VIRGINIA,
OFFICE OF THE GOVERNOR,
June 19, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Governor Godwin has asked me to thank you for your kind letter of June 12 and to respond on his behalf.

We do share your concerns about the continued conservation of energy and I am particularly aware of the problems facing the motorists in Virginia, not only in the availability of gasoline but the extremely high costs which they are called upon to pay. The impact of the 55 mph speed limit in the area of conservation, when added to what we consider to be obvious safety advantages, make it, I feel, important that we continue to retain a reduced speed limit.

Our current experience is that the 55 mph speed limit is not being observed by the average motorist, particularly on the interstate systems in Virginia, and as a result, our arrests for speeding violations have gone up dramatically. Even recognizing this fact, however, the current speeds appear to us to be approximately ten miles per hour slower than the speeds at which the public was traveling prior to the imposition of the 55 mph speed limit.

We do agree, of course, that this is a problem which must be dealt with in a cooperative way, with the states carrying the brunt of the responsibility. At the present time, I feel that I can support the legislation which you are proposing.

We do appreciate being kept advised of legislative activities such as this.

Sincerely yours,

WAYNE A. WHITHAM.

OFFICE OF THE GOVERNOR,
Frankfort, Ky., June 19, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I agree with your position that we are going to have to have a vigorous energy conservation program for years to come. This will require coordinated Federal and State programs.

I have read your statement on retention of the 55 miles per hour speed limit. Kentucky's highway death rate for this year is some twenty-four percent under last year's.

Sincerely,

WENDELL FORD.

OFFICE OF THE GOVERNOR,
Des Moines, Iowa, June 19, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Governor Ray has asked that I acknowledge receipt of your letter.

We appreciate very much your letter and information relative to the energy crisis. Governor Ray is in the process of setting up an Office of Energy Management and he certainly agrees with you that the energy crisis is far reaching and will take a great deal of effort on into the future.

Thank you for writing Governor Ray.

Sincerely,

ELMER H. VERMEER,
Administrative Assistant.

OFFICE OF THE GOVERNOR,
Salt Lake City, June 19, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I am in strong and substantial agreement with the intent and purpose of the Highway Energy Conservation and Safety Act of 1974 as you introduced it in the Senate. I concur in your assessment that the easing of the energy crunch is only a reprieve and that the hard decisions are still ahead of us as a nation. The development of new sources of energy is essential and the conservation of already existing sources is vital if we are to be free from dependence on foreign sources of crude oil. The imposition of a continuing 55 miles per hour speed limit with rigorous enforcement will temper us to the discipline we need to develop in our consumption of energy.

Additionally, there is the savings on human life that has resulted under a reduced speed limit. Utah has experienced a reduction in highway fatalities of 47 percent since implementation of the 55 m.p.h. speed limit. It makes good sense from this standpoint alone, and I plan to ask the legislature to consider making it the permanent speed limit in Utah.

Sincerely,

Calvin L. Rampton,
Governor.

State of Maryland,
Executive Department,
Annapolis, Md., June 19, 1974.

Hon. Charles H. Percy,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Percy: Thank you for your letter concerning the proposed legislation to extend the 55 mph maximum speed limit.

I am strongly in favor of such legislation, and for reasons which go far beyond energy conservation. Like you, I feel that we can anticipate continued shortages of petroleum products, and the maintenance of the 55 mph limit is one way to hold down the conservation of gasoline.

Even more important, in my judgment, is the benefit of the increased highway safety. In Maryland, our experience has been startling—a very significant reduction in accidents and fatalities since we lowered the speed limit. I am sure this has been true across the country, and I think its another excellent reason to continue the 55 mph limit.

Sincerely,

Marvin Mandel,
Governor.

State of Vermont,
Executive Chamber,
Montpelier, June 21, 1974.

Hon. Charles H. Percy,
U.S. Senator,
New Senate Office Building,
Washington, D.C.

Dear Senator Percy: Thank you for your recent letter in regard to the legislation extending the 55 mile per hour speed limit. I am in full accord with the need to maintain present restrictions. As you may know, the National Safety Council Board of Directors has recently contacted all Governors indicating that the Council was committed to a vigorous campaign to persuade American motorists to drive at reduced speeds.

In the interest of both safety and energy conservation, I believe that we should retain present limitations. As your letter indicates, it is of utmost importance that Federal-State policies be coordinated and efforts such as yours will do much not only to effect coordination, but also to lend credence to state policies.

Sincerely,

Thomas P. Salmon.

State of South Carolina,
June 24, 1974.

Hon. Charles H. Percy,
U.S. Senate Office Building,
Washington, D.C.

Dear Senator Percy: Thank you very much for your letter of June 12, 1974, concerning continuation of the 55 mile per hour speed limit.

I am personally committed to the maintenance of the 55 mile per hour limit both because of the gasoline conservation effects and the reduction in highway accidents. We are enforcing the 55 mile per hour speed limit in South Carolina and shall continue to do so as long as there is evidence that the lower speed saves lives and energy.

Sincerely,

John C. West.

State of Rhode Island and
Providence Plantations,
Providence, June 24, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: This is in response to your recent letter regarding the proposed extension of the 55 MPH speed limit beyond June 30, 1975.

It is most important that, while we work to insure that adequate supplies of energy will be available at reasonable prices, that we also limit the growth of our energy needs. The continuation of the 55 MPH speed limit on our nation's highway is clearly a measure which will effect substantial energy savings. Also, as you have mentioned, increased safety is an important additional benefit resulting from the lower speed limit.

Both short and long term energy problems are of first priority importance and demand immediate and continuing consideration at all levels of government. We must continue to develop and implement aggressive energy conservation programs and, at the same time, to work to provide energy to meet our long term needs.

I appreciate your advising me concerning the legislation which you have introduced to extend the 55 MPH speed limit.

Very truly yours,

Philip W. Noel,
Governor.

State of Alabama,
Governor's Office,
Montgomery, June 24, 1974.

Hon. Charles H. Percy,
Senator, State of Illinois, U.S. Senate, Senate Office Building, Washington, D.C.

Dear Senator Percy: I appreciate your sharing your thoughts on the national energy matter with me in the form of your recent letter and a copy of the "Congressional Record" of May 30.

In Alabama we have established an Alabama Energy Management Board which is seeking to work out programs and methods of conserving all forms of fuel in this State. Under the circumstances, we feel that a commendable job has been done with a minimum of hardships to our citizens. It is my belief that at the state level, we have accomplished about all that is possible as the problem is a national, if not international, one.

In reference to the 55 mile per hour speed limit, we find that there have been fewer highway deaths since the beginning of the felt fuel shortage. Although the lowering of the speed limit is one of the factors in the serious reduction in highway deaths, there appears also to be a connection between such fewer deaths and the reduction in a corresponding number of vehicles traveling the highways. The National Safety Council is presently making a study of all the facts involved in the highway death rates and our Department of Public Safety is also analyzing these facts. At the present time, therefore, I would prefer to have the benefit of these studies prior to commenting on an indefinite 55 mile per hour speed limit.

I appreciate your giving me the opportunity to correspond with you in this regard.

With kind personal regards, I am

Sincerely yours,

George C. Wallace,
Governor, State of Alabama.

State of Minnesota,
Office of the Governor,
Saint Paul, June 25, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for your kind words relative to Minnesota's approach in establishing an Energy Agency to deal with the energy crisis.

I read with interest your remarks in the May 30th Congressional Record. I support your proposal for extending indefinitely the 55 miles per hour speed limit. This limit will help make our citizens aware of the energy crisis.

With warmest personal regards.

Sincerely,

Wendell R. Anderson.

State of Ohio,
Office of the Governor,
Columbus, June 25, 1974.

Hon. Charles H. Percy,
U.S. Senator, U.S. Senate, Washington, D.C.

Dear Senator Percy: Thank you for your June 12 letter and the copy of your May 30th statement in the Congressional Record. Since the energy situation is of vital interest to all of us I am grateful for your comments and suggestions.

With warmest regards,

Sincerely,

John J. Gilligan.

State of Illinois,
Office of the Governor,
Springfield, June 25, 1974.

Hon. Charles H. Percy,
U.S. Senate, Dirksen Office Building,
Washington, D.C.

Dear Chuck: Thanks for the kind words on our conservation efforts.

My staff will be reviewing your bill on the 55 miles per hour speed limit and I'll be glad to give you my reactions.

Sincerely,

Dan Walker.

Executive Chambers,
Honolulu, June 26, 1974.

Hon. Charles H. Percy,
U.S. Senator, U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for your letter of June 12 addressed to Governor Burns. Thank you also for the enclosure regarding S. 3556, of which you are a sponsor, that would extend indefinitely the 55 mph speed limit on the Nation's highways. I feel this is reasonable legislation and would generally be acceptable in Hawaii because we traditionally have had lower speed limits than the mainland States. Not too long ago, our maximum speed limit in Hawaii was 45 mph. It was then raised to 60 mph on completed sections of our Interstate highway and on a very few other links of the State highway system.

During the energy crisis, we attempted to lower our limit to 50 mph but were prohibited from doing so by the penalty of loss of Federal highway funds if we did not conform to the 55 mph limit imposed by Congress. We think the legislation should have allowed non-continguous States and territories to impose a lower speed limit than 55 mph if deemed appropriate by their legislative bodies.

The lowered speed limits have improved the highway safety record as evidenced by all the statistics; they have reduced the volume of traffic a little. And they have reduced the demand for vehicular fuel. I believe it is necessary for us in government to lead the way to a conservation ethic so that the rate of growth of energy consumption is reduced.

Energy shortages will face the Nation for a number of years and it is doubtful if alternate sources other than petroleum can be developed in less than a decade. Certainly, ground and air transportation is the largest user of petroleum products and every effort should be made to reduce this consumption.

With warm personal regards, I remain,

Yours very truly,

GEORGE R. ARIYOSHI,
Acting Governor.

STATE OF ARKANSAS,
OFFICE OF THE GOVERNOR,
Little Rock, June 27, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your letter with which you enclosed a copy of your bill, S. 3556, regarding the need to extend the 55 mile per hour speed limit on the Nation's highways.

Our Department of Public Safety has issued a statistical report showing a drop in highway accident fatalities and serious injury since the implementation of the 55 m.p.h. limit. In Arkansas, highway speed limits are set by the Arkansas Highway Commission. I am sending a copy of your letter and S. 3556 to the Director of the Highway Department so that it can be brought to the attention of the Commission for their information and review. Copies also will be sent to our State Energy Office.

I share your belief that the energy crisis is still a reality and that we must go forward with our programs to develop new energy resources and at the same time devise more ways to conserve them.

I appreciate your writing and sharing your views with me.

Kindest regards.

Sincerely,

DALE BUMPERS.

STATE OF DELAWARE,
EXECUTIVE DEPARTMENT,
Dover, June 27, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate Washington, D.C.

DEAR SENATOR PERCY: May I commend you on your introduction of S. 3556 which would extend indefinitely the 55 mph speed limit on the nation's highways.

I think the fact that my administration implement a 50 mph speed limit at the onset of the energy crisis is an indication that we in Delaware appreciate the numerous benefits of a reduced speed limit. Our highway fatalities are 55% lower this year than last.

As you indicated to your colleagues, the wisdom of a compromise for the trucking industry's sake became evident, so that we have realigned our thinking along those lines, and have instituted a 55 mph limit.

In recognition of the tremendous savings in human life as well as our precious natural resources, I most wholeheartedly endorse a continuation of the present 55 mph limit and would urge the active support of our Congressional Delegation.

Sincerely,

SHERMAN W. TRIBBITT,
Governor.

STATE OF CONNECTICUT,
EXECUTIVE CHAMBERS,
Hartford, June 28, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR SENATOR PERCY: Thank you for your kind letter of June 12, 1974, and for providing me with a copy of Senate Bill 3556, "The Highway Energy Conservation and Safety Act of 1974" of which you are a co-sponsor.

After having reviewed Senate Bill 3556 in its entirety, I feel that the retention of the 55 mile per hour speed limit will result in phenomenal fuel savings over an extended period of time and will also result in a drastic reduction of the fatality rate on our nation's highways.

Further, I agree with your statement that "making the 55 mile per hour speed limit a continuing feature of Americans life is by no means an extreme measure, as driving slower is a habit most Americans have readily acquired in the past few months."

Again, thank you for providing me with this information, and should you find that I can be of assistance to you in the future, please do not hesitate to call upon me.

With best wishes,

Sincererly,

THOMAS J. MESKILL,
Governor.

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, July 1, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator,
Washington, D.C.

DEAR CHUCK: Thank you for your letter of June 12 regarding S. 3556 which would indefinitely extend the 55 mile per hour speed limit on the Nation's highways.

I also support the extension of the 55 mph speed limit for the reasons you mentioned: the savings in both gasoline consumption, and more importantly, in human lives. As you point out, the energy crisis is serious and is not likely to abate for some time and therefore we must all concentrate on methods of reducing energy consumption. In Michigan we continue to urge individual citizens to conserve energy, including strict adherence to the 55 mph speed limit. The figures available to us indicate that since the imposition of the 55 mph speed limit we have realized substantial savings of gasoline and, of course, there is a resulting savings in gasoline cost incurred by the individual motorist.

The savings in human life are also impressive. The accident, injury, and fatality figures for Michigan for the first four months of 1974 show a substantial reduction from the same time period in 1973. Total accidents were reduced by 12 percent, from 112,306 to 98,624; injuries dropped 25 percent, from 51,521 to 38,454. Most importantly, the number of fatalities dropped from 644 to 431—a drop of 33 percent. It is most interesting to note that the greatest reduction was in the number of fatalities, although all three safety indicators showed a decline.

For these reasons, I shall continue to support the 55 mph speed limit. Passage of legislation to continue this speed limit can do much toward reducing the carnage on our highways, as well as conserving much-needed fuel.

Thank you again for communicating your thoughts to me.

Warm personal regards.

Sincerely,

WILLIAM G. MILLIKEN.
Governor.

STATE OF NORTH CAROLINA,
GOVERNOR'S OFFICE,
Raleigh, July 2, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR CHUCK: I was pleased to receive your letter of June 12th on the subject of energy conservation and your Senate Bill to extend indefintely the nationwide 55 mph speed limit.

This matter has been the subject of discussions between personnel of our Energy Division in the Department of Military and Veterans Affairs and the Department of Transportation. All agree that your idea is a sound one from the standpoint of lives which may be saved and the reminder that there is an energy problem. However, in traveling over the highways of our State, we note that large numbers of our ciitzens are tending to increase their speeds beyond the 55 mph limit. Unfortunately, it will probably require that we undergo another critical situation, as experienced this past January and February in regards to the gasoline shortage, to impress upon the public that the problem is not a temporary aberration.

Sincerely,

JAMES E. HOLSHOUSER, Jr.

STATE OF KANSAS,
OFFICE OF THE GOVERNOR,
Topeka, Kans., July 2, 1974.

Hon. CHARLES H. PERCY,
U.S. Senator of Illinois,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your recent letter alerting me to legislation you are sponsoring to extend indefinitely the 55 mph speed limit on United States Highways.

I certainly agree with the need for safety measures on our highways to reduce accidents, and the need for energy conservation measures. In Kansas, we have taken steps to achieve both objectives. I know that your proposal to extend indefinitely the highway maximum speed has been developed with the best of intentions, I oppose the federal government dictating to the states.

Too many times, it seems to me, the federal government resorts to blackmail in attempting to coerce the states into accepting legislation. I am opposed to the "gun to the head" approach used by the federal government to force the states to pass certain legislation developed in the Congress for all 50 states does not necessarily fit the needs of all 50 states; what is good legislation for New York or Massachusetts is not necessarily good legislation for Nevada or Kansas.

In my state, our problem is distance. Many persons oppose the 55 mph speed limit here because of the hardship it works on many persons and businesses.

Conservation and safety measures are needed. My request is that the federal government and the Congress allow the states to develop legislation that will achieve these goals with the best interests of their citizens foremost in mind.

Thank you for allowing me this opportunity to comment on your proposal for extending indefinitely the 55 mph speed limit.

With every good wish.

Yours sincerely,

ROBERT DOCKING,
Governor of Kansas.

THE COMMONWEALTH
OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT,
Boston, Mass., July 8, 1974.

Hon. CHARLES H. PERCY,
New Senate Office Building,
Washington, D.C.

DEAR CHUCK: Many thanks for your letter and legislation concerning the 55 mph speed limit.

Last winter's energy crisis taught us much. Perhaps most importantly, we learned that our energy resources are finite and that they must be conserved. We learned that we must break our old, wasteful energy habits. And we learned that if we are ever to properly balance the energy equation of supply and demand, we've got to hold consumption down.

These are lessons which must not be forgotten—whether lines at filling stations are short or long. Conservation must be a permanent part of our lives, this summer and the year-round.

Driving a little slower is a vital part of that effort. The highway safety benefits of the 55 mph speed limit, which you so properly emphasize, give us all the more reasons to hold our driving speed down. I certainly continue to support this effort to save energy and lives.

Last winter the people of Massachusetts did a magnificent job of conserving energy. As Governor, I will make every effort to see that conservation is an essential part of this state's energy future.

With best wishes,

Sincerely,

Francis W. Sargent.

State of California,
Governor's Office,
Sacramento, Calif., July 10, 1974.

Hon. Charles H. Percy,
Members of the Senate, Senate Office Building, Washington, D.C.

Dear Chuck: Thank you for your letter concerning the 55 mph speed limit. I am pleased to have the opportunity to give you my comments on the bill S. 3556 you have introduced with Senators Randolph, Stafford, and Weicker.

In a recent report on energy needs for the future, our California Energy Planning Council stated:

"While economics may reduce demand and the importation of refined petroleum products may further reduce the short-fall, energy conservation measures will continue to be necessary. . . . A complete relaxation of energy conservation measures must be avoided lest we do to ourselves what the Arab nations could not."

California motorists are saving between 300 million and 350 million gallons (about 7.7 million barrels) of fuel per year. These figures confirm the estimate of 73 million barrels a year nationally that you quoted in your May 30 speech. California uses roughly 10% of the nation's highway fuel, and a much larger proportion of California travel takes place on urban freeways than would be the case nationally.

California's experience in the first five months of 1974 parallels the nation's experience with regard to traffic fatalities.

I am in favor of holding the speed limit at 55 mph at this time because of (1) energy conservation, and (2) until we can determine to what degree the reduction in fatalities is statistically linked to the speed limit.

Thank you again for your thoughtful letter. We seem to be in general agreement on the goals to be accomplished.

Sincerely,

Ronald Reagan,
Governor.

Office of the Governor,
Indianapolis, Ind., July 15, 1974.

Hon. Charles H. Percy,
U.S. Senator,
Washington, D.C.

Dear Senator Percy: I am sorry I have been delayed in answering your letter concerning your remarks on the 55 mile per hour speed limit. I read with great interest your remarks which were inserted in the Congressional Record on May 30, 1974. I am an advocate of retention of the 55 mile per hour speed limit. We have, even before the 55 mile per hour speed limit went into effect, called attention to the traffic fatalities and its probable relation to speed. Obviously, many other factors were involved but speed, I believe, has proved to be one because we have in Indiana reduced the traffic fatalities by about 37 percent in the last year. We are saving right at 50 lives per month in Indiana and when this is coupled with the fact that for approximately every 1 that is killed 40 more are injured, one does not have to study long to see the savings in suffering, property damage, medical bills, hospital bills and lessened insurance costs to say nothing of the great lessening of manhours of work lost. We are trying to gather other information to substantiate our advocacy of the 55 mile per hour speed limit.

Kindest personal regards.

Otis R. Bowen, M.D.,
Governor.

State of Florida,
July 16, 1974.

Hon. Charles H. Percy,
U.S. Senator,
Washington, D.C.

Dear Senator Percy: Thank you for your recent letter relating to Senate Bill 3556 to extend indefinitely the 55 miles per hour speed limit on the Nation's highways. Your attached comments supporting the provisions of this bill are most interesting and informative.

Reports here in Florida and throughout the Nation have proven beyond doubt that the reduced speed limit on our Nation's highways has been a significant factor in reducing the traffic deaths and incapacitating injuries. As you know, Florida was one of the first states to reduce its highway speed limit to 55 miles per hour in view of the energy crisis. The results not only showed a reduction in energy consumption, but conservation of a more precious commodity—human lives. Taking these facts into consideration, it would be our desire to see a retention of the 55 miles per hour speed limit for an indefinite period of time.

With kind regards,

Reubin Askew,
Governor.

State of New York,
Executive Chamber,
Albany, July 17, 1974.

Hon. Charles H. Percy,
Senate Office Building,
Washington, D.C.

Dear Chuck: Thank you for your recent letter enclosing a copy of the Congressional Record for May 30th concerning energy conservation, particularly as it related to S. 3556.

Your thoughts and comments on the continuing need for both the public and private sectors to maintain the energy practices developed over the last several months are indeed well taken. I agree that it is most important to ensure that the "crisis" situation of last winter is never again allowed to develop and that our future needs will always be met. I am, therefore, pleased to note the federal government's actions to assure that our national energy goals are reached and that such actions are predicated on a close and coordinated working relationship with state governments. You may be assured of New York's continued cooperation in developing and implementing needed policies and programs in this area.

In view of the uncertainty concerning the fuel supply, I believe it would be prudent for Congress to extend the 55-mile-per-hour speed limit. I would favor a definite time extension rather than an indefinite extension so that positive action by the Congress would be required at the end of the extension period. A reappraisal of both the fuel and safety experience should then clearly indicate whether further extension would be in the national interest.

Kindest regards.

Sincerely,

Malcolm Wilson.

Executive Office,
State of Missouri,
Jefferson City, July 17, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Chuck: Thank you for your letter of June 12, 1974. Please excuse my belated reply pertaining to Senate Bill 3556 and the indefinite extension of the 55 mile-per-hour speed limit on the nation's highways. I have been evaluating the effects of the 55 mile-per-hour speed limit in Missouri and have worked with state agencies to determine its impact.

Our review indicates that the experience in Missouri on the 55 mile-per-hour speed limit to date has been most favorable. Traffic fatalities and accidents have been significantly reduced, and there has been a reduction in the over-all usage of motor fuel. However, we will continue to monitor this situation as results are obtained through the summer and into the fall.

At this point, I favor continuing the 55 mile-per-hour speed limit, but we shall continue to analyze the impact of the energy problems on the citizens of Missouri.

Sincerely,

Christopher S. Bond,
Governor.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the primary objections which have been raised during the 25 years since the Genocide Convention was first submitted to the Senate have concerned constitutional and other legal points.

Over the years, however, these objections have gradually subsided as it became apparent that the Genocide Convention in no way challenges or violates the Constitution or any Federal laws. As Supreme Court Justice William Rehnquist said when he was Assistant Attorney General:

> Twenty years ago Solicitor General Perlman provided a detailed and scholarly statement to a subcommittee of the Foreign Relations Committee on the constitutional and other legal questions surrounding the Genocide Convention. In 1950 some of the questions concerning Federal jurisdiction and the treaty power were considered somewhat novel. However, developments in the intervening years—the extensive use of the treaty power and the growth of Federal criminal jurisdiction—have, it seems, illuminated both these areas to the point where I believe I can safely say that the questions before the Committee and the Senate are more matters of policy than questions of legal power.

It seems to me that the only matter of policy left is whether or not we want to oppose genocide as strongly and as officially as the United Nations Convention does. I can see many benefits in this position in terms of enhanced prestige abroad, and no drawbacks. Mr. President, I again call for the immediate ratification of this convention.

NEITHER BORROWER NOR LENDER BE—CAN AMERICA TURN CLOCK BACK?

Mr. GOLDWATER. Mr. President, Wisconsin's loss was Arizona's gain when Mr. Loyal Meek left Milwaukee about a year ago to become editor of the Phoenix Gazette. I say this not only because I have known of Mr. Meek over a long period of years, but because he has a knack of placing things in their proper perspective. For example, recently he informed the readers of the Gazette—and very graphically—on just how this country has changed in recent years. He did it by drawing a picture of how shocked his parents would be if they could see how we "live it up" today.

Mr. President, we need more articles like the one Mr. Meek wrote for the readers of the Phoenix Gazette. We need a great deal more wisdom in the handling of our everyday problems.

Because of its great importance to the Members of this body, I ask unanimous consent to have Mr. Meek's article entitled "'Neither Borrower Nor Lender Be'—Can America Turn Clock Back?" printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NEITHER BORROWER NOR LENDER BE"—CAN AMERICA TURN CLOCK BACK?

(By Loyal Meek)

My parents, God rest their souls, would be shocked out of their shoes if they could see how we live it up today.

How much people are paying for their houses, their food, their clothing, their pleasures.

How deep they are plunging into debt, not only for necessities, but for luxuries, such as a second car, a boat, a vacation, a swimming hole in the back yard.

They would be shocked, it should also be noted, by the other side of the ledger.

By how much money people make per hour.

By learning that what would have been regarded as a very comfortable annual income for a family in their day is now regarded as a poverty level income.

My reincarnated parents would also be mightily impressed to be shown through a shopping center. The choice of things to buy would, I'm sure, bedazzle them. Likewise the ease of purchasing anything a body could ever want—simply with a small plastic card—would fill them with wonderment.

Given time to recover from such initial shocks, my parents might begin to ask for explanations, at which point their surviving offspring would like find the going tough.

To begin with, how to explain that this country—which, to them, would appear to be made up of swarms of shoppers partaking of the abundance around the clock and twice on Sunday—is in sort of a recession?

A recession, one would have to explain, is, well, like the first stages of what in your day was called a depression—you know, hard times.

A resurrected Mom and Dad, seeing the manifestations of wealth all around us, would probably—I can almost see them now—shake their heads in bewilderment.

"You see," one might stumble on in trying to explain things, "our economy is trapped in this thing called inflation. You remember, like when ravaged Germany in the Twenties, only ours is not that bad—yet."

Washington, one might go on to explain, is to blame. The government has for years on end been spending more than it takes in—and you wouldn't believe how much the tax collectors take in, more than most folk's total income in your day.

Anyway, to make up for these deficits, the federal government simply prints more money, which keep getting to be worth less and less.

Of course, getting deeper into this explanation, the majority of the people have consistently voted for these deficit spenders. Besides, the people themselves have been no slouches at going into debt.

America's total debt, would you believe, is now about $2.5 trillion, of which $1.1 trillion is owed by corporations, some $821 billion by individuals and $593 billion by government.

Along about here in the explanation, I imagine, Mom would ask what ever happened to the advice: neither a borrower, nor a lender be.

Dead, I'd have to answer, almost as long as you. The thrift ethic has been buried by the "fly now, pay later" ethic—epitomized by those wonderful little plastic cards that let you buy so easily whatever you desire and for which you can keep putting off paying most of the cost, so long as you keep meeting the 18 per cent interest on the balance due.

As I said, I'd then have to tell my parents, we're trapped in this inflation thing, and nobody seems to know how to get us out—to stop our slide down this increasingly steeper and slipperyer slope.

If you have any ideas, I'd say to them, my generation would certainly like to hear them.

My long-deceased parents, I rather imagine, could only shake their heads some more, in disbelief at what has come to pass in their and our America the Beautiful—so materially rich and yet so poor and confused in spirit.

If they would respond at all, it would probably be to repeat those things they told us in the long ago when we were trying to scrounge a nickel for all the root beer we could drink. Such as:

"Money doesn't grow on trees:

"Waste not, want not.

"A penny saved is a penny earned."

If we all had only heeded such words of wisdom. But it's too late now. Or is it?

Or maybe my parents might say that to them it looks as though we must be spoiled by prosperity.

In spite of what your figures (they weren't worshipped as statistics in their day) show, they might say, you all appear to us to be mighty well off.

If you are in a mess, I can almost hear them conclude, the only way out is to do it yourself—don't expect the government that you blame for getting you into it to get you out of it—in other words, practicing self-discipline and buckling down to work!

How about that? To think that my departed parents would hit us with a four-letter word.

RALPH NADER: WAS HE MISREPRESENTED?

Mr. ALLEN. Mr. President, I received a remarkable letter from Mr. Ralph Nader earlier this week, a letter in which he asked me to make a public statement concerning a remark that I made July 22 during a discussion of the Consumer Protection Agency bill with the distinguished senior Senator from Connecticut (Mr. RIBICOFF) on the NBC–TV "Today Show."

I shall be glad to give Mr. Nader his due.

In his letter to me, a copy of which I shall append to these remarks, Mr. Nader, first, accuses me of an "unconscionable distortion" and "misrepresentations" of his views, and, second, he finds it "inconceivable" that I should be unfamiliar with his thinking on this subject.

Mr. Nader, third, also comments disparagingly upon a memorandum from my office which he managed to get his hands on without understanding its purpose or content.

As to Mr. Nader's first concern, he charges me as follows:

> (Y)ou stated that I have denounced the Consumer Protection Agency (CPA) bill as a "consumer fraud." * * * The remarks to which you refer were made at least two years ago and were directed at the sharply weakened bill which passed the House of Representatives in October 1971.

I have secured a copy of the transcript of the TV show discussion in question, and will also append that to these remarks.

But let me quote here from my comments which Mr. Nader alleges are "unconscionable" because, according to him, I stated that he opposed this current bill now before us in 1974. Quoting from the transcript:

> Senator RIBICOFF. * * * And, of course, Ralph Nader, the greatest consumer advocate that this Nation has, says it's (S. 707) the most important consumer's bill that's ever been before Congress.
>
> Senator ALLEN. I'm glad you mentioned Ralph Nader because just in 1971, he denounced that consumer protection bill as a fraud on consumers. And it hasn't been pointed out how this is going to improve things. Mr. Nader says that the Consumer Advocacy Agency, and that's what this would be, is the way to reform the Government apparatus and to revolutionize Government. Those are his words. Well I don't want to reform Government along the lines suggested by Mr. Nader, adding bureaucracy to an already oversized Federal bureaucracy.

Two things are obvious from reading the transcript and comparing it with Mr. Nader's charges. The first is that he was wrong, I clearly distinguished between the two CPA bills, and the second is that Mr. Nader does not challenge my quotation of him as saying that this bill is intended to reform and revolutionize the Government—statements which are on the public record.

Another further observation may also be made. Many of the proponents of S. 707 have been fond of stating that this bill—this bill—has been before Congress for 5 or 6 years, that this bill—this bill—passed the Senate by a vote of 74 to 4 in 1970, that this bill passed the House in 1971 by a vote of 344 to 44, and that this bill passed the House again last year by a large margin.

Of course, none of the bills are the same. Indeed, the Senate Government Operations Committee majority report on the 1972 bill specifically disavowed the 1970 bill which passed this body.

Let me give you a recent example of such a misrepresentation by someone in a position to know better. Referring to S. 707, this person stated:

> In 1970, the Senate passed this bill by the lopsided vote of 74 to 4. * * * Earlier in the session (of this Congress) the House passed the CPA bill by a three-to-one margin.

The person who made those misrepresentations is none other than Ralph Nader, in his syndicated column of June 9, 1974, which appeared in the Washington Star-News, in which he attacked Senator SAM ERVIN and others as "radical reactionaries" who dared to disagree with him.

Thus we see, when it suits them, Mr. Nader and other proponents of S. 707 will state or imply that it is identical to other, different bills which must be considered on their own merits, or lack of them, as would be a more appropriate characterization.

Now, let me turn to Mr. Nader's second problem, as to its being inconceivable that I should not know his views on the CPA. Perhaps I should first note that I find it inconceivable that Mr. Nader does not know my views, seconds after hearing them on national television.

However, there is a very good reason for my not knowing Mr. Nader's views on this bill. Mr. Nader refused to personally appear and testify before our subcommittee on this bill, even though specifically invited and even though—Mr. Nader considers this bill to be the most important consumer legislation ever to come before Congress.

I was very disappointed when we learned that Mr. Nader had refused to appear before us, as I was looking forward to asking him the same tough questions which were put to businessmen, agency spokesmen, consumer advocates, and other public witnesses, who responded—often with reluctance—to invitations to appear before us.

Instead, Mr. Nader saw fit to send us a short letter declining the subcommitee invitation and making several comments on the bill, one of which was to urge us not to put any special interest exemptions in the bill—such as the ones for big labor and for broadcasters—which were later added to the bill and of which Mr. Nader, evidently, is unaware, judging from his unqualified support of the bill and, more important, his failure to criticize these exemptions when they emerged from the Senate Commerce Committee.

Mr. Nader's third concern, as you will see from his letter, has to do with a memorandum, and clearly a memorandum, from my office. He says that it is "being handed out by your staff to summer interns working in Washington."

Of course, there is nothing in this memorandum that is either embarrassing or inaccurate, but standing by itself without explanation could possibly confuse someone. I suppose, especially someone with Mr. Nader's perceptive abilities.

The memorandum is an outline intended for my personal use in debates on the bill, including my TV discussion with Senator RIBICOFF. It was typed from my handwritten notes to myself and is in memorandum form.

Among other things, the memorandum relates to the fact that in 1972 Mr. Nader and Congressman BENJAMIN ROSENTHAL were adamantly opposed to the bill which had passed the House the previous year. Mr. Nader, as he acknowledges, called it a fraud, and Mr. ROSENTHAL, after attempting to kill the bill on the House floor, voted against it.

In any event, Mr. Nader is again in error. The simple truth of the matter is that the memorandum was not and is not being handed out by my staff to summer interns as Mr. Nader categorically states in his letter.

The memorandum was given out by me personally to a group of summer interns who called by my office a few days ago to discuss S. 707. It should be pointed out that these interns are employed this summer by Mrs. Virginia H. Knauer, the President's Consumer Adviser.

Not that it makes any difference or comes as a surprise. I think it should also be noted that the memorandum found its way from Mrs. Knauer's office to the office of Mr. Nader. Presumably, there is quite an extensive exchange of paperwork and views between these two offices, even though the administration is publicly opposed to this bill.

By the way, this 1971 House-passed bill, which Mr. Nader considered a fraud on the consumer, is the only bill which the American Bar Association specifically endorsed—I repeat—the only such bill that the ABA endorsed.

Anyway, in this memorandum, I noted that opponents of a CPA bill in the last Congress apparently did Mr. Nader, Mr. ROSENTHAL, and consumers a service in defeating the bill.

If you will recall what happened during the last Congress when it became clear that the Senate bill would never pass, and that the administration was opposed to that bill, one of the leading proponents of a CPA, the senior Senator from Illinois (Mr. PERCY) made valiant efforts to get Senate and White House agreement on the House bill which both Mr. Nader and I considered a fraud.

Mr. President, I shall also include the memorandum in the RECORD at the conclusion of my remarks so that all may read and digest its contents.

Mr. President, I have now responded in public to Mr. Nader, as he requested. I now ask him to respond, perhaps with an apology, at least with a public recognition that he misrepresented the facts concerning the CPA bill and my comments and observations in connection therewith.

I ask unanimous consent that the letter I received from Mr. Nader, the transcript of the NBC Today Show, and the memorandum be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 22, 1974.*

Senator JAMES B. ALLEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLEN: This morning on the NBC-TV Today show, you stated that I have denounced the Consumer Protection Agency (CPA) bill as a "consumer fraud". It is inconceivable to me that someone as closely associated with the struggle to defeat Consumer Protection Agency legislation as you have been would be unfamiliar with my views on this subject. Since my support of S. 707 is fully known to you, it can only be assumed that your statement was an unconscionable distortion of my views.

A document being handed out by your staff to summer interns working in Washington has also come to my attention. Among other serious misstatements about CPA the following paragraph appears: "In 1972, when CPA died in (sic) Senate, apparently opposition thinking was similar to Ralph Nader's because he denounced (sic) bill as (sic) consumer fraud on consumers, and consumer advocate Rosenthal in (sic) House voted against the bill. So apparently opponents in 1972 performed (sic) service for Nader, Rosenthal and consumers in defeating (sic) bill. It has not been pointed out to me how (sic) present bill improves on (sic) 1972 bill."

The remarks to which you refer were made at least two years ago and were directed at the sharply weakened bill which passed the House of Representatives in October 1971. That bill differed substantially both from the bill passed by the House this year (H.R. 13163) and from the bill currently being debated by the Senate (S. 707). Your apparent unawareness of these differences should no longer serve as the basis for your misrepresentations of my position on the creation of a viable CPA.

In view of these facts, I would expect you in the interests of accurate representation to offer the proper public corrections.

Sincerely,

RALPH NADER.

AN INTERVIEW WITH SENATORS RIBICOFF AND ALLEN

JIM HARTZ. Impeachment is not the only item on the agenda for the Congress this week. The Senate will be taking up a bill that would set up a Consumer Protection Agency, a bill that is caught now in a crossfire between consumer organizations and business interests, not to mention facing a probable filibuster.

We want to talk about this now with Senator Abraham Ribicoff, a Democrat of Connecticut, the author of the bill, and one of its major opponents, Senator James B. Allen, Democrat of Alabama. They are in our Washington studio now with Today Washington editor Bill Monroe.

BILL MONROE. Senator Ribicoff, the consumer agency that you propose would not serve as a regulatory agency, but would be a spokesman for consumers. Would you give us an example of how it would work?

Senator ABRAHAM RIBICOFF. That is correct. Well, if you had the CAB raising the price of air travel, they could come in and object to it. If you had the Food and Drug Administration doing something on unsafe food or drugs, they could come in and be an advocate to present the other point of view. Or the Federal Power Commission raising gas and electricity rates, they could come in and talk about the position of the consumer.

MONROE. Sort of be a lawyer or a lobbyist for consumers before government agencies.

Senator RIBICOFF. That is right. It would be the advocate for the consumer to present the consumer's position. Today, there is no consumer position, and we find in our studies that the consumer is overweighted by 100-to-1 by business interests.

MONROE. Senator Allen, you feel this bill would do more harm than good.

Senator JAMES ALLEN. Of course I do. What I believe the consumer needs protection from is inflation, and this bill would just work at cross-purposes to that because it would set up a vast new bureaucracy. And I might point out that there are 32 Senate sponsors of this legislation, not a single conservative among that number, not but one Southern senator as one of the co-sponsors. These co-sponsors, by and large, are the big spenders in the Senate, the senators who want to see more big government, more regulation of our daily lives.

And I'm glad that Senator Ribicoff says that it's not a regulatory agency. It will not help the consumer back in Alabama that has problems with his radio or his icebox or his aluminum siding or his automobile. It's an agency that would seek to force its views of what the consumer wants, and how it would find out, nobody knows because there's no input by the consumers into the CPA. The CPA, the administrator, would have the sole right to decide what's best for the consumers.

So this vast new bureaucracy, spending millions of dollars of the taxpayers' money every year, in order to do the work that's already provided for by existing government agencies, certainly is not in the public interest, in my judgment.

Senator RIBICOFF. I say this, Bill. This vast bureaucracy that my friend Senator Allen talks about is an agency of about 250 people, $15 million. The Commerce Department has a budget 60 times that. The—15 of the biggest corporations—17—spend $15 million just on legal fees alone.

So, you can't talk about a vast bureaucracy. It's a small organization. Virginia Knauer is for it, 31 governors . . .

MONROE. The President's consumer adviser.

Senator RIBICOFF. Consumers [sic] adviser is for it. Thirty-one governors are for it. The United States Conference of Mayors are for it. The United States Conference of Attorneys General, Some 10 organizations are for it. And, of course, Ralph Nader, the greatest consumer advocate that this nation has, says it's the most important consumer's bill that's ever been before the Congress.

MONROE. Senator . . .

Senator ALLEN. I'm glad you mentioned Ralph Nader because just in 1971, he denounced that consumer protection bill as a fraud on consumers. And it hasn't been pointed out how this is going to improve things. Mr. Nader says that the consumer advocacy agency, and that's what this would be, is the way to reform the government apparatus and to revolutionize government. Those are his words.

Well, I don't want to reform government along the lines suggested by Mr. Nader, adding bureaucracy to an already oversized federal bureaucracy.

MONROE. Senator . . .

Senator ALLEN. I feel we need to cut down on the bureaucracy, rather than add to it.

MONROE. Senator Allen, what about the theory that businessmen have their lobbies in Washington, well-paid? They're pretty well fixed for spokesman in Washington, but consumers are not as well fixed. Therefore, a government agency, speaking for consumers, would help balance things.

Senator ALLEN. Well, this agency would have far more power than any other agency in government. It would seek to force its will on all of government activity.

I was very much interested in one of the Senate sponsors just the other day, in a speech on the Senate floor, saying that one function it would do would be to go before the Federal Tariff Commission and advocate lower tariffs on shoes in order that we could get the cheap imports of shoes into this country. Well, I'm surprised that Senator Ribicoff, with a sick shoe industry there in New England, would advocate something that would encourage the import of shoes.

We have the situation—we'd have the same situation Bill, on steel and textiles in my home state of Alabama. We have voluntary imports of textiles, but these foreign steel mills can lay steel products down in my home town of Gadsden cheaper than they can be produced in our own steel mills.

Senator RIBICOFF. That isn't quite so, Bill. I mean what you have . . .

Senator ALLEN. Well, where is it wrong?

Senator RIBICOFF. The consumer advocate comes in where there's a clear-cut consumer's interest. Where there's a question of two sides, he presents both sides of the question and allows the agency to make the choice.

But the basic purpose of the consumer advocacy is to present the facts, which the agency depends generally now—the Federal Power Commission, the Federal Trade Commission, the FDA—on the lobbyists for big business and industry, without the consumers coming in and bringing the facts.

Well, the average consumer doesn't have the money, he doesn't have the knowledge to come before these great bureaucratic agencies and do the job. So what you have here is the time has come to have a spokesman for the consumer, 210 million people in this country. And a Harris poll just last week indicated that the overwhelming number of people in this nation feel that they are being taken. They have no protection against fraud, against high prices, against safety [sic], feeling they are powerless. And they are powerless.

MONROE. Senator Ribicoff, Senator Allen indicates that this agency that you propose to set up would be so independent as to be sort of freewheeling. There'd be no guaranty it would speak for consumers. It would be speaking more or less for itself.

Senator RIBICOFF. No, it would speak for consumers because consumers could make complaints. They could make surveys. They are appointed by the President. They have supervision by the Congress. In three years after the agency is formed, the GAO makes a survey to see if it's doing its job.

So generally, it has to be—you have a spokesman in this new agency for the consumers, and we feel that the consumer, 210 million people, are powerless. Every group in American society has someone speaking for it, except the lone consumer, who is being taken with high prices, bad quality, without knowing how to protect himself. The average person can't protect himself. He doesn't have the means or the time to do . . .

MONROE. Senator . . .

Senator ALLEN. I'll think he'll want to retract his statement where he said that the administrator would present both views to the regulatory agencies. That's absolutely wrong. That's what I proposed in the [unintelligible]* approach, which Senator Ribicoff helped defeat.

This requires the administrator to decide, for all consumers, what is the consumer interest in a particular question. And it assumes that all consumers think alike, they're motivated the same, they have the same interests, the same hopes, the same desires. And without any input by the consumers, this one man decides what's best for all consumers, and he proceeds accordingly.

MONROE. Let me see if Jim Hartz can get a question in. Jim?

HARTZ. We've got less than one minute. Senator Allen, I wanted to ask you—you said in your opening statement that this agency would promote inflation, and I want to know how an agency whose ostensible purpose would be to keep prices down and quality up would promote inflation.

Senator ALLEN. Well, they've already authorized $60 million for three years. Now these federal agencies have a way of escalating in size. There's one service that Senator Ribicoff and others put into the HEW Department just 10 years ago at an appropriation of $40 million. That mushroomed in less than 10 years to $2½ billion. So this would cost more money for regulation. It would cost business more money. It would cost individuals more money, and it would cost the government and the taxpayers . . .

MONROE. One sentence.

Senator RIBICOFF. . . . The consumers of America are being taken for billions of dollars by fraud and fly-by-night schemes. And the consumer advocate would be the man to protect the interest and save billions of dollars at a cost of $15 million.

Senator ALLEN. Well, how would he reach them? How would he reach them? Tell me that.

MONROE. Thank you very much, gentlemen, for being with us, Senator Ribicoff of Connecticut and Senator Allen of Alabama.

MEMORANDUM

1. The name is a *misnomer*. Everyone is for the protection of consumers. But any protection afforded a consumer as such term is commonly used under S. 707 is purely incidental. Furthermore, we already have a Consumer Products Safety Commission that is doing a good job in the field of consumer protection against unsafe products. Perhaps the powers of the Consumer Products Safety Commission could be expanded without setting up a new separate federal agency which would be a policing agency interfering with the orderly conduct of governmental functions.

2. The *consumer* interest should not be paramount to the *general public* interest for it is only an integral part of the all-encompassing consideration—the general public interest. If we set up a consumer interest as separate from general public interest, how can we answer demands for separate agencies such as Taxpayers Protection Agency, Labor Protection Agency (Labor is exempt under S. 707), Environmental Advocacy Agency and Small Business Protection Agency.

3. The CPA Administrator would have the unchallengable right to determine what is best for consumers. Consumers aren't just a bloc of people with the same views, motivations and interests. A matter might have a number of aspects presenting different consumer interests. An automobile has consumer interests in cost, safety, power, appearance, fuel consumption, speed, size, impact on the environment. Which interest would the CPA advocate? Trade negotiations might present the interests of cheap foreign goods versus American jobs. The consumer interest might be cheap goods but the American worker would lose.

4. CPA, a supposedly non-regulatory agency can challenge at will final decisions of regulatory agencies in court. The power to seek the overthrow of *final* governmental decisions at the request of another Government agency would have a coercive effect on agency decisionmaking and would overburden the courts and delay resolution of question in dispute. CPA would dominate all federal agencies with rare exception.

5. CPA would in effect be a fourth branch of the government unaccountable to any of the other three. We do not need this added eschelon of federal bureaucracy. If regulatory agencies are not doing their jobs replace members and step up Congressional oversight, don't just set up another agency to police them. Suppose CPA fails to please consumers or other advocates will we just set up more bureaucracy to police it? Where do we stop?

6. In agency proceeding, adding CPA as a party would constitute dual prosecutor with agency and CPA both being prosecutors with perhaps conflicting approaches to prosecution.

7. I favor *amicus* approach with CPA serving in advisory capacity to agencies making information and counsel available to agencies but not giving CPA power to intervene as party.

8. Being responsible to no one, a Consumer Protection Agency would speak the voice of its administrator and the specially annointed people he might select and not the consensus view of consumers. With all the divergence of opinion among the citizenry (consumers), it is impossible for there to be one representative voice.

9. In 1972, when CPA died in Senate, apparently opposition thinking was similar to Ralph Nader's because he denounced bill as fraud on consumers, and consumer advocate Rosenthal in House voted against the bill. So apparently opponents in 1972 performed service for Nader, Rosenthal and consumers in defeating bill. It has not been pointed out to me how present bill improves on 1972 bill.

WASHINGTON INFORMATION: NATIONAL HEALTH INSURANCE

Mr. FANNIN. Mr. President, my colleague, Senator CLIFFORD P. HANSEN recently participated in an exclusive interview with Jeffrey A. Prussin, editor of Washington Information: National Health Insurance, during which he discussed his perspectives on the congressional situation of national health insurance.

I ask unanimous consent that the special report be printed into the RECORD.

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* ["Amicus"]

There being no objection, the report was ordered to be printed in the **Record**, as follows:

Special Report: Interview With Senator Hansen

SENATOR HANSEN SUPPORTS MEDICREDIT IN WINHI INTERVIEW

Senator Clifford P. Hansen (R-Wyo.) is the fourth ranking minority member of the Senate Finance Committee and one of the more vocal cosponsors of the American Medical Association's Medicredit proposal.

Hansen remains flexible

In an exclusive interview with Washington Information: National Health Insurance editor Jeff Prussin, Senator Hansen indicated that he is not wedded to Medicredit and "if it appears that chances of reasonable legislation being passed can be improved by cosponsoring something else, I will."

Final NHI bill will be a "conglomeration"

"Whatever kind of bill is passed . . . will be a conglomeration of the specific ideas contained in several different bills." The three major bills from which compromises will be made, according to Hansen, are the Kennedy-Mills CNHIA plan, "not because it is necessarily all that good, but because of the prominence of its two major sponsors," the Administration's CHIP proposal, and the Long-Ribicoff catastrophic plan.

Hansen leans to CHIP

If forced to choose among the three, Hansen would lean more towards CHIP than the other two. Of major concern to Hansen, however, are the rate regulation and compulsory employer participation provisions of CHIP which he feels would be better left out.

Chances for NHI pegged at 50 percent this year: Better next year

Chances for NHI passage in 1974 are 50-50, according to Hansen, because there is a "likelihood of impeachment being voted by the House and the Senate then having to sit in judgment." In addition, "the fact that this is an election year, with the obvious desire on the part of many members of Congress to get out and campaign, indicates that the Congress will shoot for an adjournment date in October. However, this is as much a spur to get something done as a detriment."

Hansen does feel that chances of an NHI plan being enacted in 1975 are "fairly good"; and since he does not "think that the need is so great and so pressing that we ought to pass almost any bill, I would hope that with more deliberation than we may . . . be able to give this year, we could come up with a better answer to our health problems than we might be able to formulate under the pressure of trying to get something passed just to say that we have passed a bill before we adjourn."

Deductibles necessary to contain utilization

Hansen believes that deductible provisions are necessary under National Health Insurance to contain unnecessary utilization. "If people have to pay part of the costs of their care, it would seem to me that you avoid the likelihood that people are going to abuse the privilege of a health care program by going in for needless consultations and medical procedures. I think that having a deductible makes awfully good sense." Without deductibles, NHI would "indeed overtax and strain the medical care delivery mechanisms we have in this country, including doctors, nurses, hospitals and the whole gamut."

However, individuals who are "completely indigent"—who are "at the very bottom of the economic scale" and cannot realistically pay anything toward medical care—should not have to pay deductibles.

Deductibles will not inhibit use of preventive services

Deductibles will not, however, act as a barrier to the use of preventive services, according to Hansen. Indeed, "the whole thrust of Medicredit is to try to bring about a program that will take advantage of the good judgment that I think is implicit in preventive medical care."

NHI must be a voluntary program

Hansen is opposed to making an NHI program mandatory. He cannot "escape the deep basic conviction that we have responsibilities as individuals to do certain things for ourselves; and if people do not have enough interest to do those things that they ought to do for themselves—well—you cannot spoonfeed good health or good society into people." Thus, while National Health Insurance should provide universal entitlement, it should definitely not force people to enroll in the program, Hansen said.

Alternative health delivery systems and health resources development funds should not be included under NHI

When questioned on whether or not a National Health Insurance plan should appropriately include specific funding for development of alternative delivery systems and health resources, Hansen referred to the "Analysis of the President's FY 1975 Budget and Preliminary Minimum Appropriation Recommendations for Federal Health Programs", published by the Coalition for Health Funding (Suite 322, 2233 Wisconsin Avenue, N.W., Washington, D.C. 20007), which itemized the Administration's $4.8 billion Fiscal Year 1975 request for Federal health program funds (exclusive of Medicaid and Medicare).

According to Hansen, innovative delivery systems and health resources development are already being funded by other legislation. For example, the President's requests for Fiscal Year 1975 include $60 million for HMOs, $9 million for the National Health Service Corps, $199 million for Community Mental Health Centers, $75 million for health resources planning, etc. "It does not appear that these programs need to be duplicated." He believes that funds for development of innovative delivery systems and health resources should be provided separately from National Health Insurance, as is currently being done, and that NHI should be limited to regulating and administering payments for health services. "The danger is that we may bite off more than we can chew."

Medical professions should be self-policing: Hansen opposes use of PSROs under NHI

While "it is not inappropriate for the Federal government to have some mechanism to assure that there aren't abuses of an NHI program, such as doctors performing procedures which are not necessary or hospitalizing patients for a longer period of time than is medically required," Hansen supports the idea that, within the framework of a peer review concept, professional organizations can be self-policing. He does not "think it necessarily has to be structured by a single mandated program that is inflexible." Indeed, PSROs disturb Hansen because they might often leave final judgments of a medical nature "to administrators, Federal bureaucrats, department heads, the Secretary of HEW, or lesser persons under him, who would be making professional judgments in areas outside of their training and professional competence." Therefore, according to Hansen, peer review should "be left as nearly exclusively as possible to doctors themselves, without putting a bureauacratic overlay on top of it."

States should be regulatory bodies under NHI

As the former Governor of Wyoming, Hansen strongly believes that NHI regulatory authority should be placed at the state, rather than the Federal, level so that the program can be tailored to meet the specific needs of the states. The price of medical care, for example, varies from state to state and region to region and therefore could not be made uniform throughout the country.

Hansen supports comprehensive benefits

Hansen generally supported a comprehensive benefit package which would include long-term care, comprehensive mental health services, with "good guidelines to prevent people from over utilizing the benefit just for their own personal satisfaction," comprehensive dental services, "which we will have to work into gradually and learn as we go along," and comprehensive prescription drug services since drugs are "as real a cost in health care as anything else."

Medicredit will be a major influence in final NHI bill

Even though Medicredit has over 180 cosponsors in the House and Senate, more than any other NHI proposal, it has, for the most part, been ignored as a viable alternative by witnesses before the House Ways and Means Committee and the Senate Finance Committee—except, of course, for the major sponsors of the bill. The reason for this, according to Hansen, may be that the prime sponsors of Medicredit do not "have the political sex appeal equal to that of those on the other bills. . . . For example, there has been talk of a Kennedy-Mills presidential ticket in 1976." However, Hansen expressed "enough confidence in the good judgment of the American people to believe that we might come up with a pretty good National Health Insurance plan—despite the political sex appeal that sponsors of some of the measures might have at the present moment." Therefore, when the final NHI plan is actually written, Hansen believes that Medicredit will exert a strong and productive influence.

DEMOCRACY, DEMOCRACY

Mr. **HARTKE**. Mr. President, today, the people of Greece are again shouting "Democracy, Democracy" in the streets of the nation that originated democracy. After 7 long years of military control, the military junta has begun the restoration of free government by returning Greek elder statesman Constantine Karamanlis to Athens to be sworn in as the premier of a government of the national union.

The human interest in, and understanding so vital to a democratic state were evident throughout the streets of Athens this week when it was learned that Karamanlis was coming home.

Mr. President, I ask unanimous consent to have printed in the **Record** following my remarks an article appearing in the July 24 Washington Post entitled "Greek Junta Bows Out, Civilian Rule Restored" depicting the joy of the people of Greece in their opportunity to regain civilian democratic rule.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **HARTKE**. No free society or free man can tolerate the suppression of a free mind by military force. Since the 1967 military coup, which I had predicted a year earlier, I have continuously opposed the establishment of a military dictatorship in Greece, truly the cradle of democracy.

I have fought consistently for freedom for the Greek people, and against the disastrous policy pursued by American leaders of support for the dictatorship. The decision this week removes the burden of tyranny from millions of Greeks who cannot contain their emotions at the realization that freedom is again at hand. The anti-American slogans that may have appeared during the Greek demonstration are the burden we must bear for a foreign policy that supported a military dictatorship. The history of people and their governments is replete with instances of suppression, coercion, tyranny, and dictatorships which ignore the democratic faith that the power to govern lies with the people. It is only when the people are able to decide their own destiny through the democratic process that military ventures like Cyprus will not be tolerated.

We must hope that the swing to representative government will prevail during the tense parleys now going on between the former military leaders and the new civilian officials. Until democracy has been fully restored, the Government of Greece cannot fully represent the ideals laid down more than 2,000 years ago by the classic Greek political thinkers.

EXHIBIT 1

GREEK JUNTA BOWS OUT, CIVILIAN RULE RESTORED

ATHENS, July 24.—Greek elder statesman Constantine Karamanlis was called home from exile and sworn in as premier of a government of national union following the military's junta's decision yesterday to restore civilian rule in Greece.

Shaken by the crisis it set off by backing a coup in Cyprus that has led to the brink of war with Turkey, the junta called upon Greece's conservative and moderate politicians to form a government to rescue the situation .

After conferring with the major opponents of the junta still inside the country. President Phaedon Gizikis called Karamanlis in Paris and urged him to come home to head the new government.

Arriving to find an enthusiastic crowd of thousands waiting for him at the Athens airport, Karamanlis said, "I feel greatly moved at finding myself back in the country again. . . . I know that the Greek people in difficult moments are united, and, together, I hope to be able to construct a new democracy."

Troops and police at the airport to control the crowd joined in the emotional shouting of "Long Live Karamanlis," "Democracy, Democracy" and other slogans.

As premier for eight years from 1955 to 1963, Karamanlis enjoyed the longest continuous rule as political leader of Greece since the country won its independence from Turkey in 1830.

Karamanlis, 67, has been both a measured critic of the junta and a measured supporter of Constantine, the deposed king. The new premier has for some time been considered the only figure who could reconcile the armed forces and the politicians.

As the news of the forthcoming transfer of power raced through Athens yesterday there were scenes of joyous pandemonium. Thousands of Athenians surged into the streets around the huge Constitution Square, the center of the city. People hugged each other, cheered, waved Greek flags and made victory signs.

During the breaks in a conference between the military and the politicians, young people mobbed the civilian leaders, hugging and kissing them.

Not since Greece was liberated from the Nazi occupation in 1945 had there been such mass demonstrations of joy in Athens.

Although it was not immediately clear just how much power the junta was willing to surrender to the civilians, today's developments may mark the end to more than seven years of military dictatorship in Greece.

"The Greek armed forces, in view of the situation in which the country finds itself, have decided to entrust a civilian government with the running of the country," an official announcement said.

It seemed unlikely that Karamanlis would have agreed to return unless he had been given a relatively free hand.

"Pray for me," Karamanlis asked newsmen as he boarded a plane provided by the French government for the four-hour flight to Athens.

Thousands of Athenians rushed to the airport to welcome him hours before he could possibly arrive. "He is coming, he is coming," chanted another crowd around the presidential palace.

The junta held long sessions during the day with a group of civilian politicians representing every major non-leftist group. Those who attended the session included practically all of the leaders who headed a succession of weak governments from 1963 until the junta took power in 1967.

All of the civilian participants opposed the 1967 military takeover.

Conspicuously absent from the meeting was junta leader Brig. Gen. Dimitrios Ioannides, chief of the national police and leader of the group that took over the junta in November.

There were numerous immediate signs of liberalization. The newspaper Vradyni, banned in December for violating the censorship, put out a special edition yesterday with a full-page photograph of Karamanlis and the banner headline "He's Coming."

It was announced that two other newspapers, Imera and Athaniaki, which have not been published at all during the seven-year military rule, would soon reappear.

Karamanlis denounced the Athens-backed coup, July 15, against the leftist-leaning President Archbishop Makarios of Cyprus as a "national disaster."

Karamanlis called upon the armed forces last week to restore democracy as "a national necessity of the highest importance" and placed himself "at the disposal of the nation for such an effort to restore normality and achieve national reconciliation."

In an earlier statement that created a major stir last year, Karamanlis said that King Constantine should be returned to power to reign over an "experienced and strong government."

The implication was clearly that Karamanlis meant to forestall any attempt by the exiled king to resume a policymaking role. The young King's attempts to influence the country's politics were among the reproaches that preceded his downfall.

But Karamanlis supported an abortive countercoup against the junta eight months after it came to power in 1967 to restore Constantine's position.

The armed forces' announcement of a return to civilian government came during a break in a meeting at the office of Premier Adamantios Androutsopoulos between the generals and the politicians.

The politicians in the talks were ex-Premier Panayotis Kanellopoulos, leader of the National Radical Union, the party that Karamanlis headed until he resigned the premiership in 1963; George Mavros, leader of the left-of-center Center Union Party; ex-Premier George Athanassiades-Novas; ex-Premier Stephanos Stephanopoulos, former prominent Cabinet ministers Evangelos Averoff-Tossitsa, Petros Garoufalias, Solon Gikas and Spiros Markezinis; and the former governor of the Bank of Greece, Xenophon Zolotas.

One of the politicians who attended the session told a Reuter correspondent that he thought the military men were sincere in their desire to give up power.

Premier Androutsopoulos submitted the resignation of his mixed civilian and military government, but he will remain in office until a new Cabinet has been named.

One of the new government's first priorities will be to decide what line it should pursue at the forthcoming talks in Geneva with Turkey and Britain to restore peace to embattled Cyprus.

Unconfirmed reports in Athens said that the key man responsible for the change in government was Lt. Gen. Ioannis Davos, commander of the Greek 3d corps headquartered in the northeastern port city of Salonika.

Gen. Davos took part in the meetings yesterday between the generals and the politicians.

During the current crisis, his troops were shifted from their usual positions along the border with Bulgaria to be massed on the frontier with European Turkey.

The Turkish official radio had reported yesterday that Davos had staged a coup and set up a new government in the town of Larissa in central Greece.

Even though the reports of Davos's coup came, from enemy broadcasts in the midst of a near-war situation, they received wide credence in Greece.

The rumors of a change in government were officially denied by Constantine Rallis, a Cabinet minister without portfolio, in a special radio-TV address just before noon yesterday in Athens.

"Foreign radio stations known for their anti-Greek tactics are systematically distorting the truth and drawing conclusions detrimental to our country," he said on behalf of the government while behind-the-scenes negotiations were already under way for the Cabinet to step down.

The crowd in Constitution Square today was estimated at about 100,000. Among the slogans that were chanted were, "Democracy, Democracy"; "Out With the Americans"; "Makarios, Makarios" and "Down With the Torturers and Military Police."

Police forces cordoned off the square and called over loudspeakers for the crowds to disperse, warning that the country is still under martial law and that demonstrations are forbidden. But the police were ignored.

The armed forces issued a later statement saying, "As was announced previously, the country is obtaining a civilian government. We advise the people to keep their calm and self-control for the sake of the nation."

The mood of delirious joy was in complete contrast to the muted reception given just over a year ago to the announcement that King Constantine had been deposed and a republic declared.

As cars jammed the roads, driving around in circles and orchestrating the din with their horns, one young man did a slalom run through the traffic, bare-chested and waving his blue shirt above his head. Such nudity violates the moral code laid down by the junta. Police made no move to stop him.

In a quieter expression of joy, some women walked through the streets carrying lighted candles.

Gen. Gizikis, who presided over the change in regime, is the former 1st Army commander. He is considered a rightist and a friend of King Constantine. Gizikis became president in November in a bloodless coup that overthrew President George Papadopoulos.

A communique at the time said that Papadopoulos was ousted because he was pushing Greece toward parliamentary rule too fast and straying from the goals of the 1967 military coup that put the former colonel into power.

NATIONAL SOCIETY OF ARTS AND LETTERS

Mr. PERCY. Mr. President, I was recently honored by an invitation from the National Society of Arts and Letters to speak at a luncheon meeting of its 30th anniversary convention here in Washington.

Apart from my great personal interest in this organization—my talented concert violinist and delightful mother is a vice president of the Chicago chapter and I am pleased to be a member of its advisory council—I think it should be singled out generally for its truly dynamic and determined support of hundreds of talented young Americans whose careers might have otherwise floundered or never come to flower. Talent needs a friend; it needs encouragement; it needs a chance. It needs recognition and appreciation. And talent needs financial help. All of these things the National Society of Arts and Letters has provided, and in doing so, has enriched our own lives and our national culture as well. Its scholarships to young musicians, writers, actors, dancers, and artists have in turn given the rest of us the gift of enjoyment to intellect, senses, and spirit. A nation that does not nurture its talent becomes arid and bleak. I am proud that this is a nation that is both technically sophisticated to an unparalled degree and yet one that can rejoice in things of the mind and the soul.

Mr. President, as one who grew up with the sound of music and a love of literature in his own home, I am pleased to have the opportunity to salute an organization, its officers, directors, and members that work so tirelessly to make these things a part of every citizen's life.

Mr. President, I ask unanimous consent that my remarks and the minutes of the 30th Anniversary Convention of the National Society of Arts and Letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR CHARLES H. PERCY

INTRODUCTION

It's a pleasure to be here with you this afternoon. You know, if you are going to be doing any public speaking, you should always try to be introduced by your mother, as I was.

I can assure you that no one else is as aware of your accomplishments or more confident of your potential than a mother.

In 1972 in the Senate campaign in Illinois it was a Percy versus Pucinski race, but I wasn't always sure which Percy was running for office—Mother or me.

I though Loraine and I campaigned awfully hard, but Mother was always one step ahead of us playing her violin at nursing home after nursing home to entertain the residents and—not always incidentally—to urge them to vote for me.

In that way, Mother was a brilliant example of incorporating the arts into our national life. But she has always had music and literature in her life, and because of that her family and her friends have regarded her as a complete person.

I would like to see the enrichment that the arts have brought to Mother's life extend to all Americans, as I know you would. The arts give a meaning to our lives that nothing else really can.

You will appreciate the truth of an observation made by a great artist, Isaac Stern. The violinist pointed out that the arts are *not* "a casual adornment to an affluent society, but truly basic to the civilizational needs and aspirations of a great society."

There has been, from the time of the first settlers in this country, a spirit of daring-do which has worked both to our development and our detriment. I read recently a fascinating analysis of that American urge to "do something."

Daniel Boorstin, the historian, suggested that when the first settlers came to this country they brought with them the culture of 17th Century London and tried to establish it in a wilderness that had not even gone through the equivalent of the Middle Ages.

Certainly the ingenuity of those pioneers led us to make technological and economic progress that was amazing, but it also left little time for development of the spirit. That is the tragedy of it: We Americans, by tradition, devote only a small part of our time and energies to encouraging the arts. We have always been too busy solving problems, building and expanding.

I think one of the most promising aspect of our Bicentennial celebration will be a renewed interest in our American cultural endeavors. After all, our artists, writers and musicians do have a flair that is truly American. Georgia O'Keefe, Walt Whitman, and Rodgers and Hammerstein, just to name a few, have brought a new scope to their respective arts that are clearly part of the American experience.

As we celebrate the Bicentennial, celebrate all that is American, we will want to place special emphasis on the achievements of our artists.

For many years the cultivation of the arts in this country was left to private groups such as yours. From these endeavors, we have seen great accomplishment, but that wasn't really enough. There has always been a place for the federal government in supporting the arts and, finally, the government seems to be assuming its role.

In the last decade federal funding for the National Endowment for the Arts has grown from $2.5 million to a record $111,775,000. That latter figure, I'm sure you will agree, is more in line with our needs.

During President Nixon's first term in office, the appropriations for the Endowment for the Arts rose from $8 million in fiscal 1970 to nearly $40 million in FY '74.

Last year that figure swelled to nearly $112 million. Even that high figure was $25 million less than the amount authorized by the Senate. As a major supporter of the Senate figure, I was disappointed in the cut, but still I realize what great progress was made.

I have the privilege to serve as Chairman of the Trustees of the Kennedy Center, and in that position I have worked hard to secure funding for it. The Kennedy Center has brought a new spirit to the nation's capital and added a dimension that our city needed badly.

President Nixon must be given credit for urging funding for the arts as strongly as he has. He has worked hard through legislative channels and through his own personal appearances at artistic events to encourage more support.

It seems that with the encouragement of the President's interest in this matter, the Congress has finally come to its senses regarding expenditures for this vital area of our lives.

I would think that particularly in these dark days of our national life when crisis tumbles down upon crisis, we all—Congressmen and private citizens alike—are recognizing the need to seek ways to sooth our thoughts and to emphasize the works that set man apart from his everyday troubles. Surely if we have ever needed to be transported, it is now. Through all the art forms we can look up and thank heaven for our imagination which sets mankind apart from all other living things.

I see only good things ahead for the arts in this country. As I indicated earlier, the President and the Congress finally seem determined to allocate the necessary funds for support of the arts. There has also been a surge of participation by state and local governments. And, we can all hope that groups such as yours will continue their support and encouragement.

We cannot survive as a society without the gracious presence of the arts in our lives. They are not the frosting on the cake; they must be at the very heart of our civilization. We must continue to strengthen our cultural lives just as we do the technological aspects of our lives.

If you have visited the beautiful Kennedy Center, you undoubtedly have seen the quote from President Kennedy carved on the outside of the building. President Kennedy acknowledged the balance that must be struck between culture and technology when he said:

"There is a connection, hard to explain logically, but easy to feel, between achievement in public life and progress in the arts. The Age of Pericles was also the Age of Phidias. The Age of Lorenzo de Medici was also the Age of Leonardo de Vinci. The Age of Elizabeth was also the Age of Shakespeare."

I believe that with the combined efforts of the government and private citizens to support our artists and a love of art we can make this a golden age in American arts.

MINUTES OF 30TH ANNIVERSARY CONVENTION

The National Society of Arts and Letters (NSAL) held its 30th Anniversary Convention in Washington, D.C., May 14–19, with headquarters at the Washington Hilton Hotel.

There were about 205 members in attendance including delegates and alternates, representing some 2,000 members of the Society. Twenty-five of the thirty-two chapters throughout the United States were represented, with the Honolulu Chapter of Hawaii travelling the furtherest distance. Other states represented were: Alabama, Arizona, Arkansas, California, District of Columbia, Florida, Illinois, Indiana, Kentucky, Louisiana, Missouri, Minnesota, New Jersey, New York, Ohio, Pennsylvania, and Texas.

In addition, there was a guest representative from a new chapter being formed in Connecticut. Another chapter is being added in Boston.

NSAL is an organization of individuals who are engaged professionally in one or more of the arts or who are actively sponsoring the work of young artists.

The National Society of Arts and Letters was founded 30 years ago—October 21, 1944—in Chevy Chase, Maryland, by two dynamic, capable women, with vision and inspiration, Mollie Davis Nicholson of Chevy Case, and Francesca Falk Miller Nielsen of Chicago, Illinois.

Mrs. Nicholson, a columnist, editor and lecturer, was also active in civic, patriotic and political organizations. Mrs. Nielsen paralleled the diverse interests and abilities of her co-founder, being an accomplished concert soprano and an equally successful author of poetry, plays and books.

They envisioned an organization which would not only uphold standards in the various fields of arts and letters, but also provide financial assistance to young people pursuing their goals. Thus, the organization was born, which became a pioneer in the field of private scholarships in all the fields of the arts and letters.

The national organization, together with its local chapters, has given an estimated half a million dollars in awards and scholarships since its founding in 1944. Scholarships are given in all five categories—art, dance, drama, literature, and music—each year in the local chapters, with a national award rotating between the different categories on the national level every five years. Scholarship and award winners have included such talents as Malcolm Frager, Jessye Norman, and Diane Young (Summerfield).

"The Washington Post," in an article during the convention, described NSAL as a kind of "privately supported National Endowment for the Arts. . . ."

The Society also provides occasions to showcase the talents of their scholarship winners.

The stated aims and objectives of the Society are:

Encourage and assist young artists.

Give scholarships and awards to non-members after competition in any of the creative arts.

Create opportunities for artistic endeavor and expression.

Conduct or assist non-competitive exhibitions in art, dance, drama, literature, and music.

Encourage higher standards of professional ethics.

Promote a greater public interest in the creative arts.

Carrying on in their own Chapters of NSAL now are two daughters of the two founders—Dorothy Nicholson Stabell of the Washington, D.C. Chapter, daughter of Mrs. Nicholson, and Mrs. Bruce Strong of the Chicago Chapter, daughter of Mrs. Nielsen.

Chairman for the 1974 Convention was Mrs. MacKenzie Gordon of Washington, D.C.; the Assistant Chairman was Mrs. W. Allan Saylor, Silver Spring.

Activities began with a pre-convention party Tuesday evening, May 14, at the South African Embassy. The occasion honored the National NSAL Board and was hosted by The Ambassador of South Africa and Mrs. Botha and the daughters of the two founders of the organization, Mrs. Dorothy Stabell and Mrs. Bruce Strong.

Robert Portney, violinist, who was first prize scholarship winner in violin in 1973 for the Washington, D.C. Chapter and national fourth place winner the same year, performed for the group. He now plays concert tours across the nation, plus carrying a regular college program at Harvard University.

Following the opening business session with the National President, Mrs. Carleton A. Reeves (Alice), presiding on Wednesday morning, May 15, John Ciardi, poet, critic, member of NSAL National Advisory Council gave the keynote address "The Act of Language" at a luncheon at the hotel honoring Chapter Presidents and founders of Local Chapters. The luncheon event began with a presentation of colors and a musical salute by the United States Air Force Ceremonial Band. Marilyn Hoffman from *The Christian Science Monitor*, who had just returned from Asia, made a few remarks.

The cultural fest continued at 4:30 p.m. with a "Forum on the Arts", with Ciardi as moderator. Panelists were Fannie Taylor, Director of Program Information, National Endowment for the Arts; Dr. Robert W. Miller, Senior Associate Administrator of The American Bicentennial Administration; Dr. Alexander Hollander, Internationally known biologist, member of The Academy of Sciences and Consultant to the National Institutes of Health.

Dr. Gordon H. Smith, Professor of Music at The American University in Washington, D.C., spoke to the group following a buffet supper at the Cosmos Club at 7:30 p.m. Victoria Noyes, second prize violin scholarship winner for the Washington, D.C. Chapter, 1973, presented a short recital.

Business sessions continued Thursday, May 16, with members and delegates breaking for a 4:00 p.m. tour of The Department of State Diplomatic Reception Rooms, hosted by the Assistant to the Curator, Mrs. Patrick Daly.

"Scholarship Night" was the title, with displays of talent and past winners from the Washington area, for dinner that evening at The International Club. There was an exhibit of sculpture and painting. Francis Conlon, now a piano instructor at Catholic University, performed. There was poetry reading by Robert Wickless, now a student at The University of Maryland. Christine Wright, a student at The Washington School of Ballet, danced. This was followed by an informal talk by Richmond Crinkley, Joint Producer of The Kennedy Center Productions, Inc.

It was a full day on Friday, May 17. After business meetings in the early morning, NSAL delegates took a quick tour of the Capitol and then had lunch with Senator Charles Percy from Illinois and listened attentively as he told them what Congress was doing to promote the arts in America. Mrs. Edward Percy (Elizabeth), the Senator's mother, introduced her son. Mrs. Percy is a musician and a vice president of the Chicago Chapter and her son, the Senator, is a member of the Chicago Advisory Council. The Honorable Louise Gore, former Ambassador to UNESCO and NSAL member, attended the luncheon.

This event was followed by tea and a tour of The White House.

The scene then shifted to the Concert Hall of the John F. Kennedy Center, where at 8:30 p.m. the National Society of Arts and Letters held its first national benefit, under the patronage of Mrs. Nixon, for a Mamie Doud Eisenhower Award. Mrs. Eisenhower has been a supporter and Honorary member of NSAL for twenty years.

The Benefit was during an evening of the Mozart festival with Stanislaw Skrowaczewski of the Minneapolis Symphony conducting The National Symphony Orchestra in Symphonies No. 34 and 39. Joerg Demus, as guest soloist, played the Piano Concerto No. 27. A reception followed in the Atrium.

Mrs. Theodore Bedwell, McLean, Virginia, was the Benefit Chairman, with Mrs. Dorothy Stabell and Mrs. Brue Strong serving as Co-Chairmen.

The event honored the National Honorary members—Mrs. Nixon, Mrs. Johnson, Mrs. Eisenhower, Mrs. Truman—the National Advisory Council—Maria Tallchief, Van Cliburn, Jerome Hines, Helen Hayes, Orlin and Irene Corey, Dr. Carl Weinhardt, Jr. Victor Borge, John and Anne Coover, Faith Baldwin, and John Ciardi.

Saturday morning, May 18, was set aside exclusively for students, as delegates and contestants gathered at the Folger Shakespeare Library Theater at 9:30 a.m. for the national drama competition in acting. Contestants eligible to participate were winners of local contests from the thirty-two chapters.

Winners were: Patricia Conwell, first place, San Antonio Chapter Contestant; Kristin Rudrud, second place, Northern Minnesota Chapter Contestant; Cynthia Mayfield, third place, Columbus Chapter Contestant; Michael Leighton, fourth place, Clearwater Chapter Contestant Margaret Kemp, Arizona Valley of the Sun Chapter Contestant, and Marcy MacDonald, Santa Barbara Chapter Contestant, shared fifth place.

Others who entered the contest were: Kim Morin, Birmingham Chapter entree; Susan Solt, Bloomington Chapter entree; Cheryl Rhoads, Chicago Chapter entree; Stacy Graves, El Paso Chapter entree; Diana Lanza, Empire State Chapter entree; Robert Schenkman, Evanston Chapter entree; Larry Welch, Little Rock Chapter entree; Ed Gero, New Jersety Chapter entree; Marilyn Leggett, Ohio River Valley entree; Randall Haynes, Pittsburgh Chapter entree; Richard McGougan, St. Louis Chapter entree; Wendy Buchwald, Shreveport Chapter entree; Sherry Skinker, Washington, D.C. Chapter entree; and David Penn, Kentucky Chapter entree.

Three judges made the determination of the winners—Professor Alan B. Hanson, St. Louis University; Charles W. Raison, Executive Director, American Academy in New York; and Louis W. Scheeder, Producer-Director, Folger Theatre Group.

A total of $2300 was presented to the students, which will be used to further their acting careers.

The National Scholarship Chairman was Mrs. William Sistrom from the Arizona Valley of the Sun Chapter and the National Drama Chairman was Mrs. Norman J. McDonough of the St. Louis Chapter.

Delegates were guests on Saturday evening of His Excellency, Ambassador Ardeshir Zahedi, at the Iranian Embassy for the Society's traditional Red Rose Dinner. At this event each year the award winners are announced and they then perform for the delegates. On this particular evening, the group also heard brief remarks about "The Origin of the Iranian People" by Mr. Madj, Minister of the Embassy of Iran. The Director of the Washington Performing Arts Society, Patrick Hayes, also spoke briefly on "John Adams Was Right—America Has Become an Artistic Society".

Dignitaries attending included Mr. and Mrs. Charles Robb—Mrs. Robb is the former Lynda Byrd Johnson, the daughter of the late President Johnson. Dr. and Mrs. Kazemian—Dr. Kazemian is Minister of Culture of the Embassy of Iran. Senator and Mrs. Percy also attended.

The finale ended with the first annual "Prayer Breakfast" on Sunday morning, May 19. Former actress Colleen Townsend, now Mrs. Louis H. Evans, Jr., wife of the minister of the National Presbyterian Church, spoke on the "Beatitudes", which she has written about in her book, *A New Joy*. There was music by members of the National Presbyterian Church Choir, and lastly the installation of new national officers for the next two years.

Mrs. Donald Bates Murphy of Silver Spring, Maryland is the new national president.

Other officers include: Mrs. Reece Tannehill Geissinger, Pittsburgh, first vice president; Mrs. Harold O. MacLean, Santa Barbara, second vice president, Mrs. Courtney F. Ellis, Kentucky, third vice president; Mrs. Henry Lester Smith, Bloomington, fourth vice president; Mrs. R. Samuel Watkins, El Paso, fifth vice president; Mrs. Norman M. Kronick, Honolulu, sixth vice president; Mrs. W. M. Ewing, New Jersey, recording secretary; Mrs. Robert W. Miller, Washington, D.C., corresponding secretary; Mrs. J. John Brouck, St. Louis, treasurer; Mrs. Holmes Gardner, St. Louis, assistant treasurer; Mrs. Maximo Iturralde, El Paso, auditor; Mrs. Orlo Campbell, New Jersey, registrar; Mrs. Courtney Campbell, Clearwater, librarian; Miss Sylvalyn Brown, Los Angeles, historian; Mrs. Heiskell B. Kelley, Little Rock, chaplain; Mrs. John H. Herweck, San Antonio, parliamentarian.

WAYNE L. MORSE

Mr. HARTKE. Mr. President, earlier this week, this country lost one of its outstanding citizens, Wayne Lyman Morse.

Wayne Morse was born in 1900 on a farm near Madison, Wis. His love of the farm never left him. For 25 years, he maintained a farm in Maryland, where the late President Lyndon Johnson went to buy a prize Devon bull and the late Drew Pearson went to swap hay, calves, and political stories.

In 1949, Wayne Morse was elected to the Senate as a Republican from the State of Oregon. He had already proved himself to be outspoken as a member of the War Labor Board 7 years earlier. Although a Republican, he remained true to his conscience and his beliefs by supporting the late Adlai E. Stevenson in the 1952 presidential race.

For more than 2 years, Wayne Morse was a man without a party—an independent. During that period, Collier's magazine referred to him as the "Loneliest Man in Washington." He was removed from his old committee assignments and received only minor assignments in return. Two years later, he joined the ranks of the Democratic Party.

To those who knew him well, Wayne Morse was full of humor and joviality. Most of all, he harbored a refusal to compromise on any issue which he considered to be a matter of principle. In a legislative body which exists of the necessity for compromise, tenacity is not looked upon as a virtue, but it was that tenacity—that devotion to his own conscience—which caused Wayne Morse to speak out against the war in Vietnam.

In 1954, when the Eisenhower administration announced its policy of containment of Southeast Asia, Wayne Morse said that the United States was "in great danger of being catapulted into the Indochinese war." In 1964, when the Senate was considering the Gulf of Tonkin resolution, Morse characterized the United States as the "provocateur" and said:

> We have been making covert war in Southeast Asia for some time, instead of seeking to keep the peace.

Just as he had been outspoken on other matters of conscience, Wayne Morse remained consistently outspoken in his opposition to American military involvement in Southeast Asia. Every time that involvement escalated, he escalated his verbal assault.

Wayne Morse left the Senate after 1968, but he never lost his love for it. He failed in one attempt to return in 1972, but was embroiled in another campaign at the time of his death.

Wayne Morse was a colleague and a friend, and I best remember him as he was described in A. Robert Smith's 1962 biography—"The Tiger." Wayne Morse was a tiger and we will all miss his outspoken voice and his fidelity to conscience.

NATIONAL HEALTH INSURANCE—THE BRITISH EXPERIENCE

Mr. HANSEN. Mr. President, the article, "British National Health Plan, Financially Undernourished," as printed in the Washington Post, Saturday, July 6, 1974, was of great interest to me. It would seem most appropriate, while developing a national health plan of our own, that we study carefully the experiences of other countries, like Britain, and profit from what they have learned.

This article dramatically points out the pitfalls of a national health insurance program wherein the finances for comprehensive free, or low-cost medical services are raised through Government taxation and compete with other national priorities within a political arena. There is never enough money to go around, and issues of lower priority inevitably suffer as tax moneys are funneled into the most politically popular projects. The result in Britain has been chronic under-funding of the whole health care delivery system, underpaid doctors, and mediocre quality medical care.

A comparable situation can be found in proposals currently before this Congress that would finance national health insurance from social security taxes matched by general revenue contributions wherein comprehensive medical services would be bought by the Government for the public.

This situation can be prevented by offering Government assistance to individuals based on need and ability to pay, and through a tax credit finance base that retains actual expenditures and purchase within the hands of the consumer.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH NATIONAL HEALTH PLAN "FINANCIALLY UNDERNOURISHED"

(By Peter Mosley)

LONDON.—Britain's National Health Service, often touted as the world's finest example of socialized medicine, is tottering through its worst crisis and may need drastic surgery before long.

"Chronic financial undernourishment" was the diagnosis of one expert recently.

But instead of the massive infusion of funds which is patently necessary if the 26-year-old institution is to survive, the NHS has been bled of $264 million by a cut in capital spending imposed last December.

The effect is just beginning to bite. It has been estimated that at least $300 million a year in extra funding is needed just to maintain present standards.

The health service has an annual budget, raised from taxes, of more than $7 billion. This makes it one of the largest civilian enterprises in the world.

Today, Britain's economic plight and persistent inflation—the basic reasons for December's budget cut—are not only preventing improvement of standards in the already creaking health service, but actually lowering them in many cases.

The result: longer and longer waiting lists for scarce hospital beds and an alarming militancy by the underpaid, overworked NHS staff, particularly nurses and medical technicians.

The health service commissioner—"ombudsman" for the NHS—reported recently, for example, that some people needing treatment at the ear, nose and throat department of one hospital were having to join a six-year waiting list. Understaffing was the major reason.

Some 100,000 nurses, about one-third of the total, were brought to the brink of an unprecedented strike and called it off only when they were promised a full inquiry into their pay and conditions.

They earn only a fraction of the wages paid to colleagues who have opted out of the NHS and have signed on with commercial nursing agencies which contract out their labor to the state hospitals.

The doctors and specialists have also reached the point of anger and despair over increased workloads and falling standards of living.

An independent review body has recommended a pay rise amounting to an overall 7.5 per cent for doctors and dentists, ranging from 15 per cent for some of the lowly paid junior hospital doctors to 6.5 per cent for family doctors and .6 per cent for some senior specialists.

But the review body itself acknowledged that these increases, the maximum permitted under the government's incomes policy, would not enable the medical profession to make up lost ground.

"Doctors have fallen substantially behind other comparable income groups," said Dr. Derek Stevenson, secretary of the British Medical Association.

He underlined the review body's warning that lowering of the relative level of doctors' and dentists' earnings threatened the efficiency of the health service.

The BMA itself is facing revolt by many of its members, especially the hospital doctors, who accuse it of being too soft.

Many have already defected to a militant organization, the Hospital consultants and Specialists Association (HCSA), which has drawn up plans for a private employment agency similar to the nursing agencies.

This would open the way for doctors to resign from the NHS and could precipitate its final breakdown.

"We are setting up an agency which could act as an alternative employer and demand fees more closely related to what a doctor is worth," said an HCSA spokesman.

"I should say the crunch will come in about a year's time if the national health service's terms are not redrawn on an entirely new footing."

While the furor rages, the NHS is undergoing a major bureaucratic reorganization designed to streamline its operation. This has reaped only muddle and confusion, a proliferation of committees at every level.

A change of government and a rethinking of basic policy have created ever more uncertainty.

Health service finance experts dismiss as alarmist the rising fears that the whole medical care system is on the verge of bankruptcy and that hospitals will have to close down simply because they are "broke."

They say extra funds can be made available from the treasury through existing parliamentary machinery should things really become desperate.

A more positive approach, however, is to look at ways of saving money in the health service without detracting from efficiency, they say. As a long-term proposition, the argument has some merit.

It is false economy, for example, to spend some $500 million a year patching up and maintaining antiquated hospitals when new buildings would be cheaper to run.

Beefing up the community care services could help take the load off the psychiatric hospitals, now housing 10,000 patients at an annual cost of around $43 million.

Small, general-purpose "cottage" hospitals are a much more economical proposition than large, expensively equipped big-city hospitals where an estimated 27,000 beds are inappropriately occupied at an annual cost of $100 million.

NHS civil servants also decry such benevolent gestures as the last Parliament's decision to make birth control pills and other contraceptives free under the NHS.

Admirable though the principle may be, this action will impose another huge financial load on the system. Most doctors regard as wildly optimistic official estimates that free contraceptive supplies will cost only $2.5 million a year. That sum, they note, would keep about 170,000 women in pills, but an estimated quarter-million British women are taking the pill at present.

Regardless of all this, most experts are gloomily convinced that in the short term at least, the NHS is facing a financial abyss.

Emergency funding through established procedures may help, but still more drastic action seems inevitable as well.

Higher charges for prescriptions, higher taxes, cutbacks on hospital building programs and medical research, a total revision of priorities to identify and rectify the most unjust of the health service anomalies—all may be necessary, and soon.

THE AMERICAN HORSE PROTECTION ASSOCIATION

Mr. ABOUREZK. Mr. President, the American Horse Protection Association is an amazingly influential, yet still relatively small, humane organization. AHPA was founded 8 years ago. Mrs. Paul M. Twyne is its president and Mrs. William L. Blue is its vice president. These two constitute the active day-to-day management of this organization, which is the only national, nonprofit, tax exempt organization dedicated solely to the welfare of horses, both domestic and wild.

Since the founding of the organization 8 years ago, it has grown to some 6,000 members. But, more important, are the achievements that this small organization has made. Individual members of the American Horse Protection Association helped to bring about the passage of the 1970 Horse Protection Act. These same individual members, under the guidance of Mrs. Twyne and Mrs. Blue, helped to pass the 1971 Wild and Free Roaming Horses and Burros Act. Last year this organization filed a suit to enforce the 1971 Wild Horse Act. It is the only such suit which has been filed under the act to force the Government to enforce the law which Congress passed in 1971.

Mrs. Twyne and Mrs. Blue are already actively responding to requests from the Congress as to how that law can be strengthened. Again, individual members of this organization are hard at work, and from what I have seen, we can expect more victories because of the dedication of Pearl Twyne and Joan Blue and the members of the American Horse Protection Association.

Mr. President, the recent testimony given by Mrs. Blue to the Senate Interior Committee is most illustrative of my point as to their hard work and to their willingness to stand up against the Government when it is wrong, as it was in the case of allowing the brutal slaughter of a herd of some 60 wild horses in Idaho. I ask unanimous consent that Mrs. Blue's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF MRS. WILLIAM L. BLUE

Mr. Chairman and distinguished Senators all.

I am Mrs. William L. Blue. I am Vice President of the American Horse Protection Association. Our President is Mrs. Paul M. Twyne of 629 River Bend Road, Great Falls, Virginia. That address is also our Association's address.

Had it not been for you, Mr. Chairman, and others of this Committee, there would not have been a wild horse protection act to begin with. The American Horse Protection Association recognizes that all of us—the humane societies and the citizens of this Country, owe a great debt of gratitude for the foresight and courage demonstrated by you, Mr. Chairman, in sponsoring and helping to pass what is now known as P.L. 92-195, the Wild and Free Roaming Horses and Burros Act of 1971. The school children of America, in particular, have expressed their appreciation for the passage of this law to preserve this historic animal from the selfishness and cruelty of petty men.

Our organization, the American Horse Protection Association, is, as you know, the only charitable, tax exempt, humane organization devoted exclusively to the prevention of cruelty to, and the preservation and protection of, both domestic and wild horses. The Committee will perhaps recall that it was many of the members of the American Horse Protection Association whose testimony and whose efforts brought about the enactment of the Horse Protection Act of 1970, a law to prevent the vicious soring of the Tennessee Walking Horse. And, Mr. Chairman, I am sure you and other members of this Committee will recall that it was again many of the individual members of the American Horse Protection Association who stood behind you and encouraged you in your leadership in the passage of the 1971 Wild and Free Roaming Horses and Burros Act.

The American Horse Protection Association is also involved with the Humane Society of the United States in the only Court action which has been filed against the Department of Interior and Agriculture, their Secretaries, and 13 individual employees in those two departments for their misfeasance, malfeasance and non-feasance in their handling of the brutal massacre of some 60 wild horses near Howe, Idaho. That suit is pending here in the District of Columbia, having been filed a year ago. The Government has tried everything they can to get the suit dismissed or get the venue changed so that the suit is moved to Idaho. So far, we have been able to maintain the suit in this jurisdiction and we are hopeful that the suit will be tried this Fall.

As the Chairman knows, one significant consequence from our lawsuit has been the forcing of the Government to turn over to us and to this Committee the Joint Investigative Report conducted by Interior and Agriculture after that bloody slaughter out in Idaho.

We testify today in the hopes that this law can be strengthened so that other humane organizations will not have to go through the expense of suing the Government for the enforcement of the law of the land concerning wild and free roaming horses and burros.

Mr. Chairman, we have heard the Department of Interior and the Bureau of Land Management testifying for additional funds and additional personnel. We have heard them complain that the law is too vague and too difficult to administer. Their story never changes. Instead of trying to administer the law and protect the wild horses, the Bureau of Land Management would rather continue their cozy relationship with the cattlemen and sheep growers at the expense of the protection of the wild and free roaming horses and burros. We oppose the ill-served and inhumane request by the Bureau of Land Management to be able to dispose of so-called excess wild horses. We believe that nature can handle that much better than the present occupants of the hierarchy of the Bureau of Land Management.

This Committee is aware of the senseless slaughter of a herd of wild horses in Idaho last year. That slaughter, Mr. Chairman, occurred after the statute had been on the books for almost a year and a half.

Instead of learning a lesson from their wanton and destructive conduct in Idaho, the Bureau of Land Management has had the audacity to schedule additional roundups, and has asked for funds to help destroy the so-called excess wild horse population and to otherwise continue to ignore the law as it is now written.

It should be made clear, Mr. Chairman, that neither the American Horse Protection Association nor any other reputable humane organization has a personal vendetta against the Bureau of Land Management or any of its officers or agents. However, in the time of Watergate when all of us citizens are looking for honest and good government, the Bureau of Land Management continues to give government a bad name. They are responsible for the destruction of that herd in Idaho. They tried to cover it up. They do not believe that wild horses should be protected. The Joint Advisory Board has members on it who by law should never have been appointed to the Board. They lie with their figures—in one case, they'll tell you that there are as few as 20,000 wild horses and in their next release, they will say there are 40,000. They do not care, Mr. Chairman, what you and I think. They basically do not believe that we have any right to have an opinion about wild horses since we do not live out there. They believe that the wild horses are their exclusive province to be protected or killed, rounded up or driven off particular ranges at their discretion, and as they think best.

The American Horse Protection Association thinks that the law as it is, if properly enforced, would be sufficient. But since we can no longer expect the Department of Interior or the Bureau of Land Management to uphold the law as it is written, the American Horse Protection Association respectfully asks that consideration be given to changing the law in the following respects:

1. We recommend that the words "manage" and "management" should be deleted wherever they appear in the statute and that the words "preserve" and "protect" be substituted therefore;

2. P.L. 92-195 should be made specifically subject to the Administrative Procedures Act. By specifically writing the Administrative Procedures Act into the Wild and Free-Roaming Horses and Burros Act, the requirements of notice and of public hearings and the other protections built into the Administrative Procedures Act would cut down on frivolous claims for wild horses, reduce the number of roundups, and give all interested parties a sufficient amount of time in which to prepare to argue against a removal or a claiming procedure;

3. Sections 4, 5 and 6 should make it explicit that the horses roaming on the public lands of the United States are the property of all of the citizens of the United States. If the case should arise where a horse or horses are claimed, the Federal Government should appoint a Federal Hearing Examiner to determine the merit of the claim. If the horse is found not to be the property of the Federal Government, then, and only then, should the state estray and branding laws be applicable to that animal;

4. P.L. 92-195 should explicitly require Interior and Agriculture to file impact statements prior to any roundup or other contemplated activities which involve wild horses;

5. The law should require that any rancher who requests a permit to graze a horse on the public land (a) should first have to brand or lip tattoo that horse and (b) the Forest Service and the Bureau of Land Management should have to enter that brand or tattoo into their books. If the Bureau of Land Management and the Forest Service will tighten their permit system and if the law will require some identifying marks on domestic horses to be grazed on the public lands, a presumption will arise that any

horse not so branded or catalogued is indeed a wild and free roaming horse;

6. We further suggest that Section 8 would be made much stronger as to civil and criminal penalties. We would suggest that a separate section be made applicable to officials and agents of Interior and Agriculture if they fail to discharge their responsibilities under the law;

7. The Government has asked that they be allowed to use helicopters to make a survey of the herds of wild horses and burros. The American Horse Protection Association would be absolutely opposed to that request. The law on the books now prohibits the Government or any private individual from harassing wild horses and burros from any motorized vehicle, including helicopters. The American Horse Protection Association feels that if it is so important for the Government to make a survey of every last wild horse in the West, that they should find some other means of doing it more discreetly and less menacingly than to fly helicopters down over a herd of wild horses and thereby harass and perhaps injure those horses.

In conclusion, Mr. Chairman, we are strongly against allowing the Government to dispose of excess animals, believing that nature has always been able to maintain its own natural balance among the herds of wild horses and burros. We believe that that balance is more logical than that so-called wisdom that the Bureau of Land Management would have you allow them to apply. Further, we ask that you give our recommended amendments every possible consideration.

And finally, Mr. Chairman, the American Horse Protection Association wants you and the members of this Committee to know how much we appreciate what you have done to stand up against the interests of greedy men and petty bureaucrats in passing a law to declare that there are some things in life which do not have a price. By passing the Wild and Free Roaming Horses and Burros Act of 1971 and by further strengthening with amendments such as here suggested, the Senate Interior Committee continues to be the voice of the young, the voice of conservation, and most importantly, the conscience of all Americans who believe in the history of this Country and the humane treatment and preservation of the majestic wild horses who help to remind us of our Country's humble beginnings.

FAA ADMINISTRATOR BUTTERFIELD GIVES ALASKAN NATIONAL AWARD

Mr. STEVENS. Mr. President, recently a fellow Alaskan, Arthur H. Walker, director of maintenance for Alaska International Air, Inc., was selected by the Federal Aviation Administration as the national winner of the 11th annual Aviation Mechanics Award in the air carrier category.

The basis for Mr. Walker's selection was his extraordinary initiative and leadership in directing the repair and rebuilding of a 4-engine Hercules cargo plane which had crashed in February 1973 during a landing on remote Fletcher's Ice Island, 400 miles from the North Pole. Mr. Walker headed an eight-man maintenance crew in an on-the-site repair operation. Their task was to prepare the aircraft for a one-time flight to Fairbanks for permanent repair. The Hercules had sustained structural damage to both wings, the center wing section, fuselage, engines, and propellers. Part of the aircraft had been destroyed by fire.

During their 6-month stay on the ice island, Mr. Walker and his crew worked under extremely harsh conditions, and in temperatures that often dropped to —45°. Supplies of necessary tools, equipment, and foodstuffs were accomplished by air drops every 20 days. The men worked without benefit of special alinement jigs and often had to improvise. For example, lacking a transit, a level was improvised by using plastic tubing and coffee.

On July 4, the Hercules was flown off the 26-square-mile ice floe and landed safely at Fairbanks International Airport where final repair work was completed.

In honor of this outstanding achievement, Mr. Walker was flown to Washington, D.C., where Alexander P. Butterfield, Administrator of the Federal Aviation Administration, presented him with the Mechanics Award.

Mr. President, I ask unanimous consent that Alan Crawford's article which appeared in the Washington Post concerning Mr. Walker's repair of the crashed Hercules aircraft be printed in the Record at the end of my remarks.

At a luncheon at the Aero Club of Washington honoring the winners of the FAA's national aviation mechanic safety awards program, Mr. Butterfield acknowledged the outstanding work of all mechanics who have advanced aviation safety through their maintenance efforts. Addressing the Aero Club, Mr. Butterfield also spoke about two subjects of special interest and importance to all of us. The first is the present state of our airports and what needs to be done to accommodate future air transportation. The second concerns the FAA's role in effectively meeting the environmental issues which confront the aviation industry.

Mr. President, I ask unanimous consent that Mr. Butterfield's speech before the Aero Club of Washington be printed in the Record.

There being no objection, the article and speech was ordered to be printed in the Record as follows:

[From the Washington Post, July 7, 1974]

FAA Honors Alaska Airline Mechanic

(By Alan Crawford)

Problem: A multimillion-dollar, four-engine Hercules cargo plane carrying up to 25 tons of supplies lies stranded on a rapidly melting ice floe in the Arctic Ocean, 350 miles from the North Pole. Both wings are dragging on the ice, the entire center section wing is broken off, the propellers are torn from the aircraft and parts of the plane have been destroyed by fire.

What to do?

The Air Force, which owned the crippled ship, took one look and said, "Forget it. Let it sink."

Art Walker, a young maintenance manager for Alaska International Airlines in Fairbanks, surveyed the wreckage and said he thought he could fix it. Give him a crew, he suggested, and he'd get the plane back safely to Fairbanks where it could be repaired permanently.

Which is exactly what he did. And the feat was enough to earn Walker the title of "Mechanic of the Year," conferred Tuesday by the Federal Aviation Administration.

With an eight-man crew, Walker toiled 12 hours a day for six months in subzero weather to repair the Hercules. On Independence Day, the plane was flown off the 26-square-mile ice floe and landed safely in Fairbanks International Airport.

"It was a challenge," Walker said. "It was just something we wanted to do. Here we were, a nothing airlines from nowhere and here was our chance to do something big."

The plane had crashed February, 1973, after departing from Fairbanks airport for Fletcher's Island in the Arctic, carrying a cargo of supplies for the Naval Arctic Research lab on the island. The crew was unharmed.

After an insurance company settlement, Alaska International Airlines bought the craft.

The first task for Walker and his crew was to tear down the remains and determine what needed to be done to revitalize the aircraft. "It was the most depressing thing I ever saw," Walker recalled. "The more we dug into it, the more damage we found."

In addition to damage to the wings and propellers, the fuselage and engines were found to have been damaged as well.

The crew's work was plagued by bad weather—and good. In the winter, snowdrifts made digging the plane out from the snow a daily chore. And during the summer, snow and ice kept melting from under supports the crew had built around the base of the plane.

"You couldn't trust the ice," Walker said. "We had a crane to lift the center section into place but the ice kept melting from under it and the crane kept sinking into the island."

By April, the ice was getting so soft that cargo planes could no longer land. So parts and supplies had to be air-dropped.

Walker said the toughest phase of the project was repairing the center wing, something he said had never been done outside a factory. The 5,000-pound wing section had to be lifted into place with a crane that had only a 4,800-pound capacity.

Upon his return to Fairbanks, Walker, a bachelor who has since been promoted to director of maintenance at Alaska International, was offered an all-expense paid vacation to anywhere in the world.

But he declined the vacation in order to stay on and supervise final work on the plane at Fairbanks.

Remarks Prepared for Delivery by Alexander P. Butterfield, June 25, 1974

After sixteen months on the job at the FAA, I find myself appearing before the Aero Club membership for the second time. Needless to say, I am pleased you are having me back. I have accepted both invitations with the greatest of pleasure, not only because we have so much in common, but because your annual spring luncheon honors the winners of the FAA's National Aviation Mechanic Safety Awards Program.

I hold the Mechanic Safety Awards Program in the highest regard for, as I noted last year, it identifies in a tangible way some of the wonderful people in our business whose efforts make it possible for the rest of us to take aircraft reliability for granted. It unites the varied and sometimes diverse elements of our industry in a common cause.

This year we received more than 500 entries from the 50 States. Selection of the two winners was made by a special panel of The Flight Safety Foundation from a list of 22 regional winners—11 in the air carrier category and 11 in the general aviation category, all of whom are sharing in prizes totaling more than $10,000.

The National award winners represent the best of the finest, and I want to introduce them to you now. The winner of the National Aviation Mechanic Award in the air carrier category is Mr. Arthur H. Walker. Art is Director of Maintenance for Alaska International Air, Inc., of Fairbanks, Alaska. The winner in the general aviation category is Mr. Hugh D. Fink. Hugh is owner, operator and service manager of Burbank Piper Sales and Service, Burbank, California.

Now, while they are standing, let me say just a word about each of them. Mr. Walker was named for extraordinary initiative and leadership in directing an 8-man maintenance crew in the repair and rebuilding of a 4-engine Hercules transport that crashed in February 1973, during a landing on remote Fletcher's Ice Island, 400 miles from the North Pole. Art and his team prepared the aircraft for a one-time flight to Fairbanks for permanent repair. The plane had sustained extensive structural damage to both wings, the center wing section, fuselage, engines and propellors. The job took six months and was done under extremely harsh Arctic conditions, and in weather that often dropped to 45 degrees below zero.

Hugh Fink, winner in the general aviation category, was cited for his great initiative and professionalism in designing improved parts for pilot side windows, propeller controls, fuselage attach bracket stabilizers, alternator switches, and throttle control rod end bearings for several models of light aircraft. He notified the FAA and the manufacturer of his ideas, and that resulted in the issuance of manufacturers' service bulletins and an FAA Airworthiness Directive.

Earlier today I had the privilege of presenting to these gentlemen their FAA awards in ceremonies at our Independence Avenue Headquarters. We are really pleased to have Messrs Walker and Fink with us for lunch, and I am most grateful to our club president, Jim Bass, and to all of you for your continuing support of this all important industry-wide safety program.

Now, I want to review with you two subjects which to me are of special interest and importance. One of them is airports—or more specifically, what we have got to do about our airports so that air transportation has the space it needs to grow. The second subject concerns the leadership role that FAA must take (and now incidentally is taking) regarding industry environmental issues.

On the matter of airports and their ground-related transportation accommodations, both have trailed far behind aircraft. In fact, aircraft, with new wide-bodied sizes and high speed performance clearly challenge the capabilities of present airport facilities. And such airport inadequacies are a legacy of ad hoc planning—planning without any kind of a total transportation system in mind. Access roads have become increasingly saturated, terminals congested, and passenger delays altogether unacceptable.

If we think about it we know very well that the demands on our airport system in the 1980 to 1995 time frame cannot be met simply by the construction of additional runways and new airports based only on present design standards and current methods of handling passengers and baggage. There's just no way . . . unless and until we make airport "believers" out of environmentalists, and "enthusiasts" out of those who live near airports and oppose all activity there. So this need for more airport capacity is without question the major issue confronting the orderly growth of air transportation.

There is a positive message worth telling that describes the immense economic, social and cultural benefits that air transportation, via the airport, brings to a city, A few of you are aware of that message, but I believe all of you should be. The airport, like the seaports of antiquity, bring vitality to a city. And high on the list of factors accelerating the decay of the city is a fallacy that has sent us in past years scurrying in the wrong directions doing the wrong things. We have sought to address the ills of the city by focusing primarily on *social* problems. Urban programs have been characterized by educational, recreational, medical and other related rehabilitation efforts—all of which serve to attract more and more people to areas where there may be less and less *real economic opportunity*. Once the vicious circle is triggered, and it has been in many (perhaps even most) of our urban areas, we become victims of a "wrong way" political system—a political system which accelerates in the wrong direction. An aircraft engineer would call it "dynamic instability."

Well if that's the wrong approach, what should we be doing?

The answer is quite uncomplicated. It's something some of us have been making noises about for a good long while—but evidently not loud enough to get attention. We have got to convince the public that the city is basically an economic system, and that people are simply another of its many products. The contrary view is an emotional quibble with self-defeating consequences. Our first responsibility is to insure that the city has a growing economic *reason* for existence. When the shopping center in suburbia becomes easier to get to than the one downtown, it doesn't take a genius to predict the money flow. This same idea can be applied to the economic need for, and the continuing development of, this Nation's airports.

Now I really don't think that there are any regional community planning programs worthy of their names that fail to include airports as a primary concern. Airport requirements must be considered just as requirements for highways, railroads, industrial zones, business centers, housing and recreation are considered.

But a flood of environmental constraints over the past 8–10 years has created truly formidable obstacles to the development of new and necessary transportation solutions. Local government has clung tenaciously to the power of land use control as the best insurance available for the protection of the community. On the other hand, State and Federal governments have moved timidly in the last decade in exercising any direct control over land-use decisions, although there have been some signs that the tide may be turning. Regional planning and review bodies have been largely defensive alliances of local governments fending off intrusions upon their jurisdictions rather than seeking out positive solutions to urgent regional requirements. The compulsion to preserve the political balance of power in the urban community has created tremendous inertia which militates against local initiative.

To my way of thinking, these are ailments of a fat anl lazy society, a society which has hypnotized itself with past successes and deludes itself with the great current American myth—that things will happen because they make sense. Well, they won't! They just won't! And no policy, national or local, which is based on making the fewest waves, will see it done either. Things will happen *only* when we discern what needs to be done and master the will to do it. Precisely how do we proceed? Well, first of all, we must recognize that strategic planning is essential. It is that first important step—and the responsibility falls to those in government who represent your interests. But we can't stop here. We can't stop with the role of government respresentatives. That's been one of our big troubles to date.

For the aviation community to play effectively *its* important role in shaping the national economy and to obtain all it needs in the way of governmental enablement, it must be prepared to devote sufficient time and resources to frame a total strategy sweeping the entire spectrum of national life, political and legal, technical and operational. The aviation partisan must be prepared to leave the comfortable aeronautical community with its familiar concepts and language and enter the other world of the town meeting, the county board, the regional planning bodies and federal policy and program making, not merely to respond to invitations to attend their hearings but to take the initiative in demanding new directions of governmental endeavor. If we expect a healthy and balanced economic development of the country, all the initiatives can't be left to the Nader groups, the Sierra Clubs and the Friends of the Earth. We've got to be involved. We've got to be certain that our initiatives don't pass to these "other groups" by default. The Noise Control Act of 1972 is a case in point. The Act upset the aviation industry because for the first time the EPA became a major factor in recommending environmental programs for implementation by the aviation industry without a clear understanding of aviation's highly technical and operational problems.

The response from all segments of the aviation industry to EPA's new aeronautical responsibilities was that FAA should take the leadership role in all environmental areas and put forth an effective improvement program.

Well, we took this to be your mandate and, as the result, we adopted a moderate and logical, but absolutely necessary program, designed to both enhance the environment and insure the promotion of aviation interests.

The major keystones of FAA's environmental program are retrofitting of the existing 90% of the jet fleet that do not now meet Federal noise standards, and the enunciation of a Federal policy on curfews—not necessarily a program of curfews but a statement of Federal policy in this area.

It is disturbing to me, however, that since FAA has taken the leadership role, so urgently requested but a few short months ago, we are now criticized by many segments of the aviation community who strongly oppose the proposed retrofit program and are unable to discuss the curfew issue in sensible, logical terms.

Unfortunately, emotionalism has become the dominant trait of the industry. But what is needed is a coordinated and positive industry response to our environmental program if we are to prevent serious adverse consequences to our airport system; if we are to have a continued strong development of interstate air commerce; and, if we are to maintain the economic viability of general aviation and the scheduled air carriers. Personally, I believe, in the case of retrofit, the industry collectively is being shortsighted. The lack of support for retrofit will effectively destroy FAA's ability to provide environmental leadership as urged by the industry. In short, leadership must be positive and aggressive—not protectionist and retrogressive.

In this connection, I will be sending to the industry this week a draft of FAA's five-year environmental program. This draft indicates the specific project plans that I believe are necessary to minimize undesirability of environmental effects and to promote a strong aviation system. This plan, as part of our consultative planning process, is being coordinated simultaneously with industry, other governmental agencies and our FAA offices and services. I believe the simultaneous release of this document is a clear indicator of my commitment to the consultative principle.

To conclude, if the aviation community is to voice a position so forceful and clear as to command national attention, internal carping which pits industry against industry and saps the energy and resources of all, must give way to more effective target selection and tactics. You have never been reluctant to apply the heat to FAA when you thought it necessary.

If we are to have the air transport system that we're going to need in the decades ahead, in particular the airport network, it's high time to begin strategic planning. I also suggest it's time for a close look at the allies we will need to help in our joint endeavor. They're sitting here today. I'm talking about each of you and the organizations you represent.

Thank you.

NIXON YEARS HELD ECONOMIC DISASTER

Mr. HARTKE. Mr. President, a study of history shows that down through the ages, the heads of government have traditionally sought to cover their ineptitude in managing their countries' affairs at home by creating some kind of sensation abroad.

I wonder if we are not faced with this same situation in the United States today.

Secretary Kissinger—and the President—have recently returned from triumphal processions abroad that have brought a shaky truce in the Middle East and which have produced some comforting headlines about improving relations with our most dangerous adversary, the Soviet Union.

I do not mean to throw doubt on these achievements—if history indeed decides that they have some concrete value. But the fact remains that while the administration was demonstrating so much ingenuity tending to overseas affairs, we have seen no corresponding concern for our very real problems here at home.

Our economy is suffering. Labor Department figures show more than 5 million people out of work; the Commerce Department reports two consecutive quarters of decline in production, the traditional sign of a recession; and prices last month advanced at an annual rate of 12 percent.

I think the magnitude of our problems, and the lack of ability or desire of this administration to deal with these problems, have been most cogently described in a recent column by Sylvia Porter, a nationally syndicated writer who specializes in making complex economic developments understandable to the nonexpert. I ask unanimous consent that her column from the July 17 issue of the Washington Star-News, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News, July 17, 1974]

Nixon Years Held Economic Disaster

(By Sylvia Porter)

No matter how history ultimately judges President Nixon as a foreign policymaker or as a political leader, his place in U.S. economic history is already clear.

The Nixon years will go into the books as the most disastrous of this century to date, with the possible exception of the catastrophic depression of the '30s.

Not ever has inflation raged with such violence and for so long as since Nixon entered the White House in 1969.

Not ever have interest rates skyrocketed to such devastating levels and with such minor constructive impact.

The stock market has been a disaster area. Millions of investors have taken a bloodbath—and the only reason there hasn't been a panic is because they have been investors using and losing their own cash rather than speculators using borrowed money.

The forced mergers, takeovers and bankruptcies among financial houses in recent years may be nothing compared to the cleanout that lies ahead.

The bond markets have been a ravaged area, too. Uncounted numbers of investors also have taken bloodbaths as interest rates on new securities have soared and thereby steadily depressed the prices of outstanding fixed-income securities sold to them with lower coupons in the past.

The banking system is in a bind. The Federal Reserve Board has sent the banks an unmistakable warning: "Either stop making inflationary loans at this furious pace or sell the securities you own at horrendous losses to get the loan funds, for the Federal Reserve will not supply you with the extra credit."

If some banks take the losses they have, they'll be in terrible trouble; if some businesses can't get loans, they'll be in terrible trouble.

Housing is in a depression. With mortgage money restricted and expensive, it's hard to build houses or sell houses or buy houses. Yet, the construction workers are winning wage contracts that are terrifyingly inflationary.

Only over-all unemployment has been kept under control—but there's a real question about how long this will be so if the squeeze on credit really begins to work in earnest in today's exceedingly queasy economy.

What's more, if all the industrialized nations adopt strong anti-inflation policies without synchronizing them, the mounting talk of global depression won't be just chit chat.

Of course, it's obviously ridiculous to blame it all on Nixon! There were many forces in the inflation explosion of 1973 beyond the control of this country.

Among those forces were the bad weather, droughts and crop failures of 1972–73 which led to the food price spiral; the Arab boycott; soaring energy prices and the grandiose entrance of the Arab nations into global politics, the awesome coincidence of booms around the world in 1973 superimposed on our own and the * * * and goods.

But there were also many forces the White House could have controlled. The administration shockingly underestimated the impact of our foreign sales of foodstuffs, most notable the sale of wheat to Russia; it dreadfully misunderstood the impact of our successive devaluations which vastly stimulated our agricultural exports; it has continued to pursue inflationary fiscal policies while paying lipservice to anti-inflation policies.

And worst of all, there still is no leadership in the sphere of economics coming out of Washington nor is there any promise of leadership. Finger-shaking from weak second- or third-echelon administration spokesmen is hardly the same as leadership.

My fundamental optimism about my country cannot be killed, nor will I give up my deep belief in the theory that when nearly everybody else is bearish, it's time to become bullish.

But I'll admit it publicly: It's getting awfully lonely out here.

GLOBAL PLAN TO CURB POPULATION

Mr. PERCY. Mr. President, a few years ago, when Paul Ehrlich's book "The Population Bomb" was published, millions of Americans were aroused by the threats presented by unrestrained population growth. For a time, population control was a popular and much-discussed issue in this country. Whether as a result of that public concern or of other factors, the birth rate in the United States has dropped dramatically in the last decade, and the anxiety of many formerly concerned citizens has diminished.

Overpopulation of the Earth is much too serious an issue to deserve the here-today-gone-tomorrow treatment so often characteristic of American social concern. The public is not to blame, however, for our citizens have without a doubt been plagued in the last several years by a numbing series of critical problems and tragic events. That world population growth has receded into the background as a public issue is easily understandable, but we cannot afford to allow this situation to remain unchallenged.

William H. Draper, Jr., is one American who has done more than his share to keep population growth a matter of public interest and to seek solutions to the complex problems of global overpopulation. He is currently the honorary chairman of the Population Crisis Committee and the U.S. member of the United Nations Population Commission. Colonel Draper has written a fine article delineating the seriousness of world overpopulation and the current activities by the U.N. designed to facilitate global cooperation in achieving population stabilization. I ask unanimous consent that William Draper's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Daily News, July 15, 1974]

Worldwide Plan To Curb Population

(By William H. Draper Jr.)

The General Assembly of the United Nations has proclaimed 1974 as World Population Year in the hope that the spotlight of world attention will acquaint people and governments everywhere with the seriousness and immediacy of the problem and its thrust to all of us.

Representatives of all UN member governments will meet in Bucharest Aug. 19 through 30 to consider, discuss and debate the issues and alternatives involved. It is hoped the conference will adopt a world plan of action designed to bring about sensible and humanitarian solution to this world problem in time to avoid its most serious consequences.

In 1945 world population was more than 2 billion people, and was increasing by 25 million each year. Since 1945 only a single generation has passed; yet in that short time those then living have almost doubled in numbers to reach a present total of nearly 4 billion.

And now, in 1974, we are adding 75 million more each year; more than 6 million a month; 200,000 each day!

For generations man has fought hunger, disease and plague to maintain life. Now, through increased production and better health, human numbers are increasing so fast they threaten to pollute the environment and even to exhaust the world's food and other natural resources. And if we assume continuance of the world's present annual growth of 2 per cent, more than 6.5 billion people would crowd and devastate Earth in the year 2000. Even today more than half the world's population lives in poverty and is hungry and undernourished.

The UN has now begun to exert much needed world leadership in publicizing the population problem and in helping countries with it. More than 80 developing countries have asked for and received such assistance from the $150 million so far contributed by interested governments to the UN Fund for Population Activities.

A 30-page draft World Plan of Action has been distributed to governments for their consideration before and at the conference. The draft was hammered out over the last year by the secretary general and his staff.

Where is the problem so serious?

Certainly, it is not in the United States or Japan or Russia, all of which have reduced their growth rates by half since World War II. And certainly it is not in Europe, which averages about ½ of 1 per cent growth rate a year.

It is in Asia, in Africa and in Latin America, with nearly 3 billion people and with an annual growth rate of 2½ per cent—three times our own—where the world's population problem must be solved.

The basic difference is that more than 60 per cent of our own fertile women are now protected by the regular use of contraceptives.

In the developing countries only 10 per cent are protected by contraceptives. Some way must be found to supply the 800 million fertile couples of the developing world, of whom only 80 million couples are now protected, with the information and the means to limit their families.

The couples of the developing world must be generally motivated to want small families and to use these necessary services. The fact that there are some 40 or 50 million legal and illegal abortions a year clearly indicates that many already are motivated to want fewer children.

Let me try to explain some of the fundamental problems in developing countries. As the draft World Plan of Action points out, the expectation of life today in the developed countries is 71 years—whereas in Latin America it is 63 years, in Asia 57 years, and in Africa only 46 years.

In the developed countries only 1 baby in 40 dies before its first birthday—in Latin America 1 in 15 dies before becoming a year old—in Asia 1 in 10—and in Africa 1 in 7, 15 per cent of all those born.

So the plan of action aims at an eventual balance between birth rates and death rates, but at a low level for both.

And the double aim is to reduce death rates further but birth rates faster.

The plan proposes regular censuses every 10 years to see just how rapidly the populations are growing; adequate research to improve population policies and programs and to find better contraceptives; training of sufficient manpower to carry on both operating and educational activities, and finally strongly recommends that each government place a population unit high in the national bureaucracy and give it high priority.

Stop to think for a moment what that means, and the scope and breadth of what it proposes.

Our own government has started such a program. The Chinese government is trying to furnish contraceptive facilities to its 800 million people. And now the plan proposes family-planning facilities as a matter of good economic development and health and conservation of resources to all the governments of the world.

You may well ask: "What would such a plan cost?"

The studies by the UN Population Fund indicate that in general a countrywide contraceptive program should cost about a dollar a year per capita for the entire population. As a yardstick, the 2 billions of people in the developing world, leaving out China and its 800 millions, would require about $2 billion a year to run their family-planning programs full scale. This is a big sum, of course, but it is less than one-tenth of 1 per cent of the world's Gross National Product, and if too rapid population growth actually threatens the world's economic future, as I believe, it is indeed a small price to pay.

At present some $400 million is being so spent, or 20 per cent of that required. About half comes from the developing countries' own budgets, and about half through the UN or International Planned Parenthood Federation. So if the developed and developing countries are to continue dividing the cost equally, it would mean each of them would have to gear up to about a billion dollars a year.

Such a worldwide program would certainly be financially and operationally feasible over the next 10 years if the nations of the Earth actually decide that in principle every couple in the world should be able effectively to decide the number of its children, and that governments should help to the extent needed.

ABUSE OF MONOPOLY AUTHORITY BY FOREIGN CARRIERS

Mr. CANNON. Mr. President, the international airlines of the United States are experiencing severe financial pressure. Their continued ability to maintain a viable U.S.-flag air transportation system will depend, in large part, upon the degree to which the U.S. Government can insure that equal competitive opportunities are available to our airlines.

Last August the Civil Aeronautics Board completed a study of the competitive conditions that the U.S. airlines face in their efforts to compete throughout the world with large government-owned, government-controlled and government-financed foreign airlines. Our private enterprise carriers are confronted with a wide variety of foreign government and foreign airline unfair practices that make it extremely difficult, if not impossible, for them to compete on an equal footing. The CAB study revealed abuses that our Government should long ago have sought to correct. In view of the current economic pressures on our international airlines, it is all the more imperative that immediate and appropriate action be taken to bring these practices to an end.

One such practice revealed by the study involves situations where the domestic services in a foreign country are a monopoly operation by the same airline that operates that country's international services. As my colleagues are aware, most of the large European airlines, which are the principal competitors of the U.S.-flag carriers on the traffic dense North Atlantic, not only operate international services to and from the United States, but also are the sole airline operating the internal services within their own country.

The CAB study revealed clear abuses of this domestic monopoly by the foreign airline in an effort to improve their competitive position on international services. A good example of this abuse occurs when U.S. passengers seeking connecting space on the monopoly domestic services to another point in that country find that space is not available unless the transatlantic trip is made on the foreign carrier and not on a U.S. airline. For example, travel agents in the United States have been told by representatives of Alitalia, the Italian flag airline, that space is not available to fly from Rome to Palermo in Sicily. The message has been made clear to the agent, however, that should the agent book those passengers from the United States to Rome on Alitalia rather than the U.S. airline the space might become available.

Another problem caused by the existence of a domestic monopoly is the extreme difficulty U.S. airlines have in obtaining connecting space for passengers and cargo in Germany. So poor is the availability of space between Frankfurt and Dusseldorf, for example, that the U.S. airlines have had to resort to trucking air freight between these cities. The authorities at Dusseldorf Airport apparently do not care for this practice—even though the U.S. airlines have been forced to do it—because they impose substantial fees on these trucks just to enter airport property for distribution of the cargo.

I submit that this is a totally unfair and abusive situation which requires the immediate attention of the appropriate U.S. Government authorities. These and other situations like them should not be allowed to continue.

The airlines of the countries I just discussed have open access to the U.S. domestic airline system and they make full use of it. Foreign airline domination of the United States-Europe market amply testifies to this fact. I do not single these two out as the only countries where these problems exist. Similar problems are present in many other countries. While there are variations on the theme, the existence of a domestic monopoly is used as a competitive weapon on international services.

The inability of U.S. airlines to obtain a fair share of the traffic originating in foreign countries can, in no small measure, be attributed to the abuse of domestic monopoly authority. Travel agents in some countries have been threatened with loss of domestic ticket stock if they write too much international business on U.S. airlines. Free domestic and international barter travel, which our airlines are not permitted to give, is freely dispensed to travel agents, tour operators, members of the press and others who influence the travel patterns in that country in return for support of their international services. In some cases, the domestic fare is rebated to a foreign passenger if the international transportation is on the foreign airline that also operates the domestic system. This, I submit, is a clear abuse which unfairly inhibits U.S. airlines in their effort to compete on an equal basis.

Mr. President, this is merely one of a whole series of practices uncovered by the CAB study which require the urgent attention of our Government if the competitive position of our flag carriers is not to be further eroded. Strong, stern initiatives must be taken and I for one, as chairman of your Aviation Subcommittee, will do everything in my power to press the executive branch out of the doldrums. We are now considering legislation (S. 3481) which I believe will make clear the Congress desire that our Government take immediate initiatives to correct these inequities. We have been quiescent long enough. Strong legislative support for our international airlines is necessary to insure competitive equality. The executive departments and the CAB must be given clear direction by the Congress to move and move now.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

The ACTING PRESIDENT pro tempore. The hour of 10:30 having arrived, under the previous order the Senate will now proceed to the consideration of S. 821, which the clerk will report.

The second assistant legislative clerk read as follows:

A bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

The Senate proceeded to consider the bill (S. 821) which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

FINDINGS

SEC. 101. The Congress hereby finds—

(1) that juveniles account for almost half the arrests for serious crimes in the United States today;

(2) that understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) that present juvenile courts, foster and protective care programs and shelter facilities are inadequate to meet the needs of the countless neglected, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) that existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs particularly nonopiate or polydrug abusers;

(5) that States and local communities, which experience the devastating failures of the juvenile justice system, do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency;

(6) that the adverse-impact of juvenile delinquency results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources;

(7) that existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency; and

(8) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to provide the necessary resources, leadership, and coordination to improve the quality of juvenile justice in the United States and to develop and implement effective prevention and treatment programs and services for delinquent youth and for potentially delinquent youth, including those who are dependent, abandoned, or neglected;

(2) to increase the capacity of State and local governments, and public and private agencies, institutions, and organizations to conduct innovative, effective juvenile justice and delinquency prevention and treatment programs and to provide useful research, evaluation, and training services in the area of juvenile delinquency;

(3) to develop and implement effective programs and services to divert juveniles from the traditional juvenile justice system and to increase the capacity of State and local governments to provide critically needed alternatives to institutionalization;

(4) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of these standards;

(5) to guarantee certain basic rights to juveniles who come within Federal jurisdiction;

(6) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(7) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(8) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs; and

(9) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs.

DEFINITIONS

SEC. 103. Section 601 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following new subsections:

"(p) the term 'community-based' facility, program, or service, as used in part F, means a small, open group or home or other suitable place located near the adult offender's or juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

"(q) the term 'Federal juvenile delinquency program' means any juvenile delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this Act;

"(r) the term 'juvenile delinquency program' means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent.".

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

DEFINITIONS

SEC. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions.

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or who has not attained his twenty-first birthday and is alleged to have committed an act of juvenile delinquency prior to his eighteenth birthday, and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution.

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for the rehabilitation of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult, except that, with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishable by a maximum penalty of ten years imprisonment or more, life imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States, if such court finds, after hearing, that there are no reasonable prospects for rehabilitating such juvenile before his twenty-first birthday.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing the prospects for rehabilitation: the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile's response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea with respect to a crime or an alleged act of juvenile delinquency, subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 203. Section 5033 of title 18 United States Code is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate.

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensible to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardian, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for more than twenty-four hours before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 204. Section 5034 of title 18, United States Code, is amended to read as follows:

"§ 5034. Duties of magistrate.

"If counsel is not retained for the juvenile, or it does not appear that counsel will be retained, the magistrate shall appoint counsel for the juvenile. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases where the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition.

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which adult persons convicted of a crime or awaiting trial on criminal charges are confined. Alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial.

"If an alleged delinquent who has been detained pending trial is not brought to trial within thirty days from the date when such juvenile was arrested, the information shall be dismissed with prejudice, on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay is unavoidable, caused by the juvenile or his counsel, or consented to by the juvenile and his counsel. Unavoidable delay may not include delays attributable solely to court calendar congestion."

RIGHTS

SEC. 207. Section 5037 of this title is amended to read as follows:

"§ 5037. Rights in general.

"A juvenile charged with an act of juvenile delinquency shall be accorded the constitutional rights guaranteed an adult in a criminal prosecution, with the exception of indictment by grand jury. Public trial shall be limited to members of the press, who may attend only on condition that they not disclose information that could reasonably be expected to reveal the identity of the alleged delinquent. Any violation of that condition may be punished as a contempt of court."

DISPOSITION

SEC. 208. A new section 5038 is added, to read as follows:

"§ 5038. Dispositional hearing.

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government at least three court days in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyind the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner.

"(c) If the court desires more detailed information concerning an alleged delinquent, it may commit him, after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are essential. No alleged delinquent may be committed to the custody of the Attorney General for study and observation without the consent of his attorney and his parent, custodian, or guardian. Unless the juvenile upon advice of counsel consents, no judge who has read or heard social data regarding an alleged delinquent as a result of such study, or in the course of a transfer hearing, shall preside over the hearing to adjudicate the delinquency of the juvenile. In the case of an adjudicated delinquent, such study shall not be conducted on an inpatient basis without prior notice and hearing. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 209. A new section 5039 is added, to read as follows:

"§ 5039. Use of juvenile records.

"(a) Upon the completion of any formal juvenile delinquency proceeding, the district court shall order the entire file and record of such proceeding sealed. After such sealing, the court shall not release these records except under the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Information about the sealed record may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) The entire file and record of juvenile proceedings where an adjudication of delinquency was not entered shall be destroyed and obliterated by order of the court.

"(c) District courts exercising jurisdiction over any juvenile shall inform the juvenile, and his parent or guardian, in writing, of rights relating to the sealing of his juvenile record. The information in these communications shall be stated in clear and nontechnical language.

"(d) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of official duty by an employee of the court or an employee of any other governmental agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(e) Unless a child who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any child shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 210. A new section 5040 is added, to read as follows:

"§ 5040. Commitment.

"A juvenile who has been committed to the Attorney General has a right to treatment and is entitled to custody, care, and discipline as nearly as possible equivalent to that which should have been provided for him by his parents. No juvenile may be placed or retained in an adult jail or correctional institution.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 211. A new section 5041 is added, to read as follows:

"§ 5041. Support.

"The Attorney General may contract with any public or private agency or individual and such community-based facilities as halfway houses and foster homes, for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States' prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 212. A new section 5042 is added, to read as follows:

"§ 5042. Parole.

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law."

REVOCATION

SEC. 213. A new section 5043 is added to read as follows:

"§ 5043. Revocation of parole or probation.

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 214. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.
"5031. Definitions.
"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.
"5033. Custody prior to appearance before magistrate.
"5034. Duties of magistrate.
"5035. Detention prior to disposition.
"5036. Speedy trial.
"5037. Rights in general.
"5038. Dispositional hearing.
"5039. Use of juvenile records.
"5040. Commitment.
"5041. Support.
"5042. Parole.
"5043. Revocation of parole or probation.".

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 301. (a) There is hereby created within the Department of Health, Education, and Welfare the Juvenile Justice and Delinquency Prevention Administration (referred to in this Act as the "Administration").

(b) There shall be at the head of the Administration a Director (referred to in this Act as the "Director") who shall be appointed by the President, by and with the advice and consent of the Senate.

(c) The Director shall be the chief executive of the Administration and shall exercise all necessary powers, subject only to the direction of the Secretary of the Department of

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

SEC. 301. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding after part E a new part F to read as follows:

"PART F—JUVENILE DELINQUENCY PREVENTION AND CONTROL

"ESTABLISHMENT OF OFFICE

"SEC. 471. (a) There is hereby created within the Department of Justice, Law Enforcement Assistance Administration the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office').

"(b) There shall be at the head of the Office a Director (referred to in this Act as the 'Director') who shall be appointed by the Administrator of the Law Enforcement Assistance Administration.

"(c) The Director shall exercise all necessary powers, subject to the direction of the Administrator of the Law Enforcement Assistance Administration.

"(d) There shall be in the Office a Deputy Director who shall be appointed by the Administrator of the Law Enforcement Assistance Administration. The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

"(e) There shall be established in the National Institute of Law Enforcement and Criminal Justice an Assistant Director, who shall be appointed by the Administrator, whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 501 of this Act.

"PERSONNEL, SCECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

"SEC. 472. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

"(b) The Administrator is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

"(c) Upon the request of the Administrator, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Director to assist him in carrying out his functions under this Act.

"(d) The Administrator may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

"VOLUNTARY SERVICE

"SEC. 573. The Administrator is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (41 U.S.C. 664(b)).

"CONCENTRATION OF FEDERAL EFFORTS

"SEC. 474. (a) The Administrator shall establish overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Administrator shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

"(b) In carrying out the purposes of this Act, the Administrator is authorized and directed to—

"(1) advise the President as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

"(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objecitves he establishes;

"(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

"(4) coordinate Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

"(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

"(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

"(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

"(c) The Administrator may request departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

"(d) The Administrator may delegate any of his functions under this title, except the making of regulations, to any officer or employee of the Administration.

"(e) The Administrator is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

"(f) The Administrator is authorized to transfer funds appropriated under this Act to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

"(g) The Administrator is authorized to make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

"(h) All functions of the Administrator under this Act shall be coordinated as appropriate with the functions of the Secretary of the Department of Health, Education, and

Welfare under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.).

"JOINT FUNDING

"SEC. 475. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be requested by the Administrator to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

"INTERDEPARTMENTAL COUNCIL

"SEC. 476. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the 'Council') composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

"(b) The Attorney General or his designee shall serve as Chairman of the Council.

"(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 474(b)(5) of this title.

"(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

"ADVISORY COMMITTEE

"SEC. 477. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency Prevention (hereinafter referred to as the 'Advisory Committee') which shall consist of twenty-one members.

"(b) The members of the Interdepartmental Council or their respective designee shall be ex officio members of the Committee.

"(c) The regular members of the Advisory Committee shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman, a majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment.

"(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; thereafter each term shall be four years. Any members appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

"DUTIES OF THE ADVISORY COMMITTEE

"SEC. 478. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

"(b) The Advisory Committee shall make recommendations to the Administrator at least annually with respect to planning, policy, priority, operations, and management of all Federal juvenile delinquency programs.

"(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Administrator on particular functions or aspects of the work of the Administration.

"(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institution for Juvenile Justice to perform the functions set forth in section 407 of this title.

"(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice to perform the functions set forth in section 409 of this title.

"COMPENSATION AND EXPENSES

"SEC. 479. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

"(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee."

SEC. 302. Parts F, G, H, and I of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), are redesignated parts G, H, I, and J, respectively.

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

SEC. 401. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following sections to new part F thereof:

"FORMULA GRANTS

"SEC. 480. The Administrator is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

"ALLOCATION

"SEC. 481. (a) In accordance with regulations promulgated under this part, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, and American Samoa, no allotment shall be less than $50,000.

"(b) Except for funds appropriated for fiscal year 1974, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this part. Funds appropriated for fiscal year 1974 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the State, the Virgin Islands, American Samoa, and Guam for the same period.

"(c) In accordance with regulations promulgated under this part, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

"STATE PLANS

"SEC. 482. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes. In accordance with regulations established under this title, such plan must—

"(1) designate the State planning agency established by the State under section 203 of this title as the sole agency for supervising the preparation and administration of the plan;

"(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this part as the 'State planning agency') has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

"(3) provide for an advisory group appointed by the chief executive of the State to advise the State planning agency and its supervisory board (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments, (C) which shall include representatives of private organizations: concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment;

"(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

"(5) provide that at least 50 per centum of the funds received by the State under section 481 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Administrator for any State if the services for delinquent or potentially delinquent youth are orgaanized primarily on a statewide basis;

"(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of a State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this part referred to as the 'local agency') which can most effectively carry out the purposes of this part and shall provide for supervision of the programs funded under this part by that local agency;

"(7) provide for an equitable distribution of the assistance received under section 481 within the State;

"(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implement of such programs;

"(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

"(10) provide that not less than 75 per centum of the funds available to such State under section 481, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, to establish programs as set forth in section 482(11), and to provide community-based alternatives to juvenile detention and correctional facilities. That advanced techniques include—

"(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services and any other designated community-based diagnostic, treatment, or rehabilitative service;

"(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

"(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

"(D) comprehensive programs of drug abuse education and prevention and programs for the treatment and rehabilitation of drug addicted youth, and 'drug dependent' youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201(g));

"(E) educational programs or supportive services designed to keep delinquents or youth in danger of becoming delinquent in elementary and secondary schools or in alternative learning situations;

"(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

"(11) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentives or disincentives to units of local government, or other effective means, that may include but are not limited to programs designed to:

"(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the State juvenile population;

"(B) increase the use of nonsecure community-based facilities as a percentage of total commitment to juvenile facilities; and

"(C) discourage the use of source incarceration and detention.

"(12) provides for the development of an adequate research, training, and evaluation capacity within the State;

"(13) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

"(14) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

"(15) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 482 (13) and (14) are met, and for annual reporting of the results of such monitoring to the Administrator;

"(16) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth;

"(17) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

"(18) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this part;

"(19) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

"(20) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practicable, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event supplant such State, local, and other non-Federal funds;

"(21) provide that the State planning agency will from time to time, but not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

"(22) contain such other terms and conditions as the Administrator may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

"(b) The Board appointed pursuant to section 482(a)(3) shall approve the State plan and any modification thereof prior to submission to the Administrator.

"(c) The Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

"(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Administrator, after reasonable notice and opportunity for hearing in accordance with sections 509, 510, and 511, determines does not meet the requirements of this section, the Administrator shall make that State's allotment under the provisions of 481(a) available to public and private agencies for special emphasis prevention and treatment programs as defined in section 483.

"SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

"SEC. 483. (a) The Administrator is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

"(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

"(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

"(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

"(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

"(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"(b) Not less than 25 per centum of the funds appropriated for each fiscal year pursuant to this part shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section.

"(c) Among applicants for grants under this part, priority shall be given to private organizations or institutions who have had experience in dealing with youth.

"CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

"SEC. 484. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under section 483, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each such application shall—

"(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out one or more of the purposes set forth in section 482;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of the program;

"(5) indicate that the applicant has requested the review of the application from the State planning agency and local agency designated in section 482, when appropriate, and indicate the response of such agency to the request for review and comment on the application;

"(6) provide that regular reports on the program shall be sent to the Administrator and to the State planning agency and local agency, when appropriate; and

"(7) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In determining whether or not to approve applications for grants under section 483, the Administrator shall consider—

"(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this part;

"(2) the extent to which the proposed program will incorporate new or innovative techniques;

"(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Administrator under section 482(c) and when the location and scope of the program makes such consideration appropriate;

"(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquents;

"(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

"(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 409.

"GENERAL PROVISIONS

"Withholding

"SEC. 485. Whenever the Administrator, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

"(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

"(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Administrator shall initiate such proceedings as are appropriate under sections 509, 510, and 511 of this title.

"USE OF FUNDS

"SEC. 486. Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for—

"(1) securing, developing, or operating the program designed to carry out the purposes of this part;

"(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than twenty persons (as defined in sections 601(f) and 601(p) of this title) which, in the judgment of the Administrator, are necessary for carrying out the purposes of this part.

"PAYMENTS

"SEC. 487. (a) In accordance with criteria established by the Administrator, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

"(b) At the discretion of the Administrator, when there is no other way to fund an essential juvenile delinquency program not funded under this part, the State may utilize 25 per centum of the formula grant funds available to it under this part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

"(c) Whenever the Administrator determines that it will contribute to the purposes of this part, he may require the recipient of any grant or contract to contribute money, facilities, or services.

"(d) Payments under this part, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Administrator may determine."

TITLE V—ESTABLISHING INSTITUTES WITHIN THE NATIONAL INSTITUTE OF LAW ENFORCEMENT AND CRIMINAL JUSTICE

NATIONAL INSTITUTE FOR JUVENILE JUSTICE

SEC. 501. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following after section 402:

"SEC. 403. (a) There is hereby established within the National Institute of Law Enforcement and Criminal Justice a National Institute for Juvenile Justice.

"(b) The National Institute for Juvenile Justice shall be under the supervision and direction of the Administrator, and shall be headed by an Assistant Director of the National Institute of Law Enforcement and Criminal Justice appointed under section 47[illegible](e).

"INFORMATION FUNCTION

"SEC. 404. The National Institute for Juvenile Justice is authorized to—

"(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

"(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile deliquency, including State and local juvenile deliquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

"RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

"SEC. 405. The National Institute for Juvenile Justice is authorized to—

"(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

"(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

"(3) provide for the evaluation of all juvenile delinquency programs assisted under this title in order to determine the results and the effectiveness of such programs;

"(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Administrator; and

"(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

"TRAINING FUNCTIONS

"SEC. 406. The National Institute for Juvenile Justice is authorized to—

"(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juveniles and juvenile offenders;

"(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

"INSTITUTE ADVISORY COMMITTEE

"SEC. 407. The Advisory Committee for the National Institute for Juvenile Justice established in section 478(d) shall advise, consult with, and make recommendations to the Assistant Director for the National Institute for Juvenile Justice concerning the overall policy and operations of the Institute.

"ANNUAL REPORT

"SEC. 408. The Assistant Director for the National Institute for Juvenile Justice shall develop annually and submit to the Administrator after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Administrator shall include a summary of these results and recommendations in his report to the President and Congress required by section 474(b)(5).

"DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

"SEC. 409. (a) The National Institute for Juvenile Justice, under the supervision of the Advisory Committee on Standards for Juvenile Justice established in section 478(e), shall review existing reports, data, and standards, relating to the juvenile justice system in the United States.

"(b) Not later than one year after the passage of this section, the Advisory Committee shall submit to the President and the Congress a report which, based on the recommended standards for the administration of juvenile justice at the Federal, State, and local level—

"(1) recommends Federal action, including but not limited to administrative and legislative action, required to facilitate the adoption of these standards throughout the United States; and

"(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

"(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this section.

"SEC. 410. Records containing the identity of individual juveniles gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or other agency, public, or private."

SEC. 502. Sections 403, 404, 405, 406, and 407 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), are redesignated sections 411, 412, 413, 414, and 415, respectively.

TITLE VI—AUTHORIZATION OF APPROPRIATION

SEC. 601. To carry out the purposes of this Act there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1974; $200,000,000 for the fiscal year ending June 30, 1975; and $300,000,000 for the fiscal year ending June 30, 1976.

SEC. 602. Not more than 15 per centum of the funds appropriated annually for the purposes of this Act shall be used for purposes authorized under title V.

TITLE VII—NATIONAL INSTITUTE OF CORRECTIONS

SEC. 701. Title 18, United States Code, is amended by adding a new chapter 319 to read as follows:

"Chapter 319—NATIONAL INSTITUTE OF CORRECTIONS

"SEC. 4351. (a) There is hereby established within the Bureau of Prisons a National Institute of Corrections.

"(b) The overall policy and operations of the National Institute of Corrections shall be under the supervision of an Advisory Board. The Board shall consist of fifteen members. The following five individuals shall serve as members of the Commission ex officio: The Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law

Enforcement Assistance Administration or his designee, the Chairman of the United States Parole Board or his designee, the Director of the Federal Judicial Center or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare or his designee.

"(c) The remaining ten members of the Board shall be selected as follows:

"(1) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner (Federal, State, or local) in the field of corrections, probation, or parole.

"(2) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be from the private sector, such as business, labor, and education having demonstrated an active interest in corrections, probation, or parole.

"(d) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Commission pursuant to this title, be entitled to receive compensation at the rate not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, including travel time, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Board shall elect a chairman from among its members who shall serve for a term of one year. The members of the Board shall also elect one or more members as a vice chairman.

"(f) The Board is authorized to appoint, without regard to the civil service laws, technical or other advisory committees to advise the Institute with respect to the administration of this title as it deems appropriate. Members of these committees not otherwise employed by the United States, while engaged in advising the Institute or attending meetings of the committees, shall be entitled to receive compensation at the rate fixed by the Board but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Board is authorized to delegate its powers under this title to such persons as it deems appropriate.

"(h) The Board shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Board. The Director is authorized to delegate his powers under this title to such persons as he deems appropriate.

"Sec. 4352. (a) In addition to the other powers, express and implied, the National Institute of Corrections shall have authority—

"(1) to receive from or make grants to and enter into contracts with Federal, State, and general units of local government, public and private agencies, educational institutions, organizations, and individuals to carry out the purposes of this section and section 411;

"(2) to serve as a clearinghouse and information center for the collection, preparation, and dissemination of information on corrections, including, but not limited to, programs for prevention of crime and recidivism, training of corrections personnel, and rehabilitation and treatment of criminal and juvenile offenders;

"(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and rehabilitation with respect to criminal and juvenile offenders;

"(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved corrections programs;

"(5) to devise and conduct in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons, including lay, ex-offenders, and paraprofessional personnel, connected with the treatment and rehabilitation of criminal and juvenile offenders;

"(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local agencies which work with prisoners, parolees, probationers, and other offenders;

"(7) to conduct, encourage, and coordinate research relating to corrections, including the causes, prevention, diagnosis, and treatment of criminal offenders;

"(8) to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, State, and local correctional agencies, organizations, institutions, and personnel;

"(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the corrections system;

"(10) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

"(11) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

"(12) to confer with and avail itself of the assistance, services, records, and facilities of State and local governments or other public or private agencies, organizations or individuals;

"(13) to enter into contracts with public or private agencies, organizations, or individuals, for the performance of any of the functions of the Institute; and

"(14) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code.

"(b) The Institute shall on or before the 31st day of December of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial condition, and accomplishments under this title and may include such recommendations related to corrections as the Institute deems appropriate.

"(c) Each recipient of assistance under this title shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(d) The Institute and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examinations to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this chapter.

"(c) The provision of this section shall apply to all recipients of assistance under this title, whether by direct grant or contract from the Institute or by subgrant or subcontract from primary grantees or contractors of the Institute.

"Sec. 4353. There is hereby authorized to be appropriated such funds as may be required to carry out the purposes of this chapter."

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Indiana (Mr. Bayh) and the Senator from Nebraska (Mr. Hruska), with 30 minutes on any amendment, and with 20 minutes on any debatable motion or appeal.

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. That the time be taken out of neither side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAYH. Mr. President, is the pending order of business S. 821, as amended?

The ACTING PRESIDENT pro tempore. S. 821 is the pending order of business.

Mr. BAYH. Mr. President, I call up my amendment No. 1578 to S. 821, and I ask unanimous consent that for purposes of amendment it be considered as original text.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the amendment will be considered as original text.

The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, for the sake of avoiding an expensive printing bill, it seems to me that there is no need to print the voluminous text of this amendment at this time, since it was printed in the RECORD on Thursday last at page S12832. That is, if the Senator from Nebraska has no objection.

Mr. HRUSKA. I have no objection.

Mr. BAYH. Mr. President, I ask unanimous consent that the Senator from Mississippi (Mr. EASTLAND), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Hawaii (Mr. INOUYE) be added as cosponsors of the substitute amendment which we are now considering, amendment No. 1578.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that Dorothy Parker and Quincy Rodgers be permitted access to the floor during the debate on this matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, as chairman of the Senate Subcommittee To Investigate Juvenile Delinquency, it is with particular pleasure that I speak in support of S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974, legislation which I introduced more than a year ago. This legislation is the product of an exhaustive study by the subcommittee of the inadequacies of the existing Federal delinquency programs in the face of the continually rising juvenile crime crisis. S. 821 will provide the needed Federal direction and coordination combined and the necessary resources to establish in our State and localities effective programs for the improvement of juvenile justice and for the prevention and treatment of juvenile delinquency. Its major purpose is to provide services to youth to prevent delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to traditional juvenile detention and correctional facilities.

I have been privileged to lead this 3-year effort to determine the best way for the Federal Government to help in the prevention and treatment of juvenile delinquency in this Nation. I can say without any doubt that this bill is the best possible solution that could be devised by the Congress at this time to deal with the delinquency crisis. The measure we now have before us reflects an excellent dialog I have had on this subject with my friend and respected colleague, the Senator from Nebraska (Mr. HRUSKA). I am gratified that the following Members of the Senate, including most of the members of the Judiciary Committee, have joined us in cosponsoring this comprehensive legislation: Mr. MATHIAS, Mr. EASTLAND, Mr. MCCLELLAN, Mr. COOK, Mr. FONG, Mr. HART, Mr. SCOTT of Pennsylvania, Mr. KENNEDY, Mr. THURMOND, Mr. BURDICK, Mr. GURNEY, Mr. TUNNEY, Mr. ABOUREZK, Mr. BIBLE, Mr. BROCK, Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HUMPHREY, Mr. INOUYE, Mr. MCGEE, Mr. MCGOVERN, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. PASTORE, Mr. PERCY, Mr. RANDOLPH, and Mr. RIBICOFF.

The goals of this measure initially received strong support when I introduced a similar bill in the 92d Congress. I reintroduced the Juvenile Justice and Delinquency Prevention Act, S. 821, on February 8, 1973. In recent weeks I have been working closely with the distinguished ranking minority member of the Judiciary Committee, Mr. HRUSKA, to develop the substitute amendment, which provides for administration of the Federal juvenile delinquency effort by the Law Enforcement Assistance Administration—LEAA—along with guarantees which will assure that the program achieves the goals of S. 821 as originally introduced. This approach has been endorsed by juvenile delinquency experts and youth-serving organizations throughout the country. It has received the support of many of the major organizations working in the field of youth development and delinquency prevention such as: National Council on Crime and Delinquency, the National Council of Juvenile Court Judges, the American Federation of State, County, and Municipal Employees, National Youth Alternatives Project, American Institute of Family Relations, American Parents Committee, B'nai B'rith Women, the National Council of Jewish Women, the National Association of State Juvenile Delinquency Program Administrators, National Governors' Conference, and National League of Cities and U.S. Conference of Mayors. Also, the Interagency Collaboration on Juvenile Justice comprised of the Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Future Homemakers of America, Girls' Clubs of America, Girl Scouts of the U.S.A., National Board of YMCA's, National Board of the YWCA's of the U.S.A., National Federation of Settlements and Neighborhood Centers, National Jewish Welfare Board, and Red Cross Youth Service programs set forth in House testimony earlier this year on companion legislation criteria for effective juvenile justice legislation—criteria with which this bill is wholly consistent. Their testimony as major private agency providers of services to children and youth includes a statement of the basic elements they saw as essential for effective juvenile justice legislation. Those six elements are:

First. A new, national program to coordinate and give leadership to all levels of delinquency prevention efforts;

Second. Adequate funding for prevention and rehabilitation, and creation of alternatives to institutionalization of juveniles both within and outside the juvenile justice system;

Third. Establishment of a National Institute of Juvenile Justice to provide for independent compilation, evaluation, and dissemination of program information;

Fourth. National standards for the operation of juvenile courts at all stages—intake, adjudication, disposition, and conditions of confinement;

Fifth. Emphasis on community-based prevention, diversion, and treatment facilities; and

Sixth. Significant participation of private voluntary agencies in carrying out this program, with express funding eligibility

I am pleased to state that the substitute amendment to S. 821 provides for a program which in all respects meets the criteria stated by these experienced national youth serving organizations, upon whom we will greatly depend for the successful implementation of this legislation.

NEED FOR LEGISLATION

The Juvenile Delinquency Subcommittee held 10 days of hearings on S. 821 and its forerunner S. 3148 focusing on the adequacy of the response of the Federal Government to the delinquency problem. These hearings demonstrated the need for a comprehensive restructuring of Federal delinquency programs. Juvenile delinquency is not now a priority concern of any department of the Federal Government and uncoordinated juvenile delinquency programs are scattered throughout the Departments of Health, Education, and Welfare, Justice, Labor, and Housing and Urban Development as well as other agencies.

During 1971, the Federal Government funded 197 programs involving about 120,000 separate grants in the juvenile delinquency and youth development areas. Efforts at the State and local level to combat delinquency are equaly uncoordinated. Federal fragmentation reflects the lack of coordination at the State and local level and many public and private agencies crucial to the fight against delinquency do not see themselves as part of the solution to the delinquency problem. Unfortunately the investigations of the subcommittee over 3 years confirmed my initial impression that the requisite direction and coordination are missing from the Federal approach to the delinquency problem and that a complete overhaul of Federal juvenile delinquency programs is required.

This legislation offers a comprehensive response to the juvenile delinquency crisis in this country, and in doing so offers real hope for dealing constructively with all crime. Young people account for more than half the crime in this country. During the past 12 years arrests of persons under 18 for violent offenses have risen 216 percent. Arrests for serious property offenses have risen 90 percent. Juveniles under 18 constitute almost half the arrests for serious crime. And the trend of rising crime and delinquency continues. Recent FBI statistics indicate that crime has risen 5 percent in the last year and in the first quarter of this year crime has increased 15 percent.

The cost of juvenile crime to our society is devastating in lost and damaged lives, diminished personal security, squandered opportunities, and wasted economic and social resources. In 1969, the cost of juvenile crime was estimated at over $16 billion but that is a conservative estimate considering the continuing rise in juvenile crime and inflation. At least $5 billion a year out of a total of $11.7 billion is spent by the Federal, State, and local criminal justice systems to catch, to process, and to institutionalize children below the age of 18. A 1971 survey by LEAA found that almost 60,000 is the average daily population of youth institutions such as detention, diagnostic, and training schools, et cetera. Over 600,000 are admitted yearly to these institutions. In addition, on any given day there are close to 8,000 juveniles held in jails in the United States. Moreover, an estimated 100,000 youths spend 1 or more days each year in adult jails or police lockups. The price of juvenile delinquency is enormous not only in an unproductive expensive juvenile system but also in the wasted young lives.

Sadly, we must conclude that our present juvenile justice system has proven itself incapable of turning these young people away from lives of crime. The recidivism rate for person under 20 is the highest of any age group, close to 75 percent within 4 years. Witnesses before the subcommittee have repeatedly testified about the tragic failure of our juvenile justice and correctional system. Our overcrowded, understaffed juvenile courts, probation services, and training schools rarely have the time, energy, or resources to offer the individualized treatment which the juvenile justice system should provide.

Between 1960 and 1970 the number of cases coming before the juvenile court doubled and the number is still increasing with the exception of a slight decrease in 1972. The worst aspect of the increased caseload is that the rate of delinquency cases is increasing faster than the rate of juvenile population growth so our society is continually losing ground in its fight on delinquency.

The tragedy of the failure of the juvenile justice system is further compounded by the fact that nearly one-half of the juvenile court's caseload involves noncriminal offenses, such as dependency, neglect, and status offenses including incorrigibility, waywardness, and beyond control, which are crimes of which only children can be guilty. Due to the juvenile court's jurisdiction over these noncriminal offenses the treatment of such offenses as truancy and runaway along with such serious crimes as robbery and burglary has meant that children who are guilty of serious offenses.

The result has been not the decriminalization of crimes committed by adolescents but the criminalization of such social and adjustment problems as running away and incorrigibility. Once a young person enters the juvenile justice system for whatever reason, he will probably be picked up again for delinquent acts and eventually he will, more often than not, graduate to a life of crime.

Some of the reasons for the failure of our current methods of handling children in trouble were explained in a statement in support of the committee bill by Allen F. Breed, president of the National Association of State Juvenile Delinquency Program Administrators, to the subcommittee on February 22, 1973, who said in part:

> The structural and procedural system has two built-in patterns that tend to be self defeating. First, the youth in need of trouble is identified and labeled. As he is labeled, certain sanctions are imposed and certain critical stances assumed. The sanctions and the stance tend to convince the individual that he is a deviant, that he is different, and to confirm any doubts he may have had about his capacity to function in the manner of the majority.
>
> Second, as the label is more securely affixed, society's agencies (police, schools, etc.) lower their level of tolerance of any further deviance; the curfew violator who is an identified parolee or probationer may go into detention; the non-labeled offender will frequently go home; and the misbehaving probationer will be remanded to the vice-principal's office faster than his non-probation fellow. As these discriminations are made, the youth is further convinced of the difference and of society's discrimination.
>
> If the unacceptable behavior continues and the youngster penetrates further into the justice and correctional apparatus, he is subjected to an increasing degree of segregation from others of his kind—from special schools to detention to state correctional school—each step invites a greater identification with the subculture of the delinquent, and so, again, his anti-adult-antisocial-peer-oriented values are reinforced and confirmed and the socializing conformity-producing influences of the majority society are removed further from him.
>
> Thus, as the state's "treatment" is intensified, so too is the rejection, both covert, and overt, and as we try harder to socialize the deviant, we remove him further from the normal socializing processes.
>
> Our objective must be, therefore, to minimize the youngster's penetration into all negative labeling, institutional processes. To this end, we must exploit all of the available alternatives at each decision point, i.e., suspension, expulsion, arrest, detention, court wardship, commitments, parole revocation. At each critical step, we should exhaust the less rejecting, the less stigmatizing recourses before taking the next expulsive step.

Witnesses before the subcommittee have emphasized their frustration that in many communities there are few if any services for a youth until he becomes involved in the juvenile justice system. Equally frustrating for those involved in the juvenile justice system, is how few alternatives are available within the juvenile justice system. Frequently a juvenile judge only has the possibility of returning a juvenile to his home, putting the child on probation, or in an institution. What is needed are programs in communities aimed at preventing children with a high probability of delinquent involvement from behavior leading into the juvenile justice process. At each step along the way that children seem headed for trouble, the community should be able to choose the least amount of intervention necessary to change the undesirable behavior.

It is often vital that the youth be reached before becoming involved with the formal juvenile justice system. In the first instance, preventive services should be available for identifiable, highly vulnerable groups to reduce their expected or probable rate of delinquency. If children commit acts which result in juvenile court referral, then an attempt should be made to divert them from the juvenile court. When youth commit serious crimes and must clearly be subjected to the jurisdiction of the juvenile justice system, then the preferred disposition should be community-based treatment.

Given the history of failure in preventing delinquency, there is a compelling need for a thoroughgoing national response to this problem. It is essential to prevent children from coming under the jurisdiction of the juvenile court or being involved with the traditional juvenile correctional system if that is possible or being labeled as delinquent or predelinquent. All alternatives to counterproductive involvement of young people in the juvenile justice system must be realized at every point of decisionmaking—from arrest through detention, court appearance, commitment, probation, and parole. If the child must go into the juvenile justice system for a serious offense, then alternatives for different needs and circumstances should be available to the juvenile court. This bill provides, at the State and local levels, where this battle must be won, long overdue alternatives for youth both outside and inside the juvenile justice system.

THE LEGISLATION

The substitute amendment we are now considering contains the key provisions of S. 821, as originally introduced. Our goal is to make the prevention of delinquency a number one national priority of the Federal Government, and in doing so to save tens of thousands of young people from the ravages of a life of crime, helping them, their families and society. As I said at the time I introduced S. 821:

> The Juvenile Justice and Delinquency Prevention Act which we are introducing today will provide the comprehensive, coordinated Federal effort combined with the massive resources that have so long been needed to deal effectively with the crisis of delinquency. This bill creates a new national Office of Juvenile Justice and Delinquency Prevention to insure national coordination of Federally assisted delinquency programs and provides substantial new resources for delinquency prevention, treatment, and rehabilitation programs. It creates a centralized research, training data collection, and evaluation effort in a new Institute of Juvenile Justice. It provides for the development of model uniform standards for the administration of the juvenile justice system, including conditions of confinement in detention and correctional institutions. Finally, it establishes basic procedural rights for juveniles who come under Federal jurisdiction.

The concept of S. 821 as originally introduced and as contained in the substitute amendment was to establish a new office, a central coordinator for the entire Federal delinquency effort. S. 821 does not propose the termination or relocation of existing juvenile delinquency programs, but rather it gives the new office in LEAA the authority to establish priorities and objectives for all Federal delinquency programs, including training, evaluation, research, prevention, rehabilitation and treatment activities.

S. 821 originally proposed the creation

of the central coordinating office to administer this program in the Executive Office of the President. The Subcommittee to Investigate Juvenile Delinquency was concerned about placing S. 821 in the White House at a time when there is a need to strengthen existing governmental departments. S. 821, as reported by the Subcommittee to Investigate Juvenile Delinquency created a new Office within the Department of Health, Education and Welfare due to HEW's experience in administering programs related to the success of a delinquency prevention effort. S. 821 as reported by the Judiciary Committee on July 16, 1974, placed the new Office in the Law Enforcement Assistance Administration.

Since that time I have worked with Senator HRUSKA to develop the constructive response to the delinquency problem which is contained in the substitute amendment which is before the Senate today. This amendment preserves not only the broad outline of the original bill but also its spirit and goals. It is far less important where this new Office of Juvenile Justice and Delinquency Prevention is located, than it is to make certain that office has the programs, power and resources to do the difficult job which lies ahead.

The bill has benefited in the 2½ years since I introduced the original bill S. 3148 on February 8, 1972, from the suggestions not only from my distinguished colleagues but also the testimony of the many expert witnesses including State and local officials, juvenile court judges, representatives of private agencies, social workers, criminologists, criminal justice planners and youth, particularly juveniles who have been under the jurisdiction of the juvenile justice system.

The extensive hearings conducted by the subcommittee contain eloquent testimony of the desperate need for this legislation. Eighty witnesses who were dedicated and concerned about children gave almost 1,000 pages of testimony and statements in overwhelming support of the principles behind this legislation. In particular, these witnesses emphasized the failure of the existing juvenile correctional institutions such as large custodial training schools which do not reform juveniles. Many witnesses provided support for a principle of this legislation from its inception—that many delinquents who have previously been incarcerated can be better and more humanely handled in community settings with greater chances of true rehabilitation. As Dr. Charles Shireman testified on behalf of the National Association of Social Workers:

> We in social work have come to believe that the concept of commitment of juveniles to large-scale correctional institutions as a therapeutic or rehabilitative device must be abandoned. Youth should be committed to correctional institutions only upon a finding of the existence of a clear and present danger to the security of other citizens.

State officials in testifying before the subcommittee have emphasized the necessity for comprehensive, coordinated Federal funding to assist the States in carrying out their efforts to rehabilitate youth in community settings. The Governor of Massachusetts, the Honorable Francis Sargent, and the Governor of Ohio, the Honorable John Gilligan, were eloquent in describing the urgent need for this legislation. The deputy director of the Kentucky Department of Child Welfare, Bill Ryan, confirmed the feeling of many State administrators in urging passage of this bill:

> Quite frankly, when I first read the bill and Senator Bayh's comments in the Congressional Record, I wanted to shout "Alleluia," somebody has finally developed a comprehensive piece of legislation that makes sense. It should provide a real opportunity for all of us if we want to be serious about resolving problems facing youthful offenders.

The National Governors' Conference in May 1974 in supporting the need for this legislation emphasized the necessity of a "Federal commitment to the prevention of delinquency".

I ask unanimous consent to have printed in the RECORD the resolution of the National Governor's Conference.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. S. 821 in its final improved form provides a new structure within LEAA for the long-needed Federal commitment to prevent delinquency and to create alternatives for institutionalizing youth. The amended bill provides for strong Federal leadership combined with the incentives for States and local governments as well as public and private agencies to establish effective community-based services to reduce delinquency and to rehabilitate delinquents. I want to briefly summarize the significant feature of this bill and I ask that a summary of the entire bill be included in the RECORD immediately following my remarks.

Title I incorporates the findings and purposes of the Juvenile Justice and Delinquency Prevention Act into the Declaration of Purpose of the Omnibus Crime Control and Safe Streets Act which established the Law Enforcement Assistance Administration. The statement of purposes clearly mandates LEAA to conduct effective programs at the local, State, and National level to prevent delinquency, to divert juveniles from the juvenile justice system and to provide alternatives for youth to institutionalization.

Title II, which I will discuss at greater length later, amends the Federal Juvenile Delinquency Act to provide for the rights of juveniles under Federal jurisdiction in accordance with the Constitution.

Title III establishes a new Office of Juvenile Justice and Delinquency Prevention in the Law Enforcement Assistance Administration to implement the entire Federal juvenile delinquency effort. This will be the one place in the Federal Government where citizens or representatives of States, localities, or public and private agencies, can go to find answers and solutions to the delinquency problem.

One of the vital objectives of S. 821 from its introduction has been to establish an office within the Federal Government which can provide the desperately needed leadership for the entire Federal delinquency effort. The provisions of title III provide for this leadership combined with the authority and resources to give direction within LEAA for all its juvenile delinquency programs. Section 471(a)(c) establishes within LEAA an Office of Juvenile Justice and Delinquency Prevention headed by an Assistant Administrator who shall be appointed by the President with the advice and consent of the Senate. The appointment of the Assistant Administrator by the President will give this program the status required for national focus; it will emphasize the congressional intent of making this effort succeed. The need for a focal point for all Federal programs has been recognized by numerous witnesses who testified before the subcommittee. I am confident that the rank of Assistant Administrator combined with Presidential appointment and Senatorial approval will enable LEAA to find an outstanding individual experienced in the field of juvenile delinquency to provide committed leadership to this program.

As the leader of the Senate subcommittee which has worked for so many years to assure the passage of this legislation, I can assure you that I will examine the appointment of the head of this program with all the care required to be certain that the choice is capable of providing strong creative leadership to this program. With the appointment of a person of the caliber required, I have every confidence that such leadership will be forthcoming.

Title III also creates a new part F to the Crime Control Act of 1973, containing a new juvenile delinquency prevention, diversion and community-based alternative program. This program, for which $75 million is to be authorized in fiscal 1975, and $150 million authorized in fiscal 1976, will be administered by the new Office of Juvenile Justice and Delinquency Prevention. That Office will also provide policy direction for all prior-existing LEAA juvenile programs, to insure coordination of this effort within LEAA. In recent months, in response to the changes in the Crime Control Act of 1973, LEAA has created a Juvenile Justice Division which can be expected to provide a nucleus for a greater effort authorized by S. 821. It is expected that the goals of all the LEAA juvenile programs will be brought in line with the goals of the juvenile delinquency programs established under part F, with the Assistant Administrator providing direction and leadership for the entire LEAA delinquency effort.

Section 471(a) provides for a Deputy Assistant Administrator of the Office who shall direct the National Institute of Juvenile Justice. A great many colleagues of the Congress have long been interested in a similar concept as the Institute for Continuing Studies of Juvenile Justice.

A number of witnesses have testified before the subcommittee concerning the need for a clearinghouse and for research, training, and evaluation concerning juvenile delinquency programs. I am gratified that S. 821 creates the Institute as part of the Office of Juvenile Justice and Delinquency Prevention thus strengthening both the work of the entire Office and the work of the Institute. I have long felt that it is essential to provide in one place for the problems of juvenile delinquency due to the fact that juvenile programs always seem to come second whenever they are coordinated with programs concerning adults. It is also essential that the National Institute of Juvenile Justice works closely with the Office to see that the results of research and evaluation become part of the program planning for all LEAA delinquency programs.

Let me emphasize, Mr. President, the Office of Juvenile Justice and Delinquency will provide overall planning and policy, as well as establishing objectives and priorities for all Federal juvenile delinquency programs. This includes all activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvements of the juvenile justice system. The Office will review the operation of programs in other agencies, and will be responsible for reporting on their effectiveness and for making budgetary and program recommendations to the President through the Attorney General. It will report annually to the President and Congress on Federal juvenile delinquency programs and it will develop annually and submit to the President and Congress a comprehensive plan for Federal juvenile delinquency programs with particular emphasis on prevention and diversion of juveniles from the traditional juvenile justice system. We must strive to stop delinquency in the first instance, and to rehabilitate juveniles who might otherwise be headed down the dark path of crime.

The need for centralized authority for Federal delinquency programs, a key of this legislation has been recognized by many State and local officials and representatives of private agencies who have told us of their problems in working with the Federal Government due to the fragmentation of responsibility for delinquency programs. The Office of Juvenile Justice and Delinquency Prevention will provide a focus for a coordinated national attack on the juvenile crime crisis.

One of the problems in carrying out delinquency prevention, diversion and rehabilitation programs by public and private agencies in all parts of the country at all levels of government has been the lack of sufficient technical expertise or know-how on how to develop and to implement these programs. The Office of Juvenile Justice and Delinquency Prevention is authorized to provide technical assistance to Federal, State, and local governments and public and private agencies in implementing delinquency programs. In addition, the Administrator is authorized to utilize the services of any agency of the Federal Government or to transfer funds to any Federal agency or to enter into contracts with public or private agencies to carry out the goals of the program. Thus the Office has a broad range of authority to assure that it can provide the resources to the many public and private institutions which deal with the delinquency problem in this country.

From its inception, it has been recognized in S. 821 that the Office will need the support and advice of private citizens and agencies actively involved in working on the problem of juvenile delinquency. With this thought in mind, S. 821 provides for a National Advisory Committee on Juvenile Justice and Delinquency Prevention—referred to as the Advisory Committee, of 21 members knowledgeable in the prevention and treatment of juvenile delinquency, to make recommendations to the Administrator of LEAA with respect to the planning, operations and management of Federal juvenile delinquency programs. So that the voice of youth is heard, one-third of its members shall not be 26 years of age at the date of their appointment. It is our expectation that some of the members of the Advisory Committee should have had personal experience under the jurisdiction of the juvenile justice system, so that the National Advisory Committee will have the benefit of their experience in its deliberations.

The act also continues the Interdepartmental Council on Juvenile Delinquency composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, Director of the Special Action Office for Drug Abuse Prevention, and the Secretary of Housing and Urban Development. The Attorney General will serve as chairman and shall appoint the Executive Secretary of the Council. This Interdepartmental Council is expected to provide overall coordination of all Federal juvenile delinquency programs and members of the Interdepartmental Council are ex-officio members of the National Advisory Committee. The Council has functioned intermittently in the past and not met its congressional mandate. In fact it has done little except prepare reports. I am hopeful that a rejuvenated Interdepartmental Council as part of the National Advisory Committee with its own staff will be able to work toward coordination of the work of the departments in the juvenile delinquency field.

S. 821 has always been built on the premise that solutions to the delinquency problem must be found at the State and local level. The Federal Government can and must provide leadership in the national goals to reduce juvenile delinquency, as well as adequate resources to help State and local governments develop and implement juvenile delinquency prevention and rehabilitation programs.

Title IV establishes a program of Federal assistance through LEAA of block grants to State and local governments to assist them in planning, operating, and evaluating projects directly, or through contracts with public and private agencies, for the development of more effective education, research, prevention, diversion and rehabilitation programs in the area of juvenile delinquency and the juvenile justice system.

Funds will be allocated to States based on population under the age of 18, although no allotment to any State shall be less than $200,000. In order to receive any funding a State is required to submit a comprehensive juvenile justice plan which meets the requirements set forth in section 482 (a) and (b) of part F and the existing requirement for a comprehensive juvenile justice plan in section 303(a) of the Crime Control Act of 1973. This provision establishes clearly that the States are required to submit one comprehensive juvenile justice plan in order to receive the State's allotment under this legislation.

The substitute amendment provides that the State plan must designate the State planning agency established under section 203 of the Omnibus Crime Control and Safe Streets Act as the sole agency for supervising the preparation of the State plan.

At the core of LEAA's success at the State and local level is the State planning agency and its regional planning units which administer the program at the State and local levels, respectively. The State planning agency determines the needs and priorities for improving the law enforcement and criminal justice system in each State. Each State planning agency has a supervisory board which determines the policy for LEAA programs in that State. It has long been felt that these Boards should be representative of citizen and community organizations in addition to law enforcement and criminal justice officials. This is particularly true in the juvenile delinquency prevention field where private agencies have a long tradition of dealing with the problems of children and youth in trouble. No process can legitimately set the priorities for a State to deal with such a pressing issue as crime and delinquency without involving the citizens and agencies most affected. I am pleased that section 301 of S. 821 amends section 203(a) of the Crime Control and Safe Streets Act of 1973 to require that the State planning agency and any regional planning units must be representative of citizen, professional and community organizations, including organizations directly related to delinquency prevention.

For the first time, State planning agencies and all regional units must have representatives of citizen and community groups including delinquency prevention organizations which are concerned about crime and delinquency. In addition, this section is further amended to require that the State planning agency and all regional units shall be representative of not only local governments, law enforcement and other criminal justice agencies, but also agencies related to the prevention and control of juvenile delinquency. According to the Report of the National Advisory Commission on Criminal Standards and Goals only 5 percent of the membership on State planning agency supervisory boards have had a functional background in the area of juvenile delinquency.

The substitute amendment opens supervisory boards to public agencies concerned with delinquency prevention or treatment such as juvenile justice agencies, juvenile court judges and wel-

Whether it's in the United Nations, the State Department, or the Agency for International Development (AID)—the fact is, the international response to the Sahel represents a pattern of inertia, insensitivity, and racism. For the Sahel does not have much strategic, political, or economic value to the U.S. Government which is the basis for most (sic) "humanitarian" assistance.

Black Africa never received much U.S. aid and Washington's rhetoric notwithstanding, we're still doing less than we proclaim. In the last 19 years, Black Africa received only five percent of the $6.3 billion worth of excess food given away by the U.S.—which is the world's breadbasket. This past year, AID has given more to feed the Sahel's starving masses than it has given in the last 19 years. But even this aid is deceptive.

For this year, in a sleight of hand, AID juggled its money. First it decreased economic aid to Black Africa by $13 million to $160 million, and then cut another $50 million which it redirected to South Vietnam. Later, under Congressional prodding, AID agreed to an additional $25 million for the six countries of the Sahel—but lumped this sum to the total of the slashed African aid package to cover up the huge cut.

And now, it's been revealed that last year $87 million in food credits to the African states was actually $50 million, and starting July 1, food grants went down to $5 million.

But whatever the amount, it's precious little, and represents what old "African hands" at the State Department call "presence money." After the early euphoria of the Kennedy administration for assisting the emerging nations of Black Africa, by 1966 the all-consuming passion of the Johnson administration had riveted most assistance for Vietnam.

The U.S. adopted a policy of benign neglect toward Black Africa—rationalized in a report only partially declassified last year, which to this date remains the basis of U.S. policy in Africa.

The "Korry Report" was written by a State Department task force headed by former U.S. Ambassador to Chile, Edward M. Korry, who was then Ambassador to Ethiopia.

Korry suggested an "emphasis country policy," concentrating U.S. aid in those Third World countries that could be used as pawns on the chessboard of global power politics. Rewards were to go only to explicit collaborators, or where the U.S. had economic self-interests.

What little aid was destined for Africa went to Ethiopia, Liberia, and Morocco—where there were military installations; resource-rich Uganda, Zaire, and Tanzania, as well as oil-rich Nigeria, and Ghana and Kenya—where Korry saw European influence eroding.

For the remainder of Africa, Korry suggested "regional self-help" projects, with minimal U.S. financing, because he didn't consider these nation-states as much more than conglomerations of tribes, rather than nations.

Korry's brand of imperialism is extraordinary. In sections of the report still classified, he wrote: "A quantitative distinction (should be made) explicit between resources for economic development and for *political* purposes . . . But these resources should be recognized for what they are: a limited but indispensable tool. . . ."

Regarding former French West Africa, the heartland of the Sahel. Korry suggested a hands-off policy. "It is not desirable at this time to challenge the special position of France in tropical Africa," he argued, because despite our differences with Paris, "the benefits of French influence . . . on the proper political organization of the African continent" are considerable.

The French record of neglect speaks for itself. The Sahel exists today in a time capsule, as it tries to shake loose the shackles of colonial servitude while leaping across centuries of economic development. The six nations—Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta—carved out of what was once semiarid French West Africa, are still scarred by the worst kind of economic Balkanization, perpetrated by artificial national boundaries imposed by a colonial power.

So by 1972, when the drought was officially "recognized," it's understandable that the Sahelian governments felt they had no place to turn for relief.

There are stories of African ambassadors roaming the halls of the State Department asking for help, and of AID officials suggesting the effects of the drought were being exaggerated.

By Christmas 1972, the Sahelian states turned to the United Nations. During the closing days of the annual General Assembly session, the Secretary General, Kurt Waldheim, was informed by his Secretariat and African ambassadors about what was happening. His response was to order a study of the problems of "desert encroachment."

In early 1973, as the horror stories and reports increased, UN agencies debated what to do, and whether the UN should issue a public appeal for aid. It's a measure of the moral bankruptcy of the UN that the agencies procrastinated another five months before anything was done.

In March 1973, the Sahelian governments met in Ouagadougou, Upper Volta, and issued a formal plea for help. Walheim's staff placed the Sahel on his agenda for his weekly staff meetings. But it wasn't until May that he discussed the drought.

By then, the situation had deteriorated to the point where—just as Martin Walker of the Manchester Guardian reported in the New York Times Magazine is happening again this year—the fumbling had screwed up the delivery of emergency food, necessitating an expensive and frantic airlift in early summer before the monsoons washed out roads.

But while the international community slowly galvanized itself to do *something* last summer—under the prodding from church and black groups, a bizarre but tragic thing happened.

On its own initiative the U.S. Public Health Service in Atlanta, Georgia sent a team of physicians to West Africa to assess the situation. They reported 100,000 deaths with levels of starvation greater than that of the historic famine in Bangladesh.

To prevent further mortality, the Public Health Service mapped a plan for special children's rations, vaccine against measles (a major killer, and food distribution. The PHA report quotes official AID reports identifying some U.S. relief shipments of sorghum (a high-protein cereal) to West Africa as "animal feed." Indeed, "indigestible" sorghum appeared in AID documents as lifesaving relief, according to some Washington sources. while in Sahelian refugee camps, it was cramps and diarrhea.

The Public Health Service reports were largely ignored by AID and the State Department—and, in fact, covertly concealed. In October, the State Department publicly spoke of "pockets" of malnutrition existing in West Africa. And this February, the President's Disaster Relief Coordinator told Congress that "widespread starvation was prevented."

Could the U.S. have done more? Last year of the aid given Africa, more than 40 per cent was in the form of excess food commodities. But the emergency food assistance given the Sahel came out of a special fund. Section 451 of the Foreign Assistance Act of 1961, the "Contingency Fund," authorized AID to spend funds for unforeseen catastrophes. However, AID has taken it upon itself to allocate funds "for situations involving the *security* of the United States."

During fiscal 1973, only half of the Contingency Fund was spent on disaster relief. Other grants were made for financing livestock research in the Bahamas, and an international plan to combat cholera. But in prior years, the funds were put to more dubious use.

During fiscal 1973, only half of the Contingency Fund was spent on disaster relief. Other grants were made for financing livestock research in the Bahamas, and an international plan to combat cholera. But in prior years, the funds were put to more dubious use.

During 1972, $24.5 million of $30 million in Contingency Funds was misallocated for "security assistance," such as:

$9.5 million to Malta to "support economic and political stability of the government . . ."

$15 million to Jordan to "maintain its political stability."

Under pressure from black legislators—in particular. Representative Charles Diggs, head of the African Affairs Subcommittee—AID reallocated its funds in the closing months of 1973—reducing aid for earthquake-shaken Nicaragua to make up the difference for the Sahel.

But between the Bahamas project and other misuses, at least $12 million in disaster relief funds were misallocated.

The drought this year is worse than last year. There was almost no harvest last fall. It's reflective of the UN's poor coordination that the Food and Agricultural Organization in Rome told the world the Sahel will be short 650,000 tons of grain this year when actually the total need is double that amount—1.2 million tons—to stave off famine threatening 200,000 people.

It is doubtful whether that much grain will ever be donated, to say nothing of the milk, vaccine, and other human and animal provisions—and then gotten to where it's needed.

Whether we can or will find the political will to prevent the tragic recurrence of the human devastation that plagued the Sahel last year is still very much of an open question.

In the Sahel, which is a forbidding land under the best of circumstances, emergency relief is wasteful without giving people the means to rehabilitate the land and salvage what remains of their once pastoral existence. For not only are people dying, but centuries of culture and nomadic way of life are being extinguished.

Meanwhile, the drought is spreading to Ethiopia and other parts of East Africa—putting the lie to the rationale of the AID technocrats who say that the people of the Sahel are responsible for their own fate because of cattle overgrazing and human overpopulation.

Meteorologists indicate that significant shifts have occurred in the weather patterns over Africa which may be cyclical, but perhaps permanent. The immediate reality, though, is that the drought could be one of mankind's greatest natural catastrophes.

GEORGIA FARMERS UNHAPPY WITH MR. EARL BUTZ

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1974

Mr. MATHIS of Georgia. Mr. Speaker, as many Members of this House know by now, flue-cured tobacco farmers in Georgia, and other tobacco-producing States, are suffering as a result of U.S. Department of Agriculture policy as services in the community. Nationally it is my hope that S. 821 can become the vehicle for the creation of services for these children, particularly for girls, for whom services are practically nonexistent and that these services can be provided without labeling the children Services for such youth, who are now stated to be "children in need of supervision" or "persons in need of supervision" in the juvenile court setting, should be created outside of the juvenile justice system. Through the uses of the community-based services provided for in S. 821 juveniles will be able to receive the help they need while remaining close to family and friends who are so necessary to rehabilitative efforts.

The creation of these innovative community-based facilities and services at the State and local level may result in changes in employment opportunities which will affect current State, county, and local governmental employees. The burden of these desirable changes in the handling of delinquents should not be made to fall on the employees alone. Our bill requires the State plan to include provisions for fair and equitable arrangements to protect the interests of employees affected by this act. These provisions assure that in dealing with children we do not deal unfairly with employees.

In addition to the funds for States and localities S. 821 also provides funds for direct special emphasis grants to public and private agencies to develop and implement new methods of delinquency prevention, treatment, and rehabilitation. Direct funding authority will provide additional overall resources for juvenile delinquency programs and maintain the funding flexibility required to develop innovative approaches to the problems of delinquency. Moreover, the ability of the Administrator to develop and implement an effective, coordinated Federal delinquency effort will be enhanced by making funds available to him for direct grants to implement needed programs.

The bill provides that at least 20 percent of the funds for special emphasis prevention and treatment contracts shall be available for private nonprofit organizations or institutions who have had experience in dealing with youth. The intent of this provision is to enable those private nonprofit organizations which have established program services for youth to expand, extend and improve upon their services for youth in trouble. The principal youth-serving organizations which are working with millions of young people, have testified that they are already spending hundreds of millions of their own money, are utilizing hundreds of thousands of dedicated volunteers, and are demonstrating the effective approaches to prevention of delinquency. They cannot cope with the delinquency problem in this country unless they can combine their private resources with additional resources and leadership from Government. I believe that we can best serve young people by giving these experienced youth-serving organizations that assistance.

This provision may be used to meet such needs as: augmenting staff with specialities to reach hard-to-reach youth; acquiring professionals to provide in-depth counseling and guidance for young people remanded by court; creating alternate or satellite schools for potential dropouts; early career ladder development for upward mobility for poor minority girls; training national professionals to do inter-agency collaboration work with hard-to-reach youth; developing pilot programs to discover successful approaches unique to specific geographic areas and age groups; and developing programs of cross-age communication between young people and parents.

This provision guarantees that a beginning can be made in providing those funds which are so essential if our youth-serving agencies are going to escalate their efforts.

As I noted above, one of the major features of S. 821 is the creation of a National Institute for Juvenile Justice within the Office of Juvenile Justice and Delinquency Prevention. The proposed Institute will have the national prestige, the authority and the resources required to develop long-range strategies for dealing effectively with the problems of juvenile delinquency. Most important, the Institute would be an integral part of the new national Office so promising research and evaluation results can be translated promptly into effective operating programs in the field.

The Institute will be responsible for the evaluation of programs assisted under this act as well as other juvenile delinquency programs as requested by the Administrator. In the past there has been little evaluation of federally assisted delinquency programs and it is vital that analysis of delinquency programs be commenced on a systematic basis. In addition, the Institute will provide vitally needed leadership in developing effective research, training, and information services in the field of juvenile delinquency. It is an essential part of the new comprehensive, coordinated Federal approach, contained in S. 821.

Title II of the Juvenile Justice and Delinquency Prevention Act amends the Federal Juvenile Delinquency Act designed to guarantee certain basic protections to juveniles under Federal jurisdiction. I have worked with the distinguished Senator from Arkansas (Mr. McCLELLAN) to reach an agreement on the provisions of title II which are contained in the substitute amendment because this title also falls within the purview of the criminal codification effort currently underway in the Subcommittee on Criminal Laws and Procedures.

Whenever possible, juveniles should be processed through State and local juvenile courts and correctional systems. Unfortunately, neither the Federal courts nor the Federal correctional system has ever been properly equipped to handle large numbers of juveniles, and as a result numbers of juveniles have been sent to institutions far from their home communities. Under title II, in juvenile cases, Federal courts would be required to defer to State courts unless the Attorney General certifies that the State does not have or refuses jurisdiction or does not have services to meet the needs of juveniles.

Title II contains a prohibition against detention or confinement of any juvenile in institutions in which the juvenile has regular contact with adults who are convicted or awaiting trial are confined. Insofar as possible alleged juveniles shall be kept separate from adjudicated delinquents. Juveniles who are incarcerated with sophisticated criminals or hardened delinquents merely learn more about crime and criminal ways and only harm can come from such a policy.

Under present law, a juvenile alleged to have committed an act which if committed by an adult would be a felony could be handled either in juvenile proceedings or in criminal proceedings. Title II would require a hearing before a Federal district judge before an eligible juvenile could be transferred to adult criminal court and then only if the judge finds that such a transfer would be in the interest of justice according to specific listed criteria. Transfer proceedings could be instituted only against a juvenile aged 16 or older who has committed certain serious felonies. In all other cases, the youth would be treated as a juvenile.

Title II also provides against unnecessary detention of juveniles. The bill requires that immediately upon arrest the juvenile be advised of his legal rights and that the juvenile's parents or guardian be notified forthwith of such custody and of such juvenile's rights. The juvenile must be taken before a magistrate forthwith who shall release him to his parents or guardian unless, after hearing, the magistrate determines that detention is necessary to secure the juvenile's timely appearance before the appropriate court or to insure his safety or that of others.

The proposed amendments would implement recent Supreme Court decisions dealing with the right to counsel. The arresting officer would be required to inform the juvenile that he has the right to be represented by legal counsel at all critical stages of the juvenile proceedings, and the magistrate must insure that the juvenile is represented by counsel before proceedings.

The title guaranteeing a juvenile all the rights of an adult in a criminal trial has been deleted without any suggestion that any such deletion implies that the rights of juveniles are necessarily less extensive than those of adults in a criminal trial. It is simply a conclusion that at this time decisions of the rights of a juvenile should be decided by the courts on a case by case basis under the Constitution. In accordance with this view, for example, it has been held that trial by jury is not constitutionally required in juvenile proceedings.

The proposed amendments contain a number of other protections for juveniles under Federal jurisdiction. A detained juvenile has a right to a speedy trial. Whenever possible, a juvenile shall be detained or confined in a community-based facility located in or near his home community. A juvenile in detention or confinement must be provided adequate food, clothing, housing, education, and all other necessary care and treatment. There are provisions for the sealing of juvenile records and preventing their unnecessary disclosure. The proposed amendments provide many due process protections for juveniles which are basic to our system of justice.

I want to note before closing that a National Institute of Corrections in the Federal Bureau of Prisons is established in title VII. The rising crime rate and the general ineffectiveness of institutions in the corrections field indicate that an effort such as this institute is needed to provide direction and leadership to the corrections system.

Mr. President, we recognize that substantial resources are needed to implement this far-seeing comprehensive delinquency program. Title VI provides that LEAA shall maintain the same level of financial assistance for existing juvenile delinquency programs as LEAA did in fiscal year 1972—namely $140 million. In addition, the bill authorizes $75 million in fiscal year 1975 and $150 million in fiscal year 1976 for the new programs created in this act. These provisions are vital to creating within LEAA the priority for juvenile delinquency programs that is essential to the success of the new part F created by S. 821.

In this connection, I want to observe that the Senate subcommittee has worked for many years to persuade LEAA to make an effort in the delinquency field commensurate with the fact that juveniles are responsible for half the crime in this country. In fiscal 1970, LEAA spent 12 percent of its funds on juvenile delinquency programs, and in fiscal 1971, although the percentage increased somewhat, it still was only 14 percent. In fiscal year 1972, under 21 percent went to juvenile delinquency programs. In addition there is a tremendous difference in the level of funding of juvenile programs at the State level.

According to an analysis of the State plans by the National Council on Crime and Delinquency, the percentage spent of part C LEAA funds on juvenile justice and delinquency prevention ranges from a high of 56 percent in Guam to a low of 0.29 percent in Kansas. In the years ahead, it will be necessary for LEAA to provide leadership on the national level to assure that the truly national effort to prevent delinquency becomes a reality. It is not merely a question of the total expenditure for delinquency programs. It is also vital that all States become involved in the effort so that there ceases to be such a tremendous disparity among the States on their approach to delinquency.

S. 821 provides the structure and the resources for LEAA to create the long-needed national priority concern by the Federal Government to prevent delinquency, divert juveniles from the juvenile justice system, provide meaningful alternatives to the traditional juvenile detention and correctional facilities and to improve the quality of justice for juveniles in this country. I will vigilantly review LEAA's activities to assure that the strong accountable Federal responsibility to the delinquency crisis required by S. 821 is forthcoming. With the resources and authority contained in S. 821, I have every confidence that this will be the case.

Mr. President, I ask unanimous consent to have printed in the RECORD the analysis by the National Council on Crime and Delinquency to which I have referred.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. BAYH. Mr. President, I ask unanimous consent to have printed in the RECORD a summary and analysis of the Juvenile Justice and Delinquency Prevention Act of 1974.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 3.)

EXHIBIT 1

NATIONAL GOVERNORS' CONFERENCE RESOLUTION ON JUVENILE DELINQUENCY

In recognition of the key role which state governments play in the intergovernmental effort to prevent and control juvenile delinquency, the National Governors' Conference urges each State to act as the focal point for the coordination of planning and services of all state and federal agencies which contribute to the prevention, control and treatment of juvenile delinquency.

To achieve that objective, greater emphasis should be placed on coordination of effort between the numerous federal agencies with juvenile delinquency programs and between federal and state agencies.

Recognizing that juvenile delinquency is a problem broader than the criminal justice system, planning for programs should promote coordination and utilization of private and public, social and educational services to youth to the maximum extent feasible.

Further, recognizing that the key to a meaningful reduction in juvenile delinquency lies in its prevention, each State should emphasize and strengthen its commitment to basic prevention programs giving particular emphasis to home, school and community centered programs aimed at youth in danger of becoming delinquent.

The States have increasingly recognized the importance of preventive programs and made notable progress in implementing new programs and experimenting with new ways of preventing delinquency. What is lacking is a federal commitment to the prevention of juvenile delinquency. The National Governors' Conference, therefore, urges the Congress to adequately fund and amend legislation to support state juvenile delinquency prevention efforts. Such legislation should focus on the following objectives:

1. Encourage expanded juvenile jurisdiction and funding by LEAA and those programs at the State and local level, and improving coordination of federal programs affecting juveniles. Such coordination should provide a clear delineation of authority and responsibility between programs funded by the Law Enforcement Assistance Administration and those of the Department of Health, Education, and Welfare.
2. Broadening and planning structure and capabilities at the local and state levels.
3. Substantially increased funding for action and special impact by States and localities. A portion of the federal funds under the act should be available for the matching requirements of other federal funds, thus increasing the scope of the funding.
4. Providing an ongoing capability for legislative and staff monitoring and evaluation of all programs and activities funded under the act as a basis for developing hard data for making decisions on long range needs.
5. Utilization of the existing structure of the State Planning Agencies for law enforcement in the achievement of the above objectives.

EXHIBIT 2

PLANNED EXPENDITURES OF LEAA FUNDS FOR JUVENILE JUSTICE THROUGH THE 55 STATE AND TERRITORIAL PLANNING AGENCIES, FISCAL YEAR 1973, PREPARED BY THE NATIONAL COUNCIL ON CRIME AND DELINQUENCY

The National Council on Crime and Delinquency has long been concerned about the adequacy of the federal response to the nation's problems of juvenile delinquency, prevention and justice. The Law Enforcement Assistance Administration (LEAA) of the U.S. Department of Justice is the government's primary vehicle for crime reduction through state and local planning. The category of delinquency prevention and juvenile justice is but one of the major mandated LEAA State Planning Agency (SPA) targets. This analysis, therefore, was undertaken to determine the financial and program planning directions of the nation's 55 jurisdictions in response to the problems of juvenile delinquency through the auspices of the LEAA program.

The accompanying data was collected from the Comprehensive Criminal Justice Plans for FY 1973 for all but four of the 55 states and territories. The plans are submitted to LEAA to substantiate the requests for assistance for "Part C" block grant funds and "Part E" correctional funds in accordance with the Omnibus Crime Control and Safe Street Act of 1968 and subsequent amendments (the most recent legislation was the Crime Control Act of 1973, Public Law 93-83, August 6, 1973). The plans for California, Michigan, New Mexico, and North Carolina were not available in the LEAA library at the time of data collection, thus data contained herein does not include figures for these states.

The data indicates that the percentage of available block grant funds intended for programs in the arena of juvenile justice and delinquency prevention ranges from a high of 56% in Guam, to a low of .29% in Kansas. The national average on the basis of the 51 plans was 15.4% in FY 1973. Although the data for FY 1972 has not yet been compiled, this represents a slight increase over resources allocated in FY 1970 (14.3%), and FY 1971 (16.2%). However, juvenile and youth crime reportedly accounts for half of the nation's crime problem and NCCD questions whether this resource allocation is sufficient and proportionate in relation to the nation's needs.

The data also indicates that the emphasis on "community-based correctional alternatives" is considerable—with 40% of the total juvenile justice funds destined for programs in that broad arena. Although this appears encouraging, it must be noted that the planned expenditure of funds in this programmatic category is difficult to pin down according to types of "alternatives" as program descriptions are vague and generic.

It must also be noted that less than 2% of all juvenile justice funds were planned for research and evaluation purposes. Because there were so few programs identified in this arena, they have been included with programs aimed toward public education and other miscellaneous targets.

Table I is a state-by-state summary of the juvenile justice effort through utilization of the LEAA block grant funds.

Table II is a comprehensive analysis of the state-by-state effort fiscally and programmatically.

Table III is a summary comparison of the overall national programmatic effort in juvenile justice based on the data from the 51 state plans.

It must be noted that this data for planned expenditures does not necessarily mean that the money has actually been spent as intended. Although the state plans are an outline of the intended directions for spending, follow-up data is difficult to secure with any degree of accuracy. One reason is the lack of standardized reporting of past progress in a programmatic category; another reason is the flexibility which occurs between planning a program effort and implementing it.

Many of the state plans indicated general program efforts which would be directed to both juveniles and adults. Few of the plans specified the financial allocation to each age group. Thus, half of the total program effort for such programs was determined to be a reasonable, albeit optimistic, allocation for our purposes.

In summary, this material is presented as indicative of general trends and thrusts in juvenile justice planning throughout the country under the auspices of the LEAA block grant program.

TABLE 1.—FISCAL YEAR, JUVENILE JUSTICE EFFORT

State	Available LEAA block grant funds	LEAA funds planned for juvenile justice	Percentage of total LEAA funds
Alabama	8,026,000	1,382,530	17
Alaska	700,000	158,000	23
Arizona	4,127,000	471,487	11
Arkansas	4,482,000	827,000	18
Colorado	5,143,000	415,000	8
Connecticut	7,064,000	1,912,000	27
Delaware	1,277,000	394,750	31
Florida	15,821,000	2,745,250	17
Georgia	10,695,000	1,611,945	15
Hawaii	1,791,000	522,000	29
Idaho	1,660,000	95,804	6
Indiana	12,102,000	3,301,998	27
Illinois	25,898,000	2,200,000	8
Iowa	6,581,000	1,033,105	16
Kansas	5,235,000	15,000	.29
Kentucky	7,500,000	1,187,500	16
Louisiana	8,485,000	83,965	5
Maine	2,312,000	213,211	9
Maryland	9,140,000	2,550,000	28
Massachusetts	13,257,000	1,983,458	15
Minnesota	8,866,000	2,110,000	24
Mississippi	5,166,000	1,011,570	20
Missouri	10,897,000	2,208,440	20
Montana	1,618,000	130,000	8
Nebraska	3,457,000	801,000	23
Nevada	1,139,000	177,350	16
New Hampshire	1,719,000	174,000	10
New Jersey	16,703,000	3,091,000	19
New York	42,496,000	4,500,000	15
North Dakota	1,439,000	123,000	9
Ohio	24,821,000	4,661,371	19
Oklahoma	5,964,000	1,489,000	25
Oregon	4,873,000	1,155,996	24
Pennsylvania	27,482,000	3,499,502	13
Rhode Island	2,206,000	98,818	4
South Carolina	6,036,000	364,745	6
South Dakota	1,551,000	183,482	12
Tennessee	9,143,000	420,000	5
Texas	26,091,000	1,670,000	6
Utah	2,468,000	397,718	16
Vermont	1,035,000	117,750	11
Virginia	10,832,000	1,836,500	17
Washington	7,944,000	2,080,000	26
West Virginia	4,064,000	580,000	14
Wisconsin	10,294,000	1,000,000	10
Wyoming	755,000	40,000	5
American Samoa	63,000	24,150	38
Guam	198,000	110,967	56
Puerto Rico	6,320,000	1,726,100	27
Virgin Islands	146,000	57,000	39
Washington, D.C	1,763,000	359,114	20
Total	398,845,000	61,602,576	15.4

Note: Plans were not available for California, Michigan, New Mexico, and North Carolina.

EXHIBIT 3

SUMMARY AND ANALYSIS OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

This title incorporates the findings and purpose of this legislation into the findings and purposes of the Omnibus Crime Control and Safe Streets Act (the Crime Control Act of 1973). These findings include the high incidence and cost of delinquency which require comprehensive action by the Federal government to reduce and to prevent delinquency. Moreover, it is the policy of Congress to provide the necessary leadership and resources to develop effective methods of preventing and reducing juvenile delinquency, diverting juveniles from the juvenile justice system, and providing critically needed alternatives to incarceration. These statements indicate that the purpose of S. 821 is to give LEAA a clear mandate to conduct effective programs to prevent delinquency and provide alternatives for youth to institutionalization.

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

This title sets forth a series of specific amendments to the Federal Juvenile Delinquency Act (Secs. 5031–5042 of Title 18) designed to guarantee certain basic rights to juveniles who come within Federal jurisdiction.

Definitions

A "juvenile" is a person under 18 or for proceedings under this chapter a person who is under 21 and "juvenile delinquency" is the violation of a law of the United States committed by a juvenile which would have been a crime if committed by an adult.

Deference to local courts

In cases involving juveniles, Federal courts would be required to defer to state courts unless the Attorney General certified that the state does not have jurisdiction or refuses jurisdiction or does not have available adequate services to meet the needs of juveniles. The Federal courts and the Federal correctional system have never been properly equipped to handle large numbers of juveniles with the result that Federal juvenile delinquents are frequently transferred away from their home communities for treatment. By deferring jurisdiction to state courts, the harmful effects of this dislocation would be reduced.

Delinquency proceedings and transfer hearings

In Federal cases, a juvenile alleged to have committed a crime shall be proceeded against as a juvenile delinquent unless he is 16 years or older. Where a juvenile age 16 and older alleged to have committed a serious felonious act could be prosecuted either as a juvenile or as an adult, a Federal District judge would be required to conduct a hearing and find that such a transfer would be in the interest of justice. Specific criteria are listed by which the court shall assess the interests of justice and findings are required with regard to each criterion before a juvenile could be prosecuted as an adult criminal. Subsequent proceedings (including criminal prosecution) on the basis of the alleged act are banned once a plea of guilty has been entered or the proceeding has reached the stage that evidence has begun to be taken. Juvenile proceedings are designed to rehabilitate a youthful offender and no eligible child should face criminal prosecution without careful decision by a court. Under the present law, the Attorney General now has sole discretion to make this determination.

Right to counsel

The bill implements Supreme Court decisions guaranteeing the right to counsel during the transfer hearing and every other critical stage of the proceedings including the right of indigent juveniles to have court-appointed counsel.

Procedural safeguards

The bill requires that juveniles be advised of their rights along with parents, guardian or custodian, and taken before a committing magistrate forthwith upon arrest, and that pre-adjudication detention is permitted only if a magistrate determines, after hearing, that detention is necessary to secure the juvenile's timely appearance before the appropriate court or to protect his safety or the safety of others. Whenever possible, detention shall be in a foster home or community-based facility located in or near his home community. If a detained juvenile is not brought to trial within thirty days the information shall be dismissed unless the Attorney General can show the delay was caused or consented to by the juvenile and his counsel or would be in the interest of justice.

Prohibition against commingling

The bill prohibits the detention or confinement of juveniles in institutions in which the juvenile has regular contact with adults who are convicted or awaiting trial are confined. Juveniles who are incarcerated with adults are not only less likely to be rehabilitated, but are also likely to learn the ways of criminals. For similar reasons, the bill provides that alleged delinquents insofar as possible must be kept separate from adjudicated delinquents.

Study and disposition

This legislation provides that the court may suspend the sentence of the delinquent, place him on probation, or commit him to the custody of the Attorney General. If the juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than 20 days after trial unless further study has been ordered. If the court desires more detailed information concerning an alleged or adjudicated delinquent, it may commit him after notice and hearing at which the juvenile is represented by counsel. Such study shall be conducted on an out-patient basis, unless the court determines that in-patient study is necessary. In the case of an alleged delinquent, in-patient study can only be ordered with the consent of the juvenile and his attorney.

A juvenile who has been detained or committed to the Attorney General should have custody, care and discipline as nearly as possible equivalent to that which should have been provided for him by his parents. The juvenile shall be provided with adequate food, clothing, bedding, education, all other necessary care and treatment. A juvenile shall be placed whenever possible in a foster home or community-based facility located in or near his home community.

Parole and probation

The Board of Parole is required to release on parole any juvenile delinquent who has been committed as soon as satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice. Furthermore, a juvenile cannot have parole or probation revoked without a hearing with counsel for the juvenile. The provision is in accordance with the trend of recent court decisions and enables the juvenile to prepare himself for a normal life in the community.

Juvenile records

The record of any juvenile proceeding shall be sealed upon completion and only released by the court under certain very limited and prescribed circumstances. Juvenile records are all too frequently used inappropriately to eliminate adjudicated delinquents from meaningful opportunities in our society.

The provisions of Title II as a whole guarantee a juvenile under Federal jurisdiction the basic rights of our system of justice and increase the probability of his rehabilitation while still protecting the safety of the public.

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

The first section of this title amends Section 203(a) of Title I of the Omnibus Crime Control and Safe Streets Act which provides for the composition of the State Planning Agency and any regional planning units within the State. According to the substitute amendment, the State Planning Agency and any regional planning units must be representative of agencies related to the prevention and control of juvenile delinquency and must include representatives of citizen, professional, and community organizations including organizations directly related to delinquency prevention. It is intended that the organizations listed for membership in the Advisory Group to the State program in Sec. 482(a)(3) are all eligible for appointment to the State Planning Agency and its regional units.

This title creates a new Part F of the Omnibus Crime Control and Safe Streets Act. This title establishes an Office of Juvenile Justice and Delinquency Prevention (hereinafter referred to as the "Office") in the Department of Justice, Law Enforcement Assistance Administration, headed by an Assistant Administrator appointed by the President with the advice and consent of the Senate. The Assistant Administrator shall exercise all necessary powers subject to the direction of the Administrator of the Law Enforcement Assistance Administration. The Assistant Administrator will be assisted by a Deputy Assistant Administrator, and such other employees as are necessary to perform the duties vested in him. A position of Deputy Assistant Administrator is established to supervise and direct the National Institute of Juvenile Justice which is part of the Office. The Office shall administer Part F and shall administer or provide policy direction for all prior-existing LEAA juvenile programs to ensure coordination within LEAA.

The Office will be the central coordinator of the entire Federal juvenile delinquency effort. This concept is important to the bill. There is general agreement that the Federal effort to date has been badly fragmented and lacking in direction and has had virtually no impact in reducing the spiralling rate of juvenile crime. This bill recognizes that there is a need for a centralized Federal response to the juvenile delinquency crisis. The Office will implement overall policy and develop priorities for all Federal juvenile delinquency programs.

Annual report

The Assistant Administrator will be required to report annually on the activities of the Office to the President and Congress on problems encountered in the operation and coordination of the various Federal juvenile delinquency programs, and on the effectiveness of Federal efforts to deal with juvenile delinquency. He is also required to develop annually and submit to the President and Congress a comprehensive plan for Federal juvenile delinquency programs with particular emphasis on prevention and diversion.

The Administrator may provide technical assistance to any Federal, state or local government, courts, public or private agencies in the planning, establishment or operation or evaluation of juvenile delinquency programs. The Administrator is authorized to make grants to any public or private agency to carry out the purposes of this Act and is further authorized to transfer funds to any agency of the Federal government to develop or demonstrate new methods of juvenile delinquency prevention and rehabilitation.

Interdepartmental Council

This title establishes the Interdepartmental Council on Juvenile Delinquency, composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and such representatives of other agencies as the President designates. The Council is to coordinate all Federal juvenile delinquency programs, to meet six times a year, and include its activities in the annual report prepared according to Sec. 474(b)(5). The Attorney General will serve as Chairman of the Council, and may appoint an Executive Secretary and such personnel as are necessary.

National Advisory Committee

A National Advisory Committee for Juvenile Justice and Delinquency Prevention of 21 members and members of the Interdepartmental Council ex-officio will advise the Administrator of LEAA with respect to the planning, operations and management of Federal juvenile delinquency programs. One-third of its members shall be under the age of 26 and it is expected that some of its members will be individuals with experience within the juvenile justice system. A subcommittee of five members will serve as an Advisory Committee on the overall policy and operations of the National Institute of Juvenile Justice. Another subcommittee of five members will serve as an Advisory Committee on Standards for the Administration of Juvenile Justice.

The National Advisory Committee will bring citizen participation and cooperation to the work of the Administration. The bill recognizes that we will only be able to do something meaningful about juvenile delinquency with the help and support of the public.

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

This title establishes a Federal assistance program of block grants to state and local governments and for direct special emphasis grants to public and private agencies to develop and implement comprehensive juvenile justice programs with particular emphasis on the prevention of delinquency.

State and local formula grants

Funds appropriated under this part shall be allocated for grants to the states based on relative population under 18 (no allotment to any state shall be less than $200,000). In order to receive this grant, a state shall submit a state plan which meets the requirements of Section 482 (a) and (b) and Section 303(a) of Title I of the Omnibus Crime Control and Safe Streets Act. The plan must contain the following fundamental requirements:

(a) designate the state planning agency established by the Omnibus Crime Control and Safe Streets Act as the sole agency to prepare and administer the plan;

(b) provide for an advisory group consisting of persons knowledgeable about juvenile justice and juvenile delinquency appointed by the Governor to advise the state planning agency and its supervisory board and to approve the state plan and any modification of the state plan prior to submission to LEAA;

(c) provide for a detailed study of state needs for an effective, comprehensive, coordinated approach to juvenile justice and delinquency prevention;

(d) provide for expenditure of at least 50 percent of the state's funds through local government programs;

(e) provide for expenditure of three-quarters of the funds a state receives on the development and use of advanced techniques designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, to establish probation subsidy programs, to provide community-based alternatives to traditional detention and correctional institutions. The advanced techniques include community-based prevention, diversion, and rehabilitation efforts through development of foster-care and shelter care facilities, group homes, halfway houses, and other diagnostic or rehabilitative facilities; expanding use of probation; funding of probation subsidy programs; training of probation personnel, other professionals and paraprofessionals to work with youth; and comprehensive drug abuse prevention and education programs and treatment and rehabilitation programs for drug addicted and dependent youth. Such techniques also include community-based services to work with parents to retain the juvenile in his home and educational or supportive services designed to keep the juvenile in school or alternative learning situations and to provide work and recreational opportunities for delinquents or youth who may become delinquent and youth initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

(f) provide for consultation with local governments and private agencies in the development of the plan and provide for maximum coordination and utilization of existing juvenile delinquency programs and related programs, such as education, health and welfare within the state;

(g) provide that, within two years after the submission of the plan, juveniles who are not charged with or have not committed substantive, criminal offenses shall not be placed in juvenile correctional facilities, but must be placed in shelter facilities. (This would include runaways, truants, neglected children, persons in need of supervision (PINS) and incorrigibles.);

(h) provide that juveniles will not be kept in any institution in which they have regular contact with adult criminals or alleged criminals;

(i) provide for state monitoring of jails and detention and correctional facilities to assure that juveniles are not in jail and juveniles involved in status offenses are in shelter facilities;

(j) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth and that procedures will be established to assure the rights of recipients of services;

(k) provide for procedures to protect the rights of recipients of service and to assure privacy of records regarding such services;

(l) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this part; and

(m) provide for prudent fiscal control and accounting procedures.

In the event that a state fails to submit a plan or have one approved after notice and hearing, the Administrator shall make the state's allotment available to public and private agencies for special emphasis prevention and treatment programs.

If the plan does not meet the requirements of S. 821 due to oversight or neglect, the Administrator shall endavor to make the state's allotment available to public and private agencies in that state for direct special emphasis grants as defined in Section 483. A number of private agencies including some in my home state of Indiana are concerned that if a state does not complete its plan, that insufficient funds will be available in that state for delinquency programs. Others are concerned that if a state could obtain all the funds under the act without completing the plan that there would be no incentive to complete the plan. For this reason, the section was drafted to avoid automatic placement in the state if no plan is approved but neglect or oversight is intended to include inaction or red-tape that leads to non-filing of the plan.

Special emphasis prevention and treatment programs

Funds under this part will be used for contracts with public or private agencies to develop innovative juvenile delinquency prevention and diversion programs; to develop and implement means of diverting juveniles from the traditional juvenile justice and correctional system, and to improve the capability of public and private agencies to provide services for delinquents and youth in danger of becoming delinquent; criteria for approval of contracts by the Administrator are also set forth.

These special emphasis grants will add flexibility and resources to the work of the Office. The new Office of Juvenile Justice and Delinquency Prevention will be able to develop national programs for youth in trouble and to assure technical assistance to local agencies. Not less than 25 percent or more than 50 percent of the funds appropriated for each fiscal year to Part F shall be available for special emphasis and treatment grants. At least 20 percent of the funds available for special emphasis grants and contracts shall be available to private non-profit agencies who have had experience dealing with youth.

In addition, there are provisions in Title IV relating to the withholding of funds, the use of funds, and conditions of payments. Of particular interest is a provision that it is the declared policy of Congress that programs funded under this part shall continue to receive financial assistance providing the yearly evaluation of the programs is satisfactory.

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

This title establishes a National Institute for Juvenile Justice (hereinafter referred to as the "Institute") headed by a Deputy Assistant Administrator of the Office of Juvenile Justice and Delinquency Prevention, which will be the research and training arm of the new Office. The Institute is expected to be closely tied to the operation of the Office. Research, training and evaluation performed by the Institute should improve the operation of all Federal juvenile delinquency programs. This title also provides that records of the identity of juveniles which were gathered for research purposes may not be disclosed to any public or private individual or agency.

Information clearinghouse

The Institute will serve as an information clearinghouse, both collecting all data related to juvenile delinquency and disseminating it throughout the country. There is general agreement that the impact of various research and demonstration program results has been severely limited due to the lack of any centralized source of information. Further, it is extremely difficult for a prospective grantee to obtain compresensive information of Federal resources available in the area of juvenile delinquency. The Institute is intended to serve as a clearing house for delinquency information, including statistics, research, availability of resources, and Federal, state and local juvenile delinquency programs.

Research, demonstration and evaluation

Research, demonstration and evaluation will be central functions of the Institute, conducted both by Institute personnel and by outside agencies, institutions or individuals. The quality of the research and demonstration projects will be regularly evaluated and the findings widely disseminated. In addition, the Institute will provide for the evaluation of all programs funded under this part and any other delinquency programs at the request of the Administrator. Those programs which prove effective can then be adapted for use on a broad scale in various parts of the country. By relating the research, demonstration and evaluation functions closely to the program funding function of the Office the bill will permit promising results to be translated promptly into operating programs in the field.

Training

The Institute is also responsible for conducting training programs (directly or by contract) throughout the country for persons working in the juvenile justice and delinquency field, such as policemen, judges, probation officers, and corrections personnel. In addition, the Institute would train professional, paraprofessional and volunteer personnel who work with young people to prevent and treat juvenile delinquency.

The Institute, under the supervision of the Advisory Committee on Standards for Juvenile Justice, shall review existing reports and standards relating to the juvenile justice system in the United States. Not later than one year after the passage of the Act, the Committee will submit to the President and Congress a final report which—based on recommended standards for the administration of juvenile justice at the Federal, state and local level—(1) recommends Federal administrative budgetary and legislative action to facilitate the adoption of the standards; and (2) recommends state and local action to facilitate the adoption of these standards at the state and local level.

We have been told repeatedly of the wide disparities between states governing the treatment of juveniles at all stages of the court and correctional process. By creating national standards of juvenile justice backed by Federal leadership and funds, we can help assure that state and local governments will meet these standards.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

This title authorizes for purposes of part F appropriations of $75 million for the fiscal year ending June 30, 1975 and $150 million for the fiscal year ending June 30, 1976.

In addition to the funds appropriated in this section, the Administration shall maintain the same level of financial assistance for juvenile delinquency programs assisted by the LEAA during fiscal year 1972. LEAA spent $140 million on juvenile delinquency programs in FY 1972 and appropriations for part F are to be in addition to this sum.

TITLE VII

Title VII establishes a National Institute of Corrections in the Federal Bureau of Prisons by amending Title 18 U.S.C. by adding a new Chapter 319.

Mr. BAYH. Mr. President, as I said, I would like to inform those who are interested in following the course of this legislation, that on Thursday last the RECORD contained the full text of the amendment which is now before the Senate. This is the substitute on which the Senator from Nebraska (Mr. HRUSKA) and the Senator from Indiana, and their collective staffs have labored mightily, and which we hope, with minor alterations and no altercations, will pass the body and become law.

Mr. President, while I am presenting a formal statement for the RECORD, let me reiterate this amendment to S. 821 is the culmination of a 3-year effort undertaken by the Subcommittee To Investigate Juvenile Delinquency of the Committee on the Judiciary, which it has been my privilege to chair.

I have worked very closely with the Senator from Nebraska, the Senator from Maryland (Mr. MATHIAS), and the Senator from Kentucky (Mr. COOK), and several other members of the committee. The Senator from Illinois (Mr. PERCY) has also shown a keen interest in our efforts. We have had a number of days of hearings. We have had dozens of witnesses. I think we are now prepared to make a significant contribution to the cause of juvenile justice.

When we undertook this study 3 years ago the Nation was then, and continues to be, concerned about crime. We studied the problem of juvenile delinquency and its relationship to the hardened adult criminal. The more deeply we studied the problem, the more we became aware that we were working on the wrong end of the problem. Fifty percent of all serious crimes were, and are, committed by young people under the age of 21.

Mr. President, if you take a look at our adult prisons, you have to be impressed by the fact that most adult felons in this country start out with juvenile records, which means that our Nation and our system of justice has not been doing the kind of rehabilitation job that is necessary. We have not been doing the kind of prevention job that is necessary.

All of us, from the time that we become old enough to talk, have been told that an ounce of prevention is worth a pound of cure. We have not applied this action to the system of justice prevailing in our Nation, in our effort to dampen the ever-increasing crime problem.

Mr. President, to sum it up in a few words, this bill is designed to change our thrust in the way we handle juveniles and juvenile delinquents. I want to emphasize the difference between those two categories. It is hoped that the resources and the direction of this bill will give as much or more attention to preventing that first juvenile delinquency act so that we will not have to spend as much time in the second aspect of the bill, namely, improving rehabilitation.

The committee has benefited tremendously, let me say, from the expertise of many private groups and agencies that have shown a great deal of leadership in this area. I would ask unanimous consent that a list of some of these many organizations be included at this time. I will not try, by memory, to start down that list myself, because I am apt to omit some people who have helped us a great deal.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST

National Council on Crime and Delinquency, the National Council of Juvenile Court Judges, the American Federation of State, County and Municipal Employees, National Youth Alternatives Project, American Institute of Family Relations, American Parents Committee, B'nai B'rith Women, the National Council of Jewish Women, the National Association of State Juvenile Delinquency Program Administrators, National Governors' Conference, National League of Cities and U.S. Conference of Mayors, and the Interagency Collaboration on Juvenile Justice which includes the Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Future Homemakers of America, Girls' Clubs of America, Girl Scouts of the U.S.A., National Board of YMCA's, National Board of the YWCA's of the U.S.A., National Federation of Settlements & Neighborhood Centers, National Jewish Welfare Board and Red Cross Youth Service Programs.

Mr. BAYH. Mr. President, these folks are in the field now. They have been working mightily to solve this problem, but they, too, have been hampered by the fact that the public responds to serious crime and not to the possibilities of prevention.

One of the major thrusts of this piece of legislation is to try to find a way—and we believe we have found it—to coordinate the private and the public effort. We should be able to have a more coordinated effort, more expertise delivered in the field of prevention and rehabilitation, with better results in the final analysis.

This bill has gone through several drafts. It has been considered by the White House, HEW, and the Department of Justice.

The Senator from Indiana was originally of the opinion that HEW would be the best vehicle to handle this particular problem. The Senate Judiciary Committee felt otherwise. In studying this problem and looking at our new draft, I think we have been able to come up with a bill that can handle this effectively, perhaps even more so as far as results are concerned, than would have been the case if the jurisdiction had been at HEW.

I think we have to face up to a rather tough fact. That is, it has traditionally been very difficult for Congress to get resources to deal with the problems of rehabilitation and prevention through the appropriation process for HEW. We presently have a $75 million authorization for HEW funding in this area. This year we are operating under a $10 million appropriation and the job is not being done as it should be.

LEAA, on the other hand, has had almost unlimited success at getting resources and programs.

What our bill is designed to do is to take advantage of LEAA's capacity to get resources, to put a new organizational feature into LEAA, and to provide a new assistant administrator at LEAA who will have policy control not only over the new programs created by this bill, but over the existing juvenile programs that are in LEAA.

We are providing an additional $75 million worth of authorized resources this year and $150 million in the next fiscal year. Add that to the $140 million which LEAA has said they are spending, give total policy jurisdiction over all those funds to this new assistant administrator, and I think that anyone who has followed this whole juvenile delinquency area will see that this will be a significant improvement.

We have given the assistant administrator rather unique authority. We have provided that the President appoint the assistant administrator and this body should provide advice and consent so that we give to that assistant administrator different standing than any other assistant administrator in LEAA. That should be a declaration of national policy, that we are through fooling around in our efforts to deal with the problems of young people in this country.

As the law exists now, you can go to dozens of different agencies in this city which provide services for young people in more than 100 different programs. We want one person to coordinate it. By establishing this new organization within LEAA, and by giving this advise and consent status, we think we will have emphasized this national goal as it has not been emphasized before. We set out new programs of block grants to go back to the States for new techniques to prevent delinquency, to divert offenders, and to provide alternatives to incarceration.

I want to emphasize the important role that private agencies are going to play in establishing alternatives to the present system of dealing with the problems of juveniles. I think we are going to have a lot more effective program by giving these private agencies the kind of resources they need to expand the very worthwhile services they are already providing.

In this bill we were able to guarantee not only an adequate voice for public and private agencies with expertise in delinquency prevention and working with juveniles in policy determination in the LEAA Administration in Washington, but we were also able to change the manner of composition of LEAA's existing State planning agencies to require input from these same groups.

Also these groups will be represented on the regional boards where LEAA programs are planned. We will also have the State advisory group to provide still another vehicle for consulting with these professionals who have significant expertise.

Mr. President, what we have done is to say, "All right, if we are going to put juvenile justice in LEAA, we are going to insist that the State planning agencies have somebody on the board who is knowledgeable about prevention, somebody on that board who is knowledgeable about rehabilitation, and also somebody on that board who represents the private agencies, who have not been represented in the past," and we mandate these specifically.

We also provide for the establishment of an Institute for Juvenile Justice within the new Office of Juvenile Justice and Delinquency Prevention in LEAA. This will give us significant research capacity and proper training of the paraprofessionals to create these new alternatives. I think it should be noted that Congressman Railsback, our colleague in the House from Illinois, has been a very strong leader in this area. I am hopeful that we will like this new approach because it is founded on the kind of leadership that he has provided.

Mr. President, also in this bill we guarantee basic rights of juveniles who come within Federal jurisdiction. We set national standards in the administering of juvenile justice. It seems to me we should not have two classes of justice and give second-class justice to our juveniles. We ought to treat them equally, or we ought to treat them better.

What we are doing here is establishing a national standard for due process in the system of juvenile justice.

I believe LEAA can do this job. We have had significant successes in LEAA, in the Youth Service Bureaus in my State and elsewhere. Our subcommittee intends to continue monitoring this program to see that it goes the way we want it to go. We have had too many double shuffles as far as our efforts to see that programs passed by this body to deal with juveniles are being administered properly. This is a national commitment to do a better job, and our subcommittee intends to see that it is carried out in that manner.

Mr. President, I should like to yield to the distinguished Senator from Nebraska; but before doing so, I want to state once again, publicly, the gratitude that the chairman of the subcommittee has for the cooperation and concern that have been expressed by this distinguished Member of the Senate (Mr. Hruska). He has helped immeasurably. We have had differences of opinion; but, in the spirit of compromise, and always with the desire to see that the young people were the beneficiaries, I think we have come up with a proposal that is going to reach the goal we set out to reach some 3 years ago.

I yield to my friend and colleague, the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I thank the Senator from Indiana for his generous words.

It is easy to get a great deal done if there is the degree of cooperation that has existed among the staffs as well as the Senators who are the principal proposers of this substitute amendment. Certainly, the Senator from Indiana has been very exemplary in the development of this legislation.

It was a week ago today that the full text of the substitute amendment was printed in the Record. At that time, both the Senator from Indiana and this Senator engaged in a discussion of the bill, an explanation of it, and its rationale. I will not cover that ground again, but commend its reading to my colleagues and to others who may be interested in the efforts we have made in this regard.

Mr. President, this amendment is of vital importance in achieving a solution to the problems of juvenile delinquency. It is clear from the subcommittee deliberations that the control of crime in this Nation hinges to a great extent upon taking active and effective measures to prevent juvenile delinquency, to minimize the involvement of youth in the juvenile and criminal justice system, and to reintegrate delinquent youth into the community. The high percentage of juveniles arrested for all categories of serious crime and the comparative increase in juvenile crime arrests, indicate the need to dedicate Federal assistance and resources to assist State and local governments in the fight to control and eliminate juvenile delinquency.

Lack of national priorities and administrative accountability has hurt the Federal participation in juvenile delinquency effort in the past. We now have an opportunity to not only treat the juvenile justice system as entity but to integrate it into the total law enforcement and criminal justice effort mandate given to the Law Enforcement Assistance Administration in 1968. In my view, this is essential if the Federal Government is to help provide meaningful assistance.

The need for a unified approach to this problem is evidenced by the fact that in 1972, 40 percent of the children processed by the formal juvenile justice system had committed no criminal act. These status offenders must be channeled into a wide range of community resources dealing in human services. By unifying the system, as this legislation will do, these status offenders can be more effectively serviced outside the formal system by appropriate referral. The coordination required to accomplish this need can only be effected by placing the coordination responsibility within a unified juvenile delinquency system.

Since 1968 LEAA has funded many millions of dollars in delinquency prevention and juvenile justice programs. Forty of LEAA's 55 State planning agencies were, by the end of 1970, also administering the Juvenile Delinquency Prevention and Control Act program for the Department of Health, Education, and Welfare. In 1971, amendments to the Omnibus Crime Control and Safe Streets Act gave LEAA a stronger mandate to give attention to juvenile delinquency programs by including reduction of juvenile delinquency as part of the definition of law enforcement activity and by authorizing community-based delinquency prevention and correctional programs. By 1972, $140 million of LEAA funds for that fiscal year had been allocated for juvenile delinquency programs.

The 1973 amendments to the Omnibus Crime Control and Safe Streets Act focused even more heavily on juvenile delinquency, requiring State plans to include a comprehensive juvenile justice program in order to be approved by LEAA. New initiatives have been undertaken by LEAA, including the establishment of juvenile justice divisions in its Office of National Priority Programs and National Institute of Law Enforcement and Criminal Justice and the establishment of a juvenile delinquency initiative as a major new thrust of LEAA in fiscal years 1974, 1975, and 1976.

LEAA already has the program elements necessary to implement a comprehensive juvenile delinquency program. The block grant mechanism and the network of State planning agencies will operate to fully analyze juvenile delinquency needs and develop a comprehensive approach to juvenile delinquency prevention and control. Implementation of this bill can be done quickly and effectively by using these existing mechanisms, assisted as they will be by the provisions of the substitute amendment. Specific attention is given in this amendment to the matter of developing State plans within the revenue-sharing block grant system embodied in LEAA.

There may be a few technical amendments offered to the substitute amendment. I hope they will be nominal in content. This bill has received very thorough canvassing and reconciliation among the several points of view expressed by committee members as S. 821 was being processed. Therefore, I believe the substitute amendment should be adopted, to the extent possible, in its present form.

It should be noted, Mr. President, that any other Federal agency would have to build from a new base, leading to lengthy and wasteful process which would bring delay and fragmentation to the Federal juvenile delinquency effort. LEAA is equipped to immediately make the efforts needed to prevent juvenile crime, to divert the juvenile offenders from the justice system to social service and human resources, and to deal with the serious juvenile offender.

While LEAA has made substantial progress within the limits of its current authority, it can be fully expected that the Juvenile Justice and Delinquency Prevention Act of 1974 will give LEAA a wider range of alternatives in satisfying the need of Federal assistance to help solve this serious problem.

I urge my colleagues to support this amendment.

Mr. President, this legislation addresses one of the most pressing national problems of today—juvenile crime. In my view, the Federal Government must make a substantial effort to help prevent and control juvenile delinquency and to offer treatment alternatives to the traditional juvenile justice system.

To date, Federal leadership and coordination have been lacking with various Federal delinquency programs spread among many agencies. The result has been overlapping and duplication. Viewing the juvenile justice system as an entity, the appropriate Federal role must be to provide a comprehensive and coordinated approach to solving this serious problem.

This effort requires, and the amended bill provides, the Federal leadership and resource coordination necessary to develop and implement State and local programs for the prevention and treatment of juvenile delinquency. This problem must be attacked on the State and local level since juvenile delinquency is essentially a State and local problem.

The National Advisory Commission on Criminal Justice Standards and Goals after an exhaustive study of the problem of crime in America and of the solution to the crime problem, stated that the first priority in reducing crime was preventing and controlling juvenile delinquency. In its report "A National Strategy To Reduce Crime," the Commission stated:

> The highest attention must be given to preventing juvenile delinquency, to minimizing the involvement of young offenders in the juvenile and criminal justice system and to reintegrating delinquent and young offenders into the community.

The reasons the Commission reached this position are readily apparent when one realizes that the arrests of juveniles under 18 for violent crimes such as murder, rape, and robbery as reported by the FBI Uniform Crime Reports, have increased 216 percent from 1960 to the present. During the same period, juvenile arrests for property crime, such as burglary and auto theft, have increased 91 percent. Juveniles under 18 are responsible for 51 percent of the total arrests for property crime, 23 percent for violent crimes, and 45 percent for all serious crimes.

Juvenile crime takes an enormous toll each year. In 1970, it was estimated in testimony before the Senate Judiciary Committee in hearings on the Juvenile Delinquency Prevention and Control Act Amendment of 1971 that the material cost was in excess of $4 billion. Even more costly was the immeasurable losses in human terms to both the victims of juvenile crime and to the juveniles themselves. The total of juvenile arrests increased almost seven times faster than the total of adult arrests and juvenile arrests for violent crimes increased almost three times faster than that for adult arrests. It is generally agreed that the policemen, judges, and the probation, parole, and corrections officers who deal with juveniles are extremely dedicated. Too often, however, their efforts are hampered and negated by outmoded procedures, a lack of funds and inadequate facilities for caring for youthful offenders. Such deficiencies seriously weaken rehabilitation efforts.

In addition, in many instances, the criminal justice system is viewed as a catchall for those children too difficult to be dealt with by normal community facilities. Nearly 40 percent—one-half million per year—of the juveniles incarcerated today in institutions, jails, and detention facilities have committed acts which are not classified as crimes when committed by adults. This figure is staggering when viewed with recognition of the detrimental effects that incarceration has been shown to produce with first offenders and juveniles. These children and youth should be channeled to those social service agencies which are more competent to deal with the substantive human and social issues involved in these areas.

Since the traditional juvenile procedures and criminal justice system are ineffective and inappropriate in many instances, there is a strong need to provide a viable diversion mechanism for dealing with these youths Alternative programs utilizing resources other than the police, courts, and corrections can provide necessary rehabilitation without the harmful stigmatization that sometimes accompanies contact with the criminal juvenile justice system. Efforts must be directed at preventing delinquency but there is an equal need to deliver services and attention in such a way and at such a time as to prevent the development of criminal careers. While involvement with the juvenile justice system is to be minimized, its sanctions are necessary for the control of some juveniles. The quality of this system must be improved so that the youthful offender is helped to become a responsible, law abiding citizen.

BLOCK GRANTS

Under the Omnibus Crime Control and Safe Streets Act of 1968, as amended, annual block grants are made to each of the States for planning and for implementing action programs to improve law enforcement and criminal justice. Allocation of these lump sum funds is based on population. A condition precedent to the award of the block grant is approval by the Law Enforcement Assistance Administration of a comprehensive statewide plan submitted by the State.

Each State planning agency determines needs and priorities throughout the entire State. It then develops and correlates programs to improve and strengthen law enforcement for the State and units of local government. The compehensive statewide plan is then submitted to LEAA for approval.

Congress in the 1971 and 1973 amendments to the Omnibus Crime Control and Safe Streets Act of 1968, as amended, required LEAA to place an even greater emphasis on juvenile delinquency. The amendments made a number of charges relative to juvenile delinquency. The 1971 amendments made express provision for the prevention and control of juvenile delinquency. This led to an increased LEAA emphasis on juvenile delinquency with the result that in fiscal year 1972 almost $140 million had been allocated for juvenile delinquency programs and in fiscal year 1973 almost $100 million was actually expended on juvenile delinquency programs. The Crime Control Act of 1973 made reduction and prevention of juvenile delinquency a purpose of the act and required for the first time that each State plan, to qualify as comprehensive, must include a comprehensive program, whether or not funded by the act, for the improvement of juvenile justice.

While LEAA has gone a long way within the limits of its authority, incorporation of part F in the LEAA mandate will, in my opinion, provide the infusion of greater resources needed to supplement its current efforts and further assure a comprehensive juvenile delinquency program. Since many of the program areas provided for in this bill are currently funded by LEAA and States under the block grant program, a separate system would simply confound the planning and funding efforts of both agencies. Separate efforts would lead to fragmentation and there could be duplication of certain programs and omissions of others. The block grant system of funding has proven to be extremely successful in assisting law enforcement and criminal justice systems on the State and local level while at the same time providing needed Federal direction, coordination and control of a diversion and multifaceted system. The comprehensive juvenile delinquency program fits naturally into the framework of this system.

Indeed, it is evident that more progress has been made in the juvenile delinquency area through the vehicle of block grant funding than under any other system of Federal assistance utilized since the inception of Federal juvenile delinquency programing. This is the opportune time to merge juvenile delinquency programing into the broad conceptual framework of the block grant concept. Just as part E, added by the 1973 amendments to the Omnibus Crime Control and Safe Streets Act of 1968, as amended, gave special attention to the correctional area, including juvenile corrections, part F will logically supplement efforts in the delinquency area. It would be unwise to create another categorical grant program with numerous new structures and strings just at the time that the block grant program has demonstrated results. Incorporation of the part F program into the block grant framework will promote greater coordination, and the integration of programs so vital in the effort against juvenile delinquency. Indeed, S. 821 anticipates that the part F plan requirement can be incorporated into the comprehensive plans submitted by the States under parts B and C of the safe streets program.

COMMITMENT

As noted, LEAA has the administrative structure and block grant approach necessary to minimize duplication and time lag. Perhaps the most compelling reason, however, that LEAA should administer the program is the dedicated commitment to juvenile delinquency prevention and control that it has made over the past five years. An objective comparison between LEAA and HEW, the other agency with concurrent primary responsibility in this area, clearly demonstrates that LEAA is the best agency to do the job.

LEAA was initially given a very limited role in juvenile delinquency prevention and control. However, LEAA has initiated and expanded its own programs to include a multitude of programs in the juvenile justice area.

The term juvenile delinquency was never mentioned in the Omnibus Crime Control and Safe Streets Act of 1968 because HEW was given primary responsibility in this area under the Juvenile Delinquency Prevention and Control Act of 1968. However, LEAA had a strong interest in this area and by the end of 1970, over 40 of the State planning agencies created to administer the LEAA program were also administering the Juvenile Delinquency Prevention and Control Act program.

Amendments to the Omnibus Crime Control and Safe Streets Act enacted in 1971 expressed congressional intent that LEAA focus even greater attention on the juvenile delinquency program. A new definition of law enforcement was formulated specifically incorporating "programs relating to the prevention, control or reduction of juvenile delinquency." Grants were authorized by the amendments for community-based delinquency prevention and rehabilitation centers for the guidance and supervision of potential repeat youthful offenders. Furthermore, Congress added the new part E corrections program which required as a condition of receipt of funds an application which demonstrates a satisfactory emphasis on programs for delinquents and youthful offenders.

Congress in the Crime Control Act of 1973, realizing the potential of LEAA in this area, required LEAA to place an even greater emphasis on juvenile delinquency. The Omnibus Crime Control and Safe Streets Act of 1968 was amended to include the reduction and prevention of juvenile delinquency as a purpose of the act. Additionally, the act was amended to require that the State's comprehensive plan address the improvement of juvenile justice as a condition for approval as a comprehensive plan.

These congressional mandates have prompted LEAA to take a number of new initiatives. Juvenile justice and delinquency prevention is one of LEAA's four national priority programs. A Juvenile Justice Division has been established in LEAA's Office of National Priority Programs and a Juvenile Justice Section has been established in the National Institute of Law Enforcement and Criminal Justice, the research arm of LEAA. It is important to note that S. 821, as amended, provides for the establishment of a National Institute of Juvenile Justice within the newly created Juvenile Justice and Delinquency Prevention Office. Locating this body here will expand the level and nature of delinquency research already conducted by LEAA and will increase the focus on the prevention of delinquency.

The same commitment toward preventing and controlling delinquency is lacking in HEW. The accomplishments of HEW in this field have been disappointing at best. It has proceeded in an ineffective and half-hearted manner and only recently, since the prospect of LEAA administration of the juvenile delinquency program, has HEW begun to show any interest at all.

In 1968, the Congress assigned HEW the responsibility for national leadership in developing new approaches to solving the problems of delinquency and authorized a funding level for 1968 to 1971 of $150 million. HEW requested only 49.2 million and expended just half of that amount. The 1971 amendment extended the program for an additional year and authorized $75 million for the fiscal year ending in June of 1972. Only $10 million for that fiscal year was requested. In 1972 the Juvenile Delinquency Prevention and Control Act was extended for 2 years under the name "Juvenile Delinquency Prevention Act." This act limited, at HEW's request, the scope of HEW's activities to include only prevention programs outside the traditional juvenile justice system. LEAA's history, on the other hand, is one of increased emphasis on juvenile delinquency programs. LEAA has spent over $300 million for juvenile delinquency programs in its first 5 years. During the fiscal year 1972, LEAA awarded nearly $140 million on a wide ranging juvenile delinquency program. The breakdown of this expenditure is as follows: $21 million or 15 percent was for prevention; nearly $16 million or 12 percent was for diversion; almost $41 million or 30 percent went for rehabilitation; $33 million or 24 percent was spent to upgrade resources; $17 million or 13 percent went for drug abuse programs; and 6 percent financed the comprehensive juvenile delinquency component of the high impact anticrime program. In fiscal year 1973, the amount of funds for juvenile delinquency prevention programs alone has increased to $34 million.

Both the National Governor's Conference and the National Conference of State Planning Agency Directors have endorsed putting the juvenile delinquency program in LEAA. The National Conference of State Legislators, public safety task force, has recommended a similar resolution for August action by the full body.

It is unquestionable that LEAA has the capability, capacity and the desire to do the job. To fail to give LEAA a comprehensive mandate as proposed by this legislation would seriously weaken the Federal juvenile delinquency prevention and control effort.

LEAA POSSESSES THE ADMINISTRATIVE MECHANISM NECESSARY FOR EFFECTIVE AND EFFICIENT OPERATION OF THE JUVENILE DELINQUENCY PROGRAM

The substitute amendment, makes provision for the appropriation of $225 million under part F of the Omnibus Crime Control and Safe Streets Act over a 2-year period. This provides a sufficient time frame to develop and implement delinquency prevention, diversion, and treatment programs and provide for the necessary planning, research, training, and evaluation. The program will test LEAA's ability to implement a highly coordinated effort among the Federal, State, and local units of government.

The Federal Government must provide the needed financial assistance and resources for the endeavor. Since the delinquency problem is essentially a State and local problem, the State will serve as the focal point for juvenile justice planning and program implementation at the State and local level.

Many considerations make LEAA the natural choice to administer the program. LEAA already possesses the experience, the relevance and the organizational structure at the State and local level to take maximum advantage of the increased Federal commitment. LEAA has emerged as the lead agency in Federal juvenile delinquency prevention and control programs and has both the legislation mandate and program elements required to administer S. 821, as amended.

Currently LEAA has in operation 55 State planning agencies which plan, coordinate, and implement various programs of LEAA. These State agencies already have developed forms, regulations, grant funding mechanisms, guidelines, and other procedures necessary for efficient operation of the juvenile delinquency program. All of these State agencies are in fact already involved in juvenile delinquency programs. They have undertaken comprehensive crime and delinquency oriented analysis to develop a coordinated approach to preventing and reducing crime and delinquency. Under LEAA guidelines every State planning agency is required to complete a detailed analysis of the problems of crime and delinquency in the State and establish detailed goals, standards, and priorities for reducing crime and delinquency within the State by 1976.

The same agencies have, since their creation in 1968, planned, developed and funded a large number of diverse juvenile delinquency programs. Administratively, these State agencies are ideally suited to assume further responsibilities in the juvenile delinquency field.

The LEAA program presently involves several thousand people in a coordinated effort at the Federal, State, and local levels. With a minimum of modification, the existing structure, with its qualified and competent personnel, can go into operation immediately to implement this legislation. For example, LEAA's research arm, the National Institute of Law Enforcement and Criminal Justice, has already established a Juvenile Delinquency Division which provides many of the functions required in sections 491 to 493 of this bill. These functions can be smoothly transferred to the National Institute for Juvenile Justice. It is estimated that all of the functions required can be provided within 2 months of the passage of this legislation by intensifying present recruitment and program efforts. To establish the national institute in another agency would involve much time and wasteful duplication of effort.

In short, to provide for the administration of the juvenile delinquency program in an agency other than LEAA would waste the available resources of a viable Federal agency and 55 State planning organizations. Delays, administrative foulups, and additional time for the development of organizational processes and procedures must be anticipated if another agency has to undergo the learning process that LEAA experienced in its first years of operation before it developed an effective and efficient program. I believe LEAA has proven itself in this regard. We cannot afford to waste resources or sacrifice demonstrated efficiency and coordination in the juvenile delinquency field by failing to utilize the existing administrative structure.

ANALYSIS OF AMENDED BILL, S. 821, AS PROPOSED BY MR. BAYH AND MR. HRUSKA

The substitute amendment to S. 821, No. 1578, is designed to make certain technical changes to the amendment in the nature of a substitute I successfully offered to S. 821 before the Committee on the Judiciary.

The major thrusts of the changes in the amendment are to make the sections amending the Omnibus Crime Control and Safe Streets Act of 1968, as amended, fit more smoothly into the existing sections of that act, to clarify the administrative structure created by the bill, and to revise the appropriation authorization provided in S. 821, as originally reported by the Judiciary Committee.

This amendment differs from the bill reported out of committee in the following respects:

The amendment:

First, provides that the representation of law enforcement and criminal justice agencies in the State planning agency shall include agencies directly related to the prevention and control of juvenile delinquency and shall include representatives of citizens, professional, and community organizations including organizations directly related to delinquency prevention—section 203(a);

Second, provides that there shall be at the head of the Office of Juvenile Justice and Delinquency Prevention an Assistant Administrator, rather than a director, who shall be appointed by the President with the advice and consent of the Senate, instead of appointment by the Administrator of LEAA—section 471;

Third, provides for the establishment of a National Institute of Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office as opposed to placement in the National Institute of Law Enforcement and Criminal Justice—section 490(a); and

Fourth, establishes at section 483(5)(b) an upper limit of 50 percent for the availability of funds appropriated under this part for special emphasis prevention and treatment programs. In addition, it is provided that at least 20 percent of the funds available pursuant to this section shall be available to private nonprofit agencies, organizations, and institutions who have had experience in dealing with youth.

Those provisions in the amendment which are similar to those contained in the bill reported by the Committee are offered for the same purposes and intent as stated in the Senate Report, No. 93-1011. This report should be referenced to show the intent of the committee with respect to those areas which are substantially the same, as well as to show the overall intent of the Committee on the Judiciary in developing juvenile delinquency legislation.

I would like to summarize for the record the major provisions of the amended bill, highlighting the significant changes proposed to be made to the committee bill as reported to the Senate.

TITLE I

Title I, sections 101 and 103, states the findings and declaration of purpose of the legislation and defines certain terms. Section 101 amends the Omnibus Crime Control and Safe Streets Act, incorporating therein two new findings related to juvenile delinqunecy into title I of that Act, and in addition incorporates four new purposes related to juvenile delinquency into the purposes enumerated in title I of that act.

Section 103 amends section 601 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by adding at the end of that section definitions of the term "community-based" facility, program or service, "Federal juvenile delinquency program," and "juvenile delinquency program."

TITLE II

Title II makes amendments to the Federal Juvenile Delinquency Act, that portion of the Criminal Code—title 18 of the United States Code—which pertains specifically to juveniles. Seven sections of title 18 are amended and five new sections are added.

Section 201 amends section 5031 of title 18, United States Code, to redefine the terms juvenile and juvenile delinquency. A "juvenile," for the purposes of this chapter, is a person under 18 years of age, or for the purpose of proceedings and disposition for an alleged act of juvenile delinquency, a person who has not obtained his 21st birthday. "Juvenile delinquency" is defined as the violation of a law of the United States committed by a person prior to his 18th birthday which would have been a crime if committed by an adult.

Section 202 amends section 5032 of title 18, United States Code, to provide for delinquency proceedings in district courts and transfer for criminal prosecution. A juvenile alleged to have committed an act of juvenile delinquency may not be proceeded against in a U.S. court unless the Attorney General, after investigation, certifies that no State court has or wants jurisdiction, or that the State does not have adequate programs and services available for the needs of juveniles. A juvenile shall not be proceeded against as an adult in a U.S. court unless he has so requested in writing on advice of counsel, or unless a motion of the Attorney General to transfer is granted in the case of a juvenile over 16. The appropriate district court must find that such transfer would be in the interest of justice to grant the motion. Evidentiary factors to be considered and procedural safeguards are specifically set forth.

Section 203 amends section 5033 of title 18, United States Code, to require that an arrested juvenile be immediately advised of his legal rights, that the Attorney General and the juvenile's parents, guardian, or custodian be advised of the juvenile's custody and nature of the alleged offense, and that the juvenile be brought before a magistrate within a reasonable period of time.

Section 204 amends section 5034 of title 18, United States Code, to specify the duties of a magistrate in a case involving a juvenile. The juvenile must be represented by counsel before the magistrate can proceed with critical stages of the proceedings. The magistrate may appoint a guardian ad litem if necessary. The juvenile is to be released to a responsible party unless the magistrate determines, after a hearing, that detention of the juvenile is required to secure his presence or to insure his safety or that of others.

Section 205 amends section 5035 of title 18, United States Code, to provide that a juvenile alleged to be delinquent may be detained only in a juvenile facility or other suitable place, as designated by the Attorney General. Foster homes and community-based facilities are favored. Juveniles may not be detained or confined where regular contact with adult persons convicted of crime or awaiting trial on criminal charges are confined. Insofar as possible alleged delinquents may not be detained with adjudicated delinquents.

Section 206 amends section 5036 of title 18, United States Code, to require dismissal of an information brought against a juvenile if he is not brought to trial within 30 days of detention, unless the Attorney General shows that additional delay was caused by the juvenile or his counsel, or consented to by the juvenile and his counsel, or would be in the interest of justice in the particular case. Delays caused solely by court calendar congestion are not in the interest of justice. Only in extraordinary circumstances may an information dismissed for such delay be reinstated.

It should be noted that this provision amends the committee bill which required dismissal with prejudice unless the Attorney General showed that additional delay beyond 30 days from the date of arrest was unavoidable, caused by the juvenile or his counsel, or consented to by the juvenile and his counsel. Dismissal with prejudice, raising the bar of double jeopardy, is removed by this substitute amendment in order to allow reinstatement of a dismissed information in extraordinary circumstances and to bring this section into harmony with similar provisions of the Speedy Trial Act of 1974, S. 754, as enacted by the Senate on July 23, 1974.

Section 207 amends section 5037 of title 18, United States Code, to provide for a separate dispositional hearing within 20 days after a juvenile had been adjudicated delinquent. The adjudication of delinquency or the dispositional hearing may be suspended by the court on such conditions as it deems proper. If further information is needed, the alleged or adjudicated delinquent may be committed to the custody of the Attorney General for observation and study, preferably to be conducted on an outpatient basis. Inpatient observation and study may be conducted where necessary to obtain the desired information but for an alleged delinquent consent of the juvenile and his attorney is required. Probation, commitment, or commitment for study and observation shall not extend beyond the juvenile's 21st birthday, or the maximum term which could have been imposed on an adult, whichever is sooner, or a period not to exceed the lesser of 2 years or the maximum term which could have been imposed on an adult convicted of the same offense.

Section 208 adds a new section 5038 to title 18, United States Code, to provide for the safeguarding of records from disclosure throughout any juvenile delinquency proceeding and for the sealing of the entire file and record of any juvenile delinquency proceeding on its completion. Release of the information is proper only to the extent necessary to meet certain law enforcement, criminal justice or national security purposes. Similar strict limitations are provided for during the course of an adjudication. The section additionally contains a prohibition against photographing or fingerprinting juveniles not proceeded against as an adult, unless the presiding judge consents in writing.

Section 209 adds a new section 5039 to title 18, United States Code, which assures that no juvenile committed to the Attorney General will be placed or retained in an adult jail or correctional institution in which he would have regular contact with incarcerated adults. Foster homes and community-based facilities are favored.

Section 210 adds a new section 5040 to title 18, United States Code, which permits the Attorney General to contract with public or private agencies for the observation, study, custody, and care of juveniles, provides for the promulgation of regulations and allows use of certain appropriations.

Section 211 adds a new section 5041 to title 18, United States Code, which requires that the Board of Parole will release a committed juvenile delinquent as soon as it is satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice.

Section 212 adds a new section 5042 to title 18, United State Code, which provides for notice and a hearing with counsel before a juvenile's parole or probation is revoked.

Section 213 revises the table of sections of chapter 403 of title 18, United States Code, to reflect the changes made by the legislation.

TITLE III

Title III further amends the Omnibus Crime Control and Safe Streets Act to provide representation of juvenile justice experts in the planning process and to add a new part F dealing with juvenile justice and delinquency prevention and control to title I of that act.

Section 301 is a new provision, added by the substitute amendment, to amend section 203(a) of the Omnibus Crime Control and Safe Streets Act to provide for representation of agencies and organizations related to juvenile delinquency to State planning agencies and regional planning units.

Section 302(a) redesignates parts F, G, H, and I of title I of the Omnibus Crime Control Act, as amended, as parts G, H, I, and J, respectively.

Section 302(b) amends the Omnibus Crime Control and Safe Streets Act, as amended, by adding a new part F, entitled "Juvenile Justice and Delinquency Prevention." The title of part F reflects the need to encompass the entire juvenile justice system in attacking the problem of delinquency. The nine new sections added in part F are as follows:

Section 471 creates within the Department of Justice, Law Enforcement Assistance Administration—LEAA—an Office of Juvenile Justice and Delinquency Prevention Office, to be headed by an Assistant Administrator nominated by the President, by and with the advice and consent of the Senate, and subject to the direction of the Administrator of LEAA. Two Deputy Assistant Administrators are also provided for. One Deputy Assistant Administrator is to supervise and direct the National Institute for Juvenile Justice established under section 490 of the act.

Provision is made for three additional supergrades.

Section 472 authorizes the Administrator to select, employ and fix the compensation of officers and employees without regard to civil service and classification laws. Three officers may be appointed at a rate not above that prescribed for Government grade GS–18. Provision is also made for use of experts and consultants and the detailing of employees from other Federal agencies.

Section 473 permits the acceptance of voluntary and uncompensated services, notwithstanding the provisions of 31 U.S.C. 665(b).

Section 474 requires the Administrator to establish overall policy and develop objectives and priorities for all Federal juvenile delinquency, juvenile justice and related programs and activities. The Administrator shall consult in this effort with the Interdepartmental Council on Juvenile Delinquency and the National Advisory Committee for Juvenile Justice and Delinquency Prevention. To carry out the purposes of the act, the Administrator is authorized and directed to undertake a number of responsibilities. These include advising the President, assisting other agencies when necessary, conducting and supporting evaluations and studies of juvenile delinquency programs and activities, coordinating programs and activities among Federal departments, developing analysis and evaluation of Federal functioning under the act, developing a comprehensive plan for Federal juvenile delinquency programs, and providing technical assistance. The Administrator may utilize the services of other Federal agencies on a reimbursable basis, and may request information and reports from the agencies as necessary. Funds may be transferred to other Federal agencies for the development of new methods or supplement existing programs in the area of juvenile delinquency prevention and rehabilitation. The Administrator is further authorized to make grants and enter into contracts to carry out the purposes of the act, and he may delegate any functions except that of making regulations. The Administrator must coordinate his activities as necessary with the Secretary of HEW as regards the Juvenile Delinquency Prevention Act (42 U.S.C. 3801, et seq.).

Section 475 provides for unified administration of juvenile delinquency programs funded by more than one Federal agency. The Administrator may request one agency to act for all. A single non-Federal share requirement may be established, and technical requirements may be waived where inconsistent.

Section 476 establishes an Interdepartmental Council on Juvenile Delinquency consisting of the heads of various Federal agencies whose programs have a direct bearing on the problems surrounding juvenile delinquency. The Attorney General is to serve as chairman on the council. The Council must meet a minimum of six times per year and must coordinate all Federal juvenile delinquency programs. An executive secretary and such personnel as necessary must be appointed by the chairman. Provision is made for the designees of the council members to serve in their place.

Section 477 establishes a National Advisory Committee for Juvenile Justice and Delinquency Prevention consisting of 21 members. Interdepartmental council members or their designees are to be ex-officio members of the committee. The regular members are to be appointed by the President and are to have special knowledge or experience concerning juvenile delinquency and juvenile justice. A majority of the members, including the chairman designated by the President, are not to be full-time employees of Federal, State, or local governments. At least seven of the members must be under the age of 26 at their appointment. The members must be appointed to 4-year terms on a staggered basis.

Section 478 specifies the duties of the Advisory Committee. As the name indicates, the committee is solely advisory and does not have authority independent of the President and the Administrator of LEAA. The committee must meet a minimum of four times a year and may make recommendations to the Administrator regarding planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs. Subcommittees may be designated for particular purposes. One five-member subcommittee will form an Advisory Committee for the National Institute for Juvenile Justice. Another five-member subcommittee will form an Advisory Committee on Standards for Juvenile Justice.

Section 479 provides for the reimbursement of expenses of Advisory Committee members and for the compensation of members not employed by the Federal Government.

TITLE IV

Title IV adds eight additional sections to the newly created part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended. These provisions establish a Federal assistance program for State and local government for juvenile justice, delinquency and related programs. Sections 480 through 482, create a block grant program. Sections 483 and 484 provide for special emphasis prevention and treatment programs.

Section 401 is the operative provision of title IV. The eight sections added to part F are as follows:

Section 409 authorizes the Administrator to make grants to States and local government to assist them with programs and activities related to juvenile justice and juvenile delinquency.

Section 431 provides for allocation of funds under part F among the States on the basis of population of people under age 18. No State is to get less than $200,000, except for certain island territories, which are to receive a minimum of $50,000. Funds unallocated at the end of any fiscal year are to be reallocated in an equitable manner. Any reallocated amounts are in addition to the amounts already available. Not more than 15 percent of a State's allotment may be used for developing a State plan and administering the program. Local governments may share in this planning and administration money. Where the State has already substantially absorbed the burden under the Safe Streets Act of the State and local planning process, this amendment would allow the State to continue planning for local juvenile delinquency efforts. It is anticipated that, for the most part, the States and local governments will utilize the existing sub-State planning structure currently in operation.

Section 482 requires that each State have a plan for carrying out the purposes of the legislation in order to get bloc grants. The amendment requires that the plan conform with the requirements of section 303(a) of the Safe Streets Act. Essentially, this provision means that the plan required under section 480 must conform with and may even be part of the comprehensive State plan required under parts B and C of the Safe Streets Act. Further requirements for the State plans are set forth in 21 enumerated paragraphs and are as follows:

The State planning agency already established to implement the Omnibus Crime Control and Safe Streets Act is to be solely responsible for planning and administration of the plan;

The State planning agency must be shown to have authority to implement the plan;

An advisory group shall be appointed by the chief executive of the State to advise the State planning agency and its supervisory board. The makeup of the advisory group, similar to that of the National Advisory Council for Juvenile Justice and Delinquency Prevention, is specified. Similarly, the function of this group is solely advisory and it has no authority independent of the chief executive of the State or the State planning agency and its supervisory board.

Local governments must be actively consulted and local needs taken into account;

Fifty percent of the funds received by a State are to be expended through local government programs, unless waived by the Administrator because juvenile services are organized primarily on a statewide basis;

The chief executive officer of the local government, as necessary, shall designate a local agency responsible for administration and supervision of any local part of the State plan and local programs funded;

Funds received must be equitably distributed within a State;

A detailed study of State needs for an effective, comprehensive, coordinated approach to juvenile justice and delinquency prevention must be set forth. This study is to include an estimate cost for implementation;

Private agencies are to be consulted and participate in development and execution of the State plan. Existing programs are to be used where feasible;

Seventy-five percent of the funds available to a State are to be used for advanced techniques and programs for prevention of delinquency, diversion of juveniles from the juvenile justice system, use of probation subsidies, and to provide community-based alternatives to detention. Eight examples of advanced techniques are specified. These examples are not exhaustive and funds need not be spent for all of the named techniques;

An adequate research, training, and evaluation capacity is to be developed within the State;

Within 2 years after submission of the plan, the State must assure that juveniles who have committed or been charged with offenses not criminal if committed by an adult, are placed in shelter facilities rather than correction or detention facilities;

Juveniles alleged or adjudicated to be delinquents are not to be detained or confined in any institution in which they have regular contact with alleged or adjudicated adult criminals;

The State must provide for monitoring of jails and detention and correctional facilities to assure that the requirements of the preceding two paragraphs are complied with. Findings are to be reported to the Administrator annually;

Assurance must be made that assistance will be equitably available to all youths, including those who may be handicapped, females, or a member of a minority group;

Procedures are to be established for protecting the rights of recipients of services and assuring privacy of records regarding such services;

Arrangements are to be made to protect the interests of employees affected by assistance under the act;

Fiscal control and fund accounting must be provided for;

Assurance must be made that Federal funds available will be used to supplement and increase, not supplant, other available State, local, and non-Federal funds;

The State planning agency must review its plan at least annually and submit an analysis, evaluation, and any necessary modifications to the Administrator;

The plan is to contain such other terms and conditions as the Administrator reasonably prescribes to assure program effectiveness.

The State supervisory board of the State planning agency is to approve the State plan and any modifications prior to its submission. The Administrator is to approve any plan which meets the requirements of the section. If a State does not submit a plan, or submits one which the Administrator finds, after notice and hearing, does not meet the section's requirements, then the Administrator may make the State's allotment available to public and private agencies of any State for special emphasis prevention and treatment programs. However, if the plan fails to meet the requirements due to oversight or neglect, rather than explicit conscious decision, the allotment is to be available to public and private agencies within the State for special emphasis prevention and treatment programs, as defined in section 483.

Section 483 authorizes the Administrator to make grants and enter into contracts for developing and implementing new approaches, techniques, and methods for juvenile delinquency programs; for developing and maintaining community-based alternatives to institutionalization for developing and implementing new means of diversion; for improving the capability of public and private agencies to provide services to delinquents and those in danger of becoming delinquents; and for facilitating adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice. Not less than 25 percent or more than 50 percent of the funds appropriated each fiscal year pursuant to part F are to be available for special emphasis prevention and treatment programs. At least 20 percent of the funds available for grants and contracts under the section are to be available to private nonprofit agencies, organizations, or institutions who have had experience in dealing with youth. The proposed amendment places a ceiling on the amount of discretionary funds at a maximum of 50 percent. It is anticipated that in determining whether the 20-percent figure has been met, the following will be included: Indirect grants and contracts and expenditures under these grants and contracts, as well as direct grants and contracts and expenditures under these grants and contracts.

Section 484 requires submission of an application for grants under section 483 and sets forth the requirements for such application. The application must provide for supervision by the applicant, a program carrying out one of the purposes of section 483, proper and efficient administration, regular evaluation, review by the State planning agency when appropriate, regular reports to the Administrator, and necessary fiscal control and fund accounting procedures. In determining whether or not to approve applications, the Administrator must take into account cost and effectiveness of proposed programs, the extent the program is new or innovative, the extent to which the program is consistent with the State's plan, the increase in capacity of the applicant to provide necessary services, the rate of youth unemployment, school dropout and delinquency in the community to be served, and the extent to which the program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth in Section 496.

Section 485 provides for operation of the withholding provisions of the act if the Administrator finds that a program or activity which was the subject of a grant has so changed that it no longer complies with the provisions of the title or operates without so complying. Such a finding will be made only after due notice and hearings as provided by the Omnibus Crime Control and Safe Streets Act, as amended.

Section 486 provides that funds paid may be used for securing, developing or operating programs carrying out the purpose of part F and for up to 50 percent of the construction cost of innovative community-based facilities for less than 20 persons which the Administrator feels are necessary for carrying out the purposes of the part.

Section 487 sets forth the policy of Congress that programs should receive continued funding if evaluation is satisfactory. At the Administrator's discretion, a State may use 25 percent of the funds available to it under the part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency grant, provided that it is adequately documented that there is no other way for a necessary project to be funded. Otherwise, the Administrator may require a grant recipient to contribute money, facilities, or services. Methods of payment in advance or by way of reimbursement are provided.

TITLE V

Title V further amends the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to establish within the Juvenile Justice and Delinquency Prevention Office a National Institute of Juvenile Justice. Section 501 is the operative provision of the title. Seven new sections are added immediately after the new part F, as follows:

Section 490 establishes a National Institute for Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office. It is to be under the supervision and direction of the Assistant Administrator and headed by a Deputy Assistant Administrator of the Office.

Section 491 authorizes the National Institute for Juvenile Justice to serve as an information bank by collecting and synthesizing data concerning juvenile delinquency, and to serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency.

Section 492 authorizes the National Institute for Juvenile Justice to conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, encourage development of demonstration projects using new and innovative techniques, evaluate all assisted programs and any other Federal, State, or local juvenile delinquency programs and disseminate the results of evaluations, research, and demonstration projects.

Section 493 authorizes the National Institute for Juvenile Justice to develop, conduct, and provide for training programs, seminars, and workshops for personnel engaged in work or preparing to work in areas related to juvenile delinquency.

Section 494 provides that the Advisory Committee for the National Institute for Juvenile Justice—established in section 478(d)—shall advise, consult with, and make recommendations regarding the overall policy and operations of the Institute.

Section 495 provides that the Assistant Director is to report annually on the programs of the Institute to the Administrator. A summary of this report shall be included in the Administrator's annual report to the President and Congress, as required by section 474(b) (5).

Section 496 requires the National Institute for Juvenile Justice, under the supervision of the Advisory Committee on Standards for Juvenile Justice, to review existing reports and data and develop standards relating to juvenile justice. Within 1 year of passage of the section, a report is to be made to the President and Congress recommending Federal, State, and local action to facilitate adoption of the standards developed. The Advisory Committee can obtain information as needed from other Federal agencies.

Section 497 provides that records containing the identity of individual juveniles gathered for purposes of the title may not be disclosed or transferred to any individual or other public or private agency. However, this provision is not intended to limit dissemination or use of such records for purposes for which they were collected, including the purposes specified in this title.

TITLE VI

Title VI, section 601 amends the Omnibus Crime Control and Safe Streets Act by adding at the end of section 520 of title I the following:

There are authorized appropriations for the purpose of part F of $75,000,000 for the fiscal year ending June 30, 1975, and $150,000,000 for the fiscal year ending June 30, 1976, It is required that LEAA maintain the same level of financial assistance for juvenile delinquency programs assisted as during fiscal year 1972. This provision of the substitute amendment reduces the authorized appropriations from the level of the committee bill.

TITLE VII

Title VII establishes a National Institute of Corrections within the Department of Justice, Bureau of Prisons by amending title 18, United States Code, to add a new chapter 319 composed of two sections.

Section 701 is the operative provision of title VII. The new sections added in the new chapter 319 are as follows:

Section 4351 establishes within the Bureau of Prisons a National Institute of Corrections. A 15-member advisory board is to supervise the overall policy and operations of the National Institute of Corrections. Five Federal officials are designated as ex officio members. Five members are to be qualified as a practitioner in the field of corrections, probation or parole, while five are to be from the private sector. Advisory board members are to be appointed by the Attorney General for 3-year, staggered terms. A chairman and vice chairman are to be elected from among the board's members. Provision is made for compensation and reimbursement for expenses.

The Advisory Board is authorized to appoint advisory and technical committees as necessary, without regard to the civil service laws, and may delegate its powers. A director, appointed by the Attorney General after consultation with the board, will have general supervisory powers over functioning of the institute.

Section 4352 sets out certain powers of the National Institute of Corrections. Essentially there are as follows:

To receive or make grants and contracts with governmental and private agencies and individuals;

To serve as a clearinghouse and information center for information regarding corrections;

To assist Federal, State, and local agencies in the development and maintenance of programs and facilities for offenders;

To encourage and assist improved corrective programs;

To conduct seminars, workshops, and training sessions for personnel connected with the treatment and rehabilitation of offenders;

To develop technical training teams;

To conduct, encourage and coordinate research;

To formulate and disseminate correction policy, goals, and standards recommendations;

To conduct evaluation programs;

To receive information and data from other Federal agencies;

To reimburse other Federal agencies for the use of personnel, facilities, and equipment;

To confer with and get assistance from governmental and private organizations and individuals;

To contract with public or private agencies, organizations, or individuals for performance of institute functions; and,

To procure services of experts and consultants.

The National Institute of Corrections must report annually to the President and Congress. Each recipient of assistance must keep complete records on its activities. Books and records pertinent to grants received shall be open to the Institute and the Comptroller of the United States, or their authorized representatives. These provisions apply to all recipients of assistance, whether direct grantees or contractors, or subgrantees or subcontractors.

Mr. President, I send to the desk an amendment authored by the distinguished Republican leader, the Senator from Pennsylvania (Mr. Hugh Scott).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HRUSKA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

At the end of the bill add a new title as follows:

TITLE IX—EXTENSION AND AMENDMENT OF THE JUVENILE DELINQUENCY PREVENTION ACT

YOUTH DEVELOPMENT DEMONSTRATION

Sec. 801. Title I of the Juvenile Delinquency Prevention Act is amended (1) in the caption thereof, by inserting "AND DEMONSTRATION PROGRAMS" after "SERVICES"; (2) following the caption thereof, by inserting "PART A—COMMUNITY-BASED COORDINATED YOUTH SERVICES"; (3) in sections 101, 102(a), 102(b)(1), 102(b)(2), 103(a) (including paragraph (1) thereof), 104(a) (including paragraphs (1), (4), (5), (7), and (10) thereof) and 104(b), by striking out "title" and inserting "part" in lieu thereof; and (4) by inserting at the end of the title the following new part:

"Part B—Demonstrations in Youth Development

"Sec. 105. (a) For the purpose of assisting the demonstration of innovative approaches to youth development and the prevention and treatment of delinquent behavior (including payment of all or part of the costs of minor remodeling or alteration), the Secretary may make grants to any State (or political subdivision thereof), any agency thereof, and any nonprofit private agency, institution, or organization that submits to the Secretary, at such time and in such form and manner as the Secretary's regulations shall prescribe, an application containing a description of the purposes for which the grant is sought, and assurances satisfactory to the Secretary that the applicant will use the grant for the purposes for which it is provided, and will comply with such requirements relating to the submission of reports, methods of fiscal accounting, the inspection and audit of records and other materials, and such other rules, regulations, standards, and procedures, as the Secretary may impose to assure the fulfillment of the purposes of this Act.

"(b) No demonstration may be assisted by a grant under this section for more than one year."

CONSULTATION

Sec. 802. (a). Section 408 of such Act is amended by adding at the end of subsection (a) thereof the following new subsection:

"(b) The Secretary shall consult with the Attorney General for the purpose of coordinating the development and implementation of programs and activities funded under this Act with those related programs and activities funded under the Omnibus Crime Control and Safe Streets Act of 1968";

and by deleting subsection (b) thereof.

(b) Section 409 is repealed.

REPEAL OF MINIMUM STATE ALLOTMENTS

Sec. 804. Section 403(b) of such Act is repealed, and section 403(a) of such Act is redesignated section 403.

EXTENSION OF PROGRAM

Sec. 805. Section 402 of such Act, as amended by this Act, is further amended in the first sentence by inserting after "fiscal year" the following: "and such sums as may be necessary for FY '75".

Mr. HRUSKA. I yield myself 3 minutes.

Mr. President, on behalf of Senator Hugh Scott, I want to point out that this amendment has been discussed with the managers of the bill and members of the committee on both sides of the aisle. The amendment simply extends the HEW juvenile delinquency program for 1 year, to allow an orderly transfer of the program to the LEAA.

Mr. President, I ask unanimous consent to have printed in the Record a statement by Senator Hugh Scott, in which he discusses the substance and the impact of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement By Senator Hugh Scott

This amendment adds a Title IX to the "Juvenile Justice and Delinquency Prevention Act of 1974." Title IX would extend the Juvenile Delinquency Prevention Act, administered by the Secretary of Health, Education, and Welfare through FY 1975. The program is already operating under a continuing resolution, and this amendment would extend the program to the end of the current fiscal year. This would allow for the orderly transfer of functions from the Department of Health, Education, and Welfare to the Law Enforcement Assistance Administration. This amendment provides time to wind down the activities funded under the Juvenile Delinquency Prevention Act without an abrupt, disruption of the programs.

Added also is a requirement consistent with S. 821 that the Secretary consult with the Attorney General for the purpose of coordinating the development and implementation of programs and activities funded under the Juvenile Delinquency Prevention Act with those related programs and activities funded under the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

Title IX repeals the minimum State allotments, which have constituted more than 50 percent of the program monies and are inappropriate in a program which is essentially to provide demonstration project grants to establish youth service systems, and not to finance service delivery.

The title also authorizes demonstration grants in the field of youth development. The program would authorize the Secretary of Health, Education and Welfare to make grants to public and nonprofit private agencies, institutions, and organizations to assist in the demonstration of innovative approaches to youth development and the prevention and treatment of problems of, and leading to, juvenile delinquency.

In effect, Mr. President, this amendment merely provides for an orderly transfer of functions from HEW to LEAA and during the interim attempts to complement, rather than conflict with, the provisions of the subject bill.

Mr. BAYH. Mr. President, the Senator from Indiana has no objection to this amendment.

Before we vote on the amendment, I should say for the record that the purpose of the amendment is as specified by the Senator from Nebraska and the Senator from Pennsylvania, to provide a year for transition.

It does not make any sense for us to establish a bill in which one person is going to be the man with the plan, so to speak, and with the authority to implement it, and then, even before the bill is passed, to have a little caveat and say "but." I know that the Senator from Nebraska does not desire that.

Anybody in this bureaucracy who may think this is still going to give them a foot in the door had better recognize that if they do not get that toe out of there in the next year, they are liable to lose it. We want one program, administered fairly and efficiently, with new resources. Unfortunately, the way the HEW program has existed, it has not provided the kind of sterling leadership we need in this matter.

Without being critical of those people down there, the Senator from Nebraska will recall that when we discussed this matter last year and the year before, we almost did not extend it, because we were not satisfied with the job they were doing. With this new proposal, it is only fair to give them a chance to move the worthwhile services they are providing over to this new office and, at the end of this time provided in the amendment, to close their doors and get about doing something else.

Mr. HRUSKA. Mr. President, I fully agree with the thoughts expressed by the Senator from Indiana. There is a relatively small program involved here. It was thought by Senator Hugh Scott that the personnel could be folded into some of the administrative work in LEAA and there would be an orderly transition of the functions and the programs. That is the justification for the amendment.

Personally, I would have preferred a much shorter time. However, after consultation with the agency and with the Senator from Pennsylvania, a 1-year extension was agreed upon.

Mr. BAYH. Mr. President, one last observation. The people who will read the Record, as well as the people who will be affected by this amendment, have not been privy to some of the conversations the Senator from Nebraska and I have had in trying to work out the measure before the Senate.

It is fair to say, is it not, that the purpose of this amendment is to make it possible for us to take those worthwhile services that are now being provided by HEW and move them under the new office provided for by this bill, but it does not mandate that people who are presently in positions of authority in this program, who are not doing the job, have to be transferred with the authority of the program?

Mr. HRUSKA. The Senator is correct. There is no mandate that these people be moved bodily to LEAA or that they be furnished with equal positions or equal authority in the new program. That is a matter of negotiation, selection, and recruitment, pursuant to regular procedures.

I ask for a vote, Mr. President. I yield back the remainder of my time.

Mr. BAYH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

Mr. BAYH. Mr. President, on behalf of the distinguished senior Senator from Arkansas (Mr. McClellan) I offer an amendment to S. 821, which is the text of amendment 1578 that we are now considering as a bill.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the Record.

The amendment is as follows:

At the end thereof add the followng new title:

"TITLE VIII—FEDERAL SURPLUS PROPERTY

"Sec. 801. (a) Section 203(j) of the Federal Property Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), is amended—

"(1) by striking out 'or civil defense' in the first sentence of paragraph (1) and inserting in lieu thereof 'civil defense, or law enforcement and criminal justice';

"(2) by striking out 'or (4)' in the first sentence of paragraph (1) and inserting in lieu thereof '(4), or (5)';

"(3) by striking out 'or paragraph (4)' in the last sentence of paragraph (2) and inserting in lieu thereof a comma and '(4), or (5)';

"(4) by inserting after paragraph (4) a new paragraph as follows:

"'(5) Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of law enforcement and criminal justice, including research, in any State shall be made by the Administrator, Law Enforcement Assistance Administration, who shall allocate such property on the basis of need and utilization for transfer by the Administrator of General Services to such State agency for distribution to such State or to any unit of general local government or combination, as defined in section 601 (d) or (e) of the Crime Control Act of 1973 (87 Stat. 197), designated pursuant to regulations issued by the Law Enforcement Assistance Administration. No such property shall be transferred to any State agency until the Administrator, Law Enforcement Assistance Administration, has received, from such State agency, a certification that such property is usable and needed for law enforcement and criminal justice purposes in the State, and such Administrator has determined that such State agency has conformed to minimum standards of operation prescribed by such Administrator for the disposal of surplus property.';

"(5) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively;

"(6) by striking out 'and the Federal Civil Defense Administrator' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and 'the Federal Civil Defense Administrator, and the Administrator, Law Enforcement Assistance Administration'; and

"(7) by striking out 'or paragraph (4)' in paragraph (6), as redesignated, and inserting in lieu thereof a comma and '(4), or (5)'.

"(b) Section 203(k)(4) of such Act, as amended (40 U.S.C. 484(k)(4), is amended—

"(1) by striking out 'or' after the semicolon in clause (D);

"(2) by striking out the comma after 'law' in clause (E) and inserting in lieu thereof a semicolon and 'or'; and

"(3) by adding immediately after clause (E) the following new clause:

"'(F) the Administrator, Law Enforcement Assistance Administration, in the case of personal property transferred pursuant to subsection (j) for law enforcement and criminal justice purposes,'.

"(c) Section 203(n) of such Act, as amended (40 U.S.C. 484(n)), is amended—

"(1) by striking out in the first sentence 'and the head of any Federal agency designated by either such officer' and inserting in lieu thereof 'the Administrator, Law Enforcement Assistance Administration, and the head of any Federal agency designated by any such officer'; and

"(2) by striking in next to the last sentence 'law enforcement' and inserting in lieu thereof 'law enforcement and criminal justice', and in the same sentence striking 'or (j)(4)' and inserting in lieu thereof a comma and '(4), or (5)'."

Mr. BAYH. Mr. President, I have a statement prepared by my distinguished colleague, the senior Senator from Arkansas (Mr. McClellan) which I would like to read at this time. This amendment is a technical amendment to correct inadvertent omission of certain conforming amendments from the recently enacted Crime Control Act of 1973—Public Law 93–83, August 6, 1973. The Crime Control Act of 1973 included a provision which was intended to provide the Administrator of the Law Enforcement Assistance Administration with full authority to donate, through the General Services Administration—GSA—surplus property to State agencies for use in their criminal justice systems.

GSA late last year rendered an opinion to the effect that section 525 is inoperative due to a drafting oversight. Thus, the clear intent of the Congress has been frustrated in this respect. The amendment offered at this time on behalf of the Senator from Arkansas corrects the defect which was found to exist by GSA.

I ask unanimous consent that a more detailed statement by the distinguished Senator from Arkansas be printed in the Record at this time.

The PRESIDING OFFICER. Without objection it is so ordered.

Statement by Senator McClellan

I offer an amendment to S. 821 which is solely a technical amendment to correct inadvertent omission of certain conforming amendments from the recently enacted Crime Control Act of 1973. These amendments are needed to conform the Federal Property and Administrative Services Act of 1949 to implement authority for the Law Enforcement Assistance Administration to donate surplus Federal property to a State agency for law enforcement and criminal justice purposes.

On March 27, 1974, the Senate, by voice, accepted these same provisions as an amendment to the bill H.R. 6274 which has been awaiting action by the House on the Senate amendment. It is hoped that an amendment here today will come to final enactment.

The Crime Control Act of 1973 (Public Law 93–83) amended Section 525 of the Omnibus Crime Control and Safe Streets Act of 1968 to extend authority of LEAA to donate surplus Federal property to State agencies for criminal justice purposes. This was done by amending only section 203(n) of the Federal Property and Administrative Services Act to reflect the authority of LEAA. The conference reports of both the Senate and the House clearly reflected the new authority to donate surplus property, stating: "The Senate amendment provided LEAA with authority to donate excess or surplus Federal property to State agencies thereby vesting in the grantee title to such property. The conference substitute accepted the Senate provision." [S. Rept. 93–349, p. 33; and H. Rept. 93–401, p. 33.]

Comments when the conference report was submitted to the Senate clearly reflect the intent of the provision. [See. Cong. Rec., July 26, 1973, at S 14746, and Cong. Rec., Aug. 2, 1973, at S 15561 (daily eds.).]

Following enactment of the Crime Control Act of 1973, the Law Enforcement Assistance Administration received a number of requests for surplus property under the new authority. The LEAA attempted to provide for certain needs at the devasted Oklahoma State Prison in McAlester, Oklahoma by requesting the General Service Administration to donate surplus proprety to this Prison. Hundreds of law enforcement agencies were requesting surplus military helicopters, which were and are still available.

However, shortly after enactment of the Crime Control Act of 1973, the General Counsel of the General Services Administration advised the Law Enforcement Assistance Administration that amending section 203(n) of the Federal Property and Administrative Services Act was not sufficient to authorize the Administrator of General Services to donate surplus property for law enforcement purposes. According to the General Counsel, section 203(n) designates the purposes for which such surplus property may be used, but the section is not independent authority to donate such property—that amendments to subsections 203(j) and (k) are also required.

The amendment I propose today perfects the operative language of subsections 203(j) and (k) of the Federal Property and Administrative Services Act by adding the words "law enforcement and criminal justice" to subsection 203(j)(1) so as to authorize the Administrator of General Services to donate surplus property usable and necessary for law enforcement and criminal justice, educational, public health, or civil defense purposes.

It also adds a new subsection (j)(5) to permit the Administrator, Law Enforcement Assistance Administration, upon a determination that surplus property is usable and necessary for the purposes of law enforcement and criminal justice, to allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to such State agencies recognized pursuant to regulations issued by the LEAA.

In addition, Section 203(k)(4) of the Federal Property and Administrative Services Act is amended by adding a new clause (f) to authorize the Administrator, Law Enforcement Assistance Administration, to enforce compliance with terms and conditions on personal property donations in the same manner as other agencies designated therein. The necessity for this amendment is explained in detail in a letter of October 23, 1973, from the General Counsel of the General Services Administration to the General Counsel of LEAA. I ask unanimous consent that this letter be printed in the record following these remarks.

Mr. President, many law enforcement agencies in every State and territory have urgent need for the surplus property items. The only thing lacking is the perfecting authority to make the surplus helicopters and other property and supplies available to state and local law enforcement and criminal justice programs.

The technical amendment offered assures that LEAA will be able to distribute surplus property to law enforcement and criminal justice organizations of the State without the wasteful and burdensome Federal accountability procedures now required. This was the intent of the Crime Control Act of 1973 and would now be the procedure but for the inadvertent failure to include the proper amendments. Without the amendments, the LEAA is authorized to acquire personal property items which are classified as Federal excess property.

Under present authority, LEAA can only place the property on loan to its grantees for use in their grant-supported law enforcement programs. Title to the Federal excess property remains vested in the Federal government and property accountability records must be maintained by the grantee in accordance with the requirements, criteria, formats and procedures of the lending Federal agency. The loan of this excess property does augment the effectiveness of the grant funded programs.

However, it places a substantial administrative burden on both the grantee and the Federal agency since elaborate accounting records must be kept and inventory and disposition procedures must be maintained to safeguard the identity and presence of the Government property. Where high cost and highly durable items are involved the record keeping procedures may be justified to insure that the equipment will be best used in support of programs of all Federal agencies.

However, in the case of low cost, expendable, consumable or low durability items the accounting procedures place an economically unjustifiable burden upon the grantee and the LEAA. Items such as clothing, electrical fixtures, conduit supplies, minor laboratory equipment, etc., are normally retained by the grantee until they are reduced to scrap. Excess Government property, even in this condition, must be accounted for under the Federal agencies procedures and reported to the Federal agency for rescreening. Disposition instructions are obtained at the end of the screening period and the items are shipped to disposal points or otherwise disposed of as GSA determines.

Surplus property is property which has been offered to all Federal agencies and has not been requested by any agency during its screening period. This property which is not needed by any Federal agency for its own needs often is appropriate and needed for State and local law enforcement programs. Surplus Federal property once donated will become State property and its management and accountability responsibility will be vested primarily in the State. The entire accounting procedure is thus simplified.

The example at the Oklahoma State Prison, following the riots there, points out the present difficulties. Approximately $250,000 worth of supplies and equipment were loaned from Federal excess property and used to temporarily repair the facility and provide shelter, clothing and services for the prisoners. Although the use of the Federal property was effective, it now poses a significant accountability and usage problem. If the assets could have been obtained from surplus inventories they would now be the property of the State of Oklahoma, or the prison, rather than the Federal Government.

Another example of the need for this authority exists in the Virgin Islands. With LEAA grant participation a new confinement facility is being constructed on St. Croix. Due to limited funds, the Office of the Commissioner has requested LEAA to provide the necessary equipment and supplies, leaving the local government financial able to provide a staff. My proposed amendment would simplify record keeping and accountability procedures in this case.

Mr. President, the type of authority I am suggesting is not unusual. More than $5 billion worth of surplus property of all kinds is presently available. Last year $396.5 million worth of property was donated through State agencies for the purposes of education, public health and civil defense.

Law enforcement and criminal justice systems are faced with many pressing problems. Authorizing the donation of surplus Federal property for law enforcement and criminal justice needs is a priority we must address, as was the intent when the Crime Control Act of 1973 was enacted.

By accepting the perfecting amendment I am offering, we will be carrying out the intent of the Congress to assist States and local governments through effective use of a surplus property program for law enforcement and criminal justice agencies.

General Services Administration,
Washington, D.C., October 23, 1973.

Thomas J. Madden, Esquire,
General Counsel, Law Enforcement Assistance Administration, Department of Justice, Washington, D.C.

Dear Mr. Madden: Reference is made to your request for an opinion concerning the applicability of section 203(k)(4) of the Federal Property and Administrative Services Act of 1949, as amended, to donations of personal property.

* * * * *

Section 203(k)(4) provides "Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection.

(A) The Secretary of Health, Education, and Welfare, through such officers or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Secretary of Health, Education, and Welfare, through such officer or employees of the Department of Health, Education, and Welfare as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public;

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces; or

(E) the Federal Civil Defense Administrator, in the case of property transferred pursuant to this Act to civil defense organizations of the States or political subdivisions or instrumentalities thereof which are established by or pursuant to State law, is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant release from any of the terms, conditions, reservations and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serve the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: PROVIDED, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States."

Since the provision appears as part of section 203(k), your question whether its application is limited solely to real property or whether it is applicable to both real and personal property.

It is our opinion that section 203(k)(4) relates to both real and personal property and not merely to real property. We believe that the language ". . . action to be taken under this subsection" is intended, in this instance, to relate to actions under subparagraph (i), (ii), and (iii) of (k)(4) and not as limiting the authority to subsection (k) transactions. This interpretation has prevailed at both the HEW and GSA since the Property Act was enacted in 1949. Congress is aware of such interpretation.

In July of 1956, Congress amended the Federal Property Act to provide authorization for donation for Civil Defense purposes, and the Act of July 3, 1956, which deals solely with donations of *personal property* for Civil Defense purposes specifically amended section 203(k). The legislative history indicates as the reason therefor the following:

"Section 2 provides for amending section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, to give the Federal Civil Defense Administrator comparable authority for enforcing compliance of terms and conditions on property donations in the same manner as the Secretary of Health, Education, and Welfare is authorized to enforce restrictions on property donated for health or educational purposes. This is a conforming amendment, and is identical to section 5 of H.R. 7227 as approved by the House of Representatives."

In addition, both GSA and HEW by current regulations interpret section 203(k)(4) as being applicable to both personal property and real property. It should be noted that in section 203(k)(4) the term "property" is used. In all other sections of section 203(k) the term "real property" is used when referring to property. We believe that under such circumstances the term "property" must be deemed to include both real and personal property (see section 3(d) of the Federal Property Act defining "property").

Accordingly, you are advised that section 203(k)(4) is applicable to both personal property and real property and any amendment of 203(j) should take such factor into consideration.

You have raised the further question whether in view of the amendment to section 203(j) relating to the imposition of terms, conditions, restrictions and reservations upon the use of any single item of personal property donated having an acquisition cost of $2500 or more whether an amendment to section 203(k)(4) is necessary.

We have reviewed the legislative history concerning the amendment of section 203(j), referred to above. In our view, the purpose of the amendment was to restrict in dollar terms the imposition of terms and conditions. It was not intended, nor does it, in our opinion, affect the authorizations under sections 203(k)(4). Section 203(k)(4) deals with enforcement of compliance with the terms, conditions, reservations and restrictions contained in any instrument by which such transfer was made; or to the reformation, correction or amendment of an instrument or to the granting of releases to any terms, conditions, restrictions and reservations contained in the transfer instrument.

There is nothing in the legislative history which indicates that section 203(j)(5) was intended to supersede the authorities under section 203(k)(4). Rather, as previously indicated, the express purpose was to limit the imposition of terms and conditions to donations above a certain dollar value.

GSA, as indicated in its regulations, considers section 203(k)(4) as being applicable to personal property donations notwithstanding paragraph (5) of section 203(j). At best, it would require substantial construction of section 203(j)(5) to imply authorities clearly and expressly granted under section 203(k)(4). Even if implied authority could be argued under 203(j)(5) to permit certain actions expressly authorized under 203(k)(4), under no circumstances could, in our opinion, release of restrictions imposed be implied. In addition, a failure to amend 203(k)(4) at this time, in view of the legislative history and prior interpretations, could be interpreted as a failure by Congress to authorize Law Enforcement Assistance Administration (LEAA) to take the actions authorized under subparagraphs (i), (ii), and (iii) of 203(k)(4) since in all other cases an amendment to 203(k)(4) was made.

As a practical matter, we have been informally advised by the Department of Health, Education, and Welfare that actions under 203(k)(4) are substantial, numbering in the hundreds.

In view of the opinions set forth herein, should your agency amend 203(j) and assuming that you intend to take the actions presently authorized under 203(k)(4), we would strongly recommend that an amendment be made to section 203(k)(4) to appropriately include the Administrator of LEAA.

Sincerely,

WILLIAM E. CASSELMAN, II,
General Counsel.

Mr. BAYH. I ask for the consideration of the amendment.

Mr. HRUSKA. Mr. President, would the Senator yield for 2 minutes?

Mr. BAYH. I would be glad to yield.

Mr. HRUSKA. It is true that the Senate approved the substance of this amendment in March of this year. It is contained in H.R. 6274, now pending in the House and has not yet been acted upon. This is a technical amendment perfecting an authority intended by both the House and Senate to have been extended to LEAA by the Crime Control Act of 1973.

At present, there is a lack of technical language which prevents LEAA from possessing that power. The inadvertent omission of these conforming amendments to the Federal Property and Administrative Services Act should be promptly corrected for the reasons summarized by the Senator from Arkansas and by the Senator from Indiana.

I shall support the amendment.

Mr. BAYH. I yield back my time.

Mr. HRUSKA. I yield back my time.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to read the amendment.

Mr. HRUSKA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 37, delete lines 21 through 23, inserting in lieu thereof the following:

"(b) The Supervisory Board designated pursuant to Section 482(a), after consultation with the advisory group referred to in section 482(a) shall approve the State plan and any modification thereof prior to submission to the Administrator.

Mr. HRUSKA. I yield myself 2 minutes.

Mr. President, during the course of drafting changes in S. 821, this technical amendment was discovered as one of the points that should be provided.

As this juvenile delinquency and prevention program was developed into an integral part of LEAA, it was intended that ultimate authority for State level approval would reside with the State planning administrators under the LEAA umbrella in accordance with the current operation.

However, it was intended that a strong consultation role would be played by the State juvenile delinquency and prevention advisory group which has formed under part F.

This amendment merely eliminates any construction problems in this regard. I hope it will be adopted to clarify this matter.

The PRESIDING OFFICER. Who yields time

Mr. BAYH. Mr. President, I yield myself whatever time may be necessary.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I would like to make a couple of observations about this amendment, and I will not oppose it, but again, I think, as chairman of the subcommittee, it is important that we make absolutely certain that those who are charged with administering this bill know the intent of Congress.

When we started out with this proposal, this comprehensive revision of our system of juvenile justice, we were moving to put the program in HEW and moving to have a separate administration in the States.

When we finally came to the determination that we could get more resources and perhaps have more initiative in the light of today's political realities and have more coordination as well if we put it in LEAA, it just did not make much sense to have a competitive advisory board.

But as I assess the purpose and the intent of my distinguished colleague from Nebraska, it is to prohibit this duplication, not to lessen the commitment that the measure makes, that S. 821 will make with the new text, to see that we have a coordinated effort in which those who are knowledgeable in the area of juvenile justice will have a direct role at the State planning level.

Is that the way the Senator from Nebraska reads the thrust of his technical amendment?

Mr. HRUSKA. Yes.

Mr. BAYH. I thank the Senator from Nebraska.

I would like to also address myself to the wording of this language because I think we have to reemphasize what additional responsibilities this language of the new S. 821 places on State planning agencies and also on regional agencies.

I quote the following language from title III, section 301:

> The State planning agency and any regional planning units within the State shall within their respective jurisdiction be representative of the law enforcement and criminal justice agencies including—

And I emphasize this—

> agencies directly related to the prevention and control of juvenile delinquency.

And then it states:

> Units of general local governments, public agencies maintaining programs to reduce and control crime—

And then I want to emphasize the following—

> and shall include representatives of citizen, professional, and community organizations, including organizations directly related to delinquency prevention.

Now, the way the Senator from Indiana reads this amendment is that we are clarifying the role of the advisory group in the field of juvenile delinquency and your technical amendment accomplishes that. But in exchange we are requiring that the composition of the State planning board of LEAA be expanded to include those individuals who have experience and who are knowledgeable and professional in the field of prevention and control of juvenile delinquency, and also we are mandating that private agencies be represented on the State planning board.

Now, is that the way the Senator from Nebraska reads the thrust of the technical amendment in conjunction with the language which is in section 301?

Mr. HRUSKA. It is indeed. There was some question in my mind, however, whether a bill of this kind should provide for certain types, or perhaps quotas, or classes of people who will serve on such a board. I believe the language used here is ample for the purpose, without being too specific in its effect so as to be inflexible. The Senator from Indiana is correct. The idea is to have representation from those who are cognizant of the problems in this area, who have had some experience in it, and who have exhibited some degree of interest and activity in the field by way of organizational work, civic work, or in other ways.

The answer to the question of the Senator from Indiana is yes, that is the way I interpret and construe it.

Mr. BAYH. I appreciate the Senator from Nebraska's reinforcing the interpretation of the Senator from Indiana.

What we are doing now is saying to LEAA, which is given the responsibility of administering this program through the State planning agency and regional planning boards, "All right, fellows, no longer are you going to let a whole State Planning Board, dealing with all of the LEAA matters, deal with this program without having anyone on it able to deal with juvenile prevention or with rehabilitation, or that represents the important private agencies which deal with this."

Now we are going to have a concerted, integrated program, and we hope that those who read this language will recognize the determination of the Members of this Congress to see that these planning agencies are prudent, and that the juveniles, the young people of this country, will have a voice on those planning boards that can prevent some of those juveniles acts and help stop this alarming increase in the rate of crime.

Otherwise, I fear that the whole structure of the house will be based on a foundation that is not solid.

I yield back the remainder of my time.

Mr. HRUSKA. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Are amendments in order?

The PRESIDING OFFICER. Amendments are in order.

AMENDMENT NO. 1611

Mr. HART. Mr. President, I call up my amendment No. 1611 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I shall explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be printed in the RECORD.

Mr. HART's amendment (No. 1611) is as follows:

> On page 36, strike out lines 21, 22, and 23 and insert the following:
>
> "(17) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—
>
> "(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements otherwise;
>
> "(B) the continuation of collective bargaining rights;
>
> "(C) the protection of individual employees against a worsening of their positions with respect to their employment;
>
> "(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or in part under provisions of this Act;
>
> "(E) training or retraining programs.
>
> The State plan shall provide for the terms and conditions of the protection arrangements established pursuant to this section;".

Mr. HART. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Under the order, is there 15 minutes to a side on amendments?

The PRESIDING OFFICER. There is 15 minutes to a side on amendments.

Mr. HART. I yield myself such time as I may require.

This amendment seeks to clarify the employee protection language in section 482(a)(17) of the substitute introduced by Senator BAYH and Senator HRUSKA. I am a cosponsor of that bill we are considering and regard it as much-needed legislation; a marked improvement is promised as a consequence of it in the rehabilitation and protection of young people in trouble.

This legislation will provide an opportunity for State and local governments to refocus the emphasis of delivery of youth services from a centralized institutional environment to a community-based, personal, decentralized approach. The benefit, of course, is obvious.

As with any piece of threshold legislation, care must be taken to minimize the negative effects of the legislation while maximizing the positive effects. It is with this premise in mind that I ask for support of the amendment today.

There are facilities across the country for the treatment and rehabilitation of juveniles which may be closed down, in whole or in part, because of the operation of this legislation. We are not sure, but it is to be anticipated, certainly, that some consequence of that sort will follow. Indeed, it is an indirect purpose.

One of the side effects of these closings will be that employees in these institutions will have their jobs terminated. These are people with the same aspirations all of us have: people with families, pension rights, and accrued vacations; skills, experiences, and standards of living, people whose only reason for losing their jobs would, in this situation, be the operation of this legislation.

The substitute seeks to respond to this very human problem and does it in section 482(a)(17), but it does it in language which is very general. This statement of general principle is open to wide interpretation and potential abuse. It falls short of legislative precedent in reserving the existing rights of Government employees. That precedent, Mr. President, we find in the Urban Mass Transit Act.

The amendment which I offered incorporates the language of the Urban Mass Transit Act and specifies with greater particularity the rights that Congress intends to guarantee for public employees. It would put meat on the skeleton of good intentions. It would make clear that it is not our intent, as we seek to respond to the needs of young people in trouble, to threaten the economic life of the parents and others of those young men and women in State and local employment.

The amendment is clarifying in nature. It is intended simply to conform the Senate's action today to its action of a few years ago, the citation of which I have given.

THE OPENING SENTENCE

The first sentence is amended by adding the language "as determined by the Secretary of Labor." This would permit and, in fact, mandate that the Secretary of Labor monitor the state operation of plans as it relates to employee protection to see that they conform to the requirements of the legislation. No such monitoring authority exists under the present language, giving Congress no way of knowing whether the job protection element of the law is being carried out.

SUBSECTION (A): PRESERVATION OF RIGHTS

Government employees may have accrued pension benefits, vacation benefits, insurance benefits, and others that are individual benefits in nature. Subsection (A) would require that a new job, offered to an employee displaced under this act, will not terminate these benefits.

Court precedent has indicated that this language in UMTA requires a substantial preservation of these rights, not necessarily absolute.

This subsection would apply only to jobs offered by the State or local government pursuant to the operation of this legislation, and not to jobs found independently by a terminated employee seeking alternative employment.

The new employing agency would incur the costs of preserving these benefits, and although no figures are available, the projected costs are thought to be insignificant.

SUBSECTION (B): COLLECTIVE BARGAINING RIGHTS

The narrow language of subsection (B) would preserve existing bargaining rights only in two circumstances:

First. When the administration of a facility would be turned over from one governmental unit to another, for example, from State to county; and

Second. When an entire employee group is moved intact to a new facility with no new, additional employees.

This will be rare under the operation of this legislation, but such a preservation of rights should exist.

This language would not mean that an employee would automatically carry his collective bargaining unit to a new facility such as going to a halfway house from a State reform institution. Such a possibility would produce inevitable conflict with, and unfair control over, the rights of other employees in the new institution. And this would neither be the intent nor the result of this subsection.

SUBSECTION (C): WORSENING OF POSITION

Subsection (C) would require that an employee whose job was terminated by operation of this legislation cannot be offered a job, for example, at half the pay, or with a substantial increase in health or safety hazard, or be taken from a floor supervisor's position, for further example, and placed in a menial position.

This language does not require that exact equality in wages, stature, working conditions, or hours must be met but, as the UMTA language has been interpreted by the courts, a reasonable effort to obtain comparable conditions must be made by the State.

SUBSECTION (D): ASSURANCES OF EMPLOYMENT

Subsection (D) requires that a displaced employee be offered a job that conforms with these guidelines.

It does not require that the State or local government find a job that the employee will accept, only that an offer be made.

This subsection would place the State in the position of an employer of last resort in the event no other employment opportunity existed, but this amendment would impose no requirement for employment in the same job capacity or locality. With the capacity to retrain employees in a new field, the State has an unlimited opportunity to make full and productive use of such employees.

This is not analogous to a so-called featherbedding situation. Unlike featherbedding, there is no attempt in this amendment to continue to employ people in extinct job roles, but rather to take advantage of a trained, experienced individual in a new, productive capacity.

The costs of this provision are impossible to accurately forecast, but if each such displaced employee is otherwise productively employed there is a minimal cost to the taxpayer because a useful service is being performed by the employee. And although the paycheck is from the government, that is a more productive expenditure surely than an unemployment or welfare check.

The number of jobs involved in such a reemployment program is difficult to predict because of the innovative nature of the legislation itself, but the guiding premise is that we cannot ignore the thousands of experienced employees on the State and local levels who work in present programs. Their rights must be preserved, and their knowledge and skills utilized.

SUBSECTION (E): TRAINING AND RETRAINING PROGRAMS

Where necessary, subsection (E) requires that States must provide a retraining program for present employees displaced by this act and compelled to work in a capacity for which they have no training. Such a training program would be undertaken at State expense on a case-by-case basis and should not be significantly costly if the UMTA experience is a useful guideline. No solid data are available.

In summary, this amendment is intended only to preserve the rights of Government employees affected by this legislation. It is clarifying in nature establishing guidelines, based on previous law, for the application of employee protections already incorporated in the legislation. It would put meat on the skeleton of good intentions. I would appreciate the Senate's support of this amendment.

I reserve the remainder of my time.

Mr. **HRUSKA**. Mr. President, I yield myself 3 minutes.

I rise in opposition to the amendment in its current form.

I might note at the outset that this same language which was in S. 821 as reported by the Juvenile Delinquency Subcommittee was deleted by Judiciary in its wisdom during its consideration of the measure. Moreover, the substitute amendment (No. 1578) which is the actual vehicle for floor action today and is supported by the entire Committee on the Judiciary, provides in section 482(a)(17) that as a condition for the receipt of formula grants the State plan must—"provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this part."

There is, as I see it, no practical necessity for delineating a series of protective arrangements which must be included in a State plan in order to achieve the results intended by the current provision. I do believe we can trust the individual States to formulate employee protection provisions which adequately take into account the impact of this law on the employees of a particular State.

By putting in the general language we have, we grant to the States the flexibility they need in planning for protection since they will have to take into account both the State's laws affecting employee protection and the various Federal laws which likewise bear on such protection, and which already exist.

I believe employee protection is a good feature of this act. Yet I doubt that there will be any reduction in either the number of employees, the types of programs funded or the positions levels available. There will be, if anything, a dramatic and much-needed expansion of State and local programs in the juvenile delinquency area, thereby providing a multitude of employment opportunities for current employees of ongoing programs.

Surely the States will find it in their best interest to provide adequate opportunity for qualified employees, to conduct any needed training or retaining programs, and to otherwise protect the interests of employees affected by assistance under part F.

This amendment would also result in a needless expenditure of part F funds to provide employee protection benefits which would already be adequately provided for in State and Federal employee protection laws. Such laws include State and Federal civil service merit protection laws, unemployment compensation benefit requirements, the Comprehensive Employment and Training Act of 1973, and others.

In addition to the fact that there is no real need for this amendment, it carries the potential for working some real mischief with respect to part F programs. This possibility arises by virtue of two provisions of the amendment.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HRUSKA. I yield myself 2 more minutes.

First, the amendment provides that determinations of compliance are made "by the Secretary of Labor." This could dramatically and drastically slow down plan approvals by LEAA since each plan would also have to be reviewed a second time by the Secretary of Labor for purposes of compliance with this amendment. At a time when the States and local governments, in cooperation with LEAA, are attempting to streamline further grant-approval processes, this feature is extremely ill-advised.

Second, the amendment mandates ". . . employment to employees of any State or political subdivision thereof who will be affected by any program funded . . . under . . . this Act." This feature would require a State, county, or municipal government to retain on their payroll any employee working in the broad area of juvenile justice and prevention even if their function was terminated and the individual could not be placed elsewhere in the public sector.

This feature is not only ludicrous in its own right, Mr. President, but also raises the distinct possibility of discouraging comprehensive planning and State participation under part F due to its heavy-handed approach.

For example, the State of Massachusetts, operating under a similar provision, recently closed down a juvenile correction facility. Not being able to place the juvenile correction officers elsewhere, the State was forced to place these people in featherbedding positions, guarding, of all things, vacant buildings.

Maybe that is one way to keep such people busy off the welfare rolls, but it is hard on the appropriated funds in a program of this kind.

I yield myself, Mr. President, 3 more minutes.

Perhaps, one could justify a good-faith effort by State and local governments in this regard. To do more, however, would be, in my judgment, a mistake. I hope that this amendment will not be adopted in its present form.

I yield back the remainder of my time.

I suggest the absence of a quorum, Mr. President.

Mr. HART. Mr. President, would the Senator withhold his request? I wonder if I might just make a brief response.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. HART. Two minutes.

Mr. President, I understand fully the concerns that persuaded the Senator from Nebraska (Mr. HRUSKA) to speak in opposition to the amendment, and yet I think, as he suggests, it is likely—which I believe also to be likely—that many new job opportunities will be opened in the field of juvenile delinquency.

It may be argued that the need for this amendment has passed. But, at the same time, I would suggest that the concern which the Senator voices is largely academic because there will be broad new employment opportunities.

Second, as to the suggestion that building in the Secretary of Labor would substantially delay the adoption, the approval, of these plans, I would be the first to admit it will take a little more time, but it will be time that properly should be spent.

The Secretary's review will relate solely to employment protection aspects of the plan or program. This, I think, is time that we owe to men and women now engaged in Government service and whose protection we seek to assure.

As to the last one that we are really building ourselves another featherbed, I suggest that that would not be true. I do acknowledge that we are providing Government as the employer of last resort under certain limited conditions. But the example cited in Massachusetts, I think, is not one which could indicate the probability of much featherbedding.

I would ask unanimous consent, Mr. President, that a memorandum provided by the American Federation of State, County, and Municipal Employees, dated the 24th of July, describing the job transfer and the consequences in employment relationships that followed the creation in Massachusetts of a system of community-based facilities to care for juvenile delinquents, is based on a management audit of the Department of Youth Services issued by the Joint Committee on Post Audit in May of 1974.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF STATE,
COUNTY, AND MUNICIPAL EMPLOYEES,
Washington, D.C., July 24, 1974.

The State of Massachusetts, Department of Youth Services, created a system of community-based facilities and care for juvenile delinquents. I have a copy of the Management Audit of the Department of Youth Services issued by the Joint Committee on Post Audit in May, 1974.

The following examples, learned by a conversation with the Director of the State Employees Council in Massachusetts, should disprove Hruska's charges of featherbedding:

Shirley: 16 security and grounds people were transferred from DYS to Administration and Finance; 25 more staff were kept at the institution which is being used as a corrections facility.

Lyman: 16 security staff were transferred to Administration and Finance; 22 remain at the facility to run computer operations for the Welfare Department.

Topsfield: 8 staff have been transferred to Administration and Finance; 36 remain on the DYS payroll in some capacity.

Some 450 to 500 DYS staff are now assigned to community facilities.

According to the budget, 200 positions are to be terminated December 31, 1974. One hundred are currently vacant. Eighty-one are filled and will be given first preference in new jobs on the basis of education, training, or experience. The preference amendment was included in the Appropriations bill just passed by the Legislature.

For further details, contact Henry Kelly, Director of Personnel, Division of Youth Services.

Telephone number 617–727–7044.

Mr. HART. Mr. President, I suggest the absence of a quorum, with the time to be taken out of neither side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that we temporarily lay aside the amendment of the distinguished Senator from Michigan (Mr. HART) and that the proposal that the Senator from Indiana is about to make be considered in the RECORD after the consummation of the present discussion between the Senator from Michigan and the Senator from Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 6, line 11, delete "nation" and insert "motion" in lieu thereof.

On page 16, line 17, delete "second" and insert "third" in lieu thereof.

On page 19, line 3, delete "501" and insert "490" in lieu thereof.

On page 20, line 8, delete "41" and insert "31" in lieu thereof.

On page 23, line 2, delete "Act" and insert "part" in lieu thereof.

On page 23, line 4, delete "title" and insert "part" in lieu thereof.

On page 23, line 13, delete "Act" and insert "title" in lieu thereof.

On page 23, line 17, delete "Director" and insert "Assistant Administrator" in lieu thereof.

On page 23, line 21, delete "Act" and insert "part" in lieu thereof.

On page 23, line 22, delete "Act" and insert "part" in lieu thereof.

On page 27, line 12, delete "407" and insert "494" in lieu thereof.

On page 27, line 18, delete "409" and insert "496" in lieu thereof.

On page 29, lines 9 and 13, delete "1974" and insert "1975" in lieu thereof.

On page 30, line 8, before the word "title" insert the word "this".

On page 30, line 8, delete "I".

On page 31, line 11, delete "concern" and insert "concerned" in lieu thereof.

On page 36, lines 8 and 9, delete "(13) and (14)" and insert "(12) and (13)" in lieu thereof.

On page 39, line 14, delete "409" and insert "496" in lieu thereof.

On page 42, line 3, delete "409" and insert "496" in lieu thereof.

On page 44, line 16, delete "(e)" and insert "(f)" in lieu thereof.

On page 47, line 5, delete "Assistant Director" and insert "Deputy Assistant Administrator" in lieu thereof.

On page 47, line 9, delete "Assistant Director" and insert "Deputy Assistant Administrator" in lieu thereof.

On page 49, line 7, delete "Sec. 602(a)".

On page 49, line 12, delete "(b)".

On page 57, after line 9, add the following:

"(d) The Institute, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examinations to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this chapter.

"(e) The provision of this section shall apply to all recipients of assistance under this title, whether by direct grant or contract from the Institute or by subgrant or subcontract from primary grantees or contractors of the Institute.

"SEC. 4353. There is hereby authorized to be appropriated such funds as may be required to carry out the purposes of this chapter."

Mr. BAYH. Mr. President, as the RECORD will show, this amendment is a series of technical changes, punctuation, numerical corrections to make sure that proper sections of the act are correctly cited and cross-referenced; certain printing errors are corrected, to try to just get some of the imperfections out of the bill and make it letter perfect.

The PRESIDING OFFICER. Is all timed yielded back on the amendment?

Mr. BAYH. I yield back my time, Mr. President.

The PRESIDING OFFICER. Has the Senator from Nebraska yielded back his time on the pending amendment?

Does the Senator from Nebraska yield back his time on the pending amendment of the Senator from Indiana?

Mr. HRUSKA. Yes, I yield back any time I may have on that amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAYH. Mr. President, I send to the desk another amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 11, line 19, strike out the words "or a period not to" and insert in lieu thereof the following:

"unless the juvenile has attained his nineteenth birthday at the time of disposition, in which case probation, commitment, or commitment in accordance with subsection (c) shall not".

Mr. BAYH. Mr. President, again, this is a technical amendment to clarify time limitations on juvenile disposition. The provision as drafted was intended as a general rule to provide that probation or custody as a juvenile delinquent would not extend beyond the lesser of the period provided by Congress for the offense or the juvenile's 21st birthday; however, in order to provide some meaningful sanction for juveniles tried late in the period—between their 19th and 21st birthdays—language was added in the substitute intended to permit overrunning the 21st birthday if necessary to retain juvenile probation or custody for the period provided by the Congress for the offense or a period of 2 years, whichever occurred sooner. The amendment I am offering makes clear this intent.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BAYH. I yield back the remainder of my time.

Mr. HRUSKA. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. The yeas and nays were ordered.

Mr. HART. Mr. President, I ask for the yeas and nays on the amendment now pending.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. I yield myself 3 minutes.

Mr. President, I rise again to oppose the amendment proposed by the distinguished Senator from Michigan. It would be harmful to the bill itself. It would add to the technicalities, to the procedures, and to the amount of time that will be required each year for the approval of these State plans. These State plans are very complex, very lengthy.

The Secretary of Labor would be required to review the entire document. It is not a matter of taking care of it once and for all. Those plans have to be submitted each year and updated each year.

Furthermore, it would be thrusting the U.S. Secretary of Labor into the realm of State, municipal, and county laws governing their respective employees. That is not a Federal function. I do not believe it is wise to put this type of control in Federal hands.

When LEAA was adopted in 1968, there was a conscious effort to recognize that there would be no Federal dominance in the law enforcement programs of the several States and their political subdivisions. Here we are asked to approve a provision which would deliberately and on a very significant scale put the program under the dominance and under the control of the Secretary of Labor, a Cabinet official.

I believe the amendment should be defeated, Mr. President. I urge my colleagues to vote against it.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, I had not intended to speak on this matter, but inasmuch as some judge may look at this RECORD, I will do so.

I do not know how this vote is going to go. I have told the Senator from Nebraska that I feel compelled to vote for this amendment because it was in the original draft, but I do not want anybody to interpret that vote as feeling that the whole program we are talking about would be administered by the Secretary of Labor. This amendment includes specific provisions about protecting the employment opportunities of those who are now employed when a reorganization takes place. But I do not want the Secretary of Labor moving in there and telling us how to run this rehabilitation program.

We found, frankly, that so far as making this new juvenile program work is concerned, what we need are two things, and both of them, I think, are about equally important. One is that we need a different environment; and, two, we need better trained people, people who can be trained to do different tasks. But even taking people who are well trained and putting them in most of our juvenile institutions, the well trained people are almost always going to fail.

I am going to vote the other way, but I look at it a little differently, so far as interpretation is concerned, from the way the Senator from Nebraska looks at it.

Mr. HRUSKA. I yield myself 3 minutes.

Mr. President, in response, I want to say that this matter was considered in committee and was deleted from the original bill.

I want to make clear that I am not opposed to proper protection for workers' rights and for their being properly placed, and so forth.

I invite attention, however, to two things. First, the present bill, as written, requires that the plans of the States provide that full and equitable arrangements are made to protect the interests of employees affected by assistance, under this part. That, in conjunction with the State, county and city plans for their employees, should be ample for the purpose of protecting them, without having a Federal official intervene and be the controlling agency in that regard.

I think all of us should have a second thought about this all-inclusive language. It goes not only into the assurance of a job and a position but also into the pension plans, into any pension rights and benefits, into the continuation of collective bargaining rights, and into the protection of individual employees against a worsening of their position.

Mr. President, it would require a walking steward in every county courthouse and every State capital and every detention home, and all such places, in order to cover the activities under this amendment.

It even goes into a training and retraining program. The Secretary of Labor would be able to say, "This training program is a burden to these people, and it worsens their conditions of employment, and so on." I do not think he would do it, but he will have the power to do so under this amendment.

This amendment would not be for the best interests of the program we now have under consideration. It may well inhibit State and local authorities in the field of juvenile delinquency prevention and rehabilitation.

I yield back the remainder of my time.

Mr. HART. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

Mr. HRUSKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that when the vote occurs upon the amendment of the Senator from Michigan, that rollcall be taken according to the normal procedure and that immediately thereafter we have the vote on final passage.

I withdraw my request because of a technicality. Unless we want 3 rollcall votes instead of 2, we have to make a request of the Chair to consider the bill as amended before we go to third reading.

The PRESIDING OFFICER (Mr. PELL). The question is now on the amendment of the Senator from Michigan. All time has been yieded back. The Chair does not hear a call for a quorum. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 66, nays 24, as follows:

[No. 330 Leg.]

YEAS—66

Abourezk
Aiken
Allen
Baker
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Eagleton
Ervin
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NAYS—24

Bartlett
Beall
Bennett
Brock
Buckley
Byrd,
Harry F., Jr.
Cotton
Curtis
Dominick
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Pearson
Roth
Scott,
William L.
Talmadge
Thurmond
Tower

NOT VOTING—10

Bellmon
Domenici
Eastland
Fong
Fulbright
Inouye
Long
Montoya
Packwood
Young

So the amendment (No. 1611) was agreed to.

The PRESIDING OFFICER (Mr. PELL). The bill is open to further amendment. If there be no further amendment to be proposed, the question recurs on agreeing to the amendment of the Senator from Indiana in the nature of a substitute for the committee amendment, as amended.

Mr. BAYH. Mr. President, I am prepared for the vote on that question, but I have been approached by the distinguished junior Senator from New York. He said he had an amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly so I can make an announcement?

Mr. BAYH. I yield.

ORDER OF BUSINESS ON S. 5 AND S. 2642

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 565, S. 5, and Calendar No. 574, S. 2642, be taken off General Orders on the Legislative Calendar and placed under Subjects on the Table.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMORIAL SERVICES FOR THE LATE SENATOR WAYNE MORSE

Mr. MANSFIELD. Mr. President, for the information of the Senate—and I am glad the distinguished senior Senator from Oregon is here—it is my understanding that memorial services for our former colleague, the late Senator Wayne Morse will be held in the Washington Cathedral at 10:50 a.m. on Tuesday morning next.

For the information of the Senate, the Senate will not begin consideration of its legislative business, although there may be special orders ahead of that, until the hour of 12 o'clock, so that the late Senator Morse's colleagues in this body who desire to attend the services will be fully protected.

SUSPENSION OF DUTIES ON BICYCLE PARTS—MESSAGE FROM THE HOUSE

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6642.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TALMADGE. I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. LONG, TALMADGE, HARTKE, BENNETT, and CURTIS, conferees on the part of the Senate.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

The Senate continued with the consideration of the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana in the nature of a substitute, as amended.

Mr. BAYH addressed the Chair.

Mr. BIBLE. Mr. President, may we have order. It is impossible to hear anybody. I cannot even hear my neighbor.

Mr. BAYH. Mr. President, for the advice of our colleagues here, this measure is ready to go to third reading. The yeas and nays have been ordered, but I feel obligated to the junior Senator from New York (Mr. BUCKLEY) to wait until he presents us with a written amendment which, as he described it to me, deals with privacy in the way tests are administered to young people in institutions, and which may be acceptable.

I do not want to say in advance that I will accept it, until I have read it, but we are just in a little hiatus here pending the arrival of the Senator from New York.

Mr. JAVITS. Mr. President, as the colleague of the Senator from New York, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BAYH. Mr. President, I ask that it not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BIBLE. Mr. President, will the Senator yield to me for 3 minutes?

Mr. BAYH. Mr. President, I yield 3 minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

DEATH OF FORMER SENATOR WAYNE MORSE

Mr. BIBLE. Mr. President, the sad news of the death of our long-time friend and colleague, former Senator Wayne Morse, came as a special shock to me. The Senator from Oregon was a man of deep and abiding principles. A tireless and fearless legislator in the best tradition of the U.S. Senate. His energy knew no bounds. His vigorous pursuit of public service right up to the end set an example for all of us. His physical and intellectual stamina would do credit to a man half his age.

My association with Wayne Morse spanned some 14 years of his active service here in the Senate. We served together on the District of Columbia Committee where Senator Morse championed the cause of home rule for the Nation's Capital time and again and long before it finally came to pass in the present Congress. He led the successful fight for an elected school board for the District of Columbia and was the prime mover of the legislation that established Washington's higher education system, the Federal City College, and the Washington Technical Institute. That Senator Morse found the time and the energy to champion and advance the rights and interests of the people of this Capital City for so many years while at the same time addressing the great national and international issues that beset the Nation during his service here demonstrated his deep concern for the rights and welfare of our people—particularly our disadvantaged people. The Nation's Capital lost one of its greatest advocates when Wayne Morse left the Senate.

On the broader stage of world and national affairs, Wayne Morse leaves an immensely impressive legacy. History will specially note his lonely and courageous stand in opposition to the Gulf of Tonkin resolution along with our other late colleague, former Senator Ernest Gruening of Alaska. That vote reflected Senator Morse's prophetic vision of the deep tragedy that our Nation's involvement in Southeast Asia ultimately brought to our people. He voted his conscience against the tide of the times. His vote and voice on that issue were characteristic of his determination to do what he believed to be right, regardless of the consequences.

Senator Morse is also properly renowned for his great knowledge and expertise in the area of labor law. His record as an outstanding statesman of the labor movement is well and widely known. He served as chairman of the President's Railway Emergency Board in 1941, as an alternate public member of the National Defense Mediation Board in 1941, and as a public member of the National War Labor Board from 1942–44. He was dedicated to the rule of fairness in labor matters and to the protection of the rights of every working man and woman.

Wayne Morse's long-time chairmanship of the Senate Subcommittee on Education and his achievements in that capacity alone have carved out a special place for him in history. Much of the enduring education legislation on the books today—a great deal of the progress we have made in education over the last three decades—bears his imprint and remains as a memorial to his vision on behalf of the young people of America.

The list of Senator Morse's achievements is remarkably long and impressive. He was, however, first and foremost a man of great wisdom and principle. An aggressive and able defender of what he believed to be right. A great debater and orator in the finest tradition of the Senate. He was in a very real sense the "Conscience of the Senate" in his time. He brought to this body an independence of spirt and a dedication to truth and justice that benefited us all.

Mr. President, now Wayne Morse the man, an outstanding Senator, a great American is gone. But his record—the history he made here—is firmly established for all to see, remember, and to emulate. It is a bright and challenging chapter in the history of this body.

I have lost a good and close friend and colleague. He will be sorely missed. Mrs. Bible and I extend our heartfelt condolences to Senator Morse's widow Midge and all the members of her family in this time of sorrow.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

The Senate continued with the consideration of the bill (S. 821) to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

Mr. BUCKLEY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 38, line 18, insert the following after the period.

"(F) Any non-adjudicated juvenile shall not be made to partake in a program of behavior modification involving the use of drugs or electrical stimula or other potentially harmful treatment as a part of any such program authorized in whole or in part by this Act without the prior approval of his parents or guardian."

Mr. BUCKLEY. Mr. President, the purpose of the amendment is to address a situation which has commanded the headlines in recent days. I refer to the CHAMPUS hearings where we have heard that juveniles, who have not been convicted of any wrongdoing, have been subjected to questionable procedures designed to alter their delinquent behavior, which were, in my estimation, shocking. All of this has come about without the consent of the parents or the natural guardians of such juveniles.

The sole purpose of the amendment is to make sure that Federal money will not be used to subsidize programs which, in turn, pose a very real hazard to our young people; it will require the informed consent of those who have responsibility for those children.

I have discussed the amendment with the manager of the bill, and I understand he is prepared to accept it.

Mr. BAYH. Mr. President, I have no objection to this measure. As I said to the Senator, we are trying to do the same thing with respect to the abuse of children. Since the proposal has just this moment been submitted to us, between now and the time of the conference I would like to look at the wording with a more critical eye. I think the Senator would be tolerant of that. With that understanding, I am prepared to accept the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BUCKLEY. I yield back my time.

Mr. BAYH. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PERCY. Mr. President, I want to commend Senator BAYH for his persistence and his deep commitment in the area of juvenile justice, which is today signified by the Senate's consideration of S. 821. This legislation fills a void which has existed for far too long. While we have too frequently sat idly by, juvenile crime has been increasing at dramatic and freightening rates. We have become on some occasions a nation almost afraid of our own children, for indeed the juvenile delinquent of today is statistically the adult felon of tomorrow.

With this legislation, we are taking the necessary steps to make sure that the much needed programs and resources are made available where they are needed—at the State and local levels. By establishing a new part F for LEAA funding, and by making sure that the interests of the juvenile are taken into consideration, we are taking a significant step toward effectively dealing with the problem of juvenile delinquency in our society.

Perhaps no one person in the Senate deserves more credit for this effort than does Senator BAYH. His dedicated efforts have now borne fruit, and he deserves our thanks. In addition, Senator MARLOW COOK has been strongly committed to the ideals expressed in this bill, and he also deserves our gratitude.

But I would also like to pay tribute to someone else who has labored long and hard in this field. Congressman TOM RAILSBACK from my home State of Illinois has been one of the early leaders in this field. His concern, his tireless efforts over the years, and his unceasing determination to get positive results in the field of juvenile justice have helped make it possible for the Congress now to have the opportunity to pass this meaningful legislation. For several Congresses he has introduced H.R. 45, which establishes an Institute for Juvenile Justice. This legislation has passed the House in a previous Congress, and I have had the privilege of introducing it in the Senate as S. 580. I believe that through Congressman RAILSBACK's efforts in seeking the establishment of a National Institute of Justice, which is included in S. 821 in title V, he has provided the crucial impetus to both the House and the Senate to remain constant in their concern for juvenile justice.

Therefore, Mr. President, I want to indicate my support for S. 821 and for those of our colleagues who have toiled so long and who have produced such a fine piece of legislation.

Mr. MATHIAS. Mr. President, it is with great pleasure that I rise today in support of Senate passage of S. 821, the Juvenile Justice and Delinquency Prevention Act. It has been nearly 18 months since the original version of this bill was introduced in the Senate. It has been even longer since the members of the Subcommittee to Investigate Juvenile Delinquency began the task of calling to the attention of the Senate and the Nation as a whole this most pressing problem.

As a cosponsor of the bill reported by the subcommittee and of the amendment to S. 821 introduced on July 18, 1974, I believe the bill as presented today is the result of a bipartisan determination that forceful, effective legislation is needed to improve our present methods of dealing with juvenile offenders.

I think that Senator BAYH and Senator COOK, in particular, deserve special recognition for their work in this field and for the concern they have demonstrated for the young people of this country. And I wish also to call attention to the constructive input of the Senator from Nebraska (Mr. HRUSKA) on this final version of the bill.

As a member of the Senate Subcommittee to Investigate Juvenile Delinquency, I have had the bitter experience of witnessing the extent to which our present system is inadequate and often responsible for launching juvenile offenders on the road to a lifetime of serious adult crime. But, I have also had the opportunity to observe the total commitment of many individuals and organizations to finding a way of diverting these young people away from our criminal justice system toward a productive, meaningful role in society.

Unfortunately, our present system too often places impossible obstacles in the way of the most dedicated efforts. Neither the facilities, nor the funds, nor the time are afforded to expand these individual efforts into a comprehensive program.

The statistics which prove the failure of our system have been around for a long time and they are indeed staggering. Over the past decade, increases of 100 percent and more for juvenile crimes—both property crimes and violent crimes, estimates that three out of every four juveniles arrested will return to commit future crimes, billions of dollars wasted on property damage, and—the one aspect of the total problem for which there can be no statistic—the loss of an individual's worth, give the most compelling evidence that new approaches are needed now. At present, our criminal justice system does not prevent juvenile crime, it does not rehabilitate juvenile offenders, it merely processes kids in trouble.

The goal of S. 821 is to make substantial changes in the focus of our efforts in dealing with this problem. The base of operation proposed by S. 821 is the community, the small local group to which a youngster can turn. The focal point of action of the proposed program is to reach the problem youth before he is led to crime. While our efforts toward rehabilitation will also be vastly improved through community-based services, the key to success lies in prevention.

In March 1974, the Senate Subcommittee to Investigate Juvenile Delinquency reported S. 821 unanimously to the full Judiciary. In May 1974, the Judiciary Committee amended and reported the bill placing the program in the Law Enforcement Assistance Administration of the Department of Justice.

We have before us today a bill which allows for the use of the facilities, knowledge, and personnel already available at LEAA with certain caveats which will insure that the original intent of S. 821 can be achieved. While allowing for LEAA administration of the program, the present version of S. 821 assures the establishment of a Juvenile Justice and Delinquency Prevention Office headed by an administrator whose sole responsibility will be in the area of juvenile delinquency programs, retains the level of financial assistance for existing juvenile delinquency programs as LEAA maintained in 1972 plus $225 million in new funds over the next 2 years, retains administration at the State level while guaranteeing that the State planning agency be representative of agencies related to the prevention of juvenile delinquency, establishes a National Institute of Juvenile Justice within the Office of Juvenile Justice and Delinquency Prevention at LEAA to conduct research related to juvenile delinquency, and amends existing Federal law to insure that basic procedural and constitutional rights be granted to juveniles.

In 1973, during the debate on extension of the authority for LEAA, Senators BAYH, COOK, and I offered an amendment which would have established a percentage floor for the expenditure of LEAA funds on juvenile delinquency. That amendment was adopted by the Senate, but did not survive conference. At that time, LEAA did not support that measure.

Since then, officials of LEAA have come to me and have informed me that they are ready to undertake a serious and thorough effort in the field of juvenile justice. I have also received assurances of the determination of the Maryland SPA in this regard. I welcome this news.

I join with those of my colleagues who have consistently supported the philosophy of S. 821 in urging your unanimous approval of this urgently needed reform. Every nation depends on its young and many nations waste their young. Our Nation which places such a high premium on our young has failed to respond to the needs of our problem youth. Today, we are faulting the system, but the system is manmade. If we fail to act now, the fault can only be ours.

Mr. BROCK. Mr. President, several months ago I cosponsored S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974. Since that time I have received overwhelming approval of my support for this measure. In recent months I have received letters from juvenile judges and other government officials, private organizations such as the YMCA and the YWCA, and countless citizens of Tennessee commending my interest in this measure.

Feeling, however, that certain portions of the bill needed improvements, I offered the Judiciary Committee a package of amendments suggesting ways of strengthening S. 821. The committee recently reported an amendment in the nature of a substitute to S. 821. This amendment received unanimous approval of the committee and reflects my recommendations. It will preserve the essence of the original Juvenile Justice and Delinquency Prevention Act while placing the program in the Law Enforcement Assistance Administration.

S. 821 is designed to provide greater coordination and effectiveness of the diverse juvenile delinquency programs now in existence. Additionally, it will encourage State and local governments to develop innovative programs to deal with delinquency and will provide funds through a block grant system to help implement these programs.

The present trend in Federal juvenile programs is a greater emphasis on preventive measures. Rather than trying to correct delinquency after it occurs, the thrust is more and more being directed toward meeting the problem early. Heavy emphasis will be put on educational and training programs with strong community involvement. There is a great need to provide a viable diversion mechanism for dealing with youth. Alternative programs utilizing resources other than the police, courts, and corrections can provide necessary rehabilitation without the harmful stigmatization that sometimes accompanies contact with the criminal juvenile justice systems.

The National Advisory Commission on Criminal Justice Standards and Goals found that the No. 1 priority in reducing crime should be given to preventing juvenile delinquency. In its report, "A National Strategy To Reduce Crime," the Commission stated:

> The highest attention must be given to preventing juvenile delinquency, to minimizing the involvement of young offenders in the juvenile and criminal justice system and to re-integrating delinquents and young offenders into the community.

Young people are of great concern to me both as this country's greatest resource and as the pool of people out of which the next group of juveniles who commit criminal acts may emerge. Any study of crime and its causes must inevitably begin with a study of juvenile delinquency, and any effort to reduce our crime problem should have juveniles as its main focus.

The problem of juvenile delinquency has risen markedly in recent years. Juveniles constitute nearly one-half of the people arrested for serious crime in this country, and the rate of increase outstrips that of adult arrests. Juveniles under 18 are responsible for 51 percent of the total arrests for property crimes, 23 percent for violent crimes, and 45 percent of all serious crime. From 1960 to the present, arrests of juveniles under 18 for violent crimes, such as murder, rape, and robbery, increased 216 percent. During that same period, arrests of juveniles for property crimes, such as burglary and auto theft, increased 91 percent. Between 1960 and 1970, total juvenile arrests increased almost seven times faster than total adult arrests, and juvenile arrests for violent crimes increased almost three times faster than adult arrests. Recidivism rates for juvenile offenders are estimated to range from 60 to 75 percent and higher. For example, the FBI found that 74 percent of the offenders under 20 released in 1965 were rearrested by the end of 1968.

While crime and delinquency is essentially a State and local problem which must be dealt with by the State and local governments, Federal assistance is helpful and necessary to provide needed financial assistance and resources. However, there presently exists virtually no central responsibility or coordinating function for the hundreds of juvenile delinquency programs presently conducted by numerous agencies within the Federal Government. There is no centralized leadership, no accepted national priorities, and no bureaucratic accountability for juvenile programs at the Federal level. As a result, these programs frequently overlap and become duplicative in nature or else they have gaps in responsibility.

S. 821 and the recently proposed committee amendment will provide greater coordination on the Federal level and maximum input and diversity on the State level. Establishing the program under LEAA will assure the continuation of the extensive juvenile programs already conducted by LEAA and will minimize the time lag in implementing new programs. From a practical standpoint, it has been estimated that at least 3 years would pass before any results could be expected from this legislation if it were not placed within LEAA.

Although the LEAA has often been cast in a light of a police-oriented program, such a characterization is not consistent with either the LEAA legislation or its implementation. Crime control legislation has been consistently broadened in the past few years to include the prevention, control, and reduction of juvenile delinquency, and this legislation is applicable to LEAA. Since 1968, LEAA has funded millions of dollars in programs for delinquency prevention and juvenile justice with little direct prodding from Congress. Richard W. Velde, LEAA Associate Administrator, reported to the Senate Committee on the Judiciary, Subcommittee To Investigate Juvenile Delinquency that—

> During fiscal 1972, L.E.A.A. awarded nearly $140 million on a wide-ranging juvenile delinquency program. More than $21 million or fifteen percent, was for prevention; nearly sixteen million, or twelve percent, was for diversion; almost forty-one million or thirty percent went for rehabilitation; thirty-three million, or twenty-four percent, was spent to upgrade resources; seventeen million, or thirteen percent, went for drug abuse programs; and eight million or six percent, financed the comprehensive juvenile delinquency component of the High Impact Anti-Crime Program.

S. 821 as amended promises to further expand and improve these already existing juvenile programs. By placing the agency in LEAA, we will avoid the lag time, administrative foulups, and growing pains of starting a new program from scratch. LEAA has already experienced and largely overcome these problems, and there is no sense in subjecting ourselves to this problem anew. LEAA has clearly taken the initiative while HEW has not.

The substitute amendment to S. 821 provides several technical changes conforming it more closely to existing law, particularly the Omnibus Crime Control and Safe Streets Act of 1968. Changes brought by the amendment to S. 821 include:

First, the requirement that the State planning agency administering the juvenile program include representatives of citizen, professional, and community organizations;

Second, the provision for an Assistant Administrator to head the Office of Juvenile Justice and Delinquency Prevention who shall be appointed by the President with the advice and consent of the Senate. This provision will assure accountability and also direct responsibility for efficient implementation.

Third, the provision for the establishment of a National Institute of Juvenile Justice to serve as an information clearinghouse and to conduct evaluation, research, and training; and

Fourth, an additional provision that at least 20 percent of the block grant funds be made available to private nonprofit agencies, organizations, and institutions who have had experience in dealing with youth. The fact that private individuals and organizations can be drawn into this program assures maximum input and interest as well as maximum community involvement in solving the problem.

I have been in contact with officials from my home State of Tennessee, and they have voiced their support for the LEAA approach as being more practicable and workable from their viewpoint. Nationwide, there are over 50 LEAA State planning agencies already in operation, a fact which should minimize the problems in implementing this bill. Private groups have voiced some concern about the LEAA being too police oriented. However, the Judiciary Committee and I both feel assured that this legislation will not only provide a sound overall approach to the delinquency problem, but will increase the role of private organizations above what it has been in the past. Moreover, there will be greater coordination and accountability of existing programs. I am most honored to have been a part of this bill and appreciate the assistance and advice of the members of the Judiciary Committee with whom I have consulted. I congratulate them on their efforts, and I support S. 821 and the committee's substitute amendment.

Mr. KENNEDY. Mr. President, I am pleased to have this opportunity to express my support for the legislation before the Senate at this time. I share the sentiments of those Senators who wish to take steps to alleviate the presently grave and constantly worsening problems of juvenile delinquency and to improve the quality of juvenile justice in the United States.

This legislation can provide many young delinquents with new opportunities to lead the lives of honest and respected citizens. And even better, its provisions can be instrumental in saving a large number of youths from ever becoming delinquents.

It can only be in our Nation's greatest interest to establish a comprehensive policy to deal with the problems of juvenile delinquency. The benefits of improved juvenile justice will accrue not only to young delinquents, but to the entire society.

Unfortunately, the delinquents and their families are not the only ones to suffer as a result of the youths' criminal activities. Because of the very nature of juvenile delinquency, unsuspecting members of society often suffer tremendous personal and property losses. And many others are forced to live with the frightening prospects of becoming the next victims.

The seven titles of this legislation are designed to develop methods of preventing and reducing juvenile delinquency and to provide improved justice for those juveniles who actually become delinquents.

Title I introduces the purposes of the bill. These include: First, the coordination of Federal delinquency programs; second, the authorization of new resources to improve the quality of juvenile justice and to develop more effective methods of preventing and reducing juvenile delinquency; third, the centralization of research, training, technical assistance, and evaluation activities; fourth, the development of national guidelines for the administration of juvenile justice; and fifth, the adoption of basic procedural protections for juveniles under Federal jurisdiction. In sum, the basic objective of this bill is to provide more Federal leadership and assistance in a field in which there is absolutely too little governmental effort. The greater Federal initiative will provide more resources for the development and implementation of effective programs for treatment and prevention of juvenile delinquency at the State and local levels.

Title II amends the Federal Juvenile Delinquency Act, unchanged for the past 35 years, to guarantee certain basic rights to juveniles under Federal jurisdiction. Its provisions are designed to bring Federal procedures up to the standards established by more recent State codes, court decisions, and several model acts.

In cases of alleged juvenile delinquency, Federal courts would normally be required to defer to State courts. This provision is necessary, because the Federal correctional system has never been prepared to deal with large numbers of juveniles. The degree of Federal unpreparedness would consequently necessitate the transferral of many juveniles away from their home communities for treatment. As one of the more specific purposes of the bill is to provide more community-based alternatives to the traditional juvenile correctional facilities, greater direct involvement of the Federal correctional system would be presently self-defeating.

There are instances, however, where the Federal courts have jurisdiction. In such cases, the Attorney General must certify that the State does not have jurisdiction or cannot provide rehabilitative programs for the detained juveniles. Upon Federal assumption of jurisdiction, the guarantee of basic rights to detained juveniles becomes extremely important. Each juvenile's attitude toward society and his ability to cope with life upon his release will be affected by the treatment received while under detention. We must not permit our young people to be detained under conditions which, instead of preparing them to face life with greater optimism, will assure their future criminality.

Title III establishes a Juvenile Justice and Delinquency Prevention Office within the Department of Justice, Law Enforcement Assistance Administration. The office is to coordinate the overall Federal juvenile delinquency effort. An assistant administrator will head the office and will hold broad powers subject to the direction of the Administrator of the Law Enforcement Assistance Administration. In carrying out his duties, the administrator will be authorized to, first, advise the President through the Attorney General in matters pertaining to Federal polices regarding juvenile delinquency; second, assist operating agencies having responsibilities for the prevention and treatment of juvenile delinquency; third, conduct evaluations and studies of the performance and results of Federal juvenile programs; fourth, implement Federal juvenile delinquency programs among Federal departments and agencies; fifth, develop annually with the assistance of the Advisory Committee, and submit to the President and the Congress, an analysis and evaluation of Federal juvenile delinquency programs; sixth, develop annually, with the assistance of the Advisory Committee and submit to the President and the Congress, a comprehensive plan for Federal juvenile delinquency programs; and seven, provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals in their juvenile delinquency programs.

As the central coordinator of the Federal juvenile delinquency effort, the Office of Juvenile Justice and Delinquency Prevention is very important. There is little disagreement that the present Federal effort lacks direction and is terribly fragmented and has hardly any impact in reducing the increasing rate of juvenile delinquency. The office will hopefully answer the obvious need for a centralized Federal response. There should be an office in the Federal Government which deals with the problems of juvenile delinquency on the Federal, State, and local levels.

Title III additionally establishes an Interdepartmental Council on Juvenile Delinquency composed of the Attorney General; the Secretary of Health, Education, and Welfare; the Secretary of Labor; the Director of the Special Action Office for Drug Abuse Prevention; the Secretary of Housing and Urban Development; or their respective designees, and representatives of other agencies which the President might designate. The council is to coordinate all Federal juvenile delinquency programs, meet at least six times a year, and include its activities in the annual report of the Administrator of the Law Enforcement Assistance Administration.

The council's activities should provide added direction to the Federal attack on the juvenile delinquency problem.

A National Advisory Committee for Juvenile Justice and Delinquency Prevention will meet at least four times a year to advise the Administrator with respect to all Federal juvenile delinquency programs. The Advisory Committee will be composed of individuals whom the Attorney General will appoint, because of special training and knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice and members of the Interdepartmental Council ex officio. As a result of the work of the Advisory Committee, it is expected that the Federal programs will receive a greater degree of citizen input and cooperation.

Titles IV and VI provide for Federal financial assistance for State and local juvenile delinquency programs. The Administrator is authorized to provide grants to State and local governments to assist them in planning, managing, and evaluating their programs. To receive Federal grants, however, a State must submit a practical plan for carrying out the purposes of this bill. The State's plan must be representative of juvenile delinquency prevention and control agencies and must involve representatives of private delinquency prevention groups.

Seventy-five percent of the authorized State funds must be used on advanced techniques in developing and maintaining services to prevent juvenile delinquency and to provide community-based alternatives to juvenile detention facilities. These alternatives would include the development of foster care homes, comprehensive programs of drug abuse education and prevention, greater use of probation and probation subsidy programs, and youth counseling services for delinquents, potential delinquents, and their families.

The Law Enforcement Assistance Administration must continue the same level of financial assistance for juvenile delinquency programs assisted in 1972 in addition to the newly authorized grants. Consequently the new grants will be doubly helpful in that they will provide needed funds to underfinanced State programs, and they will provide the needed motivation to develop delinquency prevention programs where no official interest exists.

The financial provisions of this bill authorize direct special emphasis grants to public and private agencies to develop new effective programs. At least 20 percent of these funds must go to private nonprofit agencies. Greater assistance to private agencies will hopefully increase citizen participation, and I believe that the larger degree of citizen participation will prolong the official interest in attacking the growing rate of juvenile delinquency. The experience and knowledge of private organizations should prove of invaluable benefit to the Federal effort.

Title V establishes a National Institute for Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office. Under the supervision of a Deputy Assistant Administrator, the Institute will serve as a clearinghouse for delinquency information. Research, demonstration, and evaluation will be basic functions of the Institute. The Institute should be especially valuable in that its rather constant evaluation of the various programs should be able to pinpoint the more effective ones which can then serve as national models.

In addition, the institute will be responsible for training personnel throughout the country for work in the juvenile justice field. This training will be especially valuable to policemen and correctional personnel. Additional personnel will be trained, however, in the field of delinquency prevention.

Finally, title VII establishes a National Institute of Corrections within the Bureau of Prisons. Under the supervision of an Advisory Board, the Institute of Corrections will serve as a clearinghouse for information on corrections, including programs for the prevention of delinquency. In addition, the Institute of Corrections will assist and advise in the implementation and improvement of Federal, State, and local corrections programs.

We have gone beyond the point where a more adequate approach to the juvenile delinquency crisis is needed, but fortunately, we are not too late. It is paramount that the Federal Government develop more effective means of preventing and controlling delinquency before we are forced to witness its growth to presently unimaginable proportions. We can continue to utilize the traditional method of detaining children in institutions where brutality often is the rule and they return to society more alienated than ever. Or we can take the initiative now and develop new methods for redirecting the behavior of these youngsters that endangers society.

The Federal Government is behind many States and localities in following this new path. This lack of Federal initiative is regrettable, because the Federal Government has more needed resources than are available at the State and local levels. Many localities, upon attempting to develop more adequate means of handling its juvenile delinquents, find that the resources just do not exist. Thus, I am firmly convinced that a Federal initiative is absolutely necessary. Not only will a more coordinated Federal effort improve the Federal juvenile justice system, but the allocation of Federal funds to State and local communities will be of great benefit to this country.

In discussing the problems of juvenile delinquency, we sometimes have an unwarranted sense of personal detachment. We think of those "young criminals" who should either be helped or destroyed, depending upon one's moral and political points of view. All of us forget much much too often, however, that the problems of juvenile delinquents are not limited to the "young criminals." The entire society feels their presence all across the Nation and especially in the large urban centers. Juvenile crime costs the society billions of dollars each year. Even worse, no one will ever be able to place a monetary value on the resulting loss of life.

Yet the present correctional system has been unable to cope with the frightening specter of increasing juvenile crime. From 1962 to 1972, arrests of juveniles for violent crimes increased by 148 percent, and their arrests for property crimes rose by 85 percent. Perhaps the picture becomes clearer with the awareness that children between the ages of 10 and 17 compose only 16 percent of the Nation's population, yet they make up more than 48 percent of the arrests for serious crimes.

Mr. President, I believe that the measure before us deserves the full support of this Senate and I urge my colleagues to vote for the approval of this substitute provision to establish the Juvenile Justice and Prevention Act.

Mr. HELMS. Mr. President, the bill before us is entitled the "Juvenile Justice and Delinquency Prevention Act of 1974." It is very reassuring, comforting even, to believe that by the stroke of a pen, and the expenditure of some $600 million over the next 3 years, that juvenile delinquency can be prevented. We are told that all the Federal programs for the prevention of juvenile delinquency have been ineffective, that juvenile delinquency is on the upswing, and that, therefore, the logical response is one big Federal program. If we carry this logic out further, reason will force us to conclude that the one big program will be infinitely more ineffective. Indeed, many will not agree, but I think that this bill should be entitled the "Juvenile Delinquency Promotion Act."

It is my view that this bill is profoundly unwise for reasons that go both to form and substance. Essentially, this is a bill for the federalization of juvenile justice. Ostensibly it applies only to Federal courts, but its impact is to impose Federal controls that will apply throughout the administration of juvenile justice at every level. Indeed, this bill is predicated upon the finding, and I quote, that—

> States and local communities . . . do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency.

Therefore, we are told:

> Juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

By these standards, every problem is a Federal problem, and there is no place for the States, except as a convenient administrative unit.

Therefore we find that the purpose of this act is "to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs."

And so the machinery is set up for the Federal takeover. Under "definitions" in section 103, we find that "the term 'Federal juvenile delinquency program' means any juvenile delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this act."

By the time the grant money authorized in this act is passed out, this definition will include—directly or indirectly—every juvenile delinquency program in this country. Indeed, under title V, a National Institute for Juvenile Justice is set up which will develop standards "for the administration of juvenile justice at the Federal, State, and local level." Federal action will be "recommended," and the power of the purse will be the power to enforce. Once a local community is hooked—and they will be hooked even before the "standards" are set up—it will be hard to give up that Federal money.

Aside from the erosion this program will cause to our constitutional system, a few words must be said about its substantive content. If there were any reason to believe that the Federal Government were the repository of wisdom about juvenile delinquency prevention, the practical effects of the bill might be good. But as soon as we start reading it, we find out about the necessity to "divert" juvenile offenders from the traditional system of justice, to put them in "community-based programs," based upon "consumer participation" in planning and operation. "Consumer participation" means that the criminals themselves will decide how the centers will be run. If the criminals are running the jails—no matter what you call them—then what kind of a system of justice will we have?

Throughout, the bill reflects the idea that juvenile offenders must receive "treatment," either on an "outpatient" or "inpatient" basis. The concept that crime is a disease is a discredited one, and one that puts the well-being of the criminal above the protection of society. The rise in criminal recidivism may well be reflected in the rise of such concepts.

Thus this bill is based upon the Federal takeover of juvenile justice, and the imposition through, to quote the bill, "the concentration of Federal programs" of a discredited concept of sociological justice. The imposition of programs through central power is dangerous because, if the idea is faulty, a faulty concept is imposed upon the whole country. If a State or city makes a mistake, only that area suffers. If the Federal bureaucracy makes a mistake and imposes it on the whole country, then the whole country suffers. I believe that this bill is wrong on both counts. The federalization of local programs is a bad concept, and the specific juvenile delinquency prevention program imposed through federalization in this bill is wrong. I, therefore, shall vote against it, even if I am the only Senator to do so.

Mr. BAYH. Mr. President, I ask that the Senate agree to the substitute amendment No. 1587, as amended.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the amendment (No. 1587) in the nature of a substitute, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Arkansas (Mr. Fulbright), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from New Mexico (Mr. Domenici), the Senator from Hawaii (Mr. Fong), the Senator from Oregon (Mr. Packwood), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici) and the Senator from Hawaii (Mr. Fong) would each vote "yea."

The result was announced—yeas 88, nays 1, as follows:

[No. 331 Leg.]

YEAS—88

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Dominick
Eagleton
Ervin
Fannin
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—1

Helms

NOT VOTING—11

Bellmon
Domenici
Eastland
Fong
Fulbright
Inouye
Long
Metcalf
Montoya
Packwood
Young

So the bill (S. 821) was passed, as follows:

S. 821

An Act to improve the quality of justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974".

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

Sec. 101. (a) Section titled "Declaration and Purpose" in title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is amendedd by inserting immediately after the second paragraph thereof the following new paragraph:

"Congress finds further that the high incidence of delinquency in the United States today results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources, and (2) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency."

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"It is therefore the further declared policy of Congress to provide the necessary resources, leadership, and coordination to (1) develop and implement effective methods of preventing and reducing juvenile delinquency; (2) to develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization; (3) to improve the quality of juvenile justice in the United States; and (4) to increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile justice and delinquency prevention."

DEFINITIONS

Sec. 103. Section 601 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following new subsections:

"(p) the term 'community based' facility, program, or service, as used in part F, means a small, open group or home or other suitable place located near the adult offender's or juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to, medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

"(q) the term 'Federal juvenile delinquency program' means any juvenile delinquency program which is conducted, directly, or indirectly, or is assisted by any Federal department or agency, including any program funded under this Act;

"(r) the term 'juvenile delinquency program' means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent."

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

Sec. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or for the purpose of proceedings and disposition under this chapter for an alleged act of juvenile delinquency, a person who has not attained his twenty-first birthday, and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

Sec. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for the needs of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged juvenile delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult, except that, with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishable by a maximum penalty of ten years imprisonment or more, life imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States, if such court finds, after hearing, such transfer would be in the interest of justice.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing whether a transfer would be in the interest of justice: the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile's response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea of guilty or the proceeding has reached the stage that evidence has begun to be taken with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

Sec. 203. Section 5033 of title 18, United States Code is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensible to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardian, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for longer than a reasonable period of time before being brought before a magistrate."

DUTIES OF MAGISTRATE

Sec. 204. Section 5034 of title 18, United States Code, is amended to read as follows:

"§ 5034. Duties of magistrate

"The magistrate shall insure that the juvenile is represented by counsel before proceeding with critical stages of the proceedings. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases where the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is
"§ 5035. Detention prior to disposition.
amended to read as follows:

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which the juvenile has regular contact with adult persons convicted of a crime or awaiting trial on criminal charges are confined. Insofar as possible, alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care and treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial

"If an alleged delinquent who is in detention pending trial is not brought to trial within thirty days from the date upon which such detention was begun, the information shall be dismissed on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay was caused by the juvenile or his counsel, or consented to by the juvenile and his counsel, or would be in the interest of justice in the particular case. Delays attributable solely to court calendar congestion may not be considered in the interest of justice. Except in extraordinary circumstances, an information dismissed under this section may not be reinstituted.

DISPOSITION

SEC. 207. Section 5037 is amended to read as follows:

"§ 5037. Dispositional hearing

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government a reasonable time in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner, unless the juvenile has attained his nineteenth birthday at the time of disposition, in which case probation, commitment, or commitment in accordance with subsection (c) shall not exceed the lesser of two years or the maximum term which could have been imposed on an adult convicted of the same offense.

"(c) If the court desires more detailed information concerning an alleged or adjudicated delinquent, it may commit him, after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are necessary to obtain the desired information. In the case of an alleged juvenile delinquent, inpatient study may be ordered only with the consent of the juvenile and his attorney. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 208. Section 5038 is added, to read as follows:

"§ 5038. Use of juvenile records

"(a) Throughout the juvenile delinqeuncy proceeding, the court shall safeguard the records from disclosure. Upon the completion of any juvenile delinquency proceeding whether or not there is an adjudication the district court shall order the entire file and record of such proceeding sealed. After such sealing, the court shall not release these records except to the extent necessary to meet the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Unless otherwise authorized by this section, information about the sealed record may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) District courts exercising jurisdiction over any juvenile shall inform the juvenile, and his parent or guardian, in writing in clear and nontechnical language, of rights relating to the sealing of his juvenile record.

"(c) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of an official duty by an employee of the court or an employee of any other governmental agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(d) Unless a juvenile who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any juvenile shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 209. Section 5039 is added, to read as follows:

"§ 5039. Commitment

"No juvenile committed to the custody of the Attorney General may be placed or retained in an adult jail or correctional institution in which he has regular contact with adults incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, counseling, education, training, and medical care, including necessary psychiatric, psychological, or other care and treatment.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 210. Section 5040 is added, to read as follows:

"§ 5040. Support

"The Attorney General may contract with any public or private agency or individual and such community-based facilities as halfway houses and foster homes for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States' prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 211. Section 5041 is added to read as follows:

"§ 5041. Parole

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law and when such release would be in the interest of justice."

REVOCATION

SEC. 212. Section 5042 is added to read as follows:

"§ 5042. Revocation of parole or probation

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 213. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.
"5031. Definitions.
"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.
"5033. Custody prior to appearance before magistrate.
"5034. Duties of magistrate.
"5035. Detention prior to disposition.
"5036. Speedy trial.
"5037. Dispositional hearing.
"5038. Use of juvenile records.
"5039. Commitment.
"5040. Support.
"5041. Parole.
"5042. Revocation of parole or probation.".

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

SEC. 301. Section 203(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by deleting the third full sentence and inserting in lieu thereof the following: "The State planning agency and any regional planning units within the State shall within their respective jurisdictions be representative of the law enforcement and criminal justice agencies including agencies directly related to the prevention and control of juvenile delinquency, units of general local governments, and public agencies maintaining programs to reduce and control crime, and shall include representatives of citizen, professional, and community organizations including organizations directly related to delinquency prevention.".

SEC. 302. (a) Parts F, G, H, and I of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), and all references thereto, are redesignated as parts G, H, I, and J, respectively.

(b) Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding after part E the following new part F:

"Part F—Juvenile Justice and Delinquency Prevention

"ESTABLISHMENT OF OFFICE

"Sec. 471. (a) There is hereby created within the Department of Justice, Law Enforcement Assistance Administration, the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office').

"(b) The programs authorized in part F (hereinafter referred to as 'this part') and all other programs concerned with juvenile delinquency and administered by the Law Enforcement Assistance Administration shall be administered or subject to the policy direction of the Office established under this section.

"(c) There shall be at the head of the Office an Assistant Administrator who shall be nominated by the President by and with the advice and consent of the Senate.

"(d) The Assistant Administrator shall exercise all necessary powers, subject to the direction of the Administrator of the Law Enforcement Assistance Administration.

"(e) There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator of the Law Enforcement Assistance Administration. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator from time to time assigns or delegates, and shall act as Assistant Administrator during the absence or disability of the Assistant Administrator or in the event of a vacancy in the Office of the Assistant Administrator.

"(f) There shall be established in the Office a Deputy Assistant Administrator who shall be appointed by the Administrator whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 490 of this Act.

"(g) Section 5108(c)(10) of title 5, United States Code, is amended by deleting the word 'twenty-two' and inserting in lieu thereof the word 'twenty-five'.

"PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

"Sec. 472. (a) The Administrator is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

"(b) The Administrator is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

"(c) Upon the request of the Administrator, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Assistant Administrator to assist him in carrying out his functions under this Act.

"(d) The Administrator may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title I of the United States Code.

"VOLUNTARY SERVICE

"Sec. 473. The Administrator is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

"CONCENTRATION OF FEDERAL EFFORTS

"Sec. 474. (a) The Administrator shall implement overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Administrator shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

"(b) In carrying out the purposes of this Act, the Administrator is authorized to—

"(1) advise the President through the Attorney General as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

"(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

"(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

"(4) implement Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

"(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

"(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

"(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

"(c) The Administrator may request departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this part.

"(d) The Administrator may delegate any of his functions under this part, except the making of regulations, to any officer or employee of the Administration.

"(e) The Administrator is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

"(f) The Administrator is authorized to transfer funds appropriated under this title to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Assistant Administrator finds to be exceptionally effective or for which he finds there exists exceptional need.

"(g) The Administrator is authorized to make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this part.

"(h) All functions of the Administrator under this part shall be coordinated as appropriate with the functions of the Secretary of the Department of Health, Education, and Welfare under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.).

"JOINT FUNDING

"Sec. 475. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be requested by the Administrator *to act for all in* administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

"INTERDEPARTMENTAL COUNCIL

"Sec. 476. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the 'Council') composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

"(b) The Attorney General or his designee shall serve as Chairman of the Council.

"(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

"(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 474(b)(5) of this title.

"(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

"ADVISORY COMMITTEE

"Sec. 477. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency Prevention (hereinafter referred to as the 'Advisory Committee') which shall consist of twenty-one members.

"(b) The members of the Interdepartmental Council or their respective designees shall be ex officio members of the Committee.

"(c) The regular members of the Advisory Committee shall be appointed by the Attorney General from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment.

"(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms; thereafter each term shall be four years. Any members appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

"DUTIES OF THE ADVISORY COMMITTEE

"SEC. 478. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

"(b) The Advisory Committee shall make recommendations to the Administrator at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

"(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Administrator on particular functions or aspects of the work of the Administration.

"(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institute for Juvenile Justice to perform the functions set forth in section 494 of this title.

"(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice to perform the functions set forth in section 496 of this title.

"COMPENSATION AND EXPENSES

"SEC. 479. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

"(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee."

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

SEC. 401. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following sections to new part F thereof:

"FORMULA GRANTS

"SEC. 480. The Administrator is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

"ALLOCATION

"SEC. 481. (a) In accordance with regulations promulgated under this part, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, and American Samoa, no allotment shall be less than $50,000.

"(b) Except for funds appropriated for fiscal year 1975, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purpose of this part. Funds appropriated for fiscal year 1975 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be allocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the State, the Virgin Islands, American Samoa, and Guam for the same period.

"(c) In accordance with regulations promulgated under this part, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

"STATE PLANS

"SEC. 482. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with the requirements set forth in section 303(a) of this title. In accordance with regulations established under this title, such plan must—

"(1) designate the State planning agency established by the State under section 203 of this title as the sole agency for supervising the preparation and administration of the plan;

"(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this part as the 'State planning agency') has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

"(3) provide for an advisory group appointed by the chief executive of the State to advise the State planning agency and its supervisory board (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments, (C) which include representatives of private organizations: concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment;

"(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

"(5) provide that at least 50 per centum of the funds received by the State under section 481 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Administrator for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

"(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of a State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this part referred to as the 'local agency') which can most effectively carry out the purposes of this part and shall provide for supervision of the programs funded under this part by that local agency;

"(7) provide for an equitable distribution of the assistance received under section 481 within the State;

"(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

"(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

"(10) provide that not less than 75 per centum of the funds available to such State under section 481, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities. That advanced techniques include—

"(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services, and any other designated community-based diagnostic, treatment, or rehabilitative service;

"(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

"(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

"(D) comprehensive programs of drug abuse education and prevention and programs for the treatment and rehabilitation of drug addicted youth, and 'drug dependent' youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201(g)));

"(E) educational programs or supportive services designed to keep delinquents and other youth in elementary and secondary schools or in alternative learning situations;

"(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

"(G) youth initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

"(H) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentives or disincentives to units of local government, or other effective means, that may include but are not limited to programs designed to—

"(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the State juvenile population;

"(B) increase the use of nonsecure community-based facilities as a percentage of total commitments to juvenile facilities; and

"(C) discourage the use of secure incarceration and detention;

"(11) provides for the development of an adequate research, training, and evaluation capacity within the State;

"(12) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

"(13) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

"(14) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 482 (12) and (13) are met, and for annual reporting of the results of such monitoring to the Administrator;

"(15) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth;

"(16) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

"(17) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—

"(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise;

"(B) the continuation of collective bargaining rights;

"(C) the protection of individual employees against a worsening of their positions with respect to their employment;

"(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or in part under provisions of this Act;

"(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protection arrangements established pursuant to this section;

"(18) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

"(19) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds made available for the programs described in this part, and will in no event supplant such State, local, and other non-Federal funds;

"(20) provide that the State planning agency will from time to time, but not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

"(21) contain such other terms and conditions as the Administrator may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

"(b) The Supervisory Board designated pursuant to section 482(a), after consultation with the advisory group referred to in section 482(a), shall approve the State plan and any modification thereof prior to submission to the Administrator.

"(c) The Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

"(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Administrator, after reasonable notice and opportunity for hearing in accordance with sections 509, 510, and 511, determines does not meet the requirements of this section, the Administrator shall make that State's allotment under the provisions of section 481(a) available to public and private agencies for special emphasis prevention and treatment programs as defined in section 483.

"(e) In the event the plan does not meet the requirements of this section due to oversight or neglect, rather than explicit and conscious decision, the Administrator shall endeavor to make that State's allotment under the provisions of section 481(a) available to public and private agencies in that State for special emphasis prevention and treatment programs as defined in section 483.

"(f) Any nonadjudicated juvenile shall not be made to partake in a program of behavior modification involving the use of drugs or electrical stimuli or other potentially harmful treatment as a part of any such program authorized in whole or in part by this act without the prior approval of his parents or guardians.

"SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

"SEC. 483. (a) The Administrator is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

"(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

"(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

"(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

"(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

"(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 496.

"(b) Not less than 25 per centum or more than 50 per centum of the funds appropriated for each fiscal year pursuant to this part shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section.

"(c) At least 20 per centum of the funds available for grants and contracts made pursuant to this section shall be available for grants and contracts to private nonprofit agencies, organizations, or institutions who have had experience in dealing with youth.

"CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

"SEC. 484. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under section 483, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each such application shall—

"(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

"(2) set forth a program for carrying out one or more of the purposes set forth in section 482;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of the program;

"(5) indicate that the applicant has requested the review of the application from the State planning agency and local agency designated in section 482, when appropriate, and indicate the response of such agency to the request for review and comment on the application;

"(6) provide that regular reports on the program shall be sent to the Administrator and to the State planning agency and local agency, when appropriate; and

"(7) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In determining whether or not to approve applications for grants under section 483, the Administrator shall consider—

"(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this part;

"(2) the extent to which the proposed program will incorporate new or innovative techniques;

"(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Administrator under section 482(c) and when the location and scope of the program makes such consideration appropriate;

"(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquents;

"(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

"(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 496.

"GENERAL PROVISIONS

"Withholding

"SEC. 485. Whenever the Administrator, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

"(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

"(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Administrator shall initiate such proceedings as are appropriate under sections 509, 510, and 511 of this title.

"USE OF FUNDS

"SEC. 486. Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for—

"(1) securing, developing, or operating the program designed to carry out the purposes of this part;

"(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than twenty persons (as defined in sections 601(f) and 601(p) of this title) which, in the judgment of the Administrator, are necessary for carrying out the purposes of this part.

"PAYMENTS

"SEC. 487. (a) In accordance with criteria established by the Administrator, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

"(b) At the discretion of the Administrator, when there is no other way to fund an essential juvenile delinquency program not funded under this part, the State may utilize 25 per centum of the formula grant funds available to it under this part to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

"(c) Whenever the Administrator determines that it will contribute to the purposes of this part, he may require the recipient of any grant or contract to contribute money, facilities, or services.

"(d) Payments under this part, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Administrator may determine.".

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

NATIONAL INSTITUTE FOR JUVENILE JUSTICE

SEC. 501. Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding the following sections to new part F thereof:

"SEC. 490. (a) There is hereby established within the Juvenile Justice and Delinquency Prevention Office a National Institute for Juvenile Justice.

"(b) The National Institute for Juvenile Justice shall be under the supervision and direction of the Assistant Administrator, and shall be headed by a Deputy Assistant Administrator of the Office appointed under section 471(f).

"(c) The activities of the National Institute for Juvenile Justice shall be coordinated with the activities of the National Institute of Law Enforcement and Criminal Justice in accordance with the requirements of section 471(b).

"INFORMATION FUNCTION

"SEC. 491. The National Institute for Juvenile Justice is authorized to—

"(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

"(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

"RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

"SEC. 492. The National Institute for Juvenile Justice is authorized to—

"(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

"(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

"(3) provide for the evaluation of all juvenile delinquency programs assisted under this title in order to determine the results and the effectiveness of such programs;

"(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Administrator; and

"(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

"TRAINING FUNCTIONS

"SEC. 493. The National Institute for Juvenile Justice is authorized to—

"(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juveniles and juvenile offenders;

"(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

"INSTITUTE ADVISORY COMMITTEE

"SEC. 494. The Advisory Committee for the National Institute for Juvenile Justice established in section 478(d) shall advise, consult with, and make recommendations to the Deputy Assistant Administrator for the National Institute for Juvenile Justice concerning the overall policy and operations of the Institute.

"ANNUAL REPORT

"SEC. 495. The Deputy Assistant Administrator for the National Institute for Juvenile Justice shall develop annually and submit to the Administrator after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Administrator shall include a summary of these results and recommendations in his report to the President and Congress required by section 474(b)(5).

"DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

"SEC. 496. (a) The National Institute for Juvenile Justice, under the supervision of the Advisory Committee on Standards for Juvenile Justice established in section 478(e), shall review existing reports, data, and standards, relating to the juvenile justice system in the United States.

"(b) Not later than one year after the passage of this section, the Advisory Committee shall submit to the President and the Congress a report which, based on recommended standards for the administration of juvenile justice at the Federal, State, and local level—

"(1) recommends Federal action, including but not limited to administrative and legislative action, required to facilitate the adoption of these standards throughout the United States; and

"(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

"(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this section.

"SEC. 497. Records containing the identity of individual juveniles gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or other agency, public, or private."

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

SEC. 601. Section 520 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (82 Stat. 197; 84 Stat. 1881; 87 Stat. 197), is further amended by adding at the end thereof:

"In addition to any other appropriation authorizations contained in this title there is authorized for the purpose of part F: $75,000,000 for the fiscal year ending June 30, 1975; $150,000,000 for the fiscal year ending June 30, 1976.

"In addition to the funds appropriated under this section, the Administration shall maintain from other Law Enforcement Assistance Administration appropriations other than the appropriations for administration, the same level of financial assistance for juvenile delinquency programs assisted by the Law Enforcement Assistance Administration during fiscal year 1972.".

TITLE VII—NATIONAL INSTITUTE OF CORRECTIONS

SEC. 701. Title 18, United States Code, is amended by adding a new chapter 319 to read as follows:

"Chapter 319—NATIONAL INSTITUTE OF CORRECTIONS

"SEC. 4351. (a) There is hereby established within the Bureau of Prisons a National Institute of Corrections.

"(b) The overall policy and operations of the National Institute of Corrections shall be under the supervision of an Advisory Board. The Board shall consist of fifteen members. The following five individuals shall serve as members of the Commission ex officio: the Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law Enforcement Assistance Administration or his designee, Chairman of the United States Parole Board or his designee, the Director of the Federal Judicial Center or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare or his designee.

"(c) The remaining ten members of the Board shall be selected as follows:

"(1) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner (Federal, State, or local) in the field of corrections, probation, or parole.

"(2) Five shall be appointed initially by the Attorney General of the United States for staggered terms, one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint succssors who will each serve for a term of three years. Each member selected shall be from the private sector, such as business, labor, and education, having demonstrated an active interest in corrections, probation or parole.

"(d) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Commission pursuant to this title, be entitled to receive compensation at the rate not to exceed the daily eqiuvalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, including traveltime, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Board shall elect a chairman from among its members who shall serve for a term of one year. The members of the Board shall also elect one or more members as a vice-chairman.

"(f) The Board is authorized to appoint, without regard to the civil service laws, technical, or other advisory committees to advise the Institute with respect to the administration of this title as it deems appropriate. Members of these committees not otherwise employed by the United States, while engaged in advising the Institute or attending meetings of the committees, shall be entitled to receive compensation at the rate fixed by the Board but not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5, United States Code, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Board is authorized to delegate its powers under this title to such persons as it deems appropriate.

"(h) The Board shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Board. The Director is authorized to delegate his powers under this title to such persons as he deems appropriate.

"SEC. 4352. (a) In addition to the other powers, express and implied, the National Institute of Corrections shall have authority:

"(1) to receive from or make grants to and enter into contracts with Federal, State, and general units of local government, public and private agencies, educational institutions, organizations, and individuals to carry out the purposes of this section and section 411;

"(2) to serve as a clearinghouse and information center for the collection, preparation, and dissemination of information on corrections, including, but not limited to, programs for prevention of crime and recidivism, training of corrections personnel, and rehabilitation and treatment of criminal and juvenile offenders;

"(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and rehabilitation with respect to criminal and juvenile offenders;

"(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement improved corrections programs;

"(5) to devise and conduct, in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges, and judicial personnel, probation and parole personnel, correctional personnel, welfare workers, and other persons, including lay, ex-offenders, and paraprofessional personnel, connected with the treatment and rehabilitation of criminal and juvenile offenders;

"(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local agencies which work with prisoners, parolees, probationers, and other offenders;

"(7) to conduct, encourage, and coordinate research relating to corrections, including the causes, prevention, diagnosis, and treatment of criminal offenders;

"(8) to formulate and disseminate correctional policy, goals, standards, and recommendations for Federal, State, and local correctional agencies, organizations, institutions, and personnel;

"(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems, programs, and devices employed to improve the corrections system;

"(10) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

"(11) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

"(12) to confer with and avail itself of the assistance, services, records, and facilities of State and local governments or other public or private agencies, organizations, or individuals;

"(13) to enter into contracts with public or private agencies, organizations, or individuals, for the performance of any of the functions of the Institute; and

"(14) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for GS–18 by section 5332 of title 5 of the United States Code.

"(b) The Institute shall on or before the 31st day of December of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial condition, and accomplishments under this title and may include such recommendations related to corrections as the Institute deems appropriate.

"(c) Each recipient of assistance under this Act shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and dispositino by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(d) The Institute, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examinations to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this chapter.

"(e) The provision of this section shall apply to all recipients of assistance under this title, whether by direct grant or contract from the Institute or by subgrant or subcontract from primary grantees or contractors of the Institute.

"SEC. 4353. There is hereby authorized to be appropriated such funds as may be required to carry out the purposes of this chapter."

TITLE VIII—FEDERAL SURPLUS PROPERTY

SEC. 801. (a) Section 203(j) of the Federal Property Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), is amended—

(1) by striking out "or civil defense" in the first sentence of paragraph (1) and inserting in lieu thereof "civil defense, or law enforcement and criminal justice";

(2) by striking out "or (4)" in the first sentence of paragraph (1) and inserting in lieu thereof "(4), or (5)";

(3) by striking out "or paragraph (4)" in the last sentence of paragraph (2) and inserting in lieu thereof a comma and "(4), or (5)";

(4) by inserting after paragraph (4) a new paragraph as follows:

"(5) Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of law enforcement and criminal justice, including research, in any State shall be made by the Administrator, Law Enforcement Assistance Administration, who shall allocate such property on the basis of need and utilization for transfer by the Administrator of General Services to such State agency for distribution to such State or to any unit of general local government or combination, as defined in section 601 (d) or (e) of the Crime Control Act of 1973 (87 Stat. 197), designated pursuant to regulations issued by the Law Enforcement Assistance Administration. No such property shall be transferred to any State agency until the Administrator, Law Enforcement Assistance Administration, has received, from such State agency, a certification that such property is usable and needed for law enforcement and criminal justice purposes in the State, and such Administrator has determined that such State agency has conformed to minimum standards of operation prescribed by such Administrator for the disposal of surplus property.";

(5) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively;

(6) by striking out "and the Federal Civil Defense Administrator" in paragraph (6), as redesignated, and inserting in lieu thereof a comma and "the Federal Civil Defense Administrator, and the Administrator, Law Enforcement Assistance Administration"; and

(7) by striking out "or paragraph (4)" in paragraph (6), as redesignated, and inserting in lieu thereof a comma and "(4), or (5)".

(b) Section 203(k)(4) of such Act, as amended (40 U.S.C. 484(k)(4)), is amended—

(1) by striking out "or" after the semicolon in clause (D);

(2) by striking out the comma after "law"

in clause (E) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding immediately after clause (E) the following new clause:

"(F) the Administrator, Law Enforcement Assistance Administration, in the case of personal property transferred pursuant to subsection (j) for law enforcement and criminal justice purposes,".

(c) Section 203(n) of such Act, as amended (40 U.S.C. 484(n)), is amended—

(1) by striking out in the first sentence "and the head of any Federal agency designated by either such officer" and inserting in lieu thereof "the Administrator, Law Enforcement Assistance Administration, and the head of any Federal agency designated by any such officer"; and

(2) by striking out in next to the last sentence "law enforcement" and inserting in lieu thereof "law enforcement and criminal justice", and in the same sentence striking "or (j)(4)" and inserting in lieu thereof a comma and "(4), or (5)".

TITLE IX—EXTENSION AND AMENDMENT OF THE JUVENILE DELINQUENCY PREVENTION ACT

YOUTH DEVELOPMENT DEMONSTRATIONS

SEC. 901. Title I of the Juvenile Delinquency Prevention Act is amended (1) in the caption thereof, by inserting "AND DEMONSTRATION PROGRAMS" after "SERVICES"; (2) following the caption thereof, by inserting "PART A—COMMUNITY-BASED COORDINATED YOUTH SERVICES"; (3) in sections 101, 102(a), 102(b)(1), 102(b)(2), 103(a) (including paragraph (1) thereof), 104(a) (including paragraphs (1), (4), (5), (7), and (10) thereof) and 104(b), by striking out "title" and inserting "part" in lieu thereof; and (4) by inserting at the end of the title the following new part:

"PART B—DEMONSTRATIONS IN YOUTH DEVELOPMENT

SEC. 105. (a) For the purpose of assisting the demonstration of innovative approaches to youth development and the prevention and treatment of delinquent behavior (including payment of all or part of the costs of minor remodeling or alteration), the Secretary may make grants to any State (or political subdivision thereof), any agency thereof, and any nonprofit private agency, institution, or organization that submits to the Secretary, at such time and in such form and manner as the Secretary's regulations shall prescribe, an application containing a description of the purposes for which the grant is sought, and assurances satisfactory to the Secretary that the applicant will use the grant for the purposes for which it is provided, and will comply with such requirements relating to the submission of reports, methods of fiscal accounting, the inspection and audit of records and other materials, and such other rules, regulations, standards, and procedures, as the Secretary may impose to assure the fulfillment of the purposes of this Act.

"(b) No demonstration may be assisted by a grant under this section for more than one year."

CONSULTATION

SEC. 902. (a) Section 408 of such Act is amended by adding at the end of subsection (a) thereof the following new subsection:

"(b) The Secretary shall consult with the Attorney General for the purpose of coordinating the development and implementation of programs and activities funded under this Act with those related programs and activities funded under the Omnibus Crime Control and Safe Streets Act of 1968";

and by deleting subsection (b) thereof.

(b) Section 409 is repealed.

REPEAL OF MINIMUM STATE ALLOTMENTS

SEC. 904. Section 403(b) of such Act is repealed, and section 403(a) of such Act is redesignated section 403.

EXTENSION OF PROGRAM

SEC. 905. Section 402 of such Act, as amended by this Act, is further amended in the first sentence by inserting after "fiscal year" the following: "and such sums as may be necessary for fiscal year 1975".

Mr. BAYH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRIBUTE TO SENATOR BAYH

Mr. MANSFIELD. Mr. President, the overwhelming acceptance of this measure by the Senate represents one more outstanding tribute to Senator BIRCH BAYH, of Indiana, the able and distinguished chairman of the Subcommittee on Juvenile Delinquency. I wish also to praise the strong and able leadership of Senator HRUSKA, Senator COOK, and Senator MCCLELLAN on this issue. Their able advocacy and skill were indispensable to this success but today it is Senator BAYH and his record of achievement that I wish to note particularly.

Mr. President, it would be difficult to find another public official who has demonstrated more diligence and effectiveness in seeking solutions to the varied and complex problems facing our Nation than the junior Senator from Indiana.

During the almost 12 years he has served in the U.S. Senate, BIRCH BAYH's concern and his thoughtful approach have made a difference—a very real difference—for the people of Indiana and the Nation.

BIRCH BAYH started his life on a farm and became a 4-H tomato growing champion and amateur boxing champion. He began to compile a long, impressive and still growing record of accomplishment and services to others when he was a young soldier stationed in Germany after World War II. During his off duty time he taught local boys and girls—many of whom were wracked with hunger—how to grow vegetables to supplement their meager diet.

His record of service to the people of Indiana flourished during the 8 years he served in the Indiana House of Representatives, including 2 as Speaker. He was particularly effective in guiding to passage forward-looking legislation to improve education in Indiana schools.

In 1962, the people of Indiana chose BIRCH BAYH to represent them in the U.S. Senate. Because of his hard work, his courage in tackling tough issues and his effective leadership in this body, Senator BAYH has risen to national prominence. But Senator BAYH's concern for national problems has always been in addition to, never at the expense of, his responsibilities to Indiana. In cooperation with his colleagues, Senator BAYH has worked consistently and effectively to insure that the needs of Indiana were met. As a result, he has obtained for his State many valuable and necessary projects such as reservoirs, navigational improvements, port developments, and flood control projects.

As a member of the Senate Judiciary Committee Senator BAYH was a leader in the struggle to insure honesty, integrity, and openness in the Government long before Watergate.

For many years Senator BAYH has made a voluntary public disclosure of his personal finances including Federal and State income taxes and a statement of assets and liabilities. As early as 1967 he supported and voted for legislation requiring Congressmen and candidates for Congress to make public financial disclosures. In 1970 and 1971 he introduced and fought for legislation to require members of all three branches of Government, including the President, the Vice President, Members of Congress, the Federal judiciary, and all Federal employees earning more than $18,000 per year to file full public financial disclosures.

Senator BAYH strongly supported legislation calling for a combination of small contributions and public financing to take big money out of politics and reduce the influence of vested interests. When the Senate passed such legislation earlier this year it included many provisions contained in a campaign reform bill introduced by Senator BAYH in 1973, including stiff fines and prison terms for violations.

As chairman of three Senate subcommittees Senator BAYH has always insisted that all business of the subcommittees be conducted in public and he has fought for legislation providing that no congressional committee could hold closed meetings without a public vote to close the meetings.

And it was Senator BAYH's concern for the integrity of the Supreme Court which led him to successfully oppose the nominations of Judge Haynsworth and Judge Carswell.

Although it has been his work on the Senate Judiciary Committee that has most frequently brought Senator BAYH into the national spotlight, he has also played an important role on the Senate Appropriations Committee.

In his first year as chairman of the District of Columbia Appropriations Subcommittee Senator BAYH found ways to cut $15 million out of the budget without adversely affecting any of the vital services provided the people of our Nation's Capital City.

Throughout his service on the Appropriations Committee Senator BAYH has worked consistently to cut waste from the Federal budget and to reorder our spending priorities to meet the real needs of our people. Earlier this year, for example, he succeeded in slashing more than a billion dollars of surplus funds out of the welfare budget alone to free these funds for use in such necessary programs as public service employment, education, and health care.

Senator BAYH has worked particularly hard and very successfully as a member of the Appropriations Committee to increase funding for important projects in Indiana such as the Indiana Dunes National Lakeshore, which he was instrumental in creating, sewage treatment facilities and disaster relief.

Time and time again, when there was a problem affecting the people of Indiana, BIRCH BAYH was there, working for its solution. Whether it was slashing through bureaucratic red-tape or offering appropriate legislation, Senator BAYH did not stop with a short-range answer to a problem, but continued to search until he found the right answer. An example of how Senator BAYH has sought long-lasting answers is the Disaster Relief Act. When a tornado ripped across Indiana and much of the Midwest on Palm Sunday in 1965, Senator BAYH went to work and wrote what became the first comprehensive disaster relief law so that when future disasters came relief and help would be readily available.

Mr. President, in BIRCH BAYH, the people of Indiana have sent to the Senate a man whose courage, integrity, and ability have made a difference for the people of Indiana and the Nation. I take this occasion to express the hope that he may have many years in the service of his country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the act (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mrs. SULLIVAN, Mr. DINGELL, and Mr. GOODLING were appointed managers of the conference on the part of the House.

RESCISSION OF ORDER FOR CONSIDERATION OF THE RAIL PASSENGER SERVICE ACT

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate Calendar No. 975, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that that order be rescinded and that the Senate return to the consideration of Calendar No. 857, S. 707, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION AGENCY FOR CONSUMER ADVOCACY

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency; and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

CLOTURE MOTION

Mr. RIBICOFF. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill, S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

1. James Abourezk.
2. Jacob K. Javits.
3. George McGovern.
4. Gale W. McGee.
5. Mike Mansfield.
6. William D. Hathaway.
7. Hubert H. Humphrey.
8. Harold E. Hughes.
9. Gaylord Nelson.
10. Philip A. Hart.
11. Edward M. Kennedy.
12. Charles H. Percy.
13. Clifford P. Case.
14. Abraham Ribicoff.
15. Alan Cranston.
16. Warren G. Magnuson.
17. James B. Pearson.
18. Hugh Scott.
19. Lowell P. Weicker, Jr.
20. Mark O. Hatfield.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Illinois (Mr. STEVENSON), No. 1606.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment by the Senator from Illinois, No. 1606.

Mr. STEVENSON. Mr. President, I ask unanimous consent that William Staszak, a member of my staff, and Stanley Marcuss, a member of the staff of the Committee on Banking, Housing and Urban Affairs, be permitted the privilege of the floor during the debate and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, committee amendment No. 4 carves out a broad exemption for financial institutions.

Federal agencies responsible for the regulation of financial institutions would not be required to make their reports, or any information relating to such reports, available to the Administrator as a result of this amendment.

The amendment which I am offering would strike that broad exemption for financial institutions and protect from interagency disclosure any information that is now protected by statute. In other words, it would simply leave the law as it is.

The law is not altogether clear as to what it does prohibit from interagency disclosure, but, Mr. President, I do not believe this is the time and the place to resolve that uncertainty or that the way to do so is by giving one industry a sweeping exemption enjoyed by no other industry.

That industry, financial institutions in the country, may already have the protection that is necessary and desirable, protection from interagency disclosure under the present law, and these institutions will receive additional protection in this bill.

Section 11 of the bill details classes of information which need not be disclosed by one agency to another.

If, Mr. President, consideration of additional exemptions for the banking and savings and loan industry is necessary, then it seems to me that the Banking Committee ought to consider the matter and recommend the appropriate safeguards.

This matter has not received the benefit of any hearings in any committee. It was not considered in any depth in the Government Operations Committee nor the Commerce Committee. The bill was not even referred to the committee with the jurisdiction and the expertise; namely, the Banking Committee.

One thing is clear, and that is that the Consumer Agency will have a legitimate interest in the reports of other agencies about the consumer credit and home loan policies of financial institutions, their truth-in-lending activities, and other such matters.

The Consumer Protection Agency would be protected by the amendment which I am offering. That amendment would strike this exemption for banks, an amendment which is probably unnecessary, and if later on, as I indicated, it appears there is some necessity for some additional protection under the law, that could be considered in the Banking Committee.

This amendment, Mr. President, has nothing to do with public disclosure of any information about any banks. It would simply eliminate a committee amendment by the Government Operations Committee which grants financial institutions, financial institutions alone, a sweeping exemption from the interagency disclosure requirements in this bill.

I suggest that before blanketing the activities of banks with congressionally sanctioned secrecy, we ought to at least study the matter, and it has not been studied. It is a matter which has not even been given a hearing.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum, unless the Senator from Ohio has something to say.

Mr. TAFT. I think the distinguished Senator from Tennessee has some comments.

Mr. RIBICOFF. That is correct, and that is why I suggested the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceed to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that the pending amendment be set aside and that I be permitted to proceed on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENSON. Reserving the right to object, and I shall not object, I believe the Senator wants to lay the amendment aside temporarily, for about 10 minutes?

Mr. TAFT. Yes, until the Senator from Tennessee can come to the floor, at which time I shall be glad to yield the floor.

The PRESIDING OFFICER (Mr. BIDEN). The Senator need not make such a motion unless he wants to offer another amendment, because there is no time limit on the bill.

Mr. TAFT. I shall proceed on the bill, then.

The PRESIDING OFFICER. The Senator from Ohio may proceed.

Mr. TAFT. I assure the Senator from Illinois that my intention is to yield the floor and complete action on the amendment when the Senator from Tennessee has finished.

WHO SPEAKS FOR EVERY MAN?

Mr. President, it has not been my usual practice in the Senate to engage in what has come to be known as prolonged discussion of particular issues. In fact, more often than not, I have found myself on the side of voting for and signing cloture motions. However, I do think, when the issues that come before us become so complex and the pressures behind them become so strong, that a prolonged discussion is vital to an understanding among Members of the Senate, Members of the House of Representatives, and members of the public generally as to what the impact of a particular proposed piece of legislation might be.

My purpose today and my expectation as to future conduct with regard to this bill are in that context.

The bill seems to me to pose a very serious question that all of us should be facing up to. I would entitle my remarks today with a question. That question is, "Who speaks for Everyman?"

The concept of a Consumer Protection Agency, or an Agency for Consumer Advocacy, as we now are apparently going to call it, appears to be built on the faulty premise that a superagency can speak for a mythical everyman.

Mr. President, I agree strongly with the Senator from Alabama that "the interests of consumers are an essential part of the public interest and need to be safeguarded." It is axiomatic, of course, that those of us in the Congress of these United States can have no more important goal than to serve the commonwealth.

But let us examine the artificial notions that forces are alined as "pro" or "anti" consumer. Who among us is not a consumer. Who among us does not support the desirable—the critical—the mandatory, twofold objective of both S. 707 and S. 1160, namely, to promote the interests of the American people as consumers of goods and services; and to improve the coordination of Federal programs and activities which affect consumers.

In these unsteady times when consumers are buffeted by higher prices, shortages, and inflation, the siren call of legislation labeled "consumer protection" beckons. It is right that we ask:

Who is watching out for the little fellow, for everyman?

Who is listening to him, or is his voice lost in a wildernes of special interests, vocal minorities, and global planners?

Who speaks for him? What really are the mythical everyman's expectations?

I say mythical, for I do not believe there is a composite everyman out there in this broad, complex, ever changing nation of individuals. The basic premise of the Consumer Protection Agency or the ACA, as we call it, appears to be based on the existence of such an everyman.

I am for the consumer's interest. We all are. But I seriously question whether we can ordain an elite cadre in Washington to speak for the entire U.S. consuming population of 200-million-plus men, woman, and children.

CONCERNS ABOUT THE CPA

Serious questions have been raised about the Consumer Protection Agency and I would be remiss if I did not review them briefly before getting back to a principle concern—realistic consumer advocacy. Although well-intentioned, I can see the establishment of a Consumer Protection Agency as actually working against the orderly process of the Government, working against the consumer's best interest, and working especially, against the consumer's sorely tested pocketbook in these inflationary times.

My main contention is that the Agency for Consumer Advocacy would inevitably lead to minority rule in matters affecting consumers. And I take it this would be in direct opposition to the intent of the proposed Consumer Protection Acts. Before expanding on this overriding concern, let me first briefly summarize my other problems with these bills.

First. I think it is an unsound concept to set up one "super" agency with absolute power to intervene in the affairs of other agencies, and to call the decisions of all others into question in the courts.

The Consumer Protection Agency will have not only the right but the mandate to become an adversary to every other agency, to dispute with and override their decisions by appeals to the Federal courts. Private persons and companies engaged in proceedings with other Federal agencies now will be confronted with the situation in which no decision involving consumer interests is final until the Consumer Protection Agency has agreed to let it rest, or until it has been reviewed and settled by the courts, if challenged by the Consumer Protection Agency.

These bills assume built-in disruption of virtually all Government agencies.

In that respect, I have received a letter which I would like to just read briefly from one of my constituents, representing a large concern in the consumer field, retail field. I would like to quote a part of that letter, as follows:

> In running our business, I would rather be told I am wrong and must change than be told that I may have to wait another six months or a year to find out while a new agency appeals a decision which otherwise would have provided clarity and certainty. Nor do I welcome the prospect of having to work out constructive solutions to regulatory problems with representatives of "competing" government agencies who disagree with each other as to the desired result or how to get there. Such a process is hardly the most efficient and effective way of meeting consumer needs.

In that same letter, I would like to quote further because I think the points are well worth noting:

> As a floor vote on the Consumer Protection Agency proposals approaches, I urge your consideration of the dilemma I face as the head of a substantial consumer goods business, and which I believe, you too, must resolve when you cast your vote.
>
> Many businessmen have strongly and consistently opposed any Consumer Protection Agency. Others, including myself, have openly advocated such an agency but have questioned the appropriateness of some of the features of the current proposals. Unfortunately, these questions have been viewed by some, in and out of government, as proof that these responsible business leaders are really against any CPA and against consumers. Only those few companies who have publicly endorsed the present proposals are credited with being good corporate citizens on this issue.

I continue to quote this letter:

> Clearly you face the same risk of being simplistically dubbed as for or against consumers, depending on how you vote on S–707 and HR–13163. On the other hand, we strongly suspect that a majority of your constituents want you to insure that legislation enacted by the Senate provides sound and efficient mechanisms for serving the public interest rather than increasing the cost and burden of government beyond what the expected benefits will justify.

Continuing to quote the letter:

> We feel that we rank high among responsible corporate citizens. Over the years we have undertaken socially responsible programs because we thought they were right, and—frankly—because we thought they were good business. We have not waited for laws and regulations. For example, while warranty legislation is still pending in the Congress, all of our products have carried on unconditional money-back guarantee of satisfaction on their labels for over a quarter of a century. Another example—while the debate still goes on as to whether advertisers should be required to substantiate their advertising claims, we have taken it as an article of faith throughout our corporate existence that our advertising must be scientifically and legally supportable, and our record of providing such support in a satisfactory manner in response to governmental inquiries goes back over many years.

Continue quoting the letter:

> Accordingly we have no concern that the establishment of a Consumer Protection Agency entails specific risks for us as a company. Besides, it is the very nature of our business to try to fill those needs which consumers express to us in our extensive market research efforts, and there is no doubt that consumers perceive a need for a Consumer Protection Agency.
>
> When we consider a business proposal, as when you consider a legislative proposal, we examine the need, consider the alternatives for meeting it, and adopt the most efficient plan of action which can be expected to accomplish the desired result. When we seek to provide constructive input on proposed legislation, we proceed in the same manner.

Mr. President, I have not completed reading the letter, which I will do at a later time, nor have I completed my remarks along the line of a "Who speaks for everyman?" which I have just been discussing. But I will, at this time, yield the floor so that proceedings can continue on the amendment by the Senator from Illnois.

I shall now defer my remarks until later.

Mr. RIBICOFF. Mr. President, I wonder if the Senator would yield. Is it the intention of the distinguished Senator from Ohio, after the adoption of this amendment, to continue his speech?

Mr. TAFT. It is my intention if the time is sufficient.

Mr. RIBICOFF. There are a few committee amendments remaining which are noncontroversial, and I wonder whether we could proceed to the adoption of the remaining committee amendments and then have the distinguished Senator continue. However, I would be more than pleased to defer the adoption of the committee amendments, if the Senator from Ohio would want to continue at that time, and I would defer to the Senator for whatever action he wishes to take.

Mr. TAFT. Mr. President, I thank the Senator very much. I would defer and see what time is available after the Senator from Illinois has completed action on his amendment.

Mr. BROCK. Mr. President, does the Chair accept the unanimous consent request of the Senator from Ohio?

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

The Senator from Illinois has the floor.

Mr. STEVENSON. Mr. President, I discussed this amendment with the distinguished Senator from Tennessee (Mr. BROCK) and also the distinguished manager of the bill (Mr. RIBICOFF) and I think we can make a change in the amendment that would make it acceptable to the Senator from Tennessee.

He has rightly expressed concern about the privacy of customers of financial institutions. It would not be my intention to require that information obtained by any Federal regulatory agencies about the financial condition of individual customers of financial institutions be required to be disclosed by that agency to the Administrator.

In fact, I think such information should be protected from disclosure if it is not protected already in the law.

Mr. President, I send the modification to the desk and ask that my amendment be modified to conform.

The PRESIDING OFFICER. The amendment is so modified. The modification will be stated.

The assistant legislative clerk read as follows:

> On page 71, line 8, strike all after the semicolon through "and" on line 16 and insert in lieu thereof the following:
>
> "Including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;
>
> (6) information which would disclose the financial condition of individual customers of financial institutions; and

Mr. STEVENSON. Mr. President, the operative language of this modification is in subparagraph 6, which would make it clear that information which discloses the financial condition of customers of financial institutions, is not subject to interagency disclosure—such information would include credit reports, bank accounts, files on individual transactions between banks and customers—matters of that kind.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. RIBICOFF. Do I understand what the Senator is interested in doing is preserving the privacy of an individual person not to be disturbed or have his financial transactions disclosed? I understand that to be the purport of the amendment of the Senator from Illinois.

Mr. STEVENSON. That is the purport of the amendment; not to require regulatory agencies to disclose any such information about the financial condition of customers of financial institutions to the Consumer Protection Agency.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. BROCK. The Senator from Illinois has, I think, correctly stated the situation. It does not conform with the proposal of the Senator from Tennessee who offered the original language in the bill in the form of a committee amendment, which was adopted by the Committee on Government Operations.

My concern is a very specific concern in the sense of the fact that this Nation too often these days embarks upon new controls or procedures or laws which although well intentioned have the effect of destroying personal privacy. This assault is upon one of our most fundamental freedoms.

I offered in committee an amendment which would preclude this agency from access to and revelation of any information with regard to individual customers of a financial institution or privileged records and accounts of such institutions.

The Senator from Illinois has very carefully worded the amendment to be more specific than that proposal which I drew up. There is no distinction between the desire of the Senator from Illinois and the Senator from Tennessee; we both seek the same objective.

I appreciate the Senator's concern with this matter and his interest in it and his support. I wish to guarantee that privacy and privileges of the citizens of this country. We are embarked on too many exercises to damage or even destroy that basic American freedom.

Mr. President, I am prepared to support the amendment. I would like to list two or three things to be sure we are in consonance.

I understand this would preclude access to credit reports and bank accounts, records of loans he might have sought; it would apply to bank examinations of that institution that are not covered under the Freedom of Information Act, where we already have an exclusion, but it would cover those areas of examinations that are simply for the purpose of the regulatory agencies to maintain that financial solvency of that institution.

They would be excluded, as I understand it, so that there could not be jeopardized the liquidity or basic stability of a financial institution by access to or disclosure of highly privileged information that might put them in a disadvantageous position.

Is that a fair statement of the Senator's intent?

Mr. STEVENSON. The Senator is certainly correct as to the disclosure of information about the financial condition of customers of financial institutions. No such information under this amendment would be required to be disclosed by the regulatory agency to the Administrator. In no case are we talking about public disclosure. This is confined to interagency disclosure.

Mr. BROCK. That is correct.

Mr. STEVENSON. All of the information we are talking about would be, I think, very clearly protected from public disclosure by the Freedom of Information Act.

Mr. BROCK. I understand that.

Mr. STEVENSON. And it specifically refers to bank examiner reports.

Mr. BROCK. That is correct.

Mr. STEVENSON. Bank examiner reports might be protected under existing law or under the provisions of Section 11 of this bill, including specifically section 11(c)(5), but to the extent such reports are not protected either in this bill or by existing law and went beyond the financial condition of individual customers of the bank, they would be subject to access by the Consumer Protection Agency.

Mr. BROCK. What I am saying is that the confidentiality with respect to the borrower or depositor, or customer of that institution would be protected. That is No. 1. The Senator clearly stated it is his intention to guarantee that confidentiality.

I think the language is clear. As the Senator said, other sections would also apply; the Freedom of Information Act guarantees against disclosure, and other sections deal with it.

What we are doing is to protect against what might be called a potential fishing expedition which could yield highly unimportant results having nothing to do with consumer protection.

Mr. STEVENSON. I share the Senator's concern. We are concerned only about public disclosure of any information which would adversely affect any competitive position or reputation of any financial institution.

I do not believe this amendment could possibly have that effect. It leaves the existing protections of the law as they are. It adds the additional protection for the customers of financial institutions. And, of course, this bill, itself, contains additional protection. If later on the problem were to arise, of course, we could consider the matter in the Banking Committee, of which we are both members. I think that is exceedingly unlikely. I cannot see any such problems.

It is not a matter which has received any hearings in any of the committees which have considered this bill.

Mr. BROCK. Let me say to the Senator, I think he has drawn a very precise amendment, which is explicit in its terms and in its intent. That is what I supported, because I do not think there is any opportunity for confusion or contradiction in the specific language or in the intention. We do protect the institutions, we do protect the institutions' customers, and that is what it is all about. I very much appreciate the Senator's responses. I do appreciate his respect for the confidentiality of certain privileged banking information, both of an institutional nature and the nature as it pertains to their customers.

Mr. President, I am prepared to accept, support and vote for the amendment.

Mr. STEVENSON. Mr. President, I want to again commend the Senator from Tennessee for raising this matter, and especially for expressing his genuine and, I think, correct concern about privacy of customers of financial institutions. I am glad to have his support.

Mr. President, I will modify the amendment further to change the first line to read, "strike all after the semicolon" instead of "strike all after the word 'agency' ".

The PRESIDING OFFICER. The amendment will be so modified.

Mr. STEVENSON. Mr. President, I think this matter has been sufficiently discussed. I am prepared to vote.

Mr. RIBICOFF. Mr. President, I want to take this opportunity of expressing my appreciation to both the Senator from Illinois and the Senator from Tennessee for their constructive work and cooperation in clearing up many doubts on committee amendment No. 4 and making it a better and more effective amendment. My commendation to both Senators for that.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Illinois to the committee amendment.

The amendment of the Senator from Illinois to the committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the committee amendment, as amended.

Committee amendment No. 4, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

At the beginning of line 17, strike out "(6)" and insert "(7)"; on page 82, after line 19, insert:

(h) It is the sense of the Congress that small business enterprises should have their varied needs considered by all levels of government in the implementation of the procedures provided for thoughout this Act.

(i) (1) In order to carry out the policy stated in subsection (h), the Small Business Administration (A) shall to the maximum extent possible provide small business enterpriess with full information concerning the provision of the procedures provided for throughout this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as part of its annual report, provide to the Congress a summary of the actions taken under this Act which have particularly affected such enterprises.

(2) To the extent feasible, the Administrator shall seek the views of small business in connection with establishing the agency's priorities, as well as rules and regulations which will be promulgated for the purpose of implementing this Act.

(3) In administering the programs provided for in this Act, the Administrator shall respond in an expeditious manner to the views, requests, and other filings by small business enterprises.

(4) In implementing this Act, the Administrator shall insofar as practicable, treat all businesses, large or small, in an equitable fashion; due consideration shall be given to the unique problems of small businesses so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

The PRESIDING OFFICER. The question is on agreeing on the amendment.

Mr. RIBICOFF. Mr. President, this amendment was adopted by the full committee at the suggestion of Senator BROCK.

The amendment directs the Administrator and all other Federal agencies to give due consideration to the special problems of small businesses when acting under the act. The Administrator is directed to respond in an expeditious manner to the views, requests, and other filings made by small business enterprises. The Administrator is required to consult with the representatives of small businesses when establishing the agency's priorities and procedures. Finally, the Small Business Administration is directed to provide small businesses with information about the act and its implementation, and to provide Congress with a summary of the effect of the act on small businesses.

The amendment assures that the CPA and all other Federal agencies will keep the special problems of small businesses in mind when implementing the act. It will prevent any chance of small businesses being discriminated against or being caused unnecessary hardship. The amendment represents an important recognition of the special problems of small businesses.

It is my understanding that there is no opposition to this amendment, and I ask for its consideration.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I am not going to express opposition to the amendment. I do want to express some doubts about the position just expressed by the distinguished Senator from Connecticut. I admire and agree with the objectives of the committee amendment, and certainly recognize the necessity, in proceeding with legislation of this kind, for giving proper consideration to the problems of small business. Unfortunately, however, I feel I do have to disagree with the Senator in his apparent conclusion that there is some way in which you can do this and still enact the provisions of this bill.

Many of my constituents have discussed being under constant fire and barrage from various agencies of the Federal Government. The unfortunate part is the tremendous burden of administrative costs in just handling the inquiries and the contacts by Government agencies. Even though there may be no violation of any kind involved, and the conduct of the company may be very fine conduct, merely the redtape and the additional contacts which they have inevitably impose an inordinate and discriminatory burden upon small business.

That is the reason, of course, why there have been some proposals to exempt small business. I am sure there may be amendments offered later along these lines. I do not in any way disagree with the objectives or the language of the committee amendment, so I will not oppose it at this time. I do register a dissent as to the fact that we can handle the problems involved in this way.

Mr. RIBICOFF. Mr. President, I appreciate the point of view of the distinguished Senator from Ohio. I do believe that with this amendment and the amendment that we adopted by Senator DOMENICI, we have gone a long way to remove many of the apprehensions and fears of small business.

The Domenici amendment, as I understand, affects some 94 percent of the business in this country.

Mr. President, I move the adoption of committee amendment No. 5.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment No. 5.

Committee amendment No. 5 was agreed to.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 88, line 9, after "1977.", insert "Any subsequent legislation to authorize appropriations under this Act for the fiscal year beginning on July 1, 1977, shall be referred in the Senate to the Committee on Government Operations and to the Senate Committee on Commerce."; after line 13, insert a new section, as follows:

EVALUATION BY THE COMPTROLLER GENERAL

SEC. 21. (a) The Comptroller General of the United States shall audit, review, and evaluate, the implementation of the provisions of this Act by the Consumer Protection Agency.

(b) Not less than 30 months nor more than 36 months after the effective date of

> this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:
>
> (1) an evaluation of the effectiveness of consumer representation activities;
>
> (2) an evaluation of the effect of such agency activities on the efficiency, effectiveness, and procedural fairness of affected Federal agencies in carrying out their assigned functions and duties;
>
> (3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 3.
>
> (c) Copies of the report shall be furnished to the Administrator of the Consumer Protection Agency, the chairmen of the Senate Committees on Commerce and on Government Operations, and the chairman of the Committee on Government Operations of the House of Representatives.
>
> (d) Restrictions and prohibitions under this Act applicable to the use or public dissemination of information by the Agency shall apply with equal force and effect to the General Accounting Office in carrying out its functions under this section.
>
> And, on page 89, at the beginning of line 21, change the section number from "21" to "22".

Mr. RIBICOFF. Mr. President, the amendment provides that any legislation renewing the agency's authorization in 1977 shall be referred in the Senate to the Government Operations Committee and to Commerce Committee.

This amendment will assure that these two committees will review the agency's operations after the first 3 years. These committees must be satisfied the CPA is operating successfully before Congress authorizes any further amount for its operation.

The amendment is an important safeguard. I recommend its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

All of the committee amendments have now been agreed to. The bill is open for further amendment

Mr. TAFT. Mr. President, I would like to continue my remarks at this time on the question that I asked earlier today: Who represents everyman? In doing so, I would like to continue to read from a letter I received from a representative of a very large retail business, constantly dealing with consumers, which I think makes his observations and his comments valuable.

I continue to read from a portion of this letter, as follows:

> The need perceived by consumers, as we understand it, is for an established agency of government which:
>
> a) has no other interest but the consumer interest;
>
> b) will keep informed about all activities of government affecting the consumer interest;
>
> c) will insure that the consumer viewpoint and the facts supporting it are presented to, indeed advocated before, all other agencies in connection with such activities.
>
> It is such a Consumer Protection Agency which we favor and indeed urge upon you.
>
> The present proposals seem to be directed to an alleged *additional* need which we believe does not exist or which, if it does exist, must be dealt with by the Congress in a more direct and efficient fashion than this legislation provides. This alleged need is to insure that these other agencies of government, having had the consumer viewpoint adequately presented to them by the CPA, will act responsibly—and if they do not, to provide a means to challenge their decisions. This "need" is often expressed through accusations that the administrative agencies are "captives of the industries they regulate" and cannot be trusted to carry out their mandate to act in the public interest.
>
> As troubled as we are about the level of public distrust of all established institutions, whether in business, government or elsewhere, we must believe that the overwhelming majority of officials and staffs of government agencies try to do their jobs in a responsible fashion to the best of their abilities in the public interest, just as most Senators and Congressmen do. If they sometimes fail to do so, it is as likely as not because they don't have all the facts. The Consumer Protection Agency we favor would provide those facts.
>
> Such an agency in the form proposed in S-707 and HR-13163 on the other hand, much as it is heralded as "non-regulatory" and therefore impliedly unobjectionable, would become a superior among equals. Each agency before which it appears would know that however responsibly, and with what expertise, it sought to determine the public interest, the CPA would have a right of appeal unique in administrative law. As a watcher of the watchers, it would breed more distrust, hesitancy and fear.

Then, as I read earlier, and I think it is worth reading in this context:

> If one assumes that administrative agencies will act irresponsibly, is there not the same risk that the Administrator of the Consumer Protection Agency will act irresponsibly even though the statute exhorts him not to do so? The remedy for irresponsibility is to bring change to the irresponsible agency, not to create another agency with overriding watchdog authority. Correction of irresponsibility at the source will invite trust, action-oriented programs, and certainty.
>
> The specifics of the concerns with the legislation before you have been argued at length many times in many places and I have not repeated them here, although I do urge your thoughtful attention to Senator Ervin's Minority Views in the Commerce Committee report.
>
> My point is simply that as a responsible business we favor an appropriate Consumer Protection Agency which meets perceived consumer needs, but as thoughtful and concerned corporate citizens we believe it would be a mistake to burden that function with powers which not only do not help to meet those needs but also burden the processes of government with distrust and uncertainty.

Mr. President, I think this is an outstanding and a very succinct observation as to the choice Congress has in facing up to this problem.

They would give the new agency unlimited power to second-guess and override decisions of Cabinet officers and other Government agencies. Once the Consumer Protection Agency entered a case, it would oppose official actions and appeal to the courts from decisions of the Federal Trade Commission, the Federal Communications Commission, the Securities and Exchange Commission, the Interstate Commerce Commission, the Agriculture Department, the Interior Department—and on down the line— ad infinitum.

The Consumer Protection Agency could force one thousand and one Federal offices to subpoena books, papers and witnesses; force them to give up their own records and data; ask that they conduct product performance tests; require them to report on the conduct of their affairs; compel cooperation on publicizing any information deemed "useful to consumers."

These bills would, I believe, hinder, not help, effective representation of consumer interests within the Federal Government. It is wisely said that justice delayed is justice denied, and the delay factor alone that is certain to result from the CPA seems sure to create injustice, paralysis, defensiveness, and maladministration in a host of administrative agencies and departments.

Already the Federal Trade Commission, the President's Consumer Advisor—Mrs. Virginia Knauer—the Food and Drug Administration, the Consumer Product Safety Commission, and a host of other agencies throughout the executive branch are charged with consumer concerns of all kinds.

Mr. KENNEDY. Mr. President, will the Senator yield for a very brief unanimous consent requests, without losing his right to the floor?

Mr. TAFT. I am glad to yield.

Mr. KENNEDY. Mr. President, at the conclusion of today's business, I wanted to call up my amendment No. 1573 and ask that it be the pending business on Monday next.

I have talked with the floor manager of the bill and understand that he has communicated with the minority member, so that this would be the pending amendment.

With the understanding of the manager of the bill, and with the indulgence of the Senator from Ohio, I ask unanimous consent that the amendment be called up and be made the pending business.

The PRESIDING OFFICER (Mr. BARTLETT). Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, I would like to have an opportunity to look at the amendment. I suggest the absence of a quorum.

Mr. KENNEDY. If the Senator will withhold that request, I had asked the Senator from Ohio to yield, and he is making a statement. So I will withhold the request, in order not to interfere with the time of the Senator from Ohio, and I plan to come back.

Mr. RIBICOFF. Mr. President, I think we can settle it. It was the hope of the majority whip that before the day was over, an amendment could be called up that would be the pending order of business on Monday. There would be no votes or discussion on the amendment today, but it would be deferred until Monday, at which time it would be called up in due course and full debate would take place on it. There would be no action on it today.

Mr. ALLEN. The only trouble, I might say, is that the Senator from Ohio has an amendment he has been trying to get in for some days now. Also, I am anxious to see the committee amendments adopted.

Mr. RIBICOFF. All the committee amendments have been adopted.

Mr. ALLEN. The Senator from Ohio has an amendment, and I would like to see some amendments come in that might stand a little better chance of being adopted than this amendment. This might bring things to a halt, if it provides what I understand it does provide.

I would like to interpose an objection at this time, but possibly later in the afternoon something could be done. Perhaps we could talk to the Senator from Ohio, who has an amendment. He has been asking the Senator from Alabama when he might get it in. I was under the impression that we were going to be able to get it in after the committee amendments were disposed of.

Mr. RIBICOFF. I say to the distinguished Senator from Alabama that I did not know there was any such arrangement. The committee amendments have been adopted, and I did not know about any other amendment that anyone wanted to put in. I am sorry I did not know that the Senator from Ohio had an amendment that he wanted to put in. I knew that the Senator from Massachusetts had an amendment, and I was anxious to accommodate the leadership, so that we would have ongoing business on Monday.

Mr. ALLEN. Then, too, we might have some amendments that could be disposed of this afternoon. I would like us to do what we could to perfect the bill, if it is capable of being perfected or improved.

Mr. RIBICOFF. I am wondering, under the circumstances, whether we could have a unanimous consent agreement that after the disposition of the amendment by the Senator from Massachusetts, we could make the next order of business the amendment of the Senator from Ohio, so long as the request has been made by the Senator from Massachusetts before the Senator from Ohio has made a request. I have no objection to having unanimous consent that the Senator from Ohio's amendment follow the disposition of the Kennedy amendment.

Mr. ALLEN. As I say, ever since the bill has been before the Senate, the Senator from Ohio (Mr. METZENBAUM) has been seeking to get the aemndment in. I told them that I thought it could come in after the other amendments.

I wonder whether we could let the Senator from Ohio's amendment come first and this amendment come second.

Mr. KENNEDY. If the Senator will yield, I have no other interest than having an early consideration of my particular amendment and trying to work out a satisfactory timing with the floor manager of the bill and with the leadership. So I will be glad to withhold the request until later on in the afternoon, and I will make such a request at an appropriate time, unless the Senator from Ohio has, with the understanding of the manager of the bill, called up his amendment. In an attempt to comply with the leadership and the floor manager I wish to offer this amendment.

I think if the Senator from Ohio is interested, he has every opportunity to offer his amendment and call it up.

Mr. RIBICOFF. If the Senator will yield, the Senator from Ohio has the floor—I did not realize the reference was to the junior Senator from Ohio, who is not on the floor.

Mr. ALLEN. That is correct.

Mr. RIBICOFF. Naturally, I have no objection to which order it takes. To me, we are going to have to deal with these amendments as they come up.

The Senator from Massachusetts is on the floor asking for consideration. I have no objection whatsoever to asking unanimous consent that Senator METZENBAUM's amendment follow that of the Senator from Massachusetts, as long as the Senator from Massachusetts is on the floor, and the Senator from Ohio is not.

Mr. TAFT. Mr. President, there are other contingencies here. One is that I have an amendment to bring up and discuss, at least discuss today, whether it is called up as part of the business or not.

I had not as yet committed myself but for the fact that I see no reason why I could not do so, if I wish to do so.

I would ask the Chair a parliamentary inquiry whether if I offer an amendment, having the floor, by offering the amendment and calling it up whether it does not become the order of business?

The PRESIDING OFFICER. That is correct, it would become the order of business.

Mr. KENNEDY. Mr. President, if the Senator from Ohio will indulge me for one more moment, I would like to make it very clear for the RECORD that there are other amendments to this bill and that some of these amendments are ready to be considered. I will take the opportunity to bring up my amendment at an early date, and will cooperate with the floor manager in seeking an appropriate time.

I want to thank the Senator from Ohio for yielding the time and I thank the Senator from Connecticut and indicate to him that I will be ready to offer this amendment at the earliest possible available time.

Mr. RIBICOFF. May I make a comment, in fairness to our colleague, that if there is the intention of the Senator from Ohio to bring up his amendment today for completion and a vote, I would hope the respective cloakrooms would get word to the respective Senators on both sides of what may take place, because there had been an impression that there probably would be no more votes today, under the circumstances, and hot lines should get busy at once.

There is no desire on my part to cut off discussion today on any amendment. I am willing to stay here on the floor as long as necessary without any time limitation.

Mr. KENNEDY. Mr. President, I withhold my request.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. Mr. President, unavoidably, a new Consumer Protection Agency, with the absolute right to intervention, will complicate and confuse these efforts to respond to genuine consumer need and lead to a constant in-house competition as to which agency can be the most militant and the most visible consumer champion.

The new Agency could be counted on to become a constant critic not only of business but also of competing activities within government, greatly hindering genuine efforts to solve problems which affect consumers.

As presently conceived the Consumer Protection Agency would be a power unto itself, largely uncontrollable by anyone.

When the Consumer Protection Agency official decides that a certain course or position is "in the best interests of consumers," who can call that decision into question? He would have the power to operate independently of the wishes of both the executive branch and of Congress itself.

WHO SPEAKS FOR EVERY MAN

This has been an alarming accounting, to be sure, but the true malignancy does not appear until one considers the fallacious and unworkable concept of a single consumer voice in the Federal Government. I submit that the presently proposed concept of a Consumer Protection Agency contains more good will than commonsense.

It is beyond my comprehension how the proposed agency with 50 to 100 lawyers can divine the will of millions of consumers. Average consumers readily express their desires and needs each day in the marketplace—voting as it were—with dollars and cents. Trying to plumb the consumer's wishes—hopefully to anticipate them—companies annually conduct millions of interviews, analyze tens of thousands of personal letters, and carefully test market new and improved products over extended periods of time. And now we are saying that one agency, that, in reality, will only be responsive to vocal minorities, can indeed represent our mythical "everyman"—know his ephemeral wants, needs, and desires—in their infinite variety. Perhaps the Consumer Protection Agency will indeed be staffed with soothsayers.

The hard fact is that consumer interest is as broad, as varied, as complex as the entire U.S. economy or the entire U.S. population. The great bulk of producers of consumer goods exists to serve an infinite variety of consumer interests in an infinite variety of circumstances. What is in the interests of one consumer in one set of circumstances may well be contrary to the interests of another consumer in another set of circumstances. Each consumer has his own needs, his own desires, his own standards of satisfaction.

We, in Congress, have recognized this fact by delegating to specific Federal agencies the responsibility for representing certain consumer interests in certain circumstances. The Food and Drug Administration is assigned to look after the consumer's interest in the safety of food and drugs. The Federal Trade Commission is charged to protect the consumer from unfair trade practices. The Securities and Exchange Commission protects the consumer in the investment of his funds, and so forth. These are areas of great complexity and expertise in which it seems unlikely that the CPA would have the skill or background to assess the public interest.

To superimpose over all of this a single agency with the authority to speak for all consumers in all of their interests and in all circumstances is—I repeat—a fallacious and unworkable concept. The entire idea of speaking for the "consumer interest" breaks down when put into practice as a single Government function.

Which consumers will the omniscient agency represent? It likely will favor lower prices, but oppose labor views in wages, tariffs, and other matters; favor low utility rates, but deny expanded electric service to other consumers; demand low farm prices, but reduce income of farmers, who, indeed, are consumers themselves. A particular "consumer interest" is not necessarily synonymous with the "public interest"—it is only one part of the public interest and hence may conflict with it, and hence might be made with the public interest.

This leads us back to my main point that the Consumer Protection Agency would inevitably lead to minority rule in matters affecting consumers. The well-intentioned but overly ambitious Consumer Protection Agency would compound the very problem it is attempting to eliminate—inadequate, unrealistic advocacy for all consumers.

As a political force in Washington today, the so-called consumer movement is a broad spectrum of vocal minority views on a great variety of issues. Each consumer group has its own platform which it represents as the overriding consumer interest and which it advocates in preference to all other consumer interests. Each consumer group has its "issue."

For example:

Where automobiles are concerned, the alleged consumer interest is in safety—not cost, or reliable operation, or comfort, or style, and so forth.

Where foods are concerned, the alleged consumer interest is in nutrition—not cost, or taste, or variety of foods, and so forth.

Where packaging is concerned, the alleged consumer interest is in standardization of packages—not convenience in use, or proper protection of the product, or cost, or eye appeal, and so forth.

Where grocery shopping is concerned, the alleged consumer interest is in unit pricing so that one can buy on the basis of cost per ounce—not product quality, or performance, or variety of choice, and so forth.

The great majority of American consumers do not espouse any one of these particular issues. Yet inevitably issues such as these would be the "stock in trade" of the Consumer Protection Agency. The most aggressive minority consumer groups would have a vehicle, in the form of the Consumer Protection Agency, to enforce their views before the various branches of the Federal Government and to impose those views on the public at large.

In this way, the majority interests of the great mass of American consumers, who did not seek representation in these "activist" political groups, would be overridden by the minority view which is represented actively via the Consumer Protection Agency. We will have minority rule instead of majority rule.

ADEQUATE MECHANISMS ALREADY EXIST

This country does not need—nor should it tolerate—an agency that is legally empowered to force its subjective view of consumer interest on the many agencies which are already charged to protect consumers. The notion is inimical to due process, to our system of checks and balances and our traditional aversion to any one, single, almighty power.

There are those who propose that the Consumer Protection Agency would seek the prevention of unfair or deceptive trade practices. Now that mandate sounds familiar. Perhaps the Chairman of the Federal Trade Commission should comment on the need to have an agency with a parallel function to his agency's. The proposition sounds terribly wasteful.

Consider also that 36 Federal agencies have already said that more than 1,300 specific types of proceedings and activities in their areas would be subject to the proposed Consumer Protection Agency's intervention, participation or appeal.[1] In addition, some agencies have acknowledged that the Consumer Protection Agency could potentially intrude into everything they did.

Recognizing that the taxpayers already have a heavy burden in supporting these legions of agency personnel—a new, largely duplicative, super agency, with a starting price tag of $25,000,000 seems a very poor bargain indeed—perniciously more mythical than our "everyman." Not included in the price tag, but certain to be charged to the taxpayers will be the additional attorneys and staff of the agencies to reply to the charges of the CPA.

Before we spend all that money legislating Nirvana for the buffeted consumer, we should recognize that the concept of a Consumer Protection Agency conflicts unnecessarily with our free market system.

This system, while far from perfect—and sometimes in need of a steadying hand from Government—is nonetheless the most effective system man has devised in response to true consumer interest.

If we agree—and I think we must—that there is no "everyman," then the concept of a Consumer Protection Agency contains the seeds of its own destruction. The Consumer Protection Agency seeks to represent a monolithic consumer interest which simply does not exist. I envision—as I mentioned earlier—situations occurring where the Consumer Protection Agency may have to represent one consumer's interest at the expense of another.

Which consumer is to get the Consumer Protection Agency's nod? How many other consumers would actually be represented by the strident plantiff who has been so fortunate to have been granted an audience by the Consumer Protection Agency's omnipotent tribunal?

Take, for example, the issues of safety, quality, and durablity of a given product. As the degree of safety—or quality—or durability of a product increases, so usually does its price. There is an obvious trade-off in each case. One consumer may wish to pay a higher price for increased quality, another may wish to accept lesser quality in return for a lower price.

Within our free market system different consumers will reach different conclusions as to what constitutes an acceptable trade-off and make their purchases accordingly. Thus, the free market system neatly eliminates a possible dilemma. In similar circumstances, a Consumer Protection Agency would probably choke on its own profundity.

Granted, the public interest may require that a certain minimum safety standard be met. But this is the function of a regulatory agency such as the Consumer Product Safety Commission which is specifically charged with balancing all the competing interests involved. On the other hand, a Consumer Protection Agency would not have to trifle with such balancing.

Conceivably, in a proceeding before the Product Safety Commission, the Consumer Protection Agency could press for the highest standard of safety achievable regardless of cost. It could do this with complete disregard of previously acceptable standards, frustrate the free market system and cut off economic choices for many more consumers than those few it represents in any one proceeding. The big loser—as too often is true—would be the poor.

I contend that there are already ample Federal agencies to protect the consumers' interest. Congress' job is not to proliferate these agencies, but to see that they discharge their duties in the interest of consumers.

In addition, voluntary consumer protection efforts within the private sector have accelerated and give promise of being more quickly responsive to legitimate consumer concerns and complaints than could a Federal superagency participating in administrative proceedings. I cite the work of the National Business Council for Consumer Affairs and the Council of Better Business Bureaus.

The National Business Council for Consumer Affairs has produced a series of guidelines which amount to codes of conduct in such areas as promotion and advertising, advertising substantiation and packaging and labeling. Congressional endorsement and specific requests to trade associations and corporate officials to implement these codes might produce a higher level of concern for consumer interests among producers of goods and services and a greater degree of consumer satisfaction than would the presumptious voice of a Consumer Protection Agency bureaucrat claiming to represent all mankind.

We should use and encourage the self-disciplinary efforts of the private sector.

Another example: The Council of Better Business Bureaus already has established consumer arbitration facilities in two-thirds of its more than 130 branches, and many of us in Congress already are referring complaints from consumer constituents to the council for investigation and resolution. I see this kind of activity as far more constructive than establishing another layer of bureaucratic supervision. Certainly the individual consumer seeking protection against deceptive practices and prompt resolution of his complaints can best be served by the voluntary steps of the private sector which exists and thrives in direct relation to its ability to serve consumers.

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[1] Report of the Committee on Government Operations on S. 3970, S. Rept. No. 92-1100, 92nd Cong. 2d Sess., at 89, 100.

THE SOLUTION

The cure then does not lie in the creation of a superagency, or the appointment of an arbiter of elegance after the fashion of Ancient Rome, or abdication to an Orwellian global planner. The cure lies in reform of those existing agencies which are not living up to their charge from Congress and the executive branch to be responsive to consumers. The cure importantly lies in encouraging the free market system to function as it alone can in the consumer interest.

Working with existing agencies and the private sector are tangible, workable, results-oriented goals. I think our attention has been diverted too long from these achievable goals by wistful rhapsodizing over the creation of a burdensome, restrictive, costly, and ill fated supersolution, superplacebo, superagency.

As praiseworthy as the goal may be, I submit that our efforts would be better spent in cranking up existing mechanisms on behalf of consumers than trying to legislate a fairy godmother or guardian angel for them.

If, however, we are to have a Consumer Protection Agency, I would urge that it truly reflect the voice of each person and that it be responsive to those of our citizens who are not necessarily organized into a vocal minority or special interest group. That is part of the reason I am this day offering the "ombudsman agency" amendment to the Agency for Consumer Advocacy Act. Let us face it, creating a superagency and empowering it with extraordinary rights and remedies contributes to distrust and uncertainty in our Government at a time when Americans feel their Government has become distant and more impersonal. I fear there is a great feeling of frustration engulfing our citizens that they are too remote from the decision-making process which affects their lives. Growing administrative abuse on the part of a Federal, State, and local bureaucracy substantially adds to this feeling of frustration.

The ombudsman established by my amendment will become a citizen's grievance officer and an impartial guardian of the people's rights against potential governmental abuse on the part of the Agency for Consumer Advocacy. The major provisions of my amendment I shall summarize in a moment.

The amendment is designed to establish a legislatively appointed independent grievance officer with wide-ranging investigatory powers. Since he has no power to directly change an administrative decision, his effectiveness depends upon public confidence in his integrity and upon his resulting power to publicize administrative abuse. To that end, in my view the ombudsman fulfills a very necessary role in obtaining a proper balance in promoting and protecting the interests of the people of the United States as consumers of goods and services.

Mr. President, I would like to summarize at this time the Ombudsman Agency amendment, and I send the amendment to the desk and ask that it be printed.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed.

Mr. TAFT. Mr. President, this amendment starts with an expression of its declaration of purpose.

The first section, section 3(5) covers this aspect of the amendment. This section expresses the principal purpose of the creation of the Ombudsman Agency is to oversee and insure that the purposes of the Consumer Protection Agency and the Administrator's role in connection with it remain responsive to the needs and views of the people of the United States engaged in endeavors including consumer interests, such as the pursuit of civil rights, public health, education, women's rights, and other worthy goals and objectives.

Then we have a section dealing with definitions.

We then have a section dealing with representation of consumer interests before Federal agencies. The amendment, this section, removes the right of the Administrator to intervene as a party or otherwise participate for the purpose of representing the interests of consumers in Federal agency proceedings. It provides that he may attempt intervention as a party or otherwise request participation in such proceedings.

There is a provision calling for judicial review. This removes the Administrator's standing to maintain judicial review of any Federal agency action reviewable under law and provides that the Administrator may petition for judicial review of any Federal agency action so reviewable under law.

I would be glad to yield to the Senator from Alabama to make a unanimous-consent request, without losing my right to the floor.

INCREASED PARTICIPATION BY THE UNITED STATES IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2665.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2665) to provide for increased participation by the United States in the International Development Association, which were to strike out all after the enacting clause, and insert:

That the International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association four annual installments of $375,000,000 each as the United States contribution to the Fourth Replenishment of the Resources of the Association.

"(b) In order to pay for the United States contribution, there is hereby authorized to be appropriated without fiscal year limitation four annual installments of $375,000,000 each for payment by the Secretary of the Treasury.".

SEC. 2. Subsections 3 (b) and (c) of Public Law 93–110 (87 Stat. 352) are repealed and in lieu thereof add the following:

"(b) No rule, regulation, or order in effect on the date subsections (a) and (b) become effective may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad.

"(c) The provisions of subsections (a) and (b) of this section shall take effect either on December 31, 1974, or at any time prior to such date that the President finds and reports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on privat ownership of gold will not adversely affect the United States' international monetary position.".

SEC. 3. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by inserting at the end thereof the following:

"SEC. 15. The United States Governor is authorized and directed to vote against any loan or other utilization of the funds of the Association for the benefit of any country which develops any nuclear explosive device, unless the country is or becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483)."; and to amend the title so as to read: "An Act to provide for increased participation by the United States in the International Development Association and to permit United States citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad."

Mr. SPARKMAN. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. SPARKMAN. I thank the Senator from Ohio.

CONSUMER PROTECTION AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. TAFT. Mr. President, the guts of the amendment are found in section 23(A). It establishes an ombudsman agency in the legislative branch of government.

The ombudsman is jointly appointed by the President pro tempore of the Senate and the Speaker of the House for a period of 4 years by and with the advice and consent of the Senate, and solely on the basis of his expertise in analyzing administrative and problems of law. The ombudsman shall not be a candidate or holder of any elected office nor shall he engage in any other employment.

The ombudsman serves for a term of 4 years unless removed for cause by a two-thirds vote of each House. The deputy ombudsman assumes the function of the ombudsman when the ombudsman is incapacitated.

With respect to the duties of the ombudsman, section 24(A) provides that the ombudsman is authorized to conduct or cause to be conducted full and complete investigations upon receipt of a written complaint from any person forwarded by such person or by a Member of the Senate or the House of Representatives or any standing, special or select committee of the Senate or the House of Representatives with respect to an administrator's act which might be: First, contrary to the Constitution, Federal law, or Federal regulation; second, unreasonable, unfair, arbitrary, or inconsistent with the general course of an Administrator's functioning; third, based wholly or partly on a mistake of law or fact; fourth, based on improper or irrelevant grounds; or fifth, undertaken without prior consideration of the interests of the people of the United States, including the interests of consumers as previously defined in section 4(11) of the act.

Under the bill, the ombudsman would have standing to contest and the right to oppose the intervention of the Administrator in any Federal agency proceedings or any civil proceeding in a court of the United States as provided by sections 7(A) and 8(A) respectively.

The bill further provides if the administrator is allowed to intervene or participate in proceedings pursuant to either of those sections, then, as a matter of right, the ombudsman may intervene or participate in the proceedings in the same way as does the administrator.

There are other provisions which I will not go into in great detail here, which go into the mechanism and the authorities and the financing of the ombudsman.

I feel that the principle, however—and let me just close by pointing out that the principle—of this amendment is to see to it that in these circumstances, if we should pass this bill setting up an agency for consumer advocacy, there would be a voice for those that the consumer advocate is not representing, other consumers, other members of the public, because if we make the assumption that the public interest, the standing public interest, agencies that are already there, such as the ICC or FTC or other regulatory bodies of that sort, are not representing the public interest generally, and are not representing consumer interests adequately, therefore you have an advocate for consumers coming in with one point of view, and it seems to me only fair and only proper that we have someone who is looking after the entire public interest in this regard. That is what the ombudsman would do, and that is the purpose of the ombudsman agency amendment I am proposing.

Mr. President, I have further explanation of the ombudsman agency amendment that I would ask unanimous consent be included at this point in the Record.

There being no objection, the explanation was ordered to be printed in the Record, as follows:

Ombudsman Agency Amendment: The Consumer Protection Agency Act

Sec. 3(5). Declaration of purpose. This section expresses the principal purpose of the creation of the Ombudsman Agency—to oversee and insure that the purposes of the Consumer Protection Agency and the Administrator's role in connection therewith remain responsive to the needs and views of the people of the United States engaged in endeavors, including consumer interests, such as the pursuit of civil rights, public health, education, women's rights and other worthy goals and objectives.

Sec. 4(16). Definitions. This section defines the term ombudsman.

Sec. 7(A). Representation of consumer interests before Federal agencies. This amendment removes the right of the Administrator to intervene as a party or otherwise participate for the purpose of representing the interests of consumers in Federal agency proceedings and provides that he may attempt intervention as a party or otherwise request participation in such proceedings.

Sec. 8(A). Judicial review. This amendment removes the Administrator's standing to maintain judicial review of any Federal agency action reviewable under law and provides that the Administrator may petition for judicial review of any Federal agency action so reviewable under law. The Administrator's right of intervention is also modified to provide that he may intervene as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action if in his descretion the interest of consumers are substantially affected.

Sec. 23(A). Establishment of Ombudsman Agency. This section establishes the Ombudsman Agency in the legislative branch of Government.

The Ombudsman is jointly appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives for a period of 4 years by and with the advice and consent of the Senate and solely on the basis of his expertise in analyzing administrative and problems of law. The Ombudsman shall not be a candidate or holder of any elected office nor shall he engage in any other employment. (Subsections (B) (C)).

The Ombudsman serves for a term of 4 years unless removed by cause, by ⅔ vote of each House. The Deputy Ombudsman assumes the function of the Ombudsman when the Ombudsman is incapacitated. (Subsections (D), (E), (F)).

Sec. 24. (a) Duties of the Ombudsman. This section authorizes the Ombudsman to conduct or cause to be conducted full and complete investigations upon receipt of a written complaint from any person forwarded by such person or by a Members of the Senate or the House of Representatives or any standing, special, or select committee of the Senate or House of Representatives with respect to an administrator's act which might be—

"(1) Contrary to the Constitution, Federal law, or Federal regulation;

"(2) Unreasonable, unfair, arbitrary, or inconsistent with the general course of an administrator's functioning;

"(3) Based wholely or partly on a mistake of law or fact;

"(4) Based on improper or irrelevant grounds, or

"(5) Undertaken without prior proper consideration of the interests of the people of the United States including the interests of consumers as previously defined in section 4(11) of this Act.

Under the bill, the Ombudsman shall have standing to contest and the right to oppose the intervention of the administrator in any Federal agency proceedings or any civil proceeding in a court of the United States as provided by sections 7(a) and 8(a), respectively. (Subsection (b)).

The bill further provides that if the Administrator is allowed to intervene or participate in proceedings pursuant to either section 7(a) or 8(a), then as a matter of right the Ombudsman may intervene or participate in the proceedings to the same extent as does the Administrator. (Subsection (c)).

Sec. 25. Organization of office. This section contains general authority for the Ombudsman to appoint personnel for his office; to delegate authority to such personnel; to cooperate with and refer matters where appropriate, to the administrative conference of the United States and to the legal services programs; to conduct private hearings; and issue regulations. (Subsections (1) through (6)).

The Ombudsman is also required to prepare and submit annually to the President, the Speaker, and to the President pro tempore of the Senate, a report on his activities and he is also directed to submit a final report setting forth recommendations for the adoption of the Ombudsman concept by agencies of the Federal Government. (Subsection (7)).

Sec. 26. Exempted matters. This section provides that the Ombudsman shall not investigate complaints: Involving those agencies listed in Sec. 17(D); any administrative action occurring outside the United States; any administrative action occurring more than a year to the date on which the complaint was filed or should have been filed; and any complaint by the Ombudsman exercising his discretion that the complaint pertains to a matter outside of his power, the complainant does not have sufficient interest in the subject matter of the complaint, the complaint is trivial, frivolous, or not otherwise made in good faith, the Ombudsman's resources are insufficient for adequate investigation or the complaint has been delayed too long to justify examination of it or its merits. (Subsections (1) through (4)).

Sec. 27. Recommendations. This section authorizes the Ombudsman, after investigation of a complaint, to recommend that the Administrator give the matter further consideration; modify a determination; or more fully explain an administrative act.

The Ombudsman is authorized to recommend such further action as he deems necessary and he may require the Administrator to inform him of any actions taken upon his recommendations or the reasons for not complying therewith.

Before announcing a conclusion or recommendation, the Ombudsman shall provide the administrator with an opportunity to take appropriate responsive action or to have its comment or reply appended to such conclusions or recommendations.

Sec. 28. Availability of information. All Government agencies are directed to furnish the Ombudsman with such information, reports, etc., as he shall require with the exception of matters required to be kept secret relating to national defense or foreign policy. (Subsections (A) and (B).)

Sec. 29. Ombudsman's immunities. This section precludes court review of the Ombudsman's proceedings, opinions, or expressions. (Subsection A.)

The Ombudsman and his staff are immune from civil prosecution for official acts or omissions (Subsection B) and cannot be compelled to testify or provide evidence in any judicial or administrative proceeding as to matters within his official cognizance. (Subsection C.)

Sec. 30. Rights and duties of witnesses.

This section authorizes the payment of fees and travel allowances to witnesses before the Ombudsman as are provided witnesses in the courts of the United States.

SEC. 31. Effect on other laws. This section provides that no remedy or right of appeal afforded under any law or regulation shall be limited by this act.

SEC. 32. Authorization of appropriations. This section authorizes $500,000 for fiscal year 1975; $600,000 for fiscal year 1976; and $700,000 for fiscal year 1977 to be disbursed by the Secretary of the Senate upon vouchers approved by the Ombudsman.

WHITE-COLLAR CRIME AND THE CONSUMER PROTECTION AGENCY

Mr. MOSS. Mr. President, for the past 5 years Congress has debated the creation of an organization whose task would be the representation of the consumer before the Federal regulatory agencies. During these long years of debate, millions of people have been the victims of consumer frauds, injured by spurious financial operations.

The Equity Funding scandal is probably the best publicized example of the effects of consumer fraud on the public. Equity Funding, the Watergate of the business world, stunned the financial industry with revelations of the massive and complex nature of its bogus operations.

Equity Funding Life Insurance Co.—EFLIC—a subsidiary of Equity Funding Corporation of America, perpetrated this enormous crime against the investing public through a device known as a pyramiding scheme. The corporation counterfeited securities, in which as much as $100 million may have been involved, to be used as assets for other ventures. Bogus life insurance policies were created, sold to other insurance companies and the proceeds later collected by Equity Funding shareholders alone have been estimated at $300 million.

Significantly, the Equity Funding fraud was not discovered through the appropriate regulatory channels, but through information provided by a disgruntled former employer of Equity Funding to a Wall Street securities analyst.

Ronald Secrist, former employee of Equity Funding, did not notify the stock exchange, the SEC, or the State insurance departments because he was convinced the regulatory bodies could not or would not uncover the fraud. Precisely for this reason a vital Consumer Protection Agency must be created to provide the impetus necessary for a thorough and ongoing regulatory agency action against wrongs in the business and financial community.

Equity Funding provides a significant commentary on the widespread deficiencies in current accounting practices. Since 1964, Equity Funding has issued public financial reports that were duly certified by accountants as "fairly presented in conformity with generally accepted accounting principles." The auditors failed to detect that $25 million in bonds alleged to be in a Chicago bank were not on deposit; nor did they detect the nonexistence of $77.7 million in IOU's for loans made to nonexistent mutual fund shareholders. Since the uncovering of this massive fraud, auditors have identified $153 million in fictitious or fraudulently inflated assets.

The question that remains to be satisfactorily answered is how this massive deception could have continued for so long and at such dimensions when the corporation was subject to the scrutiny of both the SEC and the State insurance regulatory department. The answer is all too clear—none of these agencies is able to properly divorce itself from the industries it is bound to regulate. The SEC has the dual function of protecting investors and advancing the vested interests of the stock market and the financial industry. These are at best conflicting roles. Consequently, it is the individual investor who suffers most. No wonder over 800,000 small investors have left the securities market in recent years.

The Consumers Protection Agency has a definite role to play in the area of securities regulation. As a strong cohesive voice for the consumer investor it could petition for the adoption of effective and uniform accounting practices sufficiently monitored to detect such fraudulent activities as Equity Funding.

The following two examples further illustrate the great need for an effective consumer advocate in the securities area. In one of the largest Federal criminal securities fraud cases in history, eight officials of Four Seasons Nursing Centers of America, Inc., Walston and Co.—a recently liquidated brokerage house—and Arthur Anderson & Co., and one of the Big Eight accounting firms, were indicted and charged with defrauding shareholders of Four Seasons and other companies by various schemes intended to arouse interest in the stock and thereby increase its price. The defendants defrauded investors by misrepresenting and falsifying financial statements. In addition to the $200 million estimated loss by stockholders, the State of Ohio was defrauded by the company's financial statements into granting a $4 million loan to Four Seasons. Four principal defendants allegedly profited to the amount of $21 million.

In May 1973, in what the Wall Street Journal called potentially the biggest brokerage house debacle since the crisis days of 1970, Weis Securities was charged with fraud by the SEC; and the Government-sponsored investors insurance fund sought liquidation of the firm. Weis Securities was a major New York Stock Exchange member with 43,000 customer accounts, 400 salesmen, and 27 branch offices. Weis had survived various audits until one employee told the NYSE that accounting procedures in the reports were highly inaccurate and unethical. In July 1973, the five top officers were indicted by a Federal grand jury in New York on charges of conspiracy, securities fraud, and mail fraud.

The list of security fraud cases is extensive. Each case represented money irretrievably lost by individual investors who depended upon the integrity of the business community and the vigilance of the regulatory agencies charged with ferreting out fraud. The fact is that consumers can be severely hurt not only by small "fly-by-night" operations, but by major corporations and financial institutions cloaked in a mantle of respectability, as well. As has been clearly demonstrated, in case after case, the magnitude of white-collar crime is staggering. In its handbook on white-collar crime, the U.S. Chamber of Commerce confirmed the findings of the President's Commission on Enforcement and Administration of Justice that "not less than $40 billion was lost annually due to white-collar crimes."

Many of the problems facing the public in the broad area of consumer fraud can be crystallized by the recent conflict in the home financing industry. In 1972 Federal Housing Administration officials uncovered schemes by real estate speculators who bought up marginal housing and then sold it at hefty mark-ups to low-income families. The families could not meet the inflated payments on the FHA-insured loans, and, as a result, massive defaults occurred. Federal investigators obtained more than 50 indictments aganist real estate firms, contractors, builders, FHA employees, and others in cities across the Nation.

In response to these scandals, then Secretary of Housing and Urban Development, George Romney, ordered tougher regulations for obtaining FHA insurance. Appraisal procedures were tightened and mortgage lenders required to certify that homes had been properly inspected. Consequently, lower income and middle-income families, the very people the FHA programs were designed to assist, find it impossible to obtain home financing. Applications by lenders for FHA mortgage insurance in the first quarter of 1973 were down more than 50 percent from 1972.

The proposed Consumer Protection Agency could speak for potential homeowners by encouraging the FHA to loosen its restrictions on financing while maintaining its strong position against illegal and unethical activities. As reported in the Wall Street Journal on May 15, 1973, the FHA's behavior exemplified "a classic case of overreacting." Such detrimental results to the prospective homeowner might have been avoided had there been an organization responsible for consumer advocacy.

The chamber of commerce, one of the most vociferous opponents of the CPA bill, concedes in its 1974 handbook on white-collar crimes:

> (1) that although the commissioner of white-collar crime is not dependent on violence or force, the risk, threat, or occurrence of physical injury or psychological trauma can be a consequence; (2) Some forms of white-collar crime contribute to the existence, severity, or profitability of other forms of criminal activities; and (3) a major long-term impact of white-collar crime is loss of public confidence in business, industry, and the professions, and debasement of competition.

Further, emphasizing the plight of the consumer, as regards white-collar crime, the chamber quotes one study which concluded that consumer fraud has resulted in a "lingering frustration by market consumers who, although they feel cheated, are convinced that justice is not an available mechanism to redress their grievances because the cost and time are too great."

The Chamber of Commerce of the United States has thus presented in its report on white-collar crime one of the most convincing arguments to date in support of the CPA.

Consumers lack three advantages enjoyed by business: time, money, and access to information. Business has the time, money, and technical expertise to closely monitor and lobby agencies which regulate their particular field of interest. Consumers seldom have any of these assets.

CPA, armed with substantial independence, would help redress the balance between industry and consumers, insuring that the decisionmaking process in regulatory agencies hear both sides of an issue. The research for adequate consumer protection demands the creation of a strong and vigorous advocate whose sole purpose is the representation of consumer interests. Consider what consumers have had to endure against gouging prices, inflation, and massive frauds since this session began. Is it not time to do something for 200 million consumers that is effective and preventive of waste and corruption. I urge you, my colleagues to respond to the needs of your constituents by voting in favor of a strong S. 707.

Mr. HANSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, first, I would like to compliment the distinguished Senator from Ohio (Mr. TAFT) for a very lucid and incisive presentation of facts that in many cases are poorly understood at best, and certainly scarcely understood at all, by most Americans.

I think the Senator has made a very important contribution to the kind of understanding that should prevail before the Senate can do the job that is expected of it by Americans in representing the majority of all Americans.

I think the remarks by the distinguished Senator from Ohio bring to mind the situation we know to be altogether too true, that: if one can contrive a catchy slogan for a piece of legislation, immediately we will get a number of people, perhaps a majority, who will be inclined to think that sounds fine and that we should support it.

Mr. TAFT. Mr. President, if the Senator will yield?

Mr. HANSEN. I would be very happy to yield.

Mr. TAFT. I appreciate the Senator's very kind remarks.

The other problem we face admittedly—he probably is facing and I am, too—is that sometimes the media do not all too well understand what the principles are, and we come under considerable attack in taking these positions. But, nevertheless, I feel that we have that duty, that is part of our job, and we are, in effect, acting for the interests of the consumer ourselves, and the public interest, and when we do call for a prolonged discussion of issues which, while they may have fine-sounding phrases, when we get down to and look into the mechanism and how they would actually work it may be directly contrary, as I believe this legislation is, to the consumer and the public interest, both.

I thank the Senator.

Mr. HANSEN. I agree with my distinguished colleague from Ohio.

Oftentimes that which the media is capable of doing does not always result in its accomplishment. There is a school of thought rampant today in America which says that advocacy, advocacy journalism, is the new order of the day. Students are being taught that if they find this society of ours less than perfect, it should be their responsibility as responsible practitioners of the art of journalism to try to change it.

With that sort of directive coming from schools and colleges, we find that some young people, who are willing workers, and who have the energy, and the intelligence, and the desire to try to find what the facts are, are inculcated by their mentors with the idea that just reporting what the facts are does not serve their purpose. Rather, if they are to be the responsible citizens that they would aspire to be, it becomes their duty under such an advocacy concept to try to tilt, or to cast the facts in a way so as to result in the development of a consensus that will recognize merit in the particular idea they have, and result in the kind of activism that winds up eventually on the law books of the country, and brings about change in the social order.

I say to one who has had great experience in this field, my good friend, the distinguished Senator from Ohio (Mr. TAFT), that these are some of the reasons I think his contribution today has been so noteworthy. I compliment him, and appreciate it very much.

Mr. President, as in the past, I alert my colleagues to the subtle and hidden dangers to the Federal Government, to business, and eventually to the consumer which lie shrouded in the clouded language of S. 707, the Consumer Protection Act.

Attractively titled and supporting a noble purpose, S. 707 appears to be the long-in-coming answer by the Federal Government to the vulnerable consumer's problems. By passage of this bill, we are assuring them that their consumer worries are at an end, and that this new agency will constantly be pursuing their best interests. But will it? Has this new super agency been designed to do that? Or are we possibly adopting dangerous precedent legislation which will in the longrun work against the public interest?

I ask these questions in the hope of using them to illustrate my point that they cannot completely or satisfactorily be answered by this piece of legislation.

S. 707's impact on the Federal Government will be pervasive. The agency's administrative head will have powers above those of any other agency director, and in addition will be able to use the regulatory powers of all the other agencies to carry out his duties. In describing the extent of the CPA administrator's powers, U.S. Deputy Attorney General Ralph E. Erickson has publicly stated that the Justice Department views the proposed agency's powers of advocacy and intervention in Federal administrative agencies' decisionmaking as "too broad, and pose a threat that the orderly and effective dispatch of public business in the public interest might be significantly disrupted."

The CPA Administrator's right to judicial review of agency decisions will disrupt the finality of agency determinations. Business operations which are often affected by an agency's final ruling, will be perpetually placed in compromising positions of doubt as to the finality of those decisions. The constant sword of the CPA's intervention will hang by the thin thread of an administrator's whim.

The appointed chief of the CPA cannot be an expert in all fields of consumerism. Yet he is given the arduous task of deciding what the consumer interest is and what actions will be best to bring this interest about. In line with his power of judicial review, he will file suit against other agencies' decisions. Again the American taxpayer and consumer will be further extending and contributing to the waste of tax revenues in legal fees representing two agencies of the United States. The CPA's views will essentially be those of a single interest group in each situation, and all American taxpayers will have paid to have those views heard before the Federal courts.

Mr. ERVIN. Mr. President will the Senator yield for a question?

Mr. HANSEN. I am happy to yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I invite the Senator's attention to page 62 and to the committee amendment which has been adopted to subsection (b), which gives the Administrator the tremendous power to interject himself and his views, his written advice and his written views or submissions or oral views or submissions in any proceeding of any kind before any Federal agency—in the exercise of his unbounded and uncontrolled discretion. Then, it states:

> Such submission need not be simultaneous with that of any other person.

If this means anything, it means the Administrator can go and presumably present evidence, present arguments, when the other parties are not there. In other words, it authorizes him to travel like Nicodemus in the night, to whistle in the air to any Federal agency on any proposition any Federal agency is authorized to deal with. Is that correct?

Mr. HANSEN. That would be the indication.

Mr. ERVIN. Does the Senator from Wyoming agree with the Senator from North Carolina that the human being who is capable of exercising with wisdom all of the vast powers that this bill would give to the administrator has not yet been created by the Good Lord?

Mr. HANSEN. I did not quite hear the question of the Senator.

Mr. ERVIN. My question is, Does the Senator agree with the Senator from North Carolina that a human being would have to be endowed with such profound wisdom to exercise wisely all the powers in this bill, if enacted into law, powers which would be given to the administrator, and has not yet been created by the Lord God Almighty?

Mr. HANSEN. I do agree with the gentleman from North Carolina. I thank him for his very pertinent observations.

A recent column in the Washington Star-News by Ralph Nader supported the passage of S. 707. He pointed out that many unfair agency business and industry practices, in his opinion, have been exposed through Senate committee hearings and later corrected through legislation.

Mr. Nader lauded those committees who worked in such areas, and pointed out the logical need for the establishment of the CPA. Yet, to create the CPA, or ACA as it is known now would amount to a delegation and the release of a congressional power to agency oversight. Congress would be vesting an historic power in an executive branch agency.

Mr. PERCY. Mr. President, will the distinguished Senator from Wyoming yield for just a moment on the comment of the distinguished Senator from North Carolina without losing the right to the floor?

Mr. HANSEN. I will be very happy to yield to my distinguished colleague from Illinois.

Mr. PERCY. First, I trust that we can now refer to this agency as the ACA rather than the CPA. I hope this will be somewhat more acceptable. It has been incorporated as an amendment and accepted by the floor managers of the bill.

Second, I wish to address the question posed by my distinguished colleague, the chairman of the Government Operations Committee, as to whether the Good Lord has created a man with the wisdom to carry out the duties and responsibilities of the office of Administrator of the Agency for Consumer Advocacy. I would think that the distinguished Senator from North Carolina would be the last one that I know of to underestimate the creative capabilities of our Maker. As I look at the duties and responsibilities of this office, I would not hesitate to say that the Senator from Illinois knows a dozen people he could name in a relatively short period of time. One name that comes off the top of my head is now the vice president of Montgomery Ward & Co., who knows this bill intimately, who supports it, and who, I think, would be acceptable, and should be acceptable, to a large segment of the business community. He is a distinguished businessman and lawyer of long standing who has held the interest of the consumer at heart.

I would like to know specifically, if it is at all possible, what particular duties and responsibilities go beyond the capabilities, capacity, judgment and wisdom, that the Good Lord has endowed to a great many of the distinguished Members of the Senate, the House, and the executive branch of Government, in carrying out these duties.

They are not that awesome. They are not so all-encompassing that they cannot be comprehended by even the average mind. The interests have to be balanced, obviously.

It would be the hope of the Senator from Illinois, Mr. President, if and when the ACA is approved, that the President of the United States would nominate from a long list of nominees that could and would be sent to him, a man or woman of distinguished capability and competence who could fairly and justly carry out these duties. They certainly do not go beyond the duties of dozens of other jobs that we have in the executive branch of Government, or beyond the capabilities of many people we would know.

From the standpoint of the Senator from Illinois, I know the distinguished Senator, my beloved colleague, is anxious to retire and fish and think and contemplate. He has earned that right. But if the President would see fit to nominate "Private Citizen Sam Ervin" as the ACA director, and he would be willing to assume that responsibility, the Senator from Illinois would vote aye on a confirmation request of that kind. I am extremely confident that once given a responsibility, whether it is a judicial responsibility or an executive responsibility, or a legislative responsibility, the distinguished Senator from North Carolina, who places the national interest above all interests, would be endowed by the Creater with the confidence to carry out what I consider to be not Herculean duties, but duties that are simple, and laid down in black and white.

A 3 to 1 vote passing CPA in the House of Representatives indicates they have confidence we can find such a person. When the political platforms of both political parties called for the creation of an independent agency, it seems that the parties did not underestimate the capabilities of the Creater and Maker to give us a man or woman endowed with such wisdom and judgment as to carry on not awesome duties and responsibilities, but the responsibilities and duties outlined in very simple terms in the bill before us.

Mr. ERVIN. Mr. President, will the Senator from Wyoming permit the Senator from North Carolina to make a comment?

Mr. HANSEN. I am glad to yield to the Senator from North Carolina.

Mr. ERVIN. I am glad the Senator from Illinois talked about fishing. Under this bill, since it relates to the health of consumers, and since it also relates to prices paid by consumers, this administrator would have to be gifted with the finite wisdom of knowing what fish, when consumed, are best calculated to promote the health of the consumer. That is just one of 50 million things he would have to know. I do not know anybody who can quite answer that question yet.

I would say, if the Senator from Illinois can dig up anybody who has the wisdom to exercise these vast powers, we ought to nominate him, by acclamation, for President of the United States immediately.

I do not put anything past the powers of the Almighty, but I would say that the Almighty, in His wisdom, has never yet, between the time when they are gathered and sang for glory and creation, and this moment, created any human being who has the experience and wisdom to exercise wisely all the powers that this bill would give to the administrator.

I think, while the power of the Lord is not limited, if we ever find a man like that, he is going to be just about a little bit less than Almighty in his wisdom. I do not think that human being has ever been created, and I do not think he ever will be created until long after the last lingering echoes of Gabriel's horn dwindles into ultimate silence.

I thank the Senator.

Mr. PERCY. Mr. President, without losing his right to the floor, would the distingushed Senator from Wyoming yield for a comment?

Mr. HANSEN. I yield.

Mr. PERCY. The Senator from Illinois has indicated an interest in another job. I wonder, whether I was competent, qualified, and capable of being a Senator, because I had had no legislative experience before. I am not a lawyer, but I am surrounded by 70 or 75 lawyers.

In a period of years I have felt relatively comfortable with the duties and responsibilities of this office and have indicated an interest in another office.

I would say without, I hope, undue humility or without overstating the competence of the Senator from Illinois, that I would hope I would be endowed with sufficient wisdom to assume the duties and responsibilities of this position. There would be people who I would say would be far more qualified than the Senator from Illinois by training, experience and background. It would be highly desirable to have a lawyer as head of this agency.

But when 39 States of the Union have, in one form or another, or by one name or another, a consumer protection agency or an advocate for the consumer, and we have a telegram which the Senator from Illinois inserted in the Record recently from 31 Governors, urging that the Congress of the United States establish an independent agency and that the President appoint a director of consumer affairs or consumer protection, I would think that there are a great many others who think the Good Lord has created sufficient men or women who could assume this confidence. As for a woman, we have an outstanding example in Virginia Knauer, just as we had in Esther Peterson, when she had State responsibilities. I would say that we have adequate personnel, male or female, to fill this job.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me, briefly?

Mr. ERVIN. I do not have the floor.

The PRESIDING OFFICER (Mr. Stevens). The Senator from Wyoming has the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me, briefly, with the understanding that he will not lose his right to the floor?

Mr. HANSEN. I am happy to yield.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, later today, the distinguished Senator from Ohio (Mr. Metzen-

BAUM) will offer an amendment. I ask unanimous consent that it now be in order to order the yeas and nays on the Metzenbaum amendment, and I ask unanimous consent that the vote not occur on the Metzenbaum amendment prior to 3:30 p.m. on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me, briefly, for a further unanimous-consent request, under the same arrangement?

Mr. HANSEN. I am happy to yield.

Mr. RIBICOFF. Mr. President, if the Senator will yield, for a clarification, because of the comment of the Senator from Ohio, as I understand the unanimous-consent request, it is that the vote not occur before 3:30. That does not mean it will occur at 3:30.

Mr. ROBERT C. BYRD. The Senator is correct, and I hope the Chair will sustain my undersatnding.

The PRESIDING OFFICER. The Senator is correct.

CLOTURE MOTION—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of debate under rule XXII, on the motion to invoke cloture, which was submitted by Senator RIBICOFF and the requisite number of Senators, not begin running until 3 p.m. on Tuesday next, rather than 1 p.m., as originally ordered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Wyoming for his usual courtesy in yeilding.

CONSUMER PROTECTION AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. HANSEN. Mr. President, I was greatly interested in the exchange between the Senator from Illinois and the Senator from North Carolina.

I must say that my very brief insights into the dimensions of the powers of the Almighty certainly do not enable me to make any profound observations upon the intelligence of any one individual, as seems to be provided by the distinguished Senator from Illinois in believing that there are people with the ability to make the sort of decisions necessarily, successfully, and fairly to implement the provisions of the proposed legislation before the Senate.

As a matter of fact, it would be the opinion of the Senator from Wyoming that he is not sure there is sufficient collective intelligence within this entire body to write the kind of legislation that would be required to implement what the Senator from Illinois and the other proponents of this bill have in mind.

The distinguished Senator from Illinois amazes the Senator from Wyoming in believing that Government has any business getting into this kind of role.

I recall that when I first learned of the distinguished Senator from Illinois, he was then, I believe, president of Bell & Howell, at the age of 29. I thought then, and have thought many times—I see the evidence all about us—that one of the important differences that sets America apart, that explains why we are so successful, why we accomplish what we do, why it was Americans who left their footprints on the Moon; is that with our unique kind of government, based upon a written Constitution, embodying as wide an extension of freedom as possible to all people, including businessmen, we have struck upon the spark that keeps America going: and that is that we do not believe any one way is best in America.

Unlike the Soviets, we do not have Government trying to dictate to manufacturers, to farmers, to businessmen, to labor, what they should do and what they should make. From time to time, we lay down guidelines and rules, and we change them from time to time as we learn from experience that there may be better ways of spelling out the broad framework of regulation which will better serve our people.

We can all agree the unique thing about American business is that Government does not tell businessmen what to do. The people who buy the products—the housewives, the customers in America's shops and stores and supermarkets and automobile showrooms—make the decisions that guide the investors as they redesign products and as they bring onto the market new products. If the free enterprise, profit-oriented economy has done one thing, it has demonstrated a never-failing ability to reflect what people want. That is one of the great things about America.

So it surprises me that the distinguished Senator from Illinois, my cherished friend and colleague, would now propose drawing upon the brilliant business career he has, and say that Government ought to take over these functions and try to tell people what they are going to produce, how they are going to advertise it, what is best in the marketplace, and then, in the determination of a single man, the Administrator of this agency—formerly the Consumer Protection Agency but now the Agency for Consumer Advocacy—give this one man the authority to bring legal action against individuals, against companies, and, in fact, against other agencies of Government.

I do not think that this is the sort of concept that has filled America's markets with the outstanding great produce we find in them today. It is not the kind of attitude that has developed the 10,001 products that are at once the amazement and the envy of the rest of the world when they come to the United States for the first time.

I am not saying, nor has the Senator from North Carolina said, that we do not need any rules. Of course, we need some rules and we have a number of rules still on the books, but as one taxpayer in a nation of taxpayers, as one person who is concerned about inflation—a double-digit inflation, they call it these days, because the rate of it is growing by at least 10 percent and, as we know, oftentimes more per year—I am concerned and disturbed that anyone would say we have not any better thing to do with our tax dollars than to set up yet another agency of Government. I am concerned that there are those who would have such an agency take those tax dollars and be able to bring suit against individuals, against partnerships, against companies, against corporations, and against other agencies of the Government, in order that the so-called public interest may best be served.

I make these observations because there is a growing disenchantment with some of the things that have been taking place in this country in the last few years. I think we are finding out that it is not hard for a group of politicians to decide the kind of society we ought to have and then to draft and design the kind of legislation which they believe will bring about this Utopian state of affairs that every 2 years just before election they proclaim to their constituents is on the horizon. And further, they are moved to say that the way to insure its accomplishment and its being brought into being is to reelect them.

There is a growing disenchantment in America with politicians who promise more than they can deliver. There is a growing realization among all Americans, I am sure that there is not a single Member of this body that has not received a very significant amount of mail from his constituents saying, "Inflation is the most important thing, the most serious problem we have in this country today."

When they say that, they are not implying that is the only problem, they are not minimizing the troubles right here in Washington, they are not forgetting Watergate, they are not forgetting or laying aside any other considerations, but they are saying that unless we do something about getting a handle on inflation all of our other accomplishments could go down the drain.

We know as students of history that it will not take too many more interventions by Government in business to bring the typical American businessman to his knees.

A few years ago, I was one of the majority of all but two Members of this body who voted for OSHA, Occupational Safety and Health Agency. Who could be against what was called "safety and health?" From what I know of it now, I wish I had been against it. I was not against it because I was caught up in the magnetic charm of a name that promises more than it can deliver.

I did not know then, at the time I was voting for that act, that there would not be any reduction in writing of all of the rules that apply under OSHA. I was one of the many Senators who did not know we were enacting legislation that would not permit a Federal inspector to advise a businessman what he needed to do to comply with the law. Those charged with enforcing the law could not set foot on a business establishment without citing and fining the business if a violation were found. Yet the law and all of its voluminous regulations were not printed and available to the businessman to even find out what was involved.

I say these things, Mr. President, because that is the kind of a law we are dealing with here.

That situation underscores the reasons we had better make sure we know what is in this bill that would create an agency for consumer advocacy.

Mr. METZENBAUM. Mr. President.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I call up my amendment No. 1563 to S. 707 at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 86, strike out lines 22 through 24.

Mr. METZENBAUM. Mr. President.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise today to offer an amendment to S. 707, the Consumer Protection Agency Act. I believe this amendment is necessary to insure that this bill fully benefits the American consumer in the marketplace.

Presently, section 17(e) provides that the proposed Consumer Protection Agency shall not participate in any decision of the Federal Communications Commission with respect to the renewal of a radio or television broadcasting license.

This provision was not included in the bill which my distinguished colleague, the senior Senator from Connecticut, first introduced in this body last year. Nor was such a clause included in the consumer measure passed by an overwhelming margin only 2 months ago in the House of Representatives. Furthermore, neither in the committee reports nor in the bill itself is there any discussion or explanation as to why the CPA should be excluded from participating in FCC license renewal decisions.

My amendment would eliminate this provision and allow the CPA to present the consumer viewpoint in these hearings.

Never before has this country been more concerned with the rights of consumers. In the communications field, this concern for the broadcast consumer was articulated by Congress in the original legislation to regulate the industry, the Communications Act of 1934. The courts have recognized public ownership of the airwaves and asserted the need to protect and regulate public interest in broadcasting. The license granted a broadcaster must be used in a way beneficial to community interests.

At present, stations are subject to regulatory examination only once every 3 years. There are proposals pending to extend this period to 5 years, thus diminishing the opportunities to challenge a broadcaster's service to his community. Should that proposed legislation become law, it makes it more imperative that the consumer be represented and have an advocate in license renewal proceedings.

As Chief Justice Burger, while sitting on the U.S. Court of Appeals for the District of Columbia, observed in a much-quoted 1966 decision, Office of Communication of United Church of Christ against FCC:

> Unless the listeners—broadcast consumers—can be heard, there may be no one to bring programing deficiencies or offensive overcommercialization to the attention of the Commission in an effective manner.

It should be emphasized that the Chief Justice's purpose was not to undercut the structure of the broadcasting industry, but "only to vindicate broad public interest relating to a licensee's performance of the public trust inherent in every license."

The Commissioners and staff members of the FCC, as with most other regulatory agencies, have too often proven themselves more susceptible to pressures from special interests than they are responsive to the public interest. As the Senate Government Operations Committee majority report concludes:

> Representation of an interest so vital to the public welfare as that of the consumer is too important to be left to chance.

I quote further:

> The way to assure as fair a decision as possible is to let advocates from the different sides make the best arguments each can. It will be up to the regulatory agency . . . not the CPA to decide from among the arguments made where the best solution to the problem lies.

It should be noted that there is no guarantee that the Agency would always oppose the renewal of existing licenses; indeed, the CPA might even file a brief on behalf of the existing licensee, recognizing its service to community interests.

I urge my colleagues to join with me in amending S. 707 to fulfill the needs of the broadcast consumer.

Mr. MOSS. Mr. President, once again that which has been called impeachment politics has been raised by the President of the United States. I refer here to the information which was revealed on Tuesday that the President will veto the Consumer Protection Agency Act unless drastic changes are made.

Frankly, I am disturbed, disappointed, and disgusted by this development. I am disturbed first because the President has strongly endorsed the concept of a Consumer Protection Agency on numerous occasions. I am disappointed because many months of hard work were spent by the Office of Management and Budget and the Congress to eliminate those provisions which were considered offensive to the administration. And lastly, I am disgusted because those provisions which appear to be objectionable to the President are those which are essential to the establishment of a vigorous, independent consumer advocate.

How can we enact legislation creating an "independent" consumer advocate if the "independent" agency must enunciate an administration point of view? Whether it be a Democratic or Republican administration, whether it be a liberal or a conservative administration, in order to truly function, the consumer advocate must be independent. An effective consumer advocate must be able to argue his case on the merits and support of the interests he is protecting.

By the very nature of its function as an advocate, the agency for consumer advocacy will be continually taking positions in controversial matters. Thus, it is essential to insulate the CPA from day-to-day political pressures within the executive branch. Equally important, the CPA's independence insulates the executive branch from direct responsibility for the positions taken by the Administrator.

This insulation is appropriate for the positions the CPA may take will not necessarily be the positions of the administration. The CPA is an advocate, rather than a regulatory decisionmaker, its position does not commit the Federal Government to any policy.

The President, other agencies, and members and committees of Congress will no doubt disagree with the positions taken by the CPA from time to time. Their responsibilities are broader, and whereas these broader constituencies may coincide at times with the interest of consumers, at times they will not. The President and the regulatory agencies must balance consumer interests against other interests in order to reach a policy position. The CPA should provide a new input in Federal decisionmaking, but it should not determine output.

An independent consumer advocate must be secure in his freedom to advocate the consumer interests, openly, without interference, without the threat of retribution. How else can the consumer advocate serve in the painful process of rebuilding confidence in our Government.

Yet, each of the amendments which Roy Ash seeks in the President's name has the sole consequence of eroding that independence. Roy Ash was an excellent advocate for Litton Industries, but I would not want him to be my advocate for the consumers interests. Thus, the very amendments which he espouses in the President's name are the amendments which both a President uncertain of his total control upon government, and a corporate constituency leery of consumer input, would support.

Mr. President, we have been up this road before and have noted the duplicity in the position of our Chief Executive on other legislation. He asked for land use legislation loudly touted his efforts, and scuttled the bill. He asked for surface mining legislation and his forces have eroded that legislation and now threaten its enactment. How well I remember prior to the third cloture vote in 1972 the supporters of the Consumer Protection Agency at that time offered to accept each and every amendment suggested by the President in exchange for his endorsement of a vote for cloture. The result: continued opposition to the legislation. I fear, Mr. President, that once again we are on that course. Even if every amendment proposed by Mr. Ash is adopted—and I would note that between August and February we have worked closely with the OMB to accommodate virtually every amendment he has previously proposed—there would still be Presidential opposition. I regret to say in view of this past experience that I cannot accept the President's word on this legislation or other matters which now press upon him.

Mr. President, in conclusion let me cite that as far as impeachment politics is concerned it is generally accepted that the President's objective is to obtain a vote of one-third plus one of the Senate to prevent conviction if the House sends impeachment articles to the Senate. Considering the vote last week on a motion to table the entire Consumer Protection Agency bill in which only 23 Senators supported the President, I would note that he would be better off currying favor with the supporters of the CPA rather than its opponents. After all, 66 of us voted against tabling the bill. Lastly, let us also remember, while on the subject of impeachment politics, that our Senate President, now the Vice President of the United States, Mr. Ford, voted for the Consumer Protection Agency in the House in 1971.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Monday next, there be a period for the transaction of routine business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that at the conclusion of routine morning business on Monday next, the Senate resume the consideration of the unfinished business (S. 707).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY TO 11:30 A.M. ON TUESDAY, JULY 30, 1974

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that when the Senate completes its business on Monday next, it stand in adjournment until the hour of 11:30 a.m. on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF MORNING BUSINESS ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the two leaders have been recognized under the standing order, there be a period for the transaction of routine morning business of not to extend beyond the hour of 12:00 noon, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 368, RELATING TO THE SELECT COMMITTEE ON STANDARDS AND CONDUCT

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Resolved, That subsection (a) of the first section of Senate Resolution 338, 88th Congress, agreed to July 24, 1964, is amended by adding at the end thereof the following: "For purposes of paragraph 6(f) of rule XXV of the Standing Rules of the Senate, service of a Senator as chairman of the Select Committee shall not be taken into account."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene again on Monday next at the hour of 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

At the conclusion of routine morning business, the Senate will resume the consideration of S. 707, the unfinished business, a bill to establish a Council of Consumer Advisers in the Executive Office of the President, and for other purposes. The pending question at that time will be on the adoption of the amendment by Mr. METZENBAUM. The yeas and nays have been ordered on the Metzenbaum amendment, with the understanding that a vote thereon will not occur prior to the hour of 3:30 p.m.

Other yea and nay votes may occur subsequent to the hour of 3:30 p.m.

As far as Tuesday is concerned, the Senate will resume consideration of the Consumer Protection bill, and votes may occur. A vote will occur on the Ribicoff motion to invoke cloture at around 4:15 p.m.

Under the consent order already granted by the Senate, the 1 hour of debate on the motion to invoke cloture will not begin running until the hour of 3 o'clock p.m. At the hour of 4 o'clock p.m., the automatic quorum call will ensue, and upon the establishment of a quorum—or about 4:15 p.m.—the vote on the motion to invoke cloture, which is a rollcall vote under the rule, will occur.

On Wednesday the Senate will take up H.R. 15544, an act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975.

Also during next week it is anticipated that the Senate will take up the bill, S. 3792, to amend and extend the Export Administration Act of 1969.

It is anticipated that S. 3569, a bill to amend the Rail Passenger Service Act of 1970, will be taken up.

Other appropriation bills may be ready for floor action next week.

Conference reports, being privileged matters, may be called up at any time, and other measures on the legislative calendar may be called, and rollcall votes may occur.

ADJOURNMENT UNTIL 12 O'CLOCK NOON MONDAY, JULY 29, 1974

Mr. ROBERT C. BYRD. If there be no further business to come before the Senate, Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon Monday next.

The motion was agreed; and at 3:39 p.m. the Senate adjourned until Monday, July 29, 1974, at 12 o'clock noon.

HOUSE OF REPRESENTATIVES—*Thursday, July 25, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Jesus said:

I am the light of the world; he that followeth Me shall not walk in darkness, but shall have the light of life.—John 8:12.

God of life and love, whose goodness and glory is in all the world, we thank Thee for this quiet moment of prayer in this Chamber over whose portal is written the words "In God we trust."

Cleanse Thou the thoughts of our hearts that we may go forward into the duties of this day without the bitterness of ill will darkening our minds but with the brightness of good will illuminating our spirits, making us clear channels of positive service to our beloved country.

We pray for our President, our Speaker, these Representatives of our people, and all who work with them and for them. Grant unto them wisdom to see clearly and confidence to act courageously as worthy representatives of the American dream for all people.

In the spirit of the Lord of life we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 15461. An act to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974; and

H. Con. Res. 568. Concurrent resolution relating to adjournment to a date certain during the remainder of the 93d Congress.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 69) entitled "An act to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes."

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5094. An act to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2125. An act to amend the act entitled "An act granting land to the city of Albuquerque for public purposes," approved June 9, 1906.

The message also announced that Mr. McIntyre and Mr. Bennett were appointed as additional conferees on S. 3066, proposed Housing and Community Development Act of 1974.

MOTION TO BE OFFERED BY CHAIRMAN MILLS

(Mr. **MILLS** asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. **MILLS**. Mr. Speaker, I take this occasion to announce to the House that on next Tuesday, July 30, I shall seek recognition to call up the conference report on the bill, H.R. 8217, a bill to which the Senate added certain provisions, including changes relating to unemployment compensation and the SSI program, among others, and to make available to the House the motion which I intend to offer with respect to those matters.

Mr. Speaker, I ask unanimous consent to include at this point in the Record the text of the motion which I intend to offer.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Motion To Be Offered by Chairman Mills

Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment to the text of the bill, H.R. 8217, and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill (page 2, after line 6), insert the following:

Sec. 3. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93–233 and amended by section 2 of Public Law 93–256 and by section 2 of Public Law 93–329) is amended by striking out "August 1, 1974" and inserting in lieu thereof "April 30, 1975".

Sec. 4. (a) The second sentence of section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended to read as follows: "Amounts appropriated as repayable advances and paid to the States under section 203 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act."

(b) Section 903(b) of the Social Security Act is amended by striking out paragraph (3).

Sec. 5. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g)(1) Notwithstanding subsection (d)(1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or a political subdivision thereof if agreed to by the Secretary and the State) from the benefits withheld an amount sufficient to reimburse the State (or political subdivision) for interim assistance furnished on behalf of the individual by the State (or political subdivision).

"(2) For purposes of this subsection, the term 'benefits' with respect to any individual means supplemental security income benefits under this title, and any State supplementary payments under section 1616 or under section 212 of Public Law 93–66 which the Secretary makes on behalf of a State (or political subdivision thereof), that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefits. A cash advance made pursuant to subsection (a)(4)(A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term 'interim assistance' with respect to any individual means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provisions of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(A) that if the Secretary makes payment to the State (or a political subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or political subdivision) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(B) that the State will comply with such other rules as the Secretary finds necessary to achieve efficient and effective administration of this subsection and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or political subdivision) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or political subdivision).

"(6) The provisions of this subsection shall expire on June 30, 1976. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectiveness of the administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate.".

Sec. 6. (a) Section 1611 of the Social Security Act is amended—

(1) in subsection (a)(1)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or), if greater, the amount determined under section 1617)" immediately after "2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of such Act is further amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"Sec. 1617. Whenever benefit amounts under title II are increased by any percentage effective with any month as a result of determination made under section 215(i), each of the dollar amounts in effect for such month under subsections (a)(1)(A), (a)(2)(A), (b)(1), (b)(2) of section 1611, and subsection (a)(1)(A) of section 211 of Public Law 93–66, as specified in such subsections or as previously increased under this section, shall be increased by the same percentage (and rounded, when not a multiple of $1.20, to the next higher multiple of $1.20), effective with respect to benefits for months after such month; and such dollar amounts as so increased shall be published in the Federal Register together with, and at the same time as, the material required by section 215(i)(2)(D) to be published therein by reason of such determination."

Sec. 7. (a) Section 15(c)(2) of Public Law 93–233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March 1, 1975", and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93–233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975", and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93–233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

Sec. 8. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1977".

Sec. 9. (a) Section 1902(a)(14)(B)(i) of the Social Security Act (relating to certain cost-sharing fees required to be paid by some individuals under medicaid) is amended by striking out "shall" and inserting in lieu thereof "may".

(b) The amendment made by subsection (a) shall be effective January 1, 1973.

Sec. 10. (a) Section 211(a)(1) of the Social Security Act is amended by inserting after "material participation by the owner or tenant" each time it occurs the following: "(as determined without regard to any activities of an agent of such owner or tenant)".

(b) Section 1402(a)(1) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by inserting after "material participation by the owner or tenant" each time it occurs the following: "(as determined without regard to any activities of an agent of such owner or tenant)".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

Sec. 11. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond December 31, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on or before September 30, 1975, together with such recommendations as it deems appropriate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 15472—AGRICULTURE-ENVIRONMENTAL AND CONSUMER APPROPRIATIONS, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 15472) an act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93–1227)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15472) "making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 10, 14, 18, 19, 20, 21, 22, 23, 24, 33, 38, 39, 42, 43, 44, 45, 47, 49, 50, 52, 57, 58, 59, 64, 65.

That the House recede from its disagreement to the amendments of the Senate numbered 26, 27, 28, 29, 32, 36, 37, 55, 61, 66, 67 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by the Senate, insert the following:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, management support services to selected Agencies and Offices of the Department of Agriculture, and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, and not to exceed $15,000 for employment under 5 U.S.C. 3109, $16,973,000, of which $4,054,000 shall be available for the Office of Communication and, of which total appropriation not to exceed $822,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558: *Provided further*, That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

None of the funds provided by this Act shall be used to pay the salaries of any personnel which carries out the provisions of section 610 of the Agricultural Act of 1970, except for research in an amount not to exceed $3,000,000; projects to be approved by the Secretary as provided by law.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $10,000, for employment under 5 U.S.C. 3109, $15,751,000, and in addition, $5,081,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$204,839,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$79,048,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$7,306,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$16,437,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$105,149,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$149,544,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$2,030,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$214,488,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,918,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,026,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$350,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$51,016,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$108,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$277,926,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$53,240,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$194,116,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "Agricultural Stabilization and Conservation Service"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,415,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$38,269,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$38,043,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$1,299,630,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$28,000,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 56.

JAMIE L. WHITTEN,
GEORGE E. SHIPLEY,
FRANK E. EVANS,
BILL D. BURLISON,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
GEORGE MAHON,
MARK ANDREWS,
ROBERT H. MICHEL,
BILL SCHERLE,
J. K. ROBINSON,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

GALE W. MCGEE,
WILLIAM PROXMIRE,
ROBERT C. BYRD,
HERMAN E. TALMADGE,
ROMAN HRUSKA,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—AGRICULTURAL PROGRAMS

Department of Agriculture

Departmental Administration

Amendment No. 1: Restores House language stricken by the Senate for the Office of the Secretary and the Office of the Inspector General in lieu of the language provided by the Senate. Provides a total appropriation of $16,973,000 for the Office of the Secretary instead of $16,773.000 as proposed by the House. The conferees are in agreement that the Office of Inspector General shall be restored to its status prior to the reorganization which was effective January 9, 1974.

Agricultural Research Service

Amendment No. 2: Appropriates $204,839,000 for Agricultural Research Service instead of $202,789,000 as proposed by the House and $212,579,000 as proposed by the Senate. The increase over the amount provided by the House includes the following: $300,000 for predator control research; $250,000 for soybean research; $500,000 for soil erosion research (Pacific Northwest); $100,000 for pickle, onion and related research; $200,000 for bee research, Laramie, Wyoming; $50,000 for wild rice research; $150,000 for agricultural transportation research; and $100,000 for wild oats research.

The Conference Report also includes $400,000 for additional personnel at the Richard B. Russell Laboratory. This additional funding is solely for additional personnel at this location. The conferees are in agreement that the additional personnel at this location shall not be at the expense of personnel limitations at other ARS facilities.

The conferees did not approve $680,000 proposed for a dairy cattle management and forage research laboratory. This item has been passed over without prejudice and the Department is directed to provide the Appropriations Committees of the House and Senate with a report based on a complete study of the extent of forage and dairy cattle management research now being performed with recommendations as to needs for additional research in this area and the most efficient way in which the additional research can be performed.

The conferees also did not approve $1,000,000 for the construction of a human nutrition laboratory in Grand Forks, North Dakota. This project has been deferred without prejudice until the Department achieves more complete staffing of current laboratory facilities. Every effort should be made to provide full staffing for available laboratory space at the earliest possible time.

Amendment No. 3: Deletes language proposed by the Senate earmarking $45,000 for research and maintenance of the Eastern South Dakota Soil and Water Conservation Research Farm at Madison, South Dakota.

Amendment No. 4: Provides that $6,420,000 shall remain available until expended as proposed by the House instead of $8,100,000 as proposed by the Senate.

Scientific Activities Overseas

(Special Foreign Currency Program)

Amendment No. 5: Appropriates $5,000,000 for Scientific Activities Overseas as proposed by the House instead of $10,000,000 as proposed by the Senate.

Animal and Plant Health Inspection Service

Amendment No. 6: Appropriates $402,564,000 for Animal and Plant Health Inspection Service as proposed by the House instead of $403,564,000 as proposed by the Senate.

The conferees direct that within available funds the Department conduct a review and report to the Appropriations Committees of the House and the Senate the current situation with regard to tubercular swine, the need for an eradication or indemnity program, and the probable total cost of such a program.

Cooperative State Research Service

Amendment No. 7: Appropriates $79,048,000 to carry into effect the provisions of the Hatch Act instead of $77,048,000 as proposed by the House and $81,707,000 as proposed by the Senate.

Amendment No. 8: Appropriates $7,306,000 for grants for cooperative forestry research instead of $6,606,000 as proposed by the House and $8,349,000 as proposed by the Senate.

Amendment No. 9: Appropriates $16,437,000 for contracts and grants for scientific research instead of $16,287,000 as proposed by the House and $16,577,000 as proposed by the Senate. The increase of $150,000 over the House amount is for taro research.

Amendment No. 10: Appropriates $1,500,000 for Rural Development Research as proposed by the House instead of $3,000,000 as proposed by the Senate.

Amendment No. 11: Appropriates a total appropriation of $105,149,000 for the Cooperative State Research Service instead of $102,299,000 as proposed by the House and $110,491,000 as proposed by the Senate.

Extension Service

Amendment No. 12: Appropriates $149,544,000 for Cooperative Agricultural Extension work under the Smith-Lever Act instead of $147,294,000 as proposed by the House and $153,230,000 as proposed by the Senate.

Amendment No. 13: Appropriates $2,030,000 for the Pest Management Program instead of $1,680,000 as proposed by the House and $2,530,000 as proposed by the Senate.

The Department is directed to report to the Appropriations Committees of the House and the Senate the current capability and methods used in the conduct of an effective boll weevil control program.

Amendment No. 14: Appropriates $1,500,000 for Rural Development Education as proposed by the House instead of $3,000,000 as proposed by the Senate.

Amendment No. 15: Appropriates total funding of $214,488,000 for the Extension Service instead of $211,888,000 as proposed by the House and $220,174,000 as proposed by the Senate.

Statistical Reporting Service

Amendment No. 16: Appropriates $26,918,000 for the Statistical Reporting Service instead of $26,818,000 as proposed by the House and $28,043,000 as proposed by the Senate.

Within available funds the Department is directed to make an estimate of the domesticated horse population from information available that will be sufficient to warrant the allocation of funds under the provisions of the Animal Health Research Act.

Economic Research Service

Amendment No. 17: Appropriates $22,026,000 for Economic Research Service instead of $21,751,000 as proposed by the House and $22,076,000 as proposed by the Senate. The increase over the amount provided by the House is to continue and conclude the economic studies which are underway regarding predator losses, predator management and related predator data.

Agricultural Marketing Service

Marketing Services

Amendment No. 18: Appropriates $39,665,000 for the Agricultural Marketing Service as proposed by the House instead of $39,815,000 as proposed by the Senate.

Funds for Strengthening Markets, Income, and Supply (section 32)

Amendment No. 19: Earmarks $131,400,000 of section 32 funds for child feeding and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act as proposed by the House instead of $134,200,000 as proposed by the Senate.

Amendment No. 20: Deletes language proposed by the Senate to provide $1,400,000 to assist local public or nonprofit agencies with the cost of distributing supplemental foods to pregnant and lactating women and to children.

The conferees are seriously concerned with the current status of funding for the section 32 fund. The purpose for which this fund was established can be achieved only if sufficient funds are available to purchase in toto any commodity that becomes surplus. During the past few years the assets of this fund have been greatly reduced by the expenditure for purposes other than which the fund was created. The Secretary is directed to take every possible action to preserve the solvency of this fund.

Foreign Agricultural Service

(Transfer from section 32)

Amendment No. 21: Provides that $2,117,000 of section 32 funds shall be available to the Foreign Agricultural Service as proposed by the House instead of $3,117,000 as proposed by the Senate.

The conferees' action on this item is not to be construed as an attitude not in favor of market development in foreign countries. On the contrary the conferees endorse energetic action in this area. In view of the current status of section 32 funding, the conferees are of the opinion that every possible effort must be made to reduce expenditures from this fund.

Public Law 480

Amendment No. 22: Deletes language proposed by the Senate which would have permitted various adjustments in the Public Law 480 program which were considered necessary for humanitarian purposes.

The action of the conferees on this item does not preclude necessary adjustments in the Public Law 480 program for humanitarian needs. The ten percent restriction included in the bill applies only to Title I funds of Public Law 480 appropriated in this bill.

Commodity Credit Corporation

Limitation on Administrative Expenses

Amendment No. 23: Restores House language stricken by the Senate which provided for an independent Sales Manager who shall report directly to the Secretary or Under Secretary of Agriculture.

TITLE II—RURAL DEVELOPMENT PROGRAMS

Department of Agriculture

Rural Development Service

Amendment No. 24: Appropriates $955,000 for the Rural Development Service as proposed by the House instead of $1,295,000 as proposed by the Senate.

Rural Development Grants

Amendment No. 25: Appropriates $17,500,000 for Rural Development Grants instead of $10,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

The conferees are in agreement that special attention shall be given to the development of new industry.

Rural Electrification and Telephone Revolving Fund Loan Authorizations

Amendment No. 26: Provides that insured loans of not less than $750,000,000 be made for Rural Electrification Loans as proposed by the Senate instead of $650,000,000 as proposed by the House.

The conferees are in agreement that the Administrator shall notify the Appropriations Committees of the House and the Senate at least 30 days in advance of his intention to make a loan under the guaranteed provisions of Public Law 93–32, and no such loans or commitments shall be made or finalized prior to the expiration of this 30-day period.

Amendment No. 27: Provides that rural telephone loans shall be made in an amount not less than $200,000,000 as proposed by the Senate instead of $150,000,000 as proposed by the House.

Farmers Home Administration

Agricultural Credit Insurance Fund

Amendment No. 28: Provides for real estate loans in the amount of $420,000,000 as proposed by the Senate instead of $370,000,000 as proposed by the House.

Amendment No. 29: Earmarks $400,000,000 for farm ownership loans as proposed by the Senate instead of $350,000,000 as proposed by the House.

Mutual and Self-Help Housing

Amendment No. 30: Appropriates $6,000,000 for Mutual and Self-Help Housing instead of $4,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Rural Development Insurance Fund

Amendment No. 31: Provides $350,000,000 for Industrial Development Loans instead of $300,000,000 as proposed by the House and $400,000,000 as proposed by the Senate.

Rural Community Fire Protection Grants

Amendment No. 32: Appropriates $7,000,000 for Rural Community Fire Protection Grants as proposed by the Senate.

In administering this program the Department is directed to adhere strictly to the program authorization contained in Public Law 92–419.

Salaries and Expenses

Amendment No. 33: Appropriates $128,682,000 for Salaries and Expenses as proposed by the House instead of $133,682,000 as proposed by the Senate.

The conferees are concerned with the severe personnel limitations that have been imposed on the Farmers Home Administration notwithstanding a workload that has increased tremendously. The Department is directed to give every possible consideration to increasing the personnel limitation consistent with the workload increase.

TITLE III—ENVIRONMENTAL PROGRAMS

Environmental Protection Agency

Agency and Regional Management

Amendment No. 34: Appropriates $51,016,000 for agency and regional management activities instead of $49,016,000 as proposed by the House and $53,016,000 as proposed by the Senate.

The conferees will expect the agency to conduct a detailed study of its ADP requirements agencywide and report its findings to the House and Senate Appropriations Committees. In addition, the conferees direct the agency to defer the purchase of the computer now under lease at Research Triangle Park, North Carolina until the Committees have had an opportunity to review the study.

The conferees further agree that ample room exists within the agency's ADP budget to absorb a reduction of $2,000,000.

Energy Research and Development

Amendment No. 35: Appropriates $108,000,000 for energy research and development activities instead of $103,000,000 as proposed by the House and $123,000,000 as proposed by the Senate.

The Senate receded on the increase of $10,000,000 for the development of new automotive power systems. The Senate had added $10,000,000 to demonstrate the commercial application of municipal and other wastes as an energy source for industrial combustion and related activities and the conferees agreed to $5,000,000 for this purpose.

Amendments Nos. 36 and 37: Delete language which repeated the agency's authority to transfer funds to other agencies as proposed by the House.

Amendment No. 38: Provides language limiting funds for the development of new automotive power systems to $7,200,000 as proposed by the House.

Research and Development

Amendment No. 39: Appropriates $175,668,000 for research and development activities as proposed by the House instead of $176,668,000 as proposed by the Senate.

The Senate had added $1,000,000 for the agency to establish an information clearinghouse to compile and disseminate information concerning new developments related to the agency's research and development programs. The conferees are in agreement that sufficient funds are available within the agency's research and development budget, as proposed by the House, to establish such a clearinghouse.

Abatement and Control

Amendment No. 40: Appropriates $277,926,000 for abatement and control activities instead of $257,426,000 as proposed by the House and $306,426,000 as proposed by the Senate.

The Senate receded on the $5,000,000 increase for testing and certification of motor vehicles.

The Senate receded on the proposed increase of $4,000,000 for the Clean Lakes Program since language is contained in the bill providing for the transfer of $75,000,000 in Housing and Urban Development water and sewer grant funds to EPA for the Clean Lakes Program.

The conferees agreed to an increase of $4,000,000 for industrial and nonpoint pollution source control instead of $7,000,000 as proposed by the Senate.

The conferees agreed to an increase of $1,000,000 for technical assistance and technology transfer in the solid waste program instead of $3,000,000 as proposed by the Senate.

The conferees agreed to an increase of $2,000,000 for water quality technical assistance and planning as proposed by the Senate.

The conferees agreed to an increase of $1,000,000 for air pollution monitoring and surveillance instead of $3,000,000 as proposed by the Senate.

The conferees agreed to increase grants to States for pollution control by $7,500,000 for water programs and $5,000,000 for air programs instead of $12,500,000 for each program as proposed by the Senate.

Enforcement

Amendment No. 41: Appropriates $53,240,000 for enforcement programs instead of $52,740,000 as proposed by the House and $53,740,000 as proposed by the Senate.

The conferees agreed to an increase of $500,000 for the Water Quality Permit Program instead of an increase of $1,000,000 as proposed by the Senate.

Buildings and Facilities

Amendment No. 42: Appropriates $1,400,000 for buildings and facilities as proposed by the House instead of $1,700,000 as proposed by the Senate.

Amendment No. 43: Deletes language proposed by the Senate which required the agency to cooperate with the University of Nevada to design and acquire additional research facilities at the Las Vegas campus.

The conferees will expect the agency to review their research facilities in Las Vegas and to report to the House and Senate Appropriations Committees.

Scientific Activities Overseas

Amendments Nos. 44 and 45: Restore language, as proposed by the House, which allows the agency to transfer up to $4,000,000 from other appropriations available to the agency for purposes of carrying out scientific activities overseas. The Senate bill would have provided for a direct appropriation of $4,000,000 for this purpose.

DEPARTMENT OF AGRICULTURE

Soil Conservation Service

Conservation Operations

Amendment No. 46: Appropriates $194,116,000 for Conservation Operations instead of $192,116,000 as proposed by the House and $196,216,000 as proposed by the Senate. The increase over the amount provided by the House is for soil surveys in the Fort Union coal area of Montana, North Dakota, South Dakota, and Wyoming.

The Department is directed to consolidate information already available from previous studies on potential agricultural land in Alaska.

Watershed and Flood Prevention Operations

Amendment No. 47: Appropriates $122.643,000 for Watershed and Flood Prevention Operations as proposed by the House instead of $124,801,000 as proposed by the Senate.

The conferees have passed over the West Virginia project without prejudice. The $1,161,000 provided in the Second Supplemental Appropriations Act, 1974 will permit the initiation of work on this project as soon as the required approvals are obtained.

Agricultural Stabilization and Conservation Service

Amendment No. 48: Inserts heading "Agricultural Stabilization and Conservation Service" instead of "Agriculture Stabilization and Conservation Service" as proposed by the Senate.

Agricultural Conservation Program

Amendment No. 49: Authorizes a 1975 program level of $225,000,000 as proposed by the House instead of $200,000,000 as proposed by the Senate.

Of the total amount provided in conference, not to exceed $35,000,000 shall be available for long-range practices. The conferees are in agreement that practices under this program should be recommended by the community and county committeemen and that the approved practices should be those which were in effect for the 1970 program.

Amendment No. 50: Deletes language proposed by the Senate which would have established a limitation for an individual participant in the State of Alaska of $3,000.

TITLE IV—CONSUMER PROGRAMS

Department of Health, Education, and Welfare

Office of Consumer Affairs

Amendment No. 51: Appropriates $1,415,000 for the Office of Consumer Affairs instead of $1,365,000 as proposed by the House and $1,465,000 as proposed by the Senate.

General Services Administration

Consumer Information Center

Amendment No. 52: Appropriates $996,000 for the Consumer Information Center as proposed by the House instead of $886,000 as proposed by the Senate.

Consumer Product Safety Commission

Amendment No. 53: Appropriates $38,269,000 for the Consumer Product Safety Commission instead of $36,219,000 as proposed by the House and $42,569,000 as proposed by the Senate. The conference amount includes $200,000 for space costs.

Federal Trade Commission

Amendment No. 54: Appropriates $38,043,000 for the Federal Trade Commission instead of $37,743,000 as proposed by the House and $38,543,000 as proposed by the Senate.

The $200,000 and 11 positions for the Bureau of Economics were deleted because as of June 30, 1974, 16 existing positions were vacant. The positions were also deleted because of the failure of the Bureau of Economics to comply with the congressional directives to broaden the recruitment base.

Amendment No. 55: Provides that line-of-business data may be obtained from not to exceed 500 firms, as provided by the Senate, rather than 250 firms as provided by the House. While the language will permit collection of data from up to 500 firms, the conferees note that this is a new program with many complex and difficult technical questions and under these circumstances an initial mailing of less than 500 may be prudent until more experience is gained.

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment. The conference agreement provides that the information in the line-of-business program shall be used only for statistical purposes, as provided in the House bill.

A new paragraph is added providing that the Federal Trade Commission shall separately obtain information for law enforcement purposes under existing practices and procedures, or as changed by law subsequent to the passage of this appropriation bill.

The stipulations of this section relating to the FTC's line-of-business survey are not to be interpreted as barring any duly authorized FTC personnel from inspecting the information provided in these line-of-business reports. Similarly, the stipulations of this section should not be read as qualifying the FTC's compulsory process power.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 57: Deletes language permitting publication in an enforcement proceeding of data on individual firms contained in line-of-business reports.

Amendment No. 58: Deletes language limiting access to data in line-of-business reports to employees of the Federal Trade Commission duly authorized in the premises. The language as approved will limit access to the data to employees of the Federal Trade Commission, and will exclude all others.

Amendment No. 59: Deletes language which would have made data in line-of-business reports available to various other agencies of the government. These agencies will have access to similar type data to the extent that such access is authorized by the existing laws under which the various agencies operate.

Department of Agriculture

Child Nutrition Programs

Amendment No. 60: Appropriates $1,299,630,000 for Child Nutrition Programs instead of $1,283,630,000 as proposed by the House and $1,315,630,000 as proposed by the Senate.

Amendment No. 61: Provides for the transfer of section 32 funds in the amount of $541,601,000 as proposed by the Senate instead of $641,601,000 as proposed by the House.

Amendment No. 62: Earmarks $28,000,000 for the nonfood assistance program instead of $22,000,000 as proposed by the House and $34,000,000 as proposed by the Senate.

Amendment No. 63: Earmarks $30,000,000 for the special food service programs for children instead of $20,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

Amendment No. 64: Deletes language proposed by the Senate which would have increased from 10 to 15 per centum the amount of funds provided under Public Law 92-433 for administrative expenses.

Food Stamp Program

Amendment No. 65: Restores House language stricken by the Senate which provided certain prohibitions against the use of food stamps by college students.

General Provisions

Amendment No. 66: Deletes language proposed by the House which would have prohibited the agency from reallocating unobligated fiscal year 1973 construction grant funds. The agency has reported that the entire $2,000,000,000 original allotment to the States for fiscal year 1973 was obligated prior to the June 30, 1974 deadline and as a result no State was required to lose such funds to reallotment. Therefore, the provision is no longer required.

Amendment No. 67: Deletes section 512 of the General Provisions as provided by the Senate. This provision provided $7,000,000 for Rural Community Fire Protection Grants which has been transferred to the Farmers Home Administration section of the appropriations bill.

Personnel Limitations

The conferees are in agreement and so direct that all additional personnel provided for in this conference report shall be above and beyond any personnel limitations currently in effect.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the Committee of Conference, with comparisons to the fiscal year 1974 total, the 1975 budget estimate total, and the House and Senate bills follow:

New budget (obligational) authority, fiscal year 1974	$10,588,101,000
Budget estimates of new (obligational) authority, fiscal year 1975	[1] 13,432,863,100
House bill, fiscal year 1975	13,405,420,000
Senate bill, fiscal year 1975	13,667,397,300
Conference agreement	13,571,395,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1974	+2,983,294,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	+138,531,900
House bill, fiscal year 1975	+165,975,000
Senate bill, fiscal year 1975	−96,002,300

[1] Includes $275,000 contained in Senate Document 93-90 and not considered by the House.

Jamie L. Whitten,
George E. Shipley,
Frank E. Evans,
Bill D. Burlison,
William H. Natcher,
Neal Smith,
Bob Casey,
George Mahon,
Mark Andrews,
Robert H. Michel,
Bill Scherle,
J. K. Robinson,
Elford A. Cederberg,
Managers on the Part of the House.

Gale W. McGee,
William Proxmire,
Robert C. Byrd,
Herman E. Talmadge,
Roman Hruska,
Mark O. Hatfield,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. HOSMER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 407]

Anderson, Ill.
Arends
Ashley
Badillo
Blatnik
Brasco
Burke, Calif.
Burlison, Mo.
Burton, Phillip
Butler
Carey, N.Y.
Casey, Tex.
Chappell
Chisholm
Clark
Clay
Conyers
Culver
Davis, Ga.
Davis, S.C.
Dennis
Diggs
Dorn
Drinan
Esch
Evins, Tenn.
Flynt
Foley
Ford
Gettys
Giaimo
Gray
Green, Oreg.
Griffiths
Hansen, Idaho
Hansen, Wash.
Hawkins
Hébert
Hogan
Holifield
Hudnut
Jones, Tenn.
Lehman
McSpadden
Mitchell, Md.
O'Hara
Patman
Powell, Ohio
Railsback
Rangel
Rarick
Rees
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Rostenkowski
Ruppe
Steele
Sullivan
Teague
Thompson, N.J.
Van Deerlin
Wiggins

The SPEAKER. On this rollcall 371 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 11537, CONSERVATION PROGRAMS ON MILITARY AND OTHER FEDERAL LANDS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 11537, to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Mrs. Sullivan, Messrs. Dingell and Goodling.

PERMISSION FOR SUBCOMMITTEE ON AERONAUTICS AND SPACE TECHNOLOGY TO SIT DURING GENERAL DEBATE

Mr. WYDLER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aeronautics and Space Technology of the Committee on Science and Astronautics may meet during debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11500, with Mr. Smith of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, titles II through VIII inclusive were subject to amendment at any point, and there was pending an amendment offered by the gentleman from California (Mr. Hosmer) to title II of the committee amendment in the nature of a substitute. Before recognizing the gentleman from California, the Chair will state for the information of the Committee of the Whole that there are 42 minutes remaining out of 50 minutes debate allocated to title II under the unanimous consent agreement of Tuesday, July 23.

Before the Chair recognizes the gentleman from California, the Chair will reiterate his announcement of yesterday that if listed Members who have printed their amendments to title II in the Record would agree to offer those amendments during the 42-minute period, and to be recognized for 1 minute and 20 seconds, the Chair will recognize both committee and noncommittee members for that purpose.

The Chair will request that Members who have amendments printed in the Record and who insist upon 5 minutes for debate defer offering those amendments until the conclusion of the 42 remaining minutes.

The Chair understands the gentleman from California (Mr. Hosmer) wishes to be recognized for 1 minute, 20 seconds on the pending amendment.

The gentleman is recognized.

Mr. HOSMER. Mr. Chairman, the requirements for data in a permit application, including maps, geologic information, core drillings, hydrologic information, laboratory analyses, and a great variety of other detailed information, as required in H.R. 11500 will prove to be so expensive to develop and such an onerous burden that many small miners will simply not be able to comply, and are, therefore, likely to go out of business. This would eliminate that source of needed coal in this period of severe energy shortage and thereby further endanger the achievement of energy independence by this Nation.

My amendment would correct an anti-small business complexion of section 210 of this bill. With 65 percent of the surface mines producing less than 50,000 tons per year, and nearly 90 percent of the auger mines producing less than 50,000 tons per year, the economic impact upon these small operators to develop and submit such sophisticated, costly, and largely unnecessary information is at once apparent. It would appear that the bill was carefully designed to squeeze the small miner out of business. Is it any wonder that the measure has been characterized as being "anti-small business"?

Under section 210 there are 17 paragraphs describing the data to be submitted with a permit application. This occupies nearly six pages of the bill simply listing the data to be supplied. In addition, the mining and reclamation plan requires another nine paragraphs to list the information to be supplied. Some of this information will be extremely costly to come by, such as the detailed map described in section 210(b)(9), which map must be prepared under the direction of or certified by a professional engineer or registered land surveyor and a professional geologist.

This map must show contour lines showing elevation and depicting the topography, the surrounding drainage area, the location and name of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, creeks, streams, rivers, springs, and other surface water courses, the name and boundary lines of the present owners of abutting property showing the location of buildings within 1,000 feet of the permit area and the use of each building. In addition, other maps must be supplied showing the proposed mine area, test borings, core samples, water tables, aquifers, essentially all geologic data conceivable with respect to an area.

Moreover, there must be chemical analysis of the properties of both the overburden and the coal, with data on the potential of acid or toxic forming materials in the overburden and of the strata lying beneath the coal. These are merely three samples of the type of data that must be supplied with a permit application.

On the other hand, my amendment provides for the submission of sufficient and adequate data to allow and aid the regulatory authority to make all the appropriate and necessary evaluations and assessments of the proposed reclamation plan, to insure that good reclamation can and will be accomplished in accordance with that plan.

My amendment would require the submission of data and information on how the mining and reclamation plan will be achieved, as well as information on the proposed mining site and on past permit performance by the applicant. Adherence to Federal air and water pollution laws is recognized by requiring a listing of all violations of such laws, rules or regulations that occurred during the year prior to the date of permit application.

Under my amendment, the mining and reclamation plan data submission requirements contain general categories of information necessary to assure that the operator has performed a premining site evaluation in sufficient depth to plan the operation to facilitate a return of the site to a useful status following mining. Also, the planning information required, as specifically enumerated in promulgated regulations, would be sufficient to assure the regulatory agencies that provisions have been planned to prevent damage of the permit area during mining.

Under my amendment, the applicant is required to file for public inspection a copy of his application with an appropriate official approved by the regulatory authority in the locality where the mining operation is proposed to occur. Publication of a description of the property to be mined in a generally circulated newspaper in the locality of the permit area for a specific length of time is required.

Under my amendment, the permit renewal provisions provide the right of successive renewals provided the permittee has complied with the permit, require a listing of claim settlements or judgments arising from operations under the permit, written assurance of continuation of the performance bond, and additional or new information required under this section. All parties who participated in the review and hearing proceedings on the initial permit will be informed of any permit renewal application.

Furthermore, my amendment would provide appropriate protection for confidential proprietary information. As the Department of the Interior pointed out in its objections to H.R. 11500:

> It is essential that the application requirements of the bill be modified to provide for preserving the confidentiality of competitively sensitive material made available by permit applicants.

Mr. Chairman, I ask for the adoption of my amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The amendment to the committee in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MRS. MINK TO THE COMMITTEE AMENDENT IN THE NATURE OF A SUBSTITUTE

Mrs. MINK. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mrs. MINK to the committee amendment in the nature of a substitute: Section 210(b), page 175, line 13, strike all words after "geologist" and the words "surface information" on line 14 and insert in lieu thereof the following: "when specific subsurface information is deemed essential and requested by the regulatory authority."

Mrs. MINK. Mr. Chairman, with regard to this amendment it was the proposal of the Pennsylvania delegation. They expressed concern that the requirement of having a geologist was an onerous one with respect to many of the smaller operations affecting surface coal mining. This new language is intended to make it quite clear that the "or" which precedes the words "registered land surveyor" makes that selection in the alternative and that the requirement of having a geologist should be for the purpose of providing specific subsurface information which is deemed essential and requested by the regulating authority. This is qualifying language.

Mr. Chairman, I urge adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. SYMMS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SYMMS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. SYMMS to the committee amendment in the nature of a substitute:
>
> On page 234, following line 17, add a new subsection "f" as follows and reletter the subsequent subsections.
>
> "Sec. —. Every citizen of and within the United States may seek to enjoin before any United States District Court every effort to restrict the surface mining of coal upon a showing that such restriction will increase United States dependence upon imported fuels or will impair employment security among citizens of the United States: *Provided*, That any such injunction which may be issued by the U.S. District Court does not impair the obligation of surface mining operations to restore the mined land to substantially useful and relatively attractive condition."

Mr. SYMMS. Mr. Chairman, the purpose of this amendment is to soften the effect that this bill poses as a threat to us in coal production because under the present language in the bill every citizen has a right to sue in court to stop mining if an individual citizen or a group of citizens consider it to be damaging to the environment. This bill states that the area that is surface mined must be returned to the approximate contour that existed before any mining occurred. The term is vague and leaves the door open for excessive lawsuits and litigation under the above-mentioned provision.

This amendment will soften the language that is in the bill. It was carefully drawn by counsel to point out the fact that any citizen who can establish in court that we are relying more and more heavily on foreign imports of oil or other energy sources because of the lawsuits that have taken place under this legislation will be allowed the right to go to court and sue for his right to be allowed to mine coal as long as reasonable measures to protect the environment are taken.

This gives the committee a choice of reasonable reclamation and a concern for human environment—warm houses, jobs, and food on the table.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Idaho (Mr. Symms) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Symms) there were—ayes 13, noes 23.

Mr. **SYMMS**. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. SEIBERLING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **SEIBERLING**. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Seiberling to the committee amendment in the nature of a substitute: Section 214, (a), page 204, line 25, delete all words after the word "weeks", and on page 205, delete all of line 1 and on line 2, delete the words "of letters which he has sent to" and insert in lieu thereof the words "The regulatory authority shall notify", and on line 5, delete the word "his" and insert in lieu thereof the words "the operator's".

Mr. **SEIBERLING**. Mr. Chairman, I yield to the gentlewoman from Hawaii.

Mrs. **MINK**. Mr. Chairman, again this is another suggestion made by the Pennsylvania delegation that instead of requiring that the applicant shall submit copies of letters that he has written to each of the local governmental agencies and planning agencies, that the regulatory authority have the responsibility of notifying the Government agencies so they can in turn respond to the pending application.

Mr. Chairman, I move the adoption of this amendment.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Ohio (Mr. Seiberling) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mrs. Mink) there were—ayes 25, noes 15.

So the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. FLOOD TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **FLOOD**. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Flood to the committee amendment in the nature of a substitute: Page 242, line 15, add section 227:

ANTHRACITE COAL MINES

The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for the interim and permanent programs for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of: sections 201 (b) and (c), 202, 209 (except subsection 209(d) (3)), 210, and 211 of this Act. Provisions of sections 216 and 217 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulations issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect; *Provided, however*, That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

Mr. **FLOOD**. Mr. Chairman, this extension, I point out, is a very peculiar geographical and geological situation. Ninety-eight percent of the anthracite coal mined in the United States is in Pennsylvania. Forty-three percent of it is used for heating consumption. This amendment has nothing to do with avoiding the provisions of the act and is very strongly written, to be sure.

This is a Federal statute, not simply a State law. It is a Federal law to enforce the law, and Federal inspectors make the inspections. The provisions here of the State law which were enumerated and read by the Clerk are incorporated in the Federal law.

There is no desire to evade the environmental provisions of this law, quite the contrary. H.R. 11500 is important to the State of Pennsylvania, and to the Nation, and I strongly urge its adoption.

Mr. **UDALL**. Mr. Chairman, will the gentleman yield?

Mr. **FLOOD**. I yield to the gentleman from Arizona.

Mr. **UDALL**. Mr. Chairman, the anthracite coal industry has some special purposes and is in about 1 percent of production, I am told.

We have worked this out pretty carefully with Mr. Flood and some of the Pennsylvania people, and it is acceptable to this side.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Flood) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. QUILLEN TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **QUILLEN**. Mr. Chairman, I offer two amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that these amendments be considered en bloc.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Quillen to the committee amendment in the nature of a substitute: On page 215, beginning on line 9, delete the following sentence: "In addition, as part of any bond release application, the applicant shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface mining and reclamation activities took place, notifying them of his intention to seek release from the bond."

Following line 16, page 215, insert in lieu thereof the following new subsection and reletter the remaining subsections accordingly:

"(f) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface mining location is located by certified mail at least 30 days prior to the release of all or a portion of the bond."

On page 234, line 8, after the words "to any party" insert the words "(including any permittee defending an action brought pursuant to this section)".

Mr. **QUILLEN**. Mr. Chairman, the amendments are self-explanatory.

Mr. **UDALL**. Mr. Chairman, will the gentleman yield?

Mr. **QUILLEN**. I yield to the gentleman from Arizona.

Mr. **UDALL**. Mr. Chairman, these amendments deal wtih the procedure for notification in the bond release section of the bill. We have worked through several drafts with the gentleman from Tennessee, and we feel that the purposes of the bill are carried out by his amendments, and simplify and improve it. Therefore, the amendments are agreeable.

Mr. **HOSMER**. Mr. Chairman, will the gentleman yield?

Mr. **QUILLEN**. I yield to the gentleman from California.

Mr. **HOSMER**. Mr. Chairman, I am not very enthralled with the gentleman's amendments, but I think that we will accept them.

The **CHAIRMAN**. The question is on the amendments offered by the gentleman from Tennessee (Mr. Quillen) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENT OFFERED BY MR. M'KAY TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. **McKAY**. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. McKay to the committee amendment in the nature of a substitute: Section 209, subsection d, No. 9, on page 171 of the bill, lines 14 and 15, strike out "the national forests,".

Mr. McKAY. Mr. Chairman, under the existing bill, we would eliminate totally from mining permits the national forests along with national parks, wildlife refuges, and wilderness preserves.

With 70 percent of my State in Federal land, I feel that we need some controls which would be provided by this bill, but to totally eliminate the possibility of mining of coal from the forests, I do not think should be done.

Therefore, I would like to eliminate the national forests from this total exclusion from mining entirely. That is the purpose of the amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to compliment the gentleman from Utah on his amendment. I too have some very substantial national forests in my district. There is no coal in the Angeles National Forest within my district, but I think where we do have coal in a national forest it can be controlled on a reasonable basis by the Federal Government through the forestry service as to how it is to be mined.

Mr. Chairman, I think the amendment is a correct one.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would like to say that the gentleman from Utah has offered a very wise and, in my opinion, thoughtful amendment. There are 187 million acres in the national forest system. And under the multiple purpose concept, should be available to mining.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, with 187 million acres of national forest land in the United States, it would seem to me very unwise policy to provide categorically that there cannot be any mining of coal in that vast acreage.

At the present time the Federal Government is very careful to insure that the Federal forest acreage will not be despoiled. Certainly the Federal Government will not permit leases where there could be any danger to the ecological or other values in the national forest system. The fact of the matter is that the national forest lands are multiple-purpose lands and should be recognized as such in this bill.

I think we would be well advised to let the Department of the Interior or the Federal Forest Service make the decision as to whether mining should be permitted in the forest system, rather than to categorically prohibit mining in all of that multimillion acreage in the United States.

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROUSSELOT. In this time frame, when somebody might object or support the amendment, how does he get time to do it? He does not?

The CHAIRMAN. Not unless he is on the list.

Mr. ROUSSELOT. In other words, if anyone wants to oppose the amendment, he has no time; is that correct?

The CHAIRMAN. Not unless the gentleman is on the list announced by the Chair.

Mr. ROUSSELOT. That is what I mean, so we are now in that wonderful situation where we cannot speak up.

Mr. UDALL. Mr. Chairman, am I on the list of speakers? I would like to use my time against this amendment.

The CHAIRMAN. The gentleman has already used his time.

AMENDMENT OFFERED BY MR. DINGELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. M'KAY TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DINGELL. Mr. Chairman, I offer an amendment as a substitute for the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Dingell as a substitute for the amendment offered by Mr. McKay to the committee amendment in the nature of a substitute: On page 171, line 13, strike all through the semicolon on line 23 and insert the following:

"(9) the mining operations are not located within any area of the National Park System, the National Forest System, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however,* That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act within any area of the National Forest System or the Wild and Scenic Rivers Systems or on lands within either system where the deeds conveying the surface lands to the United States reserve the coal and provide for the mining thereof;".

Mr. DINGELL. Mr. Chairman, I offer a substitute for the McKay amendment.

The McKay amendment changes adversely important provisions of the bill by eliminating the application of the prohibition in the bill against strip mining the national forest lands. It opens the national forest lands to strip mining.

My amendment says that one cannot strip mine in the national forest system as does the basic bill, but it does more. It attacks a particularly unfortunate provision in the bill which would allow strip mining where presently existing substantial commitments have been made. This, I think, is an important defect. My amendment says, instead, that this paragraph will not prohibit strip mining operations in existence at the date of enactment of the act within any national forest area or any of the other lands covered where the deeds conveying the surface lands to the U.S. reserve the coal and provide for the mining thereof.

Therefore, Mr. Chairman, I would point out that my amendment is superior to that offered by my colleague from Utah.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Dingell) as a substitute for the amendment offered by the gentleman from Utah (Mr. McKay) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Dingell) there were—ayes 23, noes 15.

So the substitute amendment for the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. McKay), as amended, to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Dingell) there were—ayes 31, noes 8.

So the amendment, as amended, to the committee amendment in the nature of a substitute was agreed to.

Mr. KETCHUM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-one Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and six Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Rousselot to the committee amendment in the nature of a substitute: Page 232, line 10, strike out "Sec. 223." and insert a "Sec. 223." to read as follows:

Sec. 223. (a) Except as provided in subsection (c) of this section any person having an interest which is or may be adversely affected by actions of the Secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to

be in violation of any regulation, order, or permit issued under this Act;

(2) against the Secretary where there is alleged a failure of the Secretary or State regulatory authority to perform any act or duty under this Act which is not discretionary.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to remedy such violation or failure and to apply any appropriate civil penalties or injunctive relief under this Act.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting administrative or judicial action to require compliance with the regulation, permit, order, or provision of this Act, but in any such action in a court of the United States any person described in subsection (a) may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, except against the United States or any Federal officer or agency, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(e) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

Mr. ROUSSELOT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, I will try to be brief in describing this amendment. I am sorry that we have denied ourselves adequate time again to discuss these kinds of important amendments and this language, but so be it.

Mr. Chairman, my amendment to section 223 of H.R. 11500 substitutes new citizen suits language for the existing language of H.R. 11500, and corrects some serious deficiencies in that existing language.

The first principal change is to require a person bringing a citizen suit to have an interest which is or may be adversely affected. The existing language of section 223 does not require that the complainant have an interest, and, therefore, could open the floodgates to all kinds of spurious and harassing lawsuits. Such an open invitation to sue could seriously hamper and disrupt the orderly administration of the act, even to promulgation of State or Federal regulations under it, not to mention the opportunities for harassment of operators. Certainly, the Congress does not intend to authorize by statute the abuse of legal process, but that is the effect of section 223 if not amended.

The second principal change is to authorize the court to issue orders directly for the remedy of violations. Existing language authorizes the courts to order the regulatory authority to "perform such act or duty."

The third principal change is to delete subsection (b) of section 223, which authorizes damage suits in the U.S. district courts "regardless of the amount involved or citizenship of the parties." Damage suits should be brought in State courts or Federal courts in accordance with existing law and rules of civil procedure regarding jurisdiction. There is no reason to modify the existing law with respect to the jurisdiction of courts in a civil action seeking damages for injury suffered. Furthermore, the existing subsection (b) authorizes the awarding of "attorneys fees." It does not limit such award to "reasonable attorneys fees" as is customary in a statute of this type.

The fourth principal correction incorporated in my amendment is to eliminate the right of private individuals to intervene in criminal prosecutions. The existing language of subsection 223(c)(1)(B) is subject to that interpretation. Nowhere else in the annals of Anglo-American jurisprudence is a private citizen allowed to intervene "as a matter of right" in a criminal prosecution and become a coprosecutor with the Attorney General. The right of a person with an interest to intervene in a civil action for injunctive or other appropriate relief, is preserved by my amendment.

The fifth principal change made by my amendment is to delete the authorization to award costs, attorneys fees, or expert witness fees against the United States or any Federal officer or agency. Such awards, as a matter of policy, should not be allowed, and I am not aware of any instance in the law where they are permitted against the Government where the Government is acting in its sovereign capacity as regulator.

Mr. Chairman, I urge adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 14, noes 23.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. RANDALL TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RANDALL. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RANDALL to the committee amendment in the nature of a substitute: at page 232, section 223, at line 10, strike all of lines 10, 11, and substitute therefor: "Except as provided in subsection (c) of this section any person having an interest which is or may be adversely affected by actions of the secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court.

Mr. RANDALL. Mr. Chairman, on line 11, page 232, the language of the bill is far too broad when it gives the right to sue to "any person." We have had a little experience in our Congressional District by suits brought against some engineering projects by individuals who live in New York City and who cannot possibly establish an interest or claim they are affected adversely by such a project as the Truman Dam and Reservoir in west central Missouri. They have brought suit under the Evironmental Protection Act without showing any interest or any adverse effect from the dam. They tied up the project for months in the courts. The same thing could happen here, in this surface mining control bill.

My amendment simply requires the person filing a suit to have some interest that is adversely affected. The way the language is presently worded in the bill there could be a whole series of suits without any adverse interest required to be shown and brought simply for the purpose of harassment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman's amendment states what we considered the law to be and what we intended in this bill but I think it is better to expressly state it the way the gentleman has, and I find the amendment agreeable.

Mr. RANDALL. I am grateful to the gentleman for his acceptance of my amendment.

May I continue on for just a moment to point out that all of us in west central Missouri have had to spend considerable sums of money for counsel fees to fight these really disinterested individuals from New York City who had no real interest or were not adversely affected by the Truman Reservoir Project. The litigants who filed under the name of the Environmental Defense Fund — had never seen the project or had never been in Missouri. That kind of thing should not be repeated in this surface mining bill.

Mr. Chairman, before I sit down I hope to make an observation or two concerning the committee bill, H.R. 11500, and H.R. 12898, the Hosmer substitute. I supported the Hosmer substitute because I felt that it was a more reasonable measure and it would be less inflationary in the years ahead when we have to use the coal that we have in this country. Someone has quite appropriately put the situation in perspective by saying that long after the Arabs have used all their oil we will still have our coal and they will be begging us to share it with them.

Mr. Chairman, we have large quantities of coal in this country. There is considerable coal that has been mined by surface mining in the district which I am privileged to represent. A lot of the land has been left in a condition that is relatively worthless. Very little effort has been made to restore it.

Within the last year or two there has been a State law passed in Missouri which is a long step in the right direction.

For some reason I find that there are misgivings as to whether or not State enforcement will be either as effective or as diligent as Federal control. I do not believe that the Federal Government enjoys any great advantage over the States on enforcement, but I do believe that a way must be found to use the coal to be mined by so-called strip mining or surface mining without complete destruction of the land.

In my judgment, a coal company should not be permitted to walk away and leave a large stretch of what could be called "badlands." These lands should not be left in a scarred condition.

Surface mining simply cannot be eliminated. It is too important a source of coal to be eliminated. That is why I oppose the Hechler substitute, which would virtually stop all strip mining. On the other hand, there must be a requirement that the land must be put back in such a condition that it may be used again. The very obvious and apparent reason for this kind of mining is that there is just not enough coal left in the country to do otherwise.

Mr. Chairman, I might be constrained to take a much less enthusiastic view of H.R. 11500 if it were not for the fact that our entire coal industry does not rise or fall simply by what happens to surface or strip mining. It is difficult to acquire accurate figures and statistics, but if my information is correct, perhaps as little as 3 percent and certainly not much over 5 percent of our coal is mined as the result of surface mining operations. Certainly more will be surface-mined in the future. But now is the time to take some reasonable precautions to put the land back in a condition so that it can be used.

H.R. 11500 has been amended; it has been moderated; it has been improved by a series of amendments. There is no longer a requirement that the land be put back in its original condition, but that it be put back in a condition where it is usable. For example, the bill has been modified to the point that if cost-wise it would be prohibitive to put the land back to where it could be cultivated for such agricultural purposes as the growing of corn, then there is the alternative of an option to restore the land to where it could serve as orchardland or forestland. These are all reasonable amendments. That is why I find as we come near the end of this debate that I am able to support H.R. 11500.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. RANDALL) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. DELLENBACK TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DELLENBACK. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DELLENBACK to the committee amendment in the nature of a substitute: Line 11, page 232, insert "having an interest which is or may be adversely affected" between "person" and "may.".

Delete line 25 on page 232, and line 1 on page 233 through "as the case may be", and insert in place thereof "order such violation or failure to be corrected".

Beginning on line 7, and continuing on line 8, page 233, delete "regardless of the amount involved or citizenship of the parties".

Mr. DELLENBACK. Mr. Chairman, this does three things to the citizen suit section. It makes it clear that the person bringing a suit must have an interest which is or may be adversely affected. Second, it clears up some confused language at the bottom of page 232 and makes clear that the power to order correction of the violation is present. Third, on page 233 it removes the extra broadening of the jurisdiction of the court by deleting the words "regardless of the amount involved or citizenship of the parties" and leaves in effect the normal bases for going into Federal court as the pertinent bases.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I support the gentleman's amendment. I think it is very good and sound.

Mr. DELLENBACK. I thank the gentleman.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this is similar to the amendment which was offered by the gentleman from Missouri. We thought it was implied in the bill clearly that one had to have an interest adversely affected, but the gentleman's language makes it specific and clears this question and makes it a better bill. We would accept the amendment.

Mr. DELLENBACK. Mr. Chairman, I appreciate the gentleman's remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. DELLENBACK) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO of Wyoming to the committee amendment in the nature of a substitute: Page 200 on line 4 change the semicolon after "manner" to a period and add the following proviso: "*Provided,* That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining."

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. Mr. Chairman, I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, this is again another amendment offered by the Pennsylvania delegation to make sure that this method of underground mining is clearly understood to be an acceptable procedure provided all other assurances of the subsection are met. It was clearly the intent of the bill. I urge the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the Committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. KETCHUM TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KETCHUM. Mr. Chairman, I offer two amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent to have them considered en bloc despite the fact that they are to two sections, but they are very similar amendments.

The Clerk read as follows:

Amendments offered by Mr. KETCHUM to the committee amendment in the nature of a substitute: Page 161, line 6, following line 6 insert a subsection (d) as follows:

"(d) Prior to the approval of a state program the Secretary shall prepare a surface coal mining and reclamation economic impact report for each state seeking financial assistance under this Act. The surface coal mining and reclamation economic impact report shall be submitted to the Committee on Interior and Insular Affairs of the United States Senate and House of Representatives."

Page 161, line 25, following line 25 insert a subsection "(d)" to read as follows:

"(d) The Secretary shall prior to the implementation of a federal program pursuant to this Act, prepare a surface coal mining and reclamation economic impact report, for each state in which a federal program is to be implemented, and the Federal Lands Program to be implemented pursuant to section 225 of this Act. The surface coal mining and reclamation economic impact report shall be submitted to the Committee on Interior and Insular Affairs of the United States Senate and House of Representatives.

The CHAIRMAN. Is there objection to the request of the gentleman from California to consider his amendments en bloc?

There was no objection.

Mr. KETCHUM. Mr. Chairman, these two amendments, I really believe that even the authors of this bill will accept, principally because they do no damage to the bill in any way, shape or form. They do not delay anything. All that it says that prior to the approval or disapproval, an economic impact statement will be filed and it will come to us.

It is not going to deny anybody a permit. It will come to us, so that we can see what we have or have not done to affect the economy of the area. It could include, as an example, a description of the economy of the State, the returns from mined coal and the impact of mined improvements, what effect it will have on the public schools, roads, et cetera.

We have addressed ourselves to this in the bill in some sections. I can see no objection to this amendment. It is only going to let us know what we have done to the States and to the Federal Government economically.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. KETCHUM) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. KETCHUM) there were—ayes 19, noes 21.

Mr. KETCHUM. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments to the committee amendment in the nature of a substitute were rejected.

AMENDMENT OFFERED BY MR. ANDREWS OF NORTH DAKOTA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ANDREWS of North Dakota. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. ANDREWS of North Dakota to the committee amendment in the nature of a substitute: On page 239, line 20, delete the word "may" and insert in lieu thereof the word "shall" and reletter accordingly.

Mr. ANDREWS of North Dakota. Mr. Chairman, if amended, this provision under the Federal lands section would read as follows:

> The Secretary shall require as one of the terms and conditions of any permit, lease or contract to surface mine coal owned by the United States that the lessee, permittee or contractor give satisfactory assurances that the anti-trust laws of the United States will be complied with and that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

The rationale behind my amendment is to guarantee to smaller coal companies and other purchasers with smaller requirements the availability of Federal coal. At the present time, sales patterns of coal leased by the Federal Government are characterized by disproportional availability to the larger purchasers resulting in a disadvantage to the small purchasers.

What this amendment simply does is to require the Secretary of the Interior to see to it that lessees—permittees of Federal coal comply with our Nation's antitrust laws.

The necessity of guaranteeing smaller companies access to Federal coal is seen by noting that fewer than 5 percent of the surface coal mines in the United States produce as much as 200,000 tons of coal annually. In addition, 65 percent of the 2,300 surface coal mines in the United States produce 50,000 tons or less a year. Certainly, the small surface coal mines should have the protection of this country's antitrust laws without waiting for the Department of Justice to initiate proceedings or having to undergo the large economic burden themselves and perhaps have to experience long judicial delays. With the demands of the energy crisis upon us, everyone should be assured that they will have equal access to the vast reserves of strippable Federal coal on the most equitable basis possible.

For these reasons, I urge your adoption of this amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this is a good amendment. It says that the Secretary shall carry out the antitrust laws, and helps the little utilities and little companies. It says that there will not just be emphasis on the bigs.

Mr. Chairman, I accept the amendment and hope it is adopted.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, would the gentleman mind asking unanimous consent to strike the word "permanent?" All leases are temporary to some extent.

Mr. ANDREWS of North Dakota. Mr. Chairman, my amendment, if I could advise my colleague from Wyoming, is very simple. It just deletes the word "may" and inserts in lieu thereof the word "shall." It changes none of the other language. It just changes "may" to "shall."

Mr. RONCALIO of Wyoming. I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I oppose the amendment on the grounds that I think it would be too restrictive.

Mr ANDREWS of North Dakota. I can appreciate the comment of the gentleman, but this is something we feel we need in our area, and to enforce the antitrust laws, I think, is in the best interests of this Nation. When the gentleman looks at the charts out in the lobby, he will see how the concentration of energy is coming to be in fewer and fewer bigger companies.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I wholeheartedly support the amendment offered by the gentleman from North Dakota.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, does that mean, however, that if a company opens a coal mine in the future, it cannot develop long-term contracts with one or two utilities, but actually must make its coal available even on a short-term basis to anyone who comes along?

Mr. ANDREWS of North Dakota. Not at all. It merely says that the company has to comply with the antitrust laws and not discriminate.

Mr. RUPPE. It does not mean, then, that it has to guarantee availability to every type of user?

Mr. ANDREWS of North Dakota. It means it has to comply with the antitrust laws of the country.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I want to commend the gentleman for offering this amendment, and I certainly support it. I hope it can be adopted.

The CHAIRMAN. The question is on the amendment to the committee amendment in the nature of a substitute offered by the gentleman from North Dakota (Mr. ANDREWS).

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. ECKHARDT to the committee amendment in the nature of a substitute: On page 166, after line 5, add the following sentence: "After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations.".

Mr. ECKHARDT. Mr. Chairman, this goes to a matter that is not related to the citizens' suit question, but deals only with administrative procedure. Section 206 petition may be filed that no strip mining be done in a given area.

Under section 206 it is stated that any person having an interest which is or may be adversely affected shall have the right to file such petition.

I do not disturb that language at all, because nobody ought to be able to commence such a proceeding unless he is threatened by some action that contemplates strip mining.

I merely insert a provision on page 166, after line 5, saying that after such an administrative process is commenced, any person may intervene and file a like petition stating that person's interest.

What this would do is simply provide what most administrative processes permit anyway; that is, persons representing a public interest, but not having a specific private interest, may state their objection to strip mining in the area, or for that matter, may assert an interest in strip mining in the area.

Of course, it would be completely inappropriate for us to permit the commencement of a hearing before a committee of Congress by someone, a member of the general public. But on the other hand, it would be entirely improper for us to restrict our hearing only to those who come in and prove to us an interest after the hearing has begun.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I find this amendment acceptable, although I am unable to agree completely with the text of the gentleman's amendment, As I understand it, all the gentleman is saying in this amendment, is that someone can intervene and that the public can be heard in the hearing, provided that someone who has an interest has initiated the process in the first place.

Mr. ECKHARDT. That is right, and this is not in the lawsuit. This is only in the administrative process.

Mr. UDALL. For that purpose, I think it is a good amendment. The more participation we have, the better will be the procedure.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Do I understand that the intervenor would not be an instigator on the question of the administrative ruling? Is that correct?

Mr. ECKHARDT. That is right.

Mr. STEIGER of Arizona. Anybody can question it?

Mr. ECKHARDT That is right. It has to be started first by the party in interest.

Mr. STEIGER of Arizona. The party in interest must start it?

Mr. ECKHARDT. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hechler of West Virginia to the committee amendment in the nature of a substitute: Page 172, line 4, strike the word "and" and insert therein the following subsection:

"(12) the area proposed to be mined does not include any terrain with slopes greater than 20 degrees from the horizontal; and".

Renumber the following subsections accordingly.

Mr. HECHLER of West Virginia. Mr. Chairman, this is a very reasonable amendment. It does not go as far as the amendment which was sponsored by the gentleman from Georgia (Mr. Young), which initiated a 20-degree ban on strip mining in the mountains during the interim period.

This action does not take effect for 38 months, or until the permanent standards take effect.

Mining on steep slopes is the most destructive form of mining.

I think it is very unfortunate that in the course of discussion of this bill, we have accepted amendments which the industry can live with, and we have accepted amendments that the people cannot live with.

It seems to me, Mr. Chairman, that this Capitol is swarming with lobbyists from the coal companies and utilities. As a matter of fact, I just wondered how coal can be mined during this week with all the coal and utility executives here.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, as long as the gentleman is speaking about lobbying, I think he ought to know that on the floor of this House there is a known member of the staff who works for the Appalachia Commission, and he has been here throughout the consideration of this bill. If that is not lobbying, I do not know what lobbying is. He has been right smack in the middle of the room.

Mr. HECHLER of West Virginia. Mr. Chairman, I decline to yield further to the gentleman.

I suggest also that the life of the people in the mountains has been threatened even more by an amendment that was apparently drafted by the West Virginia Surface Mining and Reclamation Association which was sent down here to try to weaken opposition to mountaintop removal, which is the most devastating form of mining.

Mr. Chairman, I suggest that the people of the mountains do not have an opportunity to be recognized here.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I gladly yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, I will ask the gentleman this:

Has my friend visited any of the model mines in the State of West Virginia?

Mr. HECHLER of West Virginia. I have. I will state further I have not been impressed by those mines.

Mr. SLACK. Mr. Chairman, I will ask this further question:

Did the gentleman take the delegation to those mines when the delegation visited West Virginia, or did the gentleman take them to the mines that were surface-mined back during World War II and in the early 1950's?

Mr. HECHLER of West Virginia. Mr. Chairman, I will ask the gentleman: Where was he when the gentlewoman from Hawaii (Mrs. Mink) and the gentleman from Arizona (Mr. Udall) came to West Virginia to see these mines?

Mr. SLACK. I am advised the gentleman took them to the old mines but did not take them to the model mines engaged in mountaintop mining. Is that not true?

Mr. HECHLER of West Virginia. Mr. Chairman, I will advise the gentleman that we went right over the Cannelton Mine in Montgomery, W. Va., and I am sure the delegation inspected model mines.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I would like to concur with what the gentleman (Mr. Hechler) said; that our subcommittee did indeed try to put together a balanced field inspection trip. We went to see what we considered were the worst examples that were readily available to us, and we did take the time to examine those areas which the industry suggested were the best evidences of reclamation.

I believe the gentleman (Mr. Hechler) was with us throughout the entire trip, and he made a definite contribution toward our understanding of the problems in the State of West Virginia.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, if the Members will go out and look at the color photographs in the Speaker's lobby, they will see photographs I made on our subcommittee trip showing the very areas we are talking about, depicting the good mountaintop mining and other practices in West Virginia and bad practices in West Virginia. They can see that the differences between the good and bad practices are striking and significant.

Mr. HECHLER of West Virginia. Mr. Chairman, I appreciate the gentleman's comment. I also appreciate the support of the very able gentlewoman from Hawaii, which refutes the contention of my good friend, the gentleman from West Virginia, that we did not visit these areas.

The gentleman was in Charleston at the time, and he could very well have accompanied the committee. I do not want to put this argument on a personalized basis, Mr. Chairman, because I want to speak up for the people who are being threatened in these areas and who will continue to be threatened.

Most of the talk so far has been in terms of protecting those who sit in the board rooms and whose profits may be cut by some action of the Congress. It seems to me that we must face up to this issue very directly as representatives of the people and protect those people who are being threatened by strip mining in the mountains.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

POINT OF ORDER

Mr. HOSMER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HOSMER. Mr. Chairman, the gentleman from Arizona has spoken for a minute and 20 seconds already.

The CHAIRMAN (Mr. Smith of Iowa). The Chair will state that under the rule, when the amendment has been printed in the Record, the author of the amendment gets 5 minutes in support of his amendment and an opponent gets 5 minutes in opposition to the amendment, regardless of a time limitation.

The Chair overrules the point of order.

Mr. UDALL. Mr. Chairman, in this bill we have tried to legislate results, not particular techniques or practices. We have said that if operators can responsibly mine and reclaim on 20 degrees or 30 degrees or 25 degrees with modern equipment, technology and methods, they can go ahead and mine if they can produce a satisfactory result and reclaim the land in accordance with provisions of this act. I do not know what the technology is going to be 5 or 10 years from now, but this amendment would artificially place out of bounds all the coal that happens to lie on slopes above 20 degrees.

Mr. Chairman, we rejected by a very substantial vote a very similar amendment offered by the gentleman from Georgia (Mr. Young) the other day. I think it would be unwise to take this arbitrary action at this time, and I oppose the amendment.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for yielding.

I do not know, but perhaps in this instance those Members who oppose this amendment may not have had the benefit of the subcommittee's disclosures. If they did, I believe they would support this particular amendment.

In my view it is time we stopped being cosmetic. If we are going to control strip mining we had better control strip mining. So I urge the support of the amendment offered by the gentleman from West Virginia (Mr. Hechler).

I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Udall) there were—ayes 20, noes 25.

Mr. HECHLER of West Virginia. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Eckhardt to the committee amendment in the nature of a substitute: Page 205, line 16, after the word "person" strike all through the word "interest".

Mr. ECKHARDT. Mr. Chairman, this is a section that goes to a process under the bill by which permits are issued.

On page 205, it is permitted that—

> Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed surface mining and reclamation operation . . .

There has been a rather complex interpretation of who is a person with an interest contained in the Mineral King case. Of course, the Mineral King case dealt with a legal proceeding in court and what constituted standing in such a proceeding. In that case it was held that there must be some person who is himself among the injured in order for that person to have standing in court.

As the Members will remember, that case involved a commercial intrusion in a very beautiful area. The Sierra Club was objecting, but the Sierra Club was held not to have standing because it had not shown that any individual interest was involved.

Mind you, this amendment does not go to any court proceeding. All this does is permit any person—and that would include a person with a real and true knowledge and interest in environmental concerns—to call for a process before the agency, in which a public hearing would be held to find out whether strip mining was desirable or undesirable.

For the life of me I cannot see any reason why organizations of concerned citizens, merely because they are not directly and personally affected in an adverse way should not also be heard in such administrative hearings.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I cannot imagine what is going to happen to the small operator in this country if each time he applies for a mining permit anyone in the United States anywhere can make an immediate effort to have this application blocked. I would say that this would mean the end of the small operator.

Mr. ECKHARDT. Mr. Chairman, I decline to yield further. The gentleman from Michigan should speak on his own time.

Mr. Chairman, I have had experience in this area with respect to hearings held by the Corps of Engineers respecting dredging for oyster shells in Galveston and Trinity Bay, and similar hearings by the Corps of Engineers with respect to projects leading toward the purchase of land to move persons out of areas of subsidence.

These hearings are not difficult. Fifty or 75 people may be heard in a day or two. The control of the hearing is completely under the agency. It is not like a law case in which one is entitled to subpena information, to use discovery process, to cross-examine witnesses.

All this amendment calls for is the protection of a right of a concerned individual or organization to appear and make his case. That is all. It does not say he has the right to cross-examine; it does not say he has the right of appeal; but would we for a moment deny a person the right to come before one of our committees because he did not show himself to be a lobbyist with a specific interest but was simply representing what he thought was in the public good? All this amendment does is let a concerned citizen have the same voice as a corporation or individual with a commercial interest in the administrative proceeding.

Mr. Chairman, I ask for an aye vote on the amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment goes contrary to the spirit of the Randall and Dellenback amendments which we adopted earlier which seeks to give some assurance. We are not going to have these proceedings and court proceedings wide open to any person who simply wants to harass someone applying for a permit. I see the rationale behind the gentleman's proposal, and under other circumstances it might be agreeable. We have repeatedly given assurances to industry and those concerned about how for this bill reaches; but we are not going to open wide the doors to any little old lady in Toledo with a bad disposition and a typewriter to harass any coal operator any place in the United States.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. I thank the gentleman for yielding.

Obviously there is some sort of a ground swell for this particular phraseology that is offered by the gentleman from Texas. I suspect that it would either be accepted here or in the conference.

Mr. UDALL. No; I can assure the gentleman that the gentlewoman from Hawaii (Mrs. Mink) and I consider that we have a balanced bill, with the Randall and Dellenback amendments.

Mr. HOSMER. I think the gentleman from Arizona's and the gentlewoman from Hawaii's misconception that they have a balanced bill is what has kept us on the floor here for lo these 9 days now.

Mr. UDALL. I thought there was a question on the disposition of the balance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Eckhardt) there were—ayes 3, noes 15.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. FRASER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. FRASER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

PARLIAMENTARY INQUIRY

Mr. HOSMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOSMER. Is the gentleman's amendment being offered under rule XXIII, clause 6?

Mr. FRASER. Mr. Chairman, the amendment has been printed in the RECORD.

The Clerk read as follows:

> Amendment offered by Mr. FRASER to the committee amendment in the nature of a substitute: Page 172, line 4, strike the word "and" and insert therein the following subsection:
>
> "(12) the area or region in which the mining is to take place has an annual average precipitation of at least ten inches; and".
>
> Renumber the following subsections accordingly.

Mr. FRASER. Mr. Chairman, the purpose of my amendment is to prohibit surface mining of coal where average annual rainfall is less than 10 inches.

The National Academy of Sciences, in a February 1974 study, "Rehabilitation Potential of Western Coal Lands," states:

> Those areas receiving 10 inches (250 mm) or more of annual rainfall can usually be rehabilitated.

The drier areas cannot—at least easily—

> Revegetation of these areas can probably be accomplished only with major, sustained inputs of water, fertilizer, and management. . . . Rehabilitation of the drier sites may occur naturally on a time scale that is unacceptable to society, because it may take decades, or even centuries, for natural succession to reach stable conditions.

It has been pointed out that a better index of rehabilitation potential would be "the ratio of precipitation to evaporation during the growing season"—but, in any case, 10 inches of annual rainfall represents a minimum threshold for successful reclamation.

The Department of the Interior has estimated that two-thirds of the land stripped for coal has never been reclaimed—over 2.5 million acres, an area larger than the State of Delaware. Several million acres more have been rendered inaccessible through highwalls created when coal is scooped from hillsides by contour strip mining, walls as high as 100 feet.

Successful reclamation requires four things: First, restoration of the land to approximate original contours; second, elimination of highwalls; third, no deposit of spoil on downslopes; and fourth, revegetation.

Revegetation is the last and vital step in reclamation. Without it, we cannot prevent erosion or lessen acid runoff.

Water is the key element in success revegetation. The National Academy of Sciences study notes:

> Effective precipitation (that which both wets the soil minerals and is available to growing plants) is the determinant factor for successful plant growth and soil development.

All the evidence confirms that successful reclamation is not possible in extremely arid areas.

EPA's Russell Train and John Quarles have called for strict controls on surface mining where reclamation is possible and an absolute prohibition on such mining where restoration of the land is not possible.

My amendment would prohibit strip mining of coal only where all agree successful reclamation cannot take place—where average annual rainfall is less than 10 inches. I ask for your support of this amendment to the committee bill, to provide the minimum protection needed for the land concerned.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. I wish to ask the gentleman a question. Is the gentleman's language dependent upon the previous 12-month rainfall or the previous decade for the average annual rainfall or the previous century's mean rainfall? On what does the gentleman predicate the 10 inches?

Mr. FRASER. It is an annual average so the average would be established by taking the rainfall over a period of time.

Mr. STEIGER of Arizona. Over what period of time does the gentleman have in mind, is my question. Is it the prior century? It is important because of course there are areas in which there is a rather wide fluctuation of rainfall, from none to very little.

Mr. FRASER. I would assume a period over a decade would be reasonable.

Mr. STEIGER of Arizona. The gentleman has not put that in his language but he feels this colloquy will solve that. Is that correct?

Mr. FRASER. My view would be that what is called for is a period of time sufficient to predict the likely average for the period during which revegetation has to take place. I would assume a decade would be reasonable under the circumstances.

Mr. STEIGER of Arizona. I know the gentleman must have given this a great deal of thought and I am disappointed he did not come up with this. Since this is an absolute prohibition we should have some absolute parameter to the definition. Would the gentleman agree it is a little vague as it is as to how we would establish the 10-inch rainfall requirement?

Mr. FRASER. It is my understanding that official records are kept for various areas of the country that identify average levels of rainfall and that this is an established and standard concept. The exact length of the period necessary for the purposes of my amendment could best be established by administrative regulation. The details would be worked out by the Department of Interior, under normal administrative procedures. The principle, however, should be established in the law.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, the official figures on rainfall are determined and published by the National Oceanographic and Atmospheric Administration and they are very clearly delineated as to which sections of the country have 10 inches of rainfall or less than or more than 10 inches of rainfall. I respect the gentleman from Arizona very much but I think he has raised a rather quibbling question. The National Academy of Sciences has very clearly set forth in its study the damage which can be done in those areas which are stripped where the rainfall is less than 10 inches, and the impossibility of reclamation. These figures are available to the gentleman as they are to other Members of Congress.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, the period of time you are going to average the figures is of course vital because there are not only annual particular rainfall variations but they also vary in the decades.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment.

This kind of amendment we have before us is an example of the charade that is being played here on the floor. Today, I have not indulged in a lot of quorum calls because the die has been cast. The troops are heading toward the cliff and they are going to walk over it, come what may, with this bill. I just want my warnings printed in the RECORD so that those who may be here next year and the year after will be able to read that the gentleman from California (Mr. HOSMER) said with this bill we shall have a coal shortage, an energy shortage and a depression. During subsequent elections, I want the Members to try and explain why they participated in this kind of folly which will bring disaster to this great Nation.

The amendment, that is brought before us concerning average annual rainfall, does not specify the period over which the average is to be calculated; an omission demonstrating the highest kind of idiocy. Average rainfall is dependent upon the period of time selected and will vary in accordance with that criterion. Similar ambiguity hung up the courts for 10 years in the case of Arizona against California and prevented the progress in the reclamation of the West.

This amendment is typical of other provisions throughout this legislation. This bill was written by a man who is on the floor today, who is not even an employee of the House and who has significantly contributed to an environmentally overweighted bill, a bill that ignores other national values which are necessary to maintain a viable society.

Even if my opposition to this one amendment were successful, however, that would not begin to make a dent in the improvements in this bill that are required.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. I dispute almost everything the gentleman has said. And I join him in his opposition to this amendment. It raises an absolute standard. We require a 10-year period of bonding in these western regions. An operator has to come in with a plan to revegetate before he can get a permit. Just as I opposed the general prohibition of mines on 20-degree slope, I oppose this amendment.

Mr. HOSMER. This is similar to the situation when John Paul Jones was fighting a battle at sea. "Down came the sails and the mast," and John Paul said, "Let's not give up the ship."

And one of the besmeared and gunsmoked men said, "There is always somebody that doesn't get the word."

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Does the gentleman disagree with the National Academy of Sciences that it is impossible to reclaim where rainfall is under 10 inches?

Mr. HOSMER. Beauty is in the eye of the beholder. That is not what the report of the National Academy of Sciences said.

Mr. HECHLER of West Virginia. If the gentleman will just read the report——

Mr. HOSMER. I do not yield any further. I demand regular order.

I make the point of order that the gentleman is out of order.

That report from the National Academy of Sciences said no such thing.

Mr. HAYS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-five Members are present, not a quorum.

The Chair announces that we will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from California is still recognized for 1 minute.

Mr. HOSMER. Mr. Chairman, I urge that Members reject the pending amendment or that Members who want to see this bill made even more subject to a veto that it already is, adopt the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Fraser) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, under rule XXIII, clause 6, I offer my amendment No. 45 to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 162, line 20, strike out "Sec. 206." and insert a new "Sec. 206" to read as follows:

"Sec. 206. (a) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions to be made based upon public hearings and competent and scientifically sound data and information as to which, if any, areas or types of areas of a State (except Federal lands) cannot be reclaimed with existing technology to satisfy applicable standards and requirements of law. The State agency will not issue permits for surface coal mining of such areas unless it determines, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

"(b) The Secretary, and, in the case of national forest lands, the Secretary of Agriculture, shall conduct a review of the Federal lands and determine, pursuant to the standards set forth in subsection (a) of this section, areas or types of areas on Federal lands which cannot be reclaimed with existing technology to satisfy applicable standards and requirements of law. Permits for surface coal mining will not be issued to mine such areas unless it is determined, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

"(c) In no event shall a permit for surface coal mining operations be issued after the date of enactment of this Act for lands located within any area of the National Park System, the National Wlildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however,* That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act, or those for which substantial legal and financial commitments were in existence prior to September 1, 1973; but, in no event shall such surface mining operations be exempt from the requirements of this Act.

"(d) In no event is an area to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act, or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to the date of enactment of this Act. Designation of an area as unsuitable for mining shall not prevent mineral exploration of the area so designated."

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, under the same conditions, I offer in addition my amendments Nos. 121, 127, 118, and 142 to the committee amendment in the nature of a substitute, and I ask unanimous consent that all of these amendments be considered en bloc and considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, I make the additional unanimous consent request that instead of the 25 minutes to which I might be entitled because of the application of rule XXIII, consisting of 5 minutes for each one of these amendments, notwithstanding that rules, I be recognized only for 5 minutes in *toto.*

The CHAIRMAN. The Chair will advise the gentleman that 5 minutes on his amendments considered en bloc is all the time the gentleman is entitled to in any event.

Amendments Nos. 121, 127, 118, and 142 offered by Mr. Hosmer are as follows:

Amendments offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 227, line 11, strike out "Sec. 221." and insert "Sec. 221." to read as follows:

Sec. 221. (a)(1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within thirty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the other parties, the Secretary, and the Attorney General and thereupon the Secretary shall certify and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) Any promulgation of regulations by the Secretary pursuant to sections 211, 212, and 225 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals in accordance with the procedures set forth in subsection (1) of this section.

(3) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 224 of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment.

(b) The court shall hear such petition or complaint on the evidence presented and on the record made before the Secretary. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceeding if—

(1) all parties to the proceeding have been notified and given an opportunity to be heard on a request for temporary relief;

(2) there is a substantial likelihood that the person requesting such relief will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not present imminent danger to the public health and safety or cause significant imminent environmental harm to the land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the order or decision of the Secretary.

Page 229, line 24, strike out "Sec. 222." and insert a "Sec. 222." to read as follows:

Sec. 222. (a) (1) A notice or order issued to a permittee pursuant to the provisions of subparagraphs (a) (2) and (3) of section 220 of this title, or to any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or person having an interest which is or may be adversely affected, to enable the applicant and such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 220(a) (3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, with or without a hearing, under such conditions as he may prescribe, if—

(1) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(2) such relief will not present imminent danger to the health or safety of the public or cause significant imminent environmental harm to the land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 220(a) (4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title V of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

(e) In view of the urgent need for prompt decision of matters submitted to the Secretary under this section, action shall be taken as promptly as practicable, consistent with adequate consideration of the issues involved.

Page 221, line 23, strike out "Sec. 220." and insert a "Sec. 220." to read as follows:

Sec. 220. (a) (1) Whenever, on the basis of any information available, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant imminent environmental harm to land, air, or water resources, which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. If, upon the expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program, or a Federal lands program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and, where appropriate, a reasonable description of the portion of the surface coal mining and reclamation operation to which a cessation order applies. Each notice or other order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall given public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with the requirements of this Act, and may issue such notices and orders.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in acordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Except as otherwise provided herein, any relief granted by the court to enforce an order under clause (A) of this subsection shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

Section 225: Page 239, line 5. After the word "every" insert "new or".

Mr. HOSMER. Mr. Chairman, my amendment to section 206 revises the provisions of section 206 so that a decision relative to the unsuitability of an area for coal surface mining is based upon the reclaimability of that area.

Also, the prohibition against coal surface mining in national parks, wildlife refuges, wilderness areas, and wild and scenic rivers is moved from section 209 to section 206 where it more properly belongs. This will require the adoption of a conforming amendment to section 209 which I will offer later.

With respect to the prohibition of surface coal mining in national forests, Secretary Morton in his May 29, 1974, letter to Chairman HALEY of the House Committee on Interior and Insular Affairs, specifically opposes this proscription. He said:

> National forests should be left open for coal development under multiple use principles.

Therefore, the proscription on coal surface mining in national forest lands is eliminated.

The only true test as to whether an area should be designated unsuitable for coal surface mining is: "Can the area be satisfactorily reclaimed?" Other criteria in the bill for so designating areas amount to the taking of an easement—without compensation—for public purposes. If surface coal mining operations would be incompatible with Federal, State, or local plans to achieve essential governmental objectives, it follows that the Federal, State or local government should acquire such lands for such public purposes.

Under existing provisions of H.R. 11500 the mere existence of Federal, State, or local plans for the use of that land at some future time is sufficient to deny the owner his full rights to the use and enjoyment of his property. From reading the language of the bill, plans may or may not be public, they may or may not be approved, and they may or may not be subject to approval by a duly constituted legislative body, and it is possible that the "essential governmental objective" may be to acquire the land at the lowest possible cost for budgetary purposes. If such plans are for the purpose of providing "essential governmental" service, then compensation should be paid, since under our form of government, no landowner should be singled out to carry the financial burden for governmental functions whose beneficiaries are the public in general.

The area may also be designated as unsuitable for surface mining if it is "a fragile or historic land area." Under such circumstances the designation of an area as unsuitable for surface mining is the equivalent of the taking of an easement. Historic lands should be preserved for public purposes, if they are significant. Under such circumstances their preservation can only be accomplished appropriately through the expenditure of public funds for the acquisition of such lands or through some form of voluntary agreement. If they are indeed lands of historic significance, they should be publicly acquired, publicly managed, and made available for the use and enjoyment of the public generally. No single landowner should be saddled with the burden of preservation of historic lands for the benefit of the public.

Over the past decade the House Interior and Insular Affairs Committee has acted upon literally hundreds of bills to acquire and preserve fragile and historic lands. Except in the cases of gifts, the committee has never failed to provide for compensation to the current landowners. The inclusion of this provision flies in the face of that consistent policy which is, of course, consistent with the Constitution. The effort to achieve a similar result through executive fiat, the authority for which is granted in a measure ostensibly providing for the regulation of surface mining reclamation is inappropriate. The House Interior Committee has performed its duty well in providing protection for historic lands and other important land areas requiring preservation, and there is no reason to believe the committee will fail to perform its duty in the future.

Section 206 of H.R. 11500 also provides for the designation of an area unsuitable for surface mining if the mining would affect renewable resource land areas. Mineral resources are not always located conveniently for mining operations, but must be mined where they are found. The fact that some exist on lands supporting a renewable resource should not be a deterrent to their exploration—rather the fact that the land supports a renewable resource should be another factor to be considered in the reclamation plan and the subsequent use of the land to be approved by the appropriate authority. The existence of a "renewable resource" on the land tends to indicate that reclamation can be highly successful, and that the renewable resource can be reestablished in accordance with the principle of sequential multiple use.

And, finally, section 206 provides that an area may be designated as unsuitable for surface mining if such mining would affect "natural hazard lands." This provision was, obviously borrowed from land use legislation, but is inappropriate in surface mining reclamation regulation legislation. If by "natural hazard lands" it is meant areas subject to flood, such as a flood plain, surface mining may actually prove beneficial and lessen the hazard to neighboring lands. But, the construction of major facilities, such as airports, highway interchanges, powerplants and the like, may be unwise on such hazardous lands. If "natural hazard lands" means an area subject to seismic activity, surface mining, if there are mineable deposits, may be the only reasonable use of the land area. Certainly, public facilities, certain industrial facilities, and housing projects should not be constructed in such areas, so those uses would not be "competing." The existence of high seismic activity would have a greater potential impact upon the location of underground mines than on surface mines. In short, the provision makes little sense when applied to surface mining.

This amendment preserves the prohibition against surface coal mining on lands located within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System—including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act—despite the fact that the Secretary of the Interior expressed grave reservations over the proscription "based on our concern with legislative taking of existing private rights."

Mr. Chairman, my amendment to section 220 will substitute the Federal enforcement language of section 217 in H.R. 12898 for the language of section 220 of H.R. 11500. The principal differences are twofold:

First. A shutdown order under the existing language of the bill may be based upon "a condition, practice, or violation." My amendment would change this so that a shutdown order must be based on a violation of the act or of a permit condition.

Second. Under the existing language of section 220, a shutdown order may be issued in cases of "significant, imminent environmental harm." My amendment would qualify that so the "significant, imminent environmental harm" is not merely a disruption caused by the mining, which is and can be reasonably considered reclaimable within the scope of the bonded reclamation plan.

With respect to the first change, a shutdown order is drastic action. Such drastic action must be limited to violations of the act or violations of a permit condition so that the operator knows what activities can result in the issuance of a shutdown order leaving it so vague as to include a "practice or condition" does not give the operator adequate or proper notice of what constitutes a shutdown situation.

With respect to the second change, that is the disruption to the environment "cannot reasonably be considered to be reclaimable within the scope of the bonded reclamation plan," this language is added to make certain that "significant, imminent environmental harm" does not mean that the mining can be stopped when such environmental disruption will be corrected in the reclamation process. Mining does cause a disruption to the land, just as subway construction, agriculture, and many other human activities do. But the land will be reclaimed—the bill guarantees this by its bonding provision. However, if a stop-mining order can be issued for disruption to the land, even though the disruptions will be corrected in the reclamation process, H.R. 11500 would indeed be a prohibitory bill. While this may not be the intention of the committee bill, it is the effect.

Mr. Chairman, my amendment to section 221 substitutes the language of section 215 of H.R. 12898.

Under the provisions of the existing section 221, judicial review of the approval of a State program shall be in the court of appeals. A petition for review must be filed within 60 days. My amendment would shorten that period to 30 days, but its authorization would not disturb the principal provisions in this regard.

Promulgation of regulations by the Secretary are made subject to review in the court of appeals by my amendment. No mention of judicial review of the Federal regulations is now contained in section 221. Certainly the promulgation of regulations is a matter of such great importance in the administration of this act that judicial review must be clearly and specifically authorized.

Another change made by my amendment is in regard to the record and evidence upon which review may be based. Under the existing language of section 221, judicial review shall be based solely upon the record made before the Secretary. My amendment would allow evidence to be adduced in addition to the hearing record before the Secretary for such judicial review.

With respect to the review of orders and decisions of the Secretary, my amendment achieves two corrections: First, it removes a redundancy with respect to granting temporary relief from an order; and secondly, inserts the qualifier relative to environmental harm that is "reasonably considered to be in the reclamation plan." My new subsection (c) states clearly that no temporary relief from any order or decision can be granted if such relief would present "imminent danger to the public health and safety or caused significant environmental harm."

The existing language of subsection 221(c) exempts the review of any order issued under subsection 220(a)(2), which are orders relative to public health and safety or significant environmental harm. Since relief cannot be granted under my amendment if it would cause imminent danger to public health and safety or significant environmental harm, the exemption for review of such orders is redundant, and may work to deny the operator temporary relief from an erroneous order issued under the provisions of section 220(a)(2).

The qualifier relative to environmental harm that is reasonably considered to be reclaimable within the scope of the bonded reclamation plan, is added so that shutdown orders based upon environmental considerations are reviewable and temporary relief may be granted when those environmental matters will be reclaimed and corrected under the bonded reclamation plan.

Finally, subsection (e) which relates to the review of State programs is eliminated as unnecessary. The existing subsection (e) places jurisdiction for review of action by the State regulatory authority in State courts. It is clear that such law would govern anyway, and, therefore, this subsection is surplusage.

Mr. Chairman, I urge the adoption of my amendment.

The principal changes respecting secretarial review are threefold: First, with respect to the granting of temporary relief by the Secretary, pending completion of the investigation by the Secretary, he is granted discretion as to whether to hold a public hearing in the locality of the permit area or not. Under the existing language of subsection 222 (c) the Secretary must hold a public hearing, which requires notice to parties, publication of time and place, conduct of the hearing, and preparation and review of the transcript.

The purpose of temporary relief is to avoid undue hardship in cases where there is some question over the propriety or correctness of the order. To require a public hearing with all the delays therein entailed would render the provision for such relief a hollow promise indeed. However, if the Secretary feels a hearing should be held, he can require one. It would depend upon the circumstances, and under my language, the Secretary could use his discretion as to whether a hearing was indicated or not. Under the existing language, he has no such discretion.

Second, my amendment incorporates the qualifier that the order or notice from which temporary relief is sought, is not one which can reasonably be considered reclaimable within the scope of the reclamation plan. This would make this section consistent with other amendments I have offered, and consistent with the concept that insofar as reclamation will be carried out and environmental disruptions will be corrected, mining itself should not be allowed as an excuse for unrealistic orders or notices.

Third, my amendment adds a new subsection (e) which recognizes the urgent need for prompt decisions with respect to all matters submitted to the Secretary under the provisions of this section. It exhorts the Secretary to give prompt consideration to all such matters as it is practicable. Members know of instances where important appeals or other decisions have been before the Department of the Interior for substantial periods of time. If administrative review is to be meaningful, it must be conducted promptly, especially since judicial review may not be available until it is completed.

Mr. Chairman, I urge the adoption of my amendment.

The amendment to section 225 is necessary to conform section 225 with similar changes already adopted in section 201 of Mink substitute, section 201, paragraph (h)—allowing both new and existing surface coal mining operations to operate—in order to avoid an 18-month, or longer, moratorium on Federal coal leasing.

In this period of energy shortage, such a moratorium is unwise, unnecessary, and inappropriate. Furthermore, a "freeze" has been in force on Federal coal leasing for nearly 3 years, an additional 18 months will only further aggravate the current shortage.

Since a permanent Federal lands program cannot be inaugurated until after judicial approval of a Federal program—see subsection 201(h), specifically lines 14–15 on page 156—the moratorium could extend far beyond the 18 months; and, judging by recent experience with the Alaska pipeline, that moratorium could extend for years; while the energy shortage becomes more acute.

I would say to my friends on the committee that I know that these amendments are not going to be accepted, but I ask that they be accepted in accordance with the rule of reason, and under the dictates of sanity.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to say with respect to the gentleman's immediate past statement wherein the gentleman indicated that these amendments probably will not be accepted. I wonder if the gentleman in the well, in looking about this great Chamber and the number of Members who are present listening to this very technical, specific and very bad bill, whether the gentleman from California does not feel about like he did in the committee and the action that was taken there?

Mr. HOSMER. Mr. Chairman, I will say to the gentleman from California that I do feel about the same.

When the lights are going out, and there is no air-conditioning and very little heat, when the general public is in an uproar, and looking for the reason of the energy shortage, I will tell the people of our Nation to point their fingers at the U.S. Congress.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from California (Mr. HOSMER).

Mr. Chairman, I appreciate the cooperation of the gentleman from California in presenting these amendments en bloc, because they are largely rewrites of sections of title II, and I think that with their rejection we will be able to go ahead with title III.

Most of them, as I see them, were in

the Hosmer substitute that was defeated the other day, and I suspect that most of this language will be in the motion to recommit that will be offered at the conclusion of the debate. I believe that the proper course of action to take would be consistent with that which we have done before, and that would be to reject these amendments.

Mr. RONCALIO of Wyoming. Mr. Chairman, would the gentleman yield?

Mr. UDALL. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I would like to comment on Mr. Hosmer's remarks on the energy shortage in America. He assigns the blame on our bill to regulate these resources to decently regulate strip mines, mainly.

It is largely caused by the fact of the concentration of economic power in fewer and fewer companies over the last 40 or 50 years and the absence of vigorous antitrust prosecutions. Thus more and more of our energy resources passed into fewer and fewer hands so that free enterprise became less and less free, and became more and more the consortium of a combination of companies in restraint of trade. So today we have found virtually every source of energy in the hands of a handful of men on the boards of some of the larger central banks of America, and interlocking directorates of major power companies.

This can be cured, ironically enough, by the passage of good legislation like this, now being hampered by the gentleman from California, Mr. Hosmer who is making a grim parliamentary stand to impede it today. Because he, Craig Hosmer knows more about uranium enrichment requirements of the next few decades than possibly any person in America outside of a handful of top echelon men in AEC today.

So, Mr. Chairman, I hope that the gentleman from California (Mr. Hosmer), when this bill is passed, can proceed to assure that we avoid uranium enrichment gaps in this Nation.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman for yielding, and I want to commend the gentleman from Wyoming (Mr. Roncalio) representing as the gentleman does a State which was once represented in the Senate by the late great Senator Joseph O'Mahoney, an implacable foe of monopoly. I would point out to the gentleman that 16 out of the top 17 holders of coal reserves in our Nation are oil corporations, steel companies, railroads, and metals interests. I wish to commend the gentleman for pointing out this concentration of power in the coal industry.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California Mr. Hosmer to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. Hosmer), there were—ayes 13, noes 19.

Mr. SYMMS. Mr. Chairman, I demand a recorded vote and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-four Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 408]

Arends
Ashley
Beard
Boggs
Brasco
Breaux
Burke, Mass.
Burton, Phillip
Carey, N.Y.
Chamberlain
Chisholm
Clark
Clay
Collins, Ill.
Culver
Davis, Ga.
Davis, S.C.
Dennis
Diggs
Dorn
Evins, Tenn.
Flynt
Fraser
Gettys
Gray
Griffiths
Hanna
Hansen, Idaho
Hansen, Wash.
Harsha
Holifield
Horton
Howard
Hudnut
Jones, Okla.
Jones, Tenn.
Kluczynski
Lehman
Lujan
McKinney
McSpadden
Martin, Nebr.
Mazzoli
Minshall, Ohio
Mollohan
Murphy, N.Y.
O'Neill
Passman
Patman
Podell
Powell, Ohio
Rarick
Rees
Reid
Rhodes
Rooney, N.Y.
Rosenthal
Rostenkowski
Sikes
Sisk
Steed
Steele
Stokes
Sullivan
Teague
Thompson, N.J.
Whitten
Wiggins
Wilson, Charles H., Calif.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11500, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 365 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair notes that after the division vote, the gentleman from Idaho had requested that this vote be taken by a recorded vote.

Mr. SYMMS. Mr. Chairman, I withdraw my request.

So the amendments to the Committee amendment in the nature of a substitute were rejected.

The CHAIRMAN. Are there further amendments to title II? If not, the Chair will now compile a list of those Members seeking to debate or offer amendments to title III, and it will allocate the 20 minutes of debate accordingly.

Members standing at the time of the Chair's announcement will be recognized for 2 minutes each.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, according to rule XXIII, clause 6, I offer my amendment No. 144 to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer to the committee amendment in the nature of a substitute: Page 242, line 16, strike out all of "title III" and insert a new "title III" to read as follows:

"TITLE III—INDIAN LANDS SURVEY

"Sec. 301. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purposes of this Act and recognize the special jurisdictional status of these lands.

"(b) In carrying out this study the Secretary shall consult with Indian tribes, and may contract with or grant to Indian tribes, qualified institutions, agencies, organizations, and persons.

"(c) The study report shall be submitted to the Congress as soon as possible but not later than January 1, 1975."

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of my amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, the regulation of surface mining on Indian lands presents unique problems because of the number of different tribes involved and because of the diverse physical, climatic, and geological conditions characteristic of the lands and the coal seams where surface mining occurs.

It may well be in order for a national surface mining law to apply to Indian lands. However, neither the Environment and Mines and Mining Subcommittees nor the full Interior Committee heard testimony from tribes presently engaged in coal surface mining or contemplating surface mining arrangements. My amendment makes it possible for all interests to participate in a thorough ventilation of the issues.

Section 301 would direct the Secretary of Interior to study the question of the regulation of surface mining on Indian lands.

Moreover, it further directs the Secretary to consult with the various tribes, and authorizes the Secretary to contract with or make grants to tribes qualified institutions, agencies, organizations, and persons knowledgeable in this area.

Finally, my amendment requires the results of the study to be submitted to the Congress as soon as possible but not later than January 1, 1975.

And, it is my intention that this report establish the basis for congressional hearings on the subject, providing the tribes with the opportunity to be heard. In the interim, the Secretary of Interior presently has more than ample authority to protect the surface values of all Indian lands from potential ravages of unchecked surface mining. The Secretary now must approve all mineral leases and permits, and pursuant to other sections in H.R. 11500, the Secretary is directed to include terms and conditions in such leases which will meet the environmental protection standards in the bill.

Now, this amendment makes sense to me. It apparently makes sense to a lot of others, too. I am advised—by Mr. Jack Ross who represents the Crow—that Indian tribes that have coal rights, such as the Crow of Montana, the Arapaho of Wyoming, the Shoshone of Wyoming, and the three affiliated tribes of the Fort Berthold Reservation in North Dakota, and the Northern Cheyenne Indians of Montana, support my amendment—they want to be heard. The National Congress of American Indians, and the National Tribal Chairmen's Association also support the study amendment. This endorsement represents more than 90 percent of the entire Indian population in this country.

Without this amendment, the surface mining program which would be established by title III of the bill would create an unnecessary and ill-advised overlay. The Secretary of the Interior now has adequate authority to protect Indian lands and is exercising that authority. Both Federal and Indian resources would be needlessly diverted to the separate programs which title III would authorize. This would result in overtaxing the already limited manpower and financial resources available for surface mine reclamation work and dilute the effectiveness of such programs on Indian lands.

The Senate-passed bill contains a similar study provision. Those of us who will be going to conference and want a bill this year, certainly do not need still another point of contention.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I will ask the gentleman this:

Is it correct that the language the gentleman is offering in the form of an amendment to this bill is the identical language that is now contained in the Senate legislation and is a part of that legislation?

Mr. HOSMER. I believe it is; at least, it is very similar.

Mr. RUPPE. Mr. Chairman, I will inform the gentleman what I have said is correct, that it is the same language which is presently in the Senate bill.

Mr. MELCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from California (Mr. Hosmer), although it may be similar or identical to the language in the Senate-passed bill, is not truly what the Senate wanted nor is it truly what the Indians wanted.

At the time the Senate enacted its bill last fall, there had not been agreement among the Indian tribes which have a great deal of coal on their lands as to what provisions affecting their land they wanted in the strip mine bill. Since last fall, we have held a series of meetings with various Indian tribes which have coal in order to determine what their wishes were. They elected to have a section contained in this bill giving them jurisdiction over reclamation programs on their own reservations. We have carefully worked out the details with them on this title of the bill. Except for one section of the bill, they are in agreement.

Mr. Chairman, I think I can tell the Members of the House truthfully and honestly that the tribes with the greatest amount of coal in this country are in favor of the House today enacting this title as is. As to the section where they have disagreement, they would like to have that reconsidered in the conference committee between the House and the Senate when the final version of the bill is drafted.

I hope that the House will agree to this title. It has been carefully worked out with Indian tribes. It is important, if Indians on their own reservations are going to go ahead and allow coal development. They want that jurisdiction themselves. They would prefer not to be under the jurisdiction of any State. They would prefer also to have the opportunity to establish that jurisdiction for themselves, meeting the requirements of this bill. If they can do so, this title and this section of the bill says they may have that opportunity. Without this right they are apprehensive about coal development on their reservations. If they fail to meet the requirements, then the Secretary of the Interior would have to take over for them. If they seek higher standards, that is their right, too, under this bill as it is drafted.

I urge defeat of this crippling amendment denying Indians their rights.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Hosmer) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. If there are no further amendments to title III, the Chair will now compile a list of those Members seeking to debate or to offer amendments to title IV, and will allocate the 15 minutes of debate accordingly.

Those Members desiring to be recognized for such purposes will stand.

The Chair will state that the Chair will recognize the Members who were standing for 3 minutes and 20 seconds each.

The Chair recognizes the gentleman from Ohio (Mr. Hays).

AMENDMENT OFFERED BY MR. HAYS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HAYS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hays to the committee amendment in the nature of a substitute: Page 251, line 18, strike the word "stated:" and insert in lieu thereof: "stated, and in carrying out the purposes of this Act, the Secretary shall give priority to the county in which the minerals were mined."

Mr. HAYS. Mr. Chairman, I believe that I can explain this amendment in approximately 1 minute.

All it does is to state that the Secretary in this orphan land business, in the reclamation of abandoned land, shall see that when the money goes to the States that they cannot just juggle it around for any reason, political or otherwise, which will not give priority to the county in which the minerals were mined, or those in which the most damage was done.

That is all the amendment does. I think it is only fair that it should be done that way.

At the moment we have a Democratic Governor in Ohio, and I am sure that he would be fair, as I suspect his opponent would be, but, let us make sure that the Democratic Governor does not overlook some Republican counties in Ohio which had damage, and just give priority to Democratic counties, or vice versa if the sad day ever comes that we get a Republican Governor.

Mr. UDALL. Mr. Chairman, if the gentleman from Ohio will yield, the gentleman has discussed this amendment with us. I like the spirit of the amendment in that it carries out that which we really intend to be done; that is, money is going to be placed where the damage occurs, and where the coal is mined.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I think the amendment is certainly going to be a very useful one, because it is likely a number of mines will be closed because of this legislation. I think, however, that I should point out that it may not be the panacea or the guarantee that it sounds under the legislation. I say that because in the first year there could be $200 million collected under what is really a severance fee. But 50 percent of that money can be taken by the States for reclamation or conservation purposes, and 40 percent of the remainder automatically goes back to local government. It is very likely, instead of $200 million being available from the severance tax for reclamation purposes that $60 million will be available.

Mr. HAYS. Mr. Chairman, I will say that I consider this to be a directive to the States to allocate the money this way; not only the Secretary, but the States. So to that extent it will be helpful.

Mr. Chairman, I have subsequent amendments which will give priority in the reclamation to companies which will be adversely affected, I doubt if any will be, or men whose employment may have been adversely affected, and I doubt that any will be.

Mr. RUPPE. Mr. Chairman, will the gentleman yield further?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

The reason I express my concern is that up to 50 percent of severance tax money goes to the States. That money can be used by the States possibly for reclamation, but it also can be used for conservation purposes. I just want to point out that there is no real assurance that the States will use their 50 percent of the tax money for reclamation purposes.

Mr. HAYS. Perhaps the gentleman should offer another amendment saying they have to use it, and I would buy it.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman for yielding.

I understand this amendment to mean that even with respect to the States' shares that the Governors in those instances have to spend the money in those areas?

Mr. HAYS. Which give priority, that is right. That is exactly my intent.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. I appreciate the gentleman's yielding.

I have a slightly different problem, because three or four counties in Wyoming will be affected by mining in one particular county.

And in Decker, Mont., a few miles north of Sheridan, Wyo., its mine location is in one State, but massive impact on municipal services falls on Sheridan, Wyo. These are local and unique problems that will be ironed out under the gentleman's excellent amendment. I hope it is accepted.

Mr. HAYS. If the reclamation is there, it will also have an impact.

Mr. SEIBERLING. Mr. Chairman, I also rise in support of the gentleman's amendment, and would also like to say that in the amendment that I will offer, the same intent obtains.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HAYS) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. SEIBERLING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. SEIBERLING. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING to the committee amendment in the nature of a substitute: Section 401, page 250, line 5 through page 251, line 5, strike subsection (d) and (e), substitute the following new subsections, and renumber the remaining subsection accordingly:

(d) All operators of coal mining operations which are subject to this Act shall, not later than 60 days following the end of the calendar year 1975 and each calendar year thereafter, pay a reclamation fee to the Secretary equal in amount to $2.50 per ton of coal mined by the operator during the preceding calendar year, except that:

(1) A credit, in the amount of $0.01 for each 1000 British Thermal Units (BTU) or major fraction thereof by which the weighted average BTU value of coal mined by the operator during the year falls below 16,000 BTU per pound, shall be allowed upon presentation of reasonable proof; and

(2) A credit not to exceed 90 per centum of the total fee due shall upon presentation of reasonable proof be allowed for any incremental costs and expenses which have been incurred by the operator during such year for—

(A) reclamation activities, facilities and equipment required in order to comply with the standards established by or pursuant to sections 201, 211, and 212 of this Act.

(B) activities, facilities and equipment required in order to comply with the Coal Mine Health and Safety Act of 1969 as amended (Public Law 91–173; 83 Stat. 742);

(C) activities, facilities and equipment required in order to comply with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) in connection with the mining operation; and

(D) the amount of any reclamation fee, license fee, severance tax or other similar charge required by law to be paid by the operator to any State with respect to coal mining operations in such State, in the proportion that the proceeds of such fee, tax or charge are used by the State to support reclamation activities comparable to those provided for by this Title, but not to exceed 16 per cent of the total fee due before the credits allowable under paragraphs (1) and (2) of this subsection;

(3) Incremental costs and expenses, as used in paragraph (2) of this subsection, means all costs and expenses (including costs of equipment and facilities previously purchased but not previously amortized in accordance with generally accepted accounting practices) which have been necessarily incurred by the operator for the purpose of complying with the particular provisions of law referred to in subparagraphs (A) through (E) of paragraph (2) and which would not have been necessary in the absence of such provisions of law. In no event shall the total of such costs and expenses allowable to the operator under subparagraph (A) of paragraph (2) for a particular calendar year exceed the total amount of the bond or bonds required under section 216(a) with respect to the area in which the operator has completed the extraction of coal during such calendar year.

(e) The Secretary shall make a study of the effect of the reclamation fee and, within six months after the close of the twelve-month period ending June 30, 1977, and in each twelve-month period thereafter, shall report to Congress the results of the study with respect to its effects on the coal mining industry, including the relative competitive positions of deep coal mining and surface coal mining in each major coal mining region of the United States. With his report, he shall include his recommendations as to the extent, if any, that the reclamation fee should be increased or decreased in order to enable the deep coal mining industry to compete effectively with the surface coal mining industry.

(f) The Secretary shall periodically cause an audit to be made of the operations and records of each operator required to pay a reclamation fee under subsection (d) of this section, to determine the correctness of any credits claimed under said subsection. The Secretary shall promulgate regulations governing the imposition, collection, and audit of the reclamation fee and credits. In preparing such regulations, the Secretary shall consult with the Secretary of the Treasury to arrange, so far as feasible, for the Internal Revenue Service to assist in performing auditing activities under this subsection. Any amount taken by the operator as a credit under subsection (d) of this section that has been finally determined as not qualifying for credit thereunder shall be repaid by the operator to the Secretary promptly after such final determination shall have been made, together with interest, at the rate of 6% per annum from the date such credit was taken, and any penalty imposed by law. A determination by the Secretary as to the amount of fee or credit payable by or allowable to an operator shall be deemed prima facie correct.

(g) On or before July 1 of each year, 37½ per centum of the amounts received into the fund from reclamation fees paid under subsection (d) of this section with respect to coal mined in each State shall be paid to the governments of the respective States in which the coal was mined. Such money shall be used by such States, or political subdivisions thereof, for acquisition, reclamation, conservation or development of the public lands of the State, or political subdivisions thereof, or of lands reserved to or owned, within the State, by any Indian tribe, giving prime consideration, in accordance with the priorities set forth in section 402, to the needs of communities which supply or have supplied the major part of the work force for current or former coal mining operations.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEIBERLING. Mr. Chairman, my amendment is also printed in the CONGRESSIONAL RECORD of July 16 on page 23638. I believe I am entitled to speak under the 5-minute rule.

Mr. Chairman, this amendment has been debated at great length in the committee. It was adopted by the subcommittee in substance, and it was removed from the bill by a fairly close vote in the full committee. I am offering it again for purposes of not only the amendment itself but to focus our attention on a problem that besets the coal industry.

What are some of the coal facts of life? The first fact is that only 3 percent of the coal in this country can be mined by the strip mining method, and even if you eliminate coal reserves that cannot be mined by available technology, only 18 percent of the available coal can be mined by strip mining. If we allow strip mining to take over from deep mining and allow the deep mining industry to collapse, in another 20 years we are going to have to reconstitute it from scratch.

I submit that because of the nature of deep mining and the fact that the techniques are handed down from one generation to the next, it will be extremely difficult to do that.

A third coal fact of life which I would like to get across is that there are 2.5 million acres of orphan lands which have been stripped and not reclaimed and have been abandoned. Also there are many deep mines which have been abandoned and which are polluting the waters of our land.

My amendment is a very simple concept. It puts all the coal producers on the same footing as far as congressionally imposed costs are concerned, and I include in those costs not only the costs of reclamation but also coal mine safety requirements which were imposed by earlier legislation.

Second, it would provide an adequate fund to reclaim orphan lands, which the provision in the present bill would not do.

Here is what my amendment does not do.

It does not add $2.50 a ton to the cost of mining coal, although that is the starting figure set forth in the amendment. After credits, the national average cost per ton of coal would be 92 cents—$1.60 for strip mines and 25 cents for deep mines.

It does not add significantly to the cost of electricity generated by coal. Adding an average of 92 cents to the cost of coal would still leave the cost of coal at less than half the cost of the equivalent of the heat value of oil. This is less than six-hundredths of a cent per kilowatt hour, which is 36 cents per month on the average home electric bill and less than the cost of a package of cigarettes. It is peanuts compared to the recent increases in price of coal, which went up as much as $24 a ton last year. It is peanuts compared to the cost of transporting western coal to the east, which is about $14 a ton.

It does not discriminate against low heat or high heat value coal. It has a clause providing for a Btu adjustment.

It does not result in multiple reclamation fees or similar charges, since credits would be allowed for all such State charges.

It is no more difficult to administer than the business deduction provisions of the Internal Revenue Code, with which industry is already well familiar.

It does not put the burden on the taxpayer to restore the damage caused by industry's past indifference and neglect, as would some proposals to take the fund out of the general revenues.

What does it do?

It restores the competitive balance to deep mine coal, where 97 percent of the coal is. If we really want to end the future destruction of our land surface and solve our energy shortage, we must go underground for coal.

It provides added incentive to make underground mining safer. Despite the coal mine safety law, we all know there is still a tremendous disparity in the safety records of deep mines.

It provides added incentives to good strip mine reclamation.

It provides a fund sufficient to restore the 2.5 million acres of orphan lands in about 15 years and end pollution and other dangers from old deep mines.

It provides reclamation, conservation and development funds for State and local governments to the extent of 37.5 percent of the fund with priority to benefit communities where the work force for the mines resides and where the mines are.

Finally, it puts all mines on the same competitive basis as far as legislatively imposed reclamation, safety, and pollution control costs are concerned.

I have letters from the Governor of the State of Ohio, Mr. Gilligan and the Governor of the State of Michigan, Mr. Milliken, supporting this amendment. I have talked personally to Governor Shapp of Pennsylvania who expressed his support. It is supported by the United Mine Workers, and the AFL–CIO of Ohio. All the leading conservation organizations support it.

AMENDMENT OFFERED BY MR. RUPPE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SEIBERLING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RUPPE. Mr. Chairman, I offer an amendment as a substitute for the amendment to the committee amendent in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RUPPE as a substitute for the amendment offered by Mr. SEIBERLING to the committee amendment in the nature of a substitute:

Page 249, line 8, strike all through page 251, line 14 inclusive, and insert therein:

(b) There is authorized to be appropriated to the fund initially the sum of $125,000,000 and such sums as the Congress may thereafter authorize to be appropriated.

(c) The following other moneys shall be deposited in the fund;

(1) moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title;

(2) moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted.

(d) Amounts deposited in the fund shall be available for the acquisition and reclamation of land under section 406, administration of the fund, acquisition and filling of voids and sealing tunnels, shafts, and entryways under section 407 and, for use by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Department of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

Mr. RUPPE. Mr. Chairman, the amendment I have offered would do one thing very simply. It would delete the severance tax of 1.23 cents per million Btu's and 30 cents per ton on coal mined and substitute therefor an authorization annually of $125 million for mine reclamation purposes.

Mr. Chairman, if we look at the situation with many utilities around the country, and let us take New York for example, we find, first of all, that the utility can hardly pay its bills and certainly cannot afford to pay 30 cents or any additional amount of money for the coal it consumes for generation purposes. At the same time we find that the customers of that utility, the consumer of that power, is literally up in arms because of ever-increasing prices they have to pay for energy in the country today.

It seems to me it is very unfair of us at this particular time to adopt a severance tax on coal which is going to wind up being paid for, first, by the utilities and, secondly, by the millions of utility consumers around the United States today.

The second thing I worry about is the legislation as we have it on the books today, because actually the legislation will not really provide a measurable and substantial abandoned mine fund. In the first year the revenues from the severance tax could reach $200 million; but let us note that 50 percent of those revenues can be taken and utilized by the States for reclamation purposes possibly, but also for conservation purposes which would have nothing to do with abandoned mines.

Third, out of the money left, after the States take their half share, 40 percent is given to local governments for a variety of purposes that go way beyond the purposes of the reclamation fund.

So I would say there is a strong likelihood that only 30 percent of the moneys taken in the first $200 million of severance or excise tax from the consumer will be available to the Government for reclamation purposes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KETCHUM yielded his time to Mr. RUPPE.)

Mr. RUPPE. Mr. Chairman, I thank the gentleman for yielding his time.

The tax will be difficult to administer. Coal varies in amount of Btu's, not only around the country, but even in Appalachia. How is the small company possibly going to measure the amount of Btu's in coal taken during mining?

We talk about fiscal responsibility. This is back door spending in the amount of $200 million. This will rise to $600 million in not too many years. I think a Congress interested in fiscal responsibility should have a different way of addressing the abandoned mine fund.

So I would state again, Mr. Chairman, at a time when the consumers of electric power are up in arms over ever-rising costs of that energy and the utilities themselves, Con Edison, for example, cannot pay its bills, Detroit Edison has to sell its coal inventory because it cannot absorb ever-rising costs, it seems to me we ought to take the abandoned mine reclamation funds from the general revenue of the United States and have the nerve, the integrity, to stand up here and vote $125 million every year for reclamation. It is the type of appropriation I would vote for.

I certainly do not want to take $200 million this year out of the taxpayers' pocketbooks, $400 million in a couple of years and $600 million in a couple of additional years beyond that.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I support the gentleman's amendment. It makes a great deal more sense to me to make a general fund expenditure to take care of this than it does for the individual mining company to do that under State law anyway, to do that reclamation. What we are really trying to do is take care of those lands abandoned some years ago by poor policies in mining.

This way, the individuals all over the United States, all of the taxpayers who participate in the benefits of the coal extracted in that manner are going to have an opportunity, if that is what we would call it, to help pay the bill. I think the gentleman is entirely correct. Without this amendment we are penalizing the coal mining companies, and of course, they are not going to pay the bill. The ultimate consumer is going to pay the total tax on this, and we do not all use coal.

Mr. RUPPE. I thank the gentleman for his comments.

I think it is absolutely correct that the Appalachian practices in the past are the responsibility of all the people of the United States, not the responsibility of those individuals who will be using coal as a source of fuel or as an ultimate source of energy.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I rise in support of the gentleman's amendment and congratulate him for offering this amendment.

As a matter of fact, any ecologist in the country would tell us now, "Never put any taxes, particularly at this time, on food, energy, or fertilizers." Those are the three things no taxes should be added to.

Mr. RUPPE. I certainly agree with that. This is a poor time to saddle the consumers of this country with an extra $200 million tax burden, and the only thing they can look forward to out of this legislation as it is written now is the likelihood and knowledge that it is going to rise to a $400 million and then to a $600 million direct tax levied on already high energy costs.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, what about the taxpayers? It is going to saddle them.

AMENDMENT OFFERED BY MR. M'DADE TO THE AMENDMENT OFFERED BY MR. RUPPE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SEIBERLING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. McDADE. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment to the committee amendment in the nature of a substitute.

POINT OF ORDER

Mr. SEIBERLING. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SEIBERLING. Mr. Chairman, this is a third degree amendment on an amendment.

The CHAIRMAN. This is an amendment to the substitute.

Mr. SEIBERLING. It is an amendment to the substitute, which is an amendment to my amendment.

The CHAIRMAN. That is not in the third degree.

The Clerk read as follows:

Amendment offered by Mr. McDade to the amendment offered by Mr. Ruppe as a substitute for the amendment offered by Mr. Seiberling to the committee amendment in the nature of a substitute: Page 249, strike out lines 15 through 16 and insert in lieu thereof the following:

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

Page 249, beginning on line 19, strike out "and enforcement and collection of the fee as specified in subsection (d)".

Page 250, strike out line 5 and all that follows down through and including line 14 on page 251 and insert in lieu thereof the following:

(d)(1) In addition to the amounts deposited in the fund as specified in paragraphs (1) and (2) of subsection (b) there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and provide payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

Mr. McDADE (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The chair will advise the gentleman from Pennsylvania that the time has been set. The gentleman is not on the list.

Mr. McDADE. Mr. Chairman, may I say that I have this amendment printed in the Record. It has been printed for about 10 days.

The CHAIRMAN. This is an amendment drafted as an amendment to the Ruppe substitute, whereas the amendment which the gentleman caused to be printed in the Record was drafted as an amendment to the committee amendment.

(By unanimous consent Mr. Eshleman yielded his time to the gentleman from Pennsylvania, Mr. McDade.)

Mr. McDADE. Mr. Chairman, the amendment I am proposing to the reclamation fund takes a different view from the taxing approaches we have discussed. I would argue a broader view, because I believe we are dealing with the question of how we should be investing our resource money. I say "investing" because we have embarked upon a national commitment to develop our national energy supplies, and coal—our most abundant fossil fuel—is a key to such a commitment.

With this bill we are considering legislation that will get the country back into the coal business. While we proceed to develop the Nation's vast coal reserves, we cannot afford to forget about the 2.5 million acres of abandoned mine-damaged lands which still scar our country.

While no one disputes the need to make a commitment to reclaim abandoned mine lands, the question is how to fund this. I want to move away from the taxing concept involved in both the Seiberling amendment and the Jones amendment presently in the committee bill.

Any tax approach does two things, neither of which we want: First, a tax directly increases the cost of coal to the consumer, whether those consumers burn coal directly to heat their homes, as 43 percent of those in northeastern Pennsylvania do, or whether the electricity the consumer uses is generated by coal-fired utilities which are prevalent throughout the country. Under the tax approaches, these consumers are asked to shoulder the burden of one hundred years of mining damages. This is not reasonable.

Second, a tax is by definition a disincentive. If, as I think, this House has recognized the expanding need for coal as an energy source, how can we turn right around and slap a disincentive on the mining of that coal? We do not need such inconsistencies.

The approach I offer is simple. It takes the resource dividends we are gaining now through our Outer Continental Shelf lands and returns a small amount of these funds to reclaim the damage done in gaining another energy resource, coal.

My amendment provides for funding the abandoned mine reclamation fund from three sources:

First. The sale, lease, or rental of lands reclaimed pursuant to title IV of the committee bill;

Second. Any user charge imposed on or for land reclaimed pursuant to title IV of the committee bill, after expenditures for maintenance are deducted; and

Third. From up to $200 million appropriated annually from the Outer Continental Shelf receipts.

Presently, significant revenues are accruing to the Treasury from bonus bids and royalties stemming from Outer Continental Shelf lands. These increasing revenues represent our national effort to bring the oil reserves of the vast Outer Continental Shelf lands into production. In fiscal year 1974, $6 billion in receipts were generated from these sales. In fiscal year 1975, an estimated $7.6 billion will be generated, and in fiscal years 1976 and 1977, another $10 billion will result from Outer Continental Shelf lands. These funds are plentiful and available. They are resource dollars, and they are general revenues not earmarked for any specific purpose. A small percentage of them should be invested to protect land damaged by the development of another resource.

Mr. Chairman, I believe that one of the basic problems in developing a national energy strategy has been our lack of coordination. We must learn to look at the total problem. Coal cannot be developed independently from our other energy efforts, especially with the growing inter-relationships between coal, oil, and utility industries. I believe my amendment is a meaningful step forward in a national strategy to invest our mineral receipts wisely in a program of land reclamation. The concept of an abandoned mine reclamation fund is vital to this bill. I hope the members will join with me in creating a fund that prevents rising coal prices for consumers, some incentive to mine coal, and provides sufficient funds for land reclamation and restoration.

Mr. CRONIN. Mr. Chairman, I would like to point out, as a member of the committee that reported this legislation, that I agree completely with the gentleman's suggested amendment. Few of us will disagree that such a reclamation fund must be established to prevent further damage to our environment and to compensate States devastated by strip mining. These States will be able to use these funds for roads, schools, and health facilities so that this country will never again see another Appalachia.

We are all hit hard by taxes, but I think that further taxes on the coal industry at this time would provide one additional disincentive to do the reclamation work that is needed. This amendment would eliminate the taxing approach and would establish a new source of funding—receipts from the leasing of the Outer Continental Shelf. These receipts will reach $10 billion a year in the very near future, and I think that by going into this energy resource we can still provide the funds for reclamation to land devastated to obtain another energy resource.

In addition, I believe that a tax would only be passed on to the consumer—who has already been forced to pay accelerating prices for our energy. I do not believe that consumers should be forced to pay for the excessive damage done by the coal companies.

In Massachusetts, we have a fuel adjustment charge added to our electric bills which compensates the electric utilities for the higher prices of fuel needed to generate electricity. By taxing the coal industries, we will only be increasing our monthly fuel adjustment charges.

This amendment would earmark $200 million of the $10 billion in receipts. This is only 2 percent, and it still leaves plenty of that energy resource money to be utilized for such programs as land and water conservation funding and additional recreation needed by our country.

I congratulate my colleague for his amendment, and I urge my fellow colleagues to support it.

Mr. DELLENBACK. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Chairman, I commend Mr. McDADE for this particular suggestion which is before us. I think reclamation is something which needs to be done. When it comes to the fund we are here looking at, Mr. Chairman, I think it is an equitable way of using these dollars. This assures the funding for a very worthwhile purpose.

Mr. McDADE. Mr. Chairman, I thank my colleague for his contribution. I hope the Members will consider this. There is not any reason for it to be limited at this juncture.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I have an amendment to offer which would apply to this section of the bill, however I am going to support my colleague with respect to his amendment. I think it has a better chance of survival than the amendment I intend to propose.

(By unanimous consent, Mr. RONCALIO of Wyoming yielded one-half of his allotted time to Mr. McDADE.)

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 1 additional minute.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield for a question?

Mr. McDADE. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. I wondered about the question of leasing.

Mr. McDADE. We currently, as the gentleman knows, as a nation are engaged in considerable leasing on the Outer Continental Shelf. That revenue is now running at $7 or $8 billion a year. It goes into the Treasury as general receipts. It is unearmarked except that the land and water fund claims $300 million.

I would say of that $7 or $8 billion, let us earmark but $200 million and cover it into a fund to repair the mine-damaged landscape of our country.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, at the moment there are about four different ways to finance the reclamation program. The way the gentleman suggests is innovative. It seems to get away from a lot of the arguments about deep versus surface mining.

I think the gentleman has done a real service in giving us an alternative that enables us to avoid a lot of these difficulties and arguments that may prevent us from having any kind of fund.

Mr. McDADE. Mr. Chairman, I thank my colleague.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I am glad to support the amendment of my colleague from Pennsylvania. I had filed an amendment to this section that would have kept the severance fee in the State where it originated. My amendment would have encouraged the States to enact their own laws under Federal guidelines. The McDade amendment accomplishes the same goal by doing away with a national severance fee and thereby leaving the field open to the States to levy their own severance taxes to meet their socioeconomic needs as well as reclamation needs. It also gives the hard-pressed average householder relief from one more hike in the cost of living. The McDade amendment also represents fairplay for other regions as opposed to the Seiberling amendment which would double the fuel cost of lignite-powered plants in the Midwest.

Mr. Chairman, I appreciate the gentleman's offering this amendment. It solves this East-West problem.

Mr. McDADE. Mr. Chairman, I thank the gentleman. I think we can solve this problem for the Nation through this method. I think we can get away from increased coal taxes, increased electricity taxes, increased rates to the consumers, and still establish a reliable fund which we can use to get about the purpose of repairing the land.

Mr. EILBERG. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Pennsylvania (Mr. McDADE).

This amendment is predicated on a belief that the public at large rather than the coal industry should be responsible for meeting the cost of restoring land which has been despoiled by strip mining. First of all, I do not believe that this is a valid proposition, and second, there is no logical reason why OCS revenues should be used for this purpose.

In addition, I should bring to my colleagues' attention the fact that there are several conflicting views as to the proper recipients of revenues derived from the development of the Outer Continental Shelf.

For example, some have suggested that OCS revenues be reserved for the environmental impacts caused by the accelerated leasing program recently announced by the administration. Others have recommended that OCS revenues be shared with adjacent coastal States which are most seriously and directly affected by OCS development. In addition, my Subcommittee on Immigration, Citizenship, and International Law has pending before it H.R. 9132, which would share a portion of OCS revenues with adjacent coastal States while the remaining revenues would be placed into a Marine Resources Conservation and Development Fund. This bill has been introduced by the distinguished majority leader and has been cosponsored by 32 other Members of Congress.

Finally, our Government during the current negotiations on the law of the sea has proposed that the United States would share certain revenues derived from oil and gas production on the shelf with the international community. It is, therefore, possible that approval of this amendment today could have an undesirable effect on our current LOS negotiations and may somewhat limit our ability to achieve an acceptable international agreement in Caracas.

All of these competing claims must be considered in detail prior to determining the purposes for which OCS revenues will be used.

Consequently, I believe this amendment is premature in nature, especially since my subcommittee, which has exclusive jurisdiction over the distribution of OCS revenues, intends to hold extensive hearings to resolve these complex issues.

I should also note that the administration is opposed to earmarking OCS revenues for particular purposes and believes that they should continue to be placed in the General Treasury. For example, in commenting on H.R. 9132, the Department of the Interior stated—

> The practice of earmarking budget receipts for certain expenditures is not consistent with sound budgetary practice, since it introduces unnecessary inflexibility into the budget process.

For these reasons I urge my colleagues to defeat the amendment offered by the gentleman from Pennsylvania (Mr. McDADE).

AMENDMENT OFFERED BY MR. DENT TO THE AMENDMENT OFFERED BY MR. SEIBERLING TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DENT. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. DENT to the amendment offered by Mr. SEIBERLING to the committee amendment in the nature of a substitute: Section 401, page 250, line 5 through line 22, strike subsection (d), substitute the following new subsections, and redesignate the remaining subsections accordingly:
>
> (d) All operators of coal mining operations which are subject to this Act shall, not later than 30 days following the end of the calendar year 1975 and of each calendar quarter thereafter, pay the Secretary with respect to each ton of coal mined by the operator during the preceding calendar quarter, a reclamation fee in the following amounts:
>
> (1) $1.50 per ton for coal mined by surface mining methods, including augering from the exposed outside surface; and
>
> (2) $0.15 per ton for coal mined by underground methods.
>
> (e) The Secretary shall periodically cause an audit to be made of the operations and records of each operator required to pay a reclamation fee under subsection (d) of this section, to determine the correctness of fees paid pursuant to such subsection. The Secretary shall promulgate regulations governing the imposition, collection, and audit of the reclamation fee payments. In preparing such regulations, the Secretary may consult with the Secretary of the Treasury to arrange, so far as is feasible, for the Internal Revenue Service to assist in performing auditing activities under this subsection. A determination by the Secretary as to the amount of fee payable by an operator shall be deemed prima facie correct.
>
> (f) On or before July 1 of each year, 50 per centum of the amounts received into the fund from reclamation fees paid under subsection (d) of this section with respect to coal mined in each State shall be paid back to the governments of the respective States in which the coal was mined; provided, however, that 50 per centum of the amounts received into the fund from mining done on Indian reservations shall be paid back to the respective Indian tribes. Such money shall be used by such State, or political subdivisions thereof, or Indian tribe for acquisition, reclamation, conservation or development of the public lands of the State, or political subdivisions thereof, or Indian tribe, giving prime consideration, in accordance with the priorities set forth in section 402, to the needs of counties in which coal mining operations have or are taking place.

Mr. DENT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, as one of the sponsors of the act said, there are 3 or 4 different methods of financing the reclamation of the so-called orphaned lands, but one thing has to be made sure and positive: This is the first endeavor by the Federal body to do something about something that should have been done long ago.

For the past 27 years we have been trying in the State of Pennsylvania to clean up our orphaned lands. We have fees which are charged against the coal companies, we have licensing fees, and we have reclamation fees which are charged, but it is too much for the coal companies alone, because they are competitive in this world, operating in 20 States that produce coal. Therefore, they cannot be loaded to the point where they must be, under this procedure, if we are ever going to get rid of the orphaned lands in this country.

These orphaned lands are a disgrace, but where do we put the blame? Where do we lay the blame for what has happened in the past? All of those before us have gone. The mining companies are gone; the railroad companies which were part of the whole deal are gone.

So I am proposing here today to substitute my amendment for the Seiberling amendment, and I am proposing to put a dollar and a half a ton on strip coal, 15 cents on deep coal, with 50 percent going back directly to the State, with priority on the particular land from which the coal was taken and where the damage was committed.

The priority is sound. It goes to the counties, it goes to the Indian tribes if they are covered under this act, and it goes to the localities.

What can be done with this? This will bring in approximately $241 million, less the fees that are paid in the various States for reclamation charges, and less the licensing charges that are levied in the various States which have strip mining.

Mr. Chairman, I have been in the district served by the good Congressman, the gentleman who just preceded me. The gentleman has come up with a very fine innovating idea. But this is a coal property proposition. This must come out of coal, and I believe it can come out of coal. And in 10 years I believe I can guarantee this Congress that there will not be an acre of blighted land in any State of the Union, because it takes this kind of money to accomplish that.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. DENT. I would be happy to yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I appreciate the gentleman's yielding.

I know of the gentleman's deep concern for this problem, the same as he knows of mine.

I think what we ought to do, I say to my colleague, is to look at our resources in the United States as a totality. I think we have been wrong in the past when we have separated something out as a coal problem or a gas problem or an oil problem. We do have now great resources which belong to us that generate unearmarked funds in the Treasury. I think that is largely a resource dividend. Let us put some of those dividends back in our Nation.

Mr. DENT. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania, for his views on this matter.

If we do not do this now, many of us will never live to see the day when the orphaned lands are cleaned up.

Mr. Chairman, this amendment has the full support of our State mining bureau. Every known body interested in coal mining in the State of Pennsylvania, the environmentalists, the State government, the Bureau of Mines, the Bureau of Sanitation, the Bureau of Ecology and Environment, they have all supported this particular move toward the elimination of the greatest eyesore that has ever been created.

Mr. Chairman, we are not backward in Pennsylvania. We have tried to carry the load. We have now, for the last 12 years, had all surface mining. We even reclaim the land from which we take our sandstone, our glass sand, and our iron ore.

Any excavation into the ground must come under our surface code. I come to the Members as a pioneer in this field. I introduced the first legislation in the history of the United States on this in 1947. I want the Members to know that it was a difficult job to sell it at that time. The same arguments were made then. But let us look at the arguments:

Five years ago we were selling coal in strip for $11 and $12 a ton. Today, if the metallurgical content is high enough, they are getting as high as $34 and $36 a ton, and some are getting $42 a ton.

Mr. ANDREWS of North Dakota. Mr. Chairman, if the gentleman will yield, my point is that this would affect my district very much, because this tax amounts to virtually a 100 percent tax on coal in my State, coal that our people must have for electricity. Our coal sells for only $1.50 to $2.50 a ton, because it is almost 35 percent water, and we have to use this in the generation of electricity because it is the only fuel we have.

Mr. DENT. I am sorry, but the gentleman's figures do not jibe with the figures we have. There is no coal in the United States, unless it happens to be muck——

Mr. ANDREWS of North Dakota. It is selling for under $2 a ton.

Mr. DENT. If the gentleman can find any coal at that price, I will be the agent for his State tomorrow, and I will get you $5 a ton.

Mr. Chairman, the situation is this: We have the ability to do this, and we can do it now. Why? Because in the foreseeable 10 years that we talk about there will be a market for coal. The energy crisis is not going to pass overnight. There will be a market, and it is during these years that we have to do this. The return to the American people in the future through doing this, the crops that will be grown in the future, the grazing lands that will be available, the return to the people in forests that we will put on these lands all over the United States; the return from this will be so much greater in return than the sacrifice that we must make.

Who in this room will guarantee that there will not be about another dollar a ton or $2 a ton, or $5 a ton on coal in the next 6 months, whether we pass this bill or not? I know it. Coal is sold on demand. Coal is sold on its analysis. If you get good coal you can sell it for twice as much as bad coal. But at this particular moment, the most important thing we are looking for is energy.

Anybody who knows anything about stripping must understand that it is easy——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. EVANS of Colorado yielded his time to Mr. DENT.)

Mr. EVANS of Colorado. Mr. Chairman, if the gentleman will yield, my yielding the gentleman this time is the good news that I have. I am sorry, but the bad news is that I do not agree with the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I do agree with the gentleman from Pennsylvania, and I am willing to accept the gentleman's substitute for my amendment, because, as far as the abandoned coal mine reclamation is concerned, it will produce the same amount of money as my amendment. As far as restoring the competitive balance between deep mining and strip mining that was thrown out of whack when we passed the Coal Mine Safety Act, it will do that job.

Let us quit kidding ourselves. The people are going to pay for reclamation, whether it comes out of the cost of coal or whether it comes out of the oil leasing revenues, which are part of the general revenues. But it is time we quit externalizing the costs of energy and started putting the costs where they really are. The cost of stripmine reclamation is a cost of energy, and it ought to be paid by the consumers of energy.

Each time we subsidize an industry from the general revenues we distort the economy. I will support the gentleman's amendment.

Mr. DENT. The gentleman could not do it in a nobler cause.

Mr. Chairman, I beg of the Members to give consideration to the two facts I have tried to point out.

First, that the amount of money on 13,500 Btu of coal, that the amount of money on 7,000 Btu lignite, that the amount of money on western strip, either 10,350 or 10,500 Btu, does not amount to enough of an increase to put anybody out of order from that company or any corporation.

But we will have 10 years, and in 10 years we will see a miracle, because we have created miracles in Pennsylvania. We have the most beautiful ponds, the most beautiful parks. We have the most beautiful land reclamation in what used to be substandard soil to begin with. We have cattle and sheep all over our fields that we created out of the wastelands.

Mr. Chairman, I ask the Members to support this legislation I ask them to support this amendment. As I have said many times on this floor, we only have an opportunity very few moments in our lives in the legislative field to do something that will outlive us, that will outlive anyone in this room or in this Chamber today, because it will make it somewhere near the kind of an area that God intended it to be.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

The problem with the amendment is that basically it would have it in a way which would be very favorable to Pennsylvania, because the underground mining tax under the gentleman's amendment would be 15 cents, but the westerners and the utilities in my area that use western coal would be hit with a $1.50 tax to pay for it.

Mr. DENT. Mr. Chairman, I decline to yield further.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, I want to ask a question of the gentleman from Pennsylvania, Mr. DENT, if he will engage in colloquy with me.

Is it the intention of the gentleman's amendment to make certain that 50 percent of the money collected would stay in the States or in the Indian reservations where it is collected from mining operations?

Mr. DENT. If the gentleman will yield, that is exactly right, and the other 50 percent of the money is allocated by the Congress of the United States through the appropriation process so that we can pinpoint it to the places needed.

Mr. MELCHER. It is the intention of the gentleman's amendment to utilize that money in those mining areas where strip mining is being done for the purposes such as schools and roads?

Mr. DENT. If the gentleman will yield further, if they are in any way connected to the disturbance caused by the mining operation: subsidence in some cases, water damage in other cases, overflows in other cases, silt runoff in other cases.

Mr. MELCHER. I thank the gentleman.

(By unanimous consent, Mr. MELCHER yielded the balance of his time to Mr. UDALL.)

Mr. UDALL. Mr. Chairman, this is one of the important decisions to be made in this debate. Let me see if I can put it in focus. The thrust of the bill is to stop the creation of orphan lands in the future, to stop the depredations of the past so in future mining we are not going to have current environmental problems continued. We are either going to reclaim and do it right, or we are not going to mine.

This title deals with a peripheral question, but a very vital peripheral question What will we do with the 2½ million acres of land that disgrace this country by lying there damaged from past mining operations? I think there is general agreement we want an abandoned mine reclamation program. We have about four different ways to fund such a program. The committee provision in the bill seems satisfactory to no one. We get into east-west arguments; we get into underground versus surface mining arguments; we get the argument that we are charging 30 cents a ton, and why should the consumers in New York and Boston pay for the sins done in the Appalachian coal fields 40 and 50 years ago?

I do not particularly like the funding provision now in the committee bill, but I want something that can pass muster, that can get enacted, so that we can start this 40- or 50-year business of curing the damages of the abandoned land.

Of all the proposals, I think I like the Ruppe proposal the least. I like him the most, perhaps, but I like his proposal the least in this situation.

What he says is, oh, we are going to have this wonderful abandoned lands program. But where are we going to get the money? We are going to get it out of general appropriations. But I will tell you that when we go to the OMB we will find out where we will get the money from in general appropriations. We will get it from the OMB, from the general appropriations, behind the foreign aid for Albania and behind the fund for Tea Tasters Board and behind the Disarmament Agency, and behind some other of the favorite subjects down there, which means that we simply are not going to get any general appropriation.

We are fooling ourselves if we think the Ruppe-Seiberling proposal will get an adequate amount of money in the fund in a timely way. The Dent proposal, which the gentleman from Ohio (Mr. SEIBERLING) says he will accept, will tax customers of surface mined coal $1.50, and this is roughly five times the amount of the fee contained in the committee bill, the 1.23 cents per million Btu. This is a discriminatory fee relative to underground mined coal which is only assessed 15 cents per ton in this proposal.

The most severe objections I have had have been from the electric company customers around the country who feel they should not have to pay even the 30 cents, and the gentleman says he is going to tax them $1.50. I do not think that is going to get acceptance by the consumers around the country. The strongest objectors I have had have been the utility company customers in Chicago who feel that they should not have to pay 30 cents, and now there is a proposal to charge five times that in order to recoup the damage done in past generations.

So of all the pending proposals I think the one most likely to fly, the one most likely actually to get money which we can put to work is that of my friend, the gentleman from Pennsylvania (Mr. McDADE). What that says is, let us take the resource money that is available, and it is fiscally responsible and it is income available now, and we get now $10 million, so let us take a tiny part of that, let us take $200 million a year and put it into this fund and put it to work. In that way we do not have to fight the howl of the utility companies and their customers who say they will have to pay for past sins, and we do not have to fight the fight of East against West, and we do not have to fight the fight of the deep mines against the surface mines. So the one I find which meets the problems we are now faced with if we are going to have a fund is the very innovative proposal of the gentleman from Pennsylvania (Mr. McDADE).

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I mentioned the name of the gentleman from Michigan (Mr. RUPPE), so I yield to him.

Mr. RUPPE. Because of the gentleman's fine words and not necessarily because of the logic of his argument I join in support of the McDade amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I associate myself with the remarks of the gentleman from Arizona. I agree with him 100 percent.

Mr. Chairman, I rise in support of Mr. McDADE's amendment to H.R. 11500. This amendment is proposing to utilize already existing funds from the leasing of Outer Continental Shelf lands to the oil companies, and the royalties received from successful offshore drilling. Presently this amounts to $6 billion and will increase to approximately $10 billion by 1976. Mr. McDADE would have the minute sum of $200 million withdrawn from this revenue which is not earmarked for any purpose, to provide for the reclamation of the scars of the past resulting from strip mining in our great country.

My colleague proposes to establish a sound reclamation fund through which we can effectively achieve this end, and at the same time, protect the rights of our already financially overburdened consumers.

While I believe that the amendments of my two good friends, Mr. SIEBERLING and Mr. JONES, are well intended in their desire to revamp the existing ravaged, orphaned lands in this country, the sins of our fathers, I strongly feel that the effects of either of these amendments would result in an unwarranted tax burden on the consumer, especially now in these times of economic uncertainty.

Although my district, and indeed the State of Massachusetts, has never been affected by the destruction caused by surface mining, I strongly feel this dilemma to be a national problem which affects us all.

I, therefore, ask the Members of this House to support this eminently sensible, and worthwhile amendment.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, and if the gentleman from Massachusetts will hold up a minute before he leaves the Chamber, the gentleman's constituents are going to be ending up paying $14 a ton and more for coal brought from Wyoming to supply the energy needs for the utilities in his area, whereas we are saying if we impose a fee of $1.50 a ton on strip mined coal and 15 cents a ton on deep mined coal, they will not need the coal from Wyoming. They can get it from West Virginia and Pennsylvania and Ohio, which will be only about one-quarter as far away.

Mr. UDALL. I will say to my friend, the gentleman from Ohio, that he is one of the most exceptional and dedicated members of the committee. He made more input into this bill perhaps, than any Member on our side. He is trying very hard. This is an innovative proposal of his. I regret I must differ with him on this point.

Mr. SEIBERLING. If the gentleman will yield once more, I believe his objections are on tactical grounds, rather than on principle.

Mr. UDALL. In a perfect world, I would like to agree with the gentleman.

Mr. HEINZ. Mr. Chairman, I move to strike the last word.

Mr. DENT. Mr. Chairman, will the gentleman yield for one fast observation?

Mr. HEINZ. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, what is the difference in fuel cost if one is going to put the $200 million on oil or $200 million on coal?

Mr. HEINZ. Mr. Chairman, I would like to just take a couple of minutes, since that is all I have, to address several points. The question of what the Ruppe amendment, as perhaps amended by the McDade amendment, might do in contrast to the Dent amendment. Both represent alternatives to the Seiberling amendment which is pending before us. We must focus on three issues.

No. 1, what is going to happen to the deepmining of coal? Is it just a question of East versus West, as the gentleman from Arizona pointed out, or is there something more fundamental involved?

I would like to suggest to the Committee that since strippable coal is so easy to get, we do run a very substantial risk of driving deep mining out of business for a period of 10 or 15 years. This is because the 1969 Coal Mine Safety Act already penalizes deep mined coal about $1.50 a ton in the form of hidden costs. These costs have already put deep mining at a dangerous disadvantage.

This is a very serious question. It goes beyond the rather parochial interests of my State and the interests of East versus West. Once the deep mining industry is destroyed, it will be difficult and costly to rehabilitate it, not to mention the costs of potentially destroying the economy of an entire region.

The second question is who, if we are going to have a reclamation fund, is to pay for the reclamation fund? Now, several proposals have been advanced; first, that it should come from general revenue. The gentleman from Michigan has recommended that, and the gentleman from Pennsylvania (Mr. McDADE) has proposed alternatively that these funds come from oil revenues from the Continental Shelf. This is not a bad idea, but in both cases it is coming out of existing revenues. We know one thing, we do not have enough revenues to pay our bills now and we have before us an opportunity to do something which this body seems to neglect time after time, which is, when we enact a new program with new costs, to figure out a way to pay for them.

The Dent amendment actually finds new revenues to pay for a program that is a new program. Let me repeat, the Dent amendment provides for new revenues for a new program. In the interest of fiscal responsibility I think it is important that we support the Dent amendment.

It is argued that the fees in the Dent amendment are too high. I argue that they are a modest cost to the consumer. Even if strip-mined coal were to supply 100 percent of our needs—which dependency I hope we never develop—the average household electric utility bill would increase, according to my estimates 36 cents a month, or less than the cost of a package of cigarettes. It is absurd to argue that this is too heavy a price.

Furthermore, the cost in those areas which depend mainly on deep-mined coal, as do most industry and electric utilities in Pennsylvania, would be less than a 5-cent-a-month electric bill increase. And I find it immensely fair that under the Dent amendment those who enjoy the benefits of energy produced from strip-mined coal will pay the cost of reclamation.

There is one final question that this body must confront. While we can, if we must, reduce our demand for energy through activation of a full-range of conservation programs, we cannot and must not reduce the Nation's production of agricultural products. Our people depend on the output of our farmers, the hungry people of the world depend upon our farmers, and increasingly America's international economic position depends upon the export of our farm products.

The coal lands of the West are also agricultural lands which provide a substantial portion of America's beef and grains. Commodities, I believe, are ultimately more valuable to our physical and economic well-being than the strippable coal beneath those pastures and wheatfields. And yet despite the agricultural importance of these lands, we are prepared to remove them from or diminish their production through strip mining or through destruction of vast quantities of scarce Western water in the coal gasification and liquefaction processes. And we do so with no firm assurances that the fragile lands of the Northern Plains, once stripped, can be reclaimed sufficiently to once again produce abundantly farm products and cattle. More importantly, we are about to place vast additional demands on the scarce water resources of the entire Missouri Basin. The result may very well affect dramatically both the ecology and the agricultural potential of all the downstream Missouri River States, not just the coal States of Wyoming and Montana.

We are talking, therefore, about a huge portion of our Nation's breadbasket—for as little as 3 percent of our Nation's coal supplies.

So, Mr. Chairman, the Dent amendment makes good sense on several grounds:

First. It is simple to administer.

Second. It encourages the strengthening of our underground coal mining industry.

Third. It is fiscally responsible in that it generates new revenues—at an affordable cost—to pay for a new reclamation program, and the costs would be borne by only those consumers who benefit from the use of coal.

Fourth. It would reclaim and return to production stripped and abandoned lands while simultaneously slowing the shortsighted withdrawal of Northern Plains lands from agricultural production.

The Dent amendment, Mr. Chairman, is a sound, necessary approach assuring this country both a strong, balanced coal mining industry and the abundant production of vital farm products.

It deserves all Members' strong support and I urge the House to approve it.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, I rise to use my time in support of the Seiberling-Dent amendment. I appreciate very much what the gentleman from Pennsylvania (Mr. HEINZ) has said, because we must focus attention on the deep mining industry where our greatest resources are in this Nation. The strip mining of coal seems to be cheaper, because it is very heavily subsidized and its apparent cheapness comes from the damage it does to the land and to the people.

The Seiberling-Dent amendment puts a 15-cent a ton tax on deep-mined coal, which is a very minimal amount. It helps balance the cost differential between deep and strip mining.

In view of the fact that the coal industry has shown that it is not very well toilet trained in terms of the damage it does and the wastes that are created as a result of both deep and strip mining, it is only fair to the taxpayers and the people of this Nation that we internalize the costs, the real costs of both deep and strip coal mining.

It would be very unfortunate if we reached out to force the taxpayers of the Nation, as has been suggested, by taking this money out of general revenues.

I feel that the proposal of the gentleman from Pennsylvania (Mr. MCDADE) although innovative in nature, nevertheless does not provide the revenues directly from where they should come; namely, from the coal industry itself.

I had a colloquy with the gentleman yesterday in which the gentleman had a full and free opportunity to express his views. I would like to yield very briefly the balance of my time to the gentleman from Pennsylvania (Mr. DENT), whose position I am supporting, along with Mr. SEIBERLING.

First, I yield briefly for a question to the gentleman from Pennsylvania (Mr. MCDADE).

Mr. McDADE. Mr. Chairman, is it not true if we support any of these separate taxes, what we are doing is not putting the cost on the industry, but in fact and in truth every one of those costs will be passed on to the consumer and we will have higher costs in electricity, higher costs for coal, and we will take a narrow class of consumers and make them carry the burden of financing this reclamation fund?

Mr. HECHLER of West Virginia. I know the gentleman's point. He made it yesterday and I responded.

I believe we should have realistic cost controls, internalize the genuine costs of coal mining, help equalize the costs of deep and strip mining, and that is why I support the Seiberling-Dent amendment.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Pennsylvania.

Mr. DENT. Somehow or other people think the $200 million that we will get from the offshore shelves from the oil company will be paid from out in space somewhere. Are not the consumers going to pay for it? Is it not the same? The idea that this cannot be paid for by the consumer is idiotic. There has not been 1 cent of increase in the cost of labor in the coal mines since the price went from $12 to $34. There has been no increase in any other item, except gasoline and oil used for the things they are hauling around with their shovels out in the strip mines.

Now, the gentleman is telling me, when coal has gone up 300 percent in price, it cannot stand an increase of $1.50 less the fees they pay, less reclamation fees they pay.

Mr. HECHLER of West Virginia. Mr. Chairman, I urge support of the Dent amendment.

Mr. DELLENBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that we run the risk of finding, as we talk more and more on this issue, that the subject becomes more and more confused instead of simplified. We are mixing up the desire that many of us have for reclamation with the separate issue of impact on various types of coal mining, the question of whether or not we are going to be able to stimulate production of coal, or whether we are going to be holding back the production of coal. Let us look at the two problems separately. Do we want—do we even in areas of this country need reclamation? The answer is, "Yes." Anyone who comes from one of those areas where mining has stripped the soil, or anyone who has a chance to visit those areas, must come away with the feeling that these scars can be removed, and advantageously should be removed. But, when it comes to the question of who should pay for it; when it comes to the question of where the burden will fall, then I must suggest that the Dent proposal is a bad and unfair proposal, and indeed the proposal of the gentleman from Ohio is not an equitable proposal. Both of those proposals, at a time that we need stimulation of the production of coal, would run the very serious risk of inhibiting the production of coal.

If we need reclamation—and I start from the premise that we do need and want that reclamation and we want it for the benefit of the Nation—then the burden should not be placed disproportionately on an area of the country; it should not be placed disproportionately on one kind of mining; it should not through a tax that is a disproportionate tax end up in doing damage to the production of coal when we need to stimulate the production of coal.

The proposal of the gentleman from Pennsylvania (Mr. MCDADE) as the gentleman from Arizona (Mr. UDALL) has said, is the soundest possible suggestion that has been made here today. It reaches for reclamation very soundly, and yet it says that if we are going to do this, it should come out of the general revenues as this would do in effect, and it must do so with assurance that the money will be forthcoming. It is that kind of a balance that I think is important that we work into this particular procedure.

Mr. Chairman, I commend the gentleman from Pennsylvania (Mr. MCDADE) for having come forth with this proposal.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank my distinguished colleague for yielding to me. I express my deepest appreciation to him for his willingness to think about this amendment, which I agree I submitted late. I was involved in appropriations hearings and I did not have an opportunity to come and testify before the Interior Committee, but I found people such as the gentleman from Oregon and the gentleman from Michigan (Mr. RUPPE), who now will support my amendment, willing to think about what is involved here.

What is really involved is paying for this in one of two ways: increasing the cost to every consumer in this Nation, or taking a small part of the resource dollar now going into the Treasury from the sales of peoples' resources and earmarking it to get this job done.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I think this record will be woefully incomplete if we did not get to the bottom line of the conflict here. We have what is an accepted policy about to be adopted. We are going to attempt to reclaim abandoned mines.

Essentially the dispute originally was over where we should get the money to do this. We have left that now with the amendment of the gentleman from Pennsylvania (Mr. DENT), and we are now attempting to somehow equalize the economic imbalance between the production of underground coal and the production of surface coal.

That is not sophistry; that is just baloney.

It is tough enough to get the committee and the House to agree that we have a responsibility to reclaim abandoned mines. We are agreed on that. If we fall victim to the blackmail of somehow here waving a magic economic wand and equalizing arbitrarily the difference in production, let me tell you what we are going to do in the State of Kansas: In the State of Kansas it is not uncommon for an acre of ground worth about $70 or $80 to produce in the neighborhood of 70,000 tons of coal. Under the amendment of the gentleman from Pennsylvania (Mr. DENT) we are talking about generating somewhere in the neighborhood of $100,000 per acre for this fund. Under his amendment some $50,000 of that will remain in the county where it came from to reclaim lands which do not need reclaiming.

It is a total distortion of the intent of the legislation. It does not solve the problem of reclaiming abandoned mines. What it does do is attempt to distort what is basically an economic differential.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I will yield to the gentleman from Iowa.

Mr. GROSS. I have a suggestion for solving this. Just apply the money for arts and humanities to this, and you will get your money.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I want to say to my friend, the gentleman from Arizona, that he really has his States confused. The State of Kansas has about a 20-foot rate of thickness per acre foot, which would yield about 800 tons of coal.

In the Western States, we have States that yield or have veins that go from 40 to 60 feet in thickness. The simple mathematics of that is that 1,800 tons would be produced to the acre foot. Multiplied by 40, that would indicate 17,000 tons of coal. Multiply that by $1.50, and you are up to $800,000 per acre in those States.

Under the Dent amendment 50 percent of that would stay in that particular area, but the rest of the country would be paying increased fuel bills.

We start out with a reclamation fee to do reclamation work, and all at once in this bill we come up not only with reclaiming abandoned land, but providing recreation, public utilities, schools, and everything else.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. HAYS. I thank the gentleman for yielding.

I would just like to ask the gentleman from Arizona (Mr. STEIGER) where some of that $70,000 an acre land is in Kansas, because I would like to buy some.

The CHAIRMAN. The gentleman from Wyoming has 1 minute and 50 seconds left.

Mr. RONCALIO of Wyoming. Mr. Chairman, I would like to ask the gentleman from Pennsylvania whether he intends to disturb the distribution formula in any way by his amendment.

Mr. McDADE. As my amendment is now written, all the funds come back to the Treasury, but the gentleman from Wyoming and his colleagues raise an important issue. I have no objection to the views they express.

Mr. RONCALIO of Wyoming. The gentleman has no intention of disturbing its present arrangement that 40 percent of the funds remain in the locality to help with roads and schools.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Arizona.

Mr. UDALL. I understood, when Mr. McDADE first approached me, that 50 percent of the funds and a 40-percent distribution were to be included. The Senate has no provision for that. We have to rewrite it in conference anyway.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. Yes; I yield to the gentleman from Ohio.

Mr. SEIBERLING. There are two facts we simply cannot get away from. One is the fact that 97 percent of the coal in this country cannot be extracted by strip mining. The other is that the Coal Mine Safety Act has added $1.50 a ton to the cost of deep-mined coal, thus making it increasingly noncompetitive against strip-mined coal.

We have to do something about that if we want to preserve the capability of extracting the greater part of the Nation's coal reserves and ease the pace of devastation involved in strip mining.

Mr. RONCALIO of Wyoming. Mr. Chairman, I agree with that. I would like to see something done about that.

The CHAIRMAN. The Chair will state for the benefit of the members of the Committee of the Whole that the first vote will be on the Dent amendment to the Seiberling amendment.

The second vote will occur upon the McDade amendment to the Ruppe substitute; and following that there will be a vote upon the Ruppe substitute for the Seiberling amendment, whether or not it is amended.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. DENT) to the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. SEIBERLING) there were—ayes 32, noes 40.

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennslyvania (Mr. McDADE) to the amendment offered by the gentleman from Michigan (Mr. RUPPE) as a substitute for the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) to the committee amendment in the nature of a substitute.

The amendment to the substitute amendment for the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE), as amended, as a substitute for the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) to the committee amendment in the nature of a substitute.

The substitute amendment, as amended, for the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING), as amended, to the committee amendment in the nature of a substitute.

The amendment, as amended, to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 252, line 15, through page 256, after line 19, strike out sections 404 and 405.

Mr. HOSMER. Mr. Chairman, it is extremely important that we understand what section 404 requires. It is primarily aimed at polluting discharges, mine and refuse bank fires and conditions which present an imminent danger to the public. However, these problems are already covered by existing legislation, such as the Water Quality Act, the Clean Air Act, and public nuisance law. If water drainage or refuse bank fires cause pollution in violation of these laws, the mine operator will be required to take necessary corrective action. If the mine operator is responsible for a condition which creates a hazard to the public, he can be required to abate that condition.

The section also addresses hazards to the environment but in many, if not most instances, the lands involved were probably reclaimed in accordance with the then existing laws which were enacted to protect the environment. Furthermore, this bill does not set out or define what constitutes an imminent hazard to the environment and yet requires the elimination thereof by July 1, 1977, or be subject to penalties of this act. This includes the criminal penalties of section 224 and preventing the issuance of any pending permit, permit revision or permit renewal which could shut down larger company's nationwide operations. The possibility of criminal penalties raises serious constitutional questions, including the argument that such a provision is expost facto.

Our attitude toward the environment has undergone a complete reexamination in the last few years. However, during this period most coal surface mining was regulated by environmental statutes requiring reclamation. It is unfair to use hindsight to punish mine owners and operators for the reclamation they did in the past, because it does not conform to the standards of this bill. The coal is gone now and there is no way the cost of additional reclamation can be recovered. I do not believe the mine owner or operator should be made to assume this burden and, therefore, my amendment eliminates section 404.

Section 405 which I also desire to eliminate provides for services and funding by the Secretary of Agriculture to owners of mined lands which are already available to any landowners through the Soil Conservation Service and the Agricultural Stabilization Committee. Thus, section 405 sets up a needless duplication of Federal services and should be deleted.

I believe that Members of the House Committee on Agriculture should look carefully at this amendment. First, it is an invasion of the committee jurisdiction of their committee. Second, it is largely duplicative of programs already authorized under legislation cleared by the Agriculture Committee and enacted by the Congress. The Agriculture Committee has the expertise in such programs, and this part of the bill should have been reviewed and passed upon by that committee.

I urge deletion of sections 404 and 405 and ask for the adoption of my amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, we on this side are willing to agree to strike section 404, but we are not willing to strike section 405.

The gentleman from California has packaged them together. Therefore, would the gentleman be agreeable to ask for a divided vote, a separate vote on each part of his amendment?

Mr. HOSMER. Mr. Chairman, I ask unanimous consent that a separate vote be taken on each portion of my amendment, which provides for the deletion of section 404 and section 405.

The CHAIRMAN. Does the gentleman ask for a division of the question?

Mr. HOSMER. I do, Mr. Chairman. I ask unanimous consent for a division of the question as to sections 404 and 405.

The CHAIRMAN. The question will be divided.

The first question is upon the part of the amendment offered by the gentleman from California (Mr. HOSMER) referring to section 404.

The portion of the amendment, referring to section 404, to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the portion of the amendment offered by the gentleman from California (Mr. HOSMER), referring to section 405.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 7, noes 29.

So the portion of the amendment referring to section 405, of the amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer my amendment No. 146 as an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 249, line 1, strike out "title IV".

Mr. HOSMER. Mr. Chairman, I shall not linger long on this amendment. We have gone through a virtual Alice in Wonderland in the discussion of title IV. Where is the money going to come from? It is going to come from the Outer Continental Shelf or from some other place where nobody will be hurt.

Obviously, we know that money does not come out of a pump; that this is a real world, and that if it is mandated that sums of money come from any place for mining reclamation they do not go some place else.

There are many millions of people in this country trying to subsist beneath the poverty level of income. That money will not go to them, because it has been earmarked for mine reclamation in order that the landscape will look pretty—landscape which has been sitting, looking ugly, perhaps as far back as the depression in the thirties. But we have been rushing around here today with great enthusiasm, diverting money from places that people need it; need it for medicine, need it for clothing, need it for food, need it to protect the United States against its foreign enemies. All those things are now secondary, because the gentleman from Arizona (Mr. UDALL), and the gentlewoman from Hawaii (Mrs. MINK), have decided, with the help of their friends, that money is going to be taken out of somebody else's pocket to make the landscape look pretty.

When they get through doing that with Appalachia and a few places like that, how about the back side of the Moon, too? That is not very pretty. Maybe we could reclaim that. Maybe we could tax people, and maybe we could take money coming out of the public lands, money coming off of the offshore-oil lands, and divert it to clean up the back side of the Moon. But I think there are a lot more serious things in this Nation of ours today, to worry about. I think this is a misallocation of funds. I think this is a misjudgment of priorities. It is a denial of funds where they are needed to areas where they are not needed. It is funds unjustly taken from worthy recipients, taken from worthy needs and allocated to second priorities simply to satisfy the emotionalism that has been raised over this issue—this issue that involves only a small fraction of our land. True, this land has indeed been left in a deleterious condition; however, in spite of that condition, no one is starving or is in jeopardy of life. Rather than reclaim these lands, the required funds should be diverted to benefit the lives of the people of this Nation.

Mr. Chairman, I ask for the adoption of this amendment striking this title which is so unfair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 2, noes 38.

So the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. If there are no further amendments to title IV, the Chair will now compile a list of those Members seeking to debate or to offer amendments to title V and will allocate the time of debate accordingly.

The Chair will recognize the Members for 50 seconds each.

The Chair recognizes the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I should like to point out at this point in the enactment of this bill this committee has taken a good deal of time in deep study of the problems facing the separate and unique areas of our country. I commend them for the job they have done. I think the House as a whole has written into the act some sensible amendments.

I am particularly gratified that we were able to protect the sole fuel we have in the Upper Midwest, lignite, from a tax that would have been close to 100 percent on the cost of that fuel. Our homeowners are under continual stress because of the rising cost of living, and our homes and businesses depend on a unique fuel, lignite, to run our generating plants. It is much lower in value per ton than eastern coal but its the only fuel we have and we could not stand a confiscatory Federal tax on it. I am deeply gratified that the House turned down an energy tax that would have been devastating to our area.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, this title V creates an Office of Surface Mining and Reclamation Enforcement in the Department of the Interior. I am very, very sorry, and I regret very much that the authors of this legislation have put this office in the Department of the Interior, because the Secretary of the Interior has publicly and repeatedly indicated his opposition to this bill; and here we are going to give him authority to stipulate some regulations under the bill.

Basically, the biggest trouble with this bill is that the main regulatory authority is in the States who have traditionally shown that they are prisoners of the largest economic interests in those States. This is particularly true of Appalachia. But I cannot, for the life of me, understand why we have put any regulations whatsoever into the hands of a department whose head has indicated that he is opposed to this legislation.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: Page 265, line 17, strike title V.

Mr. HOSMER. Mr. Chairman, sound administration requires that authority and responsibility for the mined area reclamation program run directly to the Secretary of the Interior. This will provide the Secretary with sufficient flexibility to efficiently manage the program, utilizing available departmental resources where appropriate and adjusting the program as future developments warrant.

Failure to vest authority directly in the Secretary will result in duplication of effort since various agencies within the Department of the Interior are already engaged in activities covered under the act. For example, the Geological Survey as the regulatory authority for the administration of coal mining reclamation regulations of the Bureau of Land Management and the Bureau of Indian Affairs. In addition the Bureau of Mines, the Mining Enforcement and Safety Administration, Bureau of Reclamation, Bureau of Outdoor Recreation, National Park Service, and Bureau of Sport Fisheries and Wildlife all have expertise which can be utilized in the administration of this act.

Expertise in the field of surface coal mine reclamation is a scarce commodity. Establishment of a new office within the Interior Department can only drain sorely needed expertise from the above-mentioned bureaus which deal not only with the environmental problems of coal mining but all other mining as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 4, noes 27.

So the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. There being no further amendments to title V, the Chair will now compile a list of those persons seeking to debate or to offer amendments to title VI. Those Members wishing to do so will please rise.

The Chair will recognize the Members for 30 seconds each.

AMENDMENT OFFERED BY MR. UDALL TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. UDALL. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. UDALL to the committee amendment in the nature of a substitute: Strike page 268, line 19, through page 271, line 24, and insert in lieu thereof the following:

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if such area consists of:

(i) land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain; or

(ii) lands where such mining operations could result in irreversible damage to important historic, cultural, scientific, or aesthetic values or natural systems, of more than local significance, or could unreasonably endanger human life and property.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and a finding with reasons therefor upon the matter of their petition. In any instance where a governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that (i) with respect to lands designated under subsection 601(b) (i), such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary, and (ii) the Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary determines that an area on Federal lands is unsuitable for all or certain types of mining operations for minerals and materials other than coal, by reason of the criteria referred to in subsection 601(b), he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting for such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceeding in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States District Court for the district in which the pertinent area is located.

EXPLANATION

The substitute incorporates a number of suggestions of the American Mining Congress. The following changes have been made:

(1) In subjection (c), the words "having an interest which is or may be adversely affected" have been added to modify the term "person" and thus make it clear that an individual seeking a non-coal designation must have an interest in the affected area.

(2) Language has been added in subsection (c) which will prevent the necessity of the Secretary initiating the review process on frivolous petitions. The substitute requires that the petition "contain allegations of fact with supporting evidence that tends to substantiate the allegations".

(3) Subsection (d) is amended to assure that designations do not interfere with valid existing rights. While this was the intent of the present subsection, the language has been altered to refer to "valid existing rights" which is terminology commonly used in withdrawals from entry under the Federal mining laws.

(4) Finally, the amendment strikes authorization to the Secretary to make grants to the State to develop a program for designating non-Federal and non-Indian lands as unsuitable for mining of minerals other than coal. Originally, this title included a State program, but in attempting to narrow this section to achieve a mechanism that really addresses only the worst abuses within the purview of Federal authority, the State program was limited. As the bill does not include specific authorizations for the purposes of a State grant program, it is better to now debate this subsection.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, title VI is a title I wrote in the committee to deal with the very difficult situation in my home town of Tucson, Ariz., where large mining operations were threatened in the middle of an urban area. This gives the Secretary of the Interior the authority and discretion to designate areas within urban areas as unsuitable for surface mining operations. It is a very limited title which I have tried to work out to meet some objections of the industry. I know of no objection to this rewrite which represents a further retreat on my part to make sure we are not locking up areas where a withdrawal is not necessary.

I think it is acceptable. I would hope it would be adopted.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. That was a rather large phrase of the gentleman that he knows of no resistance to the amendment.

Mr. Chairman, I do have an amendment to the amendment. It would merely strike out title VI.

The CHAIRMAN. Does the gentleman seek recognition?

Mr. HOSMER. Yes. I seek recognition for an amendment to the Udall amendment.

The CHAIRMAN. The Chair will advise the gentleman from California that his amendment to strike title VI is not in order as an amendment to the Udall amendment.

The question is on the amendment offered by the gentleman from Arizona (Mr. Udall) to the committee amendment in the nature of a substitute.

So the amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. HOSMER. Mr. Chairman, I now offer my amendment to delete title VI.

The CHAIRMAN. The Chair will advise the gentleman from California that the entire title has been amended by the Udall amendment and at this point an amendment to strike the title would not be in order.

Mr. HOSMER. Very well.

The CHAIRMAN. In other words, no more amendments are in order to title VI.

Are there any other Members desiring to be heard for purposes of debate?

Mr. HOSMER. Mr. Chairman, could I be heard at this time?

The CHAIRMAN. The gentleman has used his time.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from California (Mr. Hosmer).

Mr. HOSMER. Mr. Chairman, this title, a mischievous title, because it attempts to get into the sticky business of designating areas suitable for mining minerals other than coal on Federal lands. Now, there just did not seem to be a big enough world for the authors of this bill when they zeroed in on coal. Every time we stuck a stick into the ground, they even wanted that to be included under their Act. They were partially dissuaded from such excesses and agreed to limit the bill to surface coal mining, but in this title VI the same desire got cranked up again, and the authors have overstepped their bounds, meddling in areas they should not.

The CHAIRMAN. If there are no further amendments to title VI, the Chair will take requests for recognition from Members to title VII, with 40 minutes of debate.

ANNOUNCEMENT BY THE CHAIR

The CHAIRMAN. The Chair would like to restate the announcement made earlier.

The Chair requests Members who have amendments printed in the Record and who will insist upon 5 minutes for debate to defer offering those amendments until the conclusion of the 40 minutes, so that it will not disturb the proceedings.

AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA TO THE COMMITTEE AMENDENT IN THE NATURE OF A SUBSTITUTE

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Johnson of California to the committee amendment in the nature of a substitute: Page 287, line 10, strike out subsections (a) and (b) through line 2, page 288 and insert in lieu thereof the following and reletter accordingly:

(a) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government, and the surface rights are held pursuant to patent, the application for a permit shall include either—

(1) the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surfaces mining methods; or

(2) proof of the execution of a bond or undertaking for the use and benefit of the surface owner or owners of the land securing the prompt and full payment of any damages to surface estate, to the crops, to the tangible improvements on the land and to secure the income interest of the surface estate owner in those portions of his land affected by coal surface mining and reclamation operations for the time during which said portions of land are affected. The bond established pursuant to this subsection is in addition to the bond required by section 216 of this Act.

The CHAIRMAN. The Chair will announce the reallocation of time is 1½ minutes.

The gentleman from California is recognized for 1½ minutes.

Mr. JOHNSON of California. Mr. Chairman, members of the committee, the amendment that was just read is an amendment that was prepared by a staff of our committee, both the majority and minority. It was an amendment that was put together after the additional views were printed in the report by Messrs. Udall, Johnson of California, Taylor of North Carolina, Ruppe, and Martin of North Carolina.

As I understand it, these Members were already of the opinion that the amendment was very necessary to protect the rights of the surface as well as the subsurface.

Mr. Chairman, the amendment that was just read was quite clear. It was not drafted by myself. It was drafted by the experts and gone over by members of the staff of both the majority and the minority. We have had many discussions on it. I think the amendment would alter the provisions of the bill to make it more reasonable. It says, in effect, that where the subsurface coal rights are federally owned, anyone seeking to commence surface mining operations must either, one, secure the written consent or acquiescence of the surface owner to the extraction of the minerals through surface mining methods or otherwise.

I just want to say that this would do away with the veto power or written consent or the second dip from the consumers of the electrical energy in the United States.

COMMITTEE LANGUAGE

Mr. Chairman, section 709 of the committee bill gives to the owner of the surface absolute and complete control over the subsurface estate—even if that subsurface estate is owned by another person or the Federal Government. It says, in effect, that if the subsurface owner wants to exercise his right to extract any coal from the subsurface estate, he must first have the written consent of the surface owner.

JOHNSON AMENDMENT

My amendment would alter this provision of the bill to make it more reasonable. It says, in effect, that where the subsurface coal rights are federally owned, anyone seeking a permit to commence surface mining operations must either:

First, secure the written consent or acquiescence of the surface owner to the extraction of the minerals through surface mining methods or

Second, prove the execution of a bond which will assure the surface owner a right to compensation for any damages to his surface estate.

EXPLANATION

Mr. Chairman, if the Members of this House are serious when they say they recognize that we must allow coal to be mined in a reasonable and environmentally sound manner, then this amendment should be adopted. To enact H.R. 11500 with provisions like the existing section 709 would be totally irresponsible and constitutionally questionable.

Owners of subsurface minerals are property owners, just as much as owners of the surface are. My amendment recognizes the rights of both. The committee language disregards the rights of the subsurface owner and says "you cannot use or enjoy that which you rightfully own." In effect, if we enact the language of section 709 (a) and (b), we are saying that the owner of the subsurface can be denied his property without just compensation contrary to the Constitution.

Legally, when a person buys land and the subsurface estate is reserved, he buys it with knowledge of that fact. Presumably, the price he pays is reduced in proportion to the right reserved. For that reason, as between two private parties, my amendment gives no veto or extraordinary right to compensation to the owner of the surface. Where the subsurface owner is the Federal Government, the case may be a little different. For this reason, my amendment requires the consent of the surface owner or a bond to assure compensation for the losses incurred by the surface owner if surface mining occurs.

Now, Mr. Chairman, let us examine what can, will, and is already happening as a result of the committee language on this issue. First, if a owner of the surface does not want to allow the surface extraction of the coal under any circumstances, he has an absolute veto. He can refuse to allow the owner of the subsurface interest to remove any of his coal. On the other hand, he may decide that he will allow the extraction of the coal by surface mining if the price is right. In short, he will be able to deny the subsurface owner the right to his property unless he is paid enough to satisfy his own interest. This could border on extortion.

In some cases, however, speculators may move in—there is some evidence that this is already happening—and requiring an unfair profit for the limited interest which they own as the price which a subsurface owner must pay to have access to his own property. In other cases, competitors in the energy market—and this is important if we want to assure a competitive free market in the energy field—may buy the surface rights for a fraction of the cost of the subsurface rights. Then they could use this limited ownership as a lever to preclude the development of this subsurface resource.

So you can see how important this issue is. It is important to the owner of the subsurface estate, because it can effectually divest him of his property and destroy his investment. At the same time, it is important to all of us who recognize that we will need to develop more energy resources in the future, because it may mean that large coal deposits cannot be effectively developed. It is important to all Americans who will be the ultimate consumers of the coal produced, because they will have to pay the extra cost which will be attributable to the unjust enrichment of the surface owner and the cost of any inefficiencies which result from creating such a negative power in the surface owner.

CONCLUSION

Mr. Chairman, my amendment deals with this issue in an equitable manner. I do not think that we can intervene where private parties dealt at arms length and purchased either the surface or the subsurface estates. On the other hand, we can deal with the situation where the Federal Government permitted lands to be patented subject to a reservation of the subsurface minerals. My amendment gives the surface owner fair consideration by requiring anyone proposing to develop the subsurface coal resources by surface mining methods to secure the written consent of the surface owner or assure the surface owner that he will receive prompt and full payment for any damages he suffers as a result of the surface mining operations.

I hope that the Members of this House will agree with me that this is the only reasonable way to resolve the dilemma between owners where the surface and subsurface rights have been severed.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an outrageous invasion of the rights of property owners. What it is saying is that we are going to give any strip coal operator who may buy coal that the Federal Government owns the right of eminent domain over anybody's private property.

That is just one step from saying that I have to sell my farm in Ohio to some strip operator because there is coal under it, even though I own both the coal and the surface.

That is just one step. It is one foot in the door.

If we want to protect the people who own this property, then the strip operator, who is going to make millions and billions of dollars on that thick coal, ought to have to buy the surface or pay the owner whatever it is worth.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Yes, I will yield. I want to be fair, but I think the gentleman's amendment is terribly destructive of the rights of the people.

Mr. JOHNSON of California. I think the surface owner is protected under my amendment.

Mr. HAYS. He is not protected if he does not want to give up his farm or ranch or whatever, because the gentleman is giving these characters the right of eminent domain. Whether there is a 50-foot-thick seam of coal—out in Ohio they become multimillionaries on a 24-inch seam—the gentleman should figure out what they are going to become on a 50-foot seam.

This amendment ought not to get a single vote in this Chamber if there is anybody here who believes in human rights and property rights together.

Mr. RONCALIO of Wyoming. Mr. Chairman, I rise in opposition to the amendment.

Commanding every ounce of energy and whatever influence I may have in this body, I agree with every word that has been stated by my good friend, the gentleman from Ohio (Mr. HAYS).

I hold in my left hand three key decisions: One Circuit Court of Appeals, and of the Supreme Court's, and one of Tennessee, Texas, and Pennsylvania, in which the supreme courts of those States have affirmed that neither justice or equity in forcing the surface owner who has acquired his title by homesteading the land to have to go to court and let some judge assess the value of his home or tell him how many dollars are his and to move off his property as the strippers coal lease nullifies his patent or the deed to his land.

The Johnson amendment is outrageous to the people of the West, and I hope the Members vote it down with every vote here.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) is recognized for 1½ minutes.

Mr. ECKHARDT. Mr. Chairman, I agree with the last speaker and particularly with the gentleman from Ohio.

Clearly this amendment would create a sort of truncated eminent domain procedure by which the surface owner's interested in the property could be utterly destroyed by the mere assurance of the offering of a bond to pay him what may later be determined to be a tremendous loss to him.

There would have to be no determination of any kind of the relative importance of mining coal as against the surface owner's right to live on his property and use it for the purposes for which he has always used it.

When we abuse the power of eminent domain to destroy a man's homestead in order to produce more power, it seems to me that we simply go berserk in the direction of producing energy in this country at the expense of all other values.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent, Mr. DENT yielded his time to Mrs. MINK.)

Mrs. MINK. Mr. Chairman, one of the most important provisions, aside from the restrictions and regulations that we impose on the mining of coal, is this section here in 709.

Real property is the most treasured possession of an individual in our country.

Since we are dealing in this amendment primarily with Federal lands and Federal coal, it seems to me that it is imperative that the Congress address itself to the problems of what kinds of rights we are going to preserve for the surface owners; people who have been in possession of their land for many generations, who are farming on this land, or who are ranchers out in the far West.

These are people whose entire livelihood and style of living as well as of their families, will be in tremendous jeopardy if we do not provide adequate protection in this legislation. The bonding provision which is suggested in the amendment before this House is a sham. There is no way that a bond which may be released 10 years from now is going to provide any kind of consideration or payment for the losses that that family is going to have to sustain today when those tractors move in and start to remove the overburden.

Mr. Chairman, I believe that this House would be making a serious mistake if it jeopardized in any way the very careful language which was written into this bill to safeguard the fee simple ownership of the surface of the lands out West, and that is what this particular amendment will do.

We have provided an alternate provision where the surface owner is a mere lessee, and there we say that their rights can be adequately protected under a lease arrangement with bond protection. But where the surface owner is a private individual with rights in fee simple, it seems to me that it is imperative that the Congress recognize his primary right.

Mr. Chairman, these coal operators out in the West are not small operators. They are huge companies, and in large part they are owned by the oil industry. They are going to name their price.

We just concluded a hearing today before my subcommittee in which we were told that the annual lease for coal calls for less than one dollar per acre, and that these leases are issued in perpetuity. There is nothing the Congress or the Federal Government can do to terminate these leases.

So it seems to me that if coal is a

necessity in this country and if the people need to have energy these coal companies will come up with adequate compensation to buy these rights and provide funds for these families to move out of the area and find another farm to till the soil and to provide a living for their families.

Mr. JOHNSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Chairman, I will ask the gentlewoman this:

Is it not true that these mineral rights were owned by the Federal Government in the first instance, along with the surface rights, and the surface rights were conveyed to various people for certain purposes and certain uses? And does the gentlewoman not think that the mineral rights that are held in reserve for all of the people of the United States should be developed and used for their benefit?

I would say that the reclamation provisions of this act all apply. The reclamation provisions are there to take care of the lands after it is all through.

AMENDMENT OFFERED BY MR. HOSMER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment as a substitute for the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Hosmer as a substitute for the amendment offered by Mr. Johnson of California to the committee amendment in the nature of a substitute:

Page 287, line 10, strike out subsections (a) and (b) through line 2, page 228 and insert in lieu thereof the following and reletter accordingly:

(a) In those instances where the surface rights owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include either—

(1) the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods; or

(2) proof of the execution of a bond or undertaking for the use and benefit of the surface owner or owners of the land securing the prompt and full payment of any damages to surface estate, to the crops, to the tangible improvements on the land and to secure the income interest of the surface estate owner in those portions of his land affected by coal surface mining and reclamation operations for the time during which said portions of land are affected. The bond established pursuant to this subsection is in addition to the bond required by section 216 of this Act.

(3) Upon a determination by the regulatory authority that damages to the surface estate for which any bond or undertaking has been posted have occurred, the owner of the surface estate shall be paid upon said bond or undertaking eighty percent of the amount of said damages as calculated from the average amount of said damages determined by two Federal or State qualified and licensed appraisers, and the payment of any damages in excess of said eighty percent may be determined by an action brought upon the remaining value of the bond or undertaking or against the operator in a court of competent jurisdiction, and reasonable attorney fees and costs awarded in the discretion of the court.

Mr. HOSMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentlemen from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, my amendment extends to non-Federal as well as Federal lands and the surface owner consent provisions of section 709 of H.R. 11500, constitute a substantial shift of rights from the mineral owner of lands to the surface owner. The relative rights of the surface owner vis-a-vis the mineral owner are matters primarily within the purview of State law with respect to non-Federal lands. Federal interference or alteration of those rights could lead to unjust enrichment and invades the proper sphere of State power. The bill also grants new proprietary rights for compensation to permittees and lessees of the surface uses on federally owned lands, even though the permits and leases where issued subject to the right of the Government to issue mineral leases.

With respect to federally owned coal under lands the surface of which has passed into private ownership, the requirement for surface owner consent to surface mining without alternatives, such as bonding or agreement to compensate the surface owner for damages to his estate, is a "giveaway" of Federal coal rights to the surface miner. Under this provision, which is the recently adopted Melcher amendment, the surface owner has a veto power over the leasing and surface extraction of federally owned coal—unless, the coal lessee meets his price to enter and mine. The coal lessee is, then, required to pay twice for the same coal—first he must pay the Federal Government for the lease, including the royalties; and second, he must pay the surface owner.

Besides being unfair, in cases where Federal leases have already been issued, this provision raises several questions of constitutionality, including impairment of contract rights and the taking of property without due process of law and without just compensation.

With respect to Federal coal not yet subject to a lease, coal mine operators, mindful of this requirement to pay twice for the same coal and when considering the competitive market for coal, will be forced to lower their bids for Federal coal leases. Therefore, revenues to the Federal Government from coal leasing will likely be reduced, and the revenues to be returned to the States under the Mineral Leasing Act will also be reduced.

Furthermore, section 709 interjects Federal law into the complex Western water laws. Congress should avoid an interference with established water rights under existing water law in the various Western States because unintended results could cause enormous dislocations.

In any case, the surface owner is entitled to full compensation for actual damages to his surface estate, but no more. This is what my amendment provides—fair and prompt compensation for damages to the surface estate. As H.R. 11500 now reads, the surface owner of Federal coal lands has a veto power of the mining of this coal—coal owned by all the people.

Mr. Chairman, I urge adoption.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. Udall).

Mr. UDALL. Mr. Chairman, this is one of the major and hardest-fought of the battles connected with this whole legislation. I find myself here against the majority of the committee on which I serve. The committee decided to accept the Melcher amendment. I opposed the Melcher amendment, and I do so now.

Briefly, the history of this issue is that in the west is that homesteaders came out there and homesteaded, and they knew they were getting the ownership of the surface but the minerals—the coal—were reserved to the United States. Now much has been said about the intention of the Congress when the minerals were washdrawn. For at least one significant character involved in the debate, such in question was regarded as a policy issue to be decided by a future Congress.

In his 1907 message to Congress proposing the first reservation of rights in coal to the United States, President Roosevelt maintained that the real purpose of such a reservation was the ability to Congress to withhold premature action on the distribution of rights in the coal. Instead, the reservation would allow the development of the surface uses pending a decision as to how the fuel mineral could best be developed in the national interest.

> If this government sells its remaining fuel lands they pass out of its future control. If it now leases them, we retain control, and a future Congress will be at liberty to decide whether it will continue or change this policy. Meanwhile, the Government can inaugurate a system which will encourage the separate and independent development of the surface lands for agricultural purposes, and the extraction of the mineral fuels, in such a manner as will best meet the needs of the people and best facilitate the development of manufacturing industries. Transmitted to Congress by President Roosevelt, Congressional Record, Senate at 2806 (February 13, 1907).

Obviously, the emphasis was on: First, Congress' right to set policy in the future regarding development of the coal resources; and second, such policy should reflect the national interest in protecting the people's coal resources. It is doubtful that Roosevelt or Congress believed that action would eventually result in the argument that the surface owner should end up with vested rights in the coal.

This is what they get under the Melcher proposal they give the ranchers the right to say no.

One can see what will happen under the committee provision. The coal mining companies will come to the surface owner and say we need your consent, we would like to mine your land, and the rancher says, sure, give me $5 million.

So you would be giving him the right to prohibit that use of the coal that belongs to the people. You in fact give the surface owner the ownership of the coal. You will be paying for the coal twice—once to the operator and once to the surface owner for whom it is a windfall.

We had the strange business in the committee of the Sierra Club and the National Cattle Association ganging up on this one. The Sierra Club thinks they will stop the mining of all coal, and it will not. It will make millionaires out of the ranchers but it is doubtful that it is going to do much for the environment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. Slack).

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, the amendment offered by the gentleman from California was bad enough, but if you take the amendment offered by the gentleman from California (Mr. Hosmer), you will be raping the patient twice. That is in effect what is going to happen.

It is bad enough that you will take the land away from the surface owner, although the Government owns the coal, but as I understand the amendment, by eminent domain they can come in and take my land where I own the coal, and the surface. I say this is contrary to every element of democracy and decency that this country is founded on.

I would say to the gentleman from Arizona (Mr. Udall) do not cry too much about the coal operators or the Government, because out in those thick seams out there—and I am taking the average—at the present price of coal the operator will get a gross of $20 million an acre.

Now, I do not care if he has to pay the rancher a thousand dollars an acre for land worth $200 an acre. The gentleman calls it a windfall. Well, what do you call $20 million an acre, of which at least $15 million would be profit?

I have seen these instant millionaires all over Ohio.

All you are proposing to do by these two amendments is to take away from the people their own property and give it to a bunch of coal companies—no, let me change that, because most of the Government coal leases in the West are owned by oil companies. So you will give it to a bunch of the big oil companies who are already into your pockets up to their elbows and shoulders.

Have you read the profit statements that came out yesterday?

The CHAIRMAN. The Chair now recognizes the gentleman from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to these amendments.

We have been talking here today about property rights, and everybody forgets about the human rights that went into these United States of America.

This Nation through the Congress in this Chamber passed laws 100 years ago urging people to move West. The people went West. They settled there on the land, and they contributed to this great country because they put a lot of themselves into it. Now their grandchildren are farming that land, and maybe their great-grandchildren are farming that land.

The fact is that the Government of the United States retained the coal for all of the people, as the chairman of the committee pointed out, when he said that Teddy Roosevelt said the fuel lying under the soil belongs to the people.

The Government of the United States did this at a time when they did not know that these large strip mining machines would be moved in there. They did it in a day of hand shovels and Fresno scrapers drawn by horse.

Do not start weeping copious tears, or anything else, about the Government getting its share for all of the people, because all it gets is a lousy 6 cents for that coal that is mined.

We should trade that off against a lifetime heritage of the people who live in the West? I think not; I would hope not. I would hope that the people who have farmed and ranched and made this country what it is—even Teddy Roosevelt's ranch which lies in my State—would be protected and their heirs would be protected.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Ohio.

Mr. HAYS. I thank the gentleman for yielding.

The Government is getting 6 cents, and right now it will sell that kind of coal for $20 a ton.

Mr. ANDREWS of North Dakota. That is correct. And they can come in and negotiate with the surface owner. All we are saying is that the man who wants to mine the coal negotiate with the surface owner and say, "Can we come in and mine your coal?" When they reach an agreement, they can move the drag lines in.

Under this amendment, they can move the drag lines in, tell the surface owner they are going to mine the coal, and the cattleman can look out one morning and see his steers with drag lines moving in on them, wondering what happened to their pasture. Do not let the Government break faith with these pioneering people—vote down these amendments.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. Taylor).

Mr. TAYLOR of North Carolina. Mr. Chairman, as stated in additional views appearing in the report of the Committee on Interior and Insular Affairs on H.R. 11500, I cannot condone a requirement that the surface owner consent to surface mining where that ownership has been severed from ownership of the underlying coal.

Protection of the rights of a surface owner is important, but I believe if the committee bill goes unamended, the mere fact that a surface owner holds such rights over a coal deposit would result in large windfall benefits from property that he does not own. His veto over the right to mine someone else's coal will be worth whatever a mining company will pay for it.

The people of America need the energy which comes from coal. The people of America own vast resources of coal in many western States, title being in the Federal Government.

Language now in the bill gives a lucky surface owner a veto over the people's right to mine their own coal. Language now in the bill provides unjust enrichment to the surface owner at the expense of American consumers. It will add to the scarcity of coal and the high price of coal. The Johnson amendment will not only provide more coal and help keep coal prices down, but will prevent an inequity, will prevent windfall profits to a lucky few at the expense of all American citizens.

The Johnson amendment, which I support and urge adoption of, does two things:

First, where the rights in the coal have been severed and held by another party, this amendment removes any requirement that the consent of a surface owner be obtained.

Second, where the coal has been reserved to the United States, the amendment requires consent of the surface owner or the posting of a bond to cover the damages to a surface owner caused during the mining process.

This amendment will make it possible to mine coal where the land can be reclaimed and where the surface owner can be repaid for an injury he may suffer. But it will keep the cost of the coal so mined reasonable and uninflated by unjust enrichment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Chairman, I rise in support of the Johnson amendment. I want to point out, frankly, that the legislation at the present time in the East as well as in the West would require written consent. I speak of written consent in the East where the focus is on private minerals and private property owners. This amendment would overturn law in the East, both case law and State law. The question of written consent is handled either by law or by the courts in a number of these States—Ohio, Kentucky, and Pennsylvania, for example.

So the bill as written would overturn State law in a number of Eastern States in the United States and overturn court decisions where this problem of written consent has already been resolved.

I cannot help but add my comments to those of the gentleman from North Caroline (Mr. Taylor) regarding lands in the West. The legislation as it is on the books today would certainly require the consumers of this country to pay a second price for the minerals to the surface owners in the West. The value of those minerals is rising. The amount of money a surface owner in the West will collect from minerals he never owned is going to be a stupendous figure in years to come.

The Western surface owner who never owned those minerals is going to be paid more and more and more for the mineral values he did not own, and those moneys are going to come out of the hide of the American taxpayer. They are going to come out of the hide of the utility consumer. This is a great bill for the surface owner in the West who never owned the minerals, but God help the American taxpayer.

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. MELCHER).

(By unanimous consent, Messrs. OBEY and ROSE yielded their time to Mr. MELCHER.)

Mr. MELCHER. Mr. Chairman, this amendment is not just a bad amendment. These are black proposals. They are just as black as coal itself. Read it. There is nothing in there that has any basis in equity. It says written consent is not necessary if a bond is posted by the coal mining company. It has been touted as a means of holding down the cost of electricity.

I have documented a case in point concerning the Pacific Power & Light Co., and I shall place the facts concerning this documentation in the RECORD and only summarize now. I will only summarize by using their example that extinguishing all surface rights of an owner over federally owned coal in Montana and in Wyoming costs up to $1,000 per acre.

That is what they said, and I will accept that. I will not pass judgment on whether that is accurate or not but I will accept their $1,000 per acre figure for complete acquirement of the land and moving the owner off for the sake of illustration. I will accept that as the asking price and go from there. At that figure, the cost of acquiring surface rights comes to 1.8 cents per ton on typical coal leases. What does it cost per kilowatt? It costs 0.00001 cent.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I really do want to find out before any mine is put into being in the future that any geological reports are going to have to be submitted to the regulatory authority, the surface owner is going to know the value of those minerals, and he is going to collect for the full value of those minerals.

Mr. MELCHER. I thank the gentleman for his contribution, but that figure I just gave comes to two-thirds of 1 cent per month for the homeowner that uses the average of 600 kilowatts per month. That is what it costs a utility company paying the surface owner $1,000 per acre to get him off his land and then they mine the Federal leases of typical quantities of coal in Montana.

Who has the windfall?

I ask, would any citizen, any of us, my colleagues, like to be moved or pushed or shoved from our homes by a mining company that just posts a bond? How would the Members like to be forced to give up their home and their yard, their grass, their trees and their very livelihood by a coal mining company who need not negotiate with the owner, who need only post a bond and move the owner off?

None of us, no American would like that. That is not the American way, because that is giving eminent domain to a private company. I do not believe Congress or any State government has ever given eminent domain of such broad scope to a private individual, to a private company, against the property rights of a landowner. We have never dictated that in America. It is eminent domain when our Government ignores the property rights of landowners and gives a coal company the right to take land from a private property owner without his consent.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Missouri.

(By unanimous consent, Mr. BOLLING yielded his time to Mr. MELCHER.)

Mr. MELCHER. Mr. Chairman, these amendments are unfair. They are unscrupulous. They deserve only the depths of oblivion. I ask the Members to vote "no" on both of them. I ask the Members to vote both of them down and damn them to the blackest hole and the deepest darkness of the deepest mine.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, it is either we are going to vote this down or we are going to get MIKE MANSFIELD shoved down our throats.

It is one thing or the other. Nobody can live with that.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think one thing needs to be cleared up. Actually if one owns the surface rights, and that would include the Federal Government, the Federal Government has a right to access to those subsurface interests but only by reasonable means. If the amendment offered by the gentleman from California and even more so if the amendment to the amendment were passed, there would be no limitation whatsoever by which the property could be strip mined. The only result would be that the property could be completely scraped off and paid for, whereas common law access would have to be in accordance with the applied condition of obtaining the mineral interests.

So the greatest change in existing State law would be the passage of these amendments rather than the passage of the bill in its original form. Certainly it is a well-known proposition of constitutional law that one cannot take away the property right of the subsurface owner, he is entitled to his property, but he is not entitled to get to it in any way he wants to—to the destruction of the surface owner.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. If the coal company should decide to move in and exercise their subsurface rights to coal, what recourse does the surface owner and rancher have? Who is going to pay for his moving costs, the loss of his coal and the loss of his cattle and all the investments he has put in it? Is he expected to wait for the bond to mature 10 years later?

Mr. MELCHER. That is the crux of this thing. It is very crucial.

These amendments are not just bad amendments; they are black, black proposals, as black as coal itself.

They say written consent is not necessary if a bond is posted by the coal mining company.

It has been touted as a means of holding down the cost of electricity. I have documented a case in point concerning the Pacific Power & Light Co. I shall place the facts concerning this documentation in the record and only summarize now by using their complaint that extinguishing all surface rights of an owner of federally owned coal in Montana and Wyoming costs up to $1,000 per acre.

I shall not pass judgment on their complaint that $1,000 per acre for complete acquirement of the land and moving the owner off is the asking price of the landowner, but at that figure it comes to 1.8 cents per ton on typical Federal coal leases in that area and the cost per kilowatt is .00001 or comes to two-thirds of 1 cent for the 600 kilowatts that the average homeowner uses in 1 month.

We are talking about landownership that was acquired by homesteaders and the Federal coal reservation by Congress was made on these lands with the idea that only underground mining would be used if the land were mined. We are talking about a property right of these homesteaders when they acquired the title to their land.

How would any citizen, how would you, my colleagues, like to be moved, pushed, shoved from your home by a mining company posting a bond?

How would you, my colleagues, like to be forced to give up your grass, your trees, your house, your fields, your very livelihood by a coal mining company who need not negotiate, who need not consider you, who need not even take cognizance of you if they choose not to do so, who could merely write you a letter telling you of their plans and then post a bond and commence strip mining? That is eminent domain—no more, no less. No matter how you cut it, it is eminent domain.

We have not—in America—dictated eminent domain for strip mining purposes to coal companies. When has our Government ignored property rights for a private company to exercise at their pleasure? We must not do so now. This amendment is unfair, unscrupulous, and deserves only the depths of oblivion. I ask you to vote no on the basis of property rights of landowners. I ask you to vote it down and to damn it to a black hole as deep as the deepest, darkest coal mine.

Documentation material on these prints follow:

ALBERT W. STONE, UNIVERSITY OF MONTANA, SCHOOL OF LAW, KEY POINTS REFERRING TO THE SURFACE OWNER'S RIGHTS OVER FEDERALLY OWNED COAL

The most recent case was *Stewart v. Chernicky*, 1970 (36), in which Chernicky had strip mined and Stewart sought damages, alleging that his land had been stripped without right. The document in question was a 1902 deed that granted Chernicky the coal and the right of . . . mining . . . also the right to drain and ventilate said mines by shaft or otherwise . . . with a full release of and without liability for damages, for injury to the surface. . . .

The court found that the deed was not specifically for or against strip mining, but placed the burden of proof upon whoever seeks authority to destroy the surface. It acknowledged the general rule enunciated in the 1953 Rochez Bros. case and the 1961 Wilkes-Barre School district case that ambiguities and uncertainties should be resolved against the grantor, but it did not find that the deed gave rise to significant ambiguities and uncertainties. Rather, since strip mining was not common in 1902 when the deed was executed and since it incorporated such language as "ventilate said mines," it found that strip mining was neither intended nor included in the grant of the mineral rights.

Upon satisfactory proof of full compliance with the (several homestead, desert land entry, and stock-raising homestead laws) the entryman shall be entitled to a patent . . . which patent shall contain a reservation to the United States of all the coal in the lands so patented, together with the right to prospect for, mine, and remove the same. . . . (The language continues, reading nearly identically to the 1916 statute quoted below, authorizing licensees of the United States to enter, to prospect, and to mine, and to occupy so much of the surface as may be required, subject to payment of damages or the giving of a bond to secure damages ascertained by a court.) 1910 (38).

All entries made and patents issued under (stock-raising homestead) shall be subject to and contain a reservation to the United States of all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same. . . . Any person qualified to locate and enter the coal or other mineral deposits, or having the right to mine and remove the same under the laws of the United States, shall have the right at all times to enter upon the lands . . . for the purpose of prospecting . . . and shall compensate the entryman or patentee for all damages to the crops on such lands by reason of such prospecting. Any person who has acquired from the United States the coal or other mineral deposits in any such land, or the right to mine and remove the same, may re-enter and occupy so much of the surface thereof as may be required for all purposes reasonably incident to the mining or removal of the coal.

SCHILTZ BRIEF

The following are items which indicate that Congress contemplated the traditional mining techniques, using shafts, tunnels, and rooms, which would leave the surface undisturbed except for ingress, egress, stockpiling, railroads, waste dumps, etc.:

Congressman Lacey observes that if the surface and subsurface ownerships were severed the home steader would not be hurt—that the land would be *undermined*, except as to his buildings.

Colloquy between Congressman Lacey and Campbell of the Geological Survey, discussing ventilation plants, airshafts, and water shafts in connection with coal mines, none of which has anything to do with strip mining.

The Congress, based on the committee hearings and reports, contemplated that the reserved coal would be mined by the traditional shaft, tunnel and room method, with incidental damage to the surface for ingress and egress, shafts, dumps, rails, etc.

JULY 23, 1974.

DEAR COLLEAGUE: Last week we wrote of a problem that Montana, Wyoming, the Dakotas, Utah and Colorado have with the homesteaded land taken up by settlers after 1912, when the Federal government retained ownership of the coal underlying their land. The strip mine bill in Section 709(b) requires the consent of the surface owner of these homesteaded lands before it can be strip mined but, as Congress intended, would allow underground mining.

An amendment to allow coal companies only to put up a bond for surface damage and go ahead and strip mine is supported by some on the grounds that it would hold down the cost of electricity.

The facts are that a typical federal coal lease in Wyoming or Montana has 55,000 tons of coal per acre. Some utility companies complain that it costs $1,000 per acre to settle and extinguish all of the rights of the landowner. The cost per kilowatt generated by the coal underneath that one acre of land would be increased $.0000106. Of if measured the other way, if there were no payment to the surface owner the difference in an average home owner's bill using 600 kilowatts would be less than 2/3c per month.

For 2/3c per month, we urge you to support this surface owners' rights portion of the bill and resist weakening amendments that would, in effect, give coal companies the power of eminent domain, completely abridging the rights of the landowners.

Sincerely,

John Melcher, Teno Roncalio, Gunn McKay, Mark Andrews, Frank Denholm, Wayne Owens, Frank Evans, Patricia Schroeder.

Groups supporting our position are: AFL–CIO; National Farmers Organization; National Farmers Union; Environmental Policy Center and numerous environmental organizations; National Rural Electric Cooperative Association; United Auto Workers.

Cost to consumer when an electric company pays $1,000 per acre for the land over Federal coal:

55,000 tons/acre at $4.00/ton=$220,000 coal/acre—asking price for surface is $1,000 per acre at $1,000/acre=1.8 cents per ton.

Impact on the cost of a kilowatt of electricity:

The national average for coal-fired steam electric generation plants of the number of Btu's required to produce one kilowatt-hour of electricity in 1970 was 10,269 Btu's; for the Mountain region (Montana, North Dakota, Wyoming, South Dakota, etc.) this figure was 10,445 Btu's. Source: National Coal Association.

1,000,000 Btu÷10,269 kwhr=97 kilowatt-hours per million Btu's of heat.

Btu value of the Colstrip Mine coal is 8,750 Btu/pound or 8,750 Btu/lb.X2000 lb.= 17.5 million Btu per ton.

Thus, one ton of Colstrip coal can produce: 17.5 million BtuX97 kwhr/million Btu=1697 kilowatt-hours.

With an increase of 1.8 *cents* per ton (based upon surface value of $1,000) the cost per kilowatt-hour is:

.018000÷1697=$.0000106 per kwhr increase.

An average home uses about 600 kilowatt-hours of electricity per month, thus the increase in the cost of a ton of coal of 1.8 cents would amount to: $.0000106 per kwhr.X600 kwhr.=$.00636 or .636 cents per month or approximately ⅔ of 1¢ per month.

A CASE IN POINT

Mr. Chairman, the committee strip mine bill, H.R. 11500, as presented to the House protects property owners' rights where the coal under amended homestead laws are reserved for Federal ownership. Pacific Power & Light, a utility company that serves the Northwest including parts of Montana, Wyoming, Idaho, Oregon, Washington, and California contends that obtaining consent of the landowner to strip mine federally owned coal will force up the price of electricity.

They recommend condemnation procedures be legislated to settle landowners' interests that would expedite mining of coal they have under Federal lease. They have urged me to consider this alternative to protecting surface owners' rights in the manner that the bill now does it.

Condemnation by a coal company or an electric utility company to move aside a landowner and strip mine is a harsh remedy. Their motives should be examined as a case in point:

What does the land cost per acre?

How much coal per acre lies under the land?

How much return would the Government receive for the coal?

Pacific Power & Light has 15 Federal leases in Wyoming, and 5 in Montana which they share with Decker Coal Co. and Peter Kiewitt Co. I shall include with this statement a list of these leases, the acreage of each, and the date and method acquired as provided to me by the Bureau of Land Management.

Federal coal leases may be obtained through a preference right system or through competitive bonus bidding. In either case Pacific Power & Light is required to pay 50 cents per acre per year to retain each lease. On about half of their leases, obtained through competitive bidding, they paid a bonus of $1.01 to $2.28 per acre which, unlike the 50 cents per acre rental, is only paid once. One lease in Montana is held in the name of Peter Kiewitt Co. had a bonus payment of $18.25 per acre.

The Federal lease by itself does not assure Pacific Power & Light that they can mine the coal. First the Interior Department must approve a mining plan and then issue a mining permit.

Pacific Power & Light purchased 5,880 acres of land in Wyoming on some Federal coal leases that they hold. They are in the process, they say, of attempting to buy more land from the owners. While they have not contacted all the owners involved in their 27,146 acres of Federal coal leases in Wyoming, Pacific Power & Light officials say that some of the owners that have been contacted have requested settlements for sale of their land which include compensation for inconveniences, costs of moving, and for what they describe as fringe benefits which range from $750 to $1,000 per acre. That is what Pacific Power & Light would pay for ownership of the land and to completely eliminate any claims of the landowner.

How much coal is there per acre? Three of their leases picked at random in Wyoming and Montana, as reported by the U.S. Geological Survey have coal veins 21 to 43 feet thick lying underground from 26 to 150 feet. Current contract prices for such coal is around $4 per ton. That averages each acre of land covers 55,000 tons of coal.

Pacific Power & Light, and other companies with Federal coal leases, pays 50 cents per year per acre, and have some leases that they paid a bonus of $1 per acre or more, and will pay a royalty of 17½ cents per ton, or 6 percent of the value of the coal to the United States when and if it is mined. The value of the coal in the case in point is $220,000 per acre. So settling up with the landowner is going to drive up the cost of electricity? In the case in point, Pacific Power & Light is calling the price they are paying for the land and all incidental costs to remove all claims of the surface owner as excessive and inflationary. They have not contacted all of the landowners but object to the fact that the ones that they have contacted are asking as much as .4 of 1 percent of the value of the coal, or 1½ cents per ton, for coal that lies under the land. Windfall profit has been mentioned. The coal is federally owned, the lease costs are nominal, the royalty paid to the United States is 17½ cents per ton, or 6 percent, the coal seams are so thick production will run in a range around 55,000 tons per acre.

Windfall for whom?

The Western homestead land, if it is to be strip mined, needs to be protected by a firm Federal policy. A basic policy we have approved in the committee bill requires consent of the landowner to have his land strip mined for the Federal coal. That is step No. 1.

Then the Interior Department must overhaul their leasing policy, making it relevant to current values of coal, obtain environmental impact statements as required by law, prevent coal leases from being obtained and held by speculators contrary to the public's interest and provide for realistic return to the Federal Government, 17½ cents per ton is too low for coal worth $4 and more per ton. The Interior Department is now proposing 6 percent of the value as an alternative royalty and that is still too low.

Interior Secretary Rogers Morton is preparing a new policy for U.S.-owned coal known as the Energy Minerals Allocations Recommendations System which he launched several months ago. An environmental impact statement is being circulated. Public hearings will be held in Salt Lake City, Billings, Casper, and Denver in August and comments will be received until August 30. A moratorium on new Federal coal leases and approval on mining plans and mining permits began in early 1971, except for a few ongoing operations where it was necessary to approve new mining permits to avoid shutting down a mine.

The public interest in what is to happen to our public lands and where they are to be strip mined for coal, must be protected in the new policy that is being developed. I have called oversight hearings for August 12 and 13 to be held by the Public Lands Subcommittee of the Interior Committee to receive testimony from the Interior Department and the public as to the affect of the development of the Energy Minerals Allocation Recommendations System.

I believe it is timely and pertiment to chart the development of Federal coal—establish the guidelines. This bill H.R. 11500 can set those guidelines for reclamation and protection of our land and water by strong and clear language. It must also protect private property rights of individuals, and I believe it unjust if we did not assure landowners the right to protect that surface—and the right to deny consent for it to be stripped instead of mined by underground methods. It is not going to break the coal companies, the utility companies or anyone else to allow them a penny or two per ton of coal for being uprooted to start a new enterprise and a new life.

I include the following:

State and serial No.	Acreage	Type lease		Date issued
		Competitive	Preference	
LEASES—PACIFIC POWER AND LIGHT CO.				
Montana:				
1. M057934	720.0	×($1.015)		Oct. 1, 1963
2. M069782	2,346.7	×(1.01)		July 1, 1965
Total	3,066.7			
DECKER COAL CO. LEASES				
Montana:				
1. M057934-A	1,840.5	×(1.015)		Oct. 1, 1963
2. M061685	2,360.2	×(1.00)		Mar. 1, 1964
3. M073093	9,409.5	×(18.25)		Aug. 1, 1966
Total	13,610.2			
Wyoming:				
1. W2727	2,880.0		×	Oct. 1, 1969
2. W2728	1,280.0		×	Do.
3. 0321780	2,908.0	×(1.17)		Dec. 1, 1966
4. 0322255	1,869.0	×(2.00)		Do.
5. 0312917	480.0		×	Apr. 1, 1967
6. 0312918	3,779.0	×(2.28)		June 1, 1965
7. 0313558	4,276.0		×	Jan. 1, 1968
8. 0313559	640.0	×(2.28)		June 1, 1965
9. 0244167	1,803.0	×(1.31)		June 1, 1963
10. 092140	671.0		×	July 1, 1962
11. 092141	2,480.0		×	Do.
12. C054769	120.0	[1] ×		May 31, 1963
13. 038597	1,400.0		×	Aug. 1, 1958
14. 038602	2,000.0		×	June 1, 1956
15. 041355	560.0	×(1.26)		July 2, 1956
Total acres	27,146.0	11,679	15,467	

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[1] No bonus.

LEASES BY PACIFIC POWER AND LIGHT CO. AND DECKER COAL

MONTANA

1. Private leases, 2, 200 acres.
2. State leases, 8, 2,760 acres.
3. Federal leases, 3, 16,676 acres.

WYOMING

1. Private leases, 1, 13,960 acres.
2. State leases, 17, 16,800 acres.
3. Federal leases, 15, 27,146 acres.

Total acres leases in Montana and Wyoming, 78,210 acres.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) as a substitute for the amendment offered by the gentleman from California (Mr. JOHNSON) to the committee amendment in the nature of a substitute.

The substitute amendment to the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHNSON) to the committee amendment in the nature of a substitute.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Alaska to the Committee Amendment in the Nature of a Substitute: Page 290, after line 17 insert the following:

ALASKAN SURFACE COAL MINE STUDY

SEC. 713. (a). The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine the best set of surface mining regulations under which such mines should operate. The study shall—

(1) identify variations and differences between surface mining conditions in Alaska and surface mining conditions in the Lower 48 with respect to the environmental protection standards in this Act;

(2) identify suitable surface mining standards to assure that post-mining land use is compatible with the habitat, and surrounding terrain;

(3) identify impacts on the environment which could be engendered by current surface mining technology and identify how or if these impacts can be mitigated through the use of alternative mining technologies.

(b) The Secretary is to make a report to the President and Congress on the findings of the study no later than 24 months after the date of enactment of this Act;

(c) The Secretary shall include in his report a draft of Federal regulations to be promulgated to govern surface coal mining operations on Federal lands in the State of Alaska, and a draft of those regulations to use as a standard for determining the adequacy of an Alaskan State program for the regulation of surface coal mining operations;

(d) The draft regulations contained in the report are to be promulgated for comment by the public and other interested parties pursuant to this Act within 12 months of submission of the report to Congress. After considering such comments submitted and revising such regulations as appropriate, the Secretary shall promulgate such standards governing surface coal mining operations in the State of Alaska.

(e) Until the Secretary has made his report to the President and Congress and has promulgated Federal regulations on coal mining operations on Federal lands in Alaska, this Act shall not apply to the State of Alaska.

(f) There is hereby authorized to be appropriated for the purpose of this section $500,000.

Mr. YOUNG of Alaska (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman, I offer this amendment for actually a study, a 3-year delay of any section of this act for the State of Alaska. We are dealing primarily with a State that is 97 percent owned by the Federal Government, yet has a vast quantity of coal.

I have a letter from the Bureau of Mines in which it is stated under this bill, to their knowledge, it would be nigh on to impossible to do any strip mining in Alaska, due to the climatic conditions and the terrain.

All I am asking in this amendment is for a study of 3 years' time and the report of the Bureau of Mines be submitted to the Congress at that time to tell us what this bill will do to the State of Alaska as far as the mining of coal.

We are talking about the last amendment offered. That amendment would not affect the State of Alaska, but it is all federally-owned. I think the way the present bill is written, it would be nigh on to impossible to take any of that coal. I think it is very important that this amendment be adopted to the bill.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Does the amendment of the gentleman in any way affect the other aspects of the bill with respect to the implementation of the regulations and the interim program and all the other matters related thereto?

Mr. YOUNG of Alaska. It does not affect them. What it would do is give them a 24-month study program, plus a 12-month period of submission of the report to Congress.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Alaska (Mr. Young) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. PEPPER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. PEPPER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Pepper to the committee amendment in the nature of a substitute: Page 286, after line 23, insert the following:

RESEARCH AND DEMONSTRATION PROJECTS ON ALTERNATIVE COAL MINING TECHNOLOGIES

Sec. 708. (a) The Secretary is authorized to conduct, and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep coal seams, and such other means of mining as may be recommended in the studies authorized under section 704; and

(2) safety and health in the application of such technologies, methods, and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $50,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

And renumber the succeeding sections accordingly.

The CHAIRMAN. The gentleman from Florida (Mr. Pepper) is recognized for 1½ minutes.

Mr. PEPPER. Mr. Chairman, all this amendment does is to authorize the program of research in respect to improving the techniques of mining which are recommended by the Bureau of Mines of the Department of the Interior.

We do not have at the present time—due to the fact that other energy bills have not become law—we do not have authorization for that type of expenditure. I think we ought to provide the basis for future appropriations when it seems desirable by the Appropriations Committee and is approved by the Congress to increase the production of coal in the Nation—so essential to our well-being and security.

I ask consideration of the matter by the distinguished gentleman from Arizona (Mr. Udall) handling this bill.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, do I understand that the Bureau of Mines now does not have sufficient research funding authorization, or no funding authorization over the particular area the gentleman outlined?

Mr. PEPPER. That is correct. In fact, when we had the Interior appropriation bill here in respect to improving coal mining technology a little bit ago, they had to get a waiver of points of order for the Appropriations Committee to present an appropriation of $46 million in fiscal year 1975, because there had not been an authorization.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this adds specific research authority to and strengthens the general research authority in the bill. We have got to get going to find new means and methods to deal with coal mining problems and this authority is an essential step.

Mr. PEPPER. That is right.

Mr. UDALL. Mr. Chairman, I think this is a good amendment and I am going to support it.

Mr. PEPPER. Mr. Chairman, this Congress has an opportunity to shape a national policy for the development of coal to meet our present and future energy needs which can be both economically and environmentally acceptable. The issue of regulation of surface coal mining has been debated for too long now and the damage of the past mining operations is testimony to the need for this legislation.

Strip mine coal production has been on the increase since the end of World War II and it now contributes almost one-half of the Nation's coal output. In 1943, the total coal production of 590 million tons was identical to the coal industry's output last year. However, deep mined coal contributed 200 million more tons in 1943 than in 1973. This shift in mining methods over the 30-year period has resulted in the closing of many hundreds of deep mines and the loss of almost 275,000 skilled underground coal miners.

This situation cannot persist if this Nation is to regain, once again, a self-reliance upon its own resources for energy generation. In the very near future we are going to have a critical need for those 275,000 deep miners as well as the technical expertise necessary to manage an efficient, highly productive deep mining industry. Despite all the excitement over the availability of easy-to-reach strippable coal reserves in the West, it is the deep minable reserves of coal which will pull this Nation through the tightening world energy shortage. But, this will not come about with a casual approach to revitalizing the underground coal mining industry. It will require great sums of money for the research and development of more efficient, safer methods of mining the coal and getting it to the consumer. Underground coal mining must be given incentives in the East and in the West. In the words of Russell E. Train, Administrator of the Federal EPA.:

> The sooner we can make underground mining more economically attractive, more technologically feasible and more socially acceptable as a way of life, way of employment, the better off we're going to be. The underground reserves are by all odds the predominant sources that we have. We're going to have to get at this in any event.

The strip mining industry has enjoyed a competitive advantage over the deep mining industry since the passage of the Federal Coal Mine Health and Safety Act of 1969. That act has brought about great changes in the deep mines of America and the problems that plagued that industry in the past are fast coming under control. This has come about with new hardships placed upon the operators of the deep mines. The safety regulations are expensive and have resulted in a decrease in productivity but the benefits to the miners cannot be calculated and the costs of energy must include the costs of worker safety and evironmental protection as a part of the real cost.

The additional operating expense has caused the price of deep mine coal to rise above the cost of strip mined coal. Combine this with the fact that until recently the strip-mine operator has been able to externalize some of the operating expenses by doing partial reclamation or no reclamation at all because of weak reclamation laws in the various States, and it is easy to see why there has been a steady increase in strip mining.

Now the United States has turned its attention to coal as a primary fuel to meet our energy needs. Coal was the fuel for the railroads, mills, homes, steel foundries, and electric powerplants until diesel fueled locomotives and the cheap natural gas and imported oil undercut much of the coal market. But, that situation is beginning to reverse itself with the insecurities of importing oil, the growing shortages of natural gas, and the commitment toward energy independence and greater reliance upon our own resources for energy. Coal may once again become the king of fuels.

The President, the Federal Energy Agency, other Federal agencies, and the energy industry are working to map out strategies for greater reliance upon coal for the short- and long-term future energy demands of the country. This has brought about a variety of plans and an equal number of opposing views as to the means by which this Nation will mine its coal. For some of the coal industries there is a strong emphasis upon the thick, shallow, western seams of subbituminous coal found in the northern Great Plains States and in the Southwest. While others maintain that the coal should be mined from the traditional coal fields of Appalachia and the Midwest. We have all heard by now, the arguments from both sides on the controversial shift of the coal industry from the traditional coal fields of the East to the new, undeveloped strip mines of the West.

I want to see the Nation meet its energy demand with clean, environmentally safe and economically acceptable fuels. But, I am also concerned with the whole picture and it causes me concern to see the planners of our energy future running off in one direction which may lead us to another fuel crisis somewhere around the turn of the century.

Not too long ago we witnessed the birth of a natural gas industry in this country and before we knew it everyone was plugging into the natural gas transmission system. There was no great concern for the lifespan of the gas reserve back then. We looked upon it as an inexhaustable resource. Electric generation plants were fueled with the natural gas and no one questioned that it might be an inefficient use of that clean fuel. Now, we are being told that there may not be enough natural gas for sections of the county to add new customers and the Federal Power Commission requires the curtailment of gas during the winter months to certain types of customers.

We may have an analogous situation with our coal reserves. On the one hand we are told of the abundance of our coal deposits; enough to fuel the Nation for centuries. According to the figures I have seen, I would agree with those estimates. The U.S. Geological Survey has estimated that we have about 1.5 trillion tons of coal under our lands and these are only the identified deposits. The total coal resources may be as high as 3 trillion tons. Any way you look at it, we do have many centuries of coal supplies. But that should not cause us to go about the mining of that coal in a haphazard manner without first evaluating all of the impacts associated with that policy. We have learned that the quickest and the easiest methods of energy development may not always be the best for the Nation.

I have a copy of the background paper of the coal extraction research and development program devised by the Interior's coal extraction task force in which they have made startling conclusions regarding the nature and extent of our coal reserves. I would like to submit for the RECORD, the section which deals with various coal mining strategies that might be followed by the coal industry as a means of supplying our increasing coal demands.

The report analyzed the coal reserve base according to strip mine and deep mine reserves. Of the total coal in the ground, the report estimated that 193 billion tons are easily accessible to mining with the West holding about 36 percent of the reserves and the Appalachian and Midwestern fields holding the remaining 64 percent. Moreover, only 22 percent of this coal can be strip mined and 78 percent can only be recovered by deep mining.

It discussed the projections of the Nation's future energy demand. Using an annual energy demand increase of 4.2 percent, the 1985 coal demand was estimated to be roughly equivalent to 2 billion tons. That is more than triple the 1973 coal production for the entire Nation. It would require increasing coal production by about 12 percent per year and doubling of coal production by 1980.

Two alternative coal mining production strategies were evaluated. Strategy 1 was a maximum reliance upon surface mining to achieve the stated coal demand.This assumes that production from the western surface reserves will expand from 50 million tons in 1972 to 1.4 billion tons by 1985. Surface mining in the East will increase modestly from 250 to 380 million tons and underground mining in the West will not be initiated and eastern deep mining will not expand from its present 300 million tons.

Strategy 2 balances the increased production between regions and mining methods. Surface mining would increase initially but after 1980 would be reduced by relying more heavily on deep mining in both the East and West. Eastern deep mining is assumed to double to 600 million tons by 1985 and after 1985, large increments of western deep mine coal development are made. By 2000, some 200 million tons are assumed to be available from this location. Conversely, production from surface mines in the East is being steadily reduced after 1985.

I should mention that since strategy 1 relies upon the lower heat value of western coal, it will require mining about 3 billion tons more than strategy 2. At the 1973 average of $7.07 per ton, that means an additional cost of more than $21 billion between now and the year 2000.

The conclusions of the task force were that strategy 1 would exhaust the current surface mine reserves in the West by 1986 and about 67 percent of the eastern strippable reserves.

Strategy 1 was determined to cause rapid regional changes and exhaust a very high portion of surface coal reserves in both the East and the West by the year 2000, threatening rapid decline in surface mine development after the turn of the century. Thus, it would cause an initial rapid transition which may be followed by a rapid downturn. That, of course, is the "boom and bust cycle" which has plagued certain industries and regions of the country. According to strategy 1, the coal in the western strip mine fields would be mined out before the mortgage was paid on the strip mine worker's home.

For the above reasons, strategy 1 could not be depended upon to maintain the needed production output from 1986 to 2000 and was found unacceptable as a coal mining policy. Whereupon, the task force began to design a research and development program which emphasized the mining of deep mine coal reserves.

In keeping with the conclusions of the coal extraction task force and the findings and purpose section of this legislation, I have introduced an amendment to authorize the appropriation of $50 million, annually, for the research and development of alternative means of mining coal which can provide the Nation with the necessary coal to meet our fast-growing demand.

The deep mine industry is going to be called upon to carry a greater share of the coal production and this will require larger, more efficient mines, using the latest technologies developed in the more advanced European deep mines. The productivity of the mines must improve as well as the safety procedures, equipment, and training programs for the miners. This will require a firm dedication on the part of the coal industry and the Federal Government. This will require the expenditure of many millions of dollars but the benefits to the Nation will be felt as new technologies come on line which will reduce the operating expenses through more efficient mining thus lowering the cost of deep mine coal.

A research and development program for deep mining should include funds for the design of new mining systems which will increase the productivity from the present 12 tons per man-shift to 30 tons per man-shift.

Longwall and shortwall mining systems, being implemented in European mines are beginning to win acceptance in U.S. underground mines. Additional study to determine greater applicability of this innovation in U.S. coal fields will aid in determining for coal mine operators where the longwall system can be used.

Remote control operation of mining equipment, such as the continuous miner and roof bolter, will substitute human control for remote control in dangerous mining operations.

Continuous haulage systems designed to carry the coal mined from the face of the coal seam to the preparation plant outside the mine will do much to speed up the underground mining operation by allowing continuous mining of the coal with no downtime for coal transfer. Since coal handling in the mine is one of the principal bottlenecks in today's underground production, success in this area will have extremely high benefits.

Mining systems for deep mining of western coal seams must be designed for the efficient mining of the thick coal and lignite beds of the West which must be added to the Nation's recoverable reserve category.

Another innovation which must be funded is the recovery of methane gas from unmined coal seams prior to the mining operation. Methane gas is another of the major impediments to increases in present productivity. In some areas 40 percent of the downtime of the face equipment is due to shutdown of the equipment when methane gas builds up to the danger level. Under the earlier research it was discovered that the methane gas could be pumped from the coal seam before mining begins. The gas could be piped to eastern markets and the revenue used to pay the cost of opening the future deep mine. If successful this could double the Nation's gas reserves and eliminate a key impediment to productivity and a major safety hazard in underground mining.

Dr. Thomas V. Falkie, Director of the Bureau of Mines, recently announced the expenditure of over $46 million for fiscal year 1975 for making existing technology in deep mining more productive and for devising the type of technology that will be needed for producing coal from deep coal deposits.

My amendment will provide $50 million, annually, for the next 5 years, after fiscal year 1975, to provide the answers to the problems facing the deep mining industry in this Nation. As we go forth to pioneer new advances in the deep mining industry we can be assured of a long lasting, secure energy source in the deep mine reserves of coal in this Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 26; noes 6.

Mr. HOSMER. Mr. Chairman, inasmuch as this is a $50 million a year appropriation, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. EVANS OF COLORADO TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. EVANS of Colorado. Mr. Chairman, I offer three amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. EVANS of Colorado to the committee amendment in the nature of a substitute: Page 287, line 9, strike out "protection of the surface owner" and insert in lieu thereof "protection of the surface owner and owners of water rights".

Page 288, beginning on line 23, strike out "affect the hydrologic balance of water on or off site," and insert in lieu thereof "adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water,".

Page 289, strike out lines 3 through 15 and insert in lieu thereof the following:

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(e)(1) An owner of water rights adversely affected may file a complaint detailing the loss in quality and quantity of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered pursuant to section 219(b)(2);

(B) within 30 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water, in like quality, quantity, and duration, within 30 days if the loss of such water was found to be due to the surface coal mining operations; and

(D) order the suspension of the operator's permit for failure to replace such water until such time as the operator has provided the substitute water supply.

(f) Nothing in this act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

Mr. EVANS of Colorado (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(By unanimous consent, Mr. JOHNSON of Colorado yielded his time to Mr. EVANS of Colorado.)

Mr. EVANS of Colorado. Mr. Chairman, the first amendment amends the title on page 287 to say "protection of the surface owner and protection of water rights."

On page 288 I just have one word. In the third line from the bottom I insert the word "adversely," so we are saying "adversely affect the hydrologic balance."

On page 289 after all of subsections (2) and (3), I insert the real meat of this amendment.

What I am talking about here is very much in line with what we just talked about and disposed of as it related to the manner in which we deal with the owners of surface land.

This body has said that it does not want to have the rights of the owners of surface land condemned by the use of a bond in the hands of the coal operators. I am saying the same thing here as it relates to the owners of water rights.

In my part of the country and in the arid West, land is not worth a dime unless you can have water which you can use or apply to it for a beneficial use. This has been the *means* by which the West was settled. Without it, we would not exist.

These are important property rights. If someone comes along to surface mine coal and one alleges he owns water rights and that the proposed mining is going to adversely affect these water rights, under my amendment he can go to the authority and so complain.

The authority then has the obligation of determining whether or not the surface mining of coal will adversely affect the water rights.

If it does, then it says in my amendment that, first of all, there should be a 30-day period of time within which to issue a specific written finding. If it does find that the water rights would be adversely affected, the authority has the right under subsection (D) to order a suspension of the operator's permit for failure to replace such water until such time as the operator has provided a substitute water supply.

In my last section, I simply say—

> Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable state law, his interest in water resources affected by a surface coal mining operation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I will be happy to yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I would strongly oppose the gentleman's amendments for the same reason that I opposed the committee provision that Mr. JOHNSON of California wants to strike. They are not parallel.

The Melcher amendment, now in the bill, says that one has to get the surface owner's consent before he mines. What the amendment of the gentleman from Colorado does is to say that one has to get the consent of the owners of the water rights, people who have water rights, before anyone can mine.

I would hope that we would have a bonding provision covering both, first, owners' property rights and then owners' water rights, if we are going to deal in a uniform way with both.

For that reason, Mr. Chairman, I cannot support the gentleman's amendments.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I understand the gentleman's concern.

It would appear to me, however, that the value of the minerals in the western lands where the Federal Government owns those minerals is going to be paid for three times. It is going to be received once by the Federal Government when the minerals are sold. The minerals are going to be paid for a second time to the landowner, and now it looks as though the water rights owners will get a third grab at the value.

People who pay electricity bills are going to pay threefold for the value of the western minerals, once to the Government, once to the landowner, and then to the owner of the water rights.

Mr. EVANS of Colorado. If any companies are allowed to take, by virtue of a simple bonding procedure, land including the water rights, the entire manner of living and way of life of the West is going to be tragically changed, not only tragically changed, but I think permanently changed.

I cannot recommend to my colleagues in the House more strongly the need for the adoption of my amendment.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Let me say this: I am as big a cowboy as anybody here, and probably as much involved in my constituency in landownership. However, in my view, we are doing a tremendous disservice to the average landowner and average water owner.

Under existing law, there is a great deal of protection for both the water owner and the landowner, and just to put a loaded gun in the hands of the water owners and landowners, to me certainly would be unworthy of this House, in spite of all the great rhetoric.

Mr. EVANS of Colorado. Mr. Chairman, I understand the position of the gentleman. However, I will say that with the authority established here in this bill as National Federal policy, they may say to those who seek to strip mine coal, "We will give you, through the bonding provisions, the right to condemn a man's water rights if you pay him for it." That may answer, by force of a hand, that man's damages, but in the process it affects many other people and jeopardizes their way of life in an area where water is extremely short; it affects the rights of many others in the States besides the owners of water rights.

Mr. Chairman, I hope that the Committee will accept my amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Colorado (Mr. EVANS) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENT OFFERED BY MR. STEIGER OF ARIZONA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. STEIGER of Arizona. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Arizona to the committee amendment in the nature of a substitute: page 287—line 9—strike SEC. 709 And Insert the following:

SEC. 709. PROTECTION OF THE SURFACE OWNER.—(a) Except as provided in subsection (b) of this section, in those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface mining operations the application for a permit shall include the following:

(1) the written consent of, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface mining operations on such land, or, in lieu thereof.

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the surface owner or owners of the land, to secure the immediate payment equal to any damages to the surface estate, which the operation will cause to the crops, or to the tangible improvement of the surface owner as may be determined by the parties involved or as determined and fixed in an action brought against the permittee or upon the bond in a local court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation by this Act.

(b) All coal deposits, title to which is in the United States, in lands with respect to which the United States is not the surface owner thereof are hereby withdrawn from all forms of surface mining operations and open pit mining, except surface operations incident to an underground coal mine.

Mr. STEIGER of Arizona (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

(By unanimous consent, the following Members yielded time to Mr. STEIGER of Arizona, as follows: Mr. SKUBITZ, 40 seconds; Mr. HECHLER of West Virginia, 30 seconds; and Mr. MILLER, 1½ minutes.)

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, it is ironic that we find ourselves in this position. I will tell the Members, for those Members who are not aware of the situation, that this amendment is the infamous Mansfield amendment. This amendment is offered exactly as written. I am sorry the staff did not catch that.

I offer this amendment because I am convinced that the language that is now written in the bill is completely unacceptable. The Mansfield amendment, for those Members who may not understand it—and I hope I have the attention of at least some of the Members—prohibits mining on any Federal land, any public land. It is an amendment which passed the Senate in overwhelming fashion.

It is my firm contention that this bill is in such a terrible condition now that the only way to insure a veto is to agree to the Mansfield amendment at this point. That is my purpose for introducing this amendment.

I will tell my friends who believe in no mining that this is an excellent chance for them to strike a blow for the position which they support. It also seems to me that it is going to be very tough on those "deep-breathers" among the Members who support the no-mining or limited-mining concept.

If indeed the Federal lands belong to these deep-breathers, this is the chance for Members who support their position to strike a blow for the protection of those lands, and if we accept this amendment and it is agreed to in exactly the the same form it is in the Senate, the conference will not be able to take it out, and we will have permanently locked up the Federal lands, to the joy of every deep-breather in the country and, I expect, to the despair of every consumer in the country. We now have our chance to fish or cut bait.

Mr. Chairman, there are some Members who have told me the President would not veto this bill with this in it. I will tell the Members I am the last one to stand here and predict what the White House will or will not do. I will tell the Members the President has not consulted me on this matter, nor on any other matter, I wish the record to show.

However, Mr. Chairman, it is a very serious amendment, and I do hope that those Members who want to protect the land will vote "aye" on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, I shall only take a few seconds to say that I do not believe the amendment is offered in all seriousness, and it strikes me as odd that it would be offered by the gentleman from Arizona (Mr. STEIGER).

I must, however, also point out that it does contain the provision as to eminent domain that we just voted down in our previous vote.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. STEIGER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. STEIGER of Arizona) there were—ayes 8, noes 29.

So the amendment to the committee

amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia to the committee amendment in the nature of a substitute: On page 287, line 8, strike out the period, insert a comma and add: "including recommendations for increasing the production from underground coal mines"

Mr. HECHLER of West Virginia. Mr. Chairman, this merely adds to the annual report section a stipulation that the Secretary should submit recommendations for increasing the production from underground coal mines. In view of the fact that the overwhelming reserves of our coal are coal reserves of underground coal, it would seem to me that this would be the kind of an innocuous amendment that the committee would be enthusiastic about.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, we are enthusiastic about it, and we accept it. We think we ought to encourage underground mining at the same time we are responsibly surface mining.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. HAYS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HAYS. Mr. Chairman, I have a published amendment which I offer to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HAYS to the committee amendment in the nature of a substitute: Page 290, after line 17 insert the following two new sections.

PREFERENCE FOR PERSONS ADVERSELY AFFECTED BY THE ACT

SEC. 713. (a) In the award of contracts for the reclamation of abandoned and unreclaimed mined areas pursuant to title IV and for research and demonstration projects pursuant to section 707 of this Act the Secretary shall develop regulations which will accord a preference to surface mining operators who can demonstrate that their surface mining operations, despite good-faith efforts to comply with the requirements of this Act, have been adversely affected by the regulation of surface mining and reclamation operations pursuant to this Act.

(b) Contracts awarded pursuant to this section shall require the contractor to afford an employment preference to individuals whose employment has been adversely affected by this Act.

ASSISTANCE TO PERSONS UNEMPLOYED AS A RESULT OF THIS ACT

SEC. 714. (a) The President is authorized and directed to make grants to States to provide to any individual unemployed, if such unemployment resulted from the administration and enforcement of this Act and was in no way due to the fault of such individual, such assistance as the President deems appropriate while such individual is unemployed. Such assistance as a State shall provide under such a grant shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment in the area caused by such administration and enforcement continues (but not less than six months) or until the individual is reemployed in a suitable position, but not longer than two years after the individual becomes eligible for such assistance. Such assistance shall not exceed the maximum weekly amount under the unemployment compensation program of the State in which the employment loss occurred and shall be reduced by an amount of private income protection insurance compensation available to such individual for such period of unemployment.

(b) The President is authorized and directed to make grants to States to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by any such unemployment, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the employment loss. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c)(1) Whenever the President determines that, as a result of any such employment loss, low-income households are unable to purchase adequate amounts of nutritious food the President is authorized, under such terms and conditions as it may prescribe, to distribute through the Secretary of Agriculture coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964, as amended, and to make surplus commodities available.

(2) The President, through the Secretary of Agriculture, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the employment loss on the earning power of the households to which assistance is made available under this section.

(3) Nothing in this subsection shall be constructed as amending or otherwise changing the provisions of the Food Stamp Act of 1964, as amended, except as they relate to the availability of food stamps in such an employment loss.

(d) The Secretary of Labor is authorized and directed to provide reemployment assistance services under other laws of the United States to any such individual so unemployed. As one element of such reemployment assistance services, such Secretary shall provide to any such unemployed individual who is unable to find reemployment in a suitable position within a reasonable distance from home, assistance to relocate in another area where such employment is available. Such assistance may include reasonable costs of seeking such employment and the cost of moving his family and household to the location of his new employment.

(e)(1) The President, acting through the Small Business Administration, is authorized and directed to make loans (which for purposes of this subsection shall include participations in loans) to aid in financing any project in the United States for the conduct of activities or the acquisition, construction, or alteration of facilities (including machinery and equipment) required by the administration or enforcement of this Act, for applicants both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality (including units of general purpose local government) is directly concerned with problems of economic development in such State or subdivision, and which have been certified by such agency or instrumentality as requiring the loan successfully to remain in operation or at previous levels of employment.

(2) Financial assistance under this section shall be on such terms and conditions as the President determines, except that—

(A) no loan shall be made unless it is determined that there is reasonable assurance of repayment;

(B) no loan, including renewals or extension thereof, may be made hereunder for a period exceeding thirty years;

(C) loans made shall bear interest at a rate determined by the Secretary of the Treasury but not more than 3 per centum per annum;

(D) loans shall not exceed the aggregate cost to the applicant of acquiring, constructing, or altering the facility or project;

(E) the total of all loans to any single applicant shall not exceed $1,000,000; and

(F) the facility or project has been certified by the regulatory authority as necessary to comply with the requirements of this Act.

(f) Where the loss, curtailment, removal, or closing of any industrial or commercial facility resulting from the administration and enforcement of this Act causes an unusual and abrupt rise in unemployment in any area, community, or neighborhood, the Small Business Administration in the case of a nonagricultural enterprise and the Farmers Home Administration in the case of an agricultural enterprise, are authorized to provide any industrial, commercial, agricultural, or other enterprise, which has the potential to be a major source of employment for a substantial period of time in such area, a loan in such amount as may be necessary to enable such enterprise to assist in restoring the economic viability of such area, community, or neighborhood. Loans authorized by this section shall be made without regard to limitations on the size of loans which may be otherwise be imposed by any other provision of law or regulation promulgated pursuant thereto.

(g) The President is authorized to make grants to any local government which, as a result of the administration and enforcement of this Act, has suffered a substantial loss of total revenue (including both real and personal property tax revenue). Grants made under this section may be made for the tax year in which the loss occurred and for each of the two tax years. The grant for any tax year shall not exceed the difference between the annual average of all revenues received by the local government during the three-tax-year period immediately preceding the tax year in which such loss occurred and the actual revenue received by the local government for the tax year in which the loss occurred and for each of the two tax years following such loss but only if there has been no reduction in the tax rates and the tax assessment valuation factors of the local government. If there has been a reduction in the tax rates or the tax assessment valuation factors then, for the purpose of determining the amount of a grant under this section for the year or years when such reduction is in effect, the President shall use the tax rates and tax assessment valuation factors of the local government in effect at the time of such loss without reduction, in order to determine the revenues which would have been received by the local government but for such reduction.

(h) Any owner or operator of a surface coal mine, or employee (or former employee) of a surface coal mine, who would otherwise be eligible for assistance under this section, in lieu of such assistance may utilize the preference accorded in section 713 of this Act in receiving contracts or employment in the conduct of reclamation activities authorized by section 406 of this Act.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(j) The Secretary shall report to the Congress on the implementation of this section not later than thirty months after the enactment of this Act, and annually thereafter. The report required by this subsection shall include an estimate of the funds which would be necessary to implement this section in each of the succeeding three years.

(k) The Secretary shall report to the Congress not later than July 1, 1976, on the impact of the administration and enforcement of this Act on employees and owners or operators of firms with gross capital values of less than $500,000, together with a recommendation on a program granting relief to such employees and owners or operators for losses in capital value sustained as a consequence of the administration and enforcement of this Act.

Mr. HAYS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD, and I will attempt to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Chairman, we have heard the reading of the first section which in effect says that the Secretary shall develop regulations which will—and I am paraphrasing—give first chance to a surface operator, who may be adversely affected and who can demonstrate that he has been, to contracts on reclamation projects.

The second section in effect does the same thing for persons who might be unemployed as a result of this act. I do not think there will be any or many of either, but in any case I do not think this protection that would be put in by these two sections would be out of the ordinary.

The second section goes also to providing assistance beyond the 6 months unemployment compensation if the person is not eligible for unemployment compensation, and at no higher rate than he would get if he were eligible. I think the two amendments serve as an added protection both to the operator and to the miner, and I would hope that they would be accepted unanimously.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

I voted against a similar amendment in the committee on the theory that the gentleman has expressed.

We want this bill to be able to increase surface coal mining, plus we believe it will. As the gentleman from Ohio said, he does not think there will be much need for this, but just in the event that some people or small business firms that are engaged in mining are going to lose work, and individuals are going to be unemployed, they should be given preference in the reclamation field and in other aspects of this bill. So I am going to support the amendment.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman for yielding.

I think one of the major problems in this whole coal mining scene is the movement of the industry out to the West and the severe jeopardy this places the declining coal industry in Appalachia. So it is not a case of our bill affecting the miners in the Appalachian area, but rather it is industry moving out to where they can dig out 66,000 tons of coal in one acre of land. For those people in Appalachia who are going to be affected because of this movement out West, I think the gentleman's amendment is an imperative. If they get thrown out of work as a consequence of this drift out to the West, then it seems to me their labor ought to be placed in reclamation work.

Mr. HAYS. I thank the gentlewoman.

I might say that the land that can be put back into production in the East or in Appalachia, or at least that part of it in Ohio, is very productive land. We are growing up to 150 bushels of corn per acre on the hills that they are stripping before the stripping that is, so it is not wasteland in eastern Ohio.

I ask that the amendment be adopted.

Mr. KETCHUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I really have no objection to this amendment at all, but this points up what a phony process we go through here. We spent almost a year and a half, and we have heard everyone here tell how thoroughly we debated this bill in committee. Nothing could be further from the truth. Let me point out, and let the record show, that I have in my hand here a transcript of the hearings of the committee, and on April 30 these same provisions were removed from the bill by a vote of 25 to 3. Interestingly enough, two of the individuals who have just accepted that amendment did not oppose taking them out. The only three individuals that voted against it were Messrs. SEIBERLING, MARTIN of North Carolina, and CRONIN.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HAYS) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. RUPPE TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RUPPE. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RUPPE to the committee amendment in the nature of a substitute: Page 282, line 14, after the period insert the following words: "The general elevation of the overall mined area may be lower than its original elevation, provided that all highwalls are eliminated, in cases in which the removal of coal results in insufficient material from any or all portions of the mined site being available to return the then mined site to its original elevation."

The CHAIRMAN. The Chair will ask the gentleman, Was this printed in the RECORD?

Mr. RUPPE. Something was printed in the RECORD similar to it, but I have changed the language somewhat.

The CHAIRMAN. It must be identical. If the amendment was not printed in the RECORD there can be a vote on the amendment but there will be no time for debate.

The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. RUPPE) there were—ayes 4, noes 18.

So the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. If there are no further amendments to title VII, the Chair will now compile the list of those Members seeking to debate or to offer amendments to title VIII and will allocate the 10 minutes accordingly.

Eight Members have arisen, so there will be approximately 1¼ minutes for each.

AMENDMENT OFFERED BY MR. HOSMER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. HOSMER. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HOSMER to the committee amendment in the nature of a substitute: On page 290, line 18, strike title VIII.

Mr. HOSMER. Mr. Chairman, my amendment deletes all of title VIII. It eliminates the State Mining and Mineral Resources Research Institutes. This title would fragment and undermine the priorities of current research efforts. It would create an inflexible and expensive program, precluding the best use of available research talents of the Nation, regardless of location. Furthermore, the Congress has enacted legislation authorizing revenue sharing in the form of block grants which are not earmarked. It seems far more sensible to allow the states to use their own judgment as to whether a mineral institute is needed within the State.

Members should recall that a bill containing provisions similar to title VIII passed the 92d Congress (S. 635), but that bill was vetoed because spreading the green around with abandon just won't advance mining and mineral resources affairs.

The Secretary has indicated that adequate authority already exists for support of needed mineral research programs. Therefore, this entire title is not needed.

Mr. Chairman. I urge the adoption of my amendment.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a very critical title which we have included in this bill. Incidentally, as separate legislation it has passed the House several times. The many public colleges which have separate schools of mines have testified before various committees of the Congress that one of the biggest difficulties they are experiencing is in the training of expert personnel in the field of mineral engineering.

I think one of the ways we can support the need for research and development and implementation of new techniques in mining is to support these State schools and other public institutions with the very meager assistance this bill provides.

I realize that the administration and the Members of the minority have opposed various sections of this title but I think it is vital if we are going to do the job that is required to make the advancements needed to develop mineral technology, not only for coal but also for other minerals. We are going to have to support these colleges and develop the kinds of institutions this section calls for and give them at least this minimal R. & D. support.

Mr. Chairman, I urge that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HOSMER) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 6, noes 28.

So the amendment to the committee amendment in the nature of a substitute was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Chairman, with regard to the reservation just concluded on title VII, I would like to ask the gentleman from Arizona (Mr. UDALL) to clarify the meaning of "written consent," found in section 705 (23) on page 282 of the bill. I would like to inquire as to whether the intent of the committee was to void all written consents obtained by an operator prior to date of enactment, as found on line 17.

Mr. UDALL. Mr. Chairman, I thank the gentleman for drawing attention to this particular phrase "after the date of the enactment of this Act." The intent of the committee was not to void all written consents obtained prior to date of enactment. This inclusion of that phrase was a simple oversight of the committee, and one which I believe can be corrected in conference. I thought this approach was preferable to offering an amendment, which would exhaust some of the remaining time of debate on title VII. I hope this clarifies the gentleman's understanding of the term "written consent."

Mr. RONCALIO of Wyoming. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. MURTHA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. MURTHA. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MURTHA to the committee amendment in the nature of a substitute: On page 302, line 19, after the word "research." change the period to a comma and add the following: "two of whom shall be representatives of working coal miners."

Mr. MURTHA. Mr. Chairman, I would like to offer a very simple amendment, but one which I believe will make a very important input on the operation and implementation of strip mining regulations and reclamation.

Title VIII, section 810 of the bill creates an Advisory Committee on Mining and Mineral Research. The committee would be composed of nine persons, including the Director of the Bureau of Mines; the Director of the National Science Foundation; President of the National Academy of Sciences; President of the National Academy of Engineers; Director of the U.S. Geological Survey; and four persons knowledgeable in the field of mining and mineral resources.

My amendment, Mr. Chairman, would not add any new members to the nine-member committee, but would designate that one of the four persons knowledgeable in the mining field would have to be representative of working coal miners.

The committee's purpose involves making recommendations to the Secretary of the Interior on all matters relating to mining and mineral resources research. I can think of no group of men who could add more practical and important information to this committee than representatives of the working miners themselves.

These are hard-working men. These are talented men. These are concerned men. In Pennsylvania, coal miners have individually made many valuable suggestions and contributions that have strengthened our own mining regulation law. The suggestions have benefited coal producers and environmental groups. This same contribution can result at the Federal level.

I believe this is a sound amendment, Mr. Chairman. It strengthens the input of this committee and helps to insure that our strip mining regulation laws will be strong, and that they benefit from the practical experience of the men who work with the mines every day of their lives.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from California.

Mr. HOSMER. I want to say, a lot of people around here have never seen a piece of coal and have never dug a piece of coal, so I have brought to this Chamber a piece of coal. I would hope that every Member would take a look at it before he votes for this bill tonight.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike out the last word. This is a little more than a "pro forma" amendment, because the last word of the bill is the word "expenses." I shall vote against this bill because it puts the expense burden on the backs of the people of the mountains.

The fatal defect of H.R. 11500 is that it gives primary authority to the States. The history of every single piece of progressive legislation to protect people in this country is that those who are regulated always cry: "Leave it to the States, they are closer to the people." What they really mean is that "The States aren't powerful enough to control big conglomerates, so let us weaken control by giving it to the States." This has been true in the fields of civil rights, education, health, workmen's compensation, wage and hour legislation, pure food and drug laws, coal mine safety, or any effort to help people.

You know the economic and political history of this Nation. You know the realities of economic and political pressure. You know that neither a State legislature nor any administrative authority can stand up against the wealth and power of a dominant economic group.

Let us not kid ourselves—you cannot expect West Virginia, where coal is king, to do very much to regulate strip mining. You cannot expect Kentucky, or Virginia, or Tennessee to do very much at the State level. In Pennsylvania, where enforcement is a little better, the coal industry does not run the State since coal constitutes a relatively minor part of the State's economy.

Time after time in this debate, I have heard the bill's sponsors aver that the States can regulate if they choose to do so. Just try that in West Virginia and see how far you can get.

What we are doing in this bill is making people of Appalachia a national sacrifice area for the power-hungry strippers. By giving opportunity for the citizens to protect and sue, you are really putting the burden on the backs of the people in the hollows who have to fight their own battles against the ruthless and arrogant conglomerates.

I have heard the gentleman from California (Mr. HOSMER) use the term "hara-kiri." If there ever was a clear case of hara-kiri, it is strip mining. As the draglines and D-9 dozers rip off the land and the people, it is just like plunging a samurai sword into the Nation's vitals.

When the Farmintgon, W. Va., coal mine disaster struck, killing 78 West Virginia coal miners of November 20, 1968, the conscience of the Nation was aroused, and Congress enacted the Federal Coal Mine Health and Safety Act of 1969. But strip mining is a slow disaster which chokes the people, one by one, and does not bring the dramatic headlines.

Where is the United Mine Workers of America? They have a stake, and every coal miner has a stake in coal mine health and safety so they lobby heavily to protect the coal miners. But the UMWA has its eyes on the welfare and retirement fund, and every worker in a strip mine is likely to side with the company against strong regulation, because it is in the economic interest of the company to cut corners in reclamation. The life of the strip miner is not on the line where reclamation is concerned, as it is with mine safety.

I know that my position as an abolitionist is not palatable to the United Mine Workers of America, which wants to organize the strip miners in the coal rush already moving westward. I know they are going to count this as a key labor vote.

I know that the environmental lobbyists are feverishly lining up support for H.R. 11500.

No union, no industry, no environmental lobby, and no economic or political power is going to control my vote except the people.

I intend to vote against this weak bill.

So far as strip mining is concerned, I will be out watching, investigating and reporting on what happens under this bill. My parents are both from Missouri and you will have to show me.

I am even more firmly an abolitionist on strip mining.

Like another abolitionist of the 19th century—

> I am in earnest,
> I will not equivocate;
> I will not excuse.
> I will not retreat a single inch
> And I will be heard!

The CHAIRMAN. The time of the gentleman has expired.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I will vote in favor of the Surface Mining Control and Reclamation Act and commend those who have worked so hard to bring this bill to its present form. This legislation has been termed a historic landmark proposal and I suppose it is. In my judgment, it is needed to insure that major public interest requisites are fulfilled regarding the extraction of coal.

In order to fulfill domestic energy needs and promote our independence from imported foreign fuels, we will need to significantly expand the production of coal, which is our most plentiful fossil fuel. The recent so-called energy crisis only served to highlight the need for increased coal utilization. Coal liquefaction and gasification hold promise here. But, until these processes are commercially feasible, strip mining which currently provides half of the total U.S. coal production is necessary. On the other hand, the strip mining of coal, if not carefully regulated, leaves an aftermath of environmental devastation. I have seen the barren and lifeless ugly scars upon once beautiful landscapes in southeastern Ohio. Once ravaged by the shovels and draglines, such land, if not reclaimed, is for all practical purposes worthless. This fact is common knowledge, and I will not go into further detail.

The environmental and other adverse impacts of strip mining can, however, be reduced to a highly acceptable minimum. All that is needed is a strong and effective mining control and reclamation law. In Ohio, we have State strip mining regulations that are among the toughest in the Nation in terms of reclamation and related ecological safeguards. This law is now working effectively, and contrary to the predictions of the coal lobby doomsayers when it was being debated in the Ohio General Assembly, the State's coal industry is still quite healthy, profitable, and generally competitive with coal operations in other jurisdictions.

I support the committee bill because I feel it strikes an effective balance between the two alternatives offered today. With all due respect to my distinguished colleague from West Virginia, I submit that his substitute bill would be unnecessarily restrictive because it would soon prohibit the strip mining of all coal. While I share his view that the preponderance of all coal reserves in the United States is only obtainable by deep mining, the fact remains that energy demands in the next few years will necessitate a significant amount of strip mining. All coal that can be recovered consistent with environmental safeguards should be utilized. To do otherwise would be an unreasonable waste of a valuable resource.

The substitute offered by the distinguished gentleman from California was too weak. As I see it, there are insufficient reclamation standards. It contains no deep mining provisions, unreasonably limits citizen suits, and inadequately protects a surface owner's rights. It is basically a bill favorable to the strip mining industry.

By comparison, the committee bill H.R. 11500 is an effective middle-ground approach to the two proposals previously mentioned. It will allow the surface mining of coal where it is consistent with effective environmental protection and reclamation. It also adequately protects the rights of citizens who may become affected by strip mining operations. By insuring the protection of the surface mining of coal while protecting the environment, it meets two important national priorities. H.R. 11500 in committee form is a responsible approach, and I will vote for its passage.

Mr. SYMMS. Mr. Chairman, I respect the gentleman from West Virginia (Mr. Hechler) and congratulate him for his fine statement in the well. However, I must say that I disagree with him. I have a very dear and gentle friend in Irvington, N.Y., who has always said that we should never pass a law in order to gain an advantage for one man at the expense of another man. I think he stated very clearly what this bill does.

Mr. Chairman, I intend to vote against it. I am very sorry the Hosmer substitute did not carry. I want to congratulate the gentleman from California (Mr. Hosmer). As H.R. 11500 wound its way through the legislative process, Mr. Hosmer early and austutely observed that H.R. 11500 could have a serious effect on our energy situation, if enacted as written. When the mantle of leadership fell upon him as the ranking minority member of the committee, he resolutely told the committee of his opposition to the legislation and of his firm intent to oppose its passage if not balanced to respect both the energy and environmental ethics.

The gentleman from California has displayed to all of us the courage of his convictions and a kind of leadership and campaign which at times is necessary to oppose legislation in this House. His knowledge of the rules of the House and their tactical employment demonstrates his skill and leadership. I commend him for a job well done and state that in my judgment the next Congress will miss the fine gentleman, Craig Hosmer.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, as we debate the merits of surface mining today, I think the watchword should be balance. After last winter's energy shortage alerted us to the potential of coal as a solution for our energy needs, I think it is important that we properly exploit this valuable resource to benefit the American consumer. Yet as we do this, I think it is equally important that we protect another valuable resource—the American landscape. I think that H.R. 11500, the committee bill, reflects a more balanced and sensible approach than either of the proposed substitute bills. It approaches the problem of surface mining as a way to meet our energy needs, yet still works to protect our environment. While I think H.R. 11500 is a sound compromise, I still think that some amendments to strengthen the environmental protections are in order. Let me elaborate.

The thrust of H.R. 11500 is the establishment of uniform regulations which will make it possible to open up the great coal reserves we have out West while reclaiming the land so it can be used again. Since there are twice as many tons of coal west of the Mississippi River than there are in the East, and since that western coal is more easily strippable from the Great Plains, we should be wary lest passage of this bill let loose a stampede to western production, leaving the eastern production crippled. The strengthening amendments, while they protect our environment, achieve this end, and in the process guarantee some stability to eastern energy needs.

Even though we in New England rely on coal for only 17 percent of our energy needs, it is necessary to consider the impact that opening up western reserves would have on the consumers in our area. Our heavy reliance on imported fuel oil has left us prey to the whims of Middle East potentates who tripled our oil prices since last year. An obvious example of the economic dislocation this rise effected appears on each consumer's bill each month via the fuel cost adjustment. Under this adjustment, the price of fuel oil is passed directly on to the consumer with a preliminary regulatory hearing. With oil prices skyrocketing to $14 a barrel, some people have found the fuel cost exceeds their monthly base rate.

Utility companies support the Hosmer substitute, H.R. 12898, as an easier way to strip more coal out of the Western States, and argue that such an expansion in production would benefit the Nation as a whole, since the price of coal will be low nationwide and a bargain, compared with oil. I have some skepticism with respect to this claim, however, and the reason is transportation costs. Quite frankly, it is not at all cheap to put coal on a train out West and ship it across the Hudson River into New England. In fact, it costs over twice as much to transport coal from the Western States to New England than it does to move coal from eastern mining States by ship, or even across the Atlantic from Poland.

Not only that, but if the utility companies in the East become increasingly dependent on western coal—whose sulfur content is higher than eastern coal—these higher fuel costs could be passed on directly to the consumer through fuel cost adjustment, instead of through a base rate established after public hearings. Even if western production costs are dirt cheap, I still do not see how we can realistically lower the cost of moving this coal to New England.

Consequently, a marked shift to coal dependence from oil dependence could be no benefit to the consumer, and we could find that we have only changed fuels, not lowered prices. If you think consumers are outraged at the fuel cost adjustment now, I shudder to think what would happen if utility industries, in an effort to break out of our oil dependence, ended up having to pass on high coal costs to the consumer. Furthermore, if our quest for self-sufficiency dramatically escalates the price of coal, I find it hard to believe that the price of coal will continue to remain a bargain, even if we strip the western plains bare.

I use the fuel cost adjustment as an example because I think it points up some of the fallacies in the arguments used by proponents of weak surface mining legislation. To enact legislation that would shift all our eggs into the one basket of western production would not only have a disastrous effect on the environment, but could lead to an equally disastrous collapse of the eastern mining industry as well, thereby leaving New England consumers locked into an even greater oil dependency.

Let us face it. Coal which can be surface mined accounts for only 3 to 18 percent of all our coal reserves, and sooner or later we are going to have to go underground. I agree with Russell Train, Administrator of the Environmental Protection Agency, that much as we need new energy sources, the American people just will not want to stand for a law which irresponsibly destroys our environment just to exploit 3 percent of our reserves. This is especially true if, 30 years from now, our surface mine reserves are played out, our deep mining industry is crippled, and we face a new and more frightening energy shortage.

For these reasons, I think that maintaining a balance between eastern and western production of coal is of paramount importance. The strong environmental protections set forth in amendments by Mr. BIESTER and Mr. EVANS to preserve and protect our water resources, and by Mr. YOUNG to end strip mining on slopes greater than 20 degrees, are especially important to protecting our western land, to maintain surface mining as a viable short-term solution to our energy needs, and to providing the industry with sufficient incentive to go underground.

I should like to comment briefly on the amendment offered by Mr. SEIBERLING as the best illustration of how the balance between surface mining and deep mining can be maintained. His amendment establishes a $2.50 per ton reclamation fee on both deep- and surface-mined coal, but allows the industry up to 90 percent for costs associated with safety and conservation efforts. After the credits are taken, an effective tax of only 92 cents per ton will be the eventual average tax, industrywide. More importantly, this tax breaks down to an average of $1.60 per ton for strip-mined coal, but only 25 cents per ton for deep-mined coal. The reason for this disparity is that more investments in safety costs and other deep mining expenses can be deducted for strip mining expenses. Thus, the surface mining segment of the industry is given a strong incentive to shift to deep mining to take advantage of these credits.

Is this cost yet another burden on the consumer? I do not think so. At most, this would raise the average residential consumer bill 36 cents a month. But the benefits of this tax are well worth the price, and the alternatives are disastrous. The reclamation schedule under this amendment goes to establish a fund for restoration of land which has already been surface mined. Each year that we let go by without regulation sees a minimum of 80,000 new acres chewed up. To put this figure in perspective, if this coal were stripped in my district, five out of the seven towns would not exist next year. In other words, 2 more years of inaction by Congress, and an area equaling all the towns in my district—and then some—would be wiped out. And this is only a conservative estimate.

This illustration should show the importance of relaiming surface-mined land so it can be put back to productive use instead of being left to lie ugly and useless. I think this approach is the most sensible and the most efficient way of raising more money more quickly and putting it to better use. Not only that, the money the industry pays to this fee goes to reclaim mines which have been abandoned but whose reserves are not played out.

As Mr. SEIBERLING has noted, since 1970, almost 1,600 mines, most of them in the East, have closed because it simply was not economical to keep them running. The fund would generate new money to reopen these mines in a way which is neither as expensive nor as time consuming as putting a new mine into production; thus, the short-term benefit to the consumer is apparent, and the long-term benefit to the deep mining industry, and ultimately to the consumer, would be another result.

I should parenthetically note that H.R. 12898, the Hosmer substitute, by comparison, has no such abandoned mine reclamation provision, nor does it make any effort to correct the problems of past misuse of our land. Unfortunately, this is only one of many deficiencies in this bill.

Since my time is limited, I will not discuss the other major environmental amendments, but I think this discussion has illustrated why amendments such as Mr. SEIBERLING's is vital to protect our Western lands and to keep them from becoming as ugly and scarred as the surface mined Appalachian mountains. At the same time, these amendments plan ahead for the future when deep mining—a bargain for its enormous reserves, lower sulfur content, lower price, and potential for rapid production—could be the predominant source of energy, not only for the East and Midwest, but for the Nation as a whole.

In light of this fact, some may ask why I do not support H.R. 15000, the Hechler substitute to end strip mining. Quiet honestly, I think that this past winter has shown us the problems of becoming locked into one dominant energy source. If we sink ourselves into coal dependency at the moment, I think this could merely be substituting fuels without solving problems now faced by New England consumers. No one really knows right now what our future energy picture will look like, whether oil prices will plummet, whether desulfurized coal will eventually cost more than oil, or what. For that reason, I think that both substitutes pull us too far in both directions. I think this is the wrong time to commit ourselves too strongly to strip mining, as H.R. 15000 does.

The problem of bending too far in any one direction became sharply focused earlier this year, when modifications of the Clear Air Act had to come before Congress. I think that adoption of either of these substitute bills could force us on to the same disastrous zigzag course which Congress had tended to take in the past. I think that H.R. 11500 strikes a harmonious balance for meeting our present needs in an orderly fashion, while keeping our options open for the future. For these reasons, I support H.R. 11500 as a flexible, balanced approach to meeting our energy and environmental needs, and will work to strengthen the environmental protections on the floor.

Mr. YATRON. Mr. Chairman, it is with a profound sense of concern that I rise in support of the Flood amendment to H.R. 11500.

The fact is that I represent one of the

five districts in the entire Nation which has an extremely vital stake in the outcome of our consideration of this legislation.

The Sixth District of Pennsylvania includes Schuylkill County, which still has an estimated 9 billion tons of recoverable anthracite in its fields. This is a much larger reserve than the other counties which comprise the Anthracite Coal Belt.

Mr. Chairman, if the Flood amendment is not adopted, some 3,500 persons will be unemployed in my district, the economy of which is already depressed. Let there be no doubt of the adverse consequences of our failure to approve the amendment to these families in my district and to the area per se.

I underscore the fact that the Flood amendment is in no way in conflict with the intent and aim of this legislation. As a matter of fact, Pennsylvania has the most stringent mining reclamation law in the country. This amendment which I so strongly support will not result in any harm to the environment, I assure you.

I have first-hand knowledge that this is so, because many hours have been devoted to discussions and meetings not only with local mining operators but with Pennsylvania State officials as well. These persons are directly involved in the strict application of the Pennsylvania reclamation law and they share my conviction that the Flood amendment is responsible and reasonable.

In addition, the amendment has been strongly endorsed by the AFL–CIO and the United Mine Workers. I feel that this fact lends credence to the desirability of adopting the Flood amendment.

Mr. Chairman, we have here a unique situation. Naturally, I am concerned with the protection of the economic interests of my district, but the Flood amendment relates to anthracite, which is geographically and geologically unique—and it comprises less than 1 percent of all coal produced nationwide.

The Pennsylvania law clearly recognizes the difference between bituminous and anthracite coal. As I stated, it is the strongest and toughest strip mine law in the Nation. It allows the continued mining of anthracite, while preserving the stringent environmental controls contained therein.

Pennsylvania Governor Shapp and Pennsylvania officials have also endorsed the Flood amendment. If approved, the Federal Government would enforce the law, citizen participation would certainly be maintained at all levels, and Pennsylvania's existing law would be in no way weakened through future amendment.

Unfortunately, over the last several decades, there has occurred a steady decline of the Pennsylvania anthracite industry. Production has declined from 29 million tons in 1953 to 7.1 million tons in 1972. An annual production of 6 million tons are estimated for 1974, not an encouraging projection for my district.

Very simply, the Flood amendment seeks to apply the Pennsylvania Surface Mining Conservation and Reclamation Act—recognized as the strongest in the entire United States—to the surface mining of anthracite coal, on which the future economic viability of the area heavily depends.

This fact, coupled with the fact that the Flood amendment is not in conflict with environmental considerations, lends credence to the need for adoption of this amendment.

I urge my colleagues to clearly recognize the merits of the amendment.

Mr. Chairman, I submit for the Record a forceful editorial which appeared in the Reading Times of March 30, touching upon this subject. The statements in the editorial are extremely well taken and are worthy of recognition:

COAL IS BACK IN ENERGY SCENE

Like it or lump it—King Coal is on the way back.

The concensus of scientists, industrialists, legislators and educators at the 1974 Pennsylvania Power Conference is that coal is the cornerstone of America's "interim" energy program.

Pennsylvania, the "Saudi Arabia" of coal in the United States, will be called upon to play a vital role in the crash program to buy time and help meet a very real energy crisis.

Eventually, the conferees—people concerned with where our next btu's are coming from—agreed nuclear power, which now represents 1 per cent of the nation's energy output (equal to all the firewood that's burned) must take the lead.

But for the next quarter century—if America is to attain energy self-sufficiency and cut itself loose from overseas blackmail—our economy and standard of living will hinge on a national commitment to clean-coal usage.

While coal reserves comprise 88 per cent of our fossil fuel resources (a known 1.5 trillion-ton supply so vast it will last for centuries at any conceivable level of energy demand), it provides only 17 per cent of our gross energy.

Presently 37 per cent of U.S. petroleum need is imported. By 1985, it is estimated, our imports would be 50 per cent if the demand was to continue and nothing was done on the home front.

Clearly, this is intolerable and hence the need to concentrate on coal, nuclear power, electricity and oil shale.

But coal and nuclear energy are interwoven with a clean environment.

The argument for coal, staunchly supported by realistic oil and electric interests, doubtless will find its stiffest opposition in Congress and in environmentalists who, surprisingly, failed to mount an attack during the two-day meeting in Hershey.

John C. Sawhill, 37-year-old deputy administrator of the Federal Energy Office (FEO) and President Nixon's "Project Independence" prophet, said the U.S. needs to increase domestic coal production 10 per cent a year to an output of nearly one billion tons a year by 1980.

The fly ash in the ointment, according to Robert V. Price, executive vice president of the National Coal Assn., is if Congress virtually prohibits surface mining, as some lawmakers advocate, then "there simply is no way" coal can meet the energy challenge.

The coal industry can only double or treble production by 1985, he said, if coal operators are permitted to mine every ton they can by both underground and surface means.

Perhaps envisioning an impending clash with ecologists, Price admitted it is imperative to "civilize" coal combustion so its impact on the environment can be held to an absolute minimum.

When coal was removed, as our main fuel, there was 30 per cent less pollution going up into the sky.

"Until coal can be burned without endangering human health or property," Price said, "only that fraction of our coal reserves that are low in sulfur will be able to contribute to easing the energy shortage now upon us."

However, in his next breath, Price declared Congress must amend sections of the Clean Air Act of 1970 and modify surface mining (the euphemism for strip mining) to make the most of coal's potential by whatever means it can be mined.

"If Congress all but outlaws surface mining," he said, "there is simply no way we can meet the energy challenge from underground mines alone. We can try until hell freezes—but we will all freeze first!"

Perhaps. But we in Pennsylvania who remember the rape of the coal fields are going to have to make some personal decisions and examine the options carefully—whether it is better to freeze to death or to choke to death.

We must assure adequate pollution controls and make sure surface mining is accompanied by adequate reclamation measures.

The shift from oil-oriented energy base to coal and nuclear power can't be brought about overnight by any Buck Rogers-style technology, as one speaker asserted.

The change will come about through the cooperative, well-reasoned efforts of all segments of society taking all factors into consideration.

One fact emerges. This is one time the future will not be like the past. In this situation, the past cannot be used as a guidepost for the future.

We have a chance to stop our careless drift toward energy dependence. Whether we can become totally self-sufficient by 1980 as President Nixon indicated is not the important question.

It is the direction that is important.

Future generations will hold us to blame if we fail to take steps now to assure energy self-sufficiency which will enable our offspring to live in a strong and independent nation.

Mr. BRADEMAS. Mr. Chairman, as a supporter of the efforts being led by the gentleman from Arizona (Mr. Udall), and the gentlewoman from Hawaii (Mrs. Mink), to regulate the surface mining of coal and for other purposes, I am pleased to read into the Record at this point the text of a most thoughtful letter written by one of my constituents, Miss Wendy Armstrong, of Elkhart, Ind.

Miss Armstrong, the daughter of Mr. and Mrs. Jon Armstrong, is a student in the first grade who wrote her letter to me after having read an article in a magazine concerning pollution.

I commend Mis Armstrong for her thoughful, indeed, eloquent statement on the need for the passage of H.R. 11500.

Her letter follows:

ELKHART, IND.

DEAR MR. BRADEMAS: I wish you would stop the strip mining. It is tearing up our environment. It tears up wildlifes homes. Wildlife that does stay would die of starvation.

I wish you would also stop pollution.

If people put oil where ducks swim it could get on the ducks and they would not be able to swim or fly or walk. They too would die of starvation.

Also, when it pollutes air, birds and other things that fly would die.

When people pollute the ground wildlife could step on a piece of glass. It could go in its foot and it could die.

Please make those things stop.

Love,

WENDY ARMSTRONG.

Mr. KOCH. Mr. Chairman, as a Congressman from New York, I have been asked why I supported Congressman HECHLER'S substitute strip mining bill, which could have possibly raised energy costs for my constituents. It would be inconsiderate of me to limit myself to such local interests if the environmental damages of strip mining and the vast areas of land affected are taken into account.

In every respect, strip mining is more devastating to the land than underground mining. Strip mining involves the destruction of the land surface throughout the area mined and the spread of destruction far beyond the mining area through siltation, pollution, and flooding. Congressman UDALL has proposed that this land can be reclaimed, but the essential question facing the House is the potential success of such reclamation. Because of the particular characteristics of our land, it is impossible to successfully reclaim strip mined land in the United States. In Appalachia, for example, a combination of steep slopes, pyritic shales, and thin topsoil creates significant reclamation problems. There is serious acid drainage in midwestern lands, and even when the toxic materials are buried, leaching still continues. The key to western reclamation is water, but western lands are characterized by a general scarcity of this resource. In the arid areas of the West, just as in the Midwest and the East, reclamation faces grave difficulties.

Some of my colleagues have argued that in a time of energy shortages, Congress should not abolish strip mining. However, strippable reserves are forecasted to be exhausted in 20 years, and if we are to meet the country's energy requirements, we will have to rely on deep mine coal. Economically recoverable deep mine reserves outnumber strippable reserves 8 to 1, 356 billion tons to 45 billion tons. As H.R. 15000 proposes, strip mining should be orderly phased out in order to allow time for deep mining to step up production.

This production, contrary to the coal industry's recent statements, can be facilely augmented. It is ironical that when proponents of strip mining employ the energy crisis to justify their views, a significant part of the existing deep mine capacity remains unused. The majority of U.S. mines operate two shifts a day, and many operate only 4 or 5 days a week. Because the coal industry has so strongly emphasized strip mine production, many deep mines have been closed that still have recoverable reserves. If we opened the 50 largest mines that were closed between 1970 and 1972, we could increase deep mine production by nearly 14 million tons annually.

Unfortunately the Hechler strip mine bill failed by a vote of 69 to 366. While strip mined coal is cheaper than deep mined coal, Congress did not adequately consider the more significant economic loss that will result from the destruction of millions of acres of our land. The House is now considering the Udall strip mine bill. While I believe that the inequities of this bill make it far inferior to the Heckler bill, it will still serve to minimize the environmental damages of strip mining. I hope that the House will take favorable action on Congressman UDALL'S bill.

Mr. PETTIS. Mr. Chairman, because I must leave on official business this evening, I want to state my strong support right now for passage of H.R. 11500, the Surface Mining Control and Reclamation Act.

As the hour grows late and it is obvious that the House will not complete action on the legislation any time soon, I regret that I may not be here when the final vote is taken. With the rest of my colleagues here in the House, I have sat through 6 long days of debate on H.R. 11500. I trust the pending amendments to the bill can be taken care of soon, so we can have a final vote before I go, because, in my book, 6 days is a lot of time to devote to any piece of legislation if you cannot help determine whether it ultimately passes or fails. And, this is especially true when the bill is as important as this one.

I hope we will be able to complete action on the bill before I must leave, but if we cannot, I urge my colleagues to pass H.R. 11500 and want the RECORD to show my support for this vital legislation.

Mr. TREEN. Mr. Chairman, I am voting against H.R. 11500 not because I oppose its purposes but because of my serious reservations about the constitutionality of major portions of the bill.

I wish I did not have these constitutional doubts, because I strongly believe that the beauty and vitality of this land of ours must be preserved, and that those who gather resources from our land are obligated not to harm it in the process. I do not believe this obligation necessarily requires the restoration of the land to its original configuration, but it does require that the user leave it in a form which comports with esthetic and utilitarian values. Enforcement of its obligation, where needed, lies primarily within the authority reserved by the several States, which reservation is affirmed by the 10th amendment.

If anything good comes out of the controversy over executive abuse of power, it will be a renewed understanding that the Constitution must remain the guiding force in our free society and Federal system. The exercise of power in the Federal Government is justified only so long as it comports with the grants of power and the limitations on power as defined in the Constitution.

Unfortunately, many members of the legislative branch do not realize that abuse of power is not confined to the executive department. Nothing is so indicative of this lapse of self-criticism in Congress as our penchant for passing legislation simply because, in our opinion, it is good in substance—without even broaching the question of whether it is a constitutional exercise of power.

That we believe a measure is "good" is not alone sufficient reason to enact it. The proposed legislation must also lie within the limits of congressional powers as defined in article I, section 8 of the Constitution. I am afraid with the current legislation, the surface mining bill, we are again covering up the constitutional issue.

The only justification substantively for this legislation is that only the Federal Government has the power to establish a nationwide policy. But without the imprimatur of constitutionally delegated powers, this rationale boils down to an argument which is incompatible with our constitutional system: the end justifies the means.

With H.R. 11500, the Federal Government will enter into an area that is constitutionally the province of the States—the regulation of land use. The Federal Government has only so much power as the people delegated to the Federal Government through the States by the process of constitutional ratification and amendment. A reading of article I, section 8 of the Constitution, the principal enumeration of the powers of Congress, reveals that the States have not delegated the regulation of land use to the Federal Government. The only justification of H.R. 11500 that could possibly be wrenched out of the Constitution is, of course, the commerce clause. Congress' authority to regulate interstate commerce, as interpreted by the Federal courts, has come to subsume almost every species of negotiation, manufacture, and movement of services, products, or persons affecting interstate commerce. But, as large as this regulatory *ambit* has grown, it has not yet grown to include the regulation of land itself as distinguished from the products which eventually move from State to State. H.R. 11500, I would remind my colleagues, does not regulate coal; it regulates the use of land itself. By what logic may land itself be defined as interstate commerce? Land is not a species of movement; land does not move from State to State. If there is anything anywhere which should not come under the definition of interstate commerce, it would seem to be land.

The surface mining bill is long and involved. A plausible constitutional case can be made to defend some provisions of the bill. Land erosion does effect waterways, which the Supreme Court in Gibbons against Ogden said comes within the commerce clause.

But most of the bill is constitutionally very dubious; and some provisions of the bill could come under the Commerce clause only by the most far-fetched interpretation. Under the latter I would include the provisions requiring reclamation of land to its original condition and provisions setting aside areas as unfit for surface mining. For example, section 204 of the bill would authorize the Secretary of Interior to prepare and implement a Federal program for the regulation of surface mining in any State which fails to formulate and implement regulations to the satisfaction of the Secretary. Section 206 would authorize the Secretary to include in this plan areas designated as unsuitable for surface mining. In determining what areas are unsuitable, the Secretary, according to section 206, could consider potential damage to "important historic, scientific, and esthetic values and natural systems." Whether the terrain of a State is interstate commerce is dubious enough. Whether the esthetic value of that land is a proper criterion for the regulation of interstate commerce is not dubious—it is preposterous. Mr. Chairman, I am not saying that the esthetic value of land is an unjustifiable reason for preserving land—I am not saying that at all. I am questioning whether the esthetic value of the land is the proper subject for Federal regulation; and I am saying that if we interpret land as being interstate commerce and if we consider esthetic values a criterion for Federal regulation, is there anything, or any activity, anywhere, which does not come under the commerce clause?

Mr. Chairman, I am well aware that in our technologically complex society interstate commerce includes more than it did 200 years ago or a hundred years ago or 25 years ago. But I believe, unless we apply some logical limits to the definition of interstate commerce, that the definition is totally useless because it means nothing and everything. If the framers of the Constitution wanted Congress to regulate every activity of man, they would not have incorporated the commerce clause into the Constitution; they would have incorporated a clause giving Congress the power to do anything it likes.

Mr. Chairman, some might suggest that it is up to the Supreme Court to determine the validity of this vast new extension of the commerce clause. But I believe that our constitutional system is durable only if each of the three branches of the Federal Government adheres to its own sense of the constitutional restrictions of its power. By passing a bill we cannot constitutionally justify, we are abjuring this responsibility. The spirit of the Constitution—the spirit that there are limitations to governmental power—is not the attitude that each branch may do what it likes unless checked by another branch of the Government. This is the spirit of methodical anarchy.

Mr. KETCHUM. Mr. Chairman, we have just concluded 6 strenuous days of debate on the bill H.R. 11500, relative to the strip mining of coal. I firmly believe, Mr. Chairman, that those of us opposing this bill have made a case against its passage. As it now stands, this debate has lasted longer than any previous bill on the floor during my short tenure, and has amply demonstrated that this bill was not ready for floor debate, and is now in such shape as to preclude even its authors from knowing what the bill contains. During the course of this debate, the Members of the House have demonstrated a total lack of interest by their absence from the floor. Never during the debate, except for recorded votes or quorum calls, were there over 60 Members on the floor. It is no wonder our constituents have such a low esteem of this body. This bill is a very complex and technical instrument, and one which will have profound effects on our whole economy, yet it seems no one cared enough to be really informed.

Had this bill addressed itself simply to reclamation of strip mining damage which had occurred in the years prior to present high and tough State standards, it could have passed with little debate, and rightly so. However, such is not the case. This bill imposes Federal standards upon all States engaged in this practice, and, in essence, repeats what has so often happened in the past. We are telling our people: First, that our elected State legislators are not bright enough to do their jobs, which is totally untrue; second, that we here in Washington know what is best for the people, which is equally untrue; and third, that we deem it necessary to more strongly centralize our Government, a premise I cannot and will not accept. By way of analogy, we are saying, "Because the Federal Government, in its infinite wisdom, believes one make of automobile to be best, all you folks will have to drive one."

How did this bill arrive on the floor, Mr. Chairman? I can tell the body that it came to the floor voted on by the Interior Committee through the use of proxy vote. Members who had never attended sessions were voted in favor of this bill. While our rules permit this, it is an outrageous exercise, and is not to be condoned. Let us hope the Bolling committee recommendations on reform will be approved, and stop this practice. On one occasion, when I objected to this procedure, I was told it would not make any difference if the Member was in Spain, his vote would still be cast. A wonderful way to legislate, Mr. Chairman; if the people only knew.

Now to the cost. No one really knows the cost; all the figures which appear in the bill are estimates. It is estimated that the Federal Government will give $10 million in assistance to the States in the first year, rising to $30 million by 1977. Estimates of Research Institute expenditures start $200,000 for 1975, growing to $400,000 for years after 1977. A cost of $7 to $10 million is estimated to be spent by the Corps of Engineers to restore one small project alone—and nowhere in this bill is there even an estimated mention of administrative cost. And, Mr. Chairman, with less than 1½ minutes of debate, the House put in $50 million more for research. Could this mean more "Frisbee type" research? Who knows? Now then, Mr. Chairman, where were all those high-flown words on inflation we heard such a short time ago? Where were all the Members, Republicans and Democrats alike, who swore they would hold the line on spending and save the Nation? If for no other reason this bill should have failed. Our people will feel the impact in their power and heating bills with a vengeance.

This bill insures that the big companies will get bigger, and the small man we claim to care so much about will die. Have you ever seen "Big Muskie," Mr. Chairman? Five stories high, operated by three men, costing millions. Do you suppose a little guy could buy one?

I could go on, Mr. Chairman, but I shall not. I guess we have heard enough. After the 6-day exhibition on the floor, I am constrained to say—is anybody listening? Does anybody give a damn?

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11500) to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes, pursuant to House Resolution 1230, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT WITH INSTRUCTIONS OFFERED BY MR. HOSMER

Mr. HOSMER. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOSMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit with instructions.

The Clerk read as follows:

Mr. HOSMER moves to recommit the bill, H.R. 11500, to the Committee on Interior and Insular Affairs with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 12898, as follows:

That this Act may be cited as the "Surface Coal Mining Reclamation Act of 1974".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(a) the extraction of coal by underground and surface mining from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are surface and underground coal mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of water, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding post-mining land uses common to the area of mining;

(c) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry;

(d) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner;

(e) the initial and principal continuing responsibility for developing and enforcing environmental regulations for surface and underground coal mining operations should rest with the States; and

(f) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) encourage a nationwide effort to regulate surface coal mining operations to prevent or substantially reduce their adverse environmental effects, to stimulate and encourage the development of new, environmentally sound surface coal mining and reclamation techniques, and to assist the States in carrying out programs for those purposes;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are protected from the adverse impacts of surface coal mining operations pursuant to the provisions of this Act;

(c) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided in accordance with the policy of the Mining and Minerals Policy Act of 1970; and

(e) assure that appropriate procedures are provided for public participation in the development, revision, and enforcement of regulations, standards, mining and reclamation plans, or programs established by the Secretary or any State pursuant to the provisions of this Act.

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING OPERATIONS

INTERIM REGULATORY PROCEDURE

SEC. 201. (a) On and after ninety days from the date of enactment of this Act, no person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State regulatory authority unless such person has obtained a permit from such regulatory authority. All such permits shall contain terms requiring compliance with the interim surface coal mining and reclamation performance standards specified in subsection (c) of this section. The regulatory authority shall act upon all applications for such permit within thirty days from the receipt thereof.

(b) Within one hundred and twenty days from the date of enactment of this Act, the State regulatory authority shall review and amend all existing permits in order to incorporate in them the interim surface coal mining and reclamation performance standards of subsection (c) of this section. On or before one hundred and eighty days from the date of issuance of such amended permit, all surface coal mining operations existing at the date of enactment of this Act on lands on which such operations are regulated by a State regulatory authority shall comply with the interim surface coal mining and reclamation performance standards in subsection (c) of this section with respect to lands from which the overburden has not been removed.

(c) Pending approval and implementation of a State program in accordance with section 203 of this Act, or preparation and implementation of a Federal program in accordance with section 204 of this Act, the following interim surface coal mining and reclamation performance standards shall be applicable to surface coal mining operations on lands on which such operations are regulated by a State regulatory authority, as specified in subsections (a) and (b) of this section:

(1) with respect to surface coal mining operations on steep slopes, no spoil, debris, or abandoned or discarded mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided*, That the spoil is shaped and graded in such a way so as to prevent slides, and minimize erosion, and water pollution, and is revegetated in accordance with paragraph (3) below: *Provided further, however*, That the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mountain top mining operations which will create a plateau with all highways eliminated, if such placement is consistent with the approved postmining land use of the mine site;

(2) with respect to all surface coal mining operations, the operator shall backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all high walls, spoil piles, and depressions eliminated, unless depressions are consistent with the approved postmining land use of the mine site;

(3) The provisions of paragraphs (1) and (2) of this subsection shall not apply to surface coal mining operations where the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient or more than sufficient to restore the approximate original contour, in which case the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics for the area of land to be affected, to provide adequate drainage, and to facilitate a land use consistent with that approved for the postmining land use of the mine site;

(4) the regulatory authority may grant exceptions to paragraphs (1) and (2) if the regulatory authority finds that one or more variations from the requirements set forth in paragraphs (1) and (2) will result in the land having an equal or better economic or public use and that such use is likely to be achieved within a reasonable time and is consistent with surrounding land uses and with local, State, and Federal law;

(5) with respect to all surface coal mining operations, permanently establish, on regraded and all other lands affected, a stable and self-regenerative vegetative cover, where cover existed prior to mining and which, were advisable, shall consist of native vegetation;

(6) with respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it simultaneously on a backfill area or if not utilized immediately segregate it in a separate pile from the subsoil, and if the topsoil is not replaced in a time short enough to avoid deterioration of topsoil, maintain a successful cover by quick growing vegetation or by other means so that the topsoil is protected from wind and water erosion, contamination from any acid or toxic material, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if the topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the operator shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates that another method of soil conservation would be at least equally effective for revegetation purposes;

(7) with respect to surface disposal of coal mine wastes, coal processing wastes, or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas, through compaction, layering with incombustible and impervious materials, and grading followed by vegetation of the finished surface to prevent, to the extent practicable, air and surface or ground water pollution, and to assure compatibility with natural surroundings in order that the site can and will be stabilized and revegetated according to the provisions of this Act;

(8) with respect to the use of impoundments for the disposal of coal processing wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health or safety of the public in the event of failure, that construction will be so designed to achieve necessary stability with an adequate margin of safety to protect against failure, that leachate will not pollute surface or ground water, and that no fines, slimes and other unsuitable coal processing wastes are used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(9) prevent to the extent practicable adverse effects to the quantity and quality of water in surface and ground water systems both during and after surface coal mining and reclamation; and

(10) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions.

(d)(1) Upon petition by the permittee or the applicant for a permit, and after public notice and opportunity for comment by interested parties, the regulatory authority may modify the application of the interim surface coal mining and reclamation performance standards set forth in paragraphs (1), (2), (3), and (4) of subsection (c) of this section, if the permittee demonstrates to the satisfaction of the regulatory authority that—

(A) he has not been able to obtain the equipment necessary to comply with such standards;

(B) the surface coal mining operations will be conducted so as to meet all other standards specified in subsection (c) of this section and will result in a stable surface configuration in accordance with a surface coal mining and reclamation plan approved by the regulatory authority; and

(C) such modification will not cause hazards to the health and safety of the public or significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable.

(2) Any such modification will be reviewed periodically by the regulatory authority and shall cease to be effective upon implementation of a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act.

(e) The Secretary shall issue regulations to be effective one hundred and eighty days from the date of enactment of this Act in accordance with the procedures of section 202, establishing an interim Federal surface coal mining evaluation and enforcement program. Such program shall remain in effect in each State in which there are surface coal mining operations regulated by a State regulatory authority until the State program has been approved and implemented pursuant to section 203 of this Act or until a Federal program has been prepared and implemented pursuant to section 204 of this Act. The interim Federal surface coal mining evaluation and enforcement program shall—

(1) include inspections of surface coal mining operations on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator, for the purpose of evaluating State administration of, and ascertaining compliance with, the interim surface coal mining and reclamation performance standards of subsection (c) above. The Secretary shall cause any necessary enforcement action to be implemented in accordance with section 217 with respect to violations identified at the inspections;

(2) provide that the State regulatory agency file with the Secretary copies of inspection reports made;

(3) provide that upon receipt of State inspection reports indicating that any surface coal mining operation has been found in violation of the standards of subsection (c) of this section, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and necessary enforcement actions, if any, to be implemented in accordance with the provisions of section 217. The inspector shall contact the informant prior to the inspection and shall allow the informant to accompany him on the inspection; and

(4) provide that moneys authorized pursuant to this Act shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (c) above, are enforced and for the administration of this section.

(e) A coal surface mine operator operating pursuant to a valid permit and awaiting administrative action on his application for a permit from the appropriate regulatory authority may during the period prior to approval or disapproval of a State program pursuant to section 203 of this Act and for six months thereafter continue to operate his surface mine beyond the date of expiration of his permit subject to the terms and conditions of his permit or application in the event the appropriate regulatory authority has not acted on his application by the time his permit expires.

"(f) On and after the date of enactment of this Act, no person shall open, develop, or extend any new or previously mined or abandoned site for surface coal mining operations within any area of the National Park System, the National Wildlife Refuge System, or the National Wilderness Preservation System. Nothing in this Act shall be construed as authorizing surface coal mining operations within Federal lands where such mining is prohibited on the date of enactment of this Act by law, regulation, order, deed, or other instrument."

PERMANENT REGULATORY PROCEDURE

SEC. 202. Not later than the end of the one hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting permanent surface coal mining and reclamation performance standards based on the provisions of sections 213 and 214, and establishing procedures and requirements for preparation, submission and approval of State programs, and the development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(a) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(b) consulted with and considered the recommendations of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857); and

(c) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

STATE PROGRAMS

SEC. 203. (a) Each State in which surface coal mining operations are or may be conducted, and which proposes to assume State regulatory authority under this Act, shall submit to the Secretary, by the end of the twenty-four month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal penalties, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of notices and orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations on lands within the State;

(5) establishment of a process for the designation of lands unsuitable for surface coal mining operations in accordance with section 205; and

(6) establishment, for the purpose of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) consulted with and considered the recommendations of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act, as amended (42 U.S.C. 1857);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the surface coal mining and reclamation performance standards. The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program is submitted to him.

(c) If the Secretary disapproves any proposed State program, in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof.

(d) For the purposes of this section and section 204, the inability of a State to take any action to prepare, submit or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under title III of this Act or in the imposition of a Federal program. Regulation of the surface coal mining operations covered or to be covered by the State program subject to the injunction shall be conducted by the State until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of this section and section 204 shall again be fully applicable.

(e) If State compliance with this section requires an act of the State legislature, the Secretary may extend the period for submission of a State program up to an additional twelve months.

FEDERAL PROGRAMS

SEC. 204. (a) The Secretary shall prepare, promulgate, and implement a Federal program for the regulation of surface coal mining operations in any State which fails to—

(1) submit a State program covering sur-

face coal mining and reclamation operations by the end of the twenty-four-month period beginning on the date of enactment of this Act;

(2) resubmit an acceptable State program, or portion thereof, within sixty days of disapproval of a proposed State program, in whole or in part: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) adequately implement, enforce, or maintain a State program approved pursuant to section 203.

(b) Prior to implementation of a Federal program pursuant to section 204(a), the Secretary shall consult with and publicly disclose the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having expertise pertinent thereto and shall hold at least one public hearing within the State for which the Federal program is to be implemented.

(c) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface coal mining operations subject to this Act shall, insofar as they are inconsistent or interfere with the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING OPERATIONS

SEC. 205. (a) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions to be made based upon public hearings and competent and scientifically sound data and information as to which, if any, areas or types of areas of a State (except Federal lands) cannot be reclaimed with existing techniques to satisfy applicable standards and requirements of law. The State agency will not issue permits for surface coal mining of such areas unless it determines, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

"(b) The State regulatory authority shall designate a surface area as unsuitable for certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible."

(c) The Secretary, and, in the case of national forest lands, the Secretary of Agriculture, shall conduct a review of the Federal lands and determine, pursuant to the standards set forth in subsection (a) of this section, areas or types of areas on Federal lands which cannot be reclaimed with existing techniques to satisfy applicable standards and requirements of law. Permits for surface coal mining will not be issued to mine such areas unless it is determined, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

(d) In no event is an area to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act, or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to the date of enactment of this Act. Designation of an area as unsuitable for mining shall not prevent mineral exploration of the area so designated.

EFFECT ON STATE LAW

SEC. 206. Any provision of State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, and provides more stringent regulations of surface coal mining and reclamation operations than the provisions of this Act, or any regulation issued pursuant thereto, shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 207. (a) Except as provided in subsection (c) of this section, on and after six months from the date on which a State program is approved by the Secretary, pursuant to section 203 of this Act, or the Secretary has promulgated a Federal program for a State not having a State program, pursuant to section 204, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the appropriate regulatory authority.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permit holder who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permit holder may continue surface coal mining and reclamation operations until such successor's application is granted or denied.

(c) Any person engaged in surface coal mining operations pursuant to a permit issued under section 201 and awaiting administrative action on his application for a permit from the appropriate regulatory authority in accordance with this section may continue to operate for a four-month period beyond the time specified in subsection (a) of this section if the appropriate regulatory authority has not acted on the application.

PERMIT APPLICATION REQUIREMENTS: INFORMATION, AND MINING AND RECLAMATION PLANS

SEC. 208. (a) Each application for a permit pursuant to a State or Federal program under this Act shall be submitted in a manner satisfactory to the regulatory authority and shall contain:

(1) the names and addresses of the permit applicants (if the applicant is a subsidiary corporation, the name and address of the parent corporation shall be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property; any purchaser of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names and addresses of principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person or group owning, of record or beneficially, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface coal mining operation within the United States or its territories and possessions;

(3) a description of the type and method of surface coal mining operation that exists or is proposed;

(4) evidence of the applicant's legal right to enter and commence surface coal mining operations on the area affected;

(5) the names and addresses of the owners of record of all surface and subsurface areas abutting on the permit area;

(6) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(7) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has held a Federal or State surface coal mining permit which subsequent to 1960 has been suspended or revoked or has had a surface coal mining performance bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(8) such maps and topographical information, including the location of all underground mines in the area, as the regulatory authority may require, which shall be in sufficient detail to clearly indicate the nature and extent of the overburden to be disturbed, the coal to be mined, and the drainage of the area to be affected;

(9) a copy of the applicant's advertisement of the ownership, location, and boundaries of the proposed site of the surface coal mining and reclamation operation (such advertisement shall be placed in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks and may be submitted to the regulatory authority after the application is filed);

(10) a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation.

(b) Each application for a permit shall be required to submit to the regulatory authority, as part of the permit application, a surface coal mining and reclamation plan which shall contain:

(1) the engineering techniques proposed to be used in the surface coal mining and reclamation operation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan where appropriate for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation (where vegetation existed prior to mining); an estimate of the cost per acre of the reclamation, including statements as to how the permittee plans to comply with each of the applicable surface coal mining and reclamation performance standards establish under this Act;

(2) the consideration which has been given to developing the surface coal mining and reclamation plan in a manner consistent with local physical, environmental, and climatological conditions and current surface coal mining and reclamation technologies;

(3) the consideration which has been given to insuring the maximum practicable recovery of the coal;

(4) a detailed estimated timetable for the accomplishment of each major step in the surface mining and reclamation plan;

(5) the consideration which has been given to making the surface coal mining and reclamation operation consistent with applicable State and local land use programs;

(6) a description, if any, of the hydrologic consequences of the surface coal mining and reclamation operation, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated surface coal mining in the area upon the hydrology of the area and particularly upon water availability;

(7) a statement of the results of test boring or core samplings from the land to be affected including where appropriate the surface elevation and logs of the drill holes so

that the strike and dip of the coal seems may be determined; the nature and depth of the various strata of overburden; the location of subsurface water if encountered and its quality; the thickness of the coal seam found; an analysis of the chemical properties of such coal to determine the sulfur content and the content of other potentially acid or toxic forming substances of the overburden and the stratum lying immediately underneath the coal to be mined; and

(8) proprietary information, if made available to the public would result in competitive injury to the applicant, may be designated confidential and, if accepted by the regulatory authority shall be subject to the provisions of section 1905 of title 18, United States Code. Appropriate protective orders against unauthorized disclosure or use by third parties may be issued with respect to such information, and violations of such orders shall be subject to penalties set forth in section 219 of this Act.

(c) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with an appropriate official, approved by the regulatory authority, in the locality where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(d) A valid permit issued pursuant to this Act shall carry with it a right of successive renewals upon expiration provided that the permittee has complied with such permit. "The holder of the permit may apply for renewal shall be issued, subsequent to public hearing upon the following requirement and written finding by the regulatory authority that—" Prior to approving the renewal of any permit, the regulatory authority shall review the permit and the surface coal mining and reclamation operation and may require such new conditions and requirements as are necessary or prescribed by changing circumstances. A permittee wishing to obtain renewal of a permit shall make application for such renewal within one year prior to the expiration of the permit. The application for renewal shall contain:

(1) a listing of any claim settlements or judgments against the applicant arising out of, or in connection with, surface coal mining operations under said permit;

(2) written assurance by the person issuing the performance bond in effect for said operation that the bond continues and will continue in full force and effect for any extension requested in such application for renewal as well as any additional bond the regulatory authority may require pursuant to section 210 of this Act;

(3) revised, additional, or updated information required under this section.

Prior to the approval of any extension of the permit, the regulatory authority shall notify all parties who participated in the public review and hearings on the original or previous permit, as well as providing notice to the appropriate public authorities, and taking such other steps as required in section 209 of this Act.

PERMIT APPROVAL OR DENIAL PROCEDURES

SEC. 209. (a) The regulatory authority shall notify the applicant for a surface coal mining and reclamation permit within a period of time established by law or regulation, not to exceed ninety days, that the application has been approved or disapproved. If approved, the permit shall be issued after the performance bond or deposit and public liability insurance policy required by section 210 of this Act has been filed. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for said disapproval unless a hearing has already been held under section 209(f). Such hearing shall be held in the locality of the proposed surface coal mining operation as soon as practicable after receipt of the request for a hearing and after appropriate notice and publication of the date, time, and location of such hearing. Within sixty days after the hearing the regulatory authority shall issue and furnish the applicant and any other parties to the hearing the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(b) Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(c) Prior to the issuance of a permit, the regulatory authority may require the applicant to alter his proposed surface coal mining and reclamation plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from all or part of the plan in order to assure that the surface coal mining and reclamation objectives of this Act are met.

(d) No permit will be issued unless the regulatory authority finds that:

(1) all applicable requirements of this Act and the State or Federal program have been satisfied;

(2) the applicant can demonstrate that reclamation as required by this Act and the appropriate State or Federal program under this Act can be accomplished under the surface coal mining and reclamation plan contained in the permit application;

(3) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless the owner thereof waives this requirement, nor within three hundred feet of any public building, school, church, community, or institutional building, or cemetery; or the land to be affected does not lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(4) no lake, river, stream, creek, or watercourse may be moved, interrupted, or destroyed during the surface coal mining or reclamation process except that lakes, rivers, streams, creeks, or watercourses may be relocated where consistent with the approved mining and reclamation plan; and no surface coal mining or reclamation activities will be conducted within one hundred feet of any lake, river, stream, or creek, except where permitted by the approved mining and reclamation plan;

(5) surface coal mining operations will not take place on any area of land within one thousand feet of parks or places listed in the National Register of Historic Sites, unless screening or other measures approved by the regulatory authority are used or if the mining of the area will not adversely affect or reduce the usage of the park or place; and

(6) the application on its face is complete, accurate, and contains no false information.

(e) The regulatory authority shall not issue any new surface coal mining permit or renew or revise any existing surface coal mining permit if it finds that the applicant has failed and continues to fail to comply with any of the provisions of this Act applicable to any State, Federal, or Federal lands program, or the permit includes an area as to which an administrative proceeding has commenced pursuant to section 205, or if the applicant fails to submit proof that violations described in subsection (a)(10) of section 208 have been corrected or are in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

(f) Any person having an interest which is or may be adversely affected by the proposed surface coal mining and reclamation operation or any Federal, State, or local governmental agency having responsibilities affected by the proposed operation shall have the right to file written objections to any permit application and request a public hearing thereon within thirty days after the last publication of the advertisement pursuant to section 208(a)(9). If written objections are filed and a hearing requested, the regulatory authority shall hold a public hearing in the locality of the proposed surface coal mining and reclamation operation as soon as practicable from the date of receipt of such objections and after appropriate notice and publication of the date, time, and location of such hearing. Within sixty days after the hearing the regulatory authority shall issue and furnish the parties to the hearing the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

POSTING OF BOND OR DEPOSIT: INSURANCE

SEC. 210. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or the State, under an approved State program, and conditioned that the applicant shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the applicant will initiate and conduct surface coal mining and reclamation operations within the initial year of the permit term. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file annually with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000.

(b) The bond shall be executed by the applicant and a corporate surety approved by the regulatory authority, except that the applicant may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized under the laws of any State or the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The amount of the bond or deposit required shall be increased or decreased by the regulatory authority from time to time as affected land acreages are changed or where the cost of future reclamation increases or decreases.

(d) After a surface coal mining and reclamation permit application has been approved but before such permit is issued, the applicant for a permit shall be required to submit to the regulatory authority a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operation for which such permit is sought, or evidence that the applicant has satisfied State or Federal self-insurance requirements. Such policy shall provide for both on- and off-site personal injury and property damage protection in an amount adequate to compensate any persons injured or damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of Federal or State law, but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all reclamation operations required by this Act.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 211. (a) The permittee may file a request with the regulatory authority for the release of all or part of the performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the permittee shall submit a copy of an advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed. In addition, as part of any bond release application, the permittee shall submit copies of letters which have been sent to adjoining property owners, and local governmental bodies, planning agencies, sewage and water treatment authorities, water companies, and all other public utility companies whose facilities cross or may be sufficiently close to the concerned area to be affected thereby in the locality in which the surface coal mining and reclamation activities took place, notifying them of intent to seek release of the bond.

(b) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act: *Provided, however,* That—

(1) no bond shall be fully released until all reclamation requirements of this Act are fully met, and

(2) an inspection and evaluation of the affected surface coal mining and reclamation operation is made by the regulatory authority or its authorized representative prior to the release of all or any portion of the bond.

(c) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending actions necessary to secure said release. The permittee shall be afforded an opportunity for a public hearing in accordance with the procedures specified in section 209(a), unless a hearing has already been held under subsection (d) of this section.

(d) Any person having an interest which is or may be adversely affected by the proposed release of the bond or any Federal, State, or local governmental agency having responsibilities affected by the proposed release shall have the right to file written objections to the proposed release of the bond and request a public hearing thereon to the regulatory authority within thirty days after the last notice has been given in accordance with subsection (a) of this section. If written objections are filed and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, which shall be held in the locality of the affected surface coal mining operation as soon as practicable after receipt of the request for such hearing. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality once a week for three consecutive weeks.

REVISION AND REVIEW OF PERMITS

SEC. 212. (a) During the term of the permit the permittee may submit an application, together with a revised surface coal mining and reclamation plan, to the regulatory authority for a revision of the permit.

(b) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised surface coal mining and reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program, but such period shall not exceed ninety days. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided,* That any revision which proposes a substantial change in the intended future use of the land or significant alterations in the mining and reclamation plan shall, at a minimum, be subject to the notice and hearing requirements of section 209 of this Act.

(c) Any extensions to the area covered by the permit except incidental boundary revisions shall be made by application for another permit.

(d) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided,* That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(e) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Following promulgation of a Federal program, the Secretary shall review such permits to determine if the requirements of this Act are being carried out. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface coal mining and reclamation operations to the requirements of the Federal program.

(f) If a State submits a proposed State program to the Secretary after a Federal program has been promulgated and implemented, and if the Secretary approves the State program, the Federal program shall cease to be effective thirty days after such approval. Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine if the requirements of the approved State program are being carried out. If the State regulatory authority determines that any permit has been granted contrary to the requirements of the approved State program, it shall so advise the permittee and provide a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface coal mining and reclamation operations to the requirements of the approved State program.

SURFACE COAL MINING AND RECLAMATION PERFORMANCE STANDARDS

SEC. 213. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable surface coal mining and reclamation performance standards of this Act.

(b) The following general surface coal mining and reclamation performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the permittee to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the coal being mined so that reaffecting the land in the future through surface coal mining operations can be minimized;

(2) restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or an equal or better economic or public use suitable to the locality;

(3) minimize to the extent practicable, any temporary environmental damage so that it will affect only the permit area;

(4) limit the excavation area from which coal has been removed at any one time during mining by combining the process of reclamation with the process of mining to keep reclamation operations current, and completing such reclamation in any separate distinguishable portion of the mined area as soon as feasible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it simultaneously on a backfill area or if not utilized immediately segregate it in a separate pile from other spoil and if the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is protected from wind and water erosion, and contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation, except if the topsoil is insufficient quantity or of poor quality sustaining vegetation or if another material from the mining cycle can be shown to be more suitable for vegetation requirements, then the permittee shall so remove, segregate, and protect that material which is best able to support vegetation, unless the permittee demonstrates in the reclamation plan that another method of soil conservation would be at least equally effective for revegetation purposes;

(6) stabilize and protect all surface areas affected by the surface coal mining and reclamation operation to control as effectively as possible erosion and attendant aid and water pollution.

(7) provide that all debris, acid, highly mineralized toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) backfill, compact (where advisable to provide stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however,* That in surface coal mining operations where the operation transects the coal deposit and the permittee demonstrates that the overburden, giving due consideration to volumetric expansion, is insufficient or more than sufficient to restore the approximate original contour, the permittee, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve an angle of repose based upon soil and climate characteristics of the area of land to be affected

to provide adequate drainage and to facilitate land use consistent with that approved for the post mining land use of the mine site;

(9) construct, if authorized in the approved surface coal mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that degradation of water quality in the receiving stream as a result of discharges from the impoundment will be minimized;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses will be minimized;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such bed or channel so as to result in serious adverse effects on the normal flow of water;

(1) replace the topsoil or the other more suitable material from the mining cycle which has been segregated and protected;

(12) establish on the regraded areas and all other lands affected a stable and self-regenerating vegetative cover (including agricultural crops if approved by the regulatory authority), where cover existed prior to mining, which, where advisable, shall be comprised of native vegetation;

(13) assume the responsibility for successful revegetation for a period of five full years after the completion of reclamation (as determined by the regulatory authority) in order to provide a stable and self-regenerating vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the permittee's assumption of responsibility and liability will extend for a period of ten full years after the completion of reclamation: *Provided,* That unless prior thereto, the operator can demonstrate to the satisfaction of the regulatory authority that such a vegetative cover has been established for at least three full growing seasons;

(14) minimize the disturbances to the hydrologic balance at the mine site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining and reclamation operations by—

(A) avoiding acid or other toxic mine drainage to the extent practicable by preventing, retaining, or treating drainage to reduce mineral content which adversely affects downstream water uses when it is released to water courses;

(B) casing, sealing, or otherwise managing boreholes, shafts, and wells in a manner designed to prevent acid or other toxic drainage to ground and surface waters;

(C) conducting surface coal mining operations so as to minimize to the extent practicable the adverse effects of water runoff from the permit area;

(D) if required, removing and disposing of siltation structures and retained silt from drainways in an environmentally safe manner;

(E) restoring to the maximum extent practicable recharge capacity of the aquifer at the minesite to premining conditions; and

(F) relocating surface and ground water in a manner consistent with the permittee's approved surface coal mining and reclamation plan.

(15) minimize offsite damages that may result from surface coal mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for disposal of mine wastes or other liquid or solid wastes, incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health and safety of the public in the event of failure, construct such facilities to achieve necessary stability with an adequate margin of safety to protect against failure, prevent leachate from polluting surface or ground water and prohibit fines, slimes, and other unsuitable coal processing wastes from being used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction in compacted layers with incombustible and impervious materials, and provide that the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice to local governments and advance notice to residents who might be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site at least one week in advance of the planned blasting schedules and the posting of such schedules at the entrances to the permit area, and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, and (iii) adverse impacts on any underground mine, and

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) Refrain from surface coal mining within five hundred feet from underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided,* That the regulatory authority shall permit an operator to mine closer to such a mine provided it does not create hazards to the health and safety of miners or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of this Act.

(20) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside the permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or provide for their maintenance so as to control erosion and siltation of streams and adjacent lands; and

(21) fill auger holes to a depth of not less than three times the diameter with an impervious and noncombustible material.

(c) The following mining and reclamation performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (c) shall not apply to mining operations which create a plateau with no highwalls remaining in such a manner as to otherwise meet the standards of this subsection or those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep-slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that, where necessary, spoil from the cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope, provided that the spoil is shaped and graded in such a way so as to prevent slides and minimize erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) For the purposes of this subsection, the term "steepslope" is any slope above twenty degrees or such other slope as the regulatory authority may determine to be necessary based upon soil, climate, and other characteristics of a region or State.

(d) (1) In cases where an industrial, commercial, agricultural, residential, recreational or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 213(b) (8) and in subsection 213(c) (1) of this Act, if the regulatory authority determines:

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be most effectively obtained only if one or more exceptions to the requirements for regrading, backfilling, and soil placement as set forth in subsection 213(b) (8) and subsection 213(c) (1) of this Act are granted;

(2) With respect to subsection 213(b) (12) and subsection 213(b) (13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception.

(3) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with terms of the approved schedule and reclamation plan.

(e) The Secretary may develop, promulgate, and revise, as may be appropriate, improved surface coal mining and reclamation performance standards for the protection of the environment and public health and safety. Such development and revision of improved surface coal mining and reclamation performance standards shall be based upon the latest available scientific data, the technical feasibility of the standards, and experience gained under this and other environmental protection statutes. The performance standards of subsections (b) and (c) of this section shall be applicable until superseded in whole or in part by improved surface coal mining and reclamation performance standards promulgated by the Secretary.

No improved surface coal mining and reclamation performance standards promulgated under this subsection shall reduce the protection afforded the environment and the health and safety of the public below that provided by the performance standards contained in subsections (b) and (c) of this section. Improved surface coal mining and reclamation performance standards shall not be promulgated by the Secretary until he has followed the procedures specified in subsections (a), (b), and (c) of section 202 of this Act.

MINING AND RECLAMATION PERFORMANCE STANDARDS FOR SURFACE OPERATIONS INCIDENT TO UNDERGROUND COAL MINING

SEC. 214. (a) In order to regulate the adverse effects of surface operations incident to underground coal mining, the Secretary shall, in accordance with the procedures established under section 202 of this Act, promulgate rules and regulations directed toward the surface affected by such underground coal mining operations embodying the requirements specified in subsection (c) of this section which shall be applicable to surface operations incident to underground coal mining.

(b) The performance standards specified in subsection (c) of this section shall be applicable to all such operations until superseded in whole or in part by improved performance standards promulgated by the Secretary in accordance with subsection (e) of section 213 of this Act.

(c) Any approved State or Federal program pursuant to this Act and relating to surface operations incident to underground coal mining shall require the underground coal mine operator to—

(1) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mineworkings when no longer needed for the conduct of the underground coal mining operation;

(2) with respect to surface disposal of mine wastes, coal processing wastes, and other wastes in areas other than mineworkings or excavations, stabilize all waste piles created by the current operations in designated areas through construction in compacted layers with incombustible and impervious materials, and provide that the final contour of the waste pile will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(3) with respect to the use of impoundments for disposal of mine wastes or other liquid and solid wastes incorporate sound engineering practices for the design and construction of water retention facilities which will not endanger the health and safety of the public in the event of failure, construct such facilities to achieve necessary stability with an adequate margin of safety to protect against failure, prevent leachate from polluting surface or ground water, and prohibit fines, slimes and other unsuitable coal processing wastes from being used as the principal material in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(4) establish on regraded areas and all other lands affected, a stable and self-regenerating vegetative cover, where cover existed prior to mining, which, where advisable, shall be comprised of native vegetation;

(5) adopt measures consistent with known technology to minimize off-site damages resulting from surface operations incident to underground coal mining; and

(6) prevent to the extent practicable the discharge of waterborne pollutants both during and after mining.

(7) in order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if imminent danger to inhabitants of the urbanized areas, cities, towns, and communities is presented.

(d) All operators of underground coal mines, both during and after mining, shall have abatement and remedial programs to prevent the discharge of waterborne pollutants to the extent practical and to eliminate fire hazards and other conditions which constitute a hazard to public health and safety.

JUDICIAL REVIEW

SEC. 215. (a)(1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within thirty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the other parties, the Secretary, and the Attorney General and thereupon the Secretary shall certify and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) Any promulgation of regulations by the Secretary pursuant to sections 213, 214, and 221 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals in accordance with the procedures set forth in subsection (1) of this section.

(3) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure, in the case of a proceeding to review an order or decision issued by the Secretary under section 219(b) of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment.

(b) The court shall hear such petition or complaint on the evidence presented and on the record made before the Secretary. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceeding if—

(1) all parties to the proceeding have been notified and given an opportunity to be heard on a request for temporary relief;

(2) there is a substantial likelihood that the person requesting such relief will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not present imminent danger to the public health and safety or cause significant imminent environmental harm to the land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the order or decision of the Secretary.

INSPECTIONS AND MONITORING

SEC. 216. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act, the regulatory authority shall—

(1) require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance or water use either on or off the mining site, specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lowermost (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation. The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations of any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act. The regulatory authority shall make copies of such inspection reports freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or the regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain the entrance to the surface coal mining and reclamation operation a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operation.

(e) Each authorized representative of the regulatory authority, upon detection of each violation of any requirement of a State or Federal program pursuant to this Act, shall forthwith inform the permittee in writing, and shall report in writing any such violation to the regulatory authority.

FEDERAL ENFORCEMENT

SEC. 217 (a) (1) Whenever, on the basis of any information available, including receipt of information from any person, the Secretary has reason to believe that any person in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant imminent environmental harm to land, air, or water resources, which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant imminent environmental harm to land, air, or water resources which cannot reasonably be considered reclaimable within the scope of the bonded reclamation plan, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. If, upon the expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program, or a Federal lands program, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and, where appropriate, a reasonable description of the portion of the surface coal mining and reclamation operation to which a cessation order applies. Each notice or other order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with the requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Except as otherwise provided herein, any relief granted by the court to enforce an order under clause (A) of this subsection shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

REVIEW BY THE SECRETARY

SEC. 218. (a) (1) A notice or order issued to a permittee pursuant to the provisions of subparagraphs (a) (2) and (3) of section 217 of this title, or to any person having an interest which is or may be advesely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or person having an interest which is or may be adversely affected, to enable the applicant and such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination, thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 217(a) (3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, with or without a hearing, under such conditions as he may prescribe, if—

(1) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(2) such relief will not present imminent danger to the health or safety of the public or cause significant imminent environmental harm to the land, air, or water resources within the scope of the bonded reclamation plan.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 217(a) (4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title V of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

(e) In view of the urgent need for prompt decision of matters submitted to the Secretary under this section, action shall be taken as promptly as practicable, consistent with adequate consideration of the issues involved.

PENALTIES

SEC. 219. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement of a State program pursuant to section 217(b) of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 217 (a) (3), the civil penalty shall be assessed. Such penalty shall not exceed $10,000. Each day of a coninuing violation may be deemed a separate offense. In determining the amount of the penalty, consideration shall be given to the permitee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Where appropriate, the Secretary shall consolidate such hearings with other proceedings under section 218 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in section 215 of this Act, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum per annum shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 215 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program or a Federal lands program or fails or refuses to comply with any order issued under section 217(a) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 305 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program or a Federal lands program or fails or refuses to comply with any order issued under section 217(a) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 305 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(i) As a condition of approval of any State program submitted pursuant to section 203 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

ESTABLISHMENT OF RIGHT TO BRING CITIZENS SUITS

SEC. 220. (a) Except as provided in subsection (c) of this section any person having an interest which is or may be adversely affected by actions of the Secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any regulation, order, or permit issued under this Act;

(2) against the Secertary where there is alleged a failure of the Secretary or State regulatory authority to perform any act or duty under this Act which is not discretionary.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citzenship of the parties, to remedy such violation or failure and to apply any appropriate civil penalties or injunctive relief under this Act.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting administrative or judicial action to require compliance with the regulation, permit, order, or provision of this Act, but in any such action in a court of the United States any person described in subsection (a) may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, except against the United States or any Federal officer or agency, whenever the court determines such award is appropriate. The court may, if a tempoary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(e) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

FEDERAL LANDS

SEC. 221. (a)(1) After the date of enactment of this Act all new surface coal mining permits, leases, or contracts issued with respect to surface coal mining operations on Federal lands shall incorporate therein the interim surface coal mining and reclamation performance standards of subsection (c) of section 201 of this Act.

(a)(2) Within sixty days from the date of enactment of this Act, the Secretary shall review and amend all existing surface coal mining permits, leases, or contracts in order to incorporate therein the interim surface coal mining and reclamation performance standards of subsection (c) of section 201 of this Act. On or before one hundred and twenty days from the date of issuance of such amended permit, lease, or contract, all surface coal mining operations existing at the date of enactment of this Act on Federal lands shall comply with the interim surface coal mining and reclamation performance standards with respect to lands from which the overburden has not been removed.

(b) The Secretary, in consultation with the heads of other Federal land managing departments and agencies, shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place on any Federal land. The Federal lands program shall incorporate all surface coal mining reclamation requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(c) Within eighteen months after the date of enactment of this Act, all surface coal mining reclamation requirements of this Act through the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations or surface operations incident to underground coal mines. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contact holder to conform any surface coal mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act. With respect to national forest lands, the Secretary shall include in permits, leases, and contracts those conditions and requirements deemed necessary by the Secretary of Agriculture. The Secretary of Agriculture shall administer the provisions of such surface coal mining leases, permits, or contracts relating to reclamation and surface use, and is authorized to enforce such provisions.

The Secretary, or in the case of lands within national forests the Secretary of Agriculture, may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary, or in the case of lands within national forests the Secretary of Agriculture, may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations. Such agreements shall incorporate all of the requirements of this Act, and shall not preclude Federal inspection or enforcement of the provisions of this Act as provided in sections 216 and 217.

(d) Except as specifically provided in subsection (c), this section shall not be construed as authorizing the Secretary or the Secretary of Agriculture to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) This section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

SPECIAL BITUMINOUS COAL MINES

SEC. 222. The regulatory authority is authorized to and shall issue separate regulations for the interim and permanent programs for those special bituminous coal surface mines which meet the following criteria:

(a) were in existence on the date of the Act and because of past duration of mining (at least ten years) have substantially committed to a mode of operation which warrants exceptions to some provisions of this title;

(b) involves the mining of more than one coal seam and where mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(c) involves a mining operation that follows the coal seam on an inclination of fifteen degrees or more from the horizontal;

(d) involves an operation on the same site for the duration of the mining operation, and will under present mine plan conditions result in a pit depth in excess of nine hundred vertical feet from the original land surface. Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regarding to approximate original contour and shall specify that remaining highwalls are stable; all other performance standards in this title apply.

TITLE III—GENERAL PROVISIONS AND ADMINISTRATION

AUTHORITY OF THE SECRETARY

SEC. 301. (a) In carrying out his responsibliities under this Act the Secretary shall:

(1) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in this title;

(2) maintain a continuing study of surface coal mining and reclamation operations in the United States;

(3) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of this Act;

(4) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act; and

(5) conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed materials as necessary to carry out his duties under this Act.

(b) For the purpose of carrying out his responsibilities under this Act, including the enforcement thereof, the Secretary may by agreement utilize with or without reimbursement the services, personnel, and facilities of any Federal agency.

STUDY OF SUBSIDENCE AND UNDERGROUND WASTE DISPOSAL IN COAL MINES

SEC. 302. The Secretary shall conduct a full and complete study and investigation of the practices of backfilling all coal mine wastes and coal processing plant wastes in mine voids or other equally effective disposal methods and the control of subsidence to maximize the stability, value, and use of lands overlying underground coal mines. The Secretary shall report to the Congress the results of such study and investigation no later than the end of the two-year period beginning on the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 303. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

RELATION TO OTHER LAWS

SEC. 304. Nothing in this Act or in any State regulations approved pursuant to it shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 801).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

EMPLOYEE PROTECTION

SEC. 305. (a) No person shall discharge, or in any other way discriminate against, or cause to be discharged or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such discharge or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue such a finding. Orders issued by the Secretary under this subparagraph shall be subject to judicial review in the same manner as other orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section, at the request of applicant, a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees), to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

GRANTS TO THE STATES

SEC. 306. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the program development costs incurred during the year prior to approval by the Secretary, shall not exceed 60 per centum of the total costs incurred during the first year following approval, 45 per centum during the second year following approval, 30 per centum during the third year following approval, and 15 per centum during the fourth year following approval. Not later than the end of the fourth year following approval, the State program shall be fully funded from State sources, and each application for a permit pursuant to an approved State program or a Federal program under the provision of this Act shall provide for payment of fees as determined by the regulatory authority. Such fees shall be based as nearly as possible upon the actual or anticipated costs of reviewing, administering, and enforcing such permit, and shall be payable on a phased basis over the period of the permit.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training, including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

PROTECTION OF THE SURFACE OWNER

"SEC. 307. (a) Where the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the execution of a bond or undertaking to the United States, the State, or the owner of the surface estate, whichever is applicable, for the use and benefit of the owner of the surface estate, to secure the payment of damages to the surface estate caused by the surface coal mining operations.

(b) Upon a determination by the regulatory authority that damages to the surface estate has occurred, the owner of the surface estate shall be entitled to direct payment of up to eighty percent of the value of the bond or undertaking, executed pursuant to subsection (a) of this section, based upon the average value of the surface estate as determined by at least two Federal or State qualified and licensed appraisers, and the payment of any damages in excess of eighty percent of the value of the bond or undertaking shall be determined by an action brought upon the bond or against the operator in a court of competent jurisdiction, and attorney fees and costs awarded in the discretion of the court.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 308. Section 1114, title 18, United States Code, is, hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

SEVERABILITY

SEC. 309. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

DEFINITIONS

SEC. 310. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(4) The term "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine the products of which enter commerce or the operations of which directly or indirectly affect commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, and area mining (but not open pit mining), and in situ distillation or retorting, leaching, or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, or loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by mineral exploration operations which substantially disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(5) the term "surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations;

(6) The term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(7) The term "Federal lands" means any land or interest in land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof;

(8) The term "State program" means a program established by a State pursuant to title II to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(9) The term "Federal program" means a program established by the Secretary to regulate surface coal mining and reclamation operations on lands within any State in accordance with the requirements of this Act;

(10) The term "Federal lands program" means a program established pursuant to title II to regulate surface coal mining and reclamation operations on Federal lands;

(11) The term "mining and reclamation plan" means a plan submitted by an applicant for a permit under a State program, Federal program, or Federal lands program which sets forth a plan for mining and reclamation of the proposed surface coal mining operations pursuant to section 208;

(12) The term "State regulatory authority" means the department or agency in each State which has primary responsibility in that State for administering the State program pursuant to this Act;

(13) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering any or all provisions of this Act;

(14) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(15) The term "permit" means a document issued by the regulatory authority for a surface coal mining site pursuant to a State program, or a Federal lands program, authorizing the permittee to conduct surface coal mining and reclamation operations.

(16) The term "permit applicant" or "applicant" means a person applying for a permit;

(17) The term "permittee" means a person holding a permit;

(18) The term "backfilling to approximate original contour" means that part of the surface coal mining and reclamation process achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to surface coal mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are necessary or desirable for reclamation or public recreation purposes;

(19) The term "operator" means any person engaged in surface coal mining operations;

(20) The term "reclamation" or "reclaim" means the process of land, air, and water treatment that restricts and controls water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, and other harmful effects resulting from surface coal mining operations, so that the affected areas, including, where appropriate, areas adjacent to the mining site are restored to a stable condition capable of supporting the uses which they were capable of supporting prior to mining or an equal or better economic or public use suitable to the locality;

(21) The term "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(22) "Open pit mining" means surface mining in which (1) the amount of material removed is large in proportion to the surface area disturbed; (2) mining continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain slope stability or as necessary to accommodate the orderly expansion of the total mining operation; (3) the operations take place on the same relatively limited site for an extended period of time; (4) there is no practicable method to reclaim the land in the manner required by this Act; and (5) there is no practicable alternative method of mining the mineral or ore involved;

(23) The term "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause death or serious physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED COAL MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The Secretary is authorized to use the money in the fund for making grants for the purposes of Sec. 404.

OBJECTIVES OF FUND

SEC. 402. Objectives for the obligation of funds for the reclamation of previously mined areas shall be to achieve the greatest estimated benefits from the costs incurred.

ELIGIBLE LANDS

SEC. 403. Funds for reclamation may be expended under this title only for lands which (i) were mined for coal or the value of which were adversely affected by such mining, wastebanks, coal processing, or other mining processes; (ii) were abandoned prior to the enactment of this Act; (iii) are subject to no continuing responsibility for such reclamation under State or other Federal laws, and (iv) title to which is held by the State or States in which they are located at the time any grants of money are made under this title.

SEC. 404. (a) For the purpose of carrying out the provisions of this title the Secretary is authorized to make grants on a matching basis to States in such amounts as may be provided in subsection (b), but in no event shall any grant exceed 50 per centum of the total cost of the reclamation of the lands for which such grant is made. Any disposal by a State of such lands subsequent to the completion of such reclamation shall be for fair market value as determined by a competitive sale. All moneys from such sale shall be deposited in a State fund which, together with interest thereon shall be used for the purposes of the original grants and without further Federal matching.

(b) The Secretary shall establish entitlement for the various States on the basis of the incidence of abandoned coal mined lands and best estimates of costs of reclamation.

SEC. 405. (a) There is authorized to be appropriated to the fund initially the sum of $125,000,000 and such sums as the Congress may thereafter authorize to be appropriated.

(b) The following other moneys shall be deposited in the fund;

(1) moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title;

(2) moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted.

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (c).

Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(c)(1) In addition to the amounts deposited in the fund from the sale, lease or rental of land reclaimed pursuant to this title, there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

TITLE V—ALASKAN SURFACE COAL MINE STUDY

SEC. 513. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine the best set of surface mining regulations under which such mines could operate. The study shall—

(1) identify variations and differences between surface mining conditions in Alaska and surface mining conditions in the Lower 48 with respect to the environmental protection standards in this Act;

(2) identify suitable surface mining standards to assure that post-mining land use is compatible with the habitat, and surrounding terrain;

(3) identify impacts on the environment which could be engendered by current surface mining technology and identify how or if these impacts can be mitigated through the use of alternative mining technologies.

(b) The Secretary is to make a report to the President and Congress on the findings of the study no later than 24 months after the date of enactment of this Act;

(c) The Secretary shall include in his report a draft of Federal regulations to be promulgated to govern surface coal mining operations on Federal lands in the State of Alaska, and a draft of those regulations to use as a standard for determining the adequacy of an Alaskan State program for the regulation of surface coal mining operations;

(d) The draft regulations contained in the report are to be promulgated for comment by the public and other interested parties pursuant to this Act within 12 months of submission of the report to Congress. After considering such comments submitted and revising such regulations as appropriate, the Secretary shall promulgate such standards governing surface coal mining operations in the State of Alaska.

(e) Until the Secretary has made his report to the President and Congress and has promulgated Federal regulations on coal mining operations on Federal lands in Alaska, this Act shall not apply to the State of Alaska.

(f) There is hereby authorized to be appropriated for the purpose of this section $500,000.

Mr. HOSMER (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit with instructions be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Does the gentleman desire to use his time?

Mr. HOSMER. I do, Mr. Speaker.

Mr. Speaker, this motion to recommit with instructions is basically and for the most part, the thrust and philosophy of H.R. 12898, which is to "live and let live."

The bill proposed in my motion to recommit with instructions is a tough, strict, surface coal mining reclamation bill. It is a bill which will permit this country to maintain its energy dependence on the most abundant fossil fuel resource which this country has—coal. It will permit coal to remain available to meet the expanding energy needs of our Nation.

Most importantly, the bill contained in the motion to recommit with instructions is specifically drafted and amended to include the environmental concepts and safeguards as contained in the committee bill. The motion to recommit with instructions proposes a bill which has been revised to include various amendments which have been adopted by the House to the committee bill. The amendments that are included in the bill proposed in the motion to recommit include the following: In title I, the motion contains the congressional findings adopted by the House on July 18.

Title II, the motion has been revised to include time changes proposed to section 201 of the Mink amendment as adopted.

Also in title II are provisions for mountain-top removal, as approved by the House in the Slack amendment; the Dingell amendment regarding national parks, wildlife refuges and wilderness areas; the Roncalio-Ruppe-Hays amendment designating areas unsuitable for surface coal mining; the Melcher amendment on permit renewal; and the Wampler and Hosmer amendments, which were adopted in the Committee of the Whole, are also in the bill proposed in the motion to recommit.

The Hays amendment concerning the surface effects of underground mining operations, and the Young amendment, covering Alaskan problems, are contained in the bill proposed in the motion to recommit.

In order to take care of special circumstances, the motion to recommit contains a provision regarding special bituminous coal mines, as in the committee bill. The motion to recommit also contains a new provision regarding the protection of surface owners. And last, the motion to recommit provides for an abandoned mine reclamation fund for the rehabilitation of abandoned mined lands which includes the Ruppe-McDade amendment which was adopted by the House earlier today.

Mr. Speaker, the motion to recommit contains the rule of reason as against the rule of ruin and inflexibility of H.R. 11500.

The recommittal motion proposes a bill which will allow an equal respect for environmental and energy ethics in our country, and more importantly, the motion to recommit proposes a bill which will avoid the direct possibility, if H.R. 11500 in its present form should be enacted, of inducing an energy-caused depression in the United States of a permanent nature.

There is no doubt, and there is very serious contention that this bill—H.R. 11500—will preclude the production of a certain amount of coal. And, that amount is somewhere between 20 and 65 percent of all the coal that is surface mined. It is my best judgment that it will preclude approximately 50 percent.

In order to avoid that kind of consequence, Mr. Speaker, I ask that the motion to recommit with instructions be agreed to.

The SPEAKER. The gentleman from Arizona (Mr. UDALL) is recognized.

Mr. UDALL. Mr. Speaker, after 6 days of work, this House has produced a balanced surface mining bill. The motion to recommit offers a rehash, with some goodies thrown in, of a substitute that was defeated by over 100 votes when we started last week.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. HOSMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 106, nays 267, not voting 61, as follows:

[Roll No. 409]

YEAS—106

Archer
Armstrong
Ashbrook
Baker
Bauman
Beard
Bevill
Blackburn
Bowen
Bray
Breaux
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson, Tex.
Butler
Camp
Chappell
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Fisher
Forsythe
Fountain
Frelinghuysen
Froehlich
Goldwater
Gray
Gross
Gubser
Hammerschmidt
Hanrahan
Hastings
Hébert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Ketchum
Landgrebe
Lott
McClory
McCollister
Martin, Nebr.
Milford
Miller
Mills
Mollohan
Montgomery
Moorhead, Calif.
Myers
Parris
Price, Tex.
Quillen
Rhodes
Roberts
Robinson, Va.
Rousselot
Ruth
Satterfield
Scherle
Sebelius
Skubitz
Slack
Snyder
Spence
Steiger, Ariz.
Stephens
Stubblefield
Symms
Taylor, Mo.
Teague
Towell, Nev.
Treen
Veysey
Waggonner
Wampler
White
Whitten
Wiggins
Wilson, Bob
Wyatt
Wyman
Young, S.C.
Young, Tex.
Zion

NAYS—267

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Clancy
Clark
Clausen, Don H.
Cleveland
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Fraser
Frey
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Grasso
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hanley
Hansen, Wash.
Harrington
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holtzman
Horton
Howard
Hungate
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Koch
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reid
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Ware
Whalen
Widnall
Williams
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Zablocki
Zwach

NOT VOTING—61

Andrews, N.C.
Arends
Brasco
Burke, Calif.
Burton, Phillip
Carey, N.Y.
Chamberlain
Chisholm
Clay
Culver
Davis, Ga.
Davis, S.C.
Dennis
Dorn
Evins, Tenn.
Flynt
Frenzel
Fulton
Fuqua
Gettys
Gibbons
Green, Oreg.
Griffiths
Gunter
Hanna
Hansen, Idaho
Hawkins
Hicks
Hillis
Holifield
Hudnut
Jones, Ala.
Jones, Tenn.
Kluczynski
Kuykendall
Landrum
Lehman
Lujan
McSpadden
Minshall, Ohio
Murphy, N.Y.
Nelsen
Passman
Pettis
Podell
Powell, Ohio
Rarick
Rees
Rooney, N.Y.
Rostenkowski
Runnels
Ryan
Schneebeli
Sisk
Stark
Steele
Sullivan
Ullman
Whitehurst
Wilson, Charles, Tex.
Young, Alaska

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Runnels for, with Mr. Fuqua against.

Mr. Dorn for, with Mrs. Burke of California, against.

Mr. Davis of South Carolina for, with Mr. Hicks against.

Mr. Rarick for, with Mr. Kluczynski against.

Mr. Passman for, with Mr. Stark against.

Mr. Arends for, with Mr. Pettis against.

Until further notice:

Mr. Rostenkowski with Mr. Andrews of North Carolina.

Mr. Rooney of New York with Mr. Evins of Tennessee.

Mr. Podell with Mr. Fulton.

Mr. Holifield with Mr. Flynt.

Mr. Hawkins with Mr. Gettys.

Mr. Brasco with Mr. Gibbons.

Mr. Phillip Burton with Mrs. Green of Oregon.

Mr. Rees with Mr. Chamberlain.

Mr. Sisk with Mr. Hanna.

Mrs. Sullivan with Mr. Jones of Alabama.

Mrs. Chisholm with Mr. Culver.

Mr. Davis of Georgia with Mr. Hansen of Idaho.

Mr. Gunter with Mr. Frenzel.

Mr. Jones of Tennessee with Mr. Dennis.

Mr. Lehman with Mr. Clay.

Mr. Murphy of New York with Mr. Hillis.

Mr. Ullman with Mr. Hudnut.

Mr. Carey of New York with Mrs. Griffiths.

Mr. Kuykendall with Mr. Landrum.

Mr. Ryan with Mr. Steele.

Mr. McSpadden with Mr. Lujan.

Mr. Charles Wilson of Texas with Mr. Nelsen.

Mr. Schneebeli with Mr. Minshall of Ohio.

Mr. Powell of Ohio with Mr. Whitehurst.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HOSMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 291, nays 81, not voting 62, as follows:

[Roll No. 410]

YEAS—291

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Fountain
Frelinghuysen
Frey
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Grasso
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hanley
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hogan
Holtzman
Horton
Howard
Hungate
Hunt
Ichord
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Kemp
King
Koch
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Madigan
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pickle
Pike
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reid
Reuss
Riegle
Rinaldo
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Ruppe
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
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Rostenkowski
Runnels
Ryan
Schneebeli
Sisk
Stark
Steele
Sullivan
Ullman
Whitehurst
Wilson, Charles, Tex.
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Dorn against.

Mr. Rostenkowski for, with Mr. Rarick against.

Mr. Phillip Burton for, with Mr. Davis of South Carolina against.

Mr. Fulton for, with Mr. Passman against.

Mrs. Sullivan for, with Mr. Runnels against.

Mr. Schneebeli for, with Mr. Arends against.

Until further notice:

Mr. Fuqua with Mr. Andrews of North Carolina.

Mr. Holifield with Mrs. Green of Oregon.

Mr. Hicks with Mrs. Griffiths.

Mr. Hawkins with Mr. Landrum.

Mrs. Burke of California with Mr. McSpadden.

Mr. Evins of Tennessee with Mr. Ryan.

Mr. Fraser with Mr. Hansen of Idaho.

Mr. Hanna with Mr. Frenzel.

Mr. Kluczynski with Mr. Whitehurst.

Mr. Lehman with Mr. Hillis.

Mr. Rees with Mr. Steele.

Mr. Podell with Mr. Minshall of Ohio.

Mr. Sisk with Mr. Pettis.

Mr. Stark with Mr. Hudnut.

Mr. Jones of Tennessee with Mr. Nelsen.

Mr. Gunter with Mr. Kuykendall.

Mrs. Chisholm with Mr. Culver.

Mr. Clay with Mr. Rodino.

Mr. Ullman with Mr. Lujan.

Mr. Rooney of New York with Mr. Powell of Ohio.

Mr. Gettys with Mr. Davis of Georgia.

Mr. Brasco with Mr. Flynt.

Mr. Carey of New York with Mr. Gibbons.

Mr. Dennis with Mr. Charles Wilson of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1230, the Committee on Interior and Insular Affairs is discharged from further consideration of the Senate bill S. 425, to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. UDALL

Mr. UDALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. UDALL moves to strike out all after the enacting clause of the bill S. 425 and insert in lieu thereof the provisions of H.R. 11500 as passed, as follows:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1974".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(a) the extraction of coal by underground and surface mining from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are surface and underground coal mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of water, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding post-mining land uses common to the area of mining;

(c) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry;

(d) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner;

(e) the initial and principal continuing responsibility for developing and enforcing environmental regulations for surface and underground coal mining operations should rest with the State; and

(f) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. *It is the purpose of this Act to—*

(a) establish a nationwide program to prevent the adverse effects to society and the environment resulting from surface coal mining operations and surface impacts of underground coal mining operation;

(b) establish priorities to the extent necessary in the nationwide program among the various types and individual operations of mining activities, their impacts on the environment, and the locations of mining relative to population concentrations and impacted land uses;

(c) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(d) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(e) assure that surface coal mining operations are so conducted as to protect the environment;

(f) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(g) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided;

(h) assist the States in developing and implementing a program to achieve the purposes of this Act;

(i) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public; and

(j) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act.

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

INITIAL REGULATORY PROCEDURE

SEC. 201. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by the State unless such person has obtained a permit from the State regulatory authority.

(b) On and after the date of enactment of this Act, all new surface coal mining operations on lands on which such operations are regulated by the State shall comply, and all new permits issued for surface coal mining operations shall contain terms requiring compliance with the following environmental protection standards:

(1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslop: *Provided*, That the spoil is shaped and graded in such a way as to prevent slides, erosion, and water pollution, and is revegetated in accordance with subsection (3) below: *Provided further however*, That limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mountaintop mining operation which will eliminate all high walls, if such placement is consistent with the approved postmining land use of the mine site and (B) the provisions of this subsection (b) (1) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area.

(2) (A) With respect to all surface coal mining operations, the operator shall backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless depressions are needed in order to retain moisture in order to assists revegetation or as otherwise authorized under paragraph (2) (D) of this subsection).

(B) *Provided*, that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation transects the coal deposit and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden, giving due consideration to volumetric expansion, at a particular point on the mining site is insufficient or unavailable from other portions of the site to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve not more than the angle of repose to provide adequate drainage and to facilitate an ecologically sound land use compatible with the surrounding region but not necessarily meeting the revegetation requirements of subsection (3): *And provided further*, That in surface coal mining other than described in the first proviso of this subparagraph (B), and other than operations covered by subsection (b) (1) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion, the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding regions and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b) (3) of this section;

(3) With respect to all surface coal mining operations, establish on regraded and all other lands affected, a diverse vegetative cover capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation: *Provided*, That introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post-mining land use plan.

(4) With respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil, and when the topsoil is not replaced in a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or by other means so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material from other strata or drainage, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, preserve, and replace in a like manner such other strata which is best able to support vegetation: *Provided*, That if the appropriate State agricultural agency approves, it shall not be necessary to separate the topsoil and other strata of subsoil if it can be shown that a mix of such topsoil and subsoil and soil nutrient would be equally suitable for vegetation requirements and meet the requirements of sound reclamation practices. In such instances, the operator shall remove, segregate, and replace the mix of topsoil and such other strata in a manner prescribed by the appropriate State agricultural agency.

(5) (A) With respect to surface disposal of coal mine wastes, coal processing wastes or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials assuring the leachate will not pollute surface or ground waters and the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to provisions of this Act; and

(B) With respect to the use of impoundments for the disposal of coal mine wastes, or coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds.

(6) Minimize the disturbances to the hydrologic balance at the minesite and associated offsite areas and to the quantity and quality of water entering surface and ground water systems both during and after surface mining and reclamation giving particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels.

(7) Upon petition by the permittee or other applicant for a permit and after public

notice and opportunity for hearing, the regulatory authority may grant one or more exceptions to the environmental protection standards set forth in the first clause before the first proviso in paragraph (1) and the provisions of paragraph (2) of this subsection, if the regulatory authority issues a written finding that one or more such standards cannot reasonably be met and that the permittee has shown by proper documentation that each specific item of equipment which is named in the petition as being essential to the performance of the standard in question, cannot be delivered by the manufacturer or supplier prior to the date on which the operation is required under this Act to be in compliance with said standards, and no other equipment owned by or readily available to the permittee or applicant is suitable for the performance of such standards.

The basis for any such exception shall be reviewed at least once every three months by the regulatory authority. If pursuant to such review, the regulatory authority finds that the permittee does not show, by proper current documentation, that the specific items of equipment named in the petition still cannot be delivered to the operator by the manufacturer then the exception shall be canceled.

At any time if the permittee is found to be in noncompliance with any other provision of this Act or if a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act is implemented, then any such exception shall cease to be effective immediately.

(c) On and after one hundred and eighty days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by the State existing at the date of enactment shall comply with the standards in subsection (b) above with respect to lands from which the overburden has not been removed. Within one hundred and twenty days following enactement of this Act, the regulatory authority shall review and amend permits in order to incorporate in them the standards of subsection (b) above.

(d) Upon petition by the applicant or permittee and after public notice and opportunity for a hearing, the regulatory authority may grant exceptions to provisions in the first clause before the first proviso in subsection (b)(1) and to the provisions of subsection (b)(2) of this section if the regulatory authority issues a written finding that one or more variations from these provisions will enable the affected land to have an equal or higher postmining economic or public use and such use will be achieved within a reasonable time, is consistent with surrounding land uses and with local, State, and Federal law and can be obtained only if one or more exceptions to the above provisions are granted.

(e) Not later than eighteen months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, pursuant to section 203 of this Act, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process these applications and grant or deny a permit within six months from the date of approval of the State program, but in no case later than thirty-six months from the date of enactment of this Act. The application filed pursuant to this provision and the permit thereby obtained shall be in full compliance with this Act.

(f) No later than one hundred and eighty days from the date of enactment of this Act, and after issuing regulations in accordance with the procedures of section 202, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been accepted pursuant to section 203 of this Act or until a Federal program has been implemented pursuant to section 204 of this Act. The enforcement program shall:

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsection (b) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provisions of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any coal surface mining operation has been found in violation of subsection (b) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 701(a) shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (b) above, are enforced and for the administration of this section.

(g) A coal surface mine operator operating pursuant to a valid permit and awaiting administrative action on his application for a permit from the appropriate regulatory authority may during the period prior to approval or disapproval of a State program pursuant to section 203 of this Act and for six months thereafter continue to operate his surface mine beyond the date of expiration of his permit subject to the terms and conditions of his permit or application in the event the appropriate regulatory authority has not acted on his application by the time his permit expires.

(h) During the period prior to approval of a Federal or Indian program pursuant to this Act, including judicial review of the approval of a Federal or Indian program, new or existing coal surface mining operations on Federal land and Indian land may commence or continue mining operations: *Provided*, That such operations shall be subject to and bound by the provisions of section 201(b) hereof. The enforcement procedures of section 220 shall apply to such coal surface mining operations and the Secretary shall order the random inspections of such opertaions in the same manner provided by section 201(f) hereof. For purposes of this section existing coal surface mining operations means those in existence on the date of enactment of this Act and those for which substantial legal and financial commitments were in existence prior to September 1, 1973.

(i) On and after the date of enactment of this Act, no person shall open, develop, or extend any new or previously mined or abandoned site for surface coal mining operations within any area of the National Park System, The National Wildlife Refuge System, or the National Wilderness Preservation System. Nothing in this Act shall be construed as authorizing surface coal mining operations within Federal lands where such mining is prohibited on the date of enactment of this Act by law, regulation, order, deed, or other instrument.

PERMANENT ENVIRONMENTAL PROTECTION STANDARDS

SEC. 202. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title II and establishing procedures and requirements for preparation, submission, and approval of State programs and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtain the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857); and

(C) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

STATE PROGRAMS

SEC. 203. (a) Each State in which there is or many be conducted surface coal mining operations, and which wishes to assume State regulatory authority under this Act, shall submit to the Secretary, by the end of the twenty-four-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of cease and desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of lands unsuitable for surface coal mining in compliance with section 206; and

(6) establishment, for the purpose of avoiding duplication, of a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof: *Provided, however,* That no State program shall be resubmitted pursuant to this subsection after thirty months from the date of enactment of this Act: *Provided further,* That the Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

FEDERAL PROGRAM

SEC. 204. (a) The Secretary shall prepare and implement a Federal program for the regulation of surface coal mining in any State which fails to—

(1) submit and obtain approval of a State program as required under section 203; or

(2) adequately implement, enforce, or maintain a State program once approved pursuant to section 204.

(b) In the event that a State has a regulatory program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 220, of that part of the State program not being enforced by such State.

(c) If State compliance with section 203 requires an act of the State legislature, the Secretary may extend the period for submission of a State program up to an additional six months in those States which have a constitutional convention in 1974 and whose legislatures do not meet in regular session until 1975.

RESUBMITTAL OF STATE PROGRAM

SEC. 205. A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 203(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 203 (a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 206. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this section but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible.

(3) A surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with Federal, State, or local plans to achieve essential governmental objectives; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) In no event is land to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1973.

(b) The Secretary shall conduct a review of the Federal lands and to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 204, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. As soon as pacticable after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resources of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

EFFECT ON STATE LAW

SEC. 207. Where any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides more stringent environmental controls and regulations of surface mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto, such provision of State law or regulation shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 208. (a) After six months from the date on which a State program is approved by the Secretary, pursuant to section 203 of this Act, or the Secretary has promulgated a Federal program for a State not having a State program, pursuant to section 203, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the appropriate regulatory authority.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

PERMIT APPROVAL OR DENIAL

SEC. 209. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 214, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision or renewal application shall be approved unless the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that (1) the requirements of this Act, and the rules and regulations adopted thereunder will be met, (2) there is objective assurance that the reclamation of the area of affected land can be achieved, and (3) the proposed post-mining land use is (A) compatible with surrounding land uses, exclusive of surface mining, (B) practical with respect to need or the surrounding land uses, and (C) reasonable with respect to the likelihood of availability of both public and private resources and support which may be needed to achieve such objectives.

(c) Prior to the issuance of a permit, the regulatory authority shall review and alter a proposed mining and reclamation plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from part or all of the plan in order to assure that the environmental protection objectives of this Act are met.

(d) No permit shall be issued by the regulatory authority unless the permit application affirmatively demonstrates that, and the regulatory authority makes specific written findings to the effect that—

(1) there is probable cause to believe that the proposed surface coal mining operation will result in reclamation of the land area affected pursuant to the performance standards set forth in section 211 of this Act and regulations promulgated pursuant to this Act;

(2) the post-mining land use as proposed in the reclamation plan is practical, is likely to be achieved, and is not inconsistent with surrounding land uses;

(3) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 206 of this Act or is not within an area under study for such designation (unless in such an area as to which an administrative proceeding has commenced pursuant to section 206(a) (4) (D) of this Act, the operator making the permit application demonstrates that, prior to September 1, 1973, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit);

(4) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or cemetery; nor shall the land to be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(5) the impacts of the mining operations on the hydrologic balance on and off the permit area are minimized; the specific provisions of section 211(b) (14) are met; the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 210(b) (14) has been made and the proposed operation thereof has been designed to prevent irreparable offsite impacts to hydrologic balance;

(6) the operator is not presently ineligible to obtain a permit to conduct any coal mining operation under the law of any Federal or State program authorized by this Act;

(7) the operator has not had a permit revoked by any regulatory authority under this Act within five years preceding the filing of the application;

(8) mining operations would not adversely affect nearby lands and waters to which the public enjoys use and access, or the mining of any area of land within one mile of publicly owned lands or parks or places located in the National Register of Historic Sites unless screening and other measures approved by the regulatory authority are used and the permit so provides, or if the mining of the area will not adversely affect or reduce the usage of the publicly owned land;

(9) the mining operations are not located within any area of the National Park System, the National Forest System, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however*, That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act, within any area of the National Forest System or the Wild and Scenic Rivers System or on lands within either system where the deeds conveying the surface lands to the United States reserve the coal and provide for the mining thereof; but, in no event shall such surface mining operations be exempt from the requirements of this Act;

(10) the permit application does not include areas of lands affected that are noncontiguous;

(11) the operator has not forfeited a bond or partial bond under this Act within the past five years;

(12) the surface coal mine operations are not located within, and would not adversely affect, an alluvial valley floor in semiarid and arid regions; and

(13) the application on its face is complete, accurate, and contains no false information.

(e) The applicant shall file with his permit application a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection wiith any coal surface mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any coal surface mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

APPLICATION REQUIREMENTS

SEC. 210. (a) Each application for a mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program, and shall be in addition to the fee required for the Abandoned Mine Reclamation Fund.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of the permit applicant (if the applicant is a subsidiary corporation, the name and address of the parent corporation must be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property of record; any purchase of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names, addresses of the principal, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States or its territories and possessions;

(3) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(4) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(5) evidence of compliance with section 709;

(6) the names and addresses of the owners of all surface and subsurface areas abutting on the permit area;

(7) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(8) a statement of whether the applicant,

any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which has been suspended or revoked or has ever had a mining bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(9) an accurate map or plan to an appropriate scale clearly showing the land to be affected and contour lines of the surface at sufficient intervals of elevation to accurately depict the topography of the terrain, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist when specific subsurface information is deemed essential and requested by the regulatory authority. Such a map or plan shall among other things specified by the regulatory authority show all the boundaries of the land to be affected, its surrounding drainage area, the location and name, where known, of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, creeks, streams, rivers, springs, and other surface water courses, the name and boundary lines of the present owners of all surface areas abutting on the permit area and the location of all buildings on such abutting surface areas and within one thousand feet of the permit area; and the purpose for which each building is used;

(10) typical cross-section maps or plans of the land to be affected including the actual area to be mined showing pertinent elevation and locations of test borings or core samplings required under subparagraph (16) including the nature and thickness of any coal or rider seam above the coal seam to be mined, the nature of the stratum immediately beneath the coal seam to be mined, all mineral crop lines, strike and dip of the coal to be mined within the area of land to be affected, existing or previous surface mining limits, the location and extent of known working of any underground mines, including mine openings to the surface, the location of aquifers; underground waters, and the estimated elevation of the water table, the location of spoil, waste or refuse areas, the topsoil preservation areas, the location of all impoundments for waste or erosion control, any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross-sections of the anticipated final surface configuration that will be achieved pursuant to the operator's approved reclamation plan. The information pertaining to the coal seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of the bond, such information may be disclosed to such interested parties under appropriate protective provisions.

(11) a copy of the applicant's advertisement to be published pursuant to section 214(a), which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(12) the name of the watershed and location of all known surface and underground waterways into which surface waters may or will be discharged;

(13) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(14) a complete and verifiable list of all deeds, leases, options, or other instruments granting to the applicant or his agents rights to or in the land or minerals to be affected by the proposed permit;

(15) when requested by the regulatory authority, a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this subsection which is not on public file pursuant to appropriate laws shall be held in confidence by the regulatory authority;

(16) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality, the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(17) such other information as the regulatory authority may require.

The collection and analyses of all information required under paragraph (16) of this subsection shall be conducted by a laboratory which is approved by the regulatory authority. The regulatory authority shall establish rules to preserve the integrity of the sampling. Information from test borings and core samplings required by this paragraph shall be made available to interested parties and that which pertains only to the quantitative and qualitative analysis of the coal seams (except the information regarding such mineral or elemental contest which is potentially toxic in the environment), shall be kept confidential and not made a matter of public record. If such coal seam information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(c) The mining and reclamation plan which each applicant for a permit shall be required to submit with a permit application, consistent with the performance criteria provided for in this Act, shall include, at least—

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) a statement describing the full range of uses to which the land was put and the predominant uses of the area immediately surrounding the area of land to be affected prior to the commencement of any mining, and a description of the use or uses proposed to be made of the area of land to be affected following reclamation;

(3) a detailed description of the manner in which mining operations will be conducted and of the actions taken or planned to prevent adverse environmental effects during the life of the mining and reclamation operation;

(4) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of the quantity and quality of surface and ground water systems, both onsite and offsite from adverse effects of the mining and reclamation process, and the rights of present users to such water;

(5) a detailed description of the reclamation activities that will be taken to return the mined area to a condition consistent with the applicant's proposed postmining land use and in accordance with provisions of this Act (including, but not limited to preventing polluting discharges, seepages, mine and refuse bank fires, and other conditions that present an imminent hazard to the health or safety of the public on the permitted site that resulted from previous mining operations);

(6) a detailed description of how the proposed postmining land use is to be achieved and the necessary public or private support activities which may be needed to achieve the proposed land use;

(7) a detailed time schedule, including interim completion dates, for key stages of the surface coal mining and reclamation plan;

(8) a description of the actions planned to insure compliance with the environmental performance standards set forth in this Act and supplemented by regulation by the regulatory authority; and

(9) such other requirements as the regulatory authority shall prescribe by regulation.

(d) each applicant for a surface mining and reclamation permit shall file a copy of his application for public inspection with the Recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(e) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall cover the mined area and provide for both on- and off-site personal injury and property damage protection as a result of mining and reclamation operations and entitled to compensation under the applicable provisions of Federal or State law but in any event shall not be less than $100,000, or for such higher amount as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all reclamation operations required by this Act.

(f)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface mining and reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 216(d), and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shal provide notice to the appropriate public authorities.

(2) If an application for renewal on a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit the portion of the application for revision of a valid permit shall be treated as a new application which addresses any new land areas or any application and subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the periods of the original permit established by this Act. Application for permit renewal shall be made at least one hundred twenty days prior to the expiration of the valid permit.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 211. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operator as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reflecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) assure that any temporary environmental damage will be contained in the permit area;

(4) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of reclamation with the process of mining to keep reclamation operations current, and to complete such reclamation in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) stabilize and protect all surface areas including spoil piles affected by the mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) insure that all debris, acid, or highly mineralized toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining other than as described in the first proviso to this paragraph (8), and other than operations covered by subsection (c) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b)(13) of this section;

(9) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational or domestic uses;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(11) restore the topsoil or the best available subsoil which has been segregated and preserved;

(12) establish on the regraded areas, and all other lands affected, a diverse vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post mining land use plan;

(13) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided,* That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period for responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further,* That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exceptions to the provisions in this subsection (b) which require a diverse, self-regenerative, or permanent vegetative cover;

(14) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated off-site areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing bore holes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface mining operations so as to prevent additional contributions of suspended solids to stream flow or run-off outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large situation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the minesites to approximate premining conditions;

(E) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semiarid areas of the country; and

(F) such other actions as the regulatory authority may prescribe;

(15) prevent any offsite damages that may result from such mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes, or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice of the planned blasting schedule to local governments and advance notice to residents who might be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site one week in advance of the planned blasting and post such schedules at the entrances to the permit area and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet from underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to such a mine: *Provided*, it does not create hazards to the health and safety of miners, or shall permit an operator to mine near, through, or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of this Act.

(20) fill all auger holes to a depth of a minimum of three times the diameter with an impervious and noncombustible material; and

(21) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands.

(c) The following performance standards shall be applicable to steep-slope surface coal mining and to mining operations which create a plateau with no highwalls remaining in such a manner as to otherwise meet the standards of this subsection and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection (c) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that where necessary spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited specified area of the downslope: *Provided*, That the spoil is shaped and graded in such a way to prevent slides, erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) Complete backfilling with spoil material shall be required to a contour necessary to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however*, That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this subsection, the term "steep-slope" is any slope above 20 degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(5) With regard to postmining uses of land to which the performance standards of this subsection apply, any industrial, commercial, residential, or public facility development proposed for the affected land shall be shown by proper documentation to be:

(A) compatible with adjacent land uses;

(B) obtainable according to data regarding expected need and market;

(C) assured of investment in necessary public facilities;

(D) supported by commitments from public agencies where appropriate;

(E) practicable with respect to private financial capability for completion of the proposed development;

(F) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(G) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage and configuration necessary for the intended use of the site;

(d)(1) In cases where an industrial, commercial, residential, agricultural, recreational, or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling and spoil placement as set forth in subsection 211(b)(8) and in subsections 211(c) (1) and (2) of this Act, if the regulatory authority issues a written finding following public notice and public hearing pursuant to the provisions of section 214 that—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute a higher or better economic or public use of affected land, compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and subsections 211 (c) (1) and (2) of this Act are granted.

(2) With respect to subsection 211(b) (12) and subsection (211)(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception allowing maintenance of the vegetative cover to be terminated in advance of the expiration of the five-year or ten-year periods of responsibility for establishment of a permanent vegetative cover at particular locations and times as specified in the approved schedule and reclamation plan.

(3) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with terms of the approved schedule and reclamation plan.

(e) The regulatory authority may impose such additional requirements as he determines to be necessary.

SURFACE EFFECTS OF UNDERGROUND MINING OPERATIONS

SEC. 212. (a) In order to regulate underground coal mining operations, the Secretary shall promulgate rules and regulations directed toward the surface affected by such underground coal mining operations embodying the following requirements and in accordance with procedures established under section 202 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) Adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*. That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining:

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed for the conduct of the mining operations;

(3) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine

workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers with incombustible and impervious materials and assure that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(4) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds;

(5) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(6) prevent off-site damages which may result from such mining operations;

(7) prevent the discharge of water-borne pollutants both during and after mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) All operators of underground coal mines, both during and after mining, shall have abatement and remedial programs to eliminate any polluting discharge into our Nation's waters and to eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public.

(e) The provisions of title II of this Act relating to State and Federal programs, permits, bonds, inspection and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mininfl with such modifications to the permit application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 202 of this Act.

REVISION AND REVIEW OF PERMITS

SEC. 213. (a) During the term of the permit the permittee may submit an application, together with a revised mining and reclamation plan, to the regulatory authority for a revision of the permit.

(b) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplish under the revised mining and reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That such revision or modification shall be subject to notice and hearing requirement established by the State or Federal program.

(c) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(d) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(e) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Following promulgation of a Federal program, the Secretary shall review such permits to determine if the requirements of this Act are being violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine if the requirements of the approved State program are being violated. If the State regulatory authority determines that any permit has been granted contrary to the requirements of the approved State program, it shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the approved State program.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 214. (a) At the time of submission of an application for a surface mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written application for a permit for surface mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 215. (a) If a public hearing has been held pursuant to section 214(b) of this Act, the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 214(b) of this Act, the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper invesigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days to such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

POSTING OF BOND

SEC. 216. (a) After a surface mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, under an approved State program, and conditioned that the operator shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and reclamation operations. As succeeding increments of surface mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000. Libility under the bond shall be for the duration of the surface mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 211(b) (13). The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regultory authority shall immediately place the deposit with, as appropriate, the Secretary of the Treasury or a similar State authority under an approved State program, who shall receive and hold the deposit in safekeeping in the name of the United States, or the appropriate State under an approved State program, in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury or the aforesaid State regulatory authority, on written order of the regulatory authority, the whole or any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury, or the aforesaid State authority, and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other securities acceptable to the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased or decreased by the regulatory authority from time to time as affected land acreages are changed or where the cost of future reclamation increases or decreases.

BOND RELEASE PROCEDURES

SEC. 217. (a) When the operator completes the backfilling, regrading and drainage control of a bonded area in accordance with his approved reclamation plan, he may report the completion to the regulatory authority, and request the release of 60 per centum of the bond or collateral for the applicable permit area. The request shall specifically include—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the reclamation work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of reclamation activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved reclamation plan.

(b) Upon receipt of the notification and request, the regulatory authority shall, within one hundred days thereafter, make an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance or future occurrence of such pollution, and the estimated cost of abating such pollution. If the regulatory authority finds that the reclamation meets the requirements of this Act, he shall so notify the operator and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the inspection and evaluation have been made. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan, the operator may request the release of additional bond or collateral for the applicable permit area. This request shall specifically include—

(1) location of the land, number of acres, and approximate dates of revegetation work;

(2) the permit number;

(3) the amount of bond sought for release; and

(4) a description of the revegetation work accomplished including seed bed and soil conditioning, the amount and timing of fertilizer application, the types of revegetation established and planting or seeding schedules and an estimate of vegetation survival and plant density.

Upon receipt of the notification and request, the regulatory authority shall within sixty days conduct an inspection and make such determinations as required in subsection (b) above. When determining the amount of bond to be released, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation for the period of responsibility as specified in section 211(b) (13) should failure occur.

(d) When the operator has completed successfully all surface mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 211(b)(13), he may file a request as hereinbefore provided for release of any remaining portion of the bond. Upon receipt of the notification and request and within six months, the regulatory authority shall make an inspection and evaluation of the reclamation work. If the regulatory authority finds that the reclamation meets the requirements under this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of the cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request. The notice shall state the reasons for unacceptability and shall recommend actions to correct the failure.

(e) With any application for total or partial bond release filed with the regulatory authority, the operator shall submit a copy of the first advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed.

(f) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(g) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface mining operation proposed for bond release within forty-five days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality once a week for three consecutive weeks.

(h) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

(i) The regulatory authority shall make its decision on the bond release request not more than sixty days after the record of the hearing is transcribed.

(j) Any applicant or person who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the regulatory authority or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal to an appropriate United States district court.

SUSPENSION AND REVOCATION OF PERMITS

SEC. 218. (a) Once granted, a permit may not be suspended or revoked unless the regulatory authority gives the permittee prior notice of violation of the provisions of the permit or of the State or Federal program pursuant to this Act and affords a reasonable period of time of not more than ninety days within which to take corrective action, and the regulatory authority determines after a public hearing, if requested by the permittee, that the permitee remains in violation: *Provided, however,* That the continuation of any mining operation endangers the public health or safety, threatens significant damage to public and private property, endangers the quality and quantity of a public or private water supply, or poses other significant harm to land, air, or water resources, the permit, or such portion of the permit related to the offending activity, shall be suspended subject to subsequent determination, after a public hearing, if requested by the permittee, whether the permittee has violated the provisions of the permit, State or Federal programs.

(b) Following the hearing or any corrective action on the part of the permittee, the regulatory authority must issue and furnish the permittee a written decision, independently verified by the regulatory authority, either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to an appropriate United States district court.

(c) If the regulatory authority revokes the permit of the operator, the operator shall immediately cease any and all surface coal mining operations on the permit areas and the regulatory authority shall declare as forfeited the performance surety bonds for the operation. The Secretary shall be notified immediately upon a revocation of any permit by any State regulatory authority.

INSPECTIONS AND MONITORING

SEC. 219. (a) The Secretary shall cause to be made such inspections of any surface mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface mining and reclamation operations as the regulatory authority deems reasonable and necessary.

(2) for those mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrogolic balance or water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifiers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and reclamation operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately and freely available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining as well as in Washington, District of Columbia.

FEDERAL ENFORCEMENT

SEC. 220. (a) (1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) (5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201 or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. The Secretary, or his authorized representative, may extend the period of time as originally fixed, but in no event shall the original period or original period and extension exceed ninety days. If, upon expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) (5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act

or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days ater such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamattion operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized repreesntative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

JUDICIAL REVIEW

SEC. 221. (a)(1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary, and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code:

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedures. In the case of a proceeding to review an order or decision issued by the Secretary under section 224(b) of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 223.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, except an order or decision pertaining to any order issued under section 220(a)(2) of this title, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 223.

REVIEW BY SECRETARY

SEC. 222. (a)(1) A permittee issued a notice or order pursuant to the provisions of subparagraphs (a)(2) and (3) of section 220 of this title, or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 220(a)(3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 220(a)(4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

ESTABLISHMENT OF RIGHT TO BRING CITIZENS' SUITS

SEC. 223. (a) Except as provided in subsection (c) of this section, any person having an interest which is or may be adversely affected by actions of the Secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any regulation, order, or permit issued under this Act or of any provision of this Act.

(2) against the regulatory authority where there is alleged a failure of the regulatory authority to perform any act or duty under this Act which is not discretionary with the regulatory authority.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order such violation or failure to be corrected, and to apply any appropriate civil penalties under this Act.

(b) Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this Act, or of any regulation, order, permit, or plan of reclamation issued by the Secretary, may bring an action for damages (including attorney fees) in an appropirate United States district court.

(c) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting a civil or criminal action in a court of the United States, or a State to require compliance with the regulation, permit, or order, or provision, but in any such action in a court of the United States any person may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(d) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party (including any permittee defending an action brought pursuant to this section), whenever the court determines such award is appropirate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules or Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(f) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

PENALTIES

SEC. 224. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 220 (b) of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 220, the civil penalty shall be assessed. Such penalty shall not exceed $10,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropirateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compilance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Where appropriate, the Secretary shall consolidate such hearings with other proceedings under section 220 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in section 224 of this Act, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of six percent per annum shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 221 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 222(b) of this Act or fails or refuses to comply with any order issued under section 222(a) or section 222(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or Federal enforcement of a State program pursuant to section 220(b) of this Act or fails or refuses to comply with any order issued under section 220(a) or section 220(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsection (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000 or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 203 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

FEDERAL LANDS

SEC. 225. (a) The Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface mining and reclamation operations taking place pursuant to any Federal law on any Federal land. The Federal lands program shall, at a minimum, incorporate all of the requirements to this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(b) Within ninety days after the date of enactment of this Act, the interim environmental protection standards are to be made part of every existing surface coal mining operation on Federal lands within any State.

(c) Within eighteen months after the date of enactment of this Act all requirements of this Act through the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations or surface impacts of underground coal mines. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contract holder to conform any surface mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act. The Secretary shall require as one of the terms and conditions of any permit, lease, or contract to surface mine coal owned by the United States that the lessee, permittee, or contractor give satisfactory assurances that the antitrust laws of the United States will be complied with and that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

(d) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding quality of administration of a single permit for surface mining and reclamation operation. Such agreements shall, as a minimum, incorporate all of the requirements of this Act, and shall not preclude Federal inspection or enforcement of the provisions of this Act as provided in sections 219 and 220.

(e) Except as specifically provided in subsection (d), this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on the Federal lands.

(f) This section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

(g) During the period prior to approval of a Federal program pursuant to this Act, including judicial review of the approval of a Federal program, existing coal surface mining operations on Federal land and Indian land may continue surface mining operations as provided in section 201(h).

SPECIAL BITUMINOUS COAL MINES

SEC. 226. The regulatory authority is authorized to and shall issue separate regulations for the interim and permanent programs for those special bituminous coal surface mines which meet, the following criteria:

(a) were in existence on the date of the Act and because of past duration of mining (at least ten years) have substantially committed to a mode of operation which warrants exceptions to some provisions of this title;

(b) involves the mining of more than one coal seam and where mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(c) involves a mining operation that follows the coal seam on an inclination of fifteen degrees or more from the horizontal;

(d) involves an operation on the same site for the duration of the mining operation, and will under present mine plan conditions result in a pit depth in excess of nine hundred vertical feet from the original land surface.

Such alternative regulations shall pertain only to the standards governing on-side handling of spoils, elimination of depressions capable of collecting water creation of impoundments, and regarding to approximate original contour and shall specify that remaining highwalls are stable; all other performance standards in this title apply.

ANTHRACITE COAL MINES

SEC. 227. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for the interim and permanent programs for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of: sections 201(b) and (c), 202, 209 (except subsection 209(d)(3), 210, and 211 of this Act. Provisions of sections 216 and 217 are applicable except for specified bond limits and period of re-vegetation responsibility. All other provisions of this Act apply and the regulations issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect; *Provided, however,* That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE III—INDIAN LANDS PROGRAM

GRANTS TO TRIBES

SEC. 301. (a) The Secretary is authorized to make annual grants directly to any Indian tribe in developing and administering an Indian lands program for the purpose of enabling the tribe to realize benefits from the development of its coal resources while at the same time protecting the cultural values of the tribe and the physical environment of the reservation, including land, timber, surface and ground waters, and air, by the establishment of exploration, mine operating, and reclamation regulations.

(b) The distribution of funds under this Act shall achieve the purposes of the Act, recognize special jurisdictional status of Indian lands and allotted lands of such tribes and preserve the power of Indian tribes to approve or disapprove surface mining and reclamation operations.

(c) Indian lands programs developed by any Indian tribe shall meet all provisions of this Act and where any provisions of any tribal code, ordinance, or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides for environmental controls and regulations of surface mining and reclamation operations which are more stringent than the provisions of this Act or any regulation issued pursuant hereto, such tribal code, ordinance, or regulation shall not be construed to be inconsistent with this Act.

COAL LEASING

SEC. 302. The Secretary is directed to obtain written prior approval of the tribe before leasing coal under the ownership of the tribe.

APPROVAL OF PROGRAM

SEC. 303. (a) The Secretary is directed to promulgate and publish in the Federal Register regulations for Indian lands programs pursuant to this title which adequately protect Indian lands. Such regulations shall be promulgated and published under the guidelines of section 202 of this Act.

(b) If within twenty-four months after the receipt of funding under section 301(a) a tribe shall have submitted a tribal program, the Secretary shall approve the program within sixty days of its submission if said program is consistent with standards set out in this Act. In the event that the Secretary finds that the program is inconsistent with the standards of this Act, the tribe will be allowed ninety days after written notification of the Secretary's rejection of the tribe's program to resubmit an acceptable program. In the event that a tribe's resubmitted program is rejected by the Secretary as inconsistent with standards of this Act, the Secretary shall establish a Federal program for the tribe's reservation in accordance with section 306. Upon request by a tribe, the Secretary may grant an extension of six months to the tribe for submission of an Indian lands program.

(c) Any tribe submitting an Indian lands program under the provisions of this Act shall be required (i) to hold a public hearing for the enrolled members of the tribe on its reservation before submission of the program. and (ii) to waive or cause the waiver of the defense of sovereign immunity for such tribe in connection with any suit, claim or legal proceeding brought pursuant to or arising out of this Act.

ADMINISTRATION BY THE SECRETARY

SEC. 304. (a) At any time, a tribe may select to have its program administered by the Secretary. Upon such a request by a tribe, the Secretary shall assume the responsibility of administering the tribe's program for that reservation.

(b) Permits issued pursuant to an approved Indian lands program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

EXISTING OPERATION

SEC. 305. Any coal surface mining operation on Indian lands existing on the date of enactment or which shall commence before the approval of an Indian lands program under this Act shall be subject to the provisions of section 201(g) and section 225 of this Act until such time as there is an approved Indian lands program or Federal program for such Indian lands.

FEDERAL PROGRAM

SEC. 306. (a) In the event that a tribe shall decline to submit to the Secretary a proposal for funding as authorized by section 301(a) to develop a program within six months after the enactment of this Act, the Secretary shall, if it be necessary to protect the rights and interests of a tribe, develop and implement a Federal program which will insure the protection of the tribal culture and the physical environment of the reservation.

(b) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing for the enrolled members of the tribe in a location convenient to the tribe.

(c) In no event shall the Secretary approve a permit under a Federal program without the written prior approval of the Indian tribe having jurisdiction over the lands in question.

(d) If an Indian tribe submits a proposed Indian lands program to the Secretary after a Federal program has been promulgated and implemented pursuant to this section, and upon approval by the Secretary of the Indian lands program, the Federal program shall cease to be effective within thirty days after such approval. Immediately following promulgation of an Indian lands program, the tribe shall undertake to review all permits to determine that the requirements of the Indian lands program approved under this Act are not violated. If the tribe determines that any permit is not in conformity with the requirements of its program, it shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Indian lands program.

PERSONNEL

SEC. 307. (a) Indian tribes are authorized to use the funds authorized pursuant to section 301(a) of this title for the training and hiring of professional and technical personnel and, where appropriate, to allocate funds to legitimately recognized organizations of the tribe that are pursuing the objectives of this title, as well as hire special consultants, groups, or firms from the public and private sector, for the purpose of developing, establishing, or implementing an Indian lands program.

(b) Any Federal agency is authorized to assist any Indian tribe upon request from such tribe by providing the services of technical and professional staff on a reimbursable or nonreimbursable basis to assist in the development or management of an Indian lands program.

AUTHORIZATION PRIORITY

SEC. 308. Of the funds made available under section 701(a) of this Act, first priority on $2,000,000 for each of the fiscal years shall be for the purposes of this title.

REPORTS TO THE SECRETARY

SEC. 309. Any Indian tribe which is receiving or has received a grant pursuant to this title shall report at the end of each fiscal year to the Secretary, in a manner prescribed by him, on activities undertaken by the tribe pursuant to or under this title.

REPORTS TO CONGRESS

SEC. 310. The Secretary shall report annually to the President and the Congress on all actions taken in furtherance of this title and on the impacts of all other programs or services to or on behalf of Indians on the ability of Indian tribes to fulfill the requirements of this title.

ENFORCEMENT

SEC. 311. For the purpose of administering an Indian lands program under this Act, a tribe shall have jurisdictional authority including the ability to require compliance with said regulations over all persons whether Indian or non-Indian engaged in surface coal mining operations and that all disputes will be adjudicated in the appropriate tribal court forum until that remedy is exhausted and then the aggrieved party has the right to a trial de novo in Federal district court in the appropriate district.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED COAL MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund, acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Department of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d)(1) In addition to the amounts deposited in the fund as specified in paragraphs (1) and (2) of subsection (b) there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

OBJECTIVES OF FUND

SEC. 402. Objectives for the obligation of funds for the reclamation of previously mined areas shall reflect the following priorities in the order stated, and in carrying out the purposes of this Act, the Secretary shall give priority to the county in which the minerals were mined:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and waters to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only land eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

SEC. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights) residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land uses and conservation treatment set forth in the agreement. Grants made under this section shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than thirty acres of land occupied by such owner including water rights owners, resident, or tenant, or on not more than thirty acres of land which has been purchased jointly by such land owners including water rights owners, residents, or tenant under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act, and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 405. (a)(1). The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to

the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(c) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the reclamation program required under this title and following the standards for reclamation set forth in this Act. The Secretary may, with the approval of the Administrator of the department or agency involved, call to his assistance temporarily any engineer or other personnel of any Federal department or agency. The engineers and employees shall not receive any additional compensation other than that which they receive from the department or agency by which they are employed, but they shall be reimbursed for their actual and necessary expenses incurred while working under the direction of the Secretary. The Secretary shall follow the consultation and notification procedures specified in section 214(a) of this Act prior to the final approval of a reclamation plan.

(7) Any proposed reclamation contract shall be approved by the Secretary. Except as otherwise required by paragraph (8), the Secretary shall award each contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Secretary and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before the opening of the bids, in a newspaper of general circulation in each county in which the area of land to be reclaimed under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Secretary may advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Secretary may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

(8) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in this unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the fund.

(9) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(10) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(b) (1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons, dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purposes of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have adequate housing facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 406. (a) The Congress declares that voids and open and abandoned tunnels, shafts, and entryways resulting from mining constitute a hazard to the public health or safety. The Secretary, at the request of the Governor of any State, is authorized to fill such voids and seal such abandoned tunnels, shafts, and entryways which the Secretary determines could endanger life and property or constitute a hazard to the public health or safety.

(b) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(c) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TITLE V—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 501. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under this Act and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer objectively the provisions of this Act. No legal authority, program or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources, shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) administer all responsibilities in Federal land use planning programs and associated functions which are now or hereafter assigned to the Secretary;

(3) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(4) provide assistance to States for the development and implementation of State programs for assuring the control of surface coal mining operations and meeting the other requirements of this Act;

(5) develop and maintain an Information and Data Center on Surface Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(6) assist the State in developing objective scientific standards and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of mining and for development of the State land use planning process pursuant to that process;

(7) monitor Federal and State research programs concerning mining and reclamation; maintain a continuing study of land use and environmental impacts of surface mining and surface effects of underground mining; and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating environmental and social impacts; and

(8) perform such other duties as may be provided by law and relate to the purposes of this Act.

TITLE VI—A PROGRAM FOR NON-COAL-MINE ENVIRONMENTAL IMPACT CONTROL

DESIGNATION OF LANDS UNSUITABLE FOR MINING OF MINERALS OTHER THAN COAL

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if such area consists of:

(i) land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain; or

(ii) lands where such mining operations could result in irreversible damage to important historic, cultural, scientific, or aesthetic values or natural systems, of more than local significance, or could unreasonably endanger human life and property.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and a finding with reasons therefor upon the matter of their petition. In any instance where a governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that (i) with respect to lands designated under subsection 601(b)(i), such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary, and (ii) the Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary determines that an area on Federal lands is unsuitable for all or certain types of mining operations for minerals and materials other than coal, by reason of the criteria referred to in subsection 601(b), he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting for such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States District Court for the district in which the pertinent area is located.

TITLE VII—APPROPRIATIONS AUTHORIZATION; DEFINITIONS; AND GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums, and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 201 and 206 and title III contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this section, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sum of $20,000,000, and $30,000,000 for each fiscal year thereafter.

(c) For research and demonstration projects authorized under section 707, including the study directed under section 704, there is authorized to be appropriated to the Secretary $5,000,000 for the fiscal year ending June 30, 1975, and $5,000,000 for each fiscal year thereafter.

RELATION TO OTHER LAWS

SEC. 702. Nothing in this Act or in any State regulations approved pursuant to it shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmettalic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall fire, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subparagraph shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of applicant, a sum equal to the aggregate amount of all costs and expenses (including attorney's fees), to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

STUDY OF SUBSIDENCE AND UNDERGROUND WASTE DISPOSAL IN COAL MINES

SEC. 704. The Secretary shall conduct, for the purpose of developing mining and reclamation performance standards a full and complete study and investigation of the practices of backfilling all coal mine wastes and coal processing plant wastes in mine voids or other equally effective methods and the control of subsidence to maximize the stability, value, and use of lands overlying underground coal mines. The Secretary shall report to the Congress the results of such study and investigation no later than the end of the two-year period beginning on the date of enactment of this Act.

DEFINITIONS

SEC. 705. For the purpose of this Act—

(1) The term "Secretary" means the Secretary of the Interior, except where otherwise described.

(2) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(3) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(4) The term "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by such ancillary mining operations which disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

(5) The term "surface mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations.

(6) The term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands.

(7) The term "Federal lands" means any land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands.

(8) The term "Indian lands" means all lands within the exterior boundaries of any Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands held in trust for or supervised by any Indian tribe.

(9) The term "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary.

(10) The term "Indian lands program" means a program established by an Indian tribe pursuant to title III to regulate surface mining and reclamation operations for coal, whichever is relevant, on Indian lands under its jurisdiction in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act.

(11) The term "State program" means a program established by a State pursuant to title II to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act and regulations issued by the Secretary pursuant to this Act.

(12) The term "Federal program" means a program established by the Secretary to regulate surface coal mining and reclamation operations on all lands in accordance with the requirements of this Act.

(13) The term "Federal lands program" means a program established by the Secretary pursuant to title II to regulate surface coal mining and reclamation operations on Federal lands and Indian lands.

(14) The term "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface mining operations pursuant to section 210.

(15) The term "State regulatory authority" means the department or agency in each State which has primary responsibility in that State for administering the State program pursuant to this Act.

(16) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering any or all provisions of this Act.

(17) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(18) The term "permit" means a permit to conduct surface mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program.

(19) The term "permit applicant" or "applicant" means a person applying for a permit.

(20) The term "permittee" means a person holding a permit.

(21) The term "fund" means the Abandoned Mine Reclamation Fund established pursuant to title IV.

(22) The term "appropriate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and is in accordance with the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with the requirements of this Act.

(23) The term "written consent" means such written consent as is executed by the owner of the surface estate after the date of enactment of this Act, upon a form approved by the Secretary, and shall demonstrate that such owner consents to entry of an operator for the purpose of conducting surface coal mining operations and that such consent is given only to such surface coal mining and reclamation operations which fully comply with the terms and requirements of this Act.

(24) The term "waiver" means any docu-

ment which demonstrates the clear intention to convey rights in the mineral estate for the purpose of extracting such minerals by current surface mining methods.

(25) The term "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location.

(26) The term "reclamation" or "reclaim" means the combined process of land treatment that minimizes water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, other harmful effects or after-effects from surface mining operations, or surface effects from underground mines, so that affected lands are restored to a stable condition and create no danger to public safety, barriers, to assess or reduce the value of surrounding lands. The process may extend to affected lands surrounding the lands on which the original mining occurred and may require backfilling to approximate original contouring, grading, resoiling, revegetation, soil compaction, and stabilization, in order to minimize water or soil pollution, erosion, flooding resulting from surface mining, water degradation or pollution from unfilled cracks and fissures or any other activity to accomplish reclamation of land to a stable condition at least fully capable of supporting the use or higher or better uses which they were capable of supporting prior to any mining.

(27) The term "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 214(a) of this Act and shall be readily identifiable by appropriate markers on the site.

(28) The term "silt" means soil, soil or rock particles, wood, debris, or other materials that are transported by suspension or floating in streams flowing from or through mining areas.

(29) The term "aquifer" means a zone, stratum, or group of strata, that can store and transmit water in sufficiently recoverable quantities to be of economic or ecologic value as a source of water.

(30) The term "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonbly be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

(31) The term "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care.

GRANTS TO THE STATES

SEC. 706. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

RESEARCH AND DEMONSTRATION PROJECTS

SEC. 707. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research, studies, surveys, experiments, and training in carrying out the provisions of this Act. In conducting the activities authorized by this section, the Secretary may enter into contracts with, and make grants to qualified institutions, agencies, organizations, and persons.

(b) The Secretary is authorized to enter into contracts with, and make grants to, the States and their political subdivisions, and other public institutions, agencies, organizations, and persons to carry out demonstration projects involving the reclamation of lands which have been disturbed by surface mining operations.

RESEARCH AND DEMONSTRATION PROJECTS ON ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 708. (a) The Secretary is authorized to conduct, and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep coal seams, and such other means of mining as may be recommended in the studies authorized under section 704; and

(2) safety and health in the application of such technologies, methods, and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $50,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

ANNUAL REPORT

SEC. 709. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the State pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act, including recommendations for increasing the production from underground coal mines.

PROTECTION OF THE SURFACE OWNER AND OWNERS OF WATER RIGHTS

SEC. 710. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the written consent, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface mining operations on such land.

(b) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government, and the surface rights are held pursuant to patent, the application for a permit shall include the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods.

(c) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government and the interest in the surface is in the nature of a lease or a permit, the application for a permit shall include either—

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operation on such land; or

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved, the secure payment of any damages to the surface estate, to the corps, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the patent involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under section 216.

(d) In those instances in which it is determined that a proposed coal surface mining operation is likely to adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water, the application for a permit shall include either—

(1) the written consent of all owners of water rights reasonably anticipated to be affected; or

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(e) (1) An owner of water rights adversely affected may file a complaint detailing the loss in quality and quantity of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered persuant to section 219(b)(2);

(B) within 30 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water, in like quality, quantity, and duration, within 30 days if the loss of such water was found to be due to the surface coal mining operations; and

(D) order the suspension of the operator's permit for failure to replace such water until such time as the operator has provided the substitute water supply.

(f) Nothing in this section shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

(g) For the purposes of this section, the term, "surface coal mining operation" does not include underground mining for coal.

SEVERABILITY

SEC. 711. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 712. Section 114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

EXPERIMENTAL PRACTICES

SEC. 713. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 211 and 212 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic fasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

ALASKAN SURFACE COAL MINE STUDY

SEC. 714. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an indepth- study of surface coal mining conditions in the State of Alaska in order to determine the best set of surface mining regulations under which such mines should operate. The study shall—

(1) identify variations and differences between surface mining conditions in Alaska and surface mining conditions in the Lower 48 with respect to the environmental protection standards in this Act;

(2) identify suitable surface mining standards to assure that post-mining land use is compatible with the habitat, and surrounding terrain;

(3) identify impacts on the environment which could be engendered by current surface mining technology and identify how or if these impacts can be mitigated through the use of alternative mining technologies.

(b) The Secretary is to make a report to the President and Congress on the findings of the study no later than 24 months after the date of enactment of this Act;

(c) The Secretary shall include in his report a draft of Federal regulations to be promulgated to govern surface coal mining operations on Federal lands in the State of Alaska, and a draft of those regulations to use as a standard for determining the adequacy of an Alaskan State program for the regulation of surface coal mining operations;

(d) The draft regulations contained in the report are to be promulgated for comment by the public and other interested parties pursuant to this Act within 12 months of submission of the report to Congress. After considering such comments submitted and revising such regulations as appropriate, the Secretary shall promulgate such standards governing surface coal mining operations in the State of Alaska.

(e) Until the Secretary has made his report to the President and Congress and has promulgated Federal regulations on coal mining operations on Federal lands in Alaska, this Act shall not apply to the State of Alaska.

(f) There is hereby authorized to be appropriated for the purpose of this section $500,000.

PREFERENCE FOR PERSONS ADVERSELY AFFECTED BY THE ACT

SEC. 715. (a) In the award of contracts for the reclamation of abandoned and unreclaimed mined areas pursuant to title IV and for research and demonstration projects pursuant to section 707 of this Act the Secretary shall develop regulations which will accord a preference to surface mining operators who can demonstrate that their surface mining operations, despite good-faith efforts to comply with the requirements of this Act, have been adversely affected by the regulation of surface mining and reclamation operations pursuant to this Act.

(b) Contracts awarded pursuant to this section shall require the contractor to afford an employment preference to individuals whose employment has been adversely affected by this Act.

ASSISTANCE TO PERSONS UNEMPLOYED AS A RESULT OF THIS ACT

SEC. 716. (a) The President is authorized and directed to make grants to States to provide to any individual unemployed, if such unemployment resulted from the administration and enforcement of this Act and was in no way due to the fault of such individual, such assistance as the President deems appropriate while such individual is unemployed. Such assistance as a State shall provide under such a grant shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment in the area caused by such administration and enforcement continues (but not less than six months) or until the individual is reemployed in a suitable position, but not longer than two years after the individual becomes eligible for such assistance. Such assistance shall not exceed the maximum weekly amount under the unemployment compensation program of the State in which the employment loss occurred and shall be reduced by an amount of private income protection insurance compensation available to such individual for such period of unemployment.

(b) The President is authorized and directed to make grants to States to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by any such unemployment, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the employment loss. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) (1) Whenever the President determines that, as a result of any such employment loss, low-income households are unable to purchase adequate amounts of nutritious food the President is authorized, under such terms and conditions as it may prescribe, to distribute through the Secretary of Agriculture coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964, as amended, and to make surplus commodities available.

(2) The President, through the Secretary of Agriculture, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the employment loss on the earning power of the households to which assistance is made available under this section.

(3) Nothing in this subsection shall be constructed as amending or otherwise changing the provisions of the Food Stamp Act of 1964, as amended, except as they relate to the availability of food stamps in such an employment loss.

(d) The Secretary of Labor is authorized and directed to provide reemployment assistance services under other laws of the United States to any such individual so unemployed. As one element of such reemployment assistance services, such Secretary shall provide to any such unemployed individual who is unable to find reemployment in a suitable position within a reasonable distance from home, assistance to relocate in another area where such employment is available. Such assistance may include reasonable costs of seeking such employment and the cost of moving his family and household to the location of his new employment.

(e) (1) The President acting through the Small Business Administration, is authorized and directed to make loans (which for purposes of this subsection shall include participations in loans) to aid in financing any project in the United States for the conduct of activities or the acquisition, construction, or alteration of facilities (including machinery and equipment) required by the administration or enforcement) of this Act, for applicants both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision in which the project to be financed is located, and which agency or instrumentality (including units of general purpose local government) is directly concerned with problems of economic development in such State or subdivision, and which have been certified by such agency or instrumentality as requiring the loan successfully to remain in operation or at previous levels of employment.

(2) Financial assistance under this section shall be on such terms and conditions as the President determines, except that—

(A) no loan shall be made unless it is determined that there is reasonable assurance of repayment;

(B) no loan, including renewals or extension thereof, may be made hereunder for a period exceeding thirty years;

(C) loans made shall bear interest at a rate determined by the Secretary of the Treasury but not more than 3 per centum per annum;

(D) loans shall not exceed the aggregate cost to the applicant of acquiring, constructing, or altering the facility or project;

(E) the total of all loans to any single applicant shall not exceed $1,000,000; and

(F) the facility or project has been certified by the regulatory authority as necessary to comply with the requirements of this Act.

(f) Where the loss, curtailment, removal, or closing of any industrial or commercial facility resulting from the administration and enforcement of this Act causes an unusual and abrupt rise in unemployment in any area, community, or neighborhood, the Small Business Administration in the case of a nonagricultural enterprise and the Farmers Home Administration in the case of an agricultural enterprise, are authorized to provide any industrial, commercial, agricultural, or other enterprise, which has the potential to be a major source of employment for a substantial period of time in such area, a loan in such amount as may be necessary to enable such enterprise to assist in restoring the economic viability of such area, community, or neighborhood. Loans authorized by this section shall be made without regard to limitations on the size of loans which may otherwise be imposed by any other provision of law or regulation promulgated pursuant thereto.

(g) The President is authorized to make grants to any local government which, as a result of the administration and enforcement of this Act, has suffered a substantial loss of total revenue (including both real and personal property tax revenue). Grants made under this section may be made for the tax year in which the loss occurred and for each of the following two tax years. The grant for any tax year shall not exceed the difference between the annual average of all revenues received by the local government during the three-tax-year period immediately preceding the tax year in which such loss occurred and the actual revenue received by the local government for the tax year in which the loss occurred and for each of the two tax years following such loss but only if there has been no reduction in the tax rates and the tax assessment valuation factors of the local government. If there has been a reduction in the tax rates or the tax assessment valuation factors then, for the purpose of determining the amount of a grant under this section for the year or years when such reduction is in effect, the President shall use the tax rates and tax assessment valuation factors of the local government in effect at the time of such loss without reduction, in order to determine the revenues which would have been received by the local government but for such reduction.

(h) Any owner or operator of a surface coal mine, or employee (or former employee) of a surface coal mine, who would otherwise be eligible for assistance under this section, in lieu of such assistance may utilize the preference accorded in section 715 of this Act in receiving contracts or employment in the conduct of reclamation activities authorized by section 405 of this Act.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(j) The Secretary shall report to the Congress on the implementation of this section not later than thirty months after the enactment of this Act, and annually thereafter. The report required by this subsection shall include an estimate of the funds which would be necessary to implement this section in each of the succeeding three years.

(k) The Secretary shall report to the Congress not later than July 1, 1976, on the impact of the administration and enforcement of this Act on employees and owners or operators of firms with gross capital values of less than $500,000, together with a recommendation on a program granting relief to such employees and owners or operators for losses in capital value sustained as a consequence of the administration and enforcement of this Act.

TITLE VIII—STATE MINING AND MINERAL RESOURCES RESEARCH INSTITUTE

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

Sec. 801. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, center, or equivalent agency (hereinafter referred to as "institute") at one public college or university at the State, which has in existence at the time of enactment of this title a school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering or which establishes such a school, division, or department subsequent to the enactment of this title and which school, division, or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering wherein education and research in the minerals engineering fields are being carried out and wherein at least five full-time permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Govects by two or more institutes. No portion of ernor of the State; and

(3) where a State does not have a public college or university with an eligible school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering, said advisory committee may allocate the States' allotment to one private college or university which it determines to have an eligible school, division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to exploration; extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of he Federal and State governments, and other, and to avoid any undue displacement of mineral engineers and scientists elsewhere engaged in mining and mineral resources research.

RESEARCH FUNDS TO INSTITUTES

Sec. 802. (a) There is further authorized to be appropriated to the Secretary of the Interior for fiscal year 1975, and six succeeding fiscal years thereafter the sum of $5,000,000 annually, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses of specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes. No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project. No grant shall be made under said subsection (a) except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

FUNDING CRITERIA

Sec. 803. (a) Sums available to institutes under the terms of sections 801 and 802 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title, in addition to being available for expenses for research, investigations, experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof and for administrative planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

Sec. 804. The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 802(a) have been met as to each State.

The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

SEC. 805. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

AUTHORIZATION FOR OTHER RESEARCH PROGRAMS

SEC. 806. There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $10,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, from which the Secretary shall make grants, contracts, matching, or other arrangements with education institutions, private foundations, or other institutions; with private firms and individuals; and with local, State, and Federal Government agencies, to undertake research into any aspects of mining and mineral resources problems related to the mission to the Department of the Interior, which may be deemed desirable and are not otherwise being studied. The Secretary shall insofar as it is practicable, utilize the facilities of institutes designated in section 801 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, the nature of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilitze such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

MISCELLANEOUS PROVISIONS

SEC. 807. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive, nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority or surveillance over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this title for any scientific or technological research or development activity unless such expenditure is conditioned upon provisions determined by the Secretary of the Interior, with the approval of the Attorney General, to be effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exception and limitation as the Secretary may determine, after consultation with the Secretary of Defense, to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent.

CENTER FOR CATALOGING

SEC. 808. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 809. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research.

(b) identification and elimination of duplication and overlap between two or more agency programs.

(c) identification of technical needs in various mining and mineral resources research categories.

(d) recommendations with respect to allocation of technical effort among the Federal agencies.

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort, and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 810. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel subsistence and related expenses.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 11500) was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF AMENDMENT ADOPTED TO S. 425

Mr. UDALL. Mr. Speaker, I ask unanimous consent that in the engrossment of the amendments to the bill S. 425 the Clerk be authorized to correct section numbers and headings, punctuation, cross references, and appropriate conforming changes in the table of contents.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. HOSMER. Mr. Speaker, reserving the right to object, and I shall not object, I do want to congratulate the gentleman from Arizona and the committee on the fine performance, on their victory, and to state that this is probably one of the longest performances we have had here for quite a long time.

We have engaged in a lot of parliamentary maneuvering. I hope that some of the younger Members have had opportunity to learn from that.

I want to express, Mr. Speaker, to the gentleman from Arizona and the gentlewoman from Hawaii my admiration for the way they skillfully conducted the battle.

I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Arizona?

Mr. **GROSS.** Mr. Speaker, further reserving the right to object, and I shall not object, I wonder if there is a single soul in the House who really knows what is in this bill?

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Arizona?

There was no objection.

GENERAL LEAVE

Mr. **UDALL.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

The **SPEAKER.** Is there objection to the request of the gentleman from Arizona?

There was no objection.

CONFERENCE REPORT ON H.R. 15074, DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM AND CONFLICT OF INTEREST ACT

Mr. **DIGGS** submitted the following conference report and statement on the bill (H.R. 15074), to regulate certain political campaign finance practices in the District of Columbia, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93-1225)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—SHORT TITLE, DEFINITIONS

Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than $250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

Sec. 301. Establishment of the Office of Director.
Sec. 302. Powers of the Director.
Sec. 303. Duties of the Director.
Sec. 304. General Accounting Office to assist Board and Director.
Sec. 305. Nominating committee.
Sec. 306. District of Columbia Board of Elections and Ethics.

TITLE IV—FINANCE LIMITATIONS

Sec. 401. General limitations.
Sec. 402. Limitation on expenditures.

TITLE V—LOBBYING

Sec. 501. Definitions.
Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.
Sec. 503. Receipts for contributions.
Sec. 504. Statements of accounts filed with Director.
Sec. 505. Preservation of statements.
Sec. 506. Persons to whom title is applicable.
Sec. 507. Registration of lobbyists with Director; compilation of information.
Sec. 508. Reports and statements under oath.
Sec. 509. Penalties and prohibitions.
Sec. 510. Exemptions.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

Sec. 601. Conflict of interest.
Sec. 602. Disclosure of financial interest.

TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

Sec. 701. Penalties and enforcement.
Sec. 702. Tax credit for campaign contributions.
Sec. 703. Use of surplus campaign funds.
Sec. 704. A study of 1974 election and report by Council.
Sec. 705. Effective dates.
Sec. 706. Amendments to District of Columbia Election Act.
Sec. 707. Authority of Council.
Sec. 708. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act."

DEFINITIONS

SEC. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) obtained or authorized any other person to obtain nominating petitions to qualify himself for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. A person who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal Law.

(c) The term "office" means the office of Mayor of the District of Columbia, Chairman or member of the Council of the District of Columbia, member of the Board of Education of the District of Columbia, or an official of a political party.

(d) The term "official of a political party" means—

(1) national committeemen and national committeewomen;

(2) delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;

(3) alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and

(4) such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District of Columbia.

(e) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office.

(f) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; or

(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion or all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(g) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(3) a transfer of funds between political committees; and

(4) notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include the incidental expenses (as defined by the Board) made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee.

(h) The term "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

(i) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics created by title III.

(j) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(k) The term "Board" means the District of Columbia Board of Elections and Ethics established under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), and redesignated by section 306.

TITLE II—FINANCIAL DISCLOSURES

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other person has been designated and has agreed to perform the functions of treasurer. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution of $10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) Except for accounts of expenditures made out of the petty cash fund provided for under section 201(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of $10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) the treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.".

PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate, except a principal campaign committee supporting the nomination or election of a candidate as an official of a political party may support the nomination or election of more than one such candidate, but may not support the nomination or election of a candidate for any public office.

(b) Each statement (including the statement of organization required under section 204) or report that a political committee is required to file with or furnish to the Director under the provisions of this Act shall also be furnished, if that political committee is not a principal campaign committee, to the campaign committee for the candidate on whose behalf that political committee is accepting or making, or intends to accept or make, contributions or expenditures.

(c) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board and such statements and reports thereof shall be furnished to the Director as it may require. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe—

(b) The statement of organization shall include—

(1) the name and address of the political committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the political committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the political committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(10) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall so notify the Director.

REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which he, or any person authorized by him (pursuant to section 401(d) to do so, has received a contribution or made an expenditure in connection with his campaign or for the purposes of preparing to undertake his campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of each account or box, and such other information as shall be required by the Director.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committee supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of $200 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or values of $50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of $10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe and a continuous reporting of its debts and obligations after the election at such periods as the Director may require until such debts and obligations are extinguished; and

(12) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of $50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

EXEMPTION FOR CANDIDATES WHO ANTICIPATE SPENDING LESS THAN $250

SEC. 209. Except for the provisions of subsections (c) and (d) of section 201, and subsection (a) of section 205, the provisions of this title shall not apply to any candidate who anticipates spending or spends less than $250 in any one election and who has not designated a principal campaign committee. On the fifteenth day prior to the date of the election in which such candidate is entered, and on the thirtieth day after the date of such election, such candidate shall certify to the Director that he has not spent more than $250 in such election.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 210. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots, and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 211. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (hereinafter in this Act referred to as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Such appointments shall be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director of the Board and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the produc-

tion of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept gifts and voluntary and uncompensated services.

Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

Sec. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as he may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

Sec. 304. The Board and Director may, in the performance of its functions under this Act, request the assistance of the Comptroller General of the United States, including such investigations and audits as the Board and Director may determine necessary, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree.

NOMINATING COMMITTEE

Sec. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter in this Act referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b)(1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.

(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia, with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b)(1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b)(2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d)(1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year immediately preceding the date of his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade 17 of the General Schedule under section 5332 of title 5, United States Code.

(f)(1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g)(1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

Sec. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), shall be known as the "District of Columbia Board of Elections and Ethics" and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b)(1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than $50 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Co-

lumbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(c) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

TITLE IV—FINANCE LIMITATIONS

GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $1,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, $750;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $500;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, $200, and in the case of a runoff election, an additional $200;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $100, and in case of a runoff election, an additional $100; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

(b) No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution which, and no person shall receive any contribution from any person (other than such an individual) which when aggregated with all other contributions received from that person, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $2,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, $1,500;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $1,000;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward $400, and in the case of a runoff election, an additional $400;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, $200, and in the case of a runoff election, and additional $200; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

For the purposes of this subsection, the term "person" shall include a candidate making contributions relating to his candidacy for nomination for election, or election, to office. Notwithstanding the preceding provisions of this subsection, a candidate for member of the Council elected from a ward may contribute $1,000 to his own campaign. The provisions of this subsection to the extent that such provisions are applicable to corporations and unions shall, to that extent, expire as of July 1, 1975, unless the Council of the District of Columbia on or before such date enacts legislation repealing or modifying such provisions or extending such provisions as to corporations and unions on and after that date. In the event that the Council fails to so repeal, modify, or extend such provisions as to corporations and labor unions, the Council shall report its reasons therefor to the Committees on the District of Columbia of the Senate and the House of Representatives prior to August 1, 1975.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds $2,000.

(d) (1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purposes of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

(i) the candidate's name appears,

(ii) a photograph or drawing of the candidate appears, or

(iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18 of the United States Code would not constitute an expenditure by that corporation or labor organization.

(4) Every candidate shall file a statement with the Board, in such manner and form and at such times as the Board may prescribe, authorizing any person or any political committee organized primarily to support the candidacy of such candidate to either directly or indirectly, receive contributions, or make expenditures in behalf of, such candidate. No person and no committee organized primarily to support a single candidate may, either directly or indirectly, receive contributions or make expenditures in behalf of, such candidate without the written authorization of such candidate as required by this paragraph.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of $50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

(h) (1) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing and applying the limitations contained in this section only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(2) For purposes of this subsection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

LIMITATION OF EXPENDITURES

SEC. 402. (a) (1) No principal campaign committee shall expand any funds which when aggregated with funds expended by it, all other communities required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, $200,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $120,000 for one of such elections and $80,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, $150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $90,000 for one of such elections and $60,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, $100,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $60,000 for one of such elections and $40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, $20,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $12,000 for one of such elections and $8,000 for the other of such elections; (5) in the case of a candidate for member of the Board of Education elected from a ward, or in support of any candidate for office of a political party, $10,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $6,000 for one of such elections and $4,000 for the other of such elections; and (6) in the case of a candidate for member of an Advisory Neighborhood Council, $500.

(2) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Board and the Board shall publish in the District of Columbia Register the per centum difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for 1974. Each amount determined under paragraph (1) shall be changed by such per centum differ-

ence. Each amount so changed shall be the amount in effect for such calendar year.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expendinf funds or which would cause such principal committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

TITLE V—LOBBYING

DEFINITIONS

SEC. 501. When used in this title—

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia, and includes any other matter which may be the subject of action by the Council of the District of Columbia.

DETAILED ACCOUNTS OF CONTRIBUTIONS; RETENTION OF RECEIPTED BILLS OF EXPENDITURES

SEC. 502. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) all contributions of any amount or of any value whatsoever;

(2) the name and address of every person making any such contribution of $200 or more and the date thereof;

(3) all expenditures made by or on behalf of such organization or fund; and

(4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding $10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

RECEIPTS FOR CONTRIBUTORS

SEC. 503. Every individual who receives a contribution of $200 or more for any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

STATEMENTS OF ACCOUNTS FILED WITH DIRECTOR

SEC. 504. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 506 of this title shall file with the Director between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of $200 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of $200 or more to such person since January 2, 1975;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1) of this subsection;

(3) the total sum of all contributions made to or for such person during the calendar year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of $10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4) of this subsection;

(6) the total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

PRESERVATION OF STATEMENTS

SEC. 505. A statement required by this title to be filed with the Director—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Director, Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Director of its nonreceipt;

(b) shall be preserved by the Director for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

PERSONS TO WHOM TITLE IS APPLICABLE

SEC. 506. The provisions of this title shall apply to any person (except a political committee) who, by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Council of the District of Columbia.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

REGISTRATION OF LOBBYISTS WITH DIRECTOR; COMPILATION OF INFORMATION

SEC. 507. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Council of the District of Columbia shall, before doing anything in furtherance of such object, register with the Director and shall give to him in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Director a detailed report under oath of all money received and extended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before the Council of the District of Columbia, or a committee thereof, in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Council of the District of Columbia in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Director shall be compiled by the Director as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the District of Columbia Register.

REPORTS AND STATEMENTS UNDER OATH

SEC. 508. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES AND PROHIBITIONS

SEC. 509. (a) Any person who violates any of the provisions of this title, shall be guilty of a misdemeanor, and shall be punished by a fine of not more than $5,000 or imprisonment for not more than twelve months, or both.

(b) In addition to the penalties provided for in subsection (a) of this section, any person convicted of the misdemeanor specified therein is prohibited, for a period of three years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the Council of the District of Columbia in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall be guilty of a felony, and shall be punished by a fine of not more than $10,000, or imprisonment for not more than five years, or both.

EXEMPTION

SEC. 510. The provisions of this title shall not apply to—

(1) any Member of the United States House of Representatives or any Senator;

(2) any member of a staff of any person specified in paragraph (1) while operating within the scope of his employment;

(3) any member of an Advisory Neighborhood Council;

(4) any person who receives less than $500 during the calendar year as compensation for performing services relating to the influencing of legislation; or

(5) any entity specified in section 1(d) of title II of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code,

sec. 47–1554(d)), no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

SEC. 601. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensation provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed $100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other person.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, deliver a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a charge of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS–15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth $1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

DISCLOSURE OF FINANCIAL INTEREST

SEC. 602. Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, or real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Chairman and each member of the Council and the Mayor holding mental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS–15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of $10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of $10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall re-

quest the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;

(5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and

(6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

SEC. 701. (a) Except as provided in subsection (b), any person or political committee who violates any of the provisions of this Act shall be fined not more than $5,000, or shall be imprisoned for not longer than six months, or both.

(b) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than $10,000, or shall be imprisoned for not longer than five years, or both.

(c) The penalties provided in this section shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calendar year 1974.

(d) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

SEC. 702. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47-1565—47-1567e) is amended by adding at the end of that title the following:

"SEC. 7. (a) Credit for Campaign Contributions.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of $12.50, or $25 in the case of married persons filing a joint return.

"(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

"Sec. 7. Credit for campaign contributions.".

USE OF SURPLUS CAMPAIGN FUNDS

SEC. 703. Within the limitations specified in this Act, any surplus, residual, or unexpended campaign funds received by or on behalf of an individual who seeks nomination for election, or election to office shall be contributed to a political party for political purposes, used to retire the proper debts of his political committee which received such funds, or returned to the donors as follows:

(1) in the case of an individual defeated in an election, within six months following such election;

(2) in the case of an individual elected to office, within six months following such election; and

(3) in the case of an individual ceasing to be a candidate, within six months thereafter.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

SEC. 704. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of the District of Columbia Campaign Finance Reform Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of those Acts so as to improve electoral machinery and to insure open, fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this section shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

SEC. 705. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1-1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles I, III, VI and VII of this Act shall take effect on the date of enactment of this Act.

(c) Title V of this Act shall take effect January 2, 1975.

AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

SEC. 706. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1-1113) is amended to read as follows:

"AUTHORIZATION

"SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.".

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1–1104) is amended to read as follows:

"(b) Each member of the Board shall be paid compensation at the rate of $100 for each eight hour period with a limit of $12,500 per annum, while performing duties under this Act, except during 1974 such compensation shall be paid without regard to such annual limitation.".

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

AUTHORITY OF COUNCIL

SEC. 707. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 708. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

And the Senate agrees to the same.

CHARLES C. DIGGS,
BROCK ADAMS,
D. FRASER,
W. S. (BILL) STUCKEY,
THOMAS REES,
ANCHER NELSEN,
GILBERT GUDE,
Managers on the part of House.
THOMAS F. EAGLETON
DANIEL INOUYE,
K. MCC. MATHIAS,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all the House bill after the enacting clause, inserted a substitute text and provided a new title for the House bill.

The Committee of Conference has agreed to a substitute for both the House bill and the Senate amendment to the text of the bill. Except for clarifying, clerical, and conforming changes, the major differences are noted below:

AGENCY TO ADMINISTER THE ACT

The House bill continued the existing Board of Elections to administer this act.

The Senate amendment replaced the present Board of Elections with the Board of Elections and Ethics to assume the duties of the previous Board. The new Board was given compliance authority, including civil penalties and general procedures for conduct of the Board's business.

The Conference substitute conforms to the Senate amendment.

APPOINTMENT OF DIRECTOR OF CAMPAIGN FINANCE

The House bill provided for appointment of the Director by the Board of Elections at a salary of GS–10 level.

The Senate amendment provided for appointment of the Director by the Mayor with Senate confirmation until January 2, 1975, and Council confirmation thereafter. The salary of the Director was set at GS–16 ($36,000).

The Conference substitute conforms to the Senate amendment.

CHAIRMAN OF THE BOARD OF ELECTIONS

The House bill made the position of Board Chairman full-time and retained the present $75 per day reimbursement for Board members, not to exceed $11,250 per annum.

The Senate amendment left the Board Chairman as a part-time position and raised the compensation of Board members to $150 per day without annual limitation.

The Conference substitute leaves the Chairman as a part-time position and raises the pay of each member of the Board to $100 for each 8-hour period worked, with an annual limitation of $12,500.

CONTRIBUTION LIMITATIONS—INDIVIDUALS

The House bill set maximum contributions as follows: to a candidate for Mayor, $1,000; to a candidate for Chairman of the City Council, $750; to a candidate for Council-at-Large, $500; to a candidate for official of a political party, $100, with an additional $100 contribution permitted in case of a run-off.

The Senate amendment lowered the ceiling for contributions to Mayoral candidates to $500; candidates for Chairman to $400, and candidates for Council-at-Large to $400. The Senate amendment had no provision for contributions to candidates for official of a political party or in case of a run-off. The Senate amendment limited contributions to candidates for Advisory Neighborhood Councils to $25.

The Conference substitute conforms to the House bill but accepts the Senate limitation for Advisory Neighborhood Councils.

CONTRIBUTION LIMITATIONS—PERSONS OTHER THAN INDIVIDUALS

The House bill limited contributions by persons other than individuals to a single candidate as follows: the Mayor, $2,000; the Chairman, $1,500; the Council Member-at-Large, $1,000; and Council Member from a ward, $400; for Board of Education from a ward, $200; for official of a political party, $200; and provided an additional $200 in case of a run-off.

The Senate amendment had no such provision.

The Conference substitute conforms to the House provision with the addition that these limitations as they apply to corporations and labor unions expire on July 1, 1975, unless reenacted or modified by the City Council. If the Council fails to act, it shall by August 1, 1975 report the reasons for its failure to act to the Senate and House Committees on the District of Columbia.

AGGREGATE CONTRIBUTIONS BY AN INDIVIDUAL

The House bill limited an individual to contributions to all candidates totaling $2,000.

The Senate amendment provided a limitation of $1,000.

The Conference substitute conforms to the House bill.

CONTRIBUTIONS BY A CANDIDATE AND HIS FAMILY TO HIS CAMPAIGN

The House bill contained individual limitations that may be spent by a candidate and his family in different amounts for each office, starting with $2,000 for the Mayor and ranging down.

The Senate amendment permitted contributions by a candidate and his immediate family to aggregate 25% of the total expenditures permitted in his campaign.

The Conference substitute conforms to the House provision.

MAXIMUM EXPENDITURES IN A CANDIDATE'S CAMPAIGN

The House bill limited total expenditures in any candidate's campaign for both primary and general elections and limited the expenditure to 50% in the primary and 50% in the general election: the Mayor, $200,000; the Chairman, $150,000; Council at-large, $100,000; Board of Education at-large, $40,000; Member of the Council from a ward, $40,000; Board of Education from a ward, $20,000; official of political party, $20,000.

The Senate amendment lowered those figures and permitted 60% to be spent in the general or primary election at the candidate's discretion in the races for Mayor, $150,000; Chairman, $115,000; Council at-large, $90,000; Board of Education at-large, $20,000; Member of the Council from a ward, $20,000; Board of Education from a ward, $10,000.

The Conference substitute adopts the total dollar expenditure limitations contained in the House bill, with the Senate provision which permits 60% of the funds to be expended in either the general or primary election at the candidate's discretion, with the other 40% to be the limitation on expenditures for the other election.

USE OF UNEXPENDED CAMPAIGN FUNDS

The House bill permits use of surplus campaign funds for political purposes of a political party; retiring proper debts of a political committee; contribution to educational organizations; contribution to charitable organizations; and use in future campaigns of same candidate.

The Senate amendment provided that surplus funds shall be used for political purposes of a political party; retiring proper debts of a political committee; or be returned to donors on a pro rata basis.

The Conference substitute provides that surplus funds shall be used for political purposes of a political party, for retiring proper debts of the candidate's political committee which received the funds, or be returned to donors within six months after the election.

LOBBYING

The House bill provided for registration and reporting by persons engaging for pay in lobbying for passage or defeat of legislation by the Council of the District of Columbia. The Director of Campaign Finance administered this provision.

The Senate amendment had no such provision.

The Conference substitute conforms with the House bill but makes certain exceptions and limits its operation to lobbyists being paid over $500 per year for this purpose.

CONFLICT OF INTEREST

The Senate amendment prohibited a public official of the District, from using his office to obtain financial gain, accepting gifts for taking official action, disclosing confidential information resulting in financial gain. No official could accept membership on a committee or an assignment of responsibility which created a conflict of interest.

The House bill contained no such provision.

The Conference substitute conforms to the Senate amendment.

DISCLOSURE OF PERSONAL FINANCES

The Senate amendment required the candidates and District office holders to file a report with the Board of Elections and Ethics containing the income, business transactions, property purchases or sales and taxes paid by him each year.

The House bill contained no such provisions.

The Conference substitute conforms to the Senate amendment.

TITLE

The Senate amended the title of the bill.

The Conference substitute adopts the title as contained in the Senate amendment.

CHARLES C. DIGGS,
BROCK ADAMS,
D. FRASER,
W. S. (BILL) STUCKEY,
THOMAS REES,
ANCHER NELSEN,
GILBERT GUDE,
Managers on the Part of the House.

THOMAS F. EAGLETON,
DANIEL K. INOUYE,
CHARLES MCC. MATHIAS,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 2296, FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974

Mr. VIGORITO on behalf of Mr. POAGE filed the following conference report and statement on the bill (S. 2296), to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1226)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2296) to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Forest and Rangeland Renewable Resources Planning Act of 1974".

SEC. 2. RENEWABLE RESOURCE ASSESSMENT.—(a) In recognition of the vital importance of America's renewable resources of the forest, range, and other associated lands to the Nation's social and economic well-being, and of the necessity for a long term perspective in planning and undertaking related national renewable resource programs administered by the Forest Service, the Secretary of Agriculture shall prepare a Renewable Resource Assessment (hereinafter called the "Assessment"). The Assessment shall be prepared not later than December 31, 1975, and shall be updated during 1979 and each tenth year thereafter, and shall include but not be limited to—

(1) an analysis of present and anticipated uses, demand for, and supply of the renewable resources, with consideration of the international resource situation, and an emphasis of pertinent supply and demand and price relationship trends;

(2) an inventory, based on information developed by the Forest Service and other Federal agencies, of present and potential renewable resources, and an evaluation of opportunities for improving their yield of tangible and intangible goods and services, together with estimates of investment costs and direct and indirect returns to the Federal Government;

(3) a description of Forest Service programs and responsibilities in research, cooperative programs, and management of the National Forest System, their interrelationships, and the relationship of these programs and responsibilities to public and private activities; and

(4) a discussion of important policy considerations, laws, regulations, and other factors expected to influence and affect significantly the use, ownership, and management of forest, range, and other associated lands.

(b) To assure the availability of adequate data and scientific information needed for development of the Assessment, section 9 of the McSweeney-McNary Act of May 22, 1928 (45 Stat. 702, as amended, 16 U.S.C. 581h), is hereby amended to read as follows:

"The Secretary of Agriculture is hereby authorized and directed to make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for the renewable resources of the forest and range lands of the United States, its territories and possessions, and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits and uses in meeting the needs of the people of the United States. The Secretary shall carry out the survey and analysis under such plans as he may determine to be fair and equitable, and cooperate with appropriate officials of each State, territory, or possession of the United States, and either through them or directly with private or other agencies. There is authorized to be appropriated not to exceed $20,000,000 in any fiscal year to carry out the purposes of this section."

SEC. 3. RENEWABLE RESOURCE PROGRAM.—In order to provide for periodic review of programs for management and administration of the National Forest System, for research, for cooperative State and private Forest Service programs, and for conduct of other Forest Service activities in relation to the findings of the Assessment, the Secretary of Agriculture, utilizing information available to the Forest Service and other agencies within the Department of Agriculture, including data prepared pursuant to section 302 of the Rural Development Act of 1972, shall prepare and transmit to the President a recommended Renewable Resource Program (hereinafter called the "Program"). The Program transmitted to the President may include alternatives, and shall provide in appropriate detail for protection, management, and development of the National Forest System, including forest development roads and trails; for cooperative Forest Service programs; and for research. The Program shall be developed in accordance with principles set forth in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215; 16 U.S.C. 528–531), and the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321–4347). The Program shall be prepared not later than December 31, 1975, to cover the four-year period beginning October 1, 1976, and at least each of the four fiscal decades next following such period, and shall be updated no later than during the first half of the fiscal year ending September 30, 1980, and the first half of each fifth fiscal year thereafter to cover at least each of the four fiscal decades beginning next after such updating. The Program shall include, but not be limited to—

(1) an inventory of specific needs and opportunities for both public and private program investments. The inventory shall differentiate between activities which are of a capital nature and those which are of an operational nature;

(2) specific identification of Program outputs, results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly compared with the total related benefits and direct and indirect returns to the Federal Government;

(3) a discussion of priorities for accomplishment of inventoried Program opportunities, with specified costs, outputs, results, and benefits; and

(4) a detailed study of personnel requirements as needed to satisfy existing and ongoing programs.

SEC. 4. NATIONAL FOREST SYSTEM RESOURCE INVENTORIES.—As a part of the Assessment, the Secretary of Agriculture shall develop and maintain on a continuing basis a comprehensive and appropriately detailed inventory of all National Forest System lands and renewable resources. This inventory shall be kept current so as to reflect changes in conditions and identify new and emerging resources and values.

SEC. 5. NATIONAL FOREST SYSTEM RESOURCE PLANNING.—(a) As a part of the Program provided for by section 3 of this Act, the Secretary of Agriculture shall develop, maintain, and, as appropriate, revise land and resource management plans for units of the National Forest System, coordinated with the land and resource management planning processes of State and local governments and other Federal agencies.

(b) In the development and maintenance of land management plans for use on units of the National Forest System, the Secretary shall use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and other sciences.

SEC. 6. COOPERATION IN RESOURCE PLANNING.—The Secretary of Agriculture may utilize the Assessment, resource surveys, and Program prepared pursuant to this Act to assist States and other organizations in proposing the planning for the protection, use, and management of renewable resources on non-Federal land.

SEC. 7. NATIONAL PARTICIPATION.—(a) On the date Congress first convenes in 1976 and thereafter following each updating of the Assessment and the Program, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate, when Congress convenes, the Assessment as set forth in section 2 of this Act and the Program as set forth in section 3 of this Act, together with a detailed Statement of Policy intended to be used in framing budget requests by that Administration for Forest Service activities for the five- or ten-year program period beginning during the term of such Congress for such further action deemed appropriate by the Congress. Following the transmission of such Assessment, Program, and Statement of Policy, the President shall, subject to other actions of the Congress, carry out programs already established by law in accordance with such Statement of Policy or any subsequent amendment or modification thereof approved by the Congress, unless, before the end of the first period of sixty calendar days of continuous session of Congress after the date on which the President of the Senate and the Speaker of the House are recipients of the transmission of such Assessment, Program, and Statement of Policy, either House adopts a resolution reported by the appropriate committee of jurisdiction disapproving the Statement of Policy. For the purpose of this subsection, the continuity of a session shall be deemed to be broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period. Notwithstanding any other provision of this Act, Congress may revise or modify the Statement of Policy transmitted by the President, and the revised or modified Statement of Policy shall be used in framing budget requests.

(b) Commencing with the fiscal budget for the year ending September 30, 1977, requests presented by the President to the Congress governing Forest Service activities shall express in qualitative and quantitative terms the extent to which the programs and policies projected under the budget meet the policies approved by the Congress in accordance with subsection (a) of this section. In any case in which such budget so presented recommends a course which fails to meet the policies so established, the President shall specifically set forth the reason or reasons for requesting the Congress to approve the lesser programs or policies presented. Amounts appropriated to carry out the policies approved in accordance with subsection (a) of this section shall be expended in accordance with the Congressional Budget and Impoundment Control Act of 1974, Public Law 93–344.

(c) For the purpose of providing information that will aid Congress in its oversight responsibilities and improve the accountability of agency expenditures and activities, the Secretary of Agriculture shall prepare an annual report which evaluates the component elements of the Program required to be prepared by section 3 of this Act which shall be furnished to the Congress at the time of submission of the annual fiscal budget commencing with the third fiscal year after the enactment of this Act.

(d) These annual evaluation reports shall set forth progress in implementing the Program required to be prepared by section 3 of this Act, together with accomplishments of the Program as they relate to the objectives of the Assessment. Objectives should be set forth in qualitative and quantitative terms and accomplishments should be reported accordingly. The report shall contain appropriate measurements of pertinent costs and benefits. The evaluation shall assess the balance between economic factors and environmental quality factors. Program benefits shall include, but not be limited to, environmental quality factors such as esthetics, public access, wildlife habitat, recreational and wilderness use, and economic factors such as the excess of cost savings over the value of foregone benefits and the rate of return on renewable resources.

(e) The reports shall indicate plans for implementing corrective action and recommendations for new legislation where warranted.

(f) The reports shall be structured for Congress in concise summary form with necessary detailed data in appendices.

SEC. 8. NATIONAL FOREST SYSTEM PROGRAM ELEMENTS.—The Secretary of Agriculture shall take such action as will assure that the development and administration of the renewable resources of the National Forest System are in full accord with the concepts for multiple use and sustained yield of products and services as set forth in the Multiple-Use Sustained-Yield Act of 1960. To further these concepts, the Congress hereby sets the year 2000 as the target year when the renewable resources of the National Forest System shall be in an operating posture whereby all backlogs of needed treatment for their restoration shall be reduced to a current basis and the major portion of planned intensive multiple-use sustained-yield management procedures shall be installed and operating on an environmentally-sound basis. The annual budget shall contain requests for funds for an orderly program to eliminate such backlogs: *Provided*, That when the Secretary finds that (1) the backlog of areas that will benefit by such treatment has been eliminated, (2) the cost of treating the remainder of such area exceeds the economic and environmental benefits to be secured from their treatment, or (3) the total supplies of the renewable resources of the United States are adequate to meet the future needs of the American people, the budget request for these elements of restoration may be adjusted accordingly.

SEC. 9. TRANSPORTATION SYSTEM.—The Congress declares that the installation of a proper system of transportation to service the National Forest System, as is provided for in Public Law 88–657, the Act of October 13, 1964 (16 U.S.C. 532–538), shall be carried forward in time to meet anticipated needs on an economical and environmentally sound basis, and the method chosen for financing the construction and maintenance of the transportation system should be such as to enhance local, regional, and national benefits, except that the financing of forest development roads as authorized by clause (2) of section 4 of the Act of October 13, 1964, shall be deemed "budget authority" and "budget outlays" as those terms are defined in section 3(a) of the Congressional Budget and Impoundment Control Act of 1974 and shall be effective for any fiscal year only in the manner required for new spending authority as specified by section 401(a) of that Act.

SEC. 10. (a) NATIONAL FOREST SYSTEM DEFINED.—Congress declares that the National Forest System consists of units of federally owned forest, range, and related lands throughout the United States and its territories, united into a nationally significant system dedicated to the long-term benefit for present and future generations, and that it is the purpose of this section to include all such areas into one integral system. The "National Forest System" shall include all national forest lands reserved or withdrawn from the public domain of the United States, all national forest lands acquired through purchase, exchange, donation, or other means, the national grasslands and land utilization projects administered under title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, 7 U.S.C. 1010–1012), and other lands, waters, or interests therein which are administered by the Forest Service or are designated for administration through the Forest Service as a part of the system.

(b) The on-the-ground field offices, field supervisory offices, and regional offices of the Forest Service shall be so situated as to provide the optimum level of convenient, useful services to the public, giving priority to the maintenance and location of facilities in rural areas and towns near the national forest and Forest Service program locations in accordance with the standards in section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended.

SEC. 11. RENEWABLE RESOURCES.—In carrying out this Act, the Secretary of Agriculture shall utilize information and data available from other Federal, State, and private organizations and shall avoid duplication and overlap of resource assessment and program planning efforts of other Federal agencies. The term "renewable resources" shall be construed to involve those matters within the scope of responsibilities and authorities of the Forest Service on the date of this Act.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amendment of the House, amend the title to read as follows: "An Act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and other values of certain of the Nation's lands and resources, and for other purposes."

And the House agree to the same.

W. R. POAGE,
JOSEPH P. VIGORITO,
JOHN R. RARICK,
GEO. A. GOODLING,
LAMAR BAKER,
Managers on the Part of the House.
HERMAN E. TALMADGE,
JAMES O. EASTLAND,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
HENRY BELLMON,
JESSE HELMS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2296) to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the Senate bill and the House amendments and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(1) The Senate bill provides that the short title is the "Forest and Rangeland Environmental Management Act of 1974". The House amendment provides that the short title is the "Forest and Related Resources Planning Act of 1974".

The conference substitute provides that the Act may be cited as the "Forest and Rangeland Renewable Resources Planning Act of 1974".

(2) The Senate bill contains a statement of findings declaring the importance of renewable resources, their conservation, and their wise management to the Nation's ecological and economic well-being. The House amendment contains no comparable provision.

The conference substitute deletes the Senate provision.

(3) The Senate bill refers throughout to the "renewable resources" of the forest, range, and associated lands. The House amendment refers instead to the "forest and related resources" and defines such phrase as matters within the jurisdiction of the Forest Service on the date of enactment of the bill.

The conference substitute adopts the terminology of the Senate bill but defines "renewable resources" as matters within the jurisdiction of the Forest Service on the date of enactment of the bill.

(4) The Senate bill requires the Secretary of Agriculture to prepare a National Renewable Resource Assessment. The House amendment requires the Secretary to prepare a Forest and Related Resources Assessment, but limits the Assessment to programs administered by the Forest Service.

The conference substitute adopts the limitation of the House amendment in requiring the preparation of a Renewable Resource Assessment.

(5) The Senate bill requires the preparation of the Assessment not later than December 31, 1974. The House amendment changes the date to December 31, 1975.

The conference substitute adopts the House provision.

(6) Both the Senate bill and the House amendment require that the Assessment include an inventory of present and potential resources. The House amendment provides that the inventory is to be based on information available to the Forest Service and other Federal agencies.

The conference substitute provides that the inventory is to be based on information developed by the Forest Service and other Federal agencies.

(7) The House amendment requires that the Assessment include a detailed study of personnel requirements needed to meet existing and ongoing Forest Service programs. There is no comparable Senate provision.

The conference substitute includes the House provision as part of the Renewable Resource Program that the Secretary of Agriculture is required to prepare.

(8) Both the Senate bill and the House

amendment amend section 9 of the McSweeney-McNary Act of 1928 to require comprehensive surveys of the resources of the forest and range lands of the United States. The Senate bill authorizes the appropriation of such sums as may be necessary to carry out the surveys. The House amendment authorizes appropriations not to exceed $20 million in any fiscal year.

The conference substitute adopts the House provision.

(9) The Senate bill requires the Secretary of Agriculture to prepare and transmit to the President a Renewable Resource Program which shall provide for the protection, management, and development of the National Forest System, including forest development roads and trails, for cooperative programs on non-Federal lands, and for research. The House amendment requires the Secretary to prepare and transmit to the President a Forest and Related Resource Program "displaying alternative objectives and associated programs". The House amendment also refers to "cooperative forestry programs" rather than to cooperative programs on non-Federal land.

The conference substitute requires that the Secretary prepare and transmit to the President a recommended Renewable Resource Program. The conference substitute provides that the Program may include alternatives and refers to "cooperative Forest Service Programs".

(10) The House amendment requires that the Secretary of Agriculture, in preparing the Program, use information available to the Forest Service and other agencies of the Department of Agriculture, including data prepared pursuant to section 302 of the Rural Development Act. The Senate bill contains no comparable provision.

The conference substitute adopts the House provision.

(11) The Senate bill requires the preparation of the Program not later than December 31, 1974, to cover the five-year period 1975–1980. The House amendment changes the date to December 31, 1975, to cover the four-year period 1976–1980.

The conference substitute adopts the House provision.

(12) The Senate bill requires that the Program include a discussion of priorities for accomplishment of "inventoried program needs". The House amendment refers instead to "inventoried program opportunities, with specified costs, outputs, results, and benefits".

The conference substitute adopts the House provision.

(13) The Senate bill requires that the Secretary of Agriculture develop land and resource use plans for the National Forest System coordinated with the land use planning processes of State and local governments and other Federal agencies. The House amendment requires land and resource "management" plans. The Secretary would be required to consult with State and local officials in devising and implementing such plans.

The conference substitute requires land and resource management plans coordinated with the land and resource management planning processes of State and local governments and other Federal agencies.

(14) The Senate bill requires that the Secretary of Agriculture make available to States and other planning organizations the Assessment, resource survey, and Program prepared pursuant to the bill. The House amendment provides that the Secretary may utilize the Assessment, resource surveys, and Program to assist States and other planning organizations.

The conference substitute adopts the House provision.

(15) The Senate bill requires the Secretary of Agriculture to utilize such public participation as he deems appropriate—including public hearings, meetings, and advisory groups—in the development of the Assessment, resource inventories, and Program. There is no comparable House provision.

The conference substitute contains no express public participation provision. The conferees note that, under existing law, the Secretary has authority to provide for needed public participation in the development of the Assessment, resource inventories, and Program.

(16) The Senate bill requires the Congress to hold public hearings on the Assessment and Program and by resolution establish a Statement of Policy to guide the President in framing budget requests. The House amendment requires that the President submit the Statement of Policy, such statement to go into effect unless either the House of Representatives or the Senate adopts a resolution disapproving the statement within 60 days.

The conference substitute adopts the House provision with an amendment providing that Congress may revise or modify the Statement of Policy, and the revised or modified Statement of Policy shall be used in framing budget requests.

Too, in the absence of approval or formulation of Statements of Policy as provided in the bill, the President shall continue to submit budget requests in accordance with policies previously approved.

Although the conference substitute contains no provisions for public hearings, the conferees anticipate that the legislative committees will—as part of the Congressional review process evaluating the Assessment, Program, and Statement of Policy—hold such public hearings as are appropriate.

(17) The Senate bill provides that the President can impound funds appropriated for the purposes of the Statement of Policy adopted by Congress only when (a) the appropriation Act provides specifically for discretion as to such expenditures, or (b) the President finds that because of events occurring subsequent to the enactment of the appropriation Act, such expenditure would fail to accomplish its purpose. The House amendment contains no comparable provision.

The conference substitute deletes the Senate provision, but provides specifically that amounts appropriated to carry out the policies approved under the bill shall be expended in accordance with the Congressional Budget and Impoundment Control Act of 1974.

(18) The Senate bill sets the year 2000 as the target year when (a) all backlogs of needed treatment for renewable resources are reduced to a current basis and (b) the major portion of planned intensive management procedures are installed and operating on an environmentally sound basis. The House amendment contains no comparable provision.

The conference substitute adopts the Senate provision.

(19) The Senate bill contains an anti-impoundment provision to encourage the Administration's use of appropriated funds for forest development roads and trails rather than relying on construction financed by forest product purchasers. The House amendment contains no comparable provision, but requires that the Secretary of Agriculture prepare and transmit to the Congress an analysis of the various methods of financing the construction of forest development roads, together with his recommendations for financing such roads in the future.

The conference substitute retains the purpose of the Senate provision by providing that the financing of forest development roads by forest product purchasers shall be deemed "budget authority" and "budget outlays" as those terms are defined in the Congressional Budget and Impoundment Control Act of 1974 and effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(20) The Senate bill provides that, in applying the authority for financing the construction of forest roads and trails by forest product purchasers, the Secretary of Agriculture is to give due consideration to avoiding actions which may unduly impair revenues received and affect adversely payments to particular counties within the National Forest System. The House amendment contains no comparable provision.

The conference substitute deletes the Senate provision.

(21) The definition of the National Forest System is identical in the Senate bill and the House amendment, except that the House amendment inserts the phrase "federally owned" to make it clear that the System consists of federally owned units of forest range, and related lands.

The conference substitute adopts the House provision.

(22) The House amendment requires the Secretary of Agriculture, in carrying out the bill, to (a) use data available from other Federal, State, and private organizations and (b) avoid duplication and overlap of resource assessment and program planning efforts of other Federal agencies. The Senate bill contains no comparable provision.

The conference substitute adopts the House provision.

W. R. Poage,
Joseph P. Vigorito,
John R. Rarick,
Geo. A. Goodling,
LaMar Baker,
Managers on the Part of the House.
Herman E. Talmadge,
James O. Eastland,
James B. Allen,
Hubert H. Humphrey,
George D. Aiken,
Henry Bellmon,
Jesse Helms,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. RODINO. Mr. Speaker, on the vote on H.R. 11500 today, I did not vote. I was in the area, but in the confusion I realized that I was not recorded.

Had I been recorded, I would have voted "aye."

PERSONAL EXPLANATION

Mr. PEYSER. Mr. Speaker, I was inadvertently off the floor at the time of the last vote, on H.R. 11500. I would like to indicate that if I had voted, I would have voted in support of the bill which was just passed.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY

The SPEAKER laid before the House the following communication from the chairman of the Committee on the Judiciary:

Washington, *D.C., July 25, 1974.*

Hon. Carl Albert,
Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: On February 6, 1974, the House of Representatives adopted H. Res. 803, which authorized and directed the Committee on the Judiciary to investigate fully and completely whether sufficient grounds exists for the House of Representatives to exercise under Article I, Section 2 of the Constitution, its power to impeach President Richard M. Nixon.

In carrying out its responsibility under

H. Res. 803, the Judiciary Committee investigated allegations regarding President Nixon's income tax returns. The Committee requested access to the President's returns and reports on those returns in the files of the Internal Revenue Service. This access was granted by the President in Executive Order 11786, dated June 7, 1974, and information from the returns and IRS documents was subsequently presented to the Committee in executive session.

The Committee is now publicly debating whether to report various articles of impeachment to the House. In the course of this debate reference will surely be made to income tax information regarding the President. Under the Constitution and H. Res. 803, it is appropriate, indeed necessary, to refer to this information in a debate which is of the highest Constitutional significance.

Commissioner Donald Alexander of the Internal Revenue Service has requested that before information from IRS files is released publicly it be submitted to the House, thus complying with Treasury Department regulations. While this procedure is undoubtedly unnecessary in view of this Committee's Constitutional responsibility and the authority granted it by H. Res. 803, in consideration of the Commissioner's position, I am herewith submitting the enclosed Statement of Information, Book X. This Book will be part of the Committee's record when it makes its recommendation to the House.

Sincerely,

Peter W. Rodino, Jr.,
Chairman.

LEGISLATIVE PROGRAM FOR THE WEEK OF JULY 29, 1974

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time in order to inquire of the distinguished acting majority leader if he is in a position to inform the Members of the House as to the program for the rest of the week and next week.

Mr. McFALL. Mr. Speaker, if the distinguished minority leader will yield, I will be happy to respond to his inquiry.

There is no further legislative business for consideration today.

Mr. Speaker, the program for the House next week is as follows:

On Monday we will consider House Concurrent Resolution 566, revised resolution authorizing additional copies of the hearings and report of the Committee on the Judiciary concerning the impeachment inquiry; and

Conference report on H.R. 14592, military procurement authorization.

Monday is also District day, and there are five bills scheduled as follows:

H.R. 15791, District of Columbia Self-Government Act amendment;

H.R. 15643, District of Columbia Public Higher Education Reorganization Act;

H.R. 15888, District of Columbia Community Development and Finance Corporation Act;

H.R. 15842, revenue for District of Columbia policemen, firemen, teachers and real property tax; and

H.R. 11108, District of Columbia Medical and Dental Manpower Act extension.

On Tuesday, we will consider the following legislation:

Conference report on S. 386, Urban Mass Transportation Act;

Conference report on H.R. 8217, unemployment compensation; and

Senate Concurrent Resolution 93, inflation policy study.

For Wednesday and the balance of the week, the program is as follows:

Conference report on H.R. 69, elementary and secondary education amendments;

H.R. 15582, Atomic Energy Act amendments, to enable Congress to concur or disapprove certain international agreements for peaceful cooperation, under an open rule, with 1 hour of debate;

H.R. 15264, Export Administration Act, under an open rule, with 1 hour of debate;

H.R. 15416, AEC omnibus legislation, under an open rule, with 1 hour of debate;

H.R. 15578, Small Business Act amendments, under an open rule, with 1 hour of debate;

H.R. 13044, Defense Production Act extension, under an open rule, with 1 hour of debate;

H.R. 9989, real estate settlement procedures, under an open rule, with 1 hour of debate;

H.R. 15736, Federal reclamation projects and programs, under an open rule, with 2 hours of debate;

H.R. 14780, International Broadcasting Board amendment, under an open rule, with 1 hour of debate; and

H.R. 15046, U.S. Information Agency authorization, subject to a rule being granted.

Conference reports may be brought up at any time. Any further program will be announced later.

Mr. Speaker, I would like to comment at this time that the Members can expect a Friday session. With this kind of a long program scheduled, I think we can expect certainly to be working here on next Friday.

Mr. RHODES. Mr. Speaker, could the gentleman from California, the distinguished acting majority leader, give the House any benefit of his thinking concerning future Fridays in this month?

Does the gentleman from California believe that Friday sessions will become the rule rather than the exception?

Mr. McFALL. If the gentleman will yield further, I can only make comment, I think, on next Friday. There is no announcement at this time concerning whether we will work on the following Friday because I think much depends upon how quickly we are able to get through our business next week, and whether or not we begin the impeachment, if any, on the 12th of August. If it begins on that day, and if we do not get all of our business done next week, it would be possible that we would have so much business to do that we might have to work on that Friday. But I do not believe we should make that judgment at this time concerning whether or not we will work on that Friday.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would say to the gentleman from California that this seems to be an unusually ambitious program for next week. Does the gentleman think we can handle all of these bills from Wednesday on, some 12 or 13 bills, most of them with rules, on Friday? Does not the gentleman think we might have to go into Saturday, and then perhaps have to put the Chaplain on notice to be here on Sunday so as to convene the House on Sunday?

Mr. McFALL. If the gentleman will yield, I would think we probably would not work on Sunday—although I would be glad to come down with the gentleman from Iowa to do whatever we could to clean up the program.

However, as the gentleman from Iowa knows, this week we had the long problem of the strip mining bill, and that we were unable to complete much of the legislation we had planned for this week.

Much of this legislation is renewal of acts that are expiring, and I think they probably will not be too controversial. I think if the Members will put their shoulders to the wheel and get through this legislation expeditiously, that we can accomplish all of this work by this time next Friday.

Mr. GROSS. Mr. Speaker, I wonder if the distinguished acting majority leader could tell me why there are only two conference reports and small bills on Tuesday? Is there some reason for early departure on Tuesday?

Mr. McFALL. I am unaware that there is any kind of social function that needs to to be accommodated on Tuesday.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield to me, since the gentleman has been so generous in yielding to our beloved friend, the gentleman from Iowa (Mr. Gross)?

Mr. RHODES. I certainly would like to be as generous to my friend, the gentleman from New Jersey, and I yield to the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would say that this is in a sense the time between today and the time we adjourn sine die sort of the valedictory days of our energetic, distinguished, acerbic and lovable friend, the gentleman from Iowa (Mr. Gross).

I just cannot understand, even in light of the fact that his personal physician, Doctor Hall, is no longer here, why the gentleman is willing to exhibit publicly such a degree of fatigue and such a degree of unwillingness to work 48 hours, and especially keeping all of his adversaries doing the same thing.

I think it is, if I might say so respectfully to my friend, the gentleman from Iowa, rather in bad taste. I think perhaps that the gentleman might need a long and restful trip on counterpart. I think we ought to wait until we adjourn sine die and if necessary we could introduce and pass, I am certain, a special resolution just to send the gentleman anywhere in the world, as far away from Washington, D.C., as possible, at the public expense, and I believe it would pass on the Consent Calendar.

I know it would pass on suspension, and then we could suspend this harassment. I am sorry he is so fatigued. I bleed for him. I shall ask for an injection of one sort or another.

Mr. RHODES. My friend, the gentleman from New Jersey, I am sure does not want the gentleman from Iowa to leave until after the evening which I hear about.

Mr. THOMPSON of New Jersey. I do not know anything about what the distinguished minority leader speaks about. The world is replete with counterfeiters and fakers, and I do not know what the gentleman is talking about. I certainly do not want to discuss it.

Mr. RHODES. Mr. Speaker, I yield to the acting majority leader.

ADJOURNMENT OVER TO MONDAY, JULY 29, 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AMERICAN CITIZENS DETAINED FOR POSSIBLE INDUCTION IN GREEK ARMED FORCES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, a matter of utmost urgency has come to my attention. The Greek immigration authorities are detaining American citizens of Greek nationality who are in Greece for possible induction in that nation's armed forces.

I quote from a State Department cable from Greece:

> On July 23 the Greek General Staff issued an order to the Greek immigration authorities in conjunction with general mobilization that all male Greek subjects born during the years 1925 and 1956 were to be prevented from departing from Greece. The order covers all males of Greek origin regardless of place of birth, other citizenship or previous military service.

There are numerous American males stuck in Greece because all flights were canceled once the fighting erupted on Cyprus. Flights have resumed today, but—and again I quote from the State Department cable—

> Airlines are now refusing to allow any individual covered by the order, including Greek-Americans born in the United States and American citizens with Greek-sounding names, to board their aircraft.

I contacted the airlines and the Greek Embassy here in Washington and have been unable to find out what effect this is having on American citizens and how many are actually being detained. The State Department similarly has little information beyond the fact that it is occurring. They have entered a feeble protest with the Greek Government.

The area in Queens, N.Y., that I represent is the largest Greek community outside of Greece itself. Many of those under this edict from the Greek junta may well be my constituents. I am angered that the State Department is not doing more for these Americans.

I have sent a telegram to Secretary of State Henry Kissinger asking him to order all American officials in Greece to provide asylum for Americans who might fall under the edict and to provide military flights if necessary to evacuate these Americans—whether the Greek Government likes it or not.

It is about time the State Department did something to protect its own citizens. Diplomatic demagogery means nothing to the American boy who is stranded in a foreign land and liable to be picked up by foreign authorities and pressed into military service.

SUPREME COURT DECISION ON DETROIT BUSING CASE—A VICTORY FOR COMMONSENSE

(Mr. HUBER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUBER. Mr. Speaker, I know that I speak for a majority of the House and 95 percent of the American people when I say that we all rejoiced to hear of the decision of the Supreme Court today in turning back the decision of the late Judge Roth in the Detroit busing case, which if the Court had ruled otherwise would have resulted in massive cross district busing. I recall talking with Bill Saxton, the attorney who argued before the Supreme Court that the case should be overturned. He urged my continued action believing that the Congress could have an effect on the case by any actions it took. Some Members may have felt that we have been carrying out futile actions in constantly adding antibusing amendments to various bills only to have them deleted in the Senate or watered down. However, the evidence is today that our actions have had an effect. The Court has listened to the will of the people. It has specifically affirmed that local control of schools is a deeply rooted American tradition.

Therefore, I am now hopeful that the other body will hear the message. They should have by our most recent reaffirmation of instruction to our House conferees on the Esch amendment to the Elementary and Secondary Education Act. In my view we have won a battle, but not the war. Until this matter is nailed down by a constitutional amendment, there will always be some who will want to tinker with our local schools in this regard, not in the name of education, but for purposes of social engineering. The battle is not over, but a victory has been won.

HELLENIC AGREEMENT WITHDRAWN

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, on July 15, I notified this House that the Joint Committee on Atomic Energy had received, in accordance with section 123c of the Atomic Energy Act, a proposed amendment to our bilateral agreement with the Hellenic Republic for peaceful cooperation in nuclear energy. I had, in fact, scheduled a hearing on this amendment for August 1 and was about to announce it when I received word that the administration has recalled the amendment for further review and consideration. I will, of course, keep the Members informed of future developments in this matter.

A FIGHTING FRESHMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, at a time when Congress is criticized as a do-nothing body by so many American citizens, it is a pleasure to call attention to the unusually persistent and effective efforts of one of our freshmen colleagues, ROBERT J. "BOB" HUBER of Michigan's 18th District, in fighting for legislation that would return control of our public schools to local authorities and stop forced busing to achieve an arbitrary racial balance. Today's Supreme Court decision against cross-district busing in the Detroit area supports my assertion.

BOB was a leader in this antibusing fight in Michigan for several years before he came to Congress, and since becoming a Member of this body he has worked hard behind the scenes on a nonpartisan basis with Representatives of differing philosophical persuasion to stop the busing that repeated surveys indicate is opposed by as many as 95 percent of all Americans.

Colleagues of the antibusing persuasion have come to count on his steadfast stand and determination and those who oppose his views have come to admire his logical and conscientious efforts on this issue.

DOMESTIC SUMMIT MEETING ON ECONOMY NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Speaker, inflation is the chief problem facing this Nation today. No Americans can escape its cruel squeeze. Many young couples just beginning married life are prevented from acquiring their own homes by the sky-high price of real estate and mortgage money. Many middle-income families find themselves unable to send their children to college. The elderly see the value of their life savings slip away, while the purchasing power of their pensions diminishes month by month. Believe it or not, in this prosperous Nation, we find thousands of older Americans forced to eat pet food because they cannot afford to buy food for human consumption—prices have doubled or tripled on the basic staples of life.

Our current inflation rate is the highest since World War II. Interest rates are the highest in the history of the Nation; at any other period, 12 percent would be termed usury—and now it is "cooling off the money market." Shortages of various critical materials plague our construction and manufacturing industries and prices continue to rise.

Clearly, something must be done.

It is time for the President, the leadership of Congress, leaders of labor and business and other elements of American society to put aside their domestic and political differences and to work together for the good of this Nation.

It is time to bring the era of negotiation and spirit of détente home. It is time for us to confront our economic problems with the same energy, dedication, and selflessness which we have shown in meeting foreign crises.

Mr. Speaker, yesterday I introduced a House resolution which proposed a framework for action to deal with inflation and its associated economic problems. The resolution, which has already passed the Senate by an overwhelming vote, calls for the President, the top leaders of both parties in both Houses of Congress, and the Chairman of the Federal Reserve Board to meet together urgently in a domestic summit with appropriate leaders of business and labor, and anyone else they feel should participate. It calls on them to keep on meeting until some program of action can be agreed to which will show the American people that our Nation's leaders are prepared to act in unison to fight inflation and cope with our economic difficulties.

In short, a domestic summit meeting on the economy.

The idea of a domestic summit is predicated on several grounds. First, I feel that our exceptional problem of inflation demands an exceptional response. But this response cannot be scattershot—it requires unity and unanimity across the broad spectrum of American leadership. Such unity of purpose can best be achieved by all parties sitting down together at a domestic summit to work through our problems and needs. Furthermore, a domestic summit will provide a highly visible group of people to develop a leadership plan of action for the Nation as a whole.

Such a plan of action cannot be based on a single policy, program, or piece of advice. It must be a unified, coherent, systematic set of recommendations which have the backing of the summit participants, and their commitment to carry them through. We all know that such a plan of action will not be easy to devise, let alone carry out. Our problems are serious, and the remedies will have to be stringent.

In recent weeks I have spoken out on the two major recommendations which I personally feel should be an integral part of any program to fight inflation: a reduction in Federal spending, and a reduction in the Federal debt. These ideas, and others, have been expressed by many Members, and have substantial, if general, support among Americans of all walks of life.

But the time has come for us to stop speaking in generalities and to get down to basic fundamentals. My beliefs, suggestions, and recommendations must be compared with those of others, must be subjected to hard scrutiny and careful development. Agreement on a focused plan of action must be reached, and the determination generated nationwide to carry out such a plan. A domestic summit on the economy is one of the best vehicles I can suggest at this time, and I urge my colleagues in the House to lend their support to my resolution.

The text of House Resolution 1260 follows:

H. RES. 1260

Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy

Whereas the American economy has in recent months reached an alarming state of instability and uncertainty combining reduced economic growth, corrosive inflation, high unemployment, unprecedented high rates of interest, the decline of available loan and venture capital, serious changes in energy supply and pricing, unanticipated and destabilizing commodity shortages, and growing international economic and financial uncertainties; and

Whereas the complexity, magnitude and persistence of these difficulties has occasioned substantial disagreement as to their causes and remedies; and

Whereas no agreed program for effective action has been developed; the Congress, the administration, and the Federal Reserve Board, acting independently, have not yet been able to overcome these problems; and specific Government programs, levels of Federal spending and activities in all economic sectors continue to contribute to these difficulties; and

Whereas the American people in the face of this persistent economic deterioration are growing more dismayed and uncertain as evidenced by the widespread labor unrest and the declining financial markets of recent weeks; and

Whereas this deepening lack of confidence could magnify an already serious economic situation into a national crisis should these difficulties continue unabated: Now, therefore, be it

Resolved, That it is the sense of the House that the leadership of the Nation responsible for our economic well being meet together immediately in a spirit of unity to design a set of policy actions to achieve the common goal of restoring stability and growth to the American economy and confidence and prosperity to the American people.

It is imperative as in previous moments of great national need, that the two political parties, the Congress and the President, labor and management, put aside their domestic and political differences and work together in a spirit of discipline, compromise, and sacrifice for the common good.

SEC. 2. It is further the sense of the House that this domestic summit be convened forthwith comprised of the President, the majority and minority leadership of both Houses of the Congress, the chairmen and ranking minority members of the Appropriations Committees of both Houses, the Chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee, and the Chairman of the Federal Reserve Board, together with leaders of labor and business, and such other participants as they may agree upon. They shall meet and devote such time as necessary until a plan of action is decided upon which, by its demonstration of renewed unity, direction, and purpose will gain the public support and confidence necessary to be effective in overcoming these difficulties.

SEC. 3. It is further resolved by the House that it stands ready to cooperate fully in the spirit of commitment and unity which the solution of this truly national problem will require of all elements of American society.

JOHN W. McCORMACK SENIOR INTERN PROGRAM RESOLUTION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 5 minutes.

Mr. BIESTER. Mr. Speaker, I am pleased to join with Mr. BINGHAM, Mr. HILLIS, Mr. PODELL, Mr. REGULA, and Mr. WYDLER in introducing with an additional 91 cosponsors a resolution establishing a senior intern program in honor of our distinguished former Speaker, John W. McCormack. I am particularly pleased and honored that our present Speaker, Mr. ALBERT, the majority leader, Mr. O'NEILL, and the minority leader, Mr. RHODES, are also joining in cosponsoring this resolution.

This resolution is a modification of one I first introduced in 1972 and resolutions cosponsored by over 40 colleagues in the first session which would enable each Member of the House to hire one or two elderly district residents for service in his or her Washington office for a 1 or 2 week period during May of each year.

As many colleagues may recall, several of us—including two Members of the other body—have experimented with ad hoc senior intern programs over the past few years. The programs have afforded senior citizens in our respective districts with the opportunity to observe firsthand the operation of a congressional office, gain a better understanding of the legislative process and develop a greater knowledge of Federal programs involving older Americans. Briefings and discussions were held with specialists in the field of aging and policy and programs involving the elderly.

We all are searching for constructive and meaningful ways to develop dialog with important groups in our congressional districts. The intern program provides a vehicle for selected representatives of senior citizens back home to learn what is happening in their area of special concern and to share this with others upon their return. The communication link which is established between the Representative and the elderly in the district is one which can be maintained and further improved upon.

I believe I am speaking for my colleagues who have taken the initiative to conduct such a program in their offices that the experience has been a most successful and rewarding one for both

Members and interns. Up until now the program has been undertaken on a small scale with less than a dozen Members participating. I feel, however, that it has proven its potential for expansion into the sort of program we currently offer for college students during the summer.

Mr. Speaker, at this point I would like to include the text of the resolution we have introduced and the names of those Members who are cosponsoring.

RESOLUTION

Resolved, That (a) each Member of the House of Representatives, the Resident Commissioner from Puerto Rico and the Delegates from the District of Columbia, Guam, and the Virgin Islands may hire not more than two additional employees who shall be known as "John W. McCormack Senior Interns" in honor of the former Speaker of the House of Representatives. Such interns may be hired for not more than two weeks during the period May 1 through May 31 of each year and shall serve within the District of Columbia. For this purpose each such Member, Resident Commissioner, or Delegate shall have available annually for payment of compensation to to such interns a total allowance of $500, to be payable to such interns at a rate not to exceed $125 per week, out of the contingent fund of the House. Such interns and such allowance shall be in addition to all personnel and allowances made available to such Member, Resident Commissioner, or Delegate under any other provision of law or other authority.

(b) No person shall be paid compensation as a John W. McCormack Senior Intern who does not have on file with the Clerk of the House of Representatives, at all times during the period of employment as such intern, an appropriate certificate that such intern is sixty years of age or older and a resident of the district which the employing Member, Commissioner, or Delegate represents.

(c) The Committee on House Administration shall prescribe such regulations as may be necessary to carry out this resolution.

SPONSORS OF "JOHN W. MCCORMACK SENIOR INTERN PROGRAM" RESOLUTION

Abzug, Addabbo, Albert, Badillo, Bergland, Biester, Bingham, Boggs, Brinkley, Buchanan, Burke (Cal.), Burke (Mass.), Carey, Chisholm, Collins (Ill.) Conte;

Corman, Coughlin, Daniels, Danielson, Davis (S.C.), Dellenback, Denholm, Dent, Diggs, Derwinski, Evins (Tenn.), Eilberg, Flood, Forsythe, Fraser;

Frenzel, Fulton, Grasso, Gunter, Hanrahan, Hansen (Idaho), Hechler (W.Va.), Heckler (Mass.), Heinz, Helstoski, Hillis, Holt, Holtzman, Horton, Johnson (Pa.);

Jordan, Ketchum, Luken, McDade, McKinney, Madden, Mazzoli, Meeds, Melcher, Metcalfe, Mitchell (Md.), Mitchell (N.Y.), Moakley, Moorhead (Pa.), Moss;

Murphy (Ill.), Murtha, Nix, O'Neill, Patten, Pepper, Perkins, Pickle, Podell, Preyer, Pritchard, Rangel, Regula, Rhodes, Riegle;

Rodino, Roy, Sarasin, Sarbanes, Schroeder, Seiberling, Steelman, Stokes, Stubblefield, Thone, Vanik, Waggonner, Waldie, Whitehurst, Wolff; and

Won Pat, Wydler, Young (Ill.).

ELECTION BILL NEEDS IMPROVEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 15 minutes.

Mr. FRENZEL. Mr. Speaker, my supplemental views in the committee report contain a much more detailed, elaborate analysis of the committee bill, H.R. 16090. This summary reduces my views to a simpler form. Since these dissenting views parallel my supplemental views, members can refer to them for a more detailed explanation.

For more than a year the American people have waited in vain for a positive response from the House on election reform. Subcommittee hearings were not begun until September 1973. Finally, last March the House Administration Committee began to work seriously on this matter. Since March 26, the committee has met more than 20 times in careful consideration of its election bill and over 95 amendments.

The committee has made a sincere, honest effort to reform the present system. Nevertheless, its bill is flawed by several major deficiencies. Its proposal elements are these:

CONGRESSIONAL DOMINATION

There is public consensus that administration and enforcement of election laws be stronger and more independent, but the committee bill has three major provisions that will make administration and enforcement less effective and independent.

First. It establishes a Board of Supervisory Officers which would place four congressional appointees and three employees of Congress in charge of the administration and enforcement of election law. The present conflict of interest situation whereby employees of Congress administer and report violations of laws that directly affect their employers is not eliminated. Members of Congress will still be policing their own selections. The full-time Board Members, two of whom are patronage employees of the Congress and one of whom works for a legislative agency, will surely dominate the Board.

There are no built-in safeguards to assure that violations by Members of Congress will actually be reported to the Justice Department. Moreover, the committee bill requires the Board to operate in secrecy.

Even with the most conscientious, diligent Board, public skepticism is certain to run high, and there will be widespread doubt about the zeal and fairness of the Board's administration and enforcement efforts. The creation of this Supervisory Board does little to reduce the crisis of confidence in Congress.

Second. It grants these seven people the power to interpret the law and grant presumed immunity from prosecution by issuing advisory opinions.

Third. It gives two committees of Congress veto power over the rules and regulations promulgated to administer and implement campaign finance legislation, thereby giving these two committees the power to control all regulations drawn under this law.

Under this bill, clearly, the Congress has tigthened its strangelehold on enforcement and supervision of its own elections. Not only is the fox in charge of the chicken coop, he is living in the farm house and managing the farm. If Congress response to Watergate is to increase its control over Federal elections, then it will be hard to blame the public for becoming even more cynical and alienated.

ADMINISTRATION AND ENFORCEMENT

First. Any candidate who fails to file will be disqualified from running for the office in the next election. This provision is clearly unconstitutional, because of the Supreme Court decision in the Powell against McCormack case.

Second. By abolishing the elections clearinghouse in the General Accounting Office, the bill eliminates the only good thing the Federal Government does to help the State and local governments run their election administration systems.

Third. The committee did wisely decide to increase the monetary penalties for violation of election law.

Fourth. Instead of weakening the present administration and enforcement provisions, the committee could have strengthened them by establishing an independent Federal Elections Commission.

Because of its independence, the Commission would be able to restore public confidence, eliminate the present conflicts of interest and reverse the long history of nonenforcement of election law. It should also reduce the amount of bureaucracy needed to administer the present law, increase coordination between administrators and enforcers of the law, and assure the expeditious enforcement of campaign finance law.

With Representative DANTE FASCELL, I intend to offer an amendment that will establish an independent Federal Elections Commission. Our Commission is designed to protect the rights of Members of Congress and other candidates, as well as the rights of the general public. Safeguards are provided which do not exist under the present law to prevent the filing of false complaints and unfair prosecutions of candidates.

Fifth. The committee did pass a good provision that would strengthen enforcement: a requirement that the supervisory officers publish lists of those who do not file reports.

C. DISCLOSURE: LOOPHOLES

The bill renders ineffective the full and complete disclosure requirements by making certain exceptions to the definition of contribution and expenditure in the 1971 disclosure provisions and contribution and expenditure limitation sections:

First. Real and personal property, including food and beverages used on an individual's premises of up to $500;

Second. Unreimbursed travel expenses of up to $500, and

Third. Slatecards, sample ballots and newspaper advertisements involving three or more candidates.

These provisions will have several negative, potentially disastrous effects:

Presently defined contributions and expenditures will be exempted from those definitions. Full and complete disclosure of contributions and expenditures will no longer be required;

Enforcement of both disclosure provisions and of contribution and expenditure limitations may be much more difficult;

These exemptions may be used as loopholes by special interests and wealthy individuals to circumvent limitations and to channel funds, goods and services into Federal campaigns from hidden sources; and

These loopholes make ambiguous the prohibitions on contributions by corporations, labor unions and foreign nationals.

In reality, there is no need for these loopholes. The present law, and the bill, provide remedies for the concerns that produced these loopholes.

The bill improves disclosure by requiring all candidates to establish a central or principal campaign committee. This provision will centralize both accountability and responsibility and make it easier to monitor a candidate's campaign.

CONTRIBUTION LIMITATIONS

Contribution limitations are the best way to limit the power that wealthy individuals and special interests gain through campaign contributions.

First. The committee bill sets low limits—$1,000 per person per election and $5,000 per political committee per election. But, due to the loopholes, a skillful contributor can give more than this amount, and so can a special interest committee. The loopholes should be closed so that the effective limitation is closer to $2,000 or $3,000.

Second. The bill wisely limits the aggregate amount an individual can contribute in 1 year to all candidates and committees up to $25,000.

Third. Special interest groups have $17 million available for the 1974 congressional elections, almost twice as much as they spent in all of 1972. Given the potential for abuse, the committee did not go far enough in limiting the role of special interest committees. The limit on how much a political committee can give should be reduced to $3,000, $2,500 or even $1,000. Special interest groups should be prohibited from proliferating their committees to circumvent the limitations, and should be required to identify each contribution as to the original donor and intended recipient.

EXPENDITURE LIMITATIONS

The committee bill sets expenditure limitations at $75,000 for a House race, $20 million for the President—$10 million for the nomination—and $75,000 or 5 cents times the population of the State, whichever is greater, for the Senate.

While the committee's limits are really somewhat higher due to the loopholes in the definition of expenditure, they are still far too low and have a proincumbent bias. The adoption of expenditure loopholes was the committee's tacit agreement that the expense limit of $75,000 is too low.

A recent study at Harvard recommended that expenditure limitations be 50 cents per voter—approximately $150,000 for a House race. The study argues that the purpose of a political campaign is not just to elect the candidate, but also to inform the candidates, educate the electorate and encourage wider political participation. A survey of 1972 campaign managers found that they felt they had not adequately carried out the broad goals of education and involvement, even though most of them had spent more than 25 cents per voter. The Harvard study contends:

> If campaigns are to fulfill any of the functions listed above . . . the present level of spending is much too low, if anything.

Tight spending limits also substantially favor incumbents. Present proposals, the Harvard study continues:

> Are far too low to achieve any conceivable purpose other than to maintain incumbents in office.

In 1972, incumbents won well over 95 percent of the time, and the 12 challengers who did beat incumbents averaged $125,000 apiece in their campaigns. The year 1974 is supposed to be of the challenger. So far this year incumbents have won 80 of 82 races in the House.

PUBLIC FINANCING

The bill provides for public financing for Presidential nominating conventions and for Presidential elections. That is a negative feature, except in the sense that it provides no congressional public financing. The many sound and persuasive arguments against using taxpayer's money to bankroll elections need not be repeated here.

MISCELLANEOUS

First. The committee bill prohibits contributions by foreign nationals, contributions in the name of another and cash contributions in excess of $100. The bill also prohibits honorariums in excess of $1,000 per speech or appearance or $10,000 in the aggregate per calendar year. All of these are good provisions.

Second. The bill also preempts State laws, a welcome change that will insure that election laws are uniform, and that candidates for Federal office do not bear the burden of complying with different sets of laws.

Third. The committee bill would greatly weaken the role of the political parties in the electoral process. Political parties are the most broadly based groups in the political process and have a great potential for revitalizing our society. Strengthening the role of the parties in the political process may be as important a reform as changing the present system of campaign financing. Instead of reducing the parties' role, reform of our private system of campaign financing should increase their role by exempting parties from contribution limitations. If this is not an acceptable alternative, then parties should be able to make extra expenditures on behalf of candidates.

SUMMARY

After a late start, the committee has worked diligently to produce a workable elections bill. Despite its shortcomings, particularly its lack of an independent Federal Elections Commission, and its disclosure loopholes, it should be promptly brought to the floor where I hope it can be improved. Members have many amendments to offer to the committee bill. Open, fully democratic proceedings on the floor are the way to obtain the best bill possible.

The people have waited long enough for a straight-forward response to Watergate. The sooner this bill is passed, put into conference and enacted, the better off everyone will be.

THE SPEAKER'S RECENT SPECIAL ORDER ON THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, on July 18, the Speaker of the House took a special order to voice his views on the problems of the American economy. Everyone knows that inflation is rampant, but no fair person can honestly charge this to the Nixon administration alone. The truth of the matter is that past Congresses over the years have obligated funds so that almost three-quarters of the budget will be virtually uncontrollable in fiscal year 1975 due to existing law and prior year commitments.

Our Constitution states in article I, section 7, clause 1, that:

> All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

Therefore, if you look at the history of both the Congress of the United States and its spending record for the last 44 years, you can see that the only time the Democrats have not had control of America's pursestrings was during the 71st Congress from 1929 to 1930 and the 80th Congress from 1947 to 1949. Thus the onus of blame for fiscal irresponsibility must be placed squarely on the Democratic Party and its big spending policies.

The Speaker of the House cast the tie-breaking vote in favor of passage of H.R. 14832, which provided for another temporary increase in the Federal debt ceiling. This move only helps promote inflation, not reduce it.

If one looks at the proposed budget for fiscal year 1975, he will see several shocking examples of the so-called uncontrollables and how they have risen to almost three-quarters of the total budget, a rise of 59 percent from 1967. The portion of the budget subject to discretionary control has shrunk in recent years mainly because:

First, the relative decline in controllable defense spending,

Second, the growth in human resources programs, which largely take the form of benefit payments, set by law, to individuals and families, and

Third, the growth in mandatory grants to State and local governments.

Defense outlays have remained virtually constant from 1969 to 1974, despite substantial price increases and pay raises which have accompanied the transition to an All-Volunteer Armed Forces. These added costs have been offset by large savings resulting from reduction in men and materiel. As a result, defense costs have been a decreasing share of our national budget, falling from 44 percent of Federal spending in 1969 to an estimated 29 percent in 1975. Conversely, Federal spending on human resources has increased from 34 percent of the budget in 1969 to almost 50 percent of the 1975 budget.

Under current law, the costs of existing social programs will rise in response to growth in the number of eligible beneficiaries and to price increases. The rise in outlays for existing programs and those now proposed, however, will be less rapid than the rise in tax receipts. Thus, by 1979, receipts are projected to reach about $428 billion on a full-employment basis, while outlays for existing and proposed programs will be $391 billion. Thus the uncontrollable governmental expenses will continue to grow and any administration in the White House can only control an ever diminishing fraction of the budget.

Since coming to the Congress in 1967, I have continually voted to keep Federal spending down to reasonable levels in order to help curb inflation. I have voted against foreign aid, for a decrease in agricultural subsidies, against a guaranteed annual income, and against the raising of the public debt ceiling each time except in 1969.

If inflation is to be curbed, the Democratic leadership in Congress must stop blaming the administration's policies, the Arab oil boycott, or actions by others until their own policies of deficit spending are curbed. They have continually been the big spenders. They are the ones that have objected when the President impounded funds and asked to limit spending. The truth of the matter is that the Democratic leadership which controls both Houses of the Congress, should tell the public what they want to do to stop the inflationary spiral.

ARTHRITIS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, arthritis is often called "everybody's disease" since it affects every one of us in some way, either directly or indirectly, physically or economically.

Most people have only vague and often incorrect ideas of what arthritis is about. As a result many people become crippled unnecessarily and fail to get the treatment they need to prevent or reduce their disability. Arthritis is not hopeless and treatment can be given to prevent disability or substantially reduce it.

It is estimated that an annual cost of $3.6 billion is lost in wages and medical care bills but the cost in human suffering, in pain and disability is beyond measure.

Arthritis can occur at any age. Studies show that 97 percent of all individuals over age 60 have arthritis severe enough to be seen in X-ray films. At least 50 million Americans, both young and old, have some form of arthritis and at least 17 million persons require medical care. Each year arthritis claims 250,000 new victims.

Rheumatoid arthritis which is arthritis in its worst form actually destroys the joints. People who suffer from this become crippled. Normal activities of work and play are always accompanied by pain and often become completely impossible. The cause of this form of arthritis is not yet known. Successful treatment involves a strict program of medication carried out over a long period of time, and because of the chronic nature of the disease, treatment becomes an ongoing process.

All aspects of treatment have been improved. The most dramatic progress has been in surgery to insert artificial joints. This has helped thousands from pain and crippling handicaps. But there is a need for physicians trained in arthritis. There are only 2,000 trained specialists in the country and 40 of the country's 115 medical schools offer no training in rheumatology. There are obviously not enough qualified physicians in this field to take care of 20 million patients.

When the Arthritis Foundation was formed in 1948, it and various private foundations were the only source of funds for arthritis research and treatment programs. Gradually the Federal Government became the primary source of funds for such programs though the amount of money available is small in comparison to the arthritis problem. With the lack of general recognition of the extent and seriousness of arthritis, the problem has been relegated to a minor position in the national health picture. With inflation the result has been less arthritis research and less training of researchers.

The Arthritis Prevention, Treatment and Rehabilitation Act of 1974 which I am introducing today with several members of the Illinois delegation and others who are concerned over the present situation makes a contribution to the further study of arthritis. The bill was originally introduced by Congressman PAUL ROGERS, Democrat of Florida, and Congressman TIM LEE CARTER, Republican of Kentucky.

The bill would channel funds to a selected number of national arthritis training and demonstration centers. These centers would develop stronger research programs, training opportunities for physicians and allied health personnel and would standardize arthritis patient data in order to facilitate collaborative clinical research programs aimed at improving arthritis patient care. The bill also provides assistance to the one-third of the Nation's medical schools which have no arthritis teaching program for medical students. It would enable each of these schools to acquire a rheumatologist as a member of its faculty.

I feel as do others who have cosponsored this bill that this legislation is vital to progress in arthritis research and patient care.

AMERICANS ARE SUFFERING ECONOMICALLY AND POLITICALLY AND THERE SEEMS TO BE NO END IN SIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. TIERNAN) is recognized for 10 minutes.

Mr. TIERNAN. Mr. Speaker, one of the most laudable qualities of Americans is their resilience, their ability to flow with the tide, to respond to the needs of their Nation and the world without faltering or breaking. That quality has been sorely tested during the past 2 years. From Watergate to food prices, Americans have been bombarded with a stream of potentially catastrophic events the likes of which have toppled governments around the world.

Even though the United States has been spared governmental upheaval, we should not be lulled into thinking that Americans are not suffering in the wake of these events. We are suffering economically and politically, and there seems to be no end in sight. When we consider the implications of just one of these events on a major segment of the American population it becomes immediately obvious that something must be done to provide relief and assistance from increasing economic burdens.

I refer to the escalating cost of fuel and its effect upon the budgets of older Americans. Consider for a moment the position of an elderly person living on a fixed income trying to keep up with increasing cost of utilities for a house or apartment. In addition to all the other inflationary products and services this person cannot live without, the cost of fuel and electricity, which was once considered a relatively minor expense, has now become a major financial headache.

From May of 1973 to May of 1974 the Consumer Price Index for home heating fuel and utilities rose an astonishing 18.5 percent. As just one factor of the total Consumer Price Index, and a small one at that—fuels and utilities represent under 5 percent of the total index, and increases in these products comprised only 1 percent of the total 10.7 percent inflation in 1973–74—this increase represents an alarming rise in the cost of owning a home or renting an apartment. In New England, the cost of home heating fuel and electricity has increased 50 percent in the past year. In April of 1973, a thousand kilowatts of electricity cost $30.82, whereas the same quanttiy of electricity a year later cost $45.22. Likewise, home heating fuel, No. 2 heating oil. In April of 1973 100 gallons of heating fuel cost $22.13, whereas a year later 100 gallons cost $34.34.

The Federal Government has provided financial assistance to older Americans in other areas of increased costs through programs such as medicare and food stamps. Financial assistance for the elderly Americans to help lessen the burden of increased fuel and utility costs is long overdue. I am therefore introducing legislation today to establish a fuel stamp program for low-income elderly to provide some relief from these burgeoning costs.

Under my fuel stamp program any household which has an annual income of under $6,500 and at least one member of age 60 is eligible for $25 in fuel coupons per month. These fuel coupons could be used as direct payment for fuel and utility bills, or as a portion of rent payments. The bill contains a prohibition against rent increases which might result from the issuance of these fuel stamps.

The Federal Government has recognized its responsibility to assist elderly Americans in other high cost areas, such as food and health. The Congress must acknowledge and accept the Federal Government's responsibility to provide financial assistance to the elderly in the area of fuel and electricity costs.

CONGRESS LETTING OIL COMPANIES WINDFALL PROFITS CONTINUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, on April 30, the House Ways and Means Committee reported the Oil and Gas Energy Tax Act of 1974. This bill was intended to encourage necessary energy explorations while bringing into the Treasury excess and windfall oil profits. I join those in the Congress who do not believe that the bill is nearly strong enough. My colleague from Pennsylvania (Mr. Green) expected to offer a floor amendment to the bill to terminate the percentage depletion allowance immediately. This amendment would increase calendar year 1974 Federal revenues by about $2 billion. I planned to offer an amendment which would repeal the overseas use of the intangible drilling expense and change the foreign tax credit for oil and gas production to a straight business deduction. This amendment would also raise an additional $2 billion per year and encourage increased capital investment here in the United States.

Some members of the Ways and Means Committee wanted the bill brought to the floor under a closed or "gag" rule. The caucus of the majority party instructed that the bill be brought under a rule which would permit our two amendments.

Since then the bill has been withheld from debate or consideration.

In the meanwhile oil windfall profits flow on. The second quarter profit reports are now coming in. According to newspaper accounts, they are as follows:

Increase in profits between second quarter 1973 and second quarter 1974

[In percent]

Company:	
Standard Oil of Indiana	130
Shell Oil	45
Cities Service	76
Marathon	90
Mobil Oil Corp	99
Occidental Petroleum Co	292
Continental Oil Co	94
Phillips Petroleum Co	166
Ashland Oil Inc	40
Standard Oil of California	18

Mr. Speaker, unless we pass a windfall profits bill, these oil companies will be getting away with the most gigantic rip-off in American economic history. This Congress should not suppress those who want a stronger bill—or those who want the simple democratic right to offer an amendment—or those whose position has been supported by the majority caucus.

The bill should be simply brought to the floor and the House should work its will, either through a modified rule, a closed rule or an open rule. The House must have a chance to vote. The House can determine the rule. The House can determine the fate of the bill.

If we fail to pass a bill, we will have failed the American people—and the oil companies will be buying up the country with their windfall profits.

Unless there is some movement on this bill, I intend to offer a reform amendment to the Bolling-Hansen bills which would permit any member of a committee to bring a bill which his committee has reported to the floor or the Rules Committee if the chairman of the committee fails to act within 30 days of the reporting of the bill.

FACTS AND FIGURES ON MARIHUANA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, the FBI just issued a report on marihuana arrests. and the statistics in this report should give the country's legislatures cause for great concern. The FBI Uniform Crime Report for 1973 states that 66.9 percent of all drug arrests last year involved marihuana. Marihuana arrests in 1973 increased 43 percent over the prior year. The State of California led the country with 95,110 marihuana arrests in 1973, accounting for one out of every four felony arrests made in that State.

Mr. Speaker, according to statistics now available, 26 million Americans, or 16 percent of the adult population, have tried marihuana at least once. Thirteen million Americans smoke marihuana on a regular basis. If in one fell swoop we were to place just the 13 million regular users in jail for 1 year, the cost to the American public, at $6,100 per prisoner per year, would be over $79 billion. Does anyone suggest that this is practicable? Yet equal application of the law would demand such action. In consideration of such widespread use of marihuana, I urge the House to support H.R. 669, the Javits-Koch bill to decriminalize the personal use and possession of marihuana. This decriminalization does not legalize the sale of marihuana, but it does basically implement the recommendations of the National Commission on Marihuana and Drug Abuse, which support the decriminalization of the personal use and possession of marihuana.

In conclusion, I would like to bring to the attention of my colleagues some of the information provided by NORML, the National Organization for the Reform of Marihuana Laws, and also some of their recommendations:

1. Removal of all criminal penalties for the private possession and use of marijuana has been endorsed or recommended by, among others:

National Commission on Marihuana & Drug Abuse (Shafer Commission);

American Bar Association;

Consumers Union, publishers of *Consumer Reports*;

National Conference of Commissioners on Uniform State Laws;

American Public Health Association;

National Advisory Commission on Criminal Justice Standards and Goals;

National Council of Churches;

The Governing Board of the American Medical Association;

National Education Association;

B'nai B'rith;

Canadian Commission of Inquiry into the Non-Medical Use of Drugs (Le Dain Commission);

San Francisco Committee on Crime;

Mayor's Advisory Committee on Narcotics Addiction (Washington, D.C.);

John Finlator, retired Deputy Director, Bureau of Narcotics and Dangerous Drugs, U.S. Department of Justice; and

William F. Buckley, Jr., syndicated columnist, author, TV host and editor of *National Review*.

2. Criminal laws punishing marijuana users:

are ineffective as a deterrent to use;

are unreasonably harsh and disparate among differing jurisdictions;

are selectively enforced;

engender disrespect for all laws, and distrust of both the agents and institutions of the government;

stifle the already overburdened criminal justice system with the processing of thousands of minor arrests;

encourage the invasion of privacy, and violation of individual rights and civil liberties by overzealous law enforcement personnel;

divert costly law enforcement resources away from the control of serious crime; and

destroy the credibility of drug education programs which seek to inform youth of the very real dangers of hard drug use.

3. Public health and safety:

Unless otherwise noted, the following quotations and other data, along with appropriate page references, are from the report issued in March, 1972 by the National Commission on Marihuana and Drug Abuse, *Marihuana: A Signal of Misunderstanding*. The thirteen member bi-partisan Commission, created by the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Section 601, Public Law 91–513), consisted of 9 persons appointed by President Nixon, 2 United States Senators and 2 members of the House of Representatives. They were unanimous in their recommendations. A second report, *Drug Use in America: Problem in Perspective,* issued in March, 1973, reiterated the Commission's earlier recommendations. The continuing medical and scientific research of the National Institute of Mental Health, Department of Health, Education, and Welfare has confirmed the Commission's findings. HEW is required by law (title V of PL 91–296) to issue reports each year detailing all current research and findings. The third annual report, *Marihuana and Health,* has recently been issued.

A. Medical and Health Data:

"the most notable statement that can be made about the vast majority of marihuana users—experimenters and intermittent users is that they are essentially indistinguishable from their non-marijuana using peers by any fundamental criterion other than their marijuana use." (p. 41)

"from what is now known about the effects of marijuana, its use at the present level does not constitute a major threat to public health." (p. 90)

"no conclusive evidence exists of any physical damage, disturbances of bodily processes or proven human fatalities attributable solely to even very high doses of marijuana." (pp. 56–57)

"although a number of studies have been performed, at present no reliable evidence exists indicating that marijuana causes genetic defects in man." (p. 84)

"no objective evidence of specific pathology of brain tissue has been documented. This fact contrasts sharply with the well-established brain damage of chronic alcoholism." (p. 85)

"in a word, cannabis does not lead to physical dependence." (p. 87)

"research has not yet proven that marijuana use significantly impairs driving ability or performance." (79)

B. Public Safety:

"neither the marijuana user nor the drug itself can be said to constitute a danger to public safety." (p. 78)

"in sum, the weight of the evidence is that marijuana does not cause violent or aggressive behavior." (p. 73)

C. Marijuana and Hard Drugs:

"marijuana use per se does not dictate whether other drugs will be used; nor does it determine the rate of progression, if and when it occurs, or which drug might be used." (pp. 88–89)

"the fact should be emphasized that the overwhelming majority of users do not progress to other drugs." (p. 87)

D. Extent of Marijuana Use:

26 million Americans, or 16% of the adult population, have tried marijuana at least once. This represents an increase of 2 million people over 1971. (Marihuana Commission, News Release, February 13, 1973)

13 million Americans smoke marijuana on a regular basis. This figure was 8.34 million in 1971. (Ibid.)

approximately 67% of all college students have tried marijuana, as have 39% of all people between the ages of 18 and 25. (Ibid.)

E. Availability of Marijuana:

"it is now much too late to debate the issue: marijuana versus no marijuana. Marijuana is here to stay. No conceivable law enforcement policy can curb its availability." (Licit and Illicit Drugs, by Edward M. Brecher and the Editors of Consumer Reports.)

F. Arrest Statistics:

more than 706,000 persons were arrested for marijuana-related offenses during the period 1970–72. Arrests have increased steadily from a low of 18,815 in 1965. (p. 106)

in 1972 there were 292,200 marijuana arrests, an increase of 29% over 1971. (Uniform Crime Reports, 1972, Federal Bureau of Investigation, p. 119)

93% of all arrests are for possession, with only 7% for sale. 67% of those arrested possessed less than one ounce of marijuana. (p. 110)

88% of those arrested are under the age of 26. (p. 111)

62% of those arrested are under the age of 21. (Uniform Crime Reports, 1972, Federal Bureau of Investigation, p. 34)

53% of all young people 16 and 17 years old know someone who has been arrested for possession of marijuana (p. 121).

UNITED NATIONS RELIEF AND WORKS AGENCY REFUGEE SHELTERS BECOME TERRORIST BASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Podell) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, in recent weeks, there has been an attempt to picture some of the Arab terrorists as "moderate," in order to justify proposals for the establishment of a new Palestinian Arab State. Several weeks ago, the so-called moderate Fatah command claimed credit for the Nahariyah murders. This brazen claim, all part of a determined effort by Yassir Arafat to shoot his way into the Geneva peace talks; reflects the greatest tragedy of the latest rash of terrorist murders: The realization by these guerrillas that their murdering and maiming of innocent people may be done with impunity.

Not only have they seen Great Britain, Italy, West Germany, Cyprus, Greece, and Sudan acquiesce to their demands for release of fellow killers; they have also received the unabashed sanction and outright support of the Arab nations and the Soviet Union. Lebanon has been particularly receptive to these murderers and their arsenal. It has allowed the terrorists to establish their headquarters, including military bases, on its soil. In light of the attitude of the world, it is hardly surprising that the Lebanese permit terrorists to dominate the camps to train fedayeen, store arms, dictate camp policy, and mount attacks against Israel.

The United Nations Relief and Works Agency, a world-supported United Nations agency, is allowing these terrorists to dominate its wards. Its officials have permitted the transformation of refugee shelters into military bases. This civilian agency is making absolutely no effort to resist the terrorist invasion. Neither has Lebanon.

Providing 60 percent of the UNWRA budget, the United States has a right to demand that actions be taken to guard the camps and preserve UNWRA's humanitarian purpose. Since 1966, U.S. law has prohibited the use of American contributions to support training of individuals for military purposes. However, it has remained passive and permissive as the U.N. agency has been manipulated by terrorists leaders.

The United States must make a concerted effort to prohibit these actions by demanding that the Government of Lebanon prohibit any Palestinian Arab refugee camp in Lebanon from being used by Arab terrorists. Failing this, the United States should request a U.N. police force in Palestinian camps in Lebanon be established to deny the use of these camps by any terrorists.

Today, therefore, I am introducing a House resolution embodying these demands.

RESOLUTION ADOPTED AT THE ANNUAL CONGRESS OF THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Sons of the American Revolution, a patriotic and highly respected organization made up of descendants of those who served in the cause of liberty in the American Revolution, held its 1974 national convention in Baltimore, Md., on June 23–27. It was the 84th Annual Congress of this outstanding organization. This organization is dedicated to the cause of a strong and free America and I feel that the resolutions adopted at the national convention should be printed in the Congressional Record for the information of the Congress. I submit the resolutions for this purpose:

The National Society of the Sons of the American Revolution

RESOLUTION NO. 1

Whereas, under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, the United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and Panama Canal and solemn obligations under its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, the United States Government is currently engaged in negotiations with the Government of Panama to surrender United States sovereign rights to Panama both in the Canal Zone and with respect to the Canal itself without authorization of the Congress, which will diminish, if not absolutely abrogate, the present U.S. treaty-based sovereignty and ownership of the Zone; and

Whereas, these negotiations are being utilized by the United States Government in an effort to get Panama to grant an option for the construction of a "sea-level" canal eventually to replace the present canal, and to authorize the major modernization of the existing canal, which project is already authorized under existing treaty provisions; and by the Panamanian government in an attempt to gain sovereign control and jurisdiction over the Canal Zone and effective control over the operation of the Canal itself: and

Whereas, similar concessional negotiations by the United States in 1967 resulted in three draft treaties that were frustrated by the will of the Congress of the United States because they would have gravely weakened United States control over the Canal and the Canal Zone; and by the people of Panama because that country did not obtain full control; and

Whereas, the American people have consistently opposed further concessions to any Panamanian government that would further weaken United States control over either the Canal Zone or Canal; and

Whereas, many scientists have demonstrated the probability that the removal of natural ecological barriers between the Pacific and Atlantic oceans entailed in the opening of a sea-level canal could lead to ecological hazards which the advocates of the sea-level canal have ignored in their plans; and

Whereas, the Sons of the American Revolution believes that treaties are solemn obligations binding on the parties and has consistently opposed the abrogation, modification or weakening of the Treaty of 1903;

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, opposes the construction of a new sea-level canal and approves Senate Resolution 301 introduced by Senator Strom Thurmond and 34 additional Senators, to maintain and preserve the sovereign control of the United States over the Canal Zone.

RESOLUTION NO. 2

Whereas, the strength and stability of the economic and monetary system of the United States is vital to the defense of the country, and

Whereas, the fiscal and monetary policies of the Congress and Administration, present and past, have led to the devaluation of the dollar, double digit inflation, and the current economic crisis in the United States, and

Whereas, double digit inflation with in is as great a threat, if not greater threat, to the liberty and freedom and well-being of this country as the threat from our enemies without, and

Whereas, the basic cause of the rampant inflation is the deficit spending of the United States Congress, and

Whereas, under the Constitution of the United States, Congress is charged with the responsibility for all federal appropriations, and

Whereas, it is the urgent duty of the United States Congress to limit federal spending to the revenues of the Federal Government, Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, urges the Congress to balance the federal budget.

RESOLUTION NO. 3

Whereas, it was the national policy of the United States of America to intervene in Vietnam and prevent a Communist takeover of that country, and

Whereas, it is the duty of every American citizen to bear arms in support of the national policies of the United States, and

Whereas, a citizen of the United States is called upon to share the burdens of citizenship in order to insure its benefits for all citizens, and

Whereas, 40,000 young Americans fled to foreign countries to evade the military obligations of United States citizenship,

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, is opposed to any granting of amnesty to those who refused to bear arms for their country and instead, fled to foreign countries to evade their military obligations.

RESOLUTION NO. 4

Whereas, this country was founded by God-fearing men and women and conceived in liberty, and

Whereas, men of all countries have been moved by the eloquence and high spiritual qualities of the Declaration of Independence, and

Whereas, the Bicentennial will be a focal point for a nationwide review, and reaffirmation of the values upon which this Nation was founded, and

Whereas, all businesses and private citizens should display the United States Flag daily during daylight hours except during inclement weather, and

Whereas, it is fitting for patriots to celebrate each Fourth of July with prayer, music, fireworks and other expressions of joy and cheer, and

Whereas, it is the duty of every citizen and local community to take the initiative in planning a suitable commemoration of the Bicentennial,

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, urges its members and all citizens to fly flags daily, to ring bells and blow automobile horns on the Fourth of July at a time to be set by each community as a suitable prelude to the Bicentennial.

RESOLUTION NO. 5

Whereas, we believe the Federal Government has entered upon a movement to eliminate basic rights and powers guaranteed to the states by the 10th Amendment to the Constitution, in particular the control of education and public schools, the control of land, the extension of jurisdiction of the federal judiciary, the weakening of state criminal law enforcement by the imposition of untenable federal standards that result in interminable trials and sheer technicalities that often show more concern for the criminal than for the innocent victim and the long-suffering public, to name a few.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, recommends that our state governors and legislators resist these federal encroachments upon state sovereignty and oppose the extension of federal grants and Supreme Court decisions.

RESOLUTION NO. 6

Whereas, hostile foreign nations desire to obtain advanced American technology during a period of our history entitled "detente," and

Whereas, the sharing of our technology with unfriendly foreign powers will weaken this country's power and protection of the free world, and

Whereas, the joint exploration of space with any foreign nation will result in the release of technical information vital to the defense of this nation, and

Whereas, no foreign power has been successful in its man-in-space program.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution, in its 84th Annual Congress assembled, opposes in general the sharing of any of our technology with unfriendly foreign nations and in particular the sharing of our man-in-space capability with any foreign power, and recommends that all federal agencies should intensify efforts to prevent the dissemination of critical technology to any foreign power.

RESOLUTION NO. 7

Whereas, the National Society, Sons of the American Revolution supports proper commemoration and celebration of the American War for Independence which gained the 13 Original Colonies their freedom; and

Whereas, the Battle of Cowpens, fought in South Carolina near the present village of Cowpens was a major victory for loyal Americans in their fight for liberty; and

Whereas, the Federal Government has appropriated certain funds for the improvement and enhancement of the Cowpens Battleground site; and

Whereas, the effect of monies spent will be much more effective and widespread, and of longer duration, if a permanent annual celebration is held at the Battleground:

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, favors allocation of an adequate portion of available funds for the construction of a suitable amphitheater which will be made available for the production of an annual outdoor drama based upon the Battle of Cowpens and surrounding events, so that the people of America will have a better opportunity to become more conversant with the great deeds of our illustrious ancestors.

RESOLUTION NO. 8

Whereas, Professional Standards Review Organization (PSRO) was established as a rider attached to the Social Security Law of 1972 without public hearings or proper consideration; and

Whereas, confidential medical records of every patient under any of the numerous government-sponsored health care programs will be open to PSRO inspectors; and

Whereas, "norms" set by the Department of Health, Education and Welfare, after examination of all patient records, will change the concept of health care, nullifying doctor-patient privacy preventing full use of the doctor's knowledge, experience and training; and

Whereas, PSRO can overrule a doctor's decision in prescribing, hospitalization, or operating under penalty of fine and suspension from medical practice;

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, supports the adoption of H.R. 9375, or similar resolutions, which would repeal the provisions of the Social Security Act which violate the confidentiality of the doctor-patient relationship which would be contrary to numerous state statutes, contrary to professional ethics, and which would lead to federal control of medicine.

RESOLUTION NO. 9

Whereas, there is pending in the United States Congress a resolution sponsored by Senator Harry Flood Byrd, Jr. of Virginia in which Senator William Scott of Virginia has also joined as a co-sponsor, to restore the citizenship of General Robert E. Lee.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, joins in with the purpose and spirit of this pending Congressional resolution.

RESOLUTION NO. 10

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, reiterates and reaffirms that all previous resolutions adopted at prior Congresses be reaffirmed.

RESOLUTION FOR A DOMESTIC SUMMIT

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I have introduced a resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy. In this I am joined by my distinguished colleagues from Florida, Mr. Gibbons and Mr. Bafalis.

I think it obvious that the American economy is suffering more and more from the ill-effects of inflation. High prices and high interest rates are hurting everyone. Individuals, businesses, and industries all are feeling the pinch. A genuine effort to find a solution is needed now. The country needs renewed confidence and this effort requires the cooperation of both the administration and Congress and it must involve a unified effort on the part of both national parties along with leadership from labor and business as well as consultation from the Federal Reserve System.

The resolution states that it is the sense of the Congress that the leadership of the Nation meet together immediately in a spirit of unity to design a set of policy actions to achieve the common goal of restoring stability and growth to the American economy and confidence and prosperity to the American people.

We are accustomed to summit conferences to deal with international affairs. The American people are convinced that the domestic affairs are the matters of greatest importance to our country now. They want action. It has not been forthcoming. Now the situation is such that a piecemeal approach will not resolve the crisis. The best brains of the Nation should be working together for solutions to our economic problems.

The Senate has adopted a similar resolution by a vote of 88 to 5. Early action by the House is very important. The text of the resolution follows. Other Members are invited to join in introducing this resolution.

H. CON. RES. 568

Concurrent resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy

Whereas the American economy has in recent months reached an alarming state of instability and uncertainty combining reduced economic growth, corrosive inflation, high unemployment, unprecedented high rates of interest, the decline of available loan and venture capital, serious changes in energy supply and pricing, unanticipated and desalting commodity shortages, and growing international economic and financial uncertainties; and

Whereas the complexity, magnitude and persistence of these difficulties has occasioned substantial disagreement as to their causes and remedies; and

Whereas no agreed program for effective action has been developed; the Congress, the Administration, and the Federal Reserve Board, acting independently, have not yet been able to overcome these problems; and specific government programs, levels of federal spending and activities in all economic sectors continue to contribute to these difficulties; and

Whereas the American people in the face of this persistent economic deterioration are growing more dismayed and uncertain as evidenced by the widespread labor unrest and the declining financial markets of recent weeks; and

Whereas this deepening lack of confidence could magnify an already serious economic situation into a national crisis should these difficulties continue unabated; Now therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the leadership of the Nation responsible for our economic well being meet together immediately in a spirit of unity to design a set of policy actions to achieve the common goal of restoring stability and growth to the American economy and confidence and prosperity to the American people.

It is imperative as in previous moments of great national need, that the two political parties, the Congress and the President, labor and management, put aside their domestic and political differences and work together in a spirit of discipline, compromise, and sacrifice for the common good.

Sec. 2. It is further the sense of the Congress that this domestic summit be convened forthwith comprised of the President, the majority and minority leadership of both Houses of the Congress, the Chairmen and ranking minority members of the Appropriations Committees of both Houses, the Chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee, and the Chairman of the Federal Reserve Board, together with leaders of labor and business, and such other participants as they may agree upon. They shall meet and devote such time as necessary until a plan of action is decided upon which, by its demonstration of renewed unity, direction, and purpose will gain the public support and confidence necessary to be effective in overcoming these difficulties.

Sec. 3. It is further resolved by the Congress that it stands ready to cooperate fully in the spirit of commitment and unity which the solution of this truly national problem will require of all elements of American society.

DECISION OF THE U.S. SUPREME COURT IN UNITED STATES VERSUS NIXON

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, the Supreme Court of the United States yesterday announced its unanimous decision in the case of United States versus Nixon.

The Court held that while the conversations of a President and his closest aides enjoy a limited privilege from the compulsory process of a court, "the generalized assertion of privilege must yield to the demonstrated, specific need for evidence in a pending criminal trial."

In short, Mr. Speaker, the President must surrender to the U.S. District Court for the District of Columbia the material subpenaed by the Special Prosecutor in the pending criminal prosecution against the President's former aides.

Mr. Speaker, it cannot be denied that this is a decision of momentous consequence for both the President and the Nation.

In order that all Members may have the opportunity to read the opinion of the Court—and judge for themselves its import—I include at this point in the Record the complete text of the Court's opinion rendered yesterday in United States versus Nixon.

[Supreme Court of the United States, Nos. **73-1766** and 73-1834]

United States, Petitioner, 73-1766 *v.* Richard M. Nixon, President of the United States, et al.

Richard M. Nixon, President of the United States, Petitioner, 73-1834 *v.* United States. On Writ of Certiorari to the United States Court of Appeals for the District of Columbus Circuit before judgment.

[July 24, 1974]

Mr. Chief Justice Burger delivered the opinion of the Court.

These cases present for review the denial of a motion, filed on behalf of the President of the United States, in the case of *United States* v. *Mitchell et al.* (D.C. Crim. No. 74-110), to quash a third-party subpena *duces tecum* issued by the United States District Court for the District of Columbia, pursuant to Fed. Rule Crim. Proc. 17(c). The subpena directed the President to produce certain tape recordings and documents relating to his conversations with aides and advisers. The court rejected the President's claims of absolute executive privilege, of lack of jurisdiction, and of failure to satisfy the requirements of Rule 17(c). The President appealed to the Court of Appeals. We granted the United States' petition for certiorari before judgment,[1] and also the President's responsive cross-petition for certiorari before judgment,[2] because of the public importance of the issues presented and the need for their prompt resolution. —— U.S. ——, —— (1974).

On March 1, 1974, a grand jury of the United States District Court for the District of Columbia returned an indictment charging seven named individuals[3] with various offenses, including conspiracy to defraud the United States and to obstruct justice. Although he was not designated as such in the indictment, the grand jury named the President, among others, as an unindicted coconspirator.[4] On April 18, 1974, upon motion of the Special Prosecutor, see n. 8, *infra*, a subpoena *duces tecum* was issued pursuant to Rule 17 (c) to the President by the United States District Court and make returnable on May 2, 1974. This subpoena required the production, in advance of the September 9 trial date, of certain tapes, memoranda, papers, transcripts or other writings relating to certain precisely identified meetings between the President and others.[5] The Special Prosecutor was able to fix the time, place and persons present at these discussions because the White House daily logs and appointment records had been delivered to him. On April 30, the President publicly released edited transcripts of 43 conversations; portions of 20 conversations subject to subpoena in the present case were included. On May 1, 1974, the President's counsel, filed a "special appearance" and a motion to quash the subpoena, under Rule 17(c). This motion was accompanied by a formal claim of privilege. At a subsequent hearing,[6] further motions to expunge the grand jury's action naming the President as an unindicted coconspirator and for protective orders against the disclosure of that information were filed or raised orally by counsel for the President.

On May 20, 1974, the District Court denied the motion to quash and the motions to expunge and for protective orders. — F. Supp. — (1974). It further ordered "the President or any subordinate officer, official or employee with custody or control of the documents or objects subpoenaed," *id.*, at —, to deliver to the District Court, on or before May 31, 1974, the originals of all subpoenaed items, as well as an index and analysis of those items, together with tape copies of those portions of the subpoenaed recordings for which transcripts had been released to the public by the President on April 30. The District Court rejected jurisdictional challenges based on a contention that the dispute was nonjusticiable because it was between the Special Prosecutor and the Chief Executive and hence "intra-executive" in character; it also rejected the contention that the judiciary was without authority to review an assertion of executive privilege by the President. The court's rejection of the first challenge was based on the authority and powers vested in the Special Prosecutor by the regulation promulgated by the Attorney General; the court concluded that a justiciable controversy was presented. The second challenge was held to be foreclosed by the decision in *Nixon* v. *Sirica*, — U.S. App. D.C. —, 487 F. 2d 700 (1973).

The District Court held that the judiciary, not the President, was the final arbiter of a claim of executive privilege. The court concluded that, under the circumstances of this case, the presumptive privilege was overcome by the Special Prosecutor's prima facie "demonstration of need sufficiently compelling to warrant judicial examination in chambers. . . ." — F. Supp. at — The court held, finally, that the Special Prosecutor had satisfied the requirements of Rule 17(c). The District Court stayed its order pending appellate review on condition that review was sought before 4 p.m., May 24. The court further provided that matters filed under seal remain under seal when transmitted as part of the record.

On May 24, 1974, the President filed a timely notice of appeal from the District Court order, and the certified record from the District Court was docketed in the United States Court of Appeals for the District of Columbia Circuit. On the same day, the President also filed a petition for writ of mandamus in the Court of Appeals seeking review of the District Court order.

Later on May 24, the Special Prosecutor also filed, in this Court, a petition for a writ of certiorari before judgment. On May 31, the petition was granted with an expedited briefing schedule — U.S. — (1974). On June 6, the President filed, under seal, a cross-petition for writ of certiorari before judgment. This cross-petition was granted June 15, 1974, — U.S. — (1974), and the case was set for argument on July 8, 1974.

I. JURISDICTION

The threshold question presented is whether the May 20, 1974, order of the District Court was an appealable order and whether this case was properly "in," 28

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U.S.C. § 1254, the United States Court of Appeals when the petition for certiorari was filed in this Court. Court of Appeals jurisdiction under 28 U.S.C. § 1291 encompasses only "final decisions of the district courts." Since the appeal was timely filed and all other procedural requirements were met, the petition is properly before this Court for consideration if the District Court order was final. 28 U.S.C. § 1254(1); 82 U.S.C. § 2101(e).

The finality requirement of 28 U.S.C. § 1291 embodies a strong congressional policy against piecemeal reviews, and against obstructing or impeding an ongoing judicial proceeding by interlocutory appeals. See *e.g.*, *Cobbledick* v. *United States*, 309 U.S. 323, 324–326 (1940). This requirement ordinarily promotes judicial efficiency and hastens the ultimate termination of litigation. In applying this principle to an order denying a motion to quash and requiring the production of evidence pursuant to a subpoena duces tecum, it has been repeatedly held that the order is not final and hence not appealable. *United States* v. *Ryan*, 402 U.S. 530, 532 (1971); *Cobbledick* v. *United States*, 309 U.S. 322, (1940); *Alexander* v. *United States*, 201 U.S. 117 (1906). This Court has "consistently held that the necessity for expedition in the administration of the criminal law justifies putting one who seeks to resist the production of desired information to a choice between compliance with a trial court's order to produce prior to any review of that order, and resistance to that order with the concomitant possibility of an adjudication of contempt if his claims are rejected on appeal." *United States* v. *Ryan*, 402 U.S. 530, 533 (1971).

The requirement of submitting to contempt, however, is not without exception and in some instances the purposes underlying the finality rule require a different result. For example, in *Perlman* v. *United States*, 247 U.S. 7 (1918), a subpoena had been directed to a third party requesting certain exhibits; the appellant, who owned the exhibits; the appellant, who owned the exhibits, sought to raise a claim of privilege. The Court held an order compelling production was appealable because it was unlikely that the third party would risk a contempt citation in order to allow immediate review of the appellant's claim of privilege. *Id.*, at 12–13. That case fell within the "limited class of cases where denial of immediate review would render impossible any review whatsoever of an individual's claims." *United States* v. *Ryan*, *supra*, at 533.

Here too the traditional contempt avenue to immediate appeal is peculiarly inappropriate due to the unique setting in which the question arises. To require a President of the United States to place himself in the posture of disobeying an order of a court merely to trigger the procedural mechanism for review of the ruling would be unseemly, and present an unnecessary occasion for constitutional confrontation between two branches of the Government. Similarly, a federal judge should not be placed in the posture of issuing a citation to a President simply in order to invoke review. The issue whether a President can be cited for contempt could itself engender protracted litigation, and would further delay both review on the merits of his claim of privilege and the ultimate termination of the underlying criminal action for which his evidence is sought. These considerations lead us to conclude that the order of the District Court was an appealable order. The appeal from that order was therefore properly "in" the Court of Appeals, and the case is now properly before this Court on the writ of certiorari before judgment. 28 U.S.C. § 1254; 28 U.S.C. § 2101(e). *Gay* v. *Ruff*, 292 U.S. 25, 30 (1934).[7]

II. JUSTICIABILITY

In the District Court, the President's counsel argued that the court lacked jurisdiction to issue the subpoena because the matter was an intra-branch dispute between a subordinate and superior officer of the Executive Branch and hence not subject to judicial resolution. That argument has been renewed in this Court with emphasis on the contention that the dispute does not present a "case" or "controversy" which can be adjudicated in the federal courts. The President's counsel argues that the federal courts should not intrude into areas committed to the other branches of Government. He views the present dispute as essentially a "jurisdictional" dispute within the Executive Branch which he analogizes to a dispute between two congressional committees. Since the Executive Branch has exclusive authority and absolute discretion to decide whether to prosecute a case, *Confiscation Cases*, 7 Wall. 454 (1869), *United States* v. *Cox*, 342 F. 2d 167, 171 (CA5), cert. denied, 381 U.S. 935 (1965), it is contended that a President's decision is final in determining what evidence is to be used in a given criminal case. Although his counsel concedes the President has delegated certain specific powers to the Special Prosecutor, he has not "waived nor delegated to the Special Prosecutor the President's duty to claim privilege as to all materials . . . which fall within the President's inherent authority to refuse to disclose to any executive officer." Brief for the President 47. The Special Prosecutor's demand for the items therefore presents, in the view of the President's counsel, a political question under *Baker* v. *Carr*, 369 U.S. 186 (1962), since it involves a "textually demonstrable" grant of power under Art. II.

The mere assertion of a claim of an "intra-branch dispute," without more, has never operated to defeat federal jurisdiction; justiciability does not depend on such a surface inquiry. In *United States* v. *ICC*, 337 U.S. 426 (1949), the Court observed, "courts must look behind names that symbolize the parties to determine whether a justiciable case or controversy is presented." *Id.*, at 430. See also: *Powell* v. *McCormack*, 395 U.S. 486 (1969); *ICC* v. *Jersey City*, 322 U.S. 503 (1944); *United States ex rel. Chapman* v. *FPC*, 345 U.S. 153 (1953); *Secretary of Agriculture* v. *United States*, 347 U.S. 645 (1954); *FMB* v. *Isbrandsten Co.*, 356 U.S. 481, 482n. 2 (1958); *United States* v. *Marine Bank Corp.* —— U.S. —— (1974), and *United States* v. *Connecticut National Bank*, —— U.S. —— (1974).

Our starting point is the nature of the proceeding for which the evidence is sought—here a pending criminal prosecution. It is a judicial proceeding in a federal court alleging violation of federal laws and is brought in the name of the United States as sovereign. *Berger* v. *United States*, 295 U.S. 78, 88 (1935). Under the authority of Art. II, § 2, Congress has vested in the Attorney General the power to conduct the criminal litigation to the United States Government. 28 U.S.C. § 516. It has also vested in him the power to appoint subordinate officers to assist him in the discharge of his duties. 28 U.S.C. §§ 509, 510, 515, 533. Acting pursuant to those statutes, the Attorney General has delegated the authority to represent the United States in these particular matters to a Special Prosecutor with unique authority and tenure.[8] The regulation gives the Special Prosecutor explicit power to contest the invocation of executive privilege in the process of seeking evidence deemed relevant to the performance of these specially delegated duties.[9] 38 Fed. Reg. 30739.

So long as this regulation is extant it has the force of law. In *Accardi* v. *Shaughnessy*, 347 U.S. 260 (1953), regulations of the Attorney General delegated certain of his discretionary powers to the Board of Immigration Appeals and required that Board to exercise its own discretion on appeals in deportation cases. The Court held that so long as the Attorney General's regulations remained operative, he denied himself the authority to exercise the discretion delegated to the Board even though the original authority was his and he could reassert it by amending the regulations. *Service* v. *Dulles*, 354 U.S. 363, 388 (1957), and *Vitarelli* v. *Seaton*, 359 U.S. 535 (1959), reaffirmed the basic holding of *Accardi*.

Here, as in *Accardi*, it is theoretically possible for the Attorney General to amend or revoke the regulation defining the Special Prosecutor's authority. But he has not done so.[10] So long as this regulation remains in force the Executive Branch is bound by it, and indeed the Unted States as the sovereign composed of the three branches is bound to respect and to enforce it. Moreover, the delegation of authorty to the Special Prosecutor in this case is not an ordinary delegation by the Attorney General to a subordinate officer: with the authorization of the President, the Acting Attorney General provided in the regulation that the Special Prosecutor was not to be removed without the "consensus" of eight designated leaders of Congress. Note 8, *supra*.

The demands of and the resistance to the subpoena present an obvious controversy in the ordinary sense, but that alone is not sufficient to meet constitutional standards. In the constitutional sense, controversy means more than disagreement and conflict; rather it means the kind of controversy courts traditionally resolve. Here at issue is the production or nonproduction of specified evidence deemed by the Special Prosecutor to be relevant and admissible in a pending criminal case. It is sought by one official of the Government within the scope of his express authority; it is resisted by the Chief Executive on the ground of his duty to preserve the confidentiality of the communications of the President. Whatever the correct answer on the merits, these issues are "of a type which are traditionally justiciable." *United States* v. *ICC*, 337 U.S., at 430. The independent Special Prosecutor with his asserted need for the subpoenaed material in the underlying criminal prosecution is opposed by the President with his steadfast assertion of privilege against disclosure of the material. This setting assures there is "that concrete adverseness which sharpens the presentation of issues upon which the court so largely depends for illumination of difficult constitutional questions." *Baker* v. *Carr*, 369 U.S., at 204. Moreover, since the matter is one arising in the regular course of a federal criminal prosecution, it is within the traditional scope of Art. III power. *Id.*, at 198.

In light of the uniqueness of the setting in which the conflict arises, the fact that both parties are officers of the Executive Branch cannot be viewed as a barrier to justiciability. It would be inconsistent with the applicable law and regulation, and the unique facts of this case to conclude other than that the Special Prosecutor has standing to bring this action and that a justiciable controversy is presented for decision.

III. RULE 17(C)

The subpoena *duces tecum* is challenged on the ground that the Special Prosecutor failed to satisfy the requirements of Fed. Rule Crim. Proc. 17(c), which governs the issuance of subpoenas *duces tecum* in federal criminal proceedings. If we sustained this challenge, there would be no occasion to reach the claim of privilege asserted with respect to the subpoenaed material. Thus we turn to the question whether the requirements of Rule 17(c) have been satisfied. See *Arkansas-Louisiana Gas Co.* v. *Dept. of Public Utilities*, 304 U. S. 61, 64 (1938); *Ashwander* v. *Tennessee Valley Authority*, 297 U. S. 288, 346–347 (1936). (Brandeis, J., concurring.)

Rule 17 (c) provides:

"A subpoena may also command the per-

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son to whom it is directed to produce the books, papers, documents or other objects designated therein. The court on motion made promptly may quash or modify the subpoena if complicance would be unreasonable or oppressive. The court may direct that books, papers, documents or objects designated in the subpoena be produced before the court at a time prior to the trial or prior to the time when they are to be offered in evidence and may upon their production permit the books, papers, documents or objects or portions thereof to be inspected by the parties and their attorneys."

A subpoena for documents may be quashed if their production would be "unreasonable or oppressive," but not otherwise. The leading case in this Court interpreting this standard is *Bowman Dairy Co.* v. *United States,* 341 U.S. 214 (1950). This case recognized certain fundamental characteristics of the subpoena *duces tecum* in criminal cases: (1) it was not intended to provide a means of discovery for criminal cases. *Id.,* at 220; (2) its chief innovation was to expedite the trial by providing a time and place *before* trial for the inspection of subpoenaed materials.[11] *Ibid.* As both parties agree, cases decided in the wake of *Bowman* have generally followed Judge Weinfeld's formulation in *United States* v. *Iozia,* 13 F.R.D. 335, 338 (SDNY 1952), as to the required showing. Under this test, in order to require production prior to trial, the moving party must show: (1) that the documents are evidentiary[12] and relevant; (2) that they are not otherwise procurable reasonably in advance of trial by exercise of due diligence; (3) that the party cannot properly prepare for trial without such production and inspection in advance of trial and that the failure to obtain such inspection may tend unreasonably to delay the trial; (4) that the application is made in good faith and is not intended as a general "fishing expedition."

Against this background, the Special Prosecutor, in order to carry his burden, must clear three hurdles: (1) relevancy; (2) admissibility; (3) specificity. Our own review of the record necessarily affords a less comprehensive view of the total situation than was available to the trial judge and we are unwilling to conclude that the District Court erred in the evaluation of the Special Prosecutor's showing under Rule 17(c). Our conclusion is based on the record before us, much of which is under seal. Of course, the contents of the subpoenaed tapes could not at that stage be described fully by the Special Prosecutor, but there was a sufficient likelihood that each of the tapes contains conversations relevant to the offenses charged in the indictment. *United States* v. *Gross,* 24 F. R. D. 138 (SDNY 1959). With respect to many of the tapes, the Special Prosecutor offered the sworn testimony or statements of one or more of the participants in the conversations as to what was said at the time. As for the remainder of the tapes, the identity of the participants and the time and place of the conversations, taken in their total context, permit a rational inference that at least part of the conversations relate to the offenses charged in the indictment.

We also conclude there was a sufficient preliminary showing that each of the subpoenaed tapes contains evidence admissible with respect to the offenses charged in the indictment. The most cogent objection to the admissibility of the taped conversations here at issue is that they are a collection of out-of-court statements by declarants who will not be subject to cross-examination and that the statements are therefore inadmissible hearsay. Here, however, most of the tapes apparently contain conversations to which one or more of the defendants named in the indictment were party. The hearsay rule does not automatically bar all out-of-court statements by a defendant in a criminal case.[13] Declarations by one defendant may also be admissible against other defendants upon a sufficient showing, by independent evidence,[14] of a conspiracy among one or more other defendants and the declarant and if the declarations at issue were in furtherance of that conspiracy. The same is true of declarations of coconspirators who are not defendants in the case on trial. *Dutton* v. *Evans,* 400 U.S. 74, 81 (1970). Recorded conversations may also be admissible for the limited purpose of impeaching the credibility of any defendant who testifies or any other coconspirator who testifies. Generally, the need for evidence to impeach witnesses is insufficient to require its production in advance of trial. See, *e.g., United States* v. *Carter,* 15 F. R. D. 367, 371 (D. D. C. 1954). Here, however, there are other valid potential evidentiary uses for the same material and the analysis and possible transcription of the tapes may take a significant period of time. Accordingly, we cannot say that the District Court erred in authorizing the issuance of the subpoena *duces tecum.*

Enforcement of a pretrial subpoena *duces tecum* must necessarily be committed to the sound discretion of the trial court since the necessity for the subpoena most often turns upon a determination of factual issues. Without a determination of arbitrariness or that the trial court finding was without record support, an appellate court will not ordinarily disturb a finding that the applicant for a subpoena complied with Rule 17 (c). See, *e.g., Sue* v. *Chicago Transit Authority,* 279 F. 2d 416, 419 (CA7 1960); *Shotkin* v. *Nelson,* 146 F. 2d 402 (CA10 1944).

In a case such as this, however, where a subpoena is directed to a President of the United States, appellate review, in deference to a coordinate branch of government, should be particularly meticulous to ensure that the standards of Rule 17 (c) have been correctly applied. *United States* v. *Burr,* 25 Fed. Cas. 30. 34 (No. 14,692d) (1807). From our examination of the materials submitted by the Special Prosecutor to the District Court in support of his motion for the subpoena, we are persuaded that the District Court's denial of the President's motion to quash the subpoena was consistent with Rule 17 (c). We also conclude that the Special Prosecutor has made a sufficient showing to justify a subpoena for production *before* trial. The subpoenaed materials are not available from any other source, and their examination and processing should not await trial in the circumstances shown. *Bowman Dairy Co., supra, United States* v. *Iozia, supra,*

IV. THE CLAIM OF PRIVILEGE

A

Having determined that the requirements of Rule 17(c) were satisfied, we turn to the claim that the subpoena should be quashed because it demands "confidential conversations between a President and his close advisors that it would be inconsistent with the public interest to produce." App. 48a. The first contention is a broad claim that the separation of powers doctrine precludes judicial review of a President's claim of privilege. The second contention is that if he does not prevail on the claim of absolute privilege, the court should hold as a matter of constitutional law that the privilege prevails over the subpoena *duces tecum.*

In the performance of assigned constitutional duties each branch of the Government must initially interpret the Constitution, and the interpretation of its powers by any branch is due great respect from the others. The President's counsel, as we have noted, reads the Constitution as providing an absolute privilege of confidentiality for all presidential communications. Many decisions of this Court, however, have unequivocally reaffirmed the holding of *Marbury* v. *Madison,* 1 Cranch 137 (1803), that "it is emphatically the province and duty of the judicial department to say what the law is." *Id.,* at 177.

No holding of the Court has defined the scope of judicial power specifically relating to the enforcement of a subpoena for confidential presidential communications for use in a criminal prosecution, but other exercises of powers by the Executive Branch and the Legislative Branch have been found invalid as in conflict with the Constitution. *Powell* v. *McCormack, supra; Youngstown, supra.* In a series of cases, the Court interpreted the explicit immunity conferred by express provisions of the Constitution on Members of the House and Senate by the Speech or Debate Clause, U.S. Const. Art. I, § 6. *Doe* v. *McMillan,* 412 U.S. 306 (1973); *Gravel* v. *United States,* 408 U.S. 606 (1973); *United States* v. *Brewster,* 408 U.S. 501 (1972); *United States* v. *Johnson,* 383 U.S. 169 (1966). Since this Court has consistently exercised the power to construe and delineate claims arising under express powers, it must follow that the Court has authority to interpret claims with respect to powers alleged to derive from enumerated powers.

Our system of government "requires that federal courts on occasion interpret the Constitution in a manner at variance with the construction given the document by another branch." *Powell* v. *McCormack, supra,* 549. And in *Baker* v. *Carr,* 369 U.S., at 211, the Court stated:

"[d]eciding whether a matter has in any measure been committed by the Constitution to another branch of government, or whether the action of that branch exceeds whatever authority has been committed, is itself a delicate exercise in constitutional interpretation, and is a responsibility of this Court as ultimate interpreter of the Constitution.'

Notwithstanding the deference each branch must accord the others, the "judicial power of the United States" vested in the federal courts by Art. III § 1 of the Constitution can no more be shared with the Executive Branch than the Chief Executive, for example, can share with the Judiciary the veto power, or the Congress share with the Judiciary the power to override a presidential veto. Any other conclusion would be contrary to the basic concept of separation of powers and the checks and balances that flow from the scheme of a tripartite government. The Federalist, No. 47, p. 313 (C. F. Mittel ed. 1938). We therefore reaffirm that it is "emphatically the province and the duty" of this Court "to say what the law is" with respect to the claim of privilege presented in this case. *Marbury* v. *Madison, supra,* at 177.

B

In support of his claim of absolute privilege, the President's counsel urges two grounds one of which is common to all governments and one of which is peculiar to our system of separation of powers. The first ground is the valid need for protection of communications between high government officials and those who advise and assist them in the performance of their manifold duties; the importance of this confidentiality is too plain to require further discussion. Human experience teaches that those who expect public dissemination of their remarks may well temper candor with a concern for appearances and for their own interests to the deteriment of the decisionmaking process.[15] Whatever the nature of the privilege of confidentiality of presidential communications in the exercise of Art. II powers the privilege can be said to derive from the supremacy of each branch within its own assigned area of constitutional duties. Certain powers and privileges flow from the nature of enumerated powers;[16] the protection of the confidentiality of presidential communications has similar constitutional underpinnings.

The second ground asserted by the President's counsel in support of the claim of

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absolute privilege rests on the doctrine of separation of powers. Here it is argued that the independence of the Executive Branch within its own sphere, *Humphrey's Executor* v. *United States,* 295 U.S. 602, 629–630; *Kilbourn* v. *Thompson,* 103 U.S. 168, 190–191 (1880), insulates a president from a judicial subpoena in an ongoing criminal prosecution, and thereby protects confidential presidential communications.

However, neither the doctrine of separation of powers, nor the need for confidentiality of high level communications, without more, can sustain an absolute, unqualified presidential privilege of immunity from judicial process under all circumstances. The President's need for complete candor and objectivity from advisers calls for great deference from the courts. However, when the privilege depends solely on the broad, undifferentiated claim of public interest in the confidentiality of such conversations, a confrontation with other values arises. Absent a claim of need to protect military, diplomatic or sensitive national security secrets, we find it difficult to accept the argument that even the very important interest in confidentiality of presidential communications is significantly diminished by production of such material for *in camera* inspection with all the protection that a district court will be obliged to provide.

The impediment that an absolute, unqualified privilege would place in the way of the primary constitutional duty of the Judicial Branch to do justice in criminal prosecutions would plainly conflict with the function of the courts under Art. III. In designing the structure of our Government and dividing and allocating the sovereign power among three coequal branches, the Framers of the Constitution sought to provide a comprehensive system, but the separate powers were not intended to operate with absolute independence.

"While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity." *Youngstown Sheet & Tube Co.* v. *Sawyer,* 343 U.S. 579, 635 (1952) (Jackson, J., concurring).

To read the Art. II powers of the President as providing an absolute privilege as against a subpoena essential to enforcement of criminal statutes on no more than a generalized claim of the public interest in confidentiality of nonmilitary and nondiplomatic discussions would upset the constitutional balance of "a workable government" and gravely impair the role of the courts under Art. III.

C

Since we conclude that the legitimate needs of the judicial process may outweigh presidential privilege, it is necessary to resolve those competing interests in a manner that preserves the essential functions of each branch. The right and indeed the duty to resolve that question does not free the judiciary from according high respect to the representations made on behalf of the President, *United States* v. *Burr,* 25 Fed. Cas. 187, 190, 191–192 (No. 14,694) (1807).

The expectation of a President to the confidentiality of his conversations and correspondence, like the claim of confidentiality of judicial deliberations, for example, has all the values to which we accord deference for the privacy of all citizens and added to those values the necessity for protection of the public interest in candid, objective, and even blunt or harsh opinions in presidential decisionmaking. A President and those who assist him must be free to explore alternatives in the process of shaping policies and making decisions and to do so in a way many would be unwilling to express except privately. These are the considerations justifying a presumptive privilege for presidential communications. The privilege is fundamental to the operation of government and inextricably rooted in the separation of powers under the Constitution.[17] In *Nixon* v. *Sirica,* — U.S. App. D. C. —, 487 F. 2d 700 (1973), the Court of Appeals held that such presidential communications are "presumptively privileged," *id.,* at 717, and this position is accepted by both parties in the present litigation. We agree with Mr. Chief Justice Marshall's observation, therefore, that "in no case of this kind would a court be required to proceed against the President as against an ordinary individual." *United States* v. *Burr,* 25 Fed. Cas. 187, 191 (No. 14,694) (CCD Va. 1807).

But this presumptive privilege must be considered in light of our historic commitment to the rule of law. This is nowhere more profoundly manifest than in our view that "the twofold aim [of criminal justice] is that guilt shall not escape or innocence suffer." *Berger* v. *United States,* 295 U. S. 78, 88 (1935). We have elected to employ an adversary system of criminal justice in which the parties contest all issues before a court of law. The need to develop all relevant facts in the adversary system is both fundamental and comprehensive. The ends of criminal justice would be defeated if judgments were to be founded on a partial or speculative presentation of the facts. The very integrity of the judicial system and public confidence in the system depend on full disclosure of all the facts, within the framework of the rules of evidence. To ensure that justice is done, it is imperative to the function of courts that compulsory process be available for the production of evidence needed either by the prosecution or by the defense.

Only recently the Court restated the ancient proposition of law, albeit in the context of a grand jury inquiry rather than a trial:

" 'That the public . . . has a right to every man's evidence' except for those persons protected by a constitutional, common law, or statutory privilege, *United States* v. *Bryan,* 339 U. S., at 331 (1949); *Blackmer* v. *United States,* 284 U. S. 421, 438; *Branzburg* v. *United States,* 408 U. S. 665, 688 (1973)."

The privileges referred to by the Court are designed to protect weighty and legitimate competing interests. Thus, the Fifth Amendmend to the Constitution provides that no man "shall be compelled in any criminal case to be a witness against himself." And, generally, an attorney or a priest may not be required to disclose what has been revealed in professional confidence. These and other interests are recognized in law by privileges against forced disclosure, established in the Constitution, by statute, or at common law. Whatever their origins, these exceptions to the demand for every man's evidence are not lightly created nor expansively construed, for they are in derogation of the search for truth.[18]

In this case the President challenges a subpoena served on him as a third party requiring the production of materials for use in a criminal prosecution on the claim that he has a privilege against disclosure of confidential communications. He does not place his claim of privilege on the ground they are military or diplomatic secrets. As to these areas of Art. II duties the courts have traditionally shown the utmost deference to presidential responsibilities. In *C. & S. Air Lines* v. *Waterman Steamship Corp.,* 333 U.S. 103, 111 (1948), dealing with presidential authority involving foreign policy considerations, the Court said:

"The President, both as Commander-in-Chief and as the Nation's organ for foreign affairs, has available intelligence services whose reports are not and ought not to be published to the world. It would be intolerable that courts, without the relevant information, should review and perhaps nullify actions of the Executive taken on information properly held secret." *Id.,* at 111.

In *United States* v. *Reynolds,* 345 U.S. 1 (1952), dealing with a claimant's demand for evidence in a damage case against the Government the Court said:

"It may be possible to satisfy the court, from all the circumstances of the case, that there is a reasonable danger that compulsion of the evidence will expose military matters which, in the interest of national security, should not be divulged. When this is the case, the occasion for the privilege is appropriate, and the court should not jeopardize the security which the privilege is meant to protect by insisting upon an examination of the evidence, even by the judge alone, in chambers."

No case of the Court, however, has extended this high degree of deference to a President's generalized interest in confidentiality. Nowhere in the Constitution, as we have noted earlier, is there any explicit reference to a privilege of confidentiality, yet to the extent this interest relates to the effective discharge of a President's powers, it is constitutionally based.

The right to the production of all evidence at a criminal trial similarly has constitutional dimensions. The Sixth Amendment explicitly confers upon every defendant in a criminal trial the right "to be confronted with the witnesses against him" and "to have compulsory process for obtaining witnesses in his favor." Morever, the Fifth Amendment also guarantees that no person shall be deprived of liberty without due process of law. It is the manifest duty of the courts to vindicate those guarantees and to accomplish that it is essential that all relevant and admissible evidence be produced.

In this case we must weigh the importance of the general privilege of confidentiality of presidential communications in performance of his responsibilities against the inroads of such a privilege on the fair administration of criminal justice.[19] The interest in preserving confidentiality is weighty indeed and entitled to great respect. However we cannot conclude that advisers will be moved to temper the candor of their remarks by the infrequent occasions of disclosure because of the possibility that such conversations will be called for in the context of a criminal prosecution.[20]

On the other hand, the allowance of the privilege to withhold evidence that is demonstrably relevant in a criminal trial would cut deeply into the guarantee of due process of law and gravely impair the basic function of the courts. A President's acknowledged need for confidentiality in the communications of his office is general in nature, whereas the constitutional need for production of relevant evidence in a criminal proceeding is specific and central to the fair adjudication of a particular criminal case in the administration of justice. Without access to specific facts a criminal prosecution may be totally frustrated. The President's broad interest in confidentiality of communications will not be vitiated by disclosure of a limited number of conversations preliminarily shown to have some bearing on the pending criminal cases.

We conclude that when the ground for asserting privilege as to subpoenaed materials sought for use in a criminal trial is based only on the generalized interest in confidentiality, it cannot prevail over the fundamental demands of due process of law in the fair administration of criminal justice. The generalized assertion of privilege must yield to the demonstrated, specific need for evidence in a pending criminal trial.

D

We have earlier determined that the District Court did not err in authorizing the issuance of the subpoena. If a president con-

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cludes that compliance with a subpoena would be injurious to the public interest he may properly, as was done here, invoke a claim of privilege on the return of the subpoena. Upon receiving a claim of privilege from the Chief Executive, it became the further duty of the District Court to treat the subpoenaed material as presumptively privileged and to require the Special Prosecutor to demonstrate that the presidential material was "essential to the justice of the [pending criminal] case." *United States* v. *Burr, supra,* at 192. Here the District Court treated the material as presumptively privileged, proceeded to find that the Special Prosecutor had made a sufficient showing to rebut the presumption and ordered an *in camera* examination of the subpoenaed material. On the basis of our examination of the record we were unable to conclude that the District Court erred in ordering the inspection. Accordingly we affirm the order of the District Court that subpoenaed materials be transmitted to that court. We now turn to the important question of the District Court's responsibilities in conducting the *in camera* examination of presidential materials or communications delivered under the compulsion of the subpoena *duces tecum.*

E

Enforcement of the subpoena *duces tecum* was stayed pending this Court's resolution of the issues raised by the petitions for certiorari. Those issues now having been disposed of, the matter of implementation will rest with the District Court. "[T]he guard, furnished to [President] to protect him from being harassed by vexatious and unnecessary subpoenas, is to be looked for in the conduct of the [district] court after the subpoenas have issued; not in any circumstances which is to precede their being issued." *United States* v. *Burr, supra,* at 34. Statements that meet the test of admissibility and relevance must be isolated; all other material must be excised. At this stage, the District Court is not limited to representations of the Special Prosecutor as to the evidence sought by the subpoena; the material will be available to the District Court. It is elementary that *in camera* inspection of evidence is always a procedure calling for scrupulous protection against any release or publication of material not found by the court, at that stage, probably admissible in evidence and relevant to the issues of the trial for which it is sought. That being true of an ordinary situation, it is obvious that the District Court has a very heavy responsibility to see to it that presidential conversations, which are either not relevant or not admissible, are accorded that high degree of respect due the President of the United States. Mr. Chief Justice Marshall sitting as a trial judge in the *Burr* case, *supra,* was extraordinarily careful to point out that:

> "[I]n no case of this kind would a Court be required to proceed against the President as against an ordinary individual." *United States* v. *Burr,* 25 Fed. Cases 187, 191 (No. 14,694).

Marshall's statement cannot be read to mean in any sense that a President is above the law, but relates to the singularly unique role under Art. II of a President's communications and activities, related to the performance of duties under that Article. Moreover a President's communications and activities encompass a vastly wider range of sensitive material than would be true of any "ordinary individual." It is therefore necessary[21] in the public interest to afford presidential confidentiality the greatest protection consistent with the fair administration of justice. The need for confidentiality even as to idle conversations with associates in which casual reference might be made concerning political leaders within the country or foreign statesmen is too obvious to call for further treatment. We have no doubt that the District Judge will at all times accord to presidential records that high degree of deference suggested in *United States* v. *Burr, supra,* and will discharge his responsibiltiy to see to it that until released to the Special Prosecutor no *in camera* material is revealed to anyone. This burden applies with even greater force to excised material; once the decision is made to excise, the material is restored to its privileged status and should be returned under seal to its lawful custodian.

Since this matter came before the Court during the pendency of a criminal prosecution, and on representations that time is of the essence, the mandate shall issue forthwith.

Affirmed.

MR. JUSTICE REHNQUIST took no part in the consideration or decision of these cases.

FOOTNOTES

[1] See 28 U.S.C. §§ 1254(1) and 2101(e) and our Rule 20. See, *e.g. Youngstown Sheet & Tube Co.* v. *Sawyer,* 343 U.S. 937, 579, 584 (1952); *United States* v. *United Mine Workers,* 329 U.S. 708, 709, 710 (1946); 330 U.S. 258, 269 (1947); *Carter* v. *Carter Coal Co.,* 298 U.S. 238 (1936); *Rickert Rice Mills* v. *Fontenot,* 297 U.S. 110 (1936); *Railroad Retirement Board* v. *Alton R. Co.,* 296 U.S. 330, 344 (1935); *United States* v. *Bankers Trust Co.,* 294 U.S. 240, 243 (1935).

[2] The cross-petition in No. 73–1834 raised the issue whether the grand jury acted within its authority in naming the President as a coconspirator. Since we find resolution of this issue unnecessary to resolution of the question whether the claim of privilege is to prevail, the cross-petition for certiorari is dismissed as improvidently granted and the remainder of this opinion is concerned with the issues raised in No. 73–1766. On June 19, 1974, the President's counsel moved for disclosure and transmittal to this Court of all evidence presented to the grand jury relating to its action in naming the President as an unindicted coconspirator. Action on this motion was deferred pending oral argument of the case and is now denied.

[3] The seven defendants were John N. Mitchell, H. R. Haldeman, John D. Erhlichman, Charles W. Colson, Robert C. Mardian, Kenneth W. Parkinson, and Gordon Strachan. Each had occupied either a position of responsibility on the White House staff or the Committee for the Re-Election of the President. Colson entered a guilty plea on another charge and is no longer a defendant.

[4] The President entered a special appearance in the District Court on June 6 and requested that court to lift its protective order regarding the naming of certain individuals as coconspirators and to any additional extent deemed appropriate by the Court. This motion to the President was based on the ground that the disclosures to the news media made the reasons for continuance of the protective order no longer meaningful. On June 7, the District Court removed its protective order and, on June 10, counsel for both parties jointly moved this Court to unseal those parts of the record which related to the action of the grand jury regarding the President. After receiving a statement in opposition from the defendants, this Court denied that motion on June 15, 1974, except for the grand jury's immediate finding relating ot the status of the President as an unindicted coconspirator—U.S.— (1974).

[5] The specific meetings and conversations are enumerated in a schedule attached to the subpoena, 42a–46a of the App.

[6] At the joint suggestion of the Special Prosecutor and counsel for the President, and with the approval of counsel for the defendants, further proceedings in the District Court were held *in camera.*

[7] The parties have suggested this Court has jurisdiction on other grounds. In view of our conclusion that there is jurisdiction under 28 U.S.C. § 1254(1) because the District Court's order was appealable, we need not decide whether other jurisdictional vehicles are available.

[8] The regulation issued by the Attorney General pursuant to his statutory authority, vests in the Special Prosecutor plenary authority to control the course of investigations and litigation related to "all offenses arising out of the 1972 Presidential Election for which the Special Prosecutor deems it necessary and appropriate to assume responsibility, allegations involving the President, members of the White House staff, or Presidential appointees, and any other matters which he consents to have asigned to him by the Attorney General." 38 Fed. Reg. 30739, as amended by 38 Fed. Reg. 32805. In particular, the Special Prosecutor was given full authority, *inter alia,* "to contest the assertion of 'Executive Privilege' . . . and handl[e] all aspects of any case within his jurisdiction." *Ibid.* The regulations then go on to provide:

> "In exercising this authority, the Special Prosecutor will have the greatest degree of independence that is consistent with the Attorney General's statutory accountability for all matters falling within the jurisdiction of the Department of Justice. The Attorney General will not countermand or interfere with the Special Prosecutor's decisions or actions. The Special Prosecutor will determine whether and to what extent he will inform or consult with the Attorney General about the conduct of his duties and responsibilities. In accordance with assurances given by the President to the Attorney General that the President will not exercise his Constitutional powers to effect the discharge of the Special Prosecutor or to limit the independence he is hereby given, the Special Prosecutor will not be removed from his duties except for extraordinary improprieties on his part and without the President's first consulting the Majority and Minority Leaders and Chairman and ranking Minority Members of the Judiciary Committees of the Senate and House of Representatives and ascertaining that their consensus is in accord with his proposed action."

[9] That this was the understanding of Acting Attorney General Robert Bork, the author of the regulations establishing the independence of the Special Prosecutor, is shown by his testimony before the Senate Judiciary Committee:

> "Although it is anticipated that Mr. Jaworski will receive cooperation from the White House in getting any evidence he feels he needs to conduct investigations and prosecutions, it is clear and understood on all sides that he has the power to use judicial processes to pursue evidence if disagreement should develop."

Hearings before the Senate Judiciary Committee on the Special Prescutor, 93d Cong., 1st Sess., pt. 2, at 470 (1973). Acting Attorney General Bork gave similar assurances to the House Subcommittee on Criminal Justice. Hearings before the House Judiciary Subcommittee on Criminal Justice on H.J. Res. 784 and H.R. 10937, 93d Cong., 1st Sess. (1973). At his confirmation hearings, Attorney General William Saxbe testified that he shared Acting Attorney General Bork's views concerning the Special Prosecutor's authority to test any claim of executive privilege in the courts, Hearings before the Senate Judiciary Committee on the nomination of William B. Saxbe to be Attorney General, 93d Cong., 1st Sess. 9 (1973).

[10] At his confirmation hearings Attorney General William Saxbe testified that he agreed with the regulations adopted by Acting Attorney General Bork and would not remove the Special Prosecutor except for "gross improperiety." Hearings, Senate Judiciary Committee on the nomination of

William B. Saxbe to be Attorney General, 93d Cong., 1st Sess., 5–6, 8–10 (1973). There is no contention here that the Special Prosecutor is guilty of any such impropriety.

[11] The Court quoted a statement of a member of the advisory committee that the purpose of the Rule was to bring documents into court "in advance of the time that they are offered in evidence, so that they may then be inspected in advance, for the purpose . . . of enabling the party to see whether he can use [them] or whether he wants to use [them]." 341 U.S., at 220 n. 5. The Manual for Complex and Multi-district Litigation published by the Administrative Office of the United States Courts recommends that Rule 17(c) be encouraged in complex criminal cases in order that each party may be compelled to produce its documentary evidence well in advance of trial and in advance of the time it is to be offered. P. 142, CCH Ed.

[12] The District Court found here that it was faced with "the more unusual situation . . . where the subpoena, rather than being directed to the government by the defendants, issues to what, as a practical matter, is a third party." *United States* v. *Mitchell*, — F. Supp. — (D.C. 1974). The Special Prosecutor suggests that the evidentiary requirement of *Bowman Dairy Co.* and *Iozia* does not apply in its full vigor when the subpoena *duces tecum* is issued to third parties rather than to government prosecutors. Brief for the United States 128–129. We need not decide whether a lower standard exists because we are satisfied that the relevance and evidentiary nature of the subpoenaed tapes were sufficiently shown as a preliminary matter to warrant the District Court's refusal to quash the subpoena.

[13] Such statements are declarations by a party defendant that "would surmount all objections based on the hearsay rule . . ." and, at least as to the declarant himself "would be admissible for whatever inferences" might be reasonably drawn. *United States* v. *Matlock*, — U.S. — (1974). On *Lee* v. *United States*, 343 U.S. 747, 757 (1953). See also McCormack on Evidence, § 270, at 651–652 (1972 ed.).

[14] As a preliminary matter, there must be substantial, independent evidence of the conspiracy, at least enough to take the question to the jury. *United States* v. *Vaught*, 385 F. 2d 320, 323 (CA 4, 1973); *United States* v. *Hoffa*, 349 F. 2d 20, 41–42 (CA 6, 1965), aff'd on other grounds, 385 U.S. 293 (1966), *United States* v. *Santos*, 385 F. 2d 43, 45 (CA 7, 1967), cert. denied, 390 U.S. 954 (1968); *United States* v. *Morton*, 483 F. 2d 573, 576 (CA 8, 1973), *United States* v. *Spanos*, 462 F. 2d 1012, 1014 (CA 9, 1972); *Carbo* v. *United States*, 314 F. 2d 718, 737 (CA 9, 1963), cert. denied, 377 U.S. 953 (1964). Whether the standard has been satisfied is a question of admissibility of evidence to be decided by the trial judge.

[15] There is nothing novel about governmental confidentiality. The meetings of the Constitutional Convention in 1787 were conducted in complete privacy. 1 Farrand, The Records of the Federal Convention of 1787, xi–xxv (1911). Moreover, all records of those meetings were sealed for more than 30 years after the Convention. See 3 U.S. Stat. At Large, 15th Cong. 1st Sess., Res. 8 (1818). Most of the Framers acknowledged that without secrecy no constitution of the kind that was developed could have been written. Warren, The Making of the Constitution, 134–139 (1937).

[16] The Special Prosecutor argues that there is no provision in the Constitution for a presidential privilege as to his communications corresponding to the privilege of Members of Congress under the Speech or Debate Clause. But the silence of the Constitution on this score is not dispositive. "The rule of constitutional interpretation announced in *McCulloch* v. *Maryland*, 4 Wheat. 316, that that which was reasonably appropriate and relevant to the exercise of a granted power was considered as accompanying the grant, has been so universally applied that it suffices merely to state it." *Marshall* v. *Gordon*, 243 U.S. 521, 537 (1947).

[17] Freedom of communication vital to fulfillment of wholesome relationships is obtained only by removing the specter of compelled disclosure . . . [G]overnment . . . needs open but protected channels for the kind of plain talk that is essential to the quality of its functioning." *Carl Zeiss Stiftung* v. *V.E.B. Carl Zeiss, Jena*, 40 F.R.D. 318, 325 (D.C. 1966). See *Nixon* v. *Sirica*, — U.S. App. D.C. —, — 487 F 2d 700, 713 (1973); *Kaiser Aluminum & Chem Corp* v. *United States*, 157 F. Supp. 939 (Ct. Cl. 1958) (*per* Reed, J.); The Federabst No. 64 (S. F. Mittel ed 1938).

[18] Because of the key role of the testimony of witnesses in the judicial process, courts have historically been cautious about privileges. Justice Frankfurter, dissenting in *Elkins* v. *United States*, 364 U.S. 206, 234 (1960), said of this: "Limitations are properly placed upon the operation of this general principle only to the very limited extent that permitting a refusal to testify or excluding relevant evidence has a public good transcending the normally predominant principle of utilizing all rational means for ascertaining truth."

[19] We are not here concerned with the balance between the President's generalized interest in confidentiality and the need for relevant evidence in civil litigation, nor with that between the confidentiality interest and congressional demands for information, nor with the President's interest in preserving state secrets. We address only the conflict between the President's assertion of a generalized privilege of confidentiality against the constitutional need for relevant evidence to criminal trials.

[20] Mr. Justice Cardozo made this point in an analogous context. Speaking for a unanimous Court in *Clark* v. *United States*, 289 U.S. 1 (1933), he emphasized the importance of maintaining the secrecy of the deliberations of a petit jury in a criminal case. "Freedom of debate might be stifled and independence of thought checked if jurors were made to feel that their arguments and ballots were to be freely published in the world." *Id.*, at 13, Nonetheless, the Court also recognized that isolated inroads on confidentiality designed to serve the paramount need of the criminal law would not vitiate the interests served by secrecy.

"A juror of integrity and reasonably firmness will not fear to speak his mind if the confidences of debate are barred to the ears of more impertinence or malice. He will not expect to be shielded against the disclosure of his conduct in the event that there is evidence reflecting upon his honor. The chance that now and then there may be found some timid soul who will take counsel of his fears and give way to their repressive power is too remote and shadowly to shape the course of justice" *Id.*, at 16.

[21] When the subpoenaed material is delivered to the District Judge *in camera* questions may arise as to the excising of parts and it lies within the discretion of that court to seek the aid of the Special Prosecutor and the President's counsel for *in camera* consideration of the validity of particular excisions, whether the basis of excision is relevancy or admissibility or under such cases as *Reynolds*, *supra*, or *Waterman Steamship*, *supra*.

REMARKS OF THE HONORABLE WILBUR D. MILLS AT THE MEETING OF THE SOUTHEASTERN TAX ADMINISTRATORS ASSOCIATION, HOT SPRINGS, ARK., JULY 22, 1974

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, I would like to call to my colleagues' attention a timely speech given by the Honorable WILBUR MILLS, distinguished and able chairman of the Ways and Means Committee, at a meeting of the Southeastern Tax Administrators Association in Hot Springs, Ark., on July 22. It deals with our No. 1 problem today, inflation.

While everyone agrees that inflation is a major ailment, equally obvious is the fact that there is no single answer. The distinguished chairman of the Ways and Means Committee makes a number of recommendations which I submit are all worthy of consideration.

It follows:

REMARKS OF THE HONORABLE WILBUR D. MILLS AT THE MEETING OF THE SOUTHEASTERN TAX ADMINISTRATORS ASSOCIATION, HOT SPRINGS, ARK., JULY 22, 1974

It is a very great pleasure to have this opportunity to be with you today for the Annual Meeting of the Southeastern Tax Administrators' Association. It is a particular pleasure at this time to have the chance to discuss with you, as professionals in the field of taxation, the critical problems of the economy and the significant impact which tax policy can have in restoring stability while reducing inflation. I plan to limit my initial remarks today so that at their conclusion you might have the opportunity of asking questions on issues which may be of concern to you and with which I have not dealt in these brief remarks.

The most serious problem facing this nation today is the continuation of excessive levels of inflation. In recent months we have witnessed rates of inflation which are unsurpassed in the peacetime history of the United States, inflation so serious that economists have coined a new phrase—double digit inflation—to describe the magnitude of inflation at annual levels in excess of 10%.

I have been gravely concerned that despite the waning confidence of both consumer and business alike in the ability of the government to deal with inflation both the Congress and the Administration have failed to take action in a magnitude equal to the crisis we face.

Since 1965 inflation has run rampant in this country, and if the past appeared dismal, the future seems dark.

In recent months increases in the chemical, rubber, lumber, paper and metal industries have increased at an alarming pace at annual rates between 20% and 60%.

Inflation for the consumer has accelerated with prices rising at a rate in excess of 10% and wholesale prices at a rate in excess of 15%.

And with the lag in wage increases behind those of prices during the past year and a half, we can anticipate a strong catch-up effort on the part of labor in the forthcoming contract negotiations in many key industries.

There has been some indication that these drastic price increases have moderated and that the short-term factors which magnified the inflationary pressures within the economy has been reduced.

Food shortages of last spring, attributable to the worldwide shortage of grain and accentuated by the export policies of the Administration have subsided and in the past few weeks, livestock prices have shown signs of decline.

Energy shortages and drastic price increases caused by the political policies of the oil exporting nations are being reduced.

The impact of the devaluations of the dollar resulting in higher prices for imported goods has been absorbed and somewhat diminished.

And some signs of recovery from the distortions of the economy under the multiphased disaster of wage-price controls are appearing.

But though these short-term factors have reduced the stronger immediate pressures toward inflation, the long-term causes of which we have been aware for quite some time still reflect a dismal future and general governmental neglect.

The international boom economy has produced an enlarged demand for capital goods, and shortages of materials and component parts such as steel, aluminum, coal, paper, bearings, electric motors, and forgings forecast future shortages of consumer goods.

Wages rates have risen sharply at a time when production has been falling off, and in the second quarter, earnings in the private nonfarm economy have risen at an annual rate of 10%, and the labor cost per unit of output has risen at an even higher rate.

And we are continuing to pursue exhorbitant governmental spending policies, producing greater deficits and promoting demand.

The time has come and past for selective action, and our inaction in dealing with these long-term causes in the past has reduced our options compelling immediate and drastic action. In a speech last month on the floor of the House, I outlined my proposals for ending inflation and moving toward a more realistic and stable economic growth. Since that time many of our nation's key economic spokesmen have echoed that call for prompt and decisive measures to curb consumer demand, reduce government spending, and control the wage-price boom.

It is generally agreed that perhaps the most significant pressure toward continued inflation has been the fiscal policy of the Federal government for the past ten years, producing record deficits and setting the tone for the nation to live far beyond its means to produce. Few people realize that if you examine the history of Federal expenditures, we exceeded the $100 billion mark in spending in fiscal year 1962. But the next $100 billion increase came in 1971, meaning that in only 9 years, Federal spending increased as much as in the first almost two hundred years of our nation's history. And it is entirely possible that unless we take immediate action, the next $100 billion increase will be reached in this fiscal year.

In testimony before the House Committee on Ways and Means in our present tax reform deliberations, Chairman Arthur Burns of the Federal Reserve Board labeled the need for a $10 billion reduction in Federal spending in the current fiscal year as the most crucial step in an immediate assault on inflation.

In keeping with that call and my own long-standing commitment to a reduction in Federal spending, I called upon the President last week to join with the Congress to achieve this goal. This is neither the time for partisanship or Executive-Legislative conflict, but rather a time for immediate reductions to take place.

Secondly, I have called for the continuation of our present policy of monetary restraint. Such a policy is necessary at this time to break the psychology that has driven the consumer to anticipate a higher quality of life and to hedge against higher prices through the heavy use of borrowed funds. This expansion in demand has exceeded our capacity to produce sufficient goods, and credit restraint should serve to ease the pressure of this magnified demand. However, the present policy poses serious problems for many industries including agriculture, utilities, and governments to secure adequate capital for essential needs. Some action will be necessary in the course of this policy to insure that particularly in capital-goods short industries, adequate capital for expanded production is available.

Thirdly, I have called for the re-institution of wage-price controls. Some action will be necessary, I believe to insure that while the efforts toward controlling long-term inflation are becoming effective, a new surge of wage-price increases will not occur. I do not believe that with the present lack of confidence on the part of the American people in the ability of government to deal with our economic problems, jawboning will be sufficient to curb demands for higher wages in anticipation of higher prices and the resulting price increases which these wages will produce. I would call today upon organized labor both in the interest of the national economy and in the interest of one of the foremost goals of the labor movement, low unemployment, to negotiate in this round for moderate wage increases coupled with an assurance from business that the remainder of former wage demands will be used for capital expansion tied to new jobs. This would serve a three-fold purpose, stimulating production, reducing per unit costs, and moderating the cost-push pressure of higher wages.

And finally, I believe that we must continue to rely upon the tax system to provide those necessary incentives to capital expansion while avoiding the extreme inflationary step of reducing taxes across the board.

As you are aware, the Committee on Ways and Means has been engaged in an extensive tax reform effort, seeking to terminate abuses that have arisen under present law, simplify the tax law for the average taxpayer, and preserve the economic integrity which underlies the incentive provisions of the Code.

The economy at the present time demands that incentive provisions such as the accelerated depreciation range and the investment tax credit be retained in order to insure that adequate capital is available not only for modernization, but for expansion as well. The 12% increase in business capital expenditures that is projected for this year may mean very little should the sharp rises in the cost of material and labor continue to escalate.

Business capital investment in this nation has, in fact, not been sufficient in recent years, and particularly in such short-supply industries as those producing raw materials increased capital investment is essential to prevent a long-term demand-pull inflationary surge. It must be remembered that much of the capital expenditures in recent years have been geared to compliance with State and Federal anti-pollution and safety improvements and sufficient resources have not necessarily been directed to expenditures which will result in increased productivity. I believe that the Committee may also want to consider such proposals as increasing the investment tax credit as well as other possibilities for added incentives to capital expansion in short-supply industries.

In addition to retaining and the possibility of expanding these provisions of the tax law, the Committee has already taken tentative action which I believe will be in the interest of sparking the economy by unlocking capital currently tied to dismal market conditions. In keeping with my own long-standing interest in altering the tax treatment of capital gains, the Committee last week tentatively decided to implement a form of sliding-scale treatment for capital gains. Under present law, gain from the sale of a capital asset held for six months or longer qualifies for preferential long-term capital gains treatment. I have felt that six months was too short a period for such treatment and that giving an equal deduction to those who held assets for only six months to those that had been held for a number of years was inequitable. As a result, the Committee's tentative decision would extend the holding period for long-term capital gains treatment to one year or more.

The present fifty percent deduction allowed for such gains would be retained for assets held for up to five years. This is the period over which income averaging provides significant benefits. After five years, the fifty percent exclusion ration would be increased by an amount equal to 1% of the cost basis of the asset for each year thereafter up to twenty years. This provision would not only more accurately reflect the amount of such gain attributable to inflation, but would also succeed in freeing assets and capital to rejuvenate the sagging securities and real estate industries.

In addition, the amount of long-term capital loss allowed as a deduction against ordinary income has been increased from $1,000 annually to $2,000. Coupled with the carryback and carryforward provision which is currently allowed only to corporations, this will hopefully allow investors currently locked-in to a downturned market to liquidate and reinvest again sparking greater economic activity.

But in order for the Congress to develop a tax policy that is consistent with the goal of restoring strength to our ailing economy, it is necessary to demonstrate to the average taxpayer that our tax system is equitable and that similarly situated taxpayers will assume an equal share of the tax burden. As State tax administrators, you are well aware of the general public feeling that there is widespread abuse of the tax law resulting in individuals with high incomes paying little tax. This feeling has been accentuated of late with revelations of the public marketing of tax shelters and various other manipulations of the tax law.

A system of voluntary compliance upon which we rely for the reporting and collection of income taxes in this nation, requires that every taxpayer have faith in the tax law with which he is required to comply. Few people realize that the Committee and the Congress have enacted far-reaching tax reform legislation in the past, and the Committee on Ways and Means was widely known as the most reform minded Committee of the Congress long before reform was a catch-phrase for political demagoguery.

For example, from 1962 through 1973, the tax liability of the average married couple with two children earning $6,000 per year was reduced by 53.9%. For the same family earning less than $4,000 per year, that burden was reduced by 100%. In fact, changes in the tax law since 1962 are estimated to result in individuals paying $40 billion less in income taxes in fiscal year 1975.

In our present tax reform effort, the Committee has examined every incentive provision in the tax code, first through panel discussions and later through extensive public hearings. Although I do not believe that there will be sufficient time remaining in the present session to complete action in every area in which action is desired, I do believe that we have already taken tentative action which will move us much closer to eliminating the abuses that have arisen under present law. In our close examination of tax shelters, we found that not only was equity being sacrificed in most of these abuses, but that economic distortions were resulting as well. The Committee has tentatively decided to adopt the Administrations Limitation on Artificial Accounting Loss (LAL) proposal which will limit the amount of income from other sources that can be offset by accelerated deductions and the resulting artificial losses from certain business operations.

Among these operations which the Committee found were the subject of tax shelter abuse were farming, real estate, oil and gas operations, and films. I believe that the action which the Committee has taken in these areas not only will remove the abuse of the tax law, but will also promote the non-tax shelter operators of such business who rely on sound economics, not the tax laws to derive a profit. The Committee has also taken action in the field of taxation of foreign source income, an area which has received wide attention because of the possibility that many domestic corporations could offset U.S. domestic income with foreign losses in early years of foreign operations, while offsetting the income derived from those operations in later years with foreign tax credits. The Committee's action will, I believe, insure that the tax treatment of those foreign operations is equitable and in accord with generally accepted international practice, while insuring that abuse will not occur.

Additionally, the Committee has taken tentative action designed to simplify compliance for the individual taxpayer. And though many of these tentative decisions in the area of simplification have been interpreted as increasing taxes for the average taxpayer, I want to point out that it has been the Committee's long-standing practice to complete action on revenue-raising provisions before determining how much relief we will be able to provide.

Among these decisions are the elimination of the $100 dividend exclusion, elimination of the deduction for gasoline taxes, an increase in the 3% floor applicable to the medical expense deduction to 5%, and the inclusion of a floor of $200 which miscellaneous deductions must exceed in order to be deductible. Among the possibilities for providing similar reductions to compensate for the deductions that have been eliminated or reduced are the increase of the personal exemption, an increase in the standard deduction, and a miscellaneous itemized deduction of a fixed amount.

I believe that the Committee's action will insure a greater degree of equity in our present tax law in a rational manner consistent with our economic goals.

The months ahead will be trying months for our economy and for the American people. In cooling-off the boom period we have created, we must pay for the accelerated pace at which we have moved. In order to insure that the inflation eroding away our wages, our investments, and our economic strength is ended, we must move into an era of great sacrifice for us all. This effort will require the strong support of all of the American people, their understanding and their trust, and it will also require the cooperation and complementary efforts of each of the other levels of government in this nation. Spending at all levels of government must be reduced. The pressure toward high interest rates must be ended. Productive resources must be expanded, and the cost per unit of production must be reduced.

With the support of the American people, the Congress, the Administration, and government at the State and local level can insure a higher quality of life in a more stable economic climate.

"BETWEEN FANATICISM AND CYNICISM," AN ADDRESS BY PRESIDENT JOHN R. SILBER OF BOSTON UNIVERSITY

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, given the current consideration by the House of Representatives of the impeachment of President Nixon, I believe that Members of Congress will find illuminating and, indeed, inspiring, an address delivered by John R. Silber, president of Boston University, at the 101st commencement of that institution.

In his address, President Silber deals in a profound way with the meaning of the rule of law in the American constitutional system and does so with particular attention to the current impeachment proceedings.

I should note, Mr. Speaker, that a longer and more detailed version of this address is to appear in the September issue of the Center magazine, published by the Center for the Study of Democratic Institutions at Santa Barbara, Calif.

I insert the text of Mr. Silber's address at this point in the RECORD:

BETWEEN FANATICISM AND CYNICISM

(Address by President John R. Silber)

For the past four years this graduating class has been witness to continuing and accelerating change in American life. They have found themselves in an age of bewilderment marked by a pervasive sense of indirection, alienation and loss. They have lived in a time of intensified polarization in our society that seems almost to validate John Adams' somber description of the ineluctable fate of democracies: "Remember," he wrote thirty-eight years after the Declaration of Independence, "democracy never lasts long. It soon wastes, exhausts, and murders itself. There never was a democracy yet that did not commit suicide."

Adams was himself a revolutionary of impressive professional credentials. He did not write this evaluation out of counter-revolutionary pessimism. He could find examples in his own lifetime and in recent history, of democratic experiments that destroyed themselves: Adams himself had seen the bloody and erratic course of the French Revolution, and the memory of the decay, a century before, of the English Puritan republic into a military dictatorship was still fresh. Even more than by these examples, Adams must have been guided by his assessment of the nature of man and by his belief that the character of society is derived from the character of those who make it up: "Passions are the same in all men, under all forms of simple government, and when unchecked, produce the same effects of fraud, violence and cruelty. When clear prospects are opened before vanity, pride, avarice, or ambition, for their easy gratification, it is hard for the most considerate philosophers and the most conscientious moralists to resist the temptation. Individuals have conquered themselves; nations and large bodies of men, never."

A dozen years ago graduating classes and those attending graduation exercises might have given slight credence to Adams' judgment. In the 1950's and early 60's America seemed a society on the move and in the right direction, gaining momentum, adequate to the challenge of the future as it had been to the challenges of the past. The events of the intervening years have eroded that confidence, and now Adams' words seem obviously and frighteningly true. Balance and control seem lacking, not merely in the nation but in the individuals who make it up. Idealism has given rise to fanaticism and lawlessness.

The moral force and ultimate respect for law that animated Martin Luther King's Southern Christian Leadership Conference dissipated into the factionalisms of black power. The idealism of the Port Huron statement and the original members of the Students for a Democratic Society degenerated into brutal assaults on the university. As youth movements once motivated by the highest idealism became increasingly shrill, irrational and fanatical, what had been a careful coordination of means with ends became first careless and finally disappeared altogether by May 1970, when arsonists put the torch to more than one academic building in the mad belief that this action would force the cancellation of the Cambodian invasion. Far from bringing the President to his knees, the ten days of rioting diverted the attention of the great majority from the serious moral issue at hand.

OLDER GENERATIONS

Older generations that under Roosevelt and Truman and Eisenhower had risen to the moral challenge of the times, rose once again under Kennedy and Johnson to meet responsibilities abroad and the goal at home of providing increased opportunity for all citizens. But the older generation, enjoying the growing affluence of an economy force-fed by federal spending, allowed itself to be compromised by gradual stages into a full-scale land war in Asia that it eventually came to see as, first, economically, then militarily, and finally morally bankrupt. The "activists" spent themselves in an effort to achieve instant public virtue for the nation, and the older generation spent itself trying to make the worse appear the better cause by affixing the gloss "Peace With Honor" to an exhausting exercise that discredited us all.

Like two bulls exhausted by the probes of overzealous picadors, the generations have come to face each other impassively, questioningly, uncertainly, on the common ground of cynicism. Many of the young have reached an accommodation with their parents only by giving up on them. Expecting nothing noble or worthy from the older generation, they have become free to find them tolerable, amusing, or even delightful. The parental generation has also become increasingly reconciled to the younger, and largely through a similar act of renounced expectation. And so the generations have lived since 1972, the Nixon re-election having been the point at which the younger generation lost its interest in instant politics and the older began to ponder the implications of triumphant cynicism.

During the last two years the generations have maintained a wary truce. They pause in cynicism, one having arrived there through frustrated fanaticism, the other through gradual accommodation.

Each generation tends toward an excess of qualities that in moderation are necessary to the human condition: the idealism, aspiration and daring of youth, and the realism, experience and caution of age. In the best of times, when the generations are in proper contact, the tendencies are self-correcting. When the generations are separated—as they have been—the tendencies have been free to develop into excess. In the last decade the idealism of youth too often became mindless fanaticism, and then at the first sign of failure degenerated into cynicism of an intensity possible only in the young. The experience of age too often moved from wisdom to pragmatism to compromise to sell-out, accommodating to anything and expecting nothing. Each generation was confirmed, first in its excess and then in its cynicism, by a constant, if remote, view of the other. The corrections, like the tendencies, were to excess.

THE MEETING OF THE GENERATIONS

But if the generations meet once again, the process of mutual correction can begin once again. We can make the correction of youth, insisting upon idealism. We can make the correction of age, insisting upon an ideal that can be realized. We can meet on the ground of law, on the ground of decency, and on the ground of civility.

The possibilities of such a collaboration are brilliantly set forth in Robert Bolt's play, *A Man for All Seasons*, in a passage dealing with Sir Thomas More's impending confrontation with Henry VIII. More receives a visit from a devious and ambitious young man named Rich who appears to be spying on him in the guise of asking for help. "Employ me!" says Rich. "No!" replies More. "Employ me," says Rich desperately. He turns to exit.

RICH. I would be steadfast.

MORE. Richard, you couldn't answer for yourself even so far as tonight.

[Rich leaves and More takes counsel with his wife, Alice, his daughter, Margaret, and his prospective son-in-law, Roper.]

ROPER. Arrest him!

ALICE. Yes.

MORE. For what?

ALICE. He's dangerous!

ROPER. For libel; he's a spy.

ALICE. He is! Arrest him!

MARGARET. Father, that man's bad!

MORE. There is no law against that!

ROPER. There is! God's law!

MORE. Then God can arrest him!

ROPER. Sophistication upon sophistication!

MORE. No, sheer simplicity. The law, Roper, the law. I know what's legal, not what's right. And I'll stick to what's legal.

ROPER. Then you set man's law above God's!

MORE. No, far below; but let *me* draw your attention to a fact—I'm *not* God. The currents and eddies of right and wrong, which you find such plain sailing, I can't navigate. I'm no voyager. But in the thickets of the law, oh, there I'm a forester. . . .

ALICE. While you talk, [Rich] is gone!

MORE. And go he should, if he was the Devil himself, until he broke the law!

ROPER. So now you'd give the Devil the benefit of law!

MORE. Yes. What would you do? Cut a great road through the law to get after the Devil?

ROPER. I'd cut down every law in England to do that!

MORE. Oh? And when the last law was down, and the Devil turned round on you—where would you hide, Roper, the laws all being flat? . . . If you cut them down—and you're just the man to do it—d'you really think you could stand upright in the winds that would blow then? Yes. I'd give the Devil benefit of law, for my own safety's sake.

There you hear a dialogue that moves successfully between the generations. These men talk directly to each other. Roper wants right to be done. He is understandably impatient with the law's inadequacies. He does not want to let the guilty go free or to accomplish less than the highest perfection demanded by the law of God. More is not insensitive to these higher demands, these loftier purposes. Like Roper, he prays, he reads the Bible, he understands theology, he is aware of the shortcomings of the law. But he would rather stand with the law of man and all its shortcomings than open wide the gates to the moral judgments of the fanatic.

THE CONSTRAINT OF LAW

Without the constraint of law, not only Roper but anyone can decide what is right. He need not be deterred by what is legal. The imperative of conscience is a rationale open to any man, a guide to which every man can lay claim. Conscience is no better than the person to whom it speaks. Acutely aware of this, More tries to convince his young colleague of the necessity to transcend the subjectivity of conscience, the subjectivity of individual opinion about what is right, through appeal to a society grounded in law. It is More's point that without the law only contingent factors may differentiate the idealist Roper from the scoundrel Rich.

MR. JUSTICE BRANDEIS

The view that Bolt here puts into More's mouth is strikingly reminiscent of a celebrated statement of Mr. Justice Brandeis. In 1928, dissenting in the Olmstead case, Brandeis said:

"Decency, security, and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizen. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution."

If the younger generation takes Brandeis' words as the sagest counsel an older generation has to offer, and as the opening statement in what might become a healing dialogue between them, what would it say? Would it not correctly respond that the government of the United States has been guilty—by its own admission—of precisely those actions that Brandeis condemns? And that the terrible retribution he promises is now upon us?

It is evident in the improper subordination of the legislative and judicial branches to the executive. Congress must restore the proper balance between the executive and legislative branches. This balance will deteriorate further if Congress allows the President to define the nature of impeachable offenses, to determine what evidence may be available to the House of Representatives in the assessment of his stewardship, and to dictate the procedure of the Judiciary Committee's inquiry.

PROPER BALANCE IN OUR GOVERNMENT

Proper balance will not be restored to our government until the authority and scope of the judicial branch are also re-established. Elementary legal traditions, such as that sanction should follow conviction of a crime, must be observed. While the President has said of the misdeeds of Watergate, "I assume responsibility for such actions," he has thus far refused to entail his responsibility with consequences. He emphatically disclaims any legal consequences, and he angrily dismisses those who propose moral or political consequences as mere partisans.

Some defenders of the administration are prompted, not by cynicism, but by a genuine, though ill-conceived, concern that no one should injure the office of the President of the United States. On this point we may all be reassured. There is no way that anyone can injure or detract from the office of the President as long as one holds all incumbents to the very highest standards of moral, legal, and political rectitude. To demand anything less than the highest standards of the incumbents of this office would seriously impair if not destroy the office of the President.

THE PRESIDENCY

To preserve the presidency we need only distinguished the office from its incumbent. This basic distinction was made 1500 years ago by St. Augustine and reiterated at the Council of Trent when the Catholic Church held that the efficacy of the Mass did not depend upon the moral quality of the priest. By distinguishing carefully between office and incumbent, it preserved the integrity of the Mass. No institution—not the Church, not the judiciary, not the bar, not the Constitution of the United States—can guarantee that every incumbent will fulfill the responsibilities of his office. We do not damage or dishonor the presidency of the United States by being critical of its incumbents. Serious damage to the presidency derives rather from the cynicism of the sort voiced by Secretary Melvin Laird, whom *The New York Times* reported to say: "If the President was involved in Watergate, I don't want to know about it." If the President is involved, the public must know about it. If the President is involved, the President must be removed.

Macaulay in his *History of England* deals brilliantly with this question, Concerning the removal of King Charles I, he said that "When [an institution] is regarded with love and veneration, but the person who fills that office is hated and distrusted, it should seem that the course which ought to be taken is obvious. The dignity of the office should be preserved; the person should be discarded" In 1649 the English beheaded the incumbent and abolished the office. After eleven years of experiment with a republic that degenerated into dictatorship, the country restored the monarchy, realizing that there was nothing wrong with the monarchy that a good king could not correct. After twenty-five fairly satisfactory years with Charles II the country was troubled by an incompetently arbitrary incumbent, but they did not repeat the mistake of 1649. They dismissed James II and retained the monarchy.

THE FOUNDING FATHERS AND IMPEACHMENT

The Founding Fathers of the American Republic were beneficiaries of the English experience and provide impeachment as a means of preserving the office while assaying the worthiness of any incumbent to hold it.

How do we deal wih the objection, however, that the nation cannot afford impeachment, for impeachment itself creates serious problems? At this point I would not urge the youthful shortcut of a Roper. I would stick with Sir Thomas More. I would argue that until the law concerning impeachment is changed, the law must be observed as it stands. And if impeachment turns out to be an inconvenience to the nation, so be it, for that is the law. I would reject the revolutionary counsel that since impeachment can be difficult and since impeachment will impair the processes of government, let us therefore abide cynically with the only President we've got; put Watergate behind us and get on with it. This answer has some initial plausibility. Despite its cynicism, it reflects a concern for the nation. But at this point we must reject the suggestion out of respect for the Constitution. Until the Constitution is changed to provide a more satisfactory procedure for removing the incumbent, we must uphold the Constitution for our own safety's sake. By upholding the Constitution we shall have less than an ideal solution, but we shall avoid the risks of anarchy and tyranny.

We may restore the balance of power in government on which successful democracy depends, and we may move to overcome the alienation and disgust of a younger generation that could rightly have expected better of us than we have delivered in the past decade. In turn, the younger generation may find in us more nobility than they have come to expect, and we may find in them a willingness to respect the rule of law and to eschew those shortcuts dictated by a fanatical desire to achieve perfection.

THE WATERGATE TRANSCRIPTS AND THE FEDERALIST PAPERS

If the American public takes time to read the Watergate transcripts, as it seems it will, this will be the first time since the publication of the Federalist Papers that the literate population of America has been united by the knowledge of a single document. This is a new and regrettably sordid basis for our political community. But a nation that reads together may stay together—long enough to improve. Its appetite for reading having been quickened, the people may turn again to the works of our Founding Fathers, whose relevance for today is greater than that suggested by the ceremonial programs of the Bicentennial. If we return to the documents of our Founding Fathers we may make the Bicentennial more than an occasion for tourism.

No one who understands the law will identify it with perfection. The law denies us access to the highest reaches of moral insight and political aspiration; likewise, the rule of law saves us from a variety of diseases to which the social organism is prone, most especially, from anarchy and tyranny. We need the law, not in order to obtain the best, but to avoid the worst. The Constitution, our legislative enactments, and English and American common law provide the least, not the most, that can be expected of our citizens and our Congressmen. After they have fully met the requirements of law, we can then hope they will move on to the requirements of perfection and wisdom. But we will destroy this nation if we attempt to make things convenient for ourselves, if we do anything less than carry out the full demands of the Constitution.

Over the past three and a half years in conversation and in confrontation, Boston University has argued against and condemned all efforts by students to circumvent legal, constitutional channels in the pursuit of their social, political, and moral objectives. And in urging students to observe the refinements and restraints of law, we have received the applause of parents, alumni, and Trustees. It is essential, now, that this parental generation also be observant of the rule of law. It is essential that across generational lines we insist that the House Judiciary Committee pursue the evidence wherever it may lead; that the House of Representatives act on the evidence presented by the Judiciary Committee, wherever it may lead, even to impeachment; and that the Senate act on the recommendation of the House, wherever it may lead, even to the removal of the President. If Congressman Wilbur Mills or any other member of Congress introduces legislation immunizing Mr. Nixon from the legal consequences of his acts, the Congress must defeat it resoundingly. If he is found guilty, let him be dealt with in accordance with law, not in accordance with political convenience.

The older generation forfeited much of its self-respect by its unwillingness to face the Vietnam issue squarely; the student generation forfeited much of its self-respect by using illegal and immoral means to advance its objectives. Let us together regain our self-respect by facing Watergate squarely within the context of law. Let us firmly resolve that anyone who occupies the office of President shall meet the highest expectations of that office, that he shall meet the demanding standards proposed by John Adams, who on his first night in the White House wrote his wife, Abigail: "I pray Heaven to bestow the best blessings on this house and all that shall hereafter inhabit it. May none but honest and wise men ever rule under this roof."

If we parents insist on the fulfillment of the rule of law and on the fullest realization of those ideals and purposes for which this nation was founded, we shall find our children by our side. The generation gap shall be closed, and a new period of high purpose and opportunity shall open before this nation.

A TRIBUTE TO JULIA BUTLER HANSEN FROM NANCY HANKS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, yesterday, during debate on H.R. 16027, the Interior and Related Agencies Appropriations, fiscal 1975, bill, among the persons seated in the House gallery was the distinguished and able chairman of the National Endowment for the Arts, Miss Nancy Hanks.

Mr. Speaker, I take great pleasure in including at this point in the Record the text of a letter I have just received from Miss Hanks in which she pays tribute to the outstanding contributions to the support of the arts and humanities of our beloved colleague, the gentlewoman from Washington (Mrs. Hansen).

Miss Hanks' letter follows:

National Endowment for the Arts,
Washington, D.C., July 25, 1974.

Hon. John Brademas,
U.S. House of Representatives,
Washington, D.C.

Dear John: It was with mixed emotions that I had the great privilege of hearing, from a seat in the House gallery, the outpouring of tributes to Representative Julia Butler Hansen on Wednesday. As member after member of this distinguished body rose to praise a truly remarkable woman for her legislative skills, her contribution to the Congress and to the country, her personal charm and warmth as a wonderful human being, I was thrilled that I, too, have had the meaningful experience of knowing Julia Hansen and the privilege of calling her "friend."

My four and a half years as Chairman of the National Endowment for the Arts have been blessed and enriched by my personal and professional relationship with Mrs. Hansen. She has been a source of encouragement and help when I . . . and the arts in America . . . most needed it. Her realistic, as well as inspirational approach to the development and support of the arts in our country have helped make the joys of music, theatre, dance, painting, sculpture, film, crafts, poetry, a right for all citizens rather than a privilege for the few. Along with pure water, clean air, great forests and national parks, Julia Hansen has recognized the arts as part of our heritage and as a national resource to bring beauty to our lives. Although a very small part of a major budget, Mrs. Hansen has devoted the same conscientious, painstaking attention to the needs of our nation's artists and cultural resources as she has those agencies and projects that make up the major part of her responsibilities as Chairman of the Subcommittee.

Always available for counsel and guidance, always sympathetic to the needs of this very small agency, always interested in our goals and our problems, she has indeed been an integral part of the cultural growth and the burgeoning involvement in the arts which marks the United Staes as we approach our bicentennial. Her influence will be felt for generations to come.

Along with my joy and pride that I could share in the outpouring of affection and admiration expressed by Julia's Congressional colleagues is a feeling of regret that she is leaving Washington, D.C., for her beloved state of Washington.

We will all miss her very much but she will always be part of my life and that of the arts in America.

Sincerely,

Nancy Hanks,
Chairman.

COMPARISON OF HOUSE-PASSED PROVISIONS AND H.R. 69 CONFERENCE REPORT PROVISIONS RELATING TO BUSING AND DESEGREGATION ORDERS

(Mr. QUIE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. QUIE. Mr. Speaker, there were 23 sections in title II of the House-passed H.R. 69—known as the Esch amendment—plus the Ashbrook amendment, for a total of 24 sections relating to desegregation orders and busing to carry out such orders.

Of those 24 sections, the Senate amendment retained 17 intact—dropping four and amending three. Those provisions remaining intact included the very heart of the bill—the direction to the courts on application of remedies in desegregation cases and the limitation on busing as an applicable remedy.

The four provisions dropped included section 218—Reopening Proceedings—although the Senate amendment contained a weaker version of that which is in the Conference bill, section 212—Attorney's Fees—and sections 219 and 220—Limitation on Orders—which relate to the termination of court orders once a unitary school system is achieved.

The three amended sections included one amendment each to the Policy and Purpose and Findings sections—202 and 203—commonly referred to as the "Scott-Mansfield amendment", and an amendment to the Ashbrook amendment, already in existing law, which permits a local school board to use Federal funds for transportation to carry out a desegregation plan if it voluntarily requests such use.

So only these seven House sections were before the conference. In addition, the Senate had added in a separate title 10 sections, much of which is in existing law—such as the Broomfield amendment staying orders through final appeal—and all of which—with the exception of a clause watering down the Ashbrook amendment—are consistent with the positions taken by the House. For example, one of these provisions says that no provision of the act shall be construed to require racial balancing; another says that rules of evidence in desegregation cases should be uniform throughout the Nation; another, and new provision, says that no court shall approve a desegregation plan involving the transportation of students unless it finds that all alternative remedies are inadequate; another new provision prohibits the initiation of forced busing in the midst of the school year.

So these were hardly at issue. The real issue narrowed to the seven sections of the House bill which were dropped or amended, none of which were at the heart of the proposed limitations on orders of courts and of Federal agencies relating to desegregation and busing.

Now it will be argued that the conferees' acceptance of the Scott-Mansfield language in one instance vitiates the limitations on court orders. The language states that:

> It is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems, except that the provisions of this title are not intended to modify or diminish the authority of the courts of the United States to enforce fully the fifth and fourteenth amendments to the Constitution of the United States to enforce fully the fifth and fourteenth amendments to the Constitution of the United States.

My question is: How in the world could an act of Congress even purport to diminish the authority of the courts to fully enforce constitutional rights? It would require an amendment to the Constitution to do that, presumably by limiting rights established under the Constitution.

Title II of this act does not attempt to do this; it reaffirms rights established under the 5th and 14th amendments to the Constitution, while legislating with respect to the remedies which may be applied to secure those rights. If we have gone so far as to deny an effective remedy for the denial of a constitutional right, then undoubtedly the courts will declare that action unconstitutional—but it would not be because of the presence or absence of the Scott-Mansfield language.

It will be further argued, however, that this language somehow confirms remedies approved by the courts, as opposed to the rights those remedies sought to assure. To assert that is to completely confuse remedies and rights. The constitutional right in this case is for children to attend public schools which are not racially segregated by law or by a governmental act having the force of law. This bill emphatically reasserts that right, as do those of us who support it. Numerous remedies have been devised and approved by trial courts to correct denials of that right in widely varying circumstances. The remedies, accordingly, widely vary—as has been recognized by the U.S. Supreme Court. There are also pronounced variations in remedies applied by trial courts and sustained on appeal in quite similar factual circumstances. What this bill seeks to do is to bring about a far greater degree of uniformity in the application of remedies—particularly as they relate to busing. The Scott-Mansfield language in no way asserts that a particular remedy has been elevated by the courts to the level of a constitutional right which would then be fully enforced.

Indeed, one could take the view that to argue that the Scott-Mansfield language modifies the explicit requirements of the bill with respect to the application of remedies comes perilously close to arguing that the Congress has no power to legislate with respect to remedies for denials of constitutional rights because such legislation diminishes "the authority of the courts of the United States to enforce fully . . . the Constitution of the United States." While recognizing that the Congress could go so far in such legislation as to have that effect, I for one would not take that view as a general proposition. I believe that the Congress can legislate with respect to remedies so long as it does not deny a court the power to shape an effective remedy for the denial of a constitutional right.

There will be argument over the remaining changes from the House bill. The reopener provision adopted is not as strong, as I have indicated, as the House provision because it does not relate directly to conforming old orders to the new law. However, courts may reopen such cases upon the motion of a proper party in the absence of an explicit provision. The same is true with respect to the award of attorneys' fees to the prevailing party, although admittedly courts would seldom do so except for express statutory authority. Of the two sections dealing with limitations on orders in cases where a school system has met constitutional requirements, section 219 dealing explictly with transportation seemed more important to us than the more general section 220. Admittedly, that section is weakened by making it permissive rather than mandatory, but it still constitutes a clear congressional direction to the courts.

The Ashbrook amendment, which we have passed several times only to have it watered down by Senate action, emerges in stronger form than in existing law or in the Senate amendment to this bill. It would bar the use of many Federal funds for transportation to carry out a desegregation plan, with the single exception of those portions of impact aid funds—Public Law 874, 81st Congress—as are available for general educational purposes and are commingled with and treated as local school revenues.

So I would argue that the House conferees while trying to do even better did quite well with the limited number of issues involved in this portion of the bill. In any event, the important thing to recognize is that—aside from the vast educational benefit of this bill—this bill goes farther than the Congress has ever gone in attempting to guide and restrain the courts and Federal agencies in the use of busing as a remedy in desegregation cases. If this conference report is lost, that action to restrain the courts is lost with it.

There follows a side-by-side comparison of the provision of the House-passed bill and of the conference committee bill which relate to desegregation and busing.

HOUSE BILL	CONFERENCE REPORT BILL
TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES	TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS SHORT TITLE
SEC. 201. This title may be cited as the "Equal Educational Opportunities Act of 1974".	SEC. 201. This title may be cited as the "Equal Educational Opportunities Act of 1974".
PART A—POLICY AND PURPOSE	PART A—EQUAL EDUCATIONAL OPPORTUNITIES SUBPART 1—POLICY AND PURPOSE DECLARATION OF POLICY
SEC. 202. (a) The Congress declares it to be the policy of the United States that— (1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and (2) the neighborhood is the appropriate basis for determining public school assignments. (b) In order to carry out this policy, it is the purpose of this Act to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.	SEC. 202. (a) The Congress declares it to be the policy of the United States that— (1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and (2) the neighborhood is the appropriate basis for determining public school assignments. (b) In order to carry out this policy, it is the purpose of this Act to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.
	FINDINGS
SEC. 203. (a) The Congress finds that— (1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment; (2) for the purpose of abolishing dual school systems and eliminating the vestiges thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students; (3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amounts of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;	SEC. 203. (a) The Congress finds that— (1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment; (2) for the purpose of abolishing dual schools solely on the basis of race, color, sex, thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students; (3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amounts of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;
(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;	(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;

House Bill—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES—Continued

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect," and have not established a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems.

Part B—Unlawful Practices

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY PROHIBITED

Sec. 204. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with part D of this title, to remove the vestiges of a dual school system;

(c) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below;

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instructional programs.

BALANCE NOT REQUIRED

Sec. 205. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT ON NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

Sec. 206. Subject to the other provisions of this title, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its side for the purpose of segregating students on such basis.

Part C—Enforcement

CIVIL ACTIONS

Sec. 207. An individual denied an equal educational opportunity, as defined by this title, may institute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this title referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

Sec. 208. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population

Conference Report Bill—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS—Continued

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect", and have not established a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems, except that the provisions of this title are not intended to modify or diminish the authority of the court of the United States to enforce fully the fifth and fourteenth amendments to the Constitution of the United States.

Subpart 2—Unlawful Practices

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY PROHIBITED

Sec. 204. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with subpart 4 of this title, to remove the vestiges of a dual school system;

(c) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below:

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instruction programs.

BALANCE NOT REQUIRED

Sec. 205. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT ON NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

Sec. 206. Subject to the other provisions of this part, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its site for the purpose of segregating students on such basis.

Subpart 3—Enforcement

CIVIL ACTIONS

Sec. 207. An individual denied an equal educational opportunity, as defined by this title, may constitute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this title referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

EFFECT OF CERTAIN POPULATION CHANGES ON CIVIL ACTIONS

Sec. 208. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population

House Bill—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES—Continued

occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION OF DISTRICT COURTS

SEC. 209. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 207.

INTERVENTION BY ATTORNEY GENERAL

SEC. 210. Whenever a civil action is instituted under section 207 by an individual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 211. The Attorney General shall not institute a civil action under section 207 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of part B of this title; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate remedial action.

ATTORNEYS' FEES

SEC. 212. In any civil action instituted under this Act, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorneys' fee as part of the costs, and the United States shall be liable for costs to the same extent as a private person.

PART D—REMEDIES

FORMULATING REMEDIES; APPLICABILITY

SEC. 213. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

SEC. 214. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 215;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 215 and 216 of this title.

TRANSPORTATION OF STUDENTS

SEC. 215. (a) No court, department, or agency of the United States shall, pursuant to section 214, order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the edudcational process with respect to such student.

Conference Report Bill—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS—Continued

occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION OF DISTRICT COURTS

SEC. 209. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 207.

INTERVENTION BY ATTORNEY GENERAL

SEC. 210. Whenever a civil action is instituted under section 207 by an indivdual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 211. The Attorney General shall not institute a civil action under section 207 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of subpart 2 of this part; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate action.

SUBPART 4—REMEDIES

FORMULATING REMEDIES; APPLICABILITY

SEC. 213. In formulating a remedy for a denial of educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

PRIORITY OF REMEDIES

SEC. 214. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 215;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of section 215 and 216 of this part.

TRANSPORTATION OF STUDENTS

SEC. 215. (a) No court, department, or agency of the United States shall, pursuant to section 214, order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

HOUSE BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES—Continued

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by any court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 216. In the formulation of remedies under section 213 or 214 of this title, the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 217. Nothing in this title prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this title, nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this title, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEEDINGS

SEC. 218. On the application of an educational agency, court orders, or desegregation plans under title VI of the Civil Rights Act of 1964 in effect on the date of enactment of this title and intended to end segregation of students on the basis of race, color, or national origin, shall be reopened and modified to comply with the provisions of this title. The Attorney General shall assist such educational agency in such reopening proceedings and modifications.

LIMITATION ON ORDERS

SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws shall, to the extent of such transportation, be terminated if the court finds the defendant educational agency is not effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto. No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found to be effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto.

SEC. 220. Any court order requiring the desegregation of a school system shall be terminated, if the court finds the schools of the defendant educational agency are a unitary school system, one within which no person is to be effectively excluded from any school because of race, color, or national origin, and this shall be so, whether or not such school system was in the past segregated de jure or de facto. No additional order shall be entered against such agency for such purpose unless the schools of such agency are no longer a unitary school system.

PART E—DEFINITIONS

SEC. 221. For the purposes of this title—

(a) The term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801(k) of the Elementary and Secondary Education Act of 1965.

(b) The term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

(c) The term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin.

(d) The term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Acts of 1964.

(e) An educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

CONFERENCE REPORT BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS—Continued

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by any court, department, or agency of the United States to formulate, or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 216. In the formulation of remedies under section 213 or 214 of this title the lines drawn by a State subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 217. Nothing in this title prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this part, nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this part, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEEDINGS

SEC. 218. A parent or guardian of a child, or parents or guardians of children similarly situated, transported to a public school in accordance with a court order, or an educational agency subject to a court order or a desegregation plan under title VI of the Civil Rights Act of 1964 in effect on the date of enactment of this part and intended to end segregation of students on the basis of race, color, or national origin, may seek to reopen or intervene in the further implementation of such court order, currently in effect, if the time or distance of travel is so great as to risk the health of the student or significantly impinge on his or her educational process.

LIMITATION ON ORDERS

SEC. 219. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws made to the extent of such transportation, be terminated if the court finds the defendant educational agency has satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable and will continue to be in compliance with the requirements thereof. The court of initial jurisdiction shall state in its order the basis for any decision to terminate an order pursuant to this section, and the termination of any order pursuant to this section shall be stayed pending a final appeal or, in the event no appeal is taken, until the time for any such appeal has expired.

No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found not to have satisfied the requirements of the fifth or fourteenth amendments to the Constitution, whichever is applicable.

SUBPART 5—DEFINITIONS

SEC. 221. For the purposes of this part—

(a) the term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801(k) of the Elementary and Secondary Education Act of 1965;

(b) the term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965;

(c) the term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin;

(d) the term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Act of 1964; and

(e) an educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

HOUSE BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES—Continued

PART F.—MISCELLANEOUS PROVISIONS

SEC. 222. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 223. If any provision of this title or of any amendment made by this title, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this title and of the amendments made by this title and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 909. Part B of the General Education Provisions Act is amended by adding at the end thereof a new section as follows:

"PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

"SEC. 417. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purpose of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system."

CONFERENCE REPORT BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS—Continued

SUBPART 6.—MISCELLANEOUS PROVISIONS

REPEALER

SEC. 222. Section 709(a)(3) of the Emergency School Aid Act is hereby amended.

SEPARABILITY OF PROVISIONS

SEC. 223. If any provision of this part or of any amendment made by this part, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this title and of the amendments made by this part and the application of such provision to other persons or circumstances shall not be affected thereby.

PART B.—OTHER PROVISIONS RELATING TO THE ASSIGNMENT AND TRANSPORTATION OF STUDENTS

PROHIBITION AGAINST ASSIGNMENT OR TRANSPORTATION OF STUDENTS TO OVERCOME RACIAL IMBALANCE

SEC. 251. No provision of this Act shall be construed to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

SEC. 252. Part B of the General Education Provisions Act, as amended by title IV of this Act, is amended by adding at the end thereof the following new section:

"PROHIBITION AGAINST USE OF APPROPRIATED FUNDS FOR BUSING

"SEC. 420. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system, except for funds appropriated pursuant to title I of the Act of September 30, 1950 (P.L. 874, 81st Congress), but not including any portion of such funds as are attributable to children counted under subparagraph (C) of section 3(d)(2) or section 403(1)(C) of that Act."

PROVISION RELATING TO COURT APPEALS

SEC. 253. Notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. This section shall expire at midnight on June 30, 1978.

PROVISION REQUIRING THAT RULES OF EVIDENCE BE UNIFORM

SEC. 254. The rules of evidence required to prove that State or local authorities are practicing racial discrimination in assigning students to public schools shall be uniform throughout the United States.

APPLICATION OF PROVISO OF SECTION 407(A) OF THE CIVIL RIGHTS ACT OF 1964 TO THE ENTIRE UNITED STATES

SEC. 255. The proviso of section 407(a) of the Civil Rights Act of 1964 providing in substance that no court or official of the United States shall be empowered to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards shall apply to all public school pupils and to every public school system, public school and public school board, as defined by title IV, under all circumstances and conditions and at all times in every State, district, territory, Commonwealth, or possession of the United States, regardless of whether the residence of such public school pupils or the principal offices of such public school system, public school or public school board is situated in the northern, eastern, western, or southern part of the United States.

ADDITIONAL PRIORITY OF REMEDIES

SEC. 256. Notwithstanding any other provision of law after June 30, 1974, no court of the United States shall order the implementation of any plan to remedy a finding of de jure segregation which involves the transportation of students, unless the court first finds that all alternative remedies are inadequate.

HOUSE BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES—Continued

CONFERENCE REPORT BILL—Continued

TITLE II—EQUAL EDUCATIONAL OPPORTUNITIES AND THE TRANSPORTATION OF STUDENTS—Continued

REMEDIES WITH RESPECT TO SCHOOL DISTRICT LINES

SEC. 257. In the formulation of remedies under this title the lines drawn by a State subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn, or maintained or crossed for the purpose, and had the effect of segregating children among public schools on the basis of race, color, sex, or national origin, or where it is established that, as a result of discriminatory actions within the school districts, the lines have had the effect of segregating children among public schools on the basis of race, color, sex, or national origin.

PROHIBITION OF FORCED BUSING DURING SCHOOL YEAR

SEC. 258. (a) The Congress finds that—

(1) the forced transportation of elementary and secondary school students in implementation of the constitutional requirement for the desegregation of such schools is controversial and difficult under the best planning and administration; and

(2) the forced transportation of elementary and secondary school students after the commencement of an academic school year is educationally unsound and administratively inefficient.

(b) Notwithstanding any other provisions of law, no order of a court, department, or agency of the United States, requiring the transportation of any student incident to the transfer of that student from one elementary or secondary school to another such school in a local educational agency pursuant to a plan requiring such transportation for the racial desegregation of any school in that agency, shall be effective until the beginning of an academic school year.

(c) For the purpose of this section, the term "academic school year" means, pursuant to regulations promulgated by the Commissioner of Education, the customary beginning of classes for the school year at an elementary or secondary school of a local educational agency for a school year that occurs not more often than once in any twelve-month period.

(d) The provisions of this section apply to any order which was not implemented at the beginning of the 1974–1975 academic year.

REASONABLE TIME FOR DEVELOPING VOLUNTARY PLAN FOR DESEGREGATING SCHOOLS

SEC. 259. Notwithstanding any other law or provision of law, no court or officer of the United States shall enter, as a remedy for a denial of equal educational opportunity or a denial of equal protection of the laws, any order for enforcement of a plan of desegregation or modification of a court-approved plan, until such time as the local educational agency to be affected by such order has been provided notice of the details of the violation and given a reasonable opportunity to develop a voluntary remedial plan. Such time shall permit the local educational agency sufficient opportunity for community participation in the development of a remedial plan.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RONCALLO of New York) to revise and extend their remarks and include extraneous matter:)

Mr. CRANE, for 5 minutes, today.

Mr. YOUNG of Florida, for 5 minutes, today.

Mr. BIESTER, for 5 minutes, today.

Mr. FRENZEL, for 15 minutes, today.

Mr. BURKE of Florida, for 10 minutes, today.

Mr. HOGAN, for 15 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous matter:

Mr. MURPHY of Illinois, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. TIERNAN, for 10 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. HECHLER of West Virginia, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BRADEMAS and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,459.50.

Mr. PEPPER, to extend his remarks in the Committee of the Whole today on H.R. 11500, immediately preceding the adoption of the Pepper amendment.

Mr. HECHLER of West Virginia, to revise and extend his remarks made during general debate in the Committee of the Whole today on H.R. 11500, and to make one deletion.

Mr. QUIE, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,181.50.

(The following Members (at the request of Mr. RONCALLO of New York) and to include extraneous matter:)

Mr. HANRAHAN in two instances.

Mr. RONCALLO of New York.

Mr. SYMMS.

Mr. PARRIS.

Mr. BIESTER.

Mr. HUBER.

Mr. SMITH of New York.

Mr. ASHBROOK in four instances.

Mr. DERWINSKI in two instances.

Mr. CARTER in three instances.

Mr. COUGHLIN.

Mr. HOSMER in three instances.

Mr. SHRIVER.

Mr. ROUSSELOT in two instances.

Mr. WYMAN in two instances.

Mr. VANDER JAGT.

Mr. PRITCHARD.

Mr. YOUNG of South Carolina.

Mr. ROBISON of New York.

Mr. FRENZEL in two instances.

Mr. ZWACH.

Mr. ARMSTRONG.

Mr. WALSH.

Mr. HOGAN in five instances.

Mr. SPENCE.

Mr. BRAY in three instances.

Mr. RINALDO in three instances.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. STEED.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDERSON of California in two instances.

Mr. McCormack in four instances.
Mr. Harrington in three instances.
Mr. Addabbo.
Mr. Charles H. Wilson of California.
Mr. Tiernan in two instances.
Mr. Rose.
Mr. Rooney of New York.
Mr. Matsunaga.
Mr. Badillo in two instances.
Mr. Rostenkowski.
Mr. Helstoski in 10 instances.
Ms. Schroeder in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1566. An act to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof; to the Committee on Education and Labor.

S. 2125. An act to amend the act of June 9, 1906, entitled "An act granting land to the city of Albuquerque for public purposes" (34 Stat. 227), as amended; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until Monday, July 29, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2586. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank to Yugoslavia, Romania, the U.S.S.R., and Poland during May 1974; to the Committee on Foreign Affairs.

2587. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a draft of proposed legislation to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council; to the Committee on Banking and Currency.

2588. A letter from the Chairman, Federal Trade Commission, transmitting a statistical supplement to the Commission's report on cigarette labeling and advertising; to the Committee on Interstate and Foreign Commerce.

2589. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of March 1974, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2590. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting a report for the month of May 1974, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2591. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting a report for the month of June 1974, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2592. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for the 6-month period ended June 30, 1974, pursuant to section 203(f) of the act (8 USC 1153(f)); to the Committee on the Judiciary.

2593. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the annual report for calendar year 1973 on the administration of the Federal Water Pollution Control Act (Public Law 92-500), pursuant to section 516(a) of the act; to the Committee on Public Works.

Received From the Comptroller General

2594. A letter from the Comptroller General of the United States, transmitting a report on the need to modernize the Mining Law of 1872; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STRATTON: Committee on Armed Services. H.R. 15936. A bill to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency; with amendment (Rept. No. 93–122). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 13267. A bill to authorize Federal agricultural assistance to Guam for certain purposes; with amendment (Rept. No. 93–1222). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 14897. A bill to amend the Youth Conservation Corps Act of 1972 (Public Law 92–597, 86 Stat. 1319) to expand and make permanent the Youth Conservation Corps, and for other purposes (Rept. No. 93–1223). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. H.R. 16006. A bill to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness (Rept. No. 93–1224). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee of conference. Conference report on H.R. 15074 (Rept. No. 93–1225). Ordered to be printed.

Mr. POAGE: Committee of conference. Conference report on S. 2296 (Rept. 93–1226). Ordered to be printed.

Mr. WHITTEN: Committee of conference. Conferencereport on H.R. 15472 (Rept. No. 93–1227). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina (for himself, Mr. Matsunaga, Mr. Ginn, Mr. Biester, Mr. Rogers, Mr. Dickinson, Mr. Esch, Mr. Addabbo, Mr. Hamilton, Mr. Podell, Mr. Bevill, Mr. Bell, Mr. Satterfield, Mr. Badillo, Mr. Gubser, Mr. Peyser, Mr. Landgrebe, Mr. Biaggi, Mr. O'Brien, Mr. Murphy of New York, Mr. McCloskey, Mr. Wylie, Mr. Shoup, Mr. Perkins, and Mr. Hays):

By Mr. ASPIN:

H.R. 16115. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

H.R. 16116. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. BAKER (for himself, Mr. Obey, Mr. Beard, Mr. Coughlin, Mr. Ford, Mr. Hinshaw, Mr. Roe, Mr. Rostenkowski, Mr. Roush, Mr. Steelman, Mr. Talcott, and Mr. Traxler):

H.R. 16117. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DINGELL:

H.R. 16118. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. DULSKI (by request):

H.R. 16119. A bill to amend title 5, United States Code, to establish and govern the Executive Personnel System, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FREY:

H.R. 16120. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 16121. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the tax imposed on interest on savings; to the Committee on Ways and Means.

By Mr. MURPHY of Illinois (for himself, Mr. Rogers, Mr. Carter, Mr. Annunzio, Mrs. Collins of Illinois, Mr. Hanrahan, Mr. Madigan, Mr. Metcalfe, Mr. Kluczynski, Mr. Rostenkowski, Mr. Yates, Mr. Roy, Mr. Waldie, and Mr. Anderson of California):

H.R. 16122. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEGLE (for himself, Mr. Brademas, Mr. Fascell, Mr. Gunter, Mr. Hungate, Mr. Jones of Oklahoma, Mr. Owens, Mr. Pepper, Mr. Ruppe, Mr. Ryan, Mr. Shipley, Mr. Steelman, Mr. Stokes, and Mr. Whalen):

H.R. 16123. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Government Operations.

By Mr. ROUSH (for himself and Mr. McClory):

H.R. 16124. A bill to amend the act establishing the Indiana Dune National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEELMAN (for himself, Ms. Heckler of Massachusetts, Mr. Horton, and Mr. Mosher):

H.R. 16125. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. THONE:

H.R. 16126. A bill to authorize the Secretary of the Department of Agriculture to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops; to the Committee on Agriculture.

By Mr. WALSH:

H.R. 16127. A bill to provide for the issuance of a special postage stamp in commemoration of the life and work of Harriet Tubman; to the Committee on Post Office and Civil Service.

By Mr. WYLIE:

H.R. 16128. A bill to amend the Federal Election Campaign Act of 1971 to provide for an independent Federal Elections Commission, and for other purposes; to the Committee on House Administration.

By Ms. ABZUG:

H.R. 16129. A bill to amend chapter 3 of title 3, United States Code, to provide for the protection of foreign diplomatic missions; to the Committee on Public Works.

By Mr. ARMSTRONG:

H.R. 16130. A bill to amend section 1401a (e) of title 10, United States Code, to preclude a military member from receiving less retired pay by continued active service; to the Committee on Armed Services.

H.R. 16131. A bill to amend the Fair Labor Standards Act of 1938 to revise the application of the overtime compensation provisions of that act to public employees engaged in public utility functions or other functions operated on a continuous basis; to the Committee on Education and Labor.

By Mr. BARRETT:

H.R. 16132. A bill to amend the Federal Reserve Act, the Federal Deposit Insurance Act, and the Federal Home Loan Bank Act to provide for the regulation of the issuance and sale of debt obligations by affiliates of member banks, nonmember insured banks (including insured mutual savings banks), and savings and loan associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. COCHRAN:

H.R. 16133. A bill to amend title 23, section 323, of the United States Code to make certain changes in the procedures for donating highway rights-of-way; to the Committee on Public Works.

By Mr. KYROS (for himself and Mr. Boland):

H.R. 16134. A bill to amend the Wool Products Labeling Act of 1939 with respect to reprocessed wool; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 16135. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973, and to provide for daylight saving time for 8 months during each calendar year; to the Committee on Interstate and Foreign Commerce.

By Mr. PIKE (for himself and Mr. King):

H.R. 16136. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. ROY (for himself and Mr. Mills):

H.R. 16137. A bill to provide for a mandatory balanced budget, automatic tax bracket adjustments reflecting increases in the Consumer Price Index, and, after the budget is balanced, increases in personal exemptions and the low income allowance; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Mr. Frenzel, Mr. Mann, and Mr. Van Deerlin):

H.R. 16138. A bill to amend title 39, United States Code, to provide additional standards to regulate the proper use of the penalty mail privilege on an official basis by Government departments, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 16139. A bill to amend certain provisitions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TIERNAN:

H.R. 16140. A bill to establish a fuel stamp program which will provide fuel stamps to certain low-income elderly households to help meet fuel costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.J. Res. 1098. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HELSTOSKI (for himself, Ms. Abzug, Mr. Brasco, Mr. Brown of California, Mr. Cronin, Mr. Drinan, Mr. Eilberg, Mrs. Grasso, Mr. Koch, Mr. Rosenthal, and Mr. Sisk):

H.J. Res. 1099. Joint resolution to designate April 24 of each year as National Day of Remembrance of Man's Inhumanity to Man; to the Committee on the Judiciary.

By Mr. BIESTER (for himself, Mr. Bingham, Mr. Rhodes, Mr. Hillis, Mr. Regula, Mr. Wydler, Mr. Luken, Mr. McDade, Mr. McKinney, Mr. Madden, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Murphy of Illinois, Mr. Murtha, Mr. Nix, Mr. Patten, Mr. Pepper, and Mr. Perkins):

H. Res. 1261. Resolution to establish a John W. McCormack senior intern program; to the Committee on House Administration.

By Mr. BIESTER (for himself, Mr. Bingham, Mr. Pickle, Mr. Preyer, Mr. Pritchard, Mr. Rangel, Mr. Riegle, Mr. Rodino, Mr. Roy, Mr. Sarasin, Mr. Sarbanes, Mrs. Schroeder, Mr. Seiberling, Mr. Steelman, and Mr. Stokes):

H. Res. 1262. Resolution to establish a John W. McCormack senior intern program; to the Committee on House Administration.

By Mr. BIESTER (for himself, Mr. Bingham, Mr. Stubblefield, Mr. Thone, Mr. Vanik, Mr. Waldie, Mr. Waggonner, Mr. Whitehurst, Mr. Wolff, Mr. Won Pat, Mr. Young of Illinois, Mr. Dellenback, Mr. Drinan, and Mr. Harrington):

H. Res. 1263. Resolution to establish a John W. McCormack senior intern program; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Biester, Mr. Albert, Mr. O'Neill, Mr. Podell, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bergland, Mrs. Boggs, Mr. Brinkley, Mr. Buchanan, Mrs. Burke of California, Mr. Burke of Massachusetts, Mr. Carey of New York, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conte, Mr. Corman, Mr. Coughlin, Mr. Danielson, Mr. Dominick V. Daniels, Mr. Davis of South Carolina, Mr. Denholm, and Mr. Dent):

H. Res. 1264. Resolution to establish a John W. McCormack senior citizen intern program; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Biester, Mr. Derwinski, Mr. Diggs, Mr. Eilberg, Mr. Evins of Tennessee, Mr. Flood, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Fulton, Mrs. Grasso, Mr. Gunter, Mr. Hanrahan, Mr. Hansen of Idaho, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Heinz, Mr. Helstoski, Mrs. Holt, Ms. Holtzman, Mr. Horton, Mr. Johnson of Pennsylvania, Ms. Jordan, and Mr. Ketchum):

H. Res. 1265. Resolution to establish a John W. McCormack senior citizen intern program; to the Committee on House Administration.

By Mr. LITTON (for himself, Mr. Brown of California, Mr. Gunter, Mr. Luken, Mr. Mitchell of Maryland, Mr. Traxler, Mr. St Germain, and Mr. Udall):

H. Res. 1266. Resolution requesting the President to turn over evidentiary information to the House Judiciary Committee and the Special Prosecutor; to the Committee on the Judiciary.

By Mr. McKINNEY:

H. Res. 1267. Resolution to amend the Rules of the House of Representatives to allow broadcasting of public sessions of the House and the Committee of the Whole House; to the Committee on Rules.

By Mr. PEPPER (for himself, Mr. Bennett, Mr. Mills, Mr. Ashley, Mr. Bingham, Mrs. Boggs, Mr. Johnson of California, Mr. Roush, Mr. Koch, Mr. Mitchell of Maryland, Mr. Reid, Mr. Melcher, Mr. Hamilton, Mrs. Grasso, Mr. Cotter, Mr. Murphy of Illinois, and Mr. Carney of Ohio):

H. Res. 1268. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. PODELL:

H. Res. 1269. Resolution expressing the sense of the House of Representatives with respect to the responsibility of the Government of Lebanon for Arab Terrorists whose bases are located within Lebanon; to the Committee on Foreign Affairs.

By Mr. YATES (for himself, Mr. Price of Illinois, Mr. Annunzio, Mr. Burke of Massachusetts, and Mr. Vanik):

H. Res. 1270. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. YATES (for himself, Mr. Heinz, and Mr. Anderson of Illinois):

H. Res. 1271. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. GUBSER introduced a bill (H.R. 16141) for the relief of Firman B. Voorhies, which was referred to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

AN ADDRESS BEFORE THE AMERICAN LEGION OF NEW HAMPSHIRE

HON. NORRIS COTTON

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, July 25, 1974

Mr. COTTON. Mr. President, at the annual statewide meeting of the American Legion of New Hampshire, the Honorable Meldrim Thomson, Jr., Governor of the State, delivered a forthright speech which I request to be printed in the Extensions of Remarks of the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address to the Annual Statewide Meeting of the American Legion in New Hampshire

(By Gov. Meldrim Thomson, Jr.)

My heart swells with pride when I meet a veteran.

I find in every veteran an unconquerable force for good—one who loves God, believes in his country, and labors for the welfare of his fellow citizens; one who has bound these great virtues together with the inseparable cement of personal sacrifice in the face of national danger.

When I meet a veteran I know that he, like me, is alarmed by the darkening clouds of doubt, change, and surrender that gather today on the horizons of our nation.

I am tired of seeing God driven from our schools and public places by politicians who, like the Pharisees of old, sanctimoniously importune His aid for their selfish ends while denying His presence to the youth of the land.

I am tired of indecency and immorality that encourages perversion on tax supported institutions, filth in the written word, and laughs at promiscuity that destroys the home.

I am tired of seeing our flag, the emblem of all of our Nation's glory, sat upon, spat upon, and defiled by tiny minorities who claim their rights in the name of a free speech which they would be the first to deny to others.

I am tired of murderers, drunks, and druggies of all kinds turning our prisons into social holding areas, wrecking carnage on our highways, and being returned to the public domain before their rehabilitation.

But most of all, I am sick and tired of those judges who by their distorted sense of social reform and downright stupid decisions have tried to glorify indecency, perpetuate immorality and destroy law enforcement throughout the land.

Whatever might be their motive these thoughtless men of robes constitute the greatest internal danger to our American civilization!

I am tired, also, of politicians who believe that the only answers to our energy shortages are certification, regulation and allocation.

I am tired of rising taxes and declining public services.

I am tired of high interest rates, wild inflation and market baskets that become harder to fill with every passing week.

I am tired of seeing one great American industry after another destroyed by unchecked foreign competition.

I am weary of sending wheat to Russia, rice to China, and a countless list of American products to the four corners of the world when each and all are vitally needed here at home.

I am deeply disturbed that America is no longer first in military might among the nations of the world, that our merchant marine is decadent, and that we will let foreign vessels poke to our very shorelines as they plunder and destroy our once great fishing industry.

And above all else, I am deeply concerned with a foreign policy that seeks dollar detente with old enemies while forsaking tried and true friends.

Veterans, you did not make the world safe for democracy with World War I.

You did not improve the lot of humanity after World War II by putting your trust in a United Nations organization rifled with intrigue and stacked with the sworn enemies of your homeland.

Nor did you gain a lasting peace after Korea and Vietnam.

If all of this must be held together with bribes and gifts from the American taxpayer!

Ours is a great nation. We must preserve and improve upon that greatness.

This we can do if we will rekindle in our own breasts that indomitable spirit of '76 whose bicentennial we are about to celebrate.

It is time that we think first of America.

Inflation we can lick if we speed up the engines of productivity in our free enterprise system.

But inflation we can never lick if we continue to tinker with the bureaucratic panaceas of shortages and governmental controls.

We can have energy in abundance if we will get about the business of building refineries and nuclear plants, drill and produce oil and gas, mine coal and explore the unsolved mysteries of fusion and solar energy.

We can construct new homes and great new factories, build the world's finest merchant marine, lace America together with improved highways and byways and bring back a stable and progressive prosperity if we will grasp with renewed vigor the tools of productivity.

Yes, and we can have an age of peace if we will make America the strongest nation in all the world, for it is only through strength that we will be able to deter aggression.

The America of free enterprise, of low taxes and high prosperity, of decency and morality, of equal justice for everyone—a land of shining cities and happy homes, of fertile valleys and purple mountains can be more than a dream.

The America we all want can be a reality in our times—but only if you and I will start fighting with all of our might to achieve it.

THE REVOLUTION IN WARFARE: THE COMPUTER IMPACT

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HUBER. Mr. Speaker, there are many reasons to question East-West trade relative to the question whether our Nation's best interests are served by such commerce. The most important of such questions, in my view, is the transfer of technology which will strengthen the Soviet economy, directly and indirectly and, of course, when you strengthen the Soviet economy you are also strengthening the Soviet military establishment. One field in which the Soviet Union has lagged behind has been in the production of and wide application of the latest computer technology. This lag has resulted in their being behind both in space and missiles to a certain extent. A recent article in Human Events of July 20, 1974, by Mr. Miles Costick, points out the further problems involved in this area and the great risks involved in any commerce in computers with the U.S.S.R. I commend this article to the attention of my colleagues:

[From Human Events, July 20, 1974]

The Revolution in Warfare: The Computer Impact

(By Miles M. Costick*)

At the outset, let me say that we are concerned lest the present détente euphoria mislead us into lowering our guard toward the Communist world. Consequently, we must recognize that a crucial element in our international relations is the maintenance of a margin of military advantage through possession of a number of sophisticated technologies.

The field of computers provides a prime example. A great many modern weapons systems depend on computers, and in the technology of their production and their application in combination with systems integration we are, by conservative estimate, about 15 years ahead of the Soviets. It is not that they cannot make computers. The fact is that they have a computer industry with substantial logic design capability and one to some extent able to supply the most critical military requirements.

What the Soviets lack is the ability to build large numbers of highly reliable sophisticated machines, to provide related equipment and follow-on support, and "naked" technology; i.e., technology as such and not that embodied in a machine.

In October 1973, Control Data Corp. announced its signing with the USSR Council of Ministers for Sciences and Technology of a 10-year agreement for technical "cooperation" in developing and manufacturing advanced computing equipment.

The Soviets said a key purpose of this agreement would be "econometric modeling and management of the Soviet economy." American sources in Moscow put the ultimate worth of the agreement at about $500 million.

Admittedly, the United States must redress its foreign trade imbalances of recent years. It is my contention, however, that such dubiously profitable ventures as this help the Soviets plan what could become our eventual destruction.

The unusual enthusiasm with which Moscow announced the signing of this computer contract was, in itself, quite revealing. It was in marked contrast to the bland, general announcement disseminated by Control Data.

Working through TASS, the official Soviet news agency, the Kremlin leaders volunteered the information that Control Data and Soviet tracking organizations had maintained "commercial ties . . . for over six years." The TASS announcement in English on Oct. 23, 1973, states that "the Control Data Corp. is the first American firm to have signed with the Soviet State Committee an agreement for scientific-technical cooperation for a period of 10 years.

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* Mr. Costick is Special Assistant to Rep. Ben Blackburn (R.-Ga.) on foreign affairs and trade. He holds degrees in mechanical engineering from the University of Graz, an MA in international economics from the University of Zurich and an MBA in finance and business from the University of Chicago.

"The agreement envisages joint work in designing most up-to-date computers, computer peripheral equipment (magnetic tapes), systems of information processes, and communication and also software (language and instructions to the computer what to do) for such systems."

Furthermore, the TASS announcement went on to reveal that . . . "talks are on the way on the sale of high-speed 'Cyber' electronic computers."

This raised eyebrows in some of Washington's more sensitive sanctums. U.S. officials, as well as some Control Data officials, were surprised that TASS announced any dialogue on the Cyber System. Cyber is an extremely sensitive topic. It is a very high-speed, large-volume, third- or fourth-generation scientific computer which processes 94 million bits of information per second, or even more.

Only eight to 10 such installations exist. Typical installations belong to the Atomic Energy Commission, U.S. Air Force, NASA, and National Security Agency.

Considerable confusion exists regarding the strategic importance of computers. Many analysts point out that numerous other technologies are revolutionizing warfare. For example: giros, lasers, nucleonics, metallurgy and propulsion.

Yet, in one way or another, *all* technologies, including the computer technologies, themselves, are dependent on computers. For example, our Illiac IV, which is the key facility of the large computer network run by the Advance Research Projects Agency (belongs to NASA), the world's most advanced computer, was built with the help of several other large computers.

In short, today's emerging technologies are as dependent on computers as the technologies of the first industrial and military revolution were related to energy. Furthermore, computers, lasers and nucleonics are inter-related.

Without computers, modern weapons systems could not be built, integrated, tested, deployed, kept combat-ready and operated. In fact, weapons such as missiles, aircraft, tanks and submarines incorporate computers, as part of their armament. Avionics are intrinsically computer-linked. So is missile accuracy. MIRVing missile heads is impossible without computers. Helicopters used against tanks are provided with computers and computer links to obtain the realtime information needed for effective battlefield inaction.

In brief, there are no modern weapons systems that are not vitally dependent upon high-speed computers. A number of strategic missions are centered on high-performance computers; e.g., early warning systems, command-control-communications (C-3), all command control problems, anti-ballistic missiles defense, anti-submarine warfare, space operations and several branches of intelligence.

Simply stated, computers are not just swift calculating machines. They are entire systems. They include memory stores and testing and correcting mechanisms that include, also, peripheral equipment such as display units, input and output links, communications and "software" (instructions for computer what to do); i.e., old and new installations.

The big operational structures such as missile force or the meteorological or hydrological service must have several large general-purpose computers and special computers feeding the general-purpose machines. They also require field computers aboard mobile units such as ships, airplanes, missiles and space vehicles.

For example, in the Apollo Program a fairly large computer is carried in the Saturn booster. One is housed in the command spacecraft; two are attached to the lunar module. The launch site has a large computer installation. The vast tracking system contains many smaller and several large computers. Mission control has still another large installation. The Earth Resource Technology (ERT) program would be useless without computers to handle and "enhance" the inputs from the diverse sensors aboard the satellite.

The actual dismantling of export controls began during 1972. The Officer of Export Control staff was reduced from 206 to 138. Also reduced was the list of commodities embargoed for strategic reasons for export to the Soviet Union and other Communist-ruled countries.

Since October 1972, the Commerce Department has removed export restrictions on all but 70 of the 550 items once on that embargo list. At the same time, the Commerce Department has created a new bureau under its jurisdiction—the Bureau for East-West Trade with a staff of 150 people.

The Bureau for East-West Trade has three offices abroad: in Vienna, with 50 employes, Warsaw and Moscow. The purpose of the Bureau for East-West Trade is to actively promote commercial relations with the Soviet Union, its satellites and Red China. In addition, the United States has surprised its allies by actively seeking exemptions to restrictions jointly set by the countries in its own defense network.

In August 1972, the Congress' response prodded by the White House ordered the embargo list to be reviewed. This was in connection with the passage of the "Equal Export Opportunity Act." Commerce officials alleged that the review brought the unilateral American controls into line with the less extensive controls of "COCOM," the Coordinating Committee; the latter consisted of Japan and all the NATO countries except Ireland.

A Paris-datelined New York Times report of July 14, 1973, said: "The U.S., which used to be the main force pressing Western Europeans to outlaw a number of items for export to Communist countries on strategic grounds, is now pushing for more exceptions to the ban list.

"The about-face in the American position came about last January 1, it was learned from U.S. officials dealing with East-West Trade in Vienna. Now, when the Coordinating Committee for the Western Allies Trade Embargo Committee meets, the American sources say, the U.S. is the major seeker for clearance of new types of products it can sell to the East.

"COCOM was intended to make sure that strategic goods did not leak through to the East as a result of competition among concerns in different Western countries. Two reviews of the forbidden list have been made recently. They reduced the number of banned items from many hundreds down to what was described as 'less than 50.' 'We no longer use the shot-gun approach,' S. Douglas Martin of the American East-West Trade Center in Vienna said recently. 'We don't ban whole categories of items. Our job here is not to enforce control.' "

Examples of commodities which have been removed from the embargo list include: vehicles for carrying liquefied gases; parts and accessories for certain kinds of helicopters; video tape recording equipment; some computers and semi-conductors, satellite communications equipment: industrial pumps; cathode ray tubes; some kinds of transistors; various kinds of quality control machinery; raw materials such as tungsten and titanium; navigation aids; and some explosives.

According to the Washington Post of Nov. 14, 1973, a highly placed U.S. official said: "If the U.S. goes too strong in delisting, the whole COCOM fabric could come apart!"

The present U.S. list is still lengthy. It contains a wide variety of chemicals (rocket boosters in which we hold a significant lead over the Soviet Union), metals, adhesives and electronics, equipment used mainly in chemical warfare agents, rocketry and military aircraft.

On paper, most computer technology is still restricted. But the U.S. has sold a variety of computers and computer hardware to a number of Communist nations. Decisions on which computers to let the Soviets buy seem to be marked by a latitude which detente buffs call judgment and which experts call "ad-hockery."

Wade B. Holland, editor of Rand Corporation's *Soviet Cybernetics Review* put it this way in *Science*, Vol. 183, Feb. 8, 1974:

"There are no rigid standards. Getting a license to export depends on how much weight you can throw or whether your timing is right, like if Nixon has just made a visit to Moscow."

In 1972 the Commerce and State Departments approved the export of 164 Centalign-B precision grinding machines. Just before the presidential election, Nicholas Leyds, general manager of the Bryant Chucking Grinder Co. of Springfield, Vt., announced a contract with the Soviets for 164 Centalign-B machines capable of finishing precision miniature ball bearings to tolerances of 25th-millionth of an inch. The U.S. reportedly never owned more than 77 of these machines.

Ball bearings are an integral part of many weapons systems; there is no substitute. The entire Soviet ball bearing production capability is of Western origin. All Soviet tanks and military vehicles run on bearings manufactured on Western equipment or on copies of Western equipment.

All Soviet missiles and related systems, including guidance systems, have bearings manufactured on Western equipment or on Soviet duplicates of this equipment. Bryant Chucking Grinder Co. has been a major supplier of ball bearings processing equipment to the Soviet Union.

"Upon purchase, in 1972, of 164 Bryant precision grinding machines, Anatoliy I. Kostousov, minister of the Machine Tool Industry in the Soviet Union, said they had waited 12 years for these machines, which included mostly the banned models: "We are using more and more instruments of all kinds and our needs for bearings for these instruments is very great. In all, we need to manufacture five times more bearings than 12 years ago."

That makes sense—the Soviets have five times more missiles than they did 12 years ago. (*National Suicide*, Antony C. Sutton, Arlington House, 1973, pp. 100.)

My inquiry with a Defense Department source regarding the Bryant equipment and precision miniature ball bearings resulted in the following reply: "They are the key to our highly accurate, miniaturized ICBM guidance systems and the MIRVing of our warheads."

Recent reports about agreements signed by General Dynamics Corp. with the Soviet State Committee for Science and Technology are also disturbing. The five-year agreement for scientific and technological cooperation covers such defense-related fields as ships and ship building, telecommunications equipment, asbestos mining and processing, commercial and special purpose aircraft, computer-operated microfilm equipment and navigation and water buoys.

Similarly upsetting: the Fairchild Corp. deal with Communist Poland for sale of U.S. integrated circuit technology used extensively in modern weapons systems and in third-generation computers.

The February 1974 issue of *Armed Forces Journal International* reports that the Soviets are asking major U.S. aerospace firms (Boeing, Lockheed and McDonnell-Douglas) to sell them, on a major scale, the manufacturing technology and managerial expertise to build wide-bodied commercial jet liners. This is but one of a series of recent deals that bring to a head the issue: How far should the United States go in cultivating new "trade" relations with the Soviet Union?

Where do we draw the line between commercial technology and military or strategic technology in our exports to the Soviet Union?

Firms now being asked to supply Moscow with a full range of technical know-how to build jumbo jets are the same firms building most of our military aircraft. It would be challenging, to say the least, for these firms to develop a major aviation complex for the USSR without some compromise of our own security.

Jumbo jets are the primary aviation in which U.S. industry holds unchallenged domination in world markets. It makes no sense to ship our technology to our self-declared adversary, thereby giving him the ability to disrupt markets, wage economic warfare and inflict damage upon the United States' economic welfare. The word for this is "suicide."

CAB PROVIDES DATA ON 30 LARGEST STOCKHOLDERS

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, July 25, 1974

Mr. METCALF. Mr. President, during recent months the independent regulatory commissions have been reviewing and revising their foreclosures for collection, tabulation, and publication of data concerning corporate ownership and control. One of the commissions that is doing the most in this regard is the Civil Aeronautics Board.

CAB Chairman Timm has just provided me with the Board's special report entitled, "Thirty Largest Stockholders of U.S. Certificated Air Carriers and Summary of Stock Holdings of Financial Institutions."

It includes, in addition to the introduction, summary of findings, and technical notes, the following appendixes:

Appendix A—Air carrier Stock Held by Financial Institutions Included in Listings of Top 30 Stockholders.

Appendix B—Financial Institutions Which Held the Most Shares of Stock in the U.S. Certificated Air Carriers.

Appendix C—Financial Institutions Included Among 30 Largest Stockholders of U.S. Certificated Air Carriers.

Appendix D—Stockholders of 5 Percent or More of Outstanding Carrier Shares.

Appendix E—Air Carrier Shares Held by Top 30 Stockholders.

Appendix F—Thirty Largest Stockholders (Listed for Each Airline).

This report does not tell the reader the extent to which the various financial institutions are empowered to exercise voting rights to the stock which they hold. But this report does get behind nominee names, behind Cede & Co., the nominee for the New York Stock Exchange Commission subsidiary. This report does aggregate the holdings of the major stockholders. It is a forward step in information management by a regulatory commission. I compliment Chairman Timm, his fellow commissioners, and the CAB staff for this work.

Copies of the report may be viewed in the CAB public reference room, room 710, Universal Building, 1825 Connecticut Avenue NW.

Mr. President, I ask unanimous consent to print in the RECORD the July 19, 1974, letter I received from Chairman Timm, the introduction to the report, and summary of findings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C., July 19, 1974.

Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management and Expenditures, Committee on Government Operations, Washington, D.C.

DEAR MR. CHAIRMAN: The enclosed report, entitled "Thirty Largest Stockholders of U.S. Certificated Air Carriers and Summary of Stock Holdings of Financial Institutions," was prepared in response to your letter of January 3, 1974.

Each of the certificated route and supplemental air carriers operating under regulations prescribed by the Civil Aeronautics Board was directed to submit a list of the names and addresses of the top 30 stockholders with holdings in nominee accounts consolidated for each institutional holder.

This report includes the list of the top 30 stockholders for each carrier, a summary of findings, several summary tables, and a description of the procedure used by carriers for compiling the lists.

Because of the nature of your request and the interest you have expressed in the holdings of financial institutions, the summary of findings focuses on aggregate figures for the top 30 stockholders of air carriers and on the holdings of financial institutions. You will understand, however, that the holdings listed are those of record and to a considerable extent do not represent beneficial holdings, and that the Board has not concluded that industry-wide aggregations of shareholdings are necessarily meaningful.

Please let us know if we may be of further assistance.

Sincerely,

ROBERT D. TIMM,
Chairman.

INTRODUCTION

The Chairman of the Senate Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, has stated that: "Stockholdings are more concentrated, within a few large banks, than corporate reports to regulatory commissions indicate. The widespread use of multiple nominee accounts, by single institutional investors, distorts ownership reports and diminishes their value to regulators, stockholders, Congress and the public." He requested the Board to obtain a list of the names and complete mailing addresses of the 30 larger stockholders of each certificated air carrier. This report contains a listing of the top 30 stockholders for each carrier. Additional tabulations included in this report focus on the stockholdings of financial institutions, defined for the purposes of this report as banks, trust and insurance companies.

At present, the Civil Aeronautics Board requires information on stockholdings separately from the air carriers, stockholders, officers and directors of the carriers. The air carriers are required to report each stockholder of record holding at any time during the calendar year more than 5 percent of the carrier's outstanding capital stock. In addition, the carriers are required to inform their stockholders that the Civil Aeronautics Board under Part 245, Subpart B, of the Economic Regulations requires reports to be filed by each person holding more than 5 percent of any class of the capital stock or capital of a carrier. A bank or broker who holds more than 5 percent, beneficially or as trustee, is required to identify separately each stockholder for whom 1 percent or more of the carrier's outstanding capital stock is held.

The relationships between air carriers and financial institutions, including those institutions given special attention in this report, are the subject of detailed consideration in a formal proceeding announced by the Board in January 1974 (Board Order 74-1-132, Docket 26348). The issues in that proceeding include, *inter alia*, the adequacy of and degree of compliance with current Board stock reporting requirements and the degree of concentration of air carrier stocks held by various financial institutions. In issuing this report, it is not the Board's intention to convey any conclusions or implications respecting the issues in that investigation.

SUMMARY OF FINDINGS

The top 30 stockholders for all carriers hold 180.1 million shares of stock or 52.3 percent of the total 334.4 million outstanding shares of the 38 certificated air carriers. The top 30 stockholders for 26 of the 38 carriers hold more than 50 percent of the carrier's outstanding stock. There are 76[1] stockholders that hold more than 5 percent each of an individual air carrier's stock. Twenty-nine of these, or 38 percent, are financial institutions compared to 47 or 62 percent that are nonfinancial institutions and individuals.

Seventy-two financial institutions appear on the list of the top 30 stockholders for the 38 carriers. They hold 22.6 percent of the outstanding shares of stock of the U.S. certificated air carriers. The largest institutional stockholder holds 3.7 percent of the total outstanding shares of stock for the 38 air carriers. Major holdings are summarized below (See Appendix B for more details):

Financial institution	Shares held	
	Millions of shares	Percent of outstanding carrier shares
1. Bank of New York	12.9	3.7
2. Chase Manhattan Bank	10.3	3.0
3. Morgan Guaranty Trust	7.8	2.3
4. Bankers Trust	7.0	2.0
Total	38.0	11.0
All 68 other financial institutions included in the carriers' top 30 stockholders list	40.0	11.6
Total	78.0	22.6
Total shares outstanding for 38 U.S. certificated air carriers	344.4	

The percent of shares held by the 72 financial institutions of the total outstanding shares of individual carriers ranges from a high of 56.3 percent to a low of .3 percent (See Appendix A for more details). More than 45 percent of the total stock of four carriers is held by financial institutions included among the 72.

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[1] Some stockholders appear on more than one carrier's list.

Carrier	Number of institutions	Percentage of outstanding shares held
Northwest	22	56.3
National	18	56.0
Trans World	18	45.7
United	24	45.5

Twenty-five carriers include at least one financial institution among their top 30 stockholders. Thirteen carriers show no financial institutions among the top 30 stockholders.

Five carrier reports show that 100 percent of the outstanding shares are held by one stockholder. Howard Hughes and the Summa Corporation are combined as a single stockholder.

Carrier and 100 percent stockholder

McCulloch—McCulloch Oil.
Modern—GAC Corporation.
Trans International—Transamerica Corporation.
Aspen—Ringsby Airline Systems.
Hughes Air—Hughes/Summa Corporation.

Ten carrier reports show single stockholdings (including 3 husband/wife combinations) ranging from a high of 81.1 percent to a low of 37.2 percent. All trunk carriers and most local service carriers fall below this percentage range since they have a large number of outstanding shares widely distributed among many stockholders.

Carrier, stockholders, and outstanding shares held

1. World, Edward J. Daly, 81.1.
2. Reeve Aleutian, Janice M. and Robert C. Reeve, 77.5.
3. Johnson Flying Service, Robert R. Johnson, 76.8.
4. Saturn, Howard J. Korth, 74.8.
5. Kodiak Western Alaska, Helen F. and Robert L. Hall, 66.7.
6. Capitol International, Anne D. and Jessie F. Stallings, 66.5.
7. Texas International, Jet Capital Corporation, 58.6.
8. Frontier, RKO General, 49.7.
9. Hawaiian, John H. Magoon, Jr., 37.3.
10. Wright, Don Schneller, 37.2.

Thirty-five of the 38 carriers or 92 percent have individual stockholders with 5 percent or more of the carrier's outstanding shares. Airlift, North Central and Piedmont are the only carriers in which all individual stockholders hold less than 5 percent each of the outstanding shares of stock.

SHOCKING TESTIMONY CHALLENGES THE AEC "RASMUSSEN REPORT"

HON. MIKE GRAVEL

OF ALASKA

IN THE SENATE OF THE UNITED STATES

Thursday, July 25, 1974

Mr. GRAVEL. Mr. President, the Rasmussen report, which is a $2 million paper about nuclear accident probabilities, will be completed soon. The Atomic Energy Commission, which sponsored the study, has been citing selected parts of the unpublished study since January. In particular, the AEC says the report will say that the chance of a calamitous nuclear power accident is only 1-per-billion per plant per year.

That figure has already been challenged by several responsible sources.

William Bryan, of the Mechanical Engineering Department, the University of California at Davis, discussed the Rasmussen report in his testimony February 1, 1974, before the California State Assembly's Committee on Planning and Energy. Dr. Bryan has had 10 years of experience in the reliability and safety analysis programs of the Apollo effort and the AEC's nuclear rocket program.

PREDICTION IS A PSEUDOSCIENCE

Dr. Bryan, who has talked with several people working on the Rasmussen report, testified as follows:

> I think, in this case, Rasmussen's study, for instance, it would be very interesting to see what they came up with the first time through. I happen to know.

Then the committee chairman, Charles Warren, asked:

> Could you tell us?

To which Dr. Bryan replied:

> It was nowhere near the number that it is now.

Mr. Warren asked then:

> Can you tell us exactly?

And Dr. Bryan's response was as follows:

> They didn't finish the analysis, so all you can tell from the bits and pieces that they started on is that they changed failure-rate data-basis several times because they were not getting high enough numbers. This is not the first time I've seen this happen. We did it before.

Mr. Warren remarked:

> That's a temptation inherent in the system, I assume.

And Dr. Bryan replied:

> Right. Everybody that was involved in the Apollo program that I know of did the same type of thing. You're paid by somebody to do an analysis and most of the work on the special study, for instance, is not independently funded. It is through normal AEC channels—some through their lab at Idaho run by Aerojet Nuclear and other places—that most of the people that work with Rasmussen are doing the work on this program. So it is not an independent study, and it is really still part of the AEC. The pressures are still there to come up with the right answer. And given that one set of data is as good as another, why not? You cannot justify one any more than the other. So if one gives you the right answer and one gives you the wrong answer, and they are both as easy to justify, it is much easier to pick the one with the right answer and get it done and go back to your academic studies and do something worthwhile.

Dr. Bryan explains that statement in fascinating and easy-to-follow detail in his testimony, which is truly shocking in its implications for public safety.

Mr. President, I ask unanimous consent that excerpts from William Bryan's testimony February 1, 1974, before the California State Assembly be printed as exhibit 1 at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

WHERE IS THE CONGRESSIONAL WATCHDOG?

Mr. GRAVEL. On July 10, a member of the Joint Committee on Atomic Energy told the House of Representatives as follows at page H6346:

> It will not take long for the Joint Committee to review it [the Rasmussen Report] because it has been through all of the conclusions of the report time and again, with Dr. Rasmussen himself.

I am distressed by this statement. Here is a report which uses new and highly debatable methods of predicting accidents, a report which took 1½ years to prepare and will take months for independent experts to review, a report which will be the subject of debate for years to come, and a leading member of the Joint Committee announces that this "watchdog" committee will accept it with little review.

I think that Congress should consider getting itself another watchdog for the Rasmussen Report. Perhaps we should fund a team of experts at the Office of Technology Assessment or the Government Accounting Office to identify conflicting assessments of the report in the scientific and technical communities, to identify items in the report which are agreed to by both its critics and its supporters, to describe with precision those matters which are contested, and to offer guidance to Congress about the implications of the contested matters for public safety and economic stability.

THE PRESENTATION OF MEANINGLESS FIGURES

There is no doubt that the validity of the Rasmussen report will be seriously challenged. Besides Dr. Bryan's testimony, there are other sources of responsible criticism to which my colleagues can refer.

The Committee for Nuclear Responsibility—Post Office Box 2329, Dublin, Calif. 94566—issued a statement this spring after the AEC Chairman started using the one-chance-per-billion catastrophe claim, allegedly from the Rasmussen report. The committee, whose board includes four Nobel laureates and one former associate director of the AEC's Livermore Laboratory, offered four reasons why those catastrophe odds can have no meaning: first, the possibly fatal assumption that all possible paths leading to a catastrophe have even been recognized and considered by the Rasmussen team; second, the unjustifiable assumption that untested nuclear safety systems like emergency core cooling have been correctly designed; third, the lack of lengthy experience with operating nuclear hardware; fourth, the impossibility of predicting the frequency and consequences of human error and malice.

Mr. President, I ask unanimous consent that the statement from the Committee for Nuclear Responsibility, Inc., be printed as exhibit 2 at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRAVEL. Dr. Barry Smernoff, of the Hudson Institute in Croton, N.Y., has also criticized the one-chance-per-billion accident prediction; his statement is available from the Stone House Press, 4 Grove Street, New Paltz, N.Y. 12561.

TO WIPE OUT EMBARRASSING CONCLUSIONS

Dr. Bruce Welch, who is an associate professor at the Johns Hopkins University Medical School, discussed the Rasmussen report in his testimony before the JCAE on March 28, 1974. In addition to describing the report's inherent weaknesses, Dr. Welch also presented a devastating overview of the way the AEC is trying to use Rasmussen's favorable conclusions to discredit the embarrassing conclusions of the AEC's two earlier studies.

Mr. President, I ask unanimous consent that Dr. Welch's testimony be printed as exhibit 3 at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. GRAVEL. The Union of Concerned Scientists—Post Office Box 289, MIT Branch Station, Cambridge, Mass. 02139—is the group which has documented in detail the problems with the crucial emergency core cooling systems in American nuclear powerplants. In October 1973, this group issued a six-chapter report entitled "The Nuclear Fuel Cycle." The third chapter, which concerns catastrophic nuclear accidents, concludes with a statement which the Union still stands behind:

> In our opinion, the links in the chain of assurances of reactor safety are substantially defective.

Mr. President, I ask unanimous consent that the text of chapter 3 from "The Nuclear Fuel Cycle" be printed as exhibit 4 at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

TESTIMONY OF WILLIAM BRYAN, DEPARTMENT OF MECHANICAL ENGINEERING, UNIVERSITY OF CALIFORNIA, DAVIS, CALIF. EXCERPTED FROM HEARINGS OF THE SUBCOMMITTEE ON STATE ENERGY POLICY, COMMITTEE ON PLANNING, LAND USE, AND ENERGY, CALIFORNIA STATE ASSEMBLY; HON. CHARLES WARREN, SUBCOMMITTEE CHAIRMAN, FEBRUARY 1, 1974

Chairman WARREN. Mr. Bryan, I understand that you're prepared today to give testimony concerning the fault tree analysis technique that apparently was employed by Dr. Rasmussen in his assessment of accident probability.

Mr. WILLIAM BRYAN. That is correct.

Chairman WARREN. I wonder if you might preface your comments by some brief statement of personal background, again, without any undue modesty.

Mr. BRYANT. I spent 11 years in the aerospace industry—up until 1972. Ten years of this was in the reliability and safety analysis field on two programs. One was on the Apollo program, from 1962 to 1969, and then was on the NERVA program which is the nuclear-powered upper stage vehicle program that was under development and was cancelled in 1973. On these two programs we went through a definite learning curve on how to make reliability estimates and on how to improve inherent reliability of parts. I want to reflect back on this experience to indicate my concerns as to where the A.E.C. is at the present time on this learning curve.

During the NERVA experience, I first came into contact with A.E.C. and the methodology they were using to assess safety problems of nuclear power plants. Obviously, since we were developing a nuclear plant that was going to fly over people's heads we had some of the same problems—in some cases even more severe since we were moving the plant, rather than having a stationary source. We spent a considerable amount of money on research into improved reliability techniques when we entered the NERVA program. This was primarily because of the fact that you could not build a lot of these and test them like we could in the Apollo program to find out where the problems were. During this experience, we would occasionally be analyzing a potential accident or problem and we'd see the similarity between that and what a power plant would have so we would go to the A.E.C. or to the industry and try to find out what was going on in analyzing this particular sub-problem.

We were very surprised to find a lack of the overall knowledge of what the aerospace techniques were within the A.E.C. and pretty much a lack of interest in developing them. They were having a lot of problems at that time just with normal quality control (QC) type functions and were not too concerned. They were in the midst of just implementing that as a program which, of course, had been in aerospace for many years and in industry many years before then. But they were having problems implementing that type of program which, incidentally, is an inspection after-the-fact type of program whereas reliability is trying to analyze it before the fact.

And, so we didn't find a lot of help from anything that was going on within the A.E.C. or within the industry in the work we were doing. I did not make much contact then with A.E.C., or with the industry, other than through our normal reporting functions to the branch of A.E.C. that we were working with until the program was on the verge of being cancelled.

Since we had spent considerable millions in research here in Sacramento to develop some new techniques in the NERVA program for reliability and safety analysis, we were urged by our A.E.C. funding sponsors to contact other A.E.C. people to see what could be salvaged from this program and transferred over to the A.E.C. to use in the nuclear power plant analyses. So, we made many presentations in Germantown and in other places to A.E.C. personnel on just what we had gone through—what we had learned and the techniques that we had developed. We were very disappointed that they elected not to take advantage of this experience not even to consider, for instance, taking our final documents and reports of this methodology into a library function to hold until they got to the point in their learning curve that they could use them. In fact, what we found was a major concern with their own problems and a very typical resistance to change and to use any methodology that they were not themselves either concerned with or had developed or had knowledge about.

Therefore, I personally concluded that, from these many contacts and from discussions with people since those contacts, in general the A.E.C. is up to 10 years behind the times as far as implementing aerospace reliability and safety techniques, and as a substitute to good analysis are pushing phony reliability and safety numbers to assure us of just the opposite.

Chairman WARREN. Do you want to repeat that?

Mr. BRYAN. Okay. My concern, and several other people who worked with me at Aerojet on this program came up with the same conclusion—is that the A.E.C. is probably, in most cases, up to 10 years behind the learning curve or experience level that was developed in aerospace in reliability and safety technology and, therefore, as a substitute to doing this sound analysis are hiding behind or pushing phony reliability and safety numbers to assure us of just the opposite; i.e., that there are no safety problems.

In order to substantiate this conclusion, I would like to just briefly sketch the learning curve that we went through in Aerospace—where we started from and where we got to—and then from this, draw conclusions or substantiate why I think the A.E.C. is behind; in particular, why the techniques used in both the Rasmussen study and even the special task force study done before that cannot produce reliability numbers that we can believe in.

In the early '60's on the Apollo program we started out the same way. We had a numbers game that was arbitrarily handed down in terms of specifications to us. Somebody within NASA determined that the crew safety of a launch vehicle on the Apollo program should not be any worse, or have any higher risk, than an average 35-year-old living for an additional 12 months on earth. From that number, from insurance mortality tables, they then backed out reliability and safety goals for all the sub-components of the system.

In order to play this numbers game you have to realize that, when you have a system as complex as a Saturn rocket vehicle or a nuclear power plant, you have hundreds of thousands of parts in these vehicles—some of which are redundant, some of which are in series. For every 10 parts in a series you are talking about an order of magnitude change in failure rate. To explain, just let me say, if you put 10 parts in a series all of which have to work and your failure rate for the system is, say, 10^{-3} then the failure rate for your part would have to be 10^{-4}.

So as a result, since the overall goal for the vehicle was in the neighborhood of 10^{-5} some of the sub-system part reliability requirements, for instance, on the fourth stage engine on which I worked, were in the same neighborhood as the values that are now being used by A.E.C.. We were talking about 10^{-9} to 10^{-12} failure rates; that is, failure rates one in a billion operating cycles to one in a trillion operating cycles.

Well, to those of us with an engineering background when we first received these requirements, this was obviously ridiculous. There is nothing that has a failure rate that low. I don't have anything in my house that has a failure rate that low. Certainly my washing machine, vacuum cleaner and car engine don't and neither does a complex rocket system nor a system with thousands of parts like a nuclear plant.

However, in order to comply with NASA's desires most firms did the same as what our firm did. They accepted the criteria, organized a group called the "reliability and safety group", put them off in a corner to generate a lot of paper work studies that would prove that even if we couldn't today have that reliability, that at least some day in the future it might be achievable. I stress that this effort in the initial stages had obviously no impact on the engineering design of the equipment that was being built. It was a total separate paper work exercise just to try to prove that we could meet this requirement.

Occasionally we'd have a few problems in doing this. We would propagate our specification requirements down to subcontractors and now and then we couldn't get one to play the game, they would take it seriously and say. "There's no way I can build you a valve that has a failure rate as low as one in a billion", and would in some cases even refuse to do business because they would not sign a contract that had such a high requirement in it. Others would adopt the same philosophy the rest of us had and initiate the paper work studies necessary to demonstrate that it would be a feasible number.

Most of us at that point in time would discuss among ourselves the fallacy of this and even with some of our NASA and A.E.C. counterparts. But mostly when the time came to make a presentation to NASA as to whether or not it was conceivable to meet this requirement we would hedge considerably, but in general terms we would leave the impression that it was conceivable someday.

One exception to this in my personal case was when an astronaut was visiting us out at Aerojet and we were having lunch together. He asked me aside once. He said, "Knowing what you know as the reliability manager of this program, would you fly in this vehicle?" And I honestly had to say that I wouldn't even get within range of the launch pad, let alone fly in it. I just knew too many ways that things could go wrong. He subsequently quit the program and I'm not sure what impact I had on his leaving the program.

I look back on that period and I certainly don't think that it was extremely ethical to do the type of things that I did and that others did, but I think it goes to prove a couple of points. One is that job security and the almighty dollar are great pressures. If your boss tells you that you're going to make a presentation and says that it has to be slanted a certain way you tend to slant it that way. And obviously you cannot trust or have somebody auditing themselves and that is what reliability is all about. You're really auditing your ability to meet a certain reliability requirement and if you're in the business of building and selling these parts you're not going to go around telling the world that you can't build them with a high reliability. It would be akin to General Motors going out and advertising the failure rates on their new automobiles as they come out. It's just not done. So obviously you would need somebody else as an independent audit to come in and do this kind of study, if you really wanted to get a real answer.

As I indicated, things did get better as time went on. It became obvious to some of the people in NASA and in middle management that they weren't really getting anyplace with this approach and they were only kidding themselves and the public, and that it wasn't having any effect on the hardware itself that was being developed. It was just generating a lot of paper. And in the middle '60's there was a special task force put together that did analyze the entire Saturn rocket vehicle, very superficially, but it was an analysis intended at the time to come up with an independent estimate of what the reliability of the vehicle was. Their number was so low that it was the best guarded secret in the Apollo program. It was this type of thing that convinced at least a few people in NASA that they ought to abandon this approach and start something else.

The first thing that was changed was to completely forget about trying to determine the numerical value of what the reliability was. This was an impossible task. The reason it was an impossible task was that you never have complete failure rate information on the parts that you are building, regardless of how good the analysis is. You always end up using failure rates from a slightly different configuration of a part, or for a part that was developed for a totally different use, or when you don't have any part testing experience you have to go to some kind of a qualitative guessing game method. One of the guessing games that was widely used on the Apollo and NERVA Programs was called the Delphi technique. That's where you get a lot of people together to estimate from their experience how probable each specific failure mode is.

So, it became clear that these techniques for quantifying failure rates and looking at design concepts were all right if you only use the numbers as a relative merit, when you compare it to alternative designs. We evolved into the point where we would only use the numbers game when we were comparing one design against another and the absolute value of the numbers was not used. We would always qualify in any report we put out that these numbers, we called them reliability factors, not even reliability values, were for quantitative evaluation of alternative designs only.

This was a real step forward. The other thing we did was go into a very comprehensive failure reporting, failure analysis and corrective action system. This was the real backbone of the reliability effort on the Apollo programs from the mid '60's on. The philosophy being that since we could never build enough complete units and test them to demonstrate a high reliability number, which is the only way you can really get a true reliability number, and since we have no techniques that are good enough to predict or estimate the true quantitative value of reliability; that every time we have a test malfunction or test failure we would analyze that to our utmost to determine what the cause of this failure was—not to fix the blame, but to take corrective action to redesign, to change the manufacturing process—whatever it took to eliminate or reduce the possibility that that failure even would occur.

If this was done properly and followed up to make sure that by fixing something you didn't introduce a new failure mode that was worse than the one that you originally had, then you were improving the reliability of the hardware. Even though you could not estimate or measure how much. This was commonly called the Test-Fail-Fix philosophy and this was how we got a man on the moon. In many cases we would intentionally test to the point of failure just to learn about the failure mechanism so we could then find the weak point in the design and make a design correction.

The Apollo program has a reputation for a very reliable system that was quite successful. I would like to point out, though, that in our case our fourth-stage engine had over 740 test failures and malfunctions, many of them very catastrophic, during the development phases, so we did an awful lot of learning. Also, even after these 740 failures during the development and qualification phases, there were approximately 25 to 30 significant malfunctions per Apollo flight. This is not a well-known fact and was not publicized much. Many of these, without some ingenuity of man-machine interaction at the time, would have caused mission aborts, and, in some cases, could have caused even crew fatalities. But they didn't and we had a fairly successful program. However, the probability of a critical failure occurring, if it could be measured, would most likely be in the range of one in fifty to one in 200 flights. This is certainly a far cry from our reliability and goals, and certainly nowhere close to the absurd numbers the A.E.C. is using for nuclear power plant accidents. Obviously the three astronaut deaths and the high number of flight malfunctions are evidence to this fact. This Test-Fail-Fix philosophy was used in military programs—Polaris and other manned programs during the mid '60's.

Then we went to NERVA where we were now involved with nuclear power and couldn't use this Test-Fail-Fix philosophy. Obviously, you couldn't test reactors to fail to learn about their weak points. Also, since they were very expensive, you could not build the number of units that we built in the Apollo program to test them before they were flown. So, when NERVA started we went to a much more analytical approach to try to identify problems early in the program and to see if there was some way we couldn't quantitatively determine what the probability would be of success of the vehicle.

In developing the approach we came up with several different tools, some of which had been discarded in the Apollo program and some of which we learned from the Apollo program. The most valuable tool that we developed was a computer malfunction analysis program which simulated the operation of our vehicle during flight. This program could be used to simulate malfunctions by making minor changes to the program's valve settings, flow rates and other parameters. You could then trace what happened to the vehicle, giving changes. This gave us many surprises that we had not determined in the typical failure mode approach where you just look at one problem and then you try to trace back all the things that could go wrong to create that one problem—similar to what the A.E.C. is doing now where they take one event and they go back and they say, "How can this event occur?" Well, we did that first but found out that we missed a lot of problems, especially interactive malfunctions that we discovered in this computer malfunction analysis program. We also used a technique called the System Failure Modes Effects and Criticality analysis. This is something where analytically, not using a simulated computer run, you just look at the various phases of flight and look at the types of failure modes that can happen, classify them as to how critical the effect would be if the problem did happen, and then try to trace this effect through the system.

We did use fault tree analysis to some extent to try to identify some of these interactive effects that we were after in computer malfunction analysis. We also tried to use the fault tree analysis to identify some of the single failure points. Single failure point analysis is probably one of the most critical things that can be done on a reactor. One designs a reactor with a lot of redundancy and thinks that, on the surface because they have system redundancy, that really they don't have any single failure points; that at least two bad events have to occur for you to have a failure. When you start digging back into the system, whether you use fault tree analysis, failure mode analysis, or a computer simulation program to do this, you find out that there are many, many subfailure mechanisms which are common to what you thought were redundant systems.

Going back to our Apollo engine, we had redundant valving for allowing the propellants into the combustion chamber. We had two separate bores, each of which had two valves in it—redundant in both modes. Either valve could have shut it down and if one channel didn't work, if one of the valves stayed closed, you could go into the other channel. However, as in the case of most valves, anytime you've got any contamination in the system and scored the seats or damaged the valve seats in any way they would leak. So, there was no redundancy against leakage because if something was in the system it could damage both bores and all valve seats just as easily as it damaged one, as it passed through. So, that would be a single failure point and cause leakage. If the leakage was bad enough it could cause a certain catastrophic event. It would cause enough leakage in the combustion chamber that when you went to start up the engine it would explode rather than ignite.

In our nuclear analysis we went through this and although we had complete system redundancy on our nuclear rocket we did find 62 critical single-failure points. This was just the first time through our analysis and before we got into a really detailed analysis. In the case of a nuclear power plant, a single failure point might be the burst of a high pressure steam line which will damage other equipment as it bursts. You therefore could damage your cool-down system to the extent that it could not operate. This was one of the problems we had on our vehicle. It was, in general, not possible again to quantify how this event would happen. One of the reasons you couldn't quantify was that there was not enough known, for instance, in this pipe burst example, about crack propagation in materials. Knowledge still doesn't exist today as to what stress level that particular pipe might give if you had a certain flaw that would tend to propagate into a crack as the pressure was increased.

Another problem in trying to predict probability numbers is that even in a very sophisticated analytical approach, the variability in such things as material strength or processing conditions can result in an order of magnitude difference in your reliability estimate. There's a tremendous amount of judgment involved in determining the bounds and variability of stresses and strengths when you do a detailed analysis to try to come up with a quantifiable number.

Thus, even on the NERVA program, even though we developed some sophisticated techniques for helping to identify failures that could happen so that we could take corrective design action before we built one, we still did not come up with a method that would accurately predict a numerical value, and certainly fault-tree analysis is not amenable to coming up with a number.

Chairman WARREN. Can you explain fault tree anlaysis?

Mr. BRYAN. Yes. A fault tree analysis is where you start with some system problem that can occur, some system malfunction, then you start tiering your analysis much like an organizational chart. You start with a box at the top that says you're going to have a loss of coolant accident. You then tier it down to the six or so things that can cause a loss of coolant accident and then for each one of those six things, you analyze what the number of things that could cause each of those six and you just keep tiering down until you're down to the nuts and bolts of the system.

The problem then in building fault tree and getting a number out of the fault tree analysis is obvious. You have this huge tree of possible failure mechanisms that all interreact and all lead into other events for which you have no quantifiable data. The only possible way to quantify each one of these boxes is to have a failure rate for each one. You'd have to have a failure rate for the bolt. You have to have a failure rate for the interreactive effect between two adjoining parts. You have to have the failure rate of the seal leaking between two parts. You just have to have failure rates for every point in the analysis, and there just does not exist that type of information to fill in those boxes. So, you end up doing the same thing that we've always done—where you can get failure rates you use them. Where there are industrial failure rates you use them; for instance, maybe you can't find anything on the particular burst failure-mechanics of a high pressure line that you had, so you go to the oil industry and you see what they've got. Obviously, a pipe used in the oil industry is going to fail much differently under different environment and maybe non-irradiated conditions than one would under a nuclear application. But this is the best you have got so this is what you use.

In other cases, where there is no industrial failure rate, you go back to some qualitative method like I mentioned before—like the Delphi technique or some guessing game.

If you're consistent in the use of these numbers in the fault tree, when you get done you certainly can compare one design against another and say this design is better than the other if you used a common data base for each.

Chairman WARREN. But only for comparison?

Mr. BRYAN. Only for comparison. The absolute value of the number is totally meaningless. There is just no way that number can mean anything in terms of the real world probability of failure.

Chairman WARREN. So, if someone has said to me, "The likelihood of a particular event occurring is one in one thousand million years," that then is really meaningless. The only time that could conceivably be meaningful is when compared to a competing system where the probability was assessed at one in five hundred million.

Mr. BRYAN. Exactly.

Chairman WARREN. So, that only permits the conclusion to be drawn that the event system which has an accident occurring in one thousand million years is probably safer than the other.

Mr. BRYAN. Right. But again I stress you have to use the same . . .

Chairman WARREN. Safety is still an unknown?

Mr. BRYAN. Safety is unknown. It is still as unknown as before you started.

Chairman WARREN. All right. Thank you.

Mr. BRYAN. And also you have to use the identical data information and fault tree system and even the same personnel because everybody will draw a different fault tree. No two people will go through the same mechanism because you're making judgments at every branch as to what really is going to affect the next tier, how this branch over here concerning valves is going to affect this branch over here concerning some other instrumentation; whether failure here will propagate a subsequent failure over there or changing conditions over here. You're making judgments at every point in that fault tree. So there is just no way you can quantify that and come up with a meaningful number.

It is also very subject then to qualitative manipulation, since you have to make so many judgments on what failure rate data you use. Obviously, if you go through it the first time and come up with a number that is too high, you can go back and use a different failure rate and come up with a different number. And this happened very often. If you used, for instance, a low reliability number you just go to another source and, if that didn't work, then maybe you'd go to the Delphi technique and you'd finally get a number that worked. You're really not changing the design at all. You're just manipulating the numbers to make the analysis come out right. I think, in this case, Rasmussen's study, for instance, it would be very interesting to see what they came up with the first time through. I happen to know.

Chairman WARREN. Could you tell us?

Mr. BRYAN. It was nowhere near the number that it is now.

Chairman WARREN. Can you tell us exactly?

Mr. BRYAN. They didn't finish the analysis, so all you can tell from the bits and pieces that they started on is that they changed failure rate data basis several times because they were not getting high enough numbers. This is not the first time I've seen this happen. We did it before.

Chairman WARREN. That's a temptation inherent in the system, I assume.

Mr. BRYAN. Right. Everybody that was involved in the Apollo program that I know of did the same type of thing. You're paid by somebody to do an analysis and most of the work on this special study, for instance, is not independently funded. It is through normal A.E.C. channels—some through their lab at Idaho run by Aerojet-Nuclear—and other places that most of the people that work with Rasmussen are doing the work on this program. So it is not an independent study and it is really still part of the A.E.C. The pressures are still there to come up with the right answer. And given that one set of data is as good as another, why not? You cannot justify one any more than the other. So if one gives you the right answer and one gives you the wrong answer and they are both as easy to justify, it is much easier to pick the one with the right answer and get it done and go back to your academic studies and do something worthwhile.

Chairman WARREN. On the remaining grant?

Mr. BRYAN. So, in general, you obviously have to get away from this same philosophy of the fox guarding the chickens. This is the same thing that happened locally here in our state in the timber legislation a couple of years ago when it was determined to be unconstitutional. You've got to have an independent body, independently funded from the A.E.C., whether it is at the state level or national level to perform the audit and reliability type analysis of nuclear power plants before you're ever going to get the information public as to what relative reliabilities are between alternatives and what the real problems are.

You can never come up with the number at least in today's technology that is meaningful in an absolute sense; but you could do a complete analysis that would be open for criticism where you do document through a very organized method all the types of things that can possibly go wrong and then you can start taking every one of these things that can possibly go wrong and you can say what you're going to do to prohibit that thing from happening. At the same time you perform a contingency analysis to determine what should be done in case each one of these bad events occurs. And you don't just take one failure mode or the worst event and analyze that. Because sure you probably reduce the probability of that happening, but all these others that you didn't analyze are going to happen. So you need an organized method that looks at all failure mechanisms and brings them to light so one can qualitatively state what they are going to do to reduce the potential of those events occurring. That's all I have.

EXHIBIT 2

[From the Committee for Nuclear Responsibility]

ONE-CHANCE-IN-A-BILLION?

Recently, the AEC paid professors at M.I.T. two million tax-dollars to estimate the probability of a nuclear power catastrophe. The report, which is known as "the Rasmussen study", provides the AEC with figures like one-chance-in-a-billion per plant, per year, according to the AEC.

SUCH FIGURES HAVE NO MEANING

First reason is the difficulty of predicting either the frequency or the consequences of human error (and malice). Error or malice could instantly reduce the catastrophe-odds from 1-per-billion to near certainty. Estimates about the small chance of a nuclear disaster depend on the reckless assumption that operators of nuclear plants will make no serious errors during emergencies; also, that no demented or hostile people will try to destroy the plants.

Second reason is the lack of experience with operating nuclear hardware. Since the very first 1,000-megawatt nuclear plant went into operation in June 1973, experts have hardly one reactor-year of experience to examine. They can do little better than guess when they assign reliability estimates to nuclear hardware of this type. Furthermore, for 4 years in a row, the AEC has had to scold and to fine nuclear equipment firms, engineering firms, and utilities for unacceptably sloppy quality-control, but according to a report in the Los Angeles Times, Dec. 26, 1973, the industry is still unresponsive.

Third reason is the unjustifiable assumption that nuclear safety-systems (some of them never tested) have been properly designed. This assumption denies all the recent nuclear "surprises" which show that nuclear engineers are failing to foresee all the design problems. If the design of a safety-system is defective, even perfectly working hardware will not make it effective.

Fourth reason is the flaw of assuming that all possible paths leading to a catastrophe have been recognized and considered. As recently as October 1973, the AEC's Director of Regulation, L. Manning Muntzing, admitted to a Congressional Committee (JCAE): "I'm really concerned about some of the surprises we see". How many unsuspected paths to catastrophe are still waiting to be discovered?

COMMITTEE FOR NUCLEAR RESPONSIBILITY, INC., POST OFFICE BOX 2329, DUBLIN, CALIF. 94566

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Exhibit 3

Statement by Bruce L. Welch, Ph. D., on Possible Modification or Extension of Federal Liability Insurance for Nuclear Power Reactors Under the Price-Anderson Act, Before the Joint Committee on Atomic Energy, U.S. Congress, March 28, 1974

Mr. Chairman, Gentlemen: The Price-Anderson Act was enacted in 1957 and extended in 1965 to encourage the development of a civilian capability for nuclear power generation by relieving the nuclear industry of public liability of a magnitude that they themselves could not assume, and against which existing insurance companies would not insure.

I recommend that the Price-Anderson Act *not* be renewed or extended. The purpose of my recommendation is to discourage further development of the civilian nuclear power enterprise.

Specifically, I recommend:

(i) that the federal subsidy to the nuclear industry which is represented by the Price-Anderson Act not be extended.

(ii) that this be regarded as the first step in the deliberate phasing out of civilian nuclear power generation by nuclear fission.

(iii) and that a definitive national policy be immediately adopted to deliberately take continuing actions to phase out all civilian nuclear power production in an orderly manner and to terminate it entirely at the earliest practical date.

This, I submit, is the only responsible course that our government can take.

By way of qualifying introduction, I am Bruce L. Welch. I speak to you as an individual.

I am an Associate Professor in the School of Medicine, The Johns Hopkins University, and Director, Environmental Studies, Friends Medical Science Research Center, Inc., Baltimore. For the past twelve years my special area of professional activity has been environmental health.

I have had post-graduate training in physiology, ecology, chemistry, physics, mathematics and statistics, and I have taught courses at the graduate level which required the students to have previous advanced training in these areas. I have been licensed to do biomedical research utilizing radioisotopic procedures in three states and funded by various federal agencies to perform such research.

I have had formal training in health physics and radiation protection and have had formal responsibilities in these areas, both civilian and military.

I have an elementary acquaintance with steam turbine power plants as a result of engineering responsibilities as a midshipman and subsequently as an officer on a battleship, a heavy cruiser and on smaller vessels in the U.S. Navy.

I have had training in, and have been responsible for teaching, military demolitions and small unit special warfare to U.S. Navy, U.S. Marine, U.S. Army and foreign military personnel. For four years, I served as an officer with U.S. Navy Underwater Demolition Teams. During this period, I was in charge of independent operational detachments in various parts of the western hemisphere, and for one of these years I was in charge of the replacement training program for Underwater Demolition Teams in the eastern United States. I have had the good fortune, however, to have never been involed in direct military combat. I have approximately 300 hours experience as a private aircraft pilot.

I have studied the civilian nuclear power program very carefully for the past ten months. I have become acquainted with both proponents and opponents of the program. I have quietly attended your hearings on nuclear reactor safety.

On March 15, 1974, I formally declared my intent to seek the Democratic Party nomination for the governorship of the State of Maryland. This step was motivated in part by concern about the nuclear commitment that is evolving.

I will discuss six broad but overlapping reasons for recommending that the Price-Anderson Act not be extended:

I. THE RISK THAT THERE WILL BE LARGE RELEASES OF RADIOACTIVITY FROM NUCLEAR FACILITIES WITH CATASTROPHIC EFFECTS IS UNACCEPTABLY GREAT

Large amounts of radioactivity can be released from a nuclear reactor as a consequence of either: (i) sabotage, (ii) impact of a crashing aircraft or of another large airborne missile, or (iii) an accident in which engineered safeguards fail to function.

1. Sabotage

As one trained in special warfare and demolitions, I feel certain that I could pick three to five ex-Underwater Demolition, Marine Reconnaissance or Green Beret men at random and sabotage virtually any nuclear reactor in the country. It would not be essential for more than one of these men to have had such specialized training.

Access for purposes of taking over and placing charges could be gained by force or under ruse. Alternatively, containment could be breached from the outside with relatively small shaped charge and additional charges could be quickly set after gaining entry through the breach. The "engineered safeguards" would be minimally effective or wholly ineffective and the amount of radioactivity released could be of catastrophic proportions.

There is every reason to expect that there are now, or will someday be, competent people in the country who are willing to engage in such activities. There is no way to stop such activity other than to maintain a system of civil surveillance more strict than that maintained during the last world war, and this would be absurd—and on a continuing peacetime basis, impossible.

2. Impact of crashing aircraft or other missile

As an experienced aircraft pilot, I feel certain that I could deliberately crash a large aircraft into the containment structure of a nuclear reactor. The result, even if the aircraft was not loaded with explosives, could render the "engineered safeguards" minimally or wholly ineffective and the amount of radioactivity released could be of catastrophic proportions.

Only a few weeks ago, a young man who did not have a pilot license executed intricate maneuvers, avoided pursuers and landed on the White House lawn. There is no reason to doubt that there are now or someday will be competent but deranged people in the country who are willing to commit suicide by crashing a large aircraft into a nuclear reactor. There would be no way to stop such efforts save by manning antiaircraft and pursuit aircraft in the vicinity of nuclear reactors at all times, and this is hardly realistic.

Reactors would be logical targets for airborne missiles in time of war.

3. Accident in which "engineered safeguards" fail to function

Preliminary results of the studies of nuclear accident probabilities now being conducted under Dr. Norman C. Rasmussen estimate that the chance of a loss of coolant accident followed by failure of the emergency core cooling system and meltdown of the reactor core is one in a million per reactor year. When core meltdown occurs, the chance of "rapid" breach of containment (e.g. within two hours) is one in a hundred, but breach of containment within 24 hours is a virtual certainty.

The range of error in this estimate is at least plus or minus an order of magnitude: The probability, therefore, could as well be one in 100,000 or one in ten million as one in a million. Responsible conservatism demands that it be considered one in 100,000.

If there is one chance in a million per reactor year of this major nuclear power plant accident, then the probability of such an accident at a two-reactor site such as Calvert Cliffs is one in 500,000 per year or one in 12,500 to 16,667 during the 30–40 year plant life; and the chance of such an accident at a four-reactor site such as North Anna or Mineral (in Virginia) is twice as great. If, however, one conservatively considers the chance of such an accident to be one in 100,000 per reactor year, the probability during the 30–40 year operational life is 1250 to 1667 at a two-reactor site and 625 to 833 at a four-reactor site.

As many as 45 reactors with an aggregate capacity of about 46,000 megawatts are scheduled or likely to be scheduled for operation within 120 miles of Baltimore or Washington, D.C., or located on the Chesapeake Bay or its tributaries, within 15 years. If the probability of core meltdown is one in 100,000 per reactor year, then the chance of such an accident in this region within the 30–40 year operating life of these reactors is one in 56 to one in 74. If you want to be an optimist and stick to one in a million as the probability per reactor year, then the chance is one in 560 to one in 740. In either case the probability, considering the human and ecological damage that could be done, is unacceptably close to one.

The AEC projects that 1000 nuclear reactors will be operating in these United States by the turn of the century, which is only 26 years. If the chance of core meltdown is one in a million per reactor year, the chance of this accident occurring during the 30 to 40 year operating lifetime of these reactors will be one in 25 to one in 33. If the probability of core meltdown is one in 100,000 per reactor year, this chance is one in 2 to 3, that is, virtual certainty.

Other kinds of accident, of course, are also possible and the probability of a major release of radioactivity is the combined probabilities of these different possible accidents. As one example, the Advisory Committee on Reactor Safeguards published a report on January 14, 1974 on "Integrity of Reactor Vessels for Light-Water Power Reactors" which concluded from the analysis of available data that the probability of disruptive failure of non-nuclear pressure vessels constructed to commercial standards and conventionally operated was one in 100,000 per year. The Committee arbitrarily judged that the chance of disruptive failure of a modern nuclear reactor vessel, because of presumed higher standards, was about an order of magnitude less, e.g. one chance in a million per reactor year.

The consequences of a major release of radioactivity from a nuclear reactor are determined largely by the density of population in the surrounding area and the meteorological conditions prevailing at the time.

WASH–740, a 1957 study of "Theoretical Possibilities and Consequences on Major Accidents in Large Nuclear Power Plants," commonly known as the "Brookhaven Report" estimated consequences of a major accident. It assured that a hypothetical reactor was located 30 miles from a major city near a large body of water in an area of low population density comparable to that around Calvert Cliffs; that rather typical day and night weather conditions prevailed; that fission products had 24 hours in which to decay between core meltdown and containment breach; that people were indoors during the period when most casualties were predicted (estimated radiation exposures were arbitrarily halved to take this into account); and that, in the scenario predicting the most damage, fifty percent of total fission products were released to the atmosphere. All of these assumptions except the last could reasonably apply to a modern reactor. The percentage of fission products released from a modern reactor might be less due to containment sprays, filters and deposition on containment and intra-containment structures, although this would not necessarily be the core in the event of sabotage or missile impact. Moreover, modern nuclear power plants have 6 to 12 times the generating capacity of the WASH–740 reactor and contain proportionately more fissionable material; they operate twice as long without refueling, and fission product accumulation increases with operating time. Release of only 5–10 percent of the fission products of a modern 1000 megawatt reactor would be equivalent to a fifty percent release from the hypothetical WASH–740 reactor.

WASH–740 projected that an accident occurring during a period of common nighttime thermal inversion could result in lethal radiation to 3400 people at distances up to 15 miles; severe radiation sickness in an additional 43,000 people at distances up to 44 miles; radiation at levels now believed to be sufficient to double the risk of cancer to an additional 182,000 people at distances up to 205 miles; property damage to $11.1 billion in 1974 dollars; rapid evacuation of up to 66,000 people from 92 square miles at distances up to 100 miles; and slower evacuation of 460,000 people from an area of 760 miles at distances up to 320 miles.

If the radioactive cloud was released hot during daylight hours under conditions of normal adiabatic lapse rate, if the wind was blowing away from land or if the molten core bored deep into the ground before containment was breached the number of deaths could theoretically be a few to a few hundred. But the radioactivity added to the ecosphere and widely circulated could be equivalent to that of many atom bombs and would have serious effects at a distance.

Beginning with the letter of transmittal and continuing through AEC pronouncements of the present day, the WASH–740 casualty and damage estimates have been officially dismissed as being unrealistically high, due to their being based upon assumptions of "worst possible" combinations of circumstances. A careful reading of the document, however, clearly reveals that this is not justified. WASH–740 states that the results reflect ". . . the philosophy of the study, in that there were no deliberate attempts to maximize the hazard . . . This study . . . is considered neither unduly pessimistic nor optimistic." It states that conservative assumptions were made where knowledge was insufficient but that, on balance, it emphasizes that, "Conditions and specifications . . . are chosen to be representative of a 'generalized' power reactor situation," that the assumptions made ". . . give reasonably dependable general indications of the results to be expected in a large majority of possible situations". Elsewhere, it explicitly states ". . . this study does not set an upper limit for the potential damage; there is no known way at present to do this."

Actually, there are reasons to consider the WASH–740 results much less than extreme. First, in appraising the effects of the hypothetical accident, it was necessary to define the probable extent of damage produced by various doses of radiation, and much lower doses of radiation are now known to cause damage than was thought to be the case at that time. Second, WASH–740 did not attempt to predict genetic damage or the induction of cancer. Third, the equations used for predicting the dispersion and settling out of radioactive particles led to underestimation of radioactive contamination for areas at a distance from the reactor. Fourth, all people exposed to radiation were assumed to be in good health. Fifth, gamma radiation received when not actually immersed in the radioactive cloud and radiation scattered back from the ground were ignored in estimating doses received.

II. THOSE WHO CONTROL THE NUCLEAR ENTERPRISE ARE SOMETIMES CAVALIER AND DECEPTIVE IN THEIR DEALINGS WITH THE PUBLIC AND ARE UNRECEPTIVE TO COMPETENT CRITICISM

I will give several examples:

1. Citizens, even professionals, who question the commitment to nuclear power are often given canned administratively approved platitudes about "safe, clean power", "defense in depth", and "extremely improbable" accidents. Upon closer questioning, they are often told that reactors are so complex that people who are not professionally involved cannot hope to understand them well enough to make judicious decisions about the nuclear commitment.

Yet, Dr. Dixy Lee Ray, Chairman of the Atomic Energy Commission, was a marine biologist, a specialist on marine worms, for 27 years prior to assuming Chairmanship of the Atomic Energy Commission about 13 months ago. She has had no training whatsoever in engineering principles relevant to power plant operation and has had absolutely no formal training in radioisotope methodology, radiological protection procedures or health physics. She has a confident demeanor, an outgoing personality and an exceptional ability for public relations. We are expected to believe that she knows enough about atomic energy to seal the Faustian bargain that society is being asked to accept on our behalf—while millions of other scientists and intelligent laymen must accept the bargain on faith, and on the basis of bland half-true or totally misleading commercials. The irony of this charade, gentlemen—in which our nation is being manipulated into making one of the most important decisions in its history—is overwhelming.

2. Dr. Ray, Dr. Rasmussen and Dr. Herbert C. Kouts, Director of Reactor Safety Research, have repeatedly attempted to de-emphasize the WASH–740 damages before this Committee and elsewhere by calling "WASH–740, an analysis of the worst possible case". As I have noted above, this is clearly not true if one reads beyond the cover letter of the document. Moreover, in his attempts to de-emphasize these findings, Dr. Kouts has repeatedly—including in speeches to the Atomic Industrial Forum—claimed that WASH–740 assumed a suburban location, no rapid evacuation, no attempts to avoid immediate radiation effects to persons and the worst combination of meteorological conditions. These claims are false.

3. In 1964–65, another AEC study reexamined the results of WASH–740 and predicted more serious accident consequences, proportional to the larger size of modern reactors: up to 45,000 deaths, long-term contamination of an area the size of Pennsylvania and tens of billions of dollars of damage. The study was administratively halted prior to completion, and AEC refused to make the draft report public until eight years later when threatened with a law suit under the Freedom of Information Act.

4. Dr. Ray and Dr. Kouts have reported the preliminary results of the Rasmussen study of nuclear accident probabilities to this Committee, to the press and elsewhere—in such a manner as to reassure the public that the chance of accident is so low as to be negligible. But they have not qualified their comments with appropriate information on the underlying assumptions, the limitations and the huge range of error in the Rasmussen estimates.

Yet the Rasmussen results, while having the aura of computer based sophistication, will have no more quantitative value for guiding safety decisions than WASH–740. Computer results are no better than the program and the data fed into the computer. A chain is no stronger than its weakest link. The Rasmussen estimates have the following weaknesses: (i) A huge range of uncertainty which, itself, is quantitatively very uncertain. (ii) The fact that all possible accidents cannot be anticipated. (iii) The fact that anticipated accident sequences intuitively judged to have comparable magnitude of effect are lumped into general categories and detailed probability analyses are done only for those events in each "consequence category" which are considered likely to have the highest probability. (iv) Although probabilities of failure are available for parts and components widely used in conventional plants, "best engineering judgement" is used to estimate how these probabilities differ for the "higher quality" versions of these parts and components that are used in nuclear plants, and "best engineering judgement" (e.g. educated guesses) are likewise used for the probability of failure of parts and components unique to nuclear plants. (v) The probability analysis assumes independence of accident events, whereas the most important events in an actual accident may result from common mode failures. (vi) Whereas the most critical factors in nuclear facility accidents are likely to be psychological and social factors—including sabotage, nuclear diversion, etc.—there have been no sophsticated professional studies of these factors as they relate to nuclear facilities and the Rasmussen study cannot, in any quantitative sense, take these factors into account. Attempting to sell the Rasmussen results as "quantitative" and attempting to reassure the public concerning nuclear risk on the basis of the Rasmussen results, as Dr. Ray and Dr. Kouts have done, can only reflect either extreme naivety or intent to deliberately deceive the public.

5. Dr. Ray, Dr. Kouts and the Chairman and members of this Committee have repeatedly emphasized the independence of the Rasmussen Study, associating it in their comments with the sponsorship of Dr. Rasmussen's home institution, The Massachusetts Institute of Technology, which is located in Boston, Massachusetts. In truth, however, each of you is very well aware of the fact that this study, which is funded by a $2 million contract from the Atomic Energy Commission to the Massachusetts Institute of Technology, has its personnel and facilities quartered in AEC Headquarters in Germantown, Maryland, and the research is being conducted and administered there. The extended attempt that has been made to relate the Rasmussen Study to the Massachusetts Institute of Technology will not help the credibility of the findings. Dr. Rasmussen and his staff, for the purposes of this study, are effectively employees of the AEC. More-

over, the AEC and this Committee have already demonstrated their propensity to cite these Rasmussen results in a biased manner to achieve particular desired results.

6. Referring to the Rasmussen results, and reassuring that the consequences of a nuclear accident would be much less than previously anticipated, Dr. Ray has repeatedly attempted to "normalize" the lethalities in a nuclear power plant accident by equating them to those produced by a large airplane crash—a few hundred to a thousand deaths. This is one of the most callous, misleading, intellectually insulting and reprehensively irresponsible pronouncements that I have ever heard a public official make to American citizens. In trying to minimize and simplify the effect, she has completely ignored the facts that *for each acutely lethal radiation exposure* there would be about 15 cases of severe radiation sickness, many of whom may die after prolonged sickness, over 50 people receiving radiation sufficient to at least double the risk of cancer, substantial genetic damage, evacuation of over 150 people from their homes, over $3 million in property damage and long-term contamination and consequent abandonment or loss of the use of many square miles of agricultural land. Moreover, in attempting to minimize these effects, she has ignored the fact that the quoted lethalities and damage depend upon the assumption that "average" weather conditions prevail at the time of the accident and that bad weather could increase the lethalities and damage by orders of magnitude. While Dr. Ray may be citing the statistically "most probable" results, it seems reasonable to question how much, in such an important matter, should be left to the vagaries of weather.

In defending Dr. Ray's attempt to recognize only the acute radiation lethalities caused by a nuclear power plant accident and thereby equate the effects to those of a large airplane crash, Dr. Kouts has contended that "This is all that the public is interested in or understands—the number of people killed". I wager that Dr. Ray and Dr. Kouts badly underestimate the real depth of the public interest.

7. In radiating optimism and relief as she attempted to emphasize the quantitative insignificance of such accidents relative to other predictions of more serious damage, Dr. Ray has totally avoided focusing upon one crucial fact: *the few hundred to a thousand people who are killed are those who live closest to the nuclear reactor. Living close to a nuclear reactor entails special risk.* This is a point which the utilities and the AEC have continually attempted to avoid or deny. Indeed, the AEC and the utilities strongly oppose the idea of instructing people who live in the vicinity of nuclear reactors about the actions that they should take in order to maximize their safety in the event of a nuclear accident and about the nature of the rather elaborate coordinated evacuation procedures that are planned and practiced by civil and military agencies on their behalf. They fear, they say, that this instruction might unduly dampen the public confidence in nuclear power.

8. Dr. Ray has repeatedly emphasized that she has an open door policy with regard to providing information on the civilian nuclear enterprise. The Chairman of this Committee re-emphasized this policy on numerous occasions during the hearings on nuclear reactor safety that were held here in January, and he said repeatedly that if any person had any trouble whatsoever in obtaining access to any document, he wanted to know about it personally—that he and the Joint Committee staff would see that the information was made available. Commissioner Doub has publicly promised on numerous occasions, and in print, that staff papers and other internal working documents not normally covered by the Freedom of Information Act would be made available to the public. Nonsense!

On January 28, Ralph Nader referred to a secret AEC Regulatory Staff memorandum to the Commissioner which recommends new guidelines for nuclear power plant siting with respect to population. Nader said that by those guidelines a number of existing nuclear plants would be judged to be unsafely sited.

I tried to obtain access to this document commencing on January 29. On this date I made a telephone call to the Regulatory Branch of the AEC and was told that the document was a working paper and could not be made available. My subsequent efforts, which I have continued to pursue, both because I genuinely needed access to the document and because I wanted to test the validity of the claims of openness that are being made by the AEC and this Committee, clearly demonstrate that insofar as sensitive and "un-sanitized" claims of openness have no validity at all:

February 1—I wrote a letter to Congressman Melvin Price, the Chairman of this Committee, and also a separate letter to Dr. Dixy Lee Ray, Chairwoman of the AEC, reminding them of their statements concerning open access to documents and requesting their assistance in obtaining access to the document on power plant siting mentioned by Nader. I received no reply.

Week of February 18—I made several telephone calls to the Joint Committee on Atomic Energy attempting to speak with Mr. Edward Bauser, Executive Secretary of the Committee. I stated the nature of my business to his secretary and asked for a return call. But I was not able to get in touch with him.

February 21—I telephoned Dr. Ray's office and asked an assistant to check on the disposition of my letter of February 1 and her intended reply.

February 22—I called Congressman Price's office to inquire about the disposition of my letter to him of February 1. I was told that it would have been forwarded to the Joint Committee Staff.

I tried to reach Mr. Bauser again, unsuccessfully. However, a Mr. Klug, who identified himself as a consultant, spoke with me and I called his attention to my letter of February 1 to Mr. Price and Dr. Ray and asked assistance in obtaining the requested document.

February 28—An attorney in the Office of General Counsel, Mr. Thomas Catalan, called and said that he was speaking on behalf of Dr. Ray and that "the matter" had been turned over to another attorney, Mr. Thomas Engelhardt, whom he said would call. Mr. Engelhardt, however, did not call nor would he return my call when I tried to reach him.

March 1—Called Mr. Peter Scrivner, Administrative Assistant to Mr. Price, and asked for help. At his suggestion, I wrote another letter to Mr. Price, calling attention to my letters of February 1, summarizing the problem and requesting assistance. I reached Mr. Bauser by telephone. He probed at length to learn why I wanted the document and said he had no way to get it. Finally, he agreed to look into it.

March 8—I called Mr. Scrivner and notified him that the document had not been received. He agreed to check further with Mr. Price. Mr. Bauser returned my telephone call and I queried him about the status of permission to read the document. He was contrite, rude, non-committal, hostile and mocking.

I called and reached Mr. Engelhardt for the first time. He said that everything was coming along smoothly. He had been getting things together for me and would mail them shortly.

March 15—I received a note from Mr. Bauser, saying that he had not received the reference but would forward it when he got it. I received a letter from Mr. Engelhardt, saying that he was enclosing a copy of "the draft document" prepared by the Regulatory Staff dated October 31, 1973, and released in December 1973, entitled "General Environmental Siting Criteria for Nuclear Power Plants: Topics and Bases". This, however, turned out to be an extremely bland document and not the one to which Nader referred.

March 23—I attempted to reach Mr. Engelhardt by telephone at his office and, being unable to reach him, told his secretary that this was a diversionary document, that I was attempting to obtain a regulatory staff memo to the Commission of April 23, 1973, entitled "Population Density Around Nuclear Power Plant Sites". She later called back, telling me that Mr. Engelhardt said to call Harold R. Denton, Assistant Director for Site Safety, Directorate of Licensing, to gain access to the document.

I called Mr. Denton and he said that he would have to check with Mr. Engelhardt for permission to let me see the document.

March 26—Mr. Denton called me and said that he had checked with Mr. Engelhardt and that permission to see the document was denied on the grounds that it was "considered as a working paper and, hence, not available".

I called Mr. Peter Scrivner, Administrative Assistant to Mr. Price, again to request assistance in gaining an opportunity to read this document in Washington prior to testimony; he said that he would talk with Mr. Price about it and call me back. He has not called.

After two months of effort and delay and a diversionary substitute document—I have still been unable to see the document which Ralph Nader quoted on nuclear power plant siting. It is tempting to conclude that Nader was correct that the proposed siting criteria indicate many existing and planned power plants to be unsafely sited. If this were not the case, I would expect the AEC to hasten to make the document available in order to show this serious charge to be incorrect. Moreover, I conclude that: (i) if the Regulatory Staff of the AEC called administrative attention to serious safety problems in nuclear power plant siting and recommended siting changes eleven months ago; (ii) if, as was clearly the case, the AEC proceeded just three months ago to publish and distribute an incredibly bland and innocuous document entitled "General Environmental Siting Guide for Nuclear Power Plants: Topics and Bases", with absolutely no mention of the latter problems or recommendations; and (iii) if, as has clearly been the case, the AEC has been pushing as hard as possible to capitalize on the acute energy crisis by accelerating the siting of nuclear reactors and minimizing the review process for their siting—it appears that the recently published document was deliberately diversionary and that the AEC is deliberately trying to deceive the public in these matters.

Moreover, in view of Nader's testimony before this Committee two months ago, the consternation that it caused members of this Committee and the Committee's pledge to respond to his charge, there is no reasonable doubt that this Committee is familiar with the April 23, 1973 document to which Nader referred. If the members of this Committee are not familiar with that document, they are remiss in their responsibilities. If they are familiar with this document and if Nader's charges are correct, they are a party to the AEC's deliberate continuing efforts to withhold from the public professional concern about the safety of siting for nuclear power plants and a party to administrative and AEC efforts to hastily increase the siting of nuclear power plants in spite of—and without public discussion of—the consequences.

Congressman Price is either personally unwilling for the document to be made public in spite of his public avowals to the contrary, or he is unable to influence Dr. Ray to release it. Whichever is the case, it does not speak well for the controlling function of this Committee in matters related to the public safety.

9. In January, Ralph Nader also referred to another document that at that time was not available to the public, "Task Force Report: Study of the Reactor Licensing Process," October, 1973. This document, which outlines numerous deficiencies in quality assurance and other regulatory functions, was subsequently published in two volumes. The sanitized version was obtained for me in the course of the transactions just described both by Mr. Bauser and by Mr. Engelhardt—more than a month after the document, unknown to me, had been made public. It is instructive to compare the original version with the sanitized version that was released to the public. The released document has been extensively altered in ways that tend to minimize the concern that the comments and recommendations may cause the general public. Following, I quote examples of the differences between the original report and the modified "Study of Quality Verification and Budget Impact" which was published with a date of January, 1974:

a. *Original version*, pg. 18—"The Task Force" does not believe that the overall incident record over the past several years, combined with the common mode failures that have been identified, give the required confidence level that the probability for such an accident is 10^{-6} (one in a million) or less per reactor year."

Sanitized version, pg. 18—The Task Force "believes that further continuing actions need be taken to provide additional assurance that the probability for such an accident will be one in a million or less per reactor-year."

b. *Original version*, pg. 18—"As a matter of interest, if there were 1,000 reactors operating and the probability for a major accident were 10^{-6} (one in a million) per reactor-year, the probability would be less than 0.03 (one in 33 that such an accident would occur at one or more reactors during the 30 year lifespan of the reactors."

Sanitized—totally deleted.

c. *Original version*, pg. 59—"While it is very true that not many deficiencies have been found in vender produced items, this is only because there have been few inspections performed."

Sanitized version—totally deleted.

d. *Original version*, pg. 4–16—"It is obvious that when only AEC resources are considered as applied to the numerous facets . . . of quality assurance . . . "the result is an extremely low quantitative confidence level that the product will perform as designed."

Sanitized version—totally deleted.

e. *Original version*, pg. 16—"Review of the operating history associated with 30 operating nuclear reactors indicated that during the period 1/1/72–5/30/73 approximately 850 abnormal occurrences were reported to the AEC. Many of the occurrences were significant and of a generic nature requiring follow-up investigations at other plants. Forty percent of the occurrences were traceable to some extent to design and/or fabrication related deficiencies. The remaining incidents were caused by operator error, improper maintenance, inadequate ejection control, administrative deficiencies, random failure and combinations thereof."

Sanitized version, pg. 15—"Review of the operating history associated with 30 operating nuclear reactors has shown that during the period 1/1/72–5/30/73 no nuclear accidents occurred and no member of the public was injured in any way due to radiological causes. However, this record also contains approximately 830 abnormal occurrence reports filed with the AEC. While the vast majority of these abnormal occurrences represented failures that are anticipated, will always occur with manufactured equipment, and are protected against by the redundant design of nuclear systems; and while none of them resulted in a significant direct threat to the health and safety of the public; many of the occurrences either illustrated failures in QA programs during the construction or fabrication phases or were symptomatic of or identified design weaknesses in safety-related components and systems. Many of the occurrences also were of a generic nature requiring follow-up investigations at other plants.

10. This Committee derisively treats critics of civilian nuclear power and attempts to intimidate and ignore them. I vividly recall the testimony of Dr. David R. Inglis in this chamber last January. This 69-year-old distinguished scholar and nuclear engineer had important professional responsibilities in the original Manhattan Project. He is now a Professor of Physics at the University of Massachusetts, Amherst. He prepared a careful statement cautioning against the nuclear commitment and came here from Massachusetts in the heart of winter to testify at his own expense. He was kept waiting until near the end of the day. Then, the Chairman and all members of the Committee departed, save one, Mr. Hollifield, who was given the Chairman's responsibilities. Dr. Inglis then began his testimony while Mr. Hollifield impatiently thumbed papers. Before he completed his statement, he was asked to stop and deposit it for the record. The contrast between the attention and respect given this gentle man and that accorded Dr. Ray, who has none of his experience or professional qualifications, is deplorable.

Other experienced men who have previously had major responsibilities with the Atomic Energy Commission are likewise ignored and treated in similar manner when they attempt to question the promotion of civilian nuclear energy. How recently in reasoned public discussions or non-public policy discussions have such experienced men as Dr. George L. Weil and Dr. Karl Z. Morgan been asked by the AEC or the Joint Committee to present their views?

11. It is clear from the points that I have enumerated above that the stripes of the Atomic Energy Commission and of the Joint Committee on Atomic Energy—even in the light of the bright image projected by Dr. Dixy Lee Ray—have not changed. This Committee does not serve a regulatory function with regard to the AEC. Rather, it acts jointly with the AEC to *promote* the development of civilian nuclear energy—and regularly defers to the economic interests of the nuclear industry when conflicts with public safety emerge. It has not been many years, I recall, since the Chairman of this Committee—in the face of irrefutable evidence for their need actively attempted to prevent more stringent safety standards from being sent for uranium miners.

To have the AEC and this Committee responsible for considering nuclear safety is almost as absurd as a spectacle that I witnessed at the National Academy of Sciences on January 29: Dr. Chauncey Starr—who is an electrical and nuclear engineer, President of the Electric Power Research Institute, the original organizer of the Atomic Industrial forum and a major proponent of civilian nuclear power—had primary responsibility for lecturing to an audience of thousands on the subject of "Environmental Health and Safety" in an Academy Forum on "Energy: Future Alternatives and Risks". No physicians or public health people were involved. There were no scheduled discussions of the risks of civilian nuclear power and no scheduled discussions of alternatives such as solar, wind and ocean thermal energy. Dr. Philip Handler, President of the National Academy of Sciences, in his closing remarks did express serious concern about the civilian nuclear enterprise, partciualrly the commitment to the breeder reactor.

The atomic establishment has a strangle hold which is virtually all pervasive on most matters regarding energy research and development in the federal government. Dr. Dixy Lee Ray and the AEC have been charged with primary responsibility for developing budgets for energy research and development. It is not overly surprising, therefore, that administrative recommendations for renewable resource research and development in the coming fiscal year are considerably less than the "minimum viable" amount requested by those who have responsibilities in these areas: the amount projected for all kinds of solar, ocean, wind and biological conversion technologies combined is less than the City of Baltimore will spend on legal fees related to extension of its expressway system; far less than was recently spent printing rationing tickets for gasoline; only two-thirds the cost of a single phantom jet; 6.6 percent the amount EXXON spent changing its signs; and 1.6 percent the amount the AEC will spend on civilian nuclear power. The amount being spent this year on these technologies is less than that buried in the budget for expenses related to development of supersonic and hypersonic air transports.

It is true that after many years of doing virtually nothing to develop renewable energy resource conversion technologies, we are now beginning to move ahead—but only at a slow crawl as opposed to sitting dead still.

A new office for determining future policy and goals for energy research and development was recently established in the Executive Office of the White House. Dr. Alvin Winberg—a leading proponent of civilian nuclear power, and previously Director of the Oak Ridge National Laboratory—was placed in charge. It was hardly two years ago when he publicly said that if we developed a drug to prevent or halt the growth of cancer we could cease worrying about most exposures to radiation.

III. THOSE WHO CONTROL THE NUCLEAR ENTERPRISE ARE OFTEN CAVALIER ABOUT MATTERS THAT AFFECT THE PUBLIC SAFETY

1. A modern nuclear reactor may contain radioactive fission products equivalent to those produced by the explosion of thousands of Hiroshima-sized atomic bombs. There are problems of scale, and this country has less than 45 years total operational experience with large nuclear reactors having an electrical generating capacity of 400 megawatts electrical or greater. Not one reactor with a power rating of over 809 megawatts electrical has a full year of operational experience. Human error is the most likely cause of a nuclear accident. There are extreme shortages of qualified personnel for building and operating nuclear power plants and continual safety related personnel problems. Milton Shaw continually emphasized this during his period of tenure as Director of the Reactor Research Division, and he repeatedly emphasized this in his testimony before Congress in support of the fiscal 1974 budget. Experience has shown that an average of 20 abnormal incidents per year may be expected in an operating nuclear reactor, and that many of these incidents have important safety implications. Fully 20 to 25 percent of the commercial reactors in the country are often shut down and inoperative due to safety related problems.

Yet, the Administration, the AEC and this Committee are doing everything in their power to increase the speed of nuclear power plant siting, minimize public review and discussion of proposed sites and attain the goal of increasing the number of nuclear reactors from the present 42 to 1000 within the short period of 27 years.

2. There are no protective systems in any reactor that mitigate against catastrophic releases of radioactivity in the event of a primary reactor pressure vessel rupture. Many older reactors are constructed of lower quality steels than those currently considered acceptable for nuclear reactor vessels. Moreover, the belt zones of these ves-

sels have been subjected to prolonged high-intensity irradiation. Although systematic information is not available, it is known that prolonged irradiation weakens steel and increases the probability of vessel failure. The probability of pressure vessel failure in a non-nuclear vessel made of this quality steel is about one in 100,000 per vessel-year. We may guess that the probability of pressure vessel failure in these older nuclear reactors is even greater than this. Yet, they continue to operate, and there has been no indication that operation is to be stopped. (Refer: Stratton report, Jan. 14, 1974).

3. It is anticipated that a need for emergency shut-down will arise at least once in the operating life of a reactor. Thus, it was officially recognized by the AEC and this Committee last December that reactors should have redundant emergency shutdown ("SCRAM") systems. Yet, the prescribed redundancy of SCRAM systems will be required in the design of nuclear power plants only for applications submitted subsequent to October 1, 1976. That is two and a half years from now, and many new applications are expected to be processed before that time. The need for this safety feature should have been acknowledged years ago. Now, an extremely relaxed approach is being taken to enacting this important safety precaution on behalf of the public.

4. The new Acceptance Criteria for Emergency Core Cooling Systems that were promulgated on December 28, 1973, recognized that it is in the interest of safety for higher standards to be required in the fabrication of fuel rods. Yet, fuel has already been fabricated to the old standards for 53 reactors that are now under construction. Although most of these reactors will not be ready for operation for several years, it is planned to use these inferior fuel rods. Moreover, since fuel rods are replaced at the rate of only 30 percent per year during operation, it will be three years—as much as ten years from now on some reactors—before these reactors will be equipped with the improved fuel rods that are judged, in the interest of safety, to be desirable today.

5. The AEC has recently suggested (WASH-1270, "Technical Report on Anticipated Transients Without Scram") that a goal be set for the risk level to be accepted for nuclear reactors in the country at large such that the probability of an accident killing 100 to 1000 people would be "less than" one in 1000 per year ("less than" in statistical jargon means no greater than one in 1001—for practical purposes, it means no more often than once in 1000). From this, one may conclude: (1) In the year 2000, when we are expected to have 1000 operating reactors in the nation, we should be happy if we achieve the goal of experiencing only one such accident each year. (ii) The AEC policy, reflecting Dr. Ray's public pronouncements on related subjects, is ignoring the tremendous damage done by such an accident aside from the acute lethalities and ignoring the ability of adverse weather to increase these deaths and other casualties and damage by orders of magnitude. I think that I can confidently say that if the public were told that they could expect such an accident, the seriousness of which would depend upon the weather, each year—they would reject the nuclear option hands down.

6. Radiation Management Corporation, a small company in Philadelphia, is responsible for coordinating the evaluation and treatment of radiation casualties at civilian nuclear facilities in the central eastern region of the United States. Utility emergency evacuation plans prepared to protect the public near nuclear reactors specify that people receiving 100 rad or more of whole body irradiation will be transported to Philadelphia for diagnostic and treatment procedures under their auspices. The Corporation has rental access to two or three helicopters each of which carry two patients. The U.S. Marines could be asked to supply 100 helicopters in a major emergency. In the kind of accident referred to above, in which 100 to 1000 people received acutely lethal radiation exposures, thousands of people would receive doses in excess of 100 rads and would have severe radiation sickness and many would require prolonged special treatment. Upon query to Radiation Management Corporation, I have been told that the emergency plan actually covers only patients who are severaly overexposed *on site*, i.e., their services are geared to treatment of a few casualties occurring within a nuclear facility. Their special clinical facilities, which are located at the University of Pennsylvania Hospital, have capacity for full treatment of only 2 or 3 patients. I was told that by purchasing mobile reverse isolation units from a local supplier, the number of patients that could be accommodated could be increased to between 50 and 100.

It is obvious that there is no reasonable way to provide for the adequate care of the number of patients who would be sublethally but seriously irradiated in the event of an accident such as that discussed above.

7. Although our civilian nuclear program is now far advanced and nuclear power plant siting is being rapidly accelerated, the AEC has no substantive program for verifying the quality of components that go into reactors. They have no authority or arrangements for inspecting even such important manufacture and fabrication activities as those of nuclear steam system supplies. The utilities, whose capabilities in these areas are often limited, are held "responsible". Adherence to "high standards" specified on paper is largely handled by assurances on paper. The January, 1974, Task Force Report "Study of Quality Verification and Budget Impact" recognizes this and recommends increased staffing and an increased budget to overcome these deficiencies. These recommendations come late in the game when one considers that the AEC and this Committee have been assuring the public of "high quality," "stringent inspections" and "defense in depth" for years.

The report emphasizes that if the recommendations made by the Task Force had been on the conservative side with regard to safety, the recommended increase in personnel and budget would be much greater. The report states, ". . . it should be made clear that the Task Force's recommendations really represent the *minimum* program that is believed to be consistent with providing reasonable assurance that an appropriate level of risk will be achieved."

A small pilot program for in residence inspectors to be on two construction sites and a modest increase in inspectors for component vendors are now projected. But the increased effort projected for the coming fiscal year in no sense approximates that which the report indicated would be necessary to provide adequate quality and safety assurance in nuclear reactors.

8. Current issues of 10 CFR Part 100 which specify Reactor Site Criteria still refer "For further guidance in developing . . . the low population zone . . . to Technical Information Document 14844, dated March 23, 1962, which contains a procedural method and a sample calculation that results in distances roughly reflecting current siting practices of the Commission." This document, "Calculation of Distance Factors for Power and Test Reactor Test Sites" gives sample calculations of a low population zone radius around a 465 megawatt electrical reactor of 13.3 miles. Yet present day reactors two and a half times that size have low population zone radii of only three miles, e.g., less than a quarter as treat. This is justified, as specified in Regulatory Guide 1.4, by assumptions concerning the probable attenuation of released radioactivity by engineered safeguards, e.g., containment sprays, recirculating filter systems, etc.

The effectiveness of these engineered safeguards, however, is dependent upon the assumption that the main containment is not breached, that it leaks contained radioactivity only at a low technically specified rate, usually 0.1 or 0.2 percent per day. If containment is breached, as by an airborne missile, sabotage or internal missiles and dislocations as would likely be experienced in the event of a pressure vessel rupture or a complete core meltdown, these engineered safeguards are largely ineffective. It is such events as these to which my previous discusison had applied.

Core meltdown or pressure vessel rupture, however, are not design basis accidents. It is not presently considered possible to design for protection against them. The only protections are assumptions of improbability and distance. Consider for a moment the real significance of the "Maximum Credible Design Basis Accident" to which standard calculations of low population zones apply.

The design basis accident or "maximum credible accident" assumes release into an intact containment of an amount of radioactivity calculated to be made available if total core meltdown were to occur—an event which most authorities think cannot occur without containment being breached. It is, therefore, purely hypothetical and portrays a less severe than possible accident situation. Moreover, even in this relatively benign hypothetical situation in which all engineered safeguards work, the total radiation dose to the adult thyroid on the outer boundary of the low population zone could be up to 300 rem. Doses for people within the law population zone and near its inner perimeter could be much greater. Biologically, these are not low or innocuous adult radiation exposures. While using these exposures as criteria for calculating low population zones, 10 CRF 100 says in a footnote: that . . . "these site criteria guides are . . ." not ". . . intended to imply that these numbers constitute acceptable limits for emergency doses to the public under accident conditions. Rather, . . . the 300 rem thyroid value . . . has been set forth as . . . a reference value . . ., which can be used in the evaluation of reactor sites with respect to potential reactor accidents. . . ." In practice, however, this is the risk that we decide to take for an accident in which all engineered safeguards work when we calculate low population zones on this basis. These criteria, as Ralph Lapp has pointed out, do not consider the fact that one would expect a ten-fold higher radiation dose for the infant thyroid than the adult thyroid for the same uptake of radio-iodine, and 3 to 4 times the adult dose in young children exposed to common air concentrations of radioiodine.

Hence, even the most optimistic accident assumptions that are used in calculating low population zones leave much to be desired where public safety is concerned.

In spite of this, the AEC did not move to prohibit the siting of reactors on an island in the Delaware River 11 miles from Philadelphia—where 50,000 people would have been contained in the "low population zone"—until the State of Pennsylvania insisted that reactor siting be prohibited there.

According to "Guide to the Preparation of Emergency Plans for Production and Utilization Facilities," December, 1970, a low population zone should be designated such that all people therein can be evacuated within two hours.

In many instances where nuclear reactors are being sited at low population densities, the population is expected to increase fourfold by the turn of the century. Low population zones, therefore, cannot realistically be expected to remain "low population zones" forever.

Is there any acceptable safe way, gentlemen, in the eastern United States, to site a nuclear reactor?

IV. THE CIVILIAN NUCLEAR COMMITMENT IS DESTROYING FREE ENTERPRISE IN THE ELECTRICAL POWER AND RELATED INDUSTRIES—RESULTING IN THEIR VIRTUAL NATIONALIZATION—EXCEPT THAT THE INCREDIBLY FREE ENTERPRISE OF SHOVELING AS MUCH PUBLIC MONEY AS POSSIBLE OUT OF THE U.S. TREASURY REMAINS

The nuclear power industry has been deliberately created by the government through the auspices of this Committee. It could not have become a reality without the government gift of nuclear technology, access to utilization of government facilities, billions of federal dollars in research and development funds, matching funds for demonstration plants, state and federally supported monitoring and emergency programs, and federal liability insurance. Some states are now expending large sums for advance location and evaluation of sites which will eventually be used for power plants by the utilities. Some efforts have been made to stimulate "competition" by such methods as attempting to contract demonstration plants to more than one manufacturer. In fact, however, the cost of each is so great and so few companies are sufficiently large and well equipped with expertise and resources that competition is nil. The effect of the nuclear program is to make these few companies larger yet.

The need to standardize nuclear facilities to federally determined specifications and to increase quality assurance will increasingly favor federal control of the power industry and the growth of a few large companies to the exclusion of others. The evolving recognition of a need for resident inspectors of construction and of component manufacture will inevitably lead to greater federal control. The need to protect against sabotage of nuclear facilities and against diversion of nuclear materials will lead in the same direction. Theodore Taylor suggested to this Committee in January that a federal police force costing $100 million per year would be needed by 1980 to provide adequate protection of nuclear facilities and shipments.

By declaring the future of electrical power generation to be nuclear, by claiming that nuclear power would be so cheap that it would not be worthwhile to meter it, and by providing numerous incentives the federal government effectively made most utilities fear that it would be uncompetitive for them not to "go nuclear". If some now have doubts, they are, nevertheless, "hooked". They have now invested huge amounts of capital and years of advance planning, and they are trapped. The nuclear commitment has effectively robbed a large sector of American business of three most basic elements of the free enterprise system: initiative, competition and risk. The pigeons of this planning and economic fiasco will eventually come home to roost, with the disbandment of this Committee. But the damage will long since have been done.

The various solar energy options would have required far less federal research and development support and would have been amenable to more diversified activities within a more viable and independent free enterprise economy. Ironically, the $100 million that Taylor suggests as an annual cost of policing nuclear facilities is exactly twice the fiscal 1975 Administration budget recommendation for the "solar" energy options.

V. THE FORCED DEVELOPMENT OF CIVILIAN NUCLEAR POWER BY THE GOVERNMENT HAS PLAYED AN IMPORTANT ROLE IN PRODUCING THE PRESENT ENERGY "CRISIS". IF ALLOWED TO CONTINUE IN ITS PRESENT COURSE, IT WILL CONTRIBUTE TO EVEN MORE SERIOUS ENERGY CRISIS IN THE FUTURE

The strong federally motivated emphasis upon nuclear power over the past twenty-six years has played an important role in encouraging the decline of the coal mining industry, in delaying the evolution of production methods for liquification and gasification of coal, and in diverting interest from earnest efforts to develop mature technologies for conversion of the naturally renewable energy resources.

Considerably less effort and money placed into solar, wind, ocean thermal and bioconversion technologies over the past twenty years than has been placed into nuclear technology could have resulted in far more energy being produced, more cheaply, more reliably and more safely from these sources than is being produced by nuclear energy today. There would be no energy crisis.

VI. CIVILIAN NUCLEAR POWER DECREASES THE NATIONAL SECURITY

It *directly* decreases the national security by rendering us more vulnerable to natural disaster, civil disorder and military attack. The concentration of relatively large quantities of potentially lethal fission products is a prime reason for this increased vulnerability. Also important, however, is the fact that nuclear power, because of the economies of scale, favors increased dependence upon central sources of power.

Solar energy sharply contrasts with this. No extraordinary hazard is created by destruction of a solar facility. Also, it favors decentralization of power sources. Virtual independence of large portions of residential and commercial buildings through the utilization of solar energy is not an unreasonable goal.

Civilian nuclear power *indirectly* decreases the national security by making international terrorist activities more likely and by otherwise setting the stage for large scale disruptions in less developed countries of the world. If it taxes our ability to safely use civilian nuclear energy on a large scale, can we expect the less developed countries to use it safely to meet their energy needs and solve the dilemma of balancing resources and population? The answer is clearly "No". On the other hand, I can think of no commitment that this nation could make that has greater potential for assuring world peace than to develop the various solar, wind and ocean energy conversion technologies on a crash basis.

The Atomic Energy Act of 1946 stated a national policy of developing and utilizing atomic energy to "assure the common defense" and for "improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace". In each of these policy areas, the civilian nuclear power commitment is now doing, or threatens to do, the exact opposite of that which was intended.

Moreover, in view of the deliberate deception of the public with regards to the risks of the civilian nuclear enterprise, the indifference to constructive criticism, and the self-righteous "more qualified to decide than you" arrogance of those who control the nuclear enterprise—the civilian nuclear commitment threatens to undermine the most fundamental principles on which this government is based. The decision to fully embrace or to reject nuclear fission as our primary future source of energy may be more momentous than the decision to elect any individual president. It is now past time for the American public to become involved in this decision. I personally believe that it is time for our government to squarely face the fact that the commitment to civilian nuclear fission was a great mistake and to set about extricating itself from that commitment as rapidly and as gracefully as possible.

EXHIBIT 4

THE NUCLEAR FUEL CYCLES A SURVEY OF THE PUBLIC HEALTH, ENVIRONMENTAL, AND NATIONAL SECURITY EFFECTS OF NUCLEAR POWER, OCTOBER 1973

THE AUTHORS

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CHAPTER III—CATASTROPHIC NUCLEAR ACCIDENTS

(By Daniel F. Ford and Henry W. Kendall, Union of Concerned Scientists)

1. *Introduction*

The large quantity of radioactive material that accumulates in each operating nuclear reactor implies the need for the most stringent care to see that no appreciable portion ever escapes. If any major release were to occur, the stage would be set for an accident of unprecedented scale.

Whether the safety systems, specifically the emergency core cooling systems (ECCS), installed in the present generation of water-cooled nuclear power reactors are adequate to prevent the major loss of radioactivity during an accident has recently become a matter of national controversy, a controversy in which the Union of Concerned Scientists (UCS) has played a leading role. The public debate on reactor safety began in 1971 following the failure of some critical safety system tests. Within a year, two reports[1] were released identifying weaknesses in the design of present ECCS and setting forth the size and scale of an accident that might possibly occur as a result of these weaknesses. Stimulated in part by these reports, the Atomic Energy Commission (AEC) initiated a rulemaking proceeding[2] in January 1972 in which USC provided the technical and scientific support to an intervening coalition of citizens groups, the Consolidated National Intervenors. This hearing did not end until July 1973. The accumulated record of oral proceedings was over 22,000 pages long with

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Footnotes at end of **article.**

a nearly equivalent volume of documents of record. The hearing record[2] has proved to be a major embarrassment to the AEC and the nuclear industry. It exposed for the first time major disagreements over the design criteria for ECCS promulgated by the AEC, disagreements between the AEC's staff in Washington and the majority of the reactor safety experts on whom it relies for its safety research and technical evaluations.

The matters discussed at the ECCS hearing were highly technical and, as the size of the hearing record indicates, of great volume. It is not possible to summarize the technical arguments and positions in a brief but satisfactory manner.[2] However, discussion of the risks and consequences of catastrophic accidents in the reactor program cannot be omitted from a review of the nuclear fuel cycle without damaging the review's completeness. Accordingly, we have set forth in this chapter a brief, largely non-technical summary of these important matters drawing on the ECCS hearing record, several UCS analyses, and other sources. The references will allow the interested reader access to the material on which our summary is based.

2. The consequences of a major uncontrolled accident

The potentially devastating consequences of a major nuclear reactor accident are related to the prodigious quantities of radioactivity that accumulate during normal operation. This radioactivity is, in turn, a result of the fissioning or splitting of the original Uranium-235 nuclei in the fuel elements. The quantities of radioactivity in a reactor are measured in the tens of billions of curies. This radioactivity includes materials with short and intermediate half-lives and some alpha-active elements referred to as "transuranics," * some of which have half-lives on the order of tens of thousands of years. The radioactive accumulation in a large power reactor is equivalent to the fallout from thousands of Hiroshima-size nuclear weapons and great care must be taken to prevent any inadvertent release. Consider, for example, that 20% of a reactor's radioactive material is gaseous in normal circumstances, and, if released to the environment in one way or another, could be swept along by the winds for many tens of miles to expose people outside the reactor site boundaries to what could be lethal amounts of radioactivity. The lethal distance may approach 100 miles. Injury to health, genetic damage, and increased susceptibility to a variety of diseases can occur at hundreds of miles.

A typical urban population density might exceed 8000 persons per square mile, and reactors are now more often being sited close to major population centers. Thus, for example, the Indian Point site has three reactors and is situated in heavily populated Westchester County, within 24 miles of New York City. The Zion, Illinois reactors are within 8 miles of 80,000 persons in Waukegan, Wisconsin. An accident under temperature inversion conditions at Indian Point could result in a strip up to 2 miles wide extending from the reactor site to the Atlantic ocean in which more than 100,000 persons might receive lethal or near-lethal radiation exposures. Property damage and claims for such an accident could range in the tens of billions of dollars.

The AEC has initiated two major studies whose goal has been a quantitative assessment of the damage that could result from a major reactor accident. These studies, undertaken in 1957 and 1964–65, were carried out for the AEC by the Brookhaven National Laboratory. The earlier study, as described in AEC report WASH–740, presented a set of calculations describing the effects of a major release of radioactivity from a reactor then considered to be large, but small compared to today's devices. The 1957 calculations showed 3400 deaths, 43,000 injuries, and $7 billion worth of property damage.

In the years following the release of WASH–740, it was felt that a new study employing a more sophisticated approach would demonstrate that the earlier procedures were too conservative, that is, has resulted in unrealistically large consequences of a major accident. Moreover, a new study could deal with the reactors then under design: five times larger than the reactor of WASH–740. Accordingly, an updated version of WASH–740 was commissioned.

The update, however, established that WASH–740 was *not* unduly conservative. Indeed, the more sophisticated analysis method employed in the analysis of accidents with the larger reactors led to a prediction of 45,000 fatalities, contamination of an area "the size of the state of Pennsylvania," and many tens of billions of dollars damage in the event of an accident. The AEC did not make public any report on the results of its reevaluation of WASH–740. The AEC apparently determined that the release of this information would prove too detrimental to the nuclear industry.

In June 1973, however, under threat of a Freedom of Information Act lawsuit, the AEC releasd its internal files from the 1964–65 study. An assessment of these AEC papers is being carried out by UCS.

3. The nature of a reactor accident

The uranium fuel in a reactor core is placed inside long, thin zironium alloy tubes forming the fuel rods. The tens of thousands of fuel rods are mounted inside the reactor pressure vessel, itself installed within another protective shield, the containment building. As the fuel is gradually "burned," a great deal of radioactivity is created, which generates heat which cannot be turned off. Thus, even if the reactor is shut down so that fissioning ceases, these waste materials continue to produce appreciable heat. In the event of a reactor cooling pipe rupture, or certain other kinds of malfunction, the reactor's normal cooling water could be lost from the hot core. If this water were lost and emergency coolant not supplied promptly and in adequate amount to the reactor core, then a very rapid heatup would start, which after a period of a few minutes could no longer be controlled. The reactor core would, in these circumstances, melt down and broach all man-made structures, with what appears to be the inevitable release of at least the gaseous components of the fission products. The multiple barriers to radioactive release would in this event all be of no use. The details of such an accident are not completely understood, but there is little controversy that an uncontrolled meltdown would result in the very serious circumstances we have outlined above and could present an unparalleled hazard to people at great distance from the plant.

What has been at issue in the ECCS hearing is whether or not the systems designed to provide emergency core coolant in the event of loss of reactor coolant can in fact effectively control the accident. The hearing record, discussed below, plainly demonstrates that adequate assurance of emergency cooling system effectiveness is absent.

4. The chance of an accident

In reviewing the assurances of reactor safety, we must ask the following questions: 1) what is the probability of having the kind of rupture or other event which could give rise to meltdown, and 2) what is the probability that the emergency systems will in fact perform their function of preventing meltdown when they are called on?

Determining the probability of a major pipe rupture is one of the most important tasks in establishing assurances of safety. The probability of a serious rupture is frequently referred to as "highly unlikely" or "extremely remote" by the AEC and the nuclear industry. Nevertheless, it is considered likely enough so that, by AEC regulations, emergency cooling systems must be provided to reflood a reactor core or provide spray cooling to it in the event of a pipe rupture. It is an event of sufficient concern to be the principal subject of AEC safety research.

Recently the AEC, in a document entitled "The Safety of Nuclear Power Reactors and Related Facilities, WASH–1250,"[4] has indicated that a pipe rupture might occur as frequently as once in a thousand reactor-years of operation. This is not too different from a General Electric estimate[5] applicable to its own reactors where a *major* pipe break is expected once in ten thousand reactor-years of operation.

The first important consequence to be drawn from these estimates is that accidents are, in our opinion, *not* highly unlikely at all. In fact, they are unacceptably large. The U.S. now has over 170 reactors operating, under construction, or ordered. When these are all operating, we can expect, on the basis of the AEC's best estimates, to have one pipe rupture approximately every 7 years and, by the end of the century when we have a thousand reactors, one pipe rupture every year. It is difficult to imagine by what criteria such a high frequency rate can be regarded as "highly unlikely."

In the published estimates of probability in WASH–1250, the AEC states that there is only roughly one chance in a thousand that elements of the emergency core cooling system will in fact fail to function when called on in the event of an accident. The AEC's estimate of ECCS "failure" ignores the message inherent in the very lengthy transcript and documents of the record of the recently concluded emergency core cooling hearing. In this hearing, it was established that the large majority of the nuclear reactor safety experts in the AEC's own safety research laboratories, together with the AEC's Advisory Committee on Reactor Safeguards and senior AEC Regulatory Staff scientists, have substantial reservations about the assurances of proper operation of the emergency core cooling system.

In a letter[6] of December 6, 1971 from William Cottrell, Director of Nuclear Safety Programs at Oak Ridge National Laboratory, he stated, writing in behalf of the experts in his group:

"We are not certain that the [licensing] criteria for emergency core cooling systems adopted by the AEC will, as stated in the Federal Register, 'provide reasonable assurance that such systems will be effective in the unlikely event of a loss-of-coolant accident.'"

D. O. Hobson and P. L. Rittenhouse,[7] Oak Ridge metallurgists, wrote a letter to Dr. Morris Rosen of the AEC's Regulatory staff on March 1, 1971, which stated:

"We believe that there is a consensus that what might occur during a major loss-of-coolant accident is still open to question."

George Lawson, a heat transfer expert from Oak Ridge, testified on March 1, 1972 at the ECCS hearing:

"Any conclusion with respect to the effectiveness of emergency core cooling systems is speculative."

And Norman Lauben of the AEC Regulatory Staff on February 10, 1972, testified:

"It is possible that for certain [loss-of-coolant accidents] which now calculate a temperature of 2300° [F] that the cladding temperature calculated could reach melting."

William Cottrell also stated in the Oak Ridge National Laboratory Nuclear Safety Program annual information meeting, February 16, 1971,[10] that, in view of the results that Oak Ridge had obtained in studying fuel rod swelling and damage (which aggravates the course of an accident), *he believed it was doubtful* that the emergency

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Footnotes at end of article.

core cooling would work. And finally, Milton Shaw, Director of the AEC's Division of Reactor Development and Technology, in a memorandum of February 1971 to Robert E. Hollingsworth, General Manager of the AEC, stated:

"No assurance is yet available that emergency coolant can be delivered at the rates intended and in the time period prior to clad and subsequent fuel melting due to decay heat generation."

In view of these statements and many similar ones in the transcripts of the hearings, it is apparent that the contention that emergency core cooling systems will work satisfactorily 999 times of 1000 is, at best, dubious. In fact, UCS studies [12] have indicated that the margins of safety once believed to exist in these emergency systems have in some cases vanished entirely, and that there are certain accidents associated with pipe ruptures for which these systems will provide no protection. In the event of a major pipe rupture, where the emergency cooling systems fail to perform, a major accident as described above is virtually certain to result.

It is a reasonable conclusion, based on the above, that, within ten years or so, there may be a catastrophic release of radioactivity from an operating nuclear power reactor. This conclusion is based only on the AEC's own stated probability of a pipe break. This estimated accident rate neglects other possible initiating events, such as pressure vessel rupture, operator error, and other presently undefined events.

The estimated likelihood of a major radioactive release, stated above, may well substantially underestimate the actual rate of occurrence. Included among the factors that will likely increase the rate are the extensive defects in the workmanship with which nuclear power plants are constructed. The Rand Corp., well known for its work for the U.S. Department of Defense, recently commented on ". . . [the] increasing reports of poor quality control and documented carelessness in the manufacture, operation, and maintenance of these complex nuclear machines." [13]

5. *Defects in the AEC'c analysis of accidents*

There is a class of accidents for which the emergency core cooling systems as presently designed are, in principle, ineffective; pressure vessel rupture is one such.

It has been stated in the AEC hearing concerning the McGuire reactor by Professor Robert Whitelaw that the bolts which hold down the main pressure vessel cover could rupture, allowing the entire cover to be released and projected vertically, leaving the reactor internals open and taking the control rods with it. The preliminary estimates that he made of the probability of this occurrence was one in a thousand reactor years of operation.

There are apparently a number of reactors—Kewaunee and Prairie Island, for example—for which the placement of the steamlines is unacceptable. In some plants, the steamline passes through the auxiliary building outside the principal reactor containment. A rupture here could disable all of the emergency equipment and leave the reactor with no residual core heat removal capability. Meltdown is a real possibility in such a case. In other plants, the main streamline passes under the control room, where a rupture could destroy the control room and kill the plant operators. These defects passed all review procedures of the architects, engineers, the reactor vendors, the utilities, and the AEC Regulatory Staff, from the design stage through final construction. An anonymous letter to the AEC was required to alert the agency to the defects. It is difficult to see how this situation could have developed if AEC claims of thoroughness and care are taken at face value.

There are several other unassessed effects that can aggravate a loss-of-coolant accident. It appears now that radioactive heating of the core has been underestimated. Steam generator tube failure in reactors occurs normally but will be aggravated in an accident. It has been shown that this effect can defeat entirely the reflooding capability that is required to mitigate a loss-of-coolant accident in a pressurized water reactor. Flow blockage arising from fuel damage remains unassessed. It was this phenomenon that occasioned Mr. Cottrell's comments that he doubted that the emergency systems would work.

There have been severe and far ranging defects in the management of the reactor safety program that has contributed to the situation in which the private views of so many reactor safety experts are at variance from official pronouncements. These defects and how the safety controversy developed are set out in a series of articles in *Science*.[14] Other defects in the program are discussed in additional articles.[15]

In our opinion, the links in the chain assurances of reactor safety are substantially defective. This view is based on our own very substantial analysis and on the relevations of the emergency core cooling hearing record. This circumstance results in what we believe is one of the most serious of the several public safety aspects in the nuclear power program. There is presently no adequate remedial action being taken to diminish the risk—surely among the greatest of any technology the country has ever implemented.

FOOTNOTES

* These are formed in the reactor during normal operation of "build-up" nuclear reactions that result in elements heavier than uranium. Plutonium is one of these. The radioactive transuranics are especially potent cancer producing materials.

[1] *Nuclear Reactor Safety: An Evaluation of New Evidence,* Ian Forbes, Daniel F. Ford, Henry W. Kendall, James J. MacKenzie, Union of Concerned Scientists Report, July 1971.

Nuclear Reactor Safety: A Critique of AEC Interim Standards for Emergency Core Cooling Systems, Daniel F. Ford, Henry W. Kendall, James J. MacKenzie, Union of Concerned Scientists Report, October 1971.

An article abridging the material of the two reports above was published in *Environment,* Vol. 14, No. 1, p. 40, Jan./Feb., 1972.

[2] Emergency Core Cooling Systems (ECCS) Hearings. AEC Docket RM–50–1. The hearing record, and other AEC records and reports referenced below are available for inspection at the AEC Public Document Room, 1717 "H" Street, N.W., Washington, D.C. A report on the first nine months of the hearing, by Daniel F. Ford and Henry W. Kendall, is in *Environment,* Vol. 14, No. 7, p. 2, September 1972; a later book-length report on the ECCS hearing by the same authors is: "*An Assessment of the ECCS Rulemaking Hearing,* Union of Concerned Scientists report, April 1973.

[3] *Theoretical Possibilities and Consequences of Major Accidents in Large Nuclear Power Plants, WASH–740,* USAEC, March 1957.

[4] *The Safety of Nuclear Power Reactors and Related Facilities, WASH–1250,* USAEC, July 1973.

[5] Appendix A to General Electric Document, GEAP–4574.

[6] Exhibit 1112, ECCS Hearing (ref. 2).

[7] Exhibit 251, Ibid.

[8] Transcript page 5447 and Exhibit 137 (ref. 2).

[9] Transcript page 2084 (ref. 2).

[10] *ORNL Nuclear Safety Program—Annual Information Meeting, February 16–17, 1971, Oak Ridge, Tennessee.* Summary by A. A. Katterhenry.

[11] Exhibit 1011, ECCS Hearing (ref 2).

[12] Incorporated in UCS documents prepared in connection with the ECCS hearing:

(a) Direct Testimony, Exhibit 1041, March 1972.

(b) Redirect and Rebuttal Testimony, Exhibit 1153, October 1972.

(c) Concluding Statement, April 1973.

[13] R. D. Doctor et al, *California's Electric Quandary* (RAND Corporation, R–1116–NSF/CSA, Sept. 1972), Vol. 3, p. 25.

[14] *Science,* Vol. 177, September 1, 1972; Vol. 177, September 8, 1972; Vol. 177, September 15, 1972; and Vol. 177, September 22, 1972.

[15] *Science,* Vol. 176, May 5, 1972; Vol. 177, July 28, 1972; Vol. 178, November 3, 1972; Vol. 179, January 26, 1973; and Vol. 181, August 24, 1973.

NEW GUIDELINES PREPARED TO SAVE ENERGY IN LARGE U.S. BUILDINGS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. TIERNAN. Mr. Speaker, residential and commercial buildings currently consume some 33 percent of total U.S. energy. Studies conducted by the National Bureau of Standards indicate that on the average, about 40 percent of that energy is wasted through design of the building, construction practices in implementing design, and occupant practices in using the buildings. These deficiencies lead to an annual waste of energy equivalent to about 345 million tons of coal or 65 billion gallons of oil or 9 trillion cubic feet of natural gas. There are also consequently substantial environmental effects stemming from this waste.

In view of the current energy problem, and in conjunction with prior environmental efforts, I have introduced legislation, H.R. 16020, instructing the National Bureau of Standards, in cooperation with any interested Federal agencies or industrial groups such as the American Association of Home Builders and the American Institute of Architects to prepare building insulation standards, varying by climatic conditions and type of building. These standards, besides being immediately applicable in new Federal building construction, would serve as an information base to aid State and local governments in designing their own insulation codes.

There are very few areas where such a substantial savings can be realized by so small an investment. Proper insulation can save enormous amounts of our Nation's precious resources. Federal initiation is necessary, because the technical complexity of the subject precludes State and local governments from doing a thorough job. However, a degree of implementation is left up to the States and local governments who can best account for varying local factors such as: building materials, severity of energy crisis, and so forth.

Prof. David C. White, of MIT, stated in testimony to the Subcommittee on Science, Research and Development of the Science and Astronautics Committee of the House that—

> Conservation to slow down waste while satisfying the other needs of society has a greater social payoff than any other single factor today including new energy supply developments and new resource discoveries.

The benefits of increased insulation are not confined to the Northern areas of our country. A New York Times magazine article of July 14, 1974, documents that—

> Some architects seem to think air-conditioning . . . may not be necessary at all—or only infrequently so as if buildings are designed for coolness. They talk these days, with all the excitement of original discovery, of windows that open, of cross ventilation, and thick walls.

It should also be noted that proper residential insulation would be a necessary adjunct to the introduction of solar energy for residential heating and cooling.

The bill is enclosed for the Members' perusal. Also included is an article from the Washington Post, June 1, 1974, which delineates the work already done by the National Bureau of Standards in this area and the enormous amount of effort still necessary if this Nation is ever to realize a substantial energy savings through insulation standards:

[From the Washington Post, June 1, 1974]

NEW GUIDELINES PREPARED TO SAVE ENERGY IN LARGE U.S. BUILDINGS

(By Joseph C. Davis)

A significant but somewhat insecure advance has been made in the complex and difficult task of bringing rational guidelines to energy conservation in building construction throughout the United States.

In late January the National Bureau of Standards of the Department of Commerce issued a draft energy document for review by competent authorities—a document that will ultimately be a guide for builders, architects and state and local officials for constructing residential and large buildings that will allow a minimum of wasted energy.

This draft document should help take up the sloppy slack of the construction energy waste of the 1950s and 1960s. It has the lofty title, "Draft Design and Evaluation Criteria for Energy Conservation in Buildings," and is the conception of the National Conference of States on Building Codes and Standards.

An important idea whose place in history came easily, it was dreamed up originally by Joseph Stein, formerly building commissioner of New York City and associate member of the standards and evaluation committee of NCSBCS. It took hold quickly once it was suggested in late spring of 1973.

A guide, such as this draft document ultimately promises to be, was a natural.

States and other jurisdictions were in the process of planning guidelines of their own and incorporating them into legislation for ensuring energy conservation in building construction in their own communities. California already was in the process, and Stein's state of New York was about to start the writing of guidelines.

Everywhere was a waste of our good things that come from the earth and the sun.

Once the amazing shock of the energy crisis struck the minds of the people in the building community, they looked around them and noticed, almost for the first time, the tall skyscrapers with their glass-curtain walls, overabundances of light, and unrecovered heat thrown to the winds of the big cities. Good guidelines, they saw, were needed urgently.

The document pulls few punches. It subtly, and with certainty, narrows the builder down with requirements and suggestions toward reasonable building practices.

Among the items included are restrictive requirements relating to heat losses, air-leakage control, condensation, window heat loss, lighting, heating and cooling equipment, and electrical distribution. There are other requirements just as important.

Many builders and architects may be disappointed and puzzled at first when they see the final document and the method of presentation. Performance requirements rather than the specific and detailed requirements and specifications they are familiar with will be listed.

A performance requirement is one in which a prescribed accepted level of performance is specified but the writer of the requirement cares not how the performance level is accomplished.

In this case a builder can use any technique he desires, and his materials can be burlap or gold ingots as long as he complies.

An example taken from the text states: "The entire duct system for heating, ventilating and air-conditioning systems shall not leak more than 5 per cent of the design airflow at design duct pressure."

Now the builder may not be equipped to know whether his duct leakage will be more than 5 per cent. The requirement would take some sophisticated equipment.

Therein lies a problem: more has to be done. That's why the Center for Building Technology of NBS and advisers from industry and from professional societies, have elected to call the energy document a draft, and it has not yet been formally presented to NCSBCS.

Some way must be found and more funds collected, so the nuts and bolts and techniques can be carefully related to the performance requirements, and complete assurance is reached that the finished guide will be accepted by architects and builders.

This means more study, but more than that it means real laboratory work will be necessary to determine material and detail requirements that will comply with the printed material in the guide.

A library of reference sheets with the needed information could be prepared for general use. The task is formidable. But so is the need.

Some interesting performance requirements are worth mentioning at this point, not only because of the way they are presented but because some magnitude of the improvement can be gleaned from their reading. For example, the amount of glass in a building is not specified explicitly.

Instead an overall coefficient of thermal transmittance through a wall that included windows and doors, known as the U value, is given for the entire wall. The architect can specify anything he wants in the wall: if he wants a reasonably large glass area he must specify double-glazed windows (two panes of glass with an air space between). And he must beef up the insulation properties of the opaque parts of the wall.

What will this save in energy? Only the sharp and knowledgeable engineers from the Bureau of Standards, with their differential equations and Bessel functions, can tell with some certainty, but a good guess might be 30 per cent.

Another interesting requirement relates to lighting. Here the designer is inexorably nudged into using a concept known as task lighting.

The requirement states in part: "The level of illumination in the immediate area of the specified task shall be no greater than that recommended by the Illuminating Engineering Society Lighting Handbook, 5th edition, for the task . . . and task illuminance shall be produced by local luminaries directed only at the immediate task areas, and such luminaires shall be individually switched at the task area."

Also: "the general level of illumination in the space surrounding the task areas shall not be more than ⅓ of the task level . . ." This is serious stuff.

There probably will be serious resistance by industry to the new document. There always is to anything as sweeping and with such an impact. Some manufacturers may be seriously affected.

But compliance is voluntary: It's not a restrictive measure coming from the government—a procedure that has been anathema to industry. Also if anybody can pull it off, it will be NCSBCS.

Through the past decade as one school of building researchers strove through legislation to build up a strong building-research station under government control such as exist in countries like Canada, Finland and England, and industry strove just as hard to limit government building research to the small Center for Building Technology at the Bureau of Standards, NCSBCS represented the middle way.

Such enviable position comes about mostly because the organization promotes state and local autonomy.

Ultimate disposition of the document after it has been formally prsented to NCSBCS is not known. Several avenues are open. Some states may want to make it mandatory in the future.

It might, under the sponsorship of the NCSBCS, go through what is known as the voluntary consensus process where approval is reached by a committee of the American National Standards Institute whose membership is made up from industry and government.

During a recent meeting of the American Society of Heating, Refrigerating and Air-Conditioning Engineers in Los Angeles, and the morning after a general review of the NBS staff members, the board of the society offered to assume sponsorship of the document.

(The author retired from the National Bureau of Standards in 1969. He was a member of the staff of the Center for Building Technology.)

H.R. 16020

A bill to direct the National Bureau of Standards to prepare building insulation standards

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds that—

(1) the United States potentially faces an energy shortage of acute proportions during the next decade;

(2) the problem of inadequate supplies of energy has already manifest itself in the form of power blackouts, school closings because of the scarcity of heating fuels, and shortages of gasoline and other fuels for automobiles and farm equipment;

(3) a significant easing of the energy problem can be achieved by eliminating wasteful uses of energy and by promoting more efficient uses of energy;

(4) a substantial amount of energy is used to heat, cool, and otherwise control climatic conditions in homes, schools, stores, offices, factories, and other buildings;

(5) such energy is used most efficiently when buildings are designed and constructed in ways which minimize the adverse impact of external climatic and meteorologic conditions upon interior temperature and humidity levels; and

(6) standards for determining whether buildings are so designed and constructed are not now readily available, and the technical complexity of such standards precludes individual State and local development.

(b) It is the purpose of this Act to promote the efficient use of energy by directing the Secretary of Commerce acting through the Director of the National Bureau of standards which can be used by municipal Standards, to prepare building insulation governments and others interested in establishing energy conservation requirements for new construction.

DEFINITION

SEC. 2. As used in this Act, the term "Secretary" means (unless the context requires otherwise) the Secretary of Commerce.

PREPARATION OF BUILDING INSULATION STANDARDS

SEC. 3. (a) The Secretary shall prepare building insulation standards (hereafter in this Act referred to as "standards"), applicable to new construction, which can be incorporated into building codes for use in determining whether a building has been designed and constructed in such a way that external climatic and meteorologic conditions will have the minimum practicable adverse impact upon temperature and humidity levels within such building.

(b) The Secretary may prepare different sets of standards for—

(1) different types or classes of buildings; and

(2) buildings located in different climatic regions.

(c) In preparing standards the Secretary may consult with—

(1) the Secretary of Housing and Urban Development, and other appropriate Federal officials; and

(2) private individuals and entities, including professional engineering and architectural societies, trade associations, and consumer organizations.

DISSEMINATION OF BUILDING INSULATION STANDARDS

SEC. 4. (a) No later than June 1, 1975, the Secretary shall issue a bulletin for public distribution containing (1) the standards prepared pursuant to section 3 of this Act, and (2) the best available estimates of the amount of energy which would be saved by incorporating such standards into design and construction requirements for new buildings.

(b) The Secretary shall (1) publish the contents of such bulletin in the Federal Register, and (2) take such additional steps as he deems appropriate to inform appropriate agencies of State and local government of the availability of the standards.

EXERCISE OF FUNCTIONS

SEC. 5. The Secretary shall exercise his functions under this Act through the Director of the National Bureau of Standards.

COURTS UPHOLD FEDERAL ADVISORY COMMITTEE ACT

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, July 25, 1974

Mr. METCALF. Mr. President, advocates of open and participatory government can be heartened by three recent court orders in the U.S. District Court for the District of Columbia concerning Public Law 92-463, the Federal Advisory Committee Act.

On June 18, Judge Aubrey E. Robinson, Jr. issued an order in the case of Margaret Gates et al. against James R. Schlesinger et al. This case involved an advisory committee known as DACOWITS—Defense Advisory Committee on Women in the Services. In his order, Judge Robinson ruled that—

(1) Exemption 5 of the Freedom of Information Act (which deals with internal memoranda) could not be used to prohibit the public from appearing before a meeting of the advisory committee;

(2) Notice of the advisory committee's meetings, except those of an emergency nature, should be published at least thirty days in advance;

(3) Notice should be published in media other than (and in addition to) the Federal Register;

(4) Public notice of meetings should note if the meeting is to be closed under a Freedom of Information Act exemption; and

(5) Members of the public had the right to talk in the advisory committee meeting, subject only to reasonable restrictions.

On June 21, Judge William B. Bryant issued an order in Aviation Consumer Action Project against Jack Yohe and the Civil Aeronautics Board. The order enjoined the defendants, their agents, and employees from convening future meetings not in full compliance with Public Law 92-463, and from excluding plaintiff, its agents or employees from any such meetings.

On June 28, Judge Charles R. Richey issued a memorandum opinion and order in Food Chemical News against Rex D. Davis, Director of the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms. Judge Richey concluded that informal meetings of the agency with consumer and distilled spirits industry representatives were subject to the act. He enjoined the Government official from convening future advisory committee meetings without complying fully with the act, and from excluding plaintiff, its agents, or employees from any such meetings.

Mr. President, I believe these orders and opinions will be of interest and value to Members. They also provide guidance for committee management officers, and for the heads of agencies who may be considering advisory committee matters. Therefore, I ask unanimous consent to print in the RECORD the three items to which I have referred along with the July 9, 1974 article by Bob Kuttner in the Washington Post, headlined "U.S. Lobbying May Be Open to Public."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[U.S. District Court for the District of Columbia]

ORDER

Margaret Gates, et al., Plaintiffs, v. James R. Schlesinger, et al., Defendants. Civil Action No. 1864-73.

Upon consideration of the complaint and the answer, the parties' motion for summary judgment, the respective pleadings in support thereof, the parties' statement of material facts as to which there is no genuine issue, and for the reasons set forth in the Memorandum filed on October 10, 1973, accompanying the Order granting a preliminary injunction, it is by the Court this 8th day of June, 1974;

Declared that under the Federal Advisory Committee Act, exemption 5 of the Freedom of Information Act (5 U.S.C. § 552(b)(5)) cannot be used to prohibit plaintiffs and the public from attending or appearing before any DACOWITS meeting or session;

Declared that the requirement of Section 10(a)(2) of the Federal Advisory Committee Act that timely advance public notice be given of each DACOWITS meeting is not met except for emergency meetings, by any notice not published as required at least thirty (30) days in advance;

Declared that Section 10(a)(2) of the Federal Advisory Committee Act requires defendant to publish notice at least thirty (30) days in advance of a meeting in media other than the Federal Register;

Declared that the Federal Advisory Committee Act requires that where defendants have decided to close a meeting because its subject matter relates to an exemption under the Freedom of Information Act, this action must be set forth in the public notice;

Declared that Section 10(a)(3) of the Federal Advisory Committee Act grants members of the public the right to participate orally in DACOWITS meetings, subject only to reasonable restrictions, and it is

Ordered that plaintiffs' motion for summary judgment be and it hereby is granted.

AUBREY E. ROBINSON, Jr.,
U.S. District Judge.

[U.S. District Court for the District of Columbia]

ORDER

Aviation Consumer Action Project, Plaintiff, v. Jack Yohe and Civil Aernautics Board, Defendants. Civil Action No. 707-73.

Upon consideration of plaintiff's motion for summary judgment, the pleadings, points and authorities, exhibits and arguments of counsel in support thereof and in opposition thereto; and it appearing that there is no genuine issue of material fact; that the meeting of April 9, 1973 convened by defendants was a meeting of an advisory committee within the meaning of the Federal Advisory Committee Act of 1972; that the defendants violated the Act by not establishing the committee in accordance with Section 9(a), by not filing the committee's charter in accordance with Section 9(e) prior to the commencement of the meeting, and by closing such meeting and excluding the public therefrom contrary to Section 10(a) of the Act; and that plaintiff is entitled to judgment as a matter of law, it is by the Court this 21st day of June, 1973,

Ordered that plaintiff's motion for summary judgment be and is hereby granted; and that the defendants and their agents and employees be and are hereby enjoined from convening any future meetings of any of plying fully with the Act, and from excluding plaintiff or its agents or employees from any such meetings in contravention of the Act.

WILLIAM B. BRYANT,
Judge.

[U.S. District Court for the District of Columbia]

ORDER

Aviation Consumer Action Project, Plaintiff, v. Jack Yohe and Civil Aeronautics Board, Defendants. Civil Action No. 707-73.

It is hereby, this 21st day of June, 1974,

Ordered that judgment be, and hereby is, entered for plaintiff in the above-entitled action.

WILLIAM B. BRYANT,
Judge.

[U.S. District Court for the District of Columbia]

MEMORANDUM OPINION OF U.S. DISTRICT JUDGE CHARLES R. RICHEY

Food Chemical News, Inc., 1341 G Street N.W., Washington, D.C., Plaintiff, v. Rex D. Davis, Director, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, Washington, D.C. 20226, Defendant. Civil Action No. 74-215.

Appearances: For the Plaintiff: Ronald L. Plesser, Esquire and Alan B. Morrison, Esquire.

For the Defendant: Robert M. Werdig, Esquire and Assistant United States Attorney.

The issue before this Court is whether the two separate "informal" meetings with consumer and distilled spirits industry representatives relative to drafting proposed regulations of the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department (hereinafter, "Bureau"), on ingredient labeling of distilled spirits were meetings of "advisory committees" utilized by Defendant Rex Davis, Director of the Bureau, to obtain advice within the meaning of Section 3(2) of the Federal Advisory Committee Act of 1972 (hereinafter, "Act"), 5 U.S.C. App. I, and, therefore, "open to the public". 5 U.S.C. App. I & 10(a)(1). The Court has concluded that the two meetings in question were subject to the Act and, accordingly, the Defendant was required to provide public access to each meeting pursuant to Section 10(a)(1) of the Act and to follow the Act's procedural requirements. The Court will, therefore, grant Plaintiff's Motion for Summary Judgment and enjoin the Defendant and his agents, servants, and employees from convening any future meetings of the advisory committees discussed herein, or meetings of any of their advisory committees, without complying fully with the Act's requirements, and from excluding plaintiff or its agents or employees from any such meetings in contravention of the Act.

I. BACKGROUND

Plaintiff Food Chemical News, a weekly trade journal that reports generally on matters concerning the Government regulation of food products and chemicals, brought the instant action under the Federal Advisory Committee Act of 1972 to compel Defendant Davis to open to the public certain meetings he scheduled separately with consumer and industry groups. In an effort to delay the meetings until the public access issue could be effectively resolved, Plaintiff applied to the Court for a Temporary Restraining Order seeking to enjoin the Defendant from holding the meetings unless Plaintiff would be permitted to send a representative to them. On February 4, 1974, Judge Corcoran of this Court, sitting as motions judge, denied Plaintiff's application, but set down a date for argument on Plaintiff's Motion for a Preliminary Injunction and Defendant's Motion to Dismiss which were heard by this Court on February 13, 1974. In light of the fact that both meetings had already taken place at the time of oral argument before the Court, the parties agreed to stipulate that the case could be disposed of as a matter of law and their respective motions could be treated as cross motions for summary judgment. In addition, the parties reached agreement upon and ultimately filed with the Court a stipulation of material facts which are not in dispute. Such is the present posture of this case. The Court has jurisdiction pursuant to the provisions of 28 U.S.C. § 1361 and 5 U.S.C. §§ 702–4.

The undisputed facts indicate that the Bureau is presently considering amendments to 27 C.F.R. Part 5, which covers the labeling and advertising of distilled spirits, and in this regard has prepared a draft of several proposed amendments to the regulations set forth therein. Prior to the commencement of this suit, the Director of the Bureau, Defendant Davis, obtained the preliminary views of representatives of interested industry and consumer committees respecting the proposed amendments and scheduled separate meetings with these groups to discuss the proposals and obtain the group's "comments or suggestions". (See Exhibit A to the Amended Complaint.) These meetings were intended to precede any notice of the proposed rulemaking or notice of a public hearing in the Federal Register.

Plaintiff, by letter of January 24, 1974, advised the Defendant that Plaintiff was entitled to send a representative to both meetings pursuant to Section 10(a)(1) of the Act, which provides in pertinent part:

"Each advisory committee meeting shall be open to the public." 5 U.S.C. App. I § 10 (a)(1). (Emphasis added.)

Plaintiff sought access to the meeting in order to report to the public on the discussion and recommendations behind closed doors of these groups as to the Bureau's proposed regulations pertaining to the alleged widespread use of artificial colorings and synthetic chemical preservatives in the preparation of wine, beer and distilled spirits. At present such ingredients and additives are not fully listed on the labels of these products as offered to the consumer. In response, the Defendant denied that the Act indeed applied to the scheduled meetings and explained that the meeting would be closed to the public and, therefore, members of the press such as Plaintiff would be excluded. Plaintiff then brought the instant action and shortly thereafter the Defendant met separately with the two groups in question.

II. THE DEFENDANT'S UTILIZATION OF THE INDUSTRY AND CONSUMER COMMITTEES IN ORDER TO OBTAIN ADVICE ON THE DRAFT AMENDMENTS TO AGENCY REGULATIONS SUBJECTS THE COMMITTEES TO THE STRICT PROCEDURAL REQUIREMENTS OF THE ADVISORY COMMITTEE ACT INCLUDING, AMONG OTHER THINGS, THAT MEETINGS BETWEEN THE DEFENDANT AND PRIVATE INDIVIDUALS COMPRISING THE COMMITTEE BE ACCESSIBLE TO THE PUBLIC

It is the Court's opinion that the industry and consumer committees were "advisory committees" within the meaning of Section 3(2) of the Act which reads in pertinent part:

"The term advisory committee means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or any other subgroup thereof (hereinafter in this paragraph referred to as committee) which is . . .

"(c) *established or utilized by one or more agencies*

"In the interests of obtaining advice or recommendations for the President or one or more agencies or officers of the federal government . . ." (Emphasis added).

It is undisputed that the Defendant utilized an *ad hoc* committee of industry representatives in order to obtain advice. Such a relationship, like that with the consumer group, clearly comes within the terms of Section 3(2) of the Act. *Aviation Consumer Action Project* v. *Yohe*, et al, CA No. 707–73 (D.D.C. June 24, 1974).

Defendant argues that an "advisory committee" under the Act may not meet or take any action until its establishment is determined as a matter of formal record pursuant to the provisions of Section 9(a)–(c) of the Act. It does not follow, however, that because such formalities were not observed with respect to the instant committees, the meetings of the committees were not subject to the Act's public access requirement. Clearly where, as here, a federal agency utilizes an advisory committee for the purpose of obtaining advice, the agency must charter and establish the committee in compliance with all the terms of the Act. Failure to comply with such requirements cannot be employed as a subterfuge for avoiding the Act's public access requirements.

The purpose of the Federal Advisory Committee Act to control the advisory committee process and to open to public scrutiny the manner in which government agencies obtain advice from private individuals is furthered by the Court's action herein. Indeed, Congressional concern for informal meetings such as those in the case at bar contributed to the statute's enactment:

"The lack of public scrutiny of the activities of advisory committees was found to pose the danger that subjective influences not in the public interest could be exerted on the Federal decision-makers." S. Rep. 92–1098, 92d Cong. 1st Sess. 6 (Sept. 7, 1972).

The potential dominance of the advisory committees in an increasingly complex bureaucratic environment and the evils that would flow from such dominance were fully reported by the House Committee on Government Operations which, in reporting out the legislation, stated in part:

"One of the great dangers in the unregulated use of advisory committees is that special interest groups may use their membership on such bodies to promote their private concerns. Testimony received at hearings before the Legal and Monetary Affairs Subcommittee pointed out the danger of allowing special interest groups to exercise undue influence upon the Government through the dominance of advisory committees which deal with matters in which they have vested interests." H. Rep. 92–1017, 92d Cong., 2d Sess. 6 (Apr. 25, 1972).

The subject matter of the meetings in question involved serious and much-debated public health issues concerning the merits of chemical additive labeling requirements for beer, wine and distilled spirits. The Government's consideration of such sensitive issues must not be unduly weighted by input from the private commercial sector, lest the Government fall victim to the devastating harm of being regulated by those whom the Government is supposed to regulate in the public interest. *Moss* v. *C.A.B.*, 430 F. 2d 891, 893 (D.C. Cir. 1970).

Finally, there is the interest of consumers who, for the purposes of their individual well-being, seek information regarding the chemical additives applied to the foods and beverages they purchase, have an identifiable interest in the information considered by the Government in conjunction with advisory meetings held with industry and consumer committees. To a large extent, such individuals must depend on the press, and in particular, trade journals like Plaintiff, to advise them of new developments in the Government's regulatory efforts. Plaintiff's ability to adequately inform the public respecting Government conduct turns on the Government's compliance with the Advisory Committee Act's procedural requirements. Thus, it is imperative that public access to advisory committee meetings be provided by the Government if the Act is to become a reality and individuals such as Plaintiff are to have the opportunity to discharge their responsibility to inform the public. It is this Court's intention to fully enforce the Act's procedural requirements and thereby involve the public in the advisory committee process in the manner Congress intended. To do otherwise would allow the powerful executive branch of government to conduct its business behind closed doors in a manner that would prevent the press from performing its aforementioned responsibility to keep the public informed.

The press, as represented here by Plaintiff, has a statutory right under the Act as well as a First Amendment privilege to report on the manner in which Government affairs are conducted. This Court regards such a right or privilege as among this nation's most sacred protections against tyranny and oppression at the hand of the Executive, and, accordingly, the Court will do all that is within its power to safeguard the public's right to know.

For all the foregoing reasons, the Court will grant Plaintiff's motion for summary judgment by Order of even date.

CHARLES R. RICHEY,
U.S. District Judge.

JUNE 28, 1974.

[U.S. District Court for the District of Columbia]

ORDER

Food Chemical News, Inc., Plaintiff, v. Rex D. Davis, Director, Bureau of Alcohol, Tobacco, and Firearms, Defendant. Civil Action No. 215–74.

Upon consideration of the parties' cross-motions for summary judgment, and the memoranda filed in opposition to, and in support thereof, and the oral argument of counsel, and upon consideration thereof, and for all the additional reasons set forth in the Court's Memorandum Opinion of even date herewith, it is by the Court, this 28th day of June, 1974,

Ordered that defendant's motion for summary judgment be, and the same is, hereby denied, and it is

Further ordered that plaintiff's motion for summary judgment be, and the same is, hereby granted; and the defendant and his agents, servants, and employees be, and the same are, hereby enjoined from convening any future meetings of the advisory committees which met on February 6, 1974, and February 8, 1974, respectively, or any meetings of defendant's advisory committees, without complying fully with the Act, and from excluding plaintiff or its agents or employees from any such meetings in contravention of the Act.

CHARLES R. RICHEY,
U.S. District Judge.

JUNE 28, 1974.

[From the Washington Post, July 9, 1974]

U.S. LOBBYING MAY BE OPEN TO PUBLIC

(By Bob Kuttner)

Private meetings between industry lobbyists and government bureaucrats could be opened to the public, if a little-noticed ruling by a federal judge last month is upheld and applied.

At issue in the case was the right of a trade paper, Food Chemical News, to send a reporter to two separate meetings where officials of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms discussed regulations on ingredient labeling with representatives of distilling companies and consumer groups. The Treasury was deciding whether to require labeling of artificial coloring and chemical preservatives in beer, wine and hard liquor.

Although lobbying on Capitol Hill is more familiar, Washington lawyers for major corporations and trade associations probably spend more of their time in contact with regulatory agencies downtown.

When Food Chemical News managing editor Ray Gallant was told by Treasury officials that the meeting on liquor labeling would be closed to the press, the trade weekly sued under the 1972 Federal Advisory Committee Act.

That legislation was an effort by Congress to clamp down on the more than 1,500 committees composed largely of industry specialists established in recent years to advise various government agencies. An investigation by the Senate Government Operations Committee last year found that some corporations such as RCA and ITT had representatives on nearly 100 different committees.

In reporting the legislation, the House Government Operations Committee concluded that "one of the great dangers in the unregulated use of advisory committees is that special-interest groups may use their membership on such bodies to promote their private concerns." The 1972 law set standards for advisory committees, and provided for public access to all committee meetings and records.

In his ruling in the Food Chemical News case June 28, U.S. District Court Judge Charles R. Richey held that even though the industry and consumer representatives meeting with Treasury aides were not an official committee, they were in effect functioning as advisory committees under the 1972 law.

Consequently, Judge Richey reasoned, the meeting should have been open: "The government's consideration of such sensitive issues must not be unduly weighted by input from the private commercial sector, lest the government fall victim to the devastating harm of being regulated by those whom the government is supposed to regulate in the public interest."

Richey's order prohibited the Bureau of Alcohol, Tobacco and Firearms from closing future advisory meeting to the plaintiff, Food Chemical News, or presumably to anybody else.

The government has not yet decided whether to appeal. According to the plaintiff's lawyer, Ronald L. Plesser, who specializes in public access cases, the ruling could permit the public to monitor meetings between regulatory agencies and industry representatives generally.

In another recent case brought under the Federal Advisory Committee Act, U.S. District Court Judge Aubrey Robinson ruled that the Pentagon not only had to admit the public to meetings of its advisory committee on women in the services, but also had to give advance notice in the Federal Register and other media. In addition, said Robinson, the plaintiff, in the suit, Margaret Gates of the Center for Women's Policy Studies, had a right to participate in the meeting.

Lobbying of the executive branch has also come under attack by Common Cause, which bills itself as a "citizens' lobby." Fred Werthheimer, Common Cause's legislative director points out that while congressional lobbyists are required to register with the clerk of the House and the secretary of the Senate, no such registrations are required for executive branch lobbying.

Last May Federal Energy Director John Sawhill said he agreed in principle with a Common Cause suggestion that his agency devise a method of logging all contacts with industry representatives.

CLOSING TAX LOOPHOLES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mrs. SCHROEDER. Mr. Speaker, yesterday I spoke about the need for tax cuts to bring relief from inflation to the average wage earner. Each day these citizens pay more to live. Each year they pay more in taxes than many of their most wealthy compatriots. Yet, for all the decency of moderate-income taxpayers in accepting such a burden, their only reward has been castigation from the administration for refusing to support a tax increase which was never requested, and administration proposals for further tax concessions to big business. We should not be making further giveaways to big business. In fact, we need to close many of the current loopholes which serve no valid purpose in order to insure that all citizens pay their fair share of taxes and to raise revenues to offset the costs of tax relief measures.

The panel of economists advising the Democratic Steering and Policy Committee made a series of suggestions for major revenue-raising tax reforms including: First, a strengthening of the minimum tax; second, repeal of the Domestic International Sales Corporation (DISC) system of tax incentives for exports of often scarce commodities; third, elimination of U.S. tax credits for taxes and royalty payments paid by oil producers to foreign governments; and fourth, cracking down on hobby farm tax deductions which bid up the price of agricultural land. Many Members, including myself, already have submitted legislation in this area to the Ways and Means Committee. There are, for example, fourteen bills to revamp the minimum tax, and over fifty sponsors of legislation to repeal DISC. The Ways and Means Committee has held 3 months of hearings and over 30 days of markup on these and other reforms. Out of all this deliberation, there have been only two instances where the House was in the vicinity of considering a tax reform measure. The first was a Committee-opposed move to amend the debt ceiling bill to strengthen the minimum tax, a move which was effectively stifled in the Rules Committee. Then the House was privy to "almost consideration" of the Oil and Gas Energy Tax Act which would have given us a chance to repeal the oil depletion allowance, but this measure too has fallen victim to a power struggle in the Rules Committee.

Mr. Speaker, support of tax reform is meaningless if we who support it cannot even reach tax reform measures for debate and passage. Equity, the economy and already ample hearings and consideration leave no excuse for the present inaction.

NATO ALLIANCE RESTORED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. DERWINSKI. Mr. Speaker, while events in Cyprus are somewhat clouded, new developments in Greece must be throughly analyzed. I believe that overall what could have been a disaster and a NATO tragedy for Greece, Turkey, and Cyprus has been avoided.

In my judgment, the NATO alliance emerges strengthened from this potential disaster situation and that, in fact, objective consideration of a long-term solution to the chronic Cyprus problems may be forthcoming.

It is also my opinion that the total diplomatic effort by which this possible disaster was avoided represents a great triumph for the U.S. diplomatic leadership. The President, Secretary of State Henry A. Kissinger, and Under Secretary of State, Joseph Sisco were greatly instrumental in engineering this diplomatic achievement.

Mr. Speaker, in furtherance of this point, I direct the Members' attention to a column by James Reston in yesterday's July 24 Washington Star-News which I believe to be an accurate appraisal of the situation:

NATO ALLIANCE RESTORED

(By James Reston)

One of the reassuring aspects of Greek-Turkish settleemnt of the Cyprus crisis has been the speed and unity of NATO diplomacy.

Only a few short months ago, officials were complaining that American leadership was crippled and that the European allies couldn't agree on anything, but in the last few days they have demonstrated what can be done when consultation and trust are restored.

Within two hours, Secretary of State Henry A. Kissinger and the other nine foreign ministers were able to talk to one another and agree on the wording of a sharp demarche to the Greek and Turkish governments. The result has been a transformation of the military and political situation in the Eastern Mediterranean.

No doubt there will be sporadic fighting for a few days, and considerable political maneuvering before a new order is firmly established in Athens and Nicosia, but the outlook is now infinitely better than it was before the fighting started.

The U.S. government is particularly pleased by the political developments in both Greece and Cyprus. Even Kissinger, who played a key role in the settlement and was optimistic from the start that a major Greek-Turkish war could be avoided, had not dared to hope that the military junta in Athens would summon former Greek Premier Constantine Caramanlis back from exile in Paris to form a civilian government of national union.

Washington is also pleased that Glafkos Clerides, speaker of the Cypriot House of Representatives under the regime of Archbishop Makarios, has replaced Nikos Sampson as interim president of Cyprus.

Meanwhile, consultations are continuing between the United States and Britain over the future of Archbishop Makarios. This will be for the Cypriot people to decide, and while London and Washington are not wholly in agreement about Makarios, the main difference is that Britain is a coguarantor of the independent constitutional government of Cyprus, and the United States, whose enthusiasm for Makarios is not unbounded, has no such official responsibility.

For the future, the main thing is that the allies have rediscovered that they can be effective when they work together on common problems. In the latest war between Israel and the Arab states, the Europeans complained that Kissinger was not consulting them on military moves that might affect their vital interests.

At the same time, Kissinger was complaining publicly that the European members of the alliance were excluding the United States from their talks on the energy crisis and other matters and were confronting him with decisions whenever they were able to agree, which wasn't often.

Since the installation of new governments in London, Paris, and Bonn, however, there has been a new spirit of cooperation.

Washington is now eager to see a political transformation in Athens that will restore liberty to that country while retaining allied cooperation in the Greek bases on the mainland and in Crete.

This is regarded at the Pentagon as fundamental to the lines of communication between Europe and the Middle East.

What Kissinger hopes to do now is to expand the allied cooperation into the economic field, and particularly to move forward to a better understanding on monetary control, trade and energy.

His argument has been that the problems of inflation, trade, and defense are linked and cannot be eased without greater consultation and cooperation, not only between Europe and the United States but also with Japan.

These are more difficult questions than avoiding a war between two of the allies, but there is a little more confidence in Washington as a result of the last week's diplomacy that the alliance is back on a stronger foundation.

SEARCH FOR ELDORADO

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. SYMMS. Mr. Speaker, once again gold has been discovered in Idaho, this time in the Idaho State Auditor's wastebasket.

Joe Williams has been the Idaho State Auditor for many years and still can show us all a trick or two.

I would like to share the following article from the July 24 Wall Street Journal with the readers of the Record:

Search for Eldorado

The Idaho state auditor's office sold five tons of waste paper and used data processing cards to a paper recycling company, thus enriching the state treasury by some $850. The auditor was so pleased with the sale, according to UPI, that he intends to make this standard procedure for other state agencies.

Even in our inflationary age, that amount of money is nothing to sneeze at. And if one department of government in a sparsely populated state can recycle paper, imagine the riches awaiting to be harvested along the banks of the Potomac. Recycling the federal bureaucracy's endless procession of memos, laws, regulations and decrees may not produce money enough to pay off the multibillion-dollar national debt. But every little bit helps, especially when prices everywhere are skyrocketing with an important assist from the government's printing presses.

Washington has done a poor job of protecting the value of money, but it may have done the next best thing. By perfecting the simple declarative sentence to book length, officialdom may inadvertently have created a city of untapped riches, an Eldorado constructed of red tape. And who among us could have foreseen that in terms of financial clout, the Gnomes of Zurich might one day be supplanted by an army of nameless paper shufflers?

OWNERSHIP OF THE MASS MEDIA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. RANGEL. Mr. Speaker, access of minorities to ownership of the mass media is being pursued by many people who are concerned about the great desparity between minority representation in the general population and the presence of minorities in the media at all levels. Despite the fact that minority groups are an integral part of our national life, we remain the "invisible men" in mass media representation.

Now the House has passed and the Senate is considering a bill which threatens the small progress which has been made to increase minority ownership of the Broad Cast Media the Broadcast Licensing Renewal Act of 1974 as I have stated repeatedly provides for the further entrenchment of the white broadcasting individuals and corporations, who historically have neither provided adequate nor positive coverage of the minority community's concerns and aspirations.

The bill prohibits the Federal Communications Commission from considering as a factor in the license renewal process the "Cross ownership" or the owning of more than one station, communications media or businesses by existing licensee or one seeking a new license. In other words, cross ownership allows a broadcaster or newspaper to operate radio and television stations in the same service area. This poses distinct antitrust questions that should have been referred to the House Judiciary Committee but were not. Cross ownership blocks minority access to broadcast media ownership and perpetuates the control of mass communications in the hands of those who have not satisfactorily established and implemented equal hiring and programing practices and who continue to put forth the white interpretation of life in America as the only interpretation.

Another aspect of the bill provides for an extension of the licensing period from 3 to 5 years. The additional 2 years further enhances the position of existing licensees and makes it extremely difficult for minorities challenging the existing broadcast licensees even if they have legitimate grounds for the challenge. The extension will serve to lessen the competition for existing licensees and will make it more difficult to use the license challenge procedure as a lever to make existing broadcasters more responsive to the needs and interest of our community.

The Puerto Rican Media Action and Educational Council, Inc. today presented testimony before the Subcommittee on Communications of the U.S. Senate. This testimony which I include in the Record clearly states the danger which the Broadcast Renewal Act poses to the limited gains minorities have enjoyed in this field. The testimony is presented by a group which is struggling to provide opportunity for the Puerto Rican and other minority communities to be represented in the New York metropolitan television market which remains dominated by broadcast corporations that have not been responsive to the needs of our communities. It is groups such as the Puerto Rican Media Action and Educational Council, Inc., that are on the front line of this struggle, it is a worthy struggle which we in the Congress should be assisting rather than impeding through passage of such regressive legislation as the Broadcast Licensing Renewal Act.

I commend the leadership of the Puerto Rican Media Action and Educational Council, Inc., and its able counsel, Jose Rivera, for their forthright and eloquent testimony on this vital issue:

Testimony Before the Subcommittee on Communications, U.S. Senate, July 25, 1974

(By Jose A. Rivera)

I thank you for the opportunity to appear before the Committee to testify concerning H.R. 12993 which would amend the Communications Act of 1934. The Puerto Rican Media Action and Educational Council, Inc. is a non-profit corporation formed to insure and foster equal employment opportunity in the broadcast industry and to encourage and assist stations to be responsive to the needs, interests and views of the Puerto Rican and Latino communities.

The extension of the licensing renewal period from three to five years can only have a devastating impact on the movements by the various minority communities to insure that broadcast stations are responsive to their needs, interests and views. It is important to note that discrimination not only appears in unresponsive programming but also in such areas of importance as denial of employment and promotional opportunities and in the case of non-commercial broadcasters, discriminatory funding practices. The Council is right now in the midst of a license challenge against a non-commercial broadcaster charging discrimination in both of these latter categories. To extend the licensing period to five years would have the effect of allowing culpable broadcasters to institutionalize almost irreversible discriminatory hiring, promotional, and seniority practices. Further, considering the often phlegmatic nature of grants in the non-commercial area, five years would allow a station to funnel literally millions of dollars into discriminatory and unresponsive programming. The five year period would be long enough for broadcasters with discriminatory practices to engage in last minute "pork barrel" programming and hiring so that their five year balance would seem neutral.

Presently, broadcasters are required to file annual reports showing the ethnic makeup of the station's workforce. Obviously, the Commission cannot police or even audit these reports to ascertain whether broadcasters have non-discriminatory employment practices. The Courts and the Commission have recognized that this job must be left, for the most part, to the public, acting as "private attorneys general".

It is my belief and that of the Council that to extend the renewal period to five years may indeed have the effect desired by many broadcasters, that is, limit the number of license challenges. This same effect would also have the effect of significantly hampering the ability of minority communities to insure equal opportunity and responsiveness within the broadcast industry.

We are not opposed to the language contained in the proposed sec. 307(d) (2) (A) requiring the Commission to consider among other things whether "the licensee has engaged in broadcast operations during the term of the license which were substantially responsive to those needs, views and interests." However, we are distresseed by that section of the Committee Report suggesting that "the applicant/licensee should be granted renewal if it has provided minimal service to its service area." Not only are these two views antithetical but the Committee's interpretation vitiates the meaning of the word substantial. Under the "minimal service" standard it would not matter whether licenses were renewable in one, three or five years. "Minimal service" merely requires broadcasters to pay lip service to affirmative action in employment and would make a mockery of responsive programming. Under this standard any programming, if it is marketable, will also be responsive. "Substantial responsiveness" on the other hand epitomizes affirmative action and recognizes that licensees, who are given a virtual monopoly in transmission, have a *positive* duty to respond and relate to the community they seek to serve. Negative statutory language or interpretation only invites negative or half-hearted compliance.

In the comparative license renewal situation, the Council renews its insistence on the "substantial responsiveness" standard. If consideration is to be given to an incumbent, then such consideration should only be given a licensee that has been "substantially responsive" to the needs, interests and views of the community it seeks to serve. To require less is to reward mediocrity and thereby perpetuate the status quo.

It is important to understand that even "substantial responsiveness" is a step down from the present state of the law as enunciated by the Courts. The Council strongly feels that in comparative license renewal situations at least equal weight should be given to the proposal being advanced by the competing applicant.

Section 309(i), which codifies the service area principles, fails to take into consideration the various and diverse communities in our country. To require the use of such an inflexible standard of ascertainment without regard to geography is to assume that the "service area" requirement will have the same impact in let us say, Indianapolis as in New York. This deficiency can be easily corrected by adding to the second sentence of subsection (i) the words "and different geographical regions."

My final point concerns the appeal provisions of section 402. The Council feels, and rightly so, that the broadcast industry is upset with the pro-public positions and opinions of the District of Columbia Court of Appeals. Without belaboring the point but with due regard to the accumulated expertise of the District of Columbia courts, we would propose that the appellant from an adverse decision be allowed to appeal either to the Court of Appeals for the circuit where the broadcast facility is located or directly to the Court of Appeals for the District of Columbia.

It is important to understand that the groups traditionally excluded from participation in the broadcast industry have been Puerto Ricans and other Latinos, Blacks, Asian Americans and Native Americans. A weak bill or a bill that does not take this into full consideration will only serve to condone the exclusion and perpetuate the cultural segregation of our Nation's minorities.

NUCLEAR DEVELOPMENTS DICTATE CLOSER CONGRESSIONAL CONTROL

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. SHRIVER. Mr. Speaker, I am pleased to join with my able colleague from Massachusetts (Mr. Conte) in introducing legislation designed to obtain adequate information by the Congress on developments in the field of nuclear energy, both at home and abroad. This legislation would substantially bolster the responsibilities of the Joint Committee on Atomic Energy over the nuclear activities of the Atomic Energy Commission, the Department of Defense, and any other Government agencies which might become involved in the field.

I am joining this effort because of my growing concern and the concern expressed by my constituents about the problem of nuclear proliferation. We only need to look at the increasing number of nuclear powerplants being licensed and constructed throughout the country, the recent proposals to sell nuclear reactors to Israel and Egypt, and the detonation of an atomic bomb by India.

In view of these developments, it is no longer sufficient for a few Congressmen on selected committees and a few agency people to be informed on what is happening. The safety of our citizens and of citizens around the world from abuses or accidents involving nuclear materials is the responsibility of all Members of Congress. To exercise that responsibility, we must become more knowledgeable in the field.

This bill requires that the joint committee hold hearings during the first 90 days of each session of Congress on the development, growth, and state of nuclear power. Upon completion of the hearings, the committee would be directed to report to both Houses of Congress on their findings.

Another provision of the bill requires the Atomic Energy Commission and the Department of Defense to keep Congress fully informed on nuclear energy. To the extent possible, these reports would be presented in open committee sessions and in unclassified written materials.

CITIZEN CONCERNS EVIDENT IN ANNUAL COUGHLIN POLL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. COUGHLIN. Mr. Speaker, in keeping with my regular practice, I am pleased to insert into the Congressional Record the results of my yearly poll of residents of Pennsylvania's 13th Congressional District.

Not only the answers to the questions, but the added coments on questionnaires and the mail generated by the poll express a high degree of concern by citizens in a number of key areas. From the impeachment question to means of combating inflation, my constituents indicate their anxiety over the course of our Federal Government and its actions, or lack of actions, in meeting the compelling problems that face us.

While these questionnaire polls—started my first year in the Congress—always have drawn heavy responses, I think it interesting that this year's figures remain high even though a much shorter period was specified in which to return answers.

A total of 16,982 individual responses were received before the July 15, 1974, deadline.

My congressional district consists of most of Montgomery County and Philadelphia's 21st Ward. Much of the district is urban and suburban in character with a few sparsely populated areas of rural nature.

To insure accuracy of results, I again instructed my staff to tabulate carefully using statistical procedures designed to make sure that errors were kept to a minimum.

As a further check, all results were weighted by ZIP code to help protect the legitimacy of the final figures. *This also* enabled the staff to compare sentiments from various parts of the district. Sentiment as evidenced in replies to questions showed little variance in different parts of the district.

In a two-part question on President Nixon, constituents split sharply over whether they favored not impeaching, impeaching, or awaiting House Judiciary Committee findings before deciding. A clear majority, however, did not approve generally of the way Mr. Nixon is handling his job.

I think it of interest to note that last year's questionnaire included a question ranking in order a list of seven specified major problems confronting the Nation. At that time, my constituents rated Watergate as last in that list.

Constituents were asked to rank 1, 2, 3, and 4 in order of credibility President Nixon, the Congress, the courts, and the news media. Using cumulative percentages in order not to discriminate against any of the four, the results proved interesting.

Ranked first in credibility were the courts. Following behind the courts was the Congress. The news media received third ranking while Mr. Nixon was last.

Inflation and the economy were rated first in last year's poll as the major problem. Since it was apparent that this issue has intensified, I asked a question in the 1974 poll on what steps constituents favored in combating inflation.

The results emphasize that those responding want positive Government action with an overwhelming majority favoring some form of wage and price controls with, at the very least, standby controls. Only 2 out of 10 want to operate without controls.

On which specified actions should the Congress take to meet the energy crisis, more than half of the constituents answered that oil companies should be regulated as public utilities. This option drew the highest approval, while reducing auto emission standards was accorded the lowest.

A strong majority of constituents want methods of financing political campaigns changed. Of those favoring reform, a nearly even split was evidenced between those who want complete public funding of campaigns and those who approve of a blend of public and private funds.

While tax reform is an overriding issue, my constituents took a responsible approach to the problem, with a plurality responding "no" to a question asking if reduction in personal income taxes was warranted even with its tendency to increase inflationary pressures.

A number of proposed reforms were listed with the highest percentage wanting credits to elderly for taxes and rent, retirement income exemptions. The least favored alternative was providing tax credits for nonpublic elementary-secondary education expenses.

A question on health care drew a highly mixed bag of answers.

In a series of "yes-no" questions, majorities feel enough money at all levels of government is being spent on public education, believe the United States should make necessary expenditures to maintain parity with the Soviet Union in defense capabilities, approve of a Federal agency with the authority to advocate the consumer viewpoint in Government proceedings, and want the United States to maintain its sovereignty and control over the Panama Canal and the Canal Zone.

The questionnaires were printed—not at Government expense—and sent to all households, apartments, and boxholders in the district.

I am also sending a copy of the results to President Nixon.

The results follow:

QUESTIONNAIRE RESULTS

1. Which of the following actions should the Congress take to meet the energy crisis? (one or more)

[*In percent*]

Relax air quality standards to permit more use of coal	32.5
Reduce auto emission standards	23.8
Continue year 'round Daylight Saving Time	38.3
Initiate gas coupon rationing if shortages reoccur	28.9
Retain domestic oil depletion allowance to encourage exploration	24.4
Regulate oil companies as public utilities	57.8

2. Tax reform is an overriding concern of the American people.

A. Is a reduction in personal income taxes warranted even with its tendency to increase inflationary pressures?

[*In percent*]

Yes	41.3
No	45.7
Undecided	13.0

B. Which of these proposed reforms do you favor? (one or more)

[*In percent*]

Tax credits for high education expenses	45.1
Tax credits for non-public elementary-secondary education expenses	23.3
More effective provisions for tax payments on high incomes	60.2
An increase in personal income tax exemptions	37.3
Credits to elderly for taxes and rent, retirement income exemptions	69.6
Excess profits taxes on oil companies	66.3

3. The effect of Watergate-related disclosures on President Nixon and his ability to govern is a topic of major national concern.

A. Do you approve generally of the way Mr. Nixon is handling his job?

[*In percent*]

Yes	33.4
No	59.7
Undecided	6.9

B. On the basis of information now available to you, would you? (one only)

[*In percent*]

Vote not to impeach	29.0
Vote to impeach	37.8
Await Judiciary Committee findings	30.4
Other (specify)	2.8

4. Do you believe that methods of financing political campaigns should be changed?

[*In percent*]

Yes	84.2
No	9.5
Undecided	6.3

If "yes", would you favor? (one only)

[*In percent*]

Complete public funding of campaigns	44.3
Blend of public and private funds	41.4
Other (specify)	14.3

5. Please rank 1, 2, 3 and 4 in order of credibility. President Nixon, fourth; The Congress, second; The Courts, first; The news media, third. (Compiled by cumulative percentages in ranking).

6. Senate and House committees have refused to report out legislation to continue wage and price controls. In combatting inflation, which would you favor? (one only)

[*In percent*]

Reimpose controls	29.6
Establish standby controls	15.3
Selective controls on food and rent	24.9
Operate without controls	21.4
None of the above (specify)	8.8

7. Which course would you prefer the Congress to pursue in health care? (one only)

[*In percent*]

Tax financed government plan of medical care for all	31.0
Tax financed government plan for catastrophic illness only	21.9
Present reliance on private plans with government paying for low income	21.2
Government-industry plan using private insurers	20.8
Other (specify)	5.1

8. Considering expenditures of Federal, state and local governments, do you feel enough money is being spent on public education?

[*In percent*]

Yes	61.7
No	32.1
Undecided	6.2

9. Should the United States make the necessary expenditures to maintain parity with the Soviet Union in defense capabilities?

[*In percent*]

Yes	65.1
No	23.3
Undecided	11.6

10. To provide consumer protection, should the Congress establish a Federal agency with the authority to advocate the consumer viewpoint in government proceedings?

[*In percent*]

Yes	70.1
No	21.7
Undecided	8.2

11. Should the United States maintain its sovereignty and control over the Panama Canal and the Canal Zone?

[*In percent*]

Yes	64.1
No	18.5
Undecided.	17.4

Party preference of those responding:

[*In percent*]

Republican	58.1
Democrat	21.9
Non-partisan	18.2
Other	1.8

Ages of those responding:

[*In percent*]

18 to 21	1.6
21 to 35	23.5
35 to 50	29.3
50 to 65	28.1
65 and over	17.5

TALK TURKEY TO THE TURKS

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ADDABBO. Mr. Speaker, as one who has joined in leading the effort to cut off illegal narcotics from our shores, I want all of my colleagues to share a recent editorial in the Long Island Press, July 23, 1974, which vividly points up the needs and the problems.

The editorial follows:

TALK TURKEY TO THE TURKS

Rep. Lester L. Wolff wants President Nixon or Secretary of State Kissinger to hold top level negotiations immediately to convince Turkey not to resume harvesting of the opium poppy. It's a good idea.

Keeping the poppy out of production will be a serious blow to Turkish farmers. That's too bad. But resumption will mean death for millions of people throughout the world—particularly the young. That's intolerable.

It doesn't mean that we should consider the use of military force to keep the ban in effect. But we can put a tight economic squeeze on that country as we have done to other nations that have tried to harm us—like Cuba—by cutting off all economic and military aid. To this end, President Nixon and/or Secretary Kissinger should talk turkey to the Turks.

SAM STEWART, JOURNALIST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, on September 1, 1974, Sam Stewart will retire his brilliant journalist's career as editor of the Daily Breeze newspaper in Torrance, Calif. Sam Stewart has occupied this editor's chair for the past 18 years. And, during that time, he has spun thousands of words of commentary into a column under the banner, "The Bay Window."

To read all of Sam's columns in their entirety would be a course in history, one enlivened by his straightforward writing style and incisive journalistic ability. The kindness in his writing reflects the man himself, for he tells of events as they are and so lives up to the hallmark of the Copley publications, "The Ring of Truth."

It was on September 1, 1950 when the Stewart family packed its belongings in Ogden, Utah, and moved to the South Bay area of Los Angeles. The past 24 years have seen many changes and Sam's job as managing editor has evolved in the process. In the early days his newspaper reached 8,500 homes. Today more than 78,000 homes receive its message daily. His editorial staff of six has swelled to more than 50—gathering the news from its 15 surrounding cities—and thus changing from a folksy fledgling to what is no wa major suburban publication.

Because of this growth, I know Sam misses the old days when he knew every person by their first name, how many kids they had, and where they were from. Sheer numbers now make that an impossibility. Yet, by the folksy sparkle in Sam's eyes when talking to him, you feel you are his neighbor for he has a sincere interest and concern for people.

Including his work on his high school newspaper, Sam's journalism career spans 50 years. Upon graduation from the University of Colorado in 1929, his first job was as police reporter for the Colorado Springs Gazette-Telegraph. He was promoted to sports editor, then to managing editor, and moved to Ogden also as a managing editor. Feeling that he had shoveled his share of snow and coal, he brought his wife and two children to Southern California in 1950 and also made a move up the journalism ladder.

In the ensuing 24 years, he has garnered a host of honors and an impressive record of involvement in community activities. Sam Stewart has received three awards from the Freedoms Foundation, four Copley Ring of Truth awards for editorial excellence, and recognition from law enforcement agencies for his support of their cause. "The Bay Window" has carried his byline for more than 18 years, and his community activities have been legion—more than most persons can accomplish in several lifetimes.

He has served on the board of directors for several chambers of commerce, is past president of Hermosa Beach Rotary Club, former vice chairman of the Redondo Beach Cultural Committee, and past president of the South Bay Visiting Nurses Association. Also, he was one of the original advisory board members at California State College, Dominguez Hills, and has in the past served on the board of directors at Torrance Memorial Hospital.

But because his profession has commanded his active attention, he was in the past selected as chairman of the Southern California Associated Press News Executive Council and is a member of the American Society of Newspaper Editors, the American Press Institute at Columbia University, Sigma Delta Chi, Los Angeles Press Club, and the Southwest Press Association.

Sam Stewart's name on the masthead will be missed by many—his fellow journalists as well as his wide audience of readers. But his ability and dedication to serving his community stands as an inspiration to us all.

H.R. 69

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. PRITCHARD. Mr. Speaker, I am taking this opportunity to encourage all of my colleagues in the House of Representatives to support the conference committee report on H.R. 69, which yesterday overwhelmingly passed **the** Senate.

I can appreciate the disappointment that many of our Members have over the conference committee compromise; but it is my conviction that the importance and significance of the substance of the amendments to the Elementary and Secondary Education Act (H.R. 69) far outweigh the deficiencies some of our Members believe exist.

I believe this for the following reasons:

First. Its title I funding is of utmost importance to urban school districts in this country, if educationally and economically deprived children are going to continue to have a chance to break the poverty cycle.

Second. Many of our school districts need the extension of the impact aid programs, if they are going to provide a reasonable education for their children.

Third. The substantial strengthening of the Bilingual Education Act is of utmost significance, if we are going to eventually allow another segment of our population to move into the mainstream of American life.

Fourth. The extension of the Education of the Handicapped Act with its accompanying improvements should be of concern for all of us who have friends, acquaintances, and relatives who have handicapped children.

Fifth. The national reading improvement program authorized in this bill should be important to all of us who are concerned about our children's future welfare.

Sixth. The inclusion of the Women's Equity Act which is designed to insure educational equity for women in the United States is long overdue.

Seventh. The provision for forward funding which obligates appropriations 1 year in advance of actual disbursements will finally give State and local education agencies adequate time for advance planning and budgeting of Federal moneys to meet the intent of the programs contained in the legislation and thereby the direct need of the children they serve.

I propose that we approve the conference committee's recommended compromise, in spite of its inadequacies, and that in doing so we place the welfare of deserving children ahead of other considerations when we vote on this bill.

NEW GOVERNMENT OF GREECE

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. CRONIN. Mr. Speaker, on Monday I plan to introduce a joint resolution congratulating the new Greek Government and the Greek people on their recent endeavors. This new civilian government is dedicated to solving the present problems and creating a renewed peace. Reports today indicate that 12,000 Turks and their tanks are massing, ready to invade Cyprus in continuing abuse of the Greek willingness to overlook the Turkish genocide in favor of peace. Once again the Turks are neglecting their responsibility toward the world and all peace-loving nations.

By contrast, the Greek civilian government is working through legal formalities to solve its problems and create stability for its people. They are trying to help Cyprus unify once again, while we hourly hear reports of continuing violations of the cease-fire by the Turks in a direct attempt to thwart those efforts.

We must, therefore, stop and step back to take a look at what the Greeks have done and at our relations with them over our history. The Greeks have always been staunch allies of the United States and have solidly stood by our side since we fought together at Tripoli. They have been continuing supporters of NATO from the very beginning.

The Greeks have always warmly welcomed Americans—both officials and tourists—and since the inception of the Truman Doctrine in the late forties have always been grateful to the United States for our help in keeping Greece from falling to the Communists during their civil war. Our Mediterranean Fleet is based in Greece, and the hospitality shown to us has always been notable.

Again in contrast, the Turks have continually abused the American offers of friendship and have damaged our ally, Greece, whenever the opportunity has presented itself. Even today, following years of negotiation with the United States, followed by monetary assistance and our own offers of friendship, the Turkish Government has sanctioned the growth of poppies for sale of opium and morphine—the recognized source of the heroin on the streets of our country and the scourge that continues to destroy the youth of America.

Mr. Speaker, I urge you and my colleagues to join with me in welcoming the new Government of Greece as a freedom-loving nation and to encourage them to work with us in the continuing efforts to achieve world peace and harmony.

URBAN MASS TRANSIT ACT OF 1974

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. RINALDO. Mr. Speaker, I was very pleased that the House Rules Committee has cleared for floor consideration the conference report on the Urban Mass Transit Act of 1974. This legislation is badly needed.

I have made increased funding for mass transit one of my highest legislative priorities since coming to Congress. I worked closely with the principal sponsor, my distinguished colleague from New Jersey for passage in the House of this legislation. The energy crisis this year has pointed up more than ever the need for expanded mass transit.

This bill will give a great deal of flexibility to local government in determining the use of the funds; $800 million will be made available over the coming 2 years for either operating assistance or capital expenditures.

The conference report adopts the most important parts of the House-approved bill, taking our basic formula which uses as factors both population and passengers carried by the transit system.

The House bill contained an important provision, which I strongly supported, to allow discount fares for elderly and handicapped riders. While the Senate bill has no similar provision, I feel that the conferees did the right thing by insisting on this House language.

Approval of this bill will mean $40 million for my State. Of this sum, over $35 million will go to the densely populated northern area of the State in which my district is located. Mass transit is desperately needed.

While the energy crisis has shown that there are times when environmental issues must be weighed against energy shortages, this is one bill that attacks both problems. Expanded mass transit will decrease automobile exhaust pollution, which is the No. 1 cause of deadly air in many of our urban areas, and it will also decrease the demand for gasoline as fewer cars are used.

I have already called on the Union County Board of Chosen Freeholders in my district to designate an appropriate agency so they will be in a position to move quickly on obtaining funds under this program.

MEMBERS OF NORTH CAROLINA GENERAL ASSEMBLY TESTIFY ON LEGISLATION TO SAVE THE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. MIZELL. Mr. Speaker, the Subcommittee on National Parks and Recreation of the Committee on Interior and Insular Affairs has reported out legislation which would designate a section of the New River in North Carolina and Virginia as a potential component of the National Wild and Scenic Rivers System.

During hearings on this legislation, two distinguished members of the North Carolina General Assembly, Representatives William S. Hiatt and E. Lawrence Davis, who are from this general area, testified before the subcommittee and presented excellent comments on the need to save the New River.

For the benefit of my colleagues, I would like to insert their testimony at this time:

TESTIMONY OF REPRESENTATIVE WILLIAM S. HIATT

Mr. Chairman, and distinguished members of this committee. I would first like to express my appreciation to you for allowing me to appear before you this morning.

I am honored to be able to join Congressman Wilmer Mizell, Senators Jesse Helms and Sam Ervin and others in recommending your favorable consideration of House Bill 11120, a bill to study the beautiful and historic New River for inclusion into the National Wild and Scenic River System.

The New River in northwestern North Carolina is perhaps new to many people but it is, according to geologists, the second oldest river in the world, second only to the Nile in Egypt. Both of these great rivers are unique in that they flow north.

The New River originates in the northwestern corner of North Carolina and its waters flow a few miles in Ashe and Alleghany counties before going into Virginia, merging with the Kanawa River in West Virginia, on to the Ohio and Mississippi Rivers and eventually to the Gulf of Mexico.

The Section of the River described in this bill is scenic in every way and is almost pollution free, the only such major river in eastern United States.

The New River is now threatened by the proposal of two dams to be erected in Virginia by Appalachian Power Company of Roanoke Virginia, a subsidiary of the American Electric Power Company of New York City, which sells hydroelectric power in Virginia and north of Virginia thoughout the Midwest. The proposed project would flood thousands of fertile farm land and would involve vertical drawdowns in North Carolina, ranging up to 12 feet in the upper impoundment to 44 feet in the lower impoundment; even during the recreational season. A 12 foot vertical drawdown on the upper impoundment would mean stretches of wide mud flats along the hundreds of miles of shoreline. A 44 foot vertical would mean the conversion of a beautiful and historic river into the equivalent of a flush tank on a water closet. Federal Scenic River status will not only preclude the foregoing adverse environmental effects, but will avoid the destruction of family roots and ties in the area proposed to be flooded and the creation of a vast number of displaced people.

One of the great tragedies of so called progress is that we often overlook humanity. In addition to the rare and beautiful species of plants and wildlife which inhabit this area, there is another rare and quite endangered group for which the New River banks have been home for generations. This is a group called "PEOPLE", people who live, and whose ancestors have lived, close to the land, people who live in the same houses their ancestors built years ago, People whose ancestors were among the earliest settlers of the American Frontier.

For the foregoing reasons, the North Carolina General Assembly has repeatedly passed resolutions stating its opposition to impoundment of the New River. The most recent was Senate Joint Resolution 668, passed by the 1973 Session. The 1974 General Assembly passed House Bill 1433, which I cosponsored with Representative Davis; this bill designates a segment of the New River in North Carolina a part of the state's Scenic River System, under state law. Mr. Chairman, this bill passed the North Carolina House of Representatives without an opposing vote.

It has been my privilege to represent the wonderful people of Alleghany and Ashe Counties, as well as Stokes, Surry and Watauga Counties in the North Carolina General Assembly. I have visited with the people of these counties often as a candidate for office and then as their elected representative. I have heard from many and their repeated request was to help them save their beautiful home land by blocking the construction of the proposed dams. Until as late as February of this year only a handfull of people had informed me of their desire to see the dam completed. When House Bill 1433 was pending in the North Carolina General Assembly and U.S. Senate Bill 2439 was pending in the U.S. Senate, in February of this year several people did make their views in favor of the dam known. I say this in fairness to them, but I must also add that in my opinion this does not represent the feelings of the majority of the people of Alleghany and Ashe Counties. The County Commissioners of both of these counties have informed me that the majority of the people favor the scenic river status rather than the impoundment of the beautiful New River which flows through their county.

Mr. Chairman, my desire in testifying to this committee is to represent the wishes of the majority of the citizens which reside in my district; to do otherwise would be inconsistent with a representative form of government.

Mr. Chairman, members of the committee, I urge you to include the New River in the National Wild and Scenic River System at the earliest possible date, so that our nation will not lose what Senator Sam Ervin has described as "one of the most beautiful areas that the Lord God Created."

Thank you.

Testimony of Representative E. Lawrence Davis

The New River in northwestern North Carolina may indeed be a new river to many people, but the geologists tell us it is the second oldest river in the world—second only to the Nile in Egypt, and that it has been flowing for over 100 million years. The river originates in the northwestern corner of North Carolina and its waters flow only a few miles in Ashe and Alleghany Counties before going on to Virginia, merging with the Kanawa River in West Virginia, on to the Ohio and Mississippi Rivers and eventually to the Gulf of Mexico.

The section of river described in Senate Bill 2439 is scenic in every way. According to the North Carolina Department of Natural and Economic Resources, it is the home of several forms of rare plant and animal life. It is the best smallmouth bass fishery in the state and one of the few remaining streams where smallmouth bass still exist in significant quantity.

The New River is now threatened by two proposed dams proposed to be erected in Virginia by the Appalachian Power Company of Roanoke, Virginia, a subsidiary of the American Electric Power Company of New York City, which sells hydroelectric power in Virginia and north of Virginia throughout the midwest. The proposed project would involve drawdowns in North Carolina ranging up to 12 feet in one impoundment and up to 44 feet in the other impoundment even during the recreation season. A 12-foot vertical drawdown would mean a 60-foot stretch of mud flats along hundreds of miles of shoreline. A 44-foot drawdown would mean the conversion of a scenic river valley into the equivalent of a flush tank on a water closet.

Federal scenic river status will not only preclude the foregoing adverse environmental effects, but will also avoid the destruction of family roots and ties in the area proposed to be flooded and the creation of a vast number of displaced persons.

Thomas Wolf, in writing of the mountain region of western North Carolina, composed the magnificent novel, *You Can't Go Home Again*. Unless you will act now, thousands of residents of this area will have permanently lost all physical ties to their ancestral homes and the nation will have lost what Senator Sam Ervin has described as "one of the most beautiful areas that the Lord God Almighty created".

For the foregoing reasons, the North Carolina General Assembly has repeatedly passed resolutions in opposition to the proposed Blue Ridge Dam Project of the Appalachian Power Company. The most recent of these resolutions being Senate Joint Resolution 668, 1973 Session Laws, Ratified Resolution 79. During the 1974 Session, the General Assembly by overwhelming majorities passed House Bill 1433, ratified as Chapter 879 of the 1974 Session Laws designating a segment of the New River in North Carolina as a scenic river area and including it in the North Carolina Natural and Scenic Rivers System. The General Assembly passed Senate Joint Resolution 646, 1974 Session Laws Ratified Resolution 170, calling for a study of the possible inclusion of the south fork of the New River as a scenic river under state law. Under the Supremacy Clause of the United States Constitution the Federal Power Commission has the authority to ignore the action by the General Assembly to preserve and protect the New River. It is for that reason that we seek your support in providing at the federal level for study and recommendation by the Department of the Interior as to the inclusion of the New River in the National Wild and Scenic Rivers System.

U.S. MILITARY AID POLICIES: GREECE AND CHILE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HARRINGTON. Mr. Speaker, like many of my colleagues, I laud the recent events in Greece, particularly the appearance of a trend toward a more democratic government than the military regime which has ruled there since 1967. However, it is not my purpose here to discuss those specific events. Rather, it seems to me that the reaction of the U.S. Government in dealing with an impending military and political crisis of major proportions offers an instructive lesson for our dealings elsewhere in the world.

Throughout the hectic days leading up to the restoration of civilian rule in Greece, it became clear that the United States was using its military assistance programs as a leverage point to turn both Greece and Turkey from all-out war. Officially, there was no cessation or suspension of military aid. But an intention to cut off the furnishing of military articles was made plain to Greece and Turkey. In addition, two F–4 aircraft, which were en route to Greece as part of the foreign military sales program, were detained for several days in Spain, ostensibly because of the uncertainties of delivery and the general instability in Greece.

It is perhaps naive to assume that the prospect of a halt to U.S. military supplies encouraged the Greek military leaders to turn political control over to civilians, as well as to turn back from a course that seemed to lead to full-scale war with Turkey. Nevertheless, it appears that the United States was willing to believe that such an effect was possible, and that subtle pressure could be exerted by an implicit threat that aid would be withdrawn.

Given the context of our policies of the past few days, it seems to me to be inconsistent for the administration to continue to insist on providing military assistance to Chile, which is also controlled by a military junta, that will total more than $21.3 million in fiscal 1975. That sum does not even include arms that will be sold by commercial manufacturers under State Department licenses, but covers only direct grants for military training and credits for purchases under the Foreign Military Sales Act. What is the justification for a policy that allows a foreign government to draw on U.S. arms stocks until a crisis, such as the one in Greece this week, finally erupts? Past experience, and particularly the lesson of the last few days, ought to indicate by now that our military assistance policies require much closer scrutiny and reexamination.

If such a needed rethinking of our policies is undertaken, I am convinced that military aid to the military junta in Chile would be eliminated. It is surely better to exercise our leverage before the fact, by clearly indicating to the current Government of Chile that neither do we favor their retreat from democracy nor will we continue to supply them with the tools to maintain the tight military control over the population. Otherwise we will be forced, at some future date, to react to a crisis with brinkmanship diplomacy, in a desperate effort to reverse the detrimental effect of years of unthinking arms sales and military assistance.

I urge all my colleagues, and particularly those on the House Foreign Affairs Committee, to think about the lesson that I believe the episode in Greece so dramatically reveals, and to support an amendment to the foreign assistance bill that I intend to introduce which would terminate all U.S. military assistance to the junta in Chile.

BADILLO HAILS SUPREME COURT TAPES RULING

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BADILLO. Mr. Speaker, the Supreme Court is to be applauded for its definitive ruling that the laws of this land are rooted in the Constitution and not in nebulous doctrines of executive privilege and Presidential confidentiality.

I believe that the decisive unanimity of the Court in its Wednesday ruling will help reverse the drift toward defiance of coequal branches of the Government that has characterized the Nixon administration since it took office in 1969. Surely it is a danger signal for our society when the highest court in the land must inform the President that he is subject to those very laws that he is sworn to execute and uphold, and that the right to interpret the law rests not with the Executive but with the judicial branch.

The record is now clear enough for inferences to be drawn. The Nixon administration has been taken to court more than any other in modern times in nearly every instance has been ordered to desist from unlawful activities. Whether it be impoundment of funds appropriated by Congress in fulfillment of its constitutional duty, the ad hoc dismantling of a duly constituted Government agency with whose purposes the Oval Office disagrees, or withholding of potential criminal evidence in affairs unrelated to the conduct of public business, we have witnessed the emergency of a pattern of contempt for the law by those sworn specifically to enforce the laws of the land impartially.

Furthermore, the total lack of substance in the President's case as presented to the Supreme Court must be taken as but another sign that the strategy of the Nixon administration is to draw out the pursuit of the truth in the Watergate affair as long as possible, keeping the country polarized by divisiveness that can only result in further deterioration of respect for Government institutions.

Mr. Speaker, the Supreme Court has earned our thanks for making it plain that the Constitution cannot be revised for Executive expediency. In their 8-to-0 vote the Justices unequivocally rebuffed the usurpation of judicial prerogatives by the White House, as well as showing that an affirmation of the bedrock principles embodied in the Constitution is the remedy for the national malaise.

The Nixon administration has likewise attempted to assume the constitutional role granted to the Congress to determine how to conduct impeachment proceedings. We in the House now have the same opportunity embraced by the Supreme Court to halt the spread of Executive power. Our success in asserting our prerogatives will affect the conduct of the public business far into the future.

MIKE FORD'S PRAYER

HON. EDWARD YOUNG

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. YOUNG of South Carolina. Mr. Speaker, we in the Congress know better than anyone what a great Vice President we have. Well, he has a very fine son who delivered a moving prayer at the prayer breakfast last month. I want to share it with the country.

MIKE FORD'S PRAYER DEDICATION GIVEN AT THE VICE PRESIDENTIAL PRAYER BREAKFAST, JUNE 27, 1974

Dear Heavenly Father: We come before you this day in knowledge and recognition of our own personal shortcomings and insufficiencies.

So often as we go through life we are misled by our pride and self-centered confidence. We find ourselves guilty of thinking that we can prevail and lead a victorious life on our own merits and work. Again and again we try to make it alone in this ever-demanding world, and again and again we are humbled before Thee.

But Lord we thank you for the stumbling blocks and obstacles you have set before us, the daily struggles in our lives that call for us to stop and reevaluate our relationship with you.

We know that we must never stop asking ourselves the question, "Where does Christ stand in my life? in the center, or on the fringe?"

We thank you for the patience you have continued to show us even in the times of our unfaithfulness. And above all we thank you for the everlasting and infinite love you have given us in Thy Son, Jesus Christ—Our Redeemer, Our Saviour, who died on the Cross in our Place that we, believing in Him, might be reconciled with Thee.

And in the midst of the burdens, and the tasks and the many responsibilities of this world we rejoice in the newness of life which you have given to us through our faith in Christ.

We give praise for the truth and power you have revealed to us through Thy Holy Spirit and celebrate in the joy and peace you have blessed us with in knowing you as a loving and personal God.

Lord we come together this day, each of us unique creations in your image and yet united in the Body of Christ.

You have blessed *everyone* of us with special gifts and abilities and we look forward with excitement to the jobs and tasks you have called us to perform for your kingdom.

We fully acknowledge our great helplessness and the complete dependency we have upon your grace—and so we ask most humbly that you might grant us wisdom and understanding as we set out on our separate paths.

And Lord as we gather together today to affirm each other, we collectively uplift to you one of your children, Jerry Ford.

In the position of Vice President of this great nation, you have called him to a tremendously demanding task at a turbulent and critical time in history.

Our new Vice President brings to this most important position so many wonderful qualities of leadership and service, but it is only through *Thy* grace that these special gifts in this man might work together in a way so as to have a positive impact on the lives around him.

It is our prayer Lord that you would bless him with discernment and good judgment as he seeks to faithfully carry out the many responsibilities laid before him.

Protect him and keep him strong in spirit, mind, and body throughout all his days—the trials, the tests, the temptations before him.

Grant him the courage to trust in you always and not in the things of this world.

Work in his heart the desire to seek your guidance and direction in all things.

And Lord, we pray most humbly that your Holy Spirit which reveals all truth and which gives all life may dwell in him, and also in us—That we together as your faithful children may walk in Thy ways and glorify Thy name. We ask this in Christ's name. Amen.

THE HECKMAN FOUNDATION

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HELSTOSKI. Mr. Speaker, one of mankind's major health problems is the problem of kidney disease, and today I would like to call our attention to some very fine work being done in this area by the Heckman Foundation.

The Heckman Foundation, a nonprofit corporate foundation, was named in honor of Hudson County Superior Court Judge August Heckman. Judge Heckman gave up one of his own kidneys in an unsuccessful attempt to save his son's life, and his daughter is now on a dialysis machine, having received a kidney from her mother.

Under the leadership of administrative director, Jacob Robinson, the foundation has been instrumental in raising funds for research and for the purchase of equipment such as dialysis machines. The foundation also intends to establish a program to urge people to donate kidneys upon death to those who need them.

Mr. Speaker, kidney disease is the fifth largest cause of death in the United States. When viewed within the context of this statistic, the work of the foundation becomes even more important. Hence, I would like to take this opportunity to thank those associated with the foundation for the fine work they are doing, and to offer my best wishes for continued success.

THE SINS OF THE TIMES

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. CARTER. Mr. Speaker, Francis Bacon, the noted author, statesman, and chief judge of the realm in England, underwent many trials and tribulations during the course of his life. Today, however, students of history consider him to be one of the most intelligent and literate men of all time. Many suggest that the plays of Shakespeare flowed from his pen.

I include for the RECORD a most interesting article by William Safire:

THE SINS OF THE TIMES

(By William Safire)

In 1620, Francis Bacon, the lord chancellor of England, was riding high.

"He had reached the age of 60, and had gained the object of his ambition," wrote biographer R. W. Church in 1884. "More than that, he was conscious that in his great office he was finding full play for his powers, and his high public purposes. He apprehended no evil; he had nothing to fear, and much to hope from the times.

"His sudden and unexpected fall, so astonishing and so irreparably complete, is one of the strangest events of that imperfectly comprehended time."

In his climb to great place as chief judge of the realm, Bacon had made his share of enemies, among them Sir Edward Coke, a man of the House of Commons who believed that the judges of the Chancery Court were too subservient to the king.

Prodded by Coke, Parliament began looking into the widely known practice, common to judges of the day, of accepting emoluments from parties in suits before them. Judges felt that as long as they did not permit the gifts to influence their decisions, they were free to line the pockets of their black robes.

A committee on inquiry put the heat on a Bacon aide: "An infamous forger of chancery orders," writes Church, "finding things going hard with him, and 'resolved,' it is said, 'not to sink alone,' offered his confessions of all that was going on wrong in the court."

This created a stir, but Bacon did not worry; the investigation was of the court system generally, and was not likely to reach him. Then, suddenly, a couple of suitors appeared before the bar of the house to accuse Lord Bacon himself of taking their money; they were angry because he had then decided the cases against them.

Parliament Rose in wrath; Bacon, suspecting this was all a plot by Coke and other enemies, said, "I know I have clean hands and a clean heart . . . but Job himself, or whosoever was the justest judge, by such hunting for matters against him as hath been used against me, may for a time seem foul, especially in a time when greatness is the mark and accusation is the game."

But the investigation fed on itself; not to be outdone by Commons, the House of Lords appointed three committees: "Considering that the future judges had of their own accord turned themselves into the prosecutors," wrote the biographer, "the unfairness was great."

Belatedly, Bacon took alarm, seeking support from king and prime minister, but he was already tainted too much for that.

Bacon could not fight the torrent alone; he succumbed, confessed, and offered no defense.

Such confession did him no good with public opinion, which reviled him all the more for not defending himself. "I have been no avaricious oppressor of the people," the puzzled Bacon wrote the king. "I have been no haughty or intolerable or hateful man in my conversation or carriage but am a good patriot born. Whence should this be?"

Bacon was sent to jail for four days and then pardoned. The last five years of his life were the most productive of all in terms of writing history, but he went to his grave believing that "there are *vitia temporis* as well as *vitia hominis*, and that his enemies had made him suffer for the sins of the times.

Three hundred and fifty years later, Bacon is revered by scientists as the father of empilrical reasoning, by thinkers as the pioneer of natural philosophy, by writers as the first of the great English essayists. Some people even claim he wrote plays under the pseudonym of William Shakespeare.

But as lord chancellor of England, Francis Bacon was one corrupt judge. History has a tendency to overlook the faults of men who mattered, just as contemporaries overlook the contributions of men who fail while daring greatly.

S. 1368, RESTORING RHODESIAN SANCTIONS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. FRASER. Mr. Speaker, on March 25, 1974, I introduced into the CONGRESSIONAL RECORD a World Federalist fact sheet on "The Case for Restoring U.S. Compliance With U.N. Sanctions Against Rhodesia, H.R. 8005 and S. 1868." I said at that time that the World Federalists' publication was a very helpful, concise, and straightforward presentation of the issues involved.

The Federalists have now issued an updated version of their fact sheet. Entitled "Restoration of U.S. Compliance With U.N. Sanctions Against Rhodesia, S. 1868," it is of the same high quality as the original fact sheet. I hope many of my colleagues have an opportunity to read this fine publication:

RESTORATION OF U.S. COMPLIANCE WITH U.N. SANCTIONS AGAINST RHODESIA, S. 1868

Within the coming weeks Members of the House will have the opportunity to vote for legislation, S. 1868, to restore the United States to full compliance with United Nations sanctions against the minority ruled government of Southern Rhodesia. On June 27, 1974, the House Foreign Affairs Committee favorably reported S. 1868 by a margin of 25–9. An identical bill passed the Senate on December 18, 1973, by a vote of 54–37. This legislation has the effect of repealing the Byrd Amendment by exempting UN sanctions from the operation of Section 10 of the Strategic and Critical Materials Stock Piling Act. The Byrd Amendment, which passed in 1971, has the effect of allowing importation from Rhodesia of chrome ore, ferrochrome and nickel.

Sanctions against Rhodesia were imposed following Southern Rhodesia's unilateral declaration of independence from Great Britain in 1965 and its establishment as a regime dedicated to white-minority rule. These mandatory sanctions, which were requested by Great Britain and vigorously supported by the United States, provide for comprehensive prohibition of all trade with Rhodesia. With the passage of the Byrd Amendment, the United States became the only nation other than South Africa and Portugal to openly violate sanctions.

World Federalists, USA urges the House of Representatives to pass S. 1868 for the following reasons:

1. *Violation of sanctions endangers international relations and undermines US access to essential raw materials from African countries, who adamently support sanctions.* The energy crisis is evidence of how foolhardy it would be to ignore the views of African nations on whom we are increasingly reliant for our supply of natural resources. Already a large share of our imports come from the African continent where US private investment totals more than $4 billion (as compared to $56 million in Rhodesia). Continued cooperation will require an increased sensitivity to the Africans' concern that minority rule be abolished in southern Africa. Secretary of State Henry Kissinger recently stated that:

"The Byrd provision has impaired our ability to obtain the understanding and support of many countries, including such important African nations as Nigeria, a significant source of petroleum and a country where we have investments of nearly $1 billion."

2. *Rhodesia is not the only source of competitively-priced chrome ore.* In fact, only a small portion of US crome ore comes from Rhodesia. In 1972, only 10% of our imports of metallurgical chromite (the type used in the production of stainless steel) came from Rhodesia and in 1973 only 11%. Numerous countries have substantial reserves of chrome ore at prices that are often cheaper than Rhodesia's. Among these are Turkey, Brazil, Pakistan, the Philippines, Iran, South Africa and the Soviet Union. Willis C. Armstrong, Assistant Secretary of State for Economic and Business Affairs, testified that:

"Reimposition of the US ban on imports of Rhodesian chrome ore and other materials would not deprive the US of any needed raw materials. Adequate domestic and other foreign supplies are available. Moreover, foreign supplies of ferrochrome are available from South Africa, Finland, Brazil, Norway, Sweden and others."

Contrary to unsubstantiated charges the USSR is the best source of high quality chrome ore in the world. The US Bureau of Mines reports that Russia has the highest grade chrome ore available, with a chrome to iron ratio of 4:1 as against the 3:1 of Rhodesian cromite. At the same time, Soviet ore is less expensive than the Rhodesian variety. Figures from the Bureau of the Census for the first quarter of 1974 showed that the US pays only $43 per ton for Russian chrome ore while paying $74 per ton for chrome ore from Rhodesia.

3. *The USSR does not transship Rhodesian ore to the United States.* Despite factual evidence to the contrary, supporters of the Byrd amendment continue to circulate the canard that the USSR covertly purchases Rhodesian chromite and subsequently transships it to the United States at inflated prices. There is no truth to the charge. The US Geological Survey has examined samples of chrome ore imported from the Soviet Union and concluded that the composition was such that they could not have originated in Rhodesia.

4. US National Security would not be impaired by observance of sanctions against Rhodesia. When the Byrd amendment passed in 1971 its proponents argued that the national security of the United States depended upon the supply of chrome ore from Rhodesia. The demand for metallurgical grade chrome ore for military and defense needs, however, is relatively small in relation to the numerous alternative sources of chromite. The Defense Department reports that only 8 to 10 per cent of US consumption of high grade chromite is used for national defense. The rest is consumed for non-defense related purposes such as home appliances, auto trim and civilian jet engines. Secretray of State Kissinger has stated:

"I am personally convinced that the Byrd Provision is not essential to our national security, brings us no real economic advantages, and is costly to the national interest of the United States in our conduct of foreign relations."

In 1971, supporters of the Byrd Amendment claimed that sanctions against Rhodesia resulted in the US becoming too reliant upon the Soviet Union for chrome ore. The Byrd amendment, however, has not resulted in a reduction of US imports of Soviet ore. In fact, chrome imports from the USSR have increased.

Unlike Rhodesia, whose internal and external disruptions make its long term reliability increasingly less certain, the USSR has proven to be a reliable source of chrome ore. It is extremely unlikely that it would attempt to cut off shipments of ore to the US since the Soviets are dependent upon the US for key strategic materials. In 1971, for example, the Soviet Union relied on the US for 59% of its imports of aluminum oxide, which is used in abrasives essential to the manufacture of machinery. Thus, during the 1962 Cuban Missile Crisis, the Vietnam War and the Middle East wars, the USSR not only continued chrome imports, but actually increased them. Moreover, Soviet economic development rests heavily upon infusions of superior US technological and managerial skills in virtually every industrial field.

5. The US has an ample stockpile of chrome ore. Aside from reliable foreign sources of chrome ore, the US has a huge stockpile of surplus chromite. According to data supplied by the National Materials Advisory Board and the Department of Defense, the U.S. stockpile of Metallurgical grade chrome ore is sufficient to meet our military needs for 42 years of war and over 7 years of civilian and military consumption. As a result, President Nixon has proposed that 4 million tons of chrome ore be sold as surplus. In addition, low grade chromite can be converted to ferrochrome. Finland, for example, converts low grades of chrome ore into ferrochrome for stainless steel production at prices competitive on the world market. Finally, recoverable stainless steel scrap could annually supply 40% of America's demand for chrome.

6. *Jobs in America's domestic ferrochrome industry are endangered by the flood of cheap Rhodesian ferrochrome.* Although the Byrd amendment has not resulted in vastly increased imports of chrome ore, an unexpected result of its passage has been the flood of Rhodesian ferrochrome (a chrome-iron alloy used in making stainless steel) into the United States. In 1973, Rhodesian imports of high carbon ferrochrome claimed 46% of the US import market, thus threatening the very existence of our domestic ferrochrome industry. Rhodesian ferrochrome imports have already cost the jobs of hundreds of American workers whose plants have had to shut down. Rhodesia's ferrochrome is less expensive than the US product because its industry is allowed to employ cheap and frequently forced labor under working conditions which deny Africans the right to strike or bargain collectively. In addition, the Rhodesian government subsidizes freight and power rates while allowing industry to avoid even minimal environmental protection standards in its quest for foreign currency. Thus the threat to American jobs comes not from adherence to sanctions, as the stainless steel industry has claimed, but from continued competition of Rhodesian ferrochrome. As I. W. Abel, President of the United Steelworkers of America, wrote to Congressman Donald Fraser:

"If any job loss argument can be made, then it would have to be that American ferrochrome jobs have been jeopardized by the partial lifting of the embargo for chrome products—not that reimposition of the embargo would cost jobs for American specialty steelworkers. . . . Do not make your decision under the misimpression that American steelworkers will suffer if the United Nations sanctions are enforced. The reverse is true."

7. *Restoration of sanctions will not cause large increases in the price of stainless steel.* If sanctions are restored, replacement of Rhodesian ferrochrome by purchases of ferrochrome from other foreign producers costing an additional $100 per ton will cost the stainless steel industry only slightly over $3 million annually, not the $96 million it has predicted. The stainless steel producers have not passed on to the consumers any cost savings that may have come from breaking sanctions. In fact, stainless steel producers have recently hiked prices by 10 to 15% on top of previous price increases of as much as 6% in 1973.

8. *Sanctions are an effective method for the international community to bring peaceful pressure upon a government that endangers the peace of southern Africa by its policies of denying the most basic principles of human justice.* In Rhodesia, where a small minority dominates 95% of the population, sanctions can serve as an effective and legitimate means of bringing the black majority into the political, economic and social fabric of the country. The United States has a treaty obligation under the UN Charter to comply with sanctions. The UN Charter, which the United States ratified as a Treaty, gives the Security Council authority to impose mandatory sanctions when it *"determines the existence of any threat to the peace,"* which Rhodesia's racial policies clearly represent to the region of southern Africa. By failing to comply with sanctions, the US violates international law and undermines its credibility as a law abiding member of the international community.

9. *Sanctions against Rhodesia have been effective.* Despite US failure to fully comply with sanctions, Rhodesia has suffered severe economic strain. Sanctions have resulted in a serious balance of payments deficit for Rhodesia. In addition, they have denied Rhodesia access to the capital necessary for economic expansion, as well as frustrated efforts to obtain materials essential to the maintenance of the country's agricultural, industrial and military capacity.

10. *Repeal of the Byrd Amendment would provide the decisive impetus for peaceful change in Rhodesia.* Internal and external forces opposed to the Smith regime are rapidly building. The recent coup in Portugal has made a black-ruled government in Mozambique inevitable, thus cutting Rhodesia's direct access to the sea. Even South Africa is now urging a quick settlement and may be prepared to limit its military commitment to Rhodesia if the white Rhodesians continue to be intransigent. House passage of S. 1868 would provide additional and probably decisive pressure on the Smith regime to reach an equitable settlement; thus averting a tragic war that could engulf the entire southern region of Africa.

OLDER AMERICANS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. STOKES. Mr. Speaker, I have received a letter on a subject in which I have long had a very great concern. I know many of my colleagues share my belief that the contribution of older Americans has not been adequately recognized. I am, therefore, particularly pleased to present for the information of the public and my colleagues, a copy of a letter which I received from Miss Esther I. Test, director, Senior Community Service Aides Project, American Association of Retired Persons:

CLEVELAND, OHIO.

Hon. LOUIS STOKES,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN STOKES: We are in the process of designing a commemorative postage stamp honoring Older Americans—A Great National Resource.

In addition to being on honor long overdue it is also a way of expressing appreciation for their unheralded and much needed contribution to our society.

The increasing number of older Americans with their rich store of experience, if recognized and utilized, could be the catalyst resulting in an improvement of the quality of life for many older Americans and for our society in general.

When the design is completed and submitted to the Citizen's Stamp Advisory Committee we will notify you.

If you agree with this concept please give this idea now and later the widest possible circulation through your particular contacts. We will need and do now ask your help in getting the idea of our stamp accepted.

Cordially,
Miss ESTHER I. TEST,
Director,
Senior Community Service Aides Project.

PROFESSIONAL STANDARDS REVIEW ORGANIZATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. CRANE. Mr. Speaker, recently the Wall Street Journal carried two letters to the editor on the subject of PSRO's.

These letters are significant because they are from rank and file doctors, not bureaucrats or professional lobbyists.

The analogy that Dr. Ritter makes between PSRO's and Watergate activities is an intriguing one that I particularly commend to the attention of my colleagues:

PEER REVIEW

Editor, The Wall Street Journal:

Regarding Jonathan Spivak's page-one article "'Heal Thyself. . . .'" (June 24):

Mr. Spivak's article on the physician Professional Standards Review Organization debate missed one point. It is that most physicians are already involved in peer review. Hospitals have committees of physicians which review a new physician's credentials before he is allowed on the staff, a surgical review committee which oversees his operations, a tissue review committee which checks to see what is being removed, a transfusion committee to determine whether or not blood is being administered in proper amounts and various other similar committees.

The majority of medical societies has within it various peer review committees. We have a Foundation for Medical Care which reviews utilization, length of hospital stay and charges for not only Medicare and Medicaid patients but for other insurance covered-patients as well.

Mr. Spivak cites that the Foundation for Health Care Evaluation in the twin cities in Minnesota has cut hospital stays. He fails to mention that this was done on a local basis and not set up by the federal government. Again, he referred to Bethesda Lutheran reviewing charts. This too is being done by the local physicians and not the federal government. The advocates of a federally legislated PSRO try to allay the fears of physicians by stating that such review would continue to be done at a local level. If this is true then why not repeal the law which gives the federal government the right to have the final say? If, on the other hand, the name of the game is "control" of medical care then the federally directed PSRO is a good beginning. There is no way to nationalize 300,000 physicians without nationalizing 200 million Americans. Physicians are not against peer review but are against centralized control.

MATTHEW C. GLEASON, M.D.,
President,
San Diego County Medical Society.
SAN DIEGO.

CONFIDENTIALITY

Editor, The Wall Street Journal:

Mr. Spivak totally missed the point on the issue of confidentiality under the "professional Standards Review Organization" amendment to the Medicare law. Doctors are concerned because PSRO legalizes the activity for which John Ehrlichman and the "plumbers" are being prosecuted. Under PSRO, government agents can walk into a hospital or doctor's private office and inspect the medical records of his patients.

Those records contain the intimate details of our patients' personal lives, matters they are even reluctant to discuss in the confessional. PSRO simply makes it impossible to be guardians of our patients' privacy any longer.

Medicare carriers are presently microfilming patients' medical records and forwarding them to the Bureau of Health Insurance in Baltimore where they are stored. And BHI is demanding more and more personal information, including "social histories," on our patients.

It is patently impossible to keep a secret once government becomes privy to the matter.

KENNETH A. RITTER, M.D.
NEW ORLEANS.

CHARLES McQUEENEY

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. GIAIMO. Mr. Speaker, Connecticut has lost a distinguished journalist this week with the death of Charles T. McQueeney, retired managing editor of the New Haven Register.

Charles McQueeney was a man whose name was synonymous with both journalism and community service in New Haven. He worked for the Register for more than 46 years, and spent 20 of those years in the position of managing editor.

Through the Register, Charley made many important contributions to the life and spirit of New Haven, especially through his work with the Register fresh air fund, a campaign which annually sends many deserving youngsters to camp, and with many other city clubs aimed at the development of the potential of New Haven's young people.

Just as importantly, Charley McQueeney was the guiding inspiration behind the development of a generation of news people, both those who stayed to grow with the Register, and those who left New Haven to work on other prominent papers.

Active in journalists' organizations, in educational institutions, in rehabilitation, in health, in police and fire work, Charles McQueeney was literally a man of many interests, many talents, and thousands of friends.

The excerpted article and editorial from the New Haven Register of July 18, detailing the work and the life of the man who was "Mr. Newspaper" and "Mr. Register" to New Haven follow:

CHARLES MCQUEENEY, EDITOR, DEAD AT 64

Charles T. McQueeney, who retired last Sept. 1 after 46 years with The Register, the last 20 as its managing editor, died Wednesday, July 17, 1974, Yale-New Haven Hospital. He would have been 65 on Aug. 21.

Memorial contributions may be made to Our Lady of Grace Monastery, North Guilford, or to the Register Fresh Air Fund.

The J. Markiewicz and Sons Funeral Home, 14 Trumbull St., is in charge of arrangements.

Widely known for his civic activities, Mr. McQueeney began his newspaper career during his senior year at the old Commercial High School, when he was a member of the school's newspaper staff and served as a high school correspondent for The Register. When he began his fulltime association with The Register in 1927 it meant relinquishing a boyhood ambition to he a member of the New Haven Fire Department. He was a department "buff," however, all of his life, and eventually he was designated an honorary chief of the department.

He was particularly known in the community for his work with the Register Fresh Air Fund, the Albie Booth Memorial Committee, Farnam-Neighborhood House, and the Boys Club.

A man of warm personality with an infectious sense of humor and a flare for the funny story—particularly about himself and fellow newspapermen—Charlie McQueeney personified The Register for innumerable people in the New Haven area. He was an eager recipient of news "tips" and he had an attentive and sympathetic ear for the ordinary men and women who might drop by his desk for the managing editor's help in preparing a personal news item or an organizational release.

At his retirement in August of 1973, Mr. McQueeney wrote his final "Saturday Journal." The column was in its 11-year span a popular feature of the Saturday Register, and he closed with comments about his appreciation for the "support and encouragement" received through the years—factors that were reciprocated on his part in many community ventures.

"We broke into the business," he wrote, "when The Register was on Crown Street and under the tutelage of a couple of hard-nosed but knowledgeable newsmen, the late John Day Jackson, publisher, and Roger A. Connolly, managing editor, our predecessor who was in the spot for 26 years. We owe much to both and the success we enjoyed can be attributed to their teaching and unrelenting drive."

Similarly, during his dedicated career, Mr. McQueeney was to be the force behind the development of many of the city's newsmen, and he was a familiar figure directing staff members at the scene of many of the major news stories—particularly fires—through the years.

Mr. McQueeney exuded a friendship and loyalty that touched people in all walks of life. He possessed the facility of knowing the names and individual interests of hundreds of people, and this was amply expressed in his "Saturday Journal" columns listing names and extending greetings on special holidays during the year.

He was known personally by a great variety of people—from the news dealer at Church and Chapel Streets to mayors and governors who dropped in to see him when they were visiting New Haven. In one of his columns he mentioned talking to J. Edgar Hoover, the late director of the FBI, only to draw a sarcastic letter from a reader who thought "Charlie" was name-dropping about a luminary he had never actually met. A week later, Mr. McQueeney reproduced in his column a personal note from Hoover.

His friendships extended beyond the area and he was widely known throughout New England newspaper circles. Mr. McQueeney always found particular delight in attending the annual "Banshees" luncheon in New York, a gathering of people high in the news profession as well as headline personalities. His attendance at this New York event was an occasion to renew friendships with those prominent in the news field, while at the same time reflecting his feeling of dedication in being a part of the newspaper business.

Devoted to the Catholic Church, he was warmly greeted by bishops, priests and nuns as he attended dinners throughout the state. Friends riding with him soon learned that he tipped his hat whenever he drove past a Catholic church. Clergymen from throughout Connecticut—large numbers of them non-Catholic—knew him on a first-name basis and sought-out "Charlie" when there was church news to be reported.

On the occasion of his 35th anniversary with the newspaper, Mr. McQueeney was guest of honor at a dinner where he was lauded as a "newspaperman's newspaperman," an apt summary of his life work.

Many time over, Mr. McQueeney was singled out for specific honors by groups and organizations he assisted through the years. He was cited as a man who had made his "mark in life" through his work with the Register Fresh Air Fund, with handicapped Boy Scouts and the Albie Booth Memorial Committee effort to get a new building for the Boys Club.

With his close friend, the Rev. Robert G. Keating, he received the New Haven Chapter of the National Foundation and Hall of Fame 1967 Distinguished American Award. The citation read, "in his role as a trustee of the Fresh Air Fund, Charlie McQueeney has played a big part in helping to provide summer vacations for thousands of underprivileged New Haven youngsters."

A rare form of recognition came to Mr. McQueeney on his retirement when Mayor Bartholomew F. Guida declared Aug. 31, 1973, "Charles T. McQueeney Day" in New Haven. The proclamation, usually reserved for those in public service, stated that the longtime chronicler of the day-to-day activities of the communities served by The Register "made the time, no matter what the pressures, for deep loyalty and solid friendships."

Mr. McQueeney was born Aug. 21, 1909 in New Haven, the son of the late Patrick J. and Margaret Cooney McQueeney. He attended the old Skinner School, St. Boniface School and was graduated from Commercial High School in 1927, starting the same year as a proofreader with The Register.

He was to serve the newspaper as a reporter, state editor in charge of suburban coverage, telegraph editor handling world news, city editor, and starting in 1953, managing editor. He became assistant secretary of The Register Publishing Co. in 1971, and a member of the company's executive committee.

As a trustee of the Register Fresh Air Fund he dedicated himself to annually increasing funds to provide as many camperships as possible for underprivileged children of the area.

Mr. McQueeney held office in several journalistic organizations, including presidency of the Connecticut Circuit of the Associated Press from 1963 to 1965.

He was a charter member of Carmel Council, Knights of Columbus.

His civic affiliations included the board of directors of Albertus Magnus College, Highland Heights, New Haven Area Rehabilitation Center, United Fund of Great New Haven, Farnam Neighborhood House, and the advisory board of the Hospital of St. Raphael.

Mr. McQueeney also served as a member of the Citizens Welfare Advisory Committee of the State Welfare Commission and with the State Tuberculosis Appeals Board.

Mr. McQueeney through the years enjoyed the friendship of many members of both the New Haven Police and Fire Departments. He was recipient of honorary chief badges from both departments.

He served as chairman of the sponsoring committee for Handicapped Scout Troop No. 3, under the direction of Mr. and Mrs. Anthony Basilicato of North Haven. A patrol unit is named in his honor.

Among his honors were the 1957 Animal Welfare League Certificate of Merit; the first New Haven County Bar Association Liberty Bell Award in 1965; the 1966 Hibernian's Distinguished Friendship Award; the Governor's Horse Guard "Man of the Year" award in 1968; the 1969 New Haven Club of Providence College Veritas Award; the 1969 American Legion Department of Connecticut Award; the 1970 citizenship award of the Sgt. Stanley Fishman Post, Jewish War Veterans.

Also, the 1971 Jimmy Fund Award—a trophy inscribed "To a Man With a Million Friends"; the 1972 Eagle Man of the Year Award; the 1972 Americanism Award of the American Legion Department of Connecticut; and the Horace Hayden Award of the Connecticut Dental Association.

Besides his wife, Mr. McQueeney is survived by a son, Charles T. McQueeney Jr., and a daughter, Miss Mary Beth McQueeney, both of North Haven; a sister, Mrs. Thomas O'Keefe, of New Haven; a brother, John McQueeney, of Branford, and a granddaughter, Krista. He was predeceased by two brothers, Joseph McQueeney and William M. McQueeney.

MAYOR DECLARES SATURDAY OFFICIAL DAY OF MOURNING

Mayor Bartholomew F. Guida today declared Saturday an official day of municipal mourning in honor or Charles T. McQueeney, retired managing editor of The Register, who died Wednesday afternoon in Yale-New Haven Hospital.

The Board of Aldermen, during a special meeting Wednesday, passed a resolution hailing Mr. McQueeney's many years of service to the community. The resolution said New Haven had "lost from its midst a truly outstanding citizen."

Guida said he was personally grieved at

the death of Mr. McQueeney. "He was a dear friend both to my father and to myself. Our personal friendship goes back over 50 years and my father knew him from the day he gave Charlie his first haircut.

"My father and Charlie's father were in politics together in what was then the old 8th Ward. Our families were close friends and I'll miss him, not only as a friend, but as mayor of the City of New Haven."

Guida expressed a feeling of deep loss for the entire community because of Mr. McQueeney's "involvements in so many humanitarian and charitable causes. Charlie always gave unstintingly of himself to help his fellow man."

He noted that many inner-city youngsters owe him a debt of grattiude for his untiring efforts in behalf of The Register Fresh Air Fund.

Mayor Guida said, "because Charlie always represented the father's image in shepherding his flock—which included everyone he came in contact with—because he contributed so much towards a better way of life for the people of the New Haven area, I hereby declare Saturday, an official day of mourning in our city in memory of this great humanitarian."

An official escort of firemen, policemen and city officials will attend the funeral service.

CHARLES T. MCQUEENEY

In his final "Saturday Journal" column on this page, which appeared last Sept. 1, Charles T. McQueeney said of himself after graduation from high school: "We went looking for a job but found a home."

It was a remark that in its self-deprecating way symbolized a lifetime of extraordinary dedication and devotion to the mistress that is journalism. It was a "home" only in the sense that his love for the profession knew no bounds. In a full working career of 46 years, he gave unstintingly of his time; night and day he was at the beck and call of his mistress.

Charlie's love and zeal for the business of gathering and printing news was revealed especially in his unswerving loyalty to The Register as the voice of the press in the community—to many, Charlie was The Register and The Register was Charlie.

To Charlie, getting the story was important, but so was the good of the community as a whole. Sensationalism needed to be balanced against a story's impact on the community or on an individual's life. He was ever aware of the newspaper's role as a forger of attitudes, a rallying point, a salient for the good cause, as well as a bearer of good and bad tidings. Charles, through his many civic social and religious undertakings, forged a unique bond between The Register and the community—and was its personification.

Unrelentingly harsh with the green reporter or errant veteran, Charlie had an often irrepressible compassion for others that led the more discerning to realize that underneath the stern exterior was a deeply-feeling heart. His concern for people and causes had led to a shower of awards and other recognition, throughout his career, from a grateful public.

Charlie's acts of generosity and kindness were seldom on a grand, attention-drawing scale. He preferred the deeds to be small and unnoticed. But his beneficiaries numbered in the hundreds, perhaps thousands. They, as well as those who knew the man under the crusty exterior of a managing editor, will miss him.

OH IT'S WONDERFUL TO BE AN AMERICAN

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HANRAHAN. Mr. Speaker, Mrs. B. R. Fitzgerald of Riverdale, Ill., wrote a song in 1955 which tells of her great love for America. I wish to insert her recent letter to me and her lovely song:

RIVERDALE, ILL.

DEAR CONGRESSMAN HANRAHAN: Enclosed you will find a copy of a song that I wrote in 1955. Please place it where all in Congress may read it. For there is no greater country than our beloved America. I enjoy reading all your answers which appears in our local paper (The Pointer).

Sincerely,

MRS. B. R. FITZGERALD.

OH IT'S WONDERFUL TO BE AN AMERICAN

(Copyrighted 1955 B. R. Fitzgerald)

Oh its wonderful to be an American
and live in a land thats free
To have free speech is a blessing to humanity.
Oh its wonderful its wonderful to look up in the sky
and watch Old Glory flying her colors high.
Each nite I pray God keep our flag flying always
and if the need may ever be
America dear America you can count on me
For I am proud to be an American
and live in a land of opportunity
Bless you America the land of the free
Bless Bless dear America my Country.

INVENTORY OF FREEDOM

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. STEED. Mr. Speaker, in an editorial observing the 198th anniversary of the United States, the Daily Oklahoman of Oklahoma City had some things to say that are worthy of consideration.

It serves to remind us that eternal vigilance is still the price of liberty, and that our country, in spite of scandals and misfortunes, is still one of the great achievements. As one of the citizens of my district, Mr. Seward E. Robb, commented:

> It reminds us of the true value of being an American in 1974.

The text of the editorial follows:

[From the Daily Oklahoman, July 4, 1974]

INVENTORY OF FREEDOM

On this 198th anniversary of the signing of the Declaration of Independence, it seems to be appropriate to note that our country has some of just about everything in the world, good and bad, and to give credit to those responsible for all of it.

We have a great deal of freedom. We may go where we please, work at jobs of our choice, worship as we believe, speak our minds, vote for candidates we favor, and give our children opportunities for education and success in life. We have these freedoms because far-sighted leaders wrote them into our form of government, and millions of Americans have fought to preserve them in peace and in war.

We also have many restrictions, put upon us by those who want to dominate their fellow men, or who demand more than their fair shares of wealth, privileges and power.

The backbone of this nation still is the character of the majority of the people who have faith in God, who uphold moral principles, who support freedom of enterprise, who practice honesty in their dealings, and who vote for integrity in government.

This character is tarnished by a sizable minority who hold to no religion, who practice and advocate spread of immorality, and whose way of life is to cheat in business and steal from the government.

We have a great deal of patriotism, love for country and concern for people. Many flags are flying today because Americans want the world to know that they stand for peace, but are willing to give their lives, if necessary, in the cause of freedom.

Not all of those who benefit from our freedoms hold our country in this esteem. They will desecrate our flag, jeer at patriotic celebrations, and violently abuse law-abiding citizens. They can do these things because lawmakers and courts have lost sight of the rights of the majority in overly-zealous concern for lawbreakers and riotous fanatics.

Millions of Americans will enthusiastically sing "The Star Spangled Banner" and thankfully recite the pledge of allegiance to the flag of the United States of America. Others will deride our anthem, even though none of them has ever composed a finer song or helped to build a better nation. Others may refuse to salute our flag because they are selfishly seeking their own welfare, not appreciating what others have given that they might have.

Our nation has weaknesses and imperfections, but it still has more to offer than other countries. As we take inventory of our freedoms, let us remember that the true seat of government is in the heart of each citizen, rather than in stone buildings in Washington, D.C. It is here that the good things of our country will be preserved and it is here that determination must be made to correct those things that are wrong.

VOTE ON STRIP MINING

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. FRENZEL. Mr. Speaker, because I had to return to my district today, I was not present for the final vote on the strip mining bill, H.R. 11500. Had I been present, I would have voted for the bill and against the motion to recommit.

THE GREAT PAYCHECK RAID

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HARRINGTON. Mr. Speaker, today I would like to bring a third article in Bill Duncliffe's series, "The Great Paycheck Raid," which appeared in the July 9 Boston Herald-American, to the attention of my colleagues. The following text explores the tax burden on the typical white-collar, middle-income, working family in this country—amply demonstrating that the weight of this burden is something which all of us should seriously consider. Clearly, the conclusion follows that reform is needed desperately—and now.

The text follows:

THE GREAT PAYCHECK RAID—HUSBAND, WIFE CONTRIBUTORS TO SOCIAL SECURITY A "RIPOFF"

(NOTE—Each week your livelihood—and that of every other person in Massachusetts—is being picked apart by a multitude of national, state and local taxes.

But while everyone is aware of how much is taken in withholding and Social Security taxes, few realize how large a slice of their income is being consumed by the many other levies to which they are subjected.

Two typical wage earners opened up their financial records and family budgets to the Herald American in order to explore just how these indirect and hidden taxes hurt them.

What was found—and what it all means, to you as well as to them—is told in this series, "The Great Paycheck Raid.")

(By Bill Duncliffe)

What greatly disturbs a 35-year-old white-collar worker about the inroads which a whole horde of direct and hidden taxes are making on his money each week is the conviction that he and his wife are being overcharged and under-served by their federal and state governments.

But what rankles him still more is the growing suspicion that in one specific tax—Social Security—they may even be getting gypped.

Legally.

And this is how:

Last year, SS took 5.85 percent of the first $10,800 a worker earned. The maximum tax any one wage earner could be hit with was $631.80. He earned $14,475.64—and so he paid the full amount.

Fine.

But his wife worked too, and made $4,552.57—out of which the government took $266.36 in Social Security. Added together, that meant they were dunned $898.16, well above the maximum, on that particular levy.

Yet when they filed their joint income tax return for 1973 they were unable to claim a refund on the overpayment, and the unusually short IRS explanation for that was:

"The tax is computed separately for individuals and not by couples. Therefore, filing a joint return has no effect."

The white-collar worker's reaction to that was even shorter.

"I think we're being ripped off," he declared.

Those with a paragraph-by-paragraph knowledge of the Social Security law say he's wrong—but if he's right he and his wife are being victimized by an even more maddening ripoff right now.

That results from the fact that while the rate for the SS tax remains at 5.85 percent the salary limit is now $13,200. That means his paycheck will be whacked for a new maximum of $772.20, his wife will pay as before—and there's absolutely nothing they can do about it.

What makes the whole deal worse in his eyes is that if he should drop dead tomorrow his widow and infant son would receive benefits only on what he paid into the Social Security Fund.

They'd get nothing of what she contributed—and that, he said, is but one of the reasons why he believes he's being shortchanged by those who govern him.

And he just might be right.

Last year, 38 cents of every dollar of personal income in Massachusetts was gobbled up by federal, state, and local taxes, and every working man and woman in the Commonwealth had to work from Jan. 1 to May 1 to meet the dollar demands of government.

The effects of some taxes—like the withholding, Social Security, property, and auto excise levies, for example—were painfully apparent in that all one had to do to see how large a hunk they were taking out of every person's income was to glance at a check stub or a bill.

Both federal and state governments inflict a multitude of other, more subtle, assessments on their citizens and businesses. There are taxes on tires, tubes, and motor oil; on transportation, telephones, and telegrams; on liquor, tobacco, corporations, farmers, producers, distributors, and retailers; on meals, deeds, hotel rooms and racing.

Most of them are paid—eventually—by the ordinary citizen, and their impact is hard to measure.

In an effort to do so, the Herald American asked two taxpayers—the white-collar worker and a $10,000-a-year factory hand—to make their financial records available to us and to discuss them candidly and at considerable length with a reporter.

Both agreed to do so, and what developed was this:

A breakdown of the big bites and little nibbles which all manner of taxes took out of the factory man's $201 paycheck revealed that he was left with slightly more than $100 a week with which to provide for his wife and five minor children.

The white-collar worker was somewhat better off than that—primarily because his income was higher—but he, too, felt the heavy hand of government tugging at his livelihood. This is his story:

Nine years ago, after finishing a hitch in the Army and completing his college education he began working for a medium-sized firm with headquarters near the center of Boston's commercial district. He married, had a son, and gradually saw his salary rise until his check came to $278 a week.

He and his wife wanted, above all else, to own a home of their own, and she went to work in order to help save enough for a down payment. Her job, in a community on the outer fringe of the metropolitan area, paid $87.50 a week. Last year, after putting aside every spare penny for four years, they moved into a $35,000 home in one of Boston's bedroom suburbs.

Their combined salaries came to $365 a week, and ordinarily that would have made it an easy matter for them to get by—but they failed to figure just how much of that would be eaten up by taxes.

To begin with, $46.25 went to the federal government for income taxes and another $17.25 was taken for Social Security. Then the state withheld $15.45 for its income tax.

Those three tabs alone totaled $79.25—and when that was subtracted from their checks their take-home pay was reduced to $286.25.

Both need cars for their jobs; he has a two-year-old medium-price sedan and she drives a foreign car of slightly more ancient vintage. Together, they paid excise taxes of $208—or $4 a week—on them. They burned an average of 35 gallons of gas a week and that meant another $4 in taxes—which brought their income down to $278.25.

"The days of happy motoring are over for us because as far as we're concerned driving isn't a pleasure any more," the white-collar worker said. "The cars are strictly for work, for getting us back and forth from home to the job and for any business driving we might have to do during the day.

"We'll be able to live with the gas taxes (11½ cents on every gallon) as long as they don't go up, but I get upset when I read that some legislators are thinking of hiking the state tax because receipts are down. The price of gas is high enough without it being raised even more.

"And the excise tax—why is it even necessary? They're getting us with taxes on tires, gas, motor oil, and everything else that goes into a car. They belt us with a sales tax when we buy a car, and then we get hit with an excise. We're being taxed everywhere we turn."

He wasn't fully aware, though of how true that was until he took a closer look at his expenses. For example:

Last year's real estate taxes nicked him for $1,255—nearly $25 a week.

When he and his wife moved into their new home they splurged on such things as a new dining room set, color TV, a stove that had enough controls to be hydromatic, a family-sized refrigerator, a dishwasher, and the like. That cost them $143 in sales taxes—or about $2.56 a week.

Those two things took another $27.56 out of their income, and cut it to $250.69.

The white-collar worker likes to keep drinks in the house, to have on hand when visitors arrive. In an average week he bought a fifth of liquor; the federal government's cut on that was $1.68, and the state's was $2.27. He also bought a case of 12-ounce cans of beer. Washington placed a 65-cent assessment on that, and the state's share was about 25 cents.

So it cost him $4.85 in taxes to be a sociable host.

He and his wife smoke, too; each used about two packs of cigarets a day. Since the state taxed them at 16 cents a pack and the federal government added another eight, it costs them 96 cents a day—or $6.72 a week—to indulge in that diversion.

In short, smoking and drinking clipped them for $11.57 each and every week—and reduced their incomes to $239.12.

That taxes were part of his utility bills—and it should be noted that utility companies pass every dime of taxes charged to them on to their consumers—broke down to $2.00 a week for his phone, and $1.50 each for his gas and electricity.

That came to $5, and cut the income he and his wife could call their own down to $234.12—before another large and very much hidden slice was taken out of it.

The white-collar worker tried—and usually succeeded—in putting aside some money out of every paycheck into a saving program. It averaged around $14, which left him and his wife with $220.

That's what they had each week for living expenses. Experts claim that about 20 percent of the cost of anything a family buys can be charged to taxes which the manufacturer, processor, distributor, and retailer are passing along to their customers.

If that's an accurate figure, these hidden taxes took another $44, which left the white-collar worker and his wife with $176—a far cry from the $365 they earned.

That's not bad, but it's not nearly as much as they believe they should be entitled to keep. Neither one beefed about paying a reasonable level of taxes, but both are convinced they and everyone else is being dunned unreasonably hard. And they think they know who to blame for that.

"I don't have any complaint against my town government," the white-collar worker said. "I believe the people there are doing the best they can with a bad situation. But when I figure what the state and federal governments are taking from us in taxes—and when I see what they're giving us in return—I think we're being cheated."

PENDING DISTRICT OF COLUMBIA BILLS—H.R. 11108

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. LANDGREBE. Mr. Speaker, a number of very important bills will be up before the House next Monday, July 29. As a member of the D.C. Committee, I would like to call the attention of my colleagues to H.R. 11108, the extension of the District of Columbia Medical and Manpower Act of 1970. I was a cosponsor of this bill when it first was introduced last October, but my position has changed due to the enactment of the home-rule legislation late last year.

Briefly, H.R. 11108 is a direct subsidy from the U.S. Treasury to private schools in the District of Columbia.

Since enactment of the home-rule bill last year, however, I can see no justification for such direct Federal subsidies. Even though title III of Public Law 93–198 will not go into effect until January 2, 1975, there is no reason why the moneys appropriated by this bill cannot be administered by and under the authority of the D.C. government. The position of the Department of Health, Education, and Welfare as stated in hearings before this committee ought to be considered:

> The critical equity issue that constantly arises with respect to proposals to support private District of Columbia medical and dental schools out of Department of Health, Education, and Welfare appropriations is whether there are overiding reasons of public policy to justify singling out, from the entire universe of private medical and dental schools in the United States, the schools in the District of Columbia for preferential funding treatment from the general revenues of the Nation. We feel that there are no such reasons.
>
> In summary, we believe there is not sufficient justification for special preferential Federal legislation of the kind under consideration today, to assist these particular schools of medicine and dentistry.
>
> If public support is to be provided to these District of Columbia private schools, as it is provided by some States to private schools within their jurisdictions, we would respectfully suggest that this be provided by the District of Columbia government which in this situation occupies a role analogous to that of a State government. The District government is in a position to judge whether the schools' asserted need for such support makes a compelling demand from the city's limited financial resources. . . . Therefore, Mr. Chairman, the administration recommends strongly against enactment of H.R. 11108.

At this point Mr. Speaker, I would like to include the text of a letter from Mr. Frank Carlucci, Under Secretary of Health, Education, and Welfare, to my colleague, Mr. ROMANO L. MAZZOLI. In this letter, Mr. Carlucci reiterates his opposition to the bill, H.R. 11108, and urges its defeat.

> THE UNDER SECRETARY OF HEALTH,
> EDUCATION, AND WELFARE,
> *Washington, D.C., July 23, 1794.*
>
> Hon. ROMANO L. MAZZOLI,
> *Chairman, Subcommittee on Labor, Social Services and the International Community, Committee on the District of Columbia, Washington, D.C.*
>
> DEAR MR. MAZZOLI: We understand that House floor action is now expected on July 29 on H.R. 11108, the extension of the D.C. Medical and Dental Manpower Act of 1970, which provides a special program of assistance for the medical school of George Washington University and the medical and dental schools of Georgetown University.
>
> In advance of consideration of this measure by the House, I would like to reiterate the Department's opposition to it. We have testified against the bill and its Senate companion. Our reason is simple: These schools have received substantial support under the health manpower programs of the Department on an equitable basis with other schools. There exists no special Federal interest in the schools which distinguishes them from all the other medical and dental schools in the United States and warrants the conferring of a special favor.
>
> Moreover, we note that the peer review process which determines the eligibility of schools for funding under the financial distress program disapproved the applications of these schools, using the same criteria applied to all other financial distress applicants.
>
> Consequently, we have recommended that no special legislation for these schools be enacted calling for HEW funding. If the Congress determines that the circumstances of the schools warrant additional support, we have recommended that such support be provided through the District of Columbia budget. We note that the House Committee report accompanying H.R. 11108 has recognized the weight of this argument and itself recommends that special funding for the schools be provided, after the expiration of H.R. 11108, through the D.C. budget. Of course, continued Federal support for all medical schools is now being considered by both Houses of Congress and the D.C. schools will share in whatever programs are finally enacted.
>
> In summary, our position on H.R. 11108 remains unchanged, and I shall be pleased to do anything which would make plain our continued opposition to this bill.
>
> Sincerely yours,
>
> FRANK CARLUCCI,
> *Under Secretary.*

There is one further consideration. The act which would be extended by this bill was enacted in 1970. In 1971 Congress passed the Comprehensive Health Manpower Training Act. Under this act in fiscal year 1973 the Georgetown University Medical School receives $1,447,563; the George Washington University Medical School, $1,047,290; and the Georgetown University Dental School, $859,571. These amounts total $3,354,424, compared with $720,500 that these institutions received under the District of Columbia Medical and Dental Manpower Act in fiscal year 1971.

If H.R. 11108 is passed, these private institutions will be singled out as deserving a double subsidy from the Federal Government, for they will receive funds under both the 1970 and 1971 Manpower Acts.

HISTORIC REENACTMENT

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROSE. Mr. Speaker, Sunday, July 21, was a historic day in the port city of Wilmington, N.C., in the eastern part of my district. The occasion was the dedication of the customhouse in that city as one of 18 in the Nation as a historic site. But it was more than that. It was the beginning of North Carolina's celebration of the Nation's Bicentennial which is to conclude on July 4, 1976—although it will really be celebrated all of that year.

Guests included Ms. Francine Neff, Treasurer of the United States, Hon. Vernon D. Acree, U.S. Commissioner of Customs, Mr. Herbert Brand, the mayor of Wilmington, Mr. L. D. Strom, regional administrator of the GSA from Atlanta, Rev. Edwin E. Kirton, rector of St. Mark's Episcopal Church, Mr. W. Douglas Powell, chairman of the New Hanover County board of commissioners, and others, including Mr. William J. O'Shea, district director of Customs.

The collection district of Wilmington was established on February 8, 1790, and included all the waters from Little River Inlet to New River Inlet to the north.

On April 16, 1819, a lot on North Water Street, between Market and Princess Streets in Wilmington, was purchased by the Federal Government for the purchase of locating a customhouse on the aforementioned lot. This building fulfilled its function until it was destroyed by fire on January 17, 1840. Additional land was then purchased, such was the flourishing nature of the port of Wilmington, and a new customhouse, designed by John Norris, a noted New York architect of that period, was erected in 1844.

This excellent example of the architecture of that period stood and served until it was demolished in 1915 to clear the land for the structure that still stands until this day. Construction was begun in 1916, but owing to the war raging in Europe it was not completed until 1919. It then functioned as the customhouse, appraiser's stores, and the Federal courthouse, making it the third known customhouse to exist on the same site overlooking the Cape Fear River.

A unique architectural feature of the building is the incorporation of the design of the front facade of the 1844 structure into the projecting wings of the present building. The details in the metal railings on the second floor, with the American eagle motif are also a replica of the earlier customhouse.

Today the building, which has undergone some modifications over the years, ironically does not house the office of the U.S. Customs; that office was relocated in 1968 at the North Carolina State Ports Authority. But it does house such Federal agencies as the Army Corps of Engineers, Federal district court, naturalization and immigration offices, and Selective Service System.

It was historically significant that the customhouse in Wilmington should be dedicated as a historic monument on July 21, 1974. For 200 years ago on that same date, July 21, 1774, marked the first overt Tar Heel act against the British crown when William Hooper as chairman headed a call by a group of Wilmington citizens for the First Provincial Congress.

The reading of that document was stirringly enacted by William Whitehead, a member of Wilmington's historic district, dressed in the garb of that era so long ago, who played the role of that distinguished patriot and signer of the Declaration of Independence, William Hooper, and read the document with all the fire and fervor of the original, I am told.

The call for the First Provincial Congress opened with this preamble:

PREAMBLE

At a General Meeting of the Inhabitants of the district of Wilmington in the province of North Carolina held at the Town of Wilmington, July 21st, 1774.

WILLIAM HOOPER, Esq.,
Chairman.

"*Resolved,* That Col. James Moore, John Ancrum, Fred Jones, Samuel Ashe, Robert Howe, Robert Hogg, Francis Clayton and Archibald Maclaine Esqrs be a Committee to prepare a circular Letter to the several Counties of this Province expressive of the sense of the Inhabitants of this district with respect to the several acts of Parliament lately made for the oppression of our Sister Colony of Massachusetts Bay for having exerted itself in defence of the constitutional Rights of America.

"*Resolved,* That it will be highly expedient that the several Counties of this Province should send deputies to attend a General Meeting at Johnston Court House on the 20th day of August next then and there to debate upon the present alarming State of British America and in concert with the other Colonies to adopt and prosecute such measures as will most effectually tend to avert the miseries which threaten us.

"*Resolved,* That we are of the opinion in order to effect an uniform Plan for the conduct of all North America that it will be necessary that a General Congress be held and that Deputies should there be present from the several Colonies fully informed of the sentiments of those in whose behalf they appear that such regulations may then be made as will tend most effectually to produce an alteration in the British Policy and to bring about a change honorable and beneficial to all America.

"*Resolved,* That we have the most grateful sence of the spirited conduct of Maryland Virginia and all the Northern Provinces and also the Province of South Carolina upon this interesting occasion and will with our Purses and Persons concur with them in all legal measures that may be conceived by the Colonies in general as most expedient in order to bring about the end which we all so earnestly wish for.

"*Resolved,* That it is the opinion of this meeting that Philadelphia will be the most proper place for holding the American Congress and the 20th of September the most suitable time; but in this we submit our own to the general convenience of the other Colonies.

"*Resolved,* That we consider the cause of the Town of Boston as the common cause of British America and as suffering in defence of the Rights of the Colonies in general; and that therefore we have in proportion to our abilities sent a supply of Provisions for the indigent Inhabitants of that place, thereby to express our sympathy in their Distress and as an earnest of our sincere Intentions to contribute by every means in our power to alleviate their distress and to enduce them to maintain with Prudence and firmness the glorious cause in which they at present suffer."

CONGRESSMAN ASPIN ON RAILROAD REHABILITATION

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. REUSS. Mr. Speaker, my colleague, LES ASPIN, recently introduced two bills, the Federal Aid Railroad Act of 1974 (H.R. 15503) and the Railroad Revenue Act of 1974 (H.R. 15504) which are designed to solve the deterioration roadbed. Tom Wicker of the New York Times in an article on Sunday, July 21, and decay of our Nation's track and 1974, discusses these two important proposals. The text of the article follows:

MAKING TRACKS

(By Tom Wicker)

The French Line has made one of the more melancholy announcements of the summer—that its great passenger liner, the France, will be withdrawn from service after Oct. 25. A veteran of several trans-Atlantic crossings in the France can hardly help wondering why something couldn't be done to preserve this leisurely and civilized means of travel. Must everything be sacrificed to speed and efficiency?

Something is being done, for example, to preserve, perhaps even restore, rail travel in America. Only a few years ago, it seemed as moribund as the France; now, while many problems remain, the vital signs are strong.

Most recently, Amtrak and several states have announced the restoration of some useful routes in the continental rail system, with several others about to be put into service. This is the result of Federal legislation providing that Amtrak must make passenger service available when states demanding it agree to assume two-thirds of any operational losses. Federal funds make up the deficit.

This ought not to be dismissed as a "subsidized" service. In the first place, if the service can be improved enough, there need be no great operating losses; but even if there are such losses, it makes sense that government should help finance a useful and desirable public service, rather than requiring that it necessarily pay for itself or make a profit. The Government does not require that Federal highways make a profit, and it pours huge sums into airport construction and other support to the airlines.

The state-Federal underwriting of operational losses has led to restoration, beginning this fall, of direct New York-Detroit service, via Albany, Buffalo, Niagara Falls and a run through Ontario. New York State also is arranging to underwrite renewed service between New York City and Montreal on the Hudson Valley route (service through Vermont has been restored), and from New York to Binghamton.

Michigan is getting ready to finance a link in a Chicago-Toronto service, Florida is proposing a turbo-train to run along the Gold Coast, and other states have various additional routes under consideration. Thus, many of the gaping holes in the original Amtrak route system may soon be filled and something like a national service provided.

But if that could be swiftly achieved and modern, new equipment provided, Amtrak passengers would still be facing a major obstacle to really good service—as any rider on the lucrative New York-Washington line could testify. On that route, even the comforts of the Metroliners, Amtrak's premier trains, cannot conceal the fact that much of the roadbed is obsolete.

From New York to Boston, the turbo-train does its best, but the roadbed is too elderly and meandering to permit a really competitive schedule. Much of the trackage over which Amtrak's trains must run is literally dangerous; most of it is old and rough, at best; many routes have duplicating tracks; and many are not as direct, as they would be if they had been built to serve contemporary needs.

The fact is that no major intercity rail line has been built in America since the nineteen-twenties. As the railroads have declined, moreover, they have not kept the existing trackage in the best condition. This is a limitation on Amtrak service that Amtrak alone cannot meet; and most of the freight carriers can't either.

Representative Les Aspin of Wisconsin has proposed a means of dealing with the roadbed-track problem that seems well worth consideration. His legislation would set up an Interstate Railroad Corporation that would take over, rehabilitate and maintain the national railroad track sysetm—but not the railroads themselves. Private carriers and Amtrak would continue to operate the trains.

Existing railroad companies could turn their trackage over to the new corporation, or continue to own and maintain it themselves. The trackage turned over to the new system would be "rehabilitated" with the proceeds of a one per cent tax on all surface freight shipments for a six-year period. Long-term maintenance would be provided by a charge of $1 per 1,000 gross ton-miles levied on freight and passenger carrier. Mr. Aspin thinks such a maintenance charge would be less than most carriers now pay for equivalent costs. Carriers retaining their own trackage would have to meet the standards set by the Interstate Railroad Corporation.

There may be other ideas, but Mr. Aspin has grasped an essential point—that Metroliners and Turbo-trains need a decent roadbed if they are to deliver their full potential to the growing numbers of railroad passengers.

LET US MATCH THE DUTCH OUT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. GAYDOS. Mr. Speaker, the New York Times reported recently that the North Atlantic Alliance has sharply criticized the decision of the Netherlands to cut her NATO forces by 20,000 men.

A communique, the Times said, terms the reduction "unjustified," urges the Netherlands to reconsider and points out that such a "weakening" of the NATO defenses would impose added burdens on other member states.

Perhaps all this is true. But I for one am not going to get too excited about it. The Dutch may be pointing the way for us Americans to ease our own NATO burdens. If the Dutch can cut, then why cannot we? Our forces are there to protect the Dutch and other Europeans. If the Dutch are not interested, why should we be so dutiful?

Many in this Congress have sought over the months to have our NATO commitment lessened on the grounds that we no longer can afford the great expense involved and also that the NATO urgency does not demand our present degree of participation. Senate Majority Leader MIKE MANSFIELD has been one of those trying to bring a sizable U.S. cutback. But the Nixon administration has continued to prevail.

Now we have the Dutch example and I would suggest this solution to our own problem. Let us match every NATO reduction made by a European number. Thus, let us answer the Netherlands 20,000 cut by bringing home that number of Americans. And let us inform the other states that if they want to lower their troop commitments, we will see it as their privilege, but that for every European withdrawn from the NATO forces, we will call home one American.

If this in time should bring about the dissolution of NATO, then the reasons would be obvious. Either the Europeans saw no true need for our being there, or they did not really want our protection. In either case, it would be well for us to be out of there and back home where an increasing number of Americans think our Forces should be kept.

PENDING DISTRICT OF COLUMBIA BILLS—H.R. 15888

HON. EARL F. LANDGREBE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. LANDGREBE. Mr. Speaker, one of the bills being brought before the House next Monday is H.R. 15888, a bill to establish a District of Columbia Community Development and Finance Corp. Briefly, this bill would establish a public corporation with its own bonding authority, its own power of eminent domain, and its own power to engage in all sorts of real estate operations. This bill would create, in effect, a city government independent of the city government established by the home-rule bill and independent of the Congress. About the only Control Congress retained over the District of Columbia government in the home-rule act was control over capital expenditures. This bill would surrender that control to an independent corporation that would rival the District of Columbia government in its authority.

In his testimony before the District of Columbia Subcommittee on Business, Commerce and Taxation, Mr. James G. Banks, assistant to the Mayor for housing programs, said:

> We also do not support the provision in the bill which gives the Corporation the power to issue its own bonds. The City can use its power to issue bonds to raise funds which may be required by the Corporation.

But the bonding authority Congress would be granting to this corporation would not be the greatest power it would possess. It would also have an almost unlimited power of eminent domain, a power that can be exercised without the approval of Congress.

I consider granting such authority to an independent corporation utterly foolish. Congress would be surrendering control over the federal district to a corporation which will proceed to distrupt the economy of the District, and expropriate the private property of the residents and businesses in the District. In his testimony Mr. James Banks said:

> We suggest that the power of eminent domain be deleted from the bill.

He continued:

> Placing planning, programming and budgeting within the Corporation would create another orbit of policy control outside of the City Government. The bill states only that the Corporation should "consult" with District agencies in the development of its plans. This does not require the Corporation to conform with other District departments' plans and programs. The bill should clearly provide that the Mayor is responsible for community development planning and that the Corporation's activities and projects will be designated in the Mayor's plans.

The bill makes no requirement for periodic audit of the corporation's operations; it would allow the corporation to hire an unlimited number of employees without regard to Federal or D.C. salary scales; it contains no language that explains the corporation's relationship with the already existing D.C. urban renewal agencies.

In conclusion, I ask that a letter from Mr. Richard Wolf et al. be printed in the RECORD at this point, for it is an excellent and concise critique of H.R. 15888. I urge the overwhelming defeat of this bill, for the good of the people of the District of Columbia, and the Government of the United States

The letter follows:

JULY 23, 1974.

Re: H.R. 15888, D.C. Community Development and Finance Corporation.

Hon. MEMBER OF CONGRESS,
U.S. House of Representatives,
Washington, D.C.

DEAR MEMBER OF CONGRESS: We wish to bring to your attention our views regarding proposed legislation to create a District of Columbia Community Development and Finance Corporation which has been recently reported out by the House District Committee. We are a group of citizens and citizen organizations who have taken active roles in zoning and planning issues in the District over the past few years. Our names and organizational affiliations appear at the end of this letter.

Let us say at the outset that we are most concerned regarding the limited extent of citizen participation in the development of this legislation. The hearings before the Stuckey subcommittee were announced on such short notice that many civic groups and individual citizens who would have wished to testify never learned of them until after they were held, and others who did attempt to appear were told that the witness list was closed. As a result, the committee heard a very one-sided and, we believe, misleading series of representations concerning the state of economic health and development patterns in D.C.

Nevertheless, we made an effort through a letter similar to this one to inform members of the District Committee of our concerns, and several of our suggestions were adopted. Accordingly, the statement in the Committee report that "No testimony was received, nor statements filed, in opposition to the bill" is not accurate.

Despite these changes in the legislation there still remain a number of problems, some of which were not reviewed thoroughly in our first letter. Therefore, we would like to bring to your attention those issues in this revised bill which we think are of major concern:

This Bill Pre-empts and Complicates the Tasks of the New City Government.

We believe that consideration of this bill at this time is premature. Consideration by the Congress of legislation such as this which can so affect planning and zoning in the District of Columbia as well as touching on crucial questions concerning the effectiveness of such agencies as the Redevelopment Land Agency and the National Capital Housing Authority is inappropriate in view of the home rule legislation recently enacted by the Congress, which gives a newly elected District Government responsibility for these agencies and a mandate to develop comprehensive plans and zoning for the District.

The report on this bill recognizes that the District's past efforts to deal with planning, zoning, and housing in a comprehensive and integrated manner have been either nonexistent or fragmented. Enactment of this bill at this time would further fragment the District's approach to these problems, and thus further complicate the situation for the newly elected city government. In a real sense this bill is putting the cart before the horse because it is creating a solution before the nature and extent of the problem is known.

The Bill Creates Opportunities For Circumvention of Regular Approval and Budgetary Processes

The Corporation is very likely to become a vehicle for back door creation and funding of capital improvements for the District of Columbia. The opportunity to by-pass normal approval procedures for such projects lies in the very broad charter of authority established for the Corporation. It can engage in an unlimited variety of real estate-related and mortgage banking activities using both public and private money. Even though lip service is given in the bill to the development of low and moderate income housing, the Corporation also has the authority to build such projects as convention centers, schoolhouses, office buildings, industrial plants, warehouses, towns, and even streets and highways. And it has specific authority to "construct, manage, or operate any public facility for the District of Columbia government, at its request, and to construct or manage any public facility for any other public body at the request of such body." Sec. 201(a) (18).

For example, a convention center could be approved through the project approval procedure required in the bill and yet not have to go through the budgetary approval cycle because funding was being supplied by the Corporation and private investors—utilizing the Corporation's powers of land assembly, condemnation, and construction to accomplish the task. In turn, the District could end up purchasing the facility through a series of lease-option arrangements and block grants.

Even less visibility for such a project could be gained by the expedient of avoiding project approvals altogether. This could be accomplished by structuring the deal so that the convention center were treated as "physical improvements in which the corporation's primary action is the provision of financial assistance"—an activity which is specifically excluded by the bill's terms from the project approval requirement.

We also believe that such a large scale public facility project would become a natural cooperative venture for the Corporation and the proposed District of Columbia Development Bank (H.R. 7414), particularly where the risks of such a venture for private capital are high.

Another approach to back door public funding and avoidance of any approval requirements is through the authority of the Corporation to acquire land for future development and if *"use or uses programmed for that land are not immediately feasible of attainment to utilize such land for interim use as would not be inconsistent with the objectives of this Act."* (Italics supplied) Sec. 201(a)(2). There is no definition of "uses programmed" or limitations of time on "interim uses" in the bill.

CONFLICTS OF INTEREST

The bill does not adequately cover the potential conflicts of interest of its directors who will consist of persons in "planning, real estate development, construction property management, finance, and community organization." Sec. 105(b). The bill, in fact, seems to contemplate self-dealing as an integral part of the Corporation's activities. The Directors are merely subject to a requirement that their financial interest in a transaction with the Corporation "shall be disclosed in the minutes of the Corporation and no director having such an interest may participate in any decision affecting such dealing." Sec. 108.

Further, the only detriment incurred by the Director for failure to disclose is that he is subject to personal liability for "any damage to the Corporation resulting therefrom," and the transaction may be declared void. There is no concept in the bill that such self-dealing may be a violation of public trust even though the Corporation may have benefitted financially from the conflict.

Moreover, there is no prohibition against trading to one's financial benefit on the basis of inside information. The opportunities for unscrupulous use of inside knowledge of future activities of a real estate development corporation operating in a limited area like the District of Columbia is, we believe, very real.

We find the bill's sketchy treatment of these potentially explosive problems inconsistent with the Corporation's stated purpose to exercise "public powers" for "public uses" on which "public funds may be expended." Sec. 102(b)(4).

Other Problems

There are many more problems in this bill relating to such matters as condemnation powers, adequacy of relocation provisions, lack of required audits, limited access to corporate information, contracting out of governmental functions and so forth which also deserve your attention but our time and resources do not permit us to analyze them in detail.

In summary, as we said in our first letter, the possible enactment of this bill with the problems described gives many of us, who fought over the years to assure sound planning and adherence to proper legal procedures in connection with development, great concern. The bill would grant great power and very limited accountability to the Corporation. Before making a grant of such broad authority, we would like to know what are the problems that require this kind of approach and why existing agencies can't do the job. We believe these questions need to be thoroughly reviewed by a locally elected D.C. Government before this bill, or anything like it, is enacted.

This statement is endorsed by the following persons (organizational affiliations are for identification purposes only):

John P. Barry.

Mary C. Barry.

Grosvenor Chapman, President, Citizens Association of Georgetown.

Charles J. Clinton, Chairman, Wisconsin Avenue Corridor Committee.

J. George Frain, Secretary, Adams-Morgan Federation.

Christine E. Garner, concerned citizen.

Harriet B. Hubbard, Executive Committee, D.C. Federation of Citizens Associations, Adams-Morgan Organization, Dupont Circle Citizens Association, North Dupont Circle Community Association.

Helen Leavitt, Chairman, Committee on Community Environmental Concerns, North Cleveland Park Citizens Association.

Rosamond E. Mack, Chairman, Zoning Committee, Burleith Citizens Association.

C. N. Mason, Executive Committee and Former President, Chevy Chase Citizens Association, Treasurer, Wisconsin Avenue Corridor Committee.

Catherine H. McCarron, Dupont Circle Citizens Association.

Kay Campbell McGrath, President, Citizens for City Living.

Lawrence A. Monaco, Jr., Chairman, Zoning Committee and Former President, Capitol Hill Restoration Society.

Franz M. Oppenheimer, Chairman, Zoning Committee, Committee of 100 on the Federal City.

Peter G. Powers, Immediate Past President, Capitol Hill Restoration Society.

Thomas P. Rooney and Angela Rooney, Upper Northeast Coordinating Council.

Carol M. C. Santos, President and Former Chairman of Zoning Committee, Capitol Hill Restoration Society.

Richard N. Wolf, Vice President and Chairman, City Planning Committee, Capitol Hill Restoration Society.

This statement is endorsed by the following organizations: Businessmen Severely Affected by the Yearly Action Plan (BSAYAP); North Cleveland Park Citizens Association; Upper Northeast Coordinating Counsel; Washington Circle-West End Associates.

CITIZENS FORUM OF INDIANAPOLIS

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BRAY. Mr. Speaker, the following editorial from the July 9, 1974, Indianapolis Star speaks for itself:

MAKING BETTER NEIGHBORS

Ten years ago today a small group of people founded Citizens Forum Inc., which has proved to be a remarkably energetic and effective organization for the betterment of Indianapolis neighborhoods and hence of the community at large.

At its top were Mattie Coney and her husband Elmo. They knew where they wanted Citizens Forum to go, and that the way to get there lay through desire and determination.

A brochure published a few years ago describes the organization as a "Better Neighbor" program, "planned basically as an educational effort to encourage good citizenship, individual responsibility, self-improvement, simplicity, truth and Americanism."

"It is biracial, interfaith, nonpolitical in character and aims to work for the good of all."

And that it has done.

Best known of Citizens Forum activities has been the organization of block clubs, whose purposes are to keep neighborhoods clean and orderly and imbue their residents with the spirit of individual responsibility and good citizenship. There are now more than 2,000 of these. Their impact has been tremendous in all kinds of neighborhoods—Negro, white and integrated.

There has been a strong emphasis on work with children. There is a program for "improving the citizenship of children," operating through parent-teacher groups. The "helping hand" project promoted through city and township schools encourages adults to work with children to reduce loitering, vandalism and street crime.

Other projects have ranged from planting flowers and trees to getting rid of rats.

Common threads running through all the programs include down-to-earth practicality and emphasis on voluntary effort and individual responsibility. Citizens Forum has demonstrated over and over again that a neighborhood is what its people make it.

The organization emphasizes that membership and participation in its activities are open to all. "There is only the requirement of a desire for improvement, and everyone is urged to become involved."

We salute Citizens Forum, Mattie and Elmo Coney who have been its sparkplugs, and the thousands of people who have indeed become involved, to the incalculable good of the community.

CALM APPROACH TO IMPEACHMENT INQUIRY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ASHBROOK. Mr. Speaker, I received the following resolution from the Crawford County Republican Committees of the State of Ohio. I believe it expresses a calm and fair approach to the impeachment controversy which is on everybody's mind at the present time. I congratulate them for the clarity of their thought. Following is the text of their resolution.

RESOLUTION

We, the members of the Crawford County Republican Committees, State of Ohio, believe the proceedings now before the Judiciary Committee, of the U.S. House of Representatives, relative to the possible impeachment of the President of the United States, calls for an expression of views, constructive thought, objective conclusions and deep feelings.

We believe that the entire situation demands an evaluation of the constitutional process involved, and a constructive attitude which all Americans should take with respect to it.

Impeachment, both by term and interpretation constitutes the most serious step which the Government can take against the Chief Executive Office of our land, the Commander-in-Chief of our Armed and Naval Forces and the unquestioned exponent of United States foreign policy throughout the world. It demands grave and responsible judgment on the part of all Congressmen, as well as sober, judicious and cautious restraint on the part of every American.

We believe all should be concerned, not only with the question of guilt or innocence, but also, whether this question is resolved in a responsible, dignified and fearless manner by those charged with making decisions without partisanship bitterness, rancor or political advantage.

We believe all members of the Judiciary Committee and the House of Representatives should be sure that the basic rules of fair play and justice prevail, that the constitutional concept of innocence, until proven guilty, be rigidly respected and that decisions be made completely free from any and all personal prejudices, and political passions, and that the welfare of the United States of America be the first and primary consideration in all deliberations which are conducted in which the result will be finally concluded.

To that end, we call upon you, all members of the Judiciary Committee and the House of Representatives, to meet your responsibilities with a full realization that only within the framework of fairness, justice and freedom from the pressures and passions of the moment, can a just decision be made.

We further urge, that all Americans, irrespective of party affiliation, to fully comprehend that it is morally wrong to attempt to influence the members of the Judiciary Committee as well as all members of Congress with hasty conclusions, based on the bias of a partisan press, false, misleading, pernicious, libelous, and malicious propaganada, flaming headlines and the biased judgment of zealous partisans.

We must all realize that the decision reached relative to impeachment must be made by our elected representatives, and be based solely on the evidence of record, and within the constitutional definition of impeachment.

We believe that future of our country, the strength of our Government, as well as the survival of our two-party system, which for two centuries has served all Americans of every political faith so well, depends on a rigid adherence to the principles herein enunciated.

CRAWFORD COUNTY REPUBLICAN COMMITTEES.

SALUTE TO PIONEER VOLUNTEERS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. DERWINSKI. Mr. Speaker, I insert into the Record at this point an article by Harry "Scoop" Sklenar, editor of the Desplaines Valley News of Argo, Ill. Mr. Sklenar is a veteran reporter in the weekly newspaper field.

As a strong supporter of home rule and local responsibility, I found this editorial one with which I can strongly identify. The article follows:

[From the Desplains (Ill.) Valley News, July 18, 1974]

SALUTE TO PIONEER VOLUNTEERS

(By Harry Sklenar)

There were no revenue sharing funds then.

There were no income tax funds.

There were no sales tax funds.

There were no powerful appeals, merely a need which the Bridgeview residents felt when they pitched in to construct their own village hall with their modest contributions and effort, not with any portion of the estimated $1 million revenue sharing fund which it will take to remodel the structure.

What should hurt the early pioneers who had spent their effort in funds for material, and labor in pouring cement, and willingly put up the building, little by little, is that the plaque which was affixed to the front entrance, giving tribute to that effort has been removed.

The previous village hall, known better as the community building, was also constructed by volunteer effort and resident funds. The people than were proud of their community.

They constructed a third building, the firehouse in Bridgeview Gardens.

The morale was so high in the volunteer fire department that when they needed money for more equipment or pay necessary bills, dances were held and the hat was passed among members for contributions. The bills were paid.

Today, the fire department has a 17 man full time force. That cooperative service, dedication and volunteer effort dropped a bit no doubt, since when the volunteers constructed their own quarters, they took pride in fire service.

The first Bridgeview Fire Chief still lives in the person of Merrille Miller, now township auditor and head of the Bridgeview Friends of the Library unit. Perhaps Merrille can find out just what happened to that plaque which gave tribute to the pioneer resident builders of the first hall and fire station. It could be put on display in the Bridgeview Library as a relic of the past when residents put in hours of effort after their regular jobs to give Bridgeview a monument.

But as time goes on, that monument had to give way for expansion.

When Bridgeview was first incorporated over 25 years ago, it barely reached 79th street. Today it extends into three townships. It had less population than Summit. Today, it is fast exceeding Summit's population.

Building a municipal structure with a $1 million revenue sharing fund is a simple matter. Think of the effort given to build that first hall before all those additions were made.

The determination, patience, and willingness to aid the village without compensation is lost as the population expands with town houses, condominiums, and high rises. Outside of the municipal offices, there are few residents that can name every person living in their block.

What was lost? The neighborliness that went with lending a hand to one goal. What similar volunteer effort is there constructing like structures today? It takes pride in the community to volunteer such effort, and this writer believes that with growth, paved streets, services at a price, that pride loses since seldom one volunteers his own effort to cut weeds in an adjacent vacant lot.

Now, where did you say that memorial plaque was put?

THE 22D ANNIVERSARY OF PUERTO RICAN CONSTITUTION DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BIAGGI. Mr. Speaker, today we mark a most momentous occasion, the 22d anniversary of Puerto Rico's attainment of commonwealth status within the United States. It is a fine opportunity to pay tribute to this great nation who since 1952 has grown enormously in stature and stability irrespective of the turmoil and unrest which has plagued her neighbors in Latin America.

Under her present Constitution which was designed entirely by her citizenry, Puerto Rico has consistently worked to strengthen her bonds of freedom, and maintain her close ties with the United States. Her citizens, who are also citizens of the United States, have benefited from many of the privileges of statehood while maintaining the fundamental right of self-government for their own local affairs. One might say that Puerto Rico has attained the status of an "Associated Free State."

While we recognize Puerto Rico's internal success as a nation, let us not forget the numerous achievements and contributions which the large Puerto Rican community in the United States has made to bettering our Nation. Their accomplishments have been felt in all aspects of our society, Government, business, sports, and entertainment.

Particularly significant have been their contributions to the fields of politics and government. In my home city of New York which has the largest Puerto Rican community outside the homeland, a number of Puerto Ricans have held prominent offices in both municipal and State government. An example of one Puerto Rico's finer public servants is my colleague from New York, Mr. Badillo whom I salute and congratulate on this day.

The business world has felt the enormous contributions of the Puerto Rican community as after struggling have established numerous businesses assisted by such groups as the Puerto Rican Merchants Association as well as the Small Business Administration.

Puerto Rico has had their share of stars in the sports and entertainment worlds. They have done much to enhance the quality of cultural and visual enjoyment associated with our growing entertainment industry.

Mr. Speaker, it has been my privilege to join with my colleagues in marking this important day on the world calendar. We owe much to the Puerto Ricans in this Nation and salute them on 22 years of unparalleled progress.

At this time I would like to pay a special tribute to my good friend, and colleague, Mr. Benitez, to whom the people of Puerto Rico have been so ably served here in the Congress. I salute him, and I wish him years more success in service to the great people of Puerto Rico.

EPA: WHERE ARE YOU?

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. VANIK. Mr. Speaker, Last week I outlined my objections to a report on waste oil recovery which was recently submitted to Congress by the Environmental Protection Agency. I am concerned that the EPA—for reasons I have not been able to understand—has decided to duck the waste oil problem. Essentially, the EPA's report recommends only a reexamination of administrative rulings by the Internal Revenue Service and the Federal Trade Commission which discriminate against re-refined oil. The report contains no coherent EPA policy statement on waste oil recovery.

Mr. Speaker, there is ample evidence to support action to reverse—immediately—both of these rulings. I would like to remind EPA of just a few of these facts.

Item. IRS revenue ruling 68–108—which is the source of the re-refiners tax problem—was issued under a dubious legislative history. Despite the confusion that this ruling has created, the stated intent of Congress was to protect the rerefining industry. According to the report of the Ways and Means Committee to the Excise Tax Reduction Act of 1965:

> For reasons indicated above, your committee concluded that generally the lubricating oil tax was an undesireable tax to continue . . . However . . . your committee also recognized that outright repeal of this tax might also present problems for re-refiners of oil who are not subject to the lubricating oil tax and whose profit margin is generally smaller than the amount of the tax. *Therefore, to repeal this tax outright would drive the re-refiners out of business. This would have the effect of encouraging the dumping of used oil in our streams rather than salvaging it through re-refining* (emphasis added).

Despite this clear statement in support of rerefining, the impact of the tax law has not fulfilled the intent of Congress. One lawyer who has examined the situation in detail has observed:

> Even though this legislative history indicates that Congress intended to provide rerefiners with at least a partial incentive, Congress may not have been aware of the disincentive it was actually providing to rerefiners with respect to nonhighway use.

Reversal of IRS ruling 68-108 would restore some measure of the original intent of Congress.

Item. On July 26, 1968, Senator J. Caleb Boggs introduced, with Senators MUSKIE and RANDOLPH as cosponsors, legislation to revise the FTC labeling requirement for used oil. At that time, Senator Boggs outlined the two-pronged obstacle to recycling waste oil: Federal labeling requirements and the excise tax treatment of lubricating oil. Senator Boggs stated, in words that could be used today:

> Mr. President, it is the feeling of the cosponsors of this legislation that the situation is so serious that we cannot wait another 18 months before getting a solution to this problem.

Well, we have waited—not 18 months, but 6 years.

Item. In January 1969, Arthur D. Little, a noted research and consulting firm, issued a report entitled: "Study of Waste Oil Disposal Practices in Massachusetts." This is the first comprehensive report on waste oil conducted in the United States. The report stated:

> Reprocessing of automotive waste oil for reuse as a lubricating oil is no longer practiced in New England and does not represent an outlet for waste oil generated in the Commonwealth. *Once the major outlet for waste automotive oil, reprocessing to a lube oil has become less competitive and less economically viable because of . . . disadvantageous tax situation as compared to virgin oils; (and) labeling requirements to indicate that the oil was "previously used"* (emphasis added).

Item. Both IRS and FTC rulings were drafted without an analysis of environmental impact. In view of the mandate of the National Environmental Policy Act, these policies should be reversed to facilitate the recycling of lubricating oil. According to section 101(b) of NEPA, it is the continuing responsibility of the Federal Government:

> to use all practicable means, consistent with other considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the nation may . . . (6) enhance the quality of renewable resources and *approach the maximum attainable recycling of depletable resources* (emphasis added).

Item. In April, 1971 the State of Maryland issued a study entitled: "Used Oils: A Waste or a Resource?" This report states:

> Two factors brought about the decline in the waste oil market. These are summarized below:
>
> (1) In 1964, the Federal Trade Commission enacted a general trade regulation requiring that all lubricating oils sold in interstate commerce which are composed in whole or in part from previously used oils must bear a label disclosing such prior use . . . the labeling requirement of the Federal Trade Commission knocked the bottom out of the re-refined oil market . . .
>
> (2) The *coup de grace* of the oil re-refining industry was administered in 1966. Beginning in that year, the excise tax of 6c a gallon imposed on new (so-called "virgin") oil was removed for all oil used in non-highway purposes . . . *These two Federal policy decisions resulted in a significant reduction in the amount of re-refined waste oil* (emphasis added).

Item. On October 6, 1971, I received a letter from Mr. Graham W. McGowan, Director of Congressional Affairs at EPA. Mr. McGowan's letter was in response to my inquiry on the impact of the FTC labeling requirement on waste oil recycling efforts. Mr. McGowan wrote:

> Discharges of waste lubricating oil constitute a chronic environmental problem * * * Changes in the Federal Trade Commission's labeling requirements, coupled with other actions, would assist in alleviating the waste oil problem.

Item. In December 1972 the Defense Supply Agency released a report entitled: "Waste Oil Recycling Study." The study states:

> The rerefining industry grew steadily after the war and reached an actual capacity of about 300 million gallons by 1960. Since that time, various factors have made it increasingly difficult for the rerefiner to operate in an efficient and profitable manner. Rulings by the Federal Trade Commission and the Internal Revenue Service have contributed to the rerefiners' problem (emphasis added).

Item. An unpublished study of the waste oil problem, prepared for the public interest law firm Tax Advocates and Analyst, has put the problem as follows:

> At a time when the disposal of waste oil has become a serious environmental problem, U.S. Government policies, and particularly those of the Internal Revenue Service, are frustrating the technology and industry which can solve it. Instead of encouraging recycling of used oil, the Government is placing the rerefiner and the consumer of rerefined oil at a decided disadvantage in the marketplace.

Item. Environmental Action in January 1973, published an article by Albert Fritsch's article, "Waste Oil Disposal: Time for a Change," states in part:

> Tax policies are considered highly unfair. The Excise Tax Reduction Act of 1965 allowed nonhighway users to claim a 6-cents-per-gallon refund on lubricating oil. The oil re-refiners pay a 6-cent excise tax on virgin oil purchased to be blended with their own stock and cannot claim a credit, nor can their customers. This has placed the re-refiners at an economic disadvantage when selling their processed oil to railroads and other customers.

Dr. Fritsch goes on to point out—

> To compound these difficulties, the oil re-refiners have not been able to get their product labeled "recycled" by the Federal Trade Commission (FTC). A stigma is attached to products labeled "reused" or "previously used" which is not connected with "recycled" products.

Item. Senator STROM THURMOND introduced comprehensive waste oil legislation (S. 409) on January 16, 1973. This legislation followed a similar, but less comprehensive bill, introduced by the senior Senator from South Carolina in the 92d Congress. In introducing S. 409, Senator Thurmond stated:

> Mr. President, even in view of this problem, very little of this valuable and potentially dangerous oil is re-refined and recycled. The reason is that the Federal government has imposed obstacles and restrictions that actually prevent the petroleum re-refiners from marketing their products in competition with the major oil companies. GSA will not buy it for use in government vehicles; IRS makes off-highway users pay more for it; FTC insists that every can be labeled so that few motorists will buy it; and no one will set oil quality standards and performance requirements that will give the re-refiners a chance to prove that their product can be just as good as the original. This is an incredible series of discriminatory practices which came into existence through a series of unfortunate circumstances.

Item. The Association of Petroleum Rerefiners testified before the Ways and Means Committee in March of 1973.

Mr. Belton Williams, president of the association, offered these comments on the state of his industry:

> In 1965, in connection with final consideration of what ultimately became the Excise Tax Reduction Act of 1965, this association again urged the then existing tax not be altered. However, the final bill removed the tax with respect to oils used for off-highway purposes and thereby removed at least one-half the cost differential umbrella for the re-refining industry.
>
> In 1967 the association testified before the Senate Public Works Committee in connection with consideration of anti-pollution legislation. The association pointed out that in substantial parts, because of the partial elimination of its excise tax cost advantage, nearly half of the small businesses in the rerefining industry had been forced to terminate their operations.
>
> In 1971 the association advised all members of Congress that the number of operating plants had again been reduced very sharply by reason of the now inadequate cost advantage. In a survey made only two weeks ago, the association determined that of the 150 rerefining businesses in operation prior to 1965, fewer than 40 still remain operative.

Item. Governor Malcolm Wilson of New York, who is interested in establishing a waste oil recovery program for his State, recently wrote to members of his congressional delegation. Governor Wilson wrote, in part:

> I am convinced that restoration of the uniform 6 cents per gallon tax on motor oil, with the continuation of the blanket exemption for rerefined oil, will help significantly to stimulate the rebirth of the rerefining industry in New York State and throughout the country . . .

Item. The Environmental Law Institute, on contract to EPA in connection with the recently published waste oil report, submitted an analysis of the Federal excise tax treatment of lubricating oil—appendix E of the waste oil report. In its analysis, ELI states:

> Reversal of Revenue Ruling 68-108 is suggested because, on its face, it places the rerefiners at a disadvantage in the nonhighway lubricating oil market.

Item. The EPA staff which prepared the waste oil report recommended reversal of IRS ruling 68-108. This recommendation did not, however, survive the internal review process at EPA. Nonetheless, on page 87 of the report, we are offered this candid assessment—

> The IRS ruling 68-108 should be reversed to permit the non-highway user of re-refined oil to obtain refunds of taxes paid on virgin oils blended with rerefined lubes.

Mr. Speaker, several pieces of legislation have been introduced over the years to deal with the waste oil problem. Aside from the first legislation introduced by Senator Boggs, I introduced legislation on December 2, 1971. This bill was followed by a more comprehensive measure, The National Oil Recycling Act. This measure is cosponsored by over 40 Members of the House.

In the Senate, aside from the efforts of Senator THURMOND, Senator DOMENICI, joined by Senators STAFFORD, MCCLURE, RANDOLPH, and BAKER, introduced S. 3625, the National Oil Recycling Act. In addition, Senator HART has introduced S. 3723, the Resource Conservation and Energy Recovery Act of 1974. This legislation, which has been reported out of the Environment Subcommittee of the Senate Commerce Committee, contains language to revise both the tax treatment and the labeling requirement for re-refined oil.

In view of all this evidence, why has EPA chosen not to act?

SUPPORT FOR CONSUMER REFORM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. RANGEL. Mr. Speaker, clearly, the issue of consumer protection and reform is one of the most compelling facing us today. At their 68th annual meeting held during the first week of July, the National Association of Attorneys General dealt with this matter in the form of two resolutions. The full text of these statements are now submitted for the consideration of my colleagues.

Resolution Adopted by the 68th Annual Meeting of the National Association of Attorneys General

CONCERNING PRIMARY CONSUMER ENFORCEMENT RESPONSIBILITY

Whereas, the Attorneys General of the individual states of the United States of America are in the forefront in the vital area of consumer law enforcement; and

Whereas, the experience and the cooperative efforts of the National Association of Attorneys General in state-to-state, state-to-federal, and state-to-local communications have resulted in authoritative support for upgrading our legislative, investigative, and enforcement procedures; and

Whereas, any diminution of the enforcement authority of state Attorneys General can only result in fragmentation and dilution of efforts to protect the consumer; and

Therefore, the National Association of Attorneys General meeting at Coeur d'Alene, Idaho, on this 26th day of June, 1974, resolves that while the Attorneys General of the States do welcome the cooperation and need the support of all consumer advocate agencies—city, county, regional, and federal, the Association reemphasizes its long standing commitment to the principle that consumer law will be served best if primary enforcement responsibility remains entrusted with the Attorney General for the States.

Resolution Adopted by the 68th Annual Meeting of the National Association of Attorneys General

CONCERNING FEDERAL CONSUMER ADVOCACY

Whereas, the National Association of Attorneys General, whose members have provided leadership for consumer protection law enforcement in their respective States, wholeheartedly support the creation of an independent and effective Consumer Protection Agency to afford consumer advocacy at the Federal level; and

Whereas, it is the Association's firm belief that the consumer should be afforded adequate protection through the coordinated efforts of local, state and federal enforcement agencies; and

Whereas, this goal can best be achieved through insuring adequate funding to strengthen each agency's ability to respond quickly to consumer needs,

Therefore, be it resolved, that the National Association of Attorneys General urge the United States Congress to pass legislation which establishes an independent and effective Federal Consumer Protection Agency to afford consumer advocacy involving only interstate transactions and designed to strengthen State and local consumer programs through Federal grants-in-aid, and which would recognize the necessity for maintaining effective control of our consumer protection laws on a state and local level.

Signed this the 26th day of June, 1974, at the Annual Meeting of the National Association of Attorneys General at Coeur d'Alene, Idaho.

U.S. REPRESENTATIVE JOHN D. DINGELL INTRODUCES LEGISLATION TO HALT COURT DECISION POWERS ON ABORTION MATTERS AND TO RETURN SUCH POWERS TO THE STATES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. DINGELL. Mr. Speaker, the question of the legality or morality of abortions is not an issue to be decided by the Federal Government. Historically, this authority has been reserved to the States under their police power. Nine men on the U.S. Supreme Court have recently determined, most erroneously, that the Federal Government may override State law.

Abortion is a question which quite properly belongs in the State legislative process where the peoples of the States have most immediate access to comment, review, and readily participate in the decision making process. The Constitution gives the Federal Government no power in this area.

I have many times stated my opposition to abortion. I strongly oppose it on moral grounds. I cannot differentiate between abortion and any other taking of human life.

The U.S. Supreme Court decision of January 1973, usurped the States' rights on the abortion issue by overturning all State criminal abortion statutes. In some States, such as Michigan, the U.S. Supreme Court overruled the majority vote of the States' citizens who overwhelmingly agreed by ballot to make abortion illegal in Michigan.

I therefore believe that the U.S. Supreme Court exceeded its jurisdiction, entered into matters properly under the jurisdiction of the States acting under their police power, and injected the Federal Government into matters where it does not properly belong.

I therefore am introducing two pieces of legislation today on the subject of abortion. One is an amendment to the Constitution of the United States which would restore the power of the States to legislate abortion matters. The States, territories, and the District of Columbia would be enabled to allow, to regulate, or to prohibit the practice of abortion.

The second measure is a jurisdictional limitation bill designed to remove from the U.S. Supreme Court and the district courts the power to make any decisions on the abortion issue in any form. It withdraws appellate jurisdiction of the courts to hear appeals regarding "any case arising out of any State statute, ordinance, rule, regulations," relating to abortion.

The text of the two bills follows:

H.J. Res. 1098

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE —

"SECTION 1. Nothing in this Constitution shall bar any State or territory or the District of Columbia, with regard to any area over which it has jurisdiction, from allowing, regulating, or prohibiting the practice of abortion."

H.R. 14337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provisions of sections 1253, 1254, and 1257 of this Chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to abortion.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1363. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1363. Limitations on jurisdiction.".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

PUERTO RICO CONSTITUTION DAY

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROONEY of New York. Mr. Speaker, 22 years ago today I had the great privilege of presiding over this body at the historic session which gave the people of Puerto Rico their status as a Commonwealth of the United States. I shall always be grateful to my dear friend the late Speaker Sam Rayburn for granting me this opportunity. I thought at that time that I had reached the apex of my interest in serving the fine people of Puerto Rico, but today I recognize that that significant event was only the beginning of many years of rewarding association with the esteemed leaders of the Commonwealth. Each year, as I have watched Puerto Rico develop with almost miraculous attainments I have taken personal satisfaction in those successes. I have had the temerity to believe that I have had some share in the expansion of Puerto Rico's future.

Today on this, the Puerto Rico Constitution Day, we can truly rejoice with the hundreds of thousands of Puerto Ricans living here and with millions who now enjoy a greatly improved standard of living on their enchanting island.

As I get closer and closer to the termination of my membership in this body I begin to look less and less at the future and more and more to the past wherein so many rich and rewarding events took place.

One of those great highlights of yesteryear was the successful achievement of Commonwealth status for the people of Puerto Rico. It was the gratifying culmination of months and months of hard work with the fine Puerto Rican leaders who are now revered as Puerto Rican heroes. Such leaders as former Gov. Luis Marin Munoz, the mayoress of San Juan, Dona Felicia Rincon, and his equally dedicated colleagues impressed me as having heroic characteristics even then—long before their adoring countrymen put them on a pedestal. No true observance of this great anniversary would be complete without due recognition of these stalwart mentors of Puerto Rico's destiny.

So, Mr. Speaker, as I join my many friends and constituents in celebrating this important anniversary, I do so with great thanksgiving. I am grateful for the cooperation extended to me and for the inspiration given me by Puerto Rico's magnificent statesmen, all of whom I have known in the past 30 years. I am grateful for the role which I was permitted to play in the birth of a new Commonwealth. I shall treasure always the privilege of helping to assist this young government both as a toddler and through its tricky teenage years. Now I can truly rejoice because it has reached its majority in a remarkable show of mature judgment and dedicated zeal.

I congratulate all those who have guided the Commonwealth of Puerto Rico to its present heights of achievement. I congratulate even more the people of Puerto Rico for their choice and loyal backing of their chosen leaders, all of whom reside on the island of Puerto Rico.

PENDING DISTRICT OF COLUMBIA BILLS—H.R. 15643

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. LANDGREBE. Mr. Speaker, next Monday, July 29, the House will be considering H.R. 15643, a bill to create a land grant University of the District of Columbia. I have already filed a lengthy statement of my views on this bill in the District of Columbia Committee Report. I do not intend to repeat my entire statement here, but I would like to make some of my same criticisms again and to call the attention of my colleagues to the committee report and my full statement against this bill.

I believe that H.R. 15643 ought to be defeated when it comes before the House. I say this not only as a Member of the District of Columbia Committee, but also as a member of the Committee on Education and Labor.

FEDERAL COMMITMENT

Congressional action at this time on H.R. 15643 establishing such a university on the eve of "home rule" implies to me a continuing, specific and larger Federal financial commitment. Section 205 of the bill refers to "the several schools, colleges, campuses, and units of the University of the District of Columbia, which shall include but not be limited to colleges of science and technology, liberal and fine arts, education and professional studies, including graduate programs, and postgraduate programs." Accordingly, it would appear quite clear that in voting favorably on this bill, the House would be committing itself to a broadening of programs, financial aid, and generally to a capital expansion program as the needs are determined by the local government and the Board of Trustees of the University of the District of Columbia. Currently, the proposed capital program for the existing institutions for the next 4 years already exceeds $240 million. A large part of this is provided by the Federal Government.

BUDGET PREPARATION

The budget process is unclear as set forth in this bill, particularly with respect to the role of the Mayor, City Council, and the Congress as compared to the procedure originally set forth in the District of Columbia Self-Government and Governmental Reorganization Act of 1973. But I view it as a "hands off" provision to the Mayor and City Council, such that they are not authorized to make recommendations or comment on the university's budget during the course of the congressional budget cycle. This goes far beyond the authority given the third arm of the District government, the District of Columbia court system, in the Self-Determination Act, section 445, wherein the Mayor and City Council have authority to make recommendations as to the court's budget.

REPROGRAMING AUTHORITY

Reprograming is the transfer of funds from one line item to some other line item or end use as determined by a Federal agency or in this case the University of the District of Columbia.

The reprograming authority in the amount of $200,000 provided for in this bill is excessive in view of the fact that the reprograming authority provided the Mayor and the Council of the District of Columbia under the Self-Determination Act is in the amount of $25,000. In other words, the Board of Trustees of the University of the District of Columbia will have 8 times the reprograming authority that the Mayor and the City Council themselves will have under "home rule." It would appear to me that this would be of major concern to members of the Appropriations Committee who would see this expanded reprograming authority for the University of the District of Columbia as an opening wedge to expand the reprograming authority for the Mayor and the City Council.

The reprograming authority authorized for the University of the District of Columbia should, at a minimum, require prior approval of the Mayor and City Council in the event that Congress is willing to relinquish its prior approval authority as it relates to the reprograming of the University of the District of Columbia's funding.

PERSONNEL SYSTEM

The bill as drafted would allow establishment of a completely independent personnel system for all university employees. What we would be establishing is another government within a government as it relates to personnel policies and procedures for the University of the District of Columbia. Salary levels, retirement benefits, et cetera, could be increased without the approval of the Mayor or the City Council, and inasmuch as this would be done by regulation, it is questionable whether Congress itself would have any review other than to originate legislation to undo what the University of the District of Columbia might adopt by way of regulation. Such a broad grant of authority would jeopardize the city government's ability to live within a balanced budget, since one part of it, that is, the University of the District of Columbia, would in effect be outside the budget that would have to be balanced. Moreover, the broad grant of authority to the university would create inequities for other city employees, whose agencies are not granted this very special authority.

LABOR-MANAGEMENT RELATIONS

The provisions of this bill, section 206 (b), provide that the board of trustees shall incorporate the provisions of Executive Order No. 70-229 of the Commissioner of the District of Columbia "or similar policies developed by the trustees to guarantee collective bargaining rights of employees subject to this section." In my view this is the broadest kind of delegaton of authority for the board of trustees to engage in collective bargaining with respect to paying salaries fringe benefits such as retirement, et cetera. Also, in my view, it could be interpreted as authorizing the Board of Trustees to engage in binding arbitration between management and employees of the University of the District of Columbia.

Obviously, there would be controversial questions involved if the Board of Trustees were to adopt a regulation that would provide for binding arbitration such that they may or may not try to bind the Council of the District of Columbia. However, as a practical matter, any regulation that they passed which provided for binding arbitration would make it difficult, if not impossible, for the Council of the District of Columbia to refuse to adopt the recommendation or decision of the binding arbitration procedure. Carrying this a bit further, if the Council of the District of Columbia felt it was bound or at least went along with the binding arbitration, it would appear that in effect they would be binding Congress, inasmuch as the District is required to submit a balanced budget to Congress. The question inevitably would be whether the increase in salaries which occurred through possible binding arbitration would be paid out of revenues raised by the District itself or whether they would be paid primarily out of the Federal payment. In any case, if the City Council were bound as a practical matter—Congress would also be bound.

OFFICIAL EXPENSES

The amount proposed in this bill, section 301(b), for expenditure by the president of the University of the District of Columbia in the amount of $25,000 with only a signed certificate as a voucher is, in my opinion, excessive.

The Self-Determination Act allows the level of such allowances for the Mayor to spend to be established by the Council of the District of Columbia. If the Congress is going to set the amount at $25,000 for the president of the University of the District of Columbia, it appears to me we are setting a very poor example for the City Council.

LAND GRANT FUNDS

The amount provided for in section 208 under the act of July 2, 1862, is apparently unlimited since no amount appeared in my copy of this subsection 208(b) of H.R. 15643.

FEES AND TUITION

Under the provision of section 205(h), it appears that the University of the District of Columbia will be able to use the receipts from "fixed fees, in addition to tuition," such that they shall be deposited in a revolving fund and shall be available to the trustees for any purposes which the trustees shall approve without fiscal year limitation. This would appear to me to give unprecedented authority to the trustees of the university.

GIFTS AND ENDOWMENTS

The trustees of the University of the District of Columbia are authorized to accept gifts and endowments and such money is authorized to be disbursed in "such amounts and in such manner as the trustees may determine." It does not appear to me that there is any limitation to this whatsoever. I would consider this to be an excessive grant of authority to the trustees of any university.

Mr. Speaker, I urge anyone who is interested in more informaiton of this bill to consult the committee report and read my dissenting views. I would also urge my colleagues to defeat this bill next Monday.

OUR CRIMINAL LAWS MUST BE ENFORCED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BIAGGI. Mr. Speaker, lawmakers, local, State and Federal, have in recent years, attempted to fulfill their responsibilities to their constituents by enacting strong criminal laws designed to help allay citizen fears about the ever-surging crime rate in this country.

Those responsible for law enforcement, particularly the judiciary, have on the other hand systematically destroyed these efforts through lax and lenient methods of imposing and enforcing these laws.

In recent years, this Nation has mourned the deaths of a number of prominent and beloved public figures, including President John F. Kennedy, Martin Luther King, Jr., and Robert F. Kennedy, and most recently, Mrs. Martin Luther King, all of whom died needlessly and prematurely at the hands of depraved criminals in possession of illegal firearms.

New York State currently has one of the strongest gun control laws in the United States which was brought about largely to attempt to combat the dramatic increases in homicides by handgun in that State. Included among the provisions of this law is a penalty of up to 7 years in prison for the first conviction. Yet as good as this law is in theory, thanks to the judicial system in New York State, it has been virtually ineffective in practice.

According to a recent study conducted by the New York City Police Department, only about 1 in 10 cases involving individuals arrested for illegal firearm possession has resulted in the criminal being put behind bars. A further look at this study indicates the virtual ineffectiveness of this law, due to a systematic failure to enforce the law.

Out of 300 cases affecting 342 defendants, who were in possession of a concealed, loaded handgun, a felony, only 182 were convicted, either at a trial or by pleading guilty. Ninety-five, or almost 30 percent of these individuals were acquitted, 8 never faced criminal charges, and some 57 were awaiting trial.

Out of the convictions which were achieved, many of them were garnered through the use of plea bargaining which resulted in these charges being reduced to misdemeanors.

Yet, when examining the penalties which were dealt out in these cases, here we find the most staggering statistics. Less than 20 percent of the convictees received jail sentences. Of those who did almost 80 percent received 1 year or less. Almost 60 percent were merely slapped with fines, or placed on probation.

One must ask? What is the sense of a town council or a State legislature, or even the U.S. Congress enacting strong criminal laws, when the enforcers of these laws are so lax and reluctant to enforce them? The American judicial system has for years religiously upheld the rights of the criminal, at the expense of their obligations to the law-abiding citizens of this Nation who look to the judiciary to use every method at their disposal to get the lawless elements in our society off the streets and behind bars.

Murder, the single biggest crime in this Nation has increased dramatically in recent years. It has affected all segments of the society, rich and poor, powerful and weak. No one group has felt the brunt of these increases more than the brave men who man our police forces across this Nation. In the last 10 years, the numbers of policemen killed in the line of duty has risen by over 200 percent.

How have the judicial systems responded to this? Merely by eliminating the strongest deterrent we have against committing murder, capital punishment which the highest judicial board in the land, the Supreme Court ruled unconstitutional in 1968. By employing such travesties of justice as plea bargaining the most heinous of crimes have been punished by virtual slaps on the wrists.

How long do we as a nation have to wait before we act to curb the growth of crime? Who else, or how many more people, must be killed before we act to change our judicial priorities and begin to fully enforce the laws against those who violate them. We are a nation of laws and not of men, our judges and prosecutors are obligated to enforce and impose the law, and not interpret it to their liking. The laws of this Nation are designed to be applied equally to all, and so are the penalties for those who violate them.

As a former policeman, for 23 years, I have seen firsthand how efforts to uphold and enforce the law have been devastated at the hands of soft judges who would rather coddle a criminal than punish him.

We must as national legislators continue to enact strong criminal laws. We must also work to insure that equally as strong men and women enforce these laws. Inherent to a strong democracy is strong law enforcement, without it our democracy is indeed in danger.

TRIBUTE TO WAYNE MORSE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Ms. ABZUG. Mr. Speaker, it is with great sadness that I rise to pay tribute to the late Wayne Morse. It seems as though an era has come to an end with the passing this week of Wayne Morse and the death last month of Ernest Gruening.

The death of Wayne Morse in the middle of a hard-fought campaign is a fitting tribute to his life. He was a battler, a conscientious legislator, and a man who recognized the need for leadership, clear thinking, and clear speaking.

He was prophetically far ahead of his times on the most important issue for the 1960's, the war in Indochina. It was during his struggle to educate other Members of the Congress about the war that I first met Wayne Morse and I always considered him a valuable friend and ally.

But during his career prior to his election to the Senate and in his distinguished 24 years of service to that body, he was much more than a one issue man.

Born on October 20, 1900, Wayne Morse was raised a farmer's son in LaFollette, Wis. He graduated from the University of Wisconsin and received law degrees from both the University of Minnesota and Columbia University. He taught law at Columbia and later at the University of Oregon, where he became dean of its law school in 1931. Morse had developed a thorough knowledge of labor matters and had established a reputation for arbitrating labor disputes with skill and justice. President Franklin D. Roosevelt named him a public member of the War Labor Board in 1942.

In 1944, Mr. Morse was first elected to the Senate, as a Republican, with strong labor support. He was a hardworking outspoken Senator who took his job seriously. He was reelected to the Senate term after term from both parties and, in 1952, as an independent. His election in 1956 was on the Democratic ticket, after vigorous disagreement with the Republican position on the Korean war settlement. A man of integrity, he would never compromise principle for party line.

Wayne Morse openly critcized President Johnson's war policies long before others even questioned them. He was only one of two Senators who opposed the Gulf of Tonkin resolution on August 7, 1964. This was an act of great courage and forthrightness. From that time on, he voted against every piece of legislation, including appropriations bills, that would maintain any American troops in Vietnam. He tirelessly traveled throughout the country speaking out against the war and he vigorously supported Senator Eugene J. McCarthy's candidacy for President in 1968 because of his antiwar platform. Mr. Morse's outspokenness and activism on subjects before they were commonly acceptable exhibited his courage and independence. Senator Mark Hatfield of Oregon, once said of Mr. Morse:

> His early prophecies and warnings about Vietnam were such that we all owe him a great debt.

Wayne Morse described his own philosophy as one of "constitutional liberalism." He was a strong supporter of the civil rights movement in the early 1950's when to do so was not only unfashionable but sometimes dangerous. He was a firm believer in civil liberties and worked hard on civil rights legislation. He fought for home rule for Washington, D.C., trade unionism, and Federal support for education. In short, he was a fierce fighter for the common people.

Although blunt and outspoken for his beliefs, Morse was well respected by his colleagues as brilliant and conscientious. He was an accomplished legislator with expertise in foreign policy, education, and labor legislation. He managed President Johnson's land-mark aid-to-education bill on the Senate floor and when it passed, Johnson said of Morse:

> No one else could have done it.

Wayne Morse's defeat in 1968 by Mr. Bob Packwood for the Senate was very close. His chances for returning to the Senate this election were considered quite good; he was vigorously campaigning last week when he became suddenly ill. Wayne Morse will be long remembered for his honesty and integrity as a man who truly served the American people. His forthrightness and perspective will be sorely missed.

ONE VIEWPOINT ON OUR CRIMINAL JUSTICE SYSTEM

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROYBAL. Mr. Speaker, at the request of one of my constituents, I am inserting the remarks of Justice Macklin Fleming of the California District Court of Appeals, delivered before the Wilshire Bar Association of Los Angeles on July 23, 1974. Even though I do not share all the views expressed in his speech, I find Justice Fleming presented thoughtful arguments for his position.

The remarks follow:

THE PRICE OF PERFECT JUSTICE

(By Justice Macklin Fleming)

The inference of my title, "The Price of Perfect Justice," is not that the price of justice is too high, but that perfect justice is a mirage. In the pursuit of the illusion of perfect justice, we jeopardize and endanger the attainable justice that lies within our grasp. Voltaire made the same point more gracefully when he said, "The best is the enemy of the good." In the field of criminal procedure we see the validity of his observation demonstrated daily.

Viewed as a whole, our system of criminal procedure amounts to a chronic scandal, a scandal which has existed for so many decades its inevitability is assumed. Not so plain are the reasons why this should be so. In my view one basic cause of the scandal is found in our enchantment with the vision of perfectability—our belief that perfect criminal law and perfect criminal procedure lie within reach, and our conclusion that perfection may be attained mechanically through the creation of additional legal machinery. As a consequence of this vision the machinery of criminal procedure *tends to* proliferate like some blob from outer space dropped into a favorable environment.

Let me illustrate. We have long insisted on the best and most elaborate techniques possible to ensure the perfectability of a criminal *trial*, since the trial puts the defendant's life or liberty at risk. For almost as long a time we have insisted upon the best possible *preliminary examination*, in which everything to be presented at trial is first presented in advance of trial, on the theory that unjustly forcing a man to defend himself in a criminal trial is a terrible thing. In the past few years we have extended the same elaborate methods to the issuance of a *warrant* for arrest, and we require nearly the same procedures and showing for the issuance of a warrant as for a trial, on the theory that an unjust arrest is a terrible thing that should not happen.

Recently, the same ideal of perfectability has been extended to the opening of an *investigation*, and the law has sought to bring interrogation, issuance of subpenas, temporary detention, even surveillance, within the perfection of all possible safeguards, on the theory that to unjustly initiate a criminal investigation into a person's affairs is an intolerable intrusion. Each step in this process appears good in itself. But the net result is that legal procedures appropriate for trial have multiplied themselves into similar requirements for preliminary examinations, for issuance of warrants, and for opening of investigations—with the consequence that a showing of criminal liability in a given matter may be required over and over again. This proliferation of safeguards leads not to perfectability of criminal procedure but to paralysis of criminal legal procedure.

Consider another aspect of criminal procedure—multiple review. As you know, our system of criminal review after trial encompasses possible review by the appellate court, the state supreme court, and the United States Supreme Court. Thus four courts may pass on a given cause. But in addition to a system of appellate review after trial we have what amounts to a system of appellate review before trial and even during the trial itself. We also have a system of constitutional law under which state and federal courts operate concurrently and/or sequentially, upon the same subject matter. The result of this proliferation of legal machinery is that a contested cause of any consequence will—not may, but will—take years for its resolution. The main product of the unresolved cause is the frustration of criminal justice.

Those who believe in perfect justice argue that all this machinery is essential in order to achieve due process of law. They are satisfied with the present system and assume it inevitable to spend in some cases four to five weeks to select a jury, to spend four to five years to resolve a criminal cause, to try the same cause three, four, as many as five times, to indulge a system that permits twelve or more judicial examinations of the same issue (our machinery has so multiplied that in theory 50 examinations of the same issue are possible). But is this inevitable? We cannot, of course, accurately compare our present system of criminal law with what it might be under other circumstances but it is possible to compare it with the system used in England, the country that invented due process of law and whose fairness of judicial procedure is admired throughout the world. For this purpose I have selected like causes in England and America and compared their disposition. First, the causes of Lord Haw-Haw and Tokyo Rose.

During World War II Lord Haw-Haw (William Joyce) and Tokyo Rosa (Iva D'Aquino) made repeated radio propaganda broadcasts on behalf of Germany and Japan respectively. At the end of the war each was arrested and each was charged with treason. The defense in both cases was similar—at the time of the broadcasts the defendant did not owe allegiance to the prosecuting country. Both defendants were ultimately convicted. But their cases followed quite different chronologies.

1. Joyce was arrested in Austria in May 1945 and the following month he was flown to England and charged with treason. Trial was set for July but was continued to September in order to allow defense counsel further time to prepare. Trial started in September 1945 and lasted about three days, at the conclusion of which the jury found Joyce guilty of treason. In October Joyce's appeal was heard by the Court of Criminal Appeal, and in November that court dismissed the appeal. In December 1945 the House of Lords affirmed the decision of the Court of Criminal Appeal and dismissed the appeal. On 3 January 1946 Joyce was hanged.

2. D'Aquino was arrested and interned in Japan in October 1945, released in October, 1946, and rearrested in Tokyo in August 1948. She was flown to San Francisco and indicted for treason in October 1948. Her trial began on 6 July 1949 and lasted until 30 September 1949, when the jury found her guilty of treason. In October 1949 she was sentenced to 10 years in prison and fined $10,000. She began her sentence in November 1949, but in February 1950 she was granted bail pending appeal by Supreme Court Justice Douglas sitting as a circuit justice. The court of appeals heard her appeal in March 1951 and affirmed the judgment of conviction in October 1951. Her petition for rehearing in the court of appeals was denied in December 1951, her petition for certiorari to the United States Supreme Court was denied in April 1952, and her motion for leave to file a second petition for rehearing was denied on 6 April 1953.

The disposition of Joyce's case from time of arrest to final judgment took less than seven months. The disposition of D'Aquino's case from time of arrest to final judgment took 90 months, a period roughly 13 times as long. If we compare time periods from initial accusations to final judgment the period for Joyce was six months while that for D'Aquino was 54 months, a period nine times as long.

Consider the Great Mail Train Robbery, England's most celebrated cause of the century and the longest criminal trial in English history. That trial lasted 48 trial days. Until very recently the longest murder trial in England was that of Dr. Adams, whose trial lasted 21 trial days. When we examine the disposition of causes of similar notoriety in this country we find such causes as that of the Manson group in Los Angeles, whose trial took 9 months, or the murder trial of Bobby Seale in Connecticut, where selection of the jury alone took 5 months. Selection of a jury to try an English criminal cause normally takes only a few minutes.

You all remember the Sirhan Sirhan case, the assassination of Robert Kennedy and the wounding of five other persons on 5 June 1968 in full view of a dozen or more witnesses, where the principal issue concerned the mental state of the defendant. Sirhan was not brought to trial in a California state court until seven months after the assassination, and in a trial that lasted 46 trial days he was convicted of murder and assault with intent to murder over a principal defense of insanity. Until February 1973 Sirhan's appeal remained pending in the appellate courts. A case involving comparable publicity and comparable issues occurred in England this year, when on March 20, Ian Ball sought to kidnap for ransom Princess Anne and was captured and subdued after a gun battle. On May 23 of this year, some two months after the event, Ball pleaded guilty to attempted kidnapping and attempted murder and was ordered confined to a mental institution for an indefinite period. Disposition of the Sirhan case took 4½ years. Disposition of Ball's case took 2 months and 3 days.

It can, of course, be argued that English law is something special and that because of that country's long tranquility comparisons with England are unfair. Consider Ireland. Last April 26, as a result of an armed robbery committed by four men and one woman, paintings valued at 20 million dollars were stolen from a private house near Dublin. Thereafter demands were made for £500,000 ransom and the transfer of Irish terrorists from British prisons to jails in Northern Ireland. On May 4 Bridget Rose Dugdale, 33-year-old daughter of a British millionaire, was arrested in County Cork in possession of the stolen paintings. On June 25 she pleaded guilty in Dublin to a charge of receiving stolen property and was sentenced to 9 years imprisonment.

Thus, Miss Dugdale's cause was disposed of within 52 days of the date of her arrest. Two other factors caught my attention in this case. First, while it seems highly probable that Miss Dugdale was one of the robbers proof of that charge was apparently not certain and the robbery charge was dismissed in favor of the charge of receiving stolen property. Second, Miss Dugdale enjoyed the opportunity to berate the government that had prosecuted her, and to present IRA propaganda. But her opportunity was not unlimited, for the entire court proceedings were concluded in 2 hours, and Miss Dugdale's oration lasted only 10 minutes. It staggers the imagination to contemplate the length of time it would take in this country to resolve criminal charges involving a millionaire's daughter purportedly acting in a revolutionary cause. In Ireland, the time was less than 2 months.

The relevancy of these comparisons is distressingly simple but one we tend to put out of mind. Justice delayed is justice denied. Long delay in the resolution of a criminal cause frustrates the criminal law function, whose principal purpose is to deter others from future criminal conduct. With loss of speed in the punishment of the guilty person, at least one who has been caught, goes loss of the deterrent effect of the criminal law on the conduct of others. The relationship of crime to punishment as one of cause and effect becomes blurred. Ultimate punishment years later is seen at that time as mere vindictiveness.

How can matters be improved?

I have four suggestions, two relating to state of mind, and two to mechanics of criminal justice.

First, we must try to eliminate procrastination as a way of life in the criminal law. Procrastination is a sin of lawyers, trial judges, clerks, reporters, appellate judges, in brief everyone connected with the machinery of criminal law. When I first went on the bench I was shocked to discover that some lawyers routinely scheduled two to three matters for the same hour, knowing in advance they would be able to fulfill only one of their commitments. Not uncommonly, 12 jurors, several other lawyers, the trial judge, and court attaches, found themselves awaiting the pleasure of a single lawyer tending to other business elsewhere. But I was even more shocked to find the high degree of tolerance for such conduct.

For example, under the rules a felony charge should proceed to trial within 60 days. In Los Angeles County less than half the criminal cases do. A criminal appeal should be resolved within 5 to 7 months of the time of sentence. In this district last year the average time period for criminal appeals from notice of appeal to appellate disposition ran from 12 to 15 months. Procrastination must be recognized for the sin that it is. Once we cease to tolerate procrastination, its use will fall into disfavor and in time acquire the character of unprofessional conduct.

Yet all is not unrelieved gloom. Consider the case of Arthur Bremer, who wounded Governor George Wallace and three other persons in May 1972 and was immediately arrested. Bremer was brought to trial in a Maryland state court within 2½ months of the shooting, and in a trial that lasted 4 days, he was convicted of assault with intent to murder over a principal defense of insanity. His conviction was affirmed on appeal and the Maryland Court of Appeals denied a hearing in October 1973, about 1½ years after the assassination. Thus a case practically identical with that of Sirhan Sirhan went to final disposition in about a third of the 4½ years the later case took.

My second suggestion concerns retroactivity. Under retroactivity when a new rule of law is established, courts decree that everything that has been done before contrary to the new rule has to be done over again. Nothing is more disruptive of an orderly system than to have it regularly torn down because blueprints for a new structure have just come off the drawing board. Undoubtedly in the year 2004 many procedures we use today will be thought primitive by a successor generation and will have been improved upon, but this is no good reason to deny the validity of dispositions of criminal causes made today under the rules now in effect. Unlimited retroactivity means that no judgment is ever final, and nothing is ever adjudicated. It should have no place in the criminal law.

My third suggestion is that a defendant be tried only once to judgment. If on appeal after judgment of conviction the trial is found substantially defective or unfair the judgment should be reversed and the defendant go free. If defects are found in the trial but the defects have not substantially influenced the result, the judgment should stand and become immune from further judicial examination. The occasional mistakes and mishaps discovered after judgment can be cured through executive action and the pardoning power without infringing upon the integrity of the court's judgment. To some of you this proposal may sound revolutionary, but it is actually a return to first principles. The English have always had a system of only one trial to final judgment. Justice Story in 1834 thought the same rule applicable in this country, and it was not until 1896 in the case of *United States* v. *Ball* that multiple trials were sanctioned in the federal courts. One trial would certainly sharpen the responsibility of everyone connected with a criminal cause, trial judge, counsel, witnesses, appellate court, to whom the seriousness of what they were doing would be brought home by realization of its finality.

My last suggestion is that this country adopt a unified system of courts for all criminal and related causes. The past 22 years experience of state and federal courts operating as courts of general jurisdiction on the same subject matter, either simultaneously or sequentially, has been a disastrous experience for all those connected with the criminal law except those defendants who have used this parallel jurisdiction to frustrate the operation of the law. It seems to me this country has reached a point in its development where serious consideration must be given to the creation of a unified system of courts.

This could be accomplished in two ways. Either the various state court systems operating up to the United States Supreme Court could be retained, and the lower federal courts phased out in the way the federal commerce court and the circuit courts were phased out; or a federal system of courts of general jurisdiction could be created to enforce both federal and state law and the state courts discontinued. A system of state courts is relied upon in Australia, where the state courts are exclusive arbiters of both state and federal law. By contrast, a federal system of courts is the basic system used in Canada, where the provincial judges are appointed by the federal government and enforce both provincial and federal law. Both systems, funnel into a federal supreme court at the apex. I hope that within the next few years legal scholars will study the possibilities of a unified system of courts in this country and propose ways and means to restructure and simplify our judicial system.

To sum up—perfect justice, no; attainable justice, yes. In criminal law, as in church, the holiness of the proceedings should not be equated with the length or repetitiveness of the services.

UNIVERSITIES' INDEPENDENCE ERODING

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. TEAGUE. Mr. Speaker, several articles of late have come to my attention that speak of the increasing infringement by the Federal Government on this Nation's institutions of higher learning.

One of those articles appeared in the Battalion, which is the student newspaper at Texas A. & M. University. That article quotes the president of Texas A. & M. University, Dr. Jack Williams, as saying that the Department of Health, Education, and Welfare's auditing methods "is something akin to harassment." The remainder of Dr. Williams' comments are also disturbing.

I include with the article about Dr. Williams, an additional article that appeared in the Houston Chronicle, Houston, Tex., on June 28.

I commend the articles to you, my fellow Members, and the general public.

The articles follow:

TAMU PRESIDENT TELLS CHAMBER OF COMMERCE: UNIVERSITIES' INDEPENDENCE ERODING

(By Gerald Oliver)

Encroachment of the federal government is resulting in steady erosion of the independence of higher education, said TAMU president Jack Williams in a speech before the Bryan-College Station Chamber of Commerce on Tuesday.

Williams said that universities have been the target for every type of control. He said that the question of which professors will receive tenure may soon be decided at the federal level. The federal government is also imposing quotas on minority groups employed by the university. Williams said no potential employe may be required to have qualifications greater than the least qualified person holding an equivalent position.

In the past the university was audited by the Defense Department. This job has been taken over by the Department of Health, Education, and Welfare. Williams said that HEW auditing "is something akin to harassment."

Williams said that due to 18-year-old rights and recent court cases, the university is losing control over student discipline.

"Bureaucracy is moving steadily to control us in a way Orwell never envisioned in '1948.' My fears are very real and I express them very seriously," said Williams.

[From the Houston Chronicle, June 28, 1974]

MINORITIES HURT FACULTY QUALITY—REPORT

(By Gene I. Maeroff)

NEW YORK.—The affirmative action program by which the federal government is compelling colleges and universities to hire more women and blacks is lowering standards and undermining faculty quality, says a report published today under the sponsorship of the Carnegie Commission on Higher Education.

Lacking an adequate pool of qualified women and blacks for tenured appointments, the 168-page report asserts, institutions are "playing musical chairs," pirating the limited number of minority and women faculty members from each other.

Moreover, it is charged that new minority and women appointees may be paid more than white male faculty members at the same level and that some do not have proper qualifications for the tenured and untenured positions to which they are appointed.

"The whole affirmative action system by which it is determined whether a university is underutilizing women and blacks in tenured positions should not really apply in choosing a medieval historian," Dr. Richard A. Lester, the author of the report, said Thursday. "It is a statistical system that deals more with the hiring of typists, bricklayers or unskilled labor."

Lester is an economic professor at Princeton University and Former Dean of the faculty. The report entitled "Anti-bias Regulations of Universities: Faculty problems and Their Solutions," was one of several projects that were under way when the Carnegie Commission in 1973 completed its six-year, $6 million study of higher education.

His findings are based on the research of others and a study he made of the way in which affirmative action programs were carried out over five years at 20 leading institutions, most of which are among the largest federal contractors in the academic world.

The report is part of a series of research studies by individual scholars or groups of scholars published by McGraw-Hill with the sponsorship of the Carnegie Commission, but separate from the 21 reports issued by the commission itself.

It is urged in the document that the stress on hiring minority members should be accompanied by a more appropriate emphasis on increasing the supply of well-prepared women and blacks with doctoral degrees.

Writing in the book's forward, Dr. Clark Kerr, chairman of the Carnegie Commission, says that Lester warns that affirmative action programs "fail to take into consideration either the inadequate supply of qualified people among those groups currently underrepresented on our faculties or the characteristics of academic employment that distinguish it from employment in industry."

"At stake," Kerr says, "is not only an equitable system of academic employment, but also loss of financial support as government applies economic sanctions to achieve numerical hiring goals that often have little relevance to the character and mission of universities."

The federal government, through the Department of Health, Education, and Welfare, is requiring the 1,500 colleges and universities with various federal contracts to develop affirmative action programs for increasing faculty representation of minority groups and insuring their equal treatment. The groups covered are women, blacks, native Americans, Asian Americans and Spanish-surnamed Americans.

Institutions found to be in violation face a cutoff of federal funds, which run into the tens of millions of dollars for the large universities with extensive research contracts.

Lester maintains that the competition of the institutions for the limited number of qualified minority academicians—a study in "The Journal of Higher Education" estimates there are no more than 3,500 black Ph.D.s in the entire country—has at times driven up salaries "well above those for whites with equivalent or better qualifications."

Dr. Mary M. Lepper, director of the higher education division of HEW's office for civil rights, said she agreed with Lester's criticisms regarding some of the mechanics of the affirmative action program.

"But I take strong exception," she said, "with his basic premise that affirmative action is lowering the excellence of higher education. The charge that women and minorities are not prepared as potentially excellent educators as white males cannot be substantiated.

"We are only asking universities to hire based on men and using standards of merit. There is no doubt that higher education will be the richer for bringing in women and minorities to represent the pluralism that exists in American society."

Dr. Lepper, a former political science professor at California State University at Fullerton, said she was well aware of the supply shortage of minority Ph.D.s cited by Dr. Lepper and that in the future more than half the efforts of her ——— would be directed toward increasing the supply by insuring more equitable treatment of women and minority students.

HAWAII STATE SENATE HONORS DOROTHY ROSE FISHER BABINEAU, "THE BIRD LADY OF LANIKAI"

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. MATSUNAGA. Mr. Speaker, long before the original Endangered Species Act was passed by Congress, Hawaii had its own unofficial protector of wildlife. She is Mrs. Dorothy Rose Fisher Babineau, affectionately known throughout the islands as the Bird Lady of Lanikai.

Mrs. Babineau, whose unselfish concern for wildlife has since been recognized by the U.S. Fish and Wildlife Service as well as the State of Hawaii, is the founder of a convalescent hospital for wounded birds. Her characteristic concern for living creatures extends far beyond birds, however. She is also a dedicated and highly effective volunteer at Hawaii's Suicide and Crisis Center.

Now writing a book on birds and bird care, Dorothy Babineau was recently honored by the Hawaii State Senate for her important contributions to the people of Hawaii. I am sure that my colleagues will find of interest the text of the Senate resolution, a salute to an individual who truly cares, and whose efforts have made a real difference to the people of Hawaii. As a gesture of congratulations, I submit the resolution for inclusion in the Record:

Senate Resolution Honoring Dorothy Rose Fisher Babineau, "The Bird Lady of Lanikai"

Whereas, among the long list of man's best friends are the fine feathered friends—the birds who bring much joy, pleasure, color and music to the residents of Hawaii; and

Whereas, among the best friends of the birds of Hawaii has been Dorothy Babineau, whose home in Lanikai is, and has been for years, a convalescent hospital for many feathered creatures in the area; and

Whereas, baby birds, middle-aged birds and older birds have all found refuge, solace and friendship in the Babineau bird hospital over the years; and

Whereas, Mrs. Babineau has been involved in the rescue and care of many famous birds, including "Sebastian and Barney" two mynah birds raised from babies, as well as "Scooby Booby", a red-footed booby bird that had been accidentally shot at the Kaneohe Marine Corps Air Station; and

Whereas, Mrs. Babineau has permits from the State and Federal wildlife agencies to treat birds that fall under her protection and is now working on an important book on birds; and

Whereas, Mrs. Babineau has been honored for her volunteer work not only with birds, but for caring for people through the Suicide and Crisis Center; and

Whereas, Mrs. Babineau has made an important contribution directly to the people of Hawaii, by her unselfish care and recognition of the interrelationship between people and wildlife; now, therefore,

Be it resolved by the Senate of the Seventh Legislature of the State of Hawaii, Regular Session of 1974, That this body recognize Mrs. Dorothy Rose Fisher Babineau, the bird lady of Lanikai for her contributions to the State of Hawaii; and

Be it further resolved, That a certified copy of this Resolution be transmitted to Mrs. Dorothy Babineau, 143 Pauahilani Place, Lanikai.

REMARKS OF REPRESENTATIVE HENRY P. SMITH III ON IMPEACHMENT

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROBISON of New York. Mr. Speaker, I would like to call the attention of my colleagues to the remarks of our colleague, Hon. Henry P. Smith III, made in the general debate on impeachment by the House Judiciary Committee on the evening of July 24, 1974.

I may not, ultimately, reach the same conclusion as has my friend and colleague, Mr. Smith. Nevertheless, his remarks are thoughtful and judicious, and fully consonant with the high standard of workmanship and service that Henry Smith—who is retiring from Congress at the end of this session—has brought to bear as a conscientious and valued Member of this body during his 10 years of service here.

The statement of Henry P. Smith III follows:

Statement of Hon. Henry P. Smith III

Mr. Chairman, ladies and gentlemen of the Committee: I know that we all feel the weight of the historic action we are about to take, after months of diligent inquiry into the question of whether or not the President of the United States should be impeached. It is a solemn duty we have undertaken pursuant to the requirements of the Constitution of the United States. How we decide here, how the House of Representatives may decide if we recommend impeachment, how the Senate may resolve the issue if the House shall vote impeachment of the President, are decisions which will affect our nation in one way or another forever.

I take this opportunity of expressing my respect for the other 37 lawyer members of this committee who have borne the gruelling work of this inquiry for months. And I take this opportunity also to express my respect and thanks to the members of the impeachment inquiry staff and the regular staff members of this Committee for the dedicated professional jobs each and every one of them has done during this historic project. The massive amount of information, documents, testimony and legal precedents they have gathered, assimilated, organized and presented with skill during these months of this inquiry, are almost beyond belief.

The Constitutional duty of this Committee in regard to impeachment, possibly that of the House and possibly that of the Senate, always a sad duty, is a particularly sad one here in that it contemplates the possible impeachment and conviction of a President who has ended our direct participation in a better and divisive war which was not of his making, and who, history may show, has done more than any person now living to bring about peace and brotherhood in this world, through his bold initiatives in establishing communication and bases for understanding with other powerful nations and other powerful peoples, and through his initiatives, carried out by the painstaking and tireless work of dedicated aides, in creating the climate for and the support of a real cease fire in the Middle East and now in Cyprus.

But, even so, if this President has also been guilty of "Treason, Bribery, or other high Crimes and Misdemeanors", then it is the Constitutional duty of the House of Representatives to impeach him and the Constitutional duty of the Senate to convict him. To determine whether there are valid grounds for impeachment has been the duty of this Committee. We have a Resolution and Articles of Impeachment before us and we have for months examined mountains of evidence and listened to witnesses. There is here no charge of treason, so the question is, do we think the President is guilty of the charges of "Bribery or other high Crimes and Misdemeanors"? The President says he is not.

What measure or standard of evidence is necessary for this Committee to say he is or may be guilty? I think it is something more than "probable cause" which is sufficient for indictment by a Grand Jury, and something less than "satisfaction beyond a reasonable doubt" which is required for conviction of a crime. Mr. St. Clair, the President's lawyer, has suggested a standard of "clear and convincing proof," and Mr. Doar, the chief counsel of this Committee's impeachment inquiry staff, appeared to endorse this statement.

Except for one area, I am not satisfied that there has been produced before this Committee "clear and convincing proof" of the President's personal involvement in actions which would be impeachable. The testimony is generally not solid and clear. It raises inference after inference, many negative ones against the President and some positive ones in his favor. But there is precious little solid hard evidence of his personal impeachable misdeeds.

Except for the area of the secret bombing in Cambodia at the President's order between March 18, 1969 and May 1, 1970, where I have not yet made up my mind, I should have to vote against impeachment of the President on the state of the evidence which we have seen. This is why I was delighted today when the Supreme Court ruled 8 to 0 that the President must deliver the tapes and memoranda subpoenaed by Special Prosecutor Jaworski. I believe this means that this Committee will at last have this material available for inspection so we can determine once and for all whether the President is guilty of impeachable offenses or whether he is not.

I think it is absolutely imperative that this Committee make the effort to secure this evidence. I believe that any other course, in the present state of the evidence before this Committee, would be self-defeating and not worthy of the effort which has already goine into this inquiry and investigation.

Thank you, Mr. Chairman. I reserve the balance of my time.

CITY PROBLEMS WITH THE FAIR LABOR STANDARDS ACT

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ARMSTRONG. Mr. Speaker, I would like to point out an unfortunate by-product of the recently passed Fair Labor Standards Act amendments.

The application of overtime and work hour provisions of the 1974 Fair Labor Standards Amendments to State and local governments has created an unfortunate situation for many municipally-owned utilities in the United States, particularly those operating on a 24-hour continuous schedule.

One such case in point was brought to my attention by the mayor of Colorado Springs. Over a period of years, the city and the municipal employees have reached a mutually beneficial, flexible scheduling system—a system which is now against the law.

Mayor Marshall wrote to me, explaining:

> The work scheduling for 24-hour operations on a 40-hour week, 8 hour day basis proves to be extremely cumbersome and is generally unacceptable to the employees involved due to the inconsistency of work periods which are felt to be detrimental to the employees' personal plans and results in a reaction of frustration and discontentment to all concerned. The employees formulated their own work scheduling, which not only meets their own personal desires, but also is compatible with operational goals as well. Modifying the 12-hour rotating schedule, previously in effect, to conform to the legal requirements of the Fair Labor Standards Act has resulted in discord and discontent among the employees affected.

In addition, 100 percent of the affected employees petitioned the Colorado Springs City Director of Utilities to avoid compliance with the new Federal law if at all possible. The following is the text of their petition:

Dear Mr. Phillips: The undersigned operations personnel presently on shift work wish to go on record as being unanimously and bitterly opposed to the proposed legislative changes in our present work schedule. We do not do this as a challenge to the authority of anyone in the City Administration, but simply to make our feelings known in a frank and straight-forward manner.

Most, but not all, Legislators have never worked shift work, and are, therefore, unfamiliar with the unique problems associated with frequent changes of shift. A person accustomed to a 9-to-5 day, five days a week, has no conception of what is entailed in a shift change, and we are not discussing an isolated instance or two. We are referring to the month-to-month and year-to-year schedule that most of us have worked for many years.

We consider the present shift changes as ideal for this plant. Much thought and midnight oil went into its preparation, it covers all shifts fairly and equitably, and is satisfactory to everyone.

The problem of frequent shift changes is one of human body chemistry. It takes several days to adjust your sleeping and eating habits both at the beginning and end of a shift change. After a long run of graveyard, for example, it may take three or four days before a man can sleep at night, and to adjust his meal times. If we are to be expected to change to five-day work week with two days off, serious health and fatigue problems will result, without even considering morale problems.

We urge very strongly that every consideration be given to our request that such changes not be made if at all possible, and we solicit your understanding, support and cooperation in what we view as a very serious matter.

Very Respectfully,

(Signatures.)

Because of these developments, the city of Colorado Springs suggested a modification to the Fair Labor Standards Act which would allow overtime to be computed on the basis of a 4-week period of 160 hours, rather than the present 40-hour, 1-week period.

The bill I have introduced today would amend the Fair Labor Standards Act to allow overtime provisions computed on the 160-hour, 4-week basis—provided the State or local authority and the affected employees both agree on such a system of compensation.

This legislation will allow cities such as Colorado Springs the necessary flexibility in public utility work scheduling while still protecting the rights of the employees.

PENTAGON SEES SAIGON AID CUT TO AMMUNITION, FUEL, AND PARTS

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. SPENCE. Mr. Speaker, last week our colleague from Wisconsin (Mr. Aspin) expressed alarm at the possibility which he raised that jet fighters sent to Vietnam as military aid are being illegally dismantled and sold for scrap. I am happy to reassure him that the story is without foundation, and that the two reports from Saigon which he inserted in the Record are gross distortions of the facts.

An investigation under the direction of our Embassy staff on the scrap pile seizure in the Hac Mon district on May 20 has revealed that all of the items were unserviceable, and were properly demilitarized scrap. This includes the A-37 wings about which such concern was raised. They were legally acquired by the owner from the MACV property disposal office in 1972. A team, including American members of the DAO staff, inspected the items only last week, and has confirmed this.

In showing our colleague that his fears are without foundation, deriving as they do from a totally false story, I hope I am acting in time to prevent the myth of the A-37's from joining the equally untrue stories of the so-called "tiger cages" and the alleged "200,000 political prisoners" in the lexicon of leftwing propaganda.

Far from abusing our military aid, the facts show that the Vietnamese are desperate for it. Faced with a brutal campaign of terrorism and aggression from the Communist forces, in complete violation of the cease-fire agreement, the people of South Vietnam need all possible assistance to defend themselves. I insert the following article by John W. Finney from the New York Times of July 3, 1974, to show that Vietnam will be desperately short of defense equipment in the coming year. The article shows that this may well be limited to fuel and spares, and may place in jeopardy our commitment to replace their losses on a one-for-one basis.

I insert the article in order that my colleagues may appreciate the very real possibility which exists that we might abandon not only our ally, but our honor. The South Vietnamese are in no position to waste our military aid, and in disposing of these untrue stories about the A-37's, we should not forget the very real and continuing need of the Vietnamese people for the means of their self-defense.

The article follows:

[From the New York Times, July 3, 1974]

PENTAGON SEES SAIGON AID CUT TO AMMUNITION, FUEL, AND PARTS

(By John W. Finney)

Washington, July 2.—United States military aid to South Vietnam in the current fiscal year will probably be limited by Congressional budget cuts largely to ammunition, petroleum and spare parts, Pentagon officials said today.

The State and Defense Departments, according to Pentagon sources, are discussing with the American Embassy in Saigon a sharp curtailment in planned military aid to South Vietnam in the fiscal year that began yesterday.

Based on Congressional actions thus far, Defense Department planners are assuming that Congress will authorize $900-million to $1-billion in military aid for South Vietnam. The Administration had requested a $1.6-billion ceiling on the aid program.

ESTIMATE ON AMMUNITION

The House cut the request to $1.126-billion, the same level authorized for the last fiscal year, and the Senate reduced the amount to $900-million. In an action not yet announced, a House-Senate conference committee has set the ceiling at $1-billion. According to Congressional sources, the House Appropriations Committee, in acting on the defense appropriations bill, is prepared to set the level at $900-million.

The $900-million, according to Pentagon officials, would just about meet requirements of the South Vietnamese for ammunition, petroleum and spare parts. On the basis of the current level of military activity in South Vietnam, for example, the Defense Department had budgeted nearly $500-million for ammunition alone.

The anticipated Congressional cuts, Pentagon officials said, would leave little for the planned new equipment for the South Vietnamese forces, such as tanks, armored personnel carriers, weapons and airplanes.

One of the possibilities, officials said, is that the Administration will have to scrap or defer plans to provide 128 F-5E fighters at a cost of about $200-million. If so, a controversy over whether the United States is complying with the letter of the Paris cease-fire agreements will have been pushed aside by Congressional budget cuts.

Under the agreements, the United States is limited to one-for-one replacement of South Vietnamese weapons that have been destroyed, worn out or damaged. The Defense Department has maintained that the supply of the advanced models of the F-5E fighters represented a replacement of F-5A's provided earlier to South Vietnam and did not represent the introduction of a new weapon into South Vietnam.

Defense officials said that $900-million would be insufficient to finance a one-for-one replacement of weapons losses by South Vietnam.

"AID" VERSUS "INTERVENTION" IN CHILE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BROWN of California. Mr. Speaker, no American cares to admit that his country, his Government, has contributed to the destruction of another nation's democratically elected government; namely, the Allende government of Chile. Many of us tend to shrink from our responsibility, as representatives of the people, to investigate the extent to which the United States, whether by military or carefully manipulated economic aid, supported the military coup which took place in Chile on September 11, 1973.

Gary MacEoin, the author of many contemporary studies on Latin America, summarizes the current actions being taken by various committees on this problem in the following article which was published in American Report on July 22, 1974:

QUESTION. DID U.S. AID CHILEAN COUP? ANSWER. GOBBLEDYGOOK—UNINTELLIGIBLE!

(By Gary MacEoin)

New York.—The strength of U.S. ties to the military junta ruling Chile is getting embarrassingly blatant, thanks to clashes over proposed restrictive amendments to the 1974 foreign aid bill (S. 3394). A movement led by groups concerned over violations of human rights in Chile seeks to cut off military aid to governments which violate generally accepted international standards in their treatment of their own citizens.

One instance of the clash occurred in a June hearing of a House committee in which a probing Congressman elicited a series of extremely revealing non-answers from a State department hard-liner.

HATCHET MAN

The administration spokesman was Harry W. Shlaudeman, Deputy Assistant Secretary of State and a man with a reputation as a hatchet man. He was chief political officer in Santo Domingo from 1962 to 1965, playing a major role in negotiations with Dominicans which led to the ouster of President Juan Bosch, the U.S. invasion and the restoration of the dictatorship. From 1969 to 1973 Shlaudeman was deputy chief of mission in Chile.

Shlaudeman testified the day after the committee heard a statement by Ramsey Clark in which the former U.S. Attorney General had established that the Chilean junta's declaration of a "state of siege" is illegal under the Chilean constitution. Shlaudeman said the State Department position is that the state of siege is legal.

Then Congressman Donald Fraser of Minnesota zeroed in on a portion of Shlaudeman's opening statement asserting that the U.S. government had "adhered to a policy of non-intervention in Chile's affairs during the Allende period."

FRASER. "If it turned out to be a fact that the U.S. channelled money covertly to opposition political parties, would that be at variance with the policy of non-intervention?"

SHLAUDEMAN. "Well, I am not sure. I am not sure that it would be. I would like to think about that. . . ."

FRASER. "Did the U.S. government covertly supply money to opposition political parties following the 1970 election?"

SHLAUDEMAN. "Well, I would like to postpone that question. . . ."

FRASER. "Are you prepared today to deny an assertion that the U.S. funneled money covertly to opposition political parties following the 1970 elections in Chile?"

SHLAUDEMAN. "I am not. . . ."

FRASER. "You do agree that you have some knowledge of the facts?"

SHLAUDEMAN. "Of course I do."

FRASER. "You do know the facts?"

SHLAUDEMAN. "Yes."

FRASER. "On the basis of that knowledge you are not prepare to deny that the U.S. funneled money covertly to opposition political parties after the 1970 election in Chile?"

SHLAUDEMAN. "I would like to be careful about what I say. . . ."

FRASER. "If money went through other political parties such as in Europe and came back to Chile, you would conclude that is a direct form of aid?"

SHLAUDEMAN. "This is getting in a very complicated situation. . . . I would prefer to have the opportunity to make sure that I am precisely correct when I answer."

FRASER. "Would you then be agreeable to returning to the subcommittee after you have rechecked the facts and responding as fully as you can to the question which I have put you?"

SHLAUDEMAN. "I would have to check that, too."

It began to seem that if Fraser asked Shlaudeman the time of day, the witness would defer his answer for clearance by the department. But in further testimony, Shlaudeman did acknowledge that the executive branch is ignoring Section 35 of the Foreign Assistance Act of 1973.

The section called on the President to urge the Chilean junta to protect the human rights of Chileans and foreigners. It also urged the President to support international initiatives, for the protection and resettlement of political refugees and to ask the Inter-American Commission on Human Rights to inquire into recent events in Chile.

"PRISONERS OF CONSCIENCE"

The reason for ignoring this section, Shlaudeman testified, is that the junta has assured the U.S. government that there are no "political prisoners of consicence" in Chile, that all prisoners are being held either for reasons of public security or to be charged with crimes under statutes dating from before the military seizure of power.

At almost the same moment, the several hundred prisoners still being held in the stadium in Santiago were being told by General Bradanovic, Minister of the Interior, that they would soon be moved to quarters more appropriate to the status as "prisoners of war."

LIMITS TO ARMS AID

Proposed amendments to the new foreign aid bill would block aid to Brazil and Bolivia as well as to Chile. The administration wants to increase total military credit sales from $325 mililon to $555 mililon.

Sen. James Abourezk (South Dakota) has formulated in two amendments the minimum ingredients for a foreign policy that values human rights. They would make military aid contingent on a government's providing access to international humanitarian agencies; and they would end support for foreign police, paramilitary, internal surveillance, and prison systems.

Congressmen Fraser and Michael Harrington (Massachusetts) are preparing similar amendments in the House, Fraser seeking a general restriction on all violators of human rights, Harrington concentrating on Chile.

Sen. Abourezk is also considering an amendment obligating the President to report to Congress on the status of human rights in any country requesting military aid, a report comparable to an "environmental impact statement."

Congressional investigative units have been concerned with human rights in Chile ever since the junta seized power last September. First was a Senate investigation headed by Edward Kennedy, of refugee and humanitarian issues. Then came a House study of human rights, under Donald Fraser, which established the fact of "widespread torture" in Chile and found "the response of the U.S. government to be lacking in view of the magnitude of the violations committed."

More recently, in May and June, an impressive roster of witnesses gave testimony, most of them just back from on-the-spot investigations. They were unanimous in their condemnation of the junta's continuing violations of human rights.

Several witnesses, including Ramsey Clark, reported on the "show trials" now being conducted, the first trials in the military courts since the junta seized power. They included Charles Porter and Ira Lowe (Fair Trial Committee for Chilean Political Prisoners), Covey T. Oliver, former Asst. Sec. of State for Latin America (International Commission of Jurists), and Judge William Booth of New York. The Clark-Booth study was funded by the National Council of Churches.

In other areas, Richard Fagen, incoming president of the Latin America Studies Association, testified on the violations of academic freedom in Chile, and Professor of Law Newman (Berkeley) reported on the efforts of the UN Commission on Human Rights on behalf of refugees and political prisoners in Chile.

The foreign aid bill is still in committee in both the Senate and the House. The bill may be called on the floor of the House during the last week of July, and in the Senate probably early in August.

I urge my colleagues on the Foreign Affairs Committee to broaden and continue this line of questioning concerning the involvement of the State Department in Chilean activities, and I commend their past efforts.

CONGRESSMAN FRASER'S STATEMENT SUPPORTING ADMISSION OF WOMEN TO SERVICE ACADEMIES

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. FRENZEL. Mr. Speaker, my colleague and neighbor, Congressman DONALD M. FRASER, of Minneapolis, recently testified before Subcommittee No. 2 of the Armed Services Committee in favor of H.R. 10705, permitting admission of women to the service academies.

I have also testified before that subcommittee in support of the same bill and the same cause, and share Mr. FRASER's enthusiasm for equal rights in our service academies.

I commend his statement and invite the attention of all Members to it. Like DON FRASER, I hope the subcommittee and the full committee will speedily pass H.R. 10705 or a similar bill imposing the same concept, so we can provide equality in our armed services.

Congressman FRASER's statement follows:

STATEMENT OF DONALD M. FRASER

Much excellent testimony has already been given on the admission of women to the service academies. It has dealt with many of the issues far more thoroughly than I can. Therefore I am simply going to present a case—something that happened in my district—in the hope that it will make the problem more real to you and speed serious consideration of the question before us.

We were fortunate in Minneapolis this year that four of our first five nominees for an opening to the Air Force Academy were accepted: the principal candidate and the first, third and fourth alternates. Of all the applicants interviewed, our interviewer said that two had the outstanding characteristics he looks for in the people he recommends for the academies. The first, our principal candidate, had excellent college board scores, four years of football, letters in track and wrestling, National Honor Society, boy and eagle scouts, president of the student council . . . the list goes on and on.

The other outstanding candidate was in the top 25% of the class, captain of the tennis team, had three years of swimming, was a racing skiier with a score of gold medals; had participated in debate and forensics, in an institute for talented youth, and a camp to learn how to survive alone in the wilderness living entirely off the land, and had been an exchange student. This was also the only applicant with a background in flying. This applicant, who became our second alternate, had a private sailplane license (and recognition as the youngest sailplane pilot in the State of Minnesota), and several hours of duo in a T-34. Along with this excellent preparation came a very specific ambition: to become a fighter pilot and to qualify for future aerospace programs.

We recommended both these outstanding applicants highly; the first was accepted; the second, the one with flying experience and the only one of our first five applicants to be so, was rejected. Evidently this nominee had reason to write "Please don't disregard this letter and throw it in the trash simply because I am a girl." Her nomination was "returned without action" with a letter saying, "Present Air Force policy restricts admission to males only, and we do not foresee a change in this policy for the class entering the Academy in July '74."

I cannot concur in the Air Force's casual dismissal of our candidate's—we shall call her Mary's—application. I think that this decision would better have been made on individual merit than on blanket characterizations of one sex by the other.

Mary is thus far the best trained of all our candidates. She has prepared herself at her own time and expense specifically for this curriculum. She is also the best motivated of our applicants. Well aware of the difficulties a woman would face, our interviewer questioned Mary closely on her plans: "What would you do," he asked, "if you aren't accepted to the Academy?"

Her answer: She would enroll in the Force ROTC program of the University of Minnesota and work towards a four year nursing degree. Next year she would re-apply to the academy. If denied admission again, she would complete the four year program.

Why nursing? With nursing and ROTC in her background, Mary said, "I can get in the Air Force as a nurse, and if they decide to open up space travel to women, I'll be in the right spot." The interviewer's conclusion: "Mary was the most mature person I interviewed."

I am not here to demand Mary's automatic acceptance into the Academy. I am only here to say it is unreasonable that she was not even given a hearing, that the Academy would not even take action on her application. How unfair it is that General Clark, Superintendent of the Air Force Academy should say that she is "incapable of competition, combative and contact sports, rugged field training, use of weapons, flying and parachuting, strict disciplines and demands to perform to the limit of endurance mentally, physically and emotionally."

He has never met Mary; how does he know this?

I believe it is very possible that Mary could do between three and twenty pull ups, jump between 5.3 and 9.6 feet, make between 35% and 95% of her basketball throws, and run the 300 yard shuttle in less than 67 seconds to satisfy the phylsical aptitude exam for admission to the Air Force Academy. Many women are not capable of the Academy's rigorous physical program; many men also are not. Academy applicants are an exceptional group of young people; the average—regardless of sex—cannot expect admission to these elite institutions.

How particularly unfair that General Clark could say that Mary and women like her will "erode the (Academy's) vital atmosphere." I am offended on Mary's behalf. I think it an insult to any American to assume capabilities inferior to those they possess, and deny privileges and opportunities on the basis of that false assumption.

Many instances from our history belie his remarks: During our war for independence, Mary Hayes was recognized by General Washington at the Battle of Monmouth. Her heroism has come down to us under a generic name, "Molly Pitcher." Another revolutionary soldier, Margaret "Captain Molly" Corbin, was cited for her courage by the Continental Congress after being wounded at Fort Washington. She is buried at West Point.

Testimony before this committee has shown the courage and ability of women under a variety of adverse conditions, such as war correspondents, nurses captured in the Pacific during World War II, etc. Since weaponry progressed beyond the club, the strong have possessed no necessary advantage over the weak. Since the development of the sword, the advantage has gone to the quick and well-coordinated; since the development of the rifle, to the best eye. With the development of a sobering technology of destruction, it is our responsibility to place the capability in the hands of the most stable and most intelligent decisionmakers at every level; neither sex has a monopoly on qualities of that kind.

The armed forces themselves tacitly admit the value of women in their recruiting of women into the services. An article on women in *Occupational Outlook Quarterly* states that—

"Servicewomen are now able to train for many jobs that have not been available to them in the past. While only 35% of all job specialties were open to women in early 1972, the number jumped to 81% in 1973. Women can now train for jobs as construction equipment operators, boiler technicians, military intelligence analysts and missile maintenance mechanics."

The services hope to quadruple the total number of women by 1977, indicating that far from being the near-useless appendages sometimes implied in debate on combat roles, women are important contributors in this profession, despite the restrictive regulations they now face.

Therefore, it seems that the issue before us is not whether women can serve in combat, nor whether they shall be admitted to the armed forces—they already are admitted in ever increasing numbers. The issue is one of sex discrimination: will women be admitted to the ranks, but not the higher ranks?; will men and women hold positions of equal responsibility in the services, or will men monopolize the positions of leadership and prestige to which academy graduation admits them, while women in the military—as in civilian life—continue in jobs that are less attractive, less prestigious and lower paying? You may argue that women have been upgraded, that there are even women generals now, but it is still true that until women are admitted to the academies, the most important route to advancement is denied them.

As I said earlier, I am not here today to demand the Academy accept Mary, only that it consider qualified applicants regardless of sex. Mary recognizes this in her letter of application when she says, "I realize there is a considerable amount of competition, however with my qualifications and the changing of the times, I feel I deserve an equal chance." And that's what I ask here today—for an equal chance—that well-qualified candidates be considered on their merits, not turned down on the basis of arbitrary factors over which they have no control: religion, race, or sex. We ask of the academies that they become blind to the distinction of sex as they have already become color blind.

Not to do so is wasteful to all of us:

It is wasteful to Mary. Her application has already been returned without action once. She is applying to the University of Minnesota, to the nursing program and to A.F. ROTC. She is only willing to re-apply once more; after that the loss of college credits becomes prohibitive and she will lose her chance of attending the Academy. Be very clear: as our interviewer said, "Mary will never be a waste; she will be productive whatever she does."

But women a few years younger will rise faster, accomplish more, find their way easier than Mary because they came to college age when prejudice against women in the academies was overcome, while Mary left high school before we were willing to admit the justice of her case.

Non-admission of women is wasteful not only to Mary, but to the Academy as well. It is losing a valuable cadet, and if lost it can never regain her particular capability, intelligence, dedication and fine training.

Such discriminatory policy is also a loss to Mary's fellow soldiers—both women and men. We are denying them the finest in leadership by automatically excluding half the potential participants in our top leadership program.

An Air Force recruiting billboard in the Midwest anounces in large letters: "Come as You Are", and in the middle of the group of young people is an attractive young woman with an ironic resemblance to Mary. How cynical that while we make an effort to recruit women into the forces—to quadruple their number by 1977—we are denying them access to the best educational program of their profession. We are squandering our human resources.

And finally, non-admission of women is a shameful waste to the country. We are currently searching for recruits for a volunteer army. We need the Aviation Career Incentive Act to attract volunteers for aviation crewmember duties, yet we are disqualifying potential fliers on the basis of sex alone, without considering the merits for each case. As Susan Wells, herself an applicant to Annapolis, testified here on Tuesday, "I believe the country should utilize qualified people disregarding sex." I add to that, how can we obtain 100% results using only 50% of our people?

The Air Force wrote that Mary "Is to be commended for her desire to become a career officer in the U.S.A.F." The letter went on to suggest that I could pass along a pamphlet on Air Force ROTC for women.

But I do not wish to pass it along. Mary is far more knowledgeable than I in the routes through which she may obtain a commission. I wish instead to pass along a letter that says:

"We have carefully considered the letter of applicant Mary Jones and are pleased to—or regret to— inform you that Ms. Jones has been accepted—or rejected—as a cadet in the U.S.A.F. Academy in Colorado Springs."

Until I can give that letter to her, I believe we do a disservice to Mary, to her fellow soldiers, and to the country.

SUPPORT FOR PRESIDENT NIXON

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. LANDGREBE. Mr. Speaker, it is with great pride that I submit for the record two documents which I think accurately reflect the feelings of my constituents and the vast majority of Americans. The first is a resolution which passed unanimously at a meeting last week of the Second Congressional District Republican Central Committee praising President Nixon and recognizing the many good things he has done for America.

The second document is a letter which was sent to President Nixon, again signed by every member of the Second District Central Committee, inviting the President to visit the second district at his earliest convenience.

At a time when the media says such actions of support for the President are not popular, I think that these sincere expressions by prominent Republicans and loyal Americans are of national significance.

Although none of those who signed these documents has ever been contacted for their opinion in the much-quoted "national polls," and although none of them have been quoted in the eastern liberal press, and although none of them have been asked to appear on national radio or television to express their views on President Nixon, in Indiana they are each recognized as community leaders who care about their area, about their

State and about their Nation. These are great Americans in the truest sense of that term—and I believe that their sentiments are closer to the real America than all of the liberal press ramblings will ever be. I submit these historic documents for the RECORD:

A RESOLUTION OF AND BY THE SECOND CONGRESSIONAL DISTRICT REPUBLICAN CENTRAL COMMITTEE OF THE STATE OF INDIANA

Whereas, President Nixon kept his promise of an honorable peace in Viet Nam; and,

Whereas, President Nixon stopped the killing of our American men in Viet Nam and brought home over 543,000 American troops and prisoner's of war; and,

Whereas, President Nixon ended the military draft after a third of a century; and,

Whereas, President Nixon has drastically reduced crime in our cities; and,

Whereas, President Nixon is combating inflation by working toward a balanced budget and supporting the American free enterprise system; and,

Whereas, President Nixon has made far reaching and unprecedented accomplishments in the field of foreign affairs; and,

Whereas, President Nixon has delivered on his promise of peace with prosperity; Therefore,

Be it resolved by the Second Congressional District Republican Central Committee of the State of Indiana that: Richard M. Nixon, be commended for his many accomplishments as President of the United States. Let it further be known that we, pledge our continued support and dedication to this great American President.

JULY 18, 1974.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Second Congressional District of Indiana has long been considered Republican territory and "Nixon Country".

We further appreciate very much the many good things that have taken place in the Congressional District because of your long standing friendship with our Congressman, Earl Landgrebe. We deeply appreciate your policy of ending the war in Viet Nam and securing a peace with honor. We particularly appreciate your fighting inflation by supporting the free enterprise system and advocating a balanced budget. Also appreciated is the great friendship and loyalty developed between our Congressman and our President.

We have specifically seen this team effort applied to several problems affecting the District, perhaps the most dramatic situation was the proposed C-Selm sewage plan, a project you both opposed and blocked. The latest in a long line of benefits this District has enjoyed from by the Nixon-Landgrebe team is the National Dune Lakeshore completion compromise.

To show our great appreciation for the many things you have done for this Congressional District and this Nation, we wish to honor you by hosting a rally and reception for you and Congressman Landgrebe. Through this rally we wish to show the people of the Second District and the nation the sincere and loyal support you have here in the "Heartland of America". We further feel that your campaign appearance for Congressman Langrebe will assist him in tallying the largest plurality ever accumulated in this Congressional District!

Loyally we remain,

Donald H. Heckard, 2nd District Chairman, Cass County Chairman; Pat Northacker, Tippecanoe Co., Vice Chairman, 2nd District Vice Chairman; E. Dewey Anderson, Starke Co., Chairman; Bill Gee, Marshall Co., Chairman; Helen Johnson, Marshall Co., Vice Chairman; Ed Pratt, Kosciusko Co., Chairman; Pauline Jordan, Kosciusko Co., Vice Chairman.

Annalou Rasborshek, Pulaski Co., Vice Chairman; John Kruger, Pulaski Co., Chairman; Milton D. Storey, Newton Co., Chairman; Lucille Davidson, Newton Co., Vice Chairman; Sandra Culp, Jasper Co., Vice Chairman; Joe A. Vaughn, Benton Co., Chairman; Lillian Goetz, Benton Co., Vice Chairman.

Quentin Blachly, Porter Co., Chairman; Margaret Buchanan, Porter Co., Vice Chairman; Syd Garner, 2nd District Representative, Lake County; Martha Collins, 2nd District Representative, Lake County; William L. Altherr, White Co., Chairman; Leona Wright, White Co., Vice Chairman; Clyde Lewis, Tippecanoe Co., Chairman.

Louise Van Horn, Starke Co., Vice Chairman; James Beaver, Jasper Co., Chairman; Lois Wright, 2nd District Representative, LaPorte Co.; Ray Sheely, 2nd District Representative, LaPorte Co.; Joni Wilson, 2nd District Representative, Cass Co.; Thom Wertenberger, Wabash Co., Chairman; Mrs. Bette Reed, Wabash Co., Vice Chairman.

IMPEACHMENT

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. HANRAHAN. Mr. Speaker, the impeachment issue is getting hotter and hotter every day. Now television coverage has begun and all citizens can observe the Judiciary Committee in its investigation. For the interest of my colleagues, I would like to insert the following articles from the Washington Post and Wall Street Journal respectively:

[From the Washington Post, July 19, 1974]

BROADCASTING THE IMPEACHMENT DEBATES

By approving Rep. Wayne Owens' resolution to permit broadcast coverage of open committee meetings in the House, the House Rules Committee has taken the first important step toward letting the entire nation witness first-hand the momentous impeachment debates which begin next week. The full House must still approve the Owens measure, and then the Judiciary Committee itself must agree to let the cameras in. But both hurdles can be cleared easily if enough members recognize the utility of providing direct, complete nationwide coverage of these historic events.

The key question is how much the nation should be able to learn about congressional deliberations on the impeachment of the President—the committee's actions, the House floor debates and, if the House votes for impeachment, the Senate trial. If tradition prevails and broadcasting is barred, the only direct observers of these proceedings would be the few members of the press and public who can squeeze into the chambers. The rest of the nation would be blacked out. Fortunately, more and more legislators are coming to realize how unwise such restrictions on communications would be. In addition to the Rules Committee's 10–3 vote, Rep. Sidney R. Yates (D.-Ill.) now has at least 87 cosponsors of his resolution to authorize live broadcasting of the House impeachment debates. So far, however, Speaker Carl Albert and Majority Leader Thomas P. O'Neill have failed to exercise any leadership toward enlarging public understanding of the actions of the House.

There is still some congressional uneasiness about the possible effects of full coverage. Some feel, for instance, that the presence of the cameras is inherently disruptive, but this is not necessarily the case. The major networks, including public broadcasting, have pledged that, if permitted to cover the sessions, they will do so in decorous and unobtrusive ways. This would probably mean continuous coverage without any arbitrary interruptions, using relatively soft lights and fixed cameras. There need not be any reporters cluttering the chamber, any panning of the audience, or any of the other techniques which could create an unseemly convention-like atmosphere.

The next question is whether, no matter how well the broadcasters behave, the fact of being televised would alter the legislators' demeanor. Some suspect that, with the cameras on, some representatives might be tempted to grandstand, to engage in histrionics, or otherwise trifle with the solemn undertakings. That danger always exists. But continuous broadcasting could well be a steadying, restraining force, since all members would know that their constituents are watching how they carry out the most important duty of their political careers.

Another problem of possible distortion has been raised, especially by Republicans such as Rep. Delbert Latta (D-Ohio) who worry that the networks might not be "fair." But this is really an argument for more comprehensive coverage, not less, since the dangers of distortion or over-simplification by the media would be greatest, one would think, when the public is forced to rely entirely on compressed, selective reporting through the printed press and broadcast summaries. The more voluminous the evidence, the more intricate the debate, the more ambiguous a few particulars may be, the more important it becomes for the entire nation to have every opportunity to watch the arguments, to hear the tapes, and to weigh for themselves the presidential conduct which is being judged—and the conduct of the Congress sitting in judgment.

The notion that the nation should be watching these events continues to trouble some, mostly lawyers and mostly outside Congress, who equate impeachment debates with criminal proceedings from which broadcasting has traditionally been barred. That analogy does not stand up. However judicious impeachment ought to be in its procedures and findings, it is not, strictly speaking a judicial process. It is a political process in the most basic constitutional sense, it is the means by which the people's elected representatives assess alleged abuses of the public trust. Public opinion as reflected in the mail or polls should not be the decisive influence on any member's vote. But in the long run popular opinion will provide the ultimate judgments on the outcome and the way in which it is reached. Thus it is in the best interest of everyone for Congress to give the public every opportunity to be fully informed at every stage of the process, by permitting the full, nationwide airing of the debates ahead.

[From the Wall Street Journal, July 22, 1974]

IMPEACHMENT POLITICS

Not the least of President Nixon's problems stemming from Watergate is that it has colored his critics' way of looking at just about every move he makes. Everything from trips to the Middle East and Russia to his visit to the Grand Ole Opry is interpreted as largely a bid to stave off impeachment.

The most notable recent example occurred after the House of Representatives killed a land-use bill last month. Sponsor Morris Udall wasted no time denouncing White House withdrawal of promised support for the bill. "The President is grandstanding for the right wing," he declared. "He's giving in to them on every major issue. This was straight impeachment politics."

Almost immediately, commentators echoed the "impeachment politics" theme. Almost no one bothered with the White House explanation that the bill provided too strong a role for the federal government. And none bothered to speculate whether Mr. Udall's pique may have had anything to do with the fact that the bill was killed largely through efforts of Representative Sam Steiger, a fellow Arizonan and a potential Udall rival for higher political office. Interestingly, when Congressman Udall was asked by The New York Times for evidence that impeachment politics led to the death of his bill, he was unable to produce any.

As a matter of fact, the Times survey turned up almost no one who could cite evidence that President Nixon has been tailoring legislative tactics and dealings with individual Congressmen to win support against impeachment. Neither the Democratic leadership nor rank-and-file congressional critics could cite any examples of impeachment lobbying, although some—apparently through intuition—continue to insist that Mr. Nixon is playing impeachment politics for all it's worth.

In a very general sense, of course, the claim is not without plausibility. Politicians are playing some sort of politics almost all of the time and "impeachment politics" is as good a description as any of the President's efforts to mend fences in Congress. There would be some cause to worry over a politician who wasn't trying to prevent himself from being impeached.

But it is something else to contend that the President is reversing his own positions and violating his own principles to buy votes in Congress and save his skin. A decision to leave land use to the states is not exactly contrary to the principles of a President who has made a motto of "The New Federalism." Unless the President's critics can come up with more plausible evidence, someone might get the idea that it is they, not the President, who are more involved in impeachment politics.

A CHICAGO POLICEMAN'S VIEWS ON HANDGUNS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROSTENKOWSKI. Mr. Speaker, a basic freedom of the citizens of the United States should be the right to enjoy public streets, parks, and transportation facilities without the constant fear of bodily harm. In recent years this freedom has been increasingly threatened by the unlimited supply of handguns. I have in this Congress again introduced my bill, H.R. 3167, which would sharply curtail the availability of handguns by banning their importation, manufacture, sale, or transportation with a few minor exceptions.

An article appeared in the June 23, 1974, Chicago Tribune written by Richard Rae, a lieutenant in the Chicago Police Department that, in my opinion, reinforces the need for handgun legislation. I hope that the reading of Lieutenant Rae's article will help to convince my colleagues that further delay on this matter can only deepen the fears of those of us who are living in a handgun dominated urban society.

The text of Lieutenant Rae's article is as follows:

THE REAL VILLAIN IN URBAN CRIME: GUNS

(By Richard Rae)

It was just a small article in the back pages of one our major newspapers. It described the arrest of two men who had been charged with murdering a 24-year-old man as an outgrowth of a dispute. The victim had been shot down by a .22-caliber automatic pistol.

Fortunately, the police were able to take the alleged offenders into custody. The "front line infantry" had comported itself effectively and even valorously. It could take credit for success in what would have to be, in the broad overview of criminality and its containment, a "minor" skirmish.

Meanwhile, the County Morgue had garnered another "statistic" and our public laws which permit dangerous psychotics, drug addicts, juveniles, alcoholics, terrorists and assassins, to acquire handguns with relative ease—or complete ease, depending upon which part of the country one is in—had remained absolutely unchanged.

The gun-lobby continues to dictate policy to the American people rather than the other way around.

After 22 years of active police service, most of this time spent in the city's highest crime rate areas. I can state flatly and unequivocally that the mere availability of firearms, and especially handguns, is a crucially significant factor in the genesis of most of the gore and terror that has stained our city and has made mere urban existence a nightmare for millions of innocent people.

I've been there as have thousands of other police officers:

The 13-year-old with the "Saturday Night Special."

The woman whose face was blown away by a shotgun fired by her irate lover.

The shopkeeper gunned down by the nervous stickup man.

The homeowner who shoots down his next door neighbor because he was a "burglar." He wasn't. Only drunk.

Sorry about that. We Americans do have the "right to keep and bear arms" don't we?

What the guns-or-everybody crowd carefully refrains from mentioning is that the Constitution *does not* contain a legal guarantee to "keep and bear arms." The Supreme Court has already ruled that this "right" refers merely to the authority granted to the states to maintain armed militia organizations. What connection is there between the Illinois National Guard and a couple of street gangs having a wild shootout on some street corner, with innocent bystanders cut down in the process? It eludes me.

A great many gun owners will never use their weapons unlawfully. But their mere presence can escalate a verbal dispute into a murder indictment. It is true that we shall probably never be able to completely disarm the professional "hit" men and other hardened criminals.

But most gun-related violence is caused by hotheads and amateurs. Not the experienced, hardened pros.

I am totally convinced that the handgun must be abolished altogether. No more stalling. No more grovelling before National Rifle Association manipulators. No more buck passing. The expungement of the handgun from American life is an idea whose time has come.

The supreme paradox of the American experience is that we carved a great nation out of the wilderness, educated the immigrants and their sons and daughters by the millions, provided the many with unparalled abundance and astonished a skeptical world with our scientific and artistic accomplishments. Nor did we do so poorly in the justice department. After all, we did fashion a Bill of Rights, free the slaves, initiate social reforms and pass compassionate civil right laws.

In spite of all this, we are still not civilized enough to demand an end to handgun pollution that compels scores of millions of people in this country to live in dread. Time and time again public figures such as Mayor Daley have spoken out against this gun insanity that threatens the very mental balance of our country.

Superintendent Rochford, an experienced field commander, denounces this madness with equal intensity. More recently, First Deputy Superintendent Spiotto had expressed the hope, that ultimately, the police themselves will someday be unarmed as they are in England and a number of other foreign countries.

I urge all citizens and police officers who also feel that the anarchy of uncontrolled possession, sale, and manufacturing of handguns should now come to an end to contact the Committee for Handgun Control, 111 E. Wacker Dr., Chicago, Ill. 60601.

The committee was organized in September, 1973, and is registered in the state of Illinois as a not-for-profit corporation and as a lobbyist body with Congress.

We must act now. We dare not delay this desperately needed reform by even one unnecessary day.

WILLIS EMERSON STONE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ROUSSELOT. Mr. Speaker, Willis Emerson Stone is a man who believes that the supreme law of the land is the Constitution of the United States. In the finest tradition of American greatness, he has dedicated his life to this great cause.

Willis E. Stone was born in Denver, Colo., on July 20, 1899. He served in the U.S. Army during World War I. After the war, he helped organize the first American Legion post in Colorado.

This great patriot enjoyed meteoric business success until the great depression. Mr. Stone, however, is a man who cannot be kept down for long. He soon became prosperous again.

Willis Stone had been irked with the manipulations of money by the Federal Reserve System, which he felt had triggered the depression. He also was concerned with the increasing power and scope of the Federal Government.

When this great American heard Attorney General Francis Biddle remark that "The Government can do anything not specifically prohibited by the Constitution," he launched into action. Stone knew that the language, philosophy, and intent of the Constitution were exactly the opposite.

Willis Stone knew that something had to be done to stop the increase of Federal power. After years of research study and sacrifice, he came up with the Liberty amendment.

But Willis Stone's deep love for his country precluded him from being content with merely suggesting an idea, he has persevered in the effort to seek acceptance of this concept.

The amendment was introduced in Congress in the 1950's. Today, it is in Congress as House Joint Resolution 23.

Seven States have adopted it, and passage narrowly failed in others.

Only complete dedication has kept Willis Stone fighting without compromise for the principle that the American people should be allowed to say how they feel about the tyranny of the Federal Government, especially in the area of its confiscatory, Marxist "progressive" income tax. Politicians have used every trick in the book to prevent the Liberty Amendment from becoming an issue to be decided by the voter.

The IRS knew a fighter when they saw one, and they decided to battle Stone. They declared Stone's Liberty Amendment Committee should not be tax-exempt. The Supreme Court upheld IRS, thus, in effect, sustaining the contention of the IRS employee who said:

> It doesn't make any difference what the Constitution of the United States or the statutes say. So far as we in the Internal Revenue Service are concerned, this (their own regulation) is the supreme law of the land.

Lesser men would have given up. Not Willis Stone.

He has logged over a million air miles, speaking, being interviewed, explaining, educating people on how the Liberty Amendment will restore lost liberties. This task has consumed his own fortune and 25 years of his life. Does Willis Stone have any regrets? Yes. Such is the measure of this man's greatness that he regrets he has not done more.

Why does Willis Stone continue to dedicate his life toward passage of the Liberty Amendment? Willis Stone knows that the Liberty Amendment is the right thing. The truth is a powerful weapon; so is knowledge that one's cause is right and just.

At an age when most men are idly living out their days, Willis Stone is a human dynamo who travels to spread the word of the Liberty Amendment where anyone will listen. He has just finished a book, another book will be out shortly, his letters and writings are being preserved as historic documents in the archives of the library at the University of Oregon, and he is listed in "Who's Who." His many honors include awards from the Congress of Freedom, the George Washington Medal from the Freedom Foundation, and the Patriot's Award from the American Coalition of Patriotic Societies.

Willis Stone is a very great American. I thank him for what he is, and may God continue to bless him.

REPUBLICAN CONGRESSMAN ROBERT McCLORY DISCUSSES IMPEACHMENT

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. SMITH of New York. Mr. Speaker, our Republican colleague, Congressman ROBERT McCLORY, presented signficant and challenging remarks in his discussion of proposed articles of impeachment against President Nixon in the televised Judiciary Committee meeting yesterday.

While these remarks may be of particular interest to citizens who are affiliated or favorable to the Republican Party—and to Mr. McCLORY's position as a Republican member of the House Judiciary Committee in its difficult role inquiring into possible impeachment of a Republican President, his statement is both responsible and illuminating.

Mr. Speaker, I am attaching a copy of Mr. McCLORY's remarks for the benefit of those who may not have seen and heard the second ranking Republican on the House Judiciary Committee in the opening debate on this issue:

REMARKS OF CONGRESSMAN ROBERT McCLORY AT OPENING DEBATE ON PROPOSED ARTICLES OF IMPEACHMENT

Mr. Chairman: Let me, first of all, express the view that the impeachment inquiry undertaken by our House Judiciary Committee has been both historic and honorable.

Impeachment is, of course, a political process, both political in the sense of governmental action—and political in that it involves partisan interests and views.

It would be the grossest understatement to suggest that Watergate and all that the word implies has not caused serious injury to my party, the Republican Party. And this is so—despite the facts that no element of our established Republican Party organization was involved and no Republican Member of the Congress has been in any way implicated in this whole affair.

Let me assert on the contrary, that Republicans, even more than Democrats, are anxious to erase this blemish on our Party.

I have heard it said by some that they cannot understand how a "Republican could vote to impeach a Republican President."

Let me hasten to assert that that argument demeans my role here. It would infer that no matter what high crimes or misdemeanors might have been committed, and if attributable to a Republican President, then I, as a Republican, am foreclosed from judging the merits of the case.

I cannot, and do not view my role in that dim light.

As a purely partisan matter, would it enhance our Republican Party if, despite the evidence and the weight of Constitutional law, we as Republicans decide to exonerate a Republican President accused of high crimes and misdemeanors, simply because he—and we—are Republicans?

I see that line as leading only to Republican Party disaster.

A viable two-party system is—to my mind—an institution worthy of preserving second only to our Constitutional system of checks and balances.

Preserving our Republican Party does not to my mind imply that we must preserve and justify a man in office who would deliberately and arbitrarily defy the legal processes of the Congress. Nor can our Party be enhanced if we as Republican Members of the United States House of Representatives tolerate the flouting of our laws by a President who is constitutionally charged with "seeing to the faithful execution of the laws."

We will enhance our Republican Party and assure a viable two-party system only if we are courageous enough—and wise enough—to reject such conduct, even if attributed to a Republican President.

The essential question which we must answer is not what is best for the Party but what is best for the Nation.

While the investigation has been far reaching and has, in my opinion, delved into some peripheral areas, I cannot help but recognize that on the major subjects which have been investigated, the work of the Committee and our Committee staff has been objective and bipartisan.

I would like, particularly, to observe that we have been assisted by able counsel, and to make a general observation that the members of the minority staff have contributed substantially to the overall work product of our inquiry. Despite our partisan differences, I would add that you, Mr. Chairman, have in general been fair with the minority. The American public need have no fear that the Republican interests have not been ably and appropriately served by our ranking Member, Mr. Hutchinson, and my other able colleagues who sit on the Republican side in this committee room.

I shall turn at once to the main subject of our inquiry; namely, the numerous allegations of wrongdoing charged against the President of the United States—all of which allegations we have investigated over a period of many months for the purpose of ascertaining whether or not President Nixon should be charged with the commission of an impeachable offense.

The most serious allegations—and those upon which the President's accusers have placed principal reliance—go under the general title of "Watergate—and Cover-Up."

Our majority counsel, Mr. Doar, in interpreting the information before us, has expounded the thesis that the President organized and managed the Watergate cover-up from the time the break-in on June 17, 1972, to the present time.

While serious questions exist regarding the President's authorization or acquiescence in an obstruction of justice—a conclusion which might be reached from examining the transcripts of tape conversations and other evidence—the thesis advanced by Mr. Doar that the President was in charge of a cover-up from the time of the break-in is, in my opinion, unjustified in light of the evidence presented to this Committee.

Our chief minority counsel, Sam Garrison, made an important and extremely significant point in his final summation of the Watergate evidence. He said:

"Mr. Doar's case of circumstances showing presidential involvement from the beginning is a very, very weak one . . . because you cannot simply aggregate suspicions. You cannot aggregate inferences upon inferences. You can only aggregate facts . . ."

Watergate is a serious matter. Many in and out of the White House were involved in this tragic episode. But while voluminous evidence has been produced, I question seriously that it is of the clear and convincing nature that should impel us to indict the President on a charge of cover-up or obstruction of justice. Instead, the case against the President rests upon circumstantial evidence, inferences, innuendoes and a generous measure of wishful thinking on the part of some who would indicate the President even without adequate proof of wrongdoing in the Watergate affair.

In light of today's Supreme Court decision, there may, indeed, be available to this Committee within the next few days or weeks, substantial additional evidence in the form of White House tapes, upon which this Committee can better judge the guilt or innocence of the President in the whole Watergate affair.

The doctrine of absolute "Executive privilege" upon which the President and his counsel have consistently declined to respect our subpoenaes and requests for taped conversations and other relevant materials has been effectively rejected by the Supreme Court.

The President and his counsel should make these materials available to our Committee at once—and without equivocation—on the assurance that any irrelevant materials, particularly those which might relate to national security or other sensitive subjects, would be excised under established procedures

Although, on the basis of evidence thus far received, the case involving Watergate has been less than convincing, there are other subjects in which the facts are virtually undisputed—and where the only unsettled question is whether an "impeachable offense" under the Constitution has been committed.

If the extremely serious subject of Watergate results, nevertheless, in a weak case against direct involvement by the President, this should not be construed to mean that there has been no wrongdoing at the White House

Watergate—and the alleged cover-up—involves the offense of obstruction of justice: for instance, payments of hush money, inducing witnesses to commit perjury, or withholding evidence from a prosecutor.

These offenses have all been committed—at the White House—or by the President's most intimate and trusted aides.

But if the President is not personally and criminally liable—because the evidence does not directly and personally implicate him—nevertheless, we may appropriately ask:

"Has the President fulfilled his obligation to see to a faithful execution of the laws—a solemn obligation imposed on him by Article II of the United States Constitution?"

This obligation is above and beyond that of other citizens—all of whom are required to obey the laws. We may ask further:

"Is the office of the presidency being operated in the manner intended by the Constitution—when under the quise of national security, dissatisfaction with the head of the FBI on personal animosities for enemies—and "friends"—we experience burglaries, unlawful wiretaps and bugging, shredding and concealment of evidence, misuse of the CIA, FBI, IRS—and a host of misdeeds?"

It should not be hard for my solid, Midwest constituents—Republicans, Democrats, and Independents alike—to see, and understand, what is troubling me.

Believe me, it is also troubling them. The question remains whether these acts and omissions of Richard Nixon—as President—are to be approved—or denounced.

If—in these respects—the President is to be denounced—and if this President is to be called to account for such acts—and omissions—impeachment is the appropriate—and constitutionally designated vehicle for delineating specific charges—against him.

What about the offenses committed by—or charged against Haldeman, Ehrlichman, Colson, LaRue, Dean, Liddy, Hunt, Magruder, Chapin, Mardian, Strachan, Kalmbach, Mitchell and Kleindienst?

There is substantial authority for attributing their misconduct to the President in a strictly legal sense—and require him to account for their offenses.

But there is the higher constitutional obligation to see that such criminal acts are not committed—or condoned—a constitutional demand to see that the laws are obeyed—particularly, in the President's own house—which we call, the White House.

After receiving evidence for weeks and weeks—evidence which has been frequently peripheral, as it relates to direct involvement of the President in Watergate and other crimes—I ask myself—is this any way to run a White House—or a country?

Finally, the clearest and most convincing issue before us, and one which is perhaps more fundamental to our inquiry, is that of the Committee's subpoenaes requesting information from the President.

Fundamental to this entire impeachment inquiry is the obligation on the part of the House Judiciary Committee and the President to serve our respective roles, as delineated in the Constitution. The President, through his counsel, as well as through his public announcements, has asserted the need for a strong Chief Executive. That is implicit in our Constitution, and is entitled to full recognition by the Congress, as well as by the courts.

Likewise, it is essential that the President respect that part of Article I of the United States Constitution which vests in the House of Representatives "the sole power of impeachment." The House Judiciary Committee, as a designated unit of the House of Representatives, is endeavoring to fulfill that role with honor and with dignity, consistent with the responsibility reposed in us at this critical hour of our history.

This particular time in our history demands a Congress capable of exercising its full powers of law-making, and, in addition, a Congress able to conduct the extraordinary function of impeachment which, indeed, enables the Congress on those occasions when acts of treason, bribery or high crimes and misdemeanors are committed to assert this dominant power granted by the Constitution which neither the Executive nor the Judicial branch possesses.

Earlier this year, the President promised full cooperation with our inquiry, consistent with his responsibilities to the office of the presidency. Despite this pledge, the Committee has not received any of the 147 tape recordings which it has subpoenaed, and it has received very few of the documents and materials it has sought. The bulk of material before the Committee has been received from the Special Prosecutor and not through any cooperation from the White House.

On May 30, the Committee sent a letter to the President informing him of the possible consequences of his failure to comply with our subpoenaes. We write—and I quote:

"In meeting their constitutional responsibility, Committee members will be free to consider whether your refusals in and of themselves might constitute a ground for impeachment."

The Committee has taken this stand because the President's noncompliance with the Committee's subpoenaes is a defiance of the power of the House of Representatives, and a serious breach of his duty to "preserve, protect and defend the Constitution of the United States." Our subpoenaes have been narrowly drawn and strictly limited to material directly relevant to our inquiry. They seek only those tapes, and other materials necessary to conduct a full and complete inquiry into the existence of possible impeachable offenses.

In this sense, the President's failure to comply—threatens the integrity of the impeachment process itself. His action is a direct challenge to the Congress in the exercise of its solemn constitutional duty to act by way of impeachment as the ultimate check on presidential conduct, with all relevant facts as its disposal.

These, then, are the issues which are disturbing me, as we approach this final phase of our assignment under the House Resolution authorizing and directing the comprehensive impeachment inquiry which my colleagues and I have been conducting and which we must resolve deliberately and responsibly within the next few days.

Thank you, Mr. Chairman.

PUERTO RICO CELEBRATES CONSTITUTION DAY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. BADILLO. Mr. Speaker, on this date 22 years ago Puerto Rico became a commonwealth when the U.S. Congress voted to approve the constitution which had been drafted by the people of that island nation. This historic event climaxed a long struggle by the Puerto Rican people to achieve both economic and political progress and an element of self-determination.

On July 22, 1952, the citizens of the island were able to look back on nearly 5 centuries of recorded history—from the discovery by Columbus in 1493, through the long period of colonization to a degree of autonomy in the 20th century, the struggle for economic development in the 30's, 40's and 50's, in the face of tremendous obstacles—and forward to even greater progress which their new political status promised.

During this long period of history many individuals emerged as great leaders, two of the best-known and most important of whom were Luís Muñoz Rivera and his son, Luís Muñoz Marin. It was the latter who guided Puerto Rico through the program of economic development popularly known as Operation Bootstrap and eventually served as one of the principal authors of the constitution. It is significant to note, I think, that Luis Muñoz Marín recognized the need for political status for the island long before he made the matter a public issue. His greatest concern was for the well-being of the people, and he dedicated himself in his earlier years in public life to transforming the island from an agricultural to an industrial society.

In 1949, almost 10 years after he had set out to revolutionize the economy, Muñoz Marín finally decided that the time for political reform had arrived, and the movement to establish Puerto Rico as a "free, associated state" was created. By 1952 the movement had succeeded—Puerto Ricans won the right to govern the island themselves, and the United States agreed to defend it; while the inhabitants of the island would remain U.S. citizens, they would pay no taxes and thus have no vote in the national government. In the elections of that year, Puerto Ricans approved the new constitution and chose Luis Muñoz Marin as the first popularly elected Governor of the Commonwealth.

Today almost a quarter of a century later, the Commonwealth status remains and the island's economic development continues. Though much has been accomplished much still remains to be done. Puerto Ricans, both those on the island and those on the mainland, continue to struggle for that equality of opportunity which will eventually bring them into the mainstream of American life.

Although the Puerto Rican community in both the island and mainland has been confronted with enormous obstacles and handicaps, our goals and aspirations are no greater than those of other ethnic and nationality groups. Puerto Ricans seek economic security and independence; full access to our educational, social and political institutions; and the enjoyment of human rights and freedoms. We desire to stand on an equal basis with other ethnic groups and to actively participate in the progress of this country. However, until the island and mainland Puerto Ricans achieve their full and fair share of Federal aid and are assisted and encouraged to the fullest possible extent, this goal will not be achieved. The Congress bears a special responsibility and must take the initiative in bringing equity to the treatment of Puerto Rico and to our fellow citizens on the island and mainland.

Mr. Speaker, I take great personal pride in my Puerto Rican heritage and birth. As many of our colleagues will recall, when I first joined this body 4 years ago, I pledged that I would work to insure that Puerto Rico is included on an equitable and just basis in every piece of legislation which we consider. I will continue this effort in cooperation with the distinguished and able Resident Commissioner. I hope that our colleagues will join in promoting meaningful and substantive programs so that Puerto Ricans may achieve their full potential and realize our community's aspirations.

NEW YORK STATE AUTOMOBILE ASSOCIATION

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. WALSH. Mr. Speaker, I recently received a letter from the New York State Automobile Association setting forth resolutions on ambient air quality standards, the energy crisis, and the Federal income tax deduction for State gasoline taxes, which were adopted at the association's 71st annual convention.

Because of the worthwhile contributions this organization has made to the American motorist and their active participation in Federal and State matters, I feel that my colleagues in the House will find their resolutions of interest:

RESOLUTION ON AMBIENT AIR QUALITY STANDARDS

Despite compelling evidence of serious shortcomings in the 1970 Clean Air Act, Congress has failed to suspend or amend the controversial ambient air quality standards mandated by this legislation.

Consequently, in adherence to deadlines set by that act, the U.S. Environmental Protection Agency had been attempting to force New York State to begin implementation of controversial features of the New York City Metropolitan Area Air Quality Plan's Transportation Controls. Although it subsequently modified its alarming demands, at one time EPA had threatened to take enforcement action against state or local officials who failed to implement onerous measures such as imposition of restrictive tolls on 13 presently toll-free East River and Harlem River Bridges.

Commendably, Governor Wilson and the State's Department of Environmental Conservation have resisted the precipitous action demanded by the federal government. They are re-evaluating whether implementation strategies are really needed and their studies have already found that anticipated emission problems in the Rochester area will not materialize because older model vehicles there are being replaced at a rate faster than had been expected. As a result, New York State has rescinded the plan that would have imposed new vehicle inspection requirements on Rochester motorists. The state has also submitted other scientific studies to the National Academy of Sciences for its forthcoming report to the Congress, indicating that existing standards exceed what is necessary for the public health. And in recent testimony before a Senate subcommittee, the state has urged Congress to extend the present statutory deadlines to provide sufficient time to evaluate new scientific data and investigative alternative strategies.

The New York State Automobile Association, which endorses these actions by the state, believes that implementation of the ambient air standards at this time, in adherence to the deadlines set by Congress in the Clean Air Act would be unwarranted and unjustified because—

The existing primary standards are no longer accepted as valid by the scientific community;

Improved ambient air quality, attributable to the consequences of the gasoline shortage, may have rendered additional stringent controls unnecessary;

There is no proof that ambient air quality would improve if restrictive strategies such as the bridge toll proposal are implemented—in fact, air pollution might be increased.

Therefore, the New York State Automobile Association calls upon Congress to act promptly to suspend the statutory deadlines for achieving ambient air quality standards, just as it has already suspended the automobile emissions deadlines. Congress should also reexamine the Clean Air Act of 1970 in light of the forthcoming National Academy of Sciences findings, and amend the law to avoid ill-conceived schemes that will abruptly and needlessly alter life-styles, commerce and transportation.

It is directed that copies of this resolution be sent to the Governor, all members of Congress from New York State and other interested agencies and officials.

NEW YORK STATE AUTOMOBILE ASSOCIATION,
July 11, 1974.

RESOLUTION ON THE ENERGY CRISIS

Faced with an energy crisis of unprecedented proportions, the motoring public earlier this year achieved commendable results in its efforts to conserve gasoline through such measures as reduced driving speeds, decreased auto use and increase use of car pools.

Although these and other efforts helped to alleviate the energy crisis, it is possible that the situation could worsen again during the last half of the year.

Meanwhile, as a means of conserving fuel, various government officials and agencies continue to recommend that the cost of automobile use be increased by raising registration fees and gasoline taxes, or imposing new or increased bridge and tunnel tolls.

Such proposals overlook the fact that the automobile is the primary mode of transportation for the vast majority of people and a mainstay of economy. Unreasonably harsh restrictions on automobile use would make it extremely difficult for people to get to work, maintain a household and make other essential trips.

Therefore, the New York State Automobile Association calls upon officials at all levels of government to reject regressive proposals that discourage automotive transportation and develop plans that will minimize the effect of possible future fuel shortages and assure the motorist an equitable share of gasoline supplies.

It is directed that copies of this resolution be sent to the Governor, the State's Congressional delegation, the Legislature and other interested agencies and officials.

NEW YORK STATE AUTOMOBILE ASSOCIATION,
July 11, 1974.

RESOLUTION OF FEDERAL INCOME TAX DEDUCTION FOR STATE GASOLINE TAXES

In Congress, the House Ways and Means Committee has given preliminary approval to the elimination of the federal income tax deduction currently permitted for state-imposed gasoline taxes. If enacted, this would mean a substantial federal tax increase for motorists at a time when gasoline prices—and indeed, all auto related costs—have climbed to unprecedented levels and when federal spending for highways is being reduced by diversion of highway funds to mass transit.

Enactment would also increase motorists' liability for New York State and New York City income taxes which are based upon the federal return. On a nationwide basis, the cumulative effect would be to soak the motorist with about $1 billion annually in additional income taxes.

Such a double or triple tax increase would place an unjustified burden on the country's primary mode of transportation. The fact that nationally 82 per cent of all commuters use the automobile for their journey to work is evidence that the automobile is the backbone of the nation's transportation system. Ownership and operation of an automobile is already over-taxed—highway user taxes paid in New York alone to state and federal governments amount to more than $1 billion annually.

Therefore, the New York State Automobile Association urges Congress to reject this onerous and discriminatory proposal and calls upon the New York State Congressional delegation to take the initiative in defeating this unwarranted and unjustified tax increase.

It is directed that copies of this resolution be sent to all members of the House Ways and Means Committee and all members of Congress from New York State.

NEW YORK STATE AUTOMOBILE ASSOCIATION,
July 11, 1974.

DAIRY PRODUCTION AND IMPORTS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1974

Mr. ZWACH. Mr. Speaker, while I was pleased that President Nixon signed the emergency livestock loan bill into law and while I am pleased that the guaranteed loans will be available to beef, pork, poultry, and dairy producers, I know that this legislation is not enough.

What is needed is a good, strong, free market system, not one that is depressed by imports.

The dairy industry is a prime example. Milk production in America is down for the 21st consecutive month. Yet U.S. imports of dairy products totaled 1.7 billion pounds milk equivalent in January through May of this year, more than doubling the volume of .7 billion pounds a year ago.

On July 23 I received a letter from Pat Healy, secretary of the National Milk Producers Federation, concerning the plight of our dairy industry. As an agricultural producer and consumer, I share Mr. Healy's concern. If our milk and dairy product demand becomes dependent on foreign supplies the ultimate and biggest loser will be the American consumer.

Mr. Speaker, with your permission I would like to submit for the RECORD Mr. Healy's letter, as well as the statement jointly released by the National Milk Producers Federation, the American National Cattlemen's Association, and the

National Association of Wheat Growers. I urge my fellow colleagues to read and consider the following:

National Milk Producers
Federation,
Washington, D.C., July 22, 1974.

Hon. John M. Zwach,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Zwach: We are enclosing for your information a copy of a statement adopted jointly by the National Milk Producers Federation, the American National Cattlemen's Association and the National Association of Wheat Growers questioning current international trade policies of the United States and the implications of these actions for American farmers and ranchers and for consumers.

Actions expanding the import of dairy products for the express purpose of depressing domestic price levels have had a severe, adverse effect over the last year and a half. These moves have been major factors in the decline in milk production from about 120 billion pounds in 1972 to a current annual rate of 114 billion pounds.

In the last 90 days, basic milk prices at the farm have fallen $1.84 per hundredweight, well over 20 percent. In the face of rapidly rising costs of production, this precipitous price drop can only result in a further exodus of dairy farmers. This, in turn, will further shorten supplies and result in greatly increased prices as the shortened milk supply makes itself felt in the market this fall and winter.

In 1974, imports of 100 million pounds of cheddar cheese and 150 million pounds of nonfat dry milk disrupted the normal marketing patterns and clogged inventory channels prior to the seasonal peak of domestic production. Since April 1, the Commodity Credit Corporation has purchased 72 million pounds of nonfat dry milk. During the second quarter of the year, 114 million pounds of nonfat dry milk was imported into this market.

The inevitable result has been to reduce prices for manufactured dairy products and for milk at the farm. The Congress has, through the dairy price support program and the Federal milk market order program, directed the production of an adequate supply of milk for the markets of this country. This is not being accomplished under current policies and the situation can only worsen if they continue to be pursued.

Sincerely,

Patrick B. Healy,
Secretary.

Joint Statement of the National Milk Producers Federation, the National Association of Wheat Growers, and the American National Cattlemen's Association on National Import Policy

The National Milk Producers Federation, the American National Cattlemen's Association, and the National Association of Wheat Growers have joint concerns over policies presently being pursued with respect to international trade by our government and the adverse impact these actions have had and can have for major segments of our agricultural economy.

The Congress has long sought to provide the basis for the development and maintenance of a strong agriculture. The success of such efforts is evident in the fact that the productive capacity of U.S. agriculture has permitted our people to be the best fed and the best clothed of those in any nation at any time in history. This has been accomplished at a lower cost in absolute terms than ever before. In addition to meeting the needs of this market, agriculture has made irreplaceable contributions to the foreign trade posture of this nation and has provided food for markets around the world.

In the course of providing the basis and environment in which domestic agriculture could advance, the Congress has found it necessary to adopt measures to effectively prevent the American market from becoming a dumping ground for excess production of other nations. To this end, Section 22 of the Agricultural Adjustment Act and the Meat Import Act of 1964 have been adopted.

While some have depicted these enactments as measures aimed at the restraint of free international trade, they have a far more basic purpose. They have been designed to further the national policy of promoting a strong agriculture and assuring abundant supplies of domestically produced agricultural products at reasonable prices. The necessity for these measures has been created, not in the United States, but in other countries that have closed their borders or which have sought to remove their surplus production through subsidized exports. The Meat Import Act of 1964, for example, is written in such a way that access to the U.S. market by exporting nations is guaranteed, as contrasted to the embargoes on meat imports that recently were put into effect by the European Economic Community and Japan.

It is disheartening, therefore, to witness the development and execution of a philosophy that runs totally counter to the stated intent of the Congress. Today, significant elements of these measures lie unused or have largely been abandoned. Agricultural interests seeking their enforcement or application have been told that, to do so, would be counter to our interest of seeking expanded trade. They are *told* that it would be counter to our policy of seeking lower consumer prices and restraining domestic inflation.

At a time when there is growing concern, both in this country and abroad, over the adequacy of food production and the cost of food, there can be no justification for policies which tend to discourage agricultural production. This is the direction which these actions point us toward. American farmers and ranchers are independent businessmen. Their decisions are, and must be, based on economic facts and their assessment of the future as it applies to their industry.

Expanded international trade, if it is truly beneficial to all parties, is a goal to be sought. What has been or is being pursued under our present policies, however, cannot lead in this direction. The United States is today refusing to utilize needed authorities to maintain its domestic industries. By administrative action, the United States is unilaterally granting as much or more than could be expected through the trade talks that would be authorized under the Trade Reform Act. With this in mind, we cannot realistically expect our trading partners to relent in their use of trade limiting techniques.

As an effort to counter inflation, these actions are equally faulty. No action that reduces or limits the incentive or ability to produce can result in the production of adequate supplies of a commodity.

Patrick B. Healey,
Secretary, National Milk Producers Federation.

Ray Davis,
President, National Association of Wheat Growers.

C. W. McMillian,
Executive Vice President, American National Cattlemen's Association.

SENATE—*Monday, July 29, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. James Abourezk, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who withholds no good gift from those who walk uprightly and call upon Thee with sincere hearts, help us this day to think upon what is true and just and righteous in Thy sight. Grant us grace to speak prudently when we must speak; to remain silent when we have nothing to say; to learn by listening and by study; to be unafraid of the hard decision; to act according to Thy will, and to leave the consequences to Thy Providence. Reward our faithfulness by souls at peace with Thee.

We pray in His name who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 29, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James Abourezk, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. ABOUREZK thereupon took the chair as Acting President pro tempore.

REPORT SUBMITTED DURING THE ADJOURNMENT OF THE SENATE

Under authority of the order of the Senate of July 25, 1974, Mr. Stennis, from the Committee on Appropriations, submitted a report on the bill (H.R. 15155) making appropriations for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration, and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes, with amendments, which was ordered to be printed (Rept. No. 93-1032).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, July 25, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ABOUREZK) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. ABOUREZK) laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare and ordered to be printed. The message is as follows:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Heart and Lung Advisory Council, prepared in accordance with the requirement of Public Law 92-423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

It should be noted that funds for the Heart and Lung Institute have been increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $309 million proposed for 1975. In short, the Administration's actions on the heart and lung program clearly identify it as an area of very high priority.

While there are recommendations in the Council's report that are at variance with the Administration's views, the Council's Report merits serious consideration and will be closely studied and evaluated. I am forwarding the report so that the Congress may also have it available for its deliberations.

RICHARD NIXON.

THE WHITE HOUSE, *July 29, 1974.*

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED MEETING AT THE WHITE HOUSE TO DISCUSS INFLATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a copy of a letter which I wrote to the President of the United States on July 10, 1974, suggesting a meeting at the White House among various segments of the economy to discuss inflation, together with an answer under date of July 23, received from the Honorable Kenneth Rush, Counselor to the President for Economic Policy, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 10, 1974.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: You may recall that prior to your meeting with the Joint Leadership getting under way this morning, I mentioned to you that I had made a statement in the Senate on yesterday, suggesting a White House Conference to consider the pressing problem of inflation.

I indicated that I thought it should be called on your initiative and that it should include the Joint Leadership of the Congress, as well as the chairmen and ranking minority members of the appropriate committees, also your economic consultants and segments of the private sector, including labor, industry and agriculture.

You indicated that you would be interested in a meeting of this kind, though you made no commitment whatsoever. May I say that I appreciate your interest in what I suggested and, in furtherance of that, I am enclosing tear sheets out of the *Congressional Record* which you may find of interest in your consideration of such a Conference.

May I say that I enjoyed the meeting in the Cabinet Room this morning. I thought it was very substantive, very hopeful, very worthwhile, and I think that was the reaction of all the others in attendance, as well.

Again, thanking you for whatever consideration you can give to my suggestion, and with best personal wishes, I am

Respectfully yours,

———— ————.

THE WHITE HOUSE,
Washington, D.C., July 23, 1974.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: I am writing for the President in response to your recent letter to him calling for a White House Conference on inflation. The President deeply appreciates your suggestion and your keen interest in the problem of inflation and in measures that might be used to resolve it.

As I am sure you will agree, the President has given the problem of inflation a great deal of his time and energy recently. He will speak to the nation on Thursday on this subject, and he has already met with leaders representing numerous of the many segments of the economy. These meetings will be continued and expanded to include many other economic interests. The President is deeply interested in hearing the differing points of view expressed at these meetings and feels that these smaller groups provide an excellent opportunity for a real dialogue on this key issue. As you also know, the President is keeping in close touch with you and the other Congressional leaders on his economic policies.

In addition, the President's economic advisors have maintained a broad range of contacts with the business, financial, labor, consumer, and other groups in the economy. I have also agreed to testify on this and other economic issues and will be appearing before the Joint Economic Committee on July 29.

It is the President's judgment that it would be most appropriate to move further along the above pathway.

It may be that at some later time a very useful supplement to this effort would be to hold the larger Conference on inflation that you mention, and the President will continue to keep your suggestion under active consideration.

Warm regards.

Sincerely,

KENNETH RUSH,
Counsellor to the President for Economic Policy.

DAKOTA DIRECTNESS

Mr. MANSFIELD. Mr. President, one of the most modest of the Governors of the Nation is the Governor of North Dakota, the Honorable Arthur A. Link. It has been a privilege for me to know this unassuming, good-hearted, idealistic chief of his State.

I ask unanimous consent to have printed in the RECORD an article published in the Washington Post on Saturday last, entitled, "Dakota Directness," by Mr. George C. Wilson.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAKOTA DIRECTNESS

(By George C. Wilson)

BISMARCK, N. DAK.—Tired of Watergate-ridden Washington? Try North Dakota where the lifestyle still features the direct approach.

Start, perhaps, with the governor himself—Democrat Arthur A. Link who once served in Washington as a congressman but never wants to go back to that city of limousines and spear carriers. After a long interview, during which his only aide in the room sensibly excused himself to go home to supper, the governor walked the visiting newsman out of the state capitol building here without benefit of any Washington style retinue.

Once in the driveway out front, the governor led the way to his official car—a Cadillac—and got behind the wheel to drive the newsman "around to the house" to pick up something he thought would better express his fears about the strip mining of North Dakota.

The "house," at this moment in the one-time rancher's career, is the low-lying governor's mansion at the edge of the capitol grounds in Bismarck. Gov. Link went inside for a moment and returned to the car with a letter-size placard entitled, "When The Landscape Is Quiet Again."

Although no Gettysburg Address, Link's 24-line statement did manage to convey his love of the land and his fear of ruining it for those who follow him. He had written: "And when we are through with that (strip mining) and the landscape is quiet again; when the draglines, the blasting rigs, the power shovels and the huge gondolas cease to rip and roar; and when the last bulldozer has pushed the last spoil pile into place, and the last patch of barren earth has been seeded to grass or grain, let those who follow and repopulate the land be able to say: Our grandparents did their job well; this land is as good and, in some cases, better than before."

With frontier frugality, the governor had put the placard in one of the government envelopes he had saved from his old job as U.S. congressman from North Dakota.

If a direct dealing governor is not enough to persuade you that personal relationships are still alive and well in some places, how about a millionaire who takes visitors to the town he practically bought out near North Dakota Bad Lands?

A few weeks ago, Harold L. Schafer—head of the North Dakota firm that makes Glass Wax and related products—did this, as usual, for administrator Russell E. Train of the Environmental Protection Agency and his party. He took them to Medora, a tiny town beyond the rolling prairie about 100 miles east of Bismarck.

Medora was where the Marquis de Mores of France decided to challenge Chicago as meat packer for the West. He built a chateau for his wife, Medora Von Hoffman, in the hills above the town he named after her. Then he struggled to build the new Chicago. But it never arrived. He closed the packing plant in 1886. Medora seemed to die as another broken dream.

But now Schafer is trying to do for Medora what the Rockefellers did for Williamsburg—restore it to its old self—and then some—in hopes of making it a national tourist attraction. "Some millionaires spend their money on girls," said Schafer. "I do this."

North Dakota is also a place where people on the street walk you to the building in town you are looking for rather than direct you; where Republican Congressman Mark Andrews, the only U.S. representative for the sparsely settled state, rushes EPA's Train from the airport to his sunflower fields to show him what bugs do there, and where the pickup truck and straw hat, with cowboy lines, are still in.

This is all likely to change soon as cities spring up around the coal gasification plants blueprinted for coal-rich North Dakota. But for now this is still, refreshingly, the land of the direct approach where the governor is likely to ask you home to dinner if nobody else does.

INDEXING AND INFLATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record two articles, one published in the Wall Street Journal of today, entitled, "Inflation and Indexing," and another published in the New York Times of yesterday, entitled, "Overhauling the CPI," also having to do, to a large extent, with indexing.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, July 29, 1974]

Inflation and Indexing

(By Lindley H. Clark, Jr.)

Milton Friedman, the University of Chicago economist, is a patient man. When he began arguing, a quarter-century ago, that changes in the growth rate of the money supply strongly influenced economic acivity, not many other economists were listening. Now hardly any economist worthy of the name doubts that the monetary growth rate is important, although many still question whether it is as important as Prof. Friedman says it is.

Several years ago the Chicago economist began talking of something called indexing, and hardly anyone listened. Now many people are listening, although the idea still has a long way to go before it achieves anything like broad acceptance.

The idea is essentially simple. When two people sit down and sign a contract calling for one of them to pay the other a sum of money at a certain time, inflation now is the invisible party to the agreement. With prices rising the way they are, the dollars that are paid under the contract won't buy as much as the same amount would have bought when the agreement was signed. In these times the slogan becomes never a lender but a borrower be.

What indexing does is simply to tie the amount of the payment to some form of price index. In that way the person receiving the payment will be protected against the declining value of the dollar.

Indexing already exists in the U.S. in a haphazard way. The best-known form is the cost-of-living escalator clause that is showing up in more labor contracts. Under such a clause a rise in the cost-of-living index automatically gives workers a wage increase.

The federal government now adjusts Social Security benefits and some employe wages to reflect the rising cost of living. Even without labor contracts, some private employers adjust pay to meet rising prices.

In the credit markets, too, interest rates represent a crude form of indexing. When lenders expect more inflation, they insist on higher rates to try to protect themselves. A more formal indexing system would tie rates to the actual inflation, not the inflation that lenders forecast.

All of this and more, much more, was debated earlier this month at the American Enterprise Institute in Washington. Speaking for indexing were Prof. Friedman and Prof. Robert J. Gordon of Northwestern. Their opponents were William Fellner, a member of the President's Council of Economic Advisers, and Charles E. Walker, former Deputy Treasury Secretary who now is a private economic consultant.

One aspect of indexing that obviously attracts Prof. Friedman is the impact on federal finances. The tax system—individual exemptions, the standard deduction, rate tables—would be changed to reflect rising prices. Capital gains would be exempted if they reflected only inflation. Corporate depreciation allowances would also change in line with rising prices.

A much more simple change would be to require the Treasury to issue purchasing power securities, on which interest rates would rise in line with inflation. Prof. Friedman would exclude short-term Treasury notes, which are close to cash. (Prof. Gordon suggested that we might want to consider indexing cash, too, but the notion seemed to appeal to no one.)

The arguments in favor of the idea are strong, and some of them appeal even to Mr. Fellner, who was supposed to be in opposition. If the tax system were indexed, the government could no longer count on an increased inflow of revenue as inflation pushed taxpayers into higher brackets. Government, if it wanted more money for more spending, would simply have to bite the bullet and raise tax rates.

If workers came to rely on escalator clauses to keep their wages in line with prices, there would be less chance for the sort of catch-up push that's under way now. Often the drives to catch up with inflation have come as inflation—and the economy—was slowing down. The higher wage costs thus have complicated the readjustment process, frequently forcing employers to lay off people to trim expenses. That's the aspect of indexing that seemed to appeal particularly to Mr. Fellner.

The strongest overall argument for the idea, though, is simple fairness. Why should the public suffer for the inflation inflicted on them by the government's monetary and fiscal policies? (Prof. Friedman stresses that indexing is not an inflation cure, only a painkiller.)

Well, one easy if incomplete answer in that is that the public elected the errant government. There are at least a few signs that the public now may be more willing to accept a tough anti-inflation program than the government realizes.

It's certainly true that this willingness will lessen when and if unemployment goes to 6% or higher. But the chances that the public will hold still for an inflation cure appear at least as good as the chances that Congress, at any time soon, will go for any broad tax-bond indexing plan.

Tax indexing has already been proposed in a Senate bill. But the sponsor of the legislation is New York Sen. James Buckley, a distinguished conservative of negligible influence. Unless inflation gets much worse, no action along this line is likely.

Aside from practical objections—and there are others—there are reasons to wonder whether broad indexing is the right approach. As Prof. Fellner points out, indexing can make the first flare-up of inflation worse. Wages will rise and government will almost certainly accommodate the rise by speeding the growth of the money supply.

There is a danger, too, that an indexing system would lessen the governmental will to end the inflation. And no matter how artfully the system is constructed it will be at best only a crude sort of protection against inflation. Since no one is proposing to force indexing on the private economy, its protection there will be especially uneven.

Some indexing we already have, and we surely will get some more. But the patient Prof. Friedman is likely to have to wait longer for full-dress indexing than he did for acceptance of his monetary ideas.

[From the New York Times, July 28, 1974]

Overhauling the CPI

(By Julius Duscha)

Washington.—Once a month a small group of Government economists and statisticians meet around a table in a nondescript Federal office building a few blocks from the Capitol to examine Washington's most important number and divine its meaning.

The number is the Consumer Price Index. Out of the meeting comes the announcement interpreting the latest movement in the nation's best single measure of inflation.

Not only does the index influence governmental and private economic policy-making decisions but also it directly affects the living standards of nearly half the United States population.

More than five million workers are under collective bargaining agreements tied to the Consumer Price Index. And when the index goes up, so also do benefits received by the 29 million persons on Social Security and the Government's two million retired military and civilian workers and their survivors.

The pay of 600,000 postal workers is also pegged to the index, as are the levels of aid received by the 13 million recipients of food stamps and the 24 million children who participate in school breakfast and lunch programs.

Alimony payments are frequently tied to the index. So are rental and royalty payments and trust fund allocations for such things as college tuition. An increase of 1 per cent in the index triggers an estimated $1-billion in additional wages, salaries and other payments to Americans.

The chairman of that critical monthy meeting is Julius Shiskin, a 61-year-old career Government statistician who is completing his first year as Commissioner of Labor Statistics. Around the table in his office, where the meeting is held, are some of his principal aides—all professionals, too.

The Bureau of Labor Statistics has been

measuring consumer prices since World War I, and nothing is as inviolate in Washington as a B.L.S. figure.

"Politicians have never messed with the Consumer Price Index or any of our other statistics," said Mr. Shiskin, an old-shoe kind of fellow, as he sat in his office one day recently talking about the new and expanded C.P.I. numbers that will soon be coming out of his bureau's computers.

While the number itself has successfully withstood political manipulation over the years, Administrations have often sought to twist the index by issuing their own, nonprofessional analysis of it.

Three years ago the Nixon Administration forbade news conferences by B.L.S. economists interpreting the monthly figure because, on one embarrassing occasion, the professionals were saying a change in the figure was statistically insignificant while the Administration was trumpeting the figure as a vindication of whatever its economic policies were at the time.

As Mr. Shiskin discovered last spring, when even he and his fellow career statisticians start tinkering with the C.P.I. to try to improve it, cries of anguish can be heard across the country.

Ever since the Bureau of Labor Statistics (which is 90 years old and antedates the Labor Department, of which it is now a part) started collecting statistics on consumer prices to help set shipyard wages in 1918, the agency has measured only the prices of goods and services bought by wage earners and clerical workers living in urban areas. These people, with their families, now make up about 45 per cent of the nation's total population.

But the index is now being used to adjust payments to many Americans other than laborers and clerical help. So Mr. Shiskin and his colleagues decided it was time to expand the venerable C.P.I. so that it would reflect the purchasing pattern of all persons living in urban areas—80 per cent of the population.

When Mr. Shiskin proposed turning the index into a measure of the prices of goods and services bought by eight out of 10 Americans, however, organized labor protested loudly.

Nat Goldfinger, director of research for the American Federation of Labor and Congress of Industrial Organizations, said: "Destruction of the Consumer Price Index and substitution of a new index, as the Bureau of Labor Statistics has decided, will create confusion and chaos in collective bargaining and public uncertainty about the integrity of this basic series of Government economic statistics."

Leonard Woodcook, president of the United Auto Workers, added: "Trade unions have a vital interest in the C.P.I. as it currently stands. It is absolutely essential for effective, responsible and rational collective bargaining that there be available a consistent and reliable index reflecting changes in the cost of living, actually experienced by working people."

Mr. Woodcock went on to note that a B.L.S. pilot study of how an expanded index would have behaved over the last 13 years suggested that "such an index would have risen less than the existing C.P.I. and would therefore have understated inflation actually experienced by working people."

Every tenth of a percentage point means millions of dollars to workers. As Mr. Woodcock pointed out, a rise in the index of as little as four-tenths of a percentage point is worth 1 to 2 cents an hour under most escalator clauses—which means $80-million to $160-million a year for covered workers.

Although business groups generally took no hard-and-fast stand for or against changing the Consumer Price Index, Mr. Shiskin gave in to the labor protest. He agreed to have the B.L.S. publish, beginning in the spring of 1977, two indexes—the old one for wage earners and clerical workers and the new one covering the entire urban population.

Persons representing such specific groups as the elderly would prefer a whole family of indexes reflecting prices paid by many groups in the population. This would work in the same way that other major B.L.S. series of statistics measures unemployment by age, race, family status and other characteristics of the working population.

Sometimes people refer to the Consumer Price Index as a "cost-of-living index," but so broad a designation is inaccurate—which is why it is properly called a "price index." Although the C.P.I. is a gauge of the prices of certain goods and services, it ignores some items (such as income and Social Security taxes) that people have to pay as part of the overall cost of living.

Now that labor's complaints have been met by Mr. Shiskin, he is pressing Congress for another major change in the C.P.I.

The index measures month by month the prices of a fixed group of goods and services bought by wage earners and clerical workers, but the current "market basket" of goods and services is still based on 1960–61 surveys of consumer buying habits.

The Bureau of Labor Statistics is just completing a new survey of buying habits, but the results will not be reflected until the new index appears in 1977. And much of the information may be out of date before it is even used.

To keep the index up to date, Mr. Shiskin is asking Congress for funds for quarterly surveys of buying habits.

Such surveys would make it possible, for example, for the index to reflect quickly such changes in buying habits as the movement during the last year by consumers from high-priced to lower-priced cuts of meat. The present index still operates under the assumption that consumers are continuing to buy meat the way they did before prices shot up.

Changes in consumer buying habits now find their way into the index often on a hit-or-miss basis and usually long after the changes have occurred. In recent years, for instance, the statisticians who hover over the index like fathers over newborn babies have cranked into it the prices of McDonald's hamburgers and of pantyhose, which have made women's stockings all but obsolete.

Another major problem with the index is the measurement of changes in the quality of goods and services.

The index is in fact most often criticized for understating improvements in quality. Mr. Shiskin readily acknowledges that the measurement of quality changes is the bureau's biggest problem with its famous number, which is determined by a bewildering array of statistics gathered in the marketplace and by sophisticated weights assigned to them to reflect the importance, say, of the cost of socks in consumer spending patterns as against the cost of steak or automobiles.

When the two indexes are published beginning in 1977—the current revision is taking eight years and costing more than $40-million—Mr. Shiskin and most economists and statisticians concerned with the C.P.I. believe the figures will be quite comparable because workers and professionals, rich and poor alike, generally shop in the same supermarket chains and other stores.

If, of course, food prices go up much faster than the cost of services, then the workers' index would rise more swiftly than the one for the entire urban population because workers usually spend a greater proportion of their income for food than do professionals.

Mr. Shiskin added: "If you have an index that is unrepresentative and is going up more than the average, then many people would be getting more than is appropriate to keep up with price changes and that would be a source of inflation itself.

"But, if the index were unrepresentative in the sense that it went up more slowly than the total, it would slow down inflation.

"The country needs a very comprehensive measure of inflation for national economic policy. We shouldn't be taking the risk of basing critical judgments on an index that doesn't have a very broad coverage of the population."

Mr. Duscha is director of The Washington Journalism Center.

TRIBUTE TO ROBERT E. HOWARD

Mr. MANSFIELD. Mr. President, last week, one of the Nation's leading American Indian spokesmen died suddenly at age 47. It was a tragic loss, not only to his family and his many friends, but also to the American Indian community.

Robert E. Howard, a Blackfeet Indian, as Director of the Office of Native American Programs in the Department of Health, Education, and Welfare, and one of the dedicated Americans from my State, was constantly involved in guiding the development of American Indians, individuals, families, and communities.

In Washington, D.C., Bob Howard always had an open door to those who shared Indian concerns, and he responded to their ideas. One of these ideas—and more Washington officials should try it—was to initiate an open dialog with the Indian community to solicit suggestions to prepare future plans for his agency which affected them. He got input from the reservations, and from Indians living off reservations. The long-range plans he completed just before his sudden death will do much to help American Indians to gain self-determination.

He supported this consultation with Indians with a strong belief in the strength and sovereignty of the tribal governments.

Out of that idea and that support grew one of the more important initiatives in Indian affairs. Linking of consultation to the strength of the tribal governments is contributing to the building of both a communication and a management system between and within the Office of Native American Programs and the Indian organizations.

Bob Howard will be missed not just by his family and friends, but by all those who worked with him and the Indian community.

I ask unanimous consent to have printed in the Record Robert E. Howard's obituary from the Washington Post, July 17, 1974.

There being no objection, the obituary was ordered to be printed in the Record, as follows:

Blackfeet Leader, With HEW

Robert E. Howard, 47, Director of the Native American Programs of the Department of Health, Education, and Welfare, died Sunday at his home, 6427 83rd Pl., Bethesda, after a heart attack.

Mr. Howard was a Blackfeet Indian who devoted his life working toward bettering Indian welfare.

Born in Standoff, Alberta, he graduated from Western Montana College. He served in the South Pacific with the U.S. Marine Corps in World War II.

He taught in the public schools in Browning, Mont., was a private school teacher in Cut Bank, Mont., and then an education specialist with the U.S. Marine Corps in Browning.

Before coming to Washington in 1971, Mr. Howard served as the Blackfeet Tribe's representative to the U.S. Department of Labor and HEW in Montana and to the state programs there.

He was treasurer of the Blackfeet Tribal Council and president of the Tri-State Tribes. He also worked with the National Congress of American Indians, the Tribal Chairman's Association and the Pacific Northwest Indian Center in Spokane, Wash.

Mr. Howard came here to serve as director of the Division of Indian Programs in the Office of Economic Opportunity. When the Indian programs were transferred from OEO to HEW in 1973 and consolidated with HEW's Office of Indian Affairs, he became director of the newly established American Native Program.

The new office was set up to assist Indians, Eskimos, Alaskan natives and Aleuts in attaining economic self-sufficiency through self-determination.

Mr. Howard was in charge of a program that serves approximately 450,000 native Americans on 154 reservations and in 52 off-reservation activities involving urban centers, training and technical projects and scholarship programs.

He is survived by his wife, Carmen Roland Howard, of the home; seven children, Lisa Michele, Tracy Danile, Monica Carmen and Sean Joseph, all of the home; Robert R., of Cut Bank, Harve G., of Thailand, and Kelly Maria, of Seattle; two sisters, Spina Thomas and Celia Schoenhut, and a brother, Walter V., all of Montana.

Mr. MANSFIELD. Mr. President, I wish at this time to express, on behalf of my family, our deepest sense of loss at the passing of this outstanding American.

MEMORIAL SERVICES FOR FORMER SENATOR WAYNE L. MORSE, OF OREGON

Mr. MANSFIELD. Mr. President, for the information of the Senate, the memorial services for our late, departed colleague, Wayne L. Morse, of Oregon, will be held at the Washington Cathedral at 10:30 tomorrow morning.

Buses will be provided at the corner of First and C Streets NE., between the two Senate office buildings, for those of our colleagues who wish to attend the memorial service.

No legislative business will be undertaken until about 12 o'clock. Votes, if there are any, will be postponed for a reasonable period, to allow our colleagues to return from that service.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The distinguished Senator from Pennsylvania (Mr. Hugh Scott) is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to excede 30 minutes, with statements therein limited to 5 minutes.

ORDER FOR RECOGNITION OF SENATOR PERCY ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. Percy be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE APPOINTMENT OF ALAN GREENSPAN

Mr. HARRY F. BYRD, JR. Mr. President, I applaud President Nixon's nomination of Alan Greenspan to be Chairman of the Council of Economic Advisers. Mr. Greenspan, an economic consultant, will come to Washington at a substantial financial sacrifice on his part.

He assumes this position, which he had been offered previously and had turned down, in the hope that he might make a contribution toward getting the Nation's very severe inflation under control.

He is under no illusions as to the difficulty of the job. In an interview in the New York Times published yesterday, he says that if inflation is to be shaken, it will take leadership, it will take commitment, and it will take pain.

Mr. President, I ask unanimous consent to have printed in the Record the article based on an interview with Alan Greenspan entitled "Why Greenspan Said 'Yes,'" written by Soma Golden, and published in yesterday's New York Times.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 28, 1974]

Why Greenspan Said "Yes"

(By Soma Golden)

As the elevator hurtled down from 1 New York Plaza, a private club perched high above Manhattan's financial district, Alan Greenspan pondered his future and said wistfully: "I wish they would just leave me alone in a room with my census of manufacturers, I'd be happy."

But the 48-year-old economic consultant is headed for Washington, where time to ponder any set of statistics will be limited and privacy will be rare. Last week Mr. Greenspan was nominated by President Nixon to be chairman of the Council of Economic Advisors, replacing Herbert Stein.

The new man will join the chorus of Administration advisers who in recent months have urged the President to move from tough to tougher in the fight against inflation, despite evidence that the economy is weak in the knees.

Mr. Greenspan is a hardliner, more worried about prices than about the possibility of a slump. He wants the Government to cut spending and run its budget in surplus to slow the economy. Where to make the cuts? He says he's not sure "yet." But he believes that a few consecutive years of subnormal growth may be necessary to shake inflation out of the system.

"It will take leadership. It will take commitment. It will take pain," he said in a recent interview.

Despite the rhetorical ring of such words, Mr. Greenspan seems genuinely to believe that his policy has a chance both of adoption and of success. That's why he took the new post, he says.

For years the New York economist, who was a key policy adviser in Mr. Nixon's 1968 election campaign, had rebuffed Washington job offers. He preferred to deal with the capital at a distance remaining at the helm of his consulting firm, Townsend-Greenspan & Co., Inc.

It seems to have taken the tragedy of Watergate, a tidal wave of inflation and the departure of Mr. Stein to lure Mr. Greenspan from his lair on the 33d floor of a Wall Street skyscraper.

Mr. Greenspan's associates say he has been dismayed by the Watergate revelations and worried that the embattled White House might soften its stance against inflation or resort once more to rigid wage-price controls. He would consider either move a serious mistake.

The consultant also disapproved of the way his predecessor used the chairmanship of the Council of Economic Advisers—a subject of concern and debate within the economics profession. Mr. Stein was often criticized, both by his peers and by the press, for politicizing the C.E.A. and putting a deceptively good face on bad news.

Oddly, the new adviser turned down the Council job when it was first offered to him earlier this year. The turnabout came in early summer when Mr. Greenspan's friends in the Administration—particularly his former professor, Arthur F. Burns, chairman of the Federal Reserve Board—assured him that the job had clout.

"Once I was convinced that I might have more than a zero effect down there, I couldn't say no," said Mr. Greenspan.

The Manhattan-born analyst views current economic problems with alarm. Though not in the camp of economists who predict gloom, doom and another deep depression, he concedes: "They make me nervous. One hundred per cent crazy they are not."

These words hint at another reason that the elusive economist finally decided to go to Washington. "I have a very considerable self-interest," he said, "in the survival of our free political and economic system—and I think that is what is at stake now."

This worry is shared by his mentor and "good friend" Ayn Rand, the controversial philosopher and author ("The Fountainhead" and "Atlas Shrugged") who helped Mr. Greenspan make his decision to head the Council. "I helped Alan to analyze what was involved—but of course the decision was his own," said the 69-year-old Miss Rand in a telephone interview.

It is difficult, perhaps impossible, to understand the President's new adviser without understanding as well his 20-year relationship with Ayn (pronounced like "pine" or "swine" she says) Rand and her philosophy of Objectivism. Although this view of life is often decried as the deification of selfishness, its founder says that she never has advocated the "pursuit of mindless self interest at all cost."

What she does stand for is a belief in the morality and the desirability of complete laissez-faire capitalism and what she calls "rational selfishness."

"Alan is my disciple philosophically," said Miss Rand, "but his career as an economic analyst is his own achievement. He is an advocate of full laissez-faire capitalism—but neither he nor I expect it overnight."

In recent years the Russian-born philosopher has shied away from reporters, fearful that they were hostile to her philosophy and would distort her views. But she agreed to discuss her thoughts on Mr. Greenspan—the member of her inner circle, who, she says, has climbed highest on the ladder of power in Washington.

She seemed cheered by his appointment and called Mr. Greenspan "heroic" for accepting the challenge. But she said she doubted "whether anyone can do anything for the country today."

The best hope, she suggested, is that the "government might move toward reason as a last resort." She added, "The desperate state of the country is what may attract the best people to government."

The tie between the economist and the philosopher began with an introduction by Mr. Greenspan's former wife. (The marriage lasted about a year, he says.)

"When I met Ayn Rand," the economist recalled, "I was a free enterpriser in the Adam Smith sense—impressed with the theoretical structure and efficiency of markets.

"What she did—through long discussions and lots of arguments into the night—was to make me think why capitalism is not only efficient and practical but also moral."

In the real world, of course, political systems, both of the left and the right, fall short of their philosophers' goals.

Mr. Greenspan said: "If I were starting from scratch I know what I'd like to see in this country. But to go from here to there would be an enormously difficult matter of disentanglement, with great problems of equity and justice along the way."

Among the Government's policies that he would like to unravel—at least theoretically—are commodity price supports, antitrust policy and even the progressive income tax.

Asked what she thought her disciple might actually accomplish in Washington, Miss Rand said he would stop government spending to whatever degree possible. And put an end to the idea that there is any cause for inflation but government spending.

Indeed, the economist seems to be thinking along precisely these lines—although his explanation is a bit more technical. Mr. Greenspan in recent months has argued that inflation is caused by excessive Federal borrowing in the financial markets. That's why he wants to curb spending and aim for a budget surplus.

Mr. Greenspan also wants the Government to stop its "orgy of short-term solutions"—including wage-price controls—which, he says, end up with a long-term sting.

He dubs himself a "free enterpriser" rather than a Keynesian or a monetarist economist.

The "do-nothing" economics that Mr. Greenspan advocates for the next few years is the opposite of the "fine tuning" that the Democrats introduced in the nineteen-sixties. The new Council chairman said, "At the end of the activist road is economic regimentation." For an Objectivist that's the road to ruin.

Another ill-fated Government effort, according to this view, is the attempt to redistribute income toward the poor. Miss Rand, who calls taxes "improper," would rely on voluntary charity instead to help the underdog. Mr. Greenspan argues that anti-poverty programs don't work in a market economy.

If Congress approves Mr. Greenspan's nomination, he will become the first business economist and the second non-Ph.D to head the Council since it was created in 1946.

He will also, no doubt, be the first chairman who ever spent two years studying music at the Juilliard School in New York and then traveled as a clarinet player in a dance band.

All these distinctions could knock Mr. Greenspan down a few notches in the pecking order headed by academicians, who usually have headed the Council. But economists who know the new chairman give him high marks for an intimate knowledge of industry and for his talent for digging into the data.

In the forecasting game, Mr. Greenspan plays about par with the rest of the pros in his league.

He was low on predicting the growth rate of the early nineteen-sixties and low again on the inflation that followed. In early 1973 he went overboard cheering Phase 3, the Government's ill-fated, ill-timed exit from controls. He said: "The economics profession has oversold its capability."

In the days leading up to the announcement of his nomination, Mr. Greenspan conceded embarrassment at being what he called the "consensus candidate" for the Council job.

Says one former Democratic official: "Even though I'm 180 degrees from Alan on policy, I can't think of any conservatives I'd rather argue with than him and William Fellner [another member of the Council of Economic Advisers]."

What will the new Council chairman do if his advice should fall on deaf ears in Washington? He won't say. But the move to the $42,500-a-year job on the Council, which required severing all ties with the consulting firm he helped found in 1963, will cost Mr. Greenspan a few hundred thousand dollars a year in lost income.

"My impression is that Alan did not want to go to the Council in the first place," said Miss Rand, "and I don't believe he would stay if he is asked to compromise on his principles. Inconsistency is a moral crime," she added in an accent still heavily slavic.

A SALUTE TO JAMES E. WEBB

Mr. HARRY F. BYRD, JR. Mr. President, last week was the 5th anniversary of man's first footsteps on the moon. That was a great and historic achievement by the United States. The astronauts who participated demonstrated their courage and their ability, and it was appropriate that they be applauded on this 5th anniversary.

There was one other individual, however, whose leadership had a great deal to do with the success of our space program. That was James E. Webb, who was the NASA Administrator for many years. His leadership contributed very heavily to the success of that endeavor.

The Washington Post on Sunday, July 21, published an article on the editorial page entitled "NASA's Other Hero," written by Julian Scheer, which was an appraisal of Mr. Webb and his achievements.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. STENNIS. Mr. President, I ask to be recognized, and yield 3 minutes to the Senator from Virginia. Will the Senator yield to me?

Mr. HARRY F. BYRD, JR. I thank the Senator from Mississippi and yield to him.

Mr. STENNIS. I wish to join the Senator in the very fine tribute, so well deserved, that he has just made to James E. Webb. I read the same editorial to which the Senator referred, but not being as resourceful as the Senator from Virginia, I failed to put it in the Record, though I did send Mr. Webb a copy as an additional souvenir.

He has been one of the finest administrators I have known since I have been here, not only with NASA but with the Bureau of the Budget and as an Assistant Secretary of State, I believe it was, as well as Director of the Budget.

I salute him and the Senator from Virginia as well.

Mr. HARRY F. BYRD, JR. I thank the Senator from Mississippi. I share his appraisal of the ability, the integrity, and the competence of Mr. Webb.

What the Senator from Mississippi stated a moment ago about the great capability of Mr. Webb as an administrator brings to mind a statement President Johnson made to me once, that he regarded Jim Webb as perhaps the ablest administrator in government.

As the Senator from Mississippi has pointed out, he held not only the position of administrator of the NASA program, but prior to that he was Director of the Budget, and at another time he was Under Secretary of State.

Mr. President, I ask unanimous consent that the article from the Washington Post to which I have referred be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

NASA's Other Hero

(By Julian Scheer)

This weekend is the fifth anniversary of man's first footprints on the moon. There will be toasts to Armstrong, to Aldrin, to Collins, to Von Braun and others. And deservedly so, for they played major roles. But in the great tradition of history, there is also the forgotten or unknown man. For the space program it may be James E. Webb.

It won't worry Jim Webb a wit, but it was his incredible leadership which made the event possible.

Jim Webb had been Truman's Director of the Budget and Dean Acheson's Under Secretary of State—which made him Washington-wise—and he was enjoying a successful and lucrative business career in Oklahoma when he was called on by a somewhat reluctant President Kennedy to be administrator of the National Aeronautics and Space Administration.

He likes to point out that he was 18th or 19th on Kennedy's list of prospects and, after all had declined, it was Lyndon Johnson who persuaded Kennedy to select him.

Webb simply was not a Kennedy type. He appeared humorless, bullheaded, too knowledgeable about how Washington worked, too close to Sen. Robert Kerr (D-Okla.) who was becoming "Mr. Space" in Congress. And he was not good at taking orders. Early on, when someone in the White House suggested a good location for a NASA procurement award, Webb replied with a blistering memorandum to Ken O'Donnell—clearly intended for Kennedy eyes—which simply said: "You run the White House, I'll run NASA." He meant it; it was reflected in every move he made after that.

In dealing with the White House, Webb fought the Bureau of the Budget for every nickel—as if the loss of five cents would topple all that had gone before. It was a blood-on-your-hands attitude. And when he finally got his way, which he usually did, he kept the White House congressional aides away from *his* committees of Congress. He'd fight his own battles—his way of maintaining his freedom within the Executive Branch.

And Congress found a new kind of man to deal with. Few believed Webb not to be a scientist or engineer, for he dazzled them with his knowledge of the technical as well as the management of the vast NASA program structure.

His only weapon was "tell 'em all." He never wined or dined them at this home, was straightforward and rather formal with them. His torrent of words numbed them, and when the committees were reeling under the verbage and charts and graphs, he would bring on his experts, even the astronauts.

Instead of complaining about going to the Hill for committee after committee and subcommittee after subcommittee of testimony, he bragged that Congress knew everything he knew and the NASA testified 5-6,000 pages worth each session.

But it was in the integral workings of NASA where his strength lay. He was first to arrive, last to leave each day. He peppered every individual on his staff with a dozen memos a day—new ideas, new concepts, new thoughts. The sentences were paragraphs and the paragraphs were pages. His internal intelligence network was astounding.

"I hear there's a problem with the LM guidance system at Bethpage," he'd say—two days before a program review revealed it. While he left the technical decisions in the wisest hands, the program managers came prepared to discuss a technical problem in minute detail. If they fell short under a barrage of questions, there would be no decision until they returned better equipped.

He constantly juggled personnel to get a better mix and to push everyone to his Peter Principle. He fondly called it "planned disequilibrium." He had an uncanny knack for standing back and looking at the big picture—a trite phrase for a Webb strong suit:

"Managing this size program, how can we expand internationally and draw in other partners?

"Managing 35,000 NASA employees, 400,000 in 20,000 companies, how do we pull it together so it will give the country a lasting base in technology?

"In giving facility grants to colleges and universities, let's force the President there to get the philosophers involved or to spend some time looking at local domestic programs.

"Is our patent policy adequate?

"How do we transfer this new technology to the civilian sector?"

There was a constant barrage of ideas. He never took on a problem without coming out with two, three or four options. First, he'd solve the problem and then, like a sensitivity session, everyone had to "learn" from the problem and look at the other options—which were, to Jim Webb, opportunities. Everything was an opportunity.

Webb's relationship to his staff was largely impersonal but not without feeling. At the end of a terrible crisis day it was not unlike him to ask about a sick child—something he had picked up from his intelligence network.

And he never took advantage of the emoluments of the office. When GSA sent brochures over so he could pick the limousine he wanted, he was upset at the high prices and ordered a Checker cab, painted black, which was NASA's official vehicle for nine years.

A typical "Webbism," as his habits were often called, occurred at a conference on the peaceful uses of outer space in Kansas City in the early '60s. Webb arrived at the hotel and found no reservation in his name. The advance people had fouled up and everyone on the NASA staff in attendance, guests, speakers, etc., were comfortably in their rooms. Webb made no scene, did not identify himself, and a staff member found him hours later in a far corner of a first-floor ballroom. There he had pulled some chairs together and stretched out for the night, fully clothed, shoes off, and reading some paperwork. He was finally persuaded to take a quickly discovered room.

Abruptly in 1968, Jim Webb resigned. Most of the major Apollo decisions had been made. There were tough days ahead—Apollo 8 and onward—but brilliant Tom Paine was there. Webb knew Nixon would keep him after the election (or Humphrey if he'd won). But Webb decided the time had come. It was part of his feeling for Washington and NASA and what he felt the country needed. And he knew Paine could do the job and was untouchable. Few agencies had such good men back to back.

Almost shockingly, it was less than a year away from the first manned lunar landing. Had he stuck it out, waited just a while longer, he could have basked in the moment of tremendous glory.

Simply, for Jim Webb, it was time.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE D, 93D CONGRESS, 2D SESSION

Mr. HARRY F. BYRD, JR. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from an amended text to Article VII of the Convention on Facilitation of International Maritime Traffic, 1965—Executive D, 93d Congress, 2d session—transmitted to the Senate today by the President of the United States, and that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore (Mr. ABOUREZK). Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to its acceptance, a copy of an amended text to Article VII of the Convention on Facilitation of International Maritime Traffic, 1965. The amended text was adopted at a brief special conference in London in November 1973 and has been referred to the Contracting Governments for their acceptance. The report of the Department of State concerning the amended text is also transmitted for the information of the Senate.

The purpose of the amended text is to provide a "tacit amendment" procedure for approving changes in the Annex to the Convention. That Annex sets forth the implementing standards and recommended practices for simplifying and making as uniform as possible the documentary and other formalities required of ships on arriving at or clearing ports. These formalities relate to customs, immigration, public health and other requirements imposed on vessels engaged in international voyages.

I recommend that the Senate advise and consent to acceptance of the amended text, which is intended to expedite the making of desirable changes in the agreed formalities.

RICHARD NIXON.

THE WHITE HOUSE, *July 29, 1974.*

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

Mr. ERVIN. Will the Senator withdraw that for just a moment.

Mr. HARRY F. BYRD, JR. Mr. President, I withdraw it.

RESOLUTION AUTHORIZING SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES TO TRANSFER ITS RECORDS TO THE LIBRARY OF CONGRESS

Mr. ERVIN. Mr. President, I send a resolution to the desk and ask that it be considered immediately.

The ACTING PRESIDENT pro temport. The clerk will report the resolution by title.

The second assistant legislative clerk read as follows:

To authorize the Senate Select Committee on Presidential Campaign Activities to transfer its records to the Library of Congress and to authorize the Senate Committee on Rules and Administration to control access to and use of such records after such transfer, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the immediate consideration of the resolution.

Mr. ERVIN. Mr. President, under its present charter, the Senate Select Committee on Presidential Campaign Activities has 90 days after the 28th day of June of this year in which to wind up its affairs. This resolution is proposed with the consent of the committee, and its immediate consideration has been cleared by the leadership on both sides of the aisle.

The purpose of this resolution is to facilitate the winding up of the *affairs* of the Senate Select Committee. The resolution provides that all of the records of the committee shall be transferred to the Library of Congress which shall hold them subject to the control of the Senate Committee on Rules and Administration.

It provides that after these records are transferred to the Library of Congress the Senate Committee on Rules and Administration shall control the access to the records and either by special orders or by general regulations shall make the records available to courts, congressional committees, congressional subcommittees, Federal departments and agencies, and any other persons who may satisfy the Senate Committee on Rules and Administration that they have a legitimate need for the records.

It provides that the records shall be maintained intact and that none of the original records shall be released to any agency or any person.

It provides further that pending the transfer of the records to the Library of Congress and the assumption of such control by the Senate Committee on Rules and Administration, that the Select Committee, acting through its chairman or through its vice chairman, can make these records available to courts or to congressional committees or subcommittees or to other persons showing a legitimate need for them.

I might state this is placed in here because of the fact that we have had many requests from congressional committees for the records. We have had requests from the Special Prosecutor and from the courts.

In view of the fact that the committee is going out of business and, in view of the fact that the Special Prosecutor has requested that he interview certain members of the committee staff with a view to using them as witnesses, and in view of the fact that under the Senate rules it is necessary for persons connected with the committee or the committee staff to have permission from the Senate to testify, this resolution provides that members of the committee and members of the committee staff may testify about the activities whenever they are so required to do so, whenever subpenaed and required by court to do so.

We thought it was necessary to get this blanket authorization in order to avoid having a number of resolutions offered through the Senate on this matter.

I might state in the past the committee has made available some of the records to the House Judiciary Committee, at its request, and to the Special Prosecutor at his request. The resolution also provides that the action of the committee in doing so is ratified by the Senate.

I might state that this matter has not only been cleared by the leadership on both sides of the aisle and by the members of the Senate Select Committee but it has also been cleared with the distinguished junior Senator from Nevada (Mr. CANNON), who is chairman of the Senate Committee on Rules and Administration.

I ask that the Senate approve this resolution.

Mr. HELMS. Mr. President, as the distinguished Senator from North Carolina said, this resolution has been cleared with the minority members of the committee, and there is no objection.

The **ACTING PRESIDENT** pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 369) was agreed to, as follows:

S. RES. 369

Resolution to authorize the Senate Select Committee on Presidential Campaign Activities to transfer its records to the Library of Congress and to authorize the Senate Committee on Rules and Administration to control access to and use of such records after such transfer, and for other purposes

Resolved,

SEC. 1. That the Senate Select Committee on Presidential Campaign Activities, which was created on February 7, 1973, by Senate Resolution 60, and which will expire on the expiration of 90 days next succeeding June 28, 1974, is hereby authorized and directed to transfer its records to the Library of Congress, which is hereby authorized and directed to hold, safeguard, and preserve intact, such records pursuant to orders and regulations of the Senate Committee on Rules and Administration.

SEC. 2. The Senate Committee on Rules and Administration shall exercise exclusive control of access to and the use of such records. The Senate Committee on Rules and Administration is empowered to exercise such exclusive control by specific orders or by general regulations. In exercising such exclusive control, the Senate Committee on Rules and Administration shall make parts of such records or certified copies of the same available to courts, the special prosecutor, congressional committees or subcommittees, federal departments or agencies, or individuals satisfying the Senate Committee on Rules and Adminstration of their legitimate need for parts of such records or certified copies thereof on such conditions as the Senate Committee on Rules and Administration may prescribe. In prescribing such conditions, the Senate Committee on Rules and Administration shall take such steps as it deems appropriate to prevent unwarranted injury to the rights of any persons who may be mentioned in such parts of records or certified copies thereof. The originals of such records shall be preserved intact and no part of such originals shall be canceled or surrendered to any person or agency.

SEC. 3. Pending the transfer of the records of the Senate Select Committee on Presidential Campaign Activities to the Library of Congress, the Senate Select Committee on Presidential Campaign Activities, acting through the agency of its Chairman or Vice Chairman, shall have the authority to make available parts of such records or certified copies thereof on such conditions as it may prescribe to courts, the special prosecutor, congressional committees or subcommittees, federal departments or agencies, or individuals having a legitimate need for the same, and all former acts of the Senate Select Committee on Presidential Campaign Activities in making parts of its records or certified copies thereof available to courts, the special prosecutor, or congressional committees or subcommittees are hereby ratified.

SEC. 4. As used in this Resolution, the records of the Senate Select Committee on Presidential Campaign Activities shall include all correspondence, documents, exhibits, interviews, minutes, paper writings, testimony, or other data assembled or collected by the Senate Select Committee on Presidential Campaign Activities, as well as all computerized information assembled at the instance of the Select Committee.

SEC. 5. The Senate hereby grants to the members of the Senate Select Committee on Presidential Campaign Activities and to the members of the staff of said committee authority to testify before any court of justice in respect to their activities whenever they are subpenaed so to do by such courts of justice.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 10309. An act to amend the Act of June 13, 1933 (Public Law 73–40), concerning safety standards for boilers and pressure vessels, and for other purposes (Rept. No. 93–1034).

By Mr. PASTORE, from the Committee on Commerce, with additional amendments:

S. 1361. A bill for the general revision of the Copyright Law, title 17 of the United States Code, and for other purposes (together with minority and additional views) (Rept. No. 93–1035).

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, without amendment:

H.R. 13264. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities (Rept. No. 93–1036).

By Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, with amendments:

S. 3056. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers (Rept. No. 93–1037).

RUSSIAN GRAIN TRANSACTIONS—REPORT OF A COMMITTEE—REPORT NO. 93–1033

Mr. JACKSON. Mr. President, on behalf of the Senate Committee on Government Operations, I submit a report of its Permanent Subcommittee on Investigations entitled "Russian Grain Transactions."

The **PRESIDING OFFICER** (Mr. HELMS). The report will be received and printed.

Mr. JACKSON. Mr. President, this report covers the subcommittee inquiry into the massive sales of American grain to the Soviet Union in the summer of 1972. The report has the unanimous approval of the subcommittee.

Hearings were held July 20, 23, and 24, 1973, and October 9, 1973. Ten witnesses testified and 32 exhibits were received as evidence. Some 325 pages of testimony and exhibits were reprinted in two subcommittee volumes.

I wish to express my gratitude to Senator PERCY, the ranking minority member of the subcommittee, and other Senators who participated in this inquiry for their cooperation and attention to this important national issue.

As noted in the introduction of the report, in the summer of 1972, the Soviet Union bought more than 700 million bushels of grain from the United States. It was the biggest grain sale in American history. Of the 700 million bushels of grain, nearly 440 million bushels were wheat. This purchase represented 25 percent of the total American wheat crop.

The Soviets, through their overseas trading agency, Exportkhleb, bought the grain from six big grain companies.

The sales were hailed by Federal officials as historic achievements in easing tensions between the United States and Russia, in improving America's balance-of-payments deficits, and in allowing American farmers to profitably and usefully dispose of longstanding agricultural product surpluses.

However, critics said the grain sales depleted American reserves, created farm product shortages, and forced up the price of food for American consumers.

It was also charged that the Department of Agriculture had unnecessarily paid over $300 million in subsidies to support the sales of wheat to the Russians and that, due to poor planning by Government officials, freight terminals, shipping lines, and Gulf State harbors were tied up to handle grain exports to the neglect of other products.

In addition, there was concern about a possible conflict of interest involving the American official who played a major part in establishing the guidelines for the sales with the Russians. This official, Assistant Secretary of Agriculture Clarence Palmby, went to Moscow in April of 1972 as the head of a team to negotiate the grain sales and, in June of 1972, before the negotiations were completed, left the Government to become a vice president of the Continental Grain Co., the firm which went on to sell the Russians the most grain.

To look into the many criticisms of the grain sales, the Senate Permanent Subcommittee on Investigations began an inquiry in the early summer of 1973.

The subcommittee's inquiry showed that the Federal Government failed to properly plan for the grain sales.

The size of the sales came as a surprise to Federal officials. They had not expected the Soviets to buy as much grain as they did.

Accordingly, the massive Russian purchases resulted in shortages in our Nation's grain supplies. These shortages set off shortages in other products. Then, prices rose, inflationary forces were unleashed and imbalances occurred throughout the American food industry.

It is my view that the crisis in the Nation's beef industry has its origins in the Russian grain sales. Uncertainty, fluctuating prices, the high cost of feed grains and speculation in the meat market all got a tremendous impetus as a result of the huge and unanticipated sales of grain to the Russians.

With these factors at work, there was, first, a shortage of meat; then rapidly increasing prices. Finally, the American consumer became accustomed to going without beef. But it all began with the shortages triggered by the Russian grain sales.

The Great American Grain Robbery was born, nurtured, and consummated in a climate of secrecy and bureaucratic negligence.

Somehow, the largest grain sale in American history was kept secret from Secretary of Agriculture Butz who stated that he "did not learn of the dimensions" of the July 5 sale by Continental Grain Co. until September 19, 1972. But Assistant Secretary of Agriculture Carroll G. Brunthaver was uncertain and ambiguous as to when he first learned of the sale in contrast with the testimony of a top Continental official who said that he had informed Assistant Secretary Brunthaver of the proposed sale on July 3 and the consummated sale on July 6.

The Russians and the large grain companies reaped the major benefits from the sales.

In addition, the subcommittee's inquiry has shown the need for a reexamination of the conflict of interest laws. It is shocking that Clarence Palmby, as Assistant Secretary of Agriculture, was negotiating with the Russians on the terms of the grain sale at the same time he was negotiating for a job with a big grain company, a company that went on to sell the Soviets large amounts of grain.

It is just as shocking to find the Secretary of Agriculture, Earl L. Butz, coming before the Investigations Subcommittee and defending Mr. Palmby's behavior. That kind of moral judgment is at a standard far below what the American people are owed by their public servants. By their clouded view of what public service and public trust are about, Mr. Butz and Mr. Palmby have contributed to a lessening of public confidence in the integrity of Government service.

At the conclusion of the hearings, the subcommittee assembled 16 findings and conclusions and 8 recommendations for corrective action, all of which are contained in the report which is being filed today. I ask unanimous consent that the findings, conclusions, and recommendations be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

REPORT

FINDINGS AND CONCLUSIONS

The Subcommittee finds no fault with the decision made by President Nixon to use farm exports as a means to improve relations with the Soviet Union and other nations, offset United States trade imbalances and enhance the financial position of American farmers. These are worthwhile goals. To the extent that they were achieved, the Administration is to be commended.

However, the Subcommittee finds that in implementing programs to carry out the farm export policies, the Federal Government, particularly the Department of Agriculture, failed to operate efficiently; and certain Agriculture Department officials failed to exercise good judgment in performance of their duties.

The large sales of grain to the Russians are an illustration of how, in pursuit of a worthwhile goal, government programs and officials can go astray. At virtually every step, from the initial planning of the sales to the subsidy that helped support them, the grain sales were ineptly managed. The result was public confusion, waste of taxpayers' dollars and higher food prices.

At the heart of the government failures in the grain sales was an attitude of passivity and indifference, an assumption that the Federal role had only to do with promoting the sale of agricultural products. This assumption was wrong. The Federal Government conceived and promoted the idea of increasing trade with the Soviet Union. It was the responsibility of the government, therefore, to see to it that the grain sales were a benefit to the nation as a whole; that the sales had minimum negative impact on the economy; that their effect on the nation's transportation system did not cause disruption of ordinary commerce and that the grain sales did not cause more inflation. The government failed to meet this responsibility. The nation found itself with a shortage of farm products, with freight movements in some sections of the country brought to a virtual standstill, with unprecedented rises in the cost of food and with more inflation. A Federal policy aimed at improving international relations cannot be termed successful if it causes hardship in domestic affairs.

The following findings and conclusions cite specifically where government management and leadership in the grain sales failed.

1. The proposal to sell large amounts of grain to the Soviet Union originated in February of 1972. At its inception all relevant factual data should have been accumulated and the impact on all sectors of the economy should have been studied and evaluated. For this was to be the largest grain sale in American history.

Specifically, current estimates of Soviet production of each type of grain should have been obtained. Studies should have been drawn up as to how much wheat, corn or other grains the Russians would buy depending on Russian needs, on world prices and on the terms to be offered the Russians. There should have been an estimate as to how much money the government would save in domestic subsidy payments and storage costs. Estimates should have been made as to how much the sales would cost the government in export subsidies under various market conditions. There should have been a study as to the effect on transportation systems and on transportation subsidies with the Department of Agriculture, the Department of Transportation, the Interstate Commerce Commission and the Federal Martime Commission pooling their expertise in anticipation of what could only be foreseen as a major problem. There should have been a study as to the effect sales would have on our own domestic economy, specifically as to shortages and prices.

Finally, there should have been some thought as to how the government would be informed in a timely fashion as to what the Russians were actually buying if purchases were made through private channels.

None of the above was done. The government completely overlooked the possibility that a combination of a disaster in the Russian wheat crop, our own export subsidy on wheat and the devaluation of the dollar might make United States wheat an enormously attractive bargain to the point where the Russians might wipe out our reserve stocks.

While Secretary Butz and others involved in the grain sales knew the transactions would affect domestic prices, they tended to minimize this effect and none of them bothered to seek to determine just how great the impact would be.

In any undertaking of this size, it is incumbent on government that it make a thorough examination of all the pertinent factors and then try to prepare for the possibility that something may go wrong, that the unexpected—or the undesired—might happen. This is contingency planning and the government is obliged to practice it in every major endeavor.

It should have occured to Federal officials that, if there was to be no restraints or controls on grain sales to the Soviets, the Russians might want to buy more grain than originally anticipated. And, in the event of that development, the Agriculture Department—or some other agency of government—should have had the foresight to warn that unexpected Russian purchases might have undesired effects on American farm reserves or food prices or transportation systems or all three of these.

In turn, in the event of such a contingency, there should have been a mechanism, set up in advance, that would have, first, detected the increased Soviet demand for grain and, then, second, set in motion a set of controls on their massive purchases.

Instead, no such contingency planning was made. The Russians bought all the grain they desired and no one was willing or able or even inclined to impose any constraints. Proper long-term studies, supported by contingency planning, would have foreseen the potential negative impact of the grain sales and better prepared the nation to avoid or at least lessen the inflation the transaction triggered.

The Subcommittee finds a total lack of planning by the Department of Agriculture prior to the largest grain sale in American history.

The responsibility for providing such advance planning was primarily that of the then Assistant Secretary of Agriculture, Clarence Palmby, and his superior, Secreary Earl Butz. The Subcommittee finds that they failed to provide proper analysis and evaluation of potential problems in the proposed grain sale project.

The Subcommittee finds a lack of coordination between departments, agencies and bureaus which would have lessened the negative impact of these sales.

2. On July 8, 1972, in announcing the grain sales credit agreement with the Soviet Union, Agriculture Secretary Earl Butz conceded that "to be realistic" he had to acknowledge "that any sale of this magnitude was bound to have its impact on the market."

The Subcommittee finds that the sales did have an impact, much greater than Secretary Butz or other government officials anticipated. The grain sales created a shortage in domestic supplies. This shortage drove up the price of bread and flour-based products. More importantly, the shortage resulted in increases in the price of feed grains. These increases meant it became more expensive to feed livestock. Accordingly, these increased expenses were reflected in the nation's grocery stores as consumers paid more—substantially more—for beef, pork, poultry, eggs and dairy products.

3. The record shows that the Agriculture Department received in the winter and spring of 1972 timely and accurate reports from the Agricultural Attaches overseas as to the current status of Soviet grain production. In fact, a special report was requested and submitted July 5, 1972 and this report clearly showed the existence of a huge shortfall in the Russian wheat crop. This report was ignored by the top Agriculture officials who were at the time negotiating the terms of the grain sales agreement with the Russians. It was dismissed as too pessimistic and buried in the files by Agriculture officials who prepared estimates as to potential foreign grain sales for distribution to the American agriculture community.

The Subcommittee concludes that the Agriculture Department failed to recognize and accept the significance of the reports from abroad as to the Russian 1972 grain situation and failed to comprehend the major change taking place in the world grain market.

4. The record shows that the Agriculture Department had spent $4.3 billion over a period of years in subsidizing the export sales of wheat without ever having made a study of the elements involved in the payment of such a subsidy or an evaluation as to its effectiveness. The Agriculture Department never established guidelines or standards setting forth when an export subsidy is necessary; how the subsidy should be calculated and when it should be discontinued.

The Subcommittee finds, therefore that the Agriculture Department has been remiss over the years in continuing to pay the export subsidy without proper justification.

5. There was sufficient evidence in the spring of 1972 to lead American government officials to conclude that the United States was the only wheat producing nation which had sizable quantities of wheat to sell in the world market. For the American farmer, the year 1972 most clearly was going to be a good year for selling wheat overseas as worldwide demand was up and worldwide production was down; down, that is, everywhere but in the United States where crops were abundant and surpluses still large. In this era of a seller's market for the American farmer, then, there was no need in 1972 for a wheat subsidy to make American wheat more competitive in foreign markets. No purpose could be served by subsidizing the price of American wheat in foreign markets when American wheat, to a considerable degree, was predominant in the world market. Yet the subsidy on American wheat, costing the American taxpayer more than $300 million in 1972, was continued.

It was not until August of 1972, when economists outside the Department of Agriculture—primarily economists within the Office of Management and Budget—took a close look at the subsidy and what it was costing the American taxpayer that the wheat subsidy was abruptly ended.

The Subcommittee finds that the wheat subsidy was a waste of valuable Federal dollars and an illustration of how Agriculture Department policy was inadequate, shortsighted and dictated by outmoded principles and philosophies ill-equipped for a changing world.

The Subcommittee finds that the responsibility for this $300 million error in judgment lies first of all with the former Assistant Secretary of Agriculture, Clarence Palmby, who failed to consider the wheat export subsidy in planning for the Russian grain sale and secondly with Assistant Secretary of Agriculture Dr. Carroll Brunthaver who made verbal commitments to the grain export companies in July 1972 that the wheat export subsidy would be continued indefinitely without any consultation or evaluation of the effect of such a commitment. The overall responsibility must, of course, fall on the Secretary of Agriculture Earl Butz who testified that he approved continuation of the subsidy.

6. The Subcommittee adopts the findings of the General Accounting Office that grain exporters had numerous opportunities to make unusual profits on non-Russian grain sales because of higher prices coupled with increased subsidies resulting from the Russian grain sales.

7. The issue of conflict of interest was raised in connection with Clarence Palmby's role in the grain sales. As Assistant Secretary of Agriculture for International Affairs and Commodity Programs, Mr. Palmby was the major representative of the American government in, first, writing the scenario as to how the negotiations should proceed and, second, conducting the initial negotiations with the Russians and clarifying the ground rules. It was Mr. Palmby, for example, who advanced the principle that the Russians buy the grain through private sources. In enforcing this principle, Mr. Palmby negated the Soviet attempts to purchase grain directly from United States Government stocks or from obtaining the grain through a barter system.

While shaping and enforcing American policy on the grain sales, Mr. Palmby was also discussing employment with the Continental Grain Company, the largest grain company in the world. These negotiations resulted in his being given a senior position with Continental, a firm which, under the terms of an agreement structured by Mr. Palmby, went on to sell the USSR some eight million tons of grain in one day. This sale was the largest single grain transaction in history.

Testifying before the Subcommittee, Mr. Palmby denied any conflict of interest or other wrongdoing. Two Justice Department investigations supported Mr. Palmby, exonerating him completely of violation of the conflict of interest and other Federal statutes.

This Subcommittee does not contest the Justice Department's conclusions. But the Subcommittee does find that Mr. Palmby exercised poor judgment; and that, at a minimum, he gave the appearance of an impropriety while insisting there was nothing improper about what he had done. The Subcommittee further finds Mr. Palmby to have set a poor example of how public servants should conduct themselves, especially in a Department where there is frequent movement between that Department and the industry it regulates. By his behavior, Mr. Palmby has contributed to the growing public cynicism about the integrity of government.

8. Dr. Carroll G. Brunthaver, who succeeded Clarence Palmby as Assistant Secretary of Agriculture for International Affairs and Commodity Programs, was uncertain and ambiguous as he testified before the Subcommittee on the questions of when and how he first learned from the Continental Grain Company that the grain sales to the Russians were pending, what the dimensions of the Russians' demands were and, finally, when the sales were completed. Dr. Brunthaver's testimony in this regard conflicted with the testimony of Bernard Steinweg, vice president of Continental. Dr. Brunthaver said that on July 8, 1972, when government officials, including Secretary Butz and himself, took part in the public announcement of the grain agreement that he, Brunthaver did not know that Continental had already sold 8 million tons of grain to the Soviet Union. Mr. Steinweg said that Dr. Brunthaver did know by July 8 of the magnitude of the sales which had already been consummated because he, Steinweg, had told him about the sales. Dr. Steinweg said he told Dr. Brunthaver on July 3 that the Russians wanted to buy 4 to 4.5 million tons of wheat and corn in an amount comparable to feed grains purchased from Continental in 1971 (4.5 million tons of corn were sold on July 5, 1972). He asked Brunthaver if the wheat subsidy would be continued. Mr. Steinweg said Dr. Brunthaver told him later the same day the subsidy would be continued. Then on July 6, Mr. Steinweg recounted, he informed Dr. Brunthaver that the milling wheat sale of 4 million tons had been consummated the day before, July 5. Dr. Brunthaver told Senators that he did not remember Mr. Steinweg informing him of the sale and doubted that it had occurred. Dr. Brunthaver never did tell Senators when it was that he, in fact, did learn that the grain sales of July 5 had taken place. But, in an October 2, 1973 letter to Senator Jackson, Agriculture Secretary Earl Butz said that he and Brunthaver "did not learn of the dimensions" of the July 5 sale by Continental until September 19, 1972.

The record contains documentation to corroborate the testimony of Mr. Steinweg that a meeting in Dr. Brunthaver's office on July 3, 1972 did take place and that phone calls between Dr. Brunthaver in Washington and Mr. Steinweg in New York City did take place on July 3, July 5 and July 6, 1972.

The Subcommittee finds that Dr. Brunthaver, if he did not know of the July 5 sales by July 8, should have known about them. As the senior American official involved in the negotiation of the trade agreement with the Soviets, he should have made it his business to find out what progress the sales were making, when they were completed and what were their dimensions. Further, when Dr. Brunthaver made verbal commitments to the grain companies, including Continental, to continue the wheat export subsidy, he had an obligation to inquire into the dimensions of these sales before making such a commitment which ultimately cost the American taxpayers millions of dollars.

Chairman Jackson in his letter of October 31, 1973, requested the Justice Department to review the transcript of the testimony of Mr. Steinweg and Dr. Brunthaver. The Justice Department replied that their review led to a conclusion that the information was insufficient to warrant further investigation or prosecution.

The Subcommittee makes no finding in

connection with the conflict of testimony between Mr. Steinweg and Dr. Brunthaver.

9. The Subcommittee finds that the heavy movement of grain to port cities, particularly in the Gulf states, for export to Russia caused a serious disruption in the nation's freight transportation system and increased the national cost of the sales. The Subcommittee also finds that other vital commodities were delayed in transit or were unable to be shipped at all. Finally, the Subcommittee finds that improved coordination among Federal agencies and between Federal, State and local jurisdictions would have resulted in more efficient shipment of the grain.

10. During the investigation by the Subcommittee staff, it was learned that the government and specifically the Department of Agriculture had no means to inform itself in an accurate and timely fashion as to quantity of grain sales to foreign buyers which could assist in an assessment of such sales, domestic supplies and domestic prices. It should have been obvious to the Agriculture Department that although the United States had large surpluses of agriculural commodities, the time would come when foreign buyers, due to a combination of rising prosperity in their own countries and the devaluation of the dollar would be in a position to buy more of U.S. agricultural products than this nation could afford to sell.

The Subcommittee finds that the Agriculture Department failed to recognize and provide for this contingency. Specifically, the Subcommittee finds that the Agriculture Department failed to initiate even a rudimentary reporting system for grain exports.

11. Allegations were made that the grain companies might have had advance knowledge of the Russians' intentions to buy grain from the United States and that these companies might have used such inside information to purchase cash grain or futures contracts in advance to achieve windfall profits.

The Subcommittee finds that the record does not reveal that anyone, either in the grain companies or in the government service, had any advance notice as to the Russians' intentions and hence capitalized on inside information.

12. Allegations were made that it was possible the Russians themselves or agents representing them might have purchased futures contracts for grain in advance of their contracts to buy cash grain from the export contracts in order to acheive windfall profits on an anticipated price increase.

The Subcommittee finds that there is no evidence in the record indicating that any such transactions occurred.

13. The Subcommittee studied allegations that in August 1972, following the execution of the sales contracts to the Russians, certain grain companies might have manipulated the closing price for wheat on the Kansas City Board of Trade in order to cause an increase in the wheat export subsidy. The wheat export subsidy was revised daily based on the Kansas City closing price.

The Commodity Exchange Authority, a branch of the Department of Agriculture, has the responsibility for monitoring the trading in futures contracts in certain commodities, including grain, on the registered commodity markets including the Kansas City Board.

The Commodity Exchange Authority under Alex Caldwell, Administrator, conducted an extensive investigation into these allegations. The Subcommittee staff examined the CEA report and work papers, interviewed the CEA personnel who conducted the investigation and made some independent inquiries.

Administrator Caldwell testified before the Subcommittee and said that CEA, after receiving a report from the Kansas City Board of Trade that no manipulation had occurred, ran its own investigation. Mr. Caldwell testified that the report of investigation had been referred to the Department of Justice indicating that there had been manipulations even though the CEA's Regional Office found there was insufficient evidence to substantiate such charges of manipulation. No disposition has been made by Justice to date.

The Subcommittee finds that the Commodity Exchange Authority has in the past leaned heavily on self-regulation by the commodity exchanges themselves to prevent abuses in futures trading, a practice which Chairman Jackson characterized as "fox in the chicken coop" regulation. Furthermore, the Subcommittee finds that the CEA staff is far too small in numbers to provide adequate monitoring and supervision of the activities in all the registered commodities markets.

Next, the Subcommittee finds that the investigation by CEA was misdirected and therefore unproductive because, due to a lack of understanding as to how the closing prices, the publication of the wheat export subsidy rate and actual registration for the subsidy were interrelated, the CEA concentrated its investigation of specific trades on the wrong days. The CEA should have informed itself thoroughly as to how subsidy registration took place before initiating an investigation in which it invested 1900 man hours.

The Subcommittee finds that poor record keeping practices in the Kansas City Board of Trade made it impossible to determine exactly when orders to buy and sell were placed and executed. This, of course, made it impossible to determine whether these orders affected the closing price. The detection and prevention of such record keeping deficiencies is the responsibility of the Commodity Exchange Authority and the Subcommittee finds that CEA was derelict in its oversight responsibilities.

14. The record reflects that certain reports required by CEA from the grain companies contained incorrect information. Reports submitted by four of the six companies selling grain to the Russians understated sales commitments. These reports were used by CEA to determine whether the futures holdings of the grain companies exceeded speculative limits set by CEA.

In September 1972, the CEA first learned that these reports contained incorrect sales figures and CEA commenced an investigation. On March 8, 1973, Secretary Butz announced publicly that all the grain companies had been cleared by the Justice Department of any fraud in connection with the Russian grain sales. On June 15, 1973, the Subcommittee asked to review the reports in question as a routine investigative step, not knowing that they contained incorrect information or that CEA had made an investigation.

Before the reports were made available, the Agriculture Department on June 27, 1973 filed a complaint in an administrative proceeding charging Continental Grain Company with "willful" violations of the Commodity Exchange Act.

The CEA went ahead to file an administrative complaint on August 8, 1973, charging the Louis Dreyfus Corporation with "willful" violations of the Act. However, CEA entered into a stipulation without penalty with the Garnac Company whereby Garnac agreed to cease and desist from submitting erroneous reports in the future. As to the Bunge Corporation, CEA was content with writing this firm a critical letter. This was in spite of the fact that the reporting errors of the four companies were all substantially of the same type.

The Subcommittee finds no basis in the record for different treatment of the companies involved but does not make a finding as to what an appropriate disposition should be.

15. Farmers in Texas, Oklahoma, Kansas, Illinois and Missouri sold wheat in July 1972 for as low as $1.38 a bushel.

The Subcommittee finds that if the Government had knowledge of the massive grain sales in early July and failed to transmit such knowledge to the farmers, it failed completely in its oversight responsibilities.

16. The record shows that over the years more than $4 billion has been spent on wheat export subsidies without any record of studies, evaluations, consultations, conferences, etc., on the necessity for invoking the subsidy or the advisability of discontinuing it.

There is no record of any meeting or conference on the submittal of alternatives concerning the terms to be offered in the proposed Russian grain sales early in 1972.

There is no record whatsoever as to the details of the negotiations with the Russians on terms of the Sales Agreement announced July 8, 1972 although top officials of the Agriculture and Commerce Department met behind closed doors in Washington, D.C., with the Russians for more than a week prior to that date.

The Assistant Secretary of Agriculture, Dr. Carroll Brunthaver, made no record of his meetings and telephone conversations in July 1972 with representatives of Continental Grain Company and other companies wherein he gave them commitments that the wheat export subsidy would be continued, a decision that cost the government over $300 million.

During August 1972, a series of meetings was held between Agriculture, the Office of Management and Budget and economic experts of the Administration to consider whether the wheat export subsidy should be discontinued. None of these meetings was documented nor is there any documentation as to how Agriculture finally arrived at the details including the final subsidy rates which it used to terminate the subsidy.

These findings have a familiar ring. This Subcommittee, ten years ago, in a report on its hearings on the Department of Agriculture Handling of Pooled Cotton Allotments of Billie Sol Estes found:

> The testimony established that it was not the practice in the Department of Agriculture to record the nature of deliberations or decisions reached at meetings and conferences held within the Department.
>
> * * * * *
>
> Out of the testimony concerning records, the subcommittee draws the conclusion that (1) significant meetings were held about Estes and certainly other matters also concerning which no record was made and (2) many of the records which do exist are unavailable for operations because of haphazard handling and filing.

The Subcommittee finds again that officials of the Department of Agriculture failed to document critical meetings and decisions involving millions of taxpayers' dollars.

RECOMMENDATIONS

1. The Subcommittee recommends that legislation be enacted requiring that the imposition of an export subsidy on any agricultural commodity must be through an Executive Order published by the President of the United States and that before such Executive Order is made, the Agriculture Department shall hold a public hearing in which all information for and against such subsidy can be presented.

2. The Subcommittee recommends that before the reinstituting of any subsidy system, the entire mechanism should be thoroughly reviewed so that it is responsive to the objective of making United States farm products competitive in the world market and not used for profit or speculative purposes. Specifically, the Subcommittee finds that an examination should be made as to whether, as was true in the system in effect during the Russian grain deal, subsidy registrations should be permitted prior to actual sales being made and whether there

should be a long, open-ended period during which actual sales may be registered.

3. The Subcommittee recommends that the Comptroller General submit an annual report to the Congress on each agricultural commodity export subsidy involved in the future, reporting how much was spent and giving an evaluation as to whether it should be continued.

4. The Subcommittee finds that the actions of the Commodity Exchange Authority as they pertained to aspects of the Russian wheat transaction were weak, inconsistent and ineffective. The Subcommittee is aware that legislation is pending to reorganize the Commodity Exchange Authority, to increase its personnel strength and its authority and to make it generally more effective in monitoring the activities of registered commodity exchanges. The Subcommittee wholeheartedly endorses the intent of such legislation and believes that the regulation of such commodity exchanges could be accomplished more effectively by an agency completely independent of the Agriculture Department and headed by a Commodity Exchange Commission similar to the Securities Exchange Commission.

5. The Subcommittee recommends that the Comptroller General make a detailed review of the reporting system which has recently been placed into operation to determine the outstanding export sales commitments of commodities in relation to existing stocks. Since this system is new, it can be expected to have some operational difficulties and the Comptroller General should examine and report promptly to assure that the vital information to be provided by the system is complete, accurate and timely. The Subcommittee strongly recommends a continuation and refinement of the reporting system.

6. The Subcommittee feels strongly that decisions which affect millions of taxpayers' dollars should be well documented. Therefore, the Subcommittee recommends to the Department of Agriculture that internal directives be issued to appropriate officials requiring full and complete documentation be made of decisions and commitments of the magnitude studied in this case.

7. Conflicting goals of American foreign, agricultural, transnortation, economic and social policies should be rationally reconciled at the outset of trade negotiations rather than—as anpears to have been the case in the Russian Grain transactions—permitting one set of priorities to predominate without adequate consideration of other priorities and policies.

The Subcommittee, therefore, recommends that a high-ranking government official with an overview and understanding of the overall economic impact of large commodity export transactions, such as the President's Special Representative for Trade Negotiations, be charged with the responsibility for coordinating Federal participation and oversight in such large transactions in the future. Such an official would have the authority to command the cooperation of officials in all relevant government departments and agencies.

It is further recommended that, in future large agricultural sales, such an individual would head a task force comprised of representatives of all government departments, bureaus and agencies which regulate important elements of the nation's economy. Such a task force would plan for the sales and draw up the kind of contingency plans required to safeguard the nation against unexpected and undesired developments.

8. The Subcommittee recommends that the U.S. Agriculture Department, in conjunction with the Council of Economic Advisers, prepare and submit to the Congress by June 1, 1975, five-year projections of United States demand and supply of all grains. These reports should be revised annually. They would be designed to alert government officials, corporate firms, and private citizens alike to projected domestic needs and to enable the Federal Government to plan a rational agricultural policy. Production of grains could then more closely reflect domestic and foreign demand as well as the need for disaster relief surpluses.

ORDER FOR DOUBLE-STAR PRINT OF REPORT (NO. 93–1024) ON EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974

Mr. STEVENSON. Mr. President, I ask unanimous consent that the report (No. 93–1024) of the Committee on Banking, Housing and Urban Affairs on the Export Administration Act Amendments of 1974 be reprinted to eliminate some typographical errors.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. LONG:

S. 3822. A bill to impose a 100-percent tax on interest received at an annual rate in excess of 10 percent; and

S. 3823. A bill to permit the Governor of Louisiana to set aside up to 10 percent of the payments received by the State government under the State and Local Fiscal Assistance Act of 1972 for use solely for local law enforcement purposes. Referred to the Committee on Finance.

By Mr. CHILES:

S. 3824. A bill to amend section 8e of the Agricultural Adjustment Act of 1953, as reenacted and amended by the Agriculture Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes. Referred to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON (for himself, Mr. Pastore, Mr. Cotton, and Mr. Baker) (by request):

S. 3825. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes. Referred to the Committee on Commerce.

By Mr. MATHIAS (for himself and Mr. Beall):

S. 3826. A bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual. Referred to the Committee on Finance.

By Mr. KENNEDY:

S. 3827. A bill to provide for the adjustment of status of certain aliens under the Immigration and Nationality Act, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES:

S. 3824. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes. Referred to the Committee on Agriculture and Forestry.

Mr. CHILES. Mr. President, I introduce today an amendment to section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937. At present, section 8e subjects tomatoes and certain other fresh fruits and vegetables to the same or comparable grade, size, quality or maturity marketing restrictions imposed by a Federal marketing order on the shipment of domestically produced commodities. This section of the act was originally sponsored by the late Senator Spessard Holland of Florida and was intended to require that all restrictions imposed by marketing order on the handling of domestically grown agricultural commodities should equally apply to imported commodities.

The amendment I am proposing to cover restrictions imposed by marketing order on the pack of the container in which domestically produced tomatoes are marketed is necessary, in view of the fact that the Secretary of Agriculture interprets the present section 8e as not authorizing the application to imported tomatoes of "pack" restrictions that are imposed by Federal marketing order on shipments of tomatoes grown in the United States.

The interpretation which the Secretary has placed upon section 8e has resulted in the issuance of regulations which allow foreign shippers to ship in a single container tomatoes of varied size, grades and maturities; a practice which is forbidden domestic growers. The fact of this unequal treatment of foreign and domestic growers is of course detrimental to the U.S. grower and disruptive of the tomato market. Further, the failure to apply equal "pack" restrictions on foreign tomatoes counters the policy of Congress, as provided in section 8e, to establish orderly marketing procedures.

Mr. President, at this point in my remarks I ask unanimous consent that the text of the bill I am introducing be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended in the first sentence (1) by inserting after "eggplants" a comma and the following: "or regulating the pack of any container of tomatoes" and (2) by inserting a comma and "and in the case of tomatoes any provisions regulating the pack of any container," after "provisions" wherever it appears, and in the fourth sentence by inserting a comma and "and with respect to imported tomatoes such restrictions on the pack of any container," after "classifications".

By Mr. MAGNUSON (for himself, Mr. Pastore, Mr. Cotton, and Mr. Baker) (by request):

S. 3825. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, since the enactment of the Public Broadcasting Act of 1967, the Senate Commerce Committee has awaited the submission of the long-range funding legislation that was to give the necessary stability to develop the full potential of public broadcasting. In spite of the study after study, and recommendation after recommendation, this long-range legislation had not been submitted to Congress.

Early this year there appeared to be signs that such legislation would be forthcoming. However, about 2 months ago the general press reported that such a plan would be rejected by the President.

I became concerned and wrote to the President on June 25, 1974, and asked the President if he was going to submit the legislation. If not, to notify me within 30 days so I could take appropriate steps. I ask that a copy of my letter be made part of the Record at this time.

I am therefore pleased, along with my colleagues, Senater Pastore, Senator Cotton, and Senator Baker, to introduce long-range funding legislation submitted by the President last week.

In view of the lateness of the session, the committee intends to move expeditiously with the hope that the legislation will be enacted in this Congress.

I also ask unanimous consent that the various explanations submitted with the bill together with the bill itself be printed in the Record at this point.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Public Broadcasting Financing Act of 1974."

Section 1. Subsection 396(k) of the Communications Act of 1934 is amended by inserting, after paragraph (2), the following paragraphs:

"(3) There is hereby established in the Treasury a fund which shall be known as the 'Public Broadcasting Fund,' administered by the Secretary of the Treasury. There are authorized to be appropriated to said fund for each of the fiscal years during the period beginning July 1, 1975, and ending June 30, 1980, an amount equal to 40 per centum of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year; *Provided, however,* that the amount so appropriated shall not exceed $70,000,000 for the fiscal year ending June 30, 1976; $80,000,000 for the fiscal year ending June 30, 1977; $90,000,000 for the fiscal year ending June 30, 1978; $95,000,000 for the fiscal year ending June 30, 1979; and $100,000,000 for the fiscal year ending June 30, 1980.

"(4) There are hereby appropriated to the public broadcasting fund, out of any moneys in the Treasury not otherwise appropriated, for each of the fiscal years during the period beginning July 1, 1975, and ending June 30, 1980, such amounts as are authorized to be appropriated by paragraph (3) of this subsection, which shall remain available until expended. Such funds shall be used solely for the expenses of the Corporation. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse from the public broadcasting fund to the Corporation the amount appropriated to the fund for such fiscal year pursuant to the provisions of this subsection.

"(5) The Corporation shall reserve for distribution among the licensees and permittees of noncommercial educational broadcast stations that are on-the-air an amount equal to not less than 40 per centum of the funds disbursed to the Corporation from the public broadcasting fund in each fiscal year in which the amount disbursed is $70,000,000 or more but less than $90,000,000; not less than 45 per centum in each fical year in which the amount disbursed is $90,000,000 or more but less than $100,000,000; and not less than 50 per centum in each fiscal year in which the amount disbursed is $100,000,000.

"(6) The Corporation shall, after consultation with licensees and permittees of noncommercial educational broadcast stations that are on-the-air, establish, and review annually, criteria and conditions regarding the distribution of funds reserved pursuant to paragraph (5) of this subsection, as set forth below:

(A) The total amount of funds shall be divided into two portions, one to be distributed among radio stations, and one to be distributed among television stations. The Corporation shall make a basic grant from the portion reserved for television stations to each licensee and permittee of a noncommercial educational television station that is on-the-air. The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in noncommercial educational broadcasting, and on the basis of a formula designed to:

(i) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve;

(ii) maintain existing, and stimulate new, sources of non-Federal financial support for stations by providing incentives for increases in such support; and

(iii) assure that each eligible licensee and permittee of a non-commercial educational radio station receives a basic grant.

(B) No distribution of funds pursuant to this subsection shall exceed, in any fiscal year, one-half of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which such distribution is made.

"(7) Funds distributed pursuant to this subsection may be used at the discretion of stations for purposes related to the provision of educational television and radio programming, including but not limited to: producing, acquiring, broadcasting or otherwise disseminating educational television or radio programs; procuring national or regional program distribution services that make educational television or radio programs available for the broadcast or other dissemination at times chosen by stations; acquiring, replacing, and maintaining facilities, and real property used with facilities, for the production, broadcast or other dissemination of educational television and radio programs; developing and using non-broadcast communications technologies for educational television or radio programming purposes.

Sec. 2. Subsection 396(g)(2)(H) of the Communications Act of 1934 is amended by deleting the period after the word "broadcasting" and inserting the following: "and the use of non-broadcast communications technologies for the dissemination of educational television or radio programs."

Sec. 3. Subsection 396(i) of the Communications Act of 1934 is amended by inserting after the word "appropriate" the following sentence: "The officers and directors of the Corporation shall be available to testify annually before appropriate Committees of the Congress with respect to such report and with respect to the report of any audit made by the Comptroller General pursuant to subsection 396(*l*)."

Sec. 4. Section 397 of the Communications Act of 1934 is amended by inserting, after paragraph (9), the following paragraphs:

"(10) The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (except for personal services of volunteers) received—

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations, or for the production, acquisition, distribution, or dissemination of educational television or radio programs, and related activities, from any source other than (i) the United States or any agency or establishment thereof, or (ii) any public broadcasting entity; or

"(B) as gifts, grants, donations, contributions, or payments from any State, any agency or political subdivision of a State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or radio programs, or payments in exchange for services or materials respecting the provision of educational or instructional television or radio programs.

"(11) The term 'public broadcasting entity' means the Corporation, any licensee or permittee of a noncommercial educational broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution, or dissemination of educational television and radio programs."

Office of Telecommunication
Policy,
Washington, D.C. July 16, 1974.
The Vice President,
U.S. Senate,

Dear Mr. Vice President: In enacting the Public Broadcasting Act of 1967, the Congress declared that the development of educational broadcasting was an important and appropriate concern of the Federal Government. The Act authorized the creation of the Corporation for Public Broadcasting as a private, non-profit corportion for the purpose of facilitating the development of a system of noncommercial educational broadcasting that would be characterized by programming of diversity and excellence and to insulate programming from any extraneous interference or control that might derive from Federal financing. In addition, the Act stressed the preeminent role of local stations not only in serving the educational needs of their communities, but also in the nationwide structure of a public broadcast system built upon the principle of localism.

In order to strengthen that structure and enhance the concept of localism, I am submitting herewith for the consideration of the Congress a proposed revision of Section 396 and 397 of the Communications Act of 1934 pertaining to the Federal financing of the Corportion for Public Broadcasting and the entire educational broadcast system. The bill would create a five-year Federal financing plan for the Corportion, and would assure that a reasonable portion of Federal funds is distributed directly to local stations. Finally, the bill would expand the scope of the Public Broadcasting Act of 1967 to include the development and use of non-broadcast communications technologies for dissemination of educational radio and television programming.

BACKGROUND

The establishment of a source of funding to provide long-term, insulated financing has long been seen as an essential goal if public broadcasting is to fulfill its potential of offering diverse and excellent educational radio and television programming, free of governmental influences. Even before the enactment of the Public Broadcasting Act of 1967, the Carnegie Commission on Educational Television, in recognition of the uniquely sensitive relationship between program content and Federal funding, recommended a plan of permanent financing that would insulate the Corporation and public broadcasting from possible pressures that might nautrally result from the annual budgeting and appropriations process.

Since 1967, however, the Congress has quite properly chosen not to institute a long-range funding plan, in view of questions regarding the structure of the public broadcasting system and the policies of the Corporation and the Public Broadcasting Service (PBS). Now, many of these questions have been resolved. Public broadcasting is making important contributions to the nation's life by providing educational and cultural programs of diversity and excellence. The important role of local stations in the heirarchy of the system has been acknowledged in principles and policies adopted by the Corporation and the other national entities that represent local stations.

INSULATED FUNDING

The time has come therefore, to affirm the Federal commitment to the principle of public broadcasting with a long-term financing plan that acknowledges its progress and recognizes its potential. The bill the Administration submits today provides for a five-year authorization and appropriation covering fiscal years 1976 through 1980, building upon the current year authorization and appropriation, which continue the increases in funding for the Corporation over the past five years. This multi-year appropriation provision will minimize the possibility of any government scrutiny of or influence on programming that might occur in the course of the usual annual budgetary, authorization and appropriation process. In addition, it will enable the Corporation and local stations to undertake advance program planning with assurance as to the level of Federal funding available in the foreseeable future.

The authorization and appropriation of funds for the Corporation would be based upon matching fund principles that have worked successfully in providing both private foundation and government funds to public broadcasting in the past. There would be a 40 percent Federal match of the entire public broadcasting system's non-Federal income, so that $1.00 in Federal funds would be appropriated for every $2.50 received by the Corporation, stations and other public broadcasting entities in the form of private contributions and State and local government support. The matching formula would establish a Federal commitment to provide substantial support to the public broadcasting system while providing an incentive for encouraging continued and increased non-Federal support. The matching principle also assures that Federal assistance does not become a dominant force in the system; a risk that no one in public broadcasting or government is prepared to take.

As an additional safeguard in this regard, the bill imposes ceilings on the permissible appropriation for each fiscal year, beginning at $70 million in fiscal year 1976 and reaching $100 million in fiscal year 1980. In view of the system's growth and development in recent years, these ceilings are sufficiently high to permit continued growth and still offer the system a meaningful incentive to increase non-Federal financial support in view of the record of non-Federal contributions in recent years. At the same time, the ceilings comport with sound fiscal policy in light of the fact that this would be the Congress' first venture into multi-year appropriations for public broadcasting.

Moreover, the Corporation would remain fully accountable to the public and to the Congress for its use of public funds, in that the bill requires that officials of the Corporation make themselves available for annual oversight hearings before appropriate congressional committees. Several existing provisions in the Public Broadcasting Act also assure continued public accountability. For example, the General Accounting Office is authorized to audit the books of the Corporation, as well as the records of any recipient of a grant from the Corporation; directors of the Corporation are subject to confirmation by the Senate; and the ultimate safeguard, of course, is the congressional prerogative to amend the funding provisions of the Act at any time.

LOCAL STATION SUPPORT

The Public Broadcasting Act of 1967 emphasized the autonomy and independence of local non-commercial educational broadcast stations. This bill enhances that commitment to localism by assuring that a reasonable portion of each annual Federal appropriation to the Corporation would be earmarked for distribution to local educational broadcast stations. At an appropriation level of $70 million, the Corporation would be required to distribute no less than 40 percent of the total amount paid in any fiscal year from the Public Broadcasting Fund to the Corporation. The amount to be distributed to stations would increase to 50 percent at the $100 million appropriation level. It should be noted that the Corporation has already committed itself, in agreement with representatives of local television stations, to distribute greater amounts of its appropriation to local television stations, up to the $80 million level of appropriations.

The bill provides that all licensees and permitees of on-the-air non-commercial educational television stations would share equally in a basic grant, the amount of which would be determined by the Corporation in consultation with stations. A somewhat different distribution mechanism would be established for non-commercial educational radio stations. Many such stations are licensed to educational institutions for purposes of training students in broadcasting, and do not render a service to the general public. Accordingly, the bill provides that only those radio stations that are eligible under public interest criteria established by the Corporation would receive financial assistance, although each such eligible station would receive a basic grant.

Grants in excess of the basic amount would be distributed among television stations, and all grants would be distributed among radio stations, under eligibility criteria established by the Corporation in consultation with stations. At present, the Corporation determines local station eligibility to receive similar grants on the basis of factors such as hours of operation, staffing levels and operating budgets. We contemplate that such eligibility standards would continue to be used.

The additional grants would be apportioned among eligible recipients according to a formula designed to (a) stimulate non-Federal financial support and (b) provide for the financial needs of stations in relation to the communities and audiences they undertake to serve. The bill does not prescribe a precise formula, but rather sets forth the two objectives that the formula is to achieve. The precise details of the formula, as well as the respective weights assigend to the two objectives, would also be determined by the Corporation in consultation with stations in much the same way that the Corporation presently administers the formula used for distribution of operating fund grants, known as Community Service Grants, to local radio and TV stations.

In accordance with the first objective, the formula would provide incentives for stations to increase their non-Federal income. Matching grants might be awarded for increases in non-Federal support, or grants might be distributed on the basis of each station's proportionate share of the non-Federal income of all stations. Stations might also be rewarded for increasing the proportion of viewers or listeners subscribing to the stations, in relation to total potential viewership or listenership.

The second factor in the formula is intended to assure that the distribution of public funds to stations bears a direct relationship to the public service rendered by stations. It is intended to encompass both actual and potential service. Thus, the fact that stations in larger markets are generally capable of providing service to more members of the public than a station in a smaller market should be reflected in the formula. Similarly, the extent to which a station's program service actually reaches the public over the course of a year should also be taken into account.

It should be apparent from this discussion that the bill assures that licensees and permittees of local stations would play a substantial role in the decision-making processes regarding the distribution of Federal funds to stations. The Corporation would be required to consult with licensees and permittees, including their authorized representatives, in apportioning the funds between radio and television, determining the amount of the basic grant to stations, establishing eligibility criteria for radio stations and for distribution of grants to television stations in excess of basic grants, and establishing the formula for apportioning funds among stations.

Licensees and permittees may use these funds for any educational radio or television programming purpose (includiding payment of dues or assessments to membership organizations who represent the interests of stations), the purchase, acquisition or maintenance of broadcast facilities and real property used with such facilities, and the procurement of regional or national program distribution services, that make programs available for broadcast at times chosen by the stations. Existing provisions of the Public Broadcasting Act of 1967 would require stations to keep records regarding the application of these funds, and would permit the Corporation and the General Accounting Office to audit and examine such records.

NEW TECHNOLOGY

In addition to providing for the long-term financing of the Corporation and the entire public broadcast system, the bill would update the Public Broadcasting Act of 1967 by including within its scope new technologies, such as cable and communications satellites, which may provide additional methods for disseminating educational radio and television programming to the public. The bill would permit stations to use the Federal funds distributed to them by the Corporation for the development of non-broadcast technologies and would also authorize the Corporation to conduct research, demonstrations or training in the use of such technologies for disseminating educational programming.

The Office of Management and Budget advises that the enactment of the proposed legislation would be in accord with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

CLAY T. WHITEHEAD.

PUBLIC BROADCASTING FINANCING ACT OF 1974

SUMMARY AND SECTIONAL ANALYSIS

This bill has three principal purposes relating to the Corporation for Public Broadcasting and the system of non-commercial educational radio and television stations:

(1) to provide long-term Federal financing for the Corporation for Public Broadcasting by means of a five-year authorization and appropriation;

(2) to assure that a reasonable portion of Federal funds is distributed directly to local non-commercial educational broadcast stations; and

(3) to expand the scope of the Public Broadcasting Act of 1967 to include the development and use of non-broadcast communications technologies for the distribution and dissemination of educational radio and television programming.

SECTION-BY-SECTION ANALYSIS

Section 1. Subsection 396(k) is amended to establish a five-year Federal financing plan for the Corporation for Public Broadcasting and to assure that a reasonable portion of the funds appropriated to the Corporation is distributed directly to local stations.

Paragraph (3) of Subsection 396(k) would establish a "Public Broadcasting Fund" in the Treasury, to which there would be authorized for appropriation, for fiscal years 1976–1980, amounts equal to 40 percent of the total non-Federal financial support received by public broadcasting entities during each second-preceding fiscal year. A one-year time lag is necessary to accumulate the information for determining the amount on which the 40 percent match would be based. The appropriation for each fiscal year could not, however, exceed the following ceilings: $70 million in fiscal year 1976; $80 million in fiscal year 1977; $90 million in fiscal year 1978; $95 million in fiscal year 1979; and $100 million in fiscal year 1980.

Paragraph (4) would appropriate to the Public Broadcasting Fund the amounts authorized by paragraph (3). Amounts appropriated to the Fund would remain available until expended. This paragraph also sets forth the procedure whereby the amounts appropriated each year would be disbursed from the Public Broadcasting Fund to the Corporation, and requires that the funds be used solely for the expenses of the Corporation.

The Corporation would be required to determine the amount of non-Federal financial support received by public broadcasting entities during each second preceding year, and to certify that amount to the Secretary of the Treasury. The Secretary, upon receipt of such certification, would pay from the Fund to the Corporation the amount of the appropriation, *i.e.*, 40 percent of the certified non-Federal income or the statutory ceiling, whichever is less.

Paragraph (5) would require the Corporation to set aside a specified percentage of the appropriated funds for distribution to on-the-air non-commercial educational broadcast stations. The statutory percentage for distribution to stations would be 40 percent at an appropriation level of $70 million or more but less than $90 million; 45 percent at an appropriation level of $90 million or more but less than $100 million; and 50 percent at an appropriation level of $100 million. The statutory percentage is expressed as a minimum, so that the Corporation could reserve a greater amount than that specified in the bill.

Paragraph (6) sets forth the method for distributing the funds reserved pursuant to paragraph (5). The Corporation would be required to establish, and review annually, after consultation with the licensees and permittees of on-the-air educational stations, criteria and condition for the distribution of these funds. In each fiscal year, the portions, one to be distributed to television stations and one to be distributed to radio stations. Each licensee or permittee of an on-the-air educational television station would receive a basic grant from the portion reserved for television. The amount of this basic grant would be the same for each station, and would be determined annually by the Corporation in consultation with stations. The balance of the amount reserved for television stations would be distributed among licensees and permittees of such stations as are eligible to receive additional grants under criteria established by the Corporation in consultation with stations. These additional grants would be apportioned among eligible stations on the basis of a formula designed to (a) provide for the financial needs of stations in relation to the communities and audiences they undertake to serve and (b) stimulate non-Federal financial support for station activities. The bill does not prescribe a precise formula for the distribution of additional grants, but rather states these two objectives that the formula is to achieve. The details of the formula, as well as the weight assigned to each factor, would be determined by the Corporation in consultation with stations.

A somewhat different distribution mechanism is established for non-commercial educational radio stations. Many such stations are licensed to educational institutions for purposes of training students in broadcasting and do not render a direct service to the general public. Accordingly, only those stations that are eligible according to public interest criteria established by the Corporation would receive grants from the portion of funds reserved for distribution to radio stations. The bill does provide, however, that each such eligible radio station would receive a basic grant. As with television stations, funds in addition to the basic grant would be distributed to eligible radio stations according to a formula that would stimulate non-Federal income and reflect the needs of stations in relation to the audiences they serve.

The bill assures that licensees and permittees of stations would play a significant role in the decision-making processes relating to distribution of funds to stations. The Corporation would be required to consult with licensees and permittees (including their authorized representatives) in (a) apportioning the funds between radio and television, (b) determining the amount of the basic grant to stations, (c) establishing eligibility criteria for radio stations and for additional grants to television stations, and (d) establishing the formula for apportioning additional grants among stations, including the weight to be assigned to the statutory objectives of stimulating non-Federal income and reflecting the needs of stations in relation to the audiences they serve.

In order to assure that Federal funds do not become a dominant factor in the financing of stations, this paragraph also provides that the funds distributed according to this subsection may not exceed, in any fiscal year, one-half of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which the distribution is made. This limitation would not apply to grants made by the Corporation under developmental programs designed to meet special needs of particular stations.

Paragraph (7) provides that the funds distributed for stations may be used at their discretion for purposes related to the provision of non-commercial educational television and radio programming. Several examples of such purposes are set forth, including: producing, broadcasting or otherwise disseminating educational television or radio programs; procuring national or regional program distribution services that make educational television or radio programs available for broadcast or other dissemination at times chosen by stations; acquiring, replacing, and maintaining facilities, and real property used with facilities, for the production, broadcast or other dissemination of educational television and radio programs; developing and using non-broadcast communications technologies (such as cable television and communications satellites) for educational television or radio programming purposes.

This list of purposes for which funds may be used by stations is not meant to be exhaustive. For example, although not specifically mentioned, it is intended that these funds could be used for the payment of dues or assessments to organizations which represent the interests of stations. One purpose for listing several typical uses of the funds is to make it clear that stations may undertake the development and use of non-broadcast methods of transmitting programs to the public. In this regard, the term "dissemination" is intended to mean delivery of programs to viewers and listeners by means of non-broadcast technologies.

Section 2. Subsection 396(g)(2)(H) is amended to permit the Corporation to conduct research, demonstrations, or training in the use of non-broadcast communications technologies, as discussed above, for the dissemination of educational television or radio programs.

Section 3. A provision is added to Subsection 396(i) of the Act, which pertains to the annual report of the Corporation. The new provision states that the officers and directors of the Corporation shall be available to testify annually before appropriate committees of the Congress with respect to the annual report of the Corporation and with respect to the report of any audit made by the Comptroller General pursuant to Subsection 396(1) of the Act. Even with long-term Federal financing, the Corporation remains fully accountable to the public and to the Congress for its use of public funds. In view of the multi-year appropriation provision of the bill, this addition will provide the opportunity for annual Congressional review of the Corporation and its activities.

Section 4. The provision in the bill for appropriations amounting to 40 percent of the non-Federal income of public broadcasting entities and the limitation on the amount of funds that may be distributed to a station, expressed as a percentage of non-Federal income, necessitates the inclusion of two new definitions in the Act.

The term "public broadcasting entity" is defined to mean the Corporation for Public Broadcasting, any licensee or permittee of a non-commercial educational broadcast station, and any nonprofit institution engaged primarily in the production, acquisition, distribution or dissemination of educational television or radio programs. Examples of the latter category include program production organizations, such as the Children's Television Workshop, and organizations providing program distribution services to stations such as the Public Broadcasting Service and National Public Radio.

The term "non-Federal financial support" is defined to mean the total value of cash and fair market value of property and services (except for personal services of volunteers) received as gifts, grants, bequests, donations, or other contributions for the construction broadcast stations, or for the production, acquisition, distribution or dissemination of educational television or radio programs and related activities. The definition includes such funds received from any source other than (1) the Federal Government or (2) any public broadcasting entity. The latter exception is intended to eliminate the double counting of funds circulated within the public broadcasting system. Thus, for example, income from a non-Federal source received in the first instance by a national public broadcasting organization and then distributed to stations or other public broadcasting entities would be counted only once.

In addition, the term is defined to include income received for public broadcasting purposes from State and local governments and educational institutions, as well as contract payments from such entities in exchange for services or materials relating to the provision of education or instructional television or radio programs. Excluded from the definition are contract payments for such services from sources other than State and local governments and educational institutions, as well as contract payments in exchange for commercial services which might be provided by public broadcasting entities.

PUBLIC BROADCASTING FINANCING ACT OF 1974 COMPARISON WITH EXISTING LAW

SUBPART B—CORPORATION FOR PUBLIC BROADCASTING

Section 396. Corporation for Public Broadcasting—Congressional Declaration of Policy.

(a) The Congress hereby finds and declares—

(1) that it is in the public interest to encourage the growth and development of noncommercial educational radio and television broadcasting, including the use of such media for instructional purposes;

(2) that expansion and development of noncommercial educational radio and television broadcasting and of diversity of its programing depend on freedom, imagination, and initiative on both the local and national levels.

(3) that the encouragement and support of noncommercial educational radio and television broadcasting, while matters of importance for private and local development, are also of appropriate and important concern to the Federal Government;

(4) that it furthers the general welfare to encourage noncommercial educational radio and television broadcast programing which will be responsive to the interests of people both in particular localities and throughout the United States, and which will constitute an expression of diversity and excellence;

(5) that it is necessary and appropriate for the Federal Government to complement, assist, and support a national policy that will most effectively make noncommercial educational radio and television service available to all the citizens of the United States;

(6) that a private corporation should be created to facilitate the development of educational radio and television broadcasting and to afford maximum protection to such broadcasting from extraneous interference and control.

(b) There is authorized to be established a nonprofit corporation, to be known as the "Corporation for Public Broadcasting", which will not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this section, and, to the extent consistent with this section, to the District of Columbia Nonprofit Corporation Act.

(c) (1) The Corporation shall have a Board of Directors (hereinafter in this section referred to as the "Board"), consisting of fifteen members appointed by the President, by and with the advice and consent of the Senate. Not more than eight members of the Board may be members of the same political party.

(5) The members of the Board (A) shall be selected from among citizens of the United States (not regular fulltime employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television; (B) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the country, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Corporation.

(3) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act.

(4) The term of office of each member of the Board shall be six years; except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, five at the end of two years, five at the end of four years, and five at the end of six years. No member shall be eligible to serve in excess of two consecutive terms of six years each. Notwithstanding the preceding provisions of this paragraph, a member whose term has expired may serve until his successor has qualified.

(5) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointments were made.

(d) (1) The President shall designate one of the members first appointed to the Board as Chairman; thereafter the members of the Board shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of them as a Vice Chairman or Vice Chairmen.

(2) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board pursuant to this subpart be entitled to receive compensation at the rate of $100 per day including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by law (section 5703 of Title 5) for persons in the Government service employed intermittently.

(e) (1) The Corporation shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation. No officer of the Corporation, other than the Chairman and any Vice Chairman, may receive any salary or other compensation from any source other than the Corporation during the period of his employment by the Corporation. All officers shall serve at the pleasure of the Board.

(2) Except as provided in the second sentence of subsection (c) (1) of this section, no political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

(f) (1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(3) The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(g) (1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a) of this section, the Corporation is authorized to—

(A) facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to noncommercial educational television or radio broadcast stations, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

(B) assist in the establishment and development of one or more systems of interconnection to be used for the distribution of educational television or radio programs so that all noncommercial edlucational television or radio broadcast stations that wish to may broadcast the programs at times chosen by the stations;

(C) assist in the establishment and development of one or more systems of noncommercial educational television or radio broadcast stations throughout the United States;

(D) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the noncommercial educational television or radio broadcast systems and local stations from interference with or control of program content or other activities.

(2) Included in the activities of the Corporation authorized for accomplishment of the purposes set forth in subsection (a) of this section, are, among others not specifically named—

(A) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;

(B) to contract with or make grants to program production entities, individuals, and selected non-commercial educational broadcast stations for the production of, and otherwise to procure, educational television or radio programs for national or regional distribution to noncommercial educational broadcast stations;

(C) to make payments to existing and new noncommercial educational broadcast stations to aid in financing local educational television or radio programing costs of such stations, particularly innovative approaches thereto, and other costs of operation of such stations;

(D) to establish and maintain a library and archives of noncommercial educational television or radio programs and related materials and develop public awareness of and disseminate information about noncommercial educational television or radio broadcasting by various means, including the publication of a journal;

(E) to arrange, by grant or contract with appropriate public or private agencies, organizations, or institutions, for interconnection facilities suitable for distribution and transmission of educational television or radio programs to noncommercial educational broadcast stations;

(F) to hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out the purposes of this section;

(G) to encourage the creation of new noncommercial educational broadcast stations in order to enhance such service on a local, State, regional, and national basis;

(H) conduct (directly or through grants or contracts) research, demonstrations, or training in matters related to noncommercial educational television or radio broadcasting—and the use of nonbroadcast communications technologies for the dissemination of educational television or radio programs.

(3) To carry out the foregoing purposes and engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, except that the Corporation may not own or operate any television or radio broadcast station, system, or network, community antenna television system, or interconnection or program production facility.

(h) Nothing in this chapter or in any other provision of law shall be construed to prevent United States communications common carriers from rendering free or reduced rate communications interconnection services for noncommercial educational television or radio services, subject to such rules and regulations as the Federal Communications Commission may prescribe.

(i) The Corporation shall submit an annual report for the preceding fiscal year ending June 30 to the President for transmittal to the Congress on or before the 31st day of December of each year. The report shall include a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this section and may include such recommendations as the Corporation deems appropriate. The officers and directors of the Corporation shall be available to testify annually before appropriate Committees of the Congress with respect to such report and with respect to the report of any audit made by the Comptroller General pursuant to subsection 396(1).

(j) The right to repeal, alter, or amend this section at any time is expressly reserved.

(k) (1) There are authorized to be appropriated for expenses of the Corporation $50,000,000 for the fiscal year ending June 30, 1974, and $60,000,000 for the fiscal year ending June 30, 1975.

(2) In addition to the sums authorized to be appropriated by paragraph (1) of this subsection, there are authorized to be appropriated for payment to the Corporation for each fiscal year during the period July 1, 1970, to June 30, 1975, amounts equal to the amount of total grants, donations, bequests, or other contributions (including money and the fair market value of any property) from non-Federal sources received by the Corporation under subsection (g)(2)(A) of this section during such fiscal year; except that the amount appropriated pursuant to this paragraph for any fiscal year may not exceed $5,000,000.

(3) There is hereby established in the Treasury a fund which shall be known as the "Public Broadcasting Fund," administered by the Secretary of the Treasury. There are authorized to be appropriated to said Fund for each of the fiscal years during the period beginning July 1, 1975, and ending June 30, 1980, an amount equal to forty (40) percent of the total amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year; *Provided, however*, that the amount so appropriated shall not exceed $70,000,000 for the fiscal year ending June 30, 1976; $80,000,000 for the fiscal year ending June 30, 1977; $90,000,000 for the fiscal year ending June 30, 1978; $95,000,000 for the fiscal year ending June 30, 1979; and $100,000,000 for the fiscal year ending June 30, 1980.

(4) There are hereby appropriated to the Public Broadcasting Fund, out of any moneys in the Treasury not otherwise appropriated, for each of the fiscal years during the period beginning July 1, 1975, and ending June 30, 1980, such amounts as are authorized to be appropriated by paragraph (3) of this subsection, which shall remain available until expended. Such funds shall be used solely for the expenses of the Corporation. The Corporation shall determine the amount of non-Federal financial support received by public broadcasting entities during the fiscal year second preceding each such fiscal year, and shall certify such amount to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall disburse from the Public Broadcasting Fund to the Corporation the amount appropriated to the Fund for such fiscal year pursuant to the provisions of this subsection.

(5) The Corporation shall reserve for distribution among the licensees and permittees of noncommercial educational broadcast stations that are on-the-air an amount equal to not less than forty (40) percent of the funds disbursed to the Corporation from the Public Broadcasting Fund in each fiscal year in which the amount disbursed is $70,000,000 or more but less than $90,000,000; not less than forty-five (45) percent in each fiscal year in which the amount disbursed is $90,000,000 or more but less than $100,000,000; and not less than fifty (50) percent in each fiscal year in which the amount disbursed is $100,000,000.

(6) The Corporation shall, after consultation with the licensees and permittees of noncommercial educational broadcast stations that are on-the-air, establish, and review annually, criteria and conditions regarding the distribution of funds reserved pursuant to paragraph (5) of this subsection, as set forth below:

(A) The total amount of funds shall be divided into two portions, one to be distributed among radio stations, and one to be distributed among television stations. The Corporation shall make a basic grant from the portion reserved for television stations to each licensee and permittee of a noncommercial educational television station that is on-the-air. The balance of the portion reserved for television stations and the total portion reserved for radio stations shall be distributed to licensees and permittees of such stations in accordance with eligibility criteria that promote the public interest in noncommercial educational broadcasting, and on the basis of a formula designed to:

(i) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve;

(ii) maintain existing, and stimulate new, sources of non-Federal financial support for stations by providing incentives for increases in such support; and

(iii) assure that each eligible licensee and permittee of a noncommercial educational radio station receives a basic grant.

(B) No distribution of funds pursuant to this subsection shall exceed, in any fiscal year, one-half of a licensee's or permittee's total non-Federal financial support during the fiscal year second preceding the fiscal year in which such distribution is made.

(7) Funds distributed pursuant to this subsection may be used at the discretion of stations for purposes related to the provision of educational television and radio programing, including but not limited to: producing, acquiring, broadcasting or otherwise disseminating educational television or radio programs; procuring national or regional program distribution services that make educational television or radio programs available for broadcast or other dissemination at times chosen by stations; acquiring, replacing, and maintaining facilities, and real property used with facilities, for the production, broadcast or other dissemination of educational television and radio programs; developing and using nonbroadcast communications technologies for educational television or radio programing purposes.

(1)(1)(A) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents and custodians shall be afforded to such person or persons.

(B) The report of each such independent audit shall be included in the annual report required by subsection (i) of this section. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(2)(A) The financial transactions of the Corporation for any fiscal year during which Federal funds are available to financing any portion of its operations may be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers and property of the Corporation shall remain in possession and custody of the Corporation.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary, and to the Corporation at the time submitted to the Congress.

(3)(A) Each recipient of assistance by grant or contract, other than a fixed price contract awarded pursuant to competitive bidding procedures, under this section shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the costs of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(B) The Corporation or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this section. The Comptroller General of the United States or any of his duly authorized representatives shall also have access thereto for such purpose during any fiscal year for which Federal funds are available to the Corporation.

SECTION 397. Definitions.

For the purposes of sections 390–399 of this title—

(1) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(2) The term "construction", as applied to educational television broadcasting facili-

ties or educational radio broadcasting facilities means the acquisition and installation of transmission apparatus (including towers, microwave equipment, boosters, translators, repeaters, mobile equipment, and video-recording equipment) necessary for television broadcasting or radio broadcasting, as the case may be, including apparatus which may incidentally be used for transmitting closed circuit television programs, but does not include the construction or repair of structures to house such apparatus. In the case of apparatus the acquisition and installation of which is so included, such term also includes planning therefor.

(3) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(4) The terms "State educational television agency" and "State educational radio agency" mean, with respect to television broadcasting and radio broadcasting, respectively, (A) a board or commission established by State law for the purpose of promoting such broadcasting within a State, (B) a board or commission appointed by the Governor of a State for such purpose if such appointment is not inconsistent with State law, or (C) a State officer or agency responsible for the supervision of public elementary or secondary education or public higher education within the State which has been designated by the Governor to assume responsibility for the promotion of such broadcasting; and, in the case of the District of Columbia, the term "Governor" means the Board of Commissioners of the District of Columbia and, in the case of the Trust Territory of the Pacific Islands, means the High Commissioner thereof.

(5) The term "nonprofit" as applied to any foundation, corporation, or association, means a foundation, corporation, or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(6) The term "Corporation" means the Corporation authorized to be established by subpart B of this part.

(7) The term "noncommercial educational broadcast station" means a television or radio broadcast station, which (A) under the rules and regulations of the Federal Communications Commission in effect on the date of enactment of the Public Broadcasting Act of 1967, is eligible to be licensed or is licensed by the Commission as a noncommercial educational radio or television broadcast station and which is owned and operated by a public agency or nonprofit private foundation, corporation, or association or (B) is owned and operated by a municipality and which transmits only noncommercial programs for educational purposes.

(8) The term "interconnection" means the use of microwave equipment, boosters, translators, repeaters, communication space satellites, or other apparatus, or equipment for the transmission and distribution of television or radio programs to noncommercial educational television or radio broadcast stations.

(9) The term "educational television or radio programs" means programs which are primarily designed for educational or cultural purposes.

(10) The term "non-Federal financial support" means the total value of cash and the fair market value of property and services (except for personal services of volunteers) received—

(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of non-commercial educational broadcast stations, or for the production, acquisition, distribution or dissemination of educational television or radio programs, and related activities, from any source other than (i) the United States or any agency or establishment thereof, or (ii) any public broadcasting entity; or

(B) as gifts, grants, donations, contributions or payments from any State, any agency or political subdivision of a State, or any educational institution for the construction or operation of non-commercial educational broadcast stations or for the production, acquisition, distribution or dissemination of educational television or radio programs, or payments in exchange for services or materials respecting the provision of educational or instructional television or radio programs.

(11) The term "public broadcasting entity" means the Corporation, any licensee or permittee of a non-commercial educational broadcast station, or any nonprofit institution engaged primarily in the production, acquisition, distribution or dissemination of public television and radio programs.

By Mr. MATHIAS (for himself and Mr. Beall):

S. 3826. A bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual. Referred to the Committee on Finance.

FAIR TAX TREATMENT FOR MARRIED WORKERS

Mr. MATHIAS. Mr. President, 5 years ago, as today, the attention of the Congress and the Nation was focused on the need for tax reform. It was, and is, our desire to further equalize our growing tax burden, thereby creating a more equitable system in which each individual will pay his fair share.

The culmination of this widespread concern over tax equity was the Tax Reform Act of 1969, legislation which proved to be a big step forward in providing much-needed relief for overburdened American workers. One of the objectives of the Reform Act was the reduction of tax rates applied to single wage earners, a burden considered too heavy when compared to that imposed on married couples earning similar incomes who enjoy the tax benefits of income splitting.

An unfortunate byproduct of these efforts to lessen the tax load of single individuals was, in effect, the creation of a "tax on marriage." As a result of the Reform Act, married couples in which both parties earn similar incomes are taxed at a rate substantially higher than are two single individuals earning comparable incomes.

The "marriage tax" falls most heavily on couples of middle or upper income. The tax can be quite significant. Married individuals earning salaries in the $12,000 to $26,000 range are taxed at a rate that is 7½ to 19 percent higher than that applied to single individuals. Two persons, each of whom earns $12,000 a year, would owe up to $1,000 less tax if they were single than if they were married.

Part of the original rationale for lowering the tax rate for single individuals was that single persons have higher living costs than married couples. If this were true at some time in the past, it does not seem to be necessarily true today.

Moreover, the current tax laws may even be interpreted as a symbolic, or even real, policy declaration by the Congress that marriage is to be discouraged. We all know that an increasing number of young couples live together today without becoming married. We may or may not approve of this trend, but I see no reason for the Congress to subsidize it.

The bill which I am introducing today, for myself and Senator Beall, will help to equalize tax burdens. It will not increase the taxes paid by single persons, or any other taxpayers; it will bring about more justice in our tax laws and our society.

I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(c) Equalization Rate for Working Spouses.—If for any taxable year two taxpayers are eligible to make a single return jointly under section 6013 and each has earned income, and the total tax payable by the two without regard to this section is greater than the total of the taxes that each would pay if each filed as a single individual, then (unless the taxpayers have chosen the benefits of part I, subchapter Q, relating to income averaging) there shall be subtracted from the total tax otherwise payable by such taxpayers an amount computed as follows:

"(1) There shall first be computed the lower of the total tax payable by such taxpayers without regard to this section on the basis of either a joint return or separate returns, excluding all income other than earned income;

"(2) There shall then be computed the total tax payable by such taxpayers if each had been entitled to file a return as a single individual, but excluding all income other than earned income. In making such computation, either itemized deductions must be claimed on both returns or the standard deductions or low income allowance shall be subject to the restrictions imposed under section 141 in the case of a separate return by a married individual;

"(3) The result of the computation provided in (2) shall be subtracted from the result of the computation provided in (1), and the difference shall reduce the total tax otherwise payable under this chapter.

In any case where earned income is community income under community property laws applicable to such income, the amount of such income which is considered the earned income of a taxpayer for purposes of the computations under this subsection shall be the amount of such income which would be the earned income of that taxpayer if such income did not constitute community property."

Sec. 2. The amendment made by section 1 of this Act shall apply to taxable years ending after the date of the enactment of this Act.

By Mr. KENNEDY:

S. 3827. A bill to provide for the adjustment of status of certain aliens under the Immigration and Nationality Act, and for other purposes. Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I am introducing today a bill to amend the Immigration and Nationality Act.

The bill is an effort to contribute an additional legislative alternative in the continuing discussion over how to deal with the issue of illegal aliens. A great deal has been said about this issue in recent years, and the time is long overdue for Congress to enact meaningful legislation in this important area of public policy and concern. The bill I am introducing today accomplishes these principal objectives:

First, the bill provides an authority to regularize the status of illegal aliens, and other aliens present in the United States in violation of law, who have been physically present in our country for at least 3 years and are otherwise admissible for permanent residence.

Second, the bill places reasonable sanctions on the employers of illegal aliens.

Third, the bill provides for the adjustment of status of nonimmigrant aliens from Western Hemisphere countries on the same basis as nonimmigrant aliens from Eastern Hemisphere countries.

And fourth, the bill amends the Civil Rights Act of 1964 to bar job discrimination against "aliens lawfully admitted for permanent residence."

Mr. President, I am extremely hopeful that humane and meaningful legislation incorporating these objectives will be enacted by Congress within the near future. I am equally hopeful that additional immigration reforms will also be accomplished very soon. These reforms—involving a worldwide asylum policy for refugees, the more equitable allocation of visas to immigrants from Western Hemisphere countries, and other matters—are contained, in the main, in H.R. 981, which is currently pending in the Senate Judiciary Committee, and S. 2643, which I introduced last November.

Mr. President, I ask unanimous consent that the text of the bill I am introducing and a brief summary of its summary be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 3827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Immigration and Nationality Act Amendments of 1974".

SEC. 2. (a) Notwithstanding any other provisions of law and without regard to the numerical limitations specified in the Immigration and Nationality Act (8 U.S.C. 1101), the status of any alien who is in the United States in violation of law may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if—

(1) the alien makes an application for such adjustment; and

(2) the alien (A) has been physically present in the United States for at least 3 years on the date of enactment of this Act, and (B) is eligible to receive an immigrant visa and is admissible to the United States for permanent residence.

(b) The provisions of this section shall be applicable to any alien described in subsection (a) of this section who is physically present in the United States on the date of enactment of this Act, and to the spouse and child of any such alien, regardless of their citizenship and place of birth, who are present with such alien in the United States.

(c) Upon approval of an application for adjustment of status under subsection (a) of this section, the Attorney General shall record the alien's lawful admission for permanent residence as of the date of the order of the Attorney General approving the application for adjustment of status.

(d) Application for adjustment of status pursuant to the provisions of subsection (a) of this section may be made on or after the date of enactment of this Act, but not later than the last day of the first fiscal year beginning on or after the date of enactment of this Act.

(e) Except as otherwise provided in this section, the definitions contained in section 101 of the Immigration and Nationality Act shall apply to this section.

SEC. 3. Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended to read as follows:

"SEC. 245. (a) The status of an alien, other than an alien crewman or any alien admitted in transit without visa under section 238(d), who was inspected and admitted or paroled into the United States may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if (1) the alien makes an application for such adjustment, (2) the alien is eligible to receive an immigrant visa and is admissible to the United States for permanent residence, and (3) an immigrant visa is immediately available to him at the time his application is filed: *Provided,* That any alien who meets the qualifications of an alien refugee as set forth in section 203(a) (7) and determined by the Secretary of State, shall be eligible to make an application for adjustment regardless of such alien's means of entry into the United States.

"(b) Upon the approval of an application for adjustment made under subsection (a), the Attorney General shall record the alien's lawful admission for permanent residence as of the date the order of the Attorney General approving the application for the adjustment of status is made, and the Secretary of State shall reduce by one the number of the preference or nonpreference visas authorized to be issued under section 203(a) within the class to which the alien is chargeable, for the fiscal year then current."

SEC. 4. (a) Section 249(a) of the Immigration and Nationality Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "October 3, 1965".

(b) The heading of section 249 of such Act is amended by striking out "JUNE 30, 1948" and inserting in lieu thereof "OCTOBER 3, 1965".

(c) Item 249 in the table of contents of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "October 3, 1965".

SEC. 5. Section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) is amended by deleting the proviso in paragraph 4 subsection (a) and by redesignating subsection (b) as subsection (c) and adding new subsections (b), (c), and (d) to read as follows:

"(b) (1) It shall be unlawful for any employer or any person acting as an agent for such an employer, or any person who for a fee, refers an alien for employment by such an employer, to employ, continue to employ, or refer for employment any alien in the United States who has not been lawfully admitted to the United States for permanent residence, unless the employment of such alien is authorized by the Attorney General: *Provided,* That an employer, referrer, or agent, shall not be deemed to have violated this subsection if he has made a bona fide inquiry whether a person hereafter employed or referred by him is a citizen or an alien, and if an alien, whether he is lawfully admitted to the United States for permanent residence or is authorized by the Attorney General to accept employment: *Provided further,* That evidence establishing that the employer, referrer, or agent has obtained from the person employed or referred by him a signed statement in writing in conformity with regulations which shall be prescribed by the Attorney General that such person is a citizen of the United States or that such person is an alien lawfully admitted for permanent residence or is an alien authorized by the Attorney General to accept employment, shall be deemed prima facie proof that such employer, agent, or referrer has made a bona fide inquiry as provided in this paragraph. The Attorney General of the United States shall prepare forms for the use of employers, agents, and referrers in obtaining such written statements and shall furnish such forms to employers, agents, and referrers upon request.

"(2) If, on evidence or information he deems persuasive, the Attorney General concludes that an employer, agent, or referrer has violated the provisions of paragraph (1), the Attorney General shall serve a citation on the employer, agent, or referrer informing him of such apparent violation.

"(3) If the Attorney General finds that any employer, agent, or referrer upon whom such citation has been served has thereafter violated the provisions of paragraph (1), the Attorney General shall assess a penalty of not less than $1,000 for each alien in respect to whom any violation of paragraph (1) is found to have occurred.

"(4) A civil penalty shall be assessed by the Attorney General only after the person charged with a violation under paragraph (3) has been given an opportunity for a hearing and the Attorney General has determined that a violation did occur, and the amount of the penalty which is warranted. The hearing shall be of record and conducted before an immigration officer designated by the Attorney General, individually or by regulation and the proceedings shall be conducted in accordance with the requirements of title 5, section 554 of the United States Code.

"(5) If the person against whom a civil penalty is assessed fails to pay the penalty within the time prescribed in such order, the Attorney General shall file a suit to collect the amount in any appropriate district court of the United States. In any such suit or in any other suit seeking to review the Attorney General's determination, the suit shall be determined solely upon the administrative record upon which the civil penalty was assessed and the Attorney General's findings of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(c) Any employer or person who has been assessed a civil penalty under subsection (b) (3) which has become final and thereafter violates subsection (b) (1) shall be assessed a civil penalty of not less than $2,000 for each alien in respect to whom any violation of this subsection occurs. The provisions of subsections (b) (4) and (b) (5) shall be applicable to violations of this subsection."

SEC. 6. (a) The Immigration and Nationality Act is amended by inserting immediately below section 274 the following new section:

"DISCLOSURE OF ILLEGAL ALIENS WHO ARE RECEIVING ASSISTANCE UNDER THE SOCIAL SECURITY ACT

"SEC. 274A. Any officer or employee of the Department of Health, Education, and Welfare shall disclose to the Service the name and most recent address of any alien who such officer or employee knows is not lawfully in the United States and who is receiving assistance under any State plan under title I, X, XIV, XVI, XIX, or part A of title IV of the Social Security Act, or with respect to whom supplemental security income benefits are being paid under title XVI of such Act."

(b) Chapter 8 of title II of the table of contents of the Immigration and Nationality Act is amended by inserting immediately below item 274 the following:

"SEC. 274A. Disclosure of illegal aliens who are receiving assistance under the Social Security Act."

SEC. 7. The first paragraph of section 1546 of title 18 of the United States Code is amended to read as follows:

"Whoever forges, counterfeits, alters, or falsely makes any immigrant or nonimmigrant visa, permit, border crossing card, alien registration receipt card, or other document prescribed by statute or regulation for entry into or as evidence of authorized stay in the United States, or utters, uses, attempts to use, possesses, obtains, accepts, or receives any such visa, permit, border crossing card, alien registration receipt card, or other document prescribed by statute or regulation for entry into or as evidence of authorized stay in the United States, knowing it to be forged, counterfeited, altered, or falsely made, or to have been procured by means of any false claim or statement, or to have been otherwise procured by fraud or unlawfully obtained; or".

SEC. 8. Nothing contained in this Act, unless otherwise specifically provided therein, shall be construed to affect the validity of any document or proceeding which shall be valid at the time this Act shall take effect, or to affect any prosecution, suit, action, or proceeding, civil or criminal, done or existing, at the time this Act shall take effect; but as to all such prosecutions, suits, actions, proceedings, statutes, conditions, rights, acts, things, liabilities, obligations, or matters, the statutes or parts of statutes repealed by this Act are, unless otherwise specifically provided therein, hereby continued in force and effect.

SEC. 9. (a) Section 7151 of title 5, United States Code, is amended by inserting immediately after "employees" the following: "who are citizens or aliens lawfully admitted for permanent residence".

(b) Section 703 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new subsection:

"(k) As used in this section the term 'individual' applies to a citizen of or alien lawfully admitted for permanent residence to, the United States."

SEC. 10. This Act shall become effective on the first day of the first month after expiration of ninety days following the date of its enactment.

SUMMARY OF IMMIGRATION BILL INTRODUCED BY SENATOR KENNEDY

Section 1: designates the bill the "Immigration and Nationality Act Amendments of 1974".

Section 2: provides an authority for the Attorney General to adjust the status "of any alien who is in the United States in violation of law" to that of "an alien lawfully admitted for permanent residence."

(a) The alien must apply for such adjustment of status.

(b) The alien must have been physically present in the U.S. for at least 3 years and is otherwise eligible to receive an immigrant visa and is admissible to the U.S. for permanent residence.

Section 3: provides for the adjustment of status of non-immigrant aliens from Western Hemisphere countries on the same basis as non-immigrant aliens from Eastern Hemisphere countries.

Section 4: facilitates "a record of lawful admission for permanent residence" for an alien who is present in the U.S. in violation, and who entered the U.S. to Oct. 3, 1965.

Section 5: bars the employment of illegal aliens and other aliens not authorized to work, and provides for a 3-step sanctions procedure on the employer of such aliens. The 3-step sanctions procedure, involving civil penalties, is as follows:

(a) After the first violation, the Attorney General "shall serve a citation" on the employer.

(b) In case of a second violation, the Attorney General shall assess such employer "a penalty of not less than $1,000 for each alien" employed.

(c) In case of a third violation, the employer "shall be assessed a civil penalty of not less than $2,000 for each alien" employed in violation of law.

Section 6: technical amendment.

Section 7: strengthens present law regarding the falsification and forgery of immigration documents.

Section 8: technical amendment.

Section 9: amends the Civil Rights Act of 1964 to bar job discrimination against "aliens lawfully admitted for permanent residence."

Section 10: enactment date.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 707

At the request of Mr. RIBICOFF, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 707, the Agency for Consumer Advocacy Act.

S. 1134

At the request of Mr. METCALF, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 1134, relating to conservation and orderly development of the hard mineral resources of the deep seabed pending the adoption of an international regime therefor.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of S. 2801, the bill to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

S. 2898

At the request of Mr. SPARKMAN, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of S. 2898 to modify reserve requirements of member banks of the Federal Reserve System; to extend such requirements to other institutions that accept demand deposits or certain other types of deposits; to minimize Federal Reserve banks to extend credit to such institutions; and for other purposes.

S. 3657

At the request of Mr. RIBICOFF, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 3657, the State Lottery Exemption Act of 1974.

S. 3759

At the request of Mr. PROXMIRE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 3759, a bill to amend the Congressional Budget Act of 1974 to require the Congressional Office of the Budget to prepare fiscal notes for bills and joint resolutions.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 352

At his own request, Mr. WEICKER was added as a cosponsor of Senate Resolution 352, amending the Standing Rules of the Senate to confer upon the Committee on Aeronautical and Space Sciences jurisdiction over the Energy Research and Development Administration, when enacted.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENTS

AMENDMENT NO. 1632

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment, intended to be proposed by him, to the bill (S. 707) to establish a Council of Consumer Advisors in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENTS NOS. 1633-1637

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted five amendments, intended to be proposed by him, to the bill (S. 707) supra.

AMENDMENT NO. 1638

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

Mr. CURTIS. Mr. President, it is apparent that the sponsors of the CPA recognized the necessity of exempting certain activities from the provisions of the bill. The purpose of these exemptions, of course, is to assure that the CPA will not become involved in certain proceedings which are adequately provided for by existing agencies and boards.

I am confident that it has never been the intention of the sponsors to reach proceedings and activities which are far removed from the direct concerns of the consumers. Since the focus of CPA's concern is the marketplace transactions and the regulatory decisions which do not ordinarily provide for a representation of consumer interests during the decision-making process, I would call attention to an area which, like labor-management activities, should likewise be exempted from the provisions of the bill.

Pesticides have been regulated since 1910 when the Federal Insecticide, Fungicide, and Rodenticide Act was enacted which prevented the manufacture, sale or transportation of adulterated or misbranded insecticides and fungicides, and authorized the regulation of sales of insecticides and fungicides. That act was substantially amended on numerous occasions, particularly in 1947 and 1964, and most recently in 1972. The 1972 amendments added to the previous regulatory restrictions—in the form of labeling requirements—controls over the use of pesticides.

In addition to the primary responsibility which is vested in the Environmental Protection Agency, a number of additional regulatory agencies of the Federal and State governments are actively engaged in regulatory functions which impact on the industry and upon the agricultural sector. Among these are the Food and Drug Administration, the Department of Agriculture at both the Federal and State level, the Occupational Safety and Health Administration, State environmental agencies, and the Federal Trade Commission. All of these in one way or another provide regulatory assurance to consumers.

Pesticides today are subject to extensive premarket testing both as to efficacy and safety to man and the environment. Because of the demands of the Environmental Protection Agency, new pesticides are subject to approximately 6½ years of testing at a cost of $5 million in order to obtain a registration. And at the present rate of inflation the figure is undoubtedly on the rise.

If a pesticide use involves a food crop, a tolerance for that pesticide on that crop must be established. The Consumer Protection Agency would impose additional and needless burdens on an already overregulated industry, and, therefore, this industry should also be excluded from the act.

As has been stated previously, for more than 40 years Congress has endeavored to guard against "government by injunction" by drafting narrow and specific substantive labor regulations and by entrusting the administration of those regulations to experts in the field. It would be entirely contrary to this philosophy to allow the CPA, whose base concerns are with transactions in the marketplace which affect consumers immediately and directly, to intervene in any area so far removed from the marketplace, and in proceedings already so adequately covered by existing agencies of the Government.

The regulation of pesticides is such a complex matter that such determinations must, of necessity, be made by persons who are trained and qualified to take into account the many technical aspects of the specific situation, and to determine which questions have the validity to justify the extra burden and expense which is ultimately borne by the consumers.

In a larger sense, industry serves only as the vehicle which provides the needed products in a manner consistent with the regulatory requirements imposed by an agency of Government. As such, the costs of obtaining the information and documentation requested in support of a product registration is a cost of doing business. The ultimate cost reflects the costs of regulatory compliance. Thus, it is in the public interest, and in the interest of consumers to avoid unwarranted restrictions on the industry.

Consumers are acutely aware of what inflation is doing to their family budget, the cost of living. The availability of agricultural chemicals for use in a Nebraska cornfield to increase corn yields actually keeps the food bill from being much higher than it is presently. It is estimated that the use of agricultural chemicals to control insects, weeds and crop diseases is responsible for approximately 30 percent of the efficiency of production for which American farmers are noted. Restrict the availability of these products to the American farmer, and the lower yields which would surely come will restrict the total supply of food products and result in further upward pressure in the form of prices. It is doubtful if any of us would want to be responsible for further increases in the cost of living by imposing additional unneeded restrictions through the CPA upon an industry which is already so highly regulated. Make no mistake about it, the interest of the consumer is already adequately represented before the numerous agencies of Government which are specifically charged with pesticide regulation.

With the current concern over shortages, high prices, people on fixed incomes, and a general surge in the cost of living, it does not seem prudent to consider the formation of an agency which might sound good politically, but which in action can only serve to increase the cost of Government at a time when the vast majority of American taxpayers are unanimous in their desire to cut inflation, to lower the cost of living, to bring needed relief to low and fixed income groups, and to improve the supply of food and other consumer goods.

Such goals can best be attained by proper regulations administered by existing agencies which are already staffed with capable individuals who have the expertise in their respective professions.

The Consumer Protection Agency would impose additional and needless burdens on the pesticide industry, already an overregulated industry, and therefore, Congress deems it appropriate to exclude pesticides from coverage under the Consumer Protection Act of 1974. Consumer interests are already adequately considered by EPA in the pesticide registration and use functions and consumer organizations and individuals have appropriate access to provide that Agency with their views. The total of regulatory activity by EPA, Food and Drug, and other agencies have provided us as consumers of American foods with the safest food supply mechanism in the entire world.

AMENDMENT NO. 1640

(Ordered to be printed and to lie on the table.)

Mr. **TAFT** submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENTS NOS. 1642 TO 1645

(Ordered to be printed and to lie on the table.)

Mr. **McCLELLAN** submitted four amendments, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961

AMENDMENT NO. 1639

(Ordered to be printed and referred to the Committee on Foreign Relations.)

KOREA AND THE BLINDNESS OF AMERICAN FOREIGN AID

Mr. **CHURCH.** Mr. President, more than two decades ago, the United States went to war to defend the concept of democracy on the Korean peninsula. Analytic historians may debate the wisdom of that decision, but one thing is clear: The sacrifice was immense. Nearly 34,000 Americans gave their lives to preserve a line of demarcation that would allow at least a majority of the Korean people to enjoy the benefits of a system of political representation and personal liberty. In the war's aftermath, American assistance continued, and for 20 years the United States has contributed immeasurably to the growth of a secure and increasingly prosperous South Korean nation. Yet today that sacrifice of American lives and resources is mocked—not only by the mounting tyranny of the dictatorial government of Park Chung Hee, but even more by our own Government's willingness to buttress such a regime by blindly perpetuating a massive program of military and economic assistance.

As we look back on the Korean history of the past 100 years, Mr. President, we see a story heavy with human suffering and suppressed aspiration. From 1876, when Japan "opened the door" to the Hermit Kingdom, until 1945, when Japanese militarism was finally crushed, the Korean people were subjected to a demeaning, harsh, and increasingly exploitative colonial rule. The release from that bondage at the close of World War II promised the Koreans a new era of self-realization and national fulfillment.

But that promise was short-lived. For no sooner had the Japanese occupation ended than Korea was divided by the victorious but competing superpowers, and the land of the Koreans became a peninsular theater for a microcosmic enactment of the emerging cold war. The North was cast in the role of surrogate for the Kremlin in its seeming expansionist design, the South as surrogate for the United States in its policy of containment. As ideological frenzy mounted among the superpowers, so too did it among their Korean clients. And eventually, through the war which erupted and into its aftermath, the contest of the two Koreas took on a life of its own—until even today, as the superpower adversaries grope toward a normalization of relations, the two Koreas remain locked in a posture of confrontation, with reconciliation only a dim hope.

The legacy of colonial exploitation and the continuing division of their land have been a heavy burden for the Korean people to bear. Nevertheless, there have in recent years been indications that Korea was emerging steadily from the tragedy of her past. We know little of events in the North. But in the South at least, where reside over 30 million Koreans as against barely 15 million in the North, the economy has progressed rapidly. And fundamentally even more important, we have—at least until recently—witnessed the dawning in South Korea of civil institutions and traditions of a genuinely representative character. Today, however, that achievement is in peril.

For the regime of Park Chung Hee, by its increasingly ruthless abrogation of civil liberties and its corrupt use of the Korean judicial process for political recrimination, is threatening to extinguish the young democratic tradition which has been nurtured in South Korea at such cost. Slowly, inexorably, South Korea is now losing to internal despotism the freedom which so many Koreans and Americans gave their lives to defend.

For the past 2½ years, under the pretense of protecting his people from external agression, President Park has systematically denuded the constitutional structure of South Korea. Through a series of "emergency measures," martial law has been instituted, the National Assembly dissolved, dissent stifled, and prominent Korean citizens jailed for patently specious reasons.

Most recently, a former President of South Korea, Yun Po Sun, and three other distinguished Korean leaders, two of them noted clergymen, were placed on trial before a military court on charges of subversion that carry a possible sentence of death. Already convicted on such charges are Kim Chi Ha, Korea's best-known poet, who has been sentenced to life imprisonment after initially being sentenced to death; Chang Jun Ha, the former publisher of the country's most respected intellectual magazine, who has been sentenced to 15 years' imprisonment; and 89 other clergymen, students, and members of the opposition party, who have been given sentences ranging from 15 years to life imprisonment to death. Reports are widespread that many of these defendants have been tortured severely during interrogation.

In addition, Kim Dae Jung, who was Park's opponent in the 1971 presidential election and who was kidnapped from his Tokyo hotel room a year ago by South Korean agents, is now on trial before a civilian court on newly contrived charges of election law violations alleged to have occurred in 1967 and 1971.

Meanwhile, with little but the faintest glimmer of protest, the Government of the United States has continued to dispense aid to the Park regime. Indeed, presently before Congress is a fiscal year 1975 program of Korean assistance, proposed by this administration, in the total of nearly one-half billion dollars.

On the economic side, this proposed program exceeds $180 million. On the military side, the program includes $162 million in outright grants, $52 million in concessionary credit sales, and $21 million in so-called excess defense articles. With respect to the latter category, we have learned from experience that weapons and equipment given away by the Pentagon as "excess" tend to be evaluated—often quite misleadingly—at only a small percentage of acquisition cost. So it is probable that this $21 million category is drastically undervalued. Allowing for that, the proposed military program alone amounts to assistance on the order of nearly $1 million a day.

Mr. President, what possible justification can there be for such massive military assistance to a government that has come to embrace the very totalitarianism against which our aid program is supposed to defend? Since its earliest days, American aid to Korea has, in the words of then Secretary of State Acheson, "been predicated upon the existence and growth of democratic institutions within the Republic." Are we now, through blind inertia, to perpetuate our supply of arms when their recipient is a despotic ruler engaged in the calculated destruction of those very institutions? In response to this question, I realize we are bound to hear the familiar refrain that we should not interfere in the internal affairs of another nation—which, of course, is a sound admonition when properly applied. But it should be more than clear that we have in Korea been engaged in a kind of "interference" ever since the Second World War.

In addition to our extensive and costly participation as a part of the United Nations intersection in the Korean war, we have contributed more than $12 billion in direct assistance to encourage and defend the growth of South Korean democracy, and even today nearly 40,000 American troops remain deployed in Korea.

It is hard, Mr. President, to conceive of an intervention more complete than that which has persisted on our part in Korea over the years.

We are already involved, and what matters now is whether or not we will permit our support to be placed in harness with the forces of reaction and repression in that country. I submit that to do so—by allowing this program to continue—would be a travesty of the principles we profess and a cruel mockery of our announced goal of assisting the Korean people to realize their democratic aspirations.

I am therefore today introducing legislation, in the form of an amendment to the Foreign Assistance Act of 1974, requiring the cessation of military aid to South Korea. In so doing, I would remind my colleagues of a provision of the Foreign Assistance Act of 1973 which declares it to be the sense of Congress "that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes." That, I believe, was a fine statement of principle—but one which this administration has not chosen to heed. I submit, therefore, that the time has come for the Congress to implement, through legislative action, the principle to which we have already subscribed.

We will undoubtedly hear the plea that any such action could tip the delicate balance of forces on the Korean peninsula and, by so doing, induce an attack from the north against a weakened and vulnerable south. Such an argument, Mr. President, is simply a contrivance. In a classified report submitted to the Congress on July 1, the General Accounting Office—after a detailed analysis—has concluded that South Korea is fully capable of providing from her own financial resources a large proportion of what is now being given her by the United States.

Mr. GRIFFIN. Mr. President, for clarification, did the Senator from Idaho say that he was reporting information from a classified report of the GAO?

Mr. CHURCH. The information I am reporting is not classified.

Mr. GRIFFIN. It is not classified?

Mr. CHURCH. The report itself is classified.

Mr. GRIFFIN. I see. I appreciate that clarification.

Mr. CHURCH. But secret studies should not be necessary to prove what commonsense can clearly preceive. With a well-equipped and battle-trained army of 650,000, as compared to a northern army of 400,000—and sustained by a gross national product fully double that of the North—South Korea is plainly capable of maintaining a sound defense posture through her own means. And with the American troops providing an additional measure of strength and deterrence, it simply defies logic to argue that U.S. military aid is in any way critical to the preservation of some hypothetical "delicate balance" on the Korean Peninsula.

What does hang in delicate balance, Mr. President—if it has not already been lost—is the future of popular representative government in South Korea. There can be little doubt that millions of South Koreans are today nourishing the hope that their country's current descent into totalitarianism can be reversed and proper parliamentary and judicial processes restored. I believe that the United States must stand on the side of such a restoration and that we can only do so by affirmative action. We should not attempt to dictate the internal processes and future course of political events within South Korea, but it is quite another matter for us to sustain with our own resources the present course of the South Korean Government.

As a demonstration of our serious purpose, I believe a cessation of military aid represents a prudent first step. Let us hope that the progressive elements in Korean life, which have been eclipsed by the brutal actions of the Park Government, will once again emerge ascendant.

Mr. President, the Washington Post's able and meticulous North Asia correspondent, Don Oberdorfer, has been reporting regularly about the situation in South Korea. Last week, for instance, he wrote about abuses of those Koreans detained on charges of plotting to overthrow the Seoul regime.

This week, Mr. Oberdorfer has detailed the extent to which Park Chung Hee has "seized unlimited power under a new constitution imposed by the guns and tanks of martial law."

I ask unanimous consent that the whole Oberdorfer article and the text of the amendment be printed at this point in the Record.

There being no objection, the article and amendment were ordered to be printed in the Record, as follows:

South Korea: The Smothering of Dissent

(By Don Oberdorfer)

Seoul.—The young poet before the closed military court-martial, his arms tied behind his back with heavy ropes. The generals glared down from the judges' bench and pronounced a sentence of death for "anti-state" activities.

Then the condemned poet, Kim Chi Ha, was given a chance to speak briefly to the court. He was among 32 defendants on trial (most of them college students) and among seven to be sentenced to death on July 13 for violating special presidential edicts against vocal dissent. The small courtroom was crowded. Standing at his place in the fifth row of defendants, Kim was the 23d to speak.

In a soft voice, he began with an old Korean folk saying: "Even a sparrow squeaks before dying." This might be his last public statement and it had to be brief, so he got to the point. Only the overthrow of President Park Chung Hee's "dictatorship" could save the people, he said. Students were the only hope left, and it had been his honest wish to support them to the best of his ability.

He was willing to struggle in extreme fashion against the ills of which he wrote in biting verse—dictatorship, corruption, foreign domination. Yet he was under no illusion that demonstrations by mere students could bring down the government. "My presence here with my hands tied is itself a resistance, and an extreme struggle in an extreme manner," declared the poet before he was led away.

Two days later in the same courtroom a 76-year-old man with high forehead and round glasses sat stiffly in a chair before the generals. In deference to his position as the only living former president of South Korea and a famous patriot, he had been brought to court that day from his home rather than from a prison cell. He was not forced to wear the white prison garb or to have his arms tied behind his back, he was permitted to sit down while addressing the bench.

Yun Po Sun is descended from nobility of the old Korean Yi dynasty, and particularly at his age he is not inclined to conceal his thoughts. The only way to protect the country against being swallowed up by communism is to create and nourish true democracy, he said—but today the indications are that South Korea is going the other way.

His adversary in two elections, Gen. (now President) Park Chung Hee, had changed the national constitution via martial law to perpetuate himself in power, the old man declared, and now was prohibiting freedom of speech and the press in an attempt to stifle opposition.

Like the others on trial, Yun was accused of participating in a Communist plot to foment revolution—though he is well known as anti-Communist. As a former president, he receives a $1,000 monthly pension from the state (almost precisely the sum which he gave to students through a noted Presbyterian minister to assist their demonstrations). His portrait still hangs in the Blue House, the Korean equivalent of the White House.

The elder statesman's day of judgment for "anti-state" activities has not yet come. After his day in court on July 16 he was placed under house arrest to await further action of the tribunal. On the steps of the courtroom that day the former president refused to permit a secret policeman to get into his car for the drive to his antique-filled mansion. The agent insisted. Yun refused again. At length the old man told his wife to drive the family car home alone. Rather than sully his private vehicle, Yun followed behind in the black secret police sedan of the nation he once headed.

Such scenes and ironies are part of the current political reality of South Korea, a nation which owes its existence to U.S. policy at the end of World War II and massive U.S. efforts, including 33,000 war dead in 1950–'53 and more than $10 billion in military and economic assistance since then.

The Korean war ended in an armistice agreement July 27, 1953, but 21 years later South Korea is not the democracy for which Americans hoped when GIs fought "in defense of freedom." Particularly in the past two years, since Park Chung Hee seized unchecked and unlimited power under a new constitution imposed by the guns and tanks of martial law, the fragile remains of political liberty have been fading fast.

Some 38,000 American troops remain here at South Korea's urgent request to guard against renewal of combat from the north, and Korea continues to request—and obtain approval for—massive injections of military assistance, food aid and U.S. Export-Import Bank loans as well as political support in the United Nations and other international bodies. Despite all this, American officials here have told callers they have "no leverage" to prevent democracy and dissent from being ground under heel.

Since the first of the year 89 persons, many of them prominent citizens and a large number American-educated, have been sentenced to harsh punishments by military tribunals for violating the "emergency presidential decrees." According to informed diplomatic sources, about 150 more Koreans now languishing in jails are likely to be brought to trial on similar charges.

The prisons of Korea are peopled with some of the country's outstanding citizens—to cite only a few examples, the winner of an Asia-wide Magsaysay Prize for the promotion of democracy (sentenced to 15 years in prison for leading a peaceful petition drive to change the constitution), the country's foremost Lincoln scholar and the dean of theology at a famous university (on trial together for encouraging student demonstrations), the son of a retired navy admiral and descendant of the first baptized Protestant in Korea (sentenced to 15 years in prison for helping plan student demonstrations), the Methodist minister who leads a labor mission in Inchon (in solitary confinement for two months, with no known charges yet lodged against her).

Seven young Christian ministers are in prison for staging a prayer meeting in January at the office of the National Council of Churches to ask for a return to the old constitution which Park jettisoned two years ago and for a restoration of democracy.

Student editors and a faculty adviser of the Sogan Jesuit University literary magazine were jailed (they have since been released) for publishing photographs and an article about a peaceful student demonstration on their campus last fall. A politician of the opposition New Democratic Party was sentenced to five years in prison for "spreading groundless rumors" about the special presidential decrees.

In one of the greatest ironies, opposition politician Kim Dae Jung, who was snatched out of a 32d floor Tokyo hotel room and forcibly brought back to Seoul by the Korean CIA, is on trial while his kidnapers have never been officially identified or punished. Kim is accused, among other things, of saying during his 1971 presidential campaign that incumbent Park, if reelected, would destroy Korean democracy and seek to make himself the president for life. Kim has admitted he said so—and declared that his prediction had come true.

A number of independent-minded people still at large are under close surveillance. Former foreign minister Chung Il Hyung, a leading assemblyman of the major opposition party, has a permanent visitor from the police in his outer office, checking to see who comes and goes. Another prominent opposition party member, Kim Young Sam, was recently taken away by secret police for a day of questioning after he scheduled a press conference to announce his opposition to growing repression.

The National Assembly, which is a nearly impotent debating forum under Park's new constitution, has not even met so far this year. The government has been refusing to convene a session until the opposition agrees in advance not to bring up Park's emergency "decrees." Last week a deal was made, under which the opposition can discuss, some of the presidential edicts but not others, in a session to begin Aug. 1.

Hahm Sok Hon, a white-haired patriot who was imprisoned by the Japanese colonial rulers of Korea, by the invading Russian Communists and by the Syngman Rhee regime, was pulled in for interrogations by the Park regime and has daily visits at his home from his KCIA supervisor. "This is worse than Japanese [colonial] times. Even under the Japanese, we could appeal to human feelings," Hahm told a visitor.

The 73-year-old Hahm, sometimes called "the Gandhi of Korea," was recently forbidden by the KCIA to address the local chapter of Amnesty International, the worldwide forum for concern about political prisoners. As an "act of witness," he decided to inform his secret police supervisor that "it is almost clear the [convicted] student leaders are not Communists and that they never formed any conspiracy against the state." Such a gesture does not seem small in today's climate.

The man who rules supreme in South Korea today is a one-time provincial schoolmaster who served in the Japanese army in World War II (during the Japanese colonial occupation of Korea). In the newly independent, divided Korea he was arrested in 1948 and reportedly tortured and beaten on charges of being a Communist. Sentenced to death, he was saved by his willingness to cooperate with the authorities and by the intervention of friends. With the outbreak of the Korean war in 1950, he was rehabilitated due to the shortage of trained officers.

Hardworking, clever and secretive, he rose steadily through the officer ranks. After Syngman Rhee fell as a result of student riots and a virtual national revolt in 1960, some elements of the military were dissatisfied with the relatively democratic but wobbly government which followed. In May, 1961, Gen. Park engineered a coup over the ineffective objections of the U.S. embassy, which failed to win strong backing from the Kennedy White House.

After ruling the country with an iron hand as chief of the military junta, Park reluctantly agreed under U.S. pressure to establish a civilian regime. Despite an earlier promise not to participate, he was elected president in 1963 and again in 1967 (both times over former president Yun Po Sun, who is now on trial). After changing the constitution to permit himself a third term, he narrowly defeated Kim Dae Jung in 1971 following an election eve pledge never to run again.

In October, 1972, Park declared martial law, jettisoned the old constitution, placed his opponents under arrest and suspended political activity, freedom of speech and of the press. It is doubtful that he had the legal authority to do all this but he had the guns. The United States, preoccupied with settlement of the Vietnam war and the 1972 elections, said and did nothing as the vestiges of democracy vanished. A new constitution giving him unlimited power and an unlimited tenure in office was approved by a national referendum, with massive government tub-thumping and all opposition or even criticism banned.

Park has created a highly organized and centralized regime which has made major strides in economic growth via foreign investments and trade. Aided by clever management, a hard-working, literate and yet low-wage labor force and assistance and support from both the United States and Japan, Korean gross national product has shot up almost as rapidly as the glossy skyscrapers in once-quaint Seoul. Political growth has not accompanied the economic growth, however.

When more than 30,000 students of at least 38 colleges demonstrated for a restoration of democracy last fall, Park fired his much-feared KCIA director, Lee Hu Rak, and temporarily relaxed some of the restrictions on political freedoms. His critics, including an impressive lineup of senior establishment figures, took this as a sign of weakness and demanded a return to the old constitution. Early this year Park cracked down hard with an "emergency" decree banning all such talk or petitions, or even news reporting of them, on pain of 15 years' imprisonment at the hands of a military tribunal. When that failed to halt campus activity, he followed in April with mass arrests and a new decree providing death sentences or long prison terms for anyone involved in the student demonstrations, which he retroactively branded as Communist-inspired.

As half of a bitterly divided and strategic peninsula, South Korea has undeniably serious security problems with its counterpart regime in the Communist North. The division has also been among Park's most important assets, for the Communist bogey is always at hand when the domestic public or overseas allies become restive. Nearly all opposition is branded as "Communist," "Communist-inspired" or "helping the Communists." With a large secret police apparatus, a controlled press and courtrooms closed to all but a few selected observers on "national security" grounds, it is difficult to distinguish between justified charges and sheer propaganda. Many South Koreans are ready to fear the worst.

Having subdued political opponents, the once virile Korean press and many of the active leaders of student and intellectual dissent, Park has found the churches a last troublesome reservoir of dissidence. Christianity has a long and honorable tradition in Korea, including an important role in the anti-Japanese resistance during colonial times. Christianity came hand in hand with Western influences, and many of its leaders have been abroad. Most of the churches of South Korea—with a combined membership of 3.4 million Protestants and 800,000 Catholics in a total population of 31 million—have international organizational links which can be sources of outside support. Moreover, they cannot easily be accused of being Communist.

Both Protestant and Catholic churches are divided between conservative and less conservative wings. But as the crackdown of recent months begins to affect ministers, laymen and Christian student leaders, the churches have begun to rally round their own.

"As far as freedom of worship is concerned, I think there is no problem," said general secretary Kim Kwan Suk of the National Council of Churches. "But when you confess your faith from your conscience, for example, about human rights, freedom of expression and social justice, then you may face some difficulties." During most of this year the Council of Churches and the Protestant groups it represents have been a center of conflicts with the government, while the relatively more conservative Catholics have been on the sidelines. Within recent days, however, this has begun to change.

Daniel Chi is a born rebel. At the age of 12 he was expelled from school Pyongyang for refusing to bow to the Rising Sun as required by colonial authorities. He was the first of his family to become a Christian, and marked for special opportunities by the Roman Catholic Church because of his bold, independent ways.

Since 1965 he has been bishop of Wonju, a provincial district of some 26,000 Catholics (out of a district population of 1.1 million).

At the start of martial law in 1972, the governor of Wonju was sent to ask the bishop to support the new system, which was being sold to Koreans under the name of "Revitalizing Reform." Chi flatly refused, saying he opposed it. In response, troops were placed around his residence "for his own protection" and his contacts outside were strictly limited. The government asked him to say he was not under house arrest. Characteristically, he refused.

Kim Chi Ha, the poet, was a kindred soul and a valuable man in the bishop's eyes. After Kim was jailed, beaten and harrassed for his verses of protest, Chi took him under his wing, giving him a place as an aide in Wonju. Late last year, the bishop gave the poet money—reportedly $2,500 in all—which was passed along to students who were planning anti-government demonstrations.

After the arrest and trial of the poet for encouraging and financing demonstrations, it was clear that Chi was involved in the same case. At this point the bishop was in Europe on a speaking tour. In an effort to avoid a confrontation, the government sought to convince the church and the bishop that Chi should remain abroad. The prelate refused. On July 6 he returned home to be arrested.

As he alighted from the airliner at Kimpo International Airport, several hundred priests, nuns and laymen lined the observation platform to wave greetings. The bishop disappeared from sight into the immigration area, where three men approached and demanded his passport. He refused, whereupon he was hustled to a wating car and spirited to a first-floor room in the big KCIA interrogation center at Nam Sam (South Mountain) in Seoul. He was grilled by teams of interrogators for 30 hours before being permitted to sleep.

Catholic concern and pressure mounted sharply despite secret police arguments to other bishops that this was a purely political matter unrelated to church business. After four days of detention, the bishop was released from the interrogation center as a big mass was being celebrated to pray for him and subtly protest. He was placed under secret police guard at a Catholic hospital on the cathedral grounds, and told he would be tried by court-martial beginning July 23. As the moment approached, the government sought to negotiate a modified form of house arrest in lieu of trial. The morning of July 23, the bishop ignored the protests of his secret police guard and appeared in full regalia before newsmen to declare that he would refuse to submit to military court-martial and to state his views about democracy in Korea.

The bishop's written statement threw down the gauntlet in unmistakable fashion. "The so-called Revitalization Constitution (Park's 1972 martial law revision) is invalid and contrary to truth, for it was forged with violence, intimidation and fraud . . . [it] stifles the least inalienable fundamental rights and basic human dignity . . . The so-called emergency decrees of the president number 1 and number 4, which they have indicted me for having offended, are among the cruelest violations of national law in our long history . . . The so-called extraordinary court-martial which exerts its jurisdiction upon me is only a puppet which cannot by law and conscience judge independently . . ."

As the bishop was speaking to newsmen and handing out copies of his written statement, his distraught secret police supervisor tried to lunge through the knot of reporters to stop the action. The agent was unsuccessful because the newsmen and priests stood firm. A few moments later a Catholic father did an uncharitable and perhaps un-Christian thing: As several hundred nuns sang hymns before a statue of the Virgin Mary a few feet away, the priest landed a vigorous elbow to the face of the still-protesting secret policeman.

Within a few hours, the bishop had been taken back to the first floor of the KCIA interrogation center, but his defiance and his statement were widely known here and in the world at large. As he no doubt hoped, the line between the government and the church had been drawn sharply. The following day, secret police officials sent a representative to ask Korea's Catholic cardinal, Stephen Kim, why some of the priests are so rough.

With the death sentence for a poet, the trial of an ex-president, the arrest of a bishop, the world has awakened with something of a start to the political condition of South Korea.

Diplomatic pressures are beginning to mount on the Korean government, which is dependent on outside political support for its annual United Nations battle with Communist states and on outside economic support for its continued prosperity. The United States has publicly stated its concern and privately its displeasure, saying the Park regime has gone so far it is alienating its friends in Congress and elsewhere. In a few days two subcommittees of the House Foreign Affairs Committee will begin public hearings on human rights in the Republic of Korea, a rare if not unprecedented hearing of this sort concerning a major U.S. ally.

Australia has let it be known it may have to issue a public statement condemning recent events in Korea. The Italians have said they may have to receive a North Korean trade mission because public opinion at home can no longer tolerate exclusive dealing with the South. New Zealand has asked its Seoul embassy for a special report. The French and Belgian ambassadors, in an unusual gesture of concern, attended a mass at the Catholic cathedral which was widely billed as a service in honor of Bishop Chi. The Netherlands, which sponsored the pro-South Korean resolution in the United Nations last year, is reassessing its position. In Japan, which is an essential economic partner, public opinion is running strong against the Park government, particularly since the arrest of two Japanese in connection with the student demonstrations.

In response to mounting pressures, Park commuted to life imprisonment the death sentence for poet Kim Chi Ha and four college students. More such gestures may be ahead. The deep feelings and frustrations of his opponents at home appear stronger than ever. His foes have not been convinced, only temporarily subdued. Any sign which they interpret as weakness could bring a new eruption of protest against a regime which seems unable to tolerate dissent.

The United States has a grave stake in the present and future of South Korea. Secretary of State Henry A. Kissinger suggested in recent congressional testimony that the stability of South Korea is crucial to the independence and stability of Japan and East Asia. In his view, this justifies continued American support despite the faults of the present regime.

The United States is in no position to dictate the internal policies of South Korea today—but neither can the United States and its citizens be oblivious to the practical and moral consequences of repression there. The Seoul regime is fast losing its respectability abroad, and at home the bitterness is deepening. Moreover, there may be a limit to what Americans are willing to support in the case of South Korea, particularly when churches, churchmen and Western-educated people are involved.

This peninsula is still an armed camp on both sides of the 38th parallel. A lurch toward irrationality on either side could immediately involve the United States in a shooting war, possibly involving nuclear weapons, which are based here in profusion. The situation is cause for serious concern, to say the least. At the moment, however, Washington is preoccupied with other matters.

AMENDMENT NO. 1639

On page 6 between lines 23 and 24, insert the following:

(4) At the end thereof add the following new section:

"SEC. 514. TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA.—No funds made available under this chapter or the Foreign Military Sales Act may be obligated to furnish assistance to South Korea on or after the date of enactment of this section."

TREASURY DEPARTMENT—POSTAL SERVICE APPROPRIATIONS, 1975—AMENDMENT

AMENDMENT NO. 1641

(Ordered to be printed and to lie on the table.)

Mr. HASKELL. Mr. President, I am

introducing an amendment today to H.R.15544, the Treasury, Postal Service appropriation bill, which will be taken up on Wednesday.

My amendment would provide the necessary funds to begin construction of the new Denver Mint. The Appropriations Committee deleted the requested $11.8 million and stated:

> The Committee concurs with the action of the House of Representatives in disallowing without prejudice the request for construction of new Mint Facilities as the site has not been selected. In view of the discussion of increased demands for coins in the item immediately above, the Committee urges that the site be promptly selected so that construction may begin.

Since the report on the bill was prepared a new site has been chosen. The site will be in the Park Hill section of Denver, Colo. I am pleased with the Park Hill selection and feel we should push to get the initial phase of construction started this fiscal year.

I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1641

On page 5, between lines 6 and 7 insert the following:

CONSTRUCTION OF MINT FACILITIES

For expenses necessary for construction of Mint facilities, as authorized by the Act of August 20, 1963, as amended (31 U.S.C. 291–294), $11,800,000, to remain available until expended.

AMENDMENT OF EXPORT ADMINISTRATION ACT—AMENDMENT

AMENDMENT NO. 1646

(Ordered to be printed and to lie on the table.)

EXPORT CONTROLS NEEDED AS AN INSTRUMENT OF FOREIGN POLICY

Mr. CHILES. Mr. President, I am today introducting again an amendment to the Export Administration Act, this time to S. 3792 which will amend and extend that act, which will provide the Government of the United States for the first time with the authority to use export controls as an instrument of policy and persuasion toward other countries when it can be shown that those countries have taken actions affecting their exports which cause or might cause serious inflation, unemployment, or shortages in our own economy.

During the energy crisis it became abundantly clear that when a few countries can control world supply of a crucial commodity like oil, they can abuse that power and cause economic stress in other countries worldwide. I do not think the United States should ever again be in the position of having another country be able to affect our internal economic situation without even having the legal authority to do likewise in return. The law now contains no such provision.

This amendment would provide the legislative authority necessary for the United States to take equivalent action toward another country to seek to persuade them that their export policies which are damaging to inflation, employment and growth in the United States are ill advised and require adjustment.

If we are to live in a world in which nations seek to cooperate with each other in dealing with world economic problems, we need the strength of policy and the legal authority to keep nations from straying off the track of cooperative action. All nations need to be aware that we are in this together and that unilateral actions which are harmful to some nations are harmful to all nations. The state of the world economy is crucial to the welfare of each economy.

This amendment requires reporting to the Congress so that the Congress can encourage action when the President is reluctant and also requires reporting by the Federal Tariff Commission so that the President may be restrained when he may be overly eager.

I ask unanimous consent that the amendment be printed in the RECORD as follows:

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1646

At the end of the bill, add the following new section:

ECONOMIC POLICY ACTIONS

SEC. . (a) Section 2 of the Export Administration Act of 1969, as amended by section 4 of this Act, is amended by adding at the end thereof the following new paragraph:

"(6) Economic policy actions by foreign countries affecting their exports increasingly affect internal economic conditions in the United States, making necessary the ability of the United States to use export controls to persuade other countries to modify their economic policy actions which are harmful to the United States economy."

(b) Section 3 of such Act is amended by adding at the end thereof the following new paragraph:

"(7) It is the policy of the United States to use export controls to the extent necessary and with respect to the articles, materials, supplies, and information necessary or appropriate, to seek an adjustment in any economic policy or action of a foreign government which has had or may have a serious domestic inflationary impact, which has caused or may cause a serious domestic shortage, or which has had or may have a serious adverse effect on employment in the United States."

(c) Section 4 of such act, as amended by sections 3, 4, 9, and 10 of this Act, is amended by adding at the end thereof the following new subsection:

"(j) Before exercising the authority conferred by this Act to implement the policy set forth in section 3(7), the President shall—

"(1) request and receive from the Tariff Commission its views on the probable impact on the domestic economy of such exercise of authority; and

"(2) consult with the appropriate committee of the Congress with respect to such exercise of authority."

(d) Section 10 of such Act, as amended by section 3 of this Act, is amended by adding at the end thereof the following:

"(c) Each such report shall contain a description of the progress being made in any international negotiations regarding rules and arrangements affecting access to supplies and export policies and practices of foreign governments. Such report shall also contain—

"(1) an analysis of any economic policy or action, during the quarter, of any foreign government affecting the price or availability of any article, material, or supply imported into the United States which is essential to the economy of the United States;

"(2) the effect of such policy or action on price, supply, or employment in the United States; and

"(3) any economic action proposed or contemplated by the United States Government with respect to such foreign economic action."

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1553

At the request of Mr. ERVIN, the Senator from North Dakota (Mr. YOUNG) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of amendment No. 1553, intended to be proposed to S. 1361 to revise the copyright law.

NOTICE OF HEARINGS ON THE GENERAL ACCOUNTING OFFICE ACT OF 1974

Mr. METCALF. Mr. President, on Wednesday, August 7, the Government Operations Subcommittee on Budgeting, Management, and Expenditures will hold a hearing on S. 3013, the General Accounting Office Act of 1974. The hearing will begin at 10 a.m. in room 3302, Dirksen Senate Office Building.

The General Accounting Office, an arm of the Congress, has been mandated many statistical and accounting functions. It has taken the lead in developing and implementing Government-wide accounting and cost standards.

Since the creation of the General Accounting Office in 1921, more and more responsibilities have been given to this congressional agency. However, an examination of the GAO functions indicates that many audits are conducted too frequently to justify their cost or effectiveness. On the other hand, the General Accounting Office lacks authority to audit certain accounts. The proposed legislation deals with these matters.

Additionally, the bill would give GAO control over its own building, and the authority to employ up to 10 experts at a rate not to exceed the rate for level V of the executive schedule, and to except such individuals from laws limiting reemployment of retired officers or employees or simultaneous receipt of compensation and retirement pay or annuities.

Testimony will be received on August 7 from the Comptroller General and representatives of the General Services Administration. Persons interested in testifying or submitting statements should notify the subcommittee at 161 Russell Senate Office Building, telephone 225–1474, majority, or 225–1481, minority.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

> J. Raymond Bell, of the District of Columbia, to be a Member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1974 (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 5, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. HUGHES. Mr. President, in accordance with the joint statement by the distinguished majority and minority leaders on July 16, I wish to provide for the Record information about the participation of a member of my staff in an educational exchange program overseas.

At the invitation of the European Economic Communities, Dr. Charles Stevenson of my staff traveled to Brussels, Belgium and to London, England during June 30–July 5 for conversations and roundtable discussions on European economic and trade matters and on various aspects of United States-European relation.

I approved Dr. Stevenson's acceptance of this invitation, for I believed that his participation in such an educational exchange program would enhance his capacity to perform his duties in the Senate.

ADMINISTRATIVE PRACTICE AND PROCEDURE, SUBCOMMITTEE HEARING ON IRS SECRECY CONTINUES

Mr. KENNEDY. Mr. President, on Wednesday the 31st of July the Subcommittee on Administrative Practice and Procedure will be continuing its oversight hearings on secrecy at the Internal Revenue Service. We will be focusing on IRS freedom of information policies and procedures and will hear from IRS Commissioner Donald C. Alexander.

Last April the subcommittee opened its IRS oversight hearings with public witnesses, including former Commissioner Mortimer Caplin, Mr. Tom Field, executive director of Tax Analysts and Advocates, and Mr. and Mrs. Phil Long from Washington. These witnesses uniformly decried the persistent delays in IRS handling of Freedom of Information requests and its overprotective attitude in withholding material from public view. They voiced strong opinions that many classes of rulings, memorandums, statistics, reports, and instructions should be made public, both because disclosure is required by law and because greater openness would strengthen public confidence in the fairness of IRS administration of the tax laws.

I believe it is ironic that during the years that White House aides were able to obtain from the IRS confidential, personal tax information on political friends and enemies, the public was unable to obtain documents required by the Freedom of Information Act to be made available to them. While there is some evidence that the Service is changing directions — for the better — on both counts, we will certainly want to explore with Commissioner Alexander what is being done on the one hand to protect private taxpayer information from political misuse and on the other to insure expeditious release of information to which the public is entitled.

Our hearing will begin at 10 a.m. in room 2228 Dirksen Building.

ADDITIONAL STATEMENT

YOUNG AMERICANS CALL FOR ACCOUNTING OF AMERICAN SERVICEMEN MISSING IN ACTION IN VIETNAM

Mr. HELMS. Mr. President, the story of the suffering of families of American servicemen still unaccounted for or missing in action in Southeast Asia is not new to us. The long years of futile hope, of despair, and of family disruption calls out to us to take action on this matter.

At this time, there are some 1,200 Americans listed as "missing in action" in Vietnam. Additionally, there are more than 1,200 who were killed in action, but whose bodies have not been recovered from Communist zones there.

On January 23, 1973, the North Vietnamese and the Viet Cong (PRG) signed the Paris Peace Agreements. Article eight, paragraph (b) of those agreements reads as follows:

> The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of their remains, and to take any such other measures as may be required to get information about those still considered missing in action.

The Communists have not lived up to these agreements, Mr. President. They have discouraged inspection of possible crash sites, for example. When Congressman Sonny Montgomery, on a recent fact-finding trip to Southeast Asia, asked the Viet Cong when they were going to allow identification teams to inspect crash sites and bring home our dead for proper burial, he was told that the recovery of bodies was "a little detail," and that the Viet Cong would not permit Americans to go to the sites.

Mr. President, we have a right to visit those sites. But the Communists are not going to let us search the crash and grave sites until we insist firmly that the Communists live up to their agreement. And time works against us in this matter, since evidence at the sites is very perishable in the tropical environment of Southeast Asia.

As Congressman Montgomery pointed out in a report on his factfinding mission:

> We must intensify and continue the public pressure for a full and factual accounting of MIA's and return of known dead. This appears to be the only tactic that has an effect on the other side.

I urge my colleagues to heed Congressman Montgomery's words. And I commend to them the actions of 12 young Americans who have acted to let the Communists know that Americans want this accounting.

These dedicated young people are today completing a trip which began 25 days ago in New York. They have journeyed to France, Sweden, Russia, Thailand, Laos, South Vietnam, Hong Kong, and Japan to carry the message to the world that Americans want the North Vietnamese and Viet Cong to live up to their end of the Paris peace agreements.

On their trip, they met with the North Vietnamese in Paris, where they sought visas to Hanoi to push for an accounting of American MIA's and dead. In Moscow, they sought out Russian leaders to carry their message to. In Thailand, they were warmly welcomed by the people and government leaders, who pledged to help them in their efforts.

But did the American people hear about the work of these concerned young people? Were their activities given the same sort of extensive coverage on the major network news programs that was accorded another group of youths, who occupied a bathroom in the Washington Monument to show support for amnesty for deserters and draft dodgers?

The answer, of course, is, of course not.

And so it always goes, Mr. President. Americans are constantly bombarded by the monopoly media with stories promoting sympathy for draft dodgers and deserters, while young people working for worthwhile causes are ignored. Well, I for one want these young people, these concerned young Americans, to know that there are at least some people in this country who know what they are doing and appreciate their dedicated hard work.

Mr. President, I commend these young people for putting pressure on Hanoi and the Viet Cong to release information concerning our MIA's and unaccounted for dead. And I urge my colleagues in the Congress to follow their good example and push even harder for this long-overdue accounting.

TRIBUTE TO CHAIRMAN THADDEUS J. DULSKI

Mr. McGEE. Mr. President, as chairman of the Senate Committee on Post Office and Civil Service, I have had the opportunity to work with many talented and capable individuals on issues of Government and political administration so intricate and complex as to test the capacities of even the best. Of all these talented people, however, I would be hard pressed to find one more outstanding than my counterpart in the House, the Honorable Thaddeus J. Dulski, chairman of the House Committee on Post Office and Civil Service. It was with no small amount of regret, therefore, that I recently learned Ted Dulski has decided not to seek reelection to a ninth term of office. I know I speak for my eight colleagues on the Senate Post

Office Committee when I say we shall deeply feel his absence, both as a friend and as a leader.

For as long as I have known him, TED DULSKI has always been a person of outstanding good humor and warmth. And I believe it is his warmth that has distinguished his public career as a man responsive to the needs of others. Certainly, this trait of sincere concern has been evident in his term as chairman of the House Committee on Post Office and Civil Service. Anyone familiar with the great strides made by Congress in the last 7 years in the field of Federal employment will quickly perceive that the overriding interest of Congress has been for the welfare of the Government employees.

Today, the civil service stands as an inviting prospect for thousands of young men and women entering the job market. The civil servant is no longer the poorest paid and most underprotected worker in America. These accomplishments by and large rest with the efforts of TED DULSKI. My only regret is that we still have much to do, and that we shall have to do it without the able resources of the chairman of the House Committee on Post Office and Civil Service.

The concept of the modern postal service corporation is another major accomplishment that saw its birth under the leadership of Chairman DULSKI. And while we have all taken note of the problems which have beset the U.S. Postal Service, we should also note the number of times additional problems were averted by the guiding hand of the gentleman from the 37th District of New York. Furthermore, it must be said that TED DULSKI has never allowed the pride of authorship blind him to the problems of the Postal Service. Since the enactment of the Postal Reorganization Act of 1970, he has consistently handled the Service with firmness, always quick to point out its errors as well as its successes.

It is my firm belief that someday the creation of the U.S. Postal Service will stand as a landmark in the history of American institutions. And I believe historians will come to conclude that THADDEUS J. DULSKI not only deserves a lion's share of credit for the birth of this organization, but that it was he who raised it to its great stature during the trying and difficult years of its initial operation.

Mr. President, I am proud to have this opportunity to recognize the accomplishments of TED DULSKI and to express my regret at his leaving the Congress of the United States. No amount of words can every repay the impressive legacy which he will leave behind him. I can only hope that in his absence, we will be able to continue in the direction which he so resolutely set out for us. Knowing TED, I think this is the tribute which will please him most.

SUPPORT BUDGET BUSTING VETOES

Mr. PROXMIRE. Mr. President, I rise today to pledge my support for President Nixon's veto of bills that bust the budget. I predicted that anti-inflation vetoes would have a fighting chance to win in the Senate.

The Senate is on record with an emphatic 74-to-12 vote for a $10 billion cut in the President's budget. My amendment, passed last month and pending action in the House, would commit the Congress to a reduction from $305 billion to $295 billion in the President's budget.

This is twice as great as the feebler reduction proposed by President Nixon last Thursday night. Now we in the Senate should show that we mean business.

CONGRESS WILL REDUCE REQUESTS

There is no question in my mind that the Congress will reduce the President's military appropriation requests by at least $3½ billion and we might cut it by as much as $10 billion.

We can and should also reduce the President's foreign aid request particularly the military foreign aid by a billion and a half or more.

On most of the other appropriations we will, as in past years, be at or below the President's request, but that leaves Health, Education, and Welfare appropriations and backdoor spending in other areas where Congress may soar way over the budget.

If our commitment to reduce spending by $10 billion is to mean more than rhetoric we have to hold down spending in these areas to a level near or below the budget requests. It would be unrealistic to expect a majority of Congress to do this.

ONE-THIRD NEEDED TO SUPPORT VETOES

But it is not unrealistic to expect that with the present anti-inflationary, anti-spending mood of the country at least one-third of the Senators may be willing to support Presidential vetoes where it is clear that the inflation damage outweighs the value of the program.

This year with inflation front and center as the biggest issue in the country, inflation should outweigh big spending increases everywhere.

I have talked to a number of Democratic Senators who have told me they share this view, and that they intend to consistently oppose budget busting spending even for the most popular programs. These Senators and our like minded Republican colleagues certainly do not constitute a majority, but we have a fighting chance to achieve the one-third that can sustain anti-inflation vetoes.

So the President's announcement that he will veto the big spending bills is welcome. We in Congress can make those vetoes more than a gesture. The result could be not only less pressure on prices because of the lower level of government spending but less pressure on interest rates from a sharp reduction in net government borrowing. The country should not give up on the prospect of actually balancing the budget in this fiscal year. It will not be easy and it still is not likely. But anti-inflation fever has lit some fires in the Congress that may at last get some results.

KANSAS PROTEIN FOOD FOR THE SAHEL

Mr. DOLE. Mr. President, a new food has been developed and is currently being distributed through the food for peace program to feed hungry people around the world. The food is soy-fortified sorghum grits. Grain sorghum, or milo as it is sometimes called, is a grain grown in the United States largely as likestock feed grain, but it has never been a popular domestic food cereal. To people in other parts of the world, namely Africa and parts of India, this grain is the staple of their diet.

The new food, soy-fortified sorghum grits (SFSG), was introduced into the food for peace program this year. The need for a sorghum-based product had been developed a few years ago and early in 1974 the Krause Milling Co. of Dodge City, Kans., began producing this fortified sorghum product. This new food was tested by the Department of Agriculture and by the food for peace program overseas and proved to be highly acceptable food as well as nutritious product.

TESTED IN SAHEL DROUGHT AREA

The timing of the product development could not have been better. The United States was responding to drought conditions in the Sahel region of West Africa with funds, services, and food. Food commitments to the Sahel since 1973 totaled over 600,000 metric tons. Since the people of West Africa are primarily sorghum eaters, the United States responded with food for peace donations in the forms of grain sorghum and the soy-fortified sorghum grits. It was particularly important that a nutritious, high protein indigenous type food be provided to certain vulnerable groups. These groups included mothers and small children, since the primary source of protein in their diet—milk and meat—had been eliminated due to the destruction of herds as a result of 3 years of drought.

Since its introduction, over 22.7 million pounds have been shipped to the Sahel. This is enough to feed over 300,000 children for 1 year. Governments of the Sahel are continuing to request assistance and current planning is to provide an additional 20 million pounds of soy-fortified sorghum grits to Mali, Mauritania, and Niger between now and November.

KANSAS—MAIN SUPPLIER

Other countries of the world have also found this new food both pleasing to the taste and readily adaptable to local recipes.

Since its introduction into the food for peace program, the United States, through the Department of Agriculture, has purchased 29.9 million pounds of SFSG. The principal manufacturer is Krause Milling Co. of Dodge City, Kans.

SFSG is not only being distributed by the United States in the Sahel, but by American voluntary agencies such as CARE, CRS, and CWS in other parts of Africa, the Far East, and in India. The world food program (WFP) has also tested SFSG and has requested the food for distribution in WFP projects in the Philippines and Nicaragua.

The food resembles broken kernels of rice and when cooked swells like rice into separate particles. In India, for example, curry is added to make a "rice type" curry dish. Sorghum grits is bland like rice, therefore it readily assumes the flavor of local dishes.

HIGH NUTRITION VALUE

Nutritionally speaking, the product compares favorably with protein type foods. For example, non-fat dry milk has a PER—protein efficiency ratio—of 2.5, while soy-fortified sorghum grits has a PER of 2.3. The normal ration of SFSG for a 6-year-old child is 100 grams—3.5 ounces—per day. This ration would provide the child with 16 grams of protein, or 53 percent of its minimum daily requirement, and 359 calories, or 22 percent of its minimum daily requirement. Soy-fortified sorghum grits consists of 15 percent defatted soy flakes, 85 percent sorghum grits.

The development of soy-fortified sorghum grits is another example of the ingenuity of the American food processing industry. This industry, in cooperation with the U.S. Government, is leading the way in the development of new foods to fill the hunger gap around the world.

REV. GEORGE O. GREENE RECEIVES GEORGE WASHINGTON HONOR MEDAL OF THE FREEDOMS FOUNDATION AT VALLEY FORGE

Mr. TALMADGE. Mr. President, it was my pleasure last Sunday evening to present the George Washington Honor Medal of the Freedoms Foundation at Valley Forge to Rev. George O. Greene, senior minister at Ousley Methodist Church in Decatur, Ga.

This distinctive and coveted honor was bestowed upon Reverend Green for a sermon he delivered in his church July 1, 1973. Entitled "God Bless America," Reverend Greene delivered his forceful and eloquent message. He addressed himself to loyalty and dedication to country, qualities which I fear are sadly lacking in our country at this time.

In my judgment, we need more spokesmen such as Reverend Greene who very clearly and without apology stand up for patriotism and loyalty.

I bring Reverend Greene's very fine message to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

GOD BLESS AMERICA

(By Rev. George O. Greene)

God Bless America! When Alvis sang the verse of this song this morning—you have to realize that this song was written during a time of war, but the war was on the other side of the sea. The verse of that song starts, "While the storm clouds gather far across the sea, let us raise our voices in this song of joy."

This morning I want to call your attention to the first verse of the 127th Psalm. I'm going to read that whole verse to you this morning, and then I'm going to pick up the last part of the verse, where the writer of the Book of Psalms said, "Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain." Now, I've preached on, "Except the Lord build the house, they labour in vain . . ." but I was thinking this week that I had never in my entire ministry preached on the last part of that verse, "except the Lord keep the city, the watchman waketh but in vain."

I think we need to put the emphasis today on the Lord keeping the city, because I think, and I honestly believe with all my heart, that our nation was formed—our nation was built, with God as the keystone of its creation. I don't care what anybody says of our modern historians, you search the pages of history, and you will find that America was built, formed, and discovered by people who wanted to find a place where they could worship God as they saw fit. Men did not risk their lives for a new socio-economic system—men did not risk the lives of their families, and their children to try out some new fly-by-night political scheme. Our nation was born by people who believed that man has the inalienable right to worship God, and they left the Europe of tyranny and dictatorship to search for a place where man was free to worship God according to the dictates of his own conscience. Our nation was built around the scaffolding of God. It was at the Constitutional Convention when it seemed that the delegates had come to the point of blows, that Benjamin Franklin, one of the great builders of our nation, stood up in that Constitutional Convention and said, "Gentlemen, we dare not build anything without the help of the Supreme Maker of the Universe. I make a motion that we pause for a few moments in our deliberations, bow our heads, and everyone in his own way ask for the divine guidance of the Supreme Creator of the Universe."

And it was only after prayer that the Constitution of the United States was put together and formed. You see, our nation was built and constructed, and created with God as the Keystone. Yet today, one does not have to be prophetic to be able to see that we have strayed away from God; we have strayed away from the principles that our nation was built upon. Now today, more than ever before, we need to sing, "God Bless America from the mountains to the prairie, God Bless America, land that I love!" You see, the thing that happened in our country is that we have let some pretty sick philosophy eat at the very vitals of our lives. We have let some sickening, and sickened philosophy gnaw away at the foundation of the nation that we love, until we have just about come to the place where we have thrown the baby out with the bath water. In other words, we've tossed God out of our nation. We have let the principles of Christianity fade from prominence in our dealings with our people, and in the building of a better world. What are these sick philosophies? Well, this is what I want to talk about this morning very briefly.

The first sick philosophy is that we have put our faith in that which is material. We have put our faith in that which we can see, and hold, and feel, and touch, and we have forsaken the mysterious, and that which we cannot prove. Billy Graham, on Monday night in his Atlanta Crusade, said these words, "It may shock you, but neither you nor I can prove the existence of God." I cannot set down on paper and draw for you a formula for the existence of God this morning. There's no way in the world that I can prove to you without a shadow of a doubt that there is a God! But there is something within the human heart that tells me that there is something bigger than I am, and yet we've let go of this in our nation. We have let go of these things that are vital, and we have brought in malignancies that eat at the very heart of our nation. And one of these is faith in that which you can see and hear and touch. Faith in that which is material! Faith in that which is prominent! Faith in that which is in position and prestige. Several months ago I received a letter the like of which I have never received before or since. I have said this so many times, I don't read anonymous mail—I open it up and see if it's signed, and if it's signed I read it, and if it's not signed I throw it in the trash can. But this one was four pages long, typewritten, single spaced, and I knew it wouldn't be signed when I saw it, but I was interested in it because the fellow had taken so much time to write it. What had happened is that I had written an article in the newspaper talking about our nation being created by Godly principles, and this man, who was some kind of self-styled historian, spent four pages trying to prove to me that there was no relationship between the building of our nation and the God of our fathers. He tried to prove to me that Benjamin Franklin was an atheist; that George Washington was an agnostic, and that God had nothing to do with the building of our nation! I don't know where he got his history training, but wherever it was, I hope they didn't give him a degree. Whether Benjamin Franklin was an atheist or not, history records the fact that he said, "Let us pray to the Divine Creator of the world." George Washington may have been an agnostic—I don't question that—but I still believe that the founding fathers of our nation risked their lives, and built our nation on the sense of a fear, and an awe for God, the Eternal Creator of the World.

But today we have forsaken our heritage, we are like the man in the Bible who sold his birthright, we've taken God out of our nation; we've taken the principles of God out of the undergirding boulders of our nation. We've sold our birthright; we have cut into the very vitals of our life, and we've put God on the outside, and we've disregarded the very principles that our nation was built upon. That's the first evil philosophy.

The second philosophy that we've allowed to take place in our nation, and our society, is that we have given way to a divisive spirit. What is a divisive spirit? A divisive spirit is some kind of a disease that creeps into the lives of people, and causes us to be divided one against another. You remember it was Abraham Lincoln that said, "A house divided against itself cannot long stand." What a deep and great philosophy that was! How much proof there is—our nation today trembles on the brink of disaster because we are a divided people. We are divided—we can't disagree and still love one another! We can't argue and have our differences without trying to choose up sides and one destroy the other. I see it in politics. I see it in family relationships. I see it in friendships. We have become a divisive people. I don't expect people to agree with me . . . but I expect people to grant me the right to disagree with them, and still, in the spirit of love, cooperate with one another—but not in our day and time! We cannot stand anybody to disagree with us. If they disagree with us we term them a communist, or a red-neck, or a liberal, or a conservative, or a reactionary. We cannot have friends and loved ones who do not share our same opinions. We must learn to disagree and still, in the spirit of love, care for one another. But we can't do that! We are divided in politics. The Republicans don't want to have anything to do with the Democrats; the Democrats don't want to have anything to do with the Republicans, and I don't know what they are going to do with those of us who are independent! You can't disagree in politics because we have drawn the line, and there is a divisive spirit among our people today that keeps us from being united under God in one eternal purpose. You don't believe there is a divisive spirit? Look what we've done with the racial question in

America. We've blown it all out of proportion. If you don't agree with me on the way I feel about race, then you are dead wrong—if I don't agree with you about what you feel about race, then I'm dead wrong—we cannot have our separate opinions on subjects of vital concern to our world unless we agree with one another. The divisiveness that runs rampant in our Nation today not only touches the question of race, but it touches the question of welfare. The welfare in general, of the people . . . if people don't agree with us, with what we feel is the proper state of welfare in our Nation, then we completely cut ourselves off from them. Look what happened in the Vietnam war. I have my opinions about the confrontation in Southeast Asia, but I never thought I'd ever live to see a time when our Nation would pull open, cut itself to shreds, over a matter of a war and peace on earth! Look what happens in the Nation's security. If you don't agree with somebody you do everything you can to destroy it. I don't know if you have wasted your time in the last few weeks watching the Watergate Hearings or not—I haven't—I tried to listen to as little as possible, and to read as little as possible—but the thing that keeps coming out to me, and it's not just Republicans, but it's Democrats and Republicans—and it's the spirit of our Nation—if somebody opposes you, then get rid of them! We're afraid of opposition! We are afraid of people standing up, and opposing us, and at the same time being able to love them! We aren't that big! This is eating away at the very heart—I've seen it happen to a community—I've seen it happen in a church—I've seen people in a church who couldn't agree, and if they didn't agree, they couldn't love one another. Let me tell you something, friends. I don't care how much Scripture you can quote, I don't care whether you are Sanctified or not, if you can't disagree, and still love someone, you're as far away from the Kingdom of God as you can possibly be. Divisiveness—the divisive spirit in our nation is eating at our very lives!

And then the third sick philosophy is the sick philosophy of irresponsibility. I think we've forgotten that we have a personal responsibility to society to make this a better place in which to live. The question is asked today, "Why should I do that? That's somebody else's place to do it . . . why should I be involved to clean up a community—why should I be involved in what's going on? Let somebody else do it!" And it never gets done—if you don't believe it then look at what's happening in the break down in law and order in our nation. Look what happened on the streets of Atlanta the other day . . . when a man was selling a newspaper and irritating people, and a policeman stopped him, and before he could get the man, the man pulled out a gun and shot him! You say, "Well, that has nothing to do with me!" Oh, yes it does! I'll tell you, we'll never have a better community, we'll never have better cities, we'll never get rid of crime until you and I consider it our personal responsibility to stand up and demand that it take place. The problem with juvenile delinquency—it's always somebody else's child that is creating the problem. My friend, it's not somebody else's child—it's not somebody else's responsibility—it's *your* responsibility! I have parents say to me, "My child was out last night, and I didn't have any idea where he was." The kind of parent who says that is the parent who shirks his responsibility. Any parent who does not care enough about his child—care enough about society—to take a firm hand and rear his child in the way he ought to go, is a complete failure as a parent. Somebody else's responsibility!

Then it comes down to work—"Why should I work? Let the State take care of me!" One of the biggest mistakes we've made in our nation today is rewarding irresponsibility! I don't know how you feel about the guaranteed income, but I'll tell you when our nation gets to the place that we guarantee a lazy person an income because he's too lazy to work, we've shaken the roots of the very foundation of our nation. Jesus said in the Holy Writ, if a man wants to eat, let him work. Yet, we've become so irresponsible that we've used our lazy people—our irresponsible brothers—we've used people as political footballs. Why should anybody care about working any more? There's a sickness in our nation.

Well, Preacher, you've told us the problem—where's the solution? I tell you where the solution is: the solution is that you and I, and our nation, need to return to the basics. We need to return to the foundation stones that our nation was built upon. We need to find somewhere in the eaten, malignancy of our lives a new spirit of cooperation between people. Learn to cooperate with other people to make it a better world. Learn to cooperate with people who differ with us. We need a new spirit of cooperation—we need a new spirit of love among people. If a man loves those who love him—if a man loves those who agree with him and nobody else, then a man is as far away from the Kingdom of God as he can possibly be! We need a spirit of brotherhood—not a goody-good, look-at-me brotherhood, spirit. I'm talking about a deep concern for the mental, moral, emotional, spiritual, and physical welfare of mankind. We don't need any martyrs of brotherhood—we need a new spirit of brotherhood that causes us to love one another because God first loved us. Then I think we need to finally return to the basics of a spirit of sacrifice. I'm going to say something and I believe it with all my heart. We have just been through one of the most perilous times in the history of our nation. We were in what seemed to be a useless war . . . war that I'm not sure will ever have any ending, but we were in it. And we called upon the young men and women of our nation to sacrifice their lives for something that we had committed ourself to. But the worst thing that happened, was the yellow flag of cowardice that flew throughout our nation when we saw young person after young person who said I'd rather give up my country than sacrifice myself. When we have lost the spirit of sacrifice, we've lost the spirit of Christianity! Greater love hath no man than this, that a man lay down his life for his friend . . . and until we return to the spirit of sacrifice and brotherhood and love and cooperation and understanding, we better stand every day and sing with all exuberance we have, "God Bless America, land that I love," cause we need it—we need it badly! We need it!

THE DEATH OF WAYNE MORSE

Mr. MUSKIE. Mr. President, I was deeply saddened by the death of Wayne Morse. I had the honor to serve with him in the Senate for 10 years and came to know him as both a dedicated public servant and an individual of rare wit, candor, and perception.

He was a man who defied easy description, although he earned many sobriquets over the years.

He began his public service in the Democratic administration of Franklin Roosevelt. In his 24 years in the Senate, he was, by turns, a Republican, an Independent, and a Democrat. It was not that he despised political parties. He preferred his own counsel to any party line, and his independence became legendary.

He was called the Lone Ranger for his independence, and for a fearless willingness to espouse unpopular causes when he believed in their rightness.

Others called him Mr. Education because he shaped a national education policy which will affect the lives of generations to come.

He was also known as the Tiger of the Senate, after a biography by that title, because of an acid tongue which could and often would cripple arguments opposing his. Those who bore his assaults probably had other names for him as well.

And he was wryly called the Five O'Clock Shadow for the regularity with which he took the Senate floor at the close of the business day to speak on a staggering range of issues, large and small.

In fact, his enthusiasm for *oratory* was unbounded. He once spoke here for more than 22 hours, a feat of physical as well as intellectual strength.

But even together, the nicknames do not describe the man.

Tutored in the populist traditions of Bob LaFollette, he always asked what was good for the people, and when he felt he had the answer, no special interest could sway him from his chosen course.

He was also a brilliant labor mediator, an expert in labor law, a leader in the cause of education, an ardent advocate of civil rights. He is known by a younger generation primarily for his prescient opposition to the Vietnam war and his lonely and costly vote against the Gulf of Tonkin Resolution.

Those who knew him here also remember his puckish wit, his affection for people, and his boundless energy. It is one measure of the man that he was ardently seeking to regain his Senate seat when he died at age 73.

Fittingly, Wayne Morse provided us with the best short description of his life and philosophy. He said a couple of years ago:

> If the truth is intemperate, then I will continue to be intemperate.

Mr. President, I ask unanimous consent that an editorial on Senator Morse's death appearing the New York Times of July 23, 1974, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 23, 1974]

THE SENATE'S LOSS

Senator Wayne Morse of Oregon was too much the maverick to be a reliable party man, too much the gadfly to be a hero of the Senate Establishment, too much the independent to be predictable even in his proven liberalism. He was a superb public servant—not in spite of those attributes but because of them.

Originally a Republican of the Western progressive breed known in an earlier day as the "sons of the wild jackass," Wayne Morse broke with his party when General Eisenhower, whom he had warmly supported, made peace with the conservative Senator Robert A. Taft. He sat in the Senate for a time as an independent by name as well as by nature and a few years later won re-election as a Democrat. He did not disparage the party system as such; he just gave principle a higher priority than party or, for that matter, than the views of his constituents.

Believing with Edmund Burke that a representative's first loyalty is to his own judgment, he took counsel with himself and had the courage to act on it. He could be wrong-headed at times—but most of the time he seemed magnificently right—especially, in the light of history, when he and another great independent liberal, Senator Ernest Gruening of Alaska, who died only a few weeks ago, stood alone against the Gulf of Tonkin resolution.

Right or wrong, Wayne Lyman Morse went his own way, cavalierly crossing party lines to vote his conscience. At his death he was in the thick of a fight to make a last comeback to the United States Senate. The Senate lost.

GENERAL CONFERENCE OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Mr. CURTIS. Mr. President, as a representative of the Senate at the last General Conference of the Food and Agriculture Organization of the United Nations I wanted to report on my impressions of that group.

For almost 30 years the Food and Agriculture Organization of the United Nations has been involved in international efforts to increase food production in the poor nations of the world. Through its technical field services, food assistance and information gathering the FAO serves countries throughout the world attempting to provide an adequate level of food security to their citizens.

These initiatives could not be more appropriate to the needs of the developing world. The unbridled growth of the world population—doubling now every 34 years—combined with increased per capita demands for food due to rising affluence in the developed world creates new strains on the world's food production system.

Clearly, if the future food needs of the world are to be met the developing countries must accept a greater share of the burden for their own food production.

The developing world must have greater access to agricultural information and technologies if increased food production is to be forthcoming. They must have more private foreign capital directed into their agriculture sector if a sustaining marketing and distribution system is to be developed. And these countries must have a reasonable level of food assistance if their citizens are to have the minimum level of nutrition required for a healthy and industrious population. These areas are where FAO comes in.

FAO has become an invaluable source of knowledge on every aspect of agriculture, fisheries, forestry, and nutrition. Its publications and statistical surveys represent an important basis on which countries can develop their own agriculture and food planning.

The research arm of FAO has been a major contributor to world efforts to increase crop yields and to improve nutrition. FAO also represents a forum for the exchange of information for policymakers, planners, and scientists.

FAO's research countries are adopting better transport and storage mechanisms and means to reduce wastage; and FAO guidance has become an important component in many developing countries' agriculture development planning.

About three-quarters of FAO's $107 million budget is spent on field activities. These funds are used to support over 1,150 projects in 110 countries and territories. Scientists and skilled technicians provide crucial advice and assistance to farmers attempting to improve their crop production. In the Near East FAO is administering a chain of animal health institutes. FAO has created training and research institutes in several less developed areas of the world. Soil engineers help farmers to bring large areas of unused land into production. Better seeds and farming methods introduced by FAO experts help farmers in the poorer countries improve crop yields.

One of the major constraints on increasing agricultural development in the developing world is the shortage of credit and foreign exchange. FAO has played an important role in finding money for investment in agriculture.

Through its FAO/IBRD cooperative program FAO helps governments to identify and develop investment possibilities for World Bank financing. In 1970–71 almost $300 million went toward such projects as irrigated farming, land settlement, livestock development, commercial production of tropical crops, fisheries, and grain storage, all of which FAO helped prepare.

The industry cooperative program was established by FAO to attract greater private technical, management, and capital resources. In coordination with over 80 multinational companies ICP acts as a channel of information identifying investment opportunities in agriculture. ICP also works with governments to help investment seeking countries to attract private projects.

The world food program of FAO was established in 1963 to channel resources in the form of food, cash, and services such as shipping to needy areas of the world as a support to development. By providing a family food ration as partial payment to men planting trees, digging irrigation channels, building roads, schools, and other development projects FAO through the world food program assists not only economic growth but healthy food habits.

These are the successes of FAO. Yet we must also appreciate the shortcomings. The most negligent attitude we could take is to become complacent with our international institutions. The resources available to the developing world require their most efficient utilization. Therefore, we should constantly be looking at ways to improve international development efforts.

First, the emphasis must be on field work and ways must be found to increase the direct assistance to the farmer himself. It would be a gross misutilization of our contribution to FAO if that money is used to support a top-heavy bureaucracy in Rome with a lot of office workers.

Second, food aid through the world food program must be closely coordinated with development plans. Rather than increasing food aid we should be looking at ways to more efficiently utilize the food assistance we already have.

We must also find a more equitable sharing of the burden for support of development efforts. Presently the United States contributes about 25 percent of FAO's budget. This is not consistent with the relative economic strength of other developed countries. The other developed countries must begin to pick up a larger part of the tab concomitant with their increasing level of affluence.

Finally, the developing countries themselves must begin to bear a larger share of the responsibilities for development. Assistance from the developed world should be based upon a willingness of the beneficiary countries to help themselves. Agricultural development must be a partnership in which the receiving country picks up as large a share of the development burden as it can reasonably afford.

FAO's task is immense, but crucial. In the coming years I will watch FAO's efforts closely to insure that their job is met as efficiently and fairly as possible.

The real challenge, and it must be the ultimate responsibility of all foreign assistance, is to find ways to make our development organizations obsolete—to provide self-sustaining agricultural development in the poor nations of the world so that our foreign assistance does not become a bottomless pit.

During the conference of the FAO in Rome in the fall of 1973, I attended the daily meetings of the American group. At that time, I asked the technicians representing our Government to prepare for me a list of the field projects currently underway by the FAO together with a résumé of what they were doing. That document was provided me and from it the descriptions of three projects have been formulated for the information of the Senate.

I ask unanimous consent that three brief descriptions of FAO projects in Mexico, Bangladesh and Kenya be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FAO IN MEXICO

STRATEGY FOR AGRICULTURE

In Mexico there is no national development plan as yet. Particularly of late there has been a tendency to coordinate the social and economic policy of the Government in the context of a broader approach and a larger perspective than the six-year term of each federal administration.

Furthermore, in these years increasing consideration has been given to the need to establish a comprehensive agricultural development policy as an essential component of any future national development strategy.

For many years a large part of the country's agriculture has been inefficient. The Agrarian Reform did not succeed in increasing agricultural production. The present living conditions of the "campesinos" are slightly better than in 1910, while the productivity of most of the sub-sectors continues to fall. In fact, farms efficiently administered are only found where land distribution programme was not enforced.

Mexico is not blessed with good land, only 15 percent of its territory can be put under cultivation. The soils lack nitrogen and phosphates and need high fertilizer inputs to avoid exhaustion. The occurrence of floods is frequent in some areas, while many others are dry and as a consequence irrigation and drainage are widely needed.

From a more general viewpoint it has repeatedly been stated in the Government development progress that the working and living conditions in agriculture must be substantially and increasingly improved; this calls for the implementation of a very comprehensive agricultural development policy including technological and institutional improvement measures.

A set of fiscal and other reforms aimed at achieving a better situation for the rural sector and a provision of greater amenities in the rural areas to raise the living standard of the millions of rural workers and their families are needed.

FAO ongoing and approved projects in Mexico include: training, research and extension in animal husbandry; tropical agricultural research; agricultural statistics; and technological education in fisheries.

FAO has been requested to assist in projects related to agriculture and livestock in the arid zones, postgraduate veterinary education, development of beef cattle production and development of small and medium food industries in rural areas.

FAO IN BANGLADESH

The strategy for agriculture is based on the policy of the Government in the First Five-Year Plan for Bangladesh (1973/74–1977/78) which was being elaborated at the same time as the present report.

In the short term, emphasis has had to be placed on the rehabilitation of the economy of Bangladesh which was seriously damaged by the war. Longer term growth calls for a high rate of investment which is beyond the country's capacity at the present time, and for a reduction in the rate of growth of the population.

In view of the dependence of some 85 percent of the population on agriculture and of the rapidly increasing population, Bangladesh's main target is the creation of employment opportunities for rural unemployed and underemployed. Next comes the attainment of self-sufficiency in the production of food grains, particularly rice, and the expansion of the production of other food and commercial crops.

It is important to reduce unemployment and underemployment in agriculture by an expansion of agricultural production (using labour-intensive techniques), a rural works programme and the encouragement of the seasonal migration of labour. Rural works should place the main emphasis on production-oriented projects and concentrate on irrigation and drainage construction and maintenance. While movements of agricultural labour, mainly on a seasonal basis already take place in response to market forces, they could be promoted by measures for regional development.

An increase in agricultural production is dependent on an improvement in yields, since there is no hope for expanding the area of cultivated land. Such an approach in turn calls for the refusion of modern techniques and inputs and also, since about two-thirds of the cultivable land are vulnerable to flooding, for extensive water control, drainage, flood control as well as irrigation.

FAO will employ an irrigation engineer and an irrigation economist to assist in water planning in the country. The agency also has completed a soil survey, is working on a fertilizer program, and has established a test control service.

FAO is also supporting the Jute Research Institute, horticultural research, has supplied three men to look into the production and disease control problems of cocoanuts, and is assisting in the development of an oil palm industry. Other FAO projects include: consultants in rubber plant production; livestock development and dairy and poultry research.

FAO IN KENYA

The current Kenya Development Plan—the second one—lays down the strategy for Kenya's economic development for the period 1970–74. The Plan's objectives are to achieve a broad-based economic development with emphasis on rural development involving participation of the people, and resulting in high incomes equitably distributed between sectors, regions, and individuals. The Plan hopes to achieve an average economic growth of 6.7 percent per annum, compared with the 6.3 percent achieved in the First Plan.

(a) The target is to raise agricultural production by over one-third. The strategy underlying this will entail:

(i) increasing agricultural efficiency by providing various facilities and services;

(ii) settlement of 33,000 new settlers on unused and mismanaged land;

(iii) a land use committee will be set up to advise on the rational allocation of land resources between e.g. agriculture, forestry and wildlife. Limits will be imposed on individual ownership of land to ensure intensive use. Resettlement from high to low density areas will be stimulated;

(iv) to facilitate land development, a land adjudication (consolidation and registration and titles) programme will be imposed on over 7½ million hectares, of which 2½ million will be agricultural land and the rest in range areas;

(v) since credit is an important restraint on agricultural development, the Government hopes to expand its credit programme;

(vi) agricultural research programmes e.g. on plant and livestock diseases, high yielding varieties, mechanization, and husbandry practices will be stepped up;

(vii) major production targets include:

	Metric tons
Maize	610,000
Wheat	230,000
Rice	40,600
Coffee	64,000
Tea	45,750
Cotton	20,000
Sugar cane	1,750,000

Livestock production goals are also high, and the emphasis will be laid on the modernization of this industry by the introduction of closed ranching techniques to replace traditional pastoral methods;

(viii) irrigation development with the expansion and rationalization of existing schemes and the design, staffing and management of schemes, settlement of farmers, selection of suitable crops, cultivation methods, provision of communications.

(b) Rural water supply for human and animal needs will be empasized and the Government contribution to this programme will be increased five fold over the 1968/69 estimates. The Water Development Division of the Ministry of Agriculture will be strengthened, and emphasis will be given to the identification of projects and priorities.

UNDP/FAO

The agricultural content of the UNDP/FAO Country Programme is well oriented toward the priorities established by the Government in the successive five-year plans, especially that for 1970–74, and other development blue prints. The Country Programme is the largest operation in agriculture under multilateral activity, and takes full account of the key role of agriculture in Kenya.

Major FAO efforts to assist Kenya in its development plan include providing technical assistance to assist in the establishment of viable ranches; advisory service for prospective feedlot operators; suggesting improved techniques in sheep and goat production; assisting in irrigation research for production of rice and other crops; and assisting in research in production and marketing of horticultural products.

SENATOR ERVIN'S WATERGATE SERMON

Mr. ROBERT C. BYRD. Mr. President, the Greensboro Daily News, of Greensboro, N.C., carried in its issue for Sunday, July 21, 1974, an article by its editor, Mr. William D. Snider, entitled "Senator Ervin's Watergate Sermon." I ask unanimous consent that a copy of this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record:

SENATOR ERVIN'S WATERGATE SERMON

(By William D. Snider)

Senator Sam Ervin's Watergate Committee has folded and gone home; but some of the Senator's old-fashioned ideas, beautifully expressed in his written appraisal of this tragic episode, should not be forgotten.

Senator Sam, as most North Carolinians know, is a classics scholar. He tends toward the rich and flourishing phrase combined with mountain earthiness. Like Sir Winston Churchill, he combines wit and erudition, ornateness of style with plain-speaking. There is a touch of corniness, too, that spills over at times, but it is intentional and somewhat calculated, it seems to me—a kind of "too proud to be proud" attitude about colloquialisms and identification with the land and the people of his birth.

ROUGH-HEWN CHARACTER

But above all Senator Ervin has a strength of character, rough-hewn and massive in intensity. As staunchly as the mountain overlooking his Burke County home, his convictions about certain principles prevail in his personality and his prose. As in all such cases the word is the man, indelibly woven into his character; so that it is impossible for him to look at the nefarious activities of the President and his men without moving forthrightly to challenge error and transgression as he sees them revealed.

It is not, as some Ervin critics believe, that he seeks the limelight for himself, although, being human, he undoubtedly enjoys the notoriety which has come his way. Rather, he is compelled to speak and act because to fail to do so would violate his own sense of the fitness of things, indeed, his own conscience.

I say these things because in looking back on Senator Ervin's career I find he was never the flamboyant showman. He did not seek publicity for its own sake. As a young legislator in Raleigh back in the twenties he did speak up strongly against an anti-evolution bill—a so-called "monkey bill" which would have made North Carolina a laughing stock. Here perhaps for the first time in public life Sam Ervin's courage to affirm the strength of his conviction shone forth. From the beginning he dared to stand by his principles, even if it meant placing him in the minority.

A TRUE CONSERVATIVE

This courage has been manifested throughout his career, although by the nature of things he is a conservative, in the true sense, not one who easily overturns institutions and principles of the past. This has been most apparent in his attitude toward civil liberties. Some of his former critics could not imagine a senator as rock-ribbed about certain areas of civil rights suddenly becoming a spokesman for civil liberties. They are mystified by the man. Yet his philosophy holds together far better than those of most of his detractors.

Senator Ervin insists on defending individual liberty whether assailed from the public or the private sector, the government or private interest pressure groups. Thus he stands squarely against the recent invasion of liberty by the grand inquisitors of no-knock and the computerized commissars, wherever their aim is to chip away at the fundamental freedoms of the individual, especially those guaranteed by the U.S. Constitution.

It is in the area of possible constitutional violations growing out of the Watergate that Senator Ervin has been most active recently. This has soured some of his former admirers who believe, somehow, that his concern has been overblown and exaggerated. Yet if one examines what he is saying, he must conclude that Watergate has certainly not been overplayed. The nation has plenty to be alarmed about.

For that reason the summary observations released by Senator Ervin in connection with the final Watergate report have special pertinence.

His summary, it seems to me, provides the best and clearest enumeration of the various illegal and unethical activities which the select committee, the courts, Congress and the press have unveiled in Watergate. He lists two specific objectives of the Watergate conspirators. One was to "destroy insofar as the presidential election of 1972 was concerned the integrity of the process by which the President of the United States is nominated and elected."

The other was to "hide from law enforcement officers, prosecutors, grand jurors, courts, the news media and the American people the identities and wrongdoing of those officers and employes of the Nixon reelection committee, and those White House aides who had undertaken to destroy the integrity of the process by which the President of the United States is nominated and elected."

Notice the simplicity and clarity of these conclusions. The remainder of Senator Ervin's white paper sets forth eight activities which were carried on to accomplish the first objective and 13 activities designed to accomplish the second—that is, to make the concealment effective.

Senator Ervin's outline reflects the organization and precision of a masterful legal mind. Within his framework one may discover a splendid model for the House's impeachment presentation.

In conclusion, the Senator, without specifically indicting the President, ponders the source of Watergate. Unlike the Teapot Dome, he concludes, the "presidential aides who perpetrated Watergate were not seduced by the love of money, which is something thought to be the root of all evil. On the contrary, they were instigated by a lust for political power, which is at least as corrupting as political power itself."

The President's men came, as many ambitious men do, to confuse ends and means. To achieve what they considered a worthy purpose—the re-election of the President—they willingly resorted to evil: "They had forgotten, if they ever knew, that the Constitution is designed to be a law for rulers and people alike at all times and under all circumstances . . . Their lust for political power blinded them to ethical considerations and legal requirements, to Aristotle's aphorism that the good of man must be the end of politics . . ."

And so Senator Ervin preaches a sermon of sorts in his crowning Watergate summation. He reminds us that in order to avoid future Watergates our leaders must understand and be dedicated to the true purpose of government which is to promote the good of the people entertain the abiding conviction that a public office is a public trust. And he adds that they must also "possess that intellectual and moral integrity, which is the priceless ingredient of good character."

THE CRYING NEED

That is surely the crying need of our time: Men of good character and good sense.

Senator Ervin, one must conclude, is precisely the kind of man the nation needs in these times. It is remarkable that he should have come to the surface in a time when Washington sorely required the very characteristics his long and distinguished career provides.

Having such an elderly Cicero in the forum in the 1970's will, I believe, inspire in the oncoming generations a veneration of the qualities and ideals which he espouses—and even produce such a leader for the future.

FAMINE SPREADS IN AFRICA

Mr. KENNEDY. Mr. President, recent field reports which have come to the Subcommittee on Refugees, as well as a recent unpublished internal report of the Agency for International Development, indicate that famine conditions in Africa are spreading and that death and new catastrophe threatens millions of people in the Sahel and other parts of the continent.

The internal AID report, dated June 10, entitled "Drought Situation in the Sahel," fully confirms that "catastrophic consequences" continue from the Sahelian drought, and that the situation is "precarious" in some areas of the Sahel. Moreover, in Ethiopia the situation among the people continues to deteriorate, and serious new emergencies are developing in neighboring Sudan and other areas.

Throughout Africa, the number of famine refugees is growing—and dramatically in some areas. Relief camps are overburdened. Last year's logistical bottlenecks and administrative delays in the movement of food and medicine continues. Malnutrition and disease threatens the lives of many thousands—and the death rate continues to climb.

Regrettably, Mr. President, the sense of urgency dramatized by conditions in the field is not fully reflected in the policies, priorities, and programs of AID. Although the record shows some meaningful progress in recent months, the fact remains that our Government's actions are too often belated and bogged down in bureaucratic redtape and indecision.

The administration has known since early this year that additional disaster relief funds would be available for famine relief in Africa. Yet, not until the last few weeks has there been any serious effort to plan for the use and obligation of these funds.

The AID status report on the Sahel is a shocking revelation on the scope of the human tragedy which has overtaken millions of people. And it reminds us once again that international apathy toward the continuing drought and food and medical shortages—combined with transportation bottlenecks and redtape—could very well produce a far greater tragedy than last year, when at least 100,000 people lost their lives.

Mr. President, the Congress has appropriated some $85 million in emergency relief funds—an amount above and beyond the other resources, including food—available this year. Hopefully, the administration will use these funds to save lives—with the same sense of urgency and ingenuity it spends our money in Indochina or for military aid around the globe.

I call upon the administration to redouble its efforts in behalf of humanitarian relief and rehabilitation needs, and to speed up the use of special congressional funds for this purpose. The time is long overdue for our Government—and others—to finally approach the crisis of spreading famine in Africa with the urgency of life and death, which it is.

Mr. President, the Subcommittee on Refugees, which I serve as chairman, held hearings on the famine situation in Africa last spring, and we will continue our inquiry and report to the Senate on our findings. For now, I would like to draw to the attention of the Senate the findings of the June 10 AID status report, and I ask unanimous consent that the complete text be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Agency for International Development, Washington, D.C.]

THE DROUGHT SITUATION IN THE SAHEL

EMERGENCY SITUATION THROUGHOUT THE SAHEL AS OF JUNE 10, 1974

The great Sahelian drought is continuing to have catastrophic consequences. The vast area's fragile eco-system, that was so seriously disrupted by lack of rain in the summer of 1972, was further unbalanced by the inadequate rainfall of 1973 and the continued displacement of people and their dependency upon relief. The most obvious results were that harvests of feed grains in the six countries to meet minimal survival needs were short about 550,000 MTs for crop year 1972–73 and 650,000 MTs for 1973–74. It is not known how many people lost their lives last year as a result of the drought conditions for firm data is almost impossible to obtain. However, based on limited sampling, the HEW Center for Disease Control estimated that as many as 100,000 people may have died. It is obvious that this year the cumulative impact of inadequate or bare subsistence diets will leave many more susceptible to disease and more likely to succumb to it. The loss in livestock is incalculable, as is the impact on the many thousands of nomadic families whose way of life depends on cattle, camels, goats, and sheep. Many of these nomad families have again crowded into relief centers in Mali, Mauritania, Niger, and around urban areas throughout the Sahel. It has been estimated that up to 40% of all livestock were lost last year, and it will take years to regenerate national herds.

One consequence in Mauritania is that deliveries of grain in some remote areas must be by truck this year and additional distribution centers must be erected because the camels used for transport in prior years are gone. The cumulative impact of the drought can be seen in other ways, as more demands are made on the limited arable land, pasturage, and water sources for the survival of man and beast. For example, in Mauritania's most agriculturally productive region bordering the Senegal River, plantings this spring are 40% of the usual acreage because of sub-normal bottom land flooding. It is too early to tell how extensive this year's rains may be, but, even if they are heavier than normal, the Sahelian tragedy will continue with displaced persons seeking to reestablish their lives, those weakened by malnutrition more susceptible to disease, and grain production levels too low to meet the population needs.

The known amounts of grain allocated so far in 1973–74 by all donors to the Sahel totals over half a million tons, or 85% of the estimated needs prior to the October harvests. A breakout of U.S. and other donor commitments to date is at TAB A.[1] The United States is providing 250,000 MTs, or 45% of the total. In addition, deliveries to the ports are earlier than last year, and significant efforts are being made to pre-position grain in areas of greatest needs. However, there are critical short-term problems because important links in the coastal transshipment system are in jeopardy. Of particular concern is the capacity of the ports of Dakar and Lagos to handle the enormous deliveries of relief supplies from May–July.

The primary port of entry for supplies for Mali, Mauritania, and Senegal is Dakar. This critical link in the distribution chain faces great strain because of limitations on evacuation rates, particularly to Mali. The grain for this landlocked country is transshipped by railroad, which has so far reached maximum monthly shipment rates of 12–14,000 MTs. There is now a backlog of about 76,000 MTs of grain in port provided by other donors, including about 38,000 MTs of grain purchased commercially by the Government of Mali. The rest is made up of donated food, including about 10,000 MTs remaining from shipment of U.S. donations. Steps are underway to seek to raise rail shipment rates, as well as to re-direct shipments to other ports, especially Abidjan.

The other critical external link is the port of Lagos, through which a majority of the 173,000 tons of grain pledged by all donors for Niger and Chad are to be delivered. The evacuation rate of the port has only been about 12,000 MTs per month and the port problems have been exacerbated by Nigerian railway breakdowns and strikes by railway and port workers. Steps have been taken recently to augment use of truck transport from this port to Niger and Chad, and it is hoped that this can double or even treble monthly evacuation rates. The U.S. had also contracted in Lagos with a bulk/bagging facility, which has enabled us to greatly accelerate our deliveries for Niger and Chad.

While major problems remain to be dealt with this year, the United States, other donors, and most of the African governments have learned and applied important lessons gained from last year's experience. For example, determination of grain requirements, donor commitments to meet these requirements, and the actual movement of grains (particularly American grains) has been accomplished far earlier this year than last. In October 1973, an FAO Multi-Donor Mission, encouraged and participated in by the United States, visited the six most-affected countries of the Sahel and assessed food requirements for the coming crop year. Donations by the United States and other nations were announced soon thereafter.

In fact, commitments for most of the 552,000 tons of grain pledged to date were made by January 1974. The U.S. is considering an additional allocation and delivery in the first quarter of FY 1975 which, with hoped-for further commitments by other donors, would mean that the revised FAO grain need estimate of 650,000 MTs will have met. In contrast, last year there was only an informally coordinated assessment of need by donor states and the majority of grain commitments were still being sought in the late spring of 1973. The same range of improvement is evident in this year's deliveries. Specifically, only about 75,000 tons, or about one-third of the United States total commitment in the period prior to the 1973 harvest (crop year 1972–73) was actually delivered in Africa by June 30, 1973. This year, 204,000 tons out of our 250,000 ton commitment, or 82%, will be delivered by June 30, with the balance due to arrive in July. While shipments from other donors have not moved as quickly as those from the United States, there has been some acceleration, due particularly to the coordination efforts provided by the FAO Office of Sahelian Relief Operations in Rome.

Internal measures by the African governments concerned have also proceeded earlier and more effectively than last year. These measures include better organization of distribution systems; prepositioning of grains in remote areas that are inaccessible by road in the rainy season; mobilization of military and private truckers for distribution; and improved administration of relief camps. The United States and others have helped in this complex process by financing the enormously increased POL costs, truck purchases and rentals, key road and bridge repairs, deepening and repair of wells, additional storage facilities, vaccines and fortified foods, and management expertise in various sectors of the relief effort to strengthen the capacities of the governments to deal with their problems.

While food distribution is underway, as are the other emergency actions noted above, the United States and others are seeking to come to grip more comprehensively with the interrelated problems of malnutrition, disease, and care of displaced and dependent families. We and others have provided vaccines, fortified foods, and support for relief camps. A medical team from Yale has examined medical needs and made recommendations for improved health delivery. The HEW Center for Disease Control has sent medical epidemiologists to the five countries to help establish nutritional surveillance among the most vulnerable of the population. We have also contributed $1 million through the FAO Sahel Trust Fund to support WHO and UNICEF health programs and $100,000 to the League of Red Cross Societies relief camp program. We anticipate an additional $1 million will be made available to the FAO Sahel Trust Fund upon completion of pending Congressional action on FY 1975 Disaster Relief bill. An AID task force has been organized to delevolp further guidelines and parameters to deal with the displaced persons problem in what will be a most critical aspect of drought recovery measures by all donors in the next two or three years.

In order to help resolve the critical port congestion problems in Dakar and Lagos, noted above, AID sent a task force to Dakar with a mandate to determine what exceptional measures might be undertaken. For example, we will finance the rental of such additional storage space outside the port proper as may be needed to protect grains from spoilage. The Government of Mali and Senegal have been addressing the problem of augmenting the carrying capacity of their jointly-owned railroad and a Danish logistics team is helping in this effort. This has resulted in a recent agreement which could eventually lead to a doubling of transport on this rail line from 12-14,000 tons a month to as much as 28,000 tons of grain.

As for the port of Tagos, in early May an AID task force worked with specially-assigned UN logistics experts to negotiate a contract with Nigerian truckers to move all donors' grain to Chad and Niger at the rate of up to 1000 MTs per week in addition to the 500 MTs per day normally scheduled to move by rail. While there have been problems in reaching the level of evacuation forecast, we are hopeful that these steps will significantly ease port congestion problems and in turn meet the supply needs of Niger and Chad.

With the availability of the $25 million provided under the special Sahel provision of the Foreign Assistance Act of 1973, the United States has been able to undertake a broader range of actions addressed to easing the problems caused by the drought. In particular, AID has organized a set of Recovery and Rehabilitation programs in each of the six Sahel states. Details on the approximately $13 million being devoted to these Recovery and Rehabilitation programs is given in TAB B.[2] These R&R programs are addressed at meeting critical needs in the immediate future and are designed to assist the people of the Sahel to improve their capacity to deal with the pervasive problems posed by the drought. The R&R programs include actions to improve movement of foods into more remote areas, such as road maintenance, rental of trucks, and the like; improvement of grain storage in remote areas by new construction and rental of special facilities; actions to stimulate agricultural production in the short term, such as provision of seeds and handtools; protection to existing livestock through provision of vaccines and supplemental foods; and assistance in medical programs, particularly in refugee camps and remote areas, through provision of medicines, vaccines, and similar actions. The R&R program has been designed to have as much impact as possible prior to the harvest period of September-October, 1974, and with full impact within 18-36 months.

B. CURRENT SITUATION IN INDIVIDUAL SAHEL STATES

Niger

Niger has been seriously affected by the drought. Food production in the 1973 harvest was very low, and this has led to requirements for substantial food imports. Production of cotton and peanuts for export was also sharply reduced, and this has had a major effect on Niger's budgetary and balance of payment situation. Livestock losses have been heavy. There has been an important influx of displaced persons from other countries, particularly Mali, and a growing number of displaced persons in Niger itself, as the northern part of the country has increasingly suffered from the drought. Niger's problems are increased by the difficulties of shipping grains into the country and by the limited transport within the country itself capable of moving needed grains to remote areas. Thus, Niger continues to be in a precarious situation at this stage.

The FAO Multi-Donor mission estimated that Niger needed to receive 112,000 tons of concessional (gift) grain and 84,000 tons of grains "under especially favourable conditions" to meet its needs in 1974. So far, only 135,000 tons of that amount has been committed and deliveries of this amount remain slow because of transport problems. While the flow of food from the port of Cotonou (Dahomey) into western Niger has been maintained at a relatively steady pace, the Niger Government's capacity to move food from Niamey into the most affected eastern and northern parts of the country has been limited by poor roads, few trucks, and high fuel prices. To ease this situation, donors have increasingly been shipping foods through Nigerian ports from which they can be delivered directly into some of the more seriously affected points. Unfortunately, even this movement was negatively affected througohut April and much of May due to breakdowns on the Nigerian railways system. With excellent cooperative efforts undertaken by FAO's special Sahel office (OSRO) with the governments of Niger and Nigeria (and supported by the donor community, including the United States), arrangements were recently made to augment transport from Nigerian ports through extensive use of private trucking firms. As a result, it is hoped that movements of grain from Nigerian ports to Niger and Chad will be increased from an average of 500 tons per day to an average of 1500 tons. If this rate can be achieved and maintained, the distribution problems in Niger will be considerably eased—although not fully resolved. The United States has under consideration at this time the movement of some grains through Algerian ports by road to northern Niger and this also should ease the situation somewhat. Several donors have had available trucks and truck convoys and it had been thought these might be adequate to meet internal transport needs. However, there is increasing reservation that the present system will be adequate and it is believed that donors must make further efforts to support Niger's transport needs—either through additional ground transport or through possible use of an airlift.

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[1] Data has not yet been submitted.

[2] Data has not yet been submitted.

Livestock losses in Niger have been serious. The European Development Fund report estimates that 43% of Niger's 4.2 million cattle and 15–25% of its 9.1 million sheep and goats may have been lost. This serious loss in livestock, added to cereals shortages and distribution problems, has caused an important growth in relief camps, now estimated to contain as may as 267,000 people.[3]

Despite substantial efforts by the Niger Government and the donor community, the situation in Niger's relief camps leaves much to be desired in certain locations. Food movements, as indicated above, have been slower in reaching these camps than is desirable. There continue to be some camps where inadequate dietary variety is dispensed. Despite an increasing flow of vaccines and medicines, and the valiant effort of private and voluntary groups, there have been serious medical deficiencies in some of the refugee camps and high levels of disease. It appears that the medical situation has eased slightly during the past two months since WHO and UNICEF were directed by the UN Secretary General to redouble efforts in Niger, but there continue to be fears that with the arrival of the rainy season there will be an intensification of disease outbreaks.

Of the 127,000 tons of concessional food grants so far committed to Niger this year, 85,500 are being provided by the United States and about half of this has been delivered to port so far, with the remainder arriving in June and July. A broad range of recovery and rehabilitation projects have been undertaken with the Niger Government, with approximately $2.6 million in projects having been agreed to so far. These activities include accelerated production of rice along the banks of the Niger River; animal health and livestock feeding programs; construction of grain storage; repairs to roads leading to remote areas and necessary for grain distribution purposes; pasture re-seeding; and similar activities.

Upper Volta

While the drought has had a severe effect on northern Upper Volta, since only a small part of the country lies in the true Sahelian area, the overall impact has been somewhat less than in other Sahel nations.

The estimates made by the FAO Multi-Donor mission for concessional food imports ranged broadly because of lack of adequate details on local production, going from 12 to 98,000 tons. The Government of Upper Volta has suggested that the need lay at the top of that range while most donors have felt that it was less. A total of 56,000 tons of concessional grains have been so far committed to Upper Volta.

In general, the flow of food into Upper Volta is proceeding well, and in-country distribution seems also to be proceeding well. Foods can flow into Upper Volta from the ports of Abidjan (Ivory Coast), Tema (Ghana) and Lome (Togo), and this flexibility, plus the relatively good rail/road connections from ports into Ouagadougou have permitted relatively promptly delivery of foods and have permitted the Government to do a reasonably effective job in prepositioning needed food in remote areas. No particular problems in food distribution are foreseen in Upper Volta at this time.

Livestock losses, while important, were less severe in Upper Volta than in other Sahel nations. The recent European Development Fund report estimates a 16–20% loss of the 2.6 million cattle (although with losses in certain areas ranging up to 70%) and a 15% loss of the 4.0 million sheep and goats.

Upper Volta has been faced with some disease outbreaks, including intestinal diseases, measles, and the like. The disease situation appears to have been more serious in 1973 than at present, when medical services were less well organized and medical supplies shorter. However, a new Center for Disease Control nutritional survey is just now being organized and should provide better information on the present medical problems being faced by Upper Volta.

Of the 56,000 tons of donated grain being provided to Upper Volta this year, 20,000 tons are coming from the United States and almost half of this has already been delivered to port. Approximately $2.4 million in recovery and rehabilitation projects have been agreed to between the United States and Upper Volta. These include a program for earthen dam construction and repair; an integrated livestock-agricultural production program to help former nomads seeking to settle in one location; expansion of the use of animal traction in agricultural production regions; reforestation work; seed multiplication and grain storage; road improvements into remote areas; and the provision of supplemental feeding for livestock.

Senegal

Senegal has been somewhat less affected by the drought than the other Sahel states, because only a portion of the country is in the arid area and partly because of the considerably greater diversity of economic activity in Senegal which is not so dependent on climate. Despite this generally better condition, there have been important shortfalls in cereals production and in the production of peanuts for the export trade. Livestock, which plays a somewhat less important role in Senegal than in other countries, has also been affected, but less so than elsewhere. Senegal itself has played a crucial role in assisting Mali and Mauritania meet their cereals import needs since much of those imports pass through the port of Dakar and are transported inland over Senegalese transport facilities. In order to augment the flow of goods into these two countries, Senegal has made severe sacrifices in its own use of transport facilities.

The FAO Multi-Donor Mission estimated a need for donations of imported cereals of approximately 20,000 tons, although this was based on expectation of substantial commercial imports by the Senegalese Government itself. Because of financial constraints it faces, the Senegalese Government has estimated a need for concessional grain imports of approximately 100,000 tons. Donor commitments to date have totalled 36,000 tons.

There have been relatively few problems of food distribution in Senegal. The government is well-organized and transport facilities throughout the country are generally in good condition and the number of trucks and other equipment required to make distribution is generally satisfactory. The major problem Senegal has faced has not been that of its own distribution needs but rather that of supporting movement of grains from Dakar into other Sahel countries.

Livestock losses in Senegal have been less severe than in other Sahel nations. Of 2.5 million cattle, it is estimated that 20% have been lost, while some 10% of 2.7 million sheep and goats have been lost. This lesser impact in Senegal (as well as the lesser impact on rain-fed agriculturalists) has meant that there has not been the development of refugee camps of the sort required in other Sahel states.

In general, the medical situation in Senegal appears good. Sufficient medicines and vaccines have been provided by donors to an already reasonably well-functioning health service, that no serious disease outbreaks have occurred.

Of the 35,900 tons of donor food committed to Senegal in 1973–74, 10,000 tons is being provided by the United States. Almost all of this amount has already been delivered. Approximately $1.5 million in recovery and rehabilitation projects have been agreed to between the United States and Senegal. Those have included provision of pumps for wells in agricultural villages, work on range rehabilitation, provision of livestock vaccines, improvement of agricultural production in flood plain areas, and the provision of human medicines and vaccines.

Mauritania

The situation in Mauritania in 1974 remains as precarious as last year. Livestock losses have been substantial and agricultural production seriously reduced. Not only has dry land agriculture been diminished, but there have been substantial reductions in production on river flood plain areas due to lower river levels.

The FAO Multi-Donor Mission estimated that 58,000 tons of donated foods would be required this crop year, although the Mauritanian Government itself has since estimated that as much as 100,000 tons would be required. Donor commitments to date amount to 66,500 tons, which exceeds the FAO estimate but falls short of government estimates.

While the Mauritanian Government has improved its distribution system, food movements continue to face serious constraints. Much of the food shipments (non-U.S.) have been made through the port of Nouakchott, which has limited capacity and is presently seriously strained. U.S. and some other food shipments are made through Dakar and then transported by rail-barge to the town of Rosso or by truck-ferry to Rosso. The recent sinking of one ferry has decreased the flow of food into the country. Major efforts are underway to find a solution to the problem of transiting food across the Senegal River—it is hoped that the British Government will soon be able to provide special equipment for this purpose.

Inland transport of food has also been hampered due to difficult roads, long distances and inadequate trucks. Although donors agreed to the provision of more than 250 special trucks for this purpose, some of these have been slow in arriving. One sign of the problem of livestock losses is the fact that distribution to many remote points last year was made by camel caravan, while this year that is being done by truck because of unavailability of camels. While the Mauritanian Government continues to believe that it can meet all distribution requirements before the harvest, the logistical problems facing this program may require the provision of some airlift capacity over the next few months.

Livestock losses in Mauritania have been very serious. A recent European Development Fund study estimated cattle losses in 1972–74 at 40–90% and sheep and goat losses at 10–20%.

While the overall financial situation of

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[3] Source—FAO/OSRO.

Mauritania has been less drastically affected than the other Sahel governments because of the importance that mining plays in the economy (which is essentially unaffected by the drought), the Government still faces important budgetary and balance of payments effects resulting from livestock and crop losses, much higher import needs, and the heavy costs of relief and rehabilitation programs.

The United States has committed 30,000 of of the 66,500 tons of grain presently being provided this crop year to Mauritania. Almost all of the United States commitment has already been delivered. Last year, approximately $400,000 was used for the airlift of 1,400 tons of grain into eastern Mauritania. Approximately $2 million in recovery and rehabilitation projects have been approved for Mauritania this year. These include short term programs for increasing vegetable production and increasing cereals production in flood plain areas; construction of grain storage in outlying areas; animal health programs; short term transportation improvements; and provision of tarpaulins for grain protection while in movement.

Chad

The situation in Chad has been very serious, although the vastness of the country, its weak administrative structure, and the inadequacy of data and statistics has made it difficult to determine with precision the real impact of the drought on all parts of the country .

The FAO Multi-Donor Mission estimated that 50,000 tons of concessional food was needed in 1974 but also stated that because of logistical problems in delivering and distributing such grain, a program total of 22,000 tons might be the maximum that could realistically be handled. In fact, donors have now committed a total of 46,000 tons of food to be delivered this year. However, the logistical problems cited by the FAO mission remain very much a concern.

Chap depends almost entirely on Nigerian ports for grain movements. As indicated above, a breakdown in Nigerian railways operations in April and part of May 1974, threatened the movement of grain into Niger and Chad. Through the use of supplementary trucking, movements of grain to both countries have improved substantially, and it is hoped that the present rhythm can be maintained. There has, however, been a conflict between the Chad trucking association and the Nigerian trucking association regarding movement of grains past the Chad border. The United States has felt strongly that Nigerian trucks should carry grains directly into southern Chad and Chadian trucks should be used entirely for internal distribution. The problem has taken considerable time to resolve, and food stocks have begun to accumulate in the Nigerian border point at Maiduguri. It is believed that a resolution to the problem is now underway. If this does not occur promptly, however, there may be need to consider diverting some of the grains scheduled for Chad. Internal distribution within Chad has also been hampered by long distances, poor roads, and limited trucking capacity. The Chad Government has indicated that there may again be need for airlift in 1974, as there was in 1973.

Livestock was very adversely affected in Chad by the drought. On the basis of limited data, the European Development Fund study indicated that 21–28% of Chad's 4.7 million cattle and an unknown percentage of its sheep and goats have been lost (with losses running up to 90% in some areas). Because of the importance that livestock has played as a foreign currency earner, these losses in the livestock sector have had a very serious effect on the budgetary and balance of payments situation of the country. Despite the losses, however, there does not appear to have been a serious accumulation of displaced persons in camps—rather, the nomadic people appear to be moving with their remaining herds towards the south in traditional ways, without large grouping into encampments.

Medical services in Chad are weak and the full range of medical and disease problems which face the population are not clear. It is hoped that early undertaking of a CDC Nutritional Surveillance Study will help clarify this situation.

Of the 46,000 tons of food committed in 1974 by the donor community, 22,500 is coming from the United States, with almost 60% of that delivered as of May 31. The Recovery and Rehabilitation program in Chad is somewhat more modest than in other Sahel countries, not because of need but because of limited government capacity to absorb special aid programs. To date, approximately $1.5 million of R&R programs have been agreed upon. These include grain storage programs; animal health programs; programs for accelerated grain and vegetable production under irrigated conditions in the Lake Chad area; construction and repair of village wells; some road repair work; and provision of human medicines and vaccines.

Mali

Mali is among the more seriously affected of the Sahel states. Livestock losses were heavy. Grain production was seriously reduced, as was production of cotton and peanuts for export. Mali was already facing serious budgetary and balance of payments problems before the drought and these have been vastly increased by the losses incurred as a result of the drought. Facing the need for substantial food imports, Mali's geographic circumstances have made delivery of that food into the country, and its distribution into remote areas, exceptionally difficult.

The FAO Multi-Donor Mission estimated that Mali required in 1974 106,000 tons of free grain and 60,000 tons to be provided under "especially favourable conditions". Against this total requirement of 166,000 tons of concessional grain, donors have so far committed 143,000 tons.

Most grains moving into Mali travel the railway from the port of Dakar to the Mali terminal point at Kayes (or on to the capital at Bamako). Before the drought, no more than 6–7000 tons of goods per month moved in one direction over the rail link. At present, the railway is averaging the movement of 12–13,000 tons of grain a month. Still, this has proved insufficient in light of Mali's substantial needs. As a result, grain destined for Mali is tending to accumulate in Dakar faster than the railway can move it. A recent agreement between the Senegalese and Mali Governments aims at eventually raising the evacuation capacity of the rail line to about 28,000 tons a month. If this can be achieved (and it can be done only at substantial expense to Senegal, which must divert its own traffic away from the railway to other, more expensive means of transportation), Mali's food problems will be substantially eased. In addition to Dakar, substantial food deliveries can be made through Abidjan, and donors are increasing seeking to move food to Mali through this port, although its evacuation rate also has limits.

In general, the inland transport of grain in Mali is moving well. However, there remain serious questions about the capacity of the system to place enough grain into the Sixth Region, in eastern Mali, before the rains begin. This region depends heavily on river transport for its supplies, but river levels drop for several months of the year and limit the amounts that can be moved. During the low period, the Eastern Region is largely dependent on a very poor road over which only four-wheel drive vehicles can move. Special steps have been taken by the Mali Government to increase the flow to the Sixth Region. Despite these actions, as well as exploring the possibilities of shipments through Algiers, it is anticipated that an airlift will again be required, as it was in 1973.

The intrenal distribution system, outside of transport problems, is excellently organized. A large number of relief camps have been established because of heavy livestock losses, but these appear in general to be under good management with special care being given to the feeding needs of mothers and children. There has been a susbtantial improvement in operation of these camps since last year.

Livestock losses in Mali were important. The European Development Fund study estimates that Mali lost close to 40% of its 5.3 million cattle, with losses running up to 60% in some areas.

While there were serious medical problems in Mali last year, particularly in relief camps, better organization of these camps and of the general medical services and better supplies of medicines and vaccines appears to have substantially reduced disease problems so far this year. However, there is constant concern about broader disease outbreaks as the rainy season gets underway in the near future.

Of the 143,000 tons of grain committed by various donors to Mali in 1974, 72,500 tons are being provided by the United States. About 75% of this was delivered to ports by May 31, 1974. The Mali and United States Governments have agreed to approximately $3.1 million in recovery and rehabilitation activities and these programs are moving forward rapidly. They include development of water resources for agricultural/livestock needs; village water and rural health programs; improvement of road maintenance on roads leading to remote distribution points as well as improvements to river transport from Bamako to the Sixth region; and grain storage activities.

The Gambia

The situation in The Gambia, which was only partially affected by the drought, has become somewhat more serious this year. Food production has dropped and there have been some livestock losses.

The Government of The Gambia has made a request for external donor help in providing up to 13,000 MTs of grain, although there is some question whether this full amount is needed. Several countries are considering small donations of grain to meet The Gambia's needs. The United States is providing 2000 MTs of this need through a special contribution to the World Food Program.

Internal distribution of donated grain is being handled in cooperation with WFP and appears to be well organized. Transport problems in getting food to needy recipients has not so far been an important concern.

Initial contacts have been made with the Government of The Gambia about a range of possible Recovery and Rehabilitation projects. AID is considering undertaking projects in the range of $700–750,000 and will undertake specific project review in June or July.

DISCOUNTS TO SENIOR CITIZENS

Mr. BUCKLEY. Mr. President, the economic plight of the elderly living on fixed incomes during inflationary times is a problem which demands our immediate attention and our best efforts. To this end I have introduced S. 3396, the Cost-of-Living Adjustment Act, and S. 3775, a bill to create a cost-of-living index for the aged.

While I hope for early passage of this legislation, I would also like to call attention to the successful private efforts of a single New Yorker who has persuaded 1,600 New York City shopkeepers to give discounts to senior citizens. I ask unanimous consent that the story of Mrs.

Marie Redo, which appeared in the National Inquirer earlier this month, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the National Inquirer]

WOMAN PERSUADES 1,600 CITY STORES TO GIVE BIG DISCOUNTS TO SENIOR CITIZENS

More than a half-million elderly people trying to live on fixed incomes in the face of ever-rising prices can now get discounts in 1,600 New York City stores—thanks to a 48-year-old woman who felt something had to be done for them.

"This is my way of helping old people who are panic-stricken because of today's prices," said Maria Redo, who for 2½ years has been going from store to store in New York persuading shopkeepers to give discounts of up to 20 percent to the elderly.

The stores and shops that participate place green and white decals in their display windows to alert the elderly that they can get discounts.

To qualify, a senior citizen only needs to show a Medicare card or a special New York City transit card that allows him or her to ride at half-fare.

Mrs. Redo, who lives in Manhattan's Yorkville section, said:

"I was doing welfare work at the Yorkville Republican Club just before Christmas, 1971, and it was pitiful to see how some of the old people were forced to live.

"Some were struggling to survive on $2,000 to $3,000 a year.

"I thought about discounts and started with a Yorkville toy store. They agreed to 10 percent off.

"I went next door to a card shop—and the owner there agreed! Then I went to a clothing store and the manager said he'd give 15 percent discounts!

"By the end of the day I had nine shops agreeing to give at least 10 percent discounts to seniors."

Since then she has kept busy 10 hours or more a day adding to the growing number of stores that give discounts.

She and her husband, Frank, 50, a pediatric surgeon and a professor at Cornell Medical School, have two children.

Miss Alice Brophy, director of the Mayor's Office for the Aging in New York, said: "Mrs. Redo has been more effective than a whole army of people in helping senior citizens—and she's done it alone!"

COL. RICHARD L. HUNT

Mr. LONG. Mr. President, on June 20 of this year, the State of Louisiana lost one of its most valuable assets. For on this date Col. Richard L. Hunt left his post in New Orleans as district engineer for the Corps of Engineers, to assume his new position as the Lieutenant Governor of the Panama Canal Zone.

Colonel Hunt served in New Orleans since August of 1971, and during this span of 4 years he was responsible for coordination of our flood protection programs for most of the State of Louisiana and parts of Mississippi, Arkansas, and Texas.

As we all know, these years were especially trying. During this period we experienced one of the great floods of our time. Throughout this difficult time, Colonel Hunt consistently exerted every effort to assist the citizens of Louisiana, demonstrating his genuine concern, and carrying out his responsibilities to the fullest. We hope and pray that his successor, Col. Elvin R. Heiberg III, will be as able, well-liked, and conscientious.

As an indication of feelings throughout the State of Louisiana, St. Mary Parish residents honored Colonel Hunt with an appreciation luncheon, during which he was presented with a plaque commemorating his admirable service.

I would like to take this opportunity to personally acknowledge with sincere appreciation Colonel Hunt's excellent service to our State, and I ask unanimous consent that the inscription on this plaque be printed in the Record.

There being no objection, the inscription was ordered to be printed in the Record, as follows:

"Presented Colonel Richard L. Hunt with sincere appreciation for consistent and successful efforts on behalf of the people of St. Mary Parish."

Signed: C. R. Brownell, Mayor of Morgan City; Ralph Guidry, Mayor of Berwick; Fred Allen Mensman, Mayor of Patterson; and Lee Champagne, President of the St. Mary Parish Police Jury.

Mr. LONG. Mr. President, I also ask unanimous consent that the text of an article of Wednesday, May 22, from the Morgan City Daily Review reporting on the testimonial function held in Colonel Hunt's honor be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Morgan City (La.) Daily Review, May 22, 1974]

COLONEL HUNT HONORED AT NOON LUNCHEON

East St. Mary residents honored Col. Richard L. Hunt, New Orleans district engineer for the U.S. Army Corps of Engineers, today at a noon luncheon at the Morgan City Municipal Auditorium for his past efforts in the flood fight of 1973.

Hunt received a plaque of thanks for his months long work in late 1972 and spring of 1973 to prevent flooding of the east St. Mary area when record flood levels were recorded in the Atchafalaya River.

Three municipalities, Morgan City, Berwick and Patterson, and the St. Mary Parish Police Jury joined in hosting the affair.

Hunt thanked the governmental representatives for the plaque and luncheon in his honor.

The inscription on the plaque to Hunt reads as follows: "Presented Col. Richard L. Hunt with sincere appreciation for consistent and successful efforts on behalf of the people of St. Mary Parish. C. R. Brownell, mayor of Morgan City; Ralph Guidry, mayor of Berwick; Fred Allen Mensman, mayor of Patterson; and Lee Champagne, president of the Police Jury."

Morgan City Mayor C. R. Brownell extended the city's official thanks to Hunt.

"We shared a very close relationship and many crises," Brownell said. "He fulfilled his responsibilities and I fulfilled mine. Whatever differences we had can be laid on the bureaucracies which we work under.

"He is a very sincere man and did a tremendous job," the mayor said. "We owe him a tremendous amount of thanks."

"His loss will be felt because of the amount of experience he gained," the mayor said. "However, we do wish him well on his new assignment."

Berwick Mayor Ralph Guidry also thanked and praised Hunt for his work during the high water crisis and for his supervision of the chlorine barge removal project.

"He was a great help when the chlorine barge was lodged beneath the bridge," Guidry said. "Col. Hunt was very helpful during the flood here and throughout the state."

'I wish him the best of luck in the Panama Canal Zone," he continued, "although it will be our loss, he will be their gain.

Patterson Mayor Fred Allen Mensman joined his compatriots in his remarks.

"We are real proud that he has done so much for the area," Mensman said. "He certainly deserves a lot of credit and we are real happy to have had him down our way."

"During the flood fight we were able to contact him at all times," Mensman said. "He reassured the people of Patterson."

District 5 Juror Jerry Hoffpauir, representing the police jury, added that body's thanks for the Corps' work on levees in 1973.

"I would like to take this opportunity to acknowledge with sincere appreciation and thanks your efforts in helping solve the major flood problems in our parish in 1973 and again in 1974," Hoffpauir said.

"Through your efforts and concern the loss of life and property was averted during the flooding along the Atchafalaya River Basin," he continued. "As district engineer you were actively interested in the problems and took the appropriate steps to prevent a serious flood catastrophe."

"It is regretful that you will no longer be serving as our district engineer," Hoffpauir said. "We greatly appreciate having had the pleasure to work with you during recent years and will always remember your helpfulness and interest in protecting our parish."

Hundreds of area residents attended the luncheon in the main ballroom of the auditorium.

David Graf, president of Gravity Drainage District No. 3 and the Morgan City Harbor and Terminal District, emceed the event.

The Rev. Philip L. Whitney, pastor of Sacred Heart Catholic Church, gave the invocation and the Rev. Robert Lawton, pastor of Pharr Chapel United Methodist Church, gave the benediction.

City and parish officials were scheduled to dedicate a sandbag monument on the Brashear Avenue neutral ground in honor of the flood fight later today.

The monument is a sandbag taken from one of the levees and fiberglassed to withstand the weather. Officials plan to place plaques at the base of the monument at a later date listing the names of all National Guard units, and state, local and federal agencies involved in the flood fight.

The front plaque, which is on order, will read as follows: "Commemorating the Flood Fight of 1973, The citizens of the City of Morgan City sincrely recognize and appreciate the many groups and individuals who gave of their time to protect our city."

Hunt, who has been named as the lieutenant governor of the Panama Canal Zone, has served as the New Orleans district engineer since August 1971.

His command in New Orleans was responsible for flood protection of the state of Louisiana and parts of Mississippi, Arkansas and Texas.

The New Orleans district is also responsible for maintaining several navigation channels in New Orleans, Morgan City, Houma and Lake Charles.

DEATH OF FORMER CHIEF JUSTICE EARL WARREN

Mr. CHILES. Mr. President, it was with a great deal of sadness that 2 weeks ago I learned of the death of one of this Nation's most well-respected men and one of history's foremost jurists, former Supreme Court Chief Justice Earl Warren. Chief Justice Warren spent his entire life working diligently and thoughtfully to improve our society and we are at once the benefactors of his efforts and achievements and the mourners of his passing.

His retirement from the High Court in 1969 ended a long and productive career as a devoted public servant, during which he served his native State of California as well as the Nation as a whole. His term as Chief Justice saw the Court move forward into previously uncharted waters, greatly expanding social liberties and providing redress for pressing grievances which had gone too long unattended.

Last week the Miami Herald published a special article by Trude B. Feldman relating some interesting comments the Chief Justice had made shortly before his death. While the entire article will be, I believe, of interest to my colleagues in the Senate, it is the first three paragraphs of the piece that I found most enlightening.

Justice Warren stated that the lesson of Watergate is that we must "strike at secrecy in government wherever it exists, because it is the incubator for corruption." He goes on to point out, and I believe correctly so, that "if anything is to be learned from our present difficulties * * * it is that we must open our public affairs to scrutiny on every level of government."

Mr. President, I offer Justice Warren's remarks here as succinct and valuable testimony to the need for openness in the proceedings of our Federal Government. Public faith in the institutions of Government has fallen to an alarmingly low level and it is high time that we moved to rectify this situation. The only way this can be accomplished is by throwing open the doors of congressional hearing rooms, executive meeting places, and any other such areas where decisions are made which affect the lives of American citizens. We can never expect the American people to place their trust in those who are to serve them if they are denied the right to view firsthand the proceedings in which their elected representatives participate.

It is this belief which led me to introduce on January 9, 1973, S. 260, the Government in the Sunshine Act. The bill was referred to the Committee on Government Operations and hearings were held on it earlier this year. We hope to continue these hearings later this summer.

Mr. President, this bill would provide for the openness in Government that Chief Justice Warren desired. It would "strike at" the secrecy which "incubates corruption." And it would help to restore a bit of the trust and faith in our governmental system which has been lost by the American people.

I ask that my fellow Senators seriously consider the words of Chief Justice Warren and I ask unanimous consent that the full text of Mr. Feldman's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WARREN SAW OFFICIAL SECRECY AS "INCUBATOR OF CORRUPTION"

(By Trude B. Feldman)

WASHINGTON.—In an interview shortly before his death last week, former Chief Justice Earl Warren said that the lesson of Watergate is that we must "strike at secrecy in government wherever it exists, because it is the incubator for corruption."

Warren, who devoted nearly half a century to public service, said, "It would be difficult to name a more efficient ally of corruption than secrecy. Corruption is never flaunted in the world. In government, it is invariably practiced through secrecy. That secrecy is to be found at every level, from city halls to the White House and the Hill.

"And if anything is to be learned from our present difficulties . . . it is that we must open our public affairs to public scrutiny on every level of government."

But Warren said he wasn't so sure that it is the duty of public authorities to ferret out and prosecute, conflicts and defilement of the public interest.

"This falls far short of the mark," he said. Law enforcement officers are not equipped to follow the daily work of our public servants, and I doubt if we would want them to be constantly looking over the shoulders of our people in public life just to see if they are performing their duties honestly. It's not the American way, and the practice could eventually lead to a police state.

"But we do have the right to compel our public officials to keep the avenues of information open so the public can know and evaluate the character of their work from day to day. Then it would be the responsibility of the news media to inform the public of both the accomplishments and the derelictions of their officials."

As for himself, Warren said, "I never made any money, as I have gone along, and I never envied anyone who has. There are many satisfactions one can gain. I've been oriented toword public service.

"I like people, and like to deal with them and their problems. With my experience, I will try to help others solve problems and that's where my satisfaction comes. As I look back now, I don't know any other way of life that I would want to exchange for this one."

He added: "You find some people who are devoted to business, some to industry, others are interested in art and science, still others in government. And I'm sure each one gets satisfaction out of his particular field when he sticks to his ideals and pursues his object of interest.

"But my interests involve government and the various aspects related to it. I've stuck with it and derived much satisfaction from my work."

Recalling his time in the Supreme Court, Warren said, "I've had very satisfying days, a pleasant relationship with, and friendly feelings toward, the other justices." He said he had "maybe some nostalgia, but no regrets" about retiring five years ago.

"No one should stay and wither and die on the vine. The strength of our institutions is to infuse new blood to keep them current with the current conditions. After a man lived and served as long as I did in the government, he ought to retire before the withering process sets in. I did deliberately leave while I was in good health; and that's the proper thing to do," he said.

Warren wanted to be remembered as having done the best he could in each of the offices he held. "It's hard to conceive of anyone living to be 83 who has no regrets, but I have no outstanding ones," he mused.

Born in a five-room house in Los Angeles in 1891, Warren went on to heap honors and accolades that have come to few others. Yet they were not as important to him as was the sense of accomplishment he enjoyed after a lifetime of public service.

"I think I did the best I could in everything I've undertaken, and tried to measure up to my responsibilities," he said. "Each one of my jobs was important at the time and place and was deserving of the best in me. I was as serious in one job as in the other. I learned to make adjustments from one position to the other."

Warren served as district attorney of Alameda County, Calif. from 1925 to 1939. 1939 to 1943, and its governor from 1943 to 1953. Warren ran for the vice presidency of the United States on the Republican ticket in 1948. He became chief justice on Oct. 5, 1953.

"From every important case I learned something," he noted. "Each case left an impact on my thinking and on my outlook for the future."

Asked if he had any advice for living to be 83, he responded: "Have some interest in worthwhile things and apply yourself to them. Live moderately and have a family life."

He said that his family and his work had always given him great pleasure. He married the former Nina Elizabeth Palmquist on October 14, 1925. They had six children and 17 grandchildren.

"I'm very happy when I'm with my children and grandchildren," he mused. "Their well-being is my chief concern."

He said that after he retired he had more time to be with his wife. "When I worked each night, it hurt our companionship. I'm busy all the time. Although I'm not carrying the same load on my shoulders as I did before, I keep busy. I'm interested in so many different things. While I am retired, I want to be useful and helpful in what I consider worthwhile causes."

Recently, Warren spent time visiting universities and attending seminars with students. "I ask them about their interest and find that communicating with them is very important," he said.

"I believe that every generation of Americans has had a greater opportunity in life than the ones which preceded it. I have confidence in our country and in our institutions to believe we can—and will go on to still greater things."

Earl Warren wrote the 1963 "Abington vs. Schempp" decision that declared unconstitutional the reading of the Bible and recitation of the Lord's Prayer as religious exercise in public schools.

But his own religious life was founded on the Scriptures. "One can't read them without (being) appreciative of the values contained in them," he said.

When asked whether he considered himself a particularly religious man, he responded: "I hope I have a religious sense. I think all religions of the world have ideals that people react to when they study them and try to learn from them."

His early religious training had a profound effect on his thinking, he said. "If one believes in the principles learned through the Gospel and tries to abide by them, it is bound to affect one's actions and reactions as well," he said.

Warren believed he had succeeded in conveying his religious philosophy to his children. "I've always encouraged my children to go to Sunday School and study the Scriptures," he said. "My children have been good, solid human beings—affectionate and honest and straightforward. I judge people in the way they benefit from religion.

"A person who has no religion of any kind is almost a lost soul," he added. "He has to flind a way to life. If one has guidelines such as one gets from religion, it's not difficult for him to find his way in life."

Justice Warren pointed out that the Ten Commandments and the American Bill of Rights were based on the same spiritual principles. They comprise a spiritual heritage that is as solid today as it was in Moses' day and when the Bill of Rights was formulated, he said.

Warren believed that a lack of respect for human dignity had eroded the American spirit. "This has largely been responsible for the deficiencies in society as they exist today," he explained. He blamed the "sordid atmosphere" of the times on a "war psychology," which, he said, had prevailed for so many years.

"It is a world malaise," he said. "It is not limited to the United States." But for our own country, "if we follow the Constitution of the United States, we can cure most evils."

IN SUPPORT OF THE PROPOSED AGENCY FOR CONSUMER ADVOCACY

Mr. WEICKER. Mr. President, I believe it is appropriate to point out that many of the abuses of Federal regulatory agencies that have occurred in the last several years might well have been averted had the proposed Agency for Consumer Advocacy existed.

At the heart of this consumer agency concept are the very issues which lie at the heart of recently reported governmental abuses, such as improper influence by special economic interests over regulatory decisions affecting consumers. The proposed Agency for Consumer Advocacy could have intervened to forestall campaign financing induced corruption, and to investigate the dairy price and import quota scandals, carpet flammability standards, the ITT settlement, and CREEP infiltration of regulatory agencies.

Pending legislation would create this independent agency, divorced from the executive branch and its regulatory agencies, charged with monitoring the performance of the Government in meeting consumer needs.

This independent spokesman speaking for the ordinary consumer will strive to secure the equity and impartiality of regulatory agency proceedings.

Clearly, given the growing loss of confidence by Americans in the quality of their Government, bold measures are mandated to revitalize the Federal regulatory process in the broader public interest.

In support of this position, I refer to a recent letter written by Prof. Frederick C. Mosher to the distinguished chairman of the Committee on Commerce, Mr. MAGNUSON, supporting the concept of an independent consumer protection agency. Professor Mosher, of the University of Virginia, was chairman of a panel of the National Academy of Public Administration, which prepared a report entitled "Watergate: Its Implications for Responsible Government" at the request of the Select Committee on Presidential Campaign Activities.

Mr. President, I ask unanimous consent that a copy of Professor Mosher's letter of May 16, 1974, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF VIRGINIA,
Charlottesville, Va., May 16, 1974.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: I appreciate your letter of May 6 which has just reached me because I have been out of town the last couple of weeks.

I have read the Committee report on the Consumer Protection Agency Act and the text of the bill and feel a great deal of interest and sympathy for it.

I suspect that I am like most of those who worked in national public administration and have studied and taught the subject over many years; in some ways, we are hoist on our own petard. A basic theme of administrative reform over most of the current century has been to enhance the responsibility, and therefore the authority, of the Chief Executive as administrator and as principal policy initiator. This stemmed in part from the somewhat idealistic concept that the President is the only one who is elected and answerable to all the people and therefore must take into consideration all of their interests. In part, it stemmed from standard organizational orthodoxy that there must be a hierarchy, headed in a single office, for efficient and responsible administration. This underlying thought contributed to the Taft Commission report, the Brownlow report, the reports of both Hoover Commissions, the Budget and Accounting Act, the Reorganization Act of 1939, and a great many reorganization plans since then. On the negative side, it contributed to skepticism, if not outright hostility, toward agencies anointed with some degree of independence of the executive, whether regulatory or operative.

This orthodox concept has always had some problems of accommodation with the obvious fact that particular parts of the government, in the Congress and in the agencies, are responsive to particular clienteles and interests. In general, the response has been that the best protection of the public, as against special, interests lay in a strong, well-staffed Presidency since he alone represented all the people. But this too was not enough. However well intentioned the President may have been, it became clear that certain sectors of the public were not adequately represented in public decisions affecting them. They lacked influence and even access to the foci of executive power. This gave rise to a variety of organizational inventions to provide some sort of institutional representation within the executive branch—for racial minorities, the poor and underprivileged, the handicapped, women *qua* women, and consumers (who include all of us) *qua* consumers.

Although some of these efforts have had some successes, one's overall evaluation is not very optimistic. In general, they lacked clout and were too dependent upon the continuing interest and support of the agencies, their heads, and the hierarchy up to and including the President. This has probably been particularly true of those placed in the Executive Office of the President where they might easily be overlooked or overruled if not emasculated.

The unhappy events of the last few years have reemphasized that different Presidents feel differing degrees of concern about their responsibilities toward the whole people and particularly toward those sectors conspicuously lacking in influence and access. At the very least, we have learned that our electoral process offers no certain guarantee over the short run that an administration and its top leader cannot willfully act *against* these kinds of inarticulate interests.

It has long been clear that consumers need protection and need active advocacy within the Executive branch, and it is significant that these needs have been highlighted by privately sponsored public interest groups, usually opposed by agencies of the government. Maybe we will have different kinds of Presidents and administrations in the future, but even they would benefit from independent watch dogs and advocates which represent the consuming public.

On this question, I have thus come full circle. I fully support the Consumer Protection Agency proposal and admire the ingenuity with which it seeks to assure the Agency's independence. I am not sure how well it will work, but it is certainly worth a try. I am glad that such an agency was not placed in the Executive Office as proposed by some. And if I am correct that the original provision for a Council of Consumer Advisers in the Executive Office has been dropped, I endorse the deletion. If a President is sincerely interested in consumer protection, he should be empowered to set up such a council, (if he does not already have such power). But under present circumstances, such a council might do more harm than good.

You have asked whether I thought a CPA might help prevent future "Watergate style" abuses. Over the long pull, I think it might, principally by imbuing future Presidents and administrations with a broader, more responsible, and more benevolent view of their role in the leadership of our society. But this is speculative.

I thank you for inviting my opinions on this matter.

Sincerely yours,
FREDERICK C. MOSHER,
Doherty Professor.

AN EARLY LOOK AT SSI

Mr. CHURCH. Mr. President, the implementation of the new supplemental security income—SSI—program in January of this year was an important and eagerly-awaited step forward. SSI—which replaced the former assistance programs for the aged, blind, and disabled—provides for the first time a guaranteed national minimum income level of $146 for an individual and $219 for a couple. Although funded through general revenues, SSI is administered by the Social Security Administration.

To explore administrative and policy problems which have arisen under the program, the Senate Committee on Aging recently conducted hearings on this subject as a part of our overall study into "future directions in social security."

Two days of testimony supported reports that SSI has been ineffective in reaching many of the potential recipients because of lack of staff, a backlog of applications, delay in making eligibility determinations, and processing data. Administration witnesses acknowledged some deficiencies but said that such problems resulted from the program's newness and a heavy workload during a temporary period of transition.

Commissioner James B. Cardwell of the Social Security Administration stated that over 3.6 million persons received SSI checks as of July 1, 1974. However, the Commissioner added:

> While we're well on our way to 'shaking it down' and getting the bugs out of the system, eliminating the backlogs and making proper payments, on time, to everyone who is entitled, it's likely to be a number of months before it is running smoothly . . . Some of these (problems) can be handled through administrative changes; others, we believe, will require enactment of legislation.

Testimony from other witnesses underlined the Commissioner's belief that changes would be needed in both the administration and the law.

As James A. Bensfield of the National Senior Citizens Law Center said:

> Whether an elderly, blind, or disabled in-

dividual has failed to receive his SSI entitlement due to a systems breakdown, or whether he has been denied eligibility altogether because of a particular presumption in the law which bears little or no relation to his actual economic circumstances, the effect is the same: needy persons are being denied the very means to live which the SSI program was set up to provide them.

William R. Hutton, executive director of the National Council of Senior Citizens, said:

> The single most important problem to be solved during the balance of this first year of implementation and for the next few years, is the problem of making accessible the benefits of this program to those whom Congress has declared eligible . . . In order to effectively achieve the goal of maximizing each of the components of accessibility which have been set out, we must have the complete cooperation of the Department of Health, Education and Welfare, to insure that adequate funds are sought and expended on the SSI program.

Another SSI shortcoming discussed often during the hearing was its low-income standard level. It was pointed out time and time again that the levels were below the stated poverty income levels and should be raised at least to give the recipient the security of living above the poverty threshhold—a position to which I certainly subscribe. Several witnesses suggested this be alleviated by the installment of a cost-of-living adjustor in the SSI system, but Representative MARTHA GRIFFITHS said:

> SSI should be raised initially by *more* (emphasis included) than cost-of-living increases, and eventually by cost-of-living increases alone. This will assure that money will be channelled to the neediest.

The American Association of Retired Persons echoed this concern by stating that "the income test for eligibility and payment purposes should be cost-indexed in order that SSI benefits will retain their purchasing power over time." Peter Hughes, legislative representative for AARP, also said that such "exclusion amounts should be indexed to prevent such things as a dollar-for-dollar reduction in SSI benefits as a result of OASDI cost-of-living increases."

Mr. President, I clearly recognize the fact that SSI is a new program. However, I feel that present problems should not be regarded simply as systems snags. They must be carefully considered and remedied by efforts of both the Congress and the administration. Many of the limitations of the program were based on 1972 standards when Congress was debating the technicalities of the program and must now be reexamined to assess their effectiveness in meeting the needs of the indigent. In recognizing the needs of our country's needy poor, those blind, disabled, and elderly, the Congress created this supplemental program. Now it is our responsibility to see that SSI serves these needy in the most efficient and equitable manner as possible. The program has major potential to be a tool in combating poverty among our needy, and we should see to it that this tool is used to its full potential and capabilities.

TELEVISION MUST ALSO RISE "SPLENDIDLY TO HISTORY"

Mr. METCALF. Mr. President, this is a time of trial for all of us. Whatever the congressional imperatives that have necessitated the inquiry presently underway in the House of Representatives, whatever the merits of the case for or against the President, whatever its eventual outcome—an impeachment proceeding cannot be other than a sad and wrenching experience.

Every American has a right to expect that these proceedings will be conducted fairly, with the dignity and seriousness the occasion demands.

As one who has served in the House—and who has the highest respect for that body—I am by no means surprised that the Committee on the Judiciary, in the words of Washington Post reporter Haynes Johnson, is "splendidly rising to history."

I would not expect it to be otherwise.

Similarly, I believe we are entitled to expect that those most responsible for conveying these historic proceedings to the public will rise to the occasion.

Most of the news media have done so, in coverage of the debate that began last week. But I am dismayed by some of the commentary on television, particularly on the first day that these proceedings were open to the electronic media.

I am in full agreement with the criticism expressed by Mr. Johnson in his article of Wednesday, July 24. He wrote:

> The only blemish on the hearings to date has come not from the Congressmen but from some of the TV commentators.

And, Mr. Johnson's article went on to say:

> On the opening night of the hearings, telecast by ABC, the commentators, as is their right, offered a number of disparaging remarks. The pace was too slow, the members needed a TV director, how could anyone suffer through 365 days of congressional hearings? At one point, Mark Twain's cynical remark about looking toward the Congress to discover the common class of criminals in America was paraphrased. . . .
>
> What is being placed before the public is an extraordinary glimpse of congressional democracy—not the Claghorns and Throttlebottoms so ridiculed by stand-up comedians of the past, but of serious men and women facing the gravest decisions and searching themselves under the most public kind of scrutiny.
>
> It is as if somehow the magnitude of their task has freed them to speak their consciences instead of merely appealing to their constituents. Giving their performances a collective power has been the impression of so many diversified representatives, speaking in so many American accents, focusing on the greatest questions that can confront a democratic society.

Mr. President, surely, all of us can agree that the commentators should be free to say what they wish. But I, for one, believe that, in the gravity of our situation today, this is a freedom which carries with it an awesome responsibility.

It is a responsibility that cannot be properly discharged by commentary which substitutes arrogance and flippancy for intelligence and understanding.

Its exercise can only be of disservice to our Nation if these proceedings and what is at stake in them are treated as a television spectacular.

What we are engaged in is not an entertainment. The ratings do not matter. What we are caught up in—and what certainly does matter—is one of those agonizing moments in the life of our democracy.

It is an agony which must not be the object of tired jokes and ridicule. It is an agony in which freely elected representatives of the people—serious men and women, seriously trying to know and do what is right, but nonetheless fallible and imperfect as are all others—must make a choice that goes directly to the heart of our constitutional system.

The process by which we must make this choice is cumbersome. It is deliberate, often technical. It does not always provide direct and dramatic confrontation between sharply differing points of view. Nor should it, to suit the interests or requirements of "good" television.

Public understanding, so essential to the acceptance of whatever decision is eventually made, cannot be served if these proceedings are covered thoughtlessly, as if they were political convention or a mindless man-on-the-street interview.

Mr. President, I recognize that we all are feeling our way in a situation where the precedents are few and far between. Neither television nor the press generally has been called upon to describe the resolution of so momentous a question since the era of mass communications began.

Live broadcasting of the deliberations of the House Committee on the Judiciary is itself unprecedented. Whether to permit microphones and cameras to record the debate on impeachment in the House Chamber—and, subsequently, a trial in the Senate, if the House votes to impeach—is now being actively considered.

For the most part, after an unfortunate beginning, the network commentary directly associated with the Judiciary Committee hearings has been constructive. It has been informed—and informative—sensitive, and on the whole, dignified. On balance, I believe it has helped convey both the actuality of the process and the meaning of that process, which is so essential to the American people's understanding of representative democracy at work.

But I would hope that, in looking toward what may eventuate in the House and Senate Chambers, the broadcasting industry will continue to evaluate its performance in light of its responsibility as we face this gravest of decisions.

Some while ago, Fred W. Friendly, a former president of CBS News who is now Edward R. Murrow professor of journalism at Columbia University, observed that, if it comes to impeachment and trial for the President, "broadcast journalism will also be on trial." Assuming that television and radio would be permitted to record and broadcast such historic debates in the House and Senate, he said:

> The opportunity and challenge to report the proceedings, perhaps the most critical drama in the history of the Presidency, will

not be without pitfalls for the broadcast media . . . [which] if not avoided could set broadcast journalism back a generation . . .,

The crucible for television will not be the usual challenge of enterprise and ingenuity but of restraint and understanding that it is a vital part of due process that will bring most citizens closer to the heartbeat (and heartbreak) of government than they have ever been before.

The danger is that broadcast journalists in their competitive drive will permit production values to overwhelm the event and suddenly the atmosphere of a political convention will prevail.

Mr. President, Professor Friendly coupled his admonition with a series of recommendations for broadcast coverage of these proceedings, which I included in a Senate floor statement on June 25, 1974. They appear on page 21094 of the CONGRESSIONAL RECORD of that date.

This is a time of testing for all of us. I trust that my friends in broadcast journalism will demonstrate the high sense of purpose and restrained preparations that history—and the future of our Nation—demands of them.

I ask unanimous consent that Mr. Johnson's article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 24, 1974]

JUDICIARY COMMITTEE MEMBERS SPLENDIDLY RISING TO HISTORY

(By Haynes Johnson)

In his soft Carolina drawl, James R. Mann quietly expressed one hope yesterday afternoon. "It's important," he said, "that the American people have respect for these proceedings."

More than any other remark so far, that comment best captured the spirit and tone of the impeachment debate on Capitol Hill.

The representatives speaking with such uncustomary eloquence before an audience of millions fully recognize that they as well as the President, are on trial. At this point they are splendidly rising to history.

Through television the American people can judge for themselves, whether the most important national proceedings in more than a century are being conducted with dignity and decorum, with seriousness and a sense of fairness.

The only blemish on the hearings to date has come not from the congressmen but from some of the TV commentators.

On the opening night of the hearings, telecast by ABC, the commentators, as is their right, offered a number of disparaging remarks. The pace was too slow, the members needed a TV director, how could anyone suffer through 365 days of congressional hearings? At one point, Mark Twain's cynical remark about looking toward the Congress to discover the common class of criminals in America was paraphrased.

Yesterday morning, on NBC's "Today" program, a network correspondent described the hearings as "boring." They were confusing the distinctions between "hot" entertainment and the quiet drama that distinguishes the most solemn deliberations.

What is being placed before the public is an extraordinary glimpse of congressional democracy—not the Claghorns and Throttlebottoms so ridiculed by stand-up comedians of the past, but of serious men and women facing the gravest decisions and searching themselves under the most public kind of scrutiny.

It is as if somehow the magnitude of their task has freed them to speak their consciences instead of merely appealing to their constituents. Giving their performances a collective power has been the impression of so many diversified representatives, speaking in so many American accents, focusing on the greatest questions that can confront a democratic society.

On Wednesday night it was Rodino of New Jersey, setting the tone by stating one "simple principle"—"that the law must deal fairly with every man"—McClory of Illinois, stating with unquestioned conviction that anyone who argues that a Republican should not impeach a Republican President "demeans my role here," Brooks of Texas saying their individual actions may require "ignoring personal and political relationships of long standing," and then added:

"But we, as well as the President, are on trial for how faithfully we fulfill our constitutional responsibility."

In perhaps the most moving moment of all that night, there was the picture of Railsback of Illinois, speaking with a rush of emotion and obviously anguish spelling out of his "concerns" to his constitutents, and then saying: "If we are not going to really try to get the truth, you are going to see the most turned-off people, the most disillusioned people, and it is going to make the period of LBJ in 1968, 1967, it is going to make it look tame."

The same spirit marked the comments during the long hours of hearings yesterday.

Wiggins of California, representing the President's home district, saying calmly and quietly, "I cannot express adequately the depth of my feeling that this case must be decided according to the law, and on no other basis. The law, you see, establishes a common metric for judging human behavior."

He stated a guiding principle: "Fairness is the fundamental law of these proceedings. We would be doing violence to that fundamental principle, it seems to me, if we approach these proceedings with any preconceived notions of the guilt of the President."

To Dennis of Indiana, another Republican, the test before them all was to "do right, be right, and be recorded right in the long term of history." To Fish of New York, another Republican, "the keynote as before is faithfulness."

The issue, he went on the say, "Is the Constitution, and in assessing the fitness of the President to remain in office the Congress becomes the conscience and protector of the state." And: "The matter before us is clearly larger than party. It is more important than the continuation in office of any member of this committee."

Waldie of California, depicted as one of the staunchest advocates of impeachment, came over calmly. "You cannot look at this case without feeling a deep sadness but a deeper anger," he said.

The actions of five men yesterday particularly dispelled doubts about the ability of the members to put their personal convictions ahead of party or regional considerations. Two of them were Southern Democrats, Flowers of Alabama and Mann of South Carolina, and the others were Republicans. Hogan of Maryland, Butler of Virginia and Cohen of Maine.

Flowers, clearly troubled, weighed the terrible alternatives, and asked: "What if we failed to impeach? Do we ingrain forever in the very fabric of our Constitution a standard of conduct in our highest office that in the least is deplorable, and at worst is impeachable?"

And: "America is a nation with many flaws, but it is also a nation with hopes so vast that only the most foolish or the most pessimistic would fail to realize it."

Mann: "We have different backgrounds. We have different biases, conscious or unconscious. Different philosophies. But I am persuaded that the search for truth is paramount in each of us and that each has the courage to vote for that truth."

Hogan, tightly in control, his voice husky and at times close to breaking, recognized he would have to live with his actions for the rest of his lifetime, and explained his decision to vote for impeachment by saying:

"It is impossible for me to condone or ignore the long train of abuses to which he has subjected the presidency and the people of this country."

Butler, saying he has worked with the President in every one of Mr. Nixon's national campaigns, was grateful for his kindnesses and courtesies, but added, "Watergate is our shame."

"These things have happened in our house and it is our responsibility to do what we can to clear it up . . . It is a sad chapter in American history, but I cannot condone what I have heard; I cannot excuse it, and I cannot and will not stand still for it."

Cohen, the young freshman from Maine, expressed a theme that undoubtedly will be occurring in the debates to come.

"The impeachment process," he said, "is like Goliath's sword, to be kept in the temple and not used but on great occasions."

The question now before the Congress—and the country—is whether to draw that sword or keep it sheathed.

PHOENIX HOUSE FOUNDATION

Mr. BUCKLEY. Mr. President, I would like to briefly comment on a recent magazine article which details the very generous and unselfish help that scores of businessmen and companies have given to the Phoenix House Foundation for its drug rehabilitation program in New York City.

Over $400,000 worth of food, clothing, toiletries, and similar items have been given this year alone to keep this enterprise alive. The local community support, private contributions, discipline, and understanding would appear to be the correct mix of resources available for the effective treatment of drug addiction.

I ask unanimous consent that the article entitled "Gifts of Products Help Drug Addiction Struggle," which appears in the May 1974 issue of Nation's Business, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GIFTS OF PRODUCTS HELP DRUG ADDICTION STRUGGLE

(By Vernon Louviere)

A Kansas cattleman, asked to contribute to a New York City organization which fights drug addiction, gave his own solution to the problem:

"Give me a shotgun and send me a thousand addicts. I'll take care of a hundred of them and the rest will get the message."

Not long afterward, he began to donate fresh beef to the Phoenix House Foundation. He had been convinced that its operations were worthwhile and had decided to join scores of businessmen and companies in contributing everything from office supplies and poultry to spaghetti and trucks to help its work.

The Foundation, comprising 14 Phoenix House centers, depends heavily on such contributions to meet its $5 million annual budget. Of $900,000 worth of food, clothing, toiletries and similar items needed this year, about $400,000 worth has already been pledged by businessmen.

"It's a very personal thing when you give a product instead of cash," says psychiatrist Mitchell S. Rosenthal, who founded Phoenix House in 1967. "And people want to help people who want to help themselves."

Phoenix House (named by addicts after the mythological bird that rises from its own ashes) is having what narcotics authorities consider remarkable success. Seventy per cent of addicts who remain in the program for a year are regarded as effectively cured. A 90 per cent cure rate is chalked up by those who complete the full 18-month program.

Rehabilitation is accomplished through a combination of discipline and understanding. Addicts, who live in Phoenix House centers—all come to them voluntarily—must stay off drugs (even aspirin is kept under lock and key). As progress through various stages of learning to become responsible members of society, they are given "credits." If they backslide, disciplining comes not only from staff members but from their peers (who may, for example, call attention to infractions by hanging signs around their necks). And they are trained for jobs.

Treatment cost per patient is less than $12 a day. Dr. Rosenthal, who operates without federal funds, gets some help from the City and State of New York. But it is private contributions—in goods or in cash—which keep the enterprise alive.

Frequently, addicts under treatment make the appeals for contributions. Producer members of the National Egg Co., of Norcross, Ga., were so impressed with one such pitch that the organization is giving Phoenix House 1,300 cases of eggs this year (almost $2,500 worth).

Some 7,000 addicts have gone through the Phoenix House program, and most now live drug-free lives. If they had been sent to prison instead, it's estimated, they would have cost New York taxpayers more than $50 million. And if they have stayed on the streets, many of them stealing to get the $125 a day that police say is required to satisfy the average heroin user's addiction, the cost to the public would have been far greater.

FARM PRODUCTION INPUTS: NEXT YEAR'S OUTLOOK

Mr. McGOVERN. Mr. President, last week my Subcommittee on Agricultural Credit and Rural Electrification, of the Committee on Agriculture and Forestry, held a third in a series of hearings this year into the supply, demand, and price situation with respect to fertilizer.

In addition to the overall fertilizer problem, we also addressed the subcommittee's attention to fuel and natural gas for agriculture and related industries, to agricultural chemicals which are fuel-based, and to steel products such as baling wire, barbed wire, and other fencing materials.

In a word, Mr. President, the outlook for our farmers for all of these essential farm production inputs is tight. And the outlook on price is higher and higher.

Neither the administration nor the Congress can produce these essential farm inputs, but we can and must work together, with the industries involved, to help insure that available supplies are on the farm on a timely basis.

There can be no higher national priority for this next year than to maximize our production of food and fiber, and to assure the farmer that he earns a decent net income on this production.

Crop prospects for this summer already are substantially reduced from earlier forecasts. Combined with already depleted carryover of wheat and feed grains, this means strong farm prices and strong demand for farm input supplies for the 1974–75 crop year.

I am most concerned about the sharp price increases which farmers are seeing on fertilizer, fuel, and other inputs. The Department of Agriculture reported this week that gasoline prices are up one-third and diesel fuel is up half from last November. Fertilizer price increases are even more substantial: nitrogen up more than 100 percent from last October, phosphates 75 percent, and potash nearly 50 percent.

The average price of baling wire has risen about $4 per hundred-box since mid-May, and is currently about 2½ times above the average price a year ago.

Every effort must be made to expand the production of these materials, and to have available supplies distributed equitably, if we are to meet our Nation's food production goals.

In the spirit of Senate Resolution 289, which this body adopted without dissent earlier this year, I would again urge every agency of this Government to spare no effort to insure the maximum amounts of these essential inputs are available.

Mr. President, I ask unanimous consent that the statements presented to my subcommittee for the South Dakota Fertilizer and Agricultural Chemicals Association by Charles Cowman of Yankton, and statements by the National Council of Farmer Cooperatives, and Farmland Industries, Inc., be printed in the Record.

There being no objection, the material was ordered to be printed in the Record as follows:

Testimony of Charles Cowman

I'd like to thank you for honoring South Dakota in extending this invitation to appear here today. I'm Chuck Cowman, President of South Dakota Fertilizer and Agriculture Chemical Association, and an independent retail fertilizer and agriculture chemical dealer in Yankton, South Dakota.

I presume the testimony that I, along with Earl Adam (our soils specialist) and Bill Schroeder (our Secretary of Agriculture) gave at the Omaha hearing in March will be included in the overall record. Therefore I would like today to briefly summarize our testimony there and bring you up to date on the South Dakota situation since then.

We stressed then and are still stressing, Senators, the problem of distribution.

Because most fertilizer is manufactured in the Southern States, South Dakota is on the far end of the pipeline. Therefore when a company decides to decrease its marketing area—guess who gets chopped off first. In the past 2 years we've had a ½ dozen major suppliers pull out of our state. Those of us that were tied up to a supplier that continues to market in South Dakota can continue operating on allocation—But the independent dealer that was depending on a Company that pulled out of South Dakota is DONE!

In conjunction with suppliers pulling out is manufacturers who are operating retail/wholesale outlets! And here is where we have to get down to gut issues—some people may end up being antagonized—and for this I apologize, but if you gentlemen are going to solve anything for us you're going to have to ask some point-blank questions and get into the guts of this situation. Such as why a manufacturer who was retailing, say, 20% of his production and wholesaling 80% suddenly has completely shut off wholesaling to independent dealers around their own retail outlets—and funneled this product through their own outlet on the retail level only?

Question No. 2 Industry tells us production was up 10% over last year—yet most dealer allocations speak of 50–90% of last year (except for company owned outlets) for an average of 70%. I've never taken this new math but when I went to school, 70 from 110 leaves 40% of our total supply somewhere—where is that extra product?

Question No. 3 Ask of these major suppliers who have pulled out—why is South Dakota being discriminated against? And where is this extra product going?

Question No. 4 Why did brokers seem to have so much product available at $50 to $100/ton over domestic price? I find it hard to believe this was ALL imported product.

As for recommendations from us to you, I reiterate what I said in Omaha:

Export controls—No—The negative repercussions from the recoil would probably be far worse than the benefits from the initial blast.

Price controls—No—This we feel would only set industry back to where we were a year ago—and would be detrimental to much needed expansion for the future.

We do think full fuel needs to the industry is essential. My understanding is that manufacturing is using only 2% of the natural supply now: increase the supply 50% and you're only talking another 1% of the total natural gas supply.

But for short term this Distribution needs to be looked at hard, fast and point blank. Not only the Amount of distribution, but the time of distribution. As I mentioned earlier, South Dakota is on the tail end of the pipeline. Production is geared for the lower states. By the time Texas, Missouri, Iowa, Nebraska, and many other states are done fertilizing—South Dakota is just getting started—the pipelines are cleaned out and we get what comes off production. Dale Gullickson (with State Department of Agriculture) took a followup oral survey this past week to the March survey presented in Omaha by our Secretary of Agriculture, William Schroeder. Attached to the testimony I handed in is a copy of the oral survey. Most dealers received the allocation they had previously indicated. However two things came out of this latest survey which are disturbing:

Many dealers received part (and some most) of their allocation after the season was over! With Liquid or Gaseous Nitrogen you can play with this somewhat. If you don't get it on before planting you have until corn is knee high to sidedress—But with dry Nitrogen and especially Phosphates and Potash, it's a black or red situation—there is no gray line; if they aren't worked into the soil prior to planting you just as well forget them for this year—you aren't going to receive the response from their application.

Brokers and truckers from down South started calling towards the end of the season offering fertilizer at prices up to $100 over domestic price. Why wasn't this excess product shipped directly to South Dakota dealers earlier?

The final points I'd like to make concerning fertilizer in South Dakota is this. 1-Grassland this year was completely neglected. All available plant food in our area went for producing feed grain. We are the fourth largest Beef producing state—to produce beef we need grass.

2-Irrigation: We are presently in the fetal stage in South Dakota. But now with projects like the Oahe Irrigation now under construction we are about to give birth to thousands of acres that up to now have been limited by rainfall.

3-A report put out 3 or 4 years ago showed the use of plant food by State on a per acre basis. South Dakota was on the bottom of the list; which means we are in the adolescent stage—we not only need the plant food to replenish our daily use but the extra plant food it takes to keep us growing healthy. For instance the latest figures I got from Rodger Pearson (South Dakota Department of Agriculture) showed that South Dakota in calendar year 1973 versus calendar year 1972 had increased retail sales of 45%. This '73 increase came from fertilizer still in the warehouses from '72—Now the warehouses are literally swept clean—where do we pick up the growth factor in '74?

As for the Agricultural Chemical situation, it wasn't as critical as fertilizer. In South Dakota dealers received a supply equal to their '72 supply without much problem, except for 2-4-D. The increased sales were tougher to come by and some were received a little late with prices 8–10% higher.

As for next year we expect supply to be tighter because of increased demand. Prices we know are going to be higher. Some companies have already raised prices 10–20%. As for the general situation, I sympathize with the chemical companies. They have received many "Black eyes" recently (which they did not deserve) because of EPA and other Environmental groups. Chemical companies should be commended for bringing the true facts to light. However, I would recommend for the coming year that, concerning price increases and excess profit, these chemical companies proceed with extreme caution or they may receive a "Black eye" they rightfully deserve!

Senators, thank you for the invitation, your patience and courtesy.

CO-OP

Sales the first six months of this year down about ⅓—3700 tons in 1973, 2400 in 1974. They have been allocating to customers—60% of previous 2 years.

Nitrogen the biggest problem, Phosphate small problem, plenty of potash. He has unofficial indication that he will be allocated for the next fiscal year the same as the past year except for Nitrogen which he will only receive 90% of this year. Feels one of the problems in the Nitrogen shortage is caused by the fuel shortage.

There is definitely going to be continued shortage problem next year. No particular recommendations on how to alleviate it.

Chemicals: 2–4–D was very short and high priced and indications are that conditions will be worse next year. Hasn't been and doesn't think there will be many problems regarding other herbicides and insecticides.

INDEPENDENT

Very, very pessimistic regarding the potential for getting fertilizer. Prices quoted are high; very big increase in demand has been developing this year and expects it to continue into future. Hardly any fertilizer on hand now and expects a big immediate demand for use in seeding winter wheat.

No Nitrates at all and Phosphate problem getting worse right along. Feels South Dakota is being discriminated against. Kind of at the end of the line. He tried an experiment to see if fertilizer could be bought at higher prices and offered one supplier $200 a ton for Ammonium Nitrate but didn't receive any. Hope the Fertilizer Institute would be represented at the hearing.

Understands fertilizer production in U.S. is up about 10%. Thinks we are going to be very short from now on through the next year. Doesn't have any solutions because he doesn't know what is causing the problem. Hates to see controls.

Chemicals: They are all extremely hard to get. Hasn't had any more trouble with 2–4–D than any of the others.

CO-OP

Anticipates shortage to continue into next year. Feels that they were 35% short of need this year. Most of that 35% was made up by increase in demand but his supply was a little smaller than the previous year. Dollar sales were about equal. One of his problems is that he spread a lot of fertilizer early last fall before he knew there was going to be an allocation for fertilizer and used up his allocation at that time so had very little to use this spring. Had to cut his customers back to 50% allocation.

Black market price this last spring was twice the regular allocation price. Indication is that someone might be hoarding fertilizer.

His tentative allocation for next year is 90% of this year on Nitrogen and 115% on Phosphorus. Expects a bigger increase in demand than this year.

Recommendations: Don't want any more price freezes. Should be an investigation to see if manufacturers are producing at full capacity or if there is hoarding of the commodity.

Chemicals: He was very short this year because he virtually received no allocation because he has used very little of it in the past. Expects demand to be greater in his area for these chemicals and feels it will be a bigger problem in the future. Has no 2–4–D at All. Did have plenty of Thimet.

INDEPENDENT

Fertilizer problem is very critical. Received smaller supply. Requested 450 tons and received only 100 tons. Did get one additional carload through the black market at about $30 a ton higher cost. He got no Nitrate at all. He didn't serve but ⅓ of his customers. He did not go on allocation because he was assured by his company that he would be provided adequate fertilizer but did not get it so about ⅔ of his customers were without fertilizer. Thinks his problem was worse than others because of the fault of the company he buys from. Situation is so bad that fertilizer salesmen don't call on fertilizer dealers any more. The demand is nearly double from a year ago partly because of more acres farmed and partly because of more fertilizer per acre used because they are only beginning to use fertilizer the last five years. Has no promise of any fertilizer for next year at this time.

Recommendations: Wants to know where the fertilizer is going. Why we are so short all of a sudden and should be careful about our exports.

Does not handle any chemicals.

CO-OP

Last year allocation was 100% of this year's but this was also 30% below needs. Most of the increase in need was increase in demand because of increased acres farmed, added customers and increased amount of fertilizer used per acre. Has no salesmen calling on them at all. Only way to come close to meeting their needs, they deal with brokers who charge twice the regular price. Anticipates Anhydrous ammonia tightest supply for next year. Some trouble with phosphate and Potash has become scarce. Thinks exports are our biggest problem. Thinks they need to be limited to protect the agricultural industry. Prices have doubled from a year ago.

Chemicals: Have not been on allocation this last year but they are limited. Sold as much as the year previous but there was a bigger increase in demand because of increased grain prices. They are taking on absolutely no new customers. Anticipates to be a short supply next year and already having trouble.

INDEPENDENT

Started on 75% allocation—but received over 100%—Got all he needed. Might have been because a customer of long standing. Buys all Liquid-Nutro Flo-Cost gone up about 300% however in last year. Hasn't been notified about next year.

Chemicals: Got along pretty good. Sold a little more than last year. Didn't have quite enough but after jockeying around with other suppliers took care of most of customers. Doesn't see any big problems for next year, but expects prices to increase significantly.

STATEMENT OF BILL BRIER, DIRECTOR OF ENERGY RESOURCES

My name is Bill Brier and I am Director of Energy Resources for the National Council of Farmer Cooperatives. I am accompanied by three associates: Dave Fulton, Staff Assistant-Executive Vice President, Farmland Industries, Inc., Kansas City, Missouri; Duane Halverson, General Merchandise Manager, Petroleum Division, Land O'Lakes, Inc., Minneapolis, Minnesota; and J. D. Gordon, Manager, Plant Food Division, Gold Kist, Inc., Atlanta, Georgia. These gentlemen will also present individual reports detailing supply projections and problems affecting their individual regional farmer cooperatives.

At the request of the Agriculture Committee staff, our comments will primarily cover the supply situation as it relates to fuel, fertilizer, and agricultural chemicals over the next year or so.

Farmer cooperatives supply approximately 30% of all on-farm fuel consumed in this nation. At the same time, they operate eight refineries which supply about 50–70% of the product needs and own 10–15% of the crude oil needed to operate these refineries at capacity. The remaining crude oil and finished product is purchased from independent producers, other oil companies, and brokers.

Farmer cooperatives are also basic in the fertilizer industry, operating at all levels including mining, manufacturing, distribution, and marketing. Cooperatives manufacture and market 30–40% of all fertilizer produced and sold domestically.

The agricultural chemical field is another area in which farmer cooperatives play a key role. Except as by-products of other processes, cooperatives are not involved in the production of basic raw materials used in agricultural chemicals. The cooperative role is limited, for the most part, to research and development, formulation and packaging, distribution and marketing of agricultural chemicals.

With the above thumbnail sketch of selected farmer cooperative activities, the National Council would like to subdivide those three basic subjects into five broad categories.

PROPANE

The importance of propane to the farmer can hardly be over-emphasized. His needs include both home heating and production of the nation's food and fiber. In addition, propane is necessary in the production of crops through irrigation.

Recent suggestions have been made that propane is in excess supply and therefore its allocation programs should be terminated. In the National Council's judgment, this attitude ignores one simple fact—propane demand was down significantly (particularly in agricultural and rural heating) in 1973 because of the weather. In addition, utilities and manufacturing plants utilizing natural gas were not required to substitute large quantities of propane as originally forecasted because of the unusually warm weather.

In 1972, the demand and supply curve crossed at about 13 to 14 billion gallons of propane. In 1973, demand dropped off by roughly 350–400 million gallons while imports and production increased by 400–425 million gallons. However, disturbing signs appear on the horizon. First, the Bureau of Mines report for March 1974 shows that stocks of propane are down by 250 million gallons from January-December 1973 figures. Second, prices are on the rise.

There are several factors which are apparently affecting pricing and availability of propane:

1. Due to government regulations, a two-tier pricing system has developed, making propane from oil companies which have

crude oil operations more expensive than that from natural gas companies;

2. Some gas companies have already warned major customers that they can expect their natural gas to be cut off this winter, thus increasing the customers' need for standby fuels such as propane;

3. Agriculture's needs are expected to increase significantly—much more propane is being used for irrigation this year and the late maturity of particularly corn will increase the probable need for more propane for crop drying.

4. Domestic propane production is decreasing slightly even though demand will be up. This is because liquification of natural gas has shifted to maximize ethane, a product of no use to agriculture.

In addition to the foregoing, it should be mentioned that the priority for agriculture according to the regulations is of little value to many of our cooperatives because they fall into the producer-purchaser category rather than the wholesaler-reseller category. This means that they are in fact limited by their suppliers to their base period propane supplies or a percentage thereof, regardless of their agricultural customers.

CRUDE OIL

If one criticism could be made of cooperatives' refinery operations, it is that they are too dependent on outside producers for crude oil. Cooperatives own only about 10–15% of their total crude oil requirements.

The continuation of the current crude oil allocation program is absolutely essential to the continued viability of cooperative refinery operations. Of the current 83,393,242 barrels of crude oil subject to allocation, 8,495,622 barrels are scheduled for allocation to cooperative refiners. This is 10.2% of the crude oil being allocated. For the cooperatives involved, this works out to 94,396 barrels per day or 35% of their total refining capacity.

At the same time, certain aspects of the government crude oil program are harmful to farmer cooperatives. These deal primarily with the government pricing programs as they relate to crude oil.

The government, by regulation, fixes the price of so-called domestic old oil at about $5.25 per barrel. This production accounts for about 70–80% of the total domestic supply. Newly discovered oil and stripper oil is exempt from price controls and currently sells for about $10.35 per barrel.

This policy discriminates against cooperatives and many other independent refiners because their inland refineries are often located near fields with an unusually high percentage of stripper well production. Thus, the farmer buying from a cooperative, which in some cases is his only source of supply, was often paying more for his product than his counterpart buying from a major oil company.

The National Council strongly supports a one-tier pricing system to eliminate this obvious inequity. Oil under this system should be priced high enough so as not to discourage stripper production in states where refineries utilizing this product are located.

CHEMICALS

Spot shortages of specific herbicides and pesticides will continue. It now appears that these shortages probably will not affect the availability of mixed chemicals such as those used for animal health.

The shortages of herbicides and pesticides may prevent the farmer from obtaining a specific chemical formulation. However, assuming that the farmer can make substitutions when necessary, he should be able to obtain basic herbicide-pesticide protection.

The real problem is not with agricultural chemicals per se but rather with shortages of basic raw materials such as phenol, benzene and other base stocks. Since major formulators of agricultural chemicals have trouble obtaining adequate supplies of base stocks, the formulation of agricultural chemicals is both erratic and below agricultural needs. The shortages of base stock can be attributed to both increasing demand within agriculture and industry and increased exports.

The National Council believes that during these periods of shortage, the federal government should give serious attention to the priority uses of basic raw materials in our society. Those uses, such as agricultural chemicals, should be encouraged as a way to help meet national food production goals. At the same time, less important uses should be discouraged.

FERTILIZER

It now appears that North American supply-demand balances for nitrogen will gain their equilibrium beginning in 1978. After that, a small nitrogen surplus will develop which will probably disappear by 1983.

United States phosphate supply-demand balances will cross in 1976–77 at which time a surplus will begin developing that will carry into 1979–80 when supply-demand balances will cross again.

North American potash surpluses may start appearing in 1975–76. These surpluses will continue into 1980 when it is expected that the surplus will probably disappear.

These figures serve to point out the cyclical nature of the industry coupled with low profit margins during periods of over-supply which discourage entry of new producers. By the same token, over the past four years the market has forced at least eight major fertilizer marketing companies to partially or completely withdraw from the market. The high capital requirements and low returns on investments are not looked upon with favor by the bulk of the manufacturers because they are investor-oriented companies.

Obviously, inadequate transportation has contributed to the current shortage. The unavailability of transportation has in some areas created artificial shortages of plant food when none actually existed. The availability of necessary railroad rolling stock in the right place at the right time has and will continue to be a particularly severe problem.

As a result of the price freeze, increased imports have also affected farm supplies of nitrogen and phosphate. Phospate exports are still a problem. Net N_2O_5 exports for July-May 1973–74 are still running 13.1% ahead of July-May 1972–73 figures.

However, these problems are completely overshadowed by continued shortages of natural gas that make it practically impossible to significantly expand domestic anhydrous ammonia production—the major source of nitrogen. In fact, CF Industries, Inc., and Farmland Industries, Inc., have both announced the construction of significant additions to their anhydrous ammonia production capabilities to be built in Canada. Even today, cooperatives are continuing their search for additional foreign sources of natural gas.

Much of the problem of natural gas supplies can be traced to a 1954 Supreme Court decision that gave the Federal Power Commission the authority to regulate interstate gas rates. Since that time, wildcat drilling for natural gas, a good measure of industrial activity, has declined from a high of 16,000 wells in 1956 to 7–8,000 between 1971 and 1973. In addition, since 1968, domestic natural gas is being consumed at a faster rate than reserves are being discovered.

The unrealistic rate structure of natural gas also has the undesirable effect of reducing supplies available to historical users (fertilizer industry) by encouraging its use for economy reasons by increasingly significant numbers of non-historical users. For example, the use of natural gas by an electric utility to produce electricity to be used for heating purposes uses three times as many B.T.U.'s as providing the same natural gas directly to the end user for heating purposes.

The National Council would also like to comment briefly on the fact that 22% of ammonia producers have contracts with gas suppliers that have an interruptible clause. This means that if higher priority users' needs are not met, gas suppliers can temporarily be halted. During the past three years, because of increasing shortages of natural gas, interruptions have increased—thus decreasing production of anhydrous ammonia. The National Council believes that because of the importance of nitrogen in crop production, all ammonia producers should be placed in a higher priority category.

REFINED FUELS

The key to understanding the refined fuels outlook for individual farmer cooperatives is distribution, not total domestic supply-demand balances. While total supply-demand figures appear more in balance, cooperatives are still experiencing difficulty in purchasing needed fuels at prices that allow them to be competitive in the market place.

To some extent the price advantage favoring major oil companies versus independent oil companies begins with government crude oil pricing policies both domestic and foreign. The foreign differential is based in the difference between the tax paid cost of oil ($7.10) averaged with royalty oil purchases versus the independents' foreign oil cost which is currently about 93% of the posted price ($10.83). The domestic oil differential is basically the percentage differences between the amounts of old oil and stripper oil refined by each as described earlier.

This basic difference in crude oil costs not only increases major oil companies' profits, but also enables them to sell refined fuels at a lower cost. Because of this obvious inequity due to current government policies, both domestic and foreign, FEA should give serious consideration to utilizing the mandatory allocation programs of finished product to help equalize price differentials of refined fuels between majors and independents.

FEA should also give some attention to the fact that the current priority for "agricultural production" could in some cases deprive some farmer cooperatives' non-priority customers of fuel. This could occur under the current regulations during a shortage because farmer cooperatives supply an unusually high percentage of their total fuel to agricultural production. If a cooperative in a rural community is the major supplier and he is forced during a shortage to take agricultural production off the top, there may be no remaining fuel for nonpriority users in the community. This of course would eventually affect the farmers' ability to continue operations.

SUMMARY

The National Council believes that other shortages in farm supplies should also be examined briefly. These shortages, when considered with those already mentioned, contributed to a general farm supply situation that is not conducive to meeting this nation's food and fiber production goals.

Among the short-supply commodities are wire products and galvanized steel which also report sharply rising prices. Much of this problem centers around the export of scrap iron to higher-priced foreign markets.

Twine and rope are also in short supply because previously low prices for sisal, an important raw material imported from Brazil and Mexico, caused many producers to stop production. Now that prices have risen, raw material production has resumed, but shortages will continue to persist for another year or so.

One shortage which has been in effect for some time is that of tractor tires and predictions are that it will continue into next year. During the height of the shortage many farm inplement manufacturers were unable to obtain needed tires for new equipment. Thus many tractors were shipped on blocks minus tires with the hope that they could be added later.

Another shortage is that of feed grade dicalcium phosphate. This exists not only because of the shortage of basic phosphate material discussed earlier but also because of a shortage of defluorination facilities.

In closing, one subject prevails over the entire discussion of the farm supply situation—price. While admittedly in many cases the farmer is receiving high prices for the commodities he produces, he is also paying high prices for supplies he needs.

If farm prices fall significantly, the farmer will be caught in a serious cost-squeeze similar to that already encountered in the cattle industry. Many farm supply goods are overpriced and can be expected to fall as supplies improve, but the farmer's basic cost of doing business will still remain high—much higher than that of a few short years ago.

Statement of Farmland Industries, Inc.

Senator, Ladies and Gentlemen: Farmland Industries, Inc., headquartered in Kansas City, Missouri, is a cooperative association organized under the laws of the State of Kansas. Farmland is an integrated farm cooperative, wholly owned by approximately 2,100 local, member, agricultural associations which supply petroleum products, fertilizer, agricultural chemicals, feed, and other products to approximately 500,000 farmers and ranchers in the midwestern United States.

The primary trade territory of Farmland Industries encompasses thirteen states—Kansas, Nebraska, South Dakota, North Dakota, Iowa, Oklahoma, Missouri, Texas, Minnesota, Illinois, Arkansas, Colorado, and Wyoming—that provide a major portion of the total United States production of food and feed grain crops. Wheat production in this region constitutes seventy-nine percent of the total United States production; corn production is sixty-six percent of the total United States production; while production of soy beans and grain sorghums are sixty-two percent and ninety-two percent, respectively, of the total United States production.

Farmland has totally dedicated its resources, including products, services and employees, to the task of serving agriculture, by serving its approximately 2,100 member, agricultural associations.

Farmland appreciates the opportunity to offer testimony to this committee, as a representative of the 500,000 midwestern farmers and ranchers which it serves, and to make known, and seek help in solving the problems facing the American agricultural community today.

PETROLEUM

Farmland is the leading cooperative in the United States in terms of petroleum supply to agriculture, with an annual refined fuel volume exceeding one and one-quarter billion gallons. Farmland was founded in 1929. Farmland's farmer-rancher owners became the first cooperative in the United States to build refining facilities when, in 1939, a refinery was constructed by Farmland at Phillipsburg, Kansas. In 1941, a small refinery was purchased at Scottsbluff, Nebraska, and in 1944 a refinery located at Coffeyville, Kansas was purchased. Ownership of the three refineries described above is presently held by CRA, Inc., a wholly owned subsidiary of Farmland. The total refining capacity of three refineries listed above is 67,000 b.p.c.d. (barrels per calendar day). In addition to the three small refineries owned by CRA, Inc., Farmland owns a thirty-one percent interest in the National Cooperative Refinery Association (N.C.R.A.), which owns one refinery, located at McPherson, Kansas, with a total refining capacity of 52,000 b.p.c.d. Corresponding to its ownership interest in N.C.R.A. Farmland is entitled to purchase thirty-one percent of the product refined at N.C.R.A.

It is estimated that Farmland provides forty-three percent of the gasoline and diesel fuel volume for agricultural use in Kansas, forty percent of the gasoline and diesel fuel volume for agricultural use in Nebraska, and is the number one supplier of gasoline and diesel fuel to agricultural producers in Kansas, Nebraska, Iowa, Oklahoma and South Dakota.

Farmland has ownership interests in some domestic oil production. However, these interests provide only approximately fifteen to twenty percent of the crude oil needed to operate at capacity the three refineries described above.

Like other independent, inland refiners, Farmland has relied on open-market purchases of "sweet" crude oil to operate its refineries. As was the case with most inland, independent refineries, Farmland had, up until the fall of 1972, exchanged foreign crude oil import rights for domestic crude oil. This business practice was a routine exchange arrangement with many major United States oil companies for a number of years. It allowed inland refineries access to the domestic "sweet" crude oil recovered in the United States interior, and in return, the major oil companies received rights to import the then, less expensive foreign crude oil for processing at coastal refineries.

With the sudden astronomical rise in the costs of foreign crude oil, coupled with a decreasing supply of domestic "sweet" crude oil for sale, the inland, independent refineries could not buy sufficient quantities of crude oil to operate at capacity. Farmland, for example, operated at 13,000 to 15,000 barrels per day under refining capacity, while an increased need for refined fuels for agricultural production by member agricultural cooperatives was being experienced.

Farmland Industries recognized the need for a mandatory program for the allocation of crude oil and refined product in early 1973. This need was expressed, along with the recommendation that the program recognize the needs of agriculture as a national priority, to the Oil Policy Hearing Committee in June, 1973.

The crude oil allocation regulations which were subsequently developed by the Federal Energy Office, and amended, effective June 1, 1974, provide the assistance required by small, inland refiners in the midwest to meet the demand for refined petroleum products for agricultural production uses. Farmland endorses the crude oil allocation regulations currently in effect, and recommends that these regulations continue beyond the expiration of the Emergency Petroleum Allocation Act, on February 28, 1975. Without the continuation of the crude oil allocation regulations, Farmland Industries, the traditional supplier of refined petroleum products to agricultural users in the midwest, will be unable to meet the demand for refined petroleum fuels for agriculture beyond February, 1975.

A comment on pricing of refined petroleum products must be made at this juncture. The two-tier pricing system on crude oil has placed many independent refiners located in the midwest at a competitive disadvantage "price-wise". The small, inland, independent refiner located in the midwest must rely on "sweet" crude oil to operate its refineries. Since a high proportion of the recoverable crude oil of this type is uncontrolled oil—stripper oil, new oil or released oil—refiners required to use this type of crude oil exclusively as a raw material input have a higher composite crude oil cost than those refiners that have access to crude oil which has a controlled price. For the above-described reasons, it appears desirable to eliminate the two-tier pricing system that is now in existence in the crude oil area, and permit all domestic crude oil to be priced on a consistent basis. An alternate, and, we believe, workable program, is contained in the proposed crude oil entitlements program, as developed by the Federal Energy Office, and provided to refiners for comment on May 21, 1974.

While the Federal Energy Administration crude oil allocation regulations, in theory, provide to Farmland and other independent, inland refiners the crude oil necessary for refining and subsequent distribution of refined fuels to agricultural users, some problems presently exist in operating under these allocation regulations. For example, during the present crude oil quarter, June, July and August, 1974, Farmland was able to secure less than half of the crude oil allocated to it under the Federal crude oil allocation program. A number of refiner-sellers listed in the Federal crude oil program, chose not to sell Federal Energy Administration directed quantities of crude oil, until a ruling was made by a Federal District Court in Washington, D.C., that upheld the legality of the crude oil allocation program. Due to transportation problems inherent in the crude oil area, even if such refiner-sellers act immediately to comply with the crude oil allocation program, Farmland and other inland, independent refineriers will not be able to get the use of their entire allocation of crude oil during the present crude oil quarter. Thus, active enforcement of the crude oil allocation regulations must be undertaken by the Federal Energy Administration to insure a workable program.

Farmland strongly endorses the designation by the Federal Energy Administration of agricultural production as the highest priority use category for refined fuels, and the June 1, 1974 Federal Energy Administration amendment which requires each supplier in the distribution chain to recognize this priority. A further, important point on distribution of petroleum products must be made. While a number of major oil companies and other suppliers of petroleum products have chosen to terminate marketing of petroleum products in the rural areas, and instead market in more densely populated urban areas, Farmland has steadfastly continued to serve the rural communities and, indeed, is being faced with the responsibility of providing refined petroleum products to those agricultural users who were formerly served by oil companies which have withdrawn from the agricultural midwest. For example, the Gulf Oil Corporation and the Sun Oil Corporation have chosen to withdraw from substantial portions of the midwest marketing area and many of their rural customers are now looking to Farmland for supply.

The majority of the local, agricultural associations to whom Farmland Industries, Inc. sells motor gasoline are located in very small, basically rural, communities, many times such communities containing only a few hundred people. The service station of the member association is likely to be the only service station serving the community, or one of the very few stations serving the community. Due to the lack of other oil company stations in the community, the member association station is also called upon to serve the refined fuel needs of schools, mail carriers county road departments, and other important groups. The point must be made that in many of the small rural communities the service station of the Farmland member association is called upon not only to meet agricultural production needs of the community, but all the needs of the community.

Through its member associations, Farmland Industries can provide a distribution system that can come closest to insuring that the fuel needs of midwestern farmers and ranchers are met. Additionally, fuels provided to the small rural communities served by Farmland provide the life blood for the very existence of these communities. Regulations must be promulgated and enforced that will insure that Farmland can refine the petroleum products necessary to satisfy the needs of this important segment of the American population.

FERTILIZER

As in the petroleum area, Farmland is both a manufacturer and a distributor of fertilizer. In 1948, the first Farmland manufacturing facility was constructed, an ammoniating plant in Eagle Grove, Iowa. Nitrogen plants were subsequently built in Fort Dodge, Iowa, Dodge City, Kansas, Hastings, Nebraska, Lawrence, Kansas, and Enid, Oklahoma. Phosphate fertilizer production began in 1966 with the construction of a manufacturing facility in Bartow, Florida.

In 1973, it became apparent that the American farmer was facing a serious shortage of fertilizer products. With Federal controls regulating fertilizer prices, most fertilizer producers look to exports for greater profits. One exception in the fertilizer industry to this type of business activity was Farmland Industries. Every ton of Farmland's fertilizer supply went through member, agricultural cooperatives to midwestern farmers, to meet the needs of Farmland's farmer-owners.

Despite decontrol of fertilizer prices, the critical supply situation for fertilizer in the agricultural midwest was not alleviated. True, the decontrol of prices was expected to make an additional one and one-half million tons of fertilizer available during the first six months of 1974, but fertilizer industry leaders had estimated before decontrol of prices, a shortage of four million to five million tons for the current crop year. It is estimated that the farmers and ranchers which Farmland serves needed approximately twenty percent more of both nitrogen and phosphate fertilizers than Farmland was able to supply. Further, Farmland, a net purchaser of potash, was unable to secure supplies sufficient to meet the demand for this product.

In fertilizer, like in petroleum, allocation is a word farmers and ranchers in the midwestern United States will be living with for at least the next few years. An all, new program has been instituted by Farmland to insure that those farmers and ranchers who, through their local cooperatives, depend on Farmland Industries, Inc. for a supply of fertilizer, will receive their equitable share of the fertilizer available.

To help alleviate one problem area of the critical fertilizer situation now facing midwestern farmers, a major anhydrous ammonia project is being undertaken by Farmland Industries and Canadian interests. The first two of the four plant ammonia complex will hopefully be on stream sometime in the calendar year 1976. Each plant will produce 1,250 tons of anhydrous ammonia a day, and the product will be channeled by pipeline into Farmland's trade area.

The project will be built in Canada because Farmland was able to obtain natural gas, the raw material used in the manufacture of anhydrous ammonia. It is estimated that two hundred million cubic feet of gas each day will be needed to operate the four plants.

Because natural gas supplies for such industrial purposes as nitrogen plants are on the wane in the United States, fertilizer production using Canadian natural gas was a logical and beneficial choice. Such a venture in Canada will free United States natural gas for such vital purposes as home heating, while at the same time allowing the production of more fertilizer for Farmland's farmer members.

A pipeline system will be constructed from Canada through Montana, the Dakotas and Minnesota, and tie in with the existing Farmland pipeline system near Garner, Iowa. From there, the product will be pumped in liquid form through Iowa, Kansas, Missouri, Nebraska and Oklahoma, to the end of the pipeline system at Perryton, Texas. That this will be a major step in meeting the United States need for nitrogen, can be seen by the fact that thirty-five to forty percent of the nation's total nitrogen consumption is required in states served by Farmland. Even as the Canadian project is moving ahead, Farmland continues the search for additional natural gas supplies within the United States.

Reordering of priorities is the ultimate answer to the fertilizer shortages. During the last two years, one fertilizer plant after another has had its natural gas supply curtailed. The Fertilizer Institute, a national industry organization, has petitioned the Federal Power Commission to give nitrogen producers a number two unconditional priority on natural gas—a priority second only to home and small commercial uses. Such a priority classification for natural gas for nitrogen producers must be maintained.

While export controls on fertilizer would perhaps have the effect of making more fertilizer available to American farmers on a short term basis, it does not seem the wise position to take in the long run. There is presently only one nitrogen plant in the United States under construction, due in large measure to unstable sources of natural gas. If United States Government policy restricted the exporting of fertilizer, the undesirable effects of trade wars, possibly including the restriction of fertilizer products from other countries into the United States, might be the result; foreign governments might choose also to formulate restrictions that would make United States farm products less competitive in world markets.

Further, government action should be taken to halt the continued deterioration of rail service to agriculture. Adequate transportation of fertilizer must be insured. In the phosphate area, Farmland had hoped to see supply start to come into balance with demand by late 1974 or 1975, but this has been delayed due to power shortages in Florida, where phosphate is mined, plus transportation problems, and fuel shortages.

As is the case with petroleum supply, Farmland continues to search for ways to provide its midwestern agricultural members with a dependable supply of fertilizers at a reasonable cost.

AGRICULTURAL CHEMICALS

During the past decade, cooperatives have become increasingly important in the agricultural midwest in the area of supplying agricultural chemicals. In the case of Farmland Industries, this involvement is twofold—those agricultural chemicals which Farmland manufactures for distribution, and those agricultural chemicals which are bought for distribution from other suppliers. While Farmland is a purchaser of basic chemical stocks, it formulates approximately forty percent of its own pesticides. While no other area is more important to the farmer or rancher, no other area of agricultural supply is more sophisticated and complicated.

Sales of agricultural chemical pesticides to local cooperatives by Farmland, have increased approximately two hundred fifty percent in the past five years. In the past, an inventory of approximately twenty-five percent above anticipated needs was maintained to guard against abnormal demand for product. However, during the present crop year, even this heretofore considered "safe" supply of back-up product was not sufficient to meet demand.

During this crop year, shortages of intermediate raw chemicals, materials for packing, and industrial accidents all took their toll on the delicate supply situation. As with petroleum and fertilizer, there will, in the future, likely be a need for some form of allocation based on previous history of use. In the agrichemical area, however, if one type of chemical is in short supply, another type can many times be substituted, and achieve the same desired result for the farmer or rancher. This, of course, is not the situation with petroleum or fertilizer.

In seeking to meet the challenge of this increased responsibility, in agrichemicals, Farmland has taken a number of steps to advance the knowledge in this product area. Farmland is presently accelerating its research efforts into new agrichemical problem areas. In addition, test plot evaluation of presently used pesticides and experimental compounds are being conducted as part of Farmland's research effort.

Farmland also works with a college advisory group made up of weed specialists and extension entomologists coming from the land-grant colleges located in the states served by Farmland. Once a year, in a three-day meeting in Kansas City, this group of scientists gives their advice on the proper compounds for use by farmers and ranchers. Such advice is based on the "most effective and least cost basis" regardless of manufacturer's recommendation.

Government supervision of intermediate raw chemicals is encouraged by Farmland so that these raw chemicals can be converted to those chemicals essential to farmers and ranchers. The diversion of these intermediate raw chemicals to another, perhaps, more profitable area, should not be made at the expense of the American farmer or rancher. In addition, government agencies such as the E.P.A. and O.S.H.A. must recognize the farmers' great financial stake in his crop production planning, and such agencies must take care that no new regulation or procedure will unnecessarily prohibit the farmer or rancher from continuing a plan of crop production. Finally, Farmland recommends that consideration be given to a review of seventeen-year patent rights. It is recommended that when a pesticide patent expires on a compound, that all research, tolerance and other pertinent data be made a part of the public domain so that other manufacturers may register and manufacture the compound, thus making available more production for the in-use market at a lower cost to farmers and ranchers.

In conclusion, we would reiterate to you the importance of insuring that adequate supplies of the previously discussed scarce products are provided to American farmers and ranchers. As was stated by Mr. Ernest T. Lindsey, President of Farmland Industries, Inc., in his remarks to several thousand farmers and ranchers at the Farmland 1973 annual meeting: "Crude oil, natural gas, phosphate rock; these are some of the world's most precious goods. Modern farmers must have the petroleum products and nitrogen fertilizers that are made from them!"

INDIAN EDUCATION

Mr. MONDALE. Mr. President, for more than 2 years—first under the leadership of the late Senator Robert F. Kennedy, and then under the leadership of his brother, Senator EDWARD M. KENNEDY—the Senate Special Subcommittee on Indian Education conducted a thorough, intensive review of the tragic plight of Native American children in this country.

The report of that subcommittee, "Indian Education: National Tragedy—National Challenge," is, I believe, among the most remarkable documents produced during my tenure in the Senate. I was proud to be a member of the special subcommittee. And I was proud to join with the distinguished senior Senator from Massachusetts (Mr. KENNEDY) in the sponsoring the Indian Education Act which was signed into law on June 23, 1972, and which implements many of the basic recommendations of the subcommittee study.

Despite repeated efforts by the administration to delay implementation of this crucial program, successful results are now beginning to be obtained. I believe that all my colleagues in the Senate who unanimously supported adoption of the Indian Education Act will be interested in a letter which I received from Larry E. Harris of the Minneapolis, Minn., school district, describing the impact of Indian Education Act programs on the Minneapolis public school system.

Mr. President, I ask unanimous consent that a copy of this letter may be printed in the Record at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Minneapolis Public Schools,
Minneapolis, Minn., June 24, 1974.

Re Indian Education Act.

Senator Walter F. Mondale,
Senate Office Building,
Washington, D.C.

Dear Fritz: I am writing on behalf of the Minneapolis Public Schools to request support again for the Indian Education Act (Title IV–A of the Higher Education Act). As you know, the Minneapolis Public Schools were awarded a grant this last school year under the Indian Education Act. Results have been great. Indian parents became actively involved in writing the grant. Mr. Paul Day was hired as director of the Indian Education Act, and there are over 30 Native American staff working in the schools throughout the city. Homes of youngsters who miss school are being visited, youngsters are being supported to succeed in school, and faculty are being made more aware of the great contributions Native Americans have made to the past of Minnesota and our country.

As you know, we have made several comitments in our own right. Duane Dunkley has been hired as director of the Indian Education Department, and Mrs. Kay Gurnoe is working with him—as well as two interns from the University of Minnesota. Mr. Al Picotte, an assistant principal at South High, and Mr. Harlan Anderson, the administrative assistant to the superintendent, both are of American Indian background. We believe this is important because the school is actively recruiting American Indian teaching staff with local funds.

I had the pleasure a week ago Saturday of attending a graduation party for American Indian students. Some 60 American Indian students graduated from the Minneapolis Public Schools this year. That is a new high.

The input of Indian parents is beginning to be felt. There is more pride in the kids in school and more responsiveness from parents. We believe that the Title IV–A program is already making an impact and feel it is crucial that the program be funded in total if we are going to continue to provide some of the educational opportunities that have historically been denied our American Indian students.

We know of your great support of Indian education, Fritz. We trust you will continue to help in this vital area. Please let us know if there is any information we can get you.

Sincerely,

Larry L. Harris,
Special Assistant to the Superintendent for Urban Affairs.

RAYSTOWN DAM, PA.

Mr. HUGH SCOTT. Mr. President, on June 6, 1974, I visited the Raystown Dam project with Vice President Gerald Ford for the dedication ceremonies of this important project.

Raystown will provide a tremendous service to the residents of central Pennsylvania, because the dam constitutes an important link in the flood control system of the State. The dam will be instrumental in preventing terrible disasters such as the Wilkes-Barre area experienced 2 years ago from Hurricane Agnes. Also, the dam will function as a beautiful recreational area for the residents of Pennsylvania and visitors from outside the State. Huntingdon County, the home of the Raystown Dam project will particularly benefit from increased visitor traffic.

I am delighted to join with Senator Richard Schweiker in a bill which authorizes necessary repair to the roads surrounding the Raystown Dam. Presently, these roads are not adequate for the increased visitor traffic. It is vital that these roads be upgraded and repaired so visitors will be able to enjoy the many recreational opportunities of the dam project. The bill also provides for continuous Federal maintenance of these key roads throughout the year.

I sincerely hope the bill will be passed during this Congress, so the important construction work may be completed as soon as possible.

I encourage all my fellow Pennsylvanians to visit and enjoy this wonderful addition to our Commonwealth's natural resources.

DROUGHT THREATENS FOOD SUPPLY, FARM INCOME

Mr. McGOVERN. Mr. President, I have just returned from a weekend in my State, where I saw some of the driest conditions to affect agricultural production in many years.

The situation in much of South Dakota is critical. Although rainfall within the next few days may help some farm production, for much of the Plains States, the time for relief has expired.

The dimensions of the drought, and its implications on food supply and farm income, are most serious, as readers of excellent articles in yesterday's Washington Post and Washington Star-News became aware.

Rainfall in parts of South Dakota, Mr. President, already are more than 7 inches below normal for this time of the year. Although winter wheat and some early small grains received adequate moisture earlier this year, the feed grains and spring wheat crops are in serious jeopardy.

The financial losses which will be sustained by many grain producers, on top of the losses already sustained by livestock producers, could result in serious economic setbacks for many farm States.

There is, in the farm bill which we passed last year, a program designed to provide some minimal protection to grain farmers who suffer weather or other disaster setbacks. It is in the form of a minimum payment per bushel on each of the producer's allotted acres.

But the Department of Agriculture has interpreted provisions of the disaster payment law in such a way that, instead of a minimum program of assistance, it may well become itself a disaster for our farmers.

The Department, late last year, established a national acreage allotment so small as to virtually preclude disaster payments of any significance.

And now, the Department has opted to use an average of the past 10 years' yields on a farm to determine how many bushels of grain that should have been produced this year. But advances over the past 10 years have sharply increased the yields obtained today.

Thousands of farmers who have been expecting minimum payments in the event of a disaster will receive very small payments, if any at all.

I have written to Secretary of Agriculture Butz to request a detailed explanation of the methods by which his Department has determined the disaster payment program regulations for this year. It is my hope that USDA will take a second look at their regulations, and show greater concern for the difficulties faced by grain producers than they have shown for livestock producers in the past several months.

The losses which will be sustained by farmers unable to harvest crops this year, Mr. President, will be higher than at any time in history.

The Secretary of Agriculture urged and pleaded with farmers to plant every available acre this year. Many responded.

And each acre planted represented sharply increased costs of fuel, fertilizer, weed and pest control chemicals, seed, and overhead expenses.

Now, I submit, the Department of Agriculture should evidence greater concern for those farmers who responded to the call for all-out production.

Mr. President, I ask unanimous consent that two articles from the Sunday newspapers here in Washington be printed in the Record: The first, by Dan Morgan in the Washington Post, is based on conditions in my State; the other, by John Fialka of the Star-News, is a well-capsuled report on the potential implications to total supply.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Drought Impact Deepens

(By John Fialka)

A drought that is spreading over the nation's corn and wheat belts is threatening the U.S. Department of Agriculture's grand strategy to cut farm subsidies and to halt food price increases by encouraging bumper crops.

By last week the drought had spread from the Oklahoma and Texas panhandles, where some crops have aready been totally wiped out, north into Nebraska, western Iowa, Kansas, Wyoming and Montana.

In all of these areas, according to a crop moisture index report released by Agriculture, the dryness has reached a point where crop yield estimates must be reduced in some cases "severely."

The extent of the damage will not be known until the middle of next month, when Agriculture's "crop enumerators" consolidate their reports into the first batch of statistics based on direct observation of the crops' health.

In lieu of the old, defunct program of paying farmers not to grow these crops, there is a new Disaster Payment Program designed to compensate farmers whose crops are damaged and fall below what Agriculture considers to be a normal year's yield.

Heavy drought damage could result in a drain on the Treasury, accelerating government spending that, in turn, accelerates inflation. That, in turn, would take another bite out of the consumer's billfold.

According to Victor Senechal, an official of the Agricultural Stabilization and Conservation Service, the Department has already begun receiving claims from wheat farmers in the Texas panhandle "whose crop was just a total zero."

The extent of the damage to the nation will not be known, he pointed out, until harvest. "If it stays dry there could be some really serious problems," he added.

The prospect of a smaller than expected crop has not been ignored by the nation's growing number of commodity speculators. News of the spreading drought has sent the price of corn futures up 70 cents a bushel since July 12.

Many food experts believe that commodity speculators tend to overreact in anticipation of crop failures, sending food prices up another notch higher than they should be.

(A bill to impose stiffer regulations on commodity trading is now pending before Congress. A spokesman for the Senate Agriculture Committee said there is a "good chance" it will be reported out in mid-August.)

At the moment, the department is still predicting record crops in corn and wheat and a near-record in soybeans, based on the number of acres farmers planted this spring.

But, according to Jack L. Aschewege, an official of Agriculture's statistical reporting service, reports are coming in that show the "yields are not going to be as good as we thought."

If the drought is not broken soon, its effect will have a kind of one-two punch on the consumer's pocketbook, according to interviews with several food experts.

Less than a bumper crop will mean that grocery prices will continue to rise next year, rather than leveling off as Agriculture officials have hoped.

Because subsidies have been phased out for the major crops of corn, wheat and soybeans, this is the first year the Agriculture Department has not made payments in these categories.

If it can withstand the drought, this year's corn crop will be a triumph for supporters of a new theory of U.S. agriculture which holds that, if the price is right, farmers will grow lots of food and wean themselves from subsidy programs.

Last year's crop was an all-time record for corn production, and this year, after having watched corn go above the heretofore unheard of price of $3.00 a bushel, farmers planted 7 million more acres in corn. Many switched from soybeans to corn, which can produce much higher yields per acre.

What fraction of this crop will survive through the next few weeks is a question farmers and Agriculture Department officials are worrying about.

Weather Threatens "World's Granary"

(By Dan Morgan)

Onida, S.D.—Under a prairie sky brushed with wisps of long, white clouds, Dennis Nelson reached into a row of knee-high wheat, broke off a head and examined it closely.

The heat, which would reach 100 degrees later in the day, had not yet set in. In the early morning, a light breeze rustled the wheat fields that stretched for miles around. Nelson finished examining the head and announced with a tone of finality: "Cooked."

"Look at the base of the head," he continued, snapping open some of the kernels. "The grain's shriveled, or half-grown. Some of the berries are empty. In this heat, the grain is being cooked through before it's ripe."

Nelson looked out at the field of spring-planted wheat, which was nearly ripe, but still green in places. "When you can still see the rows this late, you've got a light crop" he said.

In this part of the wheat belt, in the heart of what has been called the "world's granary," the U.S. Department of Agriculture's July 11 forecast of a record wheat crop of 52.5 million tons is taken with a large grain of salt.

There are 63.6 million acres of wheat in cultivation this year, 10 million more than last year. But an implacable enemy, the weather, has hurt the yields badly.

If the nation's wheat fields yielded an average of 30 bushels an acre, as the Agriculture Department predicted, this year's harvest would be 52.4 million tons. But if they all were like the one that Nelson was cutting in Onida, the nation would take in only 38 million tons.

Nelson has seen a good slice of the wheat belt this season. A month ago, Nelson, his wife, Kathy, and two farmhands from their home in North Dakota took their two combines down to Oklahoma and began working northward, cutting wheat in Kansas, on up through Nebraska, into South Dakota.

In Nelson's view the Agriculture Department is dreaming with its estimates of average yields nationwide of 30 bushels an acre.

Around this prairie town, many people suggest that the department is playing some politics with the wheat crop estimates, deliberately keeping the forecasts on the high side to hold down prices and calm the fears of consumers and buyers overseas.

The skepticism is expressed bluntly by Leon Crain, a local wheat grower, who said, "The DA jacked up its estimates as soon as the bakers started talking about one-dollar bread."

In years gone by, disappointingly low yields in Onida would not have mattered so much.

The U.S. government held an enormous stockpile of grain surpluses, which the whole world could draw on in an emergency. During a food crisis in India in the 1960s, President Johnson ordered 5 million tons dispatched there in one year.

Today, however, no such gesture of American largesse would be possible.

The squat, round storage bins around Onida, which used to hold the government surplus in this area, are empty now—drained dry by the huge world demand for wheat in 1972 and 1973. The government has sold most of the bins to local farmers.

The American reserves of wheat have dwindled to around 6 million tons. Although the administration is counting on this harvest to double these reserves, some analysts in Washington say that they doubt that this will be the year for building the reserves.

With the big American surplus gone, the world is forced to live from year to year for its food supply. Reserves of all kinds of food are at the lowest level in two decades. The world's population is growing at the rate of 70,000 a day.

Rising living standards in medium income countries have increased per-capita demand for food, particularly for meat, which is fattened on feed grains like corn, soybeans, barley and oats.

What has given the summer harvest in Onida, and around the world, a drama that was missing in past years is this narrow margin between adequate food supplies and insufficient food to go around.

Agricultural experts liken the world food situation to a string of interconnected water buckets. When the level rises or falls in one bucket—such as the American wheat belt—the level changes in all the other buckets.

If this summer's crucial rice crop in India falls short of expectations because of the light monsoon rains which have prevailed so far, India might be forced to buy or borrow large amounts of foreign wheat or feed grains to stave off mass starvation and malnutrition.

But if the harvest in wheat-exporting countries such as the United States, Canada, Australia and Argentina should fall too far short of expectations, India might be squeezed out of the international grain markets by higher prices only rich countries can afford.

If the U.S. harvest is disappointing, politicians in Washington would also be reluctant to increase the amount of food aid which this country dispenses, because of the domestic price-increasing effect that heavy government buying could cause.

If the Soviet wheat harvest reaches the predicted 100 million tons this year, Moscow might be able to lend or give away some of its crop. But if the Soviet wheat crop is disappointing, Moscow might be forced to compete for grain against India and other poor, deficit countries in the commercial grain markets.

Each year the world produces 335 million to 365 million tons of wheat. It is used, among other things, in bread, pastry, pancakes and spaghetti. Durum wheat, grown almost solely in North Dakota, is the base for the exquisite Italian pastas—although in years when the crop is light an inferior quality of pasta can be made from coarser spring or fall-planted wheat.

The Europeans often mix their own winter wheat with the higher protein-laden spring wheat they buy from the United States.

The wheat produced in the world each year becomes part of a vast pool, whether it is grown in India or South Dakota. The surpluses of countries such as the United States, Canada and Argentina are available to other countries which can afford to buy them. Most of the excess U.S. crop is sold to rich countries, such as Japan, European nations, and the Soviet Union. The catch has been that when poor countries' crops fall short, they don't always have the money to tap the commercial wheat pool to make up the difference.

The United States is the world's biggest wheat exporter, accounting for about 30 million of the 70 million tons circulating in world trade. It is far ahead of other grain exporters such as Canada, Australia and Argentina.

While U.S. exports boomed in 1972 and 1973, and the surplus drained away, U.S. food aid declined sharply.

Higher prices at home meant that congressional appropriations for this kind of foreign assistance purchased less food.

In 1973, the United States sold 2.5 million tons of wheat to poorer countries on easy terms, and gave away 1.6 million tons.

In the fiscal year which just ended, this wheat aid declined to 999,000 tons and 763,000 tons respectively, in those two categories.

One million tons of wheat is enough to feed about 4 million people for a year, so small fluctuations in the American crop can make a difference world-wide.

In the new era of tighter world food supplies, the weather has become a crucial factor which, literally, can spell death by famine for millions of people.

Here in South Dakota, this fact has always been clearly understood by the grain producers.

"Moisture is the boss," is the rule of thumb.

It was the hot, dry weather in June and July which lowered the yields.

In June, the 100-degree heat "cooked the wheat right in the new heads," one farmer said.

In his work in the fields of the wheat belt, Dennis Nelson time and time again saw "the sky overhead blacken—but nothing would happen."

Some of the farmers around here say that if they had been using seeds and methods of the 1930s instead of the 1970s, this would have gone down as a great drought year, instead of just a crop that didn't live up to expectations.

This week, Nelson was cutting the fall-planted wheat Van G. Stewart grows on some of his 2,600 acres around Onida.

It was yielding 22 bushels an acre, and weighed only about 54 pounds a bushel, compared with the 60 pounds growers consider good.

A year ago, Nelson recalled, he was harvesting winter wheat that was yielding 55 bushels an acre, and the trucks were lined up by the dozen waiting to dump their cargo of grain at the storage elevators.

In a few days, the harvesters will start to cut the first of the spring-planted wheat around Onida, but some growers say they are considering plowing it under rather than pay custom combiners like Nelson $8 an acre to bring it in.

The weather has played havoc with the Agriculture Department's optimistic estimates.

As the dry, hot spell continued, the Department drastically reduced its early estimate of 57 million tons to 52.5, and some believe that is still too high.

In the Dakotas and Minnesota wet weather forced farmers to plant their spring wheat late. Then when it sprouted, the weather turned hot and dry.

But in the best circumstances, predicting yields is risky.

If official estimates of the U.S. crop could be so far off, couldn't American assessments of a good Soviet harvest also be inflated—some analysts in Washington wondered last week.

American experts who have looked at the Soviet crop say it appears excellent. But some disease has been noted and at least one crop analyst in Washington said he would be "surprised as hell" if the total grain harvest is as good as the Agriculture Department predicts.

The farmers around Onida are conscious of the precarious food situation. Many are holding back most of their harvest for higher prices.

The farmers are glad that their wheat keeps people from starving. But some of them add that "higher-ups" took advantage of them during the bygone years of low prices, big surpluses and big American handouts.

"What we need is an honest distribution system," said grower Leon Crain. "If I'm going to give away a carload of wheat, then dammit, let the railroad haul it free and let the grain companies sell it free . . ."

HEALTH MANPOWER PROBLEMS IN THE SOUTH

Mr. KENNEDY. Mr. President, the Senate Health Subcommittee, which I chair, has recently devoted a major effort into the general area of health manpower. This effort has documented four major problems which confront the Nation. These problems are geographic maldistribution of health professionals, the overspecialization of physicians, the increasing reliance upon foreign medical graduates, and contradictory and conflicting State licensure statutes, which impede the free flow of health professionals.

On June 5, 1974, I introduced S. 3585, the Health Professions Assistance Act of 1974, which is designed to meet and overcome these problems. S. 3585 has been approved by the subcommittee and is scheduled for full committee action this week.

Mr. President, the Southern Regional Council has just completed a very important study entitled "Health Care in the South: A Statistical Profile." This study depressingly documents the extent to which the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia face health problems which are far worse than the national average.

For example in the United States as a whole, the physician-patient ratio is 128 physicians for every 100,000 persons. But for the 11 States of the old Confederacy the ratio is only 101. When these States are ranked individually on a national scale the results are as follows: Alabama, 48th; Arkansas, 47th; Florida, 18th; Georgia, 36th; Louisiana, 27th; Mississippi, 50th; North Carolina, 38th; South Carolina, 46th; Tennessee, 29th; Texas, 28th, and Virginia, 25th.

The report documents that physicians and other health professionals are less available in rural and inner city areas despite proportionately greated health needs. In addition the report documents how difficult it is for persons to find a primary care physician. For example: of the 75 Arkansas counties, 58 have no internist, 62 have no pediatrician or obstetrician, and 45 have no general surgeon. Of the 67 counties in Alabama, 41 are without internists, 44 without a pediatrician, 45 without an obstetrician, and 25 without a general surgeon.

Mr. President, this study will be very helpful to my subcommittee as it goes forward with its effort to bring about reform in the health manpower area. I commend this study to those who have an interest in this subject. Copies of the report itself are available through the Southern Regional Council, Inc., 52 Fairlie Street, N.W., Atlanta, Ga. 30303.

Mr. President, I ask unanimous consent that the brief introduction of this report be printed in the RECORD.

There being no objection, the introduction was ordered to be printed in the RECORD, as follows:

INTRODUCTION

In presenting the data in this report—which looks at 29 categories related to health status and resources in all 1,105 counties in the South—we do so with a sense of inadequacy to measure all of the correlationships of the various materials we have collected. In that respect, then, the report is incomplete. It must remain to others—to medical statisticians, to health-care planners, maybe even computer programmers—to tell us the full impact and value that our data might have.

We began, as a citizens' group, with what seemed a simple idea; to present, in effect, a health profile of the region, with particular emphasis on the poor. But it was not a simple task. There was no one place we could go to find what we thought should be included—demographic material such as percentages of persons below poverty levels, percentages of housing with inadequate plumbing facilities, rurality, infant and general mortality ratios, physician, dentist and nurse patient ratios, hospital numbers and hospitalization utilization. Such data existed, but it was fragmented, some of it jealously guarded by public agencies, some of it buried in obscure government documents.

We began with the premise that all citizens should have equal access to health care as a basic right, not only of their citizenship, but their humanity. But we did not believe that all citizens have yet been granted this right. We knew, for instance, from scores of books and reports published over the past few years that poverty, rural residence, environmental conditions and race are powerful barriers. Moreover, the South—the eleven states of the old Confederacy—has a larger percentage of families in poverty, large percentages of people living in rural areas, larger percentages of people dwelling in housing without adequate plumbing and larger percentages of non-whites than any other section of the country. It also has higher general and infant mortality rates and fewer health resources. A few statistics highlight the dimensions of the problem.

There are over 10 million poor living in the region, or 20 percent of the eleven state population. Nationally 13.7 percent of the total population is poor.

Twenty percent of the South's population is non-white. The national percentage is 11.1. Within the region, non-white percentages range from 37.2 in Mississippi to 13.2 percent in Texas.

In terms of rural residence, all but two Southern states exceed the national percentage of 26 percent. In four Deep South states over half of the people live in rural areas; in five over a third.

In nine of the eleven Southern states the percentage of dwellings lacking some or all plumbing facilities is twice the national average.

One other statistic puts the picture in starker perspective. Analyzing the latest infant mortality rates from state agencies reveals that if such rates from the South had been equal to the 1971 national average, 2,383 Southern babies would not have died; if black infant mortality rates in the South had been equal to white infant deaths, 3,408 black babies would have survived the first year of life.[1]

To point out such statistics is to emphasize the interrelationship between poverty, race, rurality and poor housing in influencing health status. We believe, however, that poverty—and all that living without an adequate income implies—to be the single most influential factor affecting health status.

For instance, a national study in 1972 examined infant mortality rates in light of various socio-economic factors, including family income.[2] The report revealed a strong association between the risk of infant death and the lowest socio-economic group. The possibility of such risk ranged from 50 to 100 percent higher in the less advantaged group compared with rates in the middle and upper class groups. Further, the study estimated that almost 50 percent of the infant deaths in the lower socio-economic group were preventable.

But as tragic as such facts are, infants are not the only victims of poverty-related disease. An HEW study entitled *Health Characteristics of Low Income Persons* published in 1972 revealed that of all persons within the sample having annual incomes below $5,000, 20.9 percent had limitations of activity from chronic conditions compared with 10.9 percent among the total population. The low income group had 23.7 restricted activity days per person annually and 9.4 bed disability days. This compares to 15.3 restricted activity days and 6.3 bed disability days within the total population.[3]

A Department of Agriculture report, *Rurality, Poverty and Health*, showed that the poor who live in rural areas are far more likely to face special health hazards. When activity-limiting chronic conditions were examined in terms of residence, the percentage of the population affected was 9.8 percent in large metropolitan areas, 11.9 percent in other Standard Metropolitan Statistical Areas (SMSA's), 14.1 percent in non-farm areas

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Footnotes at end of article.

outside SMSA's and 15.4 percent in farm areas outside SMSA's. Four factors were cited as contributing to the health problems of rural people: Lower income levels, higher percentages of elderly people, lower education levels and a general shortage of medical manpower.[4]

The availability and accessibility of health resources also plays an important role in determining health status. If there is any general pattern to the distribution of health professionals, it is that those areas with the greatest needs are the areas with the fewest resources. Nationally, the physician shortage is not so much a problem of supply *per se* as of maldistribution, over-specialization and inefficient utilization. But the South's physician/patient ratio is not equal to the national norm. The quantity of physician manpower is an issue of regional concern. For the United States as a whole the physician/patient ratio is 128 patient-care physicians per 100,000 population. In the combined eleven Southern states there are 101 patient-care physicians per 100,000 people. When states are ranked individually on a national scale the Southern states rank as follows: Alabama 48th, Arkansas 47th, Florida 18th, Georgia 36th, Louisiana 27th, Mississippi 50th, North Carolina 38th, South Carolina 46th, Tennessee 29th, Texas, 28th, and Virginia 25th.[5]

There are hidden factors in such statistics. Physicians and other health professionals are less available and accessible in rural and inner city areas despite the proportionately greater health needs. The American Medical Association has estimated that rural residents have only about half the access to health resources as is available to the rest of the country.

To gain a truly accurate picture, however, of the availability of health care to the poor, particularly in poverty-impacted central cities, county data alone is not enough. Data must be examined by census tract and this is not available on anything approaching a comprehensive scale. Thus, we have not undertaken such an analysis in this report. However, individual studies indicate some critical shortages. Prior to the opening of the Alton Park Neighborhood Health Center in Chattanooga, Tennessee, for example, only two physicians out of a total of 300 in the city were residing within and serving the eventual target area of the center, an area populated by some 30,000 people.[6]

Maldistribution between urban and rural areas was graphically illustrated in a 1971 study by the Office of Comprehensive Planning in Tennessee which examined that state's physician/population ratio on the basis of metropolitan, intermediate and rural counties. The ratio for the state as a whole was 1,055 per each physician. In metropolitan counties there were 712 people per physician, in intermediate counties 1,255 people per physician and in rural counties 2,471 people per physician.[7]

And yet the problem goes even beyond maldistribution. Doctors are more specialized today than they were a generation ago. There is a scarcity of primary-care physicians. In 1931, for instance, there were 94 primary-care physicians per 100,000 people. Approximately 117,000 physicians out of 156,000—75 percent—were primary-care physicians. By 1967 there were 73 primary-care physicians per 100,000 people, about 115,000 primary-care physicians out of 303,000 or 39 percent.[8]

This fact was highlighted by a report of the AMA placement service in 1968 which revealed that out of 2,001 opportunities for primary-care physicians only 864 physicians sought placement, a deficit of 1,137. Yet 170 opportunities were offered in surgery with 448 physicians seeking opportunities, a surplus of 278. A few statistics from the South illustrate the primary-care need. Forty-seven counties in the region have no practicing physician at all.[9] But when individual counties that do have physicians are examined in terms of primary care, the figures reveal a still wider health care gap. For example, of 75 Arkansas counties 58 have no internist, 62 have no pediatrician or obstetric/gynecologist and 45 no general surgeon. Of Mississippi's 82 counties, 65 have no pediatrician, 59 no obstetric/gynecologist, 45 no general surgeon. Of Alabama's 67 counties, 41 are without internists, 44 without a pediatrician, 45 without an obstetric/gynelocologist and 25 without a general surgeon.[10]

The shortage of general-care physicians is probably at least partially responsible for the increased use over the past few years of short term general hospital emergency and outpatient facilities. For most of a patient's needs do not require specialty or long term care, but, rather, primary care which, more and more is being sought in outpatient settings. In 1971 outpatient utilization rates per 100,000 population in the South ranged from a high in Louisiana to 106,438 visits to a low in Arkansas of 47,798. The rates for the remaining nine states were Georgia 97,140, South Carolina 97,700, North Carolina 83,844, Florida 82,750, Alabama 67,663, Mississippi 64,818 and Tennessee 62,892.

The table on these pages shows the number of short-term general hospitals in each Southern state, the number of hospitals in each state having emergency rooms and the number having out-patient departments, the number of counties by state with hospitals so equipped, and the number of counties in each state having no hospital at all.

The rate at which people make use of such health resources as hospital emergency and outpatient facilities reflects to some degree the barriers inherent in the health delivery system. Surveys conducted in 1953, 1958, 1964 and 1970 by the Center for Health Administration Studies at the University of Chicago attempted to determine the regular sources of care for low, middle and upper income groups. Findings indicated that changes in sources of care varied with income between 1963 and 1970.

"The proportion of the population in the low and middle income groups who named a particular M.D. as their regular source of care decreased considerably while remaining the same for the high income group . . . the differences according to income in the 1963 study have become more extreme with the poor less likely to have a regular M.D. and more likely to have no regular source of care.[11]

The 1970 study showed that central city residents and rural farm residents were least likely to report a physician as their regular source of care and most likely to have no source at all. The study also revealed that a smaller proportion of central city and rural children see a doctor than children from other population segments.

But poor and rural people, as we have noted, have more disability days than the rest of the population. Why then do they use health resources at a lesser rate? Sparse manpower and resources are only part of the answer. Even where health resources exist within counties or cities, they are often not readily accessible to large portions of the population. Public transportation in most rural areas is virtually non-existent. Private transportation is beyond the means of many poor people in rural areas just as it is for inner city residents. These factors, combined with the experience of the poor in dealing with public agencies—the long hours in waiting rooms, inconvenient hours and insensitivity of many medical practitioners may weigh heavily in decisions not to seek medical help until an illness has reached crisis proportions.

The growing cost of medical care, likwise, is a major deterrent. The nation's health bill for fiscal 1972 was $83.4 billion, a 10.3 percent increase since the 1971 fiscal expenditure of $75 billion, which was, itself, a 10.7 increase over 1970. The average hospital cost per patient day rose 13.2 percent in fiscal 1971, with increases in physician fees climbing 7.5 percent and dentists fees 6.0 percent.[12]

Medicaid, ostensibly designed to provide medical services to the poor has failed to reach the majority of the needy. Program eligibility in all but two Southern states is tied to public assistance eligibility with the result being that in no Southern state are more than a third of families below poverty levels eligible for Medicaid.

Footnotes at end of article.

FIGURE 1

State	Number of counties	Number of short term general hospitals	Number of hospitals having emergency rooms	Number of counties with hospitals having emergency rooms	Number of hospitals having outpatient departments	Number of counties with hospitals having outpatient departments	Number of counties having no hospitals at all	Percent change in outpatient visits, 1969–70
Alabama	67	126	117	60	23	14	5	+3
Arkansas	75	96	94	65	16	13	9	+65
Florida	67	188	179	58	51	22	9	+12
Georgia	159	164	148	114	51	38	44	+8
Louisiana	65	141	128	54	43	24	7	+13
Mississippi	82	116	112	71	27	17	10	+18
North Carolina	100	144	140	84	35	28	16	+9
South Carolina	46	79	72	39	27	17	6	+17
Tennessee	87	141	131	79	37	20	15	+8
Texas	253	505	480	209	113	66	38	+1
Virginia	95	[1] 94	80	47	40	20	47	+20

[1] Includes 8 within the independent city of Norfolk.

All of which underscores the fact that the nation's health care system makes no attempt to deal the full range of factors that affect an individual's health. Barriers which we have pointed out here—poverty, rural residence, race, poor environment, and the lack of needed manpower and facilities—are considered beyond the province of the fee-for-service practitioner. Most federal health programs tend to be dominated by provider rather than consumer interests and are little more than half-hearted assaults on a complex, fragmented system.

Notable exceptions to this rule have been the federally-supported comprehensive health care centers which stress, in addition to primary health care, such equally important considerations as preventive care, emphasizing outreach, family counseling, food programs and reducing environmentally-related health hazards. In a previous report—Comprehensive Health Care: A Southern View—the Council's health task force examined the comprehensive care approach as it had been implemented in the Southern centers and pointed out the ways in which the centers have had solid impact on the health status of people within the target areas. In Lowndes County, Alabama, for instance, we noted that between 1967 and 1972 when the country was the site of a comprehensive health center infant mortality rates dropped from 46.9 infant deaths per 1,000 live births to 28.3. In neighboring counties which had to rely on traditional health care delivery systems rates stayed virtually the same over the five year period and in some instances were higher.

We also pointed out that some rural centers had taken on the problem of improving water systems in order to prevent the recurrence of diseases—such as dysentery—caused by drinking impure water. Such an activity, blocked after June, 1974, by an HEW regulation since it does not come under the agency's definition of primary care, seems of particular significance to the well-being of rural people. For instance, a report by the Environmental Protection Agency in 1969 pointed out that approximately 50 million Americans depend on individual water supplies, with bacterial contamination of such supplies ranging from 20 per cent to 85 per cent with a mean of around 40 per cent. From these figures experts have estimated that some 20 million users of individual water systems drink water which does not meet the standards for safety and quality recommended by the U.S. Public Health Service.[13]

Although we reiterate the view expressed in our earlier report that the comprehensive centers offer the most promising solution to the health problems of the poor, other programs, more limited in scope, could increase available resources. The expanded use of physician extenders, for instance, has been recognized as a partial answer to the shortage of health professionals. In several Southern states, nurse practitioners and physician associates are currently being used to staff small health clinics in rural communities unable to attract sufficient physician manpower. Although these clinics do not deal with environmental and socio-economically related health problems, they do make needed medical services more accessible and available to rural residents. Mobile units have also been used in similar fashion as medical treatment facilities that bring health personnel to more isolated rural areas. County health departments, too, might be expanded to provide more personal and environmental health services. Presently such units rarely treat patients and offer only the most personal health services but they do represent a potential health care resource to the community. Whether the financial commitment needed to make them effective providers would be feasible, might at least be explored.

National health insurance—inevitable in view of rising health care costs—is being debated in Congress, but what finally emerges, whether legislation that will simply insure the payment of physician and hospital bills, or something broader, also providing means to improve the nation's health care delivery system, remains undecided.

In the meanwhile as an awareness increases among citizens as to the need for reform, a great deal of effort continues to go into health care delivery planning at various governmental levels. We offer our data, then, with the hope that it will be helpful in such planning processes, emphasizing at the same time that realistic solutions must also include a national commitment to solving related problems of poverty, housing, sanitation, environment and nutrition.

FOOTNOTES

[1] These figures were computed from the most recent infant mortality rates available from state vital statistics bureaus, (Alabama: 1971; Arkansas: 1971; Florida: 1970; Georgia: 1971; Louisiana: 1972; Mississippi: 1970; North Carolina: 1971; South Carolina: 1970–71; Tennessee: 1970; Texas: 1971; Virginia: 1971.)

[2] U.S. Department of Health, Education and Welfare, *Infant Mortality Rates: Socioeconomics Factors;* Publication No. (HSM) 72–1045; 1972.

[3] U.S. Department of Health, Education and Welfare, *Health Characteristics of Low Income Persons;* Publication No. (HSM) 73–1500; 1972.

[4] Economic Research Service, U.S. Department of Agriculture, *Rurality, Poverty and Health: Medical Problems in Rural Areas;* Report No. 172. (Washington, D.C.: U.S. Superintendent of Documents, 1970).

[5] American Medical Association, Center for Health Services and Development, *Distribution of Physicians in the U.S., 1971;* (*Chicago:* 1972).

[6] M. M. Young, M.D., M.P.H. *Chattanooga's Experience With Reorganization for Delivery of Health Services;* 97th Annual Meeting of the American Public Health Association, Philadelphia, Penn., November 11, 1969.

[7] Office of Comprehensive Health Planning, Tennessee Department of Public Health, *Selected Health Manpower in Tennessee 1970;* (Nashville: 1971).

[8] U.S. Department of Health, Education and Welfare, *Towards a Comprehensive Health Policy for the 1970's: A White Paper;* (Washington: 1971). Primary physicians are defined as internists, pediatricians and general practitioners.

[9] American Medical Association, Center for Health Services, and Development, *Distribution of Physicians in the U.S.* 1971; (Chicago: 1972). As of December, 1971, there were 47 counties in the eleven state south without a patient care physician.

[10] Arkansas Department of Planning, Office of Comprehensive Health Planning, *Aksansas Plan for Primary Health Care;* Vol. 1, January, 1973. Mississippi Regional Medical Program, *Mississippi Health Resources Profile;* (Jackson: 1972). *A Plan of Action for Selected Health Manpower*. Alabama Comprehensive Health Planning. October, 1972.

[11] Department of Health, Education and Welfare, *Health Service Use: National Trends and Variations;* Publication No. (HSM) 73–300; 1972.

[12] Rice, Dorothy P. and Cooper, Barbara S., "National Health Expenditures, 1929–71", *Social Security Bulletin;* U.S. Department of Health, Education and Welfare, Social Security Administration, Vol. 35, No. 1, January, 1972.

[13] Whitsell and Hutchinson, "The Forgotten Water Consumer". *Transactions,* American Society of Agricultural Engineers; (Vol. 16, No. 4, 1973).

SENATE JURISDICTION OVER ERDA

Mr. WEICKER. Mr. President, the Senate will soon consider S. 2744, the Energy Reorganization Act of 1973. Within the framework of this legislation, S. 2744 creates an Energy Research and Development Administration. It is now imperative that the Senate act expeditiously on this landmark legislation and provide the necessary congressional responsibility for ERDA.

With this in mind, I have today joined as a cosponsor of Senate Resolution 352, introduced by Senators Goldwater and Moss on June 27, amending the standing rules of the Senate to confer upon the Committee on Aeronautical and Space Sciences jurisdiction over the Energy Research and Development Administration, when enacted.

This past year our Nation faced a severe energy crunch. The Congress was hamstrung in facing the crisis proportions of this situation because so many congressional committees claimed jurisdiction over energy matters. To avoid a repetition of the crisis of fragmentation of energy responsibility, the Senate should insure a unified approach to energy research and development. For this reason I cosponsor, and recommend that the Senate approve, responsibility of ERDA through this resolution to one appropriate committee, Aeronautical and Space Sciences.

Throughout the past 16 years the Committee on Aeronautical and Space Sciences has done the job in providing the congressional oversight and initiative to promote and direct our pioneering efforts in space. Today we have a new technological challenge: the exploding need for clean and affordable energy in a rapidly changing world. I believe that the efforts of ERDA to meet the demands in this area should come under the jurisdiction of the same committee which did so well in guiding our space program.

If we can lead and coordinate the national quest for energy self-sufficiency just as we reached the moon with the monumental Apollo program, Americans at the very least can expect another giant step for mankind.

SENATOR ERNEST GRUENING—A MODERN PIONEER

Mr. MUSKIE. Mr. President, I would like to express my sorrow and the sense of loss felt by his many friends in the State of Maine on the passing of Senator Ernest Gruening.

Ernest Gruening began his association with Maine in 1927, when he helped found the Portland Evening News. He served as managing editor there for 5 years; the newspaper reflected his crusading liberalism, and I might add, his independent Democratic politics.

While Ernest Gruening left the Evening News to return to one of his first loves, the Nation, in 1933, he frequently returned to Maine to renew old friendships and make new ones.

Fittingly, last October, on his last visit to Maine, he took up again a cause he fought for nearly 50 years ago—he spoke out in favor of a public power authority for Maine.

His visit to Maine is typical of not only the energy but the unconquerable spirit and unswerving dedication of this modern pioneer.

Educated in medicine, he preferred to concentrate on our social ills, and in predepression America he could ask no better forum than journalism.

Rising quickly in a competitive craft, he became managing editor of the Boston Traveler at age 27. One of his first acts was to direct that racial identification be dropped from news stories unless race was a significant factor in the news event.

His newspaper was one of the first major newspapers to adopt such a policy.

His willingness to put principle into practice and his willingness to pioneer new causes became the hallmarks of his life, both in the many phases of journalism and in public office.

It is fitting that he will be best remembered for his early and vigorous opposition to the Vietnam war—only the last in a long line of lonely battles.

He was a man who led his time. We now take for granted the attitudes he pioneered, not only toward the war, but on many other foreign policy matters and in such areas as civil rights, population control, and above all, U.S. territorial policy.

Perhaps it was inevitable that this pioneer fell in love with Alaska in his middle years. Gruening's spirit and energy seemed to fit this last American frontier, and his influence on Alaska's future is incalculable.

In his 14 years as territorial governor and 12 years as Senator, he became not only the "father of Alaskan Statehood"; he was the personification of Alaska to millions of fellow Americans.

In 1959, Ernest Gruening and I were freshmen in this body. In his seventies, he had already lived a fuller life than most men hope for. But when he, Senator Moss, and I traveled to the Soviet Union for a 30-day study of hydroelectric development, Ernest Gruening proved the youngest of us all; both his energy, and his knowledge of the subject were a constant amazement.

Those of us who knew him as a friend will miss him. Generations to come will enjoy his legacy.

WAYNE MORSE

Mr. METCALF. Mr. President, the death of Wayne Morse has touched me especially. It seems such a short time ago I was in Portland, Oreg., urging my Democratic friends to nominate Wayne Morse to the Senate. Now that I have attained an age when my respected and beloved colleagues and former colleagues are in Tennyson's phrase "returning home," I expect to read about the death of someone almost daily. But Wayne Morse's death was most poignant. When I was with him in Portland he was bubbling with plans for the future; enthusiastic about the possibilities of his return to the Senate and as vigorous as a teenager. And now he is gone.

In the whole time I have been in Congress, Wayne Morse was a mentor and guide. When I first came to the House of Representatives there were very few of us from the Northwest who were concerned about conservation and proper management of our forest and water resources. In the House of Representatives the late Gracie Pfost from Idaho, former Congressman Don Magnuson of Washington, and I were concerned about the giveaway at Hells Canyon; the preservation of our national parks and national forests and the wise use of our rivers and streams. We were all involved in the Hells Canyon controversy but, as new and inexperienced legislators, we looked to Wayne Morse for leadership.

For me that started a habit of more than two decades when I went to Wayne Morse for help, for advice, for counsel, for guidance. When he was chairman of the Education Subcommittee of the Labor and Welfare Committee, I was asked to participate in the hearings and deliberation of his subcommittee, not really because of my contribution but because of his awareness of my sustained interest in education. In labor relations he was the master. His background in labor law, his skill in negotiations, his ability to strike through the rhetoric of both the representatives of labor and management worked for better and more stable labor legislation. I still vividly recall the conference committee on the Landrum-Griffin bill when his knowledge, his firmness and his patience helped work out of the conference a bill that was substantially superior to the one that passed the House or even the more moderate Senate bill.

Which recalls another aspect of the Morse personality. He was known as the tiger of the Senate because he refused to compromise principle. But as a conferee, as a legislator, as a committee member, he was at his best. During the give and take at the conference table, the interplay of debate and discussion on the Senate floor, he was superb. His negotiating ability resulted in the passage of a great deal of legislation that was deemed impossible to achieve.

All over America today are thousands of boys and girls enjoying the benefits of better quality education. Thousands of working men and women have better working conditions and higher wages because the State of Oregon sent a skilled and knowledgeable labor lawyer to the Senate. He never lost his concern for the workers, the farmers, the small businessmen and the young people.

Senator Morse was a pioneer in advocating legislation for the benefit of the sick and needy. He and the late Senator Lister Hill fought side by side for medicare and veterans hospitals and the Hill-Burton Act for private hospitals.

As a Senator from the scenic State of Oregon, it would seem that it would be only natural that he would struggle to keep lakes and streams clear, the forests tended and harvested under sustained yields and the seashores clean for the benefit of fishermen and the enjoyment of the public. And he did. But it has not always been that way for Oregon Congressmen. Nevertheless, Senator Morse was a dedicated conservationist. Not only for the Oregon forests and the Oregon dunes but to save the Redwoods and work for parks in Texas, California, and Massachusetts.

Called a tiger because of his tenacity for principle, a gadfly because he sought to spur the Senate into action for a good cause, he was a man of superior intelligence, high principles, and unchallenged integrity.

As the Democratic nominee to return to the Senate, he would have brought to a Congress torn by the anguish of Watergate, a vast breadth of knowledge and experience and an unusual gift of foresight and leadership untouched by the scandals and surrounding repercussions of Watergate.

His accomplishments will last longer than his memory. But those of us who knew him and worked with him will continue to fondly recall his brillance, his skill as a Senator and especially his warmth and sincerity as a friend.

HEALTHCARE

Mr. BUCKLEY. Mr. President, as the discussion and debate over possible National Health Insurance develops, it is important for us not to lose sight of the successful and expanding efforts of the medical community, in cooperation with private insurance companies and without governmental compulsion or regulation, to provide excellent and relatively low-cost comprehensive health services to our citizens.

In my own State, another such effort has recently come to fruition, after 5 years of planning. Sixty-five Brooklyn physicians, in association with the Connecticut General Insurance Co., have opened Healthcare, a private health maintenance organization which provides for virtually all of a family's potential medical needs for a fixed monthly payment, and which puts strong emphasis on preventive medical care. Mr. President, I ask unanimous consent that a release describing Healthcare be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. Mr. President, such cooperation between the medical profession and private enterprise, in order to make desired medical services available to the public through a relatively low cost alternative to traditional practice, represents one of the finest examples of the ability of the private sector, including the much abused free enterprise system, to develop creative innovations by which to better meet the desires and needs of the American public. It would be a tragedy if, in the rush to enact some superficially attractive national health program, we were to shackle the health services professions and industry with the chains of governmental bureaucracy and coercion, and discourage or prevent such voluntary cooperation and innovation. To do so would not only reduce both the overall quality and quantity of health care in America, but at the same time significantly increase its cost.

Rather than substituting Government bureaucracy for the private medical care system, Congress and the Government should work with the creativeness of the marketplace. We would do better to assist the exercise of free choice by those who lack the financial means to obtain or pay for needed medical care, than to impose on them a single medical system established in Washington, D.C.

EXHIBIT 1

BROOKLYN, N.Y., April 18.—Healthcare, a new approach to family medical care for New Yorkers, was unofficially dedicated here today with more than 250 physicians, business leaders, and government officials attending the event.

Deputy Mayor Paul Gibson, Brooklyn Borough President Sebastian Leone, Budget Director Melvin Lechner and Dr. Paul Finkelstein, president of the medical group for Healthcare, took part in the dedication, which was hosted by John S. Wyper, vice president of Connecticut General Life Insurance Company.

Located at 333 Livingston Street in downtown Brooklyn, Healthcare is a health maintenance organization (HMO) which provides virtually all of the typical family's medical needs—both in and out of the hospital—all covered under a fixed monthly payment.

The plan offers an alternative to traditional health insurance and puts strong emphasis on helping people stay well rather than waiting to treat them after they become ill.

Sixty-five prominent Brooklyn physicians started planning this project nearly five years ago and subsequently reached agreement for co-sponsorship with Hartford-based Connecticut General, which has prior experience with HMOs in Columbia, Maryland (with Johns Hopkins Medical Institution) and in Phoenix, Arizona with a group of local physicians.

Healthcare services include 24-hour access to medical care, health check-ups, full prenatal and post-natal maternity benefits, home care, full hospital care, psychiatric care, and all other treatment of illness or injury by Healthcare physicians.

Out-of-hospital care is provided in Healthcare's new, specially designed center at 333 Livingston Street near Flatbush Avenue, close to subways and buses serving Queens, Brooklyn, Staten Island, and Manhattan.

In-hospital care is provided at selected hospitals. Patients can contact Healthcare day or night and will have physicians available when necessary for consultation, treatment or house calls.

"Our objective is to give medical consumers convenient access to comprehensive medical care without financial hardship," said John A. Campbell, Connecticut General's program director for Healthcare.

Enrollment for the plan is done through employer group benefit programs, which offer the plan as an optional alternative to conventional health insurance. While the monthly premium is higher than in some conventional health insurance plans, it offers broader benefits and lower out-of-pocket costs for enrollees. For families, the monthly premium is $69.75 and for individuals, $25.25. In most cases, the enrollees' employers pay a major share of this premium.

The only addition charge to enrollees is a $2 registration fee for most services. For house calls, the fee is $7 and for psychiatric treatment, it is $5 for each of the first 10 visits and $10 for each of the remaining 40 visits provided under Healthcare coverage annually.

Healthcare's new, brightly decorated medical center has been specially designated by physicians and architects to provide an atmosphere of privacy similar to modern offices of doctors in private practice. It has separate waiting rooms for each of the medical specialties. Each enrollee will have his own physician yet will have access to all specialists of Healthcare.

"We believe we've succeeded in capturing what patients like most about private practice, and we've combined it with the advantages of group practice," said Campbell.

Medical facilities of the Livingston Street center include suites for minor surgery, internal medicine, obstetrics and gynecology, pediatrics, emergency service, rehabilitation medicine, radiology, laboratory and pharmacy.

IMPORT POLICIES: THE NEED FOR CHANGE

Mr. McGOVERN. Mr. President, the decision of the European Economic Community last week to prohibit the importation of foreign beef into its nine member countries emphasizes again the absolute need for this administration to take decisive action with regard to imports of foreign beef into the United States.

Since the Common Market's embargo, the United States is in the unwholesome position of being the sole major industrial country with no restriction whatsoever against importation of foreign beef.

We are in serious danger of becoming what Secretary of Agriculture Butz said he would never allow—a dumping ground of last resort for the surplus beef production of other countries.

Unless the administration acts quickly to restrict unlimited beef imports, the United States will soon be in a position with respect to beef that it already is in, with respect to dairy production.

What irony it is that the Department of Agriculture is now buying dairy products to maintain the inadequate support price for manufacturing milk, when processors' inventories are jammed with dairy products imported from offshore. In effect, taxpayer purchases of dairy products today are supporting the prices paid last year to dairy interests in foreign lands.

Mr. President, I urge the administration to act quickly and decisively, to restore the quotas prescribed in the 1964 meat import control law and to give our farmers assurances that price-depressing imported dairy products will not again be permitted.

I ask unanimous consent to print in the RECORD an eloquent statement by three important national associations representing three segments of agriculture, and the text of a telegram sent to the President last week by an association of beef cattle producers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF THE NATIONAL MILK PRODUCERS FEDERATION, THE NATIONAL ASSOCIATION OF WHEAT GROWERS, AND THE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION ON NATIONAL IMPORT POLICY

The National Milk Producers Federation, the American National Cattlemen's Association, and the National Association of Wheat Growers have joint concerns over policies presently being pursued with respect to international trade by our government and the adverse impact these actions have had and can have for major segments of our agricultural economy.

The Congress has long sought to provide the basis for the development and maintenance of a strong agriculture. The success of such efforts is evident in the fact that the productive capacity of U.S. agriculture has permitted our people to be the best fed and the best clothed of those in any nation at any time in history. This has been accomplished at a lower cost in absolute terms than ever before. In addition to meeting the needs of this market, agriculture has made irreplaceable contributions to the foreign trade posture of this nation and has provided food for markets around the world.

In the course of providing the basis and environment in which domestic agriculture could advance, the Congress has found it necessary to adopt measures to effectively prevent the American market from becoming a dumping ground for excess production of other nations. To this end, Section 22 of the Agricultural Adjustment Act and the Meat Import Act of 1964 have been adopted.

While some have depicted these enactment as measures aimed at the restraint of free international trade, they have a far more basic purpose. They have been designed to further the national policy of promoting a strong agriculture and assuring abundant supplies of domestically produced agricultural products at reasonable prices. The necessity for these measures has been created, not in the United States, but in other countries that have closed their borders or which have sought to remove their surplus production through subsidized exports. The Meat Import Act of 1964, for example, is written in such a way that access to the U.S. market by exporting nations is guaranteed, as contrasted to the embargoes on meat imports that recently were put into effect by the European Economic Community and Japan.

It is disheartening, therefore, to witness the development and execution of a philosophy that runs totally counter to the stated intent of the Congress. Today, significant elements of these measures lie unused or have largely been abandoned. Agricultural interests seeking their enforcement or application have been told that, to do so, would be counter to our interest of seeking expanded trade. They are told that it would be counter to our policy of seeking lower consumer prices and restraining domestic inflation.

At a time when there is growing concern, both in this country and abroad, over the adequacy of food production and the cost of food, there can be no justification for policies which tend to discourage agricultural production. This is the direction which these actions point us toward. American farmers and ranchers are independent businessmen. Their decisions are, and must be, based on economic facts and their assessment of the future as it applies to their industry.

Expanded international trade, if it is truly beneficial to all parties, is a goal to be sought. What has been or is being pursued under our present policies, however, cannot lead in this direction. The United States is today refusing to utilize needed authorities to maintain its domestic industries. By administrative action, the United States is unilaterally granting as much or more than could be expected through the trade talks that would be authorized under the Trade Reform Act. With this in mind, we cannot realistically expect our trading partners to relent in their use of trade limiting techniques.

As an effort to counter inflation, these actions are equally faulty. No action that reduces or limits the incentive or ability to produce can result in the production of adequate supplies of a commodity.

PATRICK B. HEALY,
Secretary,
National Milk Producers Federation.
RAY DAVIS,
President,
National Association of Wheat Growers.
C. W. MCMILLAN,
Executive Vice President,
American National Cattlemen's Association.

[Telegram]

Kansas City, Mo.,
July 17, 1974.

Hon. Richard M. Nixon,
President of the United States,
Washington, D.C.

Dear Mr. President: The beef cattle market has deteriorated since January of this year by a 75% reduction in price of slaughter cows. 50% of this drop in price has happened in the last 10 days in the droughty areas of the U.S.

Examples: Abilene, Texas, July 17, 10,000 cows priced as low as 12/16 cents/lb. Only one buyer, Hygrade Packing Co., bidding. Sale barns are refusing to accept sale consignments from ranchers who are out of water and feed.

My predictions and those of other industry leaders in our wires to you, dated May 24 and June 24, have been compounded by drought and a general industry-wide depressed psychology because of what cattlemen see as apparent lack of concern on the part of the administration and USDA officials.

The commercial cattle industry is in a state of chaotic lethargy and needs the psychological lift and encouragement that only good leadership can give.

Please refer to our earlier correspondence and give serious consideration to some semblance of control on imports and a plan to relieve the drought-stricken areas.

Without the leadership and encouragement that only you can give, the cow herds of this nation will be liquidated en mass and the consumer will be staring at empty meat counters in the not too distant future.

If 10% of the cattle died suddenly by disease, every related agency would be in haste to assist. However, since January of this year, inventory value of the nation's cow herd has dropped more than 50% with no bottom in sight—and nothing is being done.

I reiterate, sir, at this stage, you are the only one who can save this main structure of our agricultural economy from complete and total liquidation. .

Cattlemen in distressed areas are being exploited by the packers who have the storage space to assume hungry cattle at whatever price they are willing to give.

Sincerely Yours,
Orville K. Sweet,
President, American Polled Hereford Association.

BROADCASTERS WANT EQUALITY

Mr. PROXMIRE. Mr. President, the Supreme Court's recent decision in the Miami Herald case has begun to spur broadcasters to speak up and speak out on the fact that they do not have equal status with newspapers. The first amendment to the Constitution and court decisions say they have equality with print journalists. Broadcasters know that their licenses say otherwise.

I have been sent editorials from two more broadcasters: one in Illinois and one in Colorado.

Bob Rice of WRAU–TV in Creve Coeur, Ill., sees hope for broadcasters in the Miami Herald case. And he cites figures to show why the Court in the Red Lion case overlooked the obvious: newspapers, not broadcasting stations, are in short supply.

And Rich Hamilton of KVFC in Cortez, Colo., makes the same point in arguing for equality. He says, "The freedoms of those free press principles will strengthen our country by strengthening the diversity of the news media."

As long as there is regulation by the Government—the fairness doctrine and equal time requirements—broadcasters cannot do their jobs. They cannot make the independent decisions newspaper editors can. Without that independence there cannot be a free marketplace in ideas, what with the importance of broadcasting in communications.

It is easy to forget that it takes time for true facts and information to come out in any news story of importance. We have to read newspapers one at a time; we have to listen to radio stations and watch television stations one at a time—and the news stories they report.

As human beings, it takes time to gather information and opinions and make up our own minds.

Newspaper editors know that. Although the good ones strive to do it in every piece they print, they also know it takes them time to get out the full story.

Good broadcast newsmen can and will do the same thing. They do not need the Government breathing down their necks. In fact, that hot breath can have just the opposite effect: keeping some controversial issues from getting the airing they deserve.

Mr. President, I ask unanimous consent that the editorials of Mr. Rice and Mr. Hamilton be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Editorial: WRAU 19

The newspaper world heaved a sigh of relief when the supreme court agreed with the *Miami Herald* that it didn't have to give equal space to a politician the newspaper had criticized. The court said the first amendment gave the newspaper that right. Besides, the high court also pointed out that other competing newspapers offered an opportunity for a diversity of views.

Ironically, it was just the opposite reasoning by the supreme court that forced the broadcast industry to continue with the fairness doctrine. The high court in the Red Lion case said there was a scarcity of broadcast outlets and this diminished the opportunity for the other side to have it's views expressed.

But the anti-broadcast ruling was five years ago. Since then, there have been four changes on the U.S. Supreme Court, and there's a change of climate in congress and on the high court to indicate a reassessment of the fairness doctrine.

After all, there are one-thousand, 774 daily newspapers, but there are eight-thousand 434 broadcast stations. Confronted with such facts, there's no way the supreme court can treat newspapers and the broadcast industry differently.

A free press includes all journalism; there should be no more restriction of one than the other. With such diversity among the news media, competition for public confidence offers a better judge of fairness than a few bureaucrats in Washington.

Aired: 10:00 P.M., July 20, 1974.

Sign on: July 21, 1974.

Editorials KVFC, June 28, 1974

(This is Rich Hamilton with an Editorial Opinion.)

The Supreme Court, in a unanimous decision this week, declared that states cannot demand that newspapers give political candidates free space to reply to editorial attacks.

Chief Justice Warren Burger wrote the opinion for the court. He says, "The choice of material to go into a newspaper, and the decisions made as to limitations on the size of the paper and content and treatment of public issues and public officials—whether fair or unfair—constitutes the exercise of editorial control and judgement." The Chief Justice says the Government cannot interfere with a newspaper's judgement about what it publishes.

It seems that the same principle should apply to broadcasting—radio and TV—that applies to the print news medium.

But federal regulations require "equal time" for various sides in political campaigns. These regulations, designed to enlarge the political arena fairly, actually inhibit it.

These are some 7,000 broadcast stations in the United States; that provides for great diversity in opinion.

Because of complexity and confusion of political broadcast rules, most broadcasters seem cautious if not restrictive in their approach to political broadcasts. Individual broadcasters, therefore, tend to do the minimum in political broadcasting. The networks, with their teams of attorneys and news crews, end up with most of the political say. That narrows the very diversity which makes broadcasting great.

It seems to me that the same principles of free press that apply to print should also apply to the nations number one news medium—broadcasting.

The freedoms of those free press principles will strengthen our country by strengthening the diversity of the news media.

(That's our opinion. If you disagree, we'd like to hear yours.)

THE UNCONTROLLED ATOM: A CRISIS OF COMPLACENCY

Mr. MATHIAS. Mr. President, on July 13 and 14, 1974, a distinguished group of Canadian and United States scientists met at Pugwash, Nova Scotia to review current efforts to control the nuclear arms race. Recent events such as the Indian testing of a nuclear explosive device, continued weapons tests in the atmosphere, the lack of progress on the NPT, and the very limited success achieved at the Moscow Summit, have raised very serious questions in the view of the distinguished scientists who met at the Pugwash Conference. Because of the importance of the concerns raised, I ask unanimous consent that a statement issued by the Conference entitled, "The Uncontrolled Atom: A Crisis of Complacency," be printed in the Record at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The Uncontrolled Atom: A Crisis of Complacency

There are moments when a succession of separate but related events forces us to recognize that the world has changed, that previously accepted assumptions can no longer be defended. These days of mid-1974 are such a time for mankind's view of the ominous threat of nuclear devastation.

In the past few years we had all become complacement. A series of international agreements—the Limited Test Ban, the Non-Proliferation Treaty, SALT I—seemed to show progress, at last, in the effort to control the nuclear arms race. The United States and the USSR, for all their vast and vastly expensive arsenals seemed to have found ways to avoid nuclear war. The pressures on nonnuclear nations to change their status did not appear irresistible.

Then came the rude awakening.

The first shock was the Indian test of a nuclear explosive. The official Indian comment that this was a test for "peaceful uses" could not, and seemingly was not intended to conceal that the nation of Gandhi and Nehru had in fact tested a nuclear bomb.

Next came President Nixon's offer of nuclear powerplants to Egypt and Israel, and the sale of nuclear reactors by France and the United States to Iran. Although nuclear energy may have an important role in assuring adequate supplies of energy for all nations, these same nuclear reactors produce plutonium that can be used to construct nuclear weapons. The magnitude of the new programs and the sudden attention to an area scarred by four wars in the past 25 years could not help but raise questions: are the world's nuclear safeguards really safe? Or, more pointedly, is the spread of nuclear powerplants an open sesame to the spread of nuclear weapons?

During this same period, and for the first time since 1965, all five of the nuclear powers conducted nuclear weapons tests—the Chinese and French in the atmosphere, the Soviets, Americans and British underground—in an almost frantic race to improve the lethal quality of their nuclear weapons.

Finally came the shambles of the Moscow summit. The inability to reach agreement on limitation of strategic nuclear weapons virtually guaranteed a new major increase in the already astronomical level of overkill available to the super powers. A new cycle in the arms race is about to begin: MIRVs for the USSR; MaRVs for the U.S. B-1 bombers and Trident submarines for the U.S.; SS-17s and SS-18s for the USSR. And so on and on and on.

The ultimate mockery at the summit was the "threshold test ban." Here is an agreement that, in the guise of restraint, permits underground explosives equivalent of 150,000 tons of TNT. That is ten times larger than the bomb that obliterated Hiroshima, and larger than almost all the tests conducted by the U.S. and the Soviet Union in recent years. The agreement furthermore is not scheduled to go into effect for almost two years (an opening that has resulted in a prompt request for $100 million by the United States Atomic Energy Commission to do some big bomb tests before the 1976 deadline).

In the light of these events, one must admit that we have all been foolishly complacent. Bemused by SALT I into the belief that the super powers were moving toward greater responsibility. Ignorant of the political sensitivity that would lead an India to the production of nuclear bombs. Unthinking about the implications of the spread of nuclear power for the spread of nuclear weapons.

These are the somber reflections of a joint meeting of the executive committees of the Canadian and United States Pugwash Groups. But gathering in Pugwash, Nova Scotia, 17 years after the initial Pugwash Conference on Science and World Affairs, we could not content ourselves with Jeremiads. Then at the call of Bertrand Russell and Albert Einstein, and with the gracious hospitality of Cyrus Eaton, scientists from all over the world gathered as concerned individuals and world citizens, to see whether they could help find a path out of the cold war and nuclear confrontation. Out of that meeting grew the worldwide Pugwash movement. And in that tradition, we must ask: what is to be done?

First we must recognize that the nuclear threat is not under control. On the political level, we must push the governments of the nuclear nations towards stronger positions on nuclear control and weapons reductions. As in the past, the primary responsibility for our present state rests on the two super powers, the United States and the USSR. They must demonstrate by actions as well as words that they are having second thoughts on the utility and rationality of their grossly inflated levels of nuclear armament. They must be brought to stop testing and developing new nuclear weapons and to begin reducing their present stockpiles and their massive military expenditures.

The nonnuclear countries also have a responsibility. One can sympathize and agree with the charges that the present configuration discriminates against them. But we must press them nevertheless into a tough and thoughtful analysis of their future in a world in which nuclear weapons are the norm. Will their national security—or even their political influence—really be enhanced? If not, what can they do *by their own actions* to curb nuclear proliferations?

At the technical level, a number of questions must be clarified:

What about the utility of the "peaceful" nuclear explosions? Do they represent the real technical alternative or a cruel hoax to cover the development of nuclear weapons?

Are the "safeguards" for nuclear power plants, developed under the Non-Proliferation Treaty, really adequate? If not, what are the specific ways, technical and political, in which they can be improved?

Inescapably, we must conclude that the world has a very long way to go before the nuclear threat is under reasonable control. Somehow, we must dispel the complacency that has enveloped this problem and restore a sense of urgency and concern. For individuals, as for nations, an ethic of arms control must replace the ethic of the arms race.

Signed by:

Canadian Pugwash Group:

Norman Z. Alcock, director of the Canadian Peace Research Institute.

Giovanni Brenciaglia, Ontario Hydro.

Harry S. Crowe, dean, Joseph E. Atkinson College, York University.

William Epstein, special fellow, UN Institute for Training and Research.

John C. Polanyi, professor of chemistry, University of Toronto.

Omond Solandt, retired chairman of the Science Council of Canada.

J. Tuzo Wilson, director of the Ontario Science Centre.

U.S. Pugwash Group:

Thomas B. Adams, treasurer of the American Academy of Arts and Sciences.

Harvey Brooks, dean of engineering and applied physics, Harvard University.

Abraham Chayes, professor of law, Harvard University.

Carl Djerassi, professor of chemistry, Stanford.

Bernard Feld, professor of physics, MIT.

George Kistiakowsky, professor emeritus of chemistry, Harvard.

Franklin A. Long, Henry Luce professor of science and society, Cornell University.

Frank Press, chairman, department of earth and planetary sciences, MIT

George Rathjens, professor of political science, MIT

Alexander Rich, Sedgwick professor of biophysics, MIT

John Voss, executive officer, American Academy of Arts and Sciences.

THE ODYSSEY OF A NEW CONSERVATIVE

Mr. McGOVERN. Mr. President, at intervals I read observations by someone that expresses exactly what I have been thinking, but have not expressed so well as the writer. I had such an experience in reading the piece in yesterday's outlook section of the Washington Post by the distinguished columnist, Haynes Johnson.

I ask unanimous consent that the thoughtful article by Mr. Johnson, entitled "The Odyssey of a New Conservative," be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ODYSSEY OF A NEW CONSERVATIVE

(By Haynes Johnson)

(Johnson, a Washington Post staff writer, won a Pulitzer Prize for his reporting from Selma, Ala. His books include "The Bay of Pigs," "Fulbright: The Dissenter" and "Lyndon" (with Richard Harwood).)

Like so many of my generation, I grew up convinced of certain political facts. Franklin Roosevelt was my hero, the Democrats were my party, and ideologically I was a liberal. A strong central government was essential and we, the people, could rely on that government to exercise its powers to insure that the greatest number derived the greatest benefits. *Vox populi*. Democracy in action.

Now I find myself in a peculiar position. In private conversation with such as George Will and James Buckley, I discover far more areas of intellectual agreement than disagreement. I want to limit the powers of the state, to preserve the delicate checks and balances so carefully crafted into our Constitution nearly two centuries ago, and to protect the individual against the tyranny of the mob. I am a new conservative with no place to go politically. (I long ago cast off any allegiance to the Democrats as a party; I am not sure any more what either they or the Republicans represent.)

I say all this because I suspect many Americans today share my disquiet. Old liberals have become new conservatives, and old conservatives have become—what?

In the grand scope of the impeachment debate now upon us, these may be trivial concerns, but I think not. I doubt if the deliberations over Richard Nixon's fate will clarify our political beliefs or resolve our ideological conflicts. They aren't likely to strengthen our political parties nor, I fear, will they revitalize our political process. What was long lacking in the Watergate affair was an outpouring of outrage from both Democrats and Republicans at so bold an attempt to subvert the systems. Nor, until last week, was there a convincing affirmation of the will necessary to right those wrongs.

Perhaps these thoughts are merely the uncertainty that often comes with middle age, coupled with a numbing weariness with Watergate. But to me, at least, they are more significant. On three occasions in recent days I have been forced to face myself and attempt to wrestle out my own private beliefs. The experience has been strangely disturbing.

On the Fourth of July I flew the flag again this year, an annual custom that accompanies our private celebration with friends and family in the hills of Connecticut. For the first time I found myself defensive and apologetic about it. Not, I assured my guests, because I was ashamed of the flag, and not because I was associating that national symbol with the workings of the government in Washington, particularly the tawdriness of the Nixon administration. My discomfort came because I was no longer so certain what the flag represented.

A few days before, I had appeared on a television program with Father John McLaughlin, the resident White House Jesuit and Nixon propagandist. In the course of that discussion—it could not be dignified by the term debate—he described me as being "left of center." I was stung, angry and defensive. There was a time, I recognized afterward, when as a graduate student in American history I would have characterized myself politically that way. Now I no longer know what left and right mean in political practice. If anything, I have become ever more wary about looking toward the government to solve our problems. Hardly a leftist point of view.

What has happened, I think, is a debasement of political terms. The Nixon people call themselves conservatives. In fact, in the pursuit of power they have been radicals. They have sought and amassed the rawest form of power, they have employed it for their own ends in the name of the good of the state and national security, and in the process they have trampled on traditions and institutions and individual rights. They came close to creating a police state.

The third occasion in which I was forced to rethink earlier positions came from something as simple as reading a book, specifically a new biography of John Marshall. The most provocative section dealt with the debates over adopting the Constitution. Marshall, who believed in a strong central government, was pitted against Patrick Henry, who feared that such concentrated power could be used to destroy liberty.

"Will our most virtuous and able citizens wantonly attempt to destroy the liberty of the people?" Marshall asked. "Will the most virtuous act the most wickedly? I differ in opinion from the worthy gentleman. I think the virtue and talents of the members of the general government will tend to the security, instead of the destruction of our liberty."

Splendid argument and noble expression. To make that system work though, Marshall warned, we had to have "a well-regulated democracy." He posed the challenge this way: "What are the favourite maxims of democracy? A strict observance of justice and public faith, and a steady adherence to virtue. These, sire, are the principles of a good government."

Marshall believed that public faith and strict observance of justice would be maintained by having the best citizens entering the government. He could not conceive of any other possibility—certainly not that these good men would abuse their power and threaten the liberties of others.

Until recent years, I always came down on Marshall's side.

When I arrived in Washington 17 years ago Dwight Eisenhower was in his second term. I shared the views of many young liberals who believed he was not exercising the powers of the presidency aggressively enough.

Eisenhower now looks far wiser and more able. Not only his farewell warning about the dangers of the military-industrial complex, but the ethical tone he set. See the transcribed conversation between Mr. Nixon and John Mitchell of March 22, 1973, when the President says: "That's what Eisenhower—that's all he cared about. He only cared about—Christ, 'Be sure he was clean.' Both in the fund thing and the [Sherman] Adams thing. But I don't look at it that way. And I just—that's the thing I am really concerned with. We're going to protect our people, if we can."

I welcomed the Kennedy era. Aggressive action, vitality, using the full force of the office for, I believed, the best public interest. One nagging concern did intrude during those years. It was over the role of the CIA in the Bay of Pigs invasion. This was an example of a powerful, secret arm of government, seemingly unchecked, deciding on its own what was right and what was wrong, and scarcely accountable to anyone, including the President.

But in my naivete it was the bureaucracy, not the presidency, that was at fault. I wrote a book strongly criticizing the CIA and treating the President gently and sympathetically. I would not be so kind today.

Any doubts about the need for a strong central government were soon swept away in the ensuing civil rights struggles across the South. Oxford, Miss., Birmingham and Selma were proof that blacks could look only to the powers of the federal government to protect their rights. Local and state governments were unable—or unwilling—to do so.

Those days in the South were an emotional experience. It was impossible not to be caught up in an elemental conflict, a morality play where good and evil were so starkly defined. The federal government was good, the bulwark of liberty, and the President was its effective symbol. But disquiet and then disillusionment followed. In quick succession after Selma came Lyndon Johnson's dispatch of troops to Santo Domingo—and then to Saigon.

As a reporter, I was present at those scenes. I vividly recall looking across the harbor in Santo Domingo and seeing the might of the American Navy at battle stations. It was enough force to destroy the Western hemisphere, and for what? To suppress a handful of rebels, to prevent a "communist" takeover. This power, clearly, was employed at the behest of the President, and so were the executive agencies, the CIA and FBI. Acting under presidential direction, they were leaking documents designed to justify such actions and to prove a case of "subversion."

In Washington, in the Oval Office out of sight of the television cameras, Lyndon Johnson would storm and rage, pull classified documents from his pockets to "prove" his point, and describe scenes that never occurred. On one memorable occasion, he told how masses of people had been slaughtered and their heads put on poles. It was not true.

Covering the war between India and Pakistan in that stormy year of 1965 left another disturbing impression. On the Pak side, and then on the Indian, you would come across ammunition cases. Each bore the emblem of the United States, and each was marked by two hands clasped in friendship. They were gifts from the people of the United States, gifts used first to arm and then to destroy two of our allies. After a large tank battle on the plains of Punjab the landscape was littered with wreckage: American tanks destroyed by American planes and shells. I have never felt the same about foreign aid since. (Now it's Greece and Turkey, and again American arms are used against American allies. Do we never learn?)

The same kinds of mad scenes and official justifications were to become standard in the long years of Vietnam. We had to destroy a city in order to save it, explained the American officer. Of course.

Vietnam is still too painful to put into any kind of thoughtful perspective. By the end of the Sixties, though, we already had spread before us the seeds of what is now known inadequately as Watergate: A paranoia in the presidency, an end-justifies-the-means mentality, a suspicion and hostility, a growing preoccupation with secrecy and "national security," a belief in being surrounded by enemies of the people, a willingness to use the powers of the state, often illegally, against the individual, an amassing of greater and greater power into the office of the presidency.

I never had been a supporter of Richard Nixon, but in 1968 I did believe he had a chance to be a successful, if not great, President. I believed, naively again, that he had worked and waited too long not to profit from the lessons of his presidential predecessors. His themes, it seemed, were right: limiting the powers of the government in Washington, cutting back on the bureaucracy, transferring authority to the states and municipalities, reforming the welfare system, cutting taxes and gradually withdrawing from our self-appointed messianic role of being the world's policeman.

It was not a desire for neo-isolationism, but a belief that our own best interests lay in perfecting our own society here at home. The environment, the cities, public transportation, education, health care—these were the paramount concerns. And, it seemed clear, we had to recognize that all the answers were not to be found in Washington. Indeed, the attitude was part of the problem.

Despite what he promised, the President not only continued but accelerated the process of consolidating power in Washington, particularly in the White House. This "conservative" President radically altered the balance of power in government. Impoundment of funds, expansion of staff and budgets, hiding behind executive privilege and national security, unparalleled secrecy—in effect, refusing to recognize any authority other than his own.

Finally and belatedly we have reacted to this accumulation of unchecked power. Ironically, it is now often the old liberal who is seeking to preserve, conserve and protect our institutions, traditions and rights, while many who still call themselves conservatives are further celebrating the ascension of a supreme and all-powerful President.

In their private plotting sessions the President and his men often spoke of their "natural constituency" and their "natural enemies" and of "arousing the heartland" where their presumed support was centered. They counted, it seems, on an implicit public belief that the President could do no wrong, that only the President knew best, that any criticism of the Chief Executive was un-American. They believed "their" people would blindly follow wherever they led.

A week ago The New York Times sketched a scene that perfectly captured, at its most extreme, this type of mentality. As the members of the House Judiciary Committee emerged from their closed-door deliberations, they were met by a number of vocal supporters of the President. They were implored to vote against impeachment. In the clamor of that crowd one woman wearing a badge identifying herself as a member of the "Citizens Congress for Fairness to the President" said:

"We elected him President and he has a right to use his judgment on what he should break into."

Americans once fought a revolution to oppose that type of despotism, and perhaps that is the problem today. Perhaps as a people we have become too sophisticated, too comfortable, too jaded to remember where we came from, what we stood for, and why we existed.

In that sense, those early constitutional debates between the John Marshalls and Patrick Henrys have never been more relevant. From then to now there have been two strands running through American history—of the necessity for a strong government and the equal necessity for the protection of the individual against the encroachments of the state. These always have been, and probably always will be, in conflict.

Lincoln, posed the dilemma best: "It has long been a grave question whether any government, not too strong for the liberties of its people, can be strong enough to maintain its existence in great emergencies."

He gave his own answer. "As I would not be a *slave*, so I would not be a *master*. This expresses my idea of democracy. Whatever differs from this . . . is not democracy."

Who then are today's liberals and today's conservatives? Is the liberal the one who unquestionably permits the President to retain his vast powers? Is the conservative the one who would sharply limit them? And limit them in what areas? Is the liberal the person who wants to expand federal authority? Is the conservative the one who believes the greatest failures has been the erosion of state and local authority? And what, realistically, does he propose to do about it?

In conversation with the Buckleys and Wills, philosophically I find large areas of harmony: a belief in the individual, in the inevitable abuses that flow from too much power, in the need for civilized, rational discourse, for respect for differing views, for permitting citizens and institutions to work freely without the impediments of an oppressive bureaucracy, for a reasonable measure of order and stability, for not believing that any one person holds the answer.

This is not to say that yesterday's liberals can feel entirely comfortable with such "conservatives" as Jim Buckley. In many areas—stronger antitrust enforcement, redistribution of income, protection of minority rights, assisting those in greatest need—strong action by the government is essential. But on the fundamental question of unchecked power, particularly in the presidency, we may well be new allies.

Until Watergate thrust its melancholy drama into our lives, many of us seemed more preoccupied with political personalities and party labels than with principles. We were liberals or conservatives, Kennedy Democrats or Johnson Democrats, Eisenhower Republicans or Nixon Republicans, hard hats or Middle Americans, members of the Silent Majority or the New Left. If Watergate forces a re-examination of the meaning of those terms and the principles they are supposed to represent it will become a blessing.

Certainly in the present trauma and past stereotypings one fact seems to have been overlooked. Whatever their politics, most Americans still view their country in moral terms. Cynics may sneer, but they want to believe they and their nation are good. They especially want to believe their leaders are worthy of respect and trust.

It is not surprising that such dissimilar public figures as Sam Ervin and Archibald Cox, Herman Talmadge and Lowell Weicker, Howard Baker and Elliot Richardson evoked such general approval last summer and fall. Something similar seems to be happening now in the House impeachment inquiry.

These men and women are not being seen as Southerners and Northerners, Democrats and Republicans, liberals and conservatives. They are believed as people of integrity who put principle before party and nation before region.

Whatever their differences, they are echoing our oldest tradition: the healthy suspicion of power. Regardless of party, regardless of label, regardless of ideology, regardless of personality, this may well become the dominant sentiment in American politics for years to come.

JIM FARLEY HONORED AT NOTRE DAME

Mr. MUSKIE. Mr. President, the University of Notre Dame recently awarded James A. Farley its highest honor, the 1974 Laetare Medal, an award given annually since 1883 to outstanding American Catholics.

It is an honor Jim Farley has earned many times over. As Postmaster General, as chairman of the Democratic National Committee, in more than three decades in politics, Jim Farley earned a reputation both for a mild and gentle manner and for ironbound incorruptibility.

As the Reverend Theodore Hesburgh, C.S.C., president of Notre Dame, said in announcing the award—

> In a day when the craft of politics is held in low esteem by the general pulbic, it is well for us to honor a man who practiced it with both integrity and **affability.**

Mr. President, I ask unanimous consent that the University of Notre Dame's citation awarding the Laetare Medal to Jim Farley, along with several newspaper clippings and a description of the award, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The University of Notre Dame to Hon. James A. Farley

Greetings Sir: The strentgh and vitality of our country can be attributed in large measure to the genius of our political system, to the vigor of our free economy and, above all, to the spiritual values which we as a nation espouse. To a remarkable degree, in your life and your work, you, perhaps more than any other man of our time, symbolize our national commitment to these values and to the proposition that honorable competition, whether in politics or business, best serves the American people.

Who could foretell that the lad of twelve who stood trackside to hear William Jennings Bryan would become Chairman of the Democratic National Committee? Who would have predicted that the Town Clerk of Stony Point, New York, would become the mentor of the President of the United States and the Postmaster General in his Cabinet? Who could have foreseen that the young bookkeeping student at Packard Commercial School would some day be Board Chairman of an American corporation operating in every corner of the world? Who, indeed, had the prescience to predict that this affable Irishman would become as familiar a figure at the Papal apartments as he was at the White House?

In retrospect, Sir, it is easier to see how your own character and Providence have combined to bring you to this day. Throughout your life, you have honored the God-given dignity of every man and woman, and because of this no American has more friends. Yours has been the world of precinct committeemen and prelates, of salesmen and presidents, but you have neither been awed by the powerful nor unmindful of the powerless. You have never forgotten your friends. Your opponents and competitors hold you in the highest regard.

In politics and in business, where it is often easier to do the expedient thing, you have been a man of principle. Without losing Franklin Roosevelt's friendship or lessening your allegiance to your political party, you opposed more than two four-year presidential terms because you believed such was not in the national interest. Today, when America's faith in its political institutions and personalities is challenged as never before, you stand as a beacon of integrity.

Your public life, as well as your business career, are on record for all to see. Not so well-known is your edifying private life which you cherished with your beloved Elizabeth, your son and daughters, and now with your grandchildren. The geniality, the courage, the compassion which we admired at a distance have been theirs to cherish close up. Yours, sir, is the special charisma of the Catholic layman. Your influence in secular society was great at a time when the impact of Catholics generally was small. A man of faith in a world of fact, born closer to the First Vatican Council than to Vatican Council II, you anticipated by several decades the role of the layman in a Church which is ever old and yet ever new.

For what you have achieved, then, but even more for what you are, the University of Notre Dame presents to you its most prized symbol of esteem and affection. As we seek to honor you, you surely honor the Medal and the University in accepting it. For your lifelong dedication to your family, to your country, and to your Church, for the decency and integrity which you have always exemplified, for the leadership you have given in countless good causes, it is my honor, as President of the University of Notre Dame, to confer upon you its Laetare Medal.

[From the South Bend Tribune, Mar. 22, 1974]

"Jim" Farley Awarded N.D.'s Highest Honor

(By Paul Lamirand)

James A. Farley, former postmaster general, has been chosen to receive the 1974 Laetare Medal, the University of Notre Dame's highest honor.

The choice of Farley—a major influence in the Democratic Party in the 1930s and one-time political ally of the late President Franklin Delano Roosevelt—to receive the award was announced Saturday by Rev. Theodore M. Hesburgh, C.S.C., Notre Dame president.

Father Hesburgh said, "In a day when the craft of politics is held in low esteem by the general public. it is well for us to honor a man who practiced it with both integrity and affability."

The medal normally is presented at Notre Dame commencement exercises, scheduled this year for May 19. It has been given annually since 1883 to outstanding American Catholics.

Farley, 85, is currently honorary chairman of the Coca-Cola Export Corp. He lives in New York City.

Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for a gypsum company as a bookkeeper, company correspondent and salesman.

His first foray into politics was his election as town clerk for Stony Point, N.Y., in 1911.

He moved up through various state Democratic Party positions to state chairman in 1930, the year Roosevelt was re-elected governor of New York by a record 725,000 votes.

Following Farley's service as floor leader of the 1932 Democratic Convention, he became postmaster general after Roosevelt's election. He also served as chairman of the Democratic National Committee.

In August, 1936, he look a leave without pay to run Roosevelt's second successful campaign.

Farley split with Roosevelt over the third-term issue. He resigned from the cabinet post and campaigned only perfunctoritly for Roosevelt's third term. Just before the 1944 convention, Farley resigned as national party chairman to dramatize his opposition to a fourth term for the President.

The unchallenged honesty of Farley—known as "Gentleman Jim" and "Genial Jim"—has been commented on by several biographers.

He is said to have left the $15,000-a-year cabinet post in debt because he demanded that a building materials firm he founded should not solicit orders where his influence would count and should reject all public business offered.

Farley has two married daughters, a son, and 10 grandchildren. His wife, Elizabeth, died in 1955.

Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Booth Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan Jr. (1969), and Dorothy Day (1972).

[From the San Antonio Light, June 23, 1974]

On the Line With Considine

James A. Farley, 1974 winner of Notre Dame's treasured Laetare Medal, enthralled his audience at the Waldorf with an account of his life in politics and his 35 post-political years with Coca-Cola. It was a feat of total recall, a remarkable summation of the times, lives, triumphs and disasters of a vast tapestry of Americana. It's a pity that his response to the conferring upon him by Fr. Theodore Hesburgh of the award, which dates back to 1883, could not be heard by history scholars across the land.

Big Jim, perhaps the last honest politician, breathed life into the images of presidents, popes, kings, king-makers, dictators, tycoons and commen folk he met along the way. He thanked the long-gone constituents (Farley will be 86 "and holding," as he says in this space age, on May 30) who launched him on his political career by electing him town clerk of Stony Point, N.Y. in 1912. And he especially thanked a man who moved him into the big leagues of politics, Jimmy Walker.

PICTURE IN PARIS

He told of a meeting he had with Walker in Paris during the latter's troubles with New York's imperious Judge Samuel Seabury. A New York Times correspondent asked the two to pose. Walker, perhaps the most photographed politician of that time, demurred. He didn't think it would be a good thing for Farley, by then on his way to making Franklin Delano Roosevelt the President of the United States. Farley said nonsense, and the picture was taken. It appeared on the front page of the Times.

Seabury had some harsh things to say about Farley for consorting with a man who had fled the country, and when he returned by ship Farley was questioned about the Seabury blast by reporters who had "gone down the bay." One of them, Jim recalled the other night, was Jimmy Duffy of the N.Y. Telegram.

FRIENDLESS JUDGE

"I knew Jimmy well," Farley reminisced at the Waldorf. "He was the dean of that crowd. So I said to him, "Jimmy, it's apparent that Judge Seabury doesn't know what it means to have a friend."

Farley apologized about the length of his accepting speech.

"I've gone to so many doggone banquets that I've become sensitive about the time the average speaker takes to get over a point. I tried to wrap mine up as quickly as I could, knowing it was getting late. In my confusion I think I left out seven presidents I have known. But I guess the memory of Mussolini helped me shorten it. I was received by him after he came into power and complimented him on the draining of the Pontine marshes at some length. He seemed to be fascinated by what I had to say about the marshes and the political situation. It became a monologue. But then he put his hands on the arms of his office chair and half rose from it.

" 'When are you leaving Rome?', Mussolini said.

"I took the hint."

[From the Albany Times-Union, May 30, 1974]

OPTIMISTIC ABOUT FUTURE: "GEN'AL JIM" FARLEY REACHES 86

(By James Kilgallen)

NEW YORK.—James A. Farley, who has had two outstanding careers in his lifetime—one in politics, the other in business—observes his 86th birthday today and has no thought of retiring.

"My health is very good and I feel all right," said Mr. Farley when I interviewed him in his midtown office where he holds down the position of honorary Chairman of the board of Coca-Cola Export Corporation. "I enjoy working and meeting people."

"Genial Jim" reaches his 86th milestone manifestly disturbed over the apparent loss of White House credibility, the revelations of campaign spending in the last presidential election and the Watergate disclosures. But his confidence in the American people is unshaken and he predicted once Watergate is cleared up, "the United States will come out more united than it has been in many years."

In his hey-day in politics in the 1930s Farley, as Democratic National Chairman, visited every state in the Union and served 7 years as postmaster general in FDR's cabinet. He was often referred to by newspapermen as "Mr. Politics."

After joining Coca-Cola in September, 1940, he traveled all over the world for the company and met many noted personalities and people in all walks of life.

I asked Mr. Farley to name the six persons who impressed him most during his career in politics. He replied:

"Former Mayor James J. Walker, former Gov. Alfred E. Smith, former Presidents Franklin D. Roosevelt, Harry S Truman and Lyndon B. Johnson, and former Sen. Carter Glass of Virginia."

It was Sen. Glass who placed Farley's name in nomination for the presidency at the Democratic convention in Chicago in 1940.

When asked to name the personalities who impressed him most during his extensive travels abroad, he replied:

"This is a question not easy to answer. However, I do not hesitate to say that in my opinion Pope Pius XII was the greatest person I ever met.

"Naturally, I was impressed at the opportunity I had to meet and talk with Winston Churchill, General Franco, Chiang Kai-shek, and Mussolini who was at the height of his power in Italy in 1934 and at the time was doing a great job for his country."

[From the Paterson News, May 29, 1974]

ANOTHER AWARD FOR BIG JIM

(By Ernest Cuneo)

WASHINGTON.—Notre Dame's intellectual first team, every bit as fit and quick as its football varsity, took the field the other night at the Starlight Roof of the Waldorf to award the Hon. James A. Farley the Laetare Medal, the University of Notre Dame's highest accolade.

Since it is a tossup as to which is the more famous, James A. Farley or the University of Notre Dame, it was more or less like an exchange of honors between Harvard and Yale.

Appropriately enough, these two sportswriters and fans, Ed Sullivan and Bob Considine, were on hand to record the momentous proceedings.

The name of James A. Farley is, of course, as familiar in the world of sports as it is in politics and international business. He was New York state's first boxing commissioner and he is a racing commissioner right now.

For all practical purposes, the New York Yankees would no more start the game without Big Jim in his first base box than they would without a first baseman, both are necessary fixtures of the club.

Big Jim is the loyalist of Yankee fans, but to append the word "loyal" to Farley is a redundancy. Loyalty, happily enough, begets loyalty, and it detracts not in the least from the glory of the Notre Dame award that thousands of the Hon. James A.'s friends reacted with the observation, "It's about time!"

Actually, it was about time, because the melted snows of the Great Blizzard of 1888 were still tumbling to the sea when James A. was born that May day in the lovely little Hudson River community of Grassy Point. Jim's father was the captain of a Hudson River schooner, which carried the area's chief product, bricks, to the great metropolis downstream.

One morning, Farley's dad was kicked by the family horse as he was hitching him to the carriage. Two mornings later, the 10-year-old lad looked out the window and saw a hearse in front of the house and from then on his widowed mother took charge of her very young children.

James A. Farley recalled the other night of how his mother had told him never to take an alcoholic drink and that he never had. He was roundly cheered for this and, since the University of Notre Dame had thoughtfully provided three excellent wines, Bob Considine, and I, whose mothers had executed no such pledge, were happy to keep the team batting average by taking slugs of all three.

Actually, Farley and that immediate Hudson River locale are something of a cross-section of dynamic America. Some 60 miles upstream at Hyde Park, a wealthy squire's son, Franklin D. Roosevelt, was playing with his pony.

A few miles west, an athletic child, W. Averell Harriman was cavorting about his railroad-financier father's near one million acres. Across the Hudson was the vast private domain of John D. Rockefeller, Pocantico Hills. All three of these wealthy families, the Roosevelts, the Harrimans and the Rockefellers, were to produce governors of New York state.

James A. Farley, however, has the distinction of being the only one who turned down the Governor's Mansion, though Franklin D. Roosevelt as President, all but begged him to make the easy run for it.

Jim couldn't; he had a growing family to educate and he felt that was his first duty. The one-time powerful postmaster general was interrupted with thunderous applause when he stated that he left public office in 1940 owing $100,000. One could not help but feel sorry for our country that its present state is such that Farley's statement was regarded as evidence for continued faith in the Republic.

UNIVERSITY OF NOTRE DAME,
March 24, 1974.

THE LAETARE MEDAL

"The Laetare Medal has been worn only by men and women whose genius has ennobled the arts and sciences, illustrated the ideals of the Church, and enriched the heritage of humanity."[1]

These are the exacting criteria employed by the University of Notre Dame in awarding its Laetare Medal each year. Established in 1883, the medal was restricted to lay persons until 1968, when it was announced that henceforth priests and religious would also be eligible. Over the years the Laetare Medal has been presented to 74 men and 19 women—soldiers and statemen, artists and industrialists, diplomats and philanthropists, educators and scientists.

The Laetare Medal is an American counterpart of the "Golden Rose," a papal honor antedating the eleventh century. The name of the recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent and an occasion of joy in the liturgy of the Church. The presentation of the medal is normally part of the University's commencement exercises in May.

The idea of the Laetare Medal was conceived in 1883 by Professor James Edwards. His proposal met with the immediate approval of Rev. Edward F, Sorin, C.&C., founder and first president of Notre Dame, and the Rev. Thomas E. Walsh, C.S.C., then president of the University. Through the years the recipients of the Laetare Medal have been selected by an award committee headed by the president of Notre Dame.

Generally regarded as the most significant annual award conferred upon Catholics in the United States, the Laetare Medal consists of a solid gold disc suspended from a gold bar bearing the inscription "Laetare Medal." Inscribed in a border around the disc are the words "Magna est veritas et prevalebit" (Truth is might and will prevail). The center design of the medal and the inscription on the reverse side are fashioned according to the profession of the recipient.

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[1] Excerpt from Laetare Medal citation presented to General William Starke Rosecrans in 1896.

Laetare Medalists

1883—John Gilmary Shea, historian.

1884—Patrick Charles Keeley, architect.

1885—Eliza Allen Starr, art critic.

1886—General John Newton, engineer.

1887—Edward Preuss, publicist.

1888—Patrick V. Hickey, founder and editor of the Catholic Review.

1889—Anna Hanson Dorsey, novelist.

1890—William J. Onahan, organizer of the American Catholic Congress.

1891—Daniel Dougherty, orator.

1892—Henry P. Brownson, philosopher and author.

1893—Patrick Donohue, founder of the Boston Pilot.

1894—Augustine Daly, theatrical producer.

1895—Mary A. Sadler, novelist.

1896—General William Starke Rosecrans, soldier.

1897—Thomas Addis Emmet, physician.

1898—Timothy Edward Howard, jurist.

1899—Mary Gwendolin Caldwell, philanthropist.

1900—John A. Creighton, philanthropist.

1901—William Bourke Cochran, orator.

1902—John Benjamin Murphy, surgeon.

1903—Charles Jerome Bonaparte, lawyer.

1904—Richard C. Kerens, diplomat.

1905—Thomas B. Fitzpatrick, philanthropist.

1906—Francis J. Quinlan, physician.

1907—Katherine Eleanor Conway, journist and authori.

1908—James C. Monaghan, economist.

1909—Frances Tiernan (Christian Reid), novelist.

1910—Maurice Francis Egan, author and diplomat.

1911—Agnes Replier, author.

1912—Thomas M. Mulry, philanthropist.

1913—Charles B. Herberman, editor-in-chief of the Catholic Encyclopedia.

1914—Edward Douglas White, jurist and chief justice of the United States Supreme Court.

1915—Mary V. Herrick, philanthropist.

1916—James Joseph Walsh, physician and author.

1917—William Shepherd Benson, admiral and chief of naval operations.

1918—Joseph Scott, lawyer.

1919—George L. Duval, philanthropist.

1920—Lawrence Frances Flick, physician.

1921—Elizabeth Nourse, artist.

1922—Charles Patrick Neill, economist.

1923—Walter George Smith, lawyer.

1924—Charles D. Haginnis, architect.

1925—Albert Francis Zahm, scientist.

1926—Edward Nash Hurley, businessman.

1927—Margaret Anglin, actress.

1928—John Johnson Spaulding, lawyer.

1929—Alfred Emmanuel Smith, statesman.

1930—Frederick Philip Kenkel, publicist.

1931—James J. Phelan, businessman.

1932—Stephen J. Maher, physician.

1933—John McCormack, artist.

1934—Genevieve Garvan Brady, philanthropist.

1935—Francis Hamilton Spearman, novelist.

1936—Richard Reid, lawyer and journalist.

1937—Jeremiah Denis M. Ford, scholar.

1938—Irvin William Abell, surgeon.

1939—Josephine Van Dyke Brownson, catechist.

1940—General Jugh Aloysius Drum, soldier.

1941—William Thomas Walsh, journalist and author.

1942—Helen Constance White, author and teacher.

1943—Thomas Francis Woodlock, editor.

1944—Anne O'Hare McCormick, journalist.

1945—G. Howland Shaw, diplomat.

1946—Carlton J. H. Hayes, historian and diplomat.

1947—William G. Bruce, publisher and civic leader.

1948—Frank C. Walker, Postmaster General and civic leader.

1949—Irene Dunne, actress.

1950—General Joseph L. Collins, soldier.

1951—John Henry Phelan, philanthropist.

1952—Thomas E. Murray, member, U.S. Atomic Energy Commission.

1953—I. A. O'Shaughnessy, philanthropist.

1954—Jefferson Caffrey, diplomat.

1955—George Meany, labor leader.

1956—General Alfred M. Gruether, soldier.

1957—Clare Boothe Luce, diplomat.

1958—Frank M. Folsom, industrialist.

1959—Robert D. Murphy, diplomat.

1960—George N. Shuster, educator.

1961—John F. Kennedy, President of the United States.

1962—Francis J. Braceland, M.D., psychiatrist.

1963—Admiral George W. Anderson, Jr., chief of naval operations.

1964—Phyllis McGinley, poet.

1965—Frederick D. Rossini, scientist.

1966—Mr. and Mrs. Patrick F. Crowley, founders of The Christian Family Movement.

1967—J. Peter Grace, industrialist.

1968—Robert Sargent Shriver, diplomat.

1969—William J. Brennan, Jr., jurist and Associate Justice of the Supreme Court of the United States.

1970—Dr. William B. Walsh, physician, Project Hope originator.

1971—Walter Kerr, drama critic, and Jean Kerr, author.

1972—Dorothy Day, founder of the Catholic Worker Movement, journalist, and author.

1973—Rev. John A. O'Brien, author.

1974—James A. Farley, business executive and former Postmaster General.

BICENTENNIAL IS ALIVE IN THE MIDLANDS

Mr. HRUSKA. Mr. President, several weeks ago this great country celebrated its 198th birthday. I think it is especially appropriate at this time to look ahead of the celebration of the 200th anniversary of the American Revolution in 1976 and the activities surrounding it.

As chairman of the Judiciary Committee's Subcommittee on Federal Charters, Holidays, and Celebrations, I have been very much involved in the formulation of Bicentennial plans for this Nation and have a special interest in seeing them carried out in a successful manner.

It is disturbing to note that some people may have received the impression that the 200th anniversary of our country is going to be a one-time affair, held in some distant city where a few people do all of the work and the rest just watch. It will be much more than merely an event—like a fireworks display—that makes a lot of noise, glows brilliantly for a few moments, and then disappears.

The Bicentennial will truly be something for everyone. It is a commemoration of our national heritage with a goal to improve the quality of life for the future. It is for this reason that the National Bicentennial theme—"A past to remember, a future to mold"—is so appropriate.

The Bicentennial should provide a special impetus for all Americans to become involved to do something for their communities and their Nation.

As John Warner, Administrator of the newly created American Revolution Bicentennial Administration, said at his swearing-in ceremony at the Capitol—

> The success of this great period of our history will largely be dependent not so much on the number of spectators but on the number of participants.

And Nebraska and other Midlands States certainly are participating in this great affair.

On July 4, the Omaha World-Herald printed a story entitled "Bicentennial Spirit Is Alive in Midlands," written by Bill Hord, World-Herald regional editor.

The article mentions many of the truly outstanding Bicentenntial projects that have been developed in the States of Nebraska, Iowa, Dakota, Colorado, Kansas, Missouri, and Wyoming.

Don Searcy, executive director of Nebraska's Bicentennial Commission, mentions in the article his view of the celebration.

He says it is an opportunity "to portray a true image of America to give us a better image of ourselves and to portray a better image to the rest of the world. It is a chance for us to look back to the past and make changes that are necessary."

I would add to those fine words that it is an opportunity to dedicate ourselves to the future and to make the third century of our country's exisstence even better than the first two.

I think the Bicentennial projects that have been proposed in Nebraska reflect these feelings and contribute to the future betterment of our country.

I feel that it is most important that Americans realize the importance of the Bicentennial celebration and its true meaning. Misconceptions on the part of some public officials could be damaging to the spirit of cooperation and hard work already achieved by most persons taking an active part in the festivities.

Mr. President, so that my colleagues and other interested persons can become aware of the tremendous progress that has been made by several Midwestern States in preparing for the Bicentennial, I ask unanimous consent that the World-Herald article, "Bicentennial Spirit Is Alive in Midlands" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Omaha World-Herald, July 4, 1974]

Bicentennial Spirit Is Alive in Midlands

(By Bill Hord)

Midlands states are beginning to play a major role in the celebration of America's 200th birthday two years from today, according to an official of the American Revolution Bicentennial Administration.

"The enthusiasm generated there (the Midlands)," according to Charles Goodspeed, national director for state coordination, "is like what you'd expect to find in the original 13 colonies. We're using some of their programs for models in other states."

It has been eight years and $11 million in federal tax money since the national administration was formed by Congress—and bicentennial planning has now gone nationwide.

The goal is to bring planning and carrying out of programs to the grass roots level of America, according to Goodspeed.

The 50 states, all territories of the United States and Puerto Rico, have their own bicentennial commissions.

More than 1,000 cities, counties and Indian tribes representing 35 percent of the country's population have been given bicentennial recognition, making them eligible for matching funds for programs.

To qualify for recognition, a community must have at least one program of lasting value beyond 1976. Which brings planners to another goal—that of answering the questions of the future at the same time the country recalls and celebrates its past.

G. D. Barrante, executive director for Colorado's state commission, offers this reasoning for the growing role of the Midlands in bicentennial planning:

"The spirit that formed our country, if it's alive anywhere, is alive here."

Barrante says the bicentennial "is about the only positive thing that we have going. It's a reaffirmation of our values, almost like a cleansing action."

Don Searcy, executive director of Nebraska's Bicentennial Commission formed in 1972 by the Legislature, sees the celebration as an opportunity "to portray a true image of America to give us a better image of ourselves and to portray a better image to the rest of the world."

"It's a chance for us to look back on the past," Searcy said, "and make changes that are necessary."

In South Dakota, State Bicentennial Director Arnie Stenseth says the planning has been "a great excuse to get something done."

"In 1876 they celebrated the centennial in Philadelphia," Stenseth said, "This time it's nationwide."

The main goal of the bicentennial planners is involvement.

"We need to measure success by the number of people involved," says state coordinator Goodspeed, "not by the number of people watching."

He said that by the end of the year there are expected to be 4,000 towns representing 60 to 70 per cent of the population approved for bicentennial recognition.

As an example of involvement, Goodspeed points to a program in South Dakota where 4–H groups are the main programming organizations in each county.

GIRL SCOUTS

Nebraska, for instance, has a college bicentennial committee with representatives from 22 state colleges, universities, Junior colleges and technical schools.

The national Girl Scouts of America have received official bicentennial recognition and "Johnny Horizons," a nationwide cleanup America campaign, involves, among others, school children.

Bicentennial funds are dispersed by approval of the National American Bicentennial Administration following recommendation of state organizations.

Some established programs are given a boost.

The Arbor Day Foundation, a Nebraska-centered project by virtue of being the home state of J. Sterling Morton, originator of Arbor Day, received $7,000 in matching funds for its third year of operation.

South Dakota has gained recognition of Mt. Rushmore as an official bicentennial focal point, the only one in the Midlands, and hopes to gain added national attention to the attraction.

Iowa's major bicentennial project revolves around plans for a World Food Institute at Iowa State University in Ames and a World Food Conference.

The building for the institute, privately funded, will be a center for education in the agricultural sciences and will be opened with the food conference in 1976.

The conference is expected to bring delegates from all members of the United Nations and will initiate a continuing program for the study of food production, processing and distribution for all nations.

REST AREAS

A Nebraska project that has attracted national attention is the proposed "World's Biggest Sculpture Garden," a plan to place specially commissioned works at 12 rest areas along Interstate 89 in Nebraska.

Colorado's bicentennial plans, boosted by the fact the state's centennial will be observed the same year, include financial assistance to numerous construction projects.

Included are a low-income bicentennial housing project in Denver, a multi-purposed civic center in Pueblo, 13 museums throughout the state, a sports arena in Denver, parks and an amphitheater.

Frank Harrington, bicentennial director for a region that includes Nebraska, Kansas, Iowa and Missouri, said one of the largest projects in the region is in St. Louis. Early in 1975, musicians will be invited to enter original compositions in all forms of music in a contest. Winning pieces will be performed by the St. Louis Symphony Orchestra "or the most appropriate professional group available" at concerts in St. Louis and, possibly, elsewhere during 1976.

Wyoming's commission, which has already held a major celebration at Ft. Laramie, is trying to untangle a land problem in order to develop Independence Rock west of Casper as an historical site.

The rock, a stopping place for wagon trains usually about the Fourth of July, sits on a section corner, partially owned by the state, the federal government and two private landowners.

The centennial commission of Kansas, in existence for 16 months, has seen one project completed: a 44-foot statue of a Plains Indian on an island at the confluence of the Big and Little Arkansas Rivers.

The project, which will include a park area, was a cooperative effort of the state commission, the City of Wichita and a Boy Scout council.

The Indian, and ethnic groups in general, will come into focus if bicentennial plans are successful.

Nebraska's Bicentennial Commission awarded $2,000 in matching funds to the Nebraska-land Foundation to define ethnic groups in the state.

Also through financial help of the commission, Nebraska Educational TV hopes to film 10 to 12 ethnic festivals by the summer of 1976 and replay them in a series as a lead-in to a combined ethnic festival proposed for the bicentennial year.

All plans revolve around the bicentennial slogan: "A past to remember, a future to mold."

Projects for America's bicentennial celebration generally fit in three thematic areas.

"Horizons" is the name for programs and activities that point to the coming third century and what, individually or collectively, people can do to make tomorrow better.

An example is the nationwide Johnn Horizon environmental awareness program to promote a cleaner America and thoughtful use of natural resources.

"Heritage" projects are those that recall the past.

Nebraska and Iowa commissions are helping to sponsor projects called "Living History Farms," showing how homesteaders lived on the frontier.

The Nebraska farm, located at the Stuhr Museum in Grand Island, received $5,000 in matching funds. The farm experience allows people to live, work, cook and eat like the settlers.

The Iowa farm is on 500 acres acquired by a nonprofit foundation west of Des Moines. When completed, it will include a Horse Farm of 1900, a farm of 1840 and a farm of the future.

South Dakota's plan for a scale-model Farm of the Future at South Dakota State University fits the Horizons theme. A National Young Farmers Hall of Fame to be completed in the summer of 1976 at Brookings, S.D., will also be dedicated to the future.

"Festival" projects cover a wide range of activities from actual fireworks and ethnic celebrations in 1976 to the present-day events of art, education, athletics, travel, exhibits, fairs and special events.

An example: Seward has been named Nebraska's official Fourth of July city and on Thursday will be the center of the state's celebration.

A replica of America's Liberty Bell, given to Nebraska in 1950 for generating enthusiasm for the sale of war bonds and displayed in the State Capitol, will make its first appearance outside the Capitol in the Seward parade Thusday.

Other examples of proposals that are receiving bicentennial support consideration:

NEBRASKA

Publication of "Trees for Nebraska." A guide to tree planting, sponsored by the University of Nebraska.

Annual ethnic heritage awareness festival in Lincoln, sponsored by Nebraskaland Foundation, Inc.

Publication of Climatological Atlas of Nebraska, University of Nebraska.

Acquisition of paintings of Nebraska artist K. Ellsworth for Frank House Mansion Art Center, Kearney State College.

Arbor Day Education Project, Arbor Day Foundation.

Systematic identification and cataloging for Willa Cather Museum, Willa Cather Pioneer Memorial Foundation.

Construction of center dedicated to poet John Neihardt, The John G. Neihardt Foundation.

Design development of Iowa-Nebraska Friendship Fountain in the Missouri River, Riverfront Development Committee.

Study on Western Nebraska Heritage. Mari Sandoz Heritage Society and Chadron State College.

IOWA

World Food Institute and World Food Conference, Iowa State University.

Five Flags Civic Center, Dubuque, a restoration and development project.

Restoration of the Old Territorial Capitol in Iowa City and restoration of Terrace Hill, the home of governors in Des Moines.

Missouri Riverfront Development Project along a 50-mile stretch from Council Bluffs and Omaha to the north.

Expansion and development of the park facilities surrounding the Sgt. Floyd Monument near Sioux City.

Development of the Little Lakes of the Woods Recreation Area near Cresco.

SOUTH DAKOTA

Photoscape, a photography contest for state citizens, and a poetry contest sponsored by the S.D. Poetry Society.

Pageant based on Black Elk Speaks by John Neihardt.

COLORADO

Expansion of the Central City Opera House to include a tour.

The history of Colorado in ballet form to tour in 1976.

Program to collect original works of Colorado artists.

Full scholarships to Colorado schools totaling 100 in 1976, to continue after the bicentennial.

KANSAS

Freedom Park and National Military Museum dedicated to the U.S. Army at Ft. Riley.

Museum and restoration project at Goessel, Kan., north of Wichita to commemorate the bringing to America of Turkey Red Wheat from Russia by the Mennonites.

Displays at the new Sante Fe Trail museum at Larnty.

Television production in 1976 of Handel's "Messiah" by the Bethany College Oratorical Society.

MISSOURI

Monument to the Canada goose at Sumner, Mo., a quality of life project.

Restoration of the Alexander Majors home in Kansas City, the starting place of the Sante Fe Trail.

Restoration of Jefferson Landing on the State Capitol grounds.

WYOMING

Restoration and development of Independence Rock where wagon trains often celebrated the Fourth of July—50 miles west of Casper.

Publication of a book reproducing 120 historical Wyoming documents.

Proposal to issue a commemorative stamp in 1976 depicting the Black Hills along the Cheyenne-to-Deadwood stagecoach line—in cooperation with South Dakota.

Promoting the attraction of Centennial, Wyo., the only town in the United States with that name.

INFORMATION NET IS DEVELOPED

A Bicentennial Information Network, called BINFT, has been developed for storing, retrieving and recording information concerning projects and activities surrounding the nation's 200th birthday in 1976.

Projects in various stages of development are entered into computers at 10 regional centers, according to Charles Goodspeed, director for state coordination of bicentennial plans.

The computer network allows one state to know what another state is doing and will supply a historical record of the bicentennial, Goodspeed said.

Eventually, news media, travel agencies and citizens will be able to use the system for gathering information.

AGENCY FUNDED WITH $11 MILLION

The American Revolution Bicentennial Administration has been funded with $11 million in federal tax money, according to state coordinator Charles Goodspeed.

Of that, $4.5 million has been returned to states in direct assistance. Another $6.5 million has been generated through the sale of bicentennial commemorative medals, he said.

The Nebraska Bicentennial Commission was formed by the State Legislature in 1972 and given $45,000 in "seed money," according to State Director Don Searcy.

The organization is working with an appropriation of $32,000 for the current fiscal year, and also generates funds through the sale of commemorative coins.

INFLATION AND WHAT TO DO ABOUT IT

Mr. PROXMIRE. Mr. President, in the magazine section of yesterday's New York Times, Leonard Silk wrote what in my judgment is far and away the best-balanced and most constructive analysis and series of recommendations on what to do about it that I have read anywhere and I am sure I have read more than a hundred articles in recent weeks on our grave inflation dilemma.

Most of Mr. Silk's article is devoted to international economic inflationary pressure and he recommends a four-point program that makes abundant sense to me.

But I want particularly to call attention to the concluding words of this remarkable article because Silk goes right to the heart of why it is so difficult for this political body of ours to face up to, let alone to master the guts of the inflation problem. Silk writes:

> It has become clear that the problem of stopping inflation is not technical but POLITICAL in the large, systematic sense. Inflation is a consequence of the way massive organizational pressure-group economies operate. The military industrial complex is only the most celebrated example of the special interests which capture a huge share of national resources and give less productivity in exchange. Other groups that have won special benefits and protection from Government—whether in the form of subsidies, huge appropriations, tax breaks, tariffs, import quotas or other rules limiting foreign or domestic competition—include the oil industry, civil aviation, the highway-building industry and its supporters, dairy producers, wheat farmers, cattlemen, steel producers and textile producers. Labor unions fight for a growing share of the national pie partly by backing the demands for special favors and protection of the industries that employ them and partly by waging side-contests with managements for a bigger slice of the take.
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> The pressure group economy not only breeds inflation but biases national choices on what is produced and by whom and how income is distributed.
>
> An effective program against inflation must be one that faces up to the necessity of curbing the power of the special interests and removing their corrupting influence on government.
>
> The old style, laisser-faire capitalism is dead. Yet the mixed economy—that is, the mixture of Government and private interests that has replaced it—needs better methods of harmonizing competing group pressures in a noninflationary way and of guiding economy to serve broad social needs such as protection of the environment, development of crucially needed energy and provision of medical care, education and other vital services.

Mr. President, I ask unanimous consent that this article—with which I disagree in part, but far less than any of the many I have read on inflation—be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times magazine, July 28, 1974]

HOW THE WORLD ECONOMY GOT INTO THIS MESS

(By Leonard Silk [1])

The world has been slow to realize that we are living this year in the shadow of one of the greatest economic catastrophes of modern history. But now that the man in the street has become aware of what is happening, he, not knowing the why and wherefore, is as full today of what may prove excessive fears as, previously, when the trouble was first coming on, he was lacking in what would have been a reasonable anxiety. He begins to doubt the future. Is he now awakening from a pleasant dream to face the darkness of facts? Or dropping off into a nightmare which will pass away?

John Maynard Keynes wrote those words in 1930—and the nightmare proved to be all too real. Today, the world economy is again threatened with breakdown and disintegration. Monetary disorder afflicts the entire non-Communist world. Nations coming up against the interlocked threats of trade and payments deficits, inflation, energy shortages and unemployment are growing increasingly nationalistic in their policies. It was beggar-my-neighbor nationalism that brought on the debacle last time, for in the end the nationalism turned demonic and aggressive in Germany and Japan. Such an outcome seems unthinkable today—as it did in 1931. The time has come to review recent economic history, whose chief lesson seems to be that we are again facing a choice between economic chaos and a difficult, unprecedented, peacetime collaboration among major Governments.

History does not repeat itself precisely. One of the great differences today from the world of which Keynes was writting in 1930 is the revolution in national economic policy fathered by Keynes himself—the use of government spending, tax cuts, budget deficits and the pumping of money into an economy to prevent deep depression. Every government, prodded by powerful political forces, has been using the Keynesian medicine for keeping employment at a high level.

An unwanted consequence has been a quickening of inflation, the worst in a generation. Throughout the industrialized world, including the United States and Canada, Western Europe and Japan, consumer prices rose by an average of 12 per cent in the 12 months ending in May, 1974. In Britain the rise was 15 per cent, in Italy 16 per cent. Japan has been boiling along at an annual rate of 23 per cent. One can find far worse rates in some of the developing countries—40 per cent in the Philippines, 47 per cent in Indonesia, 63 per cent in Taiwan and a horrendous 709 per cent in revolution-racked Chile.

In the United States, consumer prices climbed by 10.7 per cent in the 12 months ending last May. But the climb in American consumer prices accelerated to an annual rate of 12.6 per cent in the first half of this year, and wholesale prices shot up at an 18.2 per cent annual rate. Chairman Arthur F. Burns of the Federal Reserve Board warned that "if long continued, inflation at anything like the present rate would threaten the very foundation of our society."

A doomsday mood has been stealing into the thinking of a great many people—stockbrokers, small investors, gold speculators and many ordinary people watching the value of their savings, pensions and insurance policies erode. Even among sophisticated economic observers, worries have been growing that the inflation could end in a crash. Ashby Bladen, a senior financial executive of the Guardian Life Insurance Company, says: "A return to either price stability or financial stability without an intervening crash appears to me to be practically impossible. . . . And the longer the crash is postponed by continuing the inflationary process of excessive credit expansion, the worse it will be when it does come."

The threat of a crash is worldwide, and has been seriously exacerbated by the enormous deficits being incurred by oil-importing nations as a result of the quadrupling of oil prices after the Arab-Israeli war last fall. David Rockefeller, chairman of the Chase Manhattan Bank, has been warning that the existing financial system may be unable to stand the strain of the sudden transfer of tens of billions of dollars a year from oil-importing to oil-exporting nations. The International Institute for Strategic Studies in London regards the use of the oil weapon by the Arabs, Iranians and other members of the international oil cartel as the greatest immediate threat to world economic and political stability. The rich, industrial countries are threatened, and so are the oil-poor developing nations, such as India, Bangladesh and Pakistan.

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[1] Leonard Silk is a member of The Time's editorial board. He is currently completing a new edition of his "Contemporary Economics: Principles and Issues," to be published early next year.

How did the world economy get into this pickle? Can we get out of it? I believe that it will take extraordinary measures by the United States and other nations, working together—as they failed to do in the nineteen-twenties and thirties until the roof finally fell in.

A way must be found to achieve the kind of international cooperation that made possible the reconstruction of the world economy after World War II, the most devastating in history. But the United States can no longer call the tune or provide the bulk of resources to resolve the current crisis as it did after the Second World War. "It is no exaggeration," says Dr. H. Johannes Witteveen, the Dutch economist who serves as managing director of the International Monetary Fund, "to say that the world presently faces the most difficult combination of economic policy decisions since the reconstruction period following World War II."

That brilliant job of resuscitation is now taken for granted, but can anyone who in those days saw the grim shattered cities of Europe and Asia, the disease and famine, the desperate mood and the corruption of the people forget it? In the decades after the war, the world economy experienced the greatest upsurge of growth in all history. World trade revived, and the world monetary system was rebuilt as the United States deliberately incurred deficits in its balance of payments to feed dollars and gold out to the world. In effect, the United States was acting like a big winner in a poker game who knows that unless the poker chips are redistributed, the game is over. Those deliberately incurred American deficits made the best of sense, both for the United States and for the rest of the world. The concept of an interdependent world economy was no mere intellectual abstraction, but the basis for shared prosperity and growth.

The reconstructed world monetary systen was founded on the strength of the American economy, on the strength of the dollar and on the deficits in the United States balance of payments. Therein lay a serious contradiction: A strong dollar and chronic deficits in the United States balance of payments would in time prove to be incompatible; either the dollar would weaken or the American deficits would have to be ended. There was a further contradiction: If the American deficts ended, the flow of dollars that was providing the monetary reserves for world economic expansion would also cease.

In fact, when the United States decided in the late nineteen-fifties that the reconstruction period was over, it turned out to be extremely hard to end the deficits. One reason was that the United States was reluctant to give up its role as leader of the non-Communist world. The 20th century had acquired the billing, at least in the United States, as "the American century." Both the Korean and Vietnam wars signified American determination to carry the "free-world's burdens"—the equivalent of Britain's "white-man's burden" a century earlier.

America's persistent payments deficits were not due solely to its military actions and economic aid programs. Of growing importance, as the deficits went on year after year, was the overvaluation of the United States dollar in relation to gold and to other currencies. This hurt American exports and made imports, as well as travel and foreign investment, cheaper for Americans. So the migration of American business overseas went on apace, with corporations using abundant and overvalued dollars to buy up foreign assets, start branches and subsidiaries abroad, hire foreign labor and use other foreign resources to increase their worldwide profits.

Foreigners, in the midst of the dollar prosperity, were schizoid about the trend. Many, especially those in close partnership with the Americans, welcomed the growth that United States capital, technology and managerial know-how helped bring. But there was increasing concern in Europe about the inflation that the dollar inflow was also helping to breed. And there was growing opposition to the "American challenge" or economic and political dominance—and about the recklessness of American military policy. Vietnam particularly strained the political bonds between the United States and its European allies. It also sealed the doom of the postwar world monetary system that had been built on a strong dollar and fixed exchange rates between the dollar, gold and all other currencies. For Vietnam accelerated the outflow of dollars from the United States and, even more damaging, increased domestic inflation. President Lyndon B. Johnson unleashed inflation at home by his unwillingness to ask Congress either for a tax increase to pay for the Vietnam war or to cut his Great Society programs to make room for the war in the Federal budget.

President Nixon inherited the inflation—and eventually made it worse. After a year of trying to stop it by tight money alone, Mr. Nixon brought the country a recession. Finding rising unemployment politically intolerable—especially with the 1972 Congressional elections looming—he switched to a highly expansive fiscal and monetary policy aimed at restoring full employment. For political reasons, he announced—few politicians had ever made it so explicit—"I'm now a Keynesian."

Under Nixonian management, the U.S. balance-of-payments deficit worsened. Dollars poured out of the country, and on Aug. 15, 1971, as part of the "New Economic Policy," Mr. Nixon slammed shut the gold window, refusing to pay out any more gold to foreign claimants in exchange for their surplus dollars. Nevertheless, overvalued dollars continued to gush out as expectations of what would once have been unthinkable—a dollar devaluation—grew. Finally, on Dec. 18, 1971, at an extraordinary monetary conference at the Smithsonian Institution in Washington, held amid the trappings and relics of the greatest achievements of American technology, the dollar was devalued by 8 per cent.

The object of the Smithsonian conference, from the American standpoint, was to devalue the dollar enough to produce equilibrium, or, if possible, a big surplus, in the American balance of payments. This would, it was hoped, restore American economic power and prestige; it would also save the "dollar standard," with the United States as kingpin of the world monetary system. For this reason the Nixon Administration was, somewhat paradoxically, eager not to "devalue the dollar" officially, but to make other Governments upvalue their currencies.

Logically, there would seem to be no difference between devaluing one currency and upvaluing others in relation to it—and indeed there is virtually none. However, there was one important difference. The dollar had been regarded as the fixed star of the world monetary system, the star around which all the other national currencies revolved. For the dollar to change its own value—to be devalued in relation to other currencies and to gold—would symbolize a radical change in the conception of the world monetary order, like the Copernican revolution in which the earth was no longer seen as the unchanging center of the universe.

After the Smithsonian devaluation of the dollar, no matter how much the Americans might insist that the dollar was still the fixed center of the world monetary system, the skeptics would go on saying, like Galileo, "But it does move." And in fact, after the Smithsonian agreement, United States officials themselves gradually accepted the new concept of a movable dollar.

The Smithsonian agreement—the "greatest monetary agreement in the history of the world," Mr. Nixon called it—was supposed to be a one-shot realignment of exchange rates that would preserve the fixed-exchange-rate system created at Bretton Woods, N. H., in 1944. However, the Smithsonian agreement failed to hit on a rate structure that would restore monetary stability. With inflation raging at differential rates, that was doubtless impossible. The Nixon Administration, in any case, made virtually no effort to defend the Smithsonian exchange rates. It practiced the doctrine of "benign neglect," smug in the belief that foreigners had no alternative to taking in more dollars unless they would be willing to further increase the value of their own currencies, which the United States still wanted them to do.

The impact of devaluation on inflation caught Washington and most economists by surprise. American economists tend to minimize that importance of foreign trade to the United States, since exports or imports constitute less than 5 per cent of this country's gross national product. But the dollar devaluation, combined with expansive fiscal and monetary policy, intensified inflationary pressures which price controls could barely suppress. Devaluation spurred domestic inflation in the United States, certainly in the short run, by raising the dollar prices here of internationally traded goods, not only those of imports entering the United States but also, and more important, those of all exportable American goods as well. Many American products suddenly looked like a terrific bargain to foreigners, and they rushed to buy—beef in Chicago, oil in Baton Rouge and paintings at Sotheby Parke-Bernet Galleries in New York. The impact on prices was dramatic. As Randall Hinshaw of Claremont Graduate School has found, the effect of devaluation was immediate on primary products, such as food and raw materials, but more gradual on the prices of manufactured goods such as automobiles and tractors, especially under then existing price controls. However, as the prices of such basic internationally traded raw-material "inputs" as iron and steel, copper, aluminum, zinc, lead and plastics have risen, so have the prices of autos, tractors and other manufactured goods. And when price controls were lifted, the prices of industrial goods soared.

Ironically, the devaluation of the dollar initially had a perverse effect on the United States balance of trade and payments. Economists had expected some lag, but it lasted longer than it was supposed to. Indeed, the dollar outflow quickened. The reason was the devaluation increased the dollar price of imports more than it reduced the *volume* of imports, especially as the American economy was expanding more rapidly and sucking in more imports. Simultaneously, devaluation cut the dollar price of American exports, causing foreign demand for cheaper American goods to boom; but the United States imposed export controls on soybeans and other agricultural goods, restricting the rise of its earnings abroad. Even more important, booming demand at home restricted the growth of United States exports. Hence the American trade position worsened in 1972, and dollars continued to flow overseas to cover the payments gap. The basic United States blunder was to think it could run a devaluation of the dollar without first slowing the economy. It did just the reverse—

coupling devaluation with strong fiscal and monetary stimulus.

The fixed-exchange-rate system could not survive the continuing dollar outflow. In early 1973, there was a second dollar devaluation, amounting to 10 per cent, following a dramatic around-the-world flight by Under Secretary of the Treasury Paul Volcker. But instead of calming the foreign-exchange markets, it rolled them further. And in late February and early March, dollars began to flood into West Germany because the mark looked like the safest port in a storm. The German central bank took in over $3 billion a day, paying out marks to all comers in a vain attempt to keep the mark's exchange rate from rising. After dishing out more than $10 billion worth of marks, German monetary officials finally grew frightened of inflation and threw in the sponge. They stopped defending the fixed exchange rate between the dollar and the mark; so the mark floated upward, and the dollar floated downward.

The Bretton Woods fixed-rate system was dead; the whole world monetary system was afloat. But inflation was anything but dead.

The loss of respect for the dollar, the key currency of the world monetary system, brought on a flight from all currencies into anything precious and scarce that would hold its value in a time of monetary crisis—gold, silver, platinum and many other commodities. Overnight it seemed as though the Club of Rome's long-range forecasts of the exhaustion of world resources were coming true in a rush, with soaring prices the fever gauge of commodity shortages.

Accidents of nature fed the commodity inflation. One of the weirdest was the disappearance of anchovies off the coast of Peru. Why this happened is still unclear. One theory is that the cause was the 1972–73 invasion of a warm-water current called El Niño, which upset the ecology of the cold-water Humboldt Current, drastically reducing the supply of plankton and other nutrients in which the anchovies feed. Most marine biologists doubt this, pointing out that El Niño comes roughly every seven years—it had last arrived in 1957 and 1962—but had not earlier seriously damaged the anchovy stock. Did an influx of predators eat the spawn? Were the young fish blown into hostile waters? Nobody really knows. Whatever the explanation, as Morgan Guaranty Bank economists correctly stressed, Peru's anchovy catch fell from more than 10 million tons to 2 million tons in 1973, wiping out a critical part of the world's fishmeal supply, which is used to feed livestock.

Bad growing weather for cereals, the failure of much of the Soviet crop, the massive Soviet-American wheat deal—a key element in détente—exacerbated the commodity inflation. But the over-all inflationary trend was no fluke. All nations were in a simultaneous boom, and world demand was outrunning supply. The perception of rising prices was transmogrified, as inevitably happens when an inflation lasts long enough, into a public perception that paper money is losing value and is not worth holding. Speculators rushed from currencies into commodities. By October of 1973, world commodity prices had more than doubled from the start of the year. And then, with the outbreak of the Yom Kippur war in the Middle East, the Arabs launched their oil weapon against the West.

World commodity inflation had given the oil producers both the motivation and the opportunity to boost their prices sky high. The rising cost of imports to the Arabs, Iranians and other oil-producing states, the rapidly growing demand for oil, thanks to the simultaneous boom in all the major industrial countries, the disappearance of American buffer stocks of oil—all these factors gave the Organization of Petroleum Exporting Countries, which includes Saudi Arabia, Kuwait, Abu Dhabi, Iran, Libya, Iraq, Algeria, Qatar, Indonesia, Venezuela, Nigeria and Ecuador, the golden opportunity for a financial killing.

The Arab oil embargo, designed to induce the Western powers to force Israel to yield to Arab demands, cut the world oil supply at the critical moment, threw the Western allies into disarray in a mad scramble for oil and paved the way for the fourfold increase in oil prices. The price in the Persian Gulf was jacked up from about $2.10 a barrel to $8 a barrel. That meant the greatest single financial coup in history—a $70-billion haul by the oil producers in a single year. In 1975, their extra take will amount to $90-billion. And, if oil prices hold, they will be taking in over $100-billion a year—year after year. The World Bank estimates that by 1980 the oil-producing countries' holdings of liquid surplus capital will total $400-billion. This would mean that just six years from now they will hold at least 70 per cent of the world's total monetary reserves.

The fantastic transfer of money to the oil-producing states has created an unprecedented shock for the world economy. That shock is, paradoxically, both inflationary and contractionary. The huge increase in oil prices and payments worsens inflation in the United States, Japan and Western Europe by increasing both living costs and costs of production. It puts powerful pressure, both direct and indirect, upon the industrial and the developing countries to increase their export prices, in order to cover their oil deficits. To be sure, high prices are bringing out more oil and curbing demand. There is now, therefore, some downward pressure on prices. The crucial issue is whether the international oil cartel will hang together, even if this means cutting production to hold up prices.

At the same time, the enormous transfer of funds to the oil producers can choke off consumption and productive investment in the West. The build-up of Arab holdings, and the huge deficits that are their counterpart, could cause a breakdown in the world monetary system.

Prof. Richard Cooper of Yale says it is as though the Shah of Iran, the King of Saudi Arabia and the others had levied an annual tax amounting to $70-billion a year upon the rest of the world. Such a tax increase, as modern economic theory teaches us, will have a contractionary effect on national economies unless the money collected is put back into the economies from which it is collected in the form of expenditures on consumer goods or capital goods. If the major share of "oil taxes" collected by foreign Governments is not respent or reinvested in production, it will choke off output and income in the oil-importing countries. Some nations—those that are the best investment bets—will receive major shares of the oil money back; that is likely to be true of the United States and West Germany. Others, less creditworthy, will suffer huge deficits; that is already true of Italy, and it could be true of many others. The nations of the West could fall into economic warfare, each fighting to reduce its own deficit, and blocking imports or depreciating its currency to do so. Competitive deflation could bring on a world depression. The most agonizing peril faces the poor, developing countries, whose markets would contract drastically.

For those nations caught with the worst deficits, there will be severe risks of defaults on their foreign obligations. This is precisely the Italian situation now. In the past two years, the Italians have borrowed more than $10-billion in the so-called Eurocurrency market, taking funds from syndicates of private lenders on the credit of Italian state-owned utilities and other Government agencies. With the Italian balance-of-payments deficit running at a rate of more than $1-billion a month, Italy is having trouble raising more money abroad, Its gold reserves would barely last a year. If the Italians—and a few other governments with heavy balance-of-payments deficits—should default on their debts, some of the biggest and seemingly strongest private financial institutions all over the world would lose hundreds of millions of dollars, and the entire world financial system would be in jeopardy.

Once again, as in 1929–31, the world is facing the danger of a liquidity crisis, which, simply put, is the inability of financial institutions or governments to meet their current debts. Such a crisis, if it hit two or more countries simultaneously, could race like greased lightning through the entire world financial system. That was what happened in 1931 when the Austrian *Creditanstalt* failed. It was the breakdown of the world monetary system in 1931 that turned the sharp 1929–30 recession into the worst depression in history. Not even Keynes expected the nightmare that began in 1931. It is this kind of international catastrophe we must prevent now.

But how? There are many ways to do it, but the above account of how we got where we are today suggests the main elements essential to a solution:

First, the United States, Western Europe and Japan must recognize that they are all in the same boat, and must either work together or they will sink together.

The United States cannot dictate to the others; it does not have the power to do so, and it would only defeat its own purposes if it tried. What is needed now is genuinely shared leadership and the forging of a spirit comparable to that achieved in wartime—and to the reconstruction of the world after the last war.

Second, this cooperation must immediately take the form of preventing any single country, or its major financial institutions, from going under.

One of the reasons we in the United States are not already suffering from a major domestic financial panic is that our central bank, the Federal Reserve System, has been prepared to rescue any major financial institution that gets into serious trouble, as it has done this year in the case of the Franklin National Bank of New York. Internationally, we do not yet have a "lender of last resort." Some national central banks have met in Basel, Switzerland, to work out plans for rescuing endangered financial institutions, though not all central banks have joined the effort and it is not yet clear how far those participating are ready to go. The nations of the Western world and Japan should either create an international lending agency of last resort, or transform the International Monetary Fund into a true world central bank that can rescue major financial institutions and nations themselves from financial collapse.

Third, the world monetary system must be restored to equilibrium.

The most important single step toward that end would be a significant reduction in the price of oil, which would reduce the imbalance of payments between the oil-importing and oil-exporting countries. The oil-importing countries should develop a broad strategy to bring down the price, a strategy that should include: an effective conservation program to reduce the demand for oil; an accelerated program to develop other energy technologies; a warning that, if necessary, the United States and its allies are prepared to withhold trade and the managerial and technological skills the oil-exporting countries want for their own economic development; and a refusal by this country and its allies to provide arms if the oil-producing states persist in threatening Western economic stability.

But if the oil-producing countries are willing to work with the West for world stability and their own development, the United States and its partners should extend the hand of friendship to them. It should facilitate expansion of their trade and foreign investment, the "recycling" of oil dollars.

Fourth, the Western nations must avoid like the plague the beggar-my-neighbor policies that helped destroy world trade in the thirties.

Such policies broke the world into hostile trading blocs, including the nations that joined in Nazi Germany's barter and rigged-exchange rate deals and Japan's Asian Co-Prosperity Sphere. The Western nations must reinforce their liberal trading policies, banning both import and export controls. They must hold their markets open to one another and seek particularly to create markets for the surplus and distress goods of nations that get into severe balance-of-payments trouble.

The nations should also forswear resorting to competitive devaluations of their currencies aimed at gaining a trading advantage over one another. They must coordinate their fiscal and monetary policies to avoid competitive deflations that could bring on world depression. The Organization for Economic Cooperation and Development (O.E.C.D.) provides a forum for the joint review of national policies; this process should be strengthened to ensure that world employment and trade are mutually sustained.

While the world monetary system remains chaotic, it would be madness to try to repeg exchanges rates; floating rates have reduced the massive money flows from one currency to another that propagated world inflation. In time, the reduction of those money flows should help to bring world inflation under control and enable exchange rates to stabilize. But the nations must work toward stability; a "great leap forward"—or backward—could be disastrous.

Fifth, nations must resolve to check their domestic inflations, controlling the excess claims of special-interest groups that are its root cause.

Inflation, while communicated internationally, originates basically from domestic sources. This is one reason why rates of inflation vary so much from country to country. There is no monetary formula or technical solution that will provide Governments with the political courage and the economic skills to reduce the exessive demands that propel domestic inflation. Governments must resist the multitude of special-interest pressures that distort or waste resources—as in the multibillion-dollar military programs which exacerbate inflation and, even more ominously, increase the danger of arms races and war itself.

Under the sway of Keynesian economic theory, inflation has been regarded by most contemporary economists as a "technical" problem resulting from a gap between the excess demand for all goods and services and what the economy is capable of producing at existing prices. The basic remedy has been to close that inflationary gap by reducing total demand, whether by tax increases, cuts in Government spending or by making less money and credit available to the private economy.

It has become clear that the problem of stopping inflation is not technical but *political* in the large, systemic sense. Inflation is a consequence of the way massive, organizational, pressure-group economies operate. The military-industrial complex is only the most celebrated example of the special interests which capture a huge share of national resources and give less productivity in exchange. Other groups that have won special benefits and protection from Government—whether in the form of subsidies, huge appropriations, tax breaks, tariffs, import quotas or other rules limiting foreign or domestic competition—include the oil industry, the maritime industry, civil aviation, the highway-building industry and its supporters, dairy producers, wheat farmers, cattlemen, steel producers and textile producers. Labor unions fight for a growing share of the national pie partly by backing the demands for special favors and protection of the industries that employ them and partly by waging side-contests with managements for a bigger slice of the take.

The pressure-group economy not only breeds inflation but biases national choices on *what* is produced and by whom, and how income is distributed. Political power shapes the national use of resources and has a major influence on who gets what. This may be the major long-run lesson of that political fiasco whose code name is Watergate.

An effective program against inflation must be one that faces up to the necessity of curbing the power of the special interests and removing their corrupting influence on Government or, the other side of the coin, curbing the efforts of Government officials to invite bribes in exchange for favors as a means of consolidating political power in a corporate state. The old-style, laissez-faire capitalism is dead. Yet the mixed economy—that is, the mixture of Government and private interests that has replaced it—needs better methods of harmonizing competing group pressures in a noninflationary way and of guiding the economy to serve broad social needs such as protection of the environment, development of crucially needed energy, and provision of medical care, education and other vital services.

Specifically, this nation and other capitalist democracies need an incomes policy, a means of regulating the growing income claims of contending groups, together with their access to money and credit through the banking system. In periods of monetary tightness and very high interest such as the present, the inequities of only general controls on money and credit become obvious, as the most powerful financial groups drain funds away from the least powerful.

Similarly, this nation and many others need more effective and democratic ways of planning their long-run social and economic development. Increasing the supply of resources, human and material, and in the proportions needed, is essential to curbing inflation in a way that will not require periodic bouts of recession, depression and high unemployment.

In an increasingly integrated world economy, such programs need to be international and not merely national in scope. Yet the time for supranational government is not yet. The fundamental decisions needed to get the world through the current economic crisis, which could become a world political crisis as well, still must be taken at the national level. Is such an effort to restore world economic order politically feasible and realistic? It had better be. The potential tragedy of the moment is that all the Governments of the major democracies are in a weakened state—weakened in large degree by the socially and politically debilitating effect of inflation itself. And the crisis of leadership and moral authority is perhaps greatest of all in the United States, on which any coordinated action program among the Atlantic nations and Japan must still depend. We know what we must do; the issue now is whether we have the will and the unity to do it.

TRADE REFORM

Mr. MONDALE. Mr. President, the Senate Finance Committee today resumes markup on one of the most vital measures before the 93d Congress, the Trade Reform Act. I am pleased by this action because I am deeply disturbed about the potential consequences of our failure to pass a trade bill.

At no time since the 1930's have we faced a greater peacetime economic crisis. The post-war world economic regime has broken down; our collective economic institutions have proven to be weak and outmoded in the face of recent events.

Widespread inflation, payments deficits and deceleration of growth threaten the economies of all the leading Western democracies.

Under mounting internal pressure to resort to protectionist policies, our major trading partners are clinging to the hope that multilateral negotiations on trade and monetary issues can bring us through the present crisis. Only if these negotiations proceed, will GATT member nations have a basis for resisting demands for trade restrictive measures to deal with their economic problems.

It is the United States that initially proposed and pressed for action on a new round of GATT negotiations in the Tokyo declaration signed last year. Ironically, it is the failure of the United States to pass a trade bill that has so far held up and now stands in the way of a meaningful negotiation—precisely at a time when closer cooperation is most desperately needed.

Some have charged that the responsibility for the delay in the trade bill lies with the amendment introduced by Senator JACKSON, which I have cosponsored, concerning emigration and most-favored-nation treatment for the Soviet Union. I believe this view is false.

It is perfectly proper that before granting the concession of most-favored-nation status we should ask the Soviet Union to live up to its international commitments in this area of human rights. This is not a question of being anti-Soviet or of seeking to interfere in internal affairs. The International Declaration on Human Rights makes clear that emigration is not merely an internal matter. The right of Soviet Jews to emigrate free of harassment is as important to Americans as any number of other concessions we have sought from the Soviets in negotiations such as the Conference on European Security and the Berlin negotiations.

Second, it was the strategy of the administration to tie together the most-favored-nation issue and other urgent aspects of the trade bill. Moreover, once the amendment was introduced, it was the administration that let the issue of emigration languish before taking serious steps to negotiate a solution.

I am encouraged by reports that the administration is making a serious effort in this regard and that progress is being made. I hope a satisfactory agreement on this point can be concluded promptly. It is my firm belief that a successful outcome will be most facilitated if we in the Congress steadfastly support the principle of the right to emigrate and the end to harassment.

Global inflation cannot be stopped by the policies of individual countries alone. During the first half of 1974 nearly all of the major industrialized and developing countries represented in the GATT suffered from catastrophic rates of inflation. The unprecedented 11 percent peacetime rate in the United States, considered horrifying by American citizens, must be viewed in the context of 25 percent inflation in Japan, 18 percent in Italy, 14 percent in Britain, and 13 percent in France.

A quadrupling in the cost of oil, forced upon consuming countries by the petroleum producers cartel, has contributed both to runaway inflation and to massive payments deficits throughout the world.

From a $3 billion balance-of-payments surplus in 1973, the United States has moved to a $2 billion deficit in the first half of 1974. Japan has moved from a $6 billion surplus to a $6 billion deficit; and Britain and Italy are both running at deficits of $8 billion or more.

The enormous shift of money into the hands of the oil producers places an unprecedented strain on the world's financial institutions. This year alone oil-consuming countries will have accumulated current account deficits with Arab nations of up to $60 billion. The result is uncertainty, speculation, and instability in importing countries. This tempts countries to try to restore their trade balances through nationalistic policies, to limit their imports, and artificially expand exports. The only way to head off such actions is through multilateral trade negotiations.

Thus the deeper consequences of the oil crisis last year are being felt in diverse and alarming ways, long after the initial shock of higher energy costs has passed.

That the boom experienced in the last 2 years will be replaced by a global bust—triggered by collapse of lenders, like the Herstatt Bank of Cologne or Franklin National in the United States, or by excessive restraints on growth by member nations—is still a serious danger.

Added to these problems, we face another threat resulting from the proliferation of cartels among raw materials suppliers.

Eight months ago, I warned of the danger that other commodity producers might seek to follow the example set by the Arabs by forming cartels to boost their prices. Since then, there has been disturbing evidence of the prediction's coming true.

Bauxite producers have combined to create the International Bauxite Association, setting the stage for Jamaica to press for a 600 per cent increase in its earnings.

Through the International Council of Copper Exporting Countries, copper exporters are now pressing for greater control of the market.

Phosphate producers have achieved a threefold increase in prices, and members of the International Tin Agreement are seeking a 50 per cent increase in the floor price for tin.

Coffee producers are starting to dominate markets, and other commodity producers may soon join the stampede toward cartelization.

In an era marked by spreading shortages of food and raw materials, there is a high likelihood for success of efforts to drive prices higher by limiting production of critical commodities.

And as Ambassador Eberle told the Joint Economic Committee the other day, the existing GATT articles are "virtually worthless" in attempting to deal with collusion among raw materials suppliers.

In view of the disarray within the world community, some observers in the United States have argued that we should be pleased that conditions are not worse and that our major trading partners have for the most part resisted the temptation toward isolationism.

They point toward the temporary standstill agreement signed by OECD members in July and the pledge signed by the Committee of Twenty of the IMF to refrain from trade-restrictive steps to illustrate the desire for cooperative solutions to the problems of inflation and recession.

Indeed the recent GATT XXIV–6 agreement to provide compensation for U.S. losses from expansion of the Common Market and the withdrawal of dairy export subsidies by the European Community offer tangible evidence of cooperation.

But I suggest that these actions reflect certain knowledge that without immediate action to permit full scale negotiations on trade, a dangerous retreat to protectionism cannot be avoided. There is thus an acute sense of desperation underlying the calls by the European and Japanese for progress on trade.

In the case of Italy, the strain brought about by the oil cost increases has already led to a tax on imports. Japan, Canada, and the Common Market as a whole have similarly imposed new barriers to trade. How many other countries may be tempted to restrict imports while aggressively pushing exports so that they can offset the high deficits created by oil imports?

Perhaps the best illustration of the frailty of cooperation was the reaction of consuming countries to the oil crisis. While France and Japan immediately rushed to conclude bilateral deals with the Arabs, the United States initially proposed multilateral cooperation on oil. In advocating collective solutions to energy problems, Secretary Kissinger warned that:

> The world is threatened with "a vicious cycle of competition, autarchy, rivalry and depression such as led to the collapse of the world order in the thirties."

Nevertheless, only a few months later the United States joined the scramble to negotiate bilateral arrangements with the Arabs.

Panic in reaction to the oil crisis, as Fred H. Sanderson recently warned, represents a danger to our entire multilateral trading system. Sanderson said:

> If not stopped in time, it may lead to a relapse into the beggar-thy-neighbor policies of the 1930's: barter deals, competitive devaluations, trade and exchange restrictions, export subsidies in various disguises—all in a desperate effort to balance the books on oil.

Last December I proposed a series of amendments to the Trade Reform Act. The amendments are designed to broaden the focus of the GATT negotiations to deal with the threat posed by the oil crisis. These amendments would direct the President to seek to negotiate new rules within GATT governing access to supplies of critical raw materials. Under such rules both producing and consuming countries would be bound by a code of fair conduct, and they would be subject to multilateral sanctions if the rules were violated.

Economic nationalism may offer countries short-term solutions to rising oil costs and to the attendant problems of inflation and payments deficits. But over the long term the inevitable result of such a course would be a contraction in trade and disaster for every industrialized country that depends on world markets for its products.

If strong and stable governments were in office in the Western democracies, the possibility would be greater that regimes could survive protectionist sentiment. But with either newly elected leaders or governments seriously weakened by recent events, it is more likely they cannot.

Time is running out. If this year ends without approval of a trade bill by the Congress, conditions will be ripe for the collapse of cooperative efforts for countries to deal with worldwide economic problems.

At stake is more than the question of import restrictions or accelerating use of subsidies to export unemployment or export controls to other countries.

The future of the Atlantic Alliance and the survival of democracy itself depend upon the maintenance of a stable and growing world economy.

In the 1930's the Congress was confronted with an economic crisis of a similar magnitude. Congress failed to act responsibly and has ever since borne the blame for a good part of the misery and hardship of the Great Depression.

Now in the 1970's our friends abroad and the American people at home are waiting for the Congress to act. We must take the initiative and pass a trade bill that will give our negotiators the tools they need to avoid any repetition of that global disaster.

AMERICA'S INTERNATIONAL AIRLINES IN TROUBLE

Mr. MATHIAS. Mr. President, for some time now, the Congress has been debating the question of the Nation's railroads. We all agree that the solution will prove costly. The Government is being forced to assume responsibilities that are unprecedented in the railroad industry. I have been concerned for some time that a similar future lies ahead for our airlines. This is particularly true of the international airlines. They face an immediate crisis which can only be resolved by the cooperative efforts of Government and private industry.

The Wall Street Journal of July 18, 1974, provided a most provocative review of this problem. I hope the Congress and the agencies involved can act expeditiously to provide needed relief to the international carriers. If we fail to do so at this point, our efforts will have to be much greater in the future. I ask unanimous consent that the "Review & Outlook" column entitled "Red Ink Over the Atlantic", be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 18, 1974]

RED INK OVER THE ATLANTIC

Good News from Trans World Airlines. It won't lose $100 million on its international air services this year as previously forecast. It will lose only $60 million to $70 million. So says TWA chairman Charles Tillinghast Jr., who is asking the government to give him $75 million to $80 million to compensate for the increased cost of jet fuel. Pan American World Airways asks a 12-month subsidy of $194 million.

Naturally the government doesn't want to give the flag carriers money, even on the "temporary basis" they propose. Nor do we. But from their vantage point, it must seem equitable. After all, while the government doesn't own the airlines, it has a great deal to do with running them. They can't fly where they want without the approval of the Civil Aeronautics Board, which must also approve rates for passengers and cargo. They can't since November, charge discount youth fares as a way of building up their meager load factors, because the CAB says doing so is discriminatory.

At the same time, the U.S. flag carriers have to contend with foreign governments. Most of their competitors are substantially or entirely owned by governments, which are prepared to absorb perpetual losses in order to keep flying. In a free market, the almost 300% increase in jet fuel prices since October would have wiped out many of Pan Am's and TWA's competitors; even with increased fares and reduced demand, the U.S. carriers' market shares and load factors would have jumped enough to keep them healthy. But with their government-owned competitors determined to fly at all costs, capacity on the Atlantic route stays up, the loads stay down, and the U.S. flag carriers may be forced out of the business or at least into marriage.

Which leads to the question of whether it is in the national interest to maintain the U.S. flag carriers in their present form. Assuming for the moment that the answer to this is positive, the next question is what form the government aid should take. The airlines contend that only direct subsidies will give them the immediate relief they need, but they have also presented a lengthy shopping list of things the government can do to improve their survivability. For the most part these involve changes in various fare and rate regulations, granting of new routes and restricting authority for certain foreign airlines, cracking down on kickbacks and ticket rebating by foreign airlines and setting charter-rate floors.

The airlines also point out quite accurately that the U.S. government gives their foreign competitors financial assistance that they are denied. The Export-Import Bank subsidizes sale of American-made aircraft to foreign carriers. The U.S. Postal Service pays higher rates to foreign carriers to handle mail than it does to the U.S. carriers. Pan Am says its revenue would increase by $40 million if it got the higher rates. The remedy here is simple enough: The Ex-Im Bank should halt its subsidies; the Postal Service should pay one rate.

Direct subsidies should not even be considered in the context of maintaining the U.S. flag carriers in their present form. As long as the economic pressure is there, it should not be relieved until the carriers themselves have taken every step short of bankruptcy to reduce the red ink, including elimination of unprofitable services and restructuring management. While we readily agree that most of the financial problems Pan Am and TWA are having result from government actions at home and abroad, some of their trouble surely can be laid to a stubborn refusal to change.

The fundamental problem, though, cannot be treated with either Band-aids applied by Washington or self-help by Pan Am and TWA. There are just too many heavily subsidized carriers splitting up the market and no way of shaking them out as long as governments insist on throwing resources away on them. The most abusive subsidy is the international airport and airway user charge, whereby some foreign governments collect steep fees from Pan Am, TWA and other airlines, then through swift bookkeeping turn the bonanza over to its airline.

If this were an issue involving goods, rather than services, U.S. trade negotiators would be able to make a stink and conceivably draw up agreements to limit the kinds of subsidy involved. With rules, governments of the most competitive flag carriers, those both publicly and privately owned, would have grounds to cull the least efficient from their markets.

For the long-term treatment of the problem, there's no reason why this shouldn't be done. To start the process, the Nixon administration should move the issue out of the Transportation Department, where it is being treated as a domestic problem, back to the Council on International Economic Policy. Until the problem is taken away from transportation ministries around the world and treated by the folks who have to pay the bills, the finance ministries, no carriers will be able to fly the Atlantic in the black.

NUTRITION CONCERNS

Mr. McGOVERN. Mr. President, I would like to commend the chairman of the Appropriations Subcommittee on Agriculture, Environmental and Consumer Protection, Mr. McGEE of Wyoming, for his leadership in the area of nutrition. The content of this year's budget recommendation reflect his understanding of this vitally important area, and I endorse them.

There are a few points of clarification I would like to make about the commodity distribution program as it applies to the school lunch, supplemental food programs, and institutional feeding.

Congress, in passing recent legislation designed to furnish commodities to various child nutrition programs, stressed that commodities shall be provided "at traditional levels." This phrase means traditional varieties in their traditional quantities.

This means, for example, that if schools and institutions received 300 million pounds of donated flour last year, they should receive the same amount this year. Congress did not intend to alter the traditional ratio in quantities that has existed in the past. This applies to all food types used in fiscal year 1973. In no case should any traditionally donated food type, such as flour, be eliminated from the program.

Furthermore, Congress did not intend to limit participation in the supplemental food program in any way. The law clearly means that the Department of Agriculture has a positive mandate to overcome any obstacles which would prevent continuation of any supplemental food program, regardless of its size and location. If a program is small, or in a rural area, or both, no shipping or boxcar arrangements are to be made which would make their participation more difficult than the larger supplemental programs, or in any way deter their participation. All supplemental food programs shall receive the full supplemental food package as described in the Department's regulations. Also, as part of maintaining the level of commodity assistance traditional techniques such as redonation of commodities shall be employed.

Finally, I would like to note that recent legislation absolutely mandates an expenditure of $100 million in fiscal year 1975 for the special supplemental food program, known as WIC—women, infants, and children. In addition, any unspent funds from fiscal year 1974 shall be carried over and spent in fiscal year 1975. In short, the Department of Agriculture has an affirmative obligation to spend at least $100 million on WIC in 1975. These funds are available in section 32, and shall either be taken from that fund or directly appropriated. If they are taken from section 32, they shall later be replaced, as the law states, from a supplemental appropriation.

This matter has risen as a result of conversation with many Senators, in particular Senator MAGNUSON of Washington, who expressed his deep concern and stressed the absolute importance of spending WIC money in the manner I have outlined above.

Once again, Mr. President, I would like to thank Senator McGEE for his efforts in this area, and applaud his leadership.

JAMES MADISON MEMORIAL BUILDING

Mr. METCALF. Mr. President, for the last several months I have watched with interest and pride the progress being made on the new Library of Congress James Madison Memorial Building on First and Independence Avenue. It was therefore with some surprise that I read an Associated Press dispatch that indicated a move was underway in the other body to take action to use the Madison Building for general office building purposes. Subsequently, I have seen copies of a petition signed by many of my friends in the House advocating use of part of the Madison Memorial Building for office space. I would like to remind my colleagues that legislation authorizing construction of this new Library of Congress Building states that—

> Nothing contained in the Act . . . shall be construed to authorize the use of the third Library of Congress Building . . . for general office building purposes.

One of the more distressing items in the Associated Press article was a quote that expanded office space is far more important than the storage of books. I do not question the need for office space for Capitol Hill employees, but I know a majority of Members of Congress do not look upon the Library of Congress as a massive warehouse for books.

As chairman of the Joint Committee on Congressional Operations, I am very much aware of the need of the Congress for accurate, concise information. Under the Legislative Reorganization Act of 1970, the Congressional Research Service was given a mandate to expand its research and reference services to the Congress. CRS has made considerable progress in expanding its programs to make it possible to give Members and committees of Congress sophisticated, timely information. This would not be possible were it not for the books that are "stored" in the Library of Congress. The recently enacted bill for budget control puts further responsibility on the Library of Congress and its information service.

The Library of Congress acute need for additional space for staff and collections has been well documented in the Congress over the last decade and wisely the Congress made provision for a living memorial to James Madison to serve as a Library building.

Congress has many reasons to take pride in the dedication and patriotism of its Members, its staff, and the legislative agencies—the General Accounting Office, the Government Printing Office, and the Library of Congress. It is doubtful that the Congress assembled in 1800 conceived that their resolution providing for the final move of the Government to Washington and appropriating $5,000 for the purchase of books necessary for the Congress, and fitting up a suitable apartment for them, in effect established what would be the finest library in the world.

It was during congressional debate on the purchase of the Thomas Jefferson Library that the notion of a national library was articulated. Throughout the 19th century, Congress, with a vision seldom recognized by the general public, sowed the seeds for a truly national library. This included the acquisition of the Smithsonian "Deposit"—a collection of scientific books from all over the world; the purchase of the Peter Force collection of Americana; the passage of a copyright law in 1865 providing for legal deposit in the Library of Congress of books and other library materials and, in 1870, placing the administration of the copyright law in the Library itself; the international exchange resolution providing for receipt of foreign public documents; Congress extension of the use of its Library to the public; the authorization and appropriation of funds for a Library building—now the main building; and finally, in 1887, enabling legislation providing for the appointment of a Librarian of Congress, by the President with the advice and consent of the Senate, who would make rules and regulations for the operation of the Library, and appoint persons to the staff solely with reference to their fitness for the particular position.

Today, Congress' Library is no doubt the leading library in the world, respected by governments throughout the world. Its collection of Americana, including the personal papers of 23 Presidents, priceless collections of original manuscripts of other prominent Americans in many fields, prints, photographs, motion pictures, music, and rare books. The nonbook material will be housed in the Madison Building in specially designed areas using the latest in preservation and security techniques.

The Library of Congress is an alive, active institution providing testimony to the foresight and wisdom of the Congress. I am constantly amazed by the aggregate talent of its staff. We, of course, are most familiar with the experts in the Congressional Research Service, but the other departments in the Library have some of the leading specialists in technical processing, area studies, automation, preservation of library materials, and reading service for the blind and physically handicapped. Every library in this country is dependent upon the services of the Library of Congress and looks to it for leadership in innovative programs to speed up and improve the transfer of information—one of the most important commodities of a democratic society.

It is no surprise to any of us that citizens are cynical about the Federal Government. Any move to take over the Madison Building for congressional office purposes would add to this cynicism. The imposing structure designated as the Library of Congress James Madison Memorial Building stands as a monument to our free society. As we look back over our 200-year history, we can be proud of our cultural heritage—much of which is preserved for the Nation in the Library of Congress. But shame would be our lot should Congress not give adequate quarters to its great Library. We cannot escape our responsibility to the Nation to see that the irreplaceable collections of the Library of Congress are properly housed, that scholars coming to Washington are able to adequately use the Library of Congress collections, and that the staff has space in which to render the services we all demand. The need is immediate in that crowding in the Library has caused books to be piled on the floor and collections to be dispersed throughout Washington, Maryland, and Virginia. This is a deplorable situation not only because of the inefficiency it creates, but because of potential danger to Library materials, to say nothing of more than $3 million that must now be expended annually on rental space.

I trust that my colleagues in the Congress will take all steps necessary to prevent any action which would delay occupancy of the James Madison Memorial Building by the Library of Congress.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the horrors unveiled at Nuremberg brought genocide, the most ghastly of human crimes, to the forefront of public attention, both in the United States and throughout the world. The International Convention on the Prevention and Punishment of the Crime of Genocide, the immediate product of that attention, has been the object of many extensive studies since it was first adopted by the General Assembly of the United Nations in 1948. Significantly, the overwhelming majority of the studies and reports that have been made on the convention have urged its ratification. To date more than 75 nations—but not the United States—have adopted the convention.

At the first set of Senate Foreign Relations Committee hearings on the accord, held in 1950, representatives of groups claiming more than 100 million members in the United States testified in support of ratification. In 1970 and 1971 officials from the Departments of State and Justice joined the ad hoc Committee on Human Rights and Genocide Treaties—representing 53 diverse domestic groups—and several other organizations in backing the convention at new Senate hearings. Over the 25 years since the convention was first drafted the American Bar Association has been the only major body opposing ratification. And the bar has been deeply divided on this issue; the vote in the House of Delegates has been very close, and numerous subgroups in that organization, such as the section of individual rights and responsibilities and the section of international and comparative law, have supported adoption of the convention.

Of course, the convention should be ratified or rejected on its fundamental merits, not on the numbers or the vehemence of its supporters or opponents. But the studies and debates that have focused on the convention have laid to rest every principal objection to ratification. It is time that we heed the wisdom revealed in these decades of discussion. We must recognize our moral duty as leaders of a free society dedicated to careful discussion and forthright action. We must ratify the International Convention on the Prevention and Punishment of the Crime of Genocide.

INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, the subject of cooperation with our allies in the development of military hardware is one which I have addressed on numerous occasions in the past. This continues to be an area of great promise for saving substantial amounts of money by avoiding unnecessary duplication in research and development. This is a view which is shared by the Department of Defense, by defense industry, and by our NATO allies. The benefit to U.S. industry and to our labor force derives from the licensing of foreign developments for production in our country. The avoidance of unnecessary duplication of research and development works to the benefit of all parties involved and conserves our critical research and development resources for use in the pursuit of other high priority programs.

The other day I came across an article in the July 1974 issue of Government Executive magazine written by former Senator Charles E. Goodell in the interest of stimulating greater cooperation with our allies in the development and production of advanced military equipment. In addition to a comprehensive treatment of this subject, the article makes reference to an Army regulation which takes the lead in the Department of Defense in implementing the policy of cooperation with our allies in sharing technology. I request unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. Mr. President, on July 26, 1974, I addressed a letter to the Secretary of Defense which refers to the Army regulation and questions the plans of the Department of Defense to broaden the application of this policy to the Air Force and Navy so that the full benefits of cooperation may be instilled in the minds of program managers throughout the Department of Defense. I ask unanimous consent to have a copy of my letter printed in the RECORD at this point in my remarks.

I will continue to pursue this principle vigorously and will report to my colleagues from time to time as significant developments occur.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 26, 1974.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: The July, 1974, issue of the Government Executive magazine, on Page 32, carries an article by former Senator Charles E. Goodell covering Army participation in international cooperative research and development. This article is impressive and supports my interest in furthering greater cooperation with our allies. The article makes reference to an Army regulation, AR70-41, which establishes a procedure within the Army which requires the full consideration of foreign military developments as candidates for Army weapon system requirements. It is my understanding that the Army has taken the lead in this regard but that neither the Air Force nor the Navy has published similar directives. Moreover, the Department of Defense has not published an overall directive which would establish this policy on a uniform basis throughout the Department of Defense.

I am convinced that it is in the interest of the United States to proceed in an expeditious manner in formalizing policy and directives within the Department of Defense on the subject of international cooperative research and development. This will provide substantial savings to all countries involved and minimize unwarranted duplication of research and development. These actions in no way imply that full consideration should not be given to equipment developed solely by U.S. industry but rather that considerations of cost, performance effectiveness, and time must be recognized on a case by case basis.

Will you please advise of the Department of Defense plans for promulgation of these various directives bearing on this subject.

Sincerely,

THOMAS J. MCINTYRE,
U.S. Senator.

EXHIBIT 1

ARMY LEADS IN INTERNATIONAL BUYING

(By Charles E. Goodell)

Since World War II the United States has been cautiously feeling its way toward full cooperation with friendly nations in the sharing of technology. To the credit of the Nixon Administration, this process has been accelerated substantially in recent years.

Now the U.S. Army has taken the lead in implementing the policy officially.

Army Regulation 70-41, which became effective March 1, 1974, requires that the Army remain "abreast of doctrinal and materiel research and development in friendly foreign nations." The information will be used in "influencing, planning, and executing Army research and development programs"

The Army official policy goes beyond the requirement of gathering information. It directs that "materiel proposed for or under development will be evaluated" to determine whether cooperative rsearch and development would be appropriate, and it assigns responsibility to specific Army offices.

The Army deserves credit for officially proclaiming a policy which is so obviously to the advantage of American taxpayers and American defense. It has been difficult over the years for Americans to recognize that in certain areas of specialized work, our foreign friends are far ahead of us.

In these instances, it makes no sense for the U.S. Government to spend hundreds of millions of dollars repeating research and development that has already been accomplished and is available to us. The advantage is not only in dollars saved, but often in the availability of weapons systems earlier than would otherwise be the case.

This is not to say that foreign technology has been entirely neglected by the U.S. military. On an ad hoc basis there has been a steadily increasing utilization of foreign technology by the U.S. military.

European technology was instrumental in allowing Navy carrier strike forces to extend their military usefulness into the jet area. It is well known that without British developments such as the angled deck, steam catapult and mirrored landing system, Navy carrier aviation would not have developed as quickly and as economically to accommodate modern high-performance combat aircraft.

Similarly, the modern U.S. Army anti-tank weapon system known as *TOW* finds its origins in the early 1960s when the U.S. Army procured the SS 10 wire-guided missile-system developed by the French. More recently, after ten years and hundreds of millions of dollars of research and development expenditures by the DOD, it was our British allies who produced a workable vertical-take-off combat aircraft known as the Harrier. This aircraft has been introduced into the U.S. Marine Corps; and with the Harrier as a basis, the U.S. is now developing an advanced version with greater performance capabilities.

EUROPEAN TECHNOLOGY

U.S. use of European technology is not a new idea. Before World War II, as a matter of routine and in both military and civilian areas, the U.S. adopted innovative technology developed in Europe. The major U.S. contribution was our management genius, which enabled us to take creative technology and organize the massive resources required to produce the equipment at low cost and with high quality.

In spite of the overwhelmingly persuasive case for utilizing the technical advances of our friends, there are still many obstacles to be overcome. The military understandably is reluctant to admit that other countries are ahead of the U.S. in any way, except when it comes time to justify increased appropriations. In addition, the old saw is always brought out that we must "Buy American" and avoid sending American jobs abroad.

The truth is that the usual procedure is for a U.S. company to acquire a license to produce the product in the U.S. This creates American jobs and enhances American prosperity. In many cases, the American-produced product can be sold overseas, thus improving our balance of payments.

Although U.S. military requirements have intermittently demanded the utilization of advanced foreign technology, the military has until recently only edged slowly toward an open policy of cooperation. AR 70-41 represents potentially one of the most significant advances of military research and development in recent years.

It should be noted that American industry has, on its own, recognized and exploited the tremendous potential of picking our friends' brains. There are countless examples.

Item: In 1970, Thomson-CFS of France and General Dynamics entered an agreement under which General Dynamics could utilize, for the U.S. market, Thomson's designs for surveillance radar and medium-range approach radar. In 1973 the FAA awarded General Dynamics a contract for 37 airport surveillance radar systems based on the Thomson designs.

Under the industrial agreement, Thomson is designing the equipment and supplying prototypes. The production equipment will be produced in the U.S. by General Dynamics. The French technology enabled General Dynamics to offer to the FAA equipment with higher performance, but at lower cost, than equipment available from companies working without foreign assistance. In some areas, the Thomson/General Dynamics equipment exceeds the FAA's stated requirements.

INSTRUMENT LANDING SYSTEMS

In another instance, the FAA and the Air Force procured 135 instrument landing systems developed by Thomson and licensed to Texas Instruments. This was the world's first instrument landing system to be completely solid-state. It has greater reliability and stability than the systems previously used.

Item: French, Norwegian and British technologies for the construction of sophisticated tankers to transport liquefied natural gas (LNG) are enabling U.S. shipyards and American ocean carriers to participate in the transportation of this fuel. The benefits in increased jobs and the international balance of payments will probably overshadow the improvement in energy supply.

One large U.S. shipyard, about to shut down, obtained an order for three LNG tankers costing $90 million each. This created 3,500 new jobs at the Quincy shipyard of General Dynamics for the next three to five years.

The U.S. shipbuilders which have been licensed to use foreign-developed technology can be expected to build half of the 80 to 90 LNG tankers required for U.S. imports through 1985. In addition, because of improved U.S. shipbuilding efficiency and recent devaluations of the dollar, American shipyards may soon become price-competitive in the world market for LNG ships.

Given time, the U.S. might have developed its own LNG technology. However, foreign companies had a ten-year lead. Without the ready availability of the foreign technology under license arrangements, U.S. shipbuilders would have lost one of the brightest opportunities they have ever had.

Item: Because of the availability of foreign aerospace technology, a major U.S. aircraft engine manufacturer will be able to compete in the world market during the 1970s by offering the most advanced engine available for short-range commercial aircraft.

The engine is the CFM-56, which the French company SNECMA and the U.S. company General Electric are developing in a joint program approved by the U.S. and French governments. Because of high development costs, it is unlikely that U.S. industry working alone could have developed such an engine before the 1980s.

General Electric is contributing advanced core technology to the CFM-56 program. SNECMA is contributing unique trans-sonic compressor technology that constitutes a significant advance in the state of the art.

The GE/SNECMA team expects to meet stringent noise standards, largely because of work SNECMA had already done with respect to low-noise fans. The use of SNECMA's technology in conjunction with that of GE also will produce an engine that, in addition to being cleaner and quieter, will contribute to energy conservation because of a remarkably low fuel consumption.

Item: On a subway car or other self-propelled rail car, the "truck" is the assembly which includes the wheels, axles, propulsion motors, gears and brakes. In North America, rail transit trucks traditionally have had two motors—one for each axle of the truck. A mono-motor truck has only one motor; that is, a single motor drives both axles and all four wheels of the truck. Mono-motor trucks offer significant and proven advantages over bi-motor trucks and are used extensively in Europe.

The ability to design a successful mono-motor truck is not a trivial skill. No U.S. firm has yet demonstrated it. The Light Rail Vehicles to be produced for Boston and San Francisco will be the first U.S. cars with mono-motor trucks, and those trucks will be designed in Japan. Westinghouse has a license to manufacture mono-motor trucks developed by Societe MTE, one of the leading manufacturers of transportation equipment in France; and Westinghouse expects to acquire MTE's design capability.

Item: MTE also has developed a device for rapid transit (subway) cars which allows them to generate energy as they slow down for station stops. This development is known as regenerative braking since the car's propulsion motors generate power at the same time that they are decelerating the car.

REGENERATIVE BRAKING

A rapid transit train accelerates to a high speed as it leaves a station, cruises at that speed until it reaches the next station, and then brake to stop at the station. Regenerative braking makes use of the energy which otherwise would be simply wasted during braking and dissipated as heat.

Renegerative braking has two important advantages. In a rapid transit system such as New York City's, it could result in a total energy saving of 10 to 20%. This is significant since the rapid transit system in New York uses 11% of all the electricity generated for that city.

The second advantage is the reduction of heat in subway tunnels and stations. With regenerative braking, subway stations can be air-conditioned.

Item: In the United Kingdom, British Leyland has developed a bus which is generally regarded as the most advanced urban transit bus in production in the world today. The bus, called the Leyland National, is being marketed in the United Kingdom and in several other areas of the world.

Item: A development considerably more advanced in Europe than in the United States is communication of localized traffic and emergency information to drivers via their car radios. Verbal messages temporarily—and automatically—interrupt programs on the radio and briefly transmit a traffic message. As we all know from experience, the existing traffic sign system has grave limitations as a communications medium, especially when rapidly changing conditions indicte a need to provide special information and guidance to drivers.

SHORTSIGHTEDNESS

The Federal Highway Administration recently began a research and development program to develop low-cost, add-on devices for radios, but more advanced work in Europe has already resulted in highly successful road tests under auspices of the national highway patrol authority. The European method appears to be superior technically and economically, but the Federal Highway Administration has gone its own route, starting anew, on the basis that most U.S. automobiles have only AM radios whereas the European system utilizes FM transmissions.

I believe this approach is short-sighted. "All channel" legislation now pending in both houses of the Congress would require that car radios have both AM and FM capability. This legislation is strongly supported by the Federal Communications Commission and most other knowledgeable organizations. It seems to have a good chance of passage this year.

These illustrations demonstrate the tremendous advantage to U.S. industry, and to the U.S. Government, in developing a high degree of cooperation with foreign companies and foreign governments. Obviously this is not a one-way street. There are many ways in which our friends abroad can, and have, utilized the tremendous advances generated by the American free enterprise system and U.S. Government research and development.

The interlocking of industrial technologies between foreign and American companies has significance far beyond the direct benefits to those involved. Cooperation at the industrial base enhances coperation at all levels. As economic and developmental realities lock us in with our friends to our mutual advantage, political cooperation inevitably tends to follow.

The few examples given here indicate that there is a tremendous potential for utilizing foreign technologies in solving many of our urban and other domestic problems.

A few years ago, officials of the Department of Housing and Urban Development allocated $4–6 million for the development of a vacuum system for solid waste disposal. Almost by accident, news of the allocation reached someone in the department who happened to know that such a system was operational in Sweden. He identified the opportunity.

A team of engineers was dispatched to take a look. For a mere $4,800—transportation and expenses for the three engineers—the technology was brought to the U.S. under a bilateral agreement with Sweden. The Swedish system is now operational at HUD's Operation Breakthrough project in New Jersey. This for only a few thousand dollars, rather than four or six million and perhaps much more.

The important element is that the adoption of the Swedish waste disposal system came about by chance. Few agencies of the government have systematic means of determining what might be available abroad. Too often, the government tends to operate as if no other nations experience the kind of problems which we have set out to solve.

HUD has a total domestic travel budget of $12 million a year—and a total foreign travel budget of $32,000, some of which goes unspent. In that kind of situation, it's no wonder that government decisionmakers are ignorant of the kinds of technology which may be available abroad.

Now that the Army has taken the lead in proclaiming an official policy of utilizing foreign technology whenever appropriate, is it not time for the Air Force and the Navy to follow suit? Should it not be made general policy in the Pentagon? Equally important, is it not time for HUD, DOT and and other civilian agencies to adopt the same kind of policy? To their credit, they have been moving in this direction on a few specific programs.

Would it be possible to issue a directive that no civilian expenditures for research and development can be made without a review of international availability? At least, a major effort should be made to canvas thoroughly the relevant developments overseas that might be unavailable in the U.S.

It is time that the U.S. dropped its chauvinistic attitude that we have done better than our friends in everything. Even conceding that the power, the innovative genius, and the experience of American industry could accomplish any given objective quicker and better than our competitors abroad, it should be obvious that even the United States cannot do *everything* at once.

By sometimes concentrating in areas that, for whatever reason have, been of lower priority, in the U.S., our friends abroad have developed much that we can use. We should do so.

TRIBUTE TO ERNEST GRUENING

Mr. McGOVERN. Mr. President, some of the most pleasurable, interesting and meaningful moments and hours of my life have been those I spent with the late Senator Ernest Gruening. I was one of his greatest admirers and I shall remain in awe of his many worthwhile accomplishments.

Ernest Gruening was a man of many hats and he wore them all well. One of the numerous professions he successfully pursued during his busy lifetime was that of a journalist. In 1921, he joined the staff of the Nation as its managing editor and his contribution to that magazine was an extraordinary one.

In an article in its July 20 issue, the Nation pays tribute to its longtime friend Ernest Gruening, and I think it is something that all of us who loved and admired this remarkable man would want to read. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ERNEST GRUENING

The persona never engulfed the self with Ernest Gruening. The public citizen and the private person were one and the same; he was always of one piece. He had an enormous zest for life and made it a practice never to be bored. His splendid autobiography is appropriately titled *Many Battles*, and it is clear that he enjoyed all of them. He was an intellectual—educated in private schools here and in Europe, Harvard College (Bachelor of Arts in science, 1907), and the Harvard Medical School, 1912 (although he never practiced)—who loved the rough-and-tumble of politics and the challenge and excitement of journalism. In Boston he worked on the *American*, the *Herald*, served as editor of the *Traveler* (at age 27), and later moved to the *Journal* as managing editor. He was business manager, for a time, of *La Prensa*, in New York. He helped found and for five years edited the Portland (Maine) *Evening News*. He was, briefly, managing editor of the New York *Tribune* and New York *Evening Post*, but left both papers for reasons that did him credit.

"For most of his adult life Gruening was identified, in one way or another, and at different times, with *The Nation*. He joined the staff on May 15, 1921, as managing editor—*The Nation* of Villard, Kirchwey, Gannett, Lewisohn and the Van Dorens—and played a key role in the manazine's fourteen-year campaign to end the occupation of Haiti. In fact it was at *The Nation* that he first became interested in foreign policy when he campaigned against "gunboat diplomacy." He became one of the first American journalists to take an in-depth view of the Caribbean, Mexico and South America. He wrote what has been described as "the best book written by a non-Mexican" about Mexico, for which, years later, he received the Order of the Aztec Eagle. Roosevelt wisely tapped his expert first-hand knowledge and he became one of the architects of the Good Neighbor Policy, serving as adviser to the American delegation at the Montevideo Conference of 1933.

After his years in Portland, he again joined the staff of *The Nation* in 1932, this time as editor, and directed some of the magazine's more successful and important campaigns of the period, including the campaign to elect LaGuardia as Mayor of New York.

But after a time he left to become the first director of the newly created Division of Territories and Island Possessions and also administrator of the Puerto Rican Reconstruction Administration. He also served, of course, for nearly fourteen years as territorial governor of Alaska, and, more than any one person, was responsible for the successful drive to acquire statehood first for Alaska and then for Hawaii.

In two terms as Senator from Alaska, he was in the thick of every good fight and gave as good as he got in each of them. On October 7, 1963, he delivered his first major speech critical of America's role in Vietnam and on March 10, 1964, demanded the withdrawal of U.S. troops. He cast one of the two Senate votes against the Gulf of Tonkin Resolution, the other being cast by Wayne Morse. For these services *The Nation* set in motion the process by which a group of his colleagues later nominated him for the Nobel Peace Prize, which he richly deserved but did not receive. In February 1967, he participated in *The Nation*'s conference in Los Angeles which gave definite momentum to political opposition to the war. At that conference, Senators McCarthy, Hatfield, McGovern and Gruening all spoke against the war, as did Martin Luther King, Jr.—his first public speech against further American involvement in Vietnam. Another participant at the conference, Eugene McCarthy, made history the next year when he entered the Democratic primary in New Hampshire, and four years later George McGovern carried on the same fight with the active support of Ernest Gruening.

In 1968, after Gruening was defeated for re-election to the Senate his name was promptly added to our masthead as Editorial Associate and, let it be noted, he took the designation seriously. From Washington—or wherever he was at the moment—came a steady drumbeat of suggestions for articles and editorials, nor did he hesitate to offer criticism when he thought it was needed. As he was dying in a hospital in Washington, he was preoccupied with impeachment and worried about the outcome. In his view, the President should be impeached for high crimes and misdemeanors, thrown out of office, then prosecuted as a citizen, convicted again and put in jail as a demonstration that American justice still lives. The postscript in *Many Battles* is a classic indictment of Richard Nixon; no better statement of the case for impeachment has been or will be issued.

Ernest Gruening was a man of culture. He had wit and humor. He possessed a wide range of knowledge in many fields and few Americans of his generation had a richer or more varied experience in public affairs. He liked people and loved life. He was a man of impeccable honor and integrity, indomitable spirit and extraordinary moral courage. No one had a more acute sense of when the slightest compromise on an issue of principle could be fatal; he never made the mistake of letting that moment slip by. He had tenderness and affection for those he loved. What he had to say in his autobiography about the tragic deaths of Ernest, Jr. and Peter Gruening suggests, in its simplicity and directness, the depth of his feeling for them; so do his frequent references to his wife, Dorothy.

At *The Nation* we knew Ernest Gruening as a delightful and valued colleague and an ever loyal and helpful friend. His life spanned nearly a century and he was, by any reckoning, one of the most remarkable Americans of his time. Removing his name from the masthead, as we do with this issue, is a painful rite. But the conscience of a magazine that has been around as long *The Nation* is necessarily made up of the dead as well as the living. No one familiar with the editorships of Godkin, Villard and Gruening would say that their influence ceased when their lives ended. The spirit of Ernest Gruening will remain very much a part of *The Nation's* heritage.—Carey McWilliams for the Publishers, Editors and staff of *The Nation.*

Here follow comments from men who knew, admired and indeed loved Ernest Gruening:

"Ernest Gruening personified truthfulness, honesty, integrity and courage throughout his public service. He has been warning us for the past many years that these attributes of good character have been lacking in many high places in all three branches of our government.

"He recognized and warned that if our government, through its policies, violates the moral and legal principles upon which our system of constitutional self-government was founded, American citizens, once they became convinced of such wrongdoing, would demand and obtain a return of their constitutional freedoms and rights. It was to this issue of honest government that Ernest Gruening dedicated much of his time for the past ten years.

"Ernest Gruening was a very effective political evangelist in the cause of peace through enforceable Rules of International Law. He did not oppose but supported adequate national defense. But he did oppose vigorously undeclared wars by our country or any other country, military balance-of-power diplomacy, military intervention into the internal affairs of other nations even though it is done under the diplomatic guise of a détente.

"He warned again and again that nuclear proliferation and the leaving of nuclear war-making power, in the name of national security and sovereignty, to a few nations without complete international enforcement control increases the danger of a nuclear arms race ending in a worldwide catastrophic nuclear war.

"History will record Ernest Gruening as being far ahead of his time. But above all else he will go down in history as a statesman in support of peace in our time through enforcement by world law.

"When historians in the years ahead finish their documented evaluations of the public service record of Ernest Gruening, he is certain to be ranked among the list of greatest champions of the nation's welfare ever to serve in the United States Senate."—Wayne Morse.

"My memory of Ernest Gruening will endure a lifetime. His many battles were of conscience and conviction, and the vision of the issue always became clear with time. He fought for his beliefs and he spoke his mind. He was a great man both for Alaska and the nation when we needed a great man."—Walter J. Hickel.

"Of all the men I have known in public life Ernest Gruening is the one whose life I most admire. He used to call me almost every morning, sometimes as early as 6:30 or 7:00, to tell me what I should do about this article or that editorial or chide me for not doing enough on this or that issue. He did this up until the end.

It was my privilege not only to serve with him in the U.S. Senate for a number of years but also to come to know him as a personal friend and to work with him very closely in the course of the 1972 campaign for the Presidency, and also during 1971 in the contest for the Democratic Presidential nomination.

"I always will think of Senator Gruening as a man who brought great passion and personal commitment and a healthy sense of moral outrage to the problems that faced our country.

"I arrived at the Doctors Hospital just a few minutes after Senator Gruening died, and Mrs. Gruening was still sitting there in the room with him. I stayed there and visited with her for about an hour in the presence of Senator Gruening, and we were talking without any tears at all about this marvelous life and the many things that he did.

Mrs. Gruening spent most of that time expressing her thanks and her gratitude and her joy that she had been permitted to share some sixty years with this remarkable man."—Sen. George McGovern.

"It is a measure of Ernest Gruening's greatness that in the last decade of a long and productive life, he undertook to use his intelligence and influence to take on not one, but two, of the most controversial public issues—the war in Vietnam and the problem of curbing rapid population growth. In both instances he had to contend with an administration led by his own party—and in both instances, when the time came for action, it was Gruening's position which was vindicated. Between 1965 and 1968, Senator Gruening conducted a remarkable set of thirty-two Senate hearings on "the population crisis" which elicited the views of 120 scientists, public officials, religious leaders and citizens. The record of these hearings—in 6,800 pages—was rich and diverse, ranging from detailed monographs on the prospects for population growth to Gruening's expert lecturing of indifferent John Gardner, then Secretary of Health, Education and Welfare, on the inadequacy of the department's program. When the hearings were completed, the issues of family planning and population had been defused politically and the inherent inability or unwillingness to act of the government's administrative bureaucracies had been exposed. The Gruening hearings thus laid the groundwork for positive legislation in 1967–70 on both the domestic and international aspects of the population issue.

"It was a classic example of legislative initiative and leadership, carried out by a virtuoso. Our nation and our world will sorely miss Ernest Gruening. They don't make them that way any more."—Frederick S. Jaffe, vice president, Planned Parenthood Federation of America and director Center for Family Planning Program Development.

"Back in 1929 when I was a senior at Hotchkiss, I read an article telling of the plight of a newspaper editor in Portland, Me., by the name of Ernest Gruening. In my innocence and arrogance I wrote him asking for a job, and to my amazement received an immediate answer saying that he would try me out. He said in his letter that he too had gone to Hotchkiss and couldn't imagine anybody there reading either *The Nation* or *The New Republic* or being interested enough to work on a Democratic paper in an archly conservative state.

"The Portland *Evening News* was my home for two summers and I learned more than I can ever acknowledge about journalism, the civil rights movement and trade unionism from Ernest, and also got to meet his wonderful sister Martha who was one of the founders of the NAACP. Although my life has been mainly concerned with music, it was Ernest Gruening as editor of *The Nation* who sent me to Alabama in February 1933 to cover the Scottsboro case, and it was through that experience that I was soon to join the board of the NAACP and work actively in the civil rights movement for the rest of my life.

"Last year I was present when Ernest and Wayne Morse got ACLU awards for being the two members of the U.S. Senate with the courage to oppose the Gulf of Tonkin Resolution in 1964. And in the spring of this year Ernest made his first trip to Hotchkiss since his graduation in 1903. At my class reunion last month I found that Ernest completely captivated not only the entire student body but most of the townsfolk as well. He was supposed to spend only an evening, but wound up staying three days.

"His humor and energy were unparalleled and he was certainly the nicest guy I ever worked for."—John Hammond.

THE SAGACIOUS SENATOR METZENBAUM

Mr. PROXMIRE. Mr. President, the Senator from Ohio (Mr. METZENBAUM) recently spoke words that have caused three great newspapers to editorialize on his sagacity.

The Senator from Ohio has looked down the road at the real meaning of higher world oil prices. His comparison of the profits of oil-rich Mideast countries to the world monetary reserves served to clearly demonstrate the economic upheaval in worldwide commerce.

Such exposition, as that used by the Senator from Ohio, is valuable for the country as a whole to view the big picture. There are times when we get lost in details.

Only by seeing that the oil-producing countries of the Middle East are in a position to move into such unprecedented wealth that they could buy control of some of our biggest industries can the American people view the enormity of the problem.

The distinguished Senator's ability in clarifying a complex issue cannot be praised too highly.

Mr. President, I ask unanimous consent that editorials from the Plain Dealer of Cleveland, the Washington Star-News, and the New York Times be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cleveland (Ohio) Plain Dealer, July 19, 1974]

OIL WEALTH THREATENS WORLD

Oil-exporting countries got a hammerlock on the rest of the world when they quadrupled the price of petroleum. Poor countries are being driven bankrupt. Advanced countries are being driven into deep deficit.

Meanwhile the oil-exporting countries are raking in immense amounts of money. It is estimated they will have $60 billion in excess funds each year. That gives them an awesome power. Power like that can explode in any direction.

Iran has begun to wield its new-found power in ways that make one uneasy. It has bought the most advanced weapons. It is acquiring nuclear power and know-how. Now Iran has purchased a 25% interest in the Krupp steel works in West Germany.

For the first time, a foreign owner will have a seat on the 18-man supervisory board of the House of Krupp, the industrial giant that produced Germany's munitions for World Wars I and II, and even for the Franco-Prussian War.

Iran's pouncing on West Germany is ominous. If oil wealth can bite off such a mouthful of Krupp, what U.S. corporations might be acquired by some overwealthy, underpopulated sheikhdom?

Sixty billion dollars is two-thirds of all the overseas investments of the United States, accumulated over the last 75 years. David Rockefeller, head of Chase Manhattan Bank, warns that the gigantic flow of money could cause "economic and political chaos."

What could those $60 billion buy? U.S. Sen. Howard M. Metzenbaum, D–O., listed 11 American corporations and the June 24 price of buying majority control of them. He said control could be acquired for less than $47 billion, and the list included American Telephone & Telegraph, Dow Chemical, General Motors, IBM, ITT, U.S. Steel and Xerox.

Another stunning statistic Metzenbaum furnished was the total of world monetary reserves: $186 billion. But if accumulated year by year, oil-exporting countries' reserves by 1980 could produce $400 billion.

It has become a more menacing economic world since oil-exporting countries got such a tight hold on their fellow nations. Suffering is afflicting the poor peoples as a by-product of oil price manipulation. Italy, Britain and Japan are in deep hot water because of their oil costs.

Oil-exporting countries must find wholesome ways to recycle their monstrous excess cash flows. It has been suggested, wisely, that some of this money go to the relief of poor nations in the early stages of development whose progress is threatened to be choked off by the high price of oil.

Unless these oil funds are rechanneled for universal benefit, the ultimate result will be chaos.

[From the Washington Star News, July 17, 1974]

SIMON IN THE MIDEAST

Treasury Secretary William Simon's talents as a diplomat are largely unknown. In most of his foreign contacts he presumably chooses his words more carefully than in the case of the shah of Iran, whom Simon is reported in a trade-publication interview to have referred to as "a nut." A previous tangle with the touchy shah, when Simon was energy czar, required an apology to the Iranian leader by President Nixon.

Iran happily is not on Simon's itinerary in his current mission to the Middle East, which includes Egypt, Israel, Saudi Arabia and Kuwait. The blunt-spoken Treasury chief, a former Wall Street bond expert, can perform a service by putting in realistic perspective the prospects for American economic involvement in that part of the world. President Nixon's summitry, conjuring visions of instant atomic power plants, may have left a fanciful picture of the immediate future.

Egypt is most in need of Western investment and technology, and of advice on creating conditions for bringing about large-scale development with the help of the non-Communist industrial countries. It is not simply a matter of agreements between governments, though these are necessary to clear the transfer of sensitive equipment and knowledge, and to provide credits and guaranties for investors. The climate has to be right, as well, for Western businesses operating on the profit system.

Simon made an initial pitch for further economic liberalization in Egypt, where an "open-door" policy has been declared to attract foreign investors. Few concrete deals have been concluded so far, in part because of ambiguities in a new investment law. Simon should be able to gain insight into how Egyptian officialdom is likely to treat American business in the future. Israel, with a Western economic orientation, poses no such problem.

With Saudi Arabia it is mostly a different matter of exploring ways of reinvesting that kingdom's excess oil billions in the West. The same is true with Kuwait. This is a subject that could produce sensitive reactions on our part, as witness the fear expressed by Senator Metzenbaum this week that Arab oil men using less than one year's accumulation of extra capital could buy controlling interest in 11 major American corporations (AT&T, Boeing, Dow, General Dynamics, General Motors, IBM, ITT, Lockheed, United Airlines, U.S. Steel and Xerox). Financial involvement of the oil states in the American economy, obviously, will soon be as pressing a question as our own investment in many foreign countries.

Long-term economic collaboration with the nations of the Middle East, however, depends on circumstances over which Simon and his counterparts in the other financial ministries have no control. This is the conclusion of an Arab-Israeli peace that will rule out repetitions of four destructive wars and major economic dislocations like two long closures of the Suez Canal and the Arab oil embargo.

[From the New York Times, July 20, 1974]

THE OIL MONEY

Ever since the quadrupling of oil prices after the October war in the Middle East last year and the piling up of tens of billions of dollars in liquid funds by the oil-exporting countries, a question hanging over the Western world has been what long-range investments the oil states would make with their "petrodollars." The first major deal has now been disclosed: the Government of Iran is buying a 25 per cent interest in Fried. Krupp Huettenwerke, the steelworks and engineering division of the Krupp enterprise in West Germany.

The deal dramatizes the impact of the shift of wealth and power to the Middle East, and the potential dangers that could result. Krupp acquired an unsavory reputation early in the century as Germany's greatest weapons producer. Since World War II, Krupp has never resumed weapons production; but Iran's acquisition of a heavy interest in Krupp arouses understandable apprehension.

The size of the Krupp deal—though the purchase price was not disclosed, it surely ran to hundreds of millions of dollars—and the probability that the enormous sums falling into oil producers' hands will lead to other even bigger deals should force the United States and other Western countries to develop a common policy toward business acquisitions by the Iranians, Arabs and other foreign governments. As Senator Metzenbaum of Ohio has pointed out, it would cost the oil states only about 75 per cent of their excess dollar earnings in a single year to acquire a controlling interest in eleven giant American corporations including A.T. & T., Boeing, General Motors, I.B.M., I.T.T., U.S. Steel and Xerox. The buildup of liquid investible funds, at a rate of $60 billion a year or more, will go on year after year, as long as oil prices stay where they are in relation to other world prices.

From an economic standpoint, the long-term investment of petrodollars in Western industry may be necessary to avoid imposing a contractionary squeeze on economies; it reduces the threat of financial chaos resulting from massive shifts of short-term funds. But from a political, social and national-security standpoint, foreign control over major industries in the West, especially by states with limited experience in world affairs and with driving national ambitions, gives obvious cause for concern.

While the oil-producing countries can be expected to make long-term investments in the United States, it would be desirable for Congress to set maximum limits and full disclosure requirements in advance of foreign acquisition of certain American industries, especially those critical to national security.

Control over foreign investment, however, cannot provide an entirely satisfactory answer. Achievement of economic equilibrium and avoidance of undue foreign political influence will require lower oil prices and a lessening of United States and other Western dependence on imported oil.

Concerted Western policies for conservation and energy research and development are the fundamental ways of responding to the danger of excessive transfer of economic and political power to the oil states.

VOTE ON MR. ROGER LEWIS, PRESIDENT, AMTRAK

Mr. CHILES. Mr. President, on July 18, 1974, the Senate confirmed by voice vote the nomination of Mr. Roger Lewis as a member of the Board of Directors of the National Railroad Passenger Corporation. While the fact of this vote may give the appearance of a routine confirmation with no opposition, I would suggest this is deceiving. Rather the nomination was acted upon with few Senators present because Mr. Lewis is a subject of no little controversy and there are a number of Senators, myself included, who question the wisdom of permitting Mr. Lewis to continue to function as President of Amtrak. This is not to say that Mr. Lewis would not have been confirmed on a rollcall vote, but I believe it would have been instructive for Mr. Lewis to witness how many members of this body are less than satisfied with Amtrak's performance and concomitantly its leadership.

The only real basis for evaluating a chief executive officer is on the performance of the organization which he or she heads. In this particular case the performance leaves much to be desired with no sign of substantial improvements in sight. This lack of even, steady but slow progress toward revitalizing rail passenger service is what disturbs me the most and leads me to the conclusion that a change in leadership may prove beneficial. I do not question that the task posed for Amtrak has been and will continue to be a difficult one. Rail passenger service had reached a low ebb when the National Railroad Passenger Corporation was created and Congress was not expecting miracles. However, with good organization and management I have seen a number of seemingly impossible tasks accomplished in this country and I quite frankly do not think Amtrak's challenge is totally insurmountable.

In fact, with the current energy situation there is a renewed interest in rail travel and the potential to build a long-term market for Amtrak service, should service ever achieve some level of adequacy. However, just one or two experiences with missed schedules, unheated or uncooled cars, equipment breakdowns, shabby furnishings, shortcomings in information, reservations, and on-board services, and people will be running back to their automobiles no matter what the price of gasoline.

In case one might be inclined to think that good rail service is simply an unreasonable expectation in this day and age, look to the experience of the Auto-Train Corp. which has done an outstanding job transporting passengers with their automobiles between Washington, D.C., and Florida. The only complaint from the public regarding this service is the difficulty in getting tickets for this popular mode of transportation.

Complaints regarding Amtrak are an entirely different matter. They continue unabated and in ever increasing volume. And yet from Amtrak, when there is a response at all, it is only the same litany of tired excuses that were being handed out 3 years ago. There is just no evidence of a hard-driving commitment to realizing the goal of modern rail passenger service. To give one example of the failure of initiative, the Florida Department of Transportation worked long and hard in the development of a proposal for turbotrain service between Orlando and Miami. The market potential is obvious and the State has provided a great deal of support for this project, including the authorization of State funds for its initiation in fiscal year 1974–75. And yet in its capital acquisition program for this year, Amtrak failed to even propose the purchase of the turbotrains required for the Florida run.

I am concerned over the future of rail passenger service if the present pattern continues. I think passenger trains have an important role to play in this Nation's transportation system but this will only come to pass with innovative and determined management. Management that is convinced of the future of rail passenger service and has the capability of assuring that future.

Mr. Lewis has been confirmed by the Senate as a member of the Board of Directors. However, I would strongly encourage that Board to most carefully review the record and most closely consider what it wants for the future before it decides who is capable of providing the leadership that has been so sorely lacking in the past.

COMMUNITY SERVICES IN NEW HAMPSHIRE

Mr. McINTYRE. Mr. President, I want to share with my colleagues my deep concern with the possible elimination of major community services to the poor in our country. That is why I am a cosponsor of the Economic Opportunity and Community Partnership Act of 1974 introduced earlier this week. This important legislation will extend for an additional 3 years the programs currently under the Economic Opportunity Act of 1974, authorizing direct funding to each locality to aid in its fight against poverty.

As a Senator from New Hampshire, I am deeply troubled with the problems within my own State. Earlier this year, the New Hampshire State Senate adopted a resolution which I want to share with you today. According to this resolution, "1 of every 11 people in New Hampshire lives in poverty—and over one-third of New Hampshire's elderly receive income below poverty levels." We must do all we can, Mr. President, to end poverty, by giving people a chance to help themselves, and by raising our senior citizens to the dignity they deserve. I urge my colleagues to support the Economic Opportunity and Community Partnership Act of 1974.

I ask unanimous consent that the full text of the New Hampshire Senate resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

State of New Hampshire Senate Resolution

Whereas, one of every eleven people in New Hampshire lives in poverty, according to U.S. census figures; and

Whereas, over one third of New Hampshire's elderly receive income below poverty levels; and

Whereas, there is ample evidence children of low-income families will remain in poverty; and

Whereas, it is estimated every low-income person costs the taxpayers $150,000 during his or her lifetime; and

Whereas, poverty cannot be eliminated by handing out money or surplus food but only by truly helping people to help themselves; and

Whereas, New Hampshire's locally-controlled Community Action Agencies have been an efficient and effective means of breaking the "cycle of poverty," as set forth in the booklet "Poverty in New Hampshire," written by a department of the Governor's Office;

Therefore, in the belief it is both fiscally sound and more humanitarian to attack the causes of poverty than merely to dole out welfare,

Be It Resolved, That the New Hampshire Senate respectfully urges Congress to enact, and the President to sign, an extension of the Economic Opportunity Act, with adequate funding, so that our State's Community Action Agencies may continue their work.

Be It Further Resolved, that copies of this resolution be sent by the Secretary of State to Senators Cotton and McIntyre, Congressmen Cleveland and Wyman, and President Richard Nixon.

SENATOR ABOUREZK APPOINTED TO POWERFUL BUDGET COMMITTEE

Mr. McGOVERN. Mr. President, last week I sent the following statement to the news media in South Dakota relative to the appointment of my junior colleague, Senator Abourezk, to the new Senate Committee on the Budget:

South Dakotans can take pride in the appointment of Senator James Abourezk to the new Senate Committee on the Federal Budget.

It is a great credit to Senator Abourezk that during his first term in the Senate, he has won the confidence of the leadership in being named to this important new Committee. This will give South Dakota a strong voice in determining future budget priorities.

Senator Abourezk was one of only two new members of the Senate to win this coveted assignment. I think all of us in South Dakota can take pride in this achievement.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If there is no further morning business, the period for the transaction of morning business is now closed.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 707, which the clerk will report by title.

The legislative clerk read as follows:

S. 707, a bill to establish a Council of Consumer Advisers in the executive office of the President, and so forth, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to amendment No. 1563 by the Senator from Ohio (Mr. Metzenbaum). The yeas and nays have been ordered on this amendment, but the agreement is that the vote will not occur prior to 3:30 this afternoon.

Mr. ERVIN. Mr. President, I rise for the purpose of speaking on this amendment and also upon the bill, S. 707.

This bill is an attack upon the private enterprise system which has made America the greatest nation economically that this Earth has ever known.

There is no better way to destroy the free enterprise system than to regulate it to death, and that is precisely what S. 707 undertakes to do.

In the ultimate analysis the demand for the enactment of S. 707 rests upon three premises: The first of these premises is that our bureaucratic system of government, which has developed and become so monstrous, does not function efficiently, and that the way to make our overgrown bureaucratic system work better is to add some more bureaucracy to it in the office of an administrator who is to be authorized to throw monkey wrenches at his own discretion into governmental machinery, and to harass those engaged in free enterprise by public pronouncements with respect to their goods and services.

The second premise which underlies demand for enactment of this legislation is that businessmen of America sit up all night to devise new ways to cheat and defraud the customers on whose good will they depend for their prosperity.

The third premise is that the American people are mentally incapable of managing their own affairs and must be placed under the bureaucratic guardianship of a consumer administrator. I think that it would be well at this time for us to consider what the free enterprise system is, because I believe that a realization of the free enterprise system and the fruits of the free enterprise system will be of material assistance to the Members of the Senate in reaching a correct decision in respect to S. 707.

What is free enterprise? The dictionary defines free enterprise as "an economic and political doctrine holding that a capitalist economy can regulate itself in a freely competitive market through the relationship of supply and demand with a minimum of governmental intervention and regulation."

Although this definition is accurate, I assign to free enterprise a simpler one. I prefer to call it economic freedom. I do this simply because it is a constituent part of freedom itself.

To value freedom aright, we must be mindful of what it cost. One of its foremost champions, Rudyard Kipling, had this to say about the cost of freedom in his stirring poem entitled "The Old Issue:"

> All we have of freedom, all we use or know—
> This our fathers bought for us long and long ago.
> Ancient Right unnoticed as the breath we draw—
> Leave to live by no man's leave, underneath the law.
> Lance and torch and tumult, steel and grey-goose wing,
> Wrenched it, inch and ell and all, slowly from the King.
> Till our fathers 'stablished, after bloody years,
> How our King is one with us, first among his peers.
> So they bought us freedom—not at little cost—
> Wherefore must we watch the King, lest our gain be lost.

Being an Englishman, Kipling referred to government as the king. To paraphrase his statement, I think that the American people and their representatives in the Senate and the House of Representatives had better watch Congress when Congress considers legislation such as that proposed in S. 707, which will destroy one of the very essentials of economic freedom and the free enterprise system.

Economic freedom constitutes a precious part of the heritage we received in trust for ourselves and our children and our children's children from all those men and women, great and small, whose blood, sweat, tears, and prayers made the America we know and love a living reality.

These men and women did not learn economics sitting at the feet of those who promise "abundance for all by robbing Selected Peter to pay Collective Paul."

They acquired their knowledge in the hard school of experience, which is the most dependable of teachers. As a consequence, they had the hardihood to accept the economic truths plainly visible to all human beings who possess both the capacity and the willingness to face reality.

They knew that earth yields nothing to man except the products of his own labor. They knew that Adam's curse is an unchanging and unchangeable law of life: "In the sweat of thy face shalt thou eat bread, til thou return unto the ground."

They knew that man has but one choice in respect to this immutable economic fact, and that such choice is simply this: Whether the bread which he must eat in the sweat of his face shall be the bread of freedom or the bread of bondage.

They knew this unalterable decree of the Creator of the universe: Free men cannot be induced to produce things of value unless they are permitted to retain a fair share of the fruits of their labor for themselves, their familiies, and the causes they hold dear.

They knew, moreover, that man can be free only if he is willing to accept responsibility for his own life.

As the consequence of these things, the valiant folk who made America realized not only that economic freedom is an absolutely necessary attribute of a free society, but also that it most effectively encourages men and women to be self-reliant and to produce goods and services in an abundance sufficient to enable such a society to enjoy the highest standards of living.

To these ends, they established the free enterprise system as the way of life in our land, and wrote into State and Federal constitutions rights to liberty and property to give the system the power to operate with success.

These constitutions secure to each American these rights: To travel when and where he pleases; to use his God-given faculties; to seek useful knowledge; to acquire, possess, use and dispose of property; to earn his livelihood by any lawful calling; to manufacture commodities or provide services; to buy and sell goods; to save and invest his earnings in any lawful undertaking; to enter into contracts for carrying out these activities with profit; and to do the other things essential to the orderly pursuit of happiness.

Let us examine the philosophic base of our free enterprise system.

A rather waggish, but somewhat truthful, commentator suggests that free enterprise rests on the desire of Americans to be men rather than mendicants. He says: "If you want Uncle Sam to take care of you, that's socialism; but if you want to take care of yourself, that's free enterprise."

The American free enterprise system is founded on these basic beliefs:

First, the needs of our people are best met by free men freely competing in a free market.

Second. The worth of our country depends on the worth of the individuals residing in it. Consequently, each individual owes to our country as well as to himself and his family the duty to develop and use his faculties and his talents.

Third. There are prerequisites to the performance of this duty. Since freedom means responsibility, the individual must accept responsibility for his own life; and since man is not born to be idle and work is indispensable to the growth of his spirit, he must have a worthwhile task to dignify his days. If he is to develop his abilities and use them with diligence in the performance of his task, he must receive a profitable return for his efforts and be allowed to retain a fair share of it for himself, his family, and the causes he holds dear.

Perhaps the best explanation as to why the free enterprise system works was given by one of the wisest of American philosophers, Ralph Waldo Emerson. He explains the nature of free enterprise in this statement:

> If a man has good corn, or wood, or boards, or pigs, to sell, or can make better chairs or knives, crucibles or church organs, than anybody else, you will find a broad hard-beaten road to his house, though it be in the woods.

The Gospel according to Matthew informs us that "The tree is known by his fruit."

When it is appraised by this test, American free enterprise manifests its superiority over all other economic systems. I cite a few facts which demonstrate this.

While it contains about 6 percent of the world's area and has only 6 percent of the world's population, the United States has 71 percent of the world's automobiles, 52 percent of the world's telephones, 44 percent of the world's radios, 30 percent of the world's railroads, and 66 percent of the world's life insurance.

Moreover, free enterprise enables the United States to enjoy a standard of living so much higher than that of other countries that it consumes 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, and 60 percent of its petroleum. Besides, the United States has more homeowning families than any other land.

To be sure, these are material things. Nevertheless, they constitute an outward sign of the inner grace of a nation, which grants to all economic, political, and religious freedom and thus affords to each the opportunity to become the master of his fate and the captain of his soul.

All Americans should cherish free enterprise and endeavor to preserve it. Unhappily, some do not.

Some exalt government above the freedom of the individual, and for that reason would like to have all substantial economic activities controlled by government. Despite their good intentions to the contrary, others would cripple free enterprise by subjecting it to excessive governmental intervention and regulation, or by substituting political planning for individual initiative and supervision.

Existing tax laws confiscate inordinate proportions of the earnings of individuals and in that way threaten the destruction of their incentive to produce.

In addition, far too many disbursements are being made under employment security and welfare laws to drones who are simply too lazy to work and who look to the taxpayers for bread and circuses.

These things imperil free enterprise. The thing which imperils free enterprise the most is the demand that it be subjected to excessive governmental intervention and regulation, which is exactly what S. 707 would do to the American free enterprise system.

Those of us who esteem it the world's best economic system cannot take its continuance for granted merely because the rights to liberty and property which make it workable are embodied in our constitutions.

Unfortunately, constitutions are not self-executing and cannot save freedom unless love for freedom abides in the hearts of the people.

One of America's wisest sons, the late Judge Learned Hand, expressed this truth in these words:

> I often wonder whether we do not rest our hopes too much upon constitutions, upon law, and upon courts. These are false hopes; believe me, these are false hopes. Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it.

Let us pay the price, whatever it may be, to keep love of economic freedom alive in the hearts of the men and women of our land. Let us teach them by precept and by example that Trumbull Cheer pictured free enterprise aright in this verse:

> The power to choose the work I do,
> To grow and have the larger view,
> To know and feel that I am free,
> To stand erect, not bow the knee,
> To be not chattel of the State,
> To be the master of my fate,
> To dare, to risk, to lose, to win,
> To make my own career begin,
> To serve the world in my own way,
> To gain in wisdom, day by day,
> With hope and zest to climb, to rise,
> I call that Private Enterprise.

This bill, S. 707, not only proposes to make the businessmen of America and those engaged in the production of goods and services chattel to the state, but it places them under the supervision of a single human being, to be known as the administrator of consumer affairs.

As I stated at the outset, there is no more effective way to destroy the economic system which has made America great than to overregulate those who are engaged in the production of goods and services, and that is precisely what S. 707 undertakes to do.

Mr. President, I opposed the Consumer Protection Agency bill in 1970. I opposed the same bill in 1972, and today, in 1974, I begin once again the task of pointing out the dangers to our Nation's citizens in an innocently titled bill to protect the interests of consumers.

In so doing, I wish to admit that those who advocate the bill and those who support their efforts are sincere persons. But I would like to remind the Senate that one of America's wisest sons, Justice Brandeis, said that freedom is most imperiled at the hands of sincere persons.

In carrying on this debate on S. 707, the Consumer Protection Agency bill, as it was originally called—now called the Agency for Consumer Advocacy—I think I know how Clarence Darrow felt when he appeared before the Mine Commission in the Pennsylvania coal strike case in 1903. "Gentlemen," he said, "I scarcely know what to say in opening this case." Thereafter, he spent the next 8 straight hours explaining the problems faced by mineworkers.

It will take more than 8 hours to explain the many problems raised by S. 707, the Consumer Protection Agency—as originally cited—bill now before us.

Today, I simply wish to explain, in terms everyone can understand, what certain parts of this bill do.

SCOPE OF BILL

Let me just cite one example before going on to a more definitive explanation of the bill. If you will look at subsections 7(c) of S. 707, you will find a provision which reads as follows, and I quote:

> Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the (CPA) Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation, *in accordance with this section*, in its proceedings and activities which may substantially affect the interest of consumers. Such additional rules shall be published in proposed and final form in the Federal Register."

Yes, that is right. This bill would require every Federal unit to rewrite its rules of practice to conform to the unprecedented power which would be granted to one man—the Administrator of the CPA.

The first question that immediately comes to mind—a very logical question, I think—is who could possibly know what all these Federal agencies are? There is probably no one in this Chamber who could list all of the governmental units which conduct administrative proceedings. These include all of the divisions, bureaus, and offices of the Department of Health, Education, and Welfare, alone, not to mention every Federal bureau, office, commission, department, or agency.

This provision of the bill, standing alone, would require the rewriting of all the regulations of all Federal agencies. To illustrate what a Herculean task that would be, I invite attention to my experience with the Federal Register during the years when I last practiced law.

I had on my shelf an unannotated edition of the United States Code, containing all the laws of a permanent nature still in force, passed by Congress since the first Congress met in 1789. That unannotated edition of the United States Code occupied about 12 inches on my office shelf.

I had all the issues of the Federal Register, which contains the regulations of the Federal agencies, bound for a period of 18 months. Those bound volumes of the Federal Register, for a period of only 18 months, occupied approximately 38 inches of space on my office shelf—many times the amount of space occupied by the Federal Code which contained all the laws then still in effect, of a permanent nature, enacted since 1789.

If one does not know the scope of this bill, how can one possibly support it?

Can any supporter of this bill show me why it is necessary to subject the following Federal agencies to the whims and unprecedented powers of a CPA, if the CPA in its absolute discretion wishes to exercise these powers? These units are among the many listed in the 1974 Congressional Directory as "independent agencies" of the Federal Government:

ACTION, which now includes the Peace Corps and VISTA,

Advisory Commission on Intergovernmental Relations,

American Battle Monuments Commission,

American National Red Cross,

Appalachian Regional Commission,

Arms Control and Disarmament Agency of the United States,

Civil Service Commission,

Commission of Fine Arts,

Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped,

The Congressional Club,

Delaware River Basin Commission,

Environmental Protection Agency,

Equal Employment Opportunity Commission,

Export-Import Bank of the United States,

Farm Credit Administration,

Federal Deposit Insurance Corporation,

Federal Labor Relations Council,

Foreign Claims Settlement Commission of the United States,

Foreign-Trade Zones Board,

General Advisory Committee on Arms Control and Disarmament,

Gorgas Memorial Institute of Tropical and Preventive Medicine,

Indian Claims Commission,
Inter-American Foundation,
National Advisory Council on the Education of Disadvantaged Children,
National Commission on Libraries and Information Science,
National Credit Union Administration
National Foundation of the Arts and the Humanities,
National Science Foundation,
National Selective Service Appeal Board,
Occupational Safety and Health Review Commission,
Office for Micronesian Status Negotiations,
Overseas Private Investment Corporation,
Panama Canal Company,
President's Commission on Personnel Interchange,
President's Commission on White House Fellows,
President's Committee on Employment of the Handicapped,
President's Council on Physical Fitness and Sports,
Railroad Retirement Board,
Renegotiation Board,
Selective Service System,
Small Business Administration,
Smithsonian Institution,
Soldiers' and Airmens' Home, United States
Tennessee Valley Authority,
United States Information Agency,
U.S. Commission on Civil Rights,
Veterans' Administration,
Washington Metropolitan Area Transit Authority,
Washington National Monument Society, and the
Water Resources Council.

All of these agencies, and their bureaucratic subdivisions, are covered by this bill because they are, each of them, an authority of the Federal Government under section 551 of title 5, U.S. Code. If Senators will look at paragraph (8) of section 4 of S. 707, they will see that all such units are deemed "Federal agencies" to be subjected to the powers of the CPA, unless specifically excluded by another provision of the bill.

Speaking of specific exclusions, there is only one possible interpretation of this bill in relation to the 50 randomly chosen Federal agencies which I have listed.

The inescapable conclusion is that these 50 agencies are intended to be covered, because the sponsors of this bill have specifically excluded the agencies and activities which, in their expressly stated opinion, have only a marginal or a nonexistent impact on consumer interests.

When we stop to think, when we meditate on the fact, that under S. 707, one man, the Administrator, would be given the power to interject himself into any of the activities of any of these multitudinous agencies, if he, in his uncontrolled and actually undefined discretion, says to himself, "A consumer interest is involved," we see that we have a person, one individual, who has the unbridled and uncontrolled discretion to interfere in virtually every activity of the Federal Government.

In addition, he is given the power to supervise and ride herd on every businessman in the United States and every person who in any way is engaged in producing goods or services for the American people.

I would say that the powers that are given to the Administrator would make the most absolute eastern potentate turn green with envy.

We in the legal profession have a name for this well-recognized type of statutory construction. It is called expressio unius est exclusio alterius—"expression of one thing is the exclusion of another."

If we look at subsection 17(d) of this bill, we see that the Central Intelligence Agency, Federal Bureau of Investigation, National Security Agency, and the national security or intelligence functions of the Defense Department are expressly exempted. Subsection (e) of that same section specifically excludes Federal Communications Commission proceedings dealing with radio and television broadcast license renewals.

If we look at paragraph (11) of subsection 6(a) of S. 707, we see that many labor proceedings of the National Labor Relations Board and the activities of such agencies as the Federal Mediation and Conciliation Service dealing with dock strikes and the like are also specifically exempted. The majority report on this bill makes it clear that, in their expert opinion, such labor-oriented proceedings will have too remote an effect on consumer interests, and, therefore, must be specifically excluded.

I must take issue with this exemption. From my reading of economic history, I have acquired the information that as far back as men have kept records of such things, approximately 75 percent of the cost of any product or the cost of any service is the cost of the labor which is required to produce that product or render that service.

Yet under this bill, labor is totally excluded from the provisions. So we have a bill avowedly offered to protect the interest of consumers which says that the bill does not affect and is no applicable to labor, which accounts for a substantial part of the price of every product and every service.

I am going to offer some amendments later to try to correct this defect in the bill so we have a bill to protect the consumer and not simply a bill to allow one man to ride herd on everybody in the United States except the FBI, or the CIA, the Secret Service, the Department of Defense, and the most powerful institution in America, the labor organizations.

I commend the proponents of the bill for this approach of diligently trying to find out Federal activities which would have only a remote effect upon consumer interests and, then, specifically exempting these activities from CPA intrusion.

My first quarrel with these proponents, therefore, only extends to a reasonable difference of opinion over whether all the agency activities which are covered by this bill do, indeed, have a greater impact upon consumer interests than those which are specifically exempted for their lack of consumer impact.

For example, at this moment, I wonder whether the consumer impact resulting from the covered activities of the U.S. Office of Micronesian Status Negotiations is really greater than the exempted activities of the Federal Mediation and Conciliation Service in trying to bring a dock or truckers' strike to an end so that consumer goods may flow again.

I wish someone would explain to me why this Micronesian office's activities are more important to the consumer than the activities of the NLRB.

In fact, it occurs to me that we should start to find out what this bill would do by reviewing the activities of all Federal agencies which are covered, and comparing them to those not covered. Perhaps we can do this later on in the debate, but first let me explain a little more about the CPA.

INDEPENDENCE OF THE CPA

Before considering the awesome powers for this CPA, let us consider the proposed status of this new Federal unit. This unit is to enjoy a rarified atmosphere of independence never before enjoyed by any governmental body—virtually total independence which puts it beyond the reach of any elected official or citizen.

The CPA Administrator is to be appointed for a fixed term, coterminous with that of the President, and may be removed from office only for inefficiency, neglect of duty, or malfeasance in office, according to paragraph (1) of subsection 5(b).

Until fiscal year 1977, when new authorizations must be sought, the CPA answers to no one but an Appropriations Committee. This, of course, reflects the opinion of some supporters of the CPA concept that legislative oversight is totally ineffective anyway; hence, in their opinion, we need to create another agency to conduct our oversight on existing agencies.

We have heard a great deal lately about Watergate, about the series of tragedies known collectively as the Watergate affair, and we have seen in that instance how men, entrusted with power which they were incapable of exercising, undertook to pervert virtually every function of governmental agencies to insure the reelection of the incumbent in the White House.

Just think what could have been done by an Administrator if he had had the power to appoint Charles Colson, or H. R. Haldeman, or John Ehrlichman, to an office created by law in which he could exercise power over individuals which this bill would give to the agents of the Administrator.

If the Watergate affair teaches us anything, it is that government already has too much power to harass the people of this land and to pervert the agencies of government to accomplish purposes they were never intended to accomplish.

This total isolation to interpret and affect the law and its enforcement is one of the reasons that the administration is totally opposed to this bill, unless significantly amended. Otherwise, any administration's domestic and foreign programs could be wrought asunder by the insulated and powerful CPA.

How can we conduct our foreign affairs, and be able to call upon the Export-Import Bank for assistance in doing so, if we have an independent administrator who can come in and interject himself into all the proceedings had between the officials of that Bank and the foreign government seeking a loan, or foreign individuals seeking methods of exporting their goods?

This total isolation is insupportable.

Mr. Justice Frankfurter's warning has gone totally ignored in this bill:

> If one man can interpret for himself what is law, everyman can. That means first chaos, then tyranny. For legal process is subject to democratic control by defined, orderly ways which are part of the law. In a democracy, power implies responsibility.

In this bill, the CPA is given vast powers and absolutely no responsibilities. Under sections 7 and 8 primarily, but not exclusively, the CPA Administrator is to determine, in his absolute discretion, what is in the best interests of consumers, and he is given the necessary powers to make sure that his determination is carried out both inside and outside the Government.

Under subsection 14(e), no citizen, Congress, or President may challenge the Administrator's determinations of what is in the best interests of consumers. The bill actually goes so far as to specifically cut off judicial review of this basic function of the CPA, while at the same time proponents argue that the CPA needs judicial review of other governmental determinations because it is an elemental right of citizens.

When we considered a similar bill during the last Congress, the distinguished senior Senator from Arkansas succeeded in amending the bill to make the CPA a 3-man Commission, to spread the risk of autocracy a little bit at least.

When that prior bill came to debate during the last Congress, this amendment was generally acclaimed by all the leading proponents of the bill.

For example, the distinguished senior Senator from New York (Mr. JAVITS) called Senator MCCLELLAN's Commission amendment "the single most effective safeguard which has now been latched onto the bill."[1]

Unfortunately, Ralph Nader did not see it that way, and he publicly attacked the amendment. The McClellan amendment was conspicuously absent when the bill was reintroduced in this Congress as S. 707, and an attempt to reinstate this single most important safeguard in full committee markup failed.

Look at what you now have under paragraph (1) of subsection 5(b) of this bill: A single CPA Administrator insulated from removal in the exact same way Congress has heretofore reserved only for regulatory, multimember agencies such as the Federal Trade Commission where the risk of tyranny is spread among several commissioners with equal authority.

This danger is compounded by the fact that, unlike for other agencies, the CPA Administrator—not Congress—will define his own jurisdiction. Let us now turn to this alarming facet of the bill.

POWER TO DECIDE WHAT IS BEST FOR EVERYONE

To understand fully why this bill is far broader than the goals by which some of its proponents are making it known, we must comprehend how the CPA is to be the protector of every human being from womb to grave, and, how, to be such a protector, the bill grants the CPA administrator the unreviewable right to decide what is best for everyone.

For example, the term "consumer" is defined in paragraph (7) of section 4 of the bill to mean—

> Any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family or household purposes.

In other words, this administrator is given the power to supervise and make an unreviewable decision on his part as to every aspect of the physical, economic, and financial life of every man, woman, and child within the borders of our country. In my judgment, a man or an agency which has that capacity has never been known since this Earth began.

There is no one on this Earth, who is not offered or furnished tangible or intangible goods or services for personal use. Everyone is included.

Another apparently significant definition in this bill is the term "interests of consumers" which appears in paragraph (11) of that same section 4 of S. 707.

Under subsections 7 (a) and (b), you see, the CPA may intervene or participate in anything another agency does, if the CPA, in its absolute discretion, determines that the other agency's activity or proceeding "may substantially affect the interest of consumers."

Well, the term "interest of consumers" would, as I say, appear to be a very important term, one which should be finely circumscribed. Unfortunately, it is not. It is an inartfully drawn, bloated definition which can be reduced for clarity's sake to one word: "anything."

In fact, we do not even have to bother to read this definition, because a later provision eradicates it entirely.

Paragraph (1) of subsection 14(e), provides that no one may seek court review of anything the CPA does—or does not do—in advocating the "interests of consumers" before other agencies under section 7; in forcing other agencies to give the CPA notice under section 9; in receiving, acting upon, and publishing consumer complaints under section 10; in forcing citizens and other agencies to furnish information under section 11; and in disclosing information under section 12. There are two narrow exceptions in that provision which are not material to the CPA's determination of what is in the "interest of consumers."

That provision places the administrator above the law. He is not answerable to the law. He can, under that provision, slander or libel the character or the goods and services of any person in America, and be wholly exempt from any legal remedy on the part of the person wronged.

I thought the doctrine of the divine right of kings had passed out with the American Revolution. I thought that the notion that any person was superior to the law perished in that same revolution. Yet here the Congress of the United States is asked, in the year of our Lord 1974, a few days after a unanimous Supreme Court finding that even the President of the United States is subject to the law, to exempt the administrator of the consumer agency from responsibility under the law.

However, to nail down the coffin, paragraph (2) of that same subsection 14(e) provides explicitly that the CPA's determination that its presence is needed in any Federal decisionmaking at any level to represent the "interests of consumers," or the CPA's determination that the "interests of consumers" may be affected substantially by such decisionmaking "shall be deemed not to be a final agency action."

In plain English it means that no one may get a court to review the CPA's determination of what is best for everyone.

So, do not waste your time reading the all-encompassing definition of "interest of consumers." The bill explicitly says in the controlling subsection 14(e) that the interests of consumers (that is, of everyone) are to be, as a matter of law, whatever the CPA says they are, and nobody can trifle with that determination, not even the courts of the land.

When you consider the fact that a "consumer," under this bill, is every human being, and that the interests of everyone are to be defined for protection by the CPA alone, this bill has got to be deemed as conferring the broadest and vaguest jurisdiction and discretion ever attempted to be delegated in the history of Congress. Since there are no congressional standards in the bill, I doubt very much its constitutionality, but I will not let my objections rest on that fact alone.

Before proceeding, let me very briefly review where we have been—this bill is so complex and full of so many problems that it tends to overwhelm those who wish to read beyond its compelling, but misleading title.

We have seen that all of the tens of thousands of existing Federal bureaus, offices, agencies, Departments, and so forth, are to be affected by this legislation, with the exception only of the CIA, FBI, NSA, only certain functions of the Defense Department; FCC broadcast and television license renewal proceedings and Federal proceedings concerning certain types of labor disputes. What Federal agencies are covered is known, perhaps, only to the sponsors who apparently made an attempt to exclude Federal activities which, in their opinion, have no important effect on consumers—such as efforts to stop a dock strike.

The CPA is to be totally independent and subject to substantive review by no one, citizen or elected official, until it comes back to Congress for more money in 3 years.

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[1] CONGRESSIONAL RECORD, Vol. 118, pt. 24, p. 31782.

The CPA is to determine its own jurisdiction, and act according to its own dictates as to what it considers is best for everyone.

THE POWER TO MEDDLE WHERE NO OTHERS DARE

In discussing the powers proposed to be delegated to the CPA, we should all keep in mind Mr. Justice Brandeis' warning:

> Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficient * * *.

The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning, but without understanding.

To understand the sweeping nature of the proposed unprecedented powers to allow the CPA to intrude disruptively into all existing governmental decisionmaking, you must begin with a set of definitions again.

The CPA, you see, is empowered to intrude, as of unchallengeable right, into any Federal agency "activity" or "proceeding" of its choice—and by choice, I mean where the CPA makes the unreviewable determination that there is a substantial interest of consumers at stake.

As the majority report points out clearly on page 19 and elsewhere, the Federal agency with the substantive duty to hold such a proceeding or activity "cannot exclude the [CPA] Administrator from intervening or participating" in its decisionmaking.

What is a "proceeding" or "activity" of a Federal agency into which the CPA may, as of unchallengeable right, insinuate itself? These are defined terms in the bill which, when read in combination, encompass everything—I say everything—that is done by the executive branch of the Government of the United States, with the relatively minor exceptions I referred to earlier.

AGENCY PROCEEDING

The term "agency proceeding" is defined under paragraph (5) of section 4 and under subsection 7(a), which—and note the complexity already—must be read in combination for comprehension.

Under the general definition of "agency proceeding" in section 4, paragraph (5), such decisionmaking is defined as rulemaking, adjudication or licensing as defined by the Administrative Procedure Act. That, first of all, is virtually everything that the executive branch does, according to the APA definitions. In fact, the drafters need not have included the term "licensing" at all, because, under the APA, licensing is a form of adjudication, as ratemaking is a form of rulemaking.

A more specific definition of "agency proceeding" is found in subsection 7(a) for purposes of the Consumer Protection Agency's advocacy. Under this provision a "proceeding", as distinct from an "activity" is to mean the more formalized and structured decisionmaking within the executive branch.

Basic examples of these are:

First. Notice and comment rulemaking where a Federal agency exercises its quasi-legislative authority by proposing a regulation in the Federal Register or elsewhere with a solicitation for comments. These comments may be in writing or at a legislative-type hearing where witnesses are called in for comment but usually may not cross-examine each other; safety standards are promulgated by the Consumer Product Safety Commission in this manner.

Second. So-called formal rulemaking in which regulations are promulgated after a more structured hearing wherein witnesses may possibly be cross-examined by parties and where the forum agency must make its decision based upon the record developed during the hearing; much ratemaking and some Food and Drug Administration food standard-setting falls within this category.

Third. So-called formal adjudications in which agencies exercise their quasi-judicial powers to determine whether violations of law have been committed or where agencies issue some other form of order which could include the granting, modifying, renewal, or revocation of a license; Federal Trade Commission adjudications of deceptive acts and licensing activities of the Securities and Exchange Commission are examples.

AGENCY ACTIVITY

Now then, you ask, what is an agency "activity" as distinct from an agency "proceeding"? There is a long, involved answer to this question based on the bill's general definition in paragraph (4) of section 4 and its specific definition derived from reading subsections 7 (a) and (b) in necessary concert.

This is further complicated by the fact that all "agency proceedings," under S. 707, are also "agency activities," but all "agency activities" are not necessarily "agency proceedings" under the bill.

It would take courts years to figure out this mess as to whether certain types of agency decisionmaking are activities and proceedings, so I will not enter into the arcane recesses of the bill on this point.

But I will offer a shorthand rule which will be of use in many cases: If a particular agency process is not a formalized "proceeding" into which the CPA may intrude under subsection 7(a), it must be an "activity" into which the CPA may intrude under subsection 7(b).

As the majority report states on page 20,

> If a Federal agency activity does not fall within the coverage of Section 7(a) [as a proceeding], it is *automatically* covered by Section 7(b) [as an activity].

Many of these agency activities which are not also proceedings would be characterized by the absence of form and structure, and they include every type of authorized action from a telephone call or letter, to Cabinet meetings with a President of the United States.

Fortunately, we have a very good illustration of an unstructured agency activity which the sponsors of this bill and the opponents agree is intended to be covered.

This example was used in the minority views. In the June 27 RECORD at page S11760 the distinguished senior Senator from Connecticut, the primary sponsor of the bill, stated that:

> This example cited by the minority views *perfectly illustrates* the need for participation by CPA. . . ."

CPA DISRUPTION OF TRADE NEGOTIATIONS

The example agreed upon is Secretary of State Henry Kissinger's negotiations in the Middle East which Senator RIBICOFF acknowledges involve "both national security and substantial consumer interests," yet which he stoutly maintains are in need of CPA advocacy nonetheless.

Based upon his interpretation of the hearings on multinational corporation, Senator RIBICOFF has concluded,

> That the skyrocketing cost of imported oil since 1971 was in large part due to the State Department's failure to take an active and informed part in negotiations between oil companies and the Arab exporting countries.

The answer to such a problem, we are asked to believe, is the creation of another agency, the CPA, to prod the State Department and to intrude in trade negotiations between our Government and other governments to represent American consumers.

What would the CPA do in such informal agency activities as trade negotiations and preliminary meetings concerning Most Favored Nation status? Again, there is a short answer and a long answer. The short answer is that the CPA would ruin them and embarrass the United States. The longer answer explains why this is so, and this I shall illustrate now.

Mr. President, I ask you to keep in mind, while I explain the CPA's rights in trade negotiations, and similar discussions with foreign leaders, that under subsections 7(b) and 14(e)(1) and (2), the CPA cannot—under any circumstances—be stopped from participating in these activities.

The first thing the CPA would do would be to specifically request, under subsection 9(b), information which this provision of S. 707 requires the State Department to "promptly provide" to the CPA; namely—

> (1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject [such as, in this example, fallback negotiating positions of the U.S.]; and
>
> (2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency [i.e., State Department] and which would facilitate the [CPA] Administrator's timely and effective participation under section 7 of this title.

It should also be noted, as the majority report states in its explanation of section 9 on page 28—

> Whenever there is any dispute between the Federal agency [that is, in this case, State Department] and the CPA over whether a particular action or type of action may substantially affect the interests of consumers, the Federal agency shall defer to the CPA's determination.

That is, whatever subject the CPA wants information on, is a subject falling within the purview of this notice requirement.

In exercising its advocacy functions to participate in the trade negotiations, the CPA is given the rights, under subsections 7(b) and 7(d), to participate in this agency activity and to request or petition the State Department to take action which the CPA feels to be best for consumers.

These rights, it should be reemphasized, are continuing in nature with each new phase of the negotiations. As the majority report states, in its explanation of section 7—

> The Administrator [of the CPA], under subsection (b), has the right to participate . . . at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity.

Thus, surely, an important counteroffer by a representative of a foreign government, to which the United States may respond by changing its original offer, is a new "stage" of which the CPA must be informed in order to exercise renewed advocacy rights.

Participation by the CPA in trade negotiations or any other informal activity under this subsection 7(b) may be by "presenting written or oral submissions" to the forum agency at each stage of the activity. These submissions need not be simultaneously submitted with those of another person, but "the Federal agency—for example, the State Department—shall give full consideration" to those submissions of the CPA before taking action.

The majority report crystalizes, for those who are not familiar with this bill's intricate legal provisions, how extraordinary a right of advocacy this is to be. In its explanation of subsection 7(b) on pages 21 and 22, the majority report notes that the CPA, and not the forum agency such as the State Department, decides whether the CPA's submission is to be oral or written, and that—and now I am quoting directly from the majority report:

> The provision does require, however, that the CPA have a full opportunity to submit its views to the decisionmaking authority before any decision is made either to take, or not to take, certain action, where the CPA determines that a substantial consumer interest is at stake. * * * Each agency is required to afford the CPA as equal an opportunity to present its views as are afforded business representatives and other parties interested in the same agency activity.

Has anyone seriously considered the implications of these powers? In our example, Secretary Kissinger must keep the CPA continually informed of all expected and actual activity at each stage of the negotiations, must listen to the CPA before making a decision at each stage, and must give the CPA an opportunity equal to any other party—equal opportunity to the person negotiating for a foreign nation, be he king or minister.

Can anyone imagine the Secretary of State telling some Arab leader, "excuse me sheik, before I decide on your new proposition, I must contact the Administrator of the Consumer Protection Agency or one of his agents."

It would appear that an advocate of the CPA will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law and its explanation in the majority report which calls for the CPA not to cause "undue delay" and not to present information in a "piecemeal and disorganized manner."

But the worst is yet to come. If the CPA, under subsection 7(d), requests the Secretary of State to take particular action during these trade negotiations, and the Secretary fails to take the requested action—the Secretary must notify the CPA in writing why he refused to act, and this writing is to be a matter of public record.

Then, to top that, the CPA is authorized, under subsections 8(a) and 14 (e) to take Secretary Kissinger to court to seek review of the Secretary's refusal to act as requested by the CPA or to give the CPA a full opportunity to participate.

I find this literally incredible to be asked to subject the Office of the Secretary of State and the Office of the President of the United States to such obviously disruptive indignities, and at the same time to be told to exempt Federal actions to resolve strikes because a massive lobby tells us these strikes have no effect on consumers—strikes which can stop, and have stopped, the shipment of needed food, clothing, and medicine into an entire State.[2]

We are asked to create a CPA to tell us what is in the interests of consumers, but in regard to labor issues, we are asked to rely, not on the CPA, but on what organized labor tells us is in the interests of consumers—even if it contradicts empirical evidence.

CPA AS A DUAL PROSECUTOR

Let us now turn to a problem in the formalized area of agency process, termed "proceedings" under subsection 7(a) of S. 707.

This problem concerns agency adjudications of violations of law, and the fact that subsection 7(a) would allow the CPA to intervene in such adjudications as a full party.

In the minority views, we used, as an example of this type of proceeding, adjudications of alleged violations of law under the Federal Trade Commission Act by the FTC. We did this to beard the lion in its own den, since such adjudications were frequently cited by proponents as showing the need for CPA intrusion power.

THE "PROSECUTION" DEBATE

We pointed out that CPA intervention as a full party in such adjudications would result in dual "prosecution" of a businessman, thereby raising substantial due process questions. The lions roared that we were using an inflammatory and inappropriate term when we used the word "prosecution." This appears to be the primary argument against our opposition to this portion of the bill.

Those who object to the terms "prosecution" or "prosecutors" being used in conjunction with FTC adjudications simply are not familiar with that agency's chief enforcement mechanisms.

And, since the FTC is presently the major Federal consumer protection agency in existence—hence the major target for the CPA—failure to understand FTC enforcement mechanisms reflects a fatal lack of knowledge necessary to adequately assess the impact of the CPA.

In a formal Federal Trade Commission adjudication, there are only two full parties—the FTC prosecutor who presents and argues the complaint, and the respondent, an administrative defendant who is charged with a violation.

The official title of the FTC prosecutor is Complaint Counsel. But, just as Assistant U.S. Attorneys are frequently called prosecutors, the FTC Complaint Counsel is also frequently called a prosecutor—because he prosecutes for a finding of violation by the Administrative Law Judge or the FTC before whom the parties appear and litigate.

If there is any doubt in anyone's mind as to this being a prosecution, he or she may merely refer to the legislative history of this bill for frequent reference to this term by those who should know.

For example, turn to one of the documents accounting for a good part of the impetus behind the CPA legislation. It is found in the Senate CPA hearings record for the 91st Congress—Ralph Nader's exposé of the FTC by his so-called "Raiders." Nader's Raiders use the terms "prosecute," and "prosecution" when talking about FTC's enforcement actions.

Of course, there may be many who view that document with suspicion. For those, I offer an alternative—the statements of an FTC Chairman made during the last time that the FTC was called to testify on the CPA bills. This was in the House of Representatives during the last Congress, and the Congressmen questioning the Chairman also used the term.

The FTC Chairman at the time was Miles W. Kirkpatrick, an extremely competent lawyer who proved to be one of the best Chairmen of the Federal Trade Commission since that agency's creation.

Let me excerpt just a few of the relevant statements made during that hearing, in the order in which they appeared.

> Mr. Kirkpatrick. * * * Let me respond to your question with respect to adjudicative hearings which involve a respondent, as a defendant if you like, and involve a claimed violation of law. It would be my position that we [FTC] are there already as consumer advocates, that the Commission, and its Bureau of Consumer Protection, already are bringing actions in the consumers' interest.
>
> Representative Horton. Have you been satisfied with your prosecution of consumer complaints?
>
> Mr. Kirkpatrick. * * * I think that the staff that we now have is doing a vigorous job of enforcement and prosecution of cases before us. * * * When we bring a case before us it is our Bureau of Consumer Protection who is prosecuting the case * * * and it is before the Federal Trade Commission.

Of course, if we did not want to respond to the proponents' strongest argument, we could have used adjudications of violations of law by agencies other than the FTC as our illustration. In fact, we could have cited the legislative history of this very bill, S. 707, if we did, because many examples have been mentioned.

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[2] E.g., Hawaii.

For just one example, if you will look into the hearings on this present bill, S. 707, you will find this interesting reference in a law review article authored by one of the witnesses for the American Bar Association; and I quote again:

> The Civil Aeronautics Administrator . . . was held in *Lee* v. *CAB* to have no right to seek judicial review of Civil Aeronautics Board orders dismissing pilot license revocation proceedings prosecuted by the Administrator before the Board.

This is on page 331 of our hearings. The author then quotes from the case, in which the Court of Appeals for the District of Columbia talks about the "official whose function it is to prosecute." And, the author makes an interesting analogy—he points out that the court apparently viewed the CAB prosecutor in the same light as it would an FTC prosecutor arguing before his own agency.

Finally, and conclusively I hope, the author notes in a footnote on page 330 of our hearings that:

> The FTC prosecutes not in court, but in administrative proceedings. . . .

DANGERS OF DUAL PROSECUTION

This brings us back on point, but even so, we can begin our discussion of the dangers of dual prosecution with reference to another statement made by the then FTC Chairman Kirkpatrick during the CPA hearings mentioned.

FTC Chairman Kirkpatrick warned that:

> Adjudicative matters, however, should be handled somewhat differently, for they involve rights of particular respondents as important as the imposition of fines, penalties and forfeitures.[3]

The FTC then, and now as far as I know, is opposed to granting the CPA the right to intervene as a full party in its adjudications, for fear of infringement on the rights of the accused—a position, one would think, most liberals would endorse.

The FTC has consistently refused to all consumers the right to intervene as full parties in such adjudications, and is on record in a letter to Senator ALLEN during the last Congress as not being able to support such an extraordinary right in its adjudications. Why this is such an extraordinary power might not be readily apparent to those who are unfamiliar with this type of adjudication and the rights of a party in it.

These adjudications, as are all formal agency adjudications subject to the Administrative Procedure Act, are required to be agency trials litigated with a record of the proceeding and decided upon the basis of evidence contained in that record. This is to preserve the due process rights of the party charged with the alleged violation.

As mentioned, in such an FTC adjudication, there are really only two "parties"—the company or businessman charged with the alleged violation, called a respondent, and the FTC prosecutor, who acts as an advocate before a FTC administrative judge or the Commission, itself.

Neither competitors of the respondent nor consumers of his products or services have a right to appear as a party, although they may be allowed to intervene at certain levels as limited intervenors for a particular evidentiary purpose, or, as amicus curiae.

The FTC has, in fact, been experimenting with allowing such limited intervention to deduce arguments as to penalties—as distinct from full prosecution attempting to prove guilt.

The reason why an outsider has no right to appear as a full party is that party status carries with it certain rights pertaining to putting information into the record upon which a decision of guilt or innocence must be made. If a party can dominate the record, his position will usually prevail. These rights relate primarily to the production or questioning of evidence, and include such powers as cross-examination of the other party's witnesses, introduction of your own witnesses, subpena power, and the like.

The proceeding is similar to a criminal trial where, of course, you also only have one prosecutor. One major difference, however, is that the rules of evidence are much looser than in court—hearsay, for example, may be used—and this often works to the distinct disadvantage of the person charged.

The FTC staff, through its Complaint Counsel, prosecutes its charge with use of these discovery powers, and the respondent has an equal opportunity to defend. Under subsection 7(a) of this bill, the CPA could enter such a proceeding, as of right, as a full party—the FTC could not throw the CPA out or downgrade its intervention status, no matter who complained.

Proponents are fast to point out that the CPA could intervene, if it wished, as a party-respondent to help defend the accused businessman. A simple reading of any of the hearings on proposals to establish a CPA ought to make it clear that the likelihood of the CPA intervening to protect a businessman charged by the FTC with a deceptive act is exremely remote. Besides, even if an accused businessman did not want such help, he would be given an offer which, by law, he could not refuse.

The real probability, however, is that the CPA will intervene on the side of the FTC prosecutor as another full party-prosecutor—whether or not the FTC prosecutor thought this was a good idea.

And, keep in mind, this is to be no average public interest advocate—but a full-blown agency of the United States intervening with significant resources and prestige to prove the guilt of a single businessman who is already facing prosecution by another full-blown agency of the United States with significant resources.

Consider what happens once the CPA orders the FTC to let it in as a dual prosecutor: To the extent that the CPA follows a line of prosecution identical to that of the FTC prosecutor, we have useless, expensive, and delaying duplication. To the extent that the CPA's line of prosecution diverges from that of the FTC, and this should be the majority of cases, we have an outsider not only usurping FTC's congressionally mandated responsibility, but subjecting a citizen—as of yet innocent—to conflicting prosecutions. Very serious due process questions are raised when two prosecutors see who can outprosecute whom.

There is a hortatory clause in subsection 7(a) which proponents rely on to assure us that the CPA will rarely intervene as a party. It says that the CPA shall refrain from intervening as a party, unless the CPA determines it is necessary to intervene as a party to represent consumers. This is not only meaningless; it is misleading when offered to calm the business community, because an even more insidious power relative to this point is contained in a later advocacy provision.

Under subsection 7(e), the CPA can achieve many of the important rights of a party without intervening as a party and subjecting itself to like powers by an opposing party. This well-camouflaged provision would grant the CPA the power to order a forum agency such as the FTC to, in turn, issue orders with respect to the summoning of witnesses, production and copying of papers and books of a party or witness, and to issue interrogatories which must be answered by a party.

Thus, the CPA could intervene as an amicus curiae, insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CPA's liking. A prosecutor's dream.

Subsection 7(e) would allow the forum agency only the same amount of discretion to refuse such a CPA demand for party powers as the forum would have in relation to actual parties, themselves. That is, there is no added protection against unfairness or disruption, merely the general rules as to relevancy, burdensomeness, and the like which, under the Administrative Procedure Act, apply to all real parties when they attempt to seek greater discovery.

Senator RIBICOFF, in his June 27 RECORD statement said that he thought there was no real danger presented by this unusual subsection 7(e) under which the CPA could have party powers without party responsibilities. Our response to that statement showed, in detail, that both the bill and its report demonstrated S. 707 is not consistent with his intent.

Let me now offer additional proof, from the testimony of Robert Pitofsky during the hearings on the bill before the Senate. Mr. Pitofsky is a former highranking FTC official who is often selectively cited by supporters of S. 707.

Mr. Pitofsky urged that this very same provision be deleted from this bill because it presented a "danger" that—

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[3] Hearings on H.R. 16, etc., 92d Congress, at 353.

First, the CPA would build a record and make it voluminous; [4]

Second, the CPA would "take the power to control the proceeding out of the hands of the [forum] agency's staff," [5]

Third, the CPA would have more discovery power than the respondent who is charged in the adjudication.[6]

But, supporters, say, there is a reference in the controlling subsection 7(a) to the fact that a forum agency will issue only orders which are appropriate with respect to its rules of practice and procedure. On first glance, one would think that this would give the forum agency some additional discretion in the matter to prevent abuse; but on closer examination of this subsection, one will find that such rules of practice and procedure by a forum agency must be "consistent with subsection (c) of this section" 7 of the bill.

A look at subsection 7(c) will show that proponents of an overreaching CPA need not worry about the CPA's not having more rights than anybody else in any formalized proceeding. This is the same subsection (c) mentioned in the beginning of my remarks—the one which requires each Federal agency, as soon as this bill is enacted, to rewrite its rules of practice and procedure in consultation with the CPA.

What is the purpose of such a massive rewriting of all agency rules of advocacy? The answer is also found in subsection 7(c): "to provide the [CPA] Administrator's orderly intervention or participation in accordance with this section"—that is, in accordance with the unprecedented powers in section 7. So much for the myth that advocacy will be as usual in all Federal agencies, with nothing being changed by this bill.

Agency adjudications of violations of law account for a minuscule number of the proceedings and activities covered by S. 707, yet we cannot get them exempted. Broadcast license renewals before the Federal Communications Commission—also formal adjudications, but not necessarily ones involving violations of law—are exempted, however.

The explanation given in the majority report of this FCC exemption would surely support exempting adjudications of violations of law. The only—I say only—explanation of this mysterious exemption in the entire report is found on page 43, and this is it, in its entirety:

> Section 17(e) provides that the bill shall not apply to any agency action in the FCC with respect to the renewal of any radio or television broadcast license.

No wonder the Washington Post Company with its huge holdings in the broadcast area, supports this bill—the lobbyists for such vested interests did an outstanding job, second only to that done by organized labor.

POWER TO CHALLENGE THE GOVERNMENT

Speaking of hypocrisy, let us now turn our attention to one of the most controversial powers to be granted to this allegedly nonregulatory Consumer Protection Agency—the power to overturn in court the decisions which we have mandated other agencies to make.

We are asked to believe that it is absolutely essential for the CPA to have the congressionally-granted power to challenge in court any decision of any other agency. We are told that such a power is an elemental right.

Yet what happens, then, to that elemental right when it comes to the major decisions made by the CPA which will, by explicit definition, substantially affect the interests of consumers? I will tell you what happens—they are specifically made nonreviewable under subsection 14(e) of this bill.

The major decisions to be made by the CPA are: First, involving whether a particular agency proceeding or activity might involve substantial consumer interests, and second, which of these consumer interests—many of which will be contradictory—should be advocated by the CPA. These major CPA decisions of astounding import are made unreviewable because to allow judicial review of them would, in the opinion of the proponents, be disruptive and confusing.

Yet, we still are asked to grant the CPA the right to challenge the major decisions of other agencies, and when we argue that this also will be disruptive and confusing for the same reasons, we are told that it is an elemental right.

Arguing with some proponents of this bill is like squeezing a balloon—strangle one end, and it bulges at the other.

You see, when it suits the advantage of the proponents of this bill, they will argue that the CPA is just another Federal agency, and should be treated as such. And when the going gets sticky on that basis, these proponents will argue that the CPA is not really a Federal agency, as such, but, in effect, just another person equivalent to any citizen.

CONFUSING PUBLIC DUTIES AND PRIVATE RIGHTS

Those who make this argument are confusing private rights with public duties—a very dangerous thing to do in this day and age. Until the Government starts paying taxes to the people, we should keep in mind that it is the people who have rights, and the Government which has duties. Too many Government officials have forgotten that recently.

The right of citizens representing their own special interests—be they consumerists, environmentalists, or industrialists—to challenge the Government is a right to be cherished, a measure of the liberty that has made this country great.

Extending that right of challenging the Government to the Government, itself, in the cavalier manner that this bill does, is a mockery of that right which will lead to its erosion and a Government divided upon itself.

We can guard, perfect, and expedite the rights of private citizens, but we should never make the mistake of thinking that we do so by letting the Government exercise these same rights by proxy and predilection.

Let me illustrate. During the hearings on this bill, witness after witness, in response to tough questioning by Senator ALLEN, stated that the CPA would use its extraordinary powers to promote freer trade with foreign nations. See, for example, the testimony of consumerist Betty Furness at page 353 of the hearings record; of Yale law professor, Ralph Winter, at page 503; and of the witness for Consumers Union, Peter Schuck, at page 520.

The proponents of this bill say that the CPA is necessary because consumers do not have the money, time or expertise to advocate their own interests before Federal agencies and courts. And, as mentioned, they also acknowledge that trade negotiations and similar dealings with foreign governments are a major target for CPA attack.

Let us put all these uncontested statements together into an example which is hypothetical but not unlikely.

Let us say negotiations with an Arab nation, the Soviet Union, or some other country are being conducted by the Secretary of State, the President of the United States, the President's Special Representative for Trade Negotiations or some other appropriate Federal official in the name of the United States.

Let us also say that, as with many such activities, these negotiations involve not only trade but matters of national and world security, and that the various issues are commingled on the bargaining table.

In addition, let us say, as has happened recently, some of the trade issues involve whether this country shall be able to get—or, conversely, will allow—greater numbers of imports and whether the foreign nation shall be able to get—or conversely, allow—the building of an American manufacturing plant in that foreign nation.

Now, this has gotten to be quite a complicated example. But in the real world, that is the way things are. If we are going to seriously consider creating a CPA of the type in this bill, we cannot rely on simplistic prattle. Trade negotiations between nations are not like buying a used car from the corner lot.

Returning to our example, and keeping in mind the testimony of such proponents of the bill as the distinguished senior Senator from Connecticut, Consumers Union and Betty Furness, we must assume that the CPA will intervene in this informal activity and use its prestige and powers to advocate for greater importation of goods and the building of an American plant in the foreign nation.

Remember, the CPA is to be an advocate of the special interest of consumers only—it will have the "advantage'" of myopia and single-mindedness in proceedings and activities conducted by officials who have to weigh all interests and all potential consequences.

The U.S. negotiators are, in our example, representing businessmen who might profit or lose, depending upon the outcome. They are also representing American workers, who might very well lose by the outcome as advocated by the CPA; they are representing segments of the public who are more concerned with international ramifications than with trade, and, in addition, these negotiators are concerned with the overall good of this country.

It is an extremely delicate and difficult process involving all of these interests, and no outsider, be it another Government agency or a private citizen, has the right to intrude into it.

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[4] 1973 Senate Hearings, at 223.

[5] Ibid, at 211.

[6] Ibid, at 203.

So, now comes the CPA and, under subsections 7(b) and 14(e), makes the unchallengeable decision to intrude into these negotiations and get more foreign goods flowing into this country—the other overriding issues notwithstanding. Now, why cannot this major decision of the CPA be challenged by citizens?

First, as stated by the proponents, mere citizens will not have the time, money or expertise to do so—they are too busy paying taxes to support the bulging Federal Government.

Second, and more importantly according to proponents, allowing mere citizens to appeal the major decisions of the CPA would disrupt the decisionmaking of the CPA. Never mind that that CPA decision will be disruptive of more important decisionmaking.

Not only that, if the final decision of the United States is not to the liking of the CPA, the CPA can appeal the action of the United States under subsection 8(a)—and the court cannot turn the CPA out on the basis of improper standing.

We are asked to grant the CPA in that subsection 8(a) automatic and unlimited standing, and the legislative history of this bill is replete with intent of sponsors that such trade negotiations are to be the target for CPA attack. The only question will be whether such an action is reviewable by anyone—if it is, the CPA may appeal it.

This CPA obviously cannot be a consumer "representative"—consumers will have absolutely no control over it. This CPA is to be shielded from challenge by mere citizens, from challenge by the U.S. executive branch, and from challenge by the Dr. Frankensteins whose idea it was, the Congress of the United States.

Frustrated consumerists, failing in their search for a Messiah, are willing to accept a dictator.

UNLIMITED RIGHT TO APPEAL

Turning to that subsection 8(a) on judicial review, Senators will note that it contains what is either a drafting error or another attempt to usurp power. This subsection grants to the CPA a right to appeal any "action" of any agency. "Action," by the way, includes failure to act under subsection 4(3). Yet, this subsection does not require that the CPA's appeal be in relation to an action which would adversely affect consumers. That is, subsection 8(a), if taken literally, grants the CPA power to appeal a decision on any grounds.

This subsection 8(a) merely and quite clearly provides that—

> The [CPA] Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any agency action reviewable under law.

Grounds for such review are not mentioned anywhere in the bill.

A provision in a later subsection adds to the confusion but does indicate that this sweeping grant in subsection 8(a) was not intended and should, therefore, be amended. Subsection 14(g) requires the CPA, upon appealing, to issue a public statement in which it sets forth the consumer interest it intends to represent in court.

Perhaps it was intended that this later provision applying to an extra-judicial duty would mysteriously modify the clear right of the CPA in judicial proceedings.

More significantly at this point, perhaps it is worthy to remember that the definition of "interest of consumer" is broad enough to cover virtually anything which might be affected by a Government decision, and, of course, whatever the CPA says is an interest of consumers, would be, as a matter of law if this bill is enacted, an interest of consumers.

Thus, whatever confusion is generated by the unlimited grant of judicial review rights to the CPA, turns to consternation over the fact that it makes no difference how you view this sweeping bill. It is just another problem in this misconceived legislation for the courts to clear up at some later date.

Returning to the grant of standing in subsection 8(a), what this means, in nonlegal language, is this: If the CPA files the proper papers on time—that is, it follows "the manner prescribed by law"—it will have an unrestricted right to sue—that is, a court may not say the CPA is an improper party—for judicial review of any agency action if anyone under any circumstances could have so sued—that is, if the action were "reviewable under law," as are virtually all Federal actions in one respect or another.

BURDEN ON COURTS

Considering the scope of the CPA's jurisdiction and its rights to interpret its own jurisdiction, this is the most far-reaching right to judicial review ever conceived by Congress, stripping the courts of any shred of discretion to control their own calendars.

This power will not only change the standard of review of Federal actions—although not the scope—it will place a confusing and confounding burden upon our Federal courts, a burden which can only result in the courts making public policy contrary to the very essence of American administrative law.

In practical terms, the courts will be faced with two congressionally-ordained expert agencies: one agency being mandated to balance all special interests and come to a final decision on the basis of the public interest, and another agency challenging that public interest decision on the basis of its explicit right to seek judicial review of such decisions as a representative of a special interest.

There are those who predict that the CPA will not appeal many final agency decisions. The only reason for supposing such a prediction to be true would be that the CPA has enough power, including the threat of suit, to coerce any other agency into acting in accord with the CPA's views. Otherwise, the CPA's initial determination would be a shallow fraud.

That is, when the CPA, under subsection 7(a), intrudes into a proceeding being conducted by another agency, it must make a determination that that proceeding "may substantially affect the interests of consumers." It also must issue a public statement to this effect in which the CPA sets forth the substantial interest of consumers it is going to represent, according to subsection 14(g).

Having done all that as the publicized champion of the consumer, does anyone seriously believe that a decision by the forum agency with which the CPA has publicly disagreed will be left unchallenged?

Does anybody believe this extraordinary and overreaching judicial review right is going to go abegging in the hands of a Washington bureaucrat, especially one with his reputation on the public line?

We also fail to recognize any merit in the argument that the forum agency will always win such court fights. This argument does not recognize the fact that the CPA is to be a congressionally-ordained expert agency fighting another congressionally ordained expert agency in an embarrassing U.S. against U.S. court battle to determine who speaks for the Government.

If one recognized expert says in court that another recognized expert did not give the proper or sufficient weight to the evidence presented in an administrative hearing, it is elemental that the court, on review, must go through all of the evidence and assign its own values to the evidence, perhaps even coming up with a decision that neither expert agency agrees with.

We have heard these two soothing but erroneous arguments before—few suits will be brought, and most of these will be won by existing agencies. We heard them in debate on the National Environmental Policy Act which has many striking parallels to this CPA legislation.

In relation to these two soothing arguments which we are hearing now again, consider the recent remarks by one of the leading jurists in this country and an acknowledged expert and scholar on administrative law, Henry J. Friendly, chief judge of the U.S. Court of Appeals for the Second Circuit. On the subject of congressional predictions about litigation volume he states: [1]

> One must wonder whether the framers of [NEPA] could have remotely conceived the volume of litigation it would spawn.[2] In practical effect it has come to mean that any proposed federal action having a conceivable effect on the environment will become the subject of a suit, whether successful or not.

In light of this history, and to paraphrase the learned judge, in practical effect S. 707 may well come to mean that any proposed Federal action having a conceivable effect on the consumer will become the subject of a suit, whether successful or not.

On the question of success of suits, the second soothing argument we hear in relation to S. 707, proponents of this concept fail to recognize one central point. No matter who wins a United States against United States suit, the Government, by definition, always loses and the courts always find these suits among the most burdensome and difficult. This is so because they have to substitute their judgment where it was never intended to be substituted, or they have to remand and, thereby, cause great delay with no guarantee that another appeal would not be taken from the subsequent agency action.

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[1] 4 Maryland Bar Journal 9 (April 1974), at 13.

[2] Ibid, at 14.

Consider the problem in relation to NEPA, as Judge Friendly makes it clear:

> A court cannot decide whether an agency gave sufficient weight to environmental factors without making up its own mind what would be sufficient weight. This involves each judge's making his own value judgment, and these will differ in accordance with his particular tastes. . . . Almost all such cases are appealed [to a higher court]. When the reviewing court sustains the agency, years will have elapsed during which costs will have vastly increased.

There is an additional argument made by proponents of S. 707, one which is spurious, but not clearly so upon first examination. It is that Federal agencies, right now in some instances, can take a sister agency to court for a judicial review of its final decision.

What these proponents always fail to point out is that (a) it is a rare occurrence when viewed in light of all appeals, and (b) it only happens between agencies which have regulatory or proprietary congressional policies which are in conflict. The CPA is supposed to have no such mandates.

The courts are the proper place to resolve a conflict in duties imposed by Congress upon two different agencies. For example, the Justice Department was given authority to prevent anticompetitive mergers, and the Federal Home Loan Bank Board was given authority to approve mergers.

It is one thing for the Justice Department to challenge such an FHLB-approved merger in court; it is entirely another thing for the CPA, a nonregulatory agency, to challenge such a merger where the Justice Department has failed to do so. The CPA is to be a gadfly with no substantive duties or responsibilities.

Another example is the Department of Agriculture appealing ICC rates to protect USDA's proprietary interest in the billions of dollars it loans.

Let me use an illustration to show the silliness of creating a nonregulatory agency to appeal the decisions of agencies which the Congress has created and given the duty to make regulatory decisions for the United States.

Suppose a bill were introduced to grant any Federal district court judge the unchallengeable right to intervene in the proceedings of any other district court for the purpose of protecting the interests of consumers therein. Now suppose this bill also granted these intervening judges the additional right to appeal to the court of appeals any decision of his brother judge, as any adversely affected party could. If Members could not support such a bill, look again at S. 707. It follows the same principle.

Before leaving this complex subject, we must point out another facet of section 8 in this bill which could easily turn danger into calamity. The CPA may appeal to the courts, not only actions arising out of proceedings and informal activities in which it has participated, but the CPA may appeal to the courts agency actions in which it has not participated.

Thus, we shall not know whether any "final" decision of the Government is really final until we know whether the Government, through the CPA, is going to appeal itself or seek a further delaying rehearing prior to appealing which it must do if it did not participate in the original decisionmaking.

THE POWER OF INQUISITION AND REVELATION

Let us now consider the proposed powers to grant the Consumer Protection Agency the most far-reaching information-gathering powers of any State, Federal, or local agency ever created—including the Federal Bureau of Investigation. And, when coupled with its broad powers to disseminate what it has gathered, these powers of inquisition and revelation clearly make the CPA a major threat to privacy, and property.

The sponsors, in their June 27 comments on the minority views, incorrectly stated that we overlooked the "safeguards" in these provisions, and failed to distinguish between the CPA powers to gather information and to disseminate it.

As we pointed out in our extensive reply to those comments of June 27, we did distinguish between information access and release, and there are no adequate safeguards in these provisions.

In fact, throwing businessmen some of the "safeguards" in this bill, would be like throwing a drowning man a lead life preserver.

It is in these information-gathering and dissemination powers that the CPA's regulatory powers are most evident—even if proponents keep assuring us that the new unit will be nonregulatory.

Indeed the sponsors acknowledge this in their June 27th discussion of these information powers, comparing the CPA to—and I quote from page 21524 of the RECORD—"other Federal regulatory agencies."

The CPA is granted authority to compel other agencies and private citizens to divulge information that no other agency would even ask for, and then to publish it.

Again, we are asked to have faith in this totally independent, unknown future Administrator of the CPA, but we are told he is needed because we cannot trust other bureaucrats. We are assured that he will not use all of the powers granted to him, but we are told that they are so necessary that they cannot be trimmed back.

Under subsection 11(a), the CPA is granted general power to gather any information it wants, in any way it wishes. This is done in very broad terms, terms which, according to the majority report on page 30, allow the CPA to conduct its own product testing in its own laboratories.

During the early years of this bill's proposal there was general agreement that such product-testing power should not be vested directly within the CPA, and should specifically be prohibited.

I think that one of the main reasons why the first amendment was placed in the Constitution was to make it clear that the Government of the United States should not have the power to tell the people what the truth is about anything, and yet this bill is inconsistent with that purpose of the first amendment because it specifically empowers the CPA Administrator to issue any statements to the public of any views he has on any subject coming within his broad jurisdiction; and it expressly provides that he shall not be liable in any court for any statement he so makes, regardless of its injurious consequences upon innocent people.

INTERROGATORY POWERS

Subsection 11(b) of S. 707 provides the partisan CPA advocate with something no special interest advocate ever had, which no nonregulatory agency ever had, and which very few substantive agencies have—the power to require citizens to file, under oath, answers to questions put to them by the CPA.

It is specifically intended, according to page 32 of the majority report, that this power be used by the CPA to force businessmen to divulge trade secrets.

And even worse, section 12 authorizes the CPA, in its absolute discretion and without prior notice, to disclose trade secrets to protect the public—see S. 707, page 75, lines 1–2; page 74, lines 6–7—something no other regulatory agency may do, to our knowledge.

Returning to subsection 11(b), under this provision the CPA might even be able to force reporters to divulge their sources, as the sponsors acknowledged in their June 27 comments on the minority views.

It is significant that a lawyer from Consumers Union, which publishes the magazine Consumer Reports, expressed fear at one of our hearings that such could happen, and nothing was changed in this regard.

The subject matter of these information orders from the CPA is limited to whatever information the CPA considers is required "to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to an interest of consumers." In short, the scope of the orders is limited to anything the CPA Administrator wants. His power in that is unlimited.

If a person who is on the wrong end of one of these orders wishes to quash it in court, the Administrator will prevail by merely showing that the information substantially affects health or safety of consumers or falls within the other areas of scope mentioned above, and is relevant to those purposes. Considering the fact that the CPA is the congressionally endowed expert in this area, that is hardly a test. The only other hope of the citizen is that he can prove that answering will be unnecessarily or excessively burdensome, a slight hope.

The CPA cannot use information received under this power against the person who supplied it in a pending agency proceeding, but it can use the information in a subsequent proceeding.

Thus, the nonregulatory CPA can have regulatory power by proxy—it can force information out of a businessman, present that information to a regulatory agency, demand a proceeding against the person—and appeal any decision not to hold a proceeding—enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. Thus, the CPA will have all of the rights of a regulatory agency and none of the responsibilities.

Subsection 11(c) of the bill gives the CPA unprecedented and virtually untrammeled access to any Federal agency data bank, file, and record which the CPA Administrator, in his discretion, "deems necessary for the performance of his functions." This power is subject to seven extremely narrow exceptions, most of which evaporate right out of sight when you read their intent in the majority report.

One of these exceptions is worth noting, however, because it will result in making the jobs of existing Federal agencies far more difficult. The exception is found in paragraph (7)(B) of subsection 11(c). This exception allows a Federal agency to deny to the CPA trade secrets and other confidential business information which it has received subsequent to the enactment of this bill, but the Federal agency may deny the CPA access to these secrets only under the following conditions:

First, the original agency must have gotten the secrets pursuant to a written agreement not to divulge them;

Second, the information must not have been obtainable without such an agreement—that is, the original agency had no subpena or other mandatory power to obtain it;

Third, the failure to obtain the secret information would have seriously impaired the original agency in carrying out its program; and

Fourth, access to the information is likely to cause substantial competitive injury to the person who supplied the secrets.

This is not only an extremely narrow exception, but also it will clearly result in businessmen failing to voluntarily surrender confidential information to assist the Government in its programs.

It may seriously be doubted whether a businessman who does not want his trade secrets shown to the CPA would volunteer such information to an agency which could procure it by subpena or other means—the CPA could have access to the secrets just for the asking, because the information could have been obtained by the original agency without an agreement to keep it confidential.

Perhaps those who advocate this idea do not realize how extensive a practice it is for businessmen to save a Federal agency the trouble of a suit by volunteering confidential information under a protective agreement. If this provision remains, such a practice would probably no longer be extensive, and it is likely that all Federal agencies will have to go into court to get the information they need.

I should note that this provision would allow the owner of a trade secret to seek a court injunction against granting the CPA access to it. But the bill is silent with respect to any grounds upon which the injunction could lie, thus forcing him to plead the conditions listed before—an obviously hopeless task.

As to disclosure of information obtained by the CPA, subsection 12(a) grants to the Administrator the right "to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this act."

The subsection makes it clear that the only limitations to be placed upon such CPA disclosure are those listed in this section 12. No other existing legal limitations on Federal agency disclosure would apply.

Needless to say, after such a broad delegation of power to disclose information, one might expect numerous and tightly drawn exceptions to such an unbridled right to disclose the vast amount of information which the CPA will gather. Unfortunately, this section follows the pattern of its predecessors—narrow, contorted, and ill-fitting limitations upon an overwhelming grant of power.

Subsection 12(b) applies to information which the CPA has gotten through its access to the files and the records of other agencies. More specifically, it applies to information exempted from mandatory public disclosure by these agencies under the Freedom of Information Act or any other applicable statute.

Even more specifically, this subsection applies only to such information where the original source agency has specified in writing to the CPA that information is exempted from public disclosure by statute, and that the CPA should not disclose it.

In such a final case, the CPA may not disclose that particular information. Or, if the original source agency has specified a particular form or manner for the disclosure of such information, the CPA must comply with that specification. Otherwise, the CPA has a full disclosure right, subject to some minor inconveniences, but not prohibitions, in later subsections which will be dealt with later.

You should note that the sponsors rely on this provision as the major "safeguard" in the information area—if a Federal agency gives the CPA product information, and says in writing that it falls within the Freedom of Information Act exclusions and should not be disclosed, the CPA may not disclose it at that time.

The sponsors conveniently overlook two critical factors in this regard.

First, the major consumer product information collecting agency in the Government, the GSA's Consumer Product Information Coordinating Center, is transferred to the CPA under section 15 of this bill—thus, as to the information collected by that agency, the CPA, alone, decides what to publish.

Second, what is to prevent the CPA from bringing or threatening an action under the Freedom of Information Act and/or subsection 8(a) of this bill to force any other source agency to reclassify its determination concerning the exempt status of the information?

PUBLISHING TRADE SECRETS

Subsection 12(c) creates another broad loophole in existing trade secret law (18 USC 1905) which now prohibits all Federal agencies and their employees from using to their own advantage and disclosing trade secrets and other confidential business information. S. 707 would allow the CPA to publicly disclose such trade secrets and confidential information if the CPA in its sole discretion decided that such disclosure was necessary to protect health and safety generally—no relation to a consumer transaction or interest is necessary.

This regulatory function for the CPA applies to information received from private citizens who either volunteered it or were forced to surrender it under the CPA's information order power which would allow discovery of trade secrets.

It also probably applies to information volunteered by a Federal agency, so long as the CPA did not exercise its authority under subsection 11(c) to force the agency to surrender the trade secrets. But the disclosure function does not apply to information which the CPA has forced a Federal agency to divulge under subsection 11(c).

The CPA is also allowed to disclose any such trade secrets or confidential information to congressional committees, courts and Federal agencies when the CPA is representing an interest of consumers, but it must do so in a manner designed to preserve the information's confidentiality. In addition, the CPA is allowed to generally divulge such confidential information to other Federal officials concerned with its subject matter in the same manner.

In all other cases, the CPA would be bound by the same law as other Federal officials, and would not be allowed to disclose such secrets or confidential information. But the loophole which this subsection creates is big enough to frighten anyone who has millions of dollars invested in a secret formula or process.

Subsection 12(d) of S. 707 makes it clear that CPA's regulatory function is complete with respect to protecting the public. Where, in the sole opinion of the CPA, "immediate release is necessary to protect the health or safety of the public," the CPA is authorized to disclose immediately such trade secret information or any other disclosable information in its possession, including information which could put someone out of business.

In other cases, where release of information might cause substantial injury to reputation or goodwill, the CPA will allow the affected person or company time to comment or seek injunctive relief. Again, we wonder about what grounds such a person or company would plead in court in light of the clear statutory right of the CPA to divulge the information.

This seems to be a travesty on justice, to give an absolute power to the Administrator, and then authorize suits to enjoin him to prevent the Administrator from exercising his absolute power.

CPA PRODUCT RATINGS

Subsection 12(e) originally began as a provision designed to guard against the CPA telling consumers what to buy, eat, and do. It applies to CPA-released information which names products and services. Now, together with its intent as laid out in the majority report, this subsection achieves the opposite result.

This subsection 12(e) provides, in pertinent part, that the CPA shall "not indicate expressly that one product is a better buy than any other product." The majority report, in its explanation of the subsection on page 37, fleshes this out as follows:

> This provision should not be read as prohibiting the [CPA] Administrator from making any statement comparing the relative characteristics of any product or service. He may make objective comparisons of performance or of certain qualities of a product or service. This subsection is not intended to cut off frank, factual and meaningful discussion of various products and services by the Administrator . . .

That is, the CPA can determine what characteristics of competing products it should test, and test these products itself, and publish the results in order of performance of the characteristics chosen by the CPA as most important. It will be a message to consumers as to what the CPA recommends should be purchased, but it will not be labeled as such.

The one happy final note in this subsection is that, for the first time, the bill recognizes that consumers are not complete idiots; they will be able to recognize a good-better-best rating when they see one, even if it is not labeled as such.

As far as its information powers are concerned, then the CPA is to be a huge Federal vacuum cleaner fitted with a collecting bag riddled with holes, allowed to run amuck throughout the Nation as well as the corridors of bureaucracy sucking information in one end and spewing it out the other.

SUMMARY AND CONCLUSION

Mr. President, I have only covered a few of the problem areas in this bill. Yet there is only so much horror that can be portrayed before one's audience goes into shock.

Let me, therefore, briefly and generally summarize the points I have made, and postpone a discussion of additional problems in this bill to a subsequent time in the debate.

First, we have seen that S. 707 would grant powers to a political appointee who would be responsible to no one.

Second, we have seen that many of these powers are of the type that no responsible official would use, and no irresponsible official should have.

Third, and more specifically, we have seen that this bill:

Takes the strongest advocacy powers available to regulatory agencies, and grants them to the CPA; then, takes the strongest advocacy rights of private citizens available to no governmental unit and also grants them to the CPA; then it creates advocacy rights never given to either a regulatory agency or a private citizen, and also gives these to the CPA.

Fourth, we have seen that the CPA under this bill is to become none other than the most sophisticated and insatiable data bank ever conceived by man.

Fifth, we have seen that the CPA can—with impunity—use the data forcefully collected from Federal agencies, businessmen, labor unions, newsmen and private citizens to force its views upon others and drive people out of business.

Sixth, we are asked to remember that consumers do not have the time, money, and expertise to appear on their own behalf before existing agencies designed by us to protect consumers, and asked to forget that the proposed solution to this problem is to design and create yet another agency to protect consumers before whom consumers will not appear because they do not have the time, money, or expertise.

Seventh, we are asked to condemn existing agencies because they have not functioned as their supporters thought they would, and we are asked to applaud the creation of yet another agency whose supporters assure us will perform as they think it will.

Eighth, we are asked to admit that we cannot exercise our oversight functions properly and to use this as an excuse for providing no oversight function for a new agency to conduct our oversight for us.

S. 707 would coronate a Caesar within the Federal bureaucracy.

In the name of consumers, I ask you to rise against this Caesar. Not because you desire consumer protection less, but because you desire good government more.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 5094) to amend title 5, United States Code, to provide for the reclassification of positions of deputy United States marshal, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

SENATE RESOLUTION 370—DIRECTING THE SENATE COMMITTEE ON RULES AND ADMINISTRATION TO STUDY THE SENATE RULES AND PRECEDENTS APPLICABLE TO IMPEACHMENT TRIALS

Mr. MANSFIELD. Mr. President, I have at the desk a resolution, submitted on behalf of the distinguished Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), the assistant majority leader, the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the assistant Republican leader, the distinguished Senator from Michigan (Mr. GRIFFIN), and myself, and I ask that it be called up and given immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

The legislative clerk read as follows:

S. RES. 370

Resolved, That the Committee on Rules and Administration is directed to review any and all existing rules and precedents that apply to impeachment trials with a view to recommending any revisions, if necessary, which may be required if the Senate is called upon to conduct such a trial.

Resolved further, that the Committee on Rules and Administration is instructed to report back no later than 1 September 1974, or on such earlier date as the Majority and Minority Leaders may designate, and

Resolved further, that such review by that Committee shall be held entirely in executive sessions.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The question is on agreeing to the resolution.

The resolution (S. Res. 370) was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate resumed the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. ROTH. Mr. President, I ask unanimous consent that Loren Murray of Government Operations have consent to be on the floor for the remainder of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON METZENBAUM AMENDMENT TO S. 707 AT 4 O'CLOCK

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor?

Mr. BARTLETT. For what purpose?

Mr. MANSFIELD. To make a unanimous-consent request.

Mr. BARTLETT. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the pending amendment occur at the hour of 4 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I thank the Senator.

Mr. President, I ask that these requests not interfere with the Senator's speech.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oklahoma has the floor.

Mr. BARTLETT. Mr. President, I ask unanimous consent that during the debate and consideration of this bill, David Russell and Harold Scoggins of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask to have printed in the RECORD at the conclusion of my remarks various statements and editorials.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. BARTLETT. Mr. President, supporters of S. 707, which establishes an Agency for Consumer Advocacy, would have people believe that anyone who opposes the bill for any reason is anticonsumer. I want to make it clear at the outset that I am very much aware of consumer problems and believe there are steps Congress can take to give the consumer better protection. But I must oppose establishing an agency charged with the singular duty of consumer protection because I believe, in the long run, it will only support the consumers with the loudest voices and the most money—to the detriment of those whose cause may be more justified and more in line with the overall public interest of the United States.

Our system of government is designed to serve the public interest—not the consumer's interest, manufacturer's interest, marketer's interest, or any other special interest. Who are the American consumers if they are not the same American public that Government has been serving for 200 years? Only a balanced judgment based on a consideration of all segments of the national economy serves the public interest. Any effort to emphasize consumer interest, as such, to the exclusion of all the other parts of our economy can only result in distortion; it will not serve the public interest.

A clear example of how a devotion to the interest of the consumer to the exclusion of other considerations can boomerang and have an adverse effect on consumers is found in the Federal Power Commission's policies on natural gas prices. Consumer pressures for suspension of wellhead prices of natural gas at far below competitive fuel price levels caused a burgeoning demand and a severe drop-off in the search for new supply sources. Now consumers are faced with critical shortages; supplementary supplies from abroad or synthetics will cost double or triple the unrealistically low Federal Power Commission prices.

The only fuel that will help many users of natural gas is natural gas, because they do have the lines, they have the hookups, and they want the gas; and because of primarily the low-price structure for 20 years, since 1954, the supplies are very limited.

The problem of a possible conflict between consumer interest and the public interest will be magnified tremendously if S. 707, establishing the Agency for Consumer Advocacy, is enacted because of the inordinate amount of power this ACA will have in dealing with other Federal agencies. We must consider what positions the ACA would take in deciding importation policies and foreign trade negotiations.

It seems to me that this is a matter in which the possible ramifications have not been fully considered.

Representative JOE WAGGONNER of Louisiana has recognized the problems which might come up if such a powerful ACA is established. In the following speech—cited by Representative DON FUQUA in 1973 before the House Government Operations Committee hearings—which he delivered in 1973 on the House floor, he explains the consequences in the event consumer interest is championed to the detriment of the public interest, giving examples of the interest of the Consumers Union and the possible foreign policy ramifications of ACA intervention into the question of oil imports. Here is the problem as he explains it:

> Mr. Speaker, the April 25 edition of the Washington Post reports that the distinguished senior Senator from Michigan, Mr. HART, has filed a friend of the court brief in the U.S. Court of Appeals for the District of Columbia, challenging the legality of the recently negotiated steel import limitation agreements by Japanese and European producers.
>
> These agreements, designed in part to protect domestic wage earners, placed limits on the amount of foreign steel exported to the United States from the participating countries. Consumers Union, one of the Nation's most prestigious consumer organizations, has sued the Secretary of State to have the agreements declared illegal.
>
> The impact on consumers in such agreements is obvious. A limit on the amount of foreign steel coming into the United States will obviously contribute to high or higher prices for steel and the billions of consumer goods utilizing steel.
>
> Not until I read the Post article did I fully grasp the precedent-setting nature of this case, its relationship to legislation pending before the Congress, and its impact on public interest issues which includes as a lesser part consumer protection issues.
>
> Consumers Union, as an advocate for the special interests of consumers, of course, argues that meeting the consumer need for more competitive goods through greater importation is now more important than protecting the needs of domestic wage earners or a struggling friendly foreign nation.
>
> Consumers Union and other consumer representatives have long held a freer trade position. In fact, they have argued that this will be one of the missions of an independent Consumer Protection Agency—CPA—a proposal now undergoing hearings in the Senate.
>
> This CPA would be given extraordinary powers never before conferred on an advocate to attempt to increase this country's importation of goods in the interests of consumers and at the expense of other special interests.
>
> Such a proposal should give the Congress pause. Do we really want to create a CPA which can intrude into the negotiation of the State Department and oppose any position that would result in higher prices? Do we really want to create an agency that, failing to impose its will at the negotiations stage, can appeal the negotiated trade agreement to the courts and ask the courts to impose the CPA's will on the State Department?
>
> The effect of such broad and sweeping authority, as proposed in some Consumer Protection Agency legislation, on issues that transcend mere consumer affairs is not being adequately considered, I fear.
>
> What, for instance, should be the position to a Consumer Protection Agency on the importation of oil into this country? In the midst of an "energy crisis," the consumer interest would appear to be in having available a plentiful and inexpensive source of oil. Yet when we begin to look outside of our boundaries for sources of oil, we also go beyond the boundaries of mere consumer affairs into affairs of State.
>
> For instance, there is enough surplus in the Middle East to meet our domestic needs. It is estimated that by 1980, one out of every five barrels of oil consumed in the United States will come from the country of Saudi Arabia, alone, if we can still import it.
>
> The Saudi Arabians, however, have recently made it clear that increases in their oil exports will be directly linked to the United States' position on the political crisis which exists between the Arab countries and Israel. In short, they tell us, Arabian oil will be tied to an alteration of this country's pro-Israel stance.
>
> Supporters of a CPA have made it clear that balancing considerations of State, such as our policy vis-a-vis the Middle East is not to be a function of the CPA. The CPA, they say, is to be an advocate of a special interest, not a judge of the public interest, and that nonconsumer issues will have to be protected by others.
>
> Yet, I think it is reasonable to infer that a Consumer Protection Agency, if created, would be compelled to protect oil consumer interests by advocating within the State Department a pro-Arab stance, and failing there, appealing to the courts any pro-Israel State Department decision that could result in higher oil prices.
>
> Mr. Speaker, the Consumers Union suit is clearly precedent for such a development. We, in the Congress, should take a long, hard look at any proposal—even one as popular as consumer protection—which holds even the potential to upset the delicate affairs of State and place our friends around the world in jeopardy.

I think the points that were made by Representative WAGGONNER of Louisiana are certainly worth our consideration; because since they were written, we have had an energy crisis, we have had embargoes by the countries in the Middle East, the Arab countries, and we have seen what has resulted from a shortsighted approach to providing our own domestic energy, in having shortages, and in knowing that the policies we were following were not going to provide sufficient energy. Nonetheless, I think it shows that the consumer has been well represented, without an ACA or a CPA.

The argument for so long was, "Let's bring in cheap foreign oil," and cheap foreign oil was imported in greater amounts than the domestic energy industry could sustain. Because of this, the foreign development of reserves went on, with American capital and American know-how and American companies leading the way for them, providing ample quantities of cheap foreign oil which could be imported into this country in a way to weaken the domestic industry.

In the process of all this, the steel products essential to the oil industry had the same fate. The raw steel capability today of companies in this country is just what it was 20 years ago, no greater, even though the demand for steel has increased.

The American companies relied to an extent, I might add too much of an extent, on imported foreign pipe for the drilling of domestic wells. In doing this, they weakened the domestic oil industry's capability of producing pipe in quantities desired today.

So, we weakened our own industry at a time that we needed to strengthen it. I think this all brings out what actions the ACA might take as far as prices of products such as tubular goods or as products of oil.

Would they be interested in lower priced products which would not bring in sufficient amounts of steel tubular goods or of refined products, or would they be interested in the supply side of the arrangement?

The point is that there are many consumers with different interests or there are many citizens with different consumer interests, some are interested in a cheaper price for the short term, others are interested in a free market price for the longer term, knowing that there will be an assurance of sufficient supply.

Looking at this question from a different angle, championing or protection of the consumer interest could result in an intrusion on one of the most important freedoms we enjoy—freedom of the press, ultimately, as CBS commentator Jeffery St. John has stated, undermining "the foundation of editorial freedom, which is advertising." Stating that there is often a difference between the consumers and those who claim to speak for the consumers, Mr. St. John foresees the possible destruction of advertising by government-inspired consumer protection efforts. I submit the statement he made before the House Government Operations Committee last year for your information:

> I am a CBS radio network "Spectrum" commentator and a syndicated columnist for the Copley News Service. I am also a frequent contributor to the editorial pages of major American daily newspapers, among them the New York Times, Long Island's Newsday, the Philadelphia Inquirer, the Washington Star, Chicago Tribune, Detroit News, and the Los Angeles Times. During the past few years, I have written extensively on consumerism in general and the Consumer Protection Agency proposal in particular, for both the broadcasting and printed media.
>
> Because of my dual background in both broadcasting and print, I believe myself sufficiently informed to state some specific reasons why Congress should permanently table its proposal to create a Consumer Protection Agency. In short, I believe its creation will pose a clear and present danger to press freedom, far beyond the widely admitted dangers thus far faced from actions by the Congress, the executive, and the judicial.
>
> Let me now briefly state my case by beginning with a quote from Senator Charles Percy, when he appeared before the Ervin Constitutional Rights Subcommittee. Senator Percy said the following:
>
> "The threats to a free and vigorous press are very real * * * I have no doubt that this country feeds on an active, probing, inquiring, inquisitive press that never waivers or hesitates because of implicit or explicit Government intimidation."
>
> Senator Percy and others who have taken this position publicly have piled up points with the press with such ringing statements. However, Senator Percy and his ally, Ralph Nader, support the concept of a Consumer Protection Agency that would, in my judgment, gravely compromise the economic foundation of the press. CPA would be empowered to intervene in the proceedings of every Federal agency touching on consumer interests, including advertising which forms the indispensable foundation of the printed and broadcast media. We seem to forget that the press is a business. Its profits from advertising pay for the multimedia complex that comprises the American communications industry. The CPA would also be empowered to intervene in radio and television license renewals. In fact, it has been suggested by advocates of the CPA that the amount of consumer news a station carries be considered as a yardstick for license renewal by the FCC.
>
> The consumer crusade against advertising and its attempts to police allegedly deceptive ads raises the much-evaded question of whether the press, be it broadcast or print, can remain—in Senator Percy's words—"probing," "inquiring," and "inquisitive" if the economic lifeblood of that press is progressively controlled and regulated by Government, with "implicit or explicit Government intimidation"—to further borrow Senator Percy's words.
>
> ### ADVERTISING ESSENTIAL TO PRESS FREEDOM
>
> The creation of the Consumer Protection Agency, in my judgment as a working journalist, would greatly increase the capacity of the consumer movement to become a menace to free speech and free expression. Ultimately, the consumer movement would undermine the foundation of editorial freedom, which is advertising.
>
> "It's all very well for consumer advocates to attack advertising," observes Yale law professor Ralph K. Winter, Jr., when writing of the CPA proposal, "but they themselves"—meaning the consumer movement—"merchandise consumerism in such a way that puts Madison Avenue to shame. Their activities seem very much geared to media impact and involve a great deal of sensationalism." Professor Winter contends, however, that consumer advocate attempts to suppress and regulate advertising "would impose restrictions on advertising which could cause the amount of advertising in the economy to sharply decline."
>
> The ironic aspects of the strange alliance between the consumer movement and the press is that Ralph Nader and his allies advocate policies which the press has accepted uncritically, yet those policies could lead to the piecemeal economic destruction of the press. The lack of critical examination by the Congress and the press of the consumer movement and such proposals as the CPA is a case in point. The creation of CPA would permit Nader and his allies to go radically beyond what they have managed to do piecemeal via the efforts of the Federal Trade Commission. Since the 1969 Nader-inspired report on the FTC, a skillful campaign of power politics by Nader and others has forced the FTC into a radical advocacy posture, principally against businesses that use television advertising in their marketing. The FTC "counteradvertising" campaign that compels companies to confess their guilt as assessed by the FTC, in future ad campaigns, raises serious questions that go beyond Government policy which is even now undermining the press' economic foundation.
>
> Former FTC Commissioner Lee Loevinger warned that the FTC's counteradvertising campaign would wipe out ad revenues and ultimately "drive all broadcasting to dependence on Government subsidy or support and thus greater Government control." If, he argued further, Government can mandate the expression of specific viewpoints, "in economic realm, it can do it with equal logic in the political realm. Counteradvertising would create a host of problems, including a test of free speech under the first amendment." It should be realized, however, that the counteradvertising campaign proposed by consumer advocates is not for the purpose its proponents state. It represents only one stage, in my judgment, in their steady onslaught against the economic foundation of the press.
>
> For we have seen that what followed the Government-mandated countercigarette commercials was the abolition of cigarette advertising on radio and television. And now the abolition of small-cigar advertising.
>
> ### POLICING ADVERTISING AND PRESS
>
> Senator Frank E. Moss insists that his efforts and those of consumer advocates to police advertising and their successful campaign to ban cigarette commercials from broadcasting (accounting for a $200 million annual loss in revenues) do not constitute a first amendment case. Nevertheless, Senators Moss and Percy, while supporting editorial press freedom from Government intimidation, evade the central issue of whether their efforts ultimately will help undermine press editorial freedom if advertising is progressively destroyed by Government-inspired consumer protection efforts.
>
> Dr. Frank Wolf, assistant professor of political science at Drew University, in a recently published study, "Television Programing for News and Public Affairs," concluded that the richer and more profitable a broadcast news operation, the more complete and controversial its news and public affairs programs. This commonsense economic approach seems to elude the consumer advocates who continue their assault on advertising in broadcasting. The printed press has looked on this campaign either with indifference or, in some cases, has encouraged it, indirectly benefiting when cigarette broadcast commercials were banned for a product legally sold over the counter. Now the printed press is awakening to the implications of the consumer movement's efforts. "A spate of Government rulings," observed publisher Eugene Pulliam, "is eroding the economic base of journalism. The American communications industry is struggling for its very survival in a web of Government regulation."
>
> The belated questioning by the printed press of the implications of consumerism comes at a time when Nader's star and credibility is beginning to dim. Until recently, Nader's power was rooted in a compliant, even adoring, press with allies here in Congress who helped him pass individual consumer laws that have, by Nader's own admission, failed. Harrison Wellford, a Nader associate, admits, moreover, that the current FTC assault on advertising is not likely to maintain its current "vigor." For these reasons, it is crucial for Nader and his allies to railroad through Congress this CPA bill that will provide consumerism a permanent power base within Government; a new, more radical Government agency to do battle with the old bureaucrats.

FALSE PREMISES OF CONSUMERISM

Mr. Chairman, it is my view that, just as counteradvertising was deceptive labeling and packaging of the worst sort by consumer advocates, the CPA falls under the same category of mislabeling and deceptive advertising. CPA is not really for the consumers, but for those who claim to speak for consumers. I underscore "who claim to speak for consumers." In reality, the consumer movement wants CPA as merely a means to a larger end: the restructuring of the entire governmental system. I cite to you in support of this position, Mr. Consumer Crusader himself, Ralph Nader.

In the 1969 hearings on CPA before the House, Nader acknowledged that "you cannot separate consumer interests from other interests * * *. I think we should try to reform the entire governmental apparatus through this kind of [Consumer Protection Agency] with strong powers, with strong skills, with strong zeal, strong consumer testing and disclosure functions." Nader predicted that the CPA "would revolutionize Government."

The premises of consumerism in general and the attack on advertising in particular have received few critical challenges, largely the consequence of a bias in the broadcast and printed press which, until recently, assumed Ralph Nader beyond error. The foundation of Nader's "credibility" rests on his successful campaign against the GM Corvair, which resulted in the 1966 congressional hearings on auto safety headed by Senator Abraham Ribicoff.

The consequences of those congressional hearings made Nader a super-super star of the consumer movement. But now, 7 years later and after a 2½-year investigation by a subcommittee headed by Ribicoff, the original sponsor of Nader has made an amazing and, to my way of thinking, largely unreported admission, at least as far as the coverage given the GM hearings in 1966 is concerned. This is from the Ribicoff report: "Although we have not upheld Mr. Nader's charges against Corvair and General Motors," the Ribicoff study stated on March 28, 1973, "we believe they were made in good faith based on information available to him. After gathering all the evidence concerning them, we can understand how he reached the position stated in his letters. The documents he cites provide some support for his views. However, we believe the clear preponderance of the evidence, much of which was unavailable to Mr. Nader, is on the other side."

Of course, Mr. Nader disputes this conclusion. However, every campaign in which Nader has engaged since his rise to his current lofty prominence contains countless examples of questionable data and dubious premises that have gone largely unchallenged. His attack on advertising, for example, is rooted in premises that are highly subjective and speculative, lacking any real scientific foundation. Nader contends that the food industry's use of advertising panders to "superficial," and what are "critical consumer needs" are Nader's personal opinion and not the product of any canvass of millions of consumers, whose taste and choice vary from individual to individual and from income group to income group. To say, moreover, that advertising "manipulates" unsuspecting consumers is to arrogantly assert that consumers are mindless robots who lack the intelligence to make market judgments.

Creation of a CPA will provide Nader and his consumer allies a bureaucratic dictatorship with powers far beyond what anyone else has dared demand, while, in my judgment, insulating CPA from review and accountability by Congress. Such a proposal is made in the face of past failures of consumer protection laws. "Calling for creation of a CPA," observes Professor Winter of Yale, "is an admission of egregious failure of consumer protection regulation in the past. But surely the mind boggles at the argument that the failure of regulation in the past calls for imposing another bureaucratic overlay." Parenthetically, the nonpartisan Tax Foundation reported recently: To date there are more than 1,000 Federal Government consumer protection programs, administered by 57 agencies at an annual cost of $3 billion. At present, 23 States have consumer protection departments, 29 have consumer fraud agencies attached to the attorney general's office, and more than 50 cities and 20 counties have consumer protection units.

CPA AND REPORTERS' CONFIDENTIAL COMMUNICATIONS

The paradox of the press endangered by a consumer movement it has uncritically promoted and supported is made more so by the fact that with the creation of the CPA will go subpenalike powers to gather information, placing newspaper and broadcast reporters in precisely the same bind they now face with grand juries. The CPA would require the filing of reports and the answering of questions by any person engaged in a business or industry that touches on interstate commerce in order for the CPA to obtain information for the protection of consumer health and safety or to uncover fraud. Reporters covering American industry, and as a matter of fact working for the communications industry, would be subject to CPA. Thus, the proposed "shield law" also supported by Senator Percy is at cross-purposes with his espousal of extraordinary power for the CPA.

Several specific provisions in the pending Consumer Protection Agency bills are particularly ominous.

Now, I realize—departing from my prepared statement—the chairman of this committee has said, in effect, that we are concerned with the House bills and not the Senate. It would seem to me, from my knowledge of Congress, that this bill is eventually going to have to go to conference and the issues in either of the bills have to be reconciled. Therefore, in S. 707, for example, the CPA would be specifically charged with the "maintenance of truthfulness and fairness i advertising 'with powers' broadly interpreted by the executive branch." In the past, this kind of sweeping mandate has always led to abuses, with the executive using such powers for political purposes. The dangers inherent in a CPA, on this score alone, are that an enterprising press might well be intimidated by an administration being investigated by, say, the Washington Post.

In fact, while the Washington Post was digging for information on the break-in and burglary of Watergate, which later won the paper a Pulitzer, friends of the Nixon administration sought to use the existing doctrine of the FCC and "license challenges" to deny a license renewal to the two radio-TV stations owned by the Post in Florida. It was suspected, but not proven, that the purpose of the license challenge was to put pressure on the Post to soft-pedal its Watergate probe.

But, anyway, two other provisions proposed before this body by witnesses and contained in S. 707 raise grave questions. First, the bill would empower the CPA to provide specific money grants to private consumer groups on the State and local levels, opening the way to harassment of local advertisers, newspapers, and radio-TV stations with money provided by the taxpayers. Although both Senate CPA bills specifically forbid political activity underwritten by CPA grants, past experience with the Office of Economic Opportunity funds used for radical political activity makes it doubtful that CPA funding would not be used for political organizing under the label of consumerism. The disastrous experience of OEO indicates that it is exceedingly difficult to police or correct misuse of public funds.

CPA INQUISITORIAL POWER AND REPORTER'S PRIVILEGE

Second, if H.R. 14 or S. 707 is passed, the CPA would be granted unprecedented powers for information-gathering not granted to any other nonregulatory agency, backed by court enforcement provisions. CPA would "require any person engaged in a trade, business, or industry which substantially affects interstate commence" to provide information of concern to consumers. Reporters, of course, would be covered by these sweeping powers and would be obligated to turn over to the CPA any confidential and/or sensitive information. CPA supporters deny that this proposition raises the same question on which Congress has been deadlocked for some time: the right of reporters to protect their confidential sources from grand juries. A number of reporters have already gone to jail for refusing to divulge their confidential sources.

A "shield" provision has been suggested for CPA by Consumers Union to cover this crucial question; however, Congress has also become deadlocked on the issue of a "shield" provision. The U.S. Supreme Court, moreover, ruled in June of 1972 in the case of *Branzburg* vs. *Hayes* that reporters had no privilege to protect confidential sources. Thus, any "shield" proposal would be nullified and the proposal itself puts into question the CPA drafters' judgment. But H.R. 14, "shield" or not, proposes to go far beyond reporters' confidential sources by reasons of the broad sweeping informational powers demanded—without even the adversary proceedings of a court of law.

Yale law Professor Ralph K. Winter, Jr., in questioning by Senator James B. Allen in recent testimony before the Senate subcommittee hearings on the CPA, acknowledged that reporters would be affected by the proposed CPA provision. This very real possibility was tacitly acknowledged but not until Senator Allen spelled out the consequences of what was being proposed. "I really have not given that particular subject enough thought," the professor told Allen. "You have raised an important issue, I think." Remarkably, Consumer Reports is backing the CPA proposal.

CPA CONTRARY TO INDIVIDUAL LIBERTIES

It is precisely, in my judgment, the absence of "thought" on matters of legislating consumerism and its effect not only on the press but on the consumer and the economy that has permitted a dangerous proposal like CPA to gain wide acceptance. This uncritical climate reveals a confusion on the part of CPA supporters like Senator Percy and others who speak passionately of protecting the free press while supporting CPA which would undermine press economic and editorial freedom. This contradiction is the direct result, in my judgment, of an absence of thinking in principle, particularly ignoring the principle that private institutions and individuals are entitled to protection from arbitrary abuse by government. This is a right that goes back to the very beginning of the Republic. "What we must be concerned about," Senator Ervin observed on the Senate floor last fall when he opposed creation of CPA, "is whether the people have enough protection from the oppression by too much government, even if it is well meaning."

Senator Ervin's opposition to CPA is consistent with the North Carolina Democrat's view that all freedoms must be protected. He has led the fight against no-knock laws, invasion of privacy, government pressure tactics against the press, and is now chairman of the Watergate investigation, which has made the constitutional scholar of the Senate somewhat of a folk hero among the liberals in and out of the Senate. However, it is these same liberals who speak so passionately for enactment of a CPA bill. Therefore, the question for liberals is whether Ervin is as correct on this issue as he has been on others. For institutionalized consumerism and the proposed Consumer Protection Agency are no less lurking dangers to press liberty than locking up reporters who refuse to divulge their confidential sources. The press, consumer advocates, and politicians like Senator Percy need a refresher course in freedom before it is too late.

CBS COMMENTATOR JEFFREY ST. JOHN—BEFORE HOUSE GOVERNMENT OPERATIONS COMMITTEE

Perhaps the worst mistake that this legislation makes is the assumption that we can, with accuracy, determine the answers to these two important questions:

First. Who is the consumer?

Second. What are his interests?

I submit that this determination is impossible. You say that all of us are consumers. Yes, I agree. However, all of us are individuals who not only have interests which conflict with each other, but we have conflicting priorities and interests within ourselves. George Lamb of the Association of Home Appliance Manufacturers, pointed this out, 1973 hearings, House Government Operations Committee, when he said:

> As individuals each of us has conflicting interests. As purchasers each of us has an interest in low price, high quality, and easy availability of goods or services; yet insistence on low price almost inevitably affects quality and availability in an adverse way. Individually, each of us is interested in a livable environment; yet, as we are seeing the attainment of such an environment increases the cost of products and makes some unavailable. We have within ourselves many other conflicting interests, no one of which should be declared paramount in guiding the work of Federal agencies.
>
> Even among consumers there is seldom a single interest a Consumer Protection Agency could represent. Product safety may be one area in which a single interest may be found, but even here there is a point beyond which consumers' interests diverge—a point at which safety requirements adversely affect the utility, availability, and cost of a product. At this point consumers will differ on how these factors are to be balanced.
>
> The vast body of consumers across the Nation, who would bear the brunt and cost of the agency's activities, could exercise no influence over the CPA's decisions.

The consumer is not monolithic. The consumer is multifaced. Therefore, there will be numerous times when the CPA will have to choose between consumer interests and advocate one interest at the expense of another.

For example, an automobile safety standard may make a car safe but more expensive to buy and if the device makes the car heavier, more expensive to operate since it will require more gas. In this instance, the current petroleum shortage, the increasing price of this petroleum and our dependence on imports would also be considerations. Who is the consumer in this case? What position should a CPA take? Will this position be compatible with the public interest?

In a statement made last year before the House Government Operations Committee, T. Edward Day of the Consumer Electronics Group of Electronic Industries Association, pointed out numerous examples of consumer conflict in the automobile industry, the trans-Alaska pipeline controversy, the regulation of natural gas, and so forth. I submit a portion of this statement for your information:

> On the other hand, if the CPA is to present only one interest of consumers to any agency, CEG has grave doubts as to how, in an age of competing consumer interests, the CPA is expected in many situations to select a single consumer interest to represent.
>
> For example, in a proceeding looking toward the establishment of more efficient automobile emission control devices and standards, which side would the CPA represent? On the one hand, there is the position which, in the name of public health and environmental protection, calls for ever stricter standards and ever more exacting devices. On the other side, there is also another legitimate consumer position: The economic cost to the car owner. It has been stated that new cars, equipped with emission control devices meeting Federal standards, by 1976 will be getting as little as 6 to 8 miles per gallon in fuel consumption. In a time of continuing inflationary and international pressures on the cost and availability of gasoline, having in mind proper concern for the energy crisis, where should the CPA stand—with the environmentalist-priority consumers or with the economic-priority consumers? This latter group has a right to be concerned over poor gas mileage and with the increased cost of automobiles resulting from super-exacting standards for pollution control devices.
>
> Where would the proposed CPA have stood on the trans-Alaska pipeline controversy—with the protector of the permafrost and tundra or with the homeowner caught up in the spiraling costs and diminishing availability of home heating oil, natural gas and propane?
>
> What position would the CPA take on the Interior Department's recent environmental impact statement regarding a prototype shale oil program? On the one hand, there is the homeowner consumer who is worried about the cost and supply of home heating products, the car owner worried about gasoline, and the farmer worried about fuels for crop drying.
>
> On the other hand, however, there are the environmentalist consumers worried about the impact of large-scale strip-mining of shale and the degradation of air and water quality in the area, and there is the recreation consumer concerned about the withdrawal of recreational land for shale mining. How would the CPA choose one side in such a controversy? And if the CPA as envisioned in H.R. 21 is to present a spectrum of views, the history of this environmental impact statement is a clear example of the redundancy of such a function.
>
> What about a Federal Power Commission proceeding to develop rules exempting small producers of natural gas from rate regulation in order to stimulate exploration and increase the gas supply? Which side of that issue is the consumer side? I see that the Consumer Federation is forming a task force on energy. Many people are becoming active in the energy crisis. How is it going to help to have the CPA get into that act—on which side? If there is rationing of fuel, which would the CPA prefer to cut back—the factories where people work or the houses where they live?
>
> There are literally hundreds of potenial dilemmas which the CPA would have to resolve. And these are not far-fetched examples but ones which actually would have to be confronted by the Agency. One of the leading advocates of this legislation recognized this problem during the debates on S. 1177 in the last session. "Though [the CPA] may present," he said, "to a host agency a variety of consumer concerns over which a particular agency decision may impact, it is expected that it will advocate one interest over another."
>
> However, the gentleman making that statement did not resolve the question of which "consumer concern" the CPA would advocate in the proceeding and how much it would select it. CEG submits that the consumer interest is not monolithic and the impossibility of defining how it is to be determined is a fatal stumbling block.
>
> Neither liberals nor conservatives are able to agree within their own groups as to which is the pro-consumer side in tariff cases or cases under the antidumping law or the countervailing duty law. Does the consumer side support low consumer prices for imported products or does it support protection of American workers against unfair foreign competition?
>
> What is going to be the consumer side in cases before the National Labor Relations Board or in proposed decisions of the Federal Reserve Board? What about the Office of Management and Budget and the General Accounting Office and the Cost of Living Council? What is the consumer side on overuse of Yosemite National Park or on the routes of federally funded interstate highways? A leading House sponsor of this legislation in its broadest form has said the real subject matter of hearings on this type of bill is "disorder in government." Surprisingly, I agree with him.
>
> Regardless of whether the CPA is to advocate only one or numerous interests of consumers, one thing is certain—confusion and additional delay will result in administrative hearings in which the CPA participates or intervenes.

The problem of determining who the consumer is and who should be represented will be compounded by the multitude of agency matters which would be affected by CPA power. The Administrator, on the basis of his view as to what is "in the interest of consumers" could first, bring heavy pressure to direct Government decisionmaking and second, by litigious procedures cause protracted delay in the decision process.

Because the CPA will have so much power it will be able to affect decisions in a mammoth number of areas, given the problem of determining who the consumer is and the administrative problems which will develop as a result of this totally new layer of adversary proceedings being superimposed on the administrative decisionmaking process and the judicial review of that process. I am afraid that the result will be disastrous for business, for Government, and for the consumer we want to help.

Taking the petroleum industry as an example, here is a list of the multitude of agency matters that would be affected. This list is also indicative of the problem cited by Mr. Day of determining who the consumer is. As I read the list, I ask you to ask yourself these questions in each case: First, Who is the consumer? Second. Does he represent the public interest?

Interior.—Lease Sales, drilling permits.

FPC.—Natural gas prices, certification of pipelines, end use controls.

EPA.—Rules and regulations governing environmental matters.

IRS.—Accounting practices, tax rules and regulations, repatriation of capital and capital allocation decisions.

Department of Justice.—Consent decrees, mergers, acquisitions and divestitures, decisions to prosecute and not to prosecute, appeal and not to appeal.

FTC.—Mergers, acquisitions, divestitures, the entire question of advertising and fungibility, temporarily dealer assistance, allocation of available supplies to company and independent jobbers.

The problem is the same in other areas of our economy. For instance, who is the consumer in agriculture? To illustrate the problem here, I present to you a portion of a statement made by representatives of the American Farm Bureau, from the prepared statement of Clifford G. McIntire, legislative director, and Fred Poole, director, Government relations, economic services, American Farm Bureau Federation—House Government Operations Committee hearings on consumer protection legislation, 1973:

The members of Farm Bureau families—over six million individuals—are all consumers. They share with the great majority of all consumers a belief in the American competitive enterprise system in which property is privately owned, privately managed, and operated for profit and individual satisfaction; in which efficiency of production and high per capita production are primary elements in determining standards of living.

The conceptual problem of who is "the consumer" appears in the case of agriculture just as it does in other industries. In the case of agriculture the matter is simple. There are no non-consumers of food and probably no non-consumers of natural fibers as well. However, food consumers are divided into dozens of subgroups according to tastes, diets, preferences for quality grades, and so forth—just as consumers of other industries are divided.

To advocate the position of one group may very well infringe on the interests or tastes of another.

The food supply chain extending from the farm field to the family table or food establishment is well known. In this chain, however, there is a certain delicacy which is often overlooked. This is one of our chief concerns with these CPA bills. Food production is very complex due to an interdependence of crops, the possibility of substitution, and a dependence upon the weather and supplies. Crops have to be planted and harvested and stored in season, and there is no other time for it. To increase the supply of beef, for example, as we should all now know, takes a matter of years.

Certainly it can be said that, in contrast to the perhaps prosaic situation of only a year ago, agriculture has today become dramatic. Food prices are front and center in public attention.

To illustrate our doubts about the value of a CPA in agriculture, let us assume that a Consumer Production Agency, is in existence,

In the matter of food the consumer interests to be represented by such a CPA seem clear. They are (1) price, (2) quality, (3) supply.

In the area of price we now have an existing government agency—the Cost of Living Council.

Quality is now a concern of the Department of Agriculture as well as the Food and Drug Administration, the Federal Trade Commission, and perhaps others—all now in existence.

Supply, as it is affected by the government, is a matter for the Department of Agriculture.

The CPA has, under most of the proposed bills, a power to appeal from and to seek to stay any upward price mandate of the Cost of Living Council as harmful to the consumer.

Thus we would have, in effect, two CLC's—both with a mission to save the consumer and one with the power to appeal a decision of the other.

Then, of course, it is possible that the CPA might well have analyzed the meat problem as a matter of getting a cheaper supply of feed grains to the feeder. In this circumstance the CPA could move on its own motion to intervene at USDA and perhaps seek to compel the imposition of export controls to increase the domestic supply of such grains and thus to lower prices. This is very much a picture of today's grain situation and some proposals for dealing with it.

It is not difficult to imagine the CLC, the USDA, the White House, Treasury, State, and Commerce all arrayed against a CPA. And, if you will, everyone waits while an appeal is taken. All of this can be going on while beef producers are deciding on the level of production for which they can prudently plan and the farmer is calculating his grain planting in the light of prospective prices. In the meantime, packers, processors, packaging suppliers, and all sorts of service industries wait on that decision—and probably curtail production. All of this you see, is going on now without the presence of a CPA, just a CLC.

We see here all that is involved in the delicate chain of supply we mentioned earlier. It involves the whole public. Every step or link in the chain has great effect upon the whole To influence one link of it usually sets up a ripple effect throughout the whole system. This, of course, is true of many other industries, and agriculture in this sense is not altogether unique. However, many other industries have simpler lines that do not involve millions of people or the millions of decisions American farmers make each year. Single annual crops represent the livelihood of many growers. Artificiality or undue uncertainty in the pricing picture can have enormous effects upon supply as millions of American farmers make their crop and production decisions from season to season. It can cause new crises, such as the current fertilizer situation which needs no elaboration. An artificial price has made the U.S. product so attractive that large supplies are going overseas to create a domestic shortfall.

We believe that essentially this government has enough agencies with enough expertise to handle the problems suggested in this broad brush approach. Some would argue that we have too many now. But clearly there is little need for more.

This is by way of saying that one agency with responsible authority in its own area can far better handle its problems alone than if it is compelled by law to be encumbered by the presence and participation of another agency, one which not only can insert itself in its formal and informal proceedings but which can in the end, as of right, take an appeal for a judicial decision as most of the bills before you provide.

One may say that such an interpretation or expectation assumes bad administration of the law establishing a CPA.

The Wall Street Journal, in an editorial on April 10, 1974, also recognized the problem of determining who the consumer is and opposed this legislation, pointing out its pitfalls. Following is the editorial:

Mr. Nader's New Year's Wish

On January 1, Ralph Nader announced that his resolution for 1974 would be to win enactment of a Consumer Protection Agency. In years gone by, his problem has been to get the House, Senate and White House to act in concert. So far, so good. The House has acted, the Senate can hardly wait and the President will sign just about any CPA legislation the Congress sends him.

Too bad. While the creation of another federal bureaucracy did not top our list of New Year's wishes, neither did we oppose the general idea. But the agency now being fashioned to Mr. Nader's specifications goes so far beyond the cute little office we had in mind that opposition is in order.

To begin with, the $10-million-a-year consumer agency will not simply institutionalize the consumer advocate. An agency that could somehow divine a consumerist version of the public interest and make that view known throughout the federal establishment is not an altogether objectionable idea. If the CPA seriously weighed costs as well as benefits it might do some good.

What is emerging, though, is an agency empowered to force its subjective view of consumer interest into almost every administrative procedure and to initiate legal action against any decision it disagrees with. Routinely we can expect to see government lawyers battling government lawyers in The United States of America vs. The United States of America. Is it any wonder the American Bar Association thinks the idea is dandy?

Nor is it surprising that organized labor thinks this would be grand. About the only area specifically exempted from CPA meddling is that which covers labor. The last thing George Meany wants is to have a consumer advocate rustling through a proceeding on unfair labor practices and announcing the cost to the consumer of meeting an AFL-CIO complaint, then pitting the consumer against a union in a court action. Nor would he wish the consumer advocate, a person who will inevitably wear a white hat, inveighing against rail and dock strikes, postal-service wage negotiations or any labor activity that winds up costing the consumer.

It so happens we are in total sympathy with Mr. Meany in desiring to keep the CPA out of his hair, but find it incredible that he would think the democratic process will be served by having the agency tangled in everyone else's. By the same logic, he would oppose government control of wages but be willing to give a government czar control over prices. Yet he understands the workings of the marketplace well enough to know there's no percentage for labor in that kind of regime. Money has to be made for wages to be paid.

Similarly, there exists no individual or group of individuals who could consistently learn the consumer interest through contemplation. There are too many classes of consumers, both those consuming today and those who will be consuming in the future. Does the government's consumer advocate, in the Alaska pipeline case, represent the consumer whose highest priority is to view an unsullied tundra? Or the one who wants to buy gasoline in 1980? Does the CPA represent the consumer's health, safety, environmental interests? Or the consumer's short-run pocketbook interest? Or the consumer's long-term pocketbook interest? Nobody will know until this wise person is named and examined.

For the life of us, we can't even understand why Mr. Nader wants to have his unknown wise person installed in a powerful bureaucracy. As it is, private consumer organizations have a good thing going. There are enough of them around to represent both the tundra viewer and the 1980 gasoline buyer, the consumer's health interest, safety interest and long and short-term economic interests. All these consumer views are reflected through the myriad federal departments and agencies, and there is thus intense concern for the consumer.

What can only happen with a CPA, which presumes it can somehow represent all these views and somehow strike the balance, is an inexorable erosion of Washington's concern for the consumer movement. After every federal agency has been challenged in court by the CPA, after having labored mightily to compose competing interests into an administrative decision, the wise person who runs the CPA will be ground to bits by Capital politics. If the CPA is adopted in its present

> form, we have a hunch Mr. Nader's New Year's resolution in, say 1977, will be to win repeal of the Consumer Protection Agency.

One of the most unfortunate results of the establishment of an agency charged only with protecting the consumer is going to be, in every area, the possibility of forcing the development of minimum price for maximum quantity. On the face of it, this sounds like a goal to be achieved. But in most areas the result could be disastrous because the quality will suffer For example, in the automobile industry, if untrained and unknowledgeable personnel at CPA become overzealous in finding ways to force prices down, the result may be a compromise on auto safety.

Along this line, the Consumer Protection Agency is to act as an advocate, and the role of an advocate is to exert all effort to make certain that his specific point of view prevails over all opposing points of view. I seriously question whether this combat-type function of the CPA should be adopted. The result will be one agency of the Federal Government conducting guerilla warfare on the other agencies.

Government supported factionalism is fundamentally a bad policy. This is illustrated by an article entitled "Let's You and Him Fight," by Senator ALLEN which appeared in the February 1973, Nation's Business:

LET'S YOU AND HIM FIGHT

> Many of us are alarmed to see the term "consumer protection" being reduced to a senseless but loudly sung slogan that can drown out meaningful statements of complicated problems and force a division of opinion on false issues such as whether one is "anti" or "pro" consumer.
>
> Nowhere has this been demonstrated better than by the squabbles inside and outside Congress during the past three years over bills that would, among other things, create an independent Consumer Protection Agency to advocate the interests of the consuming public within governmental forums.
>
> Throughout these three years of CPA consideration, the American consumer—the "man in the street"—has had little conception of what was being proposed in his name; for the most part, all he was told was that those who favored "consumer protection" had been fighting losing battles with those who were against "consumer protection."
>
> Little wonder that consumers become confused and frustrated.
>
> Consider the 1970 Senate passage of a CPA bill by the vote of 74 to four. To those familiar with the CPA proposals, that overwhelming 1970 vote shows with nerve-tingling clarity the dangers—to American consumers, themselves—of debating a far-reaching and legally complex proposal merely on the false issue of whether one favors or opposes "consumer protection."
>
> I cast one of those four lonely "nay" votes in 1970, I was strengthened in my conviction that this was the correct action because in so voting, I was standing shoulder to shoulder with the distinguished Sen. Sam Ervin, one of Congress' greatest lawyers and a champion of the constitutional rights of the man in the street.
>
> We all know now, however, that the 1970 Senate-passed CPA proposal, which died in the House, was a drastic mistake that would have legislated a bureaucratic monstrosity into existence. Even its sponsors later acknowledged this.
>
> In 1972, under the leadership of Sen. Ervin, the four lonely voices of 1970 grew to many times that number and pressed for a full debate on the issues raised by a complicated and completely revised bill.
>
> REAL ISSUES TO THE FORE
>
> Evidence of the new attention given to real issues, and the continuing problems in the bill reported out of the Committee in 1972, were the hundreds of amendments made at the subcommittee and full Committee levels as were the 77 amendments to the bill which were filed subsequently for introduction during the floor debate. Conversely, only six amendments were similarly filed for the 1970 debate.
>
> Repeated attempts to choke off thorough consideration of the issues in connection with the 1972 bill failed, and the measure was set aside after 12 days of debate for attention to more pressing matters prior to adjournment. Conversely, in 1970, the CPA bill was considered and passed in just two days.
>
> In my opinion, neither the bill that reached the floor nor any of several other CPA bills introduced during the past Congress was perfected to the point of being a genuine consumer protection proposal.
>
> The problems in past bills have been both technical and substantive.
>
> Technical problems can be overcome with diligent attention to the details of draftsmanship.
>
> For example, in my views in the Committee report on the 1972 bill, I demonstrated that what was intended to be the key guideline in the bill—the definition of "interest of consumers"—was nothing more than lengthy gibberish; it would have been literally impossible for any CPA official to understand what he was to do. This was a fatal technical flaw that should have been corrected prior to sending the bill to the floor.
>
> But you cannot make the mistake of attempting to draft technically correct provisions in the absence of an appreciation of the use to which these provisions will be put. And it is on this point that an ever-growing number of us in the Senate have our major reservations about past CPA proposals. What sounded good in theory proved dangerously overreaching when applied to the facts.
>
> For example, it is undisputed that major work stoppages (such as dock strikes) and collective bargaining attempts to resolve these stoppages result in a major impact on the interests of consumers. The federal government, through the Federal Mediation and Conciliation Service, often plays a critical role in such situations.
>
> INVITATION TO CHAOS
>
> If we are to define the "interest of consumers" as it really is, and include such collective bargaining situations as a forum for CPA advocacy, we must fashion the proposed advocacy powers in such a way as to make a contribution to the public interest and to avoid turning volatile situations into chaos.
>
> When the director of the Federal Mediation and Conciliation Service read the 1972 Senate CPA bill, he recoiled in horror at the prospect of its "adverse impact" on the Service and asked exemption for his agency.
>
> This is just one of many cases where existing federal agencies went on record to state how their public interest responsibilities would be seriously hampered by a CPA of the type proposed in the overreaching 1972 Senate bill. The problem with all past CPA proposals has not been the major goal of the bills: Granting the interests of consumers due consideration and protection within the administrative process.
>
> Instead, the problem has been that this positive dream has been abrogated by the unnecessary negative nightmare of the powers proposed for a CPA—powers to insinuate a guerrilla warfare unit into our own government to fight our own government, catching in the crossfire business, labor, environmental and other interests within the larger public interest; powers that would also grant unprecedented authority for the CPA to pry into and publicize the private affairs of those other interests.
>
> I have always supported sound consumer protection bills, such as the bill enacted into law last year that will result in the creation this year of a new Consumer Product Safety Commission to assure that consumer products are made safe or safer.
>
> I can readily agree to the value of a CPA that will assist this new Commission and other federal units in the difficult task of giving the interests of consumers due consideration and protection. A CPA could do this by presenting, efficiently and without disruption, relevant information to forum agencies and courts.
>
> But I cannot agree to the creation of a CPA to attack and disrupt this Commission and other federal agencies while they attempt to fulfill their responsibilities to the public.
>
> Neither I nor you should stand by and allow a bill, drafted to do violence, to be catapulted through Congress under the guise of "assistance" or "consumer protection." As the Bible tells us, "Woe unto them that call evil good, and good evil."
>
> The CPA concept is expected to be the number one "consumer protection" proposal of the 93rd Congress. I urge you to study carefully whatever CPA bills are introduced in 1973, with the history of their invidious forerunners in mind.
>
> I urge you to advise those who represent you in Congress as to whether the positive intent of the CPA proposal has been drafted into legislative reality in the 1973 bills, or whether they once again represent a threat to the public interest.

In my view there is no convincing argument to justify isolating the consumer interest and placing it in this adversary status against the other elements of public interest.

Why should the consumer have a special adversary status? What about the taxpayer? He is the one who will have to foot the bill for what appears to be a $10-million-a-year budget. The taxpayers of the United States are entitled to the same protection as the consumer when it comes to seeing that funds are spent prudently. Perhaps when he knows the cost, the taxpayer would rather tackle some of these problems without assistance from the Government. We must rely on ourselves as much as possible. Big Government cannot do it all. But if we turn to the Government to find a remedy for every ill, we will give up a great deal of our freedom of choice in the process and an increasing amount of our paycheck for taxes.

As Jeffrey St. John pointed out—

> There are at present more than 1,000 Federal Government consumer protection programs, administered by 57 agencies at an annual cost of $3 billion.

In addition—

> Twenty-three states have consumer protection departments, 29 have consumer fraud agencies attached to the Attorney General's Office, and more than 50 cities and 20 counties have consumer protection units. (Previous article by St. John.)

Before taking the easy way out by passing S. 707, let us really tackle the problem by working within this framework which has already been established, strengthening where necessary, to achieve our goal of consumer protection.

I think this approach will have better results, and it will cost the taxpayer less.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Press-Herald, Portland, Me., Apr. 23, 1974]

IT ISN'T NEEDED

John Mohay, executive vice president of the Eastern Meat Packers Association, was in Maine recently to urge members of his organization and the Maine Independent Meat Packers Association to oppose a congressional measure which would create a federal Consumer Protection Agency.

Mohay indicated an awareness that his recommendation might be regarded with suspicion in some quarters. "We frequently sound like we're against motherhood and advocating sin because we take positions on so-called legislation," he said.

He's right on both counts. The nation does not need a Consumer Protection Agency and saying so is something akin to knocking motherhood and encouraging sin.

Agencies exist with power to protect the consumer. Even they have gone off the deep end in recent months and they've done it in some instances in a manner little short of ridiculous. We don't need another expensive agency to do the same things—good and ridiculous—at additional cost to the taxpayers.

But the nation has grasped the consumer cause with the same passion it clasped environmental reform a few years earlier. The best of causes become misshapen when stretched to extremes. There is abundant evidence now of an awareness of extremes in environmentalism. We are learning to be more selective in that program. So must we be in the field of consumer protection. We do not need another costly expansion of the federal bureaucracy to provide that measure of protection which is needed or that caution which the prudent consumer should exercise himself.

[From the Cincinnati Enquirer, Apr. 7, 1974]

DOES THE CONSUMER NEED A CZAR?

After several years of false starts, Congress appears at the moment to be moving inexorably toward the establishment of a new, unified, autonomous Consumer Protection Agency (CPA). It appears just as determined to arm the new CPA with powers whose breadth and pervasiveness have aroused the anxiety even of those who have not objected on other occasions to the intrusion of the federal government into the everyday affairs of its constituents.

Actually, there are two CPA bills wending their way through the legislative machinery—one a House version, the other the handiwork of the Senate. Either would give the CPA a grant of authority unequaled by that of any comparable agency in the entire federal structure.

Whichever version Congress ultimately embraces, the proposed new CPA would have authority to intervene in the proceedings and actions of nearly all other federal offices and regulatory agencies whenever the CPA's administrator determined that intervention would be "in the interest of consumers." The CPA would also possess authority to seek judicial review of decisions of other agencies, to force use of their powers of subpoena, to go in access to trade secrets, to require the testing of products, to operate a system for collecting and appraising public complaints.

The CPA, in short, would inject itself as an uninvited third party into very nearly all proceedings between government on the one hand and the business sector on the other. That would encompass financing, licensing, mergers, marketing, advertising, rate-issuing, agricultural policy, mineral learning and all other regulations except those involving labor and national security.

Underlying the CPA proposal is the option—obviously fallacious—that there is a consumer interest that the federal government must defend.

In reality, there are many consumers' interests—all of them competing for attention and service.

In one area after another, moreover, the consumers' interest that would be advanced by a single, omnipotent CPA would be a minority interest frequently unrelated to the clearly expressed preferences of the American people.

Those who have anointed themselves as the sole and exclusive guardians of the American consumer, as an illustration, regard safety as the most important aspect of an automobile. Yet the American people, through their preferences expressed in the marketplace, have shown an equal interest in cost, in reliability, in comfort and in style.

Where food is concerned, the self-proclaimed protector of the consumer is interested exclusively in nutrition. The homemaker, by way of contrast, is interested also in cost, taste and variety.

With respect to packaging, the professional consumer activist speaks out only in behalf of standardization. The real American consumer, however, prefers to consider convenience in use, proper protection of the product, cost and appeal.

Opponents of the CPA admittedly face a difficult task fighting this escalation in the federal government's resolve to render American life risk-free. For to raise a serious question about the movement known as consumerism is to risk being identified as an enemy of the people, as one who asserts the right of the gouger and the scoundrel to exploit the public.

In reality, however, we believe that the American consumer is the most critical, most sophisticated, most knowledgeable in the world. He is accustomed to making choices—between a car's relative safety and its relative comfort, between a tin can and a plastic container, between the large size and the medium size. A Congress that regards him as capable of choosing a President and a set of senators and representatives and thereby to chart the course of the Republic in the grave area of war and peace ought to trust him to buy a can of peas without federal supervision.

The proposal to create a new Consumer Protection Agency is one more manifestation of Congress' proclivity to shrink from responsibility. The easiest answer to every problem that Congress elects to weigh is the establishment of a new independent agency with powers to do what, in Congress' judgment, needs to be done.

What Congress fails to consider is that its buck-passing simply feeds the already inflated federal bureaucracy and grants to an even vaster army of nameless, faceless bureaucrats the authority to make far-reaching, potentially fatal orders from which appeal is all but impossible.

The consumer can be protected, we believe, without being smothered.

[From the Savannah (Ga.) News, Apr. 17, 1974]

NO WAY ON CPA

Protecting consumers like the preservation of motherhood, is seemingly a thing that everyone can support. With this view in mind the House recently passed a bill that would establish a consumer protection agency (CPA). The Senate will act on the measure within the next few weeks.

Unfortunately, things are not always as they seem—for one man's protection may be another man's poison. With this view in mind it is well worth our time to ask what the aims and implications of such an agency would be.

We have long held the view that a healthy free market is the best way to promote the interests of all consumers. Under the stimulus of competiton, business has a vested interest to respond to varied needs with the best possible product. In recent years, however, some self-styled consumerists have advanced the notion that we cannot trust business to do this.

As their fantasy would have it, businessmen are evil ogres who constantly plot to pawn off shoddy goods on the public. But alas; this fairy tale is to have a happy ending because when appropriate legislation is passed, the white knights of the federal bureaucracy will sally forth and lasso all their villains with red tape.

So much for fables. They are fine for children and others whose child-like faith in federal goodness, despite Watergate, surpasses all understanding. Nevertheless, we must consider the proposed consumer agency in the light of reality.

Even if one accepts the view that government must play a substantial role in protecting consumers, the need for a new agency is far from clear. At present nearly all levels of government are involved in consumer protection. The existing federal regulatory agencies are one example, and most state governments now have programs of their own. In the private sector, a number of tax-exempt groups are also working for this cause.

With all these consumer protectors on the scene, the proposed CPA would merely duplicate efforts. Still, this is the least of the objections against it. Its establishment would hurt consumer interests in a number of ways.

The agency's proposed set of regulations would increase the cost of doing business, with some, the added cost being passed on to the consumer. Another point is that while some might say bureaucracy is worthless, it is certainly not cheap. The proposed CPA is no exception. Its proponents concede it will cost $50 million in its first five years of operation. Opponents have good reason to believe the total will be much higher.

In any event this outlay will further reduce the purchasing power of all consumers through higher taxes and inflation. We believe that a better way to promote consumerism is to let the consumer keep his money and buy what he likes.

The whole concept of CPA rests on the questionable assumption that all consumers agree on what constitutes their interests. While it is true that most want more money to spend, such agreement will rarely extend beyond this and a few other points. As an example, some consumerists might prefer cheap energy sources to environmental concerns. Others might take the opposite view. In such cases the CPA might have some problems in deciding which group of consumers truly represents the "consumer interests."

One commentator has described the proposed CPA as another "bureaucratic monstrosity." Without a doubt, such an agency would attract those who have an ax to grind against the business community. Indeed, the House supporters of the plan took great pains to exempt organized labor from CPA regulations even though unions have a strong effect on consumer-related issues.

If these trends continue, the day may come when big government will consume the consumer.

[From the Tulsa (Okla.) World, Mar. 23, 1974]

CONSUMER PROTECTION

After creating dozens of consumer protection agencies over the past 40 years, Congress is now establishing a new agency to protect consumers from the old ones.

A bill for a "Consumer Protection Agency" was delayed by a technicality in the House last week. But there is little chance that it will be killed. Protecting consumers is, after all, very big this year.

The new bureau will represent the consumers before the other bureaus which Congress previously created to look after the consumers' interest—the Federal Trade Commission, Federal Power Commission, etc.

Next year, maybe the lawmakers can initiate still another agency to represent consumers who don't get satisfaction from the 1974 model. It could go on forever.

[From the Indianapolis (Ind.) News, May 7, 1974]

A New Burden

The Congress is in the process of constructing a super-bureau whose jurisdiction is virtually unlimited and whose powers are, in practice, dangerously ill-defined.

We are referring to the proposed, and so-called, Consumer Protection Agency. The House recently passed HR-13163 at the urging of such stalwarts as Ralph Nader, the Women's Lobby Inc., Friends of the Earth, Sierra Club, Consumers Union, and—of course—the AFL-CIO and the United Auto Workers. Only two Indiana Republicans voted for this latest example of governmental opportunism, John T. Myers and Elwood Hillis.

What the bill will do, among other things, is give the Consumer Protection Agency a piece of the regulatory action now enjoyed by battalions of existing Federal agencies, such as the FDA, the FTC, by allowing it to intervene on behalf of "consumers" in the proceedings of those agencies.

In such instances it will have an indirect subpena power and be entitled to introduce evidence, examine and cross-examine witnesses. The practical effect of such intervention is likely to be a more rigid policy on the part of existing regulatory bodies.

Administrators of the new agency, eager to "make their bones" in the consumer protection racket, will be strongly tempted to characterize any concessions to accused firms as a sign of weakness on the part of existing regulators.

By appearing as an advocate in the activities of other agencies, the new agency creates an imbalance weighted against the subject of the action. The initiating agency is already in the role of accuser. A business firm then must defend itself against two prosecutors, one wielding the authority of a combined judge and jury, and both competing to demonstrate their concern for a hypothetical "consumer."

Although supporters in Congress claim the CPA will not be looking over the shoulder of existing regulators, it does have the power to ask another agency to initiate a proceeding, and if the request is not honored, the agency must explain publicly its failure to comply with the CPA request.

In addition to placing burdens on American businesses (one congressman predicted it would become another OSHA), the CPA will clearly require a massive bureaucracy to carry out its mandate. A House committee estimated the cost of the first year at $50 million, but the bill leaves the money authorization wide open.

Unless the Senate rejects this bill or the President vetoes it, Americans will be saddled with a vast new network of government controls imposed under the pretext of protecting them.

[From the Washington Star-News, Tuesday, July 9, 1974]

A Consumer Bureaucracy?

Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flim-flam and faulty products. They see vast benefits if the consumer becomes really entrenched in government with a watchdog agency of vast power. And, having scored a three-to-one victory for this proposition in the House, they now are knocking on the Senate's door.

The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies, as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL-CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. "We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs."

Sounds a lot like business speaking, doesn't it? If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster and prematue tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must be at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos.

[From the Dallas Morning News (Tex.), Mar. 30, 1974]

"Protecting" the Consumer

Of course we are all against fraud. As for conmen, gyp artists and other sworn enemies of the consumer, a pox on them.

But must the federal government protect us from them? Must the government, indeed, protect us most of all from thoroughly honest businessmen who make products that raise the hackles of Ralph Nader?

That is what will come to pass if Congress should create at long last a so-called Consumer Protection Agency, even as the House Government Operations Committee voted this week to create one.

The phrase "so-called" is chosen deliberately. In theory, there are more than 200 million consumers in America; if they are agreed on an orthodoxy of "consumer protection," it has so far escaped our notice.

The consumerists think of consumers in the mass. In point of fact. they are individuals. Some emphasize efficient products; others want safety; a lot of others—perversely, if you ask the consumerists—simply want bargains and availability.

The consumerists think Washington can decide what is and what isn't in the consumer's interest. Accordingly, a Consumer Protection Agency would represent "consumers" before other federal agencies and the courts. The brueaucrats would tell us what we want. How thoughtful!

But naturally no one can predict where such an agency would go from there. Toward banning "useless" products, perhaps? The history of government agencies indicates that all wax in power age; all takes on added functions. This one has too many functions as it is. Congress should defeat it, or failing that, the President should veto it and let the traditional consumer protection agencies—local government and the free choice of the individual buyer—do their stuff?

[From the St. Louis (Mo.) Globe-Democrat, June 16, 1974]

Consumer Agency Is a Lemon

The Senate is considering a bill, generally similar to one passed in April by the House, which would create a new independent bureaucracy called the Consumer Protection Agency. While the name is appealing to almost everyone—who isn't a consumer?—the actual consequences would appeal to almost no one except those who enjoy below-the-belt punches at business.

For open-ended funding of at least $50 million as estimated by a House committee, exclusive of the usual budget swelling as time goes on, taxpayers would have to support another agency to oversee the consumer protection that already exists in the Federal Trade Commission, Interstate Commerce Commission, Food and Drug Administration and at least 30 other federal agencies covering more than 1,000 consumer programs, as well as in state and local consumer programs, the President's consumer advisor staff and others.

Although the proposed CPA is billed as non-regulatory, it would have the power to intervene in the decisions of almost every other federal agency if, in the ill-defined opinion of CPA, it "may substantially affect an important interest of consumers." Thus, notes a minority report issued by respected legal expert Sen. Sam Ervin (D-N.C.) and other senators, the CPA could "enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. Thus the CPA will have all of the rights of a regulatory agency and none of its responsibilities."

Ervin notes that CPA could require other federal agencies and private citizens through indirect subpoenas to divulge information forbidden to any other agency, including trade secrets and possibly even the confidential sources of reporters. Information gained under interrogatory power can be used against the person who supplied it in any subsequent proceeding.

The inevitable result to dual proceedings will be long delays, greatly increased legal costs, and harassment. An indication of the anti-business bent of the legislation is the exclusion of labor unions from the purview of CPA. The only other exemption goes to the television industry, for reasons never explained by supporters of the bill.

How will CPA represent "the consumer" in a hearing before, say, the Federal Power Commission? Will it support consumers who want a dam because of the increased electricity, or consumers who oppose a dam because it harms a recreational area, or consumers who prefer a different site because of the ecological situation Obviously, the independent CPA would advocate whatever the

Naderish types it attracts wants. Senators note it could even get involved in foreign trade bills, oil pipeline cases, and other far-ranging matters.

The CPA would be allowed to study ways to tag competing products with information from test findings, but there is no provision to allow a suit for damages against CPA for faulty published data that may have disastrous effects on producers.

The Senate is likely to pass this bad legislation and thus appear to help consumers, unless a planned filibuster is successful. Too many senators in an election year apparently refuse to vote against anything with the word "consumer" in it, even though the bill is a bigger lemon than anything the CPA would investigate.

[From the Richmond Times-Dispatch, June 23, 1974]

AN UNSOUND PROPOSAL

The House of Representatives already has passed, and the Senate will soon consider, legislation to create a new consumer agency with so much power that it would make other federal regulatory agencies "look like a benign cluster of Sunday school picnics," in the words of two opponents of the proposal.

The bill establishing an independent Consumer Protection Agency was approved by the House on April 3 by the lopsided vote of 293–94, despite the danger that the CPA might become—as Democratic Rep. Don Fuqua of Florida warns—"the most independent" and "the most powerful federal agency in existence."

While the House and Senate bills differ in some details, basically what each would do would be to set up a brand new federal agency with vast power to hold a whip over other agencies to be sure that the latter didn't allow American business to do anything inimical to the interests of consumers.

That seems a laudable enough objective; nobody wants the consumer to be taken advantage of by business firms which palm off on him, through misrepresentation or other unfair means, products or services which are dangerous or inferior.

The question is whether the proposed new agency would constitute an unwarranted interference in, and unduly tight control over, the operations of private business enterprises.

Already in existence by congressional action in 1972 is a Consumer Product Safety Commission with power to set standards for, or even ban, products it believes pose an unreasonable risk of injury to consumers. A major purpose of some agencies—the Food and Drug Administration, for example—is to look out for consumers' interests, and there are offices of consumer affairs in some other federal departments. The President has a special assistant concerned with consumers' interests.

To Rep. David E. Satterfield III of Virginia's Third Congressional District (the Richmond area), the proposed Consumer Protection Agency would represent overkill in the matter of consumer protection.

He and other opponents have grave doubts about giving any agency the right to interfere in the activities of all other federal agencies to protect what the CPA would determine to be the consumers' best interests. Under the proposal, the CPA could require other agencies to use their subpoena power to get information for the CPA from private business concerning matters relating to consumer products. The CPA could take other agencies to court if it felt the latter were not acting in consumers' interests.

Present regulatory agencies now necessarily become privy to trade and business secrets of firms which are regulated, but these secrets are kept confidential. The CPA would have power to obtain these secrets from the regulatory agencies, and the House bill would authorize the CPA to reveal those secrets in testimony before congressional committees, courts and other federal agencies.

Three Republican senators—Baker of Tennessee, Cook of Kentucky and Beall of Maryland—voted with the majority to report the CPA bill out of a Senate committee, but they also issued a statement warning that unless some changes were made before passage by the Senate, the bill "could turn daily governmental affairs into litigation-type confrontations, giving the CPA the ability not only to disrupt and delay government but also virtually to dominate the federal agencies and all other persons as well." They also object to giving the CPA power to "rummage through the files of other government agencies."

It is interesting to note that one of the two Senate committees which considered and approved the bill added a provision giving the proposed agency the power to intervene in certain labor cases. Since labor negotiations often directly affect the consumer, and in light of the broad powers given the agency to intervene in business firm's affairs, the provision added by the committee seems logical. The *Washington Post* reports that the addition of the provision "nearly pushed the AFL–CIO into the opposition camp. However, labor lobbyists now believe they have the votes to kill that amendment on the Senate floor, and are supporting the bill."

Reps. John Buchanan of Alabama and Sam Steiger of Arizona, the two who said the CPA would make other regulatory agencies "look like a benign cluster of Sunday school picnics," also warned that the bill would overburden the federal judiciary with consumer cases, cause delays in agency rulings dealing with consumer matters, and concentrate too much power in the hands of a relatively few bureaucrats.

These warnings, and others which have been voiced both in and outside of Congress, point to the potential dangers in the whole CPA proposal. When the measure comes before the Senate within the next two or three weeks, it should be defeated, in the overall public interest.

[From the New Bedford (Mass.) Standard-Times, Apr. 16, 1974]

WE DON'T NEED IT

Sometimes the Congress of the United States, albeit well-intended, brings to mind George Orwell's chilling novel "1984", in which he warned that Americans one day would surrender their liberties to bureaucratic masters who desired only to do good for their subjects.

The matter at hand, now being considered in both House and Senate, is proposed establishment of a new independent federal agency, to be known as the Consumer Protection Agency (CPA), with full legal authority to intervene in the proceedings and actions, both formal and informal, of virtually all other federal offices and regulatory agencies whenever the administrator determines it is "in the interest of consumers."

Unlike any other body in government, the CPA will be further empowered to seek judicial review of decisions of other agencies; to force use of their powers of subpoena and other requests for information; to gain access to their books and files; to gain access to trade secrets; to require testing of products; to operate a public complaint system and in general, to become a third party in all government-business proceedings.

Such proceedings include financing, licensing, mergers, marketing, advertising, rate-setting, agricultural orders, mineral leasing food and drug and other regulations—cutting across the entire socio-economic fabric of the nation. Only labor and certain national security matters are exempted.

What is wrong with this concept of a superagency?

The interests of consumers are already represented in established departments and agencies which are pledged to fulfill the whole public interest as the cornerstone of law and public policy. Because consumer groups are often in conflict, the proposed CPA would not be able to represent a "consumer view," but would have to choose between opposing views of consumers. Thus, even though financed by public funds, it would be forced into representing special interests and, in doing so, would be armed with powers possessed by no other federal body.

How, one wonders, can Congress justify the use of taxpayer funds to finance legal disputes on behalf of the "interests of consumers" in opposition to other government agencies which are sworn to make decisions and take action in the whole public interest?

In light of public disagreements which arise between opposing consumer organizations, how can the CPA determine which group of consumers to speak for when intervening in business-government matters? On what basis will it make a choice when intervening in such matters as gas rationing, price controls, ecology, and tariffs?

If the CPA, representing "consumer interests," succeeds in reversing the decisions of other agencies representing the public interest, what happens to the interests of other special groups—labor, taxpayers, the poor etc.? What will the Supreme Court say about permitting a special interest to prevail over the broad public interest which includes all these groups?

When the CPA administrator injects himself into not only formal proceedings, but even into informal investigations, consultations, correspondence and perhaps telephone contacts of other agencies—how can government officials be held accountable for their actions and decisions?

This new agency clearly is given the right to go to federal courts on any occasion in which a government agency or bureau "fails to take the action" requested by the CPA administrator. What is the rationale for Congress to empower a single government official (among hundreds of equally high officers) to sue in court to change or upset the decisions of all other administrators? Isn't this a power greater than that possessed even by Cabinet officers, or perhaps the presidency itself? How can government function under such circumstances?

In our view, this proposed superagency is not only totally unnecessary but a potential monster of massive proportions that theoretically seeks to pad us in styrofoam layers of costly bureaucratic protection but actually would inhibit the effective operation of government, erode concern for the total public interest, and encroach upon personal freedom.

CPA is a paternalistic, Big Brother notion conceived by those firmly convinced that government always knows more than people. It should be dumped and forgotten so that Congress can get on with important matters.

[From Advertising Age, July 22, 1974]

NOW IS NOT THE TIME FOR NEW CONSUMER AGENCY

Coming at a time when everyone else is being lectured about wanting too much and spending too much, the Consumer Protection Agency proposal now in Congress seems to us to reflect a continued willingness to let bureaucracy grow in the face of inflation and continued business uncertainty.

The administration's economic experts talk about lopping $10 billion from the next fiscal budget, but most expenditures seem all too impervious to cuts. If the Nixon men and Congress are serious about trying to stem the tide of inflation, they should whittle away at expenditures that aren't of the highest priorities. The CPA ranks as a measure that we can at least put off for more pressing matters, such as pension reform.

Under normal circumstances, we'd be ready for a CPA to speak for consumers on important inequities in the marketplace, if such a piece of legislation managed to get past the Senate, Senate-House conferences and onto the President's desk. As its supporters have said, it would strengthen ties between government and the people. Consumers, in this age of impersonal selling, want to feel they have some resource when attempts to correct real problems related to products or services get bogged down or are not given a fair hearing by existing regulatory agencies.

But these are not normal times. If we don't move—and move swiftly—to check the double digit inflation that is eroding the value of the dollar, consumers won't have any money left over to buy products to complain about. Furthermore, consumers at the present time are not without help.

There are plenty of regulatory agencies set up to protect their needs, as well as private organizations such as the Better Business Bureau. We admit that they sometimes have proved less than zealous in championing the interests of the consumer, but now is not the best of all possible times to overlay another governmental body on the existing structure.

The best way for Congress and the administration to show that they have the best interests of the consumer at heart is for them to hold down spending. And that means voting down unessential legislation, including establishment of a Consumer Protection Agency.

[From the Decatur (Ala.) Daily, July 8, 1974]

"CONSUMERS" TOO OFTEN LEGISLATIVE PASSWORD

All of us are consumers, regardless of our occupation, our interests, our locations. Thus, there would appear to be considerable merit in the establishment of a federal Consumer Protection Agency to represent each and everyone of us in matters that might affect our consumer habits. The more we look at it the more we conclude there is little, if any merit in the establishment of such an agency to represent the consumer before other federal agencies and in the courts.

There are senators who share a similar view and for good reasons. At this point, the position is in the minority, but hopefully reason and an appreciation of possible ramifications of the measure may influence more members of Congress to change their positions. The bill could reach the Senate floor as soon as Wednesday.

The legislation would create a new independent federal agency headed by an administrator, appointed by the President, subject to Senate confirmation. This administrator would have broad powers to intervene in the administrative proceedings of every federal department and agency and to seek judicial review of the decisions of such departments and agencies. The sole standard contained in the measure, upon which such intervention would be based, is his determination that the result of a pending action might substantially affect the interests of consumers which are defined in the bill as covering just about everything.

At least some members of the Senate believe the bill is too encompassing in its present form and they are justified in this belief A minority view of the legislation was printed in the June 13 issue of the Congressional Record. We quote portions of that view:

"We believe that CPA such as that proposed in S. 707 (Senate Bill 707, the GPA bill) is a bad idea whose time has come and gone, and we urge the bill's rejection or, at least, its extensive revision after thorough consideration. We do so for the following major reasons:

"S. 707 is bad in theory, being conceived out of a paranoid fear of businessmen and farmers, a patronizing attitude toward consumers and a paradoxical view of the role of government.

"S. 707 grants powers to a political appointee who would be responsible to no one, powers which no responsible official would use and which no irresponsible official should have.

"S. 707 will result in the subversion of the public interest to the often conflicting special interests of consumers, as these special interests are defined by a corps of bureaucrats.

"S. 707 is, itself, a fraud upon consumers who have been led to believe it is the answer to their day-to-day problems and frustrations.

"S. 707, if enacted, will lead inexorably to the creation of other special advocacy agencies representing interests just as important as those of the consumer which are threatened by the existence of a powerful CPA."

The last thing the government of the U.S. needs during these days and times is another giant bureaucratic machine, further fouling the already too seldom expeditious methods of serving the public, including the consumer. All such an agency would do, in effect, is require more hundreds of millions of dollars to find ways to perpetuate itself, while the consumer will gain nothing except more costly doubletalk.

In signing their minority view, Sens. Sam Ervin Jr., Jim Allen, Bill Brock and Sam Nunn, made the following statement:

"This bill is being promoted in the good name of the consumer, yet its provisions belie its promotion. When the guillotine was about to behead a famous French lady during that country's revolution, she creid out, 'O liberty, how many crimes are committed in thy name.' After a thorough reading of S. 707, it leads us to conclude, 'O Consumers, what crimes we are asked to commit in thy name.'

"This bill will promote disruption and delay in the Federal Government. It is ill-conceived and over-powered. It will grant some unknown political appointee appalling powers to coerce other agencies to do his bidding, to pry into the private affairs of the public and to publish information which could ruin legitimate businessmen. It will subvert the public interest to a lesser included special interest.

"We again urge that this bill be rejected for the reasons stated in these views, or at least, that the bill be thoroughly rewritten after thoughtful consideration."

We expect the next step toward successfully defeating this measure is strong and appropriate word from the public, the consumers of the nation. If we speak loudly enough, the Senate will consider the measure for what it is, just another expensive, bureaucratic arm of government that usually ends up working contrary to the best interests of the people rather than for the people.

[From the Wall Street Journal, July 23, 1974]

DO WE NEED A CONSUMERS' BUREAU

(By Arlen J. Large)

Rep. David Henderson of Iowa, during final House debate in 1887 in a bill creating the Interstate Commerce Commission:

"This city is today swarming with keen, zealous, able agents of the railroad power trying to defeat passage of this bill. Every vote cast at their dictation and every vote cast against this bill is a vote for railroad supremacy and against the people . . . The passage of this bill will be one of the greatest steps that can be taken to speed the coming of still happier days for our people."

Sen. William Proxmire of Wisconsin, introducing in 1974 a bill to abolish the Interstate Commerce Commission:

"There are more whiskers and cobwebs at the ICC than any other place in the government. With fierce competition among air, rail, barge and road transportation, regulation for other than safety purposes has long been unnecessary. The answer is abolition plus strong enforcement of the antitrust laws."

Unfortunately, there's no swarm of railroad agents pestering Congress to pass Sen. Proxmire's bill; the railroads have grown comfortable with the ICC. Instead, Washington is aswarm with lobbyists promising that there'll be "still happier days for our people" if Congress sets up just one more new government agency to see that the ICC and other sleepy bureaucracies start working harder for ordinary consumers. And a rival flock of business lobbyists is warning of chaos and disaster if the proposed Consumer Protection Agency ever starts charging around Washington raising hell in triplicate.

While there's no chance that Congress soon will bestir itself and abolish the ICC, there's considerable unhappiness with it and other alphabet agencies that regulate transportation, energy, medicine, food and other industries. That unhappiness has led to overwhelming House passage of the Consumer Protection Agency bill earlier this year. The Senate is debating it hotly now. Virginia Knauer, the President's powerless consumer adviser, is keen for it. Yet the unsatisfactory record of the old-line regulators ought to be a strong argument against trying to cure the ills of bureaucracy with more bureaucracy.

For Congress, setting up a "good" new agency to correct its own mistakes of the past is the easy way, a cop-out. The consumer agency would be doing the job Congress itself should be doing, has the power to do, but hasn't the energy to do.

SOME SCARY SCENARIOS

This isn't the argument of the consumer agency's business opponents and their allies in the Senate; they essentially want to keep the status quo. Thus the opposition's debating points run to a new-found admiration for the existing "orderly processes of the government," and scary scenarios of the consumer agency using its vast powers to bully even Henry Kissinger.

Sen. Sam Ervin of North Carolina and three other Senate opponents note in a written argument that the consumer agency can give advice to the State department on foreign trade policies that affect consumers. So suppose, they say, that U.S. diplomats are negotiating an oil deal with the Arabs. Sen. Ervin's camera rolls:

"Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your new proposition, I must contact the administrator of the Consumer Protection Agency or one of his agents.' It would appear that an advocate of the (agency) will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law."

With the opposition portraying the agency as a reckless bureaucratic giant, its supporters naturally stress how small and prudent it will be. Sen. Abraham Ribicoff of Connecticut and his allies promise the agency will consist of "a relatively small number of professionals" helping regulators, "on a case by case basis" to see the consumer viewpoint.

But this contradicts the proponents' simultaneous visions of a truckload of consumer triumphs to be won in the federal regulatory snakepit. A checklist of examples of wrongs the agency supposedly could correct is long and ambitious: The high price of heating oil, Food and Drug Administration foot-dragging on safety rules for X-ray machines, Commerce Department sloth in banning fire-prone clothing, Civil Aeronautics Board tolerance of high air fares and lost luggage, FDA laxity toward dangerous toys, Transportation Department snoozing on rickety school buses, Federal Aviation Administration flabbiness on DC-10 cargo doors that pop open in flight, which proved fatal to 344 people in a crash near Paris this year.

Such a list belies the claim that the new agency would be a midget; it would have taken a many-eyed monitor to note that the FAA's ruling on DC-10 cargo doors was "permissive" instead of "mandatory," and to get the ruling reversed. But the list also belies any assertion that the status quo is all right and that the existing regulators are doing their jobs well.

A congressional decision to correct regulatory wrongs with an institutionalized consumer advocate would just endorse and enlarge a dark side of government that's already subject to ridicule. Advocacy proceedings before federal regulatory bodies can drag on for years in a lawyerish nightmare of hearings and appeals. Sen. Ribicoff's bill would put a new set of faces at attorney's tables in hearing rooms all over town, adding new parties to a function of government that has a life of its own.

In his irreverent book "The Institutional Imperative (How to Understand the United States Government and Other Bulky Objects)," Robert Kharasch describes the purpose of the regulators this way: "The activity of regulation, the sheer running of the machinery processing minute inquiries and complex questions, is itself the only 'purpose' of regulation. This is so because the machinery defines the purpose: You cannot say whether a rate is reasonable without establishing a rate base, and the question of what goes in the rate base is a question so surpassingly difficult as to be decided only by the machinery of regulation. So, only the operation of the machinery defines the purpose of its operation."

There's much argument about whether the old-line regulatory agencies have become "captives" of the industries they regulate. Sponsors of the consumer bill assume that they are, and that the new agency is needed as an antidote to that captivity. Sen. Ribicoff and the other sponsors also worry about attempts to put in a political fix on the agency's freedom to pursue consumer injustices wherever it sees them. Over strong protests from the Nixon White House, the pending Senate bill would give the agency's chief a fixed four-year term to prevent a President from sacking him for policy reasons.

The fear of political intervention is understandable in the light of the recent history of reversible milk price supports and White House badgering of the Internal Revenue Service. But the kind of independence proposed for the consumer agency could someday give it captivity problems of its own.

The agency's staff basically will confront endless Go-No-Go decisions on whether it should become a party in a formal ICC proceeding on a vegetable truck route, or get involved in a proposed new Agriculture Department rule on hot dogs, or appeal in court a Federal Trade Commission decision on the elasticity of suspenders. And thus the staff could itself become a major focal point for lobbying and pressure from affected industries and consumer groups.

It's easy to imagine the president of an airline that wants higher fares trying to persuade the head of the consumer agency to stay out of his CAB case. If the fare increase isn't granted, the argument would run, my airline will go smash, and *then* how would consumers get to Des Moines? If the consumer agency buys that, its failure to show up at the CAB hearing could itself influence that board's final decision.

Doubtless in its early years the consumer agency wouldn't buy such arguments readily, and would oppose most government decisions favorable to business, just as business groups fear now. But if experience with existing regulators is a guide, the blood could cool and the head could nod as the years go by and precedents build up for not intervening in cases, lest an industry lose its capacity for service to consumers in the long run.

Then at some point Congressmen waving pro-consumer banners would be tempted to pass a new law establishing an advisory council to the Consumer Protection Agency, to make the agency more aggressive. And in the end, a spiritual descendent of Sen. Proxmire might arise to note the agency's whiskers and cobwebs and urge its abolition.

MORE DIRECT WAYS

If Congress isn't happy with the performance of its own regulatory creatures, it has more direct ways of shaking things up. It could, as Sen. Proxmire and a few others suggest, seriously explore the merits of deregulation, leaving more business decisions to the competitive marketplace.

Congress could change its statutory marching orders to its regulators. That happened, with great legislative bloodshed, in 1962, when Congress told the FDA to keep off the market drugs that aren't effective, as well as those that are unsafe. Congress could also use more frequently a tactic adopted in the air and water pollution laws, which set fixed deadlines of performance for the Environmental Protection Agency and gave ordinary citizens legal standing to sue the agency in court if it flubs the job.

Finally, the Senate could crack down on the ancient presidential custom of reserving the regulatory commissions as retirement pastures for former Congressmen and favored cronies. The alphabet agencies aren't like Cabinet departments, where the top men are responsible to the President. The regulators, in contrast, exercise semi-judicial powers delegated by Congress and are not part of the Executive Branch. Yet the Senate has been supine about confirming almost any nomination to a regulatory agency. Last year's rejection of a Nixon-appointed nominee to the Federal Power Commission was a rarity.

But of course, it would be hard, distasteful work for Congress to change regulatory objectives, or supervise the agencies closely with a minimum of politics. It makes people mad and upsets the routine. As controversial as it is, a Consumer Protection Agency is an easier approach.

Cynics might argue that it's too much to expect Congress ever to shape up, so a new bureaucracy is the best available stopgap. In that light, the Consumer Protection Agency, if it comes, will be a confession of congressional sloth and timidity, a shield intended to protect Congress from its own hard duty.

(*Mr. Large, a member of the Journal's Washington bureau, covers the Senate.*)

Mr. WEICKER. Mr. President, I thank the distinguished Senator from Oklahoma for yielding the floor. I just wanted to comment briefly on the pending amendment of the distinguished Senator from Ohio (Mr. METZENBAUM), relative to eliminating the exemption for the Federal Communications Commission. This is the second time that I have indicated I just do not think we should have any exceptions on this bill.

The last occasion dealt with exceptions as they applied to labor unions. This time we are talking about an exception in the bill for broadcast license renewal proceedings before the FCC. I have introduced my own amendment which would eliminate the exception for the Central Intelligence Agency, the FBI, the National Security Agency, and the national security or intelligence functions of the Department of Defense.

When this bill came to the Senate in 1970, there were no exceptions, and in 1972 there were no exceptions. It just goes to show what happens when you leave something lying around the Halls of Congress for about 4 years. All of a sudden everybody gets to working on it and it no longer is a law which applies to everyone but, rather, to fewer and fewer, with those on the outside of the law gaining ascendancy insofar as their numbers are concerned.

Certainly nothing affects the consumer more than that which he hears over the electronic media. The consumer is directly involved with radio stations, television stations, and so forth.

Clearly, there is no compelling rationale for this exemption. I urge my colleagues to support this amendment to assure the broad consumer interest is fully and adequately served by the proposed Agency for Consumer Advocacy.

Mr. RIBICOFF. The amendment would strike the exemption for license renewal proceedings before the FCC. The amendment should be opposed.

First. FCC license renewal proceedings do not bear a reasonable relationship to a marketplace transaction involving consumers. There is no commercial transaction between a licensee and a consumer. The proceedings do not affect in a reasonably direct way a consumer interest. The exemption makes explicit what would be the case anyway.

Second. Even if license renewals involved a consumer interest, the consumer interest would in all likelihood not be substantial enough to justify ACA participation.

License renewal proceedings only involve individual stations operating in a limited market area. There are 8,580 radio and TV stations in the country. FCC's renewal of one local station would not affect most consumers.

Third. Because the exemption is only from the license renewal proceedings itself, the exemption is actually very limited. It is not intended to exempt license applications involving cable television, since that does involve a transaction between licensee and consumers. It does not include FCC's regulation of advertising on television because the truth of advertisements does substantially affect consumer interests. It does not include general rulemaking procedures FCC may hold concerning any subject. It does not cover FCC's regulation of long-distance telephone rates.

The exemption in fact only covers a small percentage of the FCC's activities.

Fourth. Inclusion of section 17(e) does not represent a sudden change in policy. The committee report on the legislation in 1972 noted—page 61—that license renewal proceedings would be exempted because it does not involve a marketplace transaction between licensee and viewer. Simply in the interest of clarity, specific wording to this effect was added when S. 707 was drafted.

Mr. MAGNUSON. Mr. President, the Metzenbaum amendment to strike section 17(e) is ill conceived. The Committee on Commerce and the Committee on Government Operations thoroughly considered S. 707 and recognized the somewhat unique aspect of license renewal in the vast array of Federal agency activities.

The mission of the consumer advocate is to represent consumers before Federal decisionmaking agencies. But the interests of consumers as defined in this legislation are primarily concerned with marketplace activities or those governmental activities having a far reaching impact upon the consumer from a broad perspective.

For example, in the determination of area natural gas rates, a Federal Power Commission proceeding would certainly be an issue in which the Consumer Protection Agency should be involved. A Civil Aeronautics Board decision concerning the responsibilities of air carriers for consumer baggage claims would be a matter of interest to the consumer advocate. And the Federal Communications Commission a host of activities such as the prime time access rule, the question of advertising toward children, and long-distance telephone rates are certainly within the area of interest of the consumer advocate.

But why should the consumer advocate devote any of his resources to the 390-watt radio station in Pasco, Wash., or the 250-watt radio station in Spencer, W. Va. With one-third of all broadcast licenses up for renewal each year, the Consumer Protection Agency could spend all of its time in license proceedings having minimal impact on the Nation's consumers and be forced to avoid the vast array of issues which affect all of us.

Additionally, I would mention that the Commerce Committee has before it at this very moment significant license renewal legislation. We have had some 50 witnesses appear before the committee and we are told by those witnesses not to change our license renewal requirements because any changes might reduce the ability of challengers to "advocate" their point of view. Mr. President, there is already enough advocacy in the area of license renewals and that advocacy is, as it should be, local in origin because the issue of license renewal is local in scope.

I must oppose the Metzenbaum amendment. The committee has properly excluded a local matter from the purview of this agency. And to do otherwise would be to diminish the ability of the CPA to represent the consumers' interest.

The PRESIDING OFFICER. The hour of 4 having arrived, under the previous order the pending question is on agreeing to the amendment of the Senator from Ohio.

The question is on agreeing to the amendment of the Senator from Ohio. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Mr. President, many Senators are not in the Chamber, and they will be coming in. The yeas and nays have been ordered on the amendment of the Senator from Ohio?

The PRESIDING OFFICER. That is correct.

Mr. MAGNUSON. It is a vote up or down, yes or no, on the amendment.

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HELMS (when his name was called). I vote "present."

Mr. HUDDLESTON (when his name was called). Mr. President, as the holder of an interest in a broadcast station which is licensed by the Federal Communications Commission, I believe it would be inappropriate for me and a possible conflict of interest to vote on this amendment. I will, consequently, vote "present."

Mr. TAFT (when his name was called). I vote "present."

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from California (Mr. Tunney), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from California (Mr. Cranston) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) and the Senator from Utah (Mr. Moss) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky (Mr. Cook), the Senator from New Mexico (Mr. Domenici), the Senator from Hawaii (Mr. Fong), the Senator from Wyoming (Mr. Hansen), the Senator from Idaho (Mr. McClure), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from New York (Mr. Javits) is absent on official business.

The result was announced—yeas 17, nays 57, as follows:

[No. 332 Leg.]

YEAS—17

Allen
Brooke
Buckley
Case
Chiles
Ervin
Griffin
Hart
Haskell
Kennedy
Mansfield
McClellan
Metcalf
Metzenbaum
Muskie
Roth
Weicker

NAYS—57

Abourezk
Aiken
Bartlett
Beall
Bennett
Bible
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Clark
Cotton
Curtis
Dole
Dominick
Eagleton
Fannin
Fulbright
Goldwater
Gurney
Hatfield
Hathaway
Hruska
Hughes
Jackson
Johnston
Long
Magnuson
Mathias
McGee
McGovern
McIntyre
Mondale
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Young

ANSWERED "PRESENT"—3

Helms
Huddleston
Taft

NOT VOTING—23

Baker
Bayh
Bellmon
Bentsen
Biden
Cook
Cranston
Domenici
Eastland
Fong
Gravel
Hansen
Hartke
Hollings
Humphrey
Inouye
Javits
McClure
Montoya
Moss
Percy
Tunney
Williams

So Mr. Metzenbaum's amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUGHES. Mr. President, the issue before us today is not new to anyone. For over a decade now the Congress has considered various measures designed to represent the economic interests of consumers.

Thirteen years ago, when President John F. Kennedy delineated a consumer bill of rights, he described the plight of the American consumer in this way:

> Consumers, by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private economic decision. Two-thirds of all spending in the economy is by consumers. But they are the only important group in the economy who are not effectively organized, whose views are often not heard.
>
> Each succeeding generation has enjoyed both higher income and a greater variety of goods and services. As a result our standard of living is the highest in the world—and, in less than 20 years, it should rise an additional 50 per cent.
>
> Fortunate as we are, we nevertheless cannot afford waste in consumption any more than we can afford inefficiency in business or government. If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and the national interest suffers. On the other hand, increased efforts to make the best possible use of their incomes can contribute more to the well-being of most families than equivalent efforts to raise their incomes.

Mr. President, last year, according to Senate Antitrust Subcommittee reports, Americans lost a total of more than $7 billion paid out for automobiles repaired improperly, unnecessarily, or not at all.

Fourteen billion dollars a year is lost

simply because food labels do not give enough information for the consumer to get the best buys.

Another $7 billion is lost to price fixing in the bread and dairy industries.

These losses to the individual consumer, and others like them, amount to nearly $200 billion every year, approximately $1,000 annually for every man, woman, and child in the United States.

We have long known the problem exists; for too long, we have failed to take decisive action in the Congress.

Since 1961, when Senator Estes Kefauver first introduced a bill to establish a Department of Consumers, parliamentary maneuverings in the Congress have consistently made it impossible for the matter to come to a vote on the issues at stake.

While I have respected the views of those who opposed this legislation, and I shared some of their concerns, I regret very much that these methods have been used to defeat it.

When legislation has received thorough public hearings over a period of years, been studied by the appropriate committees for many months before being reported to the Senate, and then has been debated at length on the Senate floor, I believe such legislation should be voted up or down on its merits.

At the time of its consideration during the 92d Congress, it appeared that a great many of the objections to the establishment of a consumer protection agency were based on what might happen administratively rather than on the content and the spirit of the law itself.

I believe these difficulties have been worked out since then with several features of the 1972 version now removed or modified in the draft before us today.

Many of my distinguished colleagues will be addressing these specific issues in greater detail during our debate.

My own concern is that we set the fundamental conflict involved here in its proper perspective.

In 1784, in his classic exposition on "The Wealth of Nations," Adam Smith addressed this conflict very clearly when he wrote:

> The clamor and sophistry of merchants and manufacturers easily persuade . . . that the private interest of part, and of a subordinate part of the society, is the general interest of the whole . . . consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer.

It is clear, Mr. President, that, in our current system, the balance has tipped the other way. A close relationship between regulatory agencies and regulated industries is inevitable in certain cases. Properly restrained, this close relationship is not harmful per se to the public interest.

It is detrimental to the public interest, however, if the close relationship between a regulatory agency and a regulated industry is not balanced by effective representation of other affected interests. The consumer's advocacy role is addressed to correct this imbalance in representation.

For too long, the consumer has been at the mercy of the producers of goods and services without recourse to challenging quality, safety, fraud, and other injustices.

In my view, the way to assure an effective voice for consumers to challenge these injustices in the regulatory process is to create an advocate for the consumer interest.

As my colleagues have clearly pointed out in establishing the Consumer Protection Agency as a nonregulatory agency, an important distinction is involved.

Regulatory activities consist of setting and enforcing standards for the conduct of individuals and business entities.

Representation, on the other hand, is not a regulatory activity. It consists of presenting legal, economic, scientific and other types of evidence to a decisionmaker, but does not consist of making the ultimate decision.

The Consumer Protection Agency proposed in this legislation has no authority to overrule the decisions of any other agency.

It has no authority to alter any other agency's regulatory authority.

It has no authority to initiate a judicial proceeding for the enforcement of any other agency's authority.

The legislation neither grants to the CPA any regulatory authority taken from any existing agency, nor does it change any of the substantive law which regulatory agencies apply.

Mr. President, I might not be in public life today, were it not for my frustration, years ago, over the failure of a State regulatory agency—the Commerce Commission—to give a fair shake to the statewide association of independent truckers which I headed, at the time. I was told that if I did not like the way the Commission was run, I should run for a commissioner's post, myself, and change it.

My own experience has shown me that regulatory agencies—by the very nature of their task must consider the entire public interest. As a consequence, they become almost exclusively involved in the overall picture, without sufficient attention to individual needs and problems.

To counterbalance, we must assure every citizen adequate representation in the decisionmaking process.

We must guarantee a way for letting the voices of ordinary people be heard.

Mr. President, we have already delayed too long. It is time we recognize and act on the long-neglected interest of the individual citizen, the individual consumer.

The minority views filed with S. 707 have suggested that the concept of consumer advocacy is one whose time has come and gone.

I respectfully suggest that to assure individual rights an equal voice in the arena of conflict with collective rights is a concept whose ascendancy began with the founding of this Nation 200 years ago.

I commend my colleagues for bringing before us for action that I believe to be a major legislative step forward in protecting the health and well-being of the individual American.

It is my deep hope that we will, at last, be able to vote on the merits of the alternative proposals. The American people deserve and have a right to know where we stand on this fundamental issue.

Mr. ROTH. Mr. President, S. 707 represents what I hope will be the successful culmination of a legislative process that began in earnest in the Senate in 1970. As many of my colleagues will recall, that was the year a bill to establish an independent consumer protection agency and a council of consumers in the White House was passed by the overwhelming majority of 74 to 4.

Since that time, a great deal of meticulous, persistent effort has been expended by many highly motivated people in both Houses of Congress in hammering out a balanced bill that accommodates the wide range of interests represented in consumer affairs. I believe S. 707 is such a bill and deserves the best efforts of all the Members of this great body in making whatever further refinements are necessary to achieve the level of support that was given its predecessor in 1970.

S. 707 would create an independent nonregulatory agency for consumer advocacy that would serve as an advocate of consumer interests before other Federal agencies and the courts—it would have no regulatory powers. In my opinion, if properly administered, it should have a positive, beneficial effect on Government, consumer, and business institutions.

The needs of the consumer that would be served by an Agency for Consumer Advocacy—ACA—are readily understood, well recognized, and highly publicized. The fact that passage of this bill would give consumers a spokesman in many governmental decisionmaking processes which affect their health, safety and economic well-being is of great comfort to many of our citizens. This is especially true for those who feel helpless and frustrated because there has been no effective means of obtaining representation before the decisionmakers in Government.

What is not so easily understood, well recognized, or highly publicized is that S. 707 would benefit the regulatory agencies of the Federal Government and the business institutions of this country.

There has been a great loss of faith in our regulatory agencies. They have been criticized and maligned, sometimes unfairly, because of the complex burdensome processes that have thwarted the consumer in getting his position represented in regulatory proceedings. The Agency for Consumer Advocacy would counteract much of this criticism by providing a responsible representation of the consumer interests. It would provide the agencies a channel for clarifying and simplifying the various complex aspects of consumer interests. Citizens would then know that both the business and consumer sides of the story were considered in the decisions of regulatory agencies.

Most business people and the organizations representing them have given little recognition to the potential of the Agency for Consumer Advocacy as a positive force for their long-term interests. In the first place, the drafters of this legislation have embodied many safeguards to assure that the rights of persons in private enterprise are not unfairly injured by any action the agency takes. The disclosure of information received from another agency, trade secrets or confidential business information, and information which would violate privileged relations is prohibited. Also, transmission of consumer complaints, intervention in court actions, and release of product information by the ACA are all subject to strict requirements designed to assure fairness to affected persons. Finally, the fear that the agency will become a bureaucratic monster is addressed by a limited budget and a requirement that the General Accounting Office provide the Congress with an evaluation of the agency operations within 36 months after passage of this legislation. This will afford Congress the opportunity of critically appraising the extent to which its objectives have been carried out before authorizing additional appropriations for the agency.

On the positive side, consumers who do not feel suspicious of business and government—who do not feel shut out and unrepresented in government proceedings that affect their pocketbooks, wellbeing, and livelihood, will be better customers of the businesses of this country who are trying to serve them well. The trust engendered by this relationship will undoubtedly contribute to better economic results for business. Another benefit of the Agency for Consumer Advocacy for business will result from the fact that unfounded misleading charges made in the name of the consumer by uninformed or irresponsible parties will not long survive when subjected to the objective evaluation that will be possible by the agency.

Mr. Edward Donnell, chairman of the board of Montgomery Ward, in an address before the American Retail Federation a year ago suggested that—

> For business to always oppose whatever consumers or their representatives propose, strains the credibility of our public statements that for us the consumer always comes first. . . . We are providing the American public with the most efficient, responsible and protective marketing system in the world. Yet we believe it can be further improved. Because of this belief we have supported such consumer legislation as the Agency for Consumer Advocacy Agency bill, truth in lending, the warranty-guaranty bill, and the Uniform Consumer Credit Code.

I believe this same viewpoint is shared by other business leaders who have supported consumer protection legislation.

A few days ago, Mrs. Virginia Knauer, the President's Consumer Adviser, released what she described as one of the most important public statements she has made in her 5-year tenure in office. Mr. President, because I believe the basis of the support for the Agency for Consumer Advocacy by the President's Adviser on Consumer Affairs is highly significant, I ask unanimous consent that the full text be placed in the Record at this time. It will be noted in Mrs. Knauer's statement that the reference is to a Consumer Protection Agency—CPA. This name was changed to Agency for Consumer Advocacy by an amendment to S. 707.

Gentlemen, I am pleased to lend my support to this legislation, and I look forward to the benefits its passage will bring.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, today released the following statement on legislation to establish a Consumer Protection Agency:

"Soon the Senate begins its debate on legislation to establish a Consumer Protection Agency. It is the most important consumer matter to come before the Congress in the five years I have served as the President's Consumer Advisor. It is the first answer by Congress to years of criticism by Congress that government agencies too often do not adequately reflect consumer interests.

I believe that if the CPA becomes a reality, it will have a profound, positive effect for the public on government, consumer, and business institutions. It will be a problem-solving force for the consumer, undertaking programs and making recommendations to resolve or minimize some of the major problems facing the public, such as inflation. My reasons for these beliefs are as follows:

The CPA will be a tremendous aid to our regulatory agencies. The CPA will not be a regulator. It will not have any enforcement powers. It will not take away the decision-making powers of government regulatory agencies. It will help the agencies listen to consumers.

Our agencies too often have been under attack for lack of cohesive consumer contributions to their basic decision-making process. Critics have said that the legal machinery of consumer participation is much too complex to be used to advantage by the average consumer in a regulatory proceeding; that the individual, in contrast to business, is at a basic disadvantage in becoming aware of and gaining access to the kinds of public policy considerations, data, and information vital to his or her interest; and that, unlike the business community, the average individual, limited by lack of funds, time, and information, cannot without help overcome the cumbersome and burdensome steps needed to participate in a regulatory proceeding.

Our regulatory agencies today receive many letters from the public which are emotional and filled with rhetoric. The agencies understand this; they do not expect the average citizen to be an economist, an engineer, a lawyer, or whatever other specialist is needed to comment effectively on an issue. Further, emotional arguments are important in understanding the temper and the desires of the public; but they are not effective substitutes for the type of complex problem-solving recommendations the agencies need and will get through a CPA staffed with the specialists necessary for knowledgeable representation. CPA will be able to make those recommendations and thus help the regulatory agencies focus on the central issues of importance. Thus, the CPA will be a unifying and orderly force.

Any one given consumer issue may involve various consumer interests. However, a specific regulatory agency may be Congressionally directed to emphasize one of these interests. In important program areas such as energy, pollution, housing, food, or drugs, where more than one agency is working on different but related aspects of a single problem area, CPA would be a unique repository for a wide range of consumer views and concerns. It will thus be able to present a broad and balanced point of view and will provide an efficient economical means of channeling various complex aspects of consumers' interests, where no such means currently exist.

CPA will be an aid to those institutions now working on behalf of the consumer.

CPA will be of incalculable value in stimulating the basic research and analysis needed to set priorities for the consumer movement as a whole. Some consumer groups today are highly sophisticated, others are inexperienced in the problem-solving process. CPA will act as an aid to these organizations, giving them a vehicle they do not have today.

CPA will do much to help business institutions.

Business representatives have made the point over and over again that they suffer from too much government regulations, from rule proceedings too narrowly based, and that in many cases competition can solve consumer problems more effectively than regulation. CPA should be able to ask hard questions and hopefully provide recommendations as to where regulation can be removed to benefit the consumer by allowing the free market to operate. It can act to strengthen business incentives to make maximum use of efficient cost-saving technologies and standards.

For those areas of the economy where some regulation must take the place of competition, CPA should contribute significantly to the types of analysis and data available to assist in difficult pricing and rate-making decisions made by the regulatory agencies. These pricing and rate-making decisions have a profound effect on business as well as consumer costs. A significant number of the price and output decisions in the economy are made through forces of regulation rather than competition. A strong consumer voice in seeing that the determinants for agency decisions are fair and equitable, cannot help but benefit the economy as a whole.

CPA will be a powerful force against major consumer problems such as inflation.

CPA will help agencies identify areas of the economy where lack of competition contributes to inflation; it will help facilitate public understanding of price-quality options in promoting competition; and it will assist agencies in developing proposals to attack inflation through increased competition.

CPA will help agencies identify outmoded rules that should be eliminated or modified to better combine consumer protection with increased economies, productivity, and efficiency.

CPA will work with the agencies to develop their anti-inflation programs. As an example, the Department of Housing and Urban Development has expressed concern about the lack of a requirement for advance disclosure of settlement and closing costs and about the prevalence of referral fees, kickbacks, rebates, and unearned fees that add to consumers' costs. An effective program to eliminate these abuses would be an inflation deterrent, and an aid to buyers and sellers of homes.

By being a powerful force against fraud and deception, the CPA could act against inflation by saving the consumer valuable dollars.

The CPA will help consumers fight inflation through sponsoring research that will aid in obtaining higher quality, more relevant information about the key characteristics of the products they purchase. CPA could sponsor studies of factors in product performance and durability which will help consumers make more sensible choices about key budget decisions.

The CPA could help to increase support for needed and effective programs and help the Administration, Congress, and the public identify programs that are not cost effective.

The CPA will be a leader in providing essential consumer education and information.

One major problem in today's complex marketplace relates to the lack of consumer education.

Helena Z. Lopata, Chairman of the Department of Sociology at Loyola University in Chicago, in her book, *Occupation Housewife*, published the results of a five-year study of women at all economic levels. One major finding was the sense of frustration women felt because they had not been taught how to cope with the modern marketplace. In short, we are taught how to earn money but not how to manage it.

CPA will be able to promote and provide educational and informational programs to help fill this void.

CPA is mandated to help resolve individual consumer complaints.

One of the most frustrating problems for the consumer is to have a legitimate complaint about a product or service and not be able to do anything about it. Regulatory agencies have been unjustly criticized for not resolving the individual's complaint, a role for which they were not designed. The CPA will be a powerful ally in this regard, taking steps to insure that the proper agency or the top management of a firm is aware of the consumer's problem. CPA will also work with business to establish voluntary complaint-handling systems. CPA's complaint-filing system will be able to provide an early-warning system on emerging problems so appropriate action can be immediately taken to correct the cause.

CPA will be able to provide a major assist to state and local government agencies.

By acting as a clearing house and liaison between the Federal, state, and local governments, the CPA will be available to help develop and implement programs designed to eliminate problems on the local level. Note, for example, the recent resolution passed by the National Association of Attorneys General urging the passage of CPA.

CPA should give much credibility to our major institutions.

Today, traditionally, there has been a great loss of faith in our institutions—most have come under criticism and attack. Some of this criticism is justified; some is not. CPA would, in effect, be a healing and unifying force.

Finally, and perhaps most important, the CPA could be a powerful antidote to the poison of alienation and helplessness affecting many of our citizens. Too many of our citizens believe that their pleas for help or understanding are unheeded; that only the big and powerful can count on effective and responsive representation; that only the big and powerful have access to decision makers.

The United States Senate has the opportunity to counteract this belief—it can give the American public a vivid demonstration that the individual in America is not the forgotten person—that he or she is represented and represented well . . . and that with the establishment of a CPA, the feelings of hopelessness and alienation no longer will have reason to exist.

The President, in his September, 1973 Message to Congress, called for the establishment of a Consumer Protection Agency. He promised to work with Congress to this end, which we have been doing. We hope this spirit of cooperation and compromise continues. The House has already passed a CPA bill.

Now I hope and pray before the debate is over, the Senate will have the opportunity to vote on the merits of a Consumer Protection Agency.

Mr. ABOUREZK. Mr. President, as a cosponsor of S. 707, I am pleased to have this opportunity to make a brief statement in support of the Consumer Protection Agency Act.

Legislation to create an independent, nonregulatory consumer protection agency emerged during the past decade as a solution to the massive problems facing consumers, despite the numerous laws designed to protect them. A strong feeling has grown up that American society has not been placing a high enough priority on consumer considerations in making determinations about the public interest, and that agencies responsible for administering consumer laws have generally been ineffective in carrying out their full responsibilities. This general feeling of frustration and helplessness on the part of consumers is attributable in large part to two major factors. First, industry has the resources to secure the best advocates to represent them in agency proceedings while the consumer does not and thus goes largely unrepresented. And second, the highly splintered authority for administering consumer laws has resulted in a lack of coordination among programs. The bill which is before us today addresses both these problems. It would create an independent consumer advocate within the Federal Government to meet the need for better coordination among the various programs and to provide a strong voice for the consumer in the administration of these laws.

At the heart of this proposal lies the basic issue of equity and of efficient, representative government. Under existing conditions, the Federal agencies which make daily decisions affecting the health, safety and economic well-being of the American consumer do so without the benefit of adequate consumer input. Consumer groups simply do not have the resources which other interest groups have to present their case before Federal agencies and courts. As a result, regulatory agencies with a responsibility to protect consumer interests have often been unresponsive to consumer needs. This bill seeks to correct this basic imbalance in representation in our regulatory process by establishing a Federal agency to advocate the interests of consumers.

The creation of a consumer protection agency will remove the business monopoly on the decisionmaking process and restore consumer participation in the democratic process. It will not preclude advocacy on the part of industry or any other interested parties. It would simply assure that the voice of the consumer is also heard. In this time of increasing suspicion and cynicism about the workings of government, the Consumer Protection Agency Act would open up the Federal regulatory system to all points of view. In so doing, it should do much toward improving the performance of these agencies and restoring public confidence in the regulatory process.

Much concern has been expressed that the enactment of this proposal will disrupt the orderly operation of government and unduly interfere with legitimate business relationships. I do not believe that this would be the case. The Consumer Protection Agency has no regulatory powers. It will be an advocate. The CPA will not be able to compel another agency to take any action, or make any decision. Its power lies in persuasion—in the same manner as any other party that participates in Federal agency proceedings.

The Consumer Protection Agency Act will simply assure that all parties affected by our Federal regulatory system will be represented in the decisionmaking process. It will also assure that Federal regulatory agencies have access to all points of view in formulating their decisions. Such legislation will stimulate an open and sincere Government response to the general public interest rather than narrow special interests. This should be the goal of all public policy.

DEATH OF LARRY SCHNEIDER

Mr. MAGNUSON. Mr. President, several weeks ago, the cause of motor vehicle safety and the Nation suffered a serious setback. Lawrence Schneider, Chief Counsel of the Department of Transportation's National Highway Traffic Safety Administration collapsed on a tennis court of a heart attack. He was 38.

Larry Schneider represented the public service ideal at its best. As a vigorous and relentless advocate of the public interest, his work contributed to saving the lives of countless Americans who never knew him. His impact was felt far beyond the important legal role he played as Chief Counsel.

As Chief Counsel for 3 years, the NHTSA's program grew under his legal guidance. He is credited with spearheading two precedent-setting cases against the auto industry which will save thousands of lives. In his most significant effort, Larry's brilliant legal brief asserted the position, ultimately adopted by the court, that the Federal Government could set motor vehicle safety standards which advanced the state of the art of motor vehicle safety technology. That decision has been the basis of many of the safety standards which will save lives in the years to come.

Larry's most recent effort involved the recall of certain wheels which the NHTSA declared to be defective. General Motors disagreed, arguing that there was only a problem when consumers overloaded the vehicle. In adopting the Government's position that the manufacturer could have foreseen the overloading, manufacturers will be held more accountable for safety related defects on motor vehicles. This will undoubtedly effect the ability of the Federal Government to expeditiously remove unsafe vehicles from the Nation's highways for years to come. His role as Chief Counsel extended far beyond litigation however. He was an active force in pressing for amendments to the Motor Vehicle Safety Act, including one which will require manufacturers to remedy defects at no cost to the consumer. In addition, he played an active and creative role in developing and molding NHTSA policy on future rulemaking endeavors. His years at the NHTSA made him a source of stability and consistency in an agency with frequent personnel changes.

While Larry was a champion of the auto safety program, he also approached his task with fairness and level-headedness. He was sensitive to human needs, but he also was aware of the economic and political realities of the industry he regulated. As such he constantly strove to strike a balance among the competing interests and to keep on program on an even, steady keel.

His outstanding efforts at the Department of Transportation were twice recognized. In 1972, he received the Secretary's Award for Meritorious Achievement. The year before, he was given the Administrator's Award for Exceptional Achievement. Prior to joining the safety agency in 1968, Larry engaged in private law practice and served in the Justice Department's appellate section under Attorney General Robert F. Kennedy.

While I and my colleagues on the Commerce Committee will miss him, Larry left behind his wife, Susan, and their three children, David, Anne, and Jeffery. To them, I express my most sincere condolences.

PROPOSED STUDY OF PUGET SOUND

Mr. MAGNUSON. Mr. President, on July 11, Mr. Richard S. Page, executive director of the Municipality of Metropolitan Seattle—METRO—testified before the Senate Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary. Mr. Page's testimony was an excellent and detailed exposition of the tremendous importance of Puget Sound, of METRO's ongoing and very successful efforts to retain the Sound's environmental integrity, and of what METRO is now doing, in coordination with State and Federal agencies, to protect the Sound. METRO's record in protecting Puget Sound is one which I believe other Senators may well wish to review. Consequently, I ask unanimous consent, Mr. President, that Mr. Page's statement be printed in full at this point in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY RICHARD S. PAGE, EXECUTIVE DIRECTOR, MUNICIPALITY OF METROPOLITAN SEATTLE

My name is Richard S. Page. I am Executive Director of the Municipality of Metropolitan Seattle. I am appearing before you today to ask for increased and accelerated funding support for the National Oceanographic and Atmospheric Administration's (NOAA's) proposed study of Puget Sound—properly known as the Puget Sound Marine Ecosystems Analysis (MESA) project.

The Administration's budget request for FY 1975 includes $300,000 to help design a comprehensive, multi-year study of Puget Sound, the largest estuary in the continental United States. The design work has basically been completed by NOAA, Metro and the Washington State Department of Ecology. Therefore, we urge you to approve a total of $3.7 million in FY75 to fund the first full year's study effort. NOAA estimates the study can be completed in four to five years for approximately $15.8 million; however, the majority of data needed by Metro will be generated in the first two to three years.

NOAA had planned to begin a Puget Sound project in FY76. We strongly recommend a fiscal 1975 project beginning because of the urgent need for wise management decisions by government officials at all levels and by private companies. The need for immediate action is especially grave since Puget Sound will probably receive oil shipments from Alaska in the near future.

A NATIONAL RESOURCE

Puget Sound is a unique national resource—three times as large as any estuary in the continental United States. It is a kind of utopia for the recreational sailor and outdoor enthusiast; it has miles and miles of low-density and undeveloped shoreland; its estuarine and fisheries resources have been assigned a monetary valuation of $700 million, but in this day of rapidly depleting fisheries, reserves are actually invaluable; and its water quality is becoming unique in the world. The northern Sound has an abundance of natural resources so precious to the nation that we can't really attach dollars to their worth.

We are in a period when pressures on public agencies and private industries are coming together simultaneously to produce decisions which could commit at least $1 billion worth of public and private investments in facilities around the Sound. These facilities may, if wisely based, provide for continued quality and environmental protection of the Sound. Or, these massive investments could contribute to the degradation of this magnificent body of water.

Those decisions must be made within the next two years for the following reasons:

The Sounds geographic location makes it an inevitable transportation corridor for Alaskan oil.

The Sound is at least three times deeper than any harbor in the United States, making it one of the few harbors in the world capable of accommodating the new deep-hulled super transports.

Metro and other municipal sewerage agencies discharging into the Sound must make decisions required by the 1972 Water Pollution Control Act Amendments regarding water pollution control facilities which will cost more than $600 million over the next ten years.

The Sound is one of the last areas in the United States with large tracts of shoreland still available for recreational and industrial development.

Decisions, then, must be made about the transportation of oil and the installation of facilities for handling the oil traffic. Decisions must be made about the construction of adequate port facilities for handling the deep-hulled super transports and for dredging, etc. of inter-tidal waters to accommodate those port facilities. Decisions must be made about the kinds of water pollution control treatment processes and facilities required to protect the fine quality of the Sound's waters. And decisions must be made about potential development along its shores and estuaries.

NEED FOR STUDY

These multi-million dollar decisions, which could have an irretrievable impact on the Sound, will be based more upon speculation than on information if a comprehensive MESA-type study is not undertaken immediately.

The MESA project is essential to give us more information about the Sound's physical characteristics, its biological and marine resources, and its chemical characteristics before we make costly and irretrievable commitments which could degrade its environmental quality. For example, we don't know which nutrients, metals or other contaminants are threatening its water quality. We don't know enough about its flow characteristics and we don't have the baseline data we need to understand its eco-system or to assess potential impacts on that system.

The proposed MESA project would provide us with that information. But this scientific effort must be accelerated if the information is to be most timely for public and private decision makers.

COMPLEMENTS OTHER EFFORTS

The MESA project would also provide needed coordination for smaller specialized studies that are already funded or underway. The State Department of Ecology is embarking on a $500,000 Puget Sound baseline study in anticipation of increased oil transport activity in Puget Sound. There are also smaller, but very important, studies underway on highly specialized aspects of the Sound's characteristics. Many are being conducted by the University of Washington; others by other federal, state and local agencies. These studies must be coordinated so that they can complement and supplement one another if they are to provide the kind of information required for environmentally effective decision making.

We believe this task requires an agency like NOAA which has amassed scientific, technical and analytical expertise to effectively manage the coordination effort that the MESA project would provide. In addition, we believe that it is essential that the study be undertaken by an agency like NOAA with no direct interest in the decisions such a study might influence.

METRO'S INTEREST IN STUDY

The Municipality of Metropolitan Seattle (Metro) is the largest of several municipal sewerage agencies along the Sound which have an immediate and urgent need for results from the MESA study because of pending decisions regarding water pollution control facilities which will cost more than $600 million in the next ten years. Requirements of the Water Pollution Control Act Amendments of 1972 (PL 92–500) necessitate that decisions be made about construction of those sewerage facilities in the next two to three years. These multi-million dollar water quality decisions will be based upon limited information in the absence of a MESA-type study. We believe it would be irresponsible to make such decisions in an information vacuum.

METRO HISTORY AND ORGANIZATION

Metro provides sewerage service to 14 cities, 18 sewer districts and one private agency in King County. About 900,000 people living in a 300-square mile area are served through its system of interceptors and treatment plants.

Metro was created because of local concern for the quality of waters in the Puget Sound area. During the late 1950's a citizen-inspired effort succeeded in winning state legislation for, and voter approval of, the organization of Metro to finance, build and operate a metropolitan sewerage system. The early program was directed at eliminating two practices which were then contributing to water pollution in Puget Sound, Lake Washington and Elliott Bay. Those practices were:

The discharge of treated effluent, rich in nitrogen and phosphorus, from ten secondary treatment plants into Lake Washington. The nutrients were stimulating the growth of algae in the lake and beaches were closed to swimmers. The water was turbid and maladorous.

The discharge of tens of millions of gallons per day of raw untreated sewage into the Duwamish River, Elliott Bay and Puget Sound. A number of Puget Sound beaches were closed due to the raw sewage outfalls.

A clean-waters plan prepared in 1958 described the sewerage services and facilities necessary for the entire Lake Washington-Cedar and Green-Duwamish River basins and provided for two goals:

The removal of all treatment plant discharges from Lake Washington and abandonment of many small treatment plants on its shores;

The interception of all raw sewage discharges into Puget Sound via a system of large interceptor lines around the lake, on both banks of the Duwamish River and along Seattle's commercial waterfront, Elliott Bay, and the treatment of this sewage in large treatment plants.

A $125 million ten-year construction program begun in 1961 was finished in 1971 ahead of schedule and within two percent of original cost estimates. The program was financed almost entirely with local money. Four new plants were built to replace more than twenty small facilities and more than one hundred miles of interceptor tunnels and trunk sewers were constructed. The results were immediate and dramatic improvements in the water quality of the lake and Elliott Bay. Beaches along the lake and the Sound were reopened and the Seattle metropolitan area became one of the few in the world with an environmental success story to tell.

Metro's two major treatment facilities are the Renton plant which provides secondary treatment and chlorination with effluent discharged into the Duwamish River, and the West Point plant which provides primary treatment and chlorination with discharge into Puget Sound through a deep outfall line terminating in a 600-foot long diffuser section three-quarters of a mile from shore in 240 feet of deep water.

Metro's West Point plant is its largest with a dry-weather flow capacity of 125 gallons per day (mgd). We also operate three small plants serving small drainage basins along the Sound—Alki, 10 mgd; Carkeek, 3.5 mgd; and Richmond Beach, 3.2 mgd.

TREATMENT REQUIREMENTS

Requirements of the 1972 Amendment to the Federal Water Pollution Control Act would necessitate providing secondary treatment of the type provided at our Renton Treatment plant at all of our plants now discharging primary-treated chlorinated effluent to the Sound. Secondary treatment intended to remove oxygen-demanding substances from the effluent is appropriate for discharges into oxygen-limited receiving waters, but Puget Sound's waters are abundantly rich in oxygen. To meet the 1972 requirements would, therefore, cost at least $55 million for secondary treatment facilities which would produce no improvement in the quality of the Sound's waters. The 1972 Act also establishes a 1983 goal of best practicable treatment (BPT). The locally elected officials who sit on the Metropolitan Council, Metro's policy board, have taken the position that Metro should proceed to meet those 1983 requirements, bypassing the inappropriate secondary treatment interim standards for removal of oxygen-demanding substances. In that way we can tailor our treatment processes for those four plants to meet the real water quality needs of Puget Sound.

However, such an approach is predicated on the assumption that sufficient information about those water quality needs will be made available to us soon enough to make rational, sound decisions about the real parameters of "best practicable treatment". We are dependent upon the MESA project for that information.

Summary

When one considers the public and private investment anticipated for the Sound in the next ten years, the justification for such a study is clear. Metro alone will spend upward of $300 million in treatment facilities. Additional investment by other municipal dischargers and the industrial sector will certainly bring this figure to more than $1 billion. In that perspective a $15 million study to provide information for making $1 billion worth of decisions seems remarkably cost-effective.

We believe those dollars become even more cost-effective when viewed in the perpective of environmental tradeoffs: Puget Sound is the inevitable transportation corridor for Alaskan oil development; it has one of the deepest harbors in the world and is one of the few capable of accommodating the new deep-hulled super transports. At the same time, it is a kind of utopia for the recreational sailor and outdoor enthusiast; it has miles of low-density and undeveloped shoreland; its estuarine and fisheries resources are invaluable; and its water quality is of a standard that is rapidly becoming unique in the world. The Sound has an abundance of resources so precious that we can't really attach dollars to their worth.

We trust, then, that the Committee will conclude that the acceleration of the MESA project for the protection of the Sound's waters is entirely warranted and indeed essential.

Thank you for the opportunity to appear before you.

Mr. ROBERT C. BYRD. Mr. President, I should like to ask whether or not any Senator has an amendment to the bill that he wishes to offer today or whether or not any Senator wishes to speak to the bill.

If not, I would be prepared to ask unanimous consent that the Senate resume the consideration of routine morning business.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume consideration of routine morning business with statements limited therein to 5 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the two leaders or their designees under the standing order on tomorrow, the junior Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that on tomorrow, following the recognition of Senator ROBERT C. BYRD and prior to the transaction of routine morning business, the Senator from Illinois (Mr. PERCY) be recognized for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER TO PERMIT THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for recognition of the Senator from Illinois tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF THE CONFERENCE REPORT ON H.R. 14592

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of routine morning business tomorrow, the Senate proceed to the consideration of the conference report on the military procurement authorization bill (H.R. 14592).

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at not later than the hour of 3 p.m. tomorrow, the Senate resume the consideration of the unfinished business (S. 707).

The **PRESIDING OFFICER.** Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, with the additional order for the recognition of Mr. PERCY for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes.

Mr. President, upon the completion of routine morning business tomorrow, the Senate will proceed with the consideration of the conference report on H.R. 14592, the military procurement authorization bill.

Upon the disposition of that conference report tomorrow, time permitting, the Senate will take up S. 3792, a bill to amend and extend the Export Administration Act of 1969.

At the hour of 3 p.m. tomorrow, the Senate will proceed to debate the motion to invoke cloture on the consumer protection bill.

At the hour of 4 o'clock, the Chair will ask that the roll be called to establish a quorum, and upon the establishment of a quorum, or circa 4:15 p.m., the mandatory rollcall vote will occur on the motion to invoke cloture.

Senators will be aware, therefore, that there will be at least one rollcall vote tomorrow. What ensues following the vote on the motion to invoke cloture will depend upon the outcome of that vote.

On Wednesday, the Senate will take up the bill making appropriations for the Treasury Department and the Postal Service, H.R. 15544.

On Thursday, the Senate will take up H.R. 15323, an act to amend the Atomic Energy Act of 1954, as amended; and it is also anticipated that on Thursday the Senate will take up the Public Works Appropriation bill, H.R. 15155.

It is possible that an additional appropriation bill will be ready for floor action by Friday.

Mr. President, I ask that the Senate be in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. It is not entirely outside the realm of possibility that another appropriation bill will be ready for floor action on Saturday of this week.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock a.m. tomorrow.

The motion was agreed to; and at 4:29 p.m. the Senate adjourned until tomorrow, Tuesday, July 30, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 29, 1974:

DEPARTMENT OF THE INTERIOR

Jack W. Carlson, of Maryland, to be an Assistant Secretary of the Interior, vice Stephen Alan Wakefield, resigned.

Lynn Adams Greenwalt, of Maryland, to be director of the U.S. Fish and Wildlife Service. (New position).

FEDERAL ENERGY ADMINISTRATION

William W. Geimer, of Illinois, to be Director, Intergovernmental and Regional Relations, Federal Energy Administration. (New position).

OFFICE OF ECONOMIC OPPORTUNITY

Bert A. Gallegos, of Colorado, to be Director of the Office of Economic Opportunity, vice Alvin J. Arnett, resigned.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Wilfred J. Smith, of Virginia, to be a Member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1973, vice Kieran O'Doherty, term expired.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR PERMANENT PROMOTION

To be medical director

Donald E. Bedingfeld
Peter J. T. Beeton
George M. Berg
Richard J. Bouchard
Philip S. Brachman
William A. Cherry
Jerome G. Green
Donald A. Henderson
Jean R. L. Herdt
Kenneth H. Hyatt
Marcus M. Key, Jr.
William C. Larsen
John F. Lee, Jr.
Charles G. Lewallen
Donald P. MacDonald
John E. Manire
John R. McDonough
Joseph J. Noya
John T. Schwartz
Maurice E. Snyder
Robert Van Hoek
Harry W. Weller

To be senior surgeon

Richard R. Bates
Allen W. Cheever
Harold T. Conrad
Anthony N. Damato
Roger A. Feldman
J. Kenneth Fleshman
Donald D. Funk
Robert J. Griep
Joseph S. Handler
Roger W. Haskell
Robert R. Jacobson
James W. Justice
David C. Kay
Harry R. Keiser
Carl M. Leventhal
Robert N. Ligo
Clayton H. McCracken, Jr.
George D. Monda
Will L. Nash
Charles H. Neilson

To be surgeon

Ruth T. Takeshita
Karl A. Western

To be dental director

Charles H. Davis
Francis J. Kendrick
Ernest C. Leatherwood, Jr.
James T. Lovett
Thomas A. McDermott
George E. Mitchell
Charles S. Stitt, Jr.
Lawrence E. Van Kirk, Jr.

To be senior dental surgeon

Lawrence I. Carnes
Sherman L. Cox
Charles O. Cranford
Ronald Dubner
Glen D. Elliott
T. Edwin Evans, Jr.
John F. Goggins
Charles H. Hayden
Donald W. Johnson
Merlyn B. Johnson
Thomas L. Louden
Leo N. McKenzie
Robert E. Mecklenburg
Stewart H. Rowberry
Lowell W. Smith
Charles D. Sneed

To be dental surgeon

Kent L. Angerbauer
Preston A. Littleton, Jr.
David C. Schrupp
Dennis L. Smedley
Larry J. Wisman
E. Walter Wolford

To be nurse director

Invelda M. Artz
Jean C. Casey
Elizabeth A. Casper
Elizabeth Edwards
Eileen G. Hasselmeyer
Mary L. Lane
Jane A. Lee
Marjory E. Lewis
Audrey M. Lindgren
Agnes Malec
Shirley A. Middleton
Mary T. Shea

To be senior nurse officer

Norma J. Baxter
Rita Chow
Josephine J. Hedrick
Lawrence J. Welding
Irene C. Zyniewicz

To be nurse officer

Ronald J. Haberberger
Richard A. Lindblad
William J. Young

To be sanitary engineer director

Paul H. Bedrosian
Edgar A. Jeffrey
Bernd Kahn
Dean S. Mathews
Charles W. Northington
Warren F. Smith
Charles V. Wright, Jr.

To be senior sanitary engineer

Richard J. Anderson
Robert G. Bostrom
Jules B. Cohen
Donald P. DuBois
John A. Eckert
John A. Eure
Gerald M. Hansler
George C. Kent
Richard E. Reavis
John E. Regnier
Donald G. Remark
Edgar F. Seagle
S. David Shearer, Jr.
Jay S. Silhanek
Albert V. Soukup
Lyle D. Thomas
John C. Villforth
Gerald G. Vurek

To be sanitary engineer

Timothy J. Bergin
Wayne A. Blackard
Donald J. Dunsmore
Walter W. Liberick, Jr.
Leroy C. Reid, Jr.
Lynn P. Wallace

To be scientist director

Adolph R. Brazis
Virgil R. Carlson
Eskin Huff
Roslyn Q. Robinson
Kenneth K. Takemoto

To be senior scientist

David Abraham
Sotiros D. Chaparas
Carleton M. Clifford, Jr.
Robert H. Depue, Jr.
Robert L. Elder
Burton R. Evans
Arthur D. Flynn
David A. Fuccillo
J. Richard Gorham
Vincent J. Sodd
Robert T. Taylor

To be scientist

Richard J. Bull
Donald L. Lodmell
Jerry M. Rice

To be sanitarian director

James A. Clark, Jr.
J. Edward Cowan
David H. Flora
John W. Greenley
Samuel W. Hoover
John E. LaPlante
Donald C. Mackel
Arthur B. McIntyre, Jr.
George Morrison
Steadman M. Overman

To be senior sanitarian

Robert E. Adams
Willard N. Adams
John H. Brandt
Matthew C. Lynch
Robert L. Sanders
Thomas C. Sell
Jack Womack

To be sanitarian

Ronald K. Ament
Charles K. Byram
Michael D. Flanagan
Sidney J. Gault
Robert A. Houseknecht, Jr.
Frank N. Kanatani
Richard J. J. O'Connor
Kent Oldenburg
Walter R. Payne
Richard Willia Peterson
Ernesto Ruiz-Tiben
Robert E. Sanders
Leo H. Snyder
William R. Wheatley
Richard D. Wise

Te be veterinary director

Thomas P. Cameron
James R. Ganaway
Robert H. Huffaker
Richard L. Parker
Leo A. Whitehair

To be senior veterinary officer

Don C. Gibson
John E. Holman, Jr.
Charles W. McPherson
James L. McQueen
John H. Richardson
Robert W. Thomassen

To be pharmacist director

Donald E. Baker
Mario C. Baratta
Bertram J. Baughman
Peter L. Bogarosh
Salvatore D. Gasdia
Albert B. Ripley
Billy G. Wells

To be senior pharmacist

Francis P. Barletta
Gerard L. Eugene
Paul O. Fehnel, Jr.
Wesley, R. Gladhart, Jr.
James R. Grigdesby
Robert E. McKay
Lowell F. Miller
Lawrence D. Smith

To be pharmacist

Richard M. Gallant
Ronald A. Gomes
Donald H. Hamilton
Richard M. King
Thomas C. Seidl
Thomas B. Talamini
Thomas J. Walker
Stephen T. Werelus
James C. Yatsco
Anthony R. Zelonis

To be senior assistant pharmacist

George D. Armstrong, Jr.

To be dietitian director

Ernestina Bou
Martha E. Clark
Marguerite M. Smith

To be senior dietitian

Lois R. Seidler

To be therapist director

Janeva I. Porter
Joseph K. Reed, Jr.
Robert N. Zimmerman

To be senior therapist

Peter D. Cline
Lamont B. Smith

To be therapist

Hugh M. Moffatt, Jr.

To be health services director

William B. Parsons
Francis F. Reierson
Robert M. Pennington
George L. Romance
Robert J. Savard
Walter R. Sceery

To be senior health services officer

Robert W. Carrick
Charles L. Cox
Kenneth F. Hunt
Lavert C. Seabron
Martin J. Walsh
Walker C. Williams

To be health services officer

Charles L. Bunch
Robert J. Chanslor
Coy A. Davis, Jr.
Paul E. Lehman
John D. Sexton
Allan C. Tapert
Joel G. Veater
John L. Young, Jr.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Gerald W. Johnson, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Robert E. Hails, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

Maj. Gen. Marion L. Boswell, [redacted] FR, U.S. Air Force, for appointment as Senior U.S. Air Force Member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Bruce Palmer, Jr., [redacted], Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. Charles S. Minter, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Raymond E. Peet, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. William T. Rapp, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abell, John T., [redacted].
Abrams, Irwin B., [redacted].
Acosta, Javier F., [redacted].
Adamcik, Frank J., [redacted].
Adams, Dale F., [redacted].
Adams, James E., Jr., [redacted].
Adams, Leland L., [redacted].
Adams, Robert L., [redacted].
Adams, Robert N., [redacted].
Adams, Roderick B., [redacted].
Addington, Vernal E., [redacted].
Addison, Belmer J., [redacted].
Addison, James M., [redacted].
Afflerbach, Robert F., [redacted].
Ahmann, James H., [redacted].
Aimo, Joseph, [redacted].
Albach, John S., Jr., [redacted].
Albers, Burnell L., [redacted].
Albright, William E., Jr., [redacted].
Alewine, Martin A., Jr., [redacted].
Alker, Philip R., [redacted].
Allen, Owen W., Jr., [redacted].
Allen, William E., [redacted].
Allred, Elmer G., [redacted].
Andersen, Louis M., [redacted].
Anderson, Alvord V. P., III, [redacted].
Anderson, Douglas W., [redacted].
Anderson, Jack R., [redacted].
Anderson, James R., [redacted].
Anderson, John A., Jr., [redacted].
Anderson, Kenneth A., [redacted].
Anderson, Kenneth D., [redacted].
Anderson, Marlan G., [redacted].
Anderson, Robert B., Jr., [redacted].
Anderson, Theodore G., [redacted].
Anderson, Theodore M., [redacted].
Anderson, William D., [redacted].
Anderson, William G., Jr., [redacted].
Anonsen, Charles E., [redacted].
Anstine, Gale B., [redacted].
Anunson, Gary W., [redacted].
Apperson, Earl A., [redacted].
Archibald, Robert G., [redacted].
Armstead, Claude E., [redacted].
Armstrong, Charles W., [redacted].
Armstrong, Howard D., [redacted].
Arndorfer, Thomas F., [redacted].
Arnet, John E., [redacted].
Arnold, Raymond L., [redacted].
Arthur, Alan W., [redacted].
Arthur, Harold F., [redacted].
Ashley, Clifford B., [redacted].
Askenasy, Eugene K., [redacted].
Aufdemorte, Lewis G., Jr., [redacted].
Auld, Harry E., [redacted].
Austin, Ronald R., [redacted].
Avinger, Ronald Q., [redacted].
Aycock, Robert E., [redacted].
Babcock, Walter C., [redacted].
Backa, Ralph W., [redacted].
Bacon, Merle D., [redacted].
Baginski, James I., [redacted].
Bagnani, Valentino, Jr., [redacted].
Bailey, James E., [redacted].
Bain, Hubert L., [redacted].
Baker, James E., [redacted].
Baker, Kendall J., [redacted].
Baker, Willard D., [redacted].
Bal, Eugene, Jr., [redacted].
Balden, Harold A., [redacted].
Balderston, Robert E., [redacted].
Ball, George A., [redacted].
Ballantyne, Wayne L., [redacted].
Ballard, William L., [redacted].
Bandarrae, Frederick J., II, [redacted].
Banick, Theodore J., [redacted].
Barber, Paul A., [redacted].
Barfknecht, Harold A., [redacted].
Barinowski, Robert E., Jr., [redacted].
Barnett, Warren K., [redacted].
Barnicoat, William J., Jr., [redacted].
Barrows, Ralph E., [redacted].
Bartels, Peter H., [redacted].
Bartenetti, John G., [redacted].
Bartolutti, Leonard F., [redacted].
Basham, Robert R., [redacted].
Bass, Donald C., [redacted].
Bass, Gerry W., [redacted].
Bass, Williamson G., [redacted].
Bassett, William W., [redacted].
Bathurst, William D., [redacted].
Battaglia, Joseph H., [redacted].
Bauer, Eugene L., [redacted].
Bauer, Robert F., [redacted].
Baxter, James L., [redacted].
Bayless, Ovid L., [redacted].
Beals, Gordon A., [redacted].
Beauddin, Jean P., [redacted].
Beaver, William G., [redacted].
Beck, Edward M., [redacted].
Beck, Stanley C., [redacted].
Beckwith, Charles A., Jr., [redacted].
Beckwith, Wayne K., [redacted].
Beene, Reagan H., Jr., [redacted].
Beggs, Conrad L., [redacted].
Belford, Willis A., Jr., [redacted].
Bell, Clarence P., [redacted].
Bell, Edward J. III, [redacted].
Bell, Kenneth H., [redacted].
Bell, Robert K., [redacted].
Belmonte, Francis J., Jr., [redacted].
Bennett, Arthur C., [redacted].
Bennett, James B., [redacted].
Benson, Edgar C., Jr., [redacted].
Benson, Frederick J. R., [redacted].
Benson, Vernell C., [redacted].
Benson, Walter C., [redacted].
Bentz, Richard H., [redacted].
Berkowitz, Jerry G., [redacted].
Berman, Leonard J., [redacted].
Berretta, Robert E., [redacted].
Bethany, Glenn A., [redacted].
Biggs, Richard J., [redacted].
Bills, Walter R., [redacted].
Bina, Melvin J., [redacted].
Binford, Donald D., [redacted].
Bivona, Charles S., [redacted].
Bjorneby, Walter E., [redacted].
Black, Walter A., [redacted].
Blair, James A., [redacted].
Blake, Charles R., [redacted].
Blevins, Thomas E., [redacted].
Bloodworth, James O. III, [redacted].
Blum, Fred M., [redacted].
Blunck, Kurt G., [redacted].
Boardman, Henry W., [redacted].
Bodenhausen, Max G., [redacted].
Boehm, John A., [redacted].
Boettcher, Gary G., [redacted].
Bohne, Derwin L., [redacted].
Bohren, Joseph F., [redacted].
Bohrer, Ronald R., [redacted].
Bolls, Dillard D., [redacted].
Bones, James R., [redacted].
Boning, William J., [redacted].
Bonner, Otis L., Jr., [redacted].
Boone, George T., [redacted].
Booth, Robert E., [redacted].
Boren, J. D., [redacted].
Botbyl, George W., [redacted].
Bott, Donald H., [redacted].
Boucher, William A., [redacted].
Bounds, Lowrey K., [redacted].
Boverie, Richard T., [redacted].
Bowden, William P., [redacted].
Bowen, Joseph A., Jr., [redacted].
Bowen, Ralph K., [redacted].
Bowline, Jerry D., [redacted].
Bowling, Melvin G., [redacted].
Boyd, Denzil H., Jr., [redacted].
Boyd, William P., [redacted].
Boyer, Joe C., [redacted].
Boyer, Ronald J., [redacted].
Boyette, Robert T., [redacted].
Bozik, Edward E., [redacted].
Bradberry, Harold E., [redacted].
Bradfield, Sidney C., [redacted].
Bradley, Charles W., [redacted].
Bradshaw, Robert D., [redacted].
Brady, Perry B., [redacted].
Branch, William E., Jr., [redacted].
Brandon, William W. II, [redacted].
Brandt, David D., Jr., [redacted].
Brandt, Joseph P., [redacted].
Branz, Michael H., [redacted].
Brashear, John A., [redacted].
Bratcher, Wayne R., [redacted].
Bray, Dwight A., [redacted].
Brazell, Leroy A., [redacted].
Breaux, Marvin R., [redacted].
Breid, Jack L., [redacted].
Brendel, Jo[redacted].
Brevard, William N., [redacted].
Brewer, Alton P. H., Jr., [redacted].
Brewster, Philip L., [redacted].
Bricker, John C., [redacted].
Briggs, James E., Jr., [redacted].
Bright, Boris E., [redacted].
Brittain, Charles J., [redacted].
Broderick, George T., [redacted].
Brodman, Robert F., [redacted].
Bromley, Robert D., [redacted].
Brooks, Kenneth D., [redacted].
Brooks, William O., [redacted].
Broomall, William L., Jr., [redacted].
Brougher, John D., [redacted].
Broughton, Robert N., [redacted].
Brown, Alfred D., Jr., [redacted].

Brown, Bill V., [redacted].
Brown, Curtiss E., [redacted].
Brown, Geoffrey C., Jr., [redacted].
Brown, Ivan D., [redacted].
Brown, James T., [redacted].
Brown, Joseph R., [redacted].
Brown, Lawrence A., [redacted].
Brown, Luther J., [redacted].
Brown, Robert M., [redacted].
Browning, Bob D., [redacted].
Browning, Donald G., [redacted].
Brubaker, Richard E., [redacted].
Brubaker, Robert D., [redacted].
Bruha, Harlan L., [redacted].
Brummett, Jack D., [redacted].
Brundage, Harold L., Jr., [redacted].
Bruner, Gordon C., [redacted].
Bruno, America P., [redacted].
Brunson, James E., [redacted].
Brusini, Andrew R., [redacted].
Bryant, Ray H., [redacted].
Bublitz, Robert W., [redacted].
Buckingham, Jack L., [redacted].
Buckman, Louis C., [redacted].
Buechele, Charles L., [redacted].
Bullington, Robert J., [redacted].
Bullock, Jerry M., [redacted].
Bulmer, Ronald L., [redacted].
Bunting, Joseph D., Jr., [redacted].
Burke, Walter J., Jr., [redacted].
Burnett, Roy P., [redacted].
Burney, William J., [redacted].
Burnfield, Watson D., [redacted].
Burns, Kenneth D., [redacted].
Burns, Robert C., [redacted].
Burns, Samuel T., III, [redacted].
Burns, Winfield S., Jr., [redacted].
Burris, Darrel G., [redacted].
Burton, Conrad L., [redacted].
Bush, Lawrence P., [redacted].
Buster, Gerald O., [redacted].
Butcher, Paul C., [redacted].
Buzard, Lyman E., [redacted].
Caldwell, Jimmie D., [redacted].
Callahan, Leo F., [redacted].
Calvert, Donald L., [redacted].
Cameron, Paul A., Jr., [redacted].
Cammack, Luther S., Jr., [redacted].
Candee, Leslie W., [redacted].
Cannon, James, A., [redacted].
Cantelous, Louis W., Jr., [redacted].
Carlson, Kenneth D., [redacted].
Carnes, James R., [redacted].
Carroll, John H., [redacted].
Carroll, Oscar L., [redacted].
Carter, Frank P., [redacted].
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Nikonovich, Peter K., [redacted].
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Nuckolls, Norman L., [redacted].
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O'Connor, John [redacted].
Officer, William K., [redacted].
Ogwynn, William S., [redacted].

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Oliver, George W., [redacted].
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Saylor, Kenneth W., Jr., [redacted].
Scallorn, Ben G., [redacted].
Scambos, Ernest T., [redacted].
Scarborough, Billy H., [redacted].
Schafer, David F., [redacted].
Schalk, Manfred A., [redacted].
Scharf, Charles J., [redacted].
Schaub, Thomas H., [redacted].
Scheidt, Richard J., [redacted].
Schenning, Walter J., [redacted].
Schildknecht, Richard L., [redacted].
Schillerstrom, David O., [redacted].
Schism, Willia O., Jr., [redacted].
Schlier, Frank G., [redacted].
Schmertz, Bernie R., [redacted].
Schmidt, George J., [redacted].
Schmidt, Richard H., [redacted].
Schmit, Edward P., Jr., [redacted].
Schoder, William J., [redacted].
Schollenberger, Frederick K., [redacted].
Schreiber, Charles G. [redacted].
Schroder, Kenneth S. [redacted].
Schroter, Dodsley A., [redacted].
Schrupp, Walter C., [redacted].
Schuler, William E., [redacted].
Schultz, Andrew M. [redacted].
Schuster, Jack H., [redacted].
Schuyler, Danny C., [redacted].
Schwartz, Richard N., [redacted].
Scoggins, Wilton E., [redacted].
Scott, Andrew N., [redacted].
Scott, David R., [redacted].
Scott, Rawland L. [redacted].
Scott, William H., III, [redacted].
Scrafford, Richard E., [redacted].

Scriven, Gilbert A., Jr., [redacted].
Seagroves, Jean C., [redacted].
Sears, Hobby, J., [redacted].
Sears, Thomas B., [redacted].
Secrest, Robert D., [redacted].
Seeber, Bruce G., [redacted].
Seely, Arthur D., [redacted].
Sell, Robert L., [redacted].
Settle, William H., Jr., [redacted].
Sexton, John N., [redacted].
Shaffer, Paul R., Jr., [redacted].
Shaffer, William M., [redacted].
Shaffran, S. J., [redacted].
Shane, Robert W., Jr., [redacted].
Shapleigh, Edward C., [redacted].
Shaw, Hayden J., Jr., [redacted].
Shaw, John R., [redacted].
Shelton, Charles I., [redacted].
Shepherd, Thomas G., [redacted].
Sherman, William B., [redacted].
Shibata, Eichi, [redacted].
Shimabukuro, Henry, [redacted].
Shineman, Francis L., [redacted].
Shinn, Gerard C., [redacted].
Shroeder, Robert J., [redacted].
Shular, Robert D., [redacted].
Shull, Paul N., [redacted].
Shumbera, August L., Jr., [redacted].
Sidwell, Robert D., [redacted].
Siefken, Rollin S., [redacted].
Siegert, Leonard J., [redacted].
Simms, James J., [redacted].
Sizer, Frank E., [redacted].
Skeans, Ted L., [redacted].
Slattery, John M., [redacted].
Sloan, George H., [redacted].
Smith, Charles N. D., [redacted].
Smith, David W., [redacted].
Smith, Dennis C., [redacted].
Smith, Donald J., [redacted].
Smith, Donald L., [redacted].
Smith, Donald R., [redacted].
Smith, Eugene S., Jr., [redacted].
Smith, Harold F., [redacted].
Smith, James A., [redacted].
Smith, John H., Jr., [redacted].
Smith, John K., [redacted].
Smith, Joseph B., [redacted].
Smith, Joseph E., [redacted].
Smith, Kenneth L., [redacted].
Smith, Kruger B., [redacted].
Smith, Loranzo D., [redacted].
Smith, Lyle W., [redacted].
Smith, Max E., [redacted].
Smith, Norman R. A., [redacted].
Smith, Odie, Jr., [redacted].
Smith, Orlando F., [redacted].
Smith, Richard H., [redacted].
Smith, Robert B., Jr., [redacted].
Smith, Robert J., [redacted].
Smith, Robert L., [redacted].
Smith, William D., [redacted].
Smith, William P., [redacted].
Sneary, Richard L., [redacted].
Snow, Joe H., [redacted].
Snyder, Joel J., [redacted].
Soroka, Ronald J., [redacted].
Sparkman, William J., [redacted].
Spencer, Frank E., Jr., [redacted].
Spencer, Joseph W., [redacted].
Spencer, Robert C., [redacted].
Spicka, Charles F., [redacted].
Spillers, Jack C., [redacted].
Spohn, Gary E., [redacted].
Sprague, Donald L., [redacted].
Springer, Philip G., [redacted].
Springer, Robert D., [redacted].
Squires, Royal T., Jr., [redacted].
Stack, Maurice G., [redacted].
Stackfleth, Evan D., [redacted].
Staggs, William R., Jr., [redacted].
Stanhagen, John F., Jr., [redacted].
Stanislav, Rudolph J., [redacted].
Stanley, James R., [redacted].
Stanley, Kenneth E., [redacted].
Stanley, Verl R., [redacted].
Stanton, Peter Y., [redacted].
Starnes, Kenneth B., [redacted].
Steen, Frank, [redacted].
Stefanelli, Mario J., [redacted].
Stegall, Joseph F., [redacted].
Steinke, Harold J., Jr., [redacted].
Steinmiller, James E., [redacted].
Stephenson, Robert E., [redacted].
Stergar, Gene J., [redacted].
Sternenberg, Fred W., Jr., [redacted].
Stevenson, Wilbur M., Jr., [redacted].
Stewart, Charles M., [redacted].
Stewart, Frederick N., [redacted].
Stingely, Norman E., [redacted].
Stischer, Walter M., [redacted].
Stockstill, Floyd E., [redacted].
Stone, Johnnie V., [redacted].
Stone, Robert E., [redacted].
Stout, William R., [redacted].
Stoy, Dutton G., [redacted].
Strader, James T., [redacted].
Streit, John E., [redacted].
Strom, Oren G., [redacted].
Stromberg, Ronald D., [redacted].
Strub, James E., [redacted].
Stubbs, John F., [redacted].
Stults, Clifford C., II, [redacted].
Stumpff, Glenn H., [redacted].
Sue, Gene C., [redacted].
Sugg, Lem D., Jr., [redacted].
Sullivan, John F., [redacted].
Sullivan, John J., [redacted].
Sumpter, Thomas W., Jr., [redacted].
Sundquist, John W., [redacted].
Swanson, Allan, J., [redacted].
Swanson, Ronald E., [redacted].
Swanton, Thomas J., [redacted].
Taffet, Harvey, [redacted].
Taft, Gene E., [redacted].
Tanaka, Abraham K., [redacted].
Tanner, H. C., [redacted].
Tapman, Thomas F., [redacted].
Tarnow, Lawrence H., [redacted].
Tavenner, Michael S., [redacted].
Taylor, Charles D., [redacted].
Taylor, Donald H., [redacted].
Taylor, James H., [redacted].
Taylor, James P., [redacted].
Taylor, John F., [redacted].
Taylor, Stanley A., [redacted].
Tenereillo, Guy A., [redacted].
Terhune, Burke C., [redacted].
Terry, Jay D., [redacted].
Terry, Ronald W., [redacted].
Teske, Clarence E., [redacted].
Thatcher, Robert W., [redacted].
Thenhaus, Duane L., [redacted].
Theriot, Antoine, Jr., [redacted].
Thoden, Richard M., Jr., [redacted].
Thomas, Joel J., [redacted].
Thomas, John R., [redacted].
Thomas, Leland C., [redacted].
Thomas, Marshall W., [redacted].
Thomas, Noel R., [redacted].
Thomas, William R., [redacted].
Thompson, Jerald H., [redacted].
Thompson, Richard M., [redacted].
Thompson, Robert G., [redacted].
Thompson, Thomas C., [redacted].
Thomson, James F., [redacted].
Thorpe, Roscoe P., [redacted].
Thurman, William E., [redacted].
Tillett, Herbie C., [redacted].
Tindall, J. D., [redacted].
Tippin, Stanley L., [redacted].
Todd, Donald O., [redacted].
Todd, Edward L., [redacted].
Toeniskoetter, Robert L., [redacted].
Tondl, John A., Jr., [redacted].
Tonz, John J., [redacted].
Toole, Clarence J., Jr., [redacted].
Toppert, Arlyn F., [redacted].
Trabun, Samuel J., [redacted].
Trachte, Byron W., [redacted].
Tradup, Jean M., [redacted].
Trahan, Whitney J., Jr., [redacted].
Trainer, Maxie L., [redacted].
Trautmann, Albert R., [redacted].
Trekell, Leslie W., [redacted].
Trias, Jesus A., [redacted].
Trow, Robert E., [redacted].
Troxell, Robert J., [redacted].
Truscott, James J., III, [redacted].
Tschetter, Timothy, [redacted].
Tuck, James E., [redacted].
Tull, Joe A., [redacted].
Turley, Ernest C., [redacted].
Turner, Alvin R., [redacted].
Turner, George W., [redacted].
Turner, Joseph G., Jr., [redacted].
Turner, Walter J., [redacted].
Tutterow, Jacob T., [redacted].
Twede, Herman L., [redacted].
Twedt, Kermit D., [redacted].
Tycer, Lawrence D., [redacted].
Tyler, Joseph R., [redacted].
Tyra, Joseph B., [redacted].
Ueunten, Henry A., [redacted].
Ullman, George F., Jr., [redacted].
Ulring, Donald L., [redacted].
Unangst, Gilbert, [redacted].
Underwood, William E., III, [redacted].
Uptmor, Robert E., [redacted].
Utecht, Ronald E., [redacted].
Vadnais, Raymond R., Jr., [redacted].
Valentine, Robert T., [redacted].
Vandergrift, Leroy F., Jr., [redacted].
Vandeursen, Ferdinand W., Jr., [redacted].
Vanek, Gerald L. L., [redacted].
Vanhorn, Boyd L., [redacted].
Vanloan, Jack L., [redacted].
Vanriper, Gerrit S., [redacted].
Vartanian, George M., [redacted].
Vaughan, James E., [redacted].
Vaughan, Kenneth E., [redacted].
Veylupek, John A., [redacted].
Vibrock, Charles H., [redacted].
Vickers, Douglas B., [redacted].
Vickrey, Luster A., Jr., [redacted].
Vipraio, William J., [redacted].
Vivona, Alexander A., Jr., [redacted].
Vlach, William R., [redacted].
Vollmann, Phillip D., [redacted].
Volpe, John M., [redacted].
Vondrak, Richard B., [redacted].
Wacker, Jerome, [redacted].
Wacker, Rudolph F., [redacted].
Waddell, Donald R., [redacted].
Wagner, Donald C., [redacted].
Wagner, Louis C., [redacted].
Wagner, Robert E., [redacted].
Wainwright, Robert D., [redacted].
Waite, Lawrence A., Jr., [redacted].
Waits, Kenneth D., [redacted].
Walden, Ray Y., Jr., [redacted].
Walker, Keith L., [redacted].
Walker, Richard C., [redacted].
Walker, Robert E., [redacted].
Walker, Roe E., [redacted].
Walker, William L., [redacted].
Walkup, Ernest E., Jr., [redacted].
Wall, Carl D., Jr., [redacted].
Wallace, Robert T., [redacted].
Wallace, William J., [redacted].
Waller, Archibald S., Jr., [redacted].
Waller, Robert E., [redacted].
Walsh, James P., Jr., [redacted].
Walsh, Venice L., [redacted].
Walters, Harry G., Jr., [redacted].
Walters, Robert A., Jr., [redacted].
Walthall, Harold R., [redacted].
Warrell, Edwin S., Jr., [redacted].
Washofsky, Meyer A., [redacted].
Watkins, Donald L., [redacted].
Watson, Laddie R., [redacted].
Watson, Marion R., [redacted].
Watson, Richard J., [redacted].
Watson, Ronald E., [redacted].
Waxstein, Bernard A., Jr., [redacted].
Wayson, Kenneth A., [redacted].
Weatherford, Dewayne L., [redacted].
Weaver, Ralph W., Jr., [redacted].
Webb, Gerald L., [redacted].
Wedgeworth, Roy M., Jr., [redacted].
Weed, John R., [redacted].
Weeks, Wendell L., [redacted].
Weems, Joe F., [redacted].
Wehling, George E., [redacted].
Weigman, Richard J., [redacted].
Weiland, David W., [redacted].
Weingarz, William E., Jr., [redacted].
Weis, Carl G., [redacted].
Weiss, Jerald E., [redacted].
Welch, James D., [redacted].
Welch, Thaddeus B., Jr., [redacted].
Wellington, Raymond Jr., [redacted].

Welsh, Jerome F., [redacted].
Wendt, Phillip J., [redacted].
Wesner, John A., [redacted].
Wessale, Emil E. [redacted].
West, James H., [redacted].
Wetmore, Bruce B. [redacted].
Wetzel, Emery S., Jr., [redacted].
Weyant, Terry P., [redacted].
Whatley, James C., Jr., [redacted].
Wheeler, Raymond D., [redacted].
Wheeler, Roy M., [redacted].
Whelan, Robert E., [redacted].
Whinery, Clarence E., [redacted].
Whitacre, Roger L., [redacted].
Whitaker, Darrell D., [redacted].
White, Dawson N., [redacted].
White, Howard K., [redacted].
White, Joe M., [redacted].
White, Robert B., [redacted].
White Roy T., [redacted].
Whitener, Robert P., [redacted].
Whitmore, Joe I., Jr., [redacted].
Whitney, Lloyd D., [redacted].
Whitney, Richard A., [redacted].
Wickers, Alonzo B., [redacted].
Wicks, Oliver G., [redacted].
Wiemann, Alfred H., Jr., [redacted].
Wiggins, Jesse P., [redacted].
Wigington, John H., [redacted].
Wilde, Rodney C., [redacted].
Wilkerson, Clarence Y., Jr. [redacted].
Wilkinson, Charles T., [redacted].
Williams, Bill C., [redacted].
Williams, Clark E., [redacted].
Williams, Donald R., [redacted].
Williams, John T., [redacted].
Williams, John W., Jr., [redacted].
Williams, Roger L., [redacted].
Williams, Zeke D., [redacted].
Willis, Giles W., Jr., [redacted].
Wilson, Conrad L., [redacted].
Wilson, Dwight V., [redacted].
Wilson, James M., [redacted].
Wilson, Mac F., [redacted].
Wilson, William R., [redacted].
Wilson, William T., [redacted].
Wilt, Darrell E., [redacted].
Wiltgen, Joseph N., [redacted].
Windrath, Donald C., [redacted].
Wingate, Douglas W., [redacted].
Winkelman, Arnold H., [redacted].
Winkle, Davy L., [redacted].
Winslow, Joe G., [redacted].
Winstead, Guy H., Jr., [redacted].
Winstead, Jack A., [redacted].
Winter, Malcolm D., [redacted].
Winters, Robert C., [redacted].
Wish, George V., [redacted].
Wisneski, Frank R., [redacted].
Wizoreck, Thomas E., [redacted].
Wolf, Raymond E., [redacted].
Wolfgang, Stephen W., [redacted].
Wolfsberger, Richard E., [redacted].
Wood, Carl E. [redacted].
Wood, Charles M. [redacted].
Wood, Ralph W., [redacted].
Wood, Richard W., [redacted].
Wood Sterling H., [redacted].
Woodruff, Robin M., [redacted].
Woodruff, Wesley D., [redacted].
Woodward, Seabrook W., Jr., [redacted].
Wootton, Louis A., [redacted].
Worden, Roy F., Jr., [redacted].
Workman, Theodore E., [redacted].
Wotring, John T., [redacted].
Wright, Harley D., [redacted].
Wright, Paul J., Jr., [redacted].
Wright, William H., [redacted].
Wundermann, Charles R. [redacted].
Wustner, Lorenz F., [redacted].
Wyrich, Donald M., [redacted].
Wyrick, Doyal L., [redacted].
Yacobi, James R., [redacted].
Yantis, Richard P. [redacted].
Yarbrough Robert L., [redacted].
Yarwood, Curtis H., [redacted].
Yates, Douglas B., [redacted].
Yelton, Frank M., [redacted].
Yost, Louis J., Jr., [redacted].
Youatt, Don W., [redacted].
Young, Richard, [redacted].
Young, Wayne C., [redacted].
Youngflesh, Richard D., [redacted].
Youse, Ronald B., [redacted].
Yunk, Robert J., [redacted].
Zahm, John E., [redacted].
Zambenini, Robert L., [redacted].
Zander, Frank H., [redacted].
Zarambo, Stanley, [redacted].
Zartman, John R., [redacted].
Zeiler, Burton D., Jr., [redacted].
Zenick, Francis J., [redacted].
Zieg, James E., [redacted].
Zinke, Henry, [redacted].
Zook, David H., Jr., [redacted].
Zuber, Albert J., [redacted].
Zulauf Elmer J., [redacted].
Zumwalt, James T., [redacted].

CHAPLAINS

Auer, Robert F., [redacted].
Bartone, Donald E., [redacted].
Branham, Mack C., Jr., [redacted].
Chapman, James W., [redacted].
Cole, Newton V., [redacted].
Fetherston, Richard J., [redacted].
Grimmett, Philip E., Jr., [redacted].
Hemkens, Edward B., [redacted].
Howard, John L., [redacted].
Jacobs, William H., [redacted].
Mattimore, William F., Jr., [redacted].
McConnell, Francis P., [redacted].
Meade, Henry J., [redacted].
Narron, John B., [redacted].
Ward, Lawrence E., [redacted].

DENTAL CORPS

Abrams, Herbert, [redacted].
Andrews, Roy W., [redacted].
Aronovitz, Robert, [redacted].
Binzer, William C., [redacted].
Brendlinger, Darwin L., [redacted].
Crosthwaite, Harold J., [redacted].
Davis, Earl W., [redacted].
Delorimier, Jacques A., [redacted].
Derricotte, Eugene A., [redacted].
Gust, Richard S., [redacted].
Hawkins, Benny F., [redacted].
Jewson, Leonard G., [redacted].
Kramer, Donald C., [redacted].
Lambert, Ralph L., [redacted].
Leinweber, Alfred D., [redacted].
Mary, George G., [redacted].
Metzger, Donald E. [redacted].
Norwood, Ralph F., Jr. [redacted].
Powell, Joseph M., [redacted].
Richardson, James E., [redacted].
Schell, Jerome, [redacted].
Shaw, Fred A., Jr., [redacted].
Taylor, Carroll G., [redacted].
Testa, William J., [redacted].
Turner, Donald C., [redacted].
Wardle, William L., [redacted].
Westin, Richard P., [redacted].
Wettlaufer, Robert K., [redacted].
Wilson, Brice N., [redacted].
Wymer, William E., [redacted].
Zwick, Harold H., [redacted].

MEDICAL CORPS

Armstrong, Raymond G. [redacted].
Ball, Thomas P., Jr., [redacted].
Barber, Dennis D., [redacted].
Bauer, Charles R., [redacted].
Bellamy, Henry M., Jr., [redacted].
Bonner, Robert H., [redacted].
Brekken, Alvin L., [redacted].
Cheng, Alfred K., [redacted].
Chong, Vernon, [redacted].
Costin, Ronald E., [redacted].
Curtis, Sidney H., [redacted].
Daniel, Thomas G., [redacted].
Derby, Dennis R., [redacted].
Deverell, William F., [redacted].
Downs, Spencer R., [redacted].
Fite, Fulton W. [redacted].
Fitzrandolph, Raymond H., [redacted].
Gregory, Joseph E., [redacted].
Griggs, George A., [redacted].
Hale, Albert S., Jr., [redacted].
Harris, Richard C., [redacted].
Hightower, James O., Jr., [redacted].
Hill, Richard P., [redacted].
Hoffman, James F., Jr., [redacted].
Holl, Carl W., Jr., [redacted].
Johnson, John A., Jr., [redacted].
Jones, David R., [redacted].
Jones, Frederic G., [redacted].
Jones, Frederick R., [redacted].
Kandel, George E., [redacted].
Kiplin, Lydell C., [redacted].
McGowan, Ronald L., [redacted].
Meader, Willard L., [redacted].
Perry, Carlos J. G., [redacted].
Pollard, Richard A., [redacted].
Pollock, Joseph J., [redacted].
Preator, Richard F. [redacted].
Ramos, Edwin D., [redacted].
Randall, George E., [redacted].
Richardson, Jesse F., [redacted].
Romberger, Wesley E., [redacted].
Savage, Hilbert B., Jr., [redacted].
Shallow, James T., [redacted].
Shepherd, Virgil J., [redacted].
Speicher, Carl E., [redacted].
Spinelli, Francis R., Jr., [redacted].
Spoor, Daniel H., [redacted].
Stecker, Raymond H., [redacted].
Stowe, Fred R., Jr., [redacted].
Swift, James T., [redacted].
Thomas, Charles N., [redacted].
Thurston, Charles S., [redacted].
Tilles, Jerome, [redacted].
Wachs, Theodore J., [redacted].
Warren, Bruce H., [redacted].

NURSE CORPS

Beaton, Frances A., [redacted].
Carey, Eleanor M., [redacted].
Delaney, Shirley J., [redacted].
Fender, Ruth A., [redacted].
Johnson, Betty L., [redacted].
Kidd, Jane, [redacted].
Legalle, Barbara L., [redacted].
Meredith, Helen M., [redacted].
Morgan, Lois J., [redacted].
Peek, Lilith J. [redacted].
Pulliam, Gladys C., [redacted].
Reid, Mary L., [redacted].
Richardson, Marinel, [redacted].
Studer, Joan R., [redacted].

MEDICAL SERVICE CORPS

Bellor, James R., [redacted].
Blakeney, Joe F., [redacted].
Carter, Jackie D., [redacted].
Christianson, James D., [redacted].
Currie, William D., [redacted].
Deramus, Charles E., Jr., [redacted].
Finn, Joseph J., [redacted].
Fisher, Jackie V., [redacted].
Freistedt, Calvin H., [redacted].
Gonzales, Norbert, [redacted].
Gottlieb, Harold J., [redacted].
Harmon, Charles C., Jr., [redacted].
Illsley, David B., [redacted].
Jacko, Paul P., [redacted].
Jackson, Thames F., Jr., [redacted].
Klotsko, John A., [redacted].
Koehler, John W., [redacted].
Marcotte, Victor H., [redacted].
Marschall, Barton R., [redacted].
Martin, Everette E., [redacted].
Martino, Charles W., [redacted].
McIntyre, Robert T., Jr., [redacted].
Mullen, Paul E. [redacted].
Myers, Charles G., [redacted].
Newton, Richard W. [redacted].
Rolfs, Robert R., [redacted].
Rutten, James M., [redacted].
Seal, Daniel H., [redacted].
Skinner, John A., [redacted].
Soto, Carlos A. [redacted].
Williams, Walter H., [redacted].
Wood, James F., [redacted].
Zimmerman, Rodney J., [redacted].

VETERINARY CORPS

Cable, John W., [redacted].
Dixon, Dock F., Jr., [redacted].
Jensen, James P., [redacted].
Jones, Norman D., Jr., [redacted].
King, Charles C., Jr., [redacted].
Pace, William E., [redacted].

Shiftlett, Richard M., [redacted]
West, Joe E., [redacted]

BIOMEDICAL SCIENCES CORPS

Aboud, Ellis G., [redacted]
Baldwin, Bart A., [redacted]
Bousser, James E., [redacted]
Calder, Glade H., [redacted]
Curry, Charles J. [redacted]
DeVincentis, Joseph G., [redacted]
Deuel, Kenneth H., [redacted]
Fisher, Elwood E. [redacted]
Hodges, James M., [redacted]
Kittilstad, Owen H. [redacted]
Lucchesi, Rudolph A., [redacted]
McDonald, Maynard R., [redacted]
Penikas, Vincent T., [redacted]
Reardon, Joan A. [redacted]
Wexler, Seymour [redacted]

HOUSE OF REPRESENTATIVES—*Monday, July 29, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Jesus said: *I have come that they might have life and that they might have it more abundantly*—John 10: 10.

Eternal God, our Father, who art from everlasting to everlasting and whose mercy and truth endureth forever, speak to us the words of wisdom and give to us the strength of spirit we need to do our work faithfully and fully this day.

Grant that all who work under the dome of this glorious Capitol may have the higher wisdom of Thy spirit, the greater truth of Thy mind, the broader glory of Thy concern, and the deeper love of Thy goodwill.

Bless all who live and labor under the flag of this land of liberty. So rule their minds and so direct their endeavors that justice, peace, and freedom may here and everywhere prevail for the glory of Thy holy name and the good of our human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15074) entitled "An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6642) entitled "An act to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 754. An act to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes;

S. 821. An act to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; and

S. 3164. An act to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

A DEMOCRAT FOR THE PRESIDENCY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, as one of the first Democratic Members of the House to rise in support of President Nixon and the office he holds, I wish to announce my opposition to impeachment. I am ready to roll up my sleeves and work with those on the Judiciary Committee of a like mind in asking our colleagues from all sections of the Nation to vote against the articles.

I know the members of the Judiciary Committee have experienced a great deal of anguish and soul searching in reaching their individual decisions, but I must disagree with the committee's recommendations. Alleged misconduct is indeed a serious matter, but equally serious is the damage we do to our Nation and the Office of President.

When this matter reaches the House floor I would hope we will not lose sight of what is best for the American people and the Nation itself. I know, Mr. Speaker, you will give those of us who oppose impeachment a fair shake.

REV. ALICE M. HENDERSON, FIRST WOMAN CHAPLAIN OF U.S. ARMY

(Mr. FLYNT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FLYNT. Mr. Speaker, it is a source of pride that the first woman chaplain of the U.S. Army, Rev. Alice A Henderson, is from the Sixth Congressional District of Georgia, which I have the privilege to represent.

Chaplain Henderson was born in Indian Springs, Butts County, Ga., on December 13, 1945. Raised with four brothers and five sisters, she graduated from Henderson High School in Jackson, Ga.

A 1968 graduate of Clark College, Atlanta, she attended Turner Theological Seminary, Atlanta, where she graduated in 1972 with a master of divinity, philosophy, and theology.

Prior to receiving her commission, Chaplain Henderson was an associate minister at the Cobb-Bethel African Methodist Episcopal Church in Atlanta. Presently she is attending the U.S. Army Chaplain School in Fort Hamilton, N.Y., and upon completion of her course, her first duty station will be Fort Bragg, N.C.

It is with respect and pleasure that I congratulate her on being commissioned as a captain of the Chaplains Branch of the U.S. Army.

FAVORABLE COMMENTS RECEIVED ON TELEVISED IMPEACHMENT PROCEEDINGS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, along with millions of other Americans, over the past few days I spent many hours glued to the television set watching our Committee on the Judiciary. I want to say that the experience made me proud of that committee and proud of the House of Representatives. I have heard nothing but favorable comments from citizens who watched the committee at work.

One reasonable prediction was that the performance of the committee and its chairman would result in a sharp rise in the percentage of public approval of the Congress, as measured by the polls.

There were impressive statements made both for and against impeachment, but the proponents of article I were able to buttress their case with a wealth of factual material drawn from the evidence before the committee. In contrast, those opponents who spoke to the proposals to strike various subparagraphs of article I—and several were noticeably silent—made few references to specifics. Instead, they appeared to rely mainly on procedural stratagems, some of which backfired, and on legalistic arguments.

The high quality of the debate was marred by the jury trial tactics of one member, whose frequent sneering comments about the proponents of impeachment were in unpleasant contrast to the consideration and respect shown by other committee members. I doubt that these tactics helped the gentleman's client.

On the whole, let me repeat, we deeply appreciate the hard work, the dignity, the sincerity, and dedication of our Committee on the Judiciary and its chairman.

ALL SIX HONORABLE MEN

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the historic impeachment vote last Saturday night, while easy for none on the Judiciary Committee, was perhaps most difficult for the six freshmen Republicans. Who could have thought when the Speaker administered their oath of office on January 3, 1973, that 1 year, 6 months and 24 days later they would be faced with a vote to impeach their President?

Three of them, Congressmen BUTLER, COHEN, and FROEHLICH, voted for impeachment. Three of them, Congressmen LOTT, MARAZITI, and MOORHEAD of California voted against impeachment.

Mr. Speaker, I hope the American people will know that all six agonized over this sober issue, and most of all the American people can be absolutely assured that all six are decent, capable men who voted their conscience. I do not know how I shall finally vote, but their vote means I shall be ultimately in fundamental disagreement with three of my closest colleagues on this historic issue. But I do know this, Mr. Speaker, that when that day comes I shall respect the three with whom I disagree no less than the three with whom I stand, because most importantly, Mr. Speaker, all six are honorable men.

FIRST ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–218)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Heart and Lung Advisory Council, prepared in accordance with the requirement of Public Law 92–423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

It should be noted that funds for the Heart and Lung Institute have been increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $309 million proposed for 1975. In short, the Administration's actions on the heart and lung program clearly identify it as an area of very high priority.

While there are recommendations in the Council's report that are at variance with the Administration's views, the Council's Report merits serious consideration and will be closely studied and evaluated. I am forwarding the report so that the Congress may also have it available for its deliberations.

RICHARD NIXON.

THE WHITE HOUSE, *July 29, 1974.*

PROVIDING FOR THE RECLASSIFICATION OF POSITIONS OF DEPUTY U.S. MARSHAL

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5094), to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 8 to 11, inclusive, and insert:

SEC. 2. (a) Effective on the effective date of this section, a nonsupervisory deputy United States Marshal on the rolls on such date to which the amendments made by the first section of this Act apply, shall be converted as follows, except that each nonsupervisory deputy marshal (1) who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had this Act applied to him on the date immediately preceding the reclassification action, or (2) who was appointed to a position classified under the classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had his position been classified under the classification standards which were in effect before June 15, 1973:

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Mr. Speaker, reserving the right to object, could we have a brief explanation of what is here proposed?

Mr. DULSKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. DULSKI. Mr. Speaker, the Senate amendment to section 2 of the House bill is a perfecting amendment which is necessary to insure that no deputy U.S. marshal will gain a windfall under this legislation through the pyramiding of reclassification actions.

H.R. 5094 reclassifies the positions of deputy U.S. marshal and authorizes the conversion of each deputy marshal to a higher grade of the General Schedule effective at the beginning of the first pay period which commences on or after the date of enactment.

This bill was reported to the House by the Committee on Post Office and Civil Service on May 30, 1973, and was passed by the House on June 19, 1973, by a record vote of 319 yeas to 84 nays.

However, on June 15, 1973, the U.S. Civil Service Commission approved new classification standards which reclassified most of the positions covered by this legislation.

Therefore to prevent receipt of dual benefits as a result of the Commission's actions and this legislation, the Senate amendment provides that those deputy marshals who were reclassified under the new standards approved by the Civil Service Commission on June 15, 1973, shall be converted under the legislation to the grade and step which they would have received had this act applied to them on the date immediately preceding the Commission's reclassification action.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I appreciate the gentleman's explanation. I just wonder why the other body sat on this legislation from May of 1973 until the present date.

I did not support the legislation in the first instance when it passed the House, but I do think the amendment to be concurred in at this time is a good amendment.

I shall not further pursue my objections to the bill under the circumstances. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 411]

Alexander
Badillo
Blatnik
Boland
Bowen
Brasco
Brooks
Brown, Ohio
Burgener
Burke, Calif.
Butler
Carey, N.Y.
Carter
Chisholm
Clancy
Clark
Clay
Cohen
Conyers
Cotter
Culver
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Dellenback
Dennis
Dingell
Donohue
Dorn
Drinan
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Findley
Fish
Flowers
Frey
Froehlich
Gettys
Grasso
Gray
Green, Oreg.
Griffiths
Gubser
Gunter
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hogan
Holifield
Holtzman
Hosmer
Hungate
Hutchinson
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kuykendall
Landrum
Latta
Leggett
Lehman
Lent
Long, Md.
McClory
McKay
McSpadden
Madden
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Owens
Peyser
Pickle
Powell, Ohio
Railsback
Rangel
Rarick
Reid
Robison, N.Y.
Rodino
Rooney, N.Y.
Rose
Roy
Ruppe
Sandman
Sarbanes
Schneebeli
Sebelius
Seiberling
Shriver
Sisk
Smith, N.Y.
Stark
Steed
Steele
Stuckey
Symms
Talcott
Teague
Thornton
Towell, Nev.
Treen
Udall
Vander Jagt
Waldie
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Young, Alaska
Young, Ill.

The SPEAKER. On this rollcall 303 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING ADDITIONAL COPIES OF HEARINGS AND FINAL REPORT OF JUDICIARY COMMITTEE ON IMPEACHMENT INQUIRY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-1228) on the concurrent resolution (H. Con. Res. 566) to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry, and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 566

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for use of the Committee on the Judiciary five thousand additional copies of all parts of its hearings concerning the impeachment inquiry, pursuant to H. Res. 803.

SEC. 2. There shall be printed for the use of the House Committee on the Judiciary ten thousand additional copies of its final report to the House.

Mr. BRADEMAS. Mr. Speaker, House Concurrent Resolution 566 would provide the Committee on the Judiciary with additional copies of several documents of the committee relating to the impeachment inquiry.

First, the resolution would authorize the printing of 5,000 additional copies of the hearings concerning the impeachment inquiry. These documents will include the transcripts of eight recorded Presidential conversations; a comparison of certain portions of the White House and Judiciary Committee versions of the tapes; evidentiary materials submitted to the committee, including material submitted by the President's counsel, Mr. St. Clair; and transcripts of oral testimony before the committee.

The resolution would also authorize the printing of 10,000 additional copies of the committee's final report to the House on the impeachment inquiry.

Mr. Speaker, the purpose of this resolution is to provide the Committee on the Judiciary with sufficient copies of these documents to fill requests to the committee from Members of Congress and from the public.

The committee was authorized by the House of Representatives to conduct a full and complete investigation to determine whether sufficient grounds exist for the House to exercise its constitutional power to impeach the President of the United States and to report to the House such resolutions, articles of impeachment, or other recommendations, as it deems proper.

For the last several months, the Committee on the Judiciary has considered volumes of evidentiary material, and during the last few weeks, it has received oral testimony from a number of witnesses.

The committee believed that it was in the public interest to release all this information and evidentiary material.

Mr. Speaker, by law the Committee on the Judiciary is limited to a little over a thousand copies of each of these documents. However, the committee has found that this supply is totally inadequate to meet the great demand for these documents. This resolution would simply provide the committee with additional copies of these important documents to meet this demand, and I urge my colleagues to support the Senate amendment to this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, this proposal, unlike the one that was defeated under the suspension of the rules, reduces in the first instance the number from 10,000 to 5,000 copies and in the second instance reduces the number from 50,000 to 10,000 copies.

Mr. BRADEMAS. The gentleman is correct except that in the first instance, the number is reduced from 20,000 to 5,000 copies.

Mr. GROSS. Would the gentleman state how the reduced number of copies will be distributed?

Mr. BRADEMAS. Copies would be made available, I will say to the gentleman from Iowa, to the Committee on the Judiciary for distribution in response to requests, as I said earlier, on the part of Members of Congress and of the public. Each Member of the House should by now have received one set of the several volumes that have already been printed under the standing authority of the committees of the House to print 1,000 copies of such documents. There is no stipulation in the resolution providing that each Member of the House receive a certain number of volumes.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. BRADEMAS. Of course, I yield further to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, have these copies been printed?

Mr. BRADEMAS. No, they have not been printed.

Mr. GROSS. The previous request for printing 10,000 copies in the first instance and 50,000 in the second instance would have resulted in a charge of some $1 million?

Mr. BRADEMAS. If the gentleman will allow me to make one correction in what he said, the previous resolution would have provided not for 10,000 but for 20,000 copies.

Mr. GROSS. And would have resulted in a bill close to $1 million.

Mr. BRADEMAS. The gentleman is correct.

Mr. GROSS. Mr. Speaker, I commend the committee for having reduced very substantially the number. It certainly will cut the cost and I believe it will fit the needs. I therefore have no objection.

Mr. BRADEMAS. I thank the gentleman from Iowa.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE REPORT ON H.R. 14592, AUTHORIZING MILITARY PROCUREMENT APPROPRIATIONS, 1975

Mr. HÉBERT. Mr. Speaker, I call up the conference report on the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1974.)

Mr. HÉBERT (during the reading). Mr. Speaker, in view of the fact that the conference report (H. Rept. 93-1212) has been printed and available to the Members and also printed in the CONGRESSIONAL RECORD of Wednesday, July 24, 1974, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, your House conferees on H.R. 14592 are pleased to report that they have reached an agreement with the other body in respect to the differences between the House and Senate actions on this legislation.

This bill will provide the fiscal year 1975 authorization to the armed services for appropriations for the procurement of weapons systems and related research, development, test, and evaluation. It will also, among other things, prescribe the authorized personnel strengths of both the Active and Reserve components of our Armed Forces, and the civilian personnel strength of the Department of Defense.

The President's fiscal year 1975 budget contains a total authorization request of $23.1 billion for these purposes. This request was reduced by the House to $22.6 billion, while the Senate authorized $21.8 billion.

As a result of the conference to resolve the differences between the House and Senate actions on this administration request, the new total reflected in the conference report is $22.195 billion. Thus, the conference report is $340.1 million more than the measure voted by the Senate, and it is approximately $448 million less than the $22.6 billion previously approved by the House.

For purposes of the printed RECORD, I will incorporate at this point in my statement a comparative summary by major weapons categories, actions previously taken by the two bodies on this bill together with the final conference action:

DEPARTMENT OF DEFENSE, FISCAL YEAR 1975 AUTHORIZATION BILL, SUMMARY BY MAJOR WEAPON CATEGORY

[In thousands of dollars]

	Request	House	Senate	Authorized
Aircraft:				
Army	339, 500	335, 000	320, 300	320, 300
Navy and Marine Corps	2, 960, 600	2, 964, 100	2, 862, 700	2, 866, 200
Air Force	3, 496, 600	3, 391, 400	3, 286, 300	3, 286, 300
Subtotal	6, 796, 700	6, 690, 500	6, 469, 300	6, 472, 800
Missiles:				
Army	459, 200	439, 400	436, 500	436, 500
Navy	620, 600	620, 600	634, 500	634, 500
Marine Corps	76, 000	76, 000	74, 100	74, 100
Air Force	1, 610, 800	1, 610, 800	1, 556, 800	1, 579, 200
Subtotal	2, 766, 600	2, 746, 800	2, 701, 900	2, 724, 300
Naval vessels: Navy	3, 562, 600	3, 539, 100	2, 856, 200	3, 156, 400
Tracked combat vehicles:				
Army	331, 900	321, 200	293, 300	300, 600
Marine Corps	80, 100	74, 200	74, 200	74, 200
Subtotal	412, 000	395, 400	367, 500	374, 800
Torpedoes: Navy	187, 700	187, 700	187, 700	187, 700
Other weapons:				
Army	53, 400	55, 700	46, 000	52, 200
Navy	25, 600	25, 600	25, 500	25, 500
Marine Corps	500	500	500	500
Subtotal	79, 500	81, 800	72, 000	78, 200
Total procurement	13, 805, 100	13, 641, 300	12, 654, 600	12, 994, 200
Research, development, test, and evaluation:				
Army	1, 985, 976	1, 878, 397	1, 883, 216	1, 878, 397
Navy	3, 264, 503	3, 153, 006	3, 178, 742	3, 153, 006
Air Force	3, 518, 860	3, 459, 760	3, 389, 470	3, 389, 517
Defense agencies	528, 700	485, 500	509, 657	491, 057
Test and evaluation	27, 000	25, 000	27, 000	25, 000
Gross total R.D.T. & E	9, 325, 039	9, 001, 663	8, 988, 085	8, 936, 977
Reimbursements from foreign military sales			−35, 673	−35, 673
Net total R.D.T. & E	9, 325, 039	9, 001, 663	8, 952, 412	8, 901, 304
Total procurement and R.D.T. & E	23, 130, 139	22, 642, 963	21, 607, 012	21, 895, 504
Procurement assistance to South Vietnam (title VII)	(287, 360)	(263, 860)	212, 300	263, 860
Grand total procurement and R.D.T. & E	23, 130, 139	22, 642, 963	21, 819, 312	22, 159, 364

The conference action required 15 separate meetings during the period June 20 through July 23, 1974.

Lest some Members of this body minimize the problems confronted by your conferees, let me briefly review the magnitude of the differences.

The procurement portion of the bill contained 54 major differences involving weapons systems.

The research, development, test, and evaluation portion of the bill contained 89 significant program differences.

Further complicating this problem were 49 substantive language differences. Each of these language differences created a separate set of problems involving, for example, items such as: Active duty manpower strengths; civilian personnel strengths; reserve strengths; research on animals; missile flight testing from operational bases in the United States; disposal of naval vessels; restrictions on CIA activities; utilization of the Island of Culebra for target practice; restrictions on the export of technology; and recomputation of military retired pay.

All of these, and many more, taxed the patience and the capabilities of your House conferees. Seven of the language differences were rejected by the House conferees on the basis of the House rule regarding germaneness. However, this was only accomplished after considerable discussion because of the understandable reluctance of the Senate conferees to acknowledge or accept the legislative restrictions imposed by the House rules.

Certain of the differences, such as that relating to the exporting of our technology to foreign countries were only resolved by substantial language changes that brought the provision within the House rules.

My purpose in mentioning all of these facets of the conference problems is to enable the Members to better understand the reason why the conference meetings were so protracted.

Details of the conference action have been printed in the CONGRESSIONAL RECORD, dated Wednesday, June 24, 1974. I trust that all the Members have had an opportunity to review the detailed statement of managers in explanation of the action taken by the conferees. However, in view of the special interest that many Members have in specific actions taken by the conferees, I will now briefly refer to a few of them and attempt to explain further the basis for the action taken.

MASF

The Defense Department had requested $1.6 billion in support of the MASF program for fiscal year 1975. The House authorized $1.126 billion for this purpose, while the Senate recommended a total of $900 million. The conferees resolved this difference by agreeing upon a program limitation of $1 billion for military assistance to South Vietnam during fiscal year 1975

Both bodies had agreed that this program should be subject to separate accounting for obligations incurred under the program. However, the Senate, in addition, recommended separate appropriations for this account. Your House conferees accepted this Senate action as being consistent with the objectives of the House and therefore agreed to the Senate language. In taking this action, the House conferees therefore agreed to transfer $263.9 million from title I, of the procurement title, to a new title in the bill establishing a new program for military assistance to South Vietnam which is not service funded. In essence, therefore, the military assistance program for South Vietnam will be handled essentially as a MAP program rather than a MASF program.

RESEARCH ON DOGS

The Senate amendment contained a provision prohibiting the use of funds authorized by this act for the purpose of carrying out research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological or chemical warfare agents upon dogs. No similar provision appeared in the House bill.

The conferees examined the merits of the provision most carefully. We ascertained that adoption of this provision without modification would completely prohibit the conduct of all research involving the use of dogs even though the purpose was for the health and safety of civilian and military defense personnel, or for the benefit of dogs and other animals.

The conferees learned that in certain instances dogs have been indispensable species in research efforts which have contributed significantly to the health of human beings. For example, university experts related their experiments with a chemical that is found as a contaminant in the preparation of white flour for bread. When the bread containing this chemical was fed to dogs, even with very low levels of the chemical, it caused seizures. The importance of this finding was that a similar occurrence of convulsions might be expected in children. Of particular significance was the fact that when this bread containing this contaminant was fed to other species of animal life, no adverse effects were observed.

In view of these circumstances, the conferees agreed to modify the language of the Senate amendment to embrace the prohibition adopted by the Senate in respect to prohibiting the utilization of dogs in research for the purpose of developing biological or chemical weapons but provided a provision which continues to permit research on dogs for other purposes to improve and save lives.

EXPORT OF TECHNOLOGY

One of the more complex and difficult problems confronting the conferees resulted from a Senate amendment which would have provided the Secretary of Defense with very broad authority relating to the granting of export licenses on the sale of goods or technology to foreign countries. There was, of course, no similar provision in the House bill.

The language of the Senate amendment, as written, was clearly in violation of the House rule regarding germaneness and our conferees so informed the representatives of the Senate. However, the conferees on the part of the Senate insisted on inclusion of some language relating to this problem and agreed to modify it in a manner which would be consistent with the House rule of germaneness.

After considerable discussion, the conferees agreed to restrict the application of this provision to goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development or procurement programs of the Department of Defense. In taking this action, the conferees were unanimous in their expression of concern over the fact that our country has, in the past, apparently unwittingly committed itself to the sale of items which undoubtedly will enhance the military capabilities of our potential enemies.

Let me emphasize that the language adopted by the conferees is not designed, in any way, to modify or amend the provisions of the Export Administration Act. Rather, they are designed to simply insure that the voice of the Secretary of Defense will be given appropriate attention during the decisionmaking processes in the executive branch when the subject of export licenses is being considered.

At a time when the cost of military hardware is becoming astronomical it makes no sense whatsoever to further compound the defense problem by providing our potential enemies with the fruits of sophisticated American technology. Technology that will inevitably be used by these countries to our disadvantage. Action of this kind only serves to require further defense expenditures on our part to meet the increased threat posed by our potential enemies.

It was therefore necessary that our House conferees join with our Senate colleagues in attempting to fashion language in this bill which would serve to dampen the requirement for new and higher defense expenditures.

I believe the language adopted by the conferees will accomplish its objectives without conflicting with the House rules. The conferees are unanimous in their view that this provision should cause representatives of the executive branch to exercise greater care and caution when making a decision involving the transfer of U.S. technology to Iron Curtain countries.

RECOMPUTATION OF MILITARY RETIRED PAY

As in previous years, the Senate bill contained a floor amendment not considered in committee which would have provided recomputation of military retired pay on the basis of the January 1, 1972, pay scales. The House bill contained no similar provision.

Prior to going to conference with the Senate, I ascertained that the language relating to the recomputation of military retired pay was nongermane to the House bill and therefore in conflict with the rules of the House. Under these circumstances therefore, the House conferees refused to accept the Senate provision.

The House conferees, however, advised our Senate colleagues that the Committee on Armed Services plans to consider major legislative revisions to the military retirement system in the near future. Therefore, the committee will be amenable during those hearings to hear any recommendations involving recomputation of military retired pay that may be advanced by representatives of organizations who request the opportunity to be heard by the Committee.

CONCLUSION

Your House conferees did not achieve all of their objectives in this conference; we were forced to give up House positions in respect to a substantial number of items in order to achieve a reasonable compromise with the other body.

The conference report does however, in my judgment, represent a sound and reasonable compromise of approximately 200 differences between the House and Senate versions of H.R. 14592.

I therefore urge its support by every member of this body.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Iowa.

Mr. GROSS. This figure of $22.195 billion, I believe that is what the gentleman is talking about.

Mr. HÉBERT. Yes.

Mr. GROSS. And included in the report, does that include the replacement for the weapons that went to Israel last year?

Mr. HÉBERT. It has nothing to do with Israel.

Mr. GROSS. Does it provide the funds for replacement of weapons?

Mr. HÉBERT. Most of the funds for the replacement were contained in the fiscal year 1974 supplemental; however, there is a continuing replacement requirement and therefore funds providing for the replacement of certain weaponry given to Israel are included in this bill.

Mr. GROSS. Well, that was passed late last year or early this year and is taken care of in this authorization bill?

In terms of replacement?

Mr. HÉBERT. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, on page 11 of the conference report, in section 709, subparagraph (b), the Secretary of Defense is given authority over the export of goods, technology and techniques which will significantly increase the present or potential military capability of such country.

In paragraph (c), he is given the power to recommend to the President that the export be disapproved if it significantly increases the present or potential material capability of that controlled country.

Since this was not in the House bill and did appear only on the floor of the Senate, and has been modified slightly in conference, I would ask the chairman if he can tell me what is meant by the word "significantly." I am interested in knowing whether the shipments of materials which are generally available in the world market, and particularly available from our trading competitors in Europe and Japan, might be included under that definition of significantly enhancing the military.

Mr. HÉBERT. Mr. Speaker, I will refer that question to the gentleman from Illinois, the chairman of the Subcommittee on Research and Development.

Mr. PRICE of Illinois. Mr. Speaker, if the gentleman will yield, I will say that actually this amendment does not do much more than state the authority in the law already, except that this pinpoints the problem we are now having and empasizes the intent of the conference that we be exceptionally careful in exporting materials and technology that can enhance the military position of the countries that we had in mind when we redrafted this amendment.

There are goods such as computers and related technology that obviously would contribute to the military capability of these countries. This is what we are concerned with.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman, but if the chairman will yield further, we do have a process that works now under the Export Administration Act. The chairman of the subcommittee indicates that this process will not be much different, and certainly I would feel more comfortable if I thought the criteria were to be much the same as exists now, under which the Defense Department does have a regular and consistent chance to object to the issuing of export licenses.

I was led to believe in some informal discussions that the managers felt that this would be an unusual power and probably would not be used very much. I would not want some of our exporters to have the feeling that there might be second guessing on a regular basis by the Defense Department. That is why I am interested in knowing what is the significant potential.

Does a machine which can be used to manufacture a military weapon, but can also be used for other purposes and which in fact is available on the world market, does that come under that definition? I would think not, and I would like the chairman's assurance that it does not.

Mr. PRICE of Illinois. Mr. Speaker, the effort here is to make certain that the Secretary of Defense is listened to when he does make an objection. We have basically had the policy in existence for a long time, but we have too much evidence in the past that the Secretary of Defense was not listened to when he did raise objection based on national security.

We have quite a list of items in which this has occurred. The effort behind this particular amendment is to reemphasize the importance of listening to those who are particularly involved in security, national security.

Mr. FRENZEL. If the chairman will yield further, would the gentleman then say that the Secretary of Defense will use the same standards that he has used in the past, and this was simply to get his input heard in stronger fashion?

Mr. PRICE of Illinois. Yes, I would say that would be the case.

Mr. BRAY. Mr. Speaker, I rise in support of the conference action on H.R. 14592 and recommend adoption of the conference report.

Mr. Speaker, the gentleman from Louisiana has given the Members a thorough summary of the action taken by your conferees. This statement of the chairman, together with the conference report, should answer any questions that may be in the minds of any of the Members. However, I would like to briefly elaborate on the action taken by the conferees in respect to the so-called Jackson amendment regarding the export of U.S. technology to Iron Curtain countries.

At the outset, let me emphasize that I strongly support the administration's efforts to increase our foreign trade so as to overcome any deficit that we may now have in our balance of payments, but I oppose with great vigor any blind commitment to this policy which will cause us to transfer to our potential enemies the goods and technology which American labor and management has developed and which will result in enhancing the military capability of our potential enemies.

As indicated by the chairman of the Armed Services Committee, it is the height of folly to spend billions on new weaponry and then in the same breath transfer to our potential enemies sophisticated devices and technology which ultimately will neutralize this weaponry.

Our primary advantage over the Soviets is the advanced level of technology, both scientific and industrial, which we have over that totalitarian state. That is the difference, in my judgment, between freedom and slavery.

We are in a horserace with the Soviet Union and at the present time our technology has given us a lap on our opponents—yet, there are some myopic bureaucrats in the executive branch who would literally give away the industrial techniques and secrets that not only permits us to maintain our military security but also contributes immeasureably to our industrial might.

The American laboring man is the envy of the world. He has achieved economic advantages that are but "an impossible dream" for his counterparts in Soviet bloc countries. Much of this economic advantage of the American workingman over his foreign contemporary is due to our industrial know-how and industrial techniques. Thus, to export the advantage of this industrial technique to Soviet bloc countries borders on absolute madness. It will ultimately pit American free labor against the slave labor of totalitarian countries, such as the Soviet Union.

We are all aware of ongoing negotiations to transfer the aviation industry's production know-how on wide-bodied aircraft to a Soviet bloc nation.

One of the largest aircraft manufacturers in America is planning to build a large factory in a Soviet bloc nation, not only to build wide-bodied aircraft but to teach the labor and technicians in that country how to operate such a factory. While such a factory may make a short-term profit for the company, such action will injure our American military defensive strength and also cause the export of tens of thousands of American jobs in the aircraft industry to foreign countries, an industry in which today our country is preeminent.

We are all aware of the ongoing effort of the Soviet Union to acquire our latest computer technology. Unless prompt and proper action is taken, we will lose our superiority in this most important field.

These are some of the considerations which prompted your conferees to embrace the Jackson amendment, albeit in a drastically reduced form to guard against this kind of "death wish" that seems to be the order of the day in some offices of the executive branch. The Jackson amendment was nongermane to this legislation but as we have rewritten the amendment, it is now germane.

Action is needed immediately on this restraint on the transfer of American know-how to the Communist bloc. A country that does not protect its national security and the well-being of its citizens will not prosper.

I trust that my colleagues will unanimously adopt this conference report.

Mr. PRICE of Illinois. Mr. Speaker, as a participant in the conference, I rise in support of the conference report of the Armed Services Committee on the Department of Defense Appropriation Authorization Act, 1975. I am particularly proud that we were successful in working out with the other body the final language of Title VIII—Nuclear Powered Navy. This title will make it: "the policy of the United States of America to modernize the strike forces of the U.S. Navy by the construction of nuclear powered major combatant vessels and to provide for an adequate industrial base for the research, development, design, construction, operation, and maintenance for such vessels."

I, as chairman of the Joint Committee on Atomic Energy, would like to comment on some early history of the nuclear navy and the leadership the Congress provided in the construction of nuclear-powered warships. Title VIII enunciates and confirms the policy of the Joint Committee.

This is a policy that the Joint Committee on Atomic Energy has advocated for more than a decade. Those of us on the Joint Committee, as well as many members of the House and Senate Armed Services and Appropriations Committees, who have studied this issue for many years, have been astonished by the lack of foresight exhibited by the executive branch in failing to recognize the necessity of providing our major warships with nuclear propulsion.

I am proud that in enacting this legislation it is the Congress which will demonstrate foresight, courage, and wisdom by taking this initiative to strengthen the defense of our Nation. I am sure that naval historians will cite this action as a classic example of Congress exercising its power under article I, section 8, of the Constitution "to provide and maintain a Navy."

Title VIII will provide by law that all future major combatant vessels built for the strike forces of the U.S. Navy shall be nuclear powered. The act clearly defines this to mean all future combatant submarines, aircraft carriers, and carrier escorts such as cruisers, frigates, and destroyers. Title VIII stipulates that henceforth all requests for authorization or appropriation of funds for construction of major combatants for the strike forces shall be for nuclear powered ships "unless and until the President of the United States has fully advised the Congress that construction of nuclear powered vessels for such purposes is not in the national interest." It says:

> Such reports of the President to the Congress shall include for consideration by Congress an alternate program of nuclear powered ships with appropriate design, cost, and schedule information.

The enactment of title VIII means that the Defense Department and the Navy must now stop wasting the taxpayers' funds on further studies of diesel submarines, non-nuclear aircraft carriers, and non-nuclear carrier escorts.

The need for nuclear propulsion in major combatant vessels for our naval strike forces has been studied to death, despite the clearly demonstrated advantages of nuclear warships. The continued record of Defense Department delay in approving nuclear warships demonstrates the urgent need for this matter to be resolved by the legislative process, so that further progress is not impeded by each newly appointed civilian or military bureaucrat who is in a position to stop progress in the executive bureaucracy.

Ever since the beginning of the naval nuclear propulsion program the Joint Committee on Atomic Energy has seen to it that we get our information first hand. We have visited the laboratories where the development work is being done. We visited the land prototype site where the original testing for the *Nautilus* was being done. As soon as she was completed we held hearings on the *Nautilus* submerged and at sea. We later held hearings aboard the *Skipjack*, the first of the higher speed, single-screw nuclear submarines. In 1960, prior to the first successful launching of a Polaris missile from a submerged nuclear submarine, we held a 2-day meeting of the Joint Committee at sea aboard the U.S.S. *George Washington*, the first Polaris submarine.

When the first nuclear carrier *Enterprise* was finished we flew to Guantanamo and held hearings aboard the ship during her shakedown trials off Cuba in early 1962. Many of you will remember the fight that erupted the following year when Secretary of Defense McNamara decided against providing nuclear propulsion for the aircraft carrier *John F. Kennedy*. The Joint Committee held extensive hearings in the fall of 1963 on "Nuclear Propulsion for Naval Surface Vessels." We published a committee analysis which pointed out in detail the errors in the Department of Defense analysis. The Joint Committee 1963 report specifically recommended "that the United States adopt the policy of utilizing nuclear propulsion in all future major surface warships." Regrettably the *Kennedy* throughout its life will be dependent on a train of tankers, but those of us who carried on the fight did finally succeed in having Secretary McNamara authorize the *Nimitz* class of nuclear aircraft carriers.

Throughout the early 1960's the Joint Committee and the House and Senate Armed Services and Appropriations Committees engaged in extensive correspondence with the Department of Defense over the issue of nuclear propulsion for surface warships. For anyone interested, much of that correspondence is published on pages 245 through 318 of the Joint Committee hearing print entitled "Naval Nuclear Propulsion Program 1967–68."

In the late 1960's Congress, based on recommendations of the House Armed Services Committee, succeeded in getting a nuclear frigate building program established, but we had to resort to mandatory language in the law to do so.

The Defense Department plan was to stop authorizing any nuclear submarines by 1970. Some senior analysts in the Pentagon even recommended sinking 10 of our Polaris submarines as a cost saving measure. Several committees of Congress held special hearings in 1968 on the nuclear submarine program. As a result of this, Congress not only demanded that we continue building nuclear attack submarines but that we proceed with submarines of higher speed and greater quietness.

Three years ago the Department of Defense suddenly terminated plans to build more nuclear frigates and the nuclear carrier *Carl Vinson* CVN-70. They did this even though a special subcommittee of the House and Senate Armed Services Committees had issued an 800-page hearing record and a report which concluded we should go ahead with the CVN-70.

Senator Jackson immediately called for hearings of the Military Applications Subcommittee of the Joint Committee on Atomic Energy. We reviewed the whole subject of nuclear propulsion for naval warships, submarine, and surface. In addition to the testimony of the Chairman of the Joint Chiefs of Staff, the Chief of Naval Operations, and Admiral Rickover, we obtained the written comments of the Deputy Secretary of Defense. The record of this investigation is included in the Joint Committee print titled "Hearing and Subsequent Inquiry of the Subcommittee on Military Applications on Nuclear Propulsion for Naval Warships, May 5, 1971–September 30, 1972." That print on pages 123–277 includes a "Chronological Summary of the History of Nuclear Propulsion for Surface Ships" in which Admiral Rickover cites in detail all of the lengthy studies that have been made of this subject over the past quarter century. Also on pages 278 to 333 of this print are published 26 items of official correspondence concerning nuclear carriers and nuclear frigates.

The perturbations in the world supplies of petroleum gave us a special concern relative to the supply of fuel for our warships. By letter dated January 5, 1974, I expressed these concerns to the Department of Defense. I would like to include this exchange in the Record following my remarks.

More recently the Joint Committee report dated April 3, 1974, on the fiscal year 1975 Atomic Energy Commission appropriation authorization stated:

> The recent interruptions in the availability of foreign petroleum fuel supplies have highlighted the vulnerability of our petroleum supply lines. It is obvious that in time of war it may well be impossible to provide petroleum to our naval striking forces in areas of highest threat. This increased vulnerability again accents the importance of providing nuclear propulsion for our first-line warships. The committee, accordingly, reiterates its longstanding recommendation that all new surface submarine first-line striking forces be provided with nuclear propulsion.

The need for nuclear propulsion for major combatant vessels for our first-line naval strike forces is completely documented. In addition to the annual thorough review of the naval nuclear propulsion program there have been many special congressional hearings and reports issued on various aspects of naval nuclear propulsion. I will include a list of some of these reports in the Record following my statement.

This bill also authorizes construction of our eighth nuclear frigate, the DLGN 41, and contains additional long lead funding for our ninth nuclear frigate, the DLGN 42. It has been only through the strong resolve of Congress that these nuclear frigates have been authorized to be built for the Navy—after they were canceled by the Department of Defense 3 years ago.

Based on my past experience with the naval nuclear propulsion issue I would not be surprised to learn that attempts will again be made in the Department of Defense to cancel or delay their construction. It should be clearly understood that it is the definite intent of Congress that these ships be built now as follow ships of the *Virginia* DLGN 38 class, using existing shipbuilding contract options.

In this connection this bill also contains research and development funds for a new weapons system, a development called Aegis, which is intended to be an improvement over existing shipboard antiair warfare weaponry, but which is years from being ready to be committed to ship construction. Although Aegis should be considered for installation in nuclear frigates after it has been successfully developed, the DLGN 41 and DLGN 42 must not be delayed to wait for it.

All too often the desire for improved weapons which are off in the future has been used as an excuse for not building ships. If a war should erupt we will have to fight it with the ships we have, not the ones we hope to have many years in the future. To follow such a course could be fatal. With the investment we have in the four nuclear carriers in commission and under construction it would be dead wrong to defer building the DLGN 41 and DLGN 42 which are vitally needed to escort these nuclear carriers for literally years to wait for this new weapons system. I hope this point is clear to all.

Mr. Speaker, my esteemed colleague from California, Chet Holifield, who also has been chairman of the Joint Committee on Atomic Energy, and I are the only two remaining charter members of the Joint Committee. The experience and knowledge I have gained through a quarter century on that committee has, I believe, given me a special insight into all aspects of the naval nuclear propulsion program. Based on everything I have learned from studying this issue in detail for over 25 years, I can state categorically that the need for nuclear propulsion in naval strike force ships has been proven, needs no further study before a decision is made, and is of the most vital need for our country and our Navy.

It gives me great personal pleasure to be able to cast my vote for this truly historic legislation. I am sure that I speak for Chet Holifield, whose final days in this chamber will be brightened by the result which culminates the long fight many of us have carried on for so long, and marks the turning point for a new Navy which will be second to none.

The hearings and reports on the naval nuclear propulsion program published by committees of the Congress include:

List of Hearings and Reports

Hearings of the Joint Committee on Atomic Energy Subcommittee on Research and Development chaired by Congressman Melvin Price and the Subcommittee on Military Applications chaired by Senator Henry M. Jackson on "Naval Reactor Program and Shippingport Project" dated March 7 and April 12, 1957.

Joint Committee on Atomic Energy "Review of Naval Reactor Program and Admiral Rickover Award" dated April 11, 1959, chaired by Senator Clinton P. Anderson held aboard the USS *Skipjack* at sea while the nuclear submarine was establishing new records for speed and depth of operation.

Joint Committee on Atomic Energy review of "Naval Reactor Program and Polaris Missile Systems" chaired by Senator Clinton P. Anderson held at sea on board the first Polaris submarine, the USS *George Washington*, on April 9, 1960.

Joint Committee on Atomic Energy "Tour of the USS *Enterprise* and Report on Joint AEC-Naval Reactor Program" dated March 31, 1962, chaired by Congressman Chet Holifield held at sea aboard the USS *Enterprise* while operating at sea off Guantanamo Naval Base, Cuba.

Joint Committee on Atomic Energy, June 26, 27, July 23, 1963 and July 1, 1964, hearings on "Loss of the USS *Thresher*" chaired by Senator John O. Pastore.

Joint Committee on Atomic Energy hearing on "Nuclear Propulsion for Naval Surface Vessels" dated October 30, 31 and November 13, 1963, chaired by Senator John O. Pastore. This was followed by a special December 1963 report of the Joint Committee on Atomic Energy which recommended:

1. That the decision to install conventional propulsion in the new aircraft carrier, CVA-67 should be set aside and plans made to install nuclear propulsion in this ship; and

2. That the United States adopt the policy of utilizing nuclear propulsion in all future major surface warships; and

3. That a vigorous research and development program for surface warship nuclear propulsion be continued.

Joint Committee on Atomic Energy, January 26, 1966, hearing on "Naval Nuclear Propulsion Program 1966" chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, March 16, 1967 and February 8, 1968, hearings on "Naval Nuclear Propulsion Program 1967-68" chaired by Senator John O. Pastore.

Senate Armed Services Preparedness and Investigating Subcommittee chaired by Senator John Stennis, hearings on "U.S. Submarine Program" dated March 13, 15, 19, 27, 1968. This was followed by a special report of the Subcommittee on the "United States Submarine Program" dated September 23, 1968, which recommended that the nuclear attack submarine construction program be continued beyond fiscal year 1970, that the development of the high speed submarine and the electric drive submarine proceed, and that work begin promptly on the development of a submarine of advanced design.

Joint Committee on Atomic Energy hearings on "Nuclear Submarines of Advanced Design Parts I and II" dated June 21 and July 25, 1968, chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, April 23, 1969 hearing on "Naval Nuclear Propulsion Program 1969" chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, March 19 and 20, 1970, hearings on "Naval Nuclear Propulsion Program 1970" chaired by Congressman Chet Holifield.

Joint Senate-House Armed Services Subcommittee hearings on "CVAN-70 Aircraft Carrier" dated April 7, 8, 10, 13, 15 and 16, 1970, co-chaired by Senator John Stennis and Congressman Charles Bennett. This set of hearings was followed by a special report of the Joint Subcommittee dated April 22, 1970, which stated:

"The Subcommittee, in consideration of the full range of carrier capability including modernity and the exceptional advantages of nuclear power is of the opinion that the long lead funds for the CVAN-70 should be approved."

House Armed Services Antisubmarine Warfare Subcommittee, October 9, 1970, report on "Trip to the Knolls Atomic Power Laboratory, September 28, 1970" chaired by Congressman Samuel S. Stratton.

Joint Committee on Atomic Energy, March 10, 1971, hearing on "Naval Nuclear Propulsion Program 1971" chaired by Senator John O. Pastore.

Joint Committee on Atomic Energy Subcommittee on Military Applications hearing and subsequent inquiry on "Nuclear Propulsion for Naval Warships" dated May 5, 1971—September 30, 1972, alternately chaired by Senator Jackson and Congressman Holifield. This inquiry addressed the need for the *Los Angeles* Class high speed SSN's, tactical cruise missile submarines, the Trident submarine program, nuclear aircraft carriers and nuclear frigates.

Joint Committee on Atomic Energy, February 8, 1972 and March 28, 1973, hearings on "Naval Nuclear Propulsion Program 1972-1973" chaired by Congressman Melvin PRICE.

Joint Committee on Atomic Energy, February 25, 1974, hearing on "Naval Nuclear Propulsion Program—1974", chaired by Congressman Melvin Price (in the process of being published).

JOINT COMMITTEE ON ATOMIC ENERGY,
Washington, D.C., January 5, 1974.
Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR JIM: The increacing severity of our energy problem should, in my view, call for an accelerated effort in the application of nuclear power for the propulsion of naval warships. I fully appreciate your personal efforts in making additions of some nuclear propelled ships to our Navy although I believe recent events call for a sharply increased effort in this vital area of national defense. Accordingly, I suggest that a review of the planned shipbuilding program be made with the objective of increasing the number of nuclear powered warships. We are indeed fortunate that we have the proven technical base to immediately proceed with additional applications of nuclear propulsion. It certainly would be most unfortunate if we didn't take advantage of our position especially since nuclear power provides such positive solutions to our growing and irreversible global petroleum problem.

I want to emphasize that I am not suggesting the initiation of additional studies. From the Committee's detailed involvement in the review of the various studies I can assure you we need no additional effort in this area. Such comprehensive reviews as the Committee's 1963 and 1971-72 hearings and report on nuclear propulsion clearly illustrate the military value and justification of this application of nuclear energy. The growing petroleum problem has just increased the importance of the factors justifying nuclear power especially in the area of foreign access to petroleum supplies. Of course, although secondary to the primary factor of military effectiveness, the increasing costs of petroleum fuels also increase the economic justification of nuclear power.

You can be assured of Congressional support in immediately moving ahead with more naval nuclear propulsion projects. As you know the Congress, through its various Committees of responsibility in the defense area, has led in bringing about nuclear propulsion for our navy.

Sincerely yours,

MELVIN PRICE,
Chairman.

THE SECRETARY OF DEFENSE,
Washington, March 11, 1974.
Hon. MELVIN PRICE,
Chairman, Joint Committee on Atomic Energy, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 5, 1974, in which you suggested that a review of the Navy's planned shipbuilding program be made with the objective of increasing the number of nuclear powered warships.

By mid-1974 our 107 nuclear powered combatants will constitute over one-third of the active warship fleet. These nuclear powered warships include 41 strategic ballistic missile submarines, 61 attack submarines, one aircraft carrier and four fleet air defense guided missile ships—the Navy's first line ships. Additional nuclear powered combatants authorized by Congress are, or soon will be, under construction: the first TRIDENT SSBNs, four 637 Class SSNs, and twenty-three 688 Class SSNs, three nuclear powered aircraft carriers and four guided missile frigates. In addition to the nuclear powered ships in service, under construction, or authorized by Congress, the FY 75 budget request includes funding of two TRIDENT submarines, three high-speed attack submarines, and one guided missile frigate. Delivery of the five nuclear powered frigates (DLGNs) under construction, together with the cruiser and the two frigates now in the fleet, will give us eight nuclear powered surface combatants which will be adequate to form two all nuclear powered carrier task forces, when none of the ships are in overhaul.

As you know, in FY 72 the Department of Defense continued the DLGN construction program by awarding a contract to the Newport News Shipbuilding and Drydock Company for the construction of DLGN 38 Class Frigates. At that time it was decided to construct three units of this new class while retaining a contract option for two additional units. Recently Congress added to our Fiscal Year 74 budget request $79 million for advanced procurement of long-lead items for the two additional nuclear ships, DLGNs 41 and 42. We have included DLGN-41 in the FY 75 budget and are protecting the option for procuring the second in FY 76. When the full scope of our current nuclear ship program is considered, we find that the shipbuilders involved have a very large backlog ahead of them.

There are several important factors influencing the selection of nuclear or non-nuclear propulsion systems for a warship. Three of the most significant items are the relative procurement and operating costs, individual ship capability requirements, and overall Navy force level and modernization needs.

To date, the use of nuclear power has been limited to suface ships of 8,000 tons or more. These relatively large ships (frigates and cruisers), with highly capable anti-air and anti-submarine systems, are at the high end of the high-low mix of surface combatant ship types. The high-low mix concept of balancing overall fleet capability between larger numbers of capable low-cost ships and fewer numbers of highly capable but expensive first-line ships is essential for maintaining our overall combat capabilities.

In spite of the many attractive features of nuclear ships, both their acquisition costs and manning costs tend to be higher than for conventional ships having the same weapons systems. As you are aware over the past several years there have been extended discussions of the degree to which indirect costs tend to offset these differences. The major increase in the cost of fuel oil since October 1973 has tended to add some weight to this concept. On the other hand, the introduction of significantly more efficient conventional propulsion systems will result in lower acquisition and operating costs for such ships due to reduced manning requirements and reduced engineering plant size. As an additional consideration, the peace time flexibility of deployments for nuclear ships is constrained by the apprehensive attitude of many countries towards port visits by nuclear ships. In my view, these apprehensions are largely unfounded but progress in dispelling this barrier to nuclear ship visits has been slow.

Requirements for overall naval combat effectiveness depend in large part on the expected threat. In some ocean areas where our Navy is planned to operate, the threat is expected to be relatively low intensity and to consist of principally submarine-launched torpedoes and cruise missiles with only small numbers of ship- and aircraft-launched cruise missiles. Requirements for individual ship effectiveness are less demanding in such areas than would be required in higher threat environments, where additional threats from aircraf would be expected. I am sure that you recognize that. In addition to the need for first-line ships capable of operations in high threat areas, there are many important missions that can be effectively carried out by less complex and less expensive ships.

In this decade, we must phase out virtually all of the remaining World War II surface combatants because their deteriorating material condition and declining combat value is making them increasingly inefficient. If we are to procure the large number of ships needed to maintain even current force level, the bulk of the new ships must be from the "low" side of the "high-low" spectrum. The numerical requirements alone for surface escorts needed to protect military and commercial shipping in open ocean and lower threat areas of the world lead us to the use of less complex ships under present budgetary constraints.

Your personal efforts and the support of the Congress in attaining our present posture in nuclear propulsion in the Navy are very much appreciated. I solicit your continued support of our shipbuilding program and assure you that nuclear propulsion will be actively considered for all future Navy major surface warship building programs.

Sincerely,

JAMES R. SCHLESINGER.

Mr. FRENZEL. Mr. Speaker, I am troubled by the conference report on H.R. 14592 for two principal reasons.

First, since various administration and Federal Reserve spokesmen have called for reduction in spending of from $5 billion to $20 billion from proposed budget levels, I am not sure of the proper amount, but I do know that substantial reductions are required unless this bill's $22-plus billion is sharply reduced by the Appropriations Committee, substantial reductions in overall spending are not possible.

There are areas ripe for reductions, especially personnel. We have too many troops in Europe, and overseas generally.

The feature which leads me to vote against this bill, however, is section 709 on pages 10 and 11 of the conference report. The section gives the Secretary of Defense extraordinary power, perhaps unconstitutionally greater than that of the President since he can overrule the President, to stop exports to any country in the world if he feels it will increase significantly the military potential of the country.

The section invades the jurisdiction of the Export Administration Act which, according to testimony from the Departments of Defense, State, Commerce, Treasury, and the CIEP, works effectively as is.

It was not in the House version. It appeared as a floor amendment in the Senate, and was accepted by the conference managers.

According to floor statements by the managers, the criteria on which an export might be stopped, will be the same as at present, but the raw power given here to the Secretary, particularly over the head of the President, is unwarranted.

Therefore, not only is the spending level of the bill inflationary, but also it contains a potential to reduce further our already negative trade balances. I must vote against it.

Mr. BENNETT. Mr. Speaker, I rise in support of the conference report on H.R. 14592. I particularly want to bring to the attention of the House the fact that title VIII providing for a nuclear powered Navy is intact in the bill with only minor clearifying modifications. This title requires that all future major combatant vessels be nuclear powered unless the President fully advises the Congress that it is not in the national interest to have them such. The major combatant vessels are all submarines, both attack and missile, all aircraft carriers and the ships that are designed to run with them, cruisers, frigates, and destroyers—also all ships designed for independent missions from the categories listed above—that is, submarines, aircraft carriers, cruisers, frigates, and destroyers where essential unlimited high speed endurance will be of significant military value.

Mr. Speaker, Congress has had to fight hard and long to get the nuclear navy. As recently as 2 years ago we had to mandate the construction of nuclear frigates No. 41 and 42 unless the President fully advised that their construction was not in the national interest. The President has not so advised us and the contract for their construction has been let.

Despite the wording of title VIII, we hear rumblings that a group within the Department of Defense is saying they should not be built.

This is the same group of systems analysts who opposed the nuclear-powered Navy from the start. Now they are saying that frigates should not be constructed until the Aegis missile system is ready to go on them.

Mr. Speaker, we now have four nuclear-powered aircraft carriers in being or under construction. Those 4 require at least 16 escorts. For escorts we have the *Bainbridge*, the *Truxton*, and the *California*. We also have the *South Carolina*, the *Virginia*, and the *Texas* under construction and the DLGN-40. That means there will only be 7 nuclear-powered frigates instead of the 16 needed if the DLGN-41 and 42 are not built.

Again, Mr. Speaker, the Congress must insist that the nuclear frigates and the nuclear Navy continue to be constructed as the Congress has ordered.

Mrs. HOLT. Mr. Speaker, I am voting for the conference report on the military procurement authorization, but only after bitter disappointment that the conferees rejected the amendment that would have permitted a recomputation of military retirement pay as a percentage of active duty pay.

Many of us worked diligently to secure the passage of the amendment to award fair treatment to thousands of older veterans, who served long and honorable careers with the promise of security.

We have an obligation to compensate them in accordance with the terms under which they served our Nation. As you know, changes in the method of computing retirement pay were made in 1958 and 1963, and thousands of older veterans got shortchanged in the shuffle.

They are receiving far less than servicemen of comparable rank who are retiring today, and this inequitable situation is a gross breach of faith. I can assure you, Mr. Speaker, that our fight for equitable treatment of our older retirees from military service has not ended.

I have been assured that major legislation revising the military retirement system will be considered in the near future, and I pledge that we will renew our struggle for recomputation.

Mr. HÉBERT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 38, not voting 91, as follows:

[Roll No. 412]

YEAS—305

Abdnor
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Boggs
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
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So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rarick for, with Mr. Badillo against.

Mr. Murphy of New York for, with Mr. Hanna against.

Mr. Charles H. Wilson of California for, with Mrs. Chisholm against.

Mr. Teague for, with Mr. Clay against.

Mr. Carey of New York for, with Mr. Stark against.

Mrs. Burke of California for, with Mr. Metcalfe against.

Mr. Melcher for, with Mr. Eckhardt against.

Mr. Hawkins for, with Mr. Harrington against.

Until further notice:

Mr. Alexander with Mr. Blatnik.

Mr. Gunter with Mr. Reid.

Mr. Holifield with Mr. Culver.

Mr. Rose with Mr. Gettys.

Mr. Rooney of New York with Mrs. Grasso.

Mr. Brasco with Mr. Gray.

Mr. Cotter with Mrs. Green of Oregon.

Mr. Davis of Georgia with Mrs. Hansen of Washington.

Mr. Boland with Mr. Cederberg.

Mr. Leggett with Mr. Treen.

Mr. Madden with Mr. Steele.

Mr. Davis of South Carolina with Mr. Findley.

Mr. Bowen with Mr. Steelman.

Mr. Sisk with Mr. Clancy.

Mr. Udall with Mr. Hosmer.

Mr. Whitten with Mr. Sebelius.

Mr. Mazzoli with Mr. Dellenback.

Mr. Pickle with Mr. Ruppe.

Mr. Randall with Mr. Hammerschmidt.

Mr. de la Garza with Mr. Frey.

Mr. Clark with Mr. Lent.

Mr. Jones of Tennessee with Mr. Kuykendall.

Mr. McKay with Mr. Gubser.

Mr. Evins of Tennessee with Mr. Schneebeli.

Mr. Carter with Mr. Hastings.

Mr. Evans of Colorado with Mr. Shriver.

Mr. Dorn with Mr. Robison of New York.

Mrs. Griffiths with Mr. Symms.

Mr. Johnson of California with Mr. Martin of North Carolina.

Mr. Lehman with Mr. Talcott.

Mr. Johnson of Pennsylvania with Mr. Towell of Nevada.

Mr. McSpadden with Mr. Vander Jagt.

Mr. Roy with Mr. Bob Wilson.

Mr. Steed with Mr. Wiggins.

Mr. Stuckey with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana.

There was no objection.

HOME RULE ACT AMENDMENTS

Mr. FRASER. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 15791) to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(g) of the District of Columbia Self Government and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 774) is amended by deleting the second sentence thereof.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

That the District of Columbia Self-Government and Governmental Reorganization Act (84 Stat. 774) is amended as follows:

(1) The second sentence of subsection (g) of section 204 of that Act is repealed.

(2) Subsection (b) of section 401 of that Act is amended by (A) redesignating paragraph (3) as paragraph (4); and (B) inserting immediately after paragraph (2) the following:

"(3) To fill a vacancy in the Office of Chairman, the Board of Elections shall hold a special election in the District on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs, unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise have been held under the provisions of this paragraph. The person elected Chairman to fill a vacancy in the Office of Chairman shall take office on the day in which the Board of Elections certifies his election, and shall serve as Chairman only for the remainder of the term during which such vacancy occurred. When the Office of Chairman becomes vacant, the Council shall select one of the elected at-large members of the Council to serve as Chairman and one to serve as Chairman pro tempore until the election of a new Chairman."

(3) The first sentence of section 441 of that Act is amended to read as follows: "The fiscal year of the District shall, beginning on October 1, 1976, commence on the first day of October of each year and shall end on the thirtieth day of September of the succeeding calendar year."

(4) Paragraph (1) of section 462 of that Act is amended to read as follows:

"(1) briefly describing each project to be financed by the act;".

(5) The first sentence of section 465 of that Act is amended to read as follows: "At the end of the twenty-day period specified in section 464, the Mayor may issue general obligation bonds as authorized pursuant to the provisions of sections 461 through 465."

(6) The second sentence of section 466 is amended by striking out "Council" and inserting in lieu thereof "Mayor".

(7) Section 502 of that Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 502. Notwithstanding any other provision of law, there is authorized to be appropriated as the annual Federal payment to the District of Columbia for the fiscal year ending June 30, 1975, the sum of $230,000,000; for the fiscal year ending June 30, 1976, the sum of $254,000,000; for the fiscal year ending September 30, 1977, the sum of $280,000,000; for the fiscal year ending September 30, 1978, and for each fiscal year thereafter, the sum of $300,000,000. For the period July 1, 1976, through September 30, 1976, there is authorized to be appropriated a Federal payment of $70,000,000."

(8) Section 771 of that Act is amended to read as follows:

"EFFECTIVE DATES

SEC. 771. (a) Titles I and V, and parts A and G, and section 722 of title VII shall take effect on the date of enactment of this Act.

"(b) Sections 712, 713, 714, and 715 of title VII, and section 401(b) of title IV, and title II shall take effect July 1, 1974, except that any provision thereof which in effect transfers authority to appoint any citizen member of the National Capital Planning Commission or the District of Columbia Redevelopment Land Agency shall take effect January 2, 1975.

"(c) Titles III and IV, except section 401 (b) of title IV, shall take effect January 2, 1975, if title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum.

"(d) Title VI and parts D and F of sections 711, 716, 717, 718, 719, 721, and 723 of title VII shall take effect only if and upon the date that title IV becomes effective.

"(e) Part E of title VII shall take effect on the date on which title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum."

SEC. 2. (a) The first sentence of subsection (e) of section 10 of the District of Columbia Election Act (D.C. Code, sec. 1–1110) is amended by striking out "for members of the Board of Education".

(b) The Board of Elections shall prescribe regulations as it considers necessary in order to carry out the purposes of the amendment made by subsection (a).

Mr. FRASER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRASER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the legislation which is before the House makes a number of corrections which are required in order to overcome some technical problems arising out of the enactment of the home rule legislation. The bill encompasses a number of changes which I will now describe to the Members.

The first change relates to the status of the D.C. Manpower Administration employees. Under the home rule bill these employees are transferred to the District government, but under the language in the home rule bill their status and rights as employees would have been in jeopardy without the technical amendment which is offered in this bill. With the adoption of this part of the bill the rights of these employees as they are transferred from a Federal to a District status will be protected.

The second change provides for the event of a vacancy in the position of Council Chairman. There is no provision in the home rule bill for this. This bill provides for a means of filling the vacancy in the position of Council Chairman in the event that occurs.

The third change would alter the fiscal year to conform to the fiscal year of the Federal Government. In other words, in October 1976 the District of Columbia would go onto the same fiscal year as the Federal agencies. In that connection we are making a prorata adjustment in the authorization for the Federal payment to cover that 3-month period which requires an additional authorization for the Federal payment.

Another change deals with the issuance of general obligation bonds. These are minor technical amendments to increase the flexibility which the city and the Mayor have in issuing the bonds.

Then there is a section which alters the effective date with respect to certain provisions of the home rule bill, in general moving the effective date from January 1, 1975, to July 1, 1974.

Finally, Mr. Speaker, this bill would provide that where there are vacancies in the Board of Election those vacancies can be filled at the next general election which occurs at least 114 days from the time of the vacancy. But without the provisions in this bill the filling of the vacancies by election can only take place at elections at which School Board members are elected. With this change other general elections will be available to fill those vacancies provided the vacancies occur early enough to meet the requirements of the law.

Mr. Speaker, in general this is what the bill seeks to accomplish. There was no opposition to it in the committee. It came out with a unanimous vote. There is no additional cost to the Government, to the Treasury other than perhaps the cost of printing ballots for the election of School Board members who would be elected this fall rather than a year from now.

If there are any questions I will be glad to try to answer those questions, and if there are none I yield back the balance of my time.

AMENDMENT OFFERED BY MR. GUDE TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. GUDE. Mr. Speaker, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GUDE to the committee amendment in the nature of a substitute:

Page 5, immediately after line 7, insert the following:

(9) Part D of title VII of that Act is amended by adding at the end thereof the following:

HORIZONTAL PROPERTY

SEC. 744. In addition to other authority delegated to it, and in accordance with section 406 of Reorganization Plan Numbered 3 of 1967, the District of Columbia Council may promulgate any regulation modifying any provision of the Horizontal Property Act of the District of Columbia (D.C. Code, sec. 5–901 et seq.).

(10) The table of contents for part D of title VII of this Act is amended by inserting at the end thereof "Sec. 744. Horizontal property.".

Mr. GROSS .Mr. Speaker, I reserve a point of order on the amendment.

Mr. GUDE. Mr. Speaker, I offer an amendment to the bill which will give the District government authority to regulate condominiums and condominium conversions. A wide variety of problems caused by condominium construction, sales, and conversion plague urban and suburban areas today, and responsible local governments are acting to provide necessary regulations for the protection of tenants and prospective buyers. The District government will have authority to act in this area once home rule legislation takes effect next January, but the problem is so pressing, that the Mayor and the Chairman and Vice Chairman of the City Council have written the committee requesting that the necessary authority be provided sooner.

The condominium law in the District of Columbia was adopted in 1963. New construction of housing units under this law has been very light. Before 1971, there were 166 units constructed. In 1971, there were 126 new units, in 1972, none, and in 1973, 51 new units, for a total of 343 since the law was passed.

Conversions, however, have been a different story. Before 1971, 83 units were converted. In 1971 there were 107 conversions, in 1972, 418 conversions, in 1973, 1,141 conversions, and already in the first 6 months of 1974, 546 units converted. This total of 2,295 units converted is almost seven times the number of newly constructed units.

With conversions, moreover, come the real problems. Developers, distressed at declining returns on their rental buildings, may be intrigued by the possibility of a sizable quick return through conversions of their buildings to condominium units. Often these are old buildings with a host of structural and repair problems, but with a few minor repairs, fresh paint, and a new refrigerator or stove, they suddenly become newly renovated units at a much higher price. New owners discover the reality only after they move in. Condominium conversions also create the problem of what to do with existing tenants. While some tenants are more than willing to buy their units, and others plan to move out and rent elsewhere, many tenants have no wish to move and have no money to buy. This is particularly true of the elderly, who often have been living in the same apartment for years, exist on small fixed incomes, and have no resources to finance a purchase or to move elsewhere to what will inevitably be a more expensive apartment. This kind of problem, along with the developing record of quick conversions and overnight evictions by developers, has prompted many local governments to act to protect tenant rights by requiring advance notice of intent to convert, allowing existing tenants plenty of time to decide if they want to buy their units and imposing a waiting period before tenants can be forced to move out. In my district, the Montgomery County Council has recently enacted such a measure, and it is entirely appropriate that it be done at that level of government. The purpose of my amendment is to give the District of Columbia government the authority to enact similar regulations.

The Mayor has already proposed a set of regulations to protect purchasers of condominium units and tenants caught up in the turmoil of a conversion. The Corporation Counsel's office has issued an opinion that the city has very restricted powers in regulating condiminium sales and conversions. Mayor Washington and City Council Vice Chairman Sterling Tucker, who is Chairman of the Council Committee on Housing, have asked for immediate action by Congress to broaden the authority of the city to adopt the necessary regulations to protect purchasers and tenants. The City Council has held 2 days of hearings on condominium problems, and a long list of witnesses have testified to the need for the immediate adoption of broad, protective regulations.

In corresponding with the Mayor and the City Council on this subject, I have suggested one direction in which the city government might move once they have sufficient authority. That is, rather than banning conversions, or making them subject to a vote by existing tenants, simply treat proposed conversions in the same way that proposed zoning changes are treated—through an application to a local board which could hold a hearing, consider all points of view, and render a judgment which could ultimately be appealed through the proper channels. My amendment, of course, would not provide for any particular course of action that the District government must take. That would be up to them. I mention my proposal, however, to suggest a reasonable solution to a common problem of urban areas which might usefully be applied by other local governments as well.

At this point, Mr. Speaker, I would like to insert in the RECORD letters the committee received from the Mayor and Chairman of the City Council requesting that this authority be granted.

THE DISTRICT OF COLUMBIA,
Washington, D.C., July 12, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, House of Representatives, Longworth Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter asking if it would be useful to have Congress consider legislation to broaden the authority of the District Government with respect to condominiums, I am writing this letter to encourage such action.

The D.C. City Council has scheduled public hearings on proposed condominium regulations for July 18 and 19, 1974. These are the regulations which I transmitted to the Council on June 25, 1974 providing for the full exercise of the Council's present authority. Accordingly, it would be desirable if the Council had general enabling authority with regard to condominiums in the event it decided regulatory provisions are needed which are beyond the present authority of the Council to enact. I am advised that this can be accomplished by enactment by the Congress of legislation which would authorize the D.C. Council to amend or repeal by regulation the District of Columbia Horizontal Property Act, chapter 9 of Title 5, District of Columbia Code.

Please let me know if I can be of further assistance.

Sincerely yours,
WALTER E. WASHINGTON,
Mayor-Commissioner.

GOVERNMENT OF THE DISTRICT
OF COLUMBIA,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 1st asking my opinion regarding Congressional legislation which would broaden the statutory power of the City Council with respect to the regulation of condominium conversions.

I agree with the letters of Mayor Washington and Vice Chairman Tucker, dated July 12th and July 10, 1974 respectively, that it would be desirable for Congress to delegate general legislative authority on this subject to the City Council. With respect to possible solutions to the problem, upon which we have already completed Public Hearings without specific proposals in front of us, as Vice Chairman Tucker pointed out there is some sentiment on the Council for a Regulation which would require prior approval of a percentage of existing tenants and would impose a moratorium on all further conversions for some period of time. After attending a substantial part of that Hearing, I have some reservations about either of these approaches to the problem and suggest the possibility that the Council may want to explore as an alternative the approach suggested by Congressman Gilbert Gude, namely that the District Government be empowered under specific guidelines laid down by the Council to review the merits of each, separate proposed conversion and rule upon same in the way zoning changes and variances are presently processed, including the right to appeal to our Courts on the basis of the evidence from any determination by the appropriate reviewing body.

Sincerely,
JOHN A. NEVIUS,
Chairman, City Council.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Iowa.

Mr. GROSS. Was this amendment considered in the committee? What consideration has been given to this amendment?

Mr. GUDE. The chairman of the Committee on the District of Columbia has been interested in holding hearings on the question of condominiums; but, quite frankly, with the heavy schedule we have had and the legislation we have been considering we have not been able to hold hearings in this area; however, the City Council has had hearings.

This is something, in effect, that the House has already dealt with, in that this is part of the self-government bill. This is merely stepping up the time in which the City Council can legislate in this area.

I say to the gentleman that this is a critical, urgent problem which concerns many people in the city, and I do not know that Congress is going to be able to pay attention to condominium legislation between now and January but that the City Council will.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. GUDE. I yield to the gentleman from Minnesota.

Mr. NELSEN. There is nothing in the amendment that would prevent the conversion, but it gives authority to the City Council to make decisions as to the processes that might develop later; but it does not take sides on the issue, as I understand it. I am sure the City Council would hold hearings in detail on this matter before they took action.

Mr. GUDE. That is exactly right. It merely gives the authority to act in this particular area and, of course, Congress would have the authority to override any actions.

Mr. NELSEN. In keeping with the home rule intent, it would be giving to the City Council the decisionmaking that we have heretofore exercised up here.

Mr. GUDE. That is exactly right.

The SPEAKER. Does the gentleman from Iowa desire to be heard on his point of order?

Mr. GROSS. Mr. Speaker, I withdraw the reservation of a point of order.

I move to strike the requisite number of words.

Mr. Speaker, I inquire as to the financing provisions in this bill. It provides for a Federal payment to the District for the fiscal year ending June 30, 1975, of $230 million.

For the fiscal year ending June 1976 there is the sum of $254 million.

For the fiscal year ending September 30, 1977, there is the sum of $280 million.

For the fiscal year ending September 30, 1978, and for each fiscal year thereafter, there is the sum of $300 million.

Mr. FRASER. Will the gentleman yield?

Mr. GROSS. Yes, I will yield to the gentleman from Minnesota.

Mr. FRASER. If the gentleman will look on page 10 of that report, where the language is to be found, he will note those figures he has just read are all old law or existing law. The only purpose of reciting that law again is to provide that a pro rata share of the $280 million figure, namely, one-fourth of it, is available for the 3-month change in the fiscal year period. There is no change in the existing law except to provide for that one 3-month period when we go from the July fiscal year to the October fiscal year. It is strictly a pro rata amount. There is no effective change in the amount authorized to be appropriated.

Mr. GROSS. Authorized in the legislation previously passed?

Mr. FRASER. Yes, the gentleman is right.

Mr. GROSS. Well, how do we know what the ability of the Federal Government will be to subsidize the District of Columbia in view of the steadily declining population of the District of Columbia? Why should there be a commitment in perpetuity of $300 million as a Federal contribution to the District?

Mr. FRASER. I think the gentleman is right in suggesting that our foresight here may not be up to what in fact takes place in the economy and the needs of the District and other demands on the Federal budget, but this was what was worked out in the conference committee on the home rule bill itself. My own guess is that the present rate of inflation, if it continues much longer, is going to make all of these figures meaningless. I stress the point, as the gentleman understands, that these are only authorizations, and the actual amount appropriated each year will reflect the more careful measurement of the needs of the District and the demands of the Federal budget.

Mr. GROSS. I trust the gentleman's last statement will be duly noted by the Appropriations Committee when it gets to the business of providing funds for the District of Columbia. In my opinion it borders on the fantastic to authorize a $300 million appropriation for the District of Columbia in perpetuity. Was September 30 established in the so-called home rule legislation as the end of fiscal year for the District of Columbia?

Mr. FRASER. The September 30–October 1 fiscal year was not in the home rule bill, but it is in this bill. The purpose of putting it in this bill is to bring the District into conformity with the new Federal fiscal year, and it starts at the same time.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the amendment offered by the gentleman from Maryland (Mr. GUDE) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I wish to express my support for the bill H.R. 15791, the purpose of which is to amend the D.C. Home Rule Act in several respects.

This bill will change the dates of the District of Columbia fiscal year to correspond to the newly adopted Federal fiscal year dates—October 1 to September 31—beginning in 1976. There are also several amendments transferring certain authority in regard to the issuance of general obligation bonds from the Council to the Mayor, and another amendment will authorize an election next November to fill vacancies existing on the D.C. Board of Education as a result of several members having resigned to seek other elective office in the city.

The provision in H.R. 15791 in which I have the greatest interest, however, would amend section 204(g) of the Home Rule Act, which pertains to the transfer of the D.C. Manpower Administration from the Federal Government to the District of Columbia government, which occurred on July 1 of this year.

The first sentence of this subsection states that any employee of the D.C. Manpower Administration in the competitive service of the United States at the time this agency is transferred to the D.C. government under this act shall retain all his present rights, benefits, and privileges. This, of course, is completely proper. The second sentence of this subsection, however, to which I take strong exception and which H.R. 15791 will repeal, provides that when such an employee vacates the position into which he was transferred, that position shall no longer be a position in the competitive service.

This means that any present employee of the D.C. Manpower Administration who now enjoys competitive status under the civil service system, but who may be promoted or transferred into a different position in this Agency which either was vacant as of July 1 or becomes vacant after that date, will revert in status from the competitive service to the excepted service after such promotion or transfer. Further, such an employee in the Manpower Administration whose position becomes reclassified after July 1 will suffer this same change of status.

I am advised that employees in the excepted service under the civil service system lack two important privileges which are enjoyed by employees in the competitive service. First, they have no "bumping rights," or retention rights based upon seniority in the event of reductions in force. And second, any appeals by employees in the excepted service, as to disciplinary or other adverse actions of any kind, will go to the D.C. Mayor rather than to the Civil Service Commission.

I wish to call attention to section 713 (d) of the D.C. Home Rule Act, which appears on its face to assure transferred employees continuity of all their former rights, stating as follows:

> No officer or employee shall, by reason of his transfer to the District government under this Act or his separation from service under this Act, be deprived of any civil service rights, benefits, and privileges held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

In view of the language quoted above, it is obvious that our committee and the Congress did not intend any such loss of rights which the second sentence of section 204(g) would impose upon some employees of the D.C. Manpower Administration. However, the counsel for the U.S. Civil Service Commission has advised that the effect of 204(g) as it presently exists will be as I have described it, regardless of section 713(d).

This inequity is inconsistent with the general rule in the Federal Personnel Manual covering the transfer of agencies, and also with certain provision in Public Law 93–198 designed to protect the rights, benefits, and privileges of civil service employees. Furthermore, since the Home Rule Act contains no such provision regarding the employees of the D.C. Redevelopment Land Agency and the National Capital Housing Agency, which also were transferred to the District of Columbia government on July 1 of this year, this provision with respect to employees of the D.C. Manpower Administration is also discriminatory.

A number of the employees of the D.C. Manpower Administration are constituents of mine, and I am certainly interested in their welfare. Further than that, however, I am deeply concerned that all the employees of this agency be afforded equitable treatment under this law.

Mr. Speaker, the presence of this unfortunate provision in the D.C. Home Rule Act is nothing more than an understandable oversight in the preparation of a very long and complicated piece of legislation, and I am confident that this Congress will not allow this inadvertent inequity to prevail. I urge favorable action on the bill H.R. 15791 at this time, which among other things will repeal the second sentence of section 204(g) and thus restore justice to that section of the D.C. Home Rule Act.

Mr. DIGGS. Mr. Speaker, the purpose of H.R. 15791 as amended, and as reported, House Report No. 93–1201, is to correct the Home Rule Act at several points where practical difficulties are foreseen. One change is to place employees of the D.C. Manpower Administration on the same footing as to their rights and employees status as other employees being transferred on July 1, 1974, from Federal agencies to the D.C. government. Others include changing the District to the new Federal fiscal year of October 1 to September 30, make July 1, 1974, rather than January 2, 1975, the effective date for several sections, simplify the procedure for general obligation bonds and to fill Board of Education vacancies at the next general election.

BACKGROUND

MANPOWER EMPLOYEES

Fourteen hundred employees of the D.C. Manpower Administration, the Redevelopment Land Agency, and the National Capital Housing Authority, are transferred to the D.C. government under the terms of title II of the Self-Government and Governmental Reorganization Act which became law December 24, 1973.

General language in section 713 of the act protects the rights of all transferred employees as follows:

> (d) No officer or employee shall, by reason of his transfer to the District Government under this Act or his separation from serv-

> ice under this Act, be deprived of any Civil Service rights, benefits, and privileges held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

However, an additional sentence applying only to the employees being transferred from the District of Columbia Manpower Administration appears in section 204(g) as follows:

> When such an employee vacates a position into which he was transferred, such position shall no longer be a position in such competitive service.

Deleting that sentence would treat all transferred employees equally.

BOARD OF EDUCATION VACANCIES

The 11-member elected Board of Education already has several vacancies created by members resigning to run for election for City Council this September and November.

Present law calls for electing replacements at the next Board of Education election in November 1975. In the meantime, the remaining members fill vacancies by appointment.

Section 2 of the bill sets a special election to fill those vacancies this fall with the city general election.

OTHER SECTIONS

Paragraphs (4), (5), and (6) of the first section correct apparent oversights in the Home Rule Act on general obligation bonds that can be issued by the District.

Paragraphs (8), (2), (3), and (7) of the first section, dealing with effective dates for sections of the Home Rule Act, filling a vacancy in the office of Chairman of the District Council, and conforming the District to the Federal fiscal year, will each the transition to home rule government.

NEED FOR LEGISLATION

MANPOWER EMPLOYEES

A May 1974 legal opinion by Anthony L. Mondello, General Counsel for the U.S. Civil Service Commission, stated the effect this special language has on D.C. Manpower Administration employees being transferred.

In order for a position with DCMA to retain its character as a position in the competition service an employee must be occupying that position at the time of transfer. Otherwise it becomes a position in the excepted service after the transfer date. Vacant positions at the time of transfer, therefore, lose their status as competitive service positions. Similarly, once the transferee vacates his or her position, that position loses its character as a position in the competitive service. This conclusion is supported by H.R. Report No. 93–482 at page 7 which describes the purpose of section 204 as follows:

> That such employees shall be able to retain their Civil Service standing *until such time as they may vacate their current positions.* [Emphasis added.]

As a result, many of the affected employees urged Congress to change this language. Mayor-Commissioner Walter E. Washington wrote the chairman on June 27 requesting the change in the Home Rule Act made by paragraph (1) of the first section.

BOARD OF EDUCATION ELECTION AND OTHER SECTIONS

The action taken in the other sections of the bill will correct situations which have been brought to the attention of the committee by the Board of Education and by several District officials and the Mayor.

The amendment made by paragraph (8) of the first section, for example, avoids the possibility of a 6-month hiatus of uncertain legal status for employees, existing regulations and pending lawsuits. Paragraph (8) makes July 1, 1974, rather than January 2, 1975, the effective date for sections 712, 713, 714, and 715, which deal with these matters. Those sections will now apply to the transfers made on July 1, 1974, of three Federal agencies which now come under District control.

HISTORY

Hearings on possible amendments to the Home Rule Act in regards to the transfers made by title II of that act were held by the full committee on June 26, and July 2, 1974. Statements requesting the change in the law made by paragraph (1) of the first section were made by the Honorable GILBERT GUDE, the Honorable JOEL BROYHILL, and the Honorable LAWRENCE J. HOGAN. Testimony was received from officials of the District government, the Deputy-Assistant Secretary of Labor for Manpower, and two of the affected employees.

No testimony has been received nor statements filed in opposition to this legislation.

VOTE

The bill, H.R. 15791, as amended, was ordered favorably reported to the House on July 16, 1974, by a voice vote, a quorum being present.

COST

There is no additional cost associated with this legislation, except that occasioned by the ballots for candidates for the Board of Education at the regular District election.

DISTRICT GOVERNMENT REPORTS

The letters of the Mayor-Commissioner of the District requesting the change made by paragraphs (1), (3), (4), (5), (6), and (7) of the first section follow:

THE DISTRICT OF COLUMBIA,
Washington, D.C., June 27, 1974.

Hon. CHARLES C. DIGGS, JR.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to inform you that it is my understandings that representatives of the U.S. Department of Labor, the District of Columbia Manpower Administration, Local 12, the District Government, and the General Counsel of the American Federation of Government Employees reached agreement June 26, 1974 that a single amendment to the D.C. Self-Government and Government Reorganization Act is necessary to provide for the continuation of competitive status for the transferred employees of the D.C. Manpower Administration. The parties agreed that section 204(g) of that Act should be amended to strike the last sentence in subsection (g).

In view of this agreement, the District Government recommends that the second sentence of section 204(g) be deleted. Attached is a draft bill to accomplish that purpose.

It is also my understanding that the parties referred to above are of the opinion that the purpose of section 204 is clearly set forth in the House Committee on the District of Columbia report on the D.C. Self-Government and Government Reorganization Act. That report (H. Rept. 93–482) states with respect to the effect of section 204 that "all manpower activities in the District of Columbia will be consolidated under the Mayor's office into a coordinated manpower service delivery system." In the view of these parties, section 204 thus provides for the transfer of the full complement of employees of the D.C. Manpower Administration. Accordingly, we do not recommend additional amendment of section 204.

I hope the Committee will be able to give prompt consideration to the single amendment we proposed to section 204(g). If I can be of further assistance please let me know.

Sincerely yours,
WALTER E. WASHINGTON,
Mayor-Commissioner.

THE DISTRICT OF COLUMBIA,
Washington, D.C., July 15, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: At the hearing of June 26, 1974, before the Joint Senate and House Committees on the District of Columbia concerning the status of transition provisions of Title II of the District of Columbia Self-Government and Governmental Reorganization Act, the District Government was requested to furnish the Congress with such additional amendments to the Act as would be needed to effectuate the orderly transfer of the functions and authorities provided by such Act. In response to your request, there is attached a draft bill containing proposed amendments to certain sections of Titles IV and V of the Act relating to the borrowing and budgetary processes of the new Distict Government.

The first amendment proposed by the draft bill would amend section 441 of the Act to change the fiscal year of the District Government from July 1 through June 30 of each year to one beginning on October 1 of each year and ending on September 30 of the succeeding calendar year. Pursuant to section 501 of H.R. 7130, a bill which has passed both the House and Senate and is awaiting approval, the fiscal year of the Federal Government is changed to begin on October 1 of each year. Inasmuch as the budget and appropriation procedures of the District Government traditionally have paralleled those of the United States and will not be materially changed under the Self-Government Act, it appears desirable and practical that a corresponding change be effected in the fiscal year of the new District Government.

The second proposed amendment would amend section 462(1) of the Act to clearly indicate that an act of the Council of the District of Columbia authorizing a bond issue may, should it so provide, finance several projects and is not limited to the financing of a single project.

The third amendment would amend section 465 of the Act to reduce the time period needed to issue general obligation bonds and to specifically vest in the Mayor the authority to perform the administrative act of issuing bonds which, pursuant to the provisions of sections 461 through 464, have already been authorized by act of the Council and have met the notice and publication requirements set out therein.

The fourth amendment would amend section 466 of the Act to vest in the Mayor, as a purely administrative function, the right to reject any and all bids on general obligation bond issues. This amendment will further serve to reduce the time period involved in the sale of bond issues.

The final proposed amendment would

amend section 502 of the Act relating to the authorization of appropriations for the annual Federal payment to the District of Columbia to reflect the recommended change in the fiscal year of the District, as proposed in the first amendment of the draft bill. For the interim period between the end of the old fiscal year to the beginning of the new fiscal year, a Federal payment of $70,000,000 is proposed.

We believe that each of the proposed amendments to the Self-Government Act will be essential to the financial operations of the new District Government and urge their favorable consideration by the Congress. We shall be glad to furnish such additional information concerning these proposals as may be requested.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

The SPEAKER. The question is on the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 10, not voting 87, as follows:

[Roll No. 413]

YEAS—337

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Fascell
Fish
Flood
Flowers
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hanley
Hanrahan
Harsha
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rees
Regula
Reuss
Riegle
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—10

Ashbrook
Baker
Burleson, Tex.
Collins, Tex.
Flynt
Gross
Landgrebe
Myers
Quillen
Runnels

NOT VOTING—87

Alexander
Badillo
Blatnik
Boland
Bowen
Brasco
Burgener
Burke, Calif.
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Cotter
Culver
Davis, Ga.
Davis, S.C.
de la Garza
Dorn
Dulski
Esch
Evans, Colo.
Evins, Tenn.
Findley
Fisher
Foley
Ford
Frey
Gettys
Grasso
Gray
Green, Oreg.
Griffiths
Gubser
Gunter
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Holifield
Hosmer
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Kuykendall
Landrum
Leggett
Lehman
McKay
McSpadden
Macdonald
Madden
Martin, N.C.
Mazzoli
Melcher
Metcalfe
Murphy, N.Y.
Pickle
Rangel
Rarick
Reid
Rhodes
Rinaldo
Robison, N.Y.
Rooney, N.Y.
Rose
Roy
Schneebeli
Sisk
Stanton, J. William
Stark
Steed
Steele
Stuckey
Symms
Talcott
Teague
Towell, Nev.
Treen
Udall
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Blatnik.
Mr. Charles H. Wilson of California with Mr. Gray.
Mr. Teague with Mr. Reid.
Mr. Carey of New York with Mr. Dulski.
Mr. Rooney of New York with Mr. Gettys.
Mrs. Burke of California with Mr. Dorn.
Mr. Melcher with Mrs. Green of Oregon.
Mr. Hawkins with Mr. Harrington.
Mr. Rarick with Mrs. Hansen of Washington.
Mr. Badillo with Mr. Fisher.
Mrs. Chisholm with Mr. Culver
Mr. Stark with Mr. Ford.
Mr. Alexander with Mr. Esch.
Mr. Clay with Mr. Hanna.
Mr. Rose with Mr. Carter.
Mr. Holifield with Mrs. Griffiths.
Mr. Brasco with Mr. Findley.
Mr. Cotter with Mr. Gubser.
Mrs. Grasso with Mr. Metcalfe.
Mr. Boland with Mr. Hammerschmidt.
Mr. Davis of Georgia with Mr. Frey.
Mr. Sisk with Mr. Hastings.
Mr. Bowen with Mr. Johnson of Pennsylvania.
Mr. Davis of South Carolina with Mr. Macdonald.
Mr. de la Garza with Mr. Kuykendall.
Mr. Jones of Tennesse with Mr. Hosmer.
Mr. Evans of Colorado with Mr. Mazzoli.
Mr. Evins of Tennessee with Mr. McSpadden.
Mr. Lehman with Mr. Pickle.
Mr. Stead with Mr. Rinaldo.
Mr. Stuckey with Mr. Schneebeli.
Mr. Roy with Mr. Leggett.
Mr. McKay with Mr. Landrum.
Mr. Rangel with Mr. Foley.
Mr. Udall with Mr. Gunter.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISTRICT OF COLUMBIA PUBLIC POSTSECONDARY EDUCATION ACT

Mr. DIGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15643) to reorganize public higher education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes, and pending that motion, Mr.

Speaker, I ask unanimous consent that general debate be limited not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Minnesota (Mr. NELSEN) and myself.

The **SPEAKER**. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The **SPEAKER**. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15643, with Mr. ANNUNZIO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The **CHAIRMAN**. Under the unanimous-consent agreement, the gentleman from Michigan (Mr. DIGGS) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. NELSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. **DIGGS**. Mr. Chairman, H.R. 15643 is a bill to authorize the consolidation of the existing public institutions of postsecondary education into a single, land-grant University of the District of Columbia, the establishment of which will be the first step toward correcting the gross, indeed, outrageous, inequities that exist between the publicly supported postgraduate educational opportunities available to residents of the District of Columbia as compared to similar opportunities afforded to the residents of all of our States, the residents of all of our major cities and the residents of our Trust Territories of Guam and Puerto Rico.

It is proper that the Congress take the first step in the process of upgrading postsecondary education in the Nation's Capital, because it is the Congress that has controlled this city for over a hundred years and, it is the Congress which, prior to 1966, sanctioned the existence as a small, struggling teachers college as adequate to meet the public higher education needs of this city. Both the Congress and the residents of the District are indebted to the distinguished ranking minority member of the D.C. Committee, Mr. ANCHER NELSEN, for introducing legislation in this body to establish the Washington Technical Institute and the Federal City College.

It is important that the university come into existence under a mandate of Congress, for it will not only put the full weight and prestige of the United States behind it, it will also be an indication to the American people that the Congress continues to be concerned about this city—all aspects of it—and that while we heartily endorse home rule for the local residents, we nevertheless will continue our role as protector of the Federal interest. And, there is a Federal interest in the quality of education in the District, not only because more than half the Members, their wives and children, diplomats and their families and other foreign citizens actually reside here, but also because we have a continuing Federal interest in assuring that all of the services and programs of the Nation's Capital are a showplace for the rest of the Nation.

I want to point out right here and now that this bill neither authorizes nor does it contemplate any outlays of Federal funds for the university over and above the present. What it seeks to do, by authorizing the consolidation of the existing administrations and programs, is to strengthen what now exists and to provide a structure whereby the postsecondary educational institutions will no longer have to compete with each other for local funds, but, rather, will be able to compete, from a position of strength, with other local agencies and programs for a fair share of local revenues. In addition, the university will be in a much stronger position than the three separate existing institutions, to participate in the large array of both federally supported and sponsored and privately supported programs of research and investigation.

LACK OF COMPARABILITY WITH STATES AND CITIES

It is a sad fact, very sad indeed, that the District, both in terms of total numbers and percentages, educates, at public expense, fewer of its residents, in a lesser number of courses of study, than does any State in the Union and any city of comparable size.

It is no less than a disgrace that the Nation's Capital, which in terms of population is larger than 10 States and is the ninth largest city in the Nation, is providing publicly-supported postsecondary education to only 11,000 full-time equivalent students, which is about 2 percent of the total population, whereas, the national average is over 3 percent per State. Every one of the 10 States with a smaller population than the District, except Alaska, has more students enrolled in public institutions of postsecondary education than does the District—indeed, some of these smaller States enroll twice as many students as does the District. And, Alaska, the one exception, has less than half the District's population; yet, has more than three times the percentage of its population enrolled in public colleges and institutions than does the District.

The lack of comparability with other jurisdictions and the lack of commitment to quality public postsecondary education is further evidenced by looking at the financial investment to operate public colleges in the District as compared with other jurisdictions.

In terms of the total appropriation for the operation of institutions of public higher education as a percentage of the States' total revenues, the range is from a high percentage of 37 percent to a low of about 4 percent. The national average is about 12 percent. The District ranks 51st, the lowest, appropriating only 3.9 percent of its total budget for fiscal 1975 in operating expenses for postsecondary education. This is a serious indictment.

Mr. Chairman, I have tables graphically demonstrating the lack of comparability in public postsecondary education between the District and the States both in terms of enrollments and funds allocated, and I ask unanimous consent that these documents be inserted at the end of my statement.

Mr. Chairman, two issues have been raised about this bill, which I would like to discuss briefly.

The first issue deals with the vocational and technical aspects of the university. There is concern in some quarters that vocational and technical education will be downgraded if it is made a part of a larger university. There is concern in other quarters that the bill, as written, will result in a downgrading of liberal and fine arts, indeed, there has been a suggestion that the bill is intended to create a vocational-technical university. Neither of these interpretations is correct. It is the intent of the committee to authorize the creation of an institution that will provide a wide range of educational opportunities for the residents of this city. Mr. NELSEN and I agree that the vocational-technical education at Washington Technical Institute must be preserved and expanded. But, we also agree that a solid university must be well-rounded, and offer a range of courses of study dictated by the needs of the community. Because there has been some confusion as to the congressional intent, I have prepared an amendment to the statement of purpose in cooperation with my distinguished colleague from Minnesota, which I will introduce at the appropriate time.

Several citizens and organizations have inquired whether the language contained on page 26, line 12 to line 17, specifically "except the programs of technical and vocational education of the Washington Technical Institute, are hereby determined to be sound and valid and shall be used as the basis for a unit of the university committed to furthering job-oriented courses of study," was intended to tie and limit the Trustees hand with respect to programs and courses of vocational and technical education. Stated otherwise, questions have been raised whether or not the quoted langauge would limit the ability of the trustees to change, modify, or abolish programs and courses deemed in the view of the trustees to be outdated, unnecessary, invalid, or unsound. It is our specific intent to authorize the trustees to take whatever action it deems appropriate to change or abolish courses or programs of technical and vocational education. Our only concern is that the trustees continue to accord vocational and technical education a proper priority on a par with the other units of the university. We have never intended the interpretation embraced by some that the trustees could not change or abolish courses or programs of technical or vocational education.

The second issue concerns the authorization in this bill for the university Board of Trustees to initiate programs of graduate and postgraduate education. Inherent in the concept of the university is the need for developing a scholarly research capability to exhaustively examine societal and problems of natural phenomena that lead to new truths, new insights, and new levels of understanding. It is out of this construct that graduate education, both for unlocking the secrets of the universe, as well as for the utility of the knowledge, is developed.

The expectation is that the Board of Trustees of the University of the District of Columbia, created by H.R. 15643, will examine in great depth the near-term and long-term problems requiring solutions as a basis for determining which graduate programs ought to be developed and on what kind of orderly time frame. It is only reasonable to assume that this process would include a review of the existing capability provided by private institutions in the District of Columbia, with alternative schemes whereby such services may be provided for the citizens of the District of Columbia.

Only the Board of Trustees can intelligently guide the examination of graduate program development for the University, reflecting its awareness of the many areas of resources that are available to it through the various agencies of the Federal Government, through the consortium of universities, through the insights of the citizenry, and through its own experience.

The challenge of Public Law 93-198, the District of Columbia Self-Government and Governmental Reorganization Act, has increased the recognition both on the part of the citizens of the District of Columbia as well as the members of the House District Committee to the historic role that public universities have played in assisting the several States and territories in developing their human resources for more effective development.

It is generally recognized, as stated in the two days of joint community hearings held jointly by the Board of Higher Education, the Board of Vocational Education, and the City Council's Committee on Education, Youth Affairs and Manpower, during which over 40 witnesses testified: and, our Education Subcommittee, during which over 20 witnesses testified that a broadening of the base of skills within the citizenry for policy formulation, planning, organizing, directing, supervising, coordinating, and accounting for the quantity and quality of education, as well as public services, must be immediately forthcoming on a day-to-day basis to assure the measure of success in self-governance that is anticipated. The development of these skills appropriately becomes a part of the mission of a substantive public university and a basis for its examination of its graduate level needs. This was one of the considerations of the Congress in the enactment of the Land-Grant College Act of 1862 in developing a similar capability within the several States and territories to meet this type of need in the development of a young Nation.

Mr. Chairman, a number of people have asked me what the private institutions think about the proposed university—do they feel threatened by the bill. We have letters from the Consortium of Universities, and the president of Georgetown University, clearly supporting H.R. 15643, and the establishment of a public land-grant University of the District of Columbia.

UNIVERSITY FACILITIES

One final point, Mr. Chairman, and that concerns the questions which have been raised relative to the physical facilities of the University. Quality public universities have been developed in the United States on as little as 30 acres of land in high density residential areas in urban communities to in excess of 300 acres of land in low population density rural areas.

Obviously, well-established programs such as the aerospace program presently operated by the Washington Technical Institute must remain in a nonresidential area in the same manner that programs related to water resources and marine life would be located near the Anacostia and Potomac Rivers. The consolidation of programs will lend themselves to facilities considerations of square footage requirements for classrooms and laboratories based on programs but also taking into account the rapidly developing Metro subway and surface system for facilitating the movement of traffic from the four quadrants of the District to multiple program locations.

The designing of an institution to serve the needs of 3 percent of the population of the District of Columbia, which would be comparable to the several States and territories, would of necessity produce economy of scales in the development of facilities if for no other reason than because of a single administration to plan for maximum utilization of spaces. The Board of Trustees will have the opportunity to review its facilities needs in the context of a total program and develop out of realism and wisdom facilities requirements for each program to create the physical environment.

What is apparent is the probability that unnecessary duplications will be avoided because of the presence of a single Board approving program offerings at both the undergraduate and graduate level before any development takes place and approving such offerings in the context of developing people for the kinds of jobs that this community needs to be performed.

CONCLUSION

We have been playing catchup with respect to postsecondary education in the District since 1966. An affirmative vote on H.R. 15643 will go a long way toward providing the local residents and the newly elected government a structure and a vehicle to catch up faster.

The material referred to follows:

TABLE I.—NUMBER AND FULL TIME EQUIVALENT ENROLLMENTS OF PUBLIC POSTSECONDARY EDUCATION INSTITUTIONS IN 10 STATES WITH A TOTAL POPULATION SMALLER THAN THE DISTRICT OF COLUMBIA

States	Population[1]	Public institutions[2] of post-secondary education		Total enrollment[2] all institutions
		Number	Names	
District of Columbia	757,000	3	(1) District of Columbia Teachers College, 2,227; (2) Federal City College, 6,168; (3) Washington Technical Institute, 2,770	11,165
Alaska	300,000	1	University of Alaska—5 branches: (1) Anchorage; (2) Fairbanks; (3) Juneau-Dgls; (4) Ketchikan; (5) Sitka	9,066
Delaware	548,000	3	(1) Delaware State College; (2) University of Delaware; (3) Delaware Technical: Northern Branch, Southern Branch	19,519
Idaho	713,000	6	(1) Boise State College; (2) College of Southern Idaho; (3) Idaho State University; (4) Lewis and Clark State College; (5) Northern Idaho College; (6) University of Idaho.	28,115
Montana	694,000	9	(1) Dawson College; (2) Eastern Montana College; (3) Flathead Valley College; (4) Miles Community College; (5) Montana College of Minerals and Science; (6) Montana State University; (7) Northern Montana College; (8) University of Montana; (9) Western Montana College.	20,440
Nevada	489,000	4	(1) University of Nevada: Las Vegas Campus, Reno Campus; (2) Clark County Community College; (3) Elko Community College; (4) Western Nevada Community College.	14,939
New Hampshire	738,000	2	(1) New Hampshire Technical Institute; (2) University of New Hampshire System—3 branches; University of New Hampshire, Keene State College, Plymouth State College.	16,497
North Dakota	618,000	9	(1) Bismarck Junior College; (2) Dickinson State College; (3) Lake Region Junior College; (4) Mayville State College; (5) Minot State College; (6) North Dakota State School of Science; (7) North Dakota State University; North Dakota State University main campus, North Dakota State University Bottineau branch; (8) University of North Dakota; University of North Dakota main campus; University of North Dakota Williston branch; (9) Valley City State College.	29,156
South Dakota	666,000	6	(1) Black Hills State College; (2) Dakota State College; (3) Northern State College; (4) South Dakota School of Mines and Technology; (5) South Dakota State University; (6) University of South Dakota: University of South Dakota main campus, University of South Dakota Springfield.	-------
Vermont	444,000	5	(1) Castleton State College; (2) Johnson State College; (3) Lyndon State College; (4) University of Vermont and State Agric. College; (5) Vermont Technical College.	13,531
Wyoming	332,000	8	(1) Casper College; (2) Central Wyoming College; (3) Eastern Wyoming College; (4) Laramie County Community College; (5) Northwest Community College; (6) Sheridan College; (7) University of Wyoming; (8) Western Wyoming Community College.	18,991

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[1] 1970 census data from Statistical Abstract of the United States, 1972.

[2] Information supplied by the Department of Health, Education, and Welfare.

TABLE II.—TOTAL STATE APPROPRIATIONS FOR INSTITUTIONS OF HIGHER EDUCATION AS A PERCENTAGE OF TOTAL STATE GENERAL REVENUE

	1963	1968	1969	1970	1971	1972	1973
Alabama	11.47	16.93	16.58	15.78	15.55	18.08	18.08
Alaska	4.61	6.71	6.84	6.30	5.54	6.15	7.54
Arizona	16.03	24.94	26.82	23.07	24.66	22.63	22.31
Arkansas	14.02	16.58	16.98	17.15	17.65	16.95	15.17
California	15.65	15.07	16.27	18.43	19.32	16.39	16.95
Colorado	25.59	24.64	24.84	26.29	29.74	24.33	20.98
Connecticut	5.67	12.01	11.24	11.66	11.02	10.46	9.68
Delaware	5.34	6.91	8.10	7.95	7.83	7.50	7.94
Florida	13.63	20.02	17.91	19.08	20.42	18.52	18.96
Georgia	9.84	15.58	16.66	16.36	17.90	17.97	18.50
Hawaii	9.43	10.21	11.81	11.70	13.91	15.33	14.46
Idaho	22.08	22.43	22.99	23.82	24.90	25.43	25.15
Illinois	13.55	12.85	13.21	11.66	11.64	9.76	8.77
Indiana	23.04	23.34	22.97	22.01	22.68	21.32	20.35
Iowa	21.20	33.46	21.07	21.69	21.44	22.85	21.27
Kansas	21.32	21.32	21.51	20.22	22.36	22.84	23.63
Kentucky	12.58	18.00	16.89	17.68	19.04	18.87	19.83
Louisiana	15.18	19.30	18.02	17.69	22.51	18.61	--------
Maine	11.28	14.38	13.10	13.68	13.49	13.02	14.03
Maryland	11.72	11.76	11.95	11.70	13.08	13.86	12.68
Massachusetts	--------	--------	3.90	4.20	5.11	4.78	--------
Michigan	13.94	15.62	15.25	17.05	16.27	14.93	13.87
Minnesota	5.77	8.79	8.61	7.20	7.32	7.92	--------
Mississippi	9.42	16.82	14.08	12.54	16.06	16.45	17.80
Missouri	11.75	17.75	18.83	19.64	19.59	18.25	18.06
Montana	25.76	30.13	33.86	29.42	31.87	27.89	27.82
Nebraska	22.45	17.43	16.32	19.02	18.72	18.33	27.63
Nevada	14.61	19.36	18.30	19.44	17.95	19.52	17.36
New Hampshire	13.88	17.10	17.60	17.91	13.48	11.87	11.78
New Jersey	4.43	6.37	7.08	7.14	8.13	10.26	10.57
New Mexico	11.85	15.95	15.54	15.40	16.68	16.05	16.43
New York	6.76	10.07	10.02	10.84	11.48	11.91	9.61
North Carolina	6.89	12.13	13.26	14.60	14.80	16.52	16.64
North Dakota	20.20	21.25	25.19	25.19	23.29	22.10	18.42
Ohio	8.60	13.05	14.86	16.08	15.71	14.97	13.01
Oklahoma	28.49	27.72	29.98	25.30	26.13	25.54	25.54
Oregon	20.01	28.95	28.95	28.48	28.48	27.83	27.98
Pennsylvania	5.45	12.01	13.45	12.56	11.51	11.12	10.67
Rhode Island	7.58	11.39	11.33	11 99	11.62	9.97	11.62
South Carolina	6.88	9.54	9.49	10.45	10.51	11.25	11.87
South Dakota	25.66	34.97	32.34	33.92	28.66	28.99	24.54
Tennessee	10.75	17.34	17.48	18.74	19.34	18.30	18.83
Texas	--------	--------	--------	--------	--------	--------	--------
Utah	10.63	16.45	17.18	15.18	16.43	16.63	18.02
Vermont	11.73	16.16	15.97	11.94	12.63	12.20	11.54
Virginia	13.63	16.25	15.86	15.58	15.93	16.66	17.09
Washington	10.41	19.42	19.08	22.50	21.23	20.73	20.34
West Virginia	14.30	15.53	16.65	16.29	14.76	11.64	--------
Wisconsin	17.46	21.44	23.02	21.07	22.19	24.51	24.57
Wyoming	32.78	36.59	36.59	38.43	38.43	37.58	37.58

Note: District of Columbia: Total budget fiscal 1975—$888,100,000; total operating budget for post secondary education fiscal year 1975—$34,600,000; present post secondary education of total budget fiscal 1975—3.92 percent.

Source: State Tax support of Higher Education: Revenue appropriation trends and patterns 1963–73. (Lyman A. Glenny; James R. Kidder) Education Commission of the States; 1860 Lincoln St., suite 300, Denver, Colo., April 1974, report number 47.

GEORGETOWN UNIVERSITY
MEDICAL CENTER,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Hon. ANCHER NELSON,
House of Representatives,
Washington, D.C.

DEAR MR. DIGGS AND MR. NELSON: On behalf of Reverend Robert J. Henle, S.J., President of Georgetown University, who is presently away from the University on an educational mission in Latin America, I should like to express the interest of Georgetown University in the consolidation of the public higher education components of the District of Columbia into a public District of Columbia University.

We have been informed by the Consortium of the D.C. Universities, of which Georgetown University is a member, that the Consortium favors this consolidation.

Georgetown University has always cooperated with and supported all elements of public higher education in the District of Columbia, i.e., Federal City College, D.C. Teachers College, and Washington Technical Institute. In turn, Georgetown University has received similar support and cooperation from those institutions. Georgetown supports their desire to unite under a framework consistent with strengthening institutions of higher education into a more effective and viable entity on behalf of society.

On behalf of our President, Reverend Henle, I extend our continued appreciation to you for your support of the private higher education institutions, as well as your support of public institutions.

Cordially,
MATTHEW F. MCNULTY, Jr., Sc.D.,
Executive Vice President for Medical Center Affairs.

THE GEORGE WASHINGTON UNIVERSITY,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, House District Committee,
House of Representatives,
Hon. ANCHER NELSEN,
Senior Minority Member,
House District Committee.

MY DEAR MR. DIGGS AND MR. NELSEN: I should like to congratulate you and your associates on the course of action you are taking toward the establishment of a University of the District of Columbia. Having supported the creation of Federal City College and the Washington Technical Institute back in the middle sixties and having seen these two institutions develop programs and services of both need and merit to the citizens of the District of Columbia, I am convinced that the next step which would combine all of public higher education into a University of the District is now both important and timely.

I am taking the liberty of writing you of my support for this program since the position of private institutions such as George Washington University is often misinterpreted.

With very best wishes,
Sincerely,
LLOYD H. ELLIOTT.

CONSORTIUM OF UNIVERSITY OF THE WASHINGTON METROPOLITAN AREA,
Washington, D.C., July 25, 1974.

Hon. CHARLES C. DIGGS, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. DIGGS: I should like to put in writing the substance of the testimony in support of the consolidation of the existing public institutions of the District of Columbia to form the University of the District of Columbia. As you know the position of the Consortium of Universities is that such consolidation will likely result in the elimination of unnecessary duplication as to offerings and will give a firm base for the establishment of a thorough-going educational enterprise under public auspices in the District of Columbia. As I mentioned in my testimony it has been the effort and the desire of the Consortium of Universities over the years to cooperate with those institutions of higher education in the District under public auspices which are accredited and which can profit by association with their peers in the higher educational enterprise. We have had most favorable and cordial relations with the District of Columbia Teachers College over the years and look forward to continued collaboration with the new University of the District of Columbia.

We were delighted to have had the opportunity of testifying before your committee in support of this consolidation. We look forward to continued cooperation with the public higher educational enterprise of the District in the years to come. May I take this opportunity to thank you for your attention and support of the private institutions of higher education here.

With every best wish I am,
Sincerely yours,
REV. JOHN P. WHALEN,
Executive Director.

PROVISIONS OF THE BILL

TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

Title I of the bill contains the short title, purposes and definitions of the principal terms used in the bill.

TITLE II—BOARL OF TRUSTEES

Title II establishes a 15-member Board of Trustees and atuhorizes the Trustees to consolidate the existing local public institutions of postsecondary education into a single Land-Grant University of the District of Columbia. This title establishes the university as an independent agency of the District of Columbia government and as such not subject to the day-to-day policy directives of the Mayor.

Membership

The bill establishes a 15-member Board of Trustees to be selected in the following manner:

(1) Twelve nominated by the Mayor, one of whom shall be a full-time student at the District of Columbia Teachers College, or the Federal City College, or the Washington Technical Institute. After the consolidation has been effectuated, the student Board member shall be a full-time student of the University.

(2) One each appointed by the Alumni Associations of the District of Columbia Teachers College, the Federal City College and the Washington Technical Institute.

After the consolidation of the local public institutions of postsecondary education has been effectuated, the three alumni members shall be appointed by the Alumni Association of the University of the District of Columbia. If any Alumni Association fails to make an appointment, the Mayor shall make the appointment.

All 15 members of the Board of Trustees shall be subject to District Council confirmation, except the student member and the three alumni members.

Trustees shall have been domiciled in and residents of the District of Columbia for the 12 consecutive months preceding their selection, except the Mayor may nominate and the Council may confirm not more than two non-resident Trustees, if in their judgment their appointments would enhance the Board of Trustees.

Employees of the Federal and District governments may be selected to serve on the Board of Trustees, unless they hold positions in clear conflict of interest, such as District government department heads, and Federal employees with grant-making authority.

The terms of the members of the Board of Vocational Education (the governing board of Washington Technical Institute) and of the Board of Higher Education (the governing board of Federal City College and the District of Columbia Teachers College) shall terminate on the day the Board of Trustees announce that the consolidation has been effectuated to establish the University of the District of Columbia. The functions, assets, and liabilities of the existing boards shall be transferred to the Board of Trustees on the day the consolidation has been effectuated and announced, except the responsibility for licensing degree granting institutions, which shall not be transferred to the Trustees.

Term of membership on Board of Trustees

Except for the student member, who shall serve a one-year term, all members of the Board of Trustees shall serve a five-year term of office and may be re-selected to serve one successive term.

University of the District of Columbia

General Duties of the Board of Trustees

The Trustees are authorized to consolidate, by June 30, 1976, the three existing local public institutions of post-secondary education into a single Federally chartered, land-grant University of the District of Columbia. It is expected that the Board of Trustees will be fully constituted in early 1975 and shall have over a year to do the planning necessary to effectuate the consolidation and cause the University to come into being. Until the consolidation is effectuated and announced, the existing institutions shall remain in existence and continue to be governed by the existing governing boards. The boards and the institutions shall cease to exist after the consolidation has been effectuated and announced.

Utilizing the strengths of the existing institutions with respect to (1) accreditation, (2) present programs and functions, and (3) actual and potential capabilities, the Trustees shall:

1. Establish a university which shall offer a comprehensive program of post-secondary and higher education. Such program shall include but not be limited to science and technology (including environmental sciences), liberal and fine arts, vocational and technical, education and professional studies, including graduate programs and post-graduate programs. It is the firm belief of the Committee that the Washington Technical Institute is well-established with proven strengths both in terms of its program offerings and administrative leadership. For this reason the Committee determined the Washington Technical Institute to be an institution whose programs are sound and valid; and urges the Trustees to assure that the programs of the Institute be used as the basis for a major unit of the University committed to furthering job-oriented courses of study for residents of the District. It is the expectation of the Committee that the Trustees will allocate land-grant funds among the units of the University in line with the goals of the land-grant legislation, and so as to assure that no less than 50 percent of such funds are utilized for vocational and technical educational programs.

2. Establish policies and standards governing admissions, curriculums, programs, graduation, the awarding of degrees, and general policymaking for the units of the University.

3. Prepare and submit to the Mayor, on a date fixed by the Mayor, an annual budget for the fiscal year beginning July 1, 1977. Such budget shall include a proposed financial operating plan for such fiscal year, and a capital and educational improvements plan for such fiscal year and the succeeding four fiscal years for the University. The Mayor and Council shall set the maximum amount to be allocated for post-secondary education. However, in reviewing the annual budget, the Mayor and Council may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for various education programs.

4. Enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

5. Enter into negotiations and binding contracts pursuant to Council regulations to perform organized research, training, and demonstrations on a reimbursable basis for the United States and the government of the District of Columbia and other public and private agencies.

6. Fix tuition for students attending the University with tuition charges to nonresidents being fixed as far as is feasible in amounts comparable to non-resident charges made by similar institutions.

7. Fix fees, in addition to tuition, to be paid by resident and nonresident students attending the University. Receipts from these fees shall be deposited in a revolving fund in one or more financial institutions in the District of Columbia, and shall be available for such purposes as the Trustees shall approve, without fiscal year limitation.

8. Accept services, gifts, or endowments for the use of the University. Such money shall be deposited to the credit of the particular unit in the District of Columbia Higher Education Fund established pursuant to section 403 of this Act and shall be disbursed in such amounts and in such manner as the Trustees may determine consistent with the intent of the gift or endowment.

9. Select, appoint, and fix the compensation for a President of the University and Provosts of the colleges in the University, and approve the appointments and compensation of such other officers as it deems necessary, including legal counsel.

10. Procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at daily rate for GS–18 of the General Schedule under section 5332 of such title.

11. Transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

12. Performing such other duties as may be necessary to carry out the purposes of this Act.

The bill authorizes the Trustees to develop policies and standards for enforcing academic freedom.

Land-grant university

Both the Federal City College and Washington Technical Institute are designated land-grant institutions by previous Acts of Congress. The bill redesignates one institution, the University of the District of Columbia, as the land-grant institution. However, the previous congressional legislation excluded the District from any participation in the Hatch Act program (Act of August 11, 1955, 7 U.S.C. 361a–361i) for research. This bill establishes the eligibility of the University to participate in such programs.

TITLE III—AUTHORIZATIONS

This title authorizes the use of District of Columbia funds in the Federal Treasury to carry out the purposes of this bill.

The need for a University of the District of Columbia

This bill, which the Committee strongly recommends favorably, would provide for the citizens and residents of the District of Columbia the quality and wide range of publicly-supported post-secondary educational opportunities available to citizens in every State in the Union, every major city in our Nation and in our Trust Territories of Guam and Puerto Rico.

Community testimony on the need

Pursuant to the request of the Chairman of this Committee, on March 23 and 30, 1974, city-wide hearings were held on legislation drafted by the Committee staff that would, among other things, establish a University of the District of Columbia. The joint-sponsors of the city-wide hearings, the Board of Higher Education, the Board of Vocational Education and the City Council's Committee on Education, Youth Affairs and Manpower, reported the results of those hearings to this Committee on May 14, 1974. In the report the joint-sponsors of the city-wide hearings stated that some 40 persons, representing over 28 thousand constituents, testified on the draft legislation and overwhelmingly supported the establishment of a University of the District of Columbia. Those 40 witnesses represented organizations with a continuing interest and commitment to improving education at all levels in the city

Mr. Chairman, I now yield to the gentleman from California (Mr. DELLUMS) 7 minutes for his statement with respect to this bill.

Mr. DELLUMS. Mr. Chairman, the purpose of H.R. 15643, as amended, is to authorize a public land-grant University in the District of Columbia through a reorganization of the existing local public institutions of postsecondary education in the District.

In 1966, Congress authorized the establishment of two publicly supported institutions of postsecondary education, the Federal City College and the Washington Technical Institute. The act created the Board of Vocational Education as the governing body of the Washington Technical Institute, and the Board of Higher Education as the governing body of the Federal City College. The act also directed the Board of Higher Education to assume control of the District of Columbia Teachers College established pursuant to the act approved February 25, 1929, from the Board of Education.

The institutions established pursuant to the 1966 legislation have done much to "remedy the major flaw" in the postsecondary educational opportunities available to citizens of the Nation's Capital at publicly supported facilities. However, the District of Columbia continues to fall short of all the States and cities of comparable size in providing publicly supported, high-quality postsecondary educational opportunities for its citizens and residents.

This committee seriously considered whether in view of the Self-Government and Governmental Reorganization Act this committee should be legislating in this area. It was determined by a large majority of the full committee that congressional action to authorize the establishment of a university was both necessary and desirable for the following reasons:

First. The committee felt that if the Congress authorized the establishment of a university for the District of Columbia, it would be a congressional endorsement and commitment to high-quality postsecondary education in this, our Nation's Capital;

Second. The citizens and residents of this community urged the Congress to establish the university;

Third. The Congress conferred land-grant status on the Federal City College in 1968 and Washington Technical Institute in 1971. It was the feeling of the committee that Congress should redesignate a new land-grant institution in the District; and

Fourth. The Board of Vocational Education is a Presidentially appointed Board, and there is a serious question as to whether the District Council can abolish a Presidentially appointed board, which it would be required to do to effect the consolidation. Even assuming the authority to do so, the committee felt that there would be great reluctance on the part of the Council to take such action, which would come under close congressional scrutiny.

This bill, which the committee strongly recommends, would provide for the citizens and residents of the District of Columbia the quality and wide range of publicly supported postsecondary educational opportunities available to citizens in every State in the Union, every major city in our Nation, and in our trust territories of Guam and Puerto Rico.

Pursuant to the request of the chairman of this committee, on March 23 and 30, 1974, citywide hearings were held on legislation drafted by the committee staff that would, among other things, establish a University of the District of Columbia. The joint sponsors of the citywide hearings, the Board of Higher Education, the Board of Vocational Education, and the City Council's Committee on Education, Youth Affairs, and Manpower, reported the results of those hearings to this committee on May 14, 1974. In the report the joint sponsors of the citywide hearings stated that some 40 persons, representing over 28,000 constituents, testified on the draft legislation and overwhelmingly supported the establishment of a University of the District of Columbia. Those 40 witnesses represented organizations with a continuing interest and commitment to improving education at all levels in the city.

No new programs are authorized nor are additional costs anticipated by this legislation. On the contrary, consolidation, economy of scale, and elimination of administrative and program duplication, may result in cost savings.

The bill, H.R. 15643, as amended, was approved and ordered reported to the House by voice vote of the committee on July 17, 1974, a quorum being present.

Mr. NELSEN. Mr. Chairman, I yield myself such time as I may consume.

After much consideration and discussion about this particular piece of legislation, I finally decided that I would support it given the assurances in testimony before the full committee and certain language inserted in the bill that vocational and technical training within the university would be protected and given their proper priority in the programs and offerings of the university in the future.

The chairman and others who drafted this particular bill, perhaps in a concession to me, may have used language which gives the impression to a reader that vocational and technical training in the university and the Washington Technical Institute are to serve as the core of the center piece of the University of the District of Columbia. This was not my intention and I think that some of the language in the bill will be corrected by amendment by the chairman to more clearly illustrate this. Certainly the academic courses offered by the Federal City College must have their proper places in the university, and it was not my intention that in protecting technical and vocational training, that the liberal arts and other academic courses should be made to suffer.

Let me turn for a moment to what I believe the intent of this legislation is and what the Congress is in establishing a University for the District of Columbia. I am told by the university officials, among others who support this legislation, that it will be more economical, that course offerings can be diminished, that administrative costs can be cut, and that overall, the action in establishing a university will promote economy and efficiency and at the same time improve the educational services of the educational institutions in the District of Columbia.

It certainly is not my intention that the university would move into such areas as establishing their own medical and dental schools or their own law school. Certainly we have enough of those schools in the District of Columbia in the private sector that if there are residents here who might wish to receive training of that sort, that the locally elected government could provide for that training to their residents through a tuition grant system, such that they could attend the private universities within the District. This, as I understood it, was the position of the Consortium of Universities, and I think it has a great deal of merit. I think that my colleague, Mrs. Green, would support the limitation of this university from expanding into graduate programs at a time when enrollments are declining throughout the country and even scheduled to decline within the private universities in the District of Columbia.

My position on this bill is further set forth in my additional views as contained in House Report 93-1202, which accompanied H.R. 15643; and at this point in the RECORD, I wish to insert those views:

ADDITIONAL VIEWS OF HON. ANCHER NELSEN

The consideration of this legislation to establish a University of the District of Columbia has caused me considerable concern.

I am particularly concerned with the vocational and technical education programs currently offered and administered by the *independent* Washington Technical Institute. The Board of that Institute is appointed by the President. The school itself is administered by Dr. Dennard, who serves as its President. Both the Board and the President have performed exceedingly well since the Institute was established in 1968. Dr. Dennard has especially performed his tasks with great skill and certainly with a great deal of admiration from those of us who come in contact with him here in Congress.

The students have also achieved great success. From my observations, they are eager, ambitious to learn and are highly employable. Over 85% of the graduates have been placed in jobs immediately upon graduation and others have gone on to further educational achievements.

I was the author of the bill in the House in 1966 that established the Washington Technical Institute. The then-Senator Wayne Morse provided for the Federal City College in a bill he introduced in the Senate. Senator Morse suggested to me that the technical school should be a college or division within the Federal City College. I objected to that because historically, in my opinion, when vocational and technical schools are not independent, so that state legislatures may fund them directly, the larger university officials—who are more oriented toward the professional schools and liberal arts—tend to deny them adequate funding.

Public Law 89-791, which established the Federal City College and the Washington Technical Institute, preserved the independence of the technical and vocational institution. In the years since, it has flourished.

Another bit of history is important here regarding my concern for this bill. I introduced legislation (ultimately Public Law 90-354) which permitted the District of Columbia and its residents to participate in various land-grant programs and funds. At that time, I was informed that only a four-year degree granting institution could be named as the beneficiary. Accordingly, language was placed in the land-grant bill that Federal City College would be named beneficiary. But, language was placed in the House report accompanying that bill that the House intended and the Presidents of the Federal City College and the Washington Technical Institute agreed (a copy of the agreement appeared in the Report) to share the land-grant funds. However, in 1970, I had to introduce another bill (ultimately Public Law 91-650) that specifically named the Washington Technical Institute as a land-grant institution, because Federal City College had retained all the land-grant funds based on an interpretation of the express language of the original public law.

For the foregoing, among other reasons, I am concerned that vocational and technical training, which is doing extremely well in the District today, may not meet the same success under this bill where the Institute becomes part of a larger university and is ruled by a university board of trustees.

It may be that vocational and technical training may have improved opportunities and status under a University of the District of Columbia, but I had doubts about the protections provided in this bill as they relate to vocational and technical training; and I would have preferred to leave the determination of this matter to the newly elected local government when it takes office January 2, 1975. However, I was given assurances during the markup on this bill by testimony of certain witnesses and some changes in language as it relates to the purposes of this Act that vocational and technical training would receive a high priority in the programs and funding of the University.

I would welcome debate on the above issues, as well as any others engendered by the provisions contained in this bill; however, given the assurances protecting vocational and technical training noted above, I consider that I can support this bill.

Mr. Chairman, the bill that we have before us is a bill that I have long been interested in. I believe that some of the earlier history of higher educational facilities in the District of Columbia ought to be mentioned at this time.

The Members will recall that the late Senator Wayne Morse introduced a bill for higher education that came to the House of Representatives with the liberal arts part of it, and the vocational educational part of it tied together. Some of us felt that they should be separated because the history of this kind of consolidation has usually left vocational education with what is left over. So we separated the two, and each started out on their venture in their respective fields to provide education here in the District, one the Federal City College and the other the Washington Technical Institute.

Then we discovered in our committee that the land-grant money that was made available largely for rural areas was gradually working into the extension of this legislation in our larger cities all over the country, and I introduced an amendment that made the District of Columbia an eligible recipient for such land-grant money. There was some objection to that on the floor, but there is no reason why we should not relieve the budget here a little bit, if other cities were using it, why should not our Nation's Capital have it for their purposes of higher education? So we set them up with land-grant funds here in the Congress in 1968.

I would like to say that vocational education was my interest, it was a thing I felt we needed so much. I think those Members who have seen what has happened out at Washington Technical Institute must admit that it has provided a tremendous contribution to educational opportunities here in the District of Columbia. Likewise, in the liberal arts college, I think now that they have been accredited by the Middle States Association. They are on their way toward providing some very fine courses there.

But in our area, and in the Nelsen Commission report, we recommend that higher education be placed under one umbrella here for management of educational facilities a Commission on Higher Education. This would be under one sort of management facility, and this bill will move in that direction, maybe it moves further than our Nelsen Commission report, but then it is claimed to be needed for economy and efficiency.

But I was constantly aware of the fact that sometimes a vocational side gets hurt. So we have language in this bill that very definitely assures the vocational side will move ahead the same as the liberal arts or other educational courses, because we feel that there is a need for training people with a skill to use their hands as well as their minds. It is not everybody who can be a bank president or a college professor, but there are many very intelligent people who have a special skill that God gave them, and why not train it for income, for pride, for home, for everything that is important?

Out at the WTI—I was there for laying the cornerstone—recently, they have a very fine program. One lady came up to me with tears in her eyes because finally we now have provided for this community something that was much needed; vocational and technical training, and her appreciation for that was tremendous.

But I want to say that it is not my feeling that there should be the Federal Government's continued overall financial responsibility here. This bill does not constitute broader Federal commitment. It is my feeling that we are giving them a university with all of these facilities of education, and then the Federal Government's role will be the same with respect to this school as every other school in the country, and will give financial support which we do in many ways. I do not contemplate that the university will expand its offerings.

I want also to say that I hope we will improve our processes by this type of a bill. I am all for it. I understand that there will be some amendments offered which I think are necessary because it was our opinion that we were getting into the appropriation process a bit, and I think Mr. NATCHER will have some amendments to deal with that. I am in favor of that. I think other members of our committee will have something to say about this bill as to the authority for reprograming which is in it. All I can say here is that I admit that I was one of those who was reluctant about this approach, but I also admit that after hearing the statements by educators, I now am in support of it. I believe it follows the Commission report, to some extent, that we had submitted some time ago, and I hope this House will pass the bill looking at it as an economy and efficiency measure.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

I should like to commend the gentleman from Minnesota for his fine statement. I am in full support of it. He has shown great leadership in the District of Columbia in education particularly in his untiring efforts to establish the Washington Technical Institute.

Mr. NELSEN. I thank the gentleman for his comments.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I will be brief. I would simply call to the attention of my colleagues my very lengthy dissenting views as printed in the committee report, and call again to the attention of my colleagues that in my Dear Colleague letter that was circulated over the weekend, the last paragraph I understand reflects some wrong information. However, in checking further on the matter, I find that this bill was handed out of committee by voice vote and to my knowledge I am the only Member of Congress publicly expressing opposition to its passage.

I would conclude my comments by saying that I really feel that this is a matter that could wait a few more months until the new District of Columbia officials have been duly elected, and that would be time enough to proceed with this massive change in the higher education organization in our Capital City.

So I certainly am sincere in my request that we vote down this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANDGREBE. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I do not believe I have ever seen legislation with more wide open provisions with respect to personnel, with respect to the hiring of personnel, and with respect to the handling of personnel than are contained in this bill.

Mr. LANDGREBE. As my dissenting views in the report point out, this university, as my office interprets it, would be free of any responsibility to the city government. They would name their own wages, and it seems to me they would be an entirely separate entity in the community.

Mr. GROSS. And neither the Mayor nor the City Council would have any control whatsoever?

Mr. LANDGREBE. They would have no control.

I will say to my friend, the gentleman from Iowa, it is interesting to note, and I believe he is a great deal concerned about the future fiscal welfare of this country, that as we interpret this bill the president of the new university would have a $25,000 annual petty cash account. Only his signature on a voucher will be required. That certainly is contrary to the quality of accounting that is usually demanded in Government and the business world. This generous petty cash allowance is a clear reflection of the generosity, perhaps even the irresponsibility of the people who are setting up this new giant university in our Capital City.

Mr. NELSEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I rise in opposition to H.R. 15643, more particularly, section 301(b) of that bill, which permits the President of the University of the District of Columbia to expend $25,000 per year with only a signed certificate as a voucher.

The report accompanying this bill, containing the dissenting views of my colleague from Indiana (Mr. LANDGREBE) states that this amount is excessive. I certainly agree with the gentleman from Indiana, but I would go further and say not only is it excessive, but it is wrong.

No one in the city government, in my opinion, be it the President of the University of the District of Columbia, a member of the City Council, or the soon-to-be-elected Mayor, should be able to expend funds merely by signing a certificate and without displaying for public audit the voucher backing up those expenditures. If the President of the university wishes to invite prospective students to a luncheon or a number of Boy Scouts to his office for some cookies and soft drinks, certainly he should be more than willing to indicate that those expenditures were used by those particular purposes.

I shall have an amendment at the desk, which would, in my opinion, correct this particular provision in H.R. 15643.

Mr. LANDGREBE. Mr. Chairman, will the gentleman from California yield?

Mr. KETCHUM. I yield to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, recently Congress amended the appropriations bill that authorizes expenditures for the White House, requiring the President to submit his entertainment bills to the General Accounting Office for review.

Mr. KETCHUM. As we quite properly should have.

Mr. LANDGREBE. And we require that any travel he authorizes should be subjected to audit by the General Accounting Office.

Mr. KETCHUM. As it quite properly should be.

Mr. LANDGREBE. All right. Then if it should be all right for the General Accounting Office, which is an arm of the legislative branch, to review the travel and food expenditures for the White House, why has this body not made such provision for our own travel? Why is the travel of this body not being subjected to that also?

Mr. KETCHUM. I would say to the gentleman from Indiana, I am the sponsor of legislation that would do just that.

Mr. LANDGREBE. How is it then, in the light of the foregoing, that this Congress can authorize a $25,000 petty cash fund for the President of this university with absolutely no accounting required?

Mr. KETCHUM. I will say to the gentleman from Indiana during my brief but interesting tenure on the District of Columbia Committee, when we were discussing authorizations, and this was prior to the home rule bill, we found a similar provision for the Mayor in that bill, and I raised the same question and we had the same debate. This is only my opinion, but in my opinion the only place we should permit confidential funds is with the police departments where they are using those funds for informants, but even those are subject to audit by the grand jury.

Mr. NELSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I take this time, before we go to the 5-minute rule, since I am prepared to take points of order against two items in the bill, whether it is the understanding for the RECORD, that the gentleman, or some member of the committee, will offer amendments to paragraph (h) on page 28 and paragraph (i), also on page 28 of the bill, that will provide that there must be authorization for the moneys to be expended prior to the appropriations?

In its present form, the money can be expended without authorization.

Mr. DIGGS. Mr. Chairman, I appreciate the gentleman's keen observation. We have two amendments at the desk. One will be offered by myself to section 205(h) and one to be offered by the gentleman from Kentucky (Mr. NATCHER) to section 205(i), to meet the legitimate objections of the gentleman from Iowa.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Public Higher Education Reorganization Act".

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public higher education in the District of Columbia.

DEFINITIONS

SEC. 103. For the purposes of this Act—

(a) The term "Trustees" means the Board of Trustees established under title II of this Act.

(b) The term "President" means the chief executive and administrative officer of the University.

(c) The term "University" means the University of the District of Columbia authorized and directed to be established under title II of this Act.

(d) The term "Provost" means the academic and administrative head of each of the several colleges of the University.

(e) The term "Mayor" means the Mayor of the District of Columbia established by section 421 of the District of Columbia Self-Government and Governmental Reorganization Act.

(f) The term "Council" means the Council of the District of Columbia established by section 401 of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) The term "Board of Higher Education" means the Board of Higher Education established under section 102 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1602).

(h) The term "Vocational Board" means the Board of Vocational Education established under section 202 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1622).

(i) The term "Board" means the District of Columbia Board of Education established under section 303 of the Elected Board of Education Act (D.C. Code, sec. 31–101).

(j) The term "financial institution" means an insured bank as defined in section 3 of the Federal Deposit Insurance Act, or a savings and loan association as defined in section 401 of the National Housing Act.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

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Sec. 406. Authority of Council.
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TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Public Postsecondary Education Reorganization Act".

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public postsecondary education in the District of Columbia. It is the clear and specific intent of the Congress that vocational and technical training within the University be given at all times a high priority, on a par, if not exceeding, the funding given other colleges within the University and that the land-grant funds be channeled through the University to the vocational and technical entity therein in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act).

DEFINITIONS

SEC. 103. For the purposes of this Act—

(a) The term "Trustees" means the Board

of Trustees established under title II of this Act.

(b) The term "President" means the chief executive and administrative officer of the University.

(c) The term "University" means the University of the District of Columbia authorized and directed to be established under title II of this Act.

(d) The term "Provost" means the academic and administrative head of each of the several colleges of the University.

(e) The term "Mayor" means the Mayor of the District of Columbia established by section 421 of the District of Columbia Self-Government and Governmental Reorganization Act.

(f) The term "Council" means the Council of the District of Columbia established by section 401 of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) The term "Board of Higher Education" means the Board of Higher Education established under section 102 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1602).

(h) The term "Vocational Board" means the Board of Vocational Education established under section 202 of the District of Columbia Education Act (D.C. Code, sec. 31–1622).

(i) The term "Board" means the District of Columbia Board of Education established under section 303 of the Elected-Board of Education Act (D.C. Code, sec. 31–101).

(j) The term "financial institution" means an insured bank as defined in section 3 of the Federal Deposit Insurance Act, or a savings and loan association as defined in section 401 of the National Housing Act.

TITLE II—BOARD OF TRUSTEES

MEMBERSHIP

SEC. 201. (a) There is hereby authorized to be established a University of the District of Columbia, which shall be an independent agency of the District of Columbia government, and which shall be governed by a Board of Trustees consisting of fifteen members selected according to the provisions of this section:

(1) Twelve members nominated by the Mayor, one of whom shall be a full-time student at the District of Columbia Teachers College, or the Federal City College, or the Washington Technical Institute. Except for the student member, the nominees under this subsection shall be subject to Council confirmation.

(2) One member of the Trustees appointed by the Alumni Association of the District of of Columbia Teachers College, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(3) One member of the Trustees appointed by the Alumni Association of the Federal City College, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(4) One member of the Trustees appointed by the Alumni Association of the Washingington Technical Institute, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(5) In the event the alumni associations referred to in subsections (2), (3), and (4) of this section fail to submit an appointee within the time specified, the Mayor shall make the appointment.

(6) As the initial terms of the alumni members expire, the three alumni trustees shall be appointed by the Alumni Association of the University or the Mayor if no alumni association of such University exists.

(b) All nominations and appointments under this section shall be made not later than March 2, 1975. The terms of the members of existing Boards shall terminate on the day that the Trustees announce the consolidation has been effectuated, but in no event shall the terms terminate later than June 30, 1976.

(c) The Trustees shall hold the first meeting no later than April 2, 1975. The first meeting of the Trustees shall be convened by a member of the Trustees designated by the Mayor.

(d) The student member of the Trustees shall serve a one-year term of office; all other Trustees may be selected to serve one successive term.

(e) The terms of nonstudent Trustees shall be determined by lots cast at the first meeting of the Trustees, with the initial lots to provide:

(1) three shall serve terms of two years;

(2) three shall serve terms of three years;

(3) three shall serve terms of four years; and

(4) five shall serve terms of five years.

(f) Any Trustee selected to fill a vacancy shall be selected only for the remainder of the term for which his predecessor was selected and in the same manner as the original selection. A Trustee may serve after the expiration of his term until his successor has qualified to take office.

(g) A Chairman and Vice Chairman (1) shall be selected by the Trustees from among the District of Columbia resident members, (2) shall serve a one-year term as Chairman or Vice Chairman, (3) may be reappointed, and (4) cannot serve in such capacity beyond their term as member.

(h) All members selected to the Trustees shall have been domiciled in and residents of the District of Columbia for the twelve consecutive months preceding the date of their selection except that the Mayor may nominate not more than two persons to the Trustees who are not residents of the District of Columbia if, in his judgment, their nominations would enhance the Trustees.

(i) Members of the Trustees may be employees of the United States or of the District of Columbia government, unless they hold positions in clear conflict of interest.

(j) The president of the University shall be an ex officio member of the Trustees and shall serve as Secretary to the Trustees.

SUSPENSION AND REMOVAL

SEC. 202. Any Trustee shall be automatically suspended from serving as such member after he has been found guilty of a felony by a court of competent jurisdiction. Upon a final determination of his guilt or innocence, the term of such member shall automatically terminate or be reinstated.

COMPENSATION

SEC. 203. Trustees shall serve without compensation, but may be reimbursed for their expenses, including per diem in lieu of subsistence, at the maximum rate equal to the daily equivalent provided for by grade 18 of the General Schedule established under section 5332 of title 5 of the United States Code, with a limit of $4,000 per annum, while actually engaged in service for the Trustees.

THE UNIVERSITY OF THE DISTRICT OF COLUMBIA

SEC. 204. The Trustees shall, by June 30, 1976, consolidate the existing three public institutions of postsecondary education in the District of Columbia into a single institution to be called the University of the District of Columbia, with several schools, colleges, institutes, campuses, and units that offer a comprehensive program of public postsecondary education. The institutions of public postsecondary education in the District of Columbia existing immediately prior to such consolidation shall be deemed abolished on the effective date of the consolidation. Thereafter, any reference in any law, rule, regulation, or other document of the United States or of the District of Columbia to such institutions shall be deemed to be a reference to the University of the District of Columbia.

DUTIES OF THE BOARD OF TRUSTEES

SEC. 205. It shall be the duty of the Trustees to—

(a) Review the existing public institutions of postsecondary education with respect to (1) accreditation, (2) present programs and functions, and (3) actual and potential capabilities. Those institutions and programs within such institutions that are determined to be sound and valid shall be used as a basis for the several schools, colleges, institutes, campuses, and units of the University, which shall include but not be limited to programs of science and technology, including but not limited to environmental sciences, liberal and fine arts, vocational and technical education and professional studies, including graduate programs, and postgraduate programs, except the programs of technical and vocational educational of the Washington Technical Institute, are hereby determined to be sound and valid and shall be used as the basis for a unit of the University committed to furthering job oriented courses of study.

(b) Establish or approve policies and procedures governing admissions, curriculums, programs, graduation, the awarding of degrees, and general policymaking for the units of the University.

(c) Prepare and submit to the Mayor, on a date fixed by the Mayor, an annual budget for the fiscal year beginning July 1, 1977. Such budget shall include a proposed financial operating plan for such fiscal year, and a capital and educational improvements plan for such fiscal years and the succeeding four fiscal years for the University. In reviewing the annual higher educational budget, the Mayor and Council may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for various education programs.

(d) The Trustees may transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

(e) Enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

(f) Enter into negotiations and binding contracts pursuant to Council regulations to perform organized research, training, and demonstrations on a reimbursable basis for the United States and the government of the District of Columbia and other public and private agencies.

(g) Fix tuition for students attending the University with tuition charges to nonresidents being fixed as far as is feasible in amounts comparable to nonresident charges made by similar institutions.

(h) Fix fees, in addition to tuition, to be paid by resident and nonresident students attending the University. Receipts from these fees shall be deposited in a revolving fund in one or more financial institutions in the District of Columbia, and shall be available for such purposes as the Trustees shall approve, without fiscal year limitation.

(i) Accept services, gifts, or endowments for the use of the University. Such money shall be deposited to the credit of particular units of the University in the District of Columbia Higher Education Fund established pursuant to section 403 of this Act and shall be disbursed in such amounts and in such manner as the Trustees may determine consistent with the intent of the gift or endowment.

(j) Select, appoint, and fix the compensation for a President of the University and Provosts of the units of the University, and approve the appointment and compensation of such other officers as it deems necessary, including legal counsel.

(k) Procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at daily rates for individuals not in excess of the maximum daily rate for GS–18 of the General Schedule under section 5332 of such title.

(l) Develop and define a policy governing academic freedom for the University and establish mechanisms to ensure its enforcement.

(m) Perform such other duties as may be necessary to carry out the purposes of this Act.

PERSONNEL SYSTEM

SEC. 206. (a) Notwithstanding any other provision of law, the Trustees are hereby authorized to establish, not earlier than one year and not later than five years after the effective date of this section, a personnel system (setting forth minimum standards) for all employees of units, facilities, and programs of the University, including, but not limited to, pay, contract terms, leave, residence, retirement, health and life insurance, employee disability, and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulations adopted pursuant thereto, and applicable to such officers and employees immediately prior to the effective date of the system established pursuant to this section. Any provision in the personnel system established by the Trustees under this section requiring employees to be residents of the District of Columbia shall apply only to employees hired after the effective date of such system.

(b) The personnel policies of the Trustees shall incorporate Executive Order Numbered 70–229 of the Commissioner of the District of Columbia, as implemented by chapter 25A of the District Personnel Manual, or similar policies developed by the Trustees to guarantee collective-bargaining rights of employees subject to this section.

(c) Personnel legislation in effect prior to the establishment by the Trustees of such system, including without limitation, legislation relating to appointments, promotions, discipline, separation pay, unemployment compensation, health disability and death benefits, leave, retirement, insurance, and veterans preference applicable to such employees, shall continue to be applicable until such time as the Trustees shall, pursuant to this section, provide for coverage under a new personnel system.

(d) All actions affecting such personnel and such members shall, until such time as a personnel system is established by the Trustees superseding such law and establishing a permanent personnel system for all employees of the University continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to offices and employees of the District government, and where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Numbered 5493 of November 8, 1930, relating to the appointment of District personnel.

TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES

SEC. 207. The Board of Higher Education and the Vocational Board shall be abolished on the day the Trustees announce that the consolidation has been effectuated, but in no event shall the Boards be abolished later than June 30, 1976. Except as provided by this Act all functions, powers, and duties of the Board of Higher Education and the Vocational Board under the District of Columbia Public Education Act of 1966 (D.C. Code sec. 31–1601) shall be vested in and exercised by the Trustees. All employees, property (real and personal), and unexpended balances (available or to be made available) of appropriations, allocations, and all other funds and assets and liabilities of the Board of Higher Education and Vocational Board are authorized to be transferred to the Trustees, except the functions of licensing institutions to confer degrees as authorized by Public Law 89–791 (D.C. Code, sec. 29–415).

ESTABLISHMENT OF LAND-GRANT UNIVERSITY

SEC. 208. (a) In the administration of—

(1) the Act of August 30, 1890 (7 U.S.C. 321–326, 328) (known as the Second Morrill Act),

(2) the tenth paragraph under the heading "Emergency Appropriations" in the Act of March 4, 1907 (7 U.S.C. 322) (known as the Nelsen amendment),

(3) section 22 of the Act of June 29, 1935 (7 U.S.C. 329) (known as the Bankhead-Jones Act),

(4) the Act of March 4, 1940 (7 U.S.C. 331), and

(5) the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act); and the term "State" as used in the laws and provisions of law listed in the preceding paragraphs of this section shall include the District of Columbia.

(b) In the administration of the Act of May 8, 1914 (7 U.S.C. 341–346, 347a–349) (known as the Smith Lever Act)—

(1) the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308); and

(2) the term "State" as used in such Act of May 8, 1949, shall include the District of Columbia, except that the District of Columbia shall not be eligible to receive any sums appropriated under section 3 of such Act.

(c) In lieu of an authorization of appropriations for the District of Columbia under section 3 of such Act of May 8, 1914, there is authorized to be appropriated such sums as may be necessary to provide cooperative agricultural extension work in the District of Columbia under such Act. Such sums may be used to pay no more than one-half of the total cost of providing such extension work. Any reference in such Act (other than section 3 thereof) to funds appropriated under such Act shall in the case of the District of Columbia be considered a reference to funds appropriated under this subsection.

(d) Four per centum of the sums appropriated under subsection (c) for each fiscal year shall be allotted to the Federal Extension Service of the Department of Agriculture for administrative, technical, and other services provided by the Service in carrying out the purposes of this section.

(e) The second sentence of the first section of the Act of March 2, 1887 (7 U.S.C. 361a–361i) is amended by inserting "(including the District of Columbia)" immediately after "the several States".

STATE CONSENT

SEC. 209. The enactment of this Act shall, as respects the District of Columbia, be deemed to satisfy any requirement of State consent contained in any of the laws or provisions of law referred to in section 209.

TITLE III—AUTHORIZATIONS

SEC. 301. (a) There are authorized to be appropriated out of any money in the Treasury to the credit of the District of Columbia such sums as may be necessary for carrying out the purpose of this Act.

(b) The President is authorized to provide for the expenditure in amounts not to exceed $25,000 of funds for such purposes as may be deemed necessary within limits that may be specified in annual appropriations. The President's determination thereof shall be final and conclusive, and a signed certificate shall be sufficient voucher for the expenditure of appropriations made pursuant to this section.

TITLE IV—MISCELLANEOUS

MEETINGS

SEC. 401. Meetings may be called by the Chairman or a majority of the members of the Trustees. No official action may be taken by the Trustees except at a meeting of the Trustees at which a quorum is present. Eight members shall constitute a quorum but a lesser number may hold hearings. Each meeting of the Trustees shall be open to the public and held in the District of Columbia with appropriate notice of each such meeting given to the general public, except a majority of the Trustees may elect to go into executive session to take action on personnel matters.

ADVISORY COMMITTEES

SEC. 402. The Trustees shall appoint such advisory committees as necessary to advise on educational policy. Such advisory committees may consist of members of the Trustees, students, faculty members, parents, governmental, educational, business, industrial and community representatives.

DISTRICT OF COLUMBIA HIGHER EDUCATION FUND

SEC. 403. There is established in the Federal Treasury, without fiscal year limitations, the District of Columbia Higher Education Fund. There shall be deposited in such fund all gifts, contributions, funds in receipt of services rendered, and all other moneys not included in the annual operating and capital and educational improvements funds appropriated by Congress. Such fund shall be administered pursuant to the provisions of the Budget and Accounting Act. Moneys deposited therein shall be available for investment in interest-bearing Treasury notes and bonds and shall be distributed in such amounts and in such manner as the Trustees may determine.

ANNUAL REPORT

SEC. 404. The Trustees shall make an annual report to the Congress, Mayor, Council, and the general public, on November 1 of each year, on the operation of programs and the expenditure of all funds for public higher education in the District of Columbia.

NEW AUTHORITY GRANTED BOARD OF EDUCATION

SEC. 405. (a) The Board may transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

(b) The Board may enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

AUTHORITY OF COUNCIL

SEC. 406. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

EFFECTIVE DATE

SEC. 407. This Act shall take effect January 2, 1975.

Mr. DIGGS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Diggs to the committee amendment in the nature of a substitute: "Page 28, line 7, immediately after "available" insert ", when appropriated,".

Mr. DIGGS. Mr. Chairman, this amendment is offered to obviate the point of order referred to by the gentleman from Iowa to section 205.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Diggs) to the committee amendment with nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Diggs to the committee amendment in the nature of a substitute; Page 19, strike out line 7 and all that follows down through and including line 5 on page 20 and insert in lieu thereof the following:

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public post-secondary education in the District of Columbia. It is the clear and specific intent of the Congress that vocational and technological education within the University be given at all times its proper priority in terms of funding with other units within the University, and that the land-grant funds be utilized by the University in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act).

Mr. DIGGS. Mr. Chairman, the purpose of this amendment, and I referred to it in my general remarks, is to authorize the creation of a university which offers a wide range of courses and program offerings, including vocational and technical education.

This amendment, which was agreed to by the gentleman from Minnesota, the ranking minority member (Mr. Nelsen) is intended to clarify the congressional intent to authorize the creation of what I have already referred to as a well-rounded university and not an authorization to create a vocational technical university basically as an institution. Its purpose is to clarify the intent of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Diggs) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Diggs to the committee amendment in the nature of a substitute: Page 27, strike out lines 3 through 7 and insert in lieu thereof the following: "sity. The Mayor and the Council may establish the maximum amount of funds which will be allocated to the Trustees for Higher Education, but may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for the various programs under the jurisdiction of the Trustees."

Mr. DIGGS. Mr. Chairman, this amendment authorizes the Mayor and Council to set the maximum amount of funds which will be allocated for post-secondary education for each fiscal year. However, the amendment stipulates that once the maximum amount is set the Mayor and Council may not specify the uses of those funds. In other words, the Board of Trustees will determine what the funds will be used for.

This amendment, Mr. Chairman, simply gives the Board of Trustees the same authority that the Board of Education has under home rule. This amendment again represents our answer to a problem which was worked out in committee.

The language also is designed to overcome what was inadvertently left out of the printed copy of the bill. The intent of the amendment is discussed in some detail on page 3 of the committee report.

Mr. LANDGREBE. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Chairman, will the gentleman read again just the first few words of the amendment? Is it "may" or "shall"?

Is it "the Mayor and Council may," or "shall"?

Mr. DIGGS. "May."

Mr. LANDGREBE. It may limit?

Mr. DIGGS. Correct.

Mr. LANDGREBE. Mr. Chairman, I am having prepared an amendment which I shall offer to the gentleman's amendment.

Mr. DIGGS. Mr. Chairman, while the amendment is being prepared, I may say that the council will have authority to deal with this matter anyway. I do not see why the amendment to be offered by the gentleman from Indiana would have any effect. The same language is in the home rule bill.

Mr. LANDGREBE. Mr. Chairman, I would still like to offer an amendment stating that the Mayor and Council shall determine the maximum amount of money that can be spent. That will be my amendment.

AMENDMENT OFFERED BY MR. LANDGREBE TO THE AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. LANDGREBE. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Landgrebe to the amendment offered by Mr. Diggs to the committee amendment in the nature of a substitute: Page 27, line 3, after the word "council" strike the word "may" and insert the word "shall."

Mr. LANDGREBE. Mr. Chairman, I would like to say just a word concerning my amendment.

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. LANDGREBE. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, we can resolve this matter right now. We on this side are prepared to accept the amendment of the gentleman from Indiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. Landgrebe) to the amendment offered by the gentleman from Michigan (Mr. Diggs) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Diggs), as amended, to the committee amendment in the nature of a substitute.

The amendment, as amended, to the committee amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. NATCHER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. NATCHER. Mr. Chairman, I offer 4 amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Natcher to the committee amendment in the nature of a substitute:

Page 19, in the table of contents, strike out "Sec. 403. District of Columbia Higher Education Fund." and insert in lieu thereof "Sec. 403. Gifts and contributions.".

Page 27, line 11, strike out "$200,000" and insert in lieu thereof "$50,000".

Page 36, line 7, strike out "$200,000" and insert in lieu thereof "$50,000".

Page 28, strike out lines 10 through 17 and redesignate the succeeding paragraphs accordingly.

Page 35, strike out lines 8 through 20 and insert in lieu thereof the following:

Gifts and Contributions

Sec. 403. The Trustees may accept services and moneys, including gifts or endowments, from any source whatsoever, for use in carrying out the purposes of this bill. Such moneys shall be deposited in the Treasury of the United States to the credit of a trust fund account which is hereby authorized and may be invested and reinvested as trust funds of the District of Columbia. The disbursement of the moneys from such trust funds, when appropriated, shall be in such amounts, to such extent, and in such manner as the Trustees, in its judgment, may determine necessary to carry out the puropses of this act.

Mr. NATCHER. Mr. Chairman, for a great many years in the District of Columbia we have had a rule whereby all reprograming requests exceeding $25,000 were submitted to the Committee on Appropriations for approval.

This applied not only to the Federal City College and the Washington Technical Institute, but to all of the agencies of the District of Columbia and all of the departments of the city.

The amendment which I have sent to the desk, and which is now before the committee provides that on page 27 the amount of $200,000 is reduced to $50,000. Any amount over $50,000 would have to be submitted to the Appropriation Committee in the House and the Senate. This would increase the amount from $25,000 to $50,000 for the University of the District of Columbia and not further. It would apply only operating expenses and not to capital outlay projects.

The provision in the amendment that I have at the desk concerning gifts and contributions, if approved by the committee, would then read, Mr. Chairman:

Section 403. The Trustees may accept services and moneys, including gifts or endowments, from any source whatsoever, for use in carrying out the purposes of this bill. Such moneys shall be deposited in the Treasury of the United States to the credit of a trust fund account which is hereby authorized and may be invested and reinvested as trust funds of the District of Columbia. The disbursement of the moneys from such trust funds, when appropriated, shall be in such amounts, to such extent, and in such manner as the Trustees, in its judgment, may determine necessary to carry out the purposes of this act.

The other two amendments, Mr. Chairman, are correcting amendments for the two that pertain to the reprograming and to the gifts and contributions.

Mr. Chairman, these four amendments are necessary and proper in every respect, and I hope they are adopted by the committee.

I would hope that perhaps the chairman of the committee, my distinguished friend, the gentleman from Michigan, would agree to accept these amendments.

Mr. DIGGS. Mr. Chairman, I thank the gentleman, and I do accept the amendments. I think that they meet the problem, and it is a further reflection of the gentleman's sincere interest in matters pertaining to the District of Columbia.

Mr. NATCHER. Mr. Chairman, I want to thank my friend, the gentleman from Michigan, and I yield to my distinguished friend, the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I thank the gentleman. I think our side will agree to the amendments.

Mr. NATCHER. I thank my friend.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. Mr. Chairman, at this time I yield to my distinguished friend, the ranking minority member of the Subcommittee on the District of Columbia Budget of the Committee on Appropriations, the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, I thank the gentleman from Kentucky for yielding.

I thank the gentleman for offering his amendments. They are very necessary. I believe the committees on appropriations in the House, as well as in the other body, have been very generous in their consideration of reprograming. I think every Member of this body is certainly interested in retaining the responsibility within the Congress to make these determinations.

When we do make an appropriation, we recognize from time to time throughout the year that it is necessary to make changes, but we do keep control right here.

Mr. Chairman, I think these amendments are very necessary, and I thank the gentleman for offering these much-needed amendments.

Mr. NATCHER. Mr. Chairman, I urge the adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky (Mr. NATCHER) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENTS OFFERED BY MR. KETCHUM TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KETCHUM. Mr. Chairman, I offer two amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. KETCHUM to the committee amendment in the nature of a substitute: Page 34, line 7, strike out "$25,000" and insert in lieu thereof $2,000".

Page 34, beginning on line 9, strike out "The President's determination thereof shall be final and conclusive, and a signed certificate shall be sufficient voucher for the expenditure of appropriations made pursuant to this section." and insert in lieu thereof "The President shall be personally responsible for the expenditure of appropriations made pursuant to this section, and such expenditures shall be supported by vouchers and shall be audited by the District of Columbia Auditor."

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, I have had an opportunity to review the amendments which have been offered by the gentleman.

The gentleman has served on our committee with distinction. We were sorry to lose his understanding and insight into the problems of the District of Columbia.

Mr. Chairman, I believe that the gentleman is properly motivated here, and we are prepared to accept his amendments on this side.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. KETCHUM) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ANNUNZIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15643) to reorganize public higher education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LANDGREBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. LANDGREBE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 11, not voting 72, as follows:

[Roll No. 414]

YEAS—351

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Fascell
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hanley
Hanrahan
Harsha
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—11

Ashbrook
Bauman
Brown, Ohio
Clancy
Collins, Tex.
Crane
Flynt
Gross
Landgrebe
Quillen
Rees

NOT VOTING—72

Alexander
Aspin
Badillo
Blatnik
Bowen
Brasco
Burgener
Burke, Calif.
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Cotter
Culver
Davis, Ga.
Davis, S.C.
de la Garza
Dorn
Evans, Colo.
Evins, Tenn.
Findley
Fulton
Gettys
Grasso
Green, Oreg.
Griffiths
Gunter
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Holifield
Hosmer
Johnson, Colo.
Johnson, Pa.
Jones, Tenn.
Kuykendall
Landrum
Leggett
Lehman
McKay
McSpadden
Martin, N.C.
Mazzoli
Melcher
Metcalfe
Murphy, N.Y.
Rarick
Reid
Robison, N.Y.
Rooney, N.Y.
Rose
Roy
Schneebeli
Sisk
Stark
Steed
Steele
Stuckey
Symms
Talcott
Teague
Towell, Nev.
Treen
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Blatnik.
Mr. Teague with Mr. Reid.
Mr. Carey of New York with Mr. Aspin.
Mr. Rooney of New York with Mr. Gettys.
Mrs. Burke of California with Mr. Dorn.
Mr. Melcher with Mrs. Green of Oregon.
Mr. Hawkins with Mr. Harrington.
Mr. Rarick with Mr. Gunter.
Mr. Badillo with Mr. Landrum.
Mrs. Chisholm with Mr. Culver.
Mr. Stark with Mrs. Hansen of Washington.
Mr. Alexander with Mr. McSpadden.
Mr. Clay with Mr. Hanna.
Mr. Rose with Mrs. Griffiths.
Mr. Holifield with Mr. Carter.
Mr. Brasco with Mr. Metcalfe.
Mr. Cotter with Mr. Johnson of Pennsylvania.
Mrs. Grasso with Mr. Findley.
Mr. Davis of Georgia with Mr. Robison of New York.
Mr. Sisk with Mr. Hansen of Idaho.
Mr. Bowen with Mr. Martin of North Carolina.
Mr. Davis of South Carolina with Mr. Hammerschmidt.
Mr. de la Garza with Mr. Schneebeli.
Mr. Clark with Mr. Kuykendall.
Mr. Jones of Tennessee with Mr. Symms.
Mr. Evans of Colorado with Mr. Towell of Nevada.
Mr. Lehman with Mr. Hastings.
Mr. Evins of Tennessee with Mr. Talcott.
Mr. Steed with Mr. Treen.
Mr. Stuckey with Mr. Hosmer.
Mr. Roy with Mr. Charles H. Wilson of California.
Mr. McKay with Mr. Young of Alaska.
Mr. Whitten with Mr. Bob Wilson.
Mr. Mazzoli with Mr. Steele.
Mr. Fulton with Mr. Leggett.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SALARY INCREASES FOR THE DISTRICT OF COLUMBIA POLICE, FIREMEN AND TEACHERS; ANNUITY INCREASES FOR RETIRED TEACHERS; REAL PROPERTY TAXES AND REVENUE PROPOSALS

Mr. DIGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15842) to increase compensation for the District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to reorganize public higher education in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Virginia (Mr. BROYHILL) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DIGGS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself

into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15842) with Mr. Eckhardt in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Michigan (Mr. Diggs) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. Broyhill) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. Diggs).

Mr. DIGGS. Mr. Chairman, I yield 12 minutes to the gentleman from California (Mr. Rees).

Mr. REES. Mr. Chairman, members of the Committee, this bill consists of four different bills which were considered in the District of Columbia Committee. The subcommittee which I chair was responsible for two parts of this bill.

The first part is the policemen and firemen pay amendments, and the other is the property tax and other tax measure amendments which are designed to finance the salary increases for policemen, firemen, and teachers in the District of Columbia.

What this bill provides for is a 16-percent across-the-board increase in the salaries of policemen and firemen of the District of Columbia. The Mayor and the Council of the District recommended 10 percent.

The last time the policemen and firemen of the District were given a pay raise was nearly 2½ years ago, in May 1972, and since May 1972, the cost of living has gone up over 18 percent in this metropolitan area. Even the bill as we have it is less than the cost-of-living increase since May 1972, the last year that the policemen and firemen received an increase.

The Mayor and the City Council stated that it did not have any extra money with which to pay an adequate increase for policemen or firemen, but I do not think that is a valid approach. I think we should pay good, qualified people what they deserve. It would certainly be foolish to say we could not pay the public safety forces in the District the salary because the money is not there. I think we have to pay them what they deserve, which is at least a cost-of-living increase, and we have to take the responsibility of raising the money.

What we have in title I, part 1, are salary increases, the 16-percent increase, and the cost of that will be something like $18.2 million. In part 2 of the title we set out a system to look at salaries every year. They do not have a system in the District of Columbia, and this is why the policemen and firemen had to wait nearly 2½ years. They did not have a regular personnel practice of assessing salaries on a yearly basis and then making recommendations to the Mayor and City Council.

What we have here is a salary study committee, appointed by the Mayor and employee representatives, that will make an annual salary survey, and this will be ready by at least June 30 of any given year, and they will look at salaries in comparable jurisdictions around the District of Columbia by looking at such things as cost-of-living increases. This survey will be made public by June 30.

We also have in this legislation a labor/management board which will supervise the negotiations with the affected groups of policemen and firemen for any salaries or any benefits that might be up for consideration that year. If they do not come to an agreement within 60 days and if mediation or fact-finding have not been successful, then either party, labor or management, can ask that there will be binding compulsory arbitration, and if nothing else is done in 10 days there shall be binding compulsory arbitration on a last-best offer package basis, which means that each side submits its last-best offer and the arbitrator must take the entire final offer of one or the other party.

In part 3 of this section of the bill we change the retirement procedure.

Instead of taking the salary on the last day a person works, we average the salary on a 1-year basis.

Just to compare it to Federal service there is a 3-year averaging for Federal service.

We also legislate regarding members who wish to retire under disability. If the Board of Police and Fire Surgeons feels that there is a valid claim, the Board then presents the case to the Police and Firemen Retirement and Relief Board, and when this latter board decides, only then a policeman or a fireman is retired on disability.

What this does in the procedure, really, is to change the burden of proof so that any person who feels that he has been injured in the line of duty can then come in, but he himself must prove that the injury is indeed an injury if the Board of Police and Fire Surgeons do not support his claim. Such persons also must prove that they received the injury in the line of duty.

The next title of the bill is the revenue section, because if we are going to increase the salaries of policemen and firemen, we have to go ahead and figure out how to do it.

We decided, after looking at the total pattern of District of Columbia revenues, that it would be good to look at one of the largest sources of revenue, which is the property tax. Last year, we developed a preliminary rewrite of the Property Tax Law of the District of Columbia. In January of this year we submitted this proposal to the City Council of the District of Columbia, and the City Council had hearings for a month or two. They came back with recommendations, and what we have here in this bill is more or less a balance, really, of our original bill and the recommendations by the City Council, and the City Administration, and the D.C. Assessor.

This legislation is absolutely necessary because the current property tax law in the District of Columbia was taken to court by Mr. Gilbert Hahn, and the court ruled that parts of the present law were unconstitutional, and just this Friday came down with its final ruling as to what the city must do with respect to assessments for this fiscal year.

Prior to the court case, all residential property was assessed at 55 percent, and commercial property was assessed at 65 percent. The court held, and the Mayor in his recommendations in January changed the property tax assessment procedure so that all property had to be assessed equally, and that would be at 55 percent.

What the court decided last Friday also was that the property tax assessment on any given parcel could not be changed more than once every 2 years—that is it created a 2-year assessment cycle.

What this did was to change the burden and change the revenue in the property tax in the District of Columbia.

In fiscal year 1974 the property tax yield was $138 million. Under the actual plan now, where everything is assessed at 55 percent, the income from the property tax base goes down to $132 million.

If the court case had not been brought and if property were assessed as it had been under the old formula, the income this year would be $146 million, so you might say that the court case really caused a loss of income to the District of Columbia of something like $14 million.

This sum would very easily, of course, pay for the increased police and fire and teacher salaries.

What the bill does—and I will go through this very quickly; with a checklist here—is establish a 100 percent assessment of all the property. Taxpayers do not have to worry about ratios. It is right down on the piece of paper, with the market value.

What we do also is to list the tax exempt property. We do not take it, but we would like the taxpayers to know exactly whom they are supporting in terms of tax exempt property in the District of Columbia.

We also have a report which is really to get comparability between property tax rates here in the District and in surrounding jurisdictions.

There must be an assessment every 2 years, and after the year 1978 there must be a reassessment every single year. By March 1 there must be a preliminary assessment roll, and all assessments must be published. They will be published either in the paper or the District of Columbia will publish these assessments of every piece of property in the District. They can be broken down in the neighborhood so that if a person wants to know what the assessments are of property surrounding his own property, in order to see that his property is fairly assessed, all he has to do is contact the city, and for a nominal fee they would give him a neighborhood breakdown. This would allow individuals to compare their assessments with other assessments, and if they think they have not been treated fairly, we have in this bill a Board of Equalization and they can take their complaints concerning their assessments to the Board of Equalization.

Mr. Chairman, the taxpayer has a notice, and on the notice it tells him what his property is worth, what the assessments are, and what the percentage of increase is, and the notice tells him what he can do about it, where he can go to protest and where he can find out all the assessments that are available in the public record.

Mr. Chairman, we have some tax incentive provided. We direct the City Council in the first 6 months of next year to come up with specific recommendations for tax incentives for the rehabilitation of property and for the development of new construction in some of the areas that need to be rehabilitated in Washington, D.C.

We also give a break for historic property, as long as it is kept for that purpose.

We also have a tax deferral, if it develops the property tax increase is too much in any one year for a taxpayer to carry.

We also have something called a circuit breaker. This is a tax rebate to people who have incomes less than $7,000 and who rent or own in the District. The purpose of this is to try to equalize the burden of property taxes, because the property tax is a very burdensome tax on poor people. It is a very regressive tax.

Mr. Chairman, we also have an urban homestead procedure in the bill.

Then we also delegate to the City Council this year tax collecting powers which we in Congress now have, in case the District wants to go further than just setting a tax rate under this legislation.

We also propose a 5-percent parking tax on all parking, and this is designed to raise a million and a half dollars. We also delete the admissions tax to live performances, and that will constitute a loss of $300,000.

Mr. Chairman, I think all in all we have a very good bill. The City Council will have to act on this. They say that we are trying to dodge our duties, but really the City Council under the present law has the duty to set a property tax rate. And with the bill, the Council will set a rate with an improved property tax system and will be able to set other rates as well.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in support of H.R. 15842, a multipurpose bill which will provide salary increases for D.C. policemen, firemen, and teachers, and also increases in the annuities of certain retired D.C. teachers and of their survivors. The bill also will revise the existing D.C. Real Property Tax Act and make certain other changes in the city's tax structure. At the appropriate time, I shall offer an amendment to this latter title of the bill; however, I strongly support the enactment of this proposed legislation as a total entity.

The principal purpose of title I of this bill is to provide a well-deserved increase of 16 percent in the salaries of the officers and members of the Metropolitan Police Force and the Fire Department of the District of Columbia, effective as of July 1, 1974.

The need for this salary increase for D.C. policemen and firemen at this time is most urgent. Their last salary increase took effect on May 1, 1972—and the Consumer Price Index prepared by the U.S. Department of Labor shows that since that date the cost of living in the Washington metropolitan area has increased by approximately 18 percent. During the year of 1973, food prices in the District of Columbia increased by 25 percent, and since November of 1973, the local cost of electricity has gone up 10 percent. And as we all know, the cost of both heating oil and gasoline has soared in the last year.

Also, during the past 2 years all employees of the District of Columbia government, except for the policemen and firemen, have had salary increases which have enabled them to cope with these steadily increasing costs of living. During this period, the city's classified employees have had two raises under the Federal Pay Comparability Act totaling some 10 percent, and the blue-collar workers have also had two pay increases, totaling 11 percent. And in both of these cases, there will be another increase next October, apparently in the neighborhood of 6 percent. Furthermore, the teachers and other professional employees of the D.C. Board of Education have had two salary increases during this same interval of time, totaling 12 percent. Thus, the District's policemen and firemen, alone among the city's employees, have been obliged to struggle through the inflation of the past 2 years on salaries which were scarcely adequate in 1972.

The result has been that increasing numbers of these policemen and firemen have been forced to "moonlight" with second jobs to augment their inadequate salaries. Also, too many members of these forces have resigned in the face of this situation to accept higher paying jobs elsewhere. During 1973, I am informed, 338 members of the Metropolitan Police Force resigned voluntarily, and 114 more resigned during the first 4 months of this year.

It is also true that the salary scales for D.C. policemen and firemen have eroded badly during the past 2 years in the important matter of comparability with the salaries paid to such personnel in the suburban jurisdictions of the Washington Metropolitan area and also in the other large U.S. cities. This causes a serious problem in connection with recruitment and retention of high caliber men for these forces. Police and fire protection are much more difficult and hazardous in the District than in the suburbs, and thus any disadvantage with respect to starting salaries greatly increases the city's recruitment problem with respect to such personnel.

The salary increases provided in H.R. 15842 will alleviate this problem very materially, for the present at least. The minimum salary for privates will be increased from $10,000 to $11,600, and the maximum salary for privates from $14,400 to $16,705 per year. This will raise the comparative rank of the city with respect to minimum salary for police privates from 15th place to 7th place among the 29 large U.S. cities, and from 5th place to 1st place among the local suburban jurisdictions. In the ranking in regard to maximum salary for police privates, the District will rise from 7th to 1st place among the large cities, and from 2d to 1st place locally.

As for firemen's salaries, the District's ranking with regard to minimum salary for fire privates will be raised from 13th place to 7th place among the 29 largest cities, and from 4th place to 1st among the suburban jurisdictions. In the matter of maximum salary for fire privates, the District's ranking among the largest cities will be raised from 7th to 1st place; and locally it will remain in 1st place.

In connection with these comparative figures, I should point out that many cities maintain different salary scales for policemen and for firemen, as do some of the suburban jurisdictions in the Washington area.

I wish to point out that I do not consider this 16-percent increase in salaries for D.C. policemen and firemen truly adequate at this time. When their last salary increase was granted in 1972, there was an excellent case for an effective date of January 1 of that year, and I and some of my colleagues did our best to obtain that amount of retroactivity for that increase. We were not successful, however, and thus the effective date of May 1, 1972, was adopted, creating a financial disadvantage for these officers and members for which they have never been properly compensated. For this reason, I introduced a bill last January to grant these D.C. policemen and firemen a salary increase of 18 percent, retroactive to January 1, 1973.

This represented what I sincerely believe to be fair and equitable treatment for these public servants, whose salary increases have been historically all too infrequent. For example, since 1964 the classified employees of the Federal and District of Columbia Governments have had 10 salary increases, while the D.C. policemen and firemen have had only five. And while the total percentage increases have been nearly the same in both cases, this does not represent equitable treatment by any means, because the relative infrequency of the policemen's and firemen's raises have resulted in their constantly having to face increased costs of living with out-of-date salaries.

For these reasons, I feel strongly that the enactment of this proposed salary increase for these gallant public servants who risk their lives daily in protecting the public, inadequate though it is for truly equitable treatment, is of urgent importance. And it is my hope that the elected D.C. government will act in the future to provide more frequent salary increases even though in smaller amounts, to these policemen and firemen, so that they may no longer face the necessity of always striving to "catch up" with respect to salary.

This title also changes the basis for the computation of annuities for retiring policemen and firemen, which are presently computed as a percentage of the retiree's salary at the time of his retirement. Beginning on July 1, 1975, such annuities will be computed on the basis of the retiring member's average salary during his 12 consecutive months of highest salary. In this connection, I succeeded in getting an amendment incorporated into the bill which will assure any member who has been retired for less than 12 months under this new system when an increase in annuities occurs by reason of a salary increase for the active members—through the "equalization" provision which is a part of the Policemen and Firemen's Retirement and Disability Act as amended in 1925—of receiving an increase in his annuity in a percentage amount prorated upon the part of a year he has been in retirement. Thus, such a member who has been retired on this 12-month average salary basis for a period of 6 months when a 10-percent salary increase goes into effect for the active members will get a 5-percent increase in his annuity under the equalization clause. This provision will preserve the integrity of the equalization provision for retired members of the D.C. police and fire departments under this new system for computing pensions, in a fair and equitable manner.

I also sponsored an amendment to this title which will prevent a member who retires for disability from being required by the D.C. Commissioner to undergo a medical examination to reaffirm the cause of his disability, after such retiree reaches the age of 50 years.

Title II of H.R. 15842 provides for salary increases for teachers and other professional employees of the District of Columbia Board of Education.

The provision is for a two-stage increase, with 10 percent effective on September 1, 1974, and an additional 3 percent to take effect January 1, 1975.

The effect of this title will be to increase the starting salary for teachers with the bachelor's degree from the present level of $8,770 per year to $9,650 on September 1, and $9,940 next January 1. The maximum salary for such teachers, attainable after 15 years of service, is presently $14,665; this will increase to $16,130 on September 1, and to $16,615 in January.

The starting salary in the most highly paid category of teachers, those with the master's degree plus 60 hours, or the doctor's degree, will be increased from $10,530 per annum to $11,585 in September, and to $11,935 on January 1. The maximum salary for such teachers, now $18,135 per year, will become $19,950 on September 1, and $20,550 next January 1.

The combination of these two stages will effect an overall increase equivalent to some 13.35 percent.

At the present time, the District of Columbia ranks second among the jurisdictions comprising the Washington Metropolitan area in starting salaries paid to teachers with the bachelor's degree, and fifth in the area with respect to maximum salaries paid such teachers. In comparison with the 29 largest U.S. cities, the District ranks fifth in starting salaries and 11th in maximum salaries for teachers with the B.A. degree.

As in the case of salaries for police and fire privates, these comparative rankings, particularly in the minimum range, are of great importance as they affect the recruitment of competent teachers in the District of Columbia, where teaching conditions are more difficult than in the suburban school systems.

Under the provisions of H.R. 15842, the District's ranking in the matter of teachers' salaries, both in the metropolitan area and as compared with the other large cities, will improve materially. Among the seven local jurisdictions, the District will rank first next September 1 in both minimum and maximum salaries for teachers with the B.A. degree; and as compared with the 29 largest cities, the District will rank second in both minimum and maximum salaries for the B.A. teacher, also as of September 1. Then of course, these standings will be further strengthened by the second-phase increase of 3 percent which will take effect on next January 1. It must be remembered, however, that teachers' salaries may be increased in some of these other jurisdictions before next January, and hence this second increase provided for D.C. teachers is important as a means of maintaining these favorable comparative rankings.

The teachers in the District of Columbia public school system last had a modest salary increase of 5 percent in September 1973, which served only to afford them an adequate income under the economic conditions which prevailed at that time.

It is estimated, however, that during the period of 1 year between September 1973 and September 1974, the cost of living index in the Washington Metropolitan area will increase by at least 10 percent. As I have pointed out, the city's classified employees, as well as those of the Federal Government, received an increase from 4.8 percent in November of 1973, and are scheduled for another increase, apparently of at least 6 percent, in October of this year. In view of these facts, certainly the 10 percent increase which this bill will afford the District's teachers in September of this year, plus the small 3 percent further increase to become effective next January 1, are thoroughly justified, in simple equity to these essential personnel upon whom the educational system in our Nation's Capital depends.

This title of H.R. 15842 also authorizes the present District of Columbia Council to increase the rates of any or all of a broad spectrum of city taxes, as may be necessary to meet additional expenditures resulting from the salary increases provided herein for teachers. This same authority is granted the D.C. Council in title IV of this bill for raising additional revenues to meet additional costs incident to the salary increases for policemen and firemen provided in title I. At present, the D.C. Council is empowered to set the rates only for the D.C. tax on real property.

We are advised that the total cost of the salary increases provided in this bill for D.C. policemen, firemen, and teachers will be some $32.2 million, and that the District has $18 million available for this purpose in its budget for the present fiscal year as approved by the House. This leaves an apparent deficit of $14.2 million for this fiscal year, which the city is authorized to obtain through tax increases, to the extent that this amount may not be made available for this purpose through reallocation of funds within the city's present budget structure.

In connection with salary increases and the costs thereof, I believe that my record of 22 years in the House of Representatives shows clearly that I am a stanch and consistent advocate of economy in government. However, I wish to state emphatically that I have never advocated fiscal economy at the expense of equitable and justified salaries for government employees. I stand firmly on the position that such financial justice must be afforded all employees, and that the cost involved must be met on the basis of the highest priority. In the case of the policemen, firemen, and teachers in the District of Columbia, therefore, I maintain that truly adequate and appropriate salaries must always be provided them, and the money for this purpose must be made available—through increased local taxation to the extent that such increases may fairly be levied, through reallocation of existing city revenues where feasible on a basis of proper priorities, or through increased payment to the city from Federal funds to whatever extent may be necessary.

The language of title III of this bill is identical to that in the bill H.R. 13970, which I introduced on April 4 of this year and on which public hearings were held. Thus, I am the sponsor of this title.

The purpose of title III is to provide increased annuities for certain retired D.C. teachers, identical to those which have recently been approved for civil service retirees, designed specifically to improve the annuity structure for those retirees who presently are receiving inadequate annuity incomes.

The first provision of this title will establish a floor, or minimum annuity level, for all retired District of Columbia teachers, equal to the minimum being paid under the social security system. Further, this minimum figure will be increased in the amount of any future increases which may be provided for social security beneficiaries. At present, this minimum level is $93.80 per month.

It is further provided that the monthly rate of annuity payable to a surviving child will also be not less than the minimum benefit paid under social security both now and in the future, or three times that minimum amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

It is provided, however, that these minimum amounts shall not apply in the case of any retired teacher or survivor who receives, in addition to his annuity under the D.C. Teachers Retirement Act, social security benefits or any other annuity from the United States or the District of Columbia government which, when added to his annuity received under the Teachers Retirement Act, equals or exceeds the minimum amount being paid under the Social Security Act.

I am advised that at present, there are 30 retired D.C. teachers whose annuities are less than $93.80 per month, and who thus would benefit from this provision in H.R. 15842. This assurance of an improved annuity to these 30 retirees is obviously justified, to say the least, in view of the rate of inflation with which the economy of this country is presently beset.

The other principal provision of title III will increase the annuities of all teachers in the District of Columbia public school system who retired prior to October 20, 1969 by $240 per year. Also, the annuity payable to the surviving spouse of a D.C. teacher, if based on a retirement prior to that same date, shall be increased by $132 per year.

The rationale for this additional annuity payment based upon a retirement date prior to October 20, 1969 is that effective on that date the D.C. Teachers Retirement Act was liberalized considerably, and substantial improvements in benefits were provided for teachers retiring after that date. The major such improvement was a change in the salary figure used as the basis for computation of a teacher's annuity, from the average of the teacher's highest 5 years of salary to the average of his highest 3 years of earning. At about that same time, this same change in computation of annuities was also authorized for retirees under the Civil Service Retirement Act.

As a result of this change, D.C. teachers who retired before October 20, 1969, have been receiving substantially lower annuities than have teachers of comparable salary placement who have retired since that time. Inasmuch as all these retired teachers must face the same spiraling costs of living, for which even the more liberalized annuities are no more than adequate, it is my opinion that this additional $20 per month for the older retired D.C. teachers or $11 per month for their surviving spouses is thoroughly justified. I am informed that some 1,553 annuitants will benefit from these increases.

Historically, the Congress has kept the D.C. teachers retirement system abreast of the civil service retirement system in the matter of retirement benefits. The enactment of title II of H.R. 15842 into law will serve only to maintain this traditional equality, since every benefit provided in this proposed legislation for D.C. teacher retirees has been extended to classified employees retired under the Civil Service Retirement Act in Public Law 93-273, which was approved on April 26, 1974.

It is estimated that the cost of the benefits provided in this title for the present fiscal year will be some $290,000. This estimate is based on the assumption that the provision of this title will become effective as of November 1 of this year, which is approximately true since the effective date of this title is 90 days after its enactment into law. By far the greater part of this cost is involved in the additional annuities provided for the older retirees or their surviving spouses, however, and hence this figure will decrease each year until all these annuitants have passed away.

I feel strongly that these modest additions to the pensions of these annuitants under the D.C. Teachers Retirement Act, provided in title III of this bill, represent only a minimum of fair and equitable treatment for these retirees in view of the economic conditions with which they must cope and also because we have granted these same benefits to retirees under the civil service system.

Title IV of this bill is devoted to several aspects of the tax structure in the District of Columbia.

The first major provision of this title establishes the basis for the assessment of all real property in the District at 100 percent of fair market value. Heretofore, residential real property in the city has been assessed at 50 percent, and commercial real property at 65 percent of fair market value. This difference has been the subject of recent court action, a result of which was a decision by the D.C. Council last January that the assessment rate on private real property would be increased to 55 percent, while that on commercial property would be lowered to that same amount. This decision proved unsatisfactory for two reasons. First, it resulted in a prospective loss of $14 million in revenue to the city for fiscal year 1975. And second, it posed an inequity to the private property owners, who would be obliged to pay a greater share of the real property tax revenues while the commercial property owners would pay substantially less.

This provision of title IV will obviously be more equitable in its application. In order to accrue the same amount of revenues from this source as under the old system of assessed values, the tax rate on real property would be reduced from $3.32 per hundred dollars of assessed value to $1.83 per hundred. The D.C. Council, however, is authorized to set this rate at whatever level they wish.

This title also provides for some real property tax relief for the elderly and for lower income homeowners, as well as some tax incentives to encourage the improvement or rehabilitation of real property in depressed areas of the District. Tax relief is provided also for historic properties in the city, including tax incentives for the rehabilitation and maintenance of such properties.

As I have stated earlier in these remarks, title IV of H.R. 15842 also authorizes the present D.C. Council to increase the rates of any of the city's existing local taxes in order to meet the cost of the pay increase provided in title I for D.C. policemen and firemen.

Section 505 or this title repeals the 5 percent tax on admissions to live productions of the performing arts in the District. It is estimated that this will result in an annual loss of $300,000 of revenue to the city.

With the exception of this section 504, I commend this bill to my colleagues for favorable action.

Mr. DIGGS. Mr. Chairman, I yield 8 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, the subcommittee that this gentleman chairs is responsible in large measure for reporting title II and the title III of the bill before the committee this afternoon. I would like to begin on the question of the increased compensation for teachers. At the time the subcommittee began to hold hearings on the question of increased compensation for teachers, it became clear that the city government and the Board of Education and the teachers' union were seriously engaged in the process of collective bargaining, and based on the fact that we were unequivocally in support of the process of collective bargaining we voted to suspend any action on this matter until an agreement should be reached among the various parties involved in the collective bargaining process itself.

As the chairman may know, this is perhaps the last year that we as Members of Congress by law will be required to address ourselves to the issue of increased pay for the teachers. As the chairman of the Subcommittee on Education I was asked by the various parties to participate in the mediation sessions to try to bring about an agreement among the Board of Education and the city government and the teachers' union. We met on several occasions and I met in all the various caucuses which were held on numerous occasions but the collective bargaining process was not able to help come to any resolution on the problem. Unfortunately, we therefore find ourselves today as Members of Congress having to address questions of increased compensation for teachers in the District of Columbia.

The proposal that we advocate in title II of this bill is in effect a compromise between the position established by the city and the School Board and the position established by the teachers' union. It is unfortunate that we have to address ourselves to this problem again, but in view of the fact that the collective bargaining process was not effective and also that we are required by law to act we are making a proposal to this body.

PURPOSES OF THE TITLE

Title II of the bill H.R. 15842 will amend the District of Columbia Teachers' Salary Act of 1955, principally to provide increased salaries thereunder in a two-stage sequence; to provide new revenues sufficient to meet the additional costs which will accrue as a result of the enactment of this title, to suggest dates and procedures to the District of Columbia government for providing a yearly review of compensation rates, and to establish a 5-year renewable certificate for all class 15 employees.

SALARY INCREASES

A two-stage salary increase is provided in this title as follows:

First, the first increase is to become effective September 1, 1974. This provision will increase the effective salary of the Superintendent from $39,500 to $40,000. The salary of the Deputy Superintendent will be raised from $33,000 to $36,000. The salaries of all other professional employees will be increased by 10 percent.

As far as teachers and other employees in salary class 15 are concerned, the starting salary will be increased from $8,350 to $9,650, and such a teacher's maximum salary will increase from $13,965 to $16,130, attainable after 15 years of service. The minimum salary for teachers with a master's degree will increase from $9,190 to $10,615 and the maximum from $16,300 to $18,825, also after 15 years.

A description of the effect these raises will have upon the competitive position of District of Columbia teachers' salaries as compared with those paid teachers in the school systems in the other jurisdictions of the Washington metropolitan area, as well as with those paid in other U.S. cities of comparable size, is presented in the report.

Similar increases are provided also for teachers and administrators serving in the summer schools and the adult education program.

Second, the second increase is to become effective as of January 1, 1974, and shall be an increase of 3 percent computed on a compounded basis. It is the intent of Congress that current salaries shall be increased by 10 percent on September 1, and on January 1 the September salaries will be further increased by 3 percent. For example, class 15 group A will be increased as follows: Current, $8,770; September, **$9,650**; January, $9,940.

Except that the salary of the Superintendent may not be increased above $40,000 and the salary of any other position may not be increased above $36,000.

ESTABLISHMENT OF YEARLY REVIEW OF COMPENSATION RATES

Beginning with 1975, the Board of Education shall by March 1 of each year, submit to the Mayor the following:

The percentage rate of the cost-of-living change since the effective date of the last revision of the compensation schedule with respect to the teachers of the District of Columbia school system.

The results of a study comparing compensation of the teachers in the District of Columbia with teachers in cities of comparable size and teachers within jurisdictions in the Washington metropolitan area.

The Mayor shall submit the data submitted to him by the Board to the Council along with his recommendations with respect to compensation—and other related matters—of teachers of the District of Columbia school system.

The principal thrust of this section is to establish a system and procedures consistent with the District of Columbia Self-Government and Governmental Reorganization Act. This will provide all of the parties concerned a better opportunity to control the course of events involving the process of collective bargaining between labor and management in the establishment of the rate of compensation and other related matters. Testimony was received that this is the most desirable system to be instituted in light of the self-determination intent of the home rule legislation.

It is the intent of this section to simply suggest guidelines to the newly elected Council. It is free to use any other factors that it may deem necessary and appropriate.

The committee is fully aware that it is within the jurisdiction of the Board of Education to establish the rate of compensation of substitute teachers. However, the committee is of the opinion that there should be a complete review and an increase in the rate of compensation for this category of teachers. Testimony by Ms. Barbara Sizemore, Superintendent, District of Columbia Public Schools, indicated that the last adjustment in the rate of compensation for substitute teachers was July 1, 1969. The rate was then established at $28 per day.

A survey was conducted by the school system and yielded the following information:

Rate of compensation in Montgomery County is $29.80 per day to be increased to $31.81 in September of 1974.

Rate of compensation in Arlington is $22 per day. Based on this data, the committee urges the D.C. School Board to complete its review and to enact substitute teachers' pay increases so that this category of employees can be adequately compensated.

CHANGES IN DEGREE REQUIREMENTS FOR TEACHERS AND SCHOOL OFFICERS

This bill also amends the Teachers' Salary Act of 1972 in the following manner: First, returns the degree requirement for attendance officers and child labor inspectors; and second, to include in class 15 group B not only those persons possessing a master's degree, but also those who have 30 hours of appropriate course credit beyond the bachelor's degree. The Board is authorized to determine the appropriateness of the course work presented in lieu of a master's degree.

NEED FOR SALARY INCREASES

Salaries for District of Columbia teachers and school officers were last increased in October 1972 (Public Law 82–518) in two stages. The first increase was 7 percent retroactive to September 1, 1972; the second increase was 5 percent effective September 1, 1973. This was a cumulative increase of 12 percent and thereby established a satisfactorily competitive pay scale for District teachers with the bachelor's degree provided in that act ranked in the upper quartile of the 29 largest cities, all with a population in excess of 500,000.

The extent to which this competitive position has deteriorated for school year 1974–75, by reason of substantial increase in teachers' salaries in some of the suburban jurisdictions is shown in the following table, which also reveals the extent to which this disadvantage will be overcome by the 13-percent salary increase for District teachers provided in this title.

Statistics presently available indicate that there has been a continuing increase in the rate of compensation for teachers in most jurisdictions. The trend nationally is roughly a 6-percent yearly increase. Consequently, the strong competitive position enjoyed by the District at the time of the last pay increase in 1972 has eroded.

POSITION OF DISTRICT OF COLUMBIA GOVERNMENT

Salaries for District of Columbia teachers and school officers were last increased in September 1973 by Public Law 92–518. That law increased salary levels in two steps, an average of 12 percent, and thereby established a highly competitive pay scale for District teachers in relation to salaries paid other teachers in Washington metropolitan area.

The District government believes that for the purpose of setting salaries for District teachers and school officers, the following policies should continue to be used as general guides:

First, that the minimum salaries for District of Columbia public school teachers should be significantly higher that minimum salaries paid by school systems in the Washington metropolitan area;

That the maximum salaries for District public school teachers should be close to the highest rates paid in the area; and that salaries for District public school officers should be close to the highest salaries paid by school systems in the Washington metropolitan area. Because suburban areas provide other advantages, such as savings in travel time and fewer socioeconomic problems, large city school systems must be able to offer a competitive salary if they are to attract and retain capable and enlightened teachers and school officers. For the District government to pay the same as that paid by local school jurisdictions would place us at a decided competitive disadvantage since a young teacher would generally prefer to teach in a suburban school system if there was no difference in salary as an attractor.

Second, that salaries of District of Columbia school teachers and officers should be in a very favorable competitive position with those at the Nation's largest cities, particularly those cities which are likely to recruit personnel from the same areas as the District—for example, Philadelphia, Pittsburgh, Baltimore, and New York. The next few years are vital, and there is every likelihood that key administrative personnel will continue to be sought from outside of the District's public school system and certainly key *administrative* personnel in our own school system will be highly sought by others.

The committee agrees that these policies are important because they establish sound guidelines for salary administration and set a logical basis for providing competitive salaries for our educational employees.

The District feels that a 10-percent increase is adequate to implement these policies. The committee disagrees, and, based on the testimony and the committee's deliberation, concluded that a 13-percent salary increase is the minimum amount necessary to implement these policies.

It is the position of the committee that a 10-percent increase effective January 1, 1975, does not adequately consider all the significant factors that should be considered to adequately compensate District teachers.

During committee deliberation the following factors were considered and adopted in arriving at a 13-percent increase:

First. The rapid inflation that has occurred since the last compensation rate increase. Testimony revealed that this figure is now beyond the 16 percent.

Second. The inordinate high cost of living in the District; and

Third. Further discussion and deliberation revealed the feeling of the committee that teachers are the most underpaid professionals in the United States. As the professionals who, to a large degree are responsible for shaping the minds of America's young, they should be duly compensated, commensurate with the charge of their profession.

On the question of whether a 13-percent increase for teachers will assure a better delivery of educational services to the citizens of the District of Columbia, the committee felt that the assurance is no greater or less than an assurance that a 16-percent increase to firemen and policemen would produce a better delivery of these services. The 13-percent increase, however, is calculated to attract qualified teachers to the District of Columbia public school system.

Public hearings on this proposed legislation were held by our Subcommittee on Education on May 30 of this year. Testimony was received from spokespersons for the District of Columbia government, the D.C. Board of Education, the District of Columbia public schools administration, the Washington Teachers Union, Council of School Officers, and the D.C. Retired Teachers Association.

It is estimated that the 13-percent increase will cost $13.8 million for fiscal year 1975. The funds necessary to make up the difference between the 10-percent increase recommended by the District government and the 13-percent recommended by this committee will come from the revenues raised by the new taxing authority authorized by this title, and from the property tax revenue bill described elsewhere in this bill.

For the reasons stated above, the committee strongly recommends favorable action on this title.

Title III provides a minimum monthly retirement annuity for the District of Columbia school teachers who retired prior to October 20, 1969, which would be equivalent to the minimum amount the Congress provided for social security recipients, which is presently $93.80.

The present provision, approved August 7, 1946 (D.C. Code tit. 31, section 725) is amended to provide for an adjustment in annuities for approximately 1,553 teacher retirees, many of whom are on fixed incomes and will be unable to keep pace with the current economic conditions.

In 1966 the D.C. government requested that Congress appropriate $60 million to the fund for retired teachers. The District Education Association was opposed to this figure at that time, claiming that it was not only shortsighted, but based on the needs of 1966, instead of considering inflation in years to come.

This legislation, however, was passed by Congress and the D.C. government was appropriated the $60 million it requested.

Congressionally approved pay increases for D.C. teachers and school officers based on District government recommendations have totaled 53.1 percent in the period July 1966 to September 1973 while for the period July 1966, through October 1973, classified pay has increased by 49.1 percent.

Teachers who retired prior to October 20, 1969, are not receiving annuities equivalent to other District of Columbia employees who retired prior to that date. Title III of the reported bill (H.R. 15842) provides the same increases for the District of Columbia school teachers who retired prior to October 20, 1969, that the Congress has provided for classified employees of the District of Columbia and all classified Federal employees. The bill also provides for annuities for surviving children of the annuitant to be the equivalent of the minimum provided for social security beneficiaries.

On May 30, 1974, hearings were held by the Subcommittee on Education. Witnesses included Members of Congress and Representatives of the District of Columbia government, the Washington Teachers Union, and the D.C. Retired Teachers Association.

The District government was opposed to the bill due to cost thereof.

Representatives of the District of Columbia government at the hearing on this legislation estimated its cost to be $292,000 for fiscal year 1975.

Subsequently, the following detailed cost estimates on this title were supplied the committee by the D.C. government, based on actuarial figures provided by the U.S. Treasury.

Mr. BROYHILL of Virginia. Mr. Chairman, I have no further requests for time.

Mr. DIGGS. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Chairman, first I would like to say to the members of the committee that I dislike finding myself in disagreement with my distinguished friend, the chairman of this committee, the gentleman from Michigan (Mr. DIGGS) and also the distinguished gentleman from California (Mr. REES).

Mr. Chairman, I say to you quite frankly that I think the chairman of this committee has worked harder on the legislation and the matters before his committee than most any chairman of any committee in the House. He has worked hard on all of these bills. I think he has endeavored at this time to do something for the District of Columbia. I know the distinguished gentleman from California (Mr. REES) is one of the ablest men in the House, and he too is doing everything in his power to bring to this House and to this committee good bills, bills that are in the interest of our Nation's Capital.

Mr. Chairman, I do think, in all fairness to the Members of the House of Representatives and members of this committee, there are several matters I should point out at this time. Mr. Chairman, as you well recall, on June 28 of this year, just a few weeks ago, we brought before this House a District of Columbia budget for fiscal year 1975, and in this budget we set up a reserve of $18 million for salary increases for teachers, firemen and for the city police department. That is in reserve in the overall budget for fiscal year 1975 for the District of Columbia. The Mayor of the city and the City Council, sent to the Congress a budget requesting $18 million for this purpose. This is a 10-percent increase for the policemen, firemen, and teachers.

Mr. Chairman, we brought that bill to this floor and recommended it to the House. The House accepted it. The $18 million is in the budget for fiscal year 1975. I think this committee should keep in mind that in the budget for fiscal year 1975 we have $1,382,938,000 for the District of Columbia.

Here in our Nation's Capital they have about 746,000 people.

Mr. Chairman, in addition to the $18 million in the budget for fiscal year 1975 we have a total of $724,078,500 in Federal funds in that budget. Now, think about it. A little over $700 million.

In the bill before this committee we have one tax provision which my distinguished friend from Virginia (Mr. BROYHILL) says at the proper time he will offer an amendment to take out of the bill. That is the $1,500,000, parking tax. There is only one tax provision in this bill, and that tax provision applies to the parking tax and it will raise in revenue between $1,300,000 and $1,500,000. Not one dime is provided in this bill to take care of the additional 6 percent increase in salary increases for policemen, firemen, and teachers.

This totals $14,200,000. That is in addition to the $18 million that we have in the regular budget for fiscal year 1975.

Mr. Chairman, where is this money coming from?

I want the chairman to know quite frankly, and I think in all fairness to the members of this committee I should say that if any request is brought to our Committee on Appropriations for a one-shot Federal funding of $14,200,000 in addition to the Federal funds for this purpose, Mr. Chairman, we do not intend to recommend it to the House. The Federal payment now, as the chairman knows, is up to $221 million.

Mr. Chairman only $3,200,000 is left out of the authorized Federal payment of $230,000,000.

The Mayor did not ask for this 6-percent increase. The City Council did not ask for this 6-percent increase. I have read articles to the effect that one of the members of the committee on the other side said this additional $14,200,000 will come in a one-shot Federal payment which they will ask the House to appropriate. That is in addition, Mr. Chairman, to the $221 million that we have in the regular bill for fiscal year 1975.

Mr. Chairman, when they sent us the budget for fiscal year 1975, they made no proposal whatsoever for any increase in taxes for any purpose. They asked for an additional Federal payment. They asked for more Federal money, but not 1 dime by way of increase in taxes.

It was strictly a political budget. This is the year that the Council runs, and this is the year that the Mayor runs. They were not willing to increase taxes but they wanted more Federal money.

They do not make any provision whatsoever for the taxes to pay these increases, and on the other side they make the proposal whereby there will be another Federal payment requested of the House and of the Senate of $14,200,000 to pay this additional money.

Mr. Chairman, we do not intend to recommend it.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend, the gentleman from California.

Mr. REES. Is it not true that traditionally the City Council and the Mayor and members of the police, fire, and teacher groups present a salary proposal that is always way below what is a realistic proposal because Congress now has the decency, if they wish to have a decent government here, to pay relatively equal salaries? Then we also have the duty to come up with a tax bill to pay for that, do we not?

This has been a traditional copout in the District of Columbia. It happens every time there is a proposed salary increase. They always figure it way low because we come and take the responsibility and grant the increases; is not that true?

Mr. NATCHER. They asked for $18 million, for a 10-percent increase in salaries for police, firemen, and teachers. The House approved it. Nothing was said about any additional increase, and there is not one dime of tax increase in this bill to take care of the increase.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield 3 additional minutes to my friend, the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I want to thank my friend for yielding 3 additional minutes to me.

If the city of Washington wants a 16-percent increase in salaries for these people—and I do not say to the gentleman from California (Mr. REES) that it may not be necessary at this time; I do not say that—if they want an additional 6-percent increase over and above the amount that was requested in the budget, let them increase taxes downtown.

They submitted to us a budget with no increase in taxes in the city of Washington of any nature. We want an increase in the Federal payment they said but no increase in taxes.

At this time we have a little over $3 million left in the Federal payment. We save that for emergencies.

Mr. Chairman, it takes $14,200,000 in addition to the $18 million in this bill to fund the 16-percent increase. Why not let it be $18 million? Let it be a 10-percent increase, as is provided in the budget for fiscal year 1975, and downtown if they want another 6-percent increase, I say to my distinguished friend, the gentleman from California, let them provide the money for the increase.

Mr. REES. Mr. Chairman, if the gentleman will yield further, I might say to the gentleman that he said it is an election year, and it is an election year.

Mr. NATCHER. That is correct.

Mr. REES. So this so-called balanced budget is nothing more than a voting copout so they can say, "Look, we did not increase your taxes. It was Congress that increased your taxes."

However, we do not want to take this out of the hides of policemen and firemen, do we? We do not want to tell policemen and firemen, "We are sorry. Inflation is going up at 18 percent, but because it is an election year, you are just going to get a 10-percent increase."

Mr. NATCHER. Mr. Chairman, may I say to the gentleman that I agree with him. This is a perfect copout. There is no question about that. It is a political budget. It is sent up here with no increase in taxes in the city of Washington and all with Federal funding.

Let me say to the gentleman that a 10-percent increase in salaries at this time is pretty good. It is $18 million additional. It is in the budget.

If they will increase taxes downtown to take care of this $14,200,000, I will join with the gentleman.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. NATCHER) has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, if I might respond to the question asked by the gentleman from Kentucky, in this bill we rewrite the property tax in the District of Columbia.

Now, the tax rule was just released Friday by the courts, and it is virtually impossible for this body to set a tax rate for the District of Columbia, especially since we have given over to the Council of the District of Columbia the power to set the tax rate.

They are probably going to have to raise the tax rate. If they raise the tax rate to bring in as much money as would be brought in by the District of Columbia property tax as it existed last year, they would be bringing in $146 million, and that would take care of the $14 million total increase in the salaries. That is what they would do if they took the old system and projected it on to the current tax rate.

So this is a self-financing bill. The City Council has to set a tax rate. They do not have a tax rate that is valid now because of the court cases. With the procedures in this bill, they will have to set a tax rate, and they can set the tax rate to pick up whatever is necessary to pay what I think are very necessary salary increases.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, does the gentleman agree with me that as far as the funding for the increases in salaries in this bill are concerned, we only have $18 million for that purpose.

Mr. REES. Mr. Chairman, we have in this bill whatever the City Council will raise for this purpose.

Mr. NATCHER. Mr. Chairman, will the gentleman yield further on that point?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, assuming the City Council does what it has done certainly since January 1 of this year—and that is to do nothing—where is the money coming from for the $14,200,000?

Mr. REES. They will have to set a tax rate or they will not have any money to run the government of the District of Columbia.

Mr. Chairman, I agree with the gentleman when he was talking about the Federal payment and he was discussing the fact that the Senate might try to finance this through Federal payments. I will agree with the gentleman. I will defer to the gentleman as chairman of Subcommittee on the District of Columbia Appropriations, because I think the money has to be raised through the tax system of the District of Columbia and not through the Federal payments. So I agree with the gentleman.

However, even if we do not do anything here, the City Council is going to have to set a tax rate. They have had that duty and that responsibility for years.

Mr. NATCHER. Mr. Chairman, will the gentleman yield further?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, is it not true that in H.R. 15842, the bill which we are now considering, there is only a tax increase provided of $1,500,000, and that comes from the parking taxes? Is that not true?

Mr. REES. Mr. Chairman, it is true the actual tax increase in here is $1.5 million. However, we also establish a complete recodification of the property tax, and, therefore, under this bill the City Council will have to set a tax rate. And we also delegate the power to raise other tax rates.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to address a question to the gentleman from Kentucky (Mr. NATCHER). I would like to point out first that all of us respect the issue raised by the gentleman from Kentucky in trying to keep down the overall spending as much as possible, and most certainly all of us would like to keep the Federal payment to the Nation's Capital as low as possible.

However, we in the Congress have voted to delegate much, if not all, of the legislative control over the Nation's Capital to the people of the District of Columbia; but that will not take effect until January 1 of next year. In the meantime, we have the responsibility of legislating pay increases to provide for proper salaries to the policemen and firemen of the District of Columbia.

Now, after exhaustive hearings and study, we have learned that it will require at least a 16-percent increase to enable the policemen and firemen in the city to maintain the status quo, or to meet the increased costs of living.

Mr. Chairman, does the gentleman feel that we should have that increase postponed or delayed or denied because we have not met our responsibility in raising revenues to pay for this or, rather, in requiring the city to cut certain other spending and meet this expense by reestablishing their fiscal priorities?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, is it not true that the Mayor and the City Council sent us a budget for a 10 percent increase, asking for $18 million, which was approved by this House?

Mr. BROYHILL of Virginia. The gentleman is correct.

Mr. NATCHER. Where would we get the $14,200,000 additional for the 6 percent increase in salaries which is not provided for in the budget?

Where is the money coming from?

Mr. BROYHILL of Virginia. From several areas. As the gentleman from California pointed out, the District of Columbia Council has the authority to raise the real property tax. Let me make this observation. The city is limited in the amount they can raise. If they raise revenues of the District of Columbia so that they are not comparable to those in the suburbs on real property taxes, income taxes, and sales taxes, then the result will be a loss of returns. So there is a limit to the amount they can raise by taxation. If they cannot raise them, and if they cannot rearrange their priorities, then we will have to enact an increase in the Federal payment.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman from Virginia if it is not true that the Mayor appeared before the committee on the other side within the last 2 weeks, and said that I will not ask for a salary increase in excess of $18 million that is in the budget. We do not have any money to pay any increases above that. Where is the money coming from? And then is it not true that one of the Members on the other side said he would incorporate in their bill a one-shot $14.2 million additional Federal payment, and ask the Congress to approve it for that additional money.

And then the Mayor said if it was in Federal money he would agree.

Is that not true, I would ask the gentleman from Virginia?

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman is correct.

But let me say with all the respect that I have for the Mayor of the District of Columbia, that neither the Committee on the District of Columbia nor the gentleman's subcommittee are rubber stamps in this consideration.

Insofar as the suggestion made in the other body is concerned, I will have to agree that we should do all we can to insist that the taxes of the people of the District of Columbia are raised as much as they possibly can be, and that the priorities there are reduced as far as possible, but if more revenue than that is needed for this purpose, as the gentleman has said, then the Congress will have to appropriate it from Federal funds.

We cannot let the Nation's Capital go down the drain insofar as the necessary services to the people are concerned.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 1 additional minute.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like to say to my distinguished friend, the gentleman from Virginia, that I will never recommend that the Committee on Appropriations appropriate one additional dollar over the $18 million for this purpose. We gave them every dime that they asked for. And I think in all fairness that I should say to the gentleman from Virginia——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NATCHER. Will the gentleman obtain additional time?

Mr. BROYHILL of Virginia. Mr. Chairman, let me say to the gentleman from Kentucky that I would like to yield 5 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. DAVIS of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Indiana.

Mr. MYERS. Mr. Chairman, I thank the gentleman from Virginia for yielding me the 5 minutes.

The issue this afternoon is not whether an increase for the policemen and firemen and the teachers is of merit. The Appropriations Subcommittee for the District of Columbia and the House here recognized that when we provided for the $18 million reserve for such an increase, but the thing that does concern me is the fact that the Mayor, the City Council, the city administration, testified before our subcommittee for a 10-percent increase. That is all they asked for.

Now, I do not understand how this committee came up with the 16-percent increase. Possibly a 16-percent increase may be justified by the cost of living. I am not sure about that; but in any event, why was it that the city only testified for 10 percent before our subcommittee? Did they testify, did the same people come in after they testified in April before our committee, did they come before the other committee and ask for a 16-percent increase in just 3 months? Have things changed that much? I do not understand what has happened here.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from California.

Mr. DELLUMS. I would like to respond briefly to the question of the gentleman about the raise for teachers. The city advanced the proposal for 10 percent just like they did for the police department; but at the same time they were engaged in the process of collective bargaining. It was the position of the city that they would advance 10 percent. The representatives of the teachers were many more percentage points beyond that proposal. The collective bargaining process did not hold to allow that group to bring before us a recommendation that they would unify around.

The problem is that until January 2, 1975, we are required by law to address ourselves to the question of the increased compensation in certain areas.

Now, if we had all the time in the world, I am sure eventually the collective bargaining process would be jelled and I feel reasonably sure that whatever recommendation they would have made to us would have been beyond the 10 percent. We are caught in that position.

I would like to ask this question. If the collective bargaining process which they entered into in the title XXV of the D.C. Code allowing disengagement of collective bargaining, would the gentleman in the absence of an agreement side with the city or side with the union in trying to reach some kind of accommodation in this last official act in this area?

This is what we in the subcommittee attempted to do. This is what we in the full committee attempted to do. This is what we are asking the gentleman to do, to try to reach some reasonable position between that advanced by the city and that advanced by the employees that we are trying to compensate. We are trying to do this in fairness and equity and we arrived at the figure of 10 percent.

Mr. MYERS. Mr. Chairman, to answer the gentleman, it is not the duty, it is not the right of Congress even to interfere in those negotiations in the first place and let the free system work.

Mr. DELLUMS. I agree with the gentleman, if he was speaking on January 3, 1975. He is now speaking in 1974 and we have to make this decision.

Mr. MYERS. I would like to ask, was there any thought given to delaying these increases, give the 10 percent that the city asked for and if the other 6 percent is required or merited, was there any thought given about providing this next year?

Now, there is no question about it, the provision of raising taxes here from real estate or from parking taxes or from any other measure here provided in this law could never raise the money in time to meet this increase It is fine. I think the provision is also good.

I think there are some technical questions about this title that provides for the tax increase, or at least the tax provisions for assessments and evaluations and so forth.

Let me ask this. Was there any thought given to how much is going to be lost from taxation because of the circuit breaker, because of the deferred payment provision? How much revenue is going to be lost from this? Was there anything discussed about the loss of revenue?

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from California.

Mr. REES. Of course, the circuit breaker was about $5.5 million.

Mr. MYERS. Loss?

Mr. REES. Yes, loss.

Mr. MYERS. From what we are collecting today, there will be $5 million less collected in revenue to pay the obligations of the District of Columbia because of the circuit-breaker provision.

Mr. REES. Yes, there is about a $15 million loss because of a court decision which shifts the burden of payment of property taxes away from the commercial and onto the residential and the circuit breaker is to take up the slack for those in the lowest income bracket.

Mr. MYERS. I would have no disagreement on a circuit breaker, but I am not at all sure that we have provided the proper mechanism. I have not studied the other States. Did this committee study the other States?

Mr. REES. Of course we studied the other States. I must have studied property taxes in four or five different States and looked at about five or six circuit breakers.

We put that in the bill. We sent the bill over to City Council. They had 2 months of discussion on this. Of course, we studied other States.

Mr. BROYHILL of Virginia. Mr. Chairman, I have no further requests for time.

Mr. DIGGS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I just wanted to go on record to assure the gentleman from Kentucky that I share his view that it is unnecessary to increase the Federal payment to cover these proposed salary increases. In my view, current authorizations and administrative controls will produce sufficient money to pay the salaries.

Let me be specific. First, Public Law 93-198, the Home Rule Act, authorized a $230 million Federal payment for fiscal year 1975, $40 million more than was available in 1974. On at least two occasions, the Mayor and city officials testified that Federal payment amounts equivalent to 40 percent of local revenues would be "adequate and sufficient to meet the proper Federal share of all the anticipated financial needs" of the local government. The city budget for this year requested the full Federal payment of $230 million. Yet, because the Mayor moved to reduce real estate tax revenues earlier this year, the $230 million now represents more than 40 percent of the budget—it represents 42 percent. However, the city now claims, despite last year's testimony that it does not have enough funds to cover higher pay costs. The fact is that my committee was instrumental in getting a Federal payment which is higher than the city claimed would ever be needed.

The District appropriation bill which passed this House on June 24 did not appropriate $8.8 million of the authorized Federal payment. If appropriated, this money would cover a major portion of the proposed salary increases.

Second, I would point out that revenue raising provisions are included in H.R. 15842. If title IV of this bill is enacted—the real estate provisions—an additional $6 million will be available from property tax revenues. This is with tax levels staying the same, revenues will be no higher than what would have been collected at the beginning of this year. If the Council takes action to reflect previous assessment levels, an additional $14 million would be available this year, more than enough to cover the extra pay costs. In addition, enactment of a sales tax on parking in title IV, which is similar to that imposed by 33 States and 8 major cities, would yield a net $1.2 million.

Third, I am not convinced that in a $1 billion budget the third largest of a municipality in the Nation, there is absolutely no room to absorb some of these higher pay costs. In the past, the city has been able to reprogram an average of $7 million annually. Because of the 2-month delay in appropriating the budget, new-hire cost savings of $3.3 million will result. An additional $4.4 million in revenues would also be available this year if all ticket fines on D.C. automobiles were collected. Finally, the General Accounting Office has stated in a December 1973 report that nearly one-half million dollars a year could be saved through the assignment of civilian personnel to administrative posts now held by police officers.

The revenue sources discussed above would raise $24.7 million. This compares to the $13.8 million additional moneys which the city believes it will need. Even if the above sources are not tapped, the City Council is clearly authorized in H.R. 15842 to enact changes in tax rates to provide sufficient revenues for police, firemen and teachers' salaries. To argue that the city cannot increase tax revenues in an "election year" is to argue that nothing of a so-called controversial nature can be done when the voters are watching.

This committee has therefore provided a variety of ample alternatives to meet these much-deserved salary increases.

I am amazed that the city is claiming, despite last year's testimony, that it does not have enough funds to cover these higher pay costs. The fact is that our committee was instrumental in getting a Federal payment which was higher than the city claimed would ever be needed.

The District appropriations bill which passed the House on the 24th of June did not appropriate $8.8 million of the authorized Federal payment. That is what the gentleman from Kentucky (Mr. NATCHER) was talking about when he indicated there was flexibility which under certain circumstances he might be prepared to exercise that would cover a major portion of the salary increase without an increase in the authorization.

Second, if title IV of the bill is enacted, the real estate provision, as the gentleman from California (Mr. REES) pointed out, an additional $6 million would be available from property tax revenue. This is with tax levels staying the same, revenues would be no higher than would have been collected in the beginning of this year. If the council takes action to reflect previous assessment levels, an additional $14 million would be available this year, more than enough to cover the extra pay costs. In addition, Mr. Chairman, the enactment of the sales tax on parking that is in this bill will amount to some $1.2 million.

Third, I am convinced, Mr. Chairman, that with a billion dollar budget, the third largest of any municipality in the nation, there is room to absorb a substantial amount if not all of these higher costs.

In the past the city has had enough flexibility to reprogram moneys which amount to some $3 million and this flexibility could go as high as $7 million. The 2-month delay in appropriating the budget, for example, could in connection with new higher costs amount to $3.3 million.

Additionally, Mr. Chairman, $4.4 million in revenue would also be available this year if just all the ticket fines on District of Columbia automobiles were collected.

Finally, the General Accounting Office stated last December that nearly a half million dollars a year could be saved through the assignment of civilian personnel to administrative posts now held by police officers.

So we are talking here, Mr. Chairman, when we add up all of these revenue sources, of $24.7 million, and they only need $13.8 million. Even if the parking tax provision is not passed, there is an adequate amount of money in this bill, and particularly when we consider the authorization of the City Council to work out changes in tax rates or to provide sufficient funds, this would be sufficient. Therefore, to say that the city cannot increase tax revenues in an election year is to argue that nothing of a so-called controversial nature can be done while the voters are watching.

I think, Mr. Chairman that there are a sufficient and a variety of alternatives to meet the extra expense of these much-deserved salary increases.

Mrs. HOLT. Mr. Chairman, when we are evaluating the priorities for Government spending, nothing should rank higher than the need to continue to improve essential public services such as police protection, fire protection, and public education.

There are many other programs on which the Members of this body are in substantial disagreement, but I daresay that there can be no disagreement on providing adequate compensation for the policemen, firemen, and teachers of this Federal city, the District of Columbia.

We have a special obligation here, because Government is the major industry, and indeed, the very reason for this city's existence.

Policemen, firemen, and teachers are among the middle-income citizens of our Nation and this city who have been hardest hit by inflation, and I need not remind this body of the principal cause of inflation. The House has authorized billions of dollars of deficit spending, throwing money at projects and programs far less essential than the vital services embodied in this bill.

This legislation provides a 16-percent pay increase for District policemen and firemen whose pay scales have not been raised for more than 2 years. The proposed increase will hardly even compensate for the rate of inflation. Since I cosponsored this pay increase in November of 1973, inflation has continued to eat into firemen's and policemen's pay—a total of 16.8 percent in the District of Columbia since 1972.

Indeed, we must pass this bill to enable these dedicated public servants to just keep pace with this rate of inflation.

Mr. Chairman, I urge my colleagues to join me in support of this much needed legislation.

Mr. BIAGGI. Mr. Chairman, I rise in support of the bill H.R. 15842 which has as one of its key provisions, the granting of a long overdue pay raise for District firemen, as well as the 7,561 members of the Metropolitan Police Department.

Under title I of this legislation, the base starting salary for a police private would be raised to $11,600 as compared with the present figure of $10,000. Further, the maximum salary for a private would be increased from the present $14,400 to $16,705.

This title will authorize annual reviews and recommendations concerning police and firemen salaries to help insure that they can help keep pace with the rising cost of living. Finally, this title makes important changes in the determination of retirement annuity payments by basing it on average salary accumulated for 12 consecutive months.

The brave men and women who serve the Metro police force are forced to do daily battle with the large criminal element which exists in this city. As if this task were not hard enough, these same individuals have been forced to do battle with an equally devastating foe, inflation. While the police are faring reasonably well in the fight against crime, they are faring dismally in the fight against inflation.

It has now been over 2 years since the police and firemen of this city have received a pay boost. Since that time, the inflationary spiral which has gripped this Nation, has hit particularly hard in this jurisdiction. From the period of May 1972 until July 1974, the Consumer Price Index in Washington has risen by a dramatic 16.8 percent, which in effect has consumed virtually all of the 17-percent increase which police and firemen received in 1972.

During this same period, most other employees of the District government have enjoyed two pay increases totaling nearly 10 percent, and are scheduled to receive still another increase in October. In addition, District police now rank as the lowest paid among the five jurisdictions which make up the Washington metropolitan area.

Police in Washington are forced to deal with responsibilities not faced by other major urban departments. They are serving not only the citizens of Washington, but of the Nation as well, for many hundreds of thousands of Americans a year flock or converge on Washington to visit or exercise their rights of free speech and assembly. It is for these services and other reasons that I am pleased to support this legislation today which will give these brave and dedicated men and women justified and well deserved pay raises.

It is imperative that we begin to provide not only the police in Washington, D.C., but all police, with the kind of economic security, which will effectively preclude them from enduring the anguish of being unable to provide themselves and their families with a decent standard of living. If we hope to maintain the high caliber of police and firemen who currently serve the Nation's Capitol, we must provide them with economic incentives which will permit them to stay and continue to provide the excellent level of services we enjoy today.

As a former police officer for 23 years in New York, I am acutely aware of the serious economic hardships which police in this Nation face today. As a member of the conference committee which drew up the recently enacted Fair Labor Standards Act, I personally worked to insure that police and firemen would be included under the generous overtime provisions of this law. We are now considering another important bill which seeks to relieve the economic plight of the Washington, D.C., policeman.

Policemen, like many other groups in this Nation, are professionals, who have the added factor of having to risk their lives in the performance of their ordinary duties. We have a great opportunity to demonstrate our support of the Washington Police Department, by granting them this long overdue pay raise. Each of us sitting today owes some of our security and well being to the District police. They ably and willingly serve our interests, and we should not hesitate when presented with an opportunity to serve theirs. I urge swift approval of this legislation.

Mr. HOGAN. Mr. Chairman, I rise in strong support of this legislation to provide a much-deserved pay increase for the District of Columbia's police and firemen.

The last pay increase given to the more than 7,500 policemen and 1,400 firemen in the District was in May of 1972—more than 2 years ago. That legislation provided an average increase of 17.4 percent, boosting starting salaries from $8,500 to $10,000.

The cost of living has increased 16.8 percent since 1972, and that increasing cost has been borne unfairly and inequitably by a group of hard-working and courageous men and women who serve their community and serve justice well.

Other civil servants in the Washington area have had the benefit of periodic increases in salaries on a cost-of-living basis, but the police and firemen have been denied such increases.

A 16-percent increase in pay may seem exorbitant at first, but on closer inspection, it can be seen that even this much of an increase is outstripped by the rate of inflation over the last 2 years.

So there is no question in my mind that these public safety officers fully deserve the increase which the District of Columbia Committee has recommended that we adopt.

I think it is always worth reminding my colleagues here and our fellow citizens throughout the Nation that there is no more important, nor less appreciated, work to be done in our society than preserving law and order, and protecting the life and property of the American people.

The law enforcement officers at the local level have a great responsibility, which they perform with consistently high quality. They have a difficult job which they execute with skill and courage.

I have nothing but respect and admiration for them, and I am happy to see that we are at long last catching up to our responsibility to see that these public safety officers in the District of Columbia are given their just rewards for outstanding service.

Mr. NELSEN. Mr. Chairman, my views on titles I and II of this particular piece of legislation are as set forth in my additional views, contained in House Report 93-1203, which accompanied H.R. 15482. At this point, I would like to insert those views in the RECORD:

ADDITIONAL VIEWS OF HON. ANCHER NELSEN

Title I and Title II of this bill increase the salaries of the police and firemen and teacher in the public school system respectively. The amount recommended by the District Government was a 10% increase for the police and firemen to take effect July 1, 1974, and a 10% increase for the teachers in the public school system to take effect on January 1, 1975. The pay increase contained in Title I for the police and firemen is a 16% increase, and the increase contained in Title II to take effect for the teachers in the public school system provides 10% September 1, 1974, and an additional compounded 3% interest on January 1, 1975, the day before the Mayor and the Members of the City Council are sworn into office.

What this means in dollars and cents is basically as follows:

COMMITTEE ACTION

Title I—Police and firemen	$18,300,000
Title II—Public school teachers	13,800,000
Total	32,100,000

DISTRICT GOVERNMENT RECOMMENDATION

Police and firemen	$11,400,000
Public school teachers	6,600,000
Total	18,000,000

This bill, therefore, requires the District Government to come up with $18 million to cover the pay increases voted by the Committee over and beyond those recommended.

Title III of the bill provides an increase in annuities to retired teachers that is similar to increases given social security annuitants. Although this may cost some $250,000, it appears to be a very much deserved increase.

The revenue that is provided for, or lost through repeal of existing law, in this bill, Title IV, for Fiscal Year 1975 is estimated as follows:

Parking Tax (gain)	1.5
Repeal of Performing Arts Tax (loss)	.3
Total	1.2

There are further revenue losses provided for in Title IV, which take effect in Fiscal Year 1976, that allow tax credits ("circuit breakers") to certain residents (landowners and renters), which are estimated at $4,500,000. Additional Tax or revenue losses for incentives for rehabilitation and real estate tax deferrals are estimated to be substantial, but no fixed figure was provided by the District Government. Further, the cost of administering the new real estate tax procedures provided in Title IV will, no doubt, prove to be substantial.

In my opinion, it would have been better to leave these tax incentives, tax repealers, and many other provisions in Title IV to the City Council, which will take office on January 2, 1975. The Congress has recently given the District "home rule," and many of the provisions in Title IV impose laws on the District residents over which they will have no voice. It is no answer to say the new District government may repeal all of this bill. Until they can hold hearings and enact laws, all of these provisions will be in effect. Furthermore, it could be considered as a distrust in the locally elected government to be moving on all these provisions at this time.

As to the nearly $13 million "deficit," which the Committee's action creates in the pay provisions of this bill, this creates a problem for the existing appointed Council *and* the newly elected *Council and Mayor.* Certainly a salary increase was deserved and needed. However, I wonder whether we might not have acted at the level recommended by the District Government in this bill and directed the newly elected City Council to address other pay increases beyond this. The fact that broader tax authority to raise revenue until January 2, 1975, is provided in this bill is no answer if the appointed Council takes no action to erase the $13 million deficit created by this bill following the example set by this bill.

In conclusion, there are provisions in Title 4 having to do with real estate taxes, assessments, tax credits, incentives, etc., which I would like to see amended, and I would support and may introduce certain amendments as they relate to these matters.

NEW LABOR-MANAGEMENT RELATIONS LAW FOR THE DISTRICT OF COLUMBIA

Title I of this bill amending the District of Columbia Police and Firemen's Salary Act of 1958 contains in Part 2 what amounts to a Labor-Management Relations law for the District of Columbia.

A Labor-Management Relations Board is established which has the power and authority, among other thing, to:

Resolve negotiation impasses through mediation, fact-finding, or final binding arbitration.

In certain cases *on its own* order, unresolved disputes referred to final binding arbitration, including last best offers.

After requests for binding arbitration from either party, the Board *shall* order (within 10 days after request is filed) "last best offer, total package arbitration of all unresolved issues."

The history of Labor-Management Relations in the District of Columbia (which is based on the Mayors' District Personnel Manual, Chapter 25-A, which is based on the President's Executive Order 11491) is one of which most cities in this country could envy.

As stated in a letter to the Chairman, dated July 16, 1974, from the District Director of Personnel. "The District of Columbia Government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program."

The position of the District Government (letter of July 16, 1974) on the provisions of Title I, Part 2, concerning a Labor-Management Relations Law is quoted in its entirety below:

GOVERNMENT OF THE DISTRICT
OF COLUMBIA, EXECUTIVE OFFICE,
Washington, D.C., July 16, 1974.
Congressman CHARLES DIGGS,
Chairman, House District Committee, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DIGGS: Reference is made to the Committee Mark-up of July 15, 1974, concerning among other legislation, the Police and Firemen's Salary Act amendment and the amendments to the Teachers Salary Act of 1955. In the process of the Mark-up session, an amendment was proposed by Mr. McKinney concerning Title II of the Police and Fire Salary Act Amendment. This amendment would establish a Police and Fire Salary Benefit Committee which would be responsible for the conduct of studies of salaries and fringe benefits of these employees locally and nationally. The District of Columbia Government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program. The "McKinney amendment", however, concerns us more than similar proposals in H.R. 15777 or H.R. 14662. The McKinney amendment entangles the city government in a procedure which swings somewhere between a procedure for setting pay and one which would be established to resolve labor disputes in the city government in an awkward manner. The District of Columbia Government has had a wealth of experience in this area since 1960 and has established one of the most viable labor management regulations in the country. What is of concern is that the District's Board of Labor Relations, composed of two members selected by unions and two members selected by management, with the chairman selected by the four members, has been totally ignored in the debate which has recently centered on the desire of Congress to impose on the District of Columbia Government some form of "compulsory arbitration board" as a substitute for collective bargaining. We would like to stress to the Committee the fact that the District of Columbia Government has never sought to unilaterally impose its desires on the unions which it has recognized, but in fact made the unions a part of the development of the current program. The major concern that we see, not only in the unclear amendment submitted by Mr. McKinney or even the provisions currently existing in the bills now before the Committee, is the apparent lack of understanding of the collective bargaining process and especially as it relates to the public sector.

The McKinney amendment imposes dates for completion of the study as being June 30, 1975 and Council action as being no later than October 1, 1975. It fails to recognize that the collective bargaining process with multi-year contracts may Frontload the salary increase or may allow for other methods of establishing pay. We find a serious flaw in the fact that if the District wanted to enter into a multiple agreement of three years whereby deferred increases were allowed each of those three years, this legislation would preclude such a legitimate provision. Section 202(b) requires that if an impasse in negotiation is reached on or before the expiration date of the existing collective bargaining contract, the parties must notify the Director of the Federal Mediation and Conciliation Service who shall appoint a board of arbitrators (mediation in this case is meaningless where settlement will be imposed by an arbitration board). This board shall then impose a form of compulsory arbitration on the city without true collective bargaining taking place. Problems in the city of Detroit, Philadelphia and the transit strike recently experienced by the Washington Metropolitan Area Transit Authority attests to the problems of compulsory arbitration and supports the argument that where compulsory arbitration is the only vehicle for the settlement of negotiation impasses that meaningful collective bargaining never takes place.

Another factor which concerns the District of Columbia Government is that we have always been ready and willing to negotiate to enter into meaningful collective bargaining; however, the unions who are so intent upon gaining recognition in order to bargain on behalf of employees have devised any means they can to circumvent and to avoid collective bargaining. The proposals that the Congress is now considering interpose an artificial substitute for true collective bargaining. The imposition of the procedures in both the Teachers and the Police and Fire legislation stifles the process of free collective bargaining, ignores the ability to pay and places in the hands of a third party full responsibility for setting pay rates, leaving management only the responsibility to find the money. We do not believe that school programs should be reduced or eliminated to pay for increase that a jurisdiction cannot afford or that are not justified or that require regressive taxes be levied to finance salary increases. We do submit that the parties be allowed constantly to negotiate without artificial constraints of compulsory arbitration or improvised gimmicks to reach a settlement or come sufficiently close to allow a competent mediator to close the gap. We subscribe to Theodore Kheel's statement that arbitration can only be effective when bargaining has framed the issues with precision. The District's current labor program provides the full arsenal for third party resolution of disputes, including mediation and fact-finding. (In the case of the teacher's dispute, such fact-finding was suggested by the Federal mediators and summarily rejected by the Teachers Union). In addition, the Board of Labor Relations already established by the District Government can impose arbitration on the parties, but only after the issues have been "well defined".

The District Government although opposed to the establishment of the labor board in H.R. 15777 on the grounds that it already exists in practice, believes it is infinitely better than that proposed in the McKinney amendment. Therefore, the District of Columbia Government strongly opposes the intent and the thrust of the provisions contained in the McKinney amendment and requests that the Congress consider no statutorily imposed labor legislation on the District Government for police and fire, since they are already covered by such a program. The District Government believes that on the eve of self-government it has made provisions for the mature conduct of labor relations which goes far beyond the patch work provisions contained in current bills. Experience has indicated that this program is workable and impartial and provides for the greatest freedom for both sides to enter into meaningful and valuable collective bargaining.

Sincerely yours,
DONALD H. WEINBERG,
Director of Personnel.

The imposition of a local Labor-Management Relations Law on the District Government as it embarks on "home rule" is improvident and contrary to my understanding of what was intended by the Congress when it passed the District of Columbia Self-Determination Act.

Moreover, if we place the Mayor or any of his agencies or departments in a position where they must accept binding arbitration on pay, allowances, and other fringe benefits—we are in fact, if not in express wording, binding the locally elected City Council and ultimately the Congress. It is no answer to this assertion that the "words of the bill" do not expressly bind the locally elected City Council. In my opinion, as a practical and political matter, it will bind them. Since this is a Congressionally imposed law, can we not expect the locally elected City Council to pass the "binding arbitration package" on to the Appropriations Committees in Congress.

Further, if the House were to permit these provisions to remain in this bill, I am of the opinion that we would be opening the door to a similar proposal for *all* Federal employees. Yet, we all know the Chairman of the Civil Service Commission has testified before the House Post Office and Civil Service Committee that the President's Executive Order (E.O. 11491) "has been conspicuously successful."

In conclusion, I am of the opinion that the labor-management provisions of this bill are unnecessary, are contrary to "home rule" for the District Government since they would largely take effect after January 1975, and may be viewed as a preliminary step to legislate the same provisions for Federal employees.

ANCHER NELSEN.

I indicated to the chairman of the full committee that I was somewhat concerned about our making this bill so large with its four titles, that it might be more than the House could digest at one time. I wish we could deal with all the titles as separate bills, but that was not the position of the committee.

I am particularly concerned with the fact that we have authorized pay increases to the police and firemen and to the public school teachers, which are approximately $14 million in costs above the figure recommended by the District of Columbia and set aside in their budget for fiscal year 1975. This $13 or $14 million "deficit' which the committee's action grants is troublesome to me, because if the city cannot absorb this additional cost in their budget, there is no revenue in this bill to make up the difference. As a result, what we are doing here is "passing the buck" to the locally oppointed—up to January 1, 1975—and elected—January 2 through June 30, 1975—governments to make up the difference in tax increases.

I am informed that the Senate had indicated that they are willing to increase the Federal payment for fiscal year 1975 by some $14 million to make up the difference. Now while that proposition may have some attraction, it seems to me that it also raises some problems. I seem to recall a statement by my colleague from Kentucky (Mr. NATCHER) when he presented the D.C. appropriations bill, H.R. 15581, on the floor, to the effect that he would not appropriate further funds for the District unless there were some additional tax-raising efforts made by the local government. While I can see that some of the Federal payment might be used to take care of the police and firemen's pay raise, inasmuch as at least until January 1975, they will be performing a Federal function that cannot, in my view, be said with respect to the public school teachers. There is nothing much more local than public-education and the cost associated therewith, and I believe there would probably be strong opposition to a Federal payment that would have the residents of other States—the Federal taxpayers—paying for salary increases for public school teachers in the District of Columbia.

I am opposed to this particular provision of the bill, inasmuch as I believe it is unnecessary and a matter which the local government itself can consider and resolve one way or the other once they take office January 2, 1975.

The District Director of Personnel states in a letter dated July 16, 1974, that:

> The District of Columbia government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program.

The letter is noted in my additional views contained in House Report 93-1203, pages 93-86.

I see no reason why we should impose this type of labor-management relations law on the District of Columbia at this time. The imposition of such a local labor relations law upon the District government as it embarks on "home rule" is improvident and contrary to my understanding as to what was intended by the Congress when it passed the District of Columbia Self-Government and Government and Governmental Reorganization Act of 1973.

Moreover, although its proponents will say that it is not binding on the local City Council, as a practical matter, that is not so. If binding arbitration is provided in this bill, the last best offer is provided in this bill, there is no locally elected City Council that will be able to stand the pressures that a final determination and binding determination of a local management-labor relations board would oppose. If it is binding on the City Council, ultimately that binding arbitration on pay and other fringe benefits will be binding on the Appropriations Committees in Congress and on this Congress as a whole.

I see this provision in title I of this bill as a forerunner to legislation which would impose similar binding arbitration and collective-bargaining provisions for all Federal employees. That is contrary, as I understand it, to the testimony that has been received by the Post Office and Civil Service Committee as it relates to what is desired for Federal employees. Certainly, I do not wish to see a little National Labor Relations Board established for Federal employees, nor do I wish to see binding arbitration and total last offer packages imposed upon the Federal Government, the Congress, or for that matter, Federal employees.

For the foregoing reasons, I am opposed to this portion of title I of this bill.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 15842—to increase the salaries of the police and firemen of the District of Columbia.

This bill represents a real commitment on the part of the District and of the Congress to insure that our most important public servants are fairly compensated.

Further—this bill will provide an incentive to municipalities around the country to substantially increase police and firemen's salaries.

With inflation rates spiralling off all available charts—it is high time we recognize the significance of this kind of legislation. Police and firemen put themselves in great danger daily—and only to protect the health and safety of people like you and me.

The police and firemen of the District have not had a pay raise since May of 1972. Since that time—the cost of living has risen an enormous 17.6 percent. This piece of legislation will at least put the pay rates of our "peace officers" in line with this skyrocketing inflation rate. And it will allow them treatment as first class public employees for the first time.

Historically—police in the District of Columbia have had to wait 2 years each time they requested a pay hike. But at the same time—nearly 300,000 other Government employees in the District get a raise every year.

Further—this bill is soundly conceived—in the best interests of both policeman and citizen alike. It provides for an annual review and recommendations for police and firemen's salaries. This will help to eliminate this traditional 2-year wait.

Mr. Ken Lyons of the National Association of Government Employees—one of the many outstanding groups who fought so vigorously on behalf of the "peace officers" of the District—put it very well I thought—when he pointed out in his testimony before the District Committee that this yearly adjustment "based on the Consumer Price Index and police rates of pay in cities of comparable size and crime rates" would equalize police benefits for the District of Columbia police to other cities across the country.

This is where the significance of this bill lies.

I urge favorable consideration of this measure so we can accomplish this equalization.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 15842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—POLICE AND FIREMEN'S COMPENSATION

PART 1—SALARY ACT AMENDMENTS

SEC. 101. The District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, secs. 4-823—4-837) is amended as follows:

(1) The salary schedule in section 101(a) of that Act (D.C. Code, sec. 4-823(a)) is amended to read as follows:

SALARY SCHEDULE

Salary class and title	Service step—								
	1	2	3	4	5	6	7	8	9
Class 1: Fire private, police private	$11,600	$11,950	$12,530	$13,110	$14,035	$14,965	$15,545	$16,135	$16,705
Class 2: Fire inspector	13,225	14,035	14,850	15,660	16,470	17,285	18,095		
Class 3: Detective, assistant pilot, assistant marine engineer	14,500	15,225	15,950	16,675	17,400	18,125	18,850		
Class 4: Fire sergeant, police sergeant, detective sergeant	15,755	16,540	17,330	18,120	18,910	19,695			
Class 5: Fire lieutenant, police lieutenant	18,210	19,125	20,035	20,945	21,855				
Class 6: Marine engineer, pilot	19,895	20,885	21,880	22,870					
Class 7: Fire captain, police captain	21,575	22,655	23,735	24,810					
Class 8: Battalion fire chief, police inspector	25,010	26,260	27,515	28,770					
Class 9: Deputy fire chief, deputy chief of police	29,350	31,335	33,325	35,315					
Class 10: Assistant chief of police, assistant fire chief, commanding officer of the Executive Protection Service, commanding officer of the U.S. Park Police	34,800	37,120	39,440						
Class 11: Fire chief, chief of police	40,250	42,690							

(2) The second sentence of section 202 of that Act (D.C. Code, sec. 4–825) is amended to read as follows: "The additional compensation authorized by this section shall be paid to an officer or member in the same manner as he is paid basic compensation to which he is entitled, except that when such an officer or member ceases to be in such an assignment, the loss of such additional compensation shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(3) Section 301 of that Act (D.C. Code, sec. 3–827) is amended by (A) striking out "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all", and (B) by adding at the end thereof the following:

"(b) Any officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the Executive Protective Service, or the United States Park Police force who separates from that force, department, or service, and who is subsequently reappointed to such force, department, or service within three years after the date of such separation may receive any scheduled rate of basic compensation provided in salary class 1 of the salary schedule in section 101 which does not exceed the scheduled rate of basic compensation being paid at the time of such reappointment for the class and service step he had attained at the time of his separation. For purposes of this subsection, only basic compensation shall be used in determining service step placement.".

(4) Section 302 of that Act (D.C. Code, sec. 4–828) is amended to read as follows: "An officer or member described in paragraph (1) (B) shall receive such compensation until the position of dog handler is determined under section (a) not to be included in salary class 4 as a technician's position or until he no longer performs the duty of dog handler, whichever first occurs.".

(5) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended by adding at the end thereof the following:

"(e) Whenever any officer or member receiving additional compensation authorized by subsection (b) or (c) is no longer entitled to receive such additional compensation, without a change in salary class, he shall receive, irrespective of any subsequent salary schedule or service step adjustment authorized by this Act, basic compensation equal to the sum of his existing scheduled rate of basic compensation and the amount of such additional compensation until his schedule rate of basic compensation equals or exceeds such sum.

"(f) The loss of the additional compensation authorized by subsection (b) or (c) shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(6) Section 401(a)(2) of that Act (D.C. Code, sec. 4–832(a)(2)) is amended to read as follows:

"(2) For purpose of paragraph (1), continuous service as an officer or member includes only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service (A) determined not to have been satisfactory service, (B) rendered before appointment as an officer or member, or (C) rendered after resignation as an officer or member.".

(7) The second sentence of section 401(c) of that Act (D.C. Code, sec. 4–832(c)) is amended to read as follows: "For purposes of this subsection, in computing a deputy chief's continuous service on the police force or fire department, there shall be included only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service—

(1) determined not to have been satisfactory service,

(2) rendered before appointment as an officer or member, or

(3) rendered after resignation as an officer or member.".

SEC. 102. The second section of the Act approved October 24, 1951 (D.C. Code, sec. 4–808) is amended by striking out "the 22d day of February", "the 30th day of May", and "the 11th day of November", and inserting in lieu thereof "the third Monday in February", "the last Monday in May", "the second Monday in October", and "the fourth Monday in October".

SEC. 103. (a) Except as provided in subsections (b) and (c), the amendments made by this title shall take effect on and after the first day of the first pay period beginning on or after July 1, 1974.

(b) The amendment made by paragraph (5) of section 101 shall take effect on and after the first day of the first pay period beginning on or after January 1, 1974.

(c) The amendments made by paragraphs (6) and (7) of section 101 shall take effect on and after the first day of the first pay period beginning on or after May 1, 1972.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

TITLE I—POLICE AND FIREMEN'S COMPENSATION

PART 1—SALARY ACT AMENDMENTS

SEC. 101 (a) The District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, secs. 4–823—4–837) is amended as follows:

(1) The salary schedule in section 101(a) of that Act (D.C. Code, sec. 4–823(a)) is amended to read as follows:

SALARY SCHEDULE

Salary class and title	Service step→								
	1	2	3	4	5	6	7	8	9
Class 1: Fire private, police private	$11,600	$11,950	$12,530	$13,110	$14,035	$14,965	$15,545	$16,125	$16,705
Class 2: Fire inspector	13,225	14,035	14,850	15,660	16,470	17,285	18,095		
Class 3: Detective, assistant pilot, assistant marine engineer	14,500	15,225	15,950	16,675	17,400	18,125	18,850		
Class 4: Fire sergeant, police sergeant, detective sergeant	15,755	16,540	17,330	18,120	18,910	19,695			
Class 5: Fire lieutenant, police lieutenant	18,210	19,125	20,035	20,945	21,855				
Class 6: Marine engineer, pilot	19,895	20,885	21,880	22,870					
Class 7: Fire captain, police captain	21,575	22,655	23,735	24,810					
Class 8: Battalion fire chief, police inspector	25,010	26,260	27,515	28,770					
Class 9: Deputy fire chief, deputy chief of police	29,350	31,335	33,325	35,315					
Class 10: Assistant chief of police, assistant fire chief, commandihg officer of the Executive Protective Service, commanding officer of the U.S. Park Police	34,800	37,120	39,440						
Class 11: Fire chief of police	40,250	42,690							

(2) The second sentence of section 202 of that Act (D.C. Code, sec. 4–825) is amended to read as follows: "The additional compensation authorized by this section shall be paid to an officer or member in the same manner as he is paid basic compensation to which he is entitled, except that when such an officer or member ceases to be in such an assignment, the loss of such additional compensation shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(3) Section 202 of that Act (D.C. Code, sec. 4–825) is further amended by striking out "$2100" and inserting in lieu thereof "2270".

(4) Section 301 of that Act (D.C. Code, sec. 4–827) is amended by (A) striking out "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all", and (B) by adding at the end thereof the following:

"(b) Any officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the Executive Protective Service, or the United States Park Police force who separates from that force, department, or service, and who is subsequently reappointed to such force, department, or service within three years after the date of such separation may receive any scheduled rate of basic compensation provided in salary class 1 of the salary schedule in section 101 which does not exceed the scheduled rate of basic compensation being paid at the time of such reappointment for the class and service step he had attained at the time of his separation. For purposes of this subsection, only basic compensation shall be used in determining service step placement.".

(5) Section 302 of that Act (D.C. Code, sec. 4–828) is amended to read as follows: "An officer or member described in paragraph (1)(B) shall receive such compensation until the position of dog handler is determined under section (a) not to be included in salary class 4 as a technician's position or until he no longer performs the duty of dog handler, whichever first occurs.".

(6) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended by adding at the end thereof the following:

"(e) Whenever any officer or member receiving additional compensation authorized by subsection (b) or (c) is no longer entitled to receive such additional compensation, without a change in salary class, he shall receive, irrespective of any subsequent salary schedule or service step adjustment authorized by this Act, basic compensation equal to the sum of his existing scheduled rate of basic compensation and the amount of such additional compensation until his schedule rate of basic compensation equals or exceeds such sum.

"(f) The loss of the additional compensation authorized by subsection (b) or (c) shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(7) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended (1) by striking out "$680" in subsection (a) thereof and inserting in lieu thereof "$735"; and (2) by striking out "$500" each time it appears in subsection (c) thereof and inserting in lieu thereof "$540".

(8) Section 401(a)(2) of that Act (D.C. Code, sec. 4–832(a)(2)) is amended to read as follows:

"(2) For purpose of paragraph (1), continuous service as an officer or member includes only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service (A) determined not to have been satisfactory service, (B) rendered before appointment as an officer or member, or (C) rendered after resignation as an officer or member.".

(9) The second sentence of section 401(c) of that Act (D.C. Code, sec. 4–832(c)) is amended to read as follows: "For purposes of this subsection, in computing a deputy chief's continuous service on the police force or fire department, there shall be included only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service—

"(1) determined not to have been satisfactory service,

"(2) rendered before appointment as an officer or member, or

"(3) rendered after resignation as an officer or member.".

(b) Each officer or member who immediately prior to the effective date of the amendment made by paragraph (1) of subsection (a) was assigned to service step 1, service step 2, or service step 3 of salary class 2 shall be placed in and receive basic compensation in service step 4 of salary class 2.

Sec. 102. The second section of the Act approved October 24, 1951 (D.C. Code, sec. 4–808) is amended by striking out "the 22d day of February", "the 30th day of May", and "the 11th day of November", and inserting in lieu thereof "the third Monday in February", "the last Monday in May", "the second Monday in October", and "the fourth Monday in October".

Sec. 103. (a) Except as provided in subsections (b) and (c), the amendments made by this title and subsection (b) of the first section shall take effect on and after the first day of the first pay period beginning on or after July 1, 1974.

(b) The amendment made by paragraph (5) of section 101 shall take effect on and after the first day of the first pay period beginning on or after January 1, 1974.

(c) The amendments made by paragraphs (6) and (7) of section 101 shall take effect on and after the first day of the first pay period beginning on or after May 1, 1972.

Part 2—Study of Police and Firemen's Salaries and Recommendations

Sec. 111. (a) The Commissioner of the District of Columbia, and after January 2, 1975, the Mayor of the District of Columbia, shall annually conduct a thorough study of the compensation being paid officers and members of the police and fire departments of other jurisdictions in the Washington metropolitan area and other cities of comparable size. The annual study may include other conditions of employment of police and firemen, such as hours of work, health benefits, retirement benefits, sick pay, and vacation time. The annual study shall also include the current percentage change in the Consumer Price Index for the Washington metropolitan area published by the Bureau of Labor Statistics, Department of Labor, and rates of compensation for Federal and District of Columbia employees having comparable duties and responsibilities.

(b) In order to conduct the annual study specified in subsection (a), the Commissioner, or the Mayor, as the case may be, shall establish a city personnel salary and benefits study committee whose sole function shall be to conduct such annual study. The size of the committee shall be determined by the Commissioner, or the Mayor, as the case may be, who shall appoint the management members of the committee. Each labor organization or other association or group which has been selected to represent the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia shall select representatives of their respective labor organizations or other association or group to be members of the labor-management committee.

(c) On or before June 30 of each year, the results of the annual study shall be made public and shall be available to the parties involved in negotiations between the District of Columbia and representatives of the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia under the District of Columbia labor relations program. The results of such annual study shall also form the basis for consideration of adjustments in pay levels for officers of the Metropolitan Police force and the Fire Department of the District of Columbia whose compensation is adjusted in a manner which is outside the scope of the negotiations referred to in the first sentence of this subsection.

Sec. 112. (a) After January 2, 1975, the Mayor of the District of Columbia shall make recommendations to the Council of the District of Columbia with respect to changes in compensation of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia. Such recommendations shall be formulated during the process of collective bargaining between the District of Columbia and the representatives of such officers and members. Such recommendations shall be made for a period that the parties in such collective bargaining agree upon and may include recommendations relating to other related matters as agreed upon. The first such recommendations shall be made no later than October 1, 1975.

(b) The recommendations submitted by the Mayor under this section shall be considered a labor-management issue for the purposes of section 113.

Sec. 113. (a) The Commissioner of the District of Columbia shall establish a labor-management relations board (hereinafter in this section referred to as the "board") for the District of Columbia. Among other duties which may be assigned to the board it shall have that authority specified in subsection (b) with respect to labor-management disputes arising between the District of Columbia and the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia. The board in addition shall have the membership, specific authority, rules of procedure, and other duties the Commissioner may by regulation provide, so long as the number of members on the board representing the District of Columbia and the labor organizations or other associations or groups selected to represent the employees of the District of Columbia is equal. An additional person, who shall be the Chairman, shall be selected by the Commissioner from a list acceptable to a majority of the other members of the board.

(b) With respect to labor-management issues arising between officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia and the District of Columbia, the board shall—

(1) determine in disputed cases appropriate bargaining units and related issues;

(2) resolve appeals concerning the method of determining majority status and over the conduct of elections, and to certify elections bargaining representatives;

(3) decide whether unfair labor practices have been engaged in and in such cases to issue an appropriate remedial order binding on all parties;

(4) resolve negotiation impasses, including impasses with respect to the recommendations of the Mayor specified in section 112, through mediation, factfinding, or final and binding arbitration;

(5) remand disputes if it believes further negotiations are desirable or if the matter comes under another jurisdiction.

Where formal negotiations have been in progress for at least sixty days and impasses have not been resolved through mediation or factfinding, either party may request the Board to order binding arbitration. Within ten days after such request is filed, the Board shall order last best offer, total package arbitration of all unresolved issues which shall be binding upon the parties to the negotiation. In such arbitration the entire final offer of one of the parties with respect to all unresolved issues shall be selected without change or modification, unless the parties shall otherwise have reached agreement prior to the arbitration award. The cost of arbitration shall be shared equally by the parties.

Part 3—Policemen and Firemen's Retirement and Disability Act

Sec. 121. (a) Subsection (a) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–521) is amended by adding after paragraph (16) the following new paragraph:

"(17) The term 'average pay' means the highest annual rate resulting from averaging the member's rates of basic salary in effect over any twelve consecutive months of police or fire service, with each rate weighed by the time it was in effect, except that if the member retires under subsection (g) and if on the date of his retirement under the subsection he has not completed twelve consecutive months of police or fire service, such term means his basic salary at the time of his retirement."

(b)(1) Subsections (f), (g), and (h) of that Act (D.C. Code, secs. 4–562—4–528) are each amended by striking out "his basic salary at the time of retirement" each place it occurs and inserting in lieu thereof "his average pay".

(2) Subsections (g)(2) and (h)(1) of that Act are each amended by striking out "his basic salary at the time of his retirement" and inserting in lieu thereof "his average pay".

(3) Subsection (h)(3) of that Act is amended by striking out "the basic salary of such member at the time of retirement" and inserting in lieu thereof "the average pay of such member".

(4) Subsection (k)(2) of that Act (D.C. Code, sec. 4–531) is amended by (1) striking out "basic salary" and inserting in lieu thereof "average pay", and (2) striking out ", subclass (a)," and inserting in lieu thereof "of salary".

(5) Subsection (k)(3) of that Act (D.C. Code, sec. 4–531) is amended by striking out "basic salary" each place it occurs and inserting in lieu thereof "average pay".

(c) Subsection (g) of that Act (D.C. Code, sec. 4–527) is amended by adding at the end thereof the following new paragraph:

"(3) A member shall be retired under this subsection only upon the recommendation of the Board of Police and Fire Surgeons and the concurrence therein by the Commissioner, except that in any case in which a member seeks his own retirement under this subsection, he shall, in the absence of such recommendation, provide the necessary evidence to form the basis for the approval of such retirement by the Commissioner.".

(d) When an officer or member has been retired for a period of less than twelve months and annuities are generally increased according to the provisions of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, secs. 4–521—4–535), the percentage increase in such officer or member's annuity shall be the rate of annual increase applicable to the annuity of such officer or member multiplied by the percentage that the number of days he has been retired is of three hundred and sixty-five.

Sec. 122. (a) In order to carry out his responsibilities under the Policemen and Firemen's Retirement and Disability Act (D.C. Code, secs. 4-521 et seq.) with respect to retirement and disability determinations, and related functions, the Commissioner of the District of Columbia shall establish a Police and Firemen's Retirement and Relief Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of—

(1) members and alternates appointed from among persons who are employees of the District of Columbia, one member and alternate each from the District of Columbia Personnel Office, Corporation Counsel, Department of Human Resources, Metropolitan Police Force, and the Fire Department of the District of Columbia; and

(2) two members, one of whom shall be a physician, appointed from among persons who are not officers or employees of the District of Columbia.

The member, and alternate, appointed to the Board from among employees of the Department of Human Resources shall both be medical officers. All appointments shall be made by the Commissioner.

(b) The members appointed under subsection (a)(2) shall be appointed for two years, and shall be entitled to receive compensation for each day they are actually engaged in carrying out duties vested in the Board in the same manner as persons employed intermittently under section 3109 of title 5 of the United States Code. Such members shall be appointed within ninety days after the date of enactment of this Act.

(c) The Commissioner shall establish rules for the Board to assure that the Board functions fairly and equitably. The Commissioner shall provide the staff necessary for the Board.

(d) The members of the Board appointed under subsection (a)(2) shall be appointed within ninety days after the date of enactment of this title.

SEC. 123. Subsection (m)(2) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4-533(2)) is amended by inserting at the end thereof "The Commissioner shall not require the medical examination of such member after he reaches the age of 50.".

SEC. 124. (a) The amendments made by subsections (a), (b), and (d) of section 121 shall apply with respect to any annuity which begins on or after July 1, 1975.

(b) The amendment made by subsection (c) of section 121 shall take effect on the first day of the first pay period beginning more than thirty days after the date of enactment of this title.

(c) Section 122 shall take effect on the date of enactment of this title.

TITLE II—TEACHERS' COMPENSATION

SEC. 201. This title may be cited as the "Teachers' Salary Act Amendments of 1974".

SEC. 202. The District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1501 et seq.) is amended as follows:

(1) Effective on October 1, 1974, the salary schedule contained in section 1 of that Act (D.C. Code, sec. 31-1501) is amended to read as follows:

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE

Salary class and group	Service step—													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Longevity step Y
Class 1A	$45, 500													
Class 1B	40, 000													
Class 2A	38, 000													
Class 2B	36, 000													
Class 3	27, 390	$28, 040	$28, 690	$29, 340	$29, 990	$30, 640	$31, 290	$31, 940	$32, 590					
Class 4	24, 050	24, 620	25, 190	25, 760	26, 330	26, 900	27, 470	28, 040	28, 620					
Class 5:														
Group B, master's degree	22, 750	23, 290	23, 830	24, 370	24, 910	24, 450	25, 990	26, 530	27, 070					
Group C, master's degree +30	23, 235	23, 775	24, 315	24, 855	25, 395	25, 935	26, 475	27, 015	27, 555					
Group D, doctor's	23, 715	24, 255	24, 795	25, 335	25, 875	26, 415	26, 955	27, 495	28, 035					
Class 6:														
Group B, master's degree	21, 740	22, 255	22, 770	23, 285	23, 800	24, 315	24, 830	25, 345	25, 860					
Level IV principal	21, 740	22, 255	22, 770	23, 285	23, 800	24, 375	24, 830	25, 345	25, 860					
Level III principal	21, 100	21, 615	22, 130	22, 645	23, 160	23, 675	24, 190	24, 705	25, 220					
Level II principal	20, 465	20, 980	21, 495	22, 010	22, 525	23, 040	23, 555	24, 070	24, 585					
Level I principal	19, 830	20, 345	20, 850	21, 375	21, 890	22, 405	22, 920	23, 435	23, 950					
Group C, master's degree +30	22, 160	22, 675	23, 190	23, 705	24, 220	24, 735	25, 250	25, 765	26, 280					
Level IV principal	22, 160	22, 675	23, 190	23, 705	24, 220	24, 735	25, 250	25, 765	26, 280					
Level III principal	21, 520	22, 035	22, 550	23, 065	23, 580	24, 095	24, 610	25, 125	25, 640					
Level II principal	20, 885	21, 400	21, 915	22, 430	22, 945	23, 460	23, 975	24, 490	25, 005					
Level I principal	20, 250	20, 765	21, 280	21, 795	22, 310	22, 825	23, 340	23, 855	24, 370					
Group D, doctor's degree	22, 575	23, 090	23, 605	24, 120	24, 635	25, 150	25, 665	26, 180	26, 695					
Level IV principal	22, 575	23, 090	23, 605	24, 120	24, 635	25, 150	25, 665	26, 180	26, 695					
Level III principal	21, 935	22, 450	22, 965	23, 480	23, 995	24, 510	25, 025	25, 540	26, 055					
Level II principal	21, 300	21, 815	22, 330	22, 845	23, 360	23, 875	24, 390	24, 905	25, 420					
Level I principal	20, 665	21, 180	21, 695	22, 210	22, 725	23, 240	23, 755	24, 270	24, 785					
Class 7:														
Group B, master's degree	20, 000	20, 475	20, 950	21, 425	21, 900	22, 375	22, 850	23, 325	23, 800					
Group C, master's degree +30	20, 485	20, 960	21, 435	21, 910	22, 385	22, 860	23, 335	23, 810	24, 285					
Group D, doctor's	20, 965	21, 440	21, 915	22, 390	22, 865	23, 340	23, 815	24, 290,	24, 765					
Class 8:														
Group B—MA	18, 395	18, 855	19, 315	19, 775	20, 235	20, 695	21, 155	21, 615	22, 075					
Group C—MA +30	18, 880	19, 340	19, 800	20, 720	21, 180	21, 640	22, 100	22, 560	23, 020					
Group D—Doctors	19, 360	19, 820	20, 280	20, 740	21, 200	21, 660	22, 120	22, 580	23, 040					
Class 9:														
Group B, master's degree	17, 960	18, 410	18, 860	19, 310	19, 760	20, 210	20, 660	21, 110	21, 560					
Group C, master's degree +30	18, 445	18, 895	19, 345	19, 795	20, 245	20, 695	21, 145	21, 595	22, 045					
Group D, doctor's	18, 925	19, 375	19, 825	20, 275	20, 725	21, 175	21, 625	22, 075	22, 525					
Class 10:														
Group B, master's degree	17, 385	17, 820	18, 255	18. 690	19, 125	19, 560	19, 995	20, 430	20, 865					
Group C, master's degree +30	17, 870	18, 305	18, 740	19, 175	19, 610	20, 045	20, 480	20, 915	21, 350					
Group D, doctor's	18, 350	18, 785	19, 220	19, 655	20, 090	20, 525	20, 960	21, 395	21, 830					
Class 11:														
Group B, master's degree	16, 815	17, 234	17, 665	18, 075	18, 495	18, 915	19, 335	19, 755	20, 175					
Group C, master's degree +30	17, 300	17, 720	18, 140	18, 560	18, 980	19, 400	19, 820	20, 240	20, 660					
Group D, doctor's	17, 780	18, 200	18, 620	19, 040	19, 460	19, 880	20, 300	20, 720	21, 140					
Class 12:														
Group B, master's degree	16, 240	16, 645	17, 050	17, 455	17, 860	18, 265	18, 670	19, 075	19, 480					
Group C, master's degree +30	16, 720	17, 125	17, 530	17, 935	18, 340	18, 745	19, 150	19, 555	19, 960					
Group D, doctor's	17, 205	17, 610	18, 015	18, 420	18, 825	19, 230	19, 635	20, 040	20, 445					
Class 13:														
Group B, master's degree	14, 920	15, 405	15, 890	16, 375	16, 860	17, 345	17, 830	18, 315	18, 800					
Group C, master's degree +30	15, 405	15, 890	16, 375	16, 860	17, 345	17, 830	18, 315	18, 800	19, 285					
Group D, doctor's	15, 885	16, 370	16, 855	17, 340	17, 825	18, 310	18, 795	19, 280	19, 765					
Class 14:														
Group A, bachelor's degree	11, 415	11, 920	12, 425	12, 930	13, 435	13, 940	14, 445	14, 950	15, 455	$15, 960	$16, 465	$16, 970	$17, 475	
Group B, master's degree	12, 375	12, 880	13, 385	13, 890	14, 395	14, 900	15, 405	15, 910	16, 415	16, 920	17, 425	17, 930	18, 435	
Group C, master's degree +30	12, 865	13, 370	13, 875	14, 380	14, 885	15, 390	15, 895	16, 400	16, 905	17, 410	17, 915	18, 420	18, 925	
Group D, doctor's	13, 345	13, 850	14, 355	14, 860	15, 365	15, 870	16, 375	16, 880	17, 385	17, 890	18, 395	18, 900	19, 405	
Class 15:														
Group A, bachelor's degree	9, 650	10, 035	10, 420	10, 810	11, 195	11, 580	12, 065	12, 550	13, 035	13, 520	14, 005	14, 490	14, 975	$16, 130
Group A-1, bachelor's degree +15	10, 130	10, 515	10, 900	11, 290	11, 675	12, 060	12, 550	13, 035	13, 520	14, 005	14, 490	14, 975	15, 460	17, 095
Group B, master's degree	10, 615	11, 100	11, 585	12, 070	12, 555	13, 040	13, 640	14, 240	14, 845	15, 445	16, 045	16, 645	17, 245	18, 825
Group C, master's degree +30	11, 100	11, 585	12, 070	12, 555	13, 040	13, 525	14, 125	14, 730	15, 330	15, 930	16, 530	17, 130	17, 730	19, 320
Group D, master's degree +60 or doctor's	11, 585	12, 070	12, 555	13, 040	13, 525	14, 010	14, 615	15, 215	15, 815	16, 415	17, 015	17, 615	18, 215	19, 950

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE

Salary class and group	Service step— 1	2	3	4	5	6	7	8	9
Class 1A	$46,865								
Class 1B	41,200								
Class 2A	39,140								
Class 2B	37,080								
Class 3	28,210	$28,880	$29,550	$30,220	$30,890	$31,560	$32,230	$32,900	$33,570
Class 4	24,770	25,355	25,940	26,525	27,110	27,695	28,280	28,865	29,450
Class 5:									
Group B—MA	23,435	23,990	24,545	25,100	25,655	26,210	26,765	27,320	27,875
Group C—MA+30	23,935	24,190	25,045	25,600	26,155	26,710	27,265	27,820	28,375
Group D—Doctors	24,420	24,975	25,530	26,085	26,640	27,195	27,750	28,305	28,860
Class 6:									
Group B—MA	22,390	22,920	23,450	23,980	24,510	25,040	25,570	26,100	26,630
Level IV—Principal	22,390	22,920	23,450	24,980	25,510	25,040	25,570	26,100	26,630
Level III—Principal	21,730	22,260	22,790	23,320	23,850	24,380	24,910	25,440	25,970
Level II—Principal	21,075	21,605	22,135	22,665	23,195	23,725	24,255	24,785	25,315
Level I—Principal	20,420	20,950	21,480	22,010	22,540	23,070	23,600	24,130	24,660
Group C—MA+30	22,890	23,420	23,950	24,480	25,010	24,540	26,070	26,600	27,130
Level IV—Principal	22,890	23,420	23,950	24,480	25,010	25,540	26,070	26,600	27,130
Level III—Principal	22,230	22,760	23,290	23,820	24,350	24,880	25,410	25,940	26,470
Level II—Principal	21,575	22,105	22,635	23,165	23,695	24,225	24,755	25,285	25,815
Level I—Principal	20,720	21,250	21,780	22,310	22,840	23,370	23,900	24,430	24,960
Group D—Doctors	23,375	23,905	24,435	24,965	25,495	26,025	26,555	27,085	27,615
Level IV—Principal	23,375	23,905	24,435	24,965	25,495	26,025	26,555	27,085	27,615
Level III—Principal	22,715	23,245	23,775	24,305	24,835	25,365	25,895	26,425	26,955
Level II—Principal	22,060	22,590	23,120	23,650	24,180	24,710	25,240	25,770	26,300
Level I—Principal	21,405	21,935	22,465	22,995	23,525	24,055	24,585	25,115	25,645
Class 7:									
Group B—MA	20,600	21,090	21,580	22,070	22,560	23,050	23,650	24,030	24,520
Group C—MA+30	21,100	21,590	22,080	22,570	23,060	23,550	24,040	24,530	25,020
Group D—Doctors	21,585	22,073	22,563	23,053	23,543	24,033	24,523	25,013	25,503
Class 8:									
Group B—MA	19,130	19,605	20,080	20,555	21,030	21,505	21,980	22,455	22,930
Group C—MA+30	19,630	20,105	20,580	21,055	21,530	22,005	22,480	22,955	23,430
Group D—Doctors	20,115	20,590	21,065	21,540	22,015	22,490	22,965	23,440	23,915
Class 9:									
Group B—MA	18,500	18,985	19,470	19,955	20,440	20,925	21,410	21,895	22,380
Group C—MA+30	19,000	19,465	19,930	20,395	20,860	21,325	21,790	22,255	22,720
Group D—Doctors	19,485	19,950	20,415	20,880	21,345	21,810	22,275	22,740	23,025
Class 10:									
Group B—MA	17,905	18,355	18,805	19,255	19,705	20,155	20,605	21,055	21,505
Group C—MA+30	18,405	18,855	19,305	19,755	20,205	20,655	21,105	21,555	22,005
Group D—Doctors	18,890	19,340	19,790	20,240	20,690	21,140	21,590	22,040	22,490
Class 11:									
Group B—MA	17,320	17,755	18,190	18,625	19,060	19,495	19,930	20,365	20,800
Group C—MA+30	17,820	18,255	18,690	19,125	19,560	19,995	20,430	20,865	21,300
Group D—Doctors	18,305	18,740	19,175	19,610	20,045	20,480	20,915	21,350	21,785
Class 12:									
Group B—MA	16,725	17,140	17,555	17,970	18,385	18,800	19,215	19,630	20,045
Group C—MA+30	17,225	17,640	18,055	18,470	18,885	19,300	19,715	20,130	20,545
Group D—Doctors	17,710	18,125	18,540	18,955	19,370	19,785	20,200	20,615	21,030
Class 13:									
Group B—MA	15,370	15,870	16,370	16,870	17,370	17,870	18,370	18,870	19,370
Group C—MA+30	15,870	16,370	16,870	17,370	17,870	18,370	18,870	19,370	19,870
Group D—Doctors	16,355	16,855	17,355	17,855	18,355	18,855	19,355	19,855	20,355

Salary class and group	Service step— 1	2	3	4	5	6	7	8	9	10	11	12	13	Longevity Step Y
Class 14:														
Group A—B.A	$11,750	$12,270	$12,790	$13,310	$13,830	$14,350	$14,870	$15,390	$15,910	$16,430	$16,950	$17,470	$17,990	
Group B—M.A	12,745	13,265	13,785	14,305	14,825	15,345	15,865	16,385	16,905	17,425	17,945	18,465	18,985	
Group C—M.A. plus 30	13,245	13,765	14,285	14,805	15,325	15,845	16,365	16,885	17,405	17,925	18,445	18,965	19,485	
Group D—Doctors	13,730	14,250	14,740	15,290	15,810	16,330	16,850	17,370	17,890	18,410	18,930	19,450	19,970	
Class 15:														
Group A—B.A	9,940	10,335	10,730	11,125	11,520	11,915	12,415	12,915	13,415	13,915	14,415	14,915	15,415	$16,615
Group A-1—B.A. plus 15	10,435	10,830	11,225	11,620	12,015	12,410	12,910	13,410	13,910	14,410	14,910	15,410	15,910	17,610
Group B—M.A	10,935	11,435	11,935	12,435	12,935	13,435	14,055	14,675	15,295	15,915	16,535	17,155	17,775	19,390
Group C—M.A. plus 30	11,435	11,935	12,435	12,935	13,435	13,935	14,555	15,175	15,795	16,415	17,035	17,655	18,275	19,900
Group D—Doctors	11,935	12,435	12,935	13,435	13,935	14,435	15,055	15,675	16,295	16,915	17,535	18,155	18,775	20,550

(3) Effective on October 1, 1974, the schedule of pay rates in section 13(a) of that Act (D.C. Code, sec. 31-1542(a)) is amended to read as follows:

SUMMER SCHOOL TEACHERS AND ADULT EDUCATION SCHOOLS SALARY SCHEDULE

Classification	Per period Step 1	Step 2	Step 3
Summer school (regular):			
Teachers, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist, school psychologist	$8.53	$9.67	$10.90
Psychiatric social worker	9.81	11.12	12.54
Veterans' summer school centers:			
Teacher	8.53	9.67	10.90
Adult education schools:			
Teacher	9.38	10.64	11.99
Assistant principal	13.13	14.90	16.79
Principal	14.54	16.49	18.59

(4) Effective on the first day of the first pay period beginning on or after January 1, 1975, that schedule of pay rates is amended to read as follows:

Classification	Per period Step 1	Step 2	Step 3
Summer school (regular):			
Teachers, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist; school psychologist	$8.79	$9.97	$11.23
Psychiatric social worker	10.11	11.47	13.11
Veterans' summer school centers:			
Teachers	8.79	9.97	11.23
Adult education schools:			
Teacher	9.67	10.97	12.35
Assistant principal	13.54	15.36	17.29
Principal	14.99	17.00	19.14

SEC. 203. Beginning with the calendar year 1975, the District of Columbia Board of Education shall, by March 1 of each year, submit to the Mayor of the District of Columbia the—

(a) percentage rate of the cost-of-living change since the effective date of the last increase of the compensation schedule for educational personnel in the District of Columbia; and

(b) results of a study comparing compensation of teachers in the District of Columbia with (1) teachers in cities of comparable size, and (2) teachers within jurisdiction of the Washington metropolitan area.

The Mayor shall submit the information submitted to him by the Board under this section to the Counsel of the District of Columbia along with his recommendations with respect to compensation (and other related matters) of educational personnel in the District of Columbia.

SEC. 204. In order to provide for additional revenue to meet additional expenditures resulting from the compensation increase adopted for educational personnel in the District of Columbia, the District of Columbia Counsel, on or after the date of enactment of this Act, is authorized to change the rate of taxes imposed under—

(1) the District of Columbia Income and Franchise Tax Act of 1947;

(2) the District of Columbia Sales Tax Act;

(3) the District of Columbia Use Tax Act;

(4) the District of Columbia Cigarette Tax Act;

(5) the District of Columbia Alcoholic Prevention Control Act;

(6) the Act of April 23, 1924 (relating to motor vehicles fuel tax);

(7) title V of the District of Columbia Revenue Act of 1937; and

(8) any other Act of Congress imposing a tax solely in the District of Columbia.

SEC. 205. (a) Each person receiving basic compensation under class 15 of the salary schedule in section 1 of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1501) shall be issued a five-year teaching certificate. Renewals shall be dependent upon application and six or more hours of appropriate credit earned during the preceding five-year period. The District of Columbia Board of Education shall establish appropriate rules, regulations, and requirements to carry out the purposes of this section.

(b) For the purposes of this section, class 15, group B, shall include persons possessing a master's degree of thirty appropriate semester hours beyond the bachelor's degree.

(c) For purposes of implementing this section the Board shall determine the appropriateness of the course work obtained in lieu of the degree.

SEC. 206. (a) Section 2(a) of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31-1511 (a)) is amended by striking out "(D) attendance officer, or (E) child labor inspector," and inserting "or" after "tactics," in paragraph (B).

(b) The employees in the category repealed by the amendment made by subsection (a) shall meet the general requirements of such section 2(a).

(c) The amendment made by subsection (a) shall be effective on and after the date of enactment of this Act.

TITLE III—TEACHERS' RETIREMENT ANNUITIES

SEC. 301. Section 5 of the Act entitled "An Act for the retirement of public school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31-725) is amended by adding at the end thereof the following:

"(e) (1) Notwithstanding any other provision of this Act, other than this subsection the monthly rate of annuity payable under this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this Act, other than this subsection, the monthly rate of annuity payable under this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States, or the District of Columbia, an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(4) An annuity payable from the teachers' retirement and annuity fund to a former teacher, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

"(5) In lieu of any increase based on an increase under paragraph (4) of this subsection, an annuity payable from the teachers' retirement and annuity fund to the surviving spouse of a teacher or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

"(6) The monthly rate of an annuity resulting from an increase under paragraph (4) or (5) shall be considered as the monthly rate of annuity payable under subsection (a) for purposes of computing the minimum annuity under subsection (e).".

SEC. 302. This title shall become effective on the date of enactment. Annuity increases under this title shall apply to annuities which commence before, on, or after the date in annuity shall be paid for any period prior to the first day of the first month which of enactment of this title, but no increase begins on or after the ninetieth day after the date of enactment of this title, or the date on which the annuity commences, whichever is later.

TITLE IV—REAL PROPERTY TAX

PART 1—SHORT TITLE, STATEMENT OF PURPOSE, AND DEFINITIONS

SEC. 401. This title may be cited as the "District of Columbia Real Property Tax Revision Act of 1974".

SEC. 402. It is the intent of Congress to revise the real property tax in the District of Columbia to achieve the following objectives:

(1) Equitable sharing of the financial burden of the government of the District of Columbia.

(2) Full public information regarding assessments and appeal procedures.

(3) Promotion of economic activity, diversity of land use, and preservation of the character of the District of Columbia.

(4) Assurance that shifts in the tax burden on individual taxpayers will not be excessive.

(5) Comparability of tax effort between the District of Columbia and surrounding jurisdictions in the metropolitan area and cities of comparable size.

SEC. 403. For the purposes of this title—

(1) The term "real property" means real estate identified by plat on the records of the District of Columbia Surveyor according to lot and square together with improvements thereon.

(2) The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(3) The term "Council" means the District of Columbia Council established under Reorganization Plan Numbered 3 of 1967.

(4) The term "estimated market value" means 100 per centum of the most probable price at which a particular piece of real property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would be expected to transfer under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

(5) The term "regulation", unless specifically identified as a regulation of the Commissioner, means a regulation of the Council enacted under section 406 of the Reorganization Plan Numbered 3 of 1967, and after January 2, 1975, such term means an act of the Council of the District of Columbia enacted under section 412 (and related sections) of the District of Columbia Self-Government and Governmental Reorganization Act.

(6) The term "tax year" means—

(A) with respect to a real property tax rate proposed by the Mayor or established by the Council after January 1 but before June 30 of any calendar year, the next following fiscal year; and

(B) with respect to a real property tax rate proposed by the Mayor or established by the Council after June 30 in any calendar year, the fiscal year during which the rate was proposed or established.

PART 2—AUTHORITY AND PROCEDURE TO ESTABLISH REAL PROPERTY TAX RATES

SUBPART A—REAL PROPERTY TAX RATE

SEC. 411. Notwithstanding the provisions of the Act of June 2, 1922 (D.C. Code, sec. 47-501), there is hereby levied for each fiscal year a tax on the real property in the District of Columbia at a rate determined according to the provisions of this title. Unless otherwise provided by law, all revenues received from such tax shall be deposited, from time to time, in the Treasury of the United States, to the credit of the District of Columbia.

SEC. 412. The Council, after public hearing, shall establish each year, within thirty days after receipt of the Commissioner's recommendation under section 413, a rate of taxation which, except as provided in section 431, shall be applied, during the tax year, to the assessed value of all real property subject to taxation. The Council may by resolution extend the time for any year for setting such rate of taxation, except that if the Council does make such an extension, it must establish such rate for that tax year. If the Council fails to establish such a rate within such thirty days, and fails to extend the time for establishing such a rate, the rate calculated by the Commissioner, pursuant to section 413, shall be the rate for that tax year.

SEC. 413. (a) (1) Except as provided in paragraph (2), by July 15 of each year, the Commissioner shall calculate and submit to the Council a proposed real property tax rate for the tax year, and inform the Council of his certification of the assessment roll pursuant to section 456(g). The Commissioner may extend the period for submitting such recommendation.

(2) With respect to the real property tax rate for the fiscal year ending June 30, 1975, the Commissioner shall submit his recommendation to the Council within 30 days after the date of enactment of this title.

(b) At the time the Commissioner submits to the Council the proposed real property tax rate under subsection (a), he shall also submit the following:

(1) The total aggregate assessed value of taxable real property for the year preceding the tax year by major class or type of property.

(2) The total aggregate assessed value of taxable real property for the tax year for which the property tax rate recommendation is being made, by major class or type of property, indicating separated for each class or type the estimated value attributable to new construction.

(3) The real property tax rate (rounded to the nearest penny) calculated to yield in the tax year the same amount of revenue (exclusive of the revenue attributable to new construction) as was raised by that tax at

the rate applicable during the year preceding the tax year.

(c) The real property tax rate submitted by the Commissioner pursuant to subsection (a) shall become the real property tax rate applicable during the tax year for which it is submitted unless the Council acts to set a different such rate pursuant to section 512.

(d) On or before February 1 of each year the Commissioner shall estimate as closely as possible the rate to be calculated in subsection (a) and shall so inform the Council.

(e) The real property tax rate applicable in the District for the fiscal year ending June 30, 1975, shall be calculated according to the provisions of this title.

SEC. 414. At the time the Commissioner submits to the Council the proposed real property tax rate under section 413, he shall also submit the following:

(1) The total aggregate assessed value of real property exempt from the real property tax levied in the District for the current fiscal year by major class or type of exempt status and the tax that would have been paid during such fiscal year had such property not been exempt.

(2) The total aggregate assessed value of real property exempt from the real property tax levied in the District by major class or type of exempt status and the tax that would be paid during the fiscal year under the real property tax rate proposed by the Commissioner pursuant to section 413.

SEC. 415. In establishing a real property tax rate the Council shall make a comparison of tax rates and burdens applicable to residential and nonresidential property in the District with those such rates applicable to such property in jurisdictions in the vicinity of the District. The comparison shall include other major taxes in addition to the tax on real property. Without in any way limiting the authortiy of the Council, it is the intention of Congress that tax burdens in the District be reasonably comparable to those in the surrounding jurisdictions of the Washington metropolitan area.

SEC. 416. The Commissioner shall, by June 30 of each year, compile and publish information regarding the relative amount of tax for all major taxes in the District compared with those in surrounding jurisdictions in the Washington metropolitan area and with those in other cities. The information shall include the rate of the property tax levied on residential and nonresidential property, and the effect of major taxes levied on families of different income levels and on businesses.

SUBPART B—ASSESSMENT AND ADMINISTRATION

SEC. 421. (a) The assessed value of all real property shall be listed on the assessment roll for real property taxation purposes annually as provided in this part. The assessed value for all real property shall be the estimated market value of such property as of January 1 of the year preceding the tax year, as determined by the Commissioner. In determining estimated market value for various kinds of real property the Commissioner shall take into account any factor which might have a bearing on the market value of the real property including, but not limited to, sales information on similar types of real property, mortgage, or other financial considerations, reproduction cost less accrued depreciation because of age, condition, and other factors, income earning potential (if any), zoning, and government-imposed restrictions. Assessments shall be based upon the sources of information available to the Commissioner which may include actual view.

(b) All real property shall be assessed no less frequently than once every two years, and as soon as practicable such assessment shall be made annually. The Council may authorize and direct assessments to be made annually for some or all classes of real property, except that for fiscal year 1978, and for each fiscal year thereafter, all real property shall be assessed on an annual basis.

(c) The Council may adopt regulations concerning the assessment and reassessment of real property and matters relating thereto which shall be consistent with the provisions of this title and other applicable provisions of law.

(d) The Council may adopt regulations regarding information to be furnished the Commissioner by owners of real property. Such regulations shall provide, under penalty of law, that all such information with respect to income derived from investment on income-producing real property shall be handled in the same confidential manner as income tax returns and supporting data required to be submitted to the government of the District of Columbia under laws applicable in the District.

(e) The Commissioner shall submit to the Council, within forty-five days after the date of enactment of this title, proposed regulations to be adopted by the Council pursuant to subsection (c).

(f) Consistent with the provisions of this Act and regulations of the Council, the Commissioner shall promulgate necessary regulations and administrative orders. If the Council shall have adopted regulations concerning assessment pursuant to subsection (c) within ninety days after the date of enactment of this title, the Commissioner shall promulgate such regulations.

SEC. 422. (a) The Commissioner shall assess separately all real property, identifying separately the value of land and improvements thereon, and administer and collect the real property tax within the District. The Commissioner shall also notify owners of real property of assessments and of appeal procedures. In addition, he shall maintain adequate records relating to the administration of the real property tax in the District, and provide appropriate public information concerning such tax.

(b) The Commissioner shall appoint assessors competent to determine values of real property to carry out the provisions of this title and other relevant portions of this title. Each person so appointed shall take and subscribe an oath to deligently, faithfully, and impartially assess all real property according to applicable law and regulations and otherwise perform the duties of office.

(c) The Commissioner shall assure that information regarding the characteristics of real property, sales and exchanges of all such property, building permits, land use plans, and any other information pertinent to the assessment process shall be made available to the assessors on a timely basis.

SEC. 423. (a) All real property, except as hereinafter provided, shall be assessed in the name of the owner, or trustee or trustees of the owner thereof. All undivided real property of a deceased person may be assessed in the name of such deceased person until such undivided real property is divided according to law, or has otherwise passed into the possession of some other person; and all real property, the ownership of which is unknown, shall be assessed as owner unknown.

(b) All real property, whether taxable or not, shall be assessed according to the address and the number of the squares and lots thereof, or part of lots, and upon the number of the square or superficial feet in each square or lot or part of a lot.

SEC. 424. (a) The Commissioner shall, on or before March 1 of each year, compile in tabular form and place in a book, known as the preliminary assessment roll, the name of the owner, address, lot and square, amount, description, and value, as of January 1 of that year, of the land and improvements of all real property whether such property is taxable or exempt.

(b) The preliminary assessment roll, together with all maps, field books, sales assessment studies, surveys, and plats, shall be open to public inspection during normal business hours. In addition, any notes and memorandums relating to the assessment of his real property, or a statement clearly indicating the basis upon which his real property has been assessed, shall be open to inspection by the taxpayer or his designated representative during normal business hours. Provision shall be made to furnish copies of all material to any person, upon request, at the lowest charge which covers cost of making such copies.

(c) The Commissioner shall undertake, publish, and otherwise publicize the results of assessment-sales ratio studies for different types of real property for the entire District and for different types of real property within each of the districts utilized in making assessments. If, for a given year, adequate sales data are lacking for particular studies, the Commissioner shall so indicate.

(d) The Commissioner shall, either himself or in a newspaper of general circulation, publish a listing of the assessed value of each property by address, lot, and square, and he shall also make such listing available at the main public library in the District and at such other points as he may determine. Such publication can be by neighborhood areas so long as maps showing the assessment areas are generally available.

SEC. 425. Beginning as soon as possible after January 1, but no later than March 4 of each year, each taxpayer shall be notified of the assessment of his real property for the next fiscal year. The notice, or statement accompanying the notice, shall include—

(1) the address, lot, square, and type of land use by major category of the property;

(2) the assessed value of the land and improvements (shown separately and in total) of the property for the next fiscal year and such amounts for the previous fiscal year;

(3) the amount and percentage of change in assessed value over the previous fiscal year;

(4) an indication of the reason for such change in assessment, such as, but not limited to, improvements to the property, zoning change, changing market values;

(5) statement of appeal procedures pursuant to section 426(i);

(6) the citation to the regulations or orders under which the property was assessed;

(7) the location of the assessment roll, studies, and notes referred to in sections 424 and 426(g) and the hours during which the information is available;

(8) the availability of a listing of the assessed value of property referred to in section 424(c); and

(9) an explanation of all special benefits, incentives, limitations, or credits which relate to real property taxes as a result of this or any other Act.

SEC. 426. (a) There is established a Board of Equalization and Review for the District (hereinafter in this title referred to as the "Board") which shall be composed of fifteen members, a majority of whom shall be residents of the District, appointed by the Commissioner, with the advice and consent of the Council. The Council may authorize a larger size if the caseload so requires. Members of the Board shall be persons having knowledge of the valuation of property, real estate transactions, building costs, accounting, finance, or statistics. The Commissioner shall name one member as Chairman. None of the members may be officers of the District of Columbia government. Each member shall serve for a term of five years, except of the members first appointed under this section, the Commissioner shall designate equal numbers for terms of one, two, three, four, and five years. The terms of the members first appointed under this section shall begin on January 1, 1975. Any person appointed to fill a vacancy shall be appointed to serve for the remainder of the term during which the vacancy arose. Each member shall receive compensation at a rate to be determined by the Council unless otherwise prohibited by law, but not to exceed one two-thousandths of the annual salary of the highest step of grade 15 of the General Schedule in section 5332 of title 5 of the United States Code for each hour such member is engaged in the actual performance of duties vested in the Board.

(b) The Commissioner shall provide such other support as is needed for the efficient operation of the Board.

(c) The Board shall convene as business necessitates from the first Monday in January until the Commissioner shall be presented with the real property assessment roll for the fiscal year as provided in subsection (g). The Board shall also convene as business necessitates for a period of thirty days following any special assessment which shall be generally applicable to a class of real property, and as business of the Board otherwise makes necessary.

(d) A majority of the Board shall constitute a quorum for transacting business, except the Board may provide for the establishment of three member panels for hearing and deciding individual appeals. The Board shall adopt and publish necessary rules, and all applicable provisions of the District of Columbia Administrative Procedures Act (D.C. Code, secs. 1–1501—1–1510) shall apply to the rules and procedure of the Board.

(e) On or before April 15 of each year any taxpayer may appeal the amount of his assessment for the following fiscal year.

(f) Pursuant to applicable provisions of law, regulations adopted by the Council, or orders of the Commissioner, the Board shall attempt to assure that all real property is assessed at the estimated market value. Based on the record of complaints or of other information available to or solicited by the Board, the Board shall raise or lower the estimated market value of any real property which it finds to be more than 5 per centum above or below the estimated market value contained in the preliminary assessment roll prepared by the Commissioner according to section 423 and shall revise the assessment roll accordingly.

(g) On or before June 1 the Board shall present the revised assessment roll for the forthcoming fiscal year to the Commissioner. The Commissioner shall make such further revisions to the assessment roll as are required under other applicable provisions of law, and shall approve such assessment roll not later than June 30. Except as otherwise provided by law, the approved assessment roll shall constitute the basis of assessment for the forthcoming fiscal year and until another assessment roll is made according to law.

(h) Neither the Board nor any court shall order the increase of the assessed value of any parcel of real property above its estimated market value, nor the decrease of the assessed value of any parcel of real property below its estimated market value solely on the basis of average ratio studies comparing sales and assessments, unless such studies are the primary basis for the assessment, or reassessment of the concerned property.

(i) Any person aggrieved by any assessment, equalization, or valuation made, may, by October 15 of the calendar year in which such assessment, equalization, or valuation is made, appeal from such assessment, equalization, or valuation in the same manner and to the same extent as provided in sections 3 and 14 of title IX of the Act of August 17, 1937 (D.C. Code, secs. 47–2404, 47–24143), if such person shall have first made his complaint to the Board respecting such assessment as herein provided, except that in any case where no notice in writing of such increase of valuation was given the taxpayer prior to March 15 of the particular year, no such complaint shall be required for appeal.

SEC. 427. Each assessor of the District, and each assistant assessor, in the discharge of any of his duties, or the Board, may administer all necessary oaths or affirmations. The Commissioner or, in his absence, his designated agent, and the Chairman of the Board, shall have power to summon the attendance of any person to be examined under oath touching such matters and things as the Commissioner or the Board may deem advisable in the discharge of their duties; and any member of the Metropolitan Police force of the District of Columbia may serve subpenas in his behalf. Such fees shall be allowed witnesses so examined, to be paid out of funds available to the Commissioner, as are allowed in civil actions before the United States District Court for the District of Columbia. Any person summoned and examined as aforesaid who shall knowingly make false oath or affirmation shall be guilty of perjury, and upon conviction thereof be punished according to the laws in force for the punishment of perjury.

SEC. 428. Within one year after the date of enactment of this title the Superior Court of the District of Columbia shall establish a method which it deems appropriate by which class action cases regarding any matter relating to real and personal property taxes may be brought before the Superior Court.

SEC. 429. Any person who shall refuse or knowingly neglect to perform any duty enjoined on him by law, or who shall consent to or connive at any evasion of the provision of the first section of the Act of March 3, 1881 (D.C. Code, sec. 47–209), or section 2 or 13 of the Act of August 14, 1894 (D.C. Code, secs. 47–604 and 47–606), or any other provision of this title shall, for each offense, be removed from office and fined not more than $10,000, or imprisoned for no longer than one year, or both, in the discretion of the court.

SUBPART C—TAX INCENTIVES FOR REHABILITATION OF PROPERTY AND NEW CONSTRUCTION IN AREAS OF THE CITY AND FOR THE PRESERVATION OF HISTORIC PROPERTY

SEC. 431. (a) The Council shall, within one year after the date of enactment of this title, after public hearing, adopt regulations providing tax incentives for the rehabilitation of existing structures and for new construction, including rehabilitation or construction of commercial property, located in areas of the District as designated by the Council. The Council shall also adopt regulations providing tax incentives for the rehabilitation and maintenance of historic property. Such tax incentives may include, but are not limited to—

(1) establishing different tax rates for land and for improvements thereon; and

(2) providing that any increase in assessed value of improvements resulting from rehabilitation or new construction be ignored for tax purposes for up to five years from the year of such reassessment.

(b) To be eligible for incentive under this section, historic property must be property designated as an historic landmark and conform to the provisions of subpart D.

SUBPART D—TAX RELIEF FOR CERTAIN HISTORIC PROPERTIES

SEC. 441. For certain officially designated historic property in the District, the Commissioner shall, in addition to assessing at full market value, assess land and improvements on the basis of current use and structures of the property, which latter assessment, if it is less than full market value, shall be the basis of tax liability to the District.

SEC. 442. To be eligible for historic property tax relief, real property must be historic property designated by the Joint Commitee on Landmarks of the National Capital Planning Commission and the Commission on Fine Arts, and, in addition, must be approved by the Commissioner under section 443.

SEC. 443. The Council may provide that the owners of properties which have been designated historic landmarks by the Joint Committee on Landmarks of the National Capital Planning Commission and the Commission of Fine Arts may enter into agreements with the government of the District of Columbia for periods of at least twenty years which will assure the continued maintenance of historic properties in return for property tax relief. Such a provision shall, as a condition for tax relief, require reasonable assurance that such property will be used and properly maintained and such other conditions as the Council finds to be necessary to encourage the preservation of historic property. The Council shall also provide for the recovery of back taxes, with interest, which would have been due and payable in the absence of the exemption, if the conditions for such exemption are not fulfilled.

SUBPART E—TAX DEFERRAL

SEC. 451. (a) An eligible taxpayer may defer each year any real property tax owed in excess of 110 per centum of his immediately preceding year's real property tax liability. To be eligible for such deferral the taxpayer must—

(1) have owned for at least five years the residential real property for which deferral is claimed;

(2) certify that the combined household adjusted gross income (for purposes of District income taxes) does not exceed $20,000 in one year;

(3) file a written request for deferral on a form prescribed by the Commissioner;

(4) certify that such residential real property is the principal place of residence of the taxpayer;

(5) certify that the zoning classification of such residential property has not changed in the immediately past fiscal year;

(6) certify that increases in the assessed valuation of such residential real property attributable to improvements which increase the intrinsic value of such residential real property are not included in the calculation of the increase in real property tax payable; and

(7) certify that the assessment of such residential real property for the immediately previous fiscal year was not the result of an obvious arithmetical error.

(b) Taxes deferred under this section shall bear interest compounded annually. The rate of interest which shall be applied in each year shall be the average Treasury bill rate for the preceding twelve months as certified by the Secretary of the Treasury to the Commissioner.

(c) No further deferrals of real property tax shall be granted a taxpayer when his deferred tax plus interest equals more than 10 per centum of the current assessed value of his property.

(d) Taxes deferred under this section, together with all accumulated interest, shall constitute a preferential lien upon the real property which shall be immediately payable by the seller, transferor, or conveyor whenever the real property is sold, transferred, or conveyed in any manner, or whenever additional co-owners (other than spouse) are added to the real property.

SEC. 452. (a) Any owner of residential real property whose combined household adjusted gross income is in excess of $20,000, and who meets the qualifications specified in clauses (1), (3), (4), (5), and (6) of subsection (a) of section 451, may defer the amount of real property tax attributable to an increase by more than 25 per centum in any one year over the assessment of the immediately previous fiscal year. For the purposes of this section and section 451, for the fiscal year 1975 the assessed value of all properties assessed at 55 per centum of estimated market value shall be the assessed value of the property divided by 0.55.

(b) Taxes deferred under this section shall bear interest compounded annually. Notwithstanding any other provision of law, the rate of interest which shall be applied in each year is the average Treasury bill rate for the preceding twelve months as certified by the Secretary of the Treasury to the Commissioner.

(c) No further deferrals of real property tax shall be granted a taxpayer when his deferred tax plus interest equals more than 10 per centum of the current assessed value of his property.

(d) Taxes deferred under this section, together with all accumulated interest, shall constitute a preferential lien upon the property which shall be immediately payable by the seller, transferor, or conveyor whenever the property is sold, refinanced, transferred, or conveyed in any manner, or whenever additional co-owners (other than spouse) are added to the property.

(e) The deferral provided in this section shall terminate at the end of fiscal year 1979 unless specifically extended by the Council.

SUBPART F—DISPOSAL OF TAX DELINQUENT PROPERTY TO ENCOURAGE HOMEOWNERSHIP

SEC. 461. Notwithstanding any other provision of law, whenever any real property in the District of Columbia has been, or shall hereafter be, offered for sale for nonpayment of taxes or assessments of any kind whatsoever, and shall have been bid off in the name of the District of Columbia, and two years or more have elapsed since such property was bid off as aforesaid, and the same has not been redeemed as provided by law, the Commissioner of the District may enforce the lien of the District for taxes or other assessments on such real property by ordering that a deed in fee simple to such property be issued by the Commissioner of the District of Columbia to the District of Columbia, and up to the time of the issuance of the deed such property may be redeemed by the owner or other person having an interest therein by the payment of all taxes or assessments due the District of Columbia upon said property, and all legal penalties, interest and costs thereon, together with such other expenses and costs, including costs of publication, as may have been incurred by the District.

SEC. 462. The Council is hereby authorized to establish a program whereby title to properties acquired by tax sale pursuant to section 461 may, for whatever sum it deems appropriate, be transferred to persons meeting criteria which shall be established by the Council, who guarantee to pay taxes on and to live in the property for at least five years, and who give assurance of bringing such property into reasonable compliance with the building code in the District.

PART 3—REAL AND PERSONAL PROPERTY TAX EXEMPTIONS

SEC. 472. (a) On and after July 1, 1975, subsections (a), (b), (c), and (d) of the first section of the Act of December 24, 1942 (D.C. Code, sec. 47–801a (a), (b), (c), and (d)), are amended to read as follows:

"(a) Real and personal property belonging to the United States of America, the District of Columbia, or to foreign governments, as follows and subject to the following provisions:

"(1) Real and personal property owned by the United States of America, except—

"(A) real and personal property owned by the United States which, by Act of Congress or by authorized Federal administrative action, is subject to taxation; and

"(B) real and personal property owned by the United States which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the United States, but the lessee or user of the property shall be subject to tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property, except that real and personal real property owned by the United States and leased or otherwise made available for use by organizations or enterprises qualifying under the Randolph-Sheppard Vending Stand Act (49 Stat. 1559) shall not be taxed.

"(2) Real and personal property owned by the District of Columbia, except real property of the District of Columbia which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the District of Columbia, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property, except that real and personal property owned by the District of Columbia and leased or otherwise made available to organizations or enterprises qualifying under the Randolph-Sheppard Vending Stand Act (49 Stat. 1559) shall not be taxed.

"(3) Real and personal property owned by any instrumentality or independent agency of the United States or of the District of Columbia which, under the laws of the United States, or the District of Columbia is exempt from taxation, except property of any instrumentality or independent agency of the United States or the District of Columbia which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of any such instrumentality or agency, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property.

"(4) Real and personal property owned by a foreign government and actually occupied and used exclusively by it for legation or consular purposes. The phrase 'actually occupied and used exclusively for legation purposes' shall not include real property of a foreign government which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the foreign government, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and at the same amount and to the same extent as though the lessee or user were the owner of such property.

"(5) Whenever any property of the United States, or of any independent agency or instrumentality of the United States, or of the District of Columbia, is, for a period in excess of thirty days, leased or otherwise made available for use by any person for commercial purposes, the Administrator of the General Services Administration of the United States Government, as to property of the United States, and the independent agency or instrumentality, as to its property, shall notify the Commissioner of the District of Columbia in writing within thirty days after such person shall have leased such property or had such property made available for use by him.

"(6) Taxes imposed by this section shall be assessed from the first day of the month in which the lease period or right to use the property commences to the end of the month in which such period terminates. The rate of tax shall be the rate in effect for taxable real or personal property, as the case may be, during each month of the fiscal year during which the property is leased or used. Assessments shall be made on a fiscal year basis, except that, if the period of the lease or use commences during a month other than the first month of the fiscal year, the assessment shall be made for the months of the lease or use remaining in that year. The provisions for the imposition of penalties and interest applicable in the case of assessments of real and personal property taxes shall be applicable to taxes imposed under this section, and such taxes, penalties, and interest, when the same have become due and payable, may be collected in the manner provided by section 1601 of title XVI of the Act of May 18, 1954 (D.C. Code, sec. 47–312), and jeopardy assessments of such taxes may be made as provided in section 1602 of title XVI of such Act (D.C. Code, sec. 47–313). Taxes imposed by this section shall be due and payable within thirty days after notice of the assessment is mailed to the taxpayer."

(b) The first section of such Act (D.C. Code, sec. 47–801(a)) is amended, on and after July 1, 1974, by adding at the end thereof the following:

"(s) Buildings owned by and actually occupied and used for legitimate theater, music, or dance purposes by a corporation which is not organized or operated for commercial purposes or for private gain, while buildings are open to the public, generally, and for admission to which charges may be made to cover the cost of expenses."

SEC. 472. The Commissioner shall publish, by class and by individual property, a listing of all real property exempt from the real property tax in the District. Such listing shall include the address, lot, and square, the name of the owner, the assessed value of the land and improvements of such property, and the amount of the tax exemption in the previous fiscal year.

PART 4—PROPERTY TAX CREDIT FOR DISTRICT OF COLUMBIA RESIDENTS

SEC. 481. Effective January 1, 1975, title VI of the District of Columbia Income and Franchise Act of 1947 is amended by adding at the end thereof the following new section:

"SEC. 7. CREDIT FOR PROPERTY TAXES ACCRUED AND PAYABLE BY DISTRICT OF COLUMBIA RESIDENTS.—(a) (1) For purposes of providing relief to certain District of Columbia residents who own or rent their principal place of abode and who reside in same, a credit shall be allowed to the eligible claimant equal to the amount by which all or a portion of real property taxes the taxpayer pays, or rent paid constituting property taxes, on his principal place of residence for the taxable year, exceeds a percentage (determined under subsection (a) (2)) of his household gross income for that year.

"(2) The percentage required under paragraph (1) of this subsection to be determined under this subsection for taxpayers shall be the percentage specified in the following table:

"If household gross income is:	The percentage of property tax paid on the first $400 of property tax, or rent constituting property tax, which shall constitute credit is:
Under $3,000	80 per centum of tax in excess of 2 per centum of income.
$3,000 to $4,999	70 per centum of tax in excess of 3 per centum of income.
$5,000 to $6,999	60 per centum of tax in excess of 4 per centum of income.

"(b) Definitions.—For purposes of this section:

"(1)(A) The term 'household gross income' means gains, profits, and income derived from salaries, wages, or compensation for personal services of whatever kind and in whatever form paid, including salaries, wages, and compensation paid by the United States to its officers and employees, or income derived from any trade or business or sales or dealings in property, whether real or personal, including capital assets as defined in this article growing out of the ownership or sale of or interest in such property; income from rent, royalties, interest, dividends, securities, or transactions of any trade or business carried on for gain or profit, or gains or profits and income derived from any source whatever, including but not limited to alimony, and separate maintenance payments (including amounts received under separate maintenance agreements), strike benefits, cash public assistance and relief (not including relief or credit granted under this section), sick pay, workmen's compensation, proceeds of life insurance policies, the gross amount of any pension or annuity (including railroad retirement benefits, veterans' disability pensions, or payment received under the Federal Social Security Act, State or District of Columbia unemployment compensation laws, and nontaxable interest received from the United States, a State or any agency or instrumentality thereof. The word 'income' does not include gifts from nongovernmental sources, food stamps, or food or other relief in kind supplied by a governmental agency.

"(B) In determining household gross income the exclusions from gross income as provided by subsection (b) of section 2 of title III of this article shall not apply.

"(2) The term 'household income' shall have the same meaning as the words 'adjusted gross income' are defined in subsection (c) of section 2 of title III of this article. For purposes of determining adjusted gross income within the meaning of this section, gross income shall mean household income as defined in this section.

"(3) The term 'home' means the claimant's dwelling house, whether owned or rented by the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, and may include a multiunit building or a multipurpose building and a part of the land upon which it is located.

"(4) The term 'claimant' means a person who has filed a claim under this section, was an owner of record of a home in the District, or a lessee, tenant at will or tenant at sufferance paying rent on a home in the District, during the entire calendar year preceding the year in which he files a claim for relief under this section. Only one claimant per home and per household per year shall be entitled to relief under this section.

"(5)(A) The term 'rent constituting property taxes accrued' means 15 per centum of the rent actually paid by a claimant in cash or its equivalent in the calendar year 1975 or any subsequent calendar year solely for the right to occupy his District home in such calendar year, and which rent constitutes the basis in the succeeding calendar year for the claim for relief made by the claimant under this section, exclusive of amounts which are paid as rent or other consideration for the providing by the landlord of furniture or furnishings of any kind, and exclusive of amounts included in the rent for utilities. Whenever the amount of rent includes charges for the providing by the landlord of furniture or furnishings or charges for utilities, and the charges therefor are not separately stated, then there shall be deducted from the rent as the charge for such furniture or furnishings 20 per centum of the rent, and for utilities 10 per centum of the rent, and the balance shall be deemed to be the amount paid by the claimant solely for the right to occupy his District home for the purposes of the credit allowed under this section.

"(c) In the event that any installment of rent for a calendar year for which a claim is filed is paid prior to the beginning of or subsequent to the end of such calendar year, it shall be included as rent for the year for which the claim was made and for no other year, and shall not be included as rent for purposes of this section for the year in which the installment was paid.

"(d) If the Commissioner determines that the rent paid was not the result of an agreement entered into at arm's length between the tenant and his landlord, the Commissioner may adjust the rent to a reasonable amount for the purposes of this section.

"(e)(1) Beginning with the calendar year 1975 and for each succeeding calendar year, if a claimant owns and occupies his home in the District on July 1 of any such year, property taxes accrued' means property taxes (exclusive of special assessments, interest on a delinquency in payment of tax, and any penalties and service charges) assessed and paid to date against such home commencing January 1, 1974, and for succeeding years. If a home is an integral part of a larger unit such as a multipurpose building or a multidwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the home bears to the total value of the property.

"(2) When a claimant rents two or more different homes in the District in the same calendar year, rent paid by the claimant during that year shall be determined by dividing the rent paid pursuant to the last rental agreement in force during that calendar year by the number of months during that calendar year for which this rent was paid and multiplying the result by twelve.

"(f) The right to file under this section shall be personal to the claimant, but such right may be exercised by his legal guardian or attorney-in-fact. The right to file a claim shall not survive the death of a claimant. If a claimant dies after having filed a claim, any amount refunded as a result thereof shall be disbursed to his estate: Provided, That if no executor or administrator qualifies therein within two years of the filing of the claim, or no petition for distribution of a small estate is filed pursuant to the first section of the Act of September 14, 1965 (D.C. Code, secs. 20-2101 and 20-2102), the claim shall not be allowed.

"(g) Subject to the limitations provided in this section, commencing with the taxable year beginning after December 31, 1974, and for succeeding taxable years, the claimant may claim as a credit against the District income taxes otherwise due on his income, property taxes accrued or rent constituting property taxes accrued for that year. If the allowable amount of such claim exceeds the income taxes otherwise due from the claimant, or other tax liabilities of the claimant to the District, or if there are no District income taxes due from the claimant, the amount of the claim not used as an offset against income taxes or other tax liabilities of the claimant to the District shall be paid or credited to the claimant. No interest shall be allowed on any payment made to a claimant pursuant to this section.

"(h) No claim with respect to property taxes accrued or with respect to rent constituting property taxes accrued shall be allowed unless a District of Columbia individual income tax return or (if the claimant is not required to file such return) a claim for credit under this section is filed with the District on the forms and in such manner and with such information as the Commissioner may prescribe. Any claim for credit shall be filed on or before the time prescribed for the filing of a return of individual income under this article. The Commissioner may grant a reasonable extension of time, not to exceed six months, for the filing of a return or claim for credit under this section whenever in his judgment good cause exists therefor.

"(i) The amount of any claim otherwise payable under this section may be applied by the District against any outstanding tax liability of the claimant to the District.

"(j)(1) In determining eligibility for the credit allowable under this section, and for the purpose of determining outstanding tax liability (if any) of the claimant to the District household income for which the claim is filed and the claimant's outstanding tax liability (if any) shall be determined on the basis of the combined household income of all members present in the household, except there shall be excluded from the computation of gross household income the first $1,000 earned by a dependent.

"(2) In the case of husband and wife, who during the entire calendar year for which a claim is filed under this section, maintain separate homes, for the purpose of determining household income and the claimant's outstanding tax liability (if any), such husband and wife shall be deemed to have been unmarried during the calendar year for which the claim is made.

"(k) No credit shall be allowed under this title for any year during which the person claiming the credit was a dependent, under any State, Federal, or District law levying a tax on income, unless during that year such person is or becomes sixty-five years of age or older.

"(l) In the case of persons whose incomes vary substantially from year to year, the District of Columbia Council shall adopt regulations concerning income averaging for purposes of calculating benefits.

"(m) Each owner of a rental unit or his authorized agent shall, when requested in writing, furnish to the tenant making such written request a statement indicating the amount of rent paid by the tenant during the calendar year solely for the right of occupancy of the leased premises. Requests shall be made under this paragraph only by those persons entitled to file a claim under this section or who at the time of the making of the request deem themselves entitled to file a claim for credit under this section.

"(n)(1) If, on an audit of any claim filed under this section, the Commissioner finds the amount to have been incorrectly computed, he shall determine the correct amount and notify the claimant in accordance with the procedures set forth in section 5 of title XII of this article.

"(2) If it is determined that a claim was filed with fraudulent intent, it shall be disallowed in full. If the claim has been paid or a credit has been allowed against income taxes otherwise payable, the credit shall be canceled and the amount paid shall be assessed against the claimant and recovered in the same manner as provided for the collection of taxes under section 1601 of title XVI of the Act of May 18, 1954 (D.C. Code, sec. 47-312).

"(o) No claim for relief under this section shall be allowed to any person who was not living in a home which was subject to District of Columbia real property taxation during the calendar year for which the claim is filed.

"(p) Notwithstanding any other provision of law to the contrary, any person aggrieved by the denial in whole or in part of a claim for the credit authorized by this section, or an assessment of tax made pursuant to paragraph (1) of this section, may appeal the denial within six months after notice of the denial of the claim or within six months after notice of assessment, to the Board which shall consider such appeal as a contested case under section 10 of the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1509). In the case of an assessment of tax, the mailing to the claimant of a statement of taxes due shall be considered notice of assessment with respect to such taxes.

"(q) The Commissioner is authorized to provide a table which will approximate, as closely as feasible, the amount of relief allowable under this section.

"(r) If it is determined by the District that a claimant received title to his home in the District or became legally obligated to pay rent for his home in the District primarily for the purpose of receiving benefits under the provisions of this section, his claim shall be disallowed.

"(s) The District of Columbia Council is empowered to make such changes in the amount of annual relief provided under section 7(a) of this title as it may deem proper.".

Part 5—Delegation of General Taxing Authority; Amendments to District Sales Tax Act and Miscellaneous

Sec. 490. In order to provide for additional revenue to meet additional expenditures resulting from a compensation increase adopted for police and firemen, the Council, in accordance with section 406 of Reorganization Plan Numbered 3 of 1967, is authorized to change the rate of the taxes imposed under—

(1) the District of Columbia Income and Franchise Tax Act of 1947,

(2) the District of Columbia Sales Tax Act,

(3) the District of Columbia Use Tax Act,

(4) the District of Columbia Cigarette Tax Act,

(5) the District of Columbia Alcoholic Beverage Control Act,

(6) the Act of April 23, 1924 (relating to motor fuel tax),

(7) title V of the District of Columbia Revenue Act of 1937, and

(8) any other Act of Congress imposing a tax solely in the District of Columbia.

Sec. 491. Section 490 shall take effect on and after the date of enactment of this Act.

Sec. 492. Subsection (a) of section 114 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, 14(a)) is amended by adding at the end thereof the following new paragraph:

"(12)(A) The sale of or charges for the service of parking or storage spaces for motor vehicles in parking lots or garages.

"(B) 'Parking lots' shall include any facility used primarily for parking vehicles, whether an outdoor lot or a building. 'Parking lots' shall also include any parking facility provided by the lessor of a building to his lessee if the lessor makes a separate charge for the parking space in addition to the rental charge for other space in the building. 'Parking lots' shall also include any facility used primarily for parking vehicles even if such facility is used seasonally or for even shorter duration, such as providing parking space at the time of a show, fair, carnival, or similar event."

Sec. 493. Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602), is amended by adding at the end thereof the following new paragraph:

"(4) The rate of tax shall be 5 per centum of the gross receipts from the sale of or charges for the service of parking or storage spaces for motor vehicles in parking lots or garages."

Sec. 494. Section 114(a)(8) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601(a)(8)) is amended to read as follows:

"(8) The sale of or charges for admission to public events, except live performances of ballet, dance, or choral performances, concerts (instrumental and vocal), plays (with and without music), operas and readings and exhibitions of paintings, sculpture, photography, graphic and craft arts, but including movies, circuses, burlesque shows, sporting events, and performances or exhibitions of any other type or nature. *Provided*, That any casual or isolated sale of or charge for admission made by a semipublic institution not regularly engaged in asking such sales or charges shall not be considered a retail sale or sale at retail."

Sec. 495. The following Acts or parts of Acts are repealed:

(a) Title XV of the District of Columbia Public Works Act of 1954 (D.C. Code, sec. 47–501a.).

(b) The fourth and fifth paragraphs under the heading "General Expenses" of the Act of March 3, 1881 (D.C. Code, sec. 47–601).

(c) The fifth paragraph under the paragraph headed "Militia" of the Act of July 7, 1898 (D.C. Code, sec. 47–602).

(d) Section 11 of the Act of June 25, 1938 (D.C. Code, secs. 47–603).

(e) The first paragraph of section 5 (D.C. Code, sec. 47–713), and the second unnumbered paragraph of section 6 (D.C. Code, sec. 47–605), of the Act of July 1, 1902.

(f) The first section, and sections 2, 3, 4, 6, 7, and 8 of the Act of August 14, 1894 (D.C. Code, secs. 47–604, 701, 702, 704, 707).

(g) The first five sentences, and the last two sentences, of section 5(a) of the Act of August 17, 1937 (D.C. Code, secs. 47–708—47–709).

(h) Section 5 of the Act of March 3, 1883 (D.C. Code, sec. 47–703).

Sec. 496. Except as specifically provided in this title, nothing in this title, or any amendments made by this Act, shall be construed so as to affect the authority vested in the Commissioner of the District of Columbia or the authority vested in the District of Columbia Council by Reorganization Plan Numbered 3 of 1967. The performance of any function vested by this title in the Commissioner of the District of Columbia or in any office or agency under his jurisdiction and control, or in the District of Columbia Council, may be delegated by the Commissioner or by the Council, as the case may be, in accordance with the provisions of such plan.

Sec. 497. (a) The repeal or amendment by this title shall not affect any other provision of District law, or any act done or any right accrued or accruing under such law, or any suit or proceeding had or commenced in any civil cause before repeal or amendment of such law, but all rights and liabilities under such law shall continue, and may be enforced in the same manner and to the same extent, as if such repeal or amendment had not been made.

(b) All offenses committed, and all penalties incurred, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this title had not been enacted.

Sec. 498. Except as specifically provided in this Act, or in other provisions of law applicable to the District of Columbia, the Council may by regulation establish penalties for violations of any provision of this title, including any regulation issued pursuant to this title. Such penalties may not exceed imprisonment for longer than one year, or a fine not to exceed $10,000, or both, for each offense.

Sec. 499. Except as specifically provided in this title, the provisions of this title shall take effect on and after the date of enactment of this title.

TITLE V—POWERS OF THE COUNCIL

Sec. 501. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act, resolution, or regulation, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

Mr. DIGGS. Mr. Chairman, I ask unanimous consent that further reading of the bill and the committee amendment in the nature of a substitute be dispensed with, considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Broyhill of Virginia to the committee amendment in the nature of a substitute: Page 141, strike out line 18 and all that follows down through and including line 17 on page 142, and renumber the following sections accordingly.

Mr. BROYHILL of Virginia. Mr. Chairman, the purpose of this amendment is to repeal the proposed 5 percent tax for parking here in the District of Columbia.

A tax on commercial parking in the District will be regressive in that it will be most burdensome to the car owners in the lower income brackets. Also, I am convinced that this ill-conceived tax will prove counterproductive from the standpoint of revenues accruing to the city. The proponents of this measure state that the District will realize about $1.5 million per year from this tax on parking. Not only do I disagree with this wishful estimate, but I am convinced that inasmuch as there is no tax on commercial parking in either Virginia or Maryland, the result of such a levy in the District of Columbia will result in fewer people driving into the downtown area of the city to shop, both from the suburbs and from the outlying residential areas of the District itself. This, in turn, will result in decreased retail sales in the District and a consequent decrease in revenues from the city's sales tax as a whole.

We all know that in recent years there has been a constant exodus of retail businesses from the District of Columbia into the suburbs, and that this has had a very depressing effect on the city's economy. In an effort to reverse this disastrous tide, a great deal of planning has been done and a large amount of money has been spent in an effort to rehabilitate downtown Washington so as to attract people into the central city to shop. I have encouraged and assisted these efforts to the utmost of my ability, for I sincerely believe that a fiscally healthy inner city would benefit all parts of the metropolitan area. And now this threat of a commercial parking tax looms, which can do nothing but counteract these efforts to revitalize the downtown area of the District, and thus to destroy all that has been gained in this direction.

I also wish to express my strongest opposition to the imposition of this parking tax in the same piece of legislation that repeals the 5-percent tax on admissions to the performing arts. I cannot comprehend the logic of repealing this tax on a sheer luxury, at a loss of $300,000 of annual revenues, while imposing a destructive tax on commercial parking in the city, a necessity for thousands of people throughout the metropolitan area, in the hope of raising $1.5 million of additional revenues per year—which I have stated, will never happen.

Further, I protest the imposition of this tax because it will be discriminatory in its application. We all know that many thousands of persons who are employed in the District of Columbia must depend on their cars for transportation, and the off-street parking facilities available for such employees are woefully insufficient, with the result that most of these people must patronize the commercial parking lots and garages. Thus, these employees would be obliged to pay this parking tax, while their more fortunate fellow employees would not.

An excellent example of this would be the effect right here in the U.S. Capitol. I understand that the House of Representatives and the Senate together employ approximately 14,500 people and while some of these employees are not located in Washington the great majority are employed right here on Capitol Hill. Also, there is no doubt that most of them drive their cars to work. Then, of course, there are the 535 Members of the Congress, most of whom also drive daily to the Capitol. I am advised also that the Capitol has only approximately 6,000 off-street parking spaces, including garages and parking lots, to accommodate these Members and employees. This means that several thousand Capitol employees must patronize the commercial parking lots in the vicinity, at prices ranging from 75 cents to $2.50 per day. If this proposed parking tax is enacted into law, then that number of Capitol employees will face the discrimination of having to pay this additional amount for their parking, while the Members of Congress and about 5,500 of the more fortunate employees, whose parking costs them nothing to begin with, will not.

I maintain, therefore, that any parking tax in this city, to be equitable and nondiscriminatory in its provisions, would have to apply to all off-street parking facilities in the city, located in Government and non-Government office buildings, including those here in the U.S. Capitol.

Finally, I wish to point out that the argument that such a commercial parking tax will discourage people from driving their cars and thus contribute to a cleaner environment, is pure hogwash. The people of this country are conditioned to the use of their private automobiles, as a way of life. And if this tax is imposed, the people in the suburbs and the outlying sections of the city will continue to drive their cars, but not into downtown Washington. They will go elsewhere and spend their money, to the serious detriment of the economic well-being of this Nation's Capital City

I urge my colleagues in this body to reject this ill-conceived proposal, by supporting my amendment to strike it from the bill.

Mr. GUDE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, my colleague, the gentleman from Virginia (Mr. BROYHILL), I think, has probably put his finger on the problem of this tax by using the example of Hill employees and employees generally in the Federal Establishment. Here on the Hill, it is those with the seniority on the staffs who get the parking places, and they are the highest paid employees. Those who are lower on the staffs are the ones who would pay the freight when they have to go out and secure public parking.

In addition, this tax falls far short of meeting the funding requirements of the pay raises involved, which are cited as the reason for inclusion of this tax.

I would say to my colleagues that, someday, we may find it a desirable thing for the city to have some type of disincentives to the use of private automobiles for commuting purposes. Once the bus system, taken over by the Washington Metropolitan Area Transit Authority recently, is fully updated and operational, and once the transit system is running, then we can realistically say to people that viable transportation alternatives exist. Clearly, these alternatives are needed—and steps will be useful to get people to use the public transportation system—in order to help clean up the quality of the air in our Nation's Capital. Obviously, the automobile is one of the primary contributors to our air quality problems. However, for us to attempt to say, by this tax, that people should not drive their cars into town is to be quite unrealistic.

In an editorial recently, the Washington Star-News pointed out that, without viable transportation alternatives, the imposition of a parking tax is a most unfair action for the Congress to take, in terms of the operation of the District of Columbia government under home rule. They argued, with some validity, that the last thing the District of Columbia needs now is a tax which would serve as but another reason to discourage people to come into town to shop, go to dinner, or to the theater.

Mr. Chairman, I do not believe that it is at all essential to the passage of this bill, and I do hope that the House will support the gentleman's amendment.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we are working out a solution on the property tax rate discussion that we were having a few minutes ago. This is the other tax that is in the bill, and it is a sales tax on parking which a great many jurisdictions in this country have.

This proposal is being opposed by my very distinguished colleagues from the Washington suburbs, just as commuter taxes and all other such taxes are opposed by the very able gentlemen from the suburbs.

It is the individuals from the suburbs who use the District, and then they go home at night and that is it. Then the people in the District have to reach into their own pockets and pay the taxes to keep the Government of the District going.

So, every time we talk about any tax that would perhaps cause those who live in the suburbs to pay a greater share, this generally is opposed. It really means that my constitutents in the 26th Congressional District in Los Angeles, through their share of the Federal payment, are picking up a lot of that money that should be paid by many people who live in the suburbs, and who use the District of Columbia, either for work or for enjoyment, or whatever it might be. I think there has to be some spread there.

This is not a discriminatory tax. It does not affect just those who live in the suburbs, it affects those who live in the District of Columbia also. It does not affect just the poor people, because the poor people either walk or they take a bus. But it does affect those who drive, and who hire areas for parking. And I think that they ought to pay 5-percent tax when they come into the District from Maryland and from Virginia. I think it is only right that the District have some ability to assess this type of a tax, because really, the laws of this country are full of prohibitions, put in there by my very able friend, the gentleman from Virginia, against any taxes such as a commuter tax. So there must be some way to equalize, really, the great tax burdens you have in the metropolitan area, and I think it is for the suburbs to do this. This is not very much of an equalization, it is about $1.5 million a year, and I suspect half of it would come from the people who live in the District.

So, Mr. Chairman, I ask the Committee to vote against the amendment.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, the proposal is not earmarked just for the people who live in the suburbs. It will affect anyone who parks in the Nation's Capital.

Mr. REES. That is correct.

Mr. BROYHILL of Virginia. I submit to the gentleman from California that the people who live in the suburbs and have a tendency to do business in Washington could very well develop a tendency to stay away from the District, and therefore this proposal, so far as revenue return of the scale estimated, could very well be counterproductive.

Mr. REES. Perhaps what the people in the suburbs might do, would be to take buses. This would help to cut down on pollution, and save gasoline, and this might be a very fine thing to have.

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman from California will yield further, my response to that is, as I have said prior to this time, that is hogwash.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BROYHILL) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. BROYHILL of Virginia) there were—ayes 12, noes 29.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENTS OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer several amendments to the committee amendment in the nature of a substitute, and ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. REES to the committee amendment in the nature of a substitute: Page 78, line 6, strike the word "members" and insert in lieu thereof the word "member".

Page 80, line 6, strike the word "schedule" and insert in lieu thereof the word "scheduled".

Page 82, line 10, strike "(5)" and insert in lieu thereof "(6)"; line 13, strike "(6)" and insert in lieu thereof "(8)", and on line 14 strike "(7)" and insert in lieu thereof "(9)".

Page 88, line 25, after the parenthesis strike the comma and insert the phrase "and section 301 of the District of Columbia Police and Firemen's Salary Act of 1953 (D.C. Code 4–518),".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. REES. Mr. Chairman, these are technical amendments and only technical amendments, and they are to the police and fire salary phase of the bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. REES) to the committee amendments in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENTS OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer several amendments to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendments offered by Mr. REES to the committee amendment in the nature of a substitute: Page 107, line 6, strike the words and the period "this title." and insert in lieu thereof the phrase "sections 411, 412, and 413, which rate shall be applied to the assessment roll for 1975 determined according to provisions of law in effect prior to the effective date of this Act."

Page 110, line 14, strike the word "separately".

Page 112, line 9, strike the words "sales assessment" and insert in lieu thereof the words "assessment-sales ratio".

Page 115, line 18, strike the words "real property".

Page 123, line 5, after the word "sold," insert the word "refinanced,".

Page 130, line 15, strike the word "while" and insert in lieu thereof "which".

Page 145, line 18, strike the period and insert the phrase "except that Part 1 and subparts A through E of Part 2 shall take effect for fiscal year 1976 unless otherwise specifically provided in this title."

Mr. REES. Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. REES. Mr. Chairman, these, again, are technical amendments to the property tax phase of the bill. What necessitated the technical amendments was the fact that the property tax amendments were a separate bill. Then they were amalgamated into this larger bill and we lost a few commas, semicolons, and such. That is all. They are merely technical amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment in the nature of a substitute. Page 119, line 11, insert new subpart C and renumber:

"Modified Homeowner Exemption To Prevent Shift of the Tax Burden to Low and Moderate Income Families Who Rent or Own Single Family Homes

"Sec. 431. (a) In order that the shift to equalized assessment at the same percentage of estimated market value for all properties not result in increases in proportionate tax burden for households of low or moderate income who own or rent property identified on the assessment roll as row dwellings, detached dwellings, or semi-detached dwellings, the Council by regulation is authorized to provide that the amount of up to $3,000 of market value may be deducted from the estimated market value of some or all of such property.

"(b) Subsection (a) will take effect immediately upon enactment for the fiscal year beginning July 1, 1974."

Mr. REES. Mr. Chairman, what has happened in the series of court cases which have affected the District of Columbia property tax law is the court ruled that the District could no longer have a dual-rate system whereby the residential property was assessed at 55 percent and commercial at 65 percent. So, as a result we had a shift of payment from commercial to residential which meant that the residential owners will now be paying more of the total percentage than the commercial will be paying.

What this amendment does is to authorize the City Council between now and home rule, which is January 1, to establish an exemption for single family property of up to $3,000.

For example, if a person's home were worth $25,000 and if he was eligible for this exemption, he would subtract $3,000 from $25,000 and pay his tax on an estimated market value of $22,000. This, along with the circuit breaker, would even the burdens of the tax between the residential and the commercial property as they were before the court case. The court ruled that the way the District did its assessment was unconstitutional, but this definitely would be constitutional because it would be a specific exemption granted to a class of persons.

All this does is authorize the City Council to make this change in the property tax law if they wish to make this change. Having watched the speed of the City Council I have my doubts, but I did want to give the City Council the ability to make this change if they wish between now and the home rule date, the first of January.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment in the nature of a substitute: Page 140 following line 18 add:

"PART 5—DISTRICT OF COLUMBIA PROPERTY TAX RATE

Notwithstanding any other provision of the law the property tax rate for the District of Columbia for fiscal year 1975 shall be set by the Council at such an amount to yield at least $146 million in fiscal year 1975; except that such amount may be reduced by any amount raised by the Council pursuant to delegation of authority contained in Sections 204 or 490 of this Act, or by any revenue obtained pursuant to any other provision of law, or by any amount raised by reprogramming or reallocation of the fiscal year 1975 budget.

The CHAIRMAN. The gentleman from California (Mr. REES) is recognized for 5 minutes in support of his amendment.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to ask the gentleman if this amendment is accepted which mandates the city government to increase taxes to the extent that the increase proposed for city police and firemen and teachers can be paid that this action must take place or else the difference of $14.2 million for the salary increase will not be paid. I say not be paid and by this no request will be made for additional Federal funds or an additional Federal payment will be requested.

Mr. REES. Mr. Chairman, my position, as the gentleman from Kentucky is aware, is that I definitely will not under any circumstances come to this House and ask for any more Federal payment. This was the purpose of the tax provision, so that the raises would be financed strictly by taxes from the District of Columbia. So under no circumstances would I come back and ask this House for any additional Federal payment when of course my position is that the money will come from the District tax base.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield further to me, I would like to propound this question to my friend, the gentleman from Michigan, the chairman of the committee. If this bill passes the House today and goes to conference and the committee on the other side places any additional amount in their bill by way of Federal payment or Federal funds, either a one-shot $14.2 million Federal payment or Federal funding from any source for any purpose for payment of the 6-percent increase that is now before the Committee, would the chairman review it and say to the other side he would not approve it and he will not come back to this Committee asking for any additional Federal payment for the 6-percent increase toward the $14.2 million and it will have to be covered in taxes from downtown under the proposal offered by the gentleman from California? That no additional Federal payment will be requested for the $14.2 million for the 6-percent increase.

Mr. DIGGS. Mr. Chairman, if the gentleman will yield and will permit me to reassure the gentleman on the point I made just a few moments ago, I would reiterate that I feel that the Federal payment authorization plus the capacity of the local government is sufficient to cover these increases.

I would be in the same position as the gentleman from California, namely, not coming back to the House and requesting any additional Federal payment authorizations.

Mr. NATCHER. Mr. Chairman, if the gentleman will further yield to me, this provides that the copout that has been taking place downtown now for several months in regard to an increase in taxes will be cured and I think perfectly cured.

Mr. Chairman, I intend to vote for the gentleman's amendment. At any time in the future if any additional amount is requested by way of Federal funding to pay the 6-percent increase, we will not recommend it to the House.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. REES. I will yield to the gentleman, but I would like the opportunity to explain the amendment some time this afternoon.

Mr. MYERS. I will withdraw my request.

Mr. REES. What the amendment does is very simple. It says the District of Columbia for the fiscal year 1975 shall set a tax rate to raise at least $146 million, and that will pay for the police, firemen, and teacher's salary increase, except that if they wish to raise another tax, then they would be authorized to raise another tax. Already in the bill we have given the City Council the right to raise taxes between now and home rule.

So I think with this amendment we have a complete bill. We have an adequate salary increase which shall be financed by local taxes.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. REES. I will be glad to yield to the gentleman from Indiana.

Mr. MYERS. I plan to support the amendment of the gentleman, but I do not understand how we are going to get the revenue raised in time to take care of this $14 million deficit.

Mr. REES. If the gentleman will yield, I have talked to the Senate. I think we can get some quick time going on this bill; but the assessment roll of the District of Columbia was not released until last Friday by the court, so there is going to be a natural delay, anyway.

Mr. MYERS. Mr. Chairman, I move to strike the last word.

I yield to the gentleman to finish his statement.

Mr. REES. Mr. Chairman, because of court cases affecting District taxes, the tax roll was just authorized for release this last Friday. I have discussed the legislation with the Senate District Committee and I think we can get some very quick action on this property tax bill.

I would suspect we have several months in here of leeway before there has to be an absolute deadline on the fixing of the tax.

Last year when the whole tax system was under scrutiny by the court, the mayor by Executive order was able to delay the sending out of the actual tax bills, for example, until late October; so there is flexibility in this bill to work with this amendment.

Mr. MYERS. But the gentleman talked with the officials of the District of Columbia, the Mayor and the Council; are they willing to raise the taxes to provide the revenue by the first of January?

Mr. REES. It says they shall—not may—shall, they shall set a tax rate and that tax rate will raise at least $146 million. That is what it says right here. So it is up to them. I do not know what else we can do.

Mr. MYERS. What happens in a hypothetical situation if we do not get this out until October 15? They have already set the rate for this year and we have already increased the salaries by 16 percent and they come back to the Congress and say, "You have no choice, you have to raise the cash contribution and the Federal Government has to pay the higher rate."

Mr. REES. No. 1, all this is in one bill, so the salary rate goes along with the move. No one is going to tell us what to do. The City Council cannot come up and tell us we have to give them some money.

Mr. MYERS. What about the Senate; this is not under our agreement today?

Mr. REES. I suspect in the discussions we have already had with the Senate, we should have fast action there.

Mr. MYERS. How about section 490, is it possible for the city to raise enough revenue in the income taxes, in these taxes provided in section 490, to make up the deficit, and would they do it?

Mr. REES. If they want to do it, they can; but watching the mayor and City Council move is like watching the grass grow; but at least we have made it clear. They shall raise $146 million this fiscal year, 1975. That is what is in the bill. Now it is up to them.

Mr. MYERS. It still concerns me, I must say to the gentleman. It is true that the raise in the tax authority is all in one bill here. If the tax rate is already fixed, how in the world can the city raise the taxes for increased salaries if it already set the rates and sent the statements out to the taxpayers?

Mr. REES. They have not done that because the court would not let them.

Mr. MYERS. We have not passed it, the Senate hs not passed it. We have not enacted it into law yet. They are also going to send the rate out and then we are going to be locked in.

Mr. REES. As I say, we do not have to do what they tell us to.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I want to take a minute or two particularly to thank the gentleman from Kentucky (Mr. NATCHER) and the gentleman from Indiana (Mr. MYERS) the chairman and the ranking minority member of the Appropriations Subcommittee on the District of Columbia, for their work here this afternoon in putting the District of Columbia Committee on notice that Federal funds are not going to be available for every purpose.

I am surprised that the District Committee would come forth with a bill asking Congress to again underwrite financing which the District Government ought to provide when it makes commitments for pay increases. This attempt to raid the taxpayers of the entire country would have gone through the House today had it not been for Mr. NATCHER, in particular, and I truly thank him. I wish the chairmen of subcommittees of the Appropriations Committee would take the same position on other legislation. It would be most helpful to the Members of the House. I hope, too, that in the future this will serve as a lesson to the District of Columbia Committee that it cannot come to the House floor and take it for granted that the House is going to agree to every request for funds—that the District of Columbia Committee and the municipal government of the District both have the responsibility of financing the deals they make for spending money.

In this case neither the Mayor nor the City Council requested the additional 6-percent pay increase here proposed. It is up to the taxpayers of the city to provide the additional revenue and the bill when it came to the House floor should have provided for the necessary revenue.

Moreover, the District of Columbia has been given so-called home rule. Now is the time for it to demonstrate that it is capable of self-government.

Again I commend the gentleman from Kentucky (Mr. NATCHER) and the gentleman from Indiana (Mr. MYERS) for saying, in effect, that we made an agreement based on a 10-percent pay increase and we will not open the U.S. Treasury to finance a deal of the nature here proposed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ECKHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to reorganize public higher education in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 284, nays 75, not voting 75, as follows:

[Roll No. 415]

YEAS—284

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Barrett
Bauman
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Casey, Tex.
Cederberg
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Coughlin
Cronin
Daniels, Dominick V.
Danielson
Delaney
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hanrahan
Harsha
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kyros
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Matsunaga
Meeds
Melcher
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Shoup
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—75

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Baker
Beard
Bevill
Blackburn
Broomfield
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Camp
Chamberlain
Chappell
Clawson, Del
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Derwinski
Devine
Dickinson
Duncan
Erlenborn
Fisher
Flynt
Fountain
Goodling
Gross
Haley
Hicks
Huber
Hutchinson
Jarman
Jones, N.C.
Kemp
Ketchum
Lagomarsino
Landgrebe
Lujan
McEwen
Mathis, Ga.
Mayne
Michel
Miller
Montgomery
Myers
Nichols
Passman
Poage
Price, Tex.
Quillen
Robinson, Va.
Runnels
Ruppe
Ruth
Satterfield
Scherle
Sebelius
Shuster
Smith, N.Y.
Stubblefield
Veysey
Waggonner
Wiggins
Wydler
Young, Fla.
Young, S.C.

NOT VOTING—75

Alexander
Badillo
Blatnik
Bowen
Brasco
Burgener
Burke, Calif.
Byron
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Cotter
Culver
Davis, Ga.
Davis, S.C.
de la Garza
Dennis
Dorn
Evins, Tenn.
Findley
Fulton
Gettys
Grasso
Green, Oreg.
Griffiths
Gunter
Hammerschmidt
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hébert
Heckler, Mass.
Holifield
Hosmer
Johnson, Colo.
Jones, Tenn.
Kuykendall
Landrum
Leggett
Lehman
McSpadden
Martin, N.C.
Mazzoli
Metcalfe
Mills
Minshall, Ohio
Murphy, N.Y.
Patman
Rarick
Reid
Robison, N.Y.
Rooney, N.Y.
Rose
Roy
Sandman
Schneebeli
Sisk
Stark
Steed
Steele
Stuckey
Symms
Talcott
Teague
Thompson, N.J.
Towell, Nev.
Treen
Whitten
Wilson, Bob
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Murphy of New York with Mr. Reid.

Mr. Carey of New York with Mr. Byron.

Mr. Rooney of New York with Mr. Gettys.

Mrs. Burke of California with Mr. Dorn.

Mr. Hébert with Mrs. Green of Oregon.

Mr. Hawkins with Mr. Harrington.

Mr. Rarick with Mr. Gunter.

Mr. Badillo with Mr. Landrum.

Mr. Mazzoli with Mr. Evins of Tennessee.

Mrs. Chisholm with Mr. Culver.

Mr. Stark with Mrs. Hansen of Washington.

Mr. Alexander with Mr. McSpadden.

Mr. Clay with Mr. Hanna.

Mr. Rose with Mrs. Griffiths.

Mr. Holifield with Mr. Findley.

Mr. Brasco with Mr. Metcalfe.

Mr. Cotter with Mr. Carter.

Mrs. Grasso with Mr. Hastings.

Mr. Davis of Georgia with Mr. Hosmer.

Mr. Sisk with Mr. Hammerschmidt.

Mr. Bowen with Mrs. Heckler of Massachussets.

Mr. Davis of South Carolina with Mr. Dennis.

Mr. de la Garza with Mr. Kuykendall.

Mr. Clark with Mr. Mills.

Mr. Jones of Tennessee with Mr. Hansen of Idaho.

Mr. Lehman with Mr. Minshall of Ohio.

Mr. Steed with Mr. Steele.

Mr. Stuckey with Mr. Sandman.

Mr. Roy with Mr. Symms.

Mr. Fulton with Mr. Talcott.

Mr. Whitten with Mr. Schneebeli.

Mr. Leggett with Mr. Treen.

Mr. Patman with Mr. Bob Wilson.

Mr. Teague with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to the provide for additional revenue for the District of Columbia; and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND MANPOWER ACT OF 1970

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill—H.R. 11108—to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks in explanation of the bill H.R. 11108.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill as follows:

That (a) section 303(c) of the District of Coumbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922) is amended by inserting "and for fiscal years 1975, 1976, and 1977" immediately after "1972,"

(b) Section 303(b) of such Act is amended by striking out "section 772 of the Public Health Service Act (42 U.S.C. 295f–2)" and inserting in lieu thereof "section 773 of the Public Health Service Act".

With the following committee amendment.

On page 1 strike out lines 3 through 6 and insert: That (a) section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922(c)) is amended to read as follows:

"(c) There are authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1975, and June 30, 1976, to make grants under this section.".

The committee amendment was agreed to.

Mr. DIGGS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the purpose of H.R. 11108, as amended, as reported—House Report 93–1200—is to extend for 2 years—fiscal 1975 and 1976—the District of Columbia Medical and Manpower Act of 1970 (D.C. Code, Tit. 31, Sec. 921, 922; 84 Stat. 1934.) This would further assist private nonprofit medical and dental schools in the District of Columbia, through Federal grants for these 2 years, in meeting their critical finance needs and operational costs required to maintain quality medical and dental educational programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants by law are to be in the minimum amounts necessary and may not exceed, in either fiscal year, $5,000 per enrolled medical student, or $3,000 per enrolled dental student.

The intended beneficiaries of this bill are the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine. Howard University, which operates schools of medicine and dentistry in the District, relies on other channels of Federal support.

LEGISLATIVE BACKGROUND

The D.C. Medical and Dental Manpower Act of 1970—which H.R. 11108 extends for 2 additional years—was originally enacted as title III of the District of Columbia Revenue Act of 1970 (Public Law 91–650, approved Jan. 5, 1971; D.C. Code Tit. 31, Sec. 922; 84 Stat. 1934).

The original subsidy authorization was for the fiscal years 1971 and 1972. No funds were requested by the administration nor appropriated by the Congress pursuant to this authority. Legislation to extend the authorization for 3 years was introduced in the 92d Congress (H.R. 13713), and was referred to the Committee on the District of Columbia. A subcommittee held hearings thereon and ordered it favorably reported, but further action was not taken. The original authorization expired at the end of fiscal year 1972.

NEED FOR THE LEGISLATION

Grants under this legislation are proposed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. Because of the District's interim status with regard to home rule government, no local funds—comparable to State funds—are available for fiscal years 1975 and 1976. The Mayor-Commissioner has indicated his recognition of the financial problems facing the medical and dental schools in Washington and has also indicated his intention to find an effective long-range means of providing adequate funding to alleviate this distress. While the District government is considering the appropriate method for providing such assistance, the committee feels that the interim subsidies authorized by H.R. 11108 are merited.

DISTRICT NEED FOR PHYSICIANS

At least six of the District's nine service areas lack sufficient physician manpower to serve the needs of the individuals in those areas.

The areas east of Rock Creek Park and Anacostia are all severely deficient in physicians; and the far Northeast, as well as the near Northeast, also suffer more critically than the other areas.

GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES NEED FOR FUNDS

The presidents of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue in operation. There are 14 Washington Metropolitan area hospitals directly dependent on the staffs and programs of these medical and dental schools. There are over 10,000 graduates of these schools in the United States in 50 States and the District of Columbia and over 1,700 students from 46 States and the District of Columbia.

PROVISIONS OF THE BILL

Section (a). The first section authorizes grants during two additional fiscal years—1975 and 1976. It amends section 303(c) of the original act (D.C. Code, Tit. 31, Sec. 922(c)).

Section (b). This section updates the reference to a provision in title VII of the Public Health Service Act which was amended subsequent to passage of the D.C. Medical and Dental Manpower Act in 1970. It acknowledges that schools qualifying for grants under this bill may also be eligible for financial distress grants under section 773 of the Public Health Service Act. The Secretary of Health, Education, and Welfare is directed to consider this in setting amounts of, and determining eligibility for, grants under this act. The section amends section 303(b) of the 1970 act, (D.C. Code, Tit. 31, Sec. 922(b)).

NATIONAL ASPECTS OF GEORGE WASHINGTON AND GEORGETOWN UNIVERSITY

It is certainly the case that private schools draw their students from a wider area than do State-supported schools and to that extent serve the needs of students from other States.

This is borne out by the testimony presented to the committee, showing the widespread distribution of current students, and of graduates in practice, from George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry:

CAPITATION GRANTS AND DISTRESS ASSISTANCE

It is important to note that the Department of Health, Education, and Welfare did not find it necessary to provide special funds to these District schools under the 1970 District of Columbia Medical and Dental Manpower Act, but instead provided basic assistance to them under the generally applicable provisions of the Comprehensive Health Manpower Training Act of 1971. The "capitation grants" awarded under that act have provided increased funds to schools of medicine and dentistry—several times greater than they received under previous formula authorities—and have improved the fiscal stability of these schools. In fiscal year 1973, for example, Georgetown University Medicine School received capitation grant assistance of $1,447,563—as compared with $259,500 under the old program in 1971; George Washington University Medical School, $1,047,290—as compared with $238,000 in 1971; and Georgetown University Dental School, $859,571—as compared with $223,000 in 1971.

The capitation grant program has contributed significantly to alleviating the financial distress of schools of medicine and dentistry. It is still the case, however, that a number of schools temporarily needed yet additional financial assistance before they could carry out the steps necessary to solve their problems. In recognition of this fact, the Congress—in the Comprehensive Health Manpower Training Act of 1971—included special separate authority, in amounts which declined over 3 fiscal years, for grants to schools of medicine and dentistry, as well as other schools of the health professions, which are in serious financial distress, to meet their costs of operation or to meet accreditation requirements. The act's financial distress authority was designed to provide temporary financial assistance while at the same time identifying the factors that have led to financial difficulties and determining the appropriate means for remedying them.

In fiscal year 1973 the Department's Bureau of Health Resources Development awarded approximately $7.8 million in fiancial distress grants to medical and dental schools in this country. Of this amount approximately $1.4 million was awarded to Georgetown University Medical School; $583,000 was awarded to Georgetown University Dental School; and almost $1.3 million to George Washington University Medical School. In other words, Georgetown and George Washington University Medical School received nearly half of all the financial distress awards to medical schools in this country, and Georgetown University Dental School received slightly over one-quarter of all such aid to dental schools. If one were to add to these amounts the dollars these schools also received under capitation awards and special project grants, the dollars awarded in fiscal year 1973 would total approximately $25 million for George Washington University and almost $5.9 million for Georgetown University.

In addition, legislation recently approved by the Congress (H.R. 7724) contains authority for an additional $5 million in financial distress funding which was included in the Supplemental Appropriations Act of 1974—Public Law 93-245. The committee reports on this legislation make clear the intent that this authority be used to assist the three local institutions named. HEW is presently negotiating with them to provide funding for them under such financial distress program which by the terms of the legislation is available until September 30, 1974.

HEARING

A very thorough and exhaustive hearing on January 24, 1974, and subsequent meetings, were held on this proposed legislation by the Subcommittee on Labor, Social Services, and the International Community. The witnesses, including representatives of the U.S. Department of Health, Education, and Welfare and of the District of Columbia government, were almost unanimous in their agreement as to the need for assistance to the private medical and dental schools in the Nation's Capital and in showing the critical shortage of physicians and dentists here and elsewhere throughout the country.

Testimony or statements in support of H.R. 11108 was presented by or on behalf of Members of Congress; by the Association of American Medical Colleges; the American Association of Dental Schools; the Medical Society of the District of Columbia, and the District of Columbia Dental Society; the Hospital Council of the National Capital Area; the Central Northeast Civic Association of the District of Columbia; the National Association for the Advancement of Colored People; and representatives of George Washington and Georgetown Universities and of their respective schools in question.

HEW and the District government expressed opposition or reservations to H.R. 11108.

The Department of Health, Education, and Welfare recommends strongly against enactment of H.R. 11108. The position of the Department cites the continuing need for so-called "distress" money—first granted in fiscal year 1972—and indicates that deficiencies in administration may be responsible for some of the fiscal problems of the universities.

COST PER STUDENT COMPARISONS

Average national costs of educating students as reported by the National Academy of Sciences, Institute of Medicine, 1974:

Type of student	Average cost	Remarks
Medical student.	$12,650	Minus offset for research and patient care income: $9,700.
Dental student.	9,050	Minus offset for income from research and patient care: $7,400.

COSTS REPORTED BY GEORGETOWN AND GEORGE WASHINGTON

	Georgetown University	George Washington University
MEDICAL STUDENT		
Fiscal year—		
1968	$22,988	$14,900
1969	22,265	18,213
1970	21,904	18,295
1971	23,478	18,444
1972	22,569	18,556
1973	25,691	21,862
1974	24,199	24,062
1975	24,162	24,914
1976	24,263	24,742
DENTAL STUDENT		
Fiscal year—		
1968	4,539	
1969	5,618	
1970	5,685	
1971	7,336	
1972	7,611	
1973	9,848	
1974	9,820	
1975	9,967	
1976	10,540	

COMMITTEE VOTE

The bill, H.R. 11108, was ordered favorably reported to the House on July 1, 1974, by a voice vote of the committee, a quorum being present.

COST

The bill would require that through an HEW appropriation, each private, nonprofit medical and dental school within the District could receive $5,000 for each medical student enrolled and $3,000 for each dental school student enrolled, taking into account section 773 of the Public Health Service Act—the financial distress provision.

A breakdown of the maximum possible assistance, as estimated above, for fiscal year 1975, follows:

Georgetown Medical School: 815 medical students times $5,000 per student	$4,075,000
Georgetown Dental School: 551 students times $3,000	1,653,000
George Washington Medical School: 593 students times $5,000	2,965,000
Total maximum estimates for each year, 1975 and 1976	$8,693,000

While there is no accurate way to assume the number of students who will be enrolled for the fiscal year 1976 period, it can be assumed that the amount of change will be negligible, and accordingly, the amounts listed above for fiscal year 1975 are included for fiscal year 1976.

CONCLUSION

Justification for the enactment of H.R. 11108 has been established to the satisfaction of the committee for the reasons set forth heretofore.

The schools benefited—George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry—have students from every State in the Union, and 10,775 graduates are presently in practice throughout the Nation, 26 percent of them in the District of Columbia, Maryland, and Virginia, and 74 percent of them in the other States.

Further, the location in the District of Columbia of these schools is an extremely important community asset. In addition to operating two high-quality university hospitals, they contribute interns, residents, and faculty members who make up the house staff at D.C. General Hospital and—partially—at many other local hospitals—Children's, Columbia, Fairfax, et cetera.

The presence of "teaching medicine" in the community provides opportunity for private physicians and dentists to keep up to date, take refresher courses, et cetera, and generally improves the quality of dentistry and medicine practiced in the overall community.

The medical schools, through their clinics and experimental health centers and prepaid health plans, deliver a large measure of the health care provided to those citizens who live in poorer neighborhoods which lack practicing physicians.

These private institutions have no separate State legislative body from which to seek additional aid, and hence have recourse only to the Congress speaking as the legislature for the District of Columbia.

AMENDMENT OFFERED BY MR. PODELL

Mr. PODELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PODELL: Page 2, after line 7, insert the following:

(c) Section 303 of such Act (D.C. Code, sec. 31-922) is further amended by adding at the end thereof the following:

"(d) Notwithstanding any other provision of law, no person shall be admitted as a student at any institution receiving assistance under this Act except those persons who are determined to be qualified solely on the basis of accepted academic criteria, such as previous academic performance (including grades and test scores), technical and scientific aptitudes, requisite for education and certification as a physician or dentist."

Mr. PODELL. Mr. Speaker, it is my intention to vote in support of H.R. 11108. I am fully convinced of the need for the legislation to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970. The schools of medicine and dentistry at Georgetown and George Washington Universities in the District of Columbia are in no way responsible for the "distressed" financial situation in which they find themselves.

Both schools, among the finest of their kind in the Nation, serve the needs of all 50 States—yet have no State to turn to for financial aid while the District of Columbia is in the midst of a transition to local self government.

The Nation can ill afford to lose the use of the facilities nor the professional graduates of these schools at this time. To date there are 10,775 graduates of these institutions practicing medicine and dentistry throughout the 50 States. More than 70 percent of their graduates practice outside the States immediately adjoining the District.

At this moment there are 1,723 graduates of these institutions actually practicing medicine or dentistry in New York—and there are an additional 423 New Yorkers currently studying there, or almost 25 percent of the total enrollment.

I dare say that some of my constituents are among them, and that in the future many of the young men and women in my district will seek to enroll at one or the other of these schools. It is for that reason I am concerned that the millions of dollars in "distress" financial support we are voting here today be spent fairly, justly and with the maximum opportunity for all prospective medical or dental students to benefit from it.

And so, Mr. Speaker, I propose an amendment to H.R. 11108 to limit admissions to both schools to applicants qualified solely on established academic standards—on conventional academic criteria such as preparation, school performance, grades, test scores and the technical and scientific aptitudes requisite for education and certification as a doctor of medicine or a doctor of dentistry. I mean by my amendment that no other criteria for admission shall be used, particularly the traditional practice of admitting so many sons of doctors or dentists, so many offspring of alumni, so many from this region or that.

It should not be that thousands of young men and women spend most of their early life preparing themselves intellectually, disciplining themselves morally, for professional educations only to find that they are excluded from a medical or dental education because they do not fit the formula drawn by faceless administrators. They were raised to believe that diligence, hard work, and accomplishment would be rewarded. I still believe that, and will have no part in disillusioning them.

It is not enough to say that education is its own reward. If we are to provide—or at least help to provide—for the education of some, then those selected should be chosen on the basis of merit. No amount of sophistry, no amount of rationalizing, will alter that simple truth.

When I walk the streets of my district I want to be able to look into the eye of every budding doctor or dentist and say that I have helped prepare the way for their dream to come true. I would like to say to all young Americans who have dreams of a professional education, that they can have it if by their efforts they merit it.

It is not the place of Congress to provide public money for the offspring of "old grads", regional or other special interests at the expense of real students. I propose, simply, to limit under this appropriation, admission to those students who meet the academic standards with no reference to other qualifying criteria. Mr. Speaker, I urge my colleagues to join me on behalf of young America. Let us give those who worked the break they deserve.

Mr. BROYHILL of Virginia. Mr. Speaker, I rise in opposition to the amendment. I desired to speak earlier in explanation of the bill, and I will speak later on for that purpose; but in the meantime, I think we should vote down the pending amendment. Even though the language of the amendment may not on the face of it seem too objectionable, because it seems fair that we should admit students to the medical and dental schools on the basis of their competence, of their scores on competitive examinations, and as equitably as possible on their academic background. But I do not think any of us knows what type of problems this type of amendment, this sort of restriction, might impose upon the medical schools themselves.

I understand that there are somewhere between 8,000 and 9,000 qualified applicants every year seeking admission to Georgetown University Medical School alone. But the school has a capacity to admit only 200 students each year. Under these conditions, how can we or the school possibly determine which are the top 200 academically qualified students? Mr. Speaker, I do not know of any complaints that we have ever had about Georgetown University or George Washington University being unfair or discriminatory against those who are applying for admission. Further, Mr. Speaker, I question the constitutionality of this amendment, because we know that in many colleges and universities we are trying to get somewhat of a balanced student body composed of students from various groups and from various geographic areas. Now certainly if this amendment were adopted, this could very well tie the hands of these admission boards in their effort to enroll more students from the District of Columbia in these particular schools.

That is what all of us are trying to do, and that is what the medical and dental schools of those universities have committed themselves to for the years to come. So, I do not think we should attempt here on the floor of the House of Representatives to try to impose admissions standards for a medical college or a dental college, either positively or negatively, in this bill.

Mr. Speaker, I object to the amendment and hope that it is defeated.

The SPEAKER. The question is on the amendment offered by the gentleman from New York (Mr. PODELL).

The amendment was rejected.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I wish to express my strong support for the bill H.R. 11108, of which I am a cosponsor, which seeks to extend the District of Columbia Medical and Dental Manpower Act of 1970 for 2 additional years.

The 1970 act, title III of Public Law 91-650, approved January 5, 1971, was designed to assist the private nonprofit medical and dental schools in the District of Columbia, which are the medical school of George Washington University and the medical and dental schools of Georgetown University, in their critical financial needs in meeting the operational costs required to maintain their high quality medical and dental educational programs and to enable them to increase the number of students in those schools as a necessary health manpower service to the D.C. metropolitan area and to the Nation as a whole. To accomplish these purposes, the act of 1970 authorized the Secretary of Health, Education, and Welfare to make grants, through the Commissioner of the District of Columbia, to these medical and dental schools for fiscal year 1971 and 1972, in amounts not to exceed the sum of $5,000 times the number of students enrolled in the medical schools of George Washington and Georgetown Universities and $3,000 times the number of students enrolled in the Georgetown University School of Dentistry.

The act of 1970 also provided for the appropriation of Federal funds sufficient to meet the cost of these grants. However, these appropriations were never actually made, because the Department of Health, Education, and Welfare found enough money in their financial distress fund for medical and dental schools to fund this outlay during the 2 years for which the grants were authorized. Also, sufficient funding from this same source has been granted to these schools for the 2 years since the expiration of this authorization; that is, the 2 academic years ending in June of 1974, to meet this need to the present time.

However, the universities have been advised that this source of funds will not be available to them for future years, and hence these schools now face the same dilemma which confronted them in 1970, as far as their ability to remain in operation is concerned. For this reason, there is no question whatever of the urgent necessity of renewing the District of Columbia Medical and Dental Manpower Act of 1970 and authorizing the appropriation of Federal funds sufficient to meet the cost of these grants for an additional period of 2 years. The cost will be approximately $5 million per year.

At present there are 45 private medical schools in operation in the United States, including the two here in the District of Columbia. Of the 43 private medical schools located outside of the District, all but 4 are receiving State or regional support, and legislation is now in process in the States in which two of these 4 private medical schools are located, which will afford these schools direct State support. Further, the average State or regional support for these schools is in excess of $5,000 per student per year, the figure which is sought in H.R. 11108 for the 2 private medical schools in the District. State or regional support for private dental schools throughout the country is also general, and it exceeds on the average the $3,000 per student which we seek for the school of dentistry at Georgetown University.

It is entirely proper that in the case of these local schools of medicine and dentistry, the Federal Government should act in the role filled by the State governments in regard to the other private medical and dental schools throughout the country. This is true because these schools at George Washington and Georgetown Universities are actually Federal in character and scope, rather than local. At present, only about 6 percent of the total student body in these three schools are residents of the District of Columbia; and the total enrollment includes students from 48 States and the territory of Puerto Rico. Also, only slightly more than 8 percent of the graduates of these schools presently in practice are so engaged in the District of Columbia, and these alumni are practicing medicine or dentistry in every State in this country and in Puerto Rico.

Incidentally, I am appreciative of the fact that 110 students from my State of Virginia are presently enrolled in these schools and that the health needs of Virginia are being met in considerable part by 729 practicing graduates of the medical and dental schools of George Washington and Georgetown Universities.

Thus, there is not a State in this country which does not benefit from the training offered by these fine schools, and in the aggregate to a degree far in excess of the benefit they provide to the District of Columbia, even though their contribution to the District is critically important to the Nation's Capital also.

In view of these facts, there is every reason for this situation to be met and resolved by the Congress on behalf of the Federal Government, rather than by the government of the District of Columbia.

While all higher education in the Nation is presently confronted with grave financial difficulties because of the price-wage inflationary spiral which has been advancing at the rate of about 6 percent per year, the financial problems incident to medical education have become particularly acute. This is because in recent years medical science has become increasingly complex, and the processes of diagnosis and therapy now encompass a vast array of technical services, powerful drugs, and increasingly complicated techniques. As these changes have added to the cost of medical care, so also have they added to the costs incident to medical education.

Also, medical education now embraces a wide range of responsibilities. Once confined to the limited work of educating the future doctor of medicine, the role of the medical school new encompasses major research programs, graduate education in both the basic and clinical sciences, and a growing responsibility for patient care and community services. As a result of this growth in responsibility, the medical schools have been asked to expand greatly their educational functions and to extend their services throughout the community health scene.

These trends have had their greatest impact upon the private medical schools, because of their crucial dependence upon tuition revenues and endowment income. The repeated deficits which many such schools have faced have forced them, in many instances, to use endowment capital to cover operating costs. This situation has given rise to substantial concern on the part of State governments for the continued existence of the private medical and dental schools within their boundaries, and the State support for such schools which I have referred to has followed in nearly all cases.

Most of these State or regional arrangements for support of private medical and dental schools are in the form of a payment of a certain amount per student to the school to cover annual operating costs incident to his education. In Florida, the legislature provides a payment of $6,500 to $8,500 per year per Florida resident to the private medical schools where he is studying. In Illinois, the payment is $6,000 to $7,000 per student; in Ohio it is approximately $5,400; and the State of Texas pays Baylor College of Medicine up to $17,282 per year for each Texas medical student enrolled. All these grants are in addition, of course, to the Federal funds available to all nonprofit medical schools, including those located in the District of Columbia.

The Georgetown and George Washington Universities have assumed an impressive and essential role in contributing to quality health care throughout the Washington metropolitan area. Georgetown University's faculty, house staff, and students are working in Arlington Hospital, Children's Hospital, the hospital for sick children, and the D.C. General Hospital. In addition, Georgetown's specialty affiliation programs are located in the Washington Veterans' Hospital, Providence, and Sibley Hospitals. The Georgetown University's School of Dentistry has similar involvements throughout the area.

The George Washington University School of Medicine also is making important contributions to the health profession in the area. This university, with its faculty, house staff, and students, has affiliation agreements with Columbia Hospital for Women, Fairfax Hospital, St. Elizabeths Hospital, the Washington Hospital Center, and Children's Hospital.

George Washington has also extended its educational programs and specialty services into the Walter Reed Army Hospital, the Bethesda Naval Hospital, the Armed Forces Institute of Pathology, and the National Institutes of Health.

Both of these universities have received generous support from alumni and friends for capital funds. In addition, they have exercised heroic efforts to obtain operating financial support from private sources in order to remain in existence.

Despite these efforts, however, the financial operating reserves for medical and dental education at both George Washington University and Georgetown University have become depleted to the point of exhaustion in paying for past years' deficits, and both schools have had to use endowment funds for this purpose. Thus, these schools are faced with a widening gap between operating income and operating expenses, and when they came to the Congress in 1970 for Federal assistance, they were in fact faced with the very real prospect of being obliged to close their doors.

The Congress responded to that critical situation by the prompt enactment of Public Law 91-650, and the District of Columbia Medical and Dental Manpower Act contained therein was a very real lifesaver for these fine schools; because even though the Federal funding authorized in that act was never appropriated, the enactment of that legislation was highly instrumental in the necessary funds being granted to the schools by the Department of Health, Education, and Welfare, which served to sustain them to the present time. Now, however, that source of funding has expired, and again grim necessity confronts the medical and dental schools of these universities.

H.R. 11108 will simply extend the provisions of the act of 1970 through fiscal year 1976, which will assure the grants needed to keep these schools in operation through that year. Meanwhile, I understand that the Department of Health, Education, and Welfare is seeking to come to grips with the financial problem facing all medical and dental schools throughout the country, in such a way as to implement a permanent program of financial assistance which will meet the overall situation. If this goal is achieved, then future legislation applicable solely to benefits for the George Washington and Georgetown University Schools of Medicine and Dentistry will not be needed.

Mr. Speaker, as I have pointed out, this is indeed a national problem, and not a local one, as the fact that nearly 11,000 graduates of these three local schools are now practicing medicine and dentistry in every State in this Union will attest. Regardless of any changes in the powers of the District of Columbia government or its scope of legislative authority, the U.S. Congress will always be responsible for the Federal interest in this Capital City. H.R. 11108 involves this Federal interest in a highly crucial area, and I urge the prompt approval of this proposed legislation.

Mr. NELSEN. I move to strike the last word.

I rise in support of H.R. 11108, the extension of the District of Columbia Medical and Dental Manpower Act of 1970, which provides a special program of assistance for the medical school of George Washington University and the medical and dental schools of Georgetown University.

Heretofore, these schools have been receiving some funding from the Department of Health, Education, and Welfare, as medical and dental institutions that were in financial distress. That financial assistance terminated effective with fiscal year 1974. It was the recommendation of the Secretary of HEW that these two institutions seek support from the District of Columbia as the equivalent of seeking support from a State.

For the first 6 months of fiscal year 1975, there will be no locally elected government in the District of Columbia. Moreover, it will take the local government some time to become organized, and probably some time during the period January and February of 1975 the local District of Columbia budget for fiscal year 1976 will be forwarded to the Congress. Thus it appears that there is need for the Congress, acting in its status as the State legislature for the District of Columbia, to pass this bill to take care of the funding of the medical and dental schools for these institutions during this interim transitional period until the locally elected Council and Mayor are fully operative and can act to assume the obligation of a State, as it relates to medical and dental manpower training in the District of Columbia.

The Department of Health, Education, and Welfare is on record as opposing this interim measure. However, they do not come up with any other solution either. That is no answer to schools that are in financial distress. The testimony in the House District Committee was to the effect that both of these universities are performing a substantial amount of work in the community with their clinics and their inpatient and outpatient care. We cannot take the risk of scrapping these two medical schools and the dental school and letting them go bankrupt until the local government is in a position to address itself to their problems.

Now it may be that perhaps we should have added some language in this bill providing for scholarships to these local medical and dental schools, so that residents from the District of Columbia would be given some priority for admission. However, here again, the testimony indicates that both schools are working toward this end, and the testimony indicated that both schools were doing about as well in this regard as Howard University Medical School, which receives 70 percent of its operating funds from the Federal Government and approximately 100 percent of the capital funds from the Federal Government.

Congressman PAUL G. ROGERS of Florida and I addressed a letter to you last week indicating our mutual support for this bill, based on our extensive experience in the Subcommittee on Public Health and Environment of the Interstate and Foreign Commerce Committee.

Mr. Speaker, I do not believe that more needs to be said, but I will yield to my colleague, the gentleman from Florida (Mr. ROGERS), and he may have a comment at this time.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding. I am equally grateful for his leadership in doing so much for health education.

I do share his feelings that this is a needed bill. Certainly these two great medical universities and the dental school are most deserving of help, and I think this is a most appropriate bill.

I congratulate the chairman of the committee, the committee itself, and the gentleman also.

Mr. CONTE. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of H.R. 11108, to extend and amend the District of Columbia Medical and Dental Manpower Act of 1970.

This bill provides for financial distress funds for private medical and dental schools in the District of Columbia for 2 years while these schools seek more permanent solutions to their financial problems.

Georgetown and George Washington Universities cannot continue to operate their medical and dental schools without help. The amended act would authorize the Secretary of HEW to provide funds to these schools of up to $5,000 per year for each medical student and up to $3,000 for each dental student in accordance with demonstrated financial need.

The original act authorized funds to meet critical operational deficits of the medical and dental schools in the District. Initially, HEW opposed the extension of this act, claiming that the schools should qualify for financial distress grants under the general health manpower programs. However, the advisory councils for those programs ruled Georgetown and George Washington Universities ineligible for grants. In order to keep their medical and dental schools open, a group of Congressmen, myself included, had to ask the Secretary of HEW to use his discretionary authority to reverse the councils.

Passage of this bill will avoid the schools having to ask Members of Congress to intervene with HEW to have them declared eligible for financial distress grants under the general health manpower programs, as has happened the last 2 years.

Mr. Speaker, all but four States provide for financial assistance to private medical schools located within their boundaries. The average State support is in excess of $5,000 per student. The situation is similar for dental schools. Since Congress is still responsible for the major appropriations to the District budget, I think it is only right that medical and dental schools, like Georgetown and George Washington, are given the same opportunities to survive as they would be afforded in 46 of our States.

The District needs these schools. Fourteen area hospitals are directly dependent upon their staffs and programs.

I would also like to remind my colleagues that we all will benefit from the continued operation of these facilities. Almost 11,000 graduates of these schools are practicing in all 50 States, as well as the District. At present, there are over 1,800 enrolled in the District's medical and dental schools, representing 46 States. Most of these represented States directly benefit.

If, instead, those students attended medical or dental school within the States, 46 of those States would make available grants to the school, some in excess of $5,000 per student. For example, there are 136 current students studying medicine or dentistry at Georgetown and George Washington from my home State of Massachusetts. If these students were attending medical or dental school within the State, those schools could be eligible for a grant of $5,000 for each individual. This could mean an expenditure of $680,000 from the Massachusetts treasury. It is true that some States do not have as great a number of their citizens enrolled in the District's medical and dental schools as Massachusetts. In fact, most have less, but there are some with a much higher representation.

However, the number of students representing each State is not the issue. The point is, that if only one of these students were attending medical or dental school within their home State rather than in the District, in 46 of those States there would be a possible State expenditure. Only in Connecticut, Missouri, Nebraska, and New Hampshire would there be no possibility of subsidizing medical or dental schools under this kind of program. No matter how you look at it, it would mean money out of the State treasury. By students attending district schools, individual States are spared this expense as well as making available additional educational facilities for medical and dental education that their own institutions cannot provide.

Mr. Speaker, we all know that the medical and dental schools at Georgetown and George Washington Universities are excellent educational facilities. They have produced great physicians and dentists who have served, not only the District of Columbia, but the entire Nation. These schools are now in financial distress and have come to us for help. They cannot go to a State legislature, like other schools, for assistance. They must come to us. We still hold the purse strings of the city.

I would hate to see this Congress be responsible for the closing of these renowned medical and dental schools, just because we failed to give them short-term financial assistance. I, therefore, urge my colleagues to support this bill which will provide for the continued education of doctors and dentists within the District of Columbia at Georgetown and George Washington Universities.

Thank you, Mr. Speaker.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of this legislation. As is evidenced here today the bill has strong backing from Congressmen from all across the country who appreciate and are aware of the need.

All the other medical and dental colleges of this country which are located in the 50 States can go to their State legislatures for vitally needed assistance, but these two schools do not have a State government to which they can appeal. In this time of critical need for people trained in the health professions, it would be a grievous mistake to let two outstanding schools be crippled in their mission of delivering quality medical and dental training. The justification for this legislation has been well documented in the report of the committee as well as on the floor of the House this afternoon and I look for a strong favorable vote.

Mr. MAZZOLI. Mr. Speaker, the purpose of the bill before us, H.R. 11108, is to extend for 2 years the District of Columbia Medical and Dental Manpower Act of 1970.

This act authorizes Federal grants, through the Department of HEW, for the assistance of private nonprofit medical and dental schools located in the District of Columbia.

The grants are to help the schools maintain quality medical and dental programs as a necessary health power service to the District of Columbia.

Actually, this legislation does not benefit all private medical and dental schools in the District—only those at Georgetown and George Washington Universities. Howard University receives Federal funds for its medical and dental programs from other sources.

The District of Columbia Medical and Dental Act, which H.R. 11108 extends, was in effect for 1971 and 1972. The act expired June 30, 1972. An effort in the 92d Congress to renew the act was unsuccessful.

Mr. Speaker, 14 of the 21 States in which private medical and dental schools are located provide aid to such schools.

Georgetown and George Washington Universities are not located in a State, of course. So H.R. 11108 can be described as comparable to those financial aid plans maintained by some States for their private medical and dental schools.

The Subcommittee on Labor, Social Services, and the International Community held a hearing on January 24, 1974, on this measure.

The testimony established that no funds were ever appropriated under the District of Columbia Medical and Dental Manpower Act.

However, Georgetown and George Washington have received financial grants and assistance under the Comprehensive Health Manpower Training Act of 1971—Public Law 92-157.

The purpose of the Comprehensive Health Manpower Act is to ease the financial distress of all the medical and dental schools in the United States—not just the plight of a few of these schools.

Nonetheless, in fiscal year 1973, for example, Georgetown and George Washington Universities received nearly half of all the money awarded under this act.

Because the schools have not taken adequate steps to rid themselves of the factors which have led to their financial pinch, distress grants for fiscal year 1974 have been denied.

The schools will, however, receive $5 million in supplemental funds under Public Law 93-348 which was signed into law by the President on July 12, 1974. Thus, their needs for fiscal year 1974 are accommodated.

The Department of Health, Education, and Welfare opposes the passage of H.R. 11108. Secretary Weinberger states that this measure would single out these two schools for preferential treatment over all the deserving medical and dental schools of the Nation.

Secretary Weinberger suggested that financial support for these schools should come from the District of Columbia government—not from the Federal Government.

The subcommittee did indeed consider this form of assistance for the schools. However, it was not feasible at this time in view of the magnitude of the expenditures involved in this authorization.

Using the formula in the bill before us—$5,000 per medical student and $3,000 per dental student—and using the schools' enrollment projections, roughly $9 million is involved in each of the fiscal years 1975 and 1976.

In addition to HEW's opposition, opposition to H.R. 11108 also has been registered by the Office of Management and Budget and by the District of Columbia government.

The District's opposition is based primarily on the fact that it intends to submit its own legislative proposal to provide financial assistance to meet the health manpower needs of the District.

The District feels its proposal—to provide loans and scholarships to residents of the District or to those who agree to practice in an area of the District experiencing a shortage of doctors and dentists—is superior to the proposal contained in H.R. 11108.

At the markup on February 26, 1974, I proposed that the bill be made a 1-year bill rather than the 3-year bill it was initially recommended to be.

One year, in my judgment, is adequate lead time for the District to enact its measure and for these schools to qualify thereunder for inclusion in the District's fiscal year 1976 budget—and all future budgets.

However, a substitute amendment extending H.R. 11108 for 2 years—fiscal year 1975 and 1976—was proposed. And it carried by a 6 to 4 vote.

Thus, despite my personal preference for a 1-year extension, I am constrained to support my committee colleagues—and, thus, support this 2-year bill.

The Committee on the District of Columbia ordered the bill favorably reported to the House on July 1, 1974.

I urge the support of the House for H.R. 11108.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 11108. This legislation is sorely needed. The highly renowned medical and dental schools of Georgetown University and the medical school of George Washington University would literally not be able to continue in operation without the assistance that H.R. 11108 will provide. Because of the District's present in-between status, funds which are made available by States to medical and dental schools under medical grants programs are not received by these fine schools. When the District of Columbia begins to function under home rule, recognition by the Government of the District will no doubt be given to the need for quality medical and dental training for the District. In the period between that day and the present, a period estimated to span the next 2 fiscal years, these three schools will depend, as they have in the past, on the Congress for their economic livelihood. H.R. 11108 authorizes amounts necessary to provide $5,000 per enrolled medical student, or $3,000 per enrolled dental student during fiscal year 1975 and fiscal year 1976.

Graduates of these local medical and dental schools now practice in every State of the Union. Yet their contribution in terms of private physicians and dentists to the Nation should not obscure their very real importance to the District and its surrounding area in terms of the many interns, residents, faculty members and senior students who constitute the staffs of so many of the area's hospitals. It is well established, especially in the grateful appreciation of many patients, that teaching hospitals and dental clinics such as are connected to these schools provide experimental and advanced treatment that is just not available in many other institutions.

Mr. Speaker, this legislation—under a different aegis—has been approved by this House before. This bill would only extend capitation aid to these schools for another 2 years. At that point, the District of Columbia, I am certain, will authorize payments similar to those granted by many States to private medical and dental schools. I feel that we have an obligation to the people of the District of Columbia—and to the people all over this Nation like those that are served by products of these outstanding schools—to continue for 2 years what aid they require to stay afloat and provide the excellent graduates they have in the past. I therefore urge the passage of this legislation.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 11108 the District of Columbia Medical and Dental Manpower Act extension. This legislation would extend the existing authority through fiscal 1976.

The bill will provide urgently needed operational funds to the medical school at George Washington University and the medical and dental schools at Georgetown University. Operational grants to these schools may not exceed $5,000 per enrolled medical student or $3,000 per enrolled dental student. The District of Columbia Committee estimates that the maximum cost for these grants would not exceed $8,693,000 per year.

These schools have responded to the national need for an increase in physicians and dentists. They are in process of increasing their student body by nearly 70 percent. To meet their increased costs they need similar financial assistance to that given by most States to private medical and dental schools.

In my own State of Florida, the Florida Legislature gives financial assistance to the public and private nonprofit medical and dental schools similar to that provided in this bill.

These schools presently have 27 students from Florida and have provided Florida with 376 practicing physicians. These schools also produce many fine physicians and dentists for other States in the Nation which helps mitigate health manpower shortages. I therefore urge my colleagues to support the authorizations for these schools so that they may continue to serve both the District of Columbia and other States. I again would like to commend my colleague Mr. NELSEN from Minnesota and the other members of the District of Columbia Committee who have worked so diligently for this legislation.

Mr. DIGGS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DEL CLAWSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 11, not voting 75, as follows:

[Roll No. 416]

YEAS—348

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Camp
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Pa.
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hanrahan
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—11

Archer
Burlison, Mo.
Collins, Tex.
Crane
Davis, Wis.
Huber
Landgrebe
Martin, Nebr.
Poage
Quillen
Robinson, Va.

NOT VOTING—75

Alexander
Badillo
Blatnik
Bowen
Brasco
Broomfield
Burgener
Burke, Calif.
Byron
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Cotter
Culver
Davis, Ga.
Davis, S.C.
de la Garza
Dorn
Evins, Tenn.
Findley
Fulton
Gettys
Grasso
Green, Oreg.
Griffiths
Gunter
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hébert
Holifield
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
King
Kuykendall
Landrum
Leggett
Lehman
McSpadden
Martin, N.C.
Mazzoli
Metcalfe
Minshall, Ohio
Murphy, N.Y.
Rarick
Reid
Robison, N.Y.
Roncalio, N.Y.
Rooney, N.Y.
Rose
Roy
Schneebeli
Sisk
Stark
Steed
Steele
Stuckey
Symms
Talcott
Teague
Thompson, N.J.
Towell, Nev.
Treen
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Teague with Mr. Reid.

Mr. Murphy of New York with Mr. Byron.

Mr. Hébert with Mr. Gettys.

Mr. Rooney of New York with Mr. Dorn.

Mr. Carey of New York with Mr. Harrington.

Mrs. Burke of California with Mr. Gunter.

Mr. Hawkins with Mr. Landrum.

Mr. Rarick with Mr. Evins of Tennessee.

Mr. Badillo with Mrs. Hansen of Washington.

Mr. Mazzoli with Mr. McSpadden.

Mrs. Chisholm with Mr. Hanley.

Mr. Culver with Mr. Hanna.

Mr. Stark with Mrs. Griffiths.

Mr. Alexander with Mr. Carter.

Mr. Clay with Mr. Hastings.

Mr. Rose with Mr. Metcalfe.

Mr. Holifield with Mr. Findley.

Mr. Brasco with Mrs. Green of Oregon.

Mr. Cotter with Mr. Broomfield.

Mrs. Grasso with Mr. Jones of Alabama.

Mr. Davis of Georgia with Mr. King.

Mr. Sisk with Mr. Hammerschmidt.

Mr. Bowen with Mr. Roncallo of New York.

Mr. Davis of South Carolina with Mr. Schneebeli.

Mr. de la Garza with Mr. Kuykendall.

Mr. Clark with Mr. Steele.

Mr. Jones of Tennessee with Mr. Hansen of Idaho.

Mr. Lehman with Mr. Robison of New York.

Mr. Steed with Mr. Minshall of Ohio.

Mr. Stuckey with Mr. Bob Wilson.

Mr. Roy with Mr. Symms.

Mr. Fulton with Mr. Talcott.

Mr. Whitten with Mr. Towell of Nevada.

Mr. Leggett with Mr. Treen.

Mr. Charles H. Wilson of California with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO CORRECT SECTION NUMBERS IN THE ENGROSSMENT OF H.R. 15842

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the engrossment of H.R. 15842.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ELECTION OF MEMBERS TO COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 1272) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1272

Resolved, That the following-named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Operations: John L. Burton, of California;

Committee on House Administration: Lionel Van Deerlin, of California;

Committee on Public Works: Cardiss Collins, of Illinois.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF HOUSE DELEGATION IN COMMEMORATION OF THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

The SPEAKER. Pursuant to the provisions of section 2, Senate Concurrent Resolution 85, 93d Congress, the Chair appoints as members of the House delegation to represent the Congress of the United States at ceremonies in Carpenters' Hall, Philadelphia, on October 14, 1974, in commemoration of the 200th anniversary of the First Continental Congress, the following Members on the part of the House: Mr. DENT, of Pennsylvania; Mrs. BOGGS, of Louisiana; Mr. SCHNEEBELI, of Pennsylvania; and Mr. McDADE, of Pennsylvania.

PERSONAL EXPLANATION

Mr. LENT. Mr. Speaker, earlier today while being interviewed by a reporter from Newsday, I missed rollcall No. 412, the vote on the conference report on the military procurement authorization bill. Had I been present, I would have voted "yea." I would like the RECORD to so reflect.

DEFENSE SPENDING AND THE ECONOMY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, our current economic difficulties owe much to a Federal budget which has gotten out of control. The deficits created by our failure to acknowledge and properly finance the high costs of the war in Indochina have continued into the heaviest peacetime deficits in our history. The Federal budget, which reached the $100 billion level for the first time in 1964, passed $200 billion in 1971 and has risen to a proposed $305.4 billion for this fiscal year, with a projected deficit of $11.45 billion.

It is important to remember that there are many other inflationary pressures, some of which are beyond our control, such as a world wide economic boom creating excessive demand, a disastrous year for agricultural production resulting in food shortages, and growing scarcities of other basic materials—all exacerbated and overshadowed by the actions of the OPEC nations which increased the price of oil. It is also important to remember that a large portion of this year's Federal budget—over 50 percent—is not subject to reduction through the appropriation process because it is already committed by law for such uses as revenue sharing, contracts previously obligated, and mandatory benefit programs. In passing the Budget and Impoundment Control Act we have established procedures for bringing the budgetary process, including backdoor spending, under congressional control. Even though these procedures do not become effective until next year, there is nothing except inertia and an unwillingness to make hard decisions that keeps us from exercising them in an informal way now. Although we have already passed on 10 of the regular appropriations bills, we can still let our views be known in the conference process. The three remaining are foreign aid, military construction, and defense, the largest of all.

It is always necessary to prevent unnecessary and wasteful Government spending. In a time of inflation such as today it is essential that such spending be cut, and that Congress, in line with its constitutional responsibilities, determine the priorities necessary for readjusting our appropriations. In considering budgetary cuts we must be selective. Our judgments must be tempered by recognition of our obligation to provide adequate support for badly needed social programs. We cannot, as Treasury Secretary Simon has suggested, cut $9.3 billion from retirement, disability, and social security benefits, a move which would have a ruinous impact on the very people least able to defend themselves against inflation—the aged, the poor, and the handicapped.

President Nixon, in his disappointingly empty economic address last Thursday, continued to exhibit an incredibly callous attitude toward the average American. He offered no relief for those hit hardest by inflation, but had the effrontery to tell them to offer up their "savings" for sacrifice to 13 percent inflation rate by putting them in 7 percent savings accounts.

One positive suggestion the President did make was a proposed $5 billion reduction in Federal spending this year. I would suggest the first place to look for waste is in the defense budget.

It is time for defense spending to be viewed in light of the entire budget. The defense budget consumes about 40 percent of taxpayers' money, it represents 69 percent of total controllable Federal expenditures, and the Department of Defense employs 1,025,000 out of 1,963,100 full-time permanent civilians of the Federal Government. It is difficult to comprehend the size of our defense budget, but comparative examples of other Government expenditures will give an indication of its enormity:

The first Trident submarine—without its missiles—at $780 million costs $59.9 million more than the entire Colorado State budget for this year at $721 million. And the Pentagon wants to buy 10 Tridents.

The CVN–70 nuclear aircraft carrier at $956 million costs $62 million more than the entire State Department budget at $894 million. And this is the Navy's fourth nuclear aircraft carrier.

This year the administration requested $499 million in new budget authority for the development of the B–1 bomber. This is $9.2 million more than the entire Federal cancer research budget at $489.8 million. And the B–1 bomber has been subject to tremendous cost overruns while its performance projections have slipped considerably.

This year the administration presented Congress with the largest peacetime military budget in our history and it is replete with waste. In an analysis made for the Project on Budget Priorities, headed by former Assistant Secretary of Defense Paul C. Warnke, it was recommended that $11 billion could be cut from the defense budget. Furthermore, during testimony in February, Defense Secretary Schlesinger admitted that the defense budget had been padded with reserve funds. Estimates of the amount of such padding range from $1.5 billion in fiscal year 1975 to $6 billion if the impact of the requested fiscal year 1975 authorities on future year spending is considered.

The justification for the padding is economic pump priming to create jobs and ease unemployment. However, studies indicate that different kinds of Government spending have more impact on reducing unemployment than defense spending. For example, a 1972 study by economists at the Massachusetts Institute of Technology shows that every $1 billion in Government spending transferred from defense to civilian programs would create 6,436 more jobs than it eliminated, and a Bureau of Labor Statistics report indicates that, although $1 billion in defense spending generates 75,812 jobs, the same amount spent at State and local levels would create 80,041 jobs if spent on health care and 104,019 if spent on education. In any case, economic pump priming is certainly a nonmilitary reason for additional spending and is bad policy because of the inflationary nature of defense spending. Defense spending produces goods for the military sector, but does little to increase supplies demanded by the consumer market.

Mr. Speaker, the defense budget should not be treated as a sacred cow. There will be at least two cost-saving amendments offered when the defense appropriations bill comes to the floor: an amendment to reduce military aid to South Vietnam and a spending ceiling amendment. The Vietnam amendment will seek to control massive spending in that war-torn country where 46.6 percent of total U.S. aid goes to only 0.8

percent of the world population. The Addabbo ceiling amendment will attempt to apply fiscal restraints to the ballooning defense budget. I urge my colleagues to consider our economy with its runaway inflation and the necessity of budget cuts before they vote on these amendments. I believe economic as well as moral criteria will make it imperative that amendments such as these be passed.

Congress should not go on indefinitely as it has over the last 30 years automatically giving the Pentagon more or less everything it seeks. Even President Eisenhower, a man steeped in military tradition and a cold war President, once said:

> Every addition to defense expenditure does not automatically increase military security. Because security is based upon moral and economic, as well as purely military strength, a point can be reached at which additional funds for arms, far from bolstering security, weaken it.

Our true national security depends on our ability to control the irrational drive for weapons and defense policies which contribute little to our military strength and add fuel to our economic problems. Whether through reform of committee procedures and Pentagon budgetary practices, or through floor amendments, Congress must reassert its fundamental responsibility in defense spending. Our economy and security demand that this be so.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

(Mr. STEPHENS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STEPHENS. Mr. Speaker, we will soon take up H.R. 9989 on real estate settlement costs. In response to supplemental views in the Banking Committee report, I make the following statement. H.R. 9989, the Real Estate Settlement Procedures Act of 1974, was approved on a voice vote by the House Banking Committee on June 25, 1974. The committee report accompanying the bill—House Report No. 93-1177—sets out in some detail the reasons why a majority of the committee voted to repeal section 701 of the Emergency Home Finance Act of 1970. The portion of the committee report discussing the reasons for the repeal of section 701 is attached.

The supplemental views to the committee report discusses the reasons why some members of the committee believe that section 701 ought to remain on the statute books. In view of the fact that the repeal of section 701—contained in section 102(c) of H.R. 9989—appears to be the only controversial provision of the bill, I believe it will be helpful to my colleagues in the House to respond to the major points made in the supplemental views which I believe give a misleading picture of the issues surrounding section 701.

First, the supplemental views charge incorrectly that repeal of section 701 would "erase the only Federal authority in existence to regulate settlement costs." Repeal of section 701 would in no way affect the authority HUD and the VA presently have to protect FHA and VA assisted mortgage borrowers from unreasonable or excessive charges that may be made in particular transactions.

Under long-standing regulations promulgated by HUD (24 C.F.R. 203.27), HUD presently has the authority to refuse FHA insurance for mortgages where fees have been charged for settlement services that are in excess of the "reasonable and customary" charges for that service in the local area. Similar regulations (83 C.F.R. 36.4312(d), part I) are applicable to VA guaranteed mortgages.

In responding to a question on this point in the House hearings, Sheldon Lubar, the FHA Commissioner, stated—page 74 of the hearings:

> HUD insuring offices are responsible for maintaining and periodically updating lists of reasonable and customary settlement costs in each area. . . . [T]he HUD insuring office has an obligation to review the fees actually charged against its list to determine whether they are reasonable and customary. If they are not reasonable and customary, HUD suggests to the mortgagee that such charges be eliminated or reduced to the home buyer.

Mr. Lubar indicated that under this authority, HUD could refuse to insure specific mortgages if the settlement charges were not reasonable or customary.

The authority for this administrative practice is contained in the section of the National Housing Act (12 U.S.C. 1709(a)) that authorizes HUD to insure eligible mortgages "upon such terms as the Secretary may prescribe." This statutory authority and administrative practice would be unaffected by repeal of section 701 of the Emergency Home Finance Act of 1970. By repealing section 701, we would be removing from the statute books an ambiguous provision that has been misinterpreted as possibly authorizing Federal rate regulation in this area—which few Members of Congress believe desirable—but would leave unaffected HUD and VA authority to protect federally assisted home buyers from exorbitant or excessive charges.

Second, the supplemental views incorrectly assert that section 701 of the Emergency Home Finance Act of 1970 grants HUD the authority "to establish maximum settlement charges for FHA and VA residential mortgage transactions" and its repeal would "shield the very people responsible for widespread, abusive, and fraudulent real estate settlement practices."

To begin with, it has never been found that abusive and fraudulent real estate settlement practices are "widespread" and are resulting in excessive costs in many areas of the country. Indeed, the 1972 HUD-VA Report to the Congress on Mortgage Settlement Costs specifically found that:

> Costs appear to be high in some areas, but unreasonable costs probably occur in fewer areas than may be popularly assumed.

More importantly, neither the language nor the legislative history of section 701 supports the view that section 701 authorized HUD or the VA "to establish maximum settlement charges" in FHA and VA transactions. Indeed, it is the fact that section 701 has been so misconstrued, combined with the near unanimous judgment that rate regulation in this area is undesirable, that led both the Senate and House Banking Committees to conclude that section 701 ought to be repealed.

The language of section 701 clearly did not authorize the Secretary of HUD "to establish maximum settlement charges" in FHA and VA transactions. On the contrary, the section authorized the Secretary only "to prescribe standards governing the amounts of settlement costs" allowable in connection with such transactions. At the time section 701 was adopted, no one in Congress appeared to believe that the authority to "prescribe standards" meant that HUD was being authorized to engage in Federal rate regulation of settlement costs.

When section 701 was first introduced by Senator SPARKMAN in the 91st Congress (S. 3442), he stated on the floor of the Senate that in introducing the bill he was acting to carry out the recommendations of the Commission on Mortgage Interest Rates, a bipartisan commission of Senators, Congressmen, and outside experts that published its report in August 1969. Both the Senate and House Banking Committee reports indicated that section 701 would "implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs on FHA- and VA-assisted housing." The Commission on Mortgage Interest Rates in no way recommended that HUD and the VA be given authority to regulate closing costs or to adopt regulations to reduce these costs across the country. What the Commission did recommend was that HUD and the VA "continue the present administrative practice of reviewing such costs to see that they are consistent with the accepted standard in each local area."

As discussed above, under this administrative practice, which would be unaffected by repeal of section 701, HUD and the VA review FHA and VA settlement sheets to insure that closing costs are in line with the reasonable and customary standard for settlement services in the particular locale. In enacting section 701. Congress was indicating its approval of this administrative practice. Moreover, if in fact it was generally agreed that section 701 was intended to authorize rate regulation, it is inconceivable that there would not have been significant debate in the House and the Senate on the wisdom and practicability of placing so many tens of thousands of attorneys, title companies, surveyors, and other small businessmen under Federal rate regulation. In fact, there was not a single mention of section 701 in the Senate debates and in the House debate there was only a brief colloquy between Chairman WRIGHT PATMAN and Representative BEN BLACKBURN in which Chairman PATMAN concurred that section 701 was simply intended to indicate congressional approval of HUD's administrative practice of reviewing particular settlement sheets to see that the charges were consistent with the reasonable and customary standards prevailing in the area.

In light of the congressional intent behind section 701, it is impossible to understand how its repeal would shield the very people responsible for widespread, abusive, and fraudulent real estate settlement practices. On the contrary, enactment of the provisions of H.R. 9989 would deal very directly with abusing practices, such as the payment of kickbacks, excessive escrow requirements, and the failure to give adequate advance notice of settlement costs, that have been demonstrated to exist. Moreover, sections 102 (a) and (b) of H.R. 9989 specifically call on the Secretary of HUD to monitor the implementation of the reforms of the bill and, should these provisons not prove effective in dealing with the underlying problems that may be resulting in higher than necessary settlement costs, to make recommendations on what further corrective measures are needed to be taken by the Congress. Thus, far from being a "shield," H.R. 9989 would provide specific remedies now and lay the basis for additional legislation in the future to eliminate any abuses or fraudulent practices that are not dealt with by the bill

Third, the supplemental views are grossly misleading in stating that section 701 "carries the immediate potential of saving FHA and VA residential mortgage borrowers a minimum of $57 million a year."

The $57 million figure is apparently derived by assuming that HUD regulation under section 701 could save the average FHA–VA home buyer $100 and then multiplying this figure by the total number of FHA and VA transactions—568,000—in the United States in 1973. The findings of the March 1972 HUD–VA Report on Mortgage Settlement costs clearly indicate that savings of this magnitude are simply impossible.

The regulations proposed by HUD under section 701 in July of 1972 would have set maximum limits on six items of settlement cost—credit reports, surveys, title examination, title insurance, closing fees, and pest and fungus inspections. An examination of the chart on page 36 of the HUD–VA report reveals that the average charge for each of these services found in the 50,605 transactions examined was as follows:

Credit report	$9
Survey	25
Title examination	46
Title insurance	116
Closing fee	6
Pest and fungus inspection	5
Total	207

Even assuming that such other items as appraisals, preparation of documents, escrow fees, and "other closing costs" were covered by a rate regulatory scheme under section 701, the total would still only amount to $287.

In order to effect average reductions of $100 per transaction, HUD regulation under section 701 would have to require that all those persons and businesses that provide these settlement services reduce their charges by 35 to 50 percent. There is absolutely no basis in the record to believe that a system of regulation that took into account the costs and need for reasonable profits of those who provide settlement services would lead to any lowering of costs, much less a reduction of 35 to 50 percent.

Moreover, the estimated savings cited in the supplemental views fails to take into account the costs that would be involved in Federal regulation of settlement charges. Not only would there be immense costs to HUD, if regulation is to be based—as it must—on an examination of the costs and reasonable profits of the hundreds of thousands of individuals and companies who provide settlement services, but the additional costs incurred by those who would be subject to regulation—for example, in preparing cost and rate justifications, et cetera—must inevitably be passed on to consumers and are likely to exceed any savings to consumers.

Fourth, there is no basis for the statement in the supplemental views that "the existence of HUD's authority to regulate FHA and VA settlement charges, although never used, has served to motivate a growing number of State legislatures to adopt real estate settlement reform measures of their own."

There has been absolutely no evidence presented in any congressional hearings over the last few years to indicate that section 701 has in any way "motivated" State legislatures to adopt settlement reform legislation. While the supplemental views indicate that five States—New York, Massachusetts, Connecticut, Maryland, and North Carolina—have adopted such legislation, they fail to point out that the legislation these States have adopted deals with the payment of interest by lenders on escrow accounts established by mortgagors to insure the payment of real estate taxes and insurance. The establishment of such accounts or the payment of interest on these accounts is an issue that is in no way related to section 701 or the possibility of rate regulation of settlement charges under that section. It is impossible to see how there can be any connection between section 701 and State legislation on escrow accounts.

Moreover, to the extent that section 701 has had any effect on State action, it is likely to have had a negative effect. If State legislatures believe that HUD has and will exercise the authority to regulate charges for settlement services, they are much less likely to take reform measures themselves.

Fifth, the supplemental views incorrectly state that repeal of section 701 will indicate that the Federal Government "is no longer interested" in settlement reform.":

Repeal of section 701 would in no way indicate that the Federal Government is no longer interested in settlement reform. Enactment of H.R. 9989, which contains the most comprehensive package of settlement reform provisions ever seriously considered by Congress, would indicate just the opposite. Moreover, keeping section 701 on the books would in no way constitute a "club in the closet" that would aid in settlement reform. The "threat" posed by section 701 is totally ineffective because of the many legal and constitutional difficulties that would be faced if Federal regulation were to be undertaken pursuant to this statutory authority. This point will be discussed in a moment.

While the possibility that regulation along the lines of the 1972 proposed HUD regulations—which made arbitrary reductions in charges that were totally unrelated to costs or profits—does indeed frighten those who perform settlement services and State and local governments, the "fear" of arbitrary governmental action that it engenders will in no way lead to basic settlement reforms. The continued existence of section 701 on the books serves as a barrier to effective reform, inasmuch as the controversy surrounding its meaning and implementation will continue to absorb the energies of HUD and those involved in the settlement process. These energies should be devoted to solving the real problems that exist. Indeed, consumers should likewise fear the type of regulation proposed by HUD in 1972 under section 701 since it promises to drive virtually all attorneys, title companies and others out of the FHA–VA market if they are forced to arbitrarily reduce their charges even though the reductions are not based on any determination of their costs or profits.

Moreover, enactment of the reforms contained in H.R. 9989 would definitely signal settlement attorneys, title insurance companies, and others that the Federal Government is very seriously interested in curbing excessive settlement charges. With the prospect of HUD reporting to the Congress 3 to 5 years from now on how effective the reforms of H.R. 9989 have been, it is likely that those who provide settlement services will be very wary about increasing their charges unnecessarily. This is particularly true since section 102(a) and (b) of H.R. 9989 directs HUD to report back to us on what further legislative measures are needed, including the possibility of rate regulation or having lenders bear certain settlement costs. In the face of serious Federal consideration of these possibilities, the enactment of H.R. 9989 would be much more effective in curbing excessive settlement charges than keeping an unworkable section 701 on the books.

Sixth, the supplemental views are in error in asserting that "the fact that HUD's authority to regulate maximum settlement charges has never been used reflects political pressure exerted on the administration rather than any invalidity on the part of HUD to act."

There is no doubt that those who would be subject to regulation were extremely concerned when HUD published its proposed regulations under section 710 in July of 1972. But their reaction was totally understandable in view of the fact that the recent House hearings have made it clear that the maximum charges proposed by HUD were developed without any regard to the costs involved in rendering settlement services or the reasonable profits that have to be allowed if these necessary services are to continue to be provided in FHA and VA transactions.

The reasons why HUD has refrained

from implementing these proposed regulations—and indeed has specifically joined with the Federal Home Loan Bank Board in calling for the repeal of section 701—were explained by FHA Commissioner Sheldon Lubar in the House hearings:

> Attempting to regulate settlement costs nationwide—in 50 states and over 3,000 counties instead of the fewer than 100 jurisdictions involved in the six metropolitan area proposal—would be virtually impossible in view of the wide variances in settlement practices, especially if due process required verification of the individual costs of all providers of services ranging from one-man law firms to giant title companies. We would need to ascertain—for each of these jurisdictions—actual settlement charges and the costs incurred in the performance of settlement services. Then we would have to determine, again on a jurisdiction-by-jurisdiction basis, what constitutes reasonable charges. Accordingly, *it is apparent that even if it could be concluded that Federal regulation of settlement charges was workable at all, such regulation could be achieved only at a very high administrative cost, widely out of proportion to the benefits that would be received by consumers.* [Italic added.]

The difficulties of regulation under section 701 were also brought to the committee's attention by Prof. Dale Whitman, the author of HUD's proposed regulations who testified as an independent expert at the hearings requested by Mrs. SULLIVAN:

> Let me first deal with the potential for successful rate regulation by HUD. I struggled with this matter for a year at HUD, and I can assure you that it is not an easy problem. Prevailing practices, customs and laws vary widely. Many are inefficient, but they cannot be changed instantaneously. A rate which is fair and profitable to one provider may appear confiscatory to another. *In addition, the information needed to set rates intelligently is simply not available to HUD, and is unlikely to become so. HUD has virtually no data whatever on the internal costs of operating a lawyers' office, a title insurance company, or a surveying firm, and it is not easy to see any feasible means of collecting such information. Without it, HUD is essentially shooting in the dark in setting rates* and is almost certain to be attacked in litigation by the less efficient providers. *Moreover, the argument that such rates would be a denial of due process under the Fifth Amendment is not a frivolous one,* and the government might ultimately lose such cases. [Emphasis added.]

The fact is that section 701 is simply too deficient and unworkable a statutory basis for a system of Federal rate regulation of settlement charges. As Professor Whitman points out, there are also serious constitutional objections to the use of section 701. The section fails to provide any guidelines or standards to guide the Secretary's administrative decisions, and it lacks any procedural safeguards or standards for judicial review. In comparison with the other statutes Congress has enacted to regulate other industries, the vaguely worded, single paragraph of section 701 simply cannot stand as the basis for the regulation of the rates and charges of hundreds of thousands of individuals and companies—many of whom are quite small—that provide settlement services across the country.

If the Congress believes that rate regulation in this area is desirable, then the report of the Secretary of HUD called for by section 102 of H.R. 9989 will provide the basis for appropriate legislation. Under that section, the Secretary will be reporting back to the Congress on the implementation of the provisions of the bill and what further legislative measures are needed. Section 102(b) specifically asks for his recommendations on the desirability of Federal rate regulation and, if he believes such regulation is desirable, a description and analysis of the regulatory scheme he believes Congress should adopt. If we are serious about Federal rate regulation in this area, we will have to examine the difficult procedural and substantive problems involved in such regulation that will be pointed up in the Secretary's report.

In summary, in arguing for retention of section 701 of the Emergency Home Finance Act, supporters of such regulation have made a number of erroneous or unsupportable statements that should not go unchallenged:

First, repeal of section 701 would not erase the only Federal authority in existence to deal with unreasonable or exorbitant settlement charges;

Second, section 701 was never intended to give HUD rate regulatory authority for settlement costs in FHA and VA transactions;

Third, section 701 does not offer home buyers any realistic possibility of effecting any savings in settlement costs;

Fourth, the mere existence of section 701 on the statute books has not served to motivate States to adopt settlement reform legislation and has, in fact, had a retarding effect on State reform;

Fifth, repeal of section 701 will in no way indicate that the Federal Government is no longer interested in settlement reform; on the contrary, it is passage of H.R. 9989 that will indicate congressional interest in dealing with the root causes of unnecessarily high settlement charges; and

Sixth, the fact that section 701 has never been implemented by HUD to regulate rates and charges in the real estate settlement area does not reflect political pressure but reflects HUD's realization that such regulation would be unwise, unworkable and "could only be achieved at very high administrative cost, widely out of proportion to the benefits that would be received by consumers."

I hope that all Members of the House will support H.R. 9989, as approved by the committee, and the committee's decision to repeal section 701 of the Emergency Home Finance Act of 1970.

I include the following:

REPEAL OF SECTION 701 OF THE EMERGENCY HOME FINANCE ACT OF 1970

Section 102(c) of H.R. 9989 would repeal section 701 of the Emergency Home Finance Act of 1970. This provision directed the Secretary of Housing and Urban Development and the Administrator of Veterans Affairs to prescribe standards governing the amounts of settlement costs allowable in connection with the financing of FHA and VA insured mortgages. This provision has been the subject of much dispute as to whether or not it authorizes HUD to regulate the rates and charges of settlement services in FHA-VA assisted mortgages. The Committee believes that any attempt to develop a system of rate regulation in this area would be unwise and unworkable.

After attempting to develop such a scheme, Assistant Secretary of HUD Sheldon Lubar testified that HUD's experience had demonstrated that "even if it could be concluded that Federal regulation of settlement costs was workable at all, such regulation could be achieved at only very high administrative cost, widely out of proportion to the benefits that would be received by consumers." He told the Subcommittee on Housing that he believed repeal of Section 701 was "vital" to any legislative package on settlement costs. This same view was expressed by the Chairman of the Federal Home Loan Bank Board Thomas R. Bomar who described Federal rate regulation of settlement costs as "merely symptomatic treatment" that was "likely to create a bureaucratic monstrosity" and lead to "serious distortions and instabilities in the marketplace."

Consumer witnesses who testified in recent hearings concluded that Federal rate regulation was not a desirable approach. For example, Alan Morrison, who represented Ralph Nader's Public Citizen Project, while he did not go so far as to urge repeal of Section 701, did tell the Subcommittee on Housing that "there is no evidence so far that indicates that mandatory price regulation by the Federal government is required."

Federal rate controls are warranted only if there are clear and convincing findings that settlement charges are unreasonably high on a widespread basis throughout the Nation and there is no other more practical way to deal with the problem. Neither of these findings has been made to date. The 1972 HUD-VA Report on Mortgage Settlement Costs found that "unreasonable costs probably occur in fewer areas than may be popularly assumed." Nor did the study specifically conclude that Federal rate regulation was the only means for dealing with the abuses uncovered.

FURTHER PROPOSED CONSIDERATION OF CONFERENCE REPORT ON H.R. 69

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, H.R. 69 extends and improves the elementary and Secondary Education Act, the impact aid laws, the Bilingual Education Act, the Education of the Handicapped Act, the Adult Education Act, and the Indian Education Act. It also includes several new programs, such as the Reading Improvement Act and the Community Schools Act.

We must adopt the conference report on H.R. 69 on Wednesday if we are to have an appropriation bill for all of these programs this year. If we do not renew the authorizations for these programs, school districts throughout the country will have to continue to receive funds for these programs under the authority of the continuing resolution.

As one example of the ill-effects of living under the continuing resolution, I would like to insert in the RECORD a chart showing how much less the States are receiving for their title I compensatory education programs under the administration's interpretation of the continuing resolution as compared to the amounts they would receive under H.R. 69 as reported from the conference:

	H.R. 69[1]	Continuing resolution[2]	Difference
Alabama	43, 509, 013	37, 802, 143	−5, 706, 870
Alaska	4, 918, 257	4, 554, 764	−363, 493
Arizona	17, 398, 230	15, 243, 827	−2, 154, 403
Arkansas	26, 097, 884	22, 888, 370	−3, 209, 514
California	148, 317, 398	130, 117, 491	−18, 199, 907
Colorado	17, 604, 413	15, 479, 140	−2, 125, 273
Connecticut	17, 281, 415	15, 388, 280	−1, 893, 135
Delaware	5, 254, 828	4, 664, 058	−590, 770
Florida	67, 391, 836	59, 519, 759	−7, 872, 077
Georgia	47, 674, 302	41, 797, 790	−5, 876, 512
Hawaii	5, 664, 790	4, 885, 726	−779, 064
Idaho	5, 141, 454	4, 585, 349	−556, 105
Illinois	90, 297, 820	78, 381, 164	−11, 916, 656
Indiana	26, 455, 157	23, 524, 326	−2, 930, 831
Iowa	16, 649, 934	15, 155, 319	−1, 494, 615
Kansas	13, 816, 614	12, 281, 660	−1, 534, 954
Kentucky	33, 855, 202	30, 711, 103	−3, 144, 099
Louisiana	55, 071, 226	47, 351, 139	−7, 720, 087
Maine	7, 102, 255	6, 308, 979	−793, 276
Maryland	30, 882, 561	26, 616, 892	−4, 165, 669
Massachusetts	33, 672, 303	29, 533, 650	−4, 138, 653
Michigan	77, 290, 600	67, 302, 067	−9, 988, 533
Minnesota	27, 958, 512	24, 498, 084	−3, 460, 428
Mississippi	41, 888, 253	36, 677, 791	−5, 210, 462
Missouri	31, 802, 845	28, 184, 388	−3, 618, 457
Montana	5, 999, 430	5, 340, 726	−658, 704
Nebraska	9, 400, 371	8, 481, 814	−918, 557
Nevada	2, 523, 215	2, 211, 063	−312, 152
New Hampshire	3, 439, 947	3, 018, 731	−421, 216
New Jersey	56, 638, 496	53, 322, 625	−3, 315, 871
New Mexico	14, 329, 979	12, 446, 483	−1, 883, 496
New York	210, 218, 014	206, 023, 815	−4, 194, 199
North Carolina	54, 295, 914	50, 604, 729	−3, 691, 185
North Dakota	5, 824, 210	5, 272, 083	−552, 127
Ohio	58, 635, 735	52, 796, 450	−5, 839, 285
Oklahoma	21, 295, 661	18, 644, 098	−2, 651, 563
Oregon	17, 400, 689	15, 342, 386	−2, 058, 303
Pennsylvania	83, 343, 461	76, 451, 418	−8, 892, 043
Rhode Island	6, 855, 715	5, 941, 481	−914, 234
South Carolina	34, 665, 912	30, 808, 468	−3, 857, 444
South Dakota	6, 304, 575	5, 699, 184	−605, 391
Tennessee	40, 039, 613	35, 122, 381	−4, 917, 232
Texas	124, 882, 397	110, 769, 193	−14, 113, 204
Utah	6, 199, 135	5, 431, 804	−767, 331
Vermont	3, 954, 589	3, 507, 301	−447, 288
Virginia	39, 721, 223	34, 855, 843	−4, 865, 380
Washington	23, 128, 948	20, 267, 679	−2, 861, 269
West Virginia	17, 872, 066	16, 529, 448	−1, 342, 618
Wisconsin	29, 910, 951	25, 921, 604	−3, 989, 347
Wyoming	2, 751, 743	2, 435, 299	−316, 444
District of Columbia	11, 377, 176	10, 958, 330	−418, 846

[1] Estimates by the Library of Congress on H.R. 69 as reported from the conference committee.

[2] Estimates by HEW on the continuing resolution.

KISSINGER DEFENDS U.S. AID TO SEOUL

(Mr. MEEDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MEEDS. Mr. Speaker, the July 25 edition of the New York Times carried two stories on one page, the first of which was a story in which Secretary of State Henry Kissinger in an appearance before the other Members of the other body, said, in effect, that although the Nixon administration did not approve of South Korea's repressive policies it had decided to continue economic and military aid for Asian security reasons.

The second story appeared on the same page. Ironically, it was a story of the Seoul court dooming five more civilians on a plotting charge.

A total of 19 persons have now been sentenced to death this month for anti-Communist activities, but 5 of the sentences had been changed to life imprisonment.

Mr. Speaker, what are some of the types of activities that can gain the death penalty in South Korea? If one is a student and he publicly calls for a restitution or restoration of the constitutional government, he can be sentenced to death. By conservative estimate, there are between 1,100 and 1,200 persons now languishing in South Korean jails for so-called antigovernment activities.

Mr. Speaker, I suggest to Dr. Kissinger and to the Members of the House that Asian security, that American security, and that world security are far more threatened by the repressive tactics of the Park regime than from any other source.

It seems to me, Mr. Speaker, that American aid should not be used in that effort.

I ask unanimous consent to insert the two articles in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[From the New York Times, July 25, 1974]

KISSINGER DEFENDS U.S. AID TO SEOUL—TELLS SENATORS SECURITY FACTORS OVERRIDE ANY DISLIKE OF POLICIES

(By Bernard Gwertzman)

WASHINGTON, JULY 24.—Secretary of State Kissinger said today that although the Nixon Administration did not approve of South Korea's repressive policies, it had decided to continue economic and military aid for Asian security reasons.

Testifying before a Senate Appropriations subcommittee on the Administration's foreign aid requests, Mr. Kissenger was asked by Senator Edward W. Brooke, Republican of Massachusetts, how the Administration justified continued aid to countries like South Korea whose police units were "authoritarian."

Mr. Kissinger, aware of moves in the Congress to bar military aid to the Government of President Park Chung Hee because of the widespread arrests and repression of critics, said that after a consideration of South Korea's political and strategic importance in Asia, the Administration decided "to authorize economic and military assistance even when we would not recommend the actions of the Government of South Korea."

JAPAN'S VIEW IS CITED

He said that South Korea's strategic position was "very crucial" to Japan and that "our judgment has been shared by the government of Japan."

"Where we believe the national interest is at stake we proceed even when we don't approve" of a country's policies, Mr. Kissinger said.

In the House, Representative Donald M. Fraser, Democrat of Minnesota, chairman of the Foreign Affairs subcommittee on international organizations, plans a joint hearing next Tuesday with Representative Robert N. C. Nix's subcommittee on Asian and Pacific affairs, to consider proposing a possible cutoff of military aid to Korea because of Mr. Park's policies. Mr. Nix is a Pennsylvania Democrat.

The Administration has requested $161-million in aid and $52-million in low-interest military credit sales to South Korea for the current fiscal year ending next June 30.

Mr. Kissinger's remarks about South Korea were consistent with the Administration's view that security interests take precedence over human rights considerations in aid matters.

Mr. Kissinger also strongly defended the Administration's aid requests for Indochina, which run more than $3-billion, on the ground that such aid was needed to maintain "the achievement of recent years."

He also disclosed that the Administration had submitted a six-year projection "which reflects our expectation of a gradually declining role in Indochina."

Senator Daniel K. Inouye, Democrat of Hawaii, complained that the six-year projection was classified "secret," and therefore the figures could not be debated publicly. Mr. Kissinger promised to declassify much of the report by next week.

MIDEAST AID DEFENDED

Mr. Kissinger defended the bill's requests for more than $1-billion in aid to Middle Eastern countries. He said "the program before you is vital to give substance" to the new improving relations in the area.

"We are witnessing one of the most arduous but also one of the most hopeful developments of the past generation," he said.

Most of the committee members seemed favorably disposed to the aid bill, but Senator John L. McClellan, Democrat of Arkansas, chairman of the full Appropriations Committee, seemed dubious about the program.

[From the New York Times, July 25, 1974]

SEOUL COURT DOOMS FIVE MORE CIVILIANS ON PLOTTING CHARGE

SEOUL, SOUTH KOREA, July 24.—The Seoul district criminal court sentenced five civilians to death today on charges of espionage on behalf of North Korea and of plotting an uprising against President Park Chung Hee.

Three other civilians were sentenced to life imprisonment, and 24 were given terms ranging from one to 15 years.

A total of 19 persons have now been sentenced to death this month for anti-Government activities, but five of the sentences were commuted last Saturday to life imprisonment.

The Government charged today that the defendants were members of a spy ring that had operated in Seoul and other cities since December, 1962. It said the group had received funds equivalent to $150,000 from the Communists.

The court said that members of the ring, in addition to spying, had been assigned to infiltrate political, intellectual and labor organizations to incite unrest and confusion and to prepare them for an uprising against the Goverment at the "decisive moment."

The defendants included two university professors, one of whom was sentenced to death; a veterinarian, two Protestant clergymen and a bank employe.

SOUTH KOREAN OPPRESSION AND FOREIGN AID

(Mr. FRASER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, a growing number of our colleagues are finding it difficult to justify propping up the oppressive regime of South Korea's Park Chung Hee with U.S. military assistance. How can we justify military assistance to South Korea while Park rules with the iron hand of martial law, arbitrarily arresting, detaining, and sentencing to death all manner of political opponents? Ostensibly, the United States supports South Korea against potential aggression from North Korea. But 21 years after the Korean war, it is increasingly difficult to determine which Korean government is more reprehensible.

Under its present domestic policies, the Park government is its own worst enemy. How long will the oppressive regime of Kim Il Sung in North Korea be seen as a greater threat to the rights and freedom of the people of South Korea than the oppressive regime of Park Chung Hee?

President Park arbitrarily casts aside the rights of his countrymen by saying, "We can no longer sit idle while wasting our precious national power in imitating the systems of others." Whether he imitates other systems or not, he evidently expects our system to continue supporting him. And the policymakers of our executive branch intend to fulfill his expectations. Only last week Secretary of State Kissinger dismissed a congressional query about aid to Park with this statement: "where our national interest is at stake, we proceed even when we don't approve." I cannot believe that the national interest of the United States is tied to Park Chung Hee's blatant disregard for internationally recognized standards of decency toward his own people. Accordingly, in the Committee on Foreign Affairs, I intend to propose a substantial reduction in the amount requested by the administration for military assistance to South Korea this year. I urge all of our colleagues to support that reduction on the House floor. And this week, the gentleman from Pennsylvania (Mr. Nix) and I will begin joint hearings in our two subcommittees on human rights in South Korea.

Mr. Speaker, I have always been an active supporter of the concept of assisting developing countries in their hard task of nation building. But my support for aid legislation will diminish unless the policies of the executive branch demonstrate a more active concern for internationally recognized human rights. I refer especially to military assistance, since military power is so often an instrument of governmental control over the civilian population.

I urge our colleagues to ask themselves whether the traditional concern of the American people for human rights should be represented by strengthening the oppressive hand of governments such as that of South Korea.

An editorial in the Washington Post on July 27 addresses itself to some of the concerns I have expressed here. I include it in the Record at this point:

Trouble in South Korea

Late in 1972, President Park of South Korea conducted a virtual coup against his own government, installing martial law and setting himself on a course of arbitrary one-man rule which has steadily intensified since. "We can no longer sit idle while wasting our precious national power in imitating the systems of others." Mr. Park said to those who had hoped that American-introduced democracy would put down roots in Korea. But what apologists call the "Korean style of democracy" has now become so repressive as to raise the question of whether dictatorship flourishes more on the north of the 38th parallel, the dividing line with Communist North Korea, or on the south.

Hundreds if not thousands of political opponents have been arrested, including students (students toppled the Syngman Rhee dictatorship in 1960, every Korean recalls), Christians, intellectuals and every manner of political rival real and imagined. Upwards of a dozen political foes have just been sentenced to death in a trial in which few observers could perceive evidence of due process. Among them is the country's leading poet, Kim Chi Ha, previously arrested and beaten for a poem. The man Mr. Park defeated at the polls in 1971, Kim Dae Jung, who was kidnaped from Japan and brought home last year, faces trial now for alleged campaign violations dating back to 1967. One can now be sentenced to 15 years' imprisonment in South Korea for petitioning peacefully for changes in the martial law constitution under which Mr. Park rules.

Unsurprisingly, President Park regularly invokes the cause of national security, claiming that dangers emanating from North Korea justify his measures at home. And it is so that North-South Korean relations remain tense. Their incipient political dialogue, begun two years ago, is frozen. Military incidents continue. North Korea, few doubt, is itself a rogue regime. But there is nonetheless a hint that Seoul may be manipulating the foreign security threat to help create the proper rationale for domestic repression. North Korea had no cause to sink a South Korean patrol boat in international waters in a well publicized incident a few weeks ago. Yet the boat was sailing a few miles further north, and a bit closer to North Korea's territorial waters, than such boats normally go.

Whether President Park is stifling opposition faster than he is creating it is the central question of Korean politics today. It is a question which must trouble Americans as well as Koreans. For the fact is that the United States is the principal foreign patron of South Korea. Some 40,000 American troops remain there from the Korean War. American aid is extensive—in the $200–$300 million range. The familiar dilemma for Americans is, of course, that not only does American support keep South Korea independent, but American support allows President Park to keep fastening his dictatorship on the land. The administration's answer is simply unacceptable. Asked in Congress on Wednesday about the Korean excesses, Secretary of State Kissinger said that "where we believe the national interest is at stake, we proceed even when we don't approve."

Is there no possibility for a break in this intolerable situation? The continuing American presence in South Korea has been justified in recent years as a source of confidence for Seoul while Seoul worked out a new political relationship with the North. But that relationship is not moving ahead. Military and food aid has been offered on the basis that the South Korean economy needed it. But the South Korean economy is doing well otherwise, all things considered. Seoul insists that the American troops remain vital but its nationalism pushes it tacitly to assert that it does not need an American crutch for all time. We continue to believe that the essential elements of the American presence in South Korea should be altered only by a process that takes into account the need to provide for stability in East Asia as a whole. But a large and growing cause of instability in East Asia now is the police rule of the Park regime.

OBSTRUCTION OF JUSTICE IN FLORIDA

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, it is with great reluctance that I rise today on a matter of deep concern to Floridians and potential concern to all Americans. I hesitate to criticize the judicial branch of Government, but late last week the chief justice of Florida took an unprecedented action which can only be characterized as a major obstruction of justice and denial to Florida voters of their right to know the whole truth about candidates for public office.

For some time now, Federal and State investigators have been looking into allegations of misconduct by certain high Florida officials. As a result of their investigations, one cabinet official has already resigned after being indicted. Two other cabinet officials were under investigation by grand juries, and in my own Pinellas County, the very able State attorney was checking into allegations of wrongdoing at the local level.

However, last week Florida Chief Justice James C. Adkins, acting in his capacity as the chief judicial officer of the State of Florida, ordered a postponement of all ongoing investigations of candidates for public office until after the November 5 general election. He asserted that this action would protect the voters of Florida against a "hysterical" atmosphere during the campaign.

I find it absolutely incredible, in light of the current atmosphere of concern over the actions of high government officials, that Florida's chief judicial officer would move to tie the hands of justice and place a lid on important ongoing investigations.

If this order is allowed to stand, how can Florida voters be sure that they are not going to elect a potential felon to high office? How can we deny our citizens the right to be informed about their political candidates? How can we stay the course of justice when actions of similar sort are the cause of the Nation's worst constitutional upheaval in a century?

Chief Justice Adkin's decision is a dark blotch on the record of the State which pioneered "government in the sunshine." If there ever was a coverup in blatant defiance of legal and constitutional principles, this is it.

Mr. Speaker, the chief justice himself admits that he knows of no precedent for his order. If the order is allowed to pass unchallenged, it will itself become a precedent and could be used to justify future obstructions of justice. I sincerely hope that Florida State officials will start the legal machinery to strike down this order, and not let it stand to hinder both present and future grand juries.

Floridians are justifiably proud of their effective prosecutors and grand juries. But when our own chief justice suddenly hobbles them for political reasons, I must join with other outraged Florida voters to speak out against this grave abuse of judicial responsibility and thwarting of an open political process.

MARTIN OF PHILLIPS PETROLEUM

(Mr. **COLLINS** of Texas asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. **COLLINS** of Texas. Mr. Speaker, one man who is solid with commonsense solutions for the petroleum crisis is Bill Martin, chairman and chief executive officer of Phillips Petroleum Co. Here in Washington, it is reassuring to hear this constructive choice of progressive action from Bill Martin down in Bartlesville, Okla. Phillips is aggressively reinvesting its funds in oil development.

Let me tell you of Phillips' great record. When I asked Martin about their capital expenditure program, he told me that between 1969 and 1973, Phillips' earnings and cash income available for capital investments totaled $850 million. During this 5-year period, Phillips invested $1.5 billion which was mainly for oil and gas exploration and production. This means that Phillips had to raise an additional $650 million beyond its earnings and it had to get this from borrowing and the sale of assets and the sale of stock. Continuing their emphasis on meeting the oil shortage, Phillips is now planning to spend $750 million in capital improvements for the year 1974. This more than doubles their capital spending program of last year.

In operations, Phillips continues to have to fight the battle of inflation. For example, the cost of oilfield machinery and oilwell casing rose by 33 percent between 1967 and 1973, while oilfield wages climbed even more, or 44 percent. Bill Martin tells me that Phillips is projecting additional increases. For instance, Phillips is anticipating wage and employee benefits costs up 14½ percent and construction costs up 18 percent in this current 1974 year.

Phillips is a successful and progressive marketer of petroleum. Yet the current financial fact facing the company is that today its capital expenditures greatly exceed its earnings. The farsighted economists in our country could only wish that Phillips was earning even more. Certainly its stockholders wish it was earning more, because Phillips only paid out 22 percent of its first quarter earnings to stockholders in the form of dividends. As my colleagues will recall, from a statement I made last week on the floor, the governments in the form of taxes are getting $8 from oil companies for every $1 that a stockholder gets. Stockholders build the company; invest in the company; guide the company; and yet they only get a dollar, while the hungry governments sit over here and do nothing for its taxes but give poor advice and get $8.

In reviewing some of the followup Phillips' interim reports, one of the most interesting was a chart on the effect of environmental regulations. It took us 400 years to get our country into the present situation, but the environmentalists expect to completely correct everything within 3 years. And this is a major cause of the tremendous oil crisis. Basically, automobile emission controls are the biggest single environmental control. When it takes 10 gallons today to drive the same number of miles that in 1970 it took 6 gallons to cover, you can see how increased gasoline demand has added to the existing energy shortage problem.

One interesting issue that was raised by the Phillips statistics was in regard to the great natural gas demand. Enivronmentalists stress and encourage the utilization of clean natural gas. The Interior Department and our top oil administrators in the Federal Government have recommended that we deregulate the wellhead price of gas. Yet it seems to me these same environmentalists who ask for more gas have been the major obstructionists in achieving the much needed deregulation of gas at the wellhead.

When Bill Martin of Phillips was in college and later when he played on the great Phillips' AAU championship teams, he was recognized as one of the best basketball players in America. He was always a winner because he was a team man, and he made every shot count.

How frustrating today it must be for Bill Martin down there in Phillips Petroleum to see all of the roadblocks Congress continually puts in the way of their progressive program. Phillips is attracting added capital and reinvesting to meet the energy crisis of today. We sit by in Congress with knife in hand considering elimination of the oil depletion allowance, refusing to even hold hearings on deregulation of gas at the wellhead, and attempting to allocate all of the oil supplies within this country on an arbitrary basis.

I can speak objectively about Bill Martin in Bartlesville and the outstanding Phillips Petroleum Co. because they are based in the State of Oklahoma. If they were from Texas I would be bragging. But with the outstanding job Phillips is doing for America, I simply am pointing with pride to the great achievements of my neighbor from Oklahoma.

PUBLIC SERVICE EMPLOYMENT ACT OF 1974

The SPEAKER pro tempore (Mr. RYAN). Under a previous order of the House, the gentleman from Michigan (Mr. VANDER VEEN) is recognized for 20 minutes.

Mr. VANDER VEEN. Mr. Speaker, I rise to introduce legislation which I believe could provide significant congressional initiative and leadership in getting America's economy moving again, help control the fires of inflation, and put 900,000 Americans back to work performing jobs this Nation needs to have done.

I am very pleased to be joined in this effort by 37 of my House colleagues:

MEMBERS COSPONSORING VANDER VEEN PUBLIC SERVICE EMPLOYMENT ACT OF 1974

Ms. Abzug, Mr. Badillo, Mr. Blatnik, Mr. Brown of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Drinan, Mr. Dulski, Mr. Edwards of California, Mr. Fauntroy, Mr. Fraser.

Mr. Green of Pennsylvania, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Koch, Mr. Leggett, Mr. Meeds, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nedzi, Mr. Podell, Mr. Rees, Mr. Reuss.

Mr. Rodino, Mr. Roybal, Mr. Seiberling, Mr. James V. Stanton, Mr. Stark, Mr. Stokes, Mr. Tiernan, Mr. Won Pat.

Since this is my first effort at seeking cosponsors for a bill, I am particularly grateful for their support, encouragement, and advice.

In brief, Mr. Speaker, the bill adds a new title VI to the Comprehensive Employment and Training Act, CETA, which authorizes 900,000 public service employment jobs throughout the Nation. The focus of the bill is on areas of severe unemployment—in excess of 7 percent.

The bill, with projections of unemployment put at 6 percent or above by the end of 1975, would permit Congress to reduce unemployment by a full percentage point—down from 6 percent to 5 percent nationally. It would place the jobs and funds where the need is greatest. It would guarantee that no area in the Nation would suffer from unemployment in excess of 7 percent.

The net $2.9 billion cost of the bill is reached by subtracting $1.3 billion in increased tax revenues, and $2.1 billion in decreased unemployment, welfare and other payments, from the gross cost of $6.3 billion. This means that we would be paying approximately $3,100 net for each job.

In addition to the direct creation of 900,000 jobs in the public employment sector, economists estimate that the multiplier effect would spill over and create in excess of 300,000 jobs in private employment. This would serve to reduce further the actual cost of creating these needed public service jobs.

ECONOMIC BACKGROUND FOR LEGISLATION

Mr. Speaker, unemployment nationally stands at 5.2 percent. Five million workers and their families—about 20 million Americans—continue to live lives of bare subsistence. This number does not include the underemployed nor the hundreds of thousands who have left the labor market in disgust and discouragement and are no longer showing up in government unemployment statistics.

The Fifth District in Michigan which I represent has been experiencing high unemployment as a result of decreases in furniture manufacturing and drops in metal parts manufacturing and finishing associated with the automobile industry. The unemployment rate has been running from a high of 9.3 percent to about 8 percent. The most recent Labor Department computer run for funding allocations under title II of CETA indicates that Kent County, as the consortium average, has an unemployment rate of 8.8 percent. This translates into 25,552 unemployed workers. Unemployment rates are 7.0 percent for Allegan County, 9.3 percent for Grand Rapids, 7.8 percent for Kent County, and 7.8 percent for Wyoming, Mich. Funding under title II for the entire area is $2,127,800, or less than $84 per unemployed.

The national total for payments under CETA is $301,664,800 for total unemployed considered of 3,618,383. This makes clear we are not doing enough to face this challenge head on and help put America back to work. I do not mention these figures to criticize CETA. I understand the budget difficulties and threats of vetos faced by the Labor-HEW Appropriations Subcommittee. Their responsibility is to fund programs at levels which will be signed into law. I am hopeful that sufficient support will be generated in Congress for this type of bill to make the veto threat an exercise in executive futility. I will mention later in my remarks the economic effects of creating jobs via the public employment route.

High unemployment, low production and decreasing productivity, increases in per unit costs of production, actual losses in gross national product, all indicate we have paid a very high price in economic and social terms for 5½ years of economic underachievement.

From 1969 through the first quarter of 1974, the cost in national income or GNP has totaled $512 billion. This is measured specifically in losses in personal consumption of almost $245 billion, in personal income of $365 billion, in wages and salaries of $281 billion, and in family income of $4,000 per family. Private investment forfeitures have been almost $141 billion. Payments for unemployment and welfare average about $20 billion per year in actual expenditures, and projections for fiscal year 1975 total $21.6 billion.

Losses in employment opportunity for the same period total 11 million jobs. Of particular interest and pertinence to the discussion of this public service legislation are the losses in government outlays for good and services. The forfeiture at all levels of government was almost $218 billion. Revenue and expenditure loss from lowered economic activity is the obverse of the public service employment coin.

The ability of governments to provide public services the American people deserve is the measure of just how much we need to create these jobs directly. Governments, at present tax rates, would have had this additional $218 billion to serve their people if the economy were operating the way it should and can operate.

ECONOMIC PROJECTIONS IN UNEMPLOYMENT

Mr. Speaker, reasons for this combination of inflation, stagnation, unemployment, weakened consumer demand and industrial production are numerous and have been cataloged, dissected, analyzed and criticism voiced by economists and politicians of every persuasion. However, I see no need to spend a great deal of time repeating this criticism; nothing constructive could be achieved. The focus of our efforts from now on should be moving ahead on progressive and effective employment and anti-inflationary programs which must have the support of both sides of the aisle. This effort must be congressional and not partisan.

Economic indicators we have been receiving demonstrate that there is a great deal of softness in what is essentially a sound economy—an economy that can and will recover its accustomed pattern of sound and sustainable growth—if we take the proper steps.

However, the most recent economic projections of unemployment and its effects on the general health of the economy indicate the pressing need for exactly the type of bill my colleagues and I are introducing today. Unemployment is expected to reach about 5.6 percent by the end of this year and should reach approximately 6 percent by the end of calendar 1975.

The Wharton Short Term Forecasting Model of May 30, 1974, states:

> The economy will turn toward modest growth during the remainder of 1974 and into 1975. Real GNP can be expected to increase by just over 2% during the next four quarter periods. Unemployment will increase to near 6% and capacity utilization will decline as the economy expands at less than its long run potential growth rate of near 4%.

Projections from the Wharton Mark III Quarterly Model indicate the following unemployment rates: 1974, third quarter, 5.48; 1974, fourth quarter, 5.63; 1975, first quarter, 5.75; 1975, second quarter, 5.88; 1975, third quarter, 5.99; 1975, fourth quarter, 6.07; 1976, first quarter, 6.09.

The June 12 and July 9, 1974, Data Resources Forecast indicates much the same picture:

> Following the decline in real GNP at 6.3% rate in the first quarter, (of 1974), it is evident that the creation of new employment will be insufficient to maintain the present 5.2% unemployment rate in the months ahead, assuming normal labor force growth.
>
> The unemployment rate has shown surprisingly little movement in the last six months and in June remained at 5.2%. Apparently, the weakness in the economy has not yet fully impacted the labor market.
>
> Leading (employment) indicators deteriorated slightly in June. Initial claims for unemployment insurance increased during the first three weeks in June after showing improvement in April and May. Overtime hours and the average work week declined in June.

Unemployment insurance claims increased in June to 303,000 from 286,000 in May. The average work week dropped from 40.3 to 40.1 hours and average overtime hours in manufacturing dropped from 3.5 to 3.3 during the same period.

While unemployment figures in the May Data Resources forecast indicate peak unemployment by the fourth quarter of 1975 at 5.8 percent, and average throughout this and next year at approximately 0.2 percent below the Wharton forecast, the clear pattern of high and persistently high unemployment is what these econometric experts are warning us about. The Data Resources unemployment forecast closes by saying:

> The unemployment rate is forecast to remain at a higher plateau for several quarters into the recovery.

Mr. Speaker, what all these statistics indicate is that unemployment is going to get worse and it is going to stay that way for quite a while. We are going to be faced with increased unemployment and welfare lines, at greater expense, with no direct benefit resulting to the American taxpayer or to the communities in which the unemployed and their families live.

Recent, present, and projected unemployment figures, coupled with continued expected weakness in consumer demand and industrial production indicate that the Government must provide gainful and productive jobs for the many Americans who are out of work through no fault of their own and who are willing and able to work.

NEED FOR JOB CREATION

Mr. Speaker, the Labor Department last week issued statistical data on the allocation of title II funds under the Comprehensive Employment and Training Act—CETA. The figures indicate not only the pervasiveness of substantial and severe unemployment throughout the United States, they also indicate that where you have unemployment above the 6.5 percent eligibility rate for title II funds, you also have unemployment running above 7 percent in the vast majority of the 10 regions covered by the Department's reports. Only one region does not have well over half of its eligible areas with unemployment in excess of 7 percent.

This not only indicates that unemployment tends to feed on itself and become worse, but it also demonstrates that areas of severe unemployment are also areas of severe underemployment and hidden unemployment. It is why the focus of this bill is on those areas suffering severe unemployment. Not only will we provide jobs for the known numbers of unemployed but we will be drawing the underemployed and the hidden unemployed back into the job market and into the statistical ken of the Federal Government.

The tables prepared by the Labor Department run to 56 pages. I shall abstract the States by region, indicate how many of those areas with unemployment at or above 6.5 percent also suffer from unemployment in excess of 7 percent. I shall also indicate the total number of unemployed for the entire region—unemployment at or above 6.5 percent.

REGION 1

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont: 43 areas out of 63 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—339,728.

REGION 2

New Jersey, New York, Puerto Rico: 52 areas out of 116 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—686,880.

REGION 3

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia: 116 areas out 133 with unemployment in excess 7%. Total number of unemployed at or above 6.5%—331,564.

REGION 4

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee: 169 areas out of 182 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—211,690.

REGION 5

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin: 176 areas out of 258 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—807,-130.

REGION 6

Arkansas, Louisiana, New Mexico, Oklahoma, Texas: 85 areas out of 92 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—199,533.

REGION 7

Iowa, Kansas, Missouri, Nebraska: 25 areas out of 21 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—44,891.

REGION 8

Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming: 15 areas out of 20 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—70,917.

REGION 9

Arizona, California, Hawaii, Nevada: 149 areas out of 182 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—683,506.

REGION 10

Alaska, Idaho, Oregon, Washington: 7 areas out of 38 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—220,294.

Indian Reservations: Average unemployment 30.9%. Total number of unemployed at or above 6.5%—22,250.

U.S. totals: Total number of unemployed at or above 6.5%—3,618,38.

Mr. Speaker, these figures not only speak eloquently to the crying need to create jobs that these Americans can fill productively and with pride, but also reflect the terrible price the American economy is paying and the terrible toll in personal suffering that is being exacted from these fellow citizens, I say it is time to put a stop to it and quit making these Americans pay the continuing and mounting burden of the Administration's economic policies. We can and should put them to work.

Mention should also be made that these figures indicate only the tip of the unemployment and underemployment iceberg. While the areas mentioned above suffer unemployment from 6.5 percent to as high as 30 percent, there are several millions of unemployed in areas with unemployment below 7 percent or 6.5 percent. The fact that unemployment rates are lower in their areas does not provide much of a consolation to the worker who cannot find a job, who cannot support his family in dignity, who cannot live his life with the degree of economic security every American should have as a right.

SPECIFICS OF VANDER VEEN BILL

The legislation I introduce today does not create a new bureaucracy to administer these jobs. Neither is there need for eligible areas or prime sponsors to submit complicated applications or employment plans. Most areas in the Nation which have applied and are receiving funds through emergency employment legislation or title II of the Comprehensive Employment and Training Act, have already done most of what will be necessary to qualify for funds under this proposal.

The bill creates a new title VI within CETA. The operations of title I and title II of CETA are not changed. Definitions of prime sponsors and eligible areas are not changed. Indian tribes remain as prime sponsors. The bill I propose creates 900,000 jobs and authorizes the funds to issue paychecks to those hired. The already established administrative structures and procedures of CETA will allocate and fund these additional jobs. The only differences between title VI and title II jobs is that the trigger for title VI jobs is unemployment in excess of 7 percent, and the funding for each title is authorized and accounted for separately.

Smaller areas with unemployment in excess of 7 percent remain eligible. They can be funded through an appropriate prime sponsor if a viable employment program can be sustained in the area. Areas like Chinatown, Watts, Bedford-Stuyvesant, the 12th Street area in Detroit, Harlem, as in title II of CETA, could have a distinct employment program tailored to the needs of the area and the governmental unit within which they are located. It is estimated that $96 to $97 out of every $100 spent on public employment programs actually goes into the creation of specific jobs. These figures should improve even more under my proposal since there should be no additional administrative structure or procedures needed to fund the additional 900,000 jobs established under title VI of the bill.

In gross terms, it costs roughly $7,000 to fund an average public service employment job. It is estimated, with unemployment rising to and remaining at approximately the 6-percent level for some extended period, that about 900,000 jobs would be needed to bring unemployment in all areas of severe unemployment down to 7 percent. Focusing jobs on these peak areas of unemployment will, as I mentioned earlier in my remarks, help us take the true measure of unemployment in severely afflicted areas.

Funding 900,000 at $7,000 per job would cost, on an annual basis, a total of $6.3 billion. However, not all the expenditure for a public service job is a cost to the taxpayer. There are significant offsetting savings. Much of the money that will be spent on wages will not be spent on unemployment insurance payments, welfare and aid to dependent children, food stamps, medicaid, manpower training, and other assistance programs. Also, a great deal of the expense will be returned to Federal, State, and local governments in the form of income, sales, and excise taxes.

It is difficult to come to any specific measurement of what these aggregate savings would be in any given year. That will depend a great deal on characteristics of the individuals and families participating in the program. However, some educated guesses can be proferred on substantial savings.

Unemployment insurance: About 60 percent of the unemployed are insured under unemployment compensation. We assume the same percentage or ratio for those who receive jobs under this legislation. Since these participants are from areas of severe and prolonged unemployment we can assume a benefit duration of 6 months. The national average unemployment benefit is $250 per month. Sixty percent of 900,000, multiplied by $250, multiplied by 6 provides savings of a little over $800 million.

Welfare: There are about 100,000 families on AFDC–UF, the "unemployed father" program. Assume that 70 percent of them live in eligible areas and that they all enter the program. The average payment is $200 per month and we can assume payments lasting over 3 months. Also, there are 3.1 million other AFDC families. About 20 percent of the mothers are able to work. We assume that half of them live in eligible areas and that half of those participate in the program. The average grant per family is $200 per month over an average 12-month period. The total savings in welfare can be estimated at about $500 million.

Food stamps: If we assume that half the participants are in families eligible for food stamps and the average family grant is about $75 over a 6-month period, we arrive at savings of approximately $200 million.

Other programs: About 150,000 of the participants are not included in any of the above categories. However, they do receive some form of publicly financed assistance from either a manpower or training program. If we assume a monthly benefit of $120 for a period of 6 months we arrive at savings of about $100 million. Another $100 million in savings from lowered medicaid payments brings this total to $200 million.

Turnover: While the program will fund 900,000 job slots, there will be some turnover as persons move into other jobs, leave the area, et cetera. Since savings in the programs mentioned above occur at the beginning of each new job, an assumed 20-percent turnover rate of the above aggregate savings of $1.7 billion, results in total annual savings of $2.1 billion.

Increased tax revenues: Wages will be paid and will thus generate income to the Government in the form of taxes This offsetting income should also be calculated in determining the actual set cost of public service employment.

Social security contributions at the 11.7 percent averaged rate will bring in about $700 million. While this is eventually disbursed in the form of benefit payments, it is a short-term gain for the Federal budget figured on a unified basis.

Federal income taxes: A single person pays $895 on a $7,000 income. The head of a family of four pays $400. Assuming an average tax of $600 per person, receipts would total about $540 million.

State and local taxes: A not unreasonable estimate would be approximately 20 percent of the Federal revenue increase, providing $100 million. Total offsetting revenue increases: $1.3 billion.

Total cost of legislation: $6.3 billion gross cost of bill, minus $1.3 billion increases in Federal, State, and local tax revenues. Minus $2.1 billion decreased payments for welfare, unemployment, food stamps, medicaid, and other benefit and assistance programs. Total $2.9 billion net cost, 900,000 jobs at $3,100 per job.

Mr. Speaker, an additional economic benefit derived from the creation of 900,000 public service jobs is a job spillover into the private economy. This multiplier effect comes from the increased economic activity generated by the circulation of the incomes paid to public service employees. Economists have calculated the generation of private sector jobs at .4 the number of public service jobs created. Thus, creation of 900,000 public service jobs results in over 300,000 private sector jobs. It can fairly be said that the $2.9 billion net investment does result in the direct or indirect generation of in excess of 1,200,000 jobs across the Nation.

Mr. Speaker, I would like to assure my colleagues in both the House and Senate that the jobs envisioned and funded by this bill are jobs that need doing. These are not make-work or leaf-raking jobs. No one is going to be paid for leaning on a shovel. Government leaders in my district have been contracted. They have outlined the kinds of jobs which could be filled by this legislation. These are the same areas which are suffering under the 7, 8, and 9 percent, and above, unemployment rate I discussed earlier in my remarks.

KENTWOOD ADMINISTRATIVE ASSISTANT, TOM CLAYTON

Mr. Clayton indicated that they are in desperate need of at least five more police officers. In addition he stated that he could use more personnel in the following categories: Park employees, 15; public service garage, 2 mechanics helpers; road maintenance crew, about 5; firemen, 4; assessing deptartment, 2 assistants.

KENTWOOD COUNTY CONTROLLER, FRANK EVANS

Mr. Evans felt that personnel were needed in the following areas: Administrative, hospital, police. He could not respond more specifically without knowing more information; that is, the amount of money that might be available.

PRESIDENT OF THE IONIA COUNTY COMMISSION, BURTON STANCEL

He believes that Ionia could use between $200,000 to $300,000 to hire personnel for public service employment. Personnel could be placed in the following areas: County road commission, police department, recreation programs—parks department, general laborers, maintenance personnel in local government and schools.

ROCKFORD CITY MANAGER, JOHN F. VAN PROOYEN

Mr. Van Prooyen feels that he could use people in the administrative staff offices, police administration, and the department of public works. In addition, new positions could be created to provide important public services, for example: building code and inspection enforcement.

Mr. Van Prooyen also feels that there is a great need for youth activities and programs in Rockford. He indicated that this would be a high priority if funds for public service positions were available. This could be combined with recreational activities with the schools, and with providing work for the youth in the area.

CEDAR SPRINGS MAYOR, TOM WATSON

Mr. Watson feels that he could probably use at least four new employees in Cedar Springs. These people would be hired in the following areas, respectively, public works, parks department, cemetery maintenance workers, and street repair.

LOWELL CITY MANAGER, BLAINE E. BACON

Mr. Bacon feels that the city of Lowell could use some help right in the manager's office. Specifically, he would like one administrative assistant, at least one more clerical person, and two people in the public works sector. The jobs in public works would be semiskilled such as truck driver.

GRANDVILLE CITY MANAGER, HOWARD NYENBUIS

Mr. Nyenbuis indicated that Grandville could use people in the following areas: City planning, assistant city manager, clerical personnel in city clerk's office, parks department, recreational program, cemetery maintenance personnel, police department dispatcher, fire department.

GRAND RAPIDS CITY MANAGER, JOSEPH GRASSIE

Mr. Grassie would like to be able to fill positions in the following four areas of the public service sector, although not necessarily in this order:

First. Civilian support personnel for the police department, for example, lab technicians, clerks, et cetera.

Second. Personnel with skills in the urban renewal field. For example, advisers to the public on how they might go about getting the most for their money in making home repairs, obtaining loans, financial advising, et cetera.

Third. Human service programs—replacement of personnel in local agencies that are presently being funded under categorical grants: Kent-CAP, model cities.

Fourth. Rehabilitation programs—expanded probationary programs in connection with the existing services in this area.

In addition, Mr. Grassie mentioned that personnel could be used in the general labor type of work. This would be for those positions where specific skills or expertise would be a requirement for the job. Example: Curb replacement program, recreations programs, parks, et cetera.

WYOMING CITY MANAGER THOMAS E. PUGH

Wyoming is in the process of applying for a CETA grant for approximately $200,000. If this grant comes through, they plan on filling about 20 job slots. He feels positions could be filled in the following areas: Police dispatchers, firemen, utility plant workers, secretaries, and general laborers.

Mr. Pugh also mentions the need for para-professionals in police, fire, and utility work—that is, jobs that could be filled by people who do not necessarily have any experience or skills, but that could learn the work with on-the-job training.

Mr. Speaker, I know the government officials who have reported these figures. I know the areas of their jurisdiction. I know that they do not exaggerate when they say these jobs are needed and needed now—when they say that they could put this number of workers into productive jobs in a very short time.

The more or less "pilot project" public employment programs we have seen the past few years have proven very successful. The only trouble with EEA and CETA is that there have just not been budget requests or appropriations which make an actual dent in the problem.

I mentioned earlier that funding for CETA provides about $84 per unemployed counted under title II. We provide a job for about 1 unemployed out of 70. We just cannot continue to ignore the unemployed. In Great Britain if unemployment gets over 2 percent, the people march on Parliament. Here we are expected to swallow 5 percent and up, and listen to rhetoric telling us that unemployment is good for us. That makes about as much economic or political sense as Dr. Stein telling us we did not insist strenuously enough that the administration raise our taxes—the same administration that promised before the 1972 elections that they would not raise taxes.

The 1974 Economic Report of the Joint Economic Committee of the Congress evaluated public service employment programs in this way:

> Coming high unemployment rates dramatize the need for a public service employment program. The Emergency Employment Act of 1971 demonstrated the efficacy of a public service employment program. Public service programs can be activated with reasonable speed (100,000 jobs were filled in the first 5 months of the Emergency Employment Act) and have low administrative costs per job created. The program's success in creating jobs per dollar cannot be matched by any other type of public expenditure. Thus the public service employment program can be an effective countercyclical tool and is essential to any strategy to achieve high employment.

In discussing public service employment, the Brookings Institution analysis and commentary on the 1975 Federal budget, states:

> Although a large public employment program will increase consumer incomes and stimulate aggregate demand just like any other government expenditure program, there is one consideration that might make it a better form of expenditure in a period when both unemployment and inflation threaten simultaneously. The present program (CETA) is designed so that funds can be targeted to certain local areas or labor markets which may have been particularly hard hit by the slowdown in production. Since these local labor markets are already very depressed (soft), one would not expect a moderately sized public employment program to generate inflation in the market. This could be an important factor in 1974, given the uneven incidences of declines in employment caused by the energy crisis.

Mr. Speaker, I agree with this point and make the related point that this economic softness in demand and production we see across the Nation requires some increase in aggregate demand. The problem with most of the recent price increases is that they have occured in basic market items and commodities: autos, steel, food, energy, and fuels. They are the kinds of increases that spill over into other areas. These increases are to some degree reflections of increased costs of production and delivery; however, particularly in recent years, a substantial part of these increases are hedges against further inflation, thus causing more inflation, and are administered increases—that is, they are a result of a consensus in an industry that prices should be raised. These increases have not been classical examples of supply and demand economics—far from it. Thus, there is a need to increase production, consumer demand, and productivity, and to decrease currently rising unit costs of industrial production. Such a process of lowering prices, increasing demand, jobs, production and productivity is the positive, creative way to work our way out of both unemployment and inflation.

APPEALS TO AUTHORITY

Mr. Speaker, the creation and maintenance of public service employment programs during times of high unemployment have been discussed at length by some of the most prestigious economic experts in the Nation. The distinguished gentleman from Wisconsin, Congressman HENRY REUSS, is one of the congressional leaders in the public employment field. He is also a cosponsor of this bill. In January of 1972, Congressman REUSS invited comments by leading economists on his proposed creation of 500,000 public service jobs—at a time when unemployment nationally was slightly above 5 percent.

The public service employment approach to job creation received the overwhelming support of the following distinguished scholars, teachers, and economic planners: Prof. R. A. Gordon of the University of California at Berkeley; Dr. Sar A. Levitan, director of the Center for Manpower Policy Studies at George Washington University; Prof. Robert M. Solow of MIT; Mr. Robert N. Nathan, internationally renowned economic adviser; Mr. Garth L. Mangum of the Center for Manpower Policy Studies at George Washington University; Mr. V. Lewis Bassie, director of the Bureau of Economic and Business Research at the University of Illinois; Prof. Lester Thurow of MIT; Prof. Otto Eckstein of Harvard, formerly of the CEA; Prof. Robert Eisner of Northwestern University; and Prof. Gardner Ackley of the University of Michigan.

Professor Gordon's words hold as true right now as when he corresponded with Congressman REUSS:

> Federal financing of local public service jobs works rapidly to increase employment. Most of these job slots have already been designed by local governments but have been left unfilled due to lack of revenue. As soon as Federal funds are allocated, local governments can immediately begin to hire individuals for these positions.

Time magazine, in its July 29, 1974, essay, states:

> A long-term program of holding down demand would mean that for years the nation could not reduce the jobless rate to the 4% "full employment" level; unemployment might well rise beyond the present 5.2%. The unemployed, of course, cannot be callously written off—but heating up the whole economy to the point which employers are eager to hire everyone who turns up, is at present, a sure prescription for accelerating inflation. Instead, the jobless should be helped by higher unemployment benefits, public-service employment programs, massive job-training efforts to give them marketable skills—and the budget should be cut in other places to provide the money.

A July 16, 1974 statement, reporting to the House Democratic leadership by leading economists, declares solid support for a substantial public employment program. These economists: Otto Eckstein, John Galbraith, Walter W. Heller, Leon Keyserling, Robert Lekachman, Arthur M. Okun, Paul A. Samuelson, Charles L. Schultze and James Tobin, declared:

> Since inflation makes it difficult to soon achieve our full employment goals, other approaches must be pursued vigorously to cushion the impact on the unemployed. A greatly expanded program of public service employment would maintain incomes and preserve work habits and self-respect while the economy is going through its correction.

The House Democratic Caucus, on July 24, stated the following as official policy regarding public service employment:

> Be It Therefore Resolved that the Democratic Caucus of the United States House of Representatives recommends . . . .(3) improved and expanded public employment and unemployment compensation programs to combat the rising tide of joblessness and increased efforts to solve the specific problems of the marginally employable.

CONCLUSION

Mr. Speaker, I have laid out the case for public service employment at some length. I have done this because this program is something I firmly believe in. Putting Americans back to work—changing unemployment and welfare checks into paychecks should be a No. 1 priority in our economic strategy during the next several years.

America in the past, because of our vast wealth, natural resources, and seemingly limitless frontiers of space, time, and national treasure, has been able to expand industrially and absorb the continually growing employment force. However, the recent energy crisis has made clear that there are, indeed, limits to at least the rate of economic growth and technology. We must be somewhat more deliberate in the way we build and expand and increase production.

Unemployment has remained intolerably high during the past 5 years. Several job-training programs, designed to help those receiving assistance, unemployment, or other publicly funded benefits, found out they were being trained for jobs that just did not exist in the private sector of the economy. The private economy, going through this period of still undefined adjustment in fiscal and monetary areas, is not and will not be able in the short term to provide the jobs that are needed to keep Americans at work.

I think it is a disgrace that we can spend in the neighborhood of $30 billion per year to maintain our military forces all around the globe—600,000 troops overseas and uncounted military installations which export our dollars and erode their value. But what do we spend on helping our fellow citizens find and keep jobs with which to support themselves and their families in dignity and provide for their economic security? What kind of national priorities are we following here? We are the wealthiest nation on the face of the earth. But our most serious problem remains the searing poverty we permit to persist—poverty which is only increased and spread by our continued ignoring of the need for work that millions of Americans face continually—poverty which spills over and creates its own economic, social, and even criminal drag on American society. Poverty and unemployment, hand in hand, compound our housing, education, health, welfare, crime, and economic problems.

I believe and know that America can and will do better at providing productive employment opportunities for our fellow Americans. That is the reason I am devoting this, my first major legislative effort, to bringing into being an employment program which will help put America back to work, provide an example of congressional initiative and leadership in the economic field, encourage a strong bipartisan effort to see this bill become law in the near future, and help us all make the guarantees of life, liberty, and the pursuit of happiness more than just rhetoric. A job should be just as much a right of every American as freedom of speech, freedom to seek redress of grievances. I want to make the promise of 1776 a reality as we approach the 200th anniversary of the Nation's birth.

Mr. Speaker, I include at the conclusion of my remarks, the text of the Vander Veen Public Service Employment Act of 1974, and the press statement announcing introduction of the bill:

H.R. 16151

A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Service Employment Act of 1974".

ESTABLISHMENT OF PROGRAM

SEC. 2. The Comprehensive Employment and Training Act of 1973 (P.L. 93-203; 87 Stat. 839) is amended—

(1) by redesignating title VI, and any reference thereto, as title VII;

(2) by redesignating section 601 through section 615, and any reference thereto, as section 701 through section 715, respectively; and

(3) by inserting immediately after title V the following new title:

"TITLE VI—PUBLIC SERVICE PROGRAMS FOR AREAS OF SEVERE UNEMPLOYMENT

"SEC. 601. It is the purpose of this title to provide employment opportunities to assure that no area in the United States has an unemployment rate in excess of 7 percent.

"ELIGIBLE APPLICANTS

"SEC. 602. (a) Financial assistance under this title may be provided by the Secretary only pursuant to applications submitted by eligible applicants which are—

"(1) prime sponsors qualified under title I; or

"(2) Indian tribes on Federal or State reservations and which include areas of severe unemployment.

"(b)(1) For purposes of this title, the term 'area of severe unemployment' means any area of sufficient size and scope to sustain a public service employment program and which has a rate of unemployment in excess of 7 percent for 3 consecutive months as determined by the Secretary.

"(2) Determinations with respect to the rate of unemployment shall be made by the Secretary at least once each fiscal year.

"PUBLIC SERVICE EMPLOYMENT FUND

"SEC. 603. (a) There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Public Service Employment Fund' (hereinafter in this Act referred to as the 'fund').

"(b) There shall be available in the fund during each fiscal year an amount equal to the product of—

"(1) the average amount of financial assistance necessary to establish and maintain one public service job under title II (as determined by the Secretary) during the most recent fiscal year; and

"(2) the difference between—

"(A) the total number of unemployed persons in all areas of severe unemployment; and

"(B) the number of unemployed persons in all areas of severe unemployment which is necessary to qualify each such area as an area of severe unemployment.

"(c) Eligible applicants shall be entitled to allotments from the fund in accordance with the excess number of unemployed persons, who were counted for purposes of subsection (b)(2)(B), residing in areas of severe unemployment within the jurisdiction of such applicant compared to the number of such unemployed persons residing in all such areas.

"(d) There are authorized to be appropriated to the fund such sums as may be necessary to carry out the purposes of this title.

"ADMINISTRATION

"SEC. 604. The provisions of sections 203, 205, 206, 207, 208, 209, and 211 shall apply with respect to the administration of this title by the Secretary.

"TRANSITION TO PRIVATE EMPLOYMENT

"SEC. 605. In addition to its functions under section 104, each planning council established by a prime sponsor under section 104 in an area of severe unemployment shall recommend to the prime sponsor procedures to provide assistance, information, and counseling to persons who obtain public service employment under this title, in order to assist such persons in securing subsequent employment in the private sector.".

DEFINITION OF PUBLIC SERVICE

SEC. 3. Section 701(a)(7) of the Comprehensive Employment and Training Act of 1973 (as so redesignated by section 2 of this Act) is amended to read as follows:

"(7) 'Public service' includes, but is not limited to, work in such fields as environmental quality, health care, education, public safety, para-professional medical, nursing, legal, and counseling assistance, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, neighborhood improvements, rural development, conservation, beautification, cultural improvement (including the work of artists, artisans, writers, and historians), veterans outreach, and other fields of human betterment and community improvement.".

TECHNICAL AMENDMENTS

SEC. 4. (a) Section 108(b)(2) of the Comprehensive Employment and Training Act of 1973 (P.L. 93–203; 87 Stat. 847) is amended by striking out "603 or 604" and inserting in lieu thereof "703 or 704".

(b) Section 108(d)(1) of such Act (P.L. 93–203; 87 Stat. 848) is amended by striking out "603(1)" and inserting in lieu thereof "703(1)", and by striking out "612(a)" and inserting in lieu thereof "712(a)".

(c) Section 108(d)(3) of such Act (P.L. 93–203; 87 Stat. 848) is amended by striking out "614" and inserting in lieu thereof "714".

(d) Section 419(b) of such Act (P.L. 93–203; 87 Stat. 874) is amended by striking out "603" and inserting in lieu thereof "703".

DR. ARMAND HAMMER INTERVIEWED BY BUSINESS WEEK ON TRADE WITH THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN), is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, developing trade with the Soviet Union requires a great deal of ingenuity as well as staying power, as many of our American businessmen have learned over the past year.

However, this developing trade is in the best interest of this Nation and I think the pioneers in this effort will receive a prominent place in history. I am particularly pleased that some of these trade negotiations apparently will lead to an increase in the supply of badly needed fertilizer for U.S. farmers.

One of the principal leaders in these long and difficult efforts to increase U.S. trade has been Dr. Armand Hammer, the chairman of the Occidental Petroleum Corp. He has just completed contracts initiating a $20 billion transaction with the Soviet Union involving the manufacture and sale of fertilizer.

Dr. Hammer was interviewed by Business Week in its July 13 issue and this question and answer session provides an interesting insight on the negotiations which led to the successful completion of these trade arrangements.

Mr. Speaker, I place in the RECORD a copy of this article: "Armand Hammer: On Trade With Russia":

[From Business Week, July 23, 1974]

ARMAND HAMMER: ON TRADE WITH RUSSIA

In July, 1972, Armand Hammer, the ebullient 76-year-old chairman of Occidental Petroleum Corp., announced a giant deal with the Russians involving the manufacture and sale of fertilizer. Since that time, there has been some confusion as to who was to do what in the Occidental deal. Last week, after the final implementing agreements were signed, Hammer explained the complexity of the deal to Business Week and also expounded on how he sees the potential for East-West trade.

Q. Why did the fertilizer deal seem to change from the time it was first announced until it was signed last week?

HAMMER. It's very complex to deal with Russians, different from dealing with anyone else. You have to go through a whole series of steps before you finally make your agreement. At any one of these steps, you might have thought that Occidental was out of it, that somebody else was coming in. We signed the first protocol in July of 1972, and there it was the spring of 1974 and we were still in the talking stages. This is the way you do business with the Russians. One thing about the Russians is they are good businessmen. They will never make a deal without getting competitive bids.

They start with a protocol. That's an important step because unless you sign a protocol, you have no status there. You can't get visas, you can't talk to anybody, you can't implement your deal. When they sign a protocol, they are letting you in so you can move on to the next steps.

Which are?

In our case it was a letter of intent. Then the third step was the global agreements, in which the principal terms of the understanding were set forth and paved the way for the implementing agreements signed last week. It took almost two years, from July of 1972 to the end of June, 1974, to complete this deal. If you have patience, if you stick to it and you are competitive, if your deal makes sense—it has to be a good deal for both sides—the results are rewarding.

PHOSPHATES FOR AMMONIA

What did your deal entail?

The idea behind our deal was to sell phosphates to the Russians in a concentrated form, which we call superphosphoric acid, thus entailing a tremendous saving in freight. Instead of filling four ships with phosphate rock and one ship with sulfur, we can put it all in one tanker. We leave the unusable rock back at the mine in Florida instead of carrying it all over the world. It's a patented process and was challenged in court by Armour [& Co.]. We won the case about a year ago, but if we had lost, we would not have been able to make our Russian deal.

Why was the negotiation so complicated?

If you want to do business with Russians, you have to understand their problems. Russia has phosphates of its own, but they are scattered and not located where they are needed—in the south of Russia, in the Ukraine. They would have to bring them great distances. In addition, Russia exports high-grade phosphate rock from a place called Kola. But the Russians had made long-term contracts to export Kola rock, and they didn't have enough to take care of their export needs and their own demands. So the Russians were logical customers for our rock, but they can't just go and buy rock.

How do they get the money to pay for it? This is the deal we devised. Russia has natural gas in great excess. We said, "We will buy ammonia from you because we have huge demands for ammonia and urea through our Interore [International Ore & Fertilizer Corp.] company, which is an international seller of fertilizer."

Although we have phosphate rock in great surplus in the U.S., we do not have enough gas. The future need of the U.S. for ammonia and urea is going to be very great.

Next, the Russians needed to build ammonia plants to produce the ammonia from the gas, and for this they needed financial credits. We would put together the various ingredients that would make it possible for them to export the ammonia to get the money to pay for the phosphates. That sounds awfully complicated, and most American businessmen would probably throw up their hands and say, "I'm not in the ammonia plant manufacturing business. I want to sell my phosphates." But we realized what their problem was. There are many ways of selling, and sometimes you have to be resourceful to devise a deal. And that is why this deal looks so complex.

And that's why, all along the line, people said, "Oxy's out. Chemico got the ammonia plants." When Chemico got the plants, I was the happiest man around. I was at the contract signing in Moscow. I was happy because it made my deal possible, just as my deal made it possible for Chemico to sell the plants.

In the implementing agreement you signed, did you end up doing just what you wanted to, bartering phosphates for ammonia and urea?

Exactly. Of course, we are also building two terminals—$100-billion worth of construction—so they can receive the phosphates and ship the ammonia. We took on the contract to build ammonia storage and receiving terminals in the Baltic and Black Seas, and also phosphoric acid storage.

Originally the Russians wanted eight ammonia plants, but the price of ammonia has gone up so much that they can get as much revenue out of four ammonia plants as they could out of eight when we started.

They have temporarily shelved the pipeline because the amount of credits they have with the Export-Import Bank are not sufficient to cover building the ammonia plants, the terminals, and the pipeline. Instead of shipping the ammonia by pipeline, they are going to ship it by railcar. That doesn't mean they have given up the pipeline—they have postponed it. As their trade improves, they will probably take it up again. They may give it to some other country in which they have credits if they can't get them from the U.S. Export-Import Bank. But it doesn't hold up the deal. The deal is now complete.

How will you make money on the fertilizer deal?

First, we make it on our phosphate rock. We will be shipping them a million tons of superphosphoric acid a year, and we will be making our regular markup, which is fantastic today. Each year, the two sides will determine the price for the ensuing year. It will be the world market price. In addition, we have a guaranteed income of 2½% from the sale of ammonia—we don't use the term commission for this—and 3% on urea. On $500-million a year, the value at current prices, the guaranteed income on this part of the deal will be close to $15-million.

What we have done is devise a method for selling phosphates on a 20-year contract that we believe will add a billion dollars a year to our sales.

Will tankers have to be built to carry these products?

Yes, we already have our marine architects designing the special ships to handle both ammonia and phosphoric acid. We figure we will need three. The Russians would like to participate, but we haven't yet decided on what basis. They may build some ships to handle ammonia and potash, not special-purpose ships. There was an agreement in which the shipping of products to Russia was to be done on a 50–50 basis. They have raised this issue, and we will have to work it out.

But under the contract, we control the shipping. We are to deliver the superphosphoric acid and buy the ammonia f.o.b. If we insisted, we could have all the shipping, but we probably will divide it up in an equitable way.

A HUGE CASH FLOW

How did you get involved with the Russians initially?

In 1961, President Kennedy, whom I supported, asked me to go to Russia. He had the same idea Nixon had—to build up détente. But he was ahead of his time. I saw Khrushchev, and one thing I discussed with him was a fertilizer deal similar to the one we finally signed. But the time wasn't right. On my trip, I met [Jermen] Gvishian, who is the son-in-law of Kosygin and deputy chairman of the Committee for Science and Technology of the U.S.S.R. Council of Ministers. After that, I kept up my relationship with Gvishiani.

Right after the summit meeting in May of 1972, Gvishiani sent word that he would like to meet me in Paris. I met him there and had dinner with him. From that came an invitation to go to Russia. In July, I brought over a full team—people from Bechtel, Garrett—and after a week of meetings, they presented me with a draft of a protocol for this deal, which I signed without even showing it to my lawyers.

How will Occidental pay for all of the projects that it has announced?

The key is cash flow. Last year our cash flow [depreciation plus after-tax profit] was $240-million. This year it could exceed $400-million. We expect the Russian fertilizer deal will require $340-million in capital costs over three years—starting in 1976—primarily to expand the mining of phosphate rock and the manufacture of superphosphoric acid in Florida. The tankers could cost $200-million more.

Last year we earned $44-million after taxes in the chemical company. This year it could be $100-million, so the cash flow in the chemical company alone would amount to over $150-million a year. That would more than cover the capital costs for the Russian deal. In addition, we have a standby credit of $100-million for seven years.

The Russians want a piece of the tanker deal, so our costs for them will probably end up being less than $200-million. We may or may not hang that on the credit of the chemical company. Once you have contracts, it is easy to get financing for this kind of thing.

For our other plans, we have tremendous assets that could be sold to raise money. In 1971 we had 45-million tons of our phosphate reserves appraised, less than half our total reserves. With rock selling for $6 a ton, the value put on these reserves was $71-million. Last year, when the price of rock rose to $12 a ton, they were worth $221-million. Today, the price is $60 a ton, so the value could be a billion dollars. And that is less than half our reserves of rock.

We have the same situation in coal. We are mining about 24-million tons a year from our reserves, which total 3½-billion tons. If you have coal, it is easy to get financing from banks or customers who are anxious to buy it. Or you can always carve out a piece of your coal reserves and sell it.

What's the status of the trade center in Moscow?

Our joint venture with Bechtel [Corp.] was successful in getting the contract for the trade center, and that project is going ahead full-force. But the negotiations for the center went through the same steps I described for you in the fertilizer deal. At certain stages you might have thought, "Occidental is losing out because so much time has gone by, and Rothschild is over from France trying to get the trade center."

But Bechtel and the architects and the city architect of Moscow are now at work designing the center. We hope they will have the design finished soon and go on to the construction phase. Meanwhile, the site is being prepared. It's across from the Ukraine Hotel on the Moscow River, approximately 10 acres, and it adjoins a park where various expositions will be held. The money has been provided.

TRADE AND EMIGRATION

Do you think there will be a slowing of East-West trade if the trade bill is not passed with Export-Import Bank credits?

Yes, I do. I'm optimistic that the trade bill will go through. The only thing holding it up is this emigration question, which has become an emotional issue.

I hope as a result of the recent summit meeting that something concrete will happen to ease emigration from Russia. I think one of the things that will take place is full diplomatic recognition of Israel by the Soviets. That will go a long way toward easing the emigration question. Then those Jews who want to emigrate will be able to apply to the Israeli embassy for visas. I think if relations between Israel and Russia are resumed in a normal way, it will help a great deal in convincing members of Congress that Russia intends to continue the policy of allowing emigration from Russia.

I've been told there are about 200,000 Jews who still want to emigrate. And if the rate were raised from 30,000 or 35,000 a year to 40,000 or 45,000 a year, it would be a matter of five years and then there would be no more question. All the Jews who want to leave will have left. This is what I am hopeful is happening right now as a result of the talks between Mr. Nixon and Mr. Brezhnev.

The great majority of Russians are beginning to want the kinds of things we have. I believe they will want more trade with the West, more freedom.

As for credits, we have to compete. The Japanese have an Ex-Im Bank of their own, the French have one, the English have one. Do we want to close up the Ex-Im Bank and be the only country that can't do business because we won't use the ordinary instruments?

Is the lack of Ex-Im financing holding up work on the Yakutsk gas fields?

The Japanese want a second party in there. I think the Yakutsk gas deal is going to take a long time. There has to be a complete change in the atmosphere in Congress. If, as a result of the summit meeting, the emigration question can be settled, then I think the Yakutsk gas deal and the Tenneco-North Star gas deal are both possible. They will be implemented only if they are competitive. The price of the gas delivered to the U.S. has to be competitive with that coming from Algeria and from Canada.

But the delay in getting this $100-million from the Export-Import Bank is going to slow things up. Incidentally, granting this credit doesn't commit the U.S. to the next phase, which might take $2-billion worth of credits. At the expiration of the time required to prove the reserves, which is what this money is for, the Russians are obligated to pay back the $100-million if the reserves are inadequate. And that would be the end of it. If the reserves prove adequate, then the U.S. has the option of going ahead with the next phase, if the price of Russian gas is competitive and there is no backsliding on emigration policy.

Do you think the U.S. needs that Russian gas?

We need gas, whether it is Russian gas, Nigerian, Saudi Arabian, or Venezuelan. We need energy, too. We know we don't have the potential of getting enough gas from our own formations. And Canada is going to slow up deliveries. They are already worrying whether they shouldn't keep it for themselves. We need gas. Where we get it from will depend on competition.

Have the Russians changed their attitude about selling gas and oil since the energy shortage developed?

Yes. They haven't changed it officially, but there is some talk going on right now, wondering if they are doing the right thing in exporting their gas at this time or whether they should hang onto the gas and oil because of their own internal needs. They are building a million cars a year, and they are starting to use a lot of gasoline.

What do you think the Russians will conclude?

I don't think the Russians will export oil. Gas, yes, I think that is why the Japanese are disappointed. In my opinion, the oil deal with the Japanese is off.

THE NICKEL PROBLEM

Do you have a nickel deal with the Soviet Union?

Yes, we still have a deal, but it is not going as well as we had hoped because of lack of most-favored-nation treatment. We are buying nickel from the Russians, and we are selling them nickel-plating equipment and metal-finishing equipment. If we bring the nickel into the U.S., we have to pay a higher duty on it because Russia doesn't enjoy MFN status. So the amount we are bringing in has been reduced, and the last shipments we bought were taken to Canada rather than the U.S. The Russians have been giving us orders for our metal-finishing equipment in exchange for the nickel, so from that point of view, it still a very viable contract for us. The nickel part of it is being held up.

What did you anticipate you would do in this deal?

It was to be $40-million a year worth of equipment for $40-million a year of nickel. This has been reduced to about half of that in equipment, and we are buying less than half of that in nickel. Once Russia gets most-favored-nation treatment, we would expect to double our present volume.

There has been a rumor that you have lost a lot of money on that deal. Is it true?

We haven't lost any money on it. On the contrary, the Russians have been very good and have continued to buy our equipment even though we are not buying an equivalent amount of nickel. We explained to them we cannot buy that nickel and pay the prohibitive duty to bring it into the U.S. They are marking time and hoping MFN status will be forthcoming.

STOP INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, hopefully the message will take hold soon here in these Chambers that rampaging prices and sky-high interest rates are not going away without an all encompassing national effort at restraint. With the cost of living shooting upward at a rate of 12 percent a year, millions are having to make do with less even if they recently received a pay increase. The ends which we all try to make meet at the close of each month seem to grow farther and farther apart.

As individuals are tightening their belts, so should the Federal Government. It is that simple. To stop inflation, the Government has to stop spending more than it takes in and the Government has to exercise restraint. Before citizens can realistically be expected to balance their budgets, the Federal Government should set the example. Rather than just talk about what should be done, though, we must take action now.

The key to curbing Government spending is more cooperation between the Congress and the White House. I believe a good step in the direction of controlling Federal spending and greater cooperation is the budget reform bill which was signed into law recently.

This act puts Congress back into the budgetmaking process, now almost totally controlled by the executive branch and particularly the Office of Management and Budget. The legislation provides a mechanism to help check runaway Government spending by establishing procedures that will allow Congress to set spending priorities more carefully.

For years, the Congress has enjoyed the luxury of blaming Federal budget deficits on the President without accepting any responsibility for excessive spending. The truth is that the Congress does not have to approve all of a President's budget requests and, in fact, the President can not spend one thin dime that Congress does not authorize and appropriate. If Congress would use some restraint on itself, inflation would not be out of hand to the extent it is today.

Well, finally the Congress bowed up its back the other day and passed the budget reform bill that does place some restraints on itself. I have been urging this action for years and I wholeheartedly supported this bill. If the Congress will make this new law work properly, I think we will have gone a long way toward curbing runaway Federal spending.

In addition to holding down Federal spending, many agree that what is generally needed is a decrease in the demand for goods and services while, at the same time, efforts are made to increase supplies. This remedy, however, will be hard to apply because it depends on more than 200 million people understanding the problem, and that is difficult when the economists cannot even get together on the right answer.

The Federal Reserve is keeping a tight rein on the money supply. But complaints are growing about the record borrowing costs that result and about the slump in business. Already the Government has moved to pump more credit into the housing market.

The Federal Reserve's efforts are also complicated by the big Government deficits, $89 billion in a 5-year period which ended June 30. Since early 1970, the U.S. Treasury has had to borrow $49 billion and the Federal Reserve has put up $17 billion of that.

Finally, and I think this is important to remember, inflation is not just a problem in our country. It is virtually worldwide, brought on in great part by the increased cost of fuel and the fact that more of the world's population is becoming more affluent, thus creating a greater worldwide demand for supplies. Inflation observes no national boundaries in an interdependent world.

So, while we are searching for the right answers at home, we must understand that a good part of the answer will be found abroad. As with so many problems, the search for that answer must be joined in by consumers, business, labor, and Government, all working together in a restrained fashion toward the same goal: prosperity without runaway inflation.

DEMOCRATS SCUTTLE CONGRESSIONAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

Mr. CLEVELAND. Mr. Speaker, Richard L. Strout of the Christian Science Monitor has unquestioned liberal credentials. Therefore, it is particularly telling that a recent column of his should so strongly lay responsibility for sidetracking the most important move to reform the committee structure of the House of Representatives in 28 years, squarely on the Democratic majority.

At this time while a Republican administration downtown is under such heavy criticism for abusing power, I think it is worth noting how the Democrats use their power on the Hill:

[From the Christian Science Monitor, June 28, 1974]

DEMOCRATS AX HOUSE REFORM

(By Richard L. Strout)

WASHINGTON.—Responsibility for sidetracking the most important move to reform the committee structure of the House of Representatives in 28 years rests squarely on Democratic members and cannot be ducked. If a Legislature in a rural state in the 1890's had gone through the same cynical performance and then covered it up with a no-record vote the result could not be more glaring.

This is not the responsibility of the Republicans: They had no immediate part in killing the reform proposal. The deed was done in a private caucus of the House Democratic members, and the vote was 111 to 95. How did members line up? We don't know. First they voted 98–81 in a standing (non-record) vote not to give their names, and then they defeated the measure. They killed it anonymously, as though ashamed.

A Harris poll not long ago said that only 21 percent of the public thinks Congress is doing a good job. And no wonder, though it is unfair to include Republicans in this particular hatchet job which was purely a Democratic assassination. But all suffer by it along with a loss of confidence in governmental institutions.

There's a good deal of Democratic self-righteousness these days over Watergate, but this bald Democratic coverup stems from the same kind of arrogance and willingness to thwart democracy as the Watergate scandal.

Sixteen months ago Speaker Carl Albert, to his credit, set up a bipartisan committee under outspoken veteran Richard Bolling (D) of Missouri, to try to put the chaotic House committee system in order. Over the years power has drifted about, leaving some committee with little to do, and others with so much to do that they can't do it. The Ways and Means Committee under Rep. Wilbur Mills (D) of Arkansas, is an example of the latter. It has made Mr. Mills, some say, the most powerful man in Congress. It is trying to wrestle with taxes and tax reform, social security, public debt, tariffs, and transportation all at once. "The place is an institutional shambles," Mr. Bolling said.

The 10-man Bolling committee of experienced congressmen worked a year and brought out, mirabile dictu, a unanimous report could have been drawn up, but this one went a long way and at least deserved floor debate. It redistributed committee responsibilities and abolished a couple altogether. It found 14 dispersed committees last year dealt with energy legislation, for example, and it tried to unify responsibility on the issue.

"Reform of the House committee structure is essential if Congress is to revitalize itself," said Rep. John J. Rhodes (R) of North Carolina, House minority **leader**.

A variety of special interest groups fought the big shake-up because they are entrenched in special committees and have nursed election of certain congressmen with a parent's interest. A queer coalition opposed the changes; the National Association of Manufacturers joined the AFL-CIO, for example, and a number of environmentalists also opposed.

Backing the proposals besides men like Speaker Albert and Dick Bolling were public interest groups, Common Cause, Americans for Democratic Action, Citizens Committee on Natural Resources, and the like.

In the House, Democrats outnumber Republicans approximately 240 to 192. Democrats met in caucus and unilaterally disposed of the reform. Prior polls indicated an almost certain majority for the bill. (Republicans were expected to vote for it, too, perhaps 3 to 2 if they ever got a chance because Representative Bolling had sweetened the measure by allowing a party minority to control one-third of the staff of all House committees, something Republicans have sought for years.)

Rep. Phillip Burton (D) of California, opponent of the Bolling program, offered a resolution to refer the whole thing to a subcommittee under Rep. Julia Butler Hansen (D) of Washington. Nominally this was to perfect it, but opponents hoped to kill it. Rep. William Clay (D) of Missouri, moved that the referral vote be by secret ballot. This motion won. Then the program was sent to the Hansen committee. Even colleagues couldn't tell how others had voted. Nobody was accountable.

"The name of the game is power," observed veteran majority leader Thomas P. O'Neill (D) of Massachusetts, sadly, "and the boys don't want to give it up."

The Hansen committee could, of course, report back to the caucus in mid-July, but if the same secrecy prevails the result will probably be the same. Public interest groups urge voters to demand from individual House Democrats how they voted. Republicans are inserting caustic editorials in the Congressional Record. It is hard to recall any recent similar example of legislative arrogance by one party: Indeed the Democratic National Committee might itself wisely intervene.

THE EFFECT OF RESTORING THE U.S. BOYCOTT ON THE IMPORTATION OF RHODESIAN CHROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 10 minutes.

Mr. DERWINSKI. Mr. Speaker, tomorrow the Rules Committee is scheduled to consider a rule for the bill, S. 1868, which would have the effect of restoring the U.S. boycott on the importation of Rhodesian chrome.

It is curious, Mr. Speaker, that so many of us seem to have forgotten that during the period when the United States was enforcing sanctions against Rhodesia the Soviet Union became our principal source of chromite, as it will again, if this bill is passed by the House. During that period the Soviets reduced the quality of the ore they exported to the United States and they increased their prices dramatically.

As a nation, the United States is totally dependent upon imports and our national stockpile for chrome ore. Since 1962 the national stockpile of metallurgical grade chromite has declined over 43 percent and is currently at the lowest level in 15 years. Most of that which remains is of inferior quality.

Mr. Speaker, my opposition to this bill is based upon our national interest. We must not become dependent upon the Soviet Union as our principal source of so vital a commodity. Moreover, why should we hand the Soviet an economic bonus when they have yet to demonstrate a willingness to grant emigration rights to Soviet citizens. That is what the Vanik amendment was all about.

It will be my intention to offer on the floor an amendment which permits the importation of Rhodesian chrome so long as the Soviet Union can export its chrome to the United States, unless the President determines the Soviet Union is granting emigration rights to its citizens. The amendment follows:

AMENDMENT TO S. 1868 OFFERED BY MR. DERWINSKI

On the first page, line 8, immediately after "section" and before the period insert the following: "; except that nothing in this section shall be construed to authorize the President to prohibit or regulate the importation into the United States of Rhodesian chrome so long as chrome is imported into the United States from the Union of Soviet Socialist Republics, unless the President determines that the government of the Union of Soviet Socialist Republics—

"(1) grants its citizens the right or opportunity to emigrate;

"(2) does not impose more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; and

"(3) does not impose more than a nominal tax, levy, fine, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice."

THE CEASE-FIRE IN VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, I wish to draw to the attention of my colleagues a highly significant article which has appeared in the summer 1974 issue of Foreign Policy, and which was printed in shortened form in the Washington Post of June 2, 1974. Even though it presents the most completely researched and minutely detailed account of the negotiations which led to the cease-fire in Vietnam, no one has yet chosen to insert any of it in the RECORD.

I draw attention to the article at this stage because I think it is of the utmost consequence for our policy toward countries in the Middle East. Israel, like Vietnam, has faced for years a continuing threat to its survival. Enemies bent on its destruction as a nation have combined a long campaign of attrition with repeated and systematic attempts at military conquest.

Israel, like Vietnam, has been able to depend upon the support of the United States for its right to exist as a nation. It would be fair to say that in both cases the commitment and assistance of the United States has been a decisive factor in the continued ability of these countries to survive the aggressive forces which have assailed them. Both countries are now subject to cease-fire agreements in the negotiation of which this country took the leading initiative.

The significance for Israel of the article by Tad Szulc to which I refer is that it presents a picture of divergence between the assurances which we have given publicly, and the private understandings which have accompanied such public assurances.

It is a divergence which I know will cause alarm to many of my colleagues. From the story of the detailed Vietnam negotiations emerges the fact that despite all of our pledges to the South Vietnamese Government, we came very close indeed to dealing unilaterally with Hanoi. Attempts were made to force President Thieu to accept a settlement which would have insured the destruction of his country and the enslavement of his people. Threats were made that American support would be withdrawn.

This story cannot bode well for Members like myself who support the right to freedom of both the Vietnamese and the Israeli peoples. It is my sincere hope that supporters of Israel and Vietnam will take due note of the ominous lesson which is conveyed by the two extracts from Tad Szulc's article which I will be presenting. I hope, indeed, that my colleagues will be tempted to read the original article in full.

The story of Vietnam today will be the story of Israel tomorrow. If we can abandon one friend by breaking our pledges, we can abandon another. It is time for supporters of Israel to appreciate that the battles of tomorrow's aid for Israel are being fought on the field of today's commitment to Vietnam. By upholding our honor in the one case, we reinforce it in the other. In inserting the first of two extracts from Tad Szulc's article as it appeared in the June 2, 1974, edition of the Washington Post, I express the earnest hope that its warning will be heeded:

VIETNAM—THE SECRET RECORD

(By Tad Szulc)

PROMISES TO THIEU

After his session with Tho, Kissinger flew directly to Saigon to practice a totally different brand of diplomacy with even greater problems. In talks with Thieu, he took a distinct tack from his approach to the Russians, the Chinese and the North Vietnamese. The emerging problem in Saigon was to prepare Thieu for a settlement.

The Kissinger line was thus to remind Thieu that a presidential election was approaching in the United States, that the administration must be forthcoming in its peace diplomacy, and that it must prevent Sen. McGovern from making it appear that Saigon was blocking the peace. Consequently, he said, the administration must, as a matter of political realities, come forth with seemingly attractive proposals knowing full well that Hanoi would reject them. Political risks had to be reduced before the elections. But the notion of the tripartite electoral commission, offered to the Russians, was not broached to Thieu at this time.

Then, it appears, Kissinger proceeded to make extravagant promises to Thieu. After the elections, he allegedly told him, it would be a "different story." The United States would not hesitate to apply all its power to bring North Vietnam down to its knees. Kissinger recommended that Thieu start planning an invasion of North Vietnam after the elections. Specifically, he suggested ARVN landings in Vinh or Donghoi. Thieu, who appeared nonplused by this idea, finally replied that if an invasion were mounted, Thanhhoa should be the prime objective. Actually, Thieu had been urging an invasion of North Vietnam as early as March, 1971, (during the Laos incursion), but could enlist no American encouragement and eventually dropped the idea. It was first revived by Gen. Haig in June, 1972, when he inquired of the commander of the ARVN First Corps whether an invasion of the North was feasible. When Kissinger reached San Clemente late in July, he told Sir Robert Thompson, the British counterinsurgency expert who was reporting to Mr. Nixon on his latest survey in South Vietnam, that we would not be "bashful" after the elections.

It is, of course, hard to judge whether Kissinger was playing a complicated double game with the two Vietnamese factions, or whether he really believed that a final blow at Hanoi late in the year would leave the South Vietnamese in a strong enough military position to go along with the peace prosals he had in the works. He could have been deceiving Thieu, but, on the other hand, Kissinger always believed in giving Saigon a "decent interval" after a cease-fire—and this could only be achieved by crippling the North.

There was, to be sure, a certain logic in Kissinger's own evolving approach to the situation. The 1972 Communist spring offensive, if nothing else, had convinced him that the Vietnam war must be ended as soon as possible and the United States finally extricated from it. During the flight from Saigon to California, following his talks with Thieu, Kissinger mused in front of his staff that "we just can't let the Vietnam issue plague us for four more years." The problem, he said, had to be resolved between the November election and the President's anticipated second inaugural the next January.

It thus appeared that as early as July, Kissinger had the time sequence for an agreement firmly set in his own mind. He was optimistic that with quiet Soviet and Chinese support, and the stalling of the North Vietnamese offensive, Hanoi would meet him halfway before long—meaning a decision to wind up the conflict on the basis of the secret concessions Kissinger had just spelled out in Moscow and Peking, and without further North Vietnamese insistence on Thieu's elimination.

As he flew to San Clemente, Kissinger's problem was clearly to convince the President to accept this course of action and, simultaneously, to force Thieu to face reality and endorse the new American diplomatic stance. As for Mr. Nixon, Kissinger, as he put it, wanted to "lock him irrevocably into a decision" before the elections. Thieu was to be given maximum military advantage before the cease-fire. Kissinger told his aides on the plane over the Pacific, "One thing is for sure: we cannot stand another four years of this. . . . So let's finish it brutally once and for all."

GOING WITHOUT THIEU

Pushing his scenario with Hanoi, Kissinger held private talks with Tho in Paris on Aug 1. and again on Aug. 15. Now that peace diplomacy was in high gear, the Kissinger-Tho meetings were being officially announced; but, by common agreement, none of the substance of their talks was revealed.

But Kissinger could go only so far without some form of concurrence from Thieu. After the Aug. 15 session in Paris, the point was reached where South Vietnamese acceptance of the tripartite commission and a quickened American withdrawal were required. Haig was now dispatched to Saigon to try to sell the new American package to Thieu.

Thieu was adamant. He told Haig that inasmuch as he controlled 90 per cent of South Vietnam (a claim the Americans tended to dispute in private), and the Vietcong could not expect to garner more than 10 or 20 per cent of the vote, he could not see why a tripartite commission was needed at all. Thieu, of course, was worried that such a commission would transform itself into a coalition government. Instead, he proposed a referendum in South Vietnam, to determine its political future. Haig reported to Washington that he could not break the deadlock with Thieu. But Kissinger wanted to maintain the momentum of negotiations and he arranged to meet secretly with Tho in Paris on Sept. 15.

First, however, Kissinger made another visit to Moscow. This visit was part of the new consultative process set up at the May summit. The three-day stay in the Soviet capital—Sept. 10 to 13—was devoted to a wide range of matters. Vietnam came up only on the last day, Sept. 13, at a session between Kissinger and his advisers and Brezhnev, Gromyko, Dobrynin and Alexandrov. Two days earlier, the Vietcong delegation in Paris had issued a fairly ambiguous new proposal that could have been read as meaning that, for the first time, a cease-fire would be acceptable without prior removal of Thieu. Kissinger was not certain that this was the breakthrough for which he had been waiting for three years; the Russians told him they thought it was.

Meanwhile, a stark and intense drama was developing behind the scenes. The plan was for Ambassador Ellsworth Bunker, in Saigon, to obtain Thieu's agreement to the tripartite commission, while Kissinger carried out his Moscow talks and prepared to meet Tho in Paris on Sept. 15. Kissinger was determined to present the North Vietnamese with a proposal on the tripartite body—agreed to by both Washington and Saigon—at their forthcoming session. But late at night on Sept. 13, after the talks with the Russians were finished, Kissinger, who was at the Dom Pryoma estate guest house, received a cable from Bunker advising that despite all the efforts in recent days, Thieu had rejected the tripartite commission proposal. An associate recounted later, "Henry blew a gasket." He said that he was perfectly capable of making it clear to Hanoi that there was a difference between a tripartite commission and a coalition government. Walking around the *dacha* at midnight, Kissinger briefly toyed with the idea of rushing to Saigon to try to change Thieu's mind, but concluded that the time had come for the United States to act unilaterally. It was too late in the negotiations to go back to Thieu, Kissinger told his associates. Shortly after midnight, he sent a telegram to Mr. Nixon, requesting permission to meet with Tho as planned and to inform him that Washington would stand firm on the question of the electoral commission regardless of Thieu's views. Kissinger's argument was, among other things, that with the elections at home only seven weeks away, the President could not risk a collapse in the peace negotiations.

Mr. Nixon's reply reached the American party the next morning, Sept. 14, as they prepared to leave for London. It said, in effect, that Kissinger could go ahead and tell Tho the next day that the United States accepted the tripartite commission. But this decision was not wholly popular in the White House: Haig, for example, complained privately to friends that Kissinger was giving away too much.

The Nixon-Kissinger decision was another major turning point in the tortured history of Vietnam negotiations. For the first time, Mr. Nixon was ready to make a major offer to Hanoi without Thieu's concurrence—in the face of his outright opposition.

OPENING STATEMENT OF WAYNE OWENS OF UTAH BEFORE THE JUDICIARY COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Hogan) is recognized for 15 minutes.

Mr. HOGAN. Mr. Speaker, as the Judiciary Committee's final impeachment debates began last week, my distinguished colleague and friend from Utah, Mr. Owens, delivered an opening statement that had the qualities of eloquence and incisiveness that have served him—and served our committee—so well in the past several difficult months.

For my colleagues' benefit, I am inserting the text of Mr. Owens' remarks in the Record at this time:

Remarks of Representative Wayne Owens of Utah During General Debate on Articles of Impeachment July 25, 1974

Mr. Chairman: Preparation for this inevitable time of judgment has been an exhausting experience for all of us on the Committee, physically, mentally, and emotionally. I have tried very hard, and I suspect unsuccessfully, to find the right proceeding. One of the problems with being 37th of 38 speakers is that one sees his points fall one by one.

I desire, at the outset, to state my complete confidence in the durability of our Constitutional separation of powers and our great institutions of self-government: the Congress, the Judiciary, and the Presidency, which permit the people to unite and move together to solve their common problems. To me and to the people of Utah, the Constitution is a very special document.

Though I faced this onerous task with great reluctance, it has been an honor to serve as a member of this distinguished body of men and women during this historic inquiry. These statements have been extremely impressive, and I am proud of my colleagues. I cannot commend too highly our distinguished chairman who, throughout these long, difficult months, has continually maintained a non-partisan and judicial fairness, who has given wise direction to the course of this inquiry, and for whom I have the greatest respect and admiration. And John Doar, this good man of balance and sensitivity and strength; Bert Jenner, and Sam Garrison—to each of them and to the entire staff, we owe a deep debt of gratitude for their scholarship and complete dedication.

Mr. Chairman, I did not bring the training and the experience of a seasoned trial lawyer to this responsibility. My background is that which the authors of the Constitution foresaw for those who would be asked to judge presidents. I am a politician. And I would be much less than candid if I were not to state for the record that I approached this responsibility as a long-time political adversary of the President.

I am not certain how many people have really believed me over the many months of this inquiry, when I have repeatedly said that I would forget my political background and approach this matter objectively. Having served on the staffs of Senator Robert Kennedy, then Senator Edward Kennedy, the press and others have from the beginning taken my vote almost for granted, which I regret. Recognizing all that, I want now to state, as strongly and as clearly as I can, because it is important that the public have confidence in our Committee's impartiality, that I believe I have been successful in setting aside the natural inclinations I brought with me to this inquiry. I have honestly sought to learn the truth, as I have had the ability to recognize it and to be guided by nothing else than that truth in my actions. I too recognize that this is the most important vote I will probably ever cast, and I want to face that mirror in later years with the peace which will come from knowledge that I gave my best efforts to this inquiry and voted solely upon the dictates of my conscience.

I have studied the evidence before the Committee very carefully, over many months. I have participated in every single presentation of evidence. I have listened to every single witness. I have read extensively about impeachment, agonized about impeachment, and I have discussed impeachment and its implications for good and bad with many intelligent men and women both in Washington and in Utah. I have now measured the actions of President Richard Nixon by my understanding of his unique constitutional responsibilities.

I believe that impeachment of a president is a grave act, to be undertaken only in the most extreme of circumstances, and only for a violation of a principle of conduct which we are willing to say should be applied to all future presidents and established as a Constitutional precedent.

Each member must determine for himself whether the evidence is sufficient to vote to place the President on trial before the United States Senate, whose constitutional role it is, to be the final judge. I believe that we must vote to impeach if we believe the evidence is so clear and convincing that it would support conviction of the President during a Senate trial.

Our task during these hearings has been made easier because we have had the benefit of the views of the President's attorney on the sufficiency and meaning of the evidence, and we have had a partial proffer of the President's defense in evidence by Mr. St. Clair, and in legal argument both by Mr. St. Clair and by Mr. Garrison, the Acting Minority Counsel to the Committee. This assistance has been very helpful.

However, much of the relevant evidence has been wrongfully and unconstitutionally withheld from this Committee by the President, preventing us from making a judgment on all the facts. To a very great extent, the President has chosen the evidence that we have seen. We thus can assume, for purposes of this decision, that all of the evidence which is favorable to the President is now before us. We can also reasonably infer, as any civil court would instruct its jury, that the additional evidence we have sought has been denied because it is detrimental to the President's case.

Fellow members of this Committee, on the basis of all the evidence before us, I am now persuaded that the President has knowingly engaged in three types of conduct which constitute impeachable offenses under the requirements of the Constitution and that he should now be called to account before the United States Senate.

First, I find the evidence convincing, that the President knowingly and willfully directed and participated in a cover-up of the Watergate break-in. There is clear proof that the President personally agreed to the distribution of funds, the offering of clemency to, and the coaching of persons involved in the Watergate break-in, in an attempt to secure their silence or influence their sworn testimony; that the President knew that perjury had been committed in furtherance of the cover-up; and that the President personally withheld from law enforcement officials, evidence needed to solve crimes all across the spectrum of offenses known broadly as the Watergate affair. When I hear members of the Committee say there is no direct evidence connecting the President with these crimes, I wonder whether we have attended the same evidentiary presentations.

Second, the President has undermined the presidency by seriously abusing the powers of his office for political profit. This includes the President's misuse of the FBI for illegal wiretaps and other acts, the misuse of the Justice Department, the IRS, the CIA, and other federal agencies, as well as permitting the substantive violations by his subordinates of the rights and civil liberties of many individuals.

Third, the President's refusal to respond to our legal subpoenas constitutes an obstruction of the Constitutional impeachment process which, in my view, is an extremely grave offense. The President's refusal to comply with our subpoenas would make a nullity of the impeachment power if we were not to judge this offense impeachable.

One night a month ago, about midnight, after studying the transcripts of some recorded Presidential conversations for a long time and being puzzled, I located one of the Committee's tape technicians at his home, Jeff Bancharo, and asked him to return to the Committee office to replay for me the taped conversations of the morning of March 21, 1973, and that of the following day. I wanted to study the President's intention. I wanted to know what the President intended when he apparently agreed, repeatedly, to the payment of hush money to Howard Hunt. Was he playing the devil's advocate? Or did he intend that the payment be made? I replayed a dozen times that night the section of the March 21st conversation when the President told John Dean to "Get it," in apparent reference to the $120,000 which Hunt was demanding as the price for his continued silence.

And I had been intrigued by the "new plan" to handle Watergate of which the President spoke. I had a clear feeling that late night that I knew what the President intended, when as I replayed the tape time and again, I heard him instruct John Dean to develop a new plan for containment of Watergate. This is the President speaking: "And then once you, once you decide on the plan—John—and you had the right plan, let me say, I have no doubts about the right plan before the election. And you handled it just right. You contained it. Now after the election we've got to have another plan, because we can't have, for four years, we can't have this thing—you're going to be eaten away. We can't do it." And Bob Haldeman's follow-up response to the President, "John's point is exactly right, that the erosion here now is going to you, (meaning the President) and that is the thing we have got to turn off, at whatever the cost. We've got to figure out where to turn it off at the lowest cost we can, but at whatever cost it takes."

And the following morning, further discussing the new plan with John Mitchell, the President instructs: "I want you all to stonewall it. Let them plead the 5th amendment. Cover up or anything else if it will save it, save the plan. That is the whole point." And again his final explanation to John Mitchell: "Up to this point the whole theory has been containment, as you know, John."

The late hour and my fatigue, combined with the realization that this was the President of the United States speaking, created in me a sense of unreality. I could hardly believe what I was hearing on those tapes. But I heard his words, unmistakably from his own mouth. The President's intention was clear, and inescapable.

Awesome as the impeachment and removal of a president can be, the framers of our Constitution provided for this power. They didn't expect us to fear it. We were not to be intimidated by it. The power was to be used, when necessary and proper. They created, after all, a government of laws, not a government of men. And whether we like it or not, impeachment is the only tool the Constitution provides to control a President who refuses to obey the law.

I do not fear that the impeachment of a president, on solid evidence, would do harm to the office of the presidency. Our Nation recently survived the trauma of a presidential assassination, and united behind a new president. Vice President Ford is an honest man of integrity and intelligence. The country would rally to his support if, by action of Congress, he were to become president.

Mr. Chairman, I believe the significance of what we do here will endure for many years to come. If our standard of impeachment is too low or insubstantial, we will seriously weaken the presidency and create a precedent for future use of the impeachment power when charges may be trivial or partisan. But if we set standards of impeachment which are too low or too narrow; if we fail to impeach now, with this evidence before us, we are saying to future presidents: You are not required to obey the law. The implications for wholesale loss of individual freedoms would be staggering. And we would in that circumstance render impotent the impeachment power which the Constitution vested in Congress, as the last resort, to prevent serious abuses of power by all presidents.

I believe that the impeachment of this president, if it resulted in his removal and his replacement by Gerald Ford, would not be to the political advantage of my party. But the totality of the evidence has convinced me that it would be to the public benefit of my country.

It is possible that, in a Senate trial, additional evidence which we have not seen, would be presented in the President's defense. And no one knows, nor should they prejudge, whether the Senate would convict. That would depend upon the evidence presented to them. But the weight of the evidence presented to this Committee now, stands clearly and convincingly for impeachment.

I take no joy and no satisfaction in this decision. I do not take pleasure in pointing an accusing finger—it is a distasteful task. It is a joyless resolution to a heart-breaking problem which will cause great pain and suffering. I do it strictly because of the obligation imposed by my membership on this Committee, and by my judgment that the Constitution requires it of me.

This republic, created by the Constitution, represents the finest attempt in history to establish a government of laws which can assure equal justice for all, and guarantee each individual that dignity to which he is entitled. Today the Nation looks to this Committee to resolve an unprecedented crisis of confidence in that system and its leaders, which left unresolved, could have disastrous implications.

Ours is the responsibility of restoring confidence in our government, by assuring that the President is charged before the Senate—where he will either be convicted or acquitted. With the evidence before us, if we fail to vote for impeachment and a Senate trial, we will have failed the Nation for today and for the future. We will increase public despair and especially disillusion among the young. And we will leave no way to resolve these questions about the President's conduct which a Senate trial will put to rest, one way or another.

If we fail to impeach because of our own political allegiances or fortunes, we will have engaged in conduct as harmful to the Nation as that conduct of the President, the record of which I believe we must now refer to the Senate for their appropriate action.

LETTER FROM COALITION OF BLACK TRADE UNIONISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert in the Record, for the thoughtful attention of my colleagues, a letter which I received from the Coalition of Black Trade Unionists. The letter follows:

Hon. Charles C. Diggs,
Washington, D.C.

Dear Congressman Diggs: On behalf of the Coalition of Black Unionists, I am writing to indicate our strong support of S. 1868, the bill to restore United States compliance with UN sanctions against Rhodesia.

Rhodesia of today is built on economic and political domination by a 5 per cent minority over the 95 per cent African majority. The purpose of sanctions established by the United Nations in 1968 was to cut off trade with Rhodesia and make the regime more vulnerable to pressures for change from the growing African opposition within the country. Strong sanctions will support the struggle for independence, majority rule and self-determination for Black citizens of Rhodesia. Strong sanctions will hasten the end of the unjust exploitation of Rhodesian workers. African workers in Rhodesia cannot strike or bargain collectively, or join labor unions. The average earnings for Black miners in 1972 were $48 per month compared with $655 for Whites. Gross disparities in wages appear in the statistics of Union Carbide's operations: In 1970 it paid its African workers $46 to $130 per month, while it paid $122.50 to $750 per month to European workers.

The U.S., in permitting trade with Rhodesia is in fact permitting American multinational corporations involvement in Rhodesian industries and contributing to continued racial discrimination in wage scales, working and living conditions.

The United States cannot and should not continue to give support to these racists practices. Our country's prestige, already in jeopardy, should not further be damaged because of extra profits procured on the basis of slave labor conditions.

At this critical time in Rhodesian and U.S. history, we must take the side of the African majority by urging the re-imposing of sanctions against the minority regime.

The Coalition of Black Trade Unionists urges you to support S. 1868 when it comes up before the House for a vote. Your cooperation would be greatly appreciated. A copy of the resolution stating the Coalition's position is attached for your information.

Sincerely,

William Lucy,
President, CBTU.

Resolution of Black Workers in South Africa

Whereas, having examined the material on apartheid in the Republic of South Africa and other Southern African states, especially in regard to the limitation of African workers and U.S. companies in Southern Africa, and

Whereas, after studying the United Nations reports on trade union activity in Southern Africa and the report of the International Labor Organization of the United Nations, and

Whereas, there is an urgent need to uplift the trade union rights of African workers in the Southern African countries in order to increase the material condition. Therefore, be it

Resolved, That:

1. We of the CBTU support the International Labor Organization (58th Session of the International Labor Conference, June 1973, in Geneva) for a World Trade Union Conference Against Apartheid;

2. We of the CBTU support the right of black African workers to form trade unions of their choice, to elect their leaders and to bargain collectively with their employers;

3. We of the CBTU support the now-banned South African Congress of Trade Unions (SECTU) the only trade union movement that is recognized by the black South Africans and the United Nations;

4. We of the CBTU encourage all workers to refuse to handle goods for and from South Africa, Rhodesia (Zimbabwe), Mozambique, Angolo and Guinea-Bissau. (The International Longshoremen's Association, AFL–CIO has set a good example in this regard by refusing to unload Rhodesian chrome ships in certain cities of the U.S.)

5. We of the CBTU call upon all workers to organize boycotts against U.S. companies that have investments in South Africa and U.S. companies that are moving to South Africa, until the South African government changes its apartheid policies.

6. We of the CBTU, encouraged all trade unionists to boycott the products of Gulf Oil Company which is supporting oppression in the Portuguese colonies of Mozambique and Angola by paying $50 millions in fees and royalties to the Portuguese government for developing its oil resources.

7. We of the CBTU are against technicians or any skilled manpower going to South Africa.

8. We of the CBTU are opposed to the Byrd Amendment which allows the U.S. to import Rhodesian chrome and other strategic materials, and we totally support the use of sanctions by the United Nations against Rhodesia and South Africa.

(Referred from Plenary Session, Second Annual Convention, Coalition of Black Trade Unions, May 26–27, 1973)

Adopted, Steering Committee, Coalition of Black Trade Unions, June 11, 1973.

NOISE POLLUTION FROM JET PLANES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I am introducing today two major pieces of legislation designed to combat the problem of aircraft noise pollution. Over the weekend, I participated in a jet noise hearing in New Hyde Park at the home of Mr. Michael J. Dyer with representatives from the Federal Aviation Administration and community groups in my district who are wedged between flight paterns from both Kennedy and La Guardia Airports. The concerns raised at this meeting reinforce my belief that the measures I am introducing today are necessary and essential if we are to effectively combat the jet noise menace.

The problem of aircraft noise pollution has grown in the past 20 years in this country to monumental proportions. It is a problem which now affects over 16 million Americans daily and which is expected to worsen through the late 1980's unless meaningful noise control measures are taken now. A Department of Housing and Urban Development policy report stated that:

> Noise is a major source of environmental pollution which represents a threat to the serenity and quality of life in population centers. Noise exposure may be a cause of adverse physiological and psychological effects as well as economic losses.

Aircraft noise not only poses a threat to the safety, health, and well-being of the American people, but is, according to the Aviation Advisory Commission established by the Noise Control Act of 1972, "the most explosive problem" facing the aviation industry itself. Airports and airlines will continue to face expensive lawsuits and litigation until noise is reduced; it is estimated that there is currently over $30 million tied up in court actions. And the American people will continue to find their lives disrupted until this menacing source of pollution is controlled.

Since 1958, the responsibility for controlling aircraft noise pollution has been entrusted to the Federal Aviation Administration. Under the Federal Aviation Act of 1958, the National Environmetal Policy Act and the recent Noise Control Act of 1972, the FAA has been given a broad legislative mandate to tackle the problem of aircraft noise. Yet, the most recent comprehensive report on aircraft noise, issued by the Environmental Protection Agency last July, stated that:

> There is now no comprehensive plan for reducing aircraft noise.

This report confirms the feeling I have had since I have been in Congress attempting to find a solution to the jet noise problems that plague my own constituency. The FAA simply has been dragging its heels and has not used the authority it has been given for implementing and enforcing jet noise abatement measures. This is particularly disturbing in view of the fact that the Federal Government has preempted much of the area of regulation that would allow cities and local governments to control noise impact from aircraft. This was essentially the decision handed down by the Supreme Court in Luther against Burbank.

The FAA's laxity and lack of interest has been brought home to me on several occasions in trying to work with the FAA Administrator on particular problems associated with Kennedy and La Guardia. For instance, at a meeting I held last summer with representatives from the Environmental Protection Agency and Members of Congress, no representative from the FAA bothered to attend, although an invitation had been extended well in advance. Their absence from the meeting lent emphasis to the remark made by the EPA that:

> The spirit of cooperation between the EPA and the FAA (in the area of jet noise abatement) has not filtered through the FAA bureaucracy.

The FAA's unwillingness to take the lead in establishing and enforcing strong noise control measures has led to the current jet noise dilemma we now face.

Mr. Speaker, I believe that if we are ever going to have a comprehensive plan for jet noise control, it will have to come from the Federal agency that is concerned about the environmental, physiological and psychological dangers inherent in aircraft noise—namely, the Environmental Protection Agency. Consequently, the first bill I am introducing will transfer the responsibility and authority for controlling aircraft noise and sonic boom to the Environmental Protection Agency.

The bill in addition sets up a specific time framework for the issuance and implementation of noise control standards. No later than 1 year after date of enactment of this bill, all aircraft would have to abide by regulations that would be on the books and enforced. The bill gives to the EPA final say over what the standards will be and how they are enforced; that is, no exemption could be granted without the EPA's approval. The bill is an attempt to reorder the Federal Government's sense of priorities in dealing with aircraft noise, so that the health and well-being of the American public stands in the forefront of all considerations.

According to the EPA, the Aviation Advisory Commission and virtually every reliable source on jet noise abatement, one of the most efficient, effective and economical methods for securing immediate relief from aircraft noise is through the installation of noise suppression devices on the older aircraft that fly daily in and over the United States and which will not be ready for retirement until sometime in the late 1980's. Consequently, the second bill I am introducing provides for a program of Federal financial assistance for the installation of noise suppression devices, which is a process known as retrofitting. The bill authorizes $700 million over a 5-year period for assistance to air carriers for installing noise suppression devices on older aircraft. We are talking about approximately 2,000 aircraft which need and can benefit from retrofitting, the princpal offenders being the B707's, 727's, and 737's, the DC-8's and 9's and the BAC111's. I might add that a recent EPA release notes that the major airlines are now heavily relying on these older and noisier aircraft in order to conserve fuel. Estimates prepared for the Aviation Advisory Commission suggest that "noise reduction from retrofitting will be quite substantial, and EPA confirms in their latest report that it should take no longer than 5 years to retrofit the entire fleet of older aircraft at a cost of no more than $700 million total. Under my bill, it would be unlawful for any air carrier to operate a craft that has not been retrofitted at the end of the 5-year period.

I have also reintroduced this Congress my bill to ban foreign SST's from flying into or over the United States until Congress approves findings by the EPA that SST operation will not have a detrimental psychological or physiological effect on persons on the ground and will not have detrimental effects upon the environment. As you know, Congress has refused to subsidize further development of an American SST. It seems to me we apply a double standard if we allow foreign SST's into this country to wreak the possible havoc which we refused our own aircraft to do.

I will be asking for hearings on these proposals, as well as soliciting the support of my colleagues in the House. In particular, it is time for Congress to reassess the role which the Federal Aviation Administration has played, or rather has failed to play, in the area of aircraft noise abatement, and act to transfer the authority for noise control to the agency which will be more likely to respond to the environmental, psychological and safety threats of aircraft noise. If this action were to be taken, or if my retrofitting bill were enacted during this Congress, we could conceivably minimize jet noise impact by 1980. Waiting for the FAA to act and continuing to live with the noise conditions that now exist is an alternative which neither the Congress nor the American people can afford to tolerate.

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL BEFORE NATIONAL PRESS CLUB

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 15 minutes.

Mr. HENDERSON. Mr. Speaker, at noon today, my good friend MORRIS UDALL, a senior member of the Post Office and Civil Service Committee addressed the National Press Club here in Washington on the subject of the U.S. Postal Service. I ask unanimous consent that his address be printed here in its entirety in that it contains information of considerable import to this body.

I want to associate myself with the statement made and opinions expressed by my colleague, the gentlemen from Arizona. Like him, I labored in the vineyard in support of postal reorganization. Like him, I supported this measure during a Republican administration, taking in good faith assurances given to us that it was the aim and goal of that administration to remove politics completely from the Postal Service.

Some people now suggest that maybe we should put the politics back in. Mr. UDALL does not buy that proposition and neither do I; but I agree with him that without substantial alteration of the present administrative framework, changes can and should be made to improve the Postal Service.

To the extent that legislative action may be required to accomplish these changes, I will work with Mr. UDALL and other like-minded colleagues on the House Post Office and Civil Service Committee to bring such legislation promptly to the House floor.

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL, NATIONAL PRESS CLUB, WASHINGTON, D.C., JULY 29, 1974

Somewhere, I ran across the anguished prayer of an anonymous politician: "Oh, Lord, give us the wisdom to speak gentle and tender words, for tomorrow we may have to eat them."

The subject I will address today is one I approach in sadness, humility and a touch of anger.

Sadness because of a broken dream.

Anger, because a few men have lacked the vision and dedication that might have brought the dream closer to reality.

And humility—because I must admit I was too optimistic.

In just two weeks, we will mark the fourth anniversary of the signing of the Postal Reorganization Act of 1970.

August 12, 1970, was a day of optimism for me. The President's signature on the Act marked the climax of more than two years of intensive work, in which I was an enthusiastic participant. Many persons, inside and outside of Congress and the Post Office Department, private citizens and spokesmen for two Administrations, had contributed to what was a truly bipartisan reform effort. Though we had approached the problem from many different angles, we had converged on a common point that emerged as the Reorganization Act.

Our dream was somewhat like that of Franklin Roosevelt's in proposing the Tennessee Valley Authority: In 1933 he said Congress should create "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise."

We did not exactly achieve such a plan. But we thought we had come close. We felt we had devised a mechanism that had great potential.

The best minds in the field had faith in what we had done. Postmaster General Winston M. Blount, and most of his living predecessors, were present for the bill-signing. Hopes were high.

Nobody predicted either overnight miracles or long-term perfection. But we did expect measurable improvement within a reasonable period of time.

During debate in the House on August 6, 1970, I told my colleagues, "There are cynics and skeptics who believe this new postal organization will fail. No one can say it will not. But I have high hopes."

I said the main thing was that the old system was not working and we had no choice but to try something else. Then I predicted, "During the coming years, I am sure modifications will be necessary, omissions will be discovered and corrected." But Congress could take care of that when the time came, I said.

Well, the time has come. It was three years ago this month that the United States Postal Service came into being. Three years of the new management team is a long enough trial period. And my disappointment cannot be contained.

During the past three years, I have often kept silent when I felt like speaking out. I have given my support when my doubts were rising. I have felt the sting from colleagues who followed my advice in those days of 1970, and who now feel misled and cheated by a postal service which seems to get ever worse. I have counseled patience when my own patience was nearly exhausted.

I wanted—and still want—to believe in the system we had created. After all, it was the product of one of the most intensive examinations of a government service ever conducted, involving the work of a highly talented Presidential Commission, aided by numerous private consultants, endorsed by nearly every living Postmaster General, and by two Administrations of opposite parties. I was impressed by these people—people like Lawrence O'Brien, who gave the problems of the Post Office Department his greatest effort and dedication, both as Postmaster General and later as co-chairman, with Thruston Morton, of a citizens' committee dedicated to reform.

I believed that the House Post Office and Civil Service Committee had done an outstanding job, and that the final product, hammered out on the floors of the House and Senate, represented the best combination of the ideal and the possible that the legislative process could produce.

So, I have waited and watched. And now the time has come to speak out.

Four years have gone by and I no longer have much hope. The time has come to say that the system we created isn't working, and it is now painfully clear to me that there are no solid improvements in prospect. This bright new machinery, under this present management, simply isn't flying.

It is as if we had built an engine with eight cylinders, four ran beautifully but the other four blew out, and the operator had never looked at the manual.

We designed politics out of the system, and insofar as we eliminated the political appointment of postmasters and, promotion of upper level supervisors, we largely succeeded. But when it came time to issue the first quarter-million dollars in bonds, I was horrified and felt almost betrayed to discover that the old Wall Street firm of Peter Flanagan, White House business liaison and operator-at-large, got part of the business. And then when they picked the lawyers to handle the lucrative legal work related to the deal, they blatantly picked none other than the old Nixon-Mitchell law firm. And when I complained, they behaved as though they couldn't understand what I was talking about!

This was one of the early jabs of disillusionment I felt, but there were to be more. It was the first clear sign of politics and cronyism, of a far more vicious and destructive sort than the lower-level kind we tried to eliminate, creeping in the back door.

We gave postal workers collective bargaining, and we have avoided much of the widespread employee discontent that plagued the latter days of the old system. But we have yet to see the emergence of the truly well-motivated work force that is essential if we are ever to achieve the kinds of productivity increases that we need so badly.

We have seen some progress in construction of new postal plants and in the introduction of some modern equipment. But there has been a stubborn inability to approach any meaningful level of automated efficiency.

I should add that the merits of some of these construction projects are somewhat dubious. For example, one feature of the bulk-mail program is that the building company headed by former Postmaster-General Wilson Blount is sharing in them to the tune of 90 million dollars, about 10% of the total construction program.

We took rate-setting procedures out of the hands of Congress. But the public still considers postal rates to be too high for the quality of service received.

It seems that for every success there has been at least one failure—and some of the failures have lacked a redeeming success.

So, what are the choices? What do we do? I can see a number of alternatives, but I have to say none of them is very good. We can't turn back the clock. My optimism of 1970 won't rise again.

For one thing, I now have deep doubts that any public service monopoly can function efficiently in a society and an economy as complex and dynamic as ours. The forces of powerful labor unions and the pressures of rapid changes in society's needs and demands may be too great.

The Postal Service and all its troubles aren't, after all, unique. Those who've tried to get a plumber or have had a TV or washer repaired know that even in straight private enterprise fields service is lousy. And a casual look at the other more-or-less monopolistic public or quasi-public service industries that serve us—or which we wish would serve us—tell the same doleful tale.

The nation's railroad system; public education; law enforcement; sanitation; urban bus and taxi systems; some of the privately owned utility monopolies; even fire departments and the mundane agencies of urban government—each has shown a tendency in recent years to become balky, inefficient, heavy bureaucratic, unresponsive, even rebellious. Why? I doubt that anyone has all the answers—if they have, why have they not come forward with the solutions?

But I see some common denominators here that may help explain some of the basic causes of trouble. One is that these are all monopolies. And, true to all our capitalistic phobias about monopolies, they tend to do as they please when they discover they have no real competition—and this is compounded, the bigger and more vital they get.

A second common-denominator I see is that these public service monopolies tend to be highly labor-intensive. When we say the public service agencies and utilities are monopolies, what we are saying in large part is that the workers in those fields have a monopoly. They know, on one hand, that they can put tremendous pressure on public executives and legislators when they want to, usually when they want their way in a dispute over a labor contract. At the same time, given the lack of competition, they have no really effective source of outside pressure to make them perform in the most responsive manner for the public. The only way they can be brought to act responsively and responsibly is by making them feel motivated to do so. And the necessary motivations and inventives have too seldom been provided.

So, one possibility is to chuck the whole thing overboard and go back tdo the old system. There are those among my colleagues who would like to go this route. Some of them, in nostalgia, think those were really the good, old days when a presidential patronage system and its corresponding party in Congress substantially controlled and managed such a major enterprise.

But we have been down that road already. And the results were disastrous. No evidence can persuade me that a 535 headed Congress can exert effective control and make the system work now, when congressional control failed so miserably before.

Back in the "good, old days," we had severe and repeated labor discontent. We had politics intruding in all sorts of places where it didn't belong. We had annual rate battles and bottom-of-the-barrel financing of postal construction and improvement projects.

One of the men who had the burden of trying to run the system. Larry O'Brien, said during those days that the Post Office was "in a race with catastrophe." He was right, and despite reorganization, the system still is not winning the race.

Think of the problems we would have today if we had not changed.

We would have continued to have all the problems I just mentioned, and on top of that, the present Administration (or a Humphrey Administration, had 1968 gone differently) would have had time to load the system with 12,000 patronage postmasters!

There is a commonly made assumption that is never challenged and should be. That is, that if we had kept the bankrupt old system, it would somehow be giving us good or at least better service than we're now seeing. The critics of the new system simply forget how bad things were deteriorating when we tried to change them. We knew the old system was wrong, and it would have been wrong to keep it. The critics seem to imply that two wrongs would have made a right.

I think we can agree that things would not have been better if we had left things as they were—my guess is they might well have gotten worse. The problem is that they have not gotten enough better—quickly enough.

So, if the old way is not the solution, what about the other extreme? We have gone part-way to independence, creating a special agency of the Federal Government, not cut loose from government apron-strings, but on a longer tether. Why not follow the advice of the free-enterprisers and completely sever most of those strings?

Take the suggestion of Congressman Crane, for instance, and invite competition and free enterprise. After all, some private carriers are doing quite well, despite (or perhaps because of) the presence of the near-monopoly of government in this field.

In some areas of mail service, private enterprise probably could do a better job. But at what price? The rural areas where customers are far-flung would suffer immense cost increases. Many publications and non-profit organizations, which the present system subsidizes, would also suffer dearly. I see these as serious arguments against putting postal services entirely in the hands of private enterprise.

Yet, if what we had in the past didn't work, and what we have now isn't doing any better, we should not rule out any other alternative without at least giving it a full and fair hearing. We have come to a point where we must keep an open mind, reevaluate all the old assumptions, and make room for some new approaches. I won't accept private enterprise right now as a solution; but I won't entirely rule it out as an eventual option, either.

There is also a third choice; it isn't very promising either. It is to take this new, malfunctioning machine that we built four years ago and remodel it—redesign some of it, give it some new working parts.

And, one more very important change—give it a new pilot and flight crew, a new management team that understands, better than the present one, what we are trying to accomplish and how to operate it.

A central reason for the failure of the new postal system to rise to our expectations has been, I am convinced, the failure of those who were placed in charge of it to fully understand how it was to function and what would make it go. Its managers never really grasped the concept we had.

Neither the present Postmaster General nor his predecessor, with both of whom I had good personal relations, demonstrated the range and depth of vision that I believe was called for, to translate the blueprints we drew in Congress into a fully and efficiently operating system.

The managers who were put in charge of it were mostly good capable men with commendable records as managers of private industry. They were honest, decent men; but, they never fully understood what we were trying to do. They never were able to shift gears, and make the change, from running a business to running a public service.

They and the board of directors that were brought in with them suffered from terribly narrow conceptions of the postal system. They were unable to grasp the central fact that they were running a highly labor-intensive industry. Labor accounts for something like 85 per cent of the dollar cost of the Postal Service. This they have failed to understand. Under these circumstances, the central, most vital single job of management is to devise methods of bolstering employee morale, incentive and productivity.

Yet, who has been in charge, attempting to lead this army of nearly three-quarters of a million people? The present Board of Governors includes a rancher, the head of a refining company, a former university president, a dentist and real estate developer, the head of a cosmetics company, a retired telephone company director, a banker and financier, and an oil company executive, plus the Postmaster General, the retired head of a container manufacturing firm. The experience value of these backgrounds appears to be of little relevance to trying to run the Postal Service.

These are men who have experience of essentially two kinds: they either come from highly mechanized industries, or from the financial world. They know how to manage machines and money, but not enough about managing men.

Their backgrounds seem to have hindered more than helped.

Most of these people are beyond their most active and productive years. They had given their best efforts to their private pursuits before coming to the Postal Service.

They come from the same narrow world of the big corporation. At the top of an organization that counts heavily on blacks and females as employees, there is not one female and the one black member is hardly representative of the rank-and-file blacks who handle the mail every day and who make up 40 per cent of the postal work force.

Such a lack of breadth and depth at the top is a severe handicap. But narrowness and shallowness are not the greatest handicaps that have hobbled the Postal Service's leadership. The last couple of appointments to the Board of Governors have carried the unmistakable taint of political influence. It is well known that powerful Members of Congress have in effect nominated, and the White House, through its ability to pull the strings and control appointments, has confirmed selections of members of the board.

So, what are the rewards of this kind of manipulation and political cronyism? For one thing, we get a leadership that totally lacks the ability to try new methods and explore new approaches to the difficult tasks that confront the Postal Service. The leaders of this sluggish army fail even to consider methods that others have tried and have found to work.

Consider, for example, the business management techniques lately being employed in other industries and in other countries. To cite just one example that has captured attention not only in business circles but in the popular media, the Japanese have developed management techniques that might potentially be highly effective in the Postal Service, but which to the average American corporate executive turns everything upside-down. It goes against the very grain and current of American management practice to give the initiative to people at the bottom of the management ladder, yet that is exactly what Japanese managers do, and at least one recent study has shown their methods significantly superior to ours.

Newsweek magazine recently published a report on the differences between the two systems and the successes the Japanese have had, even when using their methods in the United States, with American workers. To quote one management specialist named in the article, "The Japanese simply outmanage us when it comes to people. We've done very well coping with the inanimate elements of management. But a shocking number of American managers are really inept in dealing with people."

I don't know that the methods of the Japanese, or of other countries or industries that could be examined, would bring big, immediate improvements in the performance of our postal system. But, it reveals a basic narrow-mindedness that the managers of the system have failed even to give the thought some serious consideration, and perhaps a field trial or two.

Another glaring deficiency, which indicates to me how the present management has failed to recognize the dominance of the human side of the Postal Service, is the lack of emphasis on having a good staff, or a director or two, who fully understand public service labor unions and how they work.

No matter how many billions of dollars are spent on machines and buildings, they won't do the job without also dealing with the human side that is 85 per cent of the system.

Besides being too homogeneous, too lacking in the kinds of background, experience and perspective that were called for, the board of directors has fallen down in fulfilling what should be one of its main functions: to stand up to the management of the system, to challenge its judgments, to stimulate new thinking, and to continually press for creative and appropriate solutions.

One reason for this is that the board of governors has been, in effect, hand-picked by the White House and management—with the unfortunate help of some congressional stringpullers. As a result, it has served as a rubberstamp, a tool of the management it instead should be prodding and challenging.

I doubt that any of these men have ever been out in the work room when the mail rush is on, or has known a postal worker as a friend.

The board of governors should be part gadfly, part guiding light. Part coach and part umpire. It should include men who understand managing a system such as this; but it also should include spokesmen for the interests the system is there to serve and with whom it must deal—mail users, citizens, postal workers.

But the Board of Governors can not carry the load alone. They must have top managers who also understand what we are seeking and know how to achieve it. There have been some excellent appointments among the top managers to date—but these have been the exception rather than the rule. Too many of the senior managers, both past and present, do not seem to understand the mission of the public service, which is precisely: to serve the public with efficient, reliable mail service. The Postmaster General and his main aides must understand that this isn't American Can Company, but a public service arm of government. An agency that is not here to turn a profit, but which hopefully can break even, and which has as its chief task to deliver the best possible service.

There have been lesser problems which also have contributed to the overall difficulties.

One has been an extremely high turnover rate among management personnel. We all have experienced the effect when there is a new letter carrier on our route—it slows down the mail for a few days. When there is constant change in personnel at the top, it has a similar effect, but with far wider ramifications.

Finally, we have seen some cases of extremely bad judgment on the part of top-level management. If the reports that have become public in recent weeks about cronyism and favoritism in the sales of bonds, the buying of equipment, the letting of contracts, are true, then it is a double tragedy.

It is a tragedy because it is yet another rip in the lately tattered moral fabric of our government. And it is a tragedy because men who were entrusted with a job that is vital to the commerce and communications of their country placed self-interest above that trust and thereby held it in contempt. Had they been dedicated to getting the job done the best possible way, they would have acted otherwise.

But hand-wringing and mourning the failures of the Postal Service will not correct its problems. We need strong practical measures.

Many men have worked hard and with great dedication to try to reform this postal system, to create the new agency and start it down the road. Men like Chairman Dulski and Congressmen Jim Hanley and Charles Wilson of the Post Office Committee, and Tom Steed and Howard Robison of the Appropriations Subcommittee on the Post Office, who supported passage of the bill, wished it well and worked hard to give it the financial tools to work with in its infancy.

In the Postal Service itself, we have had the full support and dedication of some fine and able men as well. General Counsel Lou Cox, Senior Assistant Postmasters General Ralph Nicholson and Edward Dorsey, Assistant Postmaster General Norman Halliday—these men and others have struggled against great handicaps to try to make the new Postal Service fulfill the hopes and intentions of its authors and supporters.

These men deserve every effort we can put forth, in recognition of what they have given, to try to correct the flaws that have become evident over the past four years, to try to make right what they believed in.

I for one feel a strong obligation to make what suggestions I have, if only because of my share of the responsibility for shaping the Reorganization Act.

Here are some steps I believe might improve upon the present structure and functioning of the Postal Service:

First, I have never been satisfied with the composition of the Board of Governors. We should keep it at its present size—nine members plus the Postmaster General and his Deputy. But I believe we should diversify the backgrounds of those members. We should consider including representatives of labor, mail users, perhaps Congress. While I have pointed out the Postal Service's heavy dependence upon human labor, it is important further to recognize that a large portion of that work force has been traditionally black. We should consider this, too, in choosing members of the Board of Governors.

In connection with this reform, I believe the independence of the board is essential to a healthy spirit of creativity and open-mindedness. Giving the board its own small independent staff would be a step toward this objective.

Second, we must clarify and tighten up the rules for recruiting, hiring and compensating high-level management personnel. Though local postmasters are now recruited from the ranks of the work force, too few career postal workers have been placed in top management positions at the headquarters level.

Congress should specify the number of employees that are permitted in the $36,000-and-up salary ranges and require more strict justification for placement of personnel at those levels, and for outside recruitment.

Third, there should be Congressional action mandating that the Postal Service follow the contract-letting procedures required of other federal agencies under present law. When we wrote the Postal Reorganization Act, we deliberately exempted the Postal Service from these requirements. For the most part, I am told they are followed anyway, and I assume they are.

But the past four years or so have brought to American government some of the most discouraging examples of cronyism in a long, long time. We have learned of case after case in which public officials apparently just didn't understand that a public servant doesn't give government business to a favorite friend, just because he is a friend. Sadly, the Postal Service has not escaped these subversions of the public trust.

I have already mentioned how Peter Flanagan and the old Nixon-Mitchell law firm got a piece of the action when that first quarter million dollar bond issue was sold. The buddy system was at work with a vengence. James Hargrove, at the time a senior postal official, admitted that he and Flanagan were pals.

But I wouldn't want to leave out the fact that William Simon, who has risen from Nixon fund-raiser to manager of the public purse as Treasury Secretary, was previously connected with another firm that was favored with a chunk of the business.

There have been lesser examples; instances of contracts being let to firms that either previously or subsequently employed Postal Service officials.

In recent weeks we have seen a stream of news articles alleging a variety of questionable acts by high officials. These charges and revelations only serve to send employee morale plumetting lower while heightening the public's sense that it isn't service that counts after all, but promotion of personal gain.

When Congress exempted the Postal Service from the usual contracting and procurement restraints, it was done in the hope that this would provide a flexibility that would promote faster improvement in service. We gave freedom, but we did not intend free wheeling and dealing. It is time to pull in the reins.

Even if we could be assured that only the highest principles would govern future business transactions by the Postal Service, we must show the public and the postal work force that Congress won't stand for any more favoritism. Giving your pals the contracts may be the way private businesses operate—it may even be alright in the private sector. But public agencies can not be allowed to run that way.

It is disturbing that we turned to business to provide the management and leadership, and business has let us down. The reason may be that the Postal Service is a hybrid, only part business and the rest government bureaucracy, existing chiefly as a public service institution. This is a far more difficult kind of institution to manage than a private corporation. Being confined by requirements such as competitive bidding doesn't make it any easier.

But this only demonstrates and underscores the need for top-flight management that possesses a rare combination of know-how in both business and government, that understands politics, and has the knack—so critical in a labor-intensive organization—of managing and motivating people.

Fourth, Congress should adopt the rate-setting safeguards contained in the House version of the Reorganization Act, but modified in conference with the Senate. The Congress, under this provision, would retain veto-power over rate increases. This is one of the most emotional aspects of postal operations, and one in which I feel the public wants its elected representatives to have a final say.

Fifth, I believe the time has come for the American people to decide whether they want total freedom of variety in the form of the mail they send or whether they are willing to sacrifice some of this freedom—which seems to verge at times on anarchy—in exchange for greater efficiency.

We should carefully explore the feasibility of creating a new type of First Class Mail, which would be sent in standardized envelopes, possibly containing pre-printed Zip Code spaces that a machine could find and read. This would be strictly a private-letter class of mail.

This is not a new idea. Great Britain uses a standardized mail system somewhat of this sort. It is optional, but it goes at a reduced rate. We already follow a plan somewhat like this in the International Postal Union's letter system, with the dimensions of letters required to fall within a standardized range.

What logic is there in having hundreds of possible sizes and shapes of envelopes, and then wondering why we can not have automation? Variety may keep life interesting, but it keeps the life of the postal worker confusing and frustrating. Americans should decide whether they want good service or every size and shape of envelope the human mind can devise.

Please note that I am not even suggesting that all mail should be standardized. I am only talking about what is sometimes referred to as "Aunt Minnie Mail," personal letters. Yet, this accounts for fully one-fifth of all 1st class mail—about 10 billion letters a year. It would seem that finding a way to automate its handling would not only speed its delivery, but ease the burden of handling the other four-fifths.

While investigating this proposal, we should also consider freezing the postal rate for this kind of mail at the present 10 cent rate, for a fixed period of time, to avoid further increases in the cost of writing to Aunt Minnie.

Sixth, I believe we should seek the support of the postal workers in trying out, on a limited, pilot-test basis, a variety of incentive plans. These could range from piece-work incentives (extra pay or benefits for handling or delivering more than some reasonable average number of pieces) to off-the-job benefits such as family recreation programs, group vacation plans and other ideas that would serve as fringe-benefits while building esprit de corps.

The Postal Service is not designed to make a profit—Heaven knows, we wish it would break even—so it would be difficult to attempt a profit-sharing incentive plan. But perhaps there are ways we could tie some employee benefits to improvements in efficiency and reduction of costs. This, too, should be at least explored.

Seventh, I believe both the Postal Service and the public deserve to know where Congress stands on the question of postal service standards. Congress should adopt a clear-cut statement on the levels of service it expects, both in speed of mail delivery in the various classes and in the services delivered at the Post Office window and to customers along the route.

True, writing this down in the book won't guarantee that these service levels will be met. But they will provide a guideline and a yardstick that should help the Postal Service in its attempts to raise its levels of performance, and help the public measure its success.

Eighth, finally, the general public is doubly frustrated in attempting to cope with the problems it perceives in the Postal Service.

Besides being frustrated when the system doesn't perform as well as the public thinks it should, citizens are frustrated when they attempt to express their frustration.

They complain to the local letter carrier and the hometown postmaster, who say they are doing the best they can, but policy is set in Washington. So the citizen writes his Congressman, and is told that Congress doesn't run the Post Office anymore. There was good reason for getting Congress out of the everyday operations of the postal system. But the Citizen still deserves to have a voice in the system.

To achieve this, I would suggest creating local citizen mail-users' councils, to meet regularly and discuss the operations of the system, to have a say in changes in policy and procedures before they are put into effect—in short, put to a productive use the public's desire to have a say in the system.

We already do this to improve business mail service. The ordinary citizen deserves at last equal treatment.

Besides bringing the public into the picture in an orderly and constructive fashion, these councils would give postal officials a chance to express their frustrations and explain their problems. The result at a minimum would be greater understanding on both sides, and at best could bring some real improvements in service.

I also raise a suggestion that I approach with regret and reluctance. It deals with Postmaster-General Klassen, the man where the bucks stops.

I know Ted Klassen and I like him. His life story is one of struggle and success. I consider him a friend who would welcome forthright advice. He undertook a trying, difficult, second career when he could have the luxury of a leisurely retirement. With bluntness and courage, he has stood up to political pressures, including a good number from the White House. His stewardship at the Postal Service is not without successes. I firmly believe him when he explains that the recent disclosures about a consulting fee he received in the interim between his two tours of duty in high Postal Service posts were in good faith—though I do fault him for a mistake in judgment and for not seeing how the transaction would appear to the public.

And so, not in rancor, but in friendship and with reluctance, I call on him to pick an appropriate time in the next six months when his pending projects are in order—and then to step aside. Not under fire . . . but with gratitude for giving his best, and in the best interest of the things he has worked for. I ask him to go at a time of his choosing—not in failure . . . but in recognition of the limitations of what he can hope to do.

For I am convinced that if the Postal Service is to surmount the unique challenges, it needs a new leader who can see things in a fresh perspective. If the United States Postal Service is to succeed it will take new concepts, attitudes, vigor, fresh thinking, and enthusiasm which he cannot be expected to provide.

The resignation of the present Postmaster General could open the way for an intensive search for an executive of proven talent and experience in a field which may have provided the kind of background needed in this extremely difficult position. We could search for someone with the peak of his—or her—career still ahead. Someone who could bring fresh ideas and vigorous leadership to the task. Someone capable of dealing with the needs of a highly labor-intensive industry that cries out for innovative thinking, new technology, new methods. Surely, somewhere in America, there is a man or woman in their 30's or 40's who can bring a sense of excitement, innovation, newness, change, enthusiasm to this troubled and extremely vital public service. Someone ready to give the best ten years of his or her life to the task, and to show us that we are wrong—to demonstrate that public service monopolies can find new ways to overcome their own handicaps and weaknesses, and can give us efficiency and service.

I am convinced that the choice of the person at the controls is among the most important factors in determining how the machine functions.

So, those are my modest suggestions:

A newly constituted Board of Governors, with wider diversity and viewpoint, greater independence and influence;

Tightened rules for recruiting, hiring and paying top management personnel, with more stress on drawing on career employees of the Service;

Tougher control over the contracting and procurement procedures;

Congressional veto-power over postal rates;

A new, optional, standardized class of mail for personal letters, with automation as a major goal;

Experiments with employee incentive plans;

Congressionally mandated standards of service;

A system of local private citizen mail-users' councils; and

A new, vigorous, innovative Postmaster General.

I am sure others also have ideas, and I would hope that Congress, in the coming months, would give full, open-minded consideration to all of them. I am pleased that the House Committee hearings are now underway and we must not leave any possible solutions outside our investigations. We must not accept any of the old assumptions without challenging them. We have replaced one system that didn't work with a new system, and found it doesn't work much better. We can't afford strike three.

As long as men write laws, laws will be imperfect. If that weren't true, we would have legislated ourselves out of business long ago.

We can only do our best, and then try to improve on it. We did our best with our postal reorganization plan. Now it is time to do better.

FOREIGN ASSISTANCE AND FOREIGN MILITARY SALES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, in the coming few weeks, the Foreign Affairs Committee will be meeting to amend the Foreign Assistance Act and the Foreign Military Sales Act. I anticipate offering a series of amendments to this legislation designed to fulfill two purposes. One group of amendments will deal with our policy toward Latin America—a policy which I believe to be in need of substantial change. The other group is designed to improve Congressional control over expenditures of foreign aid and military assistance moneys.

On May 7, I introduced legislation to repeal the provisions existing in our foreign aid laws prohibiting trade with Cuba. Similar legislation has been introduced by my colleague from Ohio (Mr. WHALEN). I expect to offer this bill as an amendment to the Foreign Assistance Act when the Foreign Affairs Committee considers it. I would like to take this opportunity to discuss the reasons our policy toward Cuba should be changed.

In recent years the United States has committed itself to creating an "era of negotiations" and has engaged in broad efforts to attain détente with the People's Republic of China and the Soviet Union—the leading Communist superpowers. While the United States has courted relations with the Communist giants, our attitude toward Cuba remains one of hostile neglect. I believe we should bring our policy toward Cuba up to date and in line with the general policy of this administration, that of international pluralism. The trade embargo of Cuba and nonrecognition of Castro's regime may have been reasonable and perhaps justifiable in the context of the last three decades, but as the ideological and political tensions of the cold war have given way to an atmosphere of global exchange and international cooperation, resumption of relations with Cuba should be viewed, it seems to me, as a diplomatic imperative.

The maintenance of a trade embargo is no longer justifiable. The embargo has failed in its original objective of coercing Castro by attempting to create economic chaos in Cuba and international isolation of the Castro regime. The embargo has also proven to be a liability in attempts to reach hemispheric unity as it is a constant source of conflict among OAS nations. Finally, this narrow-minded policy has presented economic and cultural exchanges between Latin American nations and Cuba—exchanges which traditionally have been beneficial to all concerned. The embargo has cost us the friendship of the Cuban people and we have lost access to the potentially valuable Cuban markets.

Some observers interpret the continued presence of Soviet military forces in Cuba as an indication of malevolence on the part of the Castro regime toward the United States. But it seems to me that the Russian presence has been forced upon the Cuban people by the insensitivity and hostility of the United States toward that nation. The Soviet military presence can be viewed as an understandable reaction on the part of the Castro government to what might be viewed as a potential threat from the United States. The abundance of Russian aid to the island economy has been made necessary because the United States has closed off traditional avenues of trade with Cuba and has restrained assistance from other nations. But the time is right for change. Both the Soviets and the Cubans appear to be tired of the economic dependency of Cuba on the Soviet Union. Thus, repeal of the embargo would ease international tensions between both the United States and Russia and the United States and Cuba. The repeal would be a welcome relief to the Soviets, to the Castro regime, and especially to the Cuban people.

The Cuban people are not our enemies. Regardless of Castro's politics and the ideological differences between governments, the peoples of the United States and Cuba have been traditionally friendly. It is time to renew this friendship. Instead of fulfilling its purpose to weaken Castro's domestic and international standing, the trade embargo has served only to inconvenience and harm the Cuban people through continued shortages of consumer goods, rationing of all essentials, the poor availability of necessary medical supplies. Moreover, we must acknowledge the fact that Castro appears to have the strong support of the majority of the citizenry of Cuba. Just as we have accepted the legitimacy of other Communist regimes, we must accept that we can no longer justify a policy toward Cuba which is indirectly at least founded on the premise of ending the Castro regime. Hence we must forsake the unproductive policy of long-term economic reprisal, and we must face the fact that the embargo instead of overthrowing Castro, may have strengthened him by enhancing popular support for his regime against the external threat posed by the policies of the United States. Resuming United States-Cuban trade would normalize the Cuban economy and ease the burden of development upon the Cuban people, hopefully earning their goodwill toward the United States and improving the whole of hemispheric relations.

It seems to me as the years pass that only the United States will remain isolated through a continuation of our current trade embargo. Seven Latin American nations have already ignored the OAS resolutions to end diplomatic and economic relations with Cuba. President Luis Echeverria of Mexico is currently traveling throughout Latin America to gain more support for a change of the OAS policy. Even Venezuela, which called for the sanctions against Cuba in 1964 when it felt threatened by the Cuban support of insurgents within its borders, has called for a reconsideration of the 1964 resolution. Other nations, such as Germany, Canada, Great Britain, Japan, Spain, and France, already enjoy the benefits of trade with the island nation. It is now time for the United States to abandon outdated hostilities and tensions and work for better relations among all nations.

CUBA MOVES TOWARD RECONCILIATION

The new Cuban attitude of acceptance of nonviolent social change is summarized in the recent Cuban-Soviet statement, signed by Castro and Soviet Communist Party chief Leonid Brezhnev on February 2, 1974, which states:

> Cuba and the Soviet Union declare themselves in favor of the full validity of the principles of equality, respect for sovereignty and territorial integrity and the renouncing of the use of force and the threat of using it in relations among the nations of Latin America, as well as in the other nations of the world.

Other recent actions of the Cuban Government have indicated that a new responsiveness on the part of Castro to an improvement and possible resumption of relations with the United States. Castro has cut his prerequisites for talks from four to one. Previously he had demanded the following four points be met before any type of negotiations could be considered:

First. The withdrawal of the United States from the Guantanamo Naval Base;

Second. The cessation of what they considered to be subversive U.S. activities in Cuba and Latin America;

Third. The cessation of the role of the United States as hemispheric policeman; and

Fourth. The cessation of U.S. aggression in Vietnam.

Now, the only demand Castro makes—and it is not unreasonable—is that the embargo of Cuba be lifted before talks can be initiated.

Cuban foreign ministrty officials have even expressed a "willingness to negotiate" their position concerning Guantanamo. Moreover, the U.S. volleyball team was invited to Cuba; a delegation from the U.S. Department of Commerce attended an oceanographic conference held in Cuba sponsored by the United Nation's Intergovernmental Oceanographic Commission; the Cuban baseball team played in Puerto Rico for the pre-Olympian trials; and a Cuban delegation attended the International Sugar Conference in New Orleans in October 1971.

The reduction of demands and the informal thawing of relations indicates the increased receptiveness on the part of the Cuban Government toward reconciliation between the two nations.

SOVIET MILITARY AND ECONOMIC PRESENCE IN CUBA

As suggested earlier, United States and OAS policies of enforced isolation have contributed significantly to the Cuban military and economic dependency on the Soviet Union.

Militarily, the early attitude toward Cuba, as indicated by the Bay of Pigs disaster, gave the Cuban Government sufficient cause to seek military assistance for defense. The Soviet military forces on Cuba pose no significant threat to the national security interests of the United States. While the United States complains that the Soviet presence 90 miles from our shores allegedly poses a grave threat to our national security, we should not neglect the appreciable potential threat to Cuban security created by the United States military base on Cuban soil at Guantanamo. I believe that it would be possible to solve, through negotiations with the Soviet Union, legitimate objections to the maintenance of a Soviet military presence in Cuba, especially since the Soviet Union has indicated that it would welcome a warming of relations between Cuba and the United States. Until an improvement of relations occurs, it is difficult to imagine that the Cuban Government will forsake Soviet military aid it views as essential to Cuban security.

Economically, the Soviets are increasingly concerned with the inefficient use Castro makes of the substantial economic aid they provide. The Cubans have burdened the Soviet Union with an annual assistance tab of $500 million. Rescinding the embargo would open international markets to Cuban products, thereby easing the Soviet burden of having to support the island economy and freeing the Cubans from exclusive dependency on Soviet subsidies.

UNSETTLED PROPERTY CLAIMS

One argument that has been traditionally used against lifting the embargo on trade with Cuba are the unsettled property claims which remain outstanding from the expropriations which followed the advent of the Castro regime. I do not think these unsettled property claims remain a significant obstacle to resumption of relations between Cuba and the United States. The larger losses sustained by American corporations were long ago written off as tax losses. What remains are principally relatively small, individual claims, in the range of $20,000 to $50,000. It seems to me that these claims can be negotiated to the satisfaction of all parties, as is evidenced by the agreements Cuba signed with France and Switzerland in 1967 for the settlement of compensation claims of those countries.

THE ARGENTINE SITUATION

Last year the Government of Argentina extended $12 million in credits to Cuba. Included in this package agreement was a deal for 44,000 automotive vehicles produced by General Motors, Ford, and Chrysler subsidiaries in Argentina. The Argentine Government stipulated that if the Argentine subsidiaries of America's big three auto companies did not supply the vehicles, then those firms would lose access to the Argentine market. This pressure caused the State Department to make an "exception" to the trade embargo, allowing the $150 million deal to go through.

In consequence, the president of the United Auto Workers Union, Leonard Woodcock, has deplored the consequences of the U.S. trade embargo, particularly upon auto workers. In a statement printed by the New York Times, Woodcock said:

> If American model cars are going to Cuba anyway, isn't it about time for our government to amend the embargo so that Cuba can buy motor vehicles produced in this country?

BENEFITS OF RESUMING RELATIONS WITH CUBA

The claim has been made that the United States would derive no benefits from improved relations with Cuba. The simplest response to this argument is that the current underlying policy toward Cuba has provided no benefits; and indeed has proven a costly failure. Our attempts to isolate Cuba and transform Castro's politics have served only to further alienate him and to strengthen support for his regime. This policy of isolation has become a source of increasing tension and divisiveness among our allies in the hemisphere. The potential benefits of renewed trade have been sacrificed to an ineffective and outdated foreign policy. We need a new and creative attitude toward relations with Cuba—an attitude to ease international tensions and promote international understanding.

Normalizing relations with Cuba would be entirely consistent with the "détente" strategy pursued by the Nixon administration with other Communist powers. What is more, the economic benefits of improved relations are obvious. Many of our closest allies have maintained trade with Cuba all along, ignoring U.S. attempts to isolate that nation from international commerce. In 1958 the United States exported $546.9 million worth of goods to Cuba, importing $527.8 million, for a net trade surplus of $19 million. There is no reason to believe that the same kinds of economic advantages would not accrue to the United States in the course of improved relations and as a result of the repeal of the trade embargo.

The purpose of the amendment I intend to offer in the Foreign Affairs Committee is simple. It would repeal those existent provisions in the Foreign Assistance Act which constitute undesirable restraints upon normalizing relations with Cuba. The text of the proposed amendment follows:

AMENDMENT TO H.R. — OFFERED BY
MR. HARRINGTON

Page 7, after line 7, insert the following new section:

ASSISTANCE TO CUBA

SEC. 10. (a) Section 301(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2221(b)) is amended by striking out the second sentence.

(b) Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370) is amended—

(1) by inserting "military" before "assistance" the first and third times it occurs in paragraph (1) of subsection (a);

(2) by striking out the last sentence in paragraph (1) of subsection (a);

(3) by striking out paragraph (2) of subsection (a);

(4) by redesignating paragraph (3) of subsection (a) as paragraph (2) and by amending such paragraph to read as follows:

"(2) No funds authorized to be made available under this Act (except under section 214) shall be used to furnish assistance to any country which fails to take appropriate steps to prevent ships or aircraft under its registry from transporting to Cuba (other than to United States installations in Cuba) any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, arms ammunition, implements of war, atomic energy materials, or items of primary strategic significance used in the production of arms, ammunition, or implements of war."; and

(5) by adding before the period in subsection (b) the following: "; except that only military assistance shall not be furnished to Cuba if the President determines that Cuba is dominated or controlled by the international Communist movement".

Renumber the following sections accordingly.

REQUEST FOR MODIFIED OPEN RULE FOR H.R. 16090, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 5 minutes.

Mr. HAYS. Mr. Speaker, I wish to advise my Democratic colleagues in the House that the Committee on House Administration has ordered favorably reported H.R. 16090, the Federal Election Campaign Act Amendments of 1974 and that I have been authorized and directed by the committee to request a modified open rule for consideration of the bill on the floor of the House of Representatives. We will file our committee report on the bill no later than midnight Tuesday, July 30, which, of course, will make it available early Thursday morning. I am making this announcement particularly directed to my Democratic colleagues in order to comply with rule 17 of the Democratic Caucus.

Mr. Speaker, I intend to request a rule which would permit committee amendments and germane amendments regarding campaign expenditure limits, the composition of the Board of Supervisory Officers, definition of terms, public financing of Federal elections, and the consideration of bank loan endorsers as contributors. I will also ask the Rules Committee to require that all amendments which Members may wish to offer to the bill be printed in the RECORD 24 hours prior to their being considered.

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, 15 years ago I had the honor of joining with other Members of this body in approving legislation designating the third week of July as Captive Nations Week, a week in which we seek to remind ourselves of the fate of 100 million east and central Europeans now living under Communist domination, as well as millions of Asians.

Events in international affairs have to

some extent thawed the cold war in these intervening years and now we have entered a period of so-called détente with the Soviet Union.

But "détente" is a somewhat misleading word. As far as it means a hesitation to resort to armed conflict, of course, we support it. But it certainly does not and should not imply that the ideological differences between our two systems are no longer taken seriously.

I am especially disturbed by efforts now under way at the 35-nation Conference on Security and Cooperation in Europe, which is being held in Geneva. One objective of this conference, in the view of the Soviets, who long pushed for it, is the formal recognition by the United States and the other nations of the Western World, of the territorial acquisitions which the Soviet Union made in Eastern Europe following the end of World War II, the lands behind the Iron Curtain, in other words.

Mr. Speaker, I believe it would be a serious mistake for us to acquiesce in these territorial grabs. As we move toward the Bicentennial celebration of our own independence in 1976 we should be especially conscious of the case of those peoples who are still being held captive today under Communist domination. The spark of freedom which exploded into American independence in 1776 still burns strongly today in the hearts of the peoples of Albania, Hungary, Bulgaria, Lithuania, Poland, Czechoslovakia, Estonia, Latvia, Romania, and East Germany. To turn our back on them and spurn their hope and dream of freedom simply because we wish to be flattering to the Soviet leaders would be unfaithful to our proud heritage of liberty and freedom.

Mr. Speaker, we must not renounce the inalienable right of these people to freedom, independence, and self-determination merely to perpetrate détente. What good is détente if thereby we sell out our basic faith in liberty?

THE URBAN MASS TRANSPORTATION ASSISTANCE ACT OF 1974

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am introducing today the Urban Mass Transportation Assistance Act of 1974. By now it is obvious to anyone who has lived through the energy shortage that there is an urgent need for substantially increased Federal assistance to urban transportation systems and services. This country can no longer afford the imbalance in transportation expenditures which has allowed highways and the private automobile to prosper, while our public transportation systems have languished. During a period in which the country has been laced with highways, public transportation has suffered from declining ridership, soaring deficits, and a deteriorating level of service. Yet, since Federal assistance to public transportation was initiated in 1964, the Federal Government has provided a paltry $300 million a year. By contrast, the U.S. Conference of Mayors and the American Public Transportation Association both estimate that a multiyear program averaging $3.5 billion a year, is required.

The justifications for developing more balanced urban transportation services certainly are manifold. Most recently, we have become aware of the enormous amounts of energy which can be saved through greater dependence on mass transportation services. Similarly, damage to air quality and time consuming traffic congestion are minimized by shifting automobile drivers to public transportation services. Finally, we cannot ignore the obligation which our society has to provide transportation services to the poor, the aged, and the handicapped who cannot transport themselves.

However, at the same time that we need expanded mass transportation programs and increased dollar commitments, we must insure improved program performance. Urban mass transportation legislation and programs have been characterized by insufficient legislative direction and consequently, by inadequate program implementation. Clear and concise program objectives have not been delineated in the legislation, causing frequent shifts in policy. In the future we must avoid the inconsistencies which caused the Honorable Maynard Jackson, mayor of Atlanta, to characterize the effect of Federal policy shifts as "somewhat consonant with the idea of our being on the limb and the Federal Government being behind us sawing it off." We could certainly increase the effectiveness of our urban transportation expenditures by incorporating into the legislation our overall objective of attracting more automobile drivers to public transportation and then providing a stable and consistent source of funds to meet this objective.

Clearly delineated program objectives will facilitate far more effective program evaluation and measurement of performance. The Urban Mass Transportation Administration has been in existence for approximately 10 years. Yet Mr. Frank Herringer, Administrator of UMTA, testified:

> Efforts to develop specific quantified measures of urban transportation performance and to set up a reporting system for the collection and analysis of the appropriate data are not advanced enough to enable us to evaluate the impact of the specific capital grants or to rigorously assess the overall performance and effectiveness of UMTA's programs.

This, in my opinion, is most unfortunate. We must develop the data and information necessary to ascertain when expenditures are successful in attracting new riders. However, only if specific objectives are incorporated into the urban transportation legislation can precise and accurate measures of program performance be developed.

Similarly, urban transportation has never included incentives for effective program performance. Without these incentives, it will be very difficult to improve the effectiveness of our urban transportation programs. Increases in assistance should be available to urbanized areas which successfully attract a larger percentage of total trips to public transportation services. In addition, those urbanized areas which provide transportation services most efficiently and cost-effectively, should be provided Federal assistance for their efforts. By incorporating strong incentives for effective program performance the Federal Government and the American taxpayers are assured of getting the most transportation service for each dollar spent.

The bill I am introducing today provides $18 billion of Federal assistance over 5 years, $15 billion of which is new money. The sum of $2.5 billion will be available for expenditure in the first year, with the amount available increasing annually to $4.1 billion by the fifth year of the program. The level of expenditure is scaled upward so that the inflationary impact of the program in the first 2 years is minimized. Phasing in the program also encourages an orderly expansion of transportation services as the need increases, insuring that quality as well as quantity is obtained.

Approximately 60 percent of the money will be allocated by a formula incorporating population and work trips by public transportation. The population and work trips information is already available from the U.S. Bureau of the Census. This formula insures an equitable distribution of funds, responding to immediate and pressing needs of those cities already providing public transportation services and allocating sufficient funds for other urbanized areas to begin providing these services. The formula allocation has the additional advantage of providing a guarantee to recipients that there will be a stable and consistent source of funds.

The formula grants will be available for both capital and operating assistance, with each urbanized area selecting the mix of capital and operating expenditures which provides the most effective transportation service in its area. The provision for local discretion recognizes that each city has unique capital and operating needs, making it impossible to mandate at the Federal level an ideal mix of capital and operating expenditures. Local discretion also avoids the administrative nightmare that would be created by forcing the Federal Government to differentiate between capital and operating expenditures.

Within 2 years of the enactment of the Urban Mass Transportation Assistance Act, the work trips portion of the formula will be replaced by a market share formula reflecting the percentage of total trips carried by public transportation in any urbanized area. This formula will provide clear incentives for attracting drivers from their private automobiles and onto public transportation, for the first time incorporating this important objective into urban transportation legislation.

Supplemental to the formula assistance, $1 billion will be made available annually, at the Secretary's discretion, for assistance in capital projects. This capital assistance is available to those urbanized areas whose unique capital needs cannot be financed through the formula assistance alone. It will also assist those urbanized areas which are committed, or will be committed, to major capital-intensive transportation systems.

In addition, this bill establishes for the first time a mass transportation performance incentive fund. This fund will be distributed to those urbanized areas whose transportation system operating costs and efficiencies compare favorably with the national averages for operating cost and efficiency. The money will be distributed by the Secretary in a manner as to encourage efficient and cost-effective transit operations. Thus, urban transportation legislation will incorporate specific incentives to guarantee that the American taxpayer gets the greatest benefit for each Federal dollar spent on transportation services.

In order to insure the institution of the market share formula and the implementation of the mass transportation performance incentive fund, the bill requires the Secretary to prescribe a uniform data and financial reporting system. This system will provide the information which is essential to insure satisfactory program performance. For the first time accurate and comparable information will be available to measure the effectiveness and efficiency of urban transportation expenditures, thus directing this multi-billion effort toward expenditures which will have the greatest impact on urban mobility.

Finally, the bill provides money for demonstration grants to test the feasibility and advisability of providing fare-free transportation coupons for the poor, elderly, and handicapped. Transportation stamps would make mass transportation services financially accessible for those groups in the population who are dependent on public transportation. Coupled with other programs that the bill requires the Secretary to develop, this provision will insure that greater consideration is given to the transportation needs of these disadvantaged groups.

In summary, this bill incorporates those provisions which are essential to initial efforts to develop an urban transportation policy, including: First, clear delineation of program objectives; second, strong incentives for achieving these objectives; third, financial incentives for efficient and cost-effective program performance; fourth, equitable distribution of available funds, recognizing the uniqueness of each city's transportation problems; fifth, sufficient data and information for effective measurement and evaluation of program performance; and sixth, guarantees that the transportation needs of the poor, elderly, and handicapped are met.

At this point, I include in the RECORD a fact sheet detailing the principal points in the bill.

URBAN MASS TRANSPORTATION ASSISTANCE ACT OF 1974

SUMMARY OF KEY PROVISIONS

A. Funding: a total of $18 billion over 5 years, $15 billion of which is new authorization.

B. Apportionment and use of funds:

1. Mass transportation assistance allocations:

a. Funds distributed to all "urbanized areas over 50,000 population." (See p. 8)

b. Upon approval by the Secretary of applicant's programs or projects apportioned funds can be used for both capital and operating expenditures.

c. A local matching share of 30 percent of the total cost from funds other than Federal funds is required for all projects.

d. A total of $10.5 billion to be allocated by formula over 5 years is allocated each fiscal year as follows, in order to minimize inflationary impact and to increase the monies available as the scope of the transit programs increase.

FY 1975, $1.5 billion.
FY 1976, $1.8 billion.
FY 1977, $2.1 billion.
FY 1978, $2.4 billion.
FY 1979, $2.7 billion.

e. The apportionment formula provides for one-half of the funds to be distributed by the ratio of urbanized area population in a specific urbanized area to the urbanized population in all urbanized areas in the U.S. One-half of the funds would be distributed according to the ratio of total work trips on public transportaton in an urbanized area to total work trips on public transportation in all urbanized areas. (See p. 8)

f. Within two years of the enactment of this legislation, "market share" would replace work trips in the formula for apportioning half of the funds. (See p. 9)

2. Capital grant authorizations:

a. A total of $5 billion for five years, $1 billion each year. (See p. 7)

b. These funds would be granted at the Secretary's discretion on a project-by-project basis as in existing legislation.

c. The Federal share of each project would not exceed 70 percent of the net project cost. (See p. 7)

3. Mass transportation performance incentive fund: (See p. 17)

a. A total of $1.2 billion authorized at $400 million a year for three years beginning in FY 1977.

b. These monies would be allocated in a manner to be prescribed by the Secretary to those urbanized areas whose transportation system operating characteristics compare favorably with the national average and in such a way as to encourage operating efficiency in mass transportation systems and services.

c. The Secretary shall identify and define criteria for measuring operating efficiency.

d. Capital and operating expenses are eligible for assistance.

e. The Federal share shall not exceed 70 percent of the cost of the project.

4. Rural mass transportation assistance: (See p. 19)

a. A total of $500 million is authorized for five years, $100 for each year.

b. These funds would be allocated to States by a formula based on the ratio of non-urbanized population in each State to the total non-urbanized population in all States.

C. Other provisions:

1. Comprehensive transportation planning with State and local review and participation is required for all programs and projects.

2. Designated recipients of funds are decided by the Governor and responsible local public bodies in each urbanized area with concurrence of the Secretary. Designated recipients may be the Governor or a State agency or local public body.

3. Fare-free mass transportation coupon demonstrations: (See p. 28)

a. Demonstration grants for fare-free transportation coupons for the poor, elderly and handicapped are provided.

b. A total of $30 million for use over two years is authorized.

4. Operating and financial data reporting: (See p. 22)

a. The Secretary shall devise, test, and prescribe a uniform data and financial reporting system to be used by all recipients of funds within one year of the enactment of this legislation.

b. Noncompliance with reporting requirements would render designated recipients ineligible for further mass transportation assistance.

5. A new section is provided requiring the investigation of safety hazards in urban mass transportation systems.

SOVIET UNION VIOLATES CONSULAR CONVENTION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, 2 months ago, the New York Times published an article entitled "Harassment Reported at U.S. Embassy in Moscow." The article reported that Soviet policemen have tightened their controls restricting access to the U.S. Embassy in Moscow. Although I was distressed when I read the article, I was not surprised. I visited Moscow in 1971 and saw that condition firsthand then.

Today, however, the denial of free access to Soviet citizens, Americans, and incredibly even diplomats who wish to visit our Embassy in Moscow constitutes an especially grievous affront to the United States. The United States and the Soviet Union are ostensibly engaged in a process of détente—but the Soviet Union tightened its controls on our Embassy in Moscow only weeks before President Nixon visited there.

Moreover, the blocking of access to the Embassy has become increasingly vicious. In June an American seaman who went to Russia in 1962 and was allegedly forced to take out a Soviet passport as a condition of visiting his elderly mother was detained and interrogated for about 15 minutes before he was allowed to enter the Embassy. Only 2 weeks earlier, Dean C. Hoxsey, who claims American citizenship, was dragged away from the Embassy shouting, "Help me! Help me! I am an American!"

After learning that the Soviet Union had tightened its controls around our Embassy in Moscow, I addressed a letter to Secretary of State Kissinger asking him that concrete measures the United States could take to combat this practice. It was my understanding that the denial of access to people wishing to visit our Embassy constitutes a violation of the U.S.-U.S.S.R. Consular Convention. I received a reply from the State Department which states that the convention, while not specifically obligating the Soviets to admit all Soviet citizens to our consulates in the U.S.S.R., does prohibit the restriction of access on the part of American nationals.

Because the U.S.-U.S.S.R. Consular Convention includes no provisions for dealing with violations—other than the general provision that the Convention can be nullified by either party after 6-months' notice—the United States has only raised the question of Embassy access with Soviet officials. I believe that some more forceful and effective actions might yet be taken in order to insure free access to our Embassy. I have addressed a second letter to the State Department suggesting that steps be taken to develop an arbitration procedure to deal with violations of the Consular Convention. I have also suggested that all the Western nations whose Embassies' business has been interfered with by Soviet actions undertake a joint effort to protest and rectify the situation. For not only have foreign diplomats, such as the scientific counselor of the West German Embassy and a Rumanian diplomat, been intercepted as they attempted to enter our Embassy; access to their Embassies is being controlled as well.

According to the New York Times:

> The Soviet authorities have evidently felt unrestrained in handling the issue with tight, round-the-clock police surveillance and checks at the Embassy because neither the White House, Secretary of State Kissinger, nor Congress has shown much interest in this issue.

In light of this assessment, I request that Secretary of State Kissinger continue his efforts to stop harassment at our Embassy in Moscow. I urge that the United States undertake a joint protest with other Western countries in order to rectify this condition, and that the United States and other countries work with the Soviet Union to develop an arbitration procedure to deal with such violations in the future. I also want to alert my colleagues to this unconscionable situation, and encourage them to voice their concern about its continuance.

My correspondence with our State Department follows:

JUNE 27, 1974.

HENRY KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: As you undoubtedly know Soviet militia minutemen have been blocking the access of Soviet citizens to the United States Embassy in Moscow. That condition existed in 1971 when I was there and apparently continues unabated. It is my understanding that it is a clear violation of our treaty with the U.S.S.R., which requires unimpeded access to our respective consulates. What, if anything, can we do other than simply denouncing the practice? Does the treaty have provisions for dealing with such violations, and if so, what are they and have they been employed?

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF STATE,
Washington, D.C., July 23, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of June 27, in which you ask about the problem of access to our Embassy in Moscow.

While the US–USSR Consular Convention, which entered into force in July 1968, does not specifically obligate the Soviets to admit all Soviet citizens to our consular establishments in the USSR, the Soviet militiamen posted in front of the Embassy have on occasion attempted to detain Soviet citizens with legitimate consular business as well as foreign diplomats and even American citizens. The Consular Convention does specify that "the receiving state shall in no way restrict the access of nationals of the sending state to its consular establishments."

The Convention includes no provisions for dealing with violations, other than the general provision that the Convention can be nullified by either party, six months after the other party is informed of a desire to terminate the Convention's validity. While we have not felt it appropriate to take this step, we have raised the question of Embassy access officially with Soviet authorities in Moscow as well as in Washington. I assure you that we fully share your concern about the situation and will continue to seek its rectification.

I hope you will call on me if you feel we can be of further assistance.

Cordinally,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C., *July 26, 1974.*

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Thank you for the letter of July 23, 1974 in which Assistant Secretary Holton discusses the problem of access to our Embassy in Moscow. Although I recognize that it may not be appropriate at this time to undertake actions to terminate the US–USSR Consular Convention, I wonder whether other steps might be taken in order to rectify the situation. The Soviets control the access not only to our embassy in Moscow, but to the embassies of all the Western countries. The Western countries whose nationals and other consular visitors are being intercepted at their embassies in Moscow might undertake a joint effort to protest and rectify this condition. Such an action would be more forceful than a protest by the United States alone. Second, it is unfortunate that the US–USSR Consular Convention includes no provisions for dealing with violations other than the nullification of the Convention following six months notice. Steps might be taken to develop with the Soviet Union and other countries an arbitration procedure to deal with violations of the Convention similar to the ones that we are presently experiencing. If the Soviet Union were then to defy the decisions of the arbitrating body, the Soviet Union would incur the censure of world public opinion. The response of the international community would exert pressure on the Soviet Union to conform to the specifications of the Convention.

I would appreciate your comments on my suggestions. Thank you in advance for your cooperation.

Sincerely,

EDWARD I. KOCH.

VFW POST 2859 OF WOOD RIVER, ILL., NAMED FIRST IN NATION FOR LOYALTY DAY PROGRAM

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, on April 27 I was honored to participate in the loyalty parade and program sponsored by VFW Post 2859 of Wood River, Ill.

I was very impressed with the quality of the program at the time, and I was apparently justified in that opinion because the VFW National Headquarters has informed Wood River Post Commander Rance Oglesby that the program has been declared first in the Nation. This is the second consecutive year that post 2859 has been so designated. A trophy will be awarded to post 2859 during the national convention of the VFW in Chicago, August 19–23.

I ask my colleagues to join with me in congratulating the members of post 2859 on such a noteworthy display of patriotism.

I would also like to include the following resolution recently passed by the Illinois General Assembly congratulating post 2859 on its first-in-the-Nation designation:

HOUSE RESOLUTION

Whereas, The Veterans of Foreign Wars of the United States bands together those who have defended their Country and the free peoples of the world into a National Brotherhood dedicated to the promotion of Americanism and patriotism among the People of the United States and of the State of Illinois; and

Whereas, V.F.W. Post 2859 of Wood River, Illinois and its Ladies Auxiliary have to this end sponsored a Loyalty Parade and Program in that community for the past 7 years and, in 1973, was judged to be First in the Nation for its Parade and Program; and

Whereas, The Veterans of Foreign Wars National Headquarters has informed Post Commander Rance Oglesby that their 1974 Loyalty Parade and Program has been declared to be First in the Nation, based upon a Record Book prepared by the Post and presented to National Headquarters for the Competition; and

Whereas, The efforts of the members of the Wood River Post and the Ladies Auxiliary have, for the second straight year, been rewarded by the National V.F.W. by being named First in the Nation among all of the Posts of the National Organization; and

Whereas, The Loyalty Parade and Program Chairmen, Mr. Earl McGinnis of Post 2859 and Mrs. James England of the Ladies Auxiliary, were charged with the coordination of the finest celebration in the history of the Post, and prepared the Record Book, which was contained in a 12-inch by 16-inch leather book which displayed on its cover a map of the United States in hand-sewn sequins of red, white and blue and displayed the information on the Parade and Program mounted on linen sheets; and

Whereas, The excellent work on the part of the chairmen, the committee and all of the members of V.F.W. Post 2859 and its Ladies Auxiliary was recognized by the judgment that for the second year, they had produced a program which was First in the Nation, and their outstanding efforts on behalf of the cause of patriotism are worthy of recognition and praise; therefore, be it

Resolved, by the House of Representatives of the Seventy-Eighth General Assembly of the State of Illinois, that we commend and congratulate Post 2859, Veterans of Foreign Wars of Wood River and the Ladies Auxiliary upon their selection as First in the Nation for their Loyalty Parade and Program, as exemplified to the National Headquarters of the V.F.W. in the Record Book; and, be it further

Resolved, That we extend to the chairmen and committeo our thanks for their fine work, which has made them for the second year in a row "First in the Nation" among all of the Posts and Auxiliaries of the Veterans of Foreign Wars; and, be it further

Resolved, That we congratulate all of the participants in the Parade and Program for their enthusiastic support, and that we wish for each and every person who took part the best of fortune in future programs and in all of their endeavors on the part of Americanism; and, be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Commander Rance Oglesby and to Ladies Auxiliary President Gladys Lumsden for acceptance on behalf of the officers and members of Post 2859, Veterans of Foreign Wars, and of its Ladies Auxiliary.

THE EDUCATION AMENDMENTS OF 1974

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, H.R. 69, the Education Amendments of 1974, is a long and complicated bill. The Education and Labor Committee, members, and staff, have been working for a full year and a half with thousands of hours of hearings and committee markup sessions, followed most recently by a lengthy period of conference with our Senate counterparts in order to reach agreement on a bill we felt we could live with.

The bill has a great many parts which we feel respond to special needs in the area of education. I feel it is important to point this out, lest this be lost sight of in the more controversial aspects of provisions relating to the busing of students.

I wish to speak particularly of the steps taken by H.R. 69 to make quality education more available to Indian children in a form which takes into account their special language and cultural diversity, and the continuation and improvement of adult education programs.

INDIANS AND BILINGUAL EDUCATION

Indian students have a long unrecognized need for bilingual education. According to a recent Bureau of Indian Affairs survey, three-quarters of the 54,000 students in BIA schools need bilingual education. Past practice has been to throw these youngsters cold turkey into a Dick-and-Jane school setting. The language problem is compounded by the fact that Indian children have two cultures to learn about, in addition to sharing the educational disadvantages common to children from an impoverished, rural background.

The BIA, in schools run by the agency and in so-called contract schools, is already moving toward bilingual education in the early grades. The bilingual education provisions in H.R. 69 should provide impetus and funds to push ahead in this direction.

TEACHER TRAINING

A major problem with providing education that will meet the bilingual, bicultural needs of Indian children is the lack of trained personnel. Both the bilingual education amendments and the amendments to the Indian Education Act provide for education and training programs for teachers, in the first instance for bilingual teachers, and in the second instance for teachers trained to meet the special educational needs of Indian children.

PROFESSIONAL AND GRADUATE FELLOWSHIPS

The Indian Education Act amendments also provide a vehicle for encouraging young Indian students to seek professional graduate training in such fields as medicine, law, engineering, business, and related fields. Too often we find white experts telling Indians how to run their business and their lives. This modest program provides for a maximum of 200 fellowships for Indian professional and graduate students.

INDIANS AND IMPACT AID

Finally, the bill provides that all children living on Indian lands shall be counted as "'A" children for the purposes of Public Law 874 and 815 payments, whether or not the parent or parents hold jobs off the Indian land. Under present law, a school district gets "A" payments for Indian children whose parents are unemployed, but "B" payments—about one-half of 'A" payments—if the parent takes a job off the reservation. I feel this change eliminates an obvious inequity.

ADULT EDUCATION—A SECOND CHANCE

When I introduced the adult education amendments in the House, I spoke of the need to continue and expand our commitment to provide for that second chance for the illiterate, the poorly educated, the adult with yesterday's training for today's jobs. These amendments were included by both the House and the Senate in the omnibus educational bill, and I believe the final agreement worked out in conference moves toward meeting that need.

Briefly, the adult education sections:

Eliminate the Commissioner's 20 percent set-aside but requires that the States use 15 percent of their allotments for teacher training and innovative programs;

Require coordination with manpower and occupational education programs;

Specify the inclusion of institutionalized adults in the target population;

Provide that no more than 20 percent of funds may be used for high school equivalency programs for adults so as to insure a concentration of effort on those with the greatest need;

Lower the authorization to bring it within realistic reach of the appropriation history. The conferees emphasized in their report that this should in no way suggest a diminishment of commitment, quite the reverse, but is an attempt to close the very substantial gap between authorization and past appropriations for these programs.

I believe there is very little controversy on the need for adult education programs. From a purely practical point of view we cannot afford to ignore the educational needs of nearly one-third of the adults in the United States with less than a high school education. The question of providing this second chance for underequipped adults has changed from whether it should be done to how best to do it.

In my judgment, the adult education amendments as worked out by the conferees on H.R. 69, provide a substantial argument for support of this legislation.

In summary, while I have chosen to mention specifically those parts of H.R. 69 dealing with Indian and adult education, I believe that the bill provides new and important directions for making quality public education available to all Americans.

THE PRESIDENT'S ECONOMIC MESSAGE NO SURPRISE

(Mr. DENT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DENT. Mr. Speaker, the only real surprise in the President's economic message to the Nation on Thursday evening was that there were no surprises forthcoming.

It is distressing that there were not any. I am no great admirer of the Nixon economic line of policies, but I expect at least an attempt where an attempt is called for.

I do not claim to be an economic expert. I leave that to some of my more knowledgeable colleagues, some of whom Mr. Nixon might do well to listen to. But I do know a crisis when I see one. And I see one. Several other forces have as well, including the Financial Post, a Canadian publication, and the Wall Street Journal. I commend their comments to your attention:

[From the Financial Post, July 24, 1974]

IT COULD BE OVERKILL AGAIN

Respected economic advisers to President Nixon—and some very influential figures outside the administration—are propounding policies for the U.S. that will fill responsible people with dismay. As reported on this page, they are pushing for really hefty budget cuts and still-stricter monetary policies in an attempt to combat the demon of the moment—inflation.

This is the sort of panicky thinking that spreads like a devastating prairie fire. Balance-the-budget and banks-are-overextended are phrases resurrected from yesteryear which fail to take today's circumstances into account. It is dangerous rhetoric.

Look back. In 1971 and 1972, the industrial countries stimulated economic growth excessively and triggered the inflationary outburst that we are all up against today. Crop failures and a quadrupling of oil prices didn't help. A complete turnabout to excessively restrictive policies—one extreme to another—might stop inflation but it would plunge the world into unemployment and recession. Are the nations that inflated together hellbent on deflating together?

York University Professor Seymour Friedland makes the pertinent point: "The probability is high that anti-inflationary monetary policy will become excessive, reflecting the cumulative effects of most countries following what, individually, appear to be reasonable or even mild anti-inflationary policies."

The killer approach now gaining steam in the U.S. in wrong-headed. In the U.S., as in Europe, first-half economic activity was down. In Canada, growth has slowed. Also, since all economic data take time to come in, U.S. economists don't know whether their economy is moving up again. In Canada, economists don't know to what extent our economy is slowing.

Haggling over domestic policies is leaving precious little time to deal with the real threat to everyone's well-being. As economists at Dominion Securities Harris ominously put it: "Regrettably, the task of the central bankers may be made less onerous if the political leaders of the major Western economies cannot come to grips with the admittedly very difficult problem of coping with flows of Arab money. The resultant major recession would take care of the current inflation, but with serious consequences."

[From the Wall Street Journal, July 29, 1974]

MR. NIXON'S ECONOMIC MESSAGE

It isn't hard to understand why President Nixon's television address on the economy was so weak and aimless. He's between chief economic advisers. He's really still in between Treasury Secretaries, with Mr. Simon globe-trotting these past weeks. He's been listening to his budget people talk politics instead of economics. And he's been distracted by events in the House Judiciary Committee that have a bearing on his future.

So with no commanding voice driving the President into a determined anti-inflation posture, the arguments before him seem to have cancelled each other out. What we have is immobility dressed up as a "steady as she goes" policy. Taxes won't go up and they won't go down. Money growth won't be loosened or tightened. There will be no credit crunch, no wage and price controls. There will be no budget cut of $20 billion, as Mr. Simon proposed. There will be no cut of $10 billion as Arthur Burns and Wilbur Mills urge. There is only "determination" to cut the $305 billion budget toward a "goal" of $300 billion.

While it is certainly delightful to hear reaffirmation that wage and price controls are not live options, Mr. Nixon did not need prime time to tell us that. Instead of telling the American people what he's not going to do to make life uncomfortable for them, he threw away an opportunity to tell them what they surely would accept as valid—that the government has been trying to do too much, too fast, and it is time for belt-tightening all around. How can the public take seriously his plea that it save more and spend less when the government continues to spend more and save nothing?

He could have and should have announced that he would veto, rather than sign as he did the next day, the bill guaranteeing up to $2 billion in loans to the beef industry. He could have announced he will veto the $20 billion mass-transit bill that Congress is working on. He should have withdrawn earlier White House approval of an increase in the omnibus housing bill, to $2.5 billion, and cut that figure at least back to $2 billion. He should have announced withdrawal of his support for any national health insurance proposal. He should have asked Congress to postpone for six months the next increase in Social Security benefits.

Of course there would have been bloodcurdling screams from congressional liberals if Mr. Nixon had done so. But most Americans would understand that the President was not proposing these obviously unpopular actions to win friends and influence impeachers. Presidential timidity in dealing with inflation when only hard, aggressive decisions are in order suggest that sound policy may finally be falling victim to impeachment pressures. The suspicion is strengthened by the President's vague promise to get tough with the budget he presents next January.

Next January might be too late. It will be nice if the current budget outlays can be held to $300 billion, but unless the ax is swung repeatedly and painfully, chances are it will not even be held to $305 billion. And if, as seems likely, corporate profits fall and unemployment increases, the budget deficit could be horrendous. There is no concern in the administration that this is where we're headed. But the concern was not reflected in the President's message.

AMERICAN DAIRY INDUSTRY IN DIRE STRAITS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on June 10, 1974, I addressed my colleagues in the House with regard to the very grave problems confronting the Nation's cattlemen. It is gratifying that so many Members recognized the plight of livestock producers and responded by approving an emergency credit program for livestock producers and by requesting that the administration take other appropriate means to alleviate the problem. Today, I report on a related, and equally serious situation. The dairymen in the United States are faced with imminent bankruptcy because of the expanding foreign imports of milk products, the decline in domestic milk prices, and the rising costs of materials and feed grains needed in dairy production. It is estimated that one-half of domestic milk production goes into products such as dried milk, cheese, and butter that are being imported in great quantities. The result is economic disaster for the American dairyman.

PECULIARITIES OF THE DAIRY INDUSTRY

The dairy industry is highly specialized and offers few opportunities for diversified alternative production to offset declines in prices or demand for the primary product. Dairy cattle are bred and raised to produce milk. The farmer cannot put a cow in mothballs or halt a production line to cut costs. Cattle continue to require feed and care. The only option is to sell the cattle and related equipment and go out of business. We cannot afford to allow our dairy industry to collapse in that manner. The energy crisis and especially the Arab oil boycott have brought home to us the point that we must maintain our domestic capability in essential products.

ACTION REQUIRED

This situation requires immediate attention. Imports of powdered milk, cheese, and butter must be stopped because our responsibility is to the American people, both as producers and consumers. If our dairy industry fails, the consumer will in the long run be hurt through higher prices and shortages. Our dairy producers cannot compete with foreign dairies operating under less stringent standards and supported by major foreign government subsidies. Additionally, the President should sign the Emergency Livestock Credit Act of 1974, which will provide Government guarantees for loans to dairymen as well as beef producers and help them survive the crisis. To provide an insight into the plight of dairy producers, I enter the following telegram from dairymen in Gilmer, Tex., in the RECORD. These ranchers give direct witness that the need for action is immediate and desperate.

I sincerely hope that the Congress and the administration will again respond in a positive manner to this request for assistance.

The telegram follows:

GILMER, TEX., *July 24, 1974.*

REPRESENTATIVE WRIGHT PATMAN: We, as dairy farmers are in a critical situation and at this time face the immediate possibility of losing our dairy farms. This situation has been brought about by the importing of millions of pounds of powdered milk, cheese, and butter. This has lowered the price of milk sold by the dairy farmer to the point that we cannot operate.

Forty-nine percent of the milk produced in this area goes into by-products such as powdered milk, cheese, and butter. These are going into the market now in competition with these imports, thus drastically lowering the prices received by the American dairy farmer. Our milk prices have been reduced to 69 cents less per hundred pounds, and we have been informed that prices will take an even larger drop in the month of August. The estimated drop of $1.00 per hundred pounds will thus create a $1.69 decrease per hundred pounds in two months.

An additional problem facing the dairy farmer is the beef calves raised to help supplement income through the lean months. These also must be sold at a big loss.

We feel helpless, with grain prices and fertilizers skyrocketing, interest rates rising, and milk and beef prices declining constantly. The American farmer cannot compete with the European government subsidy of these imports.

We urge each of you to realize the responsibility you have to the American people. If dairies go under, as many big producers have in the recent past, there will be no possible way to produce foods to feed the masses of people in our country. Our farmer must survive—we cannot depend on foreign imports to feed our people. Over a year ago when grain doubled in price and milk prices stayed at a low ebb, small dairy operations all over the nation were forced out of business. As a result, there is now less milk produced than a year ago. If the government continues to let these imports in, forcing more dairies out of business, milk will become scarce and will raise prices to the consumer.

If these imports do not stop at once, there will not be enough dairies left to produce the milk necessary for our people. Those of you who are not familiar with farming operations may not realize that you cannot produce milk or beef on a thirty day or sixty day order. The dairy industry would take at least six months to produce milk on an average scale and this would only be possible if the farmer could borrow $100,000 and own his own land, thus owning an average herd of ninety dairy heifers.

We humbly pray that you will each realize your responsibility to the people of this nation. The success of the American dairy farmer is necessary for the well-being of our country. If this situation continues, it will be a crisis for all of us. Running the American farmer out of business, as has been done in the beef industry, by importing agricultural commodities, will only create a shortage of food and thus eventually raise the price of food even higher to the consumer.

We cannot depend on foreign countries to meet the food supply of our nation. We feel a case in point would be the Arabian oil situation.

If something is not done within the next thirty to sixty days, many dairymen will be ruined for life, and liable for debts they cannot pay. We pray you will realize the urgency of this matter and act accordingly.

Written by the following dairy farmers:

Charles Tefteller, Emmons Bryant, Ernest Bowers, John Wade, A. L. McCool, James Green, Ronny South, Ronny Denton, Roy Snow, S. L. Davis, Troy Snow, Jack Hollis, Johnny Green, Tommy Smith, William Denton, Z. Z. Gage, Michael Green.

Richard Tefteller, C. R. McCollum, J. B. Carrington, Jim Murphy, Azell Chevalier, James Denton, Russell Green, Fowler Larsson, Travis Schipp, Leo Trimbel, Billy Gray, Joe Jack Lyles, W. E. Emberlin, Roger Irons, Tom Duffey, Jack Brumley, James Tefteller.

Jerry Dixon, Steve Tefteller, Wilburn Tefteller, Wilburn Tefteller, Jr., J. Flake, Carl Wrenn, Tommy H. Smith, Dr. Bob Glaze, Ben Glaze, Don Butts, Henry McQueen, W. Henry Holt, Clifford Clark, Bill Varnado, Hollie McClain, E. C. Hamberlin, Maroni Hamberlin.

INTRODUCTION OF LEGISLATION TO SAVE CLASS ACTIONS

(Mr. **VANIK** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **VANIK**. Mr. Speaker, in several recent decisions, the Supreme Court has crippled the Federal class action suit as a remedy for damages to groups of individuals. I am today introducing legislation to restore the effectiveness of the class action remedy.

In 1938, the Congress codified new Federal Rules of Civil Procedure to replace antiquated and cumbersome common law procedures. The 1938 act specifically made the class action suit a remedy in the Federal courts. Yet, the Supreme Court, in its recent decisions, has shackled the Federal class action with needless technical requirements which have made its availability prohibitive to those who need it most.

The class action has traditionally been used as a device to permit recovery of losses to large numbers of people who have each been damaged to some degree—but not damaged enough to warrant the expense of an individual lawsuit. In effect, it has been a remedy for environmentalists, consumers, taxpayers, and any large group of people trying to protect their rights or interests. Judge Weinstein, an early proponent of the class action device, made a strong argument for the accessibility of this remedy:

> When the organization of a modern society such as ours, affords the possibility of illegal behavior accompanied by widespread, diffuse consequences, some procedural means must exist to remedy—or at least deter—that conduct.

The class suit enables individuals with small claims to band together in a more potent suit—and thereby promotes judicial efficiency by consolidating otherwise separate and repetitious actions.

THE EISEN DECISION

Recently, the Supreme Court held that the Federal Rules of Civil Procedure—including rule No. 23's requirement that notice be given to all known members of the class by mail—must be adhered to in class actions. According to the Court in the recent decision of Eisen against Carlisle and Jacquelin, a class action which fails to meet the requirements of proper and full notice, violates due process. In this case, a class action was brought by an individual on behalf of 6.5 million others who had lost an estimated $120 million because of alleged illegal charges in the sale and purchase of odd-lot stock.

In its decision, the Court required that notice of the suit be mailed to all identifiable members of the class. In the Eisen case, the mailing costs alone would have been $270,000. Obviously, this amount would be prohibitive to anyone whose total individual recovery, if he won his suit, would be about $70.

The Eisen decision will severely limit class actions, where the names and addresses of each class member are available. The decision also washes out any deterrent effect that may exist from the fear of a class suit being brought against a law breaker. This unreasonably strict notice requirement virtually gives a green light to monopolies, which deal in items sold in volume, to violate the antitrust laws. The Eisen decision in effect tells polluters, "Go ahead, contaminate the whole water supply of a city. You are safe from class actions because there is no one who can bankroll the mailing of a class action notice to all the people in the city phone book."

Mr. Speaker, the class action must remain as a viable and effective tool for the use of consumers, environmentalists, and the public at large. The barriers to the class actions created by the Eisen decision must be corrected through legislation. In the Eisen case at the appellate court level, the court recognized the need and propriety of congressional action to save the class action. The second circuit court of appeals stated in its decision on Eisen:

> It should be possible for Congress to create some public body to do justice in the matter of consumer claims in such a fashion as to afford relief to the injured consumer.

AN AMENDMENT TO INCREASE THE AVAILABILITY OF THE CLASS ACTION MECHANISM IN FEDERAL CASES

Justice Douglas, in his dissent from the Eisen decision, stresses the overwhelming necessity for the class action as a remedy to widespread breaking of the law. In his opinion, Justice Douglas describes alternatives to the class action management and notice problems which would comply with constitutional requirements. Justice Douglas quotes language from Federal rule 23(c) (4) (B):

> A class may be divided into subclasses and each subclass treated as a class, and the provisions of this rule shall then be construed and applied accordingly.

The breakdown into subclasses can solve the problems of both notice to each member of the class and the distribution of judgments. Douglas said:

> Class members would be more readily identifiable with more accessible transaction records and individually provable damages.

The breakdown into subclasses can be done in a variety of ways, depending on the subject of the suit. In an Eisen situation, for example, the class can be broken down geographically.

All the oddlot purchasers from the New York City area could be a subclass. In addition, when this breakdown is done on a geographic basis, the argument for notice by publication in local newspapers or by advertisements on radio and television are more compelling.

The Douglas dissent also cites the appellate dissent in the Eisen decision:

> The plaintiff class might, for example, be divided into much smaller subclassess . . . of odd-lot buyers for particular periods, and one subclass treated as a test case, with the other subclasses held in abeyance. Individual notice could then be given to all members of the particular small subclass who can easily be identified.

As Douglas states:

> The purpose of Rule 23 is to provide flexibility in the management of class actions, with the trial court taking an active role in the conduct of the litigation.

The Eisen decision is wholly inconsistent with the flexible and equitable spirit of rule 23 of the Federal Rules of Civil Procedure. Therefore, I am today introducing legislation to permit the court to create manageable subclasses to avoid the constitutional problems of inadequate notice described in Eisen. The legislation I propose today would strengthen the legislative purpose of rule 23. The trial court will be permitted to use its discretion and create a subclass before it dismisses a class suit as being unmanageable.

If this amendment is adopted, I hope and trust that the courts will use the device of subclasses to maintain the life and flexibility of the class action remedy. In our increasingly complex society, the class action remedy is the only remedy for thousands and millions of small meritorious claims.

A SECOND BAR TO CLASS ACTIONS: THE $10,000 INDIVIDUAL JURISDICTIONAL LIMITATION

Another adverse Supreme Court decision on class action also involves an area appropriate for congressional action. The Supreme Court has recently ruled that each member of the class must have $10,000 in damages to fulfill the jurisdictional requirements of the Federal courts. This shocking and weakly supported decision of the Court has the effect of destroying the Federal class action as a remedy to, and a deterrence from, widespread and diffuse violations of a large number of people's rights.

Coupled with the Eisen decision, which I have described above, this action by the Supreme Court completes the destruction of the class action remedy. Most consumer and environmental lawyers now feel that, for all practical purposes, the class action remedy no longer exists.

Yet just as the Eisen decision can be remedied by Congress, I believe the $10,-

000 jurisdictional problem can be solved by legislation.

THE HISTORY OF THE JURISDICTIONAL REQUIREMENT

Title 28 of the United States Code, section 1332(a) states:

> The District Courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum of $10,000.

Of course, nothing in the Constitution requires that any particular amount be in controversy to invoke the jurisdiction of the Federal courts. In fact, the seventh amendment of the Bill of Rights even guaranteed the right of a jury trial in cases involving more than $20.

In the language of the 1789 Judiciary Act, however, the Congress required that $500 be in controversy before a Federal court could hear a case. From the original $500, the amount has expanded over the years and with inflation to $10,000. The congressional enactment of the dollar requirement has been a means to exercise some control over what cases the Federal courts could hear. Its primary design is to limit Federal courts to important litigation.

Despite the establishment of an apparently simple, exact dollar figure, there has been extensive litigation to determine when the amount has been met in cases involving multiple plaintiffs. The Congress has stayed out of this controversy, leaving it to the Judiciary to handle the court's own mechanical rules of administration. A great body of case law has grown around the controversy of when a damage claim can be aggregated to meet the jurisdictional amount required.

The congressional intention to stay out of the controversy about when the jurisdictional amount was satisfied, was demonstrated by the 1958 amendments to title 28 U.S.C. 1332 (a), when Congress raised the dollar amount to $10,000. The entire time the 1958 amendments were before the House, there was not one word in the committee reports or House debates about the whole complex body of rules by which the courts determine when the jurisdictional amount is met in multiple and aggregate claim cases.

In order to give the Federal courts greater discretion as to the types of claims which could be joined in litigation, rule 23 of the Rules of Federal Civil Procedure was amended in 1966 to eliminate rigid conceptualizations and provide a pragmatic definition of when class actions could be maintained. It should be noted that the 1966 amendments also avoided any mention of the issue of aggregating claims to meet the $10,000 jurisdictional requirement.

Prior to 1966, a class action had to be considered as true, hybrid, or spurious before a decision as to whether damages could be aggregated was made. Only in the case of true class actions where the rights involved were "joint and common" was aggregation permitted. These technical and unworkable distinctions were discarded in the amended rule of 1966. The new rule provided that the entire class is to be bound by the Court's judgment. It seems only logical that if the result cannot vary from one number of the class to another, the amount of damages sought is sought on behalf of the whole class. Obviously, to permit aggregation of claims in these circumstances would be in keeping with the rationale of the $10,000 jurisdictional requirement. There is $10,000 of damages, so the Court is not frittering away its time with the trial of a petty controversy.

The first decision concerning aggregation, after the 1966 amendment was enacted, took the flexible approach and permitted aggregation as the Congress intended. Yet the Supreme Court rejected that reasoning when the Snyder against Harris case came before it in 1967. The Snyder case involved a stockholders derivative action against the management of the corporation. The Court in the Snyder case reinstated the clumsy technicalities the 1966 amendment had sought to discard. The Court ruled that Snyder was not a "true" class action because it did not involve "joint and common" claims. The Court therefore barred aggregation to meet the jurisdictional requirement. This decision ignored the whole purpose of the 1966 amendment and ruled as if it had never been enacted. The Snyder decision clearly contravenes the flexibility the legislative framers of the 1966 amendments intended. If consideration of economy, time, effort, and expense all call for the remedy of the class action, then the denial of that remedy because of an arbitrary $10,000 jurisdictional limit per member of the class subverts the original congressional intent of creating the class action procedure.

The courts have continued picking the meat off the bones of the class action. In the decision of Zahn against International Paper Co.—1973—the Supreme Court dealt a near death blow to the already wounded class remedy. In the Zahn case, owners of lakefront property brought an action against a paper mill whose discharge polluted the lake's water. This pollution injured the value and utility of the surrounding property. The action was dismissed as a class action because only the main plaintiffs met the $10,000 requirement while most of the members of the class had damages of less than $10,000 per individual. Snyder was not even controlling here because in Snyder no member of the class met the $10,000 requirement. But in Zahn, the four leaders of the class met the jurisdictional amount required. Zahn was an extension of the question Snyder left unanswered: What if some, but not all members of the class meet the jurisdictional amount required? The answer was than even principal plaintiffs—who had standing to sue—could not bring a class action on behalf of others who had less than $10,000 in damages.

There is no justification for the Zahn decision. If the named members are eligible for the Federal court's jurisdiction, common claims of the class would be decided and there seems to be no justification for dismissing those class members not suffering the minimum $10,000 damage. The Federal case load arguments of Snyder are inapplicable because the Federal court had jurisdiction over the four named plaintiffs in Zahn and will have to adjudicate their claims anyway. Judicial economy is blatantly thwarted by requiring the common claims to be tried separately. Zahn will also needlessly overburden the State courts with the smaller claims.

The Zahn decision also damages the judicial theory of ancillary jurisdiction. Ancillary jurisdiction provides that if a court has subject matter jurisdiction over the case before it, the Federal court may decide ancillary matters regardless of the amount in controversy or the State citizenship of the parties—conditions which are normally the controlling factors in determining court jurisdiction. Under this theory, once one plaintiff has established the required amount, the court may take ancillary jurisdiction over the other members of the class. The purpose is to provide judicial economy, prevent piecemeal litigation of connected claims and to provide more convenience and equitable justice to the litigants. Zahn results in an increase in Federal and State caseloads by forcing the plaintiffs to bring separate actions in Federal and State courts rather than uniting in one suit in one Federal court.

AMENDMENT TO PERMIT THE AGGREGATION OF DAMAGES

Class actions were born of necessity, with the only limited alternative being redundant litigation of the common issues or a joinder of causes of action. A joinder is the uniting of two or more claims or causes of action into one suit; it generally does not involve enough claims to be called a class action. By using a joinder device, the plaintiffs may risk a motion by the defendants for separate trials. The joinder remedy is also limited by the number of feasible joinders.

The cost of litigants, procedural traps, and the drain on the judiciary make both alternatives intolerable remedies.

The class action is less than perfect. Yet just because the class action remedy is imperfect does not mean we should abandon all remedies. It is true that permission to bring class actions may increase court workload in some instances. This inconvenience, however, does not compare with the alternative—that unless class actions are permitted, a small claimant may be unable to obtain a determination on the alleged violation of his rights.

The legislation I propose would allow class actions to serve their dual purpose of giving the resource-weak individual his day in court and of promoting judicial efficiency, as intended by the 1966 amendments to Federal rule 23. The bill I am introducing today would amend 28 U.S.C.A. 1332(a) to provide that in any case permitted to be maintained as a class action under the Federal Rules of Civil Procedure, the aggregate claims for or against all members of the class shall be regarded as the amount in controversy.

CONCLUSION

Judge Weinstein, an early class action proponent, indicates that—

> There are those who will not ignore the irony of the courts ready to imprison a man who steals some goods in interstate com-

merce while unwilling to grant a civil remedy against a corporation which has benefited to the extent of many millions of dollars from collusive illegal pricing of its goods to the public.

The legislation I have introduced today is aimed at restoring the vigor of the class action. Its passage will insure that technical judicial requirements will not bar an individual from having his opportunity to be heard and to seek redress in the courts of law. The Congress has a duty to maintain the vitality of the class action remedy for the American people. At this time in our history, when so many lie vulnerable to the immense economic power of so few, it is unconscionable to remove this one deterrent to abuse of the public. The class action mechanism may be cumbersome, but the absence of the class action will result in no justice at all.

CHILD PRODIGY STILL GOING STRONG

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, a child prodigy, now the holder of an honorary doctor's degree in music from the University of Miami, the composer of 1,100 published songs, for seven decades or more a world renowned composer and concert pianist, is still a very lovely lady, remarkably active and dynamic, living on Miami Beach, Madam Mana-Zucca. When she was 8 years old Madam Mana-Zucca played with the New York Philharmonic in Carnegie Hall. When she was 9½ she played the Chopin Concerto with the Kaltenborn Symphony in New York. Not only has she been a star on Broadway but she has performed all over America. In more recent years, since retiring from the public stage, Madam Mana-Zucca has held many concerts in her lovely home for students of local music teachers, encouraging, and assisting talented young people in the field of music. She can be found supporting every worthy cause in the greater Miami community and she is loved by innumerable admiring friends. A wonderful mother, a charming lady, a musical genius, a woman of great compassion and concern for people. This elegant lady continues to inspire all who know her. She has been my wife's and my friend for decades and we cherish her friendship. All who read the story of Madam Mana-Zucca will be inspired. I ask, therefore, Mr. Speaker, that a recent article in the Sun-Reporter of Miami Beach, Fla., of July 7, 1974, written under the caption, "Hannah's Profile," appear in the RECORD following my remarks:

MANA-ZUCCA: CHILD PRODIGY STILL GOING STRONG

"Young people nowadays are growing up to like bad music. That's all they hear. They don't hear people sing correctly. They hear them shout and yell unintelligible lyrics. The words to a modern song can be 'My hand, my hand, my hand, give me my hand . . .'. Is that a lyric? That's not singing. If they hear a good voice they don't like it because they're used to hearing poor voices from people who don't know notes, they just improvise. They get a double bass to play boomp, boomp, boomp . . . that's their idea of music. All they want is rhythm."

That is Madame Mana-Zucca's definition, dean of piano teachers, a tremendously gifted dynamic little lady with 1100 pulished songs to her credit, recently honored by the University of Miami with a doctorate in music; for seven decades or more world-renowned and respected as a composer and concert pianist. She preaches on key from her personal soap box by Steinway with authority and enthusiasm which could wilt the young folk she is trying to reach with her musical wisdom and erudition.

Not long ago a young musician came to see Man -Zacca and she played one of her newest compositions for him. He said, "Mana, you shouldn't write so melodiously—it isn't being done any more." This sharp little dynamo of the ivories said to the young man, "I have some ultra-modern pieces. Do you want to hear one?" He said, "I'd love to". Mana-Zucca sat down at her concert grand (she has two in her salon) and as she described it: "I played the ugliest dissonances you ever heard". The young man said, "That's magnificent. I didn't know you could write like that". Mana said, "Did you really like it?" He said, "Wonderful". She said, "I just made it up this minute, and I think it is horrible".

Mana-Zucca loves beauty and melody and poetry. She thinks these comprise music. "Maybe I'm old-fashioned", she says, "Just as I don't like to see a face with a nose where the ear should be, with the ear where the mouth is, I don't appreciate what passes for music today."

There has been little dissonance in Mana's life so her sound of music is understandably melodious. She started to play public concerts when she was four years old and when she got an ovation and was asked to play an encore the youngster said, "I'll play a piece by my ear", not even knowing that was composing. "I used to improvise right on the stage", she reminisces. When she was "much older", eight years old to be exact, she played with the New York Philharmonic in Carnegie Hall.

When she was 9½ she played the Chopin Concerto with the Kaltenborn Symphony in New York, and afterwards a distinguished-looking gentleman came over and said, "That was the loveliest playing I ever heard". The little prodigy said, "No, I made a mistake." He said, "I didn't hear a mistake." With the purity of a child's mind she insisted on pointing out her mistake. Finally he said, "You're incorrigible, it's no use. Here's my card and when you grow up maybe you will realize that you only have to say 'thank you'." The name on the man's card was Charles Dana Gibson. While she hasn't forgotten the incident, chances are she still admits to her mistakes. She's that kind of direct, overt personality.

Mana-Zucca's musical genius was recognized, appreciated and cultivated from the time she was three years old. She grew up in an international theatrical fairyland coddled on the laps of notables and prominent personalities of the century while she performed to ecstatic audiences beguiled by this kewpie-doll prodigy.

When it was time for Mana to choose a husband, he was a dashing young merchant prince already an owner of a department store (now Richards). Her gallant groom built a lavish castle for his bride (on what is now the Jordan Marsh parking lot) with a living-room so vast it held two concert grands on a raised platform and still left enough room to seat 300 guests for Mana's Tuesday afternoon musicals. She hosted 525 of these and they became a Miami musical tradition.

In the meantime back in the jungle of Broadway, Sol Hurok, who was Mana-Zucca's manager, had engaged her for a cross-country tour of 60 concerts. Mana had not told him she married Irwin Cassel. Her husband didn't want his love child beating the bushes, barnstorming the wilds of our land for mere money. If she wanted to give concerts he provided a private, luxurious, antique furnished salon with staff. So Mana met Sol Hurok for lunch one day in the Russian Tea Room in New York City and told him to cancel her concerts because she "planned" to be married. Sol Hurok was livid with fury. "How dare she." He stomped out of the tea room and never spoke to Mana-Zucca again almost until the end of his life, and when they met anywhere he pretended he did not know her.

In more recent years, for the last seventeen, Mana-Zucca has held concerts in her home for students of local music teachers. She does this to enable young students to perform for her families and friends. In most instances such programs would not come about since the cost of renting a hall would be prohibitive for them. Mana is not unaware that these children get to know and play her music. It is almost impossible to take a piano lesson without playing a Mana-Zucca piece. Her famous "The Big Brown Bear" and hundreds of other Mana-Zucca compositions are standards in beginners' books.

She is quite matter-of-fact about her prolific production and boasts that while she has 1100 published songs, sonatas, concertos, chamber music pieces, etudes written for piano, violin, flute, recorder, cello, saxophone, ballets and orchestral works, she is holding back 1000 others. "I don't want to crowd myself", she says. "People are doing things I wrote when I was 10, 11, 12, 13, 14, 15 years old.

It is not that she is afraid of running dry. Mana is still knocking them out. This month alone she wrote 4 new songs, 3 piano pieces, and one piece for flute. "I write very quickly", she explains, "unless it's a big work. I took 6 months to write my sonata but 'I Love Life' my best known piece took 25 minutes to compose and ironically is the only one of my songs which was originally turned down by my publisher."

She seems mildly distressed that some people only know her "I Love Life". Maybe it's because there were so many recordings of it. John Charles Thomas made it a hit, and Nelson Eddy, Lawrence Tibbett, Rose Ponselle all made it part of their repertoire.

She ran into a woman at a concert one day who asked her, "Aren't you Mana-Zucca who wrote 'I Love Life'?" Mana said, "Yes, I am". The woman said, "Didn't you ever write anything else?" Mana said "No", unavoidably piqued. "Why don't you?" asked the limited fan. Mana looked her straight in the eye and said, "That's an idea . . . I think I will".

There are others who know her only for "Rachem" which has enjoyed a rebirth in popularity. Mana heard a recording of it recently by the Boston Symphony. She wrote her publisher, "How is it you had 'Rachem' recorded and never told me? It's my composition". The publisher told her they didn't know it had been recorded. They wrote RCA who wrote back saying they thought "Rachem" was in the public domain and that it had been written about the same time as the flip side tune "Eli Eli", in the 15th or 16th century. Mana assured them she is not 400 years old and they graciously paid the royalties.

She comforts herself by remembering that many composers are known by one piece. Rubenstein wrote lovely things, but most people only know his "Melody in F". When she was a little girl she played on the same program with Paderewski and he told her, "People think I've only written the 'Minuet.'" And Rachmaninoff told her he didn't like his "Prelude". He said he would never play it if he didn't have to because he sold it outright and got almost nothing for it.

Sometimes Mana goes to a concert and hears a piece she likes being played and then finds out later that she wrote it. She recalls going to an all-operatic concert by Elda Vittori and liking one of her selections especially. Afterwards when she went backstage to congratulate the artist she asked Miss Vittori "What's the name of the encore you sang? I know I heard it before." Miss Vittori said, "Mana is trying to be funny". It was inconceivable to her that Mana really didn't know it was her own composition, "East and the Glowing West".

Mana's beloved husband has passed on now and she misses him terribly. He wrote the lyrics for her songs, brought breakfast to her bed, was general handyman in the house. "He was an electrician, carpenter, businessman and a specialist in stock investments", Mana recalls longingly. "I can't do anything. He did everything for me. He was a very modest man but he played beautifully the piano and the organ".

Irwin Cassel never ceased being his wife's constant "Stage Door Johnny". It appeared he never got over the excitement of being in the presence of a "star", adored her and served her needs with an awe and reverence. Indeed she misses him very much.

But Mana-Zucca continues her role as the Grande Dame of Music. Her baby blue eyes still twinkling, her cherub smile flashing a perfect set of tiny, pearly, God-made teeth defying what on most people are the ravages of time. She is dainty and fragile-looking and still runs back and forth to her giant Steinway to pound out a musical point, promiscuous with her vitality which like her compositions bounces out like bubbles from a newly-popped bottle of champagne. The little lady is a big talent. She is also an optical illusion. The whipped cream and pleated organdie are laced on a steel spine, with boundless energy and eyesight that can read the Dow-Jones at 50 paces. Her vast productive output plays a melodious refrain on her cash register and she enjoys the sound, a source of satisfaction and achievement, not of economic necessity. And she keeps working.

Mana doesn't choose to waste time going to luncheons. She explains "I don't eat lunch (a pattern she developed to keep her figure the trim, adorable thing it is) and every time I go to a luncheon I say 'I could have written a number instead' ".

When I asked her which of the 110 compositions is her favorite she said "My son, Marwin Cassel. He is one of the most successful attorneys in Miami. He is my best composition". Mana also has three teen-age grandsons and typically she thinks they are the greatest, the best looking and the smartest, but they don't agree with Grandma. When it comes to music, they like Rock 'n Roll.

SPEECH BY DR. MANOLO REYES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, previously I have put in the Record, addresses by the most knowledgable man I know of in respect to Cuban affairs, the Honorable Manolo Reyes, distinguished news reporter on Channel 4, the CBS outlet in Miami. On July 20, Dr. Reyes delivered another one of his able addresses on the situation in Cuba and its relationship to the security of the United States before the Miami Council of the Navy League of the United States. I commend Dr. Reyes' outstanding address to my colleagues and ask that it be inserted in the Record following my remarks:

Speech by Dr. Manolo Reyes

When the Vietnam War finished the powerful resources of the International Communist machinery propaganda, it moved to another part of the world. This time to the heart of the American Continent: Cuba. And the cry now is: Let us restore diplomatic relations with the Fidel Castro regime.

Why: Because Castro owes to the Soviet Union some five billion dollars and Cuba is mortgaged until the year 2010. Each day Cuba costs almost two million dollars to the Russians. Cuba today is the Vietnam of the Soviet Union and Moscow wished that other nations of the Western World could absorb part of this economic burden—and at the same time for Castro to remain in power to continue their Cuban connection. And we are going to prove tonight that Cuban connection always means aggression.

The aggression produced by the Cuban connection has three aspects: Political, paramilitary and military.

In the first aspect, politically, it is a proven fact that the Cuban connection functions through the group representatives or missions or delegations that the Red regime of Havana can send to another country of the American Continent due to diplomatic relations or the possibility of it.

This will produce exchange of nationals between the two countries. The Castro Regime has trained a number of other nationals and has sent them to their countries to produce agitation, riots, terrorism, etc. The ultimate goal is to take the government of those nations. I have reports that in April of last year an important meeting to organize future guerrilla activities in Africa was held in the old colonial city of Ceiba del Agua, southwest of Havana. The meeting was attended by African guerrillas and U.S. leftists who made up the sixth contingent of the Venceremos Brigade. They arrived in Cuba on March 23 by way of Mexico. There were about 70 Africans finishing their training in Ceiba del Agua.

On July a new military alert was sounded on Portuguese Guinea, a northwestern frontier with Senegal as Army Intelligence reports published in Lisbon pin-pointed fresh concentrations of guerrillas and Cuban advisers at key attack bases.

In the second aspect or para-military, it has been proved particularly in this decade that the Cuban connection has been functioning at full speed to get new nations under the group of International Commission.

The Broadcast of Radio Havana is a constant source of unrest for Latin America and even for the U.S.

When the Juan Jose Torres regime in Bolivia and the Salvador Allende government in Chile were deposed, the Castro regime officially offered their moral and material support to the leftist forces fighting against the new governments.

Hundreds of common criminals and political prisoners have flown to Cuba after being exchanged for the release of diplomats and prominent personalities. Castro sheltered them and has granted protection to hundreds of hijackers and has not returned or prosecuted them. The most recent example happened here in Miami when a commercial plane of a small airline was hijacked and the hijackers demanded millions of dollars. Two million dollars in cash were given to them. They flew to Cuba—Castro pledged he would prosecute them, and the money would be returned.

As far as we know this never happened.

The Cuban connection has been and is still functioning in this kind of aggressions in the urban and rural guerrilla throughout the Western Hemisphere.

The worst and most dangerous of the threats presented by the Cuban connection is the one related with the Soviet Military presence in the Western Hemisphere.

There is no doubt that through his betrayal of the Cuban people, Castro has opened the doors not only of Cuba but of the American Continent to the Soviet Military Invasion.

In 1974 the Soviet Union began flying military reconnaissance missions from the West African nation of Guinea to monitor ships movements on the southern part of the Atlantic. The northern part of the Atlantic is routinely covered by flights from the Russian naval base of Murmansk.

But they need to cover the entire Atlantic because they have parts of the north and south—but the vital center part was not covered. Then they used the Cuban connection. In September 12, 1972 the Russians made the first try from Cuba—they spied on NATO—naval maneuvers—and nothing happened afterwards. So—now they use the Cuban connection to cover all the Atlantic.

Even Red China—apparently encouraged by all of these, is building a naval base at a cost of 20 million dollars in a place called Novakchott—capital of the newly formed state of Mauritania.

Incidentally the new Government of Chile denounced recently that Red China has issued 10 billion dollars in false money, and we have been informed that sources close to the Castro regime know that there is a Cuban connection in this counterfeit money operation. Our reports indicated that Castro has counterfeited one billion dollars and Cuban pesos.

Also—some authorities believe that hard drugs like heroin is brought to the United States from Red China through the Cuban connection.

Going back to the Soviet Military presence, let us say that from July 26, 1969 on, 12 naval squadrons from the Soviet Union have visited Cuba. 1 in 1969, 3 in 1970, 3 in 1971, 2 in 1972, 2 in 1973, and 1 in February of this year with the longest stay of all being almost 4 months.

These Soviet Naval squadrons have brought nuclear submarines with 750 mile range nuclear missiles.

Three quarters of Cienfuegos Bay has been closed to the civil navigation because the Russians have established a naval facility or naval base inside that area.

The Bay of Cienfuegos has been channeled from the entrance to the east side up to a place named O'Bourke and now very heavy ships can enter there. Key Loco in 1974 has become a marine yard. The head is a Soviet commander. Alcatraz Key in Cienfuegos Bay is like a club for the so-called friendly encounters between Russian sailors and soldiers and young Cuban student girls some 16 years of age. The organizer of such encounters is a woman by the name of Dr. Palomo. The Cuban girls are not allowed to go there with relatives. Sisters are not permitted to go together to the encounters.

In Cienfuegos—when Russian ships come with cargo for an assembly plant at Manicaragua—the town ran out of electricity. It was a total blackout. After the cargo is unloaded it goes out on trucks covered by canvas.

The town called Roquito has been connected to a landing field. All the neighbors were taken out of the area. The tunnels for the Russian planes go as far as the Caonao River.

In the Escambray mountains a farm dedicated to Ernesto Guevara—alias el Che—is now a guerrilla training camp. In Nicaro, Oriente, 567 farmers were taken away from Sierra Cristal. Russian ships have been unloading materials carried at a later time to the base of Sierra Cristal. Big boxes covered by canvas were unloaded at night. The only Cuban who has been seen there is Raul Castro in a jeep driven by a Russian soldier with a green fatigue uniform.

No fishing is allowed at the Bays of Nipe or Cienfuegos.

There are evidences that Soviet soldiers in full uniforms are making military maneuvers like landing or repelling landing forces on Cuban coasts. There are eye-witnesses to this among the Cuban exiles.

Finally the most dangerous of the threats posed by the Cuban connection is the alleged presence of Soviet atomic missiles in Cuba.

We the Cubans—and I dare to say that many Americans—believe that the Soviet Union never took away all the missiles in the 1962 crisis. In fact, many believe also that the Russians have placed new ICBM's in Cuba.

We do not have material evidence of this. But we have the moral connection that the missiles are there.

Lately we have received new evidence about it.

We have known that frog-men of the Castro regime have hidden atomic missiles—15 to 20 feet long—in special places. Some of them have been hidden on the northern coast of Oriente.

To accomplish this the frog-men entered at the bottom of the cliffs in underwater channels. When they come out they are in a natural lake from 100 to 500 meters wide.

The ceiling was the mountain itself. A group of those frog-men put an undisclosed number of those missiles with special devices—floating in that lake.

This is the Cuban connection. This is the way the Cuban connection functions as a powerful stronghold for communism in the Western Hemisphere. It has opened the door for communism in the American Continent and is maintaining it.

The Cuban connection in the political aspect is subversive.

The Cuban connection in the para-military aspect is seditious.

The Cuban connection in the military aspect is surreptitious.

And as a whole—the Cuban connection always means aggression. So . . . the only way to end this threat to the peace and security of the Hemisphere is to cut off the umbilical cord in the Americas: called the Cuban Connection.

CONSERVING ENERGY

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, as the temperature and humidity levels hit the 90-percent mark in many areas of the Nation, the long lines at gas stations and the lowered thermostats of last winter seem a distant memory. Nevertheless, our energy problems are no less real today than they were in February.

With this in mind, each citizen should continue to do his utmost to conserve energy. The 55-mile-per-hour speed limit on our superhighways has proven to be a great saver of gasoline. An added bonus has been a very significant drop in the number of lives lost on the highways. But I am sure that anyone who has ventured out on the interstates of late has noticed that once again the heavy foot on the accelerator is becoming prevalent. I would hope that the American public would once again begin to exercise the tremendous voluntary restraint that was shown last winter. By so doing, we will be saving vital energy.

While the public is doing its part to conserve energy, Congress must continue to work on developing new sources of power. To some extent the Congress has already begun on this project. The groundwork has been laid for expansion into the fields of solar and geothermal energy on a serious basis. The value of our underexploited energy sources such as coal is also now well known. It remains to be seen if Congress can provide the leadership to coordinate and develop these diverse but crucial sources of energy.

As we continue to work together on solutions to our energy problems, we must be wary of jumping at what appear to be instant answers to these problems. A case in point is the hastily passed Daylight Saving Act of last December. In retrospect, it can be seen that this was an ill-conceived piece of legislation.

Those Members who voted in favor of it did so because it was necessary to "do something" about our energy problems. In fact, statistics have shown that there has been no appreciable savings. However, as we all know, the change in the arrival of daylight on winter mornings has been a legitimate cause of great concern to all parents of schoolchildren.

Now, in the heat of the summer with children out of school, would be the opportune time to act to repeal this ill-conceived legislation rather than waiting until December when emotions once again will be stirred. This is a point well worth considering as Congress and the public move forward together on achieving a greater level of self-sufficiency in energy for the country.

PERSONAL ANNOUNCEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the Record a statement regarding two recorded votes I missed on July 15, 1974, and an indication of how I would have voted had I been present.

I refer to the following two recorded votes:

Rollcall No. 379, a motion to suspend the rules and pass H.R. 14494, to amend the Federal Property and Administrative Services Act of 1949, and other statutes to increase to $10,000 the maximum amount eligible for use of simplified procedures in procurement of property and services by the Government. The motion was carried 316 to 0, and the bill was passed. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 380, a motion to suspend the rules and agree to the Senate amendment to House Concurrent Resolution 559, to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry. The motion was rejected 197 to 169, and the resolution failed to pass. I was paired for this motion and had I been present, would have voted in favor of it.

Mr. Speaker, I also insert in the Record a statement regarding one recorded vote I missed on July 22, 1974, and an indication of how I would have voted had I been present.

Rollcall No. 397, a motion to limit to 20 minutes the remaining debate on the Hosmer substitute and the Mink substitute and all perfecting amendments to section 201 of the strip mining control bill, setting forth interim regulatory procedures for the control of the environmental impact of surface mining. The motion was rejected 150 to 233. Had I been present, I would have voted "no."

EMPLOYERS CAN CURB RUDENESS IN MEDIA

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, I feel that the column written by Mrs. Virginia Weldon Kelly, which appeared on the op-ed page of the Long Beach, Calif., newspapers, The Independent and Press-Telegram, of July 8, 1974, merits the attention of my colleagues.

Throughout the 28 years Mrs. Kelly has been a respected Washington correspondent, she has been a student of the processes of Congress and the other branches of Government, the Constitution, American history, and the free enterprise system, especially in reference to the economy and monetary matters. She believes strongly in the great freedoms guaranteed under the Constitution, and she is aware that these freedoms carry equally grave responsibilities, not only for the media, but for every citizen. She has respect for human dignity and the worth of each individual which our Founding Fathers set forth for us, and which are basic to the American way of life.

Virginia Kelly was born on a great river, the Tennessee, and her family homes were at Paris Landing and Paris, Tenn. The circumstances of her life have taken her to many places in this country and abroad since she married Rear Adm. Thomas J. Kelly, USN, retired. The Kellys have many friends among distinguished persons at home and abroad, but Virginia's deepest devotion is reserved for Americans, especially the poor and handicapped of all races, the aged, widows, and orphans.

Her article follows:

[From the Long Beach (Calif.) Independent and Press-Telegram, July 8, 1974]

Employers Can Curb Rudeness in Media

(By Virginia Kelly)

Many thoughtful Americans complain to reporters of the rudeness of some members of the media at televised press conferences with President Nixon, Secretary of State Kissinger, and others in government.

Reporters as asked—as if they had the wisdom of Solomon—why some of the Washington based media are this way, how the situation has arisen, and what can be done about it. News leaks are also frequently discussed.

The persons who ask these questions of friends in the press are only a small percentage of angry citizens who are bombarding the TV networks, ABC, CBS, and NBC, with red-hot letters. Although all networks have received letters of commendation, NBC and CBS have kept comparative records. Their mail shows that on nearly a 2-1 ratio, the networks are accused of pro-liberal bias. Nielsen ratings show that news viewers in one year have declined by one million. The network officials are worried.

The late Speaker of the House Sam Rayburn of Texas said, "Television is responsible for much rudeness. Some reporters, anxious to become nationally known, cease to be reporters and become performers."

It is obvious that employers can curb repeated rudeness by setting standards of conduct. If this is not done, the public will assume that the employer approves of the tactics of the reporter. In the final analysis, the public is the arbiter and can show its displeasure by ceasing to listen to disliked programs or by writing to newspapers to protest editorial policies or the vitriolic of some columnists. People seldom complain about straight news reporting.

Direct rudeness in addressing the President and others in government has intensified with the television era. But in their reporting, newspapers today are paragons of courtesy compared to the press treatment given Presidents Washington, Jefferson, Jackson, Lincoln and others in the early days of our Republic.

In defense of the many hundreds of dignified members of the media in Washington, the public should remember that there are all shapes, sizes, ages, levels of intelligence and background of reporters who work for every type of newspaper, magazine, radio, or television program and the networks.

Shakespeare expressed the situation when he asked, "Upon what meat doth this our Caesar feed, that he has grown so great?" For more than a hundred years, and more so than in any other national capital or any other city, media members in Washington have enjoyed greater prestige and privilege than any journalists. They hobnob with members of Congress, they have access to the press conferences of the President and other governmental notables. If they are television commentators, they are frequently courted and cosseted by the famous.

President Theodore Roosevelt was the first to order a White House room set aside for reporters. President Woodrow Wilson believed in press conferences. Soon after he was inaugurated, he said, "A large part of the success of public affairs depends on the newspapermen . . . because the news is the atmosphere of public affairs." Austere and remote, he could not adjust to press conferences and had increasingly bad relations with the press.

President Harding (who had been a newspaperman) was unable to cope with spoken questions. He decreed that questions be written and submitted in advance.

President Coolidge was available for press conferences, and was moderately articulate, but reporters said his remarks lacked substance. They ridiculed his readiness to wear anything for press photographs, including an Indian chief's war bonnet and a 10-gallon hat.

There have been leaks to members of the media throughout the history of this country. Several Presidents, including Franklin D. Roosevelt, directed their aides to pass along information to friends in the media.

Herbert H. Hoover was secretary of Commerce from 1921–1928 in the Harding and Coolidge Administrations. He had great rapport with the press and often leaked interesting events to help gain support for his innovative ideas.

Some of the consummate artists of leaks have been secretaries of state and defense, ranking military men, many in presidential administrations, and in Congress.

In a CBS commentary, Eric Severeid said Secretary of State Kissinger has "selectively leaked confidential documents to trusted journalists."

Reporters get "tips" or leaks, as they are now called, from all kinds of people—members of Congress, their staffs, committee staffs, and people on every level high and low in government, and out of it. Reporters usually start probing and digging to corroborate the information or to get further information. Good investigative reporters are in the Sherlock Holmes class. One piece of information leads to another until a jigsaw puzzle is assembled. It is routine for the subject of a leak to be given the chance to set the record straight before publication.

In many instances, those who give these tips or leaks are sincerely motivated. They believe actions are being taken harmful to the national welfare. In some cases, the leaker has a grudge against his or her employer. Sometimes, officials want to help favored reporters.

The House Judiciary Committee has a secrecy rule in its proceedings on impeachment, but it is not enforceable and there have been leaks.

In the case of grand jury proceedings, grand juors and attorneys can be held accountable by law if they reveal information.

In his first inaugural address, Jefferson said freedom of religion, freedom of persons under habeas corpus, trial by jury, and freedom of the press "form the bright constellation which has gone before us, and guided our steps through an age of revolution and reformation."

It is serious if, in our own era, a large segment of the public is becoming disillusioned by some of the media.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CARTER (at the request of Mr. NATCHER), for the week of July 29, on account of illness in the family.

Mrs. CHISHOLM (at the request of Mr. O'NEILL), for this week, on account of illness.

Mr. GUYER (at the request of Mr. RHODES), for tomorrow, July 30, on account of official business.

Mrs. HANSEN of Washington (at the request of Mr. O'NEILL), for this week, on account of official business.

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. HINSHAW) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. CLEVELAND, for 10 minutes, today.

Mr. WHALEN, for 15 minutes, July 30, 1974.

Mr. DERWINSKI, for 10 minutes, today.

Mr. CRANE, for 5 minutes, today.

Mr. HOGAN, for 15 minutes, today.

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks, and to include extraneous matter:)

Mr. DIGGS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. HENDERSON, for 15 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. HAYS, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PRICE of Illinois, and to include extraneous matter, on the conference report on H.R. 14592.

Mr. GUDE to extend his remarks on H.R. 15643 and include extraneous matter.

(The following Members (at the request of Mr. HINSHAW) and to include extraneous matter:)

Mr. HANRAHAN in two instances.

Mr. BIESTER.

Mr. PEYSER in five instances.

Mr. SHUSTER.

Mr. WYMAN in two instances.

Mr. BELL in two instances.

Mr. DENNIS.

Mr. QUIE.

Mr. LANDGREBE.

Mr. FORSYTHE in two instances.

Mr. BROYHILL of Virginia.

Mr. WALSH.

Mr. DERWINSKI in two instances.

Mr. MIZELL in five instances.

Mr. ARMSTRONG.

Mr. GILMAN.

Mr. CRANE in five instances.

Mr. BAKER in two instances.

Mr. MICHEL in five instances.

Mr. PRICE of Texas.

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous material:)

Mr. CAREY of New York.

Mr. YATRON.

Mr. GONZALEZ in three instances.

Mr. ASPIN in 10 instance.

Ms. HOLTZMAN in 10 instances.

Mr. PASSMAN.

Mr. RARICK in three instances.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in two instances.

Mr. DULSKI in five instances.

Mrs. MINK in two instances.

Mr. JONES of Oklahoma in two instances.

Mr. MOSS.

Mr. MCSPADDEN.

Mr. ICHORD.

Mr. ROSENTHAL in five instances.

Mr. RANGEL in 15 instances.

Mr. VANIK in two instances.

Mr. BENNETT.

Mr. MILFORD in five instances.

Mr. LEHMAN in 10 instances.

Mr. ROGERS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 754. An act to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes; to the Committee and the Judiciary.

ADJOURNMENT

Mrs. SCHROEDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p.m.), the House adjourned until tomorrow, Tuesday, July 30, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2595. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 6082 of title 10, United States Code, to provide for the use of margarine as part of the Navy ration; to the Committee on Armed Services.

2596. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes," and the District of Columbia Stadium Act of 1957; to the Committee on the District of Columbia.

2597. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74–23 releasing Israel from its repayment obligations under the Emergency Security Assistance Act of 1973; to the Committee on Foreign Affairs.

2598. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74–26 authorizing the provision of security supporting assistance to Egypt in fiscal year 1975; to the Committee on Foreign Affairs.

2599. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket Nos. 146, *Citizen Band of Potawatomi Indians*, et al., Nos. 15–M, *the Prairie Band of the Potawatomi Tribe of Indians*, et al., and No. 29–K, *Hannahville Indian Community*, et al., and the *Potawatomi Indians of Indiana and Michigan, Inc.*, et al. (Intervenors in docket No. 29–K), plaintiffs, v. *the United States of America,* defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2600. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 221–B, *Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont., Joe Corcoran, on behalf of the Chippewa Cree Tribe Blanche Patenaude, Joseph Richard, Joseph Gooselain, John B. Slayter, Wm. John Delorme, William Trottier, on behalf of the Little Shell Band of Indians and the Chippewa Cree Tribe,* plaintiffs, v. *the United States of America,* defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2601. A letter from the Chairman, Federal Power Commission, transmitting a copy of volume IV of the National Gas Survey, entitled "Distribution Task Force Reports"; to the Committee on Interstate and Foreign Commerce.

2602. A letter from the Chairman, National Transportation Safety Board, transmitting the 1973d annual report of the Board, pursuant to the Department of Transportation Act of 1966 (49 U.S.C. 1954(g)); to the Committee on Interstate and Foreign Commerce.

2603. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination of the Acting Secretary of State that it is in the national interest not to transfer to the account established in the Treasury pursuant to section 7(c) of the Fishermen's Protective Act of 1967, as amended, funds from the Foreign Assistance Act of 1961 programed for Panama, equal to the amount paid to the owner of the U.S. flag fishing vessel *Raffaello* seized by Panama on April 17, 1974, pursuant to 22 U.S.C. 1975(b); to the Committee on Merchant Marine and Fisheries.

2604. A letter from the Acting Secretary of the Army, transmitting a progress report on the national program of inspection of dams authorized by Public Law 92–367, pursuant to section 5 of the act; to the Committee on Public Works.

2605. A letter from the Acting Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on west Texas and eastern New Mexico water import project; to the Committee on Public Works.

Received From the Comptroller General

2606. A letter from the Comptroller General of the United States, transmitting a report on effectiveness and administration of military retention incentives; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 566. Concurrent resolution to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry. (Rept. No. 93–1228). Referred to the House Calendar.

Mr. TEAGUE. Committee on Veterans' Affairs. H.R. 10212. A bill to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S Truman Memorial Veterans' Hospital", and for other purposes. (Rept. No. 93–1229). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 12367. A bill to amend title 38 of the United States Code to correct an inequity in the law relating to the provision of adaptive equipment for automobiles used by disabled veterans and servicemen. (Rept. No. 93–1230). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 13377. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. (Rept. No. 93–1231). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 15912. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes; with amendment (Rept. No. 93–1232). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 16142. A bill to provide for the acquisition, investigation, and preservation of lands to commemorate America's more than 200 years of colonial history by constituting the Colonial Frontiers National Memorial and to preserve ecologically important areas included therein; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of California:

H.R. 16143. A bill to authorize bank protection works on the Santa Ana River at Norco, Calif.; to the Committee on Public Works.

By Mr. BURKE of Massachusetts:

H.R. 16144. A bill to amend title XVI of the Social Security Act to provide for an exclusion from resources of an amount deposited as prepayment of funeral and burial expenses; to the Committee on Ways and Means.

By Mr. FREY (for himself and Mr. Aspin):

H.R. 16145. A bill to provide for a uniform application of safety standards for mobile homes and recreational vehicles in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON (for himself and Mr. Duncan):

H.R. 16146. A bill to exempt from Federal income taxation certain nonprofit corporations all of whose members are tax-exempt credit unions; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 16147. A bill to amend the Urban Mass Transportation Act of 1964 to encourage urban transportation planning, to authorize additional funds for grants and other assistance to urban mass transportation, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN (for himself, Mr. Breaux, Mr. Coughlin, Mr. Hungate, Mr. Mills, Mrs. Mink, Mr. Price of Illinois, Mr. Scherle, and Mr. Steelman):

H.R. 16148. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. STEPHENS (for himself and Mr. Brinkley):

H.R. 16149. A bill to authorize and direct the Secretary of the Army to convey to the Board of Regents of the University System of Georgia certain lands of the United States in Augusta, Ga.; to the Committee on Armed Services.

By Mr. VANDER VEEN (for himself, Ms. Abzug, Mr. Badillo, Mr. Blatnik, Mr. Brown of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Drinan, Mr. Dulski, Mr. Edwards of California, Mr. Fauntroy, Mr. Fraser, Mr. Green of Pennsylvania, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Koch, Mr. Leggett, Mr. Meeds, and Mr. Mitchell of Maryland):

H.R. 16150. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment; to the Committee on Education and Labor.

By Mr. VANDER VEEN (for himself, Mr. Moakley, Mr. Nedzi, Mr. Podell, Mr. Rees, Mr. Reuss, Mr. Rodino, Mr. Roybal, Mr. Seiberling, Mr. James V. Stanton, Mr. Stark, Mr. Stokes, Mr. Tiernan, and Mr. Won Pat):

H.R. 16151. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment; to the Committee on Education and Labor.

By Mr. VANIK:

H.R. 16152. A bill to amend title 28 of the United States Code to permit the cumulation of amounts in controversy as between members of a class for the purposes of United States district court jurisdiction in class actions; to the Committee on the Judiciary.

H.R. 16153. A bill to amend title 28 of the United States Code to increase the availability of the class action mechanism in Federal cases by permitting the creation of manageable subclasses; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 16154. A bill to amend the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to provide that the Administrator of the Environmental Protection Agency shall prescribe standards for the control and abatement of aircraft noise and sonic boom; to the Committee on Interstate and Foreign Commerce.

By Mr. ARMSTRONG (for himself and Mr. MONTGOMERY):

H.R. 16155. A bill to amend section 615 (a) of title 10, United States Code, relating to required service of members of the Armed Forces; to the Committee on Armed Services.

By Mr. CONTE (for himself, Mr. BOLAND, Ms. ABZUG, Mr. HARRINGTON, and Mr. COLLINS of Illinois):

H.R. 16156. A bill to obtain adequate information essential to the decisions of the Congress; to the Joint Committee on Atomic Energy.

By Mr. GILMAN:

H.R. 16157. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 16158. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 16159. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. BADILLO, Mr. TIERNAN, Mr. KEMP, Mr. HAWKINS, Mr. DELLUMS, Mr. HELSTOSKI, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. STARK, Mr. YOUNG of Georgia, Mr. CONYERS, Mr. FAUNTROY, Mr. RANGEL, Mrs. COLLINS of Illinois, Ms. ABZUG, and Mr. STOKES):

H.R. 16160. A bill to limit the use of prison inmates in medical research; to the Committee on the Judiciary.

By Mr. PRICE of Texas:

H.R. 16161. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in physician shortage areas; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.J. Res. 1100. Joint resolution proposing an amendment to the Constitution of the United States relating to the ratification of treaties; to the Committee on the Judiciary.

By Mr. CRONIN (for himself, Mr. BAFALIS, Mr. YATRON, Mr. GILMAN, and Mr. KYROS):

H.J. Res 1101. Joint resolution congratulating the Greek democracy on its efforts to achieve domestic peace and unity; to the Committee on Foreign Affairs.

By Mr. ANDERSON of California:

H. Res. 1273. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. ANDERSON of Illinois (for himself and Mr. STEIGER of Wisconsin):

H. Res. 1274. Resolution providing for radio and television broadcast coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States during the 93d Congress; to the Committee on Rules.

By Mr. CRONIN:

H. Res. 1275. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. GUDE (for himself, Mr. FRASER, Mr. BADILLO, Mr. ADDABBO, Mr. WALDIE, Mr. HELSTOSKI, Mr. BOLAND, Mr. CORMAN, Mr. ROSENTHAL, Mr. MOAKLEY, Mr. LEHMAN, Mr. FAUNTROY, Mr. WON PAT, Mr. ANDERSON OF Illinois, Mrs. COLLINS of Illinois, and Mr. RIEGLE):

H. Res. 1276. Resolution expressing the sense of the House that the U.S. Government should seek agreement with other members of the United Nations on prohibition of weather modification activity as a weapon of war; to the Committee on Foreign Affairs.

By Mr. HALEY:

H. Res. 1277. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. SHOUP:

H. Res. 1278. Resolution to create a Select Committee on Aging; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CONTE introduced a bill (H.R. 16162) for the relief of Smith College, Northhampton, Mass., which was referred to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII,

464. The SPEAKER presented a petition of the Western Conference of the Council on State Governments, Salem, Oreg., relative to Federal-aid highways, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

JAMES A. FARLEY

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. CAREY of New York. Mr. Speaker, last week's issue of the Irish Echo offered its readers an interesting article regarding a special friend of mine—James A. Farley.

James Farley's life, as many of you know, has been a most rewarding one and certainly one which has brought much joy into the lives of those fortunate enough to call him a friend. He is always there with a kind word, a joke, and his tremendous insight into people and problems.

In light of the special qualities of James A. Farley, I would like to take this opportunity to include for the benefit of my colleagues the article which recently appeared in the Irish Echo—another fine tribute to a man who deserves special praise.

The article follows:

JAMES A. FARLEY: ELDER STATESMAN

(By Joe Murphy)

One of the nicer tints brightening the political spectrum during recent years is the universal admiration and affection exhibited toward James A. Farley, a professional who has been to the wars without losing his integrity or his self respect. Although he scrupulously shuns donning the toga of an Elder Statesman, audiences, especially those of a Democratic Party tinge, seem intent on communicating their vast esteem for him at every opportunity. He is still much too vigorous to hold still for the wise man role, but people seem dedicated to placing him in a niche removed from the less seemly facets of public life.

James Aloysius Farley was born in Grassy Point, New York, in 1888. Jim recalls that when he went to visit his father's people, in a town called Verplanck's Point, only a few miles away, he couldn't understand why all the Irish there were Republicans. He said: "I couldn't understand how an Irishman could be a Republican because in the community where I was born and raised all the Catholics were Democrats. As a matter of fact, in Grassy Point we had difficulty finding enough Republicans to man the election boards."

Jim says he eventually learned that a Peekskill politician was helping the Irish get jobs in the local brickyard and enrolling them in the Republican Party. As Jim says, the Irish largely voted as a bloc in the interests of self protection, but they also sought the protective coloration of the dominant party. "In Boston," Jim says, "they became Democrats because there were Democrats in Boston. But in Philadelphia politics was dominated by the Republicans, and in a large measure they became Republicans."

CAREER BEGINNINGS

Jim began his political career by getting himself elected district committeeman. Then, he was elected chairman, secretary and treasurer of the town committee, all three positions at once, when the other two members of the committee were at odds and couldn't agree, he recalls. "So I started from there and I was elected town clerk and served eight years. Finally, supervisor. Went to the New York State Assembly one year, and now you know the rest of it."

"The rest of it" is one of America's great success stories: Jim became head of the New York State Democratic Committee in 1930, and two years later successfully pushed the presidential nomination of Franklin Delano Roosevelt. Becoming chairman of the National Committee, Farley managed F.D.R.'s presidential campaign with equal success and landed up in the cabinet as Postmaster General. He dropped out to mastermind Roosevelt's 1936 campaign after which he stepped back into his old cabinet job. By

1940, Jim had accumulated some presidential aspirations of his own, and when Roosevelt decided he wanted the job again, Farley dropped out of the cabinet and shed his party chairmanship. It took 20 years for someone else to bring to reality the dream Jim had nurtured: to become the first Irish Catholic President.

I count myself amongst the many privileged to be a friend of Jim for quite a few years. Once, I wrote to him incorrectly addressing his middle initial. In reply he reminded me: "Joseph, my middle initial is not J. but A. I know James J. too, and you probably do too." Largely by coincidence, this writer has many times been at affairs where the introduction of Jim Farley brought a heartfelt and spontaneous response. The standing ovation bit is the most overdone feature of the banquent circuit, a claque of about three stands up and the rest of the room is ashamed not to follow suit.

SINCERE TRIBUTE

But in the case of Big Jim the tribute strikes one as emanating from a deep desire to convey the audience's high regard for the man.

There is something heartening about all this: A feeling of events coming full circle to honor the man for his many contributions devoid of the sniping that marred the unhappy years. Deep down, I suspect Jim Farley believes he has never been given proper credit for the role he played in helping enact President Roosevelt's New Deal into law. Not too many years ago, critics dismissed him as a "conservative." This was in the days when one's attitude toward Soviet communism determined your classification as a "liberal" or a "conservative." Those who viewed communism tolerantly and believed the U.S. could accommodate itself to all things Russian automatically were designated "liberals." Others who, like Jim Farley, looked at Russia with suspicion, were branded "conservatives," although their support of liberal welfare measures had been a long standing commitment.

The former Postmaster General does some thinking about phoney liberalism. He said: "Today we are engaged in a great struggle between the forces of freedom and the forces of totalitarianism. I hesitate to use the term forces of democracy, just as I hesitate to use the term liberal because both terms have been distorted by callous malice so that the most brutal of dictators claim to be the champions of democracy and the most intolerant of our fellowmen claim to be the only true liberals. Let me, then, say we seek freedom through a democratic form of government. Many Americans have risked their lives and given their lives to keep words like freedom and faith from being extinguished in a darkening world. And there are others ready to take the risk.

CANONS OF DECENCY

I'm not trying to adjust a halo on Big Jim's shiny pate, because he operated according to the rules of political warfare, which can be pretty rugged at times. What he has proven is that you can survive in this rough game and still abide by the canons of decency, respect for opponents and trust. He managed to do it, and it's a shame not enough of the new breed have pondered his example. Now he has come into the years of full recognition and his story reads very pleasantly over the long haul. Prestige wise, I would say he is ranked only by former Vice President Humphrey in the Democratic Party. Sen. Mansfield, Sen. Kennedy, Sen. Jackson and Sen. Byrd, to mention a few of the later generation, have years to go before they accumulate the record of public service, adherence to ideals and party loyalty built up by Jim for more than 40 years.

As I say, it's one of the nicer things I have seen recently, the spontaneous salute of admiration and affection showered on James A. Farley whenever people get the chance to demonstrate how they feel about him.

SENATOR WAYNE MORSE

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ULLMAN. Mr. Speaker, the Nation lost a distinguished public servant this week when former Senator Wayne Morse passed away in Portland, Oreg., on Monday, July 22. Wayne Morse was in the midst of a vigorous campaign, attempting to regain the Senate seat he lost in 1968. His untimely death is a great loss to the people of Oregon, the Nation, and the U.S. Senate.

I wish to insert into the Record at this point, editorials and articles from the New York Times and the Washington Post memorializing his distinguished career:

[From the New York Times, July 23, 1974]

Wayne Morse Dies: A Senator 24 Years

(By Alden Whitman)

Former Senator Wayne Morse of Oregon, a strong early critic of the Vietnam war and a long-time Congressional liberal, died yesterday of kidney failure in Good Samaritan Hospital, Portland, Oreg. He was 73 years old.

Mr. Morse had entered the hospital last Wednesday in the midst of an arduous campaign in which his chances to regain the Senate seat he lost in 1968 were considered good. He had won the Democratic nomination in a primary two months ago and was opposing Senator Robert W. Packwood, the Republican incumbent.

A Populist in the tradition of George W. Norris, Robert M. La Follette and William Jennings Bryan, Wayne Lyman Morse spoke up for many transiently unpopular causes. He opposed American military involvement in Vietnam; he fought for trade unionism and for civil rights.

As a champion of the common people, he was often raspy and blunt, but he regarded himself as a man who refused to compromise his principles or mute his voice. Many of his critics, though, saw him as an opportunist and a threat to the Establishment.

At various times in his 24 turbulent years in the Senate, Mr. Morse was a Republican, an independent and a Democrat. Neither party was wholly pleased with him, nor was he ever wholly compatible with a party label. He was impartially scornful of both Democratic and Republican Presidents, upbraiding them with his rich talent for invective.

He described an address to Congress by President Harry S. Truman as "one of the cheapest exhibitions of ham acting I have ever seen"; he denounced President Dwight D. Eisenhower as a "hypocrite"; he accused President Lyndon B. Johnson of being "drunk with power." Nor did Mr. Morse spare his fellow Senators, once calling one of his corpulent colleagues "a tub of rancid ignorance."

CRUSTY CRITICS OF WAR

Mr. Morse entered the Senate in 1945 as a liberal Republican and left it in 1968 as a liberal Democrat. His last term was notable for his crusty criticism of President Johnson and the Vietnam war, which started with a succinct "nay" that recorded his opposition to the Gulf of Tonkin resolution of Aug. 7, 1964. Only one other Senator, the late Ernest Gruening of Alaska, voted against the measure, which President Johnson used as a functional declaration of war in Southeast Asia. Mr. Morse's intransigent opposition to the war was a factor in his defeat in 1968.

From 1964 until he left office, he voted against every measure, including appropriations, that had the effect of keeping American troops in Vietnam. He also carried his campaign against the war through the country in speeches, and he supported Senator Eugene J. McCarthy when the Minnesota Democrat sought the Presidency on an antiwar platform in 1968.

Once aroused, Mr. Morse could be a fiery, though prolix, speaker. His long-windedness did not sting nearly so much as his epithets; but he considered his outspokenness a virtue.

"It is true that I use language that people can understand," he remarked a couple of years ago. "And if I think a course of action is outlawry, I say so.

"If I say that the United States is the greatest threat to world peace, I say so simply because it is true. If the truth is intemperate, then I will continue to be intemperate."

Mr. Morse was so often in the minority and so frequently cutting in his remarks that he was known as "The Lone Ranger" or "The Tiger of the Senate." These views of him were softened yesterday as Senator Mike Mansfield of Montana, the Democratic leader, spoke of him as a "man of fierce independence" and Senator Mark O. Hatfield, Republican of Oregon, said that his "early prophecies and warnings about Vietnam were such that we all owe him a great debt."

Mr. Morse, who was a lean, trim man with a clipped mustache, sharp nose and bushy black eyebrows, was an extraordinarily hardworking Senator. He was accounted knowledgeable in labor and education matters, in conservation and in the farm problem. He was himself a breeder, raiser and trader of Devon cattle and a horseman who won many competitions.

Mr. Morse's Populism had its roots in Wisconsin, the home state of the LaFollettes, where he was born, a farmer's son, on Oct. 20, 1900. From his father, a livestock man, he learned a fear of debt and of hard times, when the cattle had to be fed on cornstalks and straw mixed with molasses. His father, Mr. Morse recalled, strongly counseled him on the evil of becoming beholden to others.

TAUGHT LAW AT COLUMBIA

The young man was educated at the University of Wisconsin and took law degrees from both the University of Minnesota and Columbia. He taught briefly at Columbia and the University of Oregon and then, in 1931, became dean of the Law School at Oregon. Because of his position he was often called upon to arbitrate labor disputes on the West Coast, establishing a reputation for settling controversies with dispatch and fairness.

His record commended him to President Franklin D. Roosevelt, who named him a public member of the War Labor Board in 1942. He left in something of a storm in 1944 asserting that the board was too considerate of John L. Lewis, then head of the United Mine Workers.

In that year he was elected to the Senate as a Republican, but no sooner had he taken his seat in 1945 than he was jousting with party conservatives. One of his bêtes-noires was Senator Robert A. Taft of Ohio, who was for Mr. Morse "a symbol of reaction and defeatism." Among other things, the Oregonian vociferously objected to the Taft-Hartley bill as hamstringing trade unions. He voted against the bill, which became law in 1948 over President Truman's veto. (For most of his political life Mr. Morse enjoyed strong labor support. It diminished in 1968, when Vietnam was a critical issue.)

In the Republican jockeying in 1952, Mr. Morse swung to General Eisenhower in order to block Senator Taft's aspirations for the nomination. But he chilled toward the general when he designated Senator Richard M. Nixon of California as his running mate, and in the campaign he spoke for Adlai E. Stevenson, the Democratic candidate.

When the Senate convened in January, 1953, Mr. Morse announced that he had shucked the Republican party and was now an independent. With a pixie sense of humor he went into the Senate chamber with a folding chair and asked where he should sit. He was eventually assigned to the Republican side of the aisle, but was stripped of his committee posts.

Three years later, after having harried the Republicans over the Korean war settlement and cold-war brinkmanship, as well as over domestic matters, Mr. Morse became a Democrat and was handily reelected to the Senate in 1956. He still, however thrived on adversaries, including Democrats who failed to measure up to his principles.

And he did not neglect Republicans, notably Clare Booth Luce, whose confirmation as Ambassador to Brazil he fought unsuccessfully in 1959. Mr. Morse pronounced her unfit, and she retorted that her "difficulties go back some years and began when [Mr.] Morse was kicked in the head by a horse." She was alluding to an episode in 1951 when a horse broke the Senator's jaw with a kick. Mr. Morse won his contest with Mrs. Luce, however, for she resigned the Brazil post without serving.

In the early nineteen-fifties Mr. Morse was a strong supporter of civil rights legislation, and he continued to espouse liberal voting and other rights for blacks. He also supported increases in price-support payments to farmers and other agricultural legislation. Additionally, Federal support for education had his warm backing.

Mr. Morse irritated some of his fellow Senators by the length of his speeches. An hour for him was a mere warm-up—in one session his speeches covered 400 pages of The Congressional Record. Once, in 1953, he talked for 22 hours and 26 minutes against an offshore bill that gave title to coastal states. At the time his remarks were described as the longest continuous oration in the Senate's history.

His defeat by Mr. Packwood in 1968 was close, the margin being a little more than 3,000 votes. Mr. Morse essayed a comeback in 1971, but Mr. Hatfield was an easy winner. This year, despite his age, he was said to have a good chance of returning to the Senate for his last hurrah.

Mr. Morse was campaigning until last Wednesday, when he was stricken with an infection of the urinary tract. He had responded to antibiotic therapy until Sunday, when his condition worsened and he slipped into a coma.

Surviving are his widow, the former Mildred Downie; three daughters, Nancy Campbell, Judith Eaton and Amy Bilich; two brothers, a sister and six grandchildren.

[From the New York Times, July 23, 1974]

THE SENATE'S LOSS

Senator Wayne Morse of Oregon was too much the maverick to be a reliable party man, too much the gadfly to be a hero of the Senate Establishment, too much the independent to be predictable even in his proved liberalism. He was a superb public servant—not in spite of those attributes but because of them.

Originally a Republican of the Western progressive breed known in an earlier day as the "sons of the wild jackass," Wayne Morse broke with his party when General Eisenhower, whom he had warmly supported, made peace with the conservative Senator Robert A. Taft. He sat in the Senate for a time as an independent by name as well as by nature and a few years later won reelection as a Democrat. He did not disparage the party system as such; he just gave principle to higher priority than party or, for that matter, than the views of his constituents.

Believing with Edmund Burke that a representative's first loyalty is to his own judgment, he took counsel with himself and had the courage to act on it. He could be wrongheaded at times—but most of the time he seemed magnificently right—especially, in the light of history, when he and another great independent liberal, Senator Ernest Gruening of Alaska, who died only a few weeks ago, stood alone against the Gulf of Tonkin resolution.

Right or wrong, Wayne Lyman Morse went his own way, cavalierly crossing party lines to vote his conscience. At his death he was in the thick of a fight to make a last comeback to the United States Senate. The Senate lost.

[From the Washington Post, July 24, 1974]

WAYNE LYMAN MORSE

It is characteristic of the career of former Sen. Wayne Morse of Oregon, who died on Monday, that he should have been in the midst of a political battle right up to the end of his life. At the age of 73, he was doing what he had done through a half century of public service—he was waging vigorous combat. His most celebrated target was the war in Southeast Asia and he was the earliest and most outspoken opponent of that policy in the Senate, taking pride in the fact that he voted against every measure in support of that war that came before the Senate. On several occasions he was joined in that crusade by his friend from Alaska, Sen. Ernest H. Gruening, who died just a few weeks ago. After six terms in the Senate as a Republican, an independent and a Democrat, Sen. Morse was defeated in 1968 by a 3,000-vote margin.

He was in the midst of his second attempt at a come-back when his kidneys and heart failed him. Descriptive adjectives such as "maverick" and "combatative" were easy to apply to Wayne Morse. But the man did not lend himself that easily to labels. Born on a farm near Madison, Wis., Mr. Morse attended the University of Wisconsin for his undergraduate training, received a law degree from the University of Minnesota and went on to Columbia University for a doctorate in law. He made a major study of the grand jury system and it attracted the attention of officials of the University of Oregon. He was brought there as a professor and soon was made the dean, bypassing several older men to become the youngest law school dean in the nation at the age of 30.

His first national attention, typically, came as the result of a fight within the National War Labor Board, to which he had been appointed by President Roosevelt. Mr. Morse resigned from the Board after two years, in the midst of a loud policy disagreement. His loss to that body can be measured by the fact that he wrote more than half the board's opinions in the two years in which he served.

Although he had been a lifelong Republican, in 1952 he broke with his party and its leader, Dwight Eisenhower, and ran as an independent. He lost his committee assignments and languished in a no-man's land until he finally became a Democrat. One of his first contributions to his new-found party was to assist Richard Neuberger in becoming the first Democrat elected to the Senate from Oregon in 40 years. But soon, he and Neuberger were at war with each other in one of the Senate's most celebrated feuds.

He was cut from a mold that seems to fit few of our contemporary political leaders. It didn't bother him which way the wind was blowing. He would more likely go out and try to change its direction, unafraid to be the first to take a stand that might not be popular. He was prepared to disagree with his party or his President if he thought either to be wrong. He knew some of his positions would cost him votes, but he cared more about what he thought was right. Many a man who loses his office at 67 could be expected to retire to his farm. Wayne Morse was different. He loved the feel of movement and action, combat and discourse, and he set a standard of integrity and independence that will be difficult to match.

THE BICENTENNIAL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. RANGEL. Mr. Speaker, in a recent editorial, WCBS–TV in New York intelligently addressed the issue of this Nation's 200th anniversary. Entitled "America's Birthday," it ably stated the management's view of what the Bicentennial celebration should be. It is now submitted for the thoughtful attention of my colleagues:

AMERICA'S BIRTHDAY

Two years from today America will observe its 200th birthday. It is the oldest democracy in the world and that's something to celebrate.

But what worries us is that the celebration may become an orgy of merchandising with everything from surfboards to sealing wax stamped with the word "Bicentennial." This event is too important to be left to the hucksters and souvenir salesmen. We think the money changers should be chased out of the temple and the sacred take precedence over the profane. What we'd like to see are communities all over the country participating in the bicentennial with projects that commemorate America's heritage, support its arts and enhance its future. The newly formed American Revolution Bicentennial Administration in Washington will be coordinating these activities and is encouraging local groups to come up with projects of special interest to their communities. Thousands of projects are already in the works—projects ranging from restoring a building, to planning a pocket park to running an essay contest. If your community has a project it would like to dedicate to the bicentennial you can contact the American Revolution Bicentennial Administration, 777 Third Avenue, New York, N.Y. 10017. And find out how to get started, where to get help and even funds.

The Bicentennial is a kind of punctuation mark. Coming at the end of one of the most traumatic periods in American history when the ordeals of Vietnam and Watergate will blessedly be behind us, it will be a perfect opportunity for Americans to take stock, set goals and move ahead—not disillusioned because the system is imperfect but encouraged because the system has survived and served them as well as it has.

The bicentennial then should not be a birthday party but a rebirth.

Presented by Sue Cott, Editorial Associate, July 4, 1974 at 6:55 P.M.

NO ROOM LEFT FOR INDIVIDUAL MERIT?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ASHBROOK. Mr. Speaker, I have just come across an affirmative action plan prepared by the Bureau of Postsecondary Education in the Office of Education. The recommendations contained in this plan can only be described as outrageous.

The stated objective of the plan is—

> To achieve a distribution of people in the professional grades which reflects the make-up of the total work-force according to sex, race and ethnic background.

It then proposes specific quotas for employment from grade 5 through grade 16.

Is the concept of individual merit to be discarded even by those who supposedly promote the cause of education? I sincerely hope that this will not be the case. Each individual seeking employment or promotion should be judged on his or her own merit and ability to do the job, not on sex, race, or ethnic background.

As the United States approaches its 200th anniversary, I think we would do well to remember that quota systems are basically collectivist and run counter to the principle of individual liberty. If we truly want to tear down the barriers of discrimination, we should talk about the character and qualities of the individual, not his or her group.

Following is the text of the third recommendation of the Bureau's affirmative action plan:

AFFIRMATIVE ACTION PLAN RECOMMENDATION 3—INCREASE NUMBER OF WOMEN AND MINORITIES IN PROFESSIONAL AND PARA-PROFESSIONAL POSITIONS

SITUATION

At present there are only four Spanish-speaking and one Oriental American in the Bureau and no Indian Americans. Women are underrepresented in Grades 13 through 15 and blacks in Grades 12 and 15. In addition, black men are underrepresented in most professional grades compared with black women.

OBJECTIVE

Our objective is to achieve a distribution of people in the professional grades which reflects the make-up of the total work-force according to sex, race and ethnic background.

REMEDIAL ACTION

The following goals and actions are proposed to achieve the stated objective:

a. Recruitment for Grades GS-5 to GS-7 should reflect the make-up of the total work-force as regards sex, race and ethnic background. Vacancies above GS-7 should be filled by promoting from within the maximum extent possible. Only when it can be clearly shown that qualified Bureau or other OE personnel are not available to fill these vacancies is it permissable to recruit from the outside. The one exception to this requirement relates to recruitment of Spanish-speaking, Oriental and Indian Americans as indicated below under paragraph b.

b. Goals for filling vacant positions either by promotion from within or by outside recruitment:

1. GS-12: At least 33 percent must go to blacks.

GS-13: At least 67 percent must go to women and minorities. At least one-third of this percentage must go to minorities.

GS-14: At least 50 percent must go to women and minorities. At least one-third of this percentage must go to minorities.

GS-15: At least 50 percent must go to women and minorities. At least one-third of this percentage must go to minorities.

2. In the hiring of blacks in grades GS-5 to GS-12, preference should be given to hiring black men.

3. In grades GS-5 to GS-15, we should recruit 10 Spanish-speaking, 3 Oriental and 3 Indian Americans.

4. In recruiting clerical personnel, preference should be given to hiring Spanish-speaking Americans.

5. In filling GS-16 positions, preference should be given to women.

c. The Bureau Affirmative Action Officer should monitor all upgradings to ensure that they are being made in an equitable manner.

Title of responsible official: Bureau Affirmative Action Officer.

Target date: June 30, 1975.

EVALUATION/MONITORING

Monthly reports should be issued showing hires and promotions for the preceding month broken down by sex and racial/ethnic groups. A summary report for the preceding three months should be issued at the end of each quarter. If the quarterly summary shows substantial deviation from the affirmative action goals, the Divisions could be required to confine all hires and/or promotions to target groups affected by the shortfall until the Bureau is back on target. Exceptions to this requirement would have to be strongly justified by the Associate Commissioner seeking the exception and would have to be approved by the Deputy Commissioner.

A file should be kept on all applications from minorities and women. A record should also be maintained on all female and minority applicants who are interviewed for jobs in the Bureau, including interviewer's evaluation of applicant and reason for not selecting if applicant is not hired.

NOTE

The Office of Education Equal Employment Opportunity Office has informed us that the basis for determining adequate representation of minorities in the workforce at OE headquarters is as follows:

Grades 1 through 6 should reflect the racial/ethnic composition of the District of Columbia; Grades 7 through 12 should reflect the racial/ethnic composition of the Washington metropolitan area; Grades 13 through 18 should reflect the racial/ethnic composition of the nation. The relevant percentages for blacks, Spanish-speaking and American Indians are as follows:

District of Columbia: 72% Black, 2% Spanish-speaking, 1% Indian.

Washington Metropolitan area: 24% Black, 2.5% Spanish-speaking, 1% Indian.

Nation: 11% Black, 5% Spanish-speaking, 1.5% Indian.

No comparable percentages have yet been established for determining adequate representation of women in our workforce. However, it was the Committee's feeling that a 50-50 split in the professional grades should serve as the long-range goal.

FINANCIAL STATEMENT ISSUED

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. FORSYTHE. Mr. Speaker, today I am issuing a report of my personal finances to my constituents and I want to share it—as well as the reasons for my action—with my colleagues.

Today, we find ourselves serving the people in a great period of distrust, of skepticism of the motives and acts of public officials.

This concerns me greatly, as I believe our Nation can only be strong if those of us in public service have the faith and trust of American citizens.

Members of Congress, in my view, have an opportunity, and a responsibility, to help dispel distrust and to encourage a renewed faith in our system of government and those who participate in it.

In the 1st session of the 93d Congress, I introduced H.R. 4623, which requires that all Members of Congress issue public personal financial statements.

This requirement, administered on an equitable across-the-board basis, would be a substantial step toward helping to establish a more open relationship between officeholder and constituent. It would help reduce, I am convinced, some of the skepticism that now exists.

For these reasons, Mr. Speaker, I am herewith including in the RECORD a statement of my personal assets and liabilities in the hope that this will, in some small way, help to achieve the goal that I have mentioned.

My financial statement follows:

COOPERS & LYBRAND,
Trenton, N.J., May 15, 1974.

DEAR MR. AND MRS. FORSYTHE: We have made an examination of the accompanying personal statement of assets and liabilities as of December 31, 1973.

The nature of personal accounts, with the absence of control over the creation and recording of personal liabilities, etc. makes an examination of any but recorded transactions impracticable. Therefore, our examination consisted of the following:

1. Confirmation of balances in bank accounts at December 31, 1973.

2. Examination of securities on hand or examination of evidential matter indicating ownership of securities at December 31, 1973.

3. Determination of fair market values of securities of publicly held corporations at December 31, 1973.

4. Examining data as to the tax or other basis of other securities.

5. Examining confirmations of cash surrender value of life insurance policies at December 31, 1973. Such confirmations were obtained directly by us.

6. Examining statement of account indicating the amount of funds in the U.S. government retirement program account.

7. Examination of real estate tax assessment notices to determine estimated fair market value of property.

8. Confirmation of mortgage payable with the mortgagee.

Due to the lack of marketability of other securities as referred to in Note, 1, we could not satisfy ourselves as to the proper valuation of such securities. However, we did determine that such securities were recorded at the tax or other basis as indicated in Note 1. Due to the nature of the assets, we were also unable to determine the propriety of the amounts estimated as approximating current market value for the home furnishings, personal automobiles and office equipment as recorded in the personal statement of assets and liabilities and as referred to in Note 3.

In our opinion, subject to the above comments relating to the carrying values of other securities and of home furnishings, personal automobiles and office equipment and subject to the examination of only recorded transactions, the accompanying personal statement of assets and liabilities fairly present the assets and liabilities of Edwin B. and Mary McK. Forsythe as of December 31, 1973 on a cash basis.

(s) COOPERS & LYBRAND,
Certified Public Accountant.

EDWIN B. AND MARY MCK. FORSYTHE, PERSONAL STATEMENT OF ASSETS AND LIABILITIES, DECEMBER 31, 1973

ASSETS

Cash on hand and in bank accounts	$23,327
Cash surrender value of life insurance	29,584
U.S. Government retirement program account	10,464
Securities of publicly held corporations at market value	27,146
Other securities (note 1)	66,045
Real estate—residence (note 2)	32,400
Home furnishings, personal automobiles and office equipment (note 3)	16,500
Total assets	205,466

LIABILITIES AND NET WORTH

Mortgage payable on home (note 2)	4,000
Net worth	201,466
Total liabilities and net worth	205,466

NOTES TO PERSONAL STATEMENT OF ASSETS AND LIABILITIES

1. Other securities consist of stock in closely held corporations and of a partnership interest for which market values could not be obtained due to the lack of a public market. These securities have been recorded at the tax or other basis (as indicated below) due to the absence of any independent source of market value. The securities involved and the nature of the applicable businesses are as follows:

Name and nature of business	Basis	Shares
D. G. Brown, Inc., common stock; dairy store	[1] $1,200	12
Locust Lane Farm Dairy, Inc., common stock; rental of building and dairy equipment, Moorestown, N. J	[1] 53,600	536
J. B. VanSciver, class A preferred $100 par value; furniture store	[2] 100	1
Locust Lane Farm Dairy (a partnership); rental of trucks and equipment	[3] 11,145	(4)
Total	66,045	

[1] Represents tax basis.
[2] Represents par value.
[3] Represents amount of capital account at Dec. 31, 1971.
[4] 50 percent interest.

2. Real estate—residence—consists of land and a single family, three story residential dwelling at 265 West Second Street in Moorestown, New Jersey. The property is recorded at its assessed value.

The property is the personal dwelling of Mr. and Mrs. Forsythe. The property was purchased in 1940 for $4,500 and is subject to a mortgage of $4,000 as of December 31, 1971.

3. Home furnishings, personal automobiles and office equipment are recorded at amounts estimated by Mr. and Mrs. Forsythe to approximate fair market value.

Home furnishings	$10,000
Personal automobiles (1966 Chevrolet and 1973 Chrysler)	4,000
Office equipment	2,500
Total	16,500

SECURITIES OF PUBLICLY HELD CORPORATIONS AT MARKET VALUE

	Number of shares	Market value
Securities:		
Amtek	22	$275.00
A.T. & T	6	300.75
American Express	90	4,050.00
Arizona Public Service	26	471.25
Atlantic City Electric	119	2,037.88
Bank of America	24	1,119.00
Chessie	5	355.78
Columbia Broadcasting	10	256.25
Continental Can Co	44	902.00
Exxon Corp	10	941.25
Investment Trust Boston	1,083.199	10,582.85
Massachusetts Investment Trust	38,540	467.30
Midlantic Bank Inc	41	1,148.00
Philadelphia Electric	10	540.00
Public Service Electric & Gas	25	459.38
Strawbridge & Clothier	10	217.50
Utah Power & Light	18	630.00
Warner Co	33	288.75
Wellington Fund	183.383	1,663.28
Total		26,706.22
Miscellaneous stocks: Corporations	75	440.14
Grand total		27,146.36

SECURITY AND COMMODITY TRANSACTIONS DURING 1973

Sold—58 shares, First National Bank of Moorestown, N.J., by Mrs. Forsythe—$2,465.

Purchased—1 share, Strawbridge & Clothier—$21.18, 3 shares, Philadelphia Electric Co.—$56.25 (both by Mr. Forsythe).

Received—111.147 shares, Investment Trust of Boston, mutual fund. Reinvestment of dividends and capital gains—$1227.27 (jointly owned).

1.763 shares, Massachusetts Investment Trust, mutual fund, reinvestment of dividends by Mr. Forsythe—$22.73.

3 shares, Midlantic Bank, Inc., stock dividend plus cash, by Mr. Forsythe—$29.52.

4.104 shares, Wellington Fund, mutual fund, reinvestment of capital gains—$44.32.

There were no commodity or real estate transactions during 1973.

INCOME

Salary	$42,500
Interest, dividends, gifts ($417) (no honorariums)	3,285
Gross income	45,785
Income tax paid 1973, joint return	10,527

PADEREWSKI—ARTIST AND STATESMAN

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HELSTOSKI, Mr. Speaker, this year marks the 33d anniversary of the death of a great Pole and a great citizen of the world. Ignace Jan Paderewski, a great artist, statesman, humanitarian, died on June 29, 1941, in the United States, the country which adopted him as its own son.

Ignace Jan Paderewski will forever be remembered and honored as one of the greatest concert pianists and artists of all times. The Americans for whom he played mostly, and where he resided a great part of his life, will forever cherish his memory as an artist.

But Paderewski was also a great patriot and statesman. Poland and her independence were the second consuming love of his life. When World War I broke out in 1914, he canceled his concert tours and launched on a distinguished career of personal service to his homeland.

He devoted his time, talents, and money to the Polish cause. He is generally credited with having been greatly instrumental in convincing President Woodrow Wilson of the necessity of making free and independent Poland one of the conditions of the Versailles Treaty.

In 1918, this inspired patriot returned to Poland and on January 17, 1919, became acclaimed as the first premier of the new born republic. Truly it can be said that he had a dominant part in welding his beloved Poland into an autonomous and independent state.

After the German Army overran Poland in 1940, he again accepted the presidency of the Polish Parliament in exile. It is noteworthy to comment that the government in exile was the sole legitimate government of the people of Poland, ready to assume its rightful position when freedom and liberty would have been restored to Poland during those hectic war years.

Paderewski's body lies today in Arlington Cemetery, not as a permanent resting place, but only temporarily, until a free Poland is restored. It was always his wish and prayer that some day his body could be laid in permanent rest in a free Poland, which he loved so dearly.

It is my fond hope, and that of every advocate of freedom and justice in the entire world and the day may soon come when freedom will be restored to the people of Poland, the land of the great and immortal Ignace Jan Paderewski.

NORTH CAROLINA FARM BUREAU FEDERATION SUPPORTS LEGISLATION TO SAVE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. MIZELL. Mr. Speaker, the North Carolina Farm Bureau has actively supported legislation which will provide that a portion of the New River in North Carolina and Virginia be studied for possible inclusion in the National Wild and Scenic Rivers System.

If this river is not saved, agricultural land worth in the area of $8.5 million will be destroyed by the proposed Blue Ridge power project. This very serious question was also addressed by Representative ROY TAYLOR, chairman of the House Interior and Insular Affairs Subcommittee on National Parks and Recreation, when he said:

> It is worth mentioning also that much of the 40,000 acres which would be flooded by construction of the dams is productive agricultural land. Our needs for power are currently a subject of much discussion. I wonder if our needs for food may someday be even more critical.

For the benefit of my colleagues, I would like to insert the text of a letter I have received from Mr. B. C. Mangum, president of the North Carolina Farm Bureau Federation:

NORTH CAROLINA
FARM BUREAU FEDERATION,
Raleigh, N.C., July 25, 1974.

Hon. WILMER MIZELL,
House of Representatives,
Washington, D.C.

DEAR WILMER: This is to voice our support for your efforts to have the New River in Ashe and Alleghany counties added to the Scenic River System. This is important legislation for landowners of this particular section of the state.

You are no doubt aware of the vigorous support that we gave to legislation in the General Assembly (H. 1433) that would add New River to the North Carolina Scenic River System. This legislation was strongly supported by the Ashe and Alleghany County Farm Bureaus and was enacted by an overwhelming majority. That intense effort and support indicates our interest in this matter.

We congratulate you for your action and offer our assistance in any way you deem helpful in achieving a successful conclusion.

Warmest personal regards.

Sincerely,

B. C. MANGUM,
President.

THE MILITARY OBLIGATION—IS 6 YEARS TOO LONG?

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ARMSTRONG. Mr. Speaker, Congress decided last year to establish the military forces of this country on a voluntary basis and abolished the involuntary draft. The Marines, the Navy, and the Air Force were expected to be able to meet their manpower requirements, and, in fact, have done so. The Army was considered the most likely branch of the services to have difficulty in meeting its quotas.

Secretary of the Army Callaway has reported the Volunteer Army is doing its job.

But it is time to deal with another question raised by the abolition of the draft.

I refer to the present 6-year military obligation.

To rectify this situation I have introduced legislation to reduce the military obligation of armed service members from 6 to 3 years, unless they have voluntarily agreed to serve a longer period on active duty to repay the services for specialized training or for other considerations.

The National Guard should benefit especially from this bill, since it is becoming harder and harder to interest Americans in attending drills and training duty for a 6-year period. To ask an 18-year-old to commit a period of time longer than college, and amounting to a third of his age, is asking more than many devoted and patriotic young Americans feel they can commit. In a sense, a 6-year obligation asks for a long-term commitment without experience, without testing.

Our military forces should be dedicated enough, interesting enough, and good enough to attract young Americans without demanding a long-term commitment—sight unseen.

In addition, a shorter obligation could attract volunteers who are not willing to commit to a 6-year enlistment but who might change their mind after becoming members of the Armed Forces.

For these reasons, among others, Mr. Speaker, I urge support of this legislation.

ON IMPEACHMENT

HON. DAVID W. DENNIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. DENNIS. Mr. Speaker, I thought it might be interesting to my colleagues to include in the RECORD my opening remarks in the House Committee on the Judiciary on the subject of impeachment of the President.

My statement follows:

REMARKS OF HON. DAVID W. DENNIS ON IMPEACHMENT DELIBERATIONS

Mr. Chairman, and my colleagues of the Committee:

All of us are agreed that this is the most important vote any one of us is likely ever to cast as a member of the Congress. Only a vote on a declaration of war, I suppose, might be considered as of equal gravity. All of us, I think—while keenly aware of immediate political implications—would like, on this vote, to be right; to do right; and to be recorded as having been right in the long light of history.

This is an emotional matter we have before us, loaded with political overtones, and replete with both individual and national tragedy; yet I suggest that we will judge it best and most fairly, and with the most chance of arriving at our goal of being right, if we approach it dispassionately, and analyze it professionally as lawyers who are engaged in the preparation and in the assessment of a case.

In doing this, of course, we cannot approach or decide this important matter on the basis of whether we like or dislike President Nixon, whether we do or do not in general support his policies, or on the basis of whether we either in 1972 did, or now in 1974 would, vote for him for high office.

The question, rather, is whether or not proof exists—convincing proof of adequate weight and evidentiary competence—to establish that the President of the United States has been guilty of high crimes and misdemeanors within the meaning of the Constitution, so as to justify the radical action of his impeachment and removal in disgrace from the high office to which he was elected by the American people, and which he now holds by virtue of their vote.

Although many charges and allegations have been levied against the President before our Committee, and it has been difficult even to this late hour to determine exactly what Articles of Impeachment will finally be proposed, it is my understanding that the principal charges against the President with which we have to deal are divided into three general categories, and it is to these that I shall chiefly address my remarks in the brief time which is allotted.

These general categories are:

1. The obstruction of justice in the so-called Watergate cover-up;
2. Alleged abuse of Executive Power;
3. The failure of the President to comply with the subpoenas of this Committee.

All of these categories have sub-headings, and specific items of evidence, to which I shall address myself in the course of these remarks.

It is my judgment, for reasons which I hope, at least in part, to indicate, that only the first of these categories—the so-called Watergate cover-up—presents us with any really serious problem for our decision; I shall therefore address myself to the second and third categories—alleged abuse of power and non-compliance with subpoenas—in the first instance, and rather briefly, and shall use the balance of my time in a slightly more extensive analysis of the alleged Watergate cover-up—following, thereafter, with my conclusions as to the merits of the case.

Turning first to the matter of failure to observe or to comply with the subpoenas of the Committee on the Judiciary:

We have, of course, had a landmark decision of the Supreme Court of the United States just yesterday which has decided, for the first time, that a generalized and unlimited executive privilege cannot be exercised to over-ride specific subpoenas issued by a Special Prosecuting Attorney in furtherance of the prosecution of a criminal case.

This decision does not bear directly on nor, as a matter of law, does it enhance the power of this Committee to issue subpoenas in these impeachment proceedings against the President of the United States, because, very unfortunately, as I believe, this Committee has declined and refused to test and to determine its Constitutional powers in the Courts of this country, despite the well-known statement of Chief Justice Marshall in *Marbury* v. *Madison* that "It is emphatically the province and duty of the Judicial Department to say what the law is."

I believe, however, that the power of this Committee in respect to the issuance of subpoenas in impeachment proceedings is at least equal to—and is, in all probability, the superior of—the power of the Special Prosecuting Attorney.

This decision, therefore, although we are not a party to the litigation, and derive no actual rights therefrom, very well may—and, in my judgment in all probability will—result in the furnishing to this Committee of additional relevant and highly material evidence which, up to this time, we do not have.

It is my judgment that should it appear that such evidence will be available to us within a reasonably short period of time, then it will become our positive duty to delay a final vote in these important proceedings until we have examined this additional evidence.

In assessing the President's past treatment of the subpoenas of this Committee, however, we have no right whatever to consider yesterday's decision of the United States Supreme Court because, in addition to the fact that we are not a party to the cause, this decision, of course had not been handed down when our subpoenas were served, or when the President took his stand in respect thereto.

At that point the President simply asserted what he stoutly maintained to be a Constitutional right—and which he is, in fact, still legally free to assert to be a Constitutional right so far as this Committee is concerned; and we, on the contrary, asserted a Constitutional right in opposition to the Presidential claim.

Such a conflict is properly one for resolution by the Courts, and absent a binding and definitive decision between the parties by the Judicial branch, it escapes me on what ground it can properly be asserted that a claim of Constitutional right is, in any sense, an abuse of power.

II. ALLEGED ABUSE OF POWER

Turning to further alleged abuses of power, I look to the proposed articles which we have before us.

In proposed Article II these abuses of power are alleged to be:

1. *Illegal Surveillance*, but the 17 wire-taps chiefly complained of under this heading were all instituted before the *Keith* decision, and were not only presumptively legal at that time, but are probably legal in large part also today since many, if not all of them, had international aspects, a situation in which the need for a court order was specifically not passed upon in the *Keith* decision.

2. Use of the executive power to unlawfully establish a special investigative unit "—to engage in unlawful covert activities—". But it was not unlawful, so far as I am advised, to establish the plumbers' unit; and I suggest that proof is lacking that the President intended for it to, or authorized it to, engage in unlawful covert activities. In like manner it is certainly not established as a fact that the purpose of the Fielding burglary was "to obtain information to be used by Richard M. Nixon in public defamation of Daniel Ellsberg", nor is there any substantial evidence that the President knew of or authorized this burglary before it took place. In fact when Dean told the President about the Fielding break-in on March 17, 1973, the President said, "What in the world—what in the name of God was Ehrlichman having—in the Ellsberg. . . . This is the first I ever heard of this."

3. *Alleged Abuse of the IRS*. Without going into detail I suggest that the evidence here—so far as the President is concerned—is one of talk only, and not of action; that the independent attempted actions of Dean, Haldeman, and Ehrlichman were unsuccessful and ineffective; and that the only direct evidence of an alleged Presidential order (in the Wallace case) is a hearsay statement of Clark Mollenhoff that Mr. Haldeman said to him that the President requested him to obtain a report—which is, of course, not competent proof of anything.

Other allegations of alleged misuse and abuse of the FBI and the CIA can, in the interests of time, be best considered under the heading of alleged obstruction of justice; and the matter of refusing to honor Judiciary Committee subpoenas has already been discussed.

III. ALLEGED OBSTRUCTION OF JUSTICE

The first specific action listed here, as implementing the President's alleged "policy", is "Making false and misleading statements to lawfully authorized investigative officers". It would be interesting to have the authors and backers of this allegation particularly plead and prove to whom, and when, the President was guilty of making such false statements; and it would be relevant to inquire whether these false statements, if any, were in fact made to an investigative officer when and while he was engaged in his investigative function.

If the President was guilty of "counseling witnesses to give false statements", again some specificity in pleading and proof are much to be desired. I do recall that he had everybody go up to the Senate and testify without immunity, and that he counseled John Dean (not very effectively it would appear) to always tell the truth—pointing out that Alger Hiss would never have gone to jail if he had done so.

Whether the President had a design to, or attempted to, interefere with or obstruct the Watergate investigation conducted by the FBI, by a phony attempt to enlist the possibility of CIA involvement, or whether he genuinely believed—due to the personnel concerned, the Mexican connection, and other circumstances—that there might well be a CIA or national security involvement, appears to me to be a debatable proposition; and, in any case, the CIA disavowed involvement and the delay caused by this episode was for a few days only.

I predict that the allegations respecting alleged corrupt offers or suggestions of executive clemency will, on the record of our hearings to date, fall far short in proof; and I believe that the testimony before us of Henry Petersen himself very adequately answers the allegation of wrongfully disseminating information received from the Department of Justice to subjects of the investigation.

The matter of the payment to E. Howard Hunt of $75,000, apparently on the evening of March 21, 1973, is probably the most dangerous single incident so far as the President is concerned, because there is no doubt that in the conversation of March 21, 1973 the President more than once stated, and in dramatic fashion, that in order to buy time, in the short run, a payment to Hunt was apparently necessary.

But in the same conversation the following exchange took place:

> The President says: "But in the end, we are going to be bled to death. And in the end, it is all going to come out anyway. Then you get the worst of both worlds. We are going to lose, and people are going to—."
>
> H: "And look like dopes!"
>
> P: "And in effect, look like a cover-up. So that we can't do."

And John Dean told the Senators, "The money things was left hanging—nothing was resolved".

More importantly, the March 21 payment to Hunt was the last in a long series of such payments, engineered by Mitchell, Haldeman, Dean and Kleindienst, and later on LaRue, all so far as appears, without the President's knowledge or complicity. And as to the payment of March 21 the evidence appears to establish that it was set up and arranged for by conversations between Dean and LaRue and LaRue and Mitchell, before Dean talked to the President on the morning of the 21st of March. So that even if the President was willing, and even had he ordered it (as to which the proof falls short) it would appear that this payment was in train and would have gone forward, had Dean never talked to the President on March 21 at all. We need to remember, moreover, that despite my insistence and repeated request our Committee never bothered to call Howard Hunt, the reputed blackmailer, and a central figure in this case, at all.

And where cover-up is considered we need to remember that, after all, the President became fully aware and took charge on March 21 and by April 30 Haldeman, Ehrlichman, and Dean had all left the government for good, and now are dealing as they should with the strictures of the criminal law.

IV. CONCLUSION

Time does not permit a further analysis of the great mass of evidence involved. But, in conclusion, I would like to leave with you a few thoughts—the first again legal, and finally a more general word.

First, if we bring this case and carry it through the House and into the Senate we will have to prove it. We will have to prove it by competent evidence. The managers on the part of the House will have to make the case. At that point hearsay will not do. Inference upon inference will not do. *Ex parte* affidavits will not do. Memoranda will not do. Prior recorder testimony in other legal proceedings to which the President was not a party will not serve the purpose. The witnesses never called in our investigation—some of them never interviewed—will have to be called, and will have to be relied on. Someone will have to present this case in the cold light of a judicial day.

Unless the legally provable case is clearly there, we ought not to attempt it; we ought not to bring on this trauma, in justice to the President, in fairness to ourselves, and in consideration of the welfare of the country.

These, I submit, are serious reasons against the bringing of a probably unsuccessful prosecution.

For any prosecution will divide this country. It will tear asunder the Republican Party for many years to come—and this is bad for the country, which depends for its political health on a strong two-party system. And impeachment is radical surgery on the tip of a cancer which needs therapy at the roots.

I am as shocked as anyone by the misdeeds of Watergate. Richard Nixon has much to answer for, and he has even more to answer for to me—as a conservative Republican—than he does to my liberal-lining friends on the other side of the aisle. But I join in no political lynching where the hard proof fails as to this, or as to any other President; and I suggest this:

What is needed is moral and political reform in America. The Nixon administration is not the first to be guilty of shoddy practices which, if not established as grounds for impeachment, are nonetheless inconsistent with the better spirit of America.

Neither the catharsis of impeachment nor the trauma of a political trial will cure this illness of the spirit. We are all too likely to pass through this crisis and then forget reform for another 20 years. Our business here in the Congress is basically a legislative and not a judicial function. Lacking as we do a clear and convincing legal case which all reasonable Americans must and will accept, we would do better to retain the President we, in our judgment, elected to the office, for the balance of his term; and, in the meantime, place our energy and spend our time on such pressing matters as:

1. Real campaign reform;
2. A sound financial policy to control and contain inflation;
3. Energy and the environment;
4. War and peace;
5. Honesty throughout government;
6. The personal and economic rights and liberties of the individual citizen as against private agglomerations of power and the monolithic state.

There will be another Presidential election in 1976, and the United States of America can enter her 200th year without having discharged our collective frustrations and purged our individual sins by the political execution of the imperfect individual whom we put in office and who, in both his strength and in his weakness, perhaps represents us all too well.

HON. WAYNE MORSE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. RANGEL. Mr. Speaker, I join hundreds of my colleagues and millions of my fellow Americans in paying tribute to the late Wayne Morse:

A man who placed personal principles above petty, partisan politics.

A politician who refused to become part of the pack. From farm legislation to civil rights to his historic vote on the

Gulf of Tonkin resolution, Wayne Morse stood alone, above the mediocre.

As the New York Times wrote in an editorial:

> At his death, he was in the thick of a fight to make a last comeback to the United States Senate. The Senate lost.

We all lost.

THE OIL CRISIS AND THE VALUE OF PROFITS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. CRANE. Mr. Speaker, many men in public life took the occasion of the oil shortage to teach the American people some economic "facts of life" which have no relationship whatever to economic reality.

The shortage of petroleum products was brought about, in large measure, because of Government policies. On the one hand, price controls on natural gas increased the demand for petroleum products and made it unprofitable to produce additional natural gas. On the other hand, Government-imposed import quotas kept the supply of petroleum artificially low. While Government increased the demand, Government also limited the supply. The result: long lines at gas stations throughout the country.

Yet, while Government itself was clearly to blame, many sought to blame business and industry instead. The oil companies, we were told, had artificially limited supplies in order to bolster profits. This was demonstrably untrue, for it had been the oil companies themselves who had warned for many years about the dangerous shortages ahead if Government interventionist policies were to continue.

Politicians and journalists picked on the easy target—big business—rather than the real culprit.

In his commentary on the Mutual Broadcasting Network for June 24, 1974, Robert F. Hurleigh points out that:

> The entire increase in profits reported by the oil companies in the first quarter will not be sufficient to offset the additional cost of replacing the inventories which were brought before the cost of crude oil from overseas more than doubled in price. And it's conceivable that the oil companies will have a decline in profits in the very near future. Even so, industry is investing almost $3.5 billion here in the United States and $1.5 billion elsewhere in the first quarter of this year alone. And that expenditure in the United States is more than twice as large as the oil company profits.

These facts were presented by the senior oil analyst of the Chase Manhattan Bank, whose job it is to place facts before the investment community for decision. Mr. Hurleigh concludes that:

> Any fair minded person must admit that the picture of the oil industry was forced out of focus by those who seized upon the energy crunch of a few months ago to make personal political capital out of an international economic crisis.

I wish to share Robert F. Hurleigh's thoughtful analysis with my colleagues, and insert it into the Record at this time:

Commentary by Robert F. Hurleigh

It was just a few months ago that most of us experienced the frustration of waiting in long lines at gas stations and then being told when we did reach the pump that we could only obtain a certain amount of gas. All these frustrations were duly recorded in all media, day after day for the several months during the energy crisis which followed the Arab states' use of the oil embargo as a weapon in the war with Israel, last year. A number of politicians, noting the discomfiture and growing anger of the consumer, began pointing the finger of blame at the oil industry, knowing they would be given national attention by the media. Some of the charges were based on sound information, but many, many more were in the form of sheer demagoguery. And when the oil companies began to report their annual profits, and their first quarter profits for this year, the political blame-casters thundered that the profits were "obscene". There is no doubt that the increases in revenues and profits were indeed extraordinary. But there were few to caution that the situation which brought the oil embargo, the oil crisis and the high profits were themselves most extraordinary.

But that abnormal gain in profits appears to be of short duration, because it is not forecast as a conservative estimate, that the entire increase in profits reported by the oil companies in the first quarter will not be sufficient to offset the additional cost of replacing the inventories which were bought before the cost of crude oil from overseas more than doubled in price. And it's conceivable that the oil companies will have a decline in profits in the very near future. Even so, industry is investing almost $3.5 billion here in the United States and $1.5 billion elsewhere in the first quarter of this year alone. And that expenditure in the United States is more than twice as large as the oil company profits! This is not information gathered from the oil industry—but hard facts presented by the senior oil analyst of the Chase Manhattan Bank, whose job it is to place the facts before the investment community for decision. Any fair-minded person must admit that the picture of the oil industry was forced out of focus by those who seized upon the energy crunch of a few months ago to make personal political capital out of an international economic crisis. The report on the "Petroleum Situation" by Chase Manhattan is for release today. You may want to keep an eye on the situation yourself, and just note how much coverage this situation report is given since the energy problem is still with us. You may be interested to see whether or not this decline in profits gets the same sort of attention in Congress and the media as the first quarter gains. So goes the world today.

STRIP MINING LETTERS

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HECHLER of West Virginia. Mr. Speaker, I have received so many hundreds of wonderful letters, phone calls, and telegrams within the past few days concerning the strip mining issue, that I want to share excerpts from a representative sample:

Huntsville, Alabama: "Please continue your good work in helping to stop this strip mining. I have had first-hand experience with strip mining, and it should be stopped. When will people wake up?"—Mrs. Mary G. Chasteen.

San Diego, California: "Stick to your guns. Don't let them wreck more land with strip mining."—Johanna Seeley.

Charleston, W. Va.: "The earth says thank you."—Virginia and Jim McIntyre.

New Paltz, N.Y.: "Success to you and all who love our land. Have asked our fine Representative Hamilton Fish to support your efforts."

Beckley, V. Va.: "My husband and I are with you all the way in your efforts to abolish once and for all time the strip mining of coal. It infuriates us to see the devastation it is doing to our lovely state."—Edward and Ruth Cresap.

Logan, W. Va.: "We know how hard you are working to get your admirable strip-mining bill passed. Can't you visualize what could happen to areas in the mid-west which would be disastrously stripped? Then what to do? Why, of course—spread concrete highways!"—Dr. and Mrs. Abraham Tow.

Bradley, V. Wa.: "I want to congratulate you on your firm stand against strip mining."—Dr. H. B. Wurst.

Hammond, Ind.: "I heard the views of all on strip mining, and do feel it is time to go deep and think of the longer-range plans for our country. This is what we have not been doing for too long. I heartily approve of your bill H.R. 15000."

Seekonk, Mass.: "I am all for H.R. 15000, your bill to stop strip mining and protect the land. Give 'em Hell!"—Geoffrey P. Allsup.

Lubbock, Texas: "I am totally in favor of H.R. 15000. The land has been plundered all too much by strip-mining exploitation."

New York, N.Y.: "I support your bill, H.R. 15000. Good luck! (We all need it.)"—William Stelling

Barnesville, Ohio: "I liked your remarks about strip mining. I feel as you do, that strip mining should be phased out and that Appalachia shouldn't have to suffer and sacrifice for the rest of America."

Medford, Oregon: "If you want to see and hear about strip mining, go to my sister, Lorene Eastep, Ridgeview, W. Va. The coal company dumped stuff all over the only place where she grew her garden, and now she has no place for a garden. Her water came out of the mountain by pipe, and when I was there they had ruined the water, and it tasted like sulphur. We could not drink it, and had to buy soda pop."—Mrs. Mary Hibbard

Catlin, Illinois: "We have a beautiful community here in Illinois that is faced with a strip mining problem. Amax Corporation has purchased 4,500 acres around our town of 2,500. Approximately 3,500 acres of the acquisition is prime agricultural land capable of the highest yields."—Harry W. Smith

Athens, Ohio: "We support H.R. 15000."—Pat Welling

San Rafael, Calif.: "I sincerely hope H.R. 15000 passes. Keep up the good work; you have my support."—Katherine Davis

Dickson City, Pa.: "You are so right in your views and your fight to preserve our environment. The coal companies have done no good for anyone."—Mrs. Frank Urban

Clarksburg, W. Va.: "I would like to see the destructive process of strip-mining eliminated. If it isn't, people are going to have to take pictures of the majestic scenery of West Virginia today, put it in a scrapbook for their children and grandchildren, and refer to our state as the land that used to be beautiful, until it was destroyed by strip-mining."—Juan C. Schmidt

Wisconsin Dells, Wis.; "Hope your bill passes. You have courage."—Damon Loomis

Canoga Park, Calif.: "Your bill H.R. 15000 has my support."—Estheranne Billings

Chicago, Ill.: "Your approach is the only realistic one—strip-mining must be phased out. It would be far wiser to devote efforts toward developing safe, efficient means for deep-mining coal."

Santa Monica, Calif. "I support your bill because it protects the land."—Margaret E. Dadian

Fairdale, W. Va.: "As a young adult living on a farm in rural West Virginia, every day from my home I view grotesque, unreclaimed highwalls of a nearby strip mine."—Eileen Covey

Staten Island, N.Y. "It's a shame what greed, selfishness and deception does to our country. Strip-mining is like an atomic bomb explosion on our land; one can't put it back again."—Mrs. Harry Bockhorn

Wheatland, Ind.: "These corporations care nothing for the land, its owners, nor the future of our country, but desire only their own gain. The coal companies are able to force the sale of lands to them, because they would be surrounded by devastated land, and the value of their holdings reduced greatly because of its location in a desolate, stripped area."—Mr. and Mrs. G. Winton Palmer

Sophia, W. Va.: "Around here, you can't say anything about the way the land is destroyed, because if your father works for a coal company he may be fired from his job."—B. M. Milam

Hickory Hills, Ill.: "You have the right idea in H.R. 15000. Keep pushin' "—David Harris.

Hixson, Tenn.: "Thank God that there are some elected representatives, such as you, who have guts to fight for the land. As a former resident of the southern coal fields of West Virginia, I know only too well the devastation that the strip miners have caused."—Mrs. Barbara Gwynn McMahan

Seattle, Wash.: "Your bill seems to be the only one that really does something about the way strip mining companies are raping the land."—Seattle, Wash.

Inkster, Mich.: "I've followed your fights against the over-powerful, over-greedy coal giants with great interest. End strip mining forever."—David E. Stauffer

Houston, Texas: "I listened to the debate on strip mining of television. I hope that your bill, H.R. 15000, will pass."—Percy Selden

Falls Church, Va.: "I would like to add my support to your strip mining bill."—Mrs. Thomas P. Myers

Sundial, W. Va.: "The residents of the particular stripped areas are the ones who suffer. This particular area used to be really pretty nice before the strippers moved in. Everything is destroyed; nothing is replaced. The bedrock is broken, streams are flowing dirty, or red with sulphur. Regulations do no good, because they are side-stepped."—Richard Bradford

Bluefield, W. Va.: "Greed sums up their motivation which they so cleverly try to cloak under altruism. The strip mine operators would have us believe they went into the business simply to supply our energy needs. Hundreds of acres are being torn up by stripping, and it's going on day after day after day. Then I read a West Virginia Conservation Magazine and realize what a two-faced, hypocritical tool of monied interests this Department of Natural Resources is."—Bob Connor

Ravencliff, W. Va.: "Thank you sincerely for the work you are doing to protect our state from the strippers and their lack of respect for our state."—Mrs. Evonda Morgan

Tustin, Calif.: "We sincerely feel that strip mining must and should be completely abolished. It is a short-term energy and capital investment, with long-term devastation to our land."—Mr. and Mrs. James F. Mapledoram

Chapmanville, W. Va.: "I was certainly pleased with your hard work concerning the strip mining bill. Thank you for trying so hard to make people see that strip mining is really destroying our beautiful state of West Virginia. What will it take to make the other leaders see this?"—Jerome Dingess, Jr.

Chambersburg, Pa.: "I applaud your stand on strip mining."—Joyce Schaff

Mullens, W. Va.: "I am currently employed in coal mining during the summers while I am attending W.V.U. in the winters. I think strip-mining should be completely banned on steep hillsides such as we have in southern West Virginia. There's no way they can reclaim steep slopes."—Dennis Phillips

Philadelphia, Pa.: "I am delighted to hear that you are taking an active part in efforts to stop or control strip mining in this country. It is one of the great needs of our time."—Wilmer Young

THE NATION PAYS TRIBUTE TO ERNEST GRUENING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. CONYERS. Mr. Speaker, before most of us knew the late Ernest Gruening as a Senator of undeterred principle, my distinguished and admired friend served as managing editor, and later as editor, of The Nation. He was responsible for much of the magazine's early success, and remained intimately associated with its work throughout his career. The publishers, editors, and staff of The Nation recently printed a tribute to the late Ernest Gruening, which includes statements from men who knew and admired the pioneer spirit of the former Senator. I insert this article in the RECORD.

ERNEST GRUENING

The persona never engulfed the self with Ernest Gruening. The public citizen and the private person were one and the same; he was always of one piece. He had an enormous zest for life and made it a practice never to be bored. His splendid autobiography is appropriately titled *Many Battles*, and it is clear that he enjoyed all of them. He was an intellectual—educated in private schools here and in Europe, Harvard College (Bachelor of Arts in science, 1907), and the Harvard Medical School, 1912 (although he never practiced)—who loved the rough-and-tumble of politics and the challenge and excitement of journalism. In Boston he worked on the *American*, the *Herald*, served as editor of the *Traveler* (at age 27), and later moved to the *Journal* as managing editor. He was business manager, for a time, of *La Prensa*, in New York. He helped found and for five years edited the Portland (Maine) *Evening News*. He was, briefly, managing editor of the New York *Tribune* and New York *Evening Post*, but left both papers for reasons that did him credit.

For most of his adult life Gruening was identified, in one way or another, and at different times, with *The Nation*. He joined the staff on May 15, 1921, as managing editor—*The Nation* of Villard, Kirchwey, Gannett, Lewisohn and the Van Dorens—and played a key role in the magazine's fourteen-year campaign to end the occupation of Haiti. In fact it was at *The Nation* that he first became interested in foreign policy when he campaigned against "gunboat diplomacy." He became one of the first American journalists to take an in-depth view of the Caribbean, Mexico and South America. He wrote what has been described as "the best book written by a non-Mexican" about Mexico, for which, years later, he received the Order of the Aztec Eagle. Roosevelt wisely tapped his expert first-hand knowledge and he became one of the architects of the Good Neighbor Policy, serving as adviser to the American delegation at the Montevideo Conference of 1933.

After his years in Portland, he again joined the staff of *The Nation* in 1932, this time as editor, and directed some of the magazine's more successful and important campaigns of the period, including the campaign to elect LaGuardia as Mayor of New York. But after a time he left to become the first director of the newly created Division of Territories and Island Possessions and also administrator of the Puerto Rican Reconstruction Administration. He also served, of course, for nearly fourteen years as territorial governor of Alaska, and, more than any one person, was responsible for the successful drive to acquire statehood first for Alaska and then for Hawaii.

In two terms as Senator from Alaska, he was in the thick of every good fight and gave as good as he got in each of them. On October 7, 1963, he delivered his first major speech critical of America's role in Vietnam and on March 10, 1964, demanded the withdrawal of U.S. troops. He cast one of the two Senate votes against the Gulf of Tonkin Resolution, the other being cast by Wayne Morse. For these services *The Nation* set in motion the process by which a group of his colleagues later nominated him for the Nobel Peace Prize, which he richly deserved but did not receive. In February 1967, he participated in *The Nation's* conference in Los Angeles which gave definite momentum to political opposition to the war. At that conference, Senators McCarthy, Hatfield, McGovern and Gruening all spoke against the war, as did Martin Luther King, Jr.—his first public speech against further American involvement in Vietnam. Another participant at the conference, Eugene McCarthy, made history the next year when he entered the Democratic primary in New Hampshire, and four years later George McGovern carried on the same fight with the active support of Ernest Gruening.

In 1968, after Gruening was defeated for re-election to the Senate, his name was promptly added to our masthead as Editorial Associate and, let it be noted, he took the designation seriously. From Washington—or wherever he was at the moment—came a steady drumbeat of suggestions for articles and editorials, nor did he hesitate to offer criticism when he thought it was needed. As he was dying in a hospital in Washington, he was preoccupied with impeachment and worried about the outcome. In his view, the President should be impeached for high crimes and misdemeanors, thrown out of office, then prosecuted as a citizen, convicted again and put in jail as a demonstration that American justice still lives. The postscript in *Many Battles* is a classic indictment of Richard Nixon; no better statement of the case for impeachment has been or will be issued.

Ernest Gruening was a man of culture. He had wit and humor. He possessed a wide range of knowledge in many fields and few Americans of his generation had a richer or more varied experience in public affairs. He liked people and loved life. He was a man of impeccable honor and integrity, indomitable spirit and extraordinary moral courage. No one had a more acute sense of when the slightest compromise on an issue of principle could be fatal; he never made the mistake of letting that moment slip by. He had tenderness and affection for those he loved. What he had to say in his autobiography about the tragic deaths of Ernest, Jr., and Peter Gruening suggests, in its simplicity and directness, the depth of his feeling for them; so do his frequent references to his wife, Dorothy.

At *The Nation* we knew Ernest Gruening as a delightful and valued colleague and an ever loyal and helpful friend. His life spanned nearly a century and he was, by any reckoning, one of the most remarkable Americans of his time. Removing his name from the masthead, as we do with this issue, is a painful rite. But the conscience of a magazine that has been around as long as *The Nation* is necessarily made up of the dead as well as the living. No one familar with the editorships of Godkin, Villard and Gruening would say that their influence ceased when their lives ended. The spirit of Ernest Gruening will remain very much a part of *The Nation's* heritage.

Carey McWilliams,
For the Publishers, Editors and staff of The Nation.

Here follow comments from men who knew, admired and indeed loved Ernest Gruening:

Ernest Gruening personified truthfulness, honesty, integrity and courage throughout his public service. He has been warning us for the past many years that these attributes of good character have been lacking in many high places in all three branches of our government.

He recognized and warned that if our government, through its policies, violates the moral and legal principles upon which our system of constitutional self-government was founded, American citizens, once they became convinced of such wrongdoing, would demand and obtain a return of their constitutional freedoms and rights. It was to this issue of honest government that Ernest Gruening dedicated much of his time for the past ten years.

Ernest Gruening was a very effective political evangelist in the cause of peace through enforceable Rules of International Law. He did not oppose but supported adequate national defense. But he did oppose vigorously undeclared wars by our country or any other country, military balance-of-power diplomacy, military intervention into the internal affairs of other nations even though it is done under the diplomatic guise of a détente.

He warned again and again that a nuclear proliferation and the leaving of nuclear war-making power, in the name of national security and sovereignty, to a few nations without complete international enforcement control increases the danger of a nuclear arms race ending in a worldwide catastrophic nuclear war.

History will record Ernest Gruening as being far ahead of his time. But above all else he will go down in history as a statesman in support of peace in our time through enforcement of world law.

When historians in the years ahead finish their documented evaluations of the public service record of Ernest Gruening, he is certain to be ranked among the list of greatest champions of the nation's welfare ever to serve in the United States Senate.—Wayne Morse.

My memory of Ernest Gruening will endure a lifetime. His many battles were of conscience and conviction, and the vision of the issue always became clear with time. He fought for his beliefs and he spoke his mind. He was a great man both for Alaska and the nation when we needed a great man.—Walter J. Hickel.

Of all the men I have ever known in public life, Ernest Gruening is the one whose life I most admire. He used to call me almost every morning, sometimes as early as 6:30 or 7:00, to tell me what I should do about this article or that editorial or chide me for not doing enough on this or that issue. He did this up until the end.

It was my privilege not only to serve with him in the U.S. Senate for a number of years but also to come to know him as a personal friend and to work with him very closely in the course of the 1972 campaign for the Presidency, and also during 1971 in the contest for the Democratic Presidential nomination.

I always will think of Senator Gruening as a man who brought great passion and personal commitment and a healthy sense of moral outrage to the problems that faced our country.

I arrived at the Doctors Hospital just a few minutes after Senator Gruening died, and Mrs. Gruening was still sitting there in the room with him. I stayed there and visited with her for about an hour in the presence of Senator Gruening, and we were talking without any tears at all about his marvelous life and the many things that he did.

Mrs. Gruening spent most of that time expressing her thanks and her gratitude and her joy that she had been permitted some sixty years with this remarkable man.—Senator George McGovern.

It is a measure of Ernest Gruening's greatness that in the last decade of a long and productive life, he undertook to use his intelligence and influence to take on not one, but two, of the most controversial public issues—the war in Vietnam and the problems of curbing rapid population growth. In both instances he had to contend with an administration led by his own party—and in both instances, when the time came for action, it was Gruening's position which was vindicated. Between 1965 and 1968, Senator Gruening conducted a remarkable set of thirty-two Senate hearings on "the population crisis" which elicited the views of 120 scientists, public officials, religious leaders and citizens. The record of these hearings—in 6,800 pages—was rich and diverse, ranging from detailed monographs on the prospects for population growth to Gruening's expert lecturing of an indifferent John Gardner, then Secretary of Health, Education and Welfare, on the inadequacy of the department's program. When the hearings were completed, the issues of family planning and population had been defused politically and the inherent inability or unwillingness to act of the government's administrative bureaucracies had been exposed. The Gruening hearings thus laid the groundwork for positive legislation in 1967–70 on both the domestic and international aspects of the population issue.

It was a classic example of legislative initiative and leadership, carried out by a virtuoso. Our nation and our world will sorely miss Ernest Gruening. They don't make them that way any more.—Frederick S. Jaffe, vice president, Planned Parenthood Federation of America and director, Center for Family Planning Program Development.

Back in 1929 when I was a senior at Hotchkiss, I read an article telling of the plight of a newspaper editor in Portland, Me., by the name of Ernest Gruening. In my innocence and arrogance I wrote him asking for a job, and to my amazement received an immediate answer saying that he would try me out. He said in his letter that he too had gone to Hotchkiss and couldn't imagine anybody there reading either *The Nation* or *The New Republic* or being interested enough to work on a Democratic paper in an archly conservative state.

The Portland *Evening News* was my home for two summers and I learned more than I can ever acknowledge about journalism, the civil rights movement and trade unionism from Ernest, and also got to meet his wonderful sister Martha who was one of the founders of the NAACP. Although my life has been mainly concerned with music, it was Ernest Gruening as editor of *The Nation* who sent me to Alabama in February 1933 to cover the Scottsboro case, and it was through that experience that I was soon to join the board of the NAACP and work actively in the civil rights movement for the rest of my life.

Last year I was present when Ernest and Wayne Morse got ACLU awards for being the two members of the U.S. Senate with the courage to oppose the Gulf of Tonkin Resolution in 1964. And in the spring of this year Ernest made his first trip to Hotchkiss since his graduation in 1903. At my class reunion last month I found that Ernest completely captivated not only the entire student body but most of the townsfolk as well. He was supposed to spend only an evening, but wound up staying three days.

His humor and energy were unparalleled and he was certainly the nicest guy I ever worked for.—John Hammond.

NAACP SUPPORTS RHODESIAN SANCTIONS BILL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ROSENTHAL. Mr. Speaker, next week the House is scheduled to vote on S. 1868, the bill to restore the United States to full compliance with United Nations sanctions against Southern Rhodesia by halting the importation of Rhodesian chrome. The NAACP, at its annual convention this year, adopted a resolution supporting this bill and urging its members to communicate that support to Members of the House.

The NAACP resolution notes that for 2½ years the United States has been in violation of its treaty obligation to comply with U.N. sanctions by allowing importation of certain "strategic and critical materials" from Rhodesia. We know now that there is enough chrome and ferrochrome in the national stockpile to meet defense needs for several decades of war, and that American industry can get high-quality chrome and ferrochrome at good prices from several countries other than Rhodesia. The time has come for our country to return to its commitment to stand firmly on the side of peaceful political change toward majority rule in Rhodesia.

I insert the NAACP resolution in the Record at this point.

NAACP Resolution

Whereas, the 5½ million African people of Rhodesia are controlled by an illegal minority regime; and

Whereas, the United Nations has instituted a program of mandatory international economic sanction against the White Minority Rhodesia Regime, in order to exert pressures on the White regime to accept a settlement for majority rule; and

Whereas, the United States Government has allowed the importation of certain "strategic and critical materials" from Rhodesia since January 1972 in violation of a treaty obligation of the United States to comply with the United Nations Sanctions Program; and

Whereas, support of the United Nations Sanctions Program by the citizens and government of the U.S. will significantly support the struggle of the African people for majority rule and true independence of Zimbabwe (the African name for Rhodesia); and

Whereas, the Senate passed a bill on December 18, 1973 to restore full U.S. compliance with sanctions against Rhodesia and the House Foreign Affairs Committee voted in support of this bill on June 27, 1974, and the bill is expected to come before the House of Representatives by the end of July; therefore be it

Resolved, That the National Association for the Advancement of Colored People support S. 1868, the bill to renew U.S. Compliance with United Nations sanction against the White Minority Rhodesian Regime, and encourage members of the NAACP to communicate this support to appropriate members of the House of Representatives.

H.R. 69

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BELL. Mr. Speaker, on Wednesday the House will consider the conference report on a bill which I consider to be the most important education authorization bill which the Congress has considered in this decade. The bill is H.R. 69, the Education Amendments of 1974. The bill reauthorizes virtually the entire series of Federal aid programs for elementary and secondary education. In addition, H.R. 69 contains amendments and extensions of a number of other programs.

There are three particular provisions in H.R. 69 to which I would like to draw the attention of the Members. I believe all of these are very important, and each on its own merit deserves the support of the House.

The first is section 105 of the act, which extends and amends programs for bilingual education. For those of us who come from States and districts with large numbers of limited English-speaking people, this section means an enormous amount to the education of the children of these people. I am pleased that the conferees have included a number of amendments to strengthen the provision of Federal support for bilingual education.

The section which is very important in this context is section 21(b)(3), which provides grants to State education agencies to assist them in providing coordination of technical assistance programs to school districts with bilingual education programs.

A second section of the bill of which I am particularly proud is section 401, which provides for the consolidation of a number of grant programs in elementary and secondary education. The consolidation of these programs was my first priority as ranking minority member of the General Education Subcommittee, which began considering this bill almost 20 months ago. I am very pleased that the conferees retained this extremely important section, bringing to fruition a goal sought by Republicans for almost the last decade. It should also be noted that this consolidation has the full support of all of the major education groups.

A final part of the bill to which I would draw your particular attention is section 825 which directs the Secretary of Health, Education, and Welfare to make a full and complete investigation and study of problems of violence and crime in the elementary and secondary schools of this country. I come from a city which has had some particular problems in this area, problems severe enough that I believe the results of this study could provide valuable information upon which to base future congressional action in this area. I commend this section to the Members for their support.

The three sections I have enumerated are but a portion of a very major piece of legislation. As the ranking minority member of the subcommittee which originated the bill and as one of those who conferred for 18 days with our Senate colleagues, some sessions running more than 12 hours in length and concluding in the small hours of the morning, I can commend this legislation to you for your support. I urge you to vote yes on H.R. 69 on Wednesday.

COMMUNITY EDUCATION IN THE CONFERENCE REPORT ON H.R. 69

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. LEHMAN. Mr. Speaker, prior to the time when the House considers the conference report on the Education Amendments of 1974, I would like to draw the attention of my colleagues to one of the programs which will be newly authorized by this legislation—the Community Schools Act.

Community education is using a school facility, after the regular school hours, to meet some of the educational, cultural, and recreational needs of a community. The emphasis is on what the community would like to see included in their program. For example, in Dade County, Fla., which I represent, archery, auto maintenance, knitting, gourmet cooking, first aid, drama, basketball, and senior citizen activities are some of the offerings of the community education program already begun there.

Community education is a program which makes sense. In most communities, the public schools are the single largest capital investment made by the community. Yet for the most part, these buildings and their facilities are used only 8 hours a day, and only by the schoolchildren.

What makes more sense, and what this portion of the bill would assist, is to open the schools after the regular school day to the rest of the community—the basketball and tennis courts, the shop rooms, the home economics kitchens and the classrooms, to parents, preschool children, and senior citizens.

The bill authorizes $15 million for each of the next 3 fiscal years in order to establish, expand, and improve community education programs. Fifty percent of the funds will be made available for grants to State educational agencies and the remainder to local educational agencies.

I urge the support of my colleagues for the conference report.

DUTCH ELM DISEASE UNDER CONTROL

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. WALSH. Mr. Speaker, since anyone can remember, Dutch elm disease has been ravaging giant, ancient elm trees throughout the country. My own home city of Syracuse used to have streets lined with stately elms until this disease took its toll.

But the days of the disease are numbered because scientists at the State University College of Forestry have made a major breakthrough that may lead to control of the disease.

This breakthrough was recently explained in an article by Richard Case that appeared in the Syracuse Herald-Journal on July 12. I would like to share that article with my colleagues:

FORESTRY SCIENTISTS FIND CONTROL FOR ELM DISEASE

Scientists at Syracuse's State College of Environmental Science and Forestry and the U.S. Forest Service today revealed what it believed to be a major breakthrough in the control of Dutch elm disease.

They have "broken the code" of chemicals used by the disease's principal carrier, the European elm bark beetle, for mating attraction.

By duplicating this mysterious "perfume" of the insect world, scientists feel they can trap the beetles before they infect trees. The artificial chemical is a female sex attractant.

A joint announcement by the college and the Forest Service's Northeastern Forest Experiment Station at Delaware, Ohio said the chemical has lured millions of the insect pests to their deaths in recent field tests.

The discovery—a product of several years of intensive investigation—not only offers the possibility of an effective control of a disease that has killed millions of Dutch elms but take scientists some distance down the road toward understanding chemical communication used by insects.

"After four years of work, it is very gratifying to achieve this measure of success," Dr. Edward Palmer, president of the college said today. "We consider this one of the breakthroughs in efforts to control Dutch elm disease."

Although the discovery is described as a team effort, a key figure in this Dutch elm task force is Dr. Robert F. Silverstein, a professor of chemistry at the college who came here in 1969 with an international reputation in his specialty of insect chemistry.

Silverstein, with graduate assistants Glenn Pearce and William Gore, isolated and identified a combination of three chemical substances used by virgin female beetles as an attraction for males.

This means scientists may now reproduce the substance—called an "aggregating pheromone"—apply it to insect traps, and "trick" beetles away from breeding sites in healthy elms to sticky deaths.

The college cautioned that although the chemistry of the attractant is now understood, the "perfume" won't be available for general use for a while. It must be further tested.

Silverstein noted that an important further step will involve establishing the effectiveness of material "for reducing the actual incidence of disease in elms."

Then, a way of commercial production must be developed. Beyond that, it will have to satisfy safety standards of the U.S. Environmental Protection Agency before registration for use.

"It appears to be environmentally sound," Silverstein explained.

A recent field trial in Charlotte, N.C. proved, the college said, that "an artificially reproduced mixture of the three compounds was as attractive to elm bark beetles as the natural bouquet."

A second field study is underway in Detroit, Mich., checking the usefulness of traps for beetle control in an area where most elms have been maintained by removing diseased trees.

Breaking that chemical code was the main objective of four years of research sponsored by the Forest Service, the Elm Research Institute and the college.

The ultimate objective, according to the college, is "to reduce the incidence of Dutch elm disease by trapping beetles before they transmit the fungal spores to healthy trees."

Control of the European elm bark beetle has been a difficult, expensive and controversial affair.

Spraying produces environmental problems and is termed only partially effective. Cutting diseased trees is useful only when the program is rigorously maintained. Some fungicides are effective, but only for individual trees.

The attractant-trapping method, on the other hand, attacks the problem before infection and allows control over a wide geographical area.

College experts suggest the likelihood of an integrated campaign, using several methods, including the traps.

Aside from the control potential, duplicating the beetles' perfume may also allow experts to further track distribution of the pests and to detect them in the new locations.

PUERTO RICO CONSTITUTION DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. GILMAN. Mr. Speaker, I welcome this opportunity for extending congratulations to the people of Puerto Rico on the occasion of the 22d anniversary of their becoming a commonwealth. Almost a quarter of a century ago, the Congress approved the constitution which was drawn up by the people of Puerto Rico. Status as a commonwealth has enabled the people of this beautiful island to enjoy the prospects of economic stability and political self-dependency which had previously been obscured in an atmosphere of struggle and the desire to attain autonomy.

The heritage of the Puerto Rican people has permeated many segments of life in the United States. The State of New York especially enjoys a high degree of cultural interactions with the over 800,000 members of the Puerto Rican community. Such a sharing of cultures in my 26th Congressional District serves to enhance America's image as the world's great melting pot.

The future holds many promises for the Puerto Rican nation. The people of that island can be proud of their status among independent nations. Twenty-two years since becoming a commonwealth, Puerto Rico sees that such promises have taken root and have encouraged the Puerto Rican people to establish themselves as a strong and growing nation.

I urge my colleagues to join with me in congratulating our Puerto Rican neighbors on the anniversary of their Constitution Day.

REPRESENTATIVE KEMP URGES FULL SUPPORT OF ETHNIC HERITAGE STUDIES PROGRAM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. KEMP. Mr. Speaker, later this week, the House will be called upon to consider the conference report on H.R. 69, authorizing some $25 billion over a 4-year period for elementary-secondary education, and a variety of smaller education programs. Contained in the conference report is the Senate-passed amendment to extend the Ethnic Studies Act through fiscal year 1978.

I cannot stress strongly enough to my colleagues the need to continue the momentum already clearly established in the first year—fiscal year 1974—of this ethnic heritage studies program. Despite funding delays, and despite the very short time period that was available to implement this program and solicit applications, the Director received over 1,000 applications for the $2,375,000 allocated to the program. In fiscal year 1974, 42 grants were awarded for 39 projects in 27 States and the District of Columbia. The Office of Education has reported that the grant requests were received from a broad diversity of geographical locations—and reflect the enthusiasm of urban, suburban, and rural areas for the concepts embodied in this program. From all indications, the legislative intent of the Ethnic Studies Act—that is, the active participation by a variety of local ethnic and minority groups—is being successfully met.

Mr. Speaker, I represent an area rich in ethnic diversity. I have been consistently impressed with the desire of ethnic groups to stimulate the community consciousness of ethnicity. I emphatically believe that their fine efforts should be promoted and assisted on the Federal level—and I commend to the attention of my colleagues the provisions of the conference report on H.R. 69 which will extend the ethnic heritage studies program for 4 more years.

RHODESIAN CHROME AND THE JOB LOSS MYTH

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BIESTER. Mr. Speaker, one of the misleading arguments set forth by supporters of continued chrome trade with Rhodesia is that Rhodesian chrome is necessary in providing jobs in our domestic steel industry. Quite the contrary, imports of Rhodesian chrome have seriously undermined our domestic ferrochrome industry and have resulted in the loss of hundreds of jobs.

The United Steelworkers have endorsed repeal of the Byrd amendment which allows the United States to violate United Nations sanctions against trade with Rhodesia, and the Steelworkers have spoken out strongly in favor of S. 1868 to repeal trade with Rhodesia. At this point I would like to submit in the RECORD an editorial which appeared in the April 1974 Steel Labor magazine. As we approach floor consideration of repeal, I believe this message deserves wide circulation.

JOB LOSS SCARE IN CHROME

Perhaps one of the cruelest forms of intimidation toward working people is the ever-present threat of job loss, activated by large corporate interests who seek to improve their profit-making capacity by utilizing the specter of plant shutdowns. Unfortunately, a situation exists today in the United States where the worst of these scare tactics have been employed against members of the United Steelworkers and their families.

Some companies have made misleading statements that Steelworker jobs are endangered by the United Nations embargo on Rhodesian chrome. They have sought to use some members of our union in their efforts to have the U.S. ignore the sanctions imposed by the community of nations against Rhodesia, where slave labor conditions have understandably made this source of cheap labor and ore attractive to multinational investments.

Not only have these companies distorted the true facts surrounding the Rhodesian chrome situation, but they have ignored the existence of ample supplies from other countries and the government stockpile of chrome ore which would equal current imports from Rhodesia for 18 years.

The facts are that special steel jobs will not be lost but rather USWA ferrochrome jobs have been further jeopardized because of the new pressures from Rhodesian ferrochrome smelting sources. Last year the Ferroalloys Association declared that unless "aid is forthcoming soon it will only be a matter of time until almost all domestic production of ferrochrome and chromium metal will cease and the bulk of our country's requirements will be supplied from and dependent on foreign production."

The pressure of low-cost imports of ferrochrome from Rhodesia began to be felt only months after passage of the Byrd Amendment, which "sanctioned" the U.S. to violate our international obligations and deal with the rump government created by Rhodesian racists. Today seven USWA locals who once employed 2,800 workers in four companies in Ohio, West Virginia, South Carolina and Alabama now have a work force almost 30 per cent smaller—*directly attributed to ferrochrome imports of which Rhodesia is the largest source.*

Steelworkers who have been asked by company publications and mailings to support their lobbying efforts to continue this source of cheap ferrochrome may correctly ask if the motivation behind this concern is not American jobs, but rather multinational profits? Union Carbide and Foote Mineral are not coincidentally the most prominent lobbyists for Rhodesia—for they have multimillion dollar investments in that country and seek to protect their holdings.

When dealing with members of Congress, company spokesmen have never documented possible job loss due to any adherence to the Rhodesian boycott. The job loss scare is directed to the employes, as part of their game plan to use workers as pawns to influence Congressmen. They have not and cannot substantiate their attacks on USWA Congressional testimony that American steelworkers are not threatened by an embargo of imports from Rhodesia. Present and projected steel markets are strong and alternate sources of chrome exist.

Certain companies, whose history with their own employes do not substantiate an overconcern for people before profits, have attempted to confuse some USWA members for their purposes. The job loss tactics, applied in the past to union organization, pollution control, occupational health and safety and other challenges to corporate profits, will not hold up under careful scrutiny and honest investigation. Facts—and not job loss scares—will place the issue into true perspective.

LEHMAN SUPPORTS STRIP MINING LEGISLATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. LEHMAN. Mr. Speaker, I support the passage of H.R. 11500, the Surface Mining Control and Reclamation Act, to regulate strip mining.

This act will require the strip mining operator to restore the land to nearly its original condition. The act also contains other provisions to rehabilitate those lands which have already been strip mined and abandoned.

You have only to drive through or fly over large areas in Pennsylvania, West Virginia, Ohio, and neighboring States to view the tragic results of strip mining. There are huge scars in the hills, mounts have been sheared away, and great heaps of slag rise next to what formerly were picturesque communities. You can only come away deeply saddened by this overwhelming evidence of the unthinking destructiveness of man.

I know we need coal for power, but the central question is whether we must permanently scar the land to get it. I believe we can have the coal and preserve our land as well.

I would like to point out that while nearly half of the coal produced in 1973 came from strip mines, only about 3 percent of the Nation's coal reserves can ultimately be recovered by strip mining.

There is no question that any long-term national dependency on domestic coal production will necessitate the expansion and rejuvenation of a more efficient deep mine coal industry. The proposed shift to western strippable coal ignores the fact that 80 billion tons of low-sulfur, deep minable coal lies in Appalachia.

In addition, western coal will aggravate rather than alleviate current air pollution problems. While western coal is thought to be low in sulfur content, it has about half the heat value of eastern bituminous coal. Therefore, since energy demands are measured by heat value, not tons, western coal will actually emit more sulfur per million Btu's than eastern coal of the same sulfur content.

We have no such strip mining in south Florida. Nevertheless, we are very concerned about the damage man has already caused to his environment. So we will join with our neighbors to the North and West to help them restore and preserve the land where they make their homes.

GILMAN SEEKS TO STIMULATE RESIDENTIAL MORTGAGE LENDING

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. GILMAN. Mr. Speaker, today I am introducing a measure excluding interest on savings deposits from an individual's gross income in computing income tax.

This legislation is intended to encourage savings thereby increasing the amount of moneys available for home mortgage lending.

With the tight rein on moneys causing interest rates to skyrocket, there is a real need to increase the supply of moneys available to homebuyers without creating additional strains on the Federal pocketbook. The legislation I am introducing allows depositors to save money, earning tax-free interest—limitations: $400 per year for single taxpayers and $800 per year for those filing joint returns—encouraging depositors to avail themselves of an assured return on their saved dollars, while at the same time loosening the flow of moneys for those institutions which lend to prospective homebuyers.

The easing of the tight mortgage money situation cannot be solved by any one panacea. With critical problems confronting the world's economy, a sound solution to our economic woes has not yet been determined. The myriad of factors contributing to worldwide inflation are interrelated and a direct cause of our mortgage money crunch.

The effects of tight money on our economy is significant. A recent report of the number of new housing units for which building permits were issued indicates that in the period of April 1973 to April 1974 housing starts in the county of Rockland, N.Y., alone were down by 54 percent. This threatening statistic means not only that those people wishing to purchase homes were unable to do so, but also that those individuals who are engaged in construction and building no longer have the security of their jobs.

While the measure I am introducing is only one step in the direction of easing the money crunch, it is, nevertheless, a feasible, practical step which would have relatively no adverse effect on the Federal Treasury. Accordingly, I urge the Ways and Means Committee to consider this worthy proposal in the preparation of their tax reform proposals and invite my colleagues to support this effort.

RONSON REMAINS AMERICAN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. GAYDOS. Mr. Speaker, on previous occasions, I have brought to the attention of this Congress the valiant fight then being waged by the management of Ronson Corp. of New Jersey to prevent the company from being gobbled up by a dollar-rich foreign conglomerate.

Ronson, as most of us know, is a moderately sized American concern which over the years has gained a fine reputation in the field of consumer products, and which also produces rare earth metals, operates a helicopter service, and in other ways contributes to the industrial accomplishments of this Nation.

The attempt to take over Ronson by Liquifin Aktiengesellschaft, Liechtenstein, which initiated a tender offer for the company's stock on May 31, 1973, came as a surprise to Ronson management. Ronson elected to battle back and the contest soon became brisk and costly.

Today, I am happy to report to those who might have missed the news stories on the outcome. At a recent shareholders' meeting, the management slate of directors ran up an overwhelming margin over the Liquifin candidates.

Indeed, despite the fact that Liquifin had succeeded in obtaining 36.36 percent of Ronson stock, through the tender offer, only 8.18 percent of the remaining stockholders voted for Liquifin's candidates; 55.46 percent voted for the management slate of directors.

I have been particularly interested in the Ronson struggle because, in my mind, it demonstrated, in the case of one company, the danger which hangs over companies in this country which might appear attractive to overseas interests with their treasuries full of U.S. dollars gathered up from our spending sprees abroad. No company can know when the lightning may strike. Certainly, Ronson did not.

But what makes Ronson important to us is that the management gave battle with a skill and spirit which are commendable. The issue was clearly stated to the shareholders. Did they want Ronson to remain American in ownership, control, and operation, or were they willing to have this enterprising firm pass into the hands of a foreign giant?

We now have the answer. The shareholders decided for American management and, in doing so, decided also for the best interests of this country. I congratulate them. They have shown in their case how the foreign takeover threat can be met.

In retrospect, however, but for the intensive investigation conducted by Ronson management and disclosure of its findings to its stockholders, it might well be that Liquifin would have obtained over 50 percent of the stock of Ronson and accordingly control the future of this company. This is indeed a disturbing thought when viewed in light of the following:

First, in June of this year, an administrative law judge of the Civil Aeronautics Board ruled that Liquigas—which wholly owns Liquifin—divest itself of its ownership in Ronson stock.

Second, the Securities and Exchange Commission has recently entered a formal order to investigate Liquifin and Liquigas with respect to possible violations of the Federal securities law.

Third, Mr. Michelle Sindona, a major figure in Liquigas and Liquifin, is the same Michelle Sindona who has been in the news recently in connection with the financial problems of Franklin National Bank, an institution in which Mr. Sindona has a substantial interest. Also, there have been recent news reports concerning problems between Mr. Sindona's Italian banks and the Italian Government.

But this successful action by Ronson's management did not come cheap. It is no easy job to win a proxy fight when the opposition is a big and dollar-mighty foreign concern. Ronson spent a great deal of money in combating Liquifin's maneuvers, while at the same time involving the efforts of its management in preventing its takeover, money and time which could have been well spent in furthering the company's progress.

I ask this question. How can this Government, through proper legislation, spare American companies the sudden necessity of running up such costs and expenditures of management effort in order to keep themselves free of foreign absorption? This is a matter which must be considered. I quote from a statement by Ronson's Mr. Aronson:

> It is unfortunate that Ronson had to incur large proxy contest expenses on top of the substantial cost associated with the Liquifin tender offer. It is our hope that Ronson's management will not have such distractions and diversions to contend with in the future.

As Congressmen, we bear a responsibility to see that Ronson and other U.S. companies—loyal parts of our country's industry—are protected from these distractions and diversions in the years ahead when American dollars stacked up abroad will continue as a threat to be exchanged for our most valuable national assets.

OUTSTANDING CAREER MAN SELECTED TO FAA POSITION

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. MILFORD. Mr. Speaker, I was delighted last week at the announcement that James E. Dow was nominated to be Deputy Administrator of the Federal Aviation Administration of the U.S. Department of Transportation.

Jimmy Dow has had a long and illustrious career with the FAA, and I am most pleased to see that the President has recognized the achievements and knowledge of this man in nominating him to the No. 2 position in the agency.

Jimmy has been in the field of aviation safety and air traffic control since 1943, when he joined the Civil Aeronautics Administration, forerunner of the FAA, as an air traffic controller.

Thirteen years later, he became a supervisory air traffic control specialist. In that job, he saw his duties broadened to include planning and development projects dealing with the expansion and modernization of air traffic control systems—and, as an air traffic controller for the Army during World War II, the period when Jimmy first joined the CAA, I believe modernization is the key word here.

It was under his supervision that the Agency established its long-range radar program; introduced data processing equipment and radar bright displays at air traffic control facilities; and established new air traffic control center buildings to accommodate the new electronic equipment and give the vital controllers the space necessary to operate.

I have spent enough years as a professional pilot to know just how important these innovations have been in air safety.

In 1961, Dow became Assistant Chief, Systems Engineering Division, Systems Research and Development Service. In 1963, in recognition of outstanding work in that job he was promoted to Chief of the Division. There he was commended for bringing new concepts and procedures into the management of a complex research and development program.

Jimmy has proceeded through the toughest assignments the FAA could produce, and finally wound up in what may be, these days, the toughest of all—FAA Director of Budget.

Mr. Speaker, it is always a real pleasure to see a man who has worked his way upward through the ranks, and who has demonstrated outstanding ability and imagination at every level, appointed to such a high-level job.

And pilots everywhere are bound to applaud this decision to put Jimmy Dow right at the top in a complex field which he knows from the bottom up.

CHINA

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BAKER. Mr. Speaker, I have just returned from a most informative and I hope useful brief visit to the Republic of China on Taiwan. I was especially happy to see the significant economic progress made in recent years by one of America's oldest and most loyal allies. The Republic of China has made great strides by unleashing the creative energies of its highly skilled, hard-working people, and by providing a stable environment hospitable to foreign investment.

I should like to share with my colleagues a perceptive article by the well-known journalist, Ralph de Toledano, in the San Diego Union, for July 12, 1974, on the military position of the Republic of China. Mr. Toledano points out the importance of the island of Taiwan to our defense line in the Western Pacific. If Taiwan were to fall into hostile hands every free nation from Japan to Singapore as well as Australia and New Zealand would be threatened. It is a crucial fact that Japan mounted her conquest of that area in 1941–42 largely from her bases on Taiwan. I should like to insert Mr. Toledano's article in the RECORD at this time:

TAIWAN IS U.S. DEFENSE LINK

(By Ralph de Toledano)

TAIPEI, REPUBLIC OF CHINA.—It is one of the paradoxes of American thinking that many who are fully aware of the strategic considerations which govern our North Atlantic Treaty Organization policies develop a form of aphasia where our Pacific defenses are concerned.

Those who suffer from this ambivalence see the Pacific in terms of 19th Century strategy. Yet any breaching of our defense lines in the Western Pacific poses a serious threat to our national security.

A look at the map, however, demonstrates that America's first line of defense is the chain of islands and peninsulas in East Asia running from Singapore to Japan—the so-called Ess-Jay line.

On this line, Taiwan is the pivot point. With Taiwan in the hands of a potential enemy, the entire Ess-Jay line comes unstuck and the United States is compelled to fall back thousands of miles in its strategic planning.

As Chinese military leaders here in Taiwan see it, any important breach in the Ess-Jay line would leave America in the position where its only weapon of defense is the nuclear bomb, which the United States is determined not to use.

For the Japanese, Taiwan is the key to their western strategic flank along its "maritime safety line."

To Southeast Asia, Taiwan is, as one Chinese general put it, "the critical strategic point on the farthest northern edge, facing the direction of possible aggression where the attacker must pass and therefore the defender must hold."

When Japan launched its offensive against Southeast Asia during World War II, the Chinese military pointedly notes, Taiwan was the base for those operations.

The fall of Taiwan to hostile hands, they also point out, would isolate Australia and New Zealand.

The Southeast Asian countries of the Ess-Jay line, moreover, command the Malacca Strait and can deny the navy of a hostile power access to them.

If the Soviet Pacific fleet, based at Vladivostok, is to be contained, then Taiwan must be in the hands of a government allied to the United States.

Military leaders here give much more credence to the possibility of a Soviet attack on the Communist mainland than do our own military experts.

The Kremlin sees Red China as an increasing threat to its hegemony over the Communist world and the forces for revolution in the third world.

Should the Soviet Union turn on Communist China, Chinese strategists argue, they will be able to cut through to Peking in 10 to 15 days. Poised along the coast of the Chinese mainland, they will be far more dangerous to the free world than any Red Chinese regime.

At that point, the Ess-Jay line will be of even-more vital importance to the United States. To my mind, there is an invincible logic to the position of the Chinese on Taiwan.

Their view is shared by the Pentagon but not by the Congress which has tended to evade the facts.

With the departure of Sen. J. William Fulbright and the accession of Sen. John Sparkman to the chairmanship of the Senate Foreign Relations Committee next January, the thinking in Congress will probably veer in the direction of strategic sanity.

The question then will be whether or not that shift in thinking will be strong enough to overcome the obdurate madness of those who claim that Taiwan is of no importance to America.

WPIX WINS BROADCASTERS AWARD

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. WOLFF. Mr. Speaker, I would like to extend my congratulations to WPIX-TV which recently won the New York State Broadcasters Association Award for Outstanding Editorials for the fourth time in 5 years. WPIX-TV was recognized this year for a series of insightful editorials on gun control. I enclose the following article about WPIX which I think will be of interest to my colleagues:

WPIX TV WINS NEW YORK STATE BROADCASTERS ASSOCIATION AWARD FOR OUTSTANDING EDITORIALS

The New York State Broadcasters Association has recognized WPIX for excellence in editorializing on television for the fourth time in five years. The coveted "Outstanding Editorial" award for 1974 was accepted by WPIX Senior Vice President Richard N. Hughes, editorial spokesman for Channel 11, at the Association's annual summer conference in Cooperstown on Tuesday, July 16. WPIX TV won for a series of editorials on the controversial issue of gun control. In the course of its editorial campaign WPIX TV also presented Editorial Feedback, telecasts in which comments of the viewers concerning the issue were presented, and rebuttal telecasts from opposing points of view.

Commenting on the award, Mr. Hughes said, "We are particularly pleased to again win the New York State Broadcasters Association Award. As a result of the WPIX editorials, State Senator Caesar Trunzo of Suffolk County has introduced a bill in the New York Legislature which would protect the law abiding citizen's right to privacy and to bear arms; while at the same time, acting as a deterrent to those who would use a firearm to commit a felony." In 1970 WPIX won for its Editorial Feedback concept; in 1971 for a series of editorials urging the appointment of a Puerto Rican to the New York State Parole Board; and in 1973 for five editorials supporting the proposals of Governor Rockefeller for dealing with drug problems in the State.

H.R. 69—MORE THAN BUSING

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. FORSYTHE. Mr. Speaker, I am pleased that the Senate has approved the conference report on the Elementary and Secondary Education Act amendments and I hope the House will do the same. This bill contains many far-reaching and innovative sections that are important to education. I am, however, disappointed that so much attention has been focused exclusively on the sections of H.R. 69 dealing with busing. H.R. 69 is more than a busing bill.

Among the innovative and important portions of this legislation is section 405 which, for the first time, places Congress on record as supporting the concept of community schools. Many school districts across the Nation already have a good start in this field. There now are more than 700 school districts with community school programs, and almost 1,000 educators hold degrees in community education. Six States have passed legislation and appropriated funds for community schools, and seven others are currently considering such legislation. I believe the time for community schools is here.

The community schools section of H.R. 69 is important legislation for two reasons. First, it focuses on the role of the school in developing a truly cohesive community. Since World War II, schools have become larger and hence less related to the immediate communities they serve. Yet, historically schools have been a vital core of communities in America.

They have served as town meeting halls, recreation centers, libraries, and in one case as a fire house. That is the part of America sadly lost when schools are locked up at night. It is a sad statement of where we are in our country when people in the community physically assault the one institution designed to help people. I believe a community schools program can turn this problem around.

In my view, one of the most important benefits we will find over the next few years is the potential of the community school to bring people together. It is necessary to involve people in the community in planning and developing the program. This is the very foundation of a community schools program without it there is not much chance of the program working. Communities which have adopted the community school concept frequently report a new spirit in the community and a marked decrease in vandalism of school facilities.

The second reason I support this legislation is that I think it will save communities money. If local agencies can cooperate in the delivery of services, I think we will realize better services at lower costs. If libraries, schools, recreation departments and possibly public health agencies and social welfare offices can share the same space, the cost should be lower for each of them and their availability to the community should improve. A significant factor making the cooperation reasonably possible is the declining enrollment in our public schools which means that there will be extra space available in those building in many communities. It is reasonable that other agencies whose mission complements the schools can and should be able to use that space with no disruption of the school program. A community school keeps its doors open far into the night for a wide range of programs. This allows the community to get much more return on its investment in a building.

If new schools are built, they should be designed to be used by a number of agencies during all hours of the day and night. The example of the Thomas Jefferson Junior High School in Arlington, Va., or the Martin Luther King School in Atlanta serves as a model for what can be done. As agencies become familiar with the programs of others, they should be able to find new ways to cooperate.

While H.R. 69 does not provide actual construction funds it does provide funds for the planning of community schools and funds for the implementation of community schools programs. It is a modest step in the right direction and in one sense I agree with this modesty. We should make a careful evaluation of this program becaunse it is a new role for the Federal Government. Also very important is the fact that responsibility is given to the State and local education agencies to design and administer the programs.

I think Wilbur Cohen, dean of the school of education at the University of Michigan and a former Secretary of Health, Education, and Welfare, put it well when he told us in our hearing that—

> Community schools played an important role early in the century in helping immigrants learn English and American history. Now they can play an important role in appealing to the needs of the disadvantaged, the ethnic groups locked in the inner city as well as the person who aspires to greater knowledge and opportunity.

ANOTHER OKLAHOMAN JOINS THE "TODAY" SHOW

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. JONES of Oklahoma. Mr. Speaker, it is with a great amount of pleasure that I call my colleagues' attention to the fact that this morning's presentation of the "Today" show marked the first day on the job for Jim Hartz in his new role as anchorman and cohost of the highly touted news program.

Jim is following another outstanding Oklahoman, the late Frank McGee, who cohosted the "Today" show prior to his untimely death this past April.

My pleasure in seeing Jim ascend to this new position is based partially on our long personal friendship, and also because Jim's start in broadcasting came with radio station KRMG in Tulsa, Okla. He later became news director for KOTV television in Tulsa.

In 1964 Jim Hartz became affiliated with WNBC in New York. During the past 10 years Jim has covered every major space shot since the Apollo program began.

I wish to extend congratulations to Jim's father, Rev. Martin D. Hartz, and his two brothers Herbert Hartz, assistant chief of police of Tulsa, and Leon Hartz, financial director of Oral Roberts University in Tulsa.

Jim has demonstrated a great ability in the field of broadcast journalism, and I believe his addition to the "Today" show will mark an even higher level of excellence in reporting which the viewing public has come to expect from this news program. I want to wish Jim and his family the very best of success in this new endeavor.

REPRESENTATIVE HOGAN STATES HIS POSITION ON IMPEACHMENT

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. OWENS. Mr. Speaker, as my colleagues know, the House Committee on the Judiciary has entered the final phase of its consideration of articles of impeachment against President Nixon.

General debate on these articles began last Wednesday night before a national television and radio audience, and continued through Thursday evening before the committee began a more specific discussion of the language in which the articles were to be proposed, and whether or not these articles would be reported to the House for its consideration.

The opening remarks under general debate were intended to convey the historic importance of the decision the committee was asked to make, and to display in some detail the evidence.

For the benefit of my colleagues, who must soon make a similar decision, I am inserting at this point in the RECORD the text of the remarks delivered by the gentlemen from Maryland (Mr. HOGAN). His statement was a scholarly presentation of his position on this historic question. Members of the House, who must vote on the Judiciary Committee's recommendations, will benefit from a review of the following statement:

STATEMENT OF THE HONORABLE LAWRENCE J. HOGAN, A REPRESENTATIVE IN CONGRESS FROM THE FIFTH CONGRESSIONAL DISTRICT OF THE STATE OF MARYLAND

More than a century ago, in a time of great national trial, Abraham Lincoln told a troubled and bitterly divided nation, "We cannot escape history. We of this Congress and this Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the last generation."

Today, we are again faced with a national trial. The American people are troubled and divided again, and my colleagues on this Committee know full well that we cannot escape history, that the decision we must jointly make will itself be tested and tried by our fellow citizens and by history itself.

The magnitude of our mission is awesome. There is no way to understate its importance, nor to mistake its meaning. We have unsheathed the strongest weapon in the arsenal of congressional power; we personally, members of this Committee, have felt its weight, and have perceived its dangers.

The framers of the Constitution, fearing an Executive too strong to be constrained from injustice or subject to reproof, arrayed the Congress with the power to bring the Executive into account, and into peril of removal, for acts of "treason, bribery or other high crimes and misdemeanors." Now, the first responsibility facing Members of this Committee was to try to define what impeachable offense is. The Constitution does not define it. The precedents, which are sparse, do not give us any real guidance as to what constitutes an impeachable offense. So each of us in our own conscience, in our own mind, in our own heart, after much study, had to decide for ourselves what constitutes an impeachable offense. Obviously, it must be something so grievous that it warrants the removal of the President of the United States from office. I do not agree with those that say impeachable offense is anything that Congress wants it to be and I do not agree with those who say that it must be an indictable criminal offense. But somewhere in between is the standard against which we must measure the President's conduct.

There are some who say that he should be impeached for the wrongdoing of his aides and associates. I do not concur in that. I think we must find personal wrongdoing on his part if we are going to justify his impeachment.

The President was elected by an overwhelming mandate from the American people to serve as their President for four years and we obviously must be very, very cautious as we attempt to overturn this mandate that is itself of historic proportions. After a Member decided what, to his mind, constitutes an impeachable offense he then had to decide what standard of proof he would use in trying to determine whether or not the President of the United States had committed an impeachable offense. Now, some have said that we are analogous to a grand jury, and a grand juror only need find probable cause that a criminal defendant had committed an offense in order to send the matter to trial. But because of the vast ramifications of this impeachment, I think we need to insist on a much higher standard. Our counsel recommended clear and convincing proof. That is really the standard for civil liability, that or a preponderance of the evidence, and I think we need a higher standard than that when the question is removing the President of the United States from office.

So I came down myself to the position that we can have no less a standard of proof than we insist on when a criminal trial is involved, where to deny an individual of his liberty we insist that the case against him be proved beyond a reasonable doubt. And I say that we can insist on no less when the matter is of such overriding import as this impeachment proceeding.

I started out with a presumption of innocence for the President because every citizen of this country is entitled to a presumption of innocence, and my fight for fairness on this Committee is obvious to my 37 friends and colleagues who I think will corroborate that I was as outspoken as any Member of this Committee in calling our very fine staff to task when I thought they were demonstrating bias against the President, when I thought they were leaving from the record parts of the evidence which were exonerating of the President. I fought with the Chairman and the Majority, with some of my colleagues on this side, insisting that every element of fairness be given to the President, that his counsel should sit in on deliberations and offer arguments and evidence and call witnesses and my friend from Alabama, Mr. Flowers, mentioned that earlier. But he will also have to confess that most of these concessions to fairness were made only after partisan dispute and debate, which is what our whole legislative process is about in the Congress.

So I do not concede to anyone on this Committee any position of fighting harder and stronger that the President get a fair hearing on the evidence and while I do have some individual specific objections to isolated incidents of unfairness, I think on the whole the proceeding has been fair.

Now, I am a Republican. But party loyalty and personal affection and precedents of the past must fall, I think, before the supreme arbiter of men's action, the law itself. No man, not even the President of the United States, is above the law. For our system of justice and our system of Government to survive, we must pledge our highest allegiance to the strength of the law and not to the common frailties of men.

Now, a few days ago, after having heard and read all the evidence and all the witnesses and the arguments by our own staff and the President's lawyer, I came to a conclusion, and I felt that the debates which we began last night were more or less pro forma and I think they have so far indicated that. I feel that most of my colleagues before this debate began had made up their minds on the evidence, and I did, so I saw no reason to wait before announcing the way I felt and how I was going to vote.

I read and reread and sifted and tested the mass of information and then I came to my conclusion, that Richard Nixon has beyond a reasonable doubt committed impeachable offenses which, in my judgment, are of sufficient magnitude that he should be removed from office.

Now, that announcement was met with a great deal of criticism from friends, from Government officials, from colleagues in Congress. I was accused of making a political decision. If I had decided to vote against impeachment, I venture to say that I would also have been criticized for making a political decision. One of the unfortunate things about being in politics is that everything you do is given evil or political motives. My friend from Alabama, Mr. Flowers, said that the decision that we make is one that we are going to have to live with the rest of our lives. And for anyone to think that this decision could be made on a political basis with so much at stake is something that I personally resent.

It is not easy for me to align myself against the President, to whom I gave my enthusiastic support in three Presidential campaigns, on whose side I have stood in many a legislative battle, whose accomplishments in foreign and domestic affairs I have consistently applauded.

But it is impossible for me to condone or ignore the long train of abuses to which he has subjected the Presidency and the people of this country. The Constitution and my own oath of office demand that I "bear true faith and allegiance" to the principles of law and justice upon which this nation was founded, and I cannot, in good conscience, turn away from the evidence of evil that is to me so clear and compelling.

My friend from Iowa, Mr. Mayne, detailed some of the allegations against prior Administrations and I do not in any way question that. I agree with him that there was wrongdoing on the part of previous Presidents, maybe all Presidents, but I was not in a position where I had to take a stand, where I approve or disapprove of blatant wrongdoing. I am in such a position now.

My friend from New Jersey, Mr. Sandman, said last night he wants to see direct proof and some of my other friends on this side of the aisle have said the same thing, but I submit that what they are looking for is an arrow to the heart and we do not find in the evidence an arrow to the heart. We find a virus that is—that creeps up on you slowly and gradually until its obviousness is so overwhelming to you.

Now, he has asked for direct proof. I think it is a mistake for any of us to begin looking for one sentence or one word or one document which compels us to vote for or against impeachment. It is like looking at a mosaic and going down and focusing in on one single tile in the mosaic and saying I see nothing wrong in that one little piece of this mosaic. We have to step back and we have to look at the whole picture and when you look at the whole mosaic of the evidence that has come before us, to me it is overwhelming beyond a reasonable doubt.

Let us look at the President's own words. He uses the words "cover-up" and "cap on the bottle" and "the plan" and "containment" and he is concerned about what witnesses have said and what they will say. He is concerned about where the investigation is going.

Now, let us focus in on the thing that everybody talked about, the Hunt payment. Let us look at this as reasonable and prudent men. What did Mr. Hunt intend? His payments and demands had been relayed through his wife before her death. After his wife he had to make them directly. So what did he do? He called Colson to make demands and we have a transcript of what he said and I want to quote: 'This is a long haul thing and the stakes are very, very high and I thought that you would want to know that this thing must not break apart for foolish reasons. We are protecting the guys who are really responsible but at the same time, this is a two-way street, and as I said before, we think that now is the time when a move should be made and surely the cheapest commodity available is money."

And then he went and he talked to Colson's lawyer, Bittman, and to Bittman he told him the same thing, that commitments were made and he would blow the lid off the whole thing unless the money was paid to him.

And then he went and saw O'Brien, the attorney for the Committee to Re-Elect the President, and he said to him that he had to have $60,000 for legal fees and $75,000 for family support. He said if he did not get it, he would reveal a number of seamy things that he had done for the White House and if things did not happen soon, he would have to review his options.

The man that was making those demands had over $200,000 in the bank that he had collected from his wife's insurance. So I ask my colleagues on the Committee, what would the reasonable and prudent man assume that he had in mind? It is obvious. He intended to blackmail the White House.

Well, now, let us go inside the White House and let us see what they say. They talk about this. Can we raise a million dollars? You know, is this the way to go? Will there be other demands from him? How were the payments made in the past? These are the President's own words. He says, well, can we handle it through the Cuban Committee the way we handled it before, indicating he already knew about the previous payments made. These are his own words. And then he says wasn't that handled through the Cuban Committee and John Dean says, well, no, not exactly. That is not the way it was. And the President says, well, that is the way it is going to have to be.

Is this an urging to conceal the truth or is it not? So the payment was made to Hunt and it doesn't matter to me whether the President approved it before it was made. A conspirator, as all we lawyers know, can get in on a conspiracy at any point, even after the fact, so it is immaterial whether or not at the point in time he said whether or not I approve it, you pay it. The fact is and the thing that is so appalling to me is that the President when this whole idea was suggested to him didn't in righteous indignation rise up and say get out here. You are in the office of the President of the United States. How can you talk about blackmail and bribery and keeping witnesses silent. This is the Presidency of the United States, and throw them out of his office and pick up the phone and call the Department of Justice and tell them there is obstruction of justice going on. Someone is trying to buy the silence of a witness.

But my President didn't do that. He sat there and he worked and worked to try to cover this thing up so it wouldn't come to light.

And the FBI is conducting an investigation. He says publicly, I want to cooperate with the investigation and the prosecution but privately all his words compel the contrary conclusion. He didn't cooperate with the investigation or the prosecution. And it has already been said by some that Henry Petersen called and the President said, initially in the conversation, something to the effect:

"Well, it is not going to go any further. I know I have got to keep it secret." He no sooner hung up phone than he was telling the defendants about whom this damaging information was made what they could do to counteract the case that the prosecution had against them.

Well, I could go on and on and on. I am surprised that some of my colleagues—the telephone call from Pat Gray. Pat Gray was a man who did many things wrong. He was loyal to his leader. But at some point his conscience bothered him and he wanted to tell the President of the United States that his aides were destroying the Presidency.

The CHAIRMAN. The time of the gentleman has expired. I will give the gentleman an opportunity to finish his sentence and his thought.

Mr. HOGAN. I appreciate the chairman.

Pat Gray called the President to tell him that his aides were destroying the Presidency and instead of the President saying, well, give me more information about this, I want to know if my aides are doing anything wrong, I want to know, and Pat Gray says in his testimony there was a perceptible pause and the President said, "Pat, you just continue to conduct your aggressive and thorough investigation."

He didn't have to know because he already knew and he consistently tried to cover up the evidence and obstruct justice and as much as it pains me to say it, he should be impeached and removed from office.

THINKING ABOUT DEPRESSION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HANRAHAN. Mr. Speaker, the worries of another economic depression are before us again. According to Mr. Herman Kahn, there is one chance in three that we will suffer from a depression before 1980. I wish to insert the following article from the Wall Street Journal for the information of my colleagues:

THINKING ABOUT DEPRESSION

Up to a year ago, the idea that President Nixon would be removed from office through impeachment proceedings was an "unthinkable" one. Now it is not. So too, it is now no longer beyond the realm of possibility that the United States might soon have to endure a severe economic depression.

Herman Kahn, the physicist and thinker who runs the Hudson Institute, believes there is one chance in six of a depression in 1974–75, and if it doesn't occur in this period, one chance in six that it will occur in 1976–80. In other words, he sees one chance in three that in this decade we will experience depression, by which he means a 10% unemployment rate lasting at least 18 months. There are those who believe Mr. Kahn is being a pessimist; there also are some we talk to who think the chances are higher.

Those who dismiss such talk as being unrealistic generally do so by arguing that "the government will not permit it to happen." During the past quarter-century of global prosperity, the idea has taken root that governments know enough about the manipulation of monetary and fiscal policies to prevent serious economic disruptions of the kind experienced in the 1930s. Certainly, as Paul McCracken explains nearby, they know more now than they did then.

This thought is comforting, but not that comforting if it merely means that the Federal Reserve will gun the money supply to counter every conceivable deflationary pressure that might be arrayed against it. For what Mr. Kahn imagines, a short piece down the road, is a U.S. government faced with choosing between a depression of his definition, and an annual inflation rate of 30% or 40%. At some point, he argues, a government will have to pick the depression.

We see no reason why a future U.S. government has to be faced with that kind of choice. With a nation as educated and, at least at the grass roots, as sensible as ours, there still should be will enough to make the corrections before the collapse, and thus avoid it. The key to this is for policy-makers to recognize, as Mr. Kahn does so clearly, that the current fears and risks of depression tomorrow are created by the inflation today. Depression will come only if inflation and inflationary expectations are so high they can be cured in no other way.

In other words, the way to head off depression is to get inflation under control. This in turn means slowing monetary growth. And realistically this cannot be done until monetary policy is freed of the burden of government borrowing and government deficits. So to get the correction under way now, while there is still time to avoid depression, it is clear what must be done.

Government spending at all levels must be reduced and the federal government has to lead the way. Government spending is draining the productive base of the economy of the resources it needs to renew itself. What is truly frightening are the budget projections for the future, based on promises the politicians have been making in the past. Unless there are sharp reductions in the $305 billion budget, of the kind proposed by Treasury Secretary Simon, the budget next year will be wildly uncontrollable and heading to $1 trillion by the 1980s. It will never again be as "easy" for Congress and the administration to get the budget under control as it is right now.

Instead, both Congress and the White House, Democrats and Republicans, are jockeying for position so each will be able to blame the other. At the same time, Washington is mesmerized by the increasing flow of tax revenues into the Treasury. Corporations are paying ever higher taxes on mythical inventory profits; wage earners are paying ever higher taxes as the progressive tax structure pushes them into higher tax brackets with no real increase in earnings.

But if the Fed maintains any kind of restraint in money growth, the profit illusion will evaporate and unemployment will climb rapidly. Tax revenues, of course, will plummet in that case. We can easily imagine a $25 billion deficit in the current fiscal year end-next June, and the government forced to propose either a huge tax increase or a $50 billion deficit for fiscal 1976 in order to meet existing government obligations.

President Nixon, who is scheduled to make an economic address to the nation this week, must at least attempt to lay out the alternatives to the people who elected him. Not by complaining about congressional spending. But by beseeching the people and their representatives to work out a joint effort to do what has to be done. Just as it is no longer unthinkable that a President may be impeached, no longer unthinkable we may be hit with an economic depression, it should no longer be unthinkable that the federal budget should be cut.

THE GREAT PAYCHECK RAID

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HARRINGTON. Mr. Speaker, today I would like to continue the series, The Great Paycheck Raid, by Bill Duncliffe of the Boston Herald-American, with a fourth article describing the need for reform of the social security financing system. At present, the low- and middle-income taxpayer must pay almost 6 percent of his or her wages in social security taxes on top of all of the other levies encountered daily. This person cannot bear it, and it is now getting to the point where this system of financing from the payroll tax is itself becoming fiscally unsound. We must find a better way to finance the social security system, and it is to this end that my Massachusetts colleague, JAMES BURKE, and at least 133 cosponsors are proposing legislation to restructure the existing system.

In considering this matter, I think it instructive for my colleagues to read the following work of Mr. Duncliffe, which appeared in the July 11 Boston Herald-American.

The text follows:

THE GREAT PAYCHECK RAID: SOCIAL SECURITY TAX SEEN BLATANT INJUSTICE

(Each week your livelihood—and that of every other person in Massachusetts—is being picked apart by a multitude of national, state, and local taxes.

(But while everyone is aware of how much is taken in withholding and Social Security taxes, few realize how large a slice of their income is being consumed by the many other levies to which they are subjected.

(Two typical wage earners opened up their financial records and family budgets to the Herald American in order to explore just how these indirect and hidden taxes hurt them.

(What was found—and what it all means, to you as well as to them, is told in his series, "The Great Paycheck Raid.")

(By Bill Duncliffe)

One of the financial facts of life that infuriates a hard-pressed Boston factory worker is that the government—after making some small allowance for his having to support a wife and five children on a paycheck of just $201 a week—still nicks him for nearly $7 of that in Federal income taxes.

What burns him even more is that the same government—making no allowance at all for his family size or needs—then takes another $10 from the same shrinking paycheck for Social Security taxes.

Thus, the factory hand's earnings are raided for more in SS "contributions" than in withholding taxes, and his case is far from unusual—because more than half of the working population of the nation is in the same undesirable fix.

That is, in the eyes of many economists and at least 133 Congressmen, a blatant and indefensible injustice, but up to now their fight to correct it has been a losing one. One of the leaders of that fight is Rep. James A. Burke of Milton, who is second only to Rep. Wilbur Mills of Arkansas in the ranking of Democrats on the House Ways and Means Committee.

Burke is one of the authors of a bill that would give low-income wage earners a cut of at least $136.50 a year in Social Security taxes.

He would do that by reducing the rate of taxation now charged to employe and employer alike from its present 5.85 percent to 3.90 percent. He would also force the government to pay one-third of the cost from general revenue, and he would extend the maximum salary limit on which the tax can be charged from the current $13,200 to $25,000.

That way, Burke said, those in the lower pay bracket would get some tax relief, those in the higher salary ranges would be made to pay a fairer share of their income to the SS fund, the burden of SS costs would be borne in part by a government that now contributes nothing to them—and domestic industry would get a badly-needed boost in its constant battle against foreign competition.

No less than 132 of Burke's colleagues thought enough of his idea to sign their names to it as co-sponsors—but despite his high position on Ways and Means he is still three or four votes short of what he needs to force that Committee to send his bill to the floor for debate.

His hope now is wangle a change in rules so that it can be placed before the House as an amendment to some other measure. If that ever happens, he said, he's sure it will sail through with little or no trouble at all.

But even if that unlikely series of events occurs there is virtually no chance that the Senate will okay rewriting of the SS tax law this year—because even the mills of the gods grind with greater speed than those of government in making changes in the status quo.

Yet Burke is convinced that his idea is one whose time is coming, and while he has no quarrel with a system that seeks to provide benefits for the elderly, the disabled, and the survivors of deceased wage earners, he is by no means enchanted with the method that has been devised to finance them.

"The tax is the most regressive one we have in that the person who earns $100,000 a year pays no more than the one who earns $13,200. Both pay the same—$772.20—and what is even worse is that a worker making from $7000 to $10,000 a year has a proportionately greater cut taken from his earnings than does a person in the higher salary ranges.

"Social Security is this government's major spending program, affecting more people directly than any other. It is high time that the burdens of that program were spread more evenly among the American people."

Ways and Means has, for several months now, been groping through the tangle of American tax laws in an effort to reform them and make them more equitable. There has been talk that the Committee is thinking seriously of eliminating "little man" tax loopholes such as the deduction for state gas taxes, medical insurance premiums, and the like.

Both Burke and House Majority Leader Thomas P. O'Neill, Jr., of Cambridge insist that reforms of that nature don't have a ghost of a chance of being approved, that what the Committee will very probably go after are the tax breaks now enjoyed by Big Business.

But as important as it is to correct other inequities, Burke said, measures to do that would be largely meaningless unless the Social Security tax is made fairer for all.

That, he insisted, is basic; it touches the lives of all, and results in injustice where none should exist.

Social Security is, in some ways, a good idea that time and events have caused to turn a bit sour.

When it first became law in 1937, the tax rate was one percent of the first $3000 earned—or $30 a year. It stayed that way until 1950, when people who had been middle-aged when the program began reached their retirement years.

Then the Social Security fund began to be drained, and in order to keep it solvent both the rate and the salary limits were gradually raised. In 1950, for example, the rate was increased to 1.50 percent, and in the following year the maximum salary was jumped to $3600.

As more and more people claimed benefits, the bite that was taken out of paychecks became ever greater, especially from 1960 to now. Fifteen years ago, three percent of the first $4800 earned was taken, for a maximum contribution of $144 by the worker. His employer threw in another $144, for a total contribution of $288.

In 1973 each was touched for $631.80—or 5.85 percent of $10,800. This year's tab is $722.20, and unless something is done soon there's no guarantee that by this time next year Social Security won't be making an even more damaging assault on the paychecks of American workers than it does now.

"Anyone who earns $13,200 in 1974 will pay $140.40 more than he did last year," Burke said. "How long can wage earners accept a Social Security tax that is heavier for 50 percent of the work force than personal income taxes?

"For businessmen, reducing the employer's contribution to one-third instead of the present one-half would reduce his cost of doing business and make American goods more competitive abroad. And thousands of small businessmen, some of them on the verge of bankruptcy, would be able to invest money in new machinery and production techniques in an attempt to gain a competitive foothold.

"A three-way split of the payroll tax isn't an untried idea. Many European countries have used this system for years. And the use of some general revenues instead of only the payroll tax has been recommended at regular intervals since Social Security began."

Although Congress may fiddle and fumble its way into 1975 without making up its mind on Social Security reform, there is growing pressure for it outside of Washington.

Locally, Frank Manning of the Legislative Council for Older Americans is convinced that criticism of the tax—though well founded—unintentionally gives senior citizens a bad rap.

He maintained that they aren't the ones primarily responsible for the drain on the SS Fund, since there are approximately 7,000,000 people under the age of 62 who are collecting benefits.

And because the payroll tax is now the only source of SS money, he said, a large portion of the public is escaping its obligation to support the program. For that reason, he said, he believes Burke's bill is a good one and wants to see the government tap other tax sources for its proposed one-third contribution to the SS Fund.

While Manning's prime concern is the senior citizen, Sen. Frederick W. Schlosstein, Jr., (D) of Warren insists that the SS tax is doing a job on young taxpayers too.

Schlosstein is chairman of the Legislature's Committee on Taxation, and he is firm in his belief that changes must be made.

"The Social Security tax is the most sheltered one we have because everyone takes it for granted," he said. "And it's probably the one that is figuratively getting away with murder.

"I'm in my fifties now, and I've got five kids. We find it tough to get by, but we manage. If we were just starting out, I'd really be discouraged.

"A person who began paying the tax in '37 and who retired last year didn't contribute more than $5200 to it. But take a young worker today, either with a skilled trade or a college degree.

"He's probably making at least $13,200 a year, and so he's being taxed for the full amount of $722.20. At his age he can probably expect to be in the work force for at least 30 years—and if the rate and the salary limits remain as they are now he will have paid $21,166 into the Fund when he retires.

"But he could work longer than that and almost certainly the rate and/or the maximum taxable earnings will be raised—and so he'll get hit for even more. Okay, it's true that if he lives five or six years after retirement he'll get back whatever he paid in—but if he had been able to invest that kind of money at eight percent, he'd get a lot larger return on it.

"If I were young I don't know how I'd look at this system. I think I'd get mighty discouraged trying to plan my future. Something has got to be done about it, because while we've lowered the federal income tax over the years we're still jacking up the SS rate that hits low-income people on the first dollar earned and which doesn't take the number of their children, or other deductions, into account.

"There has to be a change made so that the income tax bears a bigger share of financing the Social Security program. We used to call it insurance but it isn't that at all; it's a tax on a social program, and if something isn't done it's going to get completely out of hand."

AGITATION AND EXPLOITATION OF PRISON ISSUES BY SUBVERSIVE ORGANIZATIONS

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ICHORD. Mr. Speaker, the 1973 hearings by a subcommittee of the House Committee on Internal Security with respect to the exploitation of inmates of American penal institutions by revolutionary groups and organizations has had a widespread impact on law enforcement and prison officials.

In the committee's December 1973 report entitled "Revolutionary Target: The American Penal System" the committee summed up its findings and recommended, among other things, that the FBI and the U.S. Bureau of Prisons help prison administrators become better informed about revolutionary and subversive activities aimed at the prison population.

I am pleased to report to this House that this recommendation was heeded, and the FBI has just recently concluded a symposium for correctional officers at the FBI Academy based upon the findings and recommendations made by the Internal Security Committee. The subcommittee which conducted the investigation consisted of Congressmen Mendel Davis of South Carolina and Tennyson Guyer of Ohio with myself as chairman.

FBI Director Clarence M. Kelley has very thoughtfully acknowledged the Internal Security Committee's contribution in a letter to me dated July 11, 1974, which is indeed both satisfying and encouraging. Among other things he asserts that the FBI will assist correctional systems in the training of staff personnel regarding the activities of revolutionary groups. I insert Director Kelley's letter in the Record together with an FBI summation of the symposium highlights.

Federal Bureau of Investigation,
Washington, D.C., July 11, 1974.

Hon. Richard H. Ichord,
Chairman, House Committee on Internal Security, House of Representatives, Washington, D.C.

Dear Congressman Ichord: With further reference to our recent National Symposium on the American Penal System as a Revolutionary Target, I am enclosing for your information a memorandum which sets forth details of events at the Symposium.

As indicated in this memorandum, the Symposium was based on the excellent study done by the Committee on Internal Security of the House of Representatives concerning efforts by revolutionary groups to disrupt prison systems. Attendees at the Symposium were in agreement with the recommendation of your Committee that correctional staffs should receive additional training regarding the activities of revolutionary groups. I want you to know that the FBI will assist correctional systems in this training.

We also intend to improve our liaison with all correctional systems to the end that mutual problems are better understood and mutual assistance is more effective.

Sincerely yours,
Clarence M. Kelley,
Director.

National Symposium on the American Penal System as a Revolutionary Target, FBI Academy, Quantico, Va., June 19–21, 1974

This Symposium was sponsored by the FBI in response to a suggestion by the Committee on Internal Security of the House of Representatives (HCIS), which had studied the efforts of revolutionary groups to disrupt prison systems. The HCIS report on its study entitled "Revolutionary Target: The American Penal System," released on December 18, 1973, stated the need for correctional officers to have available more information on revolutionary groups and recommended that the FBI assist in this regard. In accordance with that recommendation, Director Clarence M. Kelley of the FBI proposed this Symposium.

Approximately 100 correctional officers, primarily wardens, superintendents, senior administrators, or their deputies, attended this Symposium which opened on June 19, 1974, at the FBI Academy, Quantico, Virginia. In his opening remarks Director Kelley stated that the FBI intended to provide assistance to correctional officers whenever and wherever such assistance was possible and appropriate.

Congressman Richard H. Ichord of Missouri, Chairman, HCIS, addressed the Symposium on opening day. He discussed the work of HCIS generally, and particularly explained the investigation of HCIS into allegations that revolutionary groups are attempting to disrupt the American penal system. On the point of "issue exploitation" by revolutionaries, Chairman Ichord recalled that the antiwar movement had previously been used by persons "trying to drive a wedge between the people and the government." When the antiwar movement waned, prison reform was, Chairman Ichord said, a "ready-made issue for exploitation by revolutionary groups."

The principal problems identified by HCIS in its study were summarized by Chairman Ichord as those involving the influx of revolutionary literature into the prisons, inflammatory correspondence between inmates and known revolutionaries, and personal contacts with inmates by members of revolutionary groups under the guise of attorney-client relationships. Basic to these, Congressman Ichord said, was the problem of educating correctional officers concerning subversive activities. He emphasized that HCIS by no means concluded that all prison problems could be attributed to revolutionaries and said, "All we are saying is that this is just one in a whole series of problems connected with the work you do, but it is one which seems to have been neglected, possibly because it was outside the experience of most correctional officers."

On the afternoon of opening day, the Symposium was addressed by the Honorable Norman A. Carlson, Director, Federal Bureau of Prisons. Director Carlson noted in his address the problem posed to prison authorities by self-styled "political prisoners," who are influenced by revolutionary groups outside the prisons. Director Carlson stated that only a very small percentage of the total inmate population becomes involved with revolutionary groups, but this small percentage of prisoners requires a tremendous and disproportionate investment of resource allocation from prison administrators. In response to this problem prison administrators, Director Carlson said, should assure that training is afforded correctional staffs so that these staffs will understand what the revolutionary agitators are trying to do. He noted further that prison authorities can always expect criticism. Rather than seeking excuses or placing blame for prison problems on agitators, the courts, or the press, he asked that correctional officials increase contact with the courts, the press, and the public at large, to explain the job and goals of correctional systems. There must also be, Director Carlson said, a willingness to change policies and procedures when deficiencies are found.

Following Director Carlson, Warden **John Norton of the Federal Correctional Institute in Danbury, Connecticut, and Warden Loren Daggitt of the United States Penitentiary at Leavenworth, Kansas, spoke on specific problems of interest at their institutions relative to the subject matter of the Symposium. Presentations were also made during the Symposium concerning prison problems by Correctional Sergeant William E. Hankins, California State Prison at San Quentin, California, and by Detective Lieutenant Inspector William A. Miller, Massachusetts State Police, who reported relevant results of investigation into protracted disturbances at the Massachusetts Correctional Institute, Walpole, Massachusetts.**

Extensive information was made available to members of the Symposium by representatives of the FBI on the origin and tactics of urban guerrilla warfare, and on the history and activities of a number of revolutionary and violence-prone groups which have attempted to exploit the legitimate issue of prison reform. Detailed information was furnished to correctional officers on such groups as the Black Liberation Army, the Symbionese Liberation Army, the Black Panther Party, the Nation of Islam, the Weatherman, the Communist Party, USA, the National Lawyers Guild, and Trotskyist-Communist groups. Literature originating from these groups which was aimed at prison population was identified and exhibited. Instances were related where individual leaders and members of some of these organizations had been convicted and committed to prison for crimes of violence. Such instances were of particular interest to members of the Symposium since some inmates, previously trained by outside revolutionary groups in tactics of disruption, have continued efforts to employ these tactics inside the prisons.

An evening session of the Symposium was devoted to workshops of 10 to 12 participants each. Each workshop was concerned with a separate question, such as the handling by prison officials of revolutionary literature directed toward prison inmates, the question of casual relationship between words of incitement and action, additional training of correctional staff, the handling of self-styled "political prisoners," and the development of intelligence information in the prisons. On the final morning of the Symposium an elected representative of each workshop reported on the results of discussion on these questions.

Among the conclusions and recommendations developed in the workshops were: A training program is necessary to enable correctional staffs to intelligently and effectively cope with the challenge posed by revolutionary activists outside the prisons and their inmate allies inside. Coordination between prison authorities and law enforcement should be increased and maintained through regular liaison. Based on experience of prison administrators, there is a definite casual relationship between words of incitement directed at inmates by revolutionaries and subsequent riotous action by these inmates. Legal counsel trained in prison problems must be readily available to prison administrators. A continuing public relations campaign is needed by prison systems to better acquaint the public and specifically bar associations, judges, chambers of commerce, and civic groups with prison procedures, problems, and achievements.

Mr. W. R. Wannall, Assistant Director of the FBI, delivered closing remarks to the Symposium on June 21, 1974. He stated that the FBI intended to be of every possible assistance to correctional officials, consistent with the jurisdiction and capability of the FBI, and thanked all attending for their hard work and great interest in making the Symposium a success.

HISTORIC SUPREME COURT DECISION VOIDS RACIAL BUSING PLAN

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. RONCALLO of New York. Mr. Speaker, last Thursday the Supreme Court handed down an historic decision in ringing support of the integrity of local school districts. In Milliken versus Bradley the court overturned a circuit order that children in the Detroit metropolitan area be bused in and out of the suburbs across school district lines for purposes of desegregating the city schools. No evidence had ever been presented to show that the suburban districts practiced segregation or that the school district lines had been drawn in a discriminatory manner. The court therefore insisted on the tradition of local control of the schools.

In addition, the Supreme Court noted that the district court would have to become first a legislative authority to solve the operational, administrative and financing of the cross-district busing plan and then act as a school superintendent for the entire metropolitan area. The decision wisely held that judges are not normally qualified to perform these roles.

In a similar case the court vacated a lower court order that the schools of Louisville, Ky., be merged with those of the surrounding suburbs.

I strongly support and applaud these far-reaching decisions of the court. For the benefit of other Members of Congress and for the public at large, I include at this point in the RECORD the headnote prepared by the Reporter of Decisions of the Supreme Court which abstracts the case from the full 37-page decision:

SUPREME COURT OF THE UNITED STATES

MILLIKEN, GOVERNOR OF MICHIGAN, ET AL. VERSUS BRADLEY ET. AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 73-434. Argued February 27, 1974—Decided July 25, 1974[1]

Respondents brought this class action, alleging that the Detroit public school system is racially segregated as a result of the official policies and actions of petitioner state and city officials, and seeking implementation of a plan to eliminate the segregation and establish a unitary nonracial school system. The District Court, after concluding that various acts by the petitioner Detroit Board of Education had created and perpetuated school segregation in Detroit, and that the acts of the Board, as a subordinate entity of the State, were attributable to the State, ordered the Board to submit Detroit-only desegregation plans. The court also ordered the state officials to submit desegregation plans encompassing the three-county metropolitan area, despite the fact that the 85 school districts in these three counties were not parties to the action and there was no claim that they had committed constitutional violations. Subsequently, the outlying school districts were allowed to intervene, but were not permitted to assert any claim or defense on issues previously adjudicated or to reopen any issue previously decided, but were allowed merely to advise the court as to the propriety of a metropolitan plan and to submit any objections, modifications, or alternatives to any such plan. Thereafter, the District Court ruled that it was proper to consider metropolitan plans, that a Detroit-only plan submitted by the Board and respondents was inadequate to accomplish desegregation, that therefore it would seek a solution beyond the limits of the Detroit school district and concluded that "[s]chool district lines are simply matters of political convenience and may not be used to deny constitutional rights." Without having evidence that the suburban school districts had committed acts of *de jure* segregation, the court appointed a panel to submit a plan for the Detroit schools that would encompass an entire designated desegregation area consisting of 53 of the 85 suburban school districts plus Detroit, and ordered the Detroit Board to acquire at least 295 school buses to provide transportation under an interim plan to be developed for the 1972–1973 school year. The Court of Appeals, affirming in part, held that the record supported the District Court's finding as to the constitutional violations committed by the Detroit Board and the state officials; that therefore the District Court was authorized and required to take effective measures to desegregate the Detroit school system; and that a metropolitan area plan embracing the 53 outlying districts was the only feasible solution and was within the District Court's equity powers. But the court remanded so that all suburban school districts that might be affected by a metropolitan remedy could be made parties and have an opportunity to be heard as to the scope and implementation of such a remedy, and vacated the order as to the bus acquisitions, subject to its reimposition at an appropriate time. *Held:* The relief ordered by the District Court and affirmed by the Court of Appeals was based upon erroneous standards and was unsupported by record evidence that acts of the outlying districts had any impact on the discrimination found to exist in the Detroit schools. A federal court may not impose a multi-district, areawide remedy for single-district *de jure* school segregation violations, where there is no finding that the other included school districts have failed to operate unitary school systems or have committed acts that effected segregation within the other districts, and there is no claim or finding that the school district boundary lines were established with the purpose of fostering racial segregation, and where there is no meaningful opportunity for the included neighboring school districts to present evidence or be heard on the propriety of a multi-district remedy or on the question of constitutional violations by those districts. Pp. 17–33.

(a) The District Court erred in using as a standard the declared objective of development of a metropolitan area plan which, upon implementation, would leave "no school, grade, or classroom . . . substantially disproportionate to the overall pupil racial composition" of the metropolitan area as a whole. The clear import of *Swann* v. *Board of Education*, 402 U.S. 1, is that desegregation, in the sense of dismantling a dual school system, does not require any particular racial balance. Pp. 20–21.

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[1] Together with No. 73-435, *Allen Park Public Schools et al.* v. *Bradley et al.*, and No. 73-436, *Grosse Pointe Public School System* v. *Bradley et al.*, also on certiorari to the same court.

(b) While boundary lines may be bridged in circumstances where there has been a constitutional violation calling for inter-district relief, school district lines may not be casually ignored or treated as a mere administrative convenience; substantial local control of public education in this country is a deeply rooted tradition. Pp. 21–22.

(c) The inter-district remedy could extensively disrupt and alter the structure of public education in Michigan, since that remedy would require, in effect, consolidation of 54 independent school districts historically administered as separate governmental units into a vast new super school district, and, since, entirely apart from the logistical problems attending large-scale transportation of students, the consolidation would generate other problems in the administration, financing, and operation of this new school system. Pp. 22–23.

(d) From the scope of the inter-district plan itself, absent a complete restructuring of the Michigan school district laws, the District Court would become, first, a *de facto* "legislative authority" to resolve the complex operational problems involved and thereafter a "school superintendent" for the entire area, a task which few, if any, judges are qualified to perform and one which would deprive the people of local control of schools through elected school boards. P. 24.

(e) Before the boundaries of separate and autonomous school districts may be set aside by consolidating the separate units for remedial purposes or by imposing a cross-district remedy, it must be first shown that there has been a constitutional violation within one district that produces a significant segregative effect in another district; *i.e.*, specifically, it must be shown that racially discriminatory acts of the state or local school districts, or of a single school district have been a substantial cause of inter-district segregation. P. 25.

(f) With no showing of significant violation by the 53 outlying school districts and no evidence of any inter-district violation or effect, the District Court transcended the original theory of the case as framed by the pleadings, and mandated a metropolitan area remedy, the approval of which would impose on the outlying districts, not shown to have committed any constitutional violation, a standard not previously hinted at in any holding of this Court. Pp. 25–26.

(g) Assuming *arguendo*, that the State was derivatively responsible for Detroit's segregated school conditions, it does not follow that an inter-district remedy is constitutionally justified or required, since there has been virtually no showing that either the State or any of the 85 outlying districts engaged in any activity that had a cross-district effect. Pp. 28–29.

(h) An isolated instance of a possible segregative effect as between two of the school districts involved would not justify the broad metropolitan-wide remedy contemplated, particularly since that remedy embraced 52 districts having no responsibility for the arrangement and potentially involved 503,000 pupils in addition to Detroit's 276,000 pupils. Pp. 29–30.

484 F. 2d 215, reversed and remanded.

Burger, C. J., delivered the opinion of the Court, in which Stewart, Blackmun, Powell, and Rehnquist, JJ., joined. Stewart, J., filed a concurring opinion. Douglas, J., filed a dissenting opinion. White, J., filed a dissenting opinion, in which Douglas, Brennan, and Marshall, JJ., joined. Marshall, J., filed a dissenting opinion, in which Douglas, Brennan, and White, JJ., joined.

RESOLUTIONS OF SONS OF AMERICAN REVOLUTION

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BENNETT. Mr. Speaker, I am honored to be a member of the Sons of the American Revolution and am happy at their request to include herein the resolutions passed by this organization at its 84th annual congress at Baltimore, Md.:

THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

RESOLUTION NO. 1

Whereas, under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, the United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and Panama Canal, and solemn obligations under its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, the United States Government is currently engaged in negotiations with the Government of Panama to surrender United States sovereign rights to Panama both in the Canal Zone and with respect to the Canal itself without authorization of the Congress, which will diminish, if not absolutely abrogate, the present U.S. treaty-based sovereignty and ownership of the Zone; and

Whereas, these negotiations are being utilized by the United States Government in an effort to get Panama to grant an option for the construction of a "sea-level" canal eventually to replace the present canal, and to authorize the major modernization of the existing canal, which project is already authorized under existing treaty provisions; and by the Panamanian government in an attempt to gain sovereign control and jurisdiction over the Canal Zone and effective control over the operation of the Canal itself; and

Whereas, similar concessional negotiations by the United States in 1967 resulted in three draft treaties that were frustrated by the will of the Congress of the United States because they would have gravely weakened United States control over the Canal and the Canal Zone; and by the people of Panama because that country did not obtain full control; and

Whereas, the American people have consistently opposed further concessions to any Panamanian government that would further weaken United States control over either the Canal Zone or Canal; and

Whereas, many scientists have demonstrated the probability that the removal of natural ecological barriers between the Pacific and Atlantic oceans entailed in the opening of a sea-level canal could lead to ecological hazards which the advocates of the sea-level canal have ignored in their plans; and

Whereas, the Sons of the American Revolution believes that treaties are solemn obligations binding on the parties and has consistently opposed the abrogation, modification or weakening of the Treaty of 1903;

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, opposes the construction of a new sea-level canal and approves Senate Resolution 301 introduced by Senator Strom Thurmond and 34 additional Senators, to maintain and preserve the sovereign control of the United States over the Canal Zone.

RESOLUTION NO. 2

Whereas, the strength and stability of the economic and monetary system of the United States is vital to the defense of the country, and

Whereas, the fiscal and monetary policies of the Congress and Administration, present and past, have led to the devaluation of the dollar, double digit inflation, and the current economic crisis in the United States, and

Whereas, double digit inflation within is as great a threat, if not a greater threat, to the liberty and freedom and well-being of this country as the threat from our enemies without, and

Whereas, the basic cause of the rampant inflation is the deficit spending of the United States Congress, and

Whereas, under the Constitution of the United States, Congress is charged with the responsibility for all federal appropriations, and

Whereas, it is the urgent duty of the United States Congress to limit federal spending to the revenues of the Federal Government,

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, urges the Congress to balance the federal budget.

RESOLUTION NO. 3

Whereas, it was the national policy of the United States of America to intervene in Vietnam and prevent a Communist takeover of that country, and

Whereas, it is the duty of every American citizen to bear arms in support of the national policies of the United States, and

Whereas, a citizen of the United States is called upon to share the burdens of citizenship in order to insure its benefits for all citizens, and

Whereas, 40,000 young Americans fled to foreign countries to evade the military obligations of United States citizenship,

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, is opposed to any granting of amnesty to those who refused to bear arms for their country and instead, fled to foreign countries to evade their military obligations.

RESOLUTION NO. 4

Whereas, this country was founded by God-fearing men and women and conceived in liberty, and

Whereas, men of all countries have been moved by the eloquence and high spiritual qualities of the Declaration of Independence, and

Whereas, the Bicentennial will be a focal point for a nation-wide review, and reaffirmation of the values upon which this Nation was founded, and

Whereas, all businesses and private citizens should display the United States Flag daily during daylight hours except during inclement weather, and

Whereas, it is fitting for patriots to celebrate each Fourth of July with prayer, music, fireworks and other expressions of joy and cheer, and

Whereas, it is the duty of every citizen and local community to take the initiative in planning a suitable commemoration of the Bicentennial.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, urges its members and all citizens to fly flags daily, to ring bells and blow automobile horns on the Fourth of July at a time to be set by each community as a suitable prelude to the Bicentennial.

RESOLUTION NO. 5

Whereas, we believe the Federal Government has entered upon a movement to eliminate basic rights and powers guaranteed to the states by the 10th Amendment to the Constitution, in particular the control of education and public schools, the control of land, the extension of jurisdiction of the federal judiciary, the weakening of state criminal law enforcement by the imposition of untenable federal standards that result in interminable trials and sheer technicalities that often show more concern for the criminal than for the innocent victim and the long-suffering public, to name a few,

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, recommends that our state governors and legislators resist these federal encroachments upon state sovereignty and oppose the extension of federal grants and Supreme Court decisions.

RESOLUTION NO. 6

Whereas, hostile foreign nations desire to obtain advanced American technology during a period of our history entitled "detente," and

Whereas, the sharing of our technology with unfriendly foreign powers will weaken this country's power and protection of the free world, and

Whereas, the joint exploration of space with any foreign nation will result in the release of technical information vital to the defense of this nation, and

Whereas no foreign power has been successful in its man-in-space program.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution, in its 84th Annual Congress assembled, opposes in general the sharing of any of our technology with unfriendly foreign nations and in particular the sharing of our man-in-space capability with any foreign power, and recommends that all federal agencies should intensify efforts to prevent the dissemination of critical technology to any foreign power.

RESOLUTION NO. 7

Whereas, the National Society, Sons of the American Revolution supports proper commemoration and celebration of the American War for Independence which gained the 13 Original Colonies their freedom; and

Whereas, the Battle of Cowpens, fought in South Carolina near the present village of Cowpens was a major victory for loyal Americans in their fight for liberty; and

Whereas, the Federal Government has appropriated certain funds for the improvement and enhancement of the Cowpens Battleground site; and

Whereas, the effect of monies spent will be much more effective and widespread, and of longer duration, if a permanent annual celebration is held at the Battleground;

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, favors allocation of an adequate portion of available funds for the construction of amphitheater which will be made available for the production of an annual outdoor drama based upon the Battle of Cowpens and surrounding events, so that the people of America will have a better opportunity to become more conversant with the great deeds of our illustrious ancestors.

RESOLUTION NO. 8

Whereas, Professional Standards Review Organization (PSRO) was established as a rider attached to the Social Security Law of 1972 without public hearings or proper consideration; and

Whereas, confidential medical records of every patient under any of the numerous government-sponsored health care programs will be open to PSRO inspectors; and

Whereas, "norms" set by the Department of Health, Education and Welfare, after examination of all patient records, will change the concept of health care, nullifying doctor-patient privacy preventing full use of the doctor's knowledge, experience and training; and

Whereas, PSRO can overrule a doctor's decision in prescribing, hospitalization, or operating under penalty of fine and suspension from medical practice;

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, supports the adoption of H.R. 9375, or similar resolutions, which would repeal the provisions of the Social Security Act which violate the confidentiality of the doctor-patient relationship which would be contrary to numerous state statutes, contrary to professional ethics, and which would lead to federal control of medicine.

RESOLUTION NO. 9

Whereas, there is pending in the United States Congress a resolution sponsored by Senator Harry Flood Byrd, Jr. of Virginia in which Senator William Scott of Virginia has also joined as a co-sponsor, to restore the citizenship of General Robert E. Lee.

Now, therefore, be it resolved that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, joins in with the purpose and spirit of this pending Congressional resolution.

RESOLUTION NO. 10

Now, therefore, be it resolved that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, reiterates and reaffirms that all previous resolutions adopted at prior Congresses be reaffirmed.

RESOLUTION NO. 11

Whereas, the 84th Annual Congress of the National Society, Sons of the American Revolution has been successful in every respect, and

Whereas, that success has been due to the efforts of those who planned and took part in the program.

Now, therefore, be it resolved by the National Society, Sons of the American Revolution, that it hereby expresses its gratitude and deep appreciation:

1. to the President General for his able leadership,
2. to the officers, chairmen and members of their committees,
3. to the loyal headquarters staff for their constant effort in providing an efficient operation,
4. to the speakers, Compatriot (Dr.) Norman Vincent Peale and the Honorable J. William Middendorf, II, Secretary of the Navy, for their inspiring addresses,
5. to the United States Navy; Joint Armed Forces (Pentagon); Colonial Guard, 175th Infantry; United States Marine Corps and the Commander-in-Chief's Guard Colors, U.S. Army, for furnishing color guards.
6. to the United States Marine Band, the United States Army Soldiers' Chorus, the Chorus of the Chesapeake, and the U.S. Navy Sea Chanters for furnishing music and entertainment.
7. to the press, radio and television for their coverage of the Congress.
8. to the Maryland Society for its contribution to a successful 84th Annual Congress.
9. to all individuals who contributed to the success of this Congress.

DÉTENTE, HUMAN RIGHTS AND THE U.S.S.R.

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. DERWINSKI. Mr. Speaker, a precise and quite challenging testimony on détente and human rights in the U.S.S.R. was delivered last week by Dr. Lev. E. Dobriansky of Georgetown University before the Subcommittees on International Organizations and Movements and on Europe of the Committee on Foreign Affairs. The professor's analysis of détente in terms of the non-Russian nations' problem in the U.S.S.R. and his treatment of our prospective dilemma in our economic relations with Moscow deserve studied consideration by our Members.

One observation alone should intrigue every Member and others who support détente:

> In view of the U.S.S.R.'s great hunger for capital and time, the emigration concession is a pithy initial price to ask for.

Similar insights and perspectives abound in the testimony, which is supported by extensive documentary material that was submitted. The testimony in full text is as follows:

DÉTENTE, HUMAN RIGHTS AND THE U.S.S.R.

(Testimony by Dr. Lev E. Dobriansky, professor of economics, Georgetown University, president, Ukrainian Congress Committee of America, chairman, National Captive Nations Committee)

Mr. Chairman and Distinguished Members, it is always a pleasure and intellectual treat to appear before this Committee, and I'm grateful for the opportunity to discuss with you the vital subject of detente and human rights. With application to the Soviet Union, the necessary linkage of detente and human rights assumes far greater significance and practical import than it could possibly anywhere else in the world. And this is for several reasons. One is the continual and unremitting threat posed by Moscow to our national security and that of other significant parts of the Free World. Two is the unique and peculiar composition of this contrived state, a land empire-state which, with the exception of the lower-scaled Peoples' Republic of China, has no comparability anywhere. And the third essential reason resides in Moscow's long and continuous record of the cruel suppression of human and national rights, which, taken in toto, far exceeds in magnitude and extent the totalitarian records of Nazi Germany, Fascist Italy and others.

Just a few weeks ago I appeared on the *Today Show* in New York, discussing detente and the USSR. I mention this because of the characteristic obscurantism of the interviewer who, after being told the rudimentary facts about the various nations in the Soviet Union, continued on his own merry preconceptual and fallacious way to lump all the various distinct and different nations and peoples in the USSR as either "Russians" or "the Soviet people." This type of obscurantism is, unfortunately, widespread throughout the media and is also found at the highest levels of our government. Needless to say, no matter how one defines "detente," if the object of the term is falsely and poorly understood, the content of the relationship can scarcely be maximally beneficial to us. The perpetuation of conceptual errors with regard to the USSR can only insure some error in judgment, policy and deed, and certainly forecloses the seizure of opportunities contributory to the advancement of our interests.

Before considering the nature of detente and human rights in the USSR, let me emphasize, too, that the essential ideas and observations set forth here stem from a fundamental captive nations genetico-analysis founded in the empirical evolution of Soviet Russia and then the Soviet Union from 1927 to the present. What is of poignant significance is the striking parallelism that has evolved in the current period between the salient thoughts and messages of Alexander I. Solzhenitsyn, Andrei Sakharov and other Russian and non-Russian intellectuals and the content and conclusions of the long-established captive nations structure of analysis.

As I pointed out elsewhere, "In calling for the withdrawal of Russian power to the national borders of Russia and the renunciation of Marxism-Leninism, they, and countless behind them in the USSR, are in essence calling for the freedom of the crucial non-Russian nations in the USSR, the surcease of Russian imperio-colonialism, and the open admission of the bankruptcy of Marxist philosophy in the whole area of the captive nations."[1] In fitting tribute to the two Russian intellectuals, it should also be emphasized that it has been many decades since any leading Russian voice expressed itself in behalf of the national self-determination and freedom of the non-Russian nations and peoples in the USSR. Kerensky went to his grave muttering the old Holy Mother Russian Empire complex.

THE NATURE OF DÉTENTE

The growing discussion on "detente" reveals considerable confusion as to its nature and intent, so much so that all sorts of characterizations are assigned to it, ranging from "fraud" to "our last hope for peace." The word is certainly another addition in the long succession of foreign policy slogans. However, the views expressed on our side appear to fall into three categories: (1) the dictionary definition of relaxation of tensions, (2) the subjectivist view, as given by General Abrams and others, or reactions, euphoric or otherwise, to objective circumstances, and (3) the instrumentalist view of Secretary of State Kissinger and others, interpreting detente purely as a process.

Placing aside the psychosomatic notions of detente, it is not unreasonable to accept some qualification the definition of Dr. Kissinger: "Detente is a process of managing relations with a potentially hostile country in order to preserve peace." As a point of departure, the acceptance invites a number of observations that are fundamental to the efficacy of the process itself. One, of course, is how does the opposing party view the same process. The evidence is more than abundant to show that Moscow views "detente" as an important conduit for its fixed policy of "peaceful coexistence" which, unmistakably and unequivocally, means systemic ideo-political warfare against American "capitalism," "imperialism" and the rest of it.[2]

It is noteworthy that Moscow's apologists, such as Boris N. Ponomarev, who recently headed the so-called parliamentarians of the USSR in a visit here, always coupled "peaceful coexistence" with "detente." Detente may be purely a process of management and negotiation for us—non-ethical, non-ideologic and pragmatic—but if we fail to comprehend Moscow's conception of it, we may find ourselves in a progressively insecure position both within and without.

Viewed in terms of the overall development of US–USSR relations the past 25 years, detente as a process is a technique advocated in the old policy of liberation but without statements of objectives and intentions other than "peace" and "building a structure of peace." It can also be validly interpreted as a forthright follow-up on early and long extended Soviet gestures of disarmament leading to the SALT talks, the balanced reduction of forces, all-European security, trade and cultural exchange. These gestures by Moscow were pushed in the 50's.

In the so-called era of negotiations, not confrontation, detente as a process turns into a diplomatic offensive and confrontation on all of these Soviet-initiated fronts, necessarly adjusted to our domestic circumstances and conditions. If one overwhelming advantage at minimum cost might be realized by the process, it is the prospect of a purgative effect concerning much of the content of the process itself. It can be maintained that, so far, the pursuit of detente in Asia and in Eastern Europe hasn't violated any basic principle to which we as a nation subscribe.

Nevertheless, any process or movement in whatever sphere, logically presupposes certain conceptual assumptions, an existential framework for the execution of the process, alternative selected means for the process itself, and worthy objectives in addition to "peace." As concerns the USSR, it is in this area that detente as presently pursued is subject to serious question and examination. Taking the full course of Russian political history, both in its Soviet Russian and USSR phases, a future account may well identify this period as a crucial zig-zag in Moscow's ascendancy to the status of prime global power. For, up till now, all of detente's contributions have been relatively minor, with scarcely any benefits of substance to us, and the basic issues are the same of a generation ago. Certainly, our ruling misconceptions of the USSR and its nature and drives have not changed in this period.

THE NEED FOR A REAL CONCEPTUAL BREAK-THROUGH

In the recent period we have heard a great deal about the need for a conceptual break-through in nuclear arms control. A more fundamental conceptual break-through is needed in our understanding of the Soviet Union. The illusion that the USSR is a nation-state, similar to ours, still persists. Although many others clinging to this illusion can be cited, suffice it to mention that our Secretary of State subscribes to this illusion, which would indicate an unfamiliarity with the origin and growth of this empire-state, not to mention its present multinational composition and pressures.[3] This vital point can be extensively documented, and in this vein I should like to append two short chapters from my latest work to substantiate it.[4]

When we're considering human rights in the USSR, the subject is not entirely parallel to that of civil rights and personal liberties which we enjoy in our country. This is shown in the three levels of dissidence in the USSR, namely civil rights and personal liberty across the Russian/non-Russian complex, the rights of Jews, Russians, Ukrainians and other different nationals to emigrate, and also the national rights of Lithuanians, Byelorussians, Ukrainians, Georgians and others to their own cultures, language, religion and other national expressions. Over half of the population in the USSR is non-Russian, and most of this part is divided into compact, distinctive nations. Ukraine, with close to 50 million, is the largest non-Russian nation not only in the USSR but also Eastern Europe. Thus, to speak of a "Soviet nation," "Soviet people," "national minorities" or "ethnic groups" is to distort the multinational pattern of the USSR, as well as the real developments and aspirations of its numerous nations.

If the process of detente is pursued without a keen awareness of this multinational complexion of the USSR, we may find ourselves by virtue of our economic contributions guaranteeing the permanent captivity of the many nations in the USSR, in the end to our own disadvantage. The foundation of Moscow's power and world-wide ambitions rests in these captive nations within the USSR. Its domination over the captive nations in Central Europe is insured by this foundation being intact and solidified. The fundamental issue facing us is to what extent and degree will our economic aid abet this solidification without exacting an increasing price aimed at an irreversible transformation of human and national rights' conditions and circumstances in this empire-state.

For nations that had been subverted, militarily conquered, and forcibly incorporated into the USSR from 1918 on, the current injection of the "noninterference in internal affairs" theory serves as a crude mockery to human/national rights. On this, as background material, permit me to append to this testimony a chapter on "Historical Outlines of Soviet Russian Aggression" from an earlier work of mine.[5] The abuse of this theory is an old Russian technique which Stalin, Vishinsky, Khrushchev and Brezhnev have frequently employed not only for the empire-state of USSR but also, as the Brezhnev doctrine confirms, for its imperial extensions in Central Europe. If Moscow's domain were extended to the Atlantic, the same cry of non-interference would be raised.

The detente process has generated a number of other myths that must be dissipated if the process is to work for our benefit, too. One is the fantastic notion that the external policy of a state can be somehow divorced from its internal, imperial policies. In a statement to this committee in full, 1951, Dean Acheson stressed the institutional nexus that has existed between Russia's political institutions and its imperialist expansionism over 500 years.[6] That classic statement holds today, for Moscow's external policy has always been fed by the oppressive internal policy of the empire. In addition, the euphoric notion that Moscow interprets detente as a sort of live-and-let-live policy has also been furthered by the current process, and is thoroughly discredited by Moscow's meaning of "peaceful coexistence."

Moreover, as further fantasies generated by current detente, the notions that communist ideology as a tool of penetration has waned in power and that the Kremlin totalitarians are humanized, de-Stalinized types seeking genuine peace are blatantly contradicted by evidences of intensified ideological activity both within the empire and without and the hyper-KGB activity in the USSR with swelling numbers of arrests and prison camps. In connection with Ukraine alone, over 560 known Ukrainian intellectuals have been incarcerated since 1970, and for the record in detailing some of this, I request that this pamphlet on *Ukrainian Intellectuals In Shackles,* the appeal in the June 21, 1974 issue of *The Washington Post,* and the letters of the Ukrainian Congress Committee of America to Secretary General Waldheim and President Nixon be incorporated as parts of my testimony.

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[1] *The illusions of Detent*. Remarks of Hon. Edward J. Derwinski, USGPO, 1974, p. 1.

[2] See witness' testimony *The Theory and Practice of Communism* Part 4, Hearings, Committee on Internal Security USGPO, 1974, pp. 2422–2423.

[3] Associated Press, March 25, 1974.

[4] Chapter 4 "Nation's, Peoples and Countries in the USSR" and Chapter 5 "The ABC's On Russia and the USSR" in *USA and The Soviet Myth*, Old Greenwich, Conn. 1971.

[5] *The Vulnerable Russians,* New York, 1967.

[6] *The Mutual Security Program.* Committee on Foreign Affairs, 1951, pp. 11–12.

THE ECONOMIC HOPE AND REAL DILEMMA

Plainly, it is in the area of trade, long-term joint projects, and gradually enhanced economic involvements leading to a generalized economic interdependence that leverage is sought by the present detente process to curb Moscow's aggression by proxy in the Free World and to induce liberalizing tendencies with irreversible movement within the Soviet Union. It is even hoped that this purely tangible, materialist process will by sheer complex involvement on the economic front lead to a redirection and reallocation of resources from Moscow's steady military build-up and development. Increasing business contacts would persumably provide the pragmatic, cultural rub-off abetting internal liberalization, and long-term contractual commitments and projects-in-process would form our basis for threats to cut-off in the event Moscow fails to behave itself in Free World areas. In short, despite the strategicity of the trade deals (Kama River Truck complex, computer production, jumbo plane production—all to be the largest in the world, etc.), the suction of economic interdependence would, so to speak, lock in the Soviet Union in a "structure of peace" for a decade or more.

Any analyst conversant with the USSR economy can only view this theory of economic interdependence with the gravest doubt. First of all, if lessons of history are to be heeded, our trade with and investments in totalitarian powers with even more open societies in the past, such as Japan and Nazi Germany, failed to produce permanent amity. Second, the planned nature of the USSR economy, the widespread KGB controls, the extensive CP surveillance, and the tightening-up processes already in vogue will undoubtedly produce systematic containment of our "business infiltrators" while the benefits of our advanced technology and know-how, not to mention margin interim financing of all this, will accrue to the Kremlin's maintenance of its top priorities, with emphasis on the military, and its lagging needs to overcome deficiencies in other sectors of the economy. On these and other relevant aspects, including Moscow's economic strategy, may I, Mr. Chairman, also include as part of this testimony the background material contained in another chapter of my last book.[7]

Briefly, the dilemma of our position is in the timing of all this. Should we follow the simple mechanistic course of the present detente process and, hopefully, let "evolution" bring about the unstated or low-keyed objectives of our foreign policy;[8] or, in the nature of a poltrade policy that would minimize our risks and avoid the expenditure of billions of dollars in beefing up an essentially technocratic, militaristic, and truly imperialistic economy, should we exact increasing prices for this economic aid with human and national rights concessions consonant with our own principles and civilized values? With nothing substantially changed in the imperio-totalitarian framework of the USSR, prudence and historical common sense would dictate necessarily the latter course.

In view of the USSR's great hunger for capital and time, the emigration concession is a pithy, initial price to ask for. As in part I recommended before the Senate Finance Committee last spring, to this should be added:[9]

(1) the reunion of families and the elimination of extortionate Soviet duty taxes on relief packages;

(2) in the spirit of religious freedom, the resurrection of the major Ukrainian Orthodox and Catholic Churches, which were genocided by Stalin. This Committee could assist greatly in this by affording hearings on pending resolutions calling for this;

(3) as advanced by many prominent American scholars, the beginning of direct diplomatic relations with the national republics, Byelorussia and Ukraine, for example. The recent Summit agreement for the opening of a consulate in Kiev is a blunderous error that should be investigated by this Committee;

(4) the surcease of psychiatric and labor camp incarceration of dissidents; and

(5) to implement these recommendations and pave new avenues of thought and action, the establishment of a subcommittee in the Foreign Affairs Committee on the nations in the USSR. With concentration on these nations in the area of our chief threat, the work of such a subcommittee would be of inestimable educational as well as legislative worth as the dilemma of present detente surrounds us.

In conclusion, let us not forget that our past errors of concept and misdirected action in the region of the USSR saved Lenin's tyrannical regime, contributed to the demise of the independent non-Russian republics, provided for the industrial foundations of the USSR, rescued this empire-state from destruction, and enabled it to extend its empire in Central Europe and Asia. The perpetuation and repetition of such errors, as evidenced in the present detente process, could lead to our own subordination and destruction.

THE CENSUS BUREAU METHODOLOGY NEEDS CORRECTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BROWN of California. Mr. Speaker, persons of Spanish-speaking background in this country have undergone tremendous social and economic hardships as have other minority groups. A basic factor in the continuance of a discriminatory attitude against them and other minority groups in the areas of housing, education, employment, health care, and general welfare is an improper representation of their numbers by the Bureau of the Census.

While efforts were made to identify better the black population in the 1970 census, the methodology used to count Puerto Ricans, Mexican-Americans, Cubans, and other Spanish-speaking people remains an inadequate, inconsistent, confusing, and meaningless compilation of findings. For us as legislators to accept, without arousal, the entitling of the 1974 U.S. Commission on Civil Rights' Report as "Counting the Forgotten" would be more of a tragedy than the actual misrepresentation of the Nation's second largest minority population. Thus, a dire need exists for us to analyze the Bureau's methodology and data collection for population counts of the Spanish-speaking, low-income persons of Hispanic ancestry, and all other low-income people of this country. For the plight of minorities is part-and-parcel with the census "undercount" phenomenon, and therefore, the lack of Federal assistance to them.

First among the inadequacies of the Census Bureau's methodology are its field collection techniques for gathering census information. The 1970 census questionnaires were completed by a mail-out/mailback procedure, which was developed in preference to a door-to-door enumeration system used in past census taking. Yet the possibility of an undercount remains high since a number of areas in the Southwest have Spanish-speaking persons who live in substandard housing to which mail is not delivered. Migrant workers, of which a significant portion are Mexican-Americans, do not generally reside in any one location long enough to establish a mailing address.

Similarly, mail delivery is often poor in inner city barrios. These places would tend to be missed by the address registers. Moreover, many respondents need the assistance which would have been provided by door-to-door bilingual enumerators had the conventional procedures been used. Thus, the plan for distribution and collection of questionnaires in 1970 is likely to have missed many families of Spanish-speaking background.

Most Spanish-speaking people also do not have easy access to a Spanish translation of the census form. The Bureau of the Census did not provide a Spanish or bilingual questionnaire for any of its respondents to complete in the 1970 census. The Bureau obviously recognized the need to provide assistance to non-English-speaking populations when it spent thousands of Federal dollars on producing sample questionnaires and instruction sheets in Spanish for the 1970 census. Still those Spanish speakers who benefited from such aids also would have found it helpful if the regular questionnaire they had been given for completion were in Spanish or bilingual. Not only the Bureau's count of the number of persons of Spanish origin but also its tabulation of their characteristics, including housing, employment, and education may be in error because of the possibility that non-English-speaking persons filled out their 1970 census questionnaires inaccurately as a result of misunderstanding the questions asked.

Also there was no question on the basic census questionnaire which could be used to identify persons of Spanish-speaking background. The Bureau's Spanish surname data were obtained by manually tabulating some of the census questionnaires and comparing the surnames to those on its Spanish surname list. Of course, a Spanish surname count produces exactly what its name implies: a count of persons with Spanish surnames. But it is not accurate to say that a surname count is equivalent to a count of persons of Spanish-speaking background. This count excludes persons of Spanish-speaking background who do not have surnames which are on the Bureau of the Census' list and includes non-Spanish-speaking background persons who have Spanish surnames.

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[7] Chapter 9, "The Russian Trade Trap" in *U.S.A. and The Soviet Myth*, 1971.

[8] See President Richard Nixon, *Captive Nations Week, 1974, A Proclamation*, July 12, 1974.

[9] "The Empire-State of USSR—Chief Object of Poltrade", Testimony on The Trade Reform Act, April 4, 1974.

The U.S. Commission on Civil Rights' report noted that in another sample survey used in the 1970 census:

> All persons were asked "What language, other than English, was spoken in the person's house when he (or she) was a child?" Where there was an answer of Spanish for either the household head or the wife, all members of the current household were counted as members of the Spanish language group regardless of whether, in fact, they spoke Spanish.

The report goes on to say:

> Clearly this count is not an accurate measure of the Spanish origin population in the country. It included some persons who did not consider themselves to be of Spanish origin, and it included a large number of individuals whose mother tongue was not Spanish. Finally, even a tabulation of persons whose "mother tongue" is Spanish is not a good substitute for a count of persons whose primary language is Spanish. A true count of those persons in the United States whose primary language is Spanish is important to Federal, State, and local agencies concerned with bilingual/bicultural education programs and other services to the Spanish-speaking community and to the Bureau of the Census, itself, in determining the need for bilingual census forms. The 1970 census Spanish language count, however, does not fill this need.

The Bureau of the Census undertakes work of a technical nature. It is essential for their reputation, as well as for those who are not familiar with scientific methodology and place their trust in the Bureau's accuracy, to not become insensitive to the misrepresentation of Hispanic people. Even today the Bureau has taken few affirmative steps to publicly clarify the 1970 census data on persons of Spanish-speaking background and explain its numerical subtleties in methodology, data collection, and many independent reports and surveys.

The experience of the 1970 census must not be repeated. Federal agencies, State, and local governments, private organizations, and individuals use the census count for important decisions, including the protection of voting rights, the administration of Federal and other public social programs, and the assurance of equal employment opportunity. And indeed, for another equally important reason, the undercounting of Spanish-speaking people should not become a perpetuating disregard for minorities, which is unfortunately characteristic of so many public institutions in this country.

POLICE ASSOCIATION ENDORSES BELL BILL

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BELL. Mr. Speaker, the widespread response to my bill H.R. 15505, which would reimburse local police agencies for assistance provided at the request of the U.S. Secret Service, continues to grow, pointing to the need for speedy passage of this legislation. This bill now has the endorsement of the 150,000-member International Conference of Police Associations. I respectfully call to the attention of my colleagues the letter I received last week from Robert D. Gordon, executive director of this organization. The complete text of his letter follows:

> INTERNATIONAL CONFERENCE OF POLICE ASSOCIATIONS,
> *Washington, D.C., July 24, 1794.*
>
> Hon. ALPHONZO BELL,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR CONGRESSMAN BELL: Please be advised that the International Conference of Police Associations, representing over 170 police associations with a membership of over 150,000 police officers, unanimously endorses H.R. 15505.
>
> Literally thousands of our members have been forced to work extra time while protecting the President of the United States, Presidential candidates, diplomats and representatives of Congress. While we realize that protection of the public and dignitaries is part of the police function, many of our members perform this duty without compensation or reimbursement from the various cities and states. This is due to the lack of available funds within their budgets.
>
> You are to be commended for introducing this legislation and we will urge our member associations to contact their representatives to vote favorably for this legislation.
>
> Sincerely,
>
> ROBERT D. GORDON,
> *Executive Director.*

THE IMPORTANCE TO HANDICAPPED CHILDREN OF THE BILL, H.R. 69, TO EXTEND THE ELEMENTARY AND SECONDARY EDUCATION ACT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BRADEMAS. Mr. Speaker, I rise to urge my colleagues to give their unequivocal support to the conference report on the bill extending the Elementary and Secondary Education Act, H.R. 69, upon which we will be voting on Wednesday.

I do so, Mr. Speaker, because I am confident that this measure will be seen, in the years ahead, to be landmark legislation for education in our society. Clearly the other body agreed with that assessment Mr. Speaker, when it approved the conference report on H.R. 69 by the overwhelming vote of 81 to 15 last week.

Let me touch briefly, Mr. Speaker, on the major provisions of the bill, before turning my attention to the importance of this measure to the 7 million handicapped children in the United States.

First, I must point out that H.R. 69 reaffirms the Federal committment to equalizing educational opportunity for what we might term the "vulnerable" among our young children—the poor, the disabled, and the handicapped preschooler.

The bill provides, as well, for a significant consolidation program, to be phased in over several years, which will, we hope, make easier the obtaining of Federal funds on the part of local school districts.

Let me point out also, Mr. Speaker, that the bill mandates a study to be conducted by the National Institute of Education, of the best means of allocating title I funds for disadvantaged youngsters, as well, as for a White House Conference on Education. I believe that these provisions will be seen as seminal with respect to the Federal role in education in the years ahead.

But, Mr. Speaker, the bill to extend the Elementary and Secondary Education Act will be landmark legislation for 7 million special children in our society.

They are children who make up a significant minority group many of whom have been specifically denied the educational services they need, and, indeed, some of whom have been denied any education at all.

I refer, Mr. Speaker, to the 7 million youngsters in our society who suffer from physical, mental, or emotional handicaps.

Fully 1 million of these children, Mr. Speaker, receive no education at all, and only 40 percent of them receive the special services they need.

Mr. Speaker, two provisions of H.R. 69 will be particularly important to the handicapped.

First, title VI of part B of H.R. 69 extends the Education of the Handicapped Act—Public Law 91–230—for 3 years. For fiscal year 1975, an authorization of approximately $630 million in State grant programs for the education of handicapped children.

That is an impressive increase, Mr. Speaker, over the $47.5 million being spent in fiscal year 1974.

Before my colleagues question if such an increase is justified, let me assure them that it is.

The conferees were persuaded to approve such a large increase for several reasons.

First, we were mindful of the shocking statistics to which I have already referred: Fully 60 percent of the handicapped youngsters in our society are not receiving the educational services they need.

Second, it costs, on the average, twice as much to educate a handicapped child as it does to educate a nonhandicapped child.

Third, court decisions all across the land have held in the last 2 years that handicapped children are entitled to the special educational services they need. Mr. Speaker, obviously the States will require assistance in order to implement the court decrees.

So in order to help the States implement these court orders, Mr. Speaker, the conferees have prudently decided on a large 1-year increase in funding for special education.

Mr. Speaker, the second provision contained in H.R. 69 which means a great deal to the handicapped children of America, extends Public Law 89–313, which amended title I of the Elementary and Secondary Education Act to provide grants for State agencies serving handicapped children in State supported or State operated institutions.

EDUCATION OF THE HANDICAPPED ACT

Mr. Speaker, let me say just a word about the importance of each of these programs for the handicapped children of America.

In 1966, Mr. Speaker, Congress recognized the special needs of America's then 5.5 million handicapped children and added a new title VI to the Elementary and Secondary Education Act which provided a program of grants to States for the education of handicapped children, established a National Advisory Committee on Handicapped Children, and created within the Office of Education a Bureau of Education for the Handicapped.

In 1970, Mr. Speaker, Congress, realizing that handicapped children deserved greater visibility in the Federal legislative process, repealed title VI effective July 1, 1971, and created a separate Education of the Handicapped Act.

PROVISIONS OF THE 1970 EDUCATION OF THE HANDICAPPED ACT

The 1970 act, Mr. Speaker, continued to provide for the Bureau of Education for the Handicapped and for the National Advisory Committee on Handicapped Children.

And it continued, as well, the authorization of grants to States and outlying areas to assist them initiating, expanding, and improving programs for the education of handicapped children.

But I want to speak briefly of other programs to better the services available for the education of disabled children funded under the Education of the Handicapped Act.

Part C authorizes grants for regional resource centers, centers for deaf-blind children, experimental preschool and early education programs, as well as research, innovation, and training and dissemination with respect to these activities.

In fiscal 1974, $7,243,000 were spent for regional resource centers under part C and approximately 40,000 handicapped children received comprehensive services from the centers which also provided training to 200 State education agency personnel and 6,000 local education agency personnel.

In addition, Mr. Speaker, under part C, $14,795,000 will be spent in fiscal 1974 on deaf-blind children, and $12 million will be spent on early childhood education.

Indeed I should tell my colleagues that approximately 3,500 deaf-blind children and 3,000 of their parents are receiving assistance under these provisions, and that an estimated 7,500,000 other children have received since 1970 comprehensive services early in their childhood years under part C.

Mr. Speaker, the Education of the Handicapped Act also authorized under part D grants to institutions of higher education for the recruitment and training of special education personnel, including physical education personnel; $42,400,000 was spent for the manpower training provisions of part D in 1974 to support 6,300 students full time, 19,500 part time, and possibly another 56,700 students indirectly.

Recruitment and information services under part D, which received $500,000 in fiscal 1973 unfortunately received no funds in fiscal 1974.

The 1970 amendments also expanded research into education of the handicapped and, last year, $9,916,000 were spent for this purpose.

I should tell my colleagues as well that in 1974 we spent $13 million for media services and captioned films to make available video, tapes, records, and captioned films to the handicapped under part F of the Education of the Handicapped Act.

Finally, under part G of the act, $3,250,000 were spent to provide for children with special learning disabilities. Part G now assists 8,500 children directly, and possibly another 58,000 children with special learning disabilities receive education benefits through the impact of teacher training, curriculum development, and other programs.

AUTHORIZATION FOR THE EDUCATION OF THE HANDICAPPED ACT

We are speaking then, Mr. Speaker, of an act which provided over $152 million in fiscal 1974 for a wide variety of programs and services to better the lives of handicapped children.

But, Mr. Speaker, because the majority of handicapped youngsters are not receiving the services they need, and because the courts are increasingly ruling that handicapped children are entitled to appropriate educational services, the conferees agreed that much more needs to be done.

Therefore, for fiscal 1975 only, the conferees have agreed to change the formula by which assistance grants to the States under part B of the act are made.

In place of the existing allotment formula, Mr. Speaker, the conferees agreed that in 1975 alone, the formula would be based on an entitlement grant to each State of $8.75 per child between the ages of 3 and 21.

Our estimates indicate that this entitlement approach would make available in fiscal 1975 $630 million to States for the education of handicapped children. We hope, in particular, Mr. Speaker, that these moneys will enable States, which are required by State law or State constitutions to provide full educational opportunities to the handicapped, to make greater progress in complying with such requirements in order to meet court orders, or to avoid possible litigation.

In 1976 and 1977, Mr. Speaker, the existing allotment formula would be continued with appropriations authorized of $100 million and $110 million, respectively.

BUREAU OF EDUCATION FOR THE HANDICAPPED

Let me say just a word, too, Mr. Speaker, about a problem which distressed the members of the Committee on Education and Labor, as well as the Senate conferees, with respect to the implementation of the Education of the Handicapped Act.

I refer, Mr. Speaker, to the fact that the Bureau of Education for the Handicapped, first created in 1966, and headed by an Associate Commissioner of Education, has been downgraded within the Office of Education.

It was the intent of Congress when considering this legislation in 1966 and in 1970 that the Bureau of Education for the Handicapped serve as a focal point for handicapped youngsters within the Office of Education. The Associate Commissioner directing the Bureau, Mr. Speaker, was intended to be involved in the highest policy decisions in the Office of Education affecting the handicapped.

Yet although the Bureau of Education for the Handicapped has been cited repeatedly to the Committee on Education and Labor as showing leadership and effective administration with respect to improving the lives of handicapped children, I regret to tell my colleagues that the administration, defying the intent of Congress, has gradually weakened the strength of the Bureau.

I recall in this respect, Mr. Speaker, that our distinguished former colleague who is now a Member of the other body, the gentleman from South Dakota, Hon. JAMES ABOUREZK, earlier this year commented upon what he termed "Operation Mangle" now being conducted by the administration.

And he meant to imply by this colorful term that the current administration appears to be intent on mangling good programs by suffocating them in redtape, regionalization, and, if all else fails, bureaucratic reorganization.

And the Bureau of Education for the Handicapped appears to be a case in point.

For, notwithstanding the excellent record of this Bureau, the administration attempted to interpose a layer of bureaucracy between the Commissioner of Education and the Associate Commissioner for Education of the Handicapped, and, consequently, removed the Bureau of Education for the Handicapped from the top policymaking level of the Office of Education.

The Committee on Education and Labor, Mr. Speaker, has insisted that the original design for the Bureau of Education for the Handicapped remain intact; namely, that the principal officer of the Bureau report directly to the Commissioner of Education without interference.

That is why Mr. Speaker, the conferees on H.R. 69 have agreed to create a new Deputy Commissioner to direct the Bureau of Education for the Handicapped—a Deputy Commissioner directly responsible to the Commissioner of Education.

TITLE I "SETASIDE" FOR THE HANDICAPPED

Mr. Speaker, let me now turn my attention to another program continued by H.R. 69 which also means a great deal for the education of handicapped children.

I refer, Mr. Speaker, to what is commonly termed the "Title I Setaside for the Handicapped" in the Elementary and Secondary Education Act.

As you know, Mr. Speaker, Public Law 89-313, enacted in 1965, extended title I authority to include handicapped children attending State-supported schools.

And the 89th Congress took that action, Mr. Speaker, because we realized that, although the Education of the Handicapped Act and title I did an excellent job of providing financial support for disadvantaged and handicapped children attending local schools—which received the title I moneys—that title I funds were not, as the law was originally written, available for handicapped children attending State-supported institutions.

The 90th Congress, Mr. Speaker, went a step further and approved a perfecting amendment under Public Law 90-247 which guaranteed the full funding of the earlier provisions of Public Law 89-313.

And we took that action because we knew that it costs far more to provide educational services to those children so severely handicapped that local educational agencies are often unable to meet their needs, than it does to educate a handicapped or nonhandicapped child attending a local school.

Mr. Speaker, H.R. 69 continues the full setaside for handicapped children in State-operated or State-supported schools, which the 89th, and then the 90th, Congress endorsed.

Mr. Speaker, let me remind my colleagues that we are discussing the funding of programs for those children with the most severe and tragic physical, mental, and emotional problems.

And the educational services required by these children do not always focus on reading, writing and arithmetic.

In some instances, the services require, first, that the child be taught to speak.

In others, he must be taught to walk, or to bathe himself.

Mr. Speaker, these kinds of programs require enormous expense, frequently involving costly equipment and one-to-one teacher-student ratios.

Indeed, the Bureau of Education for the Handicapped, Mr. Speaker, estimates that it costs at least $2,000 annually to provide the services these children need.

And some States are reporting expenditures as high as $6,000.

Mr. Speaker, reasonable men may differ in how best to provide funding for those children with the most severe handicaps in State-supported institutions.

The committee has stressed its conviction that Public Laws 89-313 and 90-247 have well and effectively served children and parents, as well as State and Federal governments.

Let us not now abandon this program to assist the mentally retarded and other severely handicapped children in State institutions.

It is a well-conceived program endorsed by our predecessors in both the 89th and the 90th Congresses.

It is a program that we in the 93d should support.

LANDMARK LEGISLATION

Mr. Speaker, to reiterate, passage of H.R. 69 will be seen in the years ahead as landmark legislation.

H.R. 69 reaffirms the Federal commitment to equalizing education opportunity for poor and other "vulnerable" children.

It provides for a significant consolidation program to make easier the obtaining of Federal funds on the part of local school districts.

It provides, also, for a study of the best means of allocating title I funds for disadvantaged youngsters, as well as for a White House Conference on Education.

But in stressing today, Mr. Speaker, the provisions to assist handicapped youngsters contained in H.R. 69, I do so because only 40 percent of the 7 million handicapped children in America are receiving the special educational services they need.

Surely, Mr. Speaker, it is time the Federal Government helped make good for handicapped children the rich promise of the American dream: that each individual will be able to achieve to the full extent of his or her abilities.

Because H.R. 69 will help us make that dream a reality, I urge my colleagues to join with me in enthusiastically supporting the conference report on H.R. 69 when it comes before us for adoption.

A TRAVEL REPORT BY KATHE WHITE

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, at the request of Kathe E. White, of Arlington, Va., and under leave to extend my remarks, I insert the following report into the RECORD:

HOTEL NORD—BUCARESTI

(A travel report by Kathe White)

Here we were—all sorts of people—thrown together from all over the world, speaking in all tongues. I must say even though upon arrival, the Hotel Nord appeared to be a center of confusion; the personnel managed very well to answer all questions in so many languages. Most of us were there to receive the famous Gerovitol treatment which seems to be the hopes and dreams of health and youth for all mankind.

On my first day I met a New Yorker, retired, 75 years old. He used to be a longshoreman. He told me that he is on Social Security and that this is his fourth time receiving the Gerovitol injections. He looked amazingly young and vital and said the Gerovitol had changed his life. He was an alcoholic and on drugs and had cured himself completely.

On my second day I was happy to meet a California medical doctor and his charming wife who suffered from arthritis. I believe they were both in their sixties. After a few treatments she found her fingers no longer swollen and could remove her rings which she was unable to do for the last ten year. She said that she gave all her jewelry away.

On my third day I met a charming American professor and his equally charming wife (Univ. of Michigan), now retired. He was probably 70 years of age and she looked like in her sixties. We had a few wonderful days together and both told me that some of their ailments are definitely improved. Arthritis seems to be a major medical problem as we are getting on in years.

On my fourth day I met a charming American couple. (Husband was almost totally blind.) He was probably in his early seventies and she in her early fifties. He personally told me that now after almost completing his 15-day treatments he can see a shadow of me. His wife had learned to give him the injections; and when I met them again on the day they left, they were so happy that they came that I also felt happy for them.

On my fifth day I met a beautiful Brasilian lady who spoke with a charming English accent. She was 54 years old and I spent much of my time with her; and she admitted that her arthritis in the neck is so much better, so definitely improved that she hoped it would be cured completely. Her greatest wish was to remain looking young and beautiful.

On my sixth day I met one of the most charming and interesting American couples I ever met. They were from New Jersey—he was a professor at Princeton before his retirement. Even though he was 66 years old, his vitality was that of a man of 40 years. He lived, and I mean really lived. He was the first on the dance floor—everybody joined us in dancing. The Polish tourists kissed us and the Rumanians cheered us, this was my best day and night in Bucharest.

On my seventh day I met one of the most distinguished and travelled gentleman with a great yearning for youth. He was a former professor at Harvard University and had travelled all over the world. He told me that the treatments have improved his vitality considerably and he is no longer so tired as he used to be. He was 60 years old.

On my 8th day I finally was able to get more frequently together with my New York friends—a businessman and his wife who also seemed by now more alive than in the earlier days of their arrival. Ann was one of the first to be able to do her own injections; and we were all very proud of her. They are, I believe, in their early sixties.

By now time seemed to fly and we formed so our little "Bucharest group" to go on excursions. The ballet "Sleeping Beauty" performed at the Opera was an outstanding performance. The Opera is one of the most beautiful buildings in Bucharest and should be visited, if at all possible.

On my ninth day I met a 71-year old lady from New York City who is on Medicare. I asked her whether she felt better now after some of the Gerovitol treatments and she told me, "Yes, because all my headaches are gone."

The rest of the six days were flying, and all of us felt better and better every day. We were instructed how to do our own injections and most of us succeeded. The Rumanian medical team was very happy when we were able to do it and told us, "Now your coming, here, was successful."

Everyday now one of my new friends had to depart for a new destination. I enjoyed seeing those shining eyes with so much happiness telling me, "Oh, I am so glad I came and stayed all these 15 days—it was an unforgettable experience."

IMPEACHMENT ON TV

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HANRAHAN. Mr. Speaker, we are all becoming involved in the impeachment issue. We are aware of the views of the Judiciary Committee members because of the television coverage. The charges against the President will be made more clear to all television viewers. For the interest of my colleagues I wish to insert the following articles from the Chicago Tribune and Wall Street Journal in the RECORD.

The articles follow:

[From the Chicago Tribune, July 24, 1974]

TELEVISING IMPEACHMENT

Starting today, the impeachment proceedings before the House Judiciary Committee will be open to live television coverage. We welcome the move.

The proceedings—particularly the debate later this week and the vote expected next week—are as vital a business as has ever come before any congressional committee in our history. The committee members will be making their decisions [we hope] on the basis of the evidence and their own judgment. But as this is a majority-rule, representative democracy, the influence of public opinion will be greatly felt.

The public must have the fullest possible access to what is going on. The television newscasts are inherently superficial, there is no substitute for live, continuous coverage if the public is to be fully aware of what is transpiring.

The danger in television coverage is that committee members may yield to the temptation to debase the proceedings with election-year rhetoric and grandstand plays to the cameras. As it is, each of the 38 committee members is to be given 15 minutes in which to make a political speech—a presentation which we fear could resemble the endless platform hearings that so tediously prolonged the sessions of the 1972 Democratic convention.

The members can contribute to the dignity of the hearings by confining their remarks to these allotted periods and restrain themselves at all other times. The broadcast media can do the same by making the telecasts as non-commercial as possible and keeping them free of the show biz that has intruded upon conventions and congressional hearings in the past.

If conducted responsibly, this television coverage can make a valuable contribution to the public's understanding of the impeachment issue and assist in the orderly resolution of it. It should certainly be extended to all impeachment proceedings on the House floor if the committee recommends in favor of impeachment.

[From the Wall Street Journal, July 24, 1974]

DEFINING THE CHARGES

With the start of the House Judiciary Committee's televised debates today, we will arrive at a crucial stage of the impeachment proceedings, the narrowing and defining of charges. After the committee has framed a definite set of charges to put before the House and perhaps ultimately the Senate, the debate over impeachment can begin to focus.

Even in ordinary criminal law, one of the textbook functions of a grand jury is to assist the defense by giving notice of what charges to defend against. It's almost impossible, after all, to construct a legal defense until you know the nature of the crime with which you are charged.

Mr. Nixon has certainly suffered from this problem in the swirl of the impeachment debate. Every time he would try to refute one charge, he would be met not with a head-on confrontation over that charge, but another charge from another direction. The President probably had much of this coming, but the process did little to deepen public understanding of any of the issues.

Now the list of charges has already begun to sort itself out. The impoundment of congressional appropriations and the bombing of Cambodia were omitted from Committee Counsel John Doar's summary of charges; after all, the public had occasion to redress either of these offenses in the 1972 election. A hard look at the evidence on the ITT and milk fund cases, as Carol H. Falk and Jerry Landauer reported in this newspaper Monday, discloses a lot of motives other than bribery for the governmental decisions.

Other issues seem to be increasing in importance. The matter of the President's taxes passed rather quickly from the forefront of attention when he said he would abide by the IRS ruling. Rather too quickly, we thought; how many people know that the gift of Franklin D. Roosevelt's public papers was adjudicated in a case strikingly similar to Mr. Nixon's, and that the verdict upheld the validity of the gift? Perhaps this will now be debated at further length, since Mr. Doar includes tax fraud in his list of charges.

The heart of the debate will probably consist of three matters, the Watergate cover-up, abuse of the IRS and other government agencies and contempt of Congress in refusing to honor subpoenas. In each case there is much for which Mr. Nixon and his administration can be called to account. The question before Congress is whether the offenses are great enough, and clear enough, to call for the ultimate sanction of impeachment and conviction.

Our understanding of an impeachable offense is that while it need not be specifically criminal it must be a serious wrong that subverts the governmental process. We would look askance at an impeachment on the procedural grounds of contempt of Congress when Congress is refusing to ask help from the courts in enforcing its subpoenas. But using the tax system to harass opponents or obstructing justice in a substantial case seem to us perfect examples of what an impeachable offense ought to be, though of course the charges must be clearly proved.

The danger at this stage is that the committee and the House will not really do their job of narrowing the issues. For all the sordidness in the presidential transcripts, when the issues are forced into a narrow legalistic framework it is not easy to prove clearly that Mr. Nixon is guilty of anything specific. The evidence remains circumstantial. This will create the temptation for the committee to broaden the issue rather than narrow it, to advocate impeachment not for specific offenses but for an unsavory atmosphere.

Removing a President on such grounds, it seems to us, would be the gravest possible damage to our political system that could possibly come out of Watergate. The extraordinary stability of the American political system is an invaluable asset to the nation and the world, and surely this stability is at stake in any impeachment. Surely it is rooted in the principle of fixed terms, and in the instinct that the verdict of the last election should not be lightly set aside. These principles would be undermined, and the system decisively changed, if a President is impeached on vague grounds such as failing to faithfully execute his office.

The debate starting today is important not only in helping to decide Mr. Nixon's fate, but even more so in establishing a precedent about what circumstances call for the removal of a duly-elected President. The committee needs to narrow and sharpen the charges not only in fairness to the current President, but even more importantly, so that future Presidents will know by what standard their conduct will be judged.

ASPIN PRAISES PENTAGON

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ASPIN. Mr. Speaker, for too many years the Pentagon was been top heavy with too many high-ranking officers and too many individuals devoted to administrative and support functions. Compared to many of our allies and our adversaries the U.S. military has had too much tail and too little teeth.

Secretary of Defense Schlesinger and Army Chief of Staff Abrams have begun an impressive program to reverse this trend. Both Dr. Schlesinger and General Abrams are trying to strengthen our tooth and shorten our tail. Although I have been very very critical of our Military Establishment for a variety of reasons on a number of occasions, I believe Dr. Schlesinger and General Abrams should be praised for their efforts.

As an incentive to reduce our tail-to-tooth ratio the military service when they cut support activities by one man, are allowed to retain a billet for a combat position. In fiscal year 1975 the Army will create three brigades of nine maneuver battalions, five artillery battalions, and two ranger battalions by reducing support troops. Army combat forces are being increased by 5,900 men while other force including an auxiliary force and support troops are being reduced by a like number. In order to achieve its goal of increasing combat strength the Army later this year will reduce its support and auxiliary troops by an addition of 2,600 or a total of 8,500 men this fiscal year.

Eventually, the Army hopes to increase its combat troops strength of 13⅓ divisions to 16 divisions without reducing its total manpower strength of 785,000. This conversion of support and auxiliary troops into combat troops is precisely the kind of action that many critics of the Pentagon have been urging for many years. Reducing auxiliary and support troops is an excellent way to cut fat in the defense budget. At the same time we are making our forces "leaner and meaner" by increasing the number of combat troops in relationship to support troops.

In addition, the Army plans to reduce the number of general officers by 24 between fiscal year 1974 and fiscal year 1975.

Mr. Speaker, Secretary Schlesinger and General Abrams have taken an important first step. But, much more needs to be done. I hope that the other Services will follow their example and that the Army will continue to find ways of reducing unnecessary and extremely costly central support and auxiliary troops converting those troops into combat ready forces able to defend the country. This kind of program eliminates fat in the defense budget and ultimately will enable us to defend the Nation more efficiently and at a much lower cost.

MEDICAL DOCTORS

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. PRICE of Texas. Mr. Speaker, today I am introducing legislation which would provide a tax incentive for physicians, dentists, and optometrists to establish their practices in areas which have a shortage of health professionals.

Over the years our Nation has been making significant advances toward correcting the general shortage of health manpower. However, we have been far less successful in our efforts to correct the maldistribution factor. The inequity in the distribution of professional health manpower is one of the most serious problems confronting the Nation's health care delivery system. The following facts are an indication of the general situation—the national average of non-Federal dentists per 100,000 population is 47, but New York State's ratio is 68 to 100,000 while in Texas the ratio is 37 to 100,000. However, my greatest concern is for communities which have few, if indeed any, medical doctors, dentists, or optometrists practicing.

There are eight counties in the congressional district I represent which have no medical doctor practicing within it. These eight are among 24 such counties in Texas. In addition, there are 11 counties in the 13th District with no dentist.

The counties with no medical doctor are as follows: Briscoe, Carson, Hartley, King, Lipscomb, Oldham, Roberts and Sherman. Archer, Armstrong, Briscoe, Dickens, Foard, Hartley, King, Lipscomb, Motley, Oldham and Roberts have no dentist.

New doctors prepared to begin practice tend to select locations where their work loads will be manageable, where there will be good medical support services, where they will be able to specialize and where they can expect to earn a good income. The prospect of being the only doctor in the county; where a general practice is required, often without full nursing assistance, and where long hours and low income can be expected, often tends to discourage doctors from locating in rural areas.

If we are going to deal with the maldistribution of doctors, we are going to have to offer new doctors, or doctors willing to move their practice, some real incentives to encourage them to locate in shortage areas where the prospect will be long hours, often at low pay, because they will be the only medical doctor in the area, and with little if any nursing or paramedical assistance.

The legislation I am introducing today would provide that incentive. My legislation would empower the Secretary of Health, Education, and Welfare to designate "physician shortage" areas in which doctors, as well as dentists and optometrists, would be offered incentives to locate practices. The incentives would take the form of Federal income tax deductions—up to $20,000 the first year if the doctor earned that much income. The maximum allowable deductions would decline over a 5-year period: $15,000 the second year, $10,000 the third, $7,500 the fourth and $5,000 the fifth. A doctor would have to practice in the same location for at least 2 years. Furthermore, no deductions would be allowed after the practice had been established for 5 years.

As small town doctors retire or die, fewer and fewer young physicians are willing to replace them. I sincerely believe that this "voluntary" system is perhaps the best incentive to encourage physicians into shortage areas as opposed to any law which might require new doctors to locate practices in such areas.

SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. McCORMACK. Mr. Speaker, I want to take this opportunity to announce that 27 members of the Science and Astronautics Committee have joined Chairman TEAGUE and me in sponsoring H.R. 15612, the Solar Energy Research, Development and Demonstration Act of 1974.

This is the third energy research, development and demonstration bill that the committee has submitted to the Congress for enactment this year. The first was the Solar Heating and Cooling Demonstration Act of 1974, and the second was the Geothermal Energy Research, Development and Demonstration Act of 1974. Both of these bills are in conference.

Our third bill, H.R. 15612, would establish a management project for long range research, development and demonstration in all aspects of solar energy, including: The direct use of solar heat; the conversion of solar heat to electricity; the direct conversion of sunlight to electricity, photovoltaics; the use of wind and ocean thermal gradients, both indirect forms of solar energy; to generate electricity, photosynthesis, and other bioconversion processes, those which produce fuels directly from solar energy; and the incineration of organic materials to produce fuels or electricity.

Companion legislation for H.R. 15612 has been sponsored in the Senate by Senator HUMPHREY and cosponsored by many other Members of that body. Technical hearings on H.R. 15612 have already been completed. It is anticipated that hearings on administrative portions of the bill will be completed by August 1, and that mark-up will come soon thereafter. This is just one more example of the Congress taking the initiative to create positive realistic programs and policies to help solve the energy crisis.

This congressional initiative—to enact specific legislation in areas which have not been adequately considered—is working well, and we are proud of our accomplishments. If a Federal agency is established to coordinate energy-related research, development and demonstration, the management project established in H.R. 15612 will automatically be absorbed by that agency. In the meantime, congressional initiative will have saved priceless time in getting these programs underway.

Adequate investigation of the possibilities of solar energy requires a long-range broad-based program of concentrated research. Such a program must aim to bring the various solar technologies to commercial development as rapidly as technical barriers to commercialization. We must also insure speedy dissemination of research results.

The success of such a program depends in large part on how effectively it is managed. Tasks must be allocated so as to make optimum use of available expertise and to avoid duplication of effort. A single management body should be able to oversee the whole program in all of its stages so as to coordinate parallel activities and provide management continuity from initial research through to the demonstration phase.

Until now, Federal research activities in solar energy have been limited in scope and have not been well integrated. We have had no organizational or program capability to allow us to move to the commercial demonstration stage. Several agencies have undertaken modest research activities, but there has been inadequate interagency coordination and long-range planning to guide these efforts. This has been the case in rapid strides by the National Science Foundation in its role as the lead Federal agency for the support of solar energy R. & D.

H.R. 15612, the Solar Energy Research, Development, and Demonstration Act of 1974, will provide the long-range management coordination which we urgently need. It sets up a solar energy coordination and management project to direct all Federal solar energy work until such time as a comprehensive Federal energy research, development, and demonstration agency may be established.

At that time, the functions of the project would be transferred to the new agency, and the management interactions initiated by the project would serve as a firm basis for the new agency's responsibilities in the solar field.

The project is designed to draw upon existing expertise and yet be independent of the special interests of individual agencies. Its composition, moreover, reflects the importance of both research and rapid commercialization. The chairman of the project will be the Administrator of the Federal Energy Administration, and other members will be as follows: An Assistant Director of the National Science Foundation, an Assistant Secretary of Housing and Urban Development, a member of the Federal Power Commission, an Associate Administrator of the National Aeronautics and Space Administration, and the General Manager of the Atomic Energy Commission. NSF, NASA, and AEC are selected because these three agencies are currently involved in solar energy research. HUD and the FPC are the Federal agencies concerned with the two main commercial uses or end products of solar energy: Heating and cooling of buildings and the production of electricity and synthetic fuels.

The project will have full management authority to initiate and direct a comprehensive solar energy program with specified objectives in three areas: Resource determination and assessment; research and development; and demonstration. One of the research goals spelled out in the bill is to improve our technical capability to predict and deal with the environmental impacts of large scale exploitation of solar energy resources. This is an area which I feel we must not overlook, even though solar energy appears, at first glance, to be very attractive environmentally.

Because solar energy research requires close integration among many scientists—each with a specific competence—and a considerable amount of specially designed equipment, the country needs a national laboratory devoted to solar energy R. & D. problems. In this laboratory, we would be able to draw together a critical mass of the required scientists and their specialized equipment. Provisions for a solar energy research institute, therefore, are included in the bill. This laboratory would be analogous to the AEC labs devoted to nuclear research and might be located at any new or existing Federal laboratory.

Two major provisions of the bill are aimed at insuring rapid commercial application of solar energy technologies. First, the project will establish and operate a solar energy information data Bank to collect and disseminate research results and other information on solar energy technologies. This is a logical extension of the solar heating and cooling data bank established by H.R. 11864. The project will also be responsible for coordinating solar energy technology utilization activities with all other technology utilization programs within the Federal Government.

Second, the project will select a solar energy incentives task force to advise the President and the Congress as to the economic incentives required to accelerate commercial application of solar energy technology. This body will investigate and seek to eliminate barriers inhibiting private industry from performing solar energy R. & D. and marketing solar energy products.

Recognizing the importance of a sufficient number of qualified personnel, the bill authorizes NSF to support relevant scientific and technical education programs. Funds transferred to NSF from the project would supplement NSF's own funds in this area.

While there have been numerous studies of the magnitude of the effort required to make solar energy economically viable—notably those done by AEC Chairman Dr. Dixy Lee Ray, by NSF, and by OMB—there has to date been no systematic program definition. This is a necessary prerequisite to a rationally funded, well-thought-out program. H.R. 15612 therefore authorizes $2 million for a program definition to be carried out during fiscal year 1975 by the project. Funding for future years will then be based on the results of this program definition.

One point should be emphasized with regard to how H.R. 15612 will affect the proposed Energy Research and Development Administration. As passed by the House of Representatives, ERDA would have authority in the solar R. & D. field only over solar heating and cooling. Thus, if ERDA is established as proposed, management of solar energy research would be fragmented among ERDA, NSF, and other agencies. It would not be integrated as it should be. Since H.R. 15612 brings under a single management authority all Federal solar work and provides that this authority be transferred to ERDA if such an agency comes into being, its passage would, in effect, actually expand ERDA's potential responsibilities in the solar area even before ERDA is created. This, in my opinion, would correct a clear deficiency in the current ERDA proposal. If ERDA legislation is not enacted into law, the solar energy research, development, and demonstration programs will be integrated and managed in an orderly fashion under the management project established under this bill.

In conclusion, Mr. Speaker, I would like to emphasize the valuable benefits we can expect from the development of solar energy. I believe that by 1990, if we mount the proper R. & D. effort, we can be producing 1 percent of the Nation's energy needs from solar energy. By the year 2000, this may be a considerably larger percentage. Energy from the Sun is secure energy, invulnerable to the vicissitudes of international trade. It is clean energy, free of the pollutants we have had to put up with in using fossil fuels. And its supply will never be used up.

Solar energy will not replace fossil fuels in the immediate future, but its use, even for limited applications, will free scarce fossil fuels for uses for which alternatives are not currently feasible.

To realize these benefits, we need an aggressive, organized, and adequately financed national solar R. & D. program. The task is not easy, nor is it going to be accomplished overnight. But our energy situation is critical. We must begin now. I believe that H.R. 15612 will provide the legislative apparatus we need to succeed in this effort. I hope all of my colleagues will join in helping assure favorable consideration and rapid passage of H.R. 15612.

DEMOCRATIC ORGANIZATION OF LEONIA, N.J., CELEBRATES 50TH ANNIVERSARY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HELSTOSKI. Mr. Speaker, on September 28 the Democratic Organization of Leonia, N.J., is going to celebrate its 50th anniversary. In view of the fact that I have the honor of representing this municipality in Congress, I would like to congratulate the people of Leonia on this occasion.

To help commemorate this event Mr. Speaker, 90-year-old Elizabeth Denny Vann, who was present at the first meeting 50 years ago, recently wrote a letter to Nancy Hawkins, a long-time resident of Leonia. In her letter, Mrs. Vann explores the true significance of this golden anniversary from the perspective of today.

Though she now lives in Richmond, Va., Mrs. Vann has countless fond remembrances of her life in Leonia, and writes that she values the friendships she made in Bergen County "above those made during my long life anywhere in the world."

Mr. Speaker, to celebrate this occasion further, I would now like to share some of Mrs. Vann's insights with my colleagues. Regardless of their own political affiliations, I am sure they will be fascinated by Mrs. Vann's account of political life in America 50 years ago. Her letter follows:

> MARCH 19, 1974.
>
> DEAREST NANCY: In response to a request from Mrs. Hawkins I am writing what I recall about the activities of the Demorcats in Leonia from the date when we moved to the town, May 1, 1923 after purchasing a home at 186 Harrison St. until the close of the meeting of 1924.
>
> I should preface this by saying I was born and lived in the South—Virginia and Tennessee, until my marriage on May 20, 1908. At this time my husband was the Executive Secretary of Central People's Institute (Instituto Central do Pavo) in Rio de Janeiro, Brazil, a social service settlement in the slums of Rio, modeled after the famous nineteenth-century establishments in London, New York and Chicago.
>
> Before coming to Leonia I had always lived where women were "second class citizens" so far as participating in the processes of government were concerned. In those long gone days women were *protected* by their fathers, husbands and sons. They excelled in the arts of persuasion and made their views on public matters known through influencing the men in their lives who had the vote. This does not mean that I was reared in ignorance of "politics" but that my grandfather and father considered the art of politics a profession far below an activity in which women should be engaged. Table-talk in our home between those two men fell on my receptive ears. I was fascinated by the comments on policies, programs and candidates. I was also allowed to ask questions but my "opinions" were never solicited. Votes were granted to women in this country during my six years residence in Brazil. . . .
>
> In 1923 we lived near Columbia University in New York City but we were small towners at heart and sought a permanent home in a community where we could enjoy neighborhood benefits and where we could know the families of our son's associates.
>
> It could only have been kind Providence who guided our steps to Leonia. After only a few hours' search we found a house within our means and with convenient transportation to down-town New York by railroad and up and mid-town New York by street car, ferry and subway. . . .
>
> I now let my thoughts go back some 50 years as to how I became a participating citizen of my country. . . .
>
> Early in the fall after only a few months' residence Mrs. Bridges invited me to go to a "town meeting" where the proposed Oakdene Ave. storm drain was to be discussed from all points of view by the citizens. I presume it was a Council hearing, but it met in the High School auditorium. I demurred at going and my husband was in foreign parts but Mrs. Bridges insisted our taxes would help pay this bill and hence it was my "civic duty" to attend.
>
> Thus I attended my first political meeting. It was a long and stormy one—Mayor Pollock presided. I soon learned Leonians can be very vocal at such meetings. . . .
>
> The law of New Jersey in 1924 required a residence of one year in the state and a certain number of months in the county and days in the town to register as a voting citizen.
>
> When that right became ours I was well trained as to the steps to be taken. Again my husband was on a foreign trip. Even before I had qualified by the elapse of time to vote I was approached by a Leonia friend whose

acquaintance I had made in New York City before moving to Leonia to stand at least 50 feet from a polling place and distribute a card to potential voters asking them to vote to have a privately supported library in Leonia taken over as a Free Public Library which would receive money for its support from town taxes. Being in favor of this I was glad to accede to her request. This was my first public political act. As she was leaving my home she inquired if I were already registered.

At that time the Election Boards held public registration days for new voters. She told me where the Board of my voting district could be found and then said "I suppose you are a Republican. There are no decent Democrats in Leonia."

For the first time in my life I was faced with having to give myself a party designation. After a short pause I said "I already know two in Leonia." You do? Who are they?" "They are Mr. and Mrs. Eugene Vann" and I saved her confusion by a warm handshake. We were friends to the day of her death—though I had little to do with her sons becoming working Democrats in later years. . . .

When registration day arrived I presented myself with my proof of residence. The official said "Declare your party." "Democratic." I watched his every move as he carefully wrote my name and address in ink in a book marked "*Republican.*" I protested, he apologized for his "error" and said he was not allowed to make erasures and I could easily change it next year. I told him the law was you must refrain from voting for two years before you could change your party. He kept refusing to make a change while I continued my protest.

At that moment I glimpsed Leonia's Chief of Police—I think it was "Chief Beck"—passing the door. So I said I would summon him to tell us the law and the official gave in, erased my name from the Republican book and wrote it in a clear hand in the Democratic book. . . . When I told this incident to Mrs. Hamilton she said "Why don't you run for County Committee from your ward in Leonia?" She had had no experience with such a bold endeavor, nor had I. Here was my first chance to "learn by doing." In time we learned the essentials, secured the election forms from Hackensack and then almost gave up the idea because 10 signatures of registered *bona fide* Democrats in my district were required. Where could they be found in one small district in Leonia? Mrs. Hamilton began to count, "There are Mrs. Shedd (mother of Leonia's Will Shedd) and her three sisters on Broad Ave.; there is your husband (he would be home in time to register), that is five; there are Mr. and Mrs. Stagg at Grand and Christie Heights, they are old county Democrats, not commuters; there are Paul Hoyler and his wife on Leonia Ave."; and then a long pause. She finally said "I think Mrs. Bridges is still a Democrat." At this "point-in-time" I forget if Mrs. Bridges' name is on my first petition, but the tenth person was found. . . .

After 50 years the remaining steps are not so clear in my memory. . . . If my memory be correct we found 3 other men and 3 other women who consented to run for County Committee under the Democratic name in the other districts and all were elected.

I do not recall the public subject which resulted in my being invited to attend a meeting of Democrats in the fall of 1924 in Fred Hath's studio on Allaire Ave., the home now owned by Arthur and Nancy Hawkins. So I attended my first Democratic Party meeting, escorted by Paul Hoyler. You raise the question whether this was an organization meeting. Frankly I do not know. Judge Van Buskirk from Hackensack was the speaker—a long-time and highly respected "old citizen" of the county. I was surprised by the good attendance, some of the men I knew, others I had never met. Certainly some of these men and women already knew the Judge. Certainly 8 citizens of Leonia had served at the last election officially as Democrats, according to law [on the Election Board].

At some point in time I inquired who had appointed them. . . . I was told no Democrats of Leonia were interested enough in politics to run for County Committee and so names of people supposed to be Democrats were suggested to the County Board of Election by Huyler Ford the "Republican leader in Leonia" and so were appointed to the election board in Leonia—these were paid positions, County Committee members were not paid.

The actual facts may be far different, but it was clear that the Democratic voters of Leonia were not interested enough to have a viable organization at that time. Who invited the Judge to Leonia or invited the people to the meeting at Fred Hath's studio I also do not know and never did. Since Fred Hath was a paid employee in Hudson County—Park Commissioner or some such title—it may be that the very active Democratic organization of Hudson County asked him to reactivate interest in Leonia, the town in which he lived. You'll have to find some records at the courthouse or in the hands of the Party organization of the County to unravel this story. At the time I was interested in the future not in the past and made no inquiries.

Some of the men I remember at that meeting were Drs. Thurman Van Metre, Edwin Patterson, Ralph Alexander and possibly Hugh Wiley Puckett—all professors at Columbia or Barnard. These I already knew. . . . Ed Appleby and his wife may also have been present. Mr. Blaisdell and Ralph and Mrs. Guernsey of Oak Tree Place I seem to remember. Mrs. Hamilton never attended Party meetings. She was chairman of two *non*-partison forums and not until the Democratic convention at Madison Square Garden did I even know she was a registered Democrat.

So I could not say a Democratic organization was born that night in Leonia but one was certainly revived, if it already existed and has continued to this day with varying fortunes and leaders according as the population has changed and grown in these fifty years and that meeting could properly be celebrated as the birth of continuous activity.

I recall no election of officers or mention of an existing club, nor a secretary taking minutes or collection of dues. My whole attention was centered on the Judge and the fact that he was there to plead for our support at the next election for Democratic candidates "from the top to the bottom of the ticket." He was forceful and persuasive and reasonable. He engaged my attention and I began to see that only through Party organization and activity could what I believed in for my country be achieved. I have never wavered in that conviction. I still believe that Democratic principles endorsed by honest men and with good candidates are the best hope of the future of this country—now more that ever I believe it. I realize many people of many differing points of view, education, possibilities and achievements make up every political party. There has to be give and take, compromise and agreement to achieve any given platform or program. However there are a few cardinal principles about which there should be universal agreement. Honesty in deed—truth in speech—elementary justice—and loyalty to our form of government. Unless our leaders give us this minimum they will cease to be leaders and do not merit the support of honest men and women. This has been my yardstick for 50 years and always will be. When I could not honestly support a candidate I have always told the leaders why and withheld my support, using one or another of the possible ways to show my displeasure. By this means I think I have held the confidence of the people I have worked with. Much of my life has been given in one form or another to help my Party. I have had no political ambitions for myself, but I have worked hard for the election of many fine candidates—often I have lost, sometimes I have won. But I've never had to be ashamed of the candidates I supported even though I've seldom agreed with *everything* they advocated. I know our candidates are only human and liable to err—but if a candidate is essentially honest and follows his true vision I am satisfied. I would not contradict Bill Shedd's date about a formal organization. It may be we just operated with our Municipal County Committee members as town leaders of Democracy, but we did a pile of work of as public a nature as possible between 1924 and 1933.

I forget the year that Harvey Ely was elected State Senator and Mort O'Connell Bergen County Sheriff but with less than a hundred registered Democratic votes in Leonia we secured over 1,000 votes for each man and won astonished recognition from the County leaders.

I even forget the year the Democratic Women's County organization came into being, that may have been the same year or a bit earlier, at the beginning of the "Depression"—if so, the Party leaders never would have asked me to be President unless our achievements in Leonia were already well known to them.

Not every election did we have a headquarters on Broad Ave. but we had one for each crucial campaign. And we raised our own money to support it mostly by free will gifts from Leonia Democrats.

I am proud to say that I recall only one Leonian who violated our local code of loyalty-honesty and square dealing. One day a newcomer to Leonia strode into our headquarters with a swagger; seated himself opposite me at a table, lit a huge cigar and blew smoke in my face, with his feet propped up on the table and began to tell me *his* demands of special favors *in the town* for which he was willing to put a large sum of money at our disposal provided we promised to listen to him and promote his desires. In return he would guarantee the election of our town candidates and be the ruling hand, behind the scenes.

I was so astounded I listened to quite a bit he had to say. Then I stood up and told him to take his feet off my table and extinguish his offensive cigar, also to take of his hat. Out of surprise at my attack he listened for a bit too and then retreated in disorder. It was my only such experience in Leonia or anywhere else. Otherwise I have been treated with unfailing courtesy as a Party equal until the last Presidential election in Richmond when I had an encounter with the "Committee to Re-elect the President" (CREEP).

Then a very important man of that Committee accused me on the radio of having either been "bribed" or "taken advantage of" by McGovern supporters because I had spoken at a press conference, which was televised, at which I protested the free use of Social Security envelopes sent out in October to 22 million-plus elderly citizens in which a card was inserted giving Mr. Nixon credit for having secured the increase in Social Security payments to each recipient.

My whole protest was directed against the effort to drag Social Security into a political campaign, thereby saving the price of an eight cent stamp to circulate this untruth and to influence the November vote for him. The *fact* was the President had proposed to veto the whole bill because of the increase. I think I've had a marvelous political career in 50 years if I encountered only one personal crook, and got only one public lam-

basting from a Republican organization which is even now being held up to scorn and contumely around the world for its dishonesty.

You will gather from this, Nancy, that I am still a loyal Democrat—forced by age and advancing blindness and deafness to have definitely retired from the political scene.

I am delighted to hear from you again. I regret no single day spent in Bergen County, most of them in Leonia, and I value the friendships made there above those made during my long life anywhere in the world.

ELIZABETH C. DENNY VANN.

PRIVACY PROTECTION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. KOCH. Mr. Speaker, I set forth an article that I prepared for and which appeared in the New York Law Journal on the subject of privacy. The article follows:

RUNAWAY THREAT TO PRIVACY IN UNITED STATES

(By Edward I. Koch)

Each day a massive amount of personal information about individual Americans is collected by both private businesses and governmental agencies. This data is not gathered by clandestine agents. The great bulk of this information is supplied voluntarily by citizens as they go about their daily affairs, or gathered routinely as part of an ordinary business transaction.

Certainly, the federal government has files on most of us. The Social Security Administration, for instance, maintains more than 160 million files on persons living and dead, the Department of Defense has more than 14 million military service histories, the Census Bureau maintains its records, the Internal Revenue Service retains annual tax returns, and the Department of State has our passport applications. Countless additional files on individual citizens are maintained by other offices of the federal government.

State and local governments also accumulate mountains of personal information. This includes data relating to education, employment, income and property ownership. Banks and other financial institutions, credit bureaus, hospitals and private schools also accumulate extensive amounts of sensitive personal data.

No doubt much of this information must be collected and maintained in today's complex world so that it will be available for proper use. Nevertheless, the increased use of computers and sophisticated electronic data handling techniques now provides simple and convenient ways to store, collate and correlate this information.

It is time that we recognized that the assembling of personal information, originally collected piecemeal by a large number of separate agencies but now easily brought together in computer data banks, is a significant threat to our individual liberty and to our privacy.

NO REGULATION

Since Warren and Brandeis wrote "The Right to Privacy" in the *Harvard Law Review* in 1890 the law of privacy has developed in many areas. Over this same period, however, the average citizen's interaction with all levels of government and with business has grown even more. Thus, the amount of personal information about each of us which has already been collected in computer data banks and which is now potentially available to strangers is frighteningly large. The collection and disclosure of this personal data is presently totally unregulated, with the result that each citizen's right to privacy is threatened as never before.

While our courts have upheld the right of privacy in many cases, it is nonetheless true that Americans presently have no effective method of preventing the indiscriminate disclosure of personal information concerning them or even of ascertaing whether such information is accurate. Indeed, the problem is even more serious since private citizens presently have no means of determining which organizations are maintaining files on them.

More than five years ago—before Watergate and the excesses of the present Administration aroused a more widespread concern with privacy—I proposed the first Federal Privacy Act, designed to give the ordinary citizen a workable means of protecting his privacy with respect to critical records, without impeding the necessary work of government. That bill has not been enacted although it had the possible effect of providing the basis for important hearings in the Congress.

LEGISLATION NEEDED

The time is long overdue for Congress to address itself to the problem of the significant invasion of personal privacy through the collection and maintenance of personal data files. This area must not remain today devoid of effective regulation. The only response of the Administration has been the creation of a cabinet-level White House committee to "draw up safeguards for protection of the privacy of individual citizens against misuse of information about them stored in computers." In light of the Administration's record in this field, one can predict with confidence that little of substance will come from this effort.

What is needed now is a concerted push to enact strong legislation. To this end, Representative Barry Goldwater, Jr. and I introduced a comprehensive new "Right to Privacy Act" in the House of Representatives on April 19, 1974. The sponsorship of the Koch-Goldwater bill by Barry Goldwater, Jr., a Republican, and by myself, a Democrat, with our differences in other fields, demonstrates that on the issue of personal privacy there is a common bond between conservatives and liberals.

INSPECTION GUARANTEED

The Right to Privacy Act is designed to protect each individual's right to privacy. It would require that organizations which maintain personal information files inform the individuals affected that a file of information about them exists and would further require these organizations to permit inspection and correction of the data in these files. The act would define "personal information" to include anything which describes an individual, including his education, his financial transactions, his medical history or his employment records.

All levels of government as well as business organizations would be required to comply with the provisions of the act. Any particular agency or organization would be restricted to collecting only that information which is appropriate to its needs. In addition, the act would require that such information be maintained completely and competently, that it not be disclosed to third parties without the individual's consent, and that a record be maintained of such disclosures as well as of those who have had access to that file. In addition, when personal information is sought from an individual, he must be told if the request is mandatory or voluntary and what penalty or loss of benefit will result from non-compliance.

RIGHT TO CHALLENGE

Copies of an individual's files, including investigative reports, must be made available to that individual at reasonable cost and the individual must be able to challenge inaccurate or undocumented information and to have his position in a dispute added to this file.

The act would further provide that persons involved in handling personal information must act under a code of professional secrecy and be subject to penalties for any breach of secrecy.

The act would establish a five-member Federal Privacy Board which would serve on a full-time basis and whose members would be appointed for a three-year term by the President with Senate confirmation. The board would collect and publish information on personal information systems, issue regulations concerning such systems, inspect systems when non-compliance is suspected, hear requests for exceptions, and transmit annual reports to Congress and the President.

The Right to Privacy Act will not inhibit the collection of material needed for national defense or for the pursuit of active criminal prosecutions, but it will provide effective protection against possible invasion of personal privacy.

WIDESPREAD ABUSE

I suggest that the right to privacy of every citizen of the United States is threatened by the unregulated maintenance of data banks of personal information, by government or by private organizations, and that each citizen has a strong personal interest in the enactment of the Right to Privacy Act during this Congress.

A quick recounting of only a few of the recent abuses in this area will demonstrate the dimensions of the problem and the reason why this legislation is needed to safeguard our privacy.

In 1970 it was learned that the Alcohol, Tobacco, and Firearms Bureau of the Internal Revenue Service was selling mailing lists of individuals who had registered as gun collectors to firearms merchants.

GI CODE NUMBERS

In March of this year, after several years of prodding by myself and certain other members of Congress after remedial legislation had been introduced, the Department of Defense agreed to remove Separation Program Numbers and re-enlistment code numbers from all veterans' discharge papers. These numbers could indicate anything from "expiration of service" to suspected (but unproven) homosexuality or sexual perversion. Despite the fact that the meanings of these code numbers were not supposed to be available to the public, they were in fact known and used by employers and others to deny employment and other benefits to veterans.

While this alone was a serious invasion of the right to privacy of these veterans, this particular instance demonstrates an even more insidious aspect of the problem of the misuse of personal information since these coded numbers were placed on discharge papers by the services without the veteran having been afforded an opportunity to contest the applicability of a particular number.

In yet another area, persistent pressure from concerned Congressmen was required to force the rescission of an Executive Order which would have permitted the Department of Agriculture to review the tax returns of 3 million farmers. This Executive Order was reported to have been designed to be the precursor of similar orders which would have permitted other government agencies access to the tax returns of additional groups of citizens.

NEWSPAPER'S TELEPHONE CALLS

The recent effort of the Internal Revenue Service to secure from the New York Telephone Company records of telephone calls made from the offices of the *New York Times* in connection with an internal IRS investigation is yet another example of how seemingly innocuous personal information may be misused if improperly disclosed.

Many issues that come before the Congress affect only a small segment of our population. The right to privacy concerns each one of us directly. It concerns our right to express ourselves, our relationships with family and friends, our right to go through life without the uncomfortable feeling that someone is always looking over our shoulders. George Orwell's *1984* is but ten years away. The Orwellian threat of a helpless citizenry enmeshed in the coils of an all-powerful computer data bank is upon us now. To preserve our privacy requires that we take firm steps now—before his fantasy becomes our reality.

TO ABOLISH THE ELECTORAL COLLEGE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. YATRON. Mr. Speaker, for 187 years, the United States, under its Constitution, has conducted its Presidential elections under a system of balloting that is archaic, confusing, cumbersome, and inequitable.

I find it unconscionable that a nation which has always had tremendous importance to the worth of the individual and his or her role in our society has failed to modify our elective system to insure that each and every citizen has an equal voice in the selection of their President.

By continuing to conduct our elections under the electoral college system, we are not realizing our true potential as a democracy and we have not achieved true equality under the law. We continue to be guided by a historical motivation no longer applicable to the modern American society.

Certainly, as one aspect of the current national catharsis, abolition of the wholly undesirable electoral college system is an idea whose time has come. The one-man, one-vote concept of political equality, as set forth by the Supreme Court on Gray against Sanders, 1963, takes on an even greater meaning.

The ideal represented by that decision was defined with great clarity by Justice William O. Douglas, who said:

> The concept of political equality from the Declaration of Independence, to Lincoln's Gettysburg Address . . . can mean only one thing—one person, one vote.

In actuality, there are a number of additional arguments which can be applied in favor of the direct popular election of the President and Vice President, all of which lend credence to the desirability of realizing action on the issue in this 93d Congress. But, can there be a single more compelling reason to adopt pending legislation to abolish the electoral college than to supplant it with a system that insures the full and complete equality for all our people?

As a cosponsor of legislation to accomplish same, I submit for consideration these major additional substantiating facts, some of which point to existing aspects of the elective system that border on the ridiculous.

At least 14 "minority" Presidents have been elected, 3 of whom received less votes than their opponents. In 11 instances, less than 50 percent of the popular votes cast were received but more votes than the nearest opponent. The fact that it is possible for a candidate to receive fewer votes than the nearest opponent and be elected is cause for concern;

The current 12 largest States alone can determine the thrust of a Presidential election by possessing excessive elective influence, regardless of the vote of the remaining 38 States. This is known as the winner-take-all system and it strains confidence in the true nature of our "representative" government;

An elector under the electoral college system is not even bound by any consideration other than party affiliation, personal viewpoint, or mere whim. The electors may choose to change their candidate and thus alter the outcome of a Presidential election. This can certainly take place in a close election;

It was not the intention of the Founding Fathers to permit the individual State to cast its electoral votes en bloc. Furthermore, it is apparent that candidates from the larger States have enjoyed an unfair advantage insofar as they are more likely to receive the large bloc of electoral votes in their respective States;

If no candidate receives a majority of the electoral votes, the House of Representatives determines the outcome of the election. This is entirely contrary to my conception of representative government by the people;

The various legislatures of the States may entirely determine the method of selecting Presidential electors, leaving open the potential for extensive abuse of power by the State legislatures.

In my view, each of the above represents a forceful, compelling argument in favor of abolishing the electoral college system, which has no place in modern America. The motivations behind the creation of the system by the Founding Fathers in 1787 have little relevance to our present-day makeup and the nature of our society and our Nation.

In actuality, the framers of the Constitution had little faith in the ability of the average citizen to fully ponder and grasp the major issues of the day. The delegates to the Constitutional Convention felt that a voter in one State could not possibly be knowledgeable of matters related to the leading citizens of another State.

It is understandable, however, that the Founding Fathers did not and could not envision the present makeup and strength of the States, nor could they have envisioned an America as it is today.

With the advent of the mass media and opportunities for universal education, the lack of faith in the average voter's ability to view and understand the issue no longer applies. It is this historical motivation which surely has no place in the 1970's nor in the future.

But, our love of liberty and equality under the law and our faith in the individual are as real and acute today as in the 1770's, and will continue to be valued.

It is for this reason that the responsible and desirable course of action is to abolish the electoral college.

It is out of place in our elective process.

Nor do I espouse the "district" nor the "proportional" systems, neither of which represents the ultimate ideal of representative government.

Our Constitution is a magnificent document, with relevance and meaning in our modern-day society, but it must also be a flexible ideal, one which can adapt to changing needs in a changing, maturing nation.

The true essence of what our constitutional ideals are all about can be found in the concept of political equality under the law for all. Nothing less than true equality must be accepted. The ultimate point at which we will finally realize our quest for total equality is by allowing each and every American citizen to fully exercise their right to vote—equally.

It is imperative, therefore, that this 93d Congress be recognized as the legislative session which gave to the American people the pure essence of democracy. We must abolish the electoral college and establish a system under which the President and Vice President are elected by popular vote, by all of our people, and by each.

OKLAHOMA PARKS DIRECTOR URGES AUTHORIZATION BOOST FOR CONSERVATION FUND PROJECTS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. JONES of Oklahoma. Mr. Speaker, the director of Oklahoma's Parks and Recreation Department, Mr. Chris Delaporte, appeared today before the House Parks and Recreation Subcommittee to testify in support of legislation which will increase the present $300 million authorization level for the land and water conservation fund.

Mr. Delaporte provided the subcommittee with a number of very persuasive arguments in support of the authorization increase, and I believe his farsighted assessment of our Nation's future recreational needs was of great benefit and interest to the subcommittee members.

Mr. Delaporte's testimony will be helpful to my colleagues in understanding the very urgent need for an annual increase in the authorization for our country's recreational programs, and I include the text of Mr. Delaporte's remarks at this point in the RECORD:

STATEMENT OF CHRIS THERELL DELAPORTE, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE OUTDOOR RECREATION LIAISON OFFICERS

Mr. Chairman, Members of the Committee: Last May NASORLO had the opportunity to appear before the Appropriations subcommittees on Interior and Insular Affairs in both the House of Representatives and the Senate. At that time we called for an increase in the appropriations ceiling from $300 million to 1 billion. NASORLO had previously testified in support of S. 2661.

We are pleased and honored to appear here today to testify in support of legislation which will accomplish these necessary changes.

We also wish to voice our support of House Resolution 15357 which would establish an Historical Preservation Fund.

One year ago, the appropriation to the Land and Water Conservation Fund was reduced from the authorized $300 million to $66 million for Fiscal Year 1974. The rationale for this reduction was to allow a year for the states to "catch-up" on the obligation of funds allotted to them. During Fiscal Year '74, the balances of almost all states have been substantially reduced—we have caught up with the money available for expenditure. As of June 30, 1974, only a total of 18 million dollars remained unobligated among all the states.

Unfortunately, while we have been catching up with our balances, we have been falling farther and farther behind the demand of the American people for recreational opportunities. Our citizens are being increasingly cut off from the land. Our nation is increasingly urbanized and industrialized. Our jobs are increasingly specialized and routine.

As our people have given up their farms and ranches for backyards, and their backyards for apartment balconies, the need for access to the land for recreational purposes has grown geometrically, and has been multiplied by the increasing technological sophistication of the recreationist.

As the demand has increased, so have the costs of meeting this demand. And, unfortunately, as demand and costs increase, many opportunities for valuable acquisition and development are on the verge of being lost. The time is fortuitous for the expansion of the Land and Water Conservation Fund Program and for an unequivocal renewal of commitment to meeting the recreational needs of this Nation.

The Land and Water Conservation Fund Program has worked so well partially because of its reliability. Cities, counties, and states have been able to commit resources with confident anticipation of an equal commitment on the part of Federal Government.

Last year's cut-back has shaken this confidence. Across the nation, bond programs have been passed for park and recreation purposes in expectation of receiving federal matching funds. This money now lies fallow. The Land and Water Conservation Fund even if funded fully at the current authorization level is not adequate to the demand. National commitment to the provision of recreational opportunities is being questioned.

In response to the obvious demand, and in order to restore continuity to the Program, we urge this Committee to act favorably toward the increase of the authorization level of the Land and Water Conservation Fund to 1 billion dollars per year.

We also urge favorable consideration of legislation changing the acquisition match from 50/50 to 70/30, as well as legislation which would make 25% of the funds received by a state available for planning and development of sheltered facilities.

We further support the establishment of an historic preservation fund, with an authorized funding level of $100,000,000 per year.

The one objection to these actions which must be seriously addressed is that an increase in Land and Water Conservation Fund expenditures will be inflationary. Our feeling is that any inflationary effect would be minimal, yet the effect in both human and economic terms of inaction would be staggering. Opportunities to provide for the recreational needs of generations of Americans would be irretrievably lost.

In considering this factor we ask you to weigh the possibilities of a minimal bad effect against the certain adverse consequences of inaction. We also point out that the inflationary effect can be reevaluated and considered each year in appropriations hearings and adjustments made if necessary.

With the exception of the actions advocated above, we urge that there be no additional changes in the Land and Water Conservation Fund Act. While some of the other proposed changes appear to have merit, the Land and Water Conservation Fund Program has not received the serious in-depth evaluation which is a necessary precondition for large-scale changes in the Act.

We would welcome special hearings on the part of this Committee inviting testimony on substantive changes in the Organic Act.

We are especially concerned about proposed changes which would limit the discretion of the State Liaison Office in recommending and approving projects. The strength of this Program is due in part to its ability to meet the diverse needs of all the States and Territories. Changes in the Organic Act which limit this flexibility deserve close consideration and specific testimony on each point.

The Land and Water Conservation Fund Program is one of the most functional programs enacted by Congress. The idea of using depletable natural resources to fund investment in new public resources is one of the most fundamentally sound public policies of this Nation.

As this revenue from use of these depletable resources increases, as the demand for additional recreational experiences increases, so do the opportunities to serve increase. We, as State Liaison Officers, feel privileged to be a part of this Program, and we ask you to help us take advantage of these increased opportunities.

By increasing the authorized funding level to 1 billion dollars, by providing 70/30 match for acquisition, by making money available for sheltered facilities, and by providing additional funds for historical preservation you will be performing an invaluable service to the people of this country.

SUPREME COURT'S DECISION DID NOT SOLVE THE ISSUE OF EXECUTIVE PRIVILEGE

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. MOSS. Mr. Speaker, on July 24 the Supreme Court ruled in United States against Nixon that "the President's assertion of a generalized privilege of confidentiality" must give way to the "constitutional need for relevant evidence" in "criminal trials."

It has been popularly asserted that this decision has resolved the issue as to whether the President can invoke the claim of executive privilege to withhold information. That is not true. On the contrary, the decision seems, for the first time, to have given a semblance of validity to the claim of executive privilege in contexts other than ir criminal trials, even though no other issue was involved in the case—except the President's claim of executive privilege on the basis of generalized confidentiality to withhold evidence needed in a criminal trial. Thus, to the extent that the Supreme Court has gone beyond the issue involved in that case, any claim of executive privilege rests solely on dicta in that case.

This point is very well analyzed in an article by Carrie Johnson entitled "Privilege and Precedent," published on the editorial page of the Washington Post of Sunday, July 28, 1974. I am sure this analysis will be of great interest to Members of Congress and other readers of the CONGRESSIONAL RECORD, and I therefore include the text of this article at this point in the RECORD.

PRIVILEGE AND PRECEDENT

(By Carrie Johnson)

In the first Supreme Court test of the scope of executive privilege, President Nixon lost but the presidency gained.

There was more than face-saving to Mr. Nixon's statement, issued through his counsel, James St. Clair, that while he was "of course, disappointed in the result," he was "gratified" that "the Court reaffirmed both the validity and the importance of the principle of executive privilege—the principle I had sought to maintain."

What the Court actually reaffirmed was a different principle: the rule of law. But the Court did hold, for the first time, that a generalized, presumptive presidential privilege has a constitutional base. Moreover, the Court suggested that certain specific claims of confidentiality might be accorded even greater deference in the future by the courts.

Thus in the course of compelling Mr. Nixon to surrender the tapes to Judge John Sirica, the Court may have made it easier for future Presidents to withhold information, especially from Congress. At minimum, the decision seems likely to lead to more frequent claims of executive privilege, more litigation and sharper judicial definition of the boundaries between executive and legislative powers—boundaries which have traditionally been pragmatic, flexible and imprecise.

This is speculation, of course. Chief Justice Warren Burger, writing for the Court, emphasized in a footnote that the opinion addressed only the conflict between the President's general claim of privilege and the specific needs of a criminal trial. *U.S.* v. *Nixon*, the Chief Justice wrote, was not concerned with the extent of the generalized executive privilege in civil litigation or conflicts with Congress, or with "the President's interest in protecting state secrets." Nor did the Court address the issue of executive privilege in impeachment proceedings.

But the 8–0 decision is broad and emphatic enough to have great impact in all of those areas. Impeachment is a special case; the decision should give no encouragement at all to Mr. Nixon's attempts to withhold evidence which the Congress wants in carrying out its explicit, exclusive constitutional duty to judge the conduct of the President. If the President may not control the evidence in someone else's trial, it would be ludicrous for any court—if called on to decide the issue—to let the President dictate the evidence in his own case.

Setting the impeachment question aside, however, several aspects of the case appear to buttress the ability of Presidents to refuse congressional demands for information on White House decisions and activities. The first is the legitimacy which the Court bestowed on executive privilege in general. While the doctrine is nowhere mentioned in the Constitution, the Chief Justice wrote "a presumptive privilege for presidential communications" is "fundamental to the operations of government and inextricably rooted in the separation of powers." Moreover, the public and presidential interest in preserving that confidentiality "is weighty indeed and entitled to great respect."

This gives the doctrine new, solid legal footing and great political weight. Until last Wednesday, those who advocated a general executive privilege had few judicial footnotes for their claim. Now they have a unanimous high court decision, with the added force of a single opinion by the Chief Justice himself.

The Court did hold that "a broad, undifferentiated claim" of confidentiality could fall in a conflict with other basic values, such as the specific needs of a criminal trial. Presumably such a general claim might also have to yield before the demonstrated need of a congressional committee for particular kinds of materials.

But the Court suggested that an even higher degree of privilege might exist where a President made a specific "claim of need to protect military, diplomatic or sensitive national security secrets." Those are, of course, precisely the policy areas in which Presidents are already most inclined to resist congressional inquiries—and the Court suggests that Congress in the future might be able to get even less information than is forthcoming now.

Support, for instance, that the Senate Judiciary Committee, in the exercise of its oversight powers, is examining the use of warrantless national-security wiretaps. Or suppose that the House Armed Services Committee wants to probe mysterious U.S. military moves in the Mideast. And suppose that the President, citing *U.S.* v. *Nixon*, refuses to furnish any information on grounds that "sensitive national security secrets" would be jeopardized. Assuming both branches of government pressed their claims, which of them would prevail—the President's assertion of privilege, or the committee's need to know how presidential power is being used?

To date, such conflicts have usually resolved themselves in political tests of strength and will. Congress threatens to cut appropriations or block appointments; the President holds pet congressional projects hostage, or beguiles key legislators by sharing some secrets secretly with them. The outcome of such maneuvering is usually less than a full airing of the facts—but it is also less than a binding precedent, and thus has the enormous advantage of leaving room for future flexibility and play between the two branches of government.

In response to President Nixon's assertions of broad privilege, many in Congress have become intrigued with possibilities for taking executive-privilege disputes to court without going to the extreme of citing a President or his subordinate for contempt. The Senate has passed and the House Government Operations Committee has reported a bill giving federal courts jurisdiction to hear such cases, and requiring the contested materials to be given to Congress unless a judge upholds a specific presidential claim of confidentiality.

That course, however, is not likely to be productive. The Senate Watergate committee has already tried it—and did not get any presidential tapes. And if *U.S.* v. *Nixon* encourages further resorts to court, the decision also suggests that the judiciary, in weighing the competing interests of the executive and Congress, may find for the President much of the time. There is "that high degree of deference" which the Court said that presidential records should receive. There is, beyond that, the special protection which, according to the Court, "state secrets" should enjoy.

There is another factor, too. In ruling that Mr. Nixon must turn over those tapes, the Court noted that presidential advisers are not likely to be inhibited by the possibility of "infrequent occasions of disclosure" of their comments in criminal trials. But congressional demands for disclosure are far more frequent and, courts could well conclude, therefore more threatening—even when the inquiry is otherwise justified.

To worry about such points is not to say that Presidents should have no secrets, or that the most sensitive policy deliberations in the Oval Office should be exposed to public and congressional scrutiny as a matter of course. Certainly some things have to be secret and some expectations of confidentiality are essential to the functioning of government.

But if one believes that future Presidents, as well as Mr. Nixon, should be as forthcoming and accountable as possible, then *U.S.* v. *Nixon* has worrisome aspects. The decision should be scrutinized not only for the presidential powers which the Court rejected and the confrontation it resolved, but also for the powers which the decision did sanction and the future conflicts which may result.

THE AFL-CIO CALL FOR NATIONAL DEBATE ON ADMINISTRATION'S FOREIGN POLICY

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. O'HARA. Mr. Speaker, on July 15, 1974, Mr. George Meany, president of the American Federation of Labor-Congress of Industrial Organizations, delivered a major address to the National Press Club here in the Nation's capital on the subject of the foreign policy initiatives of the Nixon administration.

In his speech, Mr. Meany raised some serious and troubling questions about détente between the United States and the Soviet Union—questions to which we, in the Congress, should be addressing ourselves before these unilateral actions of the administration come to have the force and effect of a national policy.

Mr. Meany calls, in particular, for a full-dress national debate on détente—on what it consists of, and what it might mean to the American people. I applaud Mr. Meany's call for such discussion, and I commend to my colleagues excerpts of his remarks, which I am placing in the RECORD at this point:

ADDRESS BY GEORGE MEANY

A week ago yesterday, the lead story in the *New York Times* was about our Secretary of State, Dr. Kissinger.

There is nothing new in that, of course—Dr. Kissinger has been on the front pages a lot lately. But, what was especially interesting about this story, at least to me, was that it reported that our Secretary of State was preparing for a major debate when he got home from Europe—a debate, in the words of the *Times*, on the meaning of security in the nuclear age, and on the value and risks of closer ties with the Soviet Union.

In other words, a discussion of what has come to be known as "detente".

I believe the American people welcome the idea of such a discussion. I think the foreign policies of this Administration cry out for public discussion. In fact, I think these policies should not be carried one step further until they have been openly and amply debated before the American people.

After all, it is quite obvious that there have been some dramatic changes in our government's foreign policies. These changes, whether you agree with them or not, mark a radical departure from the assumptions and attitudes that governed our bi-partisan foreign policies throughout the period since World War II.

In a democracy, such massive shifts in policy cannot be imposed upon the people without discussion.

I think we have a pretty good idea of where Mr. Nixon and Mr. Kissinger want to take us—but, do the people want to follow?

So, I am glad that the Secretary is preparing for a debate. We need a good public airing of this Administration's policies. Maybe that way we can clarify some of the mysteries of this detente—on which subject, I have some modest thoughts. . . .

The American labor movement is going to assert as strong a voice as possible in developing the foreign policies of this country.

We intend to continue to be heard because the foreign policies of this Administration—or for that matter any Administration—have a direct bearing on the living standards and the welfare of millions of working people and their families.

When this Administration, in the name of detente, subsidizes a wheat deal with the Soviet Union to the tune of 300 million taxpayers' dollars—those dollars come out of *our* pocketbooks.

When the price of bread then skyrockets, costing our housewives hundreds of millions of extra dollars—those extra dollars come out of *our* pocketbooks.

When the Soviet Union urges the Arabs to play oil blackmail—and when American oil companies create shortages in the quest for profits—the cost comes out of *our* pocketbooks.

When our government's trade policies encourage the export of American jobs and technology, who bears the costs? It comes out of *our* pocketbooks.

And, if the policies of our government should prove wrong and there should be war, all Americans will be called on to sacrifice—and this, of course, includes workers.

So we are not inclined to leave foreign policy to the experts—least of all the experts of this Administration. We are not convinced that they have our interests at heart—the interests of working people, the interests of the great majority of the American people. . . .

The values and priorities of this Administration, at home, carry over into its conduct of foreign affairs. This not a schizophrenic Administration. Mr. Nixon is not a Dr. Jekyll of domestic policy and a Mr. Hyde of foreign policy.

Frankly, I fail to understand some of our so-called liberal friends who say: yes, the Administration has made a mess of the economy, a mess of civil rights, a mess of the war on poverty, a mess of the energy crisis, a mess of the whole domestic scene—but they've done a great job in foreign policy.

It's all of a piece—in my book.

At home and abroad, this Administration pursues the same goal—profit for big business without any concern for people generally. After all, we cannot expect an Administration—without concern for the welfare and security for the poor—the elderly or the veterans—to have any concern for the rights and welfare of the oppressed minorities in the Soviet Union. . . .

Three weeks ago, just prior to Mr. Nixon's visit to Moscow, hundreds of Soviet Jews were rounded up, arrested and jailed. *This*—in connection with a visit from the President of the United States and he uttered not one word of protest. Not one word.

Well, you may say that would have been counterproductive and inappropriate. That would be interfering in the internal affairs of another country—and, the President told us, in his Annapolis speech, that we mustn't do that.

But when the Commissars pulled the plugs on the American networks as American broadcasters sought to interview Andrei Sakharov, Soviet censorship was reaching into the living rooms of Americans.

The Soviet government was deciding what Americans—not Russians but Americans—could and could not see on the news.

And, from our government, from our Secretary of State and from our President, not one word of protest. Not a whisper—not a frown. . . .

But, I think that the next time the President of the United States makes a speech about how the internal structure of other societies is none of our business, let us remember the day the Commissars pulled the plug on the American people.

Let us remember that how nations behave toward their own people has something to do with how they behave toward other nations. There is a relationship between internal structure and external conduct. There is a relationship between what societies are at home and what they do abroad. That was true for Mussolini and Hitler and Stalin—it is just as true for Brezhnev.

There *is* a difference between democracy and totalitarianism. And, one system *is* better than the other.

Once in a while, I think we need to remind ourselves of that—especially these days when the President of the United States and the leading lights of big corporations are spouting the line that the difference isn't all that important. . . .

But let us get down to the basic question—what *is* this detente? What *is* this thing in whose name we turn our eyes away from brave people struggling for human rights.

What is this detente in whose name a great nation—like ours—which in the last decade spent its best energies in a painful, unfinished but glorious struggle for civil rights and civil liberties—now stands by as the shadow of indifference, opportunism and cynicism darkens its highest ideals.

People died for the right to vote in this country.

People died for the cause of social justice in this country.

People died trying for the right to organize workers into free unions in this country.

In Alabama, the labor movement did not side with Bull Connor and his police dogs. In Georgia, the labor movement did not side with Lester Maddox and his axe-handlers. In the Congress, the labor movement did not side the signers of the Southern Manifesto. . . .

We know which side we were on in the struggle between freedom and repression in our own country. And, we know which side we are on in the same struggle in the Soviet Union.

I wonder which side Mr. Nixon is on—I wonder which side Mr. Kissinger is on. . . .

The idea of detente was held out to the American people as a promise of cooperation between the world's two super-powers—not only to relax tensions between their respective countries so as to lessen the possibility of nuclear war but *to use their power* and influence with other nations to prevent lesser conflicts that could eventually spread to global war.

Then, there was of course the economic side of detente—the *give and take* of trade negotiations—very beneficial to both nations, so we were told.

And, what has happened in the 2 years since detente was sold to the American people?

Has the Soviet fulfilled their commitment to peace?

Has the anti-American propaganda—surely a cause of tension—emanating from Moscow and spread throughout the world—propaganda that holds up the United States as a vicious, imperialistic country—has this propaganda been brought to a halt?

No—the Soviets have not fulfilled their commitment.

No—the vicious anti-American propaganda has not come to a halt. It goes on and on—more vicious than ever.

And, how about the super-powers using their influence to stop conflicts among the smaller nations?

Last October, Egypt and Syria—without warning—attacked Israel on one of the high holy days of the Jewish religious calendar. This attack, without question, was incited by the Soviet Union. This attack was carried out by Soviet-trained personnel, using the most modern weapons of war supplied by the Soviet Union. As soon as the attack started and immediately after the Israelis fought back, the Soviet Union launched a massive airlift of military hardware to Syria and Egypt.

This action indicated—without question—that the entire operation was planned and executed by the Arabs under the watchful eye of Soviet instructors and supervisors.

And, at the very same time, Brezhnev openly and publicly pressed the other Arab nations to come into the war against the Israelis. . . .

So when we look at what happened in the Middle East, we ask ourselves what contribution did the Russians make to detente in that situation?

Dr. Kissinger said they acted with great restraint.

If fanning the flames of war in the Middle East goes by the name of restraint, I would like to know what goes by the name of belligerence.

And then there was the first SALT agreement in which we made unilateral concessions to the Soviets. We allowed them a numerical superiority in missiles on the ground that we had a technological superiority in MIRVs.

Some of us warned against this approach, notably Senator Jackson. We said the Soviets could catch up technologically—that they could MIRV their rockets. But this was pooh-poohed. We were called hawks, Dr. Strangeloves and God knows what else.

But what has happened? The reason Mr. Nixon failed to reach an agreement on offensive weapons limitations in Moscow this time around was precisely because the Russians are determined to go full steam ahead with the MIRVing of their missiles.

What did we get in return for these unilateral concessions in the first Salt Agreement? I don't know—perhaps President Nixon or Secretary Kissinger could tell us.

Underneath all the mysteries, all the secret diplomacy, all the surface smiles, all the rolling rhetoric—what is the reality of détente?

First, the Soviet Union is worried about America getting too friendly with China. I don't think this has very much to do with the great Nixon-Kissinger diplomacy at all. The Russians and the Chinese have been at each other's throat for a long time—not because of Kissinger's genius—but because Russian imperialism poses a threat to China.

Secondly, the Russians are in desperate need of American technology.

You know, we Americans tend to forget how backward the Soviet economy really is. We see the Russians going into space and constructing nuclear weapons and we assume that they are as advanced as we are.

We tend to forget the enormous price the Russian people pay for this military hardware—twice as much of their gross national product as we do in the United States.

And, to sustain this level of weapons production, the Soviet consumer economy has been strangled for almost 50 years.

Consumer goods we take for granted are in continuous short supply in the Soviet Union. Not only industrial consumer goods—not only housing—but food. Soviet agricultural production is a mess—thanks to Joe Stalin's wonderful miracle of forced collectivization of agriculture.

So what do the Russians want from us?

They wanted us to bail them out of their agricultural disaster—and we did. We looked the other way as they pulled off the Great Grain deal so costly to American families.

They want most-favored-nation status. But is this really the issue? Is this the obstacle to trade?

We should keep in mind that except for items on the prohibited list related to national security, we are already trading with the Soviet Union.

In 1971, U.S.-Soviet trade amounted to $224 million. By 1972, it was up to $900 million. This increase took place without granting the Soviet Union most-favored-nation status.

What the Russians need is not a reduction of trade barriers so their goods can come in. What they want is American exports. They want American technology, machinery, equipment—American know-how .The trouble is they can't pay for it. They can't trade for it because at the moment, they don't produce goods that are in great demand here—although they may in the future. Remember, totalitarian governments can easily shift investment and production to suit their purposes.

But for now, the name of the game is credit. And, that means, among other things, the Export-Import Bank of the United States.

Now, the Eximbank was originally set up to encourage American exports by making loans available to foreign buyers. In this way, it was supposed to promote American sales and jobs.

But what it is doing now is subsidizing overseas production that will hurt American exports and employment—and, one of the prime beneficiaries of this largesse is the Soviet Union.

In the last year or so, the Eximbank—which is financed by American taxpayers—has lent the Soviet Union amost $469 million—most of it is 6 percent interest and a small portion of 7 percent.

Now, this—very simply—is an economic aid program.

The price rate in the United States is 12 percent. We have been lending hundreds of millions to the Soviet Union at about half that rate—at a time when millions of hard working Americans cannot get mortgage money to buy a home.

This is a give-away program. This is a welfare program to bail out the Soviet government.

Now, what are some of these loans for?

Well, in May the Eximbank announced a loan of $180 million to develop fertilizer production in the Soviet Union. This is a $400 million project that will enable the Russians to produce nitrogen fertilizer and export it to the United States. In other words, if we are short of fertilizer, then instead of investing in fertilizer plants at home, we invest in fertilizer plants in the Soviet Union so they can export fertilizer to this country.

Then, of course, we have the famous Kama River Truck project. Your friendly Eximbank gave the Russians two loans towards that one—$86,450,000 at 6 percent and $67,500,000 at 7 percent for a total of $153,950,000. . . .

You might wonder whether a truck plant could be of military use to the Soviet Union. The answer is yes—and the Administration knew it. . . .

Evidently this Administration is so hell-bent on detente at any price that they will give the Russians equipment with a military potential.

We're also helping out with a $36 million iron ore pellet plant.

Oh yes, the Russians are after Boeing, Lockheed and McDonnell-Douglas to sell them half a billion dollars—that's billion—not million—worth of wide-bodied jets. . . .

It looks like a great deal—until you take a close look at the conditions laid down by the Soviet negotiators.

Number One, the Russians want the planes on long-term, low-interest rate credit. Number Two, they want to co-produce them in the Soviet Union.

They want to co-produce these jets in a plant built for them in the Soviet Union by Boeing, McDonnell-Douglas or Lockheed. This plant construction would be financed by American credits and would eventually employ 80,000 workers and would produce more than 100 wide-bodied jets each year.

Also, the Soviet negotiators demand complete access to all our present and future technology in this field.

What does this all mean for the American aerospace industry and its many thousands of workers.

We'd sell some of these big jets in the next couple of years while we would be setting the Soviets up in a big way with our financing credits, our technical know-how and then we would have a competitor with access to unlimited slave labor—selling these jets at prices well below American prices.

This is what the Soviets call the economic side of detente.

What is really involved here is American economic aid to the Soviet Union plus the transfer of American technology as well. To me, it looks like a good old-fashioned shell game.

The Soviets are now cutting deals with American corporations that give them computer technology, integrated circuits, telecommunications, photo-optical equipment, sophisticated machine tools, oscilloscopes, aircraft parts, ship and submarine quieting techniques—that sort of thing and at bargain rate credits that are subsidized by the American taxpayer.

There is one other interesting bit of technology we have that the Russians want. According to the *Chicago Tribune*, the Russians want to buy some police technology from us—specifically, they want voice print recorders.

These are like finger printing machines except they make pictures of your voice. With this picture on file, your voice can be positively identified on the phone.

I am sure this will come as great news to Andrei Sakharov and to Soviet Jews who are trying to maintain phone contact with friends in the West. . . .

Frankly, I just don't know what to make of this latest junket. I don't know what the President hoped to accomplish in Moscow. I don't know why he had to make the trip—unless it was for domestic political consumption.

After all, the ABM limitation was no big deal in the year of 1974—neither was the limitation on underground nuclear testing. According to newspaper reports, there was no discussion of mutual force reduction in Europe—and the hoped for agreement on offensive weapons was a flop.

The failure at Moscow to make any progress on the crucial question of putting a limit on offensive nuclear weapons means that the arms race goes on unabated.

It means also that the basic idea of this so-called detente as it was sold to the American people—the relaxing of tensions between the U.S. and the U.S.S.R. has gone down the drain. . . .

Actually, Mr. Nixon looked a little pathetic—and I don't like to see the United States represented in the Soviet Union by a pathetic President.

On the surface, then, it appears that Yalta, 1974 was another Nixon failure. But the Administration keeps hinting darkly at deeper progress.

Now, they can't have it both ways. If the surface evidence is wrong and there was deeper progress—that, to me, means secret agreements. If there were no secret agreements, then the surface evidence stands!

Considering the course of this detente so far, considering its public give-aways, its open unilateral concession to the Soviet Union, I shudder to think of what any secret agreements might mean for the future of America and freedom in this world.

I think the American people are entitled to know what really happened in Yalta.

The answer may rest with the historians of tomorrow—but, let us at least have the debate!

MILITARY JUSTICE?—PART 2

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Ms. SCHROEDER. Mr. Speaker, on an April night in 1969 at a Marine Corps base near Danang, South Vietnam, a young private first class named Mark Avrech typed a short statement expressing his feelings about the war. In pertinent part the statement read:

> It seems to me that the South Vietnamese people could do a little more for the defense of their country. Why should we go out and fight their battles while they sit at home and complain about communist aggression. What are we, cannon fodder or human beings? The United States has no business over here. This is a conflict between two different politically minded groups. Not a direct attack upon the United States. We have peace talks with North Vietnam and the V.C. That's just fine and dandy except now how many men died in Vietnam the week they argued over the shape of the table? . . . Do we dare express our feelings with the threat of court-martial perpetually hanging over our heads? Are your opinions worth risking a court-martial? We must strive for peace and if not peace then a complete U.S. withdrawal. We've been sitting ducks for too long . . ."

Avrech's plan was to have the mimeograph operator make copies of his statement which he could then distribute to members of his company. Instead the mimeograph operator reported him to a superior officer. However valid Avrech's judgments about the war were, his judgment about the state of his superiors' mind was quite sound. He was court-martialed under article 80 of the Uniform Code of Military Justice—UCMJ—which makes it a crime to attempt to violate any other section of the code. In his case the attempt was to violate UCMJ article 134—the so-called general article—by publishing a statement "with design to promote disloyalty and disaffection among the troops."

Avrech was convicted and sentenced to reduction in grade to the lowest rank, forfeiture of 3 months' pay, and confinement for 1 month at hard labor. The commanding officer suspended the confinement, but the remainder of the sentence was sustained by the Staff Judge Advocate and the Judge Advocate General of the Navy. Following his severance from the service, Avrech attacked the judgment in the U.S. District Court for the District of Columbia where the military ruling was affirmed. The court of appeals reversed, holding article 134 unconstitutionally vague. On July 8 the Supreme Court reversed the judgment below and reinstated the court-martial verdict. In a 6–3 per curium decision, Secretary of the Navy against Avrech, the Court found the case of Parker against Nevy, in which the constitutionality of article 134 had recently been upheld, controlling.

Apart from the unconscionable denial of the most basic rights of free thought and expression represented by the Avrech holding—to which I will return in a moment—the case casts into bold relief certain critical lackings in the system of military justice.

First, it is noteworthy that the U.S. Court of Military Appeals—COMA—the highest court of military justice in the land—never had the opportunity to review this case despite its profound constitutional dimensions. Had a general or field grade officer been involved, he would have been entitled to COMA review as a matter of right. But to earn the same review, Private First Class Avrech would have had to have been sentenced to at least 6 months imprisonment.

Second, it is far from clear that even the Federal courts themselves had the power to review the Judge Advocate General's determination of the case. That was a central issue in the Supreme Court appeal, extensively briefed by the parties, but dogged by the court majority. The majority simply assumed arguendo the reviewability of a court-martial for purposes of ruling against Avrech on the merits and then used its ruling on the merits as an excuse for declining to determine the jurisdictional issue.

Third, while the Levy holding would appear to be definitive on the issue of the constitutionality of article 134, it does not logically follow that it is definitive on the individual merits of Avrech's situation. Surely a generally worded statute can constitutionally be applied to one set of facts but not another. And the distinction between Captain Levy's conduct and Private First Class Avrech's was plain. Captain Levy refused a direct order to train special forces personnel for Vietnam's duty while Private First Class Avrech disobeyed no orders and neglected no duties. Captain Levy, stationed at the U.S. Army Hospital, Fort Jackson, S.C., urged black soldiers not to accept assignment to Vietnam and not to fight if transported there, while saying that he would himself refuse Vietnam duty. Private First Class Avrech urged no one to violate any order, told no one to lay down his arms, and, of course, was already in Vietnam himself. Given military exigencies Captain Levy may conceivably have exceeded the perimeters of the first amendment. Private First Class Avrech did no such thing.

In his dissent to the Avrech holding Mr. Justice Douglas placed the first amendment issue into clear focus:

> Talk is of course incitement; but not all incitement leads to action. What respondent in this case wrote out with the purpose of showing to the Marines in his unit, might, if released, create only revulsion. Or it might have produced a strong reaction. Conceivably more might have shared his views. But he was not setting up a rendezvous for all who wanted to go AWOL nor laying a dark plot against his superior officers. He was attempting to speak with his comrades in arms about the oppressive nature of the war they were fighting. His attempt, if successful, might at best result in letters to his family or Congressman or Senators who might read what he said to local people or publish the letters in newspapers or make him the subject of debate in legislative halls.
>
> Secrecy and suppression of views which the Court today sanctions increases rather than repels the dangers of the world in which we live. I think full dedication to the spirit of the First Amendment is the real solvent

of the dangers and tensions of the day. That philosophy may be hostile to many military minds. But it is time the Nation made clear that the military is not a system apart but lives under a Constitution that allows discussion of the Great Issues of the day, not merely the trivial ones—subject to limitations as to time, place, or occasion but never to control.

Mr. Speaker, the military is and will remain what Justice Douglas called a system apart, so long as service men and women remain a Constitution apart from ordinary citizens. So long as great questions of law remain unreviewable even by COMA; so long as one set of procedures applies to officers and another set to the men and women who serve under them; so long as important questions of law and fact reside in a gray area between Federal appellate jurisdiction and nonjurisdiction, the military will remain "a system apart."

The time to review and remedy such failings as exist in the system of military justice is now, while we are in a period of relative tranquility and while no Americans are subject to the draft. This sort of quietude provides an atmosphere conducive to detached reflection and constructive change. If we cannot provide basic procedural rights to an Armed Forces at peace, surely such rights will be far more difficult to legislate should an emergency occur and passions run high.

TITLE I OPENS THE DOOR TO EQUAL EDUCATIONAL OPPORTUNITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. RANGEL. Mr. Speaker, one of this Nation's best investments in the future is aid to education. Only through public education will we be able to achieve, or even approximate, the kind of society we all hope for. Because it is so important to our future, education must be equal and high quality.

The ESEA of 1965 reflected the beginning of congressional commitment to high-quality public education. Title I in particular indicated determination to provide equal opportunity in the schools. Since 1965, ESEA has been renewed and the commitment reaffirmed. But the program has never received the funds it deserves.

I urge my colleagues to read the following article from June's Focus, the publication of the Joint Center for Political Studies, which was written by Ms. Pasty Fleming, legislative assistant to Representative SHIRLEY CHISHOLM. Ms. Fleming, who used to be assistant to Representative AUGUSTUS HAWKINS, is an expert on equal opportunity and education. Her perceptive analysis of title I should be of interest to Members of Congress who are interested in trying to improve the public education system.

The article follows:

NEW DIRECTIONS FOR AID TO POVERTY SCHOOLS

(By Patsy Fleming)

The major social reform legislation that emerged from Congress in the early 1960s arose from circumstances of the time. The problems of the poor, the absence of equal rights for all Americans, the large numbers of "disadvantaged" children who were not learning to read, began to capture the attention of legislators and administrators who believed they could solve these problems through social intervention programs and technology.

In this socially responsible atmosphere, the Elementary and Secondary Education Act of 1965 (ESEA) was created, for it was clear to Congress and the administration that there was a high correlation between lack of education and poverty. ESEA was, nevertheless, an impressive political achievement, for there was, even in the liberal climate of the sixties, strong opposition to such federal intervention in what was considered a responsibility of the states and the local school districts.

Of the numerous sections of ESEA, Title I has the most impact on poor children, a large proportion of whom are black. It is also the main federal vehicle for getting aid to disadvantaged children. It is the most controversial, the most complex, the most misunderstood, and in some school districts, the most misdirected of federal education programs.

The purpose of Title I as it appears in the law is "to provide financial assistance to local education agencies serving areas with concentrations of children from low-income families." Under the Act, school districts get money to plan and operate special programs for educationally disadvantaged children. The funds are to be used to supplement rather than to replace any currently operating program in those school districts.

Programs funded under Title I can include remedial instruction in the basic skill areas such as reading and math; hiring of additional teachers and teacher aides to reduce pupil-teacher ratios; inservice training for teachers and aides; educational preschool programs; and nutrition, medical and dental services, when these are not available from other sources.

During the 1972–1973 school year, the Office of Education reported that 16 million children were eligible for Title I services; more than six million were actually served. Title I programs can be found in 14,000 school districts across the country. Of the children in Title I programs, 36 per cent are black.

ESEA, including Title I, was to expire on June 30 of this year, but the House and the Senate have passed different versions of amendments that would extend ESEA programs from three to four years. A House-Senate conference to reconcile the differences has been convened.

The formula that determines how Title I funds are to be distributed was the source of much conflict and controversy. Discussions in both houses focused on the various factors that would comprise such a formula and the level of funding that the states and counties would be entitled to. Underlying the discussions, however, were three important themes.

First, most congressmen favored a formula that would shift money away from the larger cities to suburban and rural areas. This indicates a loss of political power of big-city congressmen, at least in dealing with federal aid to education. As the middle-income population shifts more to the suburbs, their representatives are casting the deciding votes—and in this case the votes were with the rural congressmen.

A second undercurrent is typical of the early seventies as opposed to the sixties. Middle-income and working-class groups are now demanding a portion of federal aid to the poor. This was evidenced in Congress in a move to turn Title I into a general aid program—a move which failed this time but will be attempted on the next set of amendments to Title I, as well as with other programs focusing on poor and minority people.

The third element was the fact that there has never been enough money to fund this program adequately. Even with an expected appropriation for fiscal year 1975 of $1.885 billion (up $177 million from fiscal year 1974), members of Congress were forced to squabble over an amount of funds too small to have a lasting impact on most of the millions of children deemed eligible no matter what the formula is.

The formula finally adopted by both houses has a definite suburban and rural bias as compared with current funding patterns. A rural bias would be quite acceptable, if it did not result in substantially diminishing the entitlements of most larger cities. Poor people and black people are concentrated in the large cities, and rural areas have their share, too. But robbing Peter to pay Paul is neither an equitable nor a reasonable solution to a problem based on too few dollars.

Under current law, children eligible to be counted for Title I must be from families with incomes below $2000 per year, or from families that earn above $2000 but are receiving Aid to Families with Dependent Children (AFDC). Institutionalized "neglected and dependent" children, and some in foster homes, are also eligible.

The amount of money a school district receives is determined by the number of eligible children it contains. Once the funds get to the local school district, it is up to the school administrators to see that they are distributed *to schools* in areas with concentrations of children from low-income families. Within a school identified as eligible for a Title I program according to the income criteria mentioned above, achievement test scores sometimes are used to identify children in need of the program. But this is the only level—within the school—where test scores might be used to identify children, according to current law. Down to the level of the individual school, poverty is the determining factor.

During discussions of the extension of Title I by the House Education and Labor Committee, the question of the correlation between poverty and educational disadvantage as measured on achievement tests was raised. There was a move, led by Rep. Albert Quie (R-Minn.), to make students with low test scores eligible for Title I aid, regardless of their families' income. He proposed distribution of funds according to numbers of low scores in each state. This change from current practice would have increased the number of eligible students significantly, spreading already limited Title I funds even more thinly. However, both the House and the Senate decided to continue to focus Title I funds on poor children for whom equal educational opportunities are more elusive.

A congressional committees heard testimony and debated the amendments to extend ESEA, the question at the top of their minds was, "Has Title I been successful?"

In answering that question, it must be kept in mind that Title I contains many provisions, designed to meet many different goals. To ensure the bill's passage in 1965, congressional sponsors inserted sections aimed at many things: remedying the academic problems of disadvantaged students; meeting their health and nutrition needs; training and employing paraprofessional helpers in the schools, establishing a precedent for major federal assistance to education, and equalizing the fiscal burdens of paying for schools between affluent suburban areas and impoverished urban and rural areas.

Title I, alone among federal programs for education, has moved in the direction of equalization by emphasizing money for impoverished central city and rural areas, areas with high proportions of minority students, areas with low income levels, and areas with greater educational needs as measured by average achievement scores. Unfortunately, some large cities will lose money under the shift in distribution formula enacted in the new bill.

Although it has made some progress, however slight, in achieving this goal of equalization, the accomplishments of Title I in the other areas have been criticized. That's a small wonder, because of the many goals which to a certain extent compete with each other.

This last objective is often ignored, but it is one of the most important. A primary motivation of the bill was the intent to assist school districts having trouble supporting adequate education programs because of "concentrations of low-income families."

Those who use standardized test scores as the only means of evaluating the effect of Title I on more than six million children are ignoring the numerous other objectives woven into the law. No one should be surprised that they come up with negative findings. Such scores should not be used to measure the program nationwide. They can, however, properly be used on a project-by-project basis, so that each local program can be improved as necessary, and can be held accountable for meeting whatever objectives and goals it has set.

There is justifiable cause for withholding funds from school districts that either negligently or deliberately violate Title I legislation or regulations. In 1969 the Washington Research Project published its influential report, Title I of ESEA: Is It Helping Poor Children?, which charged flagrant violations of the law. Most illegalities involved violations of the regulation requiring that Title I funds be used to supplement rather than supplant currently operating programs and services, or expenditure of Title I funds for items not allowable under the law, such as the case of two swimming pools in Louisiana built with Title I funds.

As a result of the report, the U.S. Office of Education appointed a high-level Title I Task Force and increased its understaffed Division of Compensatory Education, which administers the program.

More recently, the National Lawyers' Committee for Civil Rights Under Law of Washington, D.C., brought suit against the use of Title I funds in Philadelphia, Pa. In a landmark decision, a U.S. District Court judge took control from state and local education administrators and appointed an independent three-man panel to monitor and evaluate all the Philadelphia Title I programs. The panel came down hard against programs that "are insufficiently relevant to the specific educational needs of poor children" and ordered the district to eliminate 10 of their 38 programs. Later, an appeal resulted in a reversal of this decision, allowing the programs in question to continue through the end of the school year.

There was another important outcome of the Washington Research Project report's publication, in addition to the identification of problems mentioned above. WRP began to push the Office of Education to come up with strong requirements for local parent advisory councils. After a long struggle between OE, which wanted councils, and the education establishment, which did not, a compromise was reached by OE, requiring "system-wide" parent advisory councils. In the House version of the ESEA extension, system-wide councils are optional, but a parent council is required for every school receiving Title I funds. The Senate bill requires only system-wide councils. This will be resolved in conference.

A look at the past eight years of fully operational Title I programs shows the tremendous impact of the program on the attitudes of teachers, administrators and the general public toward "disadvantaged" children and their struggle to obtain basic skills. A voice for these children has been developed in Washington and the relief of their problems is a national objective.

Their parents, also, have become involved in the educational process and are beginning to develop political skills that can be translated from education to other forums. In many places, Jane and Johnny are learning to read while Mom and Dad learn to influence the political process. This may be the true legacy of Title I.

THE NEED FOR PASSING THE STUDDS-MAGNUSON BILL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. HARRINGTON. Mr. Speaker, there has recently been considerable controversy concerning the fishing interests of the United States. Many assert that the Magnuson-Studds' 200-mile limit is a very self-interested bill and that it will hurt the United States in the long run. On the other side are those, myself included, who see the 200-mile limit as a positive step in helping the American fisherman in his constant fight with the far advanced foreign fishing fleets.

Recently, an editorial appeared in the Boston Globe concerning this issue. The editorial, in my opinion, left out the basic element and narrowly looked at the problem from the view that the 200-mile limit would be "carving up the sea" just as we do a leg of lamb. Mr. Sam Favazza, a constituent of mine from Gloucester, profoundly rebutted that editorial in a recent letter to the Globe, and I feel that he captured the real problem that the American fisherman faces.

For the information of all my colleagues, I would like to insert both of these pieces in the RECORD.

[From the Boston Globe]

SAVINGS THE SEAS BY LAW

The third United Nations Law of the Sea Conference opens today in Venezuela, with 151 nations gathered to tackle an agenda of 25 items and a record of minor accomplishments at its two previous sessions in 1958 and 1960. But the pressures on the world's oceans a decade ago were nothing compared to the pressures today. And international negotiation and agreement has become imperative if the high seas are not to be carved up and fought over as the land has been.

The oceans make up 70 percent of the earth's surface. If 30 percent of these waters were nationalized by territorial rights out to 200 miles, it would affect trade and transportation, it could limit marine research, it might prevent overall control of marine pollution, and it could seriously affect world access to fish and other sea-borne proteins as well as to oil and other metals and minerals.

Right now New England fishermen are pressing for exclusive fishing rights up to 200 miles off the coast. And the voyage of the "Sharon and Noreen" has won political friends to the cause. But, if a 200-mile fishing limit would benefit the $40 million New England fishing industry and perhaps protect the $125 million Pacific salmon industry against foreign competition, it could seriously hurt the $132 million US tuna industry in the Pacific off South America and the $173 million US shrimp industry operating in the Gulf of Mexico.

Peru and Ecuador, with small fleets of their own, have already shown what capital can be made by seizing and fining American vessels within 200 miles from their shores. A much better approach is to establish quotas, seasons and fishing regulations as has been done with increasing success through the 17-member International Commission for Northwest Atlantic Fisheries (ICNAF). New quotas and tighter inspection procedures have just been issued from the 24th annual ICNAF meeting which wound up June 14 in Halifax.

A similar case is being made by 12 Atlantic states which are suing the US government for territorial rights on offshore oil under colonial charters. The case has been pending before the US Supreme Court for five years and, with the Administration's push to lease 10 million acres for offshore oil exploration, a resolution should be expected soon. And the implications of local control over a resource that already amounts to 20 percent of the world's remaining oil are enormous.

Carving up the sea to meet territorial imperatives is a dangerous way to solve the world's problems of food, energy and the adverse effects of pollution. National jurisdiction over the world's sea lanes could lead to a system of marine toll roads. In a shrinking world, where all nations do not have access to the sea and where dwindling resources must be conserved and shared, international regulation is the only answer. The international commissions like ICNAF have paved the way. Now it is time to work toward broader laws of the sea, first at Caracas and later at Vienna and elsewhere.

CITY OF GLOUCESTER
FISHERIES COMMISSION,
Gloucester, Mass., June 24, 1974.

EDITOR
The Boston Globe,
Boston, Mass.

DEAR SIR: I should appreciate your printing these comments on your editorial of June 19 entitled "Saving the Seas by Law."

Your statement that "Right now New England fishermen are pressing for exclusive fishing rights up to 200 miles off the coast" is inaccurate. The Studds-Magnuson Bill supported by the New England fishermen calls for exclusive management up to 200 miles off the coast by the U.S.A. It allows for foreign fishing in this area but under U.S. conservation rules and regulations.

Then you say, "But, if a 200-mile fishing limit would benefit the $40 million New England fishing industry and perhaps protect the $125 million Pacific salmon industry against foreign competition, it could seriously hurt the $132 million U.S. tuna industry in the Pacific off South America and the $173 million U.S. shrimp industry operating in the Gulf of Mexico."

This statement leaves the reader with the impression that the Studds-Magnuson Bill is supported only in New England. It ignores the support of all the states bordering the Atlantic from Maine through Georgia by a recent vote of the Atlantic States Marine Fisheries Commission, as well as the enthusiastic support of our largest fisheries state, Alaska, and the fishing industries of northern California, Oregon and Washington. It also creates doubt as to the support of the salmon industry which according to U.S. Senator Ted Stevens of Alaska is 95% behind this bill, the exception being a small group of processors of foreign caught salmon.

It is also interesting to note that of the $195 million of shrimp landings in 1973 by U.S. fishermen in the Gulf of Mexico, only $41 million (about 20%) was caught in international waters off foreign shores. Unfortunately that minority consisting of some large well-financed processing interests is erroneously assumed to speak for the entire shrimp industry.

The only American fishery dependent mostly on fish caught in international waters off foreign shores is the tuna fishery. Their spokesmen are vocal in opposition to the Studds-Magnuson Bill. But this opposition is unjustified since the bill allows that oceanic species, such as tuna, should be managed by international commissions as they are now.

The fact is the Studds-Magnuson Bill is very close to the U.S. position at the Caracas

Law of the Sea Conference. Both allow for (1) management of anadromous species such as salmon by the nation in whose rivers they spawn, (2) management of oceanic species such as tuna by international commissions, and (3) management of coastal species by the coastal nation. The difference is that while federal authorities insist on the ponderous time-consuming process of an international agreement, the Studds-Magnuson Bill recognizes the urgency of the situation and calls for immediate interim unilateral action. (Massachusetts landings in 1962 when foreign fishing off our coast started was 500,000,000 lbs. In 1972 our landings were 250,000,000 lbs.)

Your statement that "National jurisdiction over the world's sea lanes could lead to a system of marine toll roads." only serves to confuse the issue. The Studds-Magnuson Bill does not allow for extended territorial jurisdiction but rather for extended fisheries management only.

Finally, my 8 years experience with ICNAF as an industry advisor denies me the faith you express in that international commission. While dedicated to the conservation of the marine resources of this area, it has seen our 1973 haddock catch reduced to 2% of the 1965 catch, our herring stocks reduced to 10% of what they were a decade ago, and our yellowtail flounder stocks on the same road to depletion.

At the recent ICNAF meeting in Halifax which your editorial commends for its agreement on "new quotas and tighter inspection procedures", despite the recommendation of its own scientists there was no reduction in herring quotas to prevent further depletion, and no agreement on yellowtail flounder quotas because of opposition by one overseas nation based on its own economic considerations. Basically this is the weakness of international management of coastal stocks of fish—while the coastal nation emphasizes conservation since its smaller coastal fishing vessels depend on the viability of the resource, the overseas nations emphasize economic considerations since their large mobile fleets can turn to other distant fishing grounds following the depletion of a resource in a particular area.

The only practical way to properly manage and conserve coastal stocks of fish is to place the management responsiblity entirely in the hands of the coastal nation. That nation is in the best position to study the resource and police the fishing effort, and that nation stands to gain the most from the viability of the resource or lose the most from its decline.

Sincerely,

SALVATORE J. FAVAZZA,
Executive Secretary.

AN OPEN LETTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. WOLFF. Mr. Speaker, the Long Island Committee of Combined Concern, a broad-based, interreligious group consisting of representatives of Church Women United, the National Federation of Temple Sisterhoods, the Women's League for Conservative Judaism and the National Council of Catholic Women, has devoted a considerable portion of its time to studying the problem of drug abuse and its effect on our society. This distinguished group has drafted an open letter and a resolution which clearly show their concern and point the way toward a possible means of resolving the drug problem that takes its toll on communities throughout the Nation.

I would like to again remind my colleagues that we must not let the present Cyprus situation drive our other concerns with Turkey from our minds. We must take the strongest possible steps to convince the Turks to rescind their decision to resume the production of the opium poppy. The Committee of Combined Concern supports these efforts and they and I urge my colleagues to do the same.

The committee's open letter and resolution follow:

AN OPEN LETTER

To: The State Department
Members of Congress
Newspapers.

From: The Committee of Combined Concern.

The Committee of Combined Concern, on which representatives of Church Women United, the National Federation of Temple Sisterhoods, the Women's League for Conservative Judaism and the National Council of Catholic Women have served, has been doing long-range study on the problem of drug abuse and has been authorized to contribute its findings and resources to the above-named organizations and movements, each of which is nation-wide in scope.

It is our considered opinion that we cannot stand by and silently watch as our society and its aspirations and goals become further corroded by a lethal drug culture that has already gained too deep a foothold; that if we truly desire to stop the near epidemic of heroin addiction that characterized this nation in the 1960's and early 70's, and if we are to prevent addicts from stealing to support their habits, we must see to it that the illicit supply is eradicated at the sources. In this connection the Turkish ban on the cultivation and production of opium has been helpful and we applaud those officials in the United States and Turkey who wish to continue this policy.

We have therefore adopted the attached Resolution to which we respectfully request you give your consideration.

RESOLUTION ON DRUG LEGISLATION BY COMMITTEE OF COMBINED CONCERN

As a Committee of Combined Concern whose organizations include over 25 million women in Church Women United (Protestant, Roman Catholic, Orthodox), the National Federation of Temple Sisterhoods, the Women's League for Conservative Judaism and the National Council of Catholic Women, we are reminded that drug abuse continues to be a most serious illness.

We urge the adoption of the House resolution introduced by Congressmen Wolff, Rangel and Rodino and in the Senate by Senators Mondale and Buckley asking President Nixon to continue serious negotiations with the Turkish government to prevent the dissolution of the opium ban. If these negotiations are unsuccessful, and Turkey resumes opium poppy cultivation, the resolution asks for a suspension of all United States aid and assistance to Turkey.

We feel the United States should continue to assist Turkey in properly financing crop diversification programs in the poppy areas. Specific assistance for industrial projects which do not compete with American manufacturers or exports should be given high priority.

In addition, we feel that raising the level of understanding in Turkey about the international drug problem is essential for any future cooperation between the countries. We hope such understanding will lead Turkey to recognize its international responsibilities.

In the context of a mutual security agreement between our two nations, it must be made clear to the Turkish people that the rescinding of the opium production ban jeopardizes the security of our nation through the exploitation of our youth by nefarious drug trafflickers.

Should Turkey ignore the dangers which renewed poppy production presents to the American people, then this matter should be brought up before the Congress to review all pertinent agreements between the two nations. Moreover, it should then be mandatory to have controls and enforcement financed and inspected through an international mechanism to avoid the appearance of United States domination. Without control, it would be a most difficult enforcement operation for the Turkish government to undertake.

IS A TAX CUT REALLY DESIRABLE?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. BROWN of California. Mr. Speaker, the recently published June-July issue of ADA World contained an interesting and informative article regarding taxes which I believe deserves the attention of our colleagues. In this article, Mr. Leon Shull, national director of Americans for Democratic Action, compares the desirability of tax cuts with the desirability of tax reform.

I ask that this article be printed in the RECORD at the conclusion of my remarks, and I urge our colleagues to familiarize themselves with Mr. Shull's arguments, since his views demonstrate unusual insight into the complexities of our Federal tax system.

Let me note, Mr. Speaker, that this article was written prior to the administration's recent announcement that we have now fulfilled the textbook requirement to be formally considered in a recession; Mr. Shull wrote his essay before we were informed of the second-quarter decline in the gross national product.

TAXES: FAILURE ON THE HILL

(By Leon Shull)

The experts tell us we are not in a true recession. They explain that the score-card definition of a recession is a two-quarter decline in real output. This may be so, but nevertheless we are faced with rising unemployment, a laggard economy, rampant inflation, and general uncertainty. Most business economists project a 7¾ percent increase in the Gross National Product for 1974 with price increases accounting for 7 percent—or only a minimal expansion in real output.

If this projection holds true, we can expect an unemployment rate of 6 percent or more by the final quarter of 1974. Unemployment in Michigan already has reached approximately 10 percent due to the sharp drop in automobile production. New housing volume continues to shrink in real terms. By the first quarter of 1974, housing starts had been cut to about ¾ of what it was a year ago, and, while there are some projections and forecasts that private housing starts will turn up, no one expects them to achieve the 1972 level or even the 1973 level, when the drop already had begun.

Clearly, government action is indicated. The conservatives will not admit it. Yet they do call for action by government; in addition to removal of all price and wage controls, they want new tax benefits for industry, repeal or delay of environmental protection measures, and a free hand generally, by which they mean opposition to all regulatory measures—especially those which would protect consumers.

What is particularly discouraging is the response of some liberal Senators and Representatives who are calling for tax cuts. Though some Senators would disguise their tax cuts as "tax credits," making them more palatable for liberals and certainly more desirable than loopholes for the rich, nevertheless tax cuts are bought at the expense of needed social services. We had two tax cuts under the Kennedy and Johnson Administrations and two under the Nixon Administration. And even with our economy running at less than capacity, the Treasury would be collecting some $40 billion more a year—at a conservative estimate—had these tax cuts not taken place.

Surely there is need for tax *reform*. And present tax rates could be cut if present rates were applied without tax loopholes. Joseph A. Pechman and Benjamin A. Okner of the Brookings Institution have estimated that present rates applied to such a comprehensive tax base would have yielded an additional $77 billion in 1972. Actually our present tax rates could have been cut, according to the Pechman-Okner estimates, by 43 percent with the same amount of revenue raised if the lower rates had been applied on a more comprehensive base—that is, without loopholes.

It doesn't take much imagination to visualize the huge funds that would be made available for social programs by the closing of tax loopholes. Rescission is of course politically impossible, but if the tax cuts of the last decade were to be rescinded, the amount of funds available for social programs could meet all our needs. From the funds lost to this country by the tax cuts of the last decade, we could pay the additional cost of national health insurance as envisioned by the Kennedy-Griffiths bill, the cost of a modest negative income tax, and a $10 billion public service employment program. But if liberals are going to continue to advocate tax cuts (or credits), we can expect the erosion of the progressive tax principle to continue.

Why liberals favor such tax cuts remains incomprehensible. It is easy to see why conservatives want tax cuts; they know what liberals apparently fail to understand—that once a cut is made it is virtually impossible, short of a major war, to again increase taxes. It wasn't even possible to increase taxes during the Vietnam war—actually the reverse occurred. Taxes were last increased during World War II, more than 20 years ago. It is true that the federal government, unlike states and cities, still collects almost half its receipts through progressive taxes. But, if the trend continues, if even liberals continue to call for cuts in our progressive federal tax system, we can expect its progressive features to diminish. It is worth remembering that between 1960 and 1974, according to a Brookings Institution study, corporate income tax receipts dropped as a percentage of total taxes from 23 to 15 percent, while regressive social insurance taxes (wage taxes) increased from 16 to 30 percent. The federal tax system is on its way to becoming just as regressive as state and local systems.

It is important that we understand what has been happening to taxes. The largest single component of federal revenues is the individual income tax, but payroll or employment taxes are the second largest source and they are growing faster. Payroll taxes this year will amount to 30 percent of all federal revenue—up 20 percent from ten years ago.

The point here is that, unlike the individual income tax, a wage tax—Social Security payroll tax—is regressive. That is, low income families pay a higher proportion of their income in payroll tax than do high income families. There is a neat trick to this. The Social Security tax rate is 11.7 percent. Half is paid by the employer and half is deducted from the employee's check. But as the Brookings Institution points out, "Economists generally agree that the whole tax actually comes out of wages: If there were no such tax, wages would be higher by approximately the amount paid by employers." Lest anyone think that I exaggerate the case, let us turn again to a Brookings Institution study:

"In 1969, a four-person family with one earner making $3,000 paid no income tax and was subject to a Social Security Payroll Tax of $288. In 1973 the same family still pays no income tax, but its payroll tax has grown to $351—a 22 percent increase. This figure includes, for reasons explained above, both the employer and employee payroll tax contributions. What is the net result of all this? The two tax changes of the Nixon Administration have increased tax liabilities for families with incomes below $3,500; decreased the combined liabilities of families with incomes of $3,500 to $8,900; and increased taxes for those with incomes of $8,900 to $13,000. For incomes above $13,000 the combined taxes have declined, since income tax deductions for higher-income groups have more than offset increased Social Security taxes."

What we need now is a hard drive by liberals to prevent conservatives from nibbling away the tax base from which much-needed revenues must come.

To stimulate the laggard economy and combat rising unemployment—with minimum inflationary impact—we need an immediate investment in public service employment. A $10 billion investment in public jobs will result in a million new jobs. An end to only a few of the intolerable tax loopholes could easily produce the $10 billion necessary for such a program.

If we want to help the important automobile industry, why not an investment of at least $1 billion in buses for mass public transportation? We not only would meet a severe need, we would be attacking the energy crisis as well.

Instead of tax loopholes which aid real estate operators in making billions in profits, why not invest those tax expenditures in housing for low and middle income citizens? (In this connection we should be aware that tax subsidies to home owners in 1972 cost the federal government $10 billion, making this "program" by far the largest federal housing subsidy program. Furthermore, three-fifths of these tax concessions go to families over $20,000 and only 7 percent to families with incomes under $10,000.)

As we said in 1972, ADA believes the American people will be willing to pay if they can expect in return tangible improvements in employment, education, health, law enforcement, the environment, and the like through services which can be made available only through public investment. In the final analysis, if we are going to solve this nation's problems, then we must be willing to pay the bill.

RESOLUTIONS ADOPTED BY SONS OF AMERICAN REVOLUTION

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include a copy of resolutions adopted by the Sons of the American Revolution on June 27, 1974. The views of this great patriotic organization are worthy of most careful consideration.

The resolutions follow:

Resolution of the National Society of the Sons of the American Revolution

RESOLUTION NO. 1

Whereas, under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, the United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and Panama Canal and solemn obligations under its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, the United States Government is currently engaged in negotiations with the Government of Panama to surrender United States sovereign rights to Panama both in the Canal Zone and with respect to the Canal itself without authorization of the Congress, which will diminish, if not absolutely abrogate, the present U.S. treaty-based sovereignty and ownership of the Zone; and

Whereas, these negotiations are being utilized by the United States Government in an effort to get Panama to grant an option for the construction of a "sea-level" canal eventually to replace the present canal, and to authorize the major modernization of the existing canal, which project is already authorized under existing treaty provisions; and by the Panamanian government in an attempt to gain sovereign control and jurisdiction over the Canal Zone and effective control over the operation of the Canal itself; and

Whereas, similar concessional negotiations by the United States in 1967 resulted in three draft treaties that were frustrated by the will of the Congress of the United States because they would have gravely weakened United States control over the Canal and the Canal Zone; and by the people of Panama because that country did not obtain full control; and

Whereas, the American people have consistently opposed further concessions to any Panamanian government that would further weaken United States control over either the Canal Zone or Canal; and

Whereas, many scientists have demonstrated the probability that the removal of natural ecological barriers between the Pacific and Atlantic oceans entailed in the opening of a sea-level canal could lead to ecological hazards which the advocates of the sea-level canal have ignored in their plans; and

Whereas, the Sons of the American Revolution believes that treaties are solemn obligations binding on the parties and has consistently opposed the abrogation, modification or weakening of the Treaty of 1903;

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, opposes the construction of a new sea-level canal and approves Senate Resolution 301 introduced by Senator Strom Thurmond and 34 additional Senators, to maintain and preserve the sovereign control of the United States over the Canal Zone.

RESOLUTION NO. 2

Whereas, the strength and stability of the economic and monetary system of the United States is vital to the defense of the country, and

Whereas, the fiscal and monetary policies of the Congress and Administration, present and past, have led to the devaluation of the dollar, double digit inflation, and the current economic crisis in the United States, and

Whereas, double digit inflation within is a great as threat, if not a greater threat, to the liberty and freedom and well-being of this country as the threat from our enemies without, and

Whereas, the basic cause of the rampant inflation is the deficit spending of the United States Congress, and

Whereas, under the Constitution of the United States, Congress is charged with the responsibility for all federal appropriations, and

Whereas, it is the urgent duty of the United States Congress to limit federal spending to the revenues of the Federal Government,

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, urges the Congress to balance the federal budget.

RESOLUTION NO. 3

Whereas, it was the national policy of the United States of America to intervene in Vietnam and prevent a Communist takeover of that country, and

Whereas, it is the duty of every American citizen to bear arms in support of the national policies of the United States, and

Whereas, a citizen of the United States is called upon to share the burdens of citizenship in order to insure its benefits for all citizens, and

Whereas, 40,000 young Americans fled to foreign countries to evade the military obligations of United States citizenship,

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, is opposed to any granting of amnesty to those who refused to bear arms for their country and instead, fled to foreign countries to evade their military obligations.

RESOLUTION NO. 4

Whereas, this country was founded by God-fearing men and women and conceived in liberty, and

Whereas, men of all countries have been moved by the eloquence and high spiritual qualities of the Declaration of Independence, and

Whereas, the Bicentennial will be a focal point for a nationwide review, and reaffirmation of the values upon which this Nation was founded, and

Whereas, all businesses and private citizens should display the United States Flag daily during daylight hours except during inclement weather, and

Whereas, it is fitting for patriots to celebrate each Fourth of July with prayer, music, fireworks and other expressions of joy and cheer, and

Whereas, it is the duty of every citizen and local community to take the initiative in planning a suitable commemoration of the Bicentennial.

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, urges its members and all citizens to fly flags daily, to ring bells and blow automobile horns on the Fourth of July at a time to be set by each community as a suitable prelude to the Bicentennial.

RESOLUTION NO. 5

Whereas, we believe the Federal Government has entered upon a movement to eliminate basic rights and powers guaranteed to the states by the 10th Amendment to the Constitution, in particular the control of education and public schools, the control of land, the extension of jurisdiction of the federal judiciary, the weakening of state criminal law enforcement by the imposition of untenable federal standards that result in interminable trials and sheer technicalities that often show more concern for the criminal than for the innocent victim and the long-suffering public, to name a few.

Now, therefore be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, recommends that our state governors and legislators resist these federal encroachments upon state sovereignty and oppose the extension of federal grants and Supreme Court decisions.

RESOLUTION NO. 6

Whereas, hostile foreign nations desire to obtain advanced American technology during a period of our history entitled "detente," and

Whereas, the sharing of our technology with unfriendly foreign powers will weaken this country's power and protection of the free world, and

Whereas, the joint exploration of space with any foreign nation will result in the release of technical information vital to the defense of this nation, and

Whereas no foreign power has been successful in its man-in-space program.

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution, in its 84th Annual Congress assembled, opposes in general the sharing of any of our technology with unfriendly foreign nations and in particular the sharing of our man-in-space capability with any foreign power, and recommends that all federal agencies should intensify efforts to prevent the dissemination of critical technology to any foreign power.

RESOLUTION NO. 7

Whereas, the National Society, Sons of the American Revolution supports proper commemoration and celebration of the American War for Independence which gained the 13 Original Colonies their freedom; and

Whereas. the Battle of Cowpens, fought in South Carolina near the present village of Cowpens was a major victory for loyal Americans in their fight for liberty; and

Whereas, the Federal Government has appropriated certain funds for the improvement and enhancement of the Cowpens Battleground site; and

Whereas, the effect of monies spent will be much more effective and widespread, and of longer duration, if a permanent annual celebration is held at the Battleground;

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, favors allocation of an adequate portion of available funds for the construction of a suitable amphitheater which will be made available for the production of an annual outdoor drama based upon the Battle of Cowpens and surrounding events, so that the people of America will have a better opportunity to become more conversant with the great deeds of our illustrious ancestors.

RESOLUTION NO. 8

Whereas, Professional Standards Review Organization (PSRO) was established as a rider attached to the Social Security Law of 1972 without public hearings or proper consideration; and

Whereas, confidential medical records of every patient under any of the numerous government-sponsored health care programs will be open to PSRO inspectors; and

Whereas, "norms" set by the Department of Health, Education and Welfare, after examination of all patient records, will change the concept of health care, nullifying doctor-patient privacy preventing full use of the doctor's knowledge, experience and training; and

Whereas, PSRO can overrule a doctor's decision in prescribing, hospitalization, or operating under penalty of fine and suspension from medical practice;

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Convention assembled, supports the adoption of H.R. 9375, or similar resolutions, which would repeal the provisions of the Social Security Act which violate the confidentiality of the doctor-patient relationship which would be contrary to numerous state statutes, contrary to professional ethics, and which would lead to federal control of medicine.

RESOLUTION NO. 9

Whereas, there is pending in the United States Congress a resolution sponsored by Senator Harry Flood Byrd, Jr. of Virginia in which Senator William Scott of Virginia has also joined as a co-sponsor, to restore the citizenship of General Robert E. Lee,

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, joins in with the purpose and spirit of this pending Congressional resolution.

RESOLUTION NO. 10

Now, therefore, be it *resolved* that the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, reiterates and reaffirms that all previous resolutions adopted at prior Congresses be reaffirmed.

RESOLUTION NO. 11

Whereas, the 84th Annual Congress of the National Society, Sons of the American Revolution has been successful in every respect, and

Whereas, that success has been due to the efforts of those who planned and took part in the program,

Now, therefore, be it *resolved* by the National Society, Sons of the American Revolution, that it hereby expresses its gratitude and deep appreciation:

1. to the President General for his able leadership.
2. to the officers, chairmen and members of their committees,
3. to the loyal headquarters staff for their constant effort in providing an efficient operation,
4. to the speakers, Compatriot (Dr.) Norman Vincent Peale and the Honorable J. William Middendorf, II, Secretary of the Navy, for their inspiring addresses,
5. to the United States Navy; Joint Armed Forces (Pentagon); Colonial Guard, 175th Infantry; United States Marine Corps and the Commander-in-Chief's Guard Colors, U.S. Army, for furnishing color guards,
6. to the United States Marine Band, the United States Army Soldiers' Chorus, the Chorus of the Chesapeake, and the U. S. Navy Sea Chanters for furnishing music and entertainment,
7. to the press, radio and television for their coverage of the Congress,
8. to the Maryland Society for its contribution to a successful 84th Annual Congress,
9. to all individuals who contributed to the success of this Congress.

SOVIET CHRISTIANS PERSECUTED TOO

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. ASHBROOK. Mr. Speaker, the world has become aroused as the result of the revelations of the persecutions of Soviet Jews. It is only right that after so many years these atrocities should finally be protested. But, let us not forget that men are also being persecuted in Soviet Russia because they are Christians.

On May 21, 1974, Radio Liberty which monitors the Soviet Press and Radio and broadcasts into the Soviet Union released a report that should shock every American. According to Radio Liberty the children of practicing Christians in the Soviet Union have been removed from the custody of their parents to prevent them from receiving religious instruction.

The July 1974 issue of East-West Digest published in England by Geoffrey Stewart Smith, a former Conservative Member of Parliament, revealed further persecutions of Russian Christians. East-West Digest reprinted a letter to the Kremlin leaders from the four children of Georgi Vins, one of the leaders of the Russian Baptist Movement, protesting that their father has been arrested again.

I would like to call my colleagues' attention to these two documents, the Radio Liberty Report and the article in East-West Digest, both of which follow:

SOVIET CHRISTIANS DEPRIVED OF PARENTAL RIGHTS

Unlike in any other communist country in Europe, Soviet children are still being removed from the custody of their parents on the grounds that they are being brought up as Christians. An account of the trial of four Russian Baptists in connection with the education of children was published in *Sovetskaia Belorussia* on April 27, 1973.

Among the defendants was Nina Masiuk, a member of an unregistered Baptist congregation in Soligorsk. Her son Sergei was removed from custody of his mother in 1971, and in November 1972 she was formally deprived of parental rights. The boy, the article reports, has suffered severe physical and moral harm from being forced to attend numerous meetings from an early age and from the narrowness of his religious upbringing.

Consequently he himself, we are told, greeted his admission to a children's home "with great joy." Despite his mother's attempts to abduct him he is now more healthy in every way, doing well at school and, leaving his religious beliefs behind him, being active in the Komssomol. "Yes," the article concludes, "this boy has been saved."

The names of Sergei and his mother, however, are not unknown in the West, thanks to the Council of Prisoners' Revelatives, whose Bulletin No. 10, compiled in October 1972, devoted a considerable amount of space to the mother and son's own statements about the affair. Such information from the Bulletin means that one can now often cross-check information from Christian and hostile atheist sources in Russia. Sergei's account is as follows:

"On April 4, 1972, the headmaster of school No. 3, Nikolai Nikolaevich Daigot, called me from classes and took me to the children's department at the police station. Then a policeman arrived with some other people, including my father. The policeman took me by the arm and made me get into a car. They took me to a boarding school at Krasnaia Sloboda in the Soligorsk district, Minsk region. When they took me I cried a lot. . . ."

Sergei's father, an irresponsible and violent man, left his wife and two sons in 1968, visiting them subsequently from time to time only to threaten and mistreat them. It was he who began to persuade the authorities to deprive his wife, Nina, of the custody of their younger son. His weapon against her was none other than her Christian belief. Although the father was declared by the court to be unfit to care for a child, Sergei was nevertheless sent away "to isolate him from the influence of religion." He ran away to his mother, which resulted in reprisals in the form of fines and the deprivation of visiting rights.

The authorities claim that Masiuk allowed her son to be educationally influenced by the church, but she maintains that religious education is the legitimate right of parents, and that she as a parent has the constitutional right to bring up and educate her child by the very article which has been invoked against her. This is the "Decree on the Separation of the Church from the State and the School from the Church," promulgated by Lenin himself in 1918. The education of children is declared to be "the exclusive right of the family, the school and the state, but not the church."

Sergei's mother gives fuller details of the case in an appeal to the highest authorities which is impressive in its sound knowledge of constitutional law and clear vision of the situation:

"I have already forwarded a complant to the government, but my complaint was passed on to the Supreme Court of the Belorussian Republic, and the Vice-President of the Court, Comrade Shardyko, replied to me: 'It has been proven that you involved your son Sergei in a Baptist-Evangelical sect, and took him to meetings of the sect. In the interests of your son Sergei, the court rightly decided to place him in the care of the welfare and medical authorities.'

"This answer speaks for itself. In this answer not a word is said about the basic documents on the rights of the case—the Constitution of the USSR, the above-mentioned 'Decree' (on the separation of school from church) and the 'Convention' (on the struggle against discrimination in education).

"The attitude of Comrade Shardyko is not that of a man standing in the strength of his duty of safeguarding the laws of the country and the principles of justice. It is the attitude of an atheist, who, setting aside all laws, public opinion and social practice, wants forcibly to prevent people from believing in God and removes children from their parents for the sole reason of their belief in God."

The Bulletin also sets forth the case of the Berdnik family of Kaliningrad. All five of the children of Ivan and Anna Berdnik, aged between twelve and under one year, were taken away from them in 1971. Like Sergei's mother, the Berdniks were accused of causing "moral harm" to the children by bringing them up as Christians and encouraging them to attend "Sunday school" lessons held on Saturdays in the houses of various members of their church. The submission of the local education authority to the regional court states that:

"In the Berdnik family, children learn to pray from the age of two. As soon as they can write they are given the task of copying psalms, which they are forced to learn by heart and then recite at the prayer meetings in front of the believers.

"On investigation of the Berdnik household, a commission consisting of members of the Parents' Committee of the school submitted that the family consisted of seven persons. . . . The family was not well off. Five children slept in one dark, smoke-blackened room."

The implication of the report is that the parents' beliefs are being painfully imposed upon the children.

In another part of the document the Sunday school is described, where the children were taught to sing songs and hymns, which, from the titles quoted, sound very much like those sung by Sunday school children the world over—yet the description succeeds in making the whole thing take on a sinister air:

"It has been established that Mr. and Mrs. Berdnik permitted their sons to attend religious instruction and prayer meetings, where they were taught the fundamentals of religion and performed poems, psalms and other forms of religious music. During the lessons the children became familiar, with, and were made to learn by heart, such religious dogmas as 'Be careful, little mouth, what you say,' 'Our Father gave us salvation,' . . . etc. Children were inveigled into the group by various methods:

1. "By setting the children religious questions with the aim of instilling in them a submissive attitude.

2. "By the preparation of special cards with questions on religious subjects.

3. "By drawing the children into 'meetings' for adult believers, using these to teach the children religious dogmas."

Apropos of the report just quoted, it is worth noting that the accusation of overcrowding in the Berdnik household, with its implication that religion is conducive to dirt and poverty, is refuted elsewhere in the Council of Prisoners' Relatives' Bulletin. The family, it states, had three spacious rooms in their flat—a generous provision in the conditions of acute housing shortage prevalent in the Soviet Union.

The church in Barnaul illustrates in a particularly poignant way the dilemma of Christian parents in the USSR today. The Barnaul Christians want to live their faith and to pass it on to their children. The result has been, for themselves, harassment and persecution, and for their children, mockrey and ill-treatment at school. This became so bad that the Christian parents removed their children from school, refusing to send them back until the situation changed. This tense state of affairs lasted for about a year. The children have now returned to school, but it is not known whether their situation has really improved.

A more recent case which may be mentioned is that of Zoia Radygina of Perm. A court order depriving Mrs. Radygina of her three younger children was passed on June 8, 1973; the police came to the house on August 1. When she appealed against this cruel action, she was told that she had failed to educate her children in the spirit of the "Moral Code of a Builder of Communism" (the Soviet guideline to the education of the young). Her two boys, Sasha and Vasia, were taken away by the police. Eleven-year-old Tamara was not at home, and is said to be in hiding with relatives.

Zoia Radygina's plight has called forth appeals from all over the Soviet Union. Many groups of believers have written to the Soviet leaders asking that her children be returned to her. These appeals were echoed in London by demonstrations outside the Soviet Embassy on March 8 and 23, 1974, organized by "Aid to the Russian church."

Some appeals on behalf of Mrs. Radygina recently received in the West mention a number of similar cases, though without giving many details. Two families from the Crimea, Romanovich and Zdorov, are said in an appeal to Podgorny and Rudenko dated January 1974 to have lost their parental rights. Another appeal on behalf of Mr. Radygina mentions a family called Ivanov which suffered a similar fate in April last year.

These and other accounts of a similar nature seem to provide evidence that the practice of depriving believers of parental rights is spreading.

[From East-West Digest, July 1974]

GEORGI VINS ARRESTED AGAIN

One of the world's outstanding Christian leaders has just been arrested in the Soviet Union. Georgi Vins is one of the founders of the Soviet "reform Baptists." The Soviet press calls them initsiativniki. This group split from the official Baptists in 1961, stating that the official Church had compromised with the authorities. Vins, now aged 46, has been one of the leaders from the beginning.

In 1966 there took place one of the most remarkable events in the life of this movement, the May demonstration outside the Central Committee building of the Communist Party in Moscow. Vins was one of those arrested at that time. He was later sentenced to three years in the labour camps. A transcript of his trial is included in Michael Bourdeau's book Faith on Trial in Russia—the biography of Georgi Vins. His health became worse and worse. His relatives and friends appealed urgently on his behalf and a campaign began in the West. It may well be due to this that Vins remained alive. Released at the end of his term, he returned home to convalesce. He then took up leadership of the Church again. In 1970 a new case was opened against him, but he refused to obey summonses to appear at government offices. In order to continue his church work, Vins was forced to leave home and live in hiding, seeing his wife and family only on occasional visits. Other reform Baptist leaders live under similar conditions.

News has just reached the West that Georgi Vins has been found and arrested in Kiev. This took place at the end of March and the details are still shrouded in mystery. Even the family does not know his condition and they have issued urgent appeals to the government and believers. His mother, Lidia, herself released only recently after three years in detention, has said that he has been arrested as a "state criminal." His church has joined in fasting and prayer. Vins has four children and they have written this moving letter to the Soviet leaders.

April 18, 1974.

To: A. N. Kosygin, the Kremlin, Moscow
N. V. Podgorny, the Kremlin, Moscow
Copies to: Council of Church of Evangelical Christians and Baptists, Council of ECB Prisoners' Relatives.

"In violation of the Constitution of the USSR and of international conventions on human rights, our father Georgi Petrovich Vins has again been illegally arrested for his religious convictions and his work in the Church.

"For thirteen years our father has constantly been subject to persecutions from the authorities. He served a term of imprisonment from 1966 to 1969, from which he returned with his health seriously undermined. This new arrest causes us to fear for his life. We do not want to see our father posthumously rehabilitated like our grandfather, Pyotr Yakovlevich Vins, who was sentenced for his religious convictions and tortured to death in the camps, but later rehabilitated.

"Our whole family has been suffering persecutions for many years now. Our grandmother, Lidia Mikhailovna Vins, served a term in the camps from 1970 to 1973 because she campaigned for our father during his imprisonment and for other believers who had suffered repressions. Our mother, Mrs. N. I. Vins, was dismissed from her job in 1962 because of her religious convictions and for some years she was unable to get work anywhere. She is now working, but not in her own profession.

"The repressions also affect us children. Natasha Vins was illegally dismissed from work on 9 January, 1974. During a preliminary conversation the senior doctor of Kiev Hospital No. 17, Khryapa, declared that he would find a pretext for dismissing her, since religion and medicine were incompatible. Petya Vins has finished the tenth form (i.e. he is now 17—Ed.) but cannot find work anywhere.

"All these actions against our family are an attempt to annihilate us. Our father's preset arrest is impermissible, and if you do not release him immediately, we will take all possible steps, beginning with an appeal to all believers, telling them what has happened.

"We have full reason to suppose that he is in bad health. All responsibility for his life and continued imprisonment rests with you. If our father is not released and if measures are taken against him in prison which endanger his health, then we want to inform you and believers throughout the world that our whole family is fully resolved to die with him."

Our address: Kiev-114, ul. Soshenka 11b.
Natasha Vins.
Petya (Peter) Vins.
Liza Vins.
Zhenya (Eugene) Vins.

The fact that Vins's family has been under official scrutiny is revealed in official sources too. An article in the June 1971 issue of the Soviet atheist magazine Science and Religion lamented that: "Teachers at the Kiev Intermediate School No. 16 did not even know that the father of one of their pupils, Petya Vins, was one of the leaders of the initsiativniki, although the boy had been studying there for two years, did not take part in cultural outings and refused to joint the Pioneers."

THE WAR AGAINST NARCOTICS TRAFFICKERS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. PEYSER. Mr. Speaker, as we all know, one of the critical areas of concern to our national health and safety is the on-going war against narcotic traffickers, which is being waged daily by the Drug Enforcement Agency. This is an especially crucial battle now that Turkey has decided to resume opium growing. The law enforcement agencies in our country will need all the technological and scientific resources available to combat this menace effectively.

Recently, an article appeared in Popular Mechanics, written by Edward Hymoff—a constituent of mine from Yonkers, N.Y. It is most interesting and informative on the subject of how technology can be used in this struggle. I commend it to my colleagues:

The War Against Narcotic Traffickers

(By Edward Hymoff)

The three small planes took off cautiously one at a time, grouped smartly into formation, then streaked off through the darkened night sky, headed secretly for the U.S. border. The ships—fast, powerful turbocharged Cessna 206s—were part of a highly organized, well-equipped underworld "air force" used to smuggle marijuana, heroin and other dangerous and illegal drugs into the country from Mexico. The job would be "a piece of cake," thought the smugglers. They had done it many times before. Making as many as 18 trips a week, they'd fly down to Mexico, pick up their illicit cargo, then head back to some obscure delivery point inside the U.S. border. Operating from little-used or abandoned airstrips, running without lights and flying low to escape radar detection, they were virtually impossible to spot. This was just another routine mission, another valuable haul, another big laugh on the cops.

What the smugglers didn't reckon on was a crack team of airborne narcotics agents following unseen from behind. The agents were using a new type of aircraft-detection system, a thermal imaging device called FLIR for Forward Looking Infra Red. In the FLIR system, tiny amounts of heat given off by an otherwise invisible surface form an image on a TV-like screen, revealing the object's location and shape. Unlike radar, which can't detect signals close to the ground because of background "clutter," FLIR operates at any altitude and over great distance. Heat from an airplane's fuselage, even miles away, is sufficient to form an image on the scope.

As the smugglers were sneaking across the border seemingly unnoticed, patrolling agents in the air received a terse radio message: "Palomino is jumping the fence." Palomino was the Mexican nickname for 54-year-old Martin Houltin, a long-sought notorious drug trafficker who had been evading capture for years.

The message "jumping the fence" was a tip-off from ground agents that Houltin and his partners were making another border hop. The airborne agents immediately switched on their FLIR scopes, picked up Houltin's planes on the screen and gave chase. By monitoring Houlton's radio frequencies, they learned his destination—a deserted stretch of back road in the New Mexico wilderness where trucks and cars were waiting to take over his deadly cargo. As the agents tracked the smugglers' flight on their screens, they began alerting police helicopters and ground units to proceed to the rendezvous point. By the time the planes touched down, using the road as a landing strip, the helicopters and police patrol cars were already converging on the scene.

That was the end of Houltin and his gang. Seized in the dramatic capture were 2300 pounds of marijuana—enough to put the not-so-smug smugglers out of business behind bars for many years. This was late last fall, one of the first uses of the new FLIR tracking system. Now, with FLIR's help, airborne smuggling, one of the most elusive forms of drug trafficking, is rapidly being brought under control.

But FLIR is only one of many modern sophisticated weapons now in use in the war on smuggling. All over the country, Drug Enforcement Administration agents, U.S. Customs officials and state and local police are cooperating in an all-out massive attack on the drug menace. One inconspicuous aid seldom noticed by motorists passing through border checkpoints is helping to trap smugglers on the ground just as successfully as FLIR is doing in the air. Most drivers are never aware of its presence, but one in particular has good reason to remember it well. On a recent afternoon, Luis Alberto Ascarraga-Milmo was waiting calmly in a line of cars—one of more than 7 million vehicles that annually cross the International Bridge spanning the Rio Grande River between Nueva Laredo on the Mexican side and Laredo, Tex., on the U.S. side. Getting through the checkpoint would be a cinch, thought the Mexican. He had made many similar trips, each time carrying heroin carefully hidden in a different vehicle.

As the line of cars inched slowly through the border inspection station a customs official would strike the keys of a small computer console concealed inside his booth out of motorists' view. He'd tap out a license-plate number on the keyboard, and from the computer's data bank 1350 miles away in San Diego, Calif., a reply would come back almost instantaneously. In most cases, the display on the computer's small screen would be negative, indicating that the vehicle was not suspect. As Ascarraga-Milmo rolled confidently up to the booth, a relaxed, friendly smile on his face, the agent's fingers moved swiftly over the keyboard. In a flash, the screen was alight and blinking with a "hit."

Data from the central bank described a different vehicle but the same registration, signaling that the car was "hot." The Mexican had switched the plates to another vehicle, but hadn't fooled the computer. Instantly, the inspector pressed a warning button and from out of nowhere armed narcotics agents suddenly swarmed over the Mexican's car. An intensive search turned up 19 packets of 85-percent pure heroin—nearly 24 pounds that, cut to 5-percent purity, would have an estimated street value of $10 million. Ascarraga-Milmo was identified as a member of a huge international dope-smuggling syndicate that was subsequently broken—all as a result of one tiny computer's infallible memory.

Federal narcotics agents' bag of tricks contains a variety of aids ranging from dogs trained to sniff out drugs hidden in the tires and bumpers of automobiles to airborne cameras that can photograph opium-growing poppy fields from two or three miles in the sky. Highly specialized airborne surveillance systems are just beginning to pay off in ferreting out obscure sources of opium cultivation in inaccessible areas not easily reached or detected from the ground. One such piece of equipment currently in test use is the multispectral camera that, through aerial photos, can identify the particular "spectral signature" of drug-producing plants, pinpointing their exact location. In friendly nations cooperating with the United States, information gained through such photos is relayed to local authorities who then move in to destroy the killer crops before they can be harvested.

Insects, long used to detect chemical-biological warfare agents, are now being tested to see if they can spot poppy pollen in the same way. The insects react differently when exposed to different chemicals, and it's hoped that their particular reaction to poppy pollen and other drug-related substances may reveal the sources of the drugs. A modified version of the "people sniffer" used in Vietnam to sense the presence of enemy soldiers is also being tried to "smell out" chemical fumes given off by illicit narcotics-refining factories operating secretly in remote parts of the world. Eventually, an orbiting satellite may circle the earth, automatically transmitting drug-producing locations back to narcotics agents on the ground.

If all this sounds "far out," it's just the beginning—an example of the fantastic extent to which science and technology have been thrown into the battle against drugs.

And stopping drugs before they enter the country—either at their source of cultivation or at our borders and ports—is the biggest single job facing federal narcotics agents for one very simple but appalling reason—it's estimated that more than 90 percent of all drugs produced throughout the world are imported *into* the United States. Stopping them before they get in is thus the name of the game.

Heroin and cocaine are two of the biggest and most lethal imports—heroin from Europe, Mexico and Southeast Asia and cocaine from Latin America. Proof that narcotics agents are succeeding in their task is the fact that one and a third tons of heroin and nearly a ton of cocaine were seized during last year alone, along with a whopping 307 tons of marijuana and 19 tons of hashish, a refined form of "pot." Also confiscated last year were more than 35 million illegal narcotic pills and capsules with such colorful and exotic names as "Mexican reds," "red birds," "red devils," "pinks," "barbs," "goofballs," "speed" and "bennies."

Because of the importance of halting narcotics trafficking at the source, one method has been to increase the number of foreign law enforcement officers and narcotics experts through special training courses overseas. Within the past few years, more than 4300 police officers from 40 countries have participated in over 60 training programs conducted throughout the world. In addition, there are now 172 special U.S. narcotics agents assigned to 58 embassies and consulates in 39 countries to offer expert aid to local authorities.

Within the United States, the Drug Enforcement Administration operates six regional forensic laboratories for the analysis, identification and classification of drug samples that may eventually provide vital clues to unknown sources or serve as important evidence in drug-prosecution cases. The DEA's labs employ 120 specialized chemists and last year alone analyzed more than 45,000 separate drug exhibits. The DEA maintains a file of more than 8000 known drug samples—much like a ballistics or fingerprint file—against which new samples can be compared for identification.

Because drugs are manufactured and packaged in different ways in different areas, matching up an unknown sample with one of known origin can often reveal its source and maker—like a fingerprint identifies its owner.

In one such case, the DEA successfully curtailed the flood of illegal amphetamines regularly smuggled into the United States from Mexico. DEA chemists tested the contents of red secobarbital capsules—"red devils"—and found that the drug itself matched up with a type known to be manufactured in Europe, but that the red capsules were obviously of a kind made and filled in Mexico. Thus, while the secobarbital was being legally imported into Mexico from Europe in bulk form, it was being packed into Mexican capsules and illegally smuggled into the United States. When informed, the Mexican government cooperated by halting secobarbital imports, cutting off the European supply.

Another part of the DEA's forensic work is to help provide positive evidence of drug possession in prosecution cases—a must in order to obtain a conviction and generally difficult to establish because the higher-ups in the trafficking trade are extremely careful never to be caught with any actual drugs themselves. In one recent case, a well-known heroin smuggler, Louis Cirillo, was under investigation, but authorities lacked sufficient proof of possession to link him definitely with the crime. Heroin shipments were known to have been made to his suburban home in New Jersey, but agents searching the house had never turned up any signs of the drug.

Then a DEA supervisor, scanning a report on the frustrated investigation, spotted something that caught his eye. An informant had tipped off agents that, during one of the shipments of heroin to Cirillo's home, a packet had fallen on the garage floor and broken open. The agents had checked the floor, but it had been too thoroughly scrubbed clean to reveal any traces of the drug. The DEA supervisor sent his forensic experts out to try more advanced techniques of detection. Taking scrapings of the floor and applying such sophisticated tests as thin-layer chromatography and mass spectrometry, the experts found enough evidence of heroin to definitely establish its existence in Cirillo's home—six months after the original spillage. As a result, Cirillo was later convicted and given a 25-year sentence.

Thus, in the war on drugs, science and technology are fast proving to be among our most effective weapons, often accomplishing in minutes or hours what no amount of endless sleuthing could hope to do.

A GOOD RULING ON BUSING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. MICHEL. Mr. Speaker, an editorial appearing in the July 26, 1974, edition of the Chicago Tribune refers to the recent Supreme Court decision on the Detroit school busing case as "sound in both law and commonsense," and I am inclined to agree with that evaluation.

I place the text of the editorial in the RECORD at this point.

A GOOD RULING ON BUSING

The Supreme Court has finally issued a precedent-setting ruling on the controversial subject of court-ordered busing of school pupils for purposes of desegregation. By a vote of 5 to 4, the court held there is no necessity for throwing suburban and central city attendance areas together, in the absence of evidence of unconstitutional acts to segregate. The case before the court concerned Detroit, but the decision will affect many other cities.

In the Detroit case, the decisive vote was cast by Justice Lewis F. Powell Jr., who last year did not participate in a similar Richmond, Va., case because he had been a member of the Richmond school board. The Richmond case divided the court 4 to 4, establishing no precedent. Now at last the country has a majority decision from the Supreme Court—the one from which four justices [Brennan, Douglas, Marshall, and White] dissented. The majority opinion was written by Chief Justice Warren E. Burger, joined by Justices Blackmun, Powell, Stewart, and Rehnquist.

The majority opinion reaffirms the right and duty of the courts "to prescribe appropriate remedies" where "conflict with the 14th Amendment" had been demonstrated. But before the courts order "consolidating separate units . . . or imposing a cross-district remedy," the majority stated, "it must be shown that racially discriminatory acts . . . have been a substantial cause of interdistrict segregation."

Thus the Supreme Court sensibly directs attention to the too-often blurred distinction between de jure segregation [imposed by "racially discriminatory acts"] and de facto segregation, a byproduct of residential patterns. American states and school districts, in the South as elsewhere, now acknowledge the necessity of unitary school systems, free from mandated separation of pupils on a racial basis. But, the Supreme Court holds, lower courts erred in ordering busing of pupils in Detroit and 53 outlying districts "only because of their conclusion that total desegregation of Detroit would not produce the racial balance which they perceived as desirable."

The decision is sound in both law and common sense. The reasons for preventing deliberate racial segregation in schools are valid ones, but they have never implied a mandate to require, at all costs, any particular racial proportions in schools. A court-ordered consolidation such as that planned for Detroit and its suburbs, the Supreme Court sensibly stated, would make the court "a de facto 'legislative authority' to resolve complex problems and the single 'school superintendent' for the entire area." The Supreme Court correctly said that "few, if any judges" are qualified to perform such functions, and that for the courts to assume them "would deprive the people of control of schools thru their elected representatives" in the absence of any constitutional violations.

Tho Justice Thurgood Marshall protested the decision as "a giant step backwards," the decision is really a significant step forward towards common sense and consensus and away from doctrinaire extremism and controversy. Who would have gained had District Judge Stephen Roth's metropolitan desegregation plan [which included an order for Detroit schools to buy 295 buses to implement it] been upheld? Certainly not the school children of either Detroit or its suburbs. It is unfair and unrealistic to require the schools to look as if race were not a factor in contemporary housing patterns.

The current decision is no retreat from national aspirations for an indivisible nation, with liberty and justice for all. It is rather a sound and authoritative recognition that the Constitution does not require massive busing of school pupils thruout metropolitan areas and that the quality of education is bound to suffer when children must spend hours being transported to schools far from the familiarity of their own neighborhoods. Most Americans, including blacks as well as whites and liberals as well as conservatives, will agree with the court and will be glad that the court agrees with them.

APPRECIATING AMERICA

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. LANDGREBE. Mr. Speaker, too often I believe that we Americans do not truly appreciate what a great country we are privileged to call home. Of late our national soul-searching seems to concentrate on the bad things in the United States of America. Personally, I would much rather talk about the good things in America, things that we see around us each and every day—especially the freedoms we enjoy in every facet of our daily lives. Many times we overlook these freedoms and have to be reminded of exactly what life in America means.

The freedom we enjoy here is graphically demonstrated in a letter received by one of my staff assistants, Richard Davies, from a friend traveling in Russia and other Eastern European nations. The writer, David Hale, is a native of Vermont and graduated from the Georgetown University School of Foreign Service.

As a person who has visited, and has been arrested, in the Soviet Union, Mr. Hale's letter is a reminder of the oppression which I witnessed first hand 3 years ago. For the uninitiated, this letter will bring home some shocking truths to those who might want to consider some of the "good" points of a totalitarian state. I submit the text of the letter for the inspection of my colleagues with my thanks to Mr. Hale and Mr. Davies:

> DEAR RICHARD: Our trip was a bit tiring—all that driving—but fascinating just the same. Our only car trouble was on the return leg, thirty minutes from Calais: a flat tire.
>
> Everyone out there is very anxious for contact with the West. Our border search lasted nearly three hours, but not solely because they were looking for contraband. The guards themselves were personally interested in our belongings. Not only did they dismantle our engine: they all took turns sitting on the front seat and honking the horn. They hardly noticed Dennis' prayer book: but they marvelled at a guidebook to fishing in Czechoslovakia. In fact, they read every single bit of travel literature we had. The commander of the customs station asked me three times if I had a "Playboy" magazine: apparently he has not been able to confiscate one for nearly two years.
>
> The situation was much the same inside the country. Every time we stopped a crowd would gather to look at our car. On several occasions we had to open the hood so they could inspect the engine, as well as repair manuals. Children would also tag along and ask for gum. One fourteen year old boy, in perfect English, even asked me, "Mister, do you have any chewing gum, foreign magazines, ballpoint pens, or nylon stockings". We gave him gum. At the Kiev Intourist itself, I saw a girl (theirs) reading an English copy of Harold Robbins *The Carpetbaggers*. Being bumpkins, the border people think all pornography has to have pictures.
>
> The other East European countries are considerably more relaxed than the Russians. They do not have police check-points every twenty miles recording your movements and they give you free access to the backroads: in the Soviet Union we were confined to one. The Russian border station appeared to be deserted when we arrived. When the boys in the back sobered-up they took only five minutes to search the car. But stamping our passports took almost two hours as they had misplaced their list of which countries required visas. Tell your Congressman that because of detente, I got in for free: the British and Canadians still have to pay.
>
> I gave a book about the English Industrial Revolution to a Rumanian dancing girl: she appreciated it more than nylon stockings as she wants to improve her English. It was not a romance: she, like everyone else, is just frightfully curious about the outside world. She even asked me to write to her. A Rumanian railway inspector tried to buy some goods from me illegally: I gave him as a present, some of our coffee, tea, and nylon stockings, for which he gave me a kiss, slavic-style. I was not going to risk selling something to a man I knew nothing about.
>
> The day we were returning to the Western Ukraine from Kiev there was a bad flood. Despite what the real estate men in Vermont say, the Russians have no floodplain zoning; nor drainage. What a mess; we were confined to our hotel. But this proved interesting as the army set up relief operations in the lobby. Sipping vodka into the wee hours of the morning I befriended an official of their tourist office who was a former English professor and by far the most sarcastic person I met on the entire trip. In fact, I would rate his political commitment at zero. When I told him I was from Vermont, he said we had a large ski-industry. Surprised, I asked him how he knew that. He replied with a laugh, "I know everything. I am from the U.S.S.R.!"
>
> I think the more contact these places have with the west the more difficult a time the governments will have suppressing information. As things stand now, crowds come to the Intourist hotels to dance and to stare in the windows of the foreign currency shops. It must really gall them to think these items are reserved for outsiders. But they show no sign of restricting tourism because they badly need the foreign exchange. In fact, on the edge of the Iron Curtain, in the shadow of two machine gun towers, ten yards from where a barbed wire fence demarcates the East German minefield which runs alongside the border there is a drab colorless custom house decorated only by a large portrait of the East German communist leader and a Diner's Club Card.
>
> Good Luck,
>
> DAVID.

WORLD ACTION HUNGER COALITION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. RANGEL. Mr. Speaker, it is shocking to realize that in the late 20th century—an era of unprecedented affluence for the world's developed countries—that hunger is still the common lot of much of the world's people. Moreover, there are indications that this problem is growing worse. The development of the capacity to produce fertilizer has lagged and the price has risen astronomically, the benefits of our recent foreign assistance efforts have been eroded by global inflation and the world's population continues to grow at the frightening rate of 2 percent a year.

James P. Grant, president of the Overseas Development Council, recently told a Senate committee that:

> Barring major international action, the combination of quadrupling food and energy prices, and the cutback of fertilizer exports dooms millions . . . to premature death and increased malnutrition and even outright starvation.

The United Nations ominously predicts that 20 million people will starve to death in 1974.

The outlook for the future is indeed bleak unless serious efforts are made to increase our food resources and to formulate an effective U.S. foreign assistance policy. The World Hunger Action Coalition is a group of concerned Americans drawn together in order to take concrete steps to ameliorate this tragic situation. I would like to commend the efforts of this group and especially those of the cochairman of the advisory commission of public officials; Senator CHARLES PERCY and Gov. Milton Shapp. Mr. Speaker, I intend at this time to insert into the RECORD a statement of principles from the World Hunger Action Coalition. The item follows:

WORKING DOCUMENT OF THE WORLD HUNGER ACTION COALITION

THE COALITION

The World Hunger Action Coalition is a group of Americans drawn together by their concern about ameliorating world hunger.

STATEMENT OF PRINCIPLES

The world is confronted by a food crisis of an unprecedented and long-term character which presents a moral as well as an economic challenge to the U.S. The increasingly widespread shortage of food is aggravated by rapidly escalating prices for fertilizer, petroleum and food itself, which threaten to curtail what is available to hungry people even further. The gap between the well-fed and the underfed is widening; there are more hungry people in the world now than ever in the past. This situation demands immediate reserves.

Since the developed countries, such as the United States, are better off both economically and technologically, and since the consumption patterns stemming from our affluence contribute significantly to the pressure on limited world food supplies, we must take primary responsibility for relieving present and guarding against future scarcity, even to the point of limiting our own escalating standards of living.

In seeking to discharge this responsibility, we must recognize (a) that the right to eat is fundamental to human life, (b) that our own hungry people are an integral part of the world problem, and (c) that any program designed to relieve world hunger must protect the farmer's right to a fair return on his investment and labor as well as the rights of consumers. While assistance to the hungry in the form of food is imperative, food aid is not a substitute for development assistance, especially at the level of the individual villager and farmer.

The Coalition, alarmed at an apparent isolationist trend in the U.S., believes that the developed nations cannot afford, either morally or otherwise, to enlarge the gap between themselves and the less developed countries or to alienate further the poor in their own countries. Cognizant of the fact that we all share a global interdependence and that the resources of the world are finite, we encourage steps, both immediate and long-range, to alleviate the world food problem and the underdeveloped condition of which it is a symptom.

Just as we in the United States once made our farm surpluses available to the needy in the days of abundance, we must now reaffirm that commitment in a time of scarcity. While not neglecting domestic needs, we believe the U.S. should carry out a deliberate and conscious policy of creating food reserves that will help sustain hungry people abroad in the face of the vagaries of weather, crop and price fluctuations, and natural and human disasters.

GOALS

To attack world hunger immediately by stimulating public interest in and action toward (a) sharply increasing food aid through both private and public channels, (b) building up the U.S. component of a worldwide food reserve, and (c) insuring that the U.S. delegation to the World Food Conference in Rome advocates a policy of sharing national food resources with the hungry.

TARGET: WORLD FOOD CONFERENCE

The World Food Conference, called by the United Nations for Rome in November, 1974, offers an opportunity to plan cooperative action toward minimum world food security, including food aid, disaster relief, and other measures, and to reemphasize the essential link between general economic development and the provision of an adequate diet for all. The success of the Conference will depend on how effectively governments cooperate and, in particular, whether they are willing to turn a proposal already accepted in principle—i.e., the world food reserve—into an effective system of food security.

Moreover, we see the World Food Conference not only as a forum for repairing the more immediate damage done to the most vulnerable of the poor countries by the recent sharp price rises in energy and food, but more importantly as an opportunity to relate these short-term measures to the more basic continuing development problems of alleviating poverty and accelerating social and economic progress toward equitable distribution of the planet's finite resources. It should thus be the occasion to discuss and design a global program that would move far beyond food.

All governments must play a great part in this. The U.S. Government, however, now lacks a formal national policy on world food needs. Therefore, in implementing its stated goal to influence the U.S. delegation and through it the World Food Conference, the Coalition intends:

1. To become a national voice in the formation in the U.S. of a world food policy along the lines described above.
2. To help the American people understand the reality and the severity of the world food crisis.
3. To stimulate public participation in an immediate effort to increase food aid and build up a food reserve.
4. To stress the need to view hunger in the broader context of development, whose ultimate goal is to enhance the quality of human life
5. To mobilize grassroots support for development assistance to less developed countries.
6. To advocate a policy in the U.S. of greater concrete concern for the poor in America, particularly in areas related to food and nutrition.
7. To insure implementation after the World Food Conference of the policies we hope to see adopted there.

The agenda now envisioned for the World Food Conference—the launching of a world food reserve system, stepped-up food aid, and a worldwide effort to increase food production in the developing countries—seems to us to offer the possibility of moving beyond a rather narrow focus on food to a thorough discussion of the much broader development questions, of which food is a single but most important aspect. The Conference will not be a culmination, but a beginning of concerted solutions to the moral and economic problem of a world increasingly divided between the very rich and the very poor, between the satiated and the hungry. The matter is one of justice and equity.

HOUSE OF REPRESENTATIVES—*Tuesday, July 30, 1974*

The House met at 12 o'clock noon.

The Reverend Paul Economides, Greek Orthodox Church of Southern Maryland, Annapolis, Md., offered the following prayer:

Almighty and all merciful God, by whom all powers and authorities are ordained, and who taught us that rulers are ministers of God to us, hear us, for unto Thee we bow our heads.

Bless these men chosen by the people of this great country, for Thou knowest them. Thou knowest their needs, their motives, their hopes, and their fears.

Send upon them, O Lord, Thy rich mercies and give them courage to admit their mistakes.

Preserve their lives and multiply their days with health and wisdom.

Grant unto them progress in all their virtues, and bless the tenure of their office so that they may be victorious in their struggle against evil, violence, injustice, and poverty. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

THE REVEREND PAUL G. ECONOMIDES OF ANNAPOLIS

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, I am pleased to welcome the Reverend Paul G. Economides of Annapolis as the guest chaplain this morning for our opening prayer. Reverend Economides is the pastor of the Greek Orthodox Church of Southern Maryland, and is also chaplain of the Greek Orthodox students at Georgetown University at the present time.

The Reverend Economides was born in Constantinople, Turkey, and studied at the University of Athens, in Greece, and at Harvard. He has served since his ordination at the Greek Orthodox Cathedral in Boston, in New York City, and in Columbus, Ohio.

Pastor Economides has been instrumental in establishing the Greek Orthodox Church of Southern Maryland, and a new church and offices will be constructed on recently acquired land in southern Maryland. I know that the new church will add much to our community, and its pastor is to be commended for his enthusiastic and thoughtful efforts on behalf of the Greek Orthodox community in Maryland.

Reverend Economides' wife, Catherine, and his elder son, George, are with us today in the gallery, and I know they join me in sharing personal and Maryland pride at the accomplishments of Father Paul.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 16090

Mr. HAYS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on H.R. 16090.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BUILDUP OF TURKISH FORCES ON CYPRUS

(Mr. WOLFF asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WOLFF. Mr. Speaker, I rise to voice my deep concern over the continued buildup of Turkish forces in Cyprus. Turkey's presence in Cyprus is undermining NATO efforts to reach an accord and is in clear defiance of the right of the Cypriot people to determine their own destiny.

Turkish Premier Bulent Ecevit insists that Turkey's right to maintain and reinforce its units on Cyprus is "irrevocable." In fact, however, Turkey has no such right. The 1960 settlement allows for the presence of small Turkish and Greek units on Cyprus. This is a far cry from the 25,000 Turkish forces now occupying a 200-square-mile zone on the island. The present difficulties in Cyprus have enabled the Turkish military to accomplish a feat which would not have been possible even by a frontal assault.

Turkey must realize its international obligation to withdraw from Cyprus. Delay in removing their forces aggravates still another risk to peace, that of Soviet efforts to assume a major role in negotiations. It is incumbent upon the NATO alliance to convince Turkey and all other foreign forces that their presence in Cyprus is not conducive to a viable peace accord.

PERSONAL EXPLANATION

(Mr. ABDNOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABDNOR. Mr. Speaker, on July 24, 1974, the Congressional Record has me recorded as not voting on rollcall No. 405 final passage of H.R. 16027, the Interior appropriations bill. I specifically recall voting on this bill due to its importance and concern to me. I approved of its passage and voted as such, but the machines apparently did not record it.

The RECORD will show that just a few minutes prior to final passage I opposed an amendment to reduce the appropriations, rollcall No. 404, and supported the motion to resolve the House into the Committee of the Whole, rollcall No. 406, a few minutes after passage of the Interior appropriations bill, rollcall No. 405. It is quite evident that I was on the floor to vote.

Mr. Speaker, I would like the permanent RECORD to show that had my vote been recorded, it would have shown "aye" on final passage of the Interior appropriations bill.

As a final note, the machines have done this to me before, but I have caught it. In this instance I failed to double check the proper recording of my vote, but I can assure you that the machine will not get the best of me again.

CONFERENCE REPORT ON H.R. 15472, AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATION—1975

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 15472), making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 417]

Blatnik
Brasco
Brooks
Brown, Ohio
Burgener
Burke, Calif.
Butler
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Cohen
Conyers
Culver
Danielson
Davis, Ga.
de la Garza
Dennis
Diggs
Donohue
Dorn
Drinan
Edwards, Calif.
Eilberg
Evins, Tenn.
Findley
Fish
Flowers
Gettys
Gray
Green, Oreg.
Griffiths
Gunter
Guyer
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hébert
Hogan
Holifield
Holtzman
Hungate
Hutchinson
Jones, Tenn.
Jordan
Kastenmeier
Landrum
Lehman
McClory
McSpadden
Macdonald
Mann
Maraziti
Melcher
Mezvinsky
Moorhead, Calif.
Murphy, N.Y.
Nelsen
Owens
Pike
Powell, Ohio
Railsback
Rangel
Rees
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Sandman
Sarbanes
Seiberling
Smith, N.Y.
Steed
Steele
Stokes
Stuckey
Teague
Thone
Thornton
Towell, Nev.
Udall
Waldie
Wiggins
Wilson, Bob
Young, Ill.

The SPEAKER. On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 15472, AGRICULTURAL - ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATION—1975

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1974.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, the House conferees are unanimous in recommending the adoption of this conference report. I am glad to say we worked in a way that is a reasonable and workable compromise.

CHILD NUTRITION PROGRAMS

The one item for child nutrition that would appear to be a substantial increase over the budget should not really be considered as an increase over the budget. This bill provides for the transfer of $605,926,000 of section 32 funds. The original bill provided for the transfer of $705,926,000 of section 32 funds.

Members will recall that I have cautioned this body many times that we need to maintain section 32 funds at a relatively high level if we are to be in position to announce and back up the support of perishable commodities by purchase. Frequently this prevents the actual purchase and maintains production when the Secretary of Agriculture needs it for such purposes as authorized by law.

After we had acted in the House, the Secretary of Agriculture advised us the section 32 funds had been so greatly depleted that the funds on hand were not sufficient to permit him to meet this problem when the need might arise, so the other body saw fit then to increase the direct appropriation for child nutrition programs by $100 million; so that the section 32 funds would remain available, if needed, to strengthen prices for perishable items. Therefore, the $100 million increase for child nutrition programs is not in reality an increase, but it is making a direct appropriation as against seriously limiting available section 32 funds. This change will have no effect on outlays.

Since this was a last-minute development of an emergency nature which was not previously discussed in the House, I would like to include in the RECORD at this point a copy of a letter from the Secretary of Agriculture explaining why this change is needed.

I believe this letter also illustrates the point, which I have made many times, that section 32 is not an unlimited pot of gold which can be mined without limit. What has happened this year illustrates again the point that the Department of Agriculture should directly fund these nutrition programs so that section 32 can be preserved for its originally intended purposes. The material follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 17, 1974.

Hon. JAMIE L. WHITTEN,
Chairman, Subcommittee on Agriculture-Environmental and Consumer Protection, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: The Congress recently enacted Public Law 93–326, The National School Lunch and Child Nutrition Act Amendments of 1974. This Act seriously affects Section 32 funds available to the Department of Agriculture during fiscal year 1975. This letter is in keeping with our policy of advising you of significant changes in USDA funding as they occur.

For fiscal year 1975, the new law provides that:

The national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch. The law requires that to the extent that commodities are not donated to the schools in an amount equal to at least 10 cents per lunch the difference will be paid from Section 32 funds. It is estimated that the cost of this provision will be $120 million more than was included in the budget in 1975.

The authorization for the Special Supplemental Food Program for Women, Infants, and Children be increased to $100 million and that if this amount is not provided by direct appropriation by August 1, this amount shall be taken from Section 32 funds. This is $60 million more than was included in the budget.

The Secretary shall give special emphasis to high protein foods, meat and meat alternates. These are the types of food which are normally purchased from Section 32 funds. To provide these foods it is estimated that $76 million in commodities will be switched from Section 416 to Section 32.

In addition, the report of the Senate Appropriations Committee added $2.8 million for the Section 32 Special Feeding Program. The net effect of these changes is to increase the Department's requirements for Section 32 funds in fiscal year 1975 by about $259 million.

Prior to the new law, we had estimated that approximately $170 million would be available from Section 32 during 1975 above the amount projected in the 1975 budget meet unanticipated surplus removal requirements during the year. In view of the new law, we will not have funds available for additional surplus removal should this become necessary. In fact, we will begin the year with an anticipated $89 million deficit in the Section 32 account.

Attached is a table which describes in detail the proposed uses of Section 32 funds during fiscal year 1975 with a list of the changes brought about because of Public Law 93–326.

A similar letter is being sent to Congressman Andrews and to Senators McGee and Fong.

Sincerely,

EARL L. BUTZ,
Secretary.

CURRENT STATUS OF SECTION 32 FUNDS

SOURCES OF FUNDS

1975 Appropriation (actual)	$1,019,207,831
Estimated carry over from 1974	168,599,146
Total estimated available	1,187,806,977

USES OF FUNDS

Transfer in appropriations or other acts to:	
Child Nutrition Program	705,926,000
Agricultural Research Service	15,000,000

Foreign Agricultural Service	$3,117,000
Commerce (Fisheries)	7,750,526
Budgeted within Section 32 for:	
Special feeding program:	
Non-school summer program	50,600,000
Non- school year around program	39,000,000
Women's Infant's, and Children's program	40,000,000
Pilot Food Certificate program	1,000,000
Operating expenses	800,000
Total, Special feeding program	131,400,000
Direct purchase and distribution to:	
Schools	96,572,000
Supplemental package	15,000,000
Families	29,705,000
Subtotal	141,277,000
Financial assistance to States	2,000,000
Operating expenses	7,798,000
Marketing agreements and orders	3,888,000
Total	286,365,000
Balance before new legislation and recent decisions	169,650,451
1. Requirements of new subsection (e) of Section 6 of the National School Lunch Act—the national average volume of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch and subsection (c) that the Secretary until such time as a supplemental appropriation may provide adadditional funds . . . ., shall use funds appropriated by Section 32	+120,000,000
2. Requirement of new subsection (e) of Section 6 that "Among those commodities delivered under this section the Secretary shall give special emphasis to high protein foods, meats and meat alternatives," Shift of funds from Section 416 to Section 32	+76,000,000
3. Section 6 of P.L. 93-326 which amended Section 17(b) of the Child Nutrition Act of 1966, as amended, and which authorizes an appropriation of $100 million for the special supplemental food program for women, infants, and children and provides that if such sum has not been appropriated by August 1, the Secretary shall use $100 million out of funds appriated by Section 32	+60,000,000
4. Amount of increase provided by the Section 32 special feeding program	+2,800,000
Current estimated deficit	−89,149,549

AGRICULTURAL RESEARCH

With regard to the other items, we have had some increases, as we always have to have, in research items which appear in the statement. These increases are primarily for predator control research, soybean research, soil erosion research, pickle and onion and related research, bee research, wild rice research, agricultural transportation research, and wild oats research.

In this research area we always have differences with the Senate and I think in working this out we have limited ourselves or got the conference to limit itself to items that either were touched on in the House or that the House intended to have special attention.

When about 5 percent of our people are providing the food for all the other 95 percent, it becomes more and more imperative that we protect the producers of these various crops, but that we also protect them from diseases and enable them to grow the more prolific varieties. Research makes all of this possible.

PERSONNEL AND DOLLAR CEILINGS

In the research area, and in other areas throughout the bill where increases have been made, the conference report makes it clear that these increases are not to be at the expense of existing personnel and dollar ceilings.

AGRICULTURAL CONSERVATION PROGRAM

For the agricultural conservation program the conference report authorizes a 1975 program level of $225,000,000 as proposed by the House instead of $200,000,000 as proposed by the Senate.

The conference report provides that of the total amount provided, not to exceed $35,000,000 shall be available for long-range practices. This will provide $190,000,000 for the regular agricultural conservation program as it existed for years and the conference action provides that the program be operated as it was up through 1970, with community, county, and State committees' participation in the formulation of and selection of soil conservation practices selected on an annual basis.

I wish to emphasize to the Department that the new program shall follow the same course but be limited to not to exceed $35,000,000 for multiyear programs of the Great Plains type.

LINE-OF-BUSINESS PROGRAM

Under the conference agreement, the Federal Trade Commission section of the law would read as follows:

FEDERAL TRADE COMMISSION

For necessary expenses of the Federal Trade Commission, other than line-of-busines reports provided for in the following paragraphs; including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $1,500 for official reception and representation expenses; $38,043,000, of which $650,000 shall be available for development of a computerized evidentiary indexing and retrieval capability, and $1,364,000 shall be available for the congressionally mandated study of the energy industry.

$305,000, the amount of the budget request, is hereby appropriated for the purpose of collecting line-of-business data from not to exceed 500 firms as determined by the Federal Trade Commission.

No part of these funds may be used to pay the salary of any employee, including Commissioners, of the Federal Trade Commission who—

(1) uses the information provided in the line-of-business program for any purpose other than the statistical purposes. Such information for carrying out specific law enforcement responsibilities of the Federal Trade Commission shall be obtained under existing practices and procedures or as changed by law; or

(2) makes any publication whereby the line-of-business data furnished by a particular establishment or individual can be identified; or

(3) permits anyone other than sworn officers and employees of the Federal Trade Commission to examine the line-of-business reports from individual firms.

Inclusion of this language in the law means that the Senate accepted the House provisions concerning the protection of the confidentiality of data collected under the line-of-business program, which will be initiated with the funds provided in this bill. Such provisions would leave intact the restrictions published by the Federal Trade Commission in the Federal Register of July 13, 1973, as further amended on September 18, 1973. Implementation of these regulations, as they relate to access by law-enforcement personnel, as well as all similar provisions, is desirable, except as may be changed by law subsequent to the passage of this Appropriation Act.

The conference agreement also provides that the line-of-business data may be collected from 500 firms, as provided by the Senate, rather than 250 firms, as provided by the House. While we went along with the Senate position, the Members will recall that the House adopted an amendment which would let the Federal Trade Commission determine what system it would use in selecting those firms. The Library of Congress, in a report prepared for the House Appropriations Committee, says that it would be better if the firms were selected at random.

I would like to insert that study in the RECORD at this point:

[From the Library of Congress, Congressional Research Service, June 20, 1974]

LIBRARY OF CONGRESS STUDY ON SUPERIORITY OF RANDOM SAMPLING

To the House Appropriations Committee.
From Economics Division.
Subject: Sampling Accuracy.

In analyzing the accuracy of a sample, information regarding types of answers and questions is necessary. Predetermining the exact level of accuracy is, therefore, impossible, although a rough estimate can be made in some instances assuming a normal distribution. Furthermore, the population size is relatively unimportant in determining accuracy, provided the sample is random selected. As a general rule econometricians accept a random sample of 30 or more as being sufficient to allow conclusions to be drawn from the data. For a sample size under 30 adjustments are made to the formula that is used to calculate accuracy (technically referred to as confidence levels).

With respect to the particular FTC study under consideration the major question to be answered is what population is to be studied. If the target group is the top 2000 firms, a sample of 500 of the top 500 would be statistically biased. Inferences drawn from this sample would certainly apply to the top 500, but could not be generalized to the population. A randomly selected sample of 250 of the 2000, however, would be more than sufficient—on statistical grounds—to draw inferences applicable to the entire target group.

For purposes of completeness it should be noted that the number of variables used in analysis also play a part in determining the accuracy. With a sample of 250, however, it is highly unlikely that the number of variables used would have any significant impact on the reliability of the study.

It is our belief that the Federal Trade Commission should want to use the better system of selecting line-of-business data at random from among the top 2,000 firms, as pointed out by the Library of Congress study.

The Senate also agreed that the information on individual firms in the line-of-business reports could not be used to prosecute individual firms. We agreed that, unless changed by law, such information should be obtained using the existing practices and procedures under section 6(b) of the Federal Trade Commission Act which provides as follows:

> (b) To require, by general or special orders, corporations engaged in commerce, excepting banks, and common carriers subject to the Act to regulate commerce, or any class of them, or any of them, respectively, to file with the commission in such form as the commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the commission may prescribe, and shall be filed with the commission within such reasonable period as the commission may prescribe, unless additional time be granted in any case by the commission.

This leaves any changes under the control of Congress.

The effect of all these provisions is to say that the Federal Trade Commission should use existing law and existing practices and procedures for law enforcement. This course gives industry its right to be heard.

ENVIRONMENTAL PROGRAMS

Mr. Speaker, the conference agreement provides $672,250,000 for the Environmental Protection Agency, $28,000,000 more than the House bill, but $51,300,000 less than the Senate bill.

Major increases over the House bill are $5,000,000 for research on solid waste as an energy source; $4,000,000 for industrial and nonpoint pollution source control; $2,000,000 for construction grant processing; and $12,500,000 for grants to States for their air and water pollution control programs.

In withholding funds for new laboratories, the conferees would point out that the following laboratory space is available or will soon be available for Environmental Protection Agency use. Note must also be taken that much of the research of the agency is by contract.

VACANT LAB SPACE

Mississippi Test Facility (MTF): 38 people now at MTF, room for 15 more, plus NASA has offered space to EPA that will accommodate 50 more people.

Ada, Okla.: 76 people now at Ada, room for 20 more.

Russell Research Center: Room for 80 EPA people.

SPACE SOON TO BE AVAILABLE

Cincinnati, Ohio: When the new lab is completed, there will be 350 vacant spaces.

Mr. Speaker, I think we have brought forth a very fine conference report covering a series of departments and agencies which are highly controversial and which are highly important to the country. We are pleased to bring a unanimous report and present it to the House. Insofar as we can tell, it was also unanimous on the other side.

SUMMARY OF CONFERENCE ACTION

Mr. Speaker, the total new budget—obligational—authority for the fiscal year 1975 recommended by the committee of conference, with comparisons to the fiscal year 1974 total, the 1975 budget estimate total, and the House and Senate bills is as follows:

New budget (obligational) authority, fiscal year 1974	$10,588,101,000
Budget estimates of new (obligational) authority, fiscal year 1975	[1] 13,432,863,100
House bill, fiscal year 1975	13,405,420,000
Senate bill, fiscal year 1975	13,667,397,300
Conference agreement	13,571,395,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1974	+2,983,294,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1975	+138,531,900
House bill, fiscal year 1975	+165,975,000
Senate bill, fiscal year 1975	−96,002,300

[1] Includes $275,000 contained in Senate Document 93–90 and not considered by the House.

This information is explained in more detail in the following table:

AGRICULTURE—ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975

Agency and title	New budget (obligational) authority enacted to date fiscal year 1974	Budget estimates of new (obligational) authority fiscal year 1975	New budget (obligational) authority recommended in House bill 1975	New budget (obligational) authority recommended in Senate bill 1975	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with—			
						1974 enacted	1975 budget estimate	1975 House bill	1975 Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE I—AGRICULTURAL PROGRAMS									
Department of Agriculture									
Office of the Secretary [1]	$11,505,000	$18,091,400	$16,773,000	$17,744,300	$16,973,000	+$5,468,000	−$1,118,400	+$200,000	−$771,300
Office of the Inspector General [1] [2]	15,490,000	16,821,000	15,751,000	16,751,000	15,751,000	+261,000	−1,070,000		−1,000,000
Transfer from food stamp program	(4,534,000)	(5,081,000)	(5,081,000)	(5,081,000)	(5,081,000)	(+547,000)	( )	( )	( )
Total, Office of the Inspector General	(20,024,000)	(21,902,000)	(20,832,000)	(21,832,000)	(20,832,000)	(+808,000)	(−1,070,000)	( )	(−1,000,000)
Office of the General Counsel [1]	7,238,000	7,839,000	7,789,000	7,789,000	7,789,000	+551,000	−50,000		
Office of Management Services [1]	4,455,000					−4,455,000			
Agricultural Research Service:									
Research	188,291,400	204,994,000	202,789,000	212,579,000	204,839,000	+16,547,600	−155,000	+2,050,000	−7,740,000
Transfer from sec. 32	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)				
Special fund (reappropriation)	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	−2,000,000			
Scientific activities overseas (special foreign currency program)	5,000,000	10,000,000	5,000,000	10,000,000	5,000,000		−5,000,000		−5,000,000
Total, Agricultural Research Service	195,291,400	214,994,000	207,789,000	222,579,000	209,839,000	+14,547,600	−5,155,000	+2,050,000	−12,740,000
Animal and Plant Health Inspection Service	307,306,000	394,769,000	402,564,000	403,564,000	402,564,000	+95,258,000	+7,795,000		−1,000,000
Cooperative State Research Service	90,028,000	98,701,300	102,299,000	110,491,000	105,149,000	+15,121,000	+6,447,700	+2,850,000	−5,342,000
Extension Service	204,073,000	208,063,000	217,097,000	225,383,000	219,697,000	+15,624,000	+11,634,000	+2,600,000	−5,686,000
National Agricultural Library	4,468,750	4,858,750	4,843,000	4,843,000	4,843,000	+374,250	−15,750		
Statistical Reporting Service	24,216,200	26,938,000	26,818,000	28,043,000	26,918,000	+2,701,800	−20,000	+100,000	−1,125,000
Economic Research Service	17,087,000	21,831,000	21,751,000	22,076,000	22,026,000	+4,939,000	+195,000	+275,000	−50,000
Agricultural Marketing Service:									
Marketing services	37,087,000	39,915,000	39,665,000	39,815,000	39,665,000	+2,578,000	−250,000		−150,000
Payments to States and possessions	1,600,000		1,600,000	1,600,000	1,600,000		+1,600,000		
Total, Agricultural Marketing Service	38,687,000	39,915,000	41,265,000	41,415,000	41,265,000	+2,578,000	+1,350,000		−150,000
Commodity Exchange Authority	3,471,000	4,309,000	4,289,000	4,289,000	4,289,000	+818,000	−20,000		
Packers and Stockyards Administration	4,330,650	4,625,650	4,771,000	4,771,000	4,771,000	+440,350	+145,350		
Farmer Cooperative Service	2,096,000	2,354,000	2,344,000	2,344,000	2,344,000	+248,000	−10,000		

Agency and title (1)	New budget (obligational) authority enacted to date fiscal year 1974 (2)	Budget estimates of new (obligational) authority fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill 1975 (4)	New budget (obligational) authority recommended in Senate bill 1975 (5)	New budget (obligational) authority recommended by Conferees (6)	Increase (+) or decrease (−) Conference recommendations compared with—			
						1974 enacted (7)	1975 budget estimate (8)	1975 House bill (9)	1975 Senate bill (10)
Foreign Agricultural Service	$27,986,000	$29,034,000	$28,979,000	$28,979,000	$28,979,000	+$993,000	−$55,000		
Transfer from sec. 32	(3,117,000)	(3,117,000)	(2,117,000)	(3,117,000)	(2,117,000)	(−1,000,000)	(−1,000,000)	(------)	(−$1,000,000)
Total, Foreign Agricultural Service	(31,103,000)	(32,151,000)	(31,096,000)	(32,096,000)	(31,096,000)	(−7,000)	(−1,055,000)	(------)	(−1,000,000)
Public Law 480	553,638,000	778,473,000	778,473,000	778,473,000	778,473,000	+224,835,000			
Agricultural Stabilization and Conservation Service:									
Salaries and expenses	166,651,000	172,867,000	172,382,000	172,382,000	172,382,000	+5,731,000	−485,000		
Transfer from Commodity Credit Corporation	(78,346,000)	(84,115,000)	(83,895,000)	(83,895,000)	(83,895,000)	(+5,549,000)	(−220,000)	(------)	(------)
Total, salaries and expenses	(244,997,000)	(256,982,000)	(256,277,000)	(256,277,000)	(256,277,000)	(+11,280,000)	(−705,000)	(------)	(------)
Sugar Act program	88,500,000	90,200,000	88,700,000	88,700,000	88,700,000	+200,000	−1,500,000		
Cropland adjustment program	50,301,000	48,601,000	46,801,000	46,801,000	46,801,000	−3,500,000	−1,800,000		
Dairy and beekeeper indemnity programs		1,850,000	1,850,000	1,850,000	1,850,000	+1,850,000			
Total, Agricultural Stabilization and Conservation Service	305,452,000	313,518,000	309,733,000	309,733,000	309,733,000	+4,281,000	−3,785,000		
Federal Crop Insurance Corporation:									
Administrative and operating expenses	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000				
Federal Crop Insurance Corporation Fund	(4,640,000)	(5,818,000)	(5,768,000)	(5,768,000)	(5,768,000)	(+1,128,000)	(−50,000)	(------)	(------)
Total, Federal Crop Insurance Corporation	(16,640,000)	(17,818,000)	(17,768,000)	(17,768,000)	(17,768,000)	(+1,128,000)	(−50,000)	(------)	(------)
Commodity Credit Corporation:									
Reimbursement for net realized losses	3,301,940,000	4,249,412,000	4,069,412,000	4,069,412,000	4,069,412,000	+767,472,000	−180,000,000		
Limitation on administrative expenses	(39,900,000)	(42,200,000)	(42,200,000)	(42,200,000)	(42,200,000)	(+2,300,000)	(------)	(------)	(------)
Total, title I, agricultural programs	5,130,759,000	6,446,547,100	6,274,740,000	6,310,679,300	6,282,815,000	+1,152,056,000	−163,732,100	+$8,075,000	−27,864,300
TITLE II—RURAL DEVELOPMENT PROGRAMS									
Department of Agriculture									
Rural Development Service	2,689,000	1,300,000	955,000	1,295,000	955,000	−1,734,000	−345,000		−340,000
Rural Development Grants	10,000,000	10,000,000	10,000,000	25,000,000	17,500,000	+7,500,000	+7,500,000	+7,500,000	−7,500,000
Resource conservation and development	17,217,000	19,908,000	19,868,000	19,868,000	19,868,000	+2,651,000	−40,000		
Rural Electrification Administration:									
Rural electrification and telephone revolving fund:[3]									
Electric loans	(618,000,000)	(618,000,000)	(650,000,000)	(750,000,000)	(750,000,000)	(+132,000,000)	(+132,000,000)	(+100,000,000)	(------)
Telephone loans	(140,000,000)	(140,000,000)	(150,000,000)	(200,000,000)	(200,000,000)	(+60,000,000)	(+60,000,000)	(+50,000,000)	(------)
Total loans	(758,000,000)	(758,000,000)	(800,000,000)	(950,000,000)	(950,000,000)	(+192,000,000)	(+192,000,000)	(+150,000,000)	(------)
Capitalization of Rural Telephone Bank	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(------)	(------)	(------)	(------)
Salaries and expenses	17,489,000	19,116,000	19,036,000	19,036,000	19,036,000	+1,547,000	−80,000		
Farmers Home Administration:									
Rural Housing Insurance Fund:									
Direct loans	(10,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(+10,000,000)	(------)	(------)	(------)
Insured loans	(2,144,000,000)	(2,122,000,000)	(2,282,000,000)	(2,282,000,000)	(2,282,000,000)	(+138,000,000)	(+160,000,000)	(------)	(------)
Reimbursement for interest and other losses	89,170,000	124,592,000	124,592,000	124,592,000	124,592,000	+35,422,000			
Total, Rural Housing Insurance Fund	(2,243,170,000)	(2,266,592,000)	(2,426,592,000)	(2,426,592,000)	(2,426,592,000)	(+183,422,000)	(+160,000,000)	(------)	(------)
Agricultural Credit Insurance Fund:									
Insured real estate loans	(370,000,000)	(370,000,000)	(370,000,000)	(420,000,000)	(420,000,000)	(+50,000,000)	(+50,000,000)	(+50,000,000)	(------)
Soil conservation loans	(24,000,000)	(24,000,000)	(24,000,000)	(24,000,000)	(24,000,000)	(------)	(------)	(------)	(------)
Operating loans	(525,000,000)	(350,000,000)	(525,000,000)	(525,000,000)	(525,000,000)	(------)	(+175,000,000)	(------)	(------)
Emergency loans	(300,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(−200,000,000)	(------)	(------)	(------)
Reimbursement for interest and other losses	74,554,000	485,262,000	485,262,000	485,262,000	485,262,000	+410,708,000			
Total, Agricultural Credit Insurance Fund[4]	(1,293,554,000)	(1,329,262,000)	(1,504,262,000)	(1,554,262,000)	(1,554,262,000)	(+260,708,000)	(+225,000,000)	(+50,000,000)	(------
Rural water and waste disposal grants	30,000,000					−30,000,000			
Prior year unobligated balances	(120,000,000)	(20,000,000)	(225,000,000)	(225,000,000)	(225,000,000)	(+105,000,000)	(+205,000,000)	(------)	(------)
Total, rural water and waste disposal grants	(150,000,000)	(20,000,000)	(225,000,000)	(225,000,000)	(225,000,000)	(+75,000,000)	(+205,000,000)	(------)	(------)
Rural housing for domestic farm labor	7,500,000		5,000,000	5,000,000	5,000,000	−2,500,000	+5,000,000		
Mutual and self-help housing	4,000,000		4,000,000	10,000,000	6,000,000	+2,000,000	+6,000,000	+2,000,000	−4,000,000
Rural Development Insurance Fund:									
Reimbursement for losses		17,446,000	17,446,000	17,446,000	17,446,000	+17,446,000			
Water and sewer facility loans	(470,000,000)	(400,000,000)	(470,000,000)	(470,000,000)	(470,000,000)	(------)	(+70,000,000)	(------)	(------)
Industrial development loans	(200,000,000)	(400,000,000)	(300,000,000)	(400,000,000)	(350,000,000)	(+150,000,000)	(−50,000,000)	(+50,000,000)	(−50,000,000)
Community facility loans	(50,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(+150,000,000)	(------)	(------)	(------)
Total, Rural Development Insurance Fund	(720,000,000)	(1,017,446,000)	(987,446,000)	(1,087,446,000)	(1,037,446,000)	(+317,446,000)	(+20,000,000)	(+50,000,000)	(−50,000,000)
Rural Community Fire Protection			7,000,000	7,000,000	7,000,000	+7,000,000	+7,000,000		
Salaries and expenses	120,850,000	129,112,000	128,682,000	133,682,000	128,682,000	+7,832,000	−430,000		−5,000,000
Transfer from loan accounts	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(------)	(------)	(------)	(------)
Total, salaries and expenses	(124,350,000)	(132,612,000)	(132,182,000)	(137,182,000)	(132,182,000)	(+7,832,000)	(−430,000)	(------)	(−5,000,000)
Total, Farmers Home Administration	326,074,000	756,412,000	771,982,000	782,982,000	773,982,000	+447,908,000	+17,570,000	+2,000,000	−9,000,000

See footnotes at end of table.

AGRICULTURE—ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS, 1975—Continued

Agency and title	New budget (obligational) authority enacted to date fiscal year 1974	Budget estimates of new (obligational) authority fiscal year 1975	New budget (obligational) authority recommended in House bill 1975	New budget (obligational) authority recommended in Senate bill 1975	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recomendations compared with—			
						1974 enacted	1975 budget estimate	1975 House bill	1975 Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TITLE II—RURAL DEVELOPMENT PROGRAMS—Continued									
Independent Agencies									
Farm Credit Administration (Revolving Fund for Administrative Expenses)	($5,936,000)	($6,352,000)	($6,352,000)	($6,352,000)	($6,352,000)	(+$416,000)	(............)	(............)	(............)
Total, title II, rural development programs	373,469,000	806,736,000	821,841,000	848,181,000	831,341,000	+457,872,000	+$24,605,000	+$9,500,000	−$16,840,000
TITLE III—ENVIRONMENTAL PROGRAMS									
Independent agencies									
Council on Environmental Quality and Office of Environmental Quality	2,466,000	2,525,000	2,500,000	2,500,000	2,500,000	+34,000	−25,000	....	....
Environmental Protection Agency:									
Agency and regional management	55,775,000	58,816,000	54,016,000	58,016,000	56,016,000	+241,000	−2,800,000	+2,000,000	−2,000,000
Energy research and development	....	137,000,000	103,000,000	123,000,000	108,000,000	+108,000,000	−29,000,000	+5,000,000	−15,000,000
Research and development	169,475,000	166,068,000	175,668,000	176,668,000	175,668,000	+6,193,000	+9,600,000	....	−1,000,000
Prior year unobligated balances	(9,000,000)	(............)	(............)	(............)	(............)	(−9,000,000)	(............)	(............)	(............)
Total, research and development	(178,475,000)	(166,068,000)	(175,668,000)	(176,668,000)	(175,668,000)	(−2,807,000)	(+9,600,000)	(............)	(−1,000,000)
Abatement and control	275,700,000	257,976,000	257,426,000	306,426,000	277,926,000	+2,226,000	+19,950,000	+20,500,000	−28,500,000
Prior year unobligated balances	(3,700,000)	(............)	(............)	(............)	(............)	(−3,700,000)	(............)	(............)	(............)
Great Lakes program	(100,000,000)	(............)	(100,000,000)	(100,000,000)	(100,000,000)	(............)	(+100,000,000)	(............)	(............)
Clean lakes program	(............)	(............)	(75,000,000)	(75,000,000)	(75,000,000)	(+75,000,000)	(+75,000,000)	(............)	(............)
Liquidation of contract authority	(............)	(26,000,000)	(26,000,000)	(26,000,000)	(26,000,000)	(+26,000,000)	(............)	(............)	(............)
Total, abatement and control	(379,400,000)	(283,976,000)	(458,426,000)	(507,426,000)	(478,926,000)	(+99,526,000)	(+194,950,000)	(+20,500,000)	(−28,500,000)
Enforcement	47,150,000	53,340,000	52,740,000	53,740,000	53,240,000	+6,090,000	−100,000	+500,000	−500,000
Buildings and facilities	....	....	1,400,000	1,700,000	1,400,000	+1,400,000	+1,400,000	....	−300,000
Construction grants (liquidation of contract authority)	(600,000,000)	(1,650,000,000)	(1,650,000,000)	(1,650,000,000)	(1,650,000,000)	(+1,050,000,000)	(............)	(............)	(............)
Scientific activities overseas (special foreign currency program)	2,000,000	4,000,000	....	4,000,000	....	−2,000,000	−4,000,000	....	−4,000,000
Total, Environmental Protection Agency	550,100,000	677,200,000	644,250,000	723,550,000	672,250,000	+122,150,000	−4,950,000	+28,000,000	−51,300,000
National Commission on Water Quality	10,000,000	4,800,000	4,800,000	4,800,000	4,800,000	−5,200,000	....	....	....
Department of Housing and Urban Development									
Grants for basic water and sewer facilities	....	....	....	....	....	....	....	....	....
Prior year unobligated balances	(300,000,000)	(............)	(............)	(............)	(............)	(−300,000,000)	(............)	(............)	(............)
Total, facilities	(300,000,000)	(............)	(............)	(............)	(............)	(−300,000,000)	(............)	(............)	(............)
Department of the Treasury									
Bureau of Accounts:									
Subsidy payment to Environmental Financing Authority	1,188,000	....	....	....	....	−1,188,000	....	....	....
Advances to the Environmental Financing Authority Fund	[5] (100,000,000)	(............)	(............)	(............)	(............)	(−100,000,000)	(............)	(............)	(............)
Total, Bureau of Accounts	1,188,000	....	....	....	....	−1,188,000	....	....	....
Department of Agriculture									
Soil Conservation Service:									
Conservation operations	165,457,000	$192,826,000	$192,116,000	$196,216,000	194,116,000	+28,659,000	+1,290,000	+2,000,000	−2,100,000
River basin surveys and investigations	12,351,000	14,167,000	14,122,000	14,122,000	14,122,000	+1,771,000	−45,000	....	....
Watershed planning	10,000,000	10,800,000	10,760,000	10,760,000	10,760,000	+760,000	−40,000	....	....
Watershed and flood prevention operations	157,661,000	122,828,000	122,643,000	124,801,000	122,643,000	−35,018,000	−185,000	....	−2,158,000
Great Plains conservation program	18,172,000	(6)	20,000,000	20,000,000	20,000,000	+1,828,000	+20,000,000	....	....
Total, Soil Conservation Service	363,641,000	340,621,000	359,641,000	365,899,000	361,641,000	−2,000,000	+21,020,000	+2,000,000	−4,258,000
Agricultural Stabilization and Conservation Service:									
Rural Environmental Program	....	118,800,000	....	....	....	....	−118,800,000	....	....
Agricultural Conservation Program:									
Advance authorization (contract authority)	160,000,000	(6)	225,000,000	200,000,000	225,000,000	+65,000,000	+225,000,000	....	+25,000,000
Liquidation of contract authority	(15,000,000)	(285,500,000)	(285,500,000)	(285,500,000)	(285,500,000)	(+270,500,000)	(............)	(............)	(............)
Transfer from the Environmental Protection Agency	(15,000,000)	(............)	(............)	(............)	(............)	(−15,000,000)	(............)	(............)	(............)
Forestry incentives program	....	(6)	25,000,000	25,000,000	25,000,000	+25,000,000	+25,000,000	....	....
Water Bank Act program	10,000,000	(6)	10,000,000	10,000,000	10,000,000	....	+10,000,000	....	....
Emergency conservation measures	10,000,000	(6)	10,000,000	10,000,000	10,000,000	....	+10,000,000	....	....

Agency and title	New budget (obligational) authority enacted to date fiscal year 1974	Budget estimates of new (obligational) authority fiscal year 1975	New budget (obligational) authority recommended in House bill 1975	New budget (obligational) authority recommended in Senate bill 1975	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with—			
						1974 enacted	1975 budget estimate	1975 House bill	1975 Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total, Agricultural Stabilization and Conservation Service	$180,000,000	$118,800,000	$270,000,000	$245,000,000	$270,000,000	+$90,000,000	+$151,200,000		+$25,000,000
Total, title III, environmental programs	1,107,395,000	1,143,946,000	1,281,191,000	1,341,749,000	1,311,191,000	+203,796,000	+167,245,000	+$30,000,000	−30,558,000
TITLE IV—CONSUMER PROGRAMS									
Department of Health, Education, and Welfare									
Office of Consumer Affairs	1,222,000	[7] 1,465,000	1,365,000	1,465,000	1,415,000	+193,000	−50,000	+50,000	−50,000
Food and Drug Administration:									
Salaries and expenses	165,960,000	200,056,000	198,206,000	198,206,000	198,206,000	+32,246,000	−1,850,000		
Prior year unobligated balances	(3,000,000)	(....)	(....)	(....)	(....)	(−3,000,000)	(....)	(....)	(....)
Total, salaries and expenses	(168,960,000)	(200,056,000)	(198,206,000)	(198,206,000)	(198,206,000)	(+29,246,000)	(−1,850,000)	(....)	(....)
Buildings and facilities			1,000,000	1,000,000	1,000,000	+1,000,000	+1,000,000		
Prior year unobligated balances	(5,000,000)	(....)	(....)	(....)	(....)	(−5,000,000)	(....)	(....)	(....)
Total, buildings and facilities	(5,000,000)	(....)	(1,000,000)	(1,000,000)	(1,000,000)	(−4,000,000)	(+1,000,000)	(....)	(....)
Total, Food and Drug Administration	165,960,000	200,056,000	199,206,000	199,206,000	199,206,000	+33,246,000	−850,000		
General Services Administration									
Consumer Information Center	665,000	886,000	996,000	886,000	996,000	+331,000	+110,000		+110,000
Independent Agencies									
Consumer Product Safety Commission	30,900,000	42,819,000	36,219,000	42,569,000	38,269,000	+7,369,000	−4,550,000	+2,050,000	−4,300,000
Federal Trade Commission	32,496,000	[8] 38,379,000	38,048,000	38,848,000	38,348,000	+5,852,000	−31,000	+300,000	−500,000
Department of Agriculture									
Food and Nutrition Service:									
Child Nutrition programs	648,112,000	642,029,000	642,029,000	774,029,000	758,029,000	+109,917,000	+116,000,000	+116,000,000	−16,000,000)
Transfer from sec. 32	(199,631,000)	(705,926,000)	(705,926,000)	(605,926,000)	(605,926,000)	(+406,295,000)	(−100,000,000)	(−100,000,000)	(....
Total, child nutrition programs	(847,743,000)	(1,347,955,000)	(1,347,955,000)	(1,379,955,000)	(1,363,955,000)	(+516,212,000)	(+16,000,000)	(+16,000,000)	(−16,000,000)
Special milk program	97,123,000	120,000,000	120,000,000	120,000,000	120,000,000	+22,877,000			
Food stamp program	3,000,000,000	3,990,000,000	3,989,785,000	3,989,785,000	3,989,785,000	+989,785,000	−215,000		
Total, Food and Nutrition Service	3,745,235,000	4,752,029,000	4,751,814,000	4,883,814,000	4,867,814,000	+1,122,579,000	+115,785,000	+116,000,000	−16,000,000
Total, title IV, consumer programs	3,976,478,000	[8] 5,035,634,000	5,027,648,000	5,166,788,000	5,146,048,000	+1,169,570,000	+110,414,000	+118,400,000	−20,740,000
RECAPITULATION									
Title I—Agricultural programs	5,130,759,000	6,446,547,100	6,274,740,000	6,310,679,300	6,282,815,000	+1,152,056,000	−163,732,100	+8,075,000	−27,864,300
Title II—Rural Development programs	373,469,000	806,736,000	821,841,000	848,181,000	831,341,000	+457,872,000	+24,605,000	+9,500,000	−16,840,000
Title III—Environmental programs	1,107,395,000	1,143,946,000	1,281,191,000	1,341,749,000	1,311,191,000	+203,796,000	+167,245,000	+30,000,000	−30,558,000
Title IV—Consumer programs	3,976,478,000	5,035,634,000	5,027,648,000	5,166,788,000	5,146,048,000	+1,169,570,000	+110,414,000	+118,400,000	−20,740,000
Total, New budget (obligational) authority	10,588,101,000	13,432,863,100	13,405,420,000	13,667,397,300	13,571,395,000	+2,983,294,000	+138,531,900	+165,975,000	−96,002,300
Consisting of—									
1. Appropriations	10,426,101,000	13,432,863,100	13,180,420,000	13,467,397,300	13,346,395,000	+2,920,294,000	−86,468,100	+165,975,000	−121,002,300
2. Reappropriations	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	−2,000,000	(....)	(....)	(....)
3. Contract authorizations	160,000,000		225,000,000	200,000,000	225,000,000	+65,000,000	+225,000,000		+25,000,000
4. Direct and insured loan level	(4,851,000,000)	(4,744,000,000)[4]	(5,091,000,000)[4]	(5,391,000,000)	(5,341,000,000)	(+490,000,000)	(+597,000,000)	(+250,000,000)	(−50,000,000)
Memorandums:									
1. Appropriations to liquidate contract authorizations	615,000,000	1,961,500,000	1,961,500,000	1,961,500,000	1,961,500,000	+1,346,500,000			
2. Appropriations, including appropriations to liquidate contract authority	11,041,101,000	15,394,363,100	15,141,920,000	15,428,897,300	15,307,895,000	+4,266,794,000	−86,468,100	+165,975,000	−121,002,300
3. Transfers from sec. 32	217,748,000	724,043,000	723,043,000	624,043,000	623,043,000	+405,295,000	−101,000,000	−100,000,000	−1,000,000
4. Transfers from Commodity Credit Corporation	78,346,000	84,115,000	83,895,000	83,895,000	83,895,000	+5,549,000	−220,000		

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[1] Budget proposes to merge into a single "Departmental Management" appropriation in 1975.

[2] House Report favors this title; opposes proposed reorganization; and supports merger of audit authority with Office of Inspector General. Senate Report combines Office of the Inspector General appropriations with Office of the Secretary.

[3] These amounts are excluded by law (Public Law 93-32) from the budget totals. In addition, in 1974, a guaranteed electrification loan level of $1,005,000,000 has been approved; the 1975 budget reflects a guaranteed electrification loan level of $1,386,000,000.

[4] In addition, the 1974 Appropriations Act authorizes and the 1975 budget proposes emergency loans in amounts necessary to meet the needs resulting from natural disasters: 1974 loans are estimated at $300,000,000 and $100,000,000 in 1975.

[5] "Off-budget." In addition, the Secretary of the Treasury is authorized to purchase $200,000,000 of the obligations of the authority.

[6] Budget proposes to fund these programs in a new "Rural Environmental Program" in 1975.

[7] Budget proposes to fund in "Departmental Management" appropriation in HEW.

[8] Includes $275,000 contained in S. Doc. 93-90 and not considered by the House.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Those of us on the minority side concur with what the chairman has pointed out. I would like to add for the benefit of the House that the majority of the changes made were made in the direction of the original House bill. The conference report returned to the House is in essence much closer to the original House bill passed than the Senate bill passed. It is for that reason I think it deserves support. The additions made here, as the chairman pointed out, were necessary because they were things that came up after the House passed the original bill.

We concur wholeheartedly in the conference report and recommend it be agreed to.

Mr. WHITTEN. May I express my thanks and appreciation to the ranking minority Member, the gentleman from North Dakota. He has rendered a great service to his State and to the Nation in our hearings, in working out the original bill and in working out this conference report. Without his support and without the unanimity we had, we could not have accomplished the well-balanced bill we are discussing today.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. ADDABBO. During the debate on the original bill, I questioned the use of section 480 funds and limitations on section 480 funds had been placed in the House bill to prevent the misuse of those funds for possible military purposes. Was that amendment kept in the bill?

Mr. WHITTEN. May I say to my colleague that we did keep the language in the bill. We kept the House provision. We did not go along with the Senate amendment.

Mr. ADDABBO. I thank the gentleman.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I would like to ask this question. I know what the answer is, but I would like it on the record.

Money for the Boondoggle Cotton, Inc., is still in here and money for the sweet dead bees is still in here.

Mr. WHITTEN. It is, but it was agreeable to both sides. It was not in controversy.

Mr. CONTE. Well, in protest I will have to offer a motion to recommit. I cannot in good conscious vote for this boondoggle.

Mr. WHITTEN. I understand my colleague's position. The items are in the bill in the limited amounts we approved earlier.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. It has been almost impossible to hear the gentleman, so I would like to check out the figures in the conference report. Am I correct in that the conference report calls for a total appropriation of $13,571,395,000?

Mr. WHITTEN. That is correct. May I say to my colleague and for the RECORD, this bill now covers the Environmental Protection Agency, the Food and Drug Administration, the Federal Trade Commission, the Office of Consumer Affairs, the Department of Agriculture, and a few other related agencies.

Mr. GROSS. And it involves the appropriation of $2.9 billion above that provided in the agriculture appropriation of last year.

Mr. WHITTEN. That is correct. I would point out that section 32 funds have had to be maintained at a fairly high level and this involves an increase of $100,000,000 in new obligational authority.

Of course, one of the largest items of increase was for food stamps. The increase over 1974 is just short of $1 billion. I do not know that we can call that program one of the uncontrollable items, but possibly it might be.

Mr. GROSS. It apparently is not only uncontrollable; it has gotten completely out of hand.

Mr. WHITTEN. We have tried to restrict costs to actual needs.

Mr. GROSS. I understand, and in no sense do I reflect upon my friend from Mississippi.

Mr. WHITTEN. I am hopeful we can get the food stamp program transferred to the Department of Health, Education, and Welfare. The administration has also recommended this. As the gentleman knows, the welfare agency declares the eligibility and then leaves it to another department to handle the program. We are saddled with the administration of the program without having adequate power of enforcement. I hope somewhere along the line we can bring the two together and get some order out of chaos.

Mr. GROSS. I join the gentleman from Mississippi in the hope that someday Congress will get the food stamp program out of this legislation, as well as other items that have no place in an agricultural bill. The farmers of this country should never be charged with the high costs of the consumer programs.

Mr. WHITTEN. May I say this is another area where the gentleman and I have agreed for quite a long time. Funds in this bill for the benefit of consumers should not be charged against the farm program.

Mr. Speaker, I interrupt at this point to say what I have stated in other places. With retirement of my friend the Congress and the American people are going to miss the gentleman from Iowa, not only his hard work, but his productive efforts. I agree thoroughly with the point that he has made here, which is similar to many other points he has made throughout his outstanding and illustrious career in this House. We are going to miss our colleague from Iowa.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. CONTE. In its present form I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONTE moves to recommit the conference report on H.R. 15472 to the committee of conference.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 41, not voting 42, as follows:

[Roll No. 418]

YEAS—351

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Barrett
Bauman
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clark
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellums
Denholm
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Pa.
Grover
Gubser
Gude
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen

Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stephens
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—41

Archer
Ashbrook
Bafalis
Baker
Beard
Bennett
Burke, Fla.
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Conte
Conyers
Crane
Davis, Wis.
Dellenback
Dennis
Devine
du Pont
Frenzel
Gross
Heinz
Hosmer
Huber
Ketchum
Landgrebe
Milford
Powell, Ohio
Quillen
Rosenthal
Rousselot
Satterfield
Schneebeli
Schroeder
Shuster
Steiger, Ariz.
Symms
Wylie
Wyman
Young, Fla.

NOT VOTING—42

Blackburn
Blatnik
Brasco
Burgener
Carter
Chisholm
Clay
Culver
Davis, Ga.
de la Garza
Diggs
Dorn
Evins, Tenn.
Findley
Frelinghuysen
Gettys
Gray
Green, Oreg.
Griffiths
Gunter
Guyer
Hansen, Idaho
Hansen, Wash.
Hawkins
Holifield
Jones, Tenn.
Landrum
Lehman
McSpadden
Meeds
Minshall, Ohio
Pike
Robison, N.Y.
Roncalio, Wyo.
Rooney, N.Y.
Steed
Steele
Stokes
Stuckey
Teague
Towell, Nev.
Wilson, Bob

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Blackburn.

Mr. Rooney of New York with Mr. Carter.

Mr. de la Garza with Mr. Dorn.

Mr. Evins of Tennessee with Mr. Gettys.

Mr. Gunter with Mr. Findley.

Mr. Hawkins with Mr. Burgener.

Mr. Jones of Tennessee with Mrs. Green of Oregon.

Mr. Meeds with Mr. Guyer.

Mr. Stuckey with Mr. Hansen of Idaho.

Mr. Pike with Mrs. Griffiths.

Mr. Stokes with Mr. Culver.

Mrs. Chisholm with Mr. Steed.

Mr. Lehman with Mr. Landrum.

Mr. Holifield with Mrs. Hansen of Washington.

Mr. Clay with Mr. Gray.

Mr. Diggs with Mr. Frelinghuysen.

Mr. Davis of Georgia with Mr. Robison of New York.

Mr. Brasco with Mr. Steele.

Mr. Blatnik with Mr. Roncalio of Wyoming.

Mr. McSpadden with Mr. Towell of Nevada.

Mr. Minshall of Ohio with Mr. Bob Wilson.

The result of the vote was announced as above recorded.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 56: Page 52, line 12, strike out "for which it is supplied" and insert the following: "or for other than carrying out specific statutory responsibilities of the Federal Trade Commission;".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 56 and concur therein with an amendment, as follows: Strike out the matter stricken by said amendment and in lieu of the matter inserted by said amendment insert: ". Such information for carrying out specific law enforcement responsibilities of the Federal Trade Commission shall be obtained under existing practices and procedures or as changed by law."

The motion was agreed to.

A motion to reconsider the votes by which the action was taken on the conference report and on the motion was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. DELANEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 16056

Mr. ROSE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H.R. 16056.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT ON S. 2957, OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT

Mr. ZABLOCKI submitted the following conference report and statement on the Senate bill (S. 2957) relating to the activities of the Overseas Private Investment Corporation:

CONFERENCE REPORT (H. REPT. NO. 93–1233)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2957) relating to the activities of the Overseas Private Investment Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1974".

SEC. 2. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191–2200a) is amended as follows:

(1) In section 231—

(A) in the first sentence, strike out "progress" and insert in lieu thereof "development";

(B) strike out clause (a) and insert in lieu thereof the following:

"(a) to conduct financing, insurance, and reinsurance operations on a self-sustaining basis, taking into account in its financing operations the economic and financial soundness of projects;";

(C) in clause (d), strike out ",when appropriate,", and insert after "efforts to share its insurance" the following: "and reinsurance";

(D) strike out clause (e) and insert in lieu thereof the following:

"(e) to give preferential consideration in its investment insurance, financing, and reinsurance activities (to the maximum extent practicable consistent with the Corporation's purposes) to investment projects involving businesses of not more than $2,500,000 net worth or with not more than $7,500,000 in total assets;";

(E) in clause (i), after "balance-of-payments" insert "and employment";

(F) in clause (j), strike out "and" after the semicolon;

(G) at the end of clause (k), strike out the period and insert in lieu thereof a semicolon; and

(II) add to the end thereof the following new clauses:

"(l) to the maximum extent practicable, to give preferential consideration in the Corporation's investment insurance, financing, and reinsurance activities to investment projects in the less developed friendly countries which have per capita incomes of $450 or less in 1973 United States dollars; and

"(m)(1) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause such investor (or the sponsor of an investment project in which such investor is involved) significantly to reduce the number of his employees in the United States because he is replacing his United States production with production from such investment which involves substantially the same product for substantially the same market as his United States production; and (2) to monitor conformance with the representations of the investor on which the Corporation relied in making the determination required by clause (1)."

(2) Section 234 is amended—

(A) by striking out the section caption and inserting in lieu thereof the following: "INVESTMENT INSURANCE AND OTHER PROGRAMS";

(B) by striking out subsection (a) (2) and inserting in lieu thereof the following:

"(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations and institutions for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder, except that liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the total project financing, and that the maximum share of liabilities so assumed under paragraph (1) (A) and (B) or paragraph (1) (C) shall not exceed the Corporation's proportional share for liabilities as specified in paragraph (4) or (5) of this subsection.

(C) by adding at the end of subsection (a) thereof the following new paragraphs:

"(4) (A) It is the intention of Congress that the Corporation achieve participation by private insurance companies, multilateral organizations, or others in liabilities incurred in respect of the risks referred to in paragraphs (1) (A) and (B) of this subsection under contracts issued on and after January 1, 1975, of at least 25 per centum, and, under contracts issued on and after January 1, 1978, of at least 50 per centum. If for good reason it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives the reasons for its inability to achieve either such percentage of participation, and the date by which such percentage is to be achieved.

"(B) The Corporation shall not participate as insurer under contracts of insurance issued after December 31, 1979, in respect of the risks referred to in paragraph (1) (A) and (B) of this subsection unless Congress by law modifies this paragraph.

"(5) (A) It is the intention of Congress that the Corporation achieve participation by private insurance companies, multilateral organizations, or others in liabilities incurred in respect of the risks referred to in paragraph (1) (C) of this subsection under contracts issued on and after January 1, 1976, of at least 12½ per centum, and, under contracts issued on and after January 1, 1979, of at least 40 per centum. If for good reason it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives the reasons for its inability to achieve either such percentage of participation and the date by which such percentage is to be achieved.

"(B) The Corporation shall not participate as insurer under contracts of insurance issued after December 31, 1980, in respect of the risks referred to in paragraph (1) (C) of this subsection unless Congress by law modifies this paragraph.

"(6) Notwithstanding any of the percentages of participation under paragraphs (4) (A) and (5) (A) of this subsection, the Corporation may agree to assume liability as insurer for any contract of insurance, or share thereof, that a private insurance company, multilateral organization, or any other person has issued in respect of the risks referred to in paragraph (1) of this subsection, and neither the execution of any such agreement to assume liability nor its performance by the Corporation shall be considered as participation by the Corporation in any such contract for purposes of such percentages of participation. On and after January 1, 1981, the Corporation shall not enter into any such agreement to assume liability.

"(7) On and after December 31, 1979, the Corporation shall not manage direct insurance issued after such date in respect of risks referred to in paragraph (1) (A) or (B) of this subsection unless Congress by law modifies this sentence. On and after December 31, 1980, the Corporation shall not manage direct insurance issued after such date in respect of risks referred to in paragraph (1) (C) of this subsection unless Congress by law modifies this sentence. It shall thereafter act solely as a reinsurer except to the extent necessary to manage its outstanding insurance and reinsurance contracts and any contracts of insurance the Corporation assumes pursuant to paragraph (6)."; and

(D) by adding at the end thereof the following new subsection:

"(f) Other Insurance Functions.—(1) To make and carry out contracts of insurance or reinsurance, or agreements to associate or share risks, with insurance companies, financial institutions, any other persons, or groups thereof, and employing the same, where appropriate, as its agent, or acting as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in any other matter incident to an insurance business.

"(2) To enter into pooling or other risk-sharing arrangements with other national or multinational insurance or financing agencies or groups of such agencies.

"(3) To hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance.

"(4) To issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in subsection (a) (1).

The authority granted by paragraph (3) may be exercised notwithstanding the prohibition under subsection (c) against the Corporation purchasing or investing in any stock in any other corporation. The amount of reinsurance of liabilities under this title which the Corporation may issue shall not exceed $600,000,000 in any one year, and the amount of such reinsurance shall not in the aggregate exceed at any one time an amount equal to the amount authorized for the maximum contingent liability outstanding at any one time under section 235(a) (1). All reinsurance issued by the Corporation under this subsection shall require that the reinsured party retain for his own account specified portions of liability, whether first loss or otherwise, and the Corporation shall endeavor to increase such specified portions to the maximum extent possible."

(3) In section 235—

(A) strike out "1974" in subsection (a) (4) and insert in lieu thereof "1977";

(B) in subsection (d), strike out "insurance issued under section 234(a)" and insert in lieu thereof the following: "insurance or reinsurance issued under section 234"; and

(C) strike out subsection (f) and insert in lieu thereof the following:

"(f) There are authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund, to discharge the liabilities under insurance, reinsurance, or guaranties issued by the Corporation or issued under predecessor guaranty authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to this subsection. However, no appropriations shall be made to augment the Insurance Reserve until the amount of funds in the Insurance Reserve is less than $25,000,000. Any appropriations to augment the Insurance Reserve shall then only be made either pursuant to specific authorization enacted after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974, or to satisfy the full faith and credit provision of section 237(c). In order to discharge liabilities under investment insurance or reinsurance, the Corporation is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed $100,000,000. Any such obligation shall be repaid to the Treasury within one year after the date of issue of such obligation. Any such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of any obligation authorized by this subsection. The Secretary of the Treasury shall purchase any obligation of the Corporation issued under this subsection, and for such purchase he may use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974. The purpose for which securities may be issued under such Bond Act shall include any such purchase."

(4) In section 237—

(A) in subsection (a), strike out "and guaranties" and insert in lieu thereof a comma and "guaranties, and reinsurance"; and strike out "or guaranties" and insert in lieu thereof a comma and "guaranties, or reinsurance";

(B) in subsection (b), strike out "or guaranty" in both places and insert in lieu thereof in both places the following: ", guaranty, or reinsurance";

(C) in subsection (c), insert ", reinsurance," are "insurance" in both places it occurs;

(D) strike out subsection (d) and insert in lieu thereof the following:

"(d) Fees shall be charged for insurance, guaranty, and reinsurance coverage in amounts to be determined by the Corporation. In the event fees charged for investment, insurance, guaranties, or reinsurance are reduced, fees to be paid under existing contracts for the same type of insurance, guaranties, or reinsurance and for similar guaranties issued under predecessor guaranty authority may be reduced.";

(E) in subsection (e), strike out "or guaranty" and insert in lieu thereof a comma and "guaranty, or reinsurance";

(F) in subsection (f), insert ", reinsurance," after "insurance" in both places it occurs;

(G) add at the end of subsection (f) the following: "Notwithstanding the preceding sentence, the Corporation shall limit the amount of direct insurance and reinsurance issued by it under section 234 so that risk of loss as to at least 10 per centum of the total investment of the insured and its affiliates in the project is borne by the insured and such affiliates. The preceding sentence shall not apply to the extent not permitted by State law.";

(H) in subsection (g), after "guaranty", insert a comma and "insurance, or reinsurance";

(I) in subsection (h), strike out "or guaranties" and insert in lieu thereof a comma and "guaranties, or reinsurance";

(J) in subsection (i), after "insurance", insert ", reinsurance,"; and

(K) strike out subsection (k) and insert in lieu thereof the following:

"(k) In making a determination to issue insurance, guaranties, or reinsurance under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance, guaranty, or reinsurance upon the balance of payments of the United States."

"(5) In section 239—

(A) in subsection (b), add the following new sentences at the end thereof: "On December 31, 1979, the Corporation shall cease operating the programs authorized by section 234 (b) through (e) and section 240. Thereafter, the President is authorized to transfer such programs, and all obligations, assets, and related rights and responsibilities arising out of, or related to, such programs to other agencies of the United States. Upon any such transfer, these programs shall be limited to countries with per capita income of $450 or less in 1973 dollars."; and

(B) add at the end thereof the following:

"(h) Within six months after the date of enactment of this subsection the Corporation shall develop and implement specific criteria intended to minimize the potential environmental implications of projects undertaken by investors abroad in accordance with any of the programs authorized by this title."

(6) In section 240(h), strike out "1974" and insert in lieu thereof "1977".

(7) In section 240A, strike out subsection (b) and insert in lieu thereof the following:

"(b) Not later than January 1, 1976, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all of its activities to private insurance companies, multilateral organizations and institutions, or other entities."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows: In lieu of the amended title proposed by the House amendment, amend the title so as to read:

"An Act to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to terminate certain activities of the Corporation, and for other purposes."

And the House agree to the same.

JOHN CULVER,
THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
LESTER L. WOLFF,
PETER H. B. FRELINGHUYSEN,
J. HERBERT BURKE,
G. VANDER JAGT,
Managers on the Part of the House.
JOHN SPARKMAN,
FRANK CHURCH,
STUART SYMINGTON,
J. JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers of the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2957) relating to the activities of the Overseas Private Investment Corporation, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill used a short title without the 1974 date. The House amendment used "1974" in the short title. The conference substitute is the same as the House language.

FINANCING CRITERIA FOR CORPORATION ACTIVITIES

The Senate bill deleted provision of existing law requiring the Corporation in its financing operations to consider the availability of financing from other sources. The House amendment contained no corresponding deletion. The conference substitute is the same as the Senate provision.

USE OF PRIVATE INSTITUTIONS

The Senate bill removed the provision of existing law requiring the Corporation to use private institutions to mobilize capital investment funds. The House amendment contained no similar deletion. The conference substitute omits the Senate provision.

PREFERENTIAL TREATMENT IN FINANCING ACTIVITIES FOR SMALL BUSINESS

The House amendment included financing as activity for which small business receives preferential consideration from the Corporation. The Senate bill contained no corresponding language. The Conference substitute is the same as the House provision.

DEFINITION OF SMALL BUSINESS

The Senate bill retained language of existing law—preferential consideration given for "skills and resources of small business". The House amendment provided for preferential consideration of businesses with $2.5 million net worth or $7.5 million of total assets. The conference substitute is the same as the House definition.

PREFERENTIAL TREATMENT IN FINANCING ACTIVITIES IN CERTAIN LESS DEVELOPED COUNTRIES

The House amendment included financing as Corporation activity to be given preferential consideration in less developed countries. The Senate bill contained no corresponding provision. The conference substitute is the same as the House provision.

DEFINITION OF LESS DEVELOPED COUNTRIES

The Senate bill provided for Corporation preferential consideration in the least developed among the developing countries. The House amendment provided for Corporation preferential consideration in less developed friendly countries with per capita income of $450 or less. The conference substitute is the same as the House definition.

CORPORATION AS INFORMATION CENTER FOR FOREIGN INVESTMENT OPPORTUNITIES

The House amendment added a new provision to direct Corporation to identify foreign investment opportunities and bring them to attention of potential investors. The Senate bill had no corresponding provision. The conference substitute omits the House provision, with the understanding that the same authority is already provided in section 234(d) of the Foreign Assistance Act.

FOREIGN INVESTMENT CAUSING REDUCTION IN U.S. EMPLOYMENT

The House amendment added a new provision to prohibit Corporation assistance in projects which would significantly reduce investor's U.S. employees, and to monitor investors assisted by Corporation for their compliance with this new provision. The Senate bill had no corresponding provision. The conference substitute is the same as the House provision.

MAXIMUM CORPORATION SHARE OF LIABILITIES IN MULTILATERAL INSURANCE ARRANGEMENTS

The Senate bill prohibited Corporation's maximum share of liabilities under section 234(a) of the Foreign Assistance Act for certain arrangements with multilateral organizations from exceeding definite percentages after certain dates. The House bill retained the language of the existing law that OPIC's maximum share of liabilities shall not exceed the proportionate share by the U.S. investors. The Conference substitute contains both the House and the Senate provisions.

PARTICIPATION BY OTHERS IN CORPORATION DIRECT INSURANCE FOR INCONVERTIBILITY AND EXPROPRIATION RISKS

The Senate bill prohibited the Corporation from participating in policies for inconvertibility and expropriation risks after December 31, 1979. The House amendment stated intention of Congress that Corporation should not participate in policies for inconvertibility and expropriation risks after December 31, 1979. The Conference substitute is the same as the Senate language. House receded with the understanding that this matter will be reviewed in the light of OPIC's actual experience during 1975 through 1977.

PERCENTAGE OF PRIVATE PARTICIPATION FOR WAR RISKS

The Senate bill provided for 12½ percent private participation in insurance contracts for war risks by January 1, 1976. The House amendment provided for 12 percent private participation in insurance contracts for war risks by January 1, 1976. The Conference substitute is the same as the Senate figure.

PRIVATE PARTICIPATION IN WAR RISKS

The Senate bill prohibited Corporation from participating in policies for war risks issued after December 31, 1980. The House amendment stated intention of Congress that Corporation should not participate in policies for war risks issued after December 31, 1980. The conference substitute is the same as the Senate language. House receded with the understanding that this matter will be reviewed in the light of OPIC's actual experience during 1975 through 1977.

CUT-OFF DATE FOR CORPORATION ASSUMING LIABILITY AS INSURER FOR PRIVATE COMPANY'S POLICY

The Senate bill prohibited Corporation from entering into contract assuming liability for private company's policy after January 1, 1981. The House amendment stated intention of Congress that Corporation should not enter into contract assuming liability for private company's policy after January 1, 1981. The Conference substitute is the same as the Senate language.

POLICIES REFERRED TO ON CUT-OFF DATE FOR ASSUMING LIABILITIES

The Senate bill cut-off was only for policies issued by private company after January 1, 1981. The House amendment cut-off was for policies issued by private company without regard to when they were issued. The Conference substitute is the same as the Senate language.

ANNUAL AMOUNT OF REINSURANCE AUTHORITY

The Senate bill authorized reinsurance in amount of $600,000,000 times number of years from date of enactment. The House amendment authorized issuance of reinsurance for $600,000,000 in any one year. Conference substitute is the same as the House provision.

AGGREGATE AMOUNT OF REINSURANCE

The Senate bill authorized reinsurance for $12,000,000,000 in the aggregate. The House amendment authorized reinsurance in aggregate for amount authorized under section 235(a)(1) of the Foreign Assistance Act (currently $7,500,000,000). Conference substitute is the same as the House language.

REINSURED PARTY LIABILITY

The Senate bill required reinsured party to absorb annual loss of at least 50 percent of value of its outstanding insurance in country in which it has issued the most insurance subject to Corporation reinsurance. The House amendment required that the Corporation attempt to increase to maximum extent possible reinsured party's specified portions of liability. Conference substitute is the same as the House language. Senate receded with the understanding that this will be reviewed in the light of OPIC's actual experience during 1975 through 1977.

RISKS OF INCONVERTIBILITY AND EXPROPRIATION

The Senate bill prohibited Corporation from managing direct expropriation and inconvertibility risk insurance issued after December 31, 1979. The House amendment stated intention of Congress that Corporation should not manage direct expropriation and inconvertibility risk insurance issued after December 31, 1979. Conference substitute is the same as the Senate language.

RISK OF WAR

The Senate bill prohibited Corporation from managing direct war risk insurance issued after December 31, 1980. The House amendment stated intention of Congress that Corporation should not manage direct war risk insurance issued after December 31, 1980. Conference substitute is the same as the Senate language.

CUT-OFF DATE FOR CORPORATION AS REINSURER AFTER 1980

The Senate bill required Corporation after December 31, 1980, to act only as reinsurer, except for managing outstanding contracts and contracts Corporation has assumed. The House amendment stated intention of Congress that Corporation after December 31, 1980, should act only as reinsurer, except for managing outstanding contracts and contracts Corporation has assumed. Conference substitute is the same as the Senate language.

NEW CORPORATION POLICIES

The Senate bill provided that new policies include renewals and extensions of policies. The House amendment had no corresponding provision. Conference substitute omits the Senate language with the understanding that renewals and extension of policies shall not be used to circumvent the intention of this subsection.

CORPORATION OWNERSHIP INTEREST IN ANOTHER CORPORATION

The House amendment exempted the Corporation from the prohibition in existing law against the Corporation purchasing stock in another corporation for the purposes of permitting the Corporation to hold an ownership interest in an entity in order to share risks under investment insurance. The Senate bill contained no corresponding provision. The Conference substitute is the same as the House provision.

EXTENSION OF PROGRAM AUTHORITY FOR INVESTMENT GUARANTIES

The Senate bill deleted the time limitation on authority for investment guaranties under section 234(b) of the Foreign Assistance Act. The House amendment provided that investment guaranty authority shall expire December 31, 1977. Conference substitute is the same as the House provision.

DATE OF EXTENSION OF INVESTMENT INSURANCE

The Senate bill extended authority for investment insurance until December 31, 1976. The House amendment extended authority for investment insurance until December 31, 1977. Conference substitute is the same as the House date.

APPROPRIATION TO AUGMENT INSURANCE RESERVE

The House amendment, permitting appropriations to augment the Insurance Reserve only when the Reserve falls below $25,000,000, would have gone into effect only after fiscal year 1975 appropriations are made. The Senate bill had no corresponding provision concerning the limitation to FY 1975. Conference substitute omits the House provision.

PUBLIC DEBT TRANSACTION

The House amendment provided that for the Secretary's purchases of Corporation obligations, he may use securities issued under Second Liberty Bond Act. The Senate bill had no corresponding provision. Conference substitute is the same as the House provision.

REINSURANCE NOT TO EXCEED VALUE OF INVESTMENT

The House amendment provided that no reinsurance may exceed the dollar value of the investment made in a project. The Senate bill had no corresponding provision. The Conference substitute is the same as the House provision.

INVESTMENT INSURED OR REINSURED FOR RISK OF LOSS

The Senate bill provided that risk of loss concerns total investment of insured or its affiliates. The House amendment provided that risk of loss concerns total investment of insured and its affiliates. The Conference substitute is the same as the House language.

PERSON WHO BEARS 10 PERCENT OF RISK OF LOSS

The Senate bill provided that insured or its affiliates bear at least 10 percent of the risk of loss. The House amendment provided that any person other than the Corporation bear at least 10 percent of the risk of loss. The Conference substitute is the same as the Senate language.

RESTRICTIONS ON LIMIT ON INSURANCE OR REINSURANCE

The House amendment provided that the 10 percent limit on insurance or reinsurance shall not apply to loans by insurance companies, pension funds, lending institutions, or investments by small businesses. The Senate bill had no corresponding provision. The Conference substitute is the same as the Senate language, with the addition that where this 10 percent deductible is in conflict with state law it shall not apply.

CESSATION AND TRANSFER OF ANCILLARY CORPORATION PROGRAMS

The Senate bill required that the Corporation cease investment guaranties, direct investment, investment encouragement, and special activities, and agricultural credit and self-help community development projects on December 31, 1979; and then the President is authorized to transfer these programs to other U.S. agencies. The House amendment stated intention of Congress that President transfer these programs to other U.S. agencies on or after December 31, 1979. The Conference substitute is the same as the Senate provision.

COUNTRY LIMITATION BASED ON PER CAPITA INCOME

The Senate bill limited programs to countries with a per capita income under $450 when programs are transferred to another U.S. agency by the President. The House amendment limited programs to countries with a per capita income under $450 on and after December 31, 1979. The Conference substitute is the same as the Senate provision.

TERMINATION OF ADVISORY COUNCIL

The House amendment provided that the Advisory Council shall terminate on December 31, 1977. The Senate bill had no corresponding provision. The Conference substitute omits the House provision.

LATIN AMERICAN LIMITATION ON SELF-HELP PROJECTS

The House amendment deleted restriction of projects to Latin American countries and expressed the intent of Congress that the program be expanded to other less developed countries. The Senate bill had no corresponding provision. The Conference substitute omits the House provision.

SELF-HELP PROGRAMS ARE NO LONGER "PILOT" PROGRAMS

The House amendment removed the limitation of the program to the "pilot" stage and allowed for the extension of the program to any less developed country rather than restricting it to only 5 Latin American countries. The Senate bill had no corresponding provision and existing law specifies authority only for "pilot" programs. The Conference substitute omits the House provision.

CORPORATION GUARANTY OF PERCENTAGE OF LOAN MADE FOR SELF-HELP PROJECT

The House amendment increased the amount that the Corporation can guaranty to 50 percent of the loans made for those projects. The Senate bill had no corresponding provision. The Conference substitute omits the House provision.

REPORT TO CONGRESS ON SELF-HELP PROGRAMS

The House amendment directed OPIC, no later than January 15, 1976, to submit to the Congress a report of the results of the expanded agricultural self-help and community development programs. The Senate bill had no corresponding provision. Since the conferees agreed not to expand the program, the Conference substitute omits the House provision.

AUTHORITY FOR SELF-HELP PROGRAMS

The Senate bill removed the time limitation on the authority for the agricultural credit and self-help community development projects. The House amendment extended the authority for the projects until December 31, 1977. The Conference substitute is the same as the House provision.

OPIC OPERATION IN INDOCHINA

The reports of the House Foreign Affairs Committee and the Senate Foreign Relations Committee on the OPIC legislation contained conflicting guidance as to the future operation of the OPIC program in Indochina. It is the intent of the Conferees that OPIC provide the House Foreign Affairs Committee and the Senate Foreign Relations Committee with a statement of its Board of Directors' plans for a prudent resumption of OPIC programs in Indochina, when such plans are formulated, and consult with the Committees as such programs evolve. OPIC should not insure any large U.S. private investments (as defined by OPIC's Board and reported to the respective Committees) in Indochina unless OPIC obtains significant private participation in the insurance program, or until OPIC receives specific instructions from both Houses of Congress.

John Culver,
Thomas E. Morgan,
Clement J. Zablocki,
Lester L. Wolff,
Peter H. B. Frelinghuysen,
J. Herbert Burke,
G. Vander Jagt,
Managers on the Part of the House.
John Sparkman,
Frank Church,
Stuart Symington,
J. Javits,
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON S. 386, URBAN MASS TRANSPORTATION

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1253 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1253

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 386) to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes, and all points of order against the conference report for failure to comply with the provisions of clause 3, rule XXVIII are hereby waived.

The SPEAKER. The gentleman from New York (Mr. DELANEY) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), and I now yield myself such time as I may consume.

Mr. Speaker, House Resolution 1253 provides for the consideration of the conference report on the bill S. 386, which amends the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas.

House Resolution 1253 provides that all points of order against the conference report for failure to comply with the provisions of clause 3, rule XXVIII are waived. The reason for the waiver is section 102 of the conference report makes construction grants which are outside the scope of the House and Senate bills.

S. 386 provides that the Federal share of mass transportation grants cannot exceed 80 percent of the cost of the project. State or local tax revenues which are used for the operation of mass transportation service in the area involved may be credited toward the non-Federal share of the cost of the project.

S. 386 allocates the Federal share of the funds under a formula based on three factors weighted as follows: 50 percent for the population of the area served by the mass transportation system; 25 percent for the total revenue passengers carried by the system; and 25 percent for the total revenue vehicle miles traveled by the system. The population, passengers and miles of each eligible recipient would be weighted against the total population, passengers, and miles of all designated recipients and the funds would be distributed accordingly.

Mr. Speaker, I urge the adoption of House Resolution 1253 in order that we may discuss, debate, and pass S. 386.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Speaker, I rise in support of this rule and the conference report Minish-Williams bill which I regard as a very important bill for the people of this Nation who must rely on mass transit systems to move about in urban areas.

I commend the Rules Committee, particularly my colleague from New York (Mr. DELANEY) for voting to bring this legislation to the floor, and I would as well commend the gentleman from New Jersey (Mr. MINISH) and his subcommittee for the drafting of the original legislation.

But I think it is important to note that however important this Minish-Williams bill is to meet the immediate crisis, this legislation can only be looked at as stopgap, finger-in-the-dike help for the Nation's transit operations.

Of far more importance to the Nation in the long run is the bill which has at last emerged from the House Public Works Committee. That bill will at last establish a long-range comprehensive mass transit policy for the Nation, and I would hope that that legislation could be brought to the floor as quickly as possible.

I believe that great credit should go to the members of the Public Works Committee for resolving what was a highly controversial bit of legislative precedent in writing the bill. The gratitude of the entire New York congressional delegation, as well as those Members who represent areas where ground transportation systems are struggling to exist, goes to committee Chairman JOHN BLATNIK, Representative JAMES GROVER of Long Island, and particularly to Representative ROBERT JONES of Alabama.

It is interesting to note that Mr. JONES, with no major mass transit systems within his own congressional district, took the lead in personally determining the extent of the mass transit needs within the major cities.

Mr. JONES and his subcommittee personally visited New York City, talked with that city's officials and toured the facilities of the subway system. Though beset with internal problems within the committee, Mr. JONES brought out the kind of a bill he said he would do within a reasonable time period.

I think I can speak for all the citizens of my city when I say that we are most grateful to the leadership of ROBERT JONES that he has demonstrated in dealing with this difficult subject. His leadership is again proof that the Members of this House will almost always put aside parochial interests on behalf of the Nation at large.

Mr. Speaker, I hope this conference report will be approved by the House and I would hope the President will sign it into law to bring the immediate relief to the Nation's mass transit systems. I would also urge House leadership to bring to the floor as soon as possible the Jones bill which will anchor once and for all the Federal determination to make mass transit a viable alternative to the automobile in urban areas.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I am opposed to this conference report on urban mass transportation and I am opposed to this rule which waives points of order against it.

Under ordinary circumstances, Mr. Speaker, a conference report is privileged on the House floor and no rule is required. However, in this case a waiver of points of order is necessary because the conferees on this bill violated clause 3, rule XXVIII of the House rules. This clause prohibits putting material in a conference report which is in neither the House bill nor the Senate bill. In this case, the conferees have included provisions for construction grants for urban mass transit systems whereas neither the House-passed bill nor the Senate-passed bill contained such provision. The House should not waive its rules to allow extraneous materials to be inserted by conferees.

Under the formula in this conference report the New York City area which contains 9.5 percent of the urbanized area population, will receive 20.83 percent of the funds. The Los Angels area, which is in my part of the country, contains 7.1 percent of the urbanized area population, yet will receive only 5.01 percent of the funds under this bill. Thus the New York City area will receive more than 4 times the funds allocated to the Los Angeles area. Mr. Speaker, this is not a just allocation of the funds. And, the breakdown is equally weighted against other areas which do not have a subway system in operation. The formula is based on factors such as ridership and vehicle miles traveled. The prime beneficiary is New York City.

Mr. Speaker, there are other problems with this conference report. It effectively eliminates much needed participation by State governments in planning and executing public transportation programs.

And, it is inflationary. This proposal was originally conceived as a $400,000,000 per year program, that is $800,000,000 over 2 years. However, by passing this conference report at this late date all $800,000,000 will have to be allocated in the remainder of fiscal year 1975. At a time when we are supposed to be trying to control inflation, the funding levels in S. 386 will only heap more fuel on the fires of inflation.

Mr. Speaker, the administration is opposed to this conference report.

In addition, Mr. Speaker, the Committee on Public Works voted to report out its own urban mass transit program last week. It is anticipated that they will be ready to file a committee report within the next few days. We should at least wait to consider all the alternatives before pushing this conference report through.

Mr. Speaker, I ask for a no vote on the rule and the conference report.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. ANDERSON) such time as he may consume.

Mr. ANDERSON of Illinois. Mr. Speaker, I want to associate myself with my colleague, the gentleman from California (Mr. DEL CLAWSON) in expressing the view that it would not be prudent for this House to adopt this conference report at this time and therefore I will urge my colleagues to vote for the recommittal motion that I believe will be offered a little bit later in the House proceedings by the gentleman from Ohio (Mr. WYLIE).

I take this position with some reluctance because I did support, as some Members will recall, the original House bill last October 3. At that time I voted against the motion offered by the gentleman from Ohio to strike the operating subsidy section of the bill, but I simply believe conditions have changed sufficiently since last fall that therefore the prudent position that this House ought to take this afternoon is to recommit that conference report.

Because I have arrived at this decision regretfully and even somewhat painfully, I want to take just a moment or two to explain the reasons for my reconsideration and, hopefully, in the process persuade some of my colleagues who find themselves in a similar position.

I think we can recall when this bill was originally adopted it was intended to provide $400 million in operating subsidies, emergency operating subsidies for both fiscal year 1974 and fiscal year 1975. While I have never opposed mass transit operating subsidies in principle, I have always felt that an operating assistance program should be very carefully qualified with two important safeguards. First, the budget impact in a given year should not be excessive, nor should it be permanent in nature.

Secondly, I felt that any public program ought to contain sufficiently strong incentives for improving the management and the operating efficiency of mass transit systems so that ridership levels could be increased and they could ultimately leave the subsidy route.

Well, on the first score, I would note that even last fall when we considered this emergency matter, $400 million was stretching the outer limits of fiscal responsibility; but now when fiscal year 1974 has lapsed and we are going to telescope the $800 million authorization in that authority for a single year into fiscal year 1975, I submit that we simply cannot increase the budget by $800 million at a time when we are experiencing, as we are, double digit inflation, when our economy is teetering, as we heard from our Democratic leaders in the well of this House a few days ago, when they were very critical of this administration and they said we are teetering on the very brink of financial insolvency. We had the distinguished chairman of the Committee on Ways and Means, the Member on this side of the aisle (Mr. MILLS) giving a very firm warning.

We had Chairman Burns of the Federal Reserve Board saying that more than anything else unless we do something to check the present rate of inflation that our very political institutions are in danger.

Well, as I read the record of what we have achieved to date, we have already increased the fiscal year 1975 budget by about $1 billion and there are measures still pending that have been approved by either the House or the Senate, one body or the other, that if finally adopted and written into law would add another $2.3 billion over the budget. That seems to me to indicate, if my arithmetic is correct and I am sure it is, that we are recklessly careening down the road toward a $310 billion budget for fiscal year 1975. There are those, many on both sides of the aisle, who profess to share the philosophy that rather than a $304.5 billion budget this year, we ought to cut back, some say $5 billion, some say $10 billion, some say even more. Yet in this bill alone we would increase, I repeat, by $800 million the spending authorization during the current year.

Mr. DEL CLAWSON. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. DEL CLAWSON. Is it the opinion of the gentleman that the agency could not even use properly and efficiently that much money in this compressed period of time?

Mr. ANDERSON of Illinois. Well, there are two ways of answering that question. There is not any question at all that, of course, there are transit systems in this country, in the major cities of this country, New York, Chicago, Los Angeles, and others, that need financial assistance; but what we have to bear in mind, what we have to do in this country is to encourage a radical—and I mean radical—alteration of our urban transportation policy. We have to generate and maintain some new ideas with respect to investment priorities if we are going to shift a major portion of automobile traffic to mass transit. We are going to have to stop doing some of the things we foolishly do today, like subsidizing all-day parking in the urban centers, building freeways that can accommodate hours of traffic just two times a day, that remain substantially underutilized during other parts of the day.

This may mean higher parking charges. It may mean even such unpleasant remedies as commuter tolls and penalties on summer driving and restricting the driving policies; freeway access limitations; preferential treatment for car and bus pools, but we are going to have to be willing to think about these things and to adopt that kind of comprehensive approach to the problem rather than the single shot treatment, welcome as it might be, almost like cocaine or heroin to a drug addict who has to have a quick fix or a quick shot.

I suppose it would ease some of the present momentary financial pain, but it is not going to solve the problem, not going to get us off the subsidy route. I think the Members of this House know that I am one Member of this body who has displayed some interest in mass transit. I went over and testified before the House Public Works Committee many weeks ago on the UTAP proposal and gave them some fairly concrete suggestions for this kind of comprehensive approach. I was one of those in the last Congress who worked to bring out of the Trust Bill Act $800 million out of the highway trust fund, so instead of just laying down more concrete, we can start to do something about mass transit.

I believe this is a problem we have got to face. I am not turning away from it today in suggesting that this conference report is something we cannot afford right now, No. 1. No. 2, it is not the kind of solution, the kind of rational solution we have got to have for this problem. We run the real risk of simply adopting this conference report and then, I think, delaying the inevitable coming to grips that we have got to have with the real—real solution to mass transit.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to my friend from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, from what the gentleman has said, I presume he is supporting the UTAP proposal. Of course, as it came out of Public Works, it is greatly in excess of what the administration advocated. Even the proposal the administration advocated called for $700 million per year. This calls for $800 million for 2 years but all of which may be spent in fiscal year 1975. Does the gentleman say that an excess of $100 million——

Mr. ANDERSON of Illinois. No, I do not carte blanche endorse the UTAP proposal. I cannot take the time, obviously, now to reread my testimony before the House Public Works Committee, but I have some ideas of my own. Yes, I subscribe to some of the things in the administration approach, but I have some approaches and some other suggestions that were not in that bill.

Therefore, it would not be correct to say simply that I support that and therefore I should, ipso facto, be willing to accept this particular measure. There is a vast difference between my position and the position of the administration.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield.

Mr. BROWN of Michigan. Then, what is the position of the gentleman in the well with respect to assistance to urban mass transit systems as of today?

Mr. ANDERSON of Illinois. My position, and I had hoped that I had made it clear, is that we ought to get on with the business of considering the House Public Works bill. They reported a bill and it ought to be before this body today. We held this report in hostage for many weeks waiting for that committee to finally bring out a bill, and they did, and now we have this conference report anyway.

Mr. BROWN of Michigan. I thought the gentleman's remarks were addressed to the problem of the inflationary aspect of the conference report before us. By any kind of examination, the public works bill is much more expensive, much more inflationary.

Mr. ANDERSON of Illinois. If the gentleman will permit me, we have to confront the facts as they are here and now today. When the gentleman casts his vote 40 minutes from now, or whenever it is, it is going to be on the proposition whether, after all kinds of warnings we have had from Arthur Burns, from Chairman MILLS, from authority after authority across the country, we are going to telescope $800 million under that original bill into fiscal year 1975. On that basis alone, I say no, we ought to go slow. It would be imprudent on the part of the House today to adopt this conference report.

When the bill comes to the floor from the House Public Works Committee, and I hope it will, I will be perfectly willing to debate with the gentleman on just exactly how we ought to implement those proposals, both fiscally and otherwise, but today we have to make the decision on this conference report on this specific proposal. The gentleman is eminently correct when he suggests that the first reason and the foremost reason why I urge its rejection this afternoon is that I simply do not think, in the present hour, we can afford what he is proposing that we do.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. Mr. Speaker, I yield to the gentleman.

Mr. BROWN of Michigan. The gentleman knows that it would not have been $800 million for one fiscal year if the Congress, if the House, and especially if the Committee on Rules had acted upon this proposal timely. Furthermore, the gentleman also knows that the Budget Control Act has ample provision for the President to exercise authority under the provisions of that act to decline to spend in excess of $400 million in the fiscal year 1975.

Mr. ANDERSON of Illinois. If the gentleman will permit, the Budget Control Act is not even in full force and effect and has not been implemented fully yet. They are still picking members of the Committee on the Budget, so I do not want to pin my hope on that rather weak reed, that the Committee on the Budget is going to bail us out of the vote today that would add $800 million to the budget. It simply will not.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman.

Mr. BROWN of Michigan. I would respectfully suggest that if the Budget Control Act is not going to be available to authorize restraint in spending, the President now has even less restriction in the exercise of his spending authority.

Mr. ANDERSON of Illinois. I take it that the gentleman is suggesting that the situation will improve under the impounding procedures?

Mr. BROWN of Michigan. I do not think those supporting this conference report expect the President to go out and expend $800 million in such a short time, especially when the Secretary is expected to set out some rules and regulations under which they will be operating.

Mr. ANDERSON of Illinois. Let me put the gentleman at ease on that point. I know the Secretary of Transportation is opposed to this conference report. He wants this House to proceed to act on the public works bill. He is not urging any Member of this body to adopt the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. If, as the gentleman from Michigan (Mr. BROWN) says, the money is not to be expended, why in the world were the funds put in the legislation?

Mr. ANDERSON of Illinois. Of course, the gentleman makes an excellent point. It will go out quickly if we adopt this. Unless it is vetoed, that $800 million is going to be spent before we can say "Jack Robinson."

Mr. MINISH. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from New Jersey.

Mr. MINISH. Your main concern is the impact the money would have on the budget; is that correct?

Mr. ANDERSON of Illinois. I would make two points: As I stated earlier, this would keep us from acting in the kind of responsible manner that we should on the broader proposal, but right now, as of 1:15 on the afternoon of July 30, with this bill, yes, I am concerned about the budget impact.

Mr. MINISH. Was the gentleman concerned last week?

Mr. ANDERSON of Illinois. I was concerned last week, yes.

Mr. MINISH. How did the gentleman vote on the International Development Association legislation?

Mr. ANDERSON of Illinois. I would point out to the gentleman that, if my memory serves me correctly, all of the money provided for under that authorization is not going to go out in fiscal year 1975. It is going to be spread over 3 years.

Let me further suggest that there are some priorities, and the gentleman obviously has a different concern and a different sense of those priorities than I.

I am not going to apologize for my vote in behalf of the IDA assistance or the IDA appropriation.

In my scheme of priorities, we could not renege on a promise that our country had made at an international meeting back in September of 1973, a commitment by our then Secretary of the Treasury.

Mr. MINISH. Will the gentleman yield further?

Mr. ANDERSON of Illinois. I am not going to go into a debate on IDA. The gentleman apparently has a different idea on that particular matter than I. The gentleman is entitled to his opinion, but it does not provide any justification for boosting the budget with this bill when we have another bill coming down the road with which we can deal with the problems of mass transit.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Mr. Speaker, I appreciate the fact that the gentleman from New York has yielded to me.

I find myself in a very uncomfortable position as I will be for the rule and will object, before the motion to recommit, and will be against the adoption of the conference report.

I do that for the specific reason that we on the Committee on Public Works have undertaken the examination of the total problem of transportation, taking into account the requirements of mass transportation. The committee has held hearings all over the country, and it has faced the problem of engaging itself with the total relationship of transportation. It has produced this week, I believe, one of the most difficult bills that I have ever had to deal with, because it met the evaluations of all the principles which go into a transportation system.

This involved the social problems, the economic problems, the problems of energy, and the problems of financing. Almost all elements that go into a democratic society were involved.

The proposal that we have brought forth in the Committee on Public Works, in my opinion, is a very definite one, one which is made in good direction and for a high purpose.

Mr. Speaker, I was a little bit amazed by the fact that recently the New York Times printed an editorial in which it stated that the Committee on Public Works was procrastinating. Let us look at what has been called procrastination.

Here is the conference report, Mr. Speaker, which has been brought forth, and they moved with great dispatch. They brought before this House H.R. 6452, which was reported in April of 1973. The proposition languished around until the House took action in October of 1973. The House agreed to conference on October 25, 1973, and the conferees continued for another 4 months before finally giving their report on February 26, 1974. All the time this delay was afforded for S. 386, which was called by some an emergency measure or a stopgap measure, and it was not addressing itself to the long needed, long-range plans that are required, and urgently needed by our urban communities.

Do the Members think for 1 minute that the Committee on Public Works was procrastinating when it met in Chicago? Do the Members think that the Committee on Public Works was procrastinating when it met in New York? Do the Members think that the Committee on Public Works was procrastinating when it met in San Francisco, in Atlanta, Ga., or in Boston? Yes, we sat there, of course, and in every city I have named.

We accumulated in those public hearings a total assessment, as they knew it and as it was reported to us, and we acted upon these assessments and requirements which were to be put into our bill.

Mr. Speaker, I do not know of any committee that could have addressed itself more earnestly or more devotedly to a proposition. Of course, since in all pieces of legislation of this great magnitude there can be problems, I am positive that there are going to be errors in our calculations and in our estimations. But they can be erased.

Some of the older Members recall that in 1956 we were trying to write on this floor a highway act, the Interstate Highway Act. We had to take care of the proposition of trying to decide as to where the roads were going to be built.

There was great concern and great feeling about the proposition that 40,000 miles of road would cost $42 billion initially and if it did not come in their community we could not afford it. They argued we should disdain the notion of trying to provide an interstate highway system that did not come by X community, and that we were being discriminated against if we did not get one.

Well, the same is true today, Mr. Speaker. We are here addressing ourselves to the national problem of trying to provide accommodations in the congested areas of our country, with a votive proposition that is not really reliable because they cannot make their calculations nor their estimates, nor their conclusions, based on a proposition of 1 year. That is futile. One could not reconcile it, to save his life, as to what could be expected the following year.

So as the able gentleman from Illinois (Mr. ANDERSON) stated, the question of the money involved is not a question here today, because that will be a proposition to be decided in this forum as to the amount and the requirements, commensurate with the means of our country.

Mr. Speaker, I hope that we will either recommit this bill or vote it down to where we can have a rational, reasonable approach to the proposition which we are all seeking, and hopefully will gain.

The distance is not too far. We have had these experiences before. There is not a committee in the Congress of the United States that has dealt with transportation more expeditiously or more carefully than has the Committee on Public Works. The composition of that committee, I would say, is a dedicated, a reliable, and reasonable group of people in their keen desire to gain for our country those kinds of requirements that are necessary. I hope that we will allow the Committee on Public Works to give the Members an exhibit of their efforts.

Mr. DEL CLAWSON. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am objecting to this rule for at least four basic reasons. One, the rule violates one of the basic Rules of the House regarding the scope of a conference. This bill is outside the scope of the conference and requires passage of another exception to the rule. The language in this conference report was not passed by the House. It was considered by the Senate.

Two, the bill is $800 million above the budget.

I want to associate myself with the remarks of the gentleman from Illinois (Mr. ANDERSON) and commend the gentleman for the statesmanlike statement that the gentleman made a little earlier.

The bill provides $400 million for fiscal year 1974, which has already passed, that ended on July 1.

As I say, this would provide $800 million above the budget, and would therefore be inflationary.

Basically, I am opposed to operating subsidies for urban mass transportation. How far is this Congress expected to go in operating the urban mass transportation systems for the cities of this country? We have already provided $1 billion for urban mass transportation systems for capital grants in fiscal year 1974. The budget calls for $1.2 billion for capital grants for fiscal year 1975, and the Committee on Public Works is in the process of providing additional moneys for urban mass transportation systems. I think there is a limit.

I do not think Uncle Sam should take over the operation of the mass transportation systems in the cities across the country.

Additionally, most of the money goes to five cities in the United States, and New York city gets 20 percent of it. It would go to help operate an already inefficient system.

The bill approved by the conferees bypasses our State governments, which I think is another error. It also provides for a complicated formula and provides for oversight audits by our General Accounting Office, and so we will have to have additional staff for that.

As I mentioned, the formula is weighted in favor of a handful of eastern cities.

Mr. Speaker, I am opposed to the rule. I do not think that we can defeat this bill on the rule, although I understand a vote will be called for. Like the gentleman from Illinois (Mr. ANDERSON) I voted to bust the highway trust fund in favor of providing additional money for urban mass transportation. I have a record of being in favor of helping cities to solve their problems related to urban mass transportation, but I do not think this is the way to do it. I think the rule should be defeated, and if it is not, I will offer a motion to recommit the bill to the conference committee.

Mr. DELANEY. Mr. Speaker, I yield one minute to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, since coming to Congress, I have consistently supported urban legislation because I am concerned about the problems of the cities as well as the problems of the countryside. But today I find myself in a position of being opposed to this rule and opposed to this bill because it is singular in purpose and because, as we have heard just a few minutes ago, the chairman of the Subcommittee on Public Works for Highways described that they are now undertaking to achieve a national transportation policy which will help the urban area as well as the rural.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I thank the gentleman for yielding.

Under the public works bill considered last Thursday, we provided $1.2 billion for secondary roads and bridges and appurtenances belonging to the highway system so the rural people can remain at home and have access to their jobs and their employments and their communications. So it seems to me we are denying ourselves the great effort that is being made to have a national transportation system.

The SPEAKER. The time of the gentleman has expired.

Mr. DELANEY. Mr. Speaker, I yield 30 seconds additionally to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Speaker, the only way that the people of rural areas of America will ever achieve a national transportation policy is to work through the Committee on Public Works, which is considering the urban needs as well as the rural needs.

I urge my colleagues from States like Arkansas to vote against the rule and against the bill so we can write legislation that will serve the needs of the Nation rather than the needs of the urban areas.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. I thank the distinguished chairman for yielding to me.

Mr. Speaker, this is a very important bill to the millions of people of this country who use mass transit. It is also important to the people in the House who have worked hard in seeking its enactment. The chairman of the subcommittee on which I have the pleasure of serving, Mr. MINISH, held hearings on this bill a year ago. The bill met the immediate financial problems of the local transit systems so well that the House passed the Minish bill last October. The conference bill which we are now considering today effectively does what this House wanted when it passed the Minish bill last October.

Let me address myself to some of the problems that are being raised today. One relates to the question of inflation. I appreciate that problem, but I would submit that this bill, in fact, is anti-inflationary in that it will help to maintain transit fares. The alternative is to let transit fares go up—pushing higher a very basic cost of labor.

Others have complained that this is a big city bill. Just a bare half hour ago I voted in favor of a bill that authorizes $13 billion basically on agriculture. I voted for this bill because I am a national legislator and I feel an obligation to the total welfare of the country, including farmers.

I remember when my good friend, the gentleman from Arkansas (Mr. ALEXANDER) took the floor last year and urged that we help rural Americans by effectively reducing the price of methane gas which they were having to use for heating, I supported him. I did that because I am a national legislator as is every Member of this House.

And so, it is distressing to me when I hear from some that they favor another bill which is coming out of the Public Works Committee because it is less favorable to the urban areas. Transit is a need of urban areas and so it makes sense that a large portion of the funding of this bill will go to our cities. I have the highest regard for the distinguished gentleman from Alabama (Mr. JONES), who is the ranking member of the Public Works Committee and who does have a bill that will come out soon. But, I would submit that his bill is not in conflict with the bill which is before us today. The Public Works Committee bill which I will support is a long-term program. It is a bill that some of the Members are going to have a harder time supporting than this bill because it has a $20 billion pricetag, but I am for it. It is a long-range bill whereas today's bill is a 1-year emergency bill, and the two bills are not in conflict.

What does today's bill do? This bill says we have an emergency, an immediate need and the bill relates only to this fiscal year. If we do not pass it, cities across the country are going to suffer. Some may say this is a big city bill. That is not true. The fact is that the mayor of San Diego, a Republican mayor, came before our committee and said he was for this bill. Why? Because it will help not only a city which has subways and commuter passenger railroads but it will help also the cities like San Diego that have buses.

So what I am saying is we must put our sectional prejudices aside and we have to legislate on what is good for this whole country and its parts. Is it important that we help agriculture and pass a bill for $13.5 billion? Yes, it is important. Is it important that we help the cities—small and large—of this country by passing an emergency bill for $800 million for mass transit? Yes, it is important.

I urge the Members to support this rule and the conference report.

Mr. DELANEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Carey).

Mr. CAREY of New York. Mr. Speaker, just briefly this bill is a tideover bill. It is a bill which, under the leadership of the gentleman from New Jersey (Mr. Minish), has brought us to the point where there is some hope that, if we can pass this bill as a transitional measure, we can begin to hold the line and to plan on the current costs of getting people to work. That is essentially what this bill does.

If we fail to pass this bill which is necessary to maintain present operating costs and to move us into better systems of transportation around the urban areas, it will only mean that we are confronted with a dreadful alternative. Failing to pass this bill is the same as telling everyone that they are going to have to pay more money for the cost of getting to work. In an inflationary economy, telling our people they are going to have to pay more money to get to work or to return from work is in effect putting a tax upon their wages.

Any tax upon wages will be reflected in new wage settlements and there goes inflation again.

This is an anti-inflationary bill. It is a kind of hedge to inflation that will prevent the cost of gettng to work from increasing and thus having us witness those costs going into the wage package.

I therefore urge the Congress to please not add to inflation by making it more difficult for those in the low-income brackets, the working poor and those who have to use mass transit to get to work by necessitating that they pay more money out of their wages for the right to work and hold a job. I urge every Member of the Congress to help the worker by passing this bill. Anything else is going to be inflationary because it will be felt in the next wage negotiations. Anything else will sell our citizens short by failing to provide our mass transit with the assistance it desperately needs.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, we have heard a number of good reasons on the merits and substance of the bill why the conference report should be defeated.

The gentleman from Illinois (Mr. Anderson) told us it was inflationary. The gentleman from Alabama (Mr. Jones) and the gentleman from Arkansas (Mr. Alexander) told us of the good work of the Committee on Public Works, to which I can attest because I appeared before that committee and worked with its staff.

We know that subsidies will be wasted. Our needs are not for subsidies. They are inflationary because they send a great number of extra dollars chasing the same number of rides.

It is a big-city boondoggle. It is not an aid to competitive transit.

I urge a vote against the rule on the basis that the rule is no good. This conference committee got messed up, changed the rules, and changed the rules so badly they required a waiver of points of order to bring the conference report to the floor.

Mr. Speaker, this rule ought to be defeated, and if in the unlikely and unhappy chance that does not happen, the conference report ought to be recommitted.

Mr. DELANEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Speaker, I am a member of the Committee on Public Works. I want to say that in the almost 4 years that I have been in the Congress of the United States, I have never seen a greater commitment on the part of the Committee on Public Works, under the leadership of the gentleman from Alabama (Bob Jones), to create a meaningful transportation bill for the entire country, those who use buses, those who use rails, those who use subways, and those who hope some day to have another modality of transportation—whether in the cities, the suburbs, or rural areas of our land.

I also know how long and hard the gentleman from New Jersey (Mr. Minish) has labored. However, I think the gentleman from Alabama (Mr. Jones) is correct. It would be better had the Minish bill not come up at this point. The public works bill is a more comprehensive, long-range bill—the Minish bill is a short range, but needed bill for this very moment. But the Minish bill is up for a rule, and I support that rule, because it is merely an initial statement of what we are hoping to do in the more total public works bill.

I do not think it appropriate for those who support mass transportation to vote down this rule. It is not a big city bill. Assistance for public transportation is a national issue. What kind of national issue? In New York City, for example, where 70 percent of the people use mass transit to get to work the per capita consumption of energy is 30 percent less than the national average. Because of its extensive use of mass transportation New York City is a national asset. We can turn that national asset into a meaningful financial asset, which means it would be anti-inflationary, if we support, as I hope, we will, the public works bill. We can significantly cut down the consumption of fuel in the rural areas, in the urban areas, and in the suburban areas, if we create this greater support for mass transit.

What does voting for this rule mean? It means we are placing a deposit on the more comprehensive public works bill and on our commitment to make transportation work for us, every Member, for everybody all over the country.

It is mistaken to suggest that if we vote for the Minish bill we cut down support for the public works bill. This vote today is the first step. We are going to bring the public works bill to the floor next week. We hope everyone is going to work with us in passing it in the House and in the Senate. A bill that will be for the 1970's and 1980's, for the countryside and the urban areas, what the highway trust fund was for the 1950's and 1960's.

I hate to disagree with the gentleman from Alabama (Bob Jones), whom I love, for what he had done for public transportation; but I think it is important we get a vote for transportation by voting for this rule.

Mr. JONES of Alabama. Mr. Speaker, will the gentlewoman yield so that I can express my love for her?

The SPEAKER. The time of the gentlewoman has expired.

Mr. DELANEY. Mr. Speaker, I yield 30 additional seconds to the gentlewoman from New York.

Mr. JONES of Alabama. Mr. Speaker, I cannot express my love in 30 seconds.

Mr. Speaker, I can appreciate the gentlewoman's remarks except to say that under the proposal we have now pending, the city of New York, the State of New York will pick up approximately 40 percent of the total amount in this bill, so I do not think the rest of the country is going to get a fair shake out of it.

Ms. ABZUG. As I read the bill, Mr. Chairman, that is not so. There are 280 communities that will receive money out of that Minish bill—280 communities. It is true that 81 urbanized areas will receive a larger part of that money, including New York not 40 percent but 20 percent. But the gentleman knows—and he has argued this question himself—we must provide the assistance where the need is and of course the greater needs are in the larger and growing urban centers of our great Nation.

Mr. DEL CLAWSON. Mr. Speaker, I yield two minutes to the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Speaker, I thank the gentleman for yielding. I will confine my remarks to the rule rather than a discussion of the merits of the bill, since we will have ample opportunity to do that.

It has been suggested here on the floor that the rule was drawn waiving points of order because the conferees did something wrong. There was never a formal determination that what we did in conference was in violation of the rules of the House; was not germane; was outside the conference.

We anticipated a point of order could be raised, and that is why we asked the Rules Committee, many months ago, to grant us a rule waiving points of order. So, let us disregard these arguments as inappropriate to the rule before us today.

Second, why was that change made in conference? Because the administration came along with its UTAP proposal recommending a flexible grant which could be used for capital as well as operating expenses. We did just that in the conference. So, what we did was really bring the bill closer to what could be supported by the administration, but in doing so we also permitted a question to be raised about the propriety of it in the conference report. Therefore, we asked for a rule waiving points of order.

Now, if there is anything improper, immoral or illegal about that, I would like to know what it is.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, this bill is a compromise to try and give this mass transportation the aid and help it must have immediately in both additional capitalization and operating subsidies. There was a great Secretary of Transportation in this country who unfortunately chose to go to Italy and become an Ambassador. John Volpe knew that mass transportation is a situation of the chicken and the egg. We cannot simply say that because we give a city a capital expenditure for a new train, that people are going to ride on it. We have to give the city the sustenance to keep that system operating until the people have found out that it is there, that it is operating, that it is attractive, that it is practical, that it is on time, that it is clean and that it is sanitary.

Mr. Speaker, I would simply like to turn around and say that every effort was made in the conference by the conferees together to get with the administration to try to produce a bill, with a formula which, in our opinion, would be fair to all, which would give funds for operating money and extra money for capital funds, and which would not be vetoed by the White House. It is absolutely essential that we pass some source of operational funding for mass transportation this year. If the President does not want to release it, we know of all the weapons he has, which are delay and impoundment.

But, I would suggest to the Members that one of the most successful experiments which has been done in mass transportation recently is the Shirley Highway bus express route. This is the perfect example of operating subsidies which have allowed the system to get started, and keep going until people find it and increase its ridership and profit by realizing it to be a sensible and attractive alternative to the automobile.

Mr. DELANEY. Mr. Speaker, I yield to the gentleman from Alabama (Mr. Jones) for the purpose of making a correction.

Mr. JONES of Alabama. Mr. Speaker, I thank the gentleman for yielding.

In answer to the question propounded by the gentlewoman from New York (Ms. Abzug) a few moments ago, I used the figure of 40 percent for the State of New York and city of New York. I was in error. The figure is 20 percent. Therefore, I want to make that correction and have that understanding.

Mr. DEL CLAWSON. Mr. Speaker, may I comment just for a moment on some of the statements that have been made.

This is not a big-city bill, as has been indicated, in the plural. It is a one-city bill. It is a single-city bill.

Mr. Speaker, these statistics will show what I mean by that statement: The cities of New York and of north New Jersey receive more, under this bill, than would the following cities, all put together: Los Angeles, Chicago, Philadelphia, Detroit, San Francisco, Boston, and Washington, D.C.

All of them put together get less than New York and north New Jersey. Therefore, it is a single-city bill, not a big-city bill, in that sense.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. Mr. Speaker, I will yield to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

I want to correct an erroneous impression. The gentleman from Connecticut (Mr. McKinney) may have left the impression that this Congress has not provided money for urban mass transportation. We appropriated $1 billion for fiscal year 1974 and $1.2 billion is provided for fiscal year 1975. That is not a pittance. That is not overlooking urban mass transportation.

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman. I have no further requests for time.

Mr. DELANEY. Mr. Speaker, I yield the balance of my time to the majority leader, the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Speaker, first of all, I would like to ask the gentleman from New Jersey to answer the remarks of the gentleman from California in view of the fact that I did hear reference that we may have lost something here.

Mr. MINISH. Mr. Speaker, I thank the gentleman.

First of all, let me tell my friend, the gentleman from California, that northern New Jersey is not what we are talking about. We are talking about all of New Jersey. The old argument of a big-city bill is ridiculous. That is where the problem is, and that is where we have to put the money, in the same way that the farm subsidy bill is for the farming areas. We do not put any farm subsidies in New York City.

Mr. DEL CLAWSON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I will be happy to yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Speaker, the figures provided to me by the Department of Transportation say New York and north New Jersey. That is where I got the information.

Mr. MINISH. I just want to make the record clear.

Mr. DEL CLAWSON. The record is clear. I said north New Jersey and New York, not the entire State.

Mr. MINISH. Northern New Jersey is 70 percent of the State. That is the point I want to make.

Mr. DELANEY. Mr. Speaker, will the gentleman yield for just one question?

Mr. O'NEILL. I will be happy to yield to the gentleman from New York.

Mr. DELANEY. May I state at this time that in the great city of New York 70 percent of the people travel by subway, or bus, and other public transportation—70 percent. There are 7 million people there, and 6 million people, I understand, travel nearly every day back and forth on the subway.

Mr. O'NEILL. Mr. Speaker, I rise to urge all my colleagues to adopt this rule providing for consideration of the urban mass transit conference report.

We have been waiting 10 months now for an Urban Mass Transportation Assistance Act. This bill was initially reported from the House Banking and Currency Committee by a vote of 22 to 3. The full House adopted this bill by a vote of 219 to 195 on October 3, 1973. The conferees filed their report on this legislation last February, and all but two men signed the report.

Yet, the Members of the House have been deprived of the opportunity to consider the merits of this legislation.

I fully recognize that this legislation is controversial. Some Members are opposed to the formula for distribution of the $800 million in funding assistance to urbanized areas where at least 75 percent of the population is serviced by mass transit. Many are concerned over the fact that this is a temporary measure until the Public Works Committee brings it to the floor. Still others fear that passage of this bill will make it more difficult to pass the public works proposal later this session. And a few Members, I realize, are opposed to the funding level.

These concerns are legitimate ones. But do they warrant defeat of the rule so that no one else in this Chamber can debate the merits of the legislation?

I firmly believe that the members of the Banking and Currency Committee, and particularly the members of Joe Minish's subcommittee who have worked so diligently on this legislation for 10 months deserve better than this.

They have a right to present to the Members of the House their position on this bill. Instead of voting down the rule, we should listen to the arguments. Let us see if the formula is fair; let us discuss the adequacy of the funding level; let us find out if this legislation impairs the consideration of the public works bill. But let us not shut off debate. The members of the committee, the Members of the House and the millions of Americans who will benefit from the bill must be given the opportunity to have their voice heard on this legislation.

Mr. Speaker, I strongly support this conference report. The major metropolitan areas of this Nation desperately need capital grant programs and operating subsidies. In 1972, the Department of Transportation report supported the concept of operating subsidies to State and local governments. The opponents of this legislation claim that only the large cities will get money from the urban mass transit bill. I submit to you that if it were not for the taxpayers of these large cities there would not be beautiful superhighways running through and around cities with a middle-sized population.

I think fairness and equity demand that we consider the work and research that this committee has put into this legislation. It is high time for this rule to be adopted so we can listen to the debate on the legislation itself.

Mr. Speaker, I urge adoption of this rule.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 255, nays 141, answered "present" 1, not voting 37, as follows:

[Roll No. 419]

YEAS—255

Abzug
Adams
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carey, N.Y.
Carney, Ohio
Cederberg
Clark
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellums
Dent
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Fish
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Fulton
Gaydos
Giaimo
Gilman
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gude
Haley
Hamilton
Hanley
Hanna
Hanrahan
Harrington
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hogan
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Ichord
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Leggett
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Railsback
Randall
Rangel
Regula
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sikes
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NAYS—141

Abdnor
Alexander
Anderson, Calif.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Blackburn
Bowen
Bray
Brinkley
Broyhill, N.C.
Buchanan
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Duncan
Edwards, Ala.
Eshleman
Evans, Colo.
Fascell
Fisher
Flowers
Frenzel
Frey
Froehlich
Fuqua
Gibbons
Ginn
Goldwater
Goodling
Gross
Hammerschmidt
Harsha
Hays
Hébert
Henderson
Hinshaw
Holt
Hosmer
Huber
Hutchinson
Jarman
Johnson, Calif.
Kuykendall
Lagomarsino
Landgrebe
Latta
Lott
Lujan
McCollister
McCormack
Mahon
Mallary
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moss
Nelsen
Nichols
O'Brien
Passman
Pettis
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Rarick
Rees
Rhodes
Roberts
Robinson, Va.
Rogers
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Skubitz
Slack
Snyder
Spence
Steed
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Traxler
Treen
Vander Veen
Waggonner
Ware
Whitten
Wiggins
Winn
Wylie
Wyman
Young, Fla.
Young, S.C.
Zion
Zwach

ANSWERED "PRESENT"—1

Burke, Calif.

NOT VOTING—37

Brasco
Burgener
Carter
Chisholm
Clay
Crane
Culver
Davis, Ga.
de la Garza
Denholm
Diggs
Dorn
Evins, Tenn.
Findley
Gettys
Green, Oreg.
Griffiths
Gubser
Gunter
Guyer
Hansen, Idaho
Hansen, Wash.
Hawkins
Holifield
Jones, Tenn.
Landrum
Lehman
McSpadden
Robison, N.Y.
Rooney, N.Y.
Ryan
Steele
Stubblefield
Stuckey
Teague
Towell, Nev.
Wilson, Bob

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Burgener.

Mr. Rooney of New York with Mr. Diggs.

Mr. Hawkins with Mr. Dorn.

Mr. Davis of Georgia with Mr. Findley.

Mr. de la Garza with Mr. Gunter.

Mr. Denholm with Mr. Carter.

Mr. Jones of Tennessee with Mr. Stubblefield.

Mr. Lehman with Mr. Gubser.

Mrs. Green of Oregon with Mr. Bob Wilson.

Mr. McSpadden with Mr. Crane.

Mrs. Griffiths with Mr. Guyer.

Mr. Ryan with Mr. Towell of Nevada.

Mrs. Chisholm with Mr. Culver.

Mr. Stuckey with Mr. Robison of New York.

Mrs. Hansen of Washington with Mr. Hansen of Idaho.

Mr. Gettys with Mr. Steele.

Mr. Clay with Mr. Brasco.

Mr. Evins of Tennessee with Mr. Landrum.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 386, URBAN MASS TRANSPORTATION

Mr. PATMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 386) to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of February 26, 1974.)

Mr. PATMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on S. 386. This legislation is vital to our Nation and its people if we are to overcome the problems of pollution, congestion, energy supply and land use which affect all of us from all sections of our great land.

The conferees on this bill, led by the able gentleman from New Jersey (Mr. MINISH) have done a commendable job in presenting the House with a quality conference report which represents two important compromises. First, of course, the differences between the House and the Senate versions have been reconciled. But even more importantly, the conferees have sought to accommodate their position and that of the administration, particularly with regard to the question of local discretion in the expenditure of funds.

Mr. Speaker, realistically speaking this is the only mass transit bill we can send to the President this year. It is an interim, emergency measure which deserves the support of all my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Speaker, I rise in support of the conference report on S. 386, the Emergency Urban Mass Transportation Act of 1974. This measure, which provides operating aid for mass transit, first passed the House last year. It was greatly needed then. Now the need is even greater.

While this bill admittedly is an interim, short-term measure, nevertheless I believe the important principles embodied in S. 386 will go a long way toward improving the quality, convenience, and service of mass transit for our cities, metropolitan areas, and our people.

Thus the bill represents both a much needed shot in the arm for hard pressed transit systems, now running a total deficit in excess of $700 million per year, and a significant first step which we must take especially in view of the present energy situation. S. 386 would provide the first Federal operating aid for mass transportation. All the present mass transit money spent by the Federal Government goes for capital equipment, not operations. As a 1973 report of the Joint Economic Committee states:

> The arguments for restricting direct mass transportation aid to capital expenses are without basis. Furthermore, a grant to subsidize capital but not operating expenses encourages wasteful, premature replacement, overcapitalization of technology, and inadequate maintenance, which are likely to be extremely costly.

Let me briefly summarize the provisions of this legislation for the House.

Under the conference report, $800 million in contract authority would be available to the Secretary of Transportation through the end of the present fiscal year for grants to local and State public bodies, agencies, and transit authorities. The funds could be used, at the discretion of the recipient, for either capital expenditures or operating subsidies.

The Federal share of the cost of projects under the bill could not exceed 80 percent, with the remaining funds provided by the applicant. Moreover, there is a requirement that these funds must be supplementary to and not in substitution for the average amount of State and local government funds and other revenues spent in the operation of mass transportation service for the past 2 fiscal years. In addition, no assistance will be provided unless the fare charged the elderly and handicapped during nonpeak hours does not exceed one-half the normal fare.

The funds under the conference report would be distributed by formula to urbanized areas within each State. In urbanized areas in which 75 percent of the population is served by a public transit authority or by a local public body providing transit services, that entity shall receive the funds after consultation with the Secretary of Transportation and other State and local public bodies. Where such a recipient is not in existence, the funds apportioned for the urbanized area shall be made available to the Governor of the State for distribution to these areas.

The phase local public body, of course, includes a State agency if such an agency is engaged in the provision of transit subsidies either directly or indirectly, and a State could qualify as a designated recipient under the conference report. There is no presumption that a local transit authority or public body must be the designated recipient.

In addition, the Governor may distribute funds to a State agency engaged in providing transit services by contract to either public or private bus or rail carriers.

Both privately owned bus and privately owned rail companies would be eligible to have funds passed through to them by a designated recipient under this conference report.

Funds would be distributed under a formula based 50 percent on the population of the urbanized area, 25 percent on the number of revenue passengers in the area, and 25 percent on the revenue vehicle miles in the area. I might note that this formula, as adopted by the conferees, provides less money to the very large cities of our Nation than did the formula in the House passed bill. The conference report formula, I believe, equitably fits the needs of all our Nation's urban areas while giving full recognition to the existing efforts of localities and States.

In distributing the money, the Secretary of Transportation is empowered to issue such regulations as he deems necessary. Moreover, the recipient would be required to submit to the Secretary, for his approval, plans, specifications and estimates for the exenditure of the funds. In approving such plans, the Secretary must consider possible adverse economic, social, and environmental effects and must determine that the expenditure is in the best overall public interest. In addition, the Governor or designated recipient must certify to the Secretary that he has conducted public hearings or afforded opportunity for such hearings.

In addition to the operating aid provisions, one other section of our conference report envisions the expenditures of a significant amount of Federal funds. This is title II, which authorizes $20 billion for fiscal 1975 for demonstration projects to determine the feasibility of free fare urban mass transit systems. In this connection, it is interesting to note that the city of Seattle has been most successful with a limited experiment of this type. By charging no fare whatsoever in the central business district, that city has increased transit ridership to 70 percent over last year.

Mr. Speaker, with the energy situation, the need for mass transit aid has become ever more critical. Buses and rail cars consume only a fraction of the energy that a private automobile does, yet we cannot expect the commuting public to reduce significantly its use of private cars if we do not provide alternative sources of transportation.

Unless the Federal Government provides substantially more aid to mass transit, we will exacerbate our energy outlook and we could, within a very few years, put ourselves completely at the mercy of some Middle East shieks.

In conclusion, let me say there is a great national stake in maintaining and improving our mass transit systems. The issue here is the quality of life afforded to millions of our citizens. To take no action at this point would be, in effect, to condone further deterioration of our environment, our energy status, and our quality of life. This must not be permitted to occur.

I urge a strong favorable vote on the conference report on the Emergency Urban Mass Transportation Act in order to send a message to the administration that we in the Congress are ready, willing, and able to deal with the problems of pollution, congestion, land use, and energy.

Mr. RONCALLO of New York. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from New York.

Mr. RONCALLO of New York. Mr. Speaker, I wish to compliment the gentleman in the well and associate myself with his remarks and with those of my colleague, the gentleman from New Jersey, the ranking minority member, on presenting an excellent bill. I intend to support it.

I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report on S. 386, the Urban Mass Transportation Assistance Act and compliment the gentleman from New Jersey (Mr. MINISH) for his stewardship of this vital legislation.

This bill provides $800 million for capital grant programs and operating subsidies for mass transit systems in our urbanized areas. Its passage is vital if we are to unclog the streets of our cities, lessen the demand for scarce energy resources, and reduce the choking fumes from private automobiles. Let us face it: In many areas of the country mass transsit is either unavailable or only partially available to the commuting public, or it is too expensive to be attractive, or it is obsolete and its modernization is draining the coffers of local governments. Yet it has been nearly 10 months since this legislation passed the House. During those 10 months untold gallons of gasoline have been wasted and untold amounts of pollution have befouled the air of this Nation.

I am dismayed that the powers that be have prevented final action on this bill from taking place until this late date, but I am pleased that it is now before us for a vote. The cities and suburbs of this country provide the major source of Federal tax revenues and yet we are constantly asked to pour money into farm programs and rural development. It is about time that some of these funds were returned to the urbanized areas for mass transit capital and operating assistance. I urge the passage of the conference report in the name of equity and the environment.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Speaker, I rise in strong support of the conference report to accompany S. 386, the Urban Mass Transportation Assistance Act of 1974.

I am pleased the House today has the opportunity to act on this measure which is so vitally needed by all public transportation systems throughout the country. The matter of operating subsidies has been before the Committee on Banking and Currency now for almost 4 years, and as chairman of the Housing Subcommittee, I have strongly supported this operating subsidy proposal. As the members will recall, a similar provision was contained in the 1972 housing bill which failed to obtain a rule from the Rules Committee.

Mr. Speaker, I am pleased that my

distinguished colleague from New Jersey, JOE MINISH, has persevered and through his industrious effort has brought this conference report at long last to the floor of the House. I would also like to compliment my distinguished colleague from Michigan, GARRY BROWN, the ranking Republican member of the Mass Transit Subcommittee who also serves as a member of the Housing Subcommittee. I know his efforts in subcommittee have done much to push this bill through committee and to the floor.

The opponents of this bill stress that it is a bailout bill for the big cities, but let me point out that all communities with public transportation are eligible for funds. This bill is one of the most important domestic pieces of legislation to be considered by the House this year.

Mr. Speaker, I would urge my colleagues not to recommit the conference report but to vote now to provide the funds to meet the emergency needs of mass transit.

Mr. Speaker, I urge the adoption of the conference report.

Mr. BADILLO. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Speaker, I rise in support of the conference report on S. 386, the Emergency Urban Mass Transportation Assistance Act of 1974.

This long overdue legislation is critical to the survival of mass transit systems in major urban centers around the Nation. In New York City, 60 percent of all workers depend on public transportation to get to their jobs. More than 3 million people funnel into downtown Manhattan every day, and 800,000 of them arrive between 8 and 9 a.m.

Private transportation is out of the question in cities whose commerce is so centrally located and whose congestion and pollution levels are a continuing problem in terms not only of convenience but of hazards to human health. New York City has by far the highest population density in the United States, but other urban centers which would benefit from this legislation have similar problems, if on a slightly diminished scale.

The New York City subways alone haul 3.9 million passengers a day on 232 route miles. The Metropolitan Transit Authority employs more than 60,000 people, and public investment in our mass transit system now exceeds $40 billion. Although fares have more than doubled over the last 7 years, MTA passenger revenues account for less than half its costs. Recent legislation signed by the Governor appropriated $100 million in State funds to match another $100 million in local funds to keep the subways going and avoid an inflationary fare increase which would work a considerable hardship on many of the low-income people dependent on public transportation for their livelihood.

To maintain this essential service, we need the Federal assistance provided in S. 386. New York City would benefit more than any other area under its terms, but I must point out that more than one-third of the entire Nation's mass transit trips are taken on our system. Urban mass transportation is now recognized as a vital link in a national transportation system which has for too long been dominated by the freeway and the private car. Our energy problems, our hopes to limit air pollution, and the increasing congestion of urban sprawl all point the way to a new emphasis on mass transit. The $150 million that New York City would receive under S. 386 will keep our transportation system healthy until the more comprehensive bill recently reported out of Public Works can be considered and passed in both the House and Senate. Realistically speaking, that will probably not be possible until next year.

Consequently, Mr. Speaker, to prop up our ailing public transportation systems and keep their vital service available to urban dwellers, I urge the passage of this conference report without delay as a first step in creating a balanced transportation network in accord with the realities of contemporary life in America and the needs of the future of our increasingly urbanized society.

Mr. KOCH. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from New York.

Mr. KOCH. Mr. Speaker, all of the arguments which prevailed last October when this bill was passed are exceeded today in support of this bill because of the energy crisis. What we want to do is to make mass transit so acceptable and so good that we will go back to what we had in 1945 when 23 billion people used mass transit as apposed to 6 billion last year.

We can do that by making the trains and the buses in this country better than they have been, and this bill will do that.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to commend my colleague, the gentleman from New Jersey (Mr. MINISH) and the junior Senator for the work that they have done on this conference report and for mass transit.

I recognize that this is not the total answer, but I commend the gentlemen and join in support of this conference report.

Mr. Speaker, I rise in support of the conference report on Senate bill 386, the Emergency Urban Mass Transportation Assistance Act of 1974. You will recall that this legislation, in somewhat different form, passed the House of Representatives on October 3 of last year. At that time I said to our colleagues that passage of this legislation is vital if we are to deal effectively with the critical problems of pollution, urban congestion, and the energy crisis. These evils are still with us. The passage of some 9 months has not in any way diminished the need for this legislation. In fact, its need is demonstrated even more.

A major cause of the crisis in urban transportation today lies in the breakdown of private bus companies which operate in a small and medium size cities such as my home city of Trenton, N.J. In most instances local governments do not have the financial resources to operate transportation systems and therefore need Federal operating subsidies. The bill before us provides $400 million through fiscal 1975 which could be made available in the form of contract authority for immediate operating assistance grants. The language of the conference report provides that these moneys could be made available for capital projects as well, that is to say, acquisition, construction or improvement of transportation facilities. The conference report makes two other major changes in the bill that was before us last October 3. The fund allocation formula would be weighted 50 percent on the basis of the population of the area served, 25 percent on the number of revenue passengers transported, and 25 percent on total revenue-vehicle miles traveled by the system. The bill before us last year weighted these three factors equally. Moreover, the conference report provides that the Federal grants cannot exceed 80 percent of the cost of the project. Last year our bill provided for 100 percent Federal funding.

Mr. Speaker, the distinguished gentleman from New Jersey (Mr. MINISH) advises me that New Jersey's share of the Federal authorization would approximate $40 million if the conference report is adopted. We in New Jersey desperately need these Federal moneys if we are to continue existing autobus and rail commuter services and extend these services to communities which desperately need them. I would hope that the House will give overwhelming approval of the conference report as an indication to the executive department of how strongly we feel on this issue.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, I thank the gentleman for yielding.

I have a couple of questions. In the statement it says that the applicant must provide 20 percent of the fund. As I read the report, it states that State and local tax revenues which are used for operation of mass transportation service in the area involved may be credited toward the non-Federal share of the cost of the project. Since, by way of assistance they are now being provided some sort of operating subsidy, that would, in effect, mean that the operating subsidies that they are providing could be counted as their share?

Mr. MINISH. The 20 percent, that is correct.

Mr. MILFORD. The other question I have appears under the heading "Reallocation of Capital Grant Funds" where it is mentioned that this amendment provides for the establishment of a new schedule for the disbursement of the existing $6.1 billion.

Would the gentleman please explain exactly what we are talking about there, because it mentions not $6.1 billion, but some $22 billion. I do not understand what is discussed there.

Mr. MINISH. That is not in the conference report. That is from Public Works.

Mr. MILFORD. No. This is in the Urban Mass Transportation conference report on S. 386, on page 13, the next to the last paragraph.

Mr. MINISH. Mr. Speaker, will the gentleman repeat his question, please.

Mr. MILFORD. Yes, sir. I do not understand the paragraph as written, the next to the last paragraph on page 13, where a part of the sentence specifies the disbursement of an existing $6.1 billion in capital grant funds. There is a colon, and then immediately behind the colon it enumerates some $22 billion in expenditures.

Mr. MINISH. That is an aggregate, cumulative figure. There is just so much that can be distributed every year.

Mr. MILFORD. Is this money that has already been authorized by the Congress?

Mr. MINISH. Right.

Mr. TIERNAN. Mr. Speaker, will the gentleman yield?

Mr. MINISH. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. I want to commend the gentleman for his work in Congress and in coming to the House with this conference report, but I am sorry that I did not fully understand what the gentleman said in his prepared remarks with regard to the proposal for the use of mass transportation systems by the elderly during the nonpeak hours.

What does this conference report provide for?

Mr. MINISH. The people receiving the subsidies will provide for senior citizens and for the handicapped, for riding after the peak hours.

Mr. TIERNAN. And those mass transportation systems that are now presently making provision for the elderly, that provide that type of service, would they be eligible to receive funds reimbursing them for the lost revenue that they sustained during that period where they provided that service?

Are those funds to be used to reimburse for present programs of that nature, or are these only for new programs?

Mr. MINISH. Well, if they are provided with transportation now, then that has already been taken care of. These are for new programs.

Mr. TIERNAN. Then they would be eligible under this bill?

Mr. MINISH. For new programs.

Mr. WIDNALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 386, the Emergency Urban Mass Transportation Assistance Act.

It is my belief that this legislation is preferable to that which we passed last October. It is more flexible and it is fairer. It permits funds to be used for capital as well as operating expenses and it allows the funds to be distributed more evenly. Also, the energy crisis has added to the urgency of the situation.

I wish to commend our colleague from New Jersey (Mr. MINISH) for his able leadership and wisdom in reaching the compromise before us today. As you know, while we were in conference, the administration submitted their unified transportation assistance program. The conferees acknowledged some of the good points presented in that package and, to a considerable extent, incorporated a number in the conference report.

Mr. Speaker, as I indicated before, this legislation has taken on an emergency status due to the energy crisis, which undoubtedly will return to haunt us. I wish there was some way to avoid having to provide Federal subsidies for operating expenses, but a truly viable alternative has not been presented. The administration agrees that operating subsidies are necessary. Their opposition to this legislation is not because it provides subsidies for operating expenses. It is on the basis of the formula and who gets the money.

Let me address myself to these two objections. First, the formula in the administration's bill is based merely on population, and in the conference report it is based on population, revenue passengers, and vehicle miles. While I am not completely enamored with the formula, and readily admit that it is more complicated than the administration's, I cannot say that it does not consider some very relevant factors in determining the amount of the grant. As a result, I hope that this legislation will not be defeated by the assumption that a more simple approach is better.

Second, concerning who gets the money, the administration advocates that money to go to the Governors with earmarking for urbanized areas. The conference report requires that the funds go to the Governors in all cases except where at least 75 percent of an urbanized area's population is served by a public transit authority or a local public body providing transit services. In that case, the Secretary of the Department of Transportation will designate a recipient from the urbanized area. He will do this only after consultation with those providing the transit services and other State and local public bodies which provide financial support. While it is true that in these cases the funds would not go to the Governors, the Secretary certainly can provide for local elected officials to be the recipients of the funds. This certainly is in keeping with the administration's new federalism and it is difficult for me to see any solid objection.

Mr. Speaker, this bill authorized $800 million for a 2-year period. We expected that this amount of funding, coupled with the limited time span of the program, will allow us to determine adequately the effectiveness of this method of addressing our critical mass transit problems.

It is high time for the House to assert itself on this matter. The administration's objection that the funds provided in this bill must be used in only 1 year, due to this late date of action, cannot be sustained since it was their maneuvering which helped cause the delay.

Mr. Speaker, I can assure you that a number of us, as members of the Mass Transit Subcommittee, plan to keep a careful watch on this program and will insist that it show results. I feel the same as many others here—that we should try to develop a formula which would use some measure of efficiency as a factor. However, I do not think we should deny those mass transit systems the needed relief represented by this legislation while we seek the "perfect" formula. I do not think that we should put off this important legislative work pending some pie-in-the-sky cure-all offered by the Public Works Committee.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, the debate over the use of Federal dollars to pay operating costs of mass transit systems has been a long one. During this time, the administration has moved from a position of outright opposition to one of support under certain conditions. The Banking and Currency Committee and the conference committee have made substantial efforts to adjust to the interest expressed by the administration.

Indeed, the 4½ months delay in acting on this conference report, resulted in part, from the changes made in the bill by the conference. One of these changes may have been outside the conference and thus a rule waiving points of order was obtained. This is an unusual step, but was taken in the interest of compromise and conciliation of viewpoints.

In the original committee consideration of this bill, I offered an amendment that would make these funds available both for capital as well as operating expenses, along the lines of the administration's special revenue sharing. This amendment also changed the distribution formula to give greater weight for population and thus less proportion of funds to the heavy transit user urban areas. Finally, my amendment gives recognition to the States, by making funds available to them where a regional transit system does not exist.

Early in the year, before the conference completed its work, the administration submitted to Congress its unified transportation assistance proposal. This proposal embodied many of the ideas that I had proposed in my committee amendment. After consideration, the conference committee adopted the provisions of the proposal made by the administration and myself. For this reason I feel this report deserves strong support from both sides of the House. This report represents a sincere effort to compromise with the administration.

In its 1972 National Transportation Report, the Department of Transportation outlined the terms which would make Federal funds for operating assistance workable—

> The Department support making funds available to State and local governments for general transportation purposes including operating subsidies, so that a State or local government could determine locally how the funds would be used.

This is what this bill does. It provides that the money authorized be allocated to State and local governments to be determined locally whether their funds shall be used for general mass transit purposes, including operating subsidies.

The formula grant program is to be a part of the urban mass transportation program, with the major portion of dollars continuing to be available for the capital grant program. This bill envisioned $400 million be available for fiscal 1975, for the formula grant program, as compared with the $1.2 billion in budget for the regular capital program.

The Department of Transportation has submitted a letter signed by Secretary of Transportation Claude Brinegar expressing its concern over S. 386. One concern is that it effectively eliminates the States from the program. This is not true. The present UMTA capital program allows State or local governments to apply for grants. The result has been the development of a wide variety of governmental arrangements in the many urban areas of the country. In some the State owns and operates the transit system and in others general purpose governments operate the systems and still in others regional transit authorities have been created to do it. In some urban areas several transit agencies exist, and not always on a well-coordinated basis. State and local governments in many areas give financial support to transit systems, even though they do not own or operate them.

In recognition of this, the conference committee did not want to make a hard rule that either the State gets the money or that the local government gets the money or that the transit authority gets the money. What we did was adopt a procedure by which the Secretary will designate the recipient, after consultation with State, local governments, and transit authorities. Any of these may be designated, or a new regional agency could be selected. The important thing is that the States are consulted and can be designated. In the course of designating the recipient, the State will have the ability to set policies and conditions. Where no regional transit authority exists, the State is automatically designated as the recipient.

Of course, it is right that both State and local governments be involved as covered in the conference report, since they participate only if they are contributing toward the local share of funds.

A second point raised by the Secretary of Transportation concerns the elements of the formula. He argues that transit ridership and vehicle miles are not accurately measured and are susceptible to manipulation. It is important to note that questions on the elements of the formula were raised after this conference report was filed. During 2 years of hearings on this legislation and in his letter of April 19, 1973, commenting on H.R. 6452 the operating subsidy bill introduced by Mr. Minish, there never was any question raised about reliability of ridership data or vehicle miles data even though that bill relied even more heavily on these factors. The committee recognizes that this data now reported through the American Transit Association is not thorough or uniform. But, it does not seem as though it would be an undue burden to collect this data or collect samples to estimate it. The report says:

> The Secretary, under regulations appropriate thereto shall apportion.

This gives the wide range to the Secretary to determine this information. When considering general revenue sharing, an element in the formula was to be local tax effort. At the time of passage, there was no hard measure of local tax effort, but this was included as an element in the formula and is now available. Finally, I would add that the State of Michigan is in its second year of allocating State aid money on a formula that has vehicle miles as part of it. This information was not available in the beginning, but now reliable and uniform data are collected regularly with a minimum of administrative delay.

As to the issue of Federal spending, I recognize that the delay has raised the potential spending to $800 million in 1 year. However, at the time the administration counseled delay on S. 386 in favor of their UTAP program, a chief argument was the fact that their formula grant program offered $700 million a year in contrast to the $400 million under S. 386. If $700 million was acceptable only a few months ago, how can $800 million now be excessive and irresponsible. At the time the House Banking and Currency Committee cleared the Minish bill, we estimated that $400 million a year would be sufficient. Now, with the passage of time, more is probably needed, but perhaps not the full $800 million. If the administration is ready to work to define the realistic needs, I am sure adjustments can be made under the procedures of the Congressional Budget Act during the course of the fiscal year.

The Secretary, in his letter, expresses his desire to continue to work with the Congress to achieve upgraded transportation systems. This is a worthwhile goal, but at some point, we must act. Today is a time for action and this conference report will provide badly needed funds to preserve the transit resources we hope to see upgraded in the future.

Mr. WIDNALL. Mr. Speaker, at this time I yield 5 minutes to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the conference report. This conference report provides operating subsidies for mass transit, a concept that passed the House by only five votes when this legislation was considered last October. The objections raised at that time are as valid today as they were then.

This bill would provide $800 million in Federal funding for both operating expenses and capital investment in mass transit projects.

It is common knowledge that most mass transit programs cannot pay their way out of the fare box and do, indeed, operate at a loss. These deficits are most frequently financed by State and local governments out of their general tax revenues.

That is true in my own city of Columbus, Ohio, which passed its own tax measure a year ago in May to make up the deficit as far as operating subsidies are concerned. My attention was called to an editorial which appeared in the Knight newspapers in opposition to an amendment which I offered, when this bill was passed in October, to strike out the operating subsidies provision. It stated that Congressman Wylie is from a small city, Worthington, Ohio, which has a population of 15,000 and, therefore, he does not understand the problems of urban mass transportation.

I live in the city of Columbus, Ohio, which is considerably larger than Miami, Fla., where the editorial first appeared in the Miami Herald.

I have been city attorney of Columbus and am aware of the problems of urban mass transportation and I think we do need to provide some assistance to local subdivisions. But, in my judgment, this bill would undermine local pressures which in the long run are the only factors that can really help improve urban mass transportation systems. Currently, Federal assistance is in the form of capital grants. This has two beneficial effects:

First, it assures that local officials who are closest to the problems in their respective urban areas are responsible for policies affecting fare levels, levels of transit service, and policies affecting the use of the automobile. Such policies would reflect in the broadest sense the aspirations of their communities and recognizes the unique transportation problems in a given area. Second, the fact that it is the local community that is paying deficits creates incentives for local officials to find ways to improve transit service.

A program of Federal operating subsidies, of necessity, does not recognize the varying needs of different communities. With the Federal Government paying the bills, the incentives at the local level to improve operations and efficiency are strongly undermined.

The report that we are voting on today addresses a problem affecting all urban areas. Why then does this bill, which confronts a problem of national scope, provide more than 20 percent of the total funding to the New York urban area? Chicago and Boston will also be prime beneficiaries at the expense of the rest of the country. It has been argued that New York has an enormous deficit and must be helped. While it is obvious that New York requires Federal assistance in meeting its operating deficits, other areas of the Nation are certainly not without requirements of their own.

The bill before us distributes funds by a formula based upon population and indicators of transit use. As structured in the conference report, this formula overwhelmingly favors areas with existing extensive transit systems at the expense of cities desperately in need of capital assistance to develop new mass transit capability. I find this treatment inequitable and unacceptable.

In this bill funds would bypass the State and go directly to a local recipient. This means that after years of work in many States to develop departments of transportation, those agencies would have little, if any say on how Federal transportation funds are used.

For example, if there were no local recipients designated to receive funds, the State would have to administer the program as separate grant programs, one for each urban area. If one area had extensive needs and another had no transit system, the State would still not have the latitude to transfer funds. In a longer term bill, one could argue that this would be desirable since it would encourage the development of mass transportation in areas where such service is lacking. However, this bill is designed to be a short term interim emergency measure to meet today's needs while long term legislation is being perfected.

What is the point of developing adequate capability at the State level if an arbitrary Federal allocation mechanism will determine where money can be used in each State? How can we assure coordinated urban transportation when these transit finding mechanisms provide no flexibility to allow the States to decide how best to meet their needs?

If there were no other alternative, I might support the measure before us today, since I believe that Federal assistance for mass transit is needed. However, as we are all aware, a long-term mass transit program has been reported by the Public Works Committee last Thursday. Even if we reject this bill, we can expect again to consider the question of mass transportation assistance in the near future. Thus, a vote against this conference report in no way is a vote against mass transit.

Finally the funding authorization in S. 386 is out of line with the need to fight inflation. The bill approved by the conferees establishes a funding level of $400 million a year for fiscal years 1974 and 1975. Fiscal year 1974 has already passed and this year's budget will be swelled by $800 million. I urge support for my motion to recommit.

Mr. PATMAN. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, I am very grateful for this time. I rise in support of the conference report.

During consideration of the rule there was a great deal of discussion and many people were saying we should not pass this conference report because the House Committee on Public Works had passed a comprehensive mass transportation bill and we should wait for that. I would like to state as a member of the House Public Works Committee that there are many members of the committee who have been and who are today in total support of the Minish-Williams bill. The gentlewoman from New York indicated that in her fine presentation during consideration of the rule.

I would like to say to my colleague from the State of New Jersey that we are not talking about a pie-in-the-sky piece of legislation by the Public Works Committee. The bill which has been reported out by the Public Works Committee is a comprehensive long-range $20 billion piece of legislation which is designed to attack the problems of the urban areas of this Nation.

Let us see where that bill is right now. In the House that bill has been reported by the Committee on Public Works. There has been no rule, no action by the House of Representatives.

In the other body there has certainly been no markup on similar legislation. I doubt that there have been any meaningful hearings. So the Public Works Committee bill, the long-range bill, may be a long way down the road. This bill is here right now. The need in our cities is here right now.

There was some discussion during the consideration of the rule that this is a bill strictly for the consideration of New York City and northern New Jersey. It was mentioned that New York City and northern New Jersey received more funds from this bill than the combined total of the cities of Los Angeles, Chicago, Philadelphia, San Francisco, Detroit, Boston, and the District of Columbia.

Well, Mr. Speaker, if we look at the total revenue passengers in the mass transit in this country, if we look at New York and northern New Jersey, we see that New York and northern New Jersey revenue passengers have a percentage of about 38 percent and all the other 7 urban areas mentioned have a total of 22½ percent; so New York and northern New Jersey have almost doubled the amount of revenue passengers; yet they get only $202 million, compared to $198 million for the total of the other cities; so New York and northern New Jersey on a passenger basis are somewhat shortchanged.

Mr. Speaker, this legislation is needed now. It is in no way in conflict with the bill from the Committee on Public Works, which will be coming out before this Congress adjourns; but it may very well be as far as rail legislation and actual law that if we do not pass this conference report that we may very well adjourn this Congress with no mass transportation legislation at all. I submit that would be a crime.

I urgently request my colleagues in the House to pass the conference report.

Mr. WIDNALL. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the conference report on S. 386, the Emergency Urban Mass Transportation Assistance Act of 1974. This bill did not make a lot of sense when it passed the House by the narrowest of margins 10 months ago. It makes even less sense today. It is opposed by the Transportation Department and will be vetoed. It is an unbudgeted back door expense of $800 million which is highly inflationary. I shall vote for the motion to recommit.

This bill started out in both the House and Senate as an attempt to meet a specific emergency—skyrocketing transit operating deficits. It emerged from conference as a general aid to transit plan. It was changed so much that a rule waiving point of order was needed. The bill was completely rewritten in conference without the benefit of hearings. Perhaps this shortcut procedure helps to explain some of the bill's more glaring deficiencies.

S. 386 resembles a plan to drain the ocean to save a drowning man. However sincere the effort, it is unlikely the solution will ever catch up with the problem. Some of our largest transit properties are indeed floundering in a sea of red ink. But we do nobody a favor if the Federal Government assumes the operating deficit burden, thus removing any incentive for local transit authorities to hold costs down.

The need to encourage cost-effective competitive transit is absolutely critical. Unless we make this the bedrock of national transportation policy, transit will rapidly become a burden that neither local, State, or Federal Governments can afford to bear. Recent trends in transit operating deficits support this harsh assessment. Up until 1963, America's transit properties collectively operated in the black. Beginning in 1963 transit slipped into a deficit position and the trend has accelerated to the point where next year's deficit is expected for the first time to exceed $1 billion.

During the past 3 years the deficit has climbed at an average annual rate of 33 percent. If this trend continues, and there is no compelling reason to assume otherwise, the annual deficit will exceed $2 billion in 3 years and $5 billion by 1980. These figures are so depressing, they have an air of unreality about them. But we can hardly afford not to take them seriously.

The bill does nothing to hold down deficits. Rather it seems to encourage them. Subsidies will only create another type of big-city dependency on the Federal Treasury.

I am afraid some of us are still operating under the illusion that new type systems of the kind currently being deployed in the District of Columbia and in San Francisco will reduce the demand for operating subsidies. Nothing could be further from the truth. Testimony before the Transportation Subcommittee on Appropriations earlier this year indicated that debt service alone on the Washington Metro system will average out to $1 per ride. The BART system has already experienced critical operating deficit problems. Virtually every extension of current service, whether bus or rail, will contribute to increased operating deficits.

Even new service concepts such as dial-a-bus which are now being deployed in some 40 cities throughout the country will compound the debt problem. UMTA data shows that dial-a-ride systems have experienced deficits ranging from $1 to $2.44 per ride. I happen to represent a fairly typical low-density suburban constituency. The people in my area want more and better transit serviec at reasonable cost. The problem of course is that the most lucrative routes are already served. From this point on, the more service we provide in low-density areas, the faster our operating deficit will increase. In 1972 my area increased ridership 8 percent while our operating deficits rose 230 percent.

We should not kid ourselves as to whose crisis it is that we are addressing in this legislation. In 1972, the latest year for which figures are available, six cities with fixed rail systems accounted for nearly 60 percent of the Nation's total transit deficit. New York City alone stands to receive 21 percent of the $800 million. If these particular cities with obsolete fixed rail systems need some emergency assistance, than we should address their problem directly rather than cloak that specific problem in the garb of a national transportation crisis.

Whatever the bill's merits or deficiencies, I fail to understand the logic that caused this bill to be left on the table for 10 months than resurrected about the time that, first, the Public Works Committee voted to report out its own comprehensive urban mass transit bill, and second, the President announced his determination to cut $12 billion out of this year's congressional appropriations. It looks like we are being asked to vote on this emergency bill today and the public works bill as early as next week. The two bills take sharply different approaches to the same problem. They differ in allocation formulas, level of funding and level of Federal matching. There has got to be a better way to legislate national transportation policy.

I happen to be one of those poor souls that takes the balanced transportation rhetoric seriously. S. 386 will I am convinced only further impede progress toward that goal. The key to a more balanced transportation system and the operating subsidy problem is to encourage the development and deployment of competitive, cost-effective alternatives to the automobile. We should invest our limited Federal transit dollars where the chances for success are greatest. We have not consistently followed this policy in the past and we have suffered dearly from this lack of focus.

The priorities here are all wrong. They are backwords. They are counterproductive.

Our first priority should be to substantially increase transit research and development efforts. Once we develop competitive transit options, the subsidy problem will largely take care of itself. Second, we should vote the capital grant funds necessary to make deployment of cost-effective systems possible. Without such a coordinated approach, the operating deficit spiral cannot be broken and our dreams of a balanced transportation system will drown in a sea of red ink.

I urge the defeat of this bill.

Ms. ABZUG. Will the gentleman yield?

Mr. FRENZEL. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, I gathered from the gentleman's remarks that he favors an overall mass transportation bill which is coming out of the Public Works Committee, and I agree with him. I really find it very difficult to regard it as a tincup situation. I think it is important for the gentleman to know that New York State pays in at least $30 billion in taxes to the Federal Government, which is a minimum of 50 percent——

Mr. FRENZEL. I thank the gentlewoman for her contribution. I yield no longer. I presume that the gentlewoman is referring to taxes paid by corporations which are earned from sales in States like my own.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, I thank the gentleman for yielding. My observation is that this bill appears to be somewhat unfair to the taxpayers of this country. My quick arithmetic tells me that the top 10 cities listed, which consist of about 20 percent of the population of this country, are receiving over 50 percent of the benefits. Putting it another way, it appears that 80 percent of the people are subsidizing 20 percent, which I feel is inherently unfair.

Mr. FRENZEL. I think the gentleman's mathematics are just wonderful. When we go into the formula we get into worse trouble because the commuter going to New York is going to ride three or four systems, and we get into three or four fares and distort the formula even more greatly.

Mr. PATMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, in a few minutes there will be a motion to recommit this conference report to the committee, and I will support that motion to recommit.

As the Members know, I am a proponent of mass transit. I believe that it is the ultimate answer to many of our problems: energy, pollution, and congestion. Therefore, I will support the motion to recommit, not because I oppose mass transit, but rather, because I know we can do much better in meeting the transit needs of our cities than what is proposed in S. 386, which is admittedly a stopgap measure designed to help only a few urban areas, with the New York-northern New Jersey area getting 25 percent of the money.

But, I am not going to speak about the defects of this bill. I am urging the Members to vote to recommit because, in reality, we are going to have only one mass transit bill in this Congress.

Which bill will it be?

The bill S. 386, which grants operating subsidies to only a few large cities? Or, the bill of the Committee on Public Works, which helps other cities develop mass transit programs?

So, do we want to accept this stopgap measure, in lieu of a comprehensive program that will do for mass transit what the highway bill did for highways back in 1956?

And remember, we can't have both.

We cannot have both this bill and the public works bill.

I think this Congress should make a long-range commitment to help our cities purchase and construct rapid transit systems. This bill, S. 386, does not do it. The public works bill, which has passed the Committee on Public Works and which will be ready for floor action next week, will.

It is our choice. Do we want this bill, which is a temporary, stopgap proposal? Or do we wait until next week and adopt a comprehensive program?

I urge the Members to vote to recommit this bill to the conference committee and give us a chance to really help our cities develop viable efficient transit programs.

I am not alone in this. For example, the executive committee of the National Conference of Governors sent us a telegram describing certain provisions of this bill S. 386, as deplorable. They pointed out that it "makes no provision for the States to participate and to help with this important program."

They continued that "No funds are provided for rural areas." In addition, they state that the bill gives "one-fourth of all the money to only two urban areas."

They went on to say that the Public Works Committee bill is the most desirable of the two bills.

In my own State of California, we received a memorandum this morning from the Governor's office. It says: "The State of California strongly urges that this conference report be either postponed or recommitted to conference.

"We do not believe that the House should act on S. 386 at this time because we are convinced that the mass transit bill recently reported by the Committee on Public Works is a far superior alternative for dealing with the mass transit needs of our Nation. We believe that the Public Works bill, H.R. 12859, deserves to be considered on the House floor, and are concerned that the enactment of S. 386 will preclude that possibility."

Mr. PATMAN. Mr. Speaker, I yield one additional minute to the gentleman from California.

Mr. MINISH. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from New Jersey.

Mr. MINISH. I understood the gentleman to say that the Public Works bill will come before the House next week.

Mr. ANDERSON of California. I said that the Committee on Public Works bill had been ordered reported from the committee and will be available to come before the House next week.

Mr. MINISH. Is the gentleman aware that there is no rule on it?

Mr. ANDERSON of California. I am aware that there will have to be a Committee on Rules hearing, and I feel confident that it will be voted out on to the floor. The Rules Committee delayed this bill S. 386 in view of the fact that the administration's UTAP proposal was assigned to the Public Works Committee for consideration.

Mr. MINISH. We did not hold our bill up.

Mr. ANDERSON of California. Let me add this: The Los Angeles Times, which has been a longtime supporter of mass transit, said regarding the public works bill:

> The passage of S. 386 could jeopardize support for this kind of legislation, which is really needed. What is really needed is legislation along the lines of the Mass Transportation Act, H.R. 12859, approved last week by the House Committee on Public Works.

And reading from a letter from the Secretary of Transportation, dated July 26, 1974. He says first that S. 386 effectively eliminates much needed participation by State governments in public transportation programs. Second, that the formula for distributing funds in S. 386 is unsound.

Invoking factors, such as ridership and vehicle miles traveled, which are currently not accurately measured. Also, the formula is administratively difficult and susceptible to manipulation.

More importantly, this formula discriminates against urban areas that are in the process of developing enhanced public transportation programs.

Secretary Brinegar goes on to say that—

> What is needed is a national formula which fairly respects both the needs of areas with sizable existing public transportation systems, and those areas currently planning and implementing systems. S. 386 does not meet this challenge.

Mr. LUKEN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. Yes, I yield to the gentleman from Ohio.

Mr. LUKEN. It is my understanding that New York has 40 percent of the riders of the country. I believe we are making a point about giving them 20 or 25 percent of the Federal funding. It seems to me that we should be spending the money where the riders are.

Mr. ANDERSON of California. If I could have 30 seconds more time, I would like to respond to the gentleman.

Mr. WIDNALL. Mr. Speaker, at this time I yield 2 minutes to the gentleman from New York (Mr. GROVER).

Mr. GROVER. Mr. Speaker, I thank the gentleman for yielding me this time.

The Committee on Public Works, of which I am a member, has indeed, under the leadership and the vision of the gentleman from Alabama, BOB JONES, put together a monumental, comprehensive, and intensive attack on this problem and has projected itself down the roadbed of one of the Nation's great priorities.

Notwithstanding that, Mr. Speaker, I am supporting the present conference report before us because I do not think it detracts from the bill which we put together. What it does is to shore up the ability of some of our cities to keep the wheels rolling until we are able to come out with a public works bill.

I suggest to the Members that this is not a total bed of roses to bring that bill up. There are some disagreements on the formula, and there are some disagreements on the funding. The funding is set at $20 billion over a period of years; the administration says it will go for $12 billion. We have problems of delay contemplated on the House floor with the business before us, and we have the possibility of a prolonged delay in the Senate.

Mr. Speaker, this bill is an excellent bill from the Committee on Public Works. It is a bill which I support. We may well find these legislative roadblocks and these Executive roadblocks will have to be overcome.

Mr. Speaker, this will create a tremendous hardship for the major cities, because they are looking not to the present but to next year for the funds which the bill can provide. They need this bill this year desperately.

I suggest to the Members that support for this conference report does not in any way indicate that it is an alternative or a substitute for the bill which the gentleman from Alabama (Mr. JONES) has put together with such great care and such great vision. I am going to support this bill.

The bill has been called an interim bill and a stop-gap bill. That is what it is. It is a stop-gap bill, awaiting the real program to be enacted in order to attack the problems of proper mobility of the people in this country.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. GROVER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I would like to associate myself with the remarks made by the gentleman from New York (Mr. GROVER).

Mr. Speaker, I rise in support of the conference report on the Emergency Mass Transportation Assistance Act of 1974. I am most pleased that the House Rules Committee cleared this conference report for floor action today and that the efforts of the House Banking and Currency Committee have at long last come to fruition. The Members of this body who represent districts in our urban areas are well aware of the problems that our mass transportation systems face. I would like to quote from the report which was issued by the Committee on Banking and Currency when the Mass Transportation Act was reported out of committee.

> The Nation's mass transit systems are clearly fast approaching a do or die situation. For one thing revenues and passengers, along with rising costs in fares, combine to make public transit prices national in scope. Despite the fact that more than 70 percent of Americans now live in urban areas, transit patronage today is less than three-fourths of what it was 15 years ago; and only a third of what it was 25 years ago.
>
> State and local taxes are supporting transit operations in 150 cities to the extent of more than $50 million annually but it is apparent that this present contribution by overtaxed localities in no way guarantees a stemming of the tide of financial difficulties besetting transit operations. The self-defeating pattern of raising fares to meet increasing costs only results in less service and more and more transit riders opting for the private automobile.

It is also apparent that there are countless thousands who do not have the luxury of that choice and are totally dependent on public transit for their mobility. As I indicated before, I do not think there's any need really to further document the plight of mass transit systems in this country. It exists, we know it exists and we had better do something about it. And this piece of legislation which has been reported out of conference provides $800 million to be spent for either capital expenditures or operating expenditures, whatever the locality decides is in its best mass transit interests. The conference committee essentially accepted the Brown substitute which was introduced in our committee by Representative GARY BROWN of Michigan and which I supported most generously. What the Brown substitute attempted to do was to add flexibility to the committee bill. The committee bill, as you recall, when it was initially reported out of the House Banking and Currency Committee, provided $400 million for fiscal year 1973 and $400 million in fiscal year 1974, exclusively for operating expenditures. What Representative BROWN had in mind was a revenue-sharing type concept allowing local discretion of how to use funds. That approach did not pass in committee. I am happy to report that it did pass and was approved in conference. The other aspect of Mr. BROWN's substitute was changing the formula percentages. Initially the House bill dispersed funds to the local transit systems on a three-factor formula. Thirty-three and one-third total population of a city; 33⅓ revenue passengers; 33⅓ of vehicle miles. The Brown substitute wished to change those percentages to 50, 25, 25. The reason there was to weigh the formula a bit more in favor of smaller cities and to prevent the sizeable amounts of money from being eaten up by the larger cities. The conference committee accepted that and I think they were wise in doing so. In addition, when the House bill passed, we had a provision in that piece of legislation that said no more than half fare could be charged to senior citizens during nonpeak hours. That legislation, that concept has been modified a bit in conference, the conferees accepted language that would allow for discount fares determined by the localities themselves. I would hope that the localities would take into account really the House's wish to have them at no more than half. The other aspect of the conference report is a demonstration project for free fare mass transportation. $20 million is reserved for this demonstration. The idea here is to use such free fare, reduced fare programs to increase and attract new riders and to develop a viable transportation system. I think it makes a lot of sense. It is something that should be tried.

Mr. WIDNALL. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I rise in strong support of this conference report. I also want to take this opportunity to commend my good friend and colleague, the gentleman from New Jersey (Mr. MINISH), for his hard work and for his efforts in getting this bill to the floor.

For some time now, we have known that emissions from automobiles constituted the No. 1 cause of air pollution in many of our urban areas. This prompted a dramatic increase in the awareness of the need for mass transit systems.

This, we might say, is one of the reasons this bill should be enacted into law.

But during this past winter an additional urgent reason for expanded mass transit was thrust upon us—the energy crisis.

Now we are faced with a problem of searching for ways to conserve our energy resources. Surely, one of the most practical methods is to reduce the amount of oil used by automobiles. Expanded mass transit is now a key to attaining two national goals: clean air and energy self-sufficiency.

Mr. Speaker, I have listened to the remarks of the opponents of this bill, I have listened to the Members who said it only affects the 10 largest cities, I have listened to the Members who said it was not an important measure, and I have listened to the Members who said we can wait. But let me say right here and now that we cannot wait. We can wait no longer. I do not think we will have a mass transit bill if we wait much longer.

Perhaps some of the Members in this Chamber do not know how serious the problem is in our part of the country. Let me tell the Members that in my county, in my congressional district, and in my hometown of Union, N.J., with a population of 55,000 persons, if one does not have an automobile, one either walks or hitchhikes. It is that bad.

Mr. Speaker, this bill is needed to alleviate such a deplorable condition.

Let me also answer the critics who said this bill would satisfy only a small group of people, and that the local taxpayers should pay for all mass transit themselves. It is impossible for local taxpayers to finance such a system; it is impossible for local taxpayers to get the funds to put together the kind of mass transit systems that are needed.

Mr. Speaker, the urban areas need this assistance, and they need it now. It is a top priority. People need fast, economical, comfortable mass transit systems. The need is there, the people deserve it, and they are entitled to it.

Mr. Speaker, I urge the Members of this House to vote in favor of this legislation.

Mr. PATMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ROE.)

Mr. ROE. Mr. Speaker, I wish to rise in support of this particular measure, this conference report on mass transportation.

Even though I, too, am a member of the Committee on Public Works and have been for the last three terms in Congress, I take this strong action in support of this vitally important measure. I have worked diligently and hard on the public works mass transit bill with our very distinguished chairman of the committee, the gentleman from Alabama (Mr. JONES).

Fundamentally and basically, I believe that the public works mass transit bill is a splendid and a superb piece of legislation. However, this urban mass transit conference report S. 386 is critically important and should be overwhelmingly adopted by this House. It will in no way interfere with the pending public works legislation.

I see people rise on this floor who are from the rural areas, and they extoll up and down the Committee on Public Works on the marvelous, splendid job they are doing in our mass transit legislation, and I say to them, will you love us in December as you did in May?

One of the important parts in this mass transit bill before us is that we have got to get it off the dime now; and we have got to make funds available for mass transit if we want to avoid further trouble and see mass transportation go down the drain, because there is no way to get a new bill through the House or the Senate, and everybody knows it.

The SPEAKER. The time of the gentleman has expired.

Mr. ROE. Could I have an additional minute?

Mr. PATMAN. I will have to say to the gentleman from New Jersey that the time has all been allotted.

Mr. WIDNALL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Speaker, I rise in strong support of the conference report on S. 386, the Emergency Urban Mass Transportation Assistance Act of 1974. Approval of legislation to give some relief to our beleagured urban mass transportation systems is desperately needed, and I urge my colleagues to give this report favorable consideration.

The urgent need beyond this bill is a carefully devised long-term program of continuing assistance to mass transit. Several possibilities present themselves here. As a sponsor of the Federal Aid Highway Act amendment to open the highway trust fund to allow urban areas to utilize, at local option, funds for mass transit improvements and costs, I assert that funding on such a continuing basis is essential for our urban transit experts to plan realistically for present and future needs, with some financial assurance.

Additionally, proposals are before the Congress to establish, under various names, what the administration refers to as the urban transportation assistance program. Such an effort is clearly urently needed and should be pursued. The only real solution to the financial bind in which transit systems find themselves is a meaningful, long term commitment of funding.

However, one look at the present situation clearly demonstrates the need for this bill. As its title implies, it is an Emergency Assistance Act. While we have heard pleas from several quarters to hold off on our consideration of this measure, until something else can be worked out, we are, I fear, running out of the luxury of extra time. We have heard these same pleas for many months now, and the House has been remarkably patient in waiting. I would say to my colleagues that our approval of this measure today need not preclude consideration of any improvements which are proposed. Indeed, we must always remain open to someone with a better idea.

Our mass transit systems are in need of funds—they need them now. With capital and construction costs of mass transit ever mounting, and with operating deficits always on the increase, we must not allow ourselves to get into the position of playing the fiddle while Rome burns.

I would again urge quick approval of this much needed bill.

Mr. PATMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in support of this conference report. I also rise to commend the gentleman from New Jersey, the chairman of the subcommittee, for his diligent, intelligent, and hard work on this bill. I am sure that he would not object if I said that probably some of the criticisms are correct. It is not a perfect bill; it is a short term bill. It does not contain such things as an efficiency factor, as the gentleman from New Jersey (Mr. WIDNALL) says, we have an emergency now, and this is a bill which can be, as the gentleman from New York (Mr. GROVER) said, consonant with the public works bill. We are not in a situation where we can only have one bill. We had better be very sure that we get at least one bill. This one is sure. It is before us today. Maybe we will get the public works bill; maybe we will not. If we pass this bill, I will support the public works bill. We can work together. Let us not end up with no bill at all.

Mr. WIDNALL. Mr. Speaker, I just take this remaining time to speak about one phase of the problem that has not been discussed. There are many millions of people in the United States who do not live in the cities but who travel to and from the cities. Many of them work in the cities. Many of them vacation there, and they have to have good public transportation in order to travel, in order to communicate, in order to visit with friends or relatives and go about their own business and the Nation's business.

I think too often we are prone to say that the only ones who benefit are the ones who live in the cities. There are millions of people who benefit. I live in a section of New Jersey where there are 70 closely compacted municipalities. The largest one is 45,000. The county has almost one million people. If one drives through it in an automobile, he believes it is a city. There is no clear marking of town boundaries. We have communication problems, transportation problems, and we urgently and badly need a bill such as this one in order to make possible the improvement of our transportation.

I think this is the bill that is for all of the Nation; it is not concentrated in two or three large municipalities such as some will have us think.

Mr. Speaker, I urge all of my colleagues to vote and give the possibility of this improved transportation system to all of America.

Mr. HUNT. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New Jersey.

Mr. HUNT. I thank the gentleman for yielding.

I want to commend the gentleman from New Jersey for his stand, and likewise my colleague, the gentleman from New Jersey (Mr. MINISH) for this particular piece of legislation. I supported it last year; I am going to support the conference report today.

I think the gentleman from New Jersey (Mr. WIDNALL) has put his finger on the exact situation that exists in the district that I reside in. We are adjacent to the city of brotherly love, Philadelphia, Pa. We have 40,000 people each day commuting from my district to the city of Philadelphia by way of the Lindenwold Speed Lines.

The SPEAKER. The time of the gentleman has expired.

Mr. PATMAN. Mr. Speaker, I yield the last 3 minutes to close the debate to the gentleman from New Jersey (Mr. MINISH) the distinguished author of this bill.

Mr. MINISH. I thank the gentleman from Texas for yielding to me. I yield to the gentleman from New Jersey (Mr. HUNT).

Mr. HUNT. I thank the gentleman

for yielding so that I might finish my statement.

We have plans at the present time to continue this speed line through one of the fastest growing territories in south Jersey. This bill would be of infinite help to us. I am confident the people will understand the real context. They think the bill is for the cities only. It is not. It will be for those bedroom areas in the suburbs and outlying districts such as I represent which will be so greatly benefited if we extend the line. It now extends from Philadelphia, Pa., to Lindenwold, N.J. We are desirous of extending it to Atco, N.J., on one line and to Glassboro, N.J., on the other line. Plans are being formulated now. All we need is the money. This bill could be our answer. I urge its acceptance by this body.

Mr. MINISH. Mr. Speaker, many of the previous speakers have alluded to the fact that this bill may be vetoed by the President of the United States. I should just like to point out what the President said in his message on transportation in 1973.

> Nothing can do more to lift the face of our cities and the spirit of our city dwellers, than truly adequate systems of modern transportation . . . Good public transportation is essential not only to assure adequate transportation for all citizens, but to forward the common goal of less congested, cleaner, and safer communities . . . effective mass transit systems that relieve urban congestion will also reduce pollution and the waste of our limited resources.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, the Emergency Urban Mass Transit System Act is legislation that focuses on an issue of importance to the entire Nation.

There are those who argue that mass transit assistance for urban areas is of no concern to those who do not come from urban areas and therefore should not be supported by their tax dollars. This is an overly simplistic view that discounts the indispensable role of the urban areas in our national economy. The majority of our population lives in urban areas. The large urban centers produce the major part of the taxes for the operation of the Federal Government, which serves all the people, and the large urban centers create the kind of commercial, industrial, and cultural activity that is national in impact and scope.

Last winter's fuel and energy crisis made clear to the entire Nation the necessity for encouraging the construction, operation, and use of public mass transportation.

In New York City, for example, the per capita consumption of energy is 30 percent less than the national average. This is a direct result of the fact that 70 percent of the people in New York use mass transit. It is the major means by which people get to and from their jobs.

New York's reliance on mass transit was described as a key "national asset" in energy conservation by EPA Administrator Russell Train in testimony before the Joint Economic Committee. Through the adoption of this legislation we now have an opportunity to multiply significantly this kind of energy conservation of our resources by supporting the construction and operation of mass transit facilities in many parts of the country.

Furthermore, when we talk about mass transit by bus, subway, rail, or otherwise, we are speaking of ways in which we can find solutions to other national problems.

Clearly, greater reliance on mass transit will ease the problem of pollution and the clogging of our suburban and rural highways, as well as the highways and streets of urban America.

It will add to the mobility of the elderly, the poor and the handicapped.

It will help to bring suburban shoppers back to the downtown business districts. Over the years central business areas in the cities have been losing out to suburban shopping centers. The situation has led to severe deterioration of center cities as many establishments have been forced out of business, leaving empty stores and fewer people entering the area. Adequate mass transit can help reverse this situation and improve the economic conditions of our cities, both large and small.

It will provide the means by which huge numbers of working people who cannot afford an auto and yet must go to work, can have the means to reach their employment.

In the case of New York City, this bill will mean avoiding a fare increase for the 4 million daily subway riders and 2 million daily bus riders. The importance of this for the economy of this city cannot be underestimated. Although New York has only 3.8 percent of the total U.S. population, its transit system carries upwards of 40 percent of all revenue passengers throughout the country on an average working day. Estimates by the Regional Plan Association and the Tri-State Regional Planning Commission indicate that for every nickel increase in the fare, there is a 2.8 percent decrease in ridership. The impact of a large fare increase, with a consequent loss in ridership, would have a sharp impact on our city's economy, with a subsequent loss in tax revenue for the Federal Government. It has been estimated that New York State pays as much as $32.5 billion to the Federal Government in taxes, and more Federal income taxes come from the personal and corporate income taxes paid in New York City alone. I think this gives some indication of the importance of New York City to the economy of our entire Nation, and the necessity for assisting its mass transit system.

Those who complain that subsidizing mass transit is expensive underestimate the true cost of subsidizing travel by private car. If we wanted to make an accurate comparison, we would have to include in the cost of private vehicle travel the amount of Federal subsidy for the original construction of the roads, the cost of State and local maintenance of these roads, the local subsidy for parking, the toll in air pollution and congestion, and the effect on the health and the economy of areas crippled by the noise, congestion and air quality.

What about the savings to the public? It has been estimated that for every dollar invested in mass transit, the public saves $7.80. It has also been shown that one auto produces 13.2 times as much pollution for each passenger mile as does one diesel bus, 73.3 times as much as one diesel train and 330 times as much as one electric train.

When all these factors are taken into account, it is clear that mass transit is an excellent buy and the time has come for congressional recognition of this fact.

The conference report before us will take a significant step in the direction of meeting critical transportation needs for the next year. I urge its support. The next essential step must be the passage of H.R. 12859, the Federal Mass Transportation Act of 1974, which is a 6-year bill to finance the construction and operating facilities and equipment for use in public mass transit. It takes up where the Minish bill leaves off and provides a meaningful framework and mechanism and long range to the mass transit needs for the entire country.

Mr. PODELL. Mr. Speaker, my district, as most other urban areas, is in dire need of aid to its mass transportation system. The people that I serve, as others in urban areas, are entitled to a method of transportation that is economical, easy to use, clean, and safe. However, this unfortunately, has not been the case. There are numerous instances of inadequate equipment, poorly maintained equipment and less than adequate service supplied on some routes. These problems are more than slight inconveniences; in some cases they are not only hazardous but dangerous. The people of New York, along with others, have been fighting this mass transportation problem with little success. Help is needed and is being offered in this legislation that is before us.

I would like to point out a fact that you are probably aware of, and that is, this is the first legislation of its kind to be offered dealing with the specifics of mass transportation problems. The funds under this bill would be available for the operating expenses of mass transportation. This is a new concept that is finally being dealt with. Being able to provide aid for operating costs goes directly to the essence of the problem and is offering mass transportation an exit to their dilemma. This legislation would be extremely effective and useful to aiding urban mass transportation and the people who use it. The bill not only deals with operational expenses but also takes into consideration the problems of the elderly and the handicapped and includes fare adjustments to accommodate these problems.

Many people depend solely on mass transportation to carry them to and from their places of work and recreation. These and all people have the right to expect safe, clean, and efficient service. We are able to provide relief to the overwhelming problems of mass transportation through this legislation, and we should.

Our country is facing and attempting to conquer a severe energy crisis, which makes a good mass transportation system doubly important. The greater use of public transportation would conserve energy and provide a viable alternative to the use of cars. However, we need a working system and we can strengthen our mass transportation through this legislation to provide this end.

People are entitled to an adequate mass transportation system and should receive it without further delay. I urge my colleagues to join with me in swift passage of this legislation that will benefit us all. Thank you.

Mr. WOLFF. Mr. Speaker, I rise in support of the conference committee report on S. 386, the Urban Mass Transportation Act. This landmark legislation provides the first operating subsidies for the Nation's major metropolitan transit systems, long overdue for financial assistance.

S. 386 recognizes that mass transportation is a national priority—that we cannot allow mass transit systems to price themselves out of the entire transportation market; nor can we allow them to become insolvent, regardless of their location. The formula provided for in this legislation is not based on a narrow focus, but clearly recognizes that mass transportation is an essential service to the entire country.

The $800 million authorization for mass transit subsidies over a 2-year period offers stability to an industry in need of immediate relief. Residents of New York State, whether they be from Buffalo or New York City, have been threatened with tremendous rate increases should this legislation fail to be adopted. New York residents cannot afford, what must be considered, inflationary rate increases. The $200 million New York could receive is necessary for preventing a substantial increase in our cost of living and for attracting metropolitan area residents to mass transit services.

Mr. Speaker, I urge my colleagues to support this legislation, not only because of its recipients, but for its approach to a critical national problem.

Mrs. HOLT. Mr. Speaker, the conference report on the Urban Mass Transportation Assistance Act would continue the reckless surge of fiscal irresponsibility that has characterized the administration and the Congress for several years.

This legislation is a classical example of what has been happening: The administration proposes billions of dollars of deficit spending and the Congress runs wild by authorizing even more spending.

As it has emerged from the conference committee, the Urban Mass Transportation Assistance Act would double 1975 spending for this one program from $400 to $800 million.

Mr. Speaker, it is time for this Congress to recognize that Federal tax dollars are not inexhaustible and that we are bankrupting the Nation with inflation by this kind of irresponsibility.

Some of us have been insisting for years that the Congress must consider the fundamental question of what the people can afford, and balance that consideration against the need of desirability of the many programs before us.

But the question of affordability never seems to enter the minds of some Members, and the Nation continues wallowing toward economic catastrophe.

There is another feature of this legislation to which I strongly object, and that is the provision of operating subsidies for mass transit systems. I would remind the House that just two cities, New York and Boston, would get a lion's share of the subsidy money, which would be taken from rural and suburban areas that have a critical need for funds for their own transportation needs.

In my own district, I can offer the examples of Maryland Routes 381 and 382 which are in deplorable condition, although they serve the needs of thousands of people in southern Prince Georges County. Southern Ann Arundel County also has a critical need for better roads, not to mention the need for bus service in suburban and rural areas.

Mr. Speaker, sound fiscal policy should require that we limit Federal aid to sharing capital costs of building and equipping mass transportation systems.

However, once we begin to subsidize the operating costs of such systems, we start an endless drain on public funds that will inevitably grow to impossible dimensions.

Where is the incentive for efficient operation of mass transportation systems if State and local authorities can depend on Federal funds to bail them out of operating deficits?

If this legislation is enacted in its current form, we will be under intolerable pressure in all future years to increase the operating subsidies. It is possible to envision a future in which the Federal Government will actually be managing and running the bus and train systems for every city from a central bureaucracy in Washington.

But the very worst feature of this bill is the provision for demonstration free-fare programs.

This is another one of those proposals that pretends to give the people something "free," but we all know that Government can give nothing to the people that it does not take from the people.

Mr. Speaker, it is fraudulent for Government to offer anything under the label "free."

Whatever the project or program, the people will be forced to pay for it, either by taxation or inflation or both.

Mr. Speaker, let us have commonsense and honesty in dealing with the financial problems that afflict the Nation.

Mr. BINGHAM. Mr. Speaker, I rise in strong support of the conference report on the Emergency Urban Mass Transportation Assistance Act of 1974.

Mass transit systems across the Nation are operating under heavy financial strain, with a total deficit of about $680 million. The largest mass transit systems are in the deepest difficulty. The $800 million authorized in this bill, added to the funds already authorized under the Federal Highway Act of 1973, would go a long way toward relieving the mass transit crises in our cities. This $800 million would be distributed to States according to a formula of 50 percent for population, 25 percent for the number of revenue passengers carried, and 25 percent for the number of revenue miles traveled. This formula recognizes the exceptional needs of a State such as New York.

It has been suggested by many who oppose this legislation that this bill leans too heavily toward our large urban areas with established mass transit systems. These areas are precisely where the funds are most desperately needed at this time. How can a bill be too heavily weighted toward big cities when that is exactly where the worst problems exist? Tens of millions of people in these cities depend upon mass transit systems to reach their place of business. My home State of New York, for instance, accounts for almost 40 percent of this Nation's mass transit volume, though having less than 10 percent of the population.

To ignore the number of passengers carried by a city such as New York, or the number of miles traveled by the system is to ignore the amount of investment already put into its mass transit facilities and to punish its citizens for recognizing the benefits of mass transit long ago. The public investment in subway and bus systems in New York exceeds $40 billion, employs 60,000 people, carries 3.9 million subway riders along 232 miles of routes, and serves a total of 7.8 million riders daily with nearly 9,000 train and 81,000 bus trips. It is the cornerstone of New York's economy enabling 8 million people to live and work in New York City. It is obvious that fare-box revenues and State and city assistance are not enough to maintain such a massive transit system.

I commend the Public Works Committee for its deliberations over the unified transportation assistance program which is a long-term and far more comprehensive measure, but it is most unlikely that legislative action on UTAP can be completed during this legislative session. The bill before us is a "bird in hand" and must not be brushed aside in favor of possible future measures.

Ridership on the Nation's public transportation systems gained 6.5 percent for the 6 months ending June 30 as compared to the same period last year. This trend cannot be expected to continue if governmental policy does not reflect the public's increased dependence on mass transit right now. The only way we can continue to encourage mass transit usage is to improve the quality of our mass transit services. This requires more money for mass transit and a new transportation ethic on the part of our Government.

Since 1965 I have worked toward reordering our Government's transportation priorities. My legislative efforts in this area have centered upon opening up the highway trust fund for mass transit use at local option. The Federal-Aid Highway Act of 1973 was an important first step toward this goal. We must continue to insure increasing Federal support for mass transportation.

The legislation before us, if enacted, will enable our larger mass transit systems to continue to operate at current standards without having to raise fares, a step which could well eliminate mass transit as a viable alternative to the automobile.

I urge my colleague to support this essential legislation in numbers which will encourage the President to sign this bill into law.

Mr. KEMP. Mr. Speaker, I rise in reluctant support of the motion to recommit this bill, S. 386, the proposed Urban

Mass Transportation Act, to the conference committee.

I rise reluctantly for I am an ardent supporter of improved urban mass transportation systems—both the construction of new ones and the improvement and upgrading of existing ones.

Urban mass transportation is environmentally sound, can be the most cost effective, and is certainly the direction in which urban transportation seems to be moving.

It should be recommitted because the formula now embodied in the conference-reported bill used to allocate funds will work severe hardships on developing urban systems like the one in Buffalo. The principal tests in the bill before us are ridership and vehicle miles traveled, a formula which works an injustice on systems like those in Buffalo. The city of New York will receive 20 percent of the funds authorized for operating subsidies by this bill. I am not opposed to New York City receiving a fair share of funds, and I applaud Gov. Malcolm Wilson's untiring efforts in behalf of New York City. But, I am opposed to them receiving a share which deprives other systems of funds which they need also.

Invoking factors such as ridership and vehicle miles traveled—which are currently not even accurately measured—is administratively difficult and susceptible to manipulation. Yet, the bill as now before us discriminates against urban areas, like Buffalo, who are in the process of developing enhanced urban mass transportation programs. I hope that the conference committee will be able to devise a formula which works no hardship on either New York City, or Buffalo, or any other city in similar need.

It should also be recommitted because the bill, as now written, effectively eliminates much needed participation by State government in planning and executing public transportation programs. I see no reason for the State government of New York—or any other State—to give up their important roles in regional planning, particularly on a matter as important as mass transportation. It simply does not make sense.

Lastly, the funding authorizations in S. 386 are out of line with the pressing need to fight inflation by exercising Federal spending discipline. The practical effect of the bill is to swell this year's budget by $800 million. I do not think the taxpayers can long continue to sustain themselves under the tax burdens which such excessive spending measures places upon them.

Ms. BURKE of California. Mr. Speaker, I rise in support of the motion to recommit S. 386. While this bill is preferable to no legislation at all in this vital area of urban mass transportation, it is clearly inferior to the urban mass transportation bill approved last week by the House Public Works Committee.

While this bill does begin to deal with the mass transportation problems faced by our urbanized areas, it is a piecemeal approach at best. Congress must stop using these stopgap, temporary measures when considering this Nation's urgent mass transportation needs.

I fear that passage of this bill could have the effect of bringing to a standstill the efforts to take long-term meaningful steps toward solving this Nation's mass transportation problems.

Mr. Speaker, Los Angeles will receive some $40 million. Our own Southern California Rapid Transit District will receive some $26 million under this bill. But because I have a commitment to the long-range needs of mass transportation, I must give every consideration first to the more comprehensive bill that will be coming up shortly from the Public Works Committee. That bill will provide for the development of new, urgently needed mass transit systems in areas that currently lack such services as well as provide necessary operating subsidies for existing systems.

Though I recognize that there is a need for operating subsidies and that we need the money in Los Angeles as well, in good conscience I must say that we should recommit this conference report to give us time to bring forward the Public Works Committee bill.

Also, I am very concerned that there will be a misinterpretation of the vote on this bill as it relates to mass transit. In view of the fact that there are cities which do not receive consideration under this bill, but which nevertheless have needs.

I am now faced with a very difficult decision. We desperately need to pass a mass transportation bill this year. My own city of Los Angeles, which has an urgent need for a viable mass transit system, would receive an adequate share of money for its immediate operating needs. S. 386 provides the Los Angeles urbanized area with $40 million for the past and present fiscal year. However, more than anything else, Los Angeles needs the assurance of a permanent mass transportation program in order to plan for the city's long-range needs. The bill approved recently by the Public Works Committee fills that need.

I am therefore compelled to support a motion to recommit S. 386 until such time as the full House has the opportunity to consider the more comprehensive public works bill.

The SPEAKER. All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. WYLIE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. WYLIE moves to recommit the conference report on the bill S. 386 to the committee of conference.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 181, not voting 32, as follows:

[Roll No. 420]

YEAS—221

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bevill
Blackburn
Blatnik
Bowen
Bray
Breaux
Brinkley
Brotzman
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conlan
Conte
Corman
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Fascell
Fisher
Flowers
Flynt
Foley
Fountain
Frenzel
Frey
Froehlich
Fuqua
Gibbons
Ginn
Goldwater
Goodling
Gray
Gross
Gubser
Haley
Hamilton
Hammerschmidt
Hanrahan
Harsha
Hays
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
Kuykendall
Lagomarsino
Landgrebe
Latta
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McEwen
McKay
Madden
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Meeds
Michel
Milford
Miller
Minshall, Ohio
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Mosher
Myers
Natcher
Nelsen
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Rarick
Rees
Regula
Rhodes
Riegle
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Rousselot
Runnels
Ruppe
Ruth
Ryan
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Traxler
Treen
Vander Veen
Veysey
Waggonner
Wampler
Ware
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wyatt
Wylie
Wyman
Young, Tex.
Young, Ill.
Young, Alaska
Young, S.C.
Young, Fla.
Zion
Zwach

NAYS—181

Abzug
Adams
Addabbo
Annunzio
Ashley
Aspin
Badillo
Barrett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, Va.
Burke, Mass.
Burton, John
Burton, Phillip
Carey, N.Y.
Carney, Ohio
Clark
Collier
Collins, Ill.
Conable
Conyers
Cotter
Coughlin
Cronin
Daniels, Dominick V.
Delaney
Dellums
Denholm
Dent
Dingell
Donohue
Drinan
Dulski

du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Fish
Flood
Ford
Forsythe
Fraser
Frelinghuysen
Fulton
Gaydos
Gettys
Giaimo
Gilman
Gonzalez
Grasso
Green, Pa.
Grover
Gude
Hanley
Hanna
Harrington
Hastings
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Horton
Howard
Hunt
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Leggett
Lent
Litton
Long, La.
Long, Md.
Luken

McDade
McFall
McKinney
Macdonald
Madigan
Maraziti
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Price, Ill.
Randall
Rangel
Reid
Reuss
Rinaldo
Rodino
Roe
Roncallo, N.Y.
Rooney, Pa.

Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stokes
Stratton
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walsh
Whalen
Widnall
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Zablocki

NOT VOTING—32

Brasco
Burgener
Carter
Chisholm
Clay
Culver
Davis, Ga.
de la Garza
Diggs
Dorn
Evins, Tenn.

Findley
Green, Oreg.
Griffiths
Gunter
Guyer
Hansen, Idaho
Hansen, Wash.
Hawkins
Holifield
Jones, Tenn.
King

Landrum
Lehman
McSpadden
Robison, N.Y.
Rooney, N.Y.
Steele
Stuckey
Teague
Towell, Nev.
Wilson, Bob

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Georgia for, with Mrs. Chisholm against.

Mr. Dorn for, with Mr. McSpadden against.

Mrs. Griffiths for, with Mr. Clay against.

Mr. Landrum for, with Mr. Lehman against.

Mr. Jones of Tennessee for, with Mr. Robison of New York against.

Mr. King for, with Mr. Hawkins against.

Mr. Guyer for, with Mr. Stuckey against.

Mr. Teague for, with Mr. Gunter against.

Mr. Carter for, with Mr. de la Garza against.

Mr. Burgener for, with Mr. Diggs against.

Mr. Evins of Tennessee for, with Mr. Brasco against.

Mr. Findley for, with Mr. Rooney of New York against.

Mr. Bob Wilson for, with Mr. Steele against.

Mr. Towell of Nevada for, with Mrs. Green of Oregon against.

Mr. Hansen of Idaho for, with Mr. Holifield against.

Until further notice:

Mrs. Hansen of Washington with Mr. Culver.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just under discussion.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CLARIFICATION OF LEGISLATIVE PROGRAM

(Mr. McFALL asked and was given permission to address the House for 1 minute.)

Mr. McFALL. Mr. Speaker, I take this time in order to announce to the Members that the legislative business on tomorrow will begin with the next item on the calendar, which is the consideration of the conference report on H.R. 8217, unemployment compensation; and then we will consider the next item, which is left from today's program, which will be the consideration of Senate Concurrent Resolution 93, inflation policy study.

We will begin in that order tomorrow, and then we will take up the conference report on H.R. 69, elementary and secondary education amendments, and go on with the program.

The SPEAKER. Does the gentleman mean to state to the Members that this is the end of the legislative business for today?

Mr. McFALL. Mr. Speaker, this is the end of the legislative business for today.

THE NEED FOR CREDIT ALLOCATION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the Federal Reserve's policy of indiscriminate credit restraint is causing many needless casualties in the battle against inflation.

Tight monetary restraints and high interest rates have caused serious dislocations in the interest-sensitive sectors of our economy. There is no money to build, sell or buy houses. Thrift institutions are faced with a massive outflow of funds. State and local governments cannot market their securities. Small businesses cannot finance inventories. New capital investment in plant and equipment is hampered.

To curb our double-digit inflation we do need to have responsible monetary restraint, since a rapid money expansion could generate more inflation which in the long run would further raise interest rates. However, the administration's sole reliance on the Federal Reserve's blunderbuss approach is not the answer. It will not defeat inflation by itself, and if used indiscriminately will cause further inflationary pressures by allowing scarce credit resources to be wasted on speculative, nonproductive, non-job-producing objectives.

The House Democratic Caucus, upon recommendation of the steering and policy committee, has called for a program to cushion the impact of monetary restraint and bring down high interest rates by channeling credit toward credit-starved areas of the economy, such as productive capital investment, housing, State and local governments, and small business, and away from speculative and inflationary use of credit. Legislation has been drafted and introduced, notably by Representatives PATMAN and REUSS, which present practical ways of implementing such a program.

Representative PATMAN 5 years ago first proposed the establishment of a National Development Bank, a Federal credit institution patterned after the Reconstruction Finance Corporation established during the early stages of the depression. The bank would protect State and local governments and small and medium size businesses and industries from the damage caused by recurring tight money-high interest policies by providing adequate loan funds at reasonable interest rates for certain socially useful programs when conventional lending sources cannot meet the need.

H.R. 15709, introduced by Representative REUSS, would empower the Federal Reserve to allocate credit to national priority needs, such as productive capital investment, low- and middle-income housing, State and local government investments, and small businesses. The bill would establish an incentive system of supplemental reserve requirements for nonpriority loans and investments, combined with credits against the reserves for priority loans and investments.

The time is past due for serious debate and consideration of some type of credit allocation system. I commend Representatives PATMAN and REUSS for their innovative leadership in this area, and urge my colleagues to support their efforts.

THE RAILROAD TANGLE IN THE NORTHEAST

(Mr. VIGORITO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VIGORITO. Mr. Speaker, in one of his typically perceptive editorials, James B. Stevenson, publisher of the Titusville Herald, Titusville, Pa., in the July 3, 1974, issue of the paper, discussed a solution to the railroad tangle. He points out that in an era of railroad decline that this Nation has experienced severe difficulties in formulating a policy to insure safe rail service in the future.

This statement reflects the concern of Americans from the Northeast section of this Nation. For that reason, I commend to my colleagues for attention the editorial by James B. Stevenson, which follows my remarks:

ANSWER TO THE PROBLEMS

Judge Fullam has ruled that the bankrupt Penn Central Railroad should not join ConRail, the proposed new federal rail system set up by Congress.

This order could lead to the liquidation of the railroad. The line's creditors and stockholders are demanding adequate and immediate compensation. They wouldn't get it for at least two years, the period during which ConRail is being put together.

The answer to both problems—Penn Central's continued operation and the satisfaction of the creditors—is fairly simple but very expensive. But no one has yet come up with an inexpensive solution to the terrific railroad tangle.

It is this: Let the government buy all the tracks of all the railroads in the country—main lines, yards, sidings, everything. With the money thus received, Penn Central and the other bankrupt northeast lines could pay off a large portion of the money due their creditors. For the solvent railroads, the government, as part of the deal, would require that the money be used to buy new cars and equipment. Most assuredly it should not be used to increase dividends.

Then, the government would make contracts with the railroads to put the tracks, now owned publicly, back into first class condition and to keep them that way. This would permit the railroads to concentrate on operation, now that the burden of maintenance was off their backs. They would thus be able to give better service and to operate profitably.

The railroads' competitors, the truckers, the airlines and the barge lines, don't have to pay for the maintenance of their rights-of-way. Therefore, all four transportation competitors would be on equal footing under the track-purchase plan.

Another reason for government ownership of the tracks is public safety. This is urgent. According to Federal Railroad Administration records of 1973, track-related accidents rose 32 per cent over the 1972 rate. There were 29 persons killed and 342 injured in derailments during the first 10 months. Preliminary data for the rest of the year and for the first two months of 1974 indicate that derailments are increasing. There were 64 passengers injured in the first two months of 1974 compared with only one in the same period in 1973. The primary cause of derailments is defects in or improper maintenance of tracks and roadbed.

As recently as June 17 Amtrak's southbound Floridian derailed early in the morning 10 miles south of Indianapolis, injuring a mother and her three children. It was reported as the third Amtrak derailment in Indiana this year—a state that once had some of the finest track in the country.

So, for these three reasons—continued operation, repayment of the creditors and public safety—Congress should proceed forthwith to buy the country's railroad tracks.

GROWING PROBLEM OF EXORBITANT MALPRACTICE AWARDS

(Mr. HUBER asked and was given permission to address the House for 1 minute to revise and extend his remarks, and include extraneous matter.)

Mr. HUBER. Mr. Speaker, not a month goes by but that one of our colleagues does not call to our attention the need for more and better medical care in this country.

Too little attention, however, is being given to one of the major problems causing high medical fees and forcing physicians to leave medical practice or preventing them from working at their specialty.

I am referring to the growing problem of exorbitant malpractice awards by the courts that are far in excess of commonsense compensation for any failing on the part of the medical practitioner.

A few days ago the Detroit News called attention to the sad plight of a young doctor who had spent a total of 14 years preparing himself to be a neurosurgeon—and then, despite his reputation for being able and well-trained, the physician could not find a U.S. insurance company to sell him medical malpractice liability insurance because of the high risk of his specialty and the fact the Detroit area is one of the worst areas in the Nation as regards suits filed against physicians. As a result of this situation, the doctor was forced to join a corporation as an industrial doctor. Apparently this is a fine position but there is virtually no chance the physician can use his specialized medical skills. The loser, of course, is our society as well as the individual physician.

Another problem of broad significance caused by unwarranted malpractice awards has had the effect of forcing the retirement of our older physicians who wish to practice only part time. As the Detroit News article pointed out, you cannot afford to practice part time or do a little surgery when you have to pay $10,000 or more yearly for medical malpractice liability insurance.

Because it is as necessary to make sure that a patient receives prompt and just compensation from negligence in medical treatment as it is for the physician to be protected against unreasonable awards, this is a complex problem. As usual, however, it is the public who suffers. In the long run the ill and the injured must bear the added cost of the physician's higher insurance premiums as well as the large legal fees involved.

Mr. Speaker, I have introduced legislation calling for a blue-ribbon commission to be formed to examine this problem and make appropriate recommendations. I will be sending a letter to my colleagues explaining the proposed bill and inviting them to join in this effort to reduce inflated medical fees caused by undeservedly large court awards for medical malpractice.

[From the Detroit News, July 17, 1974]

Cost of Malpractice Insurance Plagues Detroit Area Doctors

(By Chester Bulgier)

Dr. Lucius C. Tripp has spent 14 years in college, medical school, internship and residency to qualify himself as a neurosurgeon.

His colleagues and former schoolmates and professors at Wayne State University School of Medicine describe him as able and well-trained.

He cannot get a job doing what he is trained to do, and he cannot go into practice on his own.

No U.S. insurance company will sell Dr. Tripp medical malpractice liability insurance, and he would be utterly foolhardy to do brain surgery without such protection.

Court suits against doctors—particularly surgeons in high-risk areas of specialization—are multiplying at a phenomenal rate, and awards by juries often are in astronomical figures. One sizable loss in court could wipe him out and confiscate his future earnings for years.

Dr. Tripp said he has never been sued. But his specialty is in the highest risk category for medical malpractice liability, and when insurance agents learn that he intends to practice in Detroit, they lose interest fast.

The Detroit metropolitan area is near tops in the nation in suits filed against doctors. Because of high losses in this area, half a dozen companies which have handled this sort of insurance are cutting back drastically, canceling policies, raising their rates or pulling out of the medical liability business entirely.

So the young brain surgeon, with no alternative to support his family, went to work last week for General Motors as an industrial doctor. He said he hasn't been told what his salary is, but it will be a lot less than he would make as neurosurgeon.

Dr. Tripp's dilemma is an extreme example of what this can do to a young doctor trying to get started in practice.

Older doctors are finding themselves in similar fixes. Many, particularly those who have been sued, are refused renewal of policies and have to shop elsewhere, sometimes paying almost unbelievable prices for insurance protection.

The horrible example everyone cites is the rate paid by several anesthesiologists in two major Detroit hospitals—almost $25,000 a year apiece.

And many other young doctors, just getting started in practice, are finding the high cost of insurance almost intolerable.

Dr. Robert Levine, a Southfield orthopedic surgeon in practice for about a year, discovered this year that his premium had doubled—to about $9,500 a year for $1 million worth of coverage.

"Frankly, I was more shocked than he was," said Dr. Levine's insurance agent. "But at a time when all the major companies are pulling out of Class 4 and 5, I was just lucky to find him a market at all."

Insurance companies classify doctors by risk level. Dr. Tripp, Dr. Levine and the anesthesiologists all are in Class 5, the highest risk rating, for specialists who are sued more often than any others. Also in Class 5 are plastic surgeons and obstetrician-gynecologists.

Obviously, it's the patients who pay these costs in the long run, and not only in increased fees which the doctors must pass on to them.

"I have to practice defensively," Dr. Levine explained.

"I order extra X-rays. If a child has an undisplaced leg fracture, I get an X-ray after the cast is on, just in case.

"If I have a woman patient in good health in her 60's, with a fractured hip, I call in an internist to OK her for surgery before she goes under anesthesia. That's an extra $40 or $50 for consultation. I order extra follow-up office visits.

"I do all these things in fear of being sued. I have to regard every patient as a potential plaintiff. But I can't absorb these costs. I have to charge my patients for them."

Dr. Levine said the high cost of insurance has had the effect of forcing out older physicians who wish to practice only part time.

"You can't afford to do just a little bit of surgery and pay $10,000 a year for insurance," he said.

A million dollars in liability insurance sounds like a lot. But one Detroit patient who suffered brain damage was awarded $1.7 million a year and a half ago. And dozens of recent awards have run into hundreds of thousands of dollars.

More patients—now better informed about medical problems and more intolerant of doctors' mistakes—are turning to the courts for redress.

Even if it cannot be proved that the physician was negligent, many juries seem to feel that relatives of patients who die during operations are entitled to compensation.

More than 500 damage suits are now pending against Michigan clients of Medical Protective Co., which insures about 4,700 of Michigan's 8,000-plus physicians. So far this year, the number of suits filed is up 75 percent over the same period last year.

Medical Protective's rates are much lower than those of many other firms writing medical liability policies—$4,845 a year for $1 million coverage for a Class 5 doctor.

But its officers and agents admit that they are "looking very carefully" at renewals and that they are being "pretty selective" on new business. Location is a big factor, because most of the lawsuits are being filed in the Detroit area.

"A doctor planning to practice in Detroit, well, he'd almost have to be a little god for us to accept him," a Medical Protective official said.

"I don't have the figures, but I have heard that Wayne County has the highest record in the country in new suits and amounts awarded."

He said his firm has renewed "about 99 percent" of existing policies in the last two years. "But we're at the saturation point in financial capacity, and we cannot absorb the clients abandoned by other companies who are pulling out of the field," he said.

He said a lot of the doctors whose policies have been canceled by other insurance firms are having to shop for insurance with companies like Lloyd's of London, which writes some high-risk policies for very high premiums.

Dr. Tripp said he could have got insurance from Lloyd's at about $15,000 a year. But it was cancellable at any time, and Lloyd's would assume no liability after cancellation, even for suits arising from events which occurred while the insurance was in force.

"Even if I could pay that, it wouldn't be sufficient protection," Dr. Tripp said. "And how could I pass that kind of cost on to inner city patients?"

No one seems interested in doing anything about the problem, he said.

"I checked with the state insurance commissioner, and he said that unless you have been turned down by every possible source, there's nothing he can do. And he doesn't think $15,000 a year is prohibitive."

A committee of the Michigan State Medical Society is investigating several ways to cope with the problem. Most would require new state laws.

Bruce Ambrose, the society's government relations manager, said the possibilities include a plan for binding arbitration in malpractice cases, some form of no-fault liability insurance for doctors and voluntary mediation panels. The mediation panels have been tried in some other states, with indifferent success.

So far, no state legislation has been introduced or proposed.

One group of insurance agents is exploring plans to set up a group merchandising program, backed by a major company and aimed at corraling most of the medical liability insurance market. Backers hope they can "handle just about everybody" and offer a "substantial" reduction in rates.

Meanwhile, what are physicians in Dr. Trip's predicament to do?

"Well, as far as I am concerned, I'm going to do whatever they tell me to do at General Motors," he said.

"And I'll keep trying to get insurance, and I'll save as much money as I can to be able to pay for it."

MARINE SCIENCE CONSORTIUM

(Mr. ESHLEMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ESHLEMAN. Mr. Speaker, I wish to give permanent recognition in the Congressional Record and also inform my colleagues of what I deem to be a most worthwhile undertaking.

The Marine Science Consortium is a nonprofit corporation established in December 1968, and presently consisting of 18 academic institutions in Pennsylvania, West Virginia, North Carolina and Washington, D.C. The corsortium promotes teaching and research in the marine sciences, especially on behalf of inland students. It operates two marine science centers—at Wallops Island, Va., and Lewes, Del., and is presently organizing a third center on Lake Erie, Pa.

Programs offered include the college summer program in which 30 undergraduate and graduate courses are offered during five sessions of 3 weeks each; the precollege oceanography program, immersing up to 160 students per week in dynamic 3-day field programs; and various research programs, specifically dealing with effects of marine waste disposal and with remote sensing of coastal environments.

Through cost-effective management by a dedicated staff, and by making intensive use of the HEW Federal surplus program, the consortium has grown rapidly to become one of the largest institutions of its kind in the world. The number of student-days has increased from 3,181 in 1969 to 22,699 in 1973 and is anticipated to exceed 30,000 in 1974.

Cooperative programs have been established with NASA, NOAA, the National Aquarium, the U.S. Army Corps of Engineers, and several research organizations and academic institutions. These programs enable advanced consortium students to take active part in applied research programs of national importance and provide excellent training for future marine scientists and policymakers.

The Marine Science Consortium deserves commendation for overcoming the obvious handicap of consisting of inland institutions, which hampers Federal and State funding; for providing much-needed and very effective outdoor learning experiences to students of all ages; for making the utmost use of the Federal surplus program to obtain facilities—Wallops Island Marine Science Center—vessels, the 50 foot R. V. "Delaware Bay" and the 40 foot R. V. "Everett", and equipment; for the cooperation it provides to Federal and State agencies in making facilities, manpower, and data available to the mutual advantage of these agencies and consortium students, staff and faculty.

In summary, the consortium operations are an excellent example of filling a recognized rational need in an efficient manner and to a maximum benefit of the U.S. taxpayers. I urge that the consortium be given all consideration, cooperation, and financial support it needs and deserves on the basis of its excellent record of performance.

WASHINGTON NEWSPAPERS MAY NOT REFLECT PUBLIC ATTITUDES

(Mr. LANDGREBE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. LANDGREBE. Mr. Speaker, far too many people who ought to know better get the notion that the state of the Nation is as it is caricatured by the infamous Washington Post and its rapidly deteriorating imitation, the Washington Star-News.

This is one of the sad consequences of a Congress held captive in Washington too long. We need to get back to America more often and commune with our constituents a little more closely. In spite of our continuous congressional legislative schedule, I make it my business to get back to my people in Indiana every week, and I tell you they do not share the Post's view of our country and our President.

Herblock and associates may be looking at the world through bile-colored glasses, but the people in heartland America have not lost their clear vision. They have not lost faith in their great President.

And mark this, my colleagues: they can tell the difference between a marauding political lynch mob and a masquerading "salvation army." They can see right through the sanctimony, and they can peel the palaver right off the phony piety. And the people want their views represented in the House of Representatives. They deserve nothing less.

FEDERAL HOUSING POLICY

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Ohio, (Mr. Whalen) is recognized for 15 minutes.

Mr. WHALEN. Mr. Speaker, energy and Watergate continue to dominate the headlines today. In this 93d Congress we in the House of Representatives have spent many days dealing with these two issues. Many hours have been spent considering proposals to alleviate our energy difficulties. Soon we will spend several weeks on the House floor considering articles of impeachment which have stemmed from Watergate and related activities.

I. INTRODUCTION

A less chic crisis on which the full House has dwelled for only 8 hours persists in rural and urban America. At the moment few but the ill-housed worry about the question of shelter in this country. Nevertheless, the housing crisis remains a physical blemish that will not go away. One American family in six lives in inadequate housing while 13 million Americans live in shelter that "is physically unsound, overcrowded, or excessively expensive." [1]

House and Senate conferees are now meeting to formulate the final version of this year's Housing and Urban Development Act. Thus, we in Congress continue the Federal commitment and involvement begun 40 years ago. It is my opinion that the House conferees should agree to the balanced approach to our housing needs which the Senate approved. In support of my position, I offer the following review and evalution of the housing policies enacted in the past and a brief summary of the housing programs of several other nations.

II. A SHORT HISTORY OF FEDERAL HOUSING POLICY AND LAWS

In the United States, no level of government was directly involved with housing until the 20th century. During the progressive era, municipal and State governments initiated ordinances or codes prohibiting certain housing conditions that caused health or safety hazards. However, little was done beyond regulating the standards of new housing constructed by private builders. Certain studies indicate that such housing codes actually retarded the supply of houses built for low-income families. Burdened by the standards to which they were forced to adhere, builders of cheap hous-

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ing found this market no longer as profitable as formerly.

During World War I, the precedent was set for later Federal involvement in housing. Since workers in critical war industries needed housing, the U.S. Shipping Board's Emergency Fleet Corporation and the Department of Labor's U.S. Housing Corporation built or controlled a number of housing developments for this group. Housing projects designed with the latest experimental features, such as curvilinear street systems and row housing, were the products of this first Federal housing program. Examples include Union Park Gardens—now a Wilmington, Del., suburb— and Yorkship Village—now a section of Camden, N.J. When the fighting stopped, Government attachment with the developments quickly ended.[2]

The Great Depression revived Federal involvement in housing on a number of fronts. With thousands of people losing their homes because of mortgage foreclosures, emergency measures were necessary to stem this rising tide of domestic tragedies. Not only did New Deal legislators and administrators seek to save middle-class homeowners, but they eventually turned their attention to the worst housing in the cities. This reflected the "reform" thrust of that era which called for Government action to deal with inadequate supply of shelter and the deplorable housing conditions which confronted urban workers and the poor.[3]

In 1932, Congress created 12 Federal Home Loan Banks to lend money to financially depleted building and loan associations and other mortgage agencies. Congress also established the Home Owners' Loan Corporation, HOLC, in 1933. Charged with refinancing individual homeowner mortgages at long terms and low interest, HOLC granted over a million loans during its 3-year existence. At the time of its demise in the summer of 1936, this institution was responsible for approximately one-sixth of the home mortgage debts in American cities. HOLC also played a major role in cutting, by 1937, the 1933 foreclosure rate in half—on the average, a thousand homes a day were foreclosed in 1933.

Inaugurated in 1934, the Federal Housing Administration, FHA, continues to play a role in helping individuals purchase homes. This organization was empowered to insure loans made by private institutions for the building, maintenance, or improvement of houses. Although FHA's functions were important during the depression years, its major impact has come during the suburban housing boom of the post-World War II period.

Efforts to build new housing for low-income people began in 1934 under the Public Works Administration. However, in 1935, a Federal circuit court ruled that direct Federal involvement in housing and slum clearance was unconstitutional. Following this decision, the PWA's Housing Division and later Federal housing agencies worked through special State or local housing authorities. During its 4½-year life, PWA's Housing Division inaugurated significant programs in New York City, Cleveland, and Atlanta. Nevetheless, its total contribution of 49 projects with approximately 25,000 housing units was considered to be minimal even by PEA Director Harold Ickes.

In September, 1937, Senator Robert Wagner of New York steered the National Housing Act through Congress. That act created the U.S. Housing Authority, USHA, to replace PWA's Housing Division in the public housing field. The USHA offered 60-year loans at low interest to local housing authorities that were involved in clearing blighted areas and in constructing shelter for low-income families. Prior to World War II, USHA funded 511 public housing projects, comprising 6,162 units.

Although USHA made a difference for many of the urban poor during the New Deal era, it merely scratched the surface of the problem. One urban historian says that it did no more than "ameliorate" conditions, but that it did set "a precedent" for postwar action.[4]

The electric streetcar and then the automobile changed our Nation's housing patterns during the first three decades of the 20th century. No longer was it necessary for a worker to live in close proximity to his place of employment. The exodus to the suburbs accelerated after World War II. Admittedly, congressional policy began to play a large role in this suburbanization process.

In an indirect way, the billions of dollars allocated for the Federal highway program stimulated the suburban trend. It helped to pay for a coast to coast network of roads and expressways that made long-distance commuting possible. Formerly wedded to a one dimensional planning process, we now realize the impact that a transportation decision can have on another area like housing.[5]

The more direct governmental influence in the movement of people to metropolitan suburbs stemmed from the policies of FHA and the Veterans' Administration. In the postwar years, VA and FHA practices were also part of a process of keeping the suburbs predominantly white. Taking their cues from the private real estate market, VA and FHA made it a practice of discouraging residential integration until 1950. Furthermore, most urban blacks did not possess sufficient incomes to qualify for these federally backed mortgages.[6]

Thus, the Federal Government aided in the creation of the "lily-white" composition of the metropolitan suburbs. We, in Congress, should be made aware that this trend still holds fast. According to 1970 census figures, 40.3 percent of the total white population in America lives in the suburbs, while only 16.3 percent of the Nation's black population possess suburban residences. From 1960 to 1970, black Americans comprised 81.7 percent of the entire urban population growth, while this group contributed only 5.8 percent to the total growth of suburbia.[7]

The postwar years also produced a new commitment to provide adequate shelter for the ill-housed. With the full support of Senator Robert Taft, Sr., legislation was passed expanding the earlier New Deal low-income housing program. This measure, designed to provide "a decent home and suitable living environment for every American family," [8] obviously has fallen far short of its goal.

The 1949 Housing Act established a target of 810,000 new public housing units by 1955. However, from 1934 to 1967, only 662,657 units of public housing were constructed. Instead of reaching an annual goal of 135,000 units, the public housing program's biggest output was 58,214 in 1954.[9]

What prevented the attainment of this objective? One must acknowledge numerous reasons for this failure. Sufficient funds to construct 810,000 units of public housing were not forthcoming. The Korean war and other cold war priorities siphoned money from domestic endeavors. In fact, an emphasis on military defense during the 1950's made it much easier for foes of public housing to strip "the fat" out of this program.[10]

Another drawback was the congressionally mandated minimal physical standards for public housing. That maneuver, designed to cut to the bone the costs of federally supported shelter for low-income families, produced several ramifications. Spartan units, constructed without frills or amenities, caused public housing laws to become instantly associated with blight, deterioration, and poverty.[11]

Lacking in physical and aesthetic qualities, public housing projects were viewed as symbols of advancing urban decay. Thus, middle-income citizens opposed the location of public housing in their neghborhoods. This meant that the construction of public housing usually took place in already existing slums. It also meant that public housing units usually were clustered together in large complexes. Such a geographical arrangement meant that dwellers in public housing possessed non anonymity concerning their economic status.[12]

The easily recognizable inferior physical quality of the buildings made these units unpopular among many public housing tenants. The institutional quality of public housing and the lack of amenities helped to create a stigma about living in such structures. Consequently, some low-income people preferred to remain in more physically deteriorated older slum housing where rents were higher.

Eligibility requirements also contributed to the poor image of public housing dwellers. As soon as a tenant's income rose above an established poverty level, he was forced to leave public housing. This guideline eliminated any economic diversity among residents and further categorized public housing dwellers and "the very poor." By crowding the truly economically deprived into one or more high-rise apartments, housing authorities also were assembling people who often suffered from the multiple problems caused by poverty.

Thus, public housing not only was considered to be physically inferior and architecturally unattractive, but also was degenerated because it was occupied by the poor. These factors certainly limited the geographic locations for public housing. Also, since public housing was immune from local property taxes, local governments were adverse to placing

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such shelter on sites that might acquire a taxpaying owner. Thus, only the least desirable land was usually available for public housing construction.

Another often neglected dimension is the role of public housing management and services. A recent study indicates that poor management and services account for many of the problems attendant to public housing. A perfectly sound structure can become an inadequate place to live if poor tenant-management relations exist. By overemphasizing construction considerations, the human aspects involved in bringing many people together under one roof were often ignored. Better trained public housing managers and expanded tenant services are seen as ways by which many public housing apartments can be transferred from refuges of last resort to acceptable places to live.[13]

From the foregoing analysis, it is clear that Congress must share responsibility for the poor image of public housing and the failure to meet construction goals.

Middle-class planners and local housing authorities often indiscriminately used the bulldozer in the early days of public housing and urban renewal. As a consequence, ugly high-rises arose on lots that might better have housed rehabilitated older structures and smaller new public housing apartments. One recalls Jane Jacobs' warnings about the wholesale demolition of buildings that really constituted viable neighborhoods.[14]

For all the criticism of traditional public housing, it still deserves some plaudits. Despite all of the shortcomings, it did house many poor people who could not find or afford shelter in the private market. In 1968, the President's Committee on Urban Housing reported that approximately 2.4 million Americans were living in 650,000 public housing units. The latest major housing report, a Harvard-M.I.T. study, points to an improvement in the physical standards in the housing of the poor. Over the last decade, physical inadequacy declined from 71 percent to 53 percent in terms of total housing deprivation. Certainly the congressional role in supplying adequate low-cost housing during this period was a large factor in this statistical change.[15]

III. CHANGES AND ADDITIONS TO THE PUBLIC HOUSING PROGRAM

Some of the improved physical standards on housing for the poor may be attributed to the new varieties of Federal housing options that were made available during the last two decades. These new programs also boosted production of housing for low- to moderate-income families. After the 1968 housing law redefined the earlier—1949—goals, federally subsidized housing for low- to moderate-income peoples rose to 472,000 starts in 1971.[16]

The landmark 1949 Housing Act was modified and expanded in 1954, 1959, 1961, 1965, and 1968. Several variations to the traditional public housing program were approved. For example, legal restrictions concerning amenities were relaxed, and income qualifications were made more flexible. Furthermore, huge complexes and high-rise buildings began to be deemphasized. I would like to turn my attention now to some of the major innovations incorporated in the legislation of the 1960's.

A. THE 1961 HOUSING ACT

The 1961 Housing Act provided a means by which nonprofit sponsors could become involved in housing the poor. Under the 202 program, a nonprofit corporation can qualify for a direct Federal loan—at 3 percent interest—to build rental units for handicapped and elderly persons. A second loan, also set at 3 percent interest, can be obtained for financing and construction. Up to 100 percent of a project's costs can be covered under Federal loans, and the non-profit group has up to 50 years to retire its debts. The effect of the 202 program has been to open the door to private involvement in public housing.

In 1961, the 221d3 below market interest rate program also was established. Under that section, profitmaking as well as nonprofit corporations could build rental units with 3 percent long-term loans. This program was created to benefit those families with incomes above or at the highest level of eligibility for traditional public housing. Over the years, tenants in 221d3 projects generally have earned approximately $2,000 more than traditional public housing dwellers. Row houses and low-rise apartments were the standard product of this legislation.

Less housing was built under the 221d3 program than originally anticipated. Since a corporation's profits were limited under law, builders may have shied away from it. Also, 221d3 housing only could be constructed in communities with a Housing Authority—and later, an approved workable housing program. This meant that most suburban and rural communities, as well as small towns, were ineligible to participate in the program. Certain complexities involved in administering the loans and mortgage financing likewise detracted from 221d3's popularity.

B. RENT SUPPLEMENTS

Included in the 1965 Housing Act was another program which provided more flexibility in the effort to finance housing for low-income families. Offered by the Johnson administration as a replacement to the 221d3 program, the rent supplement proposal was abridged by Congress while the older program remained on the books. Had the original rent supplement proposal passed unamended, it would have offered low to moderate families the equivalent of a housing allowance. With standard FHA mortgage financing, profit and nonprofit builders would have constructed typical middle-income rental units. Middle-income tenants living in such projects would pay their entire rent. Low-income occupants were required to pay as rent no more than 25 percent of their incomes. The remainder would be paid to the landlord by the Federal Government. As a tenant's income rose, his rental payments increased proportionately. Eventually, a tenant might pay his entire rent without Government aid, but he would never be compelled to leave his dwelling.

Unfortunately, this program was weighted with restrictions before it ever got off the ground. Rent supplement tenants income could not exceed the level set for public housing dwellers. In order to qualify for rent supplements, applicants needed to show that they were elderly, handicapped, displaced by public action or natural disaster, or already a resident in substandard housing. Seventy percent was set as the limit that the Government would pay to make up the difference between a standard rent and a tenant's 25 percent contribution. The "standard rent" established by Congress proved to be unrealistically low.

The viability of this program was further eroded by the establishment of building cost restrictions. Thus, projects erected for rent supplement participants were almost as austere and lacking in amenities as older public housing. The building strictures made it impossible for private builders to design dwellings which would attract regular tenants and, concurrently, qualify for occupancy by rent supplement applicants.

By making the program open only to "hardship" cases, the possibility of integrating moderate- and low-income earners in a given neighborhood was eliminated. Consequently, the potentials for housing and social diversity which resided within the original rent supplement plan were defused.

C. SECTIONS 235 AND 236

The 1968 Housing Act incorporated a new plan by which we in Congress sought to tap the resources of the private sector.

The section 236 rental housing program was devised eventually to supplant the 202 and 221d3 programs. Designed to house those families whose incomes fall in a range between public and private housing, section 236 provides a Federal supplement to make up the difference between 25 percent of a tenant's monthly income and his total rental charges.

Although the 236 program cannot assist very low-income people, it still offers an opportunity to a large group of citizens whose incomes are inadequate for purchasing decent shelter in the private sector. Further, it provides nonprofit or profit sponsors with more flexible methods for financing these projects. Equally important, the buildings can be of a high enough quality to attract tenants who will not need rent supplements. Arrangements for paying the rent supplements are broad enough to encompass a certain group of tenants whose incomes fall slightly above the $6,500 cutoff. Finally, sponsors of 236 housing need not worry about building only in communities with housing authorities or "workable programs."

The 235 homeownership section of the 1968 Housing Act often is referred to as a "sister" to the 236 program. For the first time, a Federal housing subsidy plan was drafted to offer homeownership to low-income families. Sponsors of this section argued that home ownership was a worthy goal which would give low-income families pride and a stake in their communities.

Under the 235 plan, profit and nonprofit builders can construct new dwellings or substantially rehabilitate older

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units after receiving FHA approval. When completed, the housing is purchased with a regular FHA insured mortgage. Buyers, however, still qualify for Federal support in meeting their mortgage obligations. The subsidy covers from $40 to $70 of the homeowner's monthly payment, thereby reducing the mortgage interest rate to 1 percent. Under this program, a low-income purchaser must agree to set aside 20 percent of his monthly income for house payments, and he must pay for all utilities, maintenance, and repair. The 235 plan was designed to make homeowners of families who fall in the $3,000 to $7,000 yearly income range.

D. REHABILITATION PROGRAMS

Many of the dwellings purchased through the 235 program were rehabilitated apartments or houses rather than new buildings. Once the cheap physical construction and sterile design that characterized much of the public housing of the 1950's and 1960's came under attack, rehabilitation of deteriorated but still sound older housing evolved as a more popular alternative. Congressional policy reflected this change in attitude.

Since 1954 a primary statutory goal of urban renewal has been to encourage rehabilitation of renewal area buildings that deserved preservation. Unfortunately, two FHA programs enacted in the 1950's, section 203K and section 220H, failed to stimulate many private lenders to become involved in this effort. Too, about 4 percent of the units financed by the 221d3 program were rehabilitation projects.

The 1965 Housing Act sought to end this negativism. It provided to owners of old housing direct 3-percent loans for rehabilitation. It also offered $1,500 grants to low-income families owning housing in need of repair. However, until the 1968 Housing Act expanded rehabilitation possibilities for low-income earners, few grants were approved under these two programs. Most rehabilitation projects, such as the renovation of New York City's brownstones, were undertaken with private financing by adventurous members of the upper and upper-middle classes. This is why residential rehabilitation in slum areas became synonymous with the displacement of the poor from these neighborhoods.

The 1968 law, however, widened the horizons of rehabilitated housing for low-income families. For one thing, it stipulates that a majority of the restored or replaced dwellings in a renewal area be made available to moderate or low-income tenants or owners. At least 20 percent of the housing in these zones must go to low-income families.

The 1968 law also increased the direct rehabilitation grants available to low-income homeowners from $1,500 to $3,000. Because the 235 and 236 sections of this act correlated well with rehabilitation efforts, suddenly nonprofit corporations and private developers began to discover the available technique for rehabilitating old housing.

E. PUBLIC HOUSING INNOVATIONS

Other innovations in the public housing field have been devised. The Turnkey I process, developed in 1966, allows a municipal housing authority to buy a building or project for public housing that was previously planned and constructed by a private developer. Instead of the Housing Authority managing all the intricate steps from land purchase to construction, the private developer handles these functions. The developer does agree to follow certain planning and building guidelines established by the Authority.

A second program, established in 1965, makes it possible for a housing authority to lease private dwellings as units for public housing occupancy. The Authority pays the landlord the difference between an occupant's financial contribution and the normal rent. Not only has this leasing technique added flexibility to the public housing program, it also has resulted in utilization of older inner-city housing that otherwise might have been abandoned by owners. Incidentally, in 1969, the lease program accounted for approximately 16 percent of the Nation's public housing.

Following on the heels of Turnkey I came the Turnkey II management program. Instead of hiring public employees to manage public housing units, the Authority now can turn this job over to a private management firm. This organization receives an established fee, while agreeing to work within a budget established by the Authority. Management has always been a problem in public housing, and it was felt that private concerns might provide the professional expertise that was lacking in the older public housing bureaucracy.

F. OPERATION BREAKTHROUGH

The only post-1968 housing initiative that deserves some attention is "Operation Breakthrough." Started with a great deal of fanfare when George Romney became Secretary of Housing and Urban Development in 1969, "Operation Breakthrough" promised to stimulate the systems approach or a true industrialized housing process. Secretary Romney had been impressed with the ways that England, the Soviet Union, and the Scandanavian countries had used factory construction and component parts in building a great deal of their post World War II housing. By "Breakthrough" he sought to launch a counter trend to the uncoordinated and piecemeal building methods that prevail in America today.[18]

Working with $60 million for this project, Romney and HUD officials passed word to private industry that funding was available for system housing. During the first 3 years of the program, HUD allocated average grants of $500,000 to 22 different groups offering industrialized housing proposals. After the initial flurry of publicity about these prefabricated housing schemes, little has been heard about "Operation Breakthrough" since Romney's departure from HUD.[19]

With mounting problems confronting conventional builders, and with prices blocking the average wage earner from owning a traditional home, the public sector's role in stimulating experimental approaches should be reevaluated. The steady rise of the mobile home industry provides further evidence of this need to examine prefabricated housing techniques.[20]

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IV. GOVERNMENT HOUSING PROGRAMS ABROAD

Just as energy and the environment are worldwide problems, so too is housing a subject of international importance. The late Charles Abrams, an American of world stature in the housing field, described the interrelated factors in providing suitable shelter for citizens of developed and underdeveloped countries. In his 1964 work, "Man's Struggle for Shelter in an Urbanizing World," Abrams astutely observed the common problems confronting nations in their efforts to provide adequate housing for their populations.[21]

Abrams' publication and later gatherings of urbanologists—such as the 1971 NATO Conference on Cities, notwithstanding, little progress has been made in sharing accumulated knowledge of housing problems and policies.[22] As we in Congress and the administration reevaluate old housing legislation and prepare to implement new approaches, it behooves us to examine the experiences of other industrial countries. What, if any, housing programs have these nations instituted? What are their strengths? What are their failures? Can any of their plans be adopted in toto or in part by the United States? The following is a brief description of housing programs in Sweden, Finland, Norway, the Netherlands, Great Britain, and the Soviet Union.

A. SWEDEN

Providing adequate shelter for every citizen remains a goal of the Swedish National Government. To accomplish this priority, the Government blends a number of programs into a national housing policy. A variety of loans and mortgage plans, plus a housing allowance, constitutes the chief ingredients in this comprehensive approach to shelter. A housing allowance paid by the national treasury is available to low-income families with two or more children under the age of 16. Government mortgages are available that pay up to 30 percent of the acquisition cost of a unit. Also, there exist Government guarantees to meet the difference between current interest rates on private mortgages and a predetermined fixed rate—a spread of 2 and 3 percent in recent years.

There is equivalent of America's low-cost public housing in Sweden. Nevertheless, invested in municipalities is the responsibility to house their citizens. With financial assistance from the National Government, municipalities do subsidize private construction as well as operate their own building companies.[23]

In a typical Swedish residential project, the Government subsidizes the interest rates on two private mortgages covering 70 percent of the cost, and a third Government mortgage might be arranged which would cover from 15 percent to 30 percent of the rest of the financing.

Besides housing allowances for low-income families, the National Government provides "improvement loans" for handicapped and elderly people who wish to rehabilitate their dwellings. Although no national program to build housing for senior citizens now exists, the State does provide financial assistance to municipalities or private companies that erect housing for this purpose.

Since so much of Sweden's recent construction is tied to municipal sponsorship and to national subsidies and loans, middle- and low-income families tend to live in rented apartments. The huge housing shortage after World War II, complemented by the effort to achieve speedy construction of industrially produced units, spurred the phenomenon of apartment living. Moreover, a dense residential pattern accentuated by apartment clusters also accommodates Sweden's land use and transportation policies.

B. FINLAND

A national housing allowance has existed in Finland since 1940. Low income families with two or more children under age 16 might have anywhere from 20 to 70 percent of their rent defrayed by the Government. In addition to the family's size and income, the amount of the stipend also depends upon the rent and size of the dwelling.[24]

A brief building season caused by the severe climate combined with a shortage of investment capital for housing make construction a costly venture in Finland. The hardships of World War II also created a substantial housing shortage. For these reasons, the Government endeavors to stimulate the housing market with numerous financial incentives.

In 1966, Finland's Housing Board established the pattern for financing home ownership. Private mortgages are supplemented by Government loans which usually cover 30 percent of the cost at 8 percent interest. After arranging for private financing, a family buying into a cooperative apartment or purchasing its own home would receive a basic Government loan to cover another 30 percent of cost at 3 percent interest for 25 years. A second Government loan for a low-income family might average from 10 to 30 percent of cost figured at the same interest and duration as the basic loan. This still would leave a 10 percent downpayment for the home purchaser, a figure well beyond the capacities of many Finns.

Although no national program to produce shelter for the elderly exists, the National Pensions Institution invests in low-cost, long-term loans for apartment house construction for retirees. In addition to the national housing allowance for families with children, a second subsidy program helps pay the rent of low-income peoples who live in substandard housing.

The housing company is a unique institution in Finland which enables many citizens to own their apartment or to possess a financial stake in their apartment building. Company membership includes individuals, municipalities, labor unions, social and economic organizations, all contributing funds which are used to construct a high percentage of the residential buildings in Finland. Like members of a cooperative, shareholders in a housing company qualify for ownership of the organization's housing units. Not only does this pooling of public and private resources spur considerable residential construction, it also provides the mechanism for group and private ownership of shelters.

In 1966, the Finnish Parliament established a National Housing Board to develop a countrywide plan incorporating specific implementation programs. A 1968 law charged local governments with the responsibility of preparing yearly housing reports that indicate their shelter needs and capabilities. Municipalities feed this information to the National Housing Board.

C. NORWAY

Since its creation in 1946, the Housing Bank of Norway has financed approximately three-quarters of this country's housing starts. This institution most certainly looms as the major stimulant to Norway's residential construction for 60 percent of the Nation's present housing stock arose since World War II. Further, the Bank has established equitable standards for rental charges, housing conditions, and loan agreements. Finally, it is responsible for backing all projects that will house low-income or middle-income families with numerous children.[25]

Until 1966, only those people with average or low income could qualify for a loan from the state bank. In that year the Bank removed the income restrictions applicable to residential construction loans. However, any recipient of a housing bank loan must agree that his dwelling will not exceed certain cost, physical, and size standards. For instance, a one-story apartment usually must not be more than 95 square meters in area.

The Housing Bank attempts to adjust loan and interest payments so that they will not overburden low-income persons as they start out as homeowners. Thus, the Bank adopted a guideline providing that an individual's housing expense should not exceed 20 percent of his income. This means that rates are adjusted so that loan holders make relatively small payments during these first years of ownership. As a family's income rises, the amount of interest and amortization also increases. The Housing Bank also issues interest-free depreciation contribution and support loans.

Like Sweden and Finland, Norway offers a housing allowance. In this particular program, municipalities and the national government share the financial burden of subsidizing handicapped, elderly and low-income families who need assistance in paying for their shelter. Based on the formula that citizens should not spend more than 20 percent of their incomes on housing, the local and national governments combine to pay 65 percent of the cost that is in excess of this 20-percent figure. Payments are regulated according to the cost and availability of housing. Incidentally, a recent revision of the law attempts to gear the program to those people with the most need.

Besides the National Housing Bank of Norway and the national-municipal housing allowance, several other elements have contributed significantly to the country's residential pattern. Since the 1930's, housing cooperatives operating in conjunction with municipalities, have emerged as a major source of new housing. In fact, about 70 percent of the nation's residential units built from 1946 to the present were constructed under the aegis of cooperatives.

Any citizen can buy a share of a housing cooperative. This purchase qualifies him as a voting member and owner of the cooperative's assets. It also entitles the member to put his name on the waiting list for a cooperative-financed housing unit. As cooperative housing becomes available, those members who have waited the longest for new shelter receive the first option on the completed unit. Since municipalities offer building sites to the cooperatives, local governments may stipulate that some of the units go to people enduring the worst housing conditions.

Although Norwegian municipal governments currently build few units themselves, they, nevertheless, assume responsibility for local housing needs and land-use planning for development. Working with the cooperatives, these communities lease areas to them for residential construction. The city councils also agree to supply public services, such as water, sewerage, roads, and schools.

D. THE NETHERLANDS

The Netherlands unique geography requires that a dense population be housed in a very limited amount of space. Thus, the Dutch have adopted a comprehensive housing program which specifically defines the kinds of residential units to be built and their locations.[26]

The national housing act passed by the Dutch in 1901 reflects the long-standing need for maximum land utilization. Destruction wrought by the last war added to the urgency. Although the 1901 law was amended periodically, it stood as the foundation of Netherlands' housing policy until a new act was drafted 9 years ago. The 1965 statute regulates construction of residential as well as nonresidential units. Further, it established fresh guidelines for subsidized housing and rent rebates.

National Government loans and subsidies represent a major factor in residential building in Holland. In fact, from 1945 to 1967, 84 percent of all new housing was subsidized by the Government. The Ministry of Housing and Physical Planning pays subsidies to municipalities, building societies, housing societies, and certain private individuals. It then sets the rents for the subsidized shelters. Without these subsidies, authorities contend that new housing with moderate rents for low-income families would be impossible to build.

This impossibility results from high building costs that require higher tenant rents. Under previous laws, rent controls were quite rigid. However, in order to encourage residential building, and to allow for a fair return in an inflationary economy, the Government has become much more flexible with regard to rents.

The rent rebate to low-income tenants is a way for the state to allow a reasonable rent increase while simultaneously insuring that housing costs will be within the range of those with the greatest shelter problems. The Government also is concerned that the quality of residential building remains high. The rent rebate permits the erection of housing which the poor can afford while, concurrently, assuring meaningful physical standards.

In 1958, the national Government be-

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gan establishing short-term housing construction objectives. Until 1971, the annual target was 100,000 subsidized dwellings and 45,000 state-financed units. The new policy substantially elevates these goals.

E. GREAT BRITAIN

Governments in England retain broad responsibilities in the area of housing. Although the National Government plays a role in financing and planning residential structures, administration of housing policy resides with the metropolitan councils. Metropolitan governments, like the Greater London Council, are required by law to provide sufficient housing for their constituencies.[27]

Unlike the United States, the public sector in England has not restricted its housing efforts to low-income clients. The criteria for Government housing eligibility are based on need rather than income. Thus, a middle-class family living in inadequate shelter will qualify for a council apartment before a low-income family with a less acute housing problem.

This basic difference between American and English subsidized shelter eliminates the stigma that Government housing exists for the poor only. As one author indicates, many middle-income families live in Government-owned dwellings all of their lives. Even if their income and occupational status rise, they neither receive Government nor societal pressure to leave their council residences. Scarcity of decent housing in cities like London also enforces this tradition of utilizing council housing as permanent abodes rather than as temporary lodgings during economic crises.

Since council governments and the national administration subsidize housing for a wide range of income groups, they usually contract to build standard middle-class dwellings. This, in turn, requires a rent level which can be met by middle-level income recipients but too high for the poor. Therefore, a rent rebate program was inaugurated to take care of families in council units who could not afford to pay an entire month's rent. Those in this category, after moving into Government housing, then can apply to a separate public department for a rent refund.

F. THE SOVIET UNION

Concepts of housing in the United States and the Soviet Union differ too radically to apply a comparative approach to these two countries. However, the Russian Government's experimentation with industrialized housing deserves attention.

More than any other country in the world, the Soviet Union channeled expertise, money, and time into perfecting the mass production factory approach to housing construction. "Operation Breakthrough" looks like a mere flirtation with systems building compared to the Soviet commitment. The devastating wartime destruction of homes and the prewar neglect of housing caused the Russian Government to recognize the need to build millions of new housing units.[28]

In the 1950's, therefore, the government determined to borrow the industrialized housing techniques that existed in Europe and to apply these processes on a national scale. This program involved national planning and experimentation, the establishment of national housing and building standards, the creation of regional prefabrication plants, and, finally, the continued government allocation of funds and manpower to guarantee a high volume of production.

The Soviet Union plowed ahead with this program hoping to refine and improve it through experience. One of its phases achieved construction of approximately 200,000 types of prefabricated structures. By the late 1960's, the 300 housing factories located throughout Russia were producing 2 million industrialized units annually.

V. THE HOUSING ALLOWANCE

I turn now to a discussion of the housing allowance. This concept exists in some form in all of the countries reviewed in section IV and interest in it has been growing in this country for several years. It should be noted at the outset, however, that none of the preceding national analyses shows that the housing allowance stands alone as a single program designed to solve the shelter problems of low to moderate income citizens.

As noted, to meet housing needs in that country, local governments in England actually own old houses and build new structures which are rented to any family in need of adequate shelter. Since the commitment to buy or build dwellings is not directly related to income deficiencies, the British Government, as previously mentioned, also reimburses low-income families by that portion of the monthly rent which they cannot afford.

In Sweden, Norway, and Finland, allowance projects fit into larger national housing policies. National housing banks in Norway and Sweden provide financial arrangements and subsidize a high percentage of residential construction. In Finland, too, the national government offers a variety of mortgage and loan programs to stimulate the building of housing units.

In the Netherlands, a similar pattern prevails. An intricate system of government grants exists for residential construction. Consequently, the great majority of Dutch houses and apartments arise with some kind of public subsidy. There is no housing built specifically for low-income residents, but a rent-rebate program effectively lowers the payments of those families who cannot afford the standard fees.

In short, in the European nations previously discussed, housing allowances are merely one element of broader public housing schemes. The allowance or rent rebate is not aimed at achieving production goals. Rather, it is designed to insure low-income families, or families with many dependents, adequate standard housing at costs they can afford.

Although subsidized housing programs exist, both in European countries and the United States, their goals differ. In America a direct shelter subsidy is equated with public housing or some type of program for low income peoples. Instead of instituting a cash stipend for poor families, the U.S. Government has always engaged in construction and management or subsidized the erection of low income shelter.

Especially since World War II, England, Norway, Sweden, Finland, and the Netherlands have relied heavily on government subsidies to stimulate residential construction for the general population. Direct financial assistance and loans help to provide standard housing for middle class citizens. The focus of this type of government subsidy is supply. Only indirectly does the public sector dictate the income levels of the people who will live in such shelter. With their heavy involvement in the construction of standard units, these governments can insist that rents or costs remain reasonable. Thus, the rent-rebate or rent allowance—not the subsidy—assures reasonable housing costs for low income families.

A. EVERYTHING'S UP TO DATE IN KANSAS CITY

A housing allowance pilot program already exists in this country. It is incumbent, therefore, that we in Congress, in formulating a new housing law, review the short history of this experiment. At present, the only information available concerns the housing allowance effort in Kansas City.

A more comprehensive test of the administration's proposal was recently launched in 12 cities. Supported by $150 million, HUD officials will carefully administer and observe experimental programs in such diverse communities as Phoenix, Saginaw, and Pittsburgh.[29] Obviously, it is too early to draw any definitive conclusions with respect to the effectiveness of these dozen projects.

Kansas City, Mo., officials were the first to respond when HUD administrators in 1969 were looking for a "guinea pig community" in which to scrutinize the housing allowance concept. Kansas City's Model Cities program was selected as the institution to administer the experiment. HUD and the Model Cities' directors then worked out the guidelines for the project. The program was launched in 1970.[30]

The results from Kansas City are mixed. An article in Planning, the publication of the American Society of Planning Officials, criticized the program. This evaluation was then attacked by an official involved with the pilot project.[31] Regardless of how one reacts to the tone of the article, the data are sufficient to generate a flurry of ambiguity about the program. Thus, the staunchest proponent of the housing allowance really cannot use Kansas City's experience as proof that this approach is a panacea.

After its selection, Kansas City's model cities program created a housing development corporation and information center to launch the housing allowance undertaking. In order to contrast it with highly structured Federal programs, guidelines were kept minimal. By imposing few restraints on allowance recipients, the sponsors hoped the project would provide an answer as to how well the poor spent their money for housing.

Determining that a family should not pay more than 25 percent of its income for rent, the model cities housing corporation conducted a survey of rental charges in the metropolitan area. Finding that average rents ranged from $75 for a studio to $200 for a standard three-

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bedroom apartment or house, the corporation administrators concluded that payments would average $120 per family. The corporation also established a $150 maximum monthly allowance per recipient.

Eventually, 222 applications were accepted into the pilot project. Among Kansas City residents, these people possessed the greatest economic and social needs. As a consequence, their experiences shed some light on the advantages and disadvantages of such a program as it relates to the very poor.

Model Cities neighborhoods were selected as the recruiting areas for housing allowance participants. Only those with incomes which qualified for public housing could apply. Residents in substandard shelter received the highest priority. Applicants were finally selected by the lottery system.

A study made of the first 102 recipients revealed that 86 percent were black, 70 percent were unemployed, 75 percent received some form of welfare, and 79 percent of the family heads were women. Averaging three to four children, the typical family lived on an income of $2,600 a year.

Selectees attended a brief orientation program before they went out to confront the housing market. The guidelines were simple. Participants could choose housing anywhere in the seven-county region; they could change accommodations if the first selection proved to be unsuitable. In order to show a commitment to the program, recipients were required to find a new dwelling within a 60-day period. After housing was selected, an inspector hired by the model cities' corporation certified whether the building was "livable."

The pilot project verified the first two assumptions held by the housing allowance planners. Given a choice, families, without government supervision, will locate and move into better housing accommodations. Further, the allowance offers a faster and simpler ways to overcome overcrowding and other slum problems. Instead of waiting from 3 to 5 years for new government subsidized housing, allowance recipients found better quarters within 60 days.

Whether the other goals were achieved is open to question. It was assumed that allowance participants, with sufficient incomes to choose their own housing, would use their economic clout to bargain for the best rental agreements and landlord assurance of improvements and repairs. Allowance proponents also declared that the direct stipend would eliminate all those costly middlemen such as apartment managers, janitors, and security guards. Racial segregation is another evil that boosters claimed the allowance would erode. With enough money to afford middle-class housing, poor blacks could move into suburbs that were formerly barred to them due to building and zoning regulations. Slowly, the crabgrass curtain would be mowed down.

The Kansas City "trial run" showed that these goals were not automatically achieved by those involved in the housing allowance plan. For example, a survey conducted 15 months after initiation of the program showed that 21 percent of the participants registered legitimate problems with their landlords. Nineteen percent of these families used their stipends to rent substandard shelters. From another perspective, landlords reported that 15 percent of these tenants inflicted damage to rental property.

Although the property owners who participated in the allowance program certified that they did not raise their rents, a Kansas City survey indicated that people with these stipends were, in fact, overcharged for their new lodgings. Neighbors living on streets where allowance recipients moved in testified that the new residents often were overcharged as much as $30 and $40 a month. There also was some evidence of "outright" racial discrimination among landlords. These rather inconclusive statistics do imply that money alone will not solve the landlord-tenant problem or enhance the bargaining power of low-income participants in the housing market.

On the other hand, in another survey, 90 percent of the Kansas City participants who were interviewed preferred the allowance to public housing. Further, they expressed satisfaction with their freedom to choose their own place to live. One woman clearly felt that the allowance gave her a new power to deal with uncooperative landlords.

> If he (the landlord) don't do what he is supposed to, he don't get paid and he knows it.

Also, 75 percent of the landlords who became involved in the Kansas City pilot project agreed to make repairs and to redecorate in order to pass the building inspection. Sixty percent of these owners maintained a policy of prompt response to tenant's requests for repairs.[32]

In terms of costs, participants paid an average rent of $18.96 a month, while the monthly subsidy averaged $95. Although the guidelines allowed the stipend to reach $140 a month, recipients generally found less expensive lodgings. There was a built-in incentive which encouraged this trend. If participants chose standard units that rented for less than standard costs, "they could keep the difference as long as the rent equalled or exceeded the allowance."[33]

Project expenses were considerably lower than the costs of subsidizing new public housing units. A critic of the program says, however, that these savings are deceiving. Seventy out of the 222 participants dropped out of the program entirely. This relatively high defection rate indicates a need for more counseling and peripheral services to complement the direct cash payment approach. The fact that 19 percent of the recipients rented substandard units and 21 percent of them had problems with their landlords shows that allowance participants needed some type of ongoing service to help them overcome basic housing problems.

There is another sign that more supervisory personnel were needed. Thirteen percent of the dropouts were removed from the program for perpetrating some kind of "obvious fraud." A survey also showed that 51 percent of the participants encountered difficulties in paying their rent on time. Sixteen percent were confronted with problems in moving from one residence to another. In fact, each family in the program averaged from two to three moves during the experiment.

After arranging a change of residence, individuals faced crucial personal dilemmas. Some had difficulty in finding transportation to their jobs. One woman finally dropped out of the experiment after failing to secure a sitter or a day care center for her children during her working hours. Since housing represents only one of the numerous problems that low-income people usually face, the Kansas City undertaking revealed that the allowance must be considered within the context of other social and economic concerns.

There were personal problems of divorce, mental illness, physical disabilities and sickness, and job losses. They are the problems of everyday life that all people encounter in our society. The only difference is that poor and uneducated people are ill-adapted to deal with them.[34]

Thus, to be successful, the allowance should be complemented by a professional counseling service that will help recipients respond to their employment, transportation, health, and education needs.

Without a doubt, a new bureaucracy of professional administrators would expand the cost of the allowance program. There is no accurate way to compute the expenses of a more comprehensive allowance effort. However, one former HUD official contends that this direct payment approach would be less expensive than an equally comprehensive commitment to build new housing for the poor. This conclusion is based on his contention that current subsidy programs are economically inefficient and presently are not serving large numbers of the ill housed.[35]

The notion that housing allowance recipients would blend into the usually unmixable suburbs was not borne out by events in Kansas City. This was especially true when blacks moved into white neighborhoods. Of the 7—out of 87 in the program—blacks who chose to move into white residential sections, all of them dropped out of the program or returned to black ghettos. On the other hand, white allowance recipients tended to leave mixed neighborhoods for niches in all-white areas.

While poor whites usually deserted integrated neighborhoods, black allowance recipients moved into transitional areas where efforts were being made to maintain racial balance. As poor blacks sought the better housing in these mixed sections, they usually replaced white residents.

B. THE QUESTION OF SUPPLY AND DEMAND

One warning issued by both critics and advocates of an allowance policy relates to housing supply. The issue is this: Without the assurance of an adequate supply of decent residential units, will a housing allowance drive up the rents and payments for already existing shelter? If there is an inadequate supply of standard housing at average rents, then a new class of housing customers,

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buttressed by a housing allowance, will compete with other middle-class people for a scarce but now highly sought commodity. Will landlords and realtors take this cue to raise rents and prices? [36]

The Kansas City pilot project did not answer this question. Two hundred and twenty-two new shoppers for standard housing was not a sufficient number to affect one city's supply and demand ratio. Administration officials, who tend to look at the allowance as a replacement for all other Federal programs, declare that the private housing industry will respond to the availability of new funds for moderately priced shelters by building substantial numbers of such structures. There are others who maintain that plenty of available housing already exists in most large cities. According to these observers, allowance recipients will be able to snap up these units without creating a shortage in the moderate-priced housing market.[37]

Experts agree that when a community's vacancy rate drops below 5 or 6 percent a heavy housing allowance dosage might drive up rents and prices. Although many municipalities possess a vacancy rate of over 6 percent, the percentage does vary greatly from city to city. According to 1970 census figures, Cleveland had a vacancy rate of 7.8 percent, Louisville, 7.2 percent, Fort Worth, 12.2 percent, Tampa, 9.3 percent, Pittsburgh, 7.7 percent, and Chicago, 6.7 percent. Housing, however, remains tight in regions like the northeast. The same census statistics show Washington, D.C., with a vacancy rate of 5.3 percent, Rochester, 4.5 percent, Philadelphia, 5 percent, and New York City, 2 percent.[38]

Such data, however, can be very misleading. High vacancy percentages usually exist in ghettos and inner-city areas of general deterioration. In fact, long-term vacancy often causes an owner to abandon his property—see discussion of urban homesteading in section VI. Thus, a high nonoccupancy rate does not always mean that adequate shelter exists for the new class of shoppers armed with their housing allowances. With his new buying power, the allowance recipient may opt to avoid substandard shelters or deteriorating neighborhoods. Thus, the vacancy percentage could remain high in those sections, while those receiving Federal stipends compete with middle-income earners for the smaller suppy of adequate standard housing.[39]

C. CONCLUSION

While recording these reservations about the housing allowance, I do not wish to abort such an approach before its birth. On the contrary, I endorse a national housing allowance effort as a creative step in providing mobility and options for the ill housed. Thus, I support the step toward such a U.S. program which the House approved in the Housing and Urban Development Act of 1974. I am convinced, however, that rather than standing alone, as the Administration advocates, such a policy should fit as a piece in a mosaic of housing programs. Perhaps housing expert Anthony Downs states it best:

> I think a housing allowance could be a useful tool in a set of tools, but I think that a housing program has to include subsidies for newly built units also.[40]

Downs notes that evidence is available that a housing allowance without subsidies would create too large a demand for too limited a supply of adequate shelter. Citing that "newly developing areas will absorb 60 million persons over the next decade," Downs concludes that low- to moderate-income families will not be able to afford to live in these regions without subsidized housing. After carefully analyzing interest rates, Downs is convinced that an abandonment of all subsidies will effectively price a large segment of the population out of the new housing market. Metropolitan regions then will become broken down into even more racially and economically segregated patterns.

Downs thus recommends a sophisticated blending of subsidies and housing allowances. He advocates a regional approach that would mix subsidies and the allowance according to the supply-demand ratios of various cities and metropolitan areas. According to this Chicago-based urbanologist, at least 400,000 new units of housing should be subsidized for the next 5 or 6 years.

VI. "A HOUSING ALLOWANCE—PLUS"

In my opinion, the Senate's version of the Housing and Urban Development Act is more accurately directed toward establishing the type of national housing policy that Downs envisions and which I would characterize as "A Housing Allowance—Plus." Several of the "plus" components contained in the Senate bill and which I believe are of particular value include urban homesteading, rehabilitation, and continuation of sections 235 and 236. A discussion of each follows.

A. URBAN HOMESTEADING

Urban homesteading is one of the newest housing concepts. The idea that poor families should be able to lay claim to deserted inner-city buildings has a refreshing and straightforward appeal. Not only can this approach ameliorate the growing problem of abandoned structures in the cities around the country, but it satisfies an old American dream of plucky individuals reaping a reward for their initiative. Instead of "going west" to prove his worth on a 160-acre plot, the modern homesteader who moves into deserted inner-city housing will be taking his chances on the urban frontier.

By default, the Federal Government owns quantities of structures located in cities across the Nation. Many metropolitan housing authorities are in the same predicament. In most cases, the Government and these agencies would prefer to give away their real estate rather than to hold on to it. Urban homesteading would provide a method for accomplishing this goal. Wilmington, Del.; Baltimore, Md.; Philadelphia, Pa.; and now Boston, Mass., have experimented with variations of this technique.[41]

The rapid increase of abandoned inner-city buildings and the administration's curtailment of Federal housing programs gave a certain urgency to launching something like homesteading. To kill two birds with one stone—halt abandonment and provide homes for low to moderate income citizens—and to do it at a minimum risk and cost seems like too simple a panacea to ignore.[42]

How does such a program work, and what are its potential drawbacks? Last July Philadelphia's Urban Homestead Act became law. It provides that any abandoned property within Philadelphia's boundaries can be included in the program—most of the deserted structures exist in the inner city. To qualify for homesteading, a person must be 21 years old or the head of a household, and a U.S. citizen or an alien with declared intentions of becoming a citizen. The applicant either must show that he will be able to put $8,000 into the rehabilitation of a house or that he possesses the skills to do the work himself. Renovation must begin within 60 days of purchase, while the homesteader must be able to meet building standards within 2 years. Although participants will receive title to the property immediately, they must agree to live in the house for 5 years while, concurrently, meeting the aforementioned requirements. During the first 5 years a graduated moratorium on taxes prevails, but at the end of that period taxes will resume at their normal rates and become the full responsibility of the owner.[43]

As of last October, over 3,000 applications had been received in the initial bidding for homestead property. At that time, a board, complete with professional staff, was being assembled to administer the program. By mid-1974 approximately 100 homes were transferred to a small percentage of the thousands of applicants.

What warning signs can be detected besides offering up as an example the highly touted but ill-devised Homestead Act of 1862? At the moment, there is not enough information about the infant programs to evaluate them. Baltimore turned over 10 abandoned houses in February, while Boston is still devising procedures to put its legislation in motion.[44]

Wilmington, Del., operates the oldest homestead plan. Last August, the city awarded its first 10 houses; in November, 7 more houses were transferred to homesteaders. To date, all of these structures were undergoing rehabilitation, and one woman had already moved into the house which she had purchased. Although the director of Wilmington's program calls its limited beginnings a success, all has not gone smoothly. While Mayor Thomas G. Maloney was in Washington promoting his community's new housing concept, an angry homesteader gave his house back to the city.[45]

Frustrated by his inability to obtain loan money for rehabilitation work, this dropout was not the lone example of this problem. News stories disclosed that Wilmington's financial institutions were not allowing poor people to acquire the necessary credit for their homestead projects. In light of that disclosure, it may be significant that Wilmington officials laud the program as "a way to entice young white couples back to the city." [46]

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Even before it is inaugurated, David Strohm, the city hall official assigned to administer Boston's homestead project, says that it is not a feasible approach in his city. Homesteading works well for detached single-family homes or row houses. Strohm noted, however, that 90 percent of the structures available for homesteading in Boston are three-family houses averaging approximately 18 rooms. The high cost of rehabilitating such structures and the administrative problems of dividing them among two or three homesteaders could present some bureaucratic nightmares. These problems would be even more aggravated when dealing with abandoned apartment buildings. Although the term "homestead" conjures up visions of a frame house on a rural plot, the potential homestead areas in cities are spotted with large buildings that cannot be treated on such a neat single-family ownership basis.[47]

When the Homestead Act passed Congress in 1862, it was anticipated that it would help adventurous, ambitious pioneers and small farmers. Their willingness to take a chance in making a stake for themselves in the West would be rewarded by the Federal donation of low-cost land. However, the unrealistic guidelines of the law and inadequate administrative procedures obliterated these worthwhile goals. One hundred and sixty acres was too small an area for a successful farm in the prairie, and the average pioneer didn't possess the capital to buy the equipment that was needed to overcome the rugged physical environment. Through a variety of strategies, speculators and the railroads cornered a large portion of the homestead land.[48]

Like the sodbusters who gave up their claims on the prairies and returned east, the low-income urban homesteaders will be forced to desert their buildings if they cannot arrange financing for required rehabilitation work. In addition to loans and support money accessibility, some kind of ongoing counseling program will be necessary to enable low-income homesteaders to meet the difficult initial stages of home ownership.

I believe that if realistic procedures and administrative checks are developed, urban homesteading can succeed. Therefore, I applaud the Senate's initiatives in this area, and I urge the inclusion of its proposal in the conference report.

B. REHABILITATION

The Senate's decision to continue and to liberalize the existing rehabilitation subsidy programs also is welcome. The increase in grants from $3,500 to $5,000 to low-income homeowners who need to repair their dwellings would fit nicely in a viable homestead program. The Senate provision to revise section 312 of the Housing Act of 1964—providing for rehabilitation loans—also would insure low- to moderate-income family participation in the homestead movement.

Not included in the Senate bill, but perhaps a way in the future to assure that urban homesteading does not end up as an impossible dream for poor families, is to maintain a quota system in neighborhoods undergoing rehabilitation work. Similar to the quotas established in the 1968 Housing Act, a guideline could be established requiring that at least 20 percent of the homestead projects in an area end up as the residences of low-income families. Another 40 percent of the dwellings might be earmarked for families with moderate incomes. This seems to be an instance where established Federal subsidy programs tie in very appropriately with a new concept.[49]

C. SECTIONS 235 AND 236 REVISITED

Despite the detrimental headlines which have been associated with section 235 and 236 activities, these two programs have had their successes. In its haste to launch a substantial number of 235 and 236 projects, HUD failed to establish proper supervisory and administrative guidelines. Thus, on occasion unscrupulous entrepreneurs and bureaucrats took advantage of these loosely run programs. When the more notorious cases of fraud received public attention, there was a tendency to discredit the undertakings as well as the way they were administered.[50]

Unfortunately, there is a tendency to remember the dishonesty connected with 235 and 236 rather than to recall the ways they were creatively employed to provide new openings on the housing front. For instance, both 235 and 236 were used to build housing for low- to moderate-income families in the suburbs. Since unlocking the subsurbs to a mixture of economic and social groups looms as one key to the future health of the Nation, it is useful to review how these statutes were utilized in this context.[51]

Outside the central city, sections 235 and 236 worked well in suburban counties which legislated a new zoning process called planned unit development—PUD. Instead of platting housing on half to one-fourth acre lots, zoning under planned unit development allows developers to cluster housing and apartments in tighter arrangements. This frees land for recreation and open space and public buildings such as schools.[52] Another institution that has utilized these programs creatively is the New York State Urban Development Corporation, a public agency created to provide shelter for the ill housed throughout the Empire State. Finally, sections 235 and 236 fit into the thinking of regional planning authorities who foster efforts to scatter low- to moderate-income housing around entire metropolitan regions on a proportionate basis.

For a number of reasons, sections 235 and 236 adapt well to plans to provide more housing diversity in the suburbs. For one thing, they remain projects of private developers, thereby attaining the support of these influential moulders of the suburbs. Too, the physical standards and designs of 235 and 236 structures permit greater variety than public housing. Thus, they can stand without unfavorable contrast with standard unsubsidized residences. Furthermore, rather than merely housing the poor, 235 and 236 have permitted a wider range of income recipients to live side by side.[53]

Fairfax County, Va., with its early adoption of PUD, offered an example of how mixed housing in a prosperous suburb might be blended. Neighboring Montgomery County, Md., opted for a similar policy. Besides enacting PUD laws, both counties moved to insure that moderate- and low-income housing would be forthcoming. Both of these affluent suburbs suffer from a lack of units that low- to moderate-income earners, such as schoolteachers, can afford.[54]

In 1971, Fairfax County's board of supervisors voted that developers of 50 housing units or more must allocate 6 percent of them to low-income residents and 9 percent to those with average incomes. Although the Virginia courts declared this ordinance unconstitutional, Montgomery County, Md., in 1973 proceeded to draft a law with the identical ratio. Montgomery County's policy will also face a test in the Maryland courts.

Fairfax and Montgomery Counties did not adopt these ordinances for philanthropic reasons. Their employment situations simply demanded a supply of housing for moderate- to low-income earners. Aroused homeowners opposed the construction of low-income units in these counties—such suburban hostility is common around the country. As the need in the suburbs for occupational diversity—with its concomitant income diversity—requires a broader spectrum of residents, it will be more and more critical to possess a housing program for all income groups that will not cause violent confrontations beyond "the crabgrass curtain." With modifications, sections 235 and 236 might provide the kind of subsidized approach that suburbanites could accept.[55]

Regional Planning authorities pushing "fair share" housing policies in their metropolitan areas need acceptable subsidized housing programs that will not be rejected by panicky suburbanites with visions of high-rise public dwellings. "Fair share" plans ask that each area of a city and each suburban town or village in a region accept a portion of the low-income housing that is needed for the entire area. Consequently, Federal housing projects must be tailored in a way that causes the least amount of conflict and tension in these communities. At present, Sections 235 and 236 come closest to achieving these goals. Inasmuch as building standards are higher, and since both low and moderate income families qualify for 235 and 236 housing, these programs best meet the needs of the planning authorities advocating this "scattering" approach. Regrettably, the housing freeze and the administration's rejection of subsidized housing leaves regional planning authorities without tools to implement their policies.[56]

This is the same situation which confronts the New York State Urban Development Corporation. This institution was created to provide housing and other needed economic and recreational facilities in New York. UDC often succeeded in convincing communities to accept some low to moderate income housing clusters by offering other incentives such as new recreation areas or industrial parks. Although UDC can float State bonds and receives funds from the New York Legislature, it depends on Federal subsidies to achieve racial and class quotas in its housing projects.[57] Unfortunately, Federal blockage of 235 and 236 funds has robbed UDC of housing that it previously had utilized to sell de-

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velopment programs throughout the State.

If UDC, Montgomery County, Md., and area authorities like the Miami Valley Regional Planning Commission—Ohio—are to implement their plans for socially and economically balanced residential patterns, 235, 236, and similar programs should be retained and broadened. To make such housing truly acceptable in the suburbs, the Senate has improved the existing 236 program by including provisions which would: First, promote a mix of families with more widely varying income levels; second, prevent excessive rent increases; and third, assist sponsors in meeting increases in operating costs beyond their control.

The Senate's new homeownership program, replacing section 235, makes important changes in income and mortgage limitations and property eligibility. A significant addition in the Senate's bill requires the Secretary to furnish counseling to homeowners. This advice would encompass such subjects as household maintenance, financial management, and other matters related to meeting the responsibilities of homeownership.

VII. CONCLUSION: TOWARD A NATIONAL URBAN STRATEGY

A. URBAN STRATEGY

Housing policy must not stand alone. By itself, it cannot deal effectively with the social, economic, environmental, and political forces that shape our metropolitan regions. Therefore, it is essential that transportation, land-use, employment, health, education, welfare, and housing plans be coordinated in some kind of rational strategy. Both the House and Senate versions of the Housing and Urban Development Act of 1974 endorse this approach.

However, under the House bill, only very limited steps would be taken to achieve that goal. In the language of the committee's report, the bill "contemplates" that comprehensive areawide planning will be "fully recognized" by those applying for community development funds. It also authorizes $130 million for grants under the comprehensive urban planning program—section 701 of the 1954 Housing Act.

On the other hand, the Senate proposes to strengthen federally assisted planning activities. To do so, it amends three statutes: First, section 701 to permit expanded uses of funds by grantees and to provide specific procedures for implementing the program; second, section 204(a) of the Demonstration Cities and Metropolitan Development Act of 1966 to include comprehensive planning as a covered activity; and third, title VIII of the Housing and Urban Development Act of 1964 to provide grants or contracts for training graduate or professional students in the fields of city and regional planning and management, housing, and urban affairs.

In terms of implementing a sound national urban strategy, the Senate approach is preferable to that proposed by the House. Thus, in the area of comprehensive planning, the Senate language should be retained.

B. MEETING THE NATION'S HOUSING NEEDS

As I have previously indicated, the Senate also has taken a broader approach to our country's housing problems. It addresses the two primary needs confronting low- and middle-income Americans.

First, shelter must be provided. The Senate would fill that requirement in a number of ways—by improving the 235 and 236 programs, by increasing loans for property improvement and rehabilitation, and by providing for Federal participation in urban homesteading. The House bill only authorizes the homestead program.

Second, means must be provided whereby low- and middle-income persons can afford housing. Unfortunately, it is almost exclusively this need to which the House bill is directed. As passed in June, it would channel all new funding to section 23, the rental leasing subsidy program. The Senate bill also continues the section 23 program and modifies it. More importantly, however, it retains the rent supplement program and expands the experimental housing alliance project.

It is clear, therefore, that our Nation's dual shelter requirements—an adequate supply of housing at costs which low- and middle-income citizens can afford—is best met by the Senate measure. Consequently, the House position should be rejected in favor of the Senate's version.

FOOTNOTES

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[2] See "Lesson From Wartime Planning," in Mel Scott's, *American City Planning Since 1880*, Berkeley, California: The University of California Press, 1969, pp. 170–174.

[3] Most of the information in the following discussion comes from Charles N. Glaab's and A. Theodore Brown's *A History of Urban America*, New York: The Macmillan Company, 1967, pp. 298–303.

[4] *Ibid.*, p. 303.

[5] See "Freeways to Urbacide," in Wolf Von Eckardt's, *A Place To Live: The Crisis of the Cities*, New York: Delacorte Press, 1967, pp. 336–346.

[6] Donald Canty, ed., *Urban Crisis*, Washington, D.C.: The League of Women Voters, 1968, pp. 4–5.

[7] Anthony Downs, *Opening Up The Suburbs: An Urban Strategy For America*, New Haven, Conn.: Yale University Press, 1973, pp. 194–195.

[8] Canty, Ed., *Urban Crisis*, pp. 25–27.

[9] *Ibid.*; and The President's Committee on Urban Housing, *The Report of the President's Committee on Urban Housing: A Decent Home*, Washington, D.C.: U.S. Government Printing Office, 1969, p. 61.

[10] The President's Committee on Urban Housing, *A Decent Home*, p. 57.

[11] Sam Bass Warner, Jr., *The Urban Wilderness*, New York; Harper and Row, Publishers, 1972, pp. 239–240.

[12] Two recent articles buttress the following remarks about public housing. E. D. Huttman, "The Pathology of Public Housing," *City*, Fall 1971; J. S. Fuerst, "Public Housing: Promise and Despair in Chicago," *Planning*, October 1973.

[13] Morton L. Isler, "Housing Services: The Neglected Dimension," *City*, Summer 1971.

[14] Jane Jacobs, *The Death and Life of Great American Cities*, New York: Random House, 1961.

[15] The President's Committee on Urban Housing, *A Decent Home*, p. 61; "MIT-Harvard Publish Preliminary Findings on the Nation's Housing," *Planning*, February 1974.

[16] "Housing Slowdown," *The New Republic*, 7 April 1973, pp. 11–12. The goal of the 1968 bill was to build 600,000 subsidized units a year.

[17] Two sources provided the basic information for this discussion of housing programs. The President's Commitee on Urban Housing, *A Decent Home: The Report of the President's Committee on Urban Housing*, Washington, D.C.: U.S. Government Printing Office, 1969; Donald Canty, ed., *The Ill-Housed: A Compendium of Recent Writings and Reports on National Housing Policy*, Washington, D.C.: Urban America Inc., 1969.

[18] See "New Architecture: Building for Man": *Newsweek*, 9 April 1971, pp. 87–88.

[19] *Ibid.*

[20] Robert Cassidy, "The Needed Revolution in Mobile Homes," *Planning*, December 1973.

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ANNOUNCEMENT OF THE DEATH OF FORMER U.S. SENATOR GEORGE L. RADCLIFFE OF MARYLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, it is with great sadness that I announce to the House the passing of George L. Radcliffe, former U.S. Senator from Maryland. Senator Radcliffe died yesterday at the age of 96 leaving behind him a distinguished career of public service rarely equaled in Maryland history.

He was a native of Dorchester County in my congressional district and served in the U.S. Senate from 1935 to 1947. Although a Democrat, his conservative views were much attuned to the views of Marylanders, and he fought President Roosevelt's attempt to pack the Supreme Court and to unseat the late Senator Millard Tydings.

We in Maryland knew Senator Radcliffe as a man of unbounded energy who devoted himself to numerous philanthropic, charitable, and historical activities.

I extend my sympathies to his family who must take satisfaction in the splendid career that the Senator established.

As part of my remarks I include an article from the Baltimore Sun regarding Senator Radcliffe's death:

GEORGE L. RADCLIFFE DIES; FORMER U.S. SENATOR WAS 96

George L. Radcliffe, former United States Senator from Maryland, and surety company official who was active in civic and historic causes, died yesterday at Keswick after breaking his hip June 29.

Senator Radcliffe, who was 96, had recently been living with his son at 300 Club road.

He had been elected to the Senate in 1934 and was defeated in a primary campaign for a third term in 1946.

A member of the board of the Fidelity and Deposit Company, he had served as first vice president and chairman of the executive committee of the surety firm.

FRIEND OF ROOSEVELT

At his death, he was chairman of the board of the Maryland Historical Society, which he had headed from 1937 until 1965.

A friend of President Franklin D. Roosevelt, since the days when they were both officials of the same surety firm, Mr. Radcliffe none the less opposed the President in his bids to pack the Supreme Court and to unseat the late Senator Millard E. Tydings.

In addition to other committee posts, Senator Radcliffe headed the Merchant Marine Committee and was praised yesterday by Helen Delich Bentley, chairman of the Federal Maritime Commission.

She described him as the "chief architect and author of the Merchant Marine Act of 1936, which still stands today as the keystone and foundation upon which our maritime laws and our merchant marine function."

A native of Lloyds, in Dorchester county, Senator Radcliffe began his career as a teacher serving as principal of the Cambridge High School in 1900 and as a teacher at the Baltimore City College from 1901 to 1902. He was made an honorary member of the Class of 1905.

DOCTORATE FROM HOPKINS

He obtained a doctorate of philosophy from the Johns Hopkins University in 1900 and a law degree from the University of Maryland in 1903.

That same year, he began working as a lawyer for the American Bonding Company and in 1913 became a vice president and director of the Fidelity and Deposit Company after the two firms merged.

His first political post was appointive, receiving a post on the state liquor license board in 1916 and being named Secretary of State three years later.

He managed political campaigns for governors, presidents and congressmen, most recently serving in 1960 as a congressional campaign manager and as a committee head in the state in the presidential election.

In the late 1940's, he served on the city's airport commission.

In 1966, he said, speaking of the need for persuasion rather than force in government, "I deplore this tendency to pass a law about anything and then hit people over the head with it. After all, if you are going to do something, is it better to do it because you are afraid of being punished or because you think it's right?"

In addition to his offices in the Historical Society, which will be closed tomorrow because of his death, he had been active in other historic and preservationist causes.

In 1924, he served as chairman of the committee that preserved Baltimore's Shot Tower.

He had also headed the Grace Foundation which restored Grace Episcopal Church and the Chapel of Ease, on Taylors Island, and was a vestryman of Trinity Episcopal Church, at Church Creek, and was active in its restoration.

In 1923, he was named president of the Eastern Shore Society.

From 1961 until 1965, he was chairman of the state's Civil War Centennial Commission. In 1961, he was appointed to the Maryland Historical Trust.

He had also been active in the National Foundation for Infantile Paralysis, beginning in 1934. He served as head of both the Baltimore and Maryland chapters and in 1953 was given its Award of Merit.

In 1962, he was named to the National Founders Board of the Salk Institute for Biological Studies.

He also was elected president of the University Club in 1953 and was cited in 1959 by the National Conference of Christians and Jews.

A runner on a team that won the Penn Relays while he was a Hopkins student, he still jogged on the roof of the Fidelity Building at the age of 80.

Other interests included a collection of books of Christmas lore and the farm at Lloyds which had been in his family since 1663.

Two years ago, he was presented with a working replica of a windmill on the farm property, as a birthday present.

His wife, the former Mary Marriott, died in 1933.

He is survived by a son, George M. Radcliffe, of Baltimore, four grandchildren and one great-gandson.

Funeral services will be held at 10 A.M. tomorrow at the Episcopal Cathedral Church of the Incarnation, University parkway and St. Paul street, followed at 1 P.M. by graveside services at the Cambridge Cemetery, in Cambridge, Md.

THE CONSUMER PROTECTION AGENCY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the Consumer Protection Agency bill which recently passed the House is one of those bills which has a good sounding title but is simply bad legislation. It is easy to vote for a bill because it sounds good, but it is much harder to examine the bill closely and determine if it is worthy of a positive vote.

Who can be against a bill which calls for the protection of the consumer? Well, I can if the bill does not do what the title says it does. I fear we do too much legislating by title and not enough thought is given to what is in a bill.

Of course, we want to protect the consumer and there are Federal and State agencies already set up to do substantially that, and at great cost to the taxpayer, I might add. So along comes this new 30-page monstrosity passed in the House by a vote of 293 to 94 which adds yet another layer of costly bureaucracy on the taxpayer's back. And the result is that we have devised a cure worse than the disease.

As the bill is written, this new Federal Agency would be very independent of all other Federal agencies. It would have wide authority to take action, both legal and otherwise, over a large spectrum of Government, industry, and business. Its Administrator, needless to say, immediately would become one of the most powerful persons in the country.

I have great concern about the tremendous delegation of power to a single agency such as occurs in this legislation. The immeasurable scope given the Consumer Protection Agency will make one thing inevitable: There will be a mushrooming new bureaucracy that will eventually have thousands on the payroll with an army of Federal lawyers looking into every decision a Federal agency or private business makes where the consumer is involved. And that is just about everything.

A good question at this point is whether it will actually cost more than it will ever save consumers. It seems to me that private consumer groups have been doing an adequate job of striking terror into cheaters of the public as well as consumer agencies in some States. In addition, the Consumer Protection Agency no doubt would conflict with and duplicate the other Federal Government protective functions, such as the existing safety and public health laws, the work of the Federal Trade Commission, and others.

The vote the House of Representatives gave the bill does not reflect the grave reservations which, in my opinion, many Members of Congress had about the proposal. The bill is now being considered in the Senate, and I think the Senate should reject this "superagency" idea or at least place some sensible limitations on what the Agency can do. No Government agency is going to be able to do everything for everybody, but this bill surely does try. And therein lies one of its fatal flaws. With such a wide scope of power and so few limitations, as the present bill calls for, I believe chaos will be the result.

American consumers need protection in these days of inflationary prices from those who would deceive them, but this legislation is not the answer. As happens so frequently in an effort to try to serve the needs of the public, the House has gone overboard with a bill that cannot be justified. Mr. Speaker, I hope the Senate will see it that way, but I am not optimistic.

PRODUCT SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MOSS) is recognized for 10 minutes.

Mr. MOSS. Mr. Speaker, a recent survey by the Louis Harris organization has further confirmed the support of American consumers for increased Federal activity to improve the safety of consumer products.

According to a Harris poll published on July 15, 1974, 77 percent of those questioned favored more extensive Federal standards for product safety, while 17 percent opposed such standards and 6 percent were not sure. Similarly, in 11 out of 14 categories of products, consumer concern for health and safety has risen from comparable levels in 1971.

With the enactment of the Consumer Product Safety Act, Public Law 92-573, the Congress recognized this great consumer concern with the safety of products purchased daily in the marketplace. There are some who have asserted that the statute gave the Consumer Product Safety Commission too much power and that it was unnecessary to expend Federal funds to protect consumers from unsafe products. This most recent Harris poll answers those arguments in the most effective manner possible. The American public wants the Federal Government to use its power to increase consumer protection in the marketplace.

The full text of the Harris poll is as follows:

PRODUCT SAFETY: STRICTER FEDERAL CONTROLS SOUGHT

(By Louis Harris)

Concern about the safety of consumer products continues to run strong. Seventy-seven per cent of the buying public favor "the federal government developing more extensive standards for product safety."

Of 11 of the 14 products in the survey, there has been a rise in the number of Americans who are worried about safety hazards or potentially dangerous defects. Home pesticides, room heaters, automobiles and power lawnmowers top the list of products causing greatest public concern.

Recently the Harris Survey asked a cross section of 1,407 households, as it had back in 1971:

"Some people have expressed concern over the danger of injury or poisoning from certain products. For each product on this card, please tell me whether in using this product, you feel there is serious danger to your health or safety, only some danger or almost no danger at all."

Concern About Product Safety

[In percent]

	1974	1971
Pesticides and bug sprays for home use (poisoning)	85	84
Room heaters (fire, asphyxiation)	80	75
Automobiles (manufacturing defects)	78	77
Power lawnmowers (inadequate safeguards)	78	71
Children's toys (poison, sharp edges, flammable)	76	82
Power tools (inadequate safeguards)	70	62
Fabrics such as curtains or children's clothes (flammable)	69	64
Artificial additives in foods (poisoning)	68	64
Automobile tires	64	69
Canned foods (poisoning, botulism)	63	48
Detergents (allergic reactions)	62	64
Hair sprays	62	54
Appliances (electric shock or fire)	58	56
TV sets (radiation or fire)	49	48

While three in every four surveyed are still concerned about the safety of children's toys, the number has dropped from three years ago. Part of the reason undoubtedly is the result of a concerted campaign by both consumer groups and manufacturers of children's toys to see that they are manufactured with greater attention to individual safety.

The previous widespread concern over the allergenic effects of detergents has dropped slightly from 64 to 62 per cent. This has been another area of intensive consumerist activity.

At a time when worry about the safety of new cars still remains a concern to a high 78 per cent of the public, concern over auto tire safety has dropped from 69 to 64 per cent.

Aside from these categories, there has been in some cases a marked increase since 1971 in public worry about 11 products surveyed.

In the category of canned goods, 63 per cent report being uneasy or worried about food poisoning, particularly botulism. Concern over artificial additives to food has also risen, from 64 to 68 per cent.

The number of people who use hair sprays and coloring has grown rapidly. Public worry about poisoning from sprays or coloring has also risen from 54 to 62 per cent.

In 1971, 71 per cent of the public was worried about the safety of power lawnmowers. In 1974, 78 per cent express concern.

Power tools, which have grown in popularity, also are the source of concern among 70 per cent of the public, up from 62 per cent who felt the same way three years ago.

The public is not only worried about product safety but also feels that the feleral government is not doing a highly effective job of enforcing safety standards. The cross section was asked:

"In trying to enforce standards for product safety and quality, how effective do you think the federal government is—very effective, only somewhat effective, or not effective at all?"

Effectiveness of Federal Government in Enforcing Safety Standards

[In percent]

	1974	1972
Very effective	18	25
Only somewhat	62	50
Not effective at all	14	17
Not sure	6	8

Asked if federal efforts should be tightened in the area of product safety, the public replied in the affirmative:

More Extensive Federal Standards for Product Safety?

[In percent]

	1974	1971
Favor	77	74
Oppose	17	21
Not sure	6	5

Product safety is now an obvious area of deep consumer concern in this country and most people feel not enough is being done by the federal government or the manufacturers of the products. This is the stuff from which consumer movements are made, and there is every likelihood that consumer groups focusing on product safety will continue to grow.

STATEMENT ON INTRODUCTION OF LEGISLATION TO AMEND THE INDIAN CLAIMS COMMISSION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Meeds) is recognized for 5 minutes.

Mr. MEEDS. Mr. Speaker, today I am introducing a bill which would amend the Indian Claims Commission Act of 1946. As many of the Members know, the Indian Claims Commission was created by the Congress to finally settle the myriad of claims by Indian Tribes against the United States arising out of the many Indian treaties or the course of dealing between Indian tribes and the United States.

The Indians could not pursue these claims because of the sovereign immunity of the United States; because they were moral rather than legal claims; or because they were barred legally by the statute of limitations or by the doctrine of laches. The Commission was given broad jurisdiction to hear these claims and, in appropriate cases, render judgments in favor of the Indian tribes against the United States.

In addition, the Congress either directed or permitted the Commission to offset against any final award various kinds of payments or services rendered by the United States to the particular tribe. Under the act, there are two broad categories of allowable offsets.

First, in any case where the United States has made payments or provided services and benefits to the Indian tribe as part of legal obligations undertaken by the United States in the treaty, agreement, or transaction giving rise to the claim—either by way of consideration or as payments on the claim—the Commission must offset the proven amounts against the award to the Indian tribe.

Second, the United States may have made payments or provided services and benefits to the Indian tribe which were not legal obligations of the United States under the treaty agreement, or transaction giving rise to the claim. These are known as gratuities and may be offset by the Commission if it determines that the United States has acted honorably toward the tribe in its dealings.

The bill I am introducing today would amend the Indian Claims Commission Act by providing that food, rations, and other provisions would not be considered as payments on the claim. The result would be that, if the Commission determined that the United States, unilaterally and in violation of the fifth amendment to the Constitution, took the Indian land or rights, it could not offset food, rations, and other provisions against the award even though it has assumed that obligation under the unilateral transaction.

When the Senate passed administration legislation authorizing appropriations for the expenses of the Indian Claims Commission for fiscal year 1975, it added a new section containing the amendment of the Indian Claims Commission Act which is contained in the bill I am introducing.

When the House took up the Senate bill, S. 3007, it amended the bill by striking the section containing that amendment. The Senate adhered to their language and requested a conference. The House insisted on their amendment and agreed to the conference.

The House and Senate conferees met on July 25. While the House conferees agreed that there was considerable merit to the proposal of the Senate to amend the act, they did not feel that they could recommend that the House accept the Senate language in the absence of a hearing record on the matter. As a consequence, it was agreed that the conference would be adjourned subject to the call of the chairman. Legislation would be introduced in the House upon which the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs would hold hearings.

If upon completion of the committee process, the full committee voted to accept the Senate language or some modified version thereof, the House conferees would go back to conference and agree to the Senate language, whereupon it would be submitted to the House as a conference report for the vote of the House. If the full committee voted the matter down, the Senate conferees would recede from their position.

As chairman of the Subcommittee on Indian Affairs, I have already scheduled hearings on the bill for August 8. I and the other House conferees on S. 3007 feel that this process will adequately protect the integrity of the House and preserve the process for adequately considering and passing on legislation while maintaining the expeditious working of the conference on the bill.

RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to submit for the thoughtful consideration of my colleagues, the following statement which I delivered to the Committee on Rules today regarding the granting of a rule to S. 1868, a bill to restore U.S. compliance with U.N. sanctions on Rhodesia.

STATEMENT OF HON. CHARLES C. DIGGS, JR.

Mr. Chairman, I appreciate and welcome the opportunity to appear before you today concerning the granting of a rule to S. 1868, a bill to restore U.S. compliance with United Nations sanctions on Rhodesia. I would like to request an open rule with one hour of general debate for S. 1868.

BACKGROUND

Southern Rhodesia is a self-governing British colony dominated by a 5 percent white settler population which, in 1965, unilaterally declared independence from Britain, while continually refusing to allow full political participation to the 95 percent African majority. As a result, the United Nations Security Council, at the request of Great Britain, declared the situation in Southern Rhodesia a threat to international peace and called for partial mandatory sanctions in 1966 and full mandatory sanctions in 1968. The United States, as a member of the Security Council, voted for and fully supported sanctions against Southern Rhodesia.

Two U.S. presidents subsequently supported the sanctions program. However, in 1971, Congress passed the so-called Byrd amendment (Section 503 of the Military Procurement Act) which allowed the United States to violate sanctions by importing "strategic" materials (primarily, ferrochrome and chrome) from Southern Rhodesia.

During the last session of Congress, S. 1868 passed the Senate by a vote of 54–37 after the significant defeat of a filibuster. Subsequently, on June 27, 1974, the House Committee on Foreign Affairs favorably reported the bill by a vote of 25–9.

U.S. LONG-TERM INTERESTS

Passage of S. 1868 is now demanded in terms of the United States' own long-range interests, which more than outweigh any economic benefits which may accrue to a few multinational corporations as a result of the Byrd amendment.

The Byrd amendment has placed an unnecessary stumbling block in U.S.–African relations and evidences an insensitivity to African concerns which must end! Independent, majority-ruled Africa, whose raw materials are becoming more and more critical for the United States, considers the repeal of the Byrd amendment a priority issue. Nigeria's exports of oil, for example, have become increasingly significant for an energy-conscious United States. The Federal Energy Office reports that, for the last full week of June (June 21–27), the United States imported more oil from Nigeria than from any other country. (21.5 percent of our bulk crude oil came from Nigeria, as well as 14.6 percent of the total—crude and refined oil combined.)

Economic interdependence between the United States and majority-ruled Africa is a fact of life. As indicated in recently-published hearings of the Subcommittee on Africa, U.S. imports ($1,511.6 million) from Africa (excluding Egypt, North Africa, and South Africa) in 1973 were nearly double our exports ($856 million) to that area. And, many independent African countries are major producers of minerals needed by the United States. Zaire and Zambia are important world producers of copper. The United States imports more than 22 percent of the world's cobalt, nearly three-fourths of which comes from Zaire. More than one-third of our imports of manganese come from Gabon, which, along with Zaire and Ghana, produces 16 percent of the world's manganese.

Surely, these facts serve to illustrate the overwhelming economic significance to the United States of majority-ruled Africa, in which the United States now has private investments of more than $3 billion, as opposed to the economic importance of Southern Rhodesia.

For those who are concerned with assuring future supplies of Rhodesian minerals—although plentiful supplies are available from other countries as the attached chart illustrates, as well as from our national strategic stockpile which contains enough excess material to replace Rhodesian imports for nearly twenty years—serious attention must be given to how an inevitably majority-ruled government in Rhodesia will view our current violation of sanctions. Change in southern Africa, particularly in Southern Rhodesia, is inevitable.

Just this past weekend, Portugal's President Antonio de Spinola abandoned earlier calls for federation and a referendum, accepting the idea of independence for the Portuguese "territories" of Angola and Mozambique, and for Guinea-Bissau. Certainly, independence in these areas has been inevitable for some time now. This is particularly true following the recent April 25th coup in Portugal, after which it has become more evident that Portugal's army in Africa is increasingly unwilling to carry on that country's African wars.

South Africa, which maintains an ever-rigid system of apartheid, cannot expect to forever sustain its hold over the 75 percent majority population which is African.

In Southern Rhodesia, where, as mentioned earlier, 5 percent of the population maintains political and economic domination over the 95 percent African majority, change is even more inevitable. Civil war continues in Southern Rhodesia. The illegal regime faces a continuing shortage of foreign exchange (alleviated somewhat by the Byrd amendment).

Entirely landlocked, Southern Rhodesia is bordered by the two independent majority-ruled states of Botswana and Zambia, by Mozambique (soon to be independent), and by South Africa.* Any attempts to circumvent sanctions will become even more difficult, with support for the breaking of sanctions coming only from South Africa among Southern Rhodesia's neighbors.

Surely, a majority-ruled Rhodesia will remember that the United States is the only country in the world to support, through domestic law, the open violation of United Nations sanctions.

INTERNATIONAL LAW

In addition to long-term foreign policy and economic considerations, it is quite clear that the Byrd amendment has made the United States an international legal renegade. As a status quo nation, the United States cannot afford to teach the rest of the world the lesson that treaties are to be dishonored at will.

As a country which argues for sanctions against other international law-breakers, our international credibility has clearly been impaired by not adhering to our own international legal obligations.

It is frequently alleged that restoration of U.S. compliance with sanctions would constitute meddling in the internal affairs of another country. However, it should be remembered that sanctions were instituted by the United Nations, thereby constituting a multilateral, rather than a unilateral, United States action.

Furthermore, as a major world power, virtually any significant political and economic action the United States takes is felt throughout the world and within other countries. Southern Rhodesia, however, is not recognized as a "country" by any state in the world, including South Africa. The Byrd amendment does impact internally in Southern Rhodesia by assisting the illegal Ian Smith regime in its attempts to maintain power by affording it $43 million in valuable foreign exchange from the trade with the United States alone.

In the past, we have not hesitated to use economic measures to influence the internal affairs of other countries, as evidenced by the nearly 300 House cosponsors of the bill to tie freedom of emigration with East-West trade (the Vanik amendment).

Clearly then, there are very vital foreign policy issues at stake which argue for the restoration of U.S. compliance with United Nations sanctions against Southern Rhodesia. Secretary of State Kissinger, in an October 3, 1973, letter to me, stated: "I am convinced that the Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations."

It is vital that the United States begin to look forward toward its very real long-term interests which rest in passage of S. 1868 and repeal of the nefarious Byrd amendment.

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* Southern Rhodesia also shares a small border with Namibia, the international territory illegally occupied by South Africa.

U.S. BUREAU OF THE CENSUS: FT 246: IMPORTS, COMMODITY BY COUNTRY 1970-73

[Quantity in content tons]

Country	1970			1971			1972			1973			1st quarter, 1974		
	Quantity	Value per ton	Percent total	Quantity	Value per ton	Percent total	Quantity	Value per ton	Percent total	Quantity	Value per ton	Percent total	Quantity	Value per ton	Percent total
CHROME ORE[1]															
U.S.S.R.	200,783	$64	60.0	134,442	$77	45.0	180,089	$73	63	93,321	$58	54	34,910	$43	65.0
South Africa	39,957	32	12.0	57,741	34	19.0	45,608	35	15	14,276	42	8	5,724	47	11.0
Turkey	57,149	75	17.0	76,152	80	25.0	29,889	60	9	35,083	81	21	10,584	74	20.0
Rhodesia				10,700	72	4.0	27,955	67	9	18,484	80	11			
Pakistan	13,719	73	4.0	14,984	68	5.0	11,696	78	3	9,787	88	6			
Iran	13,248	72	4.0	5,040	76	2.0									
Philippines	10,340	32	3.0				3,964	51	1	2,793	36	1	2,320	56	4.0
Total	335,196	61	100.0	299,059	69	100.0	299,192	65	100	173,744	65	101	53,538		100.0
FERROCHROME, LOW-CARBON															
South Africa	11,658	387	64.0	8,661	399	32.0	14,406	413	31	8,745	501	29	3,763	592	35
Japan	210	340	1.0	4,882	603	18.0	9,598	566	21	7,577	563	25	2,565	575	24
Sweden	2,192	523	12.0	4,036	617	15.0	7,125	556	15	4,542	613	15	202	752	2
Norway	2,362	458	13.0	2,409	606	9.0	4,505	538	10	2,163	583	7	354	661	3
West Germany	1,910	483	10.0	3,728	628	14.0	2,163	560	5	1,506	742	5	334	883	3
Turkey				750	476	3.0	4,703	486	10	1,180	507	4	1,565	475	15
Portugal													722	537	7
Rhodesia							2,181	511	5.0	3,329	562	11	1,158	546	11
France	21	427	(.1)	773	550	3.0	336	528	(.7)						
India				1,623	493	6.0									
Yugoslavia							774	538	2						
Belgium							28	520	(.05)						
Mozambique							400	724	(.9)	1,177	542	4.0			
Canada				111	390	(.4)	30	560	(.06)	6	762	(.02)			
Total	18,353	422	100.0	26,973	535	100.0	46,149	505	100.0	30,224	560	100	10,662		100
FERROCHROME, HIGH-CARBON															
Finland	3,347	191	44.0	5,771	197	2.0	3,612	$188	8	4,528	196	7			
West Germany	3,037	297	40.0	4,392	369	16.0	1,519	329	4	263	320	(0.3)			
Norway	352	344	5.0	211	405	1.0	2,272	337	5	792	354	1	400	401	2
South Africa	322	220	4.0	3,871	247	14.0	18,377	257	42	23,451	275	34	7,608	294	44
Japan	236	309	3.0	8,362	350	31.0	2,267	325	5	298	398	(0.4)			
Mozambique	298	233	4.0							587	234	1			
Rhodesia							6,795	226	16	31,579	250	45	5,334	271	29
Brazil				847	344	3.0	2,535	257	6	4,160	243	6	556	254	3
Yugoslavia							3,176	205	7	2,149	373	3	2,302	369	13
France				2,927	384	11.0									
Italy							1,075	298	2						
Belgium				71	358	(.3)	1,021	232	2						
Sweden				151	342	(.5)	796	339	2	783	350	1	1,675	439	9
Spain										944	319	1.3			
Netherlands							556	330	1						
Canada				360	440	1.0							0.6	527	
Cyprus							16	425	(.03)						
Total	7,592	247	100.0	26,965	311	100.0	44,017	256	100	69,534	262	100	17,875		100

[1] 46 percent or more chromium oxide.

Note: All figures are rounded.

THE REUTHER MEMORANDUM

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, last month an article appeared over the name of Ralph de Toledano relating to the double standard applied by the eastern mass media as it relates to the political coloration of persons in high public office. The article follows:

THE KENNEDY UNDERGROUND: LEST WE FORGET—"THE REUTHER MEMORANDUM"

(By Ralph de Toledano)

On December 19, 1961, Walter and Victor Reuther—honored members of the liberal-left—delivered a 24-page memorandum to Attorney General Robert F. Kennedy. It was a plan for the suppression of the so-called "radical right"—which to both Bobby Kennedy and the Reuthers meant most American conservatives and much of the Republican Party leadership, including Senator Barry Goldwater. Copies of this memorandum were immediately sent to President Kennedy, to high Administration officials, and to "certain sympathetic senators and congressmen." At the Justice Department, it became known as the "Kennedy memorandum." And, unlike some of the memoranda submitted to President Nixon and rejected, this one was put into effect.

"Far more is required in the struggle against the radical right than simply calling attention to present and potential dangers," the memorandum argued. "The radical right . . . includes an unknown number of millions of Americans" including Senator Goldwater. "They are growing in strength." The sins of the radical right were many. It was, according to the "Kennedy memorandum," well-financed, backed by many organizations, appealed to "younger people," had the support of a bipartisan group in Congress and of "such top 'moviemakers' as Jack Warner," and called for total victory against communism.

The memorandum called for the use of Defense Secretary Robert McNamara to drive out of the armed forces all general officers who held anti-Communist views. Point Two called for the use of the Attorney General's list of subversive organizations against anti-Communist groups. Just "the announcement of the investigation" of conservatives by the Justice Department would have "a salutary effect"—frightening them into shutting up shop.

The Internal Revenue Service was to be used to put anti-Communist groups out of business by "prompt revocation of their tax exemptions. The Federal Communications Commission should be ordered to limit the rights of conservatives and anti-Communists to buy commercial time on radio and television. "The need now is to rein in those who have created the unreasoned fear of the domestic Communist movement in the minds of the American people."

Within months, Bobby Kennedy had sold the salient points of the memorandum to key government agencies. The IRS was sending its accountants to investigate the files of tax-exempt conservative organizations. The FCC was threatening radio-TV stations with conservative ownership of the loss of their licenses. Republican candidates in 1964 found themselves unable to buy TV time, the FBI was sent out to investigate newspapermen who had sounded off in criticism, and agents were sent out to prowl the National Press Club and to report on any derogatory talk they heard.

Compare this systematic attempt to silence the press and deprive millions of Americans of their constitutional rights to President Nixon's great "crime" of having lost his temper at the Washington Post, and, in this moment of justified anger, of having suggested that the FCC could be used against his tormentors. Nothing was done about this. The President blew his stack in what he considered the privacy of the Oval Room—and that was that. There were no reprisals against the Washington *Post* for its endless and murderous compaign against the President. And no approach was made to the FCC to deprive the *Post* of its radio and TV stations.

On the other hand, I can remember the fear of Bobby Kennedy that existed in Washington when he was attorney general, the conviction that if you opposed him you would find yourself in trouble.

I can recall the number of occasions when friends warned me to keep my feelings and my opinions about the Kennedy Administration to myself, when I had been talking out at the National Press Club. When my book, *RFK, The Man Who Would Be President*, was published in 1967, Bobby was no longer attorney general. But the "Kennedy underground" still held sway in the Justice Department, and it was the consensus among my friends that I had better be very careful.

This kind of police-state atmosphere has never obtained in Washington during the Nixon Administration. The press tries to outdo itself in its criticisms of Mr. Nixon and the Whte House. In fact, it has always been fashionable in most media circles to speak as badly of the President as possible. I offer this bit of history not to stir up old fears but to put into perspective the hysteria being engendered over Watergate by those who know better—much better.

THE VENDETTA: 2 WASTED YEARS

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, described as a nonpartisan, nonprofit committee, the Americans for the Presidency issued a paper, entitled as above.

This contains information from a variety of sources that indicate the other side of what is being spoon-fed to the American public by the eastern mass media.

The paper follows:

THE VENDETTA: 2 WASTED YEARS

The Watergate case has had its second birthday "celebration" and despite the most thorough, intensive examination ever accorded a petty burglary, there is today not one scintilla of evidence which would tie the President to the break-in or the cover-up. As a matter of fact, much of the evidence presented makes the case that the President did NOT know about the break-in in advance—did NOT know about or participate in the cover-up—and did NOT know the facts of the case until late March of 1973 as he has stated so often.

Still, the vendetta persists. With only a bare minimum of circumstantial evidence—the kind of evidence any Court of Law would throw out—the impeachment lobby presses ahead with its lynching. The rope has been purchased, the hanging tree has been selected. Nearly 200 lawyers have devoted 24 months and nearly $15 million tax dollars to digging through more Presidential papers and documents than have ever been made public in history. And still they call for more because they have been unable to come up with one piece of evidence that links the President to any of the questionable acts which are covered by the board term "The Watergate Affair."

Two years. The Congress has wasted *two years* of precious time with Watergate myopia and what Edith Efron calls "Weicker's tunnel vision on Watergate." The President has had to waste countless hours defending himself against unfair and unreasonable charges from the *same people* who met such ignominious defeat at the polls in 1972.

At the time of this mailing, it appears that House Judiciary Committee Chairman Rodino—Mister Fair—will not permit the President's Lawyer to participate in the public debate which is to take place in the Committee in the next few weeks (that is, providing that the Committee ever comes out from behind its closed doors). That means that John Doar, the Democrats' hired gun, and Albert Jenner, the Republican Counsel who seems to have forgotten both his oath as an attorney *and* his party affiliation,[1] will argue the impeachment matter before the Committee while the President is denied representation there. What kind of result can be anticipated from this Kangaroo Court? It's the same old "let's-give-him-a-fair-trial-and-then-we'll-hang-him" that AMERICANS FOR THE PRESIDENCY has been protesting for the last seven months.

Labor unions have donated $13,355 in campaign funds to eight members of the House Judiciary Committee *since* the Committee began its impeachment inquiry, reports the Associated Press. The story says that three Democrats—Edward Mezvinsky of Iowa, Barbara Jordan of Texas, and Charles Rangel of New York got *more than $1,000 each* from labor unions—long the leaders of the impeachment lobby.

Congressman Charles W. Whalen of Ohio says that mail from his constituents has gone from eight-to-one *for* impeachment to twenty-to-one *against*. Keep the mail going to the Hill!

The latest Gallup Poll reveals that a majority of Americans believe that the mass media—newspapers, television and radio—are providing "too much" coverage of Watergate.

The *Washington Star-News* reveals: "William P. Dixon, the House Judiciary Committee staff member whose damaging memoranda about President Nixon have been leaked to the press, was a coordinator in the 1972 Democratic presidential campaign of Senator George McGovern. Dixon also was one of those named in a General Accounting Office report on campaign funding violations in McGovern's Wisconsin effort."

The Watergate probers have been so busy trying to pin some rap—*any* rap—on the President that they have "overlooked" a nice little $180,000 payment by billionaire Howard Hughes to a public relations firm headed by Lawrence O'Brien *while* O'Brien was the Democratic National Chairman. Senator Ervin decided not to include this little tidbit in the Senate Watergrate Committee's final report. Can you imagine the Committee having left out any such juicy morsel if it had reflected poorly upon the President?

If you read far enough in the Senate Watergate Committee report, you doubtless discovered that Senator McGovern—Mr. Clean—enriched his 1974 Senate Campaign Committee by $340,416.96 in funds which had been raised but not spent in his 1972 campaign against the President. The report also showed that McGovern settled bills from 37 *corporations* for $35,322.32 *less* than the full amounts, a clear violation of Federal law prohibiting corporate donations to Federal political campaigns.

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[1] Jenner, the "Republican" Counsel, was a fund-raiser for Democratic Senator Adlai Stevenson of Illinois.

The London Daily Mail of June 14 ran a four column headline: "Surely This Relentless Vengeful Hounding Has Now Gone Too Far!" The story in the British paper says that the attacks on the President and Secretary of State Kissinger while both were on peace missions to the mid-East and Moscow "makes one wonder what are the true motivations of those who are hounding the President." Indeed!—And King Faisal of Saudi Arabia told the President as he left the mid-East for home: "What is very important is that our friends in the United States themselves be wise enough to stand behind you, to rally around you, Mr. President, in your noble efforts, almost unprecedented in the history of mankind, the efforts aimed at securing peace and justice in the world."

Did your newspaper or TV station headline the portion of the Committee transcript of the tapes where the President told John Dean in mid-April of 1973 that he wanted the law enforced: "While it's painful, I just feel better about getting the damn thing done . . . I mean, after all, it is my job and I don't want the Presidency tarnished. But I'm also a law enforcement man." And in an April 27 conversation with Assistant Attorney General Petersen the President said: "I'm after the truth even if it hurts me, but believe me, it won't."

Station WGN in Chicago asked listeners to call in and tell how they would vote today if President Nixon, George McGovern and Governor Wallace were the candidates. The results: McGovern—347; Wallace—316; Nixon—679!

The Washington Post, the house newsletter for the impeach-at-any-cost group, says that six Republicans on the House Judiciary Committee are likely to vote for impeachment—M. Caldwell Butler of Virginia, William Cohen of Maine, Hamilton Fish, Jr. of New York, Harold V. Froehlich of Wisconsin, Tom Railsback of Illinois, and Henry P. Smith III of New York. This is the signal for the impeachment lobby to turn the heat on these Congressmen to vote for impeachment. So, our job becomes to apply some heat from the side of fairness. Write these six men today and tell them what you think!

AMERICANS FOR THE PRESIDENCY.

WITH MALICE TOWARD ONE

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, this morning I received "an open letter to Congress" from Mrs. George F. Nelson, of Deerfield Beach, Fla., captioned as above.

The point of view advanced by Lillian Nelson should certainly be among those weighed by all of us that have the grave responsibility of ultimately voting on impeachment:

The letter follows:

[Open letter to Congress]

WITH MALICE TOWARD ONE

Ever since Richard Nixon became President by such an overwhelming vote of the people, some hidden force set out to destroy him. Watergate gave them the opportunity. This force has been aided and abetted by many Democrats and some Republicans, not realizing that they are willing dupes.

The Vietnam War, started by President Kennedy and shamefully perpetuated by President Johnson, was brought to an honorable end by President Nixon. He brought all our boys home, as well as our P.O.W.s. Did he get any plaudits for that? No.

All through our history, our great heroes and leaders were men of astounding abilities,—but with all the human failings. In many instances it would not have taken millions of dollars and hundreds of lawyers to try to find an impeachable offence against any of them. They all erred. To err is human.

What will it profit you to impeach our President? What effect will it have upon a free nation made up of grassroot Americans who are seething under a sense of outrage at this whole performance? Surely you know the organized campaign of letter writing for impeachment was a consistent effort on the part of the A.C.L.U. (a proved Communist organization), and some labor unions. Each member of the New York City Teacher's Union was urged to write ten letters. That's how genuine they were.

A most intelligent woman remarked recently, "Never since the time of Christ has any man been so literally crucified." She is right. Yet President Nixon has shown such nobility of character in the way he has endured this unjust witch hunt. Which one of you could do the same? How many of you Senators and Congressmen could stand the scrutiny of all your conversations being made public?

With the copious comments coming from Senators, and even from the Judiciary Committee, how can the President ever hope for a fair and impartial decision? The Committee claims to be unbiased and nonpolitical? It is to laugh. Counsel Dash was quoted as saying they were "out to get Nixon." He was so right.

The American people are disillusioned with their Congress. While you spend all these months on Watergate, what is happening in the Panama Canal situation?

Why have you permitted America to lose control of the seas?

Why have you not spent more money on ships and submarines?

Why did you let Russia establish a missile base in Cuba?

Why do you continue to approve costly foreign aid while we stagger under heavy taxes?

Why do you and your families engage in junkets abroad at taxpayers expense? Why did you approve legislation to prevent public knowledge of the amounts spent in this manner?

When and if it comes to a vote on impeachment, "Let him who is without sin cast the first stone."

Our country is in peril now, as we see the Russian Bear becoming the number one power. Work right now to prevent this. Cease the hate campaign. Cease the hypocrisy. Get on with the important business of our government, and let our President do the same. Let it not be said that our Congress ever impeached a great President who has done so much for world peace, solely because of an organized hate campaign, with malice toward one.

LILLIAN F. NELSON.

I am reminded, Mr. Speaker, of the very fine letter of our Democrat colleague from Louisiana (Mr. PASSMAN) when he wrote to his fellow Americans November 1, 1973, on this same subject in a broader sense.

In order to refresh the recollection of the Members, I am again offering OTTO PASSMAN's letter:

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 1, 1973.

FACTS AS A DEMOCRAT UNDERSTANDS THEM

MY FELLOW AMERICANS: Without intending to be offensive, the record should be put in the proper perspective. In doing so, it will be necessary to refer to certain unpleasant incidents of the past and recognize that some of the prospective presidential candidates of today must conceal the past records of some Democrats well, otherwise, embarrassing incidents will shine through even with the radical segment of the news media assisting in obliterating past incidents.

The radical element of the news media can, when they so determine, take the greatest public official in America, put him in the gutter and convince a majority of the people that he is a crook. The same segment of the news media can take the biggest phony in America and make him appear superior to a combination of Einstein and Solomon. We are seeing this happen in America today. Let us look at the record:

1. When Judas betrayed Christ, he had his followers, and according to Biblical history his views were effective, but we all know now that those claims did not alter the facts of what Christ represented and why he was sent here and finally crucified by those who followed Judas's thinking. I mention this as an example and not for the purpose of comparison.

2. When it was reported that certain segments of the Democratic Party (and there is available information to support this contention) stole the election from Richard M. Nixon in 1960 by the manipulation of the votes in New Mexico, Illinois and probably Texas, did the Republicans try to impeach and destroy President Kennedy for the actions of certain segments of the Democratic Party? The answer is no!

3. When Senator Lyndon Johnson's trusted aide, Mr. Jenkins, got caught in an act of indecency, and the Senator had him released, did the Republicans jump on Senator Johnston? No! When President Johnson's aide, Mr. Jenkins, got caught in a similar situation with a male Russian, did the Republicans make this a public issue and try to involve Mr. Johnson, including threat of impeachment? The answer is no!

4. Of course, as unpleasant as it is to mention the episodes of Billy Sol Estes, Bobby Baker and others, I cannot find where the Republicans exploited these issues in trying to destroy Democratic candidates for any public office. Therefore, it is wrong to try to destroy our President through innuendo and false accusations about incidents which he had nothing to do with.

5. I say without equivocation or mental reservation that in my considered judgment, President Richard M. Nixon's integrity is unimpeachable. His greatness has been established—so much so that certain segments of the Democratic Party, of which I am a member, and for political reasons, are trying to destroy his greatness. Does it not appear that there are prejudiced judges who, through a subconscious urging may be making themselves a party to the scheme to destroy President Nixon, and acting as prosecutors rather than judges?

6. When Mr. Nixon was sworn in as President, we were in the midst of one of the most destructive and expensive wars our nation had ever been engaged in. Evidently, President Johnson could not develop a formula to conclude the war so he left the White House a broken-hearted man, and I believe that President Johnson felt he was turning the nation over to a man who had the ability and determination to conclude this terrible war that was claiming 300 precious American lives weekly. Could this have so embarrassed the Democrats that they are trying to blot out this great accomplishment?

7. When Mr. Nixon was sworn in, there were 543,000 troops in Vietnam; the cost of the war was running at $32 Billion a year; and there were no plans to conclude the war. However, Mr. Nixon quickly formulated a plan to conclude the war that started under a Democratic Administration. Not only did he live up to every promise he had made and

reduce the number of troops in Vietnam from 543,000 to zero, he secured the release of all of our prisoners of war who were deteriorating in dungeons in far-off lands. My, my, but what an accomplishment for a great American President.

8. When Mr. Nixon was sworn in as President, crime was running rampant in this country we love so much. He is slowly but surely bringing crime under control. Will this trend be reversed by present-day court decisions? What is the explanation for a judge to sentence a man to 35 years in prison for the Watergate break-in, a crime that was not an act of personal violence, and in the same city or perhaps in the same court, a prejudiced judge released those who have confessed to armed robbery, rape and arson, maybe with the trial judges blaming society for the criminal acts. Where is justice?

9. When Mr. Nixon was sworn in as President, the Supreme Court was so distorting the Constitution by erroneous interpretations, that they were turning our nation into a socialistic state. Mr. Nixon is replacing such Justices with men who render opinions based upon the Constitution, and such a court will ultimately benefit all Americans.

10. When President Nixon assumed command, he recognized that China with its 800 million population, representing 25% of the total population of the world, was developing in every sense, even in the nuclear field, at an unbelievable pace. He knew that for the preservation of our nation we could not afford to permit China to affiliate with the Russians. His decision to go to Peking and establish a friendly relationship with China will keep them out of the Russian orbit and could prove to be the greatest decision ever made by an American President. History will take care of this accomplishment adequately.

11. Mr. Nixon is trying hard to put our fiscal affairs back on a business basis, but somehow without exception, every time he moves in that direction the liberals and socialistic-minded try to embarrass him and stop him, and in too many instances they have been successful.

12. May I refer you to the infamous Daniel Ellsburg, who no doubt should have been convicted of treason for stealing top-secret documents and passing them along so that they came into the possession of the Communists. He peddled them to the left-wing press and doubtless others. Instead of being convicted of treason, what happened? A liberal judge set him free without a completed trial. Where has he been recently? In Washington, appearing before a Senate Committee receiving almost a hero's welcome. What is going on in our country? Look at those who are trying to destroy our President! Do you wish to turn this country over to the type of people who by majority nominated George McGovern as the Democratic nominee in Miami? We are in trouble in this country. We are being misled, and some of our best people are having their minds slowly but surely shaped by prejudiced commentators, and the radical segment of the news media. From experience, I can tell you that America's national broadcasters are obliterating anything favorable to our President, spending their time clouding issues, making false accusations and, in some instances, downright misrepresentations. Listen to some of these broadcasters for verification of this statement.

13. I do not condone what some of President Nixon's aides have done, but remember that they did not break into Democratic Headquarters looking for silver or gold. It was a political act. Doubtless, they were looking for political information, perhaps trying to find out how the people who later appeared in Miami to support McGovern had gotten control of the Democratic Party. (This statement is completely free of radical implication.) Without attempting to defend their actions, these actions did not involve the security of our country. I am thoroughly convinced that President Nixon had no knowledge of their actions.

14. Now, how about Archibald Cox? He is a liberal Democrat. He was Solicitor General in the Cabinet of President John F. Kennedy. When Mr. Nixon appointed him Special Prosecutor, he thought that this man would be fair and impartial and would ferret out the truth, but what happened? It was discovered that this liberal Democrat evidently had one thing in mind and that was to destroy Richard M. Nixon, and no doubt try to help elect former President John F. Kennedy's brother, Ted Kennedy, to the Presidency. Why did former Special Prosecutor Archibald Cox spend so much time talking with Ted Kennedy while he was investigagating? When the U.S. Court of Appeals sustained the lower court, in effect it said to our President, comply with the decision or offer an acceptable compromise. As we read the record, we see where Senator Ervin, Senator Baker, the Attorney General and the President had reached a compromise and had prepared to submit it to Judge Sirica. We are also led to believe that Judge Sirica would have accepted the compromise, enabling the President to protect the confidentiality of the Presidency, but then this liberal, vindictive Democrat, Archibald Cox, balked. In effect, by his actions, he said I am after a full bucket of blood, nothing less. So, the President had to fire him.

May I say again I believe deeply, based upon facts, that President Richard M. Nixon's integrity is unimpeachable. It is almost unbelievable that this great man has been able to accomplish so much for America with the prejudiced commentators, the radical element of the news media, the Communists and other left-wingers out to destroy him. President Nixon's troubles began when he started fighting Communism and with his success in putting that all-time Communist, Alger Hiss, in jail.

I could have remained silent during this crisis had I been a political coward, thinking only of the Democratic Party and my personal political interests. Certainly I would have been spared some criticism, but to have been silent would have violated every principle by which I have lived my life. I sincerely believe that in the end right will prevail—if not before man—certainly before God, and I am just as convinced that in the end the position I have taken in support of my President will be the correct one.

Repeating, at no time has President Nixon been in noncompliance with the laws of our land. However, our great President, because of public pressure and the misunderstanding of the American public, including some members of the Judiciary, is on the verge of being forced to violate his obligation by revealing *highly sensitive and confidential information*. It is to be regretted that some members of the Judiciary do not look at executive privilege in the same manner as lawyer and client privilege, confidential audience between priest and parishioner and highly confidential conversations between man and wife. Again, where is justice and reason, and how far will the lunatic fringe go to destroy a great President?

I am a lifelong Democrat, but I am an American first. I shall support right as I understand it. I am proud that my President has the courage, wisdom and determination to do what is right, knowing well that his greatness will shine as a bright example to generations yet unborn, and when finally he has gone to his reward, hundreds of millions of people throughout the world will know that this world is indeed a better place in which to live for President Nixon's having lived in it.

Finally, may I urge you to read the Constitution of the United States and then ponder this question prayerfully. What crime has our great President committeed to warrant the abuse heaped upon him by lunatics, liberals and bloodthirsty haters and, in many instances, misguided good Americans? Please do your duty and get your communication off to leaders of the House of Representatives, protesting the unwarranted action that a few propose.

Sincerely,

OTTO E. PASSMAN,
Member of Congress.

DEPARTMENT OF DEFENSE RECRUITING RESULTS FOR JUNE 1974

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter, including tables.)

Mr. DAN DANIEL. Mr. Speaker, today I put in the RECORD the total military strength assessment and recruiting results for each of the services for June 1974. The four armed services obtained nearly 53,000 enlistments during June, or 118 percent of their total objective for the month. Each of the services exceeded their June objectives. The Army's total of 27,900 was 11,130 or 66 percent more than in June 1973. The total of 413,000 volunteers for fiscal year 1974 exceeds by 23,000 the number of true volunteers which it is estimated that the services recruited in fiscal year 1973.

The all-volunteer force, as a result, came within one-half of 1 percent of planned total military strength for the end of fiscal year 1974, the first full year of operation of the all-volunteer concept. Recruiting success and improved reenlistments and retention rates pushed the aggregate military strength within 10,000 of the end of June strength objective of 2,174,000. Preliminary figures show that the Army and the Air Force met or exceeded their individual strength objectives. Although Navy recruiters exceeded their recruiting objectives for the year, an earlier error in strength accounting caused the Navy to fall about 4,000 short of its planned total strength. The Marine Corps shortfall of about 7,000 was attributed primarily to the law passed in midyear which required that at least 55 percent of all new enlistees in fiscal year 1974 be high school graduates.

Sixty-six percent of the non-prior-service volunteers had high school diplomas, and 90 percent were in the average and above-average mental groups. In fiscal year 1964, a pre-Vietnam draft year, the services enlisted 68 percent high school graduates, and in that year 85 percent of the total enlistments were in the average and above-average categories.

Enlistments by service: Total enlistments for June and for the fiscal year are shown in the following table:

RECRUITING RESULTS, ALL SOURCES

	June			Fiscal year totals
	Program objective	Actual	Percent objective	
Army	22,600	27,900	123	200
Navy	9,650	11,330	117	88
Marine Corps	5,550	6,710	121	50
Air Force	7,020	7,020	100	75
Total DOD	44,820	52,960	118	413

Enlistments by source: The number of non-prior-service men enlisted in June was 46,900 or 117 percent of the services' June objective; the number of non-prior-service women was 3,970 or 123 percent of the objective; and the number of prior service personnel was 2,890 or about 128 percent of the objective. The following table shows the distribution of June enlistments by source:

RECRUITING RESULTS BY SOURCE

	June		
	Program objective	Actual	Percent objective
Non prior service:			
Men	39. 320	46, 090	117
Women	3, 230	3, 970	123
Prior service	2, 270	2, 890	128
Total DOD	44, 820	52, 960	118

Non-prior-service enlistments, men and women, by service: During June the services achieved the following results against their non-prior-service objectives for men and women:

NONPRIOR SERVICE RECRUITING RESULTS

	June		
	Program objective	Actual	Percent objective
MEN			
Army	19, 500	23, 520	121
Navy	8, 450	9, 950	118
Marine Corps	5, 200	6, 450	124
Air Force	6, 170	6, 170	100
Total DOD	39, 320	46, 090	117
WOMEN			
Army	1, 800	2, 420	134
Navy	600	710	118
Marine Corps	110	120	113
Air Force	720	720	100
Total DOD	3, 230	3, 970	123

Mental groupings; high school graduates: In June about 90 percent of all non-prior-service enlistees were in mental categories 1–III, which are the average and above-average mental groups; only 10 percent were in mental category IV, the below-average group. High school graduates amounted to 74 percent of enlistments, compared to 62 percent for May. The data for fiscal year 1974 are shown in the following table, along with the June results:

HIGH SCHOOL GRADUATES AND MENTAL GROUPINGS (NONPRIOR SERVICE MEN AND WOMEN)

	June		Fiscal year 1974, percent
	Number	Percent	
High school graduates:			
Army	17, 370	67	56
Navy	7, 620	75	70
Marine Corps	5, 020	76	54
Air Force	6, 540	95	92
Total DOD	36, 550	74	66
Mental groups, I, II, III:[1]			
Army	21, 380	82	82
Navy	9, 610	94	97
Marine Corps	6, 050	92	92
Air Force	6, 870	99	99
Total DOD	43, 910	89	90

[1] Above average and average categories.

Black representation: Total black enlistments for fiscal year 1974 accounted for 21 percent of total non-prior-service enlistments. As of March 1974, blacks comprised 15 percent of total enlisted strength.

BLACKS AS A COMPONENT OF ENLISTED STRENGTHS

	Percent of total fiscal year 1974 enlistments	Percent of total enlisted strength as of March 1974
Army	27	20
Navy	11	8
Marine Corps	21	18
Air Force	16	14
Total DOD	21	15

July objectives: It was announced that the services' manpower programs for July called for the following enlistment objectives from all sources:

July program objectives

Army	21, 000
Navy	11, 050
Marine Corps	6, 220
Air Force	7, 430
Total Department of Defense	45, 700

The Navy total excludes an objective of 1,000 additional regular force enlistments needed to make up for shortfalls resulting from the strength accounting error of last year.

Reserve components: The total Selected Reserve strength increased in May for the eighth consecutive month with the Army Reserve, Naval Reserve, Marine Corps Reserve, and Air Force Reserve components showing net gains. Although non-prior-service enlistments for all Reserve components are lower than the objectives for the year to date, the shortfalls have been partially offset by successes in recruiting prior service enlisted personnel:

FISCAL YEAR 1974 SELECTED RESERVE STRENGTHS[1]

[In thousands]

	ARNG	USAR	USNR	USMCR	ANG	USAFR	DOD total
Authorized end strength	412. 0	260. 6	116. 9	39. 5	92. 5	51. 5	972. 9
Actual:							
June 30, 1973	385. 6	235. 5	126. 2	37. 5	90. 4	43. 8	919. 0
Sept. 30, 1973	384. 9	231. 5	119. 1	35. 3	90. 5	43. 3	904. 6
Dec. 31, 1973	392. 5	227. 2	119. 1	33. 1	92. 5	43. 5	908. 2
Mar. 31, 1974	404. 9	226. 2	115. 4	31. 8	93. 6	44. 4	916. 2
Apr. 30, 1974	406. 1	227. 3	115. 1	31. 2	94. 2	45. 2	919. 1
May 30, 1974	405. 3	233. 7	115. 2	31. 4	93. 8	45. 8	925. 2
Change from previous month	−. 8	+6. 4	+. 1	+. 2	−. 4	+. 6	+6. 2
Net short/over authorized end strength	−6. 6	−26. 9	−1. 7	−8. 1	+1. 3	−5. 7	−4. 8
Percent short/over	−1. 6	−10. 3	−1. 4	−20. 5	+1. 5	−11. 1	−4. 9

[1] Unaudited preliminary reports from services.

RHODESIAN TRADE EMBARGO A PART OF U.S. TRADE POLICY

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, during the course of the continuing debate on the application by the United States of the U.N. mandatory economic sanctions against Southern Rhodesia, it has been frequently alleged that the United States does not interfere with free trade in any other country than Rhodesia; that we do not elsewhere use trade as an instrument of foreign policy.

Nothing, Mr. Speaker, could be further from the truth. Historically, the United States has used trade policies to further overall foreign policy goals. The General Policy, section 370.1, of the Export Administration regulations states that there are three reasons why the U.S. Government imposes controls on trade with other countries. One of these three reads as follows:

> Export controls . . . are used to the extent necessary . . . to further significantly the foreign policy of the United States and to fulfill its international responsibilities.

Pursuant to this fundamental principle of U.S. trade policy, the United States presently has trade embargoes, of one variety or another, imposed on at least fifteen countries. We continue to maintain, for example, an almost total trade embargo on Cuba, North Korea, and North Vietnam. Similarly, Mr. Speaker, we have imposed limited trade embargoes on at least a dozen other countries.

The idea, then, of imposing legal restrictions on our trade with other countries in order to promote our foreign policy interests is neither new nor unique in the case of the U.N. sanctions on Southern Rhodesia. I am surprised to hear some of my colleagues suggest to the contrary. I am even more surprised to hear some of my colleagues suggest that we should abandon our foreign policy interests in the U.N., in the development of an international legal system, in the field of human rights, and in Africa, all for the sake of the cost of chrome. To follow that logic, we should abandon sanctions on Cuba in order to lower the price of sugar, or end sanctions on North Korea in order to lower the cost of iron ore. However, the proponents of continued violation of U.N.-Rhodesian sanctions make no such suggestion. Apparently, some foreign policy interests are of concern to them, and others are not.

Finally, Mr. Speaker, it is clear that our foreign policy interests demand a full adherence, on our part, to the sanctions against Southern Rhodesia.

We have an overriding interest in seeing the United Nations peacekeeping system strengthened, so that it will be able to deal with future crises like that which is taking place in Cyprus right now. Our violation of the Rhodesian sanctions undermines the ability of that world body to do so, and will ultimately backfire on us in the worst way.

We have an overriding interest, as the world's leading democracy, to promote the development of human rights whenever we can. Our continued support for the racist minority regime in Southern Rhodesia undermines efforts everywhere to promote human rights. And, make no mistake Mr. Speaker, the whole world is watching as the United States, Portugal, and South Africa stand out as the only nations to flagrantly violate these sanctions. The example we set here will surely backfire on us as we attempt to influence such countries as the Soviet Union to protect human rights within their borders.

We have an overriding interest in the development of an international legal system. Surely, our violation of these Rhodesian sanctions has no greater effect than to call into question whether or not we or any other nation shall live up to legitimate treaty obligations. For if we, the greatest promoter of the rule of international law in the world, abandon our treaty obligations to help out a few determined companies, what can we expect of governments with less integrity? How can we expect other countries to live up to their international legal obligations in such areas of vital concern to us as fishing rights, law of the sea, punishment of hijackers, and payments for expropriations, if they see the United States ignoring its obligations under article 25 of the U.N. Charter? Surely, Mr. Speaker, we are giving fuel and support to those irresponsible organizations and governments who oppose the rule of international law, and support a world system of "every country for himself." We have seen what an attitude like this can result in in the international monetary system, and it is not good for anyone.

We have an extraordinary interest in black Africa, Mr. Speaker, which already hosts some $2 billion in U.S. investments and will host even more in the future. We are all by now aware that we are entering an era of intense scarcity of natural resources. By 1980, we will be dependent upon imports for over a dozen of the raw materials essential to our economy and we will be competing with the Japanese and the Europeans to gain access to these raw materials. We will increasingly be turning to the resource-rich countries of black Africa to fill these needs and, as long as we continue to violate the sanctions and trade with the white minority of 5 percent in Rhodesia, we will find ourselves increasingly losing out. Unless we begin to act now, in a few years we could well be facing the biggest economic backfire of the century.

These four foreign policy interests, I believe, are compelling reasons why, when S. 1868—the repeal of the Byrd amendment on U.N. sanctions—comes up for a vote, we should approve it as the Senate has already done. I, therefore, urge my colleagues to support S. 1868.

DECLARATION BY HON. JOHN E. HUNT OF NEW JERSEY

(Mr. HUNT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUNT. Mr. Speaker, from time to time certain individuals desire to know everything pertinent in the private life of a politician. Not too long ago an enterprising young politician, who desires to occupy my seat in the 94th Congress, published his net worth and asked me to do likewise.

Roughly I can see no rhyme nor reason to publishing anyone's net worth considering the fluctuating prices. It would have been much better to have published our gross income for the year 1973 and the amount of taxes each of us paid. I am sure that would have been a revelation considering the fact that he held many lucrative solicitorships as result of his political connections.

The listing contained herein is in many respects a joint ownership with my wife, Doris R. Hunt, who contends it is no one's business as to what she owns and also that it is an invasion of her privacy. However, she had agreed to my inserting this item as listed:

We own our home assessed at $24,000;

Own 3 cars listed in the Blue Book at a combined evaluation of $7,600;

We have assorted stocks and bonds, including church bonds, bank and utilities—an overall value of $57,000. None of the stocks owned by us are with Corporations or units doing direct business with the Federal Government;

$21,000 in savings;

$3,000 in Government "E" Bonds; and

Estimated total worth approximately $112,600.

We owe no one and no one owes us a dime. If any further particulars are desired, we shall be most happy to furnish same but I deem this sufficient information even to my political adversary who appears to be the only curious one.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MALLARY) to revise and extend their remarks and include extraneous material:)

Mr. BAUMAN, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. TRAXLER) to revise and extend their remarks and include extraneous material:)

Mr. VANDER VEEN, for 5 minutes, today.
Mr. MOSS, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MEEDS, for 5 minutes, today.
Mr. DIGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HECHLER of West Virginia, in the Extensions of Remarks, and to include extraneous material:)

(The following Members (at the request of Mr. MALLARY) and to include extraneous material:)

Mr. HANRAHAN.
Mr. FINDLEY in five instances.
Mr. QUIE in two instances.
Mr. HORTON.
Mr. CONTE in two instances.
Mr. RHODES in two instances.
Mr. ARCHER in two instances.
Mr. RONCALLO of New York.
Mr. WYMAN in two instances.
Mr. DERWINSKI in two instances.
Mr. SYMMS.
Mr. TAYLOR of Missouri.
Mr. SHUSTER.

(The following Members (at the request of Mr. TRAXLER) and to include extraneous matter:)

Mr. MITCHELL of Maryland.
Mrs. MINK.
Mr. ANDERSON of California in two instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. MAZZOLI.
Mr. RANDALL in two instances.
Mr. TEAGUE in 10 instances.
Mr. MURTHA.
Mr. TIERNAN.
Mr. MATHIS of Georgia in two instances.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 15461. An act to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the United States Supreme Court transmitted to the Congress on April 22, 1974.

ADJOURNMENT

Mr. TRAXLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 31, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2607. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 2107 of title 10, United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

2608. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the annual report for 1974 on the cost of implementing air pollution controls, pursuant to section 312(a) of the Clean Air Act, as amended [42 U.S.C. 1857j–1(a)]; to the Committee on Interstate and Foreign Commerce.

2609. A letter from the Secretary of Transportation, transmitting a report on urban mass transportation needs and financing, pursuant to section 138(a) of Public Law 93–87; to the Commission on Public Works.

2610. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize a program of assistance to States for the establishment expansion, improvement, and maintenance of veterans cemeteries, to eliminate certain duplications in the payment of Federal burial benefits, and to provide for transportation of bodies to a national cemetery; to the Commission on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CULVER: Committee of conference. Conference report on S. 2957 (Rept. No. 93–1233). Ordered to be printed.

Mr. STRATTON: Committee on Armed Services. H.R. 14402. A bill to amend the act of September 26, 1966 (P.L. 89–606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased (Rept. No. 93–1234). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 16045. A bill to amend the Solid Waste Disposal Act to authorize appropriations for fiscal years 1975 and 1976, and to make certain technical and conforming changes; with amendment (Rept. No. 93–1235). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1279. Resolution providing for the consideration of H.R. 14214. A bill to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes (Rept. No. 93–1236). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1280. Resolution providing for the consideration of H.R. 15046. A bill to authorize appropriations for the U.S. Information Agency, and for other purposes (Rept. No. 93–1237). Referred to the House Calendar.

Mr. POAGE: Committee on Agriculture. H.R. 16056. A bill to provide for emergency increases in the support level for the 1974 crop of Flue-cured tobacco; with amendment (Rept. No. 93–1238). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on House Administration. H.R. 16090. A bill to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes. (Rept. No. 93–1239). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H.R. 16163. A bill to amend title 39, United States Code, to strengthen the regulatory authority of the Postal Rate Commission with respect to the operation of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.R. 16164. A bill to amend title 38, United States Code to eliminate the time period in which a veteran has to use his educational benefits and to extend the months of eligibility from 36 to 45 months; to the Committee on Veterans' Affairs.

By Mr. CONTE (for himself, Mr. Dingell, Mr. Hungate, Mr. McCollister, Mr. Adams, Mr. Aspin, Mr. Cleveland, Mr. Cronin, Mr. Ford, Mr. Heinz, Mr. McKinney, Mr. Mollohan, Mr. Nix, Mr. Pepper, Mr. Talcott, and Mr. Thompson of New Jersey):

H.R. 16165. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. Rangel):

H.R. 16166. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. HASTINGS:

H.R. 16167. A bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS:

H.R. 16168. A bill to authorize appropriations for the Department of State, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H.R. 16169. A bill to provide for services to children and their families, and for other purposes; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. Regula, Mr. Lujan, Mr. Abdnor, and Mr. Thone):

H.R. 16170. A bill to amend the act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a); to the Committee on Interior and Insular Affairs.

By Mr. QUILLEN:

H.R. 16171. A bill to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 16172. A bill to provide for the temporary suspension of duties on the importation of polystyrene resins, certain polyethylene resins, and polypropylene; to the Committee on Ways and Means.

By Mr. RONCALLO of New York (for himself, Mr. Grover, Mr. Biaggi, and and Mr. Addabbo):

H.R. 16173. A bill to authorize the Secretary of the Navy to transfer ownership of two naval vessels no longer needed by the Navy to the city of New York, N.Y.; to the Committee on Armed Services.

By Mr. TIERNAN:

H.R. 16174. A bill to amend section 2 of the Foreign Gifts and Decorations Act of 1966 with respect to the definition of the term "person" as used in such act; to the Committee on Foreign Affairs.

H.R. 16175. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS (for himself, Mr. Kemp, Ms. Abzug, Mr. Badillo, Mr. Biaggi, Mr. Bingham, Mr. Carey of New York, Mrs. Chisholm, Mr. Conable, Mr. Delaney, Mr. Dulski, Mr. Fish, Mr. Gilman, Mr. Grover, Mr. Hanley, Mr. Horton, Mr. King, Mr. Koch, Mr. Lent, Mr. McEwen, Mr. Murphy of New York, Mr. Peyser, Mr. Pike, Mr. Podell, and Mr. Rangel):

H.J. Res. 1102. Joint resolution to salute Chautauqua Institution on the occasion of its 100th anniversary; to the Committee on the Judiciary.

By Mr. HASTINGS (for himself, Mr. Kemp, Mr. Smith of New York, Mr. Stratton, Mr. Reid, Mr. Robison of New York, Mr. Roncallo of New York, Mr. Rosenthal, Mr. Walsh, Mr. Wolff, Mr. Bevill, Mr. Derwinski, Mr. Gunter, Mr. Madigan, Mr. Pepper, and Mr. Ware):

H.J. Res. 1103. Joint resolution to salute Chautauqua Institution on the occasion of its 100th anniversary; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

516. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Federal flood control and reclamation projects; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. NIX introduced a bill (H.R. 16176) for the relief of Bonita Lois Nixon and Barry Louis Nixon, which was referred to the Committee on the Judiciary.

SENATE—*Tuesday, July 30, 1974*

The Senate met at 10 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Ruler and Lord, send us to our tasks this day surrounded by loving kindness and tender mercies, working in Thy strength and not our own. Grant to us clear heads, clean hands, and pure hearts. May the power of this body be used to guard the truth, to strengthen justice and to bring healing to the wounds of the Nation. Match our wisdom and grace to the high requirements of this moment of history with its awesome obligations and grave decisions. Make and keep us strong in the spirit and so in harmony with Thy will that the work in this place may be a blessing to the Nation and further Thy coming kingdom.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 30, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 29, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of Marmaduke Roberts Ligon, of Oklahoma, to be an Assistant Administrator.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 989 and 990.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AFRICAN DEVELOPMENT FUND

The bill (S. 2354) to provide for the participation of the United States in the African Development Fund, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

S. 2354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "African Development Fund Act".

SEC. 2. The President is hereby authorized to accept participation for the United States in the African Development Fund (hereinafter referred to as the "Fund") provided for by the agreement establishing the Fund (hereinafter referred to as the "agreement") deposited in the Archives of the United Nations.

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund and a Director and an Alternate Director of the Fund.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor or Alternate Governor. The Director and his Alternate who shall receive compensation from the United States may, in the discretion of the President, receive such compensation, allowances, and other benefits not exceeding those authorized for a Chief of Mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended.

SEC. 4. (a) The policies and operations of the United States representatives of the Fund shall be coordinated with other United States policies in such a manner as the President shall direct.

(b) An annual report with respect to United States participation in the Fund shall be submitted to the Congress by such agency or officer as the President shall designate.

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States:

(a) agree to an increase in the subscription of the United States to the Fund;

(b) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which would change the purpose or functions of the Fund; or

(c) make a loan or provide other financing to the Fund, except that funds for technical assistance may be provided to the Fund by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

SEC. 6. (a) There is hereby authorized to be appropriated without fiscal year limitation, as the United States subscription, $15,000,000, to be paid by the Secretary of the Treasury to the Fund in three annual installments of $5,000,000 each.

(b) Any repayment or distribution of moneys from the Fund to the United States shall be covered into the Treasury as a miscellaneous receipt.

SEC. 7. Any Federal Reserve bank which is requested to do so by the President shall act as a depository for the Fund, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SEC. 8. For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Fund in accordance with the agreement, the Fund shall be deemed to be an inhabitant of the Federal judicial district in which its principal office or agency appointed for the purpose of accepting service or notice of service is located, and any such action to which the Fund shall be party shall be deemed to arise under the laws of the United States, and the district courts of the United States (including the courts enumerated in title 28, section 460, United States Code) shall have original jurisdiction of any such action. When the Fund is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

SEC. 9. The agreement, and particularly articles 41 through 50, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the acceptance of participation by the United States in, and the entry into force of, the Fund. The President, at the time of deposit of the instrument of acceptance of participation of the United States in the Fund, shall also deposit a declaration that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Fund to its citizens or nationals and may deposit a declaration providing for reservations on other matters set forth in article 58.

Sec. 10. The President shall instruct the United States Director of the African Development Fund to vote against any loan or other utilization of funds of the Fund for the benefit of any country when the government of such country or any government agency or subdivision within such country—

(1) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(2) has taken steps to repudiate or nullify existing contracts or agreements with any United States citizen or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(3) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action, or, in the event of a referral to the Foreign Claims Settlement Commission of the United States within such period as provided herein, not more than twenty days after the report of the Commission is received) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including speedy compensation for such property in convertible foreign exchange, equivalent to the full value thereof, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be; and such suspension shall continue until the President is satisfied that appropriate steps are being taken, and the provisions of the section shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States and such certification shall be reported immediately to Congress.

FEDERAL COLUMBIA RIVER TRANSMISSION SYSTEM ACT

The Senate proceeded to consider the bill (S. 3362) to enable the Secretary of the Interior to provide for the operation, maintenance, and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment in the nature of a substitute.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

SHORT TITLE

Section 1. This Act may be cited as the "Federal Columbia River Transmission System Act".

FINDINGS

Sec. 2. (a) Congress finds that in order to enable the Secretary of the Interior to carry out the policies of Public Law 88–552 relating to the marketing of electric power from hydroelectric projects in the Pacific Northwest, Public Laws 89–448 and 89–561 relating to use of revenues of the Federal Columbia River Power System to provide financial assistance to reclamation projects in the Pacific Northwest, the treaty between the United States and Canada relating to the cooperative development of the resources of the Columbia River Basin, and other applicable law, it is desirable and appropriate that the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds be used to further the operation, maintenance, and further construction of the Federal transmission system in the Pacific Northwest.

(b) Other than as specifically provided herein, the present authority and duties of the Secretary of the Interior relating to the Federal Columbia River Power System shall not be affected by this Act. The authority and duties of the Administrator referred to herein are subject to the supervision and direction of the Secretary.

DEFINITIONS

Sec. 3. As used in this Act—

(a) The term "Administrator" means the Administrator, Bonneville Power Administration.

(b) The term "electric power" means electric peaking capacity or electric energy, or both.

(c) The term "major transmission facilities" means transmission facilities intended to be used to provide services not previously provided by the Bonneville Power Administration with its own facilities.

THE FEDERAL COLUMBIA RIVER TRANSMISSION SYSTEM

Sec. 4. The Secretary of the Interior, acting by and through the Administrator, shall operate and maintain the Federal transmission system within the Pacific Northwest and shall construct improvements, betterments, and additions to and replacements of such system within the Pacific Northwest as he determines are appropriate and required to:

(a) integrate and transmit the electric power from existing or additional Federal or non-Federal generating units;

(b) provide service to the Administrator's customers;

(c) provide interregional transmission facilities; of

(d) maintain the electrical stability and electrical reliability of the Federal system: *Provided, however,* That the Administrator shall not construct any transmission facilities outside the Pacific Northwest, excepting customer service facilities within any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative which has (i) no generating facilities, and (ii) a distribution system from which it serves both within and without said region, nor shall he commence construction of any major transmission facility within the Pacific Northwest, unless the expenditure of the funds for the initiation of such construction is specifically approved by Act of Congress.

CONGRESSIONAL APPROVAL OF EXPENDITURES

Sec. 5. (a) Unless specifically authorized by Act of Congress, the Administrator shall not expend funds made available under this Act, other than funds specifically appropriated by the Congress for such purpose, to acquire any operating transmission facility by condemnation: *Provided,* That this provision shall not restrict the acquisition of the right to cross such a facility by condemnation.

(b) At least sixty days prior to the time a request for approval or authority under section 4 or 5 of this Act is sent to Congress, the Administrator shall give notice of such request to entities in the Pacific Northwest with which the Administrator has power sales or exchange contracts or transmission contracts or which have a transmission interconnection with the Federal transmission system.

TRANSMISSION OF NON-FEDERAL POWER

Sec. 6. The Administrator shall make available to all utilities on a fair and nondiscriminatory basis, any capacity in the Federal transmission system which he determines to be in excess of the capacity required to transmit electric power generated or acquired by the United States.

ACQUISITION OF PROPERTY

Sec. 7. Subject to the provisions of section 5 of this Act the Administrator may purchase or lease or otherwise acquire and hold such real and personal property in the name of the United States as he deems necessary or appropriate to carry out his duties pursuant to law.

MARKETING AUTHORITY

Sec. 8. The Administrator is hereby designated as the marketing agent for all electric power generated by Federal generating plants in the Pacific Northwest, constructed by, under construction by, or presently authorized for construction by the Bureau of Reclamation or the United States Corps of Engineers except electric power required for the operation of each Federal project and except electric power from the Green Springs project of the Bureau of Reclamation.

RATES AND CHARGES

Sec. 9. Schedules of rates and charges for the sale, including dispositions to Federal agencies, of all electric power made available to the Administrator pursuant to section 8 of this Act or otherwise acquired, and for the transmission of non-Federal electric power over the Federal transmission system, shall become effective upon confirmation and approval thereof by the Federal Power Commission. Such rate schedules may be modified from time to time by the Secretary of the Interior, acting by and through the Administrator, subject to confirmation and approval by the Federal Power Commission, and shall be fixed and established (1) with a view to encouraging the widest possible diversified use of electric power at the lowest possible rates to consumers consistent with sound business principles, (2) having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric power, including the amortization of the capital investment allocated to power over a reasonable period of years and payments provided for in section 11(b)(9), and (3) at levels to produce such additional revenues as may be required, in the aggregate with all other revenues of the Administrator, to pay when due the principal of, premiums, discounts, and expenses in connection with the issuance of and interest on all bonds issued and outstanding pursuant to this Act, and amounts required to establish and maintain reserve and other funds and accounts established in connection therewith.

UNIFORM RATES

Sec. 10. The said schedules of rates and charges for transmission, the said schedules of rates and charges for the sale of electric power, or both such schedules, may provide, among other things, for uniform rates or rates uniform throughout prescribed transmission areas. The recovery of the cost of the Federal transmission system shall be equitably allocated between Federal and non-Federal power utilizing such system.

BONNEVILLE POWER ADMINISTRATION FUND

Sec. 11. (a) There is hereby established in the Treasury of the United States a Bonneville Power Administration fund (hereinafter referred to as the "fund"). The fund shall consist of (1) all receipts, collections, and recoveries of the Administrator in cash from all sources, including trust funds, (2) all proceeds derived from the sale of bonds by the Administrator, (3) any appropriations made by the Congress for the fund, and (4) the following funds which are hereby transferred to the Administrator: (i) all moneys in the special account in the Treasury established pursuant to Executive Order Numbered 8526 dated August 26, 1940, (ii) the unexpended balances in the continuing fund established by the provisions of section 11 of the Bonneville Project Act of August 20, 1937 (16 U.S.C. 831, et seq.), and (iii) the unexpended balances of funds appropriated or otherwise made available for the Bonneville Power Administration. All funds transferred hereunder shall be available for expenditure by the Secretary of the Interior, acting by and through the Administrator, as authorized in this Act and any other Act relating to the Federal Columbia River transmission system, subject to such limitations as may be prescribed by any applicable appropriation act effective during such period as may elapse between their transfer and the approval by the Congress of the first subsequent annual budget program of the Administrator.

(b) The Administrator may make expenditures from the fund, which shall have been included in his annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriaton acts, for any purpose necessary or appropriate to carry out the duties imposed upon the Administrator pursuant to law, including but not limited to—

(1) construction, acquisition, and replacement of (i) the transmission system, including facilities and structures appurtenant thereto, and (ii) additions, improvements, and betterments thereto (hereinafter in this Act referred to as "transmission system");

(2) operation, maintenance, repair, and relocation, to the extent such relocation is not provided for under subsection (1) above, of the transmission system;

(3) electrical research, development, experimentation, test, and investigation related to construction, operation, and maintenance of transmission systems and facilities;

(4) marketing of electric power;

(5) transmission over facilities of others and rental, lease, or lease-purchase of facilities;

(6) purchase of electric power (including the entitlement of electric plant capability) (i) on a short-term basis to meet temporary deficiencies in electric power which the Administrator is obligated by contract to supply, or (ii) if such purchase has been heretofore authorized or is made with funds expressly appropriated for such purchase by the Congress, or (iii) if to be paid for with funds provided by other entities for such purpose under a trust or agency arrangement;

(7) defraying emergency expenses or insuring continuous operation;

(8) paying the interest on, premiums, discounts, and expenses, if any, in connection with the issuance of, and principal of all bonds issued under section 13(a) of this Act, including provision for and maintenance of reserve and other funds established in connection therewith;

(9) making such payments to the credit of the reclamation fund or other funds as are required by or pursuant to law to be made into such funds in connection with reclamation projects in the Pacific Northwest: *Provided,* That this clause shall not be construed as permitting the use of revenues for repayment of costs allocated to irrigation at any project except as otherwise expressly authorized by law;

(10) making payments to the credit of miscellaneous receipts of the Treasury for all unpaid costs required by or pursuant to law to be charged to and returned to the general fund of the Treasury for the repayment of the Federal investment in the Federal Columbia River Power System from electric power marketed by Administrator; and

(11) acquiring such goods and services, and paying dues and membership fees in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, including but not limited to the acquisitions and payments set forth in the general provisions of the annual appropriations Act for the Department of Interior, as the Administrator determines to be necessary or appropriate in carrying out the purposes of this Act.

(c) Moneys heretofore or hereafter appropriated shall be used only for the purposes for which appropriated, and moneys received by the Administrator in trust shall be used only for carrying out such trust. The provisions of the Government Corporation Control Act (31 U.S.C. 841 et seq.) shall be applicable to the Administrator in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act (31 U.S.C. 846), but nothing in the proviso of section 850 of title 31, United States Code, shall be construed as affecting the powers granted in subsection (b)(11) of this section and in sections 2(f), 10(b), and 12(a) of the Bonneville Project Act (16 U.S.C. 832 et seq.).

(d) Notwithstanding the provisions of sections 105 and 106 of the Government Corporation Control Act, the financial transactions of the Administrator shall be audited by the Comptroller General at such times and to such extent as the Comptroller General deems necessary, and reports of the results of each such audit shall be made to the Congress within 6½ months following the end of the fiscal year covered by the audit.

INVESTMENT OF EXCESS FUNDS

SEC. 12. (a) If the Administrator determines that moneys in the fund are in excess of current needs he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in direct, general obligations of, or obligations guaranteed as to both principal and interest by, the United States of America.

(b) With the approval of the Secretary of the Treasury, the Administrator may deposit moneys of the fund in any Federal Reserve bank or other depository for funds of the United States of America, or in such other banks and financial institutions and under such terms and conditions as the Administrator and the Secretary of the Treasury may mutually agree.

REVENUE BONDS

SEC. 13. (a) The Administrator is authorized to issue and sell to the Secretary of the Treasury from time to time in the name and for and on behalf of the Bonneville Power Administration bonds, notes, and other evidences of indebtedness (in this Act collectively referred to as "bonds") to assist in financing the construction, acquisition, and replacement of the transmission system, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds are issued, and financing practices of the utility industry. Refunding provisions may be prescribed by the Administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000.

(b) The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Administrator's net proceeds as hereinafter defined. "Net proceeds" shall mean for the purposes of this section the remainder of the Administrator's gross receipts from all sources after first deducting trust funds and the costs listed in section 11(b)(2) through 11(b)(7) and 11(b)(11), and shall include reserve or other funds created from such receipts.

(c) The Secretary of the Treasury shall purchase forthwith any bonds issued by the Administrator under this Act and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchase of the bonds issued by the Administrator under this Act. The Secretary of the Treasury may, at any time, sell any of the bonds acquired by him under this Act. All redemptions, purchases, and sales by the Secretary of the Treasury of such bonds shall be treated as public debt transactions of the United States.

NO TIME FOR PARTISANSHIP

Mr. HUGH SCOTT. Mr. President, these are such grim and serious times as not to permit us the usual opportunities, in a political body, for the usual partisan disagreements. I am sorry about that. I miss the thrust, the parry, and the lightheartedness that go into that kind of political advocacy and partisanship which enlightens debate and sometimes, by chance, illuminates it.

I think that is one of the things we have lost for the time being in these very serious times. The whole Nation really is on the brink of taking its problems with such utmost seriousness, as is natural, that I think it would not welcome that kind of partisanship at this time.

One can only hope that our troubles will be behind us as expeditiously as possible, so that we can return to the elaboration of our differences under the two-party system, in which we recognize the old Supreme Court dictum that a prosecutor may strike hard blows but not foul ones; that the public is entitled to know, through our rivalries and our variant points of view, why they have an option or a choice of issues and a series of courses to follow.

So that I can only join all my colleagues in expressing the strong desire to see our immediate and immensely grave problems behind us, so that we may return to those days when I used to be able to say to the distinguished majority leader, "Today is Thursday, and I am going to be political." We both understood what that meant: that there are times when being political is being a part of the system, just as there are times when being a statesman and responsive to one's uttermost obligations is also part of the system.

So I hope the time will come, and soon, that we can revert to lighter days and happier times and a broader dissemination of those things which divide us; because by discussing those things which divide us, we find a way to unite us.

Mr. MANSFIELD. Mr. President, I listened with interest to what the distinguished Republican leader had to say, and I would like to make a few comments.

First, may I say, that the situation which confronts Congress today really leaves no room for partisanship. The times are too tragic, the period too troubled, and the constitutional stakes too high.

Having watched some of the proceedings of the House Committee on the Judiciary, I have been tremendously impressed with the way its members have, overall, conducted themselves.

I think that the chairman, Representative PETER RODINO, of New Jersey, an old friend of many years, shunted into the limelight, has performed superbly.

What I have to say about the chairman of that committee applies to the Republican and Democratic members of the committee as well. I think of the superb defense being put on by Representative WIGGINS, of California, and the able constitutional attributes of Representative DENNIS, of Indiana. I think of the deep concern and genuine anguish which are so apparent in Congressmen like Mr. BUTLER, of Virginia, Mr. FLOWERS, of Alabama, Mr. HOGAN, of Maryland, and Mr. RAILSBACK, of Illinois.

I am greatly impressed as well by the deep sensitivity of Representative JORDAN, of Texas, to the fundamental principles of the Constitution and her total belief in it.

Many others could and should be mentioned individually, but my accolade goes to all of them regardless of their views, because I think they have in the minds, hearts, ears, and eyes of the people elevated the status of the Congress as a whole. We in the Senate have benefited from witnessing these proceedings and have only admiration for the dignity, the decorum, and the real concern which all the members of that committee have shown.

No one of them had an easy decision to make. All of them had to face up to a difficult judgment, and all of them, in my opinion, lived up to their responsibilities in the best manner possible and, I repeat, reflected great credit on the Congress as a whole.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time under the previous order the Chair recognizes the distinguished assistant majority leader, the able Senator from West Virginia (Mr. ROBERT C. BYRD).

TELEVISING AND BROADCASTING OF IMPEACHMENT PROCEEDINGS

Mr. ROBERT C. BYRD. I thank the Presiding Officer, the distinguished Senator from Alabama.

Mr. President, there is a growing awareness that the Senate may soon be faced with an impeachment trial of the President of the United States. While it is not an absolute certainty that the House of Representatives will impeach the President, I believe we would be prudent to consider matters that would be of moment and importance if the House should vote to send articles of impeachment to the Senate.

The televising and broadcasting of the debates and actions by the House Judiciary Committee have allowed the American people, as a whole, for the first time, to hear for themselves and to consider the charges made against the President and the arguments against the charges.

Our citizens have also been shown graphically the Congress as it really works—not solely as seen by media news reports and commentators or through the press releases of the principals.

On June 30, 1973, I introduced Senate Resolution 136, which would authorize the Senate Committee on Rules and Administration to conduct a study as to the feasibility of radio and television broadcasting of actual sessions of the Senate, because I feel that the Congress must be brought back to the people. Later today, I shall submit a resolution—the distinguished majority leader (Mr. MANSFIELD), and others will join me at that time, which would allow the proceedings of a Senate trial of an impeachment to be broadcast by radio and television—if the President is impeached by the House. The Senate Committee on Rules and Administration would be charged with recommending the adoption of such rules and regulations as it deems appropriate to recommend to the Senate to govern such radio and television broadcasts.

Rule IV of the rules for regulation of the Senate wing of the Capitol prohibits the taking of pictures of any kind in the Senate Chamber. This rule has been temporarily suspended by the Senate twice before—in 1963 and in 1971—to allow photographs of the Senate in actual session.

I would hope that the Rules Committee would recommend suspension of the rule and recommend procedures to minimize any problems that could arise due to live broadcasting.

The technology has advanced to the extent that cameras, cables, and other broadcast paraphenalia can remain unobtrusive, and the lighting can be so subdued as not to interfere with the proceedings of such a trial. Under the Senate impeachment rules and precedents, as they presently stand, Senators are not permitted to debate or engage in colloquy in open session. All discourse and arguments in open session will be conducted by counsel for the defense, the managers on the part of the House, and the Presiding Officer at the trial. Any debate among Senators will be in closed session, unless the Senate otherwise orders, and would, therefore, not be televised. Therefore, the objections commonly raised by many—to the effect that a televised trial of an impeachment would create a "circus" atmosphere and that Senators would play to the cameras—have no basis whatever in fact.

If the Senate is faced with an impeachment trial, I feel it is imperative that the American people have confidence in the justice, the fairness, and the correctness of the decision—whatever the final disposition may be on the charges brought by the House.

The American people will want to hear for themselves, see for themselves, and decide for themselves.

I would wish that the Senate and the country were spared the trauma of a trial of an impeachment of the President. If one chooses to be realistic, however, I think that the time for such wishful hoping is coming to an end. The Senate, too, will be on trial, as the distinguished majority leader has said many times, because the constitutional system itself will be on trial. It is vitally important, therefore, for the future confidence in that constitutional system, that the American people be able to judge with their own eyes and ears the validity and wisdom of the constitutional process. Whatever the results of such a trial, the system has the strength and the Nation has the strength to endure if the people are convinced that the trial is fair and that the decision is correct.

The televising and broadcasting of such an event would help to insure this and would help to strengthen the faith of the American people in the American political and constitutional process.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished senior Senator from Illinois (Mr. PERCY).

IMPEACHMENT TRIAL

Mr. PERCY. Mr. President, the subject for which I had asked time to discuss this morning is not related to the discussion of our distinguished assistant majority leader and the decision of the leadership on an impeachment trial but I will very briefly give my own observations on this matter.

I have long taken the position that if the Senate of the United States has a trial that the trial should be open for television, radio and all media. It was my hope, and I have expressed this hope to the majority leader, that it could be done in such a way that the decorum and dignity of the Senate would not in any way be disturbed.

I see no reason why groups of cameras should be permitted, I see no reason why panning in on Senators sitting in the Senate need be permitted, but I do feel it is important to share with the American people, and in a sense with the whole world, the proceedings that would occur in the Senate of the United States if we do have a trial.

I think the judgment of the majority leader in this regard and his early comments have been borne out by the reaction of the country already to the proceedings of the Judiciary Committee in the House.

Since the early 1930's there has been a strong erosion of power of the Congress and at times a lack of confidence in the Supreme Court and the judiciary branch of the Government, as power in the executive branch is strengthened and concentrated.

It is not only the strengthening of power in the executive branch that concerns me but increasingly through the years a strong concentration of power in the White House itself has taken place at the expense of the agencies and the departments of Government.

The authority and responsibility of Cabinet officials has been diminished at the expense of assistants to the President, who really in a sense hold the power and yet do not hold any elective office.

I think this process now is reversing itself.

Through the natural process of the working of the Constitution, we are coming to better understand the genius of the constitutional separation of powers that has been provided in the checks and balances provided in our Constitution.

Our Government ultimately can never be any better than the understanding that people have of it, and for too long too many of the people in this country have believed the Federal Government was really the executive branch of Government, and that the two other branches were not that coequal; they were really, in a sense, subordinate.

The Supreme Court of the United States, in a decision on the tapes and the insistence that the President obey the order of the district court has indicated by its actions and its words it is the final arbiter of the law. Certainly this decision, overwhelmingly supported by the American people and now supported by President Nixon, has restored, I think, a great deal of balance and a great deal of prestige to the judicial branch of Government.

In recent days, I feel that a great deal of balance has also been restored to the congressional branch simply by enabling the American people to see the judgment, the care, the deliberation, the wrenching of conscience by voting one's conviction by the members of the House Committee on the Judiciary. Whether we share or not the positions they have taken, no one could be less than impressed with the fact that they are laboring with a complex matter that few would want to be placed in a position of having to judge, and yet the judgments that are coming forth, in accordance with the constitutional responsibility of these men and women, are doing great credit in the constitutional process and doing great credit, I believe, to the House of Representatives. I am proud of both of my distinguished Illinois colleagues on the Judiciary Committee, Congressmen Robert McClory and Tom Railsback as I am deeply impressed with the dedication to duty and work of every single member of the committee and its staff, regardless of how they have voted. They have distinguished themselves as they have brought distinction to the House of Representatives.

It is my firm belief that, in accordance with the rules that can be laid down and will be laid down by the Committee on Rules and Administration, the Senate can carry on this matter with necessary decorum. Processes can be worked out technically, to insure that radio and television coverage would not in any way affect the dignity and solemnity of the Senate. I fully, as one Member of the Senate, intend to support the decisions of the Committee on Rules and Administration with respect to opening the process, if we do have a trial, to the American people, to help them fully understand and appreciate the processes of constitutional government as they see it carried out on the floor of the Senate.

I yield to the assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time remaining out of my order which I had yielded back be reserved to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I now ask unanimous consent to yield such of that time as the Senator may need, in addition to his own time, to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PERCY. I thank my distinguished colleague.

THE NEED FOR REDEFINITION OF LONG-TERM CARE FACILITIES

Mr. PERCY. Mr. President, it is within the realm of possibility that the laws and regulations of the U.S. Government may actually result in serious illness or death for some 10,000 elderly persons.

Let me explain.

With the best intentions in the world, the Congress provided for a common definition of covered care for long-term care facilities for both the medicare and medicaid programs in section 247 of H.R. 1—Public Law 92-603. The Congress adopted as the standard for covered skilled nursing facility services the definition developed for the medicare program. This definition is a narrow and restrictive one, designed for the medicare post-hospital benefit, which will halt the medicaid practice of serving the chronically ill and multiple-diseased individual whose need for skilled care is not associated with convalescence from acute illness but is caused by the consequences of advanced age and increasing frailty and the interaction of social and psychological factors with disease and disability. The result will be to sharply limit the eligibility of medicaid patients for skilled nursing care.

I do not believe any Member of the Congress foresaw or intended that section 247 would thus result in perhaps as many as a quarter of a million being reclassified as intermediate care patients or even discharged.

Evidence exists that this is precisely what is likely to happen when final regulations implementing this section are issued. In some States reclassification and forced relocation of nursing home residents is already taking place in anticipation of these regulations.

But what does this have to do with death or serious illness for up to 10,000 senior citizens? It is a fact, as studies done by scholars at the University of Michigan and elsewhere indicate, that mortality and morbidity rates among elderly institutionalized persons who are relocated against their will skyrocket unless they are properly prepared for the transfer. Old people simply get sick and, in some instances die, when they are precipitously wrenched from one environment and thrust into a new one.

I ask unanimous consent that these studies be incorporated in the Record as exhibit A at the conclusion of my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit A.)

Mr. PERCY. The National Association of Directors of Health Facility Licensure and Certification Programs estimates that the literal application of the medicare definition to the 315,000 or so medicaid patients now in skilled nursing facilities could result in the reclassification of as many as 250,000 of these patients.

Mr. President, the study, Relocation Report No. 2, entitled "Death and Survival," undertaken by the Institute of Gerontology at the University of Michigan, Wayne State University, had this to say, quoting only an extract from the report:

> Our search for answers to the questions of what happens to elderly patients when they are relocated, why these reactions occur, and what can be done to reduce negative effects has focused on the Washtenaw and Lapeer County Medical Care Facilities in Michigan. The Washtenaw Facility (WCMCF) was closed in June of 1971 due to alleged deficiencies in the building, and most patients were moved to the Whitmore Lake Convalescent Center (WLCC). This move required the patients to adjust to changes not only in their physical "home," but also to changes in the staff taking care of them, in their daily program, and in their relationships with other patients.

Skipping over to page 3, on Relocation and Death the report continues:

> 1. Patients at the Washtenaw County Medical Care Facility died at a much higher rate during the year of relocation than during the previous five years at the same institution. A total of 34 percent of the 61 patients at WCMCF died during the six months before and the six months following the move to the Whitmore Lake Convalescent Center. The average annual death rate during the five years before the move at WCMCF was 21 percent.
>
> 2. The anticipation of relocation and the disorganization during and immediately after a move are especially lethal to elderly patients. During the year of the move, relocated WCMCF patients died at a rate three times that of the matched control patients at the SCH who were not relocated (see Table 1). However, during the three months before the move, the death rate for the relocated WCMCF group was six times greater than the rate for the stable SCH group. The rate was about eight times higher during the three months immediately after the move (see Table 2).

Skipping to page 6 of the report, with special reference to women:

> Despite women's longer life expectancy, they are much more vulnerable to relocation than men. Table 5 shows that death rates for women who were moved were more than twice as high as death rates among women in the control group. In contrast, the death rate for relocated men was only slightly higher than the control group.
>
> No conclusive explanation can be given now for this finding but observations by our interviewers suggest that women may become more attached to and involved with the institutional environment. Occupation therapy and craft programs tend to stress activities preferred by women.
>
> Women thus tend to make greater use of these programs than men do. Our interviewers also noted that women more often than men personalize their rooms with photographs and other decorations. In other words, women seem more integrated with the institutional environment than men who, by con-

trast, seem less involved. If these observations are correct, they would seem to follow the pattern noted previously, where the more disruptive move was more lethal. For women, who have greater personal investments in the environment, relocation is more disruptive.

Mr. President, virtually all of us have had intimate association with older people. We recognize that the older one gets the greater magnitude a small incident takes on.

I have talked with many, many patients who have received a bill for medicare charges, after they had reasonable assurance that their expense was fully covered by the medicare program, and they still received a bill for $10, $12, $15, sometimes higher. It is not only that they might have difficulty paying the charge, but they felt that they had been taken in. They felt that the costs were covered, when they find that subsequently they are forced now to make a payment that they had not budgeted.

This kind of thing gnaws at them. It bothers older people, and we can all see those tendencies. Imagine then when the Government comes in and, by a sweeping edict and by a regulation and directive of HEW, simply takes people who have been housed in a nursing home for years, and precipitously moves them, when they have been in a community, in an institution, in an association, where they have had staff personnel, they have had their rooms, they have a regular routine that they regularly follow, sometimes for years. To suddenly be moved the way Government sometimes arbitrarily acts, without proper notification and without proper indoctrination, without telling them why—we can well imagine what effect that would have on these older people.

The National Association of State Health Facility, Licensure and Certification Program directors argues that it is not unreasonable to suggest, based on all that we know about the effects of involuntary transfer of older institutional persons, that all 100,000 patients that will be affected would suffer some distress, and that as many as 10,000 would become increasingly physically ill or would die.

I ask unanimous consent that an analysis of this program prepared by the association be incorporated as exhibit B at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit B.)

Mr. PERCY. Mr. President, certainly we must not by our previous actions or by our present inaction sentence to death 10,000 aged Americans.

I have introduced a bill, S. 3503, cosponsored by Senators Moss and Clark, which will deal with the immediate problem we face and the more general problem of forced transfers and relocations from long-term care facilities.

My bill contains the following provisions:

It would require that transfers be made only when it is determined that they are in the interest of the patient.

It requires that patients be informed about impending transfers and be given the right to appeal the determination.

I recently wrote to the distinguished chairman of the Finance Committee (Mr. Long) and the distinguished ranking minority member (Mr. Bennett) to request that the committee schedule hearings on this very important legislation. The indications are that the able leadership of this committee as well as its other distinguished members are aware of the need for timely action on this measure.

I have also written to Secretary Weinberger to ask him to delay implementation of section 247 until such time as the Congress has been able thoroughly to study the likely consequences of the provision. I also asked him to use his influence with the States in order to avoid premature and possibly disastrous action from being taken in anticipation of orders from the Department of Health, Education, and Welfare.

I ask unanimous consent that the text of my letters to Senators Long and Bennett and to Secretary Weinberger be incorporated in the Record as exhibit C after conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit C.)

Mr. PERCY. The response to my legislation from around the country has been impressive. Providers and consumers alike realize that we are facing a very dangerous situation indeed.

S. 3503 has been endorsed by the National Retired Teachers Association—American Association of Retired Persons and by the recent constitutional convention of the National Council of Senior Citizens. It has been endorsed by the American Association of Homes for the Aging.

I ask unanimous consent that the letter to Senator Long endorsing S. 3503 from Cyril Brickfield, legislative counsel of the NRTA–AARP, be incorporated in the Record as exhibit D at the conclusion of my remarks together with a sampling of the letters of support I have received from around the country.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit D.)

Mr. PERCY. I want to emphasize in closing that I am not opposed to relocating patients when relocation is in the patient's interest. There are circumstances in which transfer to a different setting is a positive benefit to the patient. In these situations ways exist to minimize the threat to an elderly person's health and well-being and my bill calls for these steps to be taken. However, in our zeal to fend off the evil called "overinstitutionalization of the elderly" which we have all heard so much about, we are perilously close to denying care to those we intended to help and inflicting grievous harm upon the most helpless and vulnerable members of our society.

Mr. President, we face a crisis situation. It is time for rethinking our present policies and taking steps to revise them. S. 3503 offers the appropriate starting point.

Exhibit A

[From the Institute of Gerontology, the University of Michigan—Wayne State University]

Relocation Report 2—Death and Survival

This issue of Relocation Reports is the second in a continuing series of reports to the many people who have become interested in or involved with our research. The first issue provided a general overview of the study. This issue focuses on some preliminary findings about (1) death rates, and (2) behavior changes among elderly patients after they have been moved.

THE STUDY TO DATE

Our search for answers to the questions of what happens to elderly patients when they are relocated, why these reactions occur, and what can be done to reduce negative effects has focused on the Washtenaw and Lapeer County Medical Care Facilities in Michigan. The Washtenaw Facility (WCMCF) was closed in June of 1971 due to alleged deficiencies in the building, and most patients were moved to the Whitmore Lake Convalescent Center (WLCC). This move required the patients to adjust to changes not only in their physical "home," but also to changes in the staff taking care of them, in their daily program, and in their relationships with other patients. In contrast, patients at the Lapeer Facility (LCMCF) moved in November of 1971 from an old building to a new structure on the same property about 500 yards away.

While the physical environment changed, the staff, patients, and program remained the same. At both Washtenaw and Lapeer, patients were interviewed before the move about their life in the old home, how they felt about moving, and their anticipations about their new home. Four follow-up interviews were scheduled over the year following each of the moves at Whitmore Lake and Lapeer, to examine how patients adjusted to their new environment over the long term, where they experienced problems, and how they went about reshaping their lives. At the same time, information was collected from the staff on the patients' health and the types of medical services required. Interviewers also observed patients in various activities so that changes in activity patterns over time could be examined.

To date, the four follow-ups at Whitmore Lake on the patients moved from the Washtenaw facility have been completed. Three of the four follow-ups at Lapeer have also been completed, with the final follow-up scheduled for November.

In order to complete the picture of the effects of relocation, we are also collecting and evaluating similar information about patients in the Sandusky County Home (SCH) in Fremont, Ohio, a similar medical care facility that did not move its patients. The addition of the SCH to our study allows us to compare and contrast the experience of patients who move with the experience of patients who do not move. Completion of the final follow-up at the Sandusky facility is scheduled for December, and this will mark the end of the data collection phase of our study.

RELOCATION AND DEATH

One of the reasons we undertook this study was to understand more fully the relationship between involuntary relocation and death (see Relocation Reports #1). Our findings thus far, though preliminary cast considerable light on the nature of this relationship. The summary findings are as follows:

1. Patients at the Washtenaw County Medical care Facility died at a much higher rate during the year of relocation than during the previous five years at the same institution. A total of 34 percent of the 61 patients at WCMCF died during the six months before and the six months following the move to the Whitmore Lake Convalescent Center. The average annual death rate during the five years before the move at WCMCF was 21 percent.

2. The anticipation of relocation and the disorganization during and immediately after a move are especially lethal to elderly patients. During the year of the move relocated WCMCF patients died at a rate three

times of the matched control patients at the SCH who are not relocated (see Table 1). However, during the three months before the move, the death rate for the relocated WCMCF group was six times greater than the rate for the stable SCH group. The rate was about eight times higher during the three months immediately after the move (see Table 2).

3. In contrast, the less disruptive move at Lapeer County Medical Care Facility was not immediately followed by a significantly higher death rate. The move at Lapeer was from an old building to a new one on the same property. Program, staff, and patient relationships were substantially unchanged. In the six months before and the six months after the move, 25 percent of the Lapeer patients died. Twenty-two percent of the patients died during each of the previous two years, the years for which data were available.

The Lapeer death rate was higher in comparison with matched control population at Sandusky County Home, the numbers involved were small and the difference statistically significant (see Table 3). Some 22 percent of the Lapeer matched group died, compared with 13 percent at SCH. However, at Lapeer as well as Washtenaw, deaths were more frequent in the months just before and just after the move (see Table 4).

The apparent difference between death rates surrounding these two moves seems clear. The total uprooting at Washtenaw—involving a new building, new staff, new program, and new patient relationships—was highly lethal to the patients. Tentatively, we may conclude that the Lapeer move, which by contrast involved only relocation to a new building, was less dangerous to life. However, additional follow-up information may reveal a different pattern over a longer time span, and hence a different conclusion.

Are we to conclude that the extent of change is the important variable? Are social contacts and supportive program more important in relocation than changes in the physical environment? We cannot answer these questions now. Analysis of interview and other data should provide more clues. Especially important will be interviews with the survivors, examining how life has changed for them. Future issues of Relocation Reports will discuss these questions.

WHO DIES?

Some patients take relocation in stride, suffering few bad effects, perhaps even stimulated by all the excitement. For others, a move is so traumatic that it leads to their deaths. Why?

Table 5 presents our preliminary data about factors related to death rates. We are studying many variables. Here we break down the WCMCF patients, who died according to age, sex, and length of stay. The figures are compared to those for the matched control group over the same time period. Since relocation occurred in June 1971, the time period shown encompasses six months prior to and 11 months following relocation. Our conclusions follow:

1. Relocation is equally devastating for elderly patients regardless of age. It appears from Table 5 that death rates are higher for older relocated patients. However, more patients over 78 years of age died at the control facility too. This probably reflects the fact that people over 78 have fewer years to live than younger people, and die at a higher rate whether they are relocated or not.

2. Despite women's longer life expectancy, they seem much more vulnerable to relocation than men do. Table 5 shows that death rates for women who were moved are more than twice as high as death rates among women of the control group. In contrast, the death rate for relocated men was only slightly higher than the control group.

No conclusive explanation can be given now for this finding, but observations by our interviewers suggest that women may become more attached to and involved with the institutional environment. Occupational therapy and craft programs tend to stress activities preferred by women. Women thus tend to make greater use of these programs than men do. Our interviewers also noted that women more often than men personalize their rooms with photographs and other decorations. In other words, women seem more integrated with the institutional environment than men who, by contrast, seem less involved. If these observations are correct, they would seem to follow the pattern noted previously, where the more disruptive move was more lethal. For women, who have greater personal investments in the environment, relocation is more disruptive.

3. A move is more dangerous for recently admitted patients than for long term residents. Table 5 shows that the death rate among patients resident for less than a year was four times higher than for non-relocated patients hospitalized for the same period of time. Longer term residents who were moved died at about the same rate as the control population. We surmise that patients who have just recently moved into a facility which undergoes relocation have been taxed by the disruption involved in their admittance. It seems reasonable to conclude that a second move, following their admission by a year or less, taxed their resources beyond endurance.

We are examining the reasons for high death rates in much greater detail than Table 5 indicates. For example, we want to know whether the external environment personal factors make people more vulnerable to death. Do they die because the environment is changed? Or do the reasons lie in their health, personality, life style, emotional stability, and perception of the move? Also, how does the environment really affect patients undergoing relocation? How do changes in accessibility to various areas in the building affect different patients? Is their ability to control peripheral spaces affected by the move? What needs do they have for privacy and how do they react when opportunities for privacy are changed? Our ability to identify those people who are placed in special jeopardy by relocation depends on an answer to these questions. Then we will be able to recommend preventive measures that will reduce and hopefully eliminate the adverse consequences of relocation.

DO THE SURVIVORS ACT DIFFERENTLY?

In addition to examining the reasons for increased death rates, we also want to know why those who survive a move behave differently after relocation. The data we have now consists of assessments of behavior just before the move compared to observations just afterwards. This is enough to suggest that substantial changes do occur.

At the Lapeer facility, patients were moved from fourteen-bed wards to two-patient bedrooms. They moved from an antiquated building with few activity areas and little equipment to a modern building stocked with equipment in easily accessible areas. After the move, there was a marked increase in the number of patients engaging in functional goal-directed activities such as working on various tasks, engaging in craft work, or taking a concern for personal care; and a corresponding decrease in the number of patients exhibiting the passive behavior so familiar in institutions (see Table 6).

On the other hand, the Washtenaw patients moved to a facility where both program activities and activity leaders were new to them. We observed an increase in the number of patients sitting around passively and a decrease in the patients involved in meaningful activities (see Table 7). They were more withdrawn and solitary.

We are now examining the reasons for this. Are these only early adjustment reactions? Will they be sustained over time? The changes already noted do suggest the importance of environmental factors in affecting the behavior of elderly patients in institutional settings.

Copies of Relocation Reports #1 and additional copies of this report may be obtained from the project secretary, Mrs. Nancy Meyer, 543 Church St., Ann Arbor, Michigan 48104, Call (313) 763–4470.

Further information may be obtained from the Co-Project Directors, Dr. Norman Bourestom and Dr. Leon Pastalan, at the same address.

TABLE 1.—DEATH RATE IN YEAR OF RELOCATION[1] FOR WCMCF AND CONTROLS

Facility	Number of patients studied	Percent survivors	Percent deaths
WCMCF	61	66	34
WCMCF controls at SCH	61	89	11

[1] Encompasses the period 6 mo before and 6 mo after relocation.

TABLE 2.—TIME OF DEATHS AT WCMCF AND CONTROL IN RELATION TO RELOCATION

Facility	Before move		After move	
	4 to 6	1 to 3	1 to 3	4 to 6
WCMCF	3	6	8	4
WCMCF controls at SCH	3	1	1	2

TABLE 3.—DEATH RATE IN YEAR OF RELOCATION[1] FOR LCMCF AND CONTROLS

Facility	Number of patients studied	Percent survivors	Percent deaths
LCMCF matched subgroup	38	79	21
LCMCF controls at SCH	38	87	13
Total LCMCF group	57	75	25

[1] Encompasses the period 6 months before and 6 months after relocation.

TABLE 4.—TIME OF DEATHS AT LCMCF AND CONTROL IN RELATION TO RELOCATION

Facility	Before move		After move	
	4 to 6 mo.	1 to 3 mo.	1 to 3 mo.	4 to 6 mo.
LCMCF total group	1	5	5	3
LCMCF matched subgroup	0	4	2	2
LCMCF control at SCH	1	1	3	0

TABLE 5.—DEATH RATES ACCORDING TO AGE, SEX, AND LENGTH OF STAY

	Percent deaths WCMCF	Percent deaths SCH
Age:		
Under 78	22	10
Over 78	59	28
Sex:		
Male	27	18
Female	46	20
Length of stay:		
Under 1 year	60	15
Over 1 year	33	21

TABLE 6.—CHANGES IN ACTIVITY OF LCMCF PATIENTS IN RELATION TO RELOCATION

[In percent]

	1 mo. before move	1 mo. after move
Passive behavior	35	16
Goal-directed activity	9	25

TABLE 7.—CHANGES IN ACTIVITY OF WCMCF PATIENTS IN RELATION TO RELOCATION

[In percent]

	1 mo. before move	1 mo. after move
Passive behavior	21	30
Goal-directed activity	22	5

RELOCATION REPORT 3—PREPARATION FOR RELOCATION

II

Staff preparation

The program's first phase was a two-week period of staff preparation. Because the staff of the county home often had great influence on patients' attitudes, it was felt they could help greatly if they were familiar with the new setting. The staff preparation consisted of two parts. First, the county staff visited the convalescent center, talked with its administrator and staff, and became familiar with the new procedures patients would have to adjust to. Second, staff and the research team held weekly open-ended meetings where staff could discuss their problems, grievances, and concerns and ask factual questions about the new facility. These meetings were valuable in maintaining staff morale. This was particularly important since the staff was being terminated and many were looking for new jobs while the preparation for the move was underway.

Patient preparation

The patient preparation program took place in three phases.

1. *Phase I*. During the middle of April, all patients who were medically able were taken to the new convalescent center and given a tour of the facility. Patients visited in groups of five to seven and were escorted on the tour by staff members from the county home and Whitmore Lake Convalescent Center. The visit was followed immediately by a group discussion led by one county home staff member, who encouraged the patients to talk openly about the move and to ask questions. The staff person also told the patients about the rest of the preparation program and invited discussion about it. The purpose of the initial visit and discussion was to decrease the number of unknowns and to bring anxiety and fear into the open.

Most of the patients who were able to comment on the initial visit to the new facility said, in general, that it was helpful. Some complained that the tour was too short and that they didn't see much besides the lounge and the dining room. The visit did succeed in prompting many questions about the new facility.

2. *Phase II*. In the second phase of preparation, the patients were divided into two groups. Group I visited the new setting three more times. Group II remained at the county home and was acquainted with the convalescent center through slides and pictures.

The two groups were of equal size and were matched as closely as possible according to sex, age, length of hospitalization, and physical condition. Each of the large groups was sub-divided into small groups of six or seven with a county home staff member as leader.

The Multi-visit program was carried out with Group I over a period of three weeks. The first visit was to acquaint the patients with the dining room at the new facility. They toured the dining room, observed the routine, and then ate lunch, sitting together in their sub-groupings. This visit was thought to be important since meal times are usually the most important events in the day-to-day lives of the institutionalized elderly and food is a subject of great interest and concern.

The second visit was to the Center's recreational and workshop areas. Patients met the area supervisor, were shown tools and other equipment, and were told about the various activities available.

The third visit was a formal attempt to acquaint the patients with the staff and patients of the new facility. Patients met the administrator and staff who would care for them. On this final visit, patients had an opportunity to choose their rooms.

The impact of these visits is hard to assess. Contrary to the original plan, the group was kept together during these visits and patients had little opportunity for individual exploration. One staff member thought the visits provided an effective mechanical orientation, but did not do much to socialize the patients. In a post-move interview, patients who made the three visits divided about equally between positive and negative judgments about them.

Each of the three visits lasted an hour or more. Each visit increased in amount. Sub-groups met to discuss the visit within 24 hours. The discussion sessions were intended to reduce apprehension and anxiety and to refresh the patients' memories.

Group II did not see the convalescent center again until moving day. Instead, they remained at the county home and participated in a preparation program which included slides and other visual materials. In the first session, each sub-group viewed color slides of the new facility. The slides were arranged to give the impression of approaching and entering the building. Also pictured were areas within the building, specific objects such as furniture and physical therapy equipment, and members of the staff. The sub-group leader gave a running commentary and conducted discussion while the slides were being shown.

The second session consisted of looking at color and black and white reproductions of the slides. Patients were able to pass the photos around and look at them as long as they wanted. This was thought to be particularly important for mentally confused patients.

The third session was a visit from the administrator of the new facility who discussed such day-to-day policies as money, laundry, and visiting hours.

The slide and photograph sessions prompted questions about the facility and seemed to reinforce memories of the visit the patients had made. The photo session lasted longer than the slide show and seemed more interesting. There was some indication that the slide screen was too small for many patients.

Other types of help were provided to patients in each group. Each patient had the opportunity to express preference for bed position in the new room and for roommates. Patients were given calendars to hang in their rooms with their moving day circled. A certain amount of informal counseling was provided by staff to any patient who asked for it. Most of this counseling was designed to smooth out disruptive individual problems pertaining to the move.

Discussion groups

The discussion groups for both Groups I and II were generally similar in content and structure. The research team analyzed the discussions from cassette tape recordings. One discussion leader said the discussion became more lively when the tape recorder was turned off, so there is some indication that the content analysis may not reflect the whole range of patient reactions.

Most of the patients' questions were about furnishings within the new facility, particularly about matters which might affect their mobility and independence. Examples are questions about whether wheelchairs could fit in the dining room, whether the height of the beds could be changed, the amount of carpeting in the facility, etc. Next in frequency were questions about policy and procedural questions such as visitors, meals, and laundry. Patients asked few questions about the nursing staff and medical treatments.

Group leaders were able to uncover patients' emotional feelings about the move only by intensive questioning and probing. Some patients consistently denied the reality of the move throughout the preparation program. It is unclear whether a longer program would have gotten through to them.

3. *Phase III* of the preparation was the move itself. County facility staff escorted all patients to the new facility on moving day. They helped patients according to their expressed or perceived needs. Assistance ranged from escorting patients to the front door to feeding the patient his first meal. The patients were moved in groups of five or six per day.

Help from relatives

A general meeting of patients' legal next-of-kin or key family member was held at the county home. The purpose of the meeting was to encourage the relatives to give the patients emotional support during the difficult period before and after the move. Approximately 25 relatives attended the meeting, which was conducted by the administrator of the home and by members of the research team. Patients were not included in the meeting because the staff wanted to directly urge relatives to help them and because the meeting was also an opportunity for relatives to express their anger, problems and fears. The home's social worker reported that the meeting was successful in eliciting response from relatives and in clarifying and answering their questions.

III

RESULTS OF THE PROGRAM

Patients

The multi-visit preparation program had a dramatic effect on the patient mortality rate. Within one year of the move, more than half of Group II (single visit) had died (52 percent). The rate for the patients who had made four visits was 27 percent. The groups were closely matched on age, sex, degree of illness, physical limitation, mental status, and level of behavior. Consequently, the differences in their mortality rates are not attributable to these factors.

Previously, we had shown that length of hospitalization was a factor that affected mortality rates following relocation (see Relocation Report No. 2). Therefore, we attempted to determine whether longer and shorter hospitalized patients were affected differently by the two programs. Over three-fourths of the patients in our study had been hospitalized more than one year. For these patients, the differences in the effect of the two programs were obvious and dramatic. In Group II 53% of the longer hospitalized patients died whereas in Group I the mortality rate of longer hospitalized patients was reduced to 18%. A similar statement cannot be made about the short hospitalized patients, i.e., those hospitalized less than one year because the number of patients falling into this category was too small to permit valid comparisons. Our conclusion is that preparation involving multiple site visits has a marked effect on reducing mortality rates among relatively long hospitalized patients. We are uncertain about whether it has a similar effect on short hospitalized patients.

These mortality rates support the benefits of familiarization and multiple task assignments in a new environment in order to prepare elderly patients for relocation. Future research should study the optimal number of visits and the best way to expose such people to a new environment.

Staff

The research team felt the involvement of the staff in the preparation program was crucial to its success. Not only were staff supportive of the patients, but the need to help prepare the patients for the move gave the staff a concrete goal to achieve at a time which was also difficult for them. The main deficiency in this aspect of the program was a feeling that various time and organizational problems prevented the staff from being more helpful.

The particular circumstances of the medical facility's closing prevented most staff from becoming completely familiar with the new facility. There simply wasn't enough time for all staff members to free themselves from their regular responsibilities to travel to the new facility for a full orientation. Consequently, leaders of the sub-group discussions frequently were forced to refer patients to the social worker or the assistant head nurse for full answers to their questions. Often, this prolonged rather than relieved patients' anxiety.

Another weakness was confusion about the staff escort's responsibility when taking the patient to the new setting on moving day. The point where the former staff person's responsibilities ended and the new staff took over should have been defined more clearly. It was also felt that some provision should have been made for the former staff to remain in touch with the patient for at least a few days after he moved into the new setting. Questions about treatment procedures, financial arrangements, family issues, rules in the new facility, and other problems could have been smoothed over with the former staff acting as a communications liaison.

The research team felt that a major accomplishment of the program was its success in eliciting response from the patients. Patients' reactions were varied. Some felt that the preparation program was very helpful; others termed it deceptive. Some consistently denied the reality of the move. Only a small group was apathetic and neutral. It was felt that this emotional response—even negative response—was healthy for people caught up in a difficult situation.

CONCLUSIONS, RECOMMENDATIONS, AND SUMMARY OF IMPRESSIONS

A. A preparation program including site visits with a program of environmental familiarization and multiple task assignments was dramatically successful in reducing the mortality rate of elderly patients following relocation.

B. Portions of the preparation program which seemed to be effective:

1. Total involvement of the staff gave staff cohesiveness and contributed to patient support.
2. Involvement of all levels of staff.
3. Inclusion of all patients who are physically able to participate.
4. Group meetings to discuss field visits.
5. Individual follow-up for patients with special problems or concerns.

C. Portions of the preparation program which might be more effective if changed:

1. Planning time for the program should be longer.
2. Involvement of the new facility staff should be increased.
3. Actual moving time should be extended so patients have the time and attention to get settled and staff have an easier time absorbing the new patient load.
4. Greater effort to involve relatives and volunteers in assisting with the visits.
5. Increase direct communication between former and new staff.
6. Continue patient group meetings with new staff to solve post-move problems.
7. Keep field visits flexible to the expressed needs of the patients.
8. Consider the decreased ability for vision and hearing during the visits and discussion groups.

D. Suggestions for consideration while planning a preparation program:

1. Flexible deadlines and sufficient time for preparation (planning and program) should be negotiated.
2. Make arrangements to cover liability in case of accident during the preparation and the move.
3. Perhaps involve patients in the direct planning of visits.
4. Give relatives/volunteers a written set of instructions for packing, unpacking, etc., and involve them in helping get patients settled.
5. Be sensitive to patient preferences for preparation, as it might be appropriate to move some patients earlier.

ALTERATIONS IN LIFE PATTERNS FOLLOWING NURSING HOME RELOCATION [1]

(Norman Bourestom, Ph.D.[2], Sandra Tars, Ph.D.[3] and Leon Pastalan, Ph.D.[4])

In recent years a number of studies have appeared concerning the effects of relocation on the aged and disabled. While many of these studies have reported deleterious effects usually in terms of higher than expected mortality rates (Aldrich & Mendkoff, 1963; Aleksandrowicz, 1961; Jasnau, 1967; Killian, 1970; Markus, Blenkner, Bloom & Downs, 1971; Shahinian, Goldfarb & Turner, 1968), other research has failed to substantiate these findings (Lawton & Yaffee, 1970; Miller & Lieberman, 1965; Ogren & Linn, 1971, 1971). In attempting to account for these variations Blenkner (1967), Lawton & Nahemow (1973), and others have called attention to methodological shortcomings and differences among the various studies, noting particularly differences in characteristics of the populations under study and the conditions under which the relocation was carried out, e.g., whether the move was voluntary or involuntary, and the degree of environmental change involved.

In addition to ambiguity concerning potential sources of variation in relocation effects, little attention has been paid to the survivors of relocation experiences. If involuntary relocation is conceptualized as an externally imposed stress inducing situation, its effects may be manifested among survivors in such well-known stress reactions as impaired physical health and various behavioral and interpersonal anomalies.

The data to be presented are partial findings from a two-year study in progress that bear on these issues. The study concerns a longitudinal assessment of elderly patients in two county medical care facilities in Michigan who were being involuntarily relocated. A third facility in Ohio provided a matched non-relocated control group.

In one of the Michigan facilities patients were to undergo a radical environmental change from the county facility to a new and much larger proprietary nursing home in a nearby community. For these patients the change was total and adjustments had to be made to a new staff, a new program, a new physical environment, and a new patient population. By contrast, patients in the other Michigan facility had many fewer adjustments to make. Although the move was also involuntary, these patients experienced a moderate change in their physical environment only, namely a move to a new building several hundred yards away. Staff and patient groups remained intact as did the nature and structure of their program. In the Ohio facility no environmental change was to occur.

These situations afforded an excellent opportunity to study relocation effects in terms of the degree of environmental change involved while holding constant one of the important conditions of relocation, i.e., the involuntariness of the moves.

METHOD

A total of 98 patients in the two relocated groups were matched for age, sex, length of hospitalization, and primary diagnosis with a like number in the control facility (Table 1). Although perfect pairings were not always possible each experimental group was highly similar to its control on these variables.

In addition, ratings of each patient's physical condition based upon evaluation of medical records by a consulting physician indicated that the experimental and control groups were highly comparable particularly along the dimensions of prognosis and vulnerability to death. In the radical change group patients had a median age of 76 and two-thirds of them were women. Almost half of the patients in this group had been hospitalized over 3 years and all of them had some form of cardiovascular, neurological, or musculoskeletal pathology that required long term care. On the other hand, patients in the moderate change group were older (median age 82), and there was a somewhat higher proportion of women in this group. In terms of pathology and length of hospitalization, however, the moderate change group was nearly identical to the radical change group.

Data were collected one month prior to relocation and at intervals of 1, 4, 8, and 12 months following relocation. On these occasions each patient was interviewed extensively and time sampled observations of his behavior were made using a measure developed by Ciarlo and Gottesman (1966). The interview probed for changes in the patient's evaluation of his health, perceived changes in relationships with staff members and other patients, and for self-reported changes in activity patterns. Observations of patient behavior were classified in terms of level of complexity ranging from low level behaviors, such as sitting and staring, to purposeful behavior such as actively working on a task, performing a chore, or interacting with others. On the basis of these classifications a single score was derived representing level of behavioral complexity for each patient in the study. All measures were intercorrelated and a subset of items which proved to be relatively independent of each other was selected from the larger set for the initial analysis.

Although data were collected for a one-year period following relocation, we will report here, with the exception of death rates, only those changes which occurred between the pre-move assessment and the one-month follow-up. The reason for this is mainly methodological in that mortality caused the sample size to decrease beyond the point of meaningful statistical analysis in the later stages of the research.

RESULTS

Perhaps the most dramatic finding was a strikingly higher mortality rate for the relocated groups than for their nonrelocated counterparts. As shown in Table 2, however, this effect was notably greater for the radical change group than for the moderate change group. Forty-three percent of the radical change group died in the six months preceding and the year following relocation

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Footnotes at end of article.

as compared with a rate of 21% among their controls, a difference which was statistically significant. By contrast, the moderate change group experienced a 37% death rate as compared with a 26% rate among their controls, a difference which could have occurred by chance. In terms of mortality experience, therefore, it appears that the degree of environmental change involved in relocation is a potent factor influencing mortality rates.

Of interest also is the fact that death rates for the radical change group were highest in the three months preceding and three months following relocation (Table 3). The findings are consistent with those reported by Aldrich & Mendkoff (1963) and confirm their suggestion that anticipation of relocation has effects which are nearly as lethal as the relocation itself. On the other hand the moderate change group showed a different pattern. While death rates for this group were relatively high during the three months preceding relocation the peak in death rates occurred during the seven to nine-month period following relocation, much later than was the case in the radical change group.

As noted, the experiences of the survivors of both relocations as well as their control counterparts were assessed in terms of self-perceived changes in health status, changes in relationships with staff members and other patients, changes in activity patterns, and observed changes in levels of behavioral complexity. Of the 13 items which made up these content areas patients in the radical change group showed significant decline on four items and trends toward significant decline on four other items, whereas patients in the moderate change group showed significant decline on only one item. Likewise, as would be expected, the nonrelocated controls showed little change, declining significantly on only one item following the move.

In the radical change group the most marked shifts occurred in the way patients viewed their health and in their levels of psychosocial activity. Following relocation these patients became more pessimistic about the state of their health. Before the move 37% of the surviving sample felt that their health would be better in the future whereas only 21% were this optimistic following the move. Likewise, the percentage of patients who evaluated their current health condition in positive terms dropped from 65% pre-move to 28% post-move. In the moderate change group the only shift toward increasing pessimism was in the patient's self-perceived ability to care for himself in the future.

Following the move, patients in the radical change group also showed a marked decline in the number of psychosocial activities engaged in such an occupational therapy and recreational therapy whereas patients in the moderate change group showed little or no change in participation in these activities. Paralleling this decline in psychosocial activity was a corresponding increase in observed low level behavior in the radical change group as reflected in the observation weighted score.

Although the pre- and post-move differences did not reach statistical significance there was a trend for patients in the radical change group to be less intimate with staff and fellow patients following relocation, a trend which was not evident in the moderate change group. Following relocation, radical change patients were less likely to report that staff members were interested in them and were less likely to find other patients they trusted to talk over personal problems.

In contrast to the many faceted decline in the radical change group, non-relocated patients, like the moderate change group, experienced little change. Only one pre-post difference was statistically significant for these patients, and that was in terms of a reduced likelihood to report that there were staff whom they trusted to discuss personal problems.

DISCUSSION

The findings are consistent with the hypothesis that a weighty factor influencing the outcome of involuntary relocation among elderly patients is the degree of environmental change involved in the transfer. When environmental change is total involving changes in established routines, in the persons who provide care and service, and in the physical environment, higher than expected mortality rates can be anticipated as well as decrements in health outlook and behavioral functioning of survivors in the months immediately following the move. On the other hand when the environmental change is partial, involving a change in the physical environment only, the destructive effects are minimal in these areas and no greater than would be expected among elderly patients whose environments remain stable.

It was interesting to note the way in which the stress of relocation exacted its toll on the survivors in the radical change group. Following relocation, patients in this group grew increasingly pessimistic regarding the state of their health, withdraw from activities in which they had formerly engaged, exhibited lower levels of behavior, and were somewhat less inclined to perceive interest or trust on the part of those with whom they came into contact. Coleman, (1973) reviewing studies of stress, has pointed out that the sequela of stress may be manifested in such forms as hyperirritability, sleep disturbances, disturbed interpersonal relationships, and ego-defense oriented reactions including emotional insulation and detachment. For example, Bowlby's (1960) study of children's reactions to separation experiences involving hospitalization revealed that most children show an initial response of acute distress and crying followed by a phase of misery and apathy and, finally, a stage when the child loses interest and appears detached.

Similar reactions have been observed in newly blinded persons (Cholden, 1954), in reactions to both amputation and bereavement (Parkes, 1972), and in persons with terminal illness (Kubler-Ross, 1969). In many respects, the patterns of behavior adopted by the survivors in our radical change group resemble those seen in these other studies. The increased insulation and detachment from the world and activities of the institution which these survivors showed may have represented an ego-defense reaction against the possibility of future disruption and stress.

Our findings are also consistent with Rahe's studies on the relationship between extent of life crises and subsequent changes in health (Rahe, 1969). Rahe has shown that frequency and severity of illness increases in proportion to the extent of life change among Navy personnel on extended cruises. Paralleling these findings, our results show that more radical environmental changes are associated both with higher mortality rates and with more negative changes in life patterns. It would appear then that the sheer amount of forced change overloads the organism to such an extent that negative consequences can be anticipated.

The poorer adjustment of the survivors of the radical relocation in this study indicates that the destructive effects of environmental change are not limited to higher mortality rates. Effects which are more insidious in nature result in disabling life patterns for those who survive such moves. In a previous paper we described the results of two different programs of preparation for relocation. Those results indicated that proper planning and preparation were helpful in reducing fatalities and in facilitating adjustment. It is our contention that preparation programs should become mandatory policy in all situations which contemplate radical and involuntary relocation of elderly individuals.

Furthermore, follow-up programs after relocation should be implemented to further assist integrating the person in his new environment so as to prevent the development of disabling life patterns such as we have noted in this study.

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FOOTNOTES

[1] Presented at the 26th Annual Scientific Meeting of the Gerontological Society, Nov. 9, 1973, Miami, Florida. This work was supported by the National Institute of Mental Health, Grant 5 RO2 MH 20746–02, Norman C. Bourestom, Ph.D., Project Director.

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TABLE I.—MATCHING CHARACTERISTICS FOR RELOCATED AND CONTROL GROUPS

[In percent]

Characteristics	Radical change (N=61)	Radical change controls (N=61)	Moderate change (N=38)	Moderate change controls (N=38)
Sex:				
Male	36	36	26	26
Female	64	64	74	74
Age:				
Under 65	26	25	10	11
65 to 74 years	15	13	13	13
75 to 84 years	41	46	53	50
Over 85 years	18	16	24	26
Length of stay:				
Under 1 year	25	21	29	18
1 to 2 years	18	20	18	21
2 to 3 years	16	8	13	11
3 to 5 years	23	31	26	32
Over 5 years	18	20	13	18

TABLE II.—TOTAL MORTALITY[1]

Group	Total N	Percent survivors	Percent deaths
Radical change	61	57	43
Radical change controls	61	79	21
Moderate change	38	63	37
Moderate change controls	38	74	26

[1] Based on 6 months preceding and 12 months following relocation.

TABLE III.—TIME OF DEATH IN RELATION TO RELOCATION[1]

Group	Percent mortality					
	4 to 6 mo before move	1 to 3 mo before move	1 to 3 mo after move	4 to 6 mo after move	7 to 9 mo after move	10 to 12 mo after move
Radical change (N=61)	5	8	13	7	6	4
Radical change controls (N=61)	5	2	1	3	4	6
Moderate change (N=38)	0	11	2	8	13	3
Moderate change controls (N=38)	0	5	8	3	2	8

[1] For control subjects, mortality is computed for same months as relocated group.

Relocation Research and Social Policy

Does the ever-burgeoning research on relocation of the elderly and on the nature of institutional life offer us any collective wisdom that can lead to a rational and humane strategy of care for the aged in distress? How should we, on the basis of the empirical evidence that now exists in our field, construct a public policy that would cope with the plight of the very aged, especially those who have diminished capacities and increased need for service. Such service has all too often been construed as being possible only within the walls of institutional structures. Clearly there are theoretical alternatives to institutionalization, and ample demonstrations exist that portray the practical consequences of such theoretical alternatives. However, for many of the elderly, some form of congregate living becomes a practical necessity. What then? Here, the accumulation of empirical data over the years provides some important clues as well as some annoying inconsistencies. The absence of a clarion ring to this empirical accumulation is in large part a consequence of method problems. Most of the studies in this area are small-scale; their populations are not comparable, and they lack the elegance of random design and the power of quasi-experimental methods. Methods and measures do not overlap. Methodological elegance has all too frequently been called for to burden this audience with a detailed account of the various sins that have been committed. However, there are a few points relevant to method that vitiate much of this research when the purpose is better planning for human services.

Foremost on my list of near idiocies has been the over preoccupation with death rates. All too often investigators have been involved in what may appear to be a bizarre numbers game. If we manage to provide service to the very elderly by relocating them into institutional structures, and find we have not statistically increased the probability of death, our subjective experience is a sense of relief, nay, almost a sense of victory and a feeling that we have done our job well. To be sure, such data do prove that we have not been dramatically destructive, but to construct a rational policy of planning for the care of the elderly solely on the basis of minimizing the risk of mortality is narrow from a humanitarian perspective and also, I believe, scientifically suspect. Let me illustrate with an analogue from psychotherapy research. Psychotherapeutic literature is replete with literally hundreds of studies which examine the consequences of particular arrangements of psychotherapy on drop-out rates, as if determining what factors minimize such behavior will increase knowledge about what aids the psychotherapeutic process. Simply keeping people in therapy, or keeping the elderly alive, when our goal is to enhance service and the state of human beings in both therapy and service for the elderly, does not provide a meaningful approach to either problem.

A more useful orientation for studying the effects of relocation would be to ask the question whether the individual departs in major ways from his prior status quo, for instance, is his level of competence reduced? Such studies can perhaps more precisely assess the negative impact of moving the elderly into caretaking facilities. Yet again, while these studies tell us more about the reasons for negative effects, they still resemble the simple assessment of mortality rates as they are also open to the criticism that preventing failure does not necessarily insure success.

Most of my work on the effects of environmental change in the elderly, and that of my colleagues,* has involved assessments of behavioral, psychological, and physical departures from homeostasis. Taken together with the findings on mortality rates, these studies point the direction toward how to minimize risk, but unfortunately do not answer the question how to facilitate the well-being of the elderly. In general, examination of the literature suggests that with few exceptions, empirical studies of relocation have done a much better job of assessing and quantifying destructiveness. There is a rough correlation between studies demonstrating destructiveness and methodological sophistication and studies suggesting more positive outcomes and impressionistic data.

Does the work on relocation in any way suggest that resources be reorganized to maintain the elderly in their original environments? Four studies my colleagues and I have conducted over the past years covering more than 800 individuals—some on healthy elderly moving into affluent, high-care, sophisticated institutions; others involving sick, highly-debilitated human beings moving into circumstances that would delight a muckraker—have yielded roughly comparable findings. Namely, no matter what the condition of the individual, the nature of the environment, or the degree of sophisticated preparation, relocation entails a higher than acceptable risk to the large majority of those being moved. But this assertion of an empirical reality sheds little light on the problem of how to care for those aged, and suggests even less about the options available. It simply supports the position that relocation not be taken lightly as a social policy and that resources be organized to minimize the amount of institutionalization required for the elderly.

Having accepted that relocation is a major stress that radically affects many elderly, distinctions must be made that guide development of a strategy for minimizing risk. What can and should be taken to minimize the risk in entering congregate living situations? Let me again draw an analogue from the field of psychotherapy that perhaps illustrates one aspect of the state of our knowledge more poignantly than bald statistics. The best advice one can give to a beginning psychotherapist who asks the question "what can I do to enhance my therapeutic potential?" is to tell him to select his patients carefully. The patient's characteristics are the single most powerful predictor of successful outcome in psychotherapy. A similar finding is echoed in much of the research on relocation, that is, choose the right person to be relocated. Over and over again studies on relocation report findings that indicate physical status, cognitive ability, and certain other characteristics of personality are powerful predictors of the outcome of relocation. Combinations of such personal traits entered into multivariate statistical models frequently yield predictive equations that could substantially reduce the risk factor in relocation. Even if we abandon as unrealistic an intensive application of selection criteria based on physical and psychological status, some of the principles implied can help mitigate the risk of relocation. However, while the isolation of personal characteristics relevant to stress adaptation is not a matter of idle inquiry, increased precision in this area will not contribute significantly to the development of social policy on congregate care facilities. For it is often the very people who require supportive services that can empirically be shown to entail the greatest risk. This is another illustration, for an audience that probably does not need it, that empirical research often fails to help us with the nitty-gritty of policy issues.

Emphasis on selection criteria has never

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* Sheldon Tobin, Roberta Marlowe and Darrell Slover.

been a popular policy among those who must deal with the everyday realities of caring for the elderly. There is no question, given both the accumulation of research findings and practitioner experience, that the transition from community to institution living is a major upheaval involving loss and requiring a redefinition of self. Long before research began to accumulate, the cost in human misery of entering institutions was evident to practitioners who developed a wide variety of ameliorative strategies. Psychological preparations such as helping the elderly make decisions about their needs, permitting them some influence on the outcome of their service requests, working with the family, developing programs of trial visits and the like, are among the many strategies practiced by enlightened social agencies.

Such a policy is correct not only in its estimation of the human misery involved in this transitional stage, but also with regard to the best available evidence on strategies for coping with threat. Appropriate cognitive appraisal of an impending threat has been shown in a wide variety of research contexts to be the crucial element for dealing adequately with stress. Yet despite the good sense of psychological preparation, and its firm footing in empirical research on threat, evidence from our research on relocation suggests that it is not a powerful tool in minimizing relocation risk. The reason is not poor practice, but rather incorrect strategy. Relocation is a risk to the individual not because of the symbolic meaning that such transitions imply, but because it entails radical changes in the life space of an individual that require new learning for adaptive purposes. In other words, the cure has been addressed to the wrong problem.

Evidence we can bring to bear on this issue is only indirect—well-controlled studies which compare preparation with no preparation are not available. Our own four relocation studies involve a large range of conditions from relocations which could be described as voluntary, and perhaps even desired, to those in which decision making was totally outside the control of the elderly, and the moves were decidedly unwelcome. Applying the same measurement devices to a variety of variables concerned with and directly related to the substance of preparation—appraisal working through, the nature of the positive and negative expectation, voluntary/involuntary, degree of control exercised by the individual, aspects of realistic appraisal, and so forth—has suggested that there were scant differences among the vastly different circumstances with regard to negative effects on the individuals involved in relocation. Furthermore, within any one study, such parameters did not substantially differentiate those who weathered the relocation successfully and those who showed decrements in behavioral, psychological, and physical functioning.

Research where investigators have suggested different outcomes for voluntary compared to involuntary relocations can be reinterpreted as yielding differences due to population characteristics rather than degree of voluntarism. Involuntary relocations most often involve individuals who are poor risks on the basis of person characteristics—health, cognitive status, and the like. In one of our studies closer examination of the voluntary/involuntary concept suggested some interesting findings. Voluntary commitment and participation in decision making is a myth shared by the social agency, the older person himself, and by his family. Being able to maintain a sense of personal integrity and control is essential to the maintenance of an adequate self-image, particularly for the older person. However, when elderly supposedly relocated voluntarily are studied through devices such as projective techniques, or are re-examined after relocation, their feelings about the positive nature of the step and the degree of control they exercised in the decisions are considerably altered. Our evidence suggests that the voluntary/involuntary variable is, at best, a crude and nonanalytic concept for looking closely at what happens in the transition from community to institutional living. (One cautionary note here: our findings around the expectations, attitudes, and anticipations with regard to impending institutionalization are not powerful outcome predictors except at one extreme—the practice of primitive defense mechanisms such as blatant denial portends future trouble). All this does not mean, however, the total abandonment of preparing the elderly as they move from independent community living to institutions, for such procedures can and do alleviate the human misery inherent in the transition process. What it cannot do is to radically alter the toll so frequently observed in relocation.

If selection is an elegant and precise tool of limited usefulness in the real world because those usually identified as high risk are the very ones who most need service, and if psychological preparation has great meaning to easing transition but not to reducing the risk factor in any absolute way, what has our research indicated as a practical and viable direction for policy to go? Clearly the maintenance of the elderly in supportive community environments which minimize relocation is the best strategy, but often it is not feasible. Next would be the construction of living arrangements which minimize the alteration of life space. Such a strategy accepts the fact of physical relocation, but takes cognizance of the important distinction between physical relocation and major alterations in lifestyle.

This could be accomplished by constructing environments with ranges of resources such that there is minimal disruption in lifestyle as the elderly make the transition from independent to dependent status, so change is gradual rather than abrupt. However, this ideal state may never be approximated in its full complement in the real world.

The area that is most amenable to intervention or manipulation is the institutional environment. The increasing number of gerontological symposia addressed to environment underscores its importance, but also the problems inherent in its development. We know precious little about the critical environmental conditions that affect the well-being of the elderly, and have only achieved a rudimentary beginning in developing an analytical model to examine environments. Institutional categorization system based on size, administrative arrangements, and definition of population served have proven to be sterile. "Experimental" interventions like those characteristic of mental hospital environmental studies may lead to the same fate that bedeviled such inquiry in psychiatric research. Although providing a major corrective to traditional treatment and alerting an insensitive profession to social psychological dimensions, such research did not yield useable guidelines for constructing facilitative environments. The Hawthorne effect appears to have been greater than the environmental variables that have been introduced. Research effort addressed to the complexities of micro-environments offer the most meaningful data base, but we must recognize that such undertakings are long and arduous, and will not, in the short run, yield useable information for action.

I can perhaps best serve the interests of this symposium by briefly recounting some of our findings that bear on the impact of environment on the elderly's well-being. We assessed relatively crude social/psychological aspects of enivronment at a macro level by using the power of contrasting environments. In our most recent study, the impact of 124 different environments was researched on 500 elderly mental hospital patients who were forcibly relocated to a large variety of nursing homes, board and care homes, and so forth. Comparing those who improved with those who became debilitated subsequent to the move, we found that both groups were identical prior to the move, but were relocated to quite different environments. In other words, the differences between these two outcomes could be principally accounted for by environmental rather than person differences.

Facilitative environments were those characterized by relatively high degrees of autonomy fostering, personalization of the patients, and community integration. Critical was that facilitative environments placed the locus of control much more in the hands of the patients, differentiated among them, and permitted them a modicum of privacy. Also, the boundaries between the institution and the larger community were more permeable than nonfacilitive environments. Facilitative environments reduced in an important way the degree of "total institutionalization." Equally important, they tended to be low on care giving and intolerant of deviancy. The findings suggest that, for the population studied, institutions that had relatively high expectational sets for behavior, that treated the elderly as adults with responsibilities, and that were not indulgent or permissive with regard to deviant behavior, presented a facilitative challenge. These findings call to mind some of the psychiatric milieu programs for the elderly and the mentally ill. Making demands in the context of a humanizing, respectful environment appears to be highly facilitative. Tender-loving-care when it implies infantilization seems to be not only nonfacilitative, but potentially destructive. In general, the call heard so frequently to make our institutions for the elderly less total institutions does find support in this research.

It is also important to point out that some environmental characteristics appeared to be not as crucial as might have been expected. For instance, the resource richness of the environment seemed to have little to do with facilitation. From a policy point of view, this may have some important implications—for the environmental changes we are talking about are, in essence, low cost. Resource richness implies much higher expenditures than do the kinds of changes in environment these studies indicate.

Caution must be taken, however, in translating these research findings into policy. The population studied were elderly who had, by and large, grown old in state hospitals, so to what extent these environmental characteristics would be facilitative to community populations moving into institutions is a moot point. Our research efforts have not yielded many environmental findings about community populations moving into institutions. Only a few elderly could be identified who were facilitated by such relocations. Taking individuals out of environments that were sterile and barren, and putting them into environments that were more humanizing and demanding, produced positive results. Yet, relocating individuals from community living into institutions may not follow the same environmental laws.

We have over the years in our studies on relocation impact, pursued the hypothesis that stress is dependent on the number of adaptational demands the new environment makes on the elderly. It should be emphasized here, however, that the problem of minimizing life-space alterations is not equivalent to the simple maintenance of the status quo of a person's physical environment. In the aforementioned study, we found that environments that were low in discrepancy (that made few demands) tended to maintain the status quo. Both individuals who improved and who deteriorated were in "discrepant" environments, but environments whose areas of discrepancy were different. For me, the results of our studies raised more questions than they answered. In some of our studies where relatively adequate functioning individuals were forced to make numerous adaptations to entirely new life-styles, highly discrepant environments were destructive milieus. Where as state hospital patients coming from barren, sterile situations to circumstances that offered both a challenge and a degree of self-control flourished. We have indications that nondestructiveness and perhaps even facilitation could be maximized by person/environment fit—an ideal model that is reflected by some current research, but that is certainly not sufficiently developed for direct action.

In summary, our field does not as yet offer the critical mass of empirical knowledge that would easily lead to policy. The bits and pieces that currently describe the state of our knowledge the different criteria investigators have used to assess impact ranging from personally reported satisfaction to increased social interaction, and our own work which has assessed outcome in terms of functioning, do not make building a data base easy. Finally, asking the question what factors can be generated in an environment that make it nondestructive may be a different question than asking what characteristics in an environment make it facilitative. Does the contrast in environments where aged come from sterile, non-stimulating milieus mirror the same environmental conditions as when the aged enter institutions from the high-stimulus environments characteristic of community living? There is no reason either theoretically or empirically to assume that these form a continuum. We must be cautious that when we find environment conditions that are nondestructive that we do not interpret them as necessarily leading to maximally facilitative environments.

Death and Medical Hospitalization After Involuntary Transfer in Geriatric NP Patients

(By Charles C. Watson, Ph. D., St. Cloud, Minn.)

In recent years a controversy has developed over the advisability of forcing neuropsychiatric hospital geriatric patients to move to one setting from another. Many writers—and most program-innovators—would maintain that moves within hospitals or between hospitals and nursing homes are essential to provide optimal service to patients and do not constitute a significant health hazard. Others note that geriatric patients tend to be inflexible and weak, and that they commonly suffer from major medical problems. They fear that moving patients imposes stresses which may precipitate the breakdowns of fragile anatomical systems, resulting in serious illness or death.

Some objective research on the subject has appeared. For example, Kral, Grad and Berenson[1] have documented the existence of exaggerated stress reactions in geriatric patients subjected to relocation. Bourestrom[2,3] studied mortality rates in a cohort of county home patients who were involuntarily transferred to a new facility when the original building was condemned. The patients were moved to a new building 15 miles from the county home, staffed by unfamiliar personnel. He found mortality rate was 60% higher in the year of the transfer than it had been, on the average, over the five years immediately preceding. He also noted that mortality rate in the 18 months following the move was roughly triple that for a matched control sample from a similar county home whose patients were not moved. However, at a third home where patients were transferred to a new building on the same property and the original staff was maintained, the mortality rate increase was small and nonsignificant. Similar findings in other nursing homes have been described by Aldrich and Mendkoff[4] and Markus *et al.*[5] Additionally, Killian[6] and Jasnau[7] noted that the mass transfer of geriatric patients from the Stockton (California) and Milledgeville (Georgia) State Hospitals and other hospitals and extramural facilities led to major increases in mortality. Finally, Whittier and Williams[8] have noted that the death rate for newly-admitted geriatric patients is much higher in the first month of psychiatric hospitalization than in subsequent months.

The potential ramifications of those findings are major. Transfer is a commonplace occurrence in the treatment of geriatric patients. Moreover, geriatric patients are frequently moved in wholesale lots as mental hospitals are reorganized or as hospital philosophy changes. In recent years, for example, the view that extended hospitalization is undesirable has gained considerable support and geriatric wards have been staffed with social workers who have placed large numbers of elderly patients in nursing homes, boarding houses and other extramural institutions. Further evaluation of the circumstances under which involuntary transfer may be dangerous is badly needed.

In the fall of 1971, the St. Cloud Veterans Administration Hospital, a 1020-bed psychiatric facility, reorganized its geriatrics service. The service consisted of some 400 patients distributed among three buildings. Up to that point, the patient populations on the three buildings had been roughly similar, with equal numbers of total-, medium-, and low-care patients housed on each.

The major purpose of the reorganization was to stratify the patients so that those requiring relatively little care and possessing a substantial amount of discharge potential would be housed on a single building where they could be accorded special Recreation Therapy and Social Work services. Patients requiring more care and having less rehabilitative potential were placed on other buildings with more nursing staff but fewer Recreation and Social Service staff. In order to accomplish the reorganization, 71—roughly 20%—of the patients were transferred from one building to another. Their transfers provided an opportunity for an additional assessment of the hypothesis that transfer—and especially mass involuntary transfer—tends to increase the incidence of illness and death among geriatric psychiatric patients.

The purpose of this study, then, was to evaluate the view that mass transfers tend to increase death and illness rates by comparing the incidences of these occurrences in the hospital's geriatric section immediately before and after reorganization to their incidences during periods several months prior and after.

METHOD

Cohorts. Three cohorts of patients were evaluated in the study. They consisted of (1) a *pre-reorganization* sample which consisted of all 403 patients on the geriatric buildings on May 6, 1971 (5 months before reorganization), (2) a *reorganization* period cohort, consisting of those 385 patients on the buildings September 6, 1971 (one month before reorganization), and (3) a *post-reorganization* sample (all 378 patients on the geriatric buildings as of January 6, 1972—three months after reorganization). Most subjects appeared in all three cohorts. Because of this substantial overlap, traditional statistical tests for differences between cohorts were not feasible.

Subjects. As has been noted, the pre-reorganization, reorganization and post-reorganization cohorts consisted of 403, 385 and 378 *S*s each, all males. No substantial differences between the mean age or length of total previous neuropsychiatric hospitalization of the cohorts was noted. The mean ages (wth standard deviations) were 68.6 ($S=12.2$), 69.0 ($S=12.2$) and 69.6 ($S=13.4$) years respectively for the prereorganization, reorganization and postreorganization cohorts. Mean total years of previous psychiatric hospitalization were 11.1 ($S=14.8$), 11.3 ($S=14.9$) and 10.8 ($S=14.7$) years respectively. The mean age and total length of hospitalizations of the patients actually transferred were somewhat higher than the figures for the entire sample (mean age $=72.3$, $S=10.2$; mean length of hospitalization $=11.6$ years, $S=15.0$).

Roughly half of the population were aged individuals with primary diagnoses inferring brain damage, largely as a result of arteriosclerosis or senility. Another 30% were younger (under 60) men with brain-damage resulting from trauma, Huntington's Chorea, stroke and other conditions not necessarily associated with aging. The remaining 20% were men over 60 with a primary diagnosis of schizophrenia; however, the advanced age of this subset suggests that organic brain damage probably played a significant role in their infirmities.

Evaluation Periods. Both short- (four month) and long-term (12 month) followup evaluations were made. The short-term evaluations covered four-month spans set up to encompass the period of presumed maximal physical/emotional stress in the "reorganization" cohort—the one-month immediately prior to rearrangement and the first three months after conversion.

The long-term followups encompassed 12 months, also structured so that the shift date in the reorganization cohort occurred one month into the period. The 12-month evaluations had a methodological advantage over the short-term evaluations in that they were not contaminated by seasonal factors, which, considering the severity of Minnesota winters, could have been expected to have a substantial impact on health.

Measurements. The criteria used in the study were incidence and length of confinement to strictly medical wards, and incidence of death during the evaluation periods.

RESULTS

Four-month followup. The short-term followup data run counter to the view that the reorganization increased probability of death or illness among the patients. The incidence of medical hospitalization during the four-month followup periods for the pre-organization, reorganization and post-reorganization cohorts were 6.95%, 7.79% and 10.32% respectively. Four-month death rates for the three cohorts followed the same trends; they were 4.47%, 6.75% and 7.14% respectively. The data, then, did not support the view that short-term illness or death rates are adversely affected by reorganizations of this sort. Indeed, both illness and death rate seemed to be affected more by seasonal changes; the pre-reorganization period where death and illness rates were lowest covered the summer of 1971 while the reorganization and post-reorganization periods included the fall/early winter and late winter/spring respectively.

Anticipatory Death/Illness. It has been suggested that the presence of an impending move tends to place stress on the geriatric patients' physical and emotional systems, increasing the risk of illness/death immediately *prior* to a move. In a search for anticipatory effects, the death and illness rates of the three cohorts were evaluated over the first month of their respective periods. For the reorganization cohort, this period covered the month immediately prior to the conversion.

The data did not seem to indicate that a substantial anticipatory effect was operating. Hospitalization and death rates for the month immediately preceding reorganiza-

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Footnotes at end of article.

tion were 1.82% and 1.56% respectively. The rates for the 30 days which began four months early (May 1971) were both .99 while those for the 30 days which began four months later were 5.03 and 1.85%. Apparently anticipation of reorganization did not have a noteworthy deleterious effect on health in this case.

Immediate post-reorganization rates. An evaluation covering the first two months after reorganization (and the corresponding sections in the control periods) was also made. Hospitalization rates for the pre-reorganization, reorganization and post-conversion periods were 4.95%, 4.14% and 6.35% respectively. The corresponding mortality rates were 1.98%, 3.37% and 3.17%. It appears that neither mortality for illness rates during the period immediately after the shift were affected substantially by the reorganization. While the mortality figures were slightly higher than their control counterparts, the illness rates were slightly lower.

Twelve-month followup. As has been noted above, the 12-month data may be particularly useful because they are relatively free of seasonal influences. Thus they may provide more useful data than do the anticipatory, three-month, and four-month comparisons of the three cohorts.

The percentages of the pre-reorganization, reorganization and post-reorganization cohorts who were hospitalized on medical wards during the ensuing 12 months were 19.9%, 16.6% and 19.3% respectively.

The death rates were 14.6%, 15.6% and 16.9% respectively. Again, neither set of data support the hypothesis that the reorganization had a deleterious effect on health. In fact, the one cohort (i.e. the post-reorganization group) who did not subsequently experience reorganization had a slightly *higher* 12-month death rate than those which did, while its medical-ward hospitalization rate lay between those of the two groups subsequently involved in reorganization.

COMMENT

The findings indicate that the involuntary transfer of geriatric patients will not necessarily increase the incidence of physical illness or death. While massive involuntary transfers can lead to increases in death/illness rates, the present study indicates that such consequences are avoidable, at least in populations similar to ours.

The differences between the present study and the alarming findings cited earlier in this paper deserve comment. The patients described in the studies cited earlier were generally involved in interfacility transfers rather than an intra-institutional one. In most, all the patients in a ward or in a home were moved while only one-fifth of those in our own wards were transferred. Furthermore, our transfers moved to wards whose architecture, furniture, staff attitudes, and daily routine varied little from those of the settings they had left; moreover, many of them continued to attend the same Rehabilitative Medicine assignments to which they had become accustomed before transfer. It is also possible, of course, that the transferred patients in the present study could have been physically stronger than those moved in earlier projects.

The results complement Bourestrom's[4] report in which he notes that the mortality rate varied markedly with the amount of pre-transfer orientation accorded the patients. While one group of his patients who had received a thorough orientation program experienced a mortality rate of 27%, the rate for a similar group who had received a relatively perfunctory orientation was nearly twice as high (52%). Taken in conjunction with one another, the several studies indicate that mortality/illness in involuntary transfer are proportional to the amount of unfamiliarity associated with relocation, and that when unfamiliarity is minimized, it may be possible to almost totally eliminate the special risk related to it. Thus it would seem that gradualism is necessary in the involuntary transfer of geriatrics, and that, where large numbers must be transferred, they should probably be moved in small groups over a long period of time with considerable attention paid to reorientation. Such steps should minimize—or perhaps even eliminate—the chances of increased death or illness rates.

NOTE

Reprint requests to Research Service, Veterans Administration Hospital, St. Cloud, Minn 56301 (Dr. Watson).

ACKNOWLEDGEMENT

The author is indebted to Helen Buerkle, Mark Schmitt, Alice Zimmerman and Teresa Kucala for their technical and clerical contributions to this paper, and to Norman Bourestrom for his suggestions on the manuscript.

FOOTNOTES

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EXHIBIT B

POTENTIAL EFFECTS OF SECTION 1905(F) OF THE SOCIAL SECURITY ACT ON SKILLED NURSING FACILITY PATIENTS

Section 247 of P.L. 92–603, the Social Security Amendments of 1972, introduced into title XIX (Medicaid) a statutory definition of covered skilled nursing facility services identical in wording to the definition of such services in title XVIII (Medicare).

The problems which may be foreseen as a result of this amendment flow not so much from the wording of the definition as from the establishment as a working principle the idea that the characteristics and needs of the typical Medicare, post-hospital convalescent patient are the same as the characteristics and needs of the typical long-term, chronically ill, aged patient in Medicaid.

For the past several years the Medicare program has been refining and institutionalizing in daily practice a quite narrow application, for Medicare coverage purposes, of essentially this same definition. In Medicaid, States have developed and applied policies for covering skilled nursing home care which have been conditioned and shaped to some extent by the observed needs of aged chronically ill patients which State and local agencies daily confronted. The statutory and regulatory provisions under title XIX have allowed States some flexibility in coverage policies.

The result has been the development of two quite different patterns of practice in Medicare and Medicaid, one suited to the administration of a narrow, specialized and short-term insurance benefit and the other formed around the chronically and multiply diseased individual whose care requirements are influenced by the interaction of social and psychological factors with the consequences of advanced age and frailty as well as with the medical procedures that may be prescribed at a given time.

The legislation of a common definition of skilled nursing facility care and the specification of the Medicare wording as that common definition is certain to be widely interpreted, in HEW and in the States, as a mandate to abandon the pattern of practice in Medicaid developed in serving the long-term aged patient and to substitute the practices developed for the administration of the specialized Medicare benefit. The current pressures for the reduction of program expenditures will provide impetus and a further rationale for that interpretation.

There are approximately 315,000 Medicaid patients in skilled nursing facilities who have been admitted under the more flexible criteria developed and applied by State agencies. On the basis of reports from a few States which have applied the Medicare criteria in Medicaid, it is possible to roughly estimate that literal application of medicare coverage criteria in all States would result in reclassification of a large percentage, perhaps as high as 75 to 80 percent, of present Medicaid skilled nursing facility patients. In nearly all cases they would be reclassified as intermediate care patients.

Not all of these reclassified patients would be physically transferred to another facility since some skilled nursing facilities would convert to intermediate care facilities and others would be willing to retain some of the reclassified patients at the reduced rate; however, large numbers of physical transfers undoubtedly would occur.

Thus, two major problems would be generated by full implementation of the new statutory definition in title XIX:

1. Many patients of very advanced years and frailty and having considerable illness and disability, although not conforming to the Medicare coverage criteria, would be assigned to a type of care in which Federal and State standards are not designed for the needs of such patients.

2. Many reclassified patients will have to be physically transferred to another facility to continue payments for their care. Sudden and marked changes in environment are extremely difficult for the aged institutionalized patient. "Transfer shock" is a phenomenon well recognized in the field. Although studies of this phenomenon do not yet enable us to predict with precision the increased incidence of morbidity and mortality, if we assume that 100,000 of the estimated 235,000 patients reclassified would have to be physically transferred, it is not alarmist (indeed, it is conservative) to estimate that almost all would suffer some personal stress and that perhaps 10,000 patients would suffer increased illness and disability or death.

S. 3503 contains three major provisions addressed to these problems:

1. A requirement is added to State title XIX plans that determinations of the need for continued care in a facility (affecting persons who have been inpatients of such facility for more than four months) which would result in discharge *or transfer* from the facility may be made only on the basis that such discharge or transfer is in the interest of the patient. Thus, the flexibility to

move patients for positive patient care reasons would be preserved and the shuffling about of patients for purely fiscal reasons or because of the arbitrary application of new rules would be eliminated.

2. Where transfers are unavoidable, transfer shock effects can be reduced in many cases by careful psychological preparation of the patient. A section of S. 3503 provides for such pretransfer services.

3. A third major provision in S. 3503 adds language to the definition of skilled nursing facility services, now identical to the Medicare coverage definition, which recognizes that the conditions of some aged, chronically ill individuals, while they do not conform to the criteria for Medicare post-hospital convalescent coverage, nevertheless are best served in a skilled nursing facility. The section would require HEW to establish criteria for such cases.

Exhibit C

U.S. Senate,
Select Committee on Nutrition
and Human Needs,
Washington, D.C., July 16, 1974.

Hon. Caspar Weinberger,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Dear Mr. Secretary: I am writing you about a matter which could cost the lives of 10,000 senior citizens. I am referring to implementation of Section 247 of P.L. 92-603. As you know, the intent of this section of the law was to provide for a common set of definitions of levels of care for long-term care facilities for both Medicare and Medicaid. It turns out that the application of the Medicare definition of skilled nursing care adopted for these programs will likely cause the reclassification of tens of thousands of Medicaid patients as intermediate care patients. It has been estimated by the National Association of Directors of Health Facility Licensure and Certification Programs that of 315,000 or so Medicaid patients now in skilled nursing facilities as many as 250,000 could be reclassified and as many as 100,000 may have to be physically relocated. And, based on studies done at the University of Michigan and elsewhere, it is not unreasonable to suggest that all of these persons may suffer physical distress and as many as 10,000 may become physically ill or die.

I do not believe it was the intent of the Congress either to precipitate mass relocations in the interest of economy or to limit drastically the grounds for classification as a skilled nursing care patient under Medicaid. At the very least we cannot go forward with a law which we know can result in skyrocketing mortality and morbidity rates unless and until we are assured that the elderly will receive the supporting services proven to be effective in minimizing the negative effects of involuntary transfer.

I request that you delay the publication of final regulations implementing this section until the Congress has a chance to evaluate the situation. I request, in addition, that you use your influence with the States to dissuade them from prematurely implementing policies with potentially devastating consequences for elderly nursing home residents in anticipation of the publication of these regulations. Finally, I request that you support my bill, S. 3503, which will deal on a permanent basis with the problem of involuntary transfers. I enclose a copy of that bill for your convenience.

Sincerely,

Charles H. Percy,
U.S. Senator.

U.S. Senate,
Select Committee on
Nutrition and Human Needs,
Washington, D.C., June 24, 1974

Hon. Russell B. Long,
Chairman, Senate Finance Committee, Washington, D.C.

Dear Russell: On May 16, I introduced S. 3503, a bill designed to deal with the very real and pressing problem of involuntary transfers of nursing home patients. The response I have received to this legislation from around the country suggests that persons professionally involved in the delivery of long-term care as well as laymen concerned about the elderly recognize the need for immediate action. While I recognize the extremely heavy agenda facing your Committee, I nonetheless urge you to make S. 3503 a priority item for action.

My concern in general is with the unfortunate effects of the relocation of the aged nursing home patients no matter what the reason for relocation or transfer. Studies done by scholars at the University of Michigan and elsewhere indicate that mortality and morbidity rates among persons who are relocated against their will skyrocket unless they are properly prepared and assisted for the transfer. If we are indeed interested in the physical and psychological well being of the aged nursing home resident and not just warehousing him or her while waiting for death to relieve us of a burden, then we must take steps to assure that the operation of Federal law minimizes the need for involuntary relocation or, where unavoidable, that the law requires proper preparation of the patient for the move.

My more immediate concern, however, is with the implementation of a provision of H.R. 1 (P.L. 92-603) which seems likely to result (and in some instances is already resulting in) the relocation of as many as 600,000 nursing home residents. The intent of Section 247 of P.L. 92-603 was to provide for a common set of definitions of levels of care for long-term care facilities for both Medicare and Medicaid programs. I supported this move; indeed, I introduced a bill in the 92nd Congress which was one of the sources of this section of the law. But no one foresaw at the time that the application of the definition of skilled nursing care adopted for both programs would cause tens of thousands of elderly Medicaid patients to be reclassified as intermediate care patients or even discharged. I do not believe that it was our intent either to precipitate mass relocations in the interest of economy or to limit drastically the grounds for classification as a skilled nursing care patient under Medicaid. According to the National Association of State Health Facility Licensure and Certification Program Director, the application of this Section of the law could result in 100,000 patients being physically transferred and thus "perhaps 10,000 patients would suffer increased illness and disability or death."

I do not think we can tolerate the possibility of even a single death as the result of the application of a Federal statute. That is why I have introduced S. 3503 and why I am requesting that you treat it as a priority item. We must require that transfers be made only when it is determined that they are in the interest of the patient. We must require that patients be informed about impending transfers and be given the right to appeal the determination. We must require that patients be properly prepared for relocation so as to minimize to the extent possible the negative effects of the move. But, more importantly, we must change the definition of skilled nursing care to include recognition of factors other than strictly medical ones in determining need for their level of care and give the Secretary more flexible means to see to it that the states are fully and completely implementing the state plans.

I am writing also to Senator Bennett to urge hearings on this bill. I hope it will be possible to arrange them without undue delay.

Sincerely,

Charles H. Percy,
U.S. Senator.

U.S. Senate,
Select Committee on Nutrition
and Human Needs,
Washington, D.C., June 24, 1974.

Hon. Wallace F. Bennett,
Banking Minority Member, Senate Finance Committee, Washington, D.C.

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I am writing also to Senator Long to urge hearings on this bill. I hope it will be possible to arrange them without undue delay.

Sincerely

CHARLES H. PERCY,
U.S. Senator.

EXHIBIT D

AMERICAN ASSOCIATION OF RETIRED PERSONS,
NATIONAL RETIRED TEACHERS ASSOCIATION,
Washington, D.C., June 5, 1974.

Hon. RUSSELL B. LONG,
Chairman, Senate Committee on Finance, Washington, D.C.

DEAR CHAIRMAN LONG: Knowing of your deep personal interest in upgrading the quality of nursing home care, we hope that, despite the heavy schedule of your Committee, you will find time to consider two urgently needed amendments to the Medicare and Medicaid programs suggested in S 3503 and S 3507, both introduced by Senator Percy.

Our Associations supported Public Law 92–603 because it contained many needed reforms in the programs of the Social Security Administration, offering far-reaching and long overdue improvements and expansions in Medicare and Medicaid. However, as we pointed out in testimony before the Committee, this important legislation also contained within its provisions the seeds for devastating tragedy. Our greatest fear appears as reality in the narrow interpretation of skilled nursing facility which is contained in promulgated regulations issued by the Department of Health, Education and Welfare. It is for this reason we urge immediate committee action on S 3503. If the Committee does not act to prevent the implementation of the proposed regulations with respect to utilization review for skilled nursing facilities and intermediate care facilities and those proposed with respect to Section 247 "levels of care" we forecast massive reclassification of patients from skilled nursing facilities to facilities incapable of rendering proper care to meet the needs of the chronically ill, long-term care patient.

We cannot emphasize too strongly that the services provided in skilled nursing facilities and in intermediate care facilities, as well as the kind of patient care contemplated under the law for treatment in a skilled nursing facility, are so interrelated that the need to examine the regulations for these three categories simultaneously—with a view toward their effects upon each other—is a must.

We believe that S 3503 provides a realistic approach to making skilled nursing care under Title XVIII and Title XIX a workable definition, as provided for in Section 246 and Section 247 of Public Law 92–603, while minimizing the human impact of pain and suffering which predictably will accompany the transition to a unified system under close scrutiny to avoid improper utilization of resources.

Support for the stance which we advocate comes from those who realize that the effect of establishing a common definition for skilled nursing care under the Medicare and Medicaid programs is to merge two divergent patient populations who will then have to compete for care. Those patients receiving skilled nursing benefits under the Medicare program are in need of medical attention as part of the acute stage of their illness. To this patient grouping, skilled nursing care is part of the care regimen needed to recover from their ailment. Contrast the above Title XVIII beneficiary with the chronically ill, long-term patient reimbursed under Medicaid. In this patient class, often the skilled nursing care is the last stage of a prolonged illness. Recipients of Medicaid skilled nursing care are seldom on the road to recovery, although their condition might stabilize sufficently to disqualify them for this level of care if the anticipated narrow interpretation of skilled nursing care is allowed to stand.

S 3503 offers an alternative to the hardline construction of skilled nursing care which is being written by the Department of Health, Education and Welfare. First, it humanizes the determining factors of skilled nursing care by amending Section 1905(f) of the Social Security Act to provide recognition of factors other than strictly medical ones in determining the need for such care. This is the first step in warding off strict construction of Section 247 (P.L. 92–603) which defines the levels of care. Second, S 3503 provides an organized plan to implement patient transfer when necessary. These provisions require that no patient be transferred or discharged to a facility without a medical determination that his needs can be met in that facility and requires that steps be taken to assure that the patient or resident is properly prepared for discharge or transfer and will receive appropriate care in the facility to which he is transferred. Third, S 3503 provides for patient knowledge, requiring that a patient or resident be informed of his pending discharge or transfer at least 14 days in advance and that he be given the right to a hearing on the transfer or discharge.

Mr. Chairman, the issues which S 3503 addresses are real issues. Dr. George Warner of the New York Department of Health has estimated that the reclassification resulting from the narrow construction of skilled nursing care could affect as many as 600,000 nursing home patients—nearly two-thirds of the nursing home population. Dr. Warner further states, "We can envision the problems posed to State utilization review agencies and to the intermediaries of Medicare and Medicaid in trying to tailor their payments to a continuous shifting of population from one category of care to another." Research into patient reactions to relocation, conducted by the Institute of Gerontology, University of Michigan-Wayne State University, drew this conclusion: "The anticipation of relocation and the disorganization during and immediately after a move are especially lethal to elderly patients." Thus, we are speaking of a major patient shift and a shift which may have important health consequences to older Americans residing in nursing facilities.

Taken together with Section 207, which mandates differentials of reimbursement between skilled nursing facilities and intermediate care facilities on a statewide basis, there is tremendous pressure on the states to forcibly transfer thousands of individuals to a lesser level of care regardless of the human suffering which might accompany such a transfer. The following is an excerpt of a critical situation reported to our organization by the Steering Committee on Aging of Jefferson County, New York:

"In January of this year the Jefferson County Department of Social Services implemented, several weeks prematurely, a set of State Medicaid regulations requiring the transfer to other geographical areas of acute care patients awaiting alternative care placement, when suitable arrangements could not be made for them near their homes."

The report further points out:

"On November 26, 1973, the New York State Commissioner of Social Services filed an amendment to Section 505.4, Chapter II, Title 18, New York Code of Rules and Regulations. This amendment has served as the basis for the State's further actions in implementing this practice of involuntary transfer.

"A State Department of Social Services Administrative Letter, 73 PWD–179, had already been published on November 7th, detailing procedures for this Hospital Inpatient Utilization Review Program and announcing implementation beginning on February 1, 1974. This letter did not cite the Code of Federal Regulations for its authority. It deferred instead directly to the Federal statute, P.L. 92–603, Sections 207 and 237, leaving New York State in the position of having interpreted sections of the Federal statute before the responsible Federal administrative agency, the Department of Health, Education and Welfare, had published even proposed rules for public comment."

This case in New York is particularly horrifying, inasmuch as the proposed regulations promulgated by the Department of Health, Education and Welfare were not released until January 9, 1974, and these proposed rules are still under vigorous discussion within the Department and have not yet been adopted. Meanwhile, numerous patients are being literally forced out of their medical facilities and transferred miles away from their homes under state regulations which may or may not conform to federal standards. These determinations, we might add, run counter to the expressed views of your Committee in its report accompanying Public Law 92–603 (Senate Report 92–1230, pages 282–283).

Turning our attention to the second major issue of immediate importance addressed by the legislation introduced by Senator Percy, our Associations press upon you the need for speedy passage of S. 3507 making permanent federal reimbursement for the costs of state surveys and inspections of nursing homes. Speaking on behalf of the consumer of long-term care services, our Associations believe the developments of the past two years mandate a continued federal involvement. We have witnessed, and are still witnessing, the rewriting of standards which the facilities must meet. We believe that now is the time to do all that is possible to insure adequate attention to the enforcement of the new regulations. To withdraw federal support at this critical moment, especially given the flexibility of the new regulations which leave a great deal of discretion to the inspection teams, would be to default upon the national commitment to upgrade nursing facilities. The alarming statistics cited in the recent surveys conducted by the Department of Health, Education and Welfare on the number of nursing facilities which have deficiencies should be an additional incentive for continued federal underwriting of the inspection process. Without action at this time, the temporary provisions of Public Law 92–603 will expire on June 30, 1974.

We limit our request for corrective legislation to those amendments which our Associations identify as most immediate in hopes that the Committee will consider at a future date broader remedial steps such as those contained in the Comprehensive Medicare Reform Act of 1974 (S. 3154), introduced by Senator Ribicoff, and other important bills pending before the Committee.

Needless to say, we appreciate this opportunity to again appeal for your support and action on legislation of vital interest to older Americans.

Sincerely,

CYRIL F. BRICKFIELD,
Legislative Counsel.

AMERICAN ASSOCIATION OF
HOMES FOR THE AGING,
Washington, D.C., July 18, 1974.
Hon. CHARLES H. PERCY,
The U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Since the passage of Public Law 92–603, the Social Security Amendments of 1972, Section 247 which mandates a common definition of skilled care for Medicare and Medicaid has been a source of great concern to the American Association of Homes for the Aging.

Being the national association representing non-profit, philanthropic, and church-sponsored skilled care and health-related institutions, as well as residentially-oriented facilities, we are vitally interested in the health care needs of the elderly and such health-related factors as social and psychological needs which very often are important elements in assessing an individual's need for long term care services.

Section 247 poses potentially serious problems, for the rationale of this provision is erroneously based on the notion that the needs and characteristics of the Medicare patient are identical to the needs and characteristics of the typical Medicaid patient. It is inappropriate to apply Medicare rules to Medicaid patients as the two programs cover patients with differing characteristics. It is estimated that 75 to 85 percent of present Medicaid skilled nursing facility (SNF) patients may be reclassified downwards and transferred to intermediate care facilities (ICF's).

In attempting to rectify these deleterious effects of Section 247, the American Association of Homes for the Aging wishes to support the initiative you have taken in introducing bill S. 3503.

This measure is a most responsible and responsive piece of legislation, for it would broaden the Medicaid definition of "skilled nursing facility services" in such a way as to prevent wholesale patient reclassification and transferral. In addition, under S. 3503 the criteria for eligibility for SNF care would accord proper recognition to the interaction of personal, health, and social considerations which cause such care to be needed.

At this time, on behalf of the American Association of Homes for the Aging, I wish to express to you our Association's whole-hearted support for S. 3503.

With best wishes.

Sincerely,

RICHARD A. SHORT,
President.

LOURDES RESIDENCE,
West Palm Beach, Fla., June 4, 1974.
Senator CHARLES H. PERCY,
Dirksen Building,
Washington, D.C.

DEAR SENATOR PERCY: I have been working with the elderly since 1949 and certainly appreciate your efforts under Bill S. 3503.

Much time and money is being expended on Medicaid patients in doing utilization review, but at the present time no realistic attitude is being taken. The average long term care patient cannot be discharged, as he has no place to go. Our average age on admission is 84.

Our Community has over 31 homes for the aged with large sections for nursing care. We have St. Patrick's Residence in Joliet, Illinois.

I am a native of Chicago and presently administrator of a Home for the Aged with a small skilled nursing section. We are in the process of fund raising so that our nursing section can be expanded.

Thank you for your efforts on behalf of the elderly poor.

Sincerely yours,

Sister M. JOSEPH MAYNARD, O. CARM.

MADONNA TOWERS, *June 4, 1974.*
Senator CHARLES H. PERCY,
Russell Office Building,
Washington, D.C.

MY DEAR SENATOR PERCY: I wish to offer my support to your legislation, S. 3503, which would broaden the Medicaid definition of "skilled nursing facility services" in such a way as to prevent wholesale patient reclassification and transferral. Thank you for your interest in this matter.

Sincerely,

Rev. ALCUIN J. HENGER, O.M.I.,
Director.

ISABELLA GERIATRIC CENTER,
New York, N.Y., June 6, 1974.
Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Your Senate Bill Introduction S. 3503, which broadens the Medicaid definition of skilled nursing facility services, is badly needed at this time. As an administrator of one of the larger Medicare and Medicaid certified charitable facilities in the City of New York, I heartily concur with your thoughts that it would be a tremendously traumatic experience for any sick, aging individual to be changed peremptorily from one level of care to another, primarily because there is a legal requirement to do so and not because there exists a real reason for so doing.

The primary problem with our Medicare and Medicaid regulations today stems from the fact that they are predicated upon the assumption that all individuals being admitted to an S.N.F. or an I.C.F. are presumed to be capable of rehabilitation or improvement in their physical and mental lives.

I submit to you that the majority of aging people, admitted to the private, non-profit, charitable facilities throughout the United States, are for the most part entering into a one-way street. The majority of these people, which are among the 5% of the aging people in this country who require institutionalization, go into an S.N.F. or an I.C.F. because there is no other recourse left to them. These are aging people who mainly are over 80 years of age, are suffering from many types of chronic ailments peculiar to the aging process; these are individuals who have begun to go through the process of increasing senility from which there is little or no expectation of improvement; these are citizens who are no longer able to care for themselves and who, by the very nature of their conditions, require long term care.

It is impossible to establish exact categories under which these individuals will fall. It must be left to the personal integrity of the professionally qualified administrators and staffs of the S.N.F.'s and I.C.F.'s to see that these people are properly placed. In the private, non-profit, charitable sector, you can be sure of this because the emphasis is upon quality of care and service and not profit.

I would like to assure you of our support of the kind of progressive legislation you are proposing.

Sincerely yours,

LAWRENCE E. LARSON,
Executive Vice President.

SAINT FRANCIS HOME,
Tiffin, Ohio, June 3, 1974.
Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I wish to commend you for introducing S. 3503 to broaden the Medicaid definition of "skilled nursing" in long term care facilities.

In no way can care in skilled nursing in Medicare and Medicaid be compared because in long term care where non-medical, non-nursing factors such as social and psychological needs are important elements in assessing the level of care an individual needs for long term care services.

We in long term care are very thankful and happy that men like you know that people are people and not furniture to be moved here and there. It even upsets Residents to move from one room to another and from the Residential to the Nursing area when their state of health makes it necessary to have them move. The move takes its toll on their peace of mind and adds to or causes mental confusion.

Truly yours,

SISTER M. BERNADETTE,
Administrator.

MILWAUKEE, WIS., *June 13, 1974.*
Hon. CHARLES H. PERCY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: I wish to commend you for introducing Senate Bill 3503 and support you in your efforts to get this important piece of legislation passed.

Ever since the passing of P.L. 92–603, we in the non-profit sector of the nursing home industry have been concerned with definitions applied to skilled and intermediate nursing care. The possibility that many of the present SNF patients may be transferred from skilled nursing facilities because of downward reclassification is frightening, to say the least, because of the undue hardship that it would work upon our elderly patients. I therefore encourage you in your efforts to pass Senate Bill 3503 in order to prevent wholesale patient reclassification and transferral. Proper recognition of factors other than just physical must be used in determining the needs of our elderly patients in nursing homes and the type of care that will best serve them.

The current law has brought about many improvements which provide better care for our elderly. The concept, however, of applying Medicare rules across the board to Medicaid patients has shown itself to be inappropriate in a number of instances. One, in particular, comes to mind . . . the utilization review regulations which completely ignore the long term nature of illnesses and conditions of long term care patients. While some type of review may be necessary, the regulations for utilization review as they now stand only add to the cost of care.

I appreciate your interest in the needs of the aging in nursing homes and support you in your efforts to implement legislation which will best serve them.

Sincerely,

Pastor E. F. LEHNINGER,
Executive Director.

TRIBUTE TO ARTHUR K. WATSON

Mr. PERCY. Mr. President, yesterday at the First Presbyterian Church, New Canaan, Conn., I attended the funeral services of Arthur K. Watson, former Ambassador to France and former Chairman of the IBM World Trade Corp.

I have known Dick Watson for several decades. I have witnessed his productive life as a business leader; I have seen his personal life through the eyes of his father Tom Watson, Sr., whose friendship I cherished, through his older brother Tom Watson, whom I have always considered one of the greatest industrialists that this country has ever had, and through the eyes of his beloved wife, Nancy.

The affection and deep attachments

the Watson family have for one another have been apparent to all who have known them.

Their selfless contribution to the American economy, and to the cause of world peace through interdependence of nations and their economies is well known.

I wish today to express on the floor of the Senate my deep regret over Dick Watson's death and my great sympathy to every member of his family.

On behalf of every one of the thousands of friends and admirers that this great family has, we grieve and extend our heartfelt sympathy and understanding at this time of need.

America has lost a distinguished citizen, a fine diplomat who, during the performance of his duties in Paris as Ambassador from the United States to France, distinguished himself in several areas: He worked closely with the representatives of the People's Republic of China, for it was in Paris that our principal diplomatic contacts were being carried on, in conjunction with those initiated by President Nixon and Secretary Kissinger; second, I have spoken a number of times both in meetings of the Foreign Relations Committee and on the floor of the Senate of the invaluable work that Ambassador Watson did with the Government of France to arrest the flow of dreaded drugs to this country and other countries of the world and I think it appropriate for us to give recognition to that fine work again today.

Tribute has been paid by Secretaries of State, by the President, and by Members of this body, for the quiet diplomacy that he carried on, which was extraordinarily effective. We are all indebted for the contribution that this remarkable family has made to their country and to the quality of the lives of their friends. We all join in extending our deepest sympathy to them at this hour.

The wonderful children of Nancy and Dick Watson have the knowledge that no individual could have distinguished himself more in the fields of business and diplomacy—or contributed more to the better understanding of the American people abroad than their father; and at the same time been a finer, more fun loving parent.

It is hard to overemphasize the importance that one individual can have in taking this Nation another step on the perilous and difficult road to peace; to finding ways to strengthen the American economy and the economies of the free nations of the world; and also to protect ourselves against drug abuse, which has been a plague to the world.

I join with my colleagues such as the distinguished Senator from New York (Mr. Javits) who worked closely through the years with Dick Watson, in paying tribute to the family and to his memory.

I ask unanimous consent that an outstanding article that appeared in the New York Times of Saturday, July 27, 1974, be printed in the Record at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

There being no objection, the article was ordered to be printed in the Record, as follows:

Arthur Watson of IBM, Ex-Envoy, Dies

(By William D. Smith)

Arthur K. Watson, who built the IBM World Trade Corporation from a new subsidiary of the giant International Business Machines Corporation in 1949 into a world enterprise with annual revenues of more than $2.5-billion in 1970, died last evening in Norwalk (Conn.) Hospital.

Mr. Watson, who was 55 years old, had been injured in a fall at his home in New Canaan, Conn., on July 18, and had been taken to the hospital.

He left the corporation in 1970 to accept an appointment by President Nixon as Ambassador to France, a post he held for two years.

At his death he was a director of the parent company and a member of the executive committee of the board.

An internationalist in philosophy and in practice, Mr. Watson played a major role in making the IBM trademark a symbol of corporate efficiency and American technological capability around the world.

"World peace through world trade" was the motto of the younger of the two sons of Thomas J. Watson, Sr., the man who built the International Business Machines Corporation from a small concern in upstate New York into one of the nation's most powerful and largest corporations.

The elder son, Thomas J. Watson, Jr., became IBM's chief executive officer in 1956 shortly before his father's death and continued to oversee the company until he retired as chairman of the executive committee last December.

The role assigned to Arthur Watson by his father was to take the IBM message and methods around the world. It was a task for which the tall, handsome younger brother was suited, both by temperament and training.

ON INTERNATIONAL ROLE

It was also a role that would prevent two loving but highly competitive brothers from becoming involved in a rivalry that might in time have damaged both the tightly knit and affectionate Watson family and the corporation. This the patriarch, Thomas J. Watson Sr., considered an extension of his blood family and therefore to be treated with the same care and consideration.

The arrangement worked out well on both counts.

In the nineteen-fifties, before most American corporations had glanced at markets beyond the borders of the United States, Arthur Watson contended that IBM was not an American company but an international company. He said, "We have begun to recognize that we do not produce for a domestic and a foreign market but for a worldwide market."

The two sons as company leaders retained the closs relationship they had developed in childhood. Arthur was to call his elder brother "not only my boss but my best friend." Thomas Jr. returned the affection, and the Watson family, including sisters Jane and Helen, was as close, if not flamboyantly clannish, as the Kennedys (with whom they were friendly).

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The two brothers lived near each other in Connecticut, had vacation retreats in the same areas and shared the same sporting interests—sailing, skiing and piloting airplanes.

Arthur was the more friendly and outgoing of the two as well as the more volatile; traits the younger brother inherited from his father, according to people familiar with IBM. Arthur Watson was a natty dresser by IBM standards, where the ideal was dark suits and white ties.

He enjoyed socializing, made friends easily and was considered a good cook.

Arthur Kittredge Watson was born April 23, 1919, in Summit, N.J. Before he was out of his crib, his brother and sisters had nicknamed him "Dick" because it was the first word he spoke. It was a name that was to stick with him the rest of his life and separated those who knew him well from those who pretended to be friends.

He graduated from Hotchkiss School and in 1942 from Yale University where his 6-foot-2-inch frame helped to power the varsity crew.

Dick Watson's first trip abroad was when he was three. At Yale he studied international relations. He entered the Army immediately after graduation and applied for European duty, only to be assigned as an instructor in the Ordnance Corps at Aberdeen, Md. After the war, the Army sent him to the Philippines where he finished his active duty as a major.

He asked his father if he could stay in the Far East as a salesman. But the elder Watson called him back to act as his personal secretary and translator on a business trip to Europe. Mr. Watson at that time could speak French "reasonably well" and had some knowledge of German and Spanish.

MADE DIRECTOR IN 1949

"Dad was feeling me out," Dick Watson later explained. In 1949 when IBM World Trade was formed, Mr. Watson was named vice president and a director.

"That was a great day," he once recalled. "I can't remember when I didn't want to get into the international end of the business."

In 1954, Arthur Watson was elected president of IBM World Trade. He became chairman in 1963. At that time he said: "The most outstanding thing that happened from my vantage point in the past 15 years is the tremendous progress in bringing the world closer together. If anyone had said in 1949 when World Trade was formed, that there would be economic integration in Europe within a decade, he would have been locked up."

As Ambassador to France, he handled with competence some delicate tasks including the first official contacts between the United States and Communist China. These meetings led to a personal friendship with Huang Chen, then China's Ambassador to France. When Mr. Chen was subsequently posted to the United States, he visited Mr. Watson's home in New Canaan, and Mr. Watson had also visited China as a guest of that country.

Mr. Watson, in addition to his wife, leaves three sons, Arthur K., Stuart H. and David J., and three daughters, Ann Carroll, Jane White and Caroline T.

ARTHUR K. WATSON

Mr. JAVITS. Mr. President, I wish to say a word about the passing over the last weekend of Arthur K. Watson, former U.S. Ambassador to France and former chairman of the IBM World Trade Corp.

Dick Watson, as he was very affectionately called, was a close friend of mine. I knew him well in the United States and visited with him from time to time when he was Ambassador to France. There he made a fine Ambassador for us in France and greatly contributed to our Embassy establishment by beautifying the residence most remarkably.

I was especially impressed with that as the capstone of his fine career.

His participation with his brother, both the sons of Thomas J. Watson, who founded the IBM, in one of the most extraordinary developments of business in the public interest which we know in this country, and which we know in the world, was most noteworthy.

Whatever may be the antitrust suits

and other problems facing IBM, one thing is clear: it revolutionized business in the world, both in the example it set as an institution and in the products it sold, including the technology so heavily responsible for the fact that a good part of the world has caught up with American efficiency in the business field.

Also, the two Watson sons, Dick, who has passed away, and Tom, who is happily with us—a wonderful executive, human being, humanitarian, and civic leader—understood their father's message, which was that it was not necessary for A to lose in business if B profited. On the contrary, they were exemplars of the great American concept that both the buyer and the seller could profit from a constructive business deal and that it was the pride of a great business that it could be an establishment of tremendous beneficence to those who worked for it and to their families.

I have personal knowledge from many directions, including the operations of major plans of IBM in the State of New York, as to how this great and beneficent principle, which has been so heavily responsible for the unique kind of people's capitalism practiced in the United States, has been helped materially in its development by their father, Thomas J. Watson, and by Dick and Tom Watson.

Mr. President, both brothers undertook, at my request, critically important missions of tremendous help, in a civic sense, to our country.

When I was attorney general of New York, Tom Watson was chairman of a great youth commission which laid the basis for a very advanced youth program for the State of New York.

Dick Watson chaired a commission, whose organization I was able to bring about, which dealt with the effort among other responsibilities to develop ways in which the private enterprise system could be of assistance to private enterprise in the developing countries. It was heavily based upon the ideas which matured with the great Adela Investment Co., probably the greatest single concept in the business world of private enterprise help to private enterprise in the developing countries and Dick Watson was one who among other distinguished leaders, helped to bring Adela into being as the cornerstone of a worldwide movement.

Mr. President, Dick Watson's contributions to international relations have been highly honored, with many awards and much recognition. He lived an extremely useful life. He was taken from us, considering the usefulness of his life, his character, and his very high ideals, much too soon, as lifetimes go today.

My wife and I join in offering our most sincere and profound condolences to his wife, Nancy, and to his marvelous children, Arthur K., Stuart H., David J., Ann Carroll, Jane White, and Caroline T., and to Tom Watson his brother, Mrs. Helen Buckner his sister and their families.

Mr. President, I ask unanimous consent that various documents bearing upon the death of Arthur K. Watson be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARTHUR K. WATSON DIES; ENVOY, IBM WORLD LEADER

Arthur K. Watson, 55, former U.S. ambassador to France and former chairman of the IBM World Trade Corp., died yesterday in Norwalk Hospital in Connecticut of injuries he suffered July 18 in a fall in his New Canaan home.

In 1949, Watson and his father, the late Thomas J. Watson, who founded International Business Machines Corp. incorporated and organized the IBM World Trade Corp., an IBM subsidiary that handles business done outside the United States. As president and later board chairman of the corporation, he was instrumental in expanding American business communities in developing countries.

When Watson joined IBM as a salesman in 1947, its sales outside the country were less than $50 million. But when he resigned in 1970 to become ambassador to France, sales had grown to more than $2.5 billion and the company had established business operations in 108 countries. At that time, net income from the world operations equaled that of the parent company in the United States.

Watson especially sought to establish a larger American business role in Latin America. In 1964, he and Sen. Jacob Javits, R-N.Y., formed an investment institution in Lima, Peru. The institution is funded by a worldwide group of banks and corporations and provides capital for local businesses in Latin America.

In 1970, Watson resigned as chairman of IBM World Trade to become U.S. ambassador to France. In Paris, he became involved in a joint U.S.-French effort to stop the traffic in heroin that was finding its way into America. His influence led to an increase in U.S. and French narcotics agents.

Watson became America's first official liaison with the Peoples Republic of China through relationship with Huang Chen, China's ambassador to France. Recently, Watson visited China with his family at the invitation of the republic.

Watson's contributions to international relations were recognized with honors from several countries. He received the Vatican's Equestrian order of St. Sylvester and won the French Legion of Honor before being named ambassador by President Nixon. French President Georges Pompidou also awarded him the Grand Cross of the Republic's Order of Merit, one of France's highest honors.

When he returned to the United States in 1972, he was re-elected to IBM's board of directors and its executive committee.

Watson entered Yale University in 1938, after attending the Hotchkiss School. He was studying international affairs, but was forced to leave before graduation to join the Army. Five years later he returned to Yale and received a bachelor's degree.

Watson was an avid and competitive sportsman and also was an excellent skier. He was an accomplished airplane pilot as well. He owned a house in Camden, Maine, where he was director of the Camden Yacht Club.

He leaves his wife, the former Ann C. Hemingway; three daughters, Ann Carroll, Jane White and Caroline Trowbridge; three sons, Arthur K., Stuart H., and David J., a brother, Thomas J. Jr., and a sister, Mrs. Helen Buckner.

Funeral arrangements were incomplete. The family requests that expressions of sympathy be in the form of contributions to the VITAM Center, 57 West Rocks Road, Norwalk, Conn., a drug rehabilitation center for young people.

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Mr. Watson, in addition to his wife, leaves three sons, Arthur K., Stuart H. and David J., and three daughters, Ann Carroll, Jane White and Caroline T.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period for the transaction of routine morning business not to exceed 15 minutes, with statements by Senators therein limited to 5 minutes each.

Is there morning business to be transacted?

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Illinois is recognized.

TRIBUTE TO SENATOR RIBICOFF

Mr. PERCY. Mr. President, it has been my privilege since being in the Senate to work very closely with Senator RIBICOFF, particularly on the Committee on Government Operations. We are now working side-by-side on the floor of the Senate in connection with the Agency for Consumer Advocacy. I noticed in this morning's New York Times an article entitled "Ribicoff's Charmed Life: From Poverty to Power."

Certainly, in looking at that article, I found many aspects of it not only interesting but also depicting a remarkable life of public service that I have long admired. Though Senator RIBICOFF is of the opposite persuasion politically and I have always supported Republicans running for office in his own State, I notice that this article dramatically points out the difference of opinion that Senator RIBICOFF had with members of his own party, such as Mayor Daley in Chicago during the 1968 convention, which very few people will ever forget who watched that dramatic confrontation.

I think that many Members of our body and those who receive the CONGRESSIONAL RECORD will be interested in reading this perceptive article on the life of Senator RIBICOFF. Therefore, I ask unanimous consent that the article appearing in this morning's New York Times be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RIBICOFF'S CHARMED LIFE: FROM POVERTY TO POWER

(By Martin Tolchin)

WASHINGTON.—From the very beginning, he was something special.

Abraham A. Ribicoff was born with a caul, which his poverty-ridden Orthodox Jewish family considered a sign of great fortune. Although the family lived in a New Britain, Conn., tenement, his parents believed the child would lead a charmed life and reach great heights. From earliest childhood this belief was instilled in the boy, along with the necessity to preserve the caul, a membrane which is now protected in tissue paper in Senator Ribicoff's Watergate apartment.

The caul, apparently, has continued to work. At Hartford's Bushwell Memorial Hall, Mr. Ribicoff was nominated July 20 for a third term in the United States Senate, and became an almost prohibitive favorite for re-election. In January, he is widely expected to become a major power in the Senate by gaining the chairmanship of the Government Operations Committee.

Last weekend, the Connecticut Republicans selected James H. Brannen, a black state legislator, to oppose Mr. Ribicoff in November. A Republican poll two weeks ago found that Connecticut voters gave Mr. Ribicoff a 77.9 per cent favorability rating. The Senator expects to spend most of the fall attending President Nixon's trial in the Senate should the House vote impeachment.

Mr. Ribicoff, over the years, has led a charmed life politically, one marked by an almost uncanny ability to anticipate issues, from safety to consumer protection, and to forge strategic alliances—with John M. Bailey, Connecticut Democratic chairman: the Kennedys; the late Senator Richard B. Russell and Senator John C. Stennis of the Senate's power structure.

Mr. Ribicoff's career also owes much to an instinct for the dramatic gesture—a tour of flood-stricken cities while Governor, a confrontation with Chicago's Mayor Richard J. Daley at the Democratic National Convention in 1968, a Congressional hearing on the plight of the cities, and another hearing during the energy crisis when he questioned oil company executives.

This talent seems almost out of character for Mr. Ribicoff, an intensely private man, a humorless, distant man who carries himself with the patrician bearing of one who never seriously doubted his success. He is a man of handsome elegance, always meticulously dressed, given to smoothing his wavy graying hear, his lips downturned in an expression of perpetual, vague distaste.

"I'm not a backslapper," Senator Ribicoff conceeds. "I'm not gregarious. I'm not hail-fellow-well-met. But everyone calls me Abe."

"Abe is the most instinctive politician I have ever seen in my life," says Wilbur J. Cohen, whose basis of comparison includes having worked for presidents Kennedy and Johnson. Mr. Cohen, a former Secretary of Health, Education and Welfare, served as assistant secretary in 1961, when Mr. Ribicoff headed the agency.

"Abe is the kind of man who feels in his guts almost instantaneously, and then gives you the intellectual and political justification," Mr. Cohen said.

"I once asked Abe why he became the first prominent political figure to support John Kennedy for President," Mr. Cohen continued, "Abe said, 'I had the reaction that every woman would like him to be her husband, and every mother would like him to be her son.' There were no political reasons, no ideology, no other justifications."

THE RIBICOFF ISSUES

A Senate colleague called Mr. Ribicoff "a very calculating politician" who had an instinct for cresting with the waves of a popular issue. Through the years, Mr. Ribicoff has championed auto safety, pollution control, health care, aid for the aged, help for the plight of the cities and now, consumer protection. In fairness, however, it must be said that Mr. Ribicoff also identified and dramatized those issues.

In evaluating fellow politicians, Senator Ribicoff divides them into two groups: wholesalers, whom he admires, and retailers, whom he disdains.

"Wholesalers undertake the big issues, the big picture and the big problems, while retailers devote their lives to all the petty things—door-to-door salesmen who cultivate the political vineyards, backslapping, greeting, doing minor retailing."

The 64-year-old Senator, who acquired a fortune in real estate during his 35 years in public life, worked his way through public schools and the University of Chicago Law School in an assortment of jobs that included paper boy, caddy, milkman's helper, gasoline pumper, construction worker, and Midwest sales representative of a zipper company. He remains counsel to his brother's law firm. Ribicoff and Kotkin, which paid the Senator $15,000 last year. The Senator and his wife reported a total joint personal income of $125,443 last year.

SCOPE OF CAREER

Mr. Ribicoff's public career, always abetted by Hartford's Jewish community, began with two terms in the Legislature and included six years as Hartford municipal judge, six years as New England's first Jewish Governor, two years as Secretary of Health, Education and Welfare and twelve as United States Senator.

The cornerstone has been a relationship with John Bailey, with whom Mr. Ribicoff's fortunes have been entwined.

"We were two young lawyers with offices on the same floor," Mr. Bailey recalled. "I helped elect him to the Legislature in 1938. I gave him the nomination for United States Senate in 1952, which he lost, and I supported him for the Governorship in 1954 which he won."

"I thought he would be the strongest candidate," Mr. Bailey continued. "I feel that Connecticut is a very sophisticated state, and you aren't going to win unless you have good candidates."

The two men spotted another comer, John F. Kennedy, who rewarded Mr. Ribicoff with the H.E.W. post, which he grew to hate because decisions he had to make were often politically unpopular. Mr. Bailey became Democratic National Chairman.

Mr. Bailey and Mr. Ribicoff insist that, from the outset, that they enjoyed a division of labor, with Mr. Ribicoff running the state and Br. Bailey, running the politics.

"I never wanted to be a power broker," the Senator insists. "I never sought to build a political machine."

Some political observers believe, however, that it is impossible to separate from politics, the record suggests, moreover, that a various key junctures in their mutual careers, it was Mr. Ribicoff who wielded the power and Mr. Bailey who took the orders.

In 1958, for example, when he sought and won a second term as Governor, Mr. Ribicoff selected as his running mate his executive assistant, John N. Dempsey, over the objections of Mr. Bailey, who had supported Henry Altobello. Mr. Ribicoff had the political muscle, and Mr. Dempsey moved into the Governor's Mansion in 1961, when Mr. Ribicoff resigned to go to Washington. Mr. Dempsey was elected Governor in his own right in 1962.

In 1970, Mr. Ribicoff refused to accept the Democratic State Convention's selection of Alphonsus Donohue—a Bailey protégé—as the party's nominee for United States Senate, and instead supported a primary race by Joseph Duffey, who won the nomination but lost the general election in a three-way race.

This year, although Mr. Ribicoff and Mr. Bailey had remained outwardly neutral in the contest for the Democratic nomination for Governor, many of Mr. Bailey's lieutenants supported the nomination of Robert Killian, the state's Attorney General, leading Connecticut Democrats to believe that Mr. Killian had Mr. Bailey's blessing.

Mr. Ribicoff, on the other hand, telephoned the state Democratic leaders and quoted the polls, which favored Ella T. Grasso, who won the nomination and is regarded as the front-runner in the general election.

"It was like the Lord quoting the facts," said Nicholas Carbone, Hartford's Democratic Chairman, who interpreted the Senator's telephone campaign as an indirect endorsement of Mrs. Grasso.

"DOESN'T MUSCLE"

"Abe works with the party in a quiet way," Mr. Carbone continued. "I've never known him to tell anybody to do anything. He very seldom asks, and never tells anyone, yet, in the final analysis he's very effective. He doesn't muscle anyone. It's not his style. He doesn't leave fingerprints."

The low-key style also characterizes Mr. Ribicoff's work in Washington, where he is regarded as impeccably liberal but occasional victim of "legislative fatigue," in the words of one close Ribicoff-watcher.

Ralph Nader, the consumer advocate whom Senator Ribicoff gave his first Congressional forum during the auto-safety hearings, said that when public-interest people think of starting an idea moving in the Senate, Mr. Ribicoff is "clearly one of the 10 Senators you'd go to."

"Unfortunately, he's not much of an advocate toward other Senators," Mr. Nader said. "He doesn't like to persuade other Senators to vote with him. . . . He seems chronically reluctant to use the power he has."

In the Senator's present campaign for a consumer protection agency, for example, "unlike Senator Alan Cranston, of California, he's temperamentally incapable of buttonholing Senators and saying, 'Vote for this bill,' " Mr. Nader said.

Mr. Ribicoff, aware of this criticism, replies that "I am reluctant to push people against the wall" and adds that "I'm not a wheeling-dealing Senator."

A METICULOUS MAN

From Mr. Ribicoff's earliest days in politics, several threads have run through his career. One is attention to details. "Nothing is sloppy," said Gloria Schaffer, Connecticut's Secretary of the State. "He's meticulous in the way he looks, and that's exactly what's going on inside."

It was this meticulousness, and a gift for political survival, that led Mr. Ribicoff to initiate a year-long series of Connecticut brunches in 1973, in all sections of the state, attended by all Democratic officeholders. "They led to the united Democratic party that you see today," Mr. Ribicoff said.

Mr. Ribicoff also has a well-defined public relations instinct, and enjoys excellent relations with the working press. As Governor, he held two press conferences daily.

During the 1954 campaign for Governor, Mr. Ribicoff dramatically confronted an anti-Semitic whispering campaign by going on television and declaring: "Any boy, regardless of race, creed or color has the right to aspire to public office. It is not important whether I win or lose. The important thing is, ladies and gentlemen, that Abe Ribicoff is not here to repudiate the American dream, and I know that the American dream can come true."

His most dramatic confrontation, however, came at the 1968 National Convention, when he threw away his prepared speech nominating Senator George McGovern of South Dakota and instead assailed Mayor Daley and "Gestapo tactics on the streets of Chicago." The Mayor replied with obscenities on live television.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow, I be recognized for not to exceed for 15 minutes, which at the moment I do not anticipate using, and I shall yield to any Senator who may suddenly have need for time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR CONSIDERATION OF TREASURY-POSTAL SERVICE APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Senators tomorrow, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes, after which the Senate proceed to the consideration of the Treasury-Postal Service appropriation bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. ALLEN) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting a secret document entitled "Follow-up Review of Refugee, War Casualty, Civilian Health, and Social Welfare Programs in Laos (B–133001)" (with an accompanying report). Referred to the Committee on Government Operations.

PROPOSED AMENDMENT TO THE BUDGET, 1975, FOR THE FEDERAL HOME LOAN BANK BOARD (S. Doc. No. 93–98)

A communication from the President of the United States, transmitting a proposed amendment to the appropriations language in the budget for the fiscal year 1975 for the Federal Home Loan Bank Board (with accompanying papers). Referred to the Committee on Appropriations.

PROPOSED LEGISLATION TO INCLUDE OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF AGRICULTURE ASSIGNED TO PERFORM INVESTIGATIVE, INSPECTION, OR LAW ENFORCEMENT FUNCTIONS UNDER SECTION 1114 OF TITLE 18, UNITED STATES CODE

A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 1114 of Title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

FEDERAL PLAN FOR METEOROLOGICAL SERVICES AND SUPPORTING RESEARCH

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the Fiscal Year 1975 Federal Plan for Meteorological Services and Supporting Research (with an accompanying document). Referred to the Committee on Appropriations.

REPORT OF TRANSFERS BETWEEN SUBDIVISIONS OF THE FISCAL YEAR 1974 OPERATION AND MAINTENANCE

A letter from the Secretary of the Air Force, reporting, pursuant to law, transfers under $5,000,000 between subdivisions of the Fiscal Year 1974 Operation and Maintenance Appropriation. Referred to the Committee on Appropriations.

The Kiowa, Comanche, and Apache Tribes of Indians, Plaintiffs, v. the Indian States of America, Defendant, Indian Claims Commission

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, final determinations with respect to Docket Nos. 257 and 259-A, The Kiowa, Comanche and Apache Tribes of Indians, Plaintiffs, v. The United States of America, Defendant (with accompanying papers). Referred to the Committee on Appropriations.

Report on Property Acquisitions of Emergency Supplies and Equipment by Defense Civil Preparedness Agency

A letter from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment by the Defense Civil Preparedness Agency. Referred to the Committee on Armed Services.

Report of the Defense Civil Preparedness Agency

A letter from the Secretary of Defense, transmitting, pursuant to law, the 1973 Annual Report of the Defense Civil Preparedness Agency covering civil defense functions assigned to the Secretary of Defense by Executive Order 10952 of July 20, 1961 (with an accompanying report). Referred to the Committee on Armed Services.

Contract Award Dates, Department of the Army

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, contract award dates for the period July 15 to October 15, 1974 (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation To Permit Persons From Countries Friendly to the United States To Receive Instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit persons from countries friendly to the United States to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation To Eliminate Requirement for Quadrennial Physical Examinations for Members of the Fleet Reserve and Fleet Marine Corps Reserve

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to eliminate the requirement for quadrennial physical examinations for members of the Fleet Reserve and Fleet Marine Corps Reserve (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation To Provide for Use of Margarine as Part of the Navy Ration

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 6082 of title 10, United States Code, to provide for the use of margarine as part of the Navy ration (with accompanying papers). Referred to the Committee on Armed Services.

Report on Loan, Guarantee, and Insurance Transactions Supported by Eximbank to Yugoslavia, Romania, the Union of Soviet Socialist Republics, and Poland, April 1974

A letter from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee, and insurance transactions supported by Eximbank to Yugoslavia, Romania, the Union of Soviet Socialist Republics, and Poland during April 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

Report on Loan, Guarantee, and Insurance Transactions Supported by Eximbank to Yugoslavia, Romania, the Union of Soviet Socialist Republics, and Poland, May 1974

A letter from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee, and insurance transactions supported by Eximbank to Yugoslavia, Romania, the Union of Soviet Socialist Republics, and Poland during May 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation To Continue Duration of the Federal Savings and Loan Advisory Council

A letter from the Chairman, Federal Home Loan Bank Board, transmitting a draft of proposed legislation to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

Annual Report of the National Transportation Safety Board

A letter from the Chairman, National Transportation Safety Board, Department of Transportation, transmitting, pursuant to law, the 1973 Annual Report of the National Transportation Safety Board (with an accompanying report). Referred to the Committee on Commerce.

Statistical Supplement to Federal Trade Commission Report to Congress

A letter from the Chairman, Federal Trade Commission, transmitting a statistical supplement to the Commission's report on cigarette labeling and advertising, dated December 31, 1973, which was submitted pursuant to the Public Health Cigarette Smoking Act (with accompanying papers.) Referred to the Committee on Commerce.

Report on Administration of the Marine Mammal Protection Act of 1972

A letter from the Secretary of Commerce, transmitting, pursuant to law, the report of the Department of Commerce on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report). Referred to the Committee on Commerce.

Report of Amtrak for Month of March 1974

A letter from the Director, Federal Affairs, reporting, pursuant to law, total itemized revenues and expenses, revenues and expenses of each train operated, and revenue and total expenses attributable to each railroad over which service is provided, for the month of March 1974 (with accompanying papers). Referred to the Committee on Commerce.

Report on Steam-Electric Plant Construction Cost and Annual Production Expenses, 1972

A letter from the Chairman, Federal Power Commission, submitting, for the information of the Senate, a publication entitled "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1972, Federal Power Commission" (with an accompanying publication). Referred to the Committee on Commerce.

Report Entitled "Natural Gas Survey"

A letter from the Chairman, Federal Power Commission, submitting, for the information of the Senate, a copy of Volume IV of the National Gas Survey, "Distribution Task Force Reports," (with an accompanying publication). Referred to the Committee on Commerce.

Proposed Legislation To Increase the Borrowing Authority of the Panama Canal Company and Revise the Method of Computing Interest Thereon

A letter from the President, Panama Canal Company, transmitting a draft of proposed legislation to increase the borrowing authority of the Panama Canal Company and revise the method of computing interest thereon (with accompanying papers). Referred to the Committee on Commerce.

Proposed Legislation To Amend the Act To Establish a District of Columbia Armory Board and the District of Columbia Stadium Act of 1957

A letter from the Mayor-Commissioner of the District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes", and the "District of Columbia Stadium Act of 1957", (with accompanying papers). Referred to the Committee on the District of Columbia.

The Battle Act Report of 1973

A letter from the Acting Assistant Secretary for Economic and Business Affairs, Department of State, transmitting, pursuant to law, the 26th report on operations under the Mutual Defense Assistance Control Act of 1951 (Battle Act) (with an accompanying report). Referred to the Committee on Foreign Relations.

International Agreements Other Than Treaties Entered Into by the United States

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof (with accompanying papers). Referred to the Committee on Foreign Relations.

Report on Grants for Basic Scientific Research and Transfer of Title to Government Equipment

A letter from the Assistant Secretary of Defense, transmitting, pursuant to law, a report showing grants for basic scientific research made by the Department of Defense to nonprofit institutions during calendar year 1973 (with an accompanying report). Referred to the Committee on Government Operations.

Proposed Legislation To Provide More Effective Means To Improve Personnel Administration in State and Local Governments; To Correct Certain Inequities in the Law; and To Extend Coverage Under the Law to Indian Tribes and the Trust Territory of the Pacific Islands

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to Indian tribes and the Trust Territory of the Pacific Islands (with accompanying papers). Referred to the Committee on Government Operations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Modernization of 1872 Mining Law Needed to Encourage Domestic Mineral Production, Protect the Environment, and Improve Public Land Management, Department of the Interior, Department of Agriculture (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Salmonella in Raw Meat and Poultry: An Assessment of the Problem, Food and Drug Administration, Department of Health, Education, and Welfare, Animal and Plant Health Inspection Service, Department of Agriculture (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Improvements Needed in Examining and Selecting Applicants for Federal Employment, Civil Service Commission (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Project REFLEX (Resource Flexibility)—A Demonstration of Management Through Use of Fiscal Controls Without Personnel Ceilings, Department of Defense (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Better Planning and Management Needed by the Veterans Administration to Improve Use of Specialized Medical Services (with an accompanying report). Referred to the Committee on Government Operations.

Report of Activities of the 1973 Youth Conservation Corps Program

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report detailing the activities of the 1973 Youth Conservation Corps Program (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Report on Administration of the Wild Free-Roaming Horse and Burro Act, June 1974

A letter from the Assistant Secretary of the Interior and the Deputy Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on Administration of the Wild Free-Roaming Horse and Burro Act, Public Law 92–195, June 1974 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Amendment to Concession Contract Authorizing Oglala Sioux Tribe To Provide Accommodations, Facilities and Services for the Public Visiting Cedar Pass Lodge, Badlands National Monument, S. Dak.

A letter from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment to Concession Contract No. 14–10–9–900–209 authorizing the Oglala Sioux Tribe, to provide accommodations, facilities, and services for the public visiting Cedar Pass Lodge within Badlands National Monument, S. Dak., for a term of 1 year from January 1, 1974, through December 31, 1974 (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

Proposed Plan for Use and Distribution of Judgment Funds Awarded to the Nez Perce Tribe of Idaho

A letter from the Acting Assistant Secretary of the Interior, submitting, pursuant to law, a plan for the use and distribution of the judgment funds awarded in Docket 175–B to the Nez Perce Tribe of Idaho before the Indian Claims Commission (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

Report of Activities in Certain Countries Relating to Applications for Conditional Entry

A letter from the Acting Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, reporting, pursuant to law, on activities in certain countries relating to applications for conditional entry, for the period between December 31, 1973, and June 30, 1974 (with accompanying papers). Referred to the Committee on the Judiciary.

Report on Search for Success Toward Policy on Educational Evaluation

A letter from the Acting Chairwoman, National Advisory Council on Education Professions Development, submitting, pursuant to law, a report entitled "Search for Success; Toward Policy on Educational Evaluation" (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

Report on National Program of Inspection of Dams

A letter from the Acting Secretary of the Army, reporting, pursuant to law, on the national program of inspection of dams. Referred to the Committee on Public Works.

Report Covering Relief for Administrative Error—Veterans' Administration

A letter from the Administrator, Veterans' Administration, reporting, pursuant to law, on cases of relief for administrative error (with accompanying papers). Referred to the Committee on Veterans Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 2193. A bill to provide for increased participation by the United States in the Asian Development Bank (Rept. No. 93–1040).

By Mr. HART, from the Committee on Commerce, with an amendment:

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge (Rept. No. 93–1039).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 4861. An act to amend the Act of October 4, 1961, providing for the preservation and protection of certain lands known as Piscataway Park in Prince Georges and Charles Counties, Md., and for other purposes (Rept. No. 93–1041).

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 12884. An act to designate certain lands as wilderness (Rept. 93–1043).

By Mr. CLARK, from the Committee on Agriculture and Forestry, without amendment:

H.R. 14723. An act to amend the Agricultural Act of 1970 to change the date on which the President must report to Congress concerning Government assisted services to rural areas (Rept. No. 93–1042).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the nominations of 27 in the Army for the temporary appointment to the grade of major general and 28 in the Army for permanent promotion to the grade of brigadier general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to be placed on the Executive Calendar were printed in the Record of July 8, 1974, at page 22306).

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Lieutenant General Benade, USA, to be placed on the retired list in that grade, Major General Kissinger to be lieutenant general; in the Navy, Vice Admirals Beshany, Cagle, and Miller to be placed on the retired list in the grade of vice admiral and Rear Admirals Turner, Kaufman, Doyle, Jr., and Snyder for promotion to the grade of vice admiral; and, in the Air Force, General O'Keefe to be placed on the retired list in that grade, Lieutenant Generals Robbins, Kent, Talbott, Sherrill and Sweat to be placed on the retired list in the grade of lieutenant general; and, Major Generals Carson, Jr., and Burns to be promoted to the grade of lieutenant general. I ask that these names be placed on the Executive Calendar.

In addition, there are 5,423 in the Army and Reserve of the Army and National Guard in the grade of colonel and below; in the Navy and Reserve of the Navy there are 140 in the grade of captain and below; and, in the Air Force and Air Force Reserve there are 1,421 for promotion to the grade of colonel and below. Since these names have appeared previously in the Record and to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

(The nominations ordered to be placed on the Executive Calendar were printed in the Record of June 21, 1974, at page 20516; June 24, 1974, at page 20810; July 8, 1974, at page 22306; July 11, 1974, at page 22938; and July 15, 1974, at page 23249.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time, and by unanimous consent, the second time, and referred as indicated:

By Mr. GOLDWATER:

S. 3828. A bill for the relief of Wai Wing Ng. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY (for himself and Mr. Taft):

S. 3829. A bill to authorize the Secretary of the Navy to transfer ownership of two naval vessels no longer needed by the Navy to the city of New York, N.Y. Referred to the Committee on Armed Services.

By Mr. ERVIN:

S. 3830. A bill to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements. Referred to the Committee on Foreign Relations.

By Mr. NUNN:

S. 3831. A bill to authorize and direct the Secretary of the Army to convey to the board of regents of the University System of Georgia certain lands of the United States in Augusta, Ga. Referred to the Committee on Armed Services.

By Mr. BARTLETT:

S. 3832. A bill to prohibit amateur sports organizations from punishing members by banning them from television. Referred to the Committee on Commerce.

By Mr. TOWER (for himself and Mr. BROCK):

S. 3833. A bill to amend the Internal Revenue Code of 1954 to simplify and reform income taxes for small businesses. Referred to the Committee on Finance.

By Mr. STEVENSON:

S. 3834. A bill to grant a Federal charter to the American Political Items Collectors, Incorporated. Referred to the Committee on the Judiciary.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 3835. A bill designating certain rivers in the State of Oregon as potential additions to the national wild and scenic rivers system. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRAVEL:

S. 3836. A bill to authorize all American citizens and American nationals to use the recreational facilities of military installations. Referred to the Committee on Armed Services; and

S. 3837. A bill to exclude from the gross income of certain individuals the first $750 of interest received from savings account deposits. Referred to the Committee on Finance.

By Mr. PROXMIRE (for himself and Mr. MAGNUSON):

S. 3838. A bill to authorize the regulation of obligations issued by financial intitutions holding companies, and for other purposes. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 3839. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN:

S. 3831. A bill to authorize and direct the Secretary of the Army to convey to the Board of Regents of the University System of Georgia certain lands of the United States in Augusta, Ga. Referred to the Committee on Armed Services.

TRANSFER OF SURPLUS ARMY LAND TO AUGUSTA COLLEGE

Mr. NUNN. Mr. President, I am introducing today a bill to authorize the transfer of a parcel of land from the Department of the Army to Augusta College in Augusta, Ga. I am joined in this measure as cosponsors by the distinguished senior Senator from Georgia, Mr. TALMADGE, and by our esteemed colleague from South Carolina, Mr. THURMOND. Congressman ROBERT STEPHENS, who so ably represents Augusta and the 10th Congressional District, is introducing companion legislation in the House of Representatives.

The purpose of this bill is to facilitate the transfer of the land which is desired by both parties to the transaction. Payment of full market value is provided by the bill. There are no other competing claims to the land, and no objections to the conveyance have been voiced from any quarter. By authorizing the Secretary of the Army to make the transfer directly to the board of regents of the University of Georgia for Augusta College, the bill is merely intended to simplify, accelerate, and assure completion of the transfer.

This bill represents the completion of a process of negotiation and cooperation which goes back nearly 3 years when the first request by the college for the Army site was made. But, in fact, the story begins nearly 20 years ago.

At that time, in 1955, about 70 acres of property occupied by the Augusta Armory was declared surplus by the Army and acquired by the Richmond County Board of Education. Excluded from that transaction by the Army was about 5 acres at a corner of the tract. On this land in 1957 the Army built the present U.S. Reserve Armory which has served since as a reserve training center, as well.

In 1958 the board of education transferred the main body of the armory property to the board of regents of the University of Georgia for use by Augusta College. That same year Augusta College, then a small junior college with a history dating back to 1783, became a unit of the State university system.

The college and its new site underwent a remarkable growth and development in the succeeding 15 years. The college was transformed from a junior college into a senior institution offering first a baccalaureate program and recently graduate programs as well. Enrollment grew from less than 450 students in 1958 to over 3,900 students in 1974, drawn from throughout the central Savannah River area of Georgia and South Carolina. The State of Georgia spent over $10 million to refurbish existing structures and add new facilities, developing a campus which today has a replacement value of over $30 million. In short, in a decade and a half, Augusta College has grown ninefold into a truly important community asset and a valuable State facility serving a broad and expanding area as an essential educational resource.

Anticipating that continued growth could push enrollment beyond the 6,000 mark by 1980 and recognizing that property for expansion was virtually nonexistent in the college's landlocked residential area, Augusta College officials first turned to the Army for help with its expansion in 1971. The college asked that the adjacent 5-acre armory and training center site be transferred to it to help relieve the space problems.

The Army was sympathetic to the college request. In fact, it was finding the 5-acre site smaller than it needed for its own expansion plans for the training center, but it had no suitable alternate site available. Thus began a cooperative effort extending to the present to find a mutually acceptable solution to the joint problem of relocation.

I do not intend to recount the efforts that have been required over the last 3 years to find the happy answer. Suffice it to say that it has been found through the determined efforts of the college under its able president, Dr. George Christenberry; through the unstinting cooperation of the Army, locally and in Washington; through the understanding and support of local and State officials and the assistance of Federal agencies; and with a boost where needed from Senator TALMADGE, Senator THURMOND, Congressman STEPHENS, and my own office.

The Army now has fine site in Augusta on which to relocate its expanded Reserve training center. Augusta College is moving ahead with plans to utilize the present site, and the transfer has been endorsed by all interested parties. The next step required is enactment of the authorizing legislation I am introducing today. I hope that the legislative wheels will roll smoothly and rapidly to passage so that we may soon set the seal of Federal approval on this fine example of cooperation, civilian and military, local, State, and Federal.

By Mr. BARTLETT:

S. 3832. A bill to prohibit amateur sports organizations from punishing members by banning them from television. Referred to the Committee on Commerce.

Mr. BARTLETT. Mr. President, last year the University of Oklahoma advised the Big Eight Conference and the NCAA that they were guilty of a recruiting violation involving a member of their football team.

O.U. admitted that a player's high school transcript had been altered to make him eligible to participate in football his freshman year.

The facts of the case indicate that the player involved had no knowledge of the violation. The transcript was altered by one of the player's high school coaching staff but with the acquiescence of one coach at the University of Oklahoma.

Upon learning the facts the university immediately asked the coach involved to resign, which he did, and the player was declared ineligible pending the Big Eight and NCAA investigation.

Ultimately the Big Eight and NCAA came down with sanctions which included the ineligibility of the player during the 1973 season, the university was denied the right to go to a bowl game after both the 1973 and 1974 seasons, and last the university could not appear on television during the 1974 and 1975 seasons.

First I must say that the violation can in no way be condoned or excused. It was dishonest, and the people involved set a poor example for the young people they were ostensibly teaching and leading.

However, I feel the NCAA and the Big Eight far exceeded justice in the punishment which was meted out.

I believe that the punishment should fit the crime, and innocent parties should not be forced to suffer with the guilty.

The irony of it all is that the only persons now being punished are those innocent of any wrongdoing. As a matter of fact, the head football coach at O.U., Mr. Barry Switzer, was given a lie detector test by the Oklahoma Crime Bureau, and it showed not only was he not involved in the transcript alteration, but that he had never been guilty of any recruiting violation.

I see clear justification for punishing a school in addition to the actual guilty party. The university should bear responsibility for policing their own employees, but, the great injustice in the NCAA and the Big Eight system of punishment is the denial of a school's right to be on television, because here the primary recipient of the sanction is not the guilty coach or a player who might be involved, but the victim is the innocent general public.

For instance, in the case of the University of Oklahoma, they offered to forgo any revenue from television if their punishment did not include a TV ban.

This would have made sense. The university would have lost hundreds of thousands of dollars television revenue, but the public and albeit the innocent coaches, students, and players of the team would not be unfairly blacked out.

It appears unfair to me that, though television is banned for 1974 and 1975, radio and the printed media are permitted.

It might be questioned what authority the Congress has to intervene in intercollegiate sports activities. Ordinarily I would say none. However, my bill deals only with an organization's authority to interfere with the broadcast of an event over the airwaves—a matter of traditional concern by the Congress with its legislative authority over the FCC.

In 1973, the Congress took action to make certain the public had more opportunity to witness televised football games.

I would urge the Congress to take action on this bill. The many, many persons who cannot afford to buy $9 tickets to any athletic event should not be denied the opportunity to witness the sport via television because of the guilt of one man. The punishment far exceeds the ligitimate punishment of the guilty.

By Mr. TOWER (for himself and Mr. BROCK):

S. 3833. A bill to amend the Internal Revenue Code of 1954 to simplify and reform income taxes for small businesses. Referred to the Committee on Finance.

Mr. TOWER. Mr. President, on behalf of myself and the distinguished Senator from Tennessee (Mr. BROCK), I am today introducing a bill which will focus the attention of Congress on the tax problems faced by small businessmen and the need to simplify and reform the income taxation of small businesses.

It is our concern that the backbone of our economy, the small business community, has been the victim of neglect by Congress for many years. The creation of subchapter S corporations in 1958 was the last positive example of any affirmative action taken on the particular tax problems confronting small businessmen.

Recently the President called on the American business community to increase productivity as a step toward prosperity without inflation. The small business sector is ready to respond, yet the complexities of our tax laws and regulations coupled with their failure, in several instances, to keep pace with our changing economic climate has created a frustrating maze not conducive to economic growth and development. What is needed are measures that realistically deal with the problems of a depreciated dollar, capital investment and overly complex tax laws, thereby stimulating the flow of money and people into the small business sector.

It is time for Congress to remove the stumbling block to small business formation by acting expediently and judiciously to correct the inequities in our tax laws. We believe that our bill is a substantial step in this direction.

Our proposal would:

Provide for tax simplification relating to small business.

Increase the corporate surtax exemption.

Provide encouragement for the establishment of new small business enterprises.

Provide assistance for the growth of small business.

Simplify and improve the effectiveness of subchapter S.

We commend the initiative taken by our colleagues, particularly the pioneering work of the distinguished Senator from Nevada (Mr. BIBLE), in the small business area and welcome others to join as we add our voice to rising bipartisan call for small business tax simplification and reform.

Mr. President, I ask unanimous consent that a section-by-section analysis of the Small Business Tax Reform Act of 1974 and the text of my bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the analysis and the bill were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE SMALL BUSINESS TAX REFORM ACT OF 1974

TITLE I—TAX SIMPLIFICATION RELATING TO SMALL BUSINESS

Sections 101 and 102 provide for a study by Treasury and report to Congress on the desirability of providing special depreciation rules for small business and for changes in the Tax Code to equate the treatment of fringe benefits as between incorporated and unincorporated small businesses.

Section 103 relieves small taxpayers from the burden of too frequent payment of certain employment and excise taxes.

TITLE II—INCREASE OF SURTAX EXEMPTION

Section 201 increases the corporate surtax exemption from $25,000 to $100,000.

TITLE III—SPECIAL PROVISIONS TO ENCOURAGE ESTABLISHMENT OF NEW SMALL BUSINESS

Section 301 would extend to partnership the option now enjoyed by corporations, to amortize their organization expenses over 60 months.

Section 302 would equate the tax treatment of lenders to or quarantors of business obligations, whether the businesses are incorporated or not, by extending the ordinary loss rule presently applicable to unincorporated business lending.

Section 303 would update incentives to invest small businesses by increasing from $25,000 to $50,000 the amount of allowable losses resulting from the purchase of section 1244 stock.

A second provision of this section would expand the definition of a "small business corporation" authorized to issue such stock from $1 million to $1,500,000 in "equity capital" as defined by the section.

This subsection would have the effect of allowing previously ineligible corporations with equity capital of between $1 million and $1,500,000 to issue 1244 stock in the amount of $750,000 (compared with $500,000 under the present section) and to permit previously eligible small business corporations to issue stock up to the $750,000 amount, if they are otherwise in compliance with the applicable rules.

Further provisions would enlarge the time within which a section 1244 plan must be executed and would preclude stock options to employees from disqualifying such a stock issue.

Another subsection would promote awareness of section 1244 benefits to newer firms by encouraging an entry on the tax return. Filing a copy of the plan with the return as optionally provided would have additional benefits of stabilizing its timing and content.

TITLE IV—PROVISIONS TO ASSIST SMALL BUSINESS GROWTH

Section 401 would increase additional first-year depreciation from $10,000 to $20,000 in accordance with increases in the cost of living and doing business since the section was previously revised in 1958.

Section 402 would extend the period and flexibility in use of loss carryover provision for small business by allowing existing corporations to carry losses forward up to 10 years at their option.

Section 403 would increase from $100,000 to $200,000 the minimum accumulated earnings credit for all corporations. The accumulated tax rate on improperly accumulated earnings is reduced to 22 percent from 27½ percent on the first $100,000 and 38½ percent on amounts in excess of $100,000. The section also increases from 75 to 90 days following the close of the taxable year the period in which dividend payments may be designated as dividends paid during the taxable year.

Section 404 would allow all corporations to amortize certain expenditures incident to the issuance or registration of stock or to the listing of such stock on a regional exchange.

Section 405 would allow research and development expenses to be amortized beginning at the time they are made rather than waiting until the taxpayer "first realizes benefits" from these expenditures.

TITLE V—PROVISIONS RELATING TO SUBCHAPTER S CORPORATIONS

Section 501 would allow enlargement of the Subchapter S "tax-option" small business corporations in the following 3 ways: (1) initial shareholders could number 15, rather than the present 10; (2) shareholders in excess of this ceiling who take their stock by reason of heirship would not disqualify election; and (3) after 5 years, the number of permissible shareholders would increase to 25, broadening possibilities for motivating employees by way of stock options and for infusion of fresh capital for the expansion.

Section 502 would expand classes of shareholders to include: (a) trusts where stock passes pursuant to a will, and where the trust is used merely to convey the stock to a long-term eligible holder within 60 days; (b) trusts where the entire income is taxable to the grantor; and (c) small business investment companies, subject to the elimination of the dividends payed credit on such income.

Section 503—Under the present law, a new shareholder can void the Subchapter S election for himself, the corporation, and all other shareholders. Under the rule proposed by section 503, a new shareholder would stand on the same footing as all other shareholders, and any 51 percent of the stock ownership could revoke the election.

Section 504 provides additionally for nondisqualification of a Subchapter S corporation by reason of exceeding the limit of 20 percent passive income in a single year. The election privilege could still be lost pursuant to this proposal if the limit is exceeded in any 2 of 4 consecutive years.

Section 505 would relieve considerable pressure on small business corporations in the event there has been a termination of status because of events beyond its control. If the corporation is able to establish that the termination was, in fact, inadvertent and can gain full compliance within 90 days of notification, its Subchapter S status would be preserved for future years.

Section 506 would equate carryover treatment of Subchapter S loans in excess of basis under 1374(c) with those of partnerships under section 704(d). Thus, if the basis was rebuilt in a future year, the excess loss would become available as a current deduction.

S. 3833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short title

(a) Short Title.—This Act may be cited as the "Small Business Tax Reform Act of 1974".

(b) Table of Contents.—

TITLE I—TAX SIMPLIFICATION RELATING TO SMALL BUSINESS

Sec. 101. Revision of depreciation policy.
Sec. 102. Equalization of treatment of fringe benefits as between incorporated and unincorporated small businesses.
Sec. 103. Frequency of collection of certain employment and excise taxes.

TITLE II—INCREASE OF CORPORATE SURTAX EXEMPTION

Sec. 201. Increase of exemption.
Sec. 202. Conforming amendments.

TITLE III—SPECIAL PROVISIONS TO ENCOURAGE ESTABLISHMENT OF NEW SMALL BUSINESS ENTERPRISES

Sec. 301. Deduction of organizational expenses of partnership.
Sec. 302. Bad debt deduction for guarantors of obligations of, and lenders to, small business corporations.
Sec. 303. Losses on small business stock.

TITLE IV—PROVISIONS TO ASSIST SMALL BUSINESS GROWTH

Sec. 401. Increase in additional first-year depreciation allowance.
Sec. 402. 10 year carryover of small business net operating losses.
Sec. 403. Accumulated earnings tax.
Sec. 404. Amortization of expenditures incident to issuance of stock.
Sec. 405. Period for amortization of research and experimental expenditures.

TITLE V—PROVISIONS RELATING TO SUBCHAPTER S CORPORATIONS

Sec. 501. Increasing number of permissible shareholders.
Sec. 502. Broadening classes of permissible shareholders.
Sec. 503. Termination of election by majority.
Sec. 504. Termination of election—passive investment income.
Sec. 505. Termination of election—inadvertence.
Sec. 506. Carryover of disallowed deductions for corporation's net operating loss.

(c) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act, an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

(d) Effective date.—Except as otherwise specified, the amendments to the Internal Revenue Code of 1954 made by this Act apply to taxable years beginning after the date of the enactment of this Act.

TITLE I—TAX SIMPLIFICATION RELATING TO SMALL BUSINESS

Sec. 101. Revision of depreciation policy.

(a) The Secretary of the Treasury shall study, with the assistance of the Administrator of the Small Business Administration, and report thereon to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, the effect on small business of those provisions of the Internal Revenue Code of 1954 relating to the depreciation of property and the desirability of providing special treatment for small business under such provisions. In making such study, the Secretary shall take into consideration—

(1) the effect of the credit for investment in depreciable property on capital formation by small business,

(2) the need of small business to be able to take advantage of rapid technological advances,

(3) the necessity for simplicity in the application of the depreciation provisions to small business, and

(4) the desirability of providing treatment for small business in the United States comparable to the treatment provided under the tax laws of other advanced countries for small business in those countries.

(b) The report required by subsection (a) shall be submitted as soon as practicable, but not later than one year after the date of the enactment of this Act.

Sec. 102. Equalization of treatment of fringe benefits as between incorporated and unincorporated small businesses.

(a) The Secretary of the Treasury, with the assistance of the Administrator of the Small Business Administration, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate recommendations for changes in the Internal Revenue Code of 1954 so as to provide equal tax benefits for all small business enterprises, whether incorporated or unincorporated, resulting from the application of the provisions of the Code relating to qualified pension, profitsharing and stock bonus plans, health and accidents plans, and wage continuation plans.

(b) The recommendations required by subsection (a) shall be submitted as soon as practicable, but not later than one year after the date of the enactment of this Act.

Sec. 103. Frequency of collection of certain employment and excise taxes.

(a) Small Taxpayers Not to be Required to Make Payments More Often Than Monthly.—Section 6302 (relating to mode or time of collection) is amended by adding at the end thereof the following new subsection:

"(d) Collection of Certain Employment and Excise Taxes.—If, during a calendar month, the aggregate of the amount of—

"(1) taxes deducted under section 3102 from wages paid by a person,

"(2) taxes imposed under section 3111 on wages paid by such person,

"(3) taxes deducted and withheld under section 3402 upon wages paid by such person, and

"(4) taxes imposed under chapters 31 and 32 with respect to sales by such person,

does not exceed $10,000,

the Secretary or his delegate may not require such person to pay or deposit such taxes more than one time during such month."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the first day of the first calendar quarter beginning more than 30 days after the date of the enactment of this Act.

TITLE II—INCREASE OF CORPORATE SURTAX EXEMPTION

Sec. 201. Increase of exemption.

Section 11 (d) (relating to surtax exemption) is amended by striking out "$25,000" and inserting in lieu thereof "$100,000".

Sec. 202. Conforming amendments.

(a) The following provisions are amended by striking out "$25,000" and inserting in lieu thereof "$100,000" each place it appears therein:

(1) section 12 (7) (relating to cross references relating to tax on corporations),

(2) section 962 (c) (relating to election by individuals to be subject to tax at corporate rates),

(3) section 1561 (relating to surtax exemptions in case of certain controlled corporations) (as in effect for taxable years beginning before 1975),

(4) section 1561 (a) (1) (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) (as in effect for taxable years beginning after 1974), and

(5) section 1564 (a) (1) (A) (relating to transitional rules in the case of certain controlled corporations).

(b) The table contained in section 1564 (a) (1) is amended by striking out "4,167" in the column headed "Surtax exemption" and inserting in lieu thereof "16,667".

TITLE III—SPECIAL PROVISIONS TO ENCOURAGE ESTABLISHMENT OF NEW SMALL BUSINESS ENTERPRISES

Sec. 301. Deduction of organizational expenses of partnership.

Section 703 (relating to the computation of the taxable income of a partnership) is amended by adding at the end thereof the following new subsection:

"(c) Organizational Expenses.—

"(1) General rule.—A deduction shall be allowed to the partnership for organizational expenses (as defined in paragraph (2)) ratably over a period of 60 months beginning in the month in which such expenses were paid or accrued, except that in the event the partnership is considered as terminated under section 708(b) any organizational expenses not previously allowed shall be allowed for the taxable year in which it is so considered to be terminated.

"(2) Definition.—For purposes of this subsection, the term 'organizational expenses' means any expense of a character which, if expended incident to the creation of a corporation having a limited life, would be amortizable over such life and which is incident to—

"(A) the creation of a new partnership;

"(B) the preparation of a partnership agreement for a partnership;

"(C) the amendment of an existing partnership agreement; or

"(D) the preparation or amendment of any agreement relating to the transfer or retirement of an interest in a partnership."

Sec. 302. Bad debt deduction for guarantors of obligations of, and lenders to, small business corporations.

(a) Guarantors of Obligations of Small Business Corporations.—Section 166(f) (relating to guarantors of certain noncorporate obligations) is amended to read as follows:

"(f) Guarantor of Certain Noncorporate Obligations and Obligations of Small Business Corporations.—

"(1) In general.—A payment during the taxable year by the taxpayer (other than a corporation) in discharge of part or all of his obligation as a guarantor, endorser, or indemnitor of—

"(A) a noncorporate obligation; or

"(B) an obligation of a corporation which (at the time such obligaton is incurred) is a small business corporation,

the proceeds of which were used in the trade or business of the borrower shall be treated as a debt becoming worthless within such taxable year for purposes of this section (except that subsection (d) shall not apply), but only if the obligation of the borrower to the person to whom such payment was made was worthless (without regard to such guaranty, endorsement, or indemnity) at the time of such payment.

"(2) Small business corporation.—For purposes of paragraph (1), the term 'small business corporation' means a corporation the equity capital of which does not exceed $1,500,000. For purposes of the preceding sentence, the equity capital of a corporation is the sum of its money and other property (in an amount equal to the adjusted basis of such property for determining gain), less the amount of its indebtedness (other than indebtedness to shareholders)."

(b) Definition of Nonbusiness Debts.—Section 166(d)(2) (relating to definition of nonbusiness debt) is amended—

(1 by striking out "or" at the end of subparagraph (A):

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new subparagraph:

"(C) a debt arising from a loan to—

"(i) one or more individuals, or

"(ii) a corporation which at the time such loan is made is a small business corporation (as defined in subsection (f)(2)),

the proceeds of which are used in the trade or business of the borrower or borrowers."

Sec. 303. Losses on small business stock.

(a) Increase in Maximum Amount of Losses.—Section 1244(b) (relating to limitation on application of section 1244) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) $50,000 (not more than $25,000 of which is attributable to stock acquired before the date of the enactment of the Small Business Tax Reform Act of 1974), or

"(2) in the case of a husband and wife filing a joint return for such year under section 6013, $100,000 (not more than $50,000 of which is attributable to stock acquired before such date)."

(b) Definition of Section 1244 Stock.—Section 1244 (relating to losses on small business stock) is amended by redesignating subsection (e) as (g) and by inserting after subsection (d) the following new subsections:

(e) Plans Adopted After Enactment of Small Business Tax Reform Act of 1974.—In the case of a plan adopted after the date of the enactment of the Small Business Tax Reform Act of 1974—

"(1) paragraph (2) of subsection (c) shall be applied by substituting—

"(A) $750,000 for $500,000 in subparagraph (A), and

"(B) $1,500,000 for $1,000,000 in subparagraph (B);

"(2) paragraph (1)(A) of subsection (c) shall be applied by substituting 5 years for 2 years;

"(3) paragraph (1)(C) of subsection (c) shall not apply with respect to a prior offering of section 1244 stock under a plan adopted on or before such date, but in applying paragraphs (2)(A)(i) and (2)(B)(i) of subsection (c) there shall be taken into account the amount of such prior offering which is outstanding on the date of the adoption of the plan; and

"(4) for purposes of paragraph (1)(C) of subsection (c), options to acquire stock held by employees of the corporation (and unissued stock necessary in case of the exercise of such options) shall not be considered to be a part of a prior offering which is outstanding.

"(f) Notice of Offering and Adoption of Plans.—A corporation which during the taxable year makes an offering of its stock which it believes to fulfill the requirements of subparagraphs (A), (B), and (C), of subsection (c)(1) may—

"(1) include, on its return for such year, a statement that such offering has been made and the date on which the plan for such offering was adopted, and

"(2) include a copy of such plan with such return."

TITLE IV—PROVISIONS TO ASSIST SMALL BUSINESS GROWTH

Sec. 401. Increase in additional first-year depreciation allowance.

Section 179(b) (relating to dollar limitation on property eligible for additional first-year allowance) is amended—

(1) by striking out "$10,000" each place it appears and inserting in lieu thereof "$20,000"; and

(2) by striking out "$20,000" and inserting in lieu thereof "$40,000".

Sec. 402. 10-year carryover of small business net operating losses.

(a) 10-Year Carryover Period.—Section 172(b)(1) (relating to years to which loss may be carried is amended)—

(1) by striking out "and (E)" in subparagraph (B) and inserting in lieu thereof "(E), and (H)";

(2) by adding at the end thereof the following new subparagraph:

"(H) In the case of a taxpayer which is carrying on a trade or business as a small business concern (within the meaning of the Small Business Act) determined as of the close of the taxable year, the portion of a net operating loss sustained in such trade or business shall be a net operating loss carryover to each of the 10 taxable years following the taxable year of such loss."

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to losses sustained in taxable years beginning after the date of the enactment of this Act.

Sec. 403. Accumulated earnings tax.

(a) Rate of Tax.—Section 531 (relating to imposition of accumulated earnings tax) is amended by striking out all after "equal to" and inserting in lieu thereof "22 percent of the accumulated taxable income."

(b) Minimum Accumulated Earnings Credit.—Section 535(c) (relating to accumulated earnings credit) is amended by striking out "$100,000" in paragraphs (2) and (3) and inserting in lieu thereof "$200,000".

(c) Dividend Distributions To Reduce Tax Liability.—Part I of subchapter G of chapter 1 (relating to corporations improperly accumulating surplus) is amended by adding at the end thereof the following new section:

"Sec. 538. Payments of dividends to reduce tax liability.

"(a) Dividends Paid After Determination of Tax Liability.—Whenever a final determination has been made that a corporation is liable for the tax imposed by section 531 for a taxable year, such corporation may designate any dividends paid by it within 90 days after the date of such final determination as dividends paid to obtain the benefit of this section. In determining such corporation's final liability for the tax imposed by section 531 for such taxable year, the amount of its accumulated taxable income shall be reduced by an amount equal to the dividends paid and so designated.

"(b) Special Rules.—

"(1) Dividends to which applicable.—Subsection (a) shall apply only to a dividend which meets the requirements of section 562.

"(2) Section 561 not to apply.—Any dividend designated under subsection (a) as a dividend paid to obtain the benefits of this section shall not be treated as dividend for purposes of section 561.

"(c) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) Clerical Amendment.—The table of sections for part I of subchapter G of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 538. Payment of dividends to reduce tax liability."

Sec. 404. Amortization of expenditures incident to issuance of stock.

Section 248(b) (relating to definition of organizational expenditures) is amended by—

(a) striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and "or"; and

(b) inserting the following new paragraph after paragraph (3):

"(4) is incident to the issuance or registration of stock in the corporation or to the listing of such stock on a regional exchange.".

Sec. 405. Period for amortization of research and experimental expenditures.

Section 174(b) (relating to amortization of certain research and experimental expenditures) is amended by striking out "(beginning with the month in which the taxpayer first realizes benefits from such expenditures)" in the second sentence of paragraph (1).

TITLE V—PROVISIONS RELATING TO SUBCHAPTER S CORPORATIONS

Sec. 501. Increasing number of permissible shareholders.

(a) Increase in Number.—Section 1371(a) (relating to definition of small business corporation) is amended by striking out "10 shareholders" in paragraph (1) and inserting in lieu thereof "15 shareholders (25 shareholders, in the case of a corporation which has been in existence for 5 or more years)".

(b) Stock Received Upon Death of Shareholders.—Section 1371 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(e) Stock Held by Individuals by Reason of Death of Original Shareholders.—Stock owned by an individual which was received by him by reason of the death of an original shareholder shall, for purposes of applying subsection (a)(1), be treated as if it were still owned by such original shareholder. For purposes of this subsection, the term 'original shareholder' means a shareholder described in section 1372(a) who is required to consent to an election under such section."

Sec. 502. Broadening classes of permissible shareholders.

(a) Small Business Investment Companies and Certain Trusts.—Section 1371(a) (relating to definition of small business corporation) is amended by striking out "(other than an estate, a trust described in subsection (f), or a small business investment company operating under the Small Business Investment Act of 1958)".

(b) Certain Trusts.—Section 1371 (relating to definitions) is amended by adding after subsection (e) (as added by sections 501(b) of this Act) the following new subsection:

"(f) Certain Trusts Permitted as Shareholders.—For purposes of subsection (a), the following trusts may be shareholders:

"(1) A trust all of which is treated as owned by the grantor under subpart E of part I of subchapter J of this chapter.

"(2) A trust created primarily to exercise the voting power of stock transferred to it.

"(3) Any trust with respect to stock transferred to it pursuant to the terms of a will, but only for the 60-day period beginning on the day on which such stock is transferred to it.

In the case of a trust described in paragraph (2), each beneficiary of the trust shall, for purposes of subsection (a) (1), be treated as a shareholder."

(c) Technical Amendments.—Section 243 (c) (relating to special rules for certain distributions) is amended by adding at the end thereof the following new paragraph:

"(5) Any dividend received by a small business investment company operating under the Small Business Investment Act of 1958 from an electing small business corporation (and any amount included in the gross income of such company which is treated as a dividend under section 1373) shall not be treated as a dividend."

Sec. 503. Termination of election by majority.

Section 1372(e) (relating to termination of election) is amended—

(1) by striking out paragraph (1);

(2) by striking out the second sentence of paragraph (2) and inserting in lieu thereof the following: "An election may be revoked only if shareholders owning more than 50 percent of the stock of the corporation on the day on which the revocation is made consent to the revocation."; and

(3) by redesignating paragraphs (2), (3), (4), and (5) as (1), (2), (3), and (4), respectively.

Sec. 504. Termination of election—passive investment income.

Section 1372(c)(5) (relating to passive investment income) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) Except as provided in subparagraph (B), an election under subsection (a) made by a small business corporation shall terminate if—

"(i) for any taxable year of the corporation for which the election is in effect, the corporation has gross receipts more than 20 percent of which is passive investment income, and

"(ii) for any of the 3 immediately preceding taxable years of the corporation for which the election is in effect, the corporation had gross receipts more than 20 percent of which was passive investment income.

Such termination shall be effective for the taxable year of the corporation described in clause (i), and for all succeeding taxable years of the corporation."

Sec. 505. Termination of election—inadvertence.

Section 1372 (relating to election by small business corporation) is amended—

(1) by striking out "An election" in the first sentence of subsection (e)(2) (as redesignated by this Act) and inserting in lieu thereof "Except as provided in subsection (h), an election"; and

(2) by adding at the end thereof the following new subsection:

"(h) Ceasing To Be Small Business Corporation Through Inadvertence.—An election under subsection (a) made by a small business corporation which ceases to be a small business corporation shall not terminate if, after notification by the Secretary or his delegate that it has failed to meet the requirements of section 1371(a), the corporation—

"(1) establishes that such failure was inadvertent, and

"(2) within 90 days after the date on which it is so notified, completes action so as again to meet such requirements."

Sec. 596. Carryover of disallowed deductions for corporations net operating loss

Section 1374(c) (relating to determination of shareholder's portion of net operating loss) is amended by adding at the end thereof the following new paragraph:

"(3) Carryover of disallowed part.—If, by reason of the application of paragraph (2), any part of a shareholder's portion of the net operating loss of an electing small business corporation for any taxable year (as determined under paragraph (1)) is not allowable as a deduction under subsection (b) for such taxable year, such part shall, subject to the limitation contained in paragraph (2), be treated as (or be added to, as the case may be) his portion of the corporation's net operating loss for the succeeding taxable year."

SMALL BUSINESS TAX REFORM ACT OF 1974

Mr. BROCK. Mr. President, I am pleased to join the gentleman from Texas (Mr. Tower) as a coauthor of the Small Business Tax Reform Act of 1974.

Small business is the foundation upon which our free market system rests; 19 out of 20 of the enterprises in this country are small businesses, yet, small business has been deplorably neglected. Either consciously or unconsciously Government policies have been directed toward supporting those large segments of the economy—the major corporations and national labor unions—that contribute most visibly to the gross national product.

It is high time this trend is reversed.

A good place to begin is with the Federal tax code.

Our many fine small corporations, partnerships, proprietorships, and individuals simply are unable to cope with the Federal tax laws. The forms are torturous while the tax burden too often is a disincentive for growth and increased productivity.

The Small Business Tax Reform Act would be a big step toward correcting these inequities.

First, the bill calls for tax simplifications relating to small business. The primary focus here would be to find ways to enable small business to fully receive the advantages of depreciation and fringe benefit rules enjoyed by large corporations.

The corporate surtax exemption would be increased from $25,000 to $100,000. The $25,000 corporate surtax exemption was fixed in 1938. During the past 36 years the value of this figure has been significantly eroded by inflation. The adjustment in the bill will compensate for inflation. Congress has already taken this into account in increasing the personal exemption for individuals.

Special provisions in the bill would encourage the establishment of new small businesses. Presently, small businesses find that they are disadvantaged by the intricateness and vagaries of the tax code. Relief from some of these problems would be afforded by extending to partnerships the option to amortize organization expenses; by extending to unincorporated business lending the ordinary loss rule; and by providing more favorable treatment for section 1244 stock.

Small business growth would be encouraged through a number of measures to provide for the internal generation of capital. This is currently crucial in light of the tight money market. Today, the small business firm must rely most heavily on retained earnings. To accomplish these ends the minimum accumulated earnings credit for all corporations would be increased from $100,000 to $200,000. Certain expenditures incident to the issuance or registration of stock could be amortized. Research and development expense could be amortized at the time made. Depreciation and loss carryover rules would be liberalized.

Perhaps most important are the provisions to simplify and improve the effectiveness of subchapter S. In 1958, subchapter S was included in the Revenue Act to permit small firms to select the form of business organization desired without the necessity of taking into account major differences in tax consequences. Unfortunately, subchapter S has fallen short in a number of respects of accomplishing this objective. A number of provisions in the Small Business Tax Reform Act of 1974 are designed to accomplish more nearly this objective.

In proposing the Small Business Tax Reform Act, I am cognizant of the fact that there will be some revenue reduction. I do not feel that this or any other measure which reduces revenue should be enacted until there are equivalent cuts in Federal expenditures. Otherwise, any gains would be eaten up by inflation. Inflation hits the small businessman particularly hard. I am hopeful that my Budget Reform Act which has now been signed into law will be effective in reducing the level of Government expenditures and pave the way for this much needed tax reform measure.

By Mr. STEVENSON:

S. 3834. A bill to grant a Federal charter to the American Political Items Collectors, Incorporated. Referred to the Committee on the Judiciary.

Mr. STEVENSON. Mr. President, I am today introducing legislation which would provide a Federal charter to the American Political Items Collectors.

The American Political Items Collectors, or APIC, is a nonpartisan national organization dedicated to the collection and preservation of the artifacts of America's political heritage. Organized in 1945, APIC now has over 2,000 active members, from all walks of life, located in all 50 States. I am a member of APIC, and a constituent of mine, Larry Krug of Villa Park, Ill., is APIC's president.

Through educational projects, programs, and research publications, APIC has been a leader in expanding the knowledge of Americans about our political process. APIC is expanding its educational efforts for the Revolutionary Bicentennial through close cooperation with State Bicentennial commissions. But this is a continuing commitment and the organization intends to work long after the Bicentennial has passed into history.

APIC is a national organization dedicated to preserving American political history on a national level, and for this reason I believe consideration should be given to providing APIC a Federal charter.

By Mr. GRAVEL:

S. 3837. A bill to exclude from the gross income of certain individuals the first $750 of interest received from savings account deposits. Referred to the Committee on Finance.

INDIVIDUAL SAVER'S INCENTIVE ACT

Mr. GRAVEL. Mr. President, the purpose of this bill is to encourage individual savings and to reduce the inflationary pressures in our economy. The bill would exempt from the personal income tax of any person earning less than $20,000 the first $750 of interest income received from savings account deposits.

There is already an exclusion for the first $100 of dividend income which provides an incentive for investment in common stock. The economy is plagued by shortages and inflation. Expanding our industrial capacity is essential to our anti-inflation battle. Capital investment in job creating new plants and equipment must result from increased savings. A direct way to increase the supply of capital which may be invested in new plants and equipment is to encourage more people to save money. There are few incentives to save, however, when there is a prevailing attitude of "spending today because tomorrow's prices will be higher." This bill would help to stem the flight of money out of savings accounts and thereby provide more needed capital for investment in housing, in industry, in energy projects and in other areas of our economy where shortages exist.

Savings and loans institutions are experiencing disintermediation—an outflow of savings—to other, higher-yielding debt instruments. This is drying up funds in the housing market. The short supply of mortgage money has sent homebuyers' interest rates to record levels. This bill would stimulate the housing market and preserve a competitive savings and loans industry.

Another purpose of this bill is to provide some relief for the retired person who must live on the interest from his life savings. With the prevailing double-digit rate of inflation, the person with interest income is barely earning one-half the inflation rate. This bill would protect the pensioners and other people who rely on savings from the ranges of inflation and allow them to enjoy the fruit of their earlier labor. The bill would not, however, provide a windfall to those who can afford to protect themselves from inflation, because the exemption applies only to those with gross incomes less than $20,000.

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 3839. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JOHNSTON. Mr. President, I am introducing today, on behalf of the junior Senator from Washington (Mr. JACKSON) and myself, legislation that I believe is an important step forward in providing adequate funds to the States for a new program for the ecquisition of critically needed land areas, both urban and rural, and for the preservation of examples of our fast-disappearing historic heritage. The legislation also would provide additional funding for existing recreational programs presently funded through the Land and Water Conservation Fund.

Specifically, the legislation would do the following:

First, title I of this legislation would increase the authorized annual ceiling for the Land and Water Conservation Fund from $300 million to $750 million. The legislation specifies that of this amount, two-thirds will be available for the present purposes of the Fund. This would provide a total of $200 million annually to assist the Federal land managing agencies in rounding out their recreation estates, and a total of $300 million to be used on a 50 Federal–50 State match ratio for State and local land acquisition and development.

Second, $250 million annually would be made available to the States out of the fund on a 30 State–70 Federal match basis. These moneys would be used for the acquisition of urban area land that has value for park and recreation purposes, for conservation of land and other natural resources, and for historic, architectural or scenic purposes. These moneys also would be available for the acquisition by the States on the 30–70 basis of fragile or historic lands where uncontrolled or incompatible development could result in substantial damage to such lands. These lands would include shorelands, rare or valuable ecosystems and geological formations, significant wildlife habitats, wilderness areas and wetlands.

Third, title II of the legislation creates a National Historic Preservation Fund to meet the funding needs of the National Historic Preservation Act of 1966. The Fund would derive its revenues from the sale of our renewable resources under the Mineral Leasing Act of 1920, as amended, and the Outer Continental Shelf Lands Act, and would provide up to $150 million annually to match State preservation expenditures under the National Historic Preservation Act.

Mr. President, I believe the legislation that I have just described is greatly needed—and needed now. Everyday we lose 3,000 acres of land to development. The Federal Government must act now if we are to save our open spaces and historic and fragile areas from absorption by urban sprawl. Our present programs are not adequate to deal with the situation that confronts us. The legislation I am introducing today will, I believe, provide a significant stimulus to the action that the Federal Government and the States must now take to meet the conservation challenge we now face.

A little background information may be helpful in analyzing our present situation. In the 10 years since its creation, the Federal Land and Water Conservation Fund has provided over $1.7 billion for parks and recreation. The fund has enabled Federal, State and local agencies to protect, preserve, and conserve some of the Nation's most valuable lands and waters for use and enjoyment by the citizens of this Nation; but the task is far from accomplished. We need to acquire and protect significant natural areas pressured by sprawling development. Because our historic and cultural heritage is the tangible evidence of the continuity among the generations of man, we need a substantial, continuing program of historic preservation. And, we need to acquire and develop recreational areas and facilities to meet America's expanding demands for outdoor recreation opportunities.

The recreation land managing agencies of the Department of the Interior have identified existing acquisition needs at $425 million. The U.S. Forest Service also has substantial financial needs for land acquisition.

The States have demonstrated the capacity and desire to accelerate their outdoor recreation land acquisition and development programs. They have projected their needs for recreational land acquisition and development and historic preservation through 1989 to be in excess of $40 billion.

The legislation which I am introducing today will help to meet those needs.

This legislation recognizes the ever-increasing pressures of our finite land base and subsequent rapid land price escalation. If we are to preserve the remaining pieces of our natural heritage, we must act now before rising costs and irreversible development preempt outdoor recreation considerations.

We must strengthen the tools through which public agencies acquire and protect outdoor America. That is precisely what this legislation will accomplish by expanding and strengthening the Land and Water Conservation Fund, and by providing for the creation of a National Historic Preservation Fund.

The increase for Federal land acquisition is essential to acquire already authorized Federal outdoor recreation lands and proposed national areas pending final legislation. The National Park Service alone needs $250 million to acquire its backlog of authorized areas. In the immedate future, the Park Service may need an additional $175 million to purchase new outdoor recreation lands in Big Cypress and Big Thicket.

The Bureau of Sport Fisheries and Wildlife needs $165 million to acquire already authorized areas. B.S.F. & W. utilizes Fund moneys to preserve endangered species through acquisition of valuable habitat, and to provide recreation areas in the National Wildlife Refuge System and national fish hatcheries.

The Bureau of Land Management has identified acquisition needs at $12 million to acquire authorized lands along National Wild and Scenic Rivers, trails, and national conservation areas. And the Forest Service has sizable financial needs to acquire already authorized areas in national forests.

The expansion of funding for Water Conservation Fund from $300 million to $500 million will help meet these pressing needs.

The proposed 70 Federal/30 State grant program for land acquisition in urban areas and for acquisition of fragile or historic lands will meet a different need. This program recognizes that the critical areas that most require preservation are often the most expensive. I already have noted the daily loss of land to development. The pressures on our remaining open space lands are enormous, and the States just do not have sufficient funds to deal with this development.

Finally, by establishing the National Historic Preservation Fund to provide $150 million annually to meet the objectives of the National Historic Preservation Act of 1966, we are meeting funding needs that are overwhelming. The

States will have over $150 million available next fiscal year to match Federal funds for historic preservation. Yet only $24.4 million presently is authorized for such grants. The States have shown tremendous interest in preserving the great historical heritage that we have in this country. I propose no more than that the Federal Government at least match the $150 million the States are ready to provide for historic preservation.

Mr. President, we now recognize that America's land and waters are finite. With increasing population and expanding demands upon the land and its resources, we must realize that there is an immediate need to set aside those areas which should be preserved for future citizens of this country. If we hope to provide a legacy of parks and recreational areas for future generations, we must act quickly and effectively.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) as amended (16 U.S.C. 4601–4 *et seq.*), is further amended as follows:

(a) In clause (1) of section 2(c) strike out "and not less than $300,000,000 for each fiscal year thereafter through June 30, 1989" and insert in lieu thereof "not less than $300,000,000 for each of the fiscal years 1971 through 1974, and not less than $750,000,000 for each of the fiscal years thereafter through June 30, 1989". In clause (2) of section 2(c) strike out "or $300,000,000" and insert in lieu thereof", $300,000,000 or $750,000,000".

(b) After clause (2) of section 2(c) insert the following new clauses:

"(3) of the $750,000,000 authorized to be credited to the fund for each of the fiscal years 1975 through 1989 under clause (2) a sum of $250,000,000 shall be set aside each year in a special account in the Treasury of the United States to be administered in conjunction with, but separate from, the revenues in the Land and Water Conservation Fund. The revenues in this special account each year shall be available for appropriation, in addition to appropriations authorized for the same purposes under any other law, to the Secretary of the Interior for grants to the States and through the States to local public bodies, under the terms and conditions specified in section 6 (f) of this Act or such other terms and conditions as the Secretary may prescribe, to finance not more than 70 per centum of acquiring open space land in urban areas, and fragile or historic lands, and the remaining share of such cost shall be borne by the State in a manner and with such funds or services as shall be satisfactory to the Secetary. The appropriations made pursuant to this clause shall be available to the Secretary for administrative expenses and to provide technical assistance in connection with the grants authorized by such clause, and shall remain available until expended.

"(4) the appropriations made pursuant to clause (3) of this subsection shall be allocated to the States by the Secretary on the basis of needs as determined by him, except that the total allocation to an individual State shall not exceed 10 per centum of the total amount allocated to the several States in any one year. Any amount of any fiscal year allocation which has not been paid or obligated by the Secretary at the end of two succeeding fiscal years shall be allocated to the States without regard to such 10 per centum limitation.

"(5) As used in clause (3) of this subsection the term—

"(i) 'Fragile or historic lands' means those areas identified by the State in the comprehensive statewide plan required by subsection 6(d) as areas of critical environmental concern where uncontrolled or incompatible development could result in substantial damage to important historic, cultural, scientific, or esthetic values or natural systems that are of more than local significance, such lands to include shorelands, rare or valuable ecosystems and geological formations, significant wildlife habitats, wilderness areas and wetlands.

"(ii) 'Local public body' means any public body (including a political subdivision) created by or under the laws of a State or two or more States, or a combination of such bodies, and includes recognized Indian tribes.

"(iii) 'Open space land' means any land located in an urban area and which has value for park and recreational purposes, for conservation of land and other natural resources, or for historic, architectural, or scenic purposes.

"(iv) 'Urban area' means any area which is urban in character, including those surrounding areas which, in the judgment of the Secretary, form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities.

(c) In the third sentence of section 6(b), delete "7" and substitute "10", and at the end of the fifth sentence of said section, change the period to a comma and add "without regard to the 10 per centum limitation to an individual State specified in this subsection."

(d) In section 6(e) delete the paragraph numbered (2) and substitute the following paragraph:

"(2) Development.—For development of basic outdoor recreation facilities to serve the general public, including development of Federal lands under lease to States for terms of twenty-five years or more: Provided, however, that not more than 25 per centum of the total amount allocated to a State in any one year may be approved by the Secretary for the development of sheltered facilities for recreation activities normally pursued outdoors when unavailability of land or climatic conditions provide no other feasible or prudent alternative to serve identified unmet demands for recreation resources."

TITLE II—NATIONAL HISTORIC PRESERVATION FUND

The Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. 470) is amended as follows:

(a) Amend section 103(a) by deleting "*Provided, however,* That the amount granted to any one State shall not exceed 50 per centum of the total cost of the comprehensive statewide historic survey and plan for the State, as determined by the Secretary," and insert in lieu thereof: "*Provided,* That the Secretary may, in his discretion waive the requirements of paragraph (3) of subsection (a) of section 102 of this Act for the purposes of making grants for the preparation of statewide historic preservation plans and project plans, but any such grant shall not exceed 70 per centum of the cost of such plans."

(b) Amend section 108 to read as follows:

"Section 108. To carry out the provisions of this Act, there is hereby established in the Treasury of the United States a special fund to be known as the National Historic Preservation Fund (hereafter referred to as the 'Fund'). During the period commencing July 1, 1974, and ending June 30, 1979, there shall be covered into such Fund $150,000,000 annually from revenues due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462, 469), as amended (43 U.S.C. 1338), and/or under the Act of June 4, 1920 (41 Stat. 813), as amended (30 U.S.C. 191), which otherwise would be credited to miscellaneous receipts of the Treasury. Such moneys shall be used only to carry out the purposes of this Act. Moneys covered into the Fund shall be available for expenditure only when appropriated therefor. Any moneys not appropriated shall remain available in the Fund until appropriated for said purposes: *Provided,* That appropriations made pursuant to this paragraph may be made without fiscal year limitation."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2790

At the request of Mr. Burdick, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 2790 to amend the Internal Revenue Code of 1954 to provide that the tax on the amounts paid for communication services shall not apply to the amount of the State and local taxes paid for such services.

S. 2938

At the request of Mr. Jackson, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 2938 to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes.

S. 3154

At the request of Mr. Ribicoff, the Senator from Colorado (Mr. Haskell) and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors to S. 3154, the Comprehensive Medicare Reform Act.

S. 3305

At the request of Mr. Clark, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 3305, the National Huntington's Disease Control Act.

S. 3418

At the request of Mr. Ervin, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 3418 to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State and local governments, and other organizations regarding such information, and for other purposes.

S. 3431

At the request of Mr. Clark, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 3431, the Young Farmers Investment Act.

S. 3463

At the request of Mr. Pastore, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 3463 to amend the Communications Act of 1934 to relieve broadcasters of the equal time requirement of section 315 with respect to candidates for President and Vice President.

S. 3480

At the request of Mr. TUNNEY, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 3480 to authorize a national summer youth sports program.

S. 3507

At the request of Mr. PERCY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 3507 to amend the Social Security Act so as to make permanent certain temporary provisions relating to inspections of long-term care institutions, to provide for the publication of certain information regarding such institutions, and requiring that such institutions provide certain training for their nonprofessional employees as a condition of participation in the medicare and medicaid programs.

S. 3571

At the request of Mr. PERCY, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3571 to amend the Internal Revenue Code of 1954 to allow a deferment of income taxes to individuals for certain higher education expenses.

S. 3572

At the request of Mr. PERCY, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3572 to amend the Higher Education Act of 1965 to provide that certain loans under that act cannot be discharged in bankruptcy proceedings for 5 years, and for other purposes.

S. 3601

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 3601, the Urban Public Transportation Act of 1974.

S. 3644

At the request of Mr. INOUYE, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3644 to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurse practitioners under medicare and medicaid.

S. 3645

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. HUMPHREY), the Senator from New York (Mr. JAVITS), the Senator from Minnesota (Mr. MONDALE), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 3645 to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title.

S. 3648

At the request of Mr. TUNNEY, the Senator from Iowa (Mr. HUGHES) was added as a cosponsor of S. 3648 to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly.

S. 3649

At the request of Mr. PELL, the Senator from Iowa (Mr. HUGHES) was added as a cosponsor of S. 3649, the Social Security Recipients Fairness Act.

S. 3688

At the request of Mr. SCHWEIKER, the Senator from Pennsylvania (Mr. SCOTT) was added as a cosponsor of S. 3688 to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Allegheny River, Pennsylvania, for potential addition to the National Wild and Scenic Rivers System.

SENATE RESOLUTION 371—SUBMISSION OF A RESOLUTION TO PERMIT TELEVISION AND RADIO COVERAGE OF IMPEACHMENT TRIAL

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD (for himself and Mr. MANSFIELD) submitted the following resolution:

S. RES. 371

Resolved, That, in the event that the House of Representatives should impeach President Richard M. Nixon, the proceedings of the Senate with respect to the trial of impeachment of the President may be broadcast.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 352

At the request of Mr. MOSS, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of Senate Resolution 352 to amend rules XXV and XVI of the Standing Rules of the Senate with respect to jurisdiction over energy research and development matters, and for other purposes.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENTS

AMENDMENT NO. 1647

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment, intended to be proposed by him, to the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Agency for Consumer Advocacy, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENT NO. 1648

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT NO. 1649

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENTS NOS. 1650 THROUGH 1745

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted 96 amendments, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT NO. 1746

(Ordered to be printed and to lie on the table.)

Mr. BEALL submitted an amendment, intended to be proposed by him, to the bill (S. 707), supra.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT—AMENDMENT

AMENDMENT NO. 1747

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes.

MOTOR VEHICLE REPAIR INDUSTRY LICENSING ACT—AMENDMENTS

AMENDMENT NO. 1748

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. HARTKE submitted an amendment, intended to be proposed by him, to the bill (S. 1950) to provide for the licensing of motor vehicle repair shops and damage appraisers, and for other purposes.

Mr. HARTKE. Mr. President, last year I introduced S. 1950 to provide for the licensing of motor vehicle repair shops and of damage appraisers. During the intervening months, my staff has had many meetings with interested groups in an effort to put together a piece of legislation which will protect consumers against the unfair or unscrupulous practices of a small, but significant, number of people who repair cars or appraise damaged vehicles.

Today, I introduce an amendment in the nature of a substitute to S. 1950. My amendment represents the best thoughts of consumer groups, garage owners, automobile dealers, and damage appraisers. If enacted into law, my proposal will make it possible for a car owner to take his car into a shop with greater confidence that the work will be performed in a proper manner and that he will be charged a reasonable price.

Mr. President, I ask unanimous consent that the next of my amendment be printed in the RECORD at this point.

S. 1950

AMENDMENT NO. 1748

Intended to be proposed by Mr. HARTKE to S. 1950, a bill to provide for the licensing of motor vehicle repair shops and damage appraisers, and for other purposes, viz:

Strike all after the enacting clause and insert the following in lieu thereof:

That this Act may be cited as the "Motor Vehicle Repair Industry Licensing Act".

SEC. 2. It is the purpose of this Act to encourage the States to provide a procedure for the licensing of shops which are involved in the repair of motor vehicles and of individuals who are engaged in the business of appraising the extent of damage to motor vehicles.

SEC. 3. (a) As used in this Act—

(1) the term "motor vehicle repair shop" means—

(A) any business entity which is engaged in business for profit in maintaining or repairing motor vehicles including repairs as a result of a collision or accident, major motor overhaul, repairs to drive train, strengthening frames and similar work; maintenance of motor vehicles for compensation. Repairing, diagnosing of malfunctions, or maintenance of motor vehicles means all testing, evaluation, analyzing and diagnosing of all adjustments, repairs to or replacement of any parts of a motor vehicle, including repairing or changing tires, lubricating vehicles or any parts thereof, installing light bulbs, installing batteries, installing windshield wiper blades, cleaning or adjusting of spark plugs, replacing fan belts and oil filters, but excluding the checking of fluid levels and such other minor services which may be exempted by regulations issued by the Secretary. No service shall be designated as minor, for the purposes of this section, if the Secretary finds that such service requires mechanical expertise, has given rise to a high incidence of fraud, consumer complaints or deceptive practices, or involves a part or function essential to the safe operation of the vehicle.

(2) the term "motor vehicle damage appraiser" means any person who appraises motor vehicle physical damage and who is in business for profit;

(3) the term "Secretary" means the Secretary of Transportation; and

(4) the term "State" means the several States of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

(b) Nothing in this Act applies to—

(1) any individual acting in his capacity as an employee of a motor vehicle repair shop licensed pursuant to this Act; or

(2) any person who is engaged in the business of maintaining or repairing the motor vehicles of a single commercial entity so long as said entity is servicing said vehicles for its own use and is not engaged in the sale or servicing of said vehicles for profit.

SEC. 5. To be eligible for assistance under this Act, a State shall adopt a program which—

(1) establishes a State agency or authority responsible for the licensing of motor vehicle repair shops and motor vehicle damage appraisers, for annual renewals of such licenses, and for the investigation and processing of complaints concerning the performance of activities subject to the program by licensees;

(2) requires each motor vehicle repair shop doing business in that State to—

(A) furnish annually to the State agency or authority established under section 5(1) the name and address of the owner of the shop, the address of each location at which the repair shop does business, the number of employees, and the type and total volume of work performed during the preceding year;

(B) provide a written estimate of the cost of services of the type described in section 3(a)(1) of this Act to any individual to whom they furnish such services if such individual requests a written estimate. The total repair bill for any motor vehicle for which a written estimate is furnished shall not exceed the written estimated cost by more than 20 per centum of the written estimated cost for a written estimate of up to $300 or by more than 10 per centum of the written estimated cost for a written estimate of $300 or more, except that in the case of collision-damaged vehicles, the final written estimate shall not be provided the customer until the vehicle shall have been disassembled so as to facilitate an accurate estimate of the total damage to the vehicle. The motor vehicle repair shop shall provide the customer with a written estimate for such disassembly and appraisal and reassembly if the customer shall so direct. Said motor vehicle repair shop shall not be liable to mechanical practicabiity. Motor vehicle repair shops may charge a reasonable fee for making such estimates;

(3) requires each motor vehicle damage appraiser doing business in that State to—

(A) furnish the State agency or authority established under section 5(1) his name, address, educational background or training, number of years of experience as a motor vehicle damage appraiser, and any commercial relationship with or any financial interest in any motor vehicle repair shop;

(B) provide a written estimate of the cost of services to any individual to whom he furnishes damage appraisal services, except that in collision-damaged vehicles, the final written estimate shall not be provided the customer until the vehicle has been disassembled so as to facilitate an accurate estimate of the total damage to the vehicle. The motor vehicle damage appraised shall provide the customer with a written estimate for such disassembly and appraisal and reassembly if the customer shall so direct. Motor vehicle damage appraisers may charge a reasonable fee for making such estimates;

(4) requires that, in the event a determination is made that the actual charges for the repairs will exceed the total written estimate required by this section by more than twenty (20) per centum of the written estimate for a written estimate of up to $300 or by more than ten (10) per centum of the written estimate for written estimates of $300 or more, the customer shall be immediately notified. A customer so notified may authorize the repairs based on the new estimate of charges or may cancel the order for repairs. If the order for repairs is canceled by the customer, the unrepaired or partially repaired motor vehicle shall be released immediately in reasonable like condition as and where received for repair, and upon payment for any charges imposed for release of the unrepaired motor vehicle. Such charges shall be limited to repair work which was authorized and performed: *Provided,* That such charges may not exceed the original written estimate: *and provided,* That said motor vehicle repair shop shall not be liable to reassemble at its own expense and such reassembly shall be limited to mechanical practicability;

(5) requires each motor vehicle repair shop to display the following notice in a prominent place or places in letters at least two inches in height: "YOU HAVE A RIGHT TO REQUEST A WRITTEN ESTIMATE OF THE COST OF ANY REPAIR SERVICES PERFORMED IN THIS SHOP".

If such motor vehicle repair shop imposes or may impose a fee for such estimates, the minimum fee for such estimates shall be displayed as part of such notice in letters of equal height;

(6) requires each motor vehicle repair shop to prepare and maintain at the place of business, records of every motor vehicle repair job which such shop has performed. Such records shall be available for inspection by the appropriate State licensing agency for a period equal to that provided by the applicable State statute for limitations and shall include such information as the Secretary shall require.

(7) provides for appropriate sanctions and penalties, including license suspension or revocation, for any person who knowingly fails to comply with the requirements of the program. The minimum penalty for the first failure to comply with the requirements of the program shall be $100, and the minimum penalty for each succeeding violation shall be five hundred dollars or the suspension or revocation of the license, or both; and

(8) provides for an effective means for receiving and processing consumer complaints involving alleged violations of the requirements of the program established pursuant to this Act.

SEC. 6. The Secretary shall prescribe regulations to carry out the provisions of this Act no later than January 1, 1975.

SEC. 7. The Secretary, after consultation with the Secretary of Labor, is authorized to furnish technical and other assistance to encourage the States to establish and conduct training programs for persons engaged in activities subject to this Act, and, notwithstanding section 3(b)(1), for the employees of such persons, in order to assure the availability of qualified personnel to facilitate the application of advanced technology to the motor vehicle repair industry. Nothing herein shall prohibit existing industry training programs or other training programs, including those programs established pursuant to the Comprehensive Employment Training Act, from working in conjunction with, or acting on behalf of, the State in pursuit of said comprehensive training programs.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1749

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. WILLIAMS submitted an amendment, intended to be proposed by him, to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

CHILD WELFARE SERVICES IN VIETNAM

Mr. WILLIAMS. Mr. President, one of the most tragic lessons of the Indochina war is the plight of millions of disadvantaged children left in its wake. The orphaned, the maimed, and the homeless are continuing victims of the violence in Indochina. Now the Congress and the American people are reassessing this Nation's role in Southeast Asia. We must remember the tragedy of the children of Indochina and we should be aware that their suffering continues.

My personal commitment to assisting these children prompted legislation on four separate occasions for their relief. I was very gratified that Congress finally earmarked funds for the assistance of Vietnamese children in the foreign aid authorization for fiscal year 1974.

The United States expended $7.6 million for expanded child care programs in Vietnam last year. Child care activities include day care centers, nutrition, special attention to handicapped children, foster home care, and counseling for mothers. In addition, 10 percent of the funds allocated are used to facilitate intercountry adoption.

The progress in facilitating the adoption of Vietnamese children has been especially impressive. There are now seven voluntary agencies registered in Vietnam and in the United States to assist in intercountry adoptions. Previously, many Americans found that adopting Vietnamese children was a drawn-out and frustrating experience. New administrative procedures have reduced the time considerably, and there are now many more American families seeking to adopt Vietnamese children than there are Vietnamese children available.

However, our commitment to these innocent victims of war must continue. There is still an overwhelming need to provide the very basic needs of survival—food, clothing, shelter, and medical care—to these children. We have yet to fulfill a long-range objective of developing facilities and services to lessen the anguish of these displaced children which places order and meaning in their turbulent lives.

It is estimated that there are nearly one million orphans or half-orphans in the total South Vietnamese population of 19 million people. It is disheartening to realize that continuing hostilities increase this figure daily. Until there is a real peace in South Vietnam, the numbers of disadvantaged children will continue to swell, requiring additional assistance.

Many of the hundreds of thousands of orphans in Vietnam have no way to sustain life. Hundreds a week die from such simple causes as malnutrition, common cold, overexposure, and perhaps most incomprehensible to us, from loneliness and a sense of despair. These essentials of life require both an immediate response and a longer-ranged program of planning and development.

The war has deprived about 600,000 children in military families of their fathers, and about 300,000 others classified as nonmilitary orphans. Those whose fate resigned them to orphanages are the most unfortunate. Their chances for survival were negligible prior to the aid provided in the foreign assistance authorization bill, but the amount of funding has been barely adequate. We have a moral obligation to provide increased aid to meet the objectives of the program which Congress established last year.

The wounds of the ongoing war cannot be healed quickly or with a single, limited, humanitarian assistance effort. Nevertheless, I believe that our Government should recognize the spectacular success of the assistance program for Vietnamese children and should build on it by providing additional assistance this year. By strengthening the foundation of this program, we can help to assure that the unintended victims of the war survive and have the opportunity to contribute to the future of their country.

Therefore, I am introducing an amendment which will earmark $10 million for fiscal year 1975 to provide expanded assistance to South Vietnamese children disadvantaged by the hostilities in Vietnam.

After adoption of this amendment, the Foreign Assistance Act will contain the following provisions:

Assistance to South Vietnamese Children

(a) It is the sense of the Congress that inadequate provision has been made—

(1) for the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and

(2) for the adoption by U.S. citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights.

(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses—

(1) and

(2) of subsection (a) of this section.

Of the funds appropriated pursuant to section for fiscal year 1974, $5,000,000, and for fiscal year 1975, $10,000,000 or its equivalent in local currency shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies."

I urge the adoption of this amendment by the Senate Foreign Relations Committee.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954—AMENDMENT

Amendment No. 1750

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL (for himself, Mr. Hart, and Mr. Nelson) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes.

AMENDMENT OF EXPORT ADMINISTRATION ACT—AMENDMENTS

Amendments Nos. 1751 and 1752

(Ordered to be printed and to lie on the table.)

Mr. JACKSON submitted two amendments, intended to be proposed by him, to the bill (S. 3792) to amend and extend the Export Administration Act of 1969.

Amendments Nos. 1753, 1754, and 1755

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted three amendments, intended to be proposed by him, to the bill (S. 3792), supra.

Amendment No. 1756

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (S. 3792), supra.

Amendment No. 1757

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself, Mr. Humphrey, and Mr. Church), submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3792), supra.

Amendment No. 1758

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to the bill (S. 3792), supra.

Amendment No. 1759

(Ordered to be printed and to lie on the table.)

Mr. JACKSON submitted an amendment, intended to be proposed by him, to the bill (S. 3792), supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

Amendment No. 1449

At the request of Mr. Tunney, the Senator from Iowa (Mr. Hughes) was added as a cosponsor of amendment No. 1449, intended to be proposed by him, to S. 3035 to amend title 23, United States Code, the Federal Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes.

Amendment No. 1450

At the request of Mr. Schweiker, the Senator from Idaho (Mr. Church) and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of amendment No. 1450, intended to be proposed to S. 3660, to amend the Export-Import Bank Act of 1945, as amended.

HEARING ANNOUNCEMENT

Mr. CHURCH. Mr. President, I would like to announce that the Senate Committee on Aging will conduct a hearing on the newly created National Institute on Aging on August 1, 1974, at 9:30 a.m. in room 1318 of the Dirksen Senate Office Building.

The hearing will focus on the Institute which was enacted into law—Public Law 93-296—on May 31, 1974. Testimony will be heard from the administration and those in the field of aging research who will discuss what they foresee as the organizational structure and responsibilities of the Institute. The Institute as described by law will have responsibility for conducting and supporting research in biomedical, social, and behavioral fields relating to the aging process.

ADDITIONAL STATEMENTS

THE FAVELL MUSEUM OF WESTERN ART

Mr. HATFIELD. Mr. President, in Klamath Falls, Oreg., a unique museum exists which offers a fascinating glimpse of Oregon's history. I speak of the Favell Museum of Western Art. This museum is operated by Gene Favell, one of Oregon's true history buffs. Gene has put together a wonderful collection of Oregon pioneer and American Indian artifacts. I have enjoyed visiting the museum, and I would urge any of my colleagues visiting Klamath Falls, Oreg., to visit it.

In a recent issue of Portland Commerce magazine, Gene talks about his unique museum. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Klamath Falls Offers Treasury of Western Art and Artifacts

(By Gene H. Favell)

Someone has said that it is wise to keep in mind always that what you plan for the future will one day be your past. Little did I realize when I started hunting arrowheads and other Indian artifacts in the 1930's that my future would become so entwined with the peoples and cultures of the past, or that an almost impossible dream of building a western museum to share my interests and finds with others would become a reality. My plans for the future have truly led to a worthwhile past.

The Favell Museum of Western Art and Indian Artifacts in Klamath Falls, Oregon, is the culmination of that almost impossible dream. Since the doors opened on April 15, 1972, thousands of visitors from every state in the Union and many other countries have had the chance to view our 100,000 Indian artifacts and the works of 150 western artists. They have been lavish in their praise and have acclaimed the Favell Museum as one of Oregon's and West's leading attractions—a must for people of all ages.

My interest in Indians and their artifacts must have been sparked by my mother, Mrs. E. G. Favell, who was an early collector of Indian baskets and beadwork. She would spend hours trading with Indians of the various Oregon and Northern California tribes when they would come to Lakeview for the annual roundup. She acquired a fine collection, and it is now on display in our museum.

Another factor that contributed to my early interest in artifacts was the drouth which struck Eastern Oregon in the 1930's. Many of the lakes in the area went dry. Winds would erode the lakebeds and uncover artifacts and people would traverse these lakebeds by foot and by car in search of interesting finds. The hunting bug bit many families, and mine was no exception. The things I found whetted my appetite, and when I returned home after World War II, I took up the hobby in earnest.

The collection grew to such proportions after years of hunting, trading and purchasing that a museum to house it became a necessity. I had seen so many collections sold out of the area, split up, stolen, burned, vandalized or destroyed in some way that I wanted to be sure that the same thing did not happen to mine. Plans were laid, and the dream came true in 1972.

We wanted our museum to have a broad appeal, so we decided to combine the artifact collection with the best western art we could find. Here was a chance for us to encourage those artists whose work we liked by purchasing and displaying it.

How about a quick tour through our four-star attraction? I'll be your personal guide. No charge today—this one from Alaska to Mexico. Many famous finds and collections are displayed here including Dr. H. H. Stuart's collection from the Northern California coast—a collection which includes many large obsidian knives and ceremonial clubs called "Slave Killers." Here you will find the John Cowles Cougar Mountain cave find from Lake County, Oregon, is on us. We want to whet your appetite so you will want to return again and again.

First, let's walk through the grounds and admire them and our beautiful building. Our museum is a six sided structure which was built with 300 tons of local volcanic rock. Enclosed within its walls on two and one half floors are 17,000 square feet of display, sales and storage space. It is really an art object in itself and is a credit to Klamath Falls architect Nina Pence. Three local stone masons spent over a year fitting the rocks together that form the building, the walls surrounding the grounds, the Indian rock planter, two interior waterfalls and gift shop floor. The grounds contain many trees and shrubs that are typical of Southern Oregon. That rustic looking fence is constructed of rails which were split by soldiers during the Modoc War of 1872–73. The river which borders our grounds is Link River. It connects Upper Klamath Lake with Lake Ewauna and is one of the shortest rivers in the world—about three quarters of a mile long.

Here we are, back at the main entrance and gift shop. Be sure to look in all directions so you won't miss anything. The wall on your left is built of solid rock from floor to 25 foot ceiling. Worked into the lava are many Indian rocks—mortars, pestles, platters and manos. The lava comes from Northern California and provides an excellent background for that waterfall. That arrowhead shaped rock in the floor is about Paul Bunyan size and that yellow pine log roof support is just that—a real log. Besides the display areas that we are about to tour, our museum features two gift shop areas, a Western Art Sales Gallery and a large meeting room.

Let's step into the exhibit area and get on with the tour. The museum is laid out something like a wagon wheel with a walk-in vault in the center as the hub and rooms running out like spokes on a wheel.

This first room is called the Columbia River Room and houses artifacts made and used by the tribes that lived along that great river of commerce and industry. Take plenty of time and examine the artifacts of stone, bone, and wood which are displayed here. The tribes of the Columbia were a salmon oriented culture, and since they usually had plenty of food, they had leisure time to produce fine carvings. Several of their stone effigies are displayed in the case on your right. Take special note of that owl effigy paint pot. It was found near the Dalles and is an outstanding example of Columbia River stone carving. The painting of Celilo Falls was done by Ina Pruitt, one of our featured Oregon artists. That waterfall on your left adds the relaxing sound of water to the room and provides a sanctuary for those two pheasants and a bluejay.

This next area houses artifacts from many of the western tribes whose hunting grounds and camps ranged from Alaska to Mexico. Many famous finds and collections are displayed here including Dr. H. H. Stuart's collection from the Northern California coast—a collection which includes many large obsidian knives and ceremonial clubs called "Slave Killers." Here you will find the John Cowles Cougar Mountain cave find from Lake County, Oregon, the Nicolarsen cache find which includes two skin bags and all their 1,000 year-old contents, and my own collection of arrowheads which numbers over 60,000 projectile points. Beadwork, over 800 baskets, Northwest coast carvings, pre-Columbian artifacts from Mexico, Southwestern United States pottery and stonework, all are to be found in this section along with appropriate western art.

Don't miss those three beautiful paintings high on the wall above you. One by John Clymer, C/A, is called "The Prize." Another is "An Early Start" by Arnold Friberg, and the third is an Austin Deuel which depicts a group of Indians in the snow. Don't hurry. It's going to take time to look at the fifty exhibits and over 100,000 artifacts which are shown in this room. There is even one display which shows artifacts which were found when we dug the foundations for the museum.

Now, let's move along to the art side of the museum. You will need to take plenty of time and enjoy each painting, sculpture and woodcarving. Over 150 artists are represented in this room including eleven members of the Prestigious Cowboy Artists of America. You'll find some of Oregon's finest here, too, including Ed Quigley, Don Prechtel, Ina Pruitt, Ray Eyerly and Klamath County's own Don Hummel. Don is an outstanding waterfowl artist whose oils of birds with Klamath area backgrounds are bringing him national recognition. You will view over thirty of his works in his special section of the museum and in the section which features wildlife and waterfowl art. His detail and accuracy are outstanding.

That diorama by Ed Quigley is called "The Holdup" and was loaned by one of Portland's leading citizens, Carl Halvorsen.

I hope that you are impressed with the number of artists represented in the collection and the variety and quality of their work. Our visitors tell us that this is the finest collection of contemporary western art that can be seen anywhere.

Last stop! Let's step into the vault. Displayed in the center is our famous fire opal arrowhead. It is made of Virgin Valley Fire Opal and was found by a sheepherder in the Blackrock Desert of Nevada in 1912. It is one of a kind and is probably the most unusual and beautiful arrowhead ever found.

LIBERIA CELEBRATES INDEPENDENCE

Mr. HARTKE. Mr. President, in 1846, a group of freemen left the shores of the United States and established a home in West Africa. Under the aegis of American Colonization Societies, the group survived many hardships and in 1847 established the free and independent country of Liberia. On July 26, Liberia celebrated her 127th birthday and became the oldest independent country in West Africa.

Under the guiding hand of President Willie Talbert, the nation has embarked on new programs of national and international importance.

Always a steady and close friend of the United States of America, Liberia has always extended her resources and facilities to aid America.

Today, Mr. President, the iron ore deposits of Liberia, which are 68 percent pure iron, are fueling the steel mills of America. Her natural rubber production of millions of acres are destined for the rubber plants in the Midwest.

His Excellency, the Honorable Edward Peal, presented his credentials on October 31, 1961, and has been Ambassador to the United States without a break in service, placing him second in point of service in the diplomatic community of Washington.

Mr. President, I salute the Government, the President, and the people of Liberia who celebrated on July 26, 1974, a day of independence and special friendship for America.

HOW AMERICA GOT HOOKED ON INFLATION

Mr. HUGH SCOTT. Mr. President, John Bunting, chairman and chief executive officer of the First Pennsylvania Bank has recently performed a tremendous public service by authorizing the printing of an advertisement "How America Got Hooked on Inflation" in major Philadelphia newspapers. Mr. Bunting acknowledged in a letter to me that the views expressed in the article will not be universally acclaimed, however, I want the Record to show that I believe the article merits serious consideration.

The article suggests that the constituents in the Commonwealth of Pennsylvania, New Jersey, and Delaware write their elected representatives to let them know of their concern for the inflationary spiral confronting our Nation. I have received many letters to date on the subject of inflation and I look forward to the letters from my constituents who are responding to this article.

I know my colleagues will find this article both interesting and informative, therefore, Mr. President, I request that this text be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Philadelphia Inquirer, July 23, 1974]

How America Got Hooked on Inflation (and What We Can Do About It)

Like it or not, America is hooked on inflation.

It began innocently enough. In fact, the modest rate of inflation that prevailed through the 60's seemed a small price to pay for the benefits we received.

Inflation helped the government maintain a high rate of employment.

Inflation created by increased federal spending brought us more and more government services.

And the inflation brought about by an ever-growing money supply generated more affluence for a greater number of people.

If Washington knew that its artificial paradise couldn't last, it didn't tell us. And because we found little cause for complaint, the government felt free to mount deficit after deficit. It could have paid for these deficits by raising taxes, but that would have been highly unpopular politically. Instead, it imposed the "hidden tax" of inflation. For the government, inflation became a convenient and almost unconscious habit, like an after-work martini or an early morning wake-up pill.

WHO'S TO BLAME FOR INFLATION?

Now, Washington would have us believe that we caused inflation by wanting so much. The blame has passed from "avaricious businessmen," "power-hungry labor leaders," and "aggressive banks" to include the entire population. It's an easy out, but it won't wash. If we're to break out of our current dilemma, our elected officials will have to live up to their responsibility to provide effective leadership.

The government indulged its inflation habit as long as it could. But the "high" is over. In its place, we're experiencing the ugly side of inflation. Prices are rising faster than wages and eating away the value of savings; the elderly, the poor, and those living on fixed incomes are being pushed further into poverty; the capital needed by business for expansion and modernization has dried up; and, most importantly, the government's failure to act decisively has caused confidence in our leaders and institutions to erode at an alarming rate.

America's inflation habit is now one of America's biggest problems. The question facing us now is: "How painful is the withdrawal and how do we go about it?"

WASHINGTON HASN'T DONE ENOUGH

Traditionally, inflation has been countered with a tighter money supply and a balanced federal budget. But even if the government were to actively pursue this course (it hasn't), it wouldn't do the job. Because, for the first time, a world-wide scarcity of natural resources and productive capacity has become a fact of economic life. The recent oil shortage was a harbinger of this new economic reality. After we learned how much we needed Arab oil, we were forced to accept steep increases in the price we paid for it.

Monetary policy is not going to force the Arab nations to supply us with either more or cheaper oil. No matter how tight the money supply becomes or how well the budget is balanced, this new reality won't be altered. In fact, tight money only makes it more expensive for our industries to increase plant capacity. The sooner Washington realizes that more than outdated and ineffective measures are called for, the sooner we'll begin making headway against this new breed of inflation.

SACRIFICE ALONE IS NOT THE ANSWER

It's not a question of making do with less; it's a matter of using what we have, and using it more efficiently than ever before.

We have to cut down on our waste of resources. We have to encourage the development of more efficient means of production. And we have to develop alternate energy sources. If we make progress toward these goals, we can increase the value of our native resources and won't be as heavily dependent on foreign imports. We'll be able to increase the value of our dollars at home as well as abroad.

This calls for extensive retooling, expansion, and modernization for our industries. To finance projects of this magnitude, massive amounts of capital will have to be available.

Historically, the individual, through his personal savings, has played a vital role in making this kind of expansion possible. In the years to come, his role will be even more important. So if we want to build up our capital reserves, we should be encouraging people to save. But again, Washington has failed to come up with programs to achieve this end.

HERE'S WHAT WE SUGGEST

Among the many measures that could be adopted, we proposed five major actions:

First, balance the federal budget.

Second, to increase our productive capabilities, stimulate personal saving. To do this, we propose that the interest paid on all forms of personal savings of $20,000 or less be made tax exempt. And to insure that the value of savings not be whittled away by inflation, the government should allow the interest paid on savings of $20,000 or less to be increased as the Consumer Price Index rises. With these steps, the smaller investor could enjoy incentives currently available only to large investors.

Third, to use this new capital reservoir as efficiently as possible, it should be steered to those businesses and industries that generate maximum social and economic benefit. We propose that the Federal Reserve System designate preferred borrowers, such as power and light companies switching from oil to coal or atomic energy, and make funds available for loans to such industries. Further encouragement of these priority industries could be spurred by granting them variable investment tax credits.

To further channel the money where it's most needed, we propose that lending institutions be directed by the Federal Reserve to closely examine the terms of non-essential consumer loans—increasing the size and percentage of down payments and shortening the number of monthly payments when necessary.

Fourth, since tight money policies and inflation have pushed the cost of home ownership beyond the reach of the average home buyer, we propose that a major structuring of the mortgage financing mechanism be considered. Also, to make sure that mortgage money is available for those who need it most (primarily home buyers), we propose that no mortgage money be committed to new "second homes" for the next three years.

Fifth, stop the waste of essential natural resources. For instance, to cut down excessive oil consumption, new cars that get less than 15 miles per gallon could be penalized by the imposition of a stiff purchase tax. Eventually, this tax could be extended to include new cars that get less than 25 miles per gallon.

. . . AND HERE'S WHAT WE CAN DO

1. Inflation has become a serious problem that affects all of us. Your best weapon against it is understanding—understanding what it is, what causes it, and how it works. Inform yourself as well as you can. Learn what economics is all about. Find out why some measures are effective and others aren't.

2. Demand effective leadership. Ineffective government helped create this mess; it's up to us to make it effective. If our leaders won't move, we'll have to push them. Make yourself heard. It doesn't take a mountain of mail to get your congressman's attention. Often, a surprisingly small number of letters is enough to make him sit up and take notice.

3. Above all, take charge of your government. It was designed to be responsive to you. And it works best when you take an active part in running it.

TELL US WHAT YOU THINK

Whether you agree with us or not, we want to know how you feel. So take the time to write us. Send your letter to: Fight Inflation, First Pennsylvania Bank, 1500 Chestnut Street, Philadelphia, Pennsylvania 19101.

TELL WASHINGTON WHAT YOU THINK

And take the time to write your elected representatives. To help you, we've included this list of area congressmen.

U.S. Senators—Senate Office Building, Washington, D.C. 20510.

Pennsylvania—Hugh D. Scott (R) and Richard S. Schweiker (R.).

New Jersey—Harrison A. Williams (D.) and Clifford P. Case (R.).

Delaware—Joseph R. Biden, Jr. (D) and William V. Roth (R).

U.S. Representatives—House Office Building, Washington, D.C. 20510.

Pennsylvania—William A. Barrett (D.), Philadelphia; Robert N. C. Nix (D), Philadelphia; William J. Green (D), Philadelphia; Joshua Eilberg (D), Philadelphia; John Ware (R.), Oxford; Gus Yatron (D), Reading; Lawrence G. Williams (R), Springfield; Edward G. Biester, Jr. (R), Furlong; R. Lawrence Coughlin (R), Villanova; Fred B. Rooney (D), Bethlehem; and Edwin D. Eshleman (R), Lancaster.

New Jersey—John E. Hunt (R), Pitman; Charles W. Sandman, Jr. (R), Cape May; Frank Thompson, Jr. (D), Trenton; and Edwin B. Forsythe (R), Moorestown.

Delaware—L. Pierre S. DuPont, 4th (R), Rockland.

FIRST PENNSYLVANIA BANK.

HOW THE WORLD ECONOMY GOT INTO THIS MESS

Mr. HUMPHREY. Mr. President, today the world economy faces the most serious threat of breakdown since World War II.

A raging worldwide inflation, 12 percent in the last 12 months in the industrialized nations, endangers the very foundations of the major world economies. At the same time, the most significant shift in capital between nations in history—$100 billion annually beginning in 1976—is taking place between the energy producing and energy consuming nations.

Confidence in world currencies is at such a low point that savings are being poured into hard commodities, bidding their prices up, rather than into currencies.

The current disarray in the world economy calls for a level of peacetime cooperation between nations that may well be unprecedented. Without such a major collaborative effort to straighten out and prop up the world economy, economic disaster may result for all of our peoples. The tendency to go it alone, to retrench and withdraw, in the face of world economic chaos, that appeals to the nationalistic pride of leaders in every nation, can only be destructive for all of us.

Mr. President, on July 28 the New York Times Magazine published an article by Leonard Silk entitled "How the World Economy Got Into This Mess." This is a brilliant analysis of the current economic disarray throughout the world, how we arrived in this position, and what must be done to get us out of it.

I urge each of my colleagues to read and study this outstanding article.

Mr. President, I ask unanimous consent that Mr. Silk's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How the World Economy Got Into This Mess—in Spite of Vietnam, Oil, Anchovies, and Watergate, Can We Get Out of It?

(By Leonard Silk)

The world has been slow to realize that we are living this year in the shadow of one of the greatest economic catastrophes of modern history. But now that the man in the street has become aware of what is happening, he, not knowing the why and wherefore, is as full today of what may prove excessive fears as, previously, when the trouble was first coming on, he was lacking in what would have been a reasonable anxiety. He begins to doubt the future. Is he now awakening from a pleasant dream to face the darkness of facts? Or dropping off into a nightmare which will pass away?

John Maynard Keynes wrote those words in 1930—and the nightmare proved to be all too real. Today, the world economy is again threatened with breakdown and disintegration. Monetary disorder afflicts the entire non-Communist world. Nations coming up against the interlocked threats of trade and payments deficits, inflation, energy shortages and unemployment are growing increasingly nationalistic in their policies. It was beggar-my-neighbor nationalism that brought on the debacle last time, for in the end the nationalism turned demonic and aggressive in Germany and Japan. Such an outcome seems unthinkable today—as it did in 1931. The time has come to review recent economic history, whose chief lesson seems to be that we are again facing a choice between economic chaos and a difficult, unprecedented, peacetime collaboration among major Governments.

History does not repeat itself precisely. One of the great differences today from the world of which Keynes was writing in 1930 is the revolution in national economic policy fathered by Keynes himself—the use of government spending, tax cuts, budget deficits and the pumping of money into an economy to prevent deep depression. Every government, prodded by powerful political forces, has been using the Keynesian medicine for keeping employment at a high level.

An unwanted consequence has been a quickening of inflation, the worst in a generation. Throughout the industrialized world, including the United States and Canada, Western Europe and Japan, consumer prices rose by an average of 12 per cent in the 12 months ending in May, 1974. In Britain the rise was 15 per cent, in Italy 16 per cent. Japan has been boiling along at an annual rate of 23 per cent. One can find far worse rates in some of the developing countries—40 per cent in the Philippines, 47 per cent in Indonesia, 63 per cent in Taiwan and a horrendous 709 per cent in revolution-racked Chile.

In the United States, consumer prices climbed by 10.7 per cent in the 12 months ending last May. But the climb in American consumer prices accelerated to an annual rate of 12.6 per cent in the first half of this year, and wholesale prices shot up at an 18.2 per cent annual rate. Chairman Arthur F. Burns of the Federal Reserve Board warned that "if long continued, inflation at anything like the present rate would threaten the very foundation of our society."

A doomsday mood has been stealing into the thinking of a great many people—stockbrokers, small investors, gold speculators and many ordinary people watching the value of their savings, pensions and insurance policies erode. Even among sophisticated economic observers, worries have been growing that the inflation could end in a crash. Ashby Bladen, a senior financial executive of the Guardian Life Insurance Company, says: "A return to either price stability or financial stability without an intervening crash appears to me to be practically impossible. . . . And the longer the crash is postponed by continuing the inflationary process of excessive credit expansion, the worse it will be when it does come."

The threat of a crash is worldwide, and has been seriously exacerbated by the enormous deficits being incurred by oil-importing nations as a result of the quadrupling of oil prices after the Arab-Israeli war last fall. David Rockefeller, chairman of the Chase Manhattan Bank, has been warning that the existing financial system may be unable to stand the strain of the sudden transfer of tens of billions of dollars a year from oil-importing to oil-exporting nations. The International Institute for Strategic Studies in London regards the use of the oil weapon by the Arabs, Iranians and other members of the international oil cartel as the greatest immediate threat to world economic and political stability. The rich, industrial countries are threatened, and so are the oil-poor developing nations, such as India, Bangladesh and Pakistan.

How did the world economy get into this pickle? Can we get out of it? I believe that it will take extraordinary measures by the United States and other nations, working together—as they failed to do in the nineteen-twenties and thirties until the roof finally fell in.

A way must be found to achieve the kind of international cooperation that made possible the reconstruction of the world economy after World War II, the most devastating in history. But the United States can no longer call the tune or provide the bulk of resources to resolve the current crisis as it did after the Second World War. "It is no exaggeration," says Dr. H. Johannes Witteveen, the Dutch economist who serves as managing director of the International Monetary Fund, "to say that the world presently faces the most difficult combination of economic policy decisions since the reconstruction period following World War II."

That brilliant job of resuscitation is now taken for granted, but can anyone who in those days saw the grim shattered cities of Europe and Asia, the disease and famine, the desperate mood and the corruption of the people forget it? In the decades after the war, the world economy experienced the greatest upsurge of growth in all history. World trade revived, and the world monetary system was rebuilt as the United States deliberately incurred deficits in its balance of payments to feed dollars and gold out to the world. In effect, the United States was acting like the big winner in a poker game who knows that unless the poker chips are redistributed, the game is over. Those, deliberately incurred American deficits made the best of sense, both for the United States and for the rest of the world. The concept of an interdependent world economy was no mere intellectual abstraction, but the basis for shared prosperity and growth.

The reconstructed world monetary system was founded on the strength of the American economy, on the strength of the dollar and on the deficits in the United States balance of payments. Therein lay a serious contradiction: A strong dollar and chronic deficits in the United States balance of payments would in time prove to be incompatible; either the dollar would weaken or the American deficits would have to be ended. There was a further contradiction: If the American deficits ended, the flow of dollars that was providing the monetary reserves for world economic expansion would also cease.

In fact, when the United States decided in the late nineteen-fifties that the reconstruction period was over, it turned out to be extremely hard to end the deficits. One reason was that the United States was reluctant to give up its role as leader of the non-Communist world. The 20th century had acquired the billing, at least in the United States, as "the American century." Both the Korean and Vietnam wars signified American determination to carry the "free-world's burdens"—the equivalent of Britain's "white-man's burden" a century earlier.

America's persistent payments deficit were not due solely to its military actions and economic aid programs. Of growing importance, as the deficits went on year after year, was the overvaluation of the United States dollar in relation to gold and to other currencies. This hurt American exports and made imports, as well as travel and foreign investment, cheaper for Americans. So the migration of American business overseas went on apace, with corporations using abundant and overvalued dollars to buy up foreign assets, start branches and subsidiaries abroad, hire foreign labor and use other foreign resources to increase their worldwide profits.

Foreigners, in the midst of the dollar prosperity, were schizoid about the trend. Many, especially those in close partnership with the Americans, welcomed the growth that United States capital, technology and managerial know-how helped bring. But there was increasing concern in Europe about the inflation that the dollar inflow was also helping to breed. And there was growing opposition to the "American challenge" of economic and political dominance—and about the recklessness of American military policy. Vietnam particularly strained the political bonds between the United States and its European allies. It also sealed the doom of the postwar world monetary system that had been built on a strong dollar and fixed exchange rates between the dollar, gold and all other currencies. For Vietnam accelerated the outflow of dollars from the United States and, even more damaging, increased domestic inflation. President Lyndon B. Johnson unleashed inflation at home by his unwillingness to ask Congress either for a tax increase to pay for the Vietnam war or to cut his Great Society programs to make room for the war in the Federal budget.

President Nixon inherited the inflation—and eventually made it worse. After a year of trying to stop it by tight money alone, Mr. Nixon brought the country a recession. Finding rising unemployment politically intolerable—especially with the 1972 Congressional elections looming—he switched to a highly expansive fiscal and monetary policy aimed at restoring full employment. For political reasons, he announced—few politicians had ever made it so explicit—"I am now a Keynesian."

Under Nixonian management, the U.S. balance-of-payments deficit worsened. Dollars poured out of the country, and on Aug. 15, 1971, as part of the "New Economic Policy," Mr. Nixon slammed shut the gold window, refusing to pay out any more gold to foreign Claimants in exchange for their surplus dollars. Nevertheless, overvalued dollars continued to gush out as expectations of what would once have been unthinkable—a dollar devaluation—grew. Finally, on Dec. 18, 1971, at an extraordinary monetary conference at the Smithsonian Institution in Washington, held amid the trappings and relics of the greatest achievements of American technology, the dollar was devalued by 8 per cent.

The object of the Smithsonian conference, from the American standpoint, was to devalue the dollar enough to produce equilibrium, or, if possible, a big surplus, in the American balance of payments. This would, it was hoped, restore American economic power and prestige; it would also save the "dollar standard," with the United States as kingpin of the world monetary system. For this reason the Nixon Administration was, somewhat paradoxically, eager not to "devalue the dollar" officially, but to make other Governments upvalue their currencies.

Logically, there would seem to be no difference between devaluing one currency and upvaluing others in relation to it—and indeed there is virtually none. However, there was one important difference. The dollar had been regarded as the fixed star of the world monetary system, the star around which all the other national currencies revolved. For the dollar to change its own value—to be devalued in relation to other currencies and to gold—would symbolize a radical change in the conception of the world monetary order, like the Copernican revolution in which the earth was no longer seen as the unchanging center of the universe.

After the Smithsonian devaluation of the dollar, no matter how much the Americans might insist that the dollar was still the fixed center of the world monetary system, the skeptics would go on saying, like Galileo, "But it does move." And in fact, after the Smithsonian agreement, United States officials themselves gradually accepted the new concept of a movable dollar.

The Smithsonian agreement—the "greatest monetary agreement in the history of the world," Mr. Nixon called it—was supposed to be a one-shot realignment of exchange rates that would preserve the fixed-exchange-rate system created at Bretton Woods, N.H., in 1944. However, the Smithsonian agreement failed to hit on a rate structure that would restore monetary stability. With inflation raging at differential rates, that was doubtless impossible. The Nixon Administration, in any case, made virtually no effort to defend the Smithsonian exchange rates. It practiced the doctrine of "benign neglect," smug in the belief that foreigners had no alternative to taking in more dollars unless they would be willing to further increase the value of their own currencies, which the United States still wanted them to do.

The impact of devaluation on inflation caught Washington and most economists by surprise. American economists tend to minimize the importance of foreign trade to the United States, since exports or imports constitute less than 5 per cent of this country's gross national product. But the dollar devaluation, combined with expansive fiscal and monetary policy, intensified inflationary pressures which price controls could barely suppress. Devaluation spurred domestic inflation in the United States, certainly in the short run, by raising the dollar prices here of internationally traded goods, not only those of imports entering the United States but also, and more important, those of all exportable American goods as well. Many American products suddenly looked like a terrific bargain to foreigners, and they rushed to buy—beef in Chicago, oil in Baton Rouge and paintings at Sotheby Parke-Bernet Galleries in New York. The impact on prices was dramatic. As Randall Hinshaw of Claremont Graduate School has found, the effect of devaluation was immediate on primary products, such as food and raw materials, but more gradual on the prices of manufactured goods such as automobiles and tractors, especially under then existing price controls. However, as the prices of such basic internationally traded raw-material "inputs" as iron and steel, copper, aluminum, zinc, lead and plastics have risen, so have the prices of autos, tractors and other manufactured goods. And when price controls were lifted, the prices of industrial goods soared.

Ironically, the devaluation of the dollar initially had a perverse effect on the United States balance of trade and payments. Economists had expected some lag, but it lasted longer than it was supposed to. Indeed, the dollar outflow quickened. The reason was the devaluation increased the dollar price of imports more than it reduced the volume of imports, especially as the American economy was expanding more rapidly and sucking in more imports. Simultaneously, devaluation cut the dollar price of American exports, causing foreign demand for cheaper American goods to boom; but the United States imposed export controls on soybeans and other agricultural goods, restricting the rise of its earnings abroad. Even more important, booming demand at home restricted the growth of United States exports. Hence the American trade position worsened in 1972, and dollars continued to flow overseas to cover the payments gap. The basic United States blunder was to think it could run a devaluation of the dollar without first slowing the economy. It did just the reverse—coupling devaluation with strong fiscal and monetary stimulus.

The fixed-exchange-rate system could not survive the continuing dollar outflow. In early 1973, there was a second dollar devaluation, amounting to 10 per cent, following a dramatic around-the-world flight by Under Secretary of the Treasury Paul Volcker. But instead of calming the foreign-exchange markets, it roiled them further. And in late February and early March, dollars began to flood into West Germany because the mark looked like the safest port in a storm. The German central bank took in over $3-billion a day, paying out marks to all comers in a vain attempt to keep the mark's exchange rate from rising. After dishing out more than $10-billion worth of marks, German monetary officials finally grew frightened of inflation and threw in the sponge. They stopped defending the fixed exchange rate between the dollar and the mark; so the mark floated upward, and the dollar floated downward.

The Bretton Woods fixed-rate system was dead; the whole world monetary system was afloat. But inflation was anything but dead.

The loss of respect for the dollar, the key currency of the world monetary system, brought on a flight from all currencies into anything precious and scarce that would hold its value in a time of monetary crisis—gold, silver, platinum and many other commodities. Overnight it seemed as though the Club of Rome's long-range forecasts of the exhaustion of world resources were coming true in a rush, with soaring prices the fever gauge of commodity shortages.

Accidents of nature fed the commodity inflation. One of the weirdest was the disappearance of anchovies off the coast of Peru. Why this happened is still unclear. One theory is that the cause was the 1972–73 invasion of a warm-water current called El Nino, which upset the ecology of the cold-water Humboldt Current, drastically reducing the supply of plankton and other nutrients in which the anchovies feed. Most marine biologists doubt this, pointing out that El Nino comes roughly every seven years—it had last arrived in 1957 and 1962—but had not earlier seriously damaged the anchovy stock. Did an influx of predators eat the spawn? Were the young fish blown into hostile waters? Nobody really knows. Whatever the explanation, as Morgan Guaranty Bank economists correctly stressed, Peru's anchovy catch fell from more than 10 million tons to 2 million tons in 1973, wiping out a critical part of the world's fish-meal supply, which is used to feed livestock.

Bad growing weather for cereals, the failure of much of the Soviet crop, the massive Soviet-American wheat deal—a key element in détente—exacerbated the commodity inflation. But the over-all inflationary trend was no fluke. All nations were in a simultaneous boom, and world demand was outrunning supply. The perception of rising prices was transmogrified, as inevitably happens when an inflation lasts long enough, into a public perception that paper money is losing value and is not worth holding. Speculators rushed from currencies into commodities. By October of 1973, world commodity prices had more than doubled from the start of the year. And then, with the outbreak of the Yom Kippur war in the Middle East, the Arabs launched their oil weapon against the West.

World commodity inflation had given the oil producers both the motivation and the opportunity to boost their prices sky high. The rising costs of imports to the Arabs, Iranians and other oil-producing states, the rapidly growing demand for oil, thanks to the simultaneous boom in all the major industrial countries, the disappearance of American buffer stocks of oil—all these factors gave the Organization of Petroleum Exporting Countries, which includes Saudi Arabia, Kuwait, Abu Dhabi, Iran, Libya, Iraq, Algeria, Qatar, Indonesia, Venezuela, Nigeria and Ecuador the golden opportunity for a financial killing.

The Arab oil embargo, designed to induce the Western powers to force Israel to yield to Arab demands, cut the world oil supply at the critical moment, threw the Western allies into disarray in a mad scramble for oil and paved the way for the fourfold increase in oil prices. The price in the Persian Gulf was jacked up from about $2.10 a barrel to $8 a barrel. That meant the greatest single financial coup in history—a $70-billion haul by the oil producers in a single year. In 1975, their extra take will amount to $90-billion. And, if oil prices hold, they will be taking in over $100-billion a year—year after year. The World Bank estimates that by 1980 the oil-producing countries' holdings of liquid surplus capital will total $400-billion. This would mean that just six years from now they will hold at least 70 per cent of the world's total monetary reserves.

The fantastic transfer of money to the oil-producing states has created an unprecedented shock for the world economy. That shock is, paradoxically, both inflationary and contractionary. The huge increase in oil prices and payments worsens inflation in the United States, Japan and Western Europe by increasing both living costs and costs of production. It puts powerful pressure, both direct and indirect, upon the industrial and the developing countries to increase their export prices, in order to cover their oil deficits. To be sure, high prices are bringing out more oil and curbing demand. There is now, therefore, some downward pressure on prices. The crucial issue is whether the international oil cartel will hang together, even if this means cutting production to hold up prices.

At the same time, the enormous transfer of funds to the oil producers can choke off consumption and productive investment in the West. The build-up of Arab holdings, and the huge deficits that are their counterpart, could cause a breakdown in the world monetary system.

Prof. Richard Cooper of Yale says it is as though the Shah of Iran, the King of Saudi Arabia and the others had levied an annual tax amounting to $70-billion a year upon the rest of the world. Such a tax increase, as modern economic theory teaches us, will have a contractionary effect on national economies unless the money collected is put back into the economies from which it is collected in the form of expenditures on consumer goods or capital goods. If the major share of "oil taxes" collected by foreign Governments is not respent or reinvested in production, it will choke off output and income in the oil-importing countries. Some nations—those that are the best investment bets—will receive major shares of the oil money back; that is likely to be true of the United States and West Germany. Others, less credit-worthy, will suffer huge deficits; that is already true of Italy, and it could be true of many others. The nations of the West could fall into economic warfare, each fighting to reduce its own deficit, and blocking imports or depreciating its currency to do so. Competitive deflation could bring on a world depression. The most agonizing peril faces the poor, developing countries, whose markets would contract drastically.

For those nations caught with the worst deficits, there will be severe rinks of defaults on their foreign obligations. This is precisely the Italian situation now. In the past two years, the Italians have borrowed more than $10-billion in the so-called Eurocurrency market, taking funds from syndicates of private lenders on the credit of Italian state-owned utilities and other Government agencies. With the Italian balance-of-payments deficit running at a rate of more than $1-billion a month, Italy is having trouble raising more money abroad. Its gold reserves would barely last a year. If the Italians—and a few other governments with heavy balance-of-payments deficits—should default on their debts, some of the biggest and seemingly strongest private financial institutions all over the world would lose hundreds of millions of dollars, and the entire world financial system would be in jeopardy.

Once again, as in 1929–31, the world is facing the danger of a liquidity crisis, which, simply put, is the inability of financial institutions or governments to meet their current debts. Such a crisis, if it hit two or more countries simultaneously, could race like greased lighting through the entire world financial system. That was what happened in 1931 when the Austrian *Creditanstalt* failed. It was the breakdown of the world monetary system in 1931 that turned the sharp 1929–30 recession into the worst depression in history. Not even Keynes expected the nightmare that began in 1931. It is this kind of international catastrophe we must prevent now.

But how? There are many ways to do it, but the above account of how we got where we are today suggests the main elements essential to a solution:

First, the United States, Western Europe and Japan must recognize that they are all in the same boat, and must either work together or they will sink together.

The United States cannot dictate to the others; it does not have the power to do so, and it would only defeat its own purposes if it tried. What is needed now is genuinely shared leadership and the forging of a spirit comparable to that achieved in wartime—and to the reconstruction of the world after the last war.

Second, this cooperation must immediately take the form of preventing any single country, or its major financial institutions, from going under.

One of the reasons we in the Untied States are not already suffering from a major domestic financial panic is that our central bank, the Federal Reserve System, has been prepared to rescue any major financial institution that gets into serious trouble, as it has done this year in the case of the Franklin National Bank of New York. Internationally, we do not yet have a "lender of last resort." Some national central banks have met in Basel, Switzerland, to work out plans for rescuing endangered financial institutions, though not all central banks have joined the effort and it is not yet clear how far those participating are ready to go. The nations of the Western world and Japan should either create an international lending agency of last resort, or transform the International Monetary Fund into a true world central bank that can rescue major financial institutions and nations themselves from financial collapse.

Third, the world monetary system must be restored to equilibrium.

The most important single step toward that end would be a significant reduction in the price of oil, which would reduce the imbalance of payments between the oil-importing and oil-exporting countries. The oil-importing countries should develop a broad strategy to bring down the price, a strategy that should include: an effective conservation program to reduce the demand for oil; an accelerated program to develop other energy technologies; a warning that, if necessary, the United States and its allies are prepared to withhold trade and the managerial and technological skills the oil-exporting countries want for their own economic development; and a refusal by this country and its allies to provide arms if the oil-producing states persist in threatening Western economic stability.

But if the oil-producing countries are willing to work with the West for world stability and their own development, the United States and its partners should extend the hand of friendship to them. It should facilitate expansion of their trade and foreign investment, the "recycling" of oil dollars.

Fourth, the Western nations must avoid like the plague the beggar-my-neighbor policies that helped to destroy world trade in the thirties.

Such policies broke the world into hostile trading blocs, including the nations that joined in Nazi Germany's barter and rigged-exchange rate deals and Japan's Asian Co-Prosperity Sphere. The Western nations must reinforce their liberal trading policies, banning both import and export controls. They must hold their markets open to one another and seek particularly to create markets for the surplus and distress goods of nations that get into severe balance-of-payments trouble.

The nations should also forswear resorting to competitive devaluations of their currencies aimed at gaining a trading advantage over one another. They must coordinate their fiscal and monetary policies to avoid competitive deflations that could bring on world depression. The Organization for Economic Cooperation and Development (O.E.C.D.) provides a forum for the joint review of national policies; this process should be strengthened to ensure that world employment and trade are mutually sustained.

While the world monetary system remains chaotic, it would be madness to try to repeg exchanges rates; floating rates have reduced the massive money flows from one currency to another that propagated world inflation. In time, the reduction of those money flows help to bring world inflation under control and enable exchange rates to stabilize. But the nations must work toward stability; a "great leap forward"—or backward—could be disastrous.

Fifth, nations must resolve to check their domestic inflations, controlling the excess claims of special-interest groups that are its root cause.

Inflation, while communicated internationally, originates basically from domestic sources. This is one reason why rates of inflation vary so much from country to country. There is no monetary formula or technical solution that will provide Governments with the political courage and the economic skills to reduce the excessive demands that propel domestic inflation. Governments must resist the multitude of special-interest pressures that distort or waste resources—as in the multibillion-dollar military programs which exacerbate inflation and, even more omninously, increase the danger of arms races and war itself.

Under the sway of Keynesian economic theory, inflation has been regarded by most contemporary economists as a "technical" problem resulting from a gap between the excess demand for all goods and services and what the economy is capable of producing at existing prices. The basic remedy has been to close that inflationary gap by reducing total demand, whether by tax increases, cuts in Government spending or by making less money and credit available to the private economy.

It has become clear that the problem of stopping inflation is not technical but political in the large, systemic sense. Inflation is a consequence of the way massive, organizational, pressure-group economies operate. The military-industrial complex is only the most celebrated example of the special interests which capture a huge share of national resources and give less productivity in exchange. Other groups that have won special benefits and protection from Government—whether in the form of subsidies, huge appropriations, tax breaks, tariffs, import quotas or other rules limiting foreign or domestic competition—include the oil industry, the maritime industry, civil aviation, the highway-building industry and its supporters, dairy producers, wheat farmers, cattlemen, steel producers and textile producers. Labor unions fight for a growing share of the national pie partly by backing the demands for special favors and protection of the industries that employ them and partly by waging side-contests with managements for a bigger slice of the take.

The pressure-group economy not only breeds inflation but biases national choices on what is produced and by whom, and how income is distributed. Political power shapes the national use of resources and has a major influence on who gets what. This may be the major longrun lesson of that political fiasco whose code name is Watergate.

An effective program against inflation must be one that faces up to the necessity of curbing the power of the special interests and removing their corrupting influence on Government or, the other side of the coin, curbing the efforts of Government officials to invite bribes in exchange for favors as a means of consolidating political power in a corporate state. The old-style, laissez-faire capitalism is dead. Yet the mixed economy—that is, the mixture of Government and private interests that has replaced it—needs better methods of harmonizing competing group pressures in a noninflationary way and of guiding the economy to serve broad social needs such as protection of the environment, development of crucially needed energy, and provision of medical care, education and other vital services.

Specifically, this nation and other capitalist democracies need an incomes policy, a means of regulating the growing income claims of contending groups, together with their access to money and credit through the banking system. In periods of monetary tightness and very high interest such as the present, the inequities of only general controls on money and credit become obvious, as the most powerful financial groups drain funds away from the least powerful.

Similarly, this nation and many others need more effective and democratic ways of planning their long-run social and economic development. Increasing the supply of resources, human and material, and in the proportions needed, is essential to curbing inflation in a way that will not require periodic bouts of recession, depression and high unemployment.

In an increasingly integrated world economy, such programs need to be international and not merely national in scope. Yet the time for supranational government is not yet. The fundamental decisions needed to get the world through the current economic crisis, which could become a world political crisis as well, still must be taken at the national level. Is such an effort to restore world economic order politically feasible and realistic? It had better be. The potential tragedy of the moment is that all the Governments of the major democracies are in a weakened state—weakened in large degree by the socially and politically debilitating effect of inflation itself. And the crisis of leadership and moral authority is perhaps greatest of all in the United States, on which any coordinated action program among the Atlantic nations and Japan must still depend. We know what we must do; the issue now is whether we have the will and the unity to do it.

NIXON ECONOMIC MESSAGE: GRIN AND BEAR IT

Mr. HUMPHREY. Mr. President, last Thursday evening millions of Americans eagerly tuned in to the well publicized national television address of President Nixon on economic conditions and national economic policies. After several weeks of Presidential meetings with principal economic advisers, public hopes were high that an effecive economic policy would be outlined.

Confronted with soaring prices, declining real wages, staggering interest rates, and high unemployment, the American people were longing for decisive action to reverse this economic decline.

Regrettably, all they heard was a recitation of what the administration would not do. They were told that wages would not be controlled, that prices would not be controlled, that taxes would be neither increased nor decreased, and that there would be no resort to deficit spending.

Instead of a well thought-out program to deal with our very serious economic situation, the tired old policy of "high interest rates," which has been totally ineffective for months, was again professed as the answer to our economic woes, the main article of faith of the "old time religion."

I am convinced that the present administration has no better idea of how to improve economic conditions today than they did 6 months ago. The dismal failures of Nixonomics have not taught the White House the errors of its ways, and this is costing every American dearly.

Two specific assertions do require answers. First, Mr. Nixon said wage and price controls have been discredited. I disagree. Wage and price controls worked in phase 2 to produce the best economic performance of the Nixon administration. What has been discredited is this administration's ability to manage such a program fairly. The abuse of wage and price control authority by this administration, to keep a brake on wages while allowing prices to accelerate, will not soon be forgotten by American workers and their families.

Second, the President said "there will be no credit crunch." This is even less convincing than his assertion last February that "there will be no recession," because we are in a "credit crunch" already.

While Mr. Nixon's big business friends may be able to cope with the "credit crunch" we are in today, many others cannot. This administration needs to get out into the country and find out what is going on; they are living in some "Never-Never Land."

If the White House economists will come with me to Minnesota, and talk to the people I visit with, they will see that, indeed, a severe "credit crunch" exists.

I talk with the young couples who cannot borrow mortgage money at any interest rate. I talk with the small businessmen who must borrow at 15 percent-16 percent interest. I talk with the municipal utilities people who cannot find buyers for their bonds. And, these are just a few of the multitude in America today who find themselves in a "credit crunch," despite the official rhetoric.

We may be able to produce a Federal budget in the 1975 fiscal year that is less than the $305 billion requested by the President, but this will not reduce inflation. After all, the budget deficit in the past fiscal year—with its historic level of inflation—was only $3.5 billion, the smallest budget deficit since 1970.

We may also be able to save $300 million by cutting back on the number of Federal jobs in the next fiscal year. But this will have no impact on inflation.

We must have a more comprehensive anti-inflation, antirecession policy, if our economy is going to be straightened out.

I believe that such a policy must at least include the following elements:

Loophole-closing tax reform coupled with tax relief to low- and moderate-income people.

A reordering of national budget priorities, with an expansion of public service jobs and reduced Defense Department spending.

A national incomes policy which includes provision for voluntary wage-price guidelines.

A plan for the allocation of credit at reasonable rates to priority areas.

A mechanism for long-term economic planning and resource allocation advice to public decisionmakers, and

A national food policy which assures an adequate food supply at reasonable prices to consumers with a fair return to farmers.

A national energy policy to assure adequate supplies of fuel from domestic sources.

The American people have suffered enough from the Nixon administration's failure to provide strong, consistent economic leadership. If the "grin and bear it" approach is all the White House has to offer, it is time for Congress to exert its leadership, as best it can, to straighten out the current economic mess.

Mr. President, I ask unanimous consent that several recent editorials and articles on current economic conditions and the Nixon administration's response to these conditions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 27, 1974]

STONEWALLING THE ECONOMY

(By Clayton Fritchey)

When the Senate gets around to considering qualifications of Alan Greenspan, a New York business consultant, as the new chairman of Mr. Nixon's Council of Economic Advisers, it needs to investigate not only possible conflicts of interest but also the kind of economic future Greenspan sees and wants for America.

There should be no great problem about a conflict of interest. Greenspan is both the chief owner and chief executive of Townsend, Greenspan and Co., but while he is in government he could, like others, put his shares in a blind trust, and no doubt that is what he will do.

The more serious problem is what he has in mind for the country once he becomes the President's No. 1 economic adviser. The Senate had better find out about this sooner rather than later, for later may be much too late indeed.

The most disturbing aspect of the Greenspan choice is that it tends to confirm the growing suspicion that the President, to use the favorite terminology of the White House, is now detemined to "stonewall" the economy by fighting inflation with "old-time religion."

All of the President's new financial, business and economic advisers are "fundamentalists" who in general believe the only reliable cure for inflation is deflation—which is to say, unemployment, reduced spending, a business slowdown, a pinched federal budget, tight money, higher interest rates, credit restraint and a general cooling off. In short, a recession, or maybe worse.

Greenspan is only the latest recruit of this persuasion, but he will complete the change in Mr. Nixon's economic palace guard, which the President has recently transformed into a much more conservative and doctrinaire group than his original appointees.

The retiring chairman of the Council of Economic Advisers is Dr. Herbert Stein. Before him there was Dr. Paul McCracken. Both are rather conservative, conventional economists, but they were more cheerleaders for the President than rigid ideological advisers.

Mr. Nixon has now installed as Secretary of the Treasury, William Simon, who reportedly wants to cut the budget so severely that even some administration figures are shocked. Simon's targets for cutbacks are, as might be expected, outside the military-industrial complex.

Simon succeeds George Shultz, a moderate conservative of less-pronounced views. Before Shultz, there was the mild David Kennedy, who inclined toward wage-price controls, and John Connally, who didn't like controls, but for political purposes persuaded Mr. Nixon to impose them in 1971.

Another new figure is Kenneth Rush, former Under Secretary of State, who has been installed at the White House as the "coordinator" of the President's quadriad of economic adviser. Rush is not an economist himself, but he apparently believes just as devoutly in the medieval orthodoxies of Adam Smith as his colleagues.

Finally, there are Roy Ash, who succeeded Shultz as director of the Office of Management and Budget, and Dr. Arthur Burns, chosen by Mr. Nixon to be chairman of the Federal Reserve Board. Ash, like Rush, is not an economist. He is simply by, of and for business, especially defense contractors.

Dr. Burns, of course, is the man who has been trying—and failing—to stop inflation by driving interest rates above any levels ever known in the United States before. So far, the higher the rates, the higher the inflation; yet neither Dr. Burns nor his patron, Mr. Nixon, shows any signs of giving up this "old-time religion." Moreover, Dr. Burns now wants the President to cut the federal budget by $10 billion, which makes even Ash wince.

Even though huge deficits, easy money and wage-price controls did much to re-elect Mr. Nixon, he was never really happy as a self-proclaimed convert to New Deal Keynesian economics. It is obvious that he is glad to embrace once more his old laissez faire philosophy. Even if the economy continues to falter, Mr. Nixon never has to face the voters again. He only has to worry about getting 34 conservative Senate votes to head off impeachment.

Meanwhile, the President puts on a show of doing something by calling a White House conference on the state of the economy, to which he principally summoned a group of prominent businessmen, most of whom could be counted on to applaud administration policy. Notably absent were labor leaders like George Meany and consumer spokesmen like Ralph Nader, who believe the chief thing wrong with the country is lack of leadership in the White House.

[From the New York Times, July 29, 1974]

HOOVERIAN NIXONOMICS

Remembering his own uncertainty about what to do in the midst of worsening depression, President Herbert Hoover later wrote: "No President before had ever believed there was a governmental responsibility in such cases. No matter what the urging on previous occasions, Presidents steadfastly had maintained that the Federal Government was apart from such eruptions; they had always been left to blow themselves out."

President Nixon's economic speech last week in Los Angeles was a remarkable throwback in spirit and philosophy to that old laissez-faire doctrine. Said Mr. Nixon: "The key to fighting inflation is . . . the steadiness that stands firm against the clamor to take dramatic action just to create an appearance of motion; the kind of steadiness that rejects gimmickry, and that gives the enormous creative forces of the market place a chance to work." Impatience, the President now believes, is the root of economic and financial evil.

The President is coupling the doctrine of steadiness with a rather mild dose of the "old-time religion" of budget balancing and budget-cutting. Aware that this budgetary stringency may be terribly unpopular with special-interest groups, Mr. Nixon asks the support of "the one lobby we don't have—an anti-inflation lobby." This should not be "a lobby with plush Washington offices and high-paid officers," he said, hastily adding that of course he was not castigating any of the fine lobbyists present in his Los Angeles audience or elsewhere around the nation.

And indeed demonstrating that his newfound zeal for resisting the special-interest lobbies is by no means excessive, Mr. Nixon followed his Los Angeles speech by quietly signing a bill to provide $2 billion in loan guarantees for producers of beef cattle and other livestock—a measure that will further intensify pressures on the nation's money and credit.

Mr. Nixon is now calling for voluntary action by the public to stop inflation. He called upon American consumers to save an extra 15 cents for every $10 they spend. This suggestion produced a quick flap among his advisers. One top White House economist urged the American people not to take the President literally, lest a higher savings rate and cut in consumption deepen the present business slump. Herbert Stein, the retiring chairman of the Council of Economic Advisers, defended the President's statement, saying mysteriously: "We are not asking everyone to save an additional 1.5 per cent."

Besides revealing the fecklessness of Presidential efforts to jawbone consumers, this dispute demonstrates the oversimplification and inadequacy of the President's economic policy; the nation is certainly suffering from severe inflation, but not because consumer demand is excessive. On the contrary, the economy is in a slump, which further cuts in total consumer demand would only worsen.

To boost productivity and production, Mr. Nixon wants to reduce government regulation of business and, ominously, "re-evaluate the trade-off between increasing supplies and certain other objectives, such as improving the environment and improving safety." Laissez-faire, with all its sweet 18th-century charm, is still the favorite doctrine of much of big business, except where bail-outs are concerned.

The only meaningful anti-inflationary element in the President's speech was his backing of the Federal Reserve's restrictive monetary policy, which has sent interest rates soaring and threatens to send the American economy into a more severe slump, endangering the whole world economy. An intellectually bankrupt Administration seems to have no better course than to hope that with a little bit of luck this storm will soon blow itself out—just the way the last serious worldwide economic storm did not.

[From the Washington Post, July 25, 1974]

RECESSION AND INFLATION

As it turns out, there was a recession after all—but a very peculiar recession. The short and simple definition is an absolute decline in the nation's economic output for two consecutive quarters of the year. The figures published last week show that to have happened. The slowdown over the past three months was modest, compared to the precipitous drop last winter. But it was a real slowdown, and it means that the economy is not recovering from last winter's disruptions as quickly as the administration expected. The President, in an address tonight, is to tell the country what he plans to do next.

Since President Nixon made a flat pledge in his State of the Union Message that there would be no recession, he can expect a chorus of jeers and reproaches now. But if there is one thing that this unhappy administration has done altogether correctly in its recent economic policy, it was the decision not to try to jack up the GNP with a sudden spurt of federal spending this spring. At the budget briefings last January the White House emphasized that it was ready to pour out as much money as necessary to avoid a recession. But the only justification for that tactic, with its inevitable aggravation of the inflation, would have been a severe rise in unemployment. To everybody's surprise, the unemployment in June was exactly the same as in January. This remarkable stability has been one of the great oddities of this recession. It is exceedingly welcome, and yet deeply perplexing. It stands as a warning that the economy is now moving on a track that we are far from understanding completely, let alone forecasting accurately.

Inflation is still the greater menace to the country. To the extent that economic policy is a choice between unemployment and inflation, the attack on inflation requires the priority currently. The broadest single gauge of inflation, the GNP deflator, registered 8.8 per cent for the past three months. That is a slackening since the extremely high 12.3 per cent last winter, but it remains higher than the 8.5 per cent that prevailed through the second half of last year.

The administration's only remedy so far has been unprecedentedly high interest costs. The interest rates have not reached a level that cannot be sustained more than a few months without widespread damage to businesses, housing and state and local governments. A variety of eminent officials, unable to think of any other solution that makes such sense, are beginning to succumb to the temptation to call for solutions that make no sense at all. The Secretary of the Treasury, William E. Simon, favors cutting $20 billion of the federal budget for the fiscal year that began this month. The chairman of the Federal Reserve Board, Dr. Arthur Burns, says that he wants to cut $10 billion out of it. The chairman of the House Ways and Means Committee, Wilbur D. Mills (D-Ark.), wants to cut $10 billion and, if Congress refuses to cooperate, he demands that the President impound the funds. It is a bipartisan fantasy.

The budget is an interweaving of legal and moral commitments that cannot be reduced significantly on short notice. The President's director of budget and management, Roy Ash, is justly known for his cold and unsentimental view of spending in general, and the social programs in particular. But he knows how the budget actually works. He says that spending this year can be cut at most by about $2 billion and, in this case, his is the voice of hard reality. The consensus among technicians and economists who know the budget, regardless of their political views, is that Mr. Ash's figures are probably just about right. It might be possible, Mr. Ash says, to reduce the formal total by as much as $5 billion through resorting to all of the familiar bookkeeping dodges and selling more offshore oil leases. But that is about the limit.

Presumably Secretary Simon, Dr. Burns and Congressman Mills know it as well as Mr. Ash. But they are getting frantic protests from businessmen hurt by high interest costs, and they are being implored to try some other course. In that vein, Mr. Mills' committee is now engaged in a misguided attempt to buck up the stock markets by reducing the capital gains tax.

Similarly, Secretary Simon has apparently suggested that one place to cut the budget is in Social Security benefits. It is hard to think of an idea more outrageously unjust than chopping at pensions in the midst of a roaring inflation. The idea is sufficiently uncharacteristic of Mr. Simon to suggest, once again, that it is not intended altogether seriously. But this kind of talk, taken together with the bill to reduce the capital gains tax, does real damage. It suggests a future in which inflation steadily increases the taxes on most people's wages, while Congress cuts taxes on investors' and speculators' gains and the administration trims back federal benefits to some citizens but not all.

That is exactly the wrong way to go about the slow and painful process of braking the inflation. The costs are going to have to be equally shared throughout our society. If public policy begins to shift the burden away from certain favored taxpayers onto others, in the name of controlling inflation, the administration will have sacrificed any claim to the public cooperation that it desperately needs. Without widespread public support, no price policy is going to work.

[From the Washington Post, July 28, 1974]

THE OTHER COVER-UP: NIXON STANDS PAT DESPITE RECESSION FEARS

(By Hobart Rowen)

The American economy is in serious trouble, despite the Nixon administration's transparent attempts to cover up a recession by calling it a "fluke" or a "spasm." And the chances are that things will get worse before they get better, regardless of President Nixon's assurance some weeks ago that "the worst is behind us," and his rededication Thursday night to the "basic laws and forces of the market place."

There are many reasons for the present onerous combination of high inflation and declining national output. But none that Mr. Nixon cited is as important as the vacuum in leadership caused by the President's involvement in the Watergate mess.

No one is directing the American economy today. The public knows it. Businessmen know it. Foreign governments know it. Neither Congress nor the President will be attending to the main business of the nation so long as Mr. Nixon's future is in doubt.

There is a pervasive level of apprehension and concern about the economy. Housing is in a full-fledged depression. Many people with substantial cash down-payments can't get a mortgage loan to buy a house—even at 9 or 10 per cent. The Franklin National Bank scandal has led people to wonder openly about the soundness of other banks. One hears fears of a money panic, and doubts about the ability of some major cities to redeem their bonds. Investors, looking to protect the value of their money, seek the relative security of Treasury bills, abandoning higher yields that may be available elsewhere.

It all adds up to a vote of declining confidence in government and in many private institutions. Yet, the only meaning to be drawn from the President's disappointing stand-pat speech of Thursday night is that he intends to be guided for the moment by the highly conservative, laissez-faire thinking of his newly designated Economic Council chairman, Alan Greenspan.

A recent national survey of the Sindlinger organization indicates that 87 per cent of the people believe inflation to be the No. 1 problem in the country. And most are bracing themselves for continued (and perhaps higher) rates of inflation.

Their fears will be confirmed within a few days with a spectacular jump in the wholesale price index for July.

Therefore, this is a time for strong initiatives. But the President's speech promises only further drift. Price increases keep pouring out of the industrial sector like an angry gusher, assuring wage hikes that will produce a new inflation spiral in 1975. There is an urgent need to reconsider wage-price controls, despite Mr. Nixon's promise that he would not resort to such "discredited patent medicine." (Mr. Nixon's most successful economic year followed his prescription of that medicine in August 1971.)

So what is the President's economic program? It is to expand supply in the long run, and cut demand in the short run. If businessmen, consumers and local governments really cut spending the way the President suggested, we could have a jolly good economic slide in no time at all.

And as for budget-cutting and budget-balancing at the federal level, realists in the White House and Budget Office will tell you that for all the talk of $5 and $10 billion budget cuts for this fiscal year, we'll be lucky if the $305 billion expenditure figure doesn't expand to $310 or $320 billion.

Are there any other answers within the administration to economic problems? Yes, as a matter of fact, there are. At the very time that salaried workers are suffering a 5 to 6 per cent loss in real income because of inflation, Treasury Secretary William E. Simon wants to cut business taxes further.

Yet, newly revised data on the gross national product just released by the Commerce Department show that corporate tax payments are shrinking (not because of reduced profits, but because of wider loopholes). Examples: The investment tax credit provided a $4 billion bonanza for business in 1973, double the 1971 benefit. Also, the introduction of DISCs, a device to stimulate exports, has cost the Treasury another $1 billion—a high price to pay for a questionable policy and a dubious result in actual export growth.

The only meaningful anti-inflation policy weapon being wielded at the moment is the Federal Reserve's interest rate and money policy. This is a devastating tool, a blunderbuss of a weapon. Tight money is putting a squeeze on housing and municipal construction, and has affected consumer psychology. It has also caused a serious retrenchment in electric and gas utility expansion. If forced to carry the whole load, Fed policy could put the economy into a serious tailspin.

It is instructive to recall that the administration initially anticipated a mere 2 per cent decline in real GNP for the first quarter, with an upturn in the second quarter and a strong recovery in the final half of the year.

The preliminary result announced for the first quarter was a 5.8 per cent drop, shocking enough. Subsequent revisions (along with upward revisions of the inflation rate) put the drop at 6.3 per cent and, most recently, at 7.0 per cent.

Economic counsellor Kenneth Rush assured this correspondent publicly a month ago that there would be "no two quarters of successive decline."

Now, of course, the administration has been forced to announce a 1.2 per cent GNP decline in the second quarter—a six month fall-off in actual GNP, the first time that's happened since the Eisenhower recession of 1957–58. Mr. Nixon managed to avoid—totally—any mention of this below-normal pattern in his speech on the economy.

Moreover, although some measures of economic performance, including industrial production, show small pluses for the second quarter, revision of the GNP accounts shows there has been a big inventory buildup—and that spells declining production and rising unemployment later this year.

It doesn't matter that the administration refuses to call this a recession. (After all, Mr. Nixon promised the country in his State of the Union address that "there will be no recession in the United States of America."

What matters is that inside the administration at working levels, the expectation no longer is for a recovery in the second half. "We could well have another drop in the third quarter," says a top government economist.

As long as inflation and high interest rates continue, with no rein on prices or wages, real growth of the economy will range from zilch to inconsequential, meaning that we face a long drawn-out period of stagnation before any recovery is in sight.

[From the Washington Post, July 27, 1974]

MR. NIXON ON THE ECONOMY

In view of the tremendous impediments under which he spoke, President Nixon's address on inflation went about as far as he could reasonably go. The speech contained nothing likely to make matters worse, and there is a certain virtue in that. It is hardly surprising that there were no large excursions into new policies. The President's chances of getting new legislation, at this point, are approaching zero. More important for the immediate future, his relationship with the labor movement has now deteriorated almost entirely.

The greatest danger to economic policy now is an angry drive by unions in the coming year to catch up with the price increases of the past year. The unions have been remarkably restrained until now, but there are clear indications that the time of restraint is ending. The average worker's income, eroded by inflation and higher taxes, is now lower in real terms than it was last summer. Mr. Nixon did not speak to this uncomfortable point in his address, but in truth there was very little for him to say. A President trusted by the unions might yet hope to work out some sort of further truce. But the AFL–CIO is now calling loudly for Mr. Nixon's impeachment, and preparing a push for very large increases in the next contract negotiations. It is astonishing to remember that as recently as 18 months ago Mr. Nixon seemed on the verge of sweeping most of organized labor into an alliance with the Republican party. That opportunity has now vanished, and with it the administration's ability to enlist the unions in its plans.

The President led his audience through a dry little explanation of the origins of the present inflation. The chief defect of this version, as history, was its omission of the present administration's role. In response to the recession of 1970–71, and in preparation for the election of 1972, the administration imposed the largest budget deficits that we have ever had in peacetime, and a tremendously rapid increase in the money supply to hold down interest rates. "We have worldwide inflation because people's demands too often are translated into a supply of votes, not a supply of work, saving, initiative and innovation." Votes, indeed? In recent days the administration seems, curiously, to be reproaching the voters for having seized what Mr. Nixon offered them two years ago.

Mr. Nixon is right to show concern over this country's rather low rate of saving. But it is hard to make a persuasive case to the average family to save more, when the inflation in consumers' prices is running around 13 per cent a year and the maximum interest available to most small depositors is around 6 per cent. A net erosion of savings at a brisk 7 per cent a year is not much of an inducement to the thrift that the President rightly urged. One element in any successful program to increase savings will have to be better protection for the savers.

To make any large change in economic policy now, Mr. Nixon would need a measure of public trust and support that is foreclosed to him. He would have to invoke that part of the presidential authority that is invisible and tacit—the part that draws citizens to do more in the public interest than the law requires. For Mr. Nixon, that part of his power is now irrevocably gone.

The administration's prsent policy is not particularly inviting, but it is probably the best available in a political vacuum. It amounts to running the economy with a large degree of slack. There is going to be some growth—or at least everybody hopes so—but a good deal less growth than the historic trend that represents the country's long-term capability. Among the things to which Mr. Nixon found it wiser not to refer on Thursday evening was the word "recession." We have been going through a modified recession and, while the administration's plan calls for a slight improvement, there is not going to be any very visible change in the climate.

Any real improvement in the country's economic leadership will probably have to wait until the next President takes office, whoever and whenever that will be. There is not really much more that can be done by technical adjustment, cranking the various valves and levers at the Treasury and the Federal Reserve Board. Real improvement will have to wait for a President who can establish some degree of confidence between himself and the rest of the population.

In political terms, the administration's essential difficulty is that most of the country has suffered a small but perceptible reduction in its standard of living over the past year. The prevalent mood is wrathful and suspicious. To persuade the most powerful of the unions not to set off in an endless chase after steadily rising prices, the next administration will have to find convincing ways to intervene in behalf of working people. It will have to demonstrate that there are other and better ways of catching up.

One obvious way is through tax reform, lightening the burden at the lower end of the ladder. It becomes particularly urgent to mitigate the grossly regressive Social Security tax structure, the unfairness of which becomes more important as the size of the tax gets steadily larger.

Mr. Nixon, in this speech, helped by promising nothing that he cannot deliver. The present prospect is a somber one of very high interest rates, a growing shortage of housing, and probably higher unemployment to come. This policy will be tolerable for a short time, but not indefinitely. The leaders of both parties now have an obligation to begin devising policies that look to a longer future.

[From the Wall Street Journal, July 16, 1974]

BROKEN RUDDER?—CONFIDENCE IS EBBING IN WHITE HOUSE ABILITY TO CONTROL INFLATION

(By James P. Gannon)

WASHINGTON.—"The whole bloody exercise was no more than a sham from the beginning."

A disillusioned and disgusted Nixon administration economist, who has become convinced that the White House lacks the political nerve to stick to a stern anti-inflation policy, is venting his frustration. As he sees it, all the White House meetings, paper shuffling and official pronouncements about severely cutting the government's budget are just so much public relations.

"The old-time religion looks like rhetoric," he sneers, using the catch-phrase that administration officials apply to their policy of budgetary and monetary restraint. In his view, the government's anti-inflation strategy is in danger of coming unstuck, and the fight to control inflation looks like a losing battle.

This economist's dismay and bitterness may be excessive, but they are symptomatic of a widespread sense of frustration in Washington economic circles these days. Confidence in the government's ability to control spiraling inflation seems to be ebbing, even among the men in charge of the fight.

THE ELEMENTS OF FRUSTRATION

The frustration springs from three main elements:

The present anti-inflation approaches are running into trouble. Disarray in both the bond and stock markets is jeopardizing the Federal Reserve Board's restrictive credit control, and upward pressure on government spending threatens to overwhelm the administration's efforts to tighten up.

The administration doesn't seem to have any workable policy alternatives to its present course. It has rejected such inflation-fighting techniques as tax increases, wage and price controls, and credit rationing. But critics of the administration, in Congress and in distressed industries pinched by current policy, also seem short of specific ideas and fall back on demands that Mr. Nixon exert more "leadership."

Even if some bold new strategy to conquer inflation could be devised, there is widespread doubt that it could be put into effect. The consensus of congressional and administration observers is that the Watergate-crippled President lacks the leadership to rally the nation around any policy calling for austerity or sacrifice, whether through higher taxes, more saving, less spending or wage restraint.

DRIFT AND DEFEATISM

Thus, today's economic mess is essentially a political mess, many contend. "The economy is in serious, serious trouble, and at the heart of it is a lack of confidence" in the government, says Democratic Sen. Henry Jackson of Washington. That view isn't just a partisan one. Many congressional Republicans, including Sen. Jacob Javits and Rep. Barber Conable of New York, complain of "a sense of drift and defeatism" in economic policy and a lack of strong action by Mr. Nixon.

"We have this crisis of confidence," a White House economic official concedes. "Until we can demonstrate our policy is working, I don't see why anybody should believe us."

Responding to the rising pressure to "do something," the White House is engaged in a flurry of highly visible economic consulting and planning. President Nixon has begun what is billed as a series of meetings with businessmen, economists and others to solicit ideas on additional steps to fight inflation. He is also holding an extensive round of meetings with his advisers on the economy, which White House press spokesmen say is Mr. Nixon's No. 1 concern right now.

Press Secretary Ronald Ziegler said in San Clemente, Calif., yesterday that Mr. Nixon and his aides are concentrating on ways to restrain federal spending. (Federal Reserve Board Chairman Arthur Burns called meantime for a slash in the government's budget, lower capital-gains taxes and voluntary wage-price controls. See story on page 3.) The President, Mr. Ziegler indicated, is likely to make another speech on the economy next week, but most administration officials aren't looking for any dramatic new moves.

"I hope we won't do something just to be seen doing something," White House economist Herbert Stein says. "I don't think we are in a situation of panic" despite rumors of bond-market chaos or banking-system collapse, he says.

Another turnabout on economic policy would be a mistake, adds Sidney Jones, a White House economic aide. "That sort of zigzagging hasn't served us well in the last four or five years," he says, referring to previous switches in policy.

WILL THE POLICY COLLAPSE?

While they are opposed to any major switch in anti-inflation strategy, many key administration advisers are growing worried that the present policy is in danger of collapse. Politics and panic threaten to undermine the strategy of budget restraint at the White House and credit restraint at the Federal Reserve.

Politics is the problem for fiscal policy. Administration economists fear that their plans to lop $5 billion from the $305 billion federal budget for the fiscal year that began July 1 are going awry. "The big struggle we have now isn't getting the $305 billion down to $300 billion but to keep the $305 billion from becoming much bigger," Mr. Stein says.

A combination of congressional budget actions, extra administration spending plans and the effect of inflation points toward a spending total of $310 billion to $315 billion, insiders say. "We face some really hard decisions" on ways to keep spending from swelling, a budget official says.

But the political problem is that Mr. Nixon appears reluctant to make hard decisions. A tipoff came last week when the President chose to sign, without protest, a veterans' education-benefits bill that is likely to add more than $700 million to this year's spending. Some economic advisers had urged that he veto it to maintain the credibility of the administration's budget posture, even though Congress probably would have overturned the veto of such a politically popular measure. Mr. Nixon's political advisers, who urged him to sign it, prevailed.

This leaves some officials wondering whether the old-time budget religion is anything more than a lot of empty preaching. "There is a real, genuine question as to whether we are going to succeed in practicing the old-time religion" as opposed to "preaching it," economist Stein says. He and Treasury Secretary William Simon are urging strong actions to show that the budget posture isn't a sham—vetoes of spending bills, major program cutbacks and the like.

Mr. Simon is urging a politically explosive package of more than $20 billion of spending cuts for the current fiscal year, whacking hard at such usually untouchable programs as Social Security benefits, housing, revenue sharing and highway building. Even Republican congressional leaders have "gasped" at the Simon austerity outline, which the Treasury chief has been pushing behind the scenes on Capitol Hill and at the White House, insiders say. His attitude, they report, is that either such cuts must be made or the government should "quit playing games" that only look like budget cutting.

But others in the administration aren't taking such a hard line. Roy Ash, director of the Office of Management and Budget, emphasizes the difficulty of cutting the budget, not the urgency of the task. Mr. Ash has been much more cautious than others in promising any actual reductions. Budget cutting "is Simon's plan, not Ash's" an OMB man says. "Simon has put Ash in a tough spot on this," he says, contending that Mr. Ash can't disagree with the goal but is skeptical that severe budget cuts are realistically possible.

While politics is the peril for fiscal year policy, panic is the threat to the Fed's tight-money stance. Though the stock market last Friday snapped smartly out of its slump, it leveled off yesterday and the Dow Jones industrial average, closing at 786.61, remained about 100 points below the 1974 high it touched last March. As interest rates soar, bond offerings go begging and rumors feed investors' fears, pressures are increasing on the Fed to ease its restrictive stance.

Some economists at last week's White House gathering with Mr. Nixon urged the Fed to ease up before a financial panic or a recession occurs. Others backed a hold-firm policy, participants in the session say.

One economist urging an easing in Fed policy is Otto Eckstein, former White House adviser under President Johnson. He spelled out his worries in a recent analysis laced with grim language.

"The Federal Reserve can't stay in this extreme posture for many months," Mr. Eckstein warns, because sky-high interest rates before long would cause a disastrous outflow of savings from thrift institutions into higher-yielding short-term investments. This outflow "would become so enormous that it would topple the financial system," he contends. "The thrift institutions would lose accounts so massively that they would go under or require federal rescue."

Another economist, Republican Alan Greenspan, has been issuing similar warnings. Mr. Greenspan, who is expected to replace Mr. Stein as chairman of the President's Council of Economic Advisers this summer, has a theory that the nation's savings institutions will rupture with "massive withdrawals' when short-term interest rates exceed 12%—close to their present levels.

In such an event, Mr. Greenspan believes, the Fed would have to start pumping money into the banking system, creating "such an expansion in the money supply as to doom all reasonable efforts at future restraint." He warns: "Such a crisis might well put us beyond the scope of any conventional solutions to our inflationary problems within this decade."

Fed officials, of course, won't comment pubicly on such dire prospects. But it is known that the Fed is prepared to switch quickly to an easier-money posture if signs of shakiness in the banking system grow. Insiders say the Fed won't allow a large financial institution to fail in the present nervous atmosphere. The Fed would choose an unwanted switch to easier money rather than risk financial panic.

MILITARY EDUCATION PROGRAM

Mr. GOLDWATER. Mr. President, many of my distinguished colleagues will recall that last fall during our consideration of the fiscal year 1974 military procurement authorization bill I offered an amendment to allow the military services to send regular line officers to law school. At that time, I pointed out the need for such legislation was unquestionable—that while the legal workload for all the services has been substantially increasing as a result of new responsibilities in military justice, procurement law, domestic relations, and civil rights, the ratio of career military lawyers has been dangerously declining.

Mr. President, I was gratified that the Congress agreed with my proposal and endorsed it as a first step in satisfying the military's legal mission. I recognize, as I did during last year's debate, that the legal funded education program is not the full solution to the Armed Forces' problem in securing a sufficient number of qualified, experienced legal officers. It is not a substitute, for instance, for proficiency pay which I would recommend to my colleagues as the best long range solution to this critical problem. However, the program has served as an important start in providing the services with a basic source of service-oriented lawyers.

Mr. President, I feel it is appropriate that the Congress be advised as to just what has been the military's initial experience in attracting qualified officers into this new program. In this regard, I believe the results of the Air Force are a good indication of what the Congress can expect in return for our modest investment in this area.

One hundred and twenty-one officers applied for the 25 spaces allocated to the Air Force for fiscal year 1975. While the number of applicants is impressive, even more so are the statistics with respect to the academic backgrounds and potential of these 25 officers.

For example, their average law school admissions test score was 700 compared to 525 for the national average of all students tested between 1970 and 1973. I might add, this score is even substantially higher than the average score of the students accepted by the leading law schools in the Nation. Furthermore, the average grade point average of the 25 selectees was 3.28.

Mr. President, I am very pleased with this initial undertaking of the funded legal education program. Moreover, I am proud of these young officers, and others like them in the Army, Navy, and Marine Corps, who will serve as the services' representatives at the leading law schools throughout the country. I was particularly gratified to learn that two of the selectees, 2d Lt. Dorothy B. Tyler and Capt. Glenn H. Schlabs, are assigned to bases in my home State of Arizona.

Mr. President, I believe the selection of these fine young officers is a special achievement in itself which deserves our congratulations and recognition. Therefore, I ask unanimous consent that their names and duty stations be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1975, FUNDED LEGAL EDUCATION PROGRAM SELECTEES

Capt. William C. Henry, Langley AFB, Virginia.

1st Lt. James W. Swanson, Sheppard AFB, Texas.

Capt. Thomas G. Abbey, Hickam AFB, Hawaii.

Capt. Edgar G. Parr, March AFB, California.

1st Lt. Edward J. Quinn, Mather AFB, California.

Capt. Glenn H. Schlabs, Williams AFB, Arizona.

2d Lt. Larry L. Sharrar, Boeing AFPRO, Washington.

Capt. George S. Zier, Randolph AFB, Texas.

Capt. William K. Atlee, Jr., Bergstrom AFB, Texas.

Capt. Maurice A. Deaver, Jr., Travis AFB, California.

Capt. Daniel L. Hawkley, Offutt AFB, Nebraska.

Capt. Dwight A. Moore, Carswell AFB, Texas.

2d Lt. Dorothy B. Tyler, Luke AFB, Arizona.

1st Lt. Harry M. Jayne, University of Missouri.

1st Lt. David W. Kerber, Duke University.

Capt. Ralph J. Lee, Charleston AFB, South Carolina.

Capt. Richard H. L. Marshall, Offutt AFB, Nebraska.

1st Lt. Thomas J. Fiscus, Ohio State University.

1st Lt. Frank J. Spinner, Minot AFB, North Dakota.

Capt. Michael G. Torgeson, McGuire AFB, New Jersey.

1st Lt. Edwin B. Whitewolf, Kirtland AFB, New Mexico.

1st Lt. Michael McDonald, Rickenbacker AFB, Ohio.

1st Lt. Clinton C. Pearson, MacDill AFB, Florida.

Capt. Wade B. Morrison, Tulane University.

Capt. Donald A. Nolte, Ramstein AFB, Germany.

ATTACK ON SOCIAL SECURITY REBUTTED

Mr. EAGLETON. Mr. President, in recent weeks a series of articles on social security by Warren Shore, a reporter for Chicago Today, has appeared in a number of newspapers around the country, including the St. Louis Post-Dispatch.

These articles are distinguished by factual inaccuracies, misleading statements, and an almost total lack of understanding of the fundamental principles and purposes of the social security program. Nevertheless, Mr. Shore has apparently had some success in raising questions in the minds of his readers as to the value of social security to the American people and the financial soundness of the program.

There has recently come to my attention some comments on the Shore articles prepared by Richard E. Johnson, professor of risk management and insurance at the University of Georgia, whose professional experiences also includes 20 years with the Prudential Life Insurance Co. Professor Johnson is not affiliated in any way with the Social Security Administration, and I understand his rebuttal was written on his own initiative for publication in the Atlanta Constitution.

Mr. President, I ask unanimous consent that the paper by Professor Johnson entitled "Social Security: Still a Good Value" be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY: STILL A GOOD VALUE

(By Richard E. Johnson)

Newspaper readers around the country have recently been exposed to a series of articles condemning the social security program. These articles, written by a Chicago newspaper reporter, Warren Shore, are not only inaccurate and misleading, but an element of viciousness can almost be detected in the manner in which the reader is given isolated half-truths to the exclusion of all other pertinent information. One is prompted to question what motivated this bias.

For example, Mr. Shore writes of Jeff Alfred, who, at the age of 23, contributed $676 (matched by an equal amount by his employer) to the Social Security Administration as a tax on his earnings this year. He then comments that should Jeff die, less than $300 would be paid to his wife as the total settlement of his account. This seems inequitable, but let us look at another possible example of a young married couple.

Bob Miller (age 23) is a successful salesman and earns $13,200 both this year and next. At the end of that period he is killed in an auto accident and leaves behind his wife, Mary, and twin children, age one. It is possible for Mary and the children to receive social security benefits in excess of $1,844,715. This total benefit would only be paid to the Millers if the children were disabled during childhood and continued so until age 65. (An even greater benefit would be paid if they lived longer.) It is assumed in this calculation that a yearly increase of 3% in benefits is made to offset increased inflation.

Thus, for a contribution of slightly over $1,500, Bob's family profited to the extent of $1.8 million. Even if neither child had been disabled, a benefit of $819 per month would have been paid immediately and this monthly benefit would have been increased as the cost of living increased. The mother would have received this until the children were 18 and they would have received almost this amount had they continued their education until age 22, the total benefit paid being about $280,000.

No one will defend the first part of this example as being reasonable or typical—twins being disabled for life. It is, however, just as typical as many of the examples used by Shore in his series. Jeff Alfred's widow would have had to have been childless to have received the benefit stated by Mr. Shore. Although this is possible, it does not represent the average family being covered by the Social Security Act. Instead of looking at either the "less than $300 pay-off" or the $1,800,000 benefit," let us instead look at the total program and investigate its purpose and what it has done for our society.

In the early 1930s many schemes were developed to solve the crisis of the depression. One of the most popular movements was known as the Townsend Plan. This plan guaranteed $200 per month for all citizens 60 years of age or older The only obligation on the part of the recipient was to promise not to work and also to spend his $200 within 30 days. It was assumed that this great influx of dollars into our stagnant economy would lift us up by our bootstraps and solve our economic problems. The requirement that the retiree not work supposedly would guarantee work for many younger people who could not find employment.

Although the Townsend Plan never became law, the Social Security Act did become law and benefits were paid to retirees prior to World War II. Initially only retirement benefits were to be paid and those only if the insured individual did not work in employment covered by social security. The same philosophy fostered by the Townsend Act permeated the Social Security Act—"Create Jobs for the Young." As the program expanded and started providing survivor benefits to widows with children, the same philosophy was continued. If a mother with small children was widowed, her right to full benefits depended upon her terminating "covered" employment. Even at this time, however, the benefits paid on the children's behalf were still continued regardless of whether the mother worked or not.

Today, almost 40 years later, the Social Security Administration follows the same pattern laid out initially—"If a parent is lost to a family, the surviving children need a full-time survivor parent as a guardian." If this is no longer the belief or attitude of the population, then the approach can be modified, but not without cost. The present cost projections of the social security program (OASDHI) consider the fact that some participants will not claim their benefits, preferring to work rather than to receive a social security benefit. If the "retirement test" were eliminated for all groups, retirees and survivors, the estimated increased cost would be about $4 billion. The ultimate result would be an increase in the social security payroll tax.

Perhaps this is the proper time to look at the cost of the program. Mr. Shore, in his series, constantly compares the cost of commercial insurance with that provided under OASDHI. His major failing is that he constantly compares the cost or the tax for the whole social security program with the premium charged for isolated coverages by the commercial insurance industry. Your author would be one of the last to criticize marketing methods used by the commercial insurance industry.

Having been a part of it for 20 years and having made my living teaching the intricacies of the disclipline for the last 10, I still find it a most viable and necessary component of our society. But, it cannot compete with a social insurance program. Social insurance is mandatory, there are no acquisition expenses in the form of sales commissions and underwriting expenses. Everyone must join the OASHDI system and their tax added to the employer's tax is automatically forwarded to the government.

Due to the great savings generated by the efficiencies mentioned above, social security cash benefits are administered for about 2 percent of the total tax income. Since the tax monies in the trust funds earn 5.6 percent interest per year, over 103 percent of all social security tax revenue is available for benefit payments. An average of 98% of all social security tax revenue is actually paid out yearly in the form of benefits to its insureds or their dependents. The remaining 5 percent plus has been added to the trust fund in anticipation of further increases in the benefit formula.

For the individual to continue receiving these most favorable rates, the program must continue as a compulsory program. It cannot exist if voluntary choice of participation is extended the public. If free choice were implemented, two groups would discontinue the coverage—the wealthy and the very poor. The wealthy would discontinue the coverage because they really do not need it and because of the slight redistribution effect of the program (slightly higher benefits per dollar of tax for the lower income). The poor would discontinue because they realize that our society will not let them starve and will take care of them via the welfare route. Thus, the large group of middle income earners will not only pay for their own future security, but will also be obligated to pay most of the tab for the increased welfare costs.

How does the life insurance industry compare in terms of costs and benefits? On the average, about 85 percent of premium income is returned in the form of benefits. The balance is required for administration and acquisition costs. This is not a large charge in comparison with the rest of the insurance industry. For most segments of the industry, expenses vary between 25 and 45 percent of premium income. Thus, even though the life insurance industry is doing a great job in comparison to the rest of the insurance industry, the Social Security Administration is doing a phenomenal one, almost beyond belief for a governmental agency.

Perhaps one of the biggest problems confronting the individual is that of comparing costs and benefits of the social security program with those provided by the commercial insurance industry. The major benefits provided by the OASDHI program include:

Monthly retirement benefits to retired workers.

Monthly benefits to disabled workers.

Monthly benefits to husbands or wives of retired workers.

Monthly benefits to widows and widowers of covered workers.

Benefits to widowed mothers.

Benefits to disabled widows and widowers.

Benefits for children of retired workers.

Benefits to children of deceased workers.

Benefits to children of disabled workers.

Benefits to parents of workers.

The entire Medicare benefit program.

Since these benefits are so varied and complex, no insurance company will offer all or duplicate benefits. But even when cost or price comparisons are made with similar contracts, there is no commercial insurance company that can compete, price wise, with the Social Security Administration. Perhaps an example is called for. When Mr. Shore speaks of the term policy as being the equivalent of the survivor benefit being paid for children under the age of 18, he is incorrect. When a 20-year term policy is purchased from a life insurance company to protect against premature death during the critical period while his children are young, he receives protection for that period.

If, however, he had additional children later in life, the original contract is only good if it is renewable. Even then, it will only be renewed at a substantially higher price. The Social Security Administration makes no demands upon the individual as to his age or the time in life when he has his children. The only requirement is that children exist at the time of death, whether this be when he is 25 or 65. How does one compare the premiums charged for these "similar" coverages? It is almost impossible for anyone, let alone the interested insured.

It is now time to answer some of Mr. Shore's charges. In his first article, he comments on the increase in social security taxes during the past 20 years. He mentions an 800 percent increase in the social security tax, while benefits were increased only 300 percent. His figures are faulty. He is correct in that the total tax receipts did, in fact, increase by 800 percent; but, the benefits paid during this same period increased by almost 1,000 percent. Benefits actually increased more than contributions, not less, as his article stated.

Mr. Shore also states that the tax rate of the social security program has discouraged savings. He stressed the fact that in 1942 savings were at a very high level while only 3 years later, in 1945, savings had started to drop. He neglects to mention that in 1942 about the only thing available for sale was a tank or a battleship while in 1945 Germany had already surrendered. It is very difficult to understand how he finds a casual relationship between the program as now constituted and lack of savings. Many people are not saving today because of a drop in value of the dollar due to inflation. It is not the fault of the social security program that the dollar has depreciated. It is to the credit of the program that it guards against the failure of the dollar by virtue of it inflationary hedge. (A benefit that increases in value to maintain a relatively constant relationship in purchasing power.) There is no evidence to indicate that larger tax rates or salary bases have caused reduced savings by the individual.

If one income group has profited more than others by the Social Security Act, it is probably the "great middle class." This is the group which would suffer most if required to provide for their aged parents and relatives. As stated previously, it is no major burden for the wealthy, and for the poor it is impossible. The group in the middle would be forced again to provide for their own, and also for those who found it impossible. When Mr. Shore criticizes the situation where the middle-aged worker must pay the bulk of his security cost during his working years, the question must be asked when does he expect the individual to pay these costs? If he waits until retirement, it is too late. Adequate preparation must be made in advance to guarantee that which our people have come to expect.

Mr. Shore also considers the plight of Mrs. Marion Poteka, whose husband died and, due to low earnings in his early years, had an average taxable income of only $6,600. He states that her benefit check for her two children and herself amounted to only $435 per month (incidentally, this is tax free). For this amount to have been correct, death would have to occur prior to 1971. To illustrate the advantages of the "inflation hedge" provided in the Act, the benefit would have been $522 in 1972 and about $580 today. This benefit will continue to increase as the cost of living increases.

Inasmuch as this income is tax free and inasmuch as there is no longer any expense involved in securing this income or in providing for deceased spouse, this should prove to be adequate income, assuming her husband took some steps to supplement it with other private insurance. The reduction in benefits as depicted in the article ($435 reduced to $220 when Mrs. Poteka went to work) is simply not true. If Mrs. Poteka works and earns the total $7,450 cited in the paper, she would still receive about $360 per month if death occurred prior to 1971 and about $480 if death occurred today.

For many years the insurance industry has tried to convince the public that a reasonable aim for retirement is one-half the gross income prior to retirement. It is assumed that the cost of going to work, living away from home, and paying income tax will take 25 to 35 percent of one's gross income. In addition, since a retiree no longer has the financial obligation of paying social security taxes, retirement insurance premiums or other pre-retirement expenses, this income level is usually deemed reasonable.

How is the Social Security Act meeting this challenge? Actually, the benefits promised are very close to that mark. A married insured who has earned an average of $8,000 per year which has been subject to social security taxation will be entitled to $558 per month or about $6,696 per year, probably more than this couple realized on the gross pay of $8,000 prior to retirement. Similarly, a married individual who averaged $6,000 under the Act would be paid $449 monthly or $5,388 per year. If either the retired worker or his spouse died, the survivor would continue to receive about $3,600 per year.

The beauty of the present program is that there is no need for the retiree to worry about inflation. Today an automatic provision of the Act increases benefits as the cost of living increases. No commercial insurance contract can provide that benefit. The closest approximation would be the variable annuity which is offered by some companies. This provides an inflation hedge if the value of common stock keeps pace with the cost of living. In recent years there has been almost no correlation between the cost of living and the value of common stock. The Social Security Act removes this worry from our retired citizens.

Primarily due to faulty assumptions and incorrect data, Mr. Shore comes to the conclusion that the program is bad and that it is even bankrupt. There is no way that anyone could consider the social security program bankrupt. It is true that the trust funds do not have adequate funds on hand to pay all future obligations today, but then neither do most private pension plans. The trust funds contain in excess of 50 billion dollars, sufficient to pay approximately one year's obligations.

During that period it will collect sufficient revenue to pay the following year's benefits. This has been the basic technique over most of the history of the program. Most people would be far more concerned over some governmental agency having 400 to 700 billion dollars to play with. Disregarding what this might have done to the economy (some suggest that even World War II would not have brought prosperity if burdened by a fully reserved social security trust) think what an enjoyable time our congressmen would have had in increasing the debt limit sufficiently to provide securities for the social security trust to invest in. Perhaps an excerpt from the 1971 Advisory Council on social security's report might make this clear. The advisory board, consisting of economists, businessmen, and at least one executive from a major life insurance company, stated in its report:

"The test of actuarial soundness for a social insurance system is whether the expected future income from contributions and interest or invested assets will be sufficient to meet anticipated expenditures for benefits and administrative costs over the valuation period. The concept of actuarial soundness as it applies to a compulsory social insurance system differs considerably from the concept as it applies to private insurance and private pension plans, although there are certain points of similarity, particularly with the latter. A private insurance company must have sufficient funds on hand so that it will be able to pay all existing obligations. Such funding, however, is not necessary for a national compulsory social insurance system and is frequently not provided for in private pension plans, which may or may not have funded all the liability for prior-service credits toward benefits.

"Because compulsory social insurance is assured of continuing income (new workers must come into the program), it does not have to build up the kind of reserves that are necessary at all times in an institution that cannot count on current income to meet current obligations. It is proper in a social insurance program to count both on receiving contributions from new entrants to the system and on paying benefits to future beneficiaries, as well as those now on the rolls."

Thus, social insurance need only maintain funds sufficient to serve as contingency reserves. The assets of the social security funds serve this purpose.

Throughout this paper, most of the space has been devoted to pointing out the errors and omissions in Mr. Shore's articles. It would be just as much in error for me not to admit the shortcomings of the Social Security Act as that for which I have criticized Mr. Shore. Nothing is ALL good or ALL bad. There are areas in the Social Security Act which need improvement and further study. It is true that the single person or the married couple without children receive far less in protection than the typical married couple with one or more children. By the same token, less benefit for dollar contributed is provided the married couples where both parties work and pay social security taxes. The problem of having retirement benefits reduced if the retiree continues receiving earned income is also worthy of consideration. Of the 22 million people eligible to receive retirement benefits, only 6.4% are having any amount of their benefit withheld due to the earnings test. Although more people might work if the earnings test did not exist, it is reasonable to assume that the number would not exceed a total of 10%. Although this does affect the people concerned, the resulting benefit for the other 90% and the effectiveness of accomplishing the basic aim of the program, that of taking older people out of the labor market, is not disputed.

The criticisms levied by Mr. Shore are not new. They have been with us in some fashion since the initial implementation of the Act. Committees are constantly studying the program, its projections, and possible changes. Recently, James B. Cardwell, Commissioner of Social Security, issued the report of the trustees of social security. This 1974 Trustees' Report shows a long-range actuarial deficit for the OASDI program of about 3% of taxable earnings over the next 75 years. Much of this projected deficit is caused by a change in life style of many of our younger married couples, and the resulting decrease in birth rates for the Nation. We are now approaching a "no-growth" birth rate and it is important to know what effect zero population growth might have on the future levels of social security income and outgo.

Although no major impact will be experienced until the 21st century, the entire area of financing will be the main subject of study by the new Advisory Council on Social Security. Their recommendations will be submitted to the Congress by the end of the year. Therefore, by the end of 1975, in all probability, Congress will be enacting legislation to help solve this problem of the 21st century.

Over the history of the Social Security Act, many changes have been made, faults corrected, and more changes will undoubtedly be made in the future. The solution to the problems faced by the Social Security Administration cannot be solved by Mr. Shore's suggestions. Should the government ever make the decision to follow the recommendations of Mr. Shore—discard payroll tax for social security and buy government bonds— the most incredible fiscal confusion imaginable would result. All of the benefits of the social approach to insurance would be lost and all of the problems of Federal bureaucracy would remain.

Social security today is paying $4.6 billion a month in benefits to 30 million people.

Ninety-one percent of the people age 65 and over are receiving social security benefits or are eligible to receive them.

Ninety-five percent of all children under age 18 and their mothers will receive benefits if the family breadwinner dies.

Eighty percent of the population between the ages of 21 and 64 are eligible for disability benefits in case of a severe and prolonged disability.

Anything which can and does provide so much for so many cannot be bad. To the contrary, no better plan has yet been offered to us. Certainly, Mr. Shore's suggestion is not a better alternative.

MRS. MARTIN LUTHER KING, SR.

Mr. BEALL. Mr. President, I want to join with many of my Senate colleagues in expressing my profound sorrow and shock at the shooting death of Mrs. Martin Luther King, Sr. and a church deacon, Mr. Edward Boykin, on June 30.

Once again, the King family has been the target of violence. Once again, all Americans ask "why?" And once again, there is no reasonable answer.

Mrs. King was more than the mother of a great civil rights leader. She was a women who had dedicated her life to the highest ideals of our Nation, and to the nonviolent righting of so many wrongs.

Her untimely death is a tragedy, but her accomplishments will long be remembered. I offer my tribute to Mrs. King, and hope that America will profit from her example.

A COMPREHENSIVE NATIONAL HEALTH CARE INSURANCE PLAN IS NEEDED

Mr. INOUYE. Mr. President, as we all know, the costs of providing medical care and services in this country continue to rise at a tremendous rate. We in the Congress will soon have to face this problem headon in a debate over legislation to provide a comprehensive national health care insurance plan.

I am pleased to say that my home State of Hawaii is the first State of the Union to move toward adopting a comprehensive health plan by passing a bill which would guarantee prepaid health insurance coverage to all workers employed at least 20 hours a week and who have worked over 4 months. Moreover, this bill realizes the concept that every resident of Hawaii has the right to proper health care.

I encourage all my colleagues to recognize the provisions of this bill which might serve as a reference for the drafting of similar legislation on a national scale.

I now ask unanimous consent that the text of the prepaid health care act, an article from the Honolulu Star-Bulletin and some questions and answers of the Hawaii Prepared Health Care Act, be printed as a part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Honolulu Star-Bulletin]

PREPAID HEALTH INSURANCE BILL FINALLY PASSES

(By Buck Donham)

The State Senate and House yesterday passed and sent to the Governor a landmark bill that would provide prepaid health insurance coverage to thousands of workers not now covered by such plans.

The bill, hung up in joint conference committee for an entire year, passed the Senate by a unanimous vote. In the House, only four Republicans—Reps. Ralph Ajifu, John Medeiros, Howard K. Oda and Andy Poepoe—voted against it.

Democratic Rep. Hiroshi Kato, manager of the House conferees, said the bill will guarantee health coverage to about 40,000 workers.

And he said the bill established the concept that "every resident of this State has the right to good health care."

He said the Legislature, which has been studying the matter since 1971, has "for too long been neglecting to fulfill" its duty to provide adequate health care to its constituents.

The measure, if signed into law, would guarantee prepaid health insurance coverage—along the lines of Kaiser or HMSA plans—to most workers employed at least 20 hours a week and working at least four months.

There are exemptions. They include workers now protected by plans whose benefits equal those outlined in the bill; seasonal pineapple workers; federal, State and county employes, who are already covered; dependents already covered by such plans; and recipients of medical assistance.

The employer and the employe would be required to contribute equal amounts to cover insurance premiums.

But there are exceptions.

If an employe's scheduled contribution amounts to more than 1.5 per cent of his wages, his employer would be required to pick up the difference between that percentage and what the premium costs.

The bill would also set up a special premium supplementation fund to help out small employers.

Employers who have fewer than eight employes working for them would not have to put into the plan more than 1.5 per cent of the total amount of wages they pay so long as the excess above that percentage amounts to more than 5 per cent of the employers' income before taxes.

If the excess is above 5 per cent, the special fund would pick up the difference between the 1.5 per cent and the employers' regular share of the cost of the premium.

The bill also would require an employer to pick up the employe's half of the premium for at least three months during the time the employe is sick and can't work.

If an employe works for more than one company, it would be up to him to decide which firm would be considered the primary employer and therefore liable to pay half the premium costs.

But it would be up to the employer to decide which kind of health plan—Kaiser or HMSA—would be used.

THE HAWAII PREPAID HEALTH CARE ACT—SOME QUESTIONS AND ANSWERS*

The new Hawaii Prepaid Health Care Act is a law that provides an unprecedented kind of state social legislation. By filling in the gaps in prepaid health insurance coverage, the law is intended to guarantee that every regular employee in the State will have the protection and security of coverage under a prepaid health care plan. The following "Questions and Answers" may help in understanding the Act. If any employer or employee wants to know about specific situations, rights or obligations, or legal rights or remedies under the Act, he should consult with an attorney or the office charged with administering the Act, the State Department of Labor and Industrial Relations.

GENERAL PROVISIONS

1. Q: When does the Act become effective?

A: Prepaid health care coverage under the Act goes into effect on January 1, 1975.

Payment of premiums for the required health insurance also begins on January 1, 1975.

For the administrative purposes of the Department of Labor and Industrial Relations, the Act takes effect upon its approval by the Governor; so that necessary forms can be designed and prepared, rules and regulations can be drafted and promulgated, civil service staff can be recruited and trained, and the Director of Labor and Industrial Relations can select and appoint the members of his Prepaid Health Care Advisory Council.

COVERAGE

2. Q: Who is entitled to prepaid health care benefits under the Act?

A: Employees, only; the Act is employment related, to assure that workers in this State have prepaid health care protection.

3. Q: Does the Act apply to all employees in the State?

A: No, only to regular employees in private employment if they are not covered by a collective bargaining agreement providing for prepaid health care.

4. Q: Who is a regular employee?

A: Anyone who works at least 20 hours a week for one employer, but excluding seasonal work, such as in the pineapple fields or canneries or in coffee harvesting.

5. Q: Why aren't government (federal, state, county) workers covered?

A: They already have available prepaid health care; for example, since 1961 every state and county employee has been entitled to a health benefits plan under a law enacted in that year.

6. Q: Does that mean that as soon as a person is hired by a private employer to work at least 20 hours a week, the worker is entitled under this Act to prepaid health insurance?

A: Besides working at least 20 hours a week to be eligible, a regular employee must receive a monthly wage of 86.67 times the state minimum hourly wage. Since Act 14, Session Laws of Hawaii 1974, will raise the minimum hourly wage to $2.00 an hour by the time the Hawaii Prepaid Health Care Act takes effect, the montly wage of a regular employee must be 86.67 times $2.00 or approximately $174.

There is also a period of eligibility, a kind of probationary period. The employee must establish eligibility for the heatlh care benefits by first working for the employer for four consecutive weeks. After four consecutive weeks of employment, the employer must arrange as soon as possible for prepaid health coverage for the employee.

7. Q: Does the Act have other exclusions from coverage?

A: Yes, there is a long list of exclusions, in addition to the exclusions for government employment, seasonal employment, part-time employment, and coverage under a collective bargaining agreement. Some of the important exclusions are:

(1) Employment for a person's husband, wife, son, or daughter and employment of children under the age of 21 by their mother or father.

(2) Employment as an insurance agent, insurance solicitor, real estate broker, or real estate salesman when the only pay is by commission.

(3) Employees who rely upon prayer or other spiritual means for healing pursuant to the teachings, faith, or belief of any group, such as Christian Scientists.

(4) Employment under programs of the Federal Economic Opportunity Act of 1964.

8. Q: Does the Act require any prepaid health care benefits for dependents of employees such as the employee's spouse and children?

A: No, the Legislature determined that to include mandatory coverage for dependents at this time would be too costly; and, in the case of children entitled to health care benefits under federal programs, if this law provided for their health care benefits, Hawaii would lose the federal share of funding, a substantial amount of money.

9. Q: Then is the Act of no help if an employee wants to provide coverage for his dependents under prepaid health care protection?

A. That is not quite correct. There are features in the Act to encourage coverage for dependents.

(1) For instance, a prepaid health care plan that provides more limited benefits than the plans in the State with the largest numbers of subscribers (HMSA or Kaiser) may be acceptable if the employer pays at least half of the cost of coverage of dependents under the plan.

(2) In the alternative, the Act permits an employee to voluntarily purchase coverage for his dependents in addition to his own mandatory coverage if the prepaid health care plan he is covered by will provide such coverage for an additional premium.

10. Q: I am a Hawaii resident working for a local construction company with 200 full-time employees. Last year, I worked on a construction project at the Honolulu Airport for one month but then was sent to Kwajalein for the remaining 11 months to work on a job our company got. Would I be covered under the Act even though I worked out of state?

A: Yes. The law provides that covered employment includes an employee's entire service performed both in and out of state if the employee's base of operation is in Hawaii or the place from which the employee's work is controlled is in Hawaii.

HEALTH CARE BENEFITS AND PLANS

11. Q: What kind of health care benefits will employees be entitled to under the Act?

A: In general, the Act requires that the health care benefits must include the following basic types of benefits:

(1) In-patient and out-patient hospital care,

(2) Surgical services,

(3) Medical benefits, including home, office, and hospital visits by doctors,

(4) Diagnostic and therapeutic services,

(5) Maternity benefits for employees who have been covered by the prepaid health care plan for at least 9 consecutive months prior to delivery.

12. Q: How do the benefits required under the Act compare with health insurance policies generally available in the State?

A: The benefits required under the Act are very similar to the most popular plans of HMSA and Kaiser, which are the plans in Hawaii with the largest numbers of subscribers.

13. Q: If the prepaid health care plan provided for an employee is not one offered by HMSA or Kaiser (if it is a plan offered by a private insurance company), how can the employee know if the benefits meet the requirements of the Act?

A: The Director of Labor and Industrial Relations, with the advice of the Prepaid Health Care Advisory Council, will decide if the plan includes health care benefits equal to, or "medically reasonably substitutable" for, the benefits under the HMSA or Kaiser plan. For example, a prepaid health care plan may be designed that would include some dental services and, instead of 120 hospital days a year, would include only 90 hospital days a year. The Director then would consult with the Advisory Council to decide whether the proposed additional dental service is "medically reasonably substitutable" for the decrease of 30 hospital days.

14. Q: What prevents the employer from selecting a prepaid health care plan that includes all the required health care benefits but has special provisions that are disadvantageous to the employee, such as special limitations or deductibles or extra payments imposed on the employee, in connection with receiving the health care benefits?

A: The Act clearly states that the Director of Labor and Industrial Relations is to take into account not only the types and quantity of benefits, but also the costs of the premiums, limitations on reimbursability, including deductibles, and required amounts of co-insurance in determining whether a prepaid health care plan qualifies as a plan providing the mandatory health care benefits required under the Act.

15. Q: What if the employer wants to switch plans?

A: As between an HMSA-type plan which reimburses expenses, and Kaiser-type plan which furnishes the health care, an employer's election between the two types is binding for one year. As for switching plans within each classification, there is no prohibition, so long as the plan is in compliance with the Act.

16. Q: What if the employee wants to switch plans?

A: The choice of plan is up to the employer. However, the employee shall not be required to contribute a greater amount to the premium than he would have to contribute had the employer elected coverage with the contractors providing the prevailing coverage of the respective type in the State.

17. Q: May employers join together in providing a plan?

A: The Act authorizes employers to form associations for the purpose of jointly providing prepaid health care protection for their employees with the contractors authorized to provide such coverage in the State.

18. Q: I am an employee of a national company which has a health plan not in compliance with this Act. Does the company have to change its entire health plan just to comply with Hawaii's law?

A: No. But the company has one year in which to adjust its plan so that its Hawaii employees are covered in compliance with Hawaii's law. What it does about its employees in other states is not Hawaii's concern.

PREMIUM COSTS

19. Q: Who is responsible for paying the premium for the required prepaid health care plan?

A: Both the employee and the employer

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* May 1974—The Legislative Reference Bureau gratefully acknowledges the assistance of Patricia K. Putman, formerly with the LRB, for her formulation of most of these questions and answers.

share the cost; and in certain situations the State also contributes, as a subsidy to marginal small employers. The cost allocation in most cases goes as follows:

(1) Employer contributes at least one-half of the cost of the premium.

(2) Employee contributes, through payroll deductions, the balance, except that an

(3) Employee in no case contributes more than 1.5 per cent of his wages, and

(4) If employee's contribution is less than one-half of the cost of the premium, the employer contributes the whole remaining portion of the premium.

20. Q: In round figures, what are the premium costs involved?

A: According to data gathered in connection with the writing of this legislation, the prepaid health care required in this Act costs about $180 a year for each worker; the amount is roughly the same whether the prepaid health care is under a plan in which the health provider is reimbursed for health services delivered (HMSA type) or is under a plan that actually furnishes the health services (Kaiser type). Following are examples of how the cost sharing works:

Example 1. Employee with wages of $6,000 a year. Employer contributes ½ of $180 or $90 a year ($7.50 a month). Employee contributes ½ of $180 or $90 a year ($7.50 a month).

This example is at the "break-even" wage level where 1.5 per cent of the $6,000 wage equals $90, which is one-half of the cost of the premium.

Example 2. Employee with wages of $9,000 a year. Employer contributes ½ of $180 or $90 a year ($7.50 a month). Employee contributes ½ of $180 or $90 a year ($7.50 a month).

This example shows that a wage levels higher that $6,000, the cost of the premium is a lower percentage of the wages; $90 is only one per cent of $9,000.

Example 3. Employee with wages of $4,800 a year. Employer contributes ½ of $180 or $90 a year ($7.50 a month). Employee contributes 1.5% of wages $72 a year ($6.00 a month). Employer contributes remaining portion of $180 or $18 a year ($1.50 a month).

This example shows the results when the employee's contribution of 1.5% of wages does not equal one half of the cost of the premium. In this example the employer's total contribution is $108 a year or $9 a month.

21. Many workers have more than one job. Who decides which employer must provide the prepaid health care plan and contribute the employer's share of the premium costs in these situations?

A: First, it must be remembered that the Act covers only regular employees (at least 20 hours of work a week for a single employer); so if a "moonlight" or second job is just part-time, not amounting to 20 hours of work a week, there is no problem. If, however, a worker is a regular employee of two or more employers and meets the monthly salary test for each employer, the worker decides which one of his employers will be considered the "principal" employer for purposes of this Act, and that is the employer who must provide the prepaid health care plan and pay the employer's share of the costs of the premium.

22. Does the same rule apply to a government worker (employed by the federal, state, or county government) who moonlights?

A: No, if a worker is a regular employee of a private employer and also a regular employee of the government, the government is the "principle employer". This rule recognizes the fact that government workers have for a long time been entitled to health benefits plans, and this Act is intended not to duplicate benefits provided under other laws.

23. If a worker is a regular employee of two employers, won't each of the employers try to force the worker to select the other employer as "principal" employer because providing the employee with a prepaid health care plan is a business expense to the employer?

A: The Act specifically prohibits employers from using this kind of force or in any way interfering with the employee's choice of principal employer, and an employer who violates the prohibition will be subject to a fine of up to $200.

24. How are premium payments made when the worker is sick, and where the employee's sick leave is used up?

A: These situations are handled under a "continuation" provision in the Act. If the worker is disabled from working because of sickness, or even when he is hospitalized, the employer must continue to pay the employer's share of the cost of the premium, during the time of the sickness or hospitalization. The employer must make these payments for the longer of the following periods:

(1) Three months following the month during which the employee became hospitalized or otherwise disabled from working, or

(2) The period of the employee's sick leave.

The reason for the "continuation" provision is to assist the employee in keeping up his entitlement to health care benefits during the time when he most needs them—when sick or hospitalized.

EXEMPTIONS

25. Q: If a worker already has health insurance or is entitled to health care benefits, does that worker have to be included under this Act?

A: This Act is intended not to duplicate benefits because a person does not need two prepaid health care plans. In the following cases, it is the responsibility of the worker to notify the employer not to provide a prepaid health care plan under this Act:

(1) For a person who is a regular employee of two or more employers, an employer who is not selected as "principal" employer must be notified not to provide the health care plan for that employee.

(2) For a person covered by health insurance or a prepaid health care plan under federal law, such as a person 65 years of age or older who is covered by Medicare, the employer must be notified not to provide the health care plan for that employee.

(3) For a person who is entitled to health benefits as good as those required under this Act, as a dependent (wife, husband, child) of someone with a prepaid health care plan, the employer must be notified not to provide the health care plan for that employee.

(4) For a person who is a recipient of public assistance or covered by a prepaid health plan under the state law on medical assistance, such as a working mother entitled to aid for dependent children, the employer must be notified not to provide the health care plan for that employee.

In all of these cases, the employer must notify the Director of Labor and Industrial Relations of the exemptions, or of any change in the exemptions. The employee also has the responsibility of notifying the employer of any change in the circumstances that qualify for an exemption.

PREMIUM SUPPLEMENTATION

26. Q: Doesn't this Act impose a burden on employers by adding additional expenses on the cost of doing business?

A: To the extent that employers contribute to the costs of the premium for their employees' prepaid health care plans, that is an additional cost of doing business. It is believed that businesses should bear a reasonable share of the cost of providing these health benefits for employees, instead of placing too large a burden on employees, especially the low wage earning employee, and on the taxpayers at large. However, there is special concern for small businesses that operate on a small margin of profit where too large additional expenses would be more than they can easily bear. For these small businesses, the Act provides for premium supplementation to help meet the premium costs for the required prepaid health care plans.

27. Q: What businesses qualify as small businesses for purposes of the premium supplementation?

A: An employer who employs 7 or fewer employees who are entitled to prepaid health care benefits under the Act.

28. Q: Are all employers with 7 or fewer employees eligible for premium supplementation?

A: No, there is a two-part test that must be met in order for a small business to be entitled to premium supplementation.

(1) First, the employer's share of the cost of the premium must exceed 1.5 per cent of his total payroll. Following are examples of this part of the test:

Employer A has 4 regular employees, each with wages of $6,000.

Employees contribute $90 each (1.5% of $6,000=$90, one-half of premium).

Employer contributes $90×4 ($90 for each employee)=$360.

Total payroll is $24,000, 1.5% of $24,000=$360.

In this example, the employer does not meet the first part of the test and is not eligible for premium supplementation; his share of premium costs does not exceed 1.5% of the total payroll.

Employer B has the following regular employees:

2 employees, each with wages of $9,000 and 3 employees, each with wages of $4,800.

$9,000 employees contribute $90 each (one half of premium).

$4,800 employees contribute $72 each (1.5% of wages).

Employer contributes $180 ($90 each for $9,000 employees).

Employer contributes $324 ($108 each for $4,800 employees).

Total, $504.

Total payroll is $32,400 ($9,000×2 and $4,800×3), 1.5% of $32,400=$486.

In this example, the employer meets the first part of the test; his share of premium costs exceeds 1.5% of the total payroll.

Employer C has the following *regular* employees:

1 employee with wages of $6,000.

1 employee with wages of $4,800.

5 employees, each with wages of $3,000.

$6,000 employee contributes $90.

$4,800 employee contributes $72.

$3, 000 employees contribute $45 each.

Employer contributes $90 (for $6,000 employee).

Employer contributes $108 (for $4,800 employee)

Employer contributes $675 ($135 each for $3,000 employees).

Total, $873.

Total payroll is $25,800 1.5% of $25,800=$387.

In this example, the employer meets the first part of the test; his share of premium costs exceeds 1.5% of the total payroll.

(2) The second part of the test to qualify a small business for premium supplementation relates to profits from the business. If the employer's share of premium costs exceeds 1.5% of total payroll (first part of test), the employer is entitled to premium supplementation only when the excess is more than 5% of his business income before taxes. This part of the test makes clear that in every case the employer, as well as the employee, must contribute at least 1.5% of the premium costs and that no one gets a "free ride".

In the examples used for the first part of the test, in order for an employer to qualify for premium supplementation;

Employer A—He can be disregarded because he did not meet the first part of the test.

Employer B—Suppose this employer is in a retail or service trade, the 2 $9,000 employees are trained in business administration, and the trained in business administration, and the 3 $4,800 employees are clerks. Suppose also that this business nets, before taxes, $50,000 income. With these facts, the employer would not be entitled to supplementation for his share of the costs of the premiums for his employees' prepaid health care plan because the $18 amount he paid in premiums that was more than 1.5% of total payroll is not more than 5% of his business income before taxes.

Employer C—Suppose this employer also is in a retail or service trade, the $6,000 employee has some years of experience, the $4,800 employee has finished their in-service training, and the 5 $3,000 employees are new hires just learning their jobs. Suppose also that this business nets, before taxes, $8,000 income. With these facts, Employer C is entitled to $86 in premium supplementation. His $873 contribution toward premium costs is $486 more than 1.5% of total payroll ($387), and $486 is $86 more than 5% of business income before taxes ($8,000).

29. Q: How does the small businessman actually go about claiming and collecting premium supplementation if he is qualified for this assistance?

A: The employer must file a claim for the supplementation and prove that he is entitled to it. Probably, the easiest way to establish his right to the supplementation is to give the administrator a copy of his business tax return. The employer will also have to inform himself about the rules and regulations on the matter.

30. Q: Who pays for the premium supplementation that qualifying small businesses can claim?

A: Premium supplementation payments are to be paid out of a special fund consisting of money appropriated by the State for the purpose of the supplementation, plus fines and penalties collected under the Act.

ADMINISTRATION AND ENFORCEMENT

31. Q: Who is responsible for the administration and enforcement of the Act?

A: The Director of Labor and Industrial Relations who will be assisted by an Advisory Council in determinations on qualifications of prepaid health care plans.

32. Q: Will the administration and enforcement be expensive and complicated?

A: Day-to-day administrative and enforcement responsibilities for the Hawaii Health Prepayment Act will fall conveniently within the division of the Department of Labor and Industrial Relations that is already responsible for administration and enforcement of Hawaii's Temporary Disability Insurance Law.

33. Q: Who makes up the Prepaid Health Care Advisory Council?

A: The members of this body, not more than 7 people, will be appointed by the Director of Labor and Industrial Relations. The members must include representatives of the medical and public health professions, consumer interests, and others experienced in prepaid health care protection.

34. Q: What are the penalties for not complying with the Act?

A: Generally, the penalty for an employer who does not provide the required prepaid health care plan for his employees is a fine of not less than $25 (or $1 for each employee) for each day of noncompliance. In addition, for wilful violations of the Act by an employer, an employee, or a prepaid health care plan contractor, fines up to the amount of $200 may be imposed.

EFFECT OF FEDERAL LAW

35. Q: What happens if federal legislation is enacted to provide for a national health insurance law?

A: If the federal legislation provides for voluntary prepaid health care for the people of Hawaii so that the benefits are at least as favorable as the benefits under this Act, then this Act will go out of effect.

If the federal legislation provides for mandatory prepaid health care for the people of Hawaii, then this Act will go out of effect.

If the federal legislation is the kind that prohibits a State from having a law requiring prepaid health care, then this Act will go out of effect.

HAWAII SENATE BILL No. 14

A bill for an act relating to the Hawaii Health Prepayment Act

Be it enacted by the Legislature of the State of Hawaii:

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately numbered and to read as follows:

"CHAPTER

PREPAID HEALTH CARE ACT

Part I. Short title; purpose; definitions

SEC. 1. *Short title.* This chapter shall be known as the Hawaii Prepaid Health Care Act.

SEC. 2. *Findings and purpose.* The cost of medical care in case of sudden need may consume all or an excessive part of a person's resources. Prepaid health care plans offer a certain measure of protection against such emergencies. It is the purpose of this chapter in view of the spiraling cost of comprehensive medical care to provide this type of protection for the employees in this State. Although a large segment of the labor force in the State already enjoys coverage of this type either by virtue of collective bargaining agreements, employer-sponsored plans, or individual initiative, there is a need to extend that protection to workers who at present do not possess any or possess only inadequate prepayment coverage.

This chapter shall not be construed to interfere with or diminish any protection already provided pursuant to collective bargaining agreements or employer-sponsored plans that is more favorable to the employees benefited thereby than the protection provided by this chapter or at least equivalent thereto.

SEC. 3. *Definitions generally.* As used in this chapter, unless the context clearly requires otherwise:

(1) "Department" means the department of labor and industrial relations.

(2) "Director" means the director of labor and industrial relations.

(3) "Employer" means any individual or type of organization, including any partnership, association, trust, estate, joint stock company, insurance company, or corporation, whether domestic or foreign, a debtor in possession or receiver or trustee in bankruptcy, or the legal representative of a deceased person, who has one or more regular employees in his employment. "Employer" does not include:

(A) The State, any of its political subdivisions, or any instrumentality of the State or its political subdivisions;

(B) The United States government or any instrumentality of the United States;

(C) Any other state or political subdivision thereof or instrumentality of such state or political subdivision;

(D) Any foreign government or instrumentality wholly owned by a foreign government, if (i) the service performed in its employ is of a character similar to that performed in foreign countries by employees of the United States government or of an instrumentality thereof, and (ii) the United States Secretary of State has certified or certifies to the United States Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and of instrumentalities thereof.

(4) "Employment" means service, including service in interstate commerce, performed for wages under any contract of hire, written or oral, expressed or implied, with an employer, except as otherwise provided in sections 4 and 5.

(5) "Premium" means the amount payable to a prepaid health care plan contractor as consideration for his obligations under a prepaid health care plan.

(6) "Prepaid health care plan" means any agreement by which any prepaid health care plan contractor undertakes in consideration of a stipulated premium:

(A) Either to furnish health care, including hospitalization, surgery, medical or nursing care, drugs or other restorative appliances, subject to, if at all, only a nominal per service charge; or

(B) To defray or reimburse, in whole or in part, the expenses of health care.

(7) "Prepaid health care plan contractor" means:

(A) Any medical group or organization which undertakes under a prepaid health care plan to provide health care; or

(B) Any nonprofit organization which undertakes under a prepaid health care plan to defray or reimburse in whole or in part the expenses of health care; or

(C) Any insurer who undertakes under a prepaid health care plan to defray or reimburse in whole or in part the expenses of health care.

(8) "Regular employee" means a person employed in the employment of any one employer for at least twenty hours per week but does not include a person employed in seasonal employment. "Seasonal employment" for the purposes of this paragraph means employment in a seasonal pursuit as defined in section 387–1 by a seasonal employer during a seasonal period or seasonal periods for the employer in the seasonal pursuit or employment by an employer engaged in the cultivating, harvesting, processing, canning, and warehousing of pineapple during its seasonal periods. The director by rule and regulation may determine the kind of employment that constitutes seasonal employment.

(9) "Wages" means all cash remuneration for services from whatever source, including commissions, bonuses, and tips and gratuities paid directly to any individual by a customer of his employer.

If the employee does not account to his employer for the tips and gratuities received and is engaged in an occupation in which he customarily and regularly receives more than $20 a month in tips, the combined amount received by him from his employer and from tips shall be deemed to be at least equal to the wage required by chapter 387 or a greater sum as determined by regulation of the director.

"Wages" does not include the amount of any payment specified in section 383–11 or 392–22 or chapter 386.

SEC. 4. *Place of performance.* "Employment" includes an individual's entire service, performed within or both within and without this State if:

(1) The service is localized in this State; or

(2) The service is not localized in any state but some of the service is performed in this State and

(A) the individual's base of operation, or, if there is no base of operation, the place from which such service is directed or controlled, is in the State; or

(B) the individual's base of operation or place from which the service is directed or controlled is not in any state in which some part of the service is performed but the individual's residence is in this State.

SEC. 5. *Excluded services.* "Employment" as defined in section 3 does not include the following services:

(1) Service performed by an individual in the employ of an employer who, by the laws of the United States, is responsible for cure and cost in connection with such service.

(2) Service performed by an individual in the employ of his spouse, son, or daughter, and service performed by an individual under the age of twenty-one in the employ of his father or mother.

(3) Service performed in the employ of a voluntary employee's beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of the association or their dependents or their designated beneficiaries, if

(A) admission to membership in the association is limited to individuals who are officers or employees of the United States government, and

(B) no part of the net earnings of the association inures (other than through such payments) to the benefits of any private shareholder or individual.

(4) Service performed by an individual for an employer as an insurance agent or as an insurance solicitor, if all such service performed by the individual for the employer is performed for remuneration solely by way of commission.

(5) Service performed by an individual for an employer as a real estate salesman or as a real estate broker, if all such service performed by the individual for the employer is performed for remuneration solely by way of commission.

(6) Service performed by an individual who, pursuant to the Federal Economic Opportunity Act of 1964, is not subject to the provisions of law relating to federal employment, including unemployment compensation.

SEC. 6. *Principal and secondary employer defined; coercion, interference, etc. prohibited.* If an individual is concurrently a regular employee of two or more employers as defined in this chapter, the employee shall determine which of the employers shall be his principal employer. His other employers are secondary employers. The determination by the employee of his principal employer is binding for one year or until change of employment, whichever is earlier.

If an individual is concurrently a regular employee of a public entity which is not an employer as defined in section 3 the latter shall be deemed to be a secondary employer.

An employer who, directly or indirectly, interferes with or coerces or attempts to coerce an employee in making a determination under this section shall be subject to the penalty provided under subsection 33(b).

SEC. 7. *Required health care benefits.* (a) A prepaid health care plan shall qualify as a plan providing the mandatory health care benefits required under this chapter if it provides for health care benefits equal to, or medically reasonably substitutable for, the benefits provided by prepaid health plans of the same type, as specified in section 12(a) (1) or (2), which have the largest numbers of subscribers in the State. This applies to the types and quantity of benefits as well as to limitations on reimbursability, including deductibles, and to required amounts of co-insurance.

The director, after advice by the prepaid health care advisory council, shall determine whether benefits provided in a plan, other than the plan of the respective type having the largest numbers of subscribers in the State, comply with the standards specified in this subsection.

(b) A prepaid group health care plan shall also qualify for the mandatory health care benefits required under this chapter if it is demonstrated by the health care plan contractor offering such coverage to the satisfaction of the director after advice by the prepaid health care advisory council that the plan provides for sound basic hospital, surgical, medical, and other health care benefits at a premium commensurate with the benefits included taking proper account of the limitations, co-insurance features, and deductibles specified in such plan. Coverage under a plan which provides aggregate benefits that are more limited than those provided by plans qualifying under subsection (a) shall be in compliance with section 11 only if the employer contributes at least half of the cost of the coverage of dependents under such plan.

(c) Subject to the provisions of subsections (a) and (b) without limiting the development of medically more desirable combinations and the inclusion of new types of benefits, a prepaid health care plan qualifying under this chapter shall include at least the following benefit types:

(1) Hospital benefits:

(A) In-patient care for a period of at least one hundred twenty days of confinement in each calendar year covering:

(i) Room accommodations;

(ii) Regular and special diets;

(iii) General nursing services;

(iv) Use of operating room, surgical supplies, anesthesia services, and supplies;

(v) Drugs, dressings, oxygen, antibiotics, and blood transfusion services.

(B) Out-patient care:

(i) Covering use of out-patient hospital;

(ii) Facilities for surgical procedures or medical care of an emergency and urgent nature.

(2) Surgical benefits:

(A) Surgical services performed by a licensed physician, as determined by plans meeting the standards of subsections (a) and (b);

(B) After-care visits for a reasonable period;

(C) Anesthesiologist services.

(3) Medical benefits:

(A) Necessary home, office, and hospital visits by a licensed physican;

(B) Intensive medical care while hospitalized;

(C) Medical or surgical consultations while confined.

(4) Diagnostic laboratory services, X-ray films, and radio-therapeutic services, necessary for diagnosis or treatment of injuries or diseases.

(5) Maternity benefits, at least if the employee has been covered by the prepaid health care plan for nine consecutive months prior to the delivery.

(d) The prepaid health care advisory council shall be appointed by the director and shall include representatives of the medical and public health professions, representatives of consumer interests, and persons experienced in prepaid health care protection. The membership of the council shall not exceed seven individuals.

Part II. Mandatory coverage

SEC. 11. *Coverage of regular employees by group prepaid health care plan.* Every employer who pays to a regular employee monthly wages in an amount of at least 86.67 times the minimum hourly wage, specified in chapter 387, as rounded off by regulation of the director, shall provide coverage of such employee by a prepaid group health care plan qualifying under section 7 with a prepaid health care plan contractor in accordance with the provisions of this chapter.

SEC. 12. *Choice of plan type and of contractor.* (a) Every employer required to provide coverage for his employees by a prepaid group health care plan under this chapter shall elect whether coverage shall be provided by:

(1) A plan which obligates the prepaid health care plan contractor to furnish the required health care benefits; or

(2) A plan which obligates the prepaid health care plan contractor to defray or reimburse the expenses of health care.

His election is binding for one year.

(b) Whether the employer elects a plan type described in subsection (a)(1) or in subsection (a)(2), the employer may elect the particular contractor but the employee shall not be obligated to contribute a greater amount to the premium than he would have to contribute had the employer elected coverage with the contractor providing the prevailing coverage of the respective type in the State.

Subject to the provision of section 20, the employer shall provide coverage with the prepaid health care plan contractor selected pursuant to this subsection for all his employees in the State electing this type of coverage who are covered by the provisions of this chapter, except for employees covered by the health care provisions of an applicable collective bargaining agreement as provided in section 19(b) first sentence.

SEC. 13. *Liability for payments of premium; withholding.* Unless an applicable collective bargaining agreement specifies differently every employer shall contribute at least one-half of the premium for the coverage required by this chapter and the employee shall contribute the balance; provided that in no case shall the employee contribute more than 1.5 per cent of his wages; and provided that if the amount of the employee's contribution is less than one-half of the premium, the employer shall be liable for the whole remaining portion of the premium.

The employer shall withhold the employee's share from his wages with respect to pay periods as specified by the director.

SEC. 14. *Commencement of coverage.* The employer shall provide the coverage required by this chapter for any regular employee, who has been in his employ for four consecutive weeks, at the earliest time thereafter at which coverage may be provided with the prepaid health care plan contractor selected pursuant to this chapter.

SEC. 15. *Continuation of coverage in case of inability to earn wages.* If an employee is hospitalized or otherwise prevented by sickness from working, the employer shall enable the employee to continue his coverage by contributing to the premium the amounts paid by the employer toward such premium prior to the employee's sickness for the period that such employee is hospitalized or prevented by sickness from working. This obligation shall not exceed a period of three months following the month during which the employee became hospitalized or disabled from working, or the period for which the employer has undertaken the payment of his regular wages in such case, whichever is longer.

SEC. 16. *Liability of secondary employer.* An employer who has been notified by an employee, in the form prescribed by the director, that he is not the principal employer as defined in section 6 shall be relieved of the duty of providing the coverage required by this chapter until he is notified by the employee pursuant to section 18 that he has become the principal employer. He shall notify the director, in the form prescribed the director, that he is relieved from the duty of providing coverage or of any change in that status.

SEC. 17. *Exemption of certain employees.* (a) In addition to the exemption specified in section 16, an employer shall be relieved of his duty under section 11 with respect to any employee who has notified him, in the form specified by the director, that the employee is:

(1) Protected by health insurance or any prepaid health care plan established under any law of the United States;

(2) Covered as a dependent under a prepaid health care plan, entitling him to the health benefits required by this chapter;

(3) A recipient of public assistance or covered by a prepaid health care plan established under the laws of the State governing medical assistance.

(b) Employers receiving notice of a claim of exemption under this section shall notify the director of such claim in the form prescribed by the director.

Sec. 18. *Termination of exemption.* (a) If an exemption which has been claimed by an employee pursuant to section 17 terminates because of any change in the circumstances entitling the employee to claim such exemption, the employee shall promptly notify the principal employer of the termination of the exemption and the employer thereupon shall provide coverage as required by this chapter.

(b) If because of a change in the employment situation of an employee or a redetermination by an employee as provided in section 6, a principal employer becomes a secondary employer or a secondary employer becomes the principal employer, the employee shall promptly notify the employers affected of such change and the new principal employer shall provide coverage as required by this chapter.

Sec. 19. *Freedom of collective bargaining.* (a) In addition to the policy stated in section 2, nothing in this chapter shall be construed to limit the freedom of employees to bargain collectively for different prepaid health care plan coverage or for a different allocation of the costs thereof. A collective bargaining agreement may provide that the employer himself undertakes to provide the health care specified in the agreement.

(b) If the employees rendering particular types of services are not covered by the health care provisions of the applicable collective bargaining agreements to which their employer is a party, the provisions of this chapter shall be applicable with respect to them. An employer or group of employers shall be deemed to have complied with the provisions of this chapter if they undertake to provide health care services pursuant to a collective bargaining agreement and the services are available to all other employees not covered by such agreement.

Sec. 20. *Adjustment of employer-sponsored plans.* Where employees subject to the coverage of this chapter are included in the coverage provisions of an employer-sponsored prepaid health care plan covering similar employees employed outside the State and the majority of such employees are not subject to this chapter, the benefits applicable to the employees covered by this chapter shall be adjusted within one year after the effective date of this chapter so as to meet the requirements of this chapter.

Sec. 21. *Individual waivers prohibited; additional withholding for dependents.* An employee may not waive individually all or part of the required health care benefits or agree to pay a greater share of the premium for such benefits than is required by this chapter.

Subject to section 7(b), an employee may consent to pay a greater share of his wages and to a withholding of such share by the employer for the purpose of providing prepaid health care benefits of his dependents under the plan providing such benefits for himself.

Sec. 22. *Exemption of followers of certain teachings or beliefs.* This chapter shall not apply to any individual who pursuant to the teachings, faith, or belief of any group, depends for healing upon prayer or other spiritual means.

Sec. 23. *Joint provision of coverage.* Employers may form associations for the purpose of jointly providing prepaid health care protection under this chapter for their employees with the contractors authorized to provide such coverage in the State.

Part III. Administration and enforcement

Sec. 31. *Enforcement by the director.* Except as otherwise provided in section 7 the director shall administer and enforce this chapter. The director may appoint such assistants and such clerical, stenographic, and other help as may be necessary for the proper administration and enforcement of this chapter subject to any civil service act relating to state employees.

Sec. 32. *Rule making and other powers of the director.* The director may adopt, amend, or repeal, pursuant to chapter 91, such rules and regulations as he deems necessary or suitable for the proper administration and enforcement of this chapter.

The director may round off the amounts specified in this chapter for the purpose of eliminating payments from the premium supplementation fund in other than even dollar amounts or other purposes.

The director may prescribe the filing of reports by prepaid health care plan contractors and prescribe the form and content of request by employers for premium supplementation and the period for the payment thereof.

Sec. 33. *Penalties.* (a) If an employer fails to comply with section 11, 12, 13, or 15 he shall pay a penalty of not less than $25 or of $1 for each employee for every day during which such failure continues, whichever sum is greater. The penalty shall be assessed under rules and regulations promulgated pursuant to chapter 91 and shall be collected by the director and paid into the special fund for premium supplementation established by section 41. The director may, for good cause shown, remit all or any part of the penalty.

(b) Any employer, employee, or prepaid health care plan contractor who wilfully fails to comply with any other provision of this chapter or any rule or regulation thereunder may be fined not more than $200 for each such violation.

Part IV. Premium supplementation

Sec. 41. *Establishment of special premium supplementation fund.* There is established in the treasury of the State, separate and apart from all public moneys or funds of the State, a special fund for premium supplementation which shall be administered exclusively for the purposes of this chapter. All premium supplementations payable under this part shall be paid from the fund. The fund shall consist of (1) all money appropriated by the State for the purposes of premium supplementation under this part and (2) all fines and penalties collected pursuant to this chapter.

Sec. 42. *Management of the fund.* The director of finance shall be the treasurer and custodian of the premium supplementation fund and shall administer the fund in accordance with the directions of the director of labor and industrial relations. All moneys in the fund shall be held in trust for the purposes of this part only and shall not be expended, released, or appropriated or otherwise disposed of for any other purpose. Moneys in the fund may be deposited in any depositary bank in which general funds of the State may be deposited but such moneys shall not be commingled with other state funds and shall be maintained in separate accounts on the books of the depositary bank. Such moneys shall be secured by the depositary bank to the same extent and in the same manner as required by the general depositary law of the State; and collateral pledged for this purpose shall be kept separate and distinct from any other collateral pledged to secure other funds of the State. The director of finance shall be liable for the performance of his duties under this section as provided in chapter 37.

Sec. 43. *Disbursements from the fund.* Expenditures of moneys in the premium supplementation fund shall not be subject to any provisions of law requiring specific appropriations or other formal release by the state officers of money in their custody. All payments from the fund shall be made upon warrants drawn upon the director of finance by the comptroller of the State supported by vouchers approved by the director.

Sec. 44. *Investment of moneys.* With the approval of the department the director of finance may, from time to time, invest such moneys in the premium supplementation fund as are in excess of the amount deemed necessary for the payment of benefits for a reasonable future period. Such moneys may be invested in bonds of any political or municipal corporation or subdivision of the State, or any of the outstanding bonds of the State, or invested in bonds or interest-bearing notes or obligations of the State (including state director of finance's warrant notes issued pursuant to chapter 40), or of the United States, or those for which the faith and credit of the United States, are pledged for the payment of principal and interest, or in federal land bank bonds or joint stock farm loan bonds. The investments shall at all times be so made that all the assets of the fund shall always be readily convertible into cash when needed for the payment of benefits. The director of finance shall dispose of securities or other properties belonging to the fund only under the direction of the director of labor and industrial relations.

Sec. 45. *Entitlement to premium supplementation.* (a) An employer who employs less than eight employees entitled to coverage under this chapter and who provides coverage to such employees pursuant to section 7(a) shall be entitled to premium supplementation from the fund if the employer's share of the cost of providing such coverage as determined by sections 13 and 15 exceeds 1.5 per cent of the total wages payable to such employees and if the amount of such excess is greater than five per cent of the employer's income before taxes directly attributable to the business in which such employees are employed.

(b) The amount of the supplementation shall be that part of the employer's share of the premium cost which exceeds the limits specified in subsection (a).

Sec. 46. *Income directly attributable to the business.* (a) "Income directly attributable to the business" means gross profits from the business minus deductions for:

(1) Compensation of officers;

(2) Salaries and wages, except wages paid by an individual proprietor to himself;

(3) Repairs;

(4) Taxes on business and business property;

(5) Business advertising;

(6) Amounts contributed to employee benefit plans;

(7) Interest on business indebtedness;

(8) Rent on business property; and

(9) Other expenses necessary for the current conduct of business.

(b) Deductions shall not include:

(1) Bad debts;

(2) Contributions or gifts, other than those listed under subsection (a) (6);

(3) Amortization and depreciation; or

(4) Losses by fire, storm, casualty, or theft.

(c) The director may promulgate rules and regulations necessary to define income directly attributable to business for the purpose of section 45.

Sec. 47. *Claim of premium supplementation.* An employer entitled to premium supplementation shall file a claim therefor in the manner provided by regulation of the director. The employer shall have the burden of proof of establishing his entitlement."

SECTION 2. This Act shall take effect upon its approval, except that the coverage by group prepaid health care plans required by this Act and the payment of premiums for such coverage shall commence January 1, 1975; provided that this Act shall termininate upon the effective date of federal legislation that provides for voluntary prepaid health care for the people of Hawaii in a manner at least as favorable as the health care provided by this Act, or upon the effective date of federal legislation that provides for mandatory prepaid health care for the people of Hawaii.

THE REAL OIL SCANDAL

Mr. FANNIN. Mr. President, Mr. John R. Gisburne of Midland, Tex., was kind enough to send me a recent article from the Harvard Crimson entitled "The Real Oil Scandal." The Interior Committee will hold a hearing tomorrow and then mark up a bill to extend the Mandatory Petroleum Allocation Act. Such action by our committee is certainly premature since it was only 8 months since the Allocation Act became law and will not expire for another 7 months. This article supports the free market economy as the proper mechanism for allocating supplies and points up the weaknesses of government control. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REAL OIL SCANDAL

An old adage goes, there are three types of liars—liars, damned liars, and statistics. The energy crisis has had more than its share of all three.

In the past two weeks, the profits for the first quarter of 1974 for the largest U.S. oil companies have been widely reported as showing great gains for the oil companies. Texaco's profits were up 123 per cent. Standard Oil of Indiana's profits were up 81 per cent, and Exxon's profit were up 81 per cent. But what do these statistics mean?

In a completely socialized economy, if a shortage developed in some commodity, the central planners would want to allocate extra resources to the commodity's production. But how much should they allocate and from what other industries should they allocate it? The planners would have no way of knowing.

But in a free market economy, the proper reallocations are made automatically. When a commodity is in short supply, its price rises, increasing profits for the producers. This gives them both the money and incentive to increase production.

In actual practice this has been the case for the oil companies. When the oil shortage made Exxon's profits rise 60 per cent in 1973 to $2.4 billion, the company increased 1974 investment in the search for oil 73 per cent, to $6.1 billion. Gulf's profits were up 79 per cent in 1973, to $800 million, but Gulf has increased its 1974 capital investment to $2 billion. Atlantic Richfield, making $270 million last year, plans to double its capital investment in 1974 to $1.1 billion. The same is true for all oil companies, large and small. The oil companies are reinvesting all of their higher profits, and even more.

But there is another reallocating mechanism in the market. Producers of other commodities, seeing the rising prices of the shortage commodity, try to switch into production of it as much as possible.

Again, in the oil industry, this has been the case. The New York Times reports that even very small operators are entering the industry. "The price of new oil is bringing about development like I've never seen before," said H. L. Sonny Brown in a Times article on March 10. Brown is an independent oilman who has just begun putting up his own rigs in Texas. "In 19 years I've never seen this area like it has been the past few months. Everybody wants to do things."

"The oil business looks more attractive to me than it has in the past 15 years," said Don E. Weber of Midlands, Texas, also in a Times interview. "The rewards are now commensurate with the risks." Weber has just gone into the oil business in partnership with a geologist.

"Where we are now I thought we wouldn't be for two or three years," said Jeff E. Montgomery, chairman of Kirby Industries. "We are packing all the capital we can into exploration and production." Kirby Industries once owned a few oil wells in the '60s but then moved into the prefabrication of steel buildings.

"In those days," Montgomery said, "we weren't making money finding oil. You could not make a reasonable rate of return. We set out to get in some other business." But now Kirby Industries is back in oil.

The extra production from increased investment by old and new producers would eliminate the shortage. The oil companies plan to add 2.1 million barrels a day to production in the next four years. This extra production will also drive down prices until profits are back to normal. Thus, higher oil profits mean merely that the market is doing what government allocators would want to do themselves, if only they knew how. The free market reallocating mechanism is far superior to any reallocating mechanism in planned economics.

In this process the temporarily high profits a company makes during the shortage are its payment for switching resources to their most important uses and for providing a commodity when it is most needed—during the shortage.

These reallocations are the proper ones because they are determined by consumer choices. The more important a commodity is to consumers, the higher they will bid up its price and the profits of its producers during a shortage. But the higher prices and profits are, the more old and new producers will shift resources into production of that commodity.

But why would anyone be allowed to make profits at the expense of others? Someone who produces a product creates a value. He has combined various inputs and created a more valuable output. The extra value is his because he created it and his profit is payment for this value. His profit does not mean he is appropriating a bigger share of available wealth, it means he is increasing total wealth and his profit is the amount he increased it by. He doesn't make this profit at the expense of others, he creates the value of the profit by producing the product.

So even if oil profits were high, that would not reveal a scandal. It would simply reveal the rational, just, efficient, workings of the market.

But the truth is that oil profits have not been high. If a company's returns rose 100 per cent, that would not say whether the company was making exorbitant profits or not. If a company made 1 or 2 per cent profit and its profit rose 100 or 200 per cent, the company would still be doing poorly. But this is precisely how oil profits have been reported, as the increase in profits.

The actual figures show that oil companies have not made high profits. Although profits rose 55 per cent in 1973, the return on invested capital for the oil industry was 11.2 per cent, the same as 10 years ago. The FTC reports that oil profits in 1973 were 15.6 per cent compared to 14.8 per cent for all other manufacturing. More than a third of the nation's industries had higher returns. Actually, oil profits had been lower than the average for other manufacturing industries in eight out of the last ten years.

And these profit figures are heavily influenced by returns on older, already discovered oil wells. Returns on new investments have been lower. In 1972, the Department of Interior estimated that the discounted cash flow rate of return on oil exploration and development expenditures was 3.2 to 6.6 per cent. This means that secure investments like bonds or long term savings certificates have been more profitable than petroleum exploration and development investments.

Furthermore, in the past year, 85 per cent of the increase in oil profits has come from oil produced and sold outside the U.S. Twenty-five per cent of the total gain was due to the devaluation of the dollar. Because of these overseas profits, in the past five years oil companies have invested two dollars looking for oil in the U.S. for every dollar of domestic profit.

Also, much of these profits has gone to the federal government for drilling rights. In 1972, the oil industry made $6.5 million in profits. Yet in the following year, the industry paid $6.9 billion to the government for offshore drilling rights.

So the recent rise in oil profits was really a return to normal levels. But even if oil profits continue to rise, the market will correct itself. Even the profit rise to normal levels has caused great increases in investment, as we have already seen. Any further increase will cause even more, so the resulting extra production will eventually bring profits back to normal levels. In the meantime, the shortage will have been ended and nobody makes any money they haven't earned.

Anyone who thinks there isn't enough oil to be found to increase production ought to research the estimates of oil available from Alaska, off-shore fields, tar sands, shale, coal, and old oil wells. The oil can be found if there is an incentive to find it.

It therefore seems that the notion that oil companies are making outrageous profits is the result of twisted statistics. Even if profits were high that would not reveal anything scandalous or immoral. It seems that the only scandal oil profits reveal is the way they have been grossly misrepresented. The only real scandal is the great number of public figures who are willing to bend the truth to support their ideological contentions.

NEED FOR NATIONAL DIALOG ON U.S. FOREIGN POLICY

Mr. McGEE. Mr. President, in the July 27 issue of Saturday Review/World, there appeared an excellent guest editorial written by George C. McGhee.

The editorial focuses on the need for a national dialog on U.S. foreign policy. I certainly endorse this proposal. All too often, Members of the Congress justify their opposition to U.S. foreign policy initiatives on the basis of what their constituency "back home" supposedly perceives. However, I also believe this attitude belies an underestimation of the American people.

We have done a poor job of carrying out an intelligent dialog with our constituents on such matters as foreign aid and a strong U.S. involvement in international affairs. I believe strong support can be generated for our foreign policy initiatives, if such an intelligent and rational dialog is opened.

George McGhee is particularly qualified to offer his thoughts on this subject He has had a very illustrious and productive career in international relations, first serving as Coordinator for aid to Greece and Turkey in the Department of State from 1947 until 1949, and then serving as Special Assistant to the Secretary of State before assuming the post of Assistant Secretary of State for Eastern, South Asian, and African Affairs for 2 years. During the 1950's and early 1960's, he served in a variety of key foreign policy posts. In 1963, he became Ambassador to the Federal Republic of Germany, a position he held until 1968. His last assignment for the administration of President Lyndon Johnson was his service as Ambassador at Large.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEDROCK DIPLOMACY

(By George C. McGehee)

The sad truth about our recent foreign-policy spectaculars is that they rest on wobbly foundations—wobbly because they have not yet won the sort of enthusiastic public support that is the bedrock of successful diplomacy. The resulting public apathy distinctly threatens the world's newfound hopes for peace, for our statesmen can obviously go no further in major negotiations than the American people are willing to let them go.

The next urgent step for the government and our opinion leaders must, then, be a program of what might be called "internal diplomacy," aimed at enlisting understanding and support for our recent commitments abroad. For it is the American public who ultimately determine, and in a visceral, final way, the direction and effectiveness of our foreign policy.

All this is only right, of course, because it is the average man, and his family, who must pay the price if that policy goes wrong. It is he or his son who will slog it out in the mud with the infantry—and take the casualties—if war comes. His share of the war taxes hits hardest. This may well be why the American people, preoccupied with their immediate problems, remain suspicious and slightly aloof from their leaders on foreign policy. Average people are not easily carried away by idealistic, generalized slogans. Yet when they became convinced that our course is a right one, they release a torrent of power.

There are many historical examples of this force. The early American settlers were determined to remain free from the influence of the European powers and their rivalries. Among the pioneers an overwhelming desire developed to conquer the West—without regard to possible international consequences. Later, after much vacillation, Americans twice decided to go to war to save Europe from domination by German autocracy. To preserve their victory after the Second World War, they accepted the "Cold War" of enmity with the Soviet Union. In the beginning average Americans supported the war in Vietnam as an extension of the Cold War. When they discovered, however, that it was an intrusion into a civil war, they forced their government to end it.

With Dr. Kissinger as its chosen instrument, the Nixon administration has achieved a number of apparently brilliant foreign-policy successes: the establishment of contacts with China, the withdrawal of U.S. forces from Vietnam, the furthering of détente with the Soviet Union, friendship with Egypt, and the pulling back of Israeli and Arab forces following the 1973 war. Will these moves fulfill the expectations they have aroused? More importantly, will the American people support them and pay their price? Unfortunately, we really do not know, for one of our critical problems today is the lack of contact between our foreign-policy makers and public opinion—that is, the people. We have in recent times had no great national debate over foreign policy. Foreign issues played only a secondary role in the last election. The people have not been taken into the confidence of their government.

Yet in times past we have had secretaries of state and other high policy-makers who had deep roots in American political life. Cordell Hull, although deprecated by many as secretary of state and shunted aside by President Franklin D. Roosevelt, nevertheless knew what the American people wanted. The Reciprocal Trade Agreements Act, which he fathered, required—and got—the broad acceptance necessary for its success. Part of the difficulty is that those on the "firing line" of foreign policy are, for the most part, stationed out of the country. It is not their fault that they have little opportuniy to find out what the mass of Americans really believe about the foreign policy they administer.

Neither the Secretary nor any of his top aides have stood for elective office. Their lives have been spent in universities, business, or government. The President, who is in the final analysis responsible for foreign policy, has himself lost contact. Embattled over Watergate, afraid of alienating his few remaining supporters, the President is in no position to interpret our foreign policies to the American people.

On paper our political parties, which are the normal link between the people and their government, man the Foreign Affairs and Foreign Relations committees of the Congress. Congressmen are not, however, always expert in foreign affairs, and Congress itself does not possess the mandate to carry out foreign policy. Though it must approve the necessary budgets and treaties, in practical fact most of the business between ourselves and other nations is today conducted through executive agreements and understandings that do not require approval by Congress. Often they are put through without the Congress's even knowing about them!

As things stand we have, I fear, on the one side a brilliant Secretary of State who gives virtuoso performances as a negotiator—and on the other side an American people who are left dazzled but confused by his performances. In many respects Americans appear satisfied with our foreign policy insofar as they understand it. But underlying this apparent acquiescence is the unsettling fact that they have had no real say about this policy and know little about what it seeks to achieve—and what price they must pay.

To what extent do Dr. Kissinger's moves relate to the goals of the American people? To what extent do his accomplishments provide a basis for peace and stability in the world of the future?

Consider the re-establishment of contacts with China. Even though this move was in most Americans' view long overdue, the country was caught by surprise. It was unfortunate that the President chose this course, rather than first building public support. In general, however, the step was applauded. I believe we had long felt a bit guilty about unrealistically ignoring the government of the most populous country in the world. Miraculously, also, there appeared to be no price to pay. Indeed, modest benefits from trade might ensue. However, little else of substance has evolved and the whole affair has come increasingly to appear unreal—even cosmetic. The liaison officers from both sides have slipped home almost unnoticed. The anti-foreign Cultural Revolution is stirring again in China. Many Americans are feeling uneasy.

Efforts to further détente with the Soviets, which has long been a hope of the American people, were also overdue. We had, indeed, enviously watched the overtures made to Russia by de Gaulle and Brandt and others, and applauded their successes. But whether or not Nixon and Kissinger got a bargain in their dealings with Russia has yet to be determined. It appears that the American people, reverting to their deeply held distrust of the Soviet Union, are questioning the price to us of large concessional credits, most-favored-nation treatment, dependence on Soviet gas, the new nuclear balance negotiated under SALT, and mutual-force withdrawals. Critics of Soviet Jewish emigration policy have also "weighed in" tellingly. The future of this particular détente effort, therefore, remains in doubt. A big "selling job" remains for the government.

Meanwhile, the American people also fervently hope for a Middle East peace that will provide stability in that troubled area—so that Israel will be secure and we can get the oil we need from the Arabs. The disengagement agreements reached will not in themselves, however, lead to a permanent solution.

Peace talks that were to have started in Geneva last December 8 have not even gotten underway. It also remains to be seen what our final obligations will be. If peace can be achieved in the Middle East, the price we have paid up to now will be money well spent. The American people will, I am sure, be happy to pay the bill. At this juncture we can only wish Dr. Kissinger well. However, if additional commitments are required, he must take the American people into his confidence. It is they who will ultimately decide.

But the role of the American people in foreign affairs is not necessarily just negative—limited to a check on policy. Indeed, one of the most unfortunate consequences of their lack of involvement in foreign policy is their removal as a positive force in the contemporary world scene. It was, after all, they who heeded George Marshall's 1947 Harvard speech calling for aid to a devastated Europe and gave their full support to what became the Marshall Plan. It was they who, when famine threatened in 1950, urged on their government a massive grain loan to India. Popular enthusiasm supported Point Four and development aid. Who knows the extent to which Americans today would be willing to share their food with the hungry and help the impoverished nations pay for their oil? No one has asked them. No one has pointed the way.

Basic to any successful foreign policy today—as in the past—is its comprehension and acceptance by the American people. We badly need a government responsive to the people, including a State Department able to take their views into account. No one today really knows what Americans want. If we are to progress, we must get our own people involved. The debate on foreign affairs must break through the distractions of Watergate and impeachment. Recent events—changes in governments; nuclear testing by France, China, and India; increased Soviet-Chinese tensions—must be evaluated by the American people. Without knowledge of how our people stand, our diplomacy—even as carried out by the most gifted practitioners of the art—will be written on sand.

FEDERAL JUVENILE DELINQUENCY ACT

Mr. BUCKLEY. Mr. President, I am pleased to see that the Congress is giving juvenile delinquency the attention which this serious and widespread problem deserves. S. 821 represents a definite improvement over the House bill. In particular I am happy to see that the committee decided to place the administration of this program within LEAA and not HEW. LEAA has for some time been involved in such activity and I feel that it is much better equipped and qualified to do an effective job in this area. The changes which the committee has made in title II, relating to the Federal Juvenile Delinquency Act, also represent important improvements in the procedures for dealing with Federal juvenile offenders.

The establishment of well-focused research and training activities and information clearing-house programs, both for juvenile delinquency prevention and rehabilitation and for the broader areas of crime prevention and criminal rehabilitation, is a useful and valuable step. I would hope, however, that these new institutes which are to be established will avoid the dangers of bureaucratization that so often loads good programs with excessive administrative costs.

While I have supported the bill on balance there are some aspects of it that I find disturbing. I am willing to support an essentially revenue sharing approach to giving financial and technical assistance to the States to help them combat and prevent juvenile delinquency. I am concerned, however, that this cooperative relationship may turn into one dominated by LEAA.

The strings and requirements attached to the State grant program are many, and there will be pressures to multiply those when the program goes into operation. This is a danger that must be guarded against if the hopes of those who have supported this bill are not to be frustrated.

Section 482 of that bill, for example, contains a detailed list of what must be included in a State action plan whose approval is a forecondition for a grant.

This list amounts to a fairly extensive regulation of the administration and policies of State and local governments. Given the nature of bureaucracies, and that is what LEAA is, we can expect that the degree and extent of Federal regulation of these so-called local programs will tend to grow. There is a genuine possibility that the approach to juvenile delinquency decided upon by LEAA may come to be required of all State and local agencies dealing with the problem. On many grounds I do not think that would be a desirable result.

Mr. President, over the years politicians and others to my political left have warned that the FBI might turn into a national police force and take over control of local police forces from the local communities. This has not in fact happened, and I view it as extremely improbable. However, the structure and the slowly growing authority of LEAA, as evidenced by this bill, do in fact contain the seeds of potential Federal control or domination over the activities of local law enforcement agencies. If we are ever to see the nationalization of local police forces, it will most likely happen under LEAA, not the FBI. To illustrate this point, let me note that in 1971 an Associate Administrator of LEAA commented in a speech that:

> Today, in this country, we have 40,235 law enforcement agencies, ranging from one-man departments to New York City, with more than 40,000 police officers. This many units form a completely ungovernable body.

Ungovernable by whom, we might ask?

I raise this issue, not to make any dire predictions, but simply to bring it to the attention of my colleagues. I believe that it is highly important that we be aware of such potential abuses, and be prepared to take steps to prevent them, if necessary.

There are other potential abuses which could occur under this legislation. In efforts to prevent juvenile delinquency LEAA has already established some programs. One of these involves selecting certain children, labeling them as "pre-delinquents," and subjecting them to rehabilitation efforts.

There are similar programs which involve identifying and treating potential youthful drug offenders. While these programs may be useful, and there is some evidence which throws this into dispute, they also raise potentially serious issues of personal rights. Such labeling of children can possibly have harmful consequences. First, teachers and others may tend to prejudge the pre-delinquent or potential drug offender. Second, as personal files with these labels in them are passed from agency to agency, those who have had no contact with the child may similarly and unconsciously tend to assume a prejudicial attitude toward the child, to his possible detriment. Third, such labels can act as a self-fulfilling prophecy.

A case last fall in a Pennsylvania U.S. district court is a good example of these problems. In it a student's parents sought relief from a potential drug abuser program in the student's school. The U.S. Law Week summarized the plaintiff's case thusly:

> Two child psychiatrists testified without contradiction as to several * * * dangerous aspects of the CPI Program, none of which are mentioned * * * in any of the materials to be made available to parents. These dangers include the risk that the CPI Program will operate as a self-fulfilling prophecy in which a child labeled as a potential drug abuser will by virtue of a label decide to be that which people already think he or she is anyway * * * Another danger mentioned is that of scapegoating in which a child might be marked out by his peers for unpleasant treatment either because of refusal to take the CPI test or because of the result of the test. Additionally, there is a "severe loyalty conflict that might result by asking children the types of personal questions about their relationship with parents and siblings which are included in the CPI questionnaire." Finally the qualifications of the school district personnel who will administer the interventions once potential drug abusers have been identified are woefully inadequate.

In finding for the plaintiff, the judge concluded that:

> The ultimate use of this information, although possibly gained with a great deal of scientific success, is the most serious problem that faces the Court. How many children would be labeled as potential drug abusers who in actuality are not, and would be subjected to the problem of group therapy sessions conducted by inexperienced individuals?
>
> Strict confidentiality is not maintained after evaluation and there are many opportunities for a child to suffer insurmountable harm from a labeling when the cruelty of other children is at an extreme. . . . If one child is so harmed and would be temporarily or permanently damaged by the label of "drug abuser," is this Program worth the effort to identify other actual "drug abusers."
>
> When a program talks about labeling someone as a particular type and such a label could remain with him for the remainder of his life, the margin of error must be almost nil.

The rehabilitation program, or preventive therapy, which such children often have to undergo can sometimes be as bad or harmful as that which it is intended to prevent. There is, on the one hand, the problem which the judge mentioned, that of inexperienced or incompetent individuals attempting to alter students' attitudes or behavior by means of sensitive psychological procedures. On the other hand, there is the danger of physical abuse of children in attempts to modify their behavior.

The recent Senate hearings on aspects of the CHAMPUS program have brought out allegations that emotionally disturbed children and antisocial, delinquent children have been beaten, forced to lie all night in shallow graves, excessively treated with drugs, and kept in solitary confinement for months at a time. I make no judgment as to the substance of these charges, but I do think they demonstrate that the Federal Government, when spending tax dollars on programs intended to change or prevent the delinquent behavior of children and juveniles, must take steps to insure that children will not be harmed or abused by these very programs. It is for this reason that I offered my amendment to S. 821 to require parental consent before nonadjudicated juveniles are subjected to behavior modification programs involving "the use of drugs or electrical stimuli or other potentially harmful treatment." The phrase "other potentially harmful treatment" includes various forms of group, as well as individual, psychotherapy which are found to present a psychological or emotional hazard to impressionable juveniles, either inherently, or because of inadequately qualified or trained staff. In the absence of specific guidelines, I believe that parental consent offers the best protection against the abuse of children. Let me remind you that in this case we are not talking about convicted juvenile offenders whom the courts have placed in youth detention centers or homes. We are talking about the more frequent "problem kids" who have not yet gone seriously afoul of the law, and who may be placed in special programs in the schools or elsewhere. Yet this should not imply that convicted juveniles should be subject to any kind of behavior modification technique, "for his own good," and that of society. Such an assumption could lead us into the dangerous swamp of psychosurgery and other highly questionable techniques.

While the committee did not address these issues, perhaps some thought could be given to them in conference, on the basis of the acceptance of my amendment.

One useful idea might be the incorporation of the recent HEW guidelines on the "rights of human subjects" of federally supported research activities, especially as S. 821 calls for the States to fund new, advanced techniques to prevent delinquency, and provides for a separate research and development component at the Federal level. I shall ask unanimous consent that the HEW guidelines be printed at the conclusion of these remarks. The conference might also consider language to protect the confidentiality of personal records of nonadjudicated juveniles which may be created by various programs funded under this act. Permitting indiscriminate access to or transfer of such records could prove seriously damaging to the individual involved.

In any event, the Justice Department and LEAA have not had a great deal of experience in such kinds of activities as these, and they would do well to seriously consider and develop guidelines relating to the important ethical and civil rights issues which interface with these activities.

There is another aspect of the bill that concerns me, namely, the inserting of the Secretary of Labor into the administration of State programs. This seems to be an unnecessary addition to the bill which could well cause excessive administration delays and foulups. The substitute bill already had sufficient language in it to protect the interests of State and local government employees indirectly affected by this legislation. Further, the requirement that continued employment be offered to any State or local government employees adversely affected by the implementation of this legislation is a case of excessive protectionism which may prevent State and local government from taking needed cost and efficiency measures, and which smacks of featherbedding by Federal legislative fiat.

Finally, I fear that we are again promoting the idea that if we throw enough money at a problem, it will go away. I am particularly concerned with this attitude in regard to juvenile delinquency, for this is especially an area in which money cannot assure us success. Indeed, too much money and too little personal care and attention is regarded as one of the contributing factors to juvenile delinquency. The causes and prevention of juvenile delinquency very much involve personal relationships, matters of the spirit, and personal values. We would probably do equally well fighting juvenile delinquency by finding ways to discourage the break up of families and the disintegration of the sense of community, as by funding psychologists and counselors to change the behavior of potentially or actually aberrant juveniles—and at less cost.

Mr. President, although I supported S. 821, for the reasons I have mentioned I did so with reluctance. If the President chooses to veto this legislation on substantive grounds, I may feel compelled to uphold the veto, in the hopes of achieving the best possible legislation for dealing with the serious problems of juvenile delinquency.

Mr. President, I ask unanimous consent that the HEW guidelines to which I previously referred be printed in the RECORD.

There being no objection, the guidelines were ordered to be printed in the RECORD, as follows:

Subtitle A of Title 45 of the Code of Federal Regulations is amended by adding a new Part 46, as follows:

Sec.

46.1 Applicability.
46.2 Policy.
46.3 Definitions.
46.4 Submission of assurances.
46.5 Types of assurances.
46.6 Minimum requirements for general assurances.
46.7 Minimum requirements for special assurances.
46.8 Evaluation and disposition of assurances.
46.9 Obligation to obtain informed consent; prohibition of exculpatory clauses.
46.10 Documentation of informed consent.
46.11 Certification, general assurances.
46.12 Certification, special assurances.
46.13 Proposals lacking definite plans for involvement of human subjects.
46.14 Proposals submitted with the intent of not involving human subjects.
46.15 Evaluation and disposition of proposals.
46.16 Cooperative activities.
46.17 Investigational new drug 30-day delay requirement.
46.18 Organization's executive responsibility.
46.19 Organization's records; confidentiality.
46.20 Reports.
46.21 Early termination of awards; evaluation of subsequent applications.
46.22 Conditions.

AUTHORITY: 5 U.S.C. 301.

§ 46.1 Applicability.

(a) The regulations in this part are applicable to all Department of Health, Education, and Welfare grants and contracts supporting research, development, and related activities in which human subjects are involved.

(b) The Secretary may, from time to time, determine in advance whether specific programs, methods, or procedures to which this part is applicable place subjects at risk, as defined in § 46.3(b). Such determinations will be published as notices in the FEDERAL REGISTER and will be included in an appendix to this part.

§ 46.2 Policy.

(a) Safeguarding the rights and welfare of subjects at risk in activities supported under grants and contracts from DHEW is primarily the responsibility of the organization which receives or is accountable to DHEW for the funds awarded for the support of the activity. In order to provide for the adequate discharge of this organizational responsibility, it is the policy of DHEW that no activity involving human subjects to be supported by DHEW grants or contracts shall be undertaken unless a committee of the organization has reviewed and approved such activity, and the organization has submitted to DHEW a certification of such review and approval, in accordance with the requirements of this part.

(b) This review shall determine whether these subjects will be placed at risk, and, if risk is involved, whether:

(1) The risks to the subject are so outweighed by the sum of the benefit to the subject and the importance of the knowledge to be gained as to warrant a decision to allow the subject to accept these risks;

(2) the rights and welfare of any such subjects will be adequately protected;

(3) legally effective informed consent will be obtained by adequate and appropriate methods in accordance with the provisions of this part; and

(4) the conduct of the activity will be reviewed at timely intervals.

(c) No grant or contract involving human subjects at risk shall be made to an individual unless he is affiliated with or sponsored by an organization which can and does assume responsibility for the subjects involved.

§ 46.3. Definitions.

(a) "Organization" means any public or private institution or agency (including Federal, State, and local government agencies).

(b) "Subject at risk" means any individual who may be exposed to the possibility of injury, including physical, psychological, or social injury, as a consequence of participation as a subject in any research, development, or related activity which departs from the application of those established and accepted methods necessary to meet his needs, or which increases the ordinary risks of daily life, including the recognized risks inherent in a chosen occupation or field of service.

(c) "Informed consent" means the knowing consent of an individual or his legally authorized representative, so situated as to be able to exercise free power of choice without undue inducement or any element of force, fraud, deceit, duress, or other form of constraint or coercion. The basic elements of information necessary to such consent include:

(1) a fair explanation of the procedures to be followed, and their purposes, including identification of any procedures which are experimental;

(2) a description of any attendant discomforts and risks reasonably to be expected;

(3) a description of any benefits reasonably to be expected;

(4) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

(5) an offer to answer any inquiries concerning the procedures; and

(6) an instruction that the person is free to withdraw his consent and to discontinue participation in the project or activity at any time without prejudice to the subject.

(d) "Secretary" means the Secretary of Health, Education, and Welfare or any other officer or employee of the Department of Health, Education, and Welfare to whom authority has been delegated.

(e) "DHEW" means the Department of Health, Education, and Welfare.

(f) "Approved assurance" means a document that fulfills the requirements of this part and is approved by the Secretary.

(g) "Certification" means the official organizational notification to DHEW in accordance with the requirements of this part that a project or activity involving human subjects at risk has been reviewed and approved by the organization in accordance with the "approved assurance" on file at DHEW.

(h) "Legally authorized representative" means an individual or judicial or other body authorized under applicable law to consent on behalf of a prospective subject to such subject's participation in the particular activity or procedure.

§ 46.4 Submission of assurances.

(a) Recipients or prospective recipients of DHEW support under a grant or contract involving subjects at risk shall provide written assurance acceptable to DHEW that they will comply with DHEW policy as set forth in this part. Each assurance shall embody a statement of compliance with DHEW requirements for initial and continuing committee review of the supported activities; a set of implementing guidelines, including identification of the committee and a description of its review procedures; or, in the case of special assurances concerned with single activities of projects, a report of initial findings of the committee and of its proposed continuing review procedures.

(b) Such assurance shall be executed by an individual authorized to act for the organization and to assume on behalf of the organization the obligations imposed by this part, and shall be filed in such form and manner as the Secretary may require.

§ 46.5 Types of assurances.

(a) *General assurances.* A general assurance describes the review and implementation procedures applicable to all DHEW-supported activities conducted by an organization regardless of the number, location, or types of its components or field activities. General assurances will be required from organizations having a significant number of concurrent DHEW supported projects or activities involving human subjects.

(b) *Special assurances.* A special assurance will, as a rule, describe those review and implementation procedures applicable to a single activity or project. A special assurance will not be solicited or accepted from an organization which has on file with DHEW an approved general assurance.

§ 46.6 Minimum requirements for general assurances.

General assurances shall be submitted in such form and manner as the Secretary may require. The organization must include, as part of its general assurance, implementing guidelines that specifically provide for:

(a) A statement of principles which will govern the organization in the discharge of its responsibilities for protecting the rights and welfare of subjects. This may include appropriate existing codes or declarations, or statements formulated by the organization itself. It is to be understood that no such principles supersede DHEW policy or applicable law.

(b) A committee or committee structure which will conduct initial and continuing reviews in accordance with the policy outlined in § 46.2. Such committee structure or committee shall meet the following requirements:

(1) The committee must be composed of not less than five persons with varying backgrounds to assure complete and adequate review of activities commonly conducted by the organization. The committee must be sufficiently qualified through the maturity, experience, and expertise of its members and diversity of its membership to insure respect for its advice and counsel for safeguarding the rights and welfare of human subjects. In addition to possessing the professional competence necessary to review specific activities, the committee must be able to ascertain the acceptability of proposals in terms of organizational commitments and regulations, applicable law, standards of professional conduct and practice, and community attitudes. The committee must therefore include persons whose concerns are in these areas.

(2) The committee members shall be identified to DHEW by name; earned degrees, if any; position or occupation; representative capacity; and by other pertinent indications of experience such as board certification, licenses, etc., sufficient to describe each member's chief anticipated contributions to committee deliberations. Any employment or other relationship between each member and the organization shall be identified, i.e., full-time employee, part-time employee, member of governing panel or board, paid consultant, unpaid consultant. Changes in committee membership shall be reported to DHEW in such form and at such times as the Secretary may require.

(3) No member of a committee shall be involved in either the initial or continuing review of an activity in which he has a conflicting interest except to provide information requested by the committee.

(4) No committee shall consist entirely of persons who are officers, employees, or agents, of, or are otherwise associated with the organization, apart from their membership on the committee.

(5) No committee shall consist entirely of members of a single professional group.

(6) The quorum of the committee shall be defined, but may in no event be less than a majority of the total membership duly convened to carry out the committee's responsibilities under the terms of the assurance.

(c) Procedures which the organization will follow in its initial and continuing review of proposals and activities.

(d) Procedures which the committee will follow (1) to provide advice and counsel to activity directors and investigators with regard to the committee's actions, (2) to insure prompt reporting to the committee of proposed changes in an activity and of unanticipated problems involving risk to subjects or others and (3) to insure that any such problems, including adverse reactions to biologicals, drugs, radioisotope labeled drugs, or to medical devices, are promptly reported to the DHEW.

(e) Procedures which the organization will follow to maintain an active and effective committee and to implement its recommendations.

§ 46.7 Minimum requirements for special assurances.

Special assurances shall be submitted in such form and manner as the Secretary may require. An acceptable special assurance shall:

(a) Identify the specific grant or contract involved by its number, if known; by its full title; and by the name of the activity or project director, principal investigator, fellow, or other person immediately responsible for the conduct of the activity. The assurance shall be signed by the individual members of a committee satisfying the requirements of § 46.6(b) and be endorsed by an appropriate organizational official.

(b) Describe the makeup of the committee and the training, experience, and background of its members, as required by § 46.6(b) (2).

(c) Describe in general terms the risks to subjects that the committee recognizes as inherent in the activity, and justify its decision that these risks are so outweighed by the sum of the benefit to the subject and the importance of the knowledge to be gained as to warrant the committee's decision to permit the subject to accept these risks.

(d) Describe the informed consent procedures to be used and attach documentation as required by § 46.10.

(e) Describe procedures which the committee will follow to insure prompt reporting to the committee of proposed changes in the activity and of any unanticipated problems, involving risks to subjects or others and to insure that any such problems, including adverse reactions to biologicals, drugs, radioisotope labelled drugs, or to medical devices are promptly reported to DHEW.

(f) Indicate at what time intervals the committee will meet to provide for continuing review. Such review must occur no less than anually.

§ 46.8 Evaluation and disposition of assurances.

(a) All assurances submitted in accordance with § 46.6 and 46.7 shall be evaluated by the Secretary through such officers and employees of the DHEW and such experts or consultants engaged for this purpose as he determines to be appropriate. The Secretary's evaluation shall take into consideration, among other pertinent factors, the adequacy of the proposed committee in the light of the anticipated scope of the applicant organization's activities and the types of subject populations likely to be involved, the appropriateness of the proposed initial and continuing review procedures in the light of the probable risks, and the size and complexity of the organization.

(b) On the basis of his evaluation of an assurance pursuant to paragraph (a) of this section, the Secretary shall (1) approve, (2) enter into negotiations to develop a more satisfactory assurance, or (3) disapprove. With respect to approved assurances, the Secretary may determine the period during which any particular assurance or class of assurances shall remain effective or otherwise condition or restrict his approval. With respect to negotiations, the Secretary may, pending completion of negotiations for a general assurance, require an organization otherwise eligible for such an assurance, to submit special assurances.

§ 46.9 Obligation to obtain informed consent; prohibition of exculpatory clauses.

Any organization proposing to place any subject at risk is obligated to obtain and document legally effective informed consent. No such informed consent, oral or written, obtained under an assurance provided pursuant to this part shall include any exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, including any release of the organization or its agents from liability for negligence.

§ 46.10 Documentation of informed consent.

The actual procedure utilized in obtaining legally effective informed consent and the basis for committee determinations that the procedures are adequate and appropriate shall be fully documented. The documentation of consent will employ one of the following three forms:

(a) Provision of a written consent document embodying all of the basic elements of informed consent. This may be read to the subject or to his legally authorized representative, but in any event he or his legally authorized representative must be given adequate opportunity to read it. This document is to be signed by the subject or his legally authorized representative. Sample copies of the consent form as approved by the committee are to be retained in its records.

(b) Provision of a "short form" written consent document indicating that the basic elements of informed consent have been presented orally to the subject or his legally authorized representative. Written summaries of what is to be said to the patient are to be approved by the committee. The short form is to be signed by the subject or his legally authorized representative and by an auditor witness to the oral presentation and to the subject's signature. A copy of the approved summary, annotated to show any additions, is to be signed by the persons officially obtaining the consent and by the auditor witness. Sample copies of the consent form and of the summaries as approved by the committee are to be retained in its records.

(c) Modification of either of the primary procedures outlined in paragraphs (a) and (b) of this section. Granting of permission to use modified procedures imposes additional responsibility upon the review committee and the organization to establish: (1) that the risk to any subject is minimal, (2) that use of either of the primary procedures for obtaining informed consent would surely invalidate objectives of considerable immediate importance, and (3) that any reasonable alternative means for attaining these objectives would be less advantageous to the subjects. The committee's reasons for permitting the use of modified prcedures must be individually and specifically documented in the minutes and in reports of committee actions to the files of the organization. All such modifications should be regularly reconsidered as a function of continuing review and as required for annual review, with documentation of reaffirmation, revision, or discontinuation, as appropriate.

§ 46.11 Certification, general assurances.

(a) *Timely review.* Unless the Secretary otherwise provides, all proposals involving human subjects submitted by organizations having approved general assurances must be given review and, when found to involve subject at risk, approval, prior to submission to DHEW. In the event the Secretary provides for the performance of organizational review of a proposal after its submission to DHEW, processing of such proposal by DHEW will under no circumstances be completed until such organizational review and approval has been certified. Unless the organization determines that human subjects are not involved, the proposal or application should be appropriately certified in the spaces provided on forms, or one of the following certifications, as appropriate, should be typed on the lower or right hand margin of the page bearing the name of an official authorized to sign or execute applications or proposals for the organization.

Human Subjects: Reviewed, Not at Risk, ________________
(date)

Human Subjects: Reviewed. At Risk, Approved________________
(date)

(b) *Proposals not certified.* Proposals not properly certified, or submitted as not involving human subjects and found by the operating agency to involve human subjects, will be returned to the organization concerned.

§ 46.12 Certification, special assurances.

(a) An applicant organization not having on file with DHEW an approved general assurance must submit for each application or proposal involving human subjects a separate special assurance and certification of its review and approval.

(b) Such assurance and certification must be submitted within such time limit as the Secretary may specify. An assurance and certification prepared in accordance with this part and approved by DHEW shall be considered to have met the requirement for certification for the initial grant or contract period concerned. If the terms of the grant or contract recommend additional support periods, certification shall be provided by the organization with applications for continuation or renewal of support in the manner prescribed in § 46.11(a).

§ 46.13 Proposals lacking definite plans for involvement of human subjects.

Certain types of proposals are submitted with the knowledge that subjects are to be involved within the support period, but definite plans for this involvement would not normally be set forth in the proposal. These include such activities as (a) institutional type grants where selection of projects is the responsibility of the institution, (b) training grants where training projects remain to be selected, and (c) research, pilot, or developmental studies in which involvement depends upon such things as the completion of instruments, or of prior animal studies, or upon the purification of compounds. Such proposals shall be reviewed and certified in the same manner as more definitive proposals. The initial certification indicates organizational approval of the applications as submitted, and commits the organization to later review of the plans when completed. Such later review and certification to the DHEW should be completed prior to the beginning of the budget period during which actual involvement of human subjects is to begin. Review and certification to the DHEW must in any event be completed prior to involvement of human subjects.

§ 46.14 Proposals submitted with the intent of not involving human subjects.

If a proposal does not anticipate involving or intend to involve human subjects, no certification should be included with the initial submission of the proposal. In those instances, however, when later it becomes appropriate to use all or part of awarded funds for one or more activities which will involve subjects, each such activity shall be reviewed and approved in accordance with the assurance of the organization prior to the involvement of subjects. In addition, no such activity shall be undertaken until the organization has submitted to DHEW: (a) a certification that the activity has been reviewed and approved in accordance with this part, and (b) a detailed description of the proposed activity (including any protocol or similar document). Also, where support is provided by project grants or contracts, subjects shall not be involved prior to certification and organizational receipt of DHEW approval and, in the case of contracts, prior to negotiation and approval of an amended contract description of work.

§ 46.15 Evaluation and disposition of proposals.

(a) Notwithstanding any prior review, approval, and certification by the organization, all grant and contract proposals involving human subjects at risk submitted to the DHEW shall be evaluated by the Secretary for compliance with this part through such officers and employees of the Department and such experts or consultants engaged for this purpose as he determines to be appropriate. This evaluation may take into account, among other pertinent factors, the apparent risks to the subjects, the adequacy of protection against these risks, the potential benefits of the activity to the subjects and to others and the importance of the knowledge to be gained.

(b) Disposition. On the basis of his evaluation of an application pursuant to paragraph (a) of this section and subject to such approval or recommendation by or consultation with appropriate councils, committees, or other bodies as may be required by law, the Secretary shall (1) approve, (2) defer for further evaluation, or (3) disapprove support of the proposed activity in whole or in part. With respect to any approved grant or contract, the Secretary may impose conditions, including restrictions on the use of certain procedures, or certain subject groups, or requiring use of specified safeguards or informed consent procedures when in his judgment such conditions are necessary for the protection of human subjects.

§ 46.16 Cooperative activities.

Cooperative activities are those which involve organizations in addition to the grantee or prime contractor (such as a contractor under a grantee or a subcontractor under a prime contractor). If, in such instances, the grantee or prime contractor obtains access to all or some of the subjects involved through one or more cooperating organizations, the basic DHEW policy applies and the grantee or prime contractor remains responsible for safeguarding the rights and welfare of the subjects.

(a) *Organization with approved general assurance.* Initial and continuing review by the organization may be carried out by one or a combination of procedures:

(1) Cooperating organization with approved general assurance. When the cooperating organization has on file with DHEW an approved general assurance, the grantee or contractor may, in addition to its own review, request the cooperating organization to conduct an independent review and to report its recommendations on those aspects of the activity that concern individuals for whom the cooperating organization has responsibility under its own assurance to the grantee's or contractor's committee. The grantee or contractor may, at its discretion, concur with or further restrict the recommendations of the cooperating organization. It is the responsibility of the grantee or contractor to maintain communication with the committees of the cooperating organization. However, the cooperating organization, shall promptly notify the grantee or contracting organization whenever the cooperating organization finds the conduct of the project or activity within its purview unsatisfactory.

(2) Cooperating organization with no approved general assurance. When the cooperating organization does not have an approved general assurance on file with DHEW, the DHEW may require the submission of a general or special assurance which, if approved, will permit the grantee or contractor to follow the procedure outlined in the preceding subparagraph.

(3) Interorganizational joint review. The grantee or contracting organization may wish to develop an agreement with cooperating organizations to provide for a review committee with representatives from cooperating organizations. Representatives of cooperating organizations may be appointed as ad hoc members of the grantee or contracting organization's existing review committee or, if cooperation is on a frequent or continuing basis as between a medical school and a group of affiliated hospitals, appointments for extended periods may be made. All such cooperative arrangements must be approved by DHEW as part of a general assurance, or as an amendment to a general assurance.

(b) *Organizations with special assurances.* While responsibility for initial and continuing review necessarily lies with the grantee or contracting organization. DHEW may also require approved assurances from those cooperating organizations having immediate responsibility for subjects.

If the cooperating organization has on file with DHEW an approved general assurance, the grantee or contractor shall request the cooperating organization to conduct its own independent review of those aspects of the project or activity which will involve human subjects for which it has responsibility. Such a request shall be in writing and should provide for direct notification of the grantee's or contractor's committee in the event that the cooperating organization's committee finds the conduct of the activity to be unsatisfactory. If the cooperating organization does not have an approved general assurance on file with DHEW, it must submit to DHEW a general or special assurance which is determined by DHEW to comply with the provisions of this part.

§ 46.17 Investigational new drug 30-day delay requirement.

Where an organization is required to prepare or to submit a certification under §§ 46.11, 46.12, 46.13, or 46.14 and the proposal involves an investigational new drug within the meaning of The Food, Drug, and Cosmetic Act, the drug shall be identified in the certification together with a statement that the 30-day delay required by 21 CFR 130.3(a)(2) has elapsed and the Food and Drug Administration has not, prior to expiration of such 30-day interval, requested that the sponsor continue to withhold or to restrict use of the drug in human subjects; or that the Food and Drug Administration has waived the 30-day delay requirement; provided, however, that in those cases in which the 30-day delay interval has neither expired nor been waived, a statement shall be forwarded to DHEW upon such expiration or upon receipt of a waiver. No certification shall be considered acceptable until such statement has been received.

§ 46.18 Organization's executive responsibility.

Specific executive functions to be conducted by the organization include policy development and promulgation and continuing indoctrination of personnel. Appropriate administrative assistance and support shall be provided for the committee's functions. Implementation of the committee's recomendations through appropriate administrative action and followup is a condition of DHEW approval of an assurance. Committee approvals, favorable actions, and recommendations are subject to review and to disapproval or further restriction by the organization officials. Committee disapprovals, restrictions, or conditions cannot be rescinded or removed except by action of a committee described in the assurance approved by DHEW.

§ 46.19 Organization's records confidentiality.

(a) Copies of all documents presented or required for initial and continuing review by the organization's review committee, such as committee minutes, records of subject's consent, transmittals on actions, instructions, and conditions resulting from committee deliberations addressed to the activity director, are to be retained by the organization, subject to the terms and conditions of grants and contract awards.

(b) Except as otherwise provided by law information in the records or possession of an organization acquired in connection with an activity covered by this part, which information refers to or can be identified with a particular subject may not be disclosed except:

(1) with the consent of the subject or his legally authorized representative or;

(2) as may be necessary for the Secretary to carry out his responsibilities under this part.

§ 46.20 Reports.

Each organization with an approved assurance shall provide the Secretary with such reports and other information as the Secretary may from time to time prescribe.

§ 46.21 Early termination of awards; evaluation of subsequent applications.

(a) If, in the judgment of the Secretary an organization has failed materially to comply with the terms of this policy with respect to a particular DHEW grant or contract, he may require that said grant or contract be terminated or suspended in the manner prescribed in applicable grant or procurement regulations.

(b) In evaluating proposals or applications for support of activities covered by this part, the Secretary may take into account, in addition to all other eligibility requirements and program criteria, such factors as: (1) whether the offeror or applicant has been subject to a termination or suspension under paragraph (a) of this section, (2) whether the offeror or applicant or the person who would direct the scientific and technical aspects of an activity has in the judgment of the Secretary failed materially to discharge his, her, or its responsibility for the protection of the rights and welfare of subjects in his, her, or its care (whether or not DHEW funds were involved), and (3) whether, where past deficiencies have existed in discharging such responsibility, adequate steps have in the judgment of the Secretary been taken to eliminate these deficiencies.

§ 46.22 Conditions.

The Secretary may with respect to any grant or contract or any class of grants or contracts impose additional conditions prior to or at the time of any award when in his judgment such conditions are necessary for the protection of human subjects.

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THE TIME HAS COME FOR BETTER CHILD HEALTH CARE IN AMERICA

Mr. HUMPHREY. Mr. President, action by this Government is long overdue in attacking the problem of establishing comprehensive health care for American infants, children, and adolescents. I cannot understand why the richest nation in the world, in fact the richest in the history of mankind, cannot provide even minimal health care for all our children.

We have all heard the statistics before. The United States ranks 15th in the world in infant mortality. That means that a child born in England, Wales, Japan, Sweden, France, Canada, or eight other nations, would have a better chance of living through his first year than in America. To be more explicit, if we had the same rate as Sweden, 50,000 fewer American babies would have died last year. Moreover, in 1952, the United States had the lowest rate of maternal mortality in the world; but today we are 12th.

But these mortality levels, which are profoundly disturbing, are national averages which hide even more shocking statistics.

For minorities and those at the bottom of the economic scale in the United States, the situation is far worse. Infant mortality among nonwhites is nearly double the rate for whites. There are eight States where the infant death rate for minority children is over 75 percent higher than the national average for whites. The poor average 50 percent more disability days per year than the nonpoor. Poor children have seven times more visual impairments, five times more mental illness, three times more heart disease, and six times more hearing defects than more affluent children.

I know that we Americans are very concerned about the well-being of our children, so why do we let child health care take a back seat to so many of our governmental programs? Why do we let this administration mismanage, misdirect, and impound funds that the Congress has authorized and appropriated for our child health care programs? The few programs we have for health care for children are continually threatened by the actions of this administration.

What is the response of the administration to the health problems of children and youth? A recent study for the U.S. Department of Health, Education, and Welfare estimates that of all the American children found to need medical treatment, less than half actually got it, and even fewer received the recommended dental and eye care. HEW Secretary Caspar W. Weinberger's reply to this study, during a recent interview in an ABC-TV program, entitled "Children: A Case of Neglect," was:

> I'm not familiar with those statistics, but . . . we are undoubtedly in a situation in some states where they haven't yet established the necessary networks of providers and of care . . .

Secretary Weinberger is right. We have an inequitable distribution of health manpower in America. Too many doctors are in the affluent suburbs and not in the areas of greatest need, the center cities and remote rural areas. But the child health problem is, of course, much more complex than a maldistribution of medical talent.

ADMINISTRATION POLICY FAILURES

One thing is clear. This administration has contributed to the problem by its footdragging on many vital child health care programs.

The administration's commitment to improving the quality of health care has been characterized by procrastination. In July of 1969, President Nixon addressed the health crisis by stating:

> We face a massive crisis in this area and, unless action is taken, both administratively and legislatively, to meet that crisis within the next two or three years, we will have a breakdown in our medical care system which would have consequences affecting millions of people throughout this country.

In February of 1971, President Nixon admitted that adequate action had not been taken to help solve our health crisis:

> Nineteen months ago I said America's medical system faced a "massive crisis"; since that statement was made the crisis has deepened.

Two months ago the President conceded that the patchwork of Federal health programs which he has administered has not helped solve the health crisis. After 5 years in office he announced:

> We must have legislation to insure that every American has access to high quality health care.

Over the past 5 years Congress has done its share in authorizing and appropriating funds to extend health care programs for children. Over the past three Congresses, the key child health programs conducted by HEW's various health agencies and by the Department of Agriculture have been perfected and extended by Congress with authorizations set at those levels experts agree are needed.

However, the administration has consistenly thwarted the will of Congress by requesting inadequate amounts for appropriation in its budget, by phasing out programs, and by opposing efforts to bring the programs up to an adequate funding level.

At the end of the 91st Congress President Nixon pocket vetoed S. 3418, the Family Practice of Medicine Act, which would have increased the supply of family doctors and would have had direct benefits for American children. Two other key congressional programs to help cope with the Nation's health crisis and help our children were also vetoed by President Nixon. In June of 1970, he vetoed H.R. 11102, the Hill-Burton Medical Services Facilities Construction and Modernization Amendments of 1969, after it had passed the House unanimously. The President also vetoed S. 504, the Emergency Medical Services Act of 1973, which would have authorized $185 million over 3 years for development of emergency medical services and prevented the closing of eight Public Health Service hospitals.

In addition to vetoing these vital health programs which affect everyone, especially our children, the President has used the veto to block congressional increases in appropriations for child health care programs. He vetoed the fiscal year 1970 Labor-HEW appropriations bill, in part because it contained $222 million extra for health programs, including several highly successful programs which were directly related to maternal and child health. Presidential use of the veto also forced the scuttling of the fiscal year 1973 Labor-HEW appropriations legislation altogether, and the Departments of Labor and HEW were forced to operate by continuing resolution throughout fiscal year 1973. A major reason given for this veto was a $500 million appropriation supported by Congress for health programs, which was over the administration request.

In addition to vetoing new health programs and health appropriations, this administration's attitude toward funding for child health is illustrated by comparing the fiscal year 1975 request by the administration and the congressional authorization or the amounts experts believe are needed to adequately fund these programs. The following table reveals this administration's lack of full commitment to quality child health care:

FY 1975 request and authorization need:

		(Millions)
Community Health services	$314.4	$353.2
Maternal and Child health	265.9	292.5
Family Planning Services	100.6	135.0
National Health Service Corps	9.3	14.3
Patient Care and Special Health Service	109.2	128.7
National Institute of Child Health and Human Development	124.9	143.3

The administration has also failed to implement adequately the existing child health care programs. A classic example of this is 7 years of footdragging and mismanagement of a program of early and periodic screening, diagnosis and treatment (EPSDT). This program was supposed to alleviate the great disparity in the health of low-income children compared to more affluent American youngsters, but because of procrastination by this administration it is still not adequately implemented. Exasperated by this delay, Congress set a July 1, 1974, deadline for the final implementation. July 1 has come and gone and HEW is still dragging its feet.

There are many other actions taken by this administration which have hurt the cause of better child health care. The Children's Bureau of HEW which handled all Federal child health care programs since 1912, was dissolved by this administration in 1969. It was scattered throughout the maze of the bureaucracy; therefore, a traditional advocate of children and youth in HEW has been effectively dissipated.

In still another action which is equally hard to understand, the administration slashed the staff of the Maternal and Child Health Service from 130 to just 6. Also, the HEW Office of Child Development, which deals directly with child health care programs, has had no permanent director for over 2 years.

How can we solve the child health care crisis with these actions? I cannot understand why this administration continually puts children last instead of first.

Mr. President, Congress must take special pains to counteract the policy failures of this administration on the vital issue of child health care.

First, we need to make sure that our current successful programs are fully and adequately funded.

Second, we have to remember that good child health care includes services beyond purely medical care. We must make sure that children get the services of nutritionists, social workers, family counselors, speech and hearing therapists, and special educators.

Third, we must respond to the need for special care for our handicapped children.

CHILD AND MATERNAL HEALTH CARE

To improve this Nation's child health care program, the problems of high health costs and the problems caused by the maldistribution of primary health care providers must be alleviated. Only by addressing these basic problems can the infrequency of physician visits to large proportions of American children be reduced. All infants, children, and pregnant women, without regard to their place of residence, family income, or race have a right to equal access to medical diagnosis, screening, and comprehensive medical care.

I have introduced the Child and Maternal Health Care Extension Act, S. 3106, which authorizes a decisive Federal response to the critical deficiencies in the availability as well as the financing of early diagnosis, screening, and treatment of child and maternal health conditions for lower-income families and for areas of the country without such care. The bill is designed to provide the means by which child and maternal health problems can be identified, treated immediately, or referred to a major hospital for additional care.

A key feature of this legislation is the authorization of grants to the States to establish mobile health care facilities in physician-shortage areas. These grants would be given to counties within each State that do not have a practicing pediatrician, or for counties with a seriously inadequate number of child health care providers as defined by the Secretary of HEW.

Another way of relieving the crisis situation in this country's child health care system is the expanded use of pediatric nurse practitioners. While the Federal Government has provided some funds for the training of pediatric nurse practitioners, much more needs to be done. My bill includes a provision to authorize the Secretary of HEW to make grants to institutions of higher education for the training of pediatric nurses so that we may have more of these primary health providers throughout America.

It also encourages the expanded use of pediatric nurse practitioners by authorizing the reimbursement under title XIX of the Social Security Act for medical care provided by a pediatric nursing practitioner.

My bill would also amend section 505 (a)(7) of the Social Security Act to require that as a condition for receiving Federal allotments, State plans must provide for comprehensive health care and services for prematurely born infants and for full-term infants who have defects or conditions which are life threatening or handicapping and which can be corrected or ameliorated.

This section is also amended to require that by fiscal 1979, State plans should provide for comprehensive health care and services to all children under 6 years of age whose health is threatened or has been impaired seriously by a major trauma, a life-threatening illness, or an illness of catastrophic nature.

Furthermore, section 7 of my bill would amend section 505(a) of the Social Security Act to add a new requirement that States shall have plans to provide comprehensive maternity and infant care for low-income families. This care would include prenatal care, care during and after childbirth, and related hospital services for mothers, and comprehensive medical care for infants during their first year of life.

Mr. President, I strongly believe that action on legislation containing provisions such as I have described should be a priority agenda for the Senate in the remaining months of the 93d Congress. In the light of current estimates that consideration of national health insurance legislation will have to be carried over into the next Congress, it is particularly important that this Congress establish a record in addressing the child health care crisis in America.

Moreover, the provisions of S. 3106 carry through the two key principles cited by experts in the child health care field as essential to achieving effects improvements in health services in the shortest possible time.

First, these provisions spell out a health care system of special resources targeted on areas of greatest need.

Second, they provide the mechanisms for actually putting services in place as quickly as possible. This explains, in part, the thrust of my bill to provide additional tools for the operation of the title 5 Maternal and Child Health and Crippled Children's Services, under which significant programs have been started across the Nation.

It is particularly important that these programs—children and youth, maternity and infant care, and intensive care of infants, family planning, and dental care—now be strengthened and given new dimensions. Contrary to congressional intent, these programs, by contrast, are experiencing serious staff and resources reductions under current policies of the administration associated with the transfer of these programs to the States, as Federal assistance is slated to change from direct project grants to formula grants to the States.

CHILD NUTRITION

Nutrition is central to good health and a productive life. This is especially true for children.

Two pioneer investigators into the effects of malnutrition on brain development, Dr. Myron Winick and Dr. Pedro Rosso of the New York Hospital-Cornell Medical Center, have stated:

> A child who is poorly fed during early infancy may never attain his full brain growth, even though he is well fed thereafter. Similarly, a fetus, malnourished in the womb, may never make up for the brain cells and structures that never came properly into being. Malnutrition both before and after birth virtually dooms a child to stunted brain development and therefore to considerably diminished mental capacity for the rest of his life.

We must make sure that every child attending school, no matter what his family's financial status, receives at least one nutritious meal a day. We must eliminate once and for all the degrading procedure of singling out certain children as eligible for a free lunch and others not. We must also establish a sound nutrition education program in all of our schools across the Nation. Good nutrition has an impact upon the ability of students to learn, to maintain better health, to reduce absenteeism and lower the dropout rate.

As a member of the Senate Select Committee on Nutrition and Human Needs, I have been deeply concerned that Congress move forward on a legislative program that recognizes nutrition as a basic building block of good health for American children. I have introduced S. 3123, the Child Nutrition Act of 1974, which calls for the establishment of a universal school lunch program—available to all children without regard to the level of family income. And I was gratified at the recent enactment of legislation which I jointly sponsored, the National School Lunch and Child Nutrition Act Amendments of 1974, which expands and improves existing child feeding programs, and increases authorizations for the vitally important program of food supplementation for women, infants, and children, which I was privileged to author.

CARE FOR HANDICAPPED CHILDREN

Mr. President, the millions of handicapped children in America must also be served under a comprehensive program of child health care. The fact, however, is that inadequate efforts by the States on behalf of handicapped children have been met with indifference by this administration.

There are over 4½ million handicapped school children who are excluded from public schools in America. Something must be done to help these children. Every handicapped child deserves educational services at least equal to expenditures for other children in our school districts.

To that end, I have introduced S. 2095, that would provide that a local educational agency shall not receive Federal financial assistance for which it is otherwise eligible, if it does not provide educational services to the handicapped children.

Another vital step has been taken in the passage of the Education Amendments of 1974, H.R. 69, which contains a provision, jointly sponsored by Senator MATHIAS and myself, for a major program of assistance for education for the handicapped. This significant funding authorization, to be followed by action on further legislation, S. 6, can provide for immediate assistance to the States in implementing education programs in response to recent court decisions stipulating that handicapped persons are fully entitled to the equal protection of the laws guaranteed under the Constitution.

CHILD ABUSE PREVENTION AND TREATMENT

Child abuse is another startling part of the American child health care picture. It may come as a shock to many that the highest number of deaths among children are child abuse related. The number of child abuse related deaths is currently around 700 a year, and about 50,000 to 200,000 children suffer from injury and neglect.

I am gratified that Congress has enacted legislation which carries forward certain provisions of my bill, S. 1364, to strengthen the efforts of Government in the development of child abuse and neglect treatment and prevention programs. The legislation, as finally adopted, establishes a National Center on Child Abuse and Neglect. It also authorizes grants for extensive demonstration programs designed to prevent, identify, and treat child abuse and neglect. Finally, it directs a full investigation to be made of the national incidence of child abuse and neglect. These are vital first steps, on the basis of which further programs can and should be developed.

CHILD DEVELOPMENT

Mr. President, there are only about 700,000 spaces in licensed day care centers to serve the 6 million preschool children across America whose mothers work. For a large majority of these children the most that can be expected right now is that they receive custodial care, at best, in their own homes or in the homes of others. One out of every three mothers with preschool children is working today—reflecting a continuing sharp increase—and all too many mothers are unable to find the care, nutrition, health, learning, and development services their children need each day, or they must sacrifice this quality care because of limited earnings.

I want to commend my colleague from Minnesota (Senator MONDALE) as chairman of the Senate Subcommittee on Children and Youth, in developing major legislation to address this urgent problem—S. 3754, The Child and Family Services Act of 1974. As an original cosponsor of this bill, which marks the third time in recent years that the Senate has launched a determined effort to establish programs of Federal assistance for comprehensive child care and development services, I intend to give my full support to helping to secure its enactment. Committed to services that will help strengthen the family and in which child participation will be completely voluntary, the programs authorized in this legislation can meet effectively a critical need across our Nation.

I urge my colleagues to support this excellent and vital legislation.

CONCLUSION

Mr. President, the time for congressional action to promote quality child health care across America is now—we cannot tolerate further delays. We cannot continue with two health systems—one for the poor child, and another for the nonpoor. No matter what a child's economic status, he deserves good health, nutritious food, and a good education.

American children deserve the best health care we can provide. They must be guaranteed the right to hope in the future, and a full opportunity to make the most of their God-given gifts and abilities. Their lives of promise must be the concrete expression of a society and its government that care, of a people that believe in human decency.

ECONOMIC ANALYSIS

Mr. BROCK. Mr. President, more Americans are worried about inflation than any other single national problem. Yet the common analyses of inflation are so misleading that very little effective is being done about it. Let me try to clear up three important points.

First, inflation is not caused by big business or large labor unions. Why would labor favor inflation when union wage rates do not rise as fast as general prices? Why would business favor inflation when real aftertax profits suffer during inflation?

If unions and business cause inflation, why did prices rise from 1952 to 1956, but not from 1962 to 1966? Why are they rising so fast now? Why did inflation in Europe exceed that in the United States until recently? Why is that situation now reversing? There is no evidence that unions and business weakened in 1962 to 1966 and then grew strong again. There is no evidence that they used to be stronger in Europe and are now stronger here.

Second, inflation is not primarily caused by sudden shortages in certain commodities. There are always some prices rising faster than others and it is easy to blame the commodities whose prices are rising fastest for the general inflation.

Consider the case of gasoline. A 30-percent increase in the retail price of gasoline explains perhaps 1 percent of the current 12-percent inflation rate. Prices in Austria, Belgium, West Germany, and Holland are rising by only about 8 percent annually. But these nations import 80 percent of their oil from the Mideast. The United States imports at most 15 percent of its oil from the Mideast. If the oil shortage is the cause of inflation, why is the United States having more inflation than these European nations?

Food provides another example. The United States is a major exporter of food, yet we are having more inflation than certain of the importing countries. Again: During inflation, there will always be some products whose prices rise the most rapidly, but shortages here are not the cause of the overall inflation.

The third point I want to make today is that inflation redistributes income to the Government. As new programs are voted by Congress, Government payrolls and other expenses related to these programs, rise. These are financed by printing money.

At the same time, inflation moves us all into higher tax brackets. The cost of local government services increases, sales taxes rise, and property assessments rise, so we pay more taxes even if tax rates remain unchanged. Corporations pay more because the cost of replacing capital equipment rises faster than aftertax earnings.

The actual causes of inflation have been the fiscal and monetary policies which increased the money supply so quickly. Incorrect remedies, mainly price and wage controls, only aggravated matters by distorting resource allocation, weakening the incentive to produce, and by offering a false hope, one which was certain to be dashed.

We can solve the inflation problem without causing great distress. The Federal Reserve System must reduce the rate of increase in the money supply, not by fits and starts, but steadily. Fiscal policy must work, to reduce Government spending, also slowly and steadily, and reduce taxes, particularly those which impede investment and production, in proportion. The resources thus transferred to the people will be used to strengthen the economy in those sectors the people determine by their own decisions.

THE EDITORIAL POLICIES OF A GREAT NEWSPAPER, THE MILWAUKEE JOURNAL

Mr. PROXMIRE. Mr. President, on almost every person's list of great newspapers in the United States the Milwaukee Journal is routinely mentioned. Why that is so can be seen in the example of last Sunday's editorial page in which there was not only one first-rate editorial, but three. They were entitled "Forgetting the Energy Crisis," the "Do-Nothing Economic Policy," and "Reforming Welfare." The quality of the editorials is equal to the importance of the subject matter they are on.

Mr. President, I ask unanimous consent that the three editorials from the Sunday, July 28 issues of the Milwaukee Journal be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

FORGETTING THE ENERGY CRISIS

The nation's inability to begin extracting itself from energy shortage problems is indicated in the latest figures from the petroleum industry's Oil & Gas Journal. They show demand for petroleum products running close to 3% above a year ago. Despite the lower speed limit and all the talk about conservation, demand for gasoline is back up to last year's level.

True, the figures also show that the total supply is up over a year ago. But there is little reason for joy in that. The increase results from greater import of foreign petroleum. Domestic production actually is down.

As a recent editorial in Science magazine, publication of the American Association for the Advancement of Science, noted, this means "we are more dependent on foreign sources than ever" and "more . . . vulnerable to actions of others in the form of new embargoes, price squeezes or economic chaos elsewhere."

There is no way that domestic hydrocarbon needs can be met from increased domestic production of crude oil, Science concludes. As new domestic sources of oil come in—and there is disagreement among scientists on the extent of our oil reserves—"older sources will be closer to exhaustion."

The answer must be development of alternative energy sources, especially to make better use of the country's enormous coal reserve, through safer mining techniques and better means of coal gasification and liquefaction.

Congress, however, is putting together a budget for energy research and development that places by far the highest priority right where it has always been—on nuclear energy, including the environmentally questionable fast breeder reactor. Only 10% of the funds would go for coal research, a piddling 3% for research on energy conservation and a total of only 1% for geothermal and solar energy. These latter categories—potentially the most permanent, safest and environmentally acceptable sources—along with conservation efforts, deserve all of the research efforts, deserve all of the research priority that is required to achieve their great payoff.

What is happening to all the energy concern of just a few months ago? Without an immediate crises hobbling vacation travel or turning bedrooms cold, the American people apparently are forgetting about conservation. And in Washington, the momentum of our traditional priority on nuclear research is shoving aside the energy alternatives that need the biggest push from government.

"DO NOTHING" ECONOMIC POLICY

Those with a liberal economic bent are not going to find much solace in President Nixon's appointment of Alan Greenspan as his newest chairman of the Council of Economic Advisers. Greenspan is an orthodox conservative economist whose ideal is laissez faire capitalism.

Greenspan complements those forces within the administration who are pushing for signfiicant cuts in federal spending to balance or put the federal budget into surplus. A good case of fiscal responsibility is needed at the moment to take pressure off the Federal Reserve Board's tight money policy.

The test of Greenspan will be to what extent he will hold to his ideal "do nothing" economic philosophy. He is no fan of the income tax or tax boosts. Would he cut vital social programs in the name of fiscal responsibility rather than advocate a tax increase to balance the budget? To what extent is he willing to let the unemployed become the shock troops of inflation fighting? Would he support emergency manpower programs to ease their plight, as some other of the president's economic advisers have in the past?

As outgoing Chairman Stein and his predecessor, Faul McCracken, know, economist Greenspan is assuming a difficult and thankless job. Greenspan's medicine may be right for today's economic maladies. Getting the patient to take the medicine, however, sometimes is more difficult than prescribing the correct drug. How realistic Greenspan is in his approach will determine his effectiveness.

REFORMING WELFARE

Two recently released reports on the U.S. welfare system drew separate but similar conclusions on flaws in the present method of transferring income to this country's poor. While analysis of problems does not offer instant cure, it could be a productive base for discussion that leads to change.

Both the task force report of the staff of the Department of Health, Education and Welfare and a congressional study of 100 cities, for the Joint Economic Subcommittee on Fiscal Policy, agreed that welfare is inequitably dispersed, discourages self-help, encourages family breakup and is inefficiently administered.

Of concern in both reports were lack of incentives that make it more profitable for people to work than not work; help for the working poor whose incomes are sometimes less than those of welfare recipients; differences between those whose low skills keep them from getting jobs and those who are unemployed because there is no work; whether some people, such as mothers of young children, are doing essential work in caring for their families and should not be compelled to take jobs; that people who know how to "work the system" manage very well on welfare, and others who are entitled to benefits receive none; that, rather than stabilizing families, welfare may allow economic security only when a marriage is dissolved or the father abandons.

There are wide differences of opinion in Congress and within the administration on how welfare reform should be accomplished—whether through the existing multiprogram system that is already evolving through such programs as Medicaid, Supplemental Security Income, food stamps and others, or with a single program of incremental reforms that include wage rate or earning supplements, negative income tax, minimum guaranteed income or some other form of subsidy.

The HEW report does a good job of defining the alternative methods for transferring income to the poor and explaining the conflicts and tradeoffs of each. It is a good point from which Congress, with a parallel view of the problem, and the administration can proceed on reform.

HOW TO MOBILIZE AGAINST INFLATION

Mr. JAVITS. Mr. President, I was very pleased to read the Time essay of July 29, 1974, entitled "How to Mobilize Against Inflation." Some of the suggestions made in the essay for dealing with inflation are suggestions that I have put forward recently, most notably in legislation I introduced last week to establish an Economic Review Board to monitor wages and prices and carry out other important activities to restrain inflationary impulses in the economy. My bill would also establish regional and industry productivity councils to improve productivity.

The Time essay is particularly important because without my accepting all its points it does make it clear that a number of different policy instruments are required; and that reliance on the Federal Reserve Board alone is an inadequate response by the Government. The essay recognizes that fiscal and monetary restraint by the Government will cause severe strains on the economy, and will thus require special measures to deal with unemployment, such as my Emergency Energy Employment Assistance Act, which would provide up to 500,000 public service jobs.

It is equally clear that a wage-price monitoring agency is urgently required, and the Economic Review Board which I have proposed would properly fulfill this function. I have frequently noted the alarming decline in productivity occurring in our economy, and have proposed a series of measures to focus public attention of the need and means for increasing productivity. I note that this point is also stressed in the Time essay, as well as some interesting suggestions for keying extra tax credit to increases in productivity. The essay is also right in calling for the abolition of a series of outdated laws and practices that inhibit the smooth functioning of the economy.

Lastly, I have repeatedly urged concerted action by the developed countries to deal with inflation and in particular the shocks caused by the transfer of resources from the oil-consuming countries to the oil-producing countries. At a minimum, central bankers must agree to maintain the credit-worthiness of their banking systems and to develop mechanisms effectively to recycle the huge revenues accruing to the major oil-producing countries.

None of these policies alone will break the back of inflation, but taken together they represent a core of policies which will start the process and can and should win the acceptance of the American people.

It is fortunate that a magazine as influential as Time sees the problems clearly and does its part to focus public attention on the problems of inflation and what must be done to control it.

Mr. President, I ask unanimous consent that the Time essay of July 29, 1974, was ordered to be printed in the Record,

There being no objection, the essay was ordered to be printed in the Record, as follows:

How To Mobilize Against Inflation

(By George Church)

Inflation may be becoming to the 1970s what depression was to the 1930s—not only an economic agony but a crisis that threatens the stability of society. Like the Great Depression four decades ago, today's Great Inflation has struck a blow at Americans' usual optimism about the future and replaced it with a deep worry—about whether families will be able to afford travel, comfortable housing, quality education for their children, even the foods they like best.

Millions of people justifiably feel that the economy is cheating them of the rewards of hard work and thrift. A few more years of skyrocketing prices that wipe out much of the middle class and reduce some Americans to eating dog food could well cause many voters to question whether a system so fundamentally flawed can endure.

The public demoralization is being vastly increased by a gnawing fear that no one knows how to stop inflation in a modern democratic capitalist economy. The Government swings erratically from price controls to a free market, from budget stimulation to budget cutting, from easy money to tight money; nothing seems to work for long. Economists discussing anti-inflation strategy have rarely been so modest and tentative; several seem confident only in proclaiming that their colleagues' ideas will not work.

Modesty is advisable; inflation is in fact the most torturingly complex problem of modern economics. It seems inextricably bound up with growth and high employment; a quick and sure solution might be achieved by inducing another depression—but that would be too severe a cure. Moreover, inflation has become a worldwide plague (Time cover, April 8). The U.S., even if it can control the economic sickness within its own borders, might be subject to reinfection from abroad.

But if no quick, final cure is in sight, the Government still has an obligation to act. The economy, to be sure, is not completely manageable by Washington, but there are a number of policy actions that could be taken to greatly reduce inflation's severity. And in dealing with inflation, degree is crucial; the difference between price increases at annual rates of, say, 6% and 12% is the difference between excessive social drinking and incapacitating alcoholism.

The steps are slow-working and painful. Worse, they sound like a prescription for ensuring the defeat of any President who tries them, since they amount to taking on every vested interest in the economy at once. So there will be a strong temptation to avoid them and hope that a recent downturn in inflation—from an annual rate of 12.3% in the first quarter to 8.8% in the second—continues on its own. But that improvement is scarcely satisfactory; the Government must do all it can to bring the rate down further.

The first essential is to hold down federal spending and reduce the rate of increase in the U.S. money supply. That classic remedy for inflation has been advocated so often that Administration officials refer to it as "the old-time religion." It means slow growth, sluggish profits, distressing unemployment. So it is not surprising that the old-time religion has been more often preached than followed.

Right now, the Federal Reserve Board is acting the role of zealous convert. In 1972 and early 1973 it pumped out enough money to overstimulate a booming economy; money supply in the last quarter of 1972 grew at a startling annual rate of 8.4%. Lately the board has held the increase to a rate of about 6%, a growth much slower than the explosive—and inflationary—surge in demand for business loans. Interest rates have consequently gone into orbit. But as Alan Greenspan, who is Nixon's choice to become head of the Council of Economic Advisers, has pointed out, that policy has been pushed close to the point at which it will self-destruct. Savings and loan associations and savings banks cannot effectively compete with commercial banks for funds in the tight money market, and some may soon teeter on the edge of collapse. If so, the Federal Reserve would have to come to their rescue as "lender of last resort"—and that would mean another massive, inflationary increase in the money supply. The Federal Reserve, in other words, cannot fight inflation all by itself; it needs help from Administration budget makers—who, while preaching fiscal conservatism, have run up a cumulative deficit of $68 billion in five years.

Federal Reserve Chairman Arthur Burns called last week for a $10 billion cut in Government spending for fiscal 1975, which is budgeted at $305 billion, *v.* $270 billion in the last fiscal year. President Nixon himself has said that expenditures should be held to $300 billion, at which point they might just be balanced by growing revenues, but he has postponed the hard decisions about where to cut. Small wonder. The choice will have to be made from a herd of sacred cows: military spending, veterans' benefits, revenue-sharing aid to states and cities.

The size and specifics of any cut in this year's budget are less important than that the Administration, the Federal Reserve and Congress all determine to apply fiscal-monetary restraint for as long as is necessary. The policy need not be pressed hard enough to cause a recession. Rather, the strategy should be to permit some real growth, but keep the budget and monetary brakes on hard enough to hold total demand for several years slightly below the economy's capacity to increase the output of goods and services, until the inflationary momentum at last subsides.

Such a hold-down would set up severe strains in the economy, which the Government must be prepared to ease. For one thing, credit would remain scarce and costly, especially for small businessmen and home buyers. To prevent big corporations from gobbling up all the loan money, the Government would have to nag bankers to turn down some loans and perhaps institute credit controls if they refused.

A long-term program of holding down demand would mean that for years the nation could not reduce the jobless rate to the 4% "full employment" level; unemployment might well rise beyond the present 5.2%. The unemployed, of course, cannot be callously written off—but heating up the whole economy to the point at which employers are eager to hire everyone who turns up is at present a sure prescription for accelerating inflation. Instead, the jobless should be helped by higher unemployment benefits, public-service employment programs, massive job-training efforts to give them marketable skills—and the budget should be cut in other places to provide the money.

Even a consistently pursued policy of fiscal and monetry restraint, however, would not defeat inflation by itself. It should be reinforced by an array of other policies, all of which should be put into effect together. No one of these policies is likely to have much impact on its own, but cumulatively they could put a substantial dent in the inflation rate.

For one thing, the President—possibly acting through a revived Cost of Living Council—should monitor wage-price increases in key industries with a baleful eye and demand from Congress stand-by authority to roll back those that are far out of line. Even liberal economists are generally reluctant to go back to comprehensive wage-price controls. But in a highly inflationary climate, the Government must try to counter the temptation for unions and companies to push for the biggest increases that their raw economic power would temporarily command. Indeed, many economists fear that high wage demands are about to replace shortages as the prime inflationary force in the economy and the Government cannot persuade labor leaders to moderate them unless it makes a conscientious effort to restrain business too. The President, as wielder of the nation's largest jawbone, should define what wage and price behavior is responsible and focus public opinion pressure against increases that violate the guidelines. In order to assure that he is listened to, he needs the authority to order occasional rollbacks.

A resurrected Cost of Living Council or some other body should also monitor the Government's own price behavior. As economists tirelessly point out, Government departments and regulatory agencies, in an effort to please narrow constituencies, often adopt policies that spur rather than slow inflation. For example, the Agriculture Department is now buying up $100 million worth of "excess" beef and pork in a deliberate effort to keep prices paid to farmers and feed-lot operators from dropping. Federal regulatory agencies often set railroad, truck and barge freight rates high enough to protect the most inefficient carriers from competitive damage. A separate federal agency should be empowered specifically to watch for such practices and try to get them stopped.

The Government should also explore all possible ways to increase the productivity, or output per man-hour, of the nation's work force. High productivity enables employers to grant wage increases without raising prices, but U.S. productivity fell at an annual rate of 5.5% in this year's first quarter.

As a first step toward reversing that trend, Congress should legislate extra tax credits for companies that have superior productivity records. The tax credit now granted on the purchase of new equipment, says Michael Evans, president of Chase Econometric Associates, a subsidiary of Chase Manhattan Corp., "is too broad-based. It gives the same 7% for everything from office furniture to industrial machines. It could be more stratified; it could give more emphasis to productivity." The President, by jawboning through the Department of Labor and Federal Mediation and Conciliation Service, should also press for more labor-management agreements that phase out featherbedding and other make-work practices.

Finally, the Administration should ask Congress to wipe off the books a complex of outdated laws and practices that keep prices high for the benefit of special constituencies. Every economist has a long list of these that has turned yellow with age. Among them: the Davis-Bacon Act, which guarantees that construction workers on federal projects receive the often inflationary prevailing wage in the area where they work. The Jones Act prevents shippers from using low-cost foreign vessels to haul their goods from one U.S. port to another, and the "Buy American" Act forbids the Government to buy from foreign suppliers unless their bids are at least 6% below those of U.S. companies. Quotas still hold down imports of foreign textiles, steel and butter. Misnamed Fair Trade laws in 15 states, authorized by a federal enabling act, prevent retailers from cutting prices on many brand-named goods.

The key to getting rid of these outrageous anomalies is to attack them all at once by putting together something like an "Omnibus Inflation Control Bill of 1974" that could win broad public support. Trying to repeal them one by one is no use; the only people who would be excited would be the lobbyists for the special interests involved.

Even if the Government does everything it can to contain inflation within the U.S., though, there will still be that danger of imported inflation from abroad. American prices for many key raw materials—oil, wheat, lead, sugar—are heavily influenced, if not dictated, by the world supply-demand balance. All have zoomed in the past year or so because of global shortages, real or engineered. Restraining demand in the U.S. may not be enough to keep prices down—especially if other industrialized countries stimulate their economies to make up for a loss of export sales to the U.S. and commodity-producing nations form more price-raising cartels modeled after the Organization of Petroleum Exporting Countries.

To counter that threat, the U.S. must take the lead in organizing international cooperation against inflation. As a start, it should try to win at least an informal agreement among the leading financial powers to synchronize their monetary and fiscal policies. The goal should be world restraint to combat world inflation. Further, the U.S. should attempt to reduce the frenzy of international bidding for scarce commodities by forming a world organization that would improve forecasting of global supply and demand. And the State Department should push harder to form an organization of petroleum-importing countries that could beragain with Arab leaders for lower prices.

This program contains something to offend almost everyone: liberals and conservatives; businessmen, workers and farmers; and several departments of the Government itself. Whether Persident Nixon, facing impeachment, can put such a program across, is all too obviously doubtful. The more important question might be whether any U.S. Administration could summon the courage to launch this kind of all-out attack on inflation. It would succeed only if the public could be persuaded that all parts of society—the businessman jawboned out of price increases, the worker asked to settle for a modest wage increase, the banker told not to make certain loans—were being asked to make equitable sacrifices. The only answer is that the risks of not doing so are even greater. For the Nixon, Ford or any other Administration that might be in power—and for the nation as a whole—there is no deadlier danger than continued raging inflation.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Mr. HUMPHREY. Mr. President, on July 25, the Senate passed what I believe to be one of the most important proposals to come before the 93d Congress. The Juvenile Justice and Delinquency Prevention Act will provide the organizational framework and the dedication of substantial funds to undertake vigorous federally coordinated programs to combat juvenile delinquency and, more importantly, to study and institute programs for the prevention of delinquency.

Mr. President, there is a pressing need for enlightened policies which cannot only reduce the incidence of juvenile criminality, but develop the kind of approach which can help to keep young people from going afoul of the law. According to statistics cited by the Judiciary Committee in its report on the bill, juveniles under 18 years of age are responsible for 51 percent of the total arrests for property crimes, 23 percent for violent crimes, and 45 percent for all serious crime. Juvenile arrests for violent crimes have increased a staggering 216 percent since 1960. The statistics are there, Mr. President, and they are very telling. Moreover, the committee reported that the recidivism rates for juveniles range from 60 to 75 percent and upwards. This leaves no doubt as to the the inadequacy of current rehabilitation programs.

I am pleased to say that I cosponsored this legislation, S. 821, and the substitute amendment number 1578, as well as similar legislation introduced in the 92d Congress by my distinguished colleague from Indiana (Mr. BAYH), whose efforts in the field of juvenile justice have been tireless and grounded in a determination to do better by our young people.

S. 821, introduced on February 8, 1973, called for the creation of an office in the Executive Office of the President to administer the programs provided for in the bill. The Subcommittee to Investigate Juvenile Delinquency, which is chaired so ably by Mr. BAYH, reported the bill with the administration to be carried out by the Department of Health, Education, and Welfare, as provided by a similar House-passed bill, H.R. 15276, which proposes creation of a Juvenile Delinquency Prevention Administration within HEW.

The substitute proposal offered by Senators BAYH, HRUSKA, and a bipartisan group of Senators, places administrative responsibility in a new Juvenile Justice and Delinquency Prevention Office in the Law Enforcement Assistance Administration, headed by an Assistant Administrator of LEAA. While this represents a basic departure from the original intent of the legislation, I believe it will accomplish the vital objectives of coordinating a substantially more vigorous Federal effort to come to grips with this growing problem.

The bill emphasizes the necessity to create a partnership between government at all levels and the private sector, by mandating that 20 percent of the funds authorized shall be made available to private, nonprofit organizations and agencies with experience in working with juvenile delinquency. In addition, under the terms of the legislation, the private sector will be represented on the State planning agencies which have responsibility for outlining law enforcement programs which affect juveniles; on regional planning units in the States; and on advisory groups to the State planning agencies which are appointed by the Governors of the States.

A crucial aspect of the bill, and one which indicates clearly the intention of Congress to come to grips with this problem, is the funding which is authorized for fiscal years 1975 and 1976. The bill passed last Thursday requires that LEAA maintain the level of expenditures reflected in its working budget for fiscal year 1972—$140 million—as well as the amounts authorized by this legislation, $75 million for fiscal 1975 and $150 million for fiscal 1976.

Title V of the substitute proposal accepted by the Senate establishes a National Institute for Juvenile Justice within the Juvenile Justice and Delinquency Prevention Office. This Institute will operate as an information bank and clearinghouse to collect, prepare and distribute information relating to juvenile delinquency. The Institute will be authorized to conduct research and evaluation into juvenile delinquency and to encourage the establishment of demonstration projects in innovative techniques with respect to the treatment and prevention of juvenile delinquency.

In addition, the Institute will be authorized to undertake training programs and workshops for professional, paraprofessional, volunteer personnel and others involved in activities related to juvenile delinquency. The Institute will be required annually to review and assess the programs undertaken and to report its results and recommendations to the President and to Congress.

It is important to note that the bill prohibits the disclosure or transferral of material gathered by the Institute for research and evaluation purposes. This is intended to assure the privacy and protection of those juveniles who might be involved in programs carried out by the Institute.

Title II of the substitute contains several amendments to the Federal Juvenile Delinquency Act to assure that the constitutional and procedural rights of youngsters under Federal jurisdiction are protected. While the number of young people who come under the jurisdiction of Federal authorities is relatively small, the authors of the bill believe, as do I, Mr. President, that in the case of juveniles, as in other matters pertaining to the administration of justice, the Federal Government needs to set a worthy example for guaranteeing that individual rights are guarded.

These are important provisions, and I believe that they will have a definite impact on the treatment which can be expected by juvenile offenders in our court and corrections systems.

Mr. President, a number of my colleagues and I have resisted efforts to place the Administration of these programs in the Law Enforcement Assistance Administration. We believe that the treatment and, especially, the prevention of juvenile delinquency is in the realm of human development rather than strictly law enforcement. But the substitute proposal developed by my distinguished colleagues will assure that the focus of the programs carried out by the States and localities under the auspices of the LEAA will be on the preventive aspects of juvenile delinquency, in keeping with the spirit of the original legislation. The bill requires that 75 percent of the State funds authorized to be appropriated, be expended for prevention. Every effort will be made to keep juveniles out of the corrections system, by utilizing community-based facilities wherever possible, by instituting counseling programs, and, very importantly, by requiring the development of advanced techniques which might move us toward a more enlightened approach to juvenile crime.

I hope that the House and Senate managers will be able to reconcile the differences between the two versions of this proposal so that we may move expeditiously to undertake the important tasks which lie ahead.

THE FLOW OF POWER

Mr. BROCK. Mr. President, when the Budget Reform Act was signed into law, a major victory was won in our continuing struggle for a more democratic government. Our Nation's citizens will again have a voice in how their money is spent.

James J. Kilpatrick sees it as a major change in the channels of power within our Federal Government. In an article in Nation's Business, he analyzes our Government and its "flow of power" since the Constitution's ratification. He sees the Budget Reform Act as a way to "reverse the trend toward a stronger President" and return to our Founding Fathers' principle of "shared power."

Mr. President, I introduced this bill 2 years ago, and my feelings concur exactly with those of Mr. Kilpatrick. I recommend this article to my colleagues, and ask unanimous consent for this article to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FLOW OF POWER

(By James J. Kilpatrick)

A reporter who spends his life covering government, at any level from the courthouse to the White House, eventually discovers this truth: The name of the game is power. Political struggles and legislative battles may well involve high-minded notions of the public good, but even in the noblest experiments, the issues finally are resolved in terms of power—how power is won, or lost, or regained, or held, or exercised or restrained.

On the afternoon of Friday, March 22, when the Senate voted 80–0 in favor of the "Congressional Budget Act," a significant moment was reached in our 20th Century chronicle of power. It is altogether possible that when the Senate bill is reconciled with a similar House bill, a major change will occur in the channels of power within the federal government. The Executive branch will have lost some of its power to the Legislative branch. In theory, at least, we will have moved somewhat closer to the concepts of the Founding Fathers. George Mason and Patrick Henry, one supposes, would be pleased.

These questions of power—and especially of the restraints upon power—were at the very heart of the debates surrounding the writing and the ratification of the Constitution. By 1787, it was clear that the Articles of Confederation were fatally defective. Though the Articles granted some powers to the Congress, and prohibited other powers to the states, the structure created little more than a "firm league of friendship" among the states. The power to tax was so loosely established that the central government became a poor hostage to states with minds of their own.

The new Constitution was intended to remedy these defects. The framers who met at Philadelphia had two purposes. The first was to achieve a new distribution of powers, by which vastly more authority would be lodged in the central government. The second was to make certain that these newly delegated powers could be restrained. Out of their debates, of course, emerged the concept of the three coequal branches, each providing a check upon the others. The Tenth Amendment, so it was thought when it was adopted two years after the Constitution's ratification, provided an additional safeguard against abuse in the continuing concept of federalism: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

These were strokes of political genius. The Constitution reflected a great hope—the hope that power would be exercised wisely. It also reflected an abiding suspicion—the suspicion that power would be exercised badly. The suspicion was greater than the hope. "Free government is founded in jealousy and not in confidence," wrote Thomas Jefferson in the First Kentucky Resolution.

"In questions of power, let no more be heard of confidence in man, but bind him down from michief by the chains of the Constitution!"

For the first 100 years or so, the system worked remarkably well. Presidents occasionally exceeded their authority; Congress now and then abused its power and had to be checked by the Supreme Court; and the Court, for its part, from time to time usurped the legislative and amendatory powers. A rough balance prevailed among the branches of the central government; the states functioned (or declined to function) in the spirit of federalism; and strong private institutions, notably the church and the major political parties, contributed a balance of their own.

In 1913, with ratification of the Sixteenth Amendment, authorizing a federal income tax, the central government's powers were dramatically expanded. Two months later, the Seventeenth Amendment, guaranteeing the popular election of Senators, weakened the powers of the state legislatures. By 1920, a once-agrarian society had become predominately urban. With the election of Franklin Delano Roosevelt in 1932, profound changes tumbled upon one another, and these were mainly changes in power—shifts of power from the states to the federal government, and from the Congress to the President within the federal government. The process continued, swiftly accelerating, in the years after World War II.

The business community scarcely needs to be reminded of what has happened in the period as a whole—Social Security, minimum wages, equal employment opportunities, occupational safety legislation, environmental controls, consumer protection legislation—the list is endless. New executive agencies have sprouted like dandelions; they have spread like chickweed. The Constitution intended that "all" legislative powers should be vested in the Congress, but the rule-making authority of the executive agencies has gravely impaired that provision.

A hundred other factors also contributed to the Senate's recent vote on the Congressional Budget Act. In theory, Congress is supposed to control the power of the purse. In practice, that power has been exercised by successive Presidents through the budget-making process. The key committees of House and Senate have seldom acted; they have reacted. They receive a President's recommendations every January, but the recommendations amount to a *fait accompli*. In the $304 billion budget now pending for fiscal '75, at least three fourths of the spending is uncontrollable and untouchable.

There was a time when liberals applauded this situation. The Rooseveltian Brain Trust of New Deal days developed the doctrine of "the strong President." Intellectuals of the New Frontier made the doctrine an article of faith. Arthur Schlesinger Jr., one of the principal architects of this structure, recently reexamined what he and others had wrought. He termed it the imperial" Presidency.

Sen. George McGovern spoke to the altered relationship in an address at Oxford University in January, 1973. The Presidency, he said, was becoming "an elective dictatorship." Liberty, he said, "is the real loser when so much authority is vested in a single office." Two months earlier Sen. McGovern had lost in a landslide to Richard Nixon, but at Oxford he was speaking not as a defeated candidate but as a onetime professor of political science and a practicing liberal: "Now is the time for a determined effort to change, not the person in the White House, but the power of the Presidency. American liberals must reverse the 40-year trend toward a stronger President and return to the 200-year-old tradition of shared power."

That is precisely what the Congressional Budget Act is intended to promote. The product of months of labor by both the House and Senate this major reform would increase the capability of Congress to act independently and intelligently upon the budget. Under this Act, Congress would have its own Office of the Budget. New committees would provide an overview of revenues and expenditures. By changing the fiscal year, so that it would begin in October instead of July, the Congress would gain needed time to act efficiently upon new programs and continuing appropriations.

This correspondent has been covering government for too many years to wax lyrical about any reform. The Senate bill is not as strong as many of us on the conservative side had hoped for. A key "trigger" provision, which would have enforced a ceiling upon appropriations, was abandoned in committee and killed 57–23 on the floor. Virginia's Sen. Harry F. Byrd Jr. got nowhere in an effort to compel submission of annually balanced budgets. A final version of this legislation, combining House and Senate provisions, is not likely to impose any effective restraint upon "backdoor" spending. The jealousy of powerful committee chairmen may yet undermine the authority of the new budget committees.

When all these reservations have been expressed, a hopeful view should be expressed. It is manifestly impossible for a Congress of 535 members to exercise day-by-day supervision of the sprawling federal government. Given our complex and highly urbanized society, it is perhaps inevitable that a vast bureaucracy should have come into being. Even with Mr. Nixon's "New Federalism," by which greater decision-making power would be restored to States and localities, there is no way in which the federal government can be greatly reduced. On the contrary, the prospect—a dismaying prospect in my view—is that such new programs as national health insurance and no-fault auto insurance will further expand the federal power.

But it is possible to whittle down the awesome authority exercised in recent years by the President of the United States. No thinking person wants a weak office. The object should not be to cripple future Presidents, or to make them incapable of executing the laws. The object should be simply to get us back toward the point of beginning—toward the inspired concept of co-equal branches in a structure based upon federalism.

If the Congressional Budget Act is viewed in that spirit, and if the Act can be strengthened after an experimental period, we will move in that direction. Presidents, as always, will propose, but for the first time in recent memory, Congress will in fact dispose. Using his veto power, a President can strive to restrain Congressional impulse. Using the power to override, the House and Senate can squelch monarchical notions.

Sen. Sam J. Ervin, of North Carolina, a leader of the troops on the Senate side, is not a man ordinarily given to understatement. But when he described the bill in floor debate as "the most important legislation that Congress will consider this year," he was yielding too much to his innate conservatism. If the Congressional Budget Act succeeds in reversing a flow of power that has surged toward the White House for 40 years, it could prove to be the most important legislation—in terms of political power—since the Budget and Accounting Act of 1921. And power, as I remarked some 1,500 words ago, remains the name of the game.

INSTALLATION OF BISHOP JAMES A. HICKEY AND THE RETIREMENT OF BISHOP CLARENCE G. ISSENMANN OF CLEVELAND

Mr. METZENBAUM. Mr. President, a signal event in the life of the Catholic Church in Ohio occurred last week when James Aloysius Hickey, a man of extraordinary ability, was installed as Bishop of the Diocese of Cleveland.

Bishop Hickey has had a distinguished career in the church as theologian, administrator, educator, and a man of great compassion and concern. He was rector of the North American College in Rome from 1969 to 1974, and just prior to that, was auxiliary bishop of Saginaw, Mich., for 2 years. He attended St. Joseph Seminary in Grand Rapids, Mich., studied philosophy at Detroit Sacred Heart Seminary, and theology at Catholic University of America here in Washington, D.C. In Rome he earned the Doctorate of Canon Law at Pontifical Lateran University and the Doctorate of Sacred Theology at the Angelicum University.

In his early career in the church, Bishop Hickey worked closely with Spanish-speaking migrants. He retains a strong identification with that culture, and a determined commitment to end the kind of deprivation and poverty he fought against there.

Bishop Hickey himself expressed this commitment eloquently during his installation by quoting from a letter he received from a Catholic lay group, who wrote:

> We cannot effectively serve the needs of the poor unless we have your example and your leadership.

To which Bishop Hickey responded:

> How better can I describe my work as teacher, high priest, father and shepherd in this community of the faith?

I welcome the strong and progressive leadership which Bishop Hickey will bring to the Diocese of Cleveland.

Let me say also that I regret, with equal feeling, the departure of my great and good friend, Bishop Clarence Issenmann, the retiring Bishop of Cleveland. Bishop Issenmann was a native of Ohio. He taught theology at Mount St. Mary Seminary in Cincinnati, and served successively as treasurer, chancellor, and vicar general in the Cincinnati archdiocese. In 1954, he became an auxiliary bishop of Cincinnati, in 1957, bishop of Columbus, Ohio, and in 1966, bishop of Cleveland.

My relationship with Bishop Issenmann spans many years. On dozens of occasions we found ourselves allied together in struggles on behalf of working people and minorities in Ohio. One of the proudest moments in my career occurred in 1966 when Bishop Issenmann presented me with the first Interracial Justice Award ever awarded to a non-Catholic by the Catholic Interracial Council of Cleveland.

All of Ohio will miss the warmth and humanity of Bishop Issenmann, and we are exceptionally fortunate to have a man of the ability of Bishop Hickey as his successor.

THE EARNED IMMUNITY ACT

Mr. TAFT. Mr. President, recently, the American Bar Association, section of individual rights and responsibilities, voted to submit a report and recommendation regarding the Earned Immunity Act of 1974, of which I am the sponsor, to the ABA House of Delegates. This committee has devoted a good deal of time and scholarly effort in studying this very important issue. As a result of the fine efforts of this section, the recommendation will be made that the American Bar Association support in principle the passage of S. 2832.

I ask unanimous consent that a copy of the report and recommendation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[American Bar Association Report to the House of Delegates]

SECTION OF INDIVIDUAL RIGHTS AND RESPONSIBILITIES

RECOMMENDATION

The Section of Individual Rights and Responsibilities recommends adoption of the following:

Be it resolved, that the American Bar Association supports in principle the passage of Senate Bill 2832, the Earned Immunity Act of 1974 and H.R. 13001, an identical bill introduced in the House of Representatives. This proposed legislation provides persons who unlawfully avoided military service, with an opportunity to earn immunity from prosecution and punishment.

Be it further resolved, that the President or his designee is authorized to present the substance of the foregoing resolution to appropriate committees of Congress.

REPORT

I. The Purpose of Earned Immunity Legislation Merits the ABA's Support.

Earned Immunity from prosecution for draft resistance, commonly referred to as earned or conditional amnesty, is a critical national problem. It concerns the lives of nearly 30,000[1] young men who have evaded the draft and who are now living in Canada or other countries, or are "living underground" in the United States. Many of these young men continue to lead tragic lives as a result of their separation from their families and their homeland. Some have not returned to their homes and families for fear of prosecution for the crime of draft resistance.

Now is the time for the American Bar Association to support legislation directed at alleviating this problem. This legislation is directed toward those who have resisted the draft. Many of these draft resisters have been victims of bad judgment and poor advice. Others, however, have acted out of deep personal objection to the cause which our country followed as the United States became involved in the Viet Nam War. Now is the appropriate time to question whether we will offer these young men an opportunity to become productive citizens in their country or force them to remain abroad or underground. We must question whether it is more in the interest of justice to have them spend up to three years in jail or an indeterminate period in exile rather than to have them earn immunity through some type of alternative service to their country. Now that American involvement in the shooting war in Viet Nam has ended, it is appropriate for the ABA to support legislation offering these draft resisters an opportunity to rejoin their fellow citizens in a manner that allows them to earn immunity from prosecution for draft resistance by providing some type of alternative service to their country.

In regard to those young men who resisted the draft as a result of their convictions, it is worth noting that because of the change in the law regarding conscientious objectors it is possible that two brothers from the same family with the same conscientious objections to the war in Viet Nam may have been classified differently for purposes of the Selective Service Law. Under a peculiarity of the law the elder of the two may be subject to prosecution, but the younger of the two may have been relieved of his obligation to serve in the military because of his conscientiously held beliefs. The Supreme Court during the Viet Nam War period, gradually broadened its definition of conscientious objection, justifying exemption from service in the Armed Forces. See *Welsh* v. *The United States*, 398 U.S. 333 decided on June 15, 1970. Before that decision, individuals seeking conscientious objector status had to raise their objection in relation to their belief in a Supreme Being. The Supreme Court, in *Welsh*, ruled that belief in a Supreme Being was no longer required, and that other deep-felt views could suffice to justify receipt of the conscientious objector status. Obvious inequities have become evident, such as the example cited above where the elder of two brothers may be subject to prosecution for resisting the draft to abide by his conscience while the younger obtained conscientious objector status.

Also there are many individuals who were motivated *solely by conscience* in resisting the draft during the Viet Nam War period although their beliefs did not legally qualify them for conscientious objector status. Under *Gillette* v. *United States*, 401 U.S. 431 (1971), the Supreme Court held that selective opposition to the Viet Nam War did not justify the conferral of conscientious objector status on a young man who was otherwise subject to the draft. Nevertheless, it is clear that many young men who resisited the draft because of selective objection to the Viet Nam War did so because of their conscientiously held beliefs.

Enforcement of the Selective Service Laws has created its own set of problems. For example, many draft resisters have not been prosecuted in the past if they agreed to enlist in the Armed Services. This approach had been the policy of the Justice and Defense Departments before the expiration of the draft. In this regard, let us review a July 23, 1973 letter of Assistant Attorney General Henry Peterson, Head of the Criminal Division, Department of Justice, to Senator Robert Taft. Mr. Peterson says as follows:

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[1] The exact number of such persons is in dispute. Staff analysis by aides to Senator Robert Taft, lead to the estimate that at least 18,500 individuals were abroad because of resistance to the draft. As of July 23, 1973, the Department of Justice reported that another 1,351 persons were indicted and awaiting trial and 300 men were imprisoned. No one knows how many are living "underground" in the United States. But the most conservative estimate is about 10,000. In sum about 30,000 men are affected by this proposed legislation.

"It was our policy to allow such a man, in the absence of aggravating circumstances, to remove his delinquency under the Military Selective Service Act by submitting to the dismissal of his indictment upon successful completion of induction. That policy was terminated on July 1, 1973, because of the expiration of the induction authority on that date. In our view, that policy was beneficial to all concerned for the reason that the inductee would rather render valuable service to our country for a period of 24 months and he would have the satisfaction of having fulfilled his service obligations. On the other hand, men convicted and sentenced for violation of the Act perform no worthwhile service of any kind, and in most instances were permitted to return to their normal way of life in considerably shorter periods of time. For example, in fiscal year 1972, the average term of imprisonment imposed for draft law violations was 36.2 months; however, the average actual time served in custody was 9.1 months. Moreover, 1,178 of the 1,643 defendants convicted were placed on probation by the courts, with the result that less than ⅓ of the men convicted received a prison sentence."

Mr. Peterson continued by explaining that this policy had to be dropped at the insistence of the Defense Department. Thus, all draft resisters are now subject to prosecution:

"Subsequent to July 1, 1973, it was our policy to inform a draft delinquent prior to indictment that he was in violation of the law and prospective action against him was contemplated unless he were willing to correct his delinquency by enlisting in the United States Army. In that event, consideration would then be given to permitting him to purge his violation without being subjected to criminal charges. That policy has been abandoned, however, because the Department of Defense advised us that it would not accept for enlistment men who are in violation of the draft law, whether under indictment or not. We were recently informed that the enlistment policy was reconsidered, at our request, within the Department of Defense and by the Secretary of Defense, but it was concluded that it should continue in effect. Since that decision could place substantial prosecutive burden on United States attorneys throughout the country, as they no longer have a viable alternative to offer the defendants other than prosecution, we are again asking the Department of Defense to reconsider this matter."

This situation raises the problem of unequal prosecution in different districts and a heavy burden on United States attorneys. Senator Taft reports[2] that statistics from the 1973 semi-annual report of the Director of the Administrative Office of the United States Courts would indicate that this burden on the Justice Department has been translated into a very uneven approach to prosecution so that the disposition of an accused often depends on the geographical region of the country in which he is prosecuted. For example, during Fiscal Year 1972 only one of Ohio's 218 defendants in Selective Service cases served a prison sentence compared to Minnesota's record of 47 prison sentences out of a total of 141 defendants with 94 convictions. Finally, many prominent Americans, including former Secretary of Defense Melvin Laird who bore the responsibility of the entire Defense establishment during a critical period of the Viet Nam conflict, have supported earned immunity. In a letter to Commander Ray R. Soden, Veterans of Foreign Wars of the United States, Secretary Laird said:

"Throughout my career of public service, I have learned to avoid absolute, dogmatic positions. Neither the political system nor the judicial system of the United States works on 'blanket' and arbitrary approaches. Both recognize the vital roles of (1) circumstances and (2) motivation in determining political or judicial solutions to our problems. As I have stated, we pride ourselves on administering justice with mercy and understanding. . . . *It is my view that circumstance and motivation on a case-by-case basis, under our concept of justice, must be taken into account today when dealing with violators of our selective service laws.* It is noteworthy that only a small percentage of these men have thus far been prosecuted by widely differing penalties have been assigned to individuals varying by jurisdiction." (Emphasis added.)

II. Congress Has Authority to Legislate Immunity From Prosecution for Draft Resistance

Congress has authority to legislate immunity from prosecution for draft resistance. Congress has done so in the past and can do so again. For example, in 1865, Congress directed the President to issue a proclamation announcing a pardon for all deserters who returned to their posts within 60 days. (Act, of March 3, 1865, 13 Stat. 190–191. For a similar use of the legislative pardon power see Act of June 17, 1862, 12 Stat. 592.) This legislative power of immunity has also been exercised numerous times when it has been considered necessary to obtain testimony in connection with criminal investigations. The constitutionality of this legislative exercise was upheld by the Supreme Court in *Brown* v. *Walker*, 161 U.S. 591 (1896). See also *The Laura*, 114 U.S. 411 (1884).

The responsibility to determine which person should be granted this immunity has been placed by legislation in Federal agencies, prosecutors, and Congressional committees. See, for example, the "Use" Immunity Provisions of the Organized Crime Control Act of 1970, 18 U.S.C. ss 6001–6005. *Kastigar* v. *United States*, 406 U.S. 441 (1972) upheld these provisions.

Congress also has the undisputed power to modify the terms and conditions of judicial sanctions imposed on those convicted of crimes. This authority has been delegated to the Federal Board of Parole, granting that Board broad discretion in determining whether it should mitigate or alter the form of punishment imposed. See 18 U.S.C. ss 4201 and following. The authority exercised by the Board of Parole is probably the most common use of Congress' power to legislate immunity.

While the question has been raised whether Congress has the constitutional authority to enact "amnesty" legislation or whether granting "amnesty" is an exclusively Presidential power, nearly every legal scholar who has addressed this question has concluded that Congress has the constitutional authority to enact such legislation. These scholars are led by Professor Louis Lusky of the Columbia University Law School, who authored "Congressional Amnesty for Resisters: Policy Considerations and Constitutional Problems" 25 Vanderbilt Law Review 525 (1972). Only one statement questions the constitutionality of Congressionally enacted amnesty legislation.

It was made by Leon Ulman,[3] a Deputy Assistant Attorney General in the Office of Legal Counsel, who appeared as the Administration spokesman at a Congressional hearing, apparently expressing an Administration policy as well at its legal position. On the basis of the foregoing, we believe that it is clear that Congress has the authority to enact amnesty legislation.

III. S. 2832 and H.R. 13001 would establish an immunity review board with power to grant immunity in consideration for the performance of national service.

This legislation would be directed at providing relief for persons who are currently subject to criminal prosecution for evading the draft. It would not affect deserters from the Armed Services or persons subject to criminal prosecution for violation of other law. It is concluded that deserters should be treated separately because they are subject to prosecution under a totally separate body of law, the Uniform Code of Military Justice, which is based on unique legal and policy considerations. Further statistics available to Senator Taft indicate that as few as 5% of all deserters during the years 1966–1971 deserted on ideological grounds.[4] Some young men deserted because of trouble with an officer or because they committed a crime on a military base, or because of difficulty with civilian authorities near the base. A blanket amnesty that would include deserters would thus appear to be unfair and to pose the danger of disruption to military discipline.

The Immunity Review Board, to be established by this legislation, would be authorized only to review violations of the Selective Service Act and would be empowered to grant immunity upon the completion of alternative service of up to two years in the Armed Services or in public or private service contributing to the national health, safety, or welfare.

Individuals serving prison sentences for crimes unrelated to Selective Service violations would not be eligible for such immunity, nor would individuals under indictment for any offense unrelated to the Act. Examples of contemplated public service would be two years in the Peace Corps or VISTA, with compensation at a level which provided a standard of living comparable to service in the Armed Services at the lowest pay grade. Other public service permissible could include the various types of duties that were formerly assigned to conscientious objectors.

The Board would not be permitted to deny immunity to any qualified individual, but it would be given discretion regarding the length of alternative service with an upper limit of two years. Each individual case would be reviewed on its own merits, with the Board specifically authorized to consider mitigating circumstances with regard to the service requirements.

For example, S. 2832 sets forth the following six circumstances as mitigating the length of service required:

(1) An inaccurate interpretation of the Selective Service Act by an individual contributing to his having committed the violation.

(2) The applicant could have qualified for classification as a conscientious objector under *Welsh* v. *United States, supra*, but was denied conscientious objector status because he applied for conscientious objector status before *Welsh* was decided.

(3) The applicant's family is in immediate and desperate need of his personal presence.

(4) The applicant lacked mental capacity to have committed the violation of the Selective Service Act.

(5) The applicant has in the past or is currently subject to imprisonment or parole for committing offenses for which he seeks immunity. The Board could give credit for time already served.

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[2] Testimony of Senator Robert Taft in support of S. 2832 before House Judiciary Committee, Subcommittee on Courts, Civil Liberties and the Administration of Justice, March 11, 1974.

[3] Statement of Leon Ulman to the Subcommittee on Courts, Civil Liberties, and the Administration of Justice of Committee for the Judiciary, House of Representatives, March 8, 1974.

[4] See Senator Taft's comments on this subject in 119 Cong. Rec. No. 200 (Dec. 19, 1973).

(6) Such other circumstances as would be consistent with those above.

While S. 2832 makes no provision for judicial review of the type or length of service required by the Board, it is concluded that its judgment should be subject to judicial review within the limitations of the Administrative Procedure Act. Such a provision would thus eliminate even the appearance of arbitrary administrative action.

It should be noted that none of the above listed reasons provides for a reduction of the maximum term of service solely on the basis of the applicant's opposition to the Viet Nam War. Such individuals, while not disqualified from security immunity, could not use that factor as the sole basis for any reduction in term because it has never been the basis for a similar action by any of the draft legislation or regulations. Further, the Supreme Court specifically determined that this was not the basis for refusing induction in *Gillette* v. *United States, supra.*

Accordingly, on the basis of the above report, it is hereby recommended that the American Bar Association support legislation providing for earned immunity from prosecution for those persons who evaded the draft during the period beginning August 4, 1964 and ending January 27, 1973, at which time the United States agreed to withdraw its military forces from the Viet Nam Conflict. It is important that the American Bar Association support this resolution because currently, while several bills are pending before Congress providing for such earned immunity to draft resisters, cognizant Congressional committees have chosen to avoid the issue for fear that many Americans reject the concept of any type of amnesty.

In conformance with Association policy, coipes of this report and recommendations have been sent to the following Association entities for their review and comment:

Administrative Law Section, Criminal Justice Section, General Practice Section, Young Lawyers Section, the Law Student Division; Standing Committee on Lawyers in the Armed Forces; Standing Committee on Legislation, Standing Committee on Military Law and the Special Committee on the Administration of Criminal Justice.

The above report and recommendation were approved by a majority of the Council of the Section of Individual Rights and Responsibilties in a telephone poll conducted in June, 1974.

Respectfully submitted
ALBERT E. JENNER, Jr.,
Chairman.

August 1974.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in recent months we have once again been reminded of the need to insure the preservation of individual liberties. Even a cursory examination of the activities of the White House "plumbers" or of other contemporary invasions of the personal affairs of our citizens in the name of national security makes it clear that strong safeguards are needed to protect the individual from the power of government. Our Constitution's Bill of Rights sets forth such safeguards. It is, in fact, our firmest bulwark against the abuse of the weak by the powerful.

The notion that nations could join together to protect fundamental human freedoms is relatively novel. Prior to World War II the idea that states could commit illegal acts against their citizens—and be held accountable for those crimes by the other nations of the world—had not gained any significant international support. But the gas chambers and concentration camps of the Second World War drastically altered the perspectives of the leaders and citizens of nations around the world. International ethical standards now seemed important; numerous treaties were drafted to define actions which no nation or group could take, and which no other nation could permit.

The International Convention on the Prevention and Punishment of the Crime of Genocide is perhaps the most important product of this new perspective in international relations. It is designed to discourage any nation or organization from taking steps to systematically exterminate any national, ethnic, racial, or religious group, and to bind all other countries against any nation that plans or initiates such policies. The accord is, as the Section of Individual Rights and Responsibilities of the American Bar Association concluded in a 1969 report, "an international commitment to decency and morality consistent with the American tradition." As such, it not only deserves, but demands, ratification by this Senate. It is an international initiative of no mean importance, but its largest significance is its grave moral demand upon our collective conscience.

SENATOR NUNN'S NATO MANEUVER

Mr. BROCK. Mr. President, it is not too often today that we hear or read praise for one of our colleagues. I was delighted to read recently an excellent article by Stephen S. Rosenfeld about the distinguished Senator from Georgia, Mr. NUNN. I am very happy that this good notice was published to his work in the field of preserving our defenses. I ask unanimous consent that Mr. Rosenfeld's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 21, 1974]

SENATOR NUNN'S NATO MANEUVER

(By Stephen S. Rosenfeld)

Sam Nunn (D-Ga.), 35 years old, not 20 months a United States Senator, saved NATO the other day. His was as solid and deft a parliamentary performance in the national security area as the Congress has seen in years, belying the common notion that a legislator must have seniority or "power" to get something important done.

What Nunn did was to block—and rechannel—a campaign led by Senate Majority Leader Mike Mansfield (D-Mont.) to demobilize 125,000 men out of American ground forces overseas. This was the 1974 model of the now-traditional "Mansfield Amendment" to enact unilateral troop cuts in Europe.

Anticipating this campaign, Armed Services Chairman John C. Stennis (D-Miss.) last February sent the member he has called "last but not least" on his committee, on a study mission to Europe. Nunn, a great-nephew and once a staff aide of the late House Armed Services Chairman Carl Vinson (D-Ga.), occupies the Senate seat—and the Armed Services seat—of the late Richard Russell (D-Ga.). "We have military bases in Georgia," Nunn explains. "People in the South are much more tuned to a military and patriotic spirit than some of the other sections."

A lawyer and four-year state legislator, Nunn recalls putting in 100 hours preparing for his European trip—"getting through the first layer of propaganda." His report, "Policy Troops and the NATO Alliance," though covering an oft-plowed field, nonetheless startled specialists with its freshness and command.

Nunn thinks the Mansfield Amendment approach could produce results—lowering the nuclear threshold, undermining the force-reduction talks—that the country wouldn't like. He concluded his report with a call for the administration and Congress to find together "a long-range NATO stance that we are willing to live with, politically, economically and militarily."

In pursuit of just such a joint long-term stance, Nunn then wrote three amendments to the basic military procurement bill.

Nunn had already, last year, joined with Sen. Henry Jackson (D-Wash.), an acknowledged expert at legislating policy by amendments, to sponsor an amendment requiring the NATO allies to pick up a greater share of the cost of maintaining U.S. troops in Europe or to face a reduction in U.S. troop commitments. That amendment, almost everyone agrees, has been extremely effective, where years of State Department entreaties had not.

The three new amendments were designed to provide a constructive alternative to Mansfield, one answering to the same world-weariness and the same felt need to update American policy but doing so in a way that would not upset negotiations with the Russians or unduly alarm the Allies.

One amendment makes it the sense of Congress that NATO support units (the Alliance's notoriously long "tail") be cut by 20 per cent in two years, the men to be replaced—if the administration chooses—by combat soldiers ("teeth").

The second requires the Pentagon for the first time to justify the numbers and purposes of the outsized and unplanned U.S. force of 7000 "tactical" nuclear warheads in Europe. Sen. Stuart Symington (D-Mo.) had investigated this matter during the year but it took Nunn with his non-threatening Southern manner to move into it legislatively.

The third amendment compels the Pentagon to report on what it's doing to reduce the costs and the loss of combat effectiveness stemming from failure to standardize NATO equipment.

Politically, these amendments have a broad appeal, promising more military efficiency to defense conservatives and greater civilian control and lower-costs to defense liberals. Ideologically, they are neutral. The Armed Services Committee endorsed them unanimously, though House conferees' approval remains uncertain.

In the Senate debate on the Mansfield Amendment the other day, Nunn, who is a pleasant-looking soft-spoken fellow with a drawl, stood right up to the Majority Leader. He was well prepared. He had a folksy Georgia story about a preacher ready for a change of pace. Quite firmly, he managed to steer the whole debate away from the controversial ground of *whether* in general the United States should be doing more or less into the smoother area of *how* specifically we ought to proceed. And, in a word, he won.

When I talked with Nunn about this a few days later he was sure, but self-effacing, pleased with his success while intent on saying nothing that could give umbrage to his Senate brethren. He is not one for debates on great issues. He thinks national security debates can and should be waged on the basis of what is "effective and sensible." "You must be armed with a good bit of background to get down to the quick," he added.

What will Nunn be looking into next? His chairman Stennis wants him to get into personnel, he said—it takes 57 per cent, by some counts 67 per cent, of the military budget. I found myself thinking: Go, Sam, we're watching.

CASS ELLIOTT

Mr. McGOVERN. Mr. President, I was saddened by the news of the untimely death of Miss Cass Elliott. She was not only a gifted, talented artist, but a sensitive, compassionate human being who cared deeply about the issues of the day.

In the 1972 Presidential campaign, Miss Elliott gave her time and effort generously in assisting my campaign. Eleanor and I remember her contribution with continuing appreciation.

I ask unanimous consent that an article from today's Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Pop Singer Cass Elliott Dies in Her Sleep at London

(By Jean R. Hailey)

Pop singer Cass Elliott, 33, who rose to fame as a member of the Mamas and the Papas in the 1960s, died yesterday in London.

The cause of her death was not immediately disclosed. Her manager, Allan Carr, said she died in her sleep in an apartment she had rented in the fashionable Mayfair district of the city.

Miss Elliott, who continued to be known as Mama Cass, although she had worked since 1968 as a solo act on the TV-nightclub circuit, had completed a two-week engagement at the famous London Palladium Saturday. She was scheduled to begin a tour of British nightclubs, Carr said.

The plump entertainer, who was 5-feet-5 and weighed well over 200 pounds, had always had a weight problem and dieted frequently, sometimes very strictly.

She was always frank about being fat and often kidded about it and her dieting.

In an interview with the London Times, published only a day before her death, she said:

"I could eat Chinese food all the time. I've lost 80 pounds in the past year. I'm not really on a diet, but my one rule is don't eat anything white, because they're all fattening things."

"I didn't develop a sense of humor as a defense for being heavy. I've always had a weight problem. I simply learned that's the way I am and so I live with it," she explained on an earlier occasion.

Born Ellen Naomi Cohen in Arlington, Va., Miss Elliott headed for New York and a stage career as a young woman. Conflicting reports say she was born Cassandra Elliott in Baltimore and grew up in Virginia and Maryland.

At any rate, she turned up as Cass Elliott in the Virgin Islands and that is where the Mamas and the Papas group was formed in the early 1960s.

The group eventually returned to this country and Hollywood, where they soon came up with a number of big hits, singing mainly of peace and love. Some of their biggest hits included "Monday, Monday," "California Dreamin'," "I Saw Her Again" and "Go Where You Wanna Go."

After they broke up in 1968, the other members of the group, Michelle Gilliam, Denny Doherty and John Phillips, faded from the limelight.

That, however, was after the group had made a number of million-selling gold records and had appeared in sellout concerts across the country.

The split was friendly. Miss Elliott decided to go out on her own. Her first appearance was at Caesar's Palace in Las Vegas and it was more or less of a disaster. She was suffering from acute tonsilitis.

Undaunted, Miss Elliott, whose permanent home was in California, continued with nightclub performances and made several hit records of her own, among them "Dream a Little Dream of Me" and "Make Your Own Kind of Loving."

She had remarked after the catastrophe at Las Vegas:

"When you're on your own, you're responsible for yourself. I don't want the stigmata of a Judy Garland type. I don't want people to think that I can't perform because I'm bombed. I don't drink, take drugs, I don't even smoke."

There were some television appearances, including a special, "Don't Call Me Mama Any More," broadcast last September and criticized as disappointing.

In April she was scheduled to appear on the Johnny Carson show in Hollywood but was hospitalized briefly after collapsing before the show. She had been on a strict diet and fainted in her dressing room.

Miss Elliott married musician James Hendricks in 1963 and they had a daughter, Vanessa, in 1967. They were divorced in 1969. In 1972, she married Baron von Weidenman but that marriage was a brief one.

She also is survived by her mother, Bess Cohen, who lives in Maryland, and a brother and sister, who live in Los Angeles.

FINANCIAL ASPECTS OF THE ENERGY SITUATION

Mr. PERCY. Mr. President, crises in the international economy seem to be following each other with such rapidity these days that they are now overlapping and compounding one another. In the latest crisis, the earthquake of last year's oil crisis has violently tilted the formerly stable financial landscape of the industrial nations into a precarious balance-of-payments deficit condition.

This upset condition—and some suggestions for righting it through "recycling" world investments—are discussed in an important speech by David Rockefeller, chairman of the Board of the Chase Manhattan Corp., given before the International Monetary Conference in Williamsburg in June.

Mr. Rockefeller indicates the scope of the problem by noting that—

> Total reserves of the oil-producing nations are likely to exceed $70 billion by the end of 1974, $140 billion by 1975 and $200 billion by the end of 1976. These are staggering amounts—and only over a three-year period.

He continues by pointing out that:

> These huge surpluses of necessity must be offset by corresponding deficits on the part of oil consumers. The balance of payments deficit of the *developed* countries is projected to increase by $40 billion. The key deficit nations, after adjusting for other balance of payments considerations, will be Italy, the United Kingdom, France, Japan and the Scandinavian countries. My own country will swing from a surplus in its current account, which it had struggled hard to attain, to a deficit once again this year.
>
> The developing nations, for their part, will face a severe increase in their combined deficit of close to $20 billion a year. Countries such as India, Bangladesh and Sri Lanka will have particularly hard times.

Mr. Rockefeller then suggests a number of ways in which these vast reserves from oil income can be recycled back into the economies of both the developed and developing nations. Chief among these is the replenishment of the International Development Association. As Mr. Rockefeller says:

> Finally, it is imperative that the developed countries of the world join with the oil producers to assist the less-developed nations. Unless there is a far more concerted effort by all, including my own country, in this direction, I fear that the only result will be economic and political chaos. In this connection, it is imperative that Congress act favorably on the replenishment of the International Development Association as quickly as possible. It has perhaps never been so clear that the true self-interest of any nation depends ultimately on the welfare of others.

Mr. President, I ask that Mr. David Rockefeller's speech be printed in the Record in its entirety.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Financial Aspects of the Energy Situation

(By David Rockefeller)

When this conference met a year ago, both international monetary reform and the long-range energy problem were discussed. At that time, however, little connection was made between the two.

Certainly none of us foresaw the huge rise in the price of oil which was to come in the final months of the year, or the disruptive impact it was to have on world financial relations. In retrospect, the relevance of Secretary Shultz's speech last year is clearer to most of us now than it was then.

These developments once again illustrate how our best laid plans can often be disrupted by unforeseen external developments—what economists are fond of calling "exogenous variables" and others often call "good excuses!"

Well, what was exogenous yesterday is very much a fact of life today, and it is the subject our panel will discuss with you this afternoon.

For my part, I'll begin by laying out the broad dimensions of the problem, pointing to some of its implications for international financial and political relations, and suggesting what seem to be some promising approaches to solutions. My distinguished associates on the panel will then give us their various perspectives on the situation.

In the final quarter of last year the Organization of Petroleum Exporting Countries (OPEC) increased the price of oil fourfold—a substantially more rapid increase in price than that of other critical commodities. Given these prices and present levels of production, this means they will receive more than $100 billion yearly for their oil exports. Of this $100 billion, the oil-producing nations will spend some $40 billion for goods and services—leaving $60 billion or so as a surplus to be reinvested. This $60 billion surplus, incidentally, compares with a $4 billion surplus by the same countries in 1973.

Taking into consideration existing reserves, and interest and dividends on these massive funds, total reserves of the oil-producing nations are likely to exceed $70 billion by the end of 1974, $140 billion by 1975 and $200 billion by the end of 1976. These are staggering amounts—and only over a three-year period.

The principal holders of these reserves will be in the Gulf Area, with Saudi Arabia, Iran and Kuwait accounting for about one half. Other important reserve holders will be Iraq, Libya and Venezuela. And, of course, Nigeria and Indonesia will also benefit.

These huge surpluses of necessity must be offset by corresponding deficits on the part of oil consumers. The balance of payments deficit of the developed countries is projected to increase by $40 billion. The key deficit nations, after adjusting for other balance of payments considerations, will be Italy, the United Kingdom, France, Japan and the Scandinavian countries. My own country will swing from a surplus in its curren account, which it had struggled hard to attain, to a deficit once again this year.

The *developing* nations, for their part, will face a severe increase in their combined deficit of close to $20 billion a year. Countries such as India, Bangladesh and Sri Lanka will have particularly hard times.

All of this suggests a structural disequilibrium of major proportions in the balance of payments of countries around the world—one that could have serious implications for the world economy and international financial mechanisms. Somehow, in some manner, the huge surpluses of the oil producers must be recycled back to the deficit oil consumers. As it is, higher prices are having damaging inflationary impacts on the domestic economies of oil consumers. On the other hand, if recycling does not occur, the oil consumers will be forced eventually to deflate their economies with severe consequences of another sort for the Free World.

In considering this recycling problem it is helpful to distinguish between the short run—say the next year to eighteen months—and the longer period. One must also distinguish between three groups of oil consumers: first, the industrial nations; second, developing nations which are in a fairly strong financial position; and third, those developing nations which are in a decidedly weak position.

We already have gained some experience in the short run. The first sizable payments were made by the oil companies to the producer nations in March, April and May, and thus far they have been recycled back successfully—principally through the international banking system.

The oil-producing nations, for example, have been placing their money mainly in the Eurodollar market or in sterling. The banks have been the major recycling vehicles, taking this money on deposit, usually at call or on very short maturity, and relending it to oil-consuming nations for periods of five to seven years—a process which obviously creates a very unbalanced and precarious maturity structure.

So far this year, $12 billion or more has been committed to industrial nations to help cover their 1974 balance of payments deficits. To a considerable extent, the borrowing is being carried out by governments or governmental entities, such as the British railways.

While this process can be successful for a limited period of time, there are at least four very serious shortcomings to it, especially in view of the astronomical amounts that loom ahead.

First, the banks cannot continue indefinitely to take very short-term money and lend it out for long periods of time. We hope that this problem will be alleviated to some extent by countries in the Middle East agreeing to place funds at longer maturity as they become more familiar with the recycling process.

Second, and even more serious than the question of maturities, is the likelihood that banks eventually will reach the limits of prudent credit exposure, especially with regard to countries where it is not clear how present balance of payments problems can be solved.

Third, the oil-producing countries cannot be expected to build up their bank deposits indefinitely. They, too, will soon reach prudent limits for individual banks or even for individual nations.

My own view is that the process of recycling through the banking system may already be close to the end for some countries, and in general it is doubtful this technique can bridge the gap for more than a year, or at most 18 months. Perhaps Mr. Guth will comment on this later.

Finally, this form of recycling is not even a temporary solution for lesser-developed countries in a weak financial position—countries like India, Bangladesh and Sri Lanka which are not in a position to borrow at all in commercial markets. The World Bank estimates that an additional $2 billion will be needed in 1974 by financially weak lesser-developed countries for balance of payments purposes. This may not seem a huge sum in an absolute sense, but even this relatively small amount places tragic strains on the countries involved—strains that can only be alleviated by new international governmental approaches and a firm sense of global commitment and cooperation. And these are strains that will accelerate dramatically in 1975 and beyond as already limited reserves are exhausted.

Compounding these very pressing shorter-range problems are a host of far thornier questions and obstacles down the road. Structural adjustments, of course, will gradually get underway between the economies of the oil producers and the consuming nations. Prices may be reduced somewhat, and the oil producers will step up their imports and increase the speed of their own internal development. Countries like Iran, Venezuela, Nigeria and Indonesia have a longer-run capacity to use most of their oil surplus for internal purposes. But these processes will take considerable time. In the interim, these countries will be large accumulators of reserves.

Moreover, countries such as Saudi Arabia, Kuwait and the United Arab Emirates clearly lack internal absorptive capacities in any way commensurate with the incomes they will receive. On the contrary, one of their major aims is eventually to accumulate a body of invested wealth outside their countries which will yield an income great enough to replace their oil revenue as it runs out. Naturally they are concerned about such matters as world inflation, exchange risks, and the possibility of expropriation of their assets.

Looking at the situation realistically, I believe it is clear that both the private sector and governments must play a much more significant role in the long-term investment process.

Financial and industrial concerns from Europe, Japan and the United States already are proving of some assistance in speeding up internal development in the Middle East. My own bank, for example, is establishing a merchant bank in Saudi Arabia and a commercial bank in Iran (both jointly owned with local participants) as well as branches in Egypt, the United Arab Emirates and elsewhere. We plan to serve as one of the bridges between the Mid-East and the industrial world—both for internal development and for external investment. Yet ours can only be a small supporting role in a drama of massive proportions.

Though not yet large, long-term investments by Middle Eastern countries in the industrial nations are beginning to build up a modest scale in real estate, selected securities and some direct investments in industry. Hopefully, in the future they may be persuaded to participate more widely in such investments, as well as to assist in the financing of major international undertakings like the James Bay power project in Canada. Yet the sums requiring investment are so enormous, and the institutional facilities necessary to carry them out so limited, that I question whether such investments will have much impact on the gap for some time to come.

All of this clearly suggests that both the World Bank and the International Monetary Fund will increasingly be called upon to play key roles in the recycling process. The World Bank will need to concentrate on those lesser-developed countries that are in most serious need, while the Monetary Fund will probably have to deal with both developed and developing countries.

Ideally, funds for this purpose should come from the surpluses generated by the oil producers. Iran, for instance, has already offered to lend funds to the World Bank and IMF, and also to make some direct loans to India and others at concessionary rates to finance oil imports. Similarly, the recently announced willingness of the oil producers to establish a $2.75 billion "oil facility" to help countries with balance of payments problems is a positive move at least in the shorter term.

I fear, however, that this can only be seen as a modest first step when one considers the magnitude of the funds that must be redistributed. Solutions in many cases will demand more concessionary terms than those currently envisioned by the oil-producing nations. Moreover, both the World Bank and the IMF may have to adopt more flexible concepts of risk.

We must apply even more in terms of resources and imagination at all levels if we are to arrive at constructive long-range solutions. Critical additional steps are necessary on both the philosophical and administrative fronts to handle the massive needs involved. New techniques, strategies and mechanisms will have to be devised—and devised quickly. Most importantly, a premium will have to be placed on international cooperation.

For some time, for example, the Committee of 20 in the IMF has been considering a new central reserve asset—a revised SDR, which would represent a basket of currencies, and hence neutralize the exchange risk between major currencies. Perhaps this asset could play a role in future investment plans of the oil-producing nations, and, indeed, it is assumed that it will be part of the new IMF "oil facility."

It may additionally be possible to work out international guarantee arrangements with regard to expropriation. In this respect, we should remember that the oil producers have one important alternative to accumulating reserves and making investments abroad—they could leave the oil in the ground. From the point of view of the consuming nations, this would create serious shortages, at least for some years to come.

It is also highly desirable that ways be found to channel surplus oil revenues into projects designed to create alternate sources of energy. This would not only help the world at large, but would also provide a source of continuing revenues for the oil-producing nations after their reserves have been exhausted. But it will have to be done in collaboration with the industrialized nations which have the necessary technology, and it is to be hoped that serious discussions along these lines will not be delayed.

Finally, it is imperative that the developed countries of the world join with the oil producers to assist the less-developed nations. Unless there is a far more concerted effort by all, including my own country, in this direction, I fear that the only result will be economic and political chaos. In this connection, it is imperative that Congress act favorably on the replenishment of the International Development Association as quickly as possible. It has perhaps never been so clear that the true self-interest of any nation depends ultimately on the welfare of others.

Underlying all of these requirements, however, is the fact that we must come up with a means of recycling funds on a far more massive scale than now possible. Some argue that we should simply wait for the forces of supply and demand to bring prices down and thereby create a new structural equilibrium. Others feel that inflation in the oil-consuming nations will help alleviate the problems.

While there is some validity to both of these positions, I believe we must also be aware of their limitations. First of all, inflation has little hope of answering the problem since the purchases of even the largest oil producers are so relatively small. Second, I fear that relying solely on supply and demand can have disastrous results for many of the developed nations—leading to disruptive domestic unemployment and depression in these countries, and to a general sense of distrust in the world community. One cannot ask nations to call continually on their reserves when they can see no clear light in the future. This is like draining one's swimming pool in the midst of a drought. Moreover, if the position of the developed nations is eroded further, the developing nations can have little hope at all.

On the other hand, of course, some painful structural changes will be required, and it would be imprudent to ignore them. The challenge, it seems to me, is to achieve a delicate balance between necessary concessions to countries with problems and an orderly realization over time of the inevitable impact that the laws of supply and demand will have on shifting world resources.

Creating a mechanism to handle recycling of this scale and to determine acceptable concessions and risks is, of course, exceedingly difficult. Perhaps the mission of the IMF could be expanded in this direction, or perhaps it would be best to create a separate vehicle so as to avoid burdening the IMF with the dual responsibilities of policing monetary affairs and curbing unemployment.

Whatever the means, I believe it is imperative we develop swiftly a new way of looking at world financial needs—a perspective that emphasizes global stability as well as individual national credit worthiness. If we are to progress significantly, we must have a vehicle that allows us time both to act realistically to correct structural disequilibriums and to avoid disharmony. And this vehicle must result from a conscious decision of both the oil-consuming and oil-producing nations. I would hope this question would be high on the agenda of the Committee of 20 when it meets later this month.

Needless to say, all of this may seem somewhat academic if either the price of oil or the demand for oil should suddenly decline. The outlook here is highly uncertain, though hardly cause for unbounded optimism. I'm sure Mr. Morris will be able to enlighten us on these issues.

Let me just say that there are some signs that the present high price is restricting demand for petroleum products in the consuming nations at least to a limited extent. Our bank estimates that world petroleum consumption this quarter will run slightly behind a year ago, whereas an increase normally would have been expected. Also, we believe that production has been expanded so that it is now running somewhat ahead of consumption. If this is the case, pressure could very well build up on prices, and it will be interesting to see how the OPEC countries react to the problems.

While oil prices may eventually come down somewhat, my own judgment is that plans and policies throughout the world should not be based on the assumption that the decline will be large enough to solve the recycling problem. Modest price reductions may give us more time, but they will not materially alter the basic situation. Indeed, I would guess that we would need a price reduction of some 40%-to-50% to produce anything close to a new structural equilibrium. Thus we have no choice but to face up to the recycling challenge and, in cooperation with the oil producers, to devise the institutional arrangements necessary to cope with it.

The successful creation of such mechanisms will be highly dependent on the political climate. Here, one conclusion is certain: the Middle East countries, by reason of a shift of wealth and resources, are entering a new period—a period during which their political influence, as well as their economic weight, will loom larger on the world scene.

The strenuous efforts in which Henry Kissinger has been engaged provide testimony to that fact, as has the parade of cabinet members from other countries to the Middle East in recent months. At the same time, the new wealth in the Middle East is likely to strengthen the hands of moderate governments in that area and orient them more firmly toward the West.

If sustained, this trend toward moderation may well be a highly desirable and significant political dividend. It will also be essential in assuring the stability that must underlie an orderly approach to the redistribution of international capital.

The situation is still beset with uncertainties, both political and economic, and we are running out of time on many fronts. Given a clear realization of the interdependence of all the nations involved, however, I believe we can find ways to transform the problem of surplus capital in the hands of some nations into many positive opportunities for progress and development worldwide. But this will not happen by itself. It will demand the involvement and dedication of both the public and private sectors on a scale far exceeding that which exists now.

Above all, it must involve a degree of global teamwork which we have not seen up to this point. If the nations of the world approach the energy situation sincerely and resolutely, there is reason to hope that it can be used as a catalyst and a rallying point for a new era of international cooperation.

It is a sad fact that challenge is too often the most effective father of unity. In the past, the fear of communism has served to lend common purpose to the nations of the Free World, and the threat of nuclear holocaust has awakened all nations to the necessity of meaningful joint solutions. Now, as these threats diminish in the minds of many, some may well be tempted to place immediate, more selfish concerns ahead of global imperatives. It would be tragic if the energy situation becomes a force for further divisiveness. Let us hope rather that it is a new spark to rekindle a mutual striving among nations that recognize the world's inevitable interdependence.

TRAINING IN GOVERNMENT

Mr. BEALL. Mr. President, government is the Nation's biggest business. Thirteen million citizens are employed in government service. This accounts for 22 percent of our gross national product. The growth of our government service, particularly at State and local levels, has been quite dramatic. For example, State and local governments are adding approximate 450,000 employees annually. Local governments alone increased 80 percent between 1967 and 1972.

This, of course, highlights the need for improved management at all levels of government. The National Commission on Productivity estimated that an annual productivity improvement of only 1 percent would reduce government expenditures by about $50 billion by 1985. The potential impact of this improvement in productivity argues, of course, for us to devote greater attention to bringing this about.

A constituent of mine, Mr. Frederick C. Dyer, who is the Director of Program Analysis for the Navy Publication and Printing Service Management Office has written an article in a recent magazine, "Training in Business and Industry." I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Training in Government

Government has become the nation's biggest business, employing nearly 13 million people and accounting for 22 percent of the gross national product. State and local governments are adding about 450,000 employees each year, and the spending of local government alone increased 80 percent between 1967 and 1972.

Unfortunately, there is little evidence that increased staff and increased spending has added up to greater efficiency in government. On the contrary, says James Hayes, president of American Management Associations, "probably more than ever before, the American taxpayer feels he is being overcharged."

Few would deny that there is considerable room for management improvement at every level of government. And the potential impact is staggering: The National Commission on Productivity, a special commission established by the U.S. Congress, has projected that an annual productivity improvement of just one percent could reduce government expenditures by almost $50 billion by 1985!

The question is how to effect such improvement, and that's what this month's coverage on training in government is all about. There are four articles in the section:

Developing Government Managers—A rationale and outline for improving management at the Federal level, by Frederick C. Dyer, p. 50.

Learning to Lead—An account of how Oakland, Calif., is proving that good supervisors aren't born, but trained, by Eric P. Sanders, p. 52.

Getting Government Together—How a newly elected mayor used management consultants to weld St. Petersburg, Fla., managers into a smoothly working team, p. 54.

Giving Out the Word—How Dallas upgraded external communications with the aid of cassette tapes, 35mm slides, "instant recall" cards and a short course in transactional analysis, by Mary Zachery, p. 57.

We do not delude ourselves that the broad topic of training in government can be covered completely in one issue of a monthly magazine. Government is a broad subject. Its problems are vast and, due to political constraints, are not always amenable to traditional management solutions.

Nonetheless, training *is* going on in government and solutions to management problems *are* being worked out. This sampling of approaches has been prepared to give you a fix on the state of the art.

DEVELOPING GOVERNMENT MANAGERS

(By Frederick C. Dyer)

The aim of management development for a Federal manager is to enhance his effectiveness within the context of his agency's mission and of the nation's goals.

This statement of the intent of management development—to enhance a manager's effectiveness—would no doubt apply equally to all managers. But there are areas of management training that are of special relevance to Federal managers. For them it is important that attention be given to management training in the following five areas: (1) U.S. Government orientations; (2) agency orientation; (3) planning, programing and budgeting (PPB) and management by objectives (MBO); (4) analytical and quantitative methods; and (5) personal skills.

Before taking up these special areas, let us examine management training in general. For the purposes of our discussion, there are three overall categories:

General management: principles and practices.

Functional management: specialized areas such as personnel, financial, or logistics management.

Managerial analytical techniques: operations analysis, cost effectiveness, work study, etc.

The term *development* covers all education and training activities on and off the job and in formal and informal situations.

The *management of management development* means conscious planning and decision-making in regard to the education or training to be provided: who should receive what training, when, and at what cost.

The terms *executive* and *manager* are used, and confused in many contexts. Executive in popular usage has become an honorific label, regularly applied as a courtesy to anyone who is above the status of day laborer or file clerk. For our purposes, executive means an official who can make irreversible decisions in regard to the planning, programing, direction, and evaluation of a significant function. The term manager includes all those under an executive who have charge of but do not have irreversible authority for administration, continuity, advice, information, or assistance.

A staff management analyst or systems analyst must know a lot about management methods; however, he is not in an executive position. On the other hand, a branch head, who has complete charge of a function, may have real executive authority but be titled a manager.

There are three purposes of management development; promotion, updating, and innovation.

Promotion: The education or training is defined by the requirements of higher position. For example, an engineer seeking to be promoted to supervisory engineer wants to acquire the knowledges and skills of that position.

Updating: This includes development in knowledges and skills not previously required of the person in a billet. For example, an office changes its budget procedures and its managers have to be trained in the different methods.

Innovative: This is training that leads to the adoption of new concepts or wholly new programs in an organization. The following example shows the difference between updating and innovative training.

Updating: An activity installs a new automatic data processing (ADP) system. The managers who will use or cooperate with the system are given the necessary training.

Innovative: An activity trains its managers in ADP systems so that they will be able to advise the activity about the type of ADP equipment to install.

The training may overlap: innovative training in one activity will be updating or antiobsolescence training in another.

The methods of management development are shown in the accompanying chart. They are used in various combinations: seminars and workshops can be supplemented by readings, and on-the-job training can be enhanced by correspondence courses or after-hour courses.

Some people favor an immersion or drenching approach that takes the trainee completely away from his work. Others prefer an approach that enables the trainee to relate his training to his occupation as he goes along. Probably training to prepare people for promotion or to update them is best done by a mix of on- and off-the-job experiences; while training for innovative purposes must be done under specialized conditions.

As I said earlier, there are areas of management development that are of special relevance to Federal managers. I listed these five as deserving emphasis:

Government orientation: The more senior a manager is, the more he needs to know how the whole of the Federal Government operates and how he must function within the total context of laws, regulations, policies, traditions, and practices of the legislative, executive, and judicial branches.

Agency orientation: He needs to know the missions, regulations, organizations, customs, traditions, and usages of the department or agency in which he serves. In one instance, it can mean knowing when to check with another activity before making a decision; in another instance it can mean knowing how to conduct oneself during a ceremony on board a Navy ship or at an Army base.

PPB and MBO: The civilian manager needs to know about the interrelationships—in practice as well as in the theory—among planning, programing and budgeting; about appropriations, authorizations, and allocations; and how his objectives are to be derived from and to be coordinated with the mission of his agency.

Analytical and quantitative methods: Many managers have had some training or experience that has included at least introductions to time-and-motion study, methods improvement, cost reduction, work simplification, or zero defects. For the foreseeable future, the emphasis for middle- and high-level managers will probably be on operations analysis, systems analysis, and the quantitative methods used in cost-effectiveness analyses.

Personal skills: At all levels the manager requires an understanding of and skill in applying the principles of human relations and leadership, values and ethics, communications and conference techniques, and public information responsibilities. A supervisor's skills are directed to the internal management of a section or branch; the high-level manager or executive must be able to make presentations to division chiefs and even departmental top managers, congressional committees, and national organizations.

METHODS OF MANAGEMENT DEVELOPMENT

Method, advantages, and disadvantages

On-the-job (instruction by superiors).

Realistic; has built-in motivation and application.

Press of work prevents training; qualified instructors not available; training limited to immediate needs.

Methods, advantages, and disadvantages

After-hours (university courses).

No interruption to work; trainee able to relate instruction to his work each day.

Courses not available locally; trainees not able to participate; or too fatigued.

Method, advantages, and disadvantages

Workshops, seminars, and institutes.

Combines lecture and application; promotes interchange among participants who help teach each other.

Removes people from job; costs of facilities and instructors; too short; not support actual requirements.

Method, advantages, and disadvantages

Classroom courses during working hours.

Full-time focus on what is to be learned; central use of instructors and facilities; degrees and certificates for motivation.

Requires separation from work; costs of instructors, facilities, travel are high.

Method, advantages, and disadvantages

Correspondence courses.

Professionally guided self-study at own pace; very low cost per student (after initial outlay).

Some individuals not able to learn, apply, or retain instructions; others unable to study on their own.

Method, advantages, and disadvantages

Programed and computer-assisted instruction.

Efficient, organized, individuated instruction at low cost per student (after high initial cost).

Management development courses not yet available; high cost and difficulty of designing PI materials.

Method, advantages, and disadvantages

Self-study texts (reading).

Very low cost; student studies on own time at own pace.

Many people cannot learn from books; others cannot make practical applications of book knowledge.

RUNAWAY YOUTH

Mr. MONDALE. Mr. President, each year in this country, an estimated 1 million young people run away from home. From the accounts which appear in the media, we know all too well the dangers they can encounter when they have no one to turn to for help.

My Subcommittee on Children and Youth has had a continuing interest in this runaway problem, and in the role of youth-sponsored crisis services which provides help to runaways. I am pleased to learn that the Department of Health, Education, and Welfare is beginning to recognize the seriousness of this problem and take some steps to deal with it.

I am also gratified to learn of the existence of the National Youth Alternatives Project, which is trying to coordinate and further develop such services. A number of informative articles concerning runaways appear in the July issue of "Youth Alternatives," a publication of the project. I request unanimous consent that the following articles from this publication be printed in the RECORD: "National Institute of Mental Health Awards $1.5 Million Funds"; "Executive Systems Corporation Receives Funds for Legal Rights Study and 'Regional Conferences on Runaway Youth' "; "House of Representatives Acts on Runaway Youth and Juvenile Justice Bills"; and "Runaway House Handbook."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NATIONAL INSTITUTE OF MENTAL HEALTH AWARDS $1.5 MILLION RUNAWAY FUNDS

A total of thirty-two projects have been tentatively awarded $1.5 million in runaway funds by the Department of Health, Education and Welfare (HEW). The contracts were awarded earlier this month by the Office of Special Mental Health Concerns, National Institute of Mental Health (NIMH). NIMH will release the names of the recipients and the amounts allocated on July 1, after receipt of additional data from the projects.

According to Florence Stover, Acting Director, Office of Special Mental Health Concerns, the contracts were awarded in three program areas. Eighteen contracts were awarded for demonstration programs, ten for training, and six for evaluation. (Two projects received contracts in two program areas.)

Each application was reviewed by one of three panels, corresponding to the three program areas. Serving on the panels were HEW representatives from the Office of Youth Development, the National Institute of Mental Health, and the National Institute on Drug Abuse, and also four non-governmental representatives selected by NIMH. They were Bill Treanor, Project Coordinator, National Youth Alternatives Project, and former Coordinator, D. C. Runaway House; Judy Lazarus of the Prince Georges County Health Department, Maryland, and a Board member of Second Mile Runaway House, Maryland; Marty Beyer, who has written extensively on runaway services; and Rochelle Nevins, a former runaway and now a Board member of Youth Emergency Service, Missouri. Of those representatives either presently or formerly affiliated with runaway houses, none sat on panels where they reviewed proposals connected with their particular projects. Representation of runaways, ex-runaways, runaway center staff, and staff of youth advocacy projects on the review panel had been one of the requests of the Ad Hoc Coalition of Runaway Centers when it met with representatives from NIMH in March.

After reviewing applications, panel members forwarded their recommendations to another group consisting solely of NIMH staff members. This group made the final decisions about who would receive funds and how much each project would be allotted. "Every proposal approved by the panels was funded, although not always at the level requested," Ms. Stover told Youth Alternatives. "We also had to take into consideration assuring a good geographical distribution of projects," she added.

When questioned about the amount of funds received by each project, Ms. Stover said that every project received less than $100,000. In March NIMH officials had said that they would try to keep the dollar amount within the $15,000 to $50,000 range, and the Ad Hoc Coalition of Runaway Centers had asked that no center receive more than $37,500.

A total of 53 applications were received in the three program areas. Ms. Stover said that "given the time limitations and the complexity of the requirements, the applications were quite good." But several panel members did not agree. They told Youth Alternatives that some proposals were "vague," "insufficiently documented," and "unclear." One panel member noted that "the stronger the proposals, the more likely they were submitted by projects which had professional social workers involved in the writing and the weaker the proposals, the more likely they were submitted by newer projects with fewer credentialed workers."

Because of the difficulty of judging the merits of projects simply on the basis of the proposals they submit, NIMH staff member Jim Gordon suggested that, when time permits, project reviewers visit projects which have submitted proposals prior to making decisions about funding those projects.

Executive Systems Corporation Receives Funds for "Legal Rights Study" and "Regional Conferences on Runaway Youth"

Executive Systems Corporation (ESC), a management consultant firm in Washington, D.C., was awarded $90,000 by the Office of Youth Development (OYD), HEW, this month for two programs related to runaways and runaway services, ESC Research Director Norman La Charite told Youth Alternatives.

A total of $30,000 is to be used to conduct a study of the legal rights of runaways; the remaining $60,000 is to be used for a series of conferences in the 10 HEW regions. Each conference will have 20–30 participants, including law enforcement officials, juvenile court judges, juvenile court intake personnel, and social service workers in public and private, traditional and alternative agencies. The purpose of the conferences will be to disseminate information on the nature and scope of the runaway problem and to sensitize conferees to the importance of diverting youth from the juvenile justice system to community-based programs.

ESC has done other consulting work for both the Washington office and the Philadelphia regional office of OYD. "It has been active in evaluating youth programs, although it has not been involved in setting up, delivering or evaluating any service programs specifically for runaway youth," Mr. La Charite said.

METRO HELP IS AWARDED "NATIONAL RUNAWAY HOTLINE"

OYD also awarded $100,000 to Metro Help, a Chicago-based youth organization, for the establishment of a National Runaway Hotline. Metro Help already operates a local hotline. The national hotline will be in operation on a six-month demonstration basis. The purpose of the hotline will be to relay messages between runaways and their parents and to provide referrals for runaways to other sources of help.

House of Representatives Committee Acts on "Runaway Youth" and "Juvenile Justice" Bills

(By Ira Burnim, Legislative Coordinator, NYAP)

Two important pieces of legislation, the Juvenile Justice and Delinquency Prevention Act (H.R. 6265) and the Runaway Youth Act (H.R. 9298), were recommended for passage this month by a House of Representatives Committee. The bills must now be voted on by the full House.

The Juvenile Justice and Delinquency Prevention Act authorizes the establishment of a Juvenile Delinquency Prevention Administration in the Department of Health, Education, and Welfare (HEW) to develop comprehensive programs for the prevention and treatment of juvenile delinquency. The Runaway Youth Act authorizes the Secretary of HEW to make grants and to provide technical assistance to localities and nonprofit, private agencies to establish, strengthen, or fund existing or proposed runaway houses.

On June 6, both bills came up for their final hearing before the Subcommittee on Equal Opportunities of the House Committee on Education and Labor. The Subcommittee approved the substance of the bills and then in a move intended to increase the bills' chances for passage by the House, combined the bills into a new piece of legislation, H.R. 15276,[1] the Juvenile Delinquency Prevention Act of 1974. The Subcommittee unanimously recommended the new legislation to the full Committee on Education and Labor.

Several changes in language suggested by NYAP and other alternative youth projects were written into the new bill. In the section of the bill dealing with runaways, revisions were made to increase the size of grants from $50,000 to $75,000 and to modify the language requiring a runaway center to contact the young person's parents and local authorities. In the Juvenile Justice section of the bill, revisions were made to increase the share of funds for private nonprofit agencies.

On June 12, the full Committee on Education and Labor met to consider the bill. The Committee decided 28–1 to support it.

The chances that the House will vote favorably on H.R. 15276 seem good. The issue over which the most controversy is expected is whether there should be a new delinquency prevention administration in HEW to oversee the legislation. Rep. Albert Quie (R.–Minn.), ranking minority member of the Committee on Education and Labor, plans to mount an effort to amend the bill to locate responsibility for its administration in the Law Enforcement Assistance Administration (LEAA) rather than in HEW.

The House of Representatives is scheduled to vote on the Juvenile Delinquency Prevention Act Wednesday, June 26. Contact NYAP for the results of the vote.

Runaway House Handbook

In 1973 the Center for Studies of Child and Family Mental Health, National Institute of Mental Health (NIMH), Department of Health, Education, and Welfare (HEW), published the first edition of a Community Handbook Series entitled Runaway House Handbook. The handbook was reprinted by NIMH this year; however, in the second edition, the preface to the handbook was omitted. Written by Ruth Falk, a consultant to NIMH, the preface explains the rationale for publishing the handbook and the persons, in addition to Ms. Falk, who deserve credit for its preparation. Because we feel the preface is an important part of the handbook, Youth Alternatives is pleased to publish the following excerpts. The Runaway House Handbook and other handbooks in this series can be obtained by writing: NIMH, Center for Studies of Child and Family Mental Health, 5600 Fishers Lane, Rockville, Maryland 20852.

PREFACE

"This is the first in a series of 'how to' handbooks developed for the Section on Youth and Student Affairs of the Center for Studies of Child and Family Mental Health at the National Institute of Mental Health to help people in communities develop their own child and family services which meet their particular needs. These handbooks set a major precedent in that a majority of them will be developed by people who do not have traditional credentials. The series reflects the alternative service movement in which people are becoming self-reliant by developing skills to take care of themselves.

"In 1971 the Section on Youth and Student Affairs contracted with Bill Treanor, Coordinator, Special Approaches in Juvenile Assistance in Washington, D.C., to write a handbook on how to develop and run a youth initiated runaway house. The book was to include a history of SAJA's Runaway House and its other spinoff projects, as well as a documentation of the difficulties of other youth initiated projects in obtaining grant support. Runaway programs across the country were to be contrasted to traditional programs which were more abundantly funded but did not meet the needs of youth.

"The contract was let with three formal and informal purposes in mind.

"First, Dr. Edwin J. Nicols, Chief of the Center for Studies of Child and Family Mental Health, was committed to having the Center produce 'cookbooks' or 'how to' handbooks to help people in their communities develop their own child and family services which will meet their particular needs . . . Second, the contract was let to provide support for Runaway House in continuing its work and to provide the project with the energy and/or money to have one or two staff people serve as project writers. They would develop a program and grant application for the further development and support of the project . . . Third, the project was undertaken by the Section to aid in its advocacy efforts (within and outside NIMH), to obtain support for youth activities, and to develop a new funding mechanism and youth office responsive to the needs of youth. . . ."

"The high quality of this document should pave the way for other skilled groups in our communities who do not have traditional credentials to gain support from the Government. I have spent many, many hours talking with Dodie Butler, Joe Reiner, Jay Berlin, and Bill Treanor of Runaway House, Dan Murphy of the Washington Free Clinic, Judy Heimel of the Women's Counseling Center in Minneapolis, Carol and Floyd Turner, Charles Williams, David Falk, and Tom Linney about the problems and potentials of youth initiated projects, the needed services for youth, as well as the need for viable roles for youth to have impact on the institutions which directly affect their lives. As a result of these talks and the work developed here, we have been able to convince key NIMH staff members of the important work that youth initiated programs are doing. Joe, Bill, Tom and Judy were particularly instrumental in developing the initial plans for a funding mechanism which would be responsive to the needs of these projects.

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[1] Copies of H.R. 15276 can be obtained by writing to the House Document Room, U.S. Capitol, Washington, D.C. 20515.

"The Government tends to fund established groups who have large budgets and can support an NIMH grant. Low budget projects do not have the flexibility in their budgets to afford the Federal funding, which places a burden on the recipient, who often must spend money which the project does not have until funds are received from the Government.

"Today NIMH has committed itself to the implementation of a new grant program to support youth activities. Plans to implement a youth office staffed by young people and a review committee composed of youth reviewers chosen primarily on the basis of their experience (and not their academic background) are being explored. In July 1972, a proposal for funding programs responsive to the needs of youth was developed with consultation from youth by the NIMH Intramural Committee on Youth Initiated Programs. The proposal was organized by the Section, with consultation from Dr. Sam Silverstein, to develop and support such a plan. (The Intramural Committee is composed of NIMH staff who are committed to supporting youth activities, but have found that they are unable to get youth grant applications through the ongoing funding procedures.)

"A pilot of the proposal developed by the Committee was successfully conducted by the Division of Mental Health Service Programs. Sixteen youth initiated projects were critiqued and reviewed by youth reviewers and presented to the standing review committee. Seven projects which were recommended for approval by the youth reviewers were approved and funded; a hotline, a women's counseling center, a free clinic, and a drop-in center were among the projects funded.

"Some aspects of the new grant programs, as proposed by the NIMH Intramural Committee on Youth Initiated Activities, would include an Ad Hoc Youth Review Committee which would:

(a) Review small scale (up to $10,000) grant applications from youth initiated projects which have components of either research, service, or training or all three.

(b) Provide speed in processing and funding youth applications. Ninety days from date of submission of a grant application, an applicant will receive payment of funds if the application is approved.

(c) Provide a simplified grant application.

"Many NIMH staff members have been involved in writing this report in conjunction with supporting the development and planning of a new NIMH funding mechanism for youth initiated activities. I am particularly grateful to Julie Philips, Eliot Liebow, Lura Jackson, Sam Silverstein, Jane Lynch, Joy Schulterbrandt, Debbie Pridgen and Francis Gardner for their continued support and involvement."

RUTH B. FALK,
Consultant, Section on Youth and Student Affairs, Center for Studies of Child and Family Mental Health, National Institute of Mental Health 1972.

TRIBUTE TO AMERICAN BUSINESS

Mr. BROCK. Mr. President, I would like to draw attention to a recent statement by Thomas B. Adams, chairman of the board of Campbell-Ewald Co. of Detroit, Mich. Mr. Adams notes that American business feeds, equips and serves people better than any kindred institution in the world. I could not agree with that statement more.

Our present position in the world community is due in large measure to the people who make up the business community. Leadership, initiative, and hard work has given the United States an opportunity to have an impact on the world community.

Here at home American businessmen have had a very positive effect on the American life-style. It is time that we pointed out the positive aspects of American business.

I would like to ask unanimous consent that the statement by Thomas B. Adams be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

IT'S TIME SOMEBODY GOOD-MOUTHED BUSINESS

Frankly, I have had my fill of writings and talks about what's wrong with American business.

I absorb. I judge. I act. Like other tuned-in businessmen, I do my best before criticism or after it. But I keep wondering when the other side of the coin will show up.

Not being able to find much on the subject of what's right with American business, I have decided to do this small piece on that very large subject.

Obviously, I hope to bring this admittedly imperfect and incomplete case to as many minds as I can here. But if its only reader is me, at least I'll have something to turn to when the steady beat of pessimism and negativism about business begins to wrench my perspective.

AND SO TO WORK

American business feeds, equips and serves people better than any kindred institution in the world.

The breadth, variety and amount of goods and services it has created in support of the American life-style are simply beyond comprehension.

The prices of those goods and services in relation to people's incomes are, despite inflation, the envy of the consumer world. For instance, the average American family spends 17% of its take-home pay for food. The average British family spends 30%. The average Russian family, 50%. A specific meal for a family of four costs the average American worker one hour's work. In West Germany, that meal costs two hours' work. In Italy, nearly five.

The U.S. has only 7% of the world's land area and only 6% of its production. But we account for one-third of the world's production of goods and services. Our national output, for example, is greater than Western Europe's and Japan's combined.

MORE PIECES OF THE ACTION

More people share in America's bounty than ever before. There are more people employed in America than ever. There are more individual shareholders in corporations than ever—32 million compared with about 6 millon in 1952. Since then, savings accounts have increased in number by over 40 million, and the dollar volume of the accounts has gone up almost 200 billion.

There are more people—about 80%—in the middle class than ever. And today, 64% of all dwellings in the U.S. are occupied by the people who own them.

TWO TRILLION DOLLARS, HERE WE COME

Despite all business-sector imperfections, those are massive achievements. Yet I can see no reason why the achievements of the future won't dwarf them. It took approximately 200 years for us to reach our first trillion-dollar economy. And it should take only about 15 more to reach our second.

THE ABOMINABLE BUSINESSMAN HAS LEFT HIS TRACKS, DAMN HIM

To be sure, there have been documented cases of ruthlessness, chicanery and other abominations in the business community. There also have been unsung cases of dumbness, greed and impeccable mediocrity, I am sure. Even though those cases have been the few and not the many, a fuzzy image of businessmen as some kind of necessary evil lives on in many people's minds.

I agree that businessmen have made glaring errors. And I think that's because we are imperfect human beings. But I am convinced that business has faced up to its errors—and is facing up to them and doing something about them.

THEY'RE GOOD PEOPLE, AND THEY CARE

For 30 years as an advertising man, I have been a part of the business community; I have known its people on all levels, in big business and small. When I think of them, words like *intelligent*, *imaginative*, and *well-rounded* come to mind. Words like *involved*, *conscientious*, *responsible* and *responsive* follow. (Yes, on occasion a less charitable word will come up but, happily, that is the rare exception.)

I am a witness to those business people working hard for today *and* tomorrow. Not just for themselves, but also for the people they are ultimately responsible to—our quarreling, groping, sprawling, multi-talented assembly of over 200 million highly opinionated individuals who have come so far and have yet so far to go.

OPTIMISM THAT MAKES SENSE

As you can see, I'm not an all's-well-with-the-business-world kind of human being.

But it's clear to me that there is enormously more to be happy and optimistic about than there *is to* be unhappy and pessimistic about.

If you didn't already hold that view, I invite you to share it with me—beginning right now.

THOMAS B. ADAMS,
Campbell-Ewald Co., Detroit.

FOOD RESERVE DEBATE

Mr. HUMPHREY. Mr. President, I would like to point out to my Senate colleagues an article that appeared in the July issue of Farm Profit, entitled "Do You Want a Government Grain Reserve?" It poses a basic question being raised by grain farmers, livestock producers and urban consumers. Mr. Wiebel's article attempts to show both my and the administration's view on grain reserves.

Secretary Butz's thinking is that we have the capability to adjust production if importing countries share with us their projected needs. Reserves needed to meet emergencies should be held by importing countries, farmers and the trade.

He states:

> From the standpoint of the farmer, food reserves can never be perfectly isolated from the market. Buyers know they are there, and it is grossly unfair to expect farmers to produce in excess of projected annual requirements and then be penalized by the depressed prices which government stocks would produce.

My reserve legislation is supported by Walter Goeppinger of the National Corn Growers and Robert Lewis of the National Farmers Union.

Mr. Lewis says:

> We think farmers would be better off with a tightly written law (such as the Humphrey amendment) that would meet consumer needs but insulate producers from political and consumer pressures for cheap food, than they are with the boom and bust program they have now. Right now, farmers are heading for a bust.

In my view, Mr. Butz entirely misses the point as to how much control farmers have over adjusting their production to meet the demand of the market. Farmers make their basic crop decisions without having much of an idea as to what prices they can expect to receive. Secretary Butz speaks as if they were operating assembly lines instead of farms.

A modest grain reserve program will help bring some stability in the marketplace and fair prices for our farmers rather than the boom and bust system which the administration's policies are perpetuating.

We must answer Mr. Wiebel's question affirmatively if we want to help our farmers increase production, be a reliable exporter and have the capability of responding to serious humanitarian needs.

To date, I must sadly conclude that the administration has not even begun to ask the right questions.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Do You Want a Government Grain Reserve?

(By Jerry L. Wiebel)

World food watchers should be breathing a sigh of relief by the time this issue of Farm Profit hits your mailbox. Barring any disasters, wheat growers should be harvesting the biggest crop on record—enough to fill the world's stomach for a little while and bolster world food reserves which had fallen to a mere 27-day supply.

However, Dr. Norman Borlaug, wheat breeder and Nobel Peace Prize winner, figures we need a series of good weather years to catch up. "If we're not lucky on weather, 50 to 100 million people could starve," he says.

The United Nations will hold a world food conference in November where they'll encourage countries to build reserves to prevent famine and kick around ideas for a world food bank.

In the U.S., few people are starving. But some are hungry for a strategic grain reserve. Their most convincing argument—the effect food shortages would have on the economy.

Consumers and livestock producers have been smarting from high food and feed costs, partially as a result of the world crop shortfall back in 1972. Heavy export demand that followed will draw U.S. feed grain supplies down to 900 mil. bu. (corn equivalent) before the 1974 corn crop comes in. U.S. wheat carryout is estimated at 200 mil. bu.—the lowest in over 20 years.

Scary thing is that the '72 world crop "shortfall" was only 1% less than the record breaking 1971 crop. Imagine what food and feed prices would have been had the world deficit been greater—or if the U.S. hadn't had back-to-back bumper crops in 1971, '72 and '73, say grain reserve advocates.

What's more, we no longer have a reserve of diverted acres to draw on. Then, there's our humanitarian responsibility to less developed countries who depend on us for food grants.

DOES HUMPHREY HAVE THE ANSWER?

Because of our current low carryover, Dr. Louis Thompson of Iowa State estimates that even a 5% drop in U.S. crop production this year would spell real trouble. Ironic thing is that 1974 could also turn out to be a year with market-busting surpluses. To cover both possibilities, Senator Hubert Humphrey of Minnesota has proposed an amendment to the '73 farm bill which he figures will insure consumers stable food supplies while reducing risks to farmers.

The bill would establish minimum carryover levels for key commodities—600 mil. bu. for wheat, 1.6 mil. bu. (corn equivalent) for feed grains, 150 mil. bu. for soybeans and 5 mil. bales for cotton. Commodity Credit Corp. would hold one-third of these stocks. The rest would be pipe line supplies or held by farmers and the trade.

To acquire its stocks, CCC would sop up excess production in big crop years by offering loans at 66 to 90% of the target price. To sweeten the pot, Humphrey would raise 1974 target prices to $3 per bu. for wheat, $2 per bu. for corn and 50¢ per lb. for cotton—up from $2.05, $1.38 and 38¢, respectively.

In lean years, when projected carryover dipped below the established minimum, CCC stocks would be released—but for no less than 135% of target to isolate them from the market. Export licensing and some trade restrictions would also go into effect.

IT'S THE PRINCIPLE THAT COUNTS

The key question is whether you want the government to get back into the grain storage business. Groups such as the American Bakers Association, Church World Services, the National Corn Growers Association and National Farmers Union say yes. Lining up in opposition are the Farm Bureau, the National Association of Wheat Growers and the USDA.

Opponents aren't against a reserve for famine relief—they just don't want stocks piling up in the hands of government. They say there's too fine a line between government food reserves and government surpluses.

"If the government had had stocks of soybeans the day prices went to $10 per bu., you know what would have happened, even if it would have taken a new act of Congress to do it," says Don Donnelly of the Farm Bureau.

Secretary Butz's thinking: Under existing legislation, we have the capability to adjust production if importing countries share with us their projected needs. Reserves needed to meet emergencies should be held by importing countries, farmers and the trade.

"From the standpoint of the farmer, food reserves can never be perfectly isolated from the market," Butz explains. "Buyers know they are there, and it is grossly unfair to expect farmers to produce in excess of projected annual requirements and then be penalized by the depressed prices which government stocks would produce."

Robert Lewis of the National Farmers Union charges that the Administration is already hurting farmers by encouraging overproduction. After the elections, Farmers Union expects a Congress more independent of the Administration, so will press for an even higher loan rate than that proposed by Humphrey, commodities under farmer control plus storage payments. They'll settle for the Humphrey bill for now.

"We think farmers would be better off with a tightly written law (such as the Humphrey amendment) that would meet consumer needs but insulate producers from political and consumer pressures for cheap food than they are with the boom and bust program we have now," Lewis says. "Right now, farmers are heading for a bust."

Based on a land cost of $60 per acre and a 110-bu. yield, Purdue economists estimate it may cost you $1.65 per bu. to grow corn this year—possible $1.85 if you didn't buy your fertilizer until this spring. If corn prices fall, the best you could get from the government now would be $1.10 under loan.

Under the Humphrey amendment, the CCC would probably acquire stocks under loan this year—presumably in the neighborhood of $1.80 per bu.

Walter Goeppinger of the National Corn Growers says a reserve such as Humphrey is proposing is needed and may head off panic legislation later. "Food is a public utility, even if we do not know it," he explains. "If severe shortage comes, agriculture will be regulated—just like other public utilities. So we should be smart enough to set the guide lines ourselves, before it happens."

WOULD THE PROGRAM WORK?

Jerry Rees of the National Association of Wheat Growers notes that prior to the 1972 world crop shortfall, the U.S. had 860 mil. bu. of carryover wheat—260 mil. bu. more than Humphrey hopes to maintain. He doubts the triggering mechanisms and export controls of the program could have withstood the pressures of the market, so we'd have ended up with the same low carryover we have now.

"We feel importing countries can establish their own reserve needs better than we can," he continues. "A reserve large enough to meet their needs would depress our prices and relieve them of a responsibility they ought to shoulder themselves."

As for domestic reserves and dollar-a-loaf bread scares, Rees points out that we produce enough wheat to export more than twice the amount we consume domestically. "The domestic market has plenty of opportunity to buy the wheat they need," he declares.

SUMMING IT UP

A strategic gain reserve promises consumers stable food and feed prices—which means you probably won't get as many big price run-ups that paid off so many mortgages last year. You could live with that if you can convince city Congressmen you need high enough loan and target prices to prop up prices in big crop years. That may be tough.

Even without a grain reserve, however, the government is involved in your operation—as things stand now, you don't have much price protection and you must put your faith in the USDA to adjust production to meet consumer needs at fair prices to you.

FACING THE WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, the world currently faces a food crisis of unprecedented magnitude. Not only is there the prospect of a long series of famines, but there is a grave danger that what is now a short-term crisis will become a chronic situation.

Nobel Prize winner Norman Borlaug estimates that between 10 million and 50 million people could starve to death in India in the next year. And in Africa the long drought continues.

This is a problem for all of us. As Dr. Borlaug says:

> You can't build peace on empty stomachs.

I have introduced Senate Resolution 329, the world food resolution, which urges the United States to take prompt steps to meet this crisis. Unless action is taken immediately, starvation may become the normal condition for much of humanity.

An article in the New York Times of

July 26, 1974, describes what has become a desperate situation. The article, entitled "Experts Ask Action To Avoid Millions of Deaths in Food Crisis," points out that the fertilizer shortage combined with the drought conditions have reduced food production drastically and brought us to the crisis point sooner than anyone had expected. The article also reveals that the "Green Revolution" has been practiced on less than one-tenth of the land in most developing countries, because it is heavily dependent on high-technology and large capital investment.

The only real solution to these problems, the article concludes, is a large-scale increase in agriculture production on the part of the developing countries. This will require not only increased technical assistance but also large quantities of fertilizer credit. Even if these conditions can be created, most experts agree that the situation is hopeless if we do not stabilize the world population.

The problems of population growth and agricultural production will be important matters for the attention of the World Food Conference in November. It is essential that we not only avert a short-term disaster, but also take steps toward a permanent solution of the problem.

Mr. President, I ask unanimous consent that the full text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Experts Ask Action To Avoid Milions of Deaths in Food Crisis

(By Boyce Rensberger)

From drought-besieged Africa to the jittery Chicago grain market, from worried Government offices in Washington to the partly-filled granaries of teeming India, the long-predicted world food crisis is beginning to take shape as one of the greatest peacetime problems the world has had to face in modern times.

With growing frequency, a variety of leading individual experts and relevant organizations are coming forth to warn that a major global food shortage is developing.

They say it is almost certain to threaten the lives of many millions of people in the next year or two, and they urge international action to prevent a short-term crisis from becoming a chronic condition.

A DIFFERENT SITUATION

While there have always been famines and warnings of famine, food experts generally agree that the situation now is substantially different for these reasons:

World population is expanding by larger numbers each year, especially in the poor countries that are most susceptible of famine. Last year, the population increased by 76 million, the largest increase ever. The number of mouths to feed throughout the world has doubled since the end of World War II.

While agricultural production has generally kept pace, it has done so by increasing reliance on new, high-technology forms of farming that are now threatened by shortages of fertilizer and energy and soaring prices of raw materials.

The grain reserves that once made it possible to send emergency food to stricken areas are now largely depleted. The huge American farm "surpluses" that were such an item of controversy in the nineteen-sixties have long since been given away or sold and eaten. The world stockpile of grain that, in 1961, was equivalent to 95 days of world consumption has fallen to less than a 26-day supply now.

As the Arab oil embargo hastened the beginning of the energy crisis, so a major global shortage of fertilizer, precipitated by the oil squeeze, is cutting into this year's agricultural productivity in several populous countries.

SOONER THAN EXPECTED

The lack of fertilizer and rain and the untimely arrival of rains in some areas, are, in the view of many international food authorities, bringing the world to a food crisis sooner than had been expected a year or two ago.

The fertilizer shortage has already stunted the latest wheat crop in India and will likely reduce the succeeding crops so severely that by this autumn India could be experiencing a famine of sizeable proportions. Unless massive international aid is forthcoming, Norman Borlaug, the Nobel Prize-winning developer of high-yielding wheat, has forecast, from 10 million to 50 million persons could starve to death in India in the next 12 months.

His forecast is based on the calculated number of people the wheat shortfall would have fed plus a factor for the shortfalls expected in crops not yet harvested but lacking fertilizer and rain.

In other parts of Asia and in Latin America where supply has long barely met and sometimes failed to meet demand, people are beginning to experience unusually severe food shortages. The food that is available has become so costly that the meagerest of meals for millions of poor families take from 80 to 100 per cent of their incomes.

EXPERTS NOT OPTIMISTIC

And in Africa the long drought conditions. International relief agencies forecast that the effects in coming months could be more severe than ever because the people have been weakened by previous years of deprivation.

Before this year is out, many food experts fear, the soaring curve of food consumption will have overtaken the gentler slope of food production for the vast majority of the world's people, bringing more of mankind to hunger than ever before.

Many food and international relief experts say privately that they are not optimistic about how fast the rich countries will respond to a large famine. "It may take 50 or 100 million deaths before people are moved to find some kind of effective, long-term solution," one foundation official said.

A number of experts believe that the crisis may try the humanitarian potential of the American people—who control the world's largest source of food—as never before. Increasing social and political pressures within affected countries and growing stresses on "business as usual" international trading practices may test to the limit the ability of world leaders to cooperate.

Addeke Boerma, director general of the United Nations' Food and Agriculture Organization, said that the international community must soon come to terms with "the stark realities facing the people of this planet."

"Remember," Mr. Boerma said, "that, for one thing, prolonged deprivation leads people to desperation. Desperation often leads them to violence. And violence, as we all know, thrives on enlarged prospects of breaking down restraints including those of national frontiers."

Norman Borlaug often warns of the same thing when he says, "You can't build peace on empty stomaches."

The growing food shortage began to become critical in 1972, when a lack of rain in many countries led to poor crops. World grain production fell 4 per cent, a significant drop because the demand for food grows by 2 per cent each year. Drought in the Soviet Union caused that country to buy in 1973 one-fourth of the United States wheat crop.

"This small change was enough to cause violent responses in prices and shifting of foreign exchanges expenditure and human suffering," said Lowell Hardin, head of agricultural programs for the Ford Foundation, a major supporter of agricultural research.

Poor weather this year, coupled with the fertilizer shortage, is expected to limit crop yields sharply again. The effects will, of course, be felt most severely in countries where the nutrition levels are already inadequate.

Although areas of malnutrtiion exist in virtually all underdeveloped countries, by far the greatest food problems now exist among the 700 million people of India, Pakistan and Bangladesh. Other large problem areas are in the drought-stricken regions of Africa, in northeastern Brazil, among the Andean Indians, and in the poorer parts of Mexico and Central America.

The Overseas Development Council, a private "think tank" that studies the world food situation, estimates that one billion people suffer serious hunger at least part of the year. The F.A.O. estimates that 400 million people are malnourished but adds that "a less conservative definition [of malnutrition] might double the figure."

According to the World Health Organization, ten million children under the age of 5 are now chronically and severely malnourished, and 90 million more are moderately affected. While undernourished children may remain alive for a while, they are extremely vulnerable to minor infectious diseases.

"Where death certificates are issued for preschool infants in the poor countries, death is generally attributed to measles, pneumonia, dysentery or some other disease when, in fact, these children were probably victims of malnutrition," said Lester Brown, senior fellow of the Overseas Development Council.

W.H.O. figures show that of all the deaths in the poor countries, more than half occur among children under five, and that the vast majority of these deaths, perhaps as many as 75 per cent, are due to malnutrition complicated by infection.

While most people recognize that protein deficiency is a major problem, few appreciate that many people also suffer from a lack of starchy foods, which supply calories for energy.

BELOW THE MINIMUM

"Average calorie intake in countries containing close to two-thirds of the world's people is below the nutritional minimum required for normal growth and activity," Dr. Brown said.

Even in countries where protein and calorie intake may be adequate, there can still be malnutrition due to deficiencies in one or more trace nutrients. W.H.O. authorities estimate that 700 million people now suffer iron deficiency anemia severely enough to impair their ability to work.

Every year hundreds of thousands of children, especially in Southern Asia, go blind due to a lack of the leafy green or yellow vegetables that supply vitamin A.

Perhaps the most widely publicized recent hope for improving world food production is the controversial "Green Revolution," the use of new seed varieties that respond to irrigation and fertilizer with vastly increased crop yields.

Although the new, high-yielding strains involve mainly only two kinds of crops, wheat and rice, the potential benefits are significant because each of these grains supplies one-fifth of the world's food, more than any other source, plant or animal.

In Asia, where the situation is most critical, cereal grains, meaning wheat and rice almost exclusively, supply 74 per cent of the calories consumed. In North America, cereal grains supply only 24 per cent of the caloric intake. The difference is that North Americans and, increasingly Europeans and Japanese, consume large quantities of meat, milk and vegetables.

However, because much of the meat and dairy products consumed in the United States require grain for their production, the average American diet requires about five times as much grain to be grown as does the average Indian diet.

The "Green Revolution" has been criticized as giving all the advantages to large-scale high-technology farmers who then squeeze out their smaller competitors. Because most of the world's farmers have been too poor to buy irrigating equipment and fertilizer and too isolated to get the needed technical advice, they have not taken advantage of the new farming methods as readily as have wealthier farmers.

NEW CREDIT SOUGHT

For these and other reasons, Green Revolution farming has not been practiced on one-half the arable land in any developing country, and in most of those countries it has been used on less than one-tenth the farmland.

Thus, agricultural researchers like Mr. Borlaug note, the full gains to be made through the Green Revolution have yet to be realized. Efforts are now under way through many agencies to develop credit mechanisms for small farmers to enable them to invest higher yields and to improve the teaching of new farming methods to small farmers.

In small countries where this has been done, such as Taiwan, where the average farm size is 2½ acres, it has been found that small farms outproduce the huge "agribusiness" farms of the United States. American farms yield an average of 3,050 pounds of grain per acre per year. Taiwanese farmers get 3,320 pounds.

While a long-term solution of the world food crisis depends on fundamental changes in the policies and practices of most small countries, the short-term solutions, many authorities feel, depend more on United States policy.

From the mid-nineteen-fifties to the nineteen-seventies, while the United States Government was buying surplus grain to keep market prices up, much of the developing world relied on this excess production to prevent famine. Through a change in Department of Agriculture policy, American grain reserves have now been largely eliminated.

To an extent greater than many people realized, it was American surpluses that stood as the world's buffer between enough to eat and famine. Now there is considerable controversy over whether the United States should reestablish large grain reserves or, as an alternative, contribute to a proposed world granary that famine-stricken nations could draw upon.

The debate includes concern over the impact of an American reserve on domestic prices, with the perennial conflict between farmers who want to sell for high prices and consumers who want to buy for low.

Although many food experts see a world grain reserve as essential in dealing with sporadic famines, most agree that, for the long range, even the vast productivity of American farms cannot forever make up the world's food deficits. Population is growing too large.

While every country produces all or most of the food it consumes only a handful produce much more than enough for domestic needs, thus providing large quantities for export. Besides the United States, the major food exporters include Canada, Australia and Argentina.

REALISTIC SOLUTION

For the long-term solution, few experts see any realistic solution other than to intensify the agriculture within the developing countries, trying to make each country as nearly self sufficient as possible. The agronomists note that because agriculture in the United States and other developed countries is already operating near the limits of presently available technology, whatever gains that can be expected must come from improvement in the countries where agriculture remains poor.

However, the experts note, upgrading agriculture in the poor countries will not be easy, because that effort would depend on ample supplies of fertilizer (and the petroleum from which much fertilizer is made), irrigation equipment and know-how, new credit mechanisms and continuing plant-breeding programs to adapt the better strains to local climatic conditions.

Much of this effort is becoming increasingly costly in a world of scarce resources and tight markets.

Many experts, such as George Harrar, a pioneer in breeding better food plants and a former president of the Rockefeller Foundation see difficult conflicts between the humanitarian desire to rescue famine victims with food handouts and the need to increase incentives for poor countries to become more self-reliant in food.

"Why should we feed countries that won't feed themselves," Dr. Harrar often challenges.

While no one advocates abandoning innocent famine victims, many agree with Dr. Harrar that ways must be found to end the history of dependence on the United States for food that many small countries have had.

Because of the great complexity of the food problem, and because of the increasing interdependence of nations in matters of food, fertilizer, energy and raw materials, many authorities see a need to develop new world institutions to deal effectively with the problems.

Even then, most experts are not sanguine, for there remains the problem of population growth.

"I don't think there's any solution to the world food situation unless we get population stabilized," said Sterling Wortman, vice president of the Rockefeller Foundation. "Those of us who have been working to increase the food supply have never assumed we were doing any more than buying time."

CITY OF CHICAGO'S PROCLAMATION ON GSA DAY

Mr. PERCY. Mr. President, July 1974 marks the 25th anniversary of GSA and I was pleased to learn that earlier this month the city of Chicago recognized GSA's 25th year of Government service by proclaiming July 1 GSA day in Chicago. I share the city's sentiments that GSA has been dedicated to the goals of efficient service and excellence in performing its Federal management responsibilities. Much of this recognition can be attributed to the outstanding leadership abilities of the Administrator of GSA, Arthur F. Sampson. I would like to take this opportunity to congratulate each of the 40,000 GSA employees for 25 years of excellent service to the Federal Government, and I ask unanimous consent to print in the Record the proclamation issued by the city of Chicago.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

Proclamation

Whereas, a quarter century ago, on July 1, 1949, the General Services Administration was established by Section 101 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 379); and

Whereas, the General Services Administration has served the public and the agencies of the Federal Government effectively carrying out its procurement and property management responsibilities; and

Whereas, the observance of this 25th Anniversary of the Administration will be a period of recommunication and rededication to the goals of efficient service and better management within GSA, and a renewal of efforts to improve all phases of GSA operations; and

Whereas, loyal employees who have served GSA during these 25 years will be publicly recognized and honored; and celebrations are planned which will include all 40,000 GSA employees throughout the nation:

Now, Therefore, I Richard J. Daley, Mayor of the City of Chicago, do hereby proclaim Monday, July 1, 1974, to be General Services Administration Day in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 18th day of June, 1974.

CHILDREN AND YOUTH CAMP SAFETY

Mr. MONDALE. Mr. President, recently I chaired hearings before my Subcommittee on Children and Youth on the subject of children and youth camp safety. Every year 7 million children attend camps in this country. When they leave home for summer camp, they and their parents look forward to the recreational and educational experiences that camping has to offer. Yet, for some, camping turns to tragedy.

Testimony before the subcommittee brought forth many facts which bear upon the question of whether the Federal Government should develop national standards for youth camps. We learned, for instance, that in 1973, at least 25 children died at camp; 1,448 were injured; and 1,223 suffered serious illness while they attended camp. We also learned of the personal tragedy suffered by families of campers who are injured or killed at summer camp. We also learned that only six States have good camp safety laws which are adequately enforced.

Clearly, parents and campers have a right to expect that the camps that they attend are safe and responsible. They have a right to expect that those few camps which do not meet minimum health and safety standards will not be permitted to operate until violations are corrected.

In a recent Washington Post article, Bill Gold does an excellent job of pointing out the need for Federal legislation to protect children at camp. Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 17, 1974]

One Teacup At a Time

(By Bill Gold)

An ocean of words washes over newspaper editors each day as they scan incoming dispatches. Their task is to distill it into teacups of information that can be passed along to subscribers whose time is limited.

This week, for example, Sen. Walter F. Mondale (D-Minn.) convened his Senate Subcommittee on Children and Youth to bear testimony on the Youth Camp Safety Act.

This is a measure that would, if enacted, set federal safety standards for the camps to which millions of parents send their children.

Staff writer Richard E. Rotman was sent to Capitol Hill to cover the hearings, and returned to write a fact-packed report for the next day's paper. He was allotted space enough to give the essence of what the legislation would do, what the situation is now, who testified and what was said. It was a "hard news" report on what happened.

What Rotman had no space to tell, and what there is seldom space enough to include in a news dispatch, was a book-length background of detail. Yet to understand why safety standards are being proposed for youth camps, one needs to know that testimony was given that:

Youngsters are in some instances packed into ancient multiple-story hotels without fire alarms, fire escapes, or emergency exits. When fires broke out in facilities of this kind in "New Hampshire, New York, Pennsylvania and elsewhere," deaths resulted.

In California, 62 children and eight leaders were transported for a 200-mile trip over a high speed highway in an open tractor-trailer truck driven by a young counselor. Five were killed and all the others injured.

The witness who gave this testimony was Mitch Kurman, whose young son had drowned in an earlier camp "accident." Kurman testified that he sent a check to California authorities for an official report on the highway tragedy; his check was returned and he was informed that "this information is not available to the public."

Children from a Long Island camp were sent to visit Pennsylvania "in a bus with faulty steering" driven by "a driver whose license had been revoked for previous violations." Seven died and 53 were injured.

One camp had a 15-year-old part-time dishwasher and part-time "instructor" in charge of its rifle range. When a young camper's rifle jammed, the instructor took over the rifle in an attempt to fix it. The young camper was shot in the abdomen.

Youths at another camp were permitted to float down a swift river in inner tubes with counselors who were "untrained in lifesaving and resuscitation techniques."

The children were not given lifejackets. One child became entangled in a fallen tree in the water, and began to drown. When a counselor was asked what she did when she saw the girl drowning, she said, "I screamed." Asked what she did next, she said, "I cried." The child died.

Fifteen children were left in the care of a 15-year-old "counselor-in-training" at one camp. It was testified that the 15-year-old "used a hoe handle as a bat to strike the eye of a camper and blind him." The parents of the child were ignored by camp authorities for eight months. Only when the parents filed suit did the camp file a report with the state health department. The law requires that a report be filed within two days—but there is no penalty for late filing.

The testimony went on for hours. There is no space to print it all, and you wouldn't have time to read it all. But even without reading a word of it, we have long known the basic facts.

We know that children at camp have been beaten, injured, crippled, blinded, sexually molested, drowned and killed in accidents and fires. We know that there are no federal standards (and adequate state standards in only six jurisictions) covering the safety of buildings, electrical wiring, equipment or vehicles. We know that although some camp operators voluntarily maintain right safety standards, others do not, and no federal law requires them to adhere to any level of training or competence for their employees.

If there are no federal standards, how is a parent to know which camp is safe? The Youth Camp Safety Act has been studied, debated, pigeonholed, and studied again—all without affirmative action—for two chief reasons. Nobody likes to be regulated, and camp operators are not exception. More pertinent, perhaps, is this: camp owners are campaign contributors, and Congress has been catering to their wishes rather than to the wishes of the millions of parents who send their children to camp.

POSTSCRIPT

I'm reminded of George Jean Nathan's observation: "Bad officials are elected by good citizens who do not vote."

REFORM OF OUR FINANCIAL INSTITUTIONS

Mr. TOWER. Mr. President, the recent issue of variable interest rates notes by Citicorp has brought to public attention the low rate of interest offered to the small consumer-saver and the need to press for orderly, constructive and comprehensive reform of our financial institutions.

It is apparent that our present financial structure has become less flexible, unable to meet the challenges posed by a changing economic climate. Savings minded individuals are finding financially advantageous avenues which totally bypass our financial institutions. The situation is complicated for we must balance the interests of all participants in our financial system—savers as well as borrowers. Congress must face this dilemma head-on and resolve the conflict between consumer savers who are entitled to a fair rate of return on their savings and the potential adverse effects on financial institutions.

I ask unanimous consent that an editorial from the Chicago Tribune and an article from the Washington Post be printed in the RECORD to aid in clarifying the current situation and add that both follow recent editorials in the New York Times and the Washington Post calling for sound comprehensive structural reform of our financial institutions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 16, 1974]

SHORT-CHANGING THE SMALL SAVER

The proposal by two New York bank holding companies to offer small savers a new type of high interest investment has raised a vital, but too little discussed, question: Should small savers be forced to suffer financially thru low returns on their savings in order to generate low-cost money for home mortgages?

Tho never stated quite that bluntly, current national policy is that they should. Altho the intent is desirable—to provide reasonably priced financing for new housing, the result is unfair discrimination against the small saver.

Savings and loan associations and mutual savings banks are the main sources of home mortgage money, and the government has fixed prices to give them special treatment. S & Ls and mutual banks have been protected from price competition by government-imposed ceilings on what they can pay depositors, while the flow of savings money to them has been encouraged by allowing them a higher ceiling than that set for commercial banks. Laws have likewise held down the rates on mortgages.

Now, Citicorp and Chase Manhattan Corp., the holding companies that own the First National City Bank of New York and Chase Manhattan Bank, want to offer savers notes that would have an interest rate set 1 percentage point above the average rate on U.S. Treasury bills.

Citicorp has set an initial interest rate of 9.7 per cent on its offering, far above the 5.25 per cent paid by S & Ls and mutual banks on regular passbook accounts or the 7.5 per cent they pay on four-year certificates of deposit. Altho the notes would be sold in minimum amounts of $5,000, the thrift institutions nevertheless fear that the drain on their deposits will speed up. They fear especially that the idea may spread, or that the minimum may be reduced.

The thrift institutions regard the notes a scheme to get around the government's interest rate ceiling on banks. Since the notes are issued by the parent holding companies and not by the banks, the Federal Reserve Board says it can't block the plan.

But the Fed has urged a delay, and Sen. William Proxmire and Rep. Wright Patman have called for new legislation to limit such notes.

In response to Federal Reserve Board pressure Citicorp has extended the intitial redemption period to two years, after which the six-month periods would take effect. That makes the notes significantly less attractive.

Government maneuvers to restrict the options of small savers are not new. Last year the ceiling was briefly removed from four-year certificates, but the high-yielding CDs proved so popular that the government reimposed the ban—with the support of the S & Ls.

For years, Treasury bills were sold in amounts as little as $1,000, but the minimum has been raised to $10,000. Government opposition is said to have sidetracked a proposal by American Telephone & Telegraph to offer bonds in units as little as $100.

The effect of such measures has been to keep interest payments to small savers low and to block alternatives by keeping minimum purchases high. The small saver is thus locked in, while the rich and corporate savers are free to desert the thrift institutions for more fertile fields of investment.

Even in a free market, there would be some spread between the interest rates payable on small deposits and on large ones. But as the latter rates have risen to record highs, the spread has become far more than is fair, and funds have been flowing out of S & Ls and savings banks, thus making money for mortgages almost unavailable. The proposed notes, it is feared, would mean disaster.

But we can't see that the solution lies in efforts to extend controls and arbitrary restraints. It lies rather in the opposite direction. Usury ceiling have already been lifted in many states, including Illinois, and there is talk of variable-rate mortgages on which the interest charge would vary to reflect the rising and [one hopes] falling cost of obtaining deposits.

More attention should be given instead to the recommendation made in 1971 by the governmental Commission on Financial Structure and Regulation that interest rate ceilings be phased out. This would be fairer to small savers and would lure back many larger savers. If it should mean higher interest rates on mortgages, it would be better than having no money available at low rates. And the problem would at least be faced without making the small saver the victim.

[From the Washington Post, July 22, 1974]

"FLOATING INTEREST" NOTES

(By Philip Greer)

NEW YORK.—Sometime this week, probably on Wednesday, the parent company of First National City Bank will finally get its new "floating interest" notes to the market. They were supposed to come out about two weeks ago, but it sometimes takes a while to scalp the smaller investors.

The notes will pay at least 9.70 per cent interest until next June and then the rate will float according to a formula tied to the rates on 90-day treasury bills. The notes are redeemable at par ($1,000 for each $1,000 worth of notes) in June, 1976, and at six-month intervals after that. In the meantime, they'll be traded on the New York Stock Exchange.

The notes have kicked up a lot of dust here and in Washington. Stockbrokers hate them because they'll draw off money the brokers are hoping to get back into the market. Thrift institutions fought them because they'll attract funds that those organizations say they need for mortgages.

The Federal Reserve and the Securities and Exchange Commission didn't know quiet what to do about them and Rep. Wright Patman quickly announced plans for legislation to ban them.

After some negotiation—a euphemism for making the notes less lush for investers—the notes are being allowed out for sale. Despite the changes that have been made, the public seems ready to gobble them up (with a minimum purchase of $10,000).

When the dust settles, it looks like the notes will be found to have some very attractive features, even for those who regulate banks. They'll also have some strong negative features, especially for those who are supposed to restrain inflation. On balance, people are apt to wonder why all the fuss was made in the first place.

On the positive side, of course, the interest rate is higher than any savings bank, although the notes are not insured by the government, as deposits are. The two-year holding period (unless you want to pay a broker's commission) takes some of the attraction out, but the return is still in a bracket usually reserved for larger corporations.

From an industry point of view, the notes will give the Citicorp $850 million it can be sure of keeping for at least two years. Banks all over the country have been taking in short-term money—through certificates of deposit and such—and using it to make long-term commitments.

When interests rates go up, the short-term money disappears and the banks have trouble meeting the long-term promises. The result is a "liquidity crunch" like the one many banks are struggling with right now. The banks need longer-term money and this could be a way to get it.

On the negative side, the notes are, plain and simple, a surrender to inflation, just as escalator clauses in labor contracts concede that inflation is a fact of life. The floating rate doesn't necessarily add to inflationary pressures, but it doesn't allow for any of the restraint that's needed so badly.

In short, the excitement generated by the notes seems too have been overdone. The key point is that they offer smaller savers a higher return on their money than they can usually get anywhere else and—to that extent—they can't be all bad.

TWENTY-FIRST ANNIVERSARY OF SMALL BUSINESS ADMINISTRATION

Mr. BIBLE. Mr. President, it is with pleasure that I call attention to the 21st anniversary of the Small Business Administration on this July 30. Since its origin in 1953, this executive agency has been of great assistance to millions of small businesses across this Nation.

This anniversary date is an important one. Time was when a 21st birthday symbolized full maturity. At 21, an individual lost youth status and became a legally competent citizen, gaining full responsibility before the courts. However, I believe the SBA has been a competent and responsible agency since its founding 21 years ago, for it has sought to benefit men and women whose watchword is individual effort—the hallmark of the 97½ percent of all American businesses who fall into the small business category. SBA's problems over the years have had to weather economic, political, and administrative storms, but the agency has moved steadily ahead.

The SBA has occupied a quasi-paternal position in the eyes of small business firms, for it has been devoted to giving helpful advice and direction and it has been looked to for financial aid.

With the signing of the Small Business Act as passed by the 83d Congress, President Eisenhower established the first independent, peacetime agency to devote itself exclusively to matters of interest to small business.

May we take this occasion on this 21st birthday of the Small Business Administration to salute Administrator Thomas S. Kleppe and his 4,000 plus dedicated employees for their efforts in behalf of the small business community of this Nation.

The Small Business Administration deserves special recognition for encouraging, developing, and helping to preserve small business. We hope that SBA's continued commitment to the needs of small businessmen and women will be energized by a reawakening of the vital role that small business plays in our free enterprise system.

MORE BUSINESS SUPPORT FOR AGENCY FOR CONSUMER ADVOCACY

Mr. PERCY. Mr. President, I have continually assured Members of the Senate that the proposed Agency for Consumer Advocacy is not some sort of monster dreamed up by consumerists to torment business. In fact the agency would operate to the advantage of responsible businesses, which are in the vast majority.

In the midst of Senate consideration of the bill, 10 sizable corporations and a number of individual and small businessmen have corroborated this belief in letters to Mrs. Virginia Knauer, Special Assistant for Consumer Affairs to President Nixon. As Mrs. Knauer stated:

> The myth of solid business opposition to (ACA) has been exploded.

Previously, three major corporations—Marcor, Zenith, and Motorola—had expressed strong support for ACA. Then came Hechingers—a large Washington-based retailer, specializing in hardware supplies. The 10 firms that recently affirmed support for the legislation include: Amfac Inc.; Kimberly-Clark Corp.; Connecticut General Life Insurance Co.; Alexander Hamilton Life Insurance Co. of America; Consumers United Insurance Co.; GRT Corp.; Maxwell Corp. of America; and, three companies under the same management—Condamatic Co., Inc., Dyna Day Plastics Inc., and American Sound Corp. Additionally, two Colorado bankers, Robert Hart of Boulder National Bank, and Walter Emery of the Bank of Denver, each expressed their personal support of ACA.

The nature of business support is typified by these comments by a top level official of the Consumers United Insurance Co.:

> Sound business practice must recognize the wisdom of hearing and heeding the consumer. . . . Obviously, it's to the mutual interest of the buying public and the business community to jointly sponsor a sound and just bill.

Mr. President, I ask unanimous consent that the full text of a statement by Mrs. Virginia Knauer, dated July 22, 1974, on the subject of business support for the Agency for Consumer Advocacy, be printed as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, today announced the names of ten firms which support legislation to establish a Consumer Protection Agency.

Mrs. Knauer's announcement is as follows:

"A number of companies have come to me to express support for CPA, although I have not conducted a survey of business opinion on the legislation. I have received press inquiries for a list of their names. They include multi-million dollar manufacturers and retailers, insurance companies, manufacturers of phonograph records and tapes, and individual businessmen.

The early leadership for business support of CPA came from Montgomery Ward and its parent company, Marcor. Two other well-known national firms—Zenith and Motorola—soon joined Montgomery Ward in its early public support of CPA.

Today I am pleased to announce the support for CPA of the following firms: Amfac Inc.; Kimberly-Clark Corporation; Connecticut General Life Insurance Company; Alexander Hamilton Life Insurance Company of America; Consumers United Insurance Company; GRT Corporation; Maxwell Corporation of America; and three companies under the same management—Condamatic Company Inc., Dyna Day Plastics Inc., and American Sound Corporation. Individual businessmen, including bankers and some small businessmen, have also stated their support.

Each of these companies and businessmen has had the foresight to see that creation of a CPA is not a threat to business. The men and women who lead these firms have displayed progressive management. They have the consumer's best interests in mind. The public has a right to know about their consumer policies. These firms represent the future, and we all should pay heed.

I shall let them speak for themselves.

Henry A. Walker, Amfac's chairman, said that as Amfac "recognizes the importance of having the consumer represented before regulatory agencies of the Federal government, it therefore supports in principal the underlying concepts embodied in the proposed consumer protection agency legislation currently pending before the Congress." Amfac, whose subsidiaries include Joseph Magnin, Liberty House—Hawaii, Liberty House—Rhodes, Fred Harvey and Island Holiday Hotels, has sales approaching $1 billion.

Robert E. Freer, Washington Counsel to Kimberly-Clark, one of the nation's largest manufacturers of paper and cellulose products, assured me that his company, unlike many of its competitors, does not oppose the CPA bill although it has suggested a few minor amendments.

Connecticut General Life Insurance Company's director of government relations, William M. White, Jr., wrote that "the proposed mechanism is important to ensure that the consumer's voice and interests are properly considered."

Richard H. Headlee, president of another insurance company, Alexander Hamilton, said that "it is about time that the Federal Government began looking at the consumer—not as a monolithic man—but as more than 200 million individuals, each of whom needs an advocate within the federal bureaucracy."

A third insurance company, Consumers United, wrote, "sound business practice must recognize the wisdom of hearing and heeding the consumer. . . . Obviously it's to the mutual interest of the buying public and the business community to jointly support a sound and just bill."

Several tape and phonograph record companies and the chairman of the board of their trade association, the International Tape Association, have written me of their support. Frank S. Day, president of American Sound, Condamatic and Dyna Day Plastics, states that CPA legislation "will quite properly provide for more effective representation of consumers interests and the restoration of public confidence in consumer goods." GRT Corporation and Maxell expressed similar views.

Two Colorado bankers, Robert M. Hart of Boulder National Bank, and Walter Emery of the Bank of Denver, each expressed their personal view that there should be a representative of the public interest to speak on behalf of the public before regulatory agencies. A number of small businessmen have also voiced their support.

The significance of these statements of business support should become obvious. The myth of solid business opposition to CPA has been exploded.

AN ECONOMY IN LIMBO

Mr. HARTKE. Mr. President, President Nixon's economic message July 25 was bad news for the American people.

His solution for our economic ills was a larger dose of the policies—tight money and budget cutting—that have failed in the past and offer little hope for the future. We were also treated to an incredible exhortation to people to save money.

One fact we all have to recognize and state plainly is that the United States is in a recession. But the administration refuses to face up to this fact, as was made clear again yesterday by Presidential Counselor Kenneth Rush's testimony to the Joint Economic Committee.

At the start of the second half of the year, our economic difficulties are mounting. Commerce Department figures issued July 18 showed a continued decline in the gross national product—GNP is the chief economic indicator.) Now there is no doubt, we are in the throes of a serious recession with an accompanying decrease in production which only serves to shorten the supply of goods and to increase inflation.

The American people are inhibited from buying products at their present inflated prices, so consumer spending is down. People simply do not have the money, with real wages—the amount of wages after inflation is subtracted—down 8 percent.

Consumers and businessmen seeking loans are in trouble. The prime rate has gone up 37 percent since March and it will go higher before the end of the year. You cannot get a home mortgage in California without paying 10 percent interest—and, even at this rate, there is very little money available in the savings and loan associations to lend. Investors have placed their money into higher yield sectors of the economy.

One result of sky-high interest rates has been a decline in home construction. New home starts fell 11.1 percent between April and May. In fact, there were 38 percent fewer new homes being built in May of 1974 compared to a year ago, and there were even fewer construction permits being applied for.

Unemployment pervades our economy; 5,380,000 men and women are presently out of work. As the jobless rate increases, so do unemployment insurance payments. Unemployment compensation in April of this year was 50 percent higher than in April of 1973.

We pay a high price for inflation and recession. Not only do we pay more in the form of unemployment insurance, but welfare payments are also up as more and more families are forced to seek public assistance in order to receive food and clothing and pay for housing. Since 1970, aid to families with dependent children has almost doubled and supplementary security income (formerly old-age assistance) has also risen.

Mr. President, I ask unanimous consent that a table showing the increase in SSI payments to people in the State of Indiana for the first 6 months of this year, compiled by my staff from information supplied by the Social Security Administration, be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Supplemental Security Income (S.S.I.) Payments to Indiana Recipients: First 6 Months of 1974

January	$2,219,000
February	2,743,000
March	2,802,000
April	2,594,000
May	2,904,000
June	3,362,000

Mr. HARTKE. Mr. President, these figures make it clear that, as inflation has risen, so has the cost of welfare. The taxpayer gets hit from both sides. Not only does inflation mean higher prices at the food store and the gas station, but increased taxes to pay for the rising costs of welfare which were caused in the first place by inflation and recession.

What is the administration's answer to this nagging dilemma? A strong dose of "do nothingness," says Alan Greenspan, President Nixon's choice to succeed Herbert Stein as Chairman of the Council of Economic Advisers.

So the administration's answer is a do-nothing policy, but that will only breed discontent and frustration. Perhaps Mr. Greenspan's policy is an improvement over his predecessor's, who said that the real blame for inflation lies with the American people. If we had only been willing to accept more tax increases the administration wanted, he said, then we would not be in the mess we are in today.

But the record does not support this view. In 1968, the Johnson administration gave up its attempts to finance the Vietnam war without higher taxes and got Congress to pass the stiffest tax increase since World War II. That turned the Federal budget deficit into a major surplus in 1969. When Mr. Nixon came into office that year, taxes were cut, and they were cut again in 1971. Over the next 3 years, the Federal budget rolled up the heaviest peacetime deficits in our Nation's history.

The administration has embarked upon a calculated policy of having no policy to solve rampant inflation. This is a no-win policy which will only worsen our economic dilemma. I urge this administration to square with the American people and take up the reins of economic leadership.

Mr. President, recently there was an excellent series of articles on the economic situation written by Lee M. Cohn and published in the Washington Star-News. While I do not agree with many of the views expressed by experts Mr. Cohen interviewed, I think the articles will help set off that serious debate so badly needed to help us face up to, and try to resolve, the economic problems that beset us today. I ask unanimous consent that the text of those articles be printed in the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star-News,
July 15, 1974]

Big Bust or Just Stagnation?

(By Lee M. Cohn)

Business, squeezed for credit, curtails expansion and production.

Profits shrink, the stock market sags and bankruptcies spread.

Economic growth plods along at the brink of recession.

Unemployment rises by a million or more above normal levels.

Prices surge at triple the pace that used to be called "creeping inflation."

That's an *optimistic* forecast of the U.S. economy's performance in the next few years.

Quite possibly too optimistic, say a growing number of economists, bankers and businessmen, and even some government officials. They warn that the United States and the world may face a severe recession, with production dropping sharply, unemployment rising to post-Depression peaks, the financial system tottering, and inflation galloping almost out of control.

Few if any established analysts predict a depression like the disaster of the 1930s. But hardly any absolutely exclude the possibility of the worst economic bust since then—a true depression, not just the kind of recession Americans have learned to live with.

Interviews and public statements disclose that many of the people who run the economy and the experts who analyze it are more worried, even frightened, about the outlook than at any time in the postwar era. Anxiety is shaking the confidence of the general public, too, which could weaken the economy further.

No one with sound credentials had talked seriously about financial collapse and depression for decades. Now knowledgeable people are quoting odds.

"The more I think about it, the more vivid it becomes," Arthur M. Okun of the Brookings Institution says. Okun, who was chairman of the Council of Economic Advisers in the Johnson administration, estimates that "the odds on the worst horror stories are nomore than one in 20."

While "the likelihood of a bust is not very strong," he says, "it's not a scenario you can laugh at any more."

Robert V. Roosa, partner in Brown Brothers Harriman & Co., a leading Wall Street banking firm, puts the odds at one in five. Roosa, undersecretary of the Treasury for monetary affairs in the Kennedy and Johnson administrations, adds grimly:

"In a tough world, you've got to choose what you think is the most probable course and accept the risks of acting on that judgment. That means I'm going to act on the four chances in five that the worst won't occur."

Alan Greenspan, a conservative business economist who has been asked by the Nixon administration to head the Council of Economic Advisers, says he sees "very major potential dangers, but we are so far outside the realm of historical experience that I don't know how to assess the probabilities.

"Take all this talk of a depression and social breakdown and the other horror stories. I can't present any solid reasons why these frightening scenarios cannot happen, which means they possibly could happen. This is the first time I've felt that way since the start of my professional career."

Milton Friedman of the University of Chicago, a leading conservative economist, predicts that "there won't be a major financial collapse." Many financial institutions are "vulnerable" and some are "technically insolvent," he says, but "the government will bail them out."

"I would let them go bust," he says grumpily, predicting that government rescue operations will aggravate inflation and cause other problems worse than a few financial failures.

Rather than worring about a bust, Friedman says, "my long-run concern is that we're heading toward stagnation (with) sharply reduced economic growth rates. The comparison is very close with what has been happening in England over the last 10 or 20 years."

Greenspan and Nathaniel Goldfinger, research director of the AFL–CIO, also say that, even if the United States avoids a depression, the economy shows ominous signs of catching what Greenspan called "the English disease."

While suffering no severe recessions, Britain since World War II has lost its economic vitality. Investment and efficiency have lagged, the country's competitive position has eroded and growth has been chronically sluggish. Analysts blame "stop-go" policies, which alternately pump up the economy and subdue it with austerity measures.

Paul A. Samuelson of the Massachusetts Institute of Technology, the liberal who won the first Nobel Prize in economics, warns that the United States and other industrial countries may face years of "stagflation"—an unhappy combination of subpar economic growth and inflation rates substantially above past norms.

Nixon administration officials scoff at depression talk—with some exceptions. Surprisingly, however, many of them paint a picture of prolonged sluggishness in the economy, with persistent high rates of inflation.

They use brighter adjectives than Greenspan, Friedman and Samuelson, but the basic forecasts are almost as bleak.

Treasury Secretary William E. Simon acknowledges that it is possible to write a scenario depicting a deep recession, but said "the probability of that is so low that I'm not considering it."

He proceeds to describe the path he hopes the economy will follow for several years—restrictive budget and monetary policies, economic growth below the long-term trend, a shift from consumption to saving, production below capacity, labor markets that are not too "tight."

Herbert Stein, chairman of the Council of Economic Advisers, says the economy must be held below its "highest possible track," operating with "some degree of slack," for three or four years.

Other key officials, talking less obliquely, acknowledge that the administration expects and is aiming for an austere period of several years during which business activity is subdued and jobs are somewhat hard to find.

With luck, a recession can be avoided, these sources say. But they contend that a mild slump must be risked.

Only by holding down the economy can the United States reduce inflation and prevent an accelerating price spiral, officials maintain. Even with this kind of restraint, they admit, progress in curbing inflation will be painfully slow.

Not all government officials are as emphatic as Simon in ruling out financial and economic trouble more serious than the United States has experienced since the 1930s.

Sidney L. Jones, deputy White House economic counselor, says he expects slow growth, not a sharp economic decline, but he admits:

"I've learned never to say never . . . You can paste all these things together and come up with a dour scenario . . . I can't deny that monumental financial difficulties could occur (but) I think it will take something a lot more fundamental than just some financial tensions on the periphery for the real economy to collapse."

Federal Reserve Chairman Arthur F. Burns warns that "hopes for the future of our economy have been shaken by the debilitating effects of inflation." Unless the price spiral is checked, he says, it could bring "mass unemployment."

Besides the financial and economic dislocations caused by inflation, he says, its continuation near current rates "would threaten the very foundations of our society (and could lead to) a significant decline of economic and political freedom for the American people."

President Nixon promised in January that "there will be no recession" in 1974, and administration officials cite current data indicating that the immediate threat of a recession probably has passed. They also predict confidently that the inflation rate will be lower at the end of this year than it is now.

Many independent economists concur. But they note that the administration is claiming less than its public statements imply.

The economy can avoid a recession this year and still bog down. Prices, while more slowly than now, still can surge at rates that used to be considered intolerable.

That is what most economists expect through the balance of this year. Furthermore, they fear that the economy will not improve much—and may deteriorate—beyond 1974.

Whether or not the administration's predictions for 1974 come true literally, knowledgeable analysts are more worried about erosion of the economy's strength and stability over the longer run.

The broadest measure of the economy's performance is "real" gross national product—total output of goods and services in terms of quantity, as distinct from the inflated dollar value.

Real GNP declined at an annual rate of 6.3 percent in the January-March quarter. This was the first decrease since 1970 and the sharpest drop since 1958.

Another decline in the April-June quarter probably would have put 1974 into the record books as a recession year. Although there is no rigid formula, a recession is defined conventionally as a decline of real GNP in two or more consecutive quarters.

Preliminary figures indicate that real GNP probably increased very slightly in the second quarter. If this expectation is confirmed, Nixon apparently has escaped the blot of a second recession in his administration, at least for the time being.

But a vigorous recovery is not expected, and there is a risk of another decline late this year or in 1975.

As usual, the administration's forecast is more optimistic than many, but still it is bleak. The administration started the year predicting that real GNP would rebound at an annual rate of more than 4 percent in the second half. Stein has scaled the forecast down to 3 or 4 percent, and now concedes growth may fall below that pace.

Date Resources, Inc., a leading forecasting firm, also is relatively optimistic, in a very hesitant way, about the short-run outlook.

DRI predicts real GNP will advance at annual rates of 3.5 percent in the third quarter and 4.1 percent in the fourth. Acknowledging its uncertainty, the firm also has issued an alternative forecast with gains of 3.2 and 3.3 percent.

Another major forecasting service at the University of Pennsylvania's Wharton School, predicts smaller increases of 2.4 percent in the third quarter and 2.7 percent in the fourth.

Walter W. Heller, chairman of the Council of Economic Advisers in the Kennedy administration, predicts an approximately flat path for output in the second half. Some other economists predict declines.

More significant than what happens through the rest of 1974 is the outlook for sluggish growth, at best, in the next few years. There is broad agreement that output will increase by significantly less than this country's long-term trend of about 4 percent a year.

With population and the labor force expanding, that means living standards will advance only slowly, factories will operate below capacity and unemployment rates will remain above normal levels.

The Wharton services predicts output will increase at annual rates of 2.1 percent in the first quarter of next year, 1.8 percent in the second quarter, 2.7 percent in the third quarter and 3.7 percent in the fourth quarter.

DRI, in the optimistic version of its forecast, predicts gains averaging 3.7 percent next year. Its hedge forecast is 2.6 percent.

Although the administration refuses to be pinned down on 1975 and later, officials say the fight against inflation will require years of "slack" in the economy. Less euphemistically, that probably means maximum output gains of 3 percent annually and unemployment between 5 and 6 percent of the labor force.

The traditional target for the unemployment rate is 4 percent, but some economists believe the practical minimum is 4.5 to 5 percent. The average rate since World War II has been 4.7 percent. Unemployment was at 5.2 percent last month and is expected to rise to 5.8 or 6 percent later this year.

Each percentage point in the rate represents more than 900,000 jobless workers.

Forecasts of sluggish economic growth and unemployment moderately above normal are at the optimistic end of the range. When pessimists ponder the threat of a recession, or worse, this is what they are talking about:

In the recession of 1957–58, the most severe setback since World War II, real GNP declined 3.5 percent. The unemployment rate rose to 7.5 percent. The post war peak of unemployment, 7.9 percent, was reached during the recession of 1948–49, which by most other measures was milder than the 1957–58 slump.

The depression of the 1930s, the worst economic calamity in history, struck with two blows separated by a weak recovery.

Real GNP plummeted by 30.5 percent during the first four-year shock, from 1929 to 1933, and by 5.1 percent in the second phase, from 1937 to 1938.

Unemployment soared to 24.9 percent in 1933. That represented 12,830,000 jobless workers in a labor force much smaller than now. The unemployment rate was 19 percent and the number of jobless workers was 10,366,000 in 1938.

No one expects another disaster of that magnitude. But there can be no guarantee against an economic downturn so much more severe and prolonged than the postwar recessions that would be recorded as depression.

Even with subdued economic growth, which is supposed to curb inflation, rapid prices increases are expected. The administration hopes to slow consumer price increases to an annual rate of 7 percent by the end of this year, but officials concede privately that 8 to 9 percent may be more realistic.

Although that would be an improvement from the inflation rate 12.6 percent so far this year, by any other standard it would be a miserable performance for the U.S. economy.

Until the start of the current inflation surge last year, when consumer prices rose 8.8 percent, the biggest increase since the post-World War II bulge had been 6.1 percent, in 1969. A normal annual rise through most of the 1950s and the early 1960s was less than 2 percent.

Economists wrung their hands about the dangers of "creeping inflation" at 2 or 2.5 percent a year.

If the inflation rate can be trimmed to 7 or 8 percent late this year, further reductions will be difficult and will come slowly, Stein and other officials admit. Stein estimates "hard-core" inflation at about 7 percent.

Many economists fear that the slight abatement of inflation foreseen for the end of 1974 will be only a brief respite, followed by escalation to new record rates.

Galloping inflation, they warn, could collapse the financial system and so bring down the economy.

INFLATION: MAY GET WORSE

If you have nightmares about pushing a wheelbarrow full of money to the market for the week's shopping, like the Germans in the 1920s. Milton Friedman advises you to relax.

"Utter nonsense," says Friedman, the illustrious University of Chicago economist. "There isn't a chance in a million that we will get into hyperinflation."

But it would be a mistake to conclude that Friedman is optimistic about inflation. Indeed, he expects it to get worse—perhaps rising from 12 percent now to 14 percent by 1976 and even faster in later years.

The professor simply cannot stand imprecise use of the language, especially economic terms. By his reckoning, hyperinflation means price rises of at least 50 percent a month, or 600 percent a year. Cynical though he is about government bungling of economic policy, not even Friedman expects U.S. inflation to become that bad.

If "Hyper" is the wrong prefix, "super" may be the best description of current and prospective inflation here and abroad. That kind of inflation can:

Lower living standards and erode savings.

Discourage and distort investment.

Raise interest rates and tighten credit.

Create disorder in the banking system and financial markets.

Slow the economy's growth and push it into a recession.

Beyond the direct economic effects, severe inflation deepens distrust of governments and can undermine political stability. Public anger over inflation has toppled several governments abroad.

Many politicians believe inflation is hurting President Nixon with the voters more than the Watergate scandals.

Inflation as measured by consumer prices was held to less than 2 percent annually in all but two years from the end of the Korean war until 1966, when the inflationary impact of the Vietnam war bgan to be felt.

Consumer prices have soared at an annual rate of 12.6 percent so far this year, and only moderate improvement is expected, at best.

The Nixon administration started the year predicting that inflation would abate to an annual rate of 4.5 to 5 percent by late 1974. Officials were counting on an end to the huge rises in food and fuel prices, and an economic slowdown abroad to ease the pressure on prices of raw materials.

Food and fuel prices, which had accounted for the greater part of the inflation in 1973 and the early part of this year, have been more stable and in some categories have declined from the peaks. Food prices, particularly, have dropped sharply at the farm and wholesale levels.

Prices of imported crude oil are under downward pressure. Some other raw materials prices have dropped significantly.

However, retail food prices have reflected only a small fraction of the farm and wholesale reductions. Farm and wholesale food prices are starting to turn up again. Substantial increases may result from disappointing crops and from the demands of livestock producers for price-boosting actions by the government.

Although there is hope for slower increases and some decreases in food and fuel prices, inflation is bursting out in new directions, with accelerating price rises for a wide range of industrial and consumer goods. The administration has raised its official inflation forecast for late 1974 to 7 percent, and is bracing for 8 or 9 percent.

Independent forecasters generally line up with the administration's more pessimistic projections. Thus, the prospect is for a rate of inflation at year end far faster than previously had been considered tolerable. For all of 1974, inflation almost certainly will be in "double digits"—10 percent or higher.

Even if a few percentage points are chipped off the current inflation rate by late 1974, it is hard to be optimistic about rapid further progress. Inflation could remain in the 7 to 9 percent range, or could take off to new heights.

Escalation from normal inflation of less than 2 percent a year has been rapid.

Prices rose 3.4 percent in 1966, 3 percent in 1967 and 4.7 percent in 1968. President Lyndon Johnson, fearful of arousing antagonism to the war, refused at first to fight inflation by cutting federal spending on civilian programs or proposing tax increases. By the time he asked for a tax increase and pushed it through Congress in 1968, the price spiral had gained momentum.

That momentum pushed prices up 6.1 percent in 1969. Then, restrictive fiscal and monetary policies of the Nixon administration, which led to a mild recession, began to take hold. Inflation subsided to 5.5 percent in 1970 and an annual rate of 3.8 percent in the first seven months of 1971.

However, Nixon and the country wanted faster progress against inflation and a stronger recovery from the recession, so the President tried a short cut. He imposed price and wage controls and took other measures in August 1971 in an effort to avoid the inflationary consequences, at home and abroad, of policies to spur the economy.

Instead of using the breathing spell provided by controls to put the economy on a sound track, Nixon increased federal spending to stimulate employment and business activity as the 1972 election approached.

Nevertheless, controls seemed to be working as the inflation rate declined to 3.4 percent in 1971 and 1972. Encouraged by the record and apparently unaware of inflationary pressures bubbling below the surface, Nixon relaxed controls in January 1973.

Inflation exploded at an 8.3 percent annual rate in the first half of 1973. Rejecting the counsel of his top advisers, the President froze prices in June.

The freeze caused shortages and other economic dislocations, and it provided only a brief respite from inflation. Prices shot up at an annual rate of 22.8 percent in August, when the freeze was lifted, and have risen rapidly ever since.

Despite the freeze and the relatively tight "Phase 4" controls that followed, consumer prices rose 8.8 percent in 1973, the biggest spurt since 1947. The 1974 record will be even worse.

One big barrier to sustained improvement in inflation is the outlook for wages. Another worry is government policy.

The end of controls (except for petroleum) on April 30 probably will not make much difference directly in prices. Substantial increases to recoup costs would have been granted if controls had remained in force.

Decontrol is having a big impact on wages. Wage increases averaged a little over 6 percent during the control program, and did not keep up with the cost of living.

One representative measure of purchasing power, weekly earnings of rank-and-file workers adjusted to take account of rises in consumer prices, decreased 5.1 percent from April 1973 to April 1974. Social Security payroll tax increases took another bite out of purchasing power.

Now that controls are off, workers are pressing hard to catch up. Unions are demanding big wage increases and there are indications that non-union workers are doing the same.

"Workers and unions have been remarkably patient, but now there's bound to be a rising trend of wage increases and improved cost-of-living escalators," Nathaniel Goldfinger, AFL–CIO research director, says. "Higher wages are the basic way the average guy can protect himself."

Kenneth Rush, White House economic counselor, says, "The danger of a wage explosion is one of the real inflationary threats overhanging the economy."

Prevailing estimates of average wage increases through the rest of this year are in a range of 8 to 10 percent. If wages go even higher, the price inflation rate at year-end may exceed the current projections of 7 to 9 percent, and the nation would face "double-digit" inflation again in 1975.

Administration officials do not dispute the argument that workers would need big wage increases if price inflation continued at the recent pace. But they plead for self-restraint, even sacrifice, and urge workers to base today's wage demands on the prospect that the price spiral will abate, not accelerate.

"The important thing is not to bake short-term price movements into long-term wage agreements," Sidney L. Jones, Rush's deputy, says. "But if we stay at 10 to 12 percent inflation much longer, we would have a serious wage eruption."

Besides preaching restraint to workers, the administration is trying to stiffen management's resistance to big wage demands. In a slack economy, the administration warns, it will be hard for business to recoup excessive labor costs by raising prices.

The trouble with this strategy is that many businessmen do not believe that the administration, the Federal Reserve and Congress will resist the temptation to boost the economy by running big budget deficits and pumping up money and credit. If the government shifts to such inflationary policies, businessmen will be able to pass rising labor costs on to consumers in price increases.

Despite rhetoric about fiscal restraint, Nixon knowingly switched to inflationary budget policies to stimulate the economy in advance of the 1972 election. Now that the President has so many other troubles, businessmen doubt that he will stick to anti-inflationary policies, when Congress and the public start grumbling louder about the economic slowdown.

"Whoever does mean business (about curbing inflation) should do his best not to be interpreted as a bluffer," says William J. Fellner of the Council of Economic Advisers.

"I'm not fatalistic," business economist Alan Greenspan says, "but I can't be optimistic, on the basis of the record, that the right things will be done." (Greenspan has been asked by the administration to becomes chairman of the Council of Economic Advisers.)

Prof. Friedman is almost fatalistic. Right now, everyone is frightened by inflation and talking resolutely about restraint, he says, but if inflation drops temporarily to 6 or 7 percent at the end of this year, "there will be a sigh of relief."

"If inflation subsides and unemployment rises 6 or 6½ percent, there will be a crescendo of political pressure in Washington to do something about the slowdown," he remarks.

The government will yield to the pressure and shift back to stimulative policies, he predicts, warning that inflation may bounce back to 12 or 14 percent by 1976 and progressively higher rates later.

"The policies we follow lead to a ratcheting up of inflation," Friedman believes.

Jones, admitting he is stretching his optimism, says inflation may abate to 7 or 8 percent late this year and 6 or 7 percent in 1975. Then, he says, there could be gradual decline to 4 or 5 percent over a period of a few years—"but a lot could go wrong."

Treasury Secretary William E. Simon views 7 percent inflation as "only a way-station" leading very slowly to much lower rates, but Herbert Stein, chairman of the Council of Economic Advisers, is not confident that inflation can be kept from rebounding to new peaks.

"We could come down to 7 percent for a while, though we are not necessarily immune from the forces that have gotten some other countries into persistent double-digit inflation," Stein says. "If we escape this time it will not mean that we'll always escape. Our history is one of episodic upward movement of the rate of inflation."

After inflation subsides, he adds, "The question is whether we become impatient and pump up the economy again and get another wave of inflation before there's time to settle down to a lower rate."

Chances for reducing inflation below 7 percent are even more uncertain, he says, calling that rate "kind of a hard core" to which wages and interest rates are adjusting.

"It would be salutary to settle at 7 percent for a while so people can see it's not a one-way street," he suggests. "If we can avoid exceeding 7 percent, we can go on from there and see what we can do to get below that."

Inflation at 10 percent a year compounded would double prices in less than eight years, cutting the value of the dollar in half. At 7 percent inflation, it would take less than 11 years.

Appalling consequences can flow from that arithmetic.

Obviously, those on fixed incomes suffer most from inflation. They can buy less, so their living standards decline.

Most incomes in the United States are not fixed. Wages and salaries on the average rise every year. Social Security and welfare benefits are increased frequently, and some private pensions are adjusted.

Incomes from dividends, owner profits and rents tend to rise over the years, but they fluctuate with business conditions, which often are unrelated to inflation. Interest rates are flexible, so the income of creditors on new loans and investments generally keeps up with inflation, although interest income on old-low-rate investment falls behind when inflation accelerates.

Thus, most Americans usually are protected to a degreee from inflation. Inflation takes away some but not all of the increase in their incomes, and their purchasing power grows. But the average statistics hide millions of individuals whose incomes do not rise as fast as the price they pay, or who lose ground in particular years.

And in periods of very fast inflation, like the last year or so, most Americans fall behind.

Reactions to the loss of purchasing power vary among consumers. Some try to maintain their living standards by buying as many goods and services as before, which mean they must save less of their incomes or borrow more.

In a form of hoarding, some consumers and many businesses actually increase the quantity of purchases to beat expected price rises.

Advertising agencies are trying to exploit this psychology. Pan American World Airways, urging tourists to vacation in Europe now despite soaring fares, advertises: "A trip to Europe is either more expensive than last year. Or cheaper than next year."

The ad suggests that the tourist charge the fare on a credit card "and pay for today's vacation with tomorrow's dollars."

Speculative buying of commodities and the allure of gold—which Americans probably will be allowed to own by next year—are additional indicators of hedging against inflation. In its extreme form, hedging deteriorates into what economists call a "flight from money." When confidence in the future buying power of money collapses, consumers and investors scramble to acquire "real" assets with intrinsic value.

Panicky buying and speculation would aggravate inflation by bidding prices up. Beyond that direct effect, the fever would dry up the savings needed for loans and investments to keep the economy going. Ultimately, if money and financial assets were considered virtually valueless, the economy could break down into a barter system.

Economists see no signs that spending or speculation are getting out of hand. Indeed, there are some indications of retrenchment, which would help to curb inflation, but also could bring on a recession.

Consumers in the aggregate are spending more dollars than last year, but the quantity of goods and services purchased is lagging behind 1973. They also apparently are saving approixmately as big a percentage of after-tax income as in the recent past.

Spending is restrained partly because inflation has raised prices of essentials so high that less income is left over for discretionary buying. The average consumer has no choice but to buy less. The heavy burden of debt repayments is taking another big bite out of spendable income.

Consumers also are rebelling against high prices, notably for meat but for other goods, too.

White House economist Jones says this resistance to price increases may set up a "confrontation" in which producers would be forced to abandon the idea that they can easily increase prices to recoup rising costs and still sell all the goods they can turn out.

Perhaps the main reason for the consumer's conservative reaction to inflation is worry about the future of the economy. When hard times are anticipated, most Americans try to build up their financial defenses.

For example, some life insurance industry sources report that customers are increasing their coverage—a form of saving—in an attempt to compensate for the erosion of protection by inflation.

People save despite inflation, a leading economist says, because "even if the dollar you put aside now will be worth only 90 cents (including accumulated interest earnings) when you retire, it's better to have 90 cents than nothing."

This attitude will prevail unless the inflation rate becomes much faster than anything the United States has experienced, he believes.

The banking system and financial markets also are adapting to inflation, not yielding to it so far. Interest rates have soared as lenders have attempted to keep up with inflation, and some borrowers have been squeezed out.

Restraint on consumers and borrowers is the traditional prescription for fighting inflation. The question is whether the restraint will curb consumer and business spending enough to slow inflation, without pushing the economy into a recession.

That risk must be taken, because if inflation is allowed to accelerate it will lead eventually to a "bust" worse than a recession, a key government official says.

"It wasn't the government that ended inflation in Germany in the '20s," he remarks. "The economy just ground to a halt."

Interest—Rates and Fears Up

"If you want tight money to have an impact, it's got to be tight enough to scare people a little," Wall Street banker Guy E. Noyes says. "And when that happens you could scare them to death."

Wall Street and the rest of the money network here and abroad are very scared, suffering what probably is the worst case of financial jitters since the Depression of the 1930s.

While seasoned analysts believe the odds favor the financial system holding together, they predict tight money will cause "painful adjustments," a euphemism for a high rate of bankruptcies and an economic slowdown or recession.

They see risks of a grimmer outcome—financial disorder and a world depression that could bring political chaos.

Inflation is the root of the trouble. The Federal Reserve is trying to fight inflation by squeezing money and credit. The squeeze hurts borrowers and lenders, and is strangling some of them.

Besides general inflation, high oil prices are disrupting the international financial system.

These are some of the actual and potential consequences that frighten bankers, businessmen and economists:

Inflation makes lenders reluctant to tie up their money because they expect to be repaid with dollars of much lower purchasing power. They try to compensate for the anticipated erosion of the dollar's value by raising interest rates and may refuse to lend at all.

The Federal Reserve, fighting inflation, curtails growth of money and credit in an effort to restrain the spending that bids prices up. As credit supplies tighten, interest rates rise.

Banks encounter difficulties in obtaining money to make loans and to pay off their creditors and depositors. If a bank's withdrawals and repayment obligations bunch up and its assets cannot be turned into cash quickly, it may fail.

Savings and loan associations (S&Ls) and savings banks lose deposits because they cannot afford (and are not allowed) to pay interest rates as high as savers can obtain elsewhere.

Some borrowers cannot afford the high interest rates or cannot obtain all the credit they need at any price.

Businesses, unable to borrow fresh cash, cannot pay all their obligations and may go bankrupt.

The shortage and high cost of credit compel businesses to reduce purchases for inventories and curtail expenditures for plant expansion and modernization. As a result, current production and and long-term economic growth slow down.

Increases in payments for oil create huge international flows of money, weakening some currencies and straining the financial system.

"There are going to be some dislocations, and they're going to be painful," a top policy-maker says. "I don't know how we can control the inflation and get back to stability without some people getting hurt."

Albert H. Cox Jr., chief economist of Lionel D. Edie & Co., Inc., a leading forecasting and consulting firm, warns of a "perilous descent" from high inflation and interest rates.

The best hope for limiting the damage would be "a weak recessionary economy," Cox says. "One way or another, this thing is going to break (and) it would be a lot easier to come down from 12 percent inflation and interest rates than from 15 percent."

If the economy is relatively strong, interest rates and inflation probably will rise from current levels before breaking, he explains, while if the economy is weak, the peaks may not be much higher.

Inflation as such might not lead directly to a severe recession or a depression. Rather, inflation creates the conditions that gradually bring on an economic decline: distortions of income, spending and investment, high interest rates, tight credit, financial dislocations.

Instead of moving on a direct line from inflation to a bust, the economy could sputter, and perhaps mount brief recoveries, over a prolonged period before dropping.

Inflation and high interest rates go together.

If a lender is entitled to earn 3 percent for the use of his money—2 to 4 percent is a rough estimate of the basic interest rate in the United States—he wants to be repaid $1,030 at the end of a year on a $1,000 loan. (He will demand somewhat more to cover any unusual risks of default by the borrower.)

If he expects prices to be stable during the year, he will settle for 3 percent interest. When he is repaid, he will be able to buy $30 worth of goods and services beyond what he could have bought with his $1,000 at the start of the year.

But suppose prices rise 10 percent, so that $1,000 worth of goods costs $1,100 at the end of the year. With a repayment of $1,030, the lender could buy less that if he had spent his original $1,000.

To come out even, he would have to be repaid $1,100, requiring a 10 percent interest rate. To buy 3 percent more goods than he could have purchased for $1,000 at the start of the year, he would need $1,133, or an interest return of 13.3 percent.

Unless inflation subsides, interest rates may rise above present record highs. If inflation persists at the recent 12.6 percent pace, the lender will not be compensated by current interest rates of about 9 percent for home mortgages, 9.75 percent for high-grade corporate bonds and 8.25 percent for Treasury bonds.

Rates are influenced by what the lender expects to happen to inflation. If he expected 12.6 percent inflation to continue through the years until he is repaid, he might not invest at prevailing interest rates. He might insist on higher rates to offset the prospective loss of purchasing power.

Since lenders are investing at current interest rates, though hesitantly, they presumably expect less inflation before the loans come due, so that interest income will compensate them.

By some estimates, current interest rates are consistent with 6 to 8 percent inflation. If inflation slows to that pace, interest income at current rates will offset the loss of purchasing power and give lenders a fair return for the use of their money.

That indicates rates will not decline sharply if inflation subsides only slightly to the 7 to 9 percent range predicted by many analysts for late this year—unless there are good reasons to expect substantial further progress. Interest rates have already adjusted to approximately that kind of inflation.

Aside from the hope of slower inflation, money is loaned at negative rates of return mainly because interest rates are determined competitively by the supply and demand for credit. Inflation raises rates but does not set the exact levels.

Furthermore, alternative investments may not pay higher returns or may be riskier. Investors are better off lending at whatever rates they can get than letting money lie idle as inflation erodes its value without any offset at all.

The supply of money and credit relative to the surging demand is being squeezed by the Federal Reserve in its effort to fight inflation by restraining borrowing and spending. The Federal Reserve operates mainly by selling Treasury securities, which drains loanable funds from the banks. Through a complex web, the squeeze spreads through the economy, creating severe financial tensions.

Rumors spread intermittently that the Federal Reserve is relaxing restrain, but there is every indication that the money managers are keeping the screws tight—and may turn them still tighter.

Relaxation of restraint on the supply of credit by the Federal Reserve might lower interest rates temporarily, if lenders did not interpret the easing as inflationary. Any marked slackening of demand for credit, which could result from an economic slump, probably would pull interest rates down.

Money and bonds markets—and the stock market, which has been hit hard by tight credit—grasp at any indication that borrowing may abate.

Market interest rates declined a bit and the stock market rallied immediately after major New York City banks reported last week that their loans to business had risen less than the week before. Analysts caution, however, that one week's figures are not conclusive.

While rates will fluctuate in response to passing developments and market psychology, no sharp, sustained decline can be expected unless the economy slides into a recession or inflation subsides more than now is foreseeable. If inflation accelerates, interest rates will top current peaks.

The prime rate—the interest charged by banks on loans to their best corporate customers—has stabilized at least temporarily at a record 12 percent, after rising rapidly from 8½ percent in March. This rate is a sensitive indicator of trends in short-term interest rates generally.

Strict application of formulas pegging the prime to other rates would have raised it to 12½ percent or higher. However, some leading bankers hope demand for business loans will slacken soon, putting rates in equilibrium near current levels. They have deferred increases to see whether this expectation is confirmed.

Aggressive policies of banks have heightened their vulnerability to tight money. To increase earnings, they have pushed hard to expand lending in recent years, and they have been ingenious in tapping new sources of loanable money.

All of these innovative sources of money are short-term—banks can count on them only for brief periods. When money is tight, it is difficult and costly to "roll over" the obligations as they come due by extending them or finding fresh money.

If banks have trouble obtaining funds, they are compelled to hold down their lending. This is an objective of the Federal Reserve's anti-inflation campaign, but the squeeze could become a crunch.

When an over-extended bank cannot raise enough money to meet its obligations, it may collapse and drag down its depositors and creditors, including corporations and other banks.

Federal deposit insurance covers only the first $20,000 of each deposit, which leaves the bulk of the sensitive money uninsured.

Jitters about the banks have been intensified by the troubles of the Franklin National Bank of New York, which sustained big losses on questionable loans and foreign currency speculation. News of the losses provoked large withdrawals from the bank and made it almost impossible to roll over maturing obligations.

The Federal Reserve has kept Franklin National afloat by lending it more than $1 billion and persuading other banks to lend it money. Government officials are trying to arrange a merger of Franklin National with a strong bank.

Another recent shock was the collapse of the Herstatt Bank of Cologne, West Germany. At least a half dozen big U.S. banks face potential multi-million-dollar losses as a result of Herstatt's failure to pay off obligations.

These cases have made depositors and lenders suspicious of other banks, although government officials state that they know of no other major U.S. banks in similar difficulty. Because of the suspicions, some apparently sound banks outside the major money centers of New York and Chicago have been compelled to pay premium rates to obtain money, and some of them have not been able to obtain their full quotas.

The Federal Reserve is pledged, in its role as "lender of last resort," to protect sound banks caught in a squeeze, and Chairman Arthur F. Burns has promised to avoid a general "liquidity crunch"—a widespread inability to raise needed cash.

Nevertheless, Guy Noyes, senior vice president and economist of Morgan Guaranty Trust Co., warns that "it would take only a couple more (banks in trouble) to really get people shaken up so that a lot of banks would have trouble rolling over (obligations) . . . Whenever policy is tight there's a kind of brinkmanship."

Savings and Loan associations have special problems, which cause trouble for housing.

Unlike banks, which can be flexible, S&Ls have most of their money tied up in long-term home loans made years ago at fixed interest rates far below the present pattern.

Meanwhile, high interest rates on Treasury securities and many other kinds of debt issues are attracting savers, who are withdrawing deposits from S&Ls to switch to these investments. S&Ls with low earnings on old mortgages, could not afford to match these rates. Besides, federal regulations demanded by the S&Ls to protect them from competition, put ceilings on the rates they can pay.

S&Ls are borrowing heavily from the Federal Home Loan Bank Board, the industry's supervisory agency, to cover withdrawals and outstanding commitments for mortgage loans. They are making few new mortgage commitments, which is a big reason for the depression in housing.

Alan Greenspan, a business economist who has been asked by the administration to become chairman of the Council of Economic Advisers, believes the S&Ls are the most seriously threatened financial link.

Because of inflation, he says, interest rates are "rapidly approaching the crisis threshold beyond which the S&Ls would be hit by withdrawals amounting to tens of billions of dollars."

"The Federal Reserve's response," he predicts, "would be immediate and massive support (which) would create such an expansion in the money supply as to doom all reasonable efforts at future restraint. Such a crisis might well put us beyond the scope of any conventional solutions to our inflationary problems within this decade."

Prof. Milton Friedman of the University of Chicago also predicts the government will "bail out" the S&Ls in an inflationary manner, probably by paying them about $10 billion of subsidies so they can raise interest rates on deposits to competitive levels.

High interest rates and tight supplies of credit are starting to restrain business activity, as intended, although there is no convincing evidence yet that the squeeze is curbing inflation.

At 6 percent interest, it may be profitable for a company to build up inventories and purchase new machinery and equipment. At 12 percent or higher the profitability may vanish, so planned outlays may be cut back.

The theory is that marginal spending will be weeded out, while the most profitable and therefore presumably most worthy expenditures still will be financed adequately.

Some categories of essential borrowers have been hurt badly. Electric utilities, especially, must pay sharply escalating interest costs on new bond issues. Investors are worried that utilities will not be able to repay debts because state regulatory agencies are lagging in raising the rates charged by utilities enough to cover soaring fuel costs.

Increasing numbers of corporations have postponed or canceled planned bond issues because of prohibitive interest costs. Local governments also have deferred bond issues.

Reluctant to commit themselves to paying current high interest rates over the 30 years of a typical bond, many corporations are trying to raise money temporarily through short-term borrowing, which means they must borrow more often.

This is not cheap or easy, either. Corporations traditionally borrow large sums of short-term money by selling commercial paper—a form of promissory note—largely to other corporations. It now is difficult or impossible for corporations with less than a prime credit rating to sell commercial paper.

Frozen out of the bond and commercial paper markets, corporations are lining up for bank loans. Many of them are rejected or their loan requests are scaled down.

Caution by lenders is sensible but some of them are forgetting that normal business risks must be taken, says Robert V. Roosa, partner in Brown Brothers Harriman & Co., a leading Wall Street banking firm.

If the squeeze gets much tighter, some analysts fear, many sound companies may be unable to pay their debts or finance operations. There could be a wave of bankruptcies, with debtors dragging down their creditors.

The Federal Reserve would act to relieve such a liquidity crunch, but once a crisis started it would be impossible to avert serious damage. And the rescue would require a sharp expansion of money and credit, fueling inflation.

Just the threat of a liquidity crisis is leading many corporations into defensive tactics. Unsure of their ability to raise cash, they are holding down purchases for inventories and reviewing planned outlays to expand and modernize.

International financial instability creates additional complications. Huge oil price rises are increasing the revenues of the oil exporting countires by perhaps $60 billion this year, and draining the same amount out of importing nations. The money flows are unsettling.

Most of the oil exporters cannot quickly spend all of their swollen revenues, so they are lending and investing the excess abroad. This money is flowing back to the oil importing countries, directly or indirectly. In effect they are buying the oil on credit.

This "recycling" of oil money may not go smoothly, however. The money will not be loaned or invested in exact proportion to the oil payments of importing countries. Poor countries, particularly, cannot compete for loans and investments, and could not afford to repay loans at market interest rates in any case.

International financial leaders are trying therefore, to redirect the oil money where it is needed. The outcome is in doubt.

Most of the oil money flows initially through the "Eurocurrency" market, a network of banks that accept deposits and make loans of dollars and other currencies issued ouside their borders.

The Arabs prefer to keep their oil revenues, mostly dollars, in short-term Eurocurrency deposite. To help importing countries pay for oil, Eurocurrency banks lend the Arabs' money mainly at intermediate terms of about five to seven years.

This pattern is risky. Sudden withdrawals of the Arab's deposits or defaults by the borrowers could catch the banks short of cash. The huge amounts of the money flows are straining the capacity of the Eurocurrency market.

Some analysts warn of domino-like bank failures. Since many of the Eurocurrency banks are affiliates of U.S. banks, virtually all of them deal with banks here, American banks could be dragged down by bank failures abroad.

There has been progress in managing the flows of oil money, however. The Arabs are starting to relieve the strains by lengthening the time of their deposits and diversifying their loans and investments. Increasing amounts of the Arabs' funds are flowing into the U.S. money and capital markets. Investments in U.S. Treasury issues are expected.

No Easy Economic Options

Government policy-makers, struggling to rescue the economy, have used up all the safe, easy options.

They can fight hard against inflation by holding the economy down, risking a recession or worse.

Or they can bolster the economy, risking an escalation of inflation.

President Nixon is trying to find his way along a third path—hoping that mild economic restraint will reduce inflation gradually, while still permitting moderate growth of production and employment. This compromise policy can be dangerous, too.

At best, it would bring several years of sluggish economic activity, with inflation persisting at a pace far above normal for the United States.

The compromise could misfire, pushing the economy from sluggish growth into a recession. And it may be too late for mild economic restraint to bring inflation under control.

"It's a tragedy that we've gotten ourselves to a situation where the only tradeoffs are terrible or more terrible," says Alan Greenspan, a conservative business economist who is in line to become the new chairman of Nixon's Council of Economic Advisers.

Greenspan favors stringent anti-inflation policies, with a tight federal budget and tight credit, despite his concern that severe financial dislocations might result.

"We don't have the alternative of a simple easy solution to bring ourselves back to noninflationary normality," he says. "We did have that alternative but it's been dissipated, lost as a realistic option."

Arthur M. Okun of the Brookings Institution, a liberal who was chairman of the Council of Economic Advisers in the Johnson administration, believes budget restraints should be loosened but endorses the Federal Reserve's tight credit policy.

Okun even considers the case for an extreme credit squeeze to get fast results in checking inflation.

"If we could have a controlled panic, we could wring out the speculative excesses," he says. "There would be bleak headlines for a couple of weeks, but we could have quick disinflation instead of hanging in there for two years with 6 percent unemployment.

"But that's playing with fissionable material. Setting off a controlled explosion is a tricky thing. I hope they don't try to fine-tune the panic."

Nixon's tone is reassuring, not panicky. Indeed, he sees economic problems as offering an opportunity to show that he can control events, despite the Watergate scandals.

Attempting to demonstrate his capacity to function, he is conducting well-publicized meetings with economic advisers, businessmen and others. He plans a speech to the nation on the economy next week.

The flurry of activity has yielded little substance, and has not overcome the impression that the administration is groping for economic remedies. Businessmen and economists complain that lack of leadership is undermining confidence.

Apart from the merits of economic policy arguments, Watergate creates doubts about the President's political resources for pursuing the policies he believes will work. It may be even more difficult than in the past for him to obtain congressional cooperation in controlling government spending and taking other action against inflation.

He did defeat a move by Senate Democrats to cut individual income taxes, but pressure for tax reductions may grow. And if Nixon decided a tax increase or other tough meaasures were required, his prospects would be dim.

Fearful of losing, he might avoid bold initiatives.

After experimenting with price and wage controls in the hope of escaping the inflationary consequences of big budget deficits and easy credit, the administration has proclaimed its return to orthodox policies for stabilizing the economy.

The slogan is "old-time religion," meaning curbs on deficit spending and on expansion of money and credit, which can fuel inflation.

The announced budget target is a $5 billion reduction of the $305.4 billion spending total and the $11.4 billion deficit estimated for this fiscal year, and a balance of outlays and revenues next year.

Federal Reserve policy aims at curbing expansion of money and credit in order to restrain inflationary spending by the public.

"We intend to deal with this old-fashioned disease with old-fashioned remedies for the simple reason that there are no new ones that work," Kenneth Rush, Nixon's economic counselor, declares.

"These are painful remedies and they take time. But we know they work . . . We will fight the inflation on the monetary and fiscal line no matter how long it takes."

Not all economists agree that fiscal (budgetary) and monetary restraint can help much to control the kind of inflation now plaguing the United States, unless the squeeze is so severe that the economic damage would be intolerable.

Walter W. Heller of the University of Minnesota, who was chairman of the Council of Economic Advisers in the Kennedy and Johnson administrations, sees wages as the main source of inflationary pressure from now on. Fiscal and monetary tightness can curb inflation resulting from excessive spending, but have little impact on wage settlements, he argues.

While "reasonably rigorous" fiscal and monetary policies make sense, Heller criticizes the "hard as nails" line taken by Federal Reserve Chairman Arthur F. Burns.

"King Arthur and his knights of the monetary round table have carried things too far," he objects. Tight credit threatens to make the economy so sluggish that productive efficiency would suffer—raising costs and aggravating inflation, he warns.

Heller favors "guideposts" for reasonable prices and wages, relying mainly on publicity to hold down excesses, but also providing government authority to roll back "flagrant" increases.

Otto Eckstein of Harvard University, who served under Heller on the Council of Economic Advisers, also contends that Federal Reserve policy should be relaxed because the risks surpass the potential benefits in checking inflation.

Eckstein says the computerized economic "model" operated by his forecasting firm, Data Resources, Inc., demonstrates the dangers of relying heavily on monetary and fiscal restraint. To slow inflation to 4 percent annually from the recent 12.6 percent, the computer estimates, the unemployment rate would have to rise from the current 5.2 percent to 8 percent and stay there two years.

That would be "overkill," Eckstein says, warning that "the financial system would collapse before we cracked inflation." The reasonable course would be to settle for slower progress against inflation to minimize the recession risks, he urges.

Administration officials disagree among themselves about the impact of budget restraint on inflation.

Treasury Secretary William E. Simon crusades for budget cuts as the heart of anti-inflation strategy. Roy L. Ash, director of the Office of Management and Budget, is skeptical about whether the planned $5 billion reduction can be achieved.

Ash, a rival of Simon, estimates that the cut if accomplished would trim only 0.1 percent from the inflation rate, although he concedes it would have psychological benefits.

The administration's ambivalent rhetoric raises questions about how resolutely Nixon will stick to restrictive policies.

Official talk about "painful" adjustments, "slack" in the economy, and labor markets that are not too "tight." They are reluctant to translate these generalities into explicit consequences of restraint: business failures, sluggish economic growth, unemployment.

They avoid specifying whose favorite spending programs will be sacrificed to austerity, and they reject the idea of tax increases.

Spartan declarations are leavened with assurances that things will not be so bad.

Rush, pledging to avoid a recession, says the policy is "moderation not asceticism," and Simon emphasizes that "we're not talking about slamming on the brakes."

Nixon claims that "the worst (of inflation) is behind us."

"We've had enough of rhetoric—it's destroyed our credibility," a key policy-maker warns.

Officials admit they are not sure the present spirit of determination can be sustained—in the administration or in Congress—if inflation abates slightly or unemployment rises substantially.

Because the public now is outraged by inflation, Simon says, "I'm finding for the first time the political will (to stick to restraint). Let's see how long it lasts."

The Federal Reserve faces the most immediate pressures to relax its tight policies. Banks and businesses are encountering serious difficulties in raising needed cash. Many analysts are worried about widespread bankruptcies and even a money panic.

Chairman Burns pledges that the Federal Reserve will not permit a "liquidity crisis," but experts disagree on how close the money managers have moved to the brink. Burns' tough talk suggests that he is prepared to take considerable risks before relenting.

Burns, who is legally independent of the administration, favors cutting the budget $10 billion, double Nixon's target. The Federal Reserve is skeptical about the President's fortitude. Some administration officials have accused Burns of passing the buck for the Federal Reserve's past failures to control inflationary growth of credit.

Nixon's record of vacillation makes economists wonder whether he will waver again. He has shifted back and forth between "free market" policies and controls. As recently as February, he was talking about contingency plans to increase spending if the economy weakened.

Frederic V. Malek, deputy budget director, said then that the President would "burst the budget" if necessary to prevent a recession.

If the administration, Congress and the Federal Reserve waver, hard-liners fear that inflation will get almost completely out of control. Increased federal spending and easier credit might temporarily relieve financial tensions and boost the economy, but would only postpone the reckoning and make the shock worse, they warn.

Unless inflation is checked it will accelerate, these advocates of stringent policies say. They predict faster inflation would break down the financial system and bring a severe economic decline.

Milder measures, if taken in time, could have put the economy on a sound track, but now it is too late for easy remedies, Greenspan says, warning against further temporizing.

"Going back about a decade, we've adopted a plethora of short term crisis solutions," he says. "They have helped in the short term but created longer-term problems—and now we find ourselves in the longer term. I've always worried about what would happen when the books eventually were balanced."

Even resolute pursuit of Nixon's brand of moderately restrictive policies may not be adequate, according to some economists. They advise a harsher crackdown, even at the risk of a recession.

Nobel economist Paul A. Samuelson of the Massachusetts Institute of Technology, and probably the majority of economists, reject this course as politically impractical.

The public no longer will accept high unemployment, Samuelson says, warning that excessively harsh policies would produce a backlash. "If you tighten money too much in the short term, political pressures will lead you to loosen money in the long term," he says.

Secretary Simon, too, argues that a recession must be avoided for strategic reasons, among others. If stringent policies push the economy into a recession, he says, it will be impossible to resist demands for stimulative fiscal and monetary policies, which would aggravate inflation.

Sidney L. Jones, Rush's deputy, notes the risks of frequent shifts of policy, whether toward ease or restraint. A steady course is best he says, because "if you combine volatile policies with volatile events you really get chaos."

International disruptions created by high oil prices are a growing influence on the domestic economic policies of the United States and other countries.

Faced with huge increases in payments for oil, many countries are compelled to reduce imports of other goods. At the same time, a natural response is to push hard to sell exports in order to earn the money to pay for imports.

This could lead to import barriers, export subsidies and trade wars of the kind that deepened the Depression of the 1930s.

In addition, there is an incentive to adopt tight fiscal and monetary policies. By suppressing the public's spending power, governments can hold down demand for imports and make more domestic production available for export.

Aggressive trade practices and restrictive domestic policies could lead to a cumulative, spreading world recession.

"That could happen if each country acted as if it were alone," Chairman Herbert Stein of the Council of Economc Advisers acknowledges. However, he says, there is every indication that the dangers are understood and international cooperation will prevail.

It would be self-defeating for all the oil-importing countries simultaneously to curb imports and spur exports in an effort to offset payments for petroleum. Instead, there is broad agreement in principle that most oil-importing countries must accept trade deficits and borrow to cover the gap.

Leading industrial countries have pledged formally to avoid new trade restrictions that would alleviate their oil payments problems at the expense of other nations.

Most of them have adopted restrictive economic policies to curb domestic inflation. But the restraints generally are moderate, which minimizes the risk of worldwide stagnation—but also may impede the international campaign against inflation.

THE DOMESTIC OIL INDUSTRY

Mr. BROCK. Mr. President, in November of 1973 the Congress authorized the Federal Government to interfere with the workings of the petroleum market in a manner unprecedented in peacetime. Of course, I refer to the passage of the Emergency Petroleum Allocation Act of 1973. Many felt that the extraordinary events of last fall justified such a draconian measure; others disagreed vigorously with this assessment.

However, I think that there is now broad agreement on the fact that the situation in the market for petroleum products has changed considerably since last fall. Domestic drilling activity is up. The embargo is over. Most importantly, the American people have responded to the call for energy conservation with tremendous cooperation.

With all these changes in the market since last fall, there is legislation pending which would extend the Emergency Petroleum Allocation Act for another 14 months. Mr. President, all of us here have seen the folly of trying to control the marketplace. The distortions and dislocations that Government controls cause have been well documented. Controls tend to subsidize one part of the industry at the cost of another.

Mr. President, I would like to share with my colleagues a letter I sent to Mr. John C. Sawhill, Administrator of the Federal Energy Administration, on the subject of more controls for the domestic oil industry.

I ask unanimous consent that it also be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 25, 1974.

Hon. John C. Sawhill,
Administrator, Federal Energy Administration, Washington, D.C.

Dear John: It is with increasing alarm that I view the movement to place more controls on the domestic oil industry. Already legislation has been introduced in the Congress which would extend the Emergency Petroleum Allocation Act thru June of 1976. In addition, there have been calls for the establishment of a price allocation system for crude oil.

I realize that these actions reflect a very real concern for the competitive position of the independent sector of the industry. I share this concern and know that you share it as well. However, I seriously question whether the long run interests of the independents or the nation are best served by continued government intervention in the marketplace.

I know that many fear some independents will be squeezed out, once allocation is ended. This must not happen, and I believe that the Federal Energy Administration, the Federal Trade Commission and the Department of Justice possess full authortiy under existing statutes to prevent this from occurring. However, the preservation of the independent's share of the market should not be interpreted to mean the preservation of an absolute status quo. Individual businesses must be free to enter and leave the market as economic conditions dictate.

My mail reflects the division of opinion now existing among independents over the question of decontrol. But I firmly believe that once all the facts are known, independents, who have prospered in the market as a result of greater economic efficiency and business acumen, will unanimously support an end to all controls. I believe that it is the responsibility of the Federal Energy Administration to ensure that all the facts are presented.

Your public statements reflect your commitment to a free market. I share this commitment with you and urge you to do everything possible to see that the nation returns to a free market for oil as quickly as possible.

Very truly yours,

BILL BROCK.

MATERNAL AND CHILD HEALTH CARE

Mr. MONDALE. Mr. President, on July 25, I submitted testimony before the Senate Appropriations Committee about the urgent need for increased support of the maternal and child health program authorized by title V of the Social Security Act. Since the inception of the programs under this title, millions of American mothers and children have benefited enormously. These programs have made it possible for many expectant mothers to receive prenatal care for the first time; and for many youngsters to receive good health care in the crucial early years.

These programs are preventive in nature and are tremendously cost-effective and they deserve our maximum support.

Among other persons testifying before the committee was Dr. Fred Seligman, Director of the Division of Comprehensive Health Care, and associate professor of pediatrics and psychiatry at the University of Miami School of Medicine, Miami, Fla. He is also the chairman of the Association of Children and Youth Project Directors. His testimony outlines the success of these programs and details, as well, the need for increased Federal commitment in these areas.

I request unanimous consent that my statement and Dr. Seligman's statement be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY OF FRED SELIGMAN, M.D., M.P.H. ON THE SUBJECT OF MATERNAL AND CHILD HEALTH APPROPRIATIONS

INTRODUCTION

Mr. Chairman and members of the Subcommittee on Labor, Health, Education, and Welfare. My name is Fred Seligman, M.D., M.P.H., Director, Division of Comprehensive Health Care, Associate Professor of Pediatrics and Psychiatry at the University of Miami School of Medicine, Miami, Florida. I am Chairman of the Association of Children and Youth Project Directors. In this capacity, I represent the staffs of the sixty-eight established Children and Youth Projects throughout the United States, the many such Projects just commencing, and the more than one-half million children and youth served by these programs. I am also representing the Maternity and Infant Care Project Directors.

My remarks are also on behalf of the Ambulatory Pediatric Association, a national association of more than 700 professionals primarily from the discipline of Pediatrics. This Association is the major organization that is concerned with medical education and health services to children in the outpatient setting.

Mr. Chairman, I appreciate the opportunity to present our views concerning fiscal year 1975 HEW appropriations for Maternal and Child Health Programs, and to present to you testimony concerning the status of the extraordinarily successful special project grants under Title V of the Social Security Act. We will limit our comments primarily to the appropriations relating to Sec. 516 of Title V.

The wisdom of the House Ways and Means Committee and the Senate Finance Committee in developing the special project grants of Title V, and the subsequent fiscal support of both this Subcommittee and the House Subcommittee on HEW Appropriations have had meaningful impact on the delivery of needed health services to more than one million pregnant women, infants, children and teenagers.

SUCCESS OF SPECIAL PROJECTS

The accomplishments of the special projects have been extensive and have been well documented. Infant mortality rates in geographical areas served by Maternity and Infant Care Projects have been significantly reduced. These Projects have been so successful in this regard, that it is easy to forget that in the not too distant past, there were target areas, especially urban, with inordinately high infant mortality rates. Children and Youth Projects have developed an extraordinarily successful reporting system that has documented decreasing costs of care per patient and significant reduction in rates of hospitalization.

BASIC TO A NATIONAL HEALTH PLAN

The special projects have emphasized comprehensiveness, quality control and evaluation. Cost benefits, community involvement and educational spin-offs have been great. The special projects have laid a framework on which a National Health Plan can be built. Indeed, many of the prominent legislative proposals for National Health Insurance now being considered by Congress build upon the existing Title V programs.

LINKAGES TO OTHER ORGANIZATIONS

As much as local options and funds have been available, the special projects have attempted to develop linkages to other health organizations. Special projects such as the Children and Youth Project at Brooklyn Jewish Hospital have developed services for adults utilizing neighborhood health center funding. The University of Miami program has a contractual agreement to provide health services to Headstart children. The Greensboro, North Carolina Children and Youth Project is one of many special projects that has received funds from the Department of Agriculture to operate a supplemental feeding program. Some special projects are linked to Title V University Affiliated Centers such as the University of Washington program in Seattle that specialize in mental retardation, handicapping conditions, and growth and developmental problems. Most special projects have linkages to Title V Crippled Children's Programs. Others relate closely to drug rehabilitation programs, community mental health centers and other specialized programs. Children and Youth Projects are linked to other Title V Special Projects—Maternity and Infant Care, Family Planning, and Neonatal Intensive Care Projects.

TRANSITION TO STATE AUTHORITY

This past year has been and continues to be a difficult time for the special projects, especially those projects which exist in highly urban states such as Florida, Illinois, Massachusetts, New York and Pennsylvania, because of the transition of special project grants from federal to state authority.

INCREASE IN NUMBER OF PROJECTS

Because of the transition of special projects to formula grants, the number of Children and Youth and Maternity and Infant Care Projects commencing July 1. 1974, have actually increased in number. All states will now be required to operate at least one of these projects, along with the three other special projects—namely, Dental Projects for Children, Intensive Neonatal Projects and Family Planning Projects. In fact, as of July 1, 1974, one hundred and sixty-two new special projects have been initiated. The number of new projects is actually greater than the some 150 special projects previously in existence.

HOLD-HARMLESS PROVISIONS

On June 30, 1973, mindful of the problems of transition of authority, Congress passed PL 93–53 amending Title V by adding a new Section 516. I need not remind this Subcommittee that PL 93–53, Sec. 516 (a) (1) (A) authorizes hold-harmless legislation for the population groups previously being served by special projects, and Sec. 516 (b) (1) (A) authorizes the appropriations to implement this, commencing in fiscal year 1975.

ADMINISTRATION REQUEST IS UNSOUND

Currently, the Administration has recommended $7 million be appropriated for the 1975 supplemental provisions of Sec. 516. Positively, the Administration has made available an additional $10.4 million of previously impounded funds solely, of course, for 1975. However, the Administration has not changed the 1974 supplemental funding recommendation. While $7 million in Sec. 516 supplemental funds was adequate in fiscal 1974, this is entirely inadequate in fiscal 1975. Firstly in 1974 States were not ready to implement the required new projects. Secondly, money was appropriated so late in fiscal 1974 that any sizable increases could not have been spent effectively or prudently.

In fiscal 1975 the situation is entirely different. Firstly a different group of States come under the hold-harmless provision of 1975.

Secondly, all States are now ready and able to commence the additional special projects required by law. A minimum of 250 special projects are required by PL 93–53. Thirdly, special projects already are deficit spending and awaiting your increased supplemental appropriations.

According to HEW estimates, estimates of which this Subcommittee is well aware, $36 million of additional funds have been deemed necessary to implement the hold-harmless clause in fiscal 1975. According to the Administration request this would leave a shortfall of $18 million to $19 million simply to maintain harmless those projects already in existence. Further, we disagree with the Administration's recommendation that the short-fall of the hold-harmless provision be alleviated by transferring $18 million from Sec. 503 (general funds) to Sec. 516. Yesterday, I was urged by our county manager's office to tell you today that the county cannot fiscally afford to support these programs, and further its support of what I say to you today.

LET'S IMPLEMENT THE SPIRIT OF PL 93-53

We strongly believe that this is not within the spirit and intent of PL 93-53. We do not advocate compromising the needed formula funds which are required for Sec. 503. We do not recommend robbing Peter to pay Paul. We judiciously ask that this Subcommittee appropriate the minimum amount required to hold-harmless the special projects already in existence. This amount is $19 million. Moreover, this level must be appropriated within Sec. 516 so that the money cannot be siphoned from the special projects for other use. Such action by this Subcommittee will underscore Congress's will and intent of implementing the spirit of PL 93-53.

EFFECT AT STATE LEVEL

This Subcommittee must understand what effect its appropriations will have at the State level. By increasing the appropriation level of Sec. 516, enough money will potentially be available to maintain the funding level of the already existing special projects. However, it does not meet State fiscal requirements of beginning the new projects required by law. The State of Florida—my home state—is an example.

Florida currently has in existence 5 Maternity and Infant Care Projects and 2 Children and Youth Projects. The money this Subcommittee may appropriate through Sec. 516 is intended to hold these 7 projects harmless. However, Florida must commence 3 additional projects, namely a Dental Project, a Family Planning Project and a Neonatal Intensive Care Project. Faced with inflationary demands for its Formula A and Formula B funds, the State of Florida must not only attempt to maintain its generalized maternal and child health programs at 1974 levels but find at least an additional $300,000 to commence these 3 new special projects. This money must come from Sec. 516, at the expense of the projects already in existence.

EFFECT AT THE LOCAL LEVEL

Our own Children and Youth Project at the University of Miami School of Medicine, received $765,000 in fiscal 1974. Because Florida must begin 3 new special projects and is faced with increased fiscal demands of operating its ongoing general maternal and child health programs, our project allotment for fiscal 1975 (made up of Formula A funds, Formula B funds and supplemental funds) is $571,000. This is a budget reduction of 25%, in spite of cost of living increases. Discounting already available Title XIX and other funds, we require an additional $350,000 to maintain our current level of service to more than 7500 patients. We have submitted budgetary requests to Dade County and the City of Miami. We have projected that if funds do not become available very soon, we will have to discharge 3000 patients, and not enroll an additional 1200 patients that we would otherwise be able to enroll during the next year. We will also have to terminate the services of approximately 30 professional and para-professional full-time equivalents out of our total staff of 80.

As of this date, Dade County and the City of Miami have not given us a definite response. The value of the program is unchallenged. The problem is how the City of Miami and the County of Dade can find the money necessary to subsidize our program and a second Children and Youth Project in Dade County as well as the Maternity and Infant Care Project which have also asked for local help.

EFFECT ON PROFESSIONALS

Rather than take hasty action and terminate staff and patients, the University of Miami program has been deficit spending since July 1st. We have chosen to do this because we do not want to destroy an already established organized and efficient delivery system. Additionally, we feel very strongly that once we lose our excellent and dedicated professionals, we will have great difficulty in replacing them. Title V special projects were initially developed in a manner whereby the professional could have faith in program longevity and effectiveness. These projects attracted professionals, many young, idealistic, and well-trained, who chose to go directly from training into public service rather than to go into the private sector. These programs attracted other dedicated and very capable professionals from the private sector who gave up lucrative private practices to serve the lower socio-economic sector of children with salaries only a fraction of private practice incomes. These professionals deserve your on-going support. I have appeared before your Subcommittee and your companion Subcommittee in the House almost yearly to speak on behalf of the mothers, children and families who are served by these programs and the professionals who work in the programs. These professionals do not necessarily depend upon these programs for economic survival or professional flourishment. However, lack of quick action by your Subcommittee will simply hasten their permanent departure to the private sector.

An exodus of qualified professionals, who do not have the confidence of program continuity, has already begun in special projects. Many special projects do not have project directors. Some professionals are transferring to those states that will be developing new special projects and do not have short-falls. Sponsoring institutions do not have the necessary financing to subsidize these programs. My own institution, the University of Miami can do no more than it already has, namely relinquishing its indirect costs of operation. Instead it has opted to allow this money to go directly for patient care. It is because of the unique support to our program by my sponsoring institution, by my pediatric department chairman, W. W. Cleveland, M.D., and by my dean, Emmanual Papper, M.D., that our Program uniquely survives, delivering exceptional quality preventively oriented health care. It is because of such unique support including invaluable Congressional support that I am one of the longest surviving Children and Youth Project Directors who is now in his sixth year as a Project Director.

OUR POSITION CONCERNING SEC. 516

We are aware that the House Subcommittee on HEW has approved a $19 million increase in Sec. 516 for a total MCH appropriation of $284 million. This however, does not take into consideration the requirement of beginning 162 additional special projects which will cut into the ongoing operating budgets of both formula and supplemental fund programs. Based on an estimate of $500,000 per new special project, $81 million will ultimately be required to develop the 162 special projects that the legislation requires. We propose phased funding, appropriating at least one-half of the total amount required in this fiscal year so that all projects can operate effectively. This requires an additional $40 million. This must be appropriated as supplemental funds within Sec. 516 so that States will be forced to utilize these funds for special projects which, after all, is the intent of the legislation. Project directors are fearful, that unless adequate funds are made available through Sec. 516, the special projects will be compromised. States have first made sure that generalized ongoing maternal and child health programs be given first dollar for program operation. Maximizing the supplemental appropriations in Sec. 516 would be the major way to protect against this event. This would also allow the States to reach as close to their 1974 appropriations as possible, even though the hold-harmless legislation is based on 1973.

So that States would have adequate funds to operate already existing general programs we advocate an additional $10 million in Sec. 503 for general maternal and child health programing, an increase of $10 million for Crippled Children's Funds, and an increase of $6 million for maternal and child health research and training. This would be a total maternal and child health Title V appropriation of $350 million. This is consistent with the dollar figure that Senator Walter Mondale has indicated to me that he will recommend to this subcommittee when he appears before you at a later date.

ADDITIONAL RECOMMENDATIONS

We wish to additionally share with you our concern for the gradual deterioration in the quality and quantity of Maternal and Child Health professional staff, both on the Federal and Regional level. Maternal and Child Health which like Family Medicine focuses on the entire family with, however, an emphasis on prenatal, natal and child developmental stages, is a specialty that requires specialized knowledge and a unique approach. Having single "MCH focal point individuals" who are frequently non-physicians at the Federal and Regional level is not adequate. For example, the turn-around time in communications between our project and the Regional Office in Atlanta has increased threefold.

Further, since PL 93-53 is based on 1973 appropriation levels, we wish to point out that clarification is needed so that the 1973 level is calculated on the 1973 annualized budget rather than the fiscal year budget. Florida, for example, received more than $1/2 million of funds during fiscal 1973 from fiscal 1972 monies. To not include this amount is arbitrarily depriving and being unfair to certain States.

We thus propose that the hold-harmless clause be based on annualized 1972 budgets and not on fiscal 1973 budgets.

CONCLUSION

Mr. Chairman, the Association of Children and Youth Project Directors have fought continuously year by year for the survival of these programs. Many of us have spent inordinate efforts in maintaining financial solvency rather than spending our time developing even stronger program operations. We seek and need your support. We ask you to appropriate not only the additional $19 million—as recommended by the House—required to hold-harmless the special projects already in existence, but also to appropriate an additional $40 million in Sec. 516 for a total supplemental appropriation of $65 million so that new special projects can be started, and in this manner the already existing projects can be held harmless. We also request minimal increases in other program support with a total Maternal and Child Health funding request of $350 million.

All of us at the operational level wish to once more move forward in our mission of providing quality services to low income mothers and children. We ask you to appropriate sufficient funds to allow all Maternal and Child Health Programs, general and special, in all states, urban and rural, large and small, to maintain the delivery framework that has been developed, so that we can ultimately merge into a Comprehensive National Health Plan.

We are in great desire of this Subcommittee's continued commitment to maternal and child health. This is urgently needed. This can be accomplished by immediate affirmative action by your subcommittee as we have recommended. Time is just as urgent as the level of funding. Unless your Subcommittee recommends quick affirmative support, programs like ours at the University of Miami will have to drastically curtain operations. If we continue at our present rate of deficit spending, we will not have enough funds to survive the entire fiscal year.

Thank you.

Testimony of Walter F. Mondale

Mr. Chairman, I appreciate this opportunity to testify before you on the 1975 appropriation for the maternal and child health programs authorized by Title V of the Social Security Act.

For several years I have taken a special interest in these programs because I believe they are among the most successful and cost-effective that Congress has ever created. They meet a clearly demonstrated need with a modest appropriation; and they form a strong nucleus for a future child health care system in this country.

Child health is rapidly becoming a national scandal. A recent network television show and a series of articles which appeared in "The Reader's Digest" have brought to the attention of the public what many of us have known for years: We have the technology to save the lives and preserve the health of millions of American mothers and children . . . but we lack the commitment necessary to get the job done. What I find shocking is that even when Congress sets up the programs—such as maternal and child health and the early screening program under Medicaid—bureaucracy and a skewed system of priorities prevent their full implementation.

This subcommittee has been most generous in supporting such programs. Despite the lack of commitment by the Administration, Congress has voted increased funding for Title V in recent years. Many mothers and children and many national organizations are depending on your continued support now. The American Academy of Pediatrics and the National Council of Organizations for Children and Youth are among the groups which support my testimony here today.

The first point I'd like to make is that there is a need not only to continue, but to expand the maternal and child health programs.

For example:

Despite our advanced technology, 13 nations have lower infant mortaility rates than the U.S.

A recent HEW study of 40,000 households—including middle class families—found that 29 per cent of the children had not seen a doctor for a year.

An estimated 12 million children in this country don't see a doctor in the course of a year.

The U.S. Center for Disease Control reports that only 43 per cent of pre-school children in inner city areas were immunized against polio; only 55 per cent were immunized against measles, diphtheria, whooping cough and tetanus.

It is estimated that 200,000 children are born blind or deaf, or with muscular dystrophy or impaired hearts—as a result of inadequate prenatal care or care at birth.

We know that the existing maternal and child health programs do work. They get at exactly the types of problems I mentioned above. In some areas, the results have been phenomenal:

In the maternity and infant care project in Baltimore, the infant mortality rate has decreased one-third in 8 years—from 30 deaths per 1,000 live births in 1964 to 20.4 in 1972.

Statistics on one Florida county's program show that infants served by the maternity and infant care project had a 70 per cent lower average mortality rate than those who were not in the project.

Youngsters served by children and youth projects have drastically reduced their rate of hospitalization—from 7.7% for the caseload in 1968 to only 4.1% in 1970.

I mention the reduction in hospitalization rate because it points up to other important reasons for increasing support of maternal and child health programs.

First, these are preventive programs. Children who receive good prenatal care and good medical care in their early years are healthier adults. The Academy of Pediatrics estimates that 10 to 20% of all youngsters in this country suffer from chronic handicapping conditions. We know that these are conditions which seriously hamper an adult from participating in our society—and often from earning wages necessary to support himself and his family.

Yet the Academy also estimates that at least ⅓ of these handicapping conditions could either be corrected or prevented by appropriate care during the pre-school years. Comprehensive care through age 18 would prevent up to 60% of these conditions.

The children and youth projects have further demonstrated that good health care is one of the best investments we can make. Hospitalization, of course, is the most expensive component of medical care in this country. Reduction in hospital admissions means a reduction in medical costs.

At the same time that these projects have reduced the hospitalization rate, they have also reduced the cost of maintaining the health of the children involved. The annual average per capita cost of caring for a child in these projects was only $130 in 1973. This is down from $200 per child in 1968; and compares with a cost of $301 paid by the government for each child who receives care through the Medicaid program.

This cost effectiveness runs through the various efforts carried out under Title V. One study shows that in one Baltimore community alone, an estimated $100,000 was saved by reducing the rate of rheumatic fever—and subsequent hospitalizations—in the target area.

Despite the cost effectiveness of the maternal and child health programs, inflation has taken its toll. As I am sure you know, medical costs have gone up 35% in the last seven years.

In the state of Washington, the budget for crippled children's services was increased by 29.5% in 1973 from state and Medicaid contributions. But, according to HEW, "no significant increase is expected in the number of children served because of the rising costs of medical and hospital care."

If these programs are not provided with increased funds, they will find it impossible to continue providing quality care to the mothers and children they serve now, and there will be no funds to develop programs in emerging areas of concern such as care for infants of drug-addicted mothers and Sudden Infant Death Syndrome.

A survey by the Academy of Pediatrics highlights some examples of the effects of funding shortages:

In New Mexico, services were cut back as of March to cover emergencies only,

In Washington, case loads are limited due to increases in costs; and the program lacks resources needed to care for catastrophic or long term handicapping conditions,

In Montana, surgery for 20 children—including 5 with cardiac conditions—has been postponed;

In several states, care is simply not provided for children with cardiac problems or malignancies.

For all of these reasons, I come before you today to request that the Title V programs be funded at the level of $350 million in 1975. I am pleased to see that the House has recognized the severe needs of the children covered by Title V and provided $284 million—an increase of about $40 million over the current level—in its recommendation.

The request I put before you today is designed to work toward several goals:

1. Combatting the inflation which is eating away at the effectiveness of existing programs,

2. Providing support for the statutory requirement that, in 1975, each state develop a program of projects in five areas—maternity and infant care, children and youth, dental care, intensive newborn care, and family planning,

3. Providing support for the statutory requirement that children and mothers previously cared for under the special project authority will continue to receive care even though funding will now be channeled through state health departments,

4. Maintaining and strengthening an existing child health delivery system which can be integrated into whatever form of national health insurance Congress approves.

I would recommend to the Subcommittee that the $350 million be apportioned among the various Title V programs as follows:

$210 million into Sec. 503, the formula grants,

$25 million into Sec. 516, which would assure that all states maintain funding at least at the 1973 level,

$77 million for crippled children's programs, to provide the care these youngsters need to prevent them from becoming dependent on public support later in their lives,

$28 million for research and training, essential elements of any effective health program.

The other $10 million would come from the funds impounded by the Administration last year and recently released.

Failure to fund these important programs would be a very short-sighted act on our part. Failure to care for the health needs of children will inevitably produce more unemployment, less tax money, and higher medical costs. The $350 million I am requesting today would be a step toward meeting the current need. Because I am so fully committed to these programs, I intend to work through the Finance Committee to expand the authorization at the earliest opportunity in the future.

Thank you, Mr. Chairman.

THE WORLD'S ECONOMY

Mr. JAVITS. Mr. President, Leonard Silk of the New York Times has written an excellent article on the problems of the world economy, which appeared in the New York Times Magazine for July 28, 1974. Mr. Silk traces the development of the alarming worldwide economic condition we now find ourselves in, with the threat of even worldwide economic crash now being taken seriously. Mr. Silk makes a number of proposals for worldwide cooperation which are most important. It is extremely important that the United States assert its leadership to prevent even the risk of a long, terrible slide backwards into world depression and economic nationalism. Mr. President, I ask unanimous consent that the article by Leonard Silk be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How the World Economy Got Into This Mess

(By Leonard Silk)

"The world has been slow to realize that we are living this year in the shadow of one of the greatest economic catastrophes of modern history. But now that the man in the street has become aware of what is happening, he, not knowing the why and wherefore, is as full today of what may prove excessive fears as, previously, when the trouble was first coming on, he was lacking in what would have been a reasonable anxiety. He begins to doubt the future. Is he now awakening from a pleasant dream to face the darkness of fact? Or dropping off into a nightmare which will pass away?"

John Maynard Keynes wrote those words in 1930—and the nightmare proved to be all too real. Today, the world economy is again threatened with breakdown and disintegration. Monetary disorder afflicts the entire non-Communist world. Nations coming up against the interlocked threats of trade and payments deficits, inflation, energy shortages and unemployment are growing increasingly nationalistic in their policies. It was beggar-my-neighbor nationalism that brought on the debacle last time, for in the end the nationalism turned demoniac and aggressive in Germany and Japan. Such an outcome seems unthinkable today—as it did in 1931. The time has come to review recent economic history, whose chief lesson seems to be that we are again facing a choice between economic chaos and a difficult, unprecedented, peacetime collaboration among major Governments.

History does not repeat itself precisely. One of the great differences today from the world of which Keynes was writing in 1930 is the revolution in national economic policy fathered by Keynes himself—the use of government spending, tax cuts, budget deficits and the pumping of money into an economy to prevent deep depression. Every government, prodded by powerful political forces, has been using the Keynesian medicine for keeping employment at a high level.

An unwanted consequence has been a quickening of inflation, the worst in a generation. Throughout the industrialized world, including the United States and Canada, Western Europe and Japan, consumer prices rose by an average of 12 per cent in the 12 months ending in May, 1974. In Britain the rise was 15 per cent, in Italy 16 per cent. Japan has been boiling along at an annual rate of 23 per cent. One can find far worse rates in some of the developing countries—40 per cent in the Philippines, 47 per cent in Indonesia, 63 per cent in Taiwan and a horrendous 709 per cent in revolution-racked Chile.

In the United States, consumer prices climbed by 10.7 per cent in the 12 months ending last May. But the climb in American consumer prices accelerated to an annual rate of 12.6 per cent in the first half of this year, and wholesale prices shot up at an 18.2 per cent annual rate. Chairman Arthur F. Burns of the Federal Reserve Board warned that "if long continued, inflation at anything like the present rate would threaten the very foundation of our society."

A doomsday mood has been stealing into the thinking of a great many people—stockbrokers, small investors, gold speculators and many ordinary people watching the value of their savings, pensions and insurance policies erode. Even among sophisticated economic observers, worries have been growing that the inflation could end in a crash. Ashby Bladen, a senior financial executive of the Guardian Life Insurance Company says: "A return to either price stability or financial stability without an intervening crash appears to me to be practically impossible . . . And the longer the crash is postponed by continuing the inflationary process of excessive credit expansion, the worse it will be when it does come."

The threat of a crash is worldwide, and has been seriously exacerbated by the enormous deficits being incurred by oil-improving nations as a result of the quadrupling of oil prices after the Arab-Israeli war last fall. David Rockefeller, chairman of the Chase Manhattan Bank, has been warning that the existing financial system may be unable to stand the strain of the sudden transfer of tens of billions of dollars a year from oil-importing to oil-exporting nations. The International Institute for Strategic Studies in London regards the use of the oil weapon by the Arabs, Iranians and other members of the international oil cartel as the greatest immediate threat to world economic and political stability. The rich, industrial countries are threatened, and so are the oil-poor developing nations, such as India, Bangladesh and Pakistan.

How did the world economy get into this pickle? Can we get out of it? I believe that it will take extraordinary measures by the United States and other nations, working together—as they failed to do in the nineteen-twenties and thirties until the roof finally fell in.

A way must be found to achieve the kind of international cooperation that made possible the reconstruction of the world economy after World War II, the most devastating in history. But the United States can no longer call the tune or provide the bulk of resources to resolve the current crisis as it did after the Second World War. "It is no exaggeration," says Dr. H. Johannes Witteveen, the Dutch economist who serves as managing director of the International Monetary Fund, "to say that the world presently faces the most difficult combination of economic policy decisions since the reconstruction period following World War II."

That brilliant job of resuscitation is now taken for granted, but can anyone who in those days saw the grim shattered cities of Europe and Asia, the disease and famine, the desperate mood and the corruption of the people forget it? In the decades after the war, the world economy experienced the greatest upsurge of growth in all history. World trade revived, and the world monetary system was rebuilt as the United States deliberately incurred deficits in its balance of payments to feed dollars and gold out to the world. In effect, the United States was acting like the big winner in a poker game who knows that unless the poker chips are redistributed, the game is over. Those deliberately incurred American deficits made the best of sense, both for the United States and for the rest of the world. The concept of an interdependent world economy was no mere intellectual abstraction, but the basis for shared prosperity and growth.

The reconstructed world monetary system was founded on the strength of the American enonomy, on the strength of the dollar and on the deficits in the United States balance of payments. Therein lay a serious contradiction: A strong dollar and chronic deficits in the United States balance of payments would in time prove to be incompatible; either the dollar would weaken or the American deficits would have to be ended. There was a further contradiction: If the American deficts ended, the flow of dollars that was providing the monetary reserves for world economic expansion would also cease.

In fact, when the United States decided in the late nineteen-fifties that the reconstruction period was over, it turned out to be extremely hard to end the deficits. One reason was that the United States was reluctant to give up its role as leader of the non-Communist world. The 20th century had acquired the billing, at least in the United States, as "the American century." Both the Korean and Vietnam wars signified American determination to carry the "free-world's burdens" the equivalent of Britain's "white-man's burden" a century earlier.

America's persistent payments deficits were not due solely to its military actions and economic aid programs. Of growing importance, as the deficits went on year after year, was the overvaluation of the United States dollar in relation to gold and to other currencies. This hurt American exports and made imports, as well as travel and foreign investment, cheaper for Americans. So the migration of American business overseas went on apace, with corporations using abundant and overvalued dollars to buy up foreign assets, start branches and subsidiaries abroad, hire foreign labor and use other foreign resources to increase their worldwide profits.

Foreigners, in the midst of the dollar prosperity, were schizoid about the trend. Many, especially those in close partnership with the Americans, welcomed the growth that United States capital, technology and managerial know-how helped bring. But there was increasing concern in Europe about the inflation that the dollar inflow was also helping to breed. And there was growing opposition to the "American challenge" of economic and political dominance—and about the recklessness of American military policy. Vietnam particularly strained the political bonds between the United States and its European allies. It also sealed the doom of the postwar world monetary system that had been built on a strong dollar and fixed exchange rates between the dollar, gold and all other currencies. For Vietnam accelerated the outflow of dollars from the United States and, even more damaging, increased domestic inflation. President Lyndon B. Johnson unleashed inflation at home by his unwillingness to ask Congress either for a tax increase to pay for the Vietnam war or to cut his Great Society programs to make room for the war in the Federal budget.

President Nixon inherited the inflation—and eventually made it worse. After a year of trying to stop it by tight money alone, Mr. Nixon brought the country a recession. Finding rising unemployment politically intolerable—especially with the 1972 Congressional elections looming—he switched to a highly expansive fiscal and monetary policy aimed at restoring full employment. For political reasons, he announced—few politicians had ever made it so explicit—"I am now a Keynesian."

Under Nixonian management, the U.S. balance of payments deficit worsened. Dollars poured out of the country, and on Aug. 15, 1971, as part of the "New Economic Policy," Mr. Nixon slammed shut the gold window, refusing to pay out any more gold to foreign claimants in exchange for their surplus dollars. Nevertheless, overvalued dollars continued to gush out as expectations of what would once have been unthinkable—a dollar devaluation—grew. Finally, on Dec. 18, 1971, at an extraordinary monetary conference at the Smithsonian Institution in Washington, held amid the trappings and relics of the greatest achievements of American technology, the dollar *was* devalued by 8 per cent.

The object of the Smithsonian conference, from the American *standpoint*, was to devalue the dollar enough to produce equilibrium, or, if possible, a big surplus, in the American balance of payments. This would, it was hoped, restore American economic power and prestige; it would also save the "dollar standard," with the United States as kingpin of the world monetary system. For this reason the Nixon Administration was, somewhat paradoxically, eager not to "devalue the dollar" officially, but to make other Governments upvalue their currencies.

Logically, there would seem to be no difference between devaluing one currency and upvaluing others in relation to it—and indeed there is virtually none. However, there was one important difference. The dollar had been regarded as the fixed star in the world monetary system, the star around which all the other national currencies revolved. For the dollar to change its own value—to be devalued in relation to other currencies and to gold—would symbolize a radical change in the conception of the world monetary order, like the Copernican revolution in which the earth was no longer seen as the unchanging center of the universe.

After the Smithsonian devaluation of the dollar, no matter how much the Americans might insist that the dollar was still the fixed center of the world monetary system, the skeptics would go on saying, like Galileo, "But it does move." And in fact, after the Smithsonian agreement, United States officials themselves gradually accepted the new concept of a movable dollar.

The Smithsonian agreement—the "greatest monetary agreement in the history of the world," Mr. Nixon called it—was supposed to be a one-shot realignment of exchange rates that would preserve the fixed-exchange-rate system created at Bretton Woods, N. H., in 1944. However, the Smithsonian agreement failed to hit on a rate structure that would restore monetary stability. With inflation raging at differential rates, that was doubtless impossible. The Nixon Administration, in any case, made virtually no effort to defend the Smithsonian exchange rates. It practiced the doctrine of "benign neglect," smug in the belief that foreigners had no alternative to taking in more dollars unless they would be willing to further increase the value of their own currencies, which the United States still wanted them to do.

The impact of devaluation on inflation caught Washington and most economists by surprise. American economists tend to minimize the importance of foreign trade to the United States, since exports or imports constitute less than 5 per cent of this country's gross national product. But the dollar devaluation, combined with expansive fiscal and monetary policy, intensified inflationary pressures which price controls could barely suppress. Devaluation spurred domestic inflation in the United States, certainly in the short run, by raising the dollar prices here of internationally traded goods, not only those of imports entering the United States but also, and more important, those of all exportable American goods as well. Many American products suddenly looked like a terrific bargain to foreigners, and they rushed to buy—beef in Chicago, oil in Baton Rouge and paintings at Sotheby Parke-Bernet Galleries in New York. The impact on prices was dramatic. As Randall Hinshaw of Claremont Graduate School has found, the effect of devaluation was immediate on primary products, such as food and raw materials, but more gradual on the prices of manufactured goods such as automobiles and tractors, especially under then existing price controls. However, as the prices of such basic internationally traded raw-material "inputs" as iron and steel, copper, aluminum, zinc, lead and plastics have risen, so have the prices of autos, tractors and other manufactured goods. And when price controls were lifted, the prices of industrial goods soared.

Ironically, the devaluation of the dollar initially had a perverse effect on the United States balance of trade and payments. Economists had expected some lag, but it lasted longer than it was supposed to. Indeed, the dollar outflow quickened. The reason was the devaluation increased the dollar price of imports more than it reduced the *volume* of imports, especially as the American economy was expanding more rapidly and sucking in more imports. Simultaneously, devaluation cut the dollar price of American exports, causing foreign demand for cheaper American goods to boom; but the United States imposed export controls on soybeans and other agricultural goods, restricting the rise of its earnings abroad. Even more important, booming demand at home restricted the growth of United States exports. Hence the American trade position worsened in 1972, and dollars continued to flow overseas to cover the payments gap. The basic United States blunder was to think it could run a devaluation of the dollar without first slowing the economy. It did just the reverse—coupling devaluation with strong fiscal and monetary stimulus.

The fixed-exchange-rate system could not survive the continuing dollar outflow. In early 1973, there was a second dollar devaluation, amounting to 10 per cent, following a dramatic around-the-world flight by Under Secretary of the Treasury Paul Volcker. But instead of calming the foreign-exchange markets, it roiled them further. And in late February and early March, dollars began to flood into West Germany because the mark looked like the safest port in a storm. The German central bank took in over $3-billion a day, paying out marks to all comers in a vain attempt to keep the mark's exchange rate from rising. After dishing out more than $10-billion worth of marks, German monetary officials finally grew frightened of inflation and threw in the sponge. They stopped defending the fixed exchange rate between the dollar and the mark; so the mark floated upward, and the dollar floated downward.

The Bretton Woods fixed-rate system was dead; the whole world monetary system was afloat. But inflation was anything but dead.

The loss of respect for the dollar, the key currency of the world monetary system, brought on a flight from all currencies into anything precious and scarce that would hold its value in a time of monetary crisis—gold, silver, platinum and many other commodities. Overnight it seemed as though the Club of Rome's long-range forecasts of the exhaustion of world resources were coming true in a rush, with soaring prices the fever gauge of commodity shortages.

Accidents of nature fed the commodity inflation. One of the weirdest was the disappearance of anchovies off the coast of Peru. Why this happened is still unclear. One theory is that the cause was the 1972–73 invasion of a warm-water current called El Niño, which upset the ecology of the cold-water Humboldt Current, drastically reducing the supply of plankton and other nutrients in which the anchovies feed. Most marine biologists doubt this, pointing out that El Niño comes roughly every seven years—it had last arrived in 1957 and 1962—but had not earlier seriously damaged the anchovy stock. Did an influx of predators eat the spawn? Were the young fish blown into hostile waters? Nobody really knows. Whatever the explanation, as Morgan Guaranty Bank economists correctly stressed, Peru's anchovy catch fell from more than 10 million tons to 2 million tons in 1973, wiping out a critical part of the world's fishmeal supply, which is used to feed livestock.

Bad growing weather for cereals, the failure of much of the Soviet crop, the massive Soviet-American wheat deal—a key element in détente—exacerbated the commodity inflation. But the over-all inflationary trend was no fluke. All nations were in a simultaneous boom, and world demand was outrunning supply. The perception of rising prices was transmogrified, as inevitably happens when an inflation lasts long enough, into a public perception that paper money is losing value and is not worth holding. Speculators rushed from currencies into commodities. By October of 1973, world commodity prices had more than doubled from the start of the year. And then, with the outbreak of the Yom Kippur war in the Middle East, the Arabs launched their oil weapon against the West.

World commodity inflation had given the oil producers both the motivation and the opportunity to boost their prices sky high. The rising cost of imports to the Arabs, Iranians and other oil-producing states, the rapidly growing demand for oil, thanks to the simultaneous boom in all the major industrial countries, the disappearance of American buffer stocks of oil—all these factors gave the Organization of Petroleum Exporting Countries, which includes Saudi Arabia, Kuwait, Abu Dhabi, Iran, Libya, Iraq, Algeria, Qatar, Indonesia, Venezuela, Nigeria and Ecuador, the golden opportunity for a financial killing.

The Arab oil embargo, designed to induce Western powers to force Israel to yield to Arab demands, cut the world oil supply at the critical moment, threw the Western allies into disarray in a mad scramble for oil and paved the way for the fourfold increase in oil prices. The price in the Persian Gulf was jacked up from about $2.10 a barrel to $8 a barrel. That meant the greatest single financial coup in history—a $70-billion haul by the oil producers in a single year. In 1975, their extra take will amount to $90-billion. And, if oil prices hold, they will be taking in over $100-billion a year—year after year. The World Bank estimates that by 1980 the oil-producing countries' holdings of liquid surplus capital will total $400-billion. This would mean that just six years from now they will hold at least 70 per cent of the world's total monetary reserves.

The fantastic transfer of money to the oil-producing states has created an unprecedented shock for the world economy. That shock is, paradoxically, both inflationary and contractionary. The huge increase in oil prices and payments worsens inflation in the United States, Japan and Western Europe by increasing both living costs and costs of production. It puts powerful pressure, both direct and indirect, upon the industrial and the developing countries to increase their export prices, in order to cover their oil deficits. To be sure, high prices are bringing out more oil and curbing demand. There is now, therefore, some downward pressure on prices. The crucial issue is whether the international oil cartel will hang together, even if this means cutting production to hold up prices.

At the same time, the enormous transfer of funds to the oil producers can choke off consumption and productive investment in the West. The build-up of Arab holdings, and the huge deficits that are their counterpart, could cause a breakdown in the world monetary system.

Prof. Richard Cooper of Yale says it is as though the Shah of Iran, the King of Saudi Arabia and the others had levied an annual tax amounting to $70-billion a year upon the rest of the world. Such a tax increase, as modern economic theory teaches us, will have a contradictory effect on national economies unless the money collected is put back into the economies from which it is collected in the form of expenditures on consumer goods or capital goods. If the major share of "oil taxes" collected by foreign Governments is not respent or reinvested in production, it will choke off output and income in the oil-importing countries. Some nations—those that are the best investment bets—will receive major shares of the oil money back; that is likely to be true of the United States and West Germany. Others, less creditworthy, will suffer huge deficits; that is already true of Italy, and it could be true of many others. The nations of the West could fall into economic warfare, each fighting to reduce its own deficit, and blocking imports or depreciating its currency to do so. Competitive deflation could bring on a world depression. The most agonizing peril faces the poor, developing countries, whose markets would contract drastically.

For those nations caught with the worst deficits, there will be severe risks of defaults on their foreign obligations. This is precisely the Italian situation now. In the past two years, the Italians have borrowed more than $10-billion in the so-called Eurocurrency market, taking funds from syndicates of private lenders on the credit of Italian state-owned utilities and other Government agencies. With the Italian balance-of-payments deficit running at a rate of more than $1-billion a month, Italy is having trouble raising more money abroad. Its gold reserves would barely last a year. If the Italians—and a few other governments with heavy balance-of-payments deficits—should default on their debts, some of the biggest and seemingly strongest private financial institutions all over the world would lose hundreds of millions of dollars, and the entire world financial system would be in jeopardy.

Once again, as in 1929–31, the world is facing the danger of a liquidity crisis, which, simply put, is the inability of financial institutions or governments to meet their current debts. Such a crisis, if it hit two or more countries simultaneously, could race like greased lightning through the entire world financial system. That was what happened in 1931 when the Austrian *Creditanstalt* failed. It was the breakdown of the world monetary system in 1931 that turned the sharp 1929–30 recession into the worst depression in history. Not even Keynes expected the nightmare that began in 1931. It is this kind of international catastrophe we must prevent now.

But how? There are many ways to do it, but the above account of how we got where we are today suggests the main elements essential to a solution:

First, the United States, Western Europe and Japan must recognize that they are all in the same boat, and must either work together or they will sink together.

The United States cannot dictate to the others; it does not have the power to do so, and it would only defeat its own purposes if it tried. What is needed now is genuinely shared leadership and the forging of a spirit comparable to that achieved in wartime—and to the reconstruction of the world after the last war.

Second, this cooperation must immediately take the form of preventing any single country, or its major financial institutions, from going under.

One of the reasons we in the United States are not already suffering from a major domestic financial panic is that our central bank, the Federal Reserve System, has been prepared to rescue any major financial institution that gets into serious trouble, as it has done this year in the case of the Franklin National Bank of New York. Internationally, we do not yet have a "lender of last resort." Some national central banks have met in Basel, Switzerland, to work out plans for rescuing endangered financial institutions, though not all central banks have joined the effort and it is not yet clear how far those participating are ready to go. The nations of the Western World and Japan should either create an international lending agency of last resort, or transform the International Monetary Fund into a true world central bank that can rescue major financial institutions and nations themselves from financial collapse.

Third, the world monetary system must be restored to equilibrium.

The most important single step toward that end would be a significant reduction in the price of oil, which would reduce the imbalance of payments between the oil-importing and oil-exporting countries. The oil-importing countries should develop a broad strategy to bring down the price, a strategy that should include: an effective conservation program to reduce the demand for oil; an accelerated program to develop other energy technologies; a warning that, if necessary, the United States and its allies are prepared to withhold trade and the managerial and technological skills the oil-exporting countries want for their own economic development; and a refusal by this country and its allies to provide arms if the oil-producting states persist in threatening Western economic stability.

But if the oil-producing countries are willing to work with the West for world stability and their own development, the United States and its partners should extend the hand of friendship to them. It should facilitate expansion of their trade and foreign investment, the "recycling" of oil dollars.

Fourth, the Western nations must avoid like the plague the beggar-my-neighbor policies that helped destroy world trade in the thirties.

Such policies broke the world into hostile trading blocs, including the nations that joined in Nazi Germany's barter and rigged-exchange rate deals and Japan's Asian Co-Prosperity Sphere. The Western nations must reinforce their liberal trading policies, banning both import and export controls. They must hold their markets open to one another and seek particularly to create markets for the surplus and distress goods of nations that get into severe balance-of-payments trouble.

The nations should also forswear resorting to competitive devaluations of their currencies aimed at gaining a trading advantage over one another. They must coordinate their fiscal and monetary poliices to avoid competitive deflations that could bring on world depression. The Organization for Economic Cooperation and Development (O.E.C.D.) provides a forum for the joint review of national policies; this process should be strengthened to ensure that world employment and trade are mutually sustained.

While the world monetary system remains chaotic, it would be madness to try to repeg exchange rates; floating rates have reduced the massive money flows from one currency to another that propagated world inflation. In time, the reduction of those money flows should help to bring world inflation under control and enable exchange rates to stabilize. But the nations must work toward stability; a "great leap forward"—or backward—could be disastrous.

Fifth, nations must resolve to check their domestic inflations, controlling the excess claims of special-interest groups that are its root cause.

Inflation, while communicated internationally, originates basically from domestic sources. This is one reason why rates of inflation vary so much from country to country. There is no monetary formula or technical solution that will provide Governments with the political courage and the economic skills to reduce the execessive demands that propel domestic inflation. Governments must resist the multitude of special-interest pressures that distort or waste resources—as in the multibillion-dollar military programs which exacerbate inflation and, even more ominously, increase the danger of arms races and war itself.

Under the sway of Keynesian economic theory, inflation has been regarded by most contemporary economists as a "technical" problem resulting from a gap between the excess demand for all goods and services and what the economy is capable of producing at existing prices. The basic remedy has been to close that inflationary gap by reducing total demand, whether by tax increases, cuts in Government spending or by making less money and credit available to the private economy.

It has become clear that the problem of stopping inflation is not technical but political in the large, systematic sense. Inflation is a consequence of the way massive, organizational, pressure-group economies operate. The military-industrial complex is only the most celebrated example of the special interests which capture a huge share of national resources and give less productivity in exchange. Other groups that have won special benefits and protection from Government—whether in the form of subsidies, huge appropriations, tax breaks, tariffs, import quotas or other rules limiting foreign or domestic competition—include the oil industry, the maritime industry, civil aviation, the highway-building industry and its supporters, dairy producers, wheat farmers, cattlemen, steel producers and textile producers. Labor unions fight for a growing share of the national pie partly by backing the demands for special favors and protection of the industries that employ them and partly by waging side-contests with managements for a bigger slice of the take.

The pressure-group economy not only breeds inflation but biases national choices on *what* is produced and by whom, and how income is distributed. Political power shapes the national use of resources and has a major influence on who gets what. This may be the major long-run lesson of that political fiasco whose code name is Watergate.

An effective program against inflation must be one that faces up to the necessity of curbing the power of the special interests and removing their corrupting influence on Government or, the other side of the coin, curbing the efforts of Government officials to invite bribes in exchange for favors as a means of consolidating political power in a corporate state. The old-style, laissez-faire capitalism is dead. Yet the mixed economy—that is, the mixture of Government and private interests that has replaced it—needs better methods of harmonizing competing group pressures in a noninflationary way and of guiding the economy to serve broad social needs such as protection of the environment, development of crucially needed energy, and provision of medical care, education and other vital services.

Specifically, this nation and other capitalist democracies need an incomes policy, a means of regulating the growing income claims of contending groups, together with their access to money and credit through the banking system. In periods of monetary tightness and very high interest such as the present, the inequities of only general controls on money and credit becomes obvious, as the most powerful financial groups drain funds away from the least powerful.

Similarly, this nation and many others need more effective and democratic ways of planning their long-run social and economic development. Increasing the supply of resources, human and material, and in the proportions needed, is essential to curbing inflation in a way that will not require periodic bouts of recession, depression and high unemployment.

In an increasingly integrated world economy, such programs need to be international and not merely national in scope. Yet the time for supranational government is not yet. The fundamental decisions needed to get the world through the current economic crisis, which could become a world political crisis as well, still must be taken at the national level. Is such an effort to restore world economic order politically feasible and realistic? It had better be. The potential tragedy of the moment is that all the Governments of the major democracies are in a weakened state—weakened in large degree by the socially and politically debilitating effect of inflation itself. And the crisis of leadership and moral authority is perhaps greatest of all in the United States, on which any coordinated action program among the Atlantic nations and Japan must still depend. We know what we must do; the issue now is whether we have the will and the unity to do it.

CHILD AND FAMILY SERVICES

Mr. CLARK. Mr. President, there are a number of domestic priorities in this country which tragically remain unmet, and one of the greatest of these—which is growing daily—is the need for enough adequate child care facilities.

Neither women nor children in the past have been in a powerful enough economic or political position to significantly affect national priorities, and so, in the past, their needs have been largely neglected. The Congress attempted to remedy the deplorable child care situation in this country earlier in this decade by approving a comprehensive child development and family services bill, but this vital legislation was vetoed by President Nixon.

The need for good child care facilities will continue to increase in the decade ahead because of the accelerating trend in the employment of mothers and the increased emphasis on providing child care services for welfare mothers who want to work. As a result, the need for expanded family services is greater than ever. I am pleased to cosponsor the Child and Family Services Act of 1974 (S. 3754) introduced in the Senate earlier this month by Senators MONDALE and JAVITS.

This important legislation would establish and expand children and family service programs, build upon the experience of Head Start, give special emphasis to preschool children and families with the greatest needs, and provide for direct parent participation.

It is a good bill, and I hope that the Congress can give it speedy approval.

Between 1940 and 1972, the number of women in the labor force has more than doubled, but the number of working mothers increased more than eightfold. Today, approximately half of all American mothers work, and of these, two out of every five have preschool children.

Divorce is on the rise in this country, and broken marriages with children are becoming commonplace. In 1973, 8.3 million American children—a total of 13 percent—lived in one-parent families. These figures cannot be ignored.

Child care facilities have been provided on a large-scale basis at times when their mothers' labor was considered critical—for example, for the national defense during both World Wars. But when the wars ended, Federal funding ended and most day care centers were forced to close their doors.

According to the latest estimates, care in licensed centers and family homes is available today for only about 905,000 children, but several million youngsters need this service.

The sad result of a lack of good, reasonably priced day care facilities is a large number of "latchkey children"—cared for by themselves. There are too many children left alone for long periods of time or left unwatched to explore as children do, exposing themselves to accidents or even death.

This country has an obligation to correct this situation.

Critics of group child care argue that such facilities will weaken the family structure and might even "replace" the family. But quality child care is not a replacement for the family. It is, instead, a supplement. According to the December 1973, issue of Women's Lobby Quarterly, a number of studies have been done on the consequences of part-time separation of children from their families. None of them, according to the studies, showed any detrimental effect on the child.

S. 3754 is based on the philosophy that the family is the primary and most fundamental influence on children, that child and family services must build upon and strengthen the role of the family, that there currently is a lack of adequate child and family services, especially for lower income families, and that there is a need to plan and operate as a partnership of parents, community, State and local governments, with appropriate Federal supportive assistance.

Quality child care is not inexpensive, but the cost of the present policies of indifference will be far higher.

NATIONAL "MS" SOCIETY YOUTH LEADERSHIP CRUSADE

Mr BAKER. Mr. President, more than 500,000 of our fellow citizens suffer from multiple sclerosis and related diseases of the central nervous system.

According to the U.S. Public Health Service, these neurological ailments are the leading cause of permanent disability and the third-ranking cause of death in our country.

Because MS usually strikes young men and women in the prime of life, this baffling disease has become infamously known as "the great crippler of young adults." Thousands of young people between the ages of 20 and 40 are incapacitated in what should be the most productive years of their lives.

This unpredictable affliction is not contagious and is not a mental disease. Rather, for some unknown reason, MS disintegrates the substance which insulates nerve fibers and distorts nerve impulses which control such functions as muscular coordination, vision, and speech.

The National Multiple Sclerosis Society has for 28 years provided effective voluntary leadership in medical research and education. In 1972 Congress passed legislation which created the National Advisory Commission on Multiple Sclerosis, thus affirming the commitment of both the public and the private sectors to finding a cure for MS and discovering better methods of treatment.

I have been most impressed by the efforts of many thousands of young people who have volunteered their time in the MS fight. Circle K International, the world's largest campus service organization, again this year has designated fund raising projects for MS research.

Even more young people have become involved through youth programs in National Multiple Sclerosis Society chapters throughout the country. The MS Society has created a youth leadership council, consisting of more than 40 outstanding young people who have devoted their time to working with local chapters and with youth organizations.

As Martin P. Lombardo, the MS Society's national coordinator for youth activities, has pointed out, this is no "honorary" group. Each of the members is a proven leader and a dedicated worker.

Members of the youth council are scheduled to meet with MS Society directors and the top leaders of a number of national youth organizations at the MS Society's youth leadership conference in Colorado on August 11.

Although members of the MS Youth Advisory Council are not concerned with achieving personal recognition, I think it is fitting that we pay tribute to them for their service to others. It is with a great deal of admiration and appreciation that I read their names into the RECORD:

NATIONAL MULTIPLE SCLEROSIS SOCIETY
YOUTH LEADERSHIP COUNCIL

Eugenia Walker, Alabama; William A. Kuehnle, Arizona; Cynthia Kay Sellars, Arkansas; Suzette Clover, Deborah A. Luke, California; Rhonda Flippin, Colorado; Sherry L. Jarrell, Stephanie A. Saxon, Delaware; Jeanne R. Abrams, District of Columbia.

Pamela M. Davis, Georgia; Roger A. Young, Hawaii; Robin R. Christian, Debbie S. Zalders, Illinois; Dana Dreher, Kansas; David R. Lane, Kentucky; Mary Kathleen Patton, Louisiana; Dennis Goodridge, Maine.

Michael W. Muther, Massachusetts; Thomas Moulton, Michigan; Richard J. Schultz, Minnesota; Gene Singleton, Mississippi; Andy Small, Montana; Dwight E. Jordan, Nebraska; Audrey Cortney, Nevada.

Bette S. Katsekas, New Hampshire; Charlene McCall, Edward Palange, New Jersey; Cathy S. Androlini, Marianne Castagna, Steven Needleman, New York; David L. Masuda, North Dakota; Suzanne M. Yokum, Oklahoma; Gordan L. Huiras, Oregon; Susan Steinmetz, Andrea Zipf, Pennsylvania; Patricia Joinville, Rhode Island.

James Grabowska, South Dakota; Randy E. Pruett, Kim Mason, Texas; Joseph Staub, Tennessee; John Mullaney, Utah; Paul W. Stetson, Vermont; Michael Shelton, Virginia; Joan Diers, Wisconsin; Joe Michaels, Washington.

GSA—25TH ANNIVERSARY

Mr. NUNN. Mr. President, the month of July 1974 is the 25th anniversary of GSA and I want to congratulate each of the past and present GSA employees for making their agency one of the most respected agencies of the Federal Government. During the past 25 years, GSA has grown rapidly in terms of size, number of employees, budget and management responsibilities. Today, it is recognized as "the" management branch of the Federal Establishment.

Recently Mayor Jackson of Atlanta recognized the significance of GSA's 25th anniversary by proclaming July 2 as GSA day in Atlanta.

I ask unanimous consent to print in the RECORD Mayor Jackson's remarks as well as my best wishes to the employees at GSA in the years to come.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[Office of the Mayor]

PROCLAMATION

Whereas, General Services Administration of the United States of America will mark the 25th anniversary of its birth on July 1, 1974; and,

Whereas, General Services Administration, Region 4, has its regional headquarters at 1776 Peachtree Street, N.W., here in Atlanta: and, Whereas, General Services Administration obtains and provides goods and services for virtually all executive department agencies of the Federal Government necessary to operate the Government; and,

Whereas, hundreds of Atlantans have for many years dedicated their lives and careers to faithful service to General Services Administration and its responsibilities to our Nation;

Now, therefore, I, Maynard Jackson, mayor of the city of Atlanta, do hereby proclaim, Tuesday, July 2, 1974 as

GENERAL SERVICES ADMINISTRATION DAY

in Atlanta and urge all citizens to honor this valuable service organization.

MAYNARD JACKSON, *Mayor.*

THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. THURMOND. Mr. President, the National Society of the Sons of the American Revolution, at its 84th annual congress, recently adopted a number of resolutions on various issues of concern in America today. Particularly pertinent is the first resolution adopted expressing the support of this outstanding group for Senate Resolution 301. Senate Resolution 301 was sponsored by myself and cosponsored by 34 other Senators in an effort to express the American people's desire to maintain our sovereign rights in the Panama Canal Zone.

The other 10 resolutions adopted by the society touch on a number of important domestic and foreign policy issues, illustrating the deep concern this great organization has in maintaining the vigor of our great Nation.

Mr. President, I ask unanimous consent that the text of these 11 resolutions be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS

The National Society of the Sons of the American Revolution, at its 84th Annual Congress, assembled from June 23rd through June 27th, 1974 at The Baltimore Hilton, Baltimore, Maryland, adopted the following resolutions:

RESOLUTION NO. 1

Whereas, under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, the United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and Panama Canal and solemn obligations under its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, the United States Government is currently engaged in negotiations with the Government of Panama to surrender United States sovereign rights to Panama both in the Canal Zone and with respect to the Canal itself without authorization of the Congress, which will diminish, if not absolutely abrogate, the present U.S. treaty-based sovereignty and ownership of the Zone; and

Whereas, these negotiations are being utilized by the United States Government in an effort to get Panama to grant an option for the construction of a "sea-level" canal eventually to replace the present canal, and to authorize the major modernization of the existing canal, which project is already authorized under existing treaty provisions; and by the Panamanian government in an attempt to gain sovereign control and jurisdiction over the Canal Zone and effective control over the operation of the Canal itself; and

Whereas, similar concessional negotiations by the United States in 1967 resulted in three draft treaties that were frustrated by the will of the Congress of the United States because they would have gravely weakened United States control over the Canal and the Canal Zone; and by the people of Panama because that country did not obtain full control; and

Whereas, the American people have consistently opposed further concessions to any Panamanian government that would further weaken United States control over either the Canal Zone or Canal; and

Whereas, many scientists have demonstrated the probability that the removal of natural ecological barriers between the Pacific and Atlantic oceans entailed in the opening of a sea-level canal could lead to ecological hazards which the advocates of the sea-level canal have ignored in their plans; and

Whereas, the Sons of the American Revolution believes that treaties are solemn obligations binding on the parties and has consistently opposed the abrogation, modification or weakening of the Treaty of 1903;

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, opposes the construction of a new sea-level canal and approves Senate Resolution 301 introduced by Senator Strom Thurmond and 34 additional Senators, to maintain and preserve the sovereign control of the United States over the Canal Zone.

RESOLUTION NO. 2

Whereas, the strength and stability of the economic and monetary system of the United States is vital to the defense of the country, and

Whereas, the fiscal and monetary policies of the Congress and Administration, present and past, have led to the devaluation of the dollar, double digit inflation, and the current economic crisis in the United States, and

Whereas, double digit inflation within is as great a threat, if not a greater threat, to the liberty and freedom and well-being of this country as the threat from our enemies without, and

Whereas, the basic cause of the rampant inflation is the deficit spending of the United States Congress, and

Whereas, under the Constitution of the United States, Congress is charged with the responsibility for all federal appropriations, and

Whereas, it is the urgent duty of the United States Congress to limit federal spending to the revenues of the Federal Government,

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, urges the Congress to balance the federal budget.

RESOLUTION NO. 3

Whereas, it was the national policy of the United States of America to intervene in Vietnam and prevent a Communist takeover of that country, and

Whereas, it is the duty of every American citizen to bear arms in support of the national policies of the United States, and

Whereas, a citizen of the United States is called upon to share the burdens of citizenship in order to insure its benefits for all citizens, and

Whereas, 40,000 young Americans fled to foreign countries to evade the military obligations of United States citizenship.

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, is opposed to any granting of amnesty to those who refused to bear arms for their country and instead, fled to foreign countries to evade their military obligations.

RESOLUTION NO. 4

Whereas, this country was founded by God-fearing men and women and conceived in liberty, and

Whereas, men of all countries have been moved by the eloquence and high spiritual qualities of the Declaration of Independence, and

Whereas, the Bicentennial will be a focal point for a nationwide review, and reaffirmation of the values upon which this Nation was founded, and

Whereas, all businesses and private citizens should display the United States Flag daily during daylight hours except during inclement weather, and

Whereas, it is fitting for patriots to celebrate each Fourth of July with prayer, music, fireworks and other expressions of joy and cheer, and

Whereas, it is the duty of every citizen and local community to take the initiative in planning a suitable commemoration of the Bicentennial,

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, urges its members and all citizens to fly flags daily, to ring bells and blow automobile horns on the Fourth of July at a time set by each community as a suitable prelude to the Bicentennial.

RESOLUTION NO. 5

Whereas, we believe the Federal Government has entered upon movement to eliminate basic rights and powers guaranteed to the states by the 10th Amendment to the Constitution, in particular the control of education and public schools, the control of land, the extension of jursdiction of the federal judiciary, the weakening of state criminal law enforcement by the imposition of untenable federal standards that result in interminable trials and sheer technicalities that often show more concern for the criminal than for the innocent victim and the long-suffering public, to name a few,

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, recommends that our state governors and legislators resist these federal encroachments upon the state sovereignty and oppose the extension of federal grants and Supreme Court decisions.

RESOLUTION NO. 6

Whereas, hostile foreign nations desire to obtain advanced American technology during a period of our history entitled "detente," and

Whereas, the sharing of our technology with unfriendly foreign powers will weaken this country's power and protection of the free world, and

Whereas, the joint exploration of space with any foreign nation will result in the release of technical information vital to the defense of this nation, and

Whereas no foreign power has been successful in its man-in-space program,

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution, in its 84th Annual Congress assembled, opposes in general the sharing of any of our technology with unfriendly foreign nations and in particular the sharing of our man-in-space capability with any foreign power, and recommends that all federal agencies should intensify efforts to prevent the dissemination of critical technology to any foreign power.

RESOLUTION NO. 7

Whereas, the National Society, Sons of the American Revolution supports proper commemoration and celebration of the American War for Independence which gained the 13 Original Colonies their freedom; and

Whereas, the Battle of Cowpens, fought in South Carolina near the present village of Cowpens was a major victory for loyal Americans in their fight for liberty; and

Whereas, the Federal Government has appropriated certain funds for the improvement and enhancement of the Cowpens Battleground site; and

Whereas, the effect of monies spent will be much more effective and widespread, and of longer duration, if a permanent annual celebration is held at the Battleground;

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution in its 84th Annual Congress assembled, favors allocation of an adequate portion of available funds for the construction of a suitable amphitheater which will be made available for the production of an annual outdoor drama based upon the Battle of Cowpens and surrounding events, so that the people of America will have a better opportunity to become more conversant with the great deeds of our illustrious ancestors.

RESOLUTION NO. 8

Whereas, Professional Standards Review Organization (PSRO) was established as a rider attached to the Social Security Law of 1972 without public hearings or proper consideration; and

Whereas, confidential medical records of every patient under any of the numerous government-sponsored health care programs will be open to PSRO inspectors; and

Whereas, "norms" set by the Department of Health, Education and Welfare, after examination of all patient records, will change the concept of health care, nullifying doctor-patient privacy preventing full use of the doctor's knowledge, experience and training; and

Whereas, PSRO can overrule a doctor's decision in prescribing, hospitalization, or operating under penalty of fine and suspension from medical practice;

Now, therefore, be it resolved, That the National Society, Sons of American Revolution at its 84th Annual Congress assembled, supports the adoption of H.R. 9375, or similar resolutions, which would repeal the provisions of the Social Security Act which violate the confidentiality of the doctor-patient relationship which would be contrary to numerous state statutes, contrary to professional ethics, and which would lead to federal control of medicine.

RESOLUTION NO. 9

Whereas, there is pending in the United States Congress a resolution sponsored by Senator Harry Flood Byrd, Jr. of Virginia in which Senator William Scott of Virginia has also joined as a co-sponsor, to restore the citizenship of General Robert E. Lee.

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution at its 84th Annual Congress assembled, joins in with the purpose and spirit of this pending Congressional resolution.

RESOLUTION NO. 10

Now, therefore, be it resolved, That the National Society, Sons of the American Revolution at its 48th Annual Congress assembled, reiterates and reaffirms that all previous resolutions adopted at prior Congresses be reaffirmed.

RESOLUTION NO. 11

Whereas, the 84th Annual Congress of the National Society, Sons of the American Revolution has been successful in every respect, and

Whereas, that success has been due to the efforts of those who planned and took part in the program.

Now, therefore, be it resolved, by the National Society, Sons of the American Revolution, that it hereby expresses its gratitude and deep appreciation:

1. to the President General for his able leadership,

2. to the officers, chairmen and members of their committees,

3. to the loyal headquarters staff for their constant effort in providing an efficient operation,

4. to the speakers, Compatriot (Dr.) Norman Vincent Peale and the Honorable J. William Middendorf, II, Secretary of the Navy, for their inspiring addresses,

5. to the United States Navy; Joint Armed Forces (Pentagon); Colonial Guard, 175th Infantry; United States Marine Corps and the Commander-in-Chief's Guard Colors, U.S. Army, for furnishing color guards,

6. to the United States Marine Band, the United States Army Soldiers' Chorus, the Chorus of the Chesapeake, and the U.S. Navy Sea Chanters for furnishing music and entertainment,

7. to the press, radio and television for their coverage of the Congress,

8. to the Maryland Society for its contribution to a successful 84th Annual Congress,

9. to all individuals who contributed to the success of this Congress.

FAIR NUCLEAR INSURANCE REQUESTED BY THREE BANKS AND A CHAMBER OF COMMERCE

Mr. GRAVEL. Mr. President, the question of nuclear insurance is an environmental issue of such importance that when the League of Conservation Voters prepares our environmental ratings, the league will take a look at our votes next week on H.R. 15323.

It is likely that corporate and individual property owners would be equally concerned about the issue if they only realized that nuclear insurance legislation is putting all their assets at risk.

When someone takes the trouble to alert them, which is what happened in Valparaiso, Ind., thanks to a concerned citizen named Elmer D. Anderson II, suddenly we see three banks, a chamber of commerce, and a county board of commissioners passing resolutions. These resolutions all ask Congress to pass legislation enabling injured parties to secure adequate compensation in the event of a nuclear power accident.

The amendments I will propose to H.R. 15323 would achieve that goal.

Without these amendments, H.R. 15323 would set an arbitrary dollar limit on the amount of compensation which would be available for nuclear power victims. As a result, injured parties would not receive full compensation after any nuclear accident for which aggregate damages exceeded the liability limit.

Unless amended, the bill would protect the assets of the nuclear power industry—by putting the assets of every other industry and private citizens at risk. Such a proposition is outrageous, and I will try to rectify it with amendments.

Mr. President, I ask unanimous consent that resolutions on nuclear insurance from the Northern Indiana Bank & Trust Co., the Chestertown State Bank, the New Berlin State Bank, the Greater Valparaiso Chamber of Commerce, and the Porter County Board of Commissioners, be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

NORTHERN INDIANA BANK
& TRUST CO.,
Valparaiso, Ind.

A RESOLUTION PERTAINING TO INDEMNIFICATION TO PRIVATE PROPERTY OWNERS FOR LOSSES SUFFERED THROUGH RADIATION DAMAGE

Whereas, Northern Indiana Bank and Trust Company is engaged in lending funds for real estate mortgages for business, industrial and residential properties, and:

Whereas, the citizens of Indiana, cannot obtain insurance coverage for radiation damage to personal and real property, and:

Whereas, it is the understanding of the bank that there is limited Federal compensation available to persons sustaining radiation damage to private property due to radiation fallout, and:

Whereas, nuclear power installations by public utilities have been constructed, are under construction, or are contemplated within a radius of the community served by the bank which, if such fallout would occur, would affect our mortgagors, now, therefore,

Be it resolved, that the Board of Directors of Northern Indiana Bank, finds full and complete coverage for radiation damage to private property should be made available to mortgagors, at a reasonable rate, or in the alternative, the Congress of the United States of America should consider the passage of legislation insuring that funds be made available to adequately compensate the citizens in the event of any radiation damage.

Resolution adopted December 11, 1973.

BOARD OF DIRECTORS OF NORTHERN
INDIANA BANK & TRUST CO.,
JOSEPH W. BIBLER, *President.*

Attest:

LESLIE E. ROBINSON,
Secretary of Board of Directors.

A RESOLUTION PERTAINING TO INDEMNIFICATION TO PRIVATE PROPERTY OWNERS FOR LOSSES SUFFERED THROUGH RADIATION DAMAGE

"Whereas, Chesterton State Bank, Chesterton, is engaged in lending funds for real estate mortgages for business, industrial and residential properties, and:

"Whereas, the citizens of Indiana, cannot obtain insurance coverage for radiation damage to personal and real property, and:

"Whereas, it is the understanding of the bank that there is limited Federal compensation available to persons sustaining radiation damage to private property due to radiation fallout, and:

"Whereas, nuclear power installations by public utilities have been constructed, are under construction, or are contemplated within a radius of the community served by the bank which, if such fallout would occur, would affect our mortgagors, now, therefore,

"Be it resolved, that the Board of Directors of Chesterton State Bank, Chesterton, finds full and complete coverage for radiation damage to private property should be made available to mortgagors, at a reasonable rate, or in the alternative, the Congress of the United States of America should consider the passage of legislation insuring that funds be made available to adequately compensate the citizens in the event of any radiation damage."

I, Robert G. Dunbar, certify that I am President of the Chesterton State Bank, Chesterton, Indiana, and that we have adopted this resolution as long as it is not used in any way as a remonstrance against the establishment of any nuclear generating station or facility.

Witness my hand and the Seal of Chesterton State Bank, Chesterton, this 13th day of April, 1974.

Robert G. Dunbar, *President*.

New Berlin State Bank,
New Berlin, Wis., April 24, 1974.
Senator William Proxmire,
U.S. Senate Building,
Washington, D.C.

Dear Senator Proxmire: As a member of the financial community, the Board of Directors of the New Berlin State Bank would like to voice their concern over the problem of "Nuclear Accident Insurance".

It is our understanding that all regular insurance companies have a "Nuclear Accident Exclusion Clause" and the only protection afforded is from a federal coverage pool of something over $500 million.

We feel that property owners should be able to purchase coverage under a type of regular insurance policy with the coverages spelled out so that they would be adequately protected in the event of a "Nuclear Accident".

With the expansion of the nuclear generating facilities, the federal coverage pool could easily be inadequate. In this event, the mortgages held by financial institutions would be in jeopardy. If this were to happen, the financial strength of the institutions could very well be impaired.

As our representative, we hope that you will recognize the need for better protection than is now available.

Very truly yours,
Robert A. Mau, *President*.

Greater Valparaiso Chamber
of Commerce,
Valparaiso, Ind.

To Whom It May Concern:

Be it resolved, the Board of Directors of the Greater Valparaiso Chamber of Commerce, feels it important for citizens to have available full and complete insurance coverage in case of radiation damage to private property, and at a reasonable rate. The alternative being, for the Congress of the United States of America to consider the passage of legislation, guaranteeing that funds would be made available to adequately compensate citizens in the event of any radiation damage.

Resolution adopted, April 16, 1974.

R. James Risk, *President*.

Board of Commissioners of Porter
County, Ind.

A resolution concerning the adequacy of Federal assistance for radiation damage

Whereas, it has been brought to the attention of the Board of Commissioners of the County of Porter, Indiana, that citizens of this County cannot obtain insurance coverage for radiation damage to personal property and real property, and

Whereas, it is the understanding of the Board that there is limited federal compensation available to persons sustaining radiation damage to private property due to radiation fallout, and

Whereas, Northern Indiana Public Service Company is contemplating the construction of an electric utility installation in Porter County, Indiana, powered by nuclear energy to provide additional power sources needed in this County, now, therefore,

Be it resolved that the Board of Commissioners of the County of Porter, Indiana, finds full and complete coverage for radiation damage to private property should be made available to the citizens of Porter County, Indiana, at a reasonable rate or, in the alternative, the Congress of the United States of America should consider the passage of legislation insuring that funds be made available to adequately compensate the citizens of this County in the event of any radiation fallout damage.

Passed by Aye vote this 15 day of October., 1973.

Board of Commissioners of
Porter County, Ind.
Martin J. Ericson,
Harry F. Bamesberger.

FOREIGN ACQUISITION OF AMERICAN COMPANIES

Mr. SCHWEIKER. Mr. President, it has come to my attention that a tender offer for a major interest of the stock of Philadelphia-based ESB—Electric Storage Battery, Inc.—has been made by International Nickel Company of Canada, Ltd. The tender offer price is $28 per share, and ESB recently closed at $19 per share.

I understand appropriate statements have been filed with the Securities and Exchange Commission, and I would not presume to advise the shareholders of ESB as to whether they should accept the International Nickel offer. But I would like to take this opportunity to point out to my colleagues that this type of transaction, in which a foreign-based multinational corporation seeks control of a major American company, is occurring with increasing frequency, and I believe we should be taking a hard look at whether existing laws in this area adequately protect our national interest.

Two factors have made this situation especially critical at the present time. First, although experts cannot agree on whether our present economic situation is a recession or not, everyone agrees that the prices of stocks traded on major exchanges in this country are drastically depressed. In many cases, the shares of respected, established companies are actually selling for less than the shareholders would receive if bankruptcy forced immediate and total liquidation. Analysts differ as to the reasons for this, but it is clear that the shares of many major American companies are currently trading at bargain basement prices.

The other factor which has created this critical situation is the incredible abundance of capital now concentrated in the hands of foreign companies and governments. This massive capital accumulation has resulted not only from oil price hikes, but also from sharp price jumps in virtually every natural resource. Thus, the foreign natural resource companies—and the countries where they are located—are actively seeking investments for huge amounts of capital, and the shares of major American companies are selling at record low prices. It does not take an economist to figure out what is going to happen in this situation.

My good friend and colleague, Congressman John Dent, has introduced H.R. 11265 in the House to deal with this problem. Congressman Dent's bill would impose strict limitations on the percentage of American companies which foreign interests may require, and would impose new reporting and disclosure requirements. I hope the House will act promptly on the Dent bill.

This is not restrictive, isolationist legislation. Indeed, virtually every country in the world has comparable limits on foreign acquisition of their domestic companies. This is nothing more than prudent concern for our long-term national interest, and I urge my colleagues to give this problem immedite consideration.

DEATH OF SENATOR WAYNE MORSE

Mr. BROOKE. Mr. President, it is a critical period in our Nation's history. Our people must be willing to exercise exceptional resolve to insure that our fundamental principles of freedom remain inviolate. Unfortunately, at a time when the country needs leadership more than ever, death has not taken a holiday. For the third time this month, we have lost an outstanding national leader.

The death of Senator Wayne Morse is a tremendous loss. His leadership was of a special kind. He was the personification of integrity. He demonstrated consistently a steadfast commitment to the truth and to what he believed to be just and right.

Wayne Morse served in the U.S. Senate with remarkable distinction for 24 years. He was respected as a gifted lawmaker, with a genuine mastery of foreign policy, education, and labor legislation. His devotion to civil rights and civil liberties was unsurpassed.

But most of all Wayne Morse will be remembered for his uncompromising dedication to his many causes. Having once established a position on an issue, he would fight tenaciously to persuade others of its correctness, no matter how insurmountable the opposition appeared to be. The most outstanding example of this was Senator Morse's stand on the Vietnam war. Along with Senator Ernest Gruening, Senator Morse cast one of the two votes opposing the Gulf of Tonkin resolution.

And party labels did not intimidate Wayne Morse. In words that I hope will forever echo across this land, he once stated:

> I have no intention of placing party above country.

Senator Wayne Morse had a unique dignity. He was a man of force, intelligence, mission, and courage. Such men are rare—in any era. The Senate will long remember the Senator from Oregon. And the country will sorely miss his exemplary leadership.

EARTH RESOURCES TECHNOLOGY SATELLITE

Mr. MOSS. Mr. President, just this past week, ERTS–1 completed its second year in space after compiling a long list of achievements. ERTS, which stands for Earth resources technology satellite, orbits the earth approximately once every hour and one-half. In the past 2 years, the spacecraft has logged more than 10,000 orbits and returned data from which over 100,000 pictures of the Earth's surface have been produced.

The quality of the photograph-like images is excellent. The large area covered by these images is a unique and valuable aspect of the ERTS–1 data since it allows the recognition of surface features which are too subtle to be found on even the best mosaic pictures. Coverage and detail have exceeded our expectations.

The ease with which ERTS–1 is obtaining accurate, detailed, and useful information about large regions of the Earth every 18 days is unprecedented.

What are the implications of such technology? In a world beset by a plethora of problems, including shortages of fuel, minerals, food, and water, the value of ERTS becomes readily evident. Through ERTS data, scientists have discovered ground water resources in Kenya, found lakes in Bolivia, and detected underground water sources in Florida. In addition, pollution of our valuable water resources has been monitored by ERTS. Imagery of the New York Bight was obtained 2 days after offshore dumping of sewage sludge and acid waste products. From investigation of the ERTS data, scientists were able to infer the products responsible for the alteration of water color and information about the dispersal of the material by current and tides. ERTS monitoring of the seas has also provided information leading to increased fishing yields.

Monitoring of land by the satellite has proven equally valuable. Crops can be identified and their conditions can be assessed. California crop land afflicted with cotton bollworm infestation has been monitored by ERTS. Mineral resources also have come under ERTS scrutiny. Photographs of the satellite have helped identify faults and fractures generally associated with mineral and petroleum deposits. Maps made from ERTS images contain more detail than conventional maps and depict land forms, agricultural field patterns, and geological features.

The extraordinary rate at which ERTS–1 produces maplike images is a significant cartographic advance. For example, the land use map of Rhode Island was created in 48 hours from ERTS images. Thus, State planners had up-to-date detailed information concerning their natural resources.

Mr. President, I have only touched upon a few of the many unique benefits derived from ERTS. In view of the many pressing problems facing our Nation today, I am sure that my colleagues are reassured to know that such progress is being made through the advance of science and technology. At the same time, it is disconcerting when we realize that this contribution may be abruptly ended. As yet, there are no plans to expand ERTS into a continuous, fully operational program. I feel that failure to do so would be irresponsible and injudicious on our part. The Committee on Aeronautical and Space Sciences plans to investigate this matter further in hearings on August 6 and 8. It is my hope that these hearings will shed light on the usefulness of ERTS, and the need to continue this valuable program unabated.

THE FEA: READY FOR WINTER?

Mr. CHILES. Mr. President, in February of this year, I conducted hearings for the Special Committee on Aging on the effects of the energy crisis on older Americans and related matters. The testimony of the Federal Energy Administration focused on the establishment of a Special Impact Office that would deal with problems of groups in special need, such as the elderly.

Mr. Dennis Bakke and Mr. Duke Ligon of the Federal Energy Office testified on the establishment of the Special Impact Office. Under questioning, they said that the Special Impact Office had come into being only a month prior. Key personnel had not then been named. The following dialog took place:

Senator Chiles. So you do not have a Special Impact Office at this time, Mr. Bakke?

Mr. Bakke. We have it on the organization chart.

Mr. Ligon. We have it on the chart, and we also have a nucleus of staff that is presently working insofar as making the input to policy regulations, and the procedure that Mr. Bakke outlined here this morning.

Senator Chiles. I understand you have massive problems over there, and I do not mean to make life miserable, but I think we have a credibility problem today in Government generally, and when we say that we created a Special Impact Office, then I think we have to be careful with what comes out of this hearing.

I call my colleagues' attention to this portion of the testimony because subsequent events have sustained my concern about the commitment of the Federal Energy Administration in dealing with intense human problems related to energy shortages. It appears that the Federal Energy Administration has put low priorities for such offices as Special Impact and Consumer Affairs.

At a later hearing in April, Mr. John Sawhill, now Federal Energy Administrator, testified about the focus and goals of the Special Impact Office. He failed to persuade me that he was preparing a contingency plan which would offer practical help to the elderly and others this winter.

In addition, a recent article by Jack Anderson raises some important questions about the determination of the Federal Energy Office to meet its public responsibility. I shall request permission to have Mr. Anderson's article from the Washington Post of July 13 included in the Record.

Mr. President, the Special Impact Office has a unique role in assuring that disadvantaged groups do not carry an unfair share of the burdens caused by the high cost or unavailability of energy. It should function as an advocate not only within the Federal Energy Office but with other executive agencies such as Health, Education, and Welfare, Housing and Urban Development, and the Department of Transportation. FEA should also mobilize resources at the State and local level. Events of the last few months call into serious question whether this important function is being accomplished.

On behalf of the Committee on Aging, I recently sent a questionnaire to State units on aging to ascertain what action is being taken at the State level to meet the special needs of the elderly with winter. The preliminary results indicate that only limited activity has taken place at the State level and that there has been little or no direction from the Federal Government.

If we are going to avoid serious hardship and sacrifice in the near future, the Federal Energy Administration needs to upgrade the function and role of both the Special Impact Office and the Consumer Affairs Office. This is in opposition to what appears to be the past practice of using these offices as something to point to when Congress begins to ask questions. The lack of positive programs by the Federal Energy Administration as it affects the special needs of the elderly does not make a bright future for older Americans during this coming winter.

Mr. President, I ask unanimous consent that the article by Jack Anderson to which I have referred to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 13, 1974]

FEA Neglect of Special Cases Told

(By Jack Anderson)

A scathing internal memo has accused the Federal Energy Administration of neglecting the poor, the elderly and the disadvantaged whom it had pledged to help.

The Special Impact Office, which was supposed to help hardship victims with their energy problems, was "created merely for political expediency," the memo charges.

The explosive memo catalogues alleged examples of the creeping lethargy. Here are the highlights:

Before a scheduled appearance at a Senate aging committee hearing, federal energy chief John C. Sawhill called the Special Impact Office to find out what they were doing for the elderly. The answer, according to the memo, was "nothing." Sawhill's office instructed the hardship experts to start some program he could tell the Senate about. The memo calls Sawhill's subsequent testimony about how his agency was helping the elderly "a display of political manipulation of fact and intent."

A survey was ordered of federally-funded transportation systems that serve the elderly. It was supposed to be completed by May 15, but special impact deputy chief Curtis Jones told us the results are still coming in. In any event, the survey doesn't cover independent systems, which more than federal systems are likely to be cut back as a result of the energy pinch.

Jones boasted that Operation Harvest, an emergency program to help migrant workers obtain gas during the shortage, was "precedent setting." But the memo alleges that "the relief strategy, such as it was, was announced on April 4, over a month after the original petition. In the interim, the Arab oil embargo had been lifted and supply of gasoline to all—including migrants—ceased to be a major obstacle."

The gas shortage caused many personal tragedies that were ignored by the Special Impact Office. A paraplegic, for example, pleaded for help in finding a reliable source of gasoline. His special automobile was his only form of transportation. Every time he needed to use the wash room, he had to drive all the way home where he had specially equipped facilities Yet as of this writing, his letter hasn't been answered.

Concludes the memo: "Unfortunately, the most pathetic and needy element of the population looks to our office for relief and is met with palliatives and political verbiage."

The fate of the memo, written by Susan Silver, now resigned, illustrates how the new Federal Energy Administration has already developed into a bureaucratic bog. Ms. Silver told us the memo was supposed to go to energy director Sawhill, but he never got it.

She then tried to make an appointment with the director, but was twice turned down. Finally, the enterprising critic slipped the memo to Mrs. Sawhill, her former college professor. Thus, the energy chief finally got the message, called the author and promised action. A new director of special impacts has now been appointed, and she has contacted Ms. Silver to discuss the points raised in the memo.

Footnote: Jones told us the Special Impact Office had to be "a fire fighter" during the worst of the energy crisis, which created problems. But now, he said, the office can concentrate more on substantive, long-range programs.

MR. ROBERT H. HINCKLEY

Mr. MOSS. Mr. President, in every city, county, and State we find a few outstanding citizens—people who have given more than their share to do the things that had to be done to make life run a little smoother for us all.

In my home State of Utah my good friend Robert H. Hinckley is such a man. His excellent service to my home community is pointed out in part in a July 29 article from the Salt Lake Tribune.

I ask that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LIFETIME IN POLITICS RECALLED BY UTAH'S ROBERT H. HINCKLEY

(By JoAnn Jacobsen)

"To Bob Hinckley, my dear friend. With warm regards . . ."

Signatures similar to this are on more than 50 photographs hanging in Robert H. Hinckley's ranch office at the Garden of Eden (Eden, Weber County)—the hideaway hamlet of the former state legislator and founder of the Hinckley Institute of Politics at the University of Utah.

Such affectionate notes are common enough between friends, but far less common when their inscribers are John F. Kennedy, Lyndon B. Johnson, Harry S. Truman, Franklin D. Roosevelt, J. Edgar Hoover, Bernard M. Baruch.

While awesome to most, Mr. Hinckley, active in politics his entire life, finds himself at home with the political greats that wallpaper his study.

FAMILIAR FACES

In fact, when he scans the familiar faces, a smile comes to his face—and you know there are some tales about the famous men that he's not about to tell.

"It all started in 1932 when I made the mistake of telling Henry Blood (whom he was encouraging to run for governor of Utah) that I wouldn't ask him to do anything that I wouldn't do should he ask me," Mr. Hinckley said.

Gov. Blood (who took office in 1933) remembered Mr. Hinckley's promise.

"When the Civilian Conservation Corps (CCC) was established (to help unemployed young men obtain work), Gov. Blood called me from Washington and asked me to organize the counties of Utah for enrolling the young men in the corps," he said. "I had to do as he asked."

ANOTHER CALL

But, when the task was done, the Utahn's work in government had just begun. He got another call.

"Bob, before you go home (to Hinckley Dodge Inc.), set up Utah's emergency relief program on a business basis," Gov. Blood requested.

(The Federal Emergency Relief Administration (FERA), which succeeded the CCC in 1933, was founded to cooperate with states in relieving hardships caused by unemployment and drought).

The Utah businessman dreamed up the Water Conservation and Development Plan, which would do just what its name implied—conserve and develop enough water to keep the factories operating, creating employment. The plan lacked one thing: funds.

"So I called Harry Hopkins, director of FERA, and told him that if he would give me $2 million to finance my plan, I'd save him three times that amount in direct relief to Utah," Mr. Hinckley said, motioning to Hopkin's picture on the wall.

The plan was successful. So, this time Hopkins called Mr. Hinckley—to make him assistant FERA administrator.

His assignment: To establish work programs in 11 western states.

"It was through Hopkins that I met (President) Franklin D. Roosevelt," Mr. Hinckley smiled, nodding to another 5x7 photograph. "Every time I wanted to quite government and go home (to the car business), Hopkins would call me to Washington and take me to Roosevelt's office for a talk."

MORE FREQUENT

Those chats became more and more frequent when President Roosevelt appointed Mr. Hinckley member and then chairman of teh Civil Aeronautics Authority, and later assistant secretary of commerce in 1940. (A plaque in his honor hangs at the Salt Lake City International and Washington National airports—both of which Mr. Hinckley initiated).

After serving two years as assistant secretary of commerce, he left Washington politics temporarily to join the Sperry Corp. in New York City.

It was only temporary.

"James Burns (former Supreme Court justice and assistant to the President) brought me back into government when he had Roosevelt appoint me director of Terminated Contract Settlements," Mr. Hinckley said, fondly glancing at another picture.

(The Office of Contract Settlement was created by Bernard M. Baruch's plan to set-the billions of dollars of terminated contracts expeditiously to prevent any hiatus between war and peace time production).

Mr. Baruch's picture also hangs in the Hinckley den, along with President Harry Truman's, and one of Angelo Rossi, former mayor of San Francisco.

"Roosevelt was in Hawaii and Hopkins was in Europe, so I represented the government in San Francisco during the great general strike in 1940," Mr. Hinckley said. "Workers were turning milk trucks over at the edge of the twon when Mayor Rossi and I took up residency in city hall.

"I announced that no one would go hungry in San Francisco" the Utahn exclaimed. "But I didn't have the slightest idea what I was going to do when I made the statement. I just had confidence that Roosevelt would back me up."

In Mr. Hinckley's quaint village office, there are also pictures of "my dear friend (President) Lyndon B. Johnson," and of John Connally, former secretary of the treasury, who worked with Mr. Hinckley to try to get Johnson elected to the presidency in 1960.

"TAKE INVENTORY"

There's an autographed picture of former Speaker of the House Sam Rayburn who Mr. Hinckley met with nightly in their Los Angeles Hotel to "take inventory" of the day's activities in the 1960 Democratic Convention.

"You know I was first elected to the state legislature when I was 27," Mr. Hinckley said. "It was a flu year in Utah (1918) and we weren't holding any public meetings indoors, so the Democrats held their convention in the county fairgrounds grandstand.

"I wasn't even there," he protested.

"I was in the classroom telling kids the same thing I'm telling them today: Get home and tell your parents to get involved in politics.

NOMINATING CONVENTION PRAISES SENATOR BENNETT

Mr. HANSEN. Mr. President, it was my high honor and personal delight to be in Salt Lake City last weekend for the 1974 Utah Republican State Nominating Convention.

It was my pleasure to appear at the July 27 meeting at the Salt Palace as the keynote speaker and to be introduced at that function by the senior Senator from Utah, WALLACE F. BENNETT.

Although I enjoyed my participation in the convention, the highlight of that meeting—under the direction of T. William Cockayne, State chairman—was a fine and well-deserved tribute paid to Senator and Mrs. Bennett by the delegates.

The testimonial to WALLACE and Frances Bennett is well deserved and calls attention to the work of a man closing out a most distinguished career of 24 years of service in Washington, D.C. It is a fitting tribute to a job well done.

Mr. President, as a mark of the deep respect in which Senator BENNETT and his wife are held, I ask unanimous consent that the testimonial resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

TESTIMONIAL TO WALLACE AND FRANCES BENNETT

Since January, 1951, Utah's distinguished Republican Senior Senator, Wallace F. Bennett, has represented Utah and served the nation in the historic halls of the United States Senate. He retires after these twenty-four years not only undefeated in electoral contests, but even more important, with his reputation for absolute integrity, human decency, and unusual ability not only unimpaired but magnified.

He leaves a tradition of service and patriotism. Truly his guiding standards have been "Faith and Freedom." As a man of quiet yet great religious faith, he served equally men of all faiths. While believing fully in the constitutional doctrine of separation of church and state, he has shown by example that he rejects the heresy that morality may be separated either from politics or government. Thus the men who knew him best entrusted him to serve as Vice Chairman of the Senate Select Committee on Standards of Conduct.

Daily for over two decades in the Senate, Wallace Bennett demonstrated his faith in America, in the Constitution, and in the American free enterprise system. He fought against the popular philosophy that government should be almighty. He stood for constitutional checks and balances, separation of powers, and for strong state and local governments when it was unpopular to do so.

He leaves monuments to his leadership from one end of Utah to the other, including Lake Powell, Flaming Gorge Dam, Interstate 70, better developed and protected National Parks, monuments and forests, new Federal office buildings, the Western Regional IRS Center, the impetus for Utah's area-space industry together with many other perpetual reminders of his service. Yet it was not projects attained but people served that brought him his greatest satisfaction. Through his help to servicemen, the elderly on social security. Utahns endangered abroad, students and others seeking jobs in Washington, D.C., people who had problems coming with the complex Federal bureaucracy, and also to countless others in numberless ways he gave life to the concept of ombudsman before the idea was conceived. Unusual for a politician, his performance nearly always exceeded his promises.

Wallace Bennett is one retiring political leader who will be sorely missed. Recently the Wall Street Journal's top Washington, D.C. writer, after listing many retiring members of Congress who "are no loss at all," then placed Senator Bennett among the select list of those who "will leave behind a real void." Specifically, he was described as "a conscientious, intelligent Republican expert on tax and banking matters."

Beholden to no special interests, he has been free to represent Utah in Washington and not Washington in Utah. He is OUR man. To this great Senator, great American, great Utahn, and great Republican who, with his gracious and talented wife, Frances, chose performance over publicity, work over show, and solutions over issues, we extend our heartfelt appreciation and say "well done!" The greatest tribute we can give him now is to elect a strong Republican Senator in his stead to carry the still brightly burning Bennett Torch into the next Congress.

To his gracious and talented wife, Frances, who was always constant and helpful in his support and who because of her own gift of leadership was elected President of the Congressional Club (an organization of the wives of all Senators and Representatives), we also extend our gratitude and warmest affection. As they return to their native state we hope they will enjoy for many years the friendship and esteem of their fellow citizens whom they have served so well for twenty-four years.

THE WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, it was necessary for me to be in Minneapolis, Minn., this morning on official busiess. The Midwest Governors Conference was holding its annual meeting in Minneapolis. I was invited to serve as moderator of a distinguished panel which had as its responsibility the discussion of the world food crisis. The panel participants were: Dr. Norman Borlaug, Nobel Prize winner, and distinguished agricultural scientist; Dr. Lester Brown, Senior Fellow of the Overseas Development Corporation and respected authority on world food problems; Dr. Quentin West, Director of the Economic Research Service of the Department of Agriculture, Congressman PAUL FINDLEY, member of the Committee on Agriculture in the House of Representatives; Mr. Tony Dechant, president, National Farmers Union and articulate spokesman for the family farmer; and Mr. Oren Lee Staley, president of the National Farmers Organization and one of the most vigorous leaders in rural America.

I ask unanimous consent to have the text of my remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY AT THE MIDWEST GOVERNORS PANEL DISCUSSION: "FOOD POWER," MINNEAPOLI, MINN. JULY 30, 1974

INTRODUCTION

It is a privilege and an honor to appear as moderator of this distinguished panel.

The subject which we are to examine, "Food Power" is a matter of growing importance for all people.

My role in this inquiry, as I understand it, is to serve as moderator and also attempt to lay out some of the areas which need to be examined.

To get started, we must try to develop a better picture of today's food situation. Are we faced with the prospect of famine or at least tight food supplies in the near future? What can be done to increase agricultural production and without too high a price on our ecosystem?

UNDERSTANDING THE PROBLEM

These questions clearly put our inquiry on a world-wide basis, and this is appropriate since food has become a topic of international concern.

It is clear that the food picture has changed drastically in the last two years. And food scarcity has become accepted as the new reality.

This changed situation resulted in part from crop failure but also from a changed demand on the part of consumers in the developed world.

In the future, the competition for precious food will involve not only the traditional population and agricultural production equation. It will also be heavily influenced by the level of demand in the developed countries where consumers have begun to demand more protein in the form of meat, milk and eggs.

The new scarcity in food has meant that prices have gone up, and the poorer nations have had to cut consumption and deplete their limited foreign exchange holdings.

The adjustment to increased food costs and reduced supplies has come about at the same time the world was reeling from the impact of the energy crisis. In fact, these two areas are intimately related and especially is a foreign exchange requirement for the poorer countries.

Under these circumstances world food reserves have declined to around 27 days, their lowest point in over two decades.

Famine has already hit large parts of Africa, and Southeast Asia is near the danger point. Food reserves in India have declined to the danger point, and a further delay in monsoon rains, already over three weeks late, could spell disaster.

The United States is thrown into a critical role under these circumstances because it holds the key as the world's major food surplus nation.

Export levels for the United States have recently reached 70 million tons, compared to 18 million tons for Canada, and 7 million tons for Australia.

Other areas such as Latin America had surplus production in the 1930's, but now are net importers. The deficit areas of the world include Asia—39 million tons; the Soviet Union and Eastern Europe—27 million tons; Western Europe—21 million tons; and Latin America—4 million tons.

While the world's population has been increasing at slightly above 2 percent per year, world food production has risen by 2.5 percent per year. Unfortunately, however, much of the increased food production has occurred in the *developed* countries thereby making the poor countries more dependent on the richer nations for their food.

The results of a computer analysis by a group of Case Western Reserve University Professors shows quite clearly that the grip of the food crisis in South Asia will increase after reaching already unbearable proportions. Specifically, by the year 2025 the protein deficit may exceed more than 50 million tons annually; and this will happen in spite of all advancements that can presently be predicted, including permanent cultivation of all possible arable land in the entire region.

With the threat of ever greater food scarcities ahead, we need to work together with other nations before the situation becomes even more serious.

THE ROLE OF THE DEVELOPING NATIONS

Clearly the developing countries must place greater emphasis and investment in food production.

We are reaching the point of diminishing returns in terms of expanding production in the developed countries. Additional investments of fertilizer or energy will bring a far greater return in the developing countries than in the developed countries where fertilizer is already heavily used.

As Lester Brown and Eric Eckholm state in their forthcoming book. *By Bread Alone:*

"The world's principal unrealized potential for expanding food production is now concentrated in the developing countries. Soils in Bangladesh are fully equivalent of those in Japan, yet rice yields are only one-third of those in Japan. India's area of cropland is roughly comparable to that of the United States, but it harvests only 105 million tons of grain while the United States harvests 250 million tons."

The policies of the developing nations should be shaped to encourage farmers to increase agricultural production. The small farmer needs water, improved seeds, fertilizer, improved transportation and storage, credit, technical assistance and above all a fair return for his produce.

Should less developed nations follow a policy oriented toward maintaining cheap food for the urban centers, increased food production, will be discouraged, and the migration of people to the illusory opportunities of the cities will continue.

Work must go on in developing improvements in seed varieties so that further production increases can be made and nutritional levels improved. The Green Revolution has only begun, and its momentum must be increased.

THE CONTRIBUTIONS OF THE DEVELOPED COUNTRIES

The wealthy, developed countries, and particularly the United States, will play a key role both in assisting the developing countries and formulating sensible national agricultural strategies.

The developed countries have the critical manpower and the resources which are required to provide technical assistance in areas such as agricultural credit, water and land management, fertilizer production, agricultural economics and research.

It is encouraging that the World Bank has changed its policies in recent years to place greater emphasis on agricultural production and the small farmer. The United States should do everything in its power to support and further this trend, not only in the World Bank but other international agencies as well.

The United States with its satellite technology is in a unique position to learn more about the world's weather patterns and its implications for agricultural production.

With experts such as Reid Bryson of the University of Wisconsin warning of changing weather patterns, this new technology can be of vital importance in understanding the changes and dealing with them.

Another critical area in terms of agricultural production is energy. The developed countries, with their superior technology, are usually in an advantageous position over the developing countries in terms of getting a share of fertilizer and petroleum products.

As James Grant, President of the Overseas Development Council points out, this is a very serious moral question for the United States and the developed nations.

A major effort must be undertaken not only to develop new sources of energy, but also to conserve energy and maximize the agricultural output per unit of energy utilized.

Another key area where the United States can play an important role is in soybean research. As a means of increasing protein output and conserving fertilizer, discovering the secret of nitrogen fixation, as it occurs in the soybean plant, would be of major significance.

I have joined with other Senators in having the Senate make a major increase in funding for soybean research.

A final area where the United States can make a major contribution to increasing agricultural production is in improving its own agricultural policies.

I have long argued for the need for a national food policy, and I think the time for debate over that issue is long past.

I have also urged the establishment of a modest food reserve program to reduce some of the volatility of prices which harms both farmers and consumers.

We should also keep in mind that fluctuating agricultural prices also hurt the farmers in the developing countries. Some expectation of stable prices and a reasonable return will serve to encourage agricultural production in all countries.

This is an area of leadership which could lead to important dividends, but the Administration seems unwilling to recognize its importance.

A national food policy must also include an understanding of the relationship between the terms and availability of agricultural credit and farm production.

A food reserve program is also an integral part of a sound food policy to provide reliable supplies of food at reasonable prices, enable us to be a reliable exporter and meet disaster requirements.

These are some of the major inputs which must go into a sound national food policy.

We should also keep in mind that fluctuating agricultural prices also hurt the farmers in the developing countries.

Some expectation of stable prices and a reasonable return will serve to encourage agricultural production in all countries.

This is an area of leadership which could lead to important dividends, but the Administration seems unwilling to recognize its importance.

THE WORLD FOOD CONFERENCE

I am hopeful that the World Food Conference can play a useful role in bringing together these important concerns. I was privileged to play a direct role last year in making the original recommendation that the Conference be held. And I have stated firmly my expectation that this Conference must develop an effective action program to address the world food crisis.

There are important additional issues to be considered by the Conference, such as population growth, and an international food reserve.

The session we are holding here today, also can play an important part in developing the key food issues, and I commend Governor Exon for his leadership in calling together such a distinguished group of participants.

I have stated firmly my expectation that this Conference must develop an effective action program to address the world food crisis.

This past week the Senate Foreign Relations Committee adopted the World Food Resolution, Senate Resolution 329, which I helped originate. It provides Senate guidance for our participation in the World Food Conference as follows:

(1) the contribution by the United States to the growing economic and human crisis in the developing world should be primarily in the form of food and the means and technology to produce it;

(2) the President, the Secretary of State, and the Secretary of Agriculture and their advisors should (a) gives the highest priority to the immediate expansion of American food assistance through the existing authority of the Public Law 480 legislation restoring title I sales and title II grants to at least the 1972 commodity levels and (b) take such additional steps as might be necessary to expedite the transfer of American food commodities on concessional and donation terms to those nations most severely affected;

(3) The President and the Secretary of State should (a) negotiate with other major food exporting nations to seek to obtain their participation in this emergency effort proportionate to their share of world food exports; and (B) strongly encourage oil exporting nations to contribute a fair share to these efforts to assist the most severely affected nations;

(4) The United States should announce its desire to work with the oil exporting and other nations in a major effort to increase world fertilizer production with the possibility of including the offer of American technology and capital;

(5) the President should encourage the American people to reduce the noncritical, non-food-producing uses of fertilizer which now total nearly three million tons nutrient a year, to make available increased fertilizer supplies for raising food production at home and in the developing world.

There are important additional issues to be considered by the Conference, such as population growth, and an international food reserve.

The session we are holding here today, also can play an important part in developing the key food issues, and I commend Governor Exon for his leadership in calling together such a distinguished group of participants.

THE SPECIAL ROLE OF THE UNITED STATES

We also owe tribute to the great productiveness of American agriculture. I know that our farmers will again respond to the challenge at hand.

Our Government can help by encouraging farmers to produce more food. This can be accomplished by establishing programs to provide fair and stable crop prices. We should also give higher priority attention to inputs such as fertilizer, petrochemicals, boxcars, twine, credit and baling wire which have been in short supply and increasingly expensive.

Assistance to the developing nations is another area where leadership is sorely needed. This important area has been to long neglected and misunderstood.

I know that the American people will respond to this crisis if the problem is forthrightly presented and reasonable programs are outlined.

Our task today is to urge the Government to provide leadership and take the right steps. Let's get on with it.

THE APPLICATIONS TECHNOLOGY SATELLITE (ATS-6)

Mr. MATHIAS. Mr. President, 2 months ago today, the most complex, versatile and powerful communications satellite ever developed—the applications technology satellite, ATS-6—was launched from Cape Canaveral. In orbit some 22,000 miles above the equator, the ATS-6 matches Earth's 24-hour rotational period and thus can remain over a fixed point on the globe, in communications view of all the continental United States.

Operating from several selected stations over the next several years, the spacecraft will serve an international community as a special broadcasting station in space. It will be used to test a variety of new space communications concepts. It carries more than 20 technological and scientific experiments, many of them international in scope.

Already, the ATS-6 has demonstrated its immense capabilities.

On July 2, the first educational courses ever taught via space satellite television began with the transmission of color video materials through the satellite. More than 600 graduate-level elementary school teachers in eight Appalachian States are participating in this project that is being conducted by the Appalachian Regional Commission under a grant from the National Institute of Education.

The ATS-6 is also being used for a project to exchange medical information among 10 Veterans' Administration hospitals in six eastern States from Pennsylvania to Georgia. This experiment began formally on July 10, with the first of the Veterans' Administration's scheduled 50 weekly 2½-hour transmissions of consultations, clinical and educational materials to the hospitals, which are relatively isolated because of mountainous terrain.

Marylanders share a particular pride on the ATS-6. First, the overall ATS program is managed by NASA's Goddard Space Flight Center at Greenbelt, Md., where all the satellite's operations are coordinated and controlled. I was pleased to be able to observe the launch on May 30, via closed-circuit television, at the Goddard Center.

Second, the prime contractor for development, integration and test of ATS-6 is Fairchild Industries, of Germantown, Md.

Finally, we are pleased that portions of Western Maryland are able to be a part of the first ATS-6 experimental projects.

After a year's operations within the communications sight of the United States, the ATS-6 will be moved eastward to a point over East Africa for a year's use by the Government of India to transmit educational programs to some 5,000 isolated villages.

In order that the program begun by the satellite in the United States may continue, a bill has been introduced in the Senate that authorizes funding in the current fiscal year for another satellite. I am pleased to support that legislation.

As we mark the 2-month anniversary of ATS-6, we look ahead to many months and years of new benefits to all the people of the world as a result of this magnificent achievement in space communications.

DOLLARS AND DÉTENTE

Mr. CHURCH. Mr. President, I commend to the Senate an article which appeared in the July 1974, issue of the Progressive Magazine, "Dollars and Détente" by Judith Miller, the Washington correspondent of that publication.

The Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee during the months of June and July held 6 days of hearings in connection with multinational corporation investment in large investment projects in the Soviet Union. Miss Miller in connection with this investigation states that:

> While detente is currently being attacked in Congress by a bizarre coalition of liberals and cold warriors, the Senate Subcommittee on Multinational Corporations, chaired by Senator Frank Church, Idaho Democrat, has begun the first sober investigation of detente's economic component and its impact on broader foreign policy considerations. The Subcommittee is particularly concerned about the effect of detente on the dangerous trend toward increasing economic concentration within the American domestic economy.

Miss Miller has captured the precise intent of the subcommittee in conducting these hearings. Her article makes the point that there is nothing inconsistent with being in favor of a lessening of political tension between the United States and the Soviet Union, but at the same time questioning the wisdom of U.S. Government subsidizing huge investment projects by multinational corporations in the Soviet Union. Miss Miller's article brings together the salient facts with respect to the proposed financing of these huge projects, particularly the two projects for the development of Siberia's natural gas which would potentially involve approximately $4.5 billion of U.S. Government financing at subsidized interest rates, all for embedded investment in the Soviet Union while the corporations which are promoting these projects would have no investment in the Soviet Union. Their investment would be exclusively LNG tankers which obviously involve a minimal risk factor. In short, this article is a welcome antidote to the artificial dichotomy which is often drawn between favoring political accommodation and questioning economic subsidy which benefits only the Soviet Union and the large multinational corporations at the expense of the U.S. taxpayer. To make political accommodation dependent upon such U.S. Government economic subsidies, in the long run, will simply discredit the cause of détente.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOLLARS AND DÉTENTE

(By Judith Miller)

The Nixon Administration's détente with the Soviet Union was forged less than three years ago, but its roots stretch back to a celebrated International Trade Fair in Moscow. It was 1959, and a young, anti-communist Vice President Nixon stood next to Soviet Premier Nikita Khrushchev in an American-style kitchen, arguing about whose system of government would ultimately prevail. The Vice President's close friend, Donald Kendall, president of Pepsico, Inc., hustled the two warring leaders over to his company's exhibition, where he temporarily reconciled the ideological squabble by presiding over a toast to the future with glasses of—what else?—Pepsi-Cola.

President Nixon and Soviet leaders are now toasting the official end of nearly thirty years of Cold War, and the drink is still Pepsi. Thanks to détente, the corporation that gave America its Pepsi generation has now acquired a monopoly on cola sales to the largest new accessible market in the commercial world—the Soviet Union.

For better or worse, Kendall and Pepsi-Cola have come to symbolize the Administration's détente. Although it ought to have meant a reduction of political tension and military rivalry between the two superpowers, détente's principal manifestation so far has been trade. And the primary beneficiaries of the more than $1.4 billion in U.S.-Soviet trade last year have been U.S. multinational corporations, especially those whose chief executives contributed heavily to Nixon's presidential campaigns.

While détente is currently being attacked in Congress by a bizarre coalition of liberals and cold warriors, the Senate Subcommittee on Multinational Corporations, chaired by Senator Frank Church, Idaho Democrat, has begun the first sober investigation of détente's economic component and its impact on broader foreign policy considerations. The Subcommittee is particularly concerned about the effect of détente on the dangerous trend toward increasing economic concentration within the American domestic economy.

Most of the enormous new projects being considered by American multinationals and the Soviets are "industrial cooperation" ventures—barter systems of trade particularly beneficial to the Russians, who lack sufficient hard currency to purchase the American technology they require. In these barter ventures, one or several multinationals provide the USSR with credit to purchase American equipment and technology to develop their natural resources, and are repaid in the natural resource generated by the American investment.

The largest barter project so far is Occidental Petroleum's $400 million fertilizer deal, a commercial coup negotiated by Occidental's President Armand Hammer, who contributed heavily to Nixon's political campaigns. Occidental will supply the Soviets with eight ammonia plants, pumping stations, chemical storage facilities, railroad tank cars, and a 1,200-mile pipeline, in exchange for Soviet-produced ammonia and urea—scarce resources in the United States.

Multi-billion dollar barter projects like Hammer's deal are the wave of the future, according to Commerce Department officials, but raise serious economic and political questions. The dangers of such deals are illustrated by three joint energy projects being considered by American multinational consortia.

A consortium of three corporate giants—Tenneco, Texas Eastern Transmission, and Brown and Root—are negotiating a natural gas venture known as the North Star Project. If agreement is reached with the Soviets, the consortium would construct a 1,500-mile gas pipeline from Western Siberia to a seaport near the Norwegian border, where natural gas would be shipped to the United States. The consortium estimates that the area contains gas equal to about two-thirds of America's domestic reserves—more than enough to justify development. Negotiations are still in an early phase; the consortium and the Soviets have not yet agreed on a price for the gas, nor has the group requested a credit extension from the Export-Import Bank (Ex-Im), the U.S. Government's chief tool for providing credits and loans to finance the purchase of American equipment and technology.

The second project, the Yakutsk Liquid Natural Gas (LNG) venture, involves not only the U.S. giants, Occidental, El Paso Gas, and Bechtel, but Japan as well. The controversial project has two phases: exploration, at an estimated cost of $200-$300 million, and development, which could cost the United States about $3 billion if sufficient gas deposits were confirmed. If reserves justified development, a 2,500-mile pipeline would be built to carry gas from Yakutsk in Siberia to a Pacific port near the Chinese border. There, the gas would be liquefied and shipped in El Paso tankers to the United States, where it would be regasified and sold. Although the Administration and the companies claim these negotiations are far less advanced than are the North Star talks, the LNG consortium has already applied for Ex-Im Bank credit to help finance the American share of the exploration phase. The Japanese, who would split exploration costs with the United States, have already signed a protocol authorizing their participation in the venture if the U.S. participants decide to proceed.

Finally, a third project, also involving Japanese-American participation, would enable the Russians to develop the Tyumen oil fields in western Siberia and ship the oil through a pipeline to the Pacific port of Nakhodka. Japan has already expressed willingness to spend up to $1.5 billion in credits in exchange for the desperately needed oil, but Gulf Oil Co., the American participant, is more reticent about the deal.

Administration officials defend the projects to develop Soviet natural resources, arguing that they would be mutually beneficial and would serve to strengthen détente. Commerce officials say the deals would give the United States access to new sources of natural gas and oil that would not result in an outflow of capital injurious to American balance of payments. Furthermore, it is argued, the Soviet government has guaranteed that all dollars borrowed from the United States would be spent on American technology and equipment, which would boost American production and employment.

The Senate's Multinational Subcommittee staff members, however, object to the plans on different grounds—financing, for one. In the Japanese-American LNG exploration venture, the Ex-Im Bank has been asked to extend credits to the Russians to cover 45 per cent of the American share of the cost; private commercial banks, including Chase Manhattan, have already agreed in principle to finance another 45 per cent, with Ex-Im guarantees. The Soviet Union would pay the remaining 10 per cent. So, although El Paso and Occidental would profit from Russian gas sales in the United States, the corporations would not invest a single company penny in the initial exploration phase. The consortium's only capital investment would be the construction of tankers to transport the gas to the United States, and even tanker construction is heavily subsidized by the U.S. Government. A similar financing scheme has been worked out for Occidental's fertilizer project.

In both projects, the corporations that have negotiated the terms of the ventures do not have a direct financial stake in them. If the deal falls through and the Russians default, the U.S. Government is left holding the bag. Several banks involved in the financing have told the Multinational Subcommittee they are not particularly concerned about whether the investments are profitable or economical, but rather about whether their credits are secure. In most cases, the private bank loans are guaranteed by the Government.

A more fundamental issue raised by this style of financing, especially in the field of energy, is whether the U.S. Government ought to provide low-interest loans of 7 per cent to finance gas and oil development in the Soviet Union instead of in the United States. In Congress, the question is phrased another way: What ever happened to the Administration's plan for energy self-sufficiency, Project Independence?

Administration officials have not yet officially redefined Project Independence, but unofficially they indicate the goal of total energy self-sufficiency must be modified somewhat to enable the Administration to pursue the equally important goal of strengthening détente through expanded commercial relations. Officials also point out that the Soviet Union has an excellent credit record, and would not risk economic warfare with the United States by cutting off natural resources in periods of international tension. This explanation has not impressed the Church Subcommittee staff members.

The Multinational Subcommittee is concerned that important foreign policy considerations are being ignored as a result of the Administration's effort to shore up détente through trade. For example, the Japanese, who receive 40 per cent of their oil from Arab countries, are extremely eager to diversify their energy supply sources. In 1962, Japan was negotiating an agreement with the Russians to extend the Yakutsk oil line to a Pacific port in return for gas, a deal similar to the one Japan and Gulf Oil are now considering. American oil and gas interests attempted to limit Soviet gas and oil exports, and accused the USSR of dumping oil and gas and pricing politically. The United States pressured Japan to back off on her negotiations with the Russians by canceling an agreement to buy jet fuel from the Japanese corporate giant, Idemitsu. Now, the Japanese are once again anxiously seeking participation in U.S.-USSR joint energy ventures. Japan is a participant in the Yakutsk LNG exploration project, but not in the North Star deal. If North Star receives Ex-Im Bank credit, and the LNG venture does not, Japan will once again have been entirely cut out of the new energy market by the United States—hardly an inducement to cordial Japanese-American relations.

The Multinational Subcommittee is concerned about other foreign policy questions as well: What impact will the joint U.S.-USSR-Japan energy projects have on American-Chinese relations? How will such ventures affect U.S.-European relations? In the Tyumen oil field project negotiations, the Russians have been pressing the Japanese and the United States for an agreement to build a railroad rather than a pipeline to deliver the oil. The railroad's terminal would be close to the Chinese border. What effect would such a project have on the already delicate state of U.S.-China affairs?

The Administration has managed to exert substantial control so far over multinational negotiations with the Soviets through several mechanisms. A former White House official has told the Multinational Subcommittee that every venture costing more than $5 million involving the U.S. Government must be approved by the White House. Another unofficial mechanism of Administration manipulation, and one which affords multinationals an inside track on East-West trade, is the U.S.-USSR Trade and Economic Council.

The protocol signed in June 1973, during the Washington summit meeting between Nixon and Brezhnev, called for the establishment of a joint U.S.-USSR Chamber of Commerce to bring Soviet officials and American businessmen together. Both the Soviets and the Americans operate chambers of commerce, and there already exists an International Chamber of Commerce with broad industrial representation which could have served the purpose spelled out in the protocol. Several sources have verified Subcommittee contentions that Administration officials rejected reliance on the chambers because they were too large and could not be directed in the same way a smaller, more exclusive group might be. So instead of using existing institutions, Secretary of Commerce Frederick Dent convened a group of twenty-six chief executive officers of major U.S. multinationals having a direct interest in expanding U.S.-Soviet trade. Pepsi-Cola president Donald Kendall was designated chairman of the organizing board and is now co-chairman of the Council. The group's president is Harold B. Scott, a former Commerce Department official who once served as vice chairman of the Committee to Re-elect the President.

While the Council professes to be open to all companies and committed to expanding its narrow membership base, its fee structure is designed to discourage all but those large corporations already seriously involved in and committed to East-West trade. Council dues range from $1,000 per year for an association membership to $10,000 per year for a corporation with sales of more than $1 billion. Even corporate aircraft giant Boeing has complained about the Council's fee schedule. Although Council officials claim the group does not participate in actual negotiations between Russians and American companies, it admits to steering the Russians toward member multinationals that might provide the Soviet with what they need. The Council will not disclose its budget, but sources report that the Soviets and American companies contribute almost $1 million a year to the Council's operations.

The Nixon Administration possesses mechanisms for dissuading trade it decides is inimical to American national interests. The Commerce Department's export control program has authority to deny export licenses for materials which could make a significant contribution to the military potential of another nation. In 1973 the Department processed 3,046 applications for material destined for the People's Republic of China, the USSR, and Eastern Europe, and rejected 106 applications on such grounds. In addition to the export controls, gas and oil imports must be approved by the Federal Power Commission. The FPC must also approve the price of the imported gas and oil. Once FPC authorization is given to the price negotiated by the multinationals and the Russians, however, the companies would be assured a market for their gas and oil even if cheaper energy sources are located.

The Administration has established a cabinet level East-West Trade Policy Committee, chaired by Henry Kissinger, Jack Bennett, Undersecretary for Monetary Affairs in Treasury, heads the Committee's working group which meets often. The Committee is responsible for coordinating economic policy with the Soviet Union and Eastern Europe and for providing American companies with trade guidelines.

Congress, however, has considerable leverage over such trade. Opponents of détente are attempting to block the Administration's request to extend the Ex-Im Bank's charter for another year and to raise Ex-Im credits from $20 billion to $30 billion. In the House a majority signed a resolution which calls for a moratorium on credits to the Soviet Union until the Senate acts on the Administration's trade bill. The trade agreement negotiated with the Russians in 1972 included a provision enabling the Soviets to establish the Kama Purchasing Commission, U.S. companies to set up commercial offices in Moscow, an exchange of commercial representatives, and, most important, the granting of most-favored-nation—non-discriminatory tariff treatment—to the Soviets. This last provision has been the focus of the House and Senate attack. A bizarre coalition of cold warriors and liberals has formed to deny the USSR most-favored-nation treatment unless it permits free emigration of its citizens, intended to aid Soviet Jews who wish to emigrate to Israel. Several Senators have said that some members of the coalition don't give a damn about the human rights issue but are only interested in killing détente with the Soviets. The Multinational Subcommittee is attempting to avoid aiding those who wish to see detente destroyed and yet to subject the structure of economic détente to public examination and criticism.

NUCLEAR SPREAD IS A WORLD MENACE

Mr. SYMINGTON. Mr. President, a recent editorial in the Kansas City Star, "Nuclear Spread Is a World Menace," points up what could be the problem all nations in the not-too-distant future will have to face up to from the standpoint of their survival.

Thirty years ago, with what has been described as our country's two greatest allies—the Atlantic and Pacific Oceans—the United States had many months in which to mobilize its defenses against a possible enemy.

Now, because of the telescoping of time and space along with the new nuclear force available to modern weaponry, we would be lucky to have a few minutes.

In this connection, let us note that one of the members of the nuclear club who has consistently refused to sign the Non-Proliferation Treaty is reported to have made an agreement with another country, not a member of the nuclear club, to furnish the latter with nuclear reactors which would produce enough nuclear material to give that nation the capability of manufacturing from 200 to 250 Hiroshima bombs per year.

I ask unanimous consent that the editorial in question be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Kansas City Star, July 22, 1974]

Nuclear Spread Is a World Menace

Who shall be next to blast its way into the "nuclear club" of nations? Intelligence agents of the major powers—and of some minor ones as well—are pondering that gruesome question these days. In Washington there is word that U.S. intelligence analysts rate India and Argentina as prime candidates to develop nuclear weapons.

India disclaims any intentions to produce atomic arms despite that country's May 18 explosion of a nuclear device. The official Indian version is that the tested device was for peaceful purposes such as earth-moving. But some Indian officials and military leaders have long been known to want a nuclear arsenal both for prestige and to intimdate neighboring Pakistan. The Pakistanis are understandably alarmed and so are many other Asians.

The worst immediate result of India's

venture into atomic explosives is that it puts forward a bad example for others. If a country as poor and underdeveloped as India can join the small group of nuclear "have" nations, others that cannot really afford this status seem likely to aspire to it anyway. Red China and France previously set bad examples for India and any other states with atomic military ambitions.

At present the nuclear club has six members—the United States, the Soviet Union, Britain, France, India and China, Argentina, Brazil, South Africa and Israel are thought to be most likely to join the list next if, indeed, Israel does not alreadly posses some kind of concealed nuclear capability. Egypt also may be pointing itself in this direction. Some arms specialists have estimated that there could be 20 nuclear states by 1965 and even 50 by the year 2000.

When the Treaty on the Non-Proliferation of Nuclear Weapons was negotiated in 1968 and entered into force two years later, the intent was to freeze membership in the nuclear club. Obviously it has not worked out as intended even though 106 countries have signed the pact and 83 of them also have ratified it. But there are holdouts, too, and these could upset the present nuclear balance of terror. Obviously a great deal of missionary work needs to be done in behalf of not spreading nuclear weapons until the point is reach when a safe world is no longer possible.

REPEALING THE FORMOSA RESOLUTION

Mr. CHURCH. Mr. President, United States-Chinese relations are presently at a slowed-down pace. At such an interval, buttressing the Shanghai Communique by repealing the 1955 Formosa Resolution would be appropriate.

Robert W. Barnett, former Deputy Assistant Secretary of State for East Asian affairs recently urged this action—legislation I sponsored in the Senate and now before the House—as well as other moves the United States could take increase the snails pace of the Washington-Peking relationship toward normalcy and full diplomatic relations.

I recommend Mr. Barnett's analysis that appeared in the July 24 Baltimore Sun to my colleagues. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Baltimore Sun, July 24, 1974]

BUTTRESSING THE SHANGHAI COMMUNIQUE

(By Robert W. Barnett)

Washington.—Trust in the Shanghai Communique, as a contract between governments, should be restored. It has been looked upon too much, perhaps, as a private understanding between Secretary Kissinger and Prime Minister Chou En-lai and their principals, whose effective exercise of authority is currently being questioned variously on grounds of failing health, intervention of foreign policy concerns other than Sino-American relations, and the distracting effects of various domestic challenges.

The stabilizing influence of the Shanghai Communique in strategic calculation within the Pacific region is too important to be allowed to depend upon the fragile magic of personalities.

Secretary Kissinger has recognized this need in telling audiences that "despite periodic accounts of supposed ups and downs in our bilateral relations, there should be no doubt in anyone's mind, that from the United States point of view, we remain firmly on course. . . . No policy of this administration has had greater bipartisan support than the normalization of relations between the United States and the People's Republic of China."

Senator Jackson, recently returned from Peking, now favors full normalization of diplomatic relations between the United States and the People's Republic of China. Ambassador Bruce, soon expected in Washington for consultations, perhaps in connection with another visit by Secretary Kissinger to Peking, will report that he hears fears expressed in Peking of Washington backsliding from Shanghai Communique commitments.

Washington's commitment to detente would be reinforced by seeing that a variety of more or less inconspicuous actions begin to originate in various parts of the government—with respect to Taiwan.

The first of several useful moves could be for the Executive Branch to applaud Senate approval of S. 3473 where, in Section Four, the Formosa Resolution of January 29, 1955 is repealed. This resolution is something other than our Mutual Defense Treaty with the Republic of China which commits the United States to defend a treaty area comprising Taiwan and the Pescadores in case of military attack, and is respected silently in the Shanghai understandings.

The 1955 resolution says that if military activity outside of the treaty area could be construed as intended to threaten the treaty area, the President is authorized to employ American armed forces to oppose it. This resolution gave congressional authority for Washington's support of Taipei during the frightening Quemoy crisis in 1958.

That historic crisis planted seeds of distrust between Peking and Moscow: open Sino-Soviet hostility became apparent just a little while later. That crisis also revealed that Quemoy was, from Peking's standpoint, worthless in itself but was a symbol of Peking's and Taipei's common contention that there is but One China—a strategic linchpin.

When as envisaged in the Shanghai Communique, Chinese on both sides of the Taiwan Strait start talking together, Quemoy, with its massive investment in fortifications and manpower will be a part of the business on their agenda. The Executive Branch should applaud a congressional action which says that the future of the offshore islands is their business and their business alone.

Second, the United States should encourage Taipei—the Republic of China—to differentiate detente, which can present constructive tactical opportunities, from rapprochement, which might have far-reaching strategic consequences. Taipei now stands stiffly aside from the detente with Peking being sought by Washington, Tokyo and in many quarters of South and Southeast Asia. In fact, Taipei condemns moves toward constructive foreign relations between Peking and other capitals. It was a petulant anachronism, for example, when Taipei tried to block Tokyo's civil aviation agreement with Peking. Instead, Taipei should recall that even under the almost forgotten Hallstein Doctrine, Bonn traded with the East, and should observe that even President Park of South Korea recognizes that for him to talk with North Korea is necessary within his strategic environment. Washington should inform Taipei plainly that for it not to trade or talk with the People's Republic of China creates a risk of being viewed as a troublemaker within the area, and, in time, a prospect of crippling isolation for itself.

Third, Washington should make for itself frequent opportunity to advertise the substantial reductions of United States military forces on and related to Taiwan and explain that they represent carrying out the general strategic intention of the Shanghai Communique. Doing this would put in context the recent puzzling sale of submarines to Taipei which was, actually, merely completion of a transaction commenced long before the Shanghai understandings.

Senator Jackson may have preempted another move which the Executive Branch should be making—to declare that the longer term American goal, implicit in the language and spirit of the Shanghai Communique, is the establishment of a full scale United States diplomatic establishment in Peking, while preserving something like a United States liaison office in Taipei.

Surfacing this definition of our objective might provoke inconvenient exploration of heretofore intractable questions.

The Shanghai Communique would be reconfirmed significantly, however, in having Washington seem to be declaring that Taiwan should be but another province of One China, with Peking administering China's foreign and defense policies, thus eliminating the Taiwan Strait as an arena for foreign military intervention, while at the same time indicating that the different historical, economic and cultural realities of Taiwan justified political arrangements that allowed differences, and some separateness, for Taiwan.

Both Peking and Taipei might well have objections to any position by Washington, perhaps arguing that it constitutes intervention in China's internal affairs. But so long as the Mutual Defense Treaty of 1954 remains on the books, Washington is entitled to express a view as to what might be done by others to make that treaty irrelevant, unnecessary and obsolete.

Were we to declare this to be our hope and wish, Taipei might act in ways designed to convince the American people that it deserved protection because it had no hostile intent of its own toward anyone.

Meanwhile, Peking might be encouraged to offer to Taipei arrangements which accommodate peacefully the two economic and social systems one to the other, and would credibly end justification for any future United States interference in the internal affairs of China.

RESIDUAL FUEL ALLOCATION

Mr. KENNEDY. Mr. President, the Federal Energy Administration recently agreed with many New England Senators, Congressmen, and citizens on the need to reverse its earlier decision to deallocate residual fuel oil by August 1.

Although the initial decision—following a hearing in which 17 of 19 witnesses opposed deallocation—from FEA was to merely delay its decision for a month, I hope the FEA decision will be to abandon its deallocation proposal entirely in view of the evidence presented.

Along with other New England Senators, I wrote to the FEA urging them to maintain the residual fuel oil allocation program. In reading the testimony submitted to the FEA, I am even further convinced that the interests of New England citizens—who use 25 percent of the entire Nation's residual oil—will be served by maintaining that program.

Because of the impressive documentation presented in the testimony of John G. Buckley, representing the Independent Fuel Terminal Operators Association, on this issue, I would ask unanimous consent that it and several articles on the subject be printed in the Record.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN G. BUCKLEY ON BEHALF OF THE INDEPENDENT FUEL TERMINAL OPERATORS ASSOCIATION

Gentlemen: My name is John G. Buckley. I am a Vice President of Northeast Petroleum Corporation of Boston, Massachusetts. I am a member of the Refining Subcommittee of the National Petroleum Council and was a member of the Emergency Petroleum Supply Committee established last winter by the Office of Oil and Gas; I am a member of the Massachusetts and Rhode Island Emergency Energy Supply Committees.

With me is Mr. Jerome S. Broder, a Vice President of Northville Industries Corporation of Melville, Long Island, New York. Mr. Broder has been in the retail and wholesale fuel oil business for nearly 20 years; he was President of the Long Island Oil Terminals Association for two years and is a member of the Energy Crisis Committee of the Oil Heat Institute of Long Island.

We are appearing today on behalf of the Independent Fuel Terminal Operators Association, which is composed of 18 companies who operate deepwater oil terminals along the East Coast from Maine to Florida.[1] None is affiliated with a major oil company. Members market residual fuel oils (No. 4, 5 and 6 fuels), home heating oil (No. 2 fuel) and gasoline at the wholesale and retail level.

Before discussing the Proposed Rulemaking itself, it might be useful to the Federal Energy Administration if we provided a brief description of East Coast residual fuel oil market and the role of independent deepwater terminal operators in that market.

1. EAST COAST MARKETS

Almost half of the nation's residual fuel oil is consumed in the Northeastern states.[2] Of the national total of 925,000,000 bbls (2,535,000 b/d), 441,300,000 (1,209,000 b/d), or 47.7% is used in the Northeast. New England consumes 173,000,000 bbls, New York, 176,300,000 bbls and New Jersey 92,000,000 bbls.[3]

The remainder of District I[4] consumes about 90,000,000 bbls, or 10% of the national total. Therefore of the total national consumption, nearly 60% takes place along the Eastern seaboard.

Residual fuel oil is a heavy oil,[5] usually transported and stored in a heated state, which has a high flash point (i.e. it burns only at very high temperatures) and is burned in large furnaces. The proportional usage of this product varies from area to area, but the following national totals provide a useful guide:[6]

Use	*Percent share of market*
Electric utilities	47.03
Heating	20.21
Industrial use	15.81
Vessels (bunkering)	8.41
Oil-company use	3.60
Military	2.66
Railroads	0.12
Other	0.96
Total	100.0

In New England, utilities consume 50% of the total residual fuel oil. Space heating (apartment houses, hospitals, schools, stores, office buildings, shopping plazas, factories) account for 30% and nearly 20% is used by industry in manufacturing processing and for the generation of steam.

In the New York, New Jersey area utilities consume 46% of the total; the remaining use relationships are similar to New England's.

Currently U.S. domestic refineries produce approximately 35% of the total consumed nationwide. Imported supplies account for over 90% of the total consumed in the Northeastern states. Of the total imported, approximately 80% comes from Western Hemisphere refineries; Caribbean residual capacity is largely in the hands of two international major oil companies, Exxon and Shell (Asiatic) who control more than 50% of the production. Significant Western Hemisphere capacity is also operated by Texaco, Amerada Hess (Virgin Islands) and BORCO (Bahamas).

Independent role in the east coast market

Independent marketers, particularly terminal operators, play a significant role in the importation, distribution and sale of residual fuel oil in the Northeastern states. Members of our Association own and operate substantial docking, storage, pipeline and transportation facilities for this product. Ten of our members market 58% of the residual fuel oil consumed, exclusive of utilities, in the six New England states and 48% of the residual fuel oil consumed, in the states of New York and New Jersey.[7] Members own or control 18 million barrels of residual fuel oil storage along the East Coast.

In addition other East Coast independents purchase cargo (i.e. tanker) quantities and enter into "throughput" agreements under which storage at deepwater terminals is rented. Independent barge operators and independent dealers also play a significant role in the distribution and delivery of the product. In the case of my own company, Northeast Petroleum, some 90% of the total residual oil handled is sold by us at retail directly to industrial, commercial and residential customers.

2. Comments on notice of proposed rulemaking

The Independent Fuel Terminal Operators Association is strongly opposed to exemption of residual fuel oil from the Mandatory Petroleum Allocation Regulations. We believe that the proposal published in the Federal Register of July 5 is ill conceived and is based on a superficial and incorrect assessment of the residual fuel oil market. Further we believe that the procedures being followed by the Federal Energy Administration violate three Acts of Congress[8] and the substantive bases of the Proposed Rulemaking violate the Emergency Petroleum Allocation Act of 1973.

a. Procedural Defects

The Notice of Proposed Rulemaking contains three procedural defects:

First, sufficient time is not been given for review of the comments being filed by the public. Under the timetable established by the deadline for written comments is Monday, July 22 and the oral hearings are being held on July 22 and 23. The proposed effective date of the deallocation is August 1. Under Section 4(g) (2) of the Emergency Petroleum Allocation Act of 1973 (PL93–159), no recommendation can become effective until it has been before the Congress "at least five days during which the House was in Session and at least five days during which the Senate was in Session," and neither House has taken negative action. July 27 and 28 are Saturday and Sunday, and it is unlikely that the Congress will be in session on those days. Therefore, if the FEA recommendation is to be effective on August 1, it must be submitted to the Congress by the morning of July 25.

Thus, if the oral hearings take only one day (July 22), the FEA has permitted itself two days (July 23 and 24) to review the statements, evidence and data submitted; if the oral hearings take two days, which apparently will be the case, the FEA has permitted itself only one day (July 24) to review the submissions. In actual fact the FEA has allowed itself no time to review the comments since the transcripts of the hearings cannot be available until a day or two after the hearings.

Obviously no serious review is possible. In fact we believe that no serious review was ever planned and that the procedures—comments and oral hearings—are a farce, designed to give some semblance of legality to a decision reached more than a month ago.

The procedures being followed by FEA are, *prima facie*, in violation of the letter and spirit of several Acts of Congress and numerous court decisions.[9]

Second, the Rulemaking was not complete and effective on the date of publication in the Federal Register, July 5, On page 24670 of the Register of that date, the following statement is made:

"The FEA has concluded that current and projected supplies of residual fuel oil from both domestic and foreign sources are adequate to meet demand through the end of this year. The FEA also believes that residual fuel oil may be exempted from mandatory allocation at this time consistent with the objectives of the Act and without creating shortages of crude oil or other refined petroleum products subject to the Act. The data which support these conclusions, and an explanation of the data, are contained in Appendix A of this notice. A more detailed explanation of the FEA's method of estimating supply and forecasting demand and of FEA data analysis is contained in FEO Technical Report 74–3, Residual Fuel Oil Supply and Demand Forecasts, July 1974—December 1974, copies of which may be obtained from the Office of Public Affairs, FEA, Washington, D.C. 20461."

From July 5 to July 15—a period of 10 days—repeated attempts were made by our Association and by other persons to obtain a copy of FEA Technical Report 74–3. It was simply not available. We were given a variety of reasons for its unavailability: It didn't exist; it existed, but the public couldn't see it; it had not been finished.

The primary fact is that it was not available for inspection and review by the public. The statement with reference to this Report in the July 5 Federal Register was incorrect, and it was made available only 7 days prior to the date for filing comments; many witnesses obviously did not have sufficient time for review.

There is no doubt that this document is vital; it provides the public with critical information needed to assess the basis and accuracy of the supply and demand data developed by FEA, and on which FEA based its decision to remove controls from residual fuel oil. Full opportunity for review and analysis of the Technical Report should have been provided, as a matter of fairness, equity, and of law.

Further, the failure of FEA to make the Technical Report available as announced raised serious doubts as to its existence as a completed document on July 5. And if it did not exist in completed form on that date than the reliability and integrity of the statistics set forth in Appendix A (Federal Register, July 5, 1974, pp. 24671–73) of the Proposed Rulemaking are subject to serious question.

Most important of all, the Rulemaking was not complete and therefore was not legally effective on July 5.

Third, the public has not been given an acceptable opportunity to request to appear at these oral hearings. On page 24670 of the Federal Register, the following statement is made:

"Any person who has an interest in the subject of the hearing, or who is a representative of a group or class of persons who has an interest in the subject of the hearing, may make a written request for an opportunity to make oral presentation. Such a request should be directed to the Executive Secretariat and must be received before 4:30 p.m. e.d.t., July 15, 1974. Such a request may be hand delivered to Room 3309, New Post Office Building, 12th and Pennsylvania Av-

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Footnotes at end of article.

enue, N.W., Washington, D.C. . . . or may be submitted by Telex (710-822-0155)."

As we determined[10] this is not a Telex number at all; it is a TWX number. And the number is wrong; the correct number is substantially different.

The corrected number was never published in the Federal Register. Thus many persons seeking to testify may not have been able to register their requests with the FEA.

This is another example of the fatal defects of the Rulemaking and of FEA's lack of interest in receiving and reviewing comments from the public.

b. Substantive Defects

The Natice of Proposed Rulemaking contains six serious substantive defects:[11]

First, it fails to propose that residual fuel oil be exempted from price controls at the same time that it is exempted from allocation controls. This is a clear violation of Sections 4(a) and 4(g) of the Allocation Act.[12] Congress intended that price and quantitative controls be imposed together and removed together. Removing allocation controls alone would place independent marketers of residual fuel oil, such as ourselves, at a severe competitive disadvantage and would lead to a revival of the chaotic conditions that led Congress to adopt the Allocation Act last year.

Second, the Proposed Rulemaking provides no analysis of the impact of deallocation on the price of residual fuel oil. Even in the Technical Report 74-3 cited in the rulemaking as the ". . . more detailed explanation of the FEA's method of estimating supply and forecasting demand . . ." there is no analysis of price impact.

Indeed, on page 6 of the Technical Report, in attempting to explain how demand is forecast, the FEA states: "a structural demand equation explains how much fuel users would desire to consume given the values of many important parameters, most especially the market prices of residual fuel and other competing energy sources. In combination with factors influencing supply, a structural demand equation would permit an estimation of equilibrium market price and quantity. The forecasting equation used here is incomplete with respect to identifying both equilibrium price and quantity" (Emphasis added).

This language makes clear the failure of the Technical Report to assess the impact on prices.

The Technical Report goes on to state "Forecasts of market prices are not attempted." That sentence is easy to understand, the sentence that follows it, however, is a gem of economic jargon; it reads as follows: "As discussed below, the omission of price from the forecasting equation necessitates the accounting for price effects via exogenously determined adjustments to the forecasting equation." If that is not clear the following two sentences may help. The first reads, "The demand equation used is adjusted for these exogenous influences." That is very helpful to know, but nowhere does it explain how the demand equation used is adjusted for these influences. Finally, the paragraph ends up with a statement, "As a result the adjusted demand estimate is complete." While the FEA may feel the adjusted demand estimate is complete, it simply is not. In fact FEA's analysis in the FEA Technical Report and in the rulemaking in the entire area of price is obviously incomplete. The absence of any meaningful price analysis is an inexcusable omission.

The Actual Impact on Price

It is essential to look at the impact of the proposed deallocation on the consumer of residual fuel.

First, it is clear that there will be increases in the price of residual fuel purchased by independent deepwater terminal operators for sale to the industrial, commercial and residential market in the Northeastern United States. Exactly how much prices will go up depend on the grade of residual fuel in question. We believe the price for high sulphur level residual fuel, (2.5% to 2.8% sulphur and higher) will rise the least, while the price for the lower sulphur residual fuels, (that is .3, .5, and 1% sulphur residual fuel oil) will rise more dramatically.

Price of High Sulphur Fuels

We should first like to examine the high sulphur residual fuels such as the 2.5 to 2.8% grades. Denied access to these high sulphur fuels under the Mandatory Allocation Program, independents seeking to replace lost supplies in the marketplace will, invariably, turn again to the Caribbean area, to the same suppliers who are now required to supply at cargo contract prices under the Program. However, since independents will not be buying under contract nor will suppliers be required to supply at the normal cargo contract prices, as they have been under the allocation program, the independents will be forced into the spot market.

Current Spot Market

Today's spot market price for 2.8% sulphur fuel in the Caribbean lays product into New York or Boston harbor at about 35 cents to 40 cents per barrel higher than the current cargo contract price.

That means that the elimination of the Program will automatically and immediately result in a 40 cent per barrel price hike for independents.

But that is not the end of the possible price increases. The spot market is a relatively thin market. By that we mean that the great bulk of residual fuel moved from the Caribbean to world markets is moved under contract and only a small volume is moved on the spot market. Thus any sudden increase in demand for spot cargos causes a quick upward adjustment in prices. It may be recalled that last fall and early winter, when it became clear that residual fuel made from Arab crude oil would not be arriving in the United States because of the embargo, the spot market price for residual fuel in the Caribbean rose dramatically, to over $20 per barrel. We do not suggest that the current spot price for high sulphur residual fuel of approximately $9.90 per barrel (f.o.b.) Caribbean will again rise to the range of $20 and above. However, we firmly believe that the current 40 cents differential between spot and cargo prices will grow to at least $1 per barrel and perhaps more.

Unfortunately this high sulphur content fuel cannot be used in most markets of the Northeast. Restrictions under the Clean Air Act have, as FEA knows, reduced the sulphur content of residual fuel permitted to be used legally in most of the heavily populated cities and states on the East Coast. At the present time in the New England market only Maine allows sulphur levels as high at 2.5%. The higher sulphur residual fuels are also, of course, used for bunkers (i.e. propulsion fuel) for vessels. Thus the bunker market and the more sparsely populated regions in Maine or in upstate New York are the areas that will be adversely affected by the higher spot price for high sulphur residual which already exists and which we believe will grow if mandatory allocations are removed as proposed in the Rulemaking.

Shortage of Low Sulphur Fuels

Replacing supplies of low sulphur fuel will be much more difficult—and more costly. Before we explain the world market price trends that affect the lower sulphur residual fuels, we should like to express grave doubts about the basic assertion in the FEA rulemaking—that there is ample supply of residual fuel for the balance of this year. In fact the very low sulphur residual fuels are not available in sufficient quantity even at the present time. For example, my own company, Northeast Petroleum, has had great difficulty in obtaining sufficient quantities of .5% sulphur fuel for the Boston market. Indeed, we are currently operating under a waiver from the State of Massachusetts to allow us to use higher sulphur residual fuels than normally permitted under the Clean Air Act. Thus the FEA assertion that supplies are adequate is wrong, in large part because it fails to take into account the different supply levels for different quality or different sulphur level of residual fuels.

Replacement of Low Sulphur Fuels Supplies

We, as independent terminal operators face serious problems in replacing the lower sulphur residual fuels lost if the mandatory allocation program is abandoned. There may be some who think the major suppliers of lower sulphur fuels in the Caribbean will "volunteer" to continue supplying the independents with their total requirements. A look at recent history does not make us hopeful the majors will voluntarily make their limited supplies of low sulphur residual fuel available at equitable prices. Indeed FEA had to issue direct orders to get these majors to begin supplying us under the mandatory program earlier this year.

The FEA is mistaken in concluding that the major companies have changed their attitude. The experience of independent marketers in Europe at the present time serves to illustrate our point. Attached to this statement is a news article from Petroleum Intelligence Weekly dated July 15, 1974 which makes the point clearly.[13] The article states that independent marketers in Europe are being forced to consider new approaches to product supply, because they are encountering ". . . growing reluctance by the major oil companies to renew long-term agreements, and face high prices and thin volume on the spot markets."

The article continues by outlining efforts by independent marketers in both West Germany and Holland to improve their supply situation. It also notes that the Dutch Economics Ministry has ordered nine oil companies to supply gasoline to one large independent gasoline chain at a specified price and that the Ministry is studying applications from about 20 other independents asking for similar orders. The Dutch Government was forced to take this action because the Government's allocation program instituted during the embargo crisis had expired and the independent marketing company in question found "it was unable to make new supply agreements." Thus the Dutch Government ordered nine refiners to sell gasoline to the independent. Shell Oil appealed the order to the Council of State but was turned down. The Dutch Government indicated in its decision that it wants "to maintain a viable, independent segment of the market." If that language sounds familiar it is because it is one of the prime objectives of the Emergency Allocation Act—an objective which this Rulemaking will undercut.

Independent Distribution Function

The reason independent marketers such as ourselves have been able to fulfill their normal distribution function with respect to residual fuel oil this year is that the allocation program has required major refiners to supply residual fuel at the same level as in the base year, 1973. If mandatory controls are lifted, we do not expect the majors to step in and take care of our needs voluntarily. Nor should the FEA expect it.[14]

If the FEA removes allocations on residual

Footnotes at end of article.

fuel, independent terminal operators will be forced to go to the European market to try to buy low sulphur residual fuel supplies from independent refiners operating there. These refiners do have a good deal of spare refining capacity at the present time. In fact, many independent refiners in Europe have slashed their refining runs sharply in recent months. So there is no question that there is the supply capability in Europe. The more critical question is: at what price?

Higher Prices for Independent Marketers

In order to understand why independent marketers such as ourselves will have to pay much higher prices for low sulphur residual fuel one has to understand the economics facing an independent European refiner today. Most of these refiners do not have elaborate or complex desulphurization capacity in their refineries. To make low sulphur fuel they must use a large proportion of low sulphur crude oil. The low surphur crude oils, such as Libyan, Algerian and Nigerian, are unfortunately the highest-priced crudes in the world today.

Moreover, even the lower-priced Middle East crudes cost the independent refiner a lot more than they cost the major companies operating in those Middle East countries. This is true because the majors still have a sizeable volume of so-called "equity" crude oil. The majors are today buying increasing quantities of "participation" or producing government-owned crude at high prices. But the weighted average cost of all their crude purchases is relatively low. As indicated, the reason, is that their "equity" crude is acquired at much lower cost than "participation" crude.

Independent Refiners Pay More for Mid-East Crude

Attached is an article from The New York Times of Saturday, July 20, which shows these numbers rather clearly.[15]

This article comments on the fact that British Petroleum and Gulf Oil have just reached a new agreement with the Government of Kuwait to purchase crude from Kuwait at 95% of posted price. The 95% figure works out to $10.95 per barrel f.o.b. Kuwait. The article also notes that the equity oil owned by Gulf and BP cost the two companies about $7.50 per barrel. Gulf and BP receive 40% of Kuwait's production in the form of equity oil. Thus the weighted average price for all Kuwait crude oil lifted by BP or Gulf will work out to $9.57. That is a high price but it is a $1.38 per barrel lower than the price an independent refiner would have to pay in purchasing oil from Kuwait. Obviously Kuwait is not going to sell its participation oil at a price any lower than the $10.95 BP and Gulf have agreed to pay. So the independent refiner starts out, depending on the country involved, at a $1.25 to $1.50 per barrel higher crude oil cost.

Quite apart from the higher crude cost borne by the independent refiner in Europe, he is also squeezed in another way, on the revenue or income side. The problem is that the independent refiner cannot take foreign crude oil and turn it all into low sulphur residual fuel. When the crude oil is run through the refinery, gasoline and gasoil (home heating oil and diesel fuel) are also produced. With a typical light crude feed stock, the European independent refiner will probably achieve no more than a 50% yield of low sulphur residual fuel. The balance of the output will be in light products.

European Conditions Affect U.S. Prices

For simplicity one can assume that the balance of products are roughly 25% gasoline and 25% gasoil. In actual practice these volumes will vary depending on the type of crude oil run and the sophistication of the refining facility. Under our assumption 25 barrels of gasoline, 25 barrels of gasoil and 50 barrels of low sulphur residual fuel will be produced for each 100 barrels of crude run at the plant. The gasoline and gasoil can either be sold by the independent refiner in his local market for local consumption or it can be exported. If it is sold in the local market in most cases it must be sold under price controls similar to those that exist on refined products in this country. At the present time those price control levels are set so low on products in many European countries that independent and major refiners alike are having great difficulty in avoiding losses on their sales.

For example, the President of Shell's affiliate in France recently told a Parliamentary Energy Study group that the average price of oil sold in the French market is about 80 francs a ton below what it should be.[16] Eighty francs per ton is about $20 per ton or $2.65 per barrel.

Even if we assume that Shell's President exaggerates a bit and is trying to include a substantial profit element in his 80 franc-a-ton figure, it would appear that product price controls in France are causing about a $2.00 per barrel loss to the refiner at present crude oil purchase prices.

In Italy the situation is similar. In fact, just last week the French International Company, CFP, suspended imports of crude oil into Italy due to "inadequate Italian product prices" and indicated it may shut down its Mantua and Trieste refineries next month unless there is a product price readjustment. CFP spokesmen have pointed out that the company's cost are competitive both for crude supply and for refining and marketing but it says it is losing some 5 billion lire ($7.75 million) on each million metric tons of crude it runs through it's Italian refining and marketing operation. That works out to about $1.20 per barrel loss on every barrel sold.

European Residual Fuel Will Cost More

Our point is this: Any independent refiner asked to run additional crude in order to manufacture low sulphur residual fuel for U.S. independents, will look not only at how much he must charge for the residual fuel but at how much extra he must charge to make up for his losses on products sold into his own domestic market under price controls.

Of course, the European refiner can choose to export his gasoline and gasoil manufactured along with the low sulphur residual fuel. Here, however, the problems are even more critical for the refiner. Gasoline prices and heating oil prices have fallen sharply in Europe in recent weeks and at the present time exports of gasoline or heating oil cannot be expected to earn the European refiner any more than $12.50 per barrel for regular grade gasoline and perhaps $11.50 per barrel for gasoil.

If such a refiner is buying Algerian crude at $13.00 f.o.b. Algeria, shipping it to his refinery for 30 cents per barrel, processing through his plant at a cost of 50 cents per barrel and wishes to make only 20 cents per barrel profit, he will have to receive an average on sales return of $14 per barrel. As indicated above, half of his output, gasoline and gasoil, will net him an average of only $12.00 per barrel today. Thus, to be induced to run additional crude and manufacture low sulphur residual fuel, such a refiner must earn $16.00 per barrel on his residual fuel to average out at $14.00 overall. The current cargo price for 1% sulphur No. 6 fuel oil in the Caribbean is $12.15 per barrel. The current price for ½ of 1% sulphur fuel in the Caribbean is about $12.85 per barrel.

Independents Forced to Pay $3 Per Barrel More

Obviously, if U.S. independent terminal operators are to induce European refiners to manufacture substantial new volumes of low sulphur residual fuel, such terminal operators will have to pay $3 or more per barrel than the current Caribbean cargo price.

Payment of such high prices will put the independent in an intolerable competitive position. Such massive price increases must be passed along; they cannot be absorbed by the independent. Thus the FEA under a law designed to protect the competitive viability of the independent marketer will by its actions achieve exactly the opposite result.

Our market share will be eroded sharply as the majors take our customers away with lower-priced residual fuel. Such erosion was occurring early last winter, prior to the imposition of mandatory allocation. It will start again if allocations are removed. In my own company's case, our "rack" price for 1% sulphur residual fuel reached $14.68 per barrel early this year. This was well above the average major rack price. Under mandatory allocations, we got back supplies from the majors at lower cost and have been able to drop our price to a competitive level of $12.73 per barrel. The mandatory program achieved the purpose intended by the Congress—it halted the erosion of market share, assures us lower cost product, and enabled us once again to become a competitive viable marketer. After a short six month period FEA now proposes to reverse the process.

Finally and quite apart from the negative impact of the proposed rulemaking on the independent marketer, there will also be a severe inflationary impact on the American Consumer, the ultimate user of this product.

Impact of Mandatory Price Regulations

One further comment: the FEA analysis completely ignores the impact of the Mandatory Price Regulations (Part 212, FEA Regulations). It is simplistic and incorrect to say that, since residual fuel oil is for the most part produced abroad—and therefore not subject to U.S. laws and regulations—the FEA price rules have no impact. The price rules do affect the prices which can be charged for residual fuel oil by companies operating within the United States.

Therefore, the FEA must, in its amended, supplemental analysis include an assessment of the impact of the Proposed Rulemaking on:

The delivered cargo contract price of residual fuel oil, c.i.f. domestic ports.

The spot price of residual fuel oil at domestic ports.

The f.o.b. control price at various foreign refineries, plus transportation to U.S. ports.

The spot market at various foreign areas, plus transportation to U.S. ports.

Third, the Notice of Proposed Rulemaking is based on an incomplete and incorrect study. FEA Technical Report 74-3 is offered as the primary supporting document, justifying the decision to exempt residual fuel oil from the Mandatory Allocation Program. Even a superficial examination of the Report reveals many flaws and uncertainties. A more detailed examination shows it inaccurate and inadequate and cannot be offered in support of this major policy change. It is extremely simplistic and bears no relationship to the realities of the world oil distribution system.

General Comments

Before examining the shortcomings of the Report, we would like to make some general observations about supply and demand for residual fuel oil over the next winter season. First, on the demand side, it is significant that the FEA Petroleum Industry Monitoring System (PIMS) monthly petroleum re-

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port dated May 31, 1974 shows that in the month of May, for the first time this year, demand for residual fuel equalled the volume consumed in the same month as 1973.

Ordinarily one would expect demand for residual fuel to be higher in 1974 than in 1973, but this has not been an ordinary year. The impact of the oil embargo and the FEA's own conservation program have kept consumption for the first four months of this year at levels substantially below 1973 demand. As noted by the PIMS report that has now changed and we are back to 1973 levels. Whether U.S. demand will rise above the 1973 levels is still not certain and is partially dependent on how much of the conservation effort continues. There are however some signs that demand will be growing for the balance of the year and is likely to exceed 1973 levels for the next 5 months.

Electric power generation, which in the Northeast leans heavily on the use of residual fuel as the primary energy source, now edging up to levels above the corresponding month in 1973. Earlier this year conservation had kept electric generation and use at levels lower than those a year ago. Moreover, some of the electric plants that had turned to coal during the energy crisis earlier this year are now switching back to oil because coal does not meet the new statutory standards on sulphur levels. These factors, along with a certain measure of industrial growth and the unavailability of alternate fuels, has put the demand curve for residual fuel back on the 1973 track.

Thus, if there were no unusual events residual demand would stay at about the 1973 level or possible slightly above for the balance of this year.

Unusual Demands for Residual Expected

However, there will be unusual demands for residual fuel—over and above the predictable use for this fuel.

We refer specifically to the fact that natural gas is falling further and further behind in meeting its share of the energy market. The most recent Federal Power Commission data shows that for the period November 1974 through March 1975 the interstate gas pipe lines expect firm curtailments to industrial and utility users to be some 81% higher than the curtailments forecast a year ago. This data shows that natural gas supplies equivalent to some 900,000 b/d of residual fuel oil will be curtailed during the five winter months, November 1974-March 1975. The industries and utilities affected by these cutbacks will of course have to switch to alternate fuels—and, for most, that means residual fuel oil.

If the weather is colder than normal this winter (and we are over-due for a cold winter) demand for residual fuel itself will be somewhat higher; but residual use is not overly sensitive to weather since much of it is not used for space heating. However natural gas use is extremely sensitive to weather. Thus a colder than normal winter will force far larger curtailment of natural gas supplies to industry and to the utilities and result in a far greater need for additional residual fuel.

EFFECT OF COAL STRIKE

Demand could also rise sharply if, in fact, a coal strike does occur in the United States this fall—particularly if it is of long duration.[17] There are a number of coal users with dual burning facilities and those plants will switch immediately to residual fuel. While no accurate data is available on the total volume likely to be switched, an informed guess might be 150,000 to 250,000 b/d of extra residual fuel use from such dual burning facilities. In addition, if utilities in the Middle West run short of coal, power generated by oil-burning electric generating facilities on the East Coast will be wheeled from the East to the Midwest in a pattern exactly the reverse of that which occured last winter. This of course will mean additional electric generation demand on the East Coast and additional residual fuel to make the added power available.

SUPPLY SITUATION

We would like to examine the overall supply situation briefly. In examining supply one must of course differentiate between the various qualities of residual fuel oil. The supply situation for high sulphur (2.5 to 2.8%) residual fuel is quite different from the supply situation for very low sulphur (.3 or .5 of 1%) residual fuel. Similarly, supply of so-called "high pour" residual fuel used by utilities is different from the supply picture for "low pour" residual fuel oil used by industrial, commercial and residential customers.

Low Sulphur Residual Supplies Tight

At the present time supplies of the low sulphur residual fuel oil are still very tight. The very low sulphur, low pour residual fuels are so tight, in fact, that my own company is currently operating on a waiver in two states in New England so that we may burn higher sulphur residual fuels than those normally called for under the Clean Air Act. We have simply been unable to cover our requirements with the appropriate low sulphur fuel. Supply uncertainties will be exacerbated, of course, if a coal strike seems likely because there will be substantial stockpiling in anticipation of such a strike.

There are a number of other uncertainties which affect the supply picture. One critical factor is the current two-tier crude oil pricing system abroad. That two-tier system comes about, as discussed in the pricing analysis section of this testimony,[18] because the participation arrangements in many of the major producing countries provide that the major companies still get a sizable proportion of their total crude supplies at an "equity" price which is far lower than the "participation" price charged by the producing countries for direct sales. Independent refiners must of course pay the "participation" price to the producing country. Today that price is $1.25 to $1.50 per barrel higher than the weighted average price paid by the major oil company for the same crude oil. Independent refiners in Europe have found these price differentials are as much of a problem for them as for U.S. independent refiners. And these foreign independents find themselves under great competitive pressure and in many cases have cut their crude runs to a minimum.

If that situation continues for the next several months, there will be much less residual fuel oil manufactured. That, in turn, will reduce total supplies available for importation into the United States.

Uncertainties in Middle East

Finally there remains the uncertainty surrounding the Middle East peace settlement. All of us have been heartened by the progress made in separating Israeli, Egyptian and Syrian troops. But this is merely the first step towards a permanent peaceful settlement. The next steps will be harder—politically more difficult. The risk of renewed war or a renewed oil embargo remains high. Only last weekend, the Saudi Arabian Oil Minister, Sheik Yamani, raised the possibility of another cut-off. Those who would dismiss his comment might recall that the Sheik made the same comment in April, 1973—and was ignored. Our failure to heed his warnings is a painful part of recent history.[19]

Residual Fuel Supplies Vulnerable

The United States is extremely vulnerable to short run changes in supply of residual fuel because of the very limited residual fuel storage facilities now in place in the United States. At the normal winter demand level of slightly in excess of 3 million b/d we have only 20 days storage capacity. This is a thin margin. And in view of both the domestic and international uncertainties about supply, removal of residual fuel allocations on August 1 is very risky.

The Royal Dutch Shell Company stated it best, in the July 16, 1974 Platt's Oilgram Price Service:[20]

"... whether the U.S. has sufficient supplies of petroleum for the rest of this year is beyond the control of this country's Government or the oil industry. The balancing factor is imports and their availability depends on the actions of other producing and consuming nations. Currently, supply and demand seem to be approaching a balance, but no one as yet knows whether this is temporary or not. We shall have to wait and see, to give the world economy time to stabilize. One thing is sure: we shall have to learn to live with uncertainty.

"If we come to the end of the year without a crisis, it should not be taken as indicating the end of the nation's energy problems. They are not ending; they are just beginning and will be years in resolution."

FEA PIMS Monthly Report

We like to turn again to the PIMS Monthly Report dated May 31, 1974. On page 3 of that report, the FEA states with respect to residual fuel oil:

"The supply-demands situation for residual fuel oil is about the same as last year. A continued curtailment of demand is necessary to maintain residual supplies at stable levels."

We believe that FEA statement is accurate. We believe the Shell comments about uncertainty are accurate. In the light of both the FEA statement and the many uncertainties facing us as an industry and as a nation, we cannot understand how a mere ten days after the date of this PIMS Report, the FEA could have recommended decontrol of residual fuel effective August 1 based on the conclusion that supplies are plentiful.

FEA Technical Report 74-3

Those familiar with this report will have noted that our own demand-supply assessment differs sharply from the statistics developed by the FEA.

The first deficiency in the report is that the data assembled covers only the six month period July 1974 through December 1974. The FEA apparently ignores the fact that winter is not over in December. Any meaningful analysis must be carried through the first quarter of 1975 as a bare minimum time parameter.

Our second specific criticism relates to the volume of imports shown in July, August and September. The report projects imports of 2.1-million b/d during those three months. This statistic ignores that realities of the oil industry.

The FEA's own PIMS Report of May 31, 1974 shows (at p. 20) that import levels during these months in 1972 and 1973 never exceeded 1,850,000 b/d. (August 1973). Further, at today's prices and interest rates no one imports any more residual fuel oil than he must. Taking the seasonal demand pattern into account it would be far more logical to show imports at 1.9 million barrels per day during this three month period. The 2.1-million figure is clearly unsupportable, we are now two-thirds through July and imports have been running at the 1.6 to 1.8-million barrel per day level—far below the 2.1-million level in the Technical Report.

Footnotes at end of article.

We should next like to comment on the demand assumptions noted on page 8 of the Technical Report. The report states that a number of influences tend to reduce demand and lists the influences as follows:

1. *Oil coal switching by utilities.* Attached is an article from the New York Times dated Thursday, July 11, 1974 by Edward Cowan.[21] Mr. Cowan reports that the second ranking official of the Environmental Protection Agency, John R. Quarles, states that "only a few" East Coast electric utilities will under new statutory standards qualify to fuel their boilers with coal rather than oil. Mr. Quarles acknowledged that one recent analysis by his Agency put the number of eligible power stations at two. Obviously the amount of switching by utilities from oil to coal is not going to reduce demand for residual fuel by any measurable amount.

2. *Wheeling of base load.* This is the allusion to the practice widely used last winter of taking electric power generated in one part of the country and moving it from one power company to the next across the country to an area where power is short. It is an extremely expensive process and was used last winter only because many East Coast utilities were extremely short of residual fuel oil; they needed any power they could get regardless of the price. It will not reoccur this year unless there is another residual fuel oil supply crisis.

There may, in fact, be a *reverse wheeling* of power if the United States suffers a coal strike. In the event of a prolonged coal strike, Midwest utilities fueled by coal might well take power from the East Coast utilities who generate their electricity with residual fuel. This, of course, would *increase* not reduce demand for residual fuel.

3. *Residential heating and air conditioning conservation.* The use of residual fuel directly for heating does not account for a large share of total residual fuel use. The FEA's own analysis shows that rather dramatic changes in the weather have only minimal impact on demand for residual fuel. With respect to air conditioning conservation, I can only note again that our total electric power generation, which ran behind 1973 levels during the crisis period, has now risen above 1973 levels. Thus we can expect very little, if any, reduction in demand for residual fuel because of this factor.

4. *Conservation Efforts by Industry.* This is one of the listed factors with which we would agree. Industry has conserved and will continue to conserve residual fuel in order to save on total fuel expenditures which have more than tripled in the past eight months. However it might be noted that industry's conservation effort is a one-time saving; once the cut-back has occurred, as industry expands total demand growth rises. In any event industry uses only about 16% of residual fuel oil, so that a 10% reduction through conservation will result in an overall reduction in residual fuel oil use of only 1.6%.

5. *The effects of Higher Prices.* Here again it is clear that at the present time world demand for all petroleum has been reduced somewhat by higher prices. However, we would be surprised if there were further reductions in demand, since people are becoming accustomed to the higher prices. In fact gasoline demand and electricity demand are now rising.

IMPACT OF THESE FACTORS

The FEA itself admits that these five listed factors are hard to quantify and notes that there is ". . . a divergence in opinion with respect to the relative role that each would play in reducing current demand." The Report then goes on to "extrapolate historical usage patterns" and come up with a 250,000 b/d reduction in demand in the third quarter of 1974 and a 375,000 b/d reduction in the fourth quarter. These numbers must have been invented. There is simply no supporting data to indicate how the numbers were arrived at and what part each of the above assumptions played in reaching them.

Possible Increases in Demand

Moreover, the Technical Report totally ignores the factors that could cause an increase in residual fuel use. Chief among those, as discussed earlier in this testimony, is the near certainty of a 81% increase in natural gas curtailments during the November, 1974–March, 1975 period. The increase in curtailments alone is equivalent to 400,000 b/d of residual fuel use, and represents a 13% increase in residual fuel demand.

In short, the 375.000 b/d reduction estimate in the Technical Report is a guess. Even as a guess, it is a poor one, unsupported by any statistical evidence and wholly ignoring a number of significant demand factors.

Our own estimate is that residual fuel demand will be higher, perhaps significantly higher, than in 1973 for the rest of 1974 and the first quarter of 1975.

The "Base Case" in the Report

We would now like to turn to page 12 of the Technical Report which highlights the "base case" residual fuel oil supply and demand forecast. Under the column marked July, note that 2.1-million b/d of imports are shown. We have already commented on that number and pointed out that API statistics shows that through the first half of this month imports have been from 1.6 to 1.8 million b/d.

Next we refer to one of the most glaring errors in the whole Technical Report: the inventory column which shows an opening and closing inventory balance in millions of barrels for each month. Note that the month of July opens with an inventory balance of 68.3 million barrels. The FEA's own PIMS Report, by contrast, shows a closing balance on May 31 of the 52.3-million barrels. To have reached the 68.3 barrel level, some 16 million barrels of extra residual fuel oil would have to have been stored during the month of June. Obviously that did not happen. In fact API statistics for the week ending July 12, 1974 show inventory of residual fuel of 56.9 million barrels.

In effect, we are already some 11.4 million barrels behind the schedule of the Technical Report. Since inventory normally plays a balancing role in spreading supply over seasonal highs and lows in demand, this error is a serious one indeed.

Serious Errors in Inventory Projections

But the misstatement of opening inventory balances in July is a relatively minor error compared to the next one. That is the assumption that inventory would rise during July to 86.1 million barrels. The Bureau of Mines data for the last six years shows that the highest inventory ever reached—at any time of year—for residual fuel was 68.5 million barrels. There is a reason: the total primary storage capacity in the United States today for residual fuel is 68–70 million barrels. In other words once you reach the 68-million barrel level, all storage is full.

We cannot therefore understand how inventories in July can reach to 86.1-million. Or how inventories can rise in September to 103.5 million barrels as stated in the FEA Technical Report. It is impossible. The authors of this report apparently neglected to put constraints on their computer model and simply let inventory build up without regard to the actual physical storage capacity available in the country.

This glaring error obviously negates all of the other figures shown in the table and totally destroys it as a meaningful analysis. One cannot draw down inventory from a base of 103.5 million barrels of inventory if in fact maximum primary storage holds only 68 million barrels. More serious is the fact that with only 68–70 million barrels of total storage capacity available to us as a nation, we cannot afford the luxury of "experimenting" for 90 days with decontrol just to see what happens. Such a course is irresponsible particularly when based on an erroneous Technical Report.

Serious Supply Problems

The supply problems facing the United States are far more serious than shown in the Technical Report. With only 20 or 21 days of total storage capacity when storage tanks are full, it takes very little drawdown before supplies become very tight and shortages start occurring.

It is essential therefore to take a realistic look at what could happen next winter. One can start by assuming that the demand-supply forecast should run through the first quarter of next year; further by assuming that the supply numbers shown in the Technical Report for the month of November of 2.931-million b/d and the supply shown for the month of December of 3.191-million b/d are too low; and further by assuming that U.S. refinery output can increase quickly and supplies of residual oil can reach 3.2-million b/d in November and 3.3 million b/d in December and continue at that 3.3-million level through January, February and March. These assumptions give the FEA the benefit of the doubt since they are much higher than the supply figures shown in the Report.

It must, however, be recalled that FEA's demand figures include a dubious reduction for the fourth quarter of 375,000 b/d. As indicated, we do not believe those numbers are justified, nor that a convincing case has been made to show where that reduction comes from.[22]

In fact in listing all of the constraints on demand, FEA forgets to list any factors which could lead to an increase. We have previously mentioned several—a coal strike, increased industrial activity, failure of electrical conservation programs, and most important, natural gas curtailments. The natural gas impact is known. The FPC puts curtailment for the five months starting November 1 at an average rate of 900,000 b/d of residual oil equivalent.

Thus, it seems clear that the 20% case shown on page 16 of the Technical Report as the outside possibility is in fact a very conservative case. The increased natural gas curtailment by itself is equal to a 13% demand growth factor. If the 375,000 b/d reduction assumed by FEA, is proven wrong, this would add another 12.5% to demand. Thus if the FPC curtailment data is accurate (and it is based on firm curtailment notices provided to the FPC by the interstate pipe lines companies) and if the FEA is wrong about its guesses about demand reductions, demand could be 25% higher than that shown in the base case. Cold weather could, of course, further increase demand.

In order to be conservative, we have taken a 20% demand increase case and established projections for the period November, December, January, February and March. The table below reflects the shortage position each month.

Footnotes at end of article.

RESIDUAL FUEL OIL SUPPLY AND DEMAND FORECAST (DEMAND INCREASED BY 20 PERCENT)

[Figures in millions of barrels per day]

	1974		1975		
	November	December	January	February	March
Supply	3.2	3.3	3.3	3.3	3.3
Demand	[1] 3.560	[1] 3.847	3.847	3.847	3.847
Shortage	.360	.547	.547	.547	.547
Shortage (in millions of barrels)	10.8	16.96	16.96	15.3	16.96

[1] FEA demand base case plus 20 percent from technical report 74-3.

RESIDUAL FUEL OIL SUPPLY AND DEMAND FORECAST (DEMAND INCREASED BY 20 PERCENT)

[Figures in millions of barrels per day]

	1974		1975		
	November	December	January	February	March
Open	68.5	57.7	40.74	23.78	8.48
Close	57.7	40.74	23.78	8.48	(8.48)

The table shows that supplies will fall short of demand by 10.8 million barrels in November and 16.96 million barrels in December. These two monthly shortages could be met by withdrawing 27.76 million barrels from inventory. In January, February and March additional large shortages will occur and by the end of January inventories will be down to 23.78 million barrels. Last year at the height of the embargo in March residual fuel inventories dropped to 44.4 million barrels. Because of the amount of residual oil required to keep the system running, the 44-million level did not prevent spot shortages and run-outs. At a level of 23.78-million barrels there would be chaos in the market and a serious emergency for the nation.

Following our projections through February and March the nation would use up all inventories and would have a negative inventory of over 8 million barrels. Industrial plants would be closed down, schools, hospitals, apartment houses, all would be short of fuel.

One can see that FEA's mistaken assumption that the U.S. has unlimited storage capacity is a very serious one. In fact we have relatively limited capacity for residual fuel. Thus, even without a cold winter, even without an Arab oil embargo, even without a coal strike, natural gas curtailments by themselves can cause serious shortages this winter.

This is clearly no time to remove the allocation program on residual fuel. The FEA Technical Report provides no basis for such a move. Even using its gross approach to supply and demand without any differentiation as to sulphur level or pour-point of residual fuel, one can see shortages developing this winter. When one adds a more sophisticated approach and looks at the availability of .3% and .5% sulphur residual fuel and that limited availability of low pour residual fuel, one can expect shortages for certain residual fuel products much sooner than for others.

In short, we think FEA must make a new analysis of the residual fuel situation.

Fourth, the Notice of Proposed Rulemaking fails to analyze the impact on supply of other refined petroleum products. As noted in the Federal Register Notice of July 5 (p. 24670) a prime standard established by the fails to analyze the impact on the market shares of independent marketers of residual

Second, the impact of deallocation on residual fuel oil prices (pp. 10–24).

Congress in Section 4(g) (2) of the Allocation Act requires that prior to removing allocations on any product the FEA must find that "exempting such oil or product . . . will not have an adverse impact on the domestic supply of any other oil or refined petroleum product subject to this Act."

Neither the Rulemaking nor the Technical Report 74–3 addresses this question. Yet there is a clear interrelationship between the supply-demand situation for residual fuel and that for distillate fuel (No. 2 home heating oil and diesel fuel). Not only can these fuels be used interchangeably in some furnaces, but distillates are also often used both by refiners and importers as a blending agent to lower the sulphur level of residual fuel.

At the present time in this highly unusual market, residual fuel commands a higher price than distillate fuel. In Boston, for example, the rack price for home heating oil ranges from 25.7 cents per gallon to 29.45 cents per gallon. The average price is about 27.1 cent per gallon.

The price for 1% sulphur level residual fuel at the rack is 30 cents to 31 cents per gallon. This means residual fuel on average costs $1.43 per barrel more than home heating oil. This differential ranges up to $2.27 per barrel. These differentials occur because home heating oil is largely based on price-controlled domestic crude oil which keeps its price low, while residual fuel is based largely on imported supplies which, in turn, reflect high foreign crude oil prices.

These abnormal price relationships are creating strong incentives for industrial, commercial and residential customers to switch from residual fuel to home heating oil. The Mandatory Allocation Program has for the most part prevented such switches because most users are fearful that if they switch this summer they will lose their base volume of residual fuel and have no record of use upon which to base volumes required to be delivered by suppliers in the future. In short, purchasers are still worried about supply security and continue to use residual fuel dispute the price advantage of home heating oil.

Shortage of Home Heating Oil

If controls are removed the FEA will be saying to these residual customers "don't worry about resid." This is, of course, the basic conclusion about supply reached by FEA. At that point there could be a massive switch to home heating oil which could easily upset the delicate supply-demand balance for that product and its sister-product, diesel oil, causing shortages of both products.

The Proposed Rulemaking has completely failed to note these important interrelationships and the negative impact decontrol of residual fuel could have on supply and price of heating oil and diesel fuel.

Home heating oil supplies and prices are of vital concern to millions of homeowners and consumers in many regions of the country. Shortages and higher prices of this product are likely to occur if the FEA exempts residual fuel oil from allocation controls. Despite this fact and despite the clean standards of Section 4(g) (2) of the Allocation Act, the Rulemaking fails to address or analyze the issue.

Based on our own experience in the marketing of a wide variety of petroleum products, we believe that, on careful analysis, FEA will find that the only way to avoid adverse impacts on supplies of other products (i.e. those that remain under control) and on the competitive position of independent marketers, is to remove all controls—price and allocation—on all products at the same time.

Fifth, the Notice of Proposed Rulemaking fuel oil. The FEA has completely ignored this issue, apparently on the grounds that, as stated by the Administrator, "in residual fuel oil, there is no significant independent market sector."

This is simply wrong. FEA's obviously superficial analysis and its failure to deal with this matter in the Rulemaking is a clear violation of Sections 4(a), 4(b) (1) (D) and (F) and 4(g) (2) of the Emergency Petroleum Allocation Act of 1973.

A primary objective of that Act was to insure the competitive viability of independent marketers and to preserve their market shares. In considering the removal of allocation controls, Section 4(g) (2) requires that FEA assess the impact on the achievement of this objective.

As we have pointed out earlier, independent marketers, especially deepwater terminal operators, play a significant role in the East Coast residual fuel oil market.[23] We need not repeat these statistics here.

However, it is clear to us, based on our experience in the marketplace, that the removal of allocation controls will result in an immediate erosion of our market shares and a weakening of our competitive position. This reason is obvious. As discussed in detail above,[24] low-sulphur residual fuel oil is in short supply. If we lose our mandated quantities of this product, we will be forced to purchase it from European refineries at much higher prices—as much as $3 per barrel more. Our customers cannot be expected to continue to buy from us. They will quickly switch to major oil company suppliers with lower prices or to an alternate fuel.[25]

In either case our market shares will be eroded. This is a serious issue; it affects the future and survival of our independent businesses. FEA's ignorance of the independent role in the market and FEA's failure to address this issue explains, in large measure, our strong opposition to the July 5 Notice of Proposed Rulemaking.

Sixth, the Notice of Proposed Rulemaking fails to analyze the availability of low-sulphur residual fuel oil. FEA's failure to measure supply and demand of particular grades of residual fuel oil is discussed in detail earlier in our statement.[26] We need not, therefore, review the issue again.

However, in view of the specific reference to this matter in the letter from Russell Train, Administrator of the Environmental Protection Agency published in the Federal Register Notice (at p. 24673), we believe the matter deserves separate attention. FEA's failure to recognize the basic fact about residual fuel—that the supply picture is different for different grades—is another serious substantive defect of Notice of Proposed Rulemaking.

In conclusion, the Independent Fuel Terminal Operators Association is strongly opposed to the exemption of residual fuel oil from the Mandatory Allocation Regulations.

We believe that FEA's Proposed Rulemaking is fatally defective on both procedural and substantive grounds. The only way that the defects may be properly and legally cured is through republication of the Notice, accompanied by a new analysis and supporting data, with sufficient time for written and oral comment provided to the public.

Our statement today outlines six basic issues which must be analyzed in the new Rulemaking. For the convenience of FEA, we should like to list them and indicate the pages on which they have been discussed in our statement:

First, the removal of price controls simultaneous with the removal of allocation controls (pp. 9–10; Attachment E).

Footnotes at end of article.

Third, the supply and demand of residual fuel oil from July 1974–March 1975 (Comments on Technical Report 74–3, pp. 25–42).

Fourth, the impact on the supply of other petroleum products. (pp. 42–45)

Fifth, the impact of deallocation on the market shares of independent sellers (pp. 45–46).

Sixth, the availability of low sulphur residual fuel oil (pp. 46–47).

Thank you very much.

FOOTNOTES

[1] A list of members and description of the Association is attached. (Attachment A).

[2] New England, New York, New Jersey.

[3] It should also be noted that of the total residual fuel used for space heating, more than 65% is burned in the 8 states of the Northeast.

[4] The Petroleum Administration District covering the East Coast from Maine to Florida.

[5] For a more precise definition, see Section 211.51, Definitions, Part 211, Mandatory Petroleum Allocation Regulations.

[6] Bureau of Mines Mineral Industry Survey, Fuel Oil Sales, 1972.

[7] See Analysis at Attachment B.

[8] The Emergency Petroleum Allocation Act of 1973 (PL 93–159, 15 U.S.C. 7211, *et seq.*), the Federal Energy Administration Act of 1974 (PL 93–275, 15 U.S.C. 761, *et seq.*) and the Administrative Procedure Act (PL 89–554, 5 U.S.C. 551, *et seq.*).

[9] See Memorandum of our legal counsel (Attachment C).

[10] See Attachment D.

[11] See Summary of substantive defects at p. 48, below.

[12] See Memorandum from our legal counsel (Attachment E).

[13] See Attachment F.

[14] We do not contend that the majors are engaged in some sort of conspiracy to eliminate the independent segment of the market. But they do have a powerful interest in consolidating their own hold on the wholesale and retail market both here and abroad. The thrust behind this effort is the certain knowledge that they (the majors) are rapidly losing control over foreign crude oil. Thus in order to retain leverage and be in a position to bargain effectively with the producing countries, the majors want more control of the "down-stream" marketplace. This is understandable. But we independents don't intend to lie down quietly under the steamroller. And we don't think the FEA should push us under the wheels.

[15] See Attachment G.

[16] See Attachment H.

[17] See Attachment I.

[18] See pp. 17–21, above.

[19] For an assessment of the likelihood of an embargo, see Attachment J, recent statements by Mr. Bennett of the U.S. Department of Treasury and Algerian Minister Abdesselam.

[20] See Attachment K.

[21] See Attachment L.

[22] See analysis at pp. 33–36, above.

[23] See pp. 4–5 above, and Attachment B.

[24] See pp. 14–24.

[25] See discussion of switching to distillates, pp. 43–44, above.

[26] See pp. 14–24 and pp. 43–44.

ATTACHMENT A

MEMBERS: INDEPENDENT FUEL TERMINAL OPERATORS ASSOCIATION

Belcher Oil Co., Miami, Fla.

Blue Ridge Fuel Co., New York, N.Y.

Burns Brothers Preferred, Inc., Brooklyn, N.Y.

Cirillo Brothers Terminal, Inc., Bronx, N.Y.

Colonial Oil Industries, Inc., Savannah, Ga.

Deepwater Oil Terminal, Quincy, Mass.

Gibbs Oil Co., Revere, Mass.

Howard Oil Co., Inc., Maspeth, N.Y.

Meenan Oil Co., Inc., New York, N.Y.

Metropolitan Petroleum Corp., New York, N.Y.

Northeast Petroleum Industries, Inc., Chelsea, Mass.

Northville Industries Corp., Melville, N.Y.

Patchogue Oil Terminal Corp., Brooklyn, N.Y.

Seaboard Enterprises, Inc., Boston, Mass.

Southland Oil Co., Savannah, Ga.

C. H. Sprague & Son Co., Boston, Mass.

Webber Tanks, Inc., Bucksport, Maine.

Wyatt, Inc., New Haven, Conn.

The companies listed above own or control terminals capable of receiving ocean-going tankers; none is affiliated with a major oil company. They are qualified to participate in the No. 2 fuel oil program established under Section 2(a)(1) of Presidential Proclamation 3279, as amended, and Section 30 of the Oil Import Regulation, under which 45,000 b/d of home heating oil is presently being imported into District I (the East Coast). The members of the Association are independent marketers of No. 2 fuel oil, No. 6 fuel oil, gasoline and other petroleum products.

Members of the Association distribute 40% of the No. 2 fuel oil consumed in New England, and 25% of the No. 2 fuel oil consumed along the East Coast (District I). They own or control approximately 15 million barrels of No. 2 fuel oil storage.

The independent share of the total East Coast market for No. 2 fuel oil, at the terminal level, is approximately 25%; the remaining 75% is controlled by refiners.

Of the nation's No. 2 fuel oil consumption (for heating purposes), New England accounts for 20%. New York, New Jersey and Pennsylvania account for 35% and the remainder of District I accounts for 10%. Thus 65% of the nation's No. 2 fuel oil is consumed in District I.

ATTACHMENT B

RESIDUAL FUEL OIL MARKET—NORTHEASTERN STATES, 1973: SALES OF NO. 4, 5, 6 FUEL OILS

[In barrels]

	New England	New York and New Jersey
Total sales [1]	173,000,000	268,300,000
Sales by independent deepwater terminal operators [2] (6 companies)	50,500,000	56,900,000
Sales by other independent marketers [3]	1,500,000	13,000,000
Total sales, independents	52 000,000	69,900,000
Percentage of total sold by independents (percent)	30	26
Total nonutility sales	89,200,000	145,400,000
Percentage of nonutility total sold by independents [4] (percent)	58	48

[1] See note 1.
[2] See note 2.
[3] See note 3.
[4] See note 4.

NOTE 1. 1973 demand is assumed equal to 1972 demand. Preliminary data provides an insufficient basis for abandoning the 1972 figures; for example, demand was up during the first part of 1973 and down in the latter part of the year.

NOTE 2. Independent deepwater terminal operators in the two areas:

New England—Cirillo Bros., Deepwater Terminals, Metropolitan Petroleum, Northeast Petroleum, C. H. Sprague, Wyatt, Inc.

New York-New Jersey—Blue Ridge Fuel, Cirillo Bos., Howard Oil, Metropolitan Petroleum, Northville Industries, Patchogue Oil Terminals.

NOTE 3. Data for independents who are not deepwater terminal operators are estimates, since we have no direct access to their sales records.

NOTE 4. The major oil companies and other refiners (New England Petroleum, Amerada Hess) completely dominate the utility market; in addition some utilities purchase residual fuel oil directly from abroad. Therefore, this percentage assumes that independents make no sales to power companies.

ATTACHMENT C

GINSBURG, FELDMAN AND BRESS,
Washington, D.C., July 18, 1974.

PROCEDURAL SAFEGUARDS—RULEMAKING AND PUBLIC HEARINGS

The Federal Energy Administration has proposed a change in its regulations which will exempt residual fuel oil from the mandatory petroleum allocation program. To that end, it has issued a Notice of Proposed Rule Making and Public Hearing. Federal Register, July 5, 1974 (F.R. Doc. 74–15600). This notice sets a July 22, 1974 deadline for written comments, schedules public hearings for July 22 and possibly July 23, 1974, and proposes that deallocation become effective on August 1, 1974. Section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973 (P.L. 93–159, 15 U.S.C. 7211, *et seq.*) states that deallocation can take effect only after it has been before the Congress "at least five days during which the House was in Session and at least five days during which the Senate was in Session," and neither House has taken negative action. July 27 and 28 are Saturday and Sunday, and it is unlikely that Congress will be in Session on those days. Under these circumstances, the proposed rule will become effective August 1, 1974, only if submitted to Congress by the morning of July 25, 1974. Thus, FEA is permitted no more than two and possibly just a single day to consider the oral submissions of interested persons.

At issue is whether the proposed timetable gives FEA adequate opportunity to properly consider the views of all parties and thus complies with the rulemaking requirements which bind the FEA. We believe that the timetable does not so comply.

Section 7(i)(B) of the Federal Energy Administration Act of 1974 (P.L. 93–275, 15 U.S.C. § 761, *et seq.*) provides for publication in the *Federal Register* of any proposed rule, order or regulation and states that a minimum of ten days notice shall be allowed for opportunity to comment. Section 7(i)(C) mandates that whenever any rule, regulation or order likely to have substantial impact on the Nation's economy or large numbers of individuals or businesses, an opportunity shall be provided prior to issuance of such a rule for interested parties to make oral presentations of views, data and argument. To further insure that any rulemaking is made only after consideration of conflicting views and due deliberation of the issues the FEAA, Section 7(i)(1)(A), makes applicable to any rulemaking procedure the provisions of the Administrative Procedure Act (5 U.S.C. 553). This in turn also mandates proper notice and the opportunity of interested parties to be heard and to have their views considered.

These multifaceted procedural safeguards were enacted by Congress to guarantee that the new Federal Energy Administration would approach the complex problems presented by energy allocation with the best information and only after full consideration of all views. The Conference Report on the FLAA makes this purpose clear:

"The Conferees intend that if the Administrator is in doubt about the applicability of any of the standards provided in this section, he will resolve the doubts in favor of the fullest procedural safeguards." House Rep. No. 93-999, p. 27 (Comm. on Conference).

The Congress may also have been concerned with the failures of FEA's predecessor to deal adequately with the rights of interested parties, for as recently as May 1, 1974 a federal court in California had ruled that the Federal Energy Office failed to comply with the APA rule-making procedures made applicable by the Emergency Petroleum Allocation Act of 1973. *California* v. *Simon*, C. A. No. 74-661 (Central Dist. of Cal. 1974). In that proceeding, the states of California and Louisiana moved to set aside an amendment to FEO regulations which would have terminated state and local agency exemptions from crude oil price regulation. FEO had adopted the amendment without allowing the parties proper opportunity to be heard and without notice of its actions. In what the Court described as an "abrupt departure from established practice" FEO was held to have failed to comply with the basic rule-making provisions of the APA. Its actions were unlawful, since they did not give interested parties the opportunity to be heard and to have their views considered.

The APA standards of which the court speaks in *California* v. *Simon*, have been interpreted to require not only simple notice and a *pro forma* hearing, but *meaningful* consideration of all views. The basic standard was recently restated by the Supreme Court in *N.L.R.B.* v. *Wyman-Gordon Company*, 394 U.S. 759, 764, 89 S. Ct. 1426, 1429 (1969):

"The rule-making provisions of that Act [the APA], . . . , were designed to assure fairness and *mature consideration* of rules of general application." [Emphasis supplied.]

Thus the provisions of the APA are not simple formalities. They are designed to afford the public an opportunity to have its views weighed in the agency decision-making process. The Third Circuit Court of Appeals made this point clear in its decision in *Texaco, Inc.*, v. *FPC*, 412 F. 2d 740 (1969):

"Section 553 was enacted to give the public an opportunity to participate in the rule-making process. It also enables the agency to educate itself before establishing rules and procedures which have a substantial impact on those regulated." 412 F. 2d 740, 744.

Following this standard, federal courts have consistently struck down administrative regulation which failed to live up to the spirit as well as the letter of the APA. *See Wagner Electric Corp.* v. *Volpe*, 466 F. 2d 1013 (3d Cir. 1972); *Pharmaceutical Manufacturers Association* v. *Finch*, 307 F. Supp. 858 (D. Del. 1970); *National Motor Freight Traffic Association* v. *United States*, 268 F. Supp. 90 (D.D.C. 1967), *aff'd. per curiam*, 393 U.S. 18 (1968).

Where, as here, Congress was not satisfied with simply adopting the rule-making provisions of the APA, but instead set forth additional specific procedural guidelines concerning notice and hearings, its concern for the "mature consideration" of the issues is manifest. The proposed timetable fails to comply with such a mandate.

As noted, the timetable may allow FEA only a single day to consider the views, the data and the arguments presented by interested persons. The mechanics of preparing a transcript may alone consume this time and even if this were not the case, a single day is insufficient to give meaningful consideration to what may be diverse views of numerous witnesses. Without minimal attention to oral presentations of the persons who appear, the hearings become mere formalities. Under such circumstances, the FEA will not comply either with the requirement of the APA or those of the FEAA itself.

Attachment D

Can I begin now?

Sorry we have no facilities to deliver message. TLX numbers can be dialed direct.

I need to know if a number I have is a working number.

What is the number, please?

710-822-0155.

Those are too many numbers for TLX. Those are TWX. Please dial TWX information 4112 for assistance.

Attachment E

Ginsburg, Feldman and Bress,
Washington, D.C., July 12, 1974.

EXEMPTION PROCEDURES UNDER SECTIONS 4(a) AND 4(g) OF THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

The Federal Energy Administration has proposed to amend 10 CFR Part 211 to exempt residual fuel oil from allocation under the Mandatory Petroleum Allocation Regulations. (Notice of Proposed Rulemaking, 39 Federal Register 24669-74, July 5, 1974). However, as the Notice states, "the FEA does not at the present time propose to exempt residual fuel oil from the mandatory price regulations" (10 CFR Part 212).

FEA's failure to propose simultaneous exemption of residual fuel oil from both allocation and price regulations is a violation of the Emergency Petroleum Allocation Act of 1973 (PL 93-159, 15 U.S.C. 7211, *et seq.*).

Section 4(a) of the Act requires that:

> . . . the President shall promulgate *a regulation* providing for the mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product, *in amounts* specified in (or determined in a manner prescribed by) *and at prices* specified in (or determined in a manner prescribed by) such regulation." (Emphasis added)

The Congressional Act thus requires the promulgation of one regulation that specifies both the amount and the price of a product. By use of the conjunction "and" the Congress clearly required that the two elements be joined in a single regulation. The Report of the Committee on Interstate and Foreign Commerce (H. Rept. 93-531, September 29, 1973), in discussing the requirement for price controls referred to "the need of coupling price controls with mandatory allocations."

Section 4(g) (2) of the Act establishes the mechanism for exempting crude oil or any product from the regulation required under Section 4(a). The pertinent portion reads as follows:

> If . . . the President finds that application of *the regulation under subsection* (*a*) to crude oil, residual fuel oil, or a refined petroleum product is not necessary to carry out this Act, that there is no shortage of such oil or product, and that *exempting such oil or product from such regulation* will not have an adverse impact on the supply of any other oil or refined petroleum products subject to this Act, he may prescribe an amendment to the regulation under subsection (a) exempting such oil or product from such regulation for a period of not more than ninety days. (Emphasis added).

The reference in subsection (g) to the regulation under subsection (a) incorporates, of course, the unified, single regulation discussed above. It is clear that Congress intends that the proposal for exemption cover the entire regulation, not just the part relating to amounts or just the part relating to prices.

The Conference Report on the Allocation Act (Rept. 93-628, November 10, 1973) provides an explanation of the procedures to be followed by the President in proposing an exemption. That explanation essentially repeats the text of statute, and adds only one additional point:

> An amendment may not exempt more than one oil or product (but seperate amendments may be submitted for different oils or products; and at the expiration of the 90 days that an amendment applies to an oil or product, a new amendment applicable to such oil or product could take effect).

By specifically discussing the separation of each product and not discussing the separation of parts of the regulation, the Conference underscored the clear intent of Sections 4(a) and 4(g) (2).

In addition to violating the specific procedures established by the Congress, any attempt to remove allocation controls and not price controls would recreate the chaotic, anti-competitive conditions that led Congress to enact the Emergency Petroleum Allocation Act of 1973 in the first place.

If only allocation, or quantitative, controls were removed, integrated refiners would, as they did a year ago, retain all lower-priced domestically produced products within their own distribution systems. Such lower-priced product would be taken away from independent marketers and from the regions and consumers served by those independent marketers.

This would place independent marketers at a severe competitive disadvantage; they would either be forced to go without oil and go out of business immediately or be forced to buy higher priced foreign product and go out of business slowly as their customers were taken away by the major oil companies. Obviously such a result would violate the intent of Congress, as expressed in Sections 4(b) (1) (D) and (F) of the Act.

Further, if only allocated controls on any product are removed, certain areas of the country, such as the East Coast, would be forced to pay higher prices for such product because of increased reliance on higher priced imports. Obviously such a result would violate the intent of Congress, as expressed in Section 4(b) (1) (F) of the Act.

Attachment F

[From the Petroleum Intelligence Weekly, July 15, 1974]

European Marketers Seek Ways To Beat Oil Supply Squeeze

Independent marketers in Europe are being forced to consider some new approaches to product supply. They're encountering growing reluctance by the major oil companies to renew long-term agreements, and face high prices and thin volume on spot markets. West German independents, for example, expect to establish a central buying agency by late August or early September. The proposal has been put to member companies of four large German associations of oil independents. At least 250 firms are expected to give the go-ahead in time to establish the joint venture by late summer. It already has the approval of Germany's Economics Minister. The independents sell about 20% of Germany's gasoline and diesel fuel through more than 5,000 outlets, and 30% of its burning oils.

The Germans' cooperative venture would be designed to supplement, not to replace, existing agreements with the majors, which they hope will continue to meet most of their needs. But the independents hope it would also give them access to a share of the output from the proposed export refinery German companies plan to build in Iran. And they're studying the possibility of direct purchases of crude oil for processing in Germany.

Dutch independents are seeking a more immediate answer to their supply problems by asking for direct government intervention. The Dutch Economics Ministry has already ordered nine oil companies to supply gasoline to one large independent chain at a specified price, and it's studying applications from about 20 other independents asking for similar orders. After a crisis-spawned government allocation program expired, the Avia chain found it was unable to make new supply agreements. The Dutch Government last month ordered nine companies to sell Avia 3-million liters of gasoline weekly at 27.64¢ Dutch per liter, or less than the spot market price. Shell appealed the order to the Council of State but was turned down. Other appeals are pending in Dutch courts. But the government has clearly indicated in the Avia decision that it wants to maintain a viable, independent segment of the market. Independents sell about 15% of the Netherlands' gasoline.

ATTACHMENT G

[From the New York Times, July 20, 1974]

KUWAIT THREAT CITED IN GULF AND BP DEAL

(By Clyde H. Farnsworth)

PARIS, July 19.—European oil analysts said today a threat by Kuwait to cut production was behind the decision by the Gulf Oil Corporation and British Petroleum Company to raise the price they will pay for Kuwait state-owned oil.

They also said that even though it is a principal aim of American international economic policy to force prices down, the companies themselves are not that anxious to see a drop.

They explained that the companies have rebuilt depleted stocks at current high price levels, the analysts explain, and with falling prices they would incur losses.

The process worked in reverse as prices were quadrupling late last year. Company profits rose in part because they were able to sell off at high prices, oil that they had bought earlier at lower prices.

Yesterday the state department in a highly unusual move publicly rebuked Gulf for agreeing to increase its payments for Kuwaiti state-owned oil to $10.95 a barrel in the third quarter of this year.

Gulf's decision undermines the aims of the present Middle East trip of Treasury Secretary William E. Simon, who is trying to convince oil producing states that it is in their interests to expand production, see prices come down some, and invest their oil revenues in long term securities and productive assets in the United States.

London Petroleum consultant Paul Fraukel said that if the Gulf-BP pattern is followed in other producing countries it could mean up to another $1 a barrel increase in the price of oil to consumer countries.

Consumer nations are already staggering under the financial burdens of the four-fold increase in oil prices late last year.

Hope for relief had come with the emergence of surplus conditions in the world oil market—reflecting lagging industrial growth, conservation programs, the dissuasion of high prices, a milder than usual winter and production increases in Saudi Arabia, Iran and Iraq.

Resistance to high prices has been especially marked in Japan, one of the biggest importers in the world. With stockpiles bulging, the powerful Japanese trading houses have been refusing to lift the high priced oil they contracted to buy during the supply crisis earlier this year. Fully stocked German refineries have been offering rebates. Oil product prices in the Rotterdam market have been falling sharply reflecting the ample supply conditions.

Official American figures place non-communist world consumption this year at 48 million barrels daily and production at 50 million.

In a recent oil auction the resistance of buyers was indicated by the failure of Kuwait to get the higher prices it was demanding. Kuwait then turned to the two partners of the Kuwait Oil Company—Gulf and BP—and, according to analysts, threatened to keep the oil in the ground if its price was not met.

Gulf officials said the company was vulnerable because Kuwait was its most important source of supply. Kuwait's current production is roughly 2.3 million barrels daily, down from an average 3.1 million in 1973. Gulf and BP combined are entitled to 40 per cent of this oil at a price of around $7.50 a barrel.

Under a participation agreement Kuwait gets 60 per cent of production and the companies had been entitled to buy the oil back at 93 per cent of the posted price or between $10.50 and $10.70 a barrel.

The fresh price contract, at $10.95 or 95 per cent of the posted price, may now become a new benchmark for the state-owned oil that producing countries buy back in the Middle East.

The question of which way oil prices will go will not really be determined until Saudi Arabia disposes of its participation oil. This may not be before a key meeting in Vienna in September of the member states of the Organization of Petroleum Exporting Countries.

While Saudi Arabia has been pressing for lower oil prices in OPEC councils and is expanding its output to keep pressure on price levels, politics may dictate that it get as much for its participation oil as Kuwait.

ATTACHMENT H

[From the Petroleum Intelligence Weekly, July 15, 1974]

NEW OIL "CRISIS" BREWS IN EUROPE OVER PRICE CEILINGS

Oil "crisis" talk is boiling up again in Europe. The issue now is that supplies are threatened, not by any embargo situation, but by "unrealistic" government ceilings on product prices which oil companies urgently maintain don't cover costs of imported crude. The current focus is on France and, once again, Italy too, as it was earlier this year in Belgium. The French oil trade association has given its warnings (PIW—July 8, p. 3). And the chairman of CFP (partly owned by the French Government) also bluntly warned that "further disregard of economic facts and the plain truth about prices" is bound to precipitate a serious crisis. "In price-controlled markets such as France and Italy," he said, "consumption is now paradoxically being subsidized" due to "continuing failure to recognize the magnitude" of sums payable to producing governments.

The operating deficit for oil firms trading in France would total at least 8-billion francs (nearly $1.7-billion) this year, and the shortfall would come to 10-billion including investment and other needs that must be covered, French Shell's president told a parliamentary energy study group. He contended the average price of oil sold in the French market is about 80 francs a ton below what it should be. Continued enforcement of domestic selling prices "so far below realistic levels is incompatible with present crude oil purchase prices," he added.

In Italy, where several international oil companies pulled out earlier, French CFP's Total Italiana is the latest to draw back due to losses. It has suspended imports of crude due to inadequate Italian product prices and threatens to shut down its Mantua and Trieste refineries next month unless there's a price readjustment. Its costs are competitive, both for crude supply and for refining and marketing, but it says it's losing at least 5-billion lire ($7.75-million) on each 1-million metric tons of crude it puts through the Italian market.

ATTACHMENT I

[From the Wall Street Journal, July 17, 1974]

HARD BARGAINING: A LONG COAL STRIKE IS EXPECTED BY MANY; NEGOTIATING DELAYED

(By Walter Mossberg and Bob Arnold)

Robert Muncy, a West Virginia coal miner, and his wife, Sheila, didn't go to Florida on their recent two-week vacation, as they did last year. Instead, they saved $350 *by settling* for a three-day trip to nearby Roanoke, Va. The reason? "Everyone says there's going to be a strike," Mr. Muncy explains, "a long one."

The Muncys aren't the only coal-mining family seeing the need for a personal "strike fund." In fact, Mr. Muncy's union, the United Mine Workers, which pays no strike benefits, is running a contest called "Prepare for Nov. 12," the day the national coal contract expires. Members with good ideas for saving up money can win $50.

And in the offices of coal-mining companies, the outlook is just as grim. The head of one large concern offers to "bet you money" to back up his conviction that a walkout will come.

Already a climiate of contention is building up. Just this week, the union threatened to call a short national walkout to bring pressure on a single firm, Duke Power Co., that is resisting union organizing at a Kentucky mine. (Yesterday, the UMW backed away, avoiding further talk of a national strike now. See story on page 28).

WHY A STRIKE MIGHT COME

There are a number of other solid reasons why, four months before the deadline, people on both sides expect a strike by the nation's 125,000 organized coal miners—a strike that could cripple the U.S. economy. Among the reasons:

—Both the industry bargaining committee and the union are headed by men who have never before negotiated a coal contract. What's more, both groups are marked by internal divisions.

—Despite public agreement last winter to start bargaining early, talks haven't yet begun, and there isn't a firm target date for starting.

This year's union demands will be the most comprehensive, controversial and costly in the industry's history. Large gains in wages, pensions and other benefits are being sought.

For the first time, rank-and-file miners will have to ratify by a mass vote any deal reached in the talks, so the union negotiators must produce a handsome settlement.

It's true that some government officials and industry executives still hope that the pressures generated by coal's vital place in an energy-short economy will forestall a strike, or at least keep one brief. But such views are in the minority. "The general feeling, which is likely to become a self-fulfilling prophecy, is that a strike is inevitable," says one UMW staff member.

MINERS' RESENTMENT

Adding to the danger of a strike is a strong union resentment toward federal officials. The prime cause is the Cost of Living Council's decision last March to free the coal companies from controls in return for their promise to start negotiations early under the guidance of federal mediators. When the deal was announced, UMW officials erupted in anger, rejecting the arrangement and complaining they hadn't been informed of it.

UMW President Arnold Miller charged that the mediators had thus "seriously jeopardized any claim to a neutral role" in the talks. The incident just about wiped out any chance they had to nudge the two sides into early bargaining.

Strike worries now run so deep in Washington that government officials are scrambling to set up a coal-supply monitoring system and draw up contingency petroleum allocation plans—as well as praying that a mine shutdown won't happen. "It's tremendously important to our economy and our energy picture that we avoid a coal strike," declares Energy Administrator John Sawhill.

The ripples of concern, of course, spread far beyond Washington. "If Miller can't sign a contract next fall, the economy will go to hell in a handbasket real quick," says Edgar B. Spear, chairman of U.S. Steel Corp. "Do you want an auto? Do you want a job? Do you want to eat? That's what it's all about."

A STRIKE'S IMPACT

Steel-industry experts estimate that a strike even as short as three weeks could close several large producers because record steel demand has shrunk the mills' stocks of metallurgical coal to critically low levels. The auto industry would also be hurt; half of General Motors Corp.'s plants are coal-burning, and, without coal or steel, production of new models could dwindle.

Just as devastating could be the effects on electric power generation. About 54% of all kilowatt-hours of electricity produced by fuel-fired plants is generated by burning coal. And in the Great Lakes industrial belt, coal generators turn out as much as 97% of some states' electric energy.

Coal-burning utilities are estimated to have a comfortable 92-day stockpile on hand now, but the miners' union hindered the stocking-up effort—which could soften tle shock of a strike—by refusing to load previously mined coal into railcars during the industry's annual vacation this month. Some generators needing special grades of coal are down to a 25-day supply.

What's more, the loss of UMW-produced coal, about two-thirds of the nation's total, can't be made up from other sources. Imports aren't available. Western strip-mined coal isn't suitable for use in many of the affected plants, and the government has no power to allocate coal. Oil isn't an adequate substitute because most coal-burning plants can't run on it.

One of the biggest reasons for all the nervousness about the talks is the inexperience of the leaders both of the union and of the coal industry's bargaining arm, the Bituminous Coal Operators' Association.

Arnold Miller, the mine workers' new president, has never negotiated a labor contract, and this bargaining round could prove crucial to his future in the union. Ever since he unseated W. A. (Tony) Boyle in a bitter, court-ordered election 19 months ago, he has had to contend with internal opposition from factions that were pro-Boyle. And, throughout the coal fields, miners are reserving final judgment on him pending his performance in seeking to win a wide range of benefits he accused Mr. Boyle of ignoring.

Associates describe Mr. Miller as tough and strong-willed. Unlike some other union leaders, he is fresh from the workplace; and, though he has assembled a bright young staff and sought guidance from such allies as the United Auto Workers, he is no prisoner of their advice. "I don't think I can exaggerate how independent Arnold can be," one aide says.

Across the bargaining table, the bituminous association will field a team of six bargainers that includes only one veteran of previous coal talks. Nominally heading the group is Walter C. Wallace, a former paper-industry executive who was hired by the coal association only recently. He is considered an able negotiator, but because he is unschooled in the intricacies of coal industry he'll share the negotiating leadership with others.

If Mr. Miller has divisions in his ranks, so does Mr. Wallace. The industry group is split between hard-liners and advocates of compromise with UMW. In addition, producers of different types of coal have somewhat different interests in the talks.

A more immediate problem is getting the two sides together. During the last go-around, in 1971, bargaining began in early July. Last January, Mr. Miller proposed an earlier start this year, and Mr. Wallace accepted. But, despite some limited informal contacts, no real bargaining has yet taken place.

While the union is arguing these points, the employers will press for some of their own. For one thing, they will seek an agreement on a faster and fairer grievance system to help cool local disputes. Such a system, first proposed by Mr. Miller, was agreed on by union and industry negotiators last year but rejected by a weary UMW convention in its closing hours.

The bituminous association will also seek strong guarantees against the wildcat strikes and absenteeism that have historically run rampant in the coal fields. The employers may even propose wage or vacation penalties for skipping work.

No matter what comes out of the talks this year, the contract will, for the first time, have to be submitted to members for ratification. And some labor observers regard rank-and-file miners as an especially rebellious group.

Indeed, Mr. Miller's troops often refuse to follow his lead. Last spring, he failed in three attempts to get his executive board to okay his choice for a new union headquarters site. Just this week, his vote on the board that broke a tie in favor of a UMW position advocating strip-mine environmental controls sparked a protest strike by UMW strip miners.

Some observers figure that Mr. Miller may be tempted to prove his militancy and soften up the members for accepting a pact by calling a brief, one- or two-week strike. A risk in that strategy, however, is detected by one labor expert: "Short, controlled strikes can be called only by strong leaders. If Miller tries it, he could find it lasts longer that he wants."

The proponents of the short-strike or no-strike possibility give several reasons. They argue that the coal companies, now selling at record prices, may prefer a costly labor contract to a costlier strike; some operators are already hinting that they will grant an escalator clause. They also contend steel-industry pressure for a settlement could prove irresistible. And, they note, a six- to eight-week strike would force a cutoff or reduction in pension and medical benefits from the welfare fund and cool the strikers' ardor.

But such arguments are less than convincing. Union staffers talk of obtaining loans to shore up the welfare fund and of a public appeal for aid to strikers. And the steel industry's influence on the employer group is limited because the metallurgical-coal producers—those most subject to steelmakers' pressure—have only a minority voice.

Thoughtful federal officials are wondering what to do if a full-blown strike seems to threaten the "national health and safety." A cooling-off period could be imposed under the Taft-Hartley Act, but some officials fear that the rambunctious miners might defy a no-strike order, especially one issued by a weakened President. If the miners should slash output just by staging wildcat strikes and slowdowns, a source close to both sides laments, "there's no legal remedy—that's the problem."

[From the New York Times, July 10, 1974]

TREASURY OFFICIAL WARNS OIL NATIONS AGAINST ANY NEW PRODUCTION CUTBACK

(By Edwin L. Dale Jr.)

WASHINGTON, July 9.—The new Under Secretary of the Treasury for Monetary Affairs warned the oil-producing countries today that any cutback in production levels in an effort to hold up prices would be "counterproductive."

In his original prepared testimony before a subcommittee of the House Banking Committee, Jack F. Bennett, the Under Secretary, had said that production cutbacks should be regarded by the United States and other oil-importing countries as an "unfriendly act." He told reporters he changed the term because "unfriendly act" has a special meaning in diplomatic terminology.

Mr. Bennett told the subcommittee that even "maintenance of present costs" of oil exports from the producing countries "would threaten severe economic—and, in some cases, political—damage to a large number of consuming countries to an extent which could not help but cause damaging backlash on the producers as well."

While calling the "real economic effects" of higher oil prices serious, Mr. Bennett was much less concerned about the purely financial implications. He said that, "in my judgment, our financial institutions and international monetary arrangements are not likely to be basically threatened" by the financial flows arising out of the explosion of oil prices.

He also called farfetched the idea that the oil developments "post a serious threat of world depression." The depression of the nineteen-thirties, he noted, arose from "too little demand" while the present world problem is one of "far too much monetary demand facing the existing capacity to produce."

In answer to a question, he said he saw no evidence that governments of the industrial countries were overdoing their recent measures to curb demand so as to slow inflation.

QUESTION OF DEPOSITS

Referring to the financial problem posed by the huge earnings of the oil-producing countries, Mr. Bennett noted that "in the early months of this year," these funds were mainly placed in short-term deposits in the Eurocurrency market and that this had "begun to raise questions about capital adequacy in the banks and about their vulnerability to sudden large withdrawals." But he added:

"More recently strong counter-pressures have begun to exert themselves. The banks have begun to reject additional short-term deposits and to insist on terms more in line with the relending opportunities available to them.

"The oil-producing countries themselves, and other depositors, have become more careful to insure they were not risking their funds in institutions with an inadequate capital base. And there has accordingly been increased interest in investing in United States Treasury securities and in other long-term securities, including United States corporate equities."

INVESTMENT OUTLOOK

Mr. Bennett said he could foresee a time "when there will be increased interest both by foreign and by domestic investors in offering new equity for selected private banks." He added that there would be profitable investment opportunities and that "new equity is the answer if banks have more business than they can handle with their existing equity base."

He also emphasized that the financial officials of the oil countries "have shown themselves to be very conservative investment managers" and have not been "shifting their funds about in a volatile manner."

Mr. Bennett referred to a "small number of banks" that have run into difficulties recently because of their foreign-exchange dealings. He said that, "regrettable as their experience was, it probably has had the salutary effect of bringing other institutions to examine their foreign-exchange practices more carefully" and also has led banks to consider changes in "interbank clearing procedures to reduce unintended risk exposure."

[From the Middle East Economic Survey, July 5, 1974]

Algeria's Abdesselam Spells Out Views on Oil Prices

The full text of the statement of the Algerian Minister of Industry and Energy, Mr. Belaid Abdesselam, on the issues discussed at the recent OPEC meeting in Quito (MEES, 28 June), has now become available. In his statement Mr. Abdesselam stated that other OPEC countries were prepared to counter any attempt by Saudi Arabia to lower prices by increasing production with production cutbacks of their own, and went on to warn that if such a confrontation did arise it could lead to a crisis in world oil markets more serious than that caused by the October war in the Middle East. The following is a summary of the relevant sections of Mr. Abdesselam's statement:

"The determination of the OPEC countries to resist any pressure showed clearly in the two decisions taken by the conference. This is due to the fact that all the member countries are agreed in principle that the value of their oil must be protected, and that if the price is affected by outside factors such as inflation or monetary fluctuations it must be correspondingly corrected.

"In any case, Saudi Arabia—whose position on the question is well known—presented arguments at the conference which appeared all the less convincing to the other delegations for arriving at conclusions which flagrantly contradict market conditions and the inflationary situation in the world. This is why, despite its considerable potential for production—it is actually the largest exporter in the world—Saudi Arabia found itself isolated. Almost all the other delegations defended the argument that the price set at the beginning of the year is not only reasonable but has already been overtaken by the rate of inflation which has grown continuously since last January.

". . . There is another way of supporting prices, which consists of adjusting supply to demand or of restraining production to match consumption. This idea, which was proposed by Algeria at the last meeting in Vienna, was the subject of a wide-ranging exchange of views at Quito. It can be said that it made some progress, and that it now appears to be accepted by all the countries. Even Saudi Arabia, although reserving its position on this issue and declaring its intention to increase its production in the short term, nonetheless did not exclude the idea of associating itself with such an action in the future.

"Countries such as Iran, Kuwait and Algeria declared themselves ready as of now to put into effect a reduction in their output if this was necessary to maintain prices. The representatives of other countries such as Nigeria, Qatar and the UAE, while stating that they had no mandate to do so immediately, indicated that if OPEC decided on such measures their governments would be ready to apply them.

"These countries also clearly indicated to the Saudi representative that if his country increased its production to put pressure on prices they would not hesitate to reduce their output by the amount of the extra quantities placed on the market.

"This is also the place to reaffirm that, thanks to the determination of the OPEC countries, blackmail and pressure on prices via production will not succeed. Those who hope to influence prices by counting on a steep rise in Saudi production are badly mistaken.

". . . With regard to the level of prices itself, which has already caused much ink to flow, the exporting countries consider that the price resulting from last December's decision, which they are determined to protect against any erosion or pressure, is reasonable. . . . This price increase is not, as some people claim, the result of measures of a political nature taken in special circumstances by the Arab states at the time of the Middle East war. These events at the most played the role of a catalyst in taking a decision which was already well prepared and well justified on the economic level.

". . . As for those who continue to wonder whether such a price can be supported by the world economy, one can only say that the price set by the exporting countries is not excessive, since the consuming economies are continuing to function normally in their essential aspects.

". . . Some people hope to be able to play on differences within OPEC to create pressure on prices. But those who have pinned great hopes on increases in Saudi production to pull down prices must be disillusioned by the determination of almost all the producing countries which have decided to reduce their own production sufficiently to maintain the balance between supply and demand.

"It is a fact that those who persist in trying to use the production of OPEC members to break the solidarity which up till now has been the basis of the success achieved by the member countries as a whole in the field of prices, are in fact playing a dangerous game which may very well turn against them.

"From the moment that all the other member countries decided to protect the level of prices against the effects of an intentionally created over-production by means of a voluntary substantial and coordinated reduction of their own production, there arises a serious risk of creating severe tension in the oil market. Supposing even that Saudi officials and the Saudi people accept without being given anything in return that their considerable reserves should be used as a trump card in a plan aimed at the exploitation of other peoples—and this is very doubtful and very risky—the situation could rapidly develop into a crisis whose scale and consequence might eclipse the crisis which resulted from the October war in the Middle East since, in addition to almost all the Arab states outside Saudi Arabia, the other OPEC members would join these oil cutback measures. In fact the oil measures which were taken last October by the Arab countries for political reasons can very easily be taken again, but this time for economic and commercial reasons and by almost all the OPEC countries.

"That is to say that the repercussions of the supply crisis which would arise could be more important and more serious than any experienced so far. And even if the producing countries themselves were not spared from the backlash of such a crisis, it would certainly be the industrialized consuming countries which would be the first to suffer."

Excerpts From Shell Oil Report on Energy Outlook

Whether the U.S. has sufficient supplies of petroleum for the rest of this year is beyond the control of this country's government or oil industry. The balancing factor is imports and their availability depends on the actions of other producing and consuming countries.

The energy situation in the near future also depends to a larger extent on what consumers do—not only in the United States but around the world.

Traditional definitions of demand—particularly "normal demand" or "unconstrained demand"—are invalid in a situation in which supplies are artifically limited. It appears that worldwide consumption is currently somewhat below pre-embargo levels due to a combination of factors including conservation measures, supply limitations, higher prices and mild weather.

It is . . . uncertain to what extent conservation efforts are continuing since the announcement of the end of the embargo; there are conflicting reports.

The question of prices must also be considered in any assessment of demand. It appears that the higher prices imposed by OPEC countries have resulted in reductions in consumption. Although some Mideast officials have admitted that the current crude postings are probably too high, most informed sources are skeptical about any impending price reduction.

Another consideration is how long it will take consumers to get used to paying higher prices (as they did during the beef shortage or when cigarette prices went up) before demand begins increasing again.

Currently, supply and demand seem to be approaching a balance, but no one as yet knows whether this is temporary or not. We will have to wait and see, to give the world economy time to stabilize. One thing is sure: We will have to learn to live with uncertainty.

If we come to the end of the year without a crisis, it should not be taken as indicating the end of this nation's energy problems. They are not ending; they are just beginning and will be years in resolution.

Attachment L

[From the New York Times, July 11, 1974]

Limited Coal Use Is Seen for Utilities

(By Edward Cowan)

Washington, July 10.—The second-ranking official of the Environmental Protection Agency says that "only a few" East Coast electric utilities will qualify under new statutory standards to fuel their boilers with coal rather than oil.

John R. Quarles, the Deputy Administrator, acknowledged in an interview last week that one recent analysis by the agency put the number of eligible power stations at two. Mr. Quarles did not endorse that number, saying the question was still under study.

Under the Energy Supply and Environmental Coordination Act of 1974, signed by President Nixon on June 22, the Environmental Protection Administrator has wide latitude to restrict utility conversions to coal from oil. The bill was a result of the recent oil shortage.

Within the agency, sentiment is against such conversions because the available coal will be relatively high in sulphur content and few utilities have ordered or installed chemical "scrubbers" to keep sulphur oxides from escaping into the air.

In response to what the agency regards as an intensifying campaign by utilities for the installation of tall chimneys as an alternative to "scrubbers," E.P.A. physicians and scientists have made a new study. It tentatively concludes that "failure to control sulphur oxides emissions will result in thousands of excess deaths and millions of excess illnesses" during the period 1975–80.

"Excess" means deaths in addition to those that would occur if the emission and ambient air standards of the Clean Air Act are met.

However, the study itself acknowledged several "important caveats" and said the findings were "clouded by significant scientific uncertainties involving many key aspects of the sulfur oxides problem."

A copy of the study, labeled "preliminary draft," was made available to The New York Times.

Among the tentative findings were that failure to meet air standards would lead to 6,000 "excess or premature deaths" a year, aggravated heart and lung disorders in elderly persons, more frequent attacks of asthma among persons afflicted with that ailment and 400,000 to 900,000 attacks a year of "acute respiratory disorders like croup, acute bronchitis and pneumonia" among otherwise healthy children.

STANCE OF UTILITIES

The document was made available to rebut arguments by some electric utilities, most notably the American Electric Power Company, that the Clean Air Act should be amended to sanction "tall stacks, monitoring" and "so-called intermittent controls" of sulphur emissions as an alternative to strict emission limitations.

"Intermittent controls" would be a temporary shutdown of a generator or temporary use of stand-by stocks of low-sulphur coal.

A. Joseph Dowd, a vice president and general counsel of American Electric Power, which generates 93 per cent of its electricity from coal, told the Senate Public Works Committee on May 13 that under normal atmospheric conditions "tall stacks disperse emissions so widely in the atmosphere that their ground level concentrations are innocuous to human health."

The E.P.A. view is that such "dispersion" merely shifts the problem because eventually the sulphur oxides are changed into sulphuric acid, which falls as "acid rain."

Mr. Quarles recalled in the interview that during last winter's oil shortage "conversion captured a lot of publicity." In fact, he noted, a number of obstacles have become clear, including the unavailability of reliable supplies of coal, the growing winter and technical problems of adapting to coal.

Federal Energy Administration officials said an initial December estimate that 48 East Coast oil-burning utilities could convert to coal within a year had been scaled back to 14 utilities having 22 generating units. Of the 14, five or six could convert within a few weeks if they could find coal, one expert said.

"The industry hasn't responded with the alacrity expected," Mr. Quarles commented. He acknowledged that his own agency as well as state and local environmental regulators had figured in the hesitation.

BALKING ON CONTRACTS

The utilities, he said, do not want to sign long-term contracts to buy coal until they are sure what air standards are going to be. Without such contracts, the coal companies will not open the new mines necessary to provide additional large volumes of coal.

Mr. Quarles said that "the country does need to use its coal" and that "from my viewpoint, giving heavy emphasis to environmental concerns, it probably would be desirable to have more conversions."

In most cases, that means installation of scrubbers to trap sulphur oxides, Mr. Quarles said. The largest coal-burning utilities, American Electric Power and the Tennessee Valley Authority, oppose scrubbers, he noted.

"Many in the industry believe they should not be required to install continuous reduction technology," Mr. Quarles commented. "There is a widespread belief that this is an unsound thing to do." The opponents have said that the scrubbers are not reliable and that installation costs would be high.

"There is some merit to their position as to the degree of development of the technology," Mr. Quarles said. Consequently, he went on, the E.P.A. would not insist on having scrubbers installed by every plant that failed to meet the Clean Air Act's July 1, 1975, "deadline" for satisfying air standards.

"I hope to avoid a knockdown, drag-out confrontation," Mr. Quarles said. "There has been some tendency within the industry to dig in their heels." He cited newspaper advertisements by American Electric Power saying that scrubbers created great volumes of sludge and that tall stacks would be cheaper and just as good.

"Many power plants can dispose of sludge," Mr. Quarles said. "They might have to buy some land or build some dikes. We already dispose of a lot of sludge in this country."

[From the Oil Daily, July 24, 1974]

NEW ENGLAND DOMINATES HEARING

(By Tony LoProto)

Washington.—The Federal Energy Administration asked for a public hearing and they sure got one.

The case of residual fuel oil—the first of the petroleum products to be "de-allocated"—has raised once again all the old arguments for and against government control with partisans both pro and con using the catch phrase of whatever side they are on: economic chaos vs. consumer cost; government interference vs. the free market and controls vs. de-controls.

Yesterday, the second day of hearings into the question of deallocation of resid brought forth testimony from Rep. Michael Harrington, (D-Mass.), E. W. Smith of the Farmers Union, Robert Greenes of the National Oil Jobbers, John Buckley of Northeast Petroleum Co., Robert W. Mitchell of the Governor's Council on Energy for New Hampshire, and Marcy Benatock of the New York City Clean Air Campaign.

As with Monday's session, Tuesday's hearing was dominated by what has come to be called the New England point of view. (NEPOV).

Briefly stated, the NEPOV considers residual fuel and the continued allocation of residual fuels as vital because:

The six state New England region is more dependent on residual oil than any other section of the country. "Nearly 500,000 b/d or 45% of total oil consumed in the region is resid," according to Rep. Silvio Conte (R-Mass.). The NEPOV also notes that New England alone consumes 25% of the nations's residual oil.

Seventy percent of the area's electricity is generated by residual. 50% of the residual oil consumed in New England—about 250,000 b/d—is used to power industries and to heat schools, apartment houses and factories.

Residual fuel costs to industry have increased by $220 million.

65% of New England's fuel oil is supplied by independent terminal operators.

The New England Fuel Institute, presenting the case for NEPOV admirably, pointed out at the hearings that the New England heating oil market is "the most homogenous and the most concentrated in the world."

"The proposed rulemaking that lifts controls on the allocation of residual oil, but retains price control on the product, is contradictory and ill-conceived," the NEFI said.

Putting its case and the NEPOV more strongly NEFI said: "The proposed rulemaking is irrational and suspect. The whole effort seems to be an exercise to test what public and Congressional reactions will be rather than a serious move based on substantive analysis."

But the most massive (and massively documented) testimony came from John G. Buckley, speaking for the Independent Fuel Terminal Operators Association.

In a 65 page statement, Buckley reviewed much of the history of energy shortages in the New England area. He stated firmly, "If controls are removed the FEA will be saying to New England residual customers 'Don't worry about resid.' "

Explained Buckley, "This is, of course, the basic conclusion about supply reached by FEA."

"The proposed rulemaking," said Buckley has completely failed to note important interrelationships and the negative impact that decontrol of residual fuel oil could have on supply and price of heating oil and diesel fuel."

Concluding, Buckley said, "FEA's obviously superficial analysis and its failure to deal with the impact on a market share of independent marketers is a clear violation of Sec. 4 of the Emergency Petroleum Allocation Act of 1973."

Testifying on behalf of New Hampshire, Robert W. Mitchell, executive vice chairman of the Governor's Council on Energy said, "There still exists, and will continue to exist, a shortage of residual fuel oil through the normal contractual supply channels, notwithstanding temporary 'spot surpluses' of residual fuel oil. New Hampshire feels that the removal of allocation regulations without removal of price regulations would cause a serious imbalance in normal and historical supply sources." The governor's representative said, "We do not believe it's in the best interests of the New Hampshire consumers to exempt residual fuel oil at this time. We feel strongly that a continuation of the allocation system will serve the best interests of all sectors of our industrial economy as well as the homeowner."

[From the Oil Daily, July 24, 1974]

FUEL COSTS UP 200–300 PERCENT FOR NORTHEAST, FEA TOLD

Washington.—Fuel oil controls should be tightened rather than dropped, Albert A. Walsh, president of the National Realty Committee and former New York City Housing Authority chairman, told an FEA hearing here.

Walsh was testifying at a hearing on proposed deregulation of residual fuel oil. Removal of allocations and price controls, he said, "would be nothing short of catastrophe for consumers," most notedly in the Northeast.

Fuel costs rocketed 200 to 300% in the past year alone in that area, he said.

"Since fuel and utilities represent one-quarter of overall operating expenses, the magnitude of the problem is evident," he noted.

Economic disaster to owners and operators or residential properties looms as a result of escalating fuel prices, he warned. He said many previously profitable properties are now producing "less than a fair return" or are operating at a loss, and that stepped-up abandonments of marginal properties seem destined for the near future.

He foresaw rising fuel costs, forcing federal and state governments into subsidizing new housing for tenants now occupying privately-owned buildings.

Walsh urged the FEA to forget decontrol considerations and "begin to perform its statutory mandate to protect American consumers from exorbitant fuel oil prices." He said the FEA cannot assume that adequate oil supplies permit the agency to "abdicate its responsibilities."

Walsh assailed as "casual disregard" the

FEA failure to predict the impact of deallocation on fuel prices.

He said the government should allow oil price increases consistent with actual costs and that the oil companies "should share some of the burden caused by the current situation. The FEA cannot abdicate its responsibilities at a time when market forces are out of control."

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that he had approved and signed the following acts:

On July 23, 1974:

S. 2830. An act to amend the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus; and

S. 2893. An act to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next three fiscal years.

On July 25, 1974:

S. 724. An act for the relief of Marcos Rojos Rodriguez;

S. 1803. An act to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to certain officers and employees of the legislative branch;

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000; and

S. 3679. An act to provide temporary emergency livestock financing through the establishment of a guaranteed loan program.

On July 26, 1974:

S. 3203. An act to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ALLEN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MILITARY PROCUREMENT APPROPRIATIONS AUTHORIZATION, 1975

The ACTING PRESIDENT pro tempore (Mr. ALLEN). At this time, in accordance with the previous order, the Senate will proceed to the consideration of the conference report on H.R. 14592, the military procurement appropriations authorization.

The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 24, 1974, at pp. 24933–24947.)

Mr. STENNIS. Mr. President, I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I have been requested by several Senators who would like to have a vote on the pending business to notify the chairman and the ranking minority member to that effect. I am now doing so.

Mr. President, I ask unanimous consent that the vote occur on the conference report at the hour of 12:15 p.m.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the appropriate time it be in order to ask for the yeas and nays on the conference report.

The ACTING PRESIDENT pro tempore. Without objection, the time for the vote on the conference report is to be at 12:15 p.m. and the Senator will be accorded permission to ask for the yeas and nays at the appropriate time.

The Chair recognizes the distinguished Senator from Mississippi, the chairman of the Committee on Armed Services.

Mr. STENNIS. I thank the Chair.

Mr. President, for the information of the Senate and for the permanent RECORD I have an evaluation of the conference report that purports to briefly summarize the major matters that were disposed of, how they are disposed of, and why they were disposed of as they were in the entire bill. I also have certain supporting data which I shall ask to have printed in the RECORD at the appropriate time, but not now.

Mr. President, as a part of our effort to make all of the available facts known ahead of the actual discussion of the conference report today, I have already issued a detailed press release July 23d, along with a statement of this subject, which appears in the CONGRESSIONAL RECORD of July 25. Moreover the House Conference report appears in the CONGRESSIONAL RECORD of July 24.

This bill is one of the more significant legislative items which the Senate annually considers each year and I will discuss both the broader aspects as well as the details and the results of the conference.

I think all Members of Congress, the departments, the services, and the public are entitled to a full explanation of these matters.

GENERAL OBSERVATIONS

Mr. President, prior to discussing specific funding and language items I would like to make a few general observations on this entire legislation.

THOROUGHNESS OF THE CONFERENCE

Mr. President, this was a most thorough and hard fought conference in the best legislative sense. Every issue was thoroughly discussed with both sides proceeding in good faith to make the best possible arguments on behalf of their respective positions. I would note that the conference extended over a period of about 1 month, from June 20 to July 23, during which there were 15 conference sessions on 10 meeting days.

At this point I would like to thank all of the Senate conferees for the part they played both in attending all of the many sessions and in the overall discussion. Especially, I extend my thanks to the ranking minority member, Senator THURMOND, for his assistance to me in this entire bill.

All of the conferees had been on these committees for several years and were familiar with the subject matters. We really combed the bill from beginning to end, including such amendments as the House added, as the Senate added, and as our Senate Armed Services Committee added, with the fullest and utmost discussion and consideration given to all of them—minor, medium, and major amendments.

There was a lot of new testimony, in a way, given not for the record but by way of argument. These matters were fully passed on. I think some of them were brought up some 7, 8, 9, or 10 different times.

RESULTS OF LANGUAGE DIFFERENCES

Mr. President, many of the Senators are particularly interested in the various language provisions which were the subject of the conference. I will outline the overall results. In the House version there were only five language differences of any consequence which were not in the Senate version of the bill.

In the Senate version of the bill there were a total of 28 language provisions which were not contained in the House version. Of these 28, 18 were Senate floor amendments and 10 were provisions adopted and recommended by the Committee on Armed Services. The Senate also passed three minor technical amendments which are not included in these numbers.

The resolution of these language differences in numerical terms are as follows.

Of the 28 Senate provisions, 15 were finally adopted by the conferees although some were modified. Of this 15, 6 of the Senate floor language amendments were accepted either in whole or in modified forms, as well as the 10 committee changes in the same manner.

Mr. President, of the 18 Senate floor amendments a total of 12 were not adopted. There were 7 of this 12 that the House insisted were not germane under the House rules; that leaves 5 of the 12 that the House refused to accept strictly on their merits. I do not want to imply that of all of the seven that were dropped that the House would have necessarily accepted them on their merits even if they had been germane. We just do not know at this point.

With respect to the five House language differences, all of these were finally adopted in conference although some were modified and some related to amendments passed in the Senate.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. STENNIS. May I take a few more minutes to finish my overall statement? Will that be acceptable to the Senator from Indiana?

Mr. HARTKE. That is fine.

Mr. STENNIS. Mr. President, I would now like to turn to the germaneness rule in the House. All of the Members of the Senate who have been conferees with the House on other bills have encountered this rule and are generally familiar with the problem. This issue, however, relates not only to the military procurement legislation but is a matter confronting Senate legislative process as a whole.

It is accurate to say that the House has become much more stringent and consistent with respect to their germaneness rule.

As chariman of the Senate conferees I was insistent that this issue be clarified in writing to the extent possible.

Mr. HÉBERT was fully cooperative and understanding on this matter and he wrote a letter which was inserted in the RECORD last Thursday, appearing on page 25129 in substance, he advised in order for a Senate amendment to be germane it must be directly related to the fundamental purpose of the bill. There is no way prior to consideration of the conference report that a fundamental parliamentary opinion can be obtained as to whether a particular amendment is germane; however, in every case, the House conferees conferred informally and at length with the House Parliamentarian and received an informal opinion, and this was the process followed on this legislation.

Mr. HÉBERT's letter also notes that the House conferees will continue this present policy in the future.

There is another factor, Mr. President, I would emphasize. In years past the House conferees have requested the Rules Committee to grant a rule waiving points of order in order for certain Senate-passed amendments to be considered on the House floor without being subject to the point of order process. The House Rules Committee, so I am advised, has been increasingly reluctant to grant waivers on points of order and the House Armed Services Committee conferees have been increasingly reluctant to request such waivers. In their opinion, this frustrates procedures in the House. It is their present policy that they will not request a rule waiving points of order.

I recite this circumstance, Mr. President, for the Senate to fully understand this entire situation on the germaneness question. I would note, Mr. President, that the fundamental purpose of this bill is to authorize annual appropriations with respect to military hardware. R. & D. and civilian and military personnel for the Department of Defense, together with military assistance for South Vietnam.

So far as could be, under the rules of the House, all amendments from the Senate floor were fully considered in conference. I am ready, and other members of the committee are ready, to fully debate any point with anyone who is the author of a Senate amendment which did not get adopted. We are ready to give the full facts as to what happened in conference. I think the Senate is entitled to that. We are prepared to give an accounting.

We had these conferences over a period of 33 or 34 days, 15 conferences in all, spread over 10 days. That is, we had some morning and afternoon conferences. On some days, we just met in the forenoon or in the afternoon.

The matter was given a fine-toothcomb treatment. I think it is as good a conference as I have ever known in the Senate. I was not chairman of the conference, so I am more free to talk about it than I otherwise would be.

We had splendid attendance by our Senate conferees who were prepared on their subject matters, and, of course, the House did, too.

Mr. President, we come back now with this conference report. When you pass on it, the Senate is not going to be passing on any major or new matter or new position, except one that I will emphasize later. All these matters were adjusted within the range and within the field of positions having already been taken by the Senate and in the neighborhood of what the Senate had passed on.

FUNDING RESULTS

Mr. President, as the Senate may recall, the total authorization for military procurement and R. & D. as passed by the Senate was $21.8 billion. The total amount voted by the House was $22.6 billion. The conference report recommends a total authorization of $22.159 billion which is $340.1 million more than the Senate bill but is $483.6 million less than the amount voted by the House. Moreover, Mr. President, the final conference figure was $935 million below the Department of Defense budget request.

PROCUREMENT PORTION OF BILL

With respect to the procurement portion of the bill the conference agreement provides a total of $13.258 billion which is $392 million above the Senate figure and $383 million below the House. The final amount approved is $547 million below the $13.8 billion budget request.

Mr. President, for the purpose of the foregoing computation I have included the sum of $264 million which is for the procurement of items for South Vietnam. I will now turn to some of the major procurement issues resolved by the conferees.

MAJOR PROCUREMENT ISSUES

SHIPBUILDING AND CONVERSION

Mr. President, the Senate had approved a total shipbuilding and conversion program of $2.856 billion, as compared to a House authorization of $3.539 billion for this purpose. The conferees approved a final sum of $3.156 billion for Navy shipbuilding and conversion.

With respect to the specific items the conferees restored, first, a nuclear attack submarine which had been deleted by the Senate, $167.5 million, making a total number of three; second, the destroyer tender, $116.7 million, dropped by the Senate, and, third, restored $16 million of the total Senate reduction of $142.9 million for the sea-control ship.

The conferees agreed to the Senate reduction of the proposed patrol frigate program from seven to three, $250.5 million, and the reduction in the sea-control ship of $126.9 million.

AWACS

The conferees agreed on the sums of $405.1 million for the fiscal year 1975 AWACS program—airborne warning and control system—which passed the Senate in the amount of $549.8 million, and the House in the amount of $292.1 million. The final figure will represent the approval of six airplanes with long-lead funds for another six, with a one-a-month delivery schedule which will protect the present contract.

I have a special report on AWACS—how we settled on that particular plane.

A-10—A-7D ISSUE

Mr. President, the Senate in effect receded to the House position on the A-10/A-7 matter in view of the fact that the Department of Defense declared the A-10 to be the winner in the flyoff competition. The Senate bill had contained certain alternative language which tied the availability of funds to the winner of this competition, whereas the House version did not contain this restriction. The report now approves a total of $274.1 million for the A-10 for procurement and R. & D., together with $104.9 million for 24 A-7D's for the Air National Guard. There was a flyoff between the A-10 and A-7. While we were in conference, the flyoff evaluation was completed, and the Air Force made a choice in favor of the A-10, and we approved that.

INCREASED STRATEGIC AIRLIFT CAPABILITY

The conferees approved a Senate item not in the House bill of $31 million for fiscal year 1975 for the so-called stretch program for the C-141 aircraft, to increase its cargo capacity.

The conferees also dropped the item of $25 million, none of which was included in the Senate version, which would have begun a program to modify the civilian jumbo jetliners to accommodate military cargo in an emergency. This item represented the initial start of a program for the civil reserve air fleet which will cost in excess of a billion dollars and which contained many problems yet unsolved. The Senate conferees were unanimously opposed to that provision and did not yield on it. So that part of the program is not in this bill at all.

The remaining items are discussed fully in the conference report and also are covered in a chart which I will insert in the RECORD at the end of my remarks.

RESEARCH AND DEVELOPMENT

Mr. President, for research, development, test, and evaluation, the conference agreement authorizes $8.937 billion. The Senate has voted $8.952 billion, and the House authorized $9 billion.

As in procurement, some R. & D. programs were not in dispute in the conference, and these included the strategic initiatives, sometimes described as counterforce, which are extensively discussed during Senate debate on the bill.

B-1

Perhaps the major R. & D. item in disagreement was the Air Force B-1 bomber. The Senate bill reduced a $499 million request for development of the B-1 by $44 million, to $455 million, limiting the approved program for fiscal year 1975 to three prototype aircraft to permit flight testing and technical progress before further congressional action. The House approved the full request which included starting a fourth prototype aircraft in fiscal year 1975.

The conferees voted $455 million, with language which would defer the fourth aircraft until after the first has been successfully flight-tested. At that time reprograming within available B-1 funds could be requested to begin the fourth prototype.

SMALL SUBMARINE

Also in dispute was the Navy's request for $16 million to begin development of a smaller ballistic missile submarine to complement the project Trident force. The Senate bill deleted this authorization on grounds that approval this year would be premature. The House approved the full authorization.

The conferees deleted the $16 million in authorizations for development of this new submarine.

ABM—SITE DEFENSE

Another R. & D. item in disagreement was the follow-on ABM system, site defense. The Senate had reduced to $110 million the Defense Department's $160 million request and the House voted $150 million for site defense.

The conferees voted $123 million in authorizations for site defense technology.

REMAINING ITEMS

Disposition of other R. & D. items is reflected in this chart, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

MAJOR MANPOWER ISSUES IN CONFERENCE

Mr. President, I think there are a number of highly significant manpower issues in this bill and on the whole I think the Senate position fared very well. I will cover each of these separately.

TROOP CONVERSION FOR U.S. NATO FORCES

Mr. President, for the first time since NATO was funded, the House and Senate have agreed on the composition of the NATO troops stationed in Europe. The substance of the Senate-passed NATO conversion amendment adopted in committee was written in conference.

As finally approved, the conference report contains language which requires a reduction of 18,000 from U.S. noncombatant units in Europe within 2 years—June 30, 1976—and of this number 6,000 must be eliminated by June 30, 1975. This language is mandatory. At the same time there is language which permits but not requires the Secretary of Defense to increase the number of combat men by this same number within this same period of time. The language applies to all services with the Secretary of Defense having the discretion to apportion the numbers within the various military departments. As the Senate may recall, the version passed by the Senate applied only to the Army and required a 2-percent reduction, about 23,000, over a 2-year period with one-half of this number to be completed by June 30, 1975. The House version contained no language whatever on this subject matter. It is fair to say that the Senate obtained approval of this provision only after long and strenuous debate with the House conferees who were initially thoroughly opposed to this provision on its merits.

Certainly, this does not weaken the combat strength. It was not intended to and does not weaken the combat strength of U.S. forces in Western Europe.

REDUCTION IN CIVILIAN MANPOWER AUTHORIZATION

Mr. President, this is the first year that the Congress has authorized the end strength for civilians in the Department of Defense. The Senate had voted a cut of 44,600, 4 percent, as compared to a House cut of 15,000 for June 30, 1975. The conferees recommended a cut of 32,327 with the Secretary apportioning this reduction among the military departments. This represents a 3-percent cut from the requested end strength of 1,027,327. This cut represents a minimum savings of $400 million on an annual basis.

Mr. President, of the 32,000 cut, about one-half of this amount represents additional jobs which the Department wanted to add to the payrolls. This fact, combined with an annual turnover of 215,000 civilian personnel means that that there should be no layoffs of people now employed as a result of this reduction.

Mr. President, in our conference discussions we finally narrowed down to two items: The active duty services and the item I have already mentioned. modifications for the civilian reserve fleet—CRAF—a program that would cost, in total, an amount estimated at more than $1 billion. The Senate conferees did not feel that we could launch into that CRAF program, especially in view of the lack of adequate hearings and the unsettled questions that were involved. We had been to the end of the road over those two items.

The House did make a proposal to yield somewhat on the manpower matter—but not appreciably—if we would include the—CRAF—cargo program to which I have just referred. We had a meeting on that, the conferees of the Senate, and talked it over, and we decided that it would be better to yield on the manpower matter and stand firm on the civilian reserve air fleet, and that is the position we took. The House conferees agreed to it, and that is the way the matter was settled.

I think, too, that this conference report deals in more than one instance with a policy that the military has been criticized for, and some of that criticism came from our committee—the policy of moving headlong, even if the weapon in question might be in trouble of some kind. This policy has been slowed down somewhat by this conference report.

As I have said, Mr. President, on the authorization for the active military strength after long and hard argument, the Senate reluctantly receded to the House on the higher figures that body had approved.

This is an item that the Senate conferees yielded on and, frankly, in a substantial way. The House conferees had been adamant and unyielding as to the manpower levels for the services all the way through, and that is a question upon which there are differences of opinion.

Mr. President, I am of the personal opinion that substantial reductions can be made especially in the many headquarters throughout the world in the Armed Forces from the 1 million people associated with the noncombat support. I, therefore, think that the 49,000 cut mandated by the Senate was a sound position. I can assure the Senate, therefore, that the Armed Services Committee continues to examine all aspects of manpower in order to achieve further economies.

Mr. President, I cannot emphasize too strongly the fact that the Reserve and National Guards are indispensable under the Volunteer Force concept. There must be a willingness to use these Reserves and they must be ready in every way. I shall not favor another Selective Service Act until use is made of the Reserves and National Guard.

With respect to Air Force active duty end strength manpower I would expect that the Secretary of Defense would examine most seriously the mandate in the bill regarding the use of Reserve components.

This is a statutory mandate which would apply in lieu of expansion of the Active Air Force manpower capability for this purpose.

MILITARY ASSISTANCE FOR SOUTH VIETNAM

During the long years of the Indochina war this annual authorization bill, under a program called military assistance service funded—MASF—permitted the Defense Department to provide assistance from its stocks to allies in Southeast Asia.

Now this program has narrowed down to military aid for South Vietnam. This is the last year it will be in this bill, and this military aid will be provided under the regular military assistance program—MAP—next year, for fiscal 1976.

The Defense Department initially requested $1.6 billion for MASF in the 1975 fiscal year. The House voted $1.126 billion, the same total approved by Congress, for the current year, and the Senate reduced the total to $900 million.

The conferees agreed on $1 billion, and the conferees also approved Senate language which sets up a separate appropriation for these funds. This new accounting procedure, is reflected in the detailed authorizations included in the conference report.

OTHER PROVISIONS

I referred, at the outset, to the number of Senate amendments accepted by the conference. On page 25130 of the RECORD of July 25 there is printed a list of amendments which were not accepted in conference with a short notation as to why those proposals were dropped.

I will not list all the Senate amendments which were adopted, but here is a summary of major Senate amendments which were approved, in whole or in part;

A redrafted version of a Senate amendment designed to prohibit research with poison gases and other chemicals on dogs for weapons research. Language in the report states that the provision is not to inhibit research aimed at preserving human life.

A Senate amendment barring, for fiscal 1975, tests of Minuteman missiles from operational silos in the Northwest United States.

A new provision, combining amendments separately approved by the House and Senate, which will require 91 flying units in the Air National Guard in fiscal year 1975 and states the policy of Congress that the components of the reserve, rather than increases in active duty forces, should be tapped to increase the ratio of strategic airlift crews to airlift planes.

A modified Senate amendment requiring statutory authorization for selling or otherwise disposing of naval vessels, larger than 2,000 tons or less than 20 years old, to another nation. Other vessel disposals would require 30 days notice to the Congressional Armed Services Committees.

A modified Senate amendment designed to assure careful review of certain exports of goods, technology, and industrial techniques to Warsaw Pact nations and such other nations as the Secretary of Defense may determine. The conference provision would require the Secretary of Defense to make recommendations to the President on licensing such exports. If the President overrules a negative recommendation by the Secretary, Congress could deny the export by passing a concurrent resolution within 60 days.

A modified Senate amendment requiring the Navy to negotiate with Puerto Rican authorities for an alternate site for weapons training now conducted on the island of Culebra. The report will note that, while the bill was in conference, the Department announced that weapons training would end by July 1, 1975, on Culebra and by December 31, 1975, on the adjoining keys.

On some money items, Mr. President, we did not try to strike them all out, but we slowed them down somewhat. Personally, I hope that time will overcome certain problems, such as those with the sea control ship. They were having some unsolved problems for which they needed more time.

I do not know whether we are going to have another debate on the beagle hound amendment. That received a great deal of attention on the floor of the Senate and received even more attention, in proportion, in the conference. We finally reached an agreement of some kind partly covering that situation. Certainly no one was indifferent to the beagles.

We had a good discussion in the conference about the ROTC. We had an amendment from the floor on that matter. We were not able to get an agreement in conference about that. We will have a further explanation of those matters if they come up.

I want to add this personal word. Since this conference ended, I have made what was to me a very valuable trip. I went to Fort Jackson, in South Carolina, which is a typical military installation. I can say to the Senate that I was well impressed with it. There I spent several hours behind closed doors, talking first with a total of 100 enlistees who had been in the service from 1 week to 4 or 5 weeks, young men and young women. Then I conferred, in like manner, with 20 experienced Army sergeants; then with 20 junior officers—second lieutenants, first lieutenants, and captains. I was trying to get the feel of the volunteer forces, because the Army and the other services are making a major effort to try to get recruits and to get quality people.

I commend them for their efforts. I think it is unproven yet just how the matter is going to work out. I am going to go back to other places and visit with some of their men who have been in at last a year, not only in the Army, but in the other services as well.

I believe the most enthusiastic group I met was a group of 20 young WACS that had just been in a few weeks; they had very strong motivations.

I mention those things in passing relating to our manpower problem and our Volunteer Forces problem.

I would be glad now, Mr. President, to try to answer questions, the Senator from Indiana has asked one and I appreciate his letting me finish my statement.

I yield the floor and will be glad to hear from any members of our committee.

We are having an important meeting of our committee this morning that had already been set before we knew this bill was coming up, or there would have been more here today, they all agreed they would be subject to call.

I yield to the Senator from Indiana.

Mr. HARTKE. I thank the Senator, and I would like to make a brief statement, if I could.

Mr. STENNIS. Well, I do not object.

MILITARY RETIREMENT RECOMPUTATION—THE NEED IS NOW

Mr. HARTKE. Mr. President, I just want to discuss the military retirement recomputation and the need for it at the present time, which the distinguished chairman of the committee has discussed with me many times and expressed his personal feeling that he has done the best he could to bring about some type of satisfactory solution to this problem.

But, Mr. President, it is both frustrating and dismaying to learn that the conference committee on the military procurement bill has decided to drop an amendment overwhelmingly approved by the Senate which would have provided a one-time recomputation of military retirement benefits.

I point out that this is not a complete recomputation in the terminology of the prior utilization of that term, but was a one-shot operation and was severely limited in its budget implications.

Three times the Senate has voted to approve this amendment, and three times it has failed to be approved by the conference committee. The action of the conference is a keen disappointment to me personally and to the nearly 1 million men and women who deserve recomputation and who would have benefited from the passage of my amendment.

Make no mistake about it, military retirement recomputation is needed. The need to bring equity in the pay to retiring military personnel is recognized practically everywhere. An article in the June 30 edition of the Washington Post makes that fact clear. It describes the plight of military retirees in the Washington, D.C., area. For example, one former Army sergeant who retired after 20 years' service because of recurring ulcers, wants to leave the soldiers' home here. But he cannot afford to live on his $326.61 a month retirement check. The wife of another retired Army sergeant, disabled after serving 3½ years in a Japanese prisoner of war camp, worries about the day she will have to live on 55 percent of her husband's $290.73 a month retirement check. These are just two examples of literally tens of thousands of similar cases throughout the United States.

Congress cannot afford to ignore the needs of its older citizens. We have spent much time on improving social security and railroad retirement benefits, on civil service pensions and on reforming the private pension system. We must give the same attention to those who fall under the military retirement system, for after all these are all men and women who have served their country well.

Retired military personnel are expected to be satisfied by the promise of the distinguished chairman of the House Armed Services Committee, Mr. HÉBERT, that exhaustive hearings will be held on reform of the entire military retirement system, including the need for recomputation.

But those who have retired are tired of hearings by the House, they expect the House to respond to their needs and not respond to the need for hearings. Those hearings could be held anyway, and there is no reason why they should not be, but in the meantime the one-shot recomputation could be made a reality for them.

I do believe the retired military associations have done an excellent job in educating Members of Congress on the need for military recomputation, and I would like to publicly thank them for all of their efforts on behalf of my amendment. I am also grateful to all those men and women around the country who supported my efforts to get legislation passed.

It is encouraging to note that Representative Bob Wilson of California has secured 113 cosponsors for a bill which is identical to the one I offered before the Senate. This support should have served as a catalyst to House acceptance of the need for recomputation.

Mr. President, this is an issue which will not go away, and I intend to do everything within my power to see that military retirement recomputation is passed into law.

I would like to address myself to the chairman of the committee and ask this question: Would the Armed Services Committee, in view of the repeated action by the House of Representatives' counterpart indicating that this matter is not germane, be willing to have the Senate assign the responsibility of dealing with this matter to the Veterans' Affairs Committee of which I am the chairman?

This suggestion was made by the distinguished Senator from Arizona to me at the time, he encouraged me to withhold the amendment on the floor, assuring me at that time that he was very sympathetic to the approach, that maybe they could more adequately deal with the matter.

Senator Goldwater is on the floor and I want to thank him for that suggestion, but I would like to ask the distinguished chairman of the committee whether or not he would be willing to have the Senate reassign this matter to the Committee on Veterans' Affairs.

Mr. STENNIS. Well, if I may answer your question by giving a little background here.

This matter of the Hartke amendment on recomputation was taken up repeatedly in the conference and discussed at great length, even though the House announced the position in the beginning that it was nongermane and they would stand on that fact. However, they were not indifferent to the problem that goes with this matter of recomputation.

You mentioned Representative Bob Wilson and he took a very active part in the conference on the matter. The Senator from South Carolina was most active in the conference trying to get the Hartke amendment, or some phase of the Hartke amendment, adopted. He made definite concrete proposals to that end, and he had the computerized figures there to support his proposal. He is on the floor and I am going to defer, of course, to him to answer that part of the question, but I am pointing out now that he was quite active, and the Senator from Arizona (Mr. Goldwater), who is also on the floor was also interested and was active in this matter.

Now, reading from the conference report, page 50, there is this statement:

> The House conferees indicated plans to consider major legislation revising the military retirement system in the future and indicated that recomputation proposals would have an opportunity to be presented during those hearings.

In other words, this is a promise on the part of the House to consider major legislation revising the military retirement system. There is a bill, that I call an administration bill, that proposes to revise the system to make some so-called penalties for early retirement and add some provisions about qualifications for retirement.

But that bill does not deal separately nor primarily with the recomputation system, as the Senator from Indiana knows.

Mr. HARTKE. Yes.

Mr. STENNIS. Now let me specifically answer the question. This recomputation, even though we have not been able to handle it here, is a matter so intimately connected with military retirement—in fact, that is all it is—where we have unquestioned jurisdiction—that I do not think we could waive under the set rules of the Senate. So I would not make any kind of promise that was an attempt to surrender or waive or evade or be dilatory with reference to our jurisdiction and our responsibility.

Mr. HARTKE. Let me say to my distinguished friend that I understand what the Senator is saying. I do believe, though, that the question of which committee is to receive the jurisdiction is a matter for the Senate ultimately to decide. I do not think that at this moment it would be out of the purview of the legislative authority of the Veterans' Affairs Committee to deal with this matter, and thereby to some extent, at least, obviate the difficulty of nongermaneness which the House of Representatives has consistently applied to military procurement bills.

As the Senator has pointed out, the fact that the entire retirement system is to undergo review for the future, and the fact that the administration has even suggested such a proposal, would, in no way, really deal with the heart of the issue which is involved in this recomputation.

The distinguished Senator from Texas is in the Chamber. I might point out that he has been a very outspoken leader in this field. In my judgment, I am not sure, but I think his bill predates any other legislation, including that which I have introduced. In fact, I think he was the forerunner in this whole field. His measure is much more comprehensive and much more expensive, by the way, than the one which we adopted on the floor of the Senate.

I would hope that we could have some consideration by the committee, either by action of the committee itself or otherwise, to ask the Senate to refer the matter to the the Veterans' Affairs Committee, or, in the alternative, if that seems impossible, the possibility does exist—and the former ranking minority member of the Veterans' Affairs Committee is on the floor, as well as the present ranking minority member of the Armed Services Committee (Mr. Thurmond)—that I would be willing to take the matter up with the Veterans' Committee to see whether or not they would be willing to submit a resolution from the committee for the Senate to assign this matter to the Veterans' Affairs Committee.

I would prefer that it be done with the acquiescence and the understanding that the Armed Services Committee has not been able, after three overwhelming votes in the Senate, to persuade the House of Representatives that it is in the best interests of good legislative practice to at least make some accommodation on this point.

Mr. STENNIS. Mr. President, I am advised that the House rules spell out the jurisdiction as to this matter clearly in favor of the House Armed Services Committee. Our rules are firm on it, too, as I see the situation. We are in no position to waive a rule or change a rule or anything like that.

I want to add that I made some proposals at the conference—I have repeated them here on the Senate floor before—for setting up some kind of a new system and then making some adjustment for this old one—to settle the thing and let us go on.

Mr. TOWER. Mr. President, will the Senator yield, so I can also respond to the Senator from Indiana?

Mr. STENNIS. Yes, I yield to the Senator from Texas for that purpose.

Mr. TOWER. Let me say that our chairman certainly was very positive in his representation of the Senate viewpoint on this issue. There is one certainty about Senator Stennis, and that is that regardless of his attitude toward an amendment that is offered on the Senate floor, once it becomes the Senate position, he digs in and fights for it.

I assure my colleagues that the chairman did everything he could have done. I think he has underscored one of the problems over there, and that is that the Armed Services Committee of the House of Representatives does have jurisdiction of the matter there, and even if it were referred to the Veterans' Affairs Committee here, they would have to go to conference, ultimately, even if they got it through the Senate, with the same sort of problems facing them, or perhaps they could never get to conference because they would never get anything out of the House.

I might point out, however, that there was substantial sentiment on the part of the House conferees for some sort of recomputation system. I think perhaps we are eroding their resistance by the repeated passage of recomputation legislation here in the Senate. One member of that committee who favors our position was prone to remark that it seemed to him that the House conferees had come down with the "germane measles," which is a terrible pun, but the fact remains that we did try; and I wanted the Senator to be assured that the chairman and the ranking Republical member were both very active in pressing the Senate view.

Mr. STENNIS. I thank the Senator, Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise in support of the conference report on H.R. 14592, the military procurement authorization bill for the fiscal year 1975.

The conference committee completed work on this bill July 23, over 1 month after the work began June 20. During this time the conference held 15 sessions. Mr. President, this has been the longest and most thorough conference on the military procurement bill in my memory. The Senate bill contained 29 language amendments as a result of floor action while the House bill contained only a few such amendments. Of this number, the conference accepted 18 of the Senate amendments in some form, rejected four altogether, and held that seven were nongermane.

Mr. President, this bill in its final form authorizes expenditures of approximately $22.2 billion. This amount is $340.1 million greater than that approved by the Senate, but $483.6 million less than that approved by the House. Thus the Senate was more successful than the House in holding the money items in line during this conference.

Mr. President, the distinguished chairman of the committee (Mr. STENNIS), led the Senate conference in his usual exemplary manner during this long and many-faceted conference. He has already provided for the Senate an item-by-item explanation of the conference results. However, I would like to comment on a few of the issues resolved by the conferees.

MANPOWER ITEMS

In yielding to the House manpower position, the Senate conferees took under consideration recent statements by the Secretary of Defense and the Secretary of State. Both of these Cabinet members indicated congressional reductions in military manpower would be unwise at this time because of various international implications.

Also, Mr. President, it was my own feeling that at some point in time we must bring stability to our active duty military forces. The Senate practice of forcing reductions on the military each year is very destabilizing to management of these large manpower resources. I am hopeful our committee will study the manpower situation very carefully next year through a special subcommittee so that this important area of national defense might be better understood by all of us.

RECOMPUTATION

Mr. President, the Senate once again fought for the recomputation amendment attached to the bill during the floor debate. Chairman STENNIS and all of the Senate conferees stood firm for the Senate position.

Unfortunately, the House took the position recomputation was nongermane. However, after long discussion the House conferees did agree to reconsider this issue during hearings to be conducted this year on military retirement legislation.

Mr. President, I personally presented to the conference a number of charts and data on recomputation which, in my opinion, placed the issue in a more understandable light. This resulted in the conference understanding for the first time that the cost of recomputation, when viewed on an annual basis, would be only a small percent of military retirement expenses in the remaining years of this century. This problem will not go away, and cries out for a just and equitable solution.

EXPORTING TECHNOLOGY

Mr. President, I was very pleased that the conference was able to reach an agreement on the Senate amendment tightening controls on the export of technology to Communist nations.

The Soviet Union has long desired to acquire the sophistication which is an integral part of our technology in computers and other advanced systems. It would be a grave mistake for us to allow export of these items in view of the fact that computers, for example, are an integral part of advanced missile systems.

The amendment offered by Senator HENRY JACKSON, of which I was a cosponsor, was altered in the conference. However, it remains a significant step forward in halting the export of defense related technology to the Soviet Union or other Communist countries.

RESERVE FORCES

Mr. President, from the outset of consideration of this bill I have taken strong objections to the fact that the Defense Department proposed a 48,000 force structure reduction in the Army Guard and Army Reserve without justification to the Congress.

While there may be units in the Reserve components which could be eliminated, or converted, in my view the Congress is making a grave mistake by not participating to a greater degree in any revised program.

While the conference approved the higher strength figures for the Reserve components adopted by the House, the 48,000 force structure reduction may be made despite these higher authorized force levels. I hope the Defense Department will exercise good judgement in carrying out their proposals in this area.

AID TO SOUTH VIETNAM

Mr. President, the conference agreed to a limitation of $1 billion on authorization for appropriation for support of South Vietnam forces.

This figure was a fair compromise between the two bodies and it is my hope the Appropriations Committees will not further reduce these funds. We have made too great a sacrifice in South Vietnam to allow this country to go without adequate military support to meet the continued high level of Communist military attacks.

In the bill the Senate provided, and the House accepted, better accounting procedures for management of this vital military aid.

Mr. President, before concluding I would like to point out that the Senate conference did an excellent job of winning acceptance for many of the amendments to this bill. It is difficult in a conference to obtain consent for a large number of amendments when the House generally has only a few such amendments. While some Senators will obviously be disappointed that their amendments were not accepted, or were changed, it must be realized that on balance the Senate conferees were very successful in holding a large percentage of the Senate amendments.

Mr. President, as the ranking minority member, in closing, I would like to commend all of the Senate conferees for the outstanding work done during this conference. Especially, I am grateful to the conferees on my side of the aisle—Senators TOWER, GOLDWATER, and DOMINICK—whose attendance and contributions during the conference were valuable and constructive.

Mr. TOWER. Mr. President, I believe that this bill is a good compromise measure and a tribute to the leadership of both Chairman STENNIS and Chairman HÉBERT.

In fact, Mr. President, all the conferees labored long and hard over this bill to achieve a compromise that would be acceptable to both the House and Senate. I believe this legislation merits the approval of the Department of Defense; I urge the Senate to promptly adopt the bill as reported out of conference.

In past years, I have warned of a growing Soviet threat at a time when in real dollars, defense spending was diminishing. That spending is now around 6 percent—indeed about 5.9 percent I believe—of the gross national product while the defense requests for money account for approximately 30 percent of the total budget. This compares to Vietnam period figures of 9.7 percent and 44 percent, respectively. In addition, these figures also compare favorably with the peacetime budgets of the 1950's and 1960's.

Yet today the Soviet strategic threat is far greater than ever before. They have over half again as many ICBM's as we and are allowed about a third again as many sublaunched ballistic missiles by the SALT agreement. The Russians have a new, large, presumably intercontinental range, bomber. In throw weight their advantage is even more alarming—and the gap is growing with the development and testing of four new nuclear missiles. When combined with the MIRV's currently being developed by the Soviets, this throw weight advantage will pose a significant danger to the survival of our land-based nuclear deterrent.

Looking at the conventional side of the defense picture, the situation also prompts major concern. The Soviets still face us in Europe with advantages in armored vehicles and aircraft. While major portions of our budget were devoted to Vietnam, the Soviets were free to continually modernize and upgrade their forces, this left the United States with a growing conventional gap which we must now try to overcome.

The point is, then, whether we can really expect to mount a credible defense against a significantly increased Soviet threat by spending less money. I do not believe so and have argued that this country must spend whatever is necessary to provide for the common defense at home and the protection of our considerable interests overseas. I believe this bill will allow the Defense Department to meet in large measure its commitments.

Of particular satisfaction to me is the fact that the bill supports the defense request for military manpower. I am as concerned as anyone about the size of headquarters and the inefficient use of our servicemen. But the answer to the problem of combat ratios is not to cut troop strengths, but rather to assist the services in converting nonessential manpower into combat manpower. This country needs every fighting man it can get if we expect to meet the conventional threat in Europe with a non-nuclear response, and I believe in the case of Europe we cannot save it by destroying it with tactical nuclear weapons. We should be concerned about manpower not only for this reason but also because it is so expensive. About 55 percent of the defense budget is devoted to manpower costs. This compares with about a third of the Soviet budget. With people costing this much, we must squeeze every ounce of fighting efficiency out of an organization. This means headquarters consolidations and unit reorganizations.

I believe the services are taking significant steps in this direction—in Europe, in the Far East, and here at home. For example, I would like to commend the Army for its recent headquarters staff reorganization which is most timely and appropriate in this period of rising manpower costs. A significant part of this reorganization was the consolidation of all ABM programs under one manager. This is most desirable since it permits an overview of the three program line items—safeguard, site defense, and advanced ballistic missile defense under the single ballistic missile defense mission. Our distinguished conferees recognized the inherent management efficiencies allowed by this consolidation and therefore authorized a total BMD line in their report.

The intent of this action is to allow the BMD program manager the necessary flexibility to utilize the sum of his available resources to achieve his program objectives. This is a sound and commendable approach to the efficient handling of the Army's BMD mission funding. With further reorganizations of this sort the services should be able to bring combat ratios and rising manpower costs under control at the same time they increase this Nation's combat power.

In 2 short years, America will celebrate its 200th anniversary—200 years of freedom. Thousands of lives and countless treasure have been sacrificed to maintain that freedom.

I hope that we will not forget the lesson of those years, and that is to avoid war be prepared for war.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I urge that this body support this conference report. It has been well worked out and I think that substantially everything that the Senate asked for has been retained, which in itself is somewhat of a victory when we consider the strength of the House Committee on Armed Services.

I particularly want to pay tribute to the chairman of the committee, the Senator from Mississippi (Mr. STENNIS), for his work, and I want to pay my respects to the staff of the Senate committee and the House committee. They rendered invaluable assistance to us during the conference. These are the gentlemen who worked out the language changes, who worked out the compromises, and really, although the chairman did yeoman work, I think the staff of both committees should receive their just due at this time.

Mr. President, I want to touch briefly on four aspects of this conference report and bill. The first will be manpower.

I know there were several attempts made in this body by amendments to cut the manpower strength of the armed services overseas. At that time the amendments were adopted by the Senate. However, at that time we were not confronted with the problems of the Middle East nor with the problems in the Warsaw Pact nations, nor with the problems in NATO.

Since passage by the Senate of these amendments, which would have decreased manpower, our Secretary of State and Secretary of Defense have been in deep negotiations with our potential enemy, the Soviet Union, have been in deep negotiations with the trouble spot of the world, the Middle East, and I think it was the unanimous opinion of the Senate conference group that this was no time to be cutting manpower.

Our manpower strength is more or less judged by horseback decision and judgment. Although we have not made mistakes so far, I think all of us would agree that reducing manpower to any degree at this time would be an indication to our potential enemies around the world that we were being influenced by sophists, that we were being influenced by a desire to isolate the United States. I am very glad, Mr. President, that we gave in to the House on this.

In giving in to the House on this matter, we also achieved a remarkable step forward in the elimination of the Civilian Reserve Air Fleet expenditure. We have not paid much attention to this expenditure over the years. I remember when it first started, back in the 1950's, when we found that it was necessary to have a reserve air fleet in the civilian airlines of our country. That might have been true at that time, it might even be true today. We were not equipped with enough information to make that judgment.

In fact, the Air Force itself did not ask for these moneys. The request came after the Air Force testified, and it came from the Department of Defense. We did, however, direct the Air Force to affirm overall strategic airlift requirements and capabilities, including the contribution of craft, to determine how best to effect such improvements.

This expenditure, although small in this year's bill, would eventually have resulted in an expenditure of well over $1 billion. This money in this bill would have been used to widen a C-47 and a DC-10 for use by existing airlines.

The bill would also have covered funds that we would have had to pay the airlines for the time that they were shut down and for the maintenance and so forth required to effect these changes. The feeling of the Senate was that if any agreement was reached with these airlines on the civilian reserve air fleet, any future negotiations should contain a payback to the U.S. Treasury on a long-term basis at proper interest rates. We feel that until the Air Force can substantiate the need for the civilian reserve air fleet, we should not spend any more of the taxpayers' money on this item.

Now, it may be that next year, or even in the interim, as the Air Force works on its report, we may become convinced that the improvement of the craft fleet, regardless of cost, might be necessary. I do not believe it will be. I look forward, however, to the judgments that are reached by the Air Force.

Another subject, Mr. President, which has been talked about this morning, is recomputation. As I remarked on the floor of the Senate when this amendment was offered by the Senator from Indiana (Mr. HARTKE), I did not think it was fair to the veterans and retired people of this country to be promised something that we knew could never pass a conference meeting. We know this because the rule of the House is that this is a nongermane subject, and I see no way in the world that this is going to be broken down, even though Representative Wilson of San Diego has over 130 signatures to a bill that would create recomputation.

I honestly think the only fair and honest way to go about this would be to introduce a bill or bills directed at recomputation in the Senate and in the House and have the Committee on Armed Services of each body consider these approaches.

I might say to my colleagues that we are talking about a tremendously expensive item when we talk about recomputation. I do not think the one-shot recomputation is fair, either, because we know that it will not be one-shot. Today, when a man who retired after 1958 lives through a 3-percent increase in the cost of living, he gets a 4-percent increase in his retirement. Every time this happens it is going to cause the retiree who retired before 1958 to come to the Congress and ask for another so-called shot. I think the fairest way—not the easiest but the best way—would be to have this handled in the regular legislative manner by hearings before the committee of the Senate and the committee of the House.

It would be my hope that the chairman of our Committee on Armed Services would so direct that any bills introduced on recomputation, regardless of their composition, be heard by our committee. Whether anything is done about them or not is beside the point.

The point is that, in my opinion, we are never going to help these people who retired before 1958, by continually introducing the Hartke amendment in Senate after Senate, knowing full well that it can never be passed. I think this is unfair to the retired person and I think it is unfair to those of us who are forced to vote "present" or forced to vote against it because of the fact that we do feel that it is unfair.

In fact, it is a little bit on the dishonest side, because we know it is not going any place and it is very safe to vote for it when it is not going to become part of law.

In closing, Mr. President, I think that we are continually confronted by the problem of procurement. It is a subject that we have not given sufficient study to in either the House or the Senate. I think the subject of procurement is one that should demand the full attention of both committees of the House and the Senate, and even other committees such as the Committee on Appropriations and the Joint Economic Committee, because I am convinced, through many, many years of experience in this field, that we can save billions of dollars in procurement. In doing this, we have to go a little past what we have all learned in the last few days and set up in the Pentagon a joint team composed of procurement people of all the services to tackle this problem.

I read their report with great interest and wrote a comment to them. I thought it was fine, but they did not include the manufacturer. I think the manufacturer has to be brought into all of these discussions on procurement. If we do this, if we go about studying procurement, the mistakes that we make, the success that other countries have had, actually copying the methods that we threw out long ago, I think we can begin to save the taxpayers of this country a lot of money.

I think also, in this whole field of procurement, it is encouraging to know that the subcommittees and the full committees of the Armed Services of the House and the Senate are now turning their attention to weapons that we feel are better or just as good, at greatly reduced prices.

I shall give one example. We are now watching the development of the lightweight fighter, the F-16 and the F-17, both of these will sell for under $3 million. In many respects they will perform up to the F-15 and F-14, and in some respects will outperform them. We might argue that one F-15 or one F-14 is better than one F-16 and one F-17. I will not argue with that. But they are not better than three or four, which is what we are looking at when we look at weapons systems which cost under $3 million, and we are talking about building the inventory up with weapons systems that cost $10 to $15 million apiece.

Mr. President, those are my few remarks on the whole subject of the procurement authorization bill and its conference report. I again want to salute my chairman for the wonderful job that he did and again thank the members of the staff for their very, very valuable assistance.

Mr. STENNIS. Mr. President, fine statements have been made by the Senator from South Carolina and the Senator from Texas, followed by the Senator from Arizona. All are very knowledgeable members of our committee and of the Senate, and all were very helpful in this conference. I want to thank them for their assistance in the conference and in the preparation of this bill. It has been substantial. It is always constructive. I think the Senate owes them, and other members of our committee, too, deep appreciation for their work on this matter.

Mr. President, that prompts me to make an observation for whatever it may be worth. I want to appeal to the membership of the Senate. Next year when this procurement bill is being considered, if they are going to offer amendments, I suggest that they make some determination in advance as to whether or not their amendments are germane. That can be done by checking out the amendment with the staff of the House committee, and, in doing so, the staff of the Senate committee will be glad to help. When we go into conference with a handful of amendments, especially amendments from the floor, without hearings to back them up, we are hindered not only as to those amendments but as to the entire bill. They are a roadblock, to a degree, for the Senate conferees in considering major items that are in disagreement and major policy questions that are in disagreement within the bill.

I do not say that by way of complaint. It is just commonsense. This bill has grown to where it is an enormous bill. It includes policy questions that are necessarily involved. I mean policy questions beyond procurement, and matters of that type. It involves a great deal of foreign policy.

I have always tried to be rather circumspect about the jurisdiction of committees, but after serving awhile as chairman of the Armed Services Committee, I found out there was not any way to avoid this procurement bill spilling over onto the Foreign Relations Committee, and, in turn, Foreign Relations Committee bills spill over on us and affect the military policies.

We are in international policy. This legislation is certainly a major part of our Nation's position. I am not saying that that is incorrect. I think we have gone too far in some instances, but I am not advocating that the policy be abandoned.

The bill is wrapped up with enough problems already. Members like for their amendments to be considered, and I think that is commendable. Then if the amendments are adopted, the Members naturally want them brought back in the conference report to become the law of the land. I think that is commendable. But at the same time, if we just explore these matters a little more in the beginning, and find out what rocks there are on the road ahead, a Member can help his own position as well as help those who are handling the bill.

I call that to the attention of the membership. I will take the liberty of doing so again. It is something I have not done before. Maybe that was leaning over backward a little too much to keep from appearing to interfere with the rights of Members to offer amendments.

There is another fact worth emphasizing. The final conference figure that is in this bill, $22.159 billion, is $935 million below the budget request, which represents a cut of 4.2 percent. That is the result of this matter having been considered by the House committee and by the Senate committee.

Extensive hearings have been held, extensive debates in both the House and Senate, and then the 33-day period when the conference was going on between the two bodies. Anything that emerges from a bill with the scrutiny that this one had, any point that comes through, is bound to have some worth, some value, and some soundness in it or it would not have survived this terrific legislative process.

Mr. President, if anyone else wants to say anything, I will certainly be glad to yield the floor.

Mr. TOWER. Mr. President——

The **PRESIDING OFFICER.** The Senator from Texas.

Mr. TOWER. I was impressed by what the Senator said about the difficulty of drawing a sharp dichotomy between foreign relations and armed services. It is, of course, historic that the military serves as an instrument of diplomacy and, therefore, the two are inseparable. It is difficult to resolve jurisdictional questions from time to time.

I think it is without question that the Foreign Relations Committee gets into our business from time to time, and we must, of necessity, get into theirs. I think one thing that is foremost in the minds of every member of the Armed Services Committee is that the primary function of the military is to serve as an instrument of diplomacy. Therefore, we are very careful to consider what impact we might have on foreign policy when we make decisions in the Armed Services Committee.

In addition to commending my distinguished friend from Mississippi for his great statesmanship in the handling of armed services matters, I would be remiss if I did not also note that the distinguished ranking minority member, the Senator from South Carolina (Mr. THURMOND), has always approached his job with a zeal and a patriotism that I think is exemplary, and with a concern for the judgment of professional military men that I think is necessary.

We have in this country the principle of civilan control of the military. There has never been a military junta in control of the Government of the United States, and I foresee that there never will be. There has never been inordinate military influence in this country. But there comes a time when we must resort to the judgment of professional military men because they are in the best position to determine which weapons are best to fight with, and from time to time we must yield to that judgment.

I know of no Member of the Senate who has a finer appreciation of the high quality of professional military men we have and for their judgment than Senator Thurmond. In a sense, he is certainly a great asset to any deliberation, either in our committee or in conference, and I commend him for it.

Mr. President, I am delighted to see that apparently there is no dedicated opposition to the adoption of this conference report. I am sure that there may be some votes in opposition to adoption of the report. But I think the fact that the Senate recognizes its responsibilities is the reason why there does not appear to be any considerable organized opposition to the adoption of the conference report. I think we have probably done one of the best jobs this year, in formulating and passing and ultimately bringing out of conference the military procurement authorization bill, that we have done in many years.

I believe that what we are doing is necessary to maintain the kind of military posture that will enable the United States to assert a position of world leadership and, through negotiation and peaceful contacts, to establish a climate of security and peace in this world which will afford all peoples who desire self-determination, a climate in which they may have some reasonable hope of realizing that aspiration.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to take this opportunity to express my appreciation to the able and distinguished Senator from Texas for his kind words.

It has been my pleasure to work with the Senator from Texas on the Armed Services Committee for a number of years, and there is no more valuable member than he. He is well versed in military matters, he is a distinguished patriot, and he makes a fine contribution to our country on that committee.

Mr. TOWER. I thank the distinguished Senator from South Carolina for his kind remarks.

Mr. STENNIS. Mr. President, I expressed my thanks to the Senator from South Carolina while he was called away from the Chamber a few minutes ago, but I repeat my thanks now and join in the sentiments of the Senator from Texas.

I want to add this point: No senior minority member of a major committee could be more responsive nor more cooperative, wholeheartedly so, than the Senator from South Carolina. He is always willing to work on a problem. He is always willing to consider logic and reason. He shows a most wholesome attitude and spirit of cooperation.

There are many problems of a serious nature that pass unnoticed, more or less, that have to be attended to under our committee system by the two so-called ranking members of the majority and the minority. He and I consult all members and make little or no distinction between whether it is a minority member or a majority member we are consulting. We look for someone with judgment and knowledge of the problem.

No one could display a finer attitude and greater efforts than the Senator from South Carolina, and I appreciate deeply his work in this respect. I am delighted to thank him publicly, and I will send his charming wife a copy of these remarks.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. THURMOND. Mr. President, I wish to express my gratitude to the able and distinguished Senator from Mississippi for his kind remarks.

Incidentally, the Senator from Mississippi and I attended ROTC camp together after our junior year in college.

Mr. STENNIS. That is right.

Mr. THURMOND. So we have been in this fight for the Military Establishment for a long time. I have never known a more able or dedicated public servant with respect to trying to protect our country and keep it protected against its enemies than the distinguished Senator from Mississippi. It has been a pleasure to work with him.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, one of the provisions which was dropped in the conference, with the explanation that it was at the adamant resistance of the House conferees, was a provision adopted in the Senate by a divided vote. The amendment, of which I was the author, prevailed by a vote of 48 to 43. It would have made it impossible to blacklist colleges which had dropped ROTC from receiving, for education, officers who might choose to study there.

This provision, as I say, was resisted by the committee and voted by the Senate, notwithstanding that resistance, which it seems to me is a very significant point as indicating the fact that the Senate had a right to expect that the conferees would strongly contend for it.

I should like to read into the Record the managers' statement as to the explanation for dropping this provision:

> A floor amendment to the Senate amendment would have precluded the Department of Defense from denying financial assistance to any person pursuing an educational program solely on the grounds that such person is enrolled in a college that terminated ROTC.
>
> The House conferees were adamant that this provision be deleted from the bill.
>
> If the universities and colleges wish to divorce themselves from the training program offered by ROTC, the House conferees believe the Department of Defense should be allowed to withhold financial assistance to persons at those institutions. The choice of whether such colleges or universities desire to reinstate the ROTC is totally up to the institution.

Obviously, the Senate did not believe that any such blacklisting was justified, and voted accordingly.

The basis by which this is done is a provision in a report on a bill by the House Armed Services Committee and other statements, in preceding years, which indicates the disfavor of the House conferees to allow officers to go to universities or colleges which have dropped ROTC. Among these, of course, are some of the most eminent colleges and universities in the United States. One never knows that the list is exactly up to date at a particular minute; but when this amendment was argued on the floor, it included such distinguished universities as Harvard, Yale, Dartmouth, and Colgate, Columbia, Hobart, Pratt, and SUNY in Buffalo. My own university, NYU, was also on the list but is expected to be reinstated as it is likely to resume ROTC—I am sure for no reason connected with the blacklist.

Mr. President, it is well known that the chairman of the House Armed Services Committee is very, very strong on this matter. That has been widely admitted. I understand that. I happen to know the chairman very well and to like him very much. I understand perfectly that his feelings are strong. But I do not see how that can be substituted for congressional action.

Therefore, even though this amendment was turned down by the conferees, and our conferees were very careful to lay it at the door of the House conferees, it is to be noted that the statement here as to what is believed is related to the House conferees. The House conferees believed that the Department of Defense should be allowed to withhold financial assistance to persons at those institutions.

Mr. President, one could really make a very strong case that our conferees should not have agreed to delete this amendment at the behest of one House. But then there is yet an overriding responsibility of the Department of Defense, itself; because the Department of Defense has written a directive, under date of April 17, 1974, which went into the Record when this matter was debated, in which they say as follows, and I again ask unanimous consent that it go into the Record so that the official paper may be reported.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Assistant Secretary of Defense,
Washington, D.C., April 17, 1974.

Memorandum: For Assistant Secretaries of the Military Departments (Manpower and Reserve Affairs).

Subject: Educational Policy Pertaining to Schools Which Have Withdrawn from ROTC.

References: (a) OASD(M&RA) Memo dated June 5, 1973, Subj: Educational Policy Pertaining to Schools Which Withdrew from ROTC. (b) OASD (M&RA) Memo dated August 7, 1973, Subj: Educational Policy Pertaining to Schools Which Have Withdrawn from ROTC.

The following statement supersedes the policy set forth in the referenced memoranda:

"Department of Defense policy concerning attendance at schools which unilaterally withdraw from ROTC will be to reduce our educational commitments to them by refraining from their use except in justifiable instances and upon the concurrence of the Deputy Assistant Secretary of Defense (Education) on a case-by-case basis. We will continue to send personnel to these schools on a fully-funded basis only if the institution offers a course which is in the best interest of national security, the Military Service, and the individual. Should one of these schools reapply for an ROTC unit, the policy will no longer be applicable to that institution. Additionally, the policy does not apply to health and medical professional education."

A list of the schools which have unilaterally withdrawn from ROTC and have not re-applied for a unit are shown in the attachment.

William K. Brehm.

Mr. JAVITS. This memorandum says:

> We will continue to send personnel to these schools—

That is the schools which are otherwise blacklisted—

> On a fully funded basis only if the institution offers a course which is in the best interest of national security, the military service, and the individual.

Now the report of the managers leaves us with really no knowledge of what will or will not be the future policy to be pursued by the Department of Defense except all that we know is that the Department may or may not comply with this memorandum, which is very flexible in its nature, and I assume could be applied to practically any college or university.

Also, we know that certain exceptions have been made on a particular case basis and it is believed—I only state that as a belief—with the concurrence of the chairman of the House Armed Services Committee.

Now, Mr. President, I must say with all respect that this is a pretty messy way to operate an army or to operate a Congress. Here we have a policy which is based upon a statement and a report on a bill emanating from the Armed Services Committee of the House. Now we have an amendment made by the Senate showing the Senate does not agree with that policy, and we have the House saying through its conferees that it wishes to stand by whatever it said in the original report on a bill which resulted in this policy, which leaves us completely up in the air as to what policy the Department of Defense is on.

It seems to me that it should be very clear that the hands of the Department of Defense are completely untied if the Senate and the House disagree. Therefore, I will address a question to the chairman of the committee, Senator Stennis, for whom we all have such high regard, as to whether it is now legitimate to say that at the very least in this matter the House and the Senate do disagree and that there is nothing that has been done by the conferees to compromise the Senate's view, except that the House would not concur?

I yield to the Senator.

Mr. PELL. I congratulate the Senator on the stand he has taken here, as a cosponsor of his amendment when it was presented in the Senate, I am very disappointed it did not prevail in the conference. I think the attitude of the House conferees and also the Defense Department in this regard is a petty one, emphasizing revenge because the educational institutions, in the heat of the conflict over Vietnam decided they did not want to continue ROTC programs.

Personally, I did not agree with that decision, by these colleges and universities but that is not important. The fact is that they made the decision and I do not believe the termination of ROTC is a sufficient reason to deny training in those institutions to officers of the Armed Services. I think the blacklisting policy is a very petty one, that is not based on the best traditions of our country, but on simple revenge.

I would hope very much in the administration of this program the Department of Defense would act more realistically and allow members of the Armed Services to attend the best schools, with the best courses, regardless of the past history of ROTC units.

Mr. JAVITS. I am very grateful to Senator Pell for his statement, and he did join me in the amendment, which was a successful amendment, I am very grateful to him for that.

Mr. PELL. I would add, I have an institution in my own State, Brown University.

Mr. JAVITS. Exactly.

Mr. PELL. That university is affected by this blacklist.

Mr. JAVITS. Adversely affected.

Mr. PELL. The Senator is correct.

Mr. JAVITS. Mr. President, the members of the Armed Services Committee will know this much better than I, but I understand this matter has been a considerable source of disaffection among younger officers of the armed services themselves who wish to study at some of these fine institutions, but are prevented from doing so by the policy of the Department.

Now, I need not protest my affection for Senator Stennis. He knows I ask these questions only for the hope of the seeming deadlock that has occurred and trying to see some way out.

It will be noted, the statement of the House conferees says that the Department of Defense should be allowed to withhold financial assistance to persons at those institutions.

My first question, therefore, to the Senator would be, Does he believe that the use of this word shows that the Department of Defense has discretion in the matter?

The PRESIDING OFFICER. The hour of 12:15 has arrived.

Mr. MANSFIELD. I ask unanimous consent for 5 additional minutes and then the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Would the Senator briefly restate his question?

Mr. JAVITS. Of course.

All I was trying to get was because the House conferees managers used the word "allowed," "the Department of Defense should be allowed to withhold financial assistance," does the Senator construe that, as I do, to mean the Department of Defense has discretion in the matter?

Mr. STENNIS. Well, this is a difficult matter, and it is a sensitive subject. I personally believe that the man that is going to the college or university ought to be in on making the choice.

Now, I think he is entitled to some consideration there, but the law does not mandate that point. I did not vote for the Senator's amendment because I knew it would be a troublesome matter. I personally think that the universities that closed down the ROTC units could well make a move themselves, conciliatory to the Department of Defense.

I think that is a reasonable position, but we tried to get the Senator's amendment adopted. I did not know until the Senator pointed out here that a majority of the conferees voted against the amendment. I did not know it and I doubt that any of them knew it. We tried hard to get the Senator's amendment adopted and it just was not agreed to.

Now, I do not know any law that keeps the Department of Defense from making a choice as to this matter, but in their discretion they do not have to do it, as I see it.

Of course, there is objection to it, and they are being discreet about it. That is about the best I can tell.

Mr. JAVITS. That is, they can move either way.

Mr. STENNIS. I do not know of any mandate either way. I think, therefore, it is possible for them to move either way, but they use their discretion, naturally.

Mr. JAVITS. Senator Stennis, one other question.

Is there anything the Senate conferees did which would compromise the Senate digging in on this position for the future in line with this amendment?

Mr. STENNIS. I frankly cannot recall any compromise position we took. I cannot think of any now except what I have said.

Maybe the universities could make a move, conciliation of some kind, and ask for a conference, that might lead to something.

You cannot make men agree in conference. The Senator from New York is one of the most effective conferees I have ever known on these bills, the more controversial the better he is, but he knows he cannot make men agree, not in the conference.

Mr. JAVITS. Well, I thank my colleague very much. I think he clarified the situation.

All I say is that I pledge myself to continue indefatigably with this until some justice is done in the matter, and the Senator has indicated clearly how he feels intellectually and I understand the practical situation.

Mr. STENNIS. I thank the Senator.

The Senate had a fine debate on this bill. The issues were thoroughly discussed.

As I have said, I believe the conferees have brought back a good agreement on items in dispute. In sum, I believe this bill will authorize the hardware and manpower needed by the military services in the fiscal year now underway.

I believe the Senate should now approve this conference report on the authorization bill so that the Appropriations Committees can complete their work.

I ask that the conference report be approved.

I also request unanimous consent to have printed at this point certain charts and summaries.

There being no objection, the summaries and tables were ordered to be printed in the Record, as follows:

Amendment Summary: Conference—H.R. 14592

Senate amendments not in House bill: *28.

Number retained in full or modified: 15.

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*This does not include 3 minor technical changes.

Number not retained: 13.

House amendments not in Senate bill: 5 major, 4 minor.

Number retained in full or modified: 5 major, 2 minor.

Number not retained: 2 minor.

(Senate-passed amendments—10: 9 retained, 1 not retained.)

(Senate Committee amendments—18: 6 retained, 12 not retained.)

SENATE AMENDMENTS RETAINED IN CONFERENCE

I. Senate-Passed amendments in contention in conference:

Sponsor, amendment, form as agreed by conferees, and conference report page no.:

Humphrey, Dogs in research, Modified. As passed, amendment prohibits testing gases and chemicals on dogs. *As modified*, dogs may not be used in research for the purpose of developing biological or chemical weapons to destroy life but may be used for research to improve and save lives, 45.

Humphrey, Culebra, Modified. As passed, amendment prohibited funds for target practice on Culebra after Dec. 31, 1975. *As modified*, target practice on Culebra or the nearby keys is prohibited during any time that negotiations for an alternate site are halted by the U.S. Purpose is to spur negotiations, which are already required by law. Letter has been received from Secretary Clements reiterating intention to relocate target practice by Dec. 31, 1975, but only after permanent site is agreed upon. House conferees were very concerned that adequate practice facilities be available to the Navy and did not want to dictate a cut-off date by law, 46.

Nunn, High School graduates, Same as passed by Senate, 47.

Mansfield, Minuteman testing, Same as passed by Senate, 48.

Hughes, Authorize Army to give master's degrees, Same as passed by Senate, 49.

Jackson, SecDef review technology exports. Modified. As passed, SecDef reviews proposed technology exports to "controlled countries" and makes recommendations to the President. If the President overrules the SecDef, he must report to the Congress, which can overrule in either House by majority vote. *As modified*, purview of SecDef is limited to goods and technology developed directly or indirectly as part of DOD research and development. Congress can overrule President by concurrent resolution, 50.

II. Committee amendments in contention in conference:

Sponsor, amendment form as agreed by conferees, and conference report page no:

Nunn, NATO support forces, Modified. As passed, amendment required 20% (23,000) reduction in Army support in Europe over 2 years, with SecDef permitted to increase combat strength in a like amount. *As modified*. An 18,000 person reduction in support in Europe is mandated over 2-years coming from all services, because House conferees thought the support reductions would be excessive if taken only in the Army. Only 6,000 must be moved the first year. SecDef is authorized to increase combat strength by like amount, 38.

Nunn, NATO tactical nuclear weapons, Modified. As passed, amendment froze tactical nuclear warhead in Europe except in event of hostilities. *As modified*, freeze is only until June 30, 1975, 39.

Nunn, NATO standardization, Modified. As passed SecDef must study standardization of weapons in NATO and bring the assessment to the attention of NATO. *As modified*, the assessment must be reported to Congress first, 39.

Nunn, Airlift crews, Modified. As passed, amendment stated Congressional policy that increases in strategic airlift crew ratios should be achieved by Reserves rather than actives. Required plan to effect increase, including test of "hybrid" concept in C–5 or C–141 aircraft. *As modified*, such increases should be achieved "to the maximum extent possible by Reserves and test of hybrid concept is deleted. Incorporated House requirement for 91 flying units in the Air National Guard in FY 75, 40.

Taft, DOD use least costly form of manpower, Essentially same as passed in Committee. 42.

Committee, Langauge on aid to S. Vietnam, Same as passed in Committee, 43.

Byrd, Transfer of naval vessels, Same as passed in Committee, 44.

Committee, AWACS—Buy 12, system must be cost-effective, Language same as passed by Committee, although the dollar amount was decreased, 17.

Committee, Training loads consistent with manpower strengths, Same as passed by Committee, 43.

SENATE AMENDMENTS NOT RETAINED IN CONFERENCE—H.R. 14592

Senator, amendment, reason Senate receded, and conference report page No.:

Javits, ROTC, House conferees were adamant that DoD should be allowed to withhold financial assistance from universities which unilaterally withdrew from ROTC, 43.

Proxmire, CIA-restrict domestic activities, Non-germane. House agreed to introduce and immediately consider comparable legislation. H.R. 15845 was introduced by Mr. Nedzi on July 16 and hearings began July 22, 44.

Proxmire, Enlisted aides, The House insisted that the congressional action last year of reducing the number of aides from 1722 to 675 had not been given an opportunity to work and that no further reductions should be made now. The Secretary of Defense is directed by the conference to study the situation and one or both Armed Services Committees will hold hearings, 44.

Biden, Prohibit all DoD economic pump-priming, Non-germane, 45.

Hughes, Continuation pay to medical corps officers in initial residency training, Non-germane; however the House recognizing the merits of the amendment agreed to introduce and promptly consider legislation on the subject, 46.

Bayh, Use all forms of media in recruiting advertising, House conferees insisted that the amendment was unnecessary because nothing in the law now specifically prohibits the use of advertising by any one specific media. House also believes amendment would require equal distribution of advertising funds without regard to cost-effectiveness, 47.

Kennedy, Stockpiling for Allies, House insisted the matter was complex and could hinder defense planning. No hearings have been held on the provision, 48.

Metzenbaum, Formal advertising required on contracts for medical supplies, Non-germane; however the House also argued that this would be a procedural change involving delays and complication in procurement of medicines and medical supplies, 48.

Fong, Study to find island other than Kahoolawe for target practice, House insisted Kahoolawe essential for target practice and noted 1972 DoD study to that effect.

Metzenbaum, Require reports on competitive bidding, Non-germane; however the House also maintained that the reporting requirement would not benefit Congress and that Congress can obtain adequate information now.

McGovern, Congressional awards for POWs, Non-germane; however the House recognized the merits of the amendment and will consider separate legislation. The legislation has been introduced in both the House and Senate (S. 3192) introduced by Senators Stennis and Thurmond in Senate).

Hartke, Recomputation, Non-germane, although the House conferees indicated plans to consider major legislation to revise the entire military retirement system. Recomputation proposals could be presented then.

Committee, A–7/A–10 Flyoff, Language no longer necessary because the A–10 was declared the winner by DoD.

HOUSE AMENDMENTS TO H.R. 14592—ACTION TAKEN IN CONFERENCE

I. Major

A–7D aircraft for Air National Guard, retained conference rept. page No. 16.

Line item authorization for naval vessels, retained, conference rept. page No. 22.

91 flying Air National Guard units required, retained, merged with Nunn amendment, conference rept. page No. 40.

Sec. Def. authorized to exceed civilian strength by 1%, modified to ½%, conference rept. page No. 42.

Nuclear navy, modified to define major combat vessels more narrowly and allow President to advise if requests for nuclear powered vessels are not in the national interest, conference rept. page No. 51.

II. Minor

Patrol frigate money to be used only if fire control system satisfactorily tested, not retained in bill, but language in report, conference rept. page No. 21.

Specific authorization for naval gunnery, retained, conference rept. page No. 29.

Flexibility in form of civilian employment, essentially retained, merged with Taft amendment, conference rept. page No. 42.

Language on aid to South Vietnam, not retained, conference rept. page No. 43.

H.R. 14592

FISCAL YEAR 1975 AUTHORIZATION CONFERENCE ACTION

TITLE I—PROCUREMENT

[In millions of dollars]

	Fiscal year 1975 request		House		Senate		Change from House		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Army aircraft:										
1. AH–1Q Attack Helicopter	21	27.5	21	27.5	6	15.0	−15	−12.5	6	15.0
2. Modification of Aircraft		165.0		160.5		158.3		−2.2		158.3
(a) Parachute product improvement		(2.2)		(2.2)				(−2.2)		(0)
Programs not in dispute				147.0		147.0				147.0
Recommended total				335.0		320.3		−14.7		320.3

H.R. 14592—Continued

FISCAL YEAR 1975 AUTHORIZATION CONFERENCE ACTION—Continued

TITLE I—PROCUREMENT—Continued

[In millions of dollars]

	Fiscal year 1975 request		House		Senate		Change from House		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Navy aircraft:										
3. A-4M Light Attack Skyhawk	24	57.3	24	57.3			−24	−57.3	0	0
4. A-7E Medium Attack Corsair II	34	138.2	34	138.2	34	130.7		−7.5	34	130.7
5. F-14A Fighter Tomcat	50	639.3	50	639.3	50	617.3		−22.0	50	617.3
6. AH-1J Attack Helicopter	20	24.9	20	24.9	14	19.5	−6	−5.4	14	19.5
7. T-34C Trainer Aircraft			18	7.0			−18	−7.0	18	7.0
8. Modification of Aircraft		338.5		335.0		333.6		−1.4		330.1
(a) T-34C Modification						(3.5)		(+3.5)		(0)
(b) OV-10 night gunship modification				(4.9)				(−4.9		(0)
9. Spares and repair parts		374.2		374.2		373.4		−.8		373.4
(a) A-4M init. spares				(.8)				(−.8)		(0)
Programs not in dispute				1,388.2		1,388.2				1,388.2
Recommended total				2,964.1		2,862.7		−101.4		2,866.2
Air Force aircraft:										
10. A-7D Tactical Attack Corsair			24	100.1			−24	−100.1	24	100.1
11. A-10/A-7D Close Support Attack Aircraft	26	140.3	26	140.3	30	159.2	4	18.9	30	159.2
12. E-3A AWACS	12	494.4	6	247.2	12	494.4	6	247.2	6	328.7
13. E-3A Adv. Proc., Current Year		21.0		10.5		21.0		10.5		42.0
14. F-111F Adv. Proc., Current Year						15.0		15.0		15.0
15. MASF—A-37B Light Attack Aircraft	29	15.5	29	15.5			−29	−15.5		0
16. MASF—F-5F International Fighter	28	85.4	28	85.4			−28	−85.4		0
17. MASF—C-130H Tactical Transport	4	35.3	4	35.3		15.0	−4	−20.3		15.0
18. MASF—UH-1H Utility Helicopter	77	25.0	77	25.0			−77	−25.0		0
19. MASF—CH-47C Cargo Helicopter	8	18.9	8	18.9			−8	−18.9		0
20. Modification of Aircraft		766.4		608.5		604.3		−4.2		604.3
(a) MASF		(10.2)		(10.2)				(−10.2)		(0)
(b) Civil Reserve Air Fleet		(132.9)		(25.0)				(−25.0)		(0)
(c) C-141 Stretch		(50.0)				(31.0)		(+31.0)		(31.0)
21. Other Production Charges		126.7		126.7		102.9		−23.8		125.5
(a) MASF				(1.2)				(−1.2)		(0)
(b) ALQ-119 ECM pods				(22.6)				(−22.6)		(22.6)
22. Common Ground Equipment		120.2		120.2		110.3		−9.9		110.3
(a) MASF				(2.8)				(−2.8)		(0)
(b) Civil Reserve Air Fleet				(7.1)				(−7.1)		(0)
23. Aircraft spares and repair parts		781.5		786.3		700.8		−85.5		722.8
(a) MASF		(57.6)		(57.6)				(−57.6)		(0)
(b) Civil Reserve Air Fleet		(15.0)		(15.0)				(−15.0)		(0)
(c) C-5/C-141		(8.1)		(8.1)				(−8.1)		(17.2)
(d) A-7D initial spares				(4.8)				(−4.8)		(4.8)
24. Component improvement		13.4		13.4		9.9		−3.5		9.9
(a) MASF		(3.5)		(3.5)				(−3.5)		(0)
25. War consumables		35.0		35.0		32.7		−2.3		32.7
(a) MASF				(2.3)				(−2.3)		(0)
26. Industrial facilities		31.8		31.8		29.5		−2.3		29.5
(a) MASF		(2.3)		(2.3)				(−2.3)		(0)
Programs not in dispute				991.3		991.3				991.3
Recommended total				3391.4		3286.3		−105.1		3,286.3
Army missiles:										
27. MASF—Tow Antitank Missile	24,000	107.1	24,000	107.1	23,860	104.6	−140	−2.5		104.6
28. MASF—Other spares and repair parts		18.4		18.4		18.0		−.4		18.0
Programs not in dispute				313.9		313.9				313.9
Recommended total				439.4		436.5		−2.9		436.5
Navy missiles:										
29. Phoenix	340	94.7	340	94.7	340	93.2		−1.5	340	93.2
30. Bulldog					1,000	23.1	+1,000	+23.1	500	15.4
31. Harpoon	150	78.2	150	78.2	100	70.5	−50	−7.7	150	78.2
Programs not in dispute				447.7		447.7				447.7
Recommended total				620.6		634.5		+13.9		634.5
Air Force missiles:										
32. Maverick	6,000	88.0	6,000	88.0	6,000	57.7		−30.3	6,000	80.1
33. Modifications		49.0		49.0		40.9		−8.1		40.9
34. Minuteman: Base Launch		13.6		13.6				−13.6		0
35. Missile spares: Minuteman Base Launch		2.0		2.0				−2.0		0
Programs not in dispute				1,458.2		1,458.2				1,458.2
Recommended total				1,610.8		1,556.8		−54.0		1,579.2
Marine Corps missiles:										
36. TOW	6 319	30.8	6 954	30.8	6 319	28.9	−635	−1.9		28.9
Programs not in dispute				45.2		45.2				45.2
Recommended total				76.0		74.1		−1.9		74.1
Navy shipbuilding and conversion:										
37. SSN Submarine (Nuclear attack)	3	502.5	3	502.5	2	335.0	−1	−167.5	3	502.5
38. SCS Sea Control Ship	1	142.9	1	142.9			−1	−142.9		16.0
39. PF Patrol Frigate	7	436.5	7	436.5	3	186.0	−4	−250.5	3	186.0
40. AD Destroyer Tender	1	116.7	1	116.7			−1	−116.7	1	116.7
41. Outfitting Material, all other		27.2		27.2		21.9		−5.3		21.9
(a) Various ships				(3.9)				(−3.9)		(0)
(b) MASF				(1.4)				(−1.4)		(0)
Programs not in dispute				2 313.3		2 313.3				2 313.3
Recommended total				3 539.1		2 856.2		−682.9		3 156.4
Army tracked combat vehicles:										
42. M578 Recovery vehicle	180	27.9	180	27.9	178	27.6	−2	−.3	178	27.6
(a) MASF	(2)	(.3)	(2)	(.3)			(−2)	(−.3)		(0)
43. M30A1 Turret Trainer (M60A1)	34	6.0	34	6.0	34	4.5		−1.5	34	4.5
44. MASF-M125A1 Carrier, 81 mm mortar	13	.8	13	.8			−13	−.8		0

H.R. 14592—Continued

FISCAL YEAR 1975 AUTHORIZATION CONFERENCE ACTION—Continued

TITLE I—PROCUREMENT—Continued

[In millions of dollars]

	Fiscal year 1975 request		House		Senate		Change from House		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
45. M113A1 Armored Personnel Carrier	194	9.4	496	24.0			−496	−24.0	151	7.3
(a) Other			(302)	(14.6)			(−302)	(−14.6)	(151)	(7.3)
(b) MASF			(194)	(9.4)			(−194)	(−9.4)		(0)
46. Support equipment and facilities—items less than $500,000		1.6		1.6		1.1		−.5		1.1
(a) MASF		(.5)		(.5)				(−.5)		(0)
47. Support equipment and facilities—spares and repair parts		11.6		11.6		10.8		−.8		10.8
(a) MASF		(.8)		(.8)				(−.8)		(0)
Programs not in dispute				249.3		249.3				249.3
Recommended total				321.2		293.3		−27.9		300.6
Marine Corps tracked combat vehicles		80.1		74.2		74.2				74.2
Navy torpedoes		187.7		187.7		187.7				187.7
Army other weapons:										
48. Vulcan Air Defense System				2.3				−2.3		2.3
49. M202A1 launcher, incendiary rocket	3,049	2.6	3,049	2.6	2,003	1.7	−1,046	−.9	2,003	1.7
(a) Allied War Reserve								(−.8)		(0)
(b) MASF		(.1)		(.1)				(−.1)		(0)
50. M60 machine gun, 7.62 mm	6,000	5.0	6,000	5.0	1,237	1.0	−4,763	−4.0	5,906	4.9
(a) Allied War Reserve		(4.9)		(4.9)		(1.0)		(−3.9)	(5,906)	(4.9)
(b) MASF		(.1)		(.1)				(−.1)		(0)
51. MASF—M16A1 Rifle, 5.56 mm	9,114	1.3	9,114	1.3			−9,114	−1.3		0
52. Support Equipment and Facilities—Items less than $500,000		2.4		2.4		2.2		−.2		2.2
(a) MASF		(.2)		(.2)				(−.2)		(0)
53. Support Equipment and Facilities—Spares and Repair Parts		8.7		8.7		7.7		−1.0		7.7
(a) MASF		(1.0)		(1.0)				(−1.0)		(0)
Programs not in dispute				33.4		33.4				33.4
Recommended total				55.7		46.0		−9.7		52.2
Navy other weapons:										
54. Weapons under $500,000		.3		.3		.2		−.1		.2
(a) MASF		(.1)		(.1)				(−.1)		(0)
Programs not in dispute				25.3		25.3				25.3
Recommended total				25.6		25.5		−.1		25.5
Marine Corps other weapons		.5		.5		.5				.5
Grand total—Title I Procurement		13,805.1		13,641.3		12,654.6		−986.7		12,994.2

Note: MASF program:
House authorized MASF as part of Title I—Procurement.
Senate authorized MASF as Section 701—Funding Authority for Support of South Vietnamese Military Forces.

House-Senate difference on items requiring authorization are identified on separate sheet.

FISCAL YEAR 1975 AUTHORIZATION CONFERENCE ACTION

TITLE VII—SECTION 701

SUPPORT OF SOUTH VIETNAMESE MILITARY FORCES

[In millions of dollars]

	Fiscal year 1975 request		House		Senate		Conference	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Air Force aircraft:								
1. A-37B	29	15.5	29	15.5			29	15.5
A-37 init. spares		.2		.2				.2
2. C-130 aircraft	4	20.3	4	20.3			4	20.3
C-130 init. spares		1.7		1.7				1.7
Army missiles:								
3. TOW launchers	51	2.0	51	2.0			51	2.0
Navy shipbuilding:								
4. Outfitting and post delivery (PG)		1.4		1.4				1.4
Army tracked combat vehicles:								
5. M-113 personnel carrier	194	9.4	194	9.4			194	9.4
6. M-125 mortar carrier	13	.8	13	.8			13	.8
Army other weapons:								
7. M60 machine gun	94	.1	94	.1			94	.1
8. M202A1 rocket launcher	84	.1	84	.1			84	.1
Programs not in dispute				212.3		212.3		212.3
Recommended total		287.4		263.9		212.3		263.9

TITLE II

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

[In thousands of dollars]

Program element	Fiscal year 1975 request	House		Senate		Conference
		Change	Authorization	Change from House	Authorization	
ARMY						
Aerial Scout	6,000		6,000	−5,360	640	1,916
Heavy lift helicopter	57,725		57,725	−21,200	36,525	36,525
Utility tactical transport aircraft system (UTTAS)	54,060	−5,000	49,060	+5,000	54,060	54,060
Cobra TOW		+4,500	4,500		4,500	4,500
Stinger	33,730		33,730	−1,500	32,230	32,230
Chaparral/Vulcan	7,229		7,229	−5,800	1,429	3,029
Site defense	160,000	−10,000	150,000	−40,000	110,000	123,000
Pershing II	11,200		11,200	−11,200		5,000

H.R. 14592—Continued

TITLE II—Continued

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued

[In thousands of dollars]

Program element	Fiscal year 1975 request	House		Senate		Conference
		Change	Authorization	Change from House	Authorization	
ARMY—Continued						
Advanced forward area air defense system	44,668	−29,668	15,000	+29,668	44,668	30,668
Advanced ballistic missile defense	91,410	−26,410	65,000	+26,410	91,410	91,410
Cannon launched guided projectile	12,556	−6,256	6,300	+6,256	12,556	6,300
Surface-to-air missile development (SAM-D)	111,215	−11,215	100,000	+11,215	111,215	111,215
Kwajalein Missile Range	84,554	−4,554	80,000	+4,554	84,554	82,000
Bushmaster	7,030	−2,930	4,100	+30	4,130	4,100
Armored reconnaissance Scout vehicle	8,062	−3,762	4,300	−138	4,162	4,162
XM-1 tank	68,790	−3,790	65,000	+290	65,290	65,000
Weapons and ammunition	7,306	−1,600	5,706	+1,600	7,306	5,706
Lethal chemical munitions	4,894	−1,894	3,000	−6	2,994	3,000
Mechanized infantry combat vehicle	9,011	+1,700	10,711	−1,700	9,011	10,711
Triservice tactical communications program	37,273	−2,273	35,000	+2,273	37,273	36,000
Clothing, equipment, and packaging technology	2,220	+1,500	3,720	−1,500	2,220	2,220
Food technology	5,986	+500	6,486	−500	5,986	5,986
Surveillance, target acquisition, and night systems (STANO)	15,398	−2,398	13,000	+2,398	15,398	14,000
Classified program	20,529	−4,029	16,500	+4,029	20,529	20,529
Safeguard	60,794		60,794		60,794	60,794
Programs not in dispute	1,064,336		1,064,336		1,064,336	1,064,336
Total, Army program	1,985,976	−107,579	1,878,397	+4,819	1,883,216	1,878,397
Reimbursements from foreign military sales				7,973	−7,973	−7,973
Total, Army budget authority	1,985,976	−107,579	1,878,397	−3,154	1,875,243	1,870,424
NAVY						
Tactical air reconnaissance	5,300		5,300	−5,300		2,400
Classified program	5,700		5,700	−5,700		2,900
VCX (carrier on board delivery program)	4,961		4,961	−4,461	500	500
VFX fighter prototype	34,000	−34,000		+34,000	34,000	30,000
Surface launched weaponry	13,142		13,142	−4,000	9,142	9,142
Sanguine	13,205		13,205	−2,800	11,405	13,205
Surface missile guidance (adv.)	3,000		3,000	−2,000	1,000	1,000
Trident missile system	648,767		648,767	−15,000	633,767	641,094
Fleet ballistic missile system	46,669	−9,669	37,000	+9,669	46,669	38,669
Sidewinder	522	+5,000	5,522	−5,000	522	12,522
Air launched air-to-air missile (Agile)	19,987	−19,987		+19,987	19,987	
SLCM	44,971	−2,500	42,471	−4,500	37,971	41,000
Aegis	67,012	−17,012	50,000	+17,012	67,012	63,000
Close-in weapon system (Phalanx)	32,100	−20,000	12,100	+20,000	32,100	15,000
Surface missile guidance	32,222	−7,200	25,022	+7,200	32,222	25,222
Advanced ship development	19,042	−3,000	16,042	−400	15,642	16,042
Radar surveillance equipment (eng.)	10,940		10,940	−3,000	7,940	10,000
Surface effect ships	57,981		57,981	−12,200	45,781	45,781
Improved SSBN	16,000		16,000	−16,000		
Classified program	7,319		7,319	−4,000	3,319	6,000
Classified program	24,096		24,096	−1,900	22,196	24,096
U.S.S. Hip Pocket	3,129	−3,129		+3,129	3,129	995
Programs not in disupte	2,154,438		2,154,438		2,154,438	2,154,438
Total, Navy program	3,264,503	−111,497	3,153,006	+25,736	3,178,742	3,153,006
Reimbursements from foreign military sales				−27,700	−27,700	−27,700
Total, Navy budget authority	3,264,503	−111,497	3,153,006	−1,964	3,151,042	3,125,306
AIR FORCE						
A-10 aircraft	93,905		93,905	−12,500	81,405	81,405
F-4 avionics	13,600		13,600	−1,000	12,600	13,600
Aircraft equipment development	4,994		4,994	−1,000	3,994	4,994
Electronically Agile radar	8,000		8,000	−4,000	4,000	4,000
Gas turbine technology	14,789		14,789	−1,800	12,989	14,789
Advanced tanker/cargo aircraft	20,000		20,000	−15,500	4,500	8,000
B-1	498,973		498,973	−44,000	454,973	454,973
Air combat fighter	36,000	−5,000	31,000	+5,000	36,000	32,000
Advanced ballistic reentry system	119,943	−15,000	104,943	+26,900	131,843	124,000
Advanced air-to-air weapons technology	3,100	+3,100				
Air-launched cruise missile	80,000	−5,000	75,000	−11,000	64,000	71,500
Minuteman	142,900		141,900	−19,000	123,900	123,900
SLBM radar warning system	8,000	−8,000		+8,000	8,000	
NAVSTAR global positioning system	25,400	−2,500	22,900	+2,500	25,400	23,900
Conventional weapons	24,900	−4,900	20,000	+4,900	24,900	20,000
Improved aircraft gun system	9,690	−7,500	2,190	+10	2,200	2,190
Drone/RPV systems development	18,000		18,000	−11,000	7,000	17,000
Improved tactical bombing	11,828		11,828	−3,500	8,328	11,828
F-4/F-105 protective systems	5,400		5,400	−1,400	4,000	5,400
Joint tactical communications	15,700		15,700	−3,000	12,700	14,700
Minimum essential emergency communications network	7,500		7,500	−2,000	5,500	6,500
Advanced command and control capabilities	1,500		1,500	+5,000	6,500	6,500
Conus over-the-horizon radar system	12,300	−2,000	10,300	+2,000	12,300	10,300
Improved capability for operational test and evaluation	11,900	−3,100	8,800	+3,100	11,900	10,500
Precision emitter location strike system	25,100	−3,000	22,100	+3,000	25,100	22,100
Programs not in dispute	2,305,438		2,305,438		2,305,438	2,305,438
Total, Air Force budget authority	3,518,860	−59,100	3,459,760	−70,290	3,389,470	3,389,517
DEFENSE AGENCIES						
DARPA:						
Military sciences	41,100	−2,800	38,300	+2,800	41,100	38,300
Strategic technology	75,000	−6,000	69,000	+3,700	72,700	69,000
Management systems technology	2,743		2,743	−2,743		
Undistributed reduction		−8,000	−8,000	+8,000		−3,000
DCA:						
WWMCCS-JTSA	4,550		4,550	−1,000	3,550	3,550
Defense communications system	13,605		13,605	−3,500	10,105	10,105
Undistributed reduction		−5,000	−5,000	+5,000		
DMA:						
Mapping, charting and geodesy development	5,651		5,651	−1,000	4,651	4,651
Undistributed reduction		−2,000	−2,000	+2,000		−1,000

H.R. 14592—Continued

TITLE II—Continued

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued

[In thousands of dollars]

Program element	Fiscal year 1975 request	House		Senate		Conference
		Change	Authorization	Change from House	Authorization	
DSA:						
Defense documentation center	11,778		11,778	−500	11,278	11,278
Undistributed reduction		−500	−500	+500		
DIA (classified)		−1,300		+300		
DNA (classified)		−3,000		+1,000		
NSA (classified)		−10,800		+5,800		
Technical support to OSD/JCS	18,800	−3,800	15,000	+3,800	18,800	17,800
Programs not in dispute	122,373		122,373		122,373	122,373
Total, Defense agencies budget authority	528,700	−43,200	485,500	+24,157	509,657	491,057
Director of Test and Evaluation	27,000	−2,000	25,000	+2,000	27,000	25,000
Total, R.D.T. & E. program	9,325,039	−323,376	9,001,663	−13,578	8,988,085	8,936,977
Reimbursements from foreign military sales				−35,673	−35,673	−35,673
Total, R.D.T. & E. budget authority	9,325,039	−323,376	9,001,663	−49,251	8,952,412	8,901,30

Mr. METZENBAUM. Mr. President, I rise today to express my disappointment that two amendments to H.R. 14592, which would have moved us closer to competitive bidding in military procurement were deleted from the conference committee report.

I am disturbed, not because I proposed the amendments, but rather because this is another example of Congress lacking the backbone to stand up for what it says it believes.

Many of my colleagues in this distinguished body have spoken out in favor of economy in government, especially in this time of rampant inflation. But when it comes time to apply this principle to military procurement, far too many of my fellow Members of Congress walk away from the problem.

Certainly this is the case with these two amendments.

My first amendment, adopted on June 7, by a vote of 38–23, would have taken a concrete step toward increasing competition in one clearly defined area of defense procurement that is presently exempt from important provisions of the Armed Services Porcurement Act—the purchase of medicine and medical supplies for the military services. I did not see then, nor do I see today, any reason whatever for all medical purchases to be exempt from formal advertising, whenever the Department of Defense so determines.

The percentage of medicine and medical supplies purchased through any type of competitive bidding has continually and dramatically declined over the last 5 years. At present, the Pentagon employs formal advertising for less than 5 percent of all medicine, and less than 6 percent of all medical supplies purchased. Other governmental bodies on State and local levels manage to use open bidding procedures for virtually all of their medical purchases. I see no reason why the Pentagon cannot adhere to such practices.

I further believe that both the Congress and the people of the United States are entitled to full justification in any instance when the Defense Department feels compelled to spend more than $1 million without resorting to formal advertising. This requirement, along with a second calling for a thorough GAO study of recent procurement procedures by the Defense Department provided the thrust of my second amendment to H.R. 14592, one adopted by a voice vote in the Senate on June 10.

The justification for this amendment, it seems to me is overwhelming. In 1965, formally advertised contracts constituted 17.5 percent of the value of all defense contracts let that year. In 1973, the last year for which information is available, formally advertised contracts declined to only 10.8 percent of the value of all defense contracts awarded.

Yet, a recent study by the Joint Economic Committee determined that the change from sole source to competitive bidding in the purchase of 17 sophisticated weapons and communications systems by the Pentagon over the past decade resulted in an average price reduction of 51.9 percent. In no case did competitive bidding raise the cost of a Pentagon purchase.

Despite the obvious dollar-savings advantages of both my amendments, the conferees deleted both as nongermane. I am astonished at this conclusion. How could anything be more germane to military procurement than requirements that seek to increase the use of competitive bidding?

Nor do I accept the logic that time-consuming hearings before the Senate Armed Services Committee are necessary for us to correct what is an easily identifiable wrong.

I believe that both of my amendments would have prodded the Defense Department to adopt a lean, tough attitude toward its huge shopping list.

At a time when we are paring human needs programs by the millions, we had the opportunity to trim the fat from the $90 billion military budget. We have missed that opportunity, for now. I have great respect for the chairman of our Armed Services Committee and I appreciate his efforts to retain these amendments in the conference, but I do feel a deep sense of regret that these small attempts to achieve economies in Pentagon spending were rejected.

I hope that both amendments will be considered in the 94th Congress. If we are to do anything to restrain total Federal spending, we must begin with the military budget, which represents about 70 percent of all controllable spending by the Federal Government.

Mr. PELL. Mr. President, when the Senate in June considered the military procurement authorization bill (H.R. 14592), I voted against final passage of the bill because I believed the legislation provided excessive and nonessential authority for increased defense spending.

Today, I have voted against approval of the conference report on this legislation for the same reason. Indeed, the bill as it emerged from conference provides authority for more Defense Department spending than did the bill as it was passed by the Senate. The Senate bill authorized $21.8 billion, and the conference report boosts that total by an additional $340 million and this includes only direct procurement authorizations.

In voting against the conference report, however, I emphasize that a major portion of the funds authorized by the bill are for programs and projects essential to an effective national defense. For example, specifically, the Senate bill and the conference report include $1,166,800,000 for the Trident submarine program, representing about 5 percent of the total funds in the bill. The Trident I believe is the capital ship of the future for our Navy, and is essential for a secure nuclear deterrent in the coming decades.

But considering the severe economic problems confronting our country, including a declining gross national product and spiraling inflation, I believe we have a particular responsibility to bring general Defense Department spending under control and to eliminate nonessential spending.

When we considered the bill in the Senate, I supported amendments to reduce substantially our military assistance funds to South Vietnam, and to cut back substantially the number of American servicemen stationed overseas. Unfortunately, those amendments, which would have saved hundreds of millions of dollars, were defeated.

The bill as reported by the conference committee is even more extravagant. It increases military assistance to South Vietnam by $100 million over the Senate bill to a total of $1 billion. Where the Senate had required a modest reduction of 46,213 in military manpower, the conference report imposes no meaningful reduction. Where the Senate bill had at least a modest provision requiring a reduction of 23,000 in noncombat support troops in Europe, that too was watered down to 18,000 in the conference report. In addition, the conference report restores nearly $400 million for further work on the B-1 bomber, a highly expensive new weapon system for which there is no clear-cut security justification.

If we are to keep Government spending under control, we must bring defense spending under control, and we must begin to make hard distinctions between essential expenditures and nonessential wasteful expenditures. It is because I believe this bill fails to do so that I have voted both against the bill when it was considered by the Senate against approval of this even more expensive conference report.

The PRESIDING OFFICER (Mr. Hathaway). Under the previous order, the vote will now occur on the question of agreeing to the conference report on H.R. 14592. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright) is necessarily absent.

I further announce that the Senator from Minnesota (Mr. Humphrey) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), and the Senator from Hawaii (Mr. Fong), are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) would vote "yea."

The result was announced—yeas 88, nays 8, as follows:

[No. 333 Leg.]

YEAS—88

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—8

Abourezk
Biden
Clark
Hatfield
Hughes
Mansfield
Metzenbaum
Pell

NOT VOTING—4

Cook
Fong
Fulbright
Humphrey

So the conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, with this conference report, the Senate of course concludes its final work on the procurement bill for this year.

Like all complicated legislation, it would not have been possible to consider and complete the intensive work on these complicated subjects without the excellent assistance of the armed services staff, whose knowledge and experience are always valuable.

The Senate knows we have a relatively small staff of about 12 to 15 professional persons to handle our entire legislative load.

I wish to commend our entire staff which is headed by T. Edward Braswell, Jr., chief counsel and staff director. I want each staff member to be aware of the contribution he has made.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Rear Adm. Edwin K. Snyder, who is leaving the country this evening for a foreign assignment. The nomination was reported earlier today.

The PRESIDING OFFICER. The nomination will be stated.

U.S. NAVY

The legislative clerk read the nomination of Rear Adm. Edwin K. Snyder, U.S. Navy, for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Mr. STENNIS was recognized.

Mr. STENNIS. Mr. President, I shall just take 1 minute.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, Admiral Snyder has been outstanding as our legislative liaison officer for a couple of years. He is being promoted now and is leaving tonight for Taiwan, where he has an important assignment. I think it would be well, since there is a unanimous report, if we could confirm this nomination today. I ask that the nomination be confirmed.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. STENNIS. Yes, I yield.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, Admiral Snyder is one of the ablest naval officers with whom I have come in contact. He has rendered a very fine service here as Chief of Navy Liaison. I think that most of the Senators know him. I would hope that he could be confirmed right away so that he can proceed with his new duties.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

UNITED NATIONS WORLD FOOD CONFERENCE

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to attend the United Nations World Food Conference, to be held in Rome, Italy, November 5-16, 1974: the Senator from Ohio (Mr. Metzenbaum), the Senator from Kansas (Mr. Pearson), the Senator from Oregon (Mr. Hatfield), and the Senator from North Carolina (Mr. Helms).

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the unfinished business, S. 707, will be laid before the Senate.

Mr. MANSFIELD. I ask unanimous consent that it continue to be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of S. 3792, a bill to amend and extend the Export Administration Act of 1969; that it be laid before the Senate and made the pending business; that it remain the pending business until the hour of 3 o'clock, at which time, debate on the cloture motion will get underway. At 4:15, the vote on cloture will occur. If the vote on cloture fails, then I ask, on the same status as of now, that the Senate then return to S. 3792, the Export Administration Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3792) to amend and extend the Export Administration Act of 1969.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. BAYH. Will the Senator from Illinois yield for 1 minute for a unanimous-consent request?

Mr. STEVENSON. I yield.

Mr. BAYH. Mr. President, I ask unanimous consent that Mr. Howard

Paster and Ms. Barbara Dixon of my staff be accorded the privilege of the Senate floor during this debate. I have two amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Washington (Mr. JACKSON), I ask unanimous consent that the following staff members of the Senate Committee on Interior and Insular Affairs and the Permanent Investigations Committee be given the privilege of the floor during the debate, but not the vote, the debate on the pending measure: Mr. Richard Casad, Mr. Richard Perle, Mr. William Van Ness, and Mr. Arlon Tussing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the following staff members of the Committee on Banking, Housing and Urban Affairs be permitted the privilege of the floor during the consideration of this measure and the votes on it: Mr. Howard Beasley, Bill Weber, Stanley Marcus, Mr. Ed Kemp, Mr. Tony Cluff, Mr. Reginold Barnes, Mr. Ken McLain; and also two members of my staff, Chuck Levy and Anne Henshaw.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, S. 3792 is the product of a comprehensive reexamination of the Nation's export control policy. It makes extensive changes in existing law, and will greatly improve the Nation's capacity to respond to rapidly changing international economic conditions.

Over the past year and a half, international economic conditions have changed radically. A year and a half ago most of the major nations of the world were enjoying a simultaneous economic boom.

Today, many are on the verge of an economic bust. Inflation runs rampant—and threatens economic and social stability. Commodity shortages are pervasive—and impose crippling constraints on economic growth. Economic power is exercised for political purposes,—and in the case of oil, with serious disruption throughout the world, for rich and poor nations alike. Massive balance of payments deficits threaten to undermine the international financial system.

In these changed conditions, the international trading system is under serious strain. The tendency to withdraw is becoming more acute and the temptation to control exports is becoming more pronounced. Some countries restrict exports in order to maximize their gain from control over scarce resources. Others impose controls in order to protect themselves from the depletion of vital materials—or for national security purposes. Still others impose controls to restrain domestic inflation. And yet all—ironically—seek greater access to each other's supplies in order to sustain and enhance economic growth.

Woven throughout the debate on export administration are vigorously competing considerations. We are rightly concerned about protecting our own economy against excessive drains of scarce materials—food, fuel, fertilizer, ferrous scrap, and others. The American consumer suffers—especially the poor—when exhausted supplies of wheat and other grains drive prices to record levels. And the suffering extends to the hungry throughout the world when America's capacity to supply food is depleted by massive and unrestricted purchases by a handful of foreign buyers. When basic raw materials are unavailable, American industry is disrupted—and people are thrown out of work. And disrupted American industry cannot long supply manufactured products for the rest of the world.

Yet in seeking to maintain the strength of the American economy, we cannot simply close our doors. Exports are an important part of American economic vitality—increasingly so because of inflated energy costs and resulting balance-of-payments deficits. Moreover, the United States plays a vital role in international trade—and the example we set has wide ramifications throughout the world. If restrictions on access to supplies are to be broken down, the United States must take the lead. The alternative is a fragmented and cartelized international economy—with each nation pursuing the fleeting goal of total economic self-sufficiency. Down that road lies isolation and disastrous consequences for all.

The bill now before the Senate will help reconcile these competing considerations. It provides more flexible authority for dealing with short supply situations. It provides an early warning system for identifying those situations before they materialize. It requires the Government to analyze domestic and international economic conditions as shortages appear—and provides a prod for effective action to rectify those shortages before they become a crushing burden. And it provides for greater disclosure of information to the public and the Congress so that we can better analyze the effectiveness of governmental policy and, if necessary, devise alternatives.

The bill provides greater flexibility in the implementation of export controls by authorizing a new system of export fees and license auctions. The bill streamlines the procedures applicable to exports of high technology items in order to eliminate unnecessary delays. The bill provides improved interagency review and congressional oversight with respect to exports to Communist countries. And it provides a mechanism for hardship relief for those on whom export controls impose unfair burdens. Finally, the bill gives explicit recognition to the importance of international cooperation to secure access to supplies, favor of international rules, and institutions to achieve that goal.

The report which accompanies the bill describes each of these provisions in detail.

I will only summarize them briefly.

SHORT SUPPLY POLICY

Section 2 of the bill would amend section 3(2)(A) of the act by striking the word "abnormal." Section 3(2)(A) sets forth congressional policy on the use of export controls in situations of short domestic supply. As amended, it would read as follows:

> It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of (abnormal) foreign demand . . .

In the past, one of the impediments to effective use of export controls has been the need to show that the foreign demand which produced an excessive drain of scarce materials and serious inflation was "abnormal." However, determination of an appropriate reference point for assessing whether foreign demand is normal or abnormal is impossible to do with any degree of certainty since trade patterns fluctuate. Moreover, in some situations, an excessive drain of scarce materials and serious inflation can result even if foreign demand levels have not changed significantly. This could occur where total supply declines for whatever reason. In that circumstance, even if foreign demand is at preexisting levels, there can be an excessive drain of scarce materials and serious inflation.

Under the change proposed by the committee, it will no longer be necessary for foreign demand to be abnormal before export controls may be imposed. Instead, controls may be used when foreign demand results or will result in both an excessive drain of scarce materials and serious inflation. This will greatly improve the administration's ability to take effective action when conditions of short supply develop.

MONITORING

Section 3 would amend sections 4, 5, and 10 of the act to require the Secretary of Commerce to monitor exports under specified conditions, to publish reports on such monitoring, to prepare analyses of the economic impact of shortages and increased prices for materials subject to monitoring, and to require other departments and agencies of the Federal Government to cooperate in rendering necessary advice and information.

Under this provision, the Secretary of Commerce would be required to monitor exports and contracts for exports of all materials not subject to the reporting requirements of section 812 of the Agricultural Act of 1970. Monitoring must occur when the volume of exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage and such price increase or shortage has, or may have, a serious adverse impact on the economy.

This new provision would further require that, to the extent practicable, information obtained through monitoring be aggregated and set forth in weekly reports. Such reports must describe actual and anticipated exports of the monitored material, the destination by country, and domestic and worldwide price, supply and demand.

In addition, the quarterly report for the first quarter of 1975 and semiannually thereafter must include summaries of the information contained in the weekly reports. Such quarterly reports must also contain first, the Secretary's analysis of the impact on the economy and world trade of shortages or increased prices for materials subject to monitoring under this act or under the Agricultural Act of 1970, second, the probable duration of such shortages or increased prices, third, the worldwide supply of such materials, and fourth, actions taken by other countries in response to such shortages or increased prices.

INTERNATIONAL COOPERATION TO SECURE ACCESS TO SUPPLIES

Section 4 of the bill would amend the findings and policy provisions of the act in order to deal with the growing problem of politically and economically motivated restrictions on access to supplies. The purpose of this section is to recognize the dangers and to establish U.S. policy firmly in opposition to unreasonable restrictions on access to supplies and firmly in favor of international cooperation to combat such restrictions.

Section 4(a) would add to the act a congressional finding that unreasonable restrictions on access to supplies can cause political and economic instability, interfere with free international trade, and retard economic growth and development.

Section 4(b) would amend section 3(3)(A) of the act to make it clear that it is U.S. policy to cooperate with all nations—not only with those with which it has defense commitments—and assuring reasonable access to world supplies.

Section 4(c) would amend section 3(5) of the act to provide that it is U.S. policy to foster international rules and institutions to assure reasonable access to world supplies by all nations.

HIGH TECHNOLOGY EXPORTS

Section 5 would amend sections 4 and 5 of the act in order to reduce delays in the processing of license applications for materials subject to national security export controls and to improve the functioning of the technical advisory committees.

Section 5(a) adds a new subsection (g) to section 4 of the act to require that applications for licenses to export goods and technology subject to national security controls under the act be approved or disapproved within 90 days after submission of the application. If additional time for decision is required, the applicant must be informed of the reasons for the delay. The applicant must also be given an estimate of when a decision will be made.

In addition, section 5 would require the Department of Defense and the State Department to be members of the technical advisory committees; it would require the Secretary of Commerce to disclose to the committees the reasons for controls which have been imposed or which are contemplated; and it would require the Secretary of Commerce to report to the Congress within a year on the steps he has taken to expedite the processing of license applications.

OPPORTUNITY TO COMMENT ON LICENSING

Section 6 would amend subsection 5(b) of the act by adding a new paragraph which requires the Secretary of Commerce to give interested parties an opportunity to comment when export controls are imposed for short supply purposes. The provision requires the Secretary to publish his invitation to comment in the Federal Register and gives interested parties 15 days to submit written comments. The purpose is to give the Secretary, in the least cumbersome way possible, all relevant information on the impact of any export controls which he may have imposed and their method of implementation.

HARDSHIP RELIEF

Section 8 would add a new section 4A which provides a procedure by which certain persons adversely affected by export controls may petition the Secretary of Commerce for exemption from controls. The intent is to provide an opportunity for relief under prescribed circumstances for persons who have historically exported materials made subject to export controls. The provision codifies existing hardship procedures under Department of Commerce regulations.

Those eligible for relief would consist of any person engaged in a domestic business which utilizes products obtained from abroad but which are made from U.S. materials made subject to export controls as well as all other persons who have historically exported materials subject to the controls.

Within 30 days after receiving the petition, the Secretary of Commerce is required to notify the petitioner in writing of his decision, together with a statement of reasons.

Among the factors the Secretary of Commerce is expected to take into account in making his decision are the following: First, the adverse affect of the controls on domestic employment; second, the probability of insolvency of the petitioner due to the controls; third, the fact that the controls may interfere with the import of a product essential to the domestic business of the petitioner or some other party or may unduly disrupt a domestic business; fourth, the burden or adverse effect of the controls on a domestic business which manufactures in the United States a product which includes a critical component produced outside the United States from a commodity subject to controls.

INTERAGENCY REVIEW

Section 9 would add a new subsection 4(h)(1) section 4 of the act to establish review procedures for exports of goods and technology to "controlled countries"—defined to mean Communist countries as specified in section 620(f) of the Foreign Assistance Act, except for Yugoslavia, Romania, and Poland. This section is a modification of an amendment to the military procurement authorization bill adopted by the Senate on June 11, 1974. The purpose is to insure that the Department of Defense has an adequate opportunity to consider the military and national security implications of exports to Communist countries and that the Congress has a voice in the decision in the event of White House and Department of Defense disagreement.

In substance it provides that the Secretary of Defense must be notified of all requests for licenses for exports to controlled countries. No license may be issued until 30 days after the Secretary of Defense has been notified and the time for Presidential and congressional review, if applicable, has been exhausted. If the Secretary determines that the export would significantly improve the military capability of the recipient country, he must recommend to the President that he disapproves the export. Alternatively, the Secretary may notify the appropriate export control office or agency that he will interpose no objection, or that he will interpose no objection if appropriate conditions designed to achieve the purposes of the act are imposed.

If the President notifies the administering office or agency within 30 days after receiving the recommendation of the Secretary of Defense that he disapproves the export, the export is prohibited. But, if the President modifies or overrules the Secretary of Defense, he must submit his decision to review by the Congress. Congress has a period of 30 days of continuous session of both Houses thereafter to disapprove the President's decision by majority vote.

EXPORT FEES AND LICENSES

Section 10 would amend section 4 of the act to add a new subsection (i) which authorizes the President to use license fees or the auction of export licenses as means of carrying out the purposes of the act. License fees and license auctioning will constitute one of the many tools available to the Secretary of Commerce when circumstances justify the imposition of export controls.

Use of license fees and auctions as a means of export control can overcome the difficulties associated with allocations under present short-supply export control programs.

This new authority is permissive, not mandatory. The committee does not intend its use where it would work a hardship on small businesses. The committee also does not intend its use where it would deprive developing countries of access to adequate food supplies. In these, and perhaps other unique circumstances, the Secretary of Commerce should continue to rely on the existing practice of allocating export licenses among exporters and distributing export allocations on a country-by-country basis in order to insure an equitable allocation of American supplies of scarce goods throughout the world. In doing so, however, the committee expects market prices to prevail insofar as possible.

EXPIRATION DATE

Section 11 would extend the authority to impose export controls under the act for 3 more years from July 30, 1974, to June 30, 1977.

Mr. President, this bill represents months of hard work by the members of the International Finance Subcommittee as well as the full Banking Committee. I would hope that the Senate can quickly move to final passage so that its useful reforms can be implemented without delay.

Mr. MOSS. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I gladly yield to the Senator from Utah.

Mr. MOSS. Mr. President, my question has to do with section 8 of the bill and particularly with the new section called Procedures for Hardship Relief From Export Controls.

On page 8 of the bill it indicates what the Secretary of Commerce will consider when a petition has been offered to him for relief from export controls. Some five factors are suggested.

My question is: In determining whether to grant hardship relief under section 8(a) of S. 3792, will the Secretary of Commerce consider the following factors in granting relief: one, that the petitioner is a domestic person who owns more than 50 percent of the foreign company, and that company uses the controlled materials in its manufacturing process; and, two, trade with the country where the foreign manufacturing is performed is in the national interest? I have a specific company in mind, but I would ask the manager of the bill if he can answer that question.

Mr. STEVENSON. The answer is affirmative. It was next to impossible in drafting this section to contemplate all the conceivable situations in which the Secretary should consider hardship and grant relief from the effect of export controls.

Consequently, the committee added subparagraph (5) on page 9, to authorize the Secretary to take into consideration any other factors in addition to those specified. I would think that the considerations which the Senator has mentioned would certainly fall within that subsection. They are exactly the kind of considerations that the Secretary ought to consider in determining whether or not to grant relief from the effect of export controls.

Controls in the case which the Senator puts would have—or could have—a serious adverse effect on a corporation with 50-percent ownership in a foreign company. Those serious adverse effects might also fall within the four specific standards of the bill.

The answer is "Yes," those are exactly the kind of considerations that we were intending to comprehend that subsection (5) would concern. They are the kind of considerations that I would certainly hope the Secretary would consider and take into account in deciding whether to grant relief from export controls.

Mr. MOSS. I do thank the Senator for that response and the legislative history that it creates. This company is historically doing that now. Concern came about as to whether they might not continue to receive the consideration since there was some new language. I just wanted to make clear that they could expect that at least that would be given consideration by the Secretary.

Mr. STEVENSON. Yes. Under this bill that company would have more remedies and a greater right to a review and to redress of any real grievances than it has under existing law because of the procedures established in this bill which are not now in the law. Its rights would be enhanced.

Mr. MOSS. I thank the Senator.

Mr. PACKWOOD. Mr. President, the Export Administration Act of 1969 expires today. The legislation we are considering will extend the act for 3 years. Among other things, this act authorizes the President to curtail or prohibit exports from the United States of any article, materials, or supplies for reasons of domestic short supply, foreign policy, or national security. Export of technical data can also be restricted on national security grounds. Authority to administer the act rests with the President who has delegated that power to the Secretary of Commerce.

Continuing authority to administer export controls is needed to carry out national objectives under all three of the statutory policy purposes.

First, there is still a need to control exports of commodities and technical data in the interest of U.S. national security. Although there has been significant progress toward improving relations with the Communist bloc, we still cannot allow these countries uncontrolled access to our strategic products and technology.

Second, it remains in the interest of both national security and U.S. foreign policy to maintain restrictions on trade with North Vietnam, North Korea, and Cuba. In addition, the foreign policy authority under the act is used to control exports of paramilitary items to the Middle East and to implement U.N. Security Council resolutions concerning trade with Southern Rhodesia, South Africa, and the Portuguese African territories. The critical need for such authority was further illustrated recently when our distinguished colleague from the State of Washington, Senator JACKSON, pointed out that police and surveillance equipment was being freely exported to Eastern Europe and the Soviet Union. Within 2 days, the Secretary of Commerce had appraised the situation and issued new regulations controlling such exports to Communist countries. Such a quick response to this issue could not have been forthcoming without the flexible authority contained in this act.

Finally, the development of worldwide commodity shortages during the past year has made it necessary for the United States to curtail exports of certain commodities in the interest of preserving domestic supplies. Authority to do so is of increasing importance to the national economy. Export controls are currently in effect on ferrous scrap and on petroleum and certain petroleum products. A broad range of other commodities are currently in a very tight international demand/supply situation, and this condition can reasonably be expected to persist in some degree for the foreseeable future. Although export controls are and should continue to be viewed as a measure of last resort, it is essential that the President retain the authority to impose them when absolutely necessary to deal with critical short supply problems.

TECHNOLOGY TRANSFERS

Concern has been expressed that the export of U.S. technology is contributing to the military capability of the Communist countries. This concern is heightened by the fact that U.S. companies have recently signed technical cooperation agreements with the U.S.S.R. and certain East European governments calling for exchanges of technology.

In my judgment, current controls over exports of technology to the Communist countries amply protect the national security. Because access to technological know-how is in many instances of greater strategic significance than possession of finished items produced from that technology, the Department of Commerce exercises a more restrictive control over transfers of technical data than commodities. Accordingly, the present Commerce Department regulations require that specific prior approval be obtained from the Department for the export of unpublished technical data to Communist destinations, regardless of the nature of the end product to be produced. Thus, the Department can effectively screen out proposed technology transfers with strategic implications for indepth review. And while the signing of a technical cooperation agreement with a Communist country does not, in itself, require the specific approval of the Department, to the extent that this technology is of U.S. origin and is not generally available to the public, which is usually the case, it may not be exported without the Department's prior approval. The present license requirements, in my opinion, provide an effective mechanism to prevent the export of U.S. technology that would be detrimental to our national security.

EXPORT LICENSING CRITERIA

Suggestions have been made that the Export Administration Act, as presently drawn, and the procedures of the Department of Commerce in administering it, do not adequately protect the national security of the United States because exports are permitted that will aid the military establishments of the Communist countries.

I believe this concern to be greatly exaggerated. The Export Administration Act does provide ample authority to control exports for national security reasons. And the Department of Commerce, with extensive use of an interagency consultative procedure, scrutinizes very carefully each application for a license to export to a Communist destination. The Departments of Defense and State, and the Atomic Energy Commission, invariably are involved in the review of each potentially significant transaction. This review takes into account such considerations as:

a. What is the normal use in the U.S. and elsewhere in the Free World?

b. Is the item designed for military purposes? Is the intrinsic nature of the commodity or data such as to make it of significant use to the military? Is it currently used importantly by the military establishments in the West? In the country for which it is destined?

c. If the item has both military and civilian uses, is the intended end-use peaceful in nature?

d. Is the prospective foreign end-use engaged in peaceful or military-oriented work?

e. Does the item incorporate advanced or unique technology of strategic significance that could be extracted?

f. Is there a shortage of the item in the area of destination that affects the military potential?

g. Are comparable commodities or data available to the country of destination outside the U.S.? If COCOM controlled, are they available outside the COCOM countries?

I think a review of this nature, made in conjunction with the Department of Defense and other agencies, amply assures that the national security of the United States is being properly protected.

INTERAGENCY CONSULTATIONS

With further respect to export of technology and sophisticated goods and services, concern has been expressed that the Department of Commerce has not utilized fully the interagency consultation provisions of the Export Administration Act and has, in some instances, ignored the advice given it. I can assure the House that the interagency consultative procedure is an important element in the Department's determination as to what shall be controlled and the extent exports shall be limited. The Department has an Advisory Committee for Export Policy on which the interested agencies are represented at an assistant secretary level. The agencies include the Departments of Agriculture, Commerce, Defense, Interior, State, Transportation, and Treasury, the Atomic Energy Commission, and the National Aeronautics and Space Administration. In addition, there is an observer from the Central Intelligence Agency. There is also, at the senior staff level, an Operating Committee of the Advisory group which meets weekly to discuss export control policy problems and significant individual transactions. All applications to export commodities and technical data to the communist countries are processed by the Department in accordance with procedures established in consultation with the advisory agencies represented on the Advisory Committee for Export Policy.

If any agency objects to the proposed course of action, it is given full opportunity to appeal to a higher level.

Secretary Dent has continued the policy of several of his predecessors not to approve any transaction so long as any agency has indicated an intention to appeal a recommended course of action. In some instances, an agency will object, but indicate that, because of the marginal nature of the issue, the base does not warrant an appeal. Of some 3,000 cases referred to the Department of Defense in the past 2½ years, the Department of Defense objected to the issuance of a license in 13 cases but did not feel sufficiently strong about its objection to escalate the matter to higher echelons. Inasmuch as in each case the issue was considered a marginal one by the agency objecting but not appealing, the Department of Commerce, after taking other agency views into account, decided to approve the license.

When an agency objects and appeals a recommendation, the issue is carried progressively higher until the disagreement is resolved. In this process departmental or agency heads and, if necessary, the White House may be called upon to address the problem. In this 2½ year period, a strong objection to approval was raised by the Department of Defense in four cases and indicated it would appeal a contrary action to higher levels. In three of those cases the objection was sustained and in only one case it was overridden at the White House level. I believe these figures give some idea of how the mechanism that has long been in operation has worked to safeguard the national interests of the United States in the strategic export field.

In recent testimony before the Foreign Relations Committee's Subcommittee on Multinational Corporations, Commerce Secretary Dent discussed in detail the procedures followed by Commerce and other agencies in licensing the export of high technology goods. This statement is the best description of the administration of the act that I have seen. I ask unanimous consent that the text of Secretary Dent's statement be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF FREDERICK B. DENT

INTRODUCTION

I am pleased to appear before your subcommittee today to discuss the Department of Commerce role in facilitating and directing U.S. investment projects with the Soviet Union, the People's Republic of China and the Eastern European countries with specific reference to (a) the administration of the export control program and (b) coordination with our European Allies.

Before going into detail as to the Department's role, let me describe briefly the interagency structure that has been established to deal with East-West trade policy questions.

EAST-WEST TRADE POLICY COMMITTEE

In the spring of 1973, President Nixon created an East-West Trade Policy Committee under the Chairmanship of his then principal economic advisor, George Shultz, Chairman of the Council on Economic Policy and Secretary of the Treasury. The President also designated me, as the Secretary of Commerce, to serve as Vice Chairman of the Committee. Other members of the East-West Trade Policy Committee included: the Secretary of State, Assistant to the President for National Security Affairs, the Executive Director of the Council on International Economic Policy, and the Special Representative for Trade Negotiations. The Policy Committee has met five times since its inception, the last meeting on May 15 being chaired by Secretary Simon following the departure of George Shultz from the Government. As you know, the President has only recently named Mr. Kenneth Rush, his Counsellor for Economic Policy, to replace Mr. Shultz as head of this activity and redesignated the body the President's Committee on East-West Trade Policy. The Secretary of the Treasury and I are designated as Co-Vice Chairmen of the Committee.

The Policy Committee has a Working Group which has been chaired by the Deputy Under Secretary of the Treasury and which meets more frequently than the Committee. Over the past year, some 15 working group meetings have been held to take up a number of East-West trade questions, including: U.S.-U.S.S.R. cooperative aviation programs, marine cargo insurance on shipments to the U.S.S.R., agenda items to be taken up at Joint Commission meetings with Poland, Romania and the U.S.S.R., and Eximbank actions relating to the U.S.S.R. Representatives from the member agencies participate as do other government agencies, such as the Departments of Defense and Agriculture and Eximbank, when appropriate. The Working Group discusses matters of current concern and prepares issues to be considered by the Policy Committee.

The East-West Trade Policy Working Group has proved to be very effective in bringing together a variety of expertise not readily available in a single-Agency effort. It has also facilitated coordination of policy development through lines into the U.S. Government agencies furnishing Working Group members.

BUREAU OF EAST-WEST TRADE

Within the Department of Commerce, the operating entity responsible for matters concerning trade with the Soviet Union, the People's Republic of China, and the Eastern European countries is the Bureau of East-West Trade. It was established in late 1972 with the mission of expanding trade and economic relations between the United States and the communist countries of Eastern Europe and the USSR, and the People's Republic of China. The Bureau carries out this mission by working with the governments of these countries to create a framework in which business can flourish, by working with the American business community to encourage and assist the development of profitable business relations with the communist countries, and by administering U.S. Government export control regulations in a manner that insures that U.S. security does not become compromised through trade.

ROLE IN FACILITATING TRADE

I would like to touch briefly on the first part of the subject on which I have been invited to testify today, i.e., the role of the Department of Commerce in facilitating and directing U.S. investment projects with the Soviet Union, the People's Republic of China and the Eastern European countries. Investment projects in these countries are, in most instances, considerably different from what is usually meant by that term in other parts of the world. Direct equity investment by foreign individuals and organizations permitted only in Romania and Hungary, and then only on a minority basis.

While one or two other communist countries reportedly are currently considering the enactment of laws that would permit foreign investment, the enactment of such laws in the foreseeable future by the Soviet Union and the People's Republic of China appears extremely remote. I have, therefore, in discussing the role of the Department in this field, used a much broader definition of "investment project" that includes any large transaction requiring substantial capital investment on the part of the country in which it is located regardless of whether or not an American company can participate in such investment as an equity partner.

The Department's role in these projects is entirely one of "facilitation" and includes nothing that would fall under the heading of "direction." Facilitation takes a number of forms. The Department, through the Bureau of East-West Trade, disseminates information on project opportunities, that is opportunities for the sale of equipment and machinery, through direct contact with U.S. companies, through industry associations, and through publication in Departmental magazines. Once a firm has begun actively to pursue a project, which it may or may not have found out about through our dissemination efforts, we stand ready to assist. If requested, should problems develop in the course of negotiating and concluding a contract. Assistance often takes the form of serving as a "middle man" in finding out the status of consideration of a contract proposal, in transmitting information between parties, and sometimes of suggesting compromises when parties have reached an impasse. We occasionally make representations to the host government on behalf of the U.S. bidder if we have reason to believe that they may be important to the U.S. competitor or that pressure is being applied by the governments of third-country competitors.

The Long Term Agreement between the U.S. and the USSR to Facilitate Economic, Industrial, and Technical Cooperation, which was signed during the President's recent trip to Moscow, strengthens and institutionalizes the facilitative role of the U.S. Government, in which the Department of Commerce plays a major part, by providing for periodic meetings to exchange information and by giving the already established Joint US-USSR Commercial Commission the responsibility for monitoring implementation of the cooperation envisaged in the agreement.

I would like to turn to some specific cases to illustrate the types of assistance and guidance the Department of Commerce has provided to the American business community with respect to major projects in the Communist countries.

HIGH ENERGY PRODUCTION PROJECTS

During the October 1973 session of the Joint US-USSR Commercial Commission, the Soviet Union suggested the possibility of cooperation between U.S. firms and Soviet organizations for the establishment of industrial complexes in the USSR for the manufacture of products requiring large amounts of electric power. Included would be production facilities for petrochemicals, ferroalloys, copper, and aluminum. The erection of these facilities would require the Soviet Union to import several hundred million dollars worth of equipment and know-how.

Acknowledging the potential importance of these and similar projects to future US-USSR trade and economic relations, the Department of Commerce undertook to refer the Soviet interest to potentially interested U.S. firms. During my official visit to the Soviet Union last April, I presented the Ministry of Foreign Trade with a summary of the steps the U.S. Government had taken to meet its commitment. Accompanying this was a request for additional information on each of these projects, in order that American firms might have a clearer picture of Soviet development plans for these industries. In response, the Soviets provided some additional project specifications during the May 1974 session of the Joint Commercial Commission that was held in Washington. Commerce is now in the process of relaying this additional information to U.S. industry.

AIR TRAFFIC CONTROL SYSTEM

Another example of project facilitation in the Soviet Union involves the current Soviet plan to modernize and expand its air traffic control system. In this case we were not the conduit for passing the initial information to the American business community.

Rather, we are assisting the American Institute of Aeronautics and Astronautics, other industry associations, and interested U.S. firms to develop detailed project information; we are working with the Department of Transportation's Federal Aviation Administration to see what input that agency could have that might assist the competitive position of U.S. industry; and we are continuing to work with a number of interested American companies to insure that U.S. export control regulations are understood and, therefore, do not become a problem at a later point in negotiations. Also, we sent a trade mission to the Soviet Union in April that included a number of U.S. companies that manufacture or sell air traffic control equipment.

This project could mean more than $100 million in U.S. exports over a ten year period and would add substantially to the safety of all aircraft and their passengers in the areas of the Soviet Union covered by the system, including American aircraft and passengers.

OTHER MAJOR TRANSACTIONS

Commerce has also been active in facilitating major transactions in Eastern Europe. Control Data Corporation, the first U.S. firm to establish a joint venture under Romania's 1971 Foreign Investment Law, worked closely with the Department in securing the necessary export licenses.

The Romanian Government has also requested the Department's assistance in finding American firms capable of supplying equipment and technology for a $200 million expansion of the Tirgoviste steel complex.

In response, we have individually contacted 500 U.S. equipment suppliers by letter and alerted them to this potential opportunity. Over 50 firms have been provided with detailed equipment specifications which were furnished to us by the Romanian Government. Department officials have also met with Romanian officials responsible for carrying out the equipment purchases, and World Bank officials regarding financing.

Taking Poland as another example, a recent visit by a Commerce Department representative to that country resulted in Polish requests for U.S. participation in the construction of three bearing plants worth in excess of $100 million, and two major canning plants. As a result of subsequent contacts with U.S. firms specializing in these areas, several machine tool manufacturers have submitted proposals for all, or part of, the bearing plants. The major U.S. can companies are reviewing the Polish canning plant proposal, and several potential subcontractors have held discussions with us.

The People's Republic of China presents a somewhat different picture in terms of Commerce involvement in major projects. The $125 million Boeing aircraft and $215 million Kellogg ammonia plant sales (each of which required and received validated export licenses) are the only examples thus far of U.S. involvement in major Chinese investment projects (as defined earlier in my statement). Other than the issuance of export licenses, these transactions neither required nor received any facilitation from the Department of Commerce. Our facilitation efforts with respect to China usually take the form of providing guidance to U.S. businessmen on how to establish contact with the Chinese and on the ways of doing business with that country.

UNITED STATES-U.S.S.R. TRADE AND ECONOMIC COUNCIL

Returning to our new trade relations with the U.S.S.R., both the Soviet and U.S. sides at the Washington Summit meeting in June 1973, recognized the need for a specialized organization to deal with the problems of U.S.-Soviet trade development, to serve the multiple business interests of its members and, at the same time, strengthen economic ties between the two nations. General Secretary Brezhnev committed the Soviet Union to cooperate in the development of such an organization. President Nixon pledged the best efforts of this government to urge American business to cooperate in the venture. A protocol was signed on June 22, 1973, reflecting these views.

Acting on behalf of the United States, I met with the chief executive officers of 24 major U.S. corporations. These corporations represented a broad spectrum of industry and a wide geographic distribution. They all had a strong interest in United States-Soviet trade, and were capable of concluding large-scale transactions. In addition, the chief executive officers of the National Association of Manufacturers and of the Chamber of Commerce of the United States participated in the meeting, and agreed to serve with the others as organizing directors.

Following a series of conversations with the Soviets, the United States-U.S.S.R. Trade and Economic Council, Inc., was legally constituted in October of 1973 as a private sector not-for-profit corporation under New York State law. A Board of Directors consisting of the 26 U.S. organizing directors, and 26 high-level Soviet economic and trade officials was named. Deputy Minister of Foreign Trade Vladimir S. Alkhimov and Donald M. Kendall became the Co-Chairmen. The Council formally opened for business on December 26, 1973, in its permanent offices in New York under the presidency of former Assistant Secretary of Commerce Harold B. Scott. A second Council office has been established in Moscow. The Council held its first Board of Directors meeting in Washington on February 26, 1974. The next Board meeting is scheduled for Moscow on October 15th, 1974. Membership in the Council is open to any American firm interested in trading with the Soviet Union. Membershp fees are structured to attract small firms.

The principal function of this Council is to effect direct contacts between American businessmen and Soviet economic organizations in order to promote two-way trade between the two countries. In that sense, its efforts supplement those of the Bureau of East-West Trade.

NATIONAL COUNCIL FOR UNITED STATES-CHINA TRADE

A Council has also been formed to promote trade with the People's Republic of China. In May 1973, with assistance from U.S. Government agencies, the private, nonprofit National Council for U.S.-China trade was established in Washington. Mr. Donald Burnham, Chief Executive Officer of Westinghouse, was elected Chairman of the Council's Board, and led its first mission to Peking last fall. The membership drive by the Board of Directors encompassed both large and small firms and aimed at having a Council composed of a broad spectrum of U.S. importers and exporters interested in trade with the PRC.

The Council now actively serves as a forum for the discussion of trade issues, as a focal point for business contacts, and for the dissemination of information on marketing in China. It provides translation and other services. With its counterpart in the PRC, the China Council for the Promotion of International Trade, the Council will facilitate the reciprocal arrangements of trade missions and exhibitions with the PRC. This Council's mission also supplements the efforts of the Bureau of East-West Trade.

EXPORT CONTROLS

Having set forth the Department's role in facilitating trade with the Soviet Union, the PRC and the East European countries, I will turn now to the measures we take to assure that such trade is conducted within the national security policy guidelines of the Export Administration Act of 1969, as amended.

Section 3 of the Act, in addition to stating a policy of encouraging trade, also stated that "it is the policy of the United States . . . to restrict the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States."

WHAT IS CONTROLLED?

In implementing this policy, the Department of Commerce publishes a set of regulations which includes a list of commodities and indicates the destinations to which they may not be exported or reexported without our specific prior approval. The regulations also specify that unpublished technical data, with few specific exceptions, may not be exported or reexported to the USSR, the PRC, and Eastern Europe (as well as to those destinations for which there is a general embargo policy such as Cuba and North Vietnam) without the Department's approval. While exports of unpublished technical data may be made to Free World destinations without specific authorizations, the regulations provide that under certain circumstances the recipient of such data must provide assurances that the direct product of the data will not be exported to proscribed destinations without the specific approval of the government. In the case of the Communist countries, the direct product of U.S.-origin data is under our control, if it is an internationally (COCOM) controlled commodity.

Lastly, the regulations provide that U.S.-origin parts and components may not be used in the production of foreign end products intended for export to the communist countries without our prior approval if the end product, were it of U.S. origin, would require the specific approval of the Department for direct export from the United States to the intended destination.

As part of the Department's export control activities, there is an active compliance program designed, not only to investigate alleged violations of our regulations and to prosecute, where violations are proven, but also to work with firms to facilitate adherence to our control requirements. Our compliance program does not end at the water's edge, but extends abroad to cover reexports of U.S.-origin goods and technology and the use abroad of such goods and technology.

The controls exercised by the Department of Commerce impact on multinational corporations in the same manner as they do on strictly domestic firms. Our control is over U.S.-origin commodities and data; it is not addressed to the nationality of the corporation nor to its size or complexity of operations. The fact that a subsidiary or affiliate is located abroad does not reduce one bit the legal reach of U.S. controls on exports. Such firms are accountable to the Department for their reexport of U.S.-origin goods or technology and for their use of U.S. origin technology and face compliance action for violations the same as do domestic firms.

COCOM ORGANIZATION

I mentioned earlier that the Commerce regulations include a list of commodities that may not be exported without our specific prior approval. Except for commodities under short supply export control, the vast majority of these items also are controlled by the 14 other Free World countries that cooperate with the United States in an international export control structure known as COCOM. This organization is composed of our NATO partners, except Iceland, and Japan. Organized in 1949, COCOM is an informal, non-treaty body that maintains a list of commodities which it is agreed are of strategic significance and whose export should be controlled. Each participating country, of course, maintains the right to control additional commodities if it so desires. There is also agreement to control technical data relating to the production of the items under international control.

COCOM periodically reviews the list of strategic items to make additions representing new technological advances and to remove those items which have become available to the communist countries through their own sources or which for other reasons have lost their strategic significance. The last review was completed in September, 1972, and the next one is scheduled to begin this fall. Under the COCOM rules of procedure, it takes unanimous agreement of the countries participating in the review to remove commodities from the list or to add new commodities to it. When COCOM was first established, the list of commodities under multilateral control was quite extensive.

Over the years, a succession of reviews has narrowed the list drastically so that now it covers a hard core of munitions and nuclear energy items and a highly selective list of high technology equipment and materials that have significant military as well as civilian uses. It is too early to predict the outcome of the pending COCOM list review, but if past reviews are any basis for judging, there will very likely be some modest modification—additions as well as reductions. These will reflect both technological advances in the communist countries and changing military uses in the West.

I would like to stress one point regarding the commodities on the COCOM list. The fact that a particular commercial item is under international control does not mean that it is embargoed for export to a communist country. If a participating country, having received an application to export a COCOM-controlled commodity to a communist destination, determined to its own satisfaction that the item will be used for a peaceful purpose, it can transmit the pertinent facts concerning the transaction to a working body of COCOM that meets regularly in Paris and seek the views of the other member countries. If the countries participating in the review of a transaction agree with the submitting country that the transaction is for a peaceful purpose, the transaction can be approved.

UNILATERAL CONTROLS

The fact that the list of commodities under control for national security reasons is closely aligned to the COCOM list is not an accident. Congress, in 1972, amended the Export Administration Act to require the removal of unilateral controls if the controlled items are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, except that controls could remain in effect if adequate evidence is presented to demonstrate that the absence of control would prove detrimental to the national security.

The Department was required by the 1972 amendment to report to the President and to Congress within nine months from the date of enactment of the amendment and to list the commodities and technical data remaining under unilateral control together with the reasons for continuing such control. This was a clear mandate to reduce our controls to the multilaterally controlled COCOM level unless there was positive evidence to indicate that continued unilateral control was demonstrably necessary for national security reasons.

We reported on the due date that the list of unilaterally controlled commodity entries had been reduced from 550 to 73, and we gave the reasons for retaining controls over these 73. Many of the latter were specialty items with direct military application and no commercial significance. Others were "basket" entries containing an unknown number of individual commodities, some of which were militarily significant. Our subsequent review of the 73 remaining unilaterally controlled entries has resulted in additional decontrols where specific items of a peaceful nature could be identified.

Insofar as unilateral controls over technical data were concerned, the basic problem is that data related to the production of peaceful goods in many instances also relates to the production of products of a strategic nature. To decontrol the former creates a real danger that the latter would escape proper control. Continued screening of proposed technology transfers mitigates against this happening, and we expect that we will have to continue to control the export of a good deal of technical data, even where the end product is peaceful, to guard against the possibility that the data will provide a significant step up in the production of more sensitive products.

INTERAGENCY CONSULTATIONS

The interagency consultative procedure is an important element in the Department's determination as to what shall be controlled and the extent exports shall be limited.

Section 5(A) of the Export Administration Act requires us to seek information and advice on these subjects from the several executive departments and agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Accordingly, the department has an Advisory Committee for Export Policy on which the interested agencies are represented at an Assistant Secretary level. The agencies include the Departments of Agriculture, Commerce, Defense, Interior, State, Transportation, and Treasury, the Atomic Energy Commission and the National Aeronautics and Space Administration. In addition, there is an observer from the Central Intelligence Agency. There is also at the senior staff level, an Operating Committee of the Advisory group which meets weekly to discuss export control policy problems and significant individual transactions. All applications to export commodities and technical data to the communist countries are processed by the Department in accordance with procedures established in consultation with the advisory agencies represented on the Advisory Committee for Export Policy.

Under these procedures, certain applications are processed by the Department's Office of Export Administration (OEA) without consultation with its advisory agencies; some are processed after informal consultation with one or more of the advisory agencies, and the remainder are processed only after formal consultation with the agencies.

To the extent possible, the Department seeks to formulate specific guidelines that set forth criteria for the approval or denial of applications. Proposals for such guidelines are referred to the Operating Committee of the Advisory Committee for Export Policy, and if all interested agencies agree that applications for a specific commodity or grouping of commodities may be approved or denied without further consultation with the agencies, "a delegation of authority" to OEA is issued. Examples of commodities in this category include certain field effect transistors, electronic capacitors, frequency synthesizers and coaxial alternators. This delegation sets forth parameters within which action may be taken.

However, an application to export a commodity covered by such a delegation is not routinely handled. The application first is analyzed by a licensing officer who, from a technical standpoint, determines if the commodity or data proposed for export does fall within the delegation of authority, and is appropriate for the intended end use.

Based on this analysis, a licensing recommendation is made, these technical judgments and the recommendations are then reviewed by other officers for consistency with established policy and for identification of any particular features or problems that would necessitate interagency review. Applications approved or denied in accordance with the delegation of authority receive a final screening by a senior official in OEA just prior to mailing the license or denial notice to the applicant.

In the recent past, certain of the agencies that advise the Department, particularly the Department of Defense, have been reluctant to concur in the issuance of guidelines that would permit the approval of applications under a delegation of authority. While they agree that formal review in the interagency structure is not necessary, they prefer to be notified of applications that are received for specific commodities and to be given an opportunity either to concur in the specific transaction or to request formal interagency review. Examples of commodities in this category include certain types of germanium and silicon transistors, certain lasers, certain types of video tape recorders, and certain types of computers and related equipment. A memorandum is sent to the agency that has requested consultation, and the application is not processed for approval until that agency concurs in the proposed action. These applications also are screened by a senior official in OEA prior to mailing of the license.

Applications that may not be processed under either the delegation of authority or the informal consultation procedures are documented for formal consideration by the Operating Committee of the Advisory Committee for Export Policy. The document describes the proposed transaction, identifies the intrinsic use potential, including any possible military use, and the end use pattern, sets forth the policy aspects and recommends a course of action. There is thorough discussion of the transaction at a meeting attended by senior staff representatives of those agencies that have an interest in the proposed transaction.

The Departments of Defense and State and the Atomic Energy Commission are invariably represented. There is also an observer from the Central Intelligence Agency. Other agencies, such as NASA and the Departments of Transportation and Interior, attend when matters of interest to them are on the agenda. After hearing the advice of the various agencies, the chairman of the Operating Committee recommends a course of action. If all interested agencies concur in this recommendation, it is forwarded to the Director of the Office of Export Administration for his decision or, in some instances, for referral to the Director of the Bureau of East-West Trade for decision. If any agency objects to the proposed course of action, it is given full opportunity to appeal to a higher level.

I have continued the policy of several of my predecessors not to approve any transaction so long as any agency has indicated an intention to appeal a recommended course of action. In some instances, an agency will object, but indicate that, because of the marginal nature of the issue, the case does not warrant an appeal. The chairman's recommendation, then, goes forward to the Director, OEA, as mentioned above. When an agency objects and appeals a recommendation, the issue is carried progressively higher until the disagreement is resolved. In this process Departmental or agency heads and, if necessary, the White House may be called upon to address the problem.

LICENSING CONSIDERATIONS

Involved in the decision to approve or reject an application for a communist destination are such considerations as:

A. What is the normal use in the U.S. and elsewhere in the Free World?

B. Is the item designed for military purposes? Is the intrinsic nature of the commodity or data such as to make it of significant use to the military? Is it currently used importantly by the military establishments in the West? In the country for which it is destined?

C. If the item has both military and civilian uses, is the intended end-use peaceful in nature?

D. Is the prospective foreign end-user engaged in peaceful or military-oriented work?

E. Does the item incorporate advanced or unique technology of strategic significance that could be extracted?

F. Is there a shortage of the item in the area of destination that affects the military potential?

G. Are comparable commodiies or data available to the country of destination outside the U.S.? If COCOM controlled, are they available outside the COCOM countries?

CONSULTATION WITH INDUSTRY

In developing information that will permit us to make the proper decision, the Department consults extensively with industry. There currently are seven government-industry technical advisory committees, established pursuant to the 1972 amendments to the Export Administration Act. In addition, individual firms are consulted on technical matters and foreign availability of commodities under licensing control.

The formal technical advisory committees meet regularly and have been cleared for access to security classified information so that they can be of maximum use to the Department.

The industry members were chosen from firms, large and small, affected by our controls. The industry members serve as individuals, not as company representatives. They were chosen for their technical knowledge and bring to the committees their own expertise. Also, by their charters, the committees serve strictly in an advisory capacity to the Department. Their reports receive the most serious consideration, but the final judgment on the issues is reserved for the Government, as it should be.

APPLICATION PROCESSING TIME

One other aspect of the export control program deserves mention. I believe very few producers of goods under control for national security reasons will dispute the statement that there are potential strategic uses for these items. This means that applications to export such commodities to Communist destinations are scrutinized very carefully, as is evident from my remarks so far. This often is time consuming, and exporters frequently become understandably impatient.

We are very sensitive to the fact that a prolonged delay in reaching a licensing decision can be a serious competitive disadvantage to a U.S. exporter. Although a large proportion, roughly 60 percent, of applications involving exports to Communist destinations are processed in 15 working days, according to a recent survey, the remainder take considerably longer.

These are, for the most part, transactions that involve high technology items and present particular policy problems. Detente has increased the interest of U.S. firms in selling such items to the Communist countries and this in turn has resulted in a larger volume of cases in this commodity area.

We are addressing this problem of excessive processing time. Through the application of additional resources, more extensive use of automatic data processing, and procedural innovations, we hope to avoid the lengthy delays that plague the export community.

We are also very conscious of the need for us to be responsive to an applicant's enquiry as to the status of his case and of the considerations that may lead to denial of a license. Consistent with considerations of national security, we try to keep applicants informed and otherwise interact with them.

Mr. Chairman, I would like in concluding my presentation to draw to your attention the table we are submitting for the record as part of this testimony. This table graphically shows the outcome of our efforts in going through the above consultative procedures for the past two and one-half years.

The table deals with the disposition of some 3,000 applications for the export of items on the controlled commodity list to a Communist country destination. You can see that of those 3,000 cases, the Department of Defense objected to the issuance of a license in 13 cases but did not feel sufficiently strong about its objection to escalate the matter to higher echelons. Inasmuch as in each case the issue was considered a marginal one by the agency objecting but not appealing, the Department of Commerce, after taking other agency views into account, decided to approve the license.

The table further shows that a strong objection to approval was raised in four cases and that the objecting agency indicated it would appeal a contrary action to higher levels. In three of those cases the objection was sustained and in only one case was it overridden at the White House level. The totals of refusals to issue licenses, which we call denials, are as shown for the respective years. I believe these figures give some idea of how the mechanism we have long had in operation has worked to safeguard the national interests of the United States in the strategic export field.

Mr. Chairman, that concludes my presentation. I am ready to try to answer any questions the members of the Subcommittee may have.

Number of U.S. export license transactions on which DOD was consulted and objected to approval, with disposition thereof

[June 1972–June 11, 1974]

	Commerce
Total cases	3,000
Objected but not appealed	13
Overriden	13
Objected and appealed	4
Overridden	4
Sustained	3
Total no. of cases denied (All agencies agreed):	
1972	163
1973	105
1974 (as of June 30)	82

There are ten Commerce cases pending on which DOD has objected and appealed, respecting which there has been no decision.

Mr. PACKWOOD. Finally, Mr. President, I must express my concern with regard to provisions in this bill calling for the Secretary of Commerce to monitor and issue reports on both contracts for and anticipated exports of nonagricultural commodities in tight supply, and further requiring the Secretary to publish certain analyses with respect to commodities.

While I fully agree that there is a need to maintain a diligent watch on our domestic supply situation, and thus effectuate timely and accurate governmental decisions, I fear that the net result of these provisions will be to further confuse an already muddled domestic economic picture.

I will first address myself to the requirement for monitoring and publishing data on contract for exports and anticipated exports. The Commerce Department monitored contracts for exports of agricultural products and ferrous scrap last summer, and found that such contracts had little or no bearing on what was, in fact, actually exported. Thus, forecasts of anticipated exports, not to mention policy decisions based on such data, will likely be misleading, and would trigger considerable speculation in domestic markets that could, in turn, lead to the imposition of export controls which would have been unnecessary otherwise. In short, such data could well result in the type of decisionmaking characterized by the Government's handling of last year's soybean embargo.

I have even greater reservations about requiring the Secretary to publish certain analyses, particularly those on the probable duration of shortages, and on worldwide supplies of commodities being monitored under this bill's earlier provisions. Our Government has limited access to foreign supply/demand data, and any published analysis purporting to be based on such data would be little better than nonsense.

If there is anything that our domestic supply situation needs less than additional uninformed economic forecasting, it does not readily come to mind.

The committee has placed language in its report stating that the Secretary need not publish an analysis which "would have serious adverse consequences due to highly volatile markets for the material involved", and stresses that the Secretary need not disclose information as to the timing or duration of export controls. However, it is difficult to imagine a situation, in which a shortage was either anticipated or its duration predicted, that would not lead directly to speculation as to the imposition or duration of controls themselves, and thus bring about the very situation to which the committee has addressed its concern. I am reasonably certain that the market will react to such information by, in the first case, accelerating exports in anticipation of later restrictions, and in the latter, by hoarding inventories in anticipation of the lifting of controls, thus exacerbating, or prolonging, any short supply situation.

Finally, I submit that we are asking the Department of Commerce to peer into a crystal ball which neither they nor any other Government agency, and I include the Congress, possess. I think the record of the last few months clearly shows that economists and assorted other statistical sorcerers have proven remarkably incapable of forecasting what may happen in the future. To expect anything different from Government forecasts just because they have the official seal of approval is to mislead ourselves and the American people.

I want as much as anyone to see the Department of Commerce exercise its export control authority based on the best information available, and I am convinced that the committee is moving in the right direction in asking the Secretary to perform analyses in the short supply area. I am just as convinced, however, that publishing, first, analyses of the probable duration of shortages, and second, "anticipated exports"—which when coupled with domestic supply and demand is tantamount to predicting domestic shortages—would serve to prolong, or even create, such a shortage. This would not only fail to serve the best interests of our Nation's economy, but would contravene the intent of the Congress when we placed the short supply authority in this act.

Mr. President, I ask unanimous consent that a letter from the American Farm Bureau Federation be printed at this point in the RECORD of our debate of this export control legislation. This letter outlines the views of AFBA—views to which I subscribe.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
JULY 30, 1974.

Hon. ROBERT W. PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: S. 3792, a bill to amend and extend the Export Administration Act of 1969, is likely to reach the floor of the Senate later this week. This bill, if enacted, would increase the authority of the Executive Branch to impose export controls on agricultural, and other commodities.

On January 17, 1974, the elected voting delegates of the member State Farm Bureaus adopted the following policy:

"We encourage action at both domestic and international levels to ensure farmers the right to offer their produce for sale on world markets. We oppose any proposal to limit or control exports of U.S. agricultural commodities."

We represent 23 million member families and oppose agricultural export controls for the following reasons:

(1) Farmers and nonfarmers alike benefited from an upsurge in agricultural exports to an all-time high of over $20 billion during the 1973–74 fiscal year. Increased output—made possible by export sales—means lower average production costs on farms. This leads to higher incomes for farmers and lower food costs for consumers. A high level of agricultural exports has a favorable effect not only on the net incomes of the producers of the commodities exported but also on the incomes of producers of other farm commodities and the incomes of workers employed in transportation and other export-related industries. The dollars earned by commercial exports are critically important to our country's international balance of payments. Further increases in agricultural exports will be needed in the years ahead to pay for expanding imports of petroleum and other essential raw materials.

(2) Export controls, like price ceilings, deal with the *symptoms* of inflation and divert attention from the need for a direct attack on our economic problems through effective action to reduce excessive government spending.

(3) Export controls involve the compulsory allocation of supplies by government. They cannot do this job as well as market prices. Such controls also are an instrument for politicizing foreign trade policies. They can lead to the allocation of exports for diplomatic and strategic objectives not related to economic efficiency. Politicized trade policies make it impossible for our country and others to gain the full benefits inherent in mutually advantageous trade conducted with a minimum of restrictions.

(4) The imposition of export controls on certain agricultural commodities in 1973 was a disastrous mistake. The long-run result will be a loss of some hard-won markets; many foreign buyers confronted by broken sales contracts have lost faith in the dependability of the U.S. as a source of supplies. As a result, the effectiveness of U.S. representatives in international trade negotiations has been reduced, and it will be harder to persuade foreign countries to lower their barriers to imports of our commodities.

We also oppose export controls on fertilizers, a nonagricultural commodity but one of great concern to American farmers and ranchers. Government price controls were the primary cause of recent shortages of fertilizers. They encouraged exports and reduced imports of fertilizer materials. Export controls on fertilizers would be undesirable because they would lead to foreign retaliation against our agricultural exports and reduce our fertilizer imports.

The Export Administration Act of 1969 should be extended in order to authorize controls over exports of certain strategic materials and technology related to the security of the United States. However, we urge you (1) to vote for revision of the Export Administration Act of 1969 to make it abundantly clear that this Act shall not provide authority for imposing export controls on agricultural commodities and (2) to vote against all proposals to impose export controls on fertilizers.

Your support of our position on these issues will be of benefit to urban consumers as well as farmers and ranchers and will be much appreciated.

Sincerely,

JOHN C. DATT,
Director, Congressional Relations.

Mr. BUCKLEY. Mr. President, the renewal of the Export Administration Act and amendments we are voting on today is flawed by a misplaced effort to deal with a pressing foreign trade problem; that of competition for resources from other nations. Attempting to deal with the problem of shortages through export controls rather than the marketplace is a means which can only exacerbate the problem.

For the past three decades the Congress has passed legislation which has had the effect of reducing the barriers to trade which were erected during the 1930's and 1940's. The result has been an enormous increase in international commerce, and an unprecedented increase in international prosperity.

This bill represents a step backward in that process which could act to diminish U.S. prosperity by inviting retaliation by other nations who may feel uncomfortable when the U.S. consumer is competing for resources within his own market.

The bill, as amended, would make it easier to impose controls on exports by eliminating the condition that there be an abnormal foreign demand for the goods in question, which I believe to be an appropriate condition. As we have already seen to our detriment, in the case of wage and price controls, a power in existence is a power which would be used. The vast armies of special interests would guarantee that such power would be exercised.

Moreover, the bill would permit the imposition of export fees; a step which the committee itself admits is of doubtful constitutionality given the specific language of article I, section 9, clause 5, of the Constitution prohibiting duties on exports from any state.

The remedy for shortages is not controls—we have seen the costly consequences of controls in 3½ years of experience with wage and price controls. The only answer which works in the long run is free markets; free markets will provide the incentive to increase supplies thereby providing goods and services to all who want them at the lowest price possible. Given free markets, the United States is in a better position to compete in international markets than most other nations; only the intervention of controls such as proposed in this bill could diminish our natural competitive advantage.

Mr. BAYH. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana.

Mr. STEVENSON. Mr. President, I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, at this time I would like to call up the amendments that I have discussed with my distinguished colleague from Illinois.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I call up amendment No. 1609.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. . Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. 185) is amended by inserting immediately after "quantity and quality of petroleum available to the United States" the following: "or result, directly or indirectly, in any increase in the price thereof".

Mr. BAYH. Mr. President, this amendment will close an unintended and potentially very expensive loophole in the legislation enacted last year authorizing construction of the trans-Alaska oil pipeline.

At the time that measure was before us, the Senate rejected a proposal to ban the exportation of oil from Alaska. Instead, the Senate adopted a provision, which became section 28(u) of the Mineral Leasing Act, which permits the exportation of U.S. oil from Alaska under certain circumstances so long as such exports do not reduce the total supply of oil available in the United States.

This provision will permit oil swapping, whereby a certain amount of oil from Alaska can go to Japan or other foreign countries if an equal amount of compensating oil is imported into the United States. This compensating oil would probably come from Venezuela and the Middle East, and likely be delivered via gulf coast and Atlantic ports.

Such swapping of oil is deemed necessary because from the time the Alaskan pipeline goes into operation—presumably 1979—until well into the 1980's the west coast will not be able to utilize the pipeline's 2-million-barrel-a-day capacity. Since there is no way the oil can be shipped eastward across the Rocky Mountains, it will have to be exported—something that those of us who preferred construction of the trans-Canadian oil pipeline pointed out during last year's debate.

In permitting this oil swapping, the Congress did require a Presidential finding that it was in the national interest and that it would not diminish the total quantity and quality of oil available to the United States.

However, these criteria left open a serious price loophole that could cost American consumers and industry up to $2 billion a year. It would work like this:

First, the major oil companies would sell up to a million barrels a day of our oil from Alaska, as much as 50 percent of the pipeline's capacity, to Japan and other foreign countries at the international price of oil. Under the present two-tier oil price system the international price is greater than the domestic price, a disparity that is likely to grow in the years between now and when Alaskan oil begins to flow.

Second, to make certain that such exportation of U.S. oil does not diminish the total quantity of oil available in the United States—as required by the statute—the same major oil companies would step up their imports of oil from Venezuela and the Middle East, charging U.S. consumers the same high international price for this compensating oil.

What this does, Mr. President, is to enable these oil companies to realize the higher international price—higher by as much as $5 a barrel—for U.S. oil from Alaska than they would receive if that same oil were sold within the United States. Since under such an operation the compensating imported oil would be billed at the prevailing world price, the multinational oil giants could realize an additional net gain of $5 a barrel on as much as a million barrels a day. That is $5 million a day, close to $2 billion a year in added energy cost for American consumers and industry.

My amendment would prevent such oil company mischief.

Specifically, this amendment to section 28(u) of the Mineral Leasing Act—which is that section of the pipeline legislation establishing standards for oil exports—adds a new criterion which must be met before U.S. oil could be exported from Alaska.

The amendment provides that such exports not only not diminish the total quantity and quality of oil available in the United States, but that such exports also not result, directly or indirectly, in any increase in the price of oil in the United States.

The effect of this standard, Mr. President, would be that American consumers and industry would pay no more for the imported oil brought to the United States to compensate for Alaskan oil sold abroad than those same consumers and industry would pay were the Alaska oil sold directly in the United States.

Japan, or any other country receiving U.S. oil, would pay the higher international price for the oil they received, but our citizens would pay the domestic price for the equivalent amount of oil imported to make up for the loss of oil sold abroad.

This will prevent the oil companies from escaping whatever domestic price controls might be in effect at the time, and foreclose the incentive to export more oil than necessary to exploit the price difference between U.S. and foreign oil.

Let me say, Mr. President, I am very much aware of the argument made against this amendment, that oil companies swap oil for convenience in marketing and to save transportation expenses all the time. And, the argument goes on, when this is done the oil is priced just as my amendment would require—with each country paying what they would for the crude oil if such switching did not take place. So, the argument concludes, this amendment is really not necessary, it would work this way anyhow.

In response, Mr. President, I must say that I recognize the realities of present international policy in oil marketing. But I also recognize a loophole when I see one. And I just refuse, as strongly as I know how, to leave the fate of consumers and industry in my State of Indiana, and across the country, in the hands of the multinational oil companies.

I refuse, Mr. President to rely on the verbal assurance of some oil company executive that the pricing policy which my amendment mandates would prevail in any event. I insist, instead, on writing into law the assurance which my constituents and all Americans deserve; the assurance that they will not pay the higher cost of oil company shenanigans at some future date.

And to those who oppose my amendment as being unnecessary I say, if the purpose of this amendment will be realized anyhow, why do you oppose it? Why do you object to codifying what you say is normal pricing policy in the international marketing of oil?

One can only conclude, Mr. President, that opposition to my amendment is tacit admission that the problem which I foresee down the road is very real. If the oil companies do not intend to exploit this loophole, then there is no reason for them to oppose this amendment to close that loophole.

On the other hand, if those oil companies greedily eyed this loophole as a means to fatten their already bloated profits, then their opposition makes sense. That, in turn, makes the best case for adoption of this amendment.

Mr. President, my colleagues will recall a rather heated debate which transpired on this floor not too long ago when we were discussing the pros and cons of the Alaskan pipeline. The Senator from Indiana opposed the Alaskan pipeline, and suggested what the Senator from Minnesota and several others suggested, that we would be better served as a Nation to provide for the distribution of the Alaskan oil through Canada into the middle part of our country.

There were two concerns that some of us in the Midwest had: One, that this pipeline was primarily designed for west coast distribution of the oil, and that the rest of the country would not benefit from it; secondly, that the west coast, at least during the first 10 years of the pipeline's production, would not be able to consume all of the oil that was coming through the pipeline. Thus, since the oil goes from north Alaska to south Alaska and then into the supertankers, it would be sold to Japan or elsewhere around the world and we would be losing this valuable resource to foreign markets.

Subsequent events have proven that both of these concerns have significant merit. But the pipeline is still being built, so that battle has been lost. It seems to me that there are some steps we can take to prevent one other thing from happening, which I think would be most unfortunate for consumers.

The oil companies respond to our concern that this Alaskan oil will be sold to Japan by saying, "Well, what we are really going to do is switch Alaskan oil for other oil in the Mideast or Venezuela and make that available to the east coast and the Midwest."

To meet this concern, we wrote into the bill—and I believe Senator JACKSON and Senator FANNIN agreed on the language—that this kind of switching could not take place if there was a decrease in oil, in quantity and quality, made available to the American consumer.

This did not deal with the fact that in order to keep even with what we need because we have an increase in demand, we are going to have to improve ever-increasing amounts, and thus the switching agreement will be possible. With the disparity which exists in the price between domestic oil and foreign oil, what we are going to have happen is the following: The Alaskan oil, with a domestic price of somewhere between $5 and $10, probably an average of $7, will be sold to Japan, probably at the international price of close to $11 or $12. Then that will be exchanged for a similar quantity of oil from Saudi Arabia or Venezuela and sold back into the country at the international price of $11 or $12. That $5 a barrel, multiplied by the total amount available, is going to cost the consumers of this country about $2 billion a year.

What my amendment says, very simply, is this: All right, go ahead and switch Alaskan oil for foreign crude, if you wish; but if you do so, we have to guarantee that the foreign crude that is the product of the switch is sold into this country at the same price that the domestic oil is pegged at, so that we are not losing that $5 a barrel and we are not going to be socking our consumers an additional $2 billion a year.

I have discussed this amendment with the distinguished Senator from Washington, who has been called to duty elsewhere. It is my understanding that he has no objection to it. Really, this is the thrust of what we tried to do earlier in the amendment he proposed. I think we will all agree that there is a loophole there and that this should close it.

Mr. STEVENSON. Mr. President, I have discussed this amendment with the Senator from Indiana, and I commend him for submitting it.

Without the adoption of this amendment, it is quite possible, as he points out, that oil could be accumulated in California in surplus quantities, and then exported to Japan, with large parts of the United States, particularly the Midwest and the Northeast, then dependent on undependable and more expensive foreign sources of oil, principally in the Middle East. This amendment would assure that all parts of the country, including the Midwest and the Northeast, would benefit from the Alaskan oil, not just the Japanese or some other foreign country.

So I think this is a fine amendment. So far as I am concerned, I am prepared to accept the amendment.

Mr. BAYH. Mr. President, if the Senator will yield, I might add just one word of appreciation to the distinguished Senator from Illinois, not only for his cooperation with respect to this amendment, but also for his cooperation and support in our efforts to get the Alaskan oil distributed into the middle part of the country, in the first place, and for his continued effort now to see that we are able to proceed with the distribution of the natural gas supply as we have originally been promised, and that it is brought into the central part of the country.

Mr. STEVENSON. That was a concern we had in the debate about the oil for the pipeline. The concern that the Senator from Indiana and I and others expressed was that once the decision was made to transport the oil across Alaska, the next argument would be made that the same route should be used to transport the gas. The Midwest and the Northeast, threatened by a shortage of energy, would end up without either the oil or the gas.

The Senator led that fight, and the decision ultimately was made to bring the oil down across Alaska. Now he is continuing the fight to make sure that in the Northeast and in the Midwest, severely threatened as they are by both shortages and high prices, we get our fair share. I think he deserves the gratitude of the Senate, and certainly of the Members from those large parts of the country who are fighting that fight.

Mr. President, I have discussed this matter with the Senator from Oregon.

Mr. FANNIN. Mr. President, if the Senator will yield, this has just come to my attention. Since it does involve legislation that has come under the jurisdiction of the Committee on Interior and Insular Affairs, I wonder whether the Senator did clear this matter with Senator JACKSON, the chairman of that committee.

Mr. BAYH. I mentioned earlier that I had discussed this matter with the distinguished Senator from Washington and that he does support it.

Mr. FANNIN. I thank the distinguished Senator from Indiana.

From what I observe, I believe that I, too, would support it. But I would appreciate having 5 or 10 minutes to check, to see exactly what effect it would have. I would like to check with counsel on it. It would be very helpful.

Mr. BAYH. I have no objection. In fact, if it is all right with the Senator from Illinois, I will call up my other amendment, and we can dispose of it while the Senator puts his "good housekeeping" stamp on this amendment.

Mr. FANNIN. I thank the Senator.

AMENDMENT NO. 1610

Mr. BAYH. Mr. President, I ask unanimous consent that my amendment No. 1609 be temporarily laid aside and that I may call up at this time amendment No. 1610.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill, insert the following new section:

SEC. . (a) The Comptroller General of the United States shall conduct a continuous review of the effectiveness of procedures implemented by the Secretary of Commerce pursuant to the provisions of section 4 of the Export Administration Act of 1969. In carrying out such review the Comptroller General shall consider, among other relevant factors—

(1) current and projected domestic shortages of key commodities, export levels of these commodities, the impact on domestic prices and employment of such shortages, and anticipated domestic and foreign demand for such commodities; and

(2) the need for additional export controls of commodities in short supply, the time and manner in which such controls should be implemented, and the recommended duration of any such controls.

(b)(1) The Comptroller General shall transmit to the Congress regular reports setting forth the results of the review required by subsection (a).

(2) In addition, the Comptroller General shall transmit without delay to the Congress a special report whenever he determines that there is a domestic shortage of any commodity which, together with exports of that commodity, threatens domestic price stability of that commodity and/or employment related to that commodity. Such report shall contain the Comptroller General's estimate of the extent of the domestic shortage of that commodity, the current and projected export levels, and the projected domestic price and employment impact at projected export levels. The Comptroller General shall include such recommendations for legislative or administrative action as he deems appropriate.

(c) Notwithstanding the provisions of any other law, in carrying out such functions, the Comptroller General is authorized to request, and any department, agency or instrumentality of the Federal Government is directed to furnish, such information as is necessary to carry out the functions provided for under this section, including estimates of the quantity of any commodity necessary for (1) domestic consumption, (2) exports, and (3) reasonable carryover, including disaster relief assistance or other emergency situations.

Mr. BAYH. Mr. President, this amendment is designed to enable the Congress to deal more effectively with the soaring inflation that is clearly the most significant economic problem facing us today.

One clear and ever present threat to domestic price stability is the uncontrolled exportation of commodities in short supply. Over the last year, domestic prices for such short supply commodities as scrap iron and steel, petrochemicals, and timber have skyrocketed due, in part, to the export levels of these commodities. The price of wheat, once an example of American overabundance, has still not stabilized in the continuing wake of the "great grain robbery"—the massive $2 billion sale of U.S. wheat and other grains to the Soviet Union.

Even a cursory examination of the percentage increases for exports of short supply or near short supply commodities underlines the gravity of the situation we are facing. From May 1973 to May 1974, exports of wheat increased by 142 percent, rice by 82 percent, ferrous scrap by 70 percent, fertilizer by 45 percent, and copper by 66 percent.

Not only has the sharp rise in the level of exports of short supply commodities worsened our spiralling domestic inflation, this increase has also had negative effects on employment related to such short supply commodities. The Cost of Living Council estimated that a 15 percent cutback in domestic petrochemical supply would result in 1.6 to 1.8 million lost jobs—raising the national unemployment rate by 1.1 percent.

The administration's policy toward controlling the expanding level of exports for short supply commodities has been schizophrenic at best. The administration stance has varied from refusing to take any corrective action—such as was the case during the last year with petrochemicals—to the disastrous implementation of across the board export controls—as was the case with the now infamous soybean embargo of June 1973.

Let me take a moment to examine in more detail, the administration policy with regard to a few key short supply commodities.

WHEAT

It is indeed ironic to think of wheat as a commodity that is even potentially in short supply. For years, wheat provided the very symbol of American overabundance. Yet, within a period of 2 years, wheat and related grains have reached the potential of such drastic shortages that the American consumer has had to pay an increase of more than a third, from $.26 to $.35 for a loaf of bread.

What made this disastrous situation possible, of course, was the administration's $2 billion sale of wheat and related grains to the Soviet Union in 1972. Personally, I do not believe in a policy that is so shortsighted as to sell American wheat to the Soviet Union for $1.63 a bushel, and then to find within 2 years time, we are faced with the possibility of a serious wheat shortage here at home, followed by a Russian offer to sell us back our own wheat at $4 a bushel—nearly two and one-half times the original price. Compounding this economic disaster was a Government subsidy program—paid for by the American taxpayer—which compensated the large grain dealers for the difference between the $1.63 paid by the Russians, and the current market price—a difference which ranged up to three times the amount paid by the Russians.

Admittedly, when the Russian wheat deal was negotiated, American wheat was not in short supply. Indeed, the opposite was true. The point here, however, is that the administration's monitoring of the actual amount of wheat being sold to the Soviet Union was so lax that by the time the administration's policy had been in effect for 2 months, the price of wheat on the domestic market had doubled. That spells inflation.

SCRAP IRON AND STEEL

Let us turn for a moment to scrap iron and steel. In late January of 1973, following 4 months of continually rising scrap prices, representatives of the steel and foundry industries met with officials of the Department of Commerce. The industry representatives stated that the steel and foundry industries would need a record 41.5 million tons of purchased ferrous scrap in 1973.

In the meantime, leaders of the scrap industry were openly projecting scrap exports for the first half of 1973 at an annual level of 12 million tons. Thus an unprecedented 53.5 million tons of scrap steel was deemed necessary to satisfy both domestic and foreign markets; it was clear there was not enough scrap to meet this total demand.

Requests for limitations on ferrous scrap exports fell on deaf ears. Prices rose accordingly, and on May 8, 1973, more than 3 months after the steel and foundry industries warnings, Secretary Dent announced that he was "extremely concerned" about price increases for ferrous scrap. Stating that the Department lacked "up-to-date information" the Secretary announced that a reporting procedure was being instituted. Under this program, exporters were required to report immediately to Commerce all orders accepted for 500 tons or more.

Finally, on July 2, 1973, Secretary Dent announced:

> I have determined that the criteria set forth in the Export Administration Act have been met by this commodity.

Whereupon the administration established a month-by-month licensing of scrap exports. The quota control system instituted last July remains in effect today, with a global quota of 2.1 million tons per quarter. Industry spokesmen feel this limitation remains much too high to effectuate any real control.

The effect of this limited action on the price of domestic scrap has been disastrous. By April 1974, scrap was selling at $170 per ton—more than triple the prevailing price at the close of 1972. That spells inflation.

PETROCHEMICALS

The drastic increase in the level of exports of plastic resins and other petrochemical feedstocks is something that I can speak to from a position of familiarity. Last December and then again in February of this year, I became so concerned with the domestic shortage of petrochemicals, I wrote to Secretary Dent asking him to use the authority granted him under the Export Administration Act to invoke export limitations on petrochemicals.

By mid-March, with nearly 3 months gone since my original contact with the Department of Commerce and the supply shortage for small plastic processors deteriorating, I called upon the General Accounting Office to investigate the economic consequences of a plastic resin and petrochemical shortage as well as the administration's response to this crisis.

We now have figures which show the administration's response to the petrochemical shortage—limited to the abrupt termination of domestic price controls which succeeded in driving the wholesale price index for 10 plastic resins up 27.6 percent in 2 months. Sample increases in that same 2-month period included a 35.7 percent rise in the wholesale price of polyvinyl chloride resin and a 49.4 percent rise for general purpose polystyrene resin. The administration's policy did nothing to increase the domestic supply of plastic resin and other petrochemical feedstocks, it simply pushed the domestic prices for these commodities upward.

That spells inflation.

SOYBEANS

While the Administration responded in only a halfhearted fashion to export controls of scrap iron and steel and not at all to petrochemical exports, it responded to the shortage of soybeans from the other extreme.

After 2 years of ever-increasing domestic prices and expanding exports, in June of 1973, the Administration clamped down an embargo on all U.S. exports of soybeans. This ill-conceived move was disastrous both domestically and in terms of our foreign relations with Japan—dependent upon the United States for 92 percent of her soybean imports.

Once again, we see Administration policy based on the absence of pertinent, adequate, or timely information. Again, as with the Russian wheat deal, we find the Administration reacting in a dumbfounded manner to its blunders. In the case of soybeans, the Administration tried to recoup its losses by removing the ill-conceived embargo after only 5 days duration. Surely we owe it to the American farmer to see that we have an orderly market mechanism which can respond based on factual and timely information so as to avoid such disasters in the future. Our farmers need foreign markets; but they also need policies which will a*vert severe price* fluctuations.

All these examples—wheat, scrap steel, petrochemicals, and soybeans—point to the need for an accurate information system upon which Congress may base its assessment of Administration actions regarding export controls of short-supply commodities. Personally, I do not believe in the use of export controls except in the most extreme and dire instances. But when such controls do prove necessary for the protection of our domestic economy, then we must have in effect a system which provides us with accurate, pertinent, and timely information upon which to base our decisions. Over the last year, the American consumer is having to pay for the 75-percent rise in the price of white bread flour; American automobile manufacturers are having to pay 70 percent more for scrap steel; and American farmers are having to pay 45 percent more for petrochemical fertilizers. Clearly the absence of a coherent policy with regard to the exportation of short-supply commodities and their effect on domestic price stability has caused us to lose ground in our war with inflation.

My distinguished colleague, Mr. STEVENSON, has made a valuable contribution in addressing this problem through the Export Administration amendments in requiring the Department of Commerce to institute a more formalized monitoring system for exports; nevertheless, I feel that the legislative branch of our Government has an equal obligation to remain informed in an area where Administration inaction has fostered inflation. Only with adequate, independent data can Congress reliably assess the performance at the Commerce Department, and be able to take action on its own when that is necessary.

Therefore, Mr. President, I offer this amendment to require the Comptroller General to begin a continuous monitoring and assessment of all short supply or potentially short supply commodities, the domestic price of such commodities, and the export level of these commodities.

Under my amendment, the Comptroller General is required to evaluate such factors as the current and projected domestic shortage of key commodities, the status of both domestic price and employment factors in industries related to such commodities, and the anticipated domestic and foreign demand for such commodities.

In addition, GAO is called upon to assess the need for additional export controls of any commodity in short supply, the time and manner in which such controls should be implemented, and the recommended duration of such controls.

Also, GAO is required to issue regular reports to the Congress summarizing these findings. We can expect such reports to be at least once or twice annually. In addition to the regular reports, the Comptroller General is directed to make special reports to the Congress at any time he feels that the level of exports of a commodity in short supply so threatens domestic price or employment stability that immediate congressional action is warranted.

My amendment establishes an information gathering system for the Congress that will enable us to keep abreast of necessary and relevant economic data. The Temporary Commission on Supplies and Shortages proposed by the distinguished majority leader (Mr. MANSFIELD) embodied a similar concept—the necessity of gathering information which encompassed future predictions on domestic shortages. My amendment would make such a concept a permanent fixture. With the continuous monitoring of prices and exports of short supply commodities, GAO will be able to keep the Congress in the posture of being able to act—act, Mr. President, not react—in an informed and rational basis to any serious threat to domestic price stability or employment.

I am pleased to say that my amendment has the support of the very able Comptroller General, Mr. Staats, with whom I discussed this measure, as well as numerous groups who speak for those very industries so threatened by current policies. My staff has received the verbal backing of the American Bakers Association, the Organization of Plastics Processors, and the Cast Iron Pipe Research Association.

It is important to remember that my amendment does not necessarily require future congressional action with regard to export controls. It in no way interferes with the authority presently exercised by those committees currently overseeing our export policies. What it does do, is provide a mechanism which fosters informed, and timely decisions, made in a systematic as opposed to an ad hoc or crisis related manner. For too long, Mr. President, the Congress has only been able to react to such seriously damaging inflationary crises. It is now the time, some would say way past the time, when Congress should begin to develop the capacity to act not react. The information gathering process created under my amendment would allow Congress to be able to perform in just this manner.

Mr. President, I do not know of any problem that concerns more people in the country today than the problem of inflation. One of our basic problems is that in the way we have dealt with the production of our resources here and the distribution, particularly the export of resources, we have followed a policy which, unfortunately, has ofttimes given more attention to the profit structure of certain large corporations than to the concerns for the people. More often, we have followed a policy which benefits the consumers in foreign lands rather than the consumers in our country.

I want to salute the distinguished Senator from Illinois, the distinguished Senator from Oregon, and others who have worked on this bill. I think it makes a significant contribution in assessing just where we are so far as the possibility of the exportation of sorely limited supplies is concerned.

This amendent would provide an independent source of information, a review of information, which is provided by the Commerce Department, and would make this information available to us in Congress from the General Accounting Office.

I have discussed this matter at some length with the Comptroller General. He has no objection to it. We have not established a separate independent office within GAO, nor have we specifically mandated that the report should be made quarterly. But we do anticipate that the Comptroller General will use the necessary resources to keep us on top of just exactly what is happening in areas such as scrap metal, certain kinds of agricultural products, the petrochemical industry, and so forth, and then will report back to us, so that we can have an independent source of information and be able to doublecheck on what the Commerce Department is doing.

Mr. STEVENSON. Mr. President, there is one point about this amendment that should be clarified.

As I understand it, the intention of the amendment is not to create another monitoring agency with the power to require basic data from businesses, from farm groups, from exporters, and the like. The proposal, as I understand it, is to give the General Accounting Office the authority to monitor the monitor, to review the activities of the Commerce Department under this legislation, and, on the basis of that review of data and its reports, makes recommendations to Congress.

I do not think I could support this amendment if it were going to create another agency, if it would authorize GAO to duplicate activities of the Commerce Department and the gathering of data causing inconvenience to businesses, farm groups, and others. If on the other hand it is clearly, as I believe it is, intended, to simply put the Comptroller General in the position of reviewing the monitoring procedures and the implementation of an export control policy, of making recommendations to the Congress, drawing on other agencies of government for facts, why I certainly would not oppose it.

I think if that is a proper interpretation as it stands amended, that the Comptroller General in this capacity could be of great assistance to the Congress.

Mr. BAYH. Basically, I want to say to my distinguished colleague from Illinois that the Comptroller General would provide a reviewing function of what is happening down at the Department of Commerce, but I see no reason for the amendment unless he is also permitted in those instances where he finds fault with what Commerce is doing to seek independent data and give us the advice of his independent judgment.

We do not want to duplicate what the Department of Commerce is doing, but I do not think we will be foreclosed from having our branch of the GAO give us independent data if it is felt the Commerce Department is not giving us the right data.

Mr. STEVENSON. The concern I have is not so much with independent data as it is with the collecting of the data.

The Senator from Indiana in this amendment gives the Comptroller General the authority to request information of other agencies of the Government. I do not see any authority here for the Comptroller General to set up his own independent monitoring agency and go out duplicating the activities of the Commerce Department requiring reports from businesses, farm groups, and the like.

It seems to me that the purpose could be fulfilled with information from other agencies, and the ultimate purpose of just giving ourselves reliable data is accomplished by assuring through the GAO that the Commerce Department's information-gathering techniques are reliable and that they are functioning properly in acquiring the data that we need.

Mr. BAYH. Well, I think we are saying the same thing, but I think I want to emphasize that if this is to be a legitimate review, as I think the Senator from Illinois wants and certainly the Senator from Indiana wants, then we have to say to the Comptroller General, alert us if you, from other sources, can make the judgment that what the Commerce Department is doing is wrong or the information they are giving us is either wrong or can be interpreted in a different way.

Mr. STEVENSON. Certainly, GAO in performing this function might take spot checks to determine the reliability of the basic data that the Commerce Department is acquiring.

I think that is reasonable, but I do not believe there is any misunderstanding about the intent or purpose of this amendment. I have discussed it with the Senator from Oregon.

Mr. PACKWOOD. Mr. President, we have no objection to this amendment or to the Senator's other amendment relating to Alaska oil and would be prepared to accept them both.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

Mr. STEVENSON. Mr. President, may I suggest we first move to the consideration of amendment No. 1610. I believe that is the pending question.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1610.

The amendment was agreed to.

AMENDMENT NO. 1609

Mr. BAYH. Mr. President, I suggest we return to the previous amendment that was temporarily laid aside.

The PRESIDING OFFICER. The clerk will state the amendment No. 1609.

The legislative clerk read as follows:

Sec. . Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. 185) is amended by inserting immediately after "quantity and quality of petroleum available to the United States" the following: "or results, directly or indirectly, in any increase in the price thereof".

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I have no further discussion.

The PRESIDING OFFICER. The question is on agreeing to the pending amendment (No. 1609).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1630

Mr. HARTKE. Mr. President, I send to the desk amendment No. 1630, as modified, and ask that it be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the amendment, as modified, will be printed in the Record.

The amendment, as modified, is as follows:

On page 6, between lines 16 and 17, insert the following new section 6, renumbering section 6 as section 7 and subsequent sections accordingly:

SCRAP IRON AND STEEL

Sec. 6. Section 4 of the Export Administration Act of 1969, as amended by section 3 and section 5 of this Act, is amended further by adding at the end thereof the following new subsections:

"(h) (1) For the fiscal year 1975, not more than five million tons of iron and steel scrap may be exported from the United States, including the District of Columbia, the Canal Zone, the Commonwealth of Puerto Rico, and all the territories, dependencies, and possessions of the United States.

"(2) The Secretary of Commerce is directed to allocate the iron and steel scrap that may be exported under (1) of this subsection consistent with the present allocation of iron and steel scrap exercised pursuant to the authority of this Act.

"(3) The Secretary of Commerce shall license exporters of iron and steel scrap in order to carry out this subsection.".

Mr. HARTKE. Mr. President, I have modified my amendment by striking the words "balance of" on line 6, thereby making the export controls I propose apply to the whole of fiscal year 1975 rather than the remainder.

Mr. President, on December 13, 1973, I detailed my concern about the critical short supply of iron and steel scrap and requested limiting exports of this commodity for fiscal year 1974. Unfortunately, Congress was not able to act on this measure at that time. However, my proposal alerted the Department of Commerce to the critical situation and that department made a weak attempt to alleviate the problem.

A critical short supply of iron and steel scrap still exists and in order to ease the present condition, I am offering this amendment which would limit exports of this scarce commodity to no more than 5 million tons for fiscal year 1975.

Such domestic supplies caused by excessive exports have added substantially to increased prices fueling domestic inflation. The Department of Commerce announced recently that in June of this year, scrap steel exports were at a yearly high. In June, over 922,000 tons of scrap were exported, bringing the cumulative total for the first 6 months of 1974 to 4.890 million tons.

The Department of Commerce has specified that they would license only 2.1 million tons per quarter. This would be 4.2 million tons for 6 months, yet 4.890 million tons have already been shipped out this year—690,000 tons over the Department's promised limit on exports in 1973.

If this excess policy is continued by the Commerce Department, total exports of scrap will reach over 9 million tons, only 2 million tons less than exports in 1973. It was the expressed purpose of the Department to limit exports, but that, in fact, is not happening.

The ferrous scrap situation threatens job stability, industrial growth and the American steel industry's ability to supply the Nation's need for steel.

Today, inventories of ferrous scrap have shrunk to their lowest level since World War II. As confirming evidence of shortages of scrap, especially in essential grades and sizes, scrap prices have soared far above their previous highs.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article entitled "Higher Scrap Costs Loom on the Horizon," written by Walt Bohne and published in the American Metal Market of July 25, 1974.

There being no objection, the article was ordered to be printed in the Record, as follows:

Higher Scrap Costs Loom on the Horizon

(By Walt Bohne)

Chicago.—Brokers bidding for July auto stamping plant bundles are predicting they'll draw prices in excess of the $155 per ton average attracted a month ago, based on recent ferrous scrap sales by the Erie Lackawanna and Baltimore & Ohio Railroads.

These recent rail sales which brought from $18 to $25 per ton more than they had a month earlier, are seen by traders as a barometer for the August ferrous scrap market.

Railroad scrap sales last week by the Penn Central Railroad substantiated the recent trend to higher scrap costs. Pennsy offerings brought $163 a ton for Class 24 railroad steel (listed generally as No. 1 railroad steel).

This category is generally on a par with No. 1 industrial heavy melting which is currently being listed in the district at $145 a ton and in Pittsburgh at $160 a ton.

STEEL AXLES HIGH

The highest priced item sold on the Pennsy scrap list was steel axles at $201 a ton, compared with $169 a ton paid a month ago by the top bidder.

This price breaks the $200 barrier for a top grade of scrap steel for the first time in history, observed one trader.

Other items went to high bidders at levels ranging from $141 to $190 a gross ton, in most cases delivered over the Pennsy's national rail network. Railroad specialties brought $171 a ton; scrap rail $180 a ton; and rerolling rail $190 a gross ton.

PRICE RANGES

The price range commanded by railroad scrap reflects an across-the-board price range for both prepared and unprepared material.

Some traders look for this pattern to rub off on the ferrous scrap market generally.

According to one source, the largest amount of auto scrap this month will come from the Vega producing plant in Lordstown, Ohio, which has been on strike for about a week.

Tonnage from Ford Motor Co. is not expected to change much from a month ago.

However, Chrysler Corp., which increased its tonnage offered by 30 percent in June, is expected to cut back by as much as one-half the auto scrap it offers this month.

Mr. HARTKE. Unless the Federal Government acts now to further limit exports of iron and steel scrap, steel mills and foundries in the United States will incur additional disruption in their production scheduling, at a time when domestic demand for iron and steep scrap continues at the highest level in history.

For well over 3 years, the foundry and steel industries' warnings have been answered with inadequate measures by the Commerce Department. As a result, the crisis has so deepened that only strong measures will now suffice.

Ferrous scrap makes up almost one-half of the total metallic input used in steelmaking. This stcrap is especially critcal for electric-furnace plants; their metallic input is almost 100 percent scrap. Of the projected 51.7 million tons of purchased scrap needed by the steel industry and foundries in 1974, approximately 29 million tons will be required by hundreds of smaller companies without blast-furnace facilities.

In all, to produce 150 million net tons of raw steel in 1974—the same amount as last year—plus 18 million tons of castings, the steel and foundry industries will need 51.7 million net tons of purchased ferrous scrap, or 8 million tons more than in 1973.

The increased need stems from two main causes:

First. There will be less pig-iron production in 1974. That is a consequence, among other things, of the tight supply of metallurgical coal, further compounded by the widespread shutdown recently of coal mines in West Virginia.

Second. There will be 3 million fewer tons of scrap available from in-plant sources in 1974, because of the heavy draw-down of inventories in 1973 to meet demand for finished steel.

The steel industry, with the support of the United Steelworkers Union and foundry companies, is asking that present scrap exports currently authorized at a monthly rate of 700,000 tons, an annual rate of 8.4 million tons, be reduced to assure an effective response to the scrap shortage. Part of the answer would be to limit exports of ferrous and stainless scrap to no more than 5 million tons for fiscal year 1975.

What is the history of the export of scrap steel? Based on its analysis of rising domestic and world steel demand, in late 1972, the steel industry warned the Commerce Department that a serious scrap shortage would develop in 1973 and that this situation could worsen as world demand for steel continued to increase. That is what happened.

In the last 6 months of 1972, exports of ferrous scrap were running well ahead of averages over the previous 10 years.

The pace quickened still more at the turn of 1973. Compared with 1 year earlier, export tonnage in December 1972 was up 90 percent; in January 1973, it was up 160 percent.

Translated into an annual rate, as the steel industry pointed out to a congressional committee in March 1973, this amounted to 13.3 million net tons. By contrast, the annual average over 10 preceding years was 7.4 million tons.

During the abnormal surge in exports of American ferrous scrap, demand at home for this essential raw material was mounting.

In December 1972, the steel and foundry industry asked the Commerce Department to limit exports to a reasonable level. Specifically, the industry asked that they be limited to an annual figure of about 7 million tons—600,000 tons a month.

The Government did not act until July 1973, and then it took only limited action. It was a case of too little, too late. When the books closed last year, 11.3 million tons had gone to export, badly depleting available domestic stocks.

To grasp the impact of high exports on domestic supply, consider this: Last year, 5.3 million additional tons of ferrous scrap were added to the U.S. supply. Yet, of this increase, 3.9 million tons went abroad in exports, leaving only 1.4 million tons for domestic use.

In 1973, the supply of purchased scrap reached a level of 54.6 million net tons—including exports of 11.3 million tons. Part of this supply had been accumulated in late 1972, and shipped to coastal ports for export in 1973. Getting this much supply in 1974 is unlikely due to this year's projected decline in prompt industrial scrap—largely automotive—and to the fact that last year, high domestic demand combined with an unprecedented rise in exports caused a serious scrap shortage. This year, however, even if the supply of purchased scrap reaches the level achieved last year, projected domestic demand of 51.7 million tons in 1974, will require that exports be limited to 3 million tons this year—if domestic requirements are to be met. The alternative: Scrap exports at a higher level will result in a proportionate decline in the amount of finished steel available to meet the needs of the domestic economy.

Finally, I ask my colleagues to consider what is done by countries of Western Europe and by Japan.

Except when home demand is low, they forbid or, at best, allow only minimal exports of scrap. Last year, for example, scrap exports out of the European Economic Community, a steel market comparable to our own, approximated only 400,000 tons, compared with the 11.3 million tons exported by the United States.

As worldwide demand was soaring, Britain, in September 1972, imposed an embargo closing off its exports of ferrous scrap except for a few low-quality grades.

Thus, while other industrial countries assure their own needs for ferrous scrap, the United States alone permits massive and unprecedented exports of this essential commodity. In doing so, it has, among other things, put its own steelmakers and foundries at an unfair disadvantage.

Certainly, in line with America's new realization that raw materials are in finite supply, Government on the one hand and concerned industries on the other, should develop long-term programs for scrap recovery. But longer term programs cannot answer the immediate need to maintain production operations.

Mr. President, the need for this amendment is clear. Potential adverse economic consequences of steel and iron shortages grow more severe with each passing week. The Congress must meet its responsibilities and take corrective action immediately.

For that reason, I urge the adoption of my amendment.

Mr. PACKWOOD. Mr. President, I have grave misgivings about this amendment. In the committee we have had numerous hearings on the subject. We have had both the scrap exporters and the purchasers of scrap come in and testify.

I found that the greatest part of the problem came during the wage and price control era, when we had a freeze on the price of scrap in this country, and it was much more profitable at that time to sell scrap overseas, where there was no limitation on price, although that was a problem we had with some other domestic products at that time also.

Second, I find that the steel companies now are exporting someplace between 10 and 15 million tons of steel a year, and if they are in a position to export this overseas in the form of finished products, I think it is unfair that they ask for the right to have that export market for themselves and, at the same time, want the scrap dealers to subsidize the purchase of their raw materials so that they can engage in a profitable overseas market.

Third, we have this situation under reasonable control now with the limitations placed by the Secretary of Commerce under the Export Control Act, and I would have misgivings about freezing into law a fixed amount, as I look at it now under your amendment, not for the remainder of the fiscal year but the start of the fiscal year, and I think it would be unwise under the circumstances to freeze a fixed amount under law when we are not sure what the market conditions are going to be 6, 7, 8 months hence, and especially since the exporters of steel are exporting overseas at a good profit to themselves.

Mr. HARTKE. I feel what we are going to do is to affect the inflationary condition of this country. Steel prices are going to continue going up higher and higher. Ferrous scrap exceeded for the first time $200 a ton. Shippings by Penn Central—it is still the biggest shipper of scrap—are reaching an all-time high.

The difficulty, very simply, is when the Senator says he finds this situation developed during the price freeze, I do not think the facts will substantiate that. The fact of the matter is that this year alone what we have here is even with the attempt by the Commerce Department to give lip service to some type of export control, which they have done in a haphazard and half-hearted fashion, it demonstrates specifically that in the first six months of this year they are going to exceed the annual allocation they set up by their own decision.

It is not merely a question of the steel mills themselves, it is a question of everybody concerned in the United States as to whether we are going to be more dependent upon foreign steel and put our own people out of work simply because we are shipping the scrap overseas.

One of the reasons I have indicated in my statement is that these other countries have lower-priced scrap at home which they protect in their own markets, and then they subsidize and add to the amount of scrap they have by going into the world market, and especially into the United States, and can afford to bid up the price.

For example, on the transportation costs alone, one shipper out of Connecticut said he could ship his scrap in such a way that it would only cost him $7 to go ahead and have that type of scrap bought and shipped to Japan, where it would cost $12 to ship it over to Pittsburgh. So we can see very readily what has happened here, and what we are doing is we are continuing some of the folly that we purposed in the early part of the 1930's when Japan because a big user of our scrap at that time, for a different purpose maybe, and we were willing to go ahead and continue to export our own domestic supply.

There is no question, and I do not think that anyone in the hearings before this committee, can contravene the fact that, as far as the scrap metal is concerned, we are in short supply. It is necessary for our domestic steel industry. The net effect of not putting in this type of control is to really not alone deplete our natural resources of scrap ferrous metal, but also, at the same time, substantially decrease the production capacity of our American steel mills. If we want to go ahead and bankrupt the United States, a vote against this amendment is a vote to bankrupt the United States in this one particular industry.

Mr. STEVENSON. Mr. President, I first want to commend the Senator from Indiana (Mr. Hartke) for bringing this serious matter to the attention of the Senate.

As the Senator from Oregon (Mr. Packwood) mentioned, it is not a matter which has escaped the attention of the Banking Committee. In fact, we have held hearings on the ferrous scrap shortage, and we have considered other proposals to limit exports of ferrous scrap.

As the Senator from Indiana points out, the scrap shortages and the high costs ripple out to the entire economy and become a source of inflation.

The question in my mind is one of methodology; and it is a question of whether the Congress is a proper body to mandate an export level or whether it is the Department of Commerce.

We have many such situations before us, and I just doubt the wisdom or the capability of Congress in legislating levels of exports for commodities. If we did it in this case, there would be no reason for not doing it in another case in which the shortage is just as severe and the inflationary consequences just as serious.

After considering this shortage and other shortages, the committee has taken the position that what we ought to do is try to reform the administration of export policy by the Department of Commerce. As one means of doing that, this bill, if enacted, would establish a new monitoring requirement that would give the Department of Commerce more reliable and better information with which to impose export controls and also give Congress a better opportunity to evaluate the Commerce Department's performance should that become necessary.

It is for that philosophical reason that I have to oppose this amendment. It is not for any lack of concern. In fact, I have introduced similar legislation in the past.

It is because I think the Department of Commerce, with the monitoring provisions that will be enacted into law and with the ability to act today in response to changing circumstances, is in a far better position to monitor exports and to impose export controls than is Congress. In fact, it has already acted in the case of ferrous scrap.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment. I understand that is the desire of the Senator from Indiana (Mr. Hartke).

Mr. HARTKE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Gravel). Is there a sufficient second? There is not a sufficient second.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, would the Senator withhold that?

Mr. HARTKE. Yes, I will.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, barring unforeseen developments, that the vote on the pending amendment occur at the hour of 2 o'clock. If anything unanticipated comes up this will be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, let me correct that to not to exceed 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Mr. HARTKE. Mr. President, I wish to comment briefly on what the Senator from Illinois has said.

What we are doing here is dealing basically with a problem where there was a surrender of constitutional authority and a delegation of legislative authority to the Department of Commerce. The Export Control Act was passed because the authority to regulate commerce is strictly in the Congress. That delegation was made, and, in the report itself, there is a statement by the committee in support of this bill stating that the Commerce Deparment had failed to interpret his delegation of authority in the manner in which the Congress had intended; that they had been far too strict in their definition of when they should move in the field of export controls.

The argument made by the Senator from Illinois does not deal with the merits of the amendment. As I understand it, he is just arguing about the procedure which is to be followed.

Really, all this amendment does is to tighten up the formula. This provides for a formula for control of export of an item which is in short supply. The change made by the committee provides that it will no longer be necessary for demand to be abnormal before export controls may be imposed. Instead, the controls may be used when foreign demand results or will result in an excessive drain of domestic material and serious inflation.

Both those factors are involved here. There is a serious drain of domestic supply which is contributing to inflation. So there are all the elements here present.

There is no argument against the merits. Not one single argument has been presented on this floor, not one single argument was presented in the committee against the merits of this type of amendment. As I said before, all we are doing is modifying the formula. The mechanism does not change.

We are simply providing that in this field, at least, there is an effort here and an obvious opportunity to control inflation.

So we have two propositions facing us. We want to control inflation, and this will be a control on inflation. If we want to prevent the abnormal drain of an item which is in short supply, we can do that at the same time that we can provide for a continuation of a vital and very necessary domestic energy supply, and also for a domestic steel source.

Mr. President, I see no argument against this amendment at all, except for the fact that it was not included in the committee. Maybe they feel somewhat chagrined that they did not include it.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER WITH RESPECT TO VOTE ON CLOTURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to the vote on the motion to invoke cloture, that all amendments that are at the desk at the time the vote occurs qualify under the reading requirement of the rules.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

Mr. MANSFIELD. Mr. President. I ask the Chair to lay before the Senate a message from the House of Representatives on S. 425.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 425) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, with amendments which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1974".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(a) the extraction of coal by underground and surface mining from the earth is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation;

(b) there are surface and underground coal mining operations on public and private lands in the Nation which adversely affect the environment by destroying or diminishing the availability of land for commercial, industrial, recreational, agricultural, historic, and forestry purposes, by causing erosion and landslides; by contributing to floods and the pollution of water, land, and air; by destroying public and private property; by creating hazards to life and property; and by precluding post-mining land uses common to the area of mining;

(c) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry;

(d) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner;

(e) the initial and principal continuing responsibility for developing and enforcing environmental regulations for surface and underground coal mining operations should rest with the States; and

(f) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to prevent the adverse effects to society and the environment resulting from surface coal mining operations and surface impacts of underground coal mining operations;

(b) establish priorities to the extent necessary in the nationwide program among the various types and individual operations of mining activities, their impacts on the environment, and the locations of mining relative to population concentrations and impacted land uses;

(c) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(d) assure that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(e) assure that surface coal mining operations are so conducted as to protect the environment;

(f) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(g) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided;

(h) assist the States in developing and implementing a program to achieve the purposes of this Act;

(i) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public; and

(j) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act.

TITLE II—CONTROL OF ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

INITIAL REGULATORY PROCEDURE

SEC. 201. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by the State unless such person has obtained a permit from the State regulatory authority.

(b) On and after the date of enactment of this Act, all new surface coal mining operations on lands on which such operations are regulated by the State shall comply, and all new permits issued for surface coal mining operations shall contain terms requiring compliance with the following environmental protection standards:

(1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope: *Provided*, That the spoil is shaped and graded in such a way as to prevent slides, erosion, and water pollution, and is revegetated in accordance with subsection (3) below: *Provided further however*, That (A) the regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mountaintop mining operations which will eliminate all high walls, if such placement is consistent with the approved postmining land use of the mine site and (B) the provisions of this subsection (b) (1) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area.

(2) (A) With respect to all surface coal mining operations, the operator shall backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless depressions are needed in order to retain moisture in order to assist revegetation or as otherwise authorized under paragraph (2) (D) of this subsection).

(B) *Provided*, that in surface coal mining which is carried out at the same location over a substantial period of time, where the operation transects the coal deposit and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden, giving due consideration to volumetric expansion, at a particular point on the mining site is insufficient or unavailable from other portions of the site to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) in order to cover all acid-forming and other toxic materials, to achieve not more than the angle of repose to provide adequate drainage and to facilitate an ecologically sound land use compatible with the surrounding region but not necessarily meeting the revegetation requirements of subsection (3): *And provided further*, That in surface coal mining other than as described in the first proviso of this subparagraph (B), and other than operations covered by subsection (b) (1) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion, the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding regions and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b) (3) of this section;

(3) With respect to all surface coal mining operations, establish on regraded and all other lands affected, a diverse vegetative cover capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation: *Provided*, That introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post-mining land use plan.

(4) With respect to all surface coal mining operations, remove the topsoil in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil, and when the topsoil is not replaced in a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or by other means so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material from other strata or drainage, and is in a usable condition for sustaining vegetation when replaced during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, preserve, and replace in a like manner such other strata which is best able to support vegetation: *Provided*, That if the appropriate State agricultural agency approves, it shall not be necessary to separate the topsoil and other strata of subsoil if it can be shown that a mix of such topsoil and subsoil and soil nutrient would be equally suitable for vegetation requirements and meet the requirements of sound reclamation practices. In such instances, the operator shall remove, segregate, and replace the mix of topsoil and such other strata in a manner prescribed by the appropriate State agricultural agency.

(5) (A) With respect to surface disposal of coal mine wastes, coal processing wastes or other wastes in areas other than the mine workings or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials assuring the leachate will not pollute surface or ground waters and the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to provisions of this Act; and

(B) With respect to the use of impoundments for the disposal of coal mine wastes, or coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Pubilc Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds.

(6) Minimize the disturbances to the hydrologic balance at the minesite and associated offsite areas and to the quantity and quality of water entering surface and ground water systems both during and after surface mining and reclamation giving particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels.

(7) Upon petition by the permittee or other applicant for a permit and after public notice and opportunity for hearing, the regulatory authority may grant one or more exceptions to the environmental protection standards set forth in the first clause before the first proviso in paragraph (1) and the provisions of paragraph (2) of this subsection, if the regulatory authority issues a written finding that one or more such standards cannot reasonably be met and that the permittee has shown by proper documentation that each specfic item of equipment which is named in the petition as being essential to the performance of the standard in question, cannot be delivered by the manufacturer or supplier prior to the date on which the operation is required under this Act to be in compliance with said standards, and no other equipment owned by or readily available to the permittee or applicant is suitable for the performance of such standards.

The basis for any such exception shall be reviewed at least once every three months by the regulatory authority. If pursuant to such review, the regulatory authority finds that the permittee does not show, by proper current documentation, that the specific items of equipment named in the petition still cannot be delivered to the operator by the manufacturer then the exception shall be canceled.

At any time if the permittee is found to be in noncompliance with any other provision of this Act or if a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act is implemented, then any such exception shall cease to be effective immediately.

(c) On and after one hundred and eighty days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by the State existing at the date of enactment shall comply with the standards in subsection (b) above with respect to lands from which the overburden has not been removed. Within one hundred and twenty days following enactment of this Act, the regulatory authority shall review and amend permits in order to incorporate in them the standards of subsection (b) above.

(d) Upon petition by the applicant or permittee and after public notice and opportunity for a hearing, the regulatory authority may grant exceptions to provisions in the first clause before the first proviso in subsection (b) (1) and to the provisions of subsection (b) (2) of this section if the regulatory authority issues a written finding that one or more variations from these provisions will enable the affected land to have an equal or higher postmining economic or public use and such use will be achieved within a reasonable time, is consistent with surrounding land uses and with local, State, and Federal law and can be obtained only if one or more exceptions to the above provisions are granted.

(e) Not later than eighteen months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, pursuant to section 203 of this Act, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process these applications and grant or deny a permit within six months from the date of approval of the State program, but in no case later than thirty-six months from the date of enactment of this Act. The application filed pursuant to this provision and the permit thereby obtained shall be in full compliance with this Act.

(f) No later than one hundred and eighty days from the date of enactment of this Act, and after issuing regulations in accordance with the procedures of section 202, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been accepted pursuant to section 203 of this Act or until a Federal program has been implemented pursuant to section 204 of this Act. The enforcement program shall:

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsection (b) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provisions of this title to correct violations identified at the inspections:

(2) provide that upon receipt of inspection reports indicating that any coal surface mining operation has been found in violation of subsection (b) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 701(a) shall be available to the Secretary prior to the approval of a State program pursuant to section 203 of this Act to reimburse the States for conducting those inspections in which the standards in subsection (b) above, are enforced and for the administration of this section.

(g) A coal surface mine operator operating pursuant to a valid permit and awaiting administrative action on his application for a permit from the appropriate regulatory authority may during the period prior to approval or disapproval of a State program pursuant to section 203 of this Act and for six months thereafter continue to operate his surface mine beyond the date of expiration of his permit subject to the terms and conditions of his permit or application in the event the appropriate regulatory authority has not acted on his application by the time his permit expires.

(h) During the period prior to approval of a Federal or Indian program pursuant to this Act, including judicial review of the approval of a Federal or Indian program, new or existing coal surface mining operations on Federal land and Indian land may commence or continue mining operations: *Provided*, That such operations shall be subject to and bound by the provisions of section 201(b) hereof. The enforcement procedures of section 220 shall apply to such coal surface mining operations and the Secretary shall order the random inspections of such operations in the same manner provided by section 201(f) hereof. For purposes of this section existing coal surface mining operations means those in existence on the date of enactment of this Act and those for which substantial legal and financial commitments were in existence prior to September 1, 1973.

(i) On and after the date of enactment of this Act, no person shall open, develop, or extend any new or previously mined or abandoned site for surface coal mining operations within any area of the National Park System, the National Wildlife Refuge System, or the National Wilderness Preservation System. Nothing in this Act shall be construed as authorizing surface coal mining operations within Federal lands where such mining is prohibited on the date of enactment of this Act by law, regulation, order, deed, or other instrument.

PERMANENT ENVIRONMENTAL PROTECTION STANDARDS

SEC. 202. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title II and establishing procedures and requirements for preparation, submission, and approval of State programs and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857); and

(C) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

STATE PROGRAMS

SEC. 203. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume State regulatory authority under this Act, shall submit to the Secretary, by the end of the twenty-four-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of cease and desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of lands unsuitable for surface coal mining in compliance with section 206; and

(6) establishment, for the purpose of avoiding duplication, of a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof: *Provided, however*, That no State program shall be resubmitted pursuant to this subsection after thirty months from the date of enactment of this Act: *Provided further*, That the Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

FEDERAL PROGRAM

SEC. 204. (a) The Secretary shall prepare and implement a Federal program for the regulation of surface coal mining in any State which fails to—

(1) submit and obtain approval of a State program as required under section 203; or

(2) adequately implement, enforce, or maintain a State program once approved pursuant to section 204.

(b) In the event that a State has a regulatory program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 220, of that part of the State program not being enforced by such State.

(c) If State compliance with section 203 requires an act of the State legislature, the Secretary may extend the period for submission of a State program up to an additional six months in those States which have a constitutional convention in 1974 and whose legislatures do not meet in regular session until 1975.

RESUBMITTAL OF STATE PROGRAM

SEC. 205. A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 203(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 203 (a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 206. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this section but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible.

(3) A surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with Federal, State, or local plans to achieve essential governmental objectives; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) In no event is land to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1973.

(b) The Secretary shall conduct a review of the Federal lands and to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 204, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. As soon as practicable after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resources of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

EFFECT ON STATE LAW

SEC. 207. Where any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides more stringent environmental controls and regulations of surface mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto, such provision of State law or regulation shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 208. (a) After six months from the date on which a State program is approved by the Secretary, pursuant to section 203 of this Act, or the Secretary has promulgated a Federal program for a State not having a State program, pursuant to section 203, no person shall engage in surface coal mining operations unless such person has obtained a permit in full compliance with this Act from the appropriate regulatory authority.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

PERMIT APPROVAL OR DENIAL

SEC. 209. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 214, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision or renewal application shall be approved unless the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that (1) the requirements of this Act, and the rules and regulations adopted thereunder will be met, (2) there is objective assurance that the reclamation of the area of affected land can be achieved, and (3) the proposed postmining land use is (A) compatible with surrounding land uses, exclusive of surface mining, (B) practical with respect to need or the surrounding land uses, and (C) reasonable with respect to the likelihood of availability of both public and private resources and support which may be needed to achieve such objectives.

(c) Prior to the issuance of a permit, the regulatory authority shall review and alter a proposed mining and reclamation plan with respect to the methods, sequence, timing of specific operations in the plan, or the deletion of specific operations or areas from part or all of the plan in order to assure that the environmental protection objectives of this Act are met.

(d) No permit shall be issued by the regulatory authority unless the permit application affirmatively demonstrates that, and the regulatory authority makes specific written findings to the effect that—

(1) there is probable cause to believe that the proposed surface coal mining operation will result in reclamation of the land area affected pursuant to the performance standards set forth in section 211 of this Act and regulations promulgated pursuant to this Act;

(2) the post-mining land use as proposed in the reclamation plan is practical, is likely to be achieved, and is not inconsistent with surrounding land uses;

(3) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 206 of this Act or is not within an area under study for such designation (unless in such an area as to which an administrative proceeding has commenced pursuant to section 206(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to September 1, 1973, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit);

(4) the land to be affected does not lie within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or cemetery; nor shall the land to be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(5) the impacts of the mining operations on the hydrologic balance on and off the permit area are minimized; the specific provisions of section 211(b)(14) are met; the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 210(b)(14) has been made and the proposed operation thereof has been designed to prevent irreparable offsite impacts to hydrologic balance;

(6) the operator is not presently ineligible to obtain a permit to conduct any coal mining operation under the law of any Federal or State program authorized by this Act;

(7) the operator has not had a permit revoked by any regulatory authority under this Act within five years preceding the filing of the application;

(8) mining operations would not adversely affect nearby lands and waters to which the public enjoys use and access, or the mining of any area of land within one mile of publicly owned lands or parks or places located in the National Register of Historic Sites unless screening and other measures approved by the regulatory authority are used and the permit so provides, or if the mining of the area will not adversely affect or reduce the usage of the publicly owned land;

(9) the mining operations are not located within any area of the National Park System, the National Forest System, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however*, That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act, within any area of the National Forest System or the Wild and Scenic Rivers System or on lands within either system where the deeds conveying the surface lands to the United States reserve the coal and provide for the mining thereof; but, in no event shall such surface mining operations be exempt from the requirements of this Act;

(10) the permit application does not include areas of lands affected that are noncontiguous;

(11) the operator has not forfeited a bond or partial bond under this Act within the past five years;

(12) the surface coal mine operations are not located within, and would not adversely affect, an alluvial valley floor in semiarid and arid regions; and

(13) the application on its face is complete, accurate, and contains no false information.

(e) The applicant shall file with his permit application a schedule listing any and all violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air, or water environmental protection incurred by the applicant in connection with any coal surface mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any coal surface mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

APPLICATION REQUIREMENTS

SEC. 210. (a) Each application for a mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program, and shall be in addition to the fee required for the Abandoned Mine Reclamation Fund.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of the permit applicant (if the applicant is a subsidiary corporation, the name and address of the parent corporation must be included); every legal owner of the property (surface and mineral) to be mined; the holders of any leasehold or other equitable interest in the property of record; any purchase of the property under a real estate contract; the operator if he is a person different from the applicant; and, if any of these are business entities other than a single proprietor, the names, addresses of the principals, officers, and resident agent;

(2) the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States or its territories and possessions;

(3) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(4) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(5) evidence of compliance with section 709;

(6) the names and addresses of the owners of all surface and subsurface areas abutting on the permit area;

(7) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(8) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which has been suspended or revoked or has ever had a mining bond or similar security deposited in lieu of bond forfeited and a brief explanation of the facts involved in each case;

(9) an accurate map or plan to an appropriate scale clearly showing the land to be affected and contour lines of the surface at sufficient intervals of elevation to accurately depict the topography of the terrain, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist when specific subsurface information is deemed essential and requested by the regulatory authority. Such a map or plan shall among other things specified by the regulatory authority show all the boundaries of the land to be affected, its surrounding drainage area, the location and name, where known, of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, creeks, streams, rivers, springs, and other surface water courses, the name and boundary lines of the present owners of all surface areas abutting on the permit area and the location of all buildings on such abutting surface areas and within one thousand feet of the permit area; and the purpose for which each building is used;

(10) typical cross-section maps or plans of the land to be affected including the actual area to be mined showing pertinent elevation and locations of test borings or core samplings required under subparagraph (16) including the nature and thickness of any coal or rider seam above the coal seam to be mined, the nature of the stratum immediately beneath the coal seam to be mined, all mineral crop lines, strike and dip of the coal to be mined within the area of land to be affected, existing or previous surface mining limits, the location and extent of known working of any underground mines, including mine openings to the surface, the location of aquifers; underground waters, and the estimated elevation of the water table, the location of spoil, waste or refuse areas, the topsoil preservation areas, the location of all impoundments for waste or erosion control, any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross-sections of the anticipated final surface configuration that will be achieved pursuant to the operator's approved reclamation plan. The information pertaining to the coal seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of the bond, such information may be disclosed to such interested parties under appropriate protective provisions.

(11) a copy of the applicant's advertisement to be published pursuant to section 214(a), which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(12) the name of the watershed and location of all known surface and underground waterways into which surface waters may or will be discharged;

(13) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved

and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(14) a complete and verifiable list of all deeds, leases, options, or other instruments granting to the applicant or his agents rights to or in the land or minerals to be affected by the proposed permit;

(15) when requested by the regulatory authority, a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this subsection which is not on public file pursuant to appropriate laws shall be held in confidence by the regulatory authority;

(16) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the coal seams may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality, the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(17) such other information as the regulatory authority may require.

The collection and analyses of all information required under paragraph (16) of this subsection shall be conducted by a laboratory which is approved by the regulatory authority. The regulatory authority shall establish rules to preserve the integrity of the sampling. Information from test borings and core samplings required by this paragraph shall be made available to interested parties and that which pertains only to the quantitative and qualitative analysis of the coal seams (except the information regarding such mineral or elemental contest which is potentially toxic in the environment), shall be kept confidential and not made a matter of public record. If such coal seam information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(c) The mining and reclamation plan which each applicant for a permit shall be required to submit with a permit application, consistent with the performance criteria provided for in this Act, shall include, at least—

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) a statement describing the full range of uses to which the land was put and the predominant uses of the area immediately surrounding the area of land to be affected prior to the commencement of any mining, and a description of the use or uses proposed to be made of the area of land to be affected following reclamation;

(3) a detailed description of the manner in which mining operations will be conducted and of the actions taken or planned to prevent adverse environmental effects during the life of the mining and reclamation operation;

(4) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of the quantity and quality of surface and ground water systems, both onsite and offsite from adverse effects of the mining and reclamation process, and the rights of present users to such water;

(5) a detailed description of the reclamation activities that will be taken to return the mined area to a condition consistent with the applicant's proposed postmining land use and in accordance with provisions of this Act (including, but not limited to preventing polluting discharges, seepages, mine and refuse bank fires, and other conditions that present an imminent hazard to the health or safety of the public on the permitted site that resulted from previous mining operations);

(6) a detailed description of how the proposed postmining land use is to be achieved and the necessary public or private support activities which may be needed to achieve the proposed land use;

(7) a detailed time schedule, including interim completion dates, for key stages of the surface coal mining and reclamation plan;

(8) a description of the actions planned to insure compliance with the environmental performance standards set forth in this Act and supplemented by regulation by the regulatory authority; and

(9) such other requirements as the regulatory authority shall prescribe by regulation.

(d) each applicant for a surface mining and reclamation permit shall file a copy of his application for public insection with the Recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(e) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall cover the mined area and provide for both on- and off-site personal injury and property damage protection as a result of mining and reclamation operations and entitled to compensation under the applicable provisions of Federal or State law but in any event shall not be less than $100,000, or for such higher amounts as the regulatory authority deems necessary in light of potential risk and magnitude of possible off-site damages. Such policy shall be for the term of the permit and any renewal, including the length of any and all reclamation operations required by this Act.

(f)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written finding by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface mining and reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 216(d), and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal on a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit the portion of the application for revision of a valid permit shall be treated as a new application which addresses any new land areas or any application and subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the periods of the original permit established by this Act. Application for permit renewal shall be made at least one hundred twenty days prior to the expiration of the valid permit.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 211. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operator as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reflecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) assure that any temporary environmental damage will be contained in the permit area;

(4) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of reclamation with the process of mining to keep reclamation operations current, and to complete such reclamation in any separate distinguishable portion of the mined area, as promptly as possible, but not later than the time specified in a reclamation schedule which shall be attached to the permit;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid

or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) stabilize and protect all surface areas including spoil piles affected by the mining and reclamation operation to control as effectively as possible erosion and attendant air and water pollution;

(7) insure that all debris, acid, or highly mineralized toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters and sustained combustion;

(8) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist re-vegetation or as otherwise authorized pursuant to paragraph (9) of this subsection): *Provided, however*, That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit and the thickness of the coal deposit relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve and ecologically sound land use compatible with the surrounding region: *And provided further*, That in surface coal mining other than as described in the first proviso to this paragraph (8), and other than operations covered by subsection (c) of this section, where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate original contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion and water pollution and is revegetated in accordance with subsection (b)(13) of this section;

(9) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83–566;

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational or domestic uses;

(10) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(11) restore the topsoil or the best available subsoil which has been segregated and preserved;

(12) establish on the regraded areas, and all other lands affected, a diverse vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post mining land use plan;

(13) assume the responsibility for successful revegetation for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure a permanent, self-regenerative, effective, and diverse vegetative cover suitable to the area, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period for responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exceptions to the provisions in this subsection (b) which require a diverse, self-regenerative, or permanent vegetative cover;

(14) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated off-site areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing bore holes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface mining operations so as to prevent additional contributions of suspended solids to stream flow or run-off outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the minesites to approximate premining conditions;

(E) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semiarid areas of the country; and

(F) such other actions as the regulatory authority may prescribe;

(15) prevent any offsite damages that may result from such mining operations and institute immediate efforts to correct such conditions;

(16) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes, or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams, or settling ponds;

(17) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction and compacted layers with incombustible and impervious materials, and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(18) with respect to the use of explosives—

(A) provide advance written notice of the planned blasting schedule to local governments and advance notice to residents who might be affected by the use of such explosives by publication in a newspaper of general circulation in the locality of the proposed site one week in advance of the planned blasting and post such schedules at the entrances to the permit area and maintain for a period of at least three years a log of the magnitudes and times of blasts;

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(C) refrain from blasting in specific areas where the safety of the public or private property or natural formations of more than local interest are endangered;

(19) refrain from surface coal mining within five hundred feet from underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to such a mine: *Provided*, It does not create hazards to the health and safety of miners, or shall permit an operator to mine near, through, or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or

elimination of public hazards and such mining shall be consistent with the provisions of this Act.

(20) fill all auger holes to a depth of a minimum of three times the diameter with an impervious and noncombustible material; and

(21) construct access roads, haulroads, or haulageways with appropriate limits applied to grade, width, surface materials, spacing, and size of culverts in order to control drainage and prevent erosion outside permit area, and upon the completion of mining either reclaim such roads by regrading and revegetation or assure their maintenance so as to prevent erosion and siltation of streams and adjacent lands.

(c) The following performance standards shall be applicable to steep-slope surface coal mining and to mining operations which create a plateau with no highwalls remaining in such a manner as to otherwise meet the standards of this subsection and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (c) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that where necessary spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited specified area of the downslope: *Provided,* That the spoil is shaped and graded in such a way to prevent slides, erosion and water pollution and that the other requirements of subsection (b) can still be met.

(2) Complete backfilling with spoil material shall be required to a contour necessary to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this subsection, the term "steep-slope" is any slope above 20 degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(5) With regard to postmining uses of land to which the performance standards of this subsection apply, any industrial, commercial, residential, or public facility development proposed for the affected land shall be shown by proper documentation to be:

(A) compatible with adjacent land uses;

(B) obtainable according to data regarding expected need and market;

(C) assured of investment in necessary public facilities;

(D) supported by commitments from public agencies where appropriate;

(E) practicable wth respect to private financial capability for completion of the proposed development;

(F) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(G) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage and configuration necessary for the intended use of the site;

(d) (1) In cases where an industrial, commercial, residential, agricultural, recreational, or public facility development is proposed for postmining use of the affected land, the regulatory authority may grant appropriate exceptions to the requirements for regrading, backfilling and spoil placement as set forth in subsection 211(b)(8) and in subsections 211(c) (1) and (2) of this Act, if the regulatory authority issues a written finding following public notice and public hearing pursuant to the provisions of section 214 that—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute a higher or better economic or public use of affected land, compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements for regrading, backfilling, and spoil placement as set forth in subsection 211(b)(8) and subsections 211 (c) (1) and (2) of this Act are granted.

(2) With respect to subsection 211(b) (12) and subsection 211(b)(13) of this Act, where postmining land use development is in compliance with all the requirements of this subsection and where the regulatory authority has found that an exception to the revegetation standards is necessary to achieve the postmining land use development, the regulatory authority may grant an appropriate exception allowing maintenance of the vegetative cover to be terminated in advance of the expiration of the five-year or ten-year periods of responsibility for establishment of a permanent vegetative cover at particular locations and times as specified in the approved schedule and reclamation plan.

(3) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with terms of the approved schedule and reclamation plan.

(e) The regulatory authority may impose such additional requirements as he determines to be necessary.

SURFACE EFFECTS OF UNDERGROUND MINING OPERATIONS

SEC. 212. (a) In order to regulate underground coal mining operations, the Secretary shall promulgate rules and regulations directed toward the surface affected by such underground coal mining operations embodying the following requirements and in accordance with procedures established under section 202 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) Adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided,* That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine workings when no longer needed for the conduct of the mining operations;

(3 with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers with incombustible and impervious materials and assure that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(4) with respect to the use of impoundments for the disposal of coal mine wastes, coal processing wastes or other liquid or solid wastes, incorporate the latest engineering practices for the design and construction of water retention facilities and construct such facilities to insure that the construction will be so designed to achieve necessary stability with an adequate margin of safety to protect the health and safety of the public and which, at a minimum, is compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006); that leachate will not pollute surface or ground water, and that no mine waste such as coal fines and slimes determined as unsuitable for construction constituents by sound engineering methods and design practices are used in the construction of water impoundments, water retention facilities, dams or settling ponds;

(5) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(6) prevent off-site damages which may result from such mining operations;

(7) prevent the discharge of water-borne pollutants both during and after mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) All operators of underground coal mines, both during and after mining, shall have abatement and remedial programs to eliminate any polluting discharge into our Nation's waters and to eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public.

(e) The provisions of title II of this Act relating to State and Federal programs, permits, bonds, inspection and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permit application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 202 of this Act.

REVISION AND REVIEW OF PERMITS

SEC. 213. (a) During the term of the permit the permittee may submit an application, together with a revised mining and reclamation plan, to the regulatory authority for a revision of the permit.

(b) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised mining and reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided,* That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(c) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(d) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided,* That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

(e) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Following promulgation of a Federal program, the Secretary shall review such permits to determine if the requirements of this Act are being violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine if the requirements of the approved State program are being violated. If the State regulatory authority determines that any permit has been granted contrary to the requirements of the approved State program, it shall so advise the permittee and provide ninety days for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the approved State program.

PUBLIC NOTICE AND PUBLIC HEARINGS

Sec. 214. (a) At the time of submission of an application for a surface mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

Sec. 215. (a) If a public hearing has been held pursuant to section 214(b) of this Act, the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursant to section 214(b) of this Act, the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

POSTING OF BOND

Sec. 216. (a) After a surface mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, under an approved State program, and conditioned that the operator shall faithfully perform all the applicable requirements under this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and reclamation operations. As succeeding increments of surface mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000. Liability under the bond shall be for the duration of the surface mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 211(b) (13). The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regulatory authority shall immediately place the deposit with, as appropriate, the Secretary of the Treasury or a similar State authority under an approved State program, who shall receive and hold the deposit in safekeeping in the name of the United States, or the appropriate State under an approved State program, in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury or the aforesaid State regulatory authority, on written order of the regulatory authority, the whole or any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury, or the aforesaid State authority, and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other securities acceptable to the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased or decreased by the regulatory authority from time to time as affected land acreages are changed or where the cost of future reclamation increases or decreases.

BOND RELEASE PROCEDURES

Sec. 217. (a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, he may report the completion to the regulatory authority, and request the release of 60 per centum of the bond or collateral for the applicable permit area. The request shall specifically include—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the reclamation work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of reclamation activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved reclamation plan.

(b) Upon receipt of the notification and request, the regulatory authority shall, within one hundred days thereafter, make an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance or future occurrence of such pollution, and the estimated cost of abating such pollution. If the regulatory authority finds that the reclamation meets the requirements of this Act, he shall so notify the operator and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the inspection and evaluation have been made. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan, the operator may request the release of additional bond or collateral for the applicable permit area. This request shall specifically include—

(1) location of the land, number of acres, and approximate dates of revegetation work;

(2) the permit number;

(3) the amount of bond sought for release; and

(4) a description of the revegetation work accomplished including seed bed and soil conditioning, the amount and timing of fertilizer application, the types of revegetation established and planting or seeding schedules and an estimate of vegetation survival and plant density.

Upon receipt of the notification and request, the regulatory authority shall within sixty days conduct an inspection and make such determinations as required in subsection (b) above. When determining the amount of bond to be released, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation for the period of responsibility as specified in section 211(b) (13) should failure occur.

(d) When the operator has completed successfully all surface mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 211(b)(13), he may file a request as hereinbefore provided for release of any remaining portion of the bond. Upon receipt of the notification and request and within six months, the regulatory authority shall make an inspection and evaluation of the reclamation work. If the regulatory authority finds that the reclamation meets the requirements under this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of the cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request. The notice shall state the reasons for unacceptability and shall recommend actions to correct the failure.

(e) With any application for total or partial bond release filed with the regulatory authority, the operator shall submit a copy of the first advertisement placed at least once a week for three consecutive weeks in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed.

(f) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface mining operation is located by certified mail at least 30 days prior to the release of all or a portion of the bond.

(g) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface mining operation proposed for bond release within forty-five days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality once a week for three consecutive weeks.

(h) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

(i) The regulatory authority shall make its decision on the bond release request not more than sixty days after the record of the hearing is transcribed.

(j) Any applicant or person who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the regulatory authority or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal to an appropriate United States district court.

SUSPENSION AND REVOCATION OF PERMITS

Sec. 218. (a) Once granted, a permit may not be suspended or revoked unless the regulatory authority gives the permittee prior notice of violation of the provisions of the permit or of the State or Federal program pursuant to this Act and affords a reasonable period of time of not more than ninety days within which to take corrective action, and the regulatory authority determines after a public hearing, if requested by the permittee, that the permittee remains in violation: *Provided, however,* That the continuation of any mining operation endangers the public health or safety, threatens significant damage to public and private property, endangers the quality and quantity of a public or private water supply, or poses other significant harm to land, air, or water resources, the permit, or such portion of the permit related to the offending activity, shall be suspended subject to subsequent determination, after a public hearing, if requested by the permittee, whether the permittee has violated the provisions of the permit, State or Federal programs.

(b) Following the hearing or any corrective action on the part of the permittee, the regulatory authority must issue and furnish the permittee a written decision, independently verified by the regulatory authority, either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to an appropriate United States district court.

(c) If the regulatory authority revokes the permit of the operator, the operator shall immediately cease any and all surface coal mining operations on the permit areas and the regulatory authority shall declare as forfeited the performance surety bonds for the operation. The Secretary shall be notified immediately upon a revocation of any permit by any State regulatory authority.

INSPECTIONS AND MONITORING

Sec. 219. (a) The Secretary shall cause to be made such inspections of any surface mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface mining and reclamation operations as the regulatory authority deems reasonable and necessary.

(2) for those mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure

the hydrologic balance or water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring, data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and reclamation operations for coal covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately and freely available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining as well as in Washington, District of Columbia.

FEDERAL ENFORCEMENT

SEC. 220. (a) (1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) (5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201 or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time for the abatement of the violation. The Secretary, or his authorized representative, may extend the period of time as originally fixed, but in no event shall the original period or original period and extension exceed ninety days. If, upon expiration of the period of time as originally fixed or subsequently extended, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) (5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 201, or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also finds that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representative. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representative in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

JUDICIAL REVIEW

SEC. 221. (a) (1) Any action of the Secretary to approve or disapprove a State program pursuant to section 203 of this Act or to prepare and promulgate a Federal program pursuant to section 204 of this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary, and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in United States District Court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 224(b) of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 223.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, except an order or decision pertaining to any order issued under section 220(a)(2) of this title, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 223.

REVIEW BY SECRETARY

SEC. 222. (a)(1) A permittee issued a notice or order pursuant to the provisions of subparagraphs (a) (2) and (3) of section 220 of this title, or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 220(a)(3) of this title together with a detailed statement giving reasons for granting such relief. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 220(a)(4), the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

ESTABLISHMENT OF RIGHT TO BRING CITIZENS' SUITS

SEC. 223. (a) Except as provided in subsection (c) of this section, any person having an interest which is or may be adversely affected by actions of the Secretary or the regulatory authority may commence a civil action on his own behalf in an appropriate United States district court—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any regulation, order, or permit issued under this Act or of any provision of this Act.

(2) against the regulatory authority where there is alleged a failure of the regulatory authority to perform any act or duty under this Act which is not discretionary with the regulatory authority.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order such violation or failure to be corrected, and to apply any appropriate civil penalties under this Act.

(b) Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this Act, or of any regulation, order, permit, or plan or reclamation issued by the Secretary, may bring an action for damages (including attorney fees) in an appropriate United States district court.

(c) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation (i) to the Secretary, (ii) to the State in which the alleged violation occurs, and (iii) to any alleged violator of the regulation, order, or permit, or provision of this Act;

(B) if the Secretary or State has commenced and is diligently prosecuting a civil or criminal action in a court of the United States, or a State to require compliance with the regulation, permit, or order, or provision, but in any such action in a court of the United States any person may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the regulatory authority. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(d) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party (including any permittee defending an action brought pursuant to this section), whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules or Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or to seek any other relief (including relief against the Secretary or a State agency).

(f) The Secretary, if not a party in any action under this section, may intervene as a matter of right.

PENALTIES

SEC. 224. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 220 (b) of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 220, the civil penalty shall be assessed. Such penalty shall not exceed $10,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Where appropriate, the Secretary shall consolidate such hearings with other proceedings under section 220 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in section 224 of this Act, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of six percent per annum shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 221 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or during Federal enforcement of a State program pursuant to section 222(b) of this Act or fails or refuses to comply with any order issued under section 222(a) or section 222(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 201(f) or Federal enforcement of a State program pursuant to section 220(b) of this Act or fails or refuses to comply with any order issued under section 220(a) or section 220(b) of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsection (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 203 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

FEDERAL LANDS

SEC. 225. (a) The Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface mining and reclamation operations taking place pursuant to any Federal law on any Federal land. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(b) Within ninety days after the date of enactment of this Act, the interim environmental protection standards are to be made part of every existing surface coal mining operation on Federal lands within any State.

(c) Within eighteen months after the date of enactment of this Act, all requirements of this Act through the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations or surface impacts of underground coal mines. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contract holder to conform any surface mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act. The Secretary shall require as one of the terms and conditions of any permit, lease, or contract to surface mine coal owned by the United States that the lessee, permittee, or contractor give satisfactory assurances that the antitrust laws of the United States will be complied with and that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

(d) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface mining and reclamation operation. Such agreements shall, at a minimum, incorporate all of the requirements of this Act, and shall not preclude Federal inspection or enforcement of the provisions of this Act as provided in sections 219 and 220.

(e) Except as specifically provided in subsection (d), this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on the Federal lands.

(f) This section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

(g) During the period prior to approval of a Federal program pursuant to this Act, including judicial review of the approval of a Federal program, existing coal surface mining operations on Federal land and Indian land may continue surface mining operations as provided in section 201(h).

SPECIAL BITUMINOUS COAL MINES

SEC. 226. The regulatory authority is authorized to and shall issue separate regulations for the interim and permanent programs for those special bituminous coal surface mines which meet the following criteria:

(a) were in existence on the date of the Act and because of past duration of mining (at least ten years) have substantially committed to a mode of operation which warrants exceptions to some provisions of this title;

(b) involves the mining of more than one coal seam and where mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(c) involves a mining operation that follows the coal seam on an inclination of fifteen degrees or more from the horizontal;

(d) involves an operation on the same site for the duration of the mining operation, and will under present mine plan conditions result in a pit depth in excess of nine hundred vertical feet from the original land surface.

Such alternative regulations shall pertain only to the standards governing on-side handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regarding to approximate original contour and shall specify that remaining highwalls are stable; all other performance standards in this title apply.

ANTHRACITE COAL MINES

SEC. 227. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for the interim and permanent programs for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of: sections 201(b) and (c), 202, 209 (except subsection 209(d)(3)), 210, and 211 of this Act. Provisions of sections 216 and 217 are applicable except for specified bond limits and period of re-vegetation responsibility. All other provisions of this Act apply and the regulations issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect; *Provided, however,* That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE III—INDIAN LANDS PROGRAM

GRANTS TO TRIBES

SEC. 301. (a) The Secretary is authorized to make annual grants directly to any Indian tribe in developing and administering an Indian lands program for the purpose of enabling the tribe to realize benefits from the development of its coal resources while at the same time protecting the cultural values of the tribe and the physical environment of the reservation, including land, timber, surface and ground waters, and air, by the establishment of exploration, mine operating, and reclamation regulations.

(b) The distribution of funds under this Act shall achieve the purposes of the Act, recognize special jurisdictional status of Indian lands and allotted lands of such tribes and preserve the power of Indian tribes to approve or disapprove surface mining and reclamation operations.

(c) Indian lands programs developed by any Indian tribe shall meet all provisions of this Act and where any provision of any tribal code, ordinance, or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, provides for environmental controls and regulations of surface mining and reclamation operations which are more stringent than the provisions of this Act or any regulation issued pursuant hereto, such tribal code, ordinance, or regulation shall not be construed to be inconsistent with this Act.

COAL LEASING

SEC. 302. The Secretary is directed to obtain written prior approval of the tribe before leasing coal under the ownership of the tribe.

APPROVAL OF PROGRAM

SEC. 303. (a) The Secretary is directed to promulgate and publish in the Federal Register regulations for Indian lands programs pursuant to this title which adequately protect Indian lands. Such regulations shall be promulgated and published under the guidelines of section 202 of this Act.

(b) If within twenty-four months after the receipt of funding under section 301(a) a tribe shall have submitted a tribal program, the Secretary shall approve the program within sixty days of its submission if said program is consistent with standards set out in this Act. In the event that the Secretary finds that the program is inconsistent with the standards of this Act, the tribe will be allowed ninety days after written notification of the Secretary's rejection of the tribe's program to resubmit an acceptable program. In the event that a tribe's resubmitted program is rejected by the Secretary as inconsistent with standards of this Act, the Secretary shall establish a Federal program for the tribe's reservation in accordance with section 306. Upon request by a tribe, the Secretary may grant an extension of six months to the tribe for submission of an Indian lands program.

(c) Any tribe submitting an Indian lands program under the provisions of this Act shall be required (i) to hold a public hearing for the enrolled members of the tribe on its reservation before submission of the program, and (ii) to waive or cause the waiver of the defense of sovereign immunity for such tribe in connection with any suit, claim or legal proceeding brought pursuant to or arising out of this Act.

ADMINISTRATION BY THE SECRETARY

SEC. 304. (a) At any time, a tribe may select to have its program administered by the Secretary. Upon such a request by a tribe, the Secretary shall assume the responsibility of administering the tribe's program for that reservation.

(b) Permits issued pursuant to an approved Indian lands program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines that any permit has been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

EXISTING OPERATION

SEC. 305. Any coal surface mining operation on Indian lands existing on the date of enactment or which shall commence before the approval of an Indian lands program under this Act shall be subject to the provisions of section 201(g) and section 225 of this Act until such time as there is an approved Indian lands program or Federal program for such Indian lands.

FEDERAL PROGRAM

SEC. 306. (a) In the event that a tribe shall decline to submit to the Secretary a proposal for funding as authorized by section 301(a) to develop a program within six months after the enactment of this Act, the Secretary shall, if it be necessary to protect the rights and interests of a tribe, develop and implement a Federal program which will insure the protection of the tribal culture and the physical environment of the reservation.

(b) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing for the enrolled members of the tribe in a location convenient to the tribe.

(c) In no event shall the Secretary approve a permit under a Federal program without the written prior approval of the Indian tribe having jurisdiction over the lands in question.

(d) If an Indian tribe submits a proposed Indian lands program to the Secretary after a Federal program has been promulgated and implemented pursuant to this section, and upon approval by the Secretary of the Indian lands program, the Federal program shall cease to be effective within thirty days after such approval. Immediately following promulgation of an Indian lands program, the tribe shall undertake to review all permits to determine that the requirements of the Indian lands program approved under this Act are not violated. If the tribe determines that any permit is not in conformity with the requirements of its program, it shall so advise the permittee and provide him a reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Indian lands program.

PERSONNEL

SEC. 307. (a) Indian tribes are authorized to use the funds authorized pursuant to section 301(a) of this title for the training and hiring of professional and technical personnel and, where appropriate, to allocate funds to legitimately recognized organizations of the tribe that are pursuing the objectives of this title, as well as hire special consultants, groups, or firms from the public and private sector, for the purpose of developing, establishing, or implementing an Indian lands program.

(b) Any Federal agency is authorized to assist any Indian tribe upon request from such tribe by providing the services of technical and professional staff on a reimbursable or nonreimbursable basis to assist in the development or management of an Indian lands program.

AUTHORIZATION PRIORITY

SEC. 308. Of the funds made available under section 701(a) of this Act, first priority on $2,000,000 for each of the fiscal years shall be for the purposes of this title.

REPORTS TO THE SECRETARY

SEC. 309. Any Indian tribe which is receiving or has received a grant pursuant to this title shall report at the end of each fiscal year to the Secretary, in a manner prescribed by him, on activities undertaken by the tribe pursuant to or under this title.

REPORTS TO CONGRESS

SEC. 310. The Secretary shall report annually to the President and the Congress on all actions taken in furtherance of this title and on the impacts of all other programs or services to or on behalf of Indians on the ability of Indian tribes to fulfill the requirements of this title.

ENFORCEMENT

SEC. 311. For the purpose of administering an Indian lands program under this Act, a tribe shall have jurisdictional authority including the ability to require compliance with said regulations over all persons whether Indian or non-Indian engaged in surface coal mining operations and that all disputes will be adjudicated in the appropriate tribal court forum until that remedy is exhausted and then the aggrieved party has the right to a trial de novo in Federal district court in the appropriate district.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED COAL MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund, acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Department of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d)(1) In addition to the amounts deposited in the fund as specified in paragraphs (1) and (2) of subsection (b) there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than $200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to $200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

OBJECTIVES OF FUND

SEC. 402. Objectives for the obligation of funds for the reclamation of previously mined areas shall reflect the following priorities in the order stated, and in carrying out the purposes of this Act, the Secretary shall give priority to the county in which the minerals were mined:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and waters to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only land eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

SEC. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights) residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversley affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land uses and conservation treatment set forth in the agreement. Grants made under this section shall not exceed 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than thirty acres of land occupied by such owner including water rights owners, resident, or tenant, or on not more than thirty acres of land which has been purchased jointly by such land owners including water rights owners, residents, or tenant under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service, and the State and local committees provided for in section 8(b) of the Soil Conservation and Domestic Allotment Act, and is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 405. (a) (1) The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid

public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the reclamation program required under this title and following the standards for reclamation set forth in this Act. The Secretary may, with the approval of the Administrator of the department or agency involved, call to his assistance temporarily any engineer or other personnel of any Federal department or agency. The engineers and employees shall not receive any additional compensation other than that which they receive from the department or agency by which they are employed, but they shall be reimbursed for their actual and necessary expenses incurred while working under the direction of the Secretary. The Secretary shall follow the consultation and notification procedures specified in section 214(a) of this Act prior to the final approval of a reclamation plan.

(7) Any proposed reclamation contract shall be approved by the Secretary. Except as otherwise required by paragraph (8), the Secretary shall award each contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Secretary and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before the opening of the bids, in a newspaper of general circulation in each county in which the area of land to be reclaimed under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Secretary may advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Secretary may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

(8) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in this unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the fund.

(9) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(10) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(b)(1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons, dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the puposes of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have adequate housing facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 406. (a) The Congress declares that voids and open and abandoned tunnels shafts, and entryways resulting from mining constitute a hazard to the public health or safety. The Secretary, at the request of the Governor of any State, is authorized to fill such voids and seal such abandoned tunnels, shafts, and entryways which the Secretary determines could endanger life and property or constitute a hazard to the public health or safety.

(b) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(c) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TITLE V—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 501. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under this Act and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer objectively the provisions of this Act. No legal authority, program or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources, shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) administer all responsibilities in Federal land use planning programs and associated functions which are now or hereafter assigned to the Secretary;

(3) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(4) provide assistance to States for the development and implementation of State programs for assuring the control of surface coal mining operations and meeting the other requirements of this Act;

(5) develop and maintain an Information and Data Center on Surface Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(6) assist the State in developing objective scientific standards and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of mining and for development of the State land use planning process pursuant to that process;

(7) monitor Federal and State research programs concerning mining and reclamation; maintain a continuing study of land use and environmental impacts of surface mining and surface effects of underground mining; and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating environmental and social impacts; and

(8) perform such other duties as may be provided by law and relate to the purposes of this Act.

TITLE VI—A PROGRAM FOR NON-COAL-MINE ENVIRONMENTAL IMPACT CONTROL

DESIGNATION OF LANDS UNSUITABLE FOR MINING OF MINERALS OTHER THAN COAL

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if such area consists of:

(i) land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain; or

(ii) lands where such mining operations could result in irreversible damage to important historic, cultural, scientific, or aesthetic values or natural systems, of more than local significance, or could unreasonably endanger human life and property.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and a finding with reasons therefor upon the matter of their petition. In any instance where a governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that (i) with respect to lands designated under subsection 601(b)(i), such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary, and (ii) the Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary determines that an area on Federal lands is unsuitable for all or certain types of mining operations for minerals and materials other than coal, by reason of the criteria referred to in subsection 601(b), he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting for such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States District Court for the district in which the pertinent area is located.

TITLE VII—APPROPRIATION AUTHORIZATION; DEFINITIONS; AND GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums, and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 201 and 206 and title III contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this section, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sum of $20,000,000, and $30,000,000 for each fiscal year thereafter.

(c) For research and demonstration projects authorized under section 707, including the study directed under section 704, there is authorized to be appropriated to the Secretary $5,000,000 for the fiscal year ending June 30, 1975, and $5,000,000 for each fiscal year thereafter.

RELATION TO OTHER LAWS

SEC. 702. Nothing in this Act or in any State regulations approved pursuant to it shall be construed to conflict with any of the following Acts or with any rule or regulation promulgated thereunder:

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act (16 U.S.C. 661–666c).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall fire, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subparagraph shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of applicant, a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees), to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

STUDY OF SUBSIDENCE AND UNDERGROUND WASTE DISPOSAL IN COAL MINES

SEC. 704. The Secretary shall conduct, for the purpose of developing mining and reclamation performance standards a full and complete study and investigation of the practices of backfilling all coal mine wastes and coal processing plant wastes in mine voids or other equally effective methods and the control of subsidence to maximize the stability, value, and use of lands overlying underground coal mines. The Secretary shall report to the Congress the results of such study and investigation no later than the end of the two-year period beginning on the date of enactment of this Act.

DEFINITIONS

SEC. 705. For the purpose of this Act—

(1) The term "Secretary" means the Secretary of the Interior, except where otherwise described.

(2) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(3) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(4) The term "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include land affected by such ancillary mining operations which disturb the natural land surface, and any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

(5) The term "surface mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations.

(6) The term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands.

(7) The term "Federal lands" means any land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands.

(8) The term "Indian lands" means all lands within the exterior boundaries of any Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands held in trust for or supervised by any Indian tribe.

(9) The term "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary.

(10) The term "Indian lands program" means a program established by an Indian tribe pursuant to title III to regulate surface mining and reclamation operations for coal, whichever is relevant, on Indian lands under its jurisdiction in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act.

(11) The term "State program" means a program established by a State pursuant to title II to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act and regulations issued by the Secretary pursuant to this Act.

(12) The term "Federal program" means a program established by the Secretary to regulate surface coal mining and reclamation operations on all lands in accordance with the requirements of this Act.

(13) The term "Federal lands program" means a program established by the Secretary pursuant to title II to regulate surface coal mining and reclamation operations on Federal lands and Indian lands.

(14) The term "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface mining operations pursuant to section 210.

(15) The term "State regulatory authority" means the department or agency in each State which has primary responsibility in that State for administering the State program pursuant to this Act.

(16) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering any or all provisions of this Act.

(17) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(18) The term "permit" means a permit to conduct surface mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program.

(19) The term "permit applicant" or "applicant" means a person applying for a permit.

(20) The term "permittee" means a person holding a permit.

(21) The term "fund" means the Abandoned Mine Reclamation Fund established pursuant to title IV.

(22) The term "appropriate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and is in accordance with the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with the requirements of this Act.

(23) The term "written consent" means such written consent as is executed by the owner of the surface estate after the date of enactment of this Act, upon a form approved by the Secretary, and shall demonstrate that such owner consents to entry of an operator for the purpose of conducting surface coal mining operations and that such consent is given only to such surface coal mining and reclamation operations which fully comply with the terms and requirements of this Act.

(24) The term "waiver" means any document which demonstrates the clear intention to convey rights in the mineral estate for the purpose of extracting such minerals by current surface mining methods.

(25) The term "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location.

(26) The term "reclamation" or "reclaim" means the combined process of land treatment that minimizes water degradation, air pollution, damage to aquatic or wildlife habitat, flooding, erosion, other harmful effects or after-effects from surface mining operations, or surface effects from underground mines, so that affected lands are restored to a stable condition and create no danger to public safety, barriers to access or reduce the value of surrounding lands. The process may extend to affected lands surrounding the lands on which the original mining occurred and may require backfilling to approximate original contouring, grading, resoiling, revegetation, soil compaction, and stabilization, in order to minimize water or soil pollution, erosion, flooding resulting from surface mining, water degradation or pollution from unfilled cracks and fissures or any other activity to accomplish reclamation of land to a stable condition at least fully capable of supporting the use or higher or better uses which they were capable of supporting prior to any mining.

(27) The term "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 214(a) of this Act and shall be readily identifiable by appropriate markers on the site.

(28) The term "silt" means soil, soil or rock particles, wood, debris, or other materials that are transported by suspension or floating in streams flowing from or through mining areas.

(29) The term "aquifer" means a zone, stratum, or group of strata, that can store and transmit water in sufficiently recoverable quantities to be of economic or ecologic value as a source of water.

(30) The term "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

(31) The term "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care.

GRANTS TO THE STATES

SEC. 706. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

RESEARCH AND DEMONSTRATION PROJECTS

SEC. 707. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research, studies, surveys, experiments, and training in carrying out the provisions of this Act. In conducting the activities authorized by this section, the Secretary may enter into contracts with, and make grants to qualified institutions, agencies, organizations, and persons.

(b) The Secretary is authorized to enter into contracts with, and make grants to, the States and their political subdivisions, and other public institutions, agencies, organizations, and persons to carry out demonstration projects involving the reclamation of lands which have been disturbed by surface mining operations.

RESEARCH AND DEMONSTRATION PROJECTS ON ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 708. (a) The Secretary is authorized to conduct, and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep coal seams, and such other means of mining as may be recommended in the studies authorized under section 704; and

(2) safety and health in the application of such technologies, methods, and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $50,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

ANNUAL REPORT

SEC. 709. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the State pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act, including recommendations for increasing the production from underground coal mines.

PROTECTION OF THE SURFACE OWNER AND OWNERS OF WATER RIGHTS

SEC. 710. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the written consent, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface mining operations on such land.

(b) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government, and the surface rights are held pursuant to patent, the application for a permit shall include the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods.

(c) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal Government and the interest in the surface is in the nature of a lease or a permit, the application for a permit shall include either—

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operation on such land; or

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved, the secure payment of any damages to the surface estate, to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the patent involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under section 216.

(d) In those instances in which it is determined that a proposed coal surface mining operation is likely to adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water, the application for a permit shall include either—

(1) the written consent of all owners of water rights reasonably anticipated to be affected; or

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(e)(1) An owner of water rights adversely affected may file a complaint detailing the loss in quality and quantity of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered pursuant to section 219(b)(2):

(B) within 30 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water, in like quality, quantity, and duration, within 30 days if the loss of such water was found to be due to the surface coal mining operations; and

(D) order the suspension of the operator's permit for failure to replace such water until such time as the operator has provided the substitute water supply.

(f) Nothing in this section shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

(g) For the purposes of this section, the term, "surface coal mining operation" does not include underground mining for coal.

SEVERABILITY

SEC. 711. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 712. Section 114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

EXPERIMENTAL PRACTICES

SEC. 713. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 211 and 212 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

ALASKAN SURFACE COAL MINE STUDY

SEC. 714. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine the best set of surface mining regulations under which such mines should operate. The study shall—

(1) identify variations and differences between surface mining conditions in Alaska and surface mining conditions in the Lower 48 with respect to the environmental protection standards in this Act;

(2) identify suitable surface mining standards to assure that post-mining land use is compatible with the habitat, and surrounding terrain;

(3) identify impacts on the environment which could be engendered by current surface mining technology and identify how or if these impacts can be mitigated through the use of alternative mining technologies.

(b) The Secretary is to make a report to the President and Congress on the findings of the study no later than 24 months after the date of enactment of this Act;

(c) The Secretary shall include in his report a draft of Federal regulations to be promulgated to govern surface coal mining operations on Federal lands in the State of Alaska, and a draft of those regulations to use as a standard for determining the adequacy of an Alaskan State program for the regulation of surface coal mining operations;

(d) The draft regulations contained in the report are to be promulgated for comment by the public and other interested parties pursuant to this Act within 12 months of submission of the report to Congress. After considering such comments submitted and revising such regulations as appropriate, the Secretary shall promulgate such standards governing surface coal mining operations in the State of Alaska.

(e) Until the Secretary has made his report to the President and Congress and has promulgated Federal regulations on coal mining operations on Federal lands in Alaska, this Act shall not apply to the State of Alaska.

(f) There is hereby authorized to be appropriated for the purpose of this section $500,000.

PREFERENCE FOR PERSONS ADVERSELY AFFECTED BY THE ACT

SEC. 715. (a) In the award of contracts for the reclamation of abandoned and unreclaimed mined areas pursuant to title IV and for research and demonstration projects pursuant to section 707 of this Act the Secretary shall develop regulations which will accord a preference to surface mining operators who can demonstrate that their surface mining operations, despite good-faith efforts to comply with the requirements of this Act, have been adversely affected by the regulation of surface mining and reclamation operations pursuant to this Act.

(b) Contracts awarded pursuant to this section shall require the contractor to afford an employment preference to individuals whose employment has been adversely affected by this Act.

ASSISTANCE TO PERSONS UNEMPLOYED AS A RESULT OF THIS ACT

SEC. 716. (a) The President is authorized and directed to make grants to States to provide to any individual unemployed, if such unemployment resulted from the administration and enforcement of this Act and was in no way due to the fault of such individual, such assistance as the President deems appropriate while such individual is unemployed. Such assistance as a State shall provide under such a grant shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment in the area caused by such administration and enforcement continues (but not less than six months) or until the individual is reemployed in a suitable position, but not longer than two years after the individual becomes eligible for such assistance. Such assistance shall not exceed the maximum weekly amount under the unemployment compensation program of the State in which the employment loss occurred and shall be reduced by an amount of private income protection insurance compensation available to such individual for such period of unemployment.

(b) The President is authorized and directed to make grants to States to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by any such unemployment, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the employment loss. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) (1) Whenever the President determines that, as a result of any such employment loss, low-income households are unable to purchase adequate amounts of nutritious food the President is authorized, under such terms and conditions as it may prescribe, to distribute through the Secretary of Agriculture coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964, as amended, and to make surplus commodities available.

(2) The President, through the Secretary of Agriculture, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the employment loss on the earning power of the households to which assistance is made available under this section.

(3) Nothing in this subsection shall be constructed as amending or otherwise changing the provisions of the Food Stamp Act of 1964, as amended, except as they relate to the availability of food stamps in such an employment loss.

(d) The Secretary of Labor is authorized and directed to provide reemployment assistance services under other laws of the United States to any such individual so unemployed. As one element of such reemployment assistance services, such Secretary shall provide to any such unemployed individual who is unable to find reemployment in a suitable position within a reasonable distance from home, assistance to relocate in another area where such employment is available. Such assistance may include reasonable costs of seeking such employment and the cost of moving his family and household to the location of his new employment.

(e) (1) The President acting through the Small Business Administration, is authorized and directed to make loans (which for purposes of this subsection shall include participations in loans) to aid in financing any project in the United States for the conduct of activities or the acquisition, construction, or alteration of facilities (including machinery and equipment) required by the administration or enforcement of this Act, for applicants both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision in which the project to be financed is located, and which agency or instrumentality (including units of general purpose local government) is directly concerned with problems of economic development in such State or subdivision, and which have been certified by such agency or instrumentality as requiring the loan successfully to remain in operation or at previous levels of employment.

(2) Financial assistance under this section shall be on such terms and conditions as the President determines, except that—

(A) no loan shall be made unless it is determined that there is reasonable assurance of repayment;

(B) no loan, including renewals or extension thereof, may be made hereunder for a period exceeding thirty years;

(C) loans made shall bear interest at a rate determined by the Secretary of the Treasury but not more than 3 per centum per annum;

(D) loans shall not exceed the aggregate cost to the applicant of acquiring, constructing, or altering the facility or project;

(E) the total of all loans to any single applicant shall not exceed $1,000,000; and

(F) the facility or project has been certified by the regulatory authority as necessary to comply with the requirements of this Act.

(f) Where the loss, curtailment, removal, or closing of any industrial or commercial facility resulting from the administration and enforcement of this Act causes an unusual and abrupt rise in unemployment in any area, community, or neighborhood, the Small Business Administration in the case of a nonagricultural enterprise and the Farmers Home Administration in the case of an agricultural enterprise, are authorized to provide any industrial, commercial, agricultural, or other enterprise, which has the potential to be a major source of employment for a substantial period of time in such area, a loan in such amount as may be necessary to enable such enterprise to assist in restoring the economic viability of such area, community, or neighborhood. Loans authorized by this section shall be made without regard to limitations on the size of loans which may otherwise be imposed by any other provision of law or regulation promulgated pursuant thereto.

(g) The President is authorized to make grants to any local government which, as a result of the administration and enforcement of this Act, has suffered a substantial loss of total revenue (including both real and personal property tax revenue). Grants made under this section may be made for the tax year in which the loss occurred and for each of the following two tax years. The grant for any tax year shall not exceed the difference between the annual average of all revenues received by the local government during the three-tax-year period immediately preceding the tax year in which such loss occurred and the actual revenue received by the local government for the tax year in which the loss occurred and for each of the two tax years following such loss but only if there has been no reduction in the tax rates and the tax assessment valuation factors of the local government. If there has been a reduction in the tax rates or the tax assessment valuation factors then, for the purpose of determining the amount of a grant under this section for the year or years when such reduction is in effect, the President shall use the tax rates and tax assessment valuation factors of the local government in effect at the time of such loss without reduction, in order to determine the revenues which would have been received by the local government but for such reduction.

(h) Any owner or operator of a surface coal mine, or employee (or former employee) of a surface coal mine, who would otherwise be eligible for assistance under this section, in lieu of such assistance may utilize the preference accorded in section 715 of this Act in receiving contracts or employment in the conduct of reclamation activities authorized by section 405 of this Act.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(j) The Secretary shall report to the Congress on the implementation of this section not later than thirty months after the enactment of this Act, and annually thereafter. The report required by this subsection shall include an estimate of the funds which would be necessary to implement this section in each of the succeeding three years.

(k) The Secretary shall report to the Congress not later than July 1, 1976, on the impact of the administration and enforcement of this Act on employees and owners or operators of firms with gross capital values of less than $500,000, together with a recommendation on a program granting relief to such employees and owners or operators for losses in capital value sustained as a consequence of the administration and enforcement of this Act.

TITLE VIII—STATE MINING AND MINERAL RESOURCES RESEARCH INSTITUTE

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 801. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, center, or equivalent agency (hereinafter referred to as "institute") at one public college or university at the State, which has in existence at the time of enactment of this title a school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering or which establishes such a school, division, or department subsequent to the enactment of this title and which school, division, or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering wherein education and research in the minerals engineering fields are being carried out and wherein at least five full-time permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school, division, or department conducting a program of substantial instruction and research in mining or minerals extraction or beneficiation engineering, said advisory committee may allocate the States' allotment to one private college or university which it determines to have an eligible school, division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to exploration; extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other, and to avoid any undue displacement of mineral engineers and scientists elsewhere engaged in mining and mineral resources research.

RESEARCH FUNDS TO INSTITUTES

SEC. 802. (a) There is further authorized to be appropriated to the Secretary of the Interior for fiscal year 1975, and six succeeding fiscal years thereafter the sum of $5,000,000 annually, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses of specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes. No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project. No grant shall be made under said subsection (a) except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

FUNDING CRITERIA

SEC. 803. (a) Sums available to institutes under the terms of sections 801 and 802 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title, in addition to being available for expenses for research, investigations, experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof and for administrative planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 804. The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 803(a) have been met as to each State.

The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

SEC. 805. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

AUTHORIZATION FOR OTHER RESEARCH PROGRAMS

SEC. 806. There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $10,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, from which the Secretary shall make grants, contracts, matching, or other arrangements with education institutions, private foundations, or other institutions; with private firms and individuals; and with local, State, and Federal Government agencies, to undertake research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied. The Secretary shall insofar as it is practicable, utilize the facilities of institutes designated in section 801 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, the nature of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

MISCELLANEOUS PROVISIONS

SEC. 807. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive, nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority or surveillance over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) No part of any appropriated funds may be expended pursuant to authorization given by this title for any scientific or technological research or development activity unless such expenditure is conditioned upon provisions determined by the Secretary of the Interior, with the approval of the Attorney General, to be effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exception and limitation as the Secretary may determine, after consultation with the Secretary of Defense, to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent.

CENTER FOR CATALOGING

Sec. 808. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

Sec. 809. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research,

(b) identification and elimination of duplication and overlap between two or more agency programs,

(c) identification of technical needs in various mining and mineral resources research categories,

(d) recommendations with respect to allocation of technical effort among the Federal agencies,

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort, and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

Sec. 810. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS-18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel subsistence and related expenses.

Amend the title so as to read: "An Act to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of Interior to make grants to States to encourage the State regulation of surface mining, and for other purposes."

Mr. MANSFIELD. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives to the bill (S. 425), request a conference with the House on the disagreeing votes thereon; and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. METCALF, Mr. JOHNSTON, Mr. HASKELL, Mr. NELSON, Mr. FANNIN, Mr. HANSEN, and Mr. BUCKLEY conferees on the part of the Senate.

ORDER OF BUSINESS

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote, instead of occurring not later than 2 o'clock, occur at the hour of 2:15 p.m., this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE LATE SENATOR GEORGE L. RADCLIFFE, OF MARYLAND

Mr. MATHIAS. Mr. President, I thank the Senator from Illinois for yielding.

Mr. President, it is with great sadness that I announce to the Senate the death of George L. Radcliffe of Maryland. Senator Radcliffe died yesterday in Baltimore in the 97th year of his life. He served with distinction in the Senate from 1934 to 1946 and was a positive influence here during those years.

As I recall my long friendship with Senator Radcliffe and with his family, I recognize the strong and unusual traits that stamped his character. On the one hand, he was a serious man. He approached the varied responsibilities life brought him with industry and intelligence. He was one of the few Members of the Senate who held a doctor's degree because he earned it, rather than becoming a doctor the easy way by accepting an honorary degree.

In spite of his serious approach, he never lost a sense of gaiety and joy. He was a cheerful figure and always broke into a smile on every social encounter. He loved a party and went to many of them. He loved to dance and could be seen in ballrooms into his ninth decade. As a candidate and as a Senator, he entered so spontaneously into every kind of social and political gathering so that former Mayor Thomas D'Alesandro, Jr., of Baltimore, affectionately gave him the nickname "Bojangles," which speaks well of his warmth, his humor, and his lack of self-consciousness or self-importance. He enjoyed himself and he was good company.

George Radcliffe's service in the Senate continued a long tradition of service to Maryland and the Nation. One of his lifelong interests was his farm in Dorchester County which had been in his family since 1666. His preoccupation with history was rooted in his own traditions and the fascinating lore of the Eastern Shore.

I extend my sympathy to his son and daughter-in-law, George and August, and their children. I ask unanimous consent that the following article contained in the Baltimore Sun be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, June 30, 1974]

GEORGE L. RADCLIFFE DIES; FORMER U.S. SENATOR WAS 96

George L. Radcliffe, former United States Senator from Maryland and surety company official who was active in civic and historic causes, died yesterday at Keswick after breaking his hip June 29.

Senator Radcliffe, who was 96, had recently been living with his son at 300 Club road.

He had been elected to the Senate in 1934 and was defeated in a primary campaign for a third term in 1946.

A member of the board of the Fidelity and Deposit Company, he had served as third vice president and chairman of the executive committee of the surety firm.

FRIEND OF ROOSEVELT

At his death, he was chairman of the board of the Maryland Historical Society, which he had headed from 1937 until 1965.

A friend of President Franklin D. Roosevelt, since the days when they were both officials of the same surety firm, Mr. Radcliffe none the less opposed the President in his bids to pack the Supreme Court and to unseat the late Senator Millard E. Tydings.

In addition to other committee posts, Senator Radcliffe headed the Merchant Marine Committee and was praised yesterday by Helen Delich Bentley, chairman of the Federal Maritime Commission.

She described him as the "chief architect and author of the Merchant Marine Act of 1936, which still stands today as the keystone and foundation upon which our maritime laws and our merchant marine function."

A native of Lloyds, in Dorchester county, Senator Radcliffe began his career as a teacher serving as principal of the Cambridge High School in 1900 and as a teacher at the Baltimore City College from 1901 to 1902. He was made an honorary member of the Class of 1905.

DOCTORATE FROM HOPKINS

He obtained a doctorate of philosophy from the Johns Hopkins University in 1900 and a law degree from the University of Maryland in 1903.

That same year, he began working as a lawyer for the American Bonding Company and in 1913 became a vice president and director of the Fidelity and Deposit Company after the two firms merged.

His first political post was appointive, receiving a post on the state liquor license board in 1916 and being named Secretary of State three years later.

He managed political campaigns for governors, presidents and congressmen, most recently serving in 1960 as a congressional campaign manager and as a committee head in the state in the presidential election.

In the late 1940's, he served on the city's airport commission.

In 1966, he said, speaking of the need for persuasion rather than force in government, "I deplore this tendency to pass a law about anything and then hit people over the head with it. After all, if you are going to do something, is it better to do it because you are afraid of being punished or because you think it's right?"

In addition to his offices in the Historical Society, which will be closed tomorrow because of his death, he had been active in other historic and preservationist causes.

In 1924, he served as chairman of the committee that preserved Baltimore's Shot Tower.

He had also headed the Grace Foundation which restored Grace Episcopal Church and the Chapel of Ease, on Taylors Island, and was a vestryman of Trinity Episcopal Church, at Church Creek, and was active in its restoration.

In 1923, he was named president of the Eastern Shore Society.

From 1961 until 1965, he was chairman of the state's Civil War Centennial Commission. In 1961, he was appointed to the Maryland Historical Trust.

He had also been active in the National Foundation for Infantile Paralysis, beginning in 1934. He served as head of both the Baltimore and Maryland chapters and in 1953 was given its Award of Merit.

In 1962, he was named to the National Founders Board of the Salk Institute for Biological Studies.

He also was elected president of the University Club in 1953 and was cited in 1959 by the National Conference of Christians and Jews.

A runner on a team that won the Penn Relays while he was a Hopkins student, he still jogged on the roof of the Fidelity Building at the age of 80.

Other interests included a collection of books of Christmas lore and the farm at Lloyds which had been in his family since 1663.

Two years ago, he was presented with a working replica of a windmill on the farm property, as a birthday present.

His wife, the former Mary Marriott, died in 1933.

He is survived by a son, George M. Radcliffe, of Baltimore, four grandchildren and one great-grandson.

Funeral services will be held at 10 A.M., tomorrow at the Episcopal Church of the Incarnation, University parkway and St. Paul street, followed at 1 P.M., by graveside services at the Cambridge Cemetery, Cambridge, Md.

Mr. BEALL. Mr. President, it is with regret that I rise to inform my colleagues of the death of former Senator George Lovick Radcliffe. Senator Radcliffe was born in the small town of Lloyds on Maryland's Eastern Shore. He was a graduate of the Cambridge, Md., Seminary, 1893; the Johns Hopkins University, 1897; and the University of Maryland Law Department, 1903. His early career centered around the field of education but his interest in politics soon prevailed and he was to serve in numerous governmental positions on the State and national level. As an ardent Democrat, he campaigned actively for the candidates of his party.

In 1934 he ran successfully for a seat in the U.S. Senate, and he was reelected in 1940.

During his 12 years in the Senate, George Radcliffe was a close friend and confidant of President Roosevelt. In spite of this friendship, Senator Radcliffe had the courage to oppose Franklin D. Roosevelt in the famous court packing debate and the President's efforts to unseat the late Senator Millard E. Tydings in the Democratic primary of 1938.

Mr. President, when my late father came to the House of Representatives in January of 1943, he served alongside Senator Radcliffe for 4 years. They became good friends and worked closely together on legislation of interest to Maryland. I got to know Senator Radcliffe when I was a young man and I, like my father, came to cherish his friendship.

Senator Radcliffe's service in the Senate spanned a difficult period in our Nation's history. The Great Depression and the Second World War put our Nation's institutions and will to a severe test. We came through the turbulence of the 1930's and 1940's because of the efforts of men like George L. Radcliffe. Senator Radcliffe, who died yesterday at the age of 96, was a solid, able, and decent man who served his State and his Nation well. Mrs. Beall and I have joined our fellow Marylanders in extending our sympathy to the Radcliffe family.

Mr. President, this morning's Washington Post carried an article entitled "George L. Radcliffe Dies at 96," and I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks. It is my understanding that a similar article entitled "George L. Radcliffe Dies; Former U.S. Senator was 96," which appeared in the Baltimore Sun this morning has also been inserted in the RECORD by my colleague, Senator MATHIAS.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GEORGE L. RADCLIFFE DIES AT 96

(By Martin Weil)

George L. Radcliffe, a lawyer, scholar, businessman and indefatigable amateur athlete who served 12 years as United States senator from Maryland, died yesterday at his Baltimore home. He was 96.

Mr. Radcliffe, a Democrat, served for 10 of his 12 Senate years (from 1935 to 1947) during the administration of an old personal friend, but sometime political opponent, Franklin D. Roosevelt.

No cause of death was announced last night. Mr. Radcliffe had been bedridden in his home since July 12 after suffering a fractured hip.

A member of a championship mile relay team at Johns Hopkins University in 1898, Mr. Radcliffe had continued running into his 80s, and despite the infirmities that began to arrive in his 90s, remained relatively active.

A fall a few years ago required him to use a cane, but did not prevent him from walking. His eyes were up to any task but reading.

"It seems tragic that I can't read," he told an interviewer last year. "But I read for 90 years and maybe that's enough."

In his 96 years, the one-time Eastern Shore farmboy received a Ph.D. from Johns Hopkins, became a high school principal, won a law degree, wrote a book of history, became first vice president of the Fidelity and Deposit Co. and president of the American Bonding Co.

In addition, he entered actively into the rough an tumble world of Maryland politics. However, his first posts were appointive. Gov. Emerson Harrington named him as Maryland's secretary of state in 1919.

It was not until 1934 that he made his first run for office. At the age of 56 he won his first campaign—for the U.S. Senate.

"Roosevelt got me into it," he said in a recent interview. "They," he added in an apparent reference to the President and his advisers "wanted me to run. I told them I wouldn't but, but I did. They thought I'd help the ticket."

Mr. Radcliffe met Roosevelt when FDR had taken a job as an officer of the Fidelity firm in 1921 after a political defeat. Mr. Radcliffe was nominally Roosevelt's superior and the two became friends.

After serving as chairman of FDR's presidential campaign in Maryland in 1932, Mr.

Radcliffe was named regional director for seven states and the District of Columbia for the Public Works Administration.

After Mr. Radcliffe took his seat in the Senate in 1935, there was speculation that he might be FDR's spokesman in the upper chamber.

However, Mr. Radcliffe scoffed at the idea. Although he won a reputation in the Senate for championing the right of needy persons to obtain work relief support, he was a quiet, unassuming man who seldom took the floor.

In addition, he proved to be an opponent of his old friend, the President, on such crucial questions as the Supreme Court-packing bill and the third term issue.

When Mr. Radcliffe's career in elective office was ended by his defeat by Herbert R. O'Conor in the Democratic primary in 1946, he returned to the bonding business and civic activities.

He also continued to play a role in politics in campaigns of others.

During an interview late last year Mr. Radcliffe was asked whether politicians were any more dishonest than they used to be.

"I doubt it," he said, and did not elaborate.

When he was 90, two men broke into his office, threatened him with a knife and demanded that he open the safe. He refused, and they choked him and stole the gold watch he won at the Penn Relays in 1898.

A duplicate was made and presented to him at a banquet in 1971.

"I don't think I've ever seen him happier," his son said.

In addition to his son, George, he is survived by four grandchildren and a great grandchild. His wife died in 1963.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15472) making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes; and that the House recedes from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concurs therein with an amendment, in which it requests the concurrence of the Senate.

The message also announced that, pursuant to the provisions of section 2, Senate Concurrent Resolution 85, 93d Congress, Mr. Dent, Mrs. Boggs, Mr. Schneebeli, and Mr. McDade were appointed as members of the House delegation to represent the Congress of the United States at ceremonies in Carpenters' Hall, Philadelphia, Pa., on October 14, 1974, in commemoration of the 200th anniversary of the First Continental Congress.

The message further announced that the House passed the following bills in which it requests the concurrence of the Senate:

H.R. 15643. An act to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes; and

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 15461) to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the United States Supreme Court transmitted to the Congress on April 22, 1974; and it was signed by the Acting President pro tempore (Mr. Allen).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred to the Committee on the District of Columbia:

H.R. 15643. An act to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes; and

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes.

RECESS UNTIL 2:10 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:10 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Accordingly, at 1:56 p.m. the Senate took a recess until 2:10 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. Helms).

Mr. STEVENSON. Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. STEVENSON. Is there an order for a vote on the Hartke amendment?

The PRESIDING OFFICER. At 2:15.

Mr. STEVENSON. Mr. President, the amendment offered by the Senator from Indiana is addressed to a subject which has been considered at great length in the Banking Committee.

I intend to make a motion to table that amendment before the hour of 2:15.

I do not think it is necessary to repeat the argument which has been made. I will make the motion not because of lack of sympathy for the steel industry and in particular the foundries which depend on ferrous scrap—ferrous scrap is in very short supply—but because the committee is strongly of the opinion that with the monitoring provisions in S. 3792 and the new standards for the imposition of export controls the Department of Commerce will be in a far better position to provide relief in this and all other cases of shortages.

I believe the committee is of the strong feeling that that is a far better way to proceed administratively rather than by legislating ad hoc export controls for this commodity or for any other commodity.

So unless, Mr. President, the other Members want to address themselves to the subject in the short time that remains, I will make that motion to table.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Minnesota (Mr. Humphrey), is absent on official business.

I further announced that, if present and voting, the Senator from Minnesota (Mr. Humphrey), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Hawaii (Mr. Fong), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

The result was announced—yeas 70, nays 26, as follows:

[No. 334 Leg.]

YEAS—70

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd,
Harry F., Jr.
Cannon
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Fulbright
Goldwater
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Hollings
Hruska
Inouye
Jackson
Javits
Johnston
Kennedy
McClure
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Ribicoff
Roth
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—26

Bayh
Buckley
Byrd, Robert C.
Case
Dominick
Eagleton
Ervin
Gravel
Hartke
Helms
Huddleston
Hughes
Long
Magnuson
Mansfield
McClellan
Metcalf
Metzenbaum
Pell
Randolph
Schweiker
Scott, Hugh
Scott,
William L.
Symington
Weicker
Williams

NOT VOTING—4

Cook
Fong
Humphrey
Mathias

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Senate cannot and will not proceed until order is restored. Senators will please take their conversations to the cloakroom.

The Senator may proceed.

INCREASED U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. McCLURE. Mr. President, I ask unanimous consent that the action by the Senate in concurring in the House amendments to S. 2665 on July 25 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I move to concur in the House amendments with an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read the amendment, as follows:

On page 2, line 4, strike out "(b) No rule", and insert "(b) No provision of any law in effect on the date of enactment of this Act, and no rule, . . ."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Later in the day the following proceedings were had on this matter.

Mr. HUMPHREY. There are those of us here that are very much concerned over action taken earlier today on S. 2665, which is the legislation relating to the International Development Agency, and there was a motion made to amend that legislation.

I would like to ask unanimous consent that the papers on S. 2665 be held pending further disposition by the Senate.

Mr. JAVITS. Mr. President, I took an active part in the proceedings by which this bill was passed last Thursday. We took the House bill, though we were violently against some parts of it, expressly because this matter had to be settled and concluded.

Now we find a new amendment has been suddenly added.

We went back to the House, which requires new vote on the part of the House, and we have not had a chance to pass on it here.

There may be some explanation which we do not understand now at all, but the unanimous-consent request, it seems to me, will hold the matter in a position so there should be no prejudice either to Senator McClure or to anyone else.

I do believe something has gone wrong here, and this would give us the opportunity to see that it is properly handled.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

The Chair hears none and it is so ordered.

IMPEACHMENT TRIAL PRECEDENTS

Mr. CANNON. Mr. President, yesterday the Senate unanimously approved Senate Resolution 370, introduced by the distinguished majority leader on behalf of the joint leadership, which charges the Committee on Rules and Administration with the task of reviewing any and all existing rules and precedents that apply to impeachment trials, with a view to recommending any revisions which may be required if the Senate is called on to conduct such a trial.

The committee is instructed to report back no later than September 1, 1974 or on such earlier date as the majority or minority leader may designate.

Mr. President, I invite all Senators to study the existing rules on impeachment trials as set forth in the 1973 edition of the Senate Manual, beginning with section 100 on page 135, and I hope any Senator having changes to suggest or recommendations will communicate them to the Rules Committee at the earliest possible time.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. When does the Rules Committee intend to start hearings on this resolution?

Mr. CANNON. Mr. President, the Rules Committee has a meeting scheduled for tomorrow. We will discuss this matter and, I presume, at that time it will be referred to the appropriate subcommittee of the Rules Committee, the Rules Subcommittee, and I would hope they would start action on this matter tomorrow afternoon.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. CANNON. Yes.

Mr. JAVITS. Will the Rules Committee hear witnesses?

Mr. CANNON. I do not anticipate that the Rules Committee will hear witnesses. However, if some of the Senators advise us that they desire to present witnesses, we will consider that at that time.

Mr. JAVITS. I meant Senators themselves; will the Rules Committee hear a Senator who asks recognition with respect to the rules?

Mr. CANNON. There would be no question but what we would be happy to hear from Senators themselves.

Mr. JAVITS. All right.

Mr. MANSFIELD. If the Senator will yield, this is purely a Senate procedural matter.

Mr. CANNON. The Senator is correct. It is a Senate procedural matter.

Mr. MANSFIELD. Therefore, it would be advisable that only Senators appear as witnesses regarding their own rules.

Mr. CANNON. That is all I had reference to.

Mr. JAVITS. I am inclined to agree with the majority leader, and that is what I had in mind when I asked the question.

Mr. CANNON. I thank the Senator for yielding.

SCHOOL FARE SUBSIDY FOR SCHOOLCHILDREN WITHIN THE DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3477.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3477) to amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia, which was to:

Strike out all after the enacting clause, and insert: That section 2 of the Act entitled "An Act to provide for the regulation of fares for the transportation of schoolchildren in the District of Columbia", approved August 9, 1955 (D.C. Code, sec. 44-214a), as amended by an Act approved October 18, 1968, and by an Act approved August 11, 1971, is further amended by deleting "1974" and substituting "1977".

SEC. 2. Notwithstanding any other provision of law, or any rule of law, nothing in this Act (including the amendment made by this Act) shall be construed as limiting the authority of the Council of the District of Columbia to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Reorganization Act with respect to any matter covered by this Act.

Mr. EAGLETON. Mr. President, I move the Senate concur in the amendment of the House of Representatives to S. 3477.

The motion was agreed to.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3792) to amend and extend the Export Administration Act of 1969.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized and he is entitled to be heard. Senators are asked to take their conversations to the cloakroom. The Senate cannot proceed until it is in order.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

Insert the following new title at the end thereof:

"TITLE II—REGULATION OF HOLDING COMPANY OBLIGATIONS

"SEC. 201. (a) Section 19(a) of the Federal Reserve Act (12 U.S.C. 461(a)) is amended by inserting after the word 'means' the following: 'and, regardless of the use of the proceeds'.

"(b) The sixth sentence of Section 18(g) of the Federal Deposit Insurance Act is amended by striking 'for the purpose of obtaining funds to be used in the banking business'.

"(c) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended as follows:

"(1) by adding at the end of subsection (a) thereof the following new sentences: 'The provisions of this subsection shall apply, in the discretion of the Board, to an obligation issued by an affiliate of an institution which is an insured institution as defined in section 401(a) of the National Housing Act (12 U.S.C. 1724(a)) or is a member or nonmember building and loan, savings and loan, or homestead association, or cooperative bank, or member savings bank other than a savings bank insured under the Federal Deposit Insurance Act. The Board is authorized to define by regulation the terms used in this section.';

"(2) by striking 'institution subject to this section' in subsection (b) thereof and inserting 'person or organization'; and

"(3) by striking 'nonmember institution' and 'institution' in subsection (c) thereof and inserting 'person or organization' in both places."

Amend the title clause of the bill to read: "A bill to amend and extend the Export Administration Act of 1969, and for other purposes."

Mr. PROXMIRE. Mr. President, this amendment would clarify the authority of the Federal Reserve Board to regulate notes issued by bank holding companies. The need for this clarifying amendment is prompted by the recent issuance of $650 million in notes issued by Citicorp, the parent holding company of the First National City Bank of New York. The rate of interest on these notes is set initially at 9.7 percent through June 1, 1976. The notes may be purchased in minimum denominations of $5,000. In effect, these notes are equivalent to a 2-year certificate of deposit issued by a commercial bank.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order, and the Chair solicits the cooperation of Senators, and staff members, in particular, will take their conversations to the cloakroom. The Senator is entitled to be heard and the Chair will insist that he be heard.

The Senator from Wisconsin may proceed.

Mr. PROXMIRE. Under regulation Q, the rate of interest on 2-year bank certificates of deposit cannot exceed 6 percent. Thus by issuing the notes through the holding company rather than directly, the First National City Bank has discovered a method for subverting the entire purpose of regulation Q.

Mr. President, if this precedent is left unchallenged the housing industry will suffer a devastating blow. Housing is in a depression. Starts are down by over 500,000 units or by 25 percent. Not only has the small homebuilder who built 10, 50, 100, or 500 units going broke, the giants of the industry, Kaufman and Broad, Levitt & Sons, and the Larwin group, among others, are in serious financial straits.

Then pity the homebuyer. More than 70 percent of American families are now priced out of the new home market. And the fundamental and ovewhelming reasons for this are both the actions and inactions of the Government.

Interest rates are sky high. That has priced almost everyone out of the market.

Mr. PROXMIRE. And this will really put the final nail in the coffin in the view of the homebuilding industry itself and the savings and loan institutions.

But there is more to it than that.

First, the Federal Reserve Board refuses to do anything about the terrible consequences on housing of its policies. Tight money means a housing crunch. The Federal Reserve knows that. But they rigidly refuse to act to relieve the fact that housing takes the overwhelming burden of the tight money policy.

Second, HUD has acted in an irresponsible way during this period. Since January 1973 every major traditional housing program has been under moratorium. There has been only a trickle of housing. In the 1969–70 crunch, the fact that HUD was building subsidized housing prevented a rout. Now they have helped bring it about piling moratorium on top of high-interest rates and credit crunches. There is nothing they could do which is quite so stupid and quite so wrong as they have done.

In addition, they were very, very late in proposing any alternative program and the level of mismanagement at the Department has been the basic cause for the demise of some of their best programs.

Congress, too, has been inept. We have refused to hold HUD's feet to the fire. Our ability to force them to build subsidized housing was lost when we caved in to them on the FHA extension. The House has buckled under to the President's irresponsible threat of a veto of a broadly based housing program. And the cities and States are so anxious to get their community development and revenue-sharing money they are prepared to throw housing overboard.

And the President in saying he would veto a good housing bill also shares in the irresponsibility.

What we need is housing—conventional housing, public housing, homeownership programs, leased housing, and rehabilitated housing. We need them all.

What we need in this time of high-interest rates is some intelligent policy on the part of the Federal Reserve to ease the effects of tight money on housing. Chairman Burns refuses to think about that and ignores the problem almost entirely.

This is a crisis and we need action. I call upon the President, HUD, Congress, and the Federal Reserve to act and to act now before the housing depression brings on a general depression.

The magnitude of this issue is seen clearly in an article from the business section of last Sunday's New York Times entitled "This Housing Slump Cripples Even the Giants," by Robert A. Wright. I ask unanimous consent that it be printed in full at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 28, 1974]

THIS HOUSING SLUMP CRIPPLES EVEN THE GIANTS

(By Robert A. Wright)

Los Angeles.—A money crunch, home builders have learned, always hits their industry first. So the present home-building slump came as no surprise—except for one thing.

"The difference this time is a crisis in consumer confidence," says Eugene S. Rosenfeld. As president of Kaufman & Broad, Inc., the nation's most profitable publicly held homebuilding concern, he has closely examined what is generally conceded to be a depression in the housing industry.

"In the past money crunches there would be a temporary impact," Mr. Rosenfeld explained. "Now there is so much uncertainty on the part of consumers about big-ticket purchases that they are putting them off—at the same time that we have rapidly rising prices."

Every money crunch since the end of World War II has seriously affected the nation's home builders. Their fragmented industry ranges from one-man construction firms to giant national companies like Kaufman & Broad (pronounced to rhyme with "slowed"). It is involved across-the-board in land acquisition, architecture, construction, sales and finance.

This housing downturn is the worst anyone remembers. It has even hurt Kaufman & Broad, along with just about every other home builder in the nation.

In previous hard times for housing—notably during the 1969–70 recession—K. & B. was able to weather the storm, showing gains when most builders were reporting losses. Some people say it was because of magnificent management; others say it was because of magnified accounting. (Mr. Rosenfeld insists that no one has proved substantive accounting case against the company.)

Whatever the case, Kaufman & Broad is reeling from the present slump. Last month the company reported that earnings in its second fiscal quarter, ended May 31, plunged to $294,000, or 1 cent a share, from the year-earlier $5.4-million, or 32 cents a share.

Although sales edged up to $64.2-million, profit margins suffered because climbing interest rates discouraged home buying, forcing the company to carry unsold inventory. Also K. & B. was unable, in a soft market, to pass on increased costs to consumers.

A turnaround in housing that Mr. Rosenfeld foresaw in March, when a decline in interest rates appeared to be in the offing, is not likely to come until next year, he said recently.

If the wunderkind of homebuilding profitability is doing so poorly, how is the rest of the industry faring?

"Terrible," is the answer from Nathaniel Rogg, executive vice president of the National Association of Home Builders.

"This is far and away the worst since the Depression days," says Mr. Rogg, an economist who has been closely involved with the housing industry since arriving in Washington in 1934. "There is no light at the end of this tunnel—not given the current thrust of the Government's economic policy: tight money."

The squeeze on builders' profits began about a year ago when money-market rates began to rise along with the cost of building materials. Then the energy crisis and supply shortages disrupted the economies of the Western world, including housing operations. The gasoline scarcity also kept cars of prospective home hunters in their garages.

Last year saw several major home builders go into the red, including the huge ITT Levitt & Sons division of the International Telephone and Telegraph Corporation and the Los Angeles-based Larwin Group, Inc., a subsidiary of the CNA Financial Corporation.

I.T.T. is negotiating with William J. Levitt in an effort to sell back to him the Long Island-based building enterprise it acquired five years ago. And the top management of the Larwin Group, which reported a $3.1-million loss for this year's first quarter, has been almost entirely replaced in recent weeks.

The once high-flying United States Financial Corporation of San Diego, was forced into bankruptcy last year after it ran into accounting disagreements with the Securities and Exchange Commission. A number of apartment-house builders also went the bankruptcy route.

The pattern for this housing downturn is more or less typical of those in the postwar period. Inflation pumps up not only the price of goods but also the cost of money. Industry, seeking to expand with demand and perhaps to build inventories against further price increases, puts pressure on capital markets. Interest rates soar.

With rising rates in the short-term money market, funds are drained from the institutions that traditioally finance construction and mortgage loans—the mutual savings banks and the savings and loan associations. These lenders—limited by Government regulation as to the rates of interest they can offer savers—lose deposits to more attractive short-term money market investments. The cost of what mortgage money is available rises.

Commodity and labor inflation raises the price of houses (about 1 per cent a month in the last year), higher mortgage rates add to the monthly payments and more families find they do not meet the financial qualifications to obtain a loan at any price.

Alan G. Bortel, Western director of research for the James Capel & Co. division of Winmill Securities, Inc., estimates that, for each one-point rise in mortgage rates, 250,000 of California's seven million families are dealt out of the housing markets. At the same time it costs builders dearly to carry completed but unsold housing.

This housing cycle involves an inflationary spiral of unprecedented severity, one that appears to be beyond the ability of economists to resolve. It certainly has yet to yield to the patented remedies.

Among these remedies, wage and price controls have been tried, tampered with, trampled on and abandoned. Restraining the money supply to dampen demand by making money tight, or expensive, is now being pursued. The other traditional remedies, a balanced Federal budget and a tax increase, cannot be tried now—there is not enough time in the case of the budget, and there is too much political apprehension in the case of taxes.

"I'm all for efforts to control inflation," says Mr. Rogg of the National Association of Home Builders. "You can hardly argue against motherhood. But you can argue that this inflation is not responsive to the classic remedies. This inflation is geo-political, caused 55 percent by the energy crisis and 30 per cent by food. How in hell can tight money help that?"

Noting that business loans rose 30 per cent in the first six months of this year (or 14.3 per cent, taking inflation into account), Mr. Rogg contends that inflation affects housing in a special way and that the housing sector therefore needs special help within the over-all economy. One problem is that, while money is available it is at a price too dear for long-term mortgage borrowers.

Few economists deny that there is tremendous pent-up demand for housing. People between 30 and 40 years old are the ones who form the most families and would like to buy the most homes. Swollen by the baby boom that followed World War II, this segment of the nation's population is expanding by five million people during this decade.

Housing economists have been saying for years that this demand will take an average of 2.5 million housing starts a year to satisfy. This is a rate reached only infrequently by an industry that expects well below 2 million starts this year. And some estimates of the 1974 total are as low as 1.5 million units.

Given all that, Mr. Rosenfeld of Kaufman & Broad is quick to say that he is "not depressed." He commented: "We're just not having a good year. I'm embarrassed and unhappy—not depressed. We'll have a good year next year, and we're working twice as hard to achieve that."

He declared: "We're still a very strong company. Our management is still intact. We have the largest net worth [$178-million] in the industry. We've got $30-million of unused bank credit. We've got pre-arranged mortgage financing to last us through the year."

The company Mr. Rosenfeld is talking about was founded 17 years ago in a rather casual way. Eli Broad, chairman, had become, at age 20, the youngest man ever to pass Michigan's C.P.A. examination. He started a private accounting practice in office space provided by Donald Kaufman, a young Detroit home builder. In January, 1957, the two men pooled $25,000 to form the Kaufman & Broad Building Company. They did well from the beginning, and Mr. Broad never turned back.

The company went public, moved its headquarters to Los Angeles in the booming southern California housing market and began to expand. Today Kaufman & Broad calls itself the "nation's largest multinational housing producer." It has 14 permanent divisions producing single-family housing in suburban areas around 58 cities in the United States, Canada, France and West Germany.

Another division is producing high-rise condominiums in New Jersey, and still another sells pre-cut houses nationally to individuals who own lots.

Kaufman & Broad Asset Management, Inc., managers for investors 7,205 tax shelter units in 55 states. The Sun Life Insurance Company of America, acquired in November, 1971, writes life, accident and health insurance policies and annuities and has been providing an increasingly larger share of company revenues and income. In the fiscal year ended last Nov. 30, Sun Life accounted for 16.6 per cent of total unconsolidated revenues of $317,041,000 and 29.8 per cent of gross income totaling $7,340,000.

Mr. Rosenfeld, like Mr. Broad a certified public accountant, estimates that Sun Life will provide 65 to 75 per cent of this year's pre-tax earnings.

The tousle-headed Mr. Rosenfeld, now 40 years old, joined the company in 1963 as controller of the Southern California division. By January, 1969, he had worked his way up to president.

Mr. Broad, also 40 years old, turned over the title of chief executive officer to Mr. Rosenfeld last January and, as chairman, devotes his working time to planning and overseeing Sun Life.

Mr. Kaufman has not been active in the company management for about five years, but he remains vice chairman of the board. Neither Mr. Broad nor Mr. Kaufman own a controlling interest in the company.

Mr. Rosenfeld's strategy now is one of working to tighten financial controls and increase profit margins. The company sold some of its mobile-home operations last year and is arranging to sell the rest. In the last fiscal quarter it sold its Leisure Industries vacation-home subsidiary. The deal reduced earnings by $2.8-million.

Criticism of the company's accounting methods (as well as those of other housing companies) still continues from some quarters but is dismissed by Mr. Rosenfeld as "nothing substantive."

"I'll stand by our accounting every time," he said. "First of all, we were a high flying stock, and a lot of this was just the kind of jibes one can expect in that situation. And then there was a lot of easy hindsight, where it was said, 'You see, they didn't make money on this and they had it on their balance sheet.' "

Kaufman & Broad is no high flyer these days. Its stock is trading below $4 a share on the New York Stock Exchange, where it once floated in the mid-50's. And Mr. Rosenfeld is tightening up financial control as part of his internal plan.

It is a matter of company growth that requires the new controls, said Mr. Rosenfeld.

"When we were smaller, we had a good feeling for what everybody was doing," he said. "I could tell whether they were making money, not by looking at the books but by seeing them in the field. Now it is more difficult front-line decisions."

The keystone of the new controls is a requirement that has division controllers reporting directly to the corporate controller at headquarters instead of reporting through division presidents, as was done previously.

"The reason for this is that we want purity of numbers," Mr. Rosenfeld said. "It's not a question of cheating—it's a question of shading. I don't want our division presidents to be accountants. I want them to be operating guys."

Mr. Rosenfeld said that management, not outside economic factors, has to take the blame for some of K. & B.'s problems. Asked for an example of how management goofed, Mr. Rosenfeld replied: "Too much inventory. We were looking to higher volume when we purchased most of this land in 1973."

The company is continuing to sell unneeded land, particularly in the Middle West, and some of it is being sold at a loss. But Mr. Rosenfeld said the company had not been forced into canceling or abandoning any projects.

Kaufman & Broad's operating policy is not to build on speculation but on orders filled from models. However, Mr. Rosenfeld acknowledged that, because of cancellations, the company has a total of some 175 completed unsold homes in several tracts on Long Island and another in New Jersey.

"We're selling them off about three or four a week now, and we're not lowering prices to do it," he said.

A retrenchment at Kaufman & Broad is not a case of "being desperate to get liquid, as one reporter wrote recently," said Mr. Rosenfeld. It is a matter of being well-positioned for what he sees as "a strong recovery year in 1975."

Some observers of the housing industry see its slump as a longer-term problem than Mr. Rosenfeld indicates it is.

It is difficult to generalize about the industry because much depends on local markets and because the industry is fragmented. Kaufman & Broad, for example, is among the biggest in the field but builds less than 1 per cent of all the housing in the United States. Most builders are small, privately held companies.

The National Association of Home Builders has 75,532 members, and many builders are not among them. But the association's Mr. Rogg is not alone in the belief that the housing industry needs special help.

Mr. Rogg declared: "We have not yet felt the full brunt of the situation. If the Administration continues its tight-money stance, the housing industry will need some mandatory allocation of credit, such as bank reserves against real estate or a direct credit control."

Otherwise, Mr. Rogg predicted, "the housing aspirations of Americans will have to be sacrificed for some time to come."

As the squeeze has intensified, there is increasing talk in the industry about extending mortgage terms to 40 or 50 years to lower monthly payments and to bring more families into the constantly inflating market.

There is renewed talk about variable interest-rate mortgages that would move up and down with the money market. But lenders are reluctant to offer such an instrument with rates so high, and experiments indicate that buyers dislike the idea when rates are low. And there is talk of additional subsidized Government aid.

But few observers expect much action on these fronts. Even if some help should come, few expect it to have much impact soon in the housing market.

Mr. Bortel of Winmill's James Capel division comments: "I don't know what kind of phoenix will rise from the ashes of the housing industry. Right now the silver-lining department is hard to find."

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the statement of Mr. Thomas R. Bomar, Chairman of the Federal Home Loan Bank Board be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Thomas R. Bomar on H.R. 15869 Before the Committee on Banking and Currency

Mr. Chairman and Members of the Committee: I appreciate the opportunity on behalf of the Federal Home Loan Bank Board to present its views on a bill "To amend the Bank Holding Company Act of 1956 to provide for the regulation of the issuance and sale of debt obligations by bank holding companies and their subsidiaries." While the effect of the bill is extremely broad, its apparent genesis and aim is to deal with proposed issuances of floating rate, low denomination, redeemable notes by bank holding companies to the general public.

The Board believes that the bill as introduced is broader than necessary to accomplish its intended purpose. The bill is too sweeping in that it would grant authority to regulate the use of the proceeds of these issuances, any term of these issuances, and the advertising, promotion and underwriting techniques to be employed in their issuance, distribution and sale. The Board also considers it inappropriate for this agency to become involved in such great detail with the regulation of commercial banks since the Congress by statute has given that responsibility to other financial regulatory agencies.

If the Committee intends to stop bank holding companies from issuing obligations that compete directly with savings accounts, it would appear that there are two alternative procedures which would be preferable. First, the Committee might declare by letter of its Chairman or by formal resolution of the House that the existing provisions of Section 19 of the Federal Reserve Act contain sufficient authority to subject bank holding company issuances to rate control limitations without regard to the use of proceeds. Second, the Committee might adopt a more limited statutory amendment, specifically directed to the type of issuances currently proposed by bank holding companies. Such an amendment could be limited to parent bank holding company debt obligations having an effective maturity of less than seven years and provide for their definition as deposits of the subsidiary bank.

Whichever way the Committee chooses to handle this immediate bank holding company problem, I am sure it is recognized that such a solution will deal only with a small percentage of the potential issuers of such obligations. There are many potential issuers in the market other than bank holding companies such as public utilities and industrial and manufacturing corporations. The assets of these corporations dwarf the assets of bank holding companies.

We understand these borrowings will be used in large part to replace or supplement existing commercial paper borrowings. If we measure potential issues in terms of the relative size of the commercial paper market, bank holding companies have approximately $7 billion in commercial paper or only about 15% of a market that reaches over $45 billion.

This development, rather than being isolated, is one in a series of events over recent years which cause serious threats to the thrift industry. Bank holding company borrowings of this type have some merits. For savers, they present an alternative investment. For bank holding companies, there would also appear to be benefits. However, the thrift industry is largely unable to compete with borrowings of this type. The issuance of a large volume of such obligations will further threaten thrift institutions and contribute to an even greater decline in the home building industry. These developments widen the gap between the public's housing needs and its availability.

Let me turn your attention to the basic problem. Thrift institutions are unable to compete due to statutory constraints which limit their investments almost exclusively to home loans. They have done their job well and provided sufficient funds to help make Americans the best housed people in the world.

The magnitude of their success in doing the job that needed to be done is proportionate to these problems. Low rate long-term home mortgages originated in the past will remain in the portfolios of thrift institutions for many years. There mortgages produce the major portion of savings and loan income. Thus, it is clear that during periods such as we are now experiencing, savings and loans have inadequate capacity to produce sufficient income to compete. For example, the initial rate on a proposed bank holding offering was announced at 9.7%. The average current yield on S&L long term mortgage portfolios is only 7.3%. Thus, S&L's are at a severe competitive disadvantage.

The Board is providing support for housing at record levels, and we are grateful that we have this capacity. However, no support mechanism can make up for major fundamental inadequacies in our free market system.

Inflation is the primary cause of our problem. The very existence of a thrift industry and an adequate supply of reasonably priced mortgages are inconsistent with the rate of inflation existing today in our country. This is especially true when undue reliance is placed upon monetary policy to correct the problem as is now the case. Reducing the rate of inflation must be our number one domestic priority, and I submit that we have the ability to do it.

We know that getting the rate of inflation to acceptable levels is likely to take a period of years. Even when inflation is under control, we will still have variations in interest rates. In order to overcome the type of difficulty we are now experiencing and to produce a lasting solution, we need to expand the capacities of thrift institutions. S&Ls must have the ability to adjust their income much more rapidly and to balance the structure of their assets and liabilities. Specifically, the Board recommends that thrift institutions be allowed consumer loan powers, unsecured construction loans to builders, greater capacity to invest in debt securities, checking accounts, family trust powers and other powers needed to accomplish this objective.

Although such new investment powers would reduce the thrift industry's percentage investment in housing, its capacity to attract more savings deposits would be increased and, though the percentage investment may be smaller, the actual dollar investment in housing may well be larger.

This would be a good beginning. However, there is also a critical need for responsible variable rate mortgages and for access to long-term funds supported by mortgages. In this connection, the Board needs authority to permit Federal savings and loans flexibility with respect to State usury laws. National banks currently are not limited solely to rates permitted by such laws.

Greater consumer powers, variable rate mortgages, and longer term funds to support long-term mortgages will give savings and loans the capacity they need to remain committed to housing while competing in a free market.

Changing the S&Ls industry's financial structure will take several years due to the over $200 billion of long-term low rate mortgages which it currently holds. It is important that we begin as soon as possible. We are long overdue.

In order to continue to provide affordable housing funds during this adjustment period, the S&L industry will need various forms of assistance. We have used saving rate differentials and tax-preferences. Both have a limited and rapidly declining value. It would appear these support measures though their value is lessened must be continued for the value they have for a while longer. In addition, we need to implement additional temporary support measures to supplement our proven method of Board support. This may involve the use of appropriated funds.

In summary, the Board believes the Committee can stop bank holding companies from issuing securities which directly compete with savings accounts more simply than is proposed. Yet, bank holding companies are only a small part of the potential issuers of these securities.

The primary problem is inflation. It is essential that we get this problem solved.

In order to deal effectively with the lack of S&L competitive capacity, it is important that we authorize additional operating capabilities. In the interim, we should be prepared to assist the thrift industry's commitment to housing with appropriated funds until thrift institutions have time to make full use of new powers and are able to compete effectively in a free market.

Time has not permitted us to obtain the advice of the Office of Management and Budget as to the relationship of this testimony to the Administration's program.

Mr. PROXMIRE. Billions of dollars in deposits can be siphoned away from thrift institutions and into large bank holding companies. Since thrift institutions—savings and loan associations and mutual savings banks—supply the bulk of mortgage credit, the average home buyer will find it almost impossible to obtain a home loan if bank holding companies are free to circumvent regulation Q.

Unless the authority of the Federal Reserve Board to regulate bank holding company borrowing is clarified, other large bank holding companies will follow suit. Several bank holding companies have already announced they plan to issue holding company notes similar to the Citicorp notes. Financial experts say this type of borrowing could approach $10 billion.

At a time when mortgage interest rates have reached their highest level since the Civil War, and at a time when the homebuilding industry is taking a nosedive, we can ill afford another crippling blow to the achievement of our national housing goals. My amendment would make it clear that the Federal Reserve Board does, indeed, have the authority, under 1969 legislation, to regulate the rate of interest on holding company borrowing regardless of the intended use of the proceeds. I should point out that my amendment provides the Board with discretionary authority to regulate holding company notes.

It does not mandate it. It gives the Federal Reserve Board the authority if it wishes to do so, when it thinks it is necessary to act. The Board would have the flexibility to judge the particular circumstances to decide whether regulation were necessary.

Mr. President, I recognize that a legitimate argument can be made that the small saver is entitled to a fair rate of return on his savings. There is no doubt that limitations on the rates of interest payable on savings deposits has worked an inequity on small savers. Nonetheless, Congress has made the judgment that regulation Q is necessary to preserve the stability of thrift institutions and the supply of mortgage credit until longer term reforms can be enacted. As long as we have regulation Q on the books, I believe it should apply equally to all financial institutions and to all forms of borrowing, whether directly or indirectly through holding company affiliates. If we want to repeal regulation Q then let us do it directly. However, if we feel that regulation Q still serves a purpose, then let us not permit its selective dismantlement by large bank holding companies.

Mr. President, I ask unanimous consent to add Senator MAGNUSON as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I will be glad to yield to the senior Senator from New Hampshire (Mr. McINTYRE).

Mr. McINTYRE. I must rise and object to this amendment being offered by the Senator from Wisconsin on the Export Administration Act. The issue that he is raising by his amendment is one that has already been subjected to hearings before the Subcommittee on Financial Institutions, of which I am chairman. I recognize the strong feelings that my able colleague from Wisconsin has, but I think that the sense of urgency has disappeared from the scene right now.

The Citicorp issue of $650 million is already, as one might say, out of the barn. The Chase offering of $200 million will also not be redeemable until June of 1976. The Crocker Bank and the Mellon Bank, with the lesser issues, are underway.

I would assure my colleague on the Committee on Banking, Housing and Urban Affairs that I shall recommend—I have already had conversations with our chairman—that at our meeting on August 8, that his amendment be considered as a matter of issue, or a question to be decided in executive session with all of the members of the committee there.

Mr. PROXMIRE. I appreciate that. I would like to point out, however, that this is a matter of the greatest urgency. The Senator has just made my point for me. The fact is that it is not just Citicorp. There is a whole series of other banks rushing to get in the gate. I think it is most important that we act very promptly.

As I say, this is not something that will mandate action by the Federal Reserve. It will merely allow them to pierce the corporate veil, recognizing that the holding company is nothing but an agency to do what the bank could not do under regulations. Simply to give the Federal Reserve Board that kind of authority, it seems to me, is the very least we can do to protect an industry that really has its back against the wall.

As I pointed out, the big companies are in trouble and the small companies are dying like flies.

Mr. McINTYRE. Will the Senator yield to me further?

Mr. PROXMIRE. Yes, I yield.

Mr. McINTYRE. I just say that the issue is not quite as simple as my good friend from Wisconsin makes it out to be. This is an innovative type of security that begins to give a break to the small investor. But I would assure the Senator from Wisconsin that if he will withdraw, recede on this amendment, on August 8, we will have a full opportunity in the executive session to discuss it thoroughly. It may very well be that I shall side with the Senator from Wisconsin in his position which he so well and so ably argues.

Mr. PROXMIRE. I thank the Senator from New Hampshire very much. I shall accede to his request. Before I do, I yield to the Senator from Ohio.

Mr. TAFT. I thank the Senator from Wisconsin for yielding.

I wish to ask a few questions about this amendment. It does seem to me to be a rather dangerous approach. I have had numerous communications from savings institutions in my own State in this regard, indicating that they expect a further outflow, and there already has been a tremendous outflow from savings and loan institutions which have had capital available in the past for homebuilding and similar types of endeavor.

I have also heard that there has been anticipated a possible issue of this type by a mutual savings bank, I think in the State of New York, by using this same device. The Senator said it is going to be wholly discretionary with the Federal Reserve. Unfortunately, the attitudes I have had indicated to me offhand from the Treasury Department, and perhaps also reflected in the Federal Reserve, seem to indicate that they do regard this type of issue, as the Senator from New Hampshire said, as an interesting, innovative new device. It may be, but I think it is a pretty dangerous one. Congress should address Federal interest rate ceilings and related laws comprehensively in the near future, but until this can be done it seems unwise to permit this type of issue to contribute to an even deeper housing depression.

I am not sure that the decision should be left wholly up to the discretion of the Federal Reserve whether or not, under certain circumstances, they are going to apply this regulation. They do not really have the responsibility for the problem with which I am concerned and with which the Senator's amendment is concerned, which is the availability of capital for housing construction purposes. That is not really their primary concern.

Mr. PROXMIRE. May I say to the Senator from Ohio, I just could not agree with him more, and I would like to make this resolution much stronger. Unfortunately, I am not sure we can even get this resolution adopted. When the Federal Reserve Governor, Governor Holland, who apparently has been given some discretion in this area, appeared before the committee, he indicated that he thought it was premature to offer this resolution even before the Congress, let alone to have the Federal Reserve act on it. I would like to do something much more forceful. I would like to prevent this kind of action by Citicorp and other corporations—as the Senator said, it might not be confined to banks—from absolutely draining funds out of the housing industry so that we have even a worse depression than we have now. But I think we have to take the practical kind of action. If the Senator knows of a way in which we can have a stronger measure, I shall be delighted to bring that up at the markup session of the Committee on Banking, Housing, and Urban Affairs on August 8, or to press it through more quickly if we can do it.

Mr. TAFT. I thank the Senator for his comments. I think it is extremely important that we do act quickly, because I would just point out that millions of dollars are being underwritten right now. Contracts with Citicorp and Chase have already been written, and one issue has gone to the public, as I understand it. Once that is done, I believe under the Constitution there is a right of contract with which one cannot interfere.

Mr. PROXMIRE. We cannot touch Citicorp now, we cannot touch Chase Manhattan, we cannot touch Crocker and others. All we can do is try to prevent an enormous spread, resulting in as much as $10 billion, going into this means of raising money.

Mr. TAFT. I appreciate the Senator's comments, and I certainly agree that this calls for early action.

Mr. PROXMIRE. I thank the Senator from Ohio.

Mr. President, I withdraw my amendment, with the understanding that the Senator from New Hampshire has given me, that we will have an opportunity to consider it at the markup that the Senate Committee on Banking, Housing, and Urban Affairs will engage in on August 8.

Mr. JACKSON. Mr. President.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. I call up my amendment, which is at the desk. That is the amendment relating to review by the FEA.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 4, after line 8, of the bill, insert the following new subsection:

"(d) Section 5(a) of the Act is further amended by the following at the end thereof:

"In addition, the Secretary of Commerce shall consult with the FEA to determine whether monitoring under section 4 of the Act is warranted with respect to exports of facilities, machinery or equipment normally and principally used, or intended to be used, in the production, conversion or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms and equipment; petroleum refineries, natural gas processing, liquefication and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations and associated equipment; and vessels for transporting oil, gas, coal and other fuels."

Mr. JACKSON. Mr. President, this amendment is self-explanatory. The pending amendment would simply require the Secretary of Commerce to consult with the Federal Energy Administration in order to determine whether the monitoring under section 4 of the act is warranted with respect to the export of facilities, machinery, or equipment normally or principally used or intended to be used in the production, conversion, or transportation of fuels and energy.

Let me point out that the reason for this amendment is very simple. We have been reading in the newspapers about the export of drilling equipment, drilling rigs, and supporting equipment to countries that in the past, at least, have cut off oil to the United States.

It seems to me, Mr. President, that at a minimum there should be a proper consultation before any of that equipment is exported.

The great tragedy in the energy field is that since last year, production in the United States is declining in oil. One of the basic reasons, as I argued when we had a bill on the floor of the Senate in connection with the Emergency Energy Act, is the lack of drilling equipment and drilling rigs.

I think it is absolutely wrong for the United States to be permitting the export of drilling rigs and equipment when we are in short supply here. If we can better marshal our own resources in this area, obviously we can speed up our production, help our economy, help the international balance-of-payments problem, and all ramifications involved in being dependent upon countries outside the United States for sources of our energy.

Mr. PACKWOOD. Will the Senator yield?

Mr. JACKSON. I yield.

Mr. PACKWOOD. As I understand the Senator's amendment, it simply adds specifically to the bill what the Secretary of Commerce generically has to do now, but directs him to consult with the Federal Energy Administration in these areas; is that correct?

Mr. JACKSON. That is correct.

Mr. PACKWOOD. I ask unanimous consent that the Senator from Texas (Mr. Tower) and I be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, I believe the Senator from Washington should be commended for calling our attention to the serious shortage of drilling equipment, and for proposing this amendment and improving the bill by requiring consultation between the Secretary of Commerce and the FEA with respect to monitoring.

I might point out that other provisions of the bill in section 5 require consultation between the Secretary of Commerce and other appropriate agencies of the Government with respect to the actual imposition of exports controls. This amendment would assure consultation on monitoring. With the other provisions of section 5 with respect to consultation on the actual imposition of export controls, I believe we can be reasonably assured that there will be a close relationship and a high degree of cooperation between the Secretary of Commerce and the FEA.

Section 5 refers to other appropriate agencies. I bring this up because I think we should make part of our legislative history the intention of the Senate to require consultation between the Secretary of Commerce and specifically the FEA on questions having to do with the imposition of controls in order to help eliminate shortages of critical equipment for the energy industry.

Mr. President, I support this amendment. The Senator from Oregon supports the amendment.

Mr. JACKSON. Mr. President, may I just say that I want to commend the able Senator from Illinois for his leadership in this area. We have been working together on a number of amendments for some time. He has been extremely helpful.

I am most grateful, too, for the assistance of ranking minority member of the committee, the distinguished Senator from Oregon, for his support and assistance in connection with the proposed amendment and efforts to provide some rationality here, some checks by the Congress on matters that do bear directly on our own domestic well-being, as well as the other areas of national security.

Mr. DOLE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. DOLE. Mr. President, if the Senator will permit me, I ask unanimous consent to have my name added as a cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I should like to point out that when we started considering energy legislation last October, one of the first things called to our attention was what appeared to be the expanded exports of oilfield machinery, equipment, supplies, and pipe of all kinds. This issue is even more significant now in the State of Kansas and other States because we have a large number of independent oilmen who cannot purchase adequate supplies of equipment.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour for debate be delayed 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the consultation between the Department of Commerce and FEA should be helpful.

The Senator from Kansas offered an amendment to one of the energy bills last year which would have prohibited the export of any such materials. It was adopted in the Senate and is still in the Senate-House conference committee. This approach by the Senator from Washington would be a step toward the end my amendment would accomplish. My amendment would make more oilfield equipment available to the expansion of oil production in this country.

Hopefully, the bill my amendment is attached to will be reported out of the conference committee and this amendment of the distinguished Senator from Washington is good support for the need for my provision.

Mr. JACKSON. I thank the Senator from Kansas.

I appreciate the obvious unanimous support on the floor of the Senate. I thank the manager of the bill and the ranking minority member.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I wonder whether we have time to call up the unprinted amendment which is at the desk, involving police equipment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

Section 4 of the Export Administration Act of 1969, as amended, is further amended by adding at the end thereof a new subsection 4(j) as follows:

On page 13, after line 13, insert a new section as follows:

"(j) (1) The Secretary of Commerce, after consulting with the Secretary of the Treasury, the Attorney General, and the Secretary of State, shall establish regulations for the licensing of exports of all police, law enforcement, or security equipment manufactured for use in surveillance, eavesdropping, crowd control, interrogations, or penal retribution.

"(2) Any license proposed to be issued under this subsection shall be reviewed by the Attorney General and shall be submitted to the Congress. The Congress shall have a period of sixty calendar days of continuous session of both Houses after the date on which the license is transmitted to the Congress to disapprove the issuance of a license by the adoption in either House of a resolution disapproving the proposed license.

"(3) The Secretary of Commerce, with the concurrence of the Secretary of the Treasury, the Attorney General, and the Secretary of State, may by regulation exempt individual countries and specific categories of police, law enforcement, or security equipment from the congressional review and disapproval authority set forth in paragraph (2) if he finds and determines export of the equipment would not threaten fundamental human and civil liberties."

Mr. PACKWOOD. Mr. President, reserving the right to object, has the amendment been called up or not?

Mr. JACKSON. I just called it up.

Mr. PACKWOOD. I say to the distinguished Senator that I will object to its consideration. I understand that we are going onto another item of business, anyway. I want an opportunity to look over the amendment, especially paragraphs 2 and 3, before we consider it. I understand that we will be back on this matter later.

Mr. JACKSON. I just want to make it the pending amendment.

THE PROPOSED ENERGY TRANSPORTATION ACT OF 1974

Mr. COTTON. Mr. President, presently pending on the Senate calendar of business, Order No. 991, is a bill, H.R. 8193, the proposed Energy Transportation Act of 1974, which would require increasing specified percentages of all oil imported into the United States to be transported on U.S.-flag vessels.

I oppose vigorously the passage and enactment of this legislation which I view as being most unwise and contrary to the public interest, especially the interest of the American consumer and American taxpayer.

Mr. President, it was for this reason that by letter dated May 14 I sought to alert those several persons and organizations who I thought would have a vital interest in expressing their views on this House-passed bill when our Subcommittee on Merchant Marine or the Commerce Committee conducted its hearings late in the same month on this legislative proposal. Among those to whom I sent my letter was Mr. Ralph Nader, from whom I have yet to even receive the courtesy of an acknowledgment.

Therefore, Mr. President, I note with particular interest the most appropriate editorial appearing today, July 30, in the Wall Street Journal entitled "Where Are You, Ralph Nader?" concerning the lack of opposition and, indeed, any expression of concern whatsoever, by consumer advocates, such as Mr. Nader over H.R. 8193.

Mr. President, because of the timeliness and appropriateness of this editorial, I ask unanimous consent to insert it at this point in the Record, inviting the attention of my colleagues to its opening sentence which reads:

> Now that the American consumer really needs him, Ralph Nader seems to have gone fishing.

There being no objection, the article was ordered to be printed in the Record, as follows:

Where Are You, Ralph Nader?

Now that the American consumer really needs him, Ralph Nader seems to have gone fishing. Congress is on the verge of passing a fancy item called the Energy Transportation Security Act of 1974, in what can only be a straightforward deal with the free-spending maritime unions. The bill requires that 30% of all oil imports be carried on U.S.-flag vessels, compared to almost none today; it would add at least $20 billion and perhaps $60 billion to U.S. energy costs over the next decade. Why are the consumer advocates so quiet?

What is really ironic is that the maritime unions have been pushing cargo-preference legislation for years, scattering campaign contributions and sky-high lecture fees all over Capitol Hill to insure an attentive audience. They've always been rebuffed. Yet now, with Congress supposedly on a higher moral plain inspired by the Watergate revelations, great merit is suddenly discovered in the idea. The House has passed the measure by a 266 to 136 vote and the Senate is poised to adopt it in the next few days.

The argument that has been winning the day with the labor liberals in Congress is "national security." That is, in order to secure delivery of imported oil, the United States must build up its own fleet of tankers, manned with U.S. seamen. The Commerce Department estimates this will require the construction of 40 tankers at a cost of $4 billion by 1977. If in that year the Arabs cut off our oil, we won't get any more oil, but Americans can rest easy that what does get here will be carried in U.S. vessels. Somewhere else in the world there will be 40 empty tankers; some national security.

The cost of building and manning American tankers is so much higher than the competition that even the House Merchant Marine Subcommittee shamelessly admits it might add "a penny a gallon at most" to the price of gasoline; the Maritime Administration projects two cents a gallon by 1985. With U.S. consumption now at 100 billion gallons a year, that alone is $1 billion a year in increased cargo costs, rising to more than $2 billion a year by 1985.

And that calculation assumes that the rest of the world is going to happily permit the United States to violate existing treaties that prohibit preferences for commercial cargoes. It would be hard to reason with Saudi Arabia or Venezuela if they propounded laws requiring that 30% of the crude they ship to the United States must be carried in Saudi or Venezuela bottoms at the highest commercial rates, which of course will be those charged by the U.S.-flag vessels.

There is nothing in this legislation that is good for consumers, taxpayers or the nation as a whole. But those who should be complaining loudest about it, the Naderites and Common Cause, do not wish to irritate the AFL–CIO and thereby lose labor support for their Consumer Protection Agency, which is also before the Congress. The homebuilders and mortgage bankers haven't complained either. They're too busy pleading for direct relief themselves. Yet here is a measure that will take $4 billion from the capital market in three years and at least $20 billion from consumer spending in ten. Doesn't anyone realize the pork barrel is empty?

Perhaps they do, and are simply counting on President Nixon to take time out from his other troubles to veto the bill if it passes. The administration, at least, opposes the bill, which may be why so many members of Congress can vote for such a boondoggle and still live with their consciences. What alarms us most, though, is that a bill so worthless and inflationary can command so much support in Congress at a time when the United States is going through one of the worst inflations in its history. If Congress passes this, what won't it pass?

Mr. COTTON. Mr. President, I ask unanimous consent to insert in the Record several letters from organizations representing the agricultural sector of our economy expressing their opposition to the bills, H.R. 8193—the "Energy Transportation Security Act of 1974."

As I declared in my statement before the Merchant Marine Subcommittee of our Commerce Committee—which appeared in the Record of May 30—I oppose the enactment of the bill, H.R. 8193, which would require an increasing percentage of imported petroleum and petroleum products to be transported on U.S.-flag tanker vessels.

Mr. President, I fear the far-reaching repercussions that enactment of such legislation might produce. The costs of farm production would be forced upward. Our favorable international balance of trade for agricultural products would be severely affected. But, the ultimate consequence would be the increased costs passed on to the consumer in the marketplace. In these times of food shortages, soaring prices, and inflation, the consequences would be catastrophic.

In view of the extreme difficulties which would be imposed on the agricultural sector should such legislation be enacted, I ask unanimous consent that these several letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

National Association
of Wheat Growers,
Washington, D.C., May 20, 1974.

Hon. Norris Cotton,
U.S. Senate,
Washington, D.C.

Dear Senator Cotton: Thank you for your letter and information on the hearing on S. 2089 and HR 8193. Wheat growers have continuously been opposed to legislation mandating use of U.S. flag vessels.

Required use of U.S. flag vessels is an indirect subsidy that raises costs to U.S. consumers, increases costs of agricultural production, processing and distribution of food.

It is also very damaging to our efforts to reduce trade barriers, and to expand trade opportunities around the world.

If it is determined in the national interest because of national security or other reasons to subsidize the U.S. flag fleet it should be in the form of a direct subsidy.

I have enclosed a copy of our newsletter with a brief statement on this issue for your information. We will also file a statement and communicate directly with the Senators from our member states.

Sincerely,

Jerry Rees,
Executive Vice President.

Statement

The Senate Committee on Commerce, Subcommittee on Merchant Marine will hold hearings on S. 2089 (introduced by Senators Magnuson, Jackson, Beall, Jr., and Mathias, Jr.) and H.R. 8193 requiring a percentage of U.S. oil imports be carried on U.S. flag vessels.

NAWG will oppose passage of this legislation because it would raise the cost of fuel to consumers and the cost of agricultural production. Expanded trade opportunities and national security interests can best be served by direct subsidies to the maritime industry rather than indirect cargo preference legislation.

American Farm Bureau Federation,
Washington, D.C., May 21, 1974.

Hon. Norris Cotton
U.S. Senate
Washington, D.C.

Dear Senator Cotton: Thank you very much for your informative letter of May 14. We share with you the conviction that enactment of H.R. 8193—or similar cargo preference proposals—would be detrimental to our national interests.

I deferred answering your letter until I could submit to you a copy of our statement prepared for submission to the Subcommittee on Merchant Marine, Senate Committee on Commerce. A copy is enclosed.

We commend you for your leadership in opposing unsound cargo preference proposals, and we will support your position to the maximum extent possible. We are alerting all of our State Farm Bureaus to the need for immediate action to urge Committee rejection of H.R. 8193.

Sincerely yours,

John C. Datt
Director, Congressional Relations.

American Farm Bureau Federation,
Washington, D.C., May 21, 1974.

Hon. Russell B. Long,
Chairman Subcommittee on Merchant Marine, Committee on Commerce, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: We understand that your Subcommittee will hold hearings on May 20–21–22 on H.R. 8193, the "Energy Transportation Security Act of 1974." We wish to express Farm Bureau's views with respect to this bill.

Farm Bureau is the largest general farm organization in the United States with a membership of 2,293,680 families in forty-nine states and Puerto Rico. It is a voluntary, nongovernmental organization and represents farmers who produce virtually every agricultural commodity produced in the entire country.

Every one of our member families uses petroleum products. These products are an essential part of the productive process that provides Americans—and many persons in other countries—with needed food and fiber.

The Federal Energy Administration has recognized both the importance of agriculture to our economy and the importance of petroleum products to agriculture. It has awarded to agriculture the highest priority in its mandatory petroleum allocation program.

The basic objective of H.R. 8193 is to require that a minimum percentage of the gross tonnage of the major liquid petroleum products imported into our country shall be carried in United States-flag vessels. This proportion would be at least 20 per centum upon enactment of the bill into law; at least 25 per centum after June 30, 1975; and at least 30 per centum after June 30, 1977.

Prior to approving the projected increases to at least 25 per centum and to 30 per centum on certain future dates, the Secretary of Commerce would be required to determine that there would be sufficient U.S.-flag tonnage to carry the added quantities. There is no similar provision relating to the initial minimum of 20 per centum.

The lack of provision for due consideration of (1) the adequacy of U.S. capacity during the initial period following enactment of the bill, and (2) the efficiency of service at any period after enactment, means that passage of the bill very likely would result in unilateral, protectionist interference in international trade that is both unwarranted and unjustifiable.

Our members long have supported efforts to maintain a strong U.S. merchant marine. They would be pleased if 50 per centum or more of the imported petroleum products were carried in U.S.-flag vessels; however, they believe that operators of such vessels should earn the right to carry large volumes of various commodities.

On January 17, 1974, the elected voting delegates of the member State Farm Bureaus adopted the following policy pertaining to cargo preference:

"We support efforts to maintain a strong U.S. Merchant marine. However, in view of the extensive subsidies received by this industry, we do not believe it is proper for our government to require certain cargoes to be placed aboard American ships when their rates are not competitive with other available transportation. Part of the solution to this problem lies in modernization of domestic shipping facilities and port installations with greater emphasis on efficiency."

Enactment of this bill would adversely affect farmers and ranchers in two important ways:

1. Higher farm production costs: We cannot provide a precise estimate of the increase in costs that would result from passage of this bill. Testimony during hearings held in the House indicated a range of from a few cents to well over one dollar for every barrel of oil imported by tanker. It appears obvious that the increase in ocean freight rates would be substantial. If this were not the case, U.S.-flag vessels now would be able to compete effectively and earn a fair share of the business, and no cargo preference bill would be under consideration.

The cost of procuring the needed foreign supplies of petroleum also would increase as a result of a reduction in the flexibility of programming oil shipments. Deliveries would become less efficient and less dependable.

The increases in costs of imported petroleum products would have to be reflected in U.S. farm production costs for foods and fibers. This would mean higher prices for agricultural commodities in both domestic and foreign markets.

2. Reduced export markets for agricultural commodities: Passage of this bill would be used as justification for attempts to extend the cargo preference concept to export shipments of agricultural commodities now moved in bulk; i.e., wheat, corn, soybeans, sorghum, etc. Such an extension of the concept would result in higher prices for these commodities at foreign ports of delivery. Higher prices to foreign buyers of U.S. agricultural commodities would reduce demand for such commodities and spur buyers to seek alternative sources of supply. This would lead to smaller expenditures for U.S. commodities and lower incomes for U.S. farmers and ranchers.

Further, oil exporting countries might adopt retaliatory measures that would adversely affect exports, including agricultural commodities.

Urban consumers also would be adversely affected. They would have to pay more for (1) the petroleum products they use themselves, (2) various consumer products for which the industrial use of petroleum products is a significant cost factor, and (3) U.S. food and fiber produced in smaller quantities, at higher per unit costs as a result of shrinking export markets for agricultural commodities.

Decreased expenditures by foreign buyers would lead not only to a further loss of markets for U.S. farmers and ranchers but also to a worsening of our international trade balance. Our net surplus in value of agricultural exports over agricultural imports now is the most favorable part of our national trade balance situation.

We urge the Subcommittee on Merchant Marine of the Senate Committee on Commerce to reject in their entirety H.R. 8193, the "Energy Transportation Security Act of 1974", and other bills with similar objectives.

We respectfully request that this letter be made a part of the record of the hearings.

Sincerely,

JOHN DATT,
Director, Congressional Relations.

NATIONAL COUNCIL OF FARMER COOPERATIVES,
Washington, D.C., June 11, 1974.

Hon. NORRIS COTTON,
U.S. Senate, Committee on Commerce, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR COTTON: Thank you for your recent letter requesting the National Council of Farmer Cooperatives' views on H.R. 8193 and S. 2089 and other cargo preference legislation pending before the Senate Commerce Committee. The National Council continues to oppose such legislation not only because of the effects it could have on agriculture but because it will hamper efforts to promote free trade. Listed below are some of the specific objections the National Council has to this legislation.

1) On-farm fuel consumption totals about 3% of the total daily consumption of petroleum. When transportation, processing and distribution are added, agricultural needs total about 15% of the total daily rate of consumption.

Some experts have estimated that if the cargo preference bill is adopted, it would add approximately 50¢ per barrel to the cost of every barrel of petroleum imported. Computed on this basis, on-farm fuel costs would increase by about $35 million per year. Total increased costs to agriculture would be at least $175 million per year. The increased costs, of course, would ultimately be paid by the consumer.

2) Added fuel costs would not be limited to agriculture; they would affect every segment of our economy. Such increases mandated by the Congress seem odd in light of the fact that the industry is under severe criticism for dramatic increases in product prices. At the same time, the legislation weakens the argument that oil-exporting nations are currently charging too much for their crude oil. The passage of this legislation would show the world that the United States is not, in essence, unwilling to pay even higher prices for its imported petroleum.

3) The passage of cargo preference legislation would increase the pressure on the Defense Department to provide assured quantities of steel to the ship-building industry. In the National Council's view, if the Department of Defense yielded to such pressures, it might affect agriculture's ability to obtain sorely needed quantities of rod steel and sheet steel already in short supply. This in turn could affect agriculture's ability to meet this nation's food and fiber production goals.

4) Cargo preference legislation, if adopted for oil imports, might be proposed for agricultural exports. Such an irresponsible move would come at a time when agriculture needs all of the flexibility it can obtain. Exports of agricultural commodities are expected to increase from $12.8 billion to over $20 billion. Such a move could make it difficult to meet these export goals which in turn would make it impossible to use agricultural exports as a partial offset for the $25 billion in petroleum the United States is expected to import this year.

5) The ship-building industry should be encouraged to become more competitive not less competitive, by creating artificial barriers that discourage competition. Along these lines, it is interesting to note that of the eight major maritime countries, not one has a cargo preference requirement. The Maritime Act of 1970 is a far better approach to developing a healthy, viable maritime industry than this legislation, which in essence legislates non-competition in the industry.

6) The legislation would encourage retaliation by other nations, and that would reduce flexibility in international shipping. While it might initially increase the capabilities of the U.S. Merchant Marine, it would obviously encourage oil exporting nations to adopt similar preferences to help build up their own merchant marine fleets. This would inevitably place us on a political collision course with these nations—a battle difficult for the United States to win but very easy to lose.

7) The definition of an independent refiner is wholly inadequate. Farmer cooperatives, which supply about 30% of agriculture's on-farm fuel, operate either jointly or individually eight refineries. Only two cooperatives operating refineries would fall into the independent refiner category as defined in this bill. This category is nothing but a device to develop political support for the bill. Most independent refiners, as defined in the bill, own inland refineries that probably could not economically utilize foreign crude oil on a direct import basis.

8) Seventeen farmer cooperatives recently formed a corporation called International Energy Cooperative, Inc. One of the purposes of the new cooperative is to barter agricultural commodities directly with oil-exporting nations in exchange for crude oil to our farmer cooperative refineries. It is entirely possible that the economics of such an effort could be seriously affected if the cargo preference bill were passed. Even if there were no economic effects, it would obviously make such an arrangement much more complicated. It is curious to note that this restrictive legislation comes at a time when small, independent refiners are being encouraged to seek out additional sources of crude oil for their crude-deficient refineries.

Senator, the National Council is deeply appreciative of the continued opposition you and others have shown to this type of restrictive legislation. If the Council can be of further service or provide additional information, please let us know.

Sincerely

BILL BRIER,
Director of Energy Resources.
ROBERT N. HAMPTON,
Vice President, Marketing and International Trade.

NATIONAL GRANGE,
Washington, D.C., May 22, 1974.

Re S. 2089 and H.R. 8193.

Hon. RUSSELL B. LONG,
Chairman, Subcommittee on Merchant Marine, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: The National Grange has always opposed the passage of legislation that would require a percentage of U.S. imports of crude oil and petroleum products to be carried on U.S.-flag vessels. It has so testified in Congressional hearings in the past. The late fuel oil crisis and continuing fuel shortage and cost escalation has in no way changed our views but, if anything, has intensified our convictions.

We believe that any such interference in the normal course of trade and free movement in world commerce would inevitably result in increased cost to the American consumer. Moreover, the effect would be discriminatory against those regions that depend in large part on imported oil—New England, Middle Atlantic, the West Coast and Hawaii. These regions would bear a disproportionate share of the added costs.

The legislation would complicate and impede the importation of oil and petroleum products just when such imports are badly needed. It would in no way make some importation easier or less expensive.

Passage of any such legislation would not be consonant with many existing treaty obligations of the United States and would invite retaliation by foreign countries. It would be a step backward in the worthy struggle for more freedom in world trade. Once a precedent was set in the matter of oil, the concept might well be extended to other imports and to experts as well, such as our agricultural exports which are so important to our balance of trade.

There must be some way to foster the development of an American flag tanker fleet other than legislation which is objectionable for so many reasons, only a few of which are here mentioned. On the matter of cost alone, it appears that the approach taken by this legislation would be the most expensive of all to the people of this nation. Other remedies, such as fleet expansion under the Merchant Marine Act of 1970, would cost much less. The National Grange has always actively supported such expansion.

Thank you for giving attention to the views of the National Grange. It would be appreciated if this letter were made a part of the record of the hearings being conducted by your subcommittee.

Sincerely,

JOHN W. SCOTT,
Master.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour of debate be equally divided between Mr. ERVIN and Mr. RIBICOFF.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Who yields time?

CLOTURE MOTION

Mr. RIBICOFF. I yield myself 5 minutes.

Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill, S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

1. Abraham Ribicoff.
2. Howard M. Metzenbaum.
3. Philip A. Hart.
4. Joseph R. Biden, Jr.
5. Mike Mansfield.
6. Edmund S. Muskie.
7. Warren G. Magnuson.
8. Gale W. McGee.
9. John O. Pastore.
10. Henry M. Jackson.
11. William D. Hathaway.
12. Lee Metcalf.
13. Walter D. Huddleston.
14. Floyd K. Haskell.
15. Claiborne Pell.
16. Clifford P. Case.
17. Edward W. Brooke.
18. Edward M. Kennedy.
19. Charles H. Percy.

Mr. RIBICOFF. Mr. President, I rise in support of the pending motion to invoke cloture. After 13 years of study and debate, the time has come to act on legislation to create an independent Consumer Protection Agency.

This legislation has been extensively debated by the Senate since Senator Kefauver first introduced a bill in 1961 to establish a Department of Consumers. Since then, many people have studied the concept of an independent Consumer Protection Agency, and many words have been spoken and written.

Over the years, the legislation has been considered extensively by the appropriate committees.

In 1969 and 1970, a total of 11 days of hearings were held by the Executive Reorganization Subcommittee of the Government Operations Committee on five different consumer agency bills. After thorough review of the testimony, an entirely rewritten bill was reported by the committee.

In the 92d Congress, the subcommittee held in November 1971, 2 more days of hearings on the measure. The bill was then considered at length by the committee before it was reported in September 1972.

In this Congress, S. 707 was first introduced in February 1, 1973. Over a year of extensive discussions followed with other members of the committee, the administration, and outside parties, to perfect the legislation.

The Government Reorganization Subcommittee, in 1973, held joint hearings with the Commerce Committee. Eighteen witnesses testified over 6 different hearing days.

The subcommittee, on March 28, 1974, then ordered the bill reported to the full committee with amendments modifying or deleting many of the major provisions contained in the original bill. Early in April, the Commerce Committee reported the bill with additional amendments. The full Government Operations Committee considered the bill and ordered it reported on May 16.

At this time, Mr. President, I wish to pay tribute to our distinguished chairman, Senator ERVIN, who, although he is opposed and always has been opposed to the bill, as chairman of the full committee did everything within his power to have timely committee meetings and to expedite the committee consideration. At times when we did not have a quorum, our distinguished chairman, who was against the bill, was always presiding, even though a quorum was not present.

Mr. PERCY. Mr. President, will the Senator yield on that point?

Mr. RIBICOFF. I yield.

Mr. PERCY. Mr. President, I should like to add the admiration, also, of the minority members of the committee, some of whom support the proposed legislation and some of whom do not, but all of whom respect the fact that our distinguished chairman always sees fit to let a matter be voted upon, up or down. He presided in such a way that we could actually report this bill to the floor of the Senate. Even though he strongly opposes the bill, he wants the Senate to exercise its will.

I express appreciation for that to the Senator from North Carolina (Mr. ERVIN) and to the Senator from Alabama (Mr. ALLEN), who is in the same position and has always been eminently fair.

Mr. RIBICOFF. That is correct. Senator ALLEN, who opposes this bill, also went out of his way to help us make a quorum. He brought up many amendments which were defeated, after long discussion, with great research. There is no question in my mind that many of those amendments will be brought up on the floor of the Senate in future days.

In all, the idea of an independent consumer protection agency has been discussed in 19 days of hearings. Forty-six witnesses have been heard. Scores of different bills have been considered. Over 1,500 pages of hearings have been printed. Three hundred pages of committee reports containing majority and minority views have been prepared.

The legislation has also been considered extensively on the floor of the Senate.

In 1970, the Senate debated the bill for 2 days and passed the legislation by a vote of 74 to 4.

In 1972, the bill was analyzed in an 11-day debate, filling 115 pages of the Congressional Record.

A clear majority of the Senate favored the bill. But it died because a minority of the Senate made a final vote on the bill impossible.

And now, the legislation has been on the floor since July 16. During the last 2 weeks, seven rollcall votes have been ordered. The Senate has adopted nine amendments to the bill and defeated one other proposed amendment. Opponents of the bill have had extensive opportunity to make their views known to the remainder of the Senate. Their comments and speeches have occupied approximately 85 percent of the time devoted to this bill on the floor of the Senate.

S. 707 is important legislation. It creates a new type of Government agency. For the first time it assures the individual consumer that his interests will be heard in the halls and hearing room of Government.

Because the bill is landmark legislation, it should be thoroughly studied and debated by the Senate. But the Senate has now had 13 years to consider the idea of a consumer protection agency. Debate on S. 707 has already stretched over two weeks.

The time for final action on the bill has come.

The time for a majority of the Senate to work its will has come.

I hope that today the pending motion will be adopted by a two-thirds vote of the Senators present and voting.

Mr. ERVIN. Mr. President, I yield myself 3 minutes.

First, I ask unanimous consent that all amendments proposed to S. 707 which are now at the desk shall be deemed to have been presented and read prior to the cloture vote for the purposes of satisfying rule XXII.

The PRESIDING OFFICER (Mr. McClure). That has already been done.

Mr. ERVIN. All right, I did not know it.

Mr. President, I want to thank my good friend, the distinguished Senator from Connecticut (Mr. Ribicoff) and the distinguished Senator from Illinois (Mr. Percy) for their exceedingly generous remarks concerning my action on the Senate Government Operations Committee.

As chairman of this committee I have adopted the policy of trying to expedite consideration by the committee of any legislation that any member of the committee was interested in having reported to the Senate.

At the same time, I have preserved my right as a Senator to oppose anything coming from the committee after reaching the floor of the Senate. I think this is the first bill that has come from the committee that I have opposed.

Notwithstanding the consideration of this bill, or previous bills as depicted by my good friend from Connecticut, I wish to say I think Members of the Senate are still ignorant of the contents of this bill as a whole. The ones that are familiar with the contents are disturbed beyond expression by the implications of the bill and to our economic system and our governmental system.

I first became acquainted with the bill in 1970. I will be perfectly frank to say I did not read it until the night before the bill was scheduled for floor consideration and as a result of reading that bill I had a governmental nightmare from which I have never yet recovered.

At that time, I think I was the only Member of the Senate, as a result of the knowledge I acquired the few hours before it was to come up, who knew anything about its contents except those who made it.

I stood on the floor of this Senate and fought it to the best of my ability the next day. I was able to win support of only three other Senators, so the bill passed with only four opposing votes.

Since that time, a lot of people have gotten their eyes opened to the contents and implications of this bill and the opposition has been steadily growing.

I think that if those of us who oppose the bill can have adequate time to debate and to educate the other Members of the Senate on the contents and implications of this bill, we will soon have this minority of 4, which grew to almost a minority of about 40, converted into a majority.

For that reason, I hope the Senate will vote down this motion for cloture.

I do wish to say before I take a seat that the floor manager of this bill is one of the finest public servants the United States has ever had and one of the finest gentlemen of my acquaintance.

For that reason, I rejoice in the prospect that after I leave the Senate in January, he will succeed me as chairman of the Government Operations Committee.

I want to also take this occasion to thank him and the Senator from Illinois for the great work they have done on the committee this year. I think the committee this year has been one of the most productive of all of the committees of the Senate and this is the only real legislative proposal that has been proposed to this body and all the rest of them have been governmentally righteous. I hope all the rest of it will pass except this one here, and I hope that the Senate will reject the cloture motion and enable us to debate it.

Mr. RIBICOFF. I yield myself 2 minutes, Mr. President.

I cannot help but respond to the gracious manner and attitude of our chairman. Of course, I do not know what the future will be. First, I have to get reelected and then the Senate has to vote to have me succeed our distinguished chairman. But should both events take place, I could not imagine a greater honor than to follow the distinguished footsteps of our great Senator from North Carolina (Mr. Ervin).

He has taught all of us as Senators what our role and duties are with one another, politeness, consideration, availability, cooperation; and it is because of Senator Ervin that the U.S. Senate is such a great institution. I am sure that Senators who follow all of us in many years will always look upon the career of Senator Ervin and what he has stood for in the highest tradition of the U.S. Senate.

There could be no greater ambition of any man entering this great body than to follow the lessons, the style and philosophy of the distinguished senior Senator from North Carolina.

Mr. BUCKLEY. Mr. President.

Mr. ERVIN. Does the Senator from New York desire time?

Mr. BUCKLEY. I would like to have 5 minutes.

Mr. ERVIN. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUCKLEY. Mr. President, the distinguished manager of the bill has made a great point of the fact that many days of testimony have been taken, many witnesses have been heard, voluminous reports published, the report of the committee and the minority views also published, and that we have now had this matter before us since the 12th of July.

He urges us to conclude from that that Members of this body are really aware of the implications of this legislation, really understand how it would operate, realy comprehend the extent to which it would or would not actually advance consumer interests.

Mr. President, I would like to suggest that most Members of this body do not yet understand the implications of this far-reaching legislation.

In the first instance, it is no secret to any one of us that each of us is so preoccupied with his own work—and this is certainly true at this time of year when so much major legislation is being rushed through our respective committees—that we simply do not have the attention span to focus on this legislation.

I think as we look around in this Chamber today we can see that much of the debate that has taken place has not reached the ears of anyone but those individuals among us who happen to have a strong interest in this legislation, either pro or con.

Despite the fact that this matter has been before us since the 18th of July, there have actually only been 14½ hours of debate.

I would like to suggest, Mr. President, that given the fact that so few Senators become exposed to what we have to say, given the fact that the issues at stake have been given so little publicity by the press, I for one am not at all convinced that it is in the interest of the people of the United States, of the consumer, to terminate the debate at this time by voting in favor of cloture.

I do believe that as we are proceeding, that as we allow time for the great educational process in the country to take place, if it does not occur in this body, that we are seeing progress. We do see that here and there individuals and groups suddenly coming to realize that that which was originally styled the Consumer Protection Agency really will not protect the consumer, but will serve to complicate our administrative procedures, restrict consumer choice, increase the expense to the consumer, and accomplish none of its stated objectives.

One particular evidence of this new awareness, and one that sort of amuses me, is the fact that suddenly the certified public accountants of the United States came to realize that if we talked about CPA, referring to this agency, in due course it would give the accounting profession a bad name, because inevitably, if we adopt this legislation, we will find the public increasingly understanding that the CPA is a form of Public Enemy No. 1—and I am speaking of enemy of the consumers.

One of the aspects of this legislation to which insufficient attention has been directed, it seems to me, has to do with precisely its impact on consumer choice and on consumer cost. I believe it would be worth our while at this time, Mr. President, for me to take the time to read the testimony of Prof. Ralph Winter of the Yale Law School, which he gave at the hearings of the Subcommittee on Rules on this particular legislation.

I might say, incidentally, that Professor Winter is an expert on administrative law. He told me the other day that he has spoken to many of his colleagues at the Yale Law School and elsewhere, and that to a man those who are knowledgeable on the subject of administrative law have had to conclude that this is an extraordinary machine for throwing wrenches into the operations of just about every agency we have in this country that is focusing on specific areas of consumer concern.

The PRESIDING OFFICER (Mr. McClure). The Senator's 5 minutes have expired.

Mr. BUCKLEY. May I have such additional time as required for the reading?

Mr. ERVIN. I yield the Senator 4 additional minutes.

Mr. BUCKLEY. I now read from Professor Winter's testimony:

> Although I oppose S. 707 as a whole, the burden of my statement is directed to title II in the proposed Consumer Protection Agency.
>
> This title will establish an agency to represent as an advocate the interests of consumers before other Federal regulatory and judicial tribunals in the hope of offsetting what is thought to be the excessive influence of producer groups. In my view the principal attraction of the bill is the statement of purpose and the name of the agency it creates, for one can hardly be against protecting and promoting the interests of consumers. Experience teaches, however, that there is a great difference between the rhetoric of the United States Code and the actual impact of agencies created thereby.
>
> In my opinion, the proposed CPA will, at best, be a superfluous waste of taxpayer money and, at worst, counterproductive as far as the interests of consumers are concerned.
>
> The need for this legislation is said to arise from the pervasive failure of other Federal agencies to protect the consumer. This failure has many sources but most observers seem to agree that inefficiency, partisanship and excessive responsiveness to special interests are the principal causes.
>
> The chronic failure of regulation in the past, however, would seem to call more for deregulation than the creation of yet another agency which will in time also be discovered to be counterproductive.
>
> For unless there is magic in the name "Consumer Protection Agency," there is no reason to expect it to avoid the pitfalls which have downed its predecessors.
>
> Lower-level employees will be drawn from the same pool which supplies the older agencies, they will be protected by the same Civil Service and motivated by the same desire to survive in as undisturbed a fashion as possible.
>
> The Administrator will be appointed by the President, who also appoints the top officials in the agencies which are said to have failed. And the special interests which have sought, often successfully, to turn the work of other agencies to their advantage will find it in their interest to attempt to influence this agency also. Safety regulation, for example, can be utilized to injure foreign competitors and thus serve in effect as a restriction on entry.
>
> The support lent by the advocacy of a CPA would provide the perfect camouflage for such a venture. One of the charges made against the older agencies is that they have permitted their powers to be turned to just such monopolistic ends. Why the proposed agency would be less responsive to such pressures is, in my judgment, hardly self evident.
>
> ### CONSUMER REPRESENTATION
>
> The function of consumer representation before other agencies also seems to me to be a role which is either superfluous in practice or wrong in concept. When a number of different governmental policies are relevant to an agency's decision, they should be brought to its attention. All too often, for example, regulatory agencies act in ways which restrain competition and undermine the policies of the Sherman Act. The function of exposing countervailing policies, however, ought to be performed by those responsible for enforcing the particular policies; for instance, the Antitrust Division of the Department of Justice. Creating a new agency to play that role seems to me to be redundant and to divide responsibility so that everyone concerned can avoid accountability for the failure of policy.
>
> The proposed CPA is in other ways a cure which is not well tailored to the disease. Where the legislation implemented by the older agency is itself contrary to the interests of consumers, as is often the case in transportation, for example, deregulation is an infinitely better remedy than advocacy by a CPA.
>
> Where the legislation is designed to help the consumer, advocacy by the CPA will in large part simply urge adherence to laws already on the books. But if agencies are presently disregarding the intent of Congress, better remedies are to rewrite the basic statutes so that legislative intent is more specifically reflected in the language, increase the scope of judicial review or reform the original agency in some other way.
>
> The least desirable step would seem to be the creation of a new agency which, except for advocacy, has no power to affect the work of the older ones.
>
> Where the proposed CPA is supposed to appeal to agency discretion, the cure may be worse than the disease, for if its advocacy is successful, it may in the longrun hurt consumers and, in particular, the low-income consumer. Where the CPA is engaging in advocacy against a particular product, for instance, it simply cannot represent all, or even most, consumers.
>
> S. 707 describes itself as intended to protect consumers in matters such as safety, quality, purity, potency, healthfulness, durability, performance, repairability, cost, and so on.
>
> The fact is however, that we live in an imperfect world and benefits are rarely gained without costs. Where durability is concerned, for example, the choice may be between increased product life and decreased price, or product life and performance. In a market economy, it is the individual consumer who should make that tradeoff, for different consumers will place different values on different product characteristics. One agency, or two, or even ten, cannot represent all consumers on issues such as this. Thus it is that it will always be the CPA's choice, rather than the consumer's that is represented.
>
> ### CPA MUST BE THE PRINCIPAL
>
> Legal representation can be effective only when there is a single interest to represent. Where there is no homogeneous single interest, as with durability, there is a conflict of interest between consumers and representation is impossible.
>
> For this reason, the proposed CPA must always be the principal rather than the agent.
>
> That is why, I take it, the legislation does not detail with any specificity the grounds on which the CPA is to decide to appear before another tribunal and argue for more safety or more durability, even though higher prices may be entailed. The only thing we can be sure of is that the CPA will never argue for a cheaper product with less durability, or purity, or what have you, for once it is acknowledged that increased benefits means increased costs and the CPA does not provide something for nothing, the voter will view the CPA as a useless, if not harmful, expenditure of the taxpayer's dollar.
>
> For this reason, I fear the CPA may injure the low-income consumer by increasing the price of a large number of products. To be sure, law can compel the production of better products, but only by increasing their cost.
>
> It can also compel, at a cost to all consumers, the dissemination of detailed product information which is of interest and value only to the highly educated.
>
> These measures must decrease output and, in particular, the production of cheaper products. It is all very well for middle and higher income groups to call for more quality and safety, for they can afford it and laws compelling greater production of better goods may, because of economics of scale, make higher quality goods less expensive. But such laws may also eliminate the even cheaper products the poor can now afford.
>
> In my judgment, the best way to help the consumer to obtain more quality, safety, durability and the like, is to get on with the job of repealing the regulatory statutes which now penalize the consumer so heavily so that he can afford to purchase those goods and products having those desirable qualities rather than continue to be saddled with costly regulation which hurts him in the end.

Mr. RIBICOFF. Mr. President, I yield 5 minutes to the Senator from Iowa.

Mr. CLARK. I thank the Senator from Connecticut.

Mr. President, I rise in strong support of the cloture motion. Various proposals have been introduced and discussed to create some form of institutional voice for consumer interests for a decade. It seems to me that is long enough to talk about such a significant subject.

In 3 of the last 4 years, consumer protection proposals have been on the floor of either House of Congress. Few issues have been discussed at greater length. In 1972, the bill passed the House but was killed by a similar filibuster in the Senate. This year the House has once more acted on this legislation, and it is back to the Senate again. It seems to me that the argument that there has been inadequate time and inadequate consideration would apply to almost any other measure that has been introduced in the Senate more appropriately than to this one. It has already been filibustered. It has already been passed twice in the House of Representatives. It has been discussed many, many times.

Certainly the Senate and the House of Representatives need to a spend an adequate amount of time discussing any issue, but there is a limit to how much we can be expected to debate and discuss.

If I understood correctly the last speaker, he indicated that something like 14 hours had been used so far in debating this topic, and suggested that that was perhaps inadequate. I doubt that there have been five measures in the Senate during this entire year that have been discussed for more than 14 hours.

I think the other essential point is that if we vote cloture here this afternoon, it will simply mean that we will have up to an additional 100 hours to debate this matter before we vote on it, if each Senator decides to exercise his right of 1 hour of debate. So no Senator is going to be cut off from his right to debate this issue this afternoon. Each Senator, in turn, may have up to 1 hour, and that is all this cloture vote will do—simply give us the opportunity to speak at length for up to 100 additional hours—and then to decide the issue.

It is understandable that many Members and many people view this proposal and its merits differently. I happen to support the bill. I believe it provides the best vehicle to insure that legitimate consumer interests are aired before a proper Government agency. One can disagree with that.

I think it equalizes or helps to balance the well organized activities of the special interests. It provides for a clearinghouse for consumer complaints, with authority to request enforcement action by other agencies. Certainly one could disagree with their functions, too.

I think, certainly, that it is established now that it is not another regulatory agency. Its purpose is to represent interests, not make decisions.

It is supported by a number of business groups such as Montgomery Ward and Motorola, as well as a number of people who speak for business, including Business Week magazine.

We know other businesses disagree. My point is not whether or not we should adopt this measure at this time, but whether or not we should vote on it.

Everybody can agree on one thing; after half a decade of discussion, after floor consideration in 3 of the past 4 years, and after one successful filibuster already, the issues on both sides have been raised. Everyone who wishes to has had an opportunity to speak on this issue. The arguments have been made. The Senate owes the American people a vote on the merits of this proposal one way or another, up or down. If the measure deserves to be defeated, it should be defeated.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Who yields time?

Mr. **RIBICOFF**. Mr. President, I yield 2 more minutes to the Senator from Iowa.

Mr. **CLARK**. Mr. President, I simply conclude by saying that if the measure deserves to be defeated, then let us defeat it. If it deserves to pass, then let us pass it. That is the democratic process, and we should not simply back off and say that we are unwilling to see what the majority will is and to allow an obstructionist procedure to prevent an up or down vote.

So let us end debate and vote on the bill after giving every Senator his hour to debate the measure.

I yield back the remainder of my time.

The **PRESIDING OFFICER**. Who yields time?

Mr. **ERVIN**. Mr. President, I will yield 5 minutes to the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. **CURTIS**. Mr. President, I thank my distinguished friend from North Carolina.

We should not vote cloture on this bill because I am thoroughly convinced if we spend more time on it, if more Senators go into the proposal in depth to make a speech on it, that both the Senate and the country at large will turn against this legislation.

It has every characteristic of bad legislation and none of the characteristics of good legislation.

What is needed in this time of complexity in business and in government is clarity. We need a lessening of the number of agencies with whom our citizens must deal. We need government regulations and rules that become final, that people can depend upon.

This sets up a new agency. Now, who is there to argue that we need more Government agencies? This sets up a new Government agency that has a broad jurisdiction to go here, here, and there and there, and intervene in the proceedings of all other agencies.

Someone may undertake to find out what the law and the regulations require of their particular business or operation only to find, if this legislation is enacted, that a new agency comes in, enters into the picture, files a procedure, subjects the applicant to further proof and regulations, and the process goes on and on.

Good legislation is that which is definitive and certain, which narrows down the number of agencies with whom the citizen has to deal, and which produces a decision that is final, that is settled, so that turmoil does not continue on.

This bill will pit agency policy against agency policy as it pits agency against agency.

Congress will, of course, be drawn into the struggles. It proposes in its own terms to draw in the judiciary to unsnarl tangled authorities, claimed priorities and disputing executive departments. It does this through a right granted to this new agency to appeal any other agency's action in which it participated, and under conditions which it did not participate.

Mr. President, if this legislation is enacted it means endless harrassment; it means endless turmoil; it means endless uncertainty for those parts of our economy that want to produce, that want to provide jobs, that want to carry on the commerce, that want to do our building in the country and develop our natural resources, and to do all of the other things that provide jobs and raise our standard of living.

It will be one more agency to throw roadblocks. It will be one more agency to add to the confusion.

I do not know how many hundred thousand businesses there are in the country—maybe it runs into the millions. I am rather astounded that there are only three of them that I ever heard about that are for this bill.

Vast groups of individuals are alarmed as to what this bill will do. It involves agriculture, it involves manufacturing, it involves our health professions, it involves retailers.

The **PRESIDING OFFICER**. The Senator's 5 minutes have expired.

Mr. **CURTIS**. Mr. President, we should not consider closing debate for a long, long time because to do so will hasten the passage of very bad legislation.

The **PRESIDING OFFICER**. Who yields time?

Mr. **RIBICOFF**. Mr. President, I yield 4 minutes to the distinguished Senator from California (Mr. CRANSTON).

Mr. **CRANSTON**. Mr. President, since 1970, proposals such as the one now before us have been pending before both Houses of Congress.

I think that one of our responsibilities, when we can do it, is to show that Congress can finally act decisively when a matter has been debated, examined, processed through committees, amended, revised, reformed to the point where it is in the fine shape that this measure now is.

Over these 4 years, strong support for an agency to oversee the interests of the consuming public has been demonstrated in the committees and on the floors of both Houses of Congress. Also strong support for the bill has been demonstrated by the American buyer who has no voice as an individual before the awesomely large and complicated Federal regulatory agencies.

The major business concerns have a strong voice. They have at their disposal some of the finest attorneys in the country with large staffs behind them to represent their viewpoints—to bring their strength to bear. The consumer has no such ability to present his viewpoint in an organized, careful way with the support of the great group of talent that is available to huge business concerns of this country when they are promoting their interests.

There plainly is a need for a central coordinating body with the kind of legal and research capabilities that would be available in the Agency for Consumer Advocacy to confront the massive bureaucracy on the scale that has been achieved by private interests, and developed to such a very fine point over so many years and, indeed, decades in our country.

In the 93d Congress, the House of Representatives has already passed a bill to create a Consumer Protection Agency, and there was overwhelming support shown for that measure in the other body. I think it would be tragic if we allowed ourselves to slip into the 94th Congress still without such an agency. We owe it to the American people to stop the debate. There already has been ample opportunity for discussion, for consideration, for improvement in the measure. It is time to get the Agency put together by passing this measure, by voting cloture so that we can act upon the measure, working out any differences with the House of Representatives and getting it down to the White House, hopefully for signature.

It is very evident by the votes that have already been taken since this measure has been before the Senate that a very substantial, strong majority of us here in the Senate are in strong support of S. 707. The minority has been given ample opportunity to have input, to correct what it has seen as the shortcomings of this bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. RIBICOFF. I yield 1 more minute.

Mr. CRANSTON. Let it pass. We have discussed it long enough.

I yield.

The PRESIDING OFFICER. Who yields time?

Mr. ERVIN. Does the Senator desire time?

Mr. DOLE. Yes. I am not certain I am going to vote, so I do not know why the Senator would give me time.

Mr. ERVIN. I yield to the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am concerned about the need for protecting the consumer. I am also concerned whether this bill actually provides that protection, and my concern now is what impact this measure will have on the American farmer.

The American farmer plays a vital role in the economy of this country and the world. I cannot determine what impact it would have on exports of commodities such as wheat, corn, tobacco, or cotton. Would this Agency have a right to come in and halt or curtail exports in the name of the consumer? It would certainly be cheaper for the consumer in the short run if we do not export. If there is a glut on the market, it drives prices down and makes it much easier for processors and middlemen to purchase farm products cheaply.

In fiscal year 1974 our exports of farm commodities were over $21 billion. Had those exports been held down to a few billion dollars, food might have been somewhat cheaper for the consumer, but our balance of trade and the Nation as a whole would have suffered greatly.

I am seeking information. What power and what right would this Agency have to prevent or control the sale of wheat, for example? We export a great deal of wheat from the State of Kansas. What power would this Agency for Consumer Advocacy have over the sale of wheat and other farm commodities?

Suppose a sale was made by a private grain company to a foreign government, or suppose there was an export subsidy where our Government was involved. Could the Agency review that sale, and hold the sale up so that the foreign buyer might be forced to go to some other country for the purchase?

This question is very important. Next year, it will involve about $21 billion of our economy in farm commodities alone. If it had not been for the agriculture exports last year and the year before, the balance of payments deficit would have been greater than ever. The question is most important to those in rural America, and I simply do not find an answer in the bill. The people and farmers in Kansas and other States deserve an answer to this question.

What power would this Agency have? Can anybody tell me?

Mr. RIBICOFF. I yield myself 2 minutes.

The question raised is a legitimate one. Certainly in the Russian wheat deal, for example, the consumer advocate could have come in and explained why the agreement was a bad one. I think, looking at it from hindsight, the Russian wheat deal was a bad deal for the country, for the farmer, for the consumer.

There are certain issues that are not clear cut. There are certain issues where it is very obvious that there is a consumer interest. But when it comes to the question of trade—whether it involves industrial or agricultural products—there are several sides to the problem. The consumers' interests may not always be clear cut.

I would concede that when the consumer interest is not clear cut, this Agency would come in and lay out to the Agency involved the facts involved on both sides of the question.

In the trade bill that is now before the Committee on Finance, in connection with which the distinguished Senator from Nebraska has played such a major role, we are trying to make sure that there is an input in trade negotiations by labor, by industry, and by agriculture. In the same trade bill, we are making sure that the House of Representatives and the Senate will have a voice in the input. There is no reason why somebody representing the consumers should not come into the proceedings with their thoughts and their advice. This is what the ACA would assure.

As I look at the situation of this Agency, when it came to agriculture, if there were a basic problem involving different consumer interests and the farmer, I would hope that the consumer advocate would come in and give both sides of the question to try to clarify the situation, and to help in the decisionmaking process by the Agency who is to make the final decision.

Mr. PERCY. Will the Senator yield the remaining 30 seconds he has?

Mr. RIBICOFF. I yield.

Mr. PERCY. The question is a very good one, and both Senator RIBICOFF and I have spent many months on the Permanent Subcommittee on Investigations looking into the Russian deal. I think we ought to make it very clear that the Agency for Consumer Advocacy would have no power to do anything to stop such a grain sale. But, it might have asked the questions: What effect is it going to have on the consumer? How much grain are they going to buy? Over how long a period of time? Who is negotiating the deal? Are they free agents, are they full-time Government employees?

They might have discovered that one of them, simultaneous with negotiating the wheat deal, was negotiating a deal to go with one of those very grain companies. Those are the kinds of questions that should be asked on behalf of the consumer.

Mr. RIBICOFF. The question of the distinguished Senator from Kansas is a good one. It is important to keep in mind, however, that as an advocate the Agency will have no power. The Administrator will have no right to issue regulations, to give orders. His role is completely that of an advocate. He will come into the Agency and make his point of view known, and ask the questions, and raise the points, and give the other point of view for the ultimate consideration of the Agency that has the power and authority to make the actual decision.

Mr. DOLE. Will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. DOLE. The Agency would have the power to disclose information; it would have the power, as I understand it, to appeal any action that is taken. It seems to me that there might be a case for the consumer where there is an export subsidy involved, as there was in the Russian wheat sale. I do not think the sale was notorious; it greatly strengthened the price of wheat in my State. That result was good for the entire Nation, not just for Kansas. It has kept our balance of trade out of the red, for example.

Mr. RIBICOFF. The only time that the Agency can appeal is if the matter is otherwise subject to appeal. If another party could not have challenged the wheat deal in court, ACA could not have either.

Nor will the Administrator have the power to disclose privileged information that it has been given by another agency.

Mr. BUCKLEY. Mr. President, will the Senator yield for a question?

Mr. RIBICOFF. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from Connecticut has 5 minutes. The Senator from North Carolina has 7 minutes.

Mr. ERVIN. I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. I thank the distinguished Senator from North Carolina for yielding.

I have had an amendment printed for some time, and I have not decided whether to offer it.

Mr. RIBICOFF. I wish to emphasize that if the agency gets a trade secret from an agency and it is a trade secret, or is otherwise confidential information, the administrator is barred from releasing that information under any circumstances. He can have it, but he has no right to make it public if the host agency determines it is privileged information.

Mr. BUCKLEY. Mr. President, will the Senator yield for a question on that point?

Mr. DOLE. I think I have the floor, and I shall yield to the Senator from New York if I do not run out of my 2 minutes.

Mr. BUCKLEY. Is it not true that an exception can be made where the administrator finds that it is in the public interest and in health and safety to disclose that information?

Mr. RIBICOFF. Not if he receives it from another agency. If he receives it from a source other than another agency, then he can release it only if disclosure is necessary to protect health or safety. If he receives confidential information from another agency, then he has no greater right than that which the agency gives him.

Mr. BUCKLEY. But does he not have the right on his own, independently of the host agency, to seek out that information and then to make public on his own finding as to what constitutes safety?

Mr. RIBICOFF. Only if it involves a consumer interest and the Administrator meets the other requirements laid out in section 11(b). The person who is asked the question need not respond if he does not feel it is proper. He has a right to go to court and object to the request if it exceeds the Administrator's powers.

Mr. BUCKLEY. Therefore, in effect, the administrator, based on his own definition of consumer interest, is allowed to trigger a set of events that can indefinitely delay any matter that he pleases?

Mr. RIBICOFF. Any dispute over the agency's interrogatory powers and section 11(b) will not delay an agency proceeding. The two processes are entirely separate. In addition, do not forget that under the Domenici amendment adopted, by the Senate, small business need not answer the interrogatories. Most businesses in America will be excluded by this amendment from the agency's information gathering powers.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. I wonder if I might have 1 minute of the Senator from North Carolina.

Mr. ERVIN. I yield 1 minute to the Senator from Kansas.

Mr. DOLE. The point I want to make is an important point. I appreciate the comments of all the distingiushed Senators. This issue does cause great concern to the farmer or the producer of other commodities, and materials, which are manufactured in this country. There clearly is a consumer interest. There has to be a consumer interest somewhere along the line. What I am concerned about is avoiding restrictions on the producer to the point where it is harmful to consumer interests. We might drive the producer out of business if the consumer interest is going to be the overriding interest in every event.

It seems to me that we may interfere with the trade and export of farm commodities that we have been trying to promote, in every administration.

This year they are expected to be over $20 billion. It might appear to be much cheaper for the consumer to have the farm prices very low, to hold down exports, or to have a food reserve somewhere. But the disincentive to farm production would be more harmful in the end.

Later I plan to offer an amendment to prevent such harmful effects. I am now working on that amendment.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. How much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. RIBICOFF. I yield 5 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, the distinguished Senator from Nebraska has asked several questions about how the Consumer Protection Agency would work. I would like respectfully to point out that 39 States now have consumer protection agencies or agencies with that responsibility. So we have had a kind of test laboratory working for years through the country. Based on that experience, Virginia Knauer, Consumer Adviser to the President of the United States, has very recently reiterated her full support for the creation of this separate agency.

The distinguished Senator from Nebraska mentioned that three businesses were supportive. The Senator from Illinois has just put into the RECORD earlier today a press release by Virginia Knauer on the subject of business support for ACA. Ten additional businesses have expressed in correspondence to Mrs. Knauer their strong support for the Consumer Protection Agency principle. John Hechinger, president of Hechinger's Building Materials, Inc., affirmed his avid support in a letter to me. Also, as the Senator knows, Business Week magazine has editorialized in favor of the Consumer Protection Agency—now renamed Agency for Consumer Advocacy.

The New York Bar Association, the Chicago Council of Lawyers, the Association of Trial Lawyers of America, and the American Bar Association all support this legislation.

I know that the distinguished Senator from New York (Mr. BUCKLEY) has mentioned in his comments that one law school professor was opposed to the bill.

A letter which has just come to my attention is being sent to all Senators by 75 professors of business administration throughout the country, including two professors from the University of Kansas. All of these professors are totally supportive of S. 707 as it stands before the Senate now. They feel that the proposed agency is needed to provide basic fairness in the Federal regulatory process. They also state—

> A firm will be successful only if it focuses all decisionmaking upon the provision of consumer satisfaction. . . . Business, then has a vested interest in making sure the consumer is heard.

Mr. President, the legislation before us has fallaciously been called a superagency with overwhelming resources. It has been charged that ACA would be contrary to the interests of the American business community.

This argument stands in direct contradiction to existing facts. The authorized budget of the proposed Agency for Consumer Advocacy for fiscal 1975 is a relatively meager $15 million in the first year and $25 million in the third year. These are authorizations only. They represent the maximum allowable allocation.

If the history of the slim allocation of funds to consumer programs by the Congress in the past 5 years is any indication, the actual appropriation may be substantially reduced.

Assuming, for the sake of argument, that the authorized $15 million is actually appropriated for fiscal 1975, the figure becomes inconsequential when viewed in the context of the ACA's purpose—the protection of the health and safety and pocketbook of the largest constituency in the Nation, the American consumer. And, the authorized budget of the proposed agency pales in comparison to the budgets of industry and their representative associations—who will join the ACA as parties before Federal regulatory agencies and commissions.

Last year, 1973, the operating expenses for the U.S. Chamber of Commerce totaled $19,160,186—$4 million in excess of ACA's first year authorization. Total expenses in 1972 of the National Association of Manufacturers were slightly over $6.6 million; of the Grocery Manufacturers of America, $1.4 million; and the National Automobile Dealers Association, $3.2 million. The combined expenditures of just these four industry associations exceeds $30 million, twice ACA's first year authorization.

And since corporate contributions to the trade associations are tax deductible as business expenses, the consumer-taxpayer is helping to fund the activities of business lobbyists.

A comparison between the ACA and the corporations which it must scrutinize further repudiates the "superagency" characterization advanced by opponents of the bill. The resources of the ACA are indeed dwarfed by the vast capital and expertise available to these corporations. For example, in 1973, Ford Motor Co.'s operating income was $1.5 billion, 100 times ACA's maximum first year budget. Ford's total assets in that year exceeded $12 billion, 800 times the ACA authorization. Total profits were over $900 million, 60 times the cost of ACA. The ACA "superagency" shrinks into oblivion in comparison to these Ford figures.

General Motors and General Electric are two further examples of the tremendous resources available to business for presenting their views before the Government and the people of this country. General Motors, whose net income in

1973 exceeded $2 billion, annually pays its employees 600 times the ACA's $15 million authorization. General Electric's 1973 net earnings were $585 million, nearly 40 times the maximum appropriation authorized for the ACA in 1975. The list of certain other businesses that could be named with large budgets and small constituencies is endless. Those who suggest that the proposed ACA will overwhelm the business advocates, simply ignore these facts and figures. ACA, a mouse in budgetary terms, must face the lions of U.S. industry.

In addition to the trade associations and the industry itself, there is a third entity whose task is the care and tending of U.S. business—the Federal Government. The Small Business Administration, SBA, a federally funded business advocate, represents some 8 million constituent firms as compared to the 211 million constituents of the ACA. Yet the budgets of the two organizations are highly disproportionate. The ACA would have an "authorized" budget of $15,000,000 compared to the SBA with an actual budget, for administrative expenses alone, in fiscal 1974, of $250,750,000 and a requested appropriation for fiscal 1975 of $447,926,000. These figures do not include the vast sums allocated to the loan program. The enormous disparity between the resources of the two entities shows that the consumer advocate envisioned in S. 707 is hardly of superstatus in terms of available resources.

The 1903 charter of the Department of Commerce states that the Department's purpose is to "foster, promote and develop the foreign and domestic commerce, (and)—manufacturing and shipping—industries of the United States." This is but another example of business interest promotion by the Federal Government. The Commerce Department's 1973 budget of $1.6 billion lists an allocation of nearly $16 million just for "Domestic Business Activities." Such "activities" include the Office of Domestic Business Policy which operates a program of "trade adjustment assistance." The program's stated purposes are to guarantee loans to enable small business to competitively enter foreign markets, to encourage private enterprise, and to provide for business expansion. The Office of Business Research and Analysis and the Office of Field Operations, also funded by this appropriation, each functions as an advisor to the Commerce Department and a contact point between the Department and business.

When questioned as to the Department's responsibility for consumer interests, Phil Stiness, budget officer of Domestic and International Business Administration, referred to the Department's relationship with consumers as an "adversarial" one—"What we are trying to do is help the businessman." While acknowledging that good consumer relations means good business, the Department's advice is:

> Mr. Businessman, you have to pay attention to the consumer [because] the Commerce Department can't be in the business of taking the consumer's point of view.

Who, then, will systematically represent the consumer's interest? There is but one answer—the Agency for Consumer Advocacy. Among the numerous multinational business advocates, including the trade associations, the industries, and the Federal Government, there is not one organization to represent the American consumer effectively. And ACA's opponents do not want one. Some have ridiculed the concept with misstatements about its authorities and scope, and in my judgment wrongly designated this representative of the people as a "super agency." With a maximum first-year budget equal to 2 hours of the Pentagon's annual appropriation and a third-year budget equal to less than 3 hours, such distortions will not hold water.

Reasonable persons recognize the right of the American consumer to a strong and independent voice before the Federal decisionmaking bodies of this country. The public interest must be protected, and that can only be done by striking a fair balance between the legitimate interests of industry and consumers. An agency for Consumer Advocacy will do just that.

I urge my colleagues to address the merits of this legislation by putting a quick halt to the filibuster now in progress. Call it "talkathon," "talkfest," "extended debate" or whatever—a filibuster by any other name is still a filibuster and should be stopped now that a reasonable time has expired for careful consideration of the merits of the issue. This legislation has been debated in Senate committees and on the floor since 1970. It has already passed the Senate by a vote of 74 to 4 in a form very comparable to the bill before the Senate today. It is time now to vote the measure up or down. I urge an "aye" vote so that we may limit further debate to a maximum of 100 hours.

Mr. President, editorial support for an Agency for Consumer Advocacy, formerly titled the Consumer Protection Agency, has been emphatic and widespread. Prominent publications across the Nation have reflected a growing awareness that the consumer lacks adequate representation in the Federal regulatory process. A consensus seems to have emerged that powers granted ACA in both the Senate and House bills are not excessive or "dazzling" as some opponents have charged, but are limited instead to effective consumer protection.

A passage from the July 16, 1974, New York Times typifies expression of these views:

> In any administrative procedure, the presentation of adversary voices is the best guarantee against domination by one or another vested interest. 'Consumers' are no monolithic or exclusive bloc of society, any more than is 'business.' Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent might effect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

Another point repeatedly made is that responsible business has nothing to lose and everything to gain from the establishment of an ACA. The Agency would be mandated to eliminate consumer abuse perpetrated for the most part by a small minority of businesses. This handful has tainted the good name and standing of the vast majority of American businesses. A primary purpose of ACA would be to restore public confidence in business.

As the Roanoke, Va., World-News put it on April 30, 1974:

> . . . enlightened businessmen . . . realize they have nothing to fear from a Consumer Protection Agency so long as they are not trying to cheat or otherwise abuse the consumer.
>
> Their colleagues ought to come around. To oppose creation of an agency that would do nothing more than give the consumer a reasonable voice is to give the appearance that you have something to fear from such an agency.

The Washington Post observed on June 29, 1974:

> . . . the consumer protection agency will actually help the business community, because consumer trust leads to economic results. It is the oldest truth in the marketplace.

Mr. President, I ask unanimous consent that the letter from 75 professors of business administration I referred to in my remarks as well as a number of editorials from outstanding publications across the country be printed in the Record at this point. The letter is dated July 19, 1974. The editorials are from the June 29, 1974, Washington Post; the May 27, 1974, Fort Wayne Journal Gazette; the April 15, 1974, Providence Bulletin; the April 14, 1974, Los Angeles Times; the April 30, 1974, Roanoke World-News; the April 22, 1974, Fresno Bee; the April 17, 1974, Springfield News; the April 13, 1974, St. Louis Post-Dispatch; the May 4, 1974, Nation; the April 15 and 16, 1974, Denver Rocky Mountain News; the May 28, 1974, Atlanta Journal-Constitution; the July 16, 1974, New York Times; and the July 28, 1974, Chicago Sun-Times.

There being no objection, the letter and editorials were ordered to be printed in the Record, as follows:

July 19, 1974.

Dear Senator Percy: We are professors of business administration, and we urge you to vote for S. 707. We also urge you to vote for cloture on the filibuster as we feel the bill should be voted on by the Senate on its merits.

The bill is not anti-business. The bill will not grant the Consumer Protection Agency any regulatory power. The marketing concept has been taught as a cornerstone of business school curricula for more than a decade. It holds that the firm will be successful only if it focuses all decision-making upon the provision of consumer satisfaction at a profit. While some few firms may survive by ignoring the consumer interest, the enlightened approach is to provide goods and services which satisfy real consumer needs. Business, then, has a vested interest in making sure the consumer is heard.

The bill will provide that consumers are adequately represented in the Federal Government and will provide a central clearing house for consumer information. The bill will give consumers one effective link with Washington, rather than the many uncoordinated operations we have now. The bill also will provide for much needed research on consumer interests.

Each time a consumer agency bill has been voted on its merits it has passed. We hope that you will see your way clear to allow this bill to be voted on its merits. Please, vote for cloture. Please, vote for S. 707.

Respectfully yours,

Gary Klein, California State University, Long Beach.
Forest E. Harding, California State University, Long Beach.
Barbara C. George, California State University, Long Beach.
Braxton Henderson, California State University, Long Beach.
Robert W. Frye, California State University, Long Beach.
William K. Brandt, Columbia University.
Donald R. Lehmann, Columbia University.
Neil Beckwith, Columbia University.
John Miller, Drake University.
Scott Ward, Harvard University.
Bradley Lockeman, Idaho State University.
Frank K. Schuhmann, Idaho State University.
George A. Johnson, Idaho State University.
Lance Jarvis, Idaho State University.
Ralph Day, Indiana University.
Stanley F. Stasch, Northwestern University.
Louis W. Stern, Northwestern University.
Sidney J. Levy, Northwestern University.
Phillip Kotler, Northwestern University.
Brian Sternthal, Northwestern University.
William Zikmund, Oklahoma State University.
Jerry Olson, Pennsylvania State University.
H. Lee Mathews, Pennsylvania State University.
Edward L. Grubb, Portland State University.
Robert Settle, San Diego State University.
Tom Atchison, San Diego State University.
Robert A. Trippi, San Diego State University.
Thomas R. Wotruba, San Diego State University.
Joseph J. Vidali, San Diego State University.
John M. McFall, San Diego State University.
Donald A. Lindgren, San Diego State University.
James E. Williamson, San Diego State University.
William W. McKelvey, University of California, Los Angeles.
J. Morgan Jones, University of California, Los Angeles.
James R. Bettman, University of California Los Angeles.
Richard J. Lutz, University of California, Los Angeles.
Harold H. Kassorjean, University of California, Los Angeles.
E. Laird Landon, Jr., University of Colorado.
Richard W. Beatty, University of Colorado.
Philip R. Cateora, University of Colorado.
Charles R. Goeldner, University of Colorado.
Morris G. Massey, University of Colorado.
David H. Bowen, University of Colorado.
Richard D. Spinetto, University of Colorado.
Donald P. Stegall, University of Colorado.
Thomas A. Buchman, University of Colorado.
John M. Hess, University of Colorado.
David F. Rush, University of Colorado.
Donald R. Plane, University of Colorado.
Thomas E. Hendrick, University of Colorado.
Donald J. Hempel, University of Connecticut.
Joel Cohen, University of Florida.
V. Parker Lessig, University of Kansas.
John O. Tollefson, University of Kansas.
M. Venkatesan, University of Iowa.
E. John Koffman, University of Iowa.
Philip Kuehl, University of Maryland.
Kent Monroe, University of Massachusetts.
James R. Taylor, University of Michigan.
Ivan Ross, University of Minnesota.
Orrville Walker, University of Minnesota.
John R. Rossiter, University of Pennsylvania.
Thomas S. Robortson, University of Pennsylvania.
Bobby Calder, University of Pennsylvania.
Allan Shocker, University of Pittsburgh.
James Clapper, University of South Carolina.
William Lieb, University of South Carolina.
John Willenborg, University of South Carolina.
Ardie Woodside, University of South Carolina.
Ron Moser, University of Tennessee.
George Brooker, University of Wisconsin.
Keith Hunt, University of Wyoming.

[From the New York Times, July 16, 1974]

CONSUMERS' VOICE

For the third time in four years the Congress is attempting to create an institutional voice for consumer interests in Washington, to balance the well-organized activities of business lobbies and trade associations. Only the prospect of a filibuster, perhaps starting today, seems to stand between this much-needed legislation and Senate passage, following last April's overwhelming approval by the House of Representatives.

The bill would create a Consumer Protection Agency, a relatively small bureau whose function would be to present the consumer viewpoint in hearings and other proceedings before Federal regulatory agencies. It would have no regulatory power of its own.

In any administrative procedure, the presentation of adversary voices is the best guarantee against domination by one or another vested interest. "Consumers" are no monolithic or exclusive bloc of society, any more than is "business." Yet for too long an imbalance has existed in Washington that allowed the business-financed trade organizations to present their viewpoints on any issue pending in regulatory proceedings, without an equally coherent and informed presentation of how decisions might affect consumers. The Consumer Protection Agency is aimed at correcting this imbalance, not at imposing a veto power or superagency control.

In 1972 similar legislation passed the House, but was filibustered to death in the Senate. The leader of that filibuster, Senator James B. Allen of Alabama, has signaled his intention of trying to repeat his previously successful obstructionism. But this issue cannot be allowed to fail once again on a procedural ploy; the Senate owes the electorate a straightforward vote on its merits.

[From the Washington Post, June 29, 1974]

LOBBYING AGAINST THE CONSUMER

As predicted, an energetic campaign is being waged against legislation that would create the consumer protection agency. Lobbyists representing the Chamber of Commerce, the National Association of Manufacturers, several other trade groups and such corporations as Exxon, United Airlines, Firestone and Greyhound have been busy pressuring a number of uncommitted senators to vote against the bill when it reaches the Senate floor in a few weeks. The idea of the proposed agency—its general function would be to act as a consumer advocate or ombudsman, before other federal agencies, and would have no regulatory powers—has been around for five years. To date, business groups have managed to play a role in preventing enactment. This time, only some last-ditch manipulations are possible, because the House has already passed a progressive bill by 293 to 94 and the Senate Government Operations Committee approved a version by 9 to 3.

The business representatives now in full scurry should be placed in context. Emphatically, they do not represent the entire business community, only its most backward segment. As for the forward segment, it has been making itself heard in significant ways. Edward Donnell, board chairman of Montgomery Ward, recently noted in a letter to former business executive Sen. Charles H. Percy (R-Ill.): "Montgomery Ward did not take an affirmative position on the Consumer Protection Agency bill for publicity purposes . . . We did it because we believe that the consumer's trust is an invaluable business asset. In our opinion, consumers who don't feel suspicious of business and government—who don't feel shut out and unrepresented in government proceedings that affect their pocketbooks, their well-being and the quality of their lives—will be better customers of ours and other businesses which are in fact trying to serve them well."

The point Mr. Donnell makes is clear: the new consumer protection agency will actually help the business community, because consumer trust leads to economic results. It is the oldest truth of the marketplace, that the merchant who is honest, fair and accountable is the one who enjoys a good trade. Only recently has this changed, when so many corporations have been marketing goods that kill, injure and cheat the customer that often the customer has no choice among the evils.

In supporting the new agency, firms like Montgomery Ward display not only an enlightened view but they rebuke the anti-customer attitudes pushed by those who fear a new era of marketplace fairness.

[From the Chicago Sun-Times, July 28, 1974]

NEEDED: A STRONG CONSUMER BILL

By threatening to veto a consumer protection bill now being debated in the Senate, President Nixon has cast a pall over prospects for a strong consumer protection agency in this country. Encouraged by the President's opposition, conservative opponents have been filibustering in the hope of killing the measure, which was its fate in 1972. This should not happen. Federal regulatory agencies have not done a responsible job in protecting the consumer, and a strong and independent agency is clearly needed.

The Agency for Consumer Advocacy (previously known as the Consumer Protection Agency) would have the power to guard consumer interests within and outside the federal regulatory agencies. It would have the authority to appeal anti-consumer decisions of these agencies and to subpena information from them. Opponents object to the provision that the ACA could demand information directly from businesses, which would be required to respond. A House bill, without the same strengths although more palatable to the administration, would make an intermediary necessary. It also would give the President power to choose and dismiss the administrator of ACA, which would greatly decrease the independence of the agency.

ACA sponsors, including Sen. Charles H. Percy (R-Ill.), are pushing for a vote to end the filibuster on Tuesday. They have made it clear they are willing to compromise rather than see the bill die. Consumers would be well served by an independent organized lobby put together as soundly as ACA. The legislation should be allowed to stand on its own merits and go to a full vote of the Senate as quickly as possible.

[From the Fort Wayne (Ind.) Journal Gazette, May 27, 1974]

A CONSUMER REPRESENTATIVE

The consumer at last may have a voice in the government policy-making process if a bill that would create a Consumer Protection Agency clears its final hurdles. The bill, which already has passed the House, recently was reported favorably by the Senate Government Operations Committee, and should reach the Senate floor by the end of the month.

Special-interest pressure against the bill has been understandably intense. A National Association of Manufacturers lobbyist calls it the "worst bill I've seen in 33 years in Washington," and other business community spokesmen warn ominously of institutionalizing "Naderism" within the federal bureaucracy. Ironically, these comments comprise the bill's strongest endorsement. Ralph Nader, a long-time consumer-protection advocate, presumably has the public interest more at heart than business and lobbyists.

The new Consumer Protection Agency would have a relatively simple task in shielding consumer interests against the onslaught of big-business pressures. It essentially would act as a consumer advocate before other federal agencies. Presently there is no spokesman for the consumer in proceedings that often directly affect him. Hearings normally feature the federal agency on one side and the representatives of special interests on the other. Because the pending legislation would give the consumer a role in determining the outcome of events tied to his interests, the bill's opponents argue the agency would have direct regulatory powers over industry—an argument that isn't substantiated by the facts.

The already-passed House bill, for example, very clearly empowers the consumer agency only to appear at formal and informal proceedings of other agencies, to appeal decisions of other agencies to the federal courts under restricted circumstances, to request other agencies to subpoena information of interest to consumers from business, to obtain such information directly from businesses and publicize hazards, and to serve as a clearinghouse of consumer complaints, and request enforcement actions by other agencies.

The regulated industries, however, traditionally have enjoyed close relationships with the regulatory agencies, such as the Food and Drug Administration, the Interstate Commerce Commission, and the Federal Aviation Administration. Any proposal that endangers this friendly arrangement by permitting another agency to intervene on the consumer's behalf is considered a threat. Appeals to the courts and forced disclosure of information also are unsettling to many corporations.

The lobbyists' contention that all business or all industry is opposed to the new agency is undercut by some major defections. Montgomery Ward and its parent firm, Marcor, totally support the consumer proposal, and several other companies, including Motorola and Zenith, also endorse it. "If you're ever going to support any piece of consumer legislation," a Wards vice president advised a recent business conference, "support this one."

The same advice could apply to the senators who soon will be taking up the bill. A filibuster already is threatened, and big business is gearing its lobbyist forces for one of the biggest propaganda barrages Congress has seen. Who really speaks for the consumer-voter should be evident after that legislative battle.

[From the Providence (R.I.) Bulletin, Apr. 15, 1974]

Hope for CPA

For more than 10 years consumer advocates have sought to establish an independent Consumer Protection Agency (CPA) funded by Congress. Last Wednesday, the House of Representatives voted 293 to 94 to move ahead with caution and meanwhile the Senate is considering similar legislation.

This may be the year in which Congress ends its vacillation on this issue but it is still too early to forecast. In 1970, the Senate passed a similar measure overwhelmingly only to see the House counterpart killed in the rules committee. In 1971, positions reversed. The House gave strong support to CPA but in 1972 three attempts to end a Senate filibuster failed.

Opponents argue on two main fronts: one, that at least 33 federal agencies are now engaged in activities related to consumer interests and this constitutes adequate protection in the marketplace; and two, that further allocation of governmental power to consumers could lead to unwarranted harassment of business and industry and to a resulting backlash with unfavorable consequences for the consumer himself.

Why, then, is there a need for CPA? Is it another political boondoggle to win votes back home, another concession to the empire-building of bureaucracy? Neither possibility can be dismissed out of hand. The political implications of consumerism are awesome for the senator or representative forced to take a stand. And there is little question that CPA would require a staff of several hundred initially and that the agency's workload could be expected to grow.

But CPA can be justified on other grounds. Despite the wide diversity of consumer activity in government, including the Federal Trade Commission, Food and Drug Administration, Securities and Exchange Commission, Office of Consumer Affairs, the President's Committee on Consumer Interests, and numerous other departmental offices and divisions, not one has the scope of political independence to function as a national consumer spokesman and to coordinate the aims and activities of other government agencies.

The House-passed bill would grant no regulatory powers to CPA. To obtain information from other agencies it would have to prove relevance to consumer affairs. Its right to seek judicial review would be limited, and initially funding would be for three years, enabling Congress to re-evaluate the agency at the end of that time.

CPA would be authorized to receive and evaluate complaints, gather and disseminate consumer product information and promote research.

Several years ago, Atty. Gen. Louis J. Lefkowitz of New York State, voiced the view held by many Americans and since supported by glaring examples of corruption in government. "Existing fragmented and piecemeal enforcement and regulation by scores of federal bureaus and agencies," he said, "plays into the hands of special interest groups with vested interests who are more concerned with the status quo than with new programs designed with the consumer in mind. It is absolutely imperative that the federal government take appropriate action now to regulate and police the economy of our affluent society for the benefit and protection of the consumer."

CPA, in our view, should be regarded as an experiment, not a panacea, aimed at balancing commercial and consumer interests with greater precision and fairness. The milk price scandal, the wheat deal with Russia, the current indictment charging high government officials with exercising improper influence over regulatory agencies—these are some of the reasons why many believe that CPA is needed to advocate and press for the rights of consumers. It ought to be given a chance.

[From the Los Angeles (Calif.) Times, Apr. 14, 1974]

The Consumer Deserves To Be Heard

The Senate should do this year what it did in 1970, and pass legislation to establish a consumer-protection agency. The House has already carefully drawn a bill providing that the interests of consumers will be represented in proceedings of other federal regulatory agencies.

The need for such representation is clear. Everything done by regulatory agencies directly or indirectly affects consumers. The consumer viewpoint deserves to be heard.

Under the House bill, the consumer agency would simply have the rights currently available to other parties in federal administrative procedures. The agency would serve as advocate, not regulator. Private consumer groups are free to appear now in many proceedings, but the new agency would have the expertise, resources and access to information that these groups frequently lack.

For example, the consumer agency could request the products whose safety or efficacy had been seriously questioned be tested by appropriate government agencies, and the results made public. It could testify and seek information when hearings are held on such things as sanitation standards in food-processing plants, or on petitions to increase airline fares. It could ask another government agency to initiate a proceeding, and if that request were denied, the reasons would have to be made public.

Among other things, the agency would serve as a central registry for consumer complaints and industry responses, and its files would be open to the public. The agency would have access to all information within other federal agencies but, quite properly, special restrictions would be placed on access to trade secrets or information received on a confidential basis.

Both the powers given to and the limitations imposed on the consumer agency in the House bill make sense. It is hard to think of any good reason why there should not be competent and vigorous advocacy on behalf of consumers—and that is all of us—in the proceedings of regulatory agencies which annually make hundreds of decisions touching on how much the public will pay for things or how well public health and well-being will be safeguarded.

The consumer interest is seldom completely ignored in these proceedings, but neither is it always forcefully represented. A consumer protection agency would serve that necessary function.

[From the Roanoke (Va.) World News, Apr. 30, 1974]

Protecting the Consumer

According to the Conference Board, a business fact-finding organization, the consumer confidence index has dropped 40 points since fall. There are many reasons for this, of course. But one of them is the consumer's ongoing suspicion that government regulatory agencies are stacked to his detriment and to the advantage of business and industry.

Legislation now before the Congress should go far toward allaying that fear. It would create a Consumer Protection Agency that would serve as the consumer's voice before those government agencies that deal with consumer matters.

The new agency would have no regulatory powers of its own. It would perform the services of an advocate—seeking court action on the actions of other agencies that appear to be anticonsumer, soliciting action by other agencies on behalf of the consumer and so forth.

The House bill creating the Consumer Protection Agency has survived numerous assaults in committee and on the floor itself. Though not as strong as it began, the legislation is viable. Its survival is, we think, a testimony to the strength of the desire of the American consumer for a certain voice in Washington. The Senate should keep this in mind as it considers similar legislation this month.

Certain elements of the business community have a history of opposition to such legislation. More enlightened businessmen, however, realize they have nothing to fear from a Consumer Protection Agency so long as they are not trying to cheat or otherwise abuse the consumer.

Their colleagues ought to come around. To oppose creation of an agency that would do nothing more than give the consumer a reasonable voice, is to give the appearance that you have something to fear from such an agency.

[From the Fresno (Calif.) Bee, Apr. 22, 1974]

Power in the Marketplace

The House of Representatives, realizing the marketplace still contains many products and services which are unsafe or unhealthy, acted in the best interest of the buying public in passing a bill to establish an independent federal Consumer Protection Agency.

The measure now goes to the U.S. Senate where quick and favorable consideration is likely.

For years various proposals for such an agency have been debated, lobbied for and against and have been defeated in Congress.

While there seems to have been little disagreement about the need for such an agency —the horror stories about unsafe and unhealthy products sold across the counter are legion—there has been strong disagreement on just how much a consumer advocate such an agency should be.

The federal government has for a long time made important decisions involving the availability and safety of thousands of products and services. Lawyers, economists, lobbyists and others representing special interests, are always on hand to present arguments to the federal decision-making agencies. If the House bill becomes law, the special interest lobbyists would be challenged by knowledgeable consumer advocates, representing the people.

One of the criticisms of the bill is that somehow it is antibusiness. Why would giving the consumer a voice before the regulatory agencies be a threat to business?

The proposed agency would have no power to regulate business, only power to advocate before federal agencies on behalf of the consumer.

This is no more than what private interest advocates now enjoy. Why not have an advocate in the public interest?

Another beneficial aspect of the legislation is that it would bring into the open the way in which federal agencies make far-reaching decisions affecting the consumer and the business interests.

If ever there was a time when government-industry dealings should be made more visible, more public, that time is now.

[From the Springfield (Ohio) News, Apr. 17, 1974]

Consumer Bill

After more than a decade of legislative maneuvering, consumer advocates in the House have passed a bill to set up a federal consumer protection agency. Passage of a similar bill in the Senate is likely.

The bill will please neither Richard Nixon nor Ralph Nader, but it is a good one. The new agency's main job would be to stick its nose into the affairs of other federal agencies to make sure the consumer's interest is not being steamrollered. It often is.

Even in the regulatory agencies established to protect the public interest—the interstate Commerce Commission and the Food and Drug Administration, for instance—end up being run by the people they're supposed to regulate. The consumer protection agency would be able to intervene in the affairs of such agencies and challenge their actions in court. An excellent idea.

[From the St. Louis (Mo.) Post Dispatch]

A Bill for Consumers

Once again, a bill to establish a federal Consumer Protection Agency has advanced in Congress, and once again the same tired arguments, which in the past have proved successful, are being raised in opposition to it, Since legislation to create such an agency first passed the Senate in 1970 (only to be killed that year by the House Rules Committee), the fundamental question has been whether the office should have sufficient authority to adequately represent the interest of consumers or whether it should exist in little more than name only.

Under a bill approved by the House, the agency would have an array of considerable powers.

* * * * *

[From the Nation, May 14, 1974]

Consumers May Get a Break

It looks as if legislation to create a Consumer Protection Agency (CPA) will be enacted. Unless the bill, whose chief sponsor is Rep. Benjamin S. Rosenthal (D., N.Y.) is hobbled by amendments, the traditionally helpless mass of consumers may achieve a status approaching parity with business and labor. This blessing we shall owe to inflation. *Business Week* (March 30) quotes a U.S. Chamber of Commerce lobbyist: "With prices soaring the way they are, anything labeled 'consumer protection' is going to be hard to stop."

The importance of the measure is that it will give legal standing to the consumer as a "party of interest" in proceedings before numerous federal agencies. A typical instance is the right of the CPA to testify at a Department of Agriculture hearing on conditions in meat-packing plants, or at proceedings before the Civil Aeronautics Board. Nor would the CPA have to wait for others to initiate action: it could request any agency to take up consumer compaints within its jurisdiction, all for judicial review of federal agency decisions, seek information from industry to carry on investigations, request the National Bureau of Standards or other testing agencies to evaluate consumer products and make the results public, etc.

The bill has strong support, but it is not home safe. It has already been modified to meet business objections, but the Chamber of Commerce, the National Association of Manufacturers and the Grocery Manufacturers of America still are, or profess to be, unhappy about it.

However, Representative Rosenthal succeeded in compromising with Rep. Chet Holifield (D., Calif.), who felt that in its original form the bill might harm business interests, and President Nixon's consumer adviser, Mrs. Virginia H. Knauer, has come out for passage—thereby perhaps neutralizing Roy L. Ash, the powerful director of the Office of Management and Budget. Ash, who still sees the world from the vantage point of Litton Industries, was criticized by Holifield and by Rep. Frank Horton of New York, the senior Republican on the House Government Operations Committee. The CPA measure (HR 13163) came to the floor with 36-to-3 committee approval and has been adopted by the House. In the Senate it has won approval of the Commerce Committee—which has a somewhat different measure of its own on the same subject—and a subcommittee of the Commitee on Government Operations. It is now pending before the full committee but should be reported out for a vote in the next two weeks. Since it would be rather sticky for the President to veto such a measure—it calls for only a small budget of something like $20 million—its chances for adoption are good. But until it is finally passed and signed by the President, interested groups should not forget about it.

[From the Denver (Colo.) Rocky Mountain News, Apr. 16, 1974]

Help Is on the Way

For a long time now, many concerned citizens have felt that much is left to be desired in the cozy and often secret relationships between federal regulatory agencies and the industries they are charged with regulating.

Often, too, their suspicions have been well-founded.

Now, after years of delay, Congress seems about to establish a Consumer Protection Agency. Legislative work is expected to be completed before summer, and President Nixon has already given his commitment in favor of such an agency.

Although some of the original proposals for the agency's powers have been watered down in order to muster enough support from Congress, it still would have wide-reaching prerogatives to act as a sort of consumer ombundsman, a gadfly roaming through the government with enough sting to intervene in any federal agency activity that might affect the nation's consumers.

Many industry lobbyists feel that the agency would be just one more nuisance, an impediment to doing business. Others, however, agree that it could weed out dishonest business practices and thereby help restore consumer confidence in the goods that industry produces.

Certainly some such free-wheeling outfit, with no commitments except to the interests of consumers, is long overdue. After all this time, we hope it lives up to its advance billing.

[From the El Paso (Tex.) Herald-Post Apr. 15, 1974]

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[From the Atlanta (Ga.) Journal-Constitution]

Necessary Voice

There has been a long history of efforts to establish a consumer office in Washington, effectively opposed for a variety of reasons.

But it is an idea whose time may be about to arrive after years of adjustments and debates.

The Consumer Protection Agency Act has been passed out of the House, come out of two committees in the U.S. Senate and is expected to be on the Senate floor for consideration around June 10.

There is some speculation that the bill will face a filibuster in the Senate once it is brought up. The time and effort put into struggling for evolution of a consumer agency since Sen. Estes Kefauver introduced a bill in 1961, deserve a better fate than that.

The legislation before the Senate would establish a Consumer Protection Agency as an independent, nonregulatory body, representing the interests of consumers before other federal agencies and courts.

The bill has drawn strong support from consumer groups who feel it necessary because consumer interests have lacked the continuing effective representation that other interests have produced in arguing their cases.

An independent advocate agency of the kind proposed would be a far better approach than the creation of Cabinet-level Department of Consumer Affairs proposed at one time in 1969 by Sen. Gaylord Nelson. Nelson's department would have been cast in both an advocate and regulatory role.

The combination of the two would have led to numerous attacks on the department's credibility and heavy-handed bureaucracy.

The Senate Committee on Commerce in its report on the pending Consumer Protection Agency Act emphasized that the pending legislation specifically avoids combining the two roles. "It has no authority to alter any other agency's regulatory authority. It has no authority to initiate a judicial proceeding for the enforcement of any other agency's authority. The CPA is primarily an advocate."

That is as it should be. Regulatory agencies themselves can supply only a modicum of consumer advocacy. In some cases, in fact, they have appeared genuinely unaware that important consumer interests are affected by their decisions.

There is a strong desire for better representatives and checks and balances in Washington. The creation of a consumer advocate agency will at least assure citizens that important consumer issues will be given full attention and consideration when regulatory agencies weigh the balance of interests in their decision making.

Mr. HASKELL. Mr. President, the Agency for Consumer Advocacy, in my opinion, recognizes the fact that, in spite of much new consumer protection legislation, consumers simply do not get the protection they need—and have been promised. It also recognizes that too often there is a close relationship between regulatory agencies and the industries they regulate. That relationship can easily be harmful if it is not balanced by other points of view, in this case the consumer's—certainly every bit as important as those of regulated industries.

The ACA would be charged with receiving and transmitting the complaints of consumers, developing and disseminating information of interest to consumers and performing whatever advocacy functions are necessary to protect consumers' interests.

One of the key provisions of the bill, in my opinion, is the consumer complaint process. Now, if a consumer feels he has been mistreated, it is up to him to sort out the maze of agencies to determine where to take his problem.

Under the Agency for Consumer Advocacy Act, the Administrator is required to transmit all written complaints to the appropriate agency—Federal, State, or local. He is also required to promptly notify any producer, distributor, retailer, lender, or supplier of goods and services when a significant complaint is lodged against him. In cases which allege criminal conduct, the Administrator may refer the case to the Justice Department for action.

Those of us in Congress will be able to keep track of those complaints and help the new agency prod the appropriate officials who are inclined to do nothing unless pushed.

The act also gives the Agency for Consumer Advocacy the right to intervene in all Federal court suits or in any Federal agency action which may affect the interests of consumers.

Adequate funding would be given the agency, starting with $15 million the first year, $20 million the next, and $25 million by its third year of operation.

I am delighted to be a cosponsor of this long-overdue legislation to give consumers a strong voice on issues which affect them before government and the courts.

Mr. CHILES. Mr. President, I intend to vote against the motion to invoke cloture on S. 707, the consumer protection bill. I am taking this action because I do not feel we have reached a point in debate on this bill where all the issues relevant to this legislation have been fully aired and discussed.

As we all know, the establishment of an agency for consumer advocacy is a matter of no little controversy and I think we need to insure that all viewpoints are heard and considered before coming to a final vote. Since we have been operating on a two-track system and there continue to be amendments to the bill, I would not yet characterize the ongoing debate as a filibuster.

I would hope that my vote in this regard will not be misconstrued as a vote against the consumer protection bill. I support the bill as reported out of the Government Operations Committee and will vote for a cloture motion when it becomes apparent that constructive debate has been completed or that a filibuster is in progress.

CONSUMER PROTECTION: NEW JERSEY ACTS

Mr. WILLIAMS. Mr. President, for 5 years we have discussed, debated, and analyzed every section and line of the Consumer Protection Agency bill without producing a final product. The longer we delay final action, the longer we deny consumers the right to have an advocate to represent their interests before our administrative agencies and courts of appeal. While we have been deliberating over the years, the State of New Jersey has established a department of the public advocate which in many ways parallels S. 707 and in some ways it creates a stronger advocate than the CPA.

The Department of the Public Advocate Act 1974, which was signed into law May 13 by Gov. Brendan T. Byrne, establishes a department of the public advocate with authority to represent and protect the public interest in ratemaking proceedings and other administrative or judicial proceedings. The "public interest," which the public advocate is charged with representing, is defined as "an interest or right arising from the Constitution, decisions of court, common law, or other laws of the United States or of this State inhering in the citizens of this State or in a broad class of such citizens." The public advocate can intervene or refrain from intervening in these proceedings in the sole discretion.

Like the proposed CPA, the public interest advocate has the authority to intervene in the administrative agency decisionmaking process and court proceedings. He has discretion to choose the interest of the public which he will press before administrative and judicial tribunals. The decision to intervene or to refrain from intervening lies in his sole discretion, and thus is immune from judicial review. Unlike the CPA, no New Jersey agency can exclude the public interest advocate from its proceedings on the ground that he improperly identified the interest which he has chosen to represent.

The public interest advocate's ability to obtain judicial review of agency decisions with which he disagrees is substantially broader than the authority of the CPA. The CPA must petition for reconsideration or rehearing before it may initiate a proceeding for judicial review; the public interest advocate need not. The CPA may be barred from intervening in a proceeding for judicial review, where it did not intervene in the agency proceeding below, if the court determines that CPA participation would adversely affect the interest of justice; the public interest advocate is not subject to this restriction. The public interest advocate has full, unfettered authority to challenge a questionable agency decision.

If the CPA receives complaints from consumers, it can do little more than refer the complaint to a Federal or State agency charged with enforcing relevant laws, or petition the agency to take appropriate action to remedy the situation. If the agency refuses to take the requested action, it need only notify the CPA in writing of the reasons for not acting. CPA has no authority to compel another Federal agency to take action to remedy a specific consumer grievance.

The division of citizen complaints, by contrast, has the authority to investigate any complaint from any citizen relating to the action or inaction of a State agency. If the division determines that the agency's action or failure to act is unjustified, it may notify the public advocate. The public advocate can then turn the results of the investigation over to the division of public interest advocacy which has the authority to institute a proceeding before any department, commission, agency, or board of the State with responsibility for resolving such complaints.

Mr. President, the New Jersey statute is the leading example of a progressive trend in providing representation for the public interest. Without unnecessary ado, the New Jersey Legislature, and Governor Byrne, have acted decisively to enact legislation to protect its citizens, before State governmental agencies. Other States will undoubtedly follow its lead. After 5 years we can no longer argue that the issue of consumer advocacy before Federal agencies needs to be thoroughly discussed and debated. It has been thoroughly aired, and we would do well to follow New Jersey's lead.

Mr. ERVIN. Mr. President, I yield the remaining time at my disposal to the Senator from Alabama.

Mr. ALLEN. I thank the Senator from North Carolina.

Mr. President, what the consumer needs is protection from inflation. He does not need a great new bit of Federal bureaucracy established, costing tens of millions of dollars. As a matter of fact, there is an authorization of $60 million here for the next 3 years, and waiting in the wings is an amendment that would add another $61 million to the authorization for grants to local agencies, State agencies, and private agencies.

Adding to the Federal bureaucracy is not what we need. We need to cut back on the Federal bureaucracy. It is not a Consumer Protection Agency. The Senate recognized that by changing the name from Consumer Protection Agency to Agency for Consumer Advocacy. Certainly, that is what it is.

No, they want a bigger game than to have a Consumer Advocacy Agency or even a Consumer Protection Agency.

Mr. Ralph Nader has said that the purpose of legislation of this sort is to reform the Government apparatus, to revolutionize Government.

I do not want to revolutionize government along the lines that Mr. Nader might suggest.

I might point out one other thing, Mr. President, it has been suggested that this legislation has been before the Senate since 1970, when a bill was passed by a vote of 70 to 4, as the distinguished chairman of the committee said. The chairman stated that in 1970 he was able to get three other Senators to vote against the bill. I am proud to say that I was one of those who was convinced that the bill was bad.

I might say that that bill failed passage, and the people who were happiest about the failure, on final analysis, were these very people who were advocating the passage of the bill. They recognized that it was unsound. So it is not the same bill at all.

Take the 1971 bill that was passed in the House and did not pass in the Senate. Mr. Nader called that a fraud on consumers. Apparently, those of us who did have a little something to do with defeating the bill in 1972—the House bill of 1971 which failed passage here in 1972—actually must have been on the same side as Mr. Nader on that because he thought that bill was a fraud on that because he thought that bill was a fraud on consumers.

The bill did not come up in 1973, but here it is now.

As the chairman pointed out, apparently the opposition to the bill is growing because there were only four against the 1970 bill that was so bad, even according to the present sponsors of this legislation. Now it has grown to where, apparently, the bill was defeated by extended debate in 1972. We are hopeful, of course, that we will be able to beat it on an up and down vote in the Senate at this time. If we progress as much as we did from 1970 and 1972, we will be able to do that—as more Senators realize the danger in the bill, the fact that this bill would authorize one person to decide what is for the benefit of all consumers in the country and that there would be no appeal from his decision, no input into that agency. Everybody gets consumer input but the ACA, the Agency for Consumer Advocacy. All other agencies have consumer input. But the Administrator of ACA is not advised as to what his consumers want to do. He does not call on them for advice. He is a one-man whiz kid who decides what is good for all consumers. Not all consumers think alike.

The PRESIDING OFFICER. The time of the Senator has expired.

The time for debate having expired, the Chair, pursuant to Rule 22, lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill, S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

1. James Abourezk.
2. Jacob K. Javits.
3. George McGovern.
4. Gale W. McGee.
5. Mike Mansfield.
6. William D. Hathaway.
7. Hubert H. Humphrey.
8. Harold E. Hughes.
9. Gaylord Nelson.
10. Philip A. Hart.
11. Edward M. Kennedy.
12. Charles H. Percy.
13. Clifford P. Case.
14. Abraham Ribicoff.
15. Alan Cranston.
16. Warren G. Magnuson.
17. James B. Pearson.
18. Hugh Scott.
19. Lowell P. Weicker, Jr.
20. Mark O. Hatfield.

The PRESIDING OFFICER. Pursuant to rule 22, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 335 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER (Mr. HELMS). Pursuant to rule XXII, a rollcall has been had, and a quorum is present.

VOTE

The question before the Senate is, is it the sense of the Senate that debate on the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes, shall be brought to a close?

Mr. PASTORE. Mr. President, may we have order? Will Senators please take their seats?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Has the Chair used the correct name of the agency?

The PRESIDING OFFICER. The title has not been changed.

Mr. GOLDWATER. It has not been changed?

The PRESIDING OFFICER. That is correct.

Order has been requested. Senators will take their seats.

On this question, the yeas and nays are mandatory under the rule. The clerk will now call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), and the Senator from Hawaii (Mr. FONG), are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK), would vote "yea."

The yeas and nays resulted—yeas 56, nays 42, as follows:

[No. 336 Leg.]

YEAS—56

Abourezk
Bayh
Bentsen
Biden
Brooke
Burdick
Case
Church
Clark
Cranston
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—42

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fulbright
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Johnston
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—2

Cook
Fong

The PRESIDING OFFICER. On this vote, there are 56 yeas and 42 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is rejected.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3792) to amend and extend the Export Administration Act of 1969.

The PRESIDING OFFICER. Under the previous order, the Senate returns to its consideration of S. 3792. The clerk will report the bill by title.

The legislative clerk proceeded to read.

The PRESIDING OFFICER. The clerk will suspend until the Senate is in order.

The Senate will be in order.

The clerk will report.

The legislative clerk read as follows:

S. 3792, a bill to amend and extend the Export Administration Act of 1969.

EXTENSION OF THE DEFENSE PRODUCTION ACT OF 1950

Mr. JOHNSTON. Mr. President, I send to the desk a joint resolution to extend the Defense Production Act for 60 days, until September 30, 1974, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the Senate proceeded to consider the joint resolution (S.J. Res. 228) to extend the expiration date of the Defense Production Act of 1950, which was read the first time by title and the second time at length.

Mr. JOHNSTON. The Senate has completed its action on a bill to extend and amend the Defense Production Act. I understand that the House will take up a similar bill later this week. Therefore, this joint resolution is needed to assure the continuing authority of the act.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 228) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717 (a) of the Defense Production Act of 1950 is amended by striking out "July 30" and inseritng in lieu thereof "September 30".

Mr. JOHNSTON. I thank the Senator.

AGRICULTURE DEPARTMENT-ENVIRONMENTAL AND CONSUMER APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a report of the committee on conference on H.R. 15472, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15472) making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 25, 1974, at pages 25210–25214.)

Mr. McGEE. Mr. President, the conference report on agriculture-environmental and consumer protection appropriations for 1975——

The PRESIDING OFFICER. Will the Senator suspend until we gain a modicum of order in the Senate. The Senators are requested to take their conversations to the cloakroom. The Senator from Wyoming is entitled to be heard.

The Senator from Wyoming is recognized.

Mr. McGEE. Mr. President, one more time. The appropriation conference report for agriculture-environmental affairs and consumer affairs contains a request or an appropriation for $13.5 billion.

Now, to place that $13.5 billion in perspective, we ought to bear in mind that while it is $3 billion above a year ago, for a lot of the obvious reasons, it is $166 million over the House and $96 million under what the Senate recommended a few days ago. It is $138 million over the budget.

Now, I might quickly explain that it is that much over the budget for only one reason. The administration requested a special emergency addition after the budget was drawn of $100 million in the section 32 funds due to the drawdown on those funds, and that was granted by both Houses.

Therefore, it is actually only about $38 million plus over the budget in a $13.5 billion total.

Mr. President, the bill as agreed to and recommended by the conference committee provides for new budget authority for fiscal year 1975 totaling $13,571,395,000. This is $2,983,294,000 more than was appropriated for this bill in fiscal 1974. It is $138,531,900 more than the budget estimate for fiscal 1975 and is $165,975,000 more than was provided in the House bill for fiscal 1975. It is $96,002,300 less than was approved in the Senate bill when this matter was considered on the floor of the Senate on July 22, 1974.

As my colleagues are aware, this bill passed the Senate on July 22, 1974, and during the course of our floor deliberations the Senate added $11,045,000 to the bill as it was reported from the Senate Appropriations Committee. The Senate-passed figure put us $234,534,200 over the budget estimate for fiscal 1975, and $261,977,300 over the House-passed bill. Following Senate passage we took this bill to conference committee and agreed to the conference report and conference totals after an all-day session on Thursday, July 25. As usual, the House conferees led by their very distinguished and able chairman (Mr. WHITTEN) proved to be skillful and tough negotiators. As a result, many of the Senate additions, both those which were added in committee and those which were added on the floor, were reduced substantially and in some cases eliminated entirely. Very frankly, the Senate felt compelled to yield on some items about which we felt very strongly and about which several individual members of the Senate committee felt strongly. It was apparent, however, that had we not yielded on some of these matters we simply would not have agreed on a conference report and in all probability would not have had an appropriations bill for the current fiscal year until sometime considerably later in the year. Overall, however, we feel the bill as approved by the conference committee is a good bill and one that should be enacted as quickly as possible so that the various agencies involved can commence to operate under a regular appropriations bill, rather than being forced to continue to operate on a continuing resolution which I am sure most people will agree is unsatisfactory to all concerned.

In view of the current fiscal situation facing this country, and indeed the entire world, which was discussed in some detail when we considered the Senate bill on July 22, it was difficult and indeed, somewhat impractical for the Senate to insist on holding all of the Senate additions, although we were able to do so in some selected cases.

The principal item of increase, both over the House bill and the budget estimate is an amendment which was adopted on the floor of the Senate which in effect, provided an additional $100 million for the child nutrition and school lunch programs. As I explained in some detail when we considered this matter earlier, this was a matter that arose following committee action on the bill. As I explained, the Department conducted a detailed review of the section 32 program and determined that recent legislative action increased the obligations for section 32 funding by approximately $259,000,000. As a result of these congressionally mandated expenditures from section 32, the Department concluded that the section 32 account reflected a deficit of $89 million rather than the $170 million surplus which was originally projected in the 1975 budget estimate. While we did not have time to obtain a budget estimate amendment on this item, it was concluded that the request of the Department should be accepted. To my knowledge, it was accepted without objection from anyone in either House of Congress. Accordingly, therefore, this $100 million Senate amendment was accepted by the conference committee.

Mr. President, I ask unanimous consent that a copy of a letter I received from Secretary of Agriculture Butz, dated July 17, 1974, in which this matter is discussed in further detail be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 17, 1974.

Hon. GALE W. MCGEE,
Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: The Congress recently enacted Public Law 93-326, The National School Lunch and Child Nutrition Act Amendments of 1974. This Act seriously affects Section 32 funds available to the Department of Agriculture during fiscal year 1975. This letter is in keeping with our policy of advising you of significant changes in USDA funding as they occur.

For fiscal year 1975, the new law provides that:

The national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch. The law requires that to the extent that commodities are not donated to the schools in an amount equal to at least 10 cents per lunch the difference will be paid from Section 32 funds. It is estimated that the cost of this provision will be $120 million more than was included in the budget in 1975.

The authorization for the Special Supplemental Food Program for Women, Infants, and Children be increased to $100 million and that if this amount is not provided by direct appropriation by August 1, this amount shall be taken from Section 32 funds. This is $60 million more than was included in the budget.

The Secretary shall give special emphasis to high protein foods, meat and meat alternates. These are the types of food which are normally purchased from Section 32 funds. To provide these foods it is estimated that $76 million in commodities will be switched from Section 416 to Section 32.

In addition, the report of the Senate Appropriations Committee added $2.8 million for the Section 32 Special Feeding Program. The net effect of these changes is to increase the Department's requirements for Section 32 funds in fiscal year 1975 by about $259 million.

Prior to the new law, we had estimated that approximately $170 million would be available from Section 32 during 1975 above the amount projected in the 1975 budget to meet unanticipated surplus removal requirements during the year. In view of the new law, we will not have funds available for additional surplus removal should this become necessary. In fact, we will begin the year with an anticipated $89 million deficit in the Section 32 account.

Attached is a table which describes in detail the proposed uses of Section 32 funds during fiscal year 1975 with a list of the changes brought about because of Public Law 93-326.

A similar letter is being sent to Senator Fong and to Congressmen Whitten and Andrews.

Sincerely,

EARL L. BUTZ,
Secretary.

CURRENT STATUS OF SECTION 32 FUNDS, FISCAL YEAR 1975

SOURCES OF FUNDS	
1975 appropriation (actual)	$1,019,207,831
Estimated carry over from 1974	168,599,146
Total estimated available	1,187,806,977
USES OF FUNDS	
Transfer in appropriations or other acts to:	
Child nutrition program	705,926,000
Agricultural Research Service	15,000,000
Foreign Agricultural Service	3,117,000
Commerce (Fisheries)	7,750,526
Budgeted within section 32 for:	
Special feeding program:	
Nonschool summer program	50,600,000
Nonschool year around program	39,000,000
Women's, infant's, and children's program	40,000,000
Pilot food certificate program	1,000,000
Operating expenses	800,000
Total, special feeding program	131,400,000
Direct purchase and distribution to:	
Schools	96,572,000
Supplemental package	15,000,000
Families	29,705,000
Subtotal	141,277,000
Financial assistance to States	2,000,000
Operating expenses	7,798,000
Marketing agreements and orders	3,888,000
Total	286,365,000
Balance before new legislation and recent decisions	169,650,451
1. Requirements of new subsection (e) of section 6 of the National School Lunch Act—the national average volume of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch and subsection (c) that the Secretary until such time as a supplemental appropriation may provide additional funds . . . shall use funds appropriated by section 32	+120,000,000
2. Requirement of new subsection (e) of section 6 that "among those commodities delivered under this section the Secretary shall give special emphasis to high protein foods, meats, and meat alternatives. Shift of funds from section 416 to section 32	+76,000,000
3. Section 6 of Public Law 93-326 which amended section 17(b) of the Child Nutrition Act of 1966, as amended, and which authorizes an appropriation of $100 million for the special supplemental food program for women, infants, and children and provides that if such sum has not been appropriated by August 1, the Secretary shall use $100 million out of funds appropriated by section 32	+$60,000,000
4. Amount of increase provided by the section 32 special feeding program	+2,800,000
Current estimated deficit	−89,149,549

Mr. MCGEE. Mr. President, one of the principal points of contention in conference involved the so-called line-of-business activities of the Federal Trade Commission. We spent considerable time on this particular item and several times it appeared that this might have to be taken back to the respective Houses in disagreement. This is an issue in which there was considerable difference of opinion between the House and Senate conferees and while I am certain that no one is completely satisfied with the result which was reached, I think we did achieve a compromise with which everyone can live quite comfortably during the initial year for this program.

To review this matter briefly, when the House considered this matter it provided that the Federal Trade Commission could solicit the line-of-business information from 250 corporations but under some rather strict guidelines on confidentiality which basically would restrict the access to any such information to those in the Federal Trade Commission who were actively working on the project and only for statistical purposes. When the Senate considered this chapter of the bill, it increased the number of firms from 250 to 500 and provided generally, that any information obtained could be utilized by the Federal Trade Commission in the discharge of any of its statutory functions and responsibilities. The Senate further provided that any such information could be made available to the Securities and Exchange Commission, the Department of Justice, the General Accounting Office, the Office of Management and Budget, and congressional committees. After considerable discussion the House conferees agreed to increase the number of corporations to 500 but adamantly insisted on retaining its confidentiality provisions.

We found that the Senate conferees were placed in an almost impossible situation in insisting on the Senate provisions. The House conferees pointed out that the subcommittee went into this matter in considerable detail during the course of its hearings and the FTC witnesses consistently maintained that they desired this line-of-business data solely for statistical purposes. They repeatedly advised the House subcommittee that they did not want nor did they need this type of data for the discharge of its other and various statutory responsibilities. The Commission witnesses maintained that same position in their appearance before the Senate Appropriation Subcommittee. And they even went so far as to suggest that if this data was to be used for any purpose other than statistical purposes or if it were to be published for any other reason, Congress should take some action to specifically authorize and direct any such additional use of line-of-business data.

After a discussion of this in the Senate subcommittee in which Chairman Engman explained the Commission's position on secrecy, the chairman propounded the following question:

> Is that your decision or was that imposed upon you by either OMB, GAO or some other authority?

Mr. Engman responded:

> The recommendation for secrecy came from the FTC staff. The decision was not imposed by any external authority.

With this background and the FTC's justification of its line-of-business activities, we were forced to compromise to the extent indicated in the conference report and related documents and to be very frank, this compromise gives up most of which the Senate added during the course of our committee deliberations. But the FTC invited further congressional review which would govern the use of line-of-business data and the conference report leaves the door open for the use or dissemination of line-of-business data in any manner Congress sees fit. I am certain that the appropriate legislative committees will undertake a review of this matter immediately, and take whatever action is necessary.

Before leaving this issue, I would like to pay particular tribute to the senior Senator from Wisconsin (Mr. PROXMIRE) for his dedicated and persistent efforts to assist the Senate conferees in maintaining the Senate position. This one particular issue was before the subcommittee several hours and the Senator from Wisconsin was there all of that time. With his great knowledge and background in economic and antitrust matters, the burden of maintaining the Senate position fell primarily to him and I must say that he did a very admirable job. I know that he particularly is not satisfied with the outcome, but I personally want to thank him for his willingness to cooperate and compromise when it became only too obvious to all of us that such a compromise was in order if we were to reach any agreement whatsoever in the conference committee.

I would point out also, Mr. President, that we are dealing with an annual appropriation bill and the provisions of this bill will be applicable for fiscal year 1975 only. With the line-of-business program, we are entering into an area which is new, both to the Federal agencies involved and to industry, and I can assure all of my colleagues that we will watch and monitor this program very closely in the weeks and months immediately ahead to determine what changes and modifications might be necessary in order to reach the goal which we all seek. As a matter of fact, we have directed the Commission to submit an interim report to us so that we will have a complete report prior to the time we schedule our committee hearings for the 1976 budget year.

Mr. President, since this matter was considered on the floor of the Senate a week or so ago, we have had some inquiries as to why the bill which we are considering here today is almost $3 billion above the 1974 appropriations. Accordingly, therefore, I should like to take just a minute or two to point out some of the major increases for the benefit of all of my colleagues. The specific figures, of course, are set forth in detail in the comparative table which has been printed in the RECORD. The figures I shall discuss are only the major ones.

In title I, agricultural programs, we are over the 1974 appropriations by approximately $1.1 billion. Of this amount we are over the 1974 appropriation by $225,000,000 for the Public Law 480 program, more than $767 million for reimbursement to the Commodity Credit Corporation, approximately $15 million for the Agricultural Research Service, $95 million for the Animal and Plant Health Inspection Service, $15 million for the Extension Service, and $15 million for the Cooperative State Research Service. The major item here, of course, is the more than three-quarters of a billion dollars for reimbursement to the Commodity Credit Corporation. This is to reimburse the Corporation for losses suffered through June 30, 1973. So this figure in no way reflects the drastic reductions which have been made in the various price support and commodity programs. This reduced figure, of course, will be reflected in the fiscal 1976 budget.

For title II, we are over the 1974 appropriation by approximately $450 million. This consists primarily of reimbursement of losses to the Agricultural Credit Insurance Fund which in turn is represented by the forgiveness or write-off feature of emergency loans which were made to individuals who suffered losses as a result of certain natural disasters. The total appropriation for this reimbursement item is $485 million, which is more than $410 million above the 1974 appropriation. In addition to this one single item we added, over the 1974 appropriation, $7.5 million for rural development grants, and $7 million for rural community fire protection grants for which no 1974 appropriation was made and for which no budget estimate was submitted for fiscal 1975. We also had a new item in title II, reimbursement for losses to the Rural Development Insurance Fund or more than $17 million. This is a new item which was not included in the appropriation for fiscal 1974.

For title III, environmental programs, we are over the 1974 level by slightly more than $200 million. More than half of this, or $122 million, is in the Environmental Protection Agency and is represented by the newly created activities involving energy research and development for which there were no 1974 program or funds. The other major increases in title III are represented by a $65 million increase in the agricultural conservation program and $25 million for the forestry incentive program, for which there was no separate appropriation in 1974.

For title IV, the consumer programs, we are over the 1974 appropriation by more than $1.1 billion. Almost all of this amount is represented in the increased costs of the food stamp program. I would point out to my colleagues, however, that Congress itself mandated some substantial increase in the food stamp program based on cost-of-living figures. In requesting these additional funds the Department is simply fulfilling its mandate of congressional action and is forced to make increased payments under the food stamp program as economic conditions require. I would say here too, that we have not seen the end of this cost spiral in the food stamp program. If living costs continue to rise, the Department will have no alternative but to reestablish new payment criteria under the appropriate authorizing legislation and I will be very surprised if we do not have a substantial supplemental request for the food stamp program before the end of this fiscal year. As I indicated previously, also included in this total is the $100,000,000 which we added for the child nutrition program to reestablish the the solvency of the section 32 account.

And so, Mr. President, with that short summary of the bill, I submit the conference report to the Senate for its consideration. Before doing so, however, I want to commend all of the Senate conferees who stayed with us during a very full and trying day during our conference with the House. While we did not get all we wanted, I can say without equivocation in my years of experience on this committee, both as a member and as subcommittee chairman, there has never been more determination shown on the part of the Senate conferees to maintain the Senate position. But due to conditions of which we are all aware, and which have been discussed in detail, we felt compelled to give more than we would have liked.

Mr. President, I move for adoption of the conference report.

Mr. President, I want to say that the distinguished senior Senator from Wisconsin (Mr. PROXMIRE), who was one of the conferees on the measure and who performed yeoman service as we sought to achieve the prevailing position of the Senate differences with the House, has asked for a few moments to explain some of the consequences of the problems that we encountered.

Mr. PROXMIRE. I thank the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senate is not in order.

The Senator from Wisconsin.

Mr. PROXMIRE. It is very painful to have to oppose the position, any position, taken by the Senator from Wyoming, especially after a conference report, when he has worked so hard—he is so extraordinarily competent in this area, he is so fair—he worked so hard to work out and develop a fair compromise, and he does indeed fight very hard for the Senate position, but there are two reasons why I am opposed to this conference report. No. 1, it is too much money.

Mr. President, today we face an escalating war with inflation. One of the battlegrounds on which this war will be fought is the Congress of the United States. For if we fail to cut, and cut sharply, the administration's budget requests we must plead guilty to the charge of contributing in substantial degree to the raging inflationary fire that is slowly but surely burning up each American's take-home pay.

It is not enough for us to say, "Well, when the military appropriation comes out we will cut that, and maybe we will cut somewhere else, foreign aid or something like that."

Mr. President, there is no way it can add up to the kind of restraint on the budget that we require. As the President said, we could easily go to $310 billion or $312 billion this year instead of $305 billion, which is such a tremendous increase in the spending over last year.

This budget is a good example, this appropriation bill is a good example of an increase of something like 23 percent over last year, to the best of my knowledge.

That is why I am so distressed about the conference report on the Agriculture appropriations bill, which we take up today. Some weeks ago the Senate went on record in support of a $10 billion budget cut. Yet today's bill exceeds the administration's budget request by a whopping $138.5 million. The administration requested $13.433 billion and we are giving the White House a bill containing $13.571 billion. If we were to be true to our decision to advocate a $10 billion budget cut we would be slashing this budget by approximately $400 million, not increasing it by $138.5 million. In other words, the budget we have approved for the Department is over half a billion dollars above the goal we set for ourselves.

Now there are some programs that must be funded above last year's levels. Food stamp costs have gone up. We have a crying need for increasing our agricultural research funding—these expenditures form the backbone of farm productivity increases. But the administration's budget has more than enough leeway for such increases. It is $2.8 billion above last year's appropriations. We could cut $403 million from this budget proposal and still make substantial increases in a great number of programs.

There is one other area that I want to mention because I feel very strongly on this and I think the Senate did go on record with a position that would provide for some meaningful reporting by the large corporations. I am afraid that the House position which prevailed emphatically in this area is going to make the Senate position on line-of-business reporting meaningless.

The purpose of the FTC's line-of-business program is to collect data on profits, sales, capital, and a few specific costs for the major products of the Nation's largest corporations. This line-of-business information is essential for purposes of economic analysis, for antitrust enforcement, and for protection of consumer interests.

Because of the merger wave following World War II, and particularly the conglomerate merger movement of the 1960's, no one has accurate information on the financial performance of specific industries. The FTC's line-of-business information program is designed to provide such information. Obviously the impact of the program will be severely limited so long as use of it is restricted to the FTC's statistical operations.

Mr. President, the language in the conference report effectively bars the use of this data for economic analysis by other agencies of the Federal Government, and the workings of the committees of Congress because it does not permit us to have the information. It stays with the Federal Trade Commission. Congress cannot have it, the Antitrust Division of the Department of Justice cannot have it, the GAO cannot have it.

It also weakens the program by cutting out funds for 11 employees, including 7 accountants who were to do the basic nuts and bolts work on the survey data. The only point which the Senate retained was the increase in number of firms to be covered from 250 to 500. I am hopeful that the Federal Trade Commission can find a way to use this language to enforce antitrust laws. That was my emphatic intention in agreeing to the report language.

As a matter of fact, the position of the House was that it can be used for statistical data, but if it indicates that any firm is violating a law, they cannot be prosecuted. It is like the old saying, when the daughter asked if she could go out to swim. Her mother says, "Yes, my darling daughter; hang your clothes on a hickory limb, but don't go near the water."

Big business has fought the line-of-business information program for a number of years and in a variety of forums. Business representatives have resisted invitations to sit down with FTC officials and work out the details of the program, although the FTC has shown its willingness to make revisions to meet legitimate industry concerns. For the most part, big business has thrown up a wall of total and uncompromising opposition to line-of-business reporting.

I think that this attitude is very shortsighted. In fact, I think that the line-of-business program is probusiness, not antibusiness.

Collection of information on profits by product line is the heart of the program. Adequate information on profits is vital to the effective operation of a free enterprise economy. High profits in a particular line of business show where existing companies can profitably expand their capacity, and where new competitors should be encouraged to enter. Accurate information on profits by line of business—information which is absolutely essential, is not available at the present time. It is essential for free market competition and industrial expansion into areas of greatest potential growth. Big business should be demanding this program, not fighting it tooth and nail.

As for the small businessman, he already has to release the detailed product line information required by this program. The fact that his conglomerate competitor does not have to do this makes it even harder for him to compete than it would otherwise be. We should at least put big business on the same footing as small business.

The investment community has long sought more accurate information on profits by line of business. The decisions, of investors, large and small, depend on reliable profit-data. Every member of the Securities and Exchange Commission is for this. To the extent that such data is not available, investment decisions are ill-informed, and this is contrary to the interests of a healthy economy.

And while I am speaking of the economy, let me also state that obtaining line-of-business information is vital to the struggle against inflation. Concentrated industries concealing their profits can raise prices on their products without restraint, and thus add fuel to the fire of inflation.

For all these reasons, I think that the FTC's line-of-business information program should go through unhindered by restrictive legislation. It is absurd to bar the FTC from passing this information on to other agencies under appropriate procedures. The Securities and Exchange Commission has a direct interest in obtaining this information, in view of its responsibility for regulating the investment community. The Antitrust Division of the Justice Department obviously needs this information, for the same reasons as the FTC. And the ultimate absurdity is for Congress to vote to deny this information to its own committees, which carry out the legislative duties which we all were elected to perform.

I deplore the efforts of big business to block or gut the FTC's line-of-business program. I deplore still more the action taken by the Appropriations Committees of Congress to aid and abet these efforts.

I do not feel that this action represents the will of Congress as a whole. Congress in the Alaska Pipeline Act gave the FTC the authority to issue the line-of-business report form on its own initiative, subject only to the scrutiny of GAO rather than the obstruction of OMB.

The Senate just last week voted resoundingly in opposition to an amendment by Senator HRUSKA to gut the substance of the program, defeating that amendment by a vote of 36 yeas to 51 nays. I regret strongly that the Appropriations Committee, of which I am a member, has decided to go against the intent of Congress as indicated in these previous votes.

In conclusion, I strongly support the Federal Trade Commission's line-of-business program—a program which is vital to the health and growth of our economy. I opposed both in committee and on the floor, the pressure put on the Appropriations Committees to weaken and handicap that program. The language in the conference report is contrary to the interests of the American people and inimical to the workings of our free enterprise economy.

Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I yield to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, this appropriation bill calls for spending $3 billion more than was spent last year.

The PRESIDING OFFICER. The Senator will suspend.

The Senators will please take their conversation into the cloakroom so that the Senator from Virginia may be heard.

Mr. HARRY F. BYRD, JR. Mr. President, this represents an increase of 28.5 percent in spending over what was spent this past year.

How is the Congress going to get spending under control when the first major appropriation bill to come before the Senate provides for an increase of 28.5 percent? The appropriation is for $13.5 billion as compared to $10.5 billion for last year.

I think this underlines and dramatizes what the distinguished majority leader said on the floor last week, that neither the Congress nor the administration is doing anything toward getting inflation under control. I shall vote against the conference report.

Mr. HUMPHREY. Will the Senator yield?

Mr. McGEE. I am happy to yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I have taken the liberty today of placing in the RECORD my response to President Nixon's so-called economic message, which was devoid of any sound economic principle or any pattern of sound administration of economic policy. I hope that my colleagues will see fit at least to give it cursory attention.

The economy has been getting just that amount of attention. Whether one is a financier, an investment banker, a retail merchant, a wholesaler, or a worker in the mines or the factories, or a farmer on the land, he will find today that this country has no real economic policy except to rely upon the forces of the marketplace, which all too often is the law of the jungle when it comes to protecting the public interest.

Mr. President, there is one way above all others to combat inflation, and that is production. But we now see that production is down, the gross national product is down, and the wage earner's paycheck is down in terms of its purchasing power.

The American farmer today finds the cost of production skyrocketing while his price structure is unstable and fluctuating to a point where he does not know what tomorrow will bring.

I gather, as the distinguished Senator from Wyoming has pointed out, that this recommendation on appropriations basically falls within the budget pattern because the administration asks for an additional amount of money in order to replenish section 32 funds.

Mr. McGEE. May I say to my colleague from Minnesota that that is correct. Actually, it exceeds the budget total by approximately $30 million out of $13.5 billion. So that is honing a pretty fine line.

Mr. HUMPHREY. Since the time the President's budget was presented to this Congress, inflation has acted like a ravaging disease upon this economy. Far more significant than the pusillanimous percentage increase which is in this bill.

Mr. McGEE. I hope that was a constructive increase, whatever the Senator said.

Mr. HUMPHREY. Pusillanimous.

Mr. McGEE. I said I hope that was a constructive increase.

Mr. HUMPHREY. It was an "expletive deleted" kind of increase.

Mr. President, what this body needs is righteous indignation about what is happening to interest rates. These incredibly high interest rates are inflationary. Built-in costs tear at the very heart of the economic system of this country, while bankers have a field day with profits. Oil companies have exorbitant profits that are unbelievable. We sit around here listening to a message that tells we have to watch these people programs so that we do not help people too much.

Mr. President, I think we have our eye on the wrong thing. The people programs—health, education, and welfare, agriculture—are not going to bankrupt this country. I will tell you what is going to cost us: Putting our money into weapons systems that are unnecessary; buying more nuclear weapons that are unnecessary; letting bankers set interest rates, a power which they ought never to have; and permitting commodity speculation in this country and in the world to reap its ravages on the American economy.

So we sit here and argue about $38 million which would not even take care of a fraction of the inflation increase since that budget was presented last February.

I commend the Senator from Wyoming for doing a remarkable job.

I have just come back from the Midwest. I am going back out there Thursday to visit with the farm people of my State. They are not getting rich. I will tell you who is getting rich: The people who are loaning them money; the people who are getting exorbitant prices for fertilizer; the steel industry, which has increased the cost of a fencepost by 200 percent; the oil industry with exorbitant profits—they are the ones getting rich.

We sit around here arguing about some little two-bit program when in fact the economics dinosaurs are moving over the land, chewing up and preying on the economy.

Yes, I am angry about it, Mr. President. I met with 30 farmer people yesterday in my office in Minneapolis who came to tell me what was happening to them. They need some guidance and some help from this Government, and they are not getting it.

I would hope that the Senate of the United States, when it gets around to the point where we talk about monetary and fiscal policy, will come up with something more than what we are going to do about the Federal budget.

I am for trimming the Federal budget. We will trim it—in foreign aid; we will trim it in defense expenditures and more. But you are not going to trim it out of health, education, and welfare, which are needed for the American people, and you are not going to take it out of food if I have anything to say about it. These are things that are needed.

What this country needs is productivity. What this country needs is some sense of conscience to prevent the exploitation of the people of this land by financial institutions, monopolies, oil companies, speculators on the commodity market and those who have no care and no interest in what happens to the family income.

Mr. BAYH. Mr. President——

Mr. McGEE. Mr. President, I agreed to receive questions from the distinguished Senator from Indiana on a matter that is of interest to him.

Mr. BAYH. Mr. President, I listened with great understanding to the remarks of our distinguished colleague from Minnesota. Since he emphasized the need for increased production and increased efficiency per unit, I believe it is an appropriate time, perhaps, to address a question to our distinguished subcommittee chairman relative to one of the items which is an additional amount in this budget.

Mr. PROXMIRE. Will the Senator yield for a minute before he asks a questions

Mr. President, I would like to ask for the yeas and nays on passage of this conference report.

The PRESIDING OFFICER (Mr. NUNN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. Mr. President, one of the additional items that the Senator from Wyoming was kind enough to accept and the Senate accepted, was an additional $300,000 for soybean research. We kept $250,000 of that in the conference, I understand.

Look at all the crop increases. There has been a smaller percentage of yield in soybean production than anything else. Yet that is the greatest demand. We hope we can spend this money so we do increase production and we do help the farmer make more money by increasing production and getting the cost down to the consumer. I want to salute the Senator for that, and for keeping that much in the budget.

Mr. McGEE. I would add we may get double mileage—even though that sum was reduced in conference—because the illustration that was given for the use of the funds was Purdue University. Because of their superb research facilities we might get twice the value for the amount of money that was allowed.

Mr. BAYH. I think it would be at least twice the value if it were spent at Purdue University. I am glad the Senator from Wyoming recognizes that .

Mr. HUMPHREY. If the Senator will yield, we have done some splendid research at the University of Minnesota. We have been able to put soybean production 175 miles further north in our State than it was 5 years ago because of that research.

Mr. BAYH. I am glad that Minnesota is following Purdue's leadership in this, and we hope they will continue to do so.

Mr. McGEE. This is known as the "Big Ten" of the soybean industry.

Mr. BAYH. I would like to refer to the bottom of page 9. I assume that that point was also considered in the conference and there is no need to go further into it.

Mr. McGEE. That is correct.

I am glad to yield to the Senator from Oklahoma. He is the one genuine farmer we have on the committee.

Mr. BELLMON. I appreciate the comment of the gentleman.

I would like to call the chairman's attention to amendment 7, the Cooperative State Research Service. I notice this is an increase over the amount of money appropriated in previous years. The question I wanted to ask the chairman is whether or not he anticipates that the States will reduce their contributions toward Cooperative State Research Service by some similar amount, or is it intended that this fund be used to increase the amount of research accomplished?

Mr. McGEE. We agree wholeheartedly with the committee's report in the House. It bears out the point the Senator is making.

Mr. BELLMON. That these funds will be used to increase the amount of research carried out?

Mr. McGEE. That is correct.

Mr. CHILES. Mr. President——

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I voted against this bill when it came before the Senate, and I intend to vote against the conference committee report also, while having a great interest in many of the things in this bill, and agriculture being tremendously important in my State. It is probably the major revenue source for the State of Florida. I recognize the importance of it. It is very important to all of our farmers and cattlemen who are in dire circumstances now. I have a feeling that they are in dire circumstances—and they recognize that they are in dire circumstances—primarily because of the tremendous inflation that we have going on in this country. It is going to continue to go on as long as we in the Congress continue to add, add, every year.

That is what we are doing again in this bill, and we are doing it in every appropriation bill that is coming before us.

Every time we start talking about let us cut one, then we see a constituency stand up on this floor. I have been part of that, with many of them. They say, "Wait a minute." This is something that is of interest to our people. This is of interest to my farmers. This is of interest to my agriculture.

Everybody here has a constituency, but nobody recognizes the whole. No one speaks for the guy who is a farmer but is also a taxpayer and is also trying to live. We are running the prices up, and have been doing it for 7 straight years, with a deficit every year. We are doing it again this time, when we have worse problems in this country than anybody can remember.

Now we are continuing to run it the same way—a 23-percent increase, a 29-percent increase. Whatever it is, you name it: In every bill we are voting out of the Appropriations Committee, in every bill we are taking up on the floor of the Senate, it is more than last year. It is more than the estimates. It is just more, more, more.

Everybody says, "Eliminate. I want to cut the military." Someone else says, "I want to cut welfare payments," or something else. Nobody has been willing to date to say that we are going to do something across the board, that we are going to do something to bring it down.

How long can we continue to stand up for our little constituency, for our interest, and not think that somebody is going to stand up for every other interest?

We are continuing to do the same thing and go the same way we have been going. Sooner or later, we will have to face up to the fact, or the people are going to face up to it for us. We are continuing to be irresponsible. We are continuing not to live within our means.

We have to start on some of our favorite projects. The way we are to help the farmer is to help with respect to inflation. The way I am going to help the cattleman and the farmer in Florida is to see that he can buy his feed at a legitimate price and can sell his product at a legitimate price and make a living. Pumping more money into this bill and saying we are going to do more for agriculture, and pumping money into every other bill, as we have been doing, year after year, is putting the gun to the head of every one of us and to our people.

Only on the day that we are willing to look across and determine that we are willing to cut some of our favorite projects and the favorite projects of some of our constituents, to bring some sanity back to the economy of this country, are we going to be able to do something about it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Kansas.

Mr. DOLE. I wish to commend the members of the conference committee for they have done a good job. I share the view, however, just expressed by the Senator from Florida.

Nothing in my State is more important than agriculture. I know of nothing more painful politically than voting against an Agriculture appropriation bill.

But if we are serious about inflation and about the impact it is having on farmers, consumers, and everyone else in America, we must stand up and say "No," however painful. We just cannot have it both ways. While I commend those on the Appropriations Committee for their efforts to hold down spending requests, I suggest they should have done more.

This bill appropriates almost $3 billion more than last year's Agriculture appropriations bill. Actually, nearly two-thirds of that increase is accounted for by expansion of the so-called consumer programs and is not going for strictly agricultural programs at all.

But the essential point here is that we are ignoring an opportunity to make inroads against the inflation that affects us all, consumer, farmer, everyone. The President wishes to cut the budget by $5 billion. Congress says it wants to cut the budget by at least $5 billion. Some Members say more. But here, when we have an opportunity to demonstrate that we mean what we say, we ignore it, and propose instead to pass a bill that exceeds the budget.

This year, with this budget, we have to start somewhere if we are really serious about doing something to combat inflation. This is an Agriculture appropriations bill, and it is not the easiest place for the junior Senator from Kansas to start; but, nonetheless, I propose to start here.

The time has come to express ourselves, not faulting the committee nor attempting to justify increased Federal spending.

Mr. McGEE. Mr. President, I would say, in behalf of the question that has been discussed here by the Senator from Kansas and the Senator from Florida, that they should know what we disallowed. We ran into billions of dollars on which we said "no." No and no and no again. There were very meritorious projects. They were very understandable requests.

Our target was to try to work in some kind of cooperation with the submission of the project, with the commitments of the budget requests that the chairman of the full committee arrived at through his leadership, so that we could stay under those.

In an effort to do that, we also had to deal with the House and with the difference in judgment over specific areas within the bill. As the Members of this body know very well, that is where some of the exceptions occur. It is the difference in judgment as to which is more important than something else in the cost factor.

Naturally, the things from my areas are more important than the things from yours. That is where the leaks sometimes occur. But in spite of that, in $13.5 billion, we went over the President's budget by $38 million. It was not easy to hold it that way, because the requests exceeded all of this, as I said, by several billion dollars.

We tried to be as judicious and as equitable as we could and as responsible as the circumstances would permit us to be.

We think this is close to the mark and reflects the kind of judgment that a group of mortals was compelled to make and then to strive to live with the best we can.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. McGEE. I yield.

Mr. AIKEN. I realize that we have this series of appropriations for this year; but hasn't Congress recently established a Budget Committee, with about 36 Members from the House and 16 Members from the Senate, that will have the authority to tell us where to cut back on the appropriations which we have already made, after this year?

Mr. McGEE. Yes; the decision has been made by both Houses of Congress, and they are prepared to proceed.

Mr. AIKEN. Therefore, Congress will make its appropriation as usual and then rely upon the Budget Committee to cut back each program as they think it ought to be cut back.

Mr. McGEE. I do not know how the mechanism is going to work out. I would hope that they would decide what the ceiling is going to be in general, so that we could address ourselves to the judgment as to which items are more important than others.

But I do say—and I think the Senator has made an important point this afternoon—that Senators should not come to see me next year about getting their projects, because the ones who have been making the speeches here are the ones who beat us over the head because they needed $6, $8, or $10 million more for their projects, and we tried to examine the equity of it.

The place to start, if Senators really mean this and if this is not rhetoric for the home folks or for the CONGRESSIONAL RECORD, is to cut back their project requests, and I can assure them that we will live up to it.

Mr. AIKEN. I commend both Houses of Congress and the conferees for doing what I consider to be an excellent job in this appropriation bill. I believe that the new Budget Committee will not have any authority to upset it, will they—not this year?

Mr. McGEE. Not this year; that is correct. Once this measure is passed by this body, as I assume it will be this afternoon, it will be ready for the President's signature.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. BARTLETT. Mr. President, I should like to join in the views of the Senator from Florida and the Senator from Kansas.

I compliment the Senator from Wyoming on his hard efforts to reduce the spending in this bill. I think the Senator from Wyoming knows that nothing is more important to the State of Oklahoma than agriculture. I support that, and I support it strongly.

All I am hearing from Oklahoma—and perhaps this is true throughout the country—is that there seems to be no plan either from the executive branch of Government or from Congress on controlling spending this year.

To me, a vote for this particular bill, with the amount in it, is a vote for that "no plan" concept. A vote against it, on the other hand, is to take another look at it and reduce the amount of this conference report so that it will come in line with a reduced budget, lower than that which the President presented.

There have been a number of actions by this body in support for the amendment of the Senator from Wisconsin to set a $295 billion limit by the President. Letters have been written to the President asking for a balanced budget to be submitted to this body. A resolution has been passed by this body asking for a domestic summit conference, showing a real concern by Congress about the economy, about inflation, about spending.

So it is with real sadness that I plan to oppose this bill, in the interests of economic stability. But I do not know how else to express this. I would feel as though my other votes would have been made tongue in cheek, if I supported this bill, much as I would like to. Certainly, it has many, many good provisions.

But I think the Senator from Wyoming realizes that we have not budgeted in the Congress. We have created the various pieces of pie and looked around for a pie pan big enough. I realize we have corrected that with new budget law which, unfortunately, cannot take effect yet. So every year our only opportunity to make a vote which is consistent with the feeling in our State, I believe, and around the country, that there is no plan, there is no action, is to vote against this important piece of legislation.

Mr. NUNN. Will the Senator yield?

Mr. McGEE. I will be glad to yield to the Senator.

Mr. NUNN. Mr. President, I would like to commend the Senator from Wyoming for his hard work. I know the subcommittee worked very hard and that this is a very important bill to a large number of people.

However, I do think I would have to join those of my colleagues from Florida, Wisconsin, Virginia, Oklahoma, and Kansas who have expressed serious reservations about what we are about to do today.

As I understand it, this is the first appropriation bill this body will pass this year.

I was here on the floor when the Senator from Wisconsin (Mr. PROXMIRE), about 6 weeks ago, brought up a ceiling on our spending of $295 billion.

I believe that there were 73 Senators who joined in that affirmative vote saying, in effect, we want to do something about overall expenditures. But on this, the first appropriation bill of the year, we are about to increase last year's budget by 29 percent, while, in the background, there remains a general resolution saying we want to hold the overall level of expenditures to $295 billion.

I am reminded, Mr. President, of a story I heard about Will Rogers. During the peak of World War I when Will was asked for a solution to the German submarine problem. He replied that the only thing we had to do was drain the Atlantic Ocean. Of course, the next question was how do we drain the Atlantic Ocean? Rogers said:

> That is a detail and I am a generalist; that's someone else's problem.

And today's problem is ours. In the Senate we must attend to the details and this is a detail matter today.

We have expressed a general feeling that we want to do something about the runaway Federal budget, but when we get down to the details it is awfully difficult.

I come from an agricultural State. I cannot think of any State that this bill means more to than my own. Yet I could not look farmers in the eye and say I have done anything for them if, at the same time, I vote for an inflationary 9-percent increase over last year's agricultural bill.

In my opinion, that is not the way to take care of the details. Maybe it is the way politically, but certainly not the way if we care about the economy of this country.

Right now we have a chance to stand up—at the beginning of the appropriation process—and vote no when we have bills that are going to exceed last year's budget by more than normal inflation.

We can talk for a long time about whose fault overspending is, whether it is the President of the United States or the Congress. But when we look at the Joint Economic Committee reports that Senator PROXMIRE and his committee put out, it is apparent what happens. We cut some appropriation bills but then come right back with back-door spending.

When we examine the last 5 years of the President's budget, he got back total spending measures from Congress which were about what he requested when you consider total appropriations plus back-door spending measures.

So I do not think we can stand here and say we are fighting inflation when we cut appropriation bills knowing perfectly well we add it back somewhere else.

Nor do I think the President and his administration, can point at Congress and say it is totally Congress fault when he knows full well he has gotten back in total spending measures about what he advocated.

It is the fault of the administration, and it is the fault of Congress. My constituents in Georgia are beginning to realize this double blame. I do not think, Mr. President, that we are going to do anything for the American farmer while we put money in one pocket as we take it out of the other pocket through inflation.

I do not believe we are doing anything for the military leaders in the Pentagon if we continue this type of inflationary increases. Continued at this rate, they are not going to have the economic base needed in future years for our Nation's national security.

I do not believe we are doing anything for the administrators at HEW, the educators, or the people on welfare, if we keep expanding this runaway inflationary cycle.

At some point the bubble will burst and there will not be the economic base we need for appropriation measures for any of the areas that benefit from Federal spending.

I think we need to take the tack now—even while we wait for the Budget Reform Act to take effect—that we will cut every appropriation bill that exceeds last year's budget plus the rate of inflation. This is the only way we can stay within the $295 billion ceiling. And that is exactly what we said we would try to do when we passed the ceiling limitation. That is what I mean by attention to detail.

We have passed the point when liberals can go back home and say, "We voted to decrease the space budget; we voted to decrease the defense budget, therefore we are fiscally responsible." At the same time the conservatives are going back home and saying, "We voted to decrease the HEW budget, we voted against food stamps, therefore, we are fiscally responsible." We all know perfectly well there are enough votes on this floor to pass every spending measure—be it DOD, HEW or back-door spending. When it comes to the final analysis, what we are doing is playing a colossal joke on the American people. And now I believe they realize this.

While Will Rogers could express his sentiment about being a generalist during World War I, today we must focus on details. We face the real question of whether we are willing to apply in actuality the kind of discipline that we verbally advocate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NUNN. I am happy to yield.

Mr. HUMPHREY. Mr. President, I want to say that I fully appreciate the sincerity of the Senator's point of view, which is characteristic of the distinguished Senator from Georgia. But I would hope the Senator would keep in mind that one of the largest increases in the Federal budget is the interest on the public debt which is due to the unscrupulous, scandalous, incredible high interest rates imposed upon the American people.

This $38 million in this budget for agriculture is really just a drop in the bucket. A drop in the ocean, may I say, as compared to the increase in the cost of handling the public debt due to high interest rates, and we do not see any effort in this body to really put the plug in where the leak really is.

I want to say that I am willing to vote for expenditure ceilings, if I can get the Senators to vote with me. This interest rate of 15, 16, or 20 percent, which is what the average fellow is paying, is a crime. Yet we sit here and argue about these minor things when there is literally a ravaging disease affecting this country called "rent on money" which they call interest.

Mr. NUNN. Might I respond to the Senator from Minnesota by saying I do not disagree with his analysis of one of our serious problems, the high interest rates. I do believe, however, in looking at the overall economy, that all these factors contribute to a vicious circle. When there is inflation, the more investors are going to insist on their money and thus the higher interest rates will be.

We have to start somewhere. I would consider any proposal the Senator has because he has put his finger on the inflationary process. Still I believe it is a circular process and we have to start at some point on the circle.

We can argue for a long time where the proper point is, but I know this one detail—today we are at one point on the circle. It may be a little point—one little atom on the pinhead—but it is still a point on that vicious circle. I, for one, am going to start here even though it may not be the most politically sensible thing to do.

Mr. PROXMIRE. Mr. President, will the Senator from Georgia yield?

Mr. NUNN. I yield.

Mr. PROXMIRE. First, I commend the Senator from Georgia on his speech.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, if the Senator will yield, in view of the lateness of the hour, and not because of the importance of the subject, I wonder if the Senator from Georgia and the Senator from Wisconsin—I know of no others who will speak on the agriculture conference report tonight—would agree to a vote on it at the hour of 5:30 p.m.

Mr. PROXMIRE. Oh, yes; I think we can vote on it at 5:20.

Mr. MANSFIELD. I ask unanimous consent that the Senate vote on the conference report not later than 5:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the reason the interest on the national debt is as high as it is, the reason that the cost of money is so high, is because of a series of deficits. Why do we have those deficits? Because we have spent more than we have taken in. Because of our enormous spending.

This year, we are spending far more than every before—the biggest increase in the peacetime history of this country: $35 billion more. We are going to have a deficit of some $10 billion if we simply stay within the budget, unless we manage to cut below it.

That will add to the national debt. That will add to the interest costs in the future.

One other point: To the extent that the Federal Government is a net borrower—and this increases our borrowing by $10 billion, because we are going in deficit—it means that to that extent we are bringing up the cost of money. That is what borrowing does; it drives up the cost of money. So while it is true that this measure is relatively modest, when you add up all the appropriations bills, they add up to a whale of a lot of money: $10 billion more borrowing. The interest rates are going to be higher, and this is the reason why the service charges on the national debt are as high as they are.

Mr. NUNN. I agree with the Senator completely, and that is a part of that circular process I talked about. The more we have deficits, the harder it is to get money for private enterprise, because the more the Government is in there competing for money. That is a part of the vicious cycle.

I think the Senator has made an excellent point, and I commend the Senator for his leadership on the Joint Economic Committee. I believe the Senator from Wisconsin is very consistent in his position and makes an awful lot of sense.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield at this point?

Mr. PROXMIRE. I am happy to yield, if I have the floor.

Mr. HUMPHREY. I want to say to the Senator from Wisconsin that I remember when we had $20 billion deficits, when the interest rates were not this high. We had deficits in World War II of $40 billion or $50 billion, and the interest rate was 3 percent. I do not buy the argument that it is the budget deficits that put the interest rates up so high. It is staggering. The money goes to the highest bidder, and we know that the highest bidder is not the mamma-and-papa grocery store, it is the corporations, the huge conglomerates. They are the highest bidders. That is what is building up the interest rates. And, I might add, a lot of it is going overseas.

Mr. PROXMIRE. The Senator from Georgia had the answer in part. When we get this $10 billion or $12 billion inflation, obviously, what the saver is going to do is do his best to assure that when he gets his money back, he will get back in real terms as much as he loaned.

What is the point in making a loan at 8 percent, if inflation is 10 percent? At the end of the year you get $108 back, and that $108 is worth less than the $100 you loaned out.

That is why, as the Senator from Georgia says, we have to stop this process somewhere; it is circular.

The one place where we have some control and our actions can be effective is in cutting spending. The Senator from Louisiana offered a very constructive proposal, which I think has a lot of merit: I certainly want to study it and hear more about it, and that is to put a tax on interest over 10 percent, as I understand it. That might be very effective. I would like to see that; but I think that until we get to that point, and we all know we are some way from consummating that, the one clear, consistent action everyone would agree we should take is to hold down spending.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Let me say, before I yield to the Senator from Louisiana, that I have just polled the people of my State. The returns are coming in right now. We have received 40,000 returns, and they have voted 10 to 1, 89 percent to 9 percent, in favor of cutting the Federal budget by $10 billion. It is overwhelming.

The only way we can do that is to make cuts, not simply in the military area and space, which the Senator from Minnesota and I both feel should be cut, but we have to make sure that we do not have increases in other areas also.

I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, we have had inflationary pressures before, and we have not had any 15 percent interest charges before. Under previous administrations, it was recognized here, as it has been recognized all over the world, what every other nation recognizes, that with worldwide inflation going on, if you do not place some limit on the outflow of your own capital all over the whole wide world, you will not be able to control your economic situation within your own country. The Senator is well versed in economics, and he is well aware of the theory of the free flow of capital: That it will flow out where it can make the most return.

For years we had an interest equalization tax, to keep the money here, rather than have every homeowner in America have to bid against everyone in the whole wide world for money to buy a home. As the Senator knows, that tax has been permitted to expire, with the administration's recommendation.

It is all right with me to reduce Government spending. I am in favor of reducing it in certain areas. But I would point out that the Government deficit will be only about $10 billion on a $250 billion increase which will occur this year and which has occurred in the last year, in public and private credit. The biggest item will be a $150 billion increase in corporate credit.

Some things must be done that are not being done, but one thing I would suggest is this thing of rationing credit on the basis that those who can afford to pay the most for the credit are going to get it, and those who cannot afford to pay these extortionate rates cannot get it, especially homeowners.

That is why I have suggested that we start resisting these interest rates by putting a 100-percent tax on any interest income, a personal tax, over 10 percent. I assume we would have to exempt small loan companies to the extent that they have been lending money at higher interest rates in previous years. But I would think that if we tax away all interest income over 10 percent, in that way there would be no point of people trying to collect more interest than that on loans.

Mr. PROXMIRE. Mr. President, while I am in sympathy with the position of the Senator from Louisiana, I want to make clear that this afternoon we can indicate our very strong opposition to increasing spending. Although we all appreciate the work the Senator from Wyoming has done on this measure, and I hope to work with him on it in the future, as I say, the one clear action we can take now, whatever we do in the future on interest rates, is to indicate what we feel about inflation by doing what we can to hold down expenditures here and now.

Mr. McGEE. Mr. President, with the vote on the conference report about to occur in 2 minutes, I must say I appreciate all the comments of our colleagues. I think the net result of them tends to reflect on the committee, who felt compelled to honor the requests of their colleagues. I find, in going through the requests we have had, nothing like the withdrawal of a request, or cutting down of one, and I think this RECORD ought to show that.

If we really mean it, we have just counted up, and if some of those who have been addressing us here would withdraw their requests, we can go far below the President's budget, if they are willing to say, "I will forgo my State's appropriations in this field."

I think that exposes the kind of stuff we have been indulging in here. The committee has worked hard to integrate this measure with the House bill, with the President's budget request, and with the ceilings imposed by the leadership in the Appropriations Committee.

I say to Senators, the time to put your action where your mouth is, is when you are asking for the project. I hope that next year—and the record will be available—we will take those things into account.

We tried to do what was fair for all of the States' needs, taking into account the diverse variety of needs scattered around the Nation. We thought we came close.

Mr. BELLMON. Mr. President, I would like to express my appreciation of the efforts of the chairman of the Senate Committee on Appropriations in the consideration of H.R. 15472, the Agriculture-Environmental and Consumer Protection appropriation bill for fiscal year 1975.

I would also like to thank the chairman and the ranking minority member of the Subcommittee on Agriculture-Environmental and Consumer Protection for the many kind courtesies they have extended me.

Mr. President, I support this measure because it provides necessary support for the Department of Agriculture, the Environmental Protection Agency, and other independent agencies.

The total new obligational authority appropriated in this bill is $13.5 billion. The chairman of the subcommittee has already given a detailed explanation of the individual items in this bill. I would like to limit my remarks to one special concern of mine, that is the appropriation for the Cooperative State Research Service, and more particularly, the $6.4 million increase for additional support to State agricultural research stations.

It has come to my attention that some States have reduced or plan to reduce their financial support to this necessary research program in anticipation of increased Federal assistance.

As noted in the House report on this bill, such action by the States is clearly not the intent of Congress.

American agriculture needs greater and expanded commitment for research. We are providing additional funds so that this need can be met, and not to relieve the States of their responsibility to their farmers.

This bill addresses the needs of American agriculture, the demand for a better environment and greater consumer protection. It is for this reason I support this measure.

Mr. HOLLINGS. I took part in the formulation of this agricultural appropriation bill. However, if we are really going to cut back, if we are really going to stop inflation, we must begin with our own favorites. This bill is $3 billion over last year—$100 million over the budget estimate. As a new member of the Budget Committee, I must first begin by disciplining myself. I, therefore, vote against the conference report.

Mr. HRUSKA. Mr. President, I would like to commend the distinguished Senator from the State of Wyoming, chairman of the Subcommittee on Agriculture-Environmental and Consumer Protection of the Senate Appropriations Committee for his efforts on this vital appropriations bill.

I would also like to thank the Senator from Hawaii (Mr. FONG) who worked so hard in committee and on the Senate floor to bring this measure to final passage. He is necessarily absent and hence I undertake some explanatory remarks on this report.

Mr. President, H.R. 15472, the agriculture-environmental and consumer protection appropriations bill for fiscal year 1975, does not meet all the needs. It does, however, provide necessary support of Federal programs to address our most critical needs.

Mr. President, our country is faced with high inflation which is affecting everyone, including both consumers and farmers.

There are two approaches that Government has to attack this problem—monetary and fiscal policy. Monetary policy is primarily within the jurisdiction of the executive branch but Congress, through the appropriations process, has and must exercise its responsibility in determining realistic and effective fiscal restraints.

The bill we have before us today reflects those restraints. As reported by the conference committee, H.R. 15472 provides $13.6 billion in new budget authority, a $100 million reduction from the Senate bill we passed last week.

While this bill still exceeds the 1975 budget estimates by about $138 million, this amount is not out of line in unacceptable degree when compared to congressional action last year when we passed a bill which exceeded the budget estimate by $400 million.

Aggregate fiscal policy aside, let us examine the individual appropriations in this bill.

In the area of agricultural research, the bill retains significant increases over last year's levels. The Agricultural Research Service has been increased by $30 million, the Cooperative State Research Service and the Extension Service by $15 million, each being over fiscal year 1974 levels. While these appropriations are not as large as many would like, balanced against the threat of increased and continued inflation, I feel they are reasonable and realistic.

In rural development, I am gratified that the conferees sustained increases in the Senate bill for the rural electrification and telephone loan programs as well as the farm ownership loan program. The bill also appropriates $17.5 million for rural development grants and $6 million for mutual and self-help housing loans.

Mr. President, I was especially concerned for environmental programs. It has been feared that our desire for a clean environment might dissipate in the face of economic hardship.

I am very pleased that, as reflected in the bill, this is not the case. The conferees retained $20.5 million of the $49 million increase provided by the Senate for pollution abatement and control activities in the Environmental Protection Agency.

The conference committee also agreed to a $5 million appropriation to demonstrate the commercial application of municipal, agricultural, and other wastes as energy sources.

Mr. President, that brings me to the last point, consumer programs. The bill appropriates $50,000 more than what was originally allowed by the House for the

Office of Consumer Affairs. Similarly, partial restorations were allowed for the Consumer Product Safety Commission and the Federal Trade Commission.

A very difficult problem dealing with procedural and confidentiality provisions for the Federal Trade Commission line of business report proposal was also resolved by the conferees.

I am hopeful that the language contained in this measure will provide for adequate security of this data and also insure that the FTC's investigatory power in this area will proceed in a careful prudent, and judicious manner.

Mr. President, I believe that on balance the conferees have done an excellent job in striking a good compromise between fiscal constraints and providing adequate program support for the 1975 fiscal year. I commend their diligent efforts and urge passage of this bill.

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for 2 minutes, notwithstanding the unanimous-consent request, to ask the majority leader for information concerning the program for the rest of the day and the rest of the week, if the majority leader is in a position to respond.

Mr. MANSFIELD. Yes, indeed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER OF BUSINESS ON S. 1033

Mr. MANSFIELD. First, Mr. President, I ask unanimous consent that on the Legislative Calender Order No. 187, S. 1033, a bill to amend the Export Administration Act of 1969, be taken from general orders and placed under subjects on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Secondly, because of the lateness of the hour and the long day, we will not return to the unfinished business, S. 3792, but we will return to that after the Senate disposes of H.R. 15544, an act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and so forth.

ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. MANSFIELD. At this time, Mr. President, I ask unanimous consent that when the Senate adjourns tonight it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. On tomorrow, tomorrow, after the brief morning hour, and other incidental factors, the Senate will turn to the consideration of Calendar No. 988, H.R. 15544; and when that appropriation is out of the way we will then turn to the consideration of S. 3792, which is the unfinished business.

Mr. President, on that measure, I ask unanimous consent that there be a time limitation of one-half hour on amendments, 15 minutes on amendments to amendments, and other motions; 40 minutes on the Javits amendment, the time to be equally divided, as will the 30 minutes, and we will, for the time being, exclude the Stevens proposal in which the Senators from Indiana and Alaska are interested and, hopefully, an agreement can be reached overnight; and 2 hours on the bill under the regular procedure.

The PRESIDING OFFICER. Would the distinguished majority leader advise the Chair on which bill?

Mr. MANSFIELD. S. 3792.

The PRESIDING OFFICER. S. 3792. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object at this moment——

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. I regret that for the moment I will have to temporarily object until we can check with one Senator. I think it will be all right.

Mr. MANSFIELD. Fine. I will be delighted to withhold that for the time being.

Then, on Thursday, it is anticipated that we will take up the Public Works appropriation bill. There may be the Department of Transportation appropriation bill ready for consideration by the Senate on Friday, and if we finish all those appropriation bills, we will not be in on Saturday, but if we do not, we will be in on Saturday; and that is about the best I can do at this time.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. ALLEN. Has there been an hour set for the vote on the cloture motion on Thursday?

Mr. MANSFIELD. Not yet, but I hope when the Senator from Connecticut (Mr. Ribicoff) comes to the floor he will give the Senate that information.

Mr. ALLEN. Fine.

Mr. MANSFIELD. We will try to nail it down.

Mr. GRIFFIN. The majority leader did not mention the atomic energy bill.

Mr. MANSFIELD. That is set for Thursday. That will be taken up Thursday, along with the Public Works appropriation bill, and we have a time limitation on that bill, as the distinguished Senator from Vermont (Mr. Aiken) is aware, because he agreed to it even though we developed it in his absence.

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the conference report (H.R. 15472).

The yeas and nays have been ordered.

The question is on agreeing to the conference report.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Fulbright), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from New Mexico (Mr. Domenici), the Senator from Hawaii (Mr. Fong), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) would vote "yea."

The result was announced—yeas 67, nays 26, as follows:

[No. 337 Leg.]

YEAS—67

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Bible
Brock
Burdick
Byrd, Robert C.
Case
Church
Clark
Cranston
Curtis
Dominick
Eagleton
Eastland
Ervin
Gravel
Griffin
Hartke
Haskell
Hatfield
Hathaway
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Williams
Young

NAYS—26

Bartlett
Bennett
Brooke
Buckley
Byrd,
Harry F., Jr.
Cannon
Chiles
Cotton
Dole
Fannin
Goldwater
Gurney
Hansen
Hart
Helms
Hollings
Huddleston
McClure
McIntyre
Metzenbaum
Nunn
Proxmire
Ribicoff
Roth
Scott,
William L.
Tower

NOT VOTING—7

Biden
Cook
Domenici
Fong
Fulbright
Sparkman
Weicker

So the conference report was agreed to.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment in disagreement.

The assistant legislative clerk read as follows:

> Strike out the matter stricken by said amendment and in lieu of the matter inserted, insert: ". Such information for carrying out specific law enforcement responsibilities of the Federal Trade Commission shall be obtained under existing practices and procedures or as changed by law."

Mr. McGEE. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that a provision of law which requires that a conference report be printed as a Senate report be waived since the report is identical to that which the House of Representatives has already printed.

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

Mr. McGEE. Mr. President, I ask unanimous consent that the conference table which was included by the House when it acted on the pending report be incorporated in the RECORD by reference. This table gives the complete result of the conference in tabular form and shows a comparison of the conference action.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, first, I ask unanimous consent that Calendar Order 985, S. 3792, the extension of Export Administration Act, be laid aside temporarily, along with Calendar 857, S. 707, the Consumer Protection Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION ACT, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar 988, H.R. 15544, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15544) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate returns to the consideration of Calendar No. 985, S. 3792, which will be after the disposition of the Treasury, Postal Service, Executive Office of the President appropriation bill on tomorrow, that there be a time limitation of 30 minutes on all amendments to that bill, the time to be equally divided between the manager of the bill and the sponsors of the amendments; that there be 40 minutes on the Javits amendment, the time to be divided on the same basis; that there be 2 hours on the bill, and that it be offered in the regular order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, is it understood that the amendment I am offering will be in order?

Mr. MANSFIELD. It will be in order.

Mr. JAVITS. Reserving the right to objection, I want it stipulated that the amendment I will offer which is at the desk will be in order.

Mr. MANSFIELD. It was so stated. It was included by name.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, this does not include a motion to be made, perhaps by the distinguished Senator from Alaska tomorrow, in relation to an amendment which had been proposed in the past by the distinguished Senator from Indiana (Mr. BAYH).

The PRESIDING OFFICER. It does not include any debatable motions or appeals. There will be no time limitations on debatable motions or appeals.

Mr. MANSFIELD. That is correct.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION ACT, 1975—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the Treasury, Postal Service appropriation bill, which is to come up on tomorrow after the morning business is concluded, there be a time limitation thereon of 2 hours, to be equally divided between Mr. MONTOYA and the ranking minority member of the committee (Mr. BELLMON) and that there also be a time limitation on any amendment thereto of 30 minutes, with a time limitation on any debatable motion or appeal of 20 minutes, and that the agreement with regard to the division and control of time be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS, AEC APPROPRIATIONS, 1975—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the Public Works appropriation bill—and this has been cleared with Mr. STENNIS and with the Republican leadership—there be a time limitation of 4 hours, the time to be equally divided between Mr. STENNIS and the ranking Republican member on the subcommittee; that there be a time limitation on any amendment thereto of 30 minutes; a time limitation on any debatable motion or appeal of 20 minutes, and that the agreement with regard to the division and control of time be in the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXTENSION OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. STEVENSON. Mr. President, I send to the desk a joint resolution to extend the Export-Import Bank for 30 days, until August 31, 1974, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. NUNN). The joint resolution will be read for the information of the Senate.

The joint resolution (S.J. Res. 229) was read the first time by title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "July 30" and inserting in lieu thereof "August 31".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. STEVENSON. Mr. President, the authority under this act expires on July 30, tomorrow. The Senate Committee on Banking, Housing and Urban Affairs will report a bill to the Senate within a few days. The House Banking Committee is in the process of marking up a bill to extend the authority of the Export-Import Bank. This resolution is necessary in order for the Bank to continue its operations until Congress can enact permanent legislation.

For the benefit of some Senators, including the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Bank assures me that it will not make any loans in the Soviet Union during this 30-day period.

The joint resolution has been cleared with the Senator from Oregon, the ranking member of the Subcommittee on International Finance, and I urge its approval.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order the following Senators be recognized each for not to exceed 15 minutes, and in the order stated: Mr. BUCKLEY, Mr. EAGLETON, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. As far as my time is concerned, I do not presently intend to use it, but I will have it available in the event any Senator wishes to partake of it on either side of the aisle.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW; ORDER FOR CONSIDERATION OF VARIOUS BILLS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for recognition of Senators on tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes; and at the conclusion of the period for routine morning business, the Senate proceed to the consideration of the bill making appropriations for the Treasury Department and U.S. Postal Service (H.R. 15544); and that upon the disposition of that bill, the Senate resume consideration of S. 3792, a bill to amend and extend the Export Administration Act of 1969; and that the unfinished business (S. 7007) be laid temporarily aside and remain in a temporarily laid aside status until the disposition of both of the bills (S. 3792 and H.R. 15544) or the close of business tomorrow, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:45 A.M. ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 9:45 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND FOR CONSIDERATION OF VARIOUS BILLS ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate proceed to the consideration of Calendar Order No. 992 (H.R. 15155), the public works appropriation bill; and that upon the disposition of that bill, the Senate proceed to the consideration of H.R. 15323, the act to amend the Atomic Energy Act of 1954; and that the unfinished business remain in a temporarily laid aside status until the disposition of the Atomic Energy Act of 1954, or until the close of business on Thursday, whichever is the earlier, with the single proviso that the 1 hour of debate on the motion to invoke cloture on the Consumer Protection Act be scheduled at some point during the day—to be decided tomorrow—and that the cloture vote occur thereon accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, reserving the right to object, was there any request for agreement with regard to a vote on cloture on Thursday?

Mr. ROBERT C. BYRD. No. I merely made provision that at some time during the day that would be decided, and hopefully tomorrow the Senators will be able to agree on the time.

Mr. GRIFFIN. All right.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m.

After the two leaders or their designees have been recognized under the standing order, Mr. BUCKLEY will be recognized, Mr. EAGLETON will be recognized, and Mr. ROBERT C. BYRD will be recognized, in that order, each for not to exceed 15 minutes; there will then ensue a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes each.

At the conclusion of routine morning business, the Senate will take up the appropriation bill for the Department of the Treasury and the U.S. Postal Service and for other purposes, under a time limitation.

There will undoubtedly be at least one rollcall vote, that being on passage, as is the normal practice here, and there could very well be rollcall votes on amendments thereto.

On the disposition of the Treasury Department appropriation bill, the Senate will resume consideration of S. 3792, a bill, to amend and extend the Export Administration Act of 1969, and yea and nay votes will probably occur on amendments thereto. In any event, a rollcall vote will likely occur on passage.

Conference reports, being privileged matters, may be called up at any time, and yea and nay votes can occur thereon.

Other calendar measures cleared for action may be called up at any time and votes may occur thereon.

May I say that it is almost a certainty that the Senate will be in session on Friday. There will be business to be transacted. If agreements can be worked out permitting the Senate to complete its work by the close of business on Friday, there will be no necessity for a Saturday session this week.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to, and at 6:20 p.m., the Senate adjourned until tomorrow, Wednesday, July 31, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1974:

DEPARTMENT OF JUSTICE

Antonin Scalia, of Virginia, to be an Assistant Attorney General, vice Robert G. Dixon, Jr., resigning.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James E. Hill, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Donald G. Nunn, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

IN THE NAVY

The following-named officers of the U.S. Navy for permanent promotion to the grade indicated in the line subject to qualification therefor provided by law:

LINE

Lieutenant

Algoso, Donna Jean
Allen, Barbara Ann
Almendinger, Sylvia Sue
Anzelon, Judy Marie
Berger, Janellyn Lu
Beuerlein, Susan Cooley
Black, Carolyn Faye
Brenneman, Cynthia Angel
Church, Charlotte Marie
Clarke, Kathryn Marie
Clemons, Patricia Elaine
Cloud, Caryl Lee
Connell, Mary Kay
Conner, Barbara Ann
Crawford, Judith Shirline
Debien, Margaret Suzanne
Devine, Isabel Margaret
Dial, Kathy Lynn
Dickinson, Nancy Lewis
Dixon, Kathleen Janet
Eddleman, Rickee Dian
Fenoughty, Carolyn Annette
George, Caroline Wharton
Goodwin, Donna Marie
Graham, Linda Lou
Gramprie, Gail Lynn
Hall, Evelyn
Hanel, Lynne Ulmer
Harkness, Mary Anne
Harlow, Margaret Ann
Hearn, Judith
Heil, Frances Taney
Herring, Sonja Micheline
Hurl, Linda Lou
Janssens, Carol Jean
Jenkins, Jean Ann
Jenkins, Judith Boyle
Johnson, Ingrid Ann
Kerr, Ann Elizabeth
Korff, Susan Colbeth
Krouse, Cheryl Margaret
Lallas, Lisalee Anne Wells
Lathrop, Barbara Ann
Liebundguth, Mary Candace
Liberatore, Mary Ann
Marlitt, Marlene
Mason, Melinda Ann
Masucci, Ann Theresa
Mayhew, Catherine Howze
McClelland, Susan Irene
McWhirter, Janice Helena
Meldrum, Mary Stift
Messier, Dorothy Leda
Miller, Barbara Jean
Miller, Kathleen Anne
Moore, Alice Marie
Moore, Shirley Lee
Mullen, Kathleen Ann
Nevins, Linda Gail
Oliver, Diane Estelle
Owens, Terry Lynn
Paige, Kathleen Koehler
Raaz, Ouida Lavonne
Raftery, Mary Theresa

Ricker, Margaret Ann
Robinson, Sherry Lee
Rogers, Susan Elaine
Rose, Marilyn Ruth
Roux, Anne Pauline
Schlosser, Helen Ann
Schnaars, Carolyn James
Shaughnessy, Ruth Catherine
Shelton, Diana Claire
Shipman, Mary Catherine
Smith, Audrey Lorraine
Stankowski, Barbara Jo
Starnes, Kathleen Maria
Stephens, Susan Helm
Thomas, Margaret Garrett
Thompson, Sharon Kay
Wiechert, Annette Marie
Williams, Arrena Sue
Williams, Lilian Ann
Winter, Mary Christine
Zasadni, Veronica
Ziegler, Mary Margaret

In the Marine Corps

The following-named officers of the Marine Corps Reserve for temporary appointment to the grade of colonel:

John M. Adams, Jr.
Ernest O. Agee
Eugene S. Asher
Norman S. Ashworth
Ralph R. Bagley
Fontaine Banks, Jr.
Paul R. Bean
Boyd H. Beckner
John H. Bemis
Joseph L. Benero
Anthony J. Bernitsky
Kay D. Bjorklund
Louis L. Bloom
Robert M. Book
Lewis H. Booth
William F. Burks
Irl E. Brown
John E. Brown
Thomas D. Burnette
Raymond A. Carey
Edward J. A. Castagna
Kenneth J. Clifford
Martin L. Clifford
William F. Coffey
Thomas R. Currie
Joseph P. Daly III
Ralph Delucia, Jr.
William Deplitch
Thomas D. Deshazo
David F. Devine
Roger J. Dorian
Leon S. Dure III
William R. Emrich
Harry W. Farris
James G. Flynn
Richard A. Fogarty
Billy J. Fowler
James L. Fowler
Richard M. Fowler
Billy D. Fritsch
George D. Funston
Coleman P. Geary
William J. Geiger
Aubrey W. Gilbert
Alexander J. Gordon III
William C. Groeniger III
Nathan S. Hale
Willard J. Harnden
Frederick L. Harris
Russell J. Hendrickson
Claude S. Jackson
James D. Keast
Jack K. Kiely
George R. Killam
Robert E. King, Jr.
Stuart D. Kisten
Charles F. Knapp
Edward T. Koch, Jr.
Henry L. Land, Jr.
Lawrence E. Lawler
Anthony H. Loughran
John R. Lukeman
Richard E. Madory
Gerald P. Mahoney, Jr.
Jack D. McPeak
Frank J. Mellis
Wilfred G. Mitchell
Richard L. Mize
Richard L. Moeller
Theodore F. Moellering
Charles L. Murphy
John P. Murtha, Jr.
Lawrence R. O'Grady, Jr.
Francis J. O'Rourke
Norman B. Patberg, Jr.
William G. Paul
William R. Pearman
Cecil L. Perrette, Jr.
Thomas M. Pickford
William G. Plummer
Joe D. Prater
Kenneth R. Price
Richard J. Rawlings
Jerry J. Repetski
Robert D. Rogers
John D. Rostad
Jack Salter
Constantine, Sangalis
John G. Schmitz
William E. Schneider
John J. Schwab, Jr.
Stanley R. Scott
George L. Shelley III
Richard O. Spencer
Lloyd V. Stamp
Hugh M. Stewart
Charles E. Stoll
Joseph L. Tiago, Jr.
James E. Tomlin
Gerald H. Totten
Eugene J. Tunney
John E. Turco
Malcolm S. Underwood, Jr.
Frederick E. Veno
Earl L. Wagoner
John J. Ward
John W. Warrender
Kenneth W. Meir
Ward R. Wenner
Raymond L. Wires
Perry R. Wooten
Desmond C. Wray, Jr.
Jerry C. Wulf
Austin N. Wyrick
William M. Yeager

Department of State

Richard W. Murphy, of Virginia, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 30, 1974:

Federal Energy Administration

Marmaduke Roberts Ligon, of Oklahoma, to be an Assistant Administrator of the Federal Energy Administration.

(The above nomination was approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

In the Navy

Rear Adm. Edwin K. Snyder, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

EXTENSIONS OF REMARKS

INDIVIDUAL RIGHTS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. ARCHER. Mr. Speaker, I have been very much concerned with the need to protect individual freedom in our system of government. Some of the most vocal proponents of civil rights and individual rights fall strangely silent when it comes time to protect the right of the individual to decide on union membership. I would like to enter into the Congressional Record a column by James Jackson Kilpatrick entitled "Greatest Civil Righter?" which appeared in the Monday, July 22, 1974, edition of the Washington Star-News:

Greatest Civil Righter?

(By James J. Kilpatrick)

You could turn the Washington beat into a metaphorical Mesabi Range and never find a story richer in irony than the story of Joe Rauh, the great labor unions and the National Right to Work Legal Defense and Education Foundation.

Joseph L. Rauh Jr. is one of the most colorful characters in town. He is a big, rangy guy, with the mobile face of an old Shakespearean actor. At 63, he is a top contender for the title of the Greatest Civil Righter of Them All.

Rauh possesses every conceivable credential in the field. His degree, naturally, is Harvard Law. He was a clerk to Justices Cardozo and Frankfurter. He was for many years counsel to the United Auto Workers. For the past 10 years, he has been general counsel for the Leadership Conference on Civil Rights. He is a former chairman of Americans for Democratic Action. He is a life member of the National Association for the Advancement of Colored People.

And what has old Joe been up to lately? His major purpose in life just now is to strangle the civil rights of nonunion workers. He is bent on destroying a legal aid foundation whose charter is patterned precisely, paragraph by paragraph, upon the charter of the NAACP's Legal Defense Fund. He is determined to win a court order directing disclosure of the names of contributors to a private fund. Holy smokes! How come?

This astounding tergiversation has resulted from the tail-twisting and nose-tweeking of the right to work leaders, who six years ago established a fund "to render legal aid gratuitously to workers who are suffering legal injustice as a result of employment discrimination under compulsory unionism arrangements, and to assist such workers in protecting rights guaranteed to them under the Constitution and laws of the United States." As noted, the language was adapted directly from the NAACP's identical fund.

Over these past six years, the Right to Work Fund has managed to make a real nuisance of itself—at least in the eyes of 10 of the largest and most powerful unions in the country. The Fund has involved itself in 50 lawsuits seeking to protect the civil rights of workers. Little by little, against great odds, the Fund is winning some precedents that may give the little guy—the kind of little guy Joe Rauh once fought and bled for—a fighting chance against the brute power of organized labor.

Last year the 10 big unions ganged up, hired Rauh as chief counsel, and brought a suit to drive the Right to Work Legal Foundation out of existence. Their chief weapon, to add to the ironies, is a provision of the Labor Management Reporting and Disclosure Act, once known as the working man's Bill of Rights. This provision prohibits "interested employers" from financing or encouraging lawsuits by workers against unions. Rauh's theory is that the Fund is a mere conduit, a sham or front, for union-busting employers.

A couple of weeks ago, Rauh won a round. He got an order from U.S. District Judge Charles R. Richey here, compelling the Foundation to surrender a list of 190 employer contributors. Richey is a knee-jerk liberal who has swallowed Rauh's theory whole, that the nonunion worker has no civil rights a union is bound to respect. In a ludicrous restriction upon this compelled disclosure, Richey has ordered Rauh not to show the list of contributors to anyone except union officials, labor goons, bully-boys and other interested parties.

The Fund, of course, is desperately appealing Richey's order. If the disclosure order sticks, the Right to Work Fund would find itself in the same peril asserted by the NAACP when the Commonwealth of Virginia sought a list of its members in 1962. The Supreme Court finally rejected Virginia's demand. It is marvelous, is it not, to find Rauh on the other side of a disclosure issue. What is the old civil righter doing there?

If Rauh and his 10 Goliaths win, there will be no way—no way—for nonunion workers to defend themselves effectively against the discrimination, abuse, physical violence and deprivation of civil liberties imposed by compulsory unionism. Those who truly believe in civil rights will pray that the Greatest Civil Righter of Them All falls flat on his old Shakespearean face.

CHILD MENTAL HEALTH WEEK

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 30, 1974

Mr. SCHWEIKER. Mr. President, the International Council on Child Psychiatry and the Allied Professions is holding its Eighth International Congress in Philadelphia, July 28 to August 4, 1974. This Congress will study the matter of children who have disabilities at an early age. The 5-day event will bring together the most eminent experts in children's problems from all over the world and will make a major contribution toward helping all vulnerable children.

Advances in medical, behavioral, and the social services make it possible to recognize children with disabilities soon after birth. It is now known that many environmental conditions exist which endanger children and expose them to potential disabilities.

It is quite fitting for this Congress to be held in Philadelphia, the birthplace of American psychiatry, home of Dr. Benjamin Rush, signer of the Declaration of Independence and founder of the American Psychiatric Association. In addition, the Philadelphia Child Guidance Clinic, now associated with Children's Hospital of Philadelphia, was the first facility of its kind in the Nation.

In honor of the Eighth Congress, Gov. Milton J. Shapp has designated the week of July 28 to August 4 as "Child Mental Health Week." I have received proclamations from the Governors of the following 25 States joining with him in calling attention to this significant event: Alabama, Alaska, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Missouri, Montana, New Mexico, New York, Nevada, North Dakota, Ohio, Tennessee, Utah, Vermont, Washington, West Virginia, and Wyoming.

I wanted my colleagues to be aware of this important International Congress, and I commend the delegates for their concern in this vital area.

GSA'S 25TH BIRTHDAY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. HORTON. Mr. Speaker, it recently came to my attention that the General Services Administration is celebrating its 25th anniversary this month, and I would like to warmly extend my congratulations to each GSA employee for contributing to 25 years of outstanding service to the Federal community. Personally it has been a pleasure for me to observe the vigor, dedication, and energy exerted by the employees at GSA in performing their day-to-day tasks, and I believe my colleagues share this opinion.

Without question, one of the reasons for the enthusiasm displayed at GSA is the leadership of Arthur F. Sampson, the GSA Administrator. He has very capably provided the necessary leadership for GSA to enter a new era of increased management responsibility.

Earlier this month, Chairman Holifield of the House Government Operations Committee, sent Mr. Sampson a letter which I would like placed in the Record. I find this letter particularly appropriate because many consider Chairman Holifield the father of the General Services Administration. As a result of his efforts, GSA became Public Law 152 of the 81st Congress.

I offer Mr. Sampson and the other 40,000 GSA employees my best wishes for the next 25 years of Government service.

The letter follows:

House of Representatives, Committee on Government Operations,
Washington, D.C., June 13, 1974.

Hon. Arthur F. Sampson,
Administrator, General Services Administration, Washington, D.C.

Dear Mr. Sampson: It is hard to believe that 25 years have passed since I handled the bill in the House of Representatives which became Public Law 152, 81st Congress, creating the General Services Administration. This law, the Federal Property and Administrative Services Act of 1949, was the outcome of legislative recommendations by President Truman and the first Hoover Commission.

Experience has shown that the 1949 legislation for a central housekeeping and management agency was soundly conceived, and capable of expansion for new tasks. In succeeding years, by statute, reorganization plan, and executive order, the GSA has acquired added responsibilities, including records management and archival administration, procurement and management of automatic data processing equipment, and planning and management of emergency resources. President Nixon has emphasized the GSA's potential as the Government center for improved methods of administrative management.

Although the GSA has had its share of problems through the years, it has maintained a tradition of responsiveness and helpfulness to agencies in the executive branch and other parts of Government. It has shown a capacity for innovation and adjustment to change. Yet its watchwords are, and must remain, economy, efficiency, and effectiveness; and in this respect, as well as in the genesis of its legislation, it has a strong affinity with the Committees on Government Operations.

On this 25th anniversary of GSA, I extend my best wishes to you, Mr. Administrator, and to the hardworking people who staff your agency.

Sincerely yours,

Chet Holifield,
Chairman.

CONTINUING THE FIGHT AGAINST POVERTY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. RANGEL. Mr. Speaker, many of us have been concerned about the continuing efforts of the Nixon administration to abolish the Office of Economic Opportunity and other Great Society programs that benefit the poor and disadvantaged minorities in our country.

George Meany, president of the AFL-CIO recently addressed himself to this issue before the 65th annual convention of the NAACP. I include for the Record Mr. Meany's remarks and recommend them to the attention of my colleagues. Let us put an end to attempts to undermine these vital programs:

Remarks by George Meany

It gives me great pleasure once again to extend the greetings and good wishes of the AFL-CIO to all the officers and delegates attending this year's NAACP convention.

In this 65th anniversary year, the NAACP's leadership and militance is no less vital in the fight for human dignity and justice than in the years before. And in the battles to come, as in those of the past, the AFL-CIO will just as determinedly be fighting for the same goals.

We take great pride in the achievements won in the 1950s and 60s through the joint efforts of the civil rights movement and the labor movement. During those years, thanks largely to that alliance, America made more progress toward her goals of human equality than in all her previous history.

But the massive counterattack of the 1970s by the enemies of social progress has made it clear that the battle is far from won. We cannot afford to rest or go separate ways. We cannot allow demagogues to divide our ranks.

On this 20th anniversary of the Brown Decision, when the tide of the civil rights battle began to turn, we find ourselves still fighting, as we have fought for five years, to defend the gains we have made against the Nixon Administration's relentless hostility.

A great deal has been lost. The Office of Economic Opportunity has been wiped out, and we are fighting to salvage its community-action programs. Badly needed housing, education, manpower, health and welfare legislation has been blocked time after time by White House opposition or crushed by veto after veto.

Workers and consumers have been squeezed simultaneously by both inflation and recession. The dollar is losing its worth at the rate of more than a dime a year, while prices are soaring through the roof.

As always, America's economic problems bear more heavily on blacks than on whites. The Labor Department tells us that 52 of every 1,000 workers of all races are unemployed, but among blacks alone, 95 of every thousand—nearly one in 10—are unable to find jobs.

But the news is not all bad. Among the few legislative victories won in the past year by the labor-civil rights coalition was a long-sought 25 percent increase in the federal minimum wage and the extension of coverage to millions of low-paid domestic workers, government workers and others. Vetoed once by President Nixon, the bill was passed a second time by so great a margin in both Houses of Congress that he did not dare to veto it again. And in that battle, as in so many others, the NAACP's Clarence Mitchell once again proved himself to be one of the most effective legislative agents of any organization in Washington.

Progress toward ending discrimination and widening job opportunities was also made within the House of Labor.

More than 29,000 minority youngsters are enrolled in Outreach apprenticeship programs in 120 locations. That is an increase of more than 7,000 apprenticeships and 18 programs since last year. In 99 other Outreach programs AFL-CIO unions have issued journeyman cards to more than 8,700 minority youngsters.

We are very proud of Outreach. It has a lower dropout rate than any other apprenticeship program in America. No more effective program exists to equip young blacks with the skills they need to share equally in the work of the world and the rewards of work.

Outreach is an act of faith in America on the part of both the young apprentices and the sponsoring unions. It is particularly significant that Outreach has made continued progress at a time of major recession in the construction industry. While the unemployment rate for blacks is 9.5 percent, it is 9.6

percent for construction workers, both black and white, because the construction industry has borne the brunt of the Administration's policies of tight money and high interest rates.

But labor is convinced that America's need for housing is such that this do-nothing policy cannot continue. We believe that a new, veto-proof Congress will recognize the people's needs, once again provide them top priority, and that the youngsters now in Outreach programs will play a vital role in helping to meet the goal of providing decent housing for every American family.

We in the AFL-CIO continue to reject the idea that any segment of society can prosper at the expense of any other segment. So the AFL-CIO has assisted in establishing the Labor Council for Latin American Advancement to help Spanish-speaking workers help themselves. And we have aided the A. Philip Randolph Institute to expand its voter-registration and voter-education programs in 120 cities in 35 states.

And day in, day out, within the house of labor, the AFL-CIO Department of Civil Rights, under its newly appointed director, William E. Pollard, is working to eliminate discrimination of every kind in every AFL-CIO union.

The Nixon Administration's drive to dismantle Great Society programs has been a tremendous setback to the hopes of minorities. But that assault on minorities has now been exposed as part of a larger assault on the economic interests of all workers and consumers, on the civil rights of all Americans and on the foundations of democracy itself.

We believe that exposure will bring about a total repudiation of the Nixon philosophy. We believe the American people will require new standards of decency, fairness and honor among public officials at every level.

Over the coming months, as the Congress moves forward on Mr. Nixon's impeachment, the labor movement is going to be doing all it can to help elect a Congress that will put people above profit. We believe that next year will see America resume its progress toward civil, social and economic equality where it halted in 1969.

On that goal, I am sure, the civil rights movement and the labor movement are in full agreement. And in that effort I have no doubt that we will be working side by side.

INCREASE IN CAPITAL LOSS TAX BENEFITS REPRESENTS FRAUDULENT TAX REFORM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. VANIK. Mr. Speaker, tax reform is currently being redefined by the Ways and Means Committee. The old and apparently obsolete definition was that reform meant the closing of loopholes so that all share an equitable burden in the cost of government. The new definition of reform is to give the "hard-pressed" a small benefit to assure their political support, and to give the wealthy proportionately greater tax reductions. The theory amounts to giving the little guy crumbs to occupy his attention, while his opulent neighbor gobbles up the cake.

The committee's recent tentative reform of the capital loss provision would permit the amount of ordinary income against which net capital losses can be deducted to be increased from $1,000 to $3,000. This sounds like a relatively harmless provision that would help the small taxpayer—or so the committee would have us believe. Under closer examination, this "tax reform" would clearly trickle benefits to those in the middle and lower income brackets, and provide a flood of tax benefits for those in the adjusted gross income brackets over $20,000. Under present law, individuals can deduct capital losses up to the extent of their capital gains. In addition, if the taxpayer's capital losses exceed his capital gains, he can deduct up to $1,000 against his yearly ordinary income.

If the excess capital losses are short term, these may be deducted on the dollar-for-dollar basis up to the $1,000 limitation, but only 50 percent of long-term capital losses in excess of short-term capital gains may be deducted from ordinary income. The reason for the 50 percent limitation is that if one had capital gains, only half the gains would be taxed. Therefore, in an effort to provide tax equity with other forms of income, only half of the capital losses can be used to reduce taxes.

Therefore, under present law, $2,000 of long-term capital losses are required to offset $1,000 of ordinary income. An individual's capital losses in excess of the $1,000 limitation may not be carried back to prior years, but an individual has unlimited carryover to future years.

The committee has tentatively decided to extend the limits of $1,000 of ordinary income against which excess capital losses can be offset to $3,000. This change in the tax law will cost the Treasury an estimated $212 million in 1974. The following chart prepared by the staff of the Joint Committee on Internal Revenue Taxation—with the number of returns per income class added by myself—illustrates that 75 percent of the decrease in tax liability will go to those with adjusted gross incomes over $20,000 and up. This percentage skew is worsened when the number of individuals in each category is considered. The income levels with the greatest number of individuals must share the smallest portion of the tax reduction.

There are 72 million returns with AGI's under $20,000 yet only 0.3 percent or 271,000 individuals in this class would receive any benefits at all under this provision. Although this income group makes up 88 percent of all taxpayers, it will only receive 24.5 percent of the total tax benefits the "reform" would yield. This means that in 1974 approximately 12 percent of all taxpayers, or the 9.8 million returns with AGI's over $20,000, would receive 75.4 percent of the benefits of the proposal. It is clear that a disproportionate benefit will be received by higher income levels than by lower and middle-income levels as a result of this provision.

A closer look illustrates that only 605,000 individuals of the total 82½ million taxpayers will benefit from the $212 million revenue loss. It is necessary to see the skew of the benefits of only those individuals that would benefit from the proposal. To dramatize the inequity of the benefit distribution, we can examine the advantage of the proposal to those individuals with AGI's under $3,000. In the AGI class below $3,000, only 0.1 percent or 18,000 of the 17.5 million taxpayers will receive any tax reductions from this provision. The average reduction for these 18,000 will be about $111.

Although only 12 percent of all taxpayers will make over $20,000 in AGI in 1974, 55.3 percent or 334,000 individuals of those benefiting from the reform will be found among this group. The taxpayers in the under $20,000 group shared only 44.7 percent of the benefits yet they represent 88 percent of total U.S. taxpayers.

It is larceny by trick to pass off this provision as tax reform to the American people. There is no need at all to provide increased capital loss benefits to anyone with an adjusted gross income over $20,000. This provision is a placebo for tax reform by benefiting those who need it least, and ignoring those who need it most.

My colleagues should be alerted to the bombshells that are being prepared for the Congress by the Ways and Means Committee. This bill is for the privileged. The tolerance of the American people is being strained. Trouble is coming if the Congress ignores the tax burdens of the middle- and lower-income families and continues to pamper those who already utilize many tax provisions to reduce further, their already dwindling proportional contribution to the public effort.

ESTIMATED DECREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY RESULTING FROM ALLOWING CAPITAL LOSSES TO BE OFFSET AGAINST $3,000 OF ORDINARY INCOME

By adjusted gross income class, 1974 income levels

	Number of returns affected (thousands)			
Adjusted gross income class (thousands)	Total number with tax decrease	Number made non-taxable	Decrease in tax liability (millions)	Number of returns (thousands)[1]
0 to $3	18	18	$2	17,478
$3 to $5	33	4	3	8,958
$5 to $7	30	19	4	8,596
$7 to $10	56	1	11	11,666
$10 to $15	29	2	4	16,083
$15 to $20	105	2	28	9,869
$20 to $50	233	(2)	90	9,029
$50 to $100	74	(2)	48	660
$100 and over	27	(2)	22	162
Total	605	45	212	82,500

[1] Under 1970 filing requirements.

[2] Less than 500 returns.

Note: Details will not necessarily add to totals because of rounding.

STEGER PLANS HOMECOMING

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. O'BRIEN. Mr. Speaker, next week the citizens of the village of Steger in Will County, Ill., will celebrate their annual homecoming.

At this time each year, Steger rolls out the red carpet and present and former residents get together for an old-time reunion.

Steger, a community of more than 8,000 people, is a gateway between a densely populated industrial section of Cook County and the rural spaciousness of eastern Will County. The village was named for the Steger Piano Co., which began manufacturing operations there on February 1, 1893. The new industry drew new people and apparently they made beautiful music together because 4 years later, on February 23, 1897, the village was incorporated.

In 1933 another company was founded in Steger, the D'Amico Macaroni Co. D'Amico's has been a major force in Steger ever since and has made the village known throughout Illinois as the home of one of the best pastas made.

Steger probably owes its existence to its industry. But companies there owe their success to the people, for these are hard-working citizens who give a day's work for a day's pay and are proud of it.

They also know how to have a good time as anyone who has ever attended their homecoming events knows.

This year the festivities will begin on Thursday, August 8, and will build to a climax during the weekend. On Saturday morning activities will get into full swing with a children's parade and on Sunday afternoon, a grand parade will wend its way through town to the park. The rest of the day will be one big picnic, no doubt featuring some terrific macaroni dishes, and culminating in a spectacular fireworks display.

The homecoming is more than just a good time, however. Typical of Steger, it has a very practical purpose as well.

The proceeds from the event will be used to purchase new equipment for the local fire department. Funds from a previous homecoming financed a snorkel for the firefighters.

At this gala time I want to congratulate the industrious citizens of Steger for working so hard for a good cause and I wish them every success with the homecoming.

JOHN RARICK SPEAKS WITH RARE COURAGE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. SYMMS. Mr. Speaker, our colleague from Louisiana (Mr. Rarick) in an address to a VFW audience in Baton Rouge, Saturday last, raised some very compelling points concerning the current impeachment inquiry.

In the emotion filled atmosphere of hostile anti-Nixon news dissemination it takes a great deal of courage for a public official to speak out so forthrightly. I commend him for his candor, and say to Mr. Rarick that his thinking comes through like a breath of fresh air.

I hope my colleagues will read carefully what he has to say:

[From the Sunday Advocate, July 28, 1974]

Representative Rarick Says He Would Not Vote To Impeach Now

U.S. Rep. John R. Rarick, addressing the Zachary Taylor Post of the Veterans of Foreign Wars here Saturday night, said that "if I was to vote today" on the impeachment of President Nixon, "I would vote no."

Rarick said that as a former judge, he "personally felt" that the rights of the President had been "so prejudiced with innuendo and hearsay that Congress is incapable of giving the President a fair and impartial hearing."

The Sixth District congressman said the impeachment proceedings had turned into a "trial by a mob, united by demagogues," and said he had always supported the President when he thought he was right, but opposed him when he thought he was wrong.

He cited the lack of "hard evidence" supporting the charges, and said the news media had aided the drive to impeach the President.

Rarick said the American Civil Liberties Union, which had in the past supported fair trials for "murderers, rapists, cattle rustlers and hog thieves," now opposed giving the President these same rights.

He said "forces in this country say Nixon has to be impeached and removed" before Supreme Court Justice William Douglas dies and the President can appoint a fifth Supreme Court judge "who might not understand the theory of constitutional government."

THE SURFACE MINING CONTROL AND RECLAMATION ACT

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. SLACK. Mr. Speaker, passage of the Surface Mining Control and Reclamation Act will rank, I believe, as one of the notable accomplishments of this 93d Congress. When this proposal first came before the House, I must admit that I had strong reservations about its purpose and its effect on the posture of our national economy. As originally written, I could see no convincing justification for its adoption.

However, the Members of the House worked their will, carefully and without haste. In the final analysis I voted in favor of passage, and I believe the very heavy vote of 291 yeas to 81 nays when the bill was passed reflects a deep confidence by the membership that this new legislation can serve the American people in several important ways.

In this bill we have managed to create what I believe is a suitable balance of emphasis, encouraging greater coal production to meet national energy needs, while at the same time setting up safeguards to protect our environment from unwarranted or uncorrectible damage.

The accent is on the positive and away from the punitive. The emphasis has been shifted away from theory and conjecture, and has been placed squarely on the realities of what can be done as we know the possibilities from previous mining experience.

We have laid to rest any further thought that surface mining of coal should be "abolished." The 4-to-1 majority by which the bill passed reflects clearly our belief that we must have the coal, but with it we must have a firm and orderly surface reclamation policy.

On that point my position has always been with the majority. I have said repeatedly that coal can and should be removed where the land can be reclaimed, but if reclamation is not possible, then the land should not be mined.

We have eliminated the misleading concept of mining only up to a certain degree of slope. Technological advance moves rapidly in the industry and none of us can know what will be possible in the future. By wise decision we have required only that the land be restored to approximate original contour.

We have eliminated the special punitive taxes first proposed, and have instead earmarked $200 million annually of the Outer Continental Shelf leasing revenues to reclaim abandoned mine operations.

We have authorized the continuation of mountaintop mining, with the proviso that this method must conform to environmental safeguards in the bill.

We have eliminated the basis for harassment lawsuits by persons whose interests are not directly affected by a specific mining activity.

In short, we have developed a sound bill which offers the prospect of growing coal production, vastly increased reclamation, and encouragement of new technology in both fields. If administered in the manner we have directed, this new proposal should not cause loss of coal production, jobs, or services, and should permit coal to play its heavy forecast role in supplying energy sources for our country.

THE 25TH ANNIVERSARY OF THE GENERAL SERVICES ADMINISTRATION

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. RHODES. Mr. Speaker, earlier this month President Nixon wrote to the Administrator of GSA, Arthur F. Sampson, in recognition of GSA's 25th year of distinguished service to the Federal Government. I would like to share with my colleagues the President's letter and also congratulate the GSA employees for contributing to 25 years of excellence in serving the Federal Government. I believe my colleagues will concur with President Nixon's statement that "during its 25 years GSA has performed a range of duties broad enough to earn it the title of 'business manager' of the Federal Government." I trust the next 25 years will be as rewarding as the last 25.

President Nixon's letter follows:

THE WHITE HOUSE,
Washington, D.C., July 12, 1974.

On July 1, 1949, the Eighty-First Congress of the United States enacted the Federal Property and Administrative Services Act which combined several existing agencies to create the General Services Administration.

Today, after a quarter century of distinguished services, GSA and its dedicated employees deserve the gratitude and respect of their fellow citizens.

Originally charged with developing and administering an efficient property management program for the Federal Government, GSA has expanded its efforts far beyond the basic administrative duties contained in its charter. During its first twenty-five years it has performed a range of duties broad enough to earn it the title of "business manager" of the Federal Government.

Through its leadership in the formulation of governmentwide management policy and its innovations in the areas of consumer information and the problems of energy and our environment, it has developed into a major Federal agency whose many programs benefit all Americans.

This month, as GSA celebrates its twenty-fifth anniversary, the devoted men and women who have carried out its duties can share a deep pride in their agency's outstanding record of achievement. It is a pleasure for me to recognize on behalf of a well-served nation the excellent manner in which GSA continues to meet its responsibilities and the manner in which it consistently lives up to its anniversary motto: "Progress Through Excellence—Service Through People."

RICHARD NIXON.

JACK KEMP SALUTES DEPEW AMERICAN LEGION POST NO. 1528 AND COMMANDER RICHARD ZMOZYNSKI

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. KEMP. Mr. Speaker, on Saturday, August 3, 1974, installation ceremonies of 1974–75 officers of the American Legion Depew Post No. 1528 will be held at the Polish Depew Club, 570 Gould Avenue, Depew, N.Y. It will be a personal privilege for me to be in attendance as commander reelect Richard S. Zmozynski and new post officers will be installed by Erie County Commander Anthony N. Druzbik, Jr., and his staff.

I wish to bring to the attention of my colleagues the outstanding accomplishments of Commander Zmozynski and the Depew Post. Commander Zmozynski was selected from among 15,000 Legionnaires as the 1974 "Legionnaire of the Year" during the 56th Annual Erie County Convention held last month in East Aurora, N.Y. Under his leadership during 1973–74, the post has received awards and recognition in Americanism, baseball, bowling, children and youth, historian, and membership. The post-sponsored baseball team has won the county and Eighth District Championship, and is the State runnerup. The post bowling team has won the New York State championship. The post historian book placed fourth in the State during the department convention just held in Niagara Falls, and placed third in the county.

Commander Zmozynski, who will be celebrating his 40th anniversary in veterans organizations August 16, received his start in 1934, when his father signed him as a charter member of the Sons of the American Legion, with Adam Plewacki Post 799, in Buffalo, until 1944 when he transferred into regular membership. He served in the U.S. Navy during World War II and the Korean conflict. After moving into Depew in 1968, he transferred to Depew American Legion Post 1528 where he held various offices, until he was elected commander in 1973–74 and now reelected for 1974–75.

Besides his Legion activities he served twice as post commander of Twin Village VFW Post 463 in 1970–71 and again in 1972–73. He was Erie County commander of the Army and Navy Union, U.S.A., from 1963–65. He was also Department of New York adjutant, Army and Navy Union, U.S.A., 1965–66; and as national recruiting officer for the Army-Navy Union, 1965–67. He is a member of Pearl Harbor Garrison 12–7 A.N.U., and a life member of Twin Village VFW Post 463. He twice served as cochairman of the Erie County United Veterans Committee, and three times as chairman of the Depew Joint Veterans Memorial Day Committee. He was also instrumental in the erection of a monument dedicated to the Depew Police Department on November 11, 1972. These are but a few of his accomplishments as a dedicated veteran in the ideals and principles of our American way of life.

It is a pleasure for me to bring to the attention of my colleagues the accomplishments of Commander Zmozynski and Depew American Legion Post No. 1528.

JULY PROCLAIMED AS GSA MONTH

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. TAYLOR of Missouri. Mr. Speaker, from July 1949 to July 1975 GSA has served for 25 years as the management branch of the Federal Government. Although much of their work has been unapplauded and behind the scenes, my colleagues in the House will agree that GSA has provided capable and efficient service for the entire Federal community. Earlier this month, Governor Bond of Missouri recognized GSA for their superior performance by proclaiming July as GSA month in Missouri. I want to share Governor Bond's remarks with my colleagues in the House.

Governor Bond's remarks follow:

PROCLAMATION: OFFICE OF THE GOVERNOR, STATE OF MISSOURI

Whereas, the General Services Administration, the business arm of the Federal government's executive branch, was created as an independent agency July 1, 1949; and

Whereas, GSA performs the necessary behind-the-scenes work for the government to function effectively on a day-to-day basis; and

Whereas, GSA controls assets worth approximately $12 billion, including more than $1.5 billion in new Federal construction, and buys over $2 billion worth of goods and services each year; and

Whereas, GSA employs some 40,000 people, of whom some 2,000 are employed in the State of Missouri, and one of the agency's ten regional offices is located in Missouri; and

Whereas, GSA has, on many occasions, provided administrative and logistic support during times of natural disasters in the State of Missouri by working through the State Agency for Surplus Property. The GSA has distributed a substantial amount of personal property for educational, public health and civil defense purposes:

Now, therefore, I, Christopher S. Bond, Governor of the State of Missouri, do hereby proclaim the month of July, 1974, as GSA month in Missouri, in recognition of the work this federal agency does to assist the function of government and the people of Missouri.

In testimony whereof, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, this 3rd day of July, 1974.

EARTH RESOURCES TECHNOLOGY SATELLITE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. TEAGUE. Mr. Speaker, the potential benefits of space technology to the improvement of the quality of life on Earth are enormous. An outstanding example is the data produced by NASA's Earth Resources Technology Satellite—ERTS.

The launch of the first ERTS satellite 2 years ago was a major step in man's ability to acquire useful information concerning the world's vast and varied resources, and to manage those resources more efficiently.

ERTS–I has been an unqualified success. Scientists from a broad range of disciplines have used experimental ERTS data for a variety of purposes, and are uniformly enthusiastic with the results. Largely because of strong congressional support for the project, a second ERTS satellite will be launched early next year so that there will be continuity in the acquisition of this important data.

Last week, NASA announced the selection of 93 new research teams, from the United States and abroad, to study ERTS data. The list reveals the many purposes for which this space-acquired data can be used. For the information of my colleagues, I submit a recent NASA news release on the ERTS follow-on investigations:

NEW ERTS INVESTIGATIONS SELECTED

Space satellite pictures will be used in a broad range of new studies of Earth's natural resources and man's use of them, NASA announced today (July 12).

Investigations in the United States and 48 other countries will be conducted by 93 research teams in Federal, state, and foreign governments, international organizations, universities, and private companies.

The investigators will analyze remotely sensed data in the form of imagery or on magnetic tape from NASA's first Earth Resources Technology Satellite (ERTS–1), launched two years ago this month: July 23, 1972, and from ERTS–B, carrying the same sensors, which is expected to be launched early next year.

The studies, selected from 669 proposals, include work in eight disciplines or categories:

Agriculture, forestry, range land.
Environment.
Interpretive techniques.
Land use.
Marine resources.
Meteorology.
Mineral resources, oil, civil works, hazards.
Water resources.

More than half the domestic and three-fourths of the foreign investigations will demonstrate potential applications for operational use of Earth resources monitoring from space.

Data products will be furnished to the investigators through the Federal Data Centers operated by the Departments of Interior, Agriculture, and Commerce.

NASA will fund the domestic investigations at a cost of approximately $5.9 million. Foreign investigators will be supported by their own countries.

The new studies, called ERTS Follow-on Investigations, replace or extend approximately 200 domestic and 100 foreign investigations conducted with data from ERTS-1.

ERTS circles the globe 14 times a day, scanning a swath of Earth's surface 185 kilometers (115 miles) wide in green, red, and two near-infrared spectral bands.

From a 912-kilometer (567-mile) circular, near-polar, sun-synchronous orbit, the satellite passes over almost the entire globe every 18 days and can view each cloud-free area repetitively at the same local time of day and thus at the same Sun angle.

In its two years, ERTS-1 has returned some 100,000 pictures, including imagery with less than 30 per cent cloud cover of all the United States and three-fourths of the world's land masses and coastal areas.

The imagery is provided to investigators and to several U.S. government agencies and put on public sale through Federal Data Centers.

The repetitive multispectral imagery of Earth taken by ERTS-1 has been used for such wide-ranging practical purposes as:

Monitoring urban development and planning future land use;

Locating air and water pollution;

Mapping strip-mine and forest-fire scars;

Locating geologic formations that may indicate the presence of minerals and petroleum;

Updating maps and coastal and navigation charts;

Estimating crop acreage;

Surveying the breeding grounds of migratory waterfowl;

Monitoring the advance of glaciers;

Studying flood hazards and managing water resources; and

Helping to locate underground water supplies.

The ERTS project is managed for NASA's Office of Applications by the Goddard Space Flight Center, Greenbelt, Md. The spacecraft prime contractor is the General Electric Co.

DOMESTIC ERTS FOLLOW-ON INVESTIGATIONS

TEST SITE [1], PRINCIPAL INVESTIGATOR, AND INVESTIGATIONS

Alaska: Larry D. Gedney, University of Alaska, Fairbanks; Tectonic structure of Alaska as evidenced by ERTS imagery and ongoing seismicity.

Alaska: William J. Stringer, University of Alaska; ERTS survey of near-shore ice conditions along the Arctic Coast of Alaska.

Alaska: Peter C. Lent, University of Alaska; Use of ERTS imagery for wildlife habitat mapping in northeast and east-central Alaska.

Arizona: G. Russell Bentley, Bureau of Land Management, Denver; Feasibility of monitoring growth of ephemeral and perennial range forage plants and effects of grazing management.

Arizona: Larry K. Lepley, University of Arizona, Tucson; ERTS-B and supporting data for technology transfer to local agencies.

Arkansas: Harold C. MacDonald, University of Arkansas, Fayetteville; Land use change detection with ERTS-B data for monitoring and predicting regional water quality degradation.

California: Robert N. Colwell, University of California, Berkeley; A statewide inventory of California's irrigated lands based on ERTS-B and supporting aircraft data.

California: A. Earl Davis, State of California, Sacramento; Water resources control investigation in California.

California: Douglas M. Pirie, U.S. Army Corps of Engineers, San Francisco; California coast nearshore processes study using ERTS-B data.

California: Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, D.C.; Evaluation of ERTS-B data for selected hydrologic applications.

Colorado: Kenneth L. Cook, University of Utah, Salt Lake City; Remote sensing in mineral exploration from ERTS imagery.

Colorado: Paula V. Krebs, University of Colorado, Boulder; Multiple resource evaluation of Region 2 U.S. Forest Service lands utilizing ERTS multispectral scanner data.

Colorado: Claude D. Peters, State of Colorado, Denver; Application of ERTS data to delimitation of avalanche and landslide hazards in Colorado.

Connecticut: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; Use of ERTS and Data Collection System imagery in reservoir management and operation.

Delaware: Robert Dolan, University of Virginia, Charlottesville; Application of remote sensing to shoreline form analysis.

Delaware: Vytautas Klemas, University of Delaware, Newark, DE; Application of ERTS-B to the management of Delaware's marine and wetland resources.

Florida: John W. Hannah, Brevard County Development Administration, Titusville, FL; Regional planning in east central Florida.

Florida: Aaron L. Higer, U.S. Geological Survey, Miami; Subtropical water-level dynamics distribution.

Georgia: Robert C. Heller, U.S. Dept. of Agriculture Forest Service, Berkeley, CA; Monitoring forest and range resources with ERTS-B and supporting aircraft imagery.

Illinois: Marvin E. Bauer, Purdue University, West Lafayette, IN; Crop identification and acreage estimation over a large geographical area using ERTS multi-spectral scanner data.

Illinois: Ravinder K. Jain, U.S. Army Corps of Engineers, Champaign, IL; Investigation of the effects of construction and stage filling of reservoirs on the environment and ecology.

Indiana: Marvin E. Bauer, Purdue University, West Lafayette, IN; Crop identification and acreage estimation over a large geographic area using ERTS multi-spectral scanner data.

Iowa; James V. Taranik, Iowa Geological Survey, Iowa City; Land classification of south-central Iowa from computer enhanced images.

Kansas: Marvin E. Bauer, Purdue University, West Lafayette, IN; Crop identification and acreage estimation over a large geographic area using ERTS multi-spectral scanner.

Kansas: Robert M. Haralick, University of Kansas, Lawrence; A comprehensive data processing plan for crop calendar multispectral scanner signature development from satellite imagery.

Kansas: Richard F. Nalepka, ERIM, Ann Arbor, MI; Proposal to make wheat production forecasts using ERTS and aircraft remote sensing data.

Kansas: John W. Rouse, Texas A&M University, College Station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Kentucky: Robert E. Nickel, State of Kentucky, Frankfort; A feasibility analysis of the employment of satellite data to monitor and inspect surface mining operations.

Louisiana: William H. Stevenson, National Marine Fisheries Service, NOAA, Bay St. Louis, MS; ERTS-B/Gulf of Mexico thread herring resource investigation.

Maine: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; The use of ERTS and Data Collection System imagery in reservoir management and operation.

Maryland: Robert Dolan, University of Virginia, Charlottesville; Application of remote sensing to shoreline form analysis.

Massachusetts: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; The use of ERTS and Data Collection System imagery in reservoir management and operation.

Michigan: Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI; Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Minnesota: Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI; Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Minnesota: Joseph E. Sizer, State of Minnesota, St. Paul; ERTS-B applications to Minnesota resource management.

Minnesota: Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, DC; Evaluation of ERTS-B data for selected hydrologic applications.

Mississippi: Preston T. Bankston, State of Mississippi, Jackson; Application and evaluation of ERTS data and automatic data processing techniques for land use and resource management.

Mississippi: William H. Stevenson, National Marine Fisheries Service, NOAA, Bay St. Louis, MS; ERTS-B/Gulf of Mexico thread herring resource investigation.

Missouri: Marvin E. Bauer, Purdue University, West Lafayette, IN; Crop identification and acreage estimation over a large geographic area using ERTS multispectral scanner data.

Missouri: Ravinder K. Jain, U.S. Army Corps of Engineers, Champaign, IL; Investigation of the effects of construction and stage filling of reservoirs on the environment and ecology.

Missouri: James A. Martin, Missouri Geological Survey, Rolla, MO; Structural and ground pattern analysis of Missouri and the Ozark dome using ERTS-B satellite imagery.

Montana: Terrence J. Donovan, U.S. Geological Survey, Denver; Study of alteration aureoles in surface rocks overlying.

Nebraska: Marvin P. Carlson, University of Nebraska, Lincoln; Application of ERTS-B imagery in land use inventory and classification in Nebraska.

Nebraska: John W. Rouse, Texas A&M University, College station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Nevada: Kenneth L. Cook, University of Utah, Salt Lake City; Remote sensing in mineral exploration from ERTS imagery.

Nevada: Lawrence C. Rowan, U.S. Geological Survey, Denver; Detection and mapping of mineralized area and lithologic variations using computer enhanced multispectral scanner images.

New Hampshire: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; The use of ERTS and Data Collection System imagery in reservoir management and operation.

New Mexico: Karl Vonder Linden, State of New Mexico, Socorro, NM; Earth Resources evaluation for New Mexico by ERTS-B.

New York: Donald R. Wiesnet, National Oceanic & Atmospheric Administration, Washington, D.C.; Evaluation of ERTS-B data for selected hydrologic applications.

North Carolina: Robert Dolan, University of Virginia, Charlottesville; Application of remote sensing to shoreline form analysis.

North Dakota: David S. Gilmer, Bureau of Sport Fishing and Wildlife, U.S. Dept.

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[1] Where investigations have multiple test sites, they are included under more than one state.

of Interior, Jamestown, ND; Improving methodology for inventory and classification of wetlands.

North Dakota: John W. Rouse, Texas A&M University, College Station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Ohio: David C. Sweet, Ohio Department of Economic & Community Development, Columbus; Development of a multidisciplinary ERTS user program in the State of Ohio.

Oklahoma: Bruce J. Blanchard, U.S. Dept. of Agriculture, Chickasha, OK; Spectral measurement of watershed runoff coefficients in the southern Great Plains.

Oklahoma: Richard F. Nalepka, ERIM, Ann Arbor, MI; Proposal to make wheat production forecasts using ERTS and aircraft remote sensing data.

Oklahoma: John W. Rouse, Texas A&M University, College Station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Oregon: G. Russell Bentley, Bureau of Management, Denver; Feasibility of monitoring growth of ephemeral and perennial range forage plans and effects of grazing management.

Pennsylvania: Daniel J. Deely, Earth Satellite Corporation, Washington, D.C.; Implementation of the Pennsylvania surface mining conservation and reclamation act through ERTS–B support.

Rhode Island: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; The use of ERTS and Data Collection System imagery in reservoir management operations.

South Dakota: John W. Rouse, Texas A&M University, College Station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

South Dakota: Fred A. Schmer, South Dakota State University, Brookings, SD; Investigation of remote sensing techniques as inputs to operational models.

Texas: Bob Armstrong, General Land Office, State of Texas, Austin; Development and application of operational techniques to inventory and monitor resources and uses in Texas coastal zone.

Texas: Bruce J. Blanchard, U.S. Dept. of Agriculture, Chickasha, OK; Spectral measurement of watershed runoff coefficients in the southern Great Plains.

Texas: John W. Rouse, Texas A&M University, College Station, TX; Regional monitoring of the vernal advancement and retrogradation of national vegetation in the Great Plains corridor.

Texas: Craig L. Wiegand, U.S. Dept. of Agriculture, Weslaco, TX; Soil, water, and vegetation conditions in south Texas.

Utah: Kenneth L. Cook, University of Utah, Salt Lake City; Remote sensing in mineral exploration from ERTS imagery.

Utah: Lawrence C. Rowan, U.S. Geological Survey, Denver; Detection and mapping of mineralized areas and lithologic variations using computer enhanced multispectral scanner images.

Vermont: Saul Cooper, U.S. Army Corps of Engineers, Waltham, MA; The use of ERTS and Data Collection System imagery in reservoir management and operation.

Virginia: Robert Dolan, University of Virginia, Charlottesville; Application of remote sensing to shoreline form analysis.

West Virginia: Ira S. Latimer, Dept. of Natural Resources, State of West Virginia, Charleston; Contribution of ERTS-B to natural resource protection and recreational development in West Virginia.

Wisconsin: Robert H. Rogers, Bendix Aerospace Systems Division, Ann Arbor, MI; Application of ERTS to surveillance and control of lake eutrophication in the Great Lakes Basin.

Wyoming: Terrence J. Donovan, U.S. Geological Survey, Denver; Study of alteration aureoles in surface rocks overlying.

Wyoming: Paula V. Krebs, University of Colorado, Boulder; Multiple resource evaluation of Region 2 U.S. Forest Service lands utilizing ERTS multispectral scanner data.

Domestic ERTS Follow-on Investigations Using Foreign Test Sites (Tentative)

TEST SITE, PRINCIPAL INVESTIGATOR, AND INVESTIGATION

Nicaragua: Donald H. Von Steen, U.S. Dept. of Agriculture, Washington, D.C.; Area sampling frame construction for an agricultural information system with ERTS-B data.

South America: William D. Carter, U.S. Geological Survey, Washington, D.C.; Evaluation of ERTS-B images applied to geologic structures of South America.

Yemen: David F. Davidson, U.S. Geological Survey, Washington, D.C.; Preparation of a geologic photo map and hydrologic study of the Yemen Arab Republic.

England: Froelich Rainey, University of Pennsylvania, Philadelphia, Pa.; Detection of crop mark contrast for archaeological surveys.

Domestic ERTS Follow-on Investigations Not Directly Related to Specific Test Sites

PRINCIPAL INVESTIGATOR AND INVESTIGATION

Robert E. Cummings, NASA Marshall Space Flight Center, Huntsville, AL; Automatic change detection of ERTS-B data.

Michael Griggs, Science Applications, Inc., La Jolla, CA; Determination of the atmospheric aerosol content from ERTS-B data.

Archie M. Kahan, U.S. Bureau of Reclamation, Denver, CO; Use of the ERTS-B Data Collection System in the upper Colorado River basin weather modification program.

Hugh B. Loving, U.S. Geological Survey, McLean, Va; Processing of ERTS imagery for dissemination purposes.

Earl S. Merritt, Earth Satellite Corporation, Washington D.C.; Study of mesoscale exchange processes utilizing ERTS-B air mass cloud imagery.

Paul E. Scherr, Environmental Research & Technology, Inc., Lexington, MA; Investigation to use ERTS-B data to study cumulus clouds banding and other mesoscale cloud features.

Joe F. Wilson, National Oceanic & Atmospheric Administration, Rockville, MD; ERTS-B imagery as a data source for producing vegetation overlay information on visual aeronautical charts.

Foreign ERTS Follow-on Investigations

COUNTRY AND PRINCIPAL INVESTIGATOR

Australia

N. H. Fisher, Bureau of Mineral Resources Canberra.

Co-I's: Leonard G. Turner, Div. of National Mapping, PB 667, Canberra; Raymond L. Whitmore, Dept. of Mining & Metallurgical Eng., Univ. of Queensland, St. Lucia; John S. Gerney, Engineering & Water Supply Dept., Adelaide SA; Hilary Harrington, Div. of Mineral Physics, CSIRO, North Ryde NSW; Anthony D. Hooper, Dept. of Northern Territory, Darwin NT.

Investigation

Survey of capeweed distribution in Australia; Daly Basin development monitoring; study of structures in granitic bathyliths and associated fold belts in relation to mineral resources; water utilization-evapotransportation and soil moisture monitoring in the south eastern region of South Australia; assessment of beach sand mining operations; mapping islands, reefs, and shoals in the oceans surrounding Australia; terrain analysis in western Queensland and Australia.

Bolivia

Carlos E. Brockman, Servicio Geologico de Bolivia, La Paz.

Investigation

ERTS data investigation towards mineral resources development and land use survey.

Botswana

William L. Dickson, Dept. of Surveys and Lands, Gaborone.

Investigation

Evaluation of ERTS-B imagery as an aid to the development of Botswana's resources.

Brazil

Fernando de Mendonca, Instituto de Perguisas Espaciais, San Jose dos Campos. Co-I: L. H. A. Azevedo, Sensora Ltda. rua Urbano Santos, no. 20 Urca.

Investigation

Applications of satellite imagery for natural resources survey of Brazilian territory; analysis of Earth Resources and factors governing environmental quality in Septentridnal, Brazil.

Cento

J. A. Snellgrove, Central Treaty Organization, Ankara, Turkey.

Investigation

Regional investigations of tectonic and igneous geology in Iran, Pakistan, and Turkey.

FAO

J. A. Howard, United Nations Food and Agriculture Organization, Rome.

Investigation

Application of ERTS imagery to the FAO/UNESCO soil map of the world; monitoring of high forest cover in Nigeria.

Finland

Heikki V. Tuominen, University of Helsinki, Helsinki.

Investigation

Investigation of ERTS-B imagery on correlations between ore deposits and major shield structures in Finland.

France

Fernand H. Verger, Ecole Pratique des Hautes Etudes, Paris.

Investigation

Multidisciplinary studies of the French Atlantic littoral and the Massif Armoricain.

Gabon

Serge Gassita, Ministry of Mines, Libreville.

Investigation

Mapping and developing Gabon's natural resources.

Guinea

Ibrahima Soumah, Bureau of Mines and Geology, Conarky.

Investigation

Mineral and other natural resources investigations in Guinea.

Iran

Khosro Ebtehadj, Plan and Budget Organization.

Investigation

Utilization of ERTS data for resource management in Iran.

Italy

Carlo M. Marino, University of Milan, Milan.

Investigation

Geomorphic and landform survey of northern Appennini.

Luigi G. Napolitano, University of Naples,

Investigation

Landslides investigation in southern Italy.

Bruno Ratti, Telespiazio S.P.A., Rome.

Investigation

Terra Experiment—Techniques for collecting and processing Earth Resources data.

Japan

Takakazu Maruyasu, University of Tokyo, Tokyo.

Investigation

Investigation of environmental change pattern in Japan.

Kenya

Joab Omino, Ministry of Natural Resources, Nairobi.

Investigation

The development of methods for quantifying multispectral satellite images for use in rangeland habitat.

Korea

Jae Hwa Choi, National Construction Research Institute, Seoul.

Investigation

Land use survey and mapping and water resources investigations in Korea.

Lesotho

A. A. Jackson, University of Botswano, Lesotho and Swaziland, Roma.

Investigation

Natural resources research and development in Lesotho using ERTS imagery.

Libya

Muftah M. Unit, Ministry of Planning, Tripoli.

Investigation

Comparison between geophysical prospecting and satellite remote sensing in south Libya.

Liptako-Gourma Authority

C. Matthew Samake, Liptako-Gourma Authority, Ouagadougou, Upper Volta.

Investigation

Earth Resources inventory and assessment of Upper Volta and Niger.

Malaysia

S. K. Chung, Geological Survey of Malaysia, Ipoh.

Investigation

Geological and hydrological investigations in west Malaysia.

Mali

Bakary Toure, Director General, Geologie et des Mines du Mali, B.P. 223, Bamako, Mali.

Investigation

Hydrologic research using ERTS–B data for the central delta of the Niger River.

Mekong

Willem J. Van der Oord, Mekong Committee, Bangkok, Thailand.

Investigation

Agricultural and hydrological investigations for water resource development planning in the lower Mekong Basin.

Mexico

Jorge F. Vaca, Comision de Estudios del teritorio Nacional, Mexico, D.F.

Investigation

Comprehensive study of Leon-Queretaro area.

New Zealand

M. C. Probine, Physics and Energy Lab., DSIR, Lower Hutt.

Co–I's: M. G. Mcgreevy, New Zealand Forest Service, Private Bag, Rotorua; I. F. Stirling, Dept. Lands and Surveys, Wellington; Richard P. Suggate, New Zealand Geological Survey, Lower Hutt.

Investigation

Seismotectonic, structural, volcanologic, and geomorphic study of New Zealand; indigenous forest assessment in New Zealand; mapping, land use, and environmental studies in New Zealand.

Norway

Helge A. Odegaard, NVE—Statskraftverkene, Oslo.

Investigation

Hydrological investigations in Norway.

Olav Orheim, Norsk Polarinstitutt, Oslo.

Investigation

Glaciological and marine biological studies at perimeter of Dronning Muad Land, Antarctica.

Torgne E. Vinje, Norsk Polarinstitutt, Oslo.

Investigation

Sea ice studies in the Spitsbergen Greenland area.

Pakistan

Chaudari Umar, Pakistan Water and Soils Investigation Division, Lahore.

Investigation

Water resources investigation in West Pakistan with help of ERTS imagery—snow surveys.

Peru

Jose C. Pomalaya, Instituto Geofisico del Peru, Lima.

Investigation

Application of remote sensing techniques for the study and evaluation of natural resources.

South Africa

Denzil Edwards, Botanical Research Institute, Pretoria.

Investigation

Monitor fire extent and occurrence in the different veld types of South Africa with reference to ecology and range management.

Sweden

Bengt-Owe Jansson, University of Stockholm, Stockholm.

Investigation

Dynamics and energy flows in the Baltic ecosystems.

Switzerland

Harold Haefner, University of Zurich, Zurich.

Investigation

National resources inventory and land evaluation in Switzerland.

Thailand

Sanga Sabhasri, National Resources Board, Bangkok.

Investigation

Thailand national program of the Earth Resources Technology Satellite.

Turkey

Sadrettin Alpan, Mineral Research and Exploration Institute (MTAE), Ankara.

Co–I's: Tuncer Iplikci, Etibank; Nihal Atuk, Turkish State Water Works; Dr. Altan Gumus, Karadeniz Technical Univ.

Investigation

National project for the evaluation of ERTS imagery applications to various Earth Resources problems of Turkey.

United Kingdom

Eric C. Barrett, University of Bristol, Bristol.

Investigation

Mesoscale assessment of cloud and rainfall over southwest England.

Venezuela

Alberto Enriquez, Ministerio de Obras Publicas, Caracas.

Co–I: Adolfo C. Romero, Cartografia Nacional, Caracas.

Investigation

Application of ERTS data to regional planning and environmental assessment in northern Venezuela; development of techniques for regional-ecological studies and technology for thematic mapping of a large and unknown area.

South Vietnam

Nguyen Duc Cuong, Ministry of Commerce and Industry, Saigon.

Investigation

Comparative evaluation of ERTS imagery for resources inventory and scientific research in Vietnam.

Zaire

Kasongo Ilunga Sendwe, Bureau du President, Kinshasa.

Investigation

Participation of the Office of the President, Republic of Zaire, in the ERTS and Skylab projects.

TESTING DRUGS ON PRISONERS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. MITCHELL of Maryland. Mr. Speaker, since I announced my intent to introduce a bill prohibiting Federal prisons from making their inmates available for biomedical and behavioral experimentation and discouraging State and local institutions from doing so, I have received many phone calls, asking if I am not guilty of "overkill" by not exempting those experiments for which prisoners "freely volunteer." I understand the concern of my colleagues on this point and, as I am eager for them to understand what I feel is the reality of the prison situation and eager as well for their cosponsorship of this bill, I would like to enter into the RECORD the following article which appeared in the Tuesday, July 23, 1974 edition of the Boston Globe. The author is Michael Kenney.

The article follows:

TESTING DRUGS ON PRISONERS

The protests at Norfolk prison colony that inmate's medical needs are being neglected are an ironic commentary on the long-festering issue of experimental drug research in prisons.

Norfolk is supposed to have superior medical facilities and staff as a fringe benefit from the heavy program of drug research carried on there by a private outfit, Medical and Technical Research Associates of Needham.

The research firm has prided itself on "public service contributions" to Norfolk, which include such things as supplying all the institution's aspirin needs, providing the services of two doctors independently of the research porgram, and purchasing some medical equipment.

In return for that—and for payment of $40 to $80 per experiment to inmates who volunteer as research subjects—the firm operates a continual testing program for new products and formulas being developed by the large drug companies.

It is not a very happy situation.

There is a growing concern that a prisoner, simply because he is a prisoner, cannot freely volunteer himself for such things as drug experimentation, and that any idea of "informed consent" within the surroundings of prison walls is at best a contradiction in terms.

New Correction Department guidelines for drug research apparently will prevent testing of "compounds not previously subjected to human trial" and provide for an independent review process; but a move to also ban the testing of the very suspect behavior-modification drugs has been sidetracked in the Massachusetts Senate.

The legislation, sponsored by the Massachusetts Black Caucus, passed the House but was tabled in the Senate earlier this month by Minority Leader John F. Parker (R-Taunton).

"If evidence came to me that someone was being harmed," Parker said, "I'd be the first person to stop the testing." The research by his staff, Parker said, indicated "no one's been harmed, there's never been a lawsuit. It's strictly voluntary."

But State Rep. Mel King (D-South End) said he asked Parker after the bill was tabled: "Would you test these drugs on yourself or let your family be the guinea pigs?"

The main concern of the bill's supporters is ending once and for all the technological fantasy that some drug or another can be pulled off the shelf and used to change someone's behavior: the "Clockwork Orange" approach.

"We hoped to dry up access to behavior-modifying drugs by cutting off the testing of new ones," King said.

Although efforts to stop the testing of behavior-modifying drugs have been stalled—along with the effort to put into the General Statutes the departmental ban on the testing of untried drugs on prisoners—the Legislature has already acted decisively on a related issue by imposing a near-absolute ban on research involving human fetuses.

The relationship is crystal-clear to legislators like state Sen. Chester G. Atkins (D-Acton)—himself the sponsor of still-pending legislation that would control a third controversial area of medical research, psychosurgery.

"I get frightened," Atkins said, "at the idea that you can decide that one life is valuable and another is not; because the line can swing someday."

The indictment of the Boston City Hospital researchers in connection with experiments on human fetuses brought that issue into sharp focus for the Legislature. Atkins suspects that European experiments with test-tube babies and similar tinkerings with human life will increase the pressure for political curbs on behavior-modifying drugs, psychosurgery and other questionable research.

An even more basic issue is involved in those three proposals that came before the Legislature this year: The protection of persons who are not free to make their own decisions—prisoners, a woman about to be aborted and persons suffering from severe mental disorders.

The immediate issue centers on prisoners who are open to exploitation because it is possible for them to make about as much for one blood sample or urine specimen as it is for a full day's work in one of the conventional prison industries.

If the drug firms were to pay you or me on that scale, there would be no shortage of research subjects and there would be no interest in setting up little laboratories at Norfolk, Stateville Prison in Illinois where they test antimalaria drugs, Indiana State Reformatory which brought you Darvon, and Jackson Prison in Michigan where Upjohn and Parke-Davis do their testing.

A GOOD RULING ON BUSING

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. HANRAHAN. Mr. Speaker, the Supreme Court recently decided to no longer bus schoolchildren to achieve racial integration in schools. I feel this is an excellent ruling on the part of the Supreme Court. For the interest of my colleagues, I wish to insert the following article from the Chicago Tribune:

A GOOD RULING ON BUSING

The Supreme Court has finally issued a precedent-setting ruling on the controversial subject of court-ordered busing of school pupils for purposes of desegregation. By a vote of 5 to 4, the court held there is no necessity for throwing suburban and central city attendance areas together, in the absence of evidence of unconstitutional acts to segregate. The case before the court concerned Detroit, but the decision will affect many other cities.

In the Detroit case, the decisive vote was cast by Justice Lewis F. Powell Jr., who last year did not participate in a similar Richmond, Va., case because he had been a member of the Richmond school board. The Richmond case divided the court 4 to 4, establishing no precedent. Now at last the country has a majority decision from the Supreme Court—the one from which four justices [Brennan, Douglas, Marshall, and White] dissented. The majority opinion was written by Chief Justice Warren E. Burger, joined by Justices Blackmun, Powell, Stewart, and Rehnquist.

The majority opinion reaffirms the right and duty of the courts "to prescribe appropriate remedies" where "conflict with the 14th Amendment" had been demonstrated. But before the courts order "consolidating separate units . . . or imposing a cross-district remedy," the majority stated, "it must be shown that racially discriminatory acts . . . have been a substantial cause of inter-district segregation."

Thus the Supreme Court sensibly directs attention to the too-often blurred distinction between de jure segregation [imposed by "racially discriminatory acts"] and de facto segregation, a byproduct of residential patterns.

American states and school districts, in the South as elsewhere, now acknowledge the necessity of unitary school systems, free from mandated separation of pupils on a racial basis. But, the Supreme Court holds, lower courts erred in ordering busing of pupils in Detroit and 53 outlying districts "only because of their conclusion that total desegregation of Detroit would not produce the racial balance which they perceived as desirable."

The decision is sound in both law and common sense. The reasons for preventing deliberate racial segregation in schools are valid ones, but they have never implied a mandate to require, at all costs, any particular racial proportions in schools. A court-ordered consolidation such as that planned for Detroit and its suburbs, the Supreme Court sensibly stated, would make the court "a de facto 'legislative authority' to resolve complex problems and the single 'school superintendent' for the entire area." The Supreme Court correctly said that "few, if any, judges" are qualified to perform such functions, and that for the courts to assume them "would deprive the people of control of schools thru their elected representatives" in the absence of any constitutional violations.

Tho Justice Thurgood Marshall protested the decision as "a giant step backwards," the decision is really a significant step forward towards common sense and consensus and away from doctrinaire extremism and controversy. Who would have gained had District Judge Stephen Roth's metropolitan desegregation plan [which included an order for Detroit schools to buy 295 buses to implement it] been upheld? Certainly not the school children of either Detroit or its suburbs. It is unfair and unrealistic to require the schools to look as if race were not a factor in contemporary housing patterns.

The current decision is no retreat from national aspirations for an indivisible nation, with liberty and justice for all. It is rather a sound and authoritative recognition that the Constitution does not require massive busing of school pupils thruout metropolitan areas and that the quality of education is bound to suffer when children must spend hours being transported to schools far from the familiarity of their own neighborhoods. Most Americans, including blacks as well as whites and liberals as well as conservatives, will agree with the court and will be glad that the court agrees with them.

H.R. 69—MORE THAN A BUSING BILL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. FORSYTHE. Mr. Speaker, during the past few days a great deal of attention has been focused on H.R. 69. Unfortunately most of this attention has been focused on the busing provisions of the bill. But H.R. 69 is more than a busing bill. I would like to call your attention to a section of the bill directing the Department of Health, Education, and Welfare to undertake a study of the incidence of athletic injuries occurring during interscholastic competition.

There will be millions of youngsters participating in interscholastic athletics this year. A significant number of these young men and women will sustain some form of injury. Preliminary studies based on spot surveys suggest that as many as 40,000 knee injuries requiring surgery are sustained by scholastic athletes each year. Other preliminary studies estimate that only one-quarter of these 40,000 would have needed surgery if the involved schools had a qualified athletic trainer available to administer the proper specialized care that any athlete needs.

It seems that the young athlete has too often been the victim of specialized neglect. Too many youngsters have had untended cuts and blisters turn into infections. Too many young athletes have had a muscle tear treated as a simple sprain by well meaning but untrained student "trainers."

The American Medical Association estimates that approximately 50 percent of the 1.2 million young men who play high school football will sustain some form of injury this year. Many of these injuries will be recurring ones because of the lack of proper on-the-spot and long-term medical care. According to the athletic trainer at Wake Forest University, "most of the injuries you get in college can be traced directly to old high school injuries."

Despite these staggering injury statistics, there is a striking absence of certified athletic trainers in our Nation's schools. Of the nearly 15,000 high schools in the United States with football programs, it is estimated that only about 100 have full-time, certified athletic trainers. In the entire Washington metropolitan area there are only eight athletic trainers and six of them are employed by area colleges.

The Texas State Legislature has recognized the seriousness of scholastic athletic injuries in that State and in 1971 enacted legislation requiring adequate medical care for every schoolboy athlete. The result is that almost every Texas high school has or is in the process of acquiring a qualified athletic trainer.

The few statistics I have presented thus far point to the existence of a problem of some magnitude. The problem stems in great measure from the lack of certified athletic trainers and training facilities in our Nation's schools. While legislation has been introduced to require each scholastic institution with an athletic program to employ a full-time trainer, I do not believe that there are sufficient statistics presently available for this committee to make a wise decision. The data indicates the presence of a severe problem, but the Education and Labor Committee could not delineate the precise scope of the national problem.

Therefore, language was included in the Elementary and Secondary Education Act Amendments directing the Department of Health, Education, and Welfare to undertake a year-long study to determine the precise scope of the scholastic athletic injury problem. Hopefully this study will provide the basis with which we can evaluate the extent of the problem and fashion an appropriate solution.

LOOPHOLE IN GIFTS LAW

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. TIERNAN. Mr. Speaker, we are all aware of the Foreign Gifts and Decorations Act of 1966 (Public Law 89-673). It was my understanding that under this act, valuable foreign gifts to all Government employees and their families are deemed public property. Yet, it appears that I have been mistaken. A recent Washington Post article has reported that the two daughters of the President of the United States are not covered by the law.

The reason for this most peculiar revelation is due to a State Department interpretation of the law. The Deputy of Protocol issued a memo explaining an ambiguous and vague clause in the law, which led to this final interpretation. The loophole clause is caused by the word "and" instead of the more precise word "or." This conjunction excludes an adult son or daughter living in his or her own household from the provisions of the act.

I ask, did this honorable body of legislators actually intend to exclude gifts such as the diamond-and-sapphire and the diamond-and-ruby pins given to the President's daughters by the Saudi Arabian prince? I do not believe we did.

I call upon my colleagues to rectify this error. I have introduced a bill which would clarify our original intent and close the loophole by changing a clause from reading "a member of the family and household" to "a member of the family or household." Although simple, this important bill would amend the Foreign Gifts and Decorations Act of 1966 and eliminate the interpretation problem.

ROSEBUD SIOUX TRIBE BEGINS COOPERATIVE HEALTH CARE SERVICE PROJECT

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. KARTH. Mr. Speaker, the Control Data Corp, and the Rosebud, S. Dak., Sioux Indian tribe have agreed to cooperate in a program designed to improve health care to tribal members at the same time it allows the company to develop new techniques for using computers to improve health care delivery. A ceremony launching the project was held last Saturday. This cooperative effort is a good example of an American corporation exercising good citizenship and I offer a news release explaining the project for inclusion in the RECORD:

ROSEBUD SIOUX TRIBE BEGINS COOPERATIVE HEALTH CARE SERVICE PROJECT

ROSEBUD, S. DAK., July 22.—The Rosebud Sioux Indian tribe announced today that it has launched a co-operative project with Control Data to improve health care for the tribe's 8,600 members.

Robert P. Burnette, president of the tribe, said the Rosebud Sioux tribal council has signed an agreement with the Minneapolis-based computer services company, to support the Indian Health Service in extending health care to remote points on the million-acre reservation.

Burnette said lack of trained staff and resources had often restricted medical treatment to patients able to transport themselves to the five-doctor, 41-bed hospital in Rosebud, sometimes from distances as great as 120 miles.

Control Data has been invited by the tribe to assist the tribe's Health and Welfare Committee and the Indian Health Service in the delivery of medical care to the Rosebud people, Burnette said. This program will involve the participation of the community health representatives in medical surveillance of health problems and plans to utilize mobile clinics linked to computer terminals. This will enable hospital-based physicians to supervise paramedical personnel at remote clinic locations.

"We are pleased to have the broad expertise of a modern corporation interested in the health and welfare of Native American citizens of our state assist us in overcoming some of our health care difficulties," Burnette said. "We expect to be able to provide employment for a number of tribal members and eventually develop techniques that will be useful to other tribes and possibly to the general public."

The Indian-operated pilot project will be directed by a management committee consisting of Burnette; Sonny Waln, chairman of the Sioux Tribe Health and Welfare Committee; Dr. Charles Allen, chief of staff of the Indian Health Service Hospital; Tillie Black Bear, director of student services at Sinte Gleska College in Rosebud; and Roger G. Wheeler, vice president of corporate personnel services at Control Data. Dr. Michael Jenkin, Minneapolis, will be project director. A licensed South Dakota physician, Dr. Henry Kaldenbaugh, has been named project manager. This will be the first time a physician has been employed directly by an Indian tribe.

Wheeler said Control Data's participation will be funded under the company's Corporate Social Concerns program. "The Native American Indian project not only meets our social goals, but also may be useful in developing new computer-assisted health care techniques for use in other states and nations," Wheeler said. Control Data has plants in Rapid City and Aberdeen, South Dakota, that manufacture parts and subassemblies for computer systems and peripheral devices.

The first phase, calling for the training of up to 25 community health representatives to conduct patient screening, health education, immunization programs and well-baby clinics, is expected to get under way in August, Burnette said. A special ceremony will be held at the site of the new project office in Rosebud at 11 a.m., Saturday, July 27.

THOMAS E. JENKINS LEAVES THE NATIONAL SCIENCE FOUNDATION

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. DAVIS of Georgia. Mr. Speaker, the House Subcommittee on Science, Research, and Development, with oversight responsibilities for the National Science Foundation has been informed of the retirement from Federal service, effective June 28, of Thomas E. Jenkins, the National Science Foundation's Assistant Director for Administration. Mr. Jenkins has accepted the post of assistant vice president for Academic Planning and Resources Management for the University of California system and on July 15 assumed his duties. He will be based in Berkeley in the office of the president. Mr. Eldon D. Taylor, former Deputy to Mr. Jenkins, has been named Acting Assistant Director for Administrative Operations, so we have no worries about NSF's management responsibilities remaining in good hands.

Tom Jenkins has been at NSF since November 1969 when he first became Deputy Assistance Director for Administration, then Acting Assistant Director for Administration in December 1971, and subsequently Assistant Director for Administration in September 1972. He came to NSF from NASA where he had held a number of important administrative posts since 1958.

For more than 25 years, Mr. Jenkins has been continuously associated with scientific program administration of great national importance, beginning with the Naval Research Laboratory where he served as a program budget officer, followed by assignments as Deputy Comptroller and as general manager of the first U.S. Earth satellite project, Project Vanguard.

In mid-1958, he played a major role for the Navy in the research and preparation of testimony on the missile crisis and the Space Act of 1958. Subsequently, he fulfilled a key leadership role as administrative officer of the Beltsville Space Center, later renamed the Goddard Space Flight Center, in setting up its organizational structure and in the initial staffing during the beginning stages of its development. Subsequently, he progressed through a series of increasingly responsible executive positions in NASA headquarters, including his service there as the assistant director of the Apollo program during the historic lunar first landing and exploration mission.

In accepting the post with the University of California system, Mr. Jenkins is returning to serve his alma mater. In 1947 he received the A.B. in public administration at the University of California, Berkeley, and later did graduate work there.

When I opened the NSF's authorization hearings this year before the Subcommittee on Science, Research, and Development, and called Mr. Jenkins as one of the strong team of witnesses we would hear, I said that to carry out its mission the Foundation needs not only topflight scientists and educators but effective managers and other administrative professionals who can initiate its unique programs, manage them, and keep them responsive to our changing national requirements. Mr. Jenkins understood the importance of his role at NSF. As the principal adviser and counselor to the Director of the Foundation on Administrative matters, he played an important part in expanding the Foundation's capacity for execution of its new roles and missions, while at the same time maintaining the strength of its basic scientific research project operations involving more than 2,000 of the Nation's universities and colleges. Tom Jenkins has provided much valuable assistance and thoughtful counsel to the committee and its staff in the course of his years of service with NSF.

I think his alma mater is fortunate to have persuaded Tom Jenkins to return in an administrative post. He will bring to the entire university system invaluable experience gained as an administrator, at the same time strengthening its important government-university relationships. On behalf of the House Science Subcommittee I extend our best wishes to Tom Jenkins and his family as they break new ground in California.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. MAZZOLI. Mr. Speaker, due to personal illness, I was unavoidably absent from the House yesterday, July 29.

Had I been present, I would have cast my votes as follows:

On rollcall No. 412, approving the conference report on H.R. 14592, authorizing military procurement appropriations, I would have voted "aye."

On rollcall No. 413, H.R. 15791, Home Rule Act Amendments, I would have voted "aye."

On rollcall No. 414, H.R. 15643, District of Columbia Public Postsecondary Education Act, I would have voted "aye."

On rollcall No. 415, H.R. 15842, to provide salary increases for retired teachers and to implement real property taxes and revenues proposals, I would have voted "no."

On rollcall No. 416, H.R. 11108, to extend the District of Columbia Medical and Manpower Act of 1970, I would have voted "aye."

AMENDMENT TO NUCLEAR EXPORT BILL BY MS. ABZUG

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Ms. ABZUG. Mr. Speaker, at the appropriate time, I will offer two amendments to H.R. 15582, the Joint Atomic Energy Committee's bill relating to international nuclear agreements.

H.R. 15582 would amend the Atomic Energy Act of 1954, as amended, to require that all agreements for cooperation relating to nuclear materials or nuclear technology, whether for peaceful or military purposes, except for agreements involving nonmilitary nuclear reactors of 5 thermal megawatts or less, be submitted to the Congress for its approval or rejection. Although this bill would require that nuclear materials for peaceful uses now be subject to congressional veto, it would exempt from congressional scrutiny 55 percent of all our nucelar reactor export agreements—those relating to reactors of 5 thermal megawatts or less. My first amendment would close this loophole by providing as follows:

AMENDMENT TO H.R. 15582, AS REPORTED OFFERED BY MS. ABZUG

Page 1, strike out lines 3 and 4, and insert in lieu thereof the following:

That section 123 of the Atomic Energy Act of 1954, as amended, is revised by

(1) inserting "and" after the semicolon in subsection (b); and

(2) striking out subsections (c) and (d) and inserting in lieu thereof the following new subsection (c).

Page 1, line 5, strike out "d" and insert in lieu thereof "(c)"

Page 1, line 6, through page 2, line 3, strike out "if arranged pursuant to subsection 91c., 144b., or 144c., or if entailing implementation of sections 53, 54, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith,".

H.R. 15582, though it broadens the scope of those nuclear agreements which must be submitted to the Congress, does not significantly change the present procedure set forth in section 123(d) of the act. It still requires a concurrent resolution rejecting the agreement within 60 days after its submission in order to veto the agreement. Thus, either House of Congress can thwart the will of the other. My second amendment, by providing that an agreement for cooperation can be vetoed by a simple resolution of either House within 60 days, requires the acquiescence of both Houses before such an agreement can become effective. This amendment follows:

AMENDMENT TO H.R. 15582, AS REPORTED OFFERED BY MS. ABZUG

Page 2, lines 10 to 11, after the word "period", strike out all through the word "favor" and insert in lieu thereof the following: "either House passes a resolution stating in substance that that House does not favor".

Page 2, line 14, after the word "report" strike out to the end of the line and insert in lieu thereof; "to each House of the Congress".

Page 2, line 16, after the word "proposed", strike out the word "concurrent".

Explanation: This amendment would provide that either House, by simple resolution, could reject the proposed agreement rather than requiring a concurrent resolution to reject the agreement. In effect, it would require the acquiescence of both Houses before an agreement could become effective.

"INSTANT POLL" RESULTS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. MURTHA. Mr. Speaker, in the very near future, the House of Representatives will be considering election reform legislation. This subject easily represents one of the most important issues we will debate this year.

We have read and heard a great deal about how the people are dissatisfied with the political system and uninterested in working diligently to improve it. In conjunction with this, we have heard the people strongly favor all the proposals in the campaign reform bill we will be considering, as a major overhaul of present campaign practices.

Because of the importance of meaningful, realistic election reform, I want to share with my colleagues the results of a special "instant poll" I conducted last week in my congressional district. This poll sample consists of a group of citizens who had earlier indicated their desire to participate in this program. Their participation shows their vital concern with Goverment and its activities, and I believe counters that generally held notion of lack of citizen interest and concern.

I believe the results of the poll in some cases also contradict some of the media's generally held concepts about public attitudes toward campaign reform. I would like to share the results with you.

Question 1. Do you favor or oppose placing limits on the amounts a candidate can spend in an election?

Favor	92%
Oppose	5%
No opinion	3%

It is nearly impossible to obtain a more overwhelming mandate than that. The bill currently carries a $75,000 limit in each of the primary and general elections for Congress; $75,000 or 5 cents per individual, whichever is greater, for primary and general election campaigns in the U.S. Senate; and $10 million total for all the Presidential primaries a candidate enters, plus $20 million for the general Presidential campaign. Of course, these figures could change before final passage, but these represent the kind of limits the people of my district obviously want.

Question 2. Do you favor or oppose making contributions above a certain level illegal?

Favor	89%
Oppose	8%
No opinion	3%

Again, the view of the voters is overwhelmingly clear. Again, this bill deals with the problem by placing limits on personal contributions, $1,000; political committee contributions, $5,000; and retaining the $5,000 limit on organization contributions already in the law.

Question 3. Do you favor or oppose total public financing of election campaigns?

Favor	21%
Oppose	71%
No opinion	8%

Question 4. Do you favor or oppose a matching system of private and public financing of election campaigns?

Favor	41%
Oppose	46%
No opinion	13%

Mr. Speaker, I find the response to these two questions very interesting. We have heard a great deal about the clamor of the people for public financing, but these results certainly produce no such evidence in Pennsylvania's 12th Congressional District. I believe the 13 percent "no opinion" response to question 4, coupled with many comments I received on the poll cards, indicates the matching funds concept has not been adequately presented to the public. As to reports of public clamor for total public financing, I will allow the results to question 3 to speak for themselves. Very importantly, the respondents indicated strong beliefs on how their tax dollars should and should not be used.

I would like to mention further some of the individual comments I received on the poll cards. Our card left only a small space for comment but fully one-third of the respondents took the opportunity to write additional remarks. To me, this presents another indication of their concern and involvement.

Very interestingly, the comment I received most often—next to ones on public financing—suggested that political campaigns should be shortened. Presently, the Pennsylvania primary election is in May, 6 months before the November general election. The Pennsylvania House of Representatives in Harrisburg considered a motion recently to move the primary to September. It was defeated overwhelmingly. New York State, though, adopted such a plan. I will be carefully watching their fall primary election to see if it does cut down the campaign season and reduce candidate expenditures, as well as stimulate greater voter interest.

I would like to share some of the other comments I received on the cards which are representative in each case of a number of responses; and which I think will remind us all of important features of this debate:

> Any true reform must also include a well-financed, completely independent enforcement agency.
>
> I favor $1 to be paid by all registered voters.
>
> The opportunity to run for political office must never be determined by personal wealth or by the favors of the wealthy.
>
> Spending limits should be designed to fluctuate with the cost of living.
>
> The present system has worked for nearly 200 years—no need to change.
>
> No taxpayer money should ever be expected to be used for campaigns.
>
> I favor limiting campaign expenditures, but I wish to reserve the right to donate to the candidate of my own choosing.
>
> We must do something to bring respect and some degree of honor back to the election system.
>
> Abe Lincoln would never have become president if he had to campaign like modern day campaigning is done.

Mr. Speaker, I again thank these individuals for their help and compliment them on their involvement. I will be soliciting their views on other important issues, because it has been a great help to me. I thank my colleagues for their attention, and hope this has also been of help to them.

COOPERATION IN THE FOOD AND ENERGY CRISIS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. FRASER. Mr. Speaker, a conference on "The World Food and Energy Crisis—The Role of International Organizations" was held last May in Rensselaerville, N.Y., with participation by 40 senior government policymakers, international organization officials, U.N. ambassadors, businessmen, scientists, and scholars.

In a statement of conclusions, the conference chairman, Prof. Richard Gardner, of Columbia University stated:

> We believe that solutions to our international economic problems, including food and energy, should be sought through cooperation rather than confrontation. The United Nations should be the focal point for a new system of international cooperation and bold new programs to deal with the world's food and energy crises. The aim should be a world food policy and a world energy policy that will harmonize the interests of exporting and importing nations, assure minimum standards of consumption to the poorest segment of humanity, and reduce waste and overconsumption in the most affluent segment.

The food and energy crises pose great challenges for international organizations. These two problems, like several other worldwide dilemmas of this decade, do not lend themselves to bilateral solutions. Only in broad multilateral forums can the nations of the world hope to grapple effectively with these problems. We must make, therefore, a new commitment to multilateral diplomacy in the United Nations and other international bodies; U.S. foreign policy must raise the priority it gives to multinational diplomacy. In place of the old world political order with its unacceptable inequality in the distribution and management of wealth, we need a new order that reflects the new interdependence in economic and political power.

The Rensselaerville Conference called for emergency action in the next few months to deal with the desperate plight of the nearly 1 billion people in the "Fourth World"—the 30 or so poorest countries of the world: The conference recommends at least $3 billion in extra concessional sales of food, oil, and fertilizer, or the postponement or cancellation of debt repayment. This should be done through bilateral arrangements, institutions of the OPEC countries, or existing multilateral financial institutions such as the World Bank/International Development Association and the regional development banks.

Beyond the immediate needs of the present emergency situation, it is estimated that in the period 1976–80, the developing countries will require $4 to $5 billion a year of extra concessional aid to meet their minimum development goals. The Rensselaerville group explains that this additional requirement will result—

> Not only from the increased cost of imports but also from the running down of the developing countries' monetary reserves and the expected deterioration in their terms of trade associated with the slowing down in the growth rate of the developing countries.

The following is a summary of the longer-range action plans proposed by the Rensselaerville Conference on food and energy.

NEW ACTION ON FOOD

The World Food Conference to be held in November in Rome represents an historic opportunity that should not be missed. We believe the following measures should be undertaken at that conference—and in some cases, even before the conference meets:

First, a world agricultural information system should be inaugurated with the participation of all the countries of the world—including those not presently participating in the food and agriculture organization—to exchange data on developments in agricultural supply and demand.

Second, a system of national food stocks should be established, operating under agreed international rules, to provide security against famine as well as fair prices for producers and consumers.

Third, there should be a great expansion—at least a doubling—of international food aid to help the poorest sections of the population in developing countries.

Fourth, new measures should be taken to increase the supply of fertilizer in the developing countries. These should include conservation of fertilizer in developed countries, elimination of export controls on fertilizer, and new arrangements for the establishment of fertilizer production in the oil exporting countries, particularly those of the Middle East, combining the abundant oil and gas of these countries with the capital and technology of the industrialized world.

Fifth, most important of all in the long run, a vast international effort should be undertaken to expand agricultural production in the developing countries. As a central element in this effort, the productivity of the small farmer must be increased by a minimum of 5 percent a year by 1980. To accomplish this aim, the World Food Conference should adopt an action plan to be carried out by FAO in collaboration with other parts of the United Nations system and harnessing the resources of private companies, foundations and research centers.

NEW ACTION ON ENERGY

We call for a new set of institutions centered in the United Nations and working in collaboration with the Organization for Economic Cooperation and Development, OECD, and the Organization of Petroleum Exporting Countries, OPEC, as well as other institutions, to undertake the following tasks:

First, world-wide monitoring of energy supply and demand, including both collection and assessment of data. This should be done by the United Nations Secretariat in collaboration with the world scientific community and industry.

Second, assisting developing countries to adjust to the new energy situation by developing their own energy resources with the help of external capital and internationally supported training and research, with financial contributions from industrialized countries and oil exporting countries.

Third, encouragement of research and development of new sources of energy and ways of conserving energy in the industrialized countries, with the help of ventures jointly financed by the industrialized countries and the oil exporting countries.

Fourth, providing a secretariat and a framework for regular meetings between the exporters and importers of petroleum and other basic commodities with a view, at a minimum, to advance notification of policy changes affecting the interests of different countries and, at a maximum, as soon as the time is ripe, to negotiating long-term arrangements which would assure adequate supplies to consumers, satisfactory prices to consumers and producers, and the diversification of the economies of raw material exporting countries to assure them of a sound economic future after their raw materials are depleted.

The task is an awesome one. For humanitarian reasons, there is a convincing argument for the developed countries to move now to help put the poor countries back on their feet. But even aside from that laudable motivation, it need not be altruism or generosity that would prompt us to make concerted efforts to fend off unprecedented economic disaster in the developing world. It would be a basic matter of economic survival in a world which—for better or worse—is made up of interdependent nations.

THOUGHT FROM CONSTITUENT

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. LANDGREBE. Mr. Speaker, one of my favorite constituents, Mrs. Vernie Falconer sent me the following thought and I wish to share it with you and my colleagues:

Isn't it wonderful that we will start our 3rd Century purer than pure, whiter than white etc., etc., because one man will have been punished for all the sins of the past 198 years!

COMMISSIONER BENITEZ ON THE FIGHT AGAINST JUVENILE DELINQUENCY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. RANGEL. Mr. Speaker, public persons too often respond to the problems of juvenile delinquency with rhetoric, reactionary emotional tirades, and illogical solutions. Needless to say, the problem will not be ameliorated until we deal with it rationally, and upon the basis of intellectually sound and compassionate logic.

In the foreword to a forthcoming book on the subject, the Honorable JAIME BENITEZ, the Resident Commissioner from Puerto Rico, considered the subject of juvenile delinquency with reason and decency. I now submit the text of Mr. BENITEZ' article for the thoughtful attention of my colleagues:

COMMISSIONER BENITEZ ON THE FIGHT AGAINST JUVENILE DELINQUENCY

The following article on the subject of juvenile delinquency in Puerto Rico was written by Hon. Jaime Benitez, the Resident Commissioner from Puerto Rico in the United States, as the foreword for a forthcoming book by Professor Franco Farracuti who is teaching courses in criminology at the University of Rome, Italy. Professor Ferracuti taught during a number of years at the University of Puerto Rico, and while there he conducted a study sponsored by the Center of Social Research, College of the Social Sciences.

FOREWORD BY JAIME BENITEZ

This report is concerned with the important issue of juvenile delinquency as a new cultural phenomenon, a social epidemia which has achieved worldwide proportions for the first time in the 20th century. We are dealing here with a movement which radiates from the highly-developed societies to the rest of the world, and one concerning which few effective social strategies and defenses have been worked out or implemented anywhere. Thus, juvenile delinquency is "associated with migration, urbanization, and modernization as well as the inadequacy of traditional social institutions and controls which fail to operate effectively in the emerged or emerging social contexts of overdeveloped, developed and developing nations. So ubiquitous is this phenomenon of youthful involvement in crime that most professionals, to say nothing of laymen, are unaware of the urgency of juvenile delinquency as a social problem. Most simply take it for granted that, like pollution, congestion, and the deteriorating quality of life, delinquency is a price—a substantial one at that—paid for all the amenities and 'progress' of the urban industrial milieu. Whether this price is too high or not is not really germane; with the exception of few utopians, hardly anyone is prepared to revert, even if such were possible, to a simpler life style and the oppressive external controls of preindustrial society."

This report narrates the attempt carried out in Puerto Rico to study the different characteristics of delinquency by way of an exhaustive and meticulous research into the living conditions, family history, social economic, educational circumstances, physiological and psychological variables of a hundred and one matched pairs of delinquent and non-delinquent boys, ages 11 to 17, immersed in the slum culture of metropolitan San Juan. The group was observed over a period of five years (1965 to 1969, inclusive). The study was carried under the auspices of the Social Science Research Center of the University of Puerto Rico while I was President of the university system.

The report is dedicated to an outstanding and charming couple of Harvard professors and researchers on juvenile delinquency, Sheldon and Eleanor Glueck. Their classical study, *Unraveling Juvenile Delinquency*, inspired and, to a large extent, served as a point of reference, as well as of contrast for the present study. Much of the report deals with technical issues of methodology raised initially in connection with the pioneering work of the Gluecks. The goal has been to perfect a design which might help in clarifying why some boys go wrong while others do not, even though they have similar social and personal antecedents. The general position which this particular finding seems to validate is that in the absence of race or color discrimination, neither race nor color are significant factors on the road to delinquency.

Not only is Puerto Rican delinquency data color free; it is equally devoid from "the West Side story syndrome with youth gangs as a way of life and gang warfare as an endemic problem. If there is one thing which needs highlighting in this investigation it is that the Puerto Rican slum boy who becomes delinquent in several important respects from his counterpart in Spanish Harlem of the Bronx or Brooklyn, and also very different from the black juvenile offenders whose home tongue is English and who live in the slums of metropolis, U.S.A."

On the other hand, drug addiction turned out to be very relevant. None of the 101 members of the control group use drugs, 26 of the 101 delinquency were involved in drug abuse, aside from the specific acts of criminal delinquency for which they were charged.

Integration within the family or within the school provides the basic socializing influence which safeguards existing structures and norms. Broken families, the lack of a strong father image and dropouts provide the human material for delinquency children.

Perhaps, the leading practical suggestion of public policy arising out of this study pertains to the role of the school, particularly in slum situations. In this connection, the school is seen as the last clear chance prior to delinquency for the family-destitute, troublesome boy. According to the authors, the dominant view of the school as a pedagogical institution must be revisited and broadened to become also and in particular a socializing and reorienting force in the life of the difficult student. Can this be done? Should it be tried?

The normal disposition of the school establishment is to eliminate as quickly as possible *the rotten apple* which spoils or disrupts the classroom. From the point of view of society, this policy is shortsighted and counter-productive. As a measure of precaution it turns out to be insensitive act of social self-mutilation. By throwing the bad student out, the school worsens his destitution and speeds him into the road of delinquent behavior. The school chooses to ignore the danger signals and washes its hands like a 20th century Pontius Pilate. In a very realistic sense, it becomes morally responsible for the subsequent chain of events as an accessory before the fact.

School approaches and relevancies are under scrutiny now. Leaders and planners must concern themselves with the negative implications of present school policies.

The study endeavors to establish furthermore that delinquency is much more prevalent among the second generation slum dwellers than among the new arrivals. It argues that rural origins serve as a force of control rather than of dislocation. Controls are internalized. Deep, effective patterns of conduct are strengthened by simpler, clearer-cut values prevailing in the rural atmosphere.

Those of us who have committed ourselves to a policy of economic development must ponder the consequences, good and bad, of our chosen route. We must assess change in the light of its positive and its negative implications.

As a public administrator, I trust that the practical implications of the study we have conducted in Puerto Rico will be used to the maximum of the potentialities by those leaders of thought and of government, in Puerto Rico and abroad, whose task involves them with the etiology and with the efforts at control and reduction of juvenile delinquency. For unless we are willing to accept responsibility, not only for the good but also for the evil our changes bring about, we are not dealing fairly and honestly with the present, with the future, and with ourselves.

SISTER MARY CARITAS AND HER WORK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. CONTE. Mr. Speaker, there is little doubt that providing adequate health care for all Americans deserves very high priority today. Occasionally, there appears an extremely dedicated individual who devotes tremendous amounts of energy to serving the health needs of his community. Such a person is Sister Mary Caritas of Holyoke, Mass., a member of the State of Massachusetts Public Health Council. It is with great pride that I insert in the RECORD the following excellent article by Christopher Brooks of the Springfield Union about Sister Mary Caritas and her work:

[From the Springfield (Mass.) Union, July 18, 1974]

OH SISTER—HOW YOU CARE AND CARE

(By Christopher Brooks)

Sister Mary Caritas of Holyoke, the tireless superior general of the Sisters of Providence for Massachusetts and North Carolina, was "quite surprised" by her appointment to the state's Public Health Council almost four months ago, and remains so today.

Her surprise was justified, perhaps.

As a former administrator at St. Luke's Hospital in Pittsfield and a lobbyist for improved health services, Sister Caritas had "done battle" with the Public Health Council on several occasions in recent years.

"I was put on to represent hospital and nursing home administrators," Sister Caritas explains. "I'm much more in sympathy with their plight and, in that respect, I'm alone (on the council)."

While the powerful public health board has numerous regulatory duties ranging from environmental pollution control to determining how much fat is permitted in hamburg, a key responsibility lies in controlling the number of hospital and nursing home beds being built in the state.

It is that power that interests Sister Caritas most. And it is the council's philosophy toward hospital and nursing home development that has been most frustrating for her.

The Public Health Council's current stand on hospital construction projects, says Sister Caritas, is that there are already too many beds. The approach has been, through the council's certificate of need powers, to cut down on the number of hospital beds across the state, she explains.

"If health delivery is radically changed then maybe we will be overbedded," she concedes.

"But I don't have enough vision to see this radical change taking place."

She casually points out that Massachusetts has no comprehensive health delivery plan. Until such a master plan is developed, decision-making on delivery services must be based on existing conditions, she maintains.

The council's philosophy that many people in nursing homes would be better off at home with special services is also questionable, Sister Caritas says.

Good nursing home operators are being denied unjustly the right to expand their facilities, Sister Caritas claims; she advocates a more stringent licensing system that would give the Public Health Council power to phase out poor nursing homes and encourage further expansion by good nursing homes.

The concept that elderly people are better off remaining in their homes rather than living in nursing homes has not been justified financially or socially, says the outspoken Sister.

The policy, however, has been adhered to without flexibility, she complains. Some hospitals that have sought to replace existing nonconforming beds with an equal number of new beds have been turned down arbitrarily by the council, Sister Caritas maintains.

INFLEXIBLE STAND

What Sister Caritas sees as inflexibility has caused substantial hardship in individual cases where hospitals are justified in new construction, she argues.

On several occasions Sister Caritas has been the only council member to vote in favor of hospitals' building proposals.

Currently, there are almost five hospital beds for every 1000 people in Massachusetts. The Department of Public Health goal is to reduce that ratio to 3.5 beds per 1000 population by 1980, she says.

Despite the policy of bed reduction, Sister Caritas says she is not convinced hospitals in Western Massachusetts provide too many beds.

Ancillary services required by senior citizens remaining in their own homes often cost more than nursing home care, she charges.

As Superior General for the Sisters of Providence, she is responsible for the well being of her 350 fellow sisters. She also oversees the order's direction of hospitals, nursing homes and orphanages.

A TRIBUTE TO JIM HARTZ, SON OF OKLAHOMA

HON. CLEM ROGERS McSPADDEN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. McSPADDEN. Mr. Speaker, a son of Oklahoma, Jim Hartz, today assumed the important and influential slot as anchorman on NBC's "Today" show. It is a credit to Jim's talent and his Oklahoma heritage.

Most eastern Oklahomans remember Jim Hartz for his talent as a newsman at KRMG in Tulsa, then KOTV in Tulsa. A roving NBC talent scout discovered Jim during an evening broadcast in Tulsa—something that Oklahomans had done much earlier.

From Tulsa, Jim and his wonderful family moved to New York where the name Hartz became a synonym to credibility and character in the news. For several years, Hartz was anchorman for the evening news at NBC–TV.

With the tragic and untimely death of another great Oklahoman, Frank McGee, NBC started the search for new talent for the influential job as "Today's" anchorman. Hartz was discovered again.

But, for years, Jim Hartz has been in the hearts, minds, and reflects the pride which grows in all Oklahomans' hearts. Mr. Speaker, I join in saluting NBC in its fine selection and salute Jim Hartz for his achievements at an early age and wish him well during the years ahead.

SOME 300,000 VIRGINIANS, AS MEMBERS OF THE CONSERVATION COUNCIL, SUPPORT LEGISLATION TO SAVE THE NEW RIVER

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. MIZELL. Mr. Speaker, during hearings by the House Interior and Insular Affairs Subcommittee on National Parks and Recreation on legislation which would provide that a section of the New River in North Carolina and Virginia be studied for possible inclusion in the National Wild and Scenic Rivers System, Mr. Carl J. Holcomb of the Conservation Council of Virginia spoke for 300,000 residents of the State of Virginia in expressing their desire to save the ancient and scenic New River.

Both Virginia and North Carolina are fortunate in sharing this lovely river, and countless Virginians have joined with us to preserve its beauty. I find Mr. Holcomb's remarks to be most eloquent and very pertinent, and I am proud to share them with my colleagues:

STATEMENT OF CARL J. HOLCOMB, VICE PRESIDENT OF THE CONSERVATION COUNCIL OF VIRGINIA IN FAVOR OF H.R. 11120

My name is Carl J. Holcomb and I live in Blacksburg, Virginia. I am here today representing the Conservation Council of Virginia, Inc. as its vice-president. The Council is composed of 46 organizations in the Commonwealth concerned with the conservation of our natural resources and the protection of our environment. The combined membership of the individuals in the Council organizations is approximately 300,000 Virginians. I am here today to seek your support in favor of H.R. 11120.

The New River is one of the great rivers of the North American continent, not in size, but in its unique features and in its accomplishments. Imagine, if you will, the geologic forces and the eons of time required for it to carve its way across the Appalachian Mountains chain. Its waters, which one might suspect should have flowed into the Atlantic Ocean, empty into the Gulf of Mexico by way of the Ohio and Mississippi Rivers systems. My home sits almost on the divide between the Atlantic and the Gulf of Mexico and close to the New River itself and thus I am keenly aware of its many facets.

In carving its way across the mountains, the River has created gorges and canyons in number, magnitude, and sheer beauty unlike any other rivers in the east. In contrast to the ruggedness of the places where it flows through the gorges, it has created are the scenes of quiet rural beauty along the way.

Combined with this beauty is the fact that it remains one of the least polluted and contaminated streams of its size in the eastern United States. This is because few communities of any size are so located that they dump raw or partially treated sewage into it.

With this combination of ruggedness, quiet beauty and purity of its water, it has become a great recreational river. People stop along the vistas to see its boiling waters as it flows through the gorges. Canoeists use its white waters for their runs, as well as canoes and boats which glide along its quiet waters. Swimmers and fishermen can engage in their sport without fear of contracting disease. There is even some wild fowl hunting on its waters.

In short, the New is just the kind of a river for which the Congress provided protection in 1968 in the provisions of PL 90-542, the Wild and Scenic Rivers Act. You are now considering whether this great River should be studied to determine if it should be given a place of honor among the wild and scenic rivers of America already protected by the Act.

I can only say to you gentlemen that you have an opportunity in reporting out HB. 11120 to give the House an opportunity to vote, we hope favorably on the Bill. With the passage of S. 2439 by the Senate, we will have an opportunity to make a full scale study to determine what so many thousands of people already know, that it would be an outstanding gem in the System.

If I have seemed to be overenthusiastic and emotional in my description, may I say that I have been truly inspired by its sheer beauty, but even much more so by many usually inarticulate people who deeply love the River, who have sought their recreation and their contentment from it and who in their effort to put words to their feelings, have gushed forth with a flow of speech that can only be described as inspired. I wish I could adequately describe their feelings to you.

In conclusion, may I ask, for our Council and for the thousands of people who love and use the River in its natural state, that you give your approval to HB. 11120.

Thank you.

WPIX-TV RECEIVES AWARD FOR OUTSTANDING EDITORIALS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. KOCH. Mr. Speaker, it gives me great pleasure to announce to the House that WPIX-TV has received the award of the New York State Broadcasters Association for excellence in television editorializing. This is the fourth time in 5 years that WPIX has won the New York State Broadcasters Association "Outstanding Editorial" award. Each time, WPIX-TV has been recognized for editorials on topics of significant public interest. In 1971, WPIX received the Broadcasters Association's award for a series of editorials urging the appointment of a Puerto Rican to the New York State Parole Board; in 1973, WPIX received the award for five editorials concerning drug problems in New York State. This year, WPIX-TV was recognized for a series of editorials on the important subject of gun control. As a result of the WPIX editorials, State Senator Caesar Trunzo of Suffolk County has introduced a bill in the New York Legislature to control firearms use.

As a sponsor of gun control legislation in the House of Representatives, I commend WPIX for impressing its viewers with the importance of firearms regulation. I invite my colleagues to join with me in congratulating WPIX for winning the New York State Broadcasters Association's award for outstanding editorials. I am sure that WPIX's excellent editorials will continue to contribute to the public life of New York City for many years to come.

SOVIETS CAPITALIZE ON WEST'S WEAKNESSES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. FINDLEY. Mr. Speaker, a recent article by Victor Zorza carries an important warning to the nations of the Atlantic Community of Soviet intentions in Europe.

The Soviet strategy can best be countered by increased unity among the nations of NATO.

So that all may have the opportunity to read this telling and perceptive column, I am inserting it in the CONGRESSIONAL RECORD at this point:

MONITORING THE CRISIS OF THE WEST

(By Victor Zorza)

The Kremlin is telling the world's Communists that the "deepening crisis of capitalism" is presenting them with "unprecedented opportunities." Moscow is reminding them of "the further weakening of the positions of imperialism, and its growing political and economic instability." It lists all the symptoms—inflation, financial crises, the energy crisis, unemployment, "contradictions" between the United States, Europe and Japan.

This reminder, taken from a Pravda editorial, may be taken to reflect fairly accurately what the Kremlin is saying to the leaders of other Communist parties. The Pravda article was designed to urge the holding of a world Communist conference, which is resisted by several important parties. They fear that the Kremlin might use the conference to reassert its own leadership of the world Communist movement, and to limit their independence.

To overcome their resistance, the Kremlin has lately taken to stressing the increasing revolutionary potential in today's world. The Communists, it argues, could exploit this for their own ends only if they meet in conference to produce an agreed analysis of the situation, and to devise a plan for joint action.

Much of the argument between the Kremlin and the other parties is conducted in secret, but every now and again it comes to the surface in the party press, as it did in the Spanish Communist paper, Nuestra Bandera. Moscow's insistence that Communist policies should be collectively drafted and coordinated, the Spaniards argued, and that there should be organizational "unity" between them, represented a return to the idea of an international Communist "center."

The Kremlin rejects the accusation, but at the same time sends its top official in charge of relations with foreign Communist parties, Boris Ponomarev, to Paris and to Rome to argue it out with other party leaders. What he told them, as is evident from an article he published recently, was that a new conference was necessary to determine, by "collective" effort, "the line for united Communist action under the new conditions."

All the various crises afflicting the Western world, Ponomarev argues, are now, for the first time, "so closely intertwined in a single package, and spurring each other on so forcefully" as to produce an altogether new situation. It is no longer simply a "deepening" but "a definite qualitative shift in the development of the general crisis of capitalism." This is an allusion to the Marxist formula which says that, at a certain point, growth in quantity leads to a change in quality which in turn creates the conditions necessary for a "revolutionary leap."

The quantitative changes are carefully monitored by Moscow, much as a dying patient's temperature. The party journal, Kommunist, reports that in the last five years 225 million people took part in strikes in the developed capitalist countries, compared with 164 million in the preceding five years. Four million took part in the 1972 French general strike, 34 million in Italy's 1973 general strikes, 6 million in this year's strike in Japan. Wage demands, it explains, are one of the most important sources of "the revolutionary potential of the working class."

Pravda finds evidence of "growing possibilities" in the recent French election which gave the left almost half the popular vote, in the Italian referendum on divorce, and in the "first steps" of the revolution in Portugal. Ponomarev's discussion of the crisis of capitalism leads him to the conclusion that it was "the workers' movement in Britain which brought down the conservative government." Greece without the colonels and Spain without Franco, are only the most immediate candidates for further upheavals. There are many others.

But, except perhaps for the Marxist vocabulary, the Soviet descriptions of the "crisis of capitalism" differ little from the analyses of the impact of inflation produced by conservative figures in the West. While some Soviet leaders appear to welcome the opportunity for gain with which the instability of the West may present them, others are not so sure. "We are well aware," says Georgi Arbatov, head of the Soviet Institute of U.S. Studies, "that the crisis of bourgeois society may have various political results," that the crisis of the 1930s produced Roosevelt and the New Deal in the United States, and Hitler, Facism, and war in Germany.

Pravda notes that the "revolutionary upsurge" is paralleled by the reawakening of the "forces of reaction" not only in Chile, but in many other countries. Communist parties, it says, are faced once again "with the task of barring the road to the turbid wave of Fascism." Moscow urges them to agree to a world Communist conference, or a European conference in the first instance, to coordinate their plans for both offensive and defensive actions. But the acceptance of coordination implies the surrender of at least some degree of their independence—and some Communists suspect that Moscow is more interested in this than in the promise of revolution or the threat of Fascism.

A STATEMENT ON GLASS CONTAINERS

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. LANDGREBE. Mr. Speaker, I include a position paper from the Owens-

Illinois Co. entitled "A Statement of Glass Containers—The Environment and Other Life Quality Considerations," in the RECORD at this point. I especially draw the attention of my colleagues to the conclusion of the paper:

> In looking at the various "quality of life" considerations discussed in this paper, it would appear impossible to put together a set of legislative or regulatory controls to give proper balance ot all of these important factors. The interrelationship of all of these factors in our economy is so complex and in such a constant state of change that attempts to control them artificially by regulation can only result in severe dislocations to the economy.
>
> Our free enterprise economy, if allowed to function as designed, will make the proper adjustments to keep the system in balance. Attempting to control these diverse factors through edict, legislation, or executive fiat cannot help but further aggravate existing and potential imbalances, resulting in increasingly severe dislocations. It is impossible to conceive of creating a set of governmental controls that are capable of giving proper balance to all of the pertinent "quality of life" factors.

In recent years our country has been suffering a dearth of such thinking. I am glad that this company has taken the leadership in this matter. I urge my colleagues to consider the position paper well.

The paper follows:

A STATEMENT ON GLASS CONTAINERS—THE ENVIRONMENT AND OTHER LIFE QUALITY CONSIDERATIONS

INTRODUCTION

Although Owens-Illinois has been dealing with the environmental impacts of its manufacturing plants and products for a long time, our corporate policy on pollution was first formally published in 1966. This policy gave pollution control the same importance in our business operations as manufacturing efficiencies, safety, materials and labor costs, and other factors affecting the profitable growth of our Company.

This policy and past and present applications of it, has won for our Company a number of national awards—from both the private and public sectors.

Unfortunately, despite our sincere efforts to cope with our internal and external environmental problems, we have seen unique external considerations come to the forefront in recent years. Basically, these have been attempts to legislate bans, restrictive regulations, or other controls on the products which we manufacture—specifically in the packaging areas of our business.

As we have attempted to analyze and react to the external pressures impacting on our packaging business, we have concluded that they are not considerations that can be dealt with independently. Each has "quality of life" social and economic considerations which represent highly complex, interrelated, often mutually exclusive, sets of objectives with constantly changing priorities. Conversely, we have discovered that no one packaging product seems to satisfy all "quality of life" criteria. One logical hypothesis is that legislation which effectively removes or otherwise regulates products in the marketplace in response to one objective (e.g. air pollution) may actually be a detriment to another "quality of life" concern (e.g. energy). Automotive emission controls and their penalizing effect on gasoline mileage would be but one example of this relationship.

In response to "quality of life" considerations, we will attempt, in this paper, to position one of our packaging products, the glass container for soft drinks and beer, in terms of the environment or social concerns about—

A. energy
B. resource conservation
C. solid waste
D. litter
E. product safety and health
F. air and water pollution
G. economic and labor
H. changing life styles

Although not its primary purpose, this paper will also briefly treat the role of packaging in our society, only because the glass container is, and has been, a major factor in that industry for generations.

SPECIFICS

Energy

Currently, high priority is being placed on energy considerations, and rightly so. However, the energy/packaging relationship is only one of thousands of counter-balances which must be addressed in the energy area. One current approach to the energy situation focuses on the product resulting from the manufacturing process. The question of proper energy management must be examined with extreme caution.

The end-product approach implies that energy should be withheld from certain producers or services because of the items being manufactured, or services being offered. This involves value judgments on the part of governmental agencies or groups, without evaluation of consumer preferences and other important considerations. An end-product energy concept would regiment our economy by logically and legally requiring governmental evaluation of the energy requirements of the vast number of products and services produced by American industry. It is questionable that our country could endure this procedure, even if it were administratively possible. Who has the wisdom necessary to weigh the ultimate value to our society of the many goods and services demanded by the consuming public?

There is no question that our world has a finite supply of fossil fuels. Many studies have been performed to measure what share of this reservoir is being consumed by packaging. Although results of these studies vary, the general conclusion is that if a complete transition to a "returnable" packaging system for beer, soft drinks and milk were possible, and assuming extremely high return rates, the resulting savings in energy consumption have been estimated at less than 20/100 of one per cent. Later in this paper, we will deal with the negative impacts on the quality of life that would accompany such a change.

With these caveats in mind, how does the glass container compare to other packages on the consumption of BTU's? A well-known consulting firm, employed by Owens-Illinois, has conducted an exhaustive study which examined energy consumption beginning with the mining of raw materials and extending through the manufacturing, filling, distribution, consumption, and final disposal of the various beer and soft drink packaging systems. As an example, the soft drink comparison in the study shows the following:

12-OUNCE CAPACITY SOFT DRINK SYSTEMS

One million gallons of beverages produced and consumed (including bodies, tops, and associated packaging).

System	*Enegry Use (MM BTU's)*
Returnable glass (15 trips)	17,000
Steel-3-piece	45,100
Plasti-Shield TM	45,600
Plastic-coated glass	47,800
Steel-2-piece	49,700
All plastic	54,500
Nonreturnable glass	54,700
Aluminum	60,500

The preceding comparison shows how glass stacks up in a 12-ounce soft drink comparison. As larger bottles are used (16 oz., 32 oz., or 64 oz). glass uses less and less energy per million gallons of soft drink. This results primarily from the reduced number of closures required and less glass weight per ounce of capacity for a given volume of beverage packed.

A similar comparison for 12 oz. beer containers indicate an even more favorable energy consumption profile for the various glass container systems due largely to lower glass weight.

Another currently popular approach in attempting to analyze the energy situation has been to make various comparisons of products serve different human needs, such comparisons are extremely misleading from the "quality of life" or life style viewpoint. For example, the average American family purchases about 3,000,000 BTU's in the form of glass bottles each year. At average current gas rates, the cost of this energy is $3.10. This cost compares with other family expenditures for energy consuming items as follows:

Glass Containers	$3.10
Air Conditioner (2,000 KWH/yr.)	47.20
Electric Blanket (150 KWH/yr.)	3.54
Coffee Maker (100 KWH/yr.)	2.36
Frying Pan (240 KWH/yr.)	5.66
Hot Plate (100 KWH/yr.)	2.36

Such comparisons as this serve very little purpose, since a full evaluation of products value must consider much more than energy along.

RESOURCE CONSERVATION

Our Nation is being plagued with shortages of critical matters. Fossil fuels and feed stocks, chemicals, ferrous and non-ferrous metals are currently in short supply. These shortages compound our Nation's balance of payments problems. They also put us, in some cases, at the mercy of foreign interests and power groups.

Currently, the glass industry is suffering from a temporary shortage of soda ash used in the glassmaking process. Most of this difficulty has been created by soda ash production problems, rather than capacity problems. This shortage situation will correct itself in the months to come.

Substantial soda ash expansions are being constructed, or have been announced for Wyoming and Searles Lake, California. It has been estimated that Trona ore deposits in the State of Wyoming alone are sufficient to meet the current level of total soda ash demands for approximately 3,000 years.

The dominant raw material for glass, however, is sand. Sand is one of the world's most abundant resources. The glassmaking process converts sand to glass. The simple grinding of waste glass converts it back to a sand-like resource and, in turn, to glass again. The glass does not deteriorate or degrade at all in the process. We will never have to fear that the raw materials for this industry will be controlled from a supply or price standpoint by some foreign-based pressure group.

SOLID WASTE

As in the energy question, glass containers represent a small part of the solid waste problem. Treatment of municipal solid waste—garbage—is dwarfed by the much larger problem of mining and agricultural solid wastes.

Addressing the municipal solid waste problem alone, numerous studies indicate that all glass represents approximately 9 per cent of our garbage. About two-thirds, or 6 per cent, of this small percentage consists of glass containers, and only about 2 per cent of total municipal refuse consists of nonreturnable beer and soft drink bottles. In perspective then, legislation dealing with nonreturnable bottles addresses only a minute percentage of the municipal solid waste problem—which in itself is only a portion of the Nation's total solid waste considerations.

Owens-Illinois feels that the only logical solution to the total municipal solid waste problem is resource recovery. This should entail the recovery of energy from waste, as well as the recovery of ferrous and nonferrous metals, paper fibers, and glass. In locations where present economics and market conditions favor sanitary landfills, glass presents no problems because it is inert, nonbiodegradable, compacts, and cannot create air or water pollution through decomposition and leaching.

The extensive voluntary recycling efforts of the glass industry, pioneered by O-I, have given us several positive environmental benefits. One very important aspect of recycling is its impact on the use of soda ash. In recent months, soda ash has been in short supply. By increasing the use of waste glass cullet in the manufacturing process, glassmakers have reduced their need for soda ash, extending available supplies.

Voluntary recycling programs have also provided the opportunity to discover ways and means of using the larger quantities of waste glass from the myriad of municipal and regional resource recovery facilities which are coming on stream and will soon proliferate across our Nation.

The glass industry has been working in concert with private industries and local government on the development of municipal and regional resource recovery facilities in such locations as Franklin, Ohio; New Orleans; Westchester, New York; Lowell, Massachusetts; Detroit; Baltimore; San Diego; San Francisco; Toledo—and with the states of Connecticut, Massachusetts, Delaware, and New York.

LITTER

The problem of litter is an inexcusable disgrace to our Nation's highways and public recreation areas—both urban and rural. Studies indicate that glass containers represent about 6 per cent of highway litter. Of the total, about one-half consists of glass nonreturnable beer and soft drink containers, or approximately 3 per cent.

The person who throws away a beer or soft drink container in our opinion, does not make his decision based on whether or not that container carries a refund value. Rather, his choice is often based on the actions of other members of the group of people with whom he may be at the time. If their normal behavioral pattern includes the act of littering, he is apt to decide in favor of littering. This choice is made, rather than storing the empty package in his car, returning home with it, and then subsequently taking it to a retail outlet for redemption.

Studies have shown that market areas heavy in returnables are also similarly heavy in returnable package share of the highway litter count.

Much research has been done lately in regards to the sources of litter and the psychology of the litter. Research shows that litter comes from seven sources, not just the two—pedestrians and motorists—on which most litter-control programs have concentrated.

Surveys in 1971 and 1972 in 105 cities in 17 states comprising about half the Nation's population (including nine cities in New York State) showed that, combined, these five other sources account for a larger share of total litter than pedestrians and motorists. These five sources are:

1. Improper refuse putouts at commercial establishments and institutions. These conditions were prevalent at 35 per cent of the installations observed—creating litter that spread as far as six blocks from the points of origin.

2. Improper household refuse putouts. Found at 52 per cent of the locations surveyed and responsible for litter throughout entire neighborhoods.

3. Lack of containment at loading and unloading platforms. Half of these platforms at shopping centers, factories, warehouses and other locations had litter scattering and blowing onto adjacent properties and beyond.

4. Uncovered trucks. Dropoffs, spilloffs and flyoffs from trucks were responsible for between 15 and 20 per cent of the litter observed along roads they normally travel.

5. Lack of containment at construction projects. This situation, creating litter in all directions from the sites, was found at as many as seven out of ten projects in some cities.

There are tested techniques that can be applied to stem the flow from the seven sources in communities. They include modern Sanitation Codes, use of technology that makes it easier for people to dispose of litter properly, new educational devices, and streamlined enforcement methods.

PRODUCT SAFETY AND HEALTH

Increased attention is being focused on consumer health and safety as a high priority life quality consideration. The attributes of glass make it extremely useful in dealing with these issues.

With respect to consumer health objectives, the glass container for centuries has been the perfect package. The purity and inertness of glass have long been recognized as superior packaging characteristics. These attributes insure that the packer can deliver his product to consumers without contamination, adulteration or losses in flavor or nutrition due to the package.

Once in the hands of the consumer, the glass package with its reliable closure systems and resealability features, serves as a convenient and safe long-term receptacle for the product until it is finally consumed.

The transparency and clarity of glass enables the consumer to visually inspect the product prior to selection at the point of sale and prior to its ultimate use of consumption.

From the safety viewpoint, the glass container, as well as many other consumer products, is being examined by the Federal Consumer Product Safety Commission. Although glass packaging has not been singled out by the Product Safety Commission for regulation, the fact remains that glass can break—a fact that has long been well understood by consumers. The injury rating of glass containers in the Product Safety Commission's surveillance system (NEISS) is relatively low and about equal to that of cans. Nevertheless, Owens-Illinois and the glass container industry have in the past devoted, and are continuing to devote, significant effort and resources to determine ways to build glass containers with improved performance characteristics. These product safety improvements will continue to receive the highest priority attention.

Probably the greatest "plus" for glass containers in the areas of consumer health and safety rests with its longevity as a packaging medium.

Transmission, extraction, and migration problems are non-existent, and for all practical purposes glass is truly inert. Virtually all of the uncertainties and unknowns have been eliminated. Therefore, while additional improvements are being investigated in the area of glass performance, they are being developed under conditions of extensive experience rather than the uncharted, unpredictable environment or more exotic materials.

AIR AND WATER POLLUTION

Owens-Illinois has cooperated with state and federal environmental protection agencies in helping these bodies establish realistic and meaningful goals for glass manufacturing operations, in order to achieve optimum air and water pollution abatement levels. Much has already been accomplished in the development and implementation of new technology to achieve these goals. A great deal of human effort, as well as capital and operating expenditures, has been spent toward these environmental objectives. Much remains to be done—in terms of technology, manpower, and capital—to meet agreed-upon goals and compliance programs. A healthy industry made these achievements possible. Needless to say, it will take a healthy industry to meet the challenges in the future.

ECONOMICS AND LABOR

In recent years, the Nation has enjoyed a standard of living which by world standards constitutes affluence. Such has not always been the case. Per capita output in goods and services in 1900 was 25 per cent of what it is today; in 1929 it was only 50 per cent of today's per capita GNP. The concept of mandated source reduction—that is, the artificial limiting of production and jobs by fiat rather than free market checks and balances—is not consistent with the free enterprise foundation on which our Nation was conceived and through which it has grown and prospered.

The Executive Council of the AFL–CIO has gone on record with a major policy statement condemning this type of source reduction as being diametrically opposed to interests of the labor movement. Source reduction would induce high unemployment and severe economic and human dislocation.

Labor cannot conceive of a legislative course of action that would trade off well-paying, highly-skilled jobs for menial non-union, minimum wage, litter pick-up jobs to accommodate well-meaning environmentalists with conflicting sets of priorities and objectives.

CHANGING LIFE STYLES

Today, 45.8 per cent of American women are in the work force. Many of these working women fulfill the additional roles of wives, mothers, and homemakers. Convenience packaging has contributed in large measure to making freedom from household drudgery possible, and economically attainable. Packaging has increased the amount of discretionary leisure time available for recreational, social, cultural, educational and similar pursuits. The value of human labor and the need to continue to upgrade the quality of human labor are real social concerns which impact significantly on our national standard of living.

The best of all worlds, we believe, is the co-existence of returnable and nonreturnable packaging systems. Those persons who choose to return their containers will purchase returnables. Those who prefer not to return the containers will choose the nonreturnable package.

As a case in point, for years our Company had two large factories that manufactured principally glass returnable milk bottles. The glass milk bottle was an excellent package. It was designed to withstand the rigors of many trips to the consumer's doorstep. It was never littered and seldom found itself in the solid waste stream. The dairies and glass plants provided a perfect closed-loop recycling system. Glass broken at the dairy was returned to the glass plant to be remelted and transformed into new milk bottles.

But, the returnable glass milk bottle did not survive in the marketplace, largely because it no longer fit the life style of the American consumer and the growth of the modern supermarket retail system. It disappeared from the marketplace in a relatively few years and apparently has not been missed by the American consumer.

THE ROLE OF PACKAGING IN SOCIETY

In January of 1974, Arthur D. Little, Inc., published a comprehensive study entitled "Packaging in Perspective." This study was sponsored by an ad hoc committee of the packaging industry.

Glass containers are an integral part of this larger packaging/industrial complex.

The following excerpts from the Little report summarize the critical and highly complex functions performed by packaging in our society.

"But packaging is more than just the container. It is a system in which the product is the focal point. Packaging starts with the assembling of raw materials to manufacture a package and a product, and includes manufacture, packaging, unitization (the combining of a number of individual packages), distribution, breakup, and marketing. In this packaging chain, what influences one link can influence every other. And in this context, the total value of packaging when the costs of design, filling, plant operation, and other services are included, is estimated to be $35–$40 billion annually, or about 10 per cent of the value of all finished goods bought by the U.S. consumer each year.

"This dollar value, however, still does not reflect the entire economic value of packaging, for packaging is part of almost every element of U.S. industry today. Few products are distributed to the consumer without it. On a dollar basis, about 75 per cent of all finished goods purchased by the consumer is packaged. The package-making industry, with about one million workers, is considered the largest industrial employer in the United States and the third largest in sales value.

The packaging system today is inextricably interwoven in the matrix of our economy. It is present at all levels of operational activity—in industry, distribution, and the marketplace. Consumption of packaging correlates directly with a nation's standard of living, as measured by per capita income or the degree of industrialization. Packaging and mechanization have contributed to the phenomenal efficiency of agriculture in our country, where only 4.5 per cent of our population produces enough foods not only for our population of 220 million, but also for another 55 mililon to whom we export.

Every indication from the marketplace is that packaging will become more significant in the future. Packaging will change as new products develop to satisfy the demands of an ever-growing society. And in the future, products will change more rapidly. Packaging will be a critical factor in their marketing and distribution as attractive, functional, and convenient packages will be demanded.

Packaging will continue to have many roles and many functions. It will remain an essential system within the total system that brings more products to the American consumer at a cost he can afford, it will continue to be a complex, delicately balanced, self-correcting system that has operated and should operate on the basis of a free competitive market.

CONCLUSION

In the preceding discussion, we have briefly commented on the attributes of glass containers in respect to various environmental and social considerations. Because of its extreme adaptability, glass as a packaging material is able to satisfy successfully these varying sets of "quality of life" objectives.

For generations, glass has successfully proven itself as a packaging medium. It is continually being improved to fulfill an even more demanding role in this regard.

In looking at the various "quality of life" considerations discussed in this paper, it would appear impossible to put together a set of legislative or regulatory controls to give proper balance to all of these important factors. The interrelationship of all of these factors in our economy is so complex and in such a constant state of change that attempts to control them artificially by regulation can only result in severe dislocation to the economy.

Our free enterprise economy, if allowed to function as designed, will make the proper adjustments to keep the system in balance. Attempting to control these diverse factors through edict, legislation, or executive fiat cannot help but further aggravate existing and potential imbalances, resulting in increasingly severe dislocations. It is impossible to conceive of creating a set of governmental controls that are capable of giving proper balance to all of the pertinent "quality of "life" factors.

We have just witnessed the ineffectiveness of governmentally mandated controls during the two-year experience with wage and price controls. The complexity, interplay, and fluidity of the various "quality of life" considerations nullified any opportunity for the wage and price controls to succeed.

In fact, there is only one workable approach to these types of problems in our society—and that is to let our free economy, governed by the laws of supply and demand, determine the proper solutions. For example, in the area of energy, an increase in the price of fossil fuel will cause some energy-intensive products to cost the consumer more. He, in turn, casts his dollar votes between such trade-offs as convenience and cost. It is through this free market supply-and-demand mechanism that balances will be restored without the serious dislocations associated with artificially created, man-made controls.

In a like manner, scarce materials will begin to demand higher prices as dictated by the laws of supply and demand. Once again, the consumer will be faced with a selection of products competing for his dollar. His free choice will then determine both the most satisfactory set of purchases for each individual citizen and the allocation of scarce resources among alternative applications—with the dollar acting as the "common denominator" arbiter of the allocation program.

This free market interplay will in the end yield a far better solution, without the trauma that has historically accompanied mandated answers. This should not be interpreted to mean that in a free economy we do not need government participation in these areas.

The proper role of government is to anticipate problems before they occur and adopt policies that promote orderly solution; and, in emergencies, take action to prevent irreparable damage and hardship to protect the public's general welfare. However, the orderly solution can best be effected through private initiative directed by the free play of market forces.

Well-intentioned, but simplistic and ill-defined, restrictive legislation aimed at the regulation of beverage containers, or packaging in general, would seriously endanger the health of the glass container industry. It would be impossible to confine the adverse effects on the industry solely in the beer and soft drink areas. The trauma that would accompany such legislation would also seriously hamper the industry's ability to furnish glass containers for such other critical end-uses, as medicines, foods and other consumer products.

Since packaging performs a necessary function in our society, another packaging material would quickly emerge to replace any lost glass-packaging application. This could result in an increased demand for other materials already in short supply, or result in the use of materials without the proven track record of glass from a health standpoint.

We feel the wise course of action is to promote a healthy glass container industry which can improve its products, both nonreturnable and returnable, which will continue to meet the changing needs of society—rather than replacing the glass package with an unknown and potentially far more risky substitute package. Such a substitution could represent a gamble that would be ill-advised for our Nation.

PUBLIC LIBRARIES

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. LONG of Maryland. Mr. Speaker, America's public libraries have played a key role in the universal education of our citizens from kindergarten and elementary school through retirement years.

The Maryland Library Association has brought to my attention the impact which failure to fund libraries could have on our State and on the Nation, with particular reference to construction of new library facilities and remodeling of present facilities.

I recently submitted a statement to the Senate Appropriations Subcommittee on Labor, Health, Education, and Welfare outlining the pressing need for funding to carry on the public library construction program. I include that statement and urge that my colleagues consider our national library needs when the Labor-HEW appropriations bill is returned from conference:

STATEMENT OF REPRESENTATIVE CLARENCE D. LONG ON LABOR–HEW APPROPRIATIONS

Mr. Chairman, I thank the Subcommittee for the opportunity to comment on the need for including in the Labor-HEW Appropriations bill funds for the Public Library Construction Program.

The Maryland Library Association and the American Library Association have just recently brought to my attention the pressing need for funds to carry on the Public Library Construction Program, as authorized under Title II of the Library Services and Construction Act. This information was not available to me when the House of Representatives considered Labor-HEW Appropriations on June 27, 1974.

I regret to say that no funds have been included in the Labor-HEW Appropriations bill, now before the Subcommittee, to carry on the Public Library Construction Program. During the ten years that this program has been in existence it has provided vital stimulation to the states and communities by way of federal matching grants to help building libraries. It has resulted in the approval of over 2,000 public library buildings to serve some 60 million Americans. Approximately $174 million in Federal funds for public library construction, both new buildings and remodeling projects, has been matched by $457 million in State and local funds—that is $1 in Federal funds for every $2.55 in State and local money.

It is estimated that there is a need for over 1500 building projects throughout the country within the next five years, with 53 in the State of Maryland alone. According to the Assistant State Superintendent for Libraries, Miss Nettie B. Taylor, a grant of $610,600 is needed to move ahead on six projects in Fiscal Year 1975 which will generate $1,541,400 in state and local funds. Three of these would be extensions to existing facilities—the Annapolis Public Library, Catonsville Public Library, and Randallstown Public Library—the other three would be new buildings—at Twinbrook, East Silver Spring and Hillcrest.

Title II was not funded last year, not for lack of need, but because the impounded $15 million appropriated in Fiscal Year 1973 was soon to be released by court order. Consequently, the long-awaited funds were quickly matched and another backlog of construction and remodeling projects is building up.

Under Title I of the Library Services and Construction Act, the States are required to develop comprehensive five-year programs for meeting the needs of all their people for library and information services. Construction or remodeling projects are essential for completion of the programs drawn up by many of the States. There are State and local funds in hand or committed for many of the construction projects; all that is lacking is the matching support authorized by Title II.

Revenue sharing has not proved to be the answer to Maryland's public library construction needs. Of the 154 libraries eligible for such funds, only 7 have received revenue sharing dollars—$628,000 and only $126,000 of this for capital expenditures.

A $20 million appropriation for Title II would provide $380,059 to Maryland, a little more than half of what is needed to maintain the current matching program.

Thank you for your time and consideration, Mr. Chairman.

NEW WORLD ECONOMIC ORDER

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Ms. ABZUG. Mr. Speaker, I would like to call your attention to an article by Jesse Gordon that recently appeared in the July/August issue of the Humanist. Entitled, "New World Economic Order," the article sets out some of the basic principles outlined in the Declaration on the Establishment of a New International Economic Order passed by the United Nations at its special session.

The declaration itself is an attempt to remove many of the gross economic inequities which exist in the world. As this is an exceedingly important matter to all of us, I would like to share Mr. Gordon's article with you:

NEW WORLD ECONOMIC ORDER

(By Jesse Gordon)

A Declaration on the Establishment of a New International Economic Order and a Program of Action to carry it out was approved without vote by the UN General Assembly.

This momentous step, unprecedented in UN history, to build a world in which all mankind can share in the diminishing global resources, presages a direction toward a new social and international economic system.

The Sixth Special General Assembly session, requested by Algeria, began on April 9 and concluded on May 2.

Among the twenty principles for a new international economic order set forth in the Declaration are: sovereign equality of states; cooperation to end the disparities between rich and poor countries; the need to spur progress in the developing countries, and especially the poorest; the right of each country to its own economic and social system; and full sovereignty over natural resources, including the right of nationalization.

The Declaration says that all countries have the right to full compensation for colonialist exploitation and that transnational companies are to be regulated in the interests of host countries. It states that peoples under foreign domination have the right to liberation and control over their resources.

Other principles set forth include: aid to peoples struggling against foreign domination and racism; a fair balance between the prices of the developing countries' exports and imports; active aid to the developing countries by the international community, with no strings attached; help for the poorer countries through international monetary reform; making natural products more competitive with synthetics; and preferential treatment for the developing nations.

The Declaration calls for the transfer of financial resources and technology to the developing countries and an end to the waste of natural resources, notably food. The poorer countries, it says, must concentrate all their resources on development and strengthen cooperation among themselves on a preferential basis. The final principle favors a more active role for producers' associations in promoting international economic growth and speeding the develpment of the Third-World countries.

Among other provisions in the Declaration is one urging a more active role for the United Nations in setting up a new international economic order.

The Action Program spells out in considerable technical detail how the principles are to be applied. It also includes a twelve-month emergency program to enable poor countries most affected by soaring import costs to carry on. A Special Fund is to be set up to which industrialized countries and unspecified other potential donors are urged to contribute. A thirty-six-nation committee will work out details and report to the Economic and Social Council this July.

Provisions in the Declaration and Action Program to which free-market countries, mostly Western, objected included those on nationalization, which were seen as lacking compensation assurances. Criticism ranged over many other points, including links between export and import costs, producer cartels, freight and other subsidies, artificial support of commodity prices, and guaranteed markets for products from the developing countries.

Among those entering reservations was John Scali (United States), who said that the documents were politically significant but that a steamroller could not deal with complex problems and that emergency aid to the poorest countries, which the United States supported, was inadequately provided for. Walter Gehlhoff (Federal Republic of Germany) entered several reservations, but voiced the Common Market's support for emergency aid to the neediest states. Ivor Richard (United Kingdom), while recording a number of objections, thought the Assembly marked a turning point toward a new economic structure. Louis de Guiringaud (France) accompanied his reservations with an expression of general support for the decisions of the Assembly. Shizuo Saito (Japan) welcomed the Declaration but said he would have abstained on the Action Program—except for the provision regarding emergency aid—if it had been put to a vote.

Among others commenting on the session's results, Yakov A. Malik (Soviet Union) expressed support for the Assembly decisions, which he said would help remove the inequities that had resulted from colonialism and imperialism.

Huang Hua (China) said the Declaration and Action Program reflected "the earnest demands and just proposals of the Third World." Inequities, he said, should yield to justice.

Foreign Minister Abdelaziz Bouteflika of Algeria said that despite reservations of some delegations the Assembly had reached an unprecedented consensus with a real prospect for future cooperation. He stressed the key role played by the Third World and said the United Nations had emerged as the right instrument to deal with the great problems of the day.

Among the speakers from the Middle East, Jamshid Amouzegar (Iran) recalled his country's proposals for a new special-development fund to which it would contribute one billion dollars.

Among Latin American and African speakers there also was expressed the hope that the Assembly decision would help the less-developed nations toward "economic adulthood."

In a statement before ending the session, Assembly President Leopoldo Benites (Ecuador) said that the idea of "imperium," which had been abolished from political relations by the United Nations Charter, was now also ruled out of international economic relations. The full and sovereign rights of states to exploit their own natural resources had been established, he said, and "the depredatory forms of exploitation which have kept three-quarters of mankind in a state of hunger and disease, while the other quarter keeps increasing its already substantial profits, have come to an end."

In a press statement, Secretary-General Kurt Waldheim said that despite the reservations of some countries the Assembly decisions provided "a good beginning for a new and more equitable international economic system."

IHEU Congress, August 5–August 9, 1974, tentative KLM arrangements

Congress Tour A (East Africa), August 3–24:	
All-inclusive tour cost	$1,626.00
Single-room supplement	217.00
Visa fee	15.00
Congress Tour B (Moscow and Leningrad) August 3–19:	
All-inclusive tour cost	1,081.00
Single-room supplement	139.00
Visa fee	7.00
AEU Special Congress flight, August 1–15:	
New York/Amsterdam/New York	402.00
U.S. departure tax	3.00

Prices are based on today's fares and may have to be adjusted. For reservations, write to Jean Kotkin, AEU, 2 West 64 Street, New York, New York 10023.

INTERNATIONAL NEWS

As we go to press, we learn that the Quebec Court of Appeals has overruled the acquital of Henry Morgentaler, former president of the Canadian Humanist Association, on charges of performing illegal abortions. The case now goes to the Supreme Court.

BBC Radio in Great Britain did a special program reviewing *The Humanist Alternative: Some Definitions of Humanism* on the program "Book Talk."

According to the British Humanist Association, twenty-five members of the House of Commons are also members of the Humanist Parliamentary Group and nine members of the House of Lords are humanists. Five members of the HPG have been appointed to ministerial posts: Michael Foot, Joan Lestor, Frank Judd, Stan Orme, and Hugh Jenkins.

PRESERVING THE RIGHT OF PRIVACY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. ARCHER. Mr. Speaker, I have been very interested in the right of individual privacy versus the demands and regulations of the Federal Government. As a direct result of this concern, I have sponsored legislation which would repeal that part of the social security law allowing the establishment of Professional Standards Review Organizations. These PSRO's represent a threat to the confidential relationship between a physician and a patient. I have also cosponsored legislation which would limit the use of an individual's social security number. The social security number should be used only for necessary records or for those purposes directly related to the operation of the old-age, survivors, and disability insurance program. I would like to bring to the attention of my colleagues an interesting article regarding this problem. This article, entitled "Can a Doctor's Social Security Number Make Him Hostage to Big Brother?" by Dr. Lawrence B. Tilis, appeared in the July 1974 issue of Private Practice. The article follows:

Can a Doctor's Social Security Number Make Him Hostage to Big Brother?

Doctors don't need to wait until George Orwell's 1984 for the arrival of Big Brother. He's here, now in 1974. How do I know? Big Brother's calling card was recently dropped off at my office:

"To: Members of the Attending Staff.

"From: Arthur E. Liebert, Executive Director.

"The New York State Department of Social Services has instituted a new billing form for hospital services (Form No. DSS–2140). This form must be completed by the hospital and submitted to the Social Services Department in order that the hospital may receive payment for Medicaid patients.

"This form includes the requirement for a physician's number, specifically the attending physician's Social Security number. The hospital does not have access to this number, and therefore I request that you provide us with your Social Security number. A return card and envelope is enclosed for your convenience. I assure you that this number will not be utilized for any other purpose.

"Your cooperation is appreciated; and if you have any questions, please give me a call."

Mr. Liebert is the capable, experienced administrator of Rochester General Hospital, an institution that I have been associated with since 1959.

He has never shown any lust for power, and we on the Medical Staff know that he wants to run a good hospital and, in so doing, continue to have the good will and cooperation of the Medical Staff.

I was therefore not surprised when I spoke with him, and discovered that he had already discussed, with the Social Services Department, the possibility of using a number other than the Social Security number, i.e. a physician's taxpayer number, a number assigned to a physician as a member of the Hospital Staff, a Blue Shield identification number, or simply the physician's name, leaving it to the Social Services Department to do the numbering.

None of these suggestions were taken seriously, and it was obvious that the Social Services Department wanted to turn the hospital into a dependency of itself, at least for the purpose of collecting information based on a physician's number.

As a physician, I resent the idea that my patients and myself, as a result of administrative whim, should be turned into experimental creatures to be observed by a faceless bureaucracy whose imperfect information and erroneous interpretations might then be used, in a manner harmful to the patient and the physician, to achieve cost and other controls.

Remembering that the Social Security program was designed to provide old age retirement, I then turned to the local Social Security Administration office for advice and guidance. I had hoped that our government, in its desire to provide old age retirement, would also prevent the use of the Social Security numbers for odious purposes. I was sadly disappointed. The local director informed me that their policy was to neither encourage nor discourage the use of the Social Security number for identification purposes. They would only object to an illegal use and it was clear, from her interpretation of the regulations, that this use of the Social Security number was not illegal.

Of course, if a physician refused to give the number, the Social Security Administration would not provide it to anyone without his consent. At this point I thought perhaps I had overlooked some benefit of providing the Social Security number and, certainly not wishing to deprive any patients of any opportunity, I went to see Dr. Donald Stockdale, a pleasant, mild-mannered physician, who is a full-time employee of the State of New York Department of Health. He confirmed my worst fears and indicated that the purpose of this program was not to provide a case-by-case review, but to establish patterns and norms of care. These patterns and norms of care would be used as screens, and any physicians deviating from the patterns would be asked to explain his behavior. As I sat in his office, I felt despair. Here was a likeable and knowledgeable physician, who truly believed that the establishment of patterns and norms of care would cut costs and not endanger the patient or professional freedom. I remember the history of medicine, when from the 4th to the 12th centuries, all medical care in the Western world was rendered according to the Galen. No significant medical advancement occurred during this time, so awesome and so dangerous was it to take a road of care, different from Galen's.

The State of New York Department of Health Hospital memorandum emphasizes the bureaucracy's belief that pattern orientation is all important:

"This program incorporates: (a) requirements in federal Social Security Act Amendments of 1974 (P.L. 92–603) and is supplementing federal guidelines; (b) features currently applicable in the Medicare program; and (c) as the most significant element, adds a computer based, statistically oriented system for identification and follow-up of exceptional practices in hospital inpatient utilization. The latter is a highly sophisticated system which is unique to New York State. It has been in operation on a pilot basis (currently expanded to include hospitals in four Health regions) and from this experience has clearly demonstrated its potential as a tool in promoting proper utilization of inpatient hospital care."

I then returned to Mr. Liebert and found, naturally, that the hospital hopes all physicians will cooperate, Mr. Liebert is uncomfortable, although he does not say so, acting as an agent of the state, but, in order to protect the interest of the hospital, which will not be paid unless the form is complete with the physician's Social Security number, he must have the Social Security number. The hospital by-laws do not now permit the administration to force disclosure, but proposed changes will allow removal of a physician's privileges for obstructing the administrative work of the hospital.

The implications of the Social Security number were now apparent. It was an attempt to deny doctors professional freedom and to enslave treatment to computerized norms and patterns. Thus a patient care that was more expensive but also of higher quality, would be forced to adhere to a mediocre cost norm. Thus the guideline for doctors will not be what treatment is in the best interest of the patient, but which will fit the computer's pattern of what the treatment should be. Presumably in the future, cost specialists will ask to let the patient die or help him to die so that the computer and its attendants won't become upset by a patient's illness that differs from the norm or a physician who decides on a pattern of care that deviates from the standard.

It is well to remember that Big Brother's arrival was attended by his family. There are many Little Brothers, Cousins, Aunts, and Shirt-Tail Relatives, only too willing to help. Medical organizations are supporting review organizations, and individual physicians are talking about those other guys who are practicing medicine badly. These physicians regard themselves as the norm, and everybody else as outside the norm, and therefore inferior.

When I first entered the practice of medicine, it was a proud and noble profession. Today, because many physicians refuse to stand up for their calling and because some want to sell it down the river, medicine is in danger of being transformed into a hack's non-profession.

Various levels of government are now canvassing the profession to find those willing to promote a hack approach to the practice of medicine.

This struggle we are engaged in is moral rather than economic. Big Brother is amoral, and we would be tragically failing in our duty to our patients and ourselves if we do not oppose him with all our being.

COST CUTS THE MILITARY LIKES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. TEAGUE. Mr. Speaker, an article that appears in the August 5, 1974, U.S. News & World Report, by Col. William C. Moore, U.S. Air Force, retired, discusses some of the important aspects of our defense budget. Colonel Moore points out that the Department of Defense is "beating fat into swords." This difficult task is being achieved by effective leadership in that Department and by a careful guidance by Congress.

The article follows:

COST CUTS THE MILITARY LIKES

(By Col. William C. Moore, U.S. Air Force, retired)

Every few years the military services come under intense pressure to reduce the number of people assigned to noncombat jobs—such as overswollen headquarters. The result: across-the-board slashes of these "soft areas," which cause resentment among military men. They deplore the meat-ax approach.

Now, Secretary of Defense James Schlesinger is taking his turn with the ax. In fact, he has speeded up the process to reduce overhead. But instead of resentment he is getting enthusiastic co-operation from the military services.

Why? Because he has assured the service chiefs that any savings made in non-combat-support areas can be used to increase fighting muscle. "Let's beat the fat into swords," he challenged them.

In effect, Mr. Schlesinger has replaced the meat ax with a carrot which gives the services a welcome incentive to reduce overhead. Three related achievements are expected to result:

1. American military manpower will be reduced.

This is extremely important, because the cost of paying and housing personnel has become so enormous that too little money is left for other defense needs.

One example: Manpower costs in the Air Force for the year that started July 1 will be 3 billion dollars more than in 1968. Yet the number of personnel has dropped nearly 350,000.

2. Headquarters and support organizations are expected to be leaner, more oriented toward the combat mission, and streamlined so that they can cope with fast-breaking national-security crises. Hopefully, the command-and-control shortcomings experienced during the *Pueblo* incident off Korea and the Vietnam War will be eliminated.

3. Combat capability will be increased. This is the biggest gain for taxpayers, who will get more security for their defense dollars.

What are the visible results to date?

In less than one year, Mr. Schlesinger's team of experts—"Headquarters Review" is their official title—has identified 14,500 jobs in military headquarters alone that can be eliminated.

This compares with a 20,000-man reduction during the preceding four years.

Secretary Schlesinger contributed to the 14,500 total by reducing his staff, including the office of the Joint Chiefs of Staff, by 15 per cent.

The bulk of the remaining 14,500 has come from the Pentagon staffs of the military services and their major subordinate headquarters in the field.

There is more to come. Still under review are the JCS unified commands, with headquarters throughout the world, and the triservice defense agencies, such as the gigantic Defense Supply Agency with headquarters in Washington, D.C. These agencies—11 in number—and the unified commands are expected to cough up considerable savings in manpower.

Meanwhile, Secretary of the Army Howard Callaway and Gen. Creighton Abrams, Chief of Staff of the Army, are proceeding at full speed to streamline the Army. In a decision that caught many by surprise, they have decided to eliminate six Army commands.

More surprisingly, three of these are component commands responsible for Army activities in the JCS unified commands. These are: U.S. Army, Pacific, with headquarters at Fort Shafter, Hawaii; U.S. Army, Alaska, Fort Richardson; and U.S. Army Forces, Southern Command, Fort Amador, Panama Canal Zone.

Elimination of these prestigious Army commands—all closely linked to the unified commands—portends that future reductions in the JCS commands could be substantial.

What does this all mean? First, it means more military muscle. Second, it means a streamlined defense structure, better managed, more efficient, more responsive than the existing top-heavy Department of Defense.

The increase in muscle is already visible. General Abrams has stated he will divert manpower, funds and material saved in soft areas to increase the Army's fighting capability by the equivalent of three divisions.

As a first step toward this long-range goal, three new brigades have been activated. Soon men and material will be pouring into these units.

The Air Force will use its savings to retain in the fighting force three tactical-airlift squadrons, one EC-121 reconnaissance squadron, and one F-106 interceptor squadron. The Air Force also intends to increase the crew ratio assigned to strategic-airlift aircraft—C-5s and C-141s which played such an important role in the Mideast war.

The objective is a 25 per cent increase in the number of hours that these aircraft can be used during crises.

The need for this "surge capability" is one of the lessons learned during the October Mideast war.

The Navy intends to put the majority of its savings into improving the fighting strength of the fleets. As one example, it is going to stop spending time and effort on the mothball fleet and other marginal capabilities, and use the savings to build new ships and bring active ships up to full complement.

It is safe to say, at this point, that the incentive of exchanging fat for combat capability has resulted in the most sincere, constructive effort ever undertaken to streamline all echelons of the Department of Defense, and to "beat fat into swords."

SENATOR WAYNE MORSE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. MOAKLEY. Mr. Speaker, I share with my colleagues the profound sorrow that accompanies the death of a true individual. We mourn together the passing of Senator Wayne Morse of Oregon, possibly the most courageous man ever to occupy a seat in the Senate.

The Senator's life exemplifies that of an individual dedicated only to his moral sense of virtue and propriety. Raised in the populist tradition, Mr. Morse became renowned for his overpowering logic and inexhaustible ability of tireless speech.

Receiving his undergraduate degree from the University of Wisconsin and law degrees from the University of Minnesota and Columbia University, Senator Morse went on to the University of Oregon as an assistant professor of law and 2 years later, at the age of 31, became the youngest law school dean in the country.

In 1942, some 11 years after assuming the administrative post, Franklin Roosevelt asked Mr. Morse—already a well-known figure for his dauntless frankness and honesty—to represent the public on the War Labor Board. The dynamic future Senator resigned this post, however, when he viewed as excessive the concessions made by the Government to John L. Lewis of the United Mine Workers.

Senator Morse, who liked to refer to himself as the "one true liberal" is perhaps best known for his Independent Party. Reelected to the Senate for a second term as a Republican in 1950, the Senator subsequently decided to support the Democratic nominee for President, Gov. Adlai E. Stevenson. In Mr. Morse's word, "a free man is a man who is free to do what he knows is right." Deciding that in remaining a member of the Republican Party he would restrict his freedom to act as an individual, the Senator chose to become an independent and subsequently joined the one-member Independent Party. "Someday," he claimed, "my new party will come to fruition and we will have a party of truly independent-minded men."

The Republicans saw no reason to return to their renegade colleague his coveted seats on the Armed Services and Labor Committees. Senator Morse decided to fight for what he believed were his rightful positions on the two committees. Inasmuch as the Democrats, the minority party at the time, had few enough seats to distribute to its loyal and tenured Members and therein refused to offer the Independent Senator one of their positions, and inasmuch as the Republicans offered Senator Morse seats on the relatively unpopular Public Works and District of Columbia Committees, the Senator decided to take his plea to the full Senate instead of relying on the political whims of the two major parties.

Only six colleagues, however, stood with Mr. Morse on his appeal for his old seats. Similarly, the Senator's attempt to increase membership on the Armed Services and Labor Committees failed. "If three or four Senators," decried Mr. Morse, "went along with me, we would be a movement, we would be formidable, we would have the balance of power in the Senate." The fighting legislator, who referred to his committee predicament as "garbage can disposal," brought a folding chair to the Senate floor at one point, claiming that since the parties would not give him a seat, he would bring his own. Forced to conduct his "committee" business after regular Senate business was over for the day, the Senator became affectionately known as the "Five O'Clock Shadow."

Incredibly enough, Senator Morse not only accepted the seat on the District Committee, but he became a firm supporter of measures beneficial to the District, so much so in fact that he refused to give up his seat on the committee even when eventually offered positions on more prestigious committees. Among legislation that he proposed in the District Committee was a bill which subsequently became law—that provided free hot lunches to 7,500 poor Washington schoolchildren; a proposal which provided a wage floor for most District workers; a measure establishing the Federal City College and the Washington Technical Institute; numerous bills to stifle corruption in the city hall; bills to tighten the followup procedure in traffic violations; a $100 million proposal to construct a sewage treatment plant that would clean up the Potomac River; and a measure providing for a schoolbus fare subsidy. Even such minor matters as a traffic light at the corner of Virginia and Constitution were important to the Senator and worth fighting for. Summing up the Senator's contributions, former President Lyndon Johnson doubted that anyone had done more than Senator Morse to "help make the District a decent place to live."

Senator Morse was also outspoken about general senatorial matters. After having survived a 79 to 11 senatorial fight led by Senator Morse to stop her appointment as ambassador to Brazil, Claire Booth Luce commented that her difficulties began when the Oregon legislator was kicked in the head by a horse. Senator Morse subsequently went on the Senate floor and stated that Mrs. Luce's statement proved her basic instability. Three days later, she resigned.

Though Senator Morse prided himself on his willingness to attack anyone in the wrong, including fellow members of the Oregon delegation and newsmen who had the exciting and arduous task of covering his various activities, he was at heart a very personable family man. His good friends noted that the Senator was happiest on his farm. At one time the Morse family hosted horses, cattle, sheep, hogs, chickens, and dogs. His horses, though, were his pride and joy. Riding roadsters, a type of harness horse or show animal in the gentleman's driving class, Senator Morse won 25 trophies and 10 championships, all with horses that he had raised himself.

The Senator finally left his Independent Party and joined the Democrats in 1955. In one of his greatest personal triumphs, Senator Morse in 1956 defeated President Eisenhower's Secretary of the Interior, Douglas McKay, who had returned to Oregon especially to keep the maverick Morse from being reelected.

Senator Morse did ultimately lose in his bid for reelection in 1968, largely due to his 1964 vote on the Gulf of Tonkin resolution. Casting one of the two negative votes in the Senate, the legislator thus embarked on a campaign against the war in Indochina. "Once you put expediency above principle," commented Mr. Morse, "there is no principle left." So from 1964 until 1972, Morse traveled around the country speaking out against our participation in the Vietnamese war.

One sees in all then, the life of an emotional individual, a man of integrity, of dedication and of respect. To achieve a point which he thought to be in the best interests of this Nation's people, Senator Morse would allow his own personal welfare and interest to wait while he concentrated on the issue at hand. Indeed, here was an individual by definition, a figure who according to Webster, refuses to conform to his group. Senator Morse believed that he would be vindicated in the future, though at the time have appeared mistaken to others. Once again in the words of Daniel Webster:

> It is my living sentiment, and by the blessing of God it shall be my dying sentiment—Independence now and Independence forever.

In mourning Senator Morse's death, then, we are at the same time inspired to continue the admirable and courageous tradition of independence and vitality so well embodied in this man. I join with my colleagues in expressing my sincere condolences to his lovely wife Mildred; his daughters, Nancy, Judith and Amy; his six grandchildren; his two brothers and his sister.

Though we shall miss him, let us be guided by this man, individual and image—Senator Wayne Morse.

H.R. 69 PROVIDES FAR-REACHING BENEFITS TO THE HANDICAPPED

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. QUIE. Mr. Speaker, tomorrow the House will consider the conference report on H.R. 69. While this legislation contains many far-reaching titles and programs covering elementary, secondary, adult, bilingual, Indian education, reading, and impact aid, it also represents the culmination of 2 years of intensive work in another vital area; namely, the education of handicapped children. Educational practice which has effectively resulted in the exclusion of over 50 percent of our school-aged handicapped children from an appropriate program in the public school systems is finally being turned around. In order to meet the pressing financial crunch in local communities resulting from the ever-accelerating pace of both court orders and State legislation mandating the education of all handicapped children, the legislation alters the formula of title VI–B, education of the handicapped, aid to the States, by providing funding based upon the number of all children within a State between the ages of 3 and 21 in the most recent year for which the satisfactory data is available, multiplied by $8.75. A full appropriation would make available $630 million for fiscal 1975.

Beyond that, this legislation enhances the State plan requirement for the education of handicapped children which is submitted to the Commissioner of Education by ordering the States to submit a detailed blueprint demonstrating how they will identify, evaluate, and serve all of the handicapped children within their jurisdiction. Moreover, vital, long overdue guarantees are mandated in the same State plan:

Provision that priority in the use of title VI–B funds go to children not now receiving an education program;

Provision of specific due process guarantees for the children served and their parents in all matters relevant to identification, evaluation, and placement;

Prohibition against the classification of children to promote racial or cultural discrimination; and

Provision that all handicapped children be educated in the least restrictive environment.

The bill also establishes provisions to assist States that are moving toward deinstitutionalization of handicapped children but are not required to do so by the legislation. Where States are attempting to move children from institutions back to their homes or facilities closer to their homes, the money formerly provided for their educational programs while they were in institutions will now be allowed to follow them to the local program. I sponsored the amendment which will permit States, for the purposes of determining its allotment under the so-called "89–313 program"—Public Law 89–313—to continue to count the children who leave the institutions supported by the State and enter educational programs which are the responsibility of the local school districts. The provision adopted by the conference assures that the money generated under this provision would go to the local school district providing the special education program.

The conferees also changed the amount of money a State would receive in the future under the 89–313 formula from 50 percent of the average per pupil expenditure in the State to 40 percent. So that no State would be penalized, the conference agreed to a hold-harmless provision which provides that a State will not receive less than it received in the last fiscal year.

Finally, the conference accepted a concept that I have long been concerned about, that is, it is generally more expensive to provide educational programs for the handicapped than it is for the "normal" student. In this regard I offered an amendment which was adopted by the conference which will allow school systems receiving impact aid money to count a handicapped child as one and a half for the purposes of eligibility. Because of my concern that handicapped children received the best educational program possible, in addition to allowing school districts to count children at a higher rate, the legislation also requires that they provide programs for handicapped children which are of sufficient size, scope, and quality which show promise of substantial progress of meeting the unique needs of handicapped children.

In my judgment H.R. 69 is truly landmark legislation and will provide benefits which will not only assist the handicapped but all Americans as well.

A NEW CONCEPT IN MASS TRANSPORTATION

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. RONCALLO of New York. Mr. Speaker, I am pleased to inform my colleagues that I have today introduced H.R. 16173 with the cosponsorship of Mr. GROVER, Mr. BIAGGI and Mr. ADDABBO, which would authorize a radically new and different concept in meeting the mass transportation needs of our urban areas.

The bill would permit the Secretary of the Navy to transfer two surplus aircraft carriers, the U.S.S. *Essex* and the U.S.S. *Randolph*, or other carriers which are obsolete and no longer needed by the Navy, to the city of New York for use as an intermodal transportation center.

The basis for the center lies in the linkage of these two carriers to form a landing strip for short takeoff and landing, STOL, airplanes at a pier on the Hudson River, thereby opening up downtown Manhattan for the first time to commuter and other commercial air traffic.

Carrier Air Park, Inc., a not-for-profit corporation based in my congressional district, originated the project and will administer it for the city of New York. In addition to the air service, providing Long Island commuters with 10-minute $5 flights to Manhattan, Carrier Air Park will initiate a computerized system of jitney buses on Long Island and in New York City to furnish door-to-door transportation for the commuter. This is a major step in eliminating the need for thousands of trips via private automobile, thereby resulting in tremendous savings of energy and reduction of pollution. The system will also be used for the transportation of mail, financial papers and small freight, thus facilitating the conduct of business.

In a letter to me regarding the project, Robert H. Stanton, Eastern Region Director of the Federal Aviation Administration, called the proposal unique and innovative and noted that it could serve as a model for other areas of the country. He concludes that the project is—

> Not only technically feasible, but vitally needed in the development of quiet short-haul aviation for the New York metropolitan area.

I will include the full text of Mr. Stanton's letter at the close of these remarks.

Canada presently has a working STOL system and has experienced enormous economic success. The installation of Carrier Air Park service will open our entire Northeast corridor for job intermingling, economic and rapid freight transfer, and vastly increased mobility for its residents. It is the only efficient way of bringing the suburbs to the city of New York for the enhancement of both areas.

Long Island residents will benefit in a multitude of ways; not only from the establishment of a new transportation industry with attendant jobs and incomes, but by drastically reducing freight costs and providing inexpensive access to Manhattan for business and pleasure.

The development of this intermodal transportation network has been a unique model of intergovernmental cooperation, including strong participation by the surrounding community, the New York City administration, and the highest levels of several Federal departments and agencies. I am honored to introduce legislation enabling this project to become a reality and urge the support of all my colleagues for this badly needed mass transit program.

The letter of support from the FAA follows:

FEDERAL AVIATION ADMINISTRATION,
JAMAICA, N.Y., *November 13, 1974.*
Hon. ANGELO D. RONCALLO,
House of Representatives,
Washington, D.C.

DEAR MR. RONCALLO: Thank you for your letter of November 7, 1973, regarding Mr. John Kelly's project (Carrier Air Park, Inc.) to establish a STOLport in Manhattan by utilizing two surplus U.S. Navy aircraft carriers.

As to feasibility, we believe that this proposal is unique, innovative, and may very well serve as a model project for other areas of the nation. We have long considered that air access to the inner city is the key to future short-haul systems within the northeast corridor. The location of this facility should provide both another transportation dimension to the City of New York because of the intermodal transportation aspects, and a measure of air traveller congestion relief which will allow passengers and cargo to arrive and depart much closer to their points of origin and destination.

The growth of aviation during the next decade will be severely constrained unless airports and communities exist with mutual understanding and cooperation. In the case of Carrier Air Park, a unique partnership has been established between the community and the aviation facility. The FAA believes this community involvement, combined with the need for such a facility by the travelling public, will set a nationwide standard for development of the total aviation system. In terms of safety we shall insure that the airmen and aircraft are properly certificated, and that all flight operations will be conducted in the safest possible manner and in accordance with approved FAA standards and regulations.

The FAA and the aviation industry are deeply interested in improving and further developing a safe, economically sound, quiet short-haul aviation system in the United States. The Civil Aeronautics Board northeast corridor investigation, and the American and Eastern Airlines' STOL demonstrations have clearly shown industrywide interest. The FAA has created a special office (Quiet Short-haul Air Transportation System Office) in its Washington headquarters to foster the concept, and more recently the agency identified shorter runway airports that could best serve this market. Additionally, the FAA conducted engineering and development tests at the National Aviation Facilities Experimental Center (NAFEC), Atlantic City, New Jersey, which included utilization of the present state-of-the-art STOL aircraft, the DHC–6 deHavilland Twin Otter.

A major step in furthering development of the quiet short-haul aviation system was the recent announcement by the Canadian Department of Transportation that the deHavilland Company of Canada has been granted approval to proceed with the production and certification of the DHC–7, a four-engine turbopowered STOL aircraft that is quieter than the DHC–6 and has more than twice the carrying capacity. The Boeing Company will cooperate with deHavilland in a worldwide sales program. It is planned that services using this aircraft will commence by 1976.

The significance of the STOLport to the area and to short-haul air transportation lies in its extreme value in that it would utilize an unused city pier (one of the newest and in excellent condition), produce revenue for the City of New York, and provide employment for local people. It would upgrade and revitalize the area with the attendant sense of pride that a new, unique facility would foster. It would be the first central business district STOLport in the United States, and would add immeasurably to the image of New York as a transportation leader.

The advent of the proposed new convention center a few blocks away would be another plus factor in having STOL operations close by. STOL access would be of great assistance to convention center personnel in their efforts to attract conventions.

The FAA support of this project involves Engineering and Development funding. Conversations with our Quiet Short-Haul Transportation office in Washington indicates strong interest in funding for two Micro-Wave Landing Systems and possible Arresting Gear Systems (already in place on the two carriers). As a private sponsor Mr. Kelly is not eligible for Airport Development Aid Program (ADAP) funding.

The FAA contracted for an engineering feasibility study of Mr. Kelly's proposal, and a copy of our Washington office findings, dated July 25, 1973, is enclosed for your information.

In summary, we believe the project to be not only technically feasible, but vitally needed in the development of quiet short-haul aviation for the New York metropolitan area.

If you desire any additional information on this matter, please contact this office.

Sincerely,
ROBERT H. STANTON,
Director.

ESEA EXTENSION BILL'S PROVISION ON WOMEN'S EDUCATIONAL EQUITY

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mrs. MINK. Mr. Speaker, I am pleased to advise this House that the provisions of my bill, H.R. 208, known as the Women's Educational Equity Act, which I first introduced in the 92d Congress has been included in title IV of H.R. 69 which is the ESEA extension bill recently reported by the conference committee of which I was a conferee.

Under this program $30 million in Federal funds will be made available annually for 3 years beginning July 1, 1975, for projects and activities such as the development of nonsexist curriculum materials and nonsexist tests, new and improved career and vocational counseling techniques, women's studies centers, community education programs, and increasing opportunities for adult women including continuing education for underemployed and unemployed women.

Private, nonprofit organizations, public agencies, and individuals will compete for grants which would be awarded by the Commissioner of Education on the advice and recommendation of a newly created Advisory Council on Women's Educational Programs.

During the 4 years of its life, my bill enjoyed the widespread and active support of numerous nationally known and respected women's groups and education associations, much of which could be attributed to the diligent and able work of Ms. Arlene Horowitz, a former Education and Labor Committee employee and activist in the women's movement. As the moving force behind the genesis of this bill, Ms. Horowitz was instrumental in initiating the impetus for its consideration; her assistance was immeasurable and a large part of the success of this bill belongs to her. I am proud to have had her assistance in guiding this bill through the Congress.

When textbooks discriminate against women, when we find that female-headed households have a lower average income than those headed by males, and when girls and women continue to be channeled into so-called female occupations, we find that many times these are but indications of the failings of our society which are reflected in the education system. The inclusion of this new women's program is in response to the urgent need to use the educational resources of our country to help solve the almost unconscious sexist instruction which our children have received for generations and which serve to promote the status quo attitudes prevalent in our society which stereotype our children and make a farce of our Nation's commitment to equality.

This new program will help develop new or alternative methods to help yield educational equity for men and women, both. Textbooks, especially those still used in elementary schools, continue to blatantly discriminate against girls and women. Hopefully with Federal assistance provided under this bill, we will be able to rid our educational system of this sexist tool of instructional methodology.

This new program will seek to develop a new standard of measurement which will be broad enough to accept women on the same basis as it judges men. I hope that all of the Members of this body will join me in welcoming this new Federal program and help us to receive these needed funds which this bill now authorizes.

THE 1974 CAPTIVE NATIONS WEEK DÉTENTE WITH A VOICE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. DERWINSKI. Mr. Speaker, the 1974 Captive Nations Week observances throughout the country and abroad demonstrated that détente is not without a voice. In his own proclamation the President clearly stated:

> We do not seek to impose our beliefs upon others, but we do not hide our sympathies toward the desires of those who, like us, cherish liberty and self-determination.

Unmistably, the desires of all the captive nations and peoples—in central Europe, within the U.S.S.R., in Asia, and in Cuba—is to rid themselves of their Communist captors and all traces of foreign domination. Their aspirations for national independence, freedom and liberty are clearly what we are sympathetic with and should further in every way possible. One of the major criticisms leveled by the National Captive Nations Committee and its chairman, Dr. Leo E. Dobransky of Georgetown, against détente is that it has been pursued without a voice concerning the plight of the captive nations. In a notable measure, the 1974 Captive Nations Week has raised this voice, which should be sustained throughout the whole course of détente.

Fitting expressions of this voice are seen, in part, in the numerous official proclamations of the week. For the interest of our Members and citizens I include here the following proclamations: That of President Richard Nixon and those of Gov. Kenneth M. Curtis of Maine, Gov. Robert B. Docking of Kansas, Mayor Ralph J. Perk of Cleveland, Mayor Richard H. Marriott of Sacramento, Mayor Norman Y. Minets of San Jose, Calif., and Mayor Bartholomew F. Guida of New Haven, Conn.

CAPTIVE NATIONS WEEK, 1974

By the President of the United States of America

A PROCLAMATION

Consistent with the principles upon which this Nation was founded, we believe that democratic liberties are among the basic human rights to which all men are entitled. We do not seek to impose our beliefs upon others, but we do not hide our sympathies towards the desires of those who, like us, cherish liberty and self-determination. In support of this sentiment, the Eighty-Sixth Congress on July 17, 1959, by a joint resolution, authorized and requested the President to proclaim the third week in July in each year as Captive Nations Week.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 14, 1974, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge rededication to the cherished ideal of freedom for all.

In witness whereof, I have hereunto set my hand this twelfth day of July, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-ninth.

RICHARD NIXON.

STATE OF MAINE PROCLAMATION

Whereas, Captive Nations Week provides Americans with the opportunity to show their concern for the plight of 100 million East and Central Europeans living under Communist rule; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples for freedom and independence;

Now, therefore, I, Kenneth M. Curtis, Governor of the State of Maine, do hereby proclaim the week of July 14–20, 1974, as Captive Nations Week in the State of Maine and call upon the citizens of Maine to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Given at the office of the Governor at Augusta, and sealed with the Great Seal of the State of Maine, this Second Day of July, in the Year of Our Lord, One Thousand Nine Hundred and Seventy-four, and of the Independence of the United States of America, the One Hundred and Ninety-eighth.

By the Governor.

KENNETH M. CURTIS.

PROCLAMATION BY THE GOVERNOR

To the People of Kansas, Greetings:

Whereas, Captive Nations Week was inaugurated in 1959 by a Joint Resolution of the United States Congress; and

Whereas, each year, Captive Nations Week has provided a fitting opportunity for the American people to show their solidity with their captive brethren in East and Central Europe; and

Whereas, twenty-nine years ago, the war in Europe came to an end, but the hopes and expectations that came in the wake of the hard-won victory over the Nazi military machine have yet to be realized, and for the millions of people in Eastern Europe Nazi domination, as well as the USSR, Asia and Cuba have been replaced by Communist rule:

Now, therefore, I, Robert B. Docking, Governor of the State of Kansas, do hereby proclaim the week of July 14th through July 20, 1974, as Captive Nations Week in Kansas, and urge all people of the free world to support the aspirations of the people of East-Central Europe, USSR, Asia and Cuba to freedom.

Done At the Capital in Topeka Under the Great Seal of the State this 21st day of June, A.D., 1974.

By the Governor:

ROBERT B. DOCKING.

PROCLAMATION DESIGNATING JULY 14–20, 1974, AS "CAPTIVE NATIONS WEEK IN CLEVELAND"

The cause of human rights and personal dignity remains a universal aspiration. Yet, in much of the world, the struggle for freedom and independence continues. It is appropriate, therefore, that we who value our own precious heritage should manifest our understanding for those to whom these benefits are denied.

In support of this sentiment, the United States Congress, by Joint Resolution, authorized and requested the President to proclaim the third week of July in each year as Captive Nations Week.

As previously, Captive Nations Week in Cleveland is commemorated under the auspices of the American Nationalities Movement of Ohio.

It is vital to the national security of the United States and other free nations of the world that the desire for liberty and independence on the part of the people of all conquered nations should be steadfastly kept alive.

Now, therefore, I, Ralph J. Perk, Mayor of the City of Cleveland, do hereby proclaim July 14–20, 1974, as "Captive Nations Week in Cleveland," and urge all citizens to support this 15th annual recognition of the interest and purpose of the Communist dominated and oppressed peoples of the world to regain their freedom.

It witness whereof, I have hereunto set my hand and caused the Corporate Seal of the City of Cleveland to be affixed this 15th day of July, 1974.

RALPH J. PERK,
Mayor.

PROCLAMATION: ISSUED BY THE MAYOR, CITY OF SACRAMENTO—CAPTIVE NATIONS WEEK

Whereas, in the midst of the general well-being enjoyed throughout the free world, it gives us pause to consider that not all of the earth's population is free to think, to worship, to speak as it may please any individual, and

Whereas, in that spirit of reflection, let us again renew the cry that those populating the captive nations must enjoy those same freedoms taken for granted by so many of us;

Now, therefore, I, Richard H. Marriott, Mayor of the City of Sacramento, do hereby proclaim the week of July 14 through July 20, 1974, as Captive Nations Week, and do urge all our citizens to meditate upon the hardships endured by those whose lives are not yet their own.

Issued: This 1st day of July, 1974.

RICHARD H. MARRIOTT,
Mayor.

CITY OF SAN JOSE, CALIF., PROCLAMATION

Whereas, This coming July 14–20, 1974 will be the 15th observance of Captive Nations Week; and

Whereas, Congress established this necessary annual observance by passing in 1959 the famous Captive Nations Week Resolution, which President Eisenhower signed into Public Law 86–90; and

Whereas, The recent talks with Brezhnev cannot erase the fact that the peoples of the Captive nations in Central Europe, within the USSR, in Asia and Cuba still are captive under totalitarian Red rule as they were in 1959; and

Whereas, Pragmatic deals with despotic communist regimes do not include for any true American the deal to sell the captive nations into permanent captivity;

Now, therefore, I, Norman Y. Mineta, Mayor of the City of San Jose, do hereby proclaim July 14–20, 1974, as "Captive Nations Week" in the City of San Jose, and invite the people of the United States to observe such week with appropriate ceremonies and activities.

Proclaimed this 14th Day of July, 1974, in the City of Jan Jose, State of California.

NORMAN Y. MINETA,
Mayor.

CITY OF NEW HAVEN, CONN., PROCLAMATION

Whereas: The quest for general relaxation of tension and world peace is the key objective of all freedom-loving peoples and one to which the American Friend of the Captive Nations have always fully subscribed; and

Whereas: One of the requisites for achieving this goal is a Europe united in freedom, with each and every nation able to exercise its inalienable right to self-termination; and

Whereas: The greatness of our Country stems from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas: In accordance with Public Law 86–90, unanimously adopted in 1959 by the Congress of the United States by which the third week of July is annually designated as Captive Nations Week; and

Whereas: Captive Nations Week provides an opportunity for all Americans to show the freedom seeking peoples of Ukrania, Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Romania that they have not been forgotten; and

Whereas: A successful Captive Nations Week would continue importantly to raising the morale of captive people and would thus serve the vital interests of the United States and the entire free world.

Now, therefore, I, Bartholomew F. Guida, Mayor of the City of New Haven, Connecticut, do hereby designate the period of July 14–20, 1974, as Captive Nations Week and call upon all to observe this week with appropriate ceremonies.

In witness thereof I have hereunto set my hand and caused the seal of The City of New Haven to be affixed.

BARTHOLOMEW F. GUIDA,
Mayor.

A CRY FOR HELP!

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. LANDGREBE. Mr. Speaker, I recently received a letter from Mr. Tedis Zierins of Chicago concerning the Soviet occupation of the Baltic nations, Latvia, Estonia, and Lithuania. Together with his letter, he enclosed an article entitled "A Cry for Help!" which is about one Daniel Bruvers, now a prisoner in the Communist prisons.

If I may, I would like to add a personal note before I ask that this article be printed. When I was visiting the Soviet Union 2 years ago, I was detained by the Communist police for distributing Bibles and New Testaments. I was questioned for several hours and finally released. I can well believe the reports of the torture and murder of Christians by the Communists for the crime of believing in a God other than the state, for I know what the Communists did to me, a Member of the U.S. Congress. I ask that all my colleagues give their full attention to the following article:

A CRY FOR HELP!

At a time when again we see many pictures of Soviet smiles, when again we hear claims that Congress should grant most favored nation status to Soviet Union in trade business, when again we are told that we should make new deals with Moscow, I appeal to every human being to consider todays life under Soviet rule. Please listen to a cry for help of one persecuted family I know there.

Three years ago a young student, Rudite (age twenty) living in West Germany visited Riga, capital of Soviet occupied Latvia and met a young man, Daniels Bruvers. In January 1973 she had an opportunity to return for another short visit and she married Daniels. Both are devout christians, Baptists.

When later Daniels asked Soviet officials for permission to join his wife in West Germany, he was told to forget her or be thrown in jail. After all efforts failed on July 21, last year, Daniels started a hunger strike. His wife picketed the Soviet Embassy in West Germany every day. Her mother and friends picketed in some other countries. (I picketed some Soviet visitors here in Chicago.) All that got publicity in the news media. As a result of all that after four weeks of hunger strike, Moscow permitted Daniels to leave Soviet-occupied Latvia and join his wife, Rudite. For a while it seemed that the story had a really happy ending.

But alas! Daniels comes from a big family, six children. They are a devout Christian family. Their father had been deported twice to Siberian forced labor camps from where he returned in poor health, but he has to work hard in Latvia still today. Because of their religious faith the children were not permitted to study in college or a university. After many difficulties, only the youngest of them Pavils Bruvers was accepted in the Medical Institute at last.

Recently Daniel's brothers, Pavils Bruvers, a medical student, born April 10, 1949 and Olafs Bruvers, a taxi driver, born August 26, 1947 had discussed with their fellow workers and fellow students some needed improvements in TV programs and in everyday life.

As a result of this discussion, they had prepared and circulated a little opinion poll among their fellow workers and fellow students. They had promised that after completing the poll, the results will be turned over to the local Soviet newspapers.

The poll was anonymous. Nobody had to give his or hers name. Therefore the answers were honest. The poll consisted of the following questions: What would you like to hear on radio and see on TV. What would you like to see in movie theatres. What would you like to read in newspapers and magazines? Where would you like to spend your vacation? What countries would you like to visit if possible? What is your opinion of "Leniniskas talkas"—"Subotniki". (Obligatory "voluntary" overtime on several weekends without pay to promote Lenin's ideas in the world.) What is your opinion about mass meetings and demonstrations. (Officially the participation in mass meetings and demonstrations is voluntary, but in reality you are requested to participate.)

Olafs and Pavils are singles and live with their parents—their address: Sejas iela 58 Riga, Latvia.

On May 16, eight Soviet Secret Police KGB men searched their small apartment and continued the search the next day May 17. The only materials they confiscated were some religious magazines and articles and the gospels to be used as evidence against them.

After that both brothers were called to KGB headquarters for interrogation almost every day until on May 24 they did not return home after interrogation. Since that day they have been in solitary confinement in the main KGB prison on Lenin & Engels Street, Riga, Latvia. No friends or parents are permitted to visit them.

The name of their interrogator and accuser is Dembovskis whose title is Chief investigator of special cases for the KGB. KGB demands the names of all the 107 people who had answered the questions of the opinion poll despite that the poll was anonymous. KGB accused them also of being agents of the enemies of Soviet system and having contacts with people in the West.

Since Daniels Bruvers left Latvia, his relatives have been watched very closely by Soviet officials. Their persecution is only one example of Soviet violation of basic human rights.

I ask our government and Congress to make no trade or other deals with Moscow until the day they stop violating the most basic human rights.

Please help the brothers of Daniels Bruvers in any way you can before they disappear in the Gulag Archipelago of today so well described by Alexander Solzhenitsyn.

P.S.—It is an irony that Daniels Bruvers was born in 1945 on the birthday of Lenin, the founder of Soviet system which persecutes him and his relatives.

THE TURKISH OPIUM POPPY BAN

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1974

Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues recent broadcasts by New York City radio stations WCBS and WWRL which urge that Congress consider cutting off all aid to Turkey, until Turkey reinstitutes its ban prohibiting opium poppy cultivation.

In my home community in New York City junkies run the streets, occupy abandoned buildings, lurk in doorways and literally hold the community in fear. Consequently I know firsthand the destructive impact of heroin in a community and the detrimental effects it has on the quality of life for our citizens. I have devoted a significant portion of my energies as a legislator toward the elimination of this cancerous sore from my community, as well as from the other infected communities throughout the County, urging the establishment and implementation of more effective law enforcement measures.

No law enforcement measure has proven as successful as the agreement reached between the United States and Turkish Governments to eradicate the source by placing a ban on the cultivation of the opium poppy.

The editorials follow:

WWRL EDITORIAL, JULY 15, 1974

The news on the drug front is a bit discouraging these days. Ten months ago, New York State's tough new anti-drug bills went into effect. And what have they achieved? As WWRL predicted . . . very little. A few small fry have been scooped up, but the major dealers are still out there, raking it in, and kids are being hooked every day.

And now the Turkish government has decided to lift its three year ban on the growing of opium poppies. Experts estimate that the major portion of New York City's drugs have come from Turkish opium. WWRL doesn't understand how our country can continue to support and help a country which is crippling and killing thousands of Americans, with drugs sanctioned by the government. WWRL urges that Congress consider cutting off all such aid, until Turkey once again bans the unrestricted growing of the death-dealing opium poppy.

On air: Monday, July 15, 1974, Tuesday, July 16, 1974, Wednesday, July 17, 1974.

WCBS EDITORIAL, JULY 12, 1974

Subject: Turkey Lifts Poppy Ban 74-10.
Broadcast: July 12, 1974; 4 a.m., 9 a.m., 4 p.m., 9 p.m.

The "French Connection" is more than a thrilling movie. It's the real life way this country gets its heroin. Opium poppy is grown in Turkey, processed into heroin in Marseilles and delivered through "French Connection" pushers to the United States.

For the past three years, at the urging of the U.S. Government, Turkey didn't grow poppy. Instead, 35.7 million dollars was given to Turkish farmers to compensate for lost revenues. The Turks now say it isn't enough and will resume growing the poppy seeds this fall.

Heroin addiction declined an estimated 50% while the growing ban was on. In New York, where nearly *half* the addicts in the country live, that's crucial. The decline was partly due to the smaller quantity and poorer quality of street heroin.

Narcotics experts say that within the next sixty days there will be a significant increase in the heroin supply. Stockpiled heroin, stored by the middleman during the Turkish growing ban, will reach the streets with the assurance that more is on the way.

The U.S. Ambassador to Turkey has already been recalled in protest. But that's hardly enough. Mayor Beame, Congressman Charles Rangel and others believe that all aid to Turkey should be cut off. We at WCBS/FM agree. We can't support the Turkish Government while they support our heroin habit.

ALL SIX, HONORABLE MEN

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. SHUSTER. Mr. Speaker, the historic impeachment vote last Saturday night, while easy for none on the Judiciary Committee, perhaps was most difficult for the six Republican freshmen. Who could have thought, when you administered their oath of office on January 3, 1973, that 1 year, 6 months, and 24 days later they would be faced with a vote to impeach their President?

Three of them, Congressmen Butler, COHEN, and FROEHLICH voted for impeachment, and three of them, Congressmen LOTT, MARAZITI, and MOORHEAD of California voted against impeachment.

Mr. Speaker, I hope the American people know that all six agonized over this solemn issue. There should be absolutely no doubt that all six are decent, capable men, who voted their consciences. I do not know how I shall finally vote, but their vote means that I shall ultimately be in fundamental disagreement with three of my closest colleagues on this historic issue. And I do know this, when that day comes, I shall respect the three with whom I disagree no less than the three with whom I shall stand, because, Mr. Speaker, most importantly, all six are honorable men.